

# Consolidated Financial Statements

## Consolidated Balance Sheet

Kyushu Electric Power Company, Incorporated and Consolidated Subsidiaries  
Year Ended March 31, 2022

ASSETS	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2022	2021	2022
PROPERTY (Note 5):			
Plant and equipment	¥ 11,118,905	¥ 10,975,903	\$ 90,833,309
Construction in progress	538,837	504,045	4,401,910
Total	11,657,743	11,479,949	95,235,219
Less:			
Contributions in aid of construction	238,967	235,049	1,952,185
Accumulated depreciation	7,770,903	7,655,674	63,482,589
Total	8,009,870	7,890,723	65,434,775
Net property	3,647,872	3,589,225	29,800,444
NUCLEAR FUEL	222,399	229,765	1,816,841
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 3, 6 and 20)	103,802	94,868	847,991
Investments in and advances to nonconsolidated subsidiaries and affiliated companies (Notes 3 and 20)	184,479	172,739	1,507,060
Assets for retirement benefits (Note 9)	26,623	22,493	217,495
Deferred tax assets (Notes 3 and 12)	140,727	144,062	1,149,638
Special account related to nuclear power decommissioning (Note 2.h)	39,544	41,926	323,053
Special account related to reprocessing of spent nuclear fuel (Note 2.o)	94,874	75,470	775,053
Other	149,837	127,398	1,224,058
Total investments and other assets	739,889	678,959	6,044,351
CURRENT ASSETS:			
Cash and cash equivalents (Note 20)	241,756	223,901	1,974,969
Receivables (Notes 14 and 20)	331,089	293,752	2,704,755
Allowance for doubtful accounts	(4,977)	(3,734)	(40,661)
Inventories, principally fuel	101,699	70,426	830,811
Prepaid expenses and other	62,621	46,266	511,574
Total current assets	732,189	630,612	5,981,449
<b>TOTAL</b>	<b>¥ 5,342,350</b>	<b>¥ 5,128,563</b>	<b>\$ 43,643,086</b>

See notes to consolidated financial statements.

LIABILITIES AND EQUITY	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2022	2021	2022
LONG-TERM LIABILITIES:			
Long-term debt, less current portion (Notes 8 and 20)	¥ 3,149,232	¥ 2,958,147	\$ 25,726,921
Liability for retirement benefits (Note 9)	85,946	88,107	702,121
Asset retirement obligations (Note 10)	289,103	278,031	2,361,761
Other	58,690	66,039	479,455
Total long-term liabilities	3,582,972	3,390,325	29,270,260
CURRENT LIABILITIES:			
Current portion of long-term debt (Notes 8 and 20)	384,285	418,763	3,139,332
Short-term borrowings (Notes 11 and 20)	120,810	123,108	986,934
Commercial paper (Note 20)		40,000	
Notes and accounts payable (Notes 18 and 20)	224,255	146,172	1,831,999
Accrued income taxes	3,274	9,537	26,749
Other	342,800	310,917	2,800,426
Total current liabilities	1,075,425	1,048,499	8,785,441
RESERVE FOR FLUCTUATIONS IN WATER LEVEL (Note 2.s)	7,613	8,268	62,198
COMMITMENTS AND CONTINGENCIES (Note 22)			
EQUITY (Note 13):			
Common stock—authorized, 1,000,000,000 shares; issued, 474,183,951 shares	237,304	237,304	1,938,606
Preferred stock—authorized, 1,000 shares; issued, 1,000 shares			
Capital surplus	120,006	120,007	980,368
Retained earnings	277,382	290,381	2,266,008
Treasury stock—at cost, 1,463,267 shares in 2022 and 1,158,956 shares in 2021	(1,706)	(1,454)	(13,941)
Accumulated other comprehensive income:			
Unrealized gain on available-for-sale securities	4,104	3,704	33,530
Deferred gain on derivatives under hedge accounting	4,723	3,495	38,584
Foreign currency translation adjustments	(1,383)	(5,169)	(11,305)
Defined retirement benefit plans	5,066	4,037	41,385
Total	645,497	652,307	5,273,238
Noncontrolling interests	30,840	29,162	251,946
Total equity	676,337	681,470	5,525,185
<b>TOTAL</b>	<b>¥ 5,342,350</b>	<b>¥ 5,128,563</b>	<b>\$ 43,643,086</b>

## Consolidated Statement of Income

Kyushu Electric Power Company, Incorporated and Consolidated Subsidiaries  
Year Ended March 31, 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2022	2021	2022
OPERATING REVENUES (Note 14):			
Electric	¥ 1,486,155	¥ 1,284,207	\$ 12,140,804
Other	257,154	237,770	2,100,764
Total operating revenues	1,743,310	1,521,977	14,241,568
OPERATING EXPENSES (Note 15):			
Electric	1,452,544	1,197,247	11,866,226
Other	242,141	247,836	1,978,114
Total operating expenses	1,694,685	1,445,083	13,844,341
OPERATING INCOME	48,624	76,894	397,227
OTHER EXPENSES (INCOME):			
Interest charges	25,043	26,258	204,588
Loss on impairment of fixed assets (Note 16)	3,536		28,892
Loss on reimbursement of electric imbalance revenues (Note 17)	3,955		32,310
Share of profit of entities accounted for using the equity method (Note 18)	(7,617)	(9,884)	(62,229)
Other —net	(1,186)	5,340	(9,690)
Other expenses—net	23,731	21,714	193,872
INCOME BEFORE INCOME TAXES AND REVERSAL OF RESERVE FOR FLUCTUATIONS IN WATER LEVEL	24,892	55,179	203,354
REVERSAL OF RESERVE FOR FLUCTUATIONS IN WATER LEVEL	654	572	5,345
INCOME BEFORE INCOME TAXES	25,546	55,752	208,700
INCOME TAXES (Note 12):			
Current	8,842	13,322	72,237
Deferred	7,935	8,690	64,828
Total income taxes	16,778	22,012	137,066
NET INCOME	8,768	33,739	71,633
NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	1,895	1,903	15,483
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ 6,873	¥ 31,835	\$ 56,149
	Yen		U.S. Dollars
	2022	2021	2022
PER SHARE OF COMMON STOCK (Note 2.v):			
Basic net income	¥ 10.09	¥ 62.86	\$ 0.08
Diluted net income		56.39	
Cash dividends applicable to the year:			
Common share	40.00	35.00	0.32
Class A preferred share	2,100,000.00	2,100,000.00	17,155.46

See notes to consolidated financial statements.

## Consolidated Statement of Comprehensive Income

Kyushu Electric Power Company, Incorporated and Consolidated Subsidiaries  
Year Ended March 31, 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2022	2021	2022
NET INCOME	¥ 8,768	¥ 33,739	\$ 71,633
OTHER COMPREHENSIVE INCOME (LOSS) (Note 23):			
Unrealized gain on available-for-sale securities	1,145	1,064	9,356
Deferred gain on derivatives under hedge accounting	264	3,470	2,164
Foreign currency translation adjustments	3,109	302	25,402
Defined retirement benefit plans	533	23,889	4,355
Share of other comprehensive income (loss) in nonconsolidated subsidiaries and affiliated companies	1,584	(35)	12,942
Total other comprehensive income	6,637	28,691	54,221
COMPREHENSIVE INCOME	¥ 15,405	¥ 62,430	\$ 125,855
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	¥ 13,314	¥ 60,070	\$ 108,769
Noncontrolling interests	2,091	2,359	17,085

See notes to consolidated financial statements.

## ● Consolidated Statement of Changes in Equity

Kyushu Electric Power Company, Incorporated and Consolidated Subsidiaries  
Year Ended March 31, 2022

	Thousands of Shares / Millions of Yen															
	Common Stock		Preferred Stock		Retained Earnings		Treasury Stock		Accumulated Other Comprehensive Income					Total	Noncontrolling Interests	Total Equity
	Shares	Amount	Shares	Amount	Capital Surplus	Retained Earnings	Shares	Amount	Unrealized Gain on Available-for-Sale Securities	Deferred Gain on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans				
BALANCE AT APRIL 1, 2020	474,183	¥237,304	1		¥120,008	¥276,997	1,194	¥(1,501)	¥2,115	¥713	¥(4,697)	¥(20,298)	¥610,641	¥27,316	¥637,957	
Cumulative effects of accounting change (Note 4)						(945)							(945)	(3)	(949)	
RESTATED BALANCE	474,183	237,304	1		120,008	276,051	1,194	(1,501)	2,115	713	(4,697)	(20,298)	609,695	27,312	637,008	
Cash dividends, ¥32.5 per common share						(15,402)							(15,402)		(15,402)	
Cash dividends, ¥2,102,877 per class A preferred share						(2,102)							(2,102)		(2,102)	
Net income attributable to owners of the parent						31,835							31,835		31,835	
Purchase of treasury stock							10	(9)					(9)		(9)	
Disposal of treasury stock						(0)	(45)	56					56		56	
Net change in the year									1,588	2,781	(471)	24,336	28,235	1,849	30,085	
BALANCE AT MARCH 31, 2021	474,183	237,304	1		120,007	290,381	1,158	(1,454)	3,704	3,495	(5,169)	4,037	652,307	29,162	681,470	
Cash dividends, ¥37.5 per common share						(17,772)							(17,772)		(17,772)	
Cash dividends, ¥2,100,000 per class A preferred share						(2,100)							(2,100)		(2,100)	
Net income attributable to owners of the parent						6,873							6,873		6,873	
Purchase of treasury stock							342	(299)					(299)		(299)	
Disposal of treasury stock						(0)	(37)	47					46		46	
Net change in the year									400	1,227	3,785	1,028	6,441	1,677	8,119	
BALANCE AT MARCH 31, 2022	474,183	¥237,304	1		¥120,006	¥277,382	1,463	¥ (1,706)	¥ 4,104	¥ 4,723	¥ (1,383)	¥ 5,066	¥645,497	¥ 30,840	¥676,337	

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## ● Consolidated Statement of Changes in Equity

Kyushu Electric Power Company, Incorporated and Consolidated Subsidiaries  
Year Ended March 31, 2022

	Thousands of U.S. Dollars (Note 1)											
	Common Stock	Preferred Stock	Capital Surplus	Retained Earnings	Treasury Stock	Accumulated Other Comprehensive Income				Total	Noncontrolling Interests	Total Equity
						Unrealized Gain on Available- for-Sale Securities	Deferred Gain on Derivatives under Hedge Accounting	Foreign Currency Translation Adjustments	Defined Retirement Benefit Plans			
BALANCE AT MARCH 31, 2021	\$1,938,606		\$ 980,375	\$2,372,201	\$ (11,883)	\$ 30,262	\$ 28,554	\$ (42,228)	\$ 32,987	\$5,328,874	\$ 238,239	\$5,567,114
Cash dividends, \$0.30 per common share				(145,186)						(145,186)		(145,186)
Cash dividends, \$17,155.46 per class A preferred share				(17,155)						(17,155)		(17,155)
Net income attributable to owners of the parent				56,149						56,149		56,149
Purchase of treasury stock					(2,444)					(2,444)		(2,444)
Disposal of treasury stock			(6)		386					380		380
Net change in the year						3,267	10,030	30,923	8,398	52,620	13,706	66,327
<b>BALANCE AT MARCH 31, 2022</b>	<b>\$1,938,606</b>		<b>\$ 980,368</b>	<b>\$2,266,008</b>	<b>\$ (13,941)</b>	<b>\$ 33,530</b>	<b>\$ 38,584</b>	<b>\$ (11,305)</b>	<b>\$ 41,385</b>	<b>\$5,273,238</b>	<b>\$ 251,946</b>	<b>\$5,525,185</b>

See notes to consolidated financial statements.

