

This is an English translation of the Financial Results (*Kessan Tanshin*) filed with the Tokyo Stock Exchange on January 31, 2022. Please note that if there is any discrepancy, the original Japanese version will take priority.



(English Translation)

Quarterly Financial Results (Unaudited) (for the Nine Months Ended December 31, 2021)

January 31, 2022

Electric Power Development Co., Ltd. (J-POWER)

Listed exchange: Tokyo Stock Exchange (Code: 9513)

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Scheduled date for filing of a quarterly report: February 1, 2022

Scheduled date of dividend payment commencement: Not applicable

Preparation of supplementary explanations material: Yes

Quarterly financial results presentation held: No

(Note) All monetary values are rounded down to the nearest units as indicated in each table.

1. Consolidated Financial Results (From April 1, 2021 to December 31, 2021)

(1) Consolidated Operating Results

(Percentages (%) represent changes from the same period of the previous year)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended Dec. 31, 2021	709,513	17.0	63,932	(14.7)	54,866	(18.2)	40,393	(28.0)
Nine months ended Dec. 31, 2020	606,252	(10.3)	74,937	9.8	67,036	0.2	56,071	44.7

(Note) Comprehensive income: Nine months ended Dec. 31, 2021 58,808 million yen 129.7 %
 Nine months ended Dec. 31, 2020 25,597 million yen 54.9 %

	Earnings per share	Fully diluted earnings per share
	yen	yen
Nine months ended Dec. 31, 2021	220.67	—
Nine months ended Dec. 31, 2020	306.32	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
Nine months ended Dec. 31, 2021	2,897,094	894,567	29.4
Year ended March 31, 2021	2,841,960	853,685	28.5

(Reference) Shareholders' equity: Nine months ended Dec. 31, 2021 850,647 million yen
 Year ended March 31, 2021 809,145 million yen

2. Dividends

	Cash dividends per share				
	Record date				Annual
	Jun. 30	Sep. 30	Dec. 31	Mar. 31	
	yen	yen	yen	yen	yen
Year ended March 31, 2021	—	35.00	—	40.00	75.00
Year ending March 31, 2022	—	35.00	—		
Year ending March 31, 2022 (forecasts)				40.00	75.00

(Note) Revisions to dividends forecasts in the current quarter: None

3. Consolidated Earnings Forecasts for the Year Ending March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Percentages (%) represent changes from the same period of the previous year)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2022	1,030,000	13.3	74,000	(4.9)	63,000	3.4	46,000	106.2	251.30

(Note) Revisions to consolidated earnings forecasts in the current quarter: Yes

4. Other Information

(1) Principal subsidiaries subject to changes: Yes

Excluded: 1 company (J-POWER RESOURCES Co., Ltd.)

(Note) J-POWER RESOURCES Co., Ltd., which was the Company's specified subsidiary, was excluded from the scope of consolidation from the third quarter of the fiscal year ended March 31, 2022, due to an absorption-type merger with J-POWER Business Service Corporation, a consolidated subsidiary of the Company.

(2) Application of accounting methods which are exceptional for quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates and restatement of corrections

1) Changes in accounting policies due to revisions of accounting standards etc.: Yes

2) Changes in accounting policies except 1): None

3) Changes in accounting estimates: None

4) Restatement of corrections: None

(Note) For details, please refer to "(5) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements" on page 9.

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)

Nine months ended Dec. 31, 2021: 183,051,100

Year ended March 31, 2021: 183,051,100

2) Treasury stock at the end of the period

Nine months ended Dec. 31, 2021: 2,902

Year ended March 31, 2021: 2,741

3) Average number of shares outstanding during the period

Nine months ended Dec. 31, 2021: 183,048,322

Nine months ended Dec. 31, 2020: 183,048,592

* This quarterly financial results are out of the scope of quarterly review procedures by CPA or an audit firm

* Forward-looking statements and other special notes

- The Company has revised its earnings forecasts for the year ending March 31, 2022 announced on October 29, 2021. For details, please refer to "Qualitative Information on Consolidated Earnings Forecasts" on page 3 and "Notice Regarding Revisions to the Earnings Forecasts" announced today, January 31, 2022.
- The forward-looking statements described in this material are made on the basis of currently available information and contain uncertain elements. Therefore, actual results may differ from forecast.
- The supplementary explanation material is available on our website at <https://www.jpowers.co.jp/english/> under the investor relations section.