## Consolidated Statement of Cash Flows

Kyushu Electric Power Company, Incorporated and Consolidated Subsidiaries  
Year Ended March 31, 2022

	Millions of Yen		Thousands of U.S. Dollars (Note 1)	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2022	2021	2022	2022	2021	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Income before income taxes	¥ 25,546	¥ 55,752	\$ 208,700			
Adjustments for:						
Income taxes paid	(15,131)	(7,315)	(123,614)			
Depreciation and amortization	225,293	205,749	1,840,485			
Loss on impairment of fixed assets	3,536		28,892			
Decommissioning costs of nuclear power units	11,431	10,737	93,389			
Amortization of special account related to nuclear power decommissioning	2,381	1,609	19,452			
Loss on disposal of plant and equipment	7,188	6,106	58,723			
Reversal of reserve for fluctuation in water level	(654)	(572)	(5,345)			
Share of profit of entities accounted for using the equity method	(7,617)	(9,884)	(62,229)			
Loss on reimbursement of electric imbalance revenues	3,955		32,310			
Changes in assets and liabilities:						
Increase in trade receivables	(30,070)	(9,938)	(245,651)			
(Increase) decrease in inventories, principally fuel	(31,252)	12,626	(255,312)			
Increase in trade payables	66,058	12,889	539,652			
(Decrease) increase in liability for retirement benefits	(3,002)	650	(24,527)			
Increase in other receivables	(20,080)	(3,804)	(164,039)			
Increase or decrease in consumption taxes payables or receivables	(703)	(9,569)	(5,745)			
Increase in accrued expenses	14,695	6,561	120,050			
Other—net	6,235	(18,139)	50,940			
Total adjustments	232,264	197,707	1,897,430			
Net cash provided by operating activities	257,811	253,459	2,106,130			
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>						
Capital expenditures including nuclear fuel	(318,067)	(351,764)	(2,598,378)			
Proceeds from contribution in aid of construction	28,128	31,638	229,787			
Payments for investments and advances	(26,816)	(27,461)	(219,069)			
Proceeds from sales of investment securities and collections of advances	5,258	15,391	42,956			
Other—net	(9,382)	1,608	(76,648)			
Net cash used in investing activities	(320,879)	(330,587)	(2,621,351)			
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>						
Proceeds from issuance of bonds	259,162	288,619	2,117,165			
Repayments of bonds	(145,000)	(195,000)	(1,184,543)			
Proceeds from long-term loans	280,196	277,009	2,289,003			
Repayments of long-term loans	(246,547)	(205,384)	(2,014,116)			
Net (decrease) increase in short-term borrowings	(2,298)	5,096	(18,774)			
Net decrease in commercial paper	(40,000)	(52,000)	(326,770)			
Cash dividends paid	(19,821)	(17,450)	(161,925)			
Other—net	(6,263)	(5,340)	(51,165)			
Net cash provided by financing activities	79,428	95,549	648,872			
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	1,430	(72)	11,685			
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,790	18,350	145,336			
CASH AND CASH EQUIVALENTS OF A NEWLY CONSOLIDATED SUBSIDIARY, BEGINNING OF YEAR	63		522			
CASH AND CASH EQUIVALENTS OF A NONCONSOLIDATED SUBSIDIARY MERGED WITH A CONSOLIDATED SUBSIDIARY		65				
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	223,901	205,485	1,829,110			
CASH AND CASH EQUIVALENTS AT END OF YEAR	¥ 241,756	¥ 223,901	\$ 1,974,969			

See notes to consolidated financial statements.

## ● Notes to Consolidated Financial Statements

Kyushu Electric Power Company, Incorporated and Consolidated Subsidiaries  
Year Ended March 31, 2022

### 1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

Kyushu Electric Power Company, Incorporated (the "Company") has prepared the accompanying consolidated financial statements in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act, the Electricity Business Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. Especially, the accounting related to the nuclear power generation is regulated by the above accounting regulations, which are dependent on a governmental long-term nuclear energy policy.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made to the consolidated financial statements for the year ended March 31, 2021, to conform to the classifications used in the consolidated financial statements for the year ended March 31, 2022.

The U.S. dollar amounts included herein are provided solely for the convenience of readers outside Japan and are stated at the rate of ¥122.41 = U.S.\$1, the approximate exchange rate prevailing on March 31, 2022. The translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Japanese yen figures less than a million yen are rounded down to the nearest million yen, except for per share data. As a result, the totals shown in the accompanying consolidated financial statements (both in yen and U.S. dollars) do not necessarily agree with the sum of the individual amounts.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**a. Consolidation and Application of the Equity Method**—The consolidated financial statements as of March 31, 2022, include the accounts of the Company and its 48 (46 for 2021) subsidiaries (together, the "Group"). All significant intercompany transactions and balances have been eliminated in consolidation. Investments in 19 (18 for 2021) nonconsolidated subsidiaries and 26 (22 for 2021) affiliated companies are accounted for by the equity method.

The Company adopts the control and influence concepts. Under these concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are treated as

subsidiaries and those companies over which the Group has the ability to exercise significant influence are treated as affiliated companies.

Consolidation of the remaining subsidiaries and the application of the equity method to the remaining affiliated companies would not have a material effect on the accompanying consolidated financial statements.

The fiscal year-end of 11 (10 for 2021) consolidated subsidiaries and several nonconsolidated subsidiaries and affiliated companies is December 31. The Company consolidates such consolidated subsidiaries' financial statements and accounts for investments in such nonconsolidated subsidiaries and affiliated companies by the equity method using their financial results for the year ended December 31. The effects of any significant transactions during the period between the subsidiaries' and affiliated companies' fiscal year-end and the Company's fiscal year-end are reflected in the consolidated financial statements.

**b. Business Combination**—Business combinations are accounted for using the purchase method. Acquisition related costs, such as advisory fees or professional fees, are accounted for as expenses in the periods in which the costs are incurred. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, an acquirer shall report in its financial statements provisional amounts for the items for which the accounting is incomplete. During the measurement period, which shall not exceed one year from the acquisition, the acquirer shall retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and that would have affected the measurement of the amounts recognized as of that date. Such adjustments shall be recognized as if the accounting for the business combination had been completed at the acquisition date. A parent's ownership interest in a subsidiary might change if the parent purchases or sells ownership interests in its subsidiary. The carrying amount of noncontrolling interest is adjusted to reflect the change in the parent's ownership interest in its subsidiary while the parent retains its controlling interest in its subsidiary. Any difference between the fair value of the consideration received or paid and the amount by which the noncontrolling interest is adjusted is accounted for as capital surplus as long as the parent retains control over its subsidiary.

**c. Property and Depreciation**—Property is stated at cost. Contributions in aid of construction including those made by customers are deducted from the cost of the related assets.

Depreciation is principally computed using the straight-line method based on the estimated useful lives of the assets. Depreciation of easements related to transmission lines is computed using the straight-line method based on the estimated useful lives of the transmission lines.

Under the accounting regulations applicable to electric utility providers in Japan, properties, which are required for decommissioning of nuclear power units or which need maintenance and management even after nuclear power units have been in the process of decommissioning, are to be included in "Plant and equipment."

**d. Leases**—Finance lease transactions are capitalized to recognize lease assets and lease obligations in the balance sheet. All other leases are accounted for as operating leases.

**e. Impairment of Fixed Assets**—The Group reviews its fixed assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

**f. Amortization of Nuclear Fuel**—Amortization of nuclear fuel is computed based on the proportion of current heat produced to the estimated total potential heat production over the estimated useful life of the nuclear fuel.

**g. Investment Securities**—Investment securities are classified and accounted for, depending on management's intent, as follows: (a) held-to-maturity debt securities are stated at cost with discounts or premiums amortized throughout the holding periods; and (b) available-for-sale securities, which are not classified as the aforementioned securities and investment securities in nonconsolidated subsidiaries and affiliated companies, are stated at market value; and nonmarketable securities are stated at cost.

The Group records unrealized gains or losses on available-for-sale securities, net of deferred taxes, in equity presented as "Unrealized gain on available-for-sale securities."

For other-than-temporary declines in fair value, investment securities are written down to net realizable value by a charge to income.

**h. Special Account Related to Nuclear Power Decommissioning**—Under the accounting regulation applicable to electric utility providers in Japan, in case the Company decides to decommission nuclear power units due to factors such as a change of the government's energy policy, the Company is permitted to transfer the carrying

amounts related to nuclear power units and costs related to nuclear power decommissioning to "special account related to nuclear power decommissioning" when the Company decides to decommission nuclear power units and applies to the Minister of Ministry of Economy, Trade and Industry ("METI") for adopting the above special account. Because the carrying amount of special account related to nuclear power decommissioning are supposed to be collected through regulated wheeling fees, the special account is amortized in proportion to the amounts of future regulated wheeling fees collected, after approval of the Minister of METI.

**i. Cash Equivalents**—Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits and mutual fund investments in bonds that represent short-term investments, all of which mature or become due within three months of the date of acquisition.

**j. Inventories**—Inventories are stated at the lower of cost, principally determined by the average method, or net selling value.

**k. Foreign Currency Transactions**—Receivables and payables denominated in foreign currencies are translated into Japanese yen at the rates in effect as of each balance sheet date.

**l. Foreign Currency Financial Statements**—The balance sheet accounts of the consolidated foreign subsidiaries, and nonconsolidated foreign subsidiaries and foreign affiliated companies which are accounted for by the equity method, are translated into Japanese yen at the current exchange rate as of the balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation are shown as "Foreign currency translation adjustments" under accumulated other comprehensive income in a separate component of equity.

Revenue and expense accounts of consolidated foreign subsidiaries are translated into yen at the average exchange rate.