[Reference]

Non-consolidated Earnings Forecasts for the Year Ending March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Percentages (%) represent changes from the same period of the previous year)

	Operating revenue		Operating income		Ordinary income		Profit		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Year ending March 31, 2022	739,000	25.3	5,000	(93.6)	45,000	(60.5)	46,000	196.2	251.30

(Note) Revisions to non-consolidated earnings forecasts in the current quarter: Yes

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1. Qualitative Information on Current Quarterly Settlement

(1) Qualitative Information on Consolidated Operating Results

1) Electricity Sales Volume

In the electric power business, electricity sales volume from hydroelectric power plants for the nine months ended December 31, 2021 increased by 10.6% year on year to 7.6 billion kWh thanks to increased water supply rate compared to the same period of the previous year (92%→101%). Meanwhile, the sale of electricity procured from the electricity wholesale market increased by 53.1% year on year to 12.0 billion kWh. As for the thermal power business, sales volume decreased by 15.0% year on year to 33.2 billion kWh due to the decrease in load factor of thermal power plants of the Company(non-consolidated: 76%→62%) caused by facility troubles. The electric power business as a whole ended with 53.8 billion kWh registering a year on year fall of 1.7%.

Electricity sold by our overseas business remained at the same level year on year, 9.0 billion kWh.

2) Overview of Incomes and Expenditures

As for incomes, though the sales volume of electricity from thermal power generation fell due to lower load factor of thermal power plants for the electric power business, the sales (operating revenues) increased by 17.0% year on year to 709.5 billion yen thanks to the electricity sale price rise and the growth of sales of electricity procured from the electricity wholesale market. Adding non-operating income to the said figure, we see 16.8% year on year increase in our quarterly ordinary income that stands at 729.4 billion yen.

Meanwhile, as for expenditures, operating expenses increased by 21.5% year on year to 645.5 billion yen since costs for power sources purchased from other companies as well as fuels costs and costs for repair including periodic inspections in the thermal power business increased. Non-operating expenses increased by 11.2% year on year to 29.0 billion yen due to increased foreign exchange loss. Accordingly, quarterly ordinary expenses rose by 21.0% year on year to 674.6 billion yen.

As a result, ordinary income declined by 18.2% year on year down to 54.8 billion yen. Profit attributable to owners of parent fell by 28.0% year on year down to 40.3 billion yen without contribution from the gain on the sale of stocks of affiliated companies that was recorded as extraordinary gain in the previous period.

The effect of the application of the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. on the quarterly consolidated financial statements is immaterial.

(2) Qualitative Information on Consolidated Financial Position

Assets increased by 55.1 billion yen from the level at the previous fiscal year end to 2.8970 trillion yen thanks to progresses in construction works for Central Java Coal-fired Thermal Power Plant in Indonesia and Jackson Gas-fired Thermal Power Plant in the US.

Meanwhile, liabilities increased by 14.2 billion yen from the level at the previous fiscal year end to 2.0025 trillion yen, of which interest-bearing debts increased by 37.0 billion yen

from the previous fiscal year end level to 1.7017 trillion yen. Of those interest-bearing debts, 286.2 billion yen are non-recourse loans in overseas businesses.

Net assets increased by 40.8 billion yen to 894.5 billion yen due to increases in foreign currency translation adjustment and deferred gains or losses on hedges as well as the recording of quarterly net profit attributable to owners of parent.

As a result of the above, equity ratio increased to 29.4% from 28.5% at the previous fiscal year end.

(3) Qualitative Information on Consolidated Earnings Forecasts

As for the earnings forecasts for the year ending March 31, 2022, we expect increases in revenue and incomes as compared to earnings forecasts for the said period published on October 29, 2021 since sales in the thermal power business are expected to increase due to price increase in the electricity wholesale market and profits are expected to increase thanks to lower fuel costs for thermal power generation.

Consolidated earnings forecasts (Year ending March 31, 2022)

	(Unit: billion yen)		
	Revised forecasts	Previous forecasts	Year ended Mar. 31, 2021 (Result)
Operating Revenue	1030.0	990.0	909.1
Operating Income	74.0	44.0	77.7
Ordinary Income	63.0	41.0	60.9
Profit attributable to owners of parent	46.0	30.0	22.3

Electricity sales volume and other factors (Year ending March 31, 2022)

			Revised forecasts	Previous forecasts	Year ended Mar. 31, 2021 (Result)
Electric Power Business	Hydroelectric	Electricity sales volume (TWh)	9.4	9.8	8.9
		Water supply rate (%)	101	103	96
	Thermal	Electricity sales volume (TWh)	47.4	46.7	52.1
		Load factor*1 (%)	66	65	75
	Wind	Electricity sales volume (TWh)	1.1	1.1	1.2
	Other*2	Electricity sales volume (TWh)	15.2	15.0	12.3
Overseas Business	Electricity sales volume (TWh)	11.5	12.1	11.0	

*1 Load factor of thermal power of J-POWER (non-consolidated)

*2 Electricity procured from electricity wholesale market, etc.