**m. Derivatives and Hedging Activities**—Derivative financial instruments are classified and accounted for as follows: (a) all derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statement of income and (b) for such derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

Liabilities denominated in foreign currencies for which foreign exchange forward contracts are used to hedge the foreign currency fluctuations are translated at the contracted rate if the forward contracts qualify for hedge accounting. Forward contracts applied for committed transactions are measured at fair value and the unrealized

gains/losses are deferred until the underlying transactions are completed.

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements is recognized and included in interest charges.

**n. Severance Payments and Pension Plans**—The Group has unfunded retirement plans for most of its employees and the Company and most of the consolidated subsidiaries also have contributory funded defined benefit pension plans covering substantially all of their employees.

Under the Accounting Standards Board of Japan ("ASBJ") Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," the Group accounted for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date.

The projected benefit obligations are attributed to periods on a benefit formula basis. Actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects and are recognized in profit or loss over five years, which is no longer than the expected average remaining service period of the employees.

**o. Accounting for Contributions Concerning Reprocessing of Spent Nuclear Fuel and Concerning Processing of Nuclear Fuel Material Separated in Reprocessing**—The Act for Partial Revision of the Spent Nuclear Fuel Reprocessing Implementation Act was enforced on October 1, 2016. The act aims to secure the funds stably for reprocessing costs without being influenced by the financial position of nuclear operators under the competitive environment on April 1, 2016, when full liberalization of participation in retail electricity sales began.

The Nuclear Reprocessing Organization of Japan (the "NuRO") was established on October 3, 2016, under the act. Nuclear operators including the Company are obliged to contribute the funds for reprocessing nuclear fuel to the NuRO every year. Nuclear operators fulfill the obligation to bear the reprocessing costs when they pay contributions to the NuRO, and the funds belong to the NuRO.

Contributions to NuRO consist of two parts. One is concerning reprocessing of spent nuclear fuel (part "A"), the other is concerning processing of nuclear fuel material separated in reprocessing (part "B").

In accordance with the accounting regulations applicable to electric utility providers in Japan, the Company records the part A of contributions to the NuRO, the amount of which is calculated based on quantities of irradiated nuclear fuel resulting from operation of nuclear power stations, as operating expenses. On the other hand, the Company

records part B of the contributions to the NuRO as assets and presents them as "Special account related to reprocessing of spent nuclear fuel" in the consolidated balance sheet.

**p. Accounting for Contributions Concerning Final Disposal of High-Level Radioactive Waste**—The Designated Radioactive Waste Final Disposal Act was enforced on June 7, 2000. The act aims to disposal of high-level radioactive wastes, which are unavoidably generated through nuclear power generation, in stable geological strata at a depth of 300 meters or greater. Under the act, the Nuclear Waste Management Organization of Japan (the "NUMO") was established in December 2000 which is responsible for the disposal of high-level radioactive wastes. Nuclear operators including the Company are obliged to contribute the fund to NUMO for disposal of high-level radioactive wastes every year. Nuclear operators fulfill the obligation to bear the disposal costs when they pay contributions to the NUMO, and the funds belong to the NUMO.

The Company records the disposal costs of high-level radioactive wastes, the amount of which is calculated based on quantities of irradiated nuclear fuel resulting from the operation of nuclear power station, as operating expenses.

**q. Asset Retirement Obligations**—Under ASBJ Statement No. 18, "Accounting Standard for Asset Retirement Obligations," an asset retirement obligation is defined as a legal obligation imposed either by law or contract that results from the acquisition, construction, development and the normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement. The Company recognizes the asset retirement obligation as the sum of the future decommissioning costs of nuclear power station which is calculated based on a formula using the quantities by type of waste generated from decommissioning of nuclear power station in accordance with the ordinance set forth by the METI, discounted at 2.3%.

In accordance with the accounting regulations applicable to electric utility providers in Japan, asset retirement costs are allocated to expense over the remaining useful lives of nuclear power units through depreciation based on the straight-line method, except for asset retirement costs of nuclear power units decommissioned due to factors such as a change of a government energy policy which are continuously allocated to expense over 10 years from the month that includes the date of decommissioning of the nuclear power unit.

**r. Income Taxes**—The provision for income taxes is computed based on the pretax income included in the consolidated statement of income. The Company and its wholly owned domestic subsidiaries adopted the consolidated taxation system.

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.



*s. Reserve for Fluctuations in Water Level*—This reserve is provided to stabilize the Company's income level based on the Electricity Business Act and related accounting regulations. This reserve is recorded when the volume of water for generating hydroelectric power is abundant and available for future power generation, and reversed in years when there is an insufficient volume of water. Also, this reserve must be shown as a liability under the act and regulations.

*t. Treasury Stock*—The accounting standard for treasury stock requires that where an affiliated company holds a parent company's stock, a portion which is equivalent to the parent company's interest in such stock should be presented as treasury stock as a separate component of equity and the carrying value of the investment in the affiliated company should be reduced by the same amount.

*u. Board Benefit Trust (BBT)*—The Company has a performance-based stock compensation plan called "Board Benefit Trust (BBT)," (the "Plan") for directors (excluding outside directors) and executive officers (together, the "Directors").

*(a) Overview of the Plan*

The Plan is a stock compensation plan under which shares of the Company will be acquired through a trust (the "Trust" refers to a trust established based on the Plan) using funds contributed by the Company. The shares of the Company and cash equivalent to the value of the Company's shares converted at market value (the "Company's Shares, etc.") will be provided to the Directors through the Trust, pursuant to the "Rules on Provision of Shares to Officers" set forth by the Company. The Company's Shares, etc. will be provided to the Directors at the time of retirement of the Directors, in principle.

*(b) Shares of the Company held by the Trust*

The Company records shares of the Company in the Trust as treasury stock at cost (excluding acquisition-related costs). As of March 31, 2022, the number of shares was 897 thousand.

*v. Net Income and Cash Dividends per Share*—Basic earnings per share ("EPS") are computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding during the year, and diluted EPS reflects the potential dilution that could occur if securities were exercised or converted into common stock.

The weighted-average number of common stock used in the computation of basic EPS and diluted EPS during the year excludes treasury stock held by the Trust established based on BBT (772 thousand shares and 618 thousand shares for the years ended March 31, 2022 and 2021, respectively).

Diluted EPS at year ended reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted EPS of common stock assumes full conversion of the outstanding convertible bonds at the time of issuance with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Diluted EPS for the year ended March 31, 2022, is not presented as the effect of including potential common shares is anti-dilutive.

Cash dividends per share represent actual amounts applicable to earnings of the respective years.

*w. Revenue Recognition*—Among the business of energy services which is the Group's main business, for the business of power generation and sale, the performance obligation of the Company is to supply electricity. Also, for the business of electricity transmission and distribution, the performance obligation of Kyushu Electric Power Transmission and Distribution Co., Inc. a subsidiary of the Company is to deliver electricity by its transmission and distribution network. Revenues related to these performance obligations are both recognized on the day of meter reading in accordance with the accounting regulations applicable to electric utility providers in Japan. Revenues do not include sales of electricity supply and delivery of electricity between the date of last meter reading and the year-end.

*x. Research and Development Costs*—Research and development costs are charged to income as incurred.

*y. New Accounting Pronouncements*

*Implementation Guidance on Accounting Standard for Fair Value Measurement*

On June 17, 2021, the ASBJ issued the revised ASBJ Guidance No. 31 (revised 2021), "Implementation Guidance on Accounting Standard for Fair Value Measurement." The revised guidance defines the treatment related to the fair value measurements and notes for investments trust and investments in partnership and others.

The revised guidance is effective for the annual periods beginning on or after April 1, 2022. Earlier application is permitted for annual periods beginning on or after April 1, 2021, or annual periods ending on or after March 31, 2022. The revised guidance shall be applied prospectively.

The Group expects to apply the revised guidance for annual periods beginning on or after April 1, 2022, and is in the process of measuring the effects of applying the revised guidance in future applicable periods.

**3. SIGNIFICANT ACCOUNTING ESTIMATE***Deferred Tax Assets*

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
(1) <i>Carrying amounts</i>			
Deferred tax assets	¥ 140,727	¥ 144,062	\$ 1,149,638
Deferred tax assets relating to tax loss carryforwards included in above	25,321	34,476	206,859

(2) *Information on the significant accounting estimate*

## (a) The calculation method of the carrying amount

The deferred tax assets were calculated by estimating the future taxable income based on the business plan approved by the Board of Directors of the Company.

## (b) The primary assumption used for the calculation

The Group made the best estimation based on available information at preparation of the consolidated financial statements, such as outlooks of electricity sales volume and unit price and projections regarding nuclear power plant operation.

## (c) The possible effects within the next financial year

The Group's financial performance may be affected when deferred tax assets were reversed by decreasing the future taxable income. Decreasing the future taxable income will occur by such as decline of electricity sales volume and unit price which are influenced by external environment, such as changes in temperature, climate and economic trend, and unscheduled shutdown of nuclear power plants.

*Investments in the Overseas Power Generation Business*

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
(1) <i>Carrying amounts</i>			
Investments in the overseas power generation business	¥ 100,041	¥ 86,945	\$ 817,261
(2) <i>Information on the significant accounting estimate</i>			

## (a) The calculation method of the carrying amount

For the investments in the overseas power generation business, the equity method is applied to investments in nonconsolidated subsidiaries and affiliated companies. Others are nonmarketable equity securities. These securities are classified as available-for-sale securities and are stated at cost. If the realizable value of these securities declines significantly, these securities are written down to net realizable value, unless the recoverability of the securities is supported by sufficient evidence.

For the investments in nonconsolidated subsidiaries and affiliated companies, if the carrying amount of the investees' power generation facilities exceeds its recoverable amount which is the sum of the future cash flows based on the investees' business plan, the power generation facilities are written down to the recoverable amount. Thereafter, the equity method is applied to the investees' financial statements.

On the other hand, for nonmarketable equity securities, the Group evaluates whether securities need to be written down to net realizable value based on the recoverable amount of the power generation facilities.

## (b) The primary assumption used for the calculation

For estimation of the future cash flows, the Group made the best estimation based on available information at preparation of the consolidated financial statements, such as outlooks of electricity sales volume and unit price, operational projections for the investees' power generation facilities, and projections for international fuel market prices.

(c) The possible effects within the next financial year

When decreasing the future cash flows occurs by a change of external environments such as the realization of investees' country risk and energy and environment policy related to the rapid transition to decarbonization in countries investees operate, the Group's financial performance may be affected as the share of loss of entities accounted for using the equity method is recorded or nonmarketable equity securities are written down to net realizable value.