Foreign exchange rate (Year ending March 31, 2022)

	Revised forecasts	Previous forecasts	Year ended Mar. 31, 2021 (Result)
Yen/US\$ (Foreign exchange rate at the end of Dec.)	115.02	105.00	103.50
Yen/THB (Foreign exchange rate at the end of Dec.)	3.43	3.60	3.44

[Reference]

Non-consolidated earnings forecasts (Year ending March 31, 2022)

(Unit: billion yen)

	Revised forecasts	Previous forecasts	Year ended Mar. 31, 2021 (Result)
Operating Revenue	739.0	706.0	589.9
Operating Income	5.0	(22.0)	77.8
Ordinary Income	45.0	18.0	114.0
Profit	46.0	26.0	15.5

2. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(Unit: million yen)

	As of Mar. 31, 2021	As of Dec. 31, 2021
Assets		
Non-current assets	2,475,202	2,537,264
Electric utility plant and equipment	1,107,399	1,076,170
Hydroelectric power production facilities	356,513	356,289
Thermal power production facilities	422,645	401,445
Internal combustion engine power production facilities	1,460	1,412
Renewable power production facilities	84,040	78,573
Transmission facilities	145,989	144,329
Transformation facilities	31,743	31,143
Communication facilities	7,054	6,340
General facilities	57,952	56,634
Overseas business facilities	286,958	265,794
Other non-current assets	91,106	91,205
Construction in progress	588,222	641,739
Construction in progress	588,222	641,739
Nuclear fuel	75,359	75,467
Nuclear fuel in processing	75,359	75,467
Investments and other assets	326,156	386,886
Long-term investments	252,425	315,952
Retirement benefit asset	87	200
Deferred tax assets	54,221	53,047
Other	19,521	17,805
Allowance for doubtful accounts	(99)	(118)
Current assets	366,757	359,830
Cash and deposits	189,842	112,732
Notes and accounts receivable - trade	66,140	-
Notes and accounts receivable - trade, and contract assets	-	89,903
Inventories	46,085	55,716
Other	65,042	101,605
Allowance for doubtful accounts	(352)	(127)
Total assets	2,841,960	2,897,094

(Unit: million yen)

	As of Mar. 31, 2021	As of Dec. 31, 2021
Liabilities		
Non-current liabilities	1,713,159	1,706,295
Bonds payable	654,994	694,994
Long-term loans payable	892,350	853,355
Lease obligations	2,484	2,302
Other provision	26	21
Net defined benefit liability	45,647	45,843
Asset retirement obligations	35,378	36,291
Deferred tax liabilities	15,403	17,371
Other	66,874	56,115
Current liabilities	275,115	296,231
Current portion of non-current liabilities	87,332	123,796
Short-term loans payable	8,947	8,655
Commercial papers	20,005	20,001
Notes and accounts payable-trade	23,625	30,093
Accrued taxes	43,865	14,858
Other provision	661	630
Asset retirement obligations	493	396
Other	90,185	97,798
Total liabilities	1,988,274	2,002,527
Net assets		
Shareholders' equity	814,772	841,532
Capital stock	180,502	180,502
Capital surplus	119,877	119,881
Retained earnings	514,401	541,158
Treasury shares	(8)	(8)
Accumulated other comprehensive income	(5,627)	9,115
Valuation difference on available-for-sale securities	11,156	11,708
Deferred gains or losses on hedges	(33,968)	(25,661)
Foreign currency translation adjustment	9,096	18,860
Remeasurements of defined benefit plans	8,088	4,207
Non-controlling interests	44,540	43,919
Total net assets	853,685	894,567
Total liabilities and net assets	2,841,960	2,897,094