#### 4. ACCOUNTING CHANGE

##### *Accounting Standard for Revenue Recognition and Revised Accounting Regulations Applicable to Electric Utility Providers in Japan*

Effective April 1, 2021, the Group adopted ASBJ Statement No. 29, "Accounting Standard for Revenue Recognition," and ASBJ Guidance No. 30, "Implementation Guidance on Accounting Standard for Revenue Recognition," issued on March 31, 2020 ("ASBJ Statement No. 29") and recognizes revenue at the amount expected to be received in exchange for promised goods or services when control of the goods or services is transferred to customers.

The accounting regulations applicable to electric utility providers in Japan were revised due to the issuance of the ASBJ Statement No. 29, and effective on April 1, 2021. Accordingly, the Group changed the accounting treatment of surcharges and subsidies for purchasing renewable energy under the feed in tariff (FIT) scheme, which is based on the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities.

Prior to April 1, 2021, the Group recorded those as operating revenues. However, effective April 1, 2021, the Group do not recognize surcharges as revenue because they are amounts collected on behalf of a third party. Also prior to April 1, 2021, the Group recorded those subsidies for purchasing renewable energy as revenues. However effective April 1, 2021, the Group deduct subsidies for purchasing renewable energy from expenses for purchase of electricity.

Under the accounting regulation in Japan, the accounting regulation applicable to electric utility providers in Japan has priority over the ASBJ Statement No. 29. Therefore electricity revenue of the Company and Kyushu Electric Power Transmission and Distribution Co., Inc., a wholly owned subsidiary of the Company is recognized on the day of meter reading in accordance with the accounting regulations applicable to electric utility providers in Japan. Electricity revenue does not include sales of electricity supplied to customer between the date of last meter reading and the year-end. This accounting treatment in the regulations was not changed in this revision of the regulation due to the issuance of the ASBJ Statement No. 29.

The Group retrospectively applied the ASBJ Statement No. 29 and the revised accounting regulations applicable to electric utility providers in Japan. The cumulative effect of retroactively applying the new accounting standard was added to retained earnings at April 1, 2020.

The effects of this accounting change for 2021 were as follows: Inventories, principally fuel and retained earnings as of March 31, 2021, decreased by ¥107 million and by ¥1,277 million, respectively. Receivables, prepaid expenses and other, other of long-term liabilities and other of current liabilities as of March 31, 2021, increased by ¥945 million, by ¥741 million, by ¥1,231 million and by ¥1,791 million, respectively. In addition, operating revenues and income before income taxes for the year ended March 31, 2021, decreased by ¥609,821 million and by ¥503 million, respectively.

The cumulative effect of retroactively applying the new accounting standard was that retained earnings and noncontrolling interests as of April 1, 2020, decreased by ¥945 million and by ¥3 million, respectively. The effect on the segment information and the net income per share for the year ended March 31, 2021, were described in Notes 24 and 26, respectively.

##### *Accounting Standard for Fair Value Measurement and Others*

Effective April 1, 2021, the Group adopted ASBJ Statement No. 30, "Accounting Standard for Fair Value Measurement," ASBJ Guidance No. 31, "Implementation Guidance on Accounting Standard for Fair Value Measurement," and revised ASBJ Statement No. 10, "Accounting Standard for Financial Instruments."

The Group adopted new accounting policies prescribed in these accounting standards and guidance prospectively in accordance with the article 19 of ASBJ Statement No. 30 and the article 44-2 of ASBJ Statement No. 10. There was no effect from these accounting changes on the consolidated financial statements.

In addition, as describe in Note 20, financial instruments categorized by fair value hierarchy were described as of March 31, 2022. Such information as of March 31, 2021, was not disclosed in accordance with the article 7-4 of ASBJ Guidance No. 19, "Guidance on Disclosures about Fair Value of Financial Instruments."

## 5. PROPERTY

The breakdown of property at March 31, 2022 and 2021, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Costs:			
Electric power production facilities:			
Hydroelectric power	¥ 827,794	¥ 816,202	\$ 6,762,475
Thermal power	1,438,046	1,468,618	11,747,784
Nuclear power	2,128,022	2,097,891	17,384,382
Internal-combustion engine power	132,661	135,925	1,083,748
Renewable power	124,024	124,060	1,013,188
Total	4,650,549	4,642,698	37,991,578
Transmission facilities	1,941,510	1,924,558	15,860,720
Transformation facilities	1,120,957	1,115,806	9,157,403
Distribution facilities	1,526,937	1,508,705	12,473,961
General facilities	429,325	423,533	3,507,272
Other electricity-related facilities	57,863	138,796	472,705
Other plant and equipment	1,391,760	1,221,804	11,369,666
Construction in progress	538,837	504,045	4,401,910
Total	11,657,743	11,479,949	95,235,219
Less:			
Contributions in aid of construction	238,967	235,049	1,952,185
Accumulated depreciation	7,770,903	7,655,674	63,482,589
Carrying amount	¥ 3,647,872	¥ 3,589,225	\$ 29,800,444

## 6. INVESTMENT SECURITIES

The costs and aggregate fair values of investment securities at March 31, 2022 and 2021, were as follows:

	Millions of Yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
March 31, 2022				
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 1,719	¥ 3,895	¥ 123	¥ 5,491
Debt securities	309	41		351
Other securities	635	103	4	734
Held-to-maturity	235		10	224
March 31, 2021				
Securities classified as:				
Available-for-sale:				
Equity securities	¥ 1,683	¥ 2,875	¥ 25	¥ 4,533
Debt securities	281	27		309
Other securities	312	108	1	418
Held-to-maturity	141		6	134
	Thousands of U.S. Dollars			
March 31, 2022	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as:				
Available-for-sale:				
Equity securities	\$ 14,049	\$ 31,823	\$ 1,010	\$ 44,862
Debt securities	2,529	338		2,868
Other securities	5,194	846	40	5,999
Held-to-maturity	1,919		85	1,834

## 7. PLEDGED ASSETS

All of the Company's assets amounting to ¥4,631,319 million (\$37,834,484 thousand) are subject to certain statutory preferential rights established to secure a portion of bonds and a portion of loans borrowed from the Development Bank of Japan Inc. The carrying amount of bonds and loans borrowed from the Development Bank of Japan Inc. secured by the assets for the year ended March 31, 2022, were ¥1,359,900 million (\$11,109,386 thousand) and ¥154,649 million (\$1,263,370 thousand), respectively.

Certain assets of the consolidated subsidiaries, amounting to ¥58,100 million (\$474,635 thousand), are pledged as collateral for a portion of their long-term debt at March 31, 2022.

Investments in affiliated companies held by consolidated subsidiaries, amounting to ¥11,079 million (\$90,513 thousand), are pledged as collateral for bank loans and derivatives, mainly interest rate swaps of the affiliated companies and the subsidiary of the affiliated companies at March 31, 2022.

## 8. LONG-TERM DEBT

Long-term debt at March 31, 2022 and 2021, consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Yen bonds, 0.01% to 1.766%, due serially to 2051	¥ 1,359,899	¥ 1,169,898	\$ 11,109,380
First series of subordinated unsecured yen bonds with interest deferral option and early redemption option, 0.99%, due serially to 2080 (Notes a and d)	70,000	70,000	571,848
Second series of subordinated unsecured yen bonds with interest deferral option and early redemption option, 1.09%, due serially to 2080 (Notes b and e)	30,000	30,000	245,078
Third series of subordinated unsecured yen bonds with interest deferral option and early redemption option, 1.30%, due serially to 2080 (Notes c and f)	100,000	100,000	816,926
Yen-denominated zero coupon convertible bonds due 2022 (Notes g and h)		75,000	
Loans from the Development Bank of Japan Inc., 0.32% to 2.80%, due serially to 2040	246,974	267,269	2,017,598
Loans, principally from banks and insurance companies, 0.03% to 2.713%, due serially to 2042:			
Collateralized	73,375	65,637	599,422
Unsecured	1,637,024	1,581,734	13,373,287
Obligations under finance leases	16,245	17,371	132,711
<b>Total</b>	<b>3,533,518</b>	<b>3,376,911</b>	<b>28,866,254</b>
Less current portion	384,285	418,763	3,139,332
<b>Long-term debt, less current portion</b>	<b>¥ 3,149,232</b>	<b>¥ 2,958,147</b>	<b>\$ 25,726,921</b>

The annual maturities of long-term debt outstanding at March 31, 2022, were as follows:

Year ending March 31	Millions of Yen	Thousands of U.S. Dollars
2023	¥ 384,285	\$ 3,139,332
2024	377,737	3,085,838
2025	394,986	3,226,749
2026	245,781	2,007,857
2027	299,757	2,448,797
2028 and thereafter	1,830,969	14,957,678
<b>Total</b>	<b>¥ 3,533,518</b>	<b>\$ 28,866,254</b>

Notes:

- a. The fixed interest rate has been applied since the day after October 15, 2020, and will be applied until October 15, 2025, and a variable interest rate will be applied from the day after October 15, 2025 ("Step-up interest rates" will be applied from the day after October 15, 2030, and the day after October 15, 2045.)
- b. The fixed interest rate has been applied since the day after October 15, 2020, and will be applied until October 15, 2027, and a variable interest rate will be applied from the day after October 15, 2027 ("Step-up interest rates" will be applied from the day after October 15, 2030, and the day after October 15, 2047.)
- c. The fixed interest rate has been applied since the day after October 15, 2020, and will be applied until October 15, 2030, and a variable interest rate will be applied from the day after October 15, 2030 ("Step-up interest rates" will be applied from the day after October 15, 2030, and the day after October 15, 2050.)
- d. The Company may redeem the hybrid corporate bonds at its discretion on each interest payment date from and including October 15, 2025.
- e. The Company may redeem the hybrid corporate bonds at its discretion on each interest payment date from and including October 15, 2027.
- f. The Company may redeem the hybrid corporate bonds at its discretion on each interest payment date from and including October 15, 2030.
- g. The offer price of yen-denominated zero coupon convertible bonds is ¥102.0, and issue price ¥100.0 has been paid to the Company.
- h. The contents regarding yen-denominated zero coupon convertible bonds at March 31, 2021, were as follows:

Stock Name	Yen-denominated Zero Coupon Convertible Bonds due 2022
Stock will be converted	Common stock
Issue price of stock acquisition rights (yen)	Gratis free
Issue price of stock	¥1,379.9
Amount of zero coupon convertible bonds	¥75,000 million
Amount of stock price issued by exercising stock acquisition rights	—
Application rate of stock acquisition rights (%)	100
Period of exercise stock acquisition rights	From April 13, 2017 to March 17, 2022

## 9. SEVERANCE PAYMENTS AND PENSION PLANS

Employees terminating their employment with the Group, either voluntarily or upon reaching mandatory retirement age, are entitled, under most circumstances, to severance payments based on credits earned in each year of service, length of service and certain other factors. As for the Company and a part of the consolidated subsidiaries, if the termination is made voluntarily at one of a number of specified ages, the employee is entitled to certain additional payments.

Additionally, the Company and most of the consolidated subsidiaries have contributory funded defined benefit pension plans covering substantially all of their employees. In general, eligible employees retiring at the mandatory retirement age receive pension payments for the fixed term selected by them. As for the Company and one of the consolidated subsidiaries, Kyushu Electric Power Transmission and Distribution Co., Inc., eligible employees retiring after at least 20 years of service but before the mandatory retirement age, receive a lump-sum payment upon retirement and an annuity. The Company and Kyushu Electric Power Transmission and Distribution Co., Inc. have established retirement benefit trusts for their defined retirement benefit plan.

Certain consolidated subsidiaries calculate liability for retirement benefits and periodic benefit costs related to defined retirement benefit plans by the simplified method. Under the simplified method, projected benefit obligations are principally stated at the necessary payment amounts for voluntary retirement as of the end of the fiscal year. The simplified method for accounting for defined retirement benefit plans is allowed for a specified small-sized entity under accounting principles generally accepted in Japan.

**Defined Retirement Benefit Plans (excluding Plans Applying the Simplified Method)**

(1) The changes in defined benefit obligation for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Balance at beginning of year	¥ 397,653	¥ 400,955	\$ 3,248,535
Current service cost	13,364	13,483	109,176
Interest cost	3,024	3,095	24,708
Actuarial losses	416	2,430	3,400
Benefits paid	(22,925)	(23,726)	(187,288)
Prior service cost	(233)		(1,906)
Effect of change from the simplified method to the principle method		1,415	
Other	0	(0)	6
Balance at end of year	¥ 391,299	¥ 397,653	\$ 3,196,631

(2) The changes in plan assets for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Balance at beginning of year	¥ 334,642	¥ 308,016	\$ 2,733,782
Expected return on plan assets	7,139	6,605	58,322
Actuarial gains	2,039	28,283	16,665
Contributions from the employer	6,737	6,811	55,040
Benefits paid	(15,988)	(16,170)	(130,613)
Effect of change from the simplified method to the principle method		1,097	
Balance at end of year	¥ 334,570	¥ 334,642	\$ 2,733,197

(3) Reconciliation between the liability and asset recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets as of March 31, 2022 and 2021, was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Funded defined benefit obligation	¥ 383,351	¥ 390,207	\$ 3,131,703
Plan assets	(334,570)	(334,642)	(2,733,197)
Unfunded defined benefit obligation	48,781	55,565	398,506
	7,947	7,445	64,928
Net liability for defined benefit obligation	¥ 56,729	¥ 63,010	\$ 463,434

  

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Liability for retirement benefits	¥ 82,653	¥ 84,795	\$ 675,216
Assets for retirement benefits	(25,924)	(21,784)	(211,781)
Net liability for defined benefit obligation	¥ 56,729	¥ 63,010	\$ 463,434

(4) The components of net periodic benefit costs for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Current service cost	¥ 13,364	¥ 13,483	\$ 109,176
Interest cost	3,024	3,095	24,708
Expected return on plan assets	(7,139)	(6,605)	(58,322)
Recognized actuarial (gains) losses	(1,068)	7,463	(8,731)
Amortization of prior service cost	(40)	(1)	(328)
Others	355	423	2,907
Net periodic benefit costs	¥ 8,496	¥ 17,858	\$ 69,409

(5) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Prior service cost	¥ 193	¥ (1)	\$ 1,577
Actuarial gains	554	33,316	4,532
Total	¥ 747	¥ 33,315	\$ 6,110

(6) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Unrecognized prior service cost	¥ 176	¥ (16)	\$ 1,441
Unrecognized actuarial gains	7,982	7,428	65,214
Total	¥ 8,159	¥ 7,411	\$ 66,656

(7) Plan assets as of March 31, 2022 and 2021

a. Components of plan assets

Plan assets consisted of the following:

	2022	2021
Debt investments	40%	38%
Equity investments	28	30
General account of life insurance companies	20	20
Others	12	12
Total	100%	100%

b. Method of determining the expected rate of return on plan assets

The expected rate of return on plan assets is determined considering distribution of plan assets currently and in the future and the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

(8) Assumptions used for the years ended March 31, 2022 and 2021, were set forth as follows:

	2022	2021
Discount rates	Mainly 1.0%	Mainly 1.0%
Expected rates of return on plan assets	Mainly 2.0%	Mainly 2.0%

*Defined Retirement Benefit Plans Applying the Simplified Method*

(1) The changes in the net carrying amount of liabilities and assets for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Balance at beginning of year	¥ 2,603	¥ 3,115	\$ 21,266
Periodic benefit costs	488	215	3,990
Benefits paid	(246)	(251)	(2,014)
Contributions from the employer	(251)	(248)	(2,050)
Effect of change from the simplified method to the principle method		(227)	
Balance at end of year	¥ 2,594	¥ 2,603	\$ 21,191

(2) Reconciliation between the liability and asset recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets as of March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Funded defined benefit obligation	¥ ¥5,235	¥ 5,210	\$ 42,770
Plan assets	(4,907)	(4,842)	(40,091)
	327	367	2,679
Unfunded defined benefit obligation	2,266	2,235	18,512
Net carrying amount of liabilities and assets	¥ 2,594	¥ 2,603	\$ 21,191
Liability for retirement benefits	¥ 3,293	¥ 3,311	\$ 26,905
Asset for retirement benefits	(699)	(708)	(5,714)
Net carrying amount of liabilities and assets	¥ 2,594	¥ 2,603	\$ 21,191



## (3) Periodic benefit costs

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Periodic benefit costs calculated under the simplified method	¥ 488	¥ 215	\$ 3,990

**Defined Contribution Plans**

The required contribution to defined contribution plans by the Company and its certain consolidated subsidiaries for the years ended March 31, 2022 and 2021, was ¥2,114 million (\$17,274 thousand) and ¥2,147 million, respectively.

**10. ASSET RETIREMENT OBLIGATIONS**

The changes in asset retirement obligations for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Balance at beginning of year	¥ 278,031	¥ 268,432	\$ 2,271,309
Net change in the year	11,159	9,598	91,161
Balance at end of year	¥ 289,190	¥ 278,031	\$ 2,362,471

**11. SHORT-TERM BORROWINGS**

Short-term borrowings were generally represented by bank loans, bearing interest at rates ranging from 0.17% to 0.49% for the years ended March 31, 2022 and 2021.

**12. INCOME TAXES**

The Group is subject to national and local income taxes. The aggregate normal statutory tax rates for the Company approximated 27.9% for the years ended March 31, 2022 and 2021.

The tax effects of significant temporary differences and tax loss carryforwards which resulted in deferred tax assets and liabilities at March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Deferred tax assets:			
Tax loss carryforwards	¥ 68,927	¥ 155,044	\$ 563,086
Depreciation	53,632	51,828	438,140
Liability for retirement benefits	34,093	34,793	278,515
Asset retirement obligations	30,248	29,450	247,107
Contributions concerning reprocessing of spent nuclear fuel	12,750	9,149	104,163
Other (Note)	80,546	72,974	658,007
Total of tax loss carryforwards and temporary differences	280,199	353,240	2,289,022
Less valuation allowance for tax loss carryforwards	(43,605)	(120,568)	(356,226)
Less valuation allowance for temporary differences	(56,344)	(50,962)	(460,289)
Total valuation allowance	(99,949)	(171,531)	(816,516)
Deferred tax assets	180,249	181,709	1,472,506
Deferred tax liabilities:			
Capitalized assets retirement costs	9,715	9,611	79,369
Accrued income of foreign subsidiary	7,869	6,078	64,287
Assets for retirement benefits	7,414	6,343	60,573
Gain on contributions of securities to retirement benefit trust	5,599	5,619	45,744
Deferred gain on derivatives under hedge accounting	5,455	3,026	44,563
Amortization in foreign subsidiary	4,151	3,864	33,913
Other	12,215	11,382	99,792
Deferred tax liabilities	52,421	45,926	428,245
Net deferred tax assets	¥ 127,827	¥ 135,782	\$ 1,044,260

Note: The Group adopted the ASBJ Statement No. 29 from the annual periods beginning on April 1, 2021 (see Note 4). As a result, the amount of deferred tax assets as of March 31, 2021, was adjusted retrospectively and increased by ¥161 million.

The expiration of tax loss carryforwards, the related valuation allowance and the resulting net deferred tax assets as of March 31, 2022 and 2021, were as follows:

	Millions of Yen							Total
	1 Year or Less	After 1 Year through 2 Years	After 2 Years through 3 Years	After 3 Years through 4 Years	After 4 Years through 5 Years	After 5 Years		
<b>March 31, 2022</b>								
Deferred tax assets relating to tax loss carryforwards (Note a)	¥ 32,682	¥ 25,043	¥ 916	¥ 389	¥ 196	¥ 9,698	¥ 68,927	
Less valuation allowances for tax loss carryforwards	32,682	10,233	249	22	54	364	43,605	
Net deferred tax assets relating to tax loss carryforwards		14,809	667	367	142	9,334	25,321 (Note b)	
<b>March 31, 2021</b>								
Deferred tax assets relating to tax loss carryforwards (Note a)	¥ 86,967	¥ 32,608	¥ 24,996	¥ 897	¥ 352	¥ 9,220	¥ 155,044	
Less valuation allowances for tax loss carryforwards	77,330	28,593	13,836	275	20	511	120,568	
Net deferred tax assets relating to tax loss carryforwards	9,636	4,015	11,160	622	331	8,709	34,476 (Note b)	

  

	Thousands of U.S. Dollars							Total
	1 Year or Less	After 1 Year through 2 Years	After 2 Years through 3 Years	After 3 Years through 4 Years	After 4 Years through 5 Years	After 5 Years		
<b>March 31, 2022</b>								
Deferred tax assets relating to tax loss carryforwards (Note a)	\$ 266,990	\$ 204,584	\$ 7,488	\$ 3,185	\$ 1,608	\$ 79,227	\$ 563,086	
Less valuation allowances for tax loss carryforwards	266,990	83,601	2,035	181	443	2,974	356,226	
Net deferred tax assets relating to tax loss carryforwards		120,983	5,452	3,004	1,164	76,253	206,859 (Note b)	

Notes: a. The tax loss carryforwards were the amount multiplied by the normal effective statutory tax rate.

b. Tax loss carryforwards mainly resulted from the long-term shutdown of nuclear power plants of the Company in past years. Deferred tax assets relating to tax loss carryforwards were recognized at amounts the Company judged those were recoverable from expectations of future taxable income based on the business plan approved by the Board of Directors.