(2) Consolidated Statement of Income and Comprehensive Income

Consolidated statement of income

	(Unit: million yen)	
	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2021
Operating revenue	606,252	709,513
Electric utility operating revenue	471,129	567,237
Overseas business operating revenue	107,276	102,449
Other business operating revenue	27,847	39,826
Operating expenses	531,315	645,580
Electric utility operating expenses	413,061	525,966
Overseas business operating expenses	85,128	82,676
Other business operating expenses	33,125	36,938
Operating income	74,937	63,932
Non-operating income	18,199	19,966
Dividend income	2,752	1,862
Interest income	386	1,193
Share of profit of entities accounted for using equity method	12,375	13,535
Other	2,684	3,375
Non-operating expenses	26,100	29,032
Interest expenses	17,755	16,539
Foreign exchange losses	4,954	9,774
Other	3,390	2,719
Total ordinary revenue	624,452	729,479
Total ordinary expenses	557,416	674,613
Ordinary income	67,036	54,866
Extraordinary income	9,745	-
Gain on sales of shares of subsidiaries and associates	9,745	-
Profit before income taxes	76,782	54,866
Income taxes-current	15,548	8,211
Income taxes-deferred	(123)	3,847
Total income taxes	15,425	12,059
Profit	61,357	42,807
Profit attributable to non-controlling interests	5,285	2,413
Profit attributable to owners of parent	56,071	40,393

Consolidated statement of comprehensive income

	(Unit: million yen)	
	Nine months ended Dec. 31, 2020	Nine months ended Dec. 31, 2021
Profit	61,357	42,807
Other comprehensive income		
Valuation difference on available-for-sale securities	1,784	639
Deferred gains or losses on hedges	(5,366)	5,557
Foreign currency translation adjustment	(17,465)	6,436
Remeasurements of defined benefit plans, net of tax	1,766	(3,883)
Share of other comprehensive income of entities accounted for using equity method	(16,478)	7,250
Total other comprehensive income	(35,759)	16,001
Comprehensive income	25,597	58,808
(Comprehensive income attributable to abstract)		
Comprehensive income attributable to owners of parent	27,357	55,135
Comprehensive income attributable to non-controlling interests	(1,759)	3,673

(3) Notes on Premise of Going Concern

Not applicable.

(4) Notes on Significant Changes in Shareholders' Equity

Not applicable.

(5) Changes in Accounting Policies, Changes in Accounting Estimates, and Restatements

(Changes in accounting policies)

(Application of the Revenue Recognition Accounting Standard, etc.)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the "Revenue Recognition Accounting Standard") and other related standards have been applied since the beginning of the first quarter of the current fiscal year, and the Company recognizes revenue when control of promised goods or services has been transferred to customers at the amount expected to be received in exchange for those goods or services. For some transactions, the Company previously recognized the total amount of consideration received from customers as revenue. As a result of the said change, however, for transactions in which the J-POWER Group's role in providing goods or services to customers is that of an agent, the Company has changed to a method of recognizing revenue at the net amount, which is the amount received from customers less the amount paid to suppliers.

For the application of the Revenue Recognition Accounting Standard, etc., the Company has followed the transitional treatment prescribed in the proviso of paragraph 84 of the Revenue Recognition Accounting Standard, and the cumulative effect of retroactively applying the new accounting policy to the periods prior to the beginning of the first quarter of the current fiscal year has been added to or subtracted from retained earnings at the beginning of the first quarter of the current fiscal year, and the new accounting policy has been applied starting from the balance at the beginning of the first quarter of the current fiscal year.

The effect of this on the quarterly consolidated financial statements is immaterial.

Due to the application of the Revenue Recognition Accounting Standard, etc., "Notes and accounts receivable-trade," which was presented under "Current assets" in the consolidated balance sheet for the previous fiscal year, is now included in "Notes and accounts receivable-trade, and contract assets" from the first quarter of the current fiscal year. In accordance with the transitional treatment prescribed in paragraph 89-2 of the Revenue Recognition Accounting Standard, the previous consolidated fiscal year is not restated by using the new presentation method.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The "Accounting Standard for Measurement of Fair Value" (ASBJ Statement No. 30, July 4, 2019, hereinafter referred to as the "Fair Value Accounting Standard"), etc. have been applied since the beginning of the first quarter of the current fiscal year and in accordance with the transitional treatment prescribed in paragraph 19 of the Fair Value Accounting Standard and paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Company will henceforth apply the new accounting policy set forth by

the Fair Value Accounting Standard, etc. The effect of this on the quarterly consolidated financial statements is immaterial.