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income for the years ended March 31, 2022 and 2021, was as follows:

	2022	2021
Normal effective statutory tax rate	27.9%	27.9%
Valuation allowance	38.2	14.0
Other—net	(0.4)	(2.5)
Actual effective tax rate	65.7%	39.4%

### 13. EQUITY

Japanese companies are subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

#### a. Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the general shareholders' meeting. For companies that meet certain criteria, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the Company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the criteria.

The Companies Act permits companies to distribute dividends-in-kind (noncash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

#### b. Increases/Decreases and Transfer of Common Stock, Reserve and Surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus)

depending on the equity account that was charged upon the payment of such dividends until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

#### c. Treasury Stock and Treasury Stock Acquisition Rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders, which is determined by specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

### Acquisition and Disposal of Class A Preferred Stock

The Company acquired the previous Class A preferred stock based on the articles of incorporation and has issued the new Class A preferred stock. The information of the new Class A preferred stock is as follows:

#### (1) Way of offering

Third-party allotment to the Mizuho Bank, Ltd., Development Bank of Japan Inc. and MUFG Bank, Ltd.

#### (2) Class and number of new shares to be issued

1,000 shares of Class A preferred stock

#### (3) Issue price

¥100 million per share

#### (4) Total amount of the issue price

¥100,000 million

#### (5) Issue date

June 28, 2019

#### (6) Uses of proceeds

The proceeds from the issuance of new Class A preferred stock will be used to repay a part of a bank loan the Company borrowed for the acquisition of current Class A preferred stock.

#### (7) Characteristics of the preferred stock

The preferred stock provides no provision for acquisition or right to request acquisition using common stock as consideration that will not dilute common stock. These stocks also do not provide any voting rights at the general shareholders' meeting.

The preferred stock has a provision for acquisition allowing the Company to acquire this preferred stock

in exchange for cash the day after the payment date or thereafter. Furthermore, the preferred stock will provide the preferred shareholders with the right to request acquisition of this preferred stock in exchange for cash of the Company the day after the payment date or thereafter if the preferred shareholders follow the prescribed procedures, but the exercise of this right by the preferred shareholders is limited by the agreement to underwriting of the preferred stock.

Annual preferred dividend for the preferred stock is ¥2,100,000 per share. (Annual preferred dividend as of the record date of March 31, 2020, is ¥1,599,452 per share.)

## 14. REVENUE

### (1) Disaggregation of Revenue

Disaggregation of revenue from contracts with customers is presented in "Information about sales, profit, assets and other items" in Note 24.

### (2) Contract Balances

Receivables from contract with customers, contract assets and contract liabilities at the beginning and end of the year were as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2022	2022
Receivables from contracts with customers:		
Balance at beginning of year	¥ 143,321	\$ 1,170,835
Balance at end of year	178,177	1,455,579
Contract assets:		
Balance at beginning of year	5,262	42,987
Balance at end of year	8,896	72,678
Contract liabilities:		
Balance at beginning of year	4,453	36,380
Balance at end of year	5,062	41,359

*(3) Transaction Prices Allocated Remaining Performance Obligations*

The Group has applied the simplified method as a practical expedient, and has not included information related to either of the following:

- (a) the performance obligation is part of a contract that has an original expected duration of one year or less; or
- (b) the Group has a right to consideration from a customer in an amount that corresponds directly with the value to the customer.

For significant transactions in the contracts that have an original expected durations of more than one year, the following table shows the summary of the transaction prices allocated to remaining performance obligations that are unsatisfied as of March 31, 2022:

	Thousands of U.S. Dollars	
	Millions of Yen	2022
	2022	2022
Within one year	¥ 88,979	\$ 726,894
After one to two years	15,517	126,767
After two to three years	126,368	1,032,334
After three years	91,215	745,166
Total	¥ 322,080	\$ 2,631,163

**15. RESEARCH AND DEVELOPMENT COSTS**

Research and development costs charged to income were ¥4,823 million (\$39,406 thousand) and ¥5,101 million for the years ended March 31, 2022 and 2021, respectively.

**16. LOSS ON IMPAIRMENT OF FIXED ASSETS**

As the Group decided to decommission No. 1 and No. 2 units of Sendai thermal power station and No. 4 unit of Shin Kokura thermal power station and others for the year ended March 31, 2022, the carrying amount of these assets was written down to the recoverable amount. As a result, the Group recognized an impairment loss of ¥3,536 million (\$28,892 thousand) for these assets as other expenses.

The recoverable amount of these assets was mainly measured by the respective net selling prices which were based on appraisal valuation and assessed value of fixed assets.

**17. LOSS ON REIMBURSEMENT OF ELECTRIC IMBALANCE REVENUES**

In January 2021, the imbalance revenue of general electricity transmission and distribution business providers, including Kyushu Electric Power Transmission and Distribution Co., Inc., increased significantly because of the price hikes in the wholesale electricity market caused by the tight supply and demand of electricity in Japan. Relating to the situation, on December 27, 2021, the Electricity and Gas Industry Committee of the Advisory Committee for Natural Resources and Energy has decided that a part of the imbalance revenue paid by retail electricity providers would be reimbursed by deducting from their future wheeling fees. Under this decision, the Group recorded the estimated amount of reimbursement as liabilities and other expenses for the year ended March 31, 2022.

**18. RELATED PARTY DISCLOSURES**

- a. Significant transactions of the Company with its related parties for the years ended March 31, 2022 and 2021

No matters to report

- b. Significant transactions of a consolidated subsidiary with an affiliated company for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Kyudenko Corporation:			
Transactions—			
purchase of construction works on distribution facilities and other	¥ 39,462	¥ 43,321	\$ 322,381
Balances at year-end—			
payables for construction works	4,085	4,900	33,373

**Notes Concerning the Parent Company or Important Affiliates***Important affiliates' financial summary*

For the years ended March 31, 2022 and 2021, Kyudenko Corporation was an important affiliate. The financial summary of its financial statements was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Total current assets	¥ 181,419	¥ 182,828	\$ 1,482,061
Total noncurrent assets	155,533	149,629	1,270,592
Total current liabilities	132,724	132,584	1,084,260
Total noncurrent liabilities	5,051	12,195	41,267
Total equity	199,176	187,678	1,627,124
Operating revenues	322,568	337,432	2,635,145
Income before income taxes	28,712	29,528	234,557
Net income	20,690	20,393	169,026

**19. LEASES**

The minimum rental commitments under noncancelable operating leases at March 31, 2022 and 2021, were as follows:

*(1) Lessee*

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Due within one year	¥ 1,484	¥ 1,070	\$ 12,123
Due after one year	18,784	10,655	153,459
Total	¥ 20,268	¥ 11,725	\$ 165,582

*(2) Lessor*

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Due within one year	¥ 522	¥ 122	\$ 4,271
Due after one year	3,887	2,099	31,756
Total	¥ 4,410	¥ 2,222	\$ 36,027

## 20. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### *Items Pertaining to Financial Instruments*

#### *(a) The Group's policy for financial instruments*

The Group uses mainly long-term debt, including bonds and loans, to raise funds required for investments in electric utility plant and equipment and repayments of bonds and loans. Cash surpluses, if any, are invested in low-risk financial assets. Derivatives are used not for speculative purposes, but to manage exposure to financial risks as described in (b) below.

#### *(b) Nature and extent of risks arising from financial instruments and risk control system*

Investment securities, mainly held-to-maturity debt securities and equity securities issued by companies related through business, and investments in and advances to nonconsolidated subsidiaries and affiliated companies which have a quoted market price in an active market are exposed to the risk of market price fluctuations. Such market risk is managed by monitoring market values and financial position of the issuers on a regular basis. Investment securities and investments in and advances to nonconsolidated subsidiaries and affiliated companies which do not have a quoted market price in an active market are managed by monitoring financial position of the issuers on a regular basis. In addition, the Company requires its nonconsolidated subsidiaries and affiliated companies to submit business plans and performance reports, and to consult in advance on any items that could have a significant impact on the Group's business activities.

Receivables are exposed to customer credit risk. Payment terms are set forth in specific retail electricity power supply provisions and so on. The Group manages its credit risk from receivables by monitoring payment terms and balances of each customer and identifying and reducing the default risk of customers at an early stage. Receivables from wholesale electric power sales outside of the Kyushu area are exposed to the risk of electricity price area differentials. Such risk is mitigated by using the financial transmission rights as necessary.

Bonds and loans are mainly used to raise funds for investments in plant and equipment. Foreign currency denominated debt is exposed to the market risk of fluctuations in foreign exchange. Such risk is mitigated by using currency swaps. Financial liabilities with variable interest rate are exposed to interest rate fluctuation risk. Such risk is mitigated by using interest rate swaps as necessary.

Payment terms of notes and accounts payable are less than one year. Accounts payable to purchase fuel in foreign currencies is exposed to the market risk of fluctuations in foreign exchange and fuel price. Such

risks are mitigated by using foreign exchange forward contracts and financial energy swaps as necessary.

Liquidity risk comprises the risk that the Group cannot meet its contractual obligations in full on maturity dates. The Group manages its liquidity risk by holding an adequate volume of liquid assets based on monthly financial planning and diversifying sources of its financing.

### Fair Values of Financial Instruments

The carrying amounts and aggregate fair values of financial instruments at March 31, 2022 and 2021, were as follows: Investments in equity instruments that do not have a quoted market price in an active market and investments in partnerships and others are not included in the following table. The fair values of cash and cash equivalents, receivables, short-term borrowings, commercial paper, notes and accounts payable, and accrued income taxes are not disclosed because their maturities are short and the carrying values approximate fair value.

	Millions of Yen		
	Carrying Amount	Fair Value	Unrecognized Gain (Loss)
<b>March 31, 2022</b>			
Investment securities:			
Held-to-maturity debt securities	¥ 235	¥ 224	¥ (10)
Available-for-sale securities	6,577	6,577	
Investments in and advances to nonconsolidated subsidiaries and affiliated companies	47,022	46,143	(878)
<b>Total</b>	<b>¥ 53,834</b>	<b>¥ 52,945</b>	<b>(889)</b>
Long-term debt:			
Bonds	¥ 1,559,899	¥ 1,556,795	¥ (3,103)
Loans	1,957,373	1,973,856	16,482
<b>Total</b>	<b>¥ 3,517,273</b>	<b>¥ 3,530,651</b>	<b>¥ 13,378</b>
Derivatives	¥ 6,037	¥ 6,037	
<b>March 31, 2021</b>			
Investment securities:			
Held-to-maturity debt securities	¥ 141	¥ 134	¥ (6)
Available-for-sale securities	5,261	5,261	
Investments in and advances to nonconsolidated subsidiaries and affiliated companies	43,884	68,105	24,220
<b>Total</b>	<b>¥ 49,287</b>	<b>¥ 73,501</b>	<b>¥ 24,214</b>
Long-term debt:			
Bonds	¥ 1,444,898	¥ 1,463,907	¥ 19,008
Loans	1,914,641	1,948,290	33,649
<b>Total</b>	<b>¥ 3,359,539</b>	<b>¥ 3,412,198</b>	<b>¥ 52,658</b>
Derivatives	¥ 5,873	¥ 5,873	

	Thousands of U.S. Dollars		
	Carrying Amount	Fair Value	Unrecognized Gain (Loss)
<b>March 31, 2022</b>			
Investment securities:			
Held-to-maturity debt securities	\$ 1,919	\$ 1,834	\$ (85)
Available-for-sale securities	53,730	53,730	
Investments in and advances to nonconsolidated subsidiaries and affiliated companies	384,141	376,962	(7,178)
<b>Total</b>	<b>\$ 439,791</b>	<b>\$ 432,527</b>	<b>\$ (7,264)</b>
Long-term debt:			
Bonds	\$ 12,743,233	\$ 12,717,877	\$ (25,355)
Loans	15,990,309	16,124,959	134,649
<b>Total</b>	<b>\$ 28,733,543</b>	<b>\$ 28,842,837</b>	<b>\$ 109,293</b>
Derivatives	\$ 49,320	\$ 49,320	

Advances are excluded from investments in and advances to nonconsolidated subsidiaries and affiliated companies because they are immaterial.

Long-term debt contains its current portion, and obligations under finance leases are excluded because they are immaterial.

Derivatives are stated at the net amount.

*Carrying amount of investments in equity instruments that do not have a quoted market price in an active market and investments in partnerships and others*

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Investment securities—Available-for-sale:			
Equity securities	¥ 67,449	¥ 67,103	\$ 551,010
Investments in partnership and others	7,641		62,427
Other securities	21,894	22,362	178,862
Investments in and advances to nonconsolidated subsidiaries and affiliated companies:			
Equity securities	98,835	89,876	807,410
Other securities	28,220	29,115	230,543
<b>Total</b>	<b>¥ 224,041</b>	<b>¥ 208,457</b>	<b>\$ 1,830,254</b>



**Maturity Analysis for Financial Assets and Securities with Contractual Maturities**

	Millions of Yen			
	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
<b>March 31, 2022</b>				
Investment securities:				
Held-to-maturity debt securities			¥ 36	¥ 199
Available-for-sale securities with contractual maturities		¥ 14		351
Cash and cash equivalents	¥ 241,756			
Receivables	331,089			
<b>Total</b>	<b>¥ 572,845</b>	<b>¥ 14</b>	<b>¥ 36</b>	<b>¥ 550</b>

	Thousands of U.S. Dollars			
	Due in 1 Year or Less	Due after 1 Year through 5 Years	Due after 5 Years through 10 Years	Due after 10 Years
<b>March 31, 2022</b>				
Investment securities:				
Held-to-maturity debt securities			\$ 294	\$ 1,625
Available-for-sale securities with contractual maturities		\$ 119		2,868
Cash and cash equivalents	\$ 1,974,969			
Receivables	2,704,755			
<b>Total</b>	<b>\$ 4,679,724</b>	<b>\$ 119</b>	<b>\$ 294</b>	<b>\$ 4,494</b>

Please see Note 8 for annual maturities of long-term debt.

**Financial Instruments Categorized by Fair Value Hierarchy**

The fair value of financial instruments is categorized into the following three levels, depending on the observability and significance of the inputs used in making fair value measurements:

Level 1: Fair values measured by using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair values measured by using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly or indirectly.

Level 3: Fair values measured by using unobservable inputs for the assets or liabilities.

If multiple inputs are used that have a significant impact on the measurement of fair value, fair value is classified at the lowest level in the fair value measurement among the levels to which each of these inputs belongs.

*(a) Financial instruments recorded at fair value in the consolidated balance sheet*

	Millions of Yen			
	Fair Value			
<b>March 31, 2022</b>	Level 1	Level 2	Level 3	Total
Investment securities—				
Available-for-sale securities:				
Equity securities	¥ 5,491			¥ 5,491
Debt securities		¥ 351		351
Derivatives		6,037		6,037

	Thousands of U.S. Dollars			
	Fair Value			
<b>March 31, 2022</b>	Level 1	Level 2	Level 3	Total
Investment securities—				
Available-for-sale securities:				
Equity securities	\$ 44,862			\$ 44,862
Debt securities		\$ 2,868		2,868
Derivatives		49,320		49,320

Note: Investments trusts are not included in above table in accordance with the article 26 of ASBJ Guidance No. 31, "Implementation Guidance on Accounting Standard for Fair Value Measurement." The carrying amount of the investments trusts in the consolidated balance sheet is ¥734 million (\$5,999 thousand).

(b) Financial instruments other than financial instruments recorded at fair value in the consolidated balance sheet

	Millions of Yen			
	Fair Value			
	Level 1	Level 2	Level 3	Total
<b>March 31, 2022</b>				
Investment securities—				
Held-to-maturity debt securities:				
Local government bonds		¥ 35		¥ 35
Corporate bonds		95	¥ 93	188
Investments in and advances to nonconsolidated subsidiaries and affiliated companies	¥ 46,143			46,143
Long-term debt:				
Bonds		1,556,795		1,556,795
Loans		1,973,856		1,973,856

	Thousands of U.S. Dollars			
	Fair Value			
	Level 1	Level 2	Level 3	Total
<b>March 31, 2022</b>				
Investment securities—				
Held-to-maturity debt securities:				
Local government bonds		\$ 290		\$ 290
Corporate bonds		777	\$ 766	1,543
Investments in and advances to nonconsolidated subsidiaries and affiliated companies	\$ 376,962			376,962
Long-term debt:				
Bonds		12,717,877		12,717,877
Loans		16,124,959		16,124,959

The following is a description of valuation methodologies and inputs used for measurement of the fair value of assets and liabilities:

#### Investment Securities and Investments in and Advances to Nonconsolidated Subsidiaries and Affiliated Companies

The fair values of listed equity securities are measured at the quoted market price. Since listed equity securities are traded in active markets, the fair values of listed equity securities are categorized as Level 1. As the fair values of the debt securities (include local government bonds, exclude private placement bonds) are measured principally at the quoted price obtained from financial institutions, the fair values of the debt securities are categorized as Level 2. The fair values of private placement bonds are measured by discounting the total amount of principal and interest at interest rates based on the discount rate reflecting credit risk factors and others, and are categorized as Level 3 since the discount rate is unobservable. The fair values of investment trusts are measured at the disclosed net asset value and others. Those are not categorized into Levels in accordance with the article 26 of ASBJ Guidance No. 31.

#### Derivatives

The fair values of derivatives are measured principally at the quoted price obtained from financial institutions and are categorized as Level 2 based on the level of inputs of the derivatives. The interest rate swaps, which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements is recognized and included in interest charges. As a result, the fair values of interest rate swaps are included in those of hedged items (i.e., long-term loans).

#### Bonds

The fair values of bonds are based on market price and are categorized as Level 2.

#### Long-Term Loans

The fair values of long-term loans at fixed interest rates are determined by discounting the cash flows related to the loans at the Company's assumed corporate borrowing rate, and are categorized as Level 2. Because loans at variable interest rates reflect short-term movements in market interest rates and there has been no substantial change in the Company's credit position since the loans were implemented, the carrying amounts approximate fair values. A part of loans is subjected to interest rate swaps, which qualify for hedge accounting and meet specific matching criteria, and the fair values are determined by discounting the cash flows related to the loans with the interest rate swaps at the Company's assumed corporate borrowing rate, and are categorized as Level 2.

**21. DERIVATIVES**

The Company enters into foreign exchange forward contracts, currency swaps, interest rate swaps, financial energy swaps and financial transmission rights to manage its exposures to fluctuations in foreign exchanges, interest rates, fuel price, and electricity market price area differentials, respectively.

Consolidated subsidiaries of the Company enter into foreign exchange forward contracts, interest rate swaps and financial transmission rights to manage their exposures to fluctuations in foreign exchanges, interest rates, and electricity market price area differentials, respectively.

The Group does not enter into derivatives for trading or speculative purposes.

Foreign exchange forward contracts, currency swaps, interest rate swaps, financial energy swaps and financial transmission rights are not subject to any market risk except for abandoning potential income by market fluctuations in hedged items.

The Group does not anticipate any losses arising from credit risk, which is the possibility that a loss may result from counterparties' failure to perform according to the terms and conditions of the contract, because the counterparties to those derivatives have high credit ratings.

The derivative transactions are executed by specific sections, and the administrative section monitors them based on internal policies.

**Derivative Transactions to Which Hedge Accounting Is Applied**

Millions of Yen				
March 31, 2022	Hedged Item	Contract Amount	Contract Amount Due after One Year	Fair Value
Foreign currency forward contracts:				
	Buying U.S. dollar	¥ 54,412	¥ 50,913	¥ 9,371
	Buying Canadian dollar	22,818	21,472	3,354
Interest rate swaps:				
	Principle treatment—pay fixed / receive floating	Long-term loans	57,565	53,213
	Special treatment (Note a)—pay fixed / receive floating	Long-term loans	1,672	1,455
				(2,815)
Financial energy swaps—Principle treatment:				
	Receive fixed / pay floating	Receivables	7,619	(9,852)
	Pay fixed / receive floating	Accounts payable	14,739	5,979
Total				¥ 6,037

Millions of Yen				
March 31, 2022	Hedged Item	Contract Amount	Contract Amount Due after One Year	Fair Value
Foreign currency forward contracts:				
	Buying U.S. dollar	¥ 55,830	¥ 54,274	¥ 4,706
	Buying Canadian dollar	23,101	22,767	1,492
Interest rate swaps:				
	Principle treatment—pay fixed / receive floating	Long-term loans	57,829	55,607
	Special treatment (Note a)—pay fixed / receive floating	Long-term loans	1,889	1,672
				(4,229)
Financial energy swaps—Principle treatment:				
	Pay fixed / receive floating	Accounts payable	9,406	3,904
Total				¥ 5,873

March 31, 2022	Thousands of U.S. Dollars			
	Hedged Item	Contract Amount	Contract Amount Due after One Year	Fair Value
Foreign currency forward contracts:				
Buying U.S. dollar	Accounts payable	\$444,514	\$415,924	\$ 76,554
Buying Canadian dollar	Accounts payable	186,409	175,416	27,404
Interest rate swaps:				
Principle treatment— pay fixed / receive floating	Long-term loans	470,264	434,718	(22,999)
Special treatment (Note a)— pay fixed / receive floating	Long-term loans	13,661	11,889	
Financial energy swaps— Principle treatment:				
Receive fixed / pay floating	Receivables	62,248		(80,485)
Pay fixed / receive floating	Accounts payable	120,408		48,846
Total				\$ 49,320

Notes: a. The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements is recognized and included in interest charges. As a result, the fair values of interest rate swaps are included in those of hedged items (i.e., long-term loans) in Note 20.

b. The contract or notional amounts of derivatives, which are shown in the above table, do not represent the amounts exchanged by the parties and do not measure the Group's exposure to market risk.

## 22. COMMITMENTS AND CONTINGENCIES

At March 31, 2022, the Group had a number of fuel purchase commitments, most of which specify quantities and dates for fuel deliveries. However, most of purchase prices are contingent upon fluctuations in market prices.

### a. Contingent Liabilities

Contingent liabilities at March 31, 2022, were as follows:

	Millions of Yen	Thousands of U.S. Dollars
Co-guarantees of loans, mainly in connection with procurement of fuel	¥ 78,061	\$ 637,702
Guarantees of employees' loans	41,098	335,742
Other	21,945	179,279

### b. Investigation by the Japan Fair Trade Commission

On July 13, 2021, the Company and one of the consolidated subsidiaries, Kyuden Mirai Energy Company, Incorporated were investigated by the Japan Fair Trade Commission (the "JFTC") under Article 47 of the Antimonopoly Act of Japan. The allegation is that "some of the former General Electricity Utilities are suspected of jointly restricting the acquisition of customers of each other in Chubu, Kansai, Chugoku and Kyushu areas, regarding services of supplying extra-high voltage power and high voltage power." The investigation is currently ongoing; therefore, it is difficult to evaluate the effect on the financial performance and position among others of the Group as of the date of preparation of the consolidated financial statements for the year ended March 31, 2022. The Group will continue to cooperate fully with the investigation by the JFTC.

### c. Loan Commitments

Kyuden International Corporation, a consolidated subsidiary of the Company, has entered into the Shareholder Loan Agreement with Senoko Energy Pte Ltd. The unexercised portion of loan commitments under the agreement as of March 31, 2022, was as follows:

	Millions of Yen	Thousands of U.S. Dollars
Total loan limits	¥ 1,899	\$ 15,520
Loan executed		
Unexercised portion of loan commitments	1,899	15,520

**23. OTHER COMPREHENSIVE INCOME**

The components of other comprehensive income for the years ended March 31, 2022 and 2021, were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Other comprehensive income:			
Unrealized gain on available-for-sale securities:			
Gains arising during the year	¥ 1,669	¥ 1,503	\$ 13,635
Reclassification adjustments to profit or loss	(88)	0	(724)
Amount before income tax effect	1,580	1,503	12,911
Income tax effect	(435)	(439)	(3,555)
Total	¥ 1,145	¥ 1,064	\$ 9,356
Deferred gain on derivatives under hedge accounting:			
(Losses) gains arising during the year	¥ (1,885)	¥ 3,601	\$ (15,403)
Reclassification adjustments to profit or loss	4,887	1,083	39,930
Adjustments for amounts transferred to the initial carrying amounts of hedged items	(2,838)		(23,189)
Amount before income tax effect	163	4,684	1,337
Income tax effect	101	(1,213)	826
Total	¥ 264	¥ 3,470	\$ 2,164
Foreign currency translation adjustments:			
Gains arising during the year	¥ 2,381	¥ 1,421	\$ 19,454
Amount before income tax effect	2,381	1,421	19,454
Income tax effect	728	(1,119)	5,947
Total	¥ 3,109	¥ 302	\$ 25,402

	Millions of Yen		Thousands of U.S. Dollars
	2022	2021	2022
Defined retirement benefit plans:			
Gains arising during the year	¥ 1,780	¥ 25,811	\$ 14,541
Reclassification adjustments to profit or loss	(1,032)	7,504	(8,431)
Amount before income tax effect	747	33,315	6,110
Income tax effect	(214)	(9,425)	(1,754)
Total	¥ 533	¥ 23,889	\$ 4,355
Share of other comprehensive income (loss) in nonconsolidated subsidiaries and affiliated companies:			
Gains (losses) arising during the year	¥ 713	¥ (507)	\$ 5,825
Reclassification adjustments to profit or loss	871	472	7,117
Total	¥ 1,584	¥ (35)	\$ 12,942
Total other comprehensive income	¥ 6,637	¥ 28,691	\$ 54,221

## 24. SEGMENT INFORMATION

### (1) Description of reportable segments

The Group's reportable segments are those for which financial information is available separately and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Group. Therefore, the Group's reportable segments consist of power generation and sale, electricity transmission and distribution, other energy services, information and communication technology ("ICT") services and other.

- Power Generation and Sale segment: This segment is engaged in the business of power generation and retail electricity in Japan.
- Electricity Transmission and Distribution segment: This segment is engaged in the business of general transmission and distribution in Kyushu region.
- Other Energy Services segment: This segment is engaged in the business that provides a stable supply of electric power, such as construction and maintenance of electricity-related facilities, selling gas and LNG, a renewable energy business, and overseas business.
- ICT Services segment: This segment is engaged in the data communication business, optical broadband business, construction and maintenance of telecommunications facilities, information system development business, and data center business.
- Other segment: This segment is engaged in the real estate business, back office outsourcing business, staffing business and other business.

### (2) Methods of measurement for the amounts of sales, profit, assets and other items for each reportable segment

The accounting policies of each reportable segment are consistent to those disclosed in Note 2, "Summary of Significant Accounting Policies."

### *Adoption of Accounting Standard for Revenue Recognition and Revised Accounting Regulations Applicable to Electric Utility Providers in Japan*

As described in Note 4, the Group adopted the ASBJ Statement No. 29 for annual periods beginning on or after April 1, 2021. The accounting regulations applicable to electric utility providers in Japan were revised due to the issuance of the ASBJ Statement No. 29, and effective on April 1, 2021. The Group retrospectively applied the ASBJ Statement No. 29 and the revised accounting regulations applicable to electric utility providers in Japan. In accordance with this adoption, the Group has changed the calculation method for sales, profits or losses, assets and other items of reportable segments in the same way, and the segment information for the year ended March 31, 2021, is adjusted retroactively. As a result, sales for the year ended March 31, 2021, decreased by ¥568,683 million in the "power generation and sale segment," ¥40,014 million in the "electricity transmission and distribution segment," ¥4,853 million in the "other energy services segment," and ¥2,038 million in the "ICT services segment," and increased by ¥27 million in the "other segment" and ¥5,740 million in the "reconciliations." Segment profit for the year ended March 31, 2021, decreased by ¥544 million in the "ICT services segment," and increased by ¥12 million in the "other energy services segment," and ¥27 million in the "other segment." Furthermore, segment assets as of March 31, 2021, increased by ¥22 million in the "other energy services segment," ¥1,627 million in the "ICT services segment," and ¥91 million in the "other segment."

(3) Information about sales, profit, assets and other items at March 31, 2022 and 2021, was as follows:

		Millions of Yen														
		2022														
		Reportable segment														
		Energy Services														
		Domestic Electric Power														
		Power Generation and Sale	Electricity Transmission and Distribution	Other Energy Services	ICT Services	Other	Total	Reconciliations	Consolidated							
Sales:																
Revenues from contracts with customers	¥	1,382,809	¥	171,728	¥	78,380	¥	80,539	¥	12,061	¥	1,725,519		¥	1,725,519	
Other revenue		847		7,652		3,156		565		5,569		17,790			17,790	
Sales to external customers		1,383,657		179,380		81,536		81,105		17,631		1,743,310			1,743,310	
Intersegment sales or transfers		132,148		418,963		117,077		31,364		15,690		715,244	¥	(715,244)		
<b>Total</b>	<b>¥</b>	<b>1,515,805</b>	<b>¥</b>	<b>598,343</b>	<b>¥</b>	<b>198,614</b>	<b>¥</b>	<b>112,470</b>	<b>¥</b>	<b>33,321</b>	<b>¥</b>	<b>2,458,555</b>	<b>¥</b>	<b>(715,244)</b>	<b>¥</b>	<b>1,743,310</b>
Segment profit (loss)		¥ (5,935)		¥7,183		¥22,452		¥6,105		¥6,103		¥35,910		¥ (3,525)		¥32,384
Segment assets		4,258,087		1,924,633		611,774		206,428		150,399		7,151,323		(1,808,973)		5,342,350
Other:																
Depreciation		115,008		71,798		12,302		24,079		3,395		226,583		(1,289)		225,293
Interest income		9,725		22		685		3		26		10,463		(9,634)		829
Interest charges		21,834		9,209		3,273		169		190		34,677		(9,634)		25,043
Share of profit of entities accounted for using the equity method						7,895		39		22		7,957		(340)		7,617
Loss on impairment of fixed assets		3,404		131								3,536				3,536
Increase in property and nuclear fuel		155,422		117,934		11,462		27,267		5,814		317,901		(5,763)		312,138
		Millions of Yen														
		2021														
		Reportable segment														
		Energy Services														
		Domestic Electric Power														
		Power Generation and Sale	Electricity Transmission and Distribution	Other Energy Services	ICT Services	Other	Total	Reconciliations	Consolidated							
Sales:																
Sales to external customers	¥	1,208,657	¥	152,121	¥	67,537	¥	79,715	¥	13,946	¥	1,521,977			¥	1,521,977
Intersegment sales or transfers		113,474		407,154		112,937		33,262		15,567		682,397	¥	(682,397)		
<b>Total</b>	<b>¥</b>	<b>1,322,131</b>	<b>¥</b>	<b>559,275</b>	<b>¥</b>	<b>180,475</b>	<b>¥</b>	<b>112,977</b>	<b>¥</b>	<b>29,514</b>	<b>¥</b>	<b>2,204,374</b>	<b>¥</b>	<b>(682,397)</b>		<b>1,521,977</b>
Segment profit (loss)	¥	(564)	¥	29,101	¥	17,645	¥	6,347	¥	4,291	¥	56,821	¥	(1,641)	¥	55,179
Segment assets		4,090,421		1,879,200		553,709		198,305		138,223		6,859,860		(1,731,296)		5,128,563
Other:																
Depreciation		101,502		68,002		11,563		23,189		3,620		207,878		(2,128)		205,749
Interest income		10,499		24		645		2		59		11,231		(10,444)		786
Interest charges		22,156		10,055		4,094		187		209		36,702		(10,444)		26,258
Share of profit (loss) of entities accounted for using the equity method						10,277		78		(230)		10,125		(241)		9,884
Increase in property and nuclear fuel		208,932		108,026		16,063		21,171		4,843		359,037		(3,143)		355,894

	Thousands of U.S. Dollars								
	2022								
	Reportable segment								
	Energy Services