(6) Additional Information

(Spread of COVID-19 infection)

The J-POWER Group is promoting power plant construction projects in the US, UK and Indonesia. Though COVID-19 infection is affecting power plant construction projects in each country, the impact is limited and there has occurred no significant events which affect financial position. There are no significant changes from the contents described in the securities report filed on June 25, 2021.

3. Appendixes

[Appendix 1]

Revenues and Expenses (Consolidated)

(Unit: million yen)

	Nine months ended Dec. 31, 2020 (A)	Nine months ended Dec. 31, 2021 (B)	Year-on-year change	
			(B-A)	(B-A)/A
Operating revenue	606,252	709,513	103,260	17.0%
Electric utility operating revenue	471,129	567,237	96,108	20.4%
Sold power to other suppliers	424,775	528,478	103,703	24.4%
Transmission revenue	37,407	36,390	(1,016)	(2.7)%
Other electricity revenue	8,946	2,368	(6,578)	(73.5)%
Overseas business operating revenue	107,276	102,449	(4,826)	(4.5)%
Other business operating revenue	27,847	39,826	11,978	43.0%
Operating expenses	531,315	645,580	114,264	21.5%
Electric utility operating expenses	413,061	525,966	112,904	27.3%
Personnel expense	26,045	18,407	(7,638)	(29.3)%
Fuel cost	146,279	187,621	41,341	28.3%
Repair expense	28,523	37,640	9,117	32.0%
Consignment cost	31,304	33,053	1,749	5.6%
Taxes and duties	17,750	19,304	1,554	8.8%
Depreciation and amortization cost	53,240	54,626	1,386	2.6%
Other	109,918	175,312	65,394	59.5%
Overseas business operating expenses	85,128	82,676	(2,452)	(2.9)%
Other business operating expenses	33,125	36,938	3,812	11.5%
Operating income	74,937	63,932	(11,004)	(14.7)%
Non-operating income	18,199	19,966	1,767	9.7%
Dividend income	2,752	1,862	(889)	(32.3)%
Interest income	386	1,193	806	208.7%
Share of profit of entities accounted for using equity method	12,375	13,535	1,160	9.4%
Other	2,684	3,375	690	25.7%
Non-operating expenses	26,100	29,032	2,932	11.2%
Interest expenses	17,755	16,539	(1,216)	(6.9)%
Foreign exchange losses	4,954	9,774	4,820	97.3%
Other	3,390	2,719	(671)	(19.8)%
Total ordinary revenue	624,452	729,479	105,027	16.8%
Total ordinary expenses	557,416	674,613	117,197	21.0%
Ordinary income	67,036	54,866	(12,169)	(18.2)%
Extraordinary income	9,745	-	(9,745)	-
Profit before income taxes	76,782	54,866	(21,915)	(28.5)%
Income taxes-current	15,548	8,211	(7,337)	(47.2)%
Income taxes-deferred	(123)	3,847	3,971	-
Profit	61,357	42,807	(18,549)	(30.2)%
Profit attributable to non-controlling interests	5,285	2,413	(2,871)	(54.3)%
Profit attributable to owners of parent	56,071	40,393	(15,677)	(28.0)%

[Appendix 2]

(1) Generation capacity

(Unit: kW)

	As of Dec. 31, 2020 (A)	As of Dec. 31, 2021 (B)	Year-on-year change (B-A)
Electric power business	17,913,449	17,878,349	(35,100)
Hydroelectric power	8,560,369	8,560,369	-
Thermal power	8,773,420	8,773,420	-
Wind power	579,660	544,560	(35,100)
Overseas business	3,990,000	3,990,000	-
Total	21,903,449	21,868,349	(35,100)

(2) Electricity sales volume

(Unit: GWh)

	Nine months ended Dec. 31, 2020 (A)	Nine months ended Dec. 31, 2021 (B)	Year-on-year change (B-A)
Electric power business	54,744	53,807	(936)
Hydroelectric power	6,878	7,607	728
Thermal power	39,170	33,298	(5,871)
Wind power	793	804	10
Other	7,901	12,097	4,195
Overseas business	9,022	9,080	57
Total	63,767	62,888	(879)

* Other shows sales volume of electricity procured from wholesale electricity market, etc.

(3) Water supply rate and Load factor (J-POWER non-consolidated)

(Unit: %)

	Nine months ended Dec. 31, 2020 (A)	Nine months ended Dec. 31, 2021 (B)	Year-on-year change (B-A)
Water supply rate	92	101	9
Load factor	76	62	(14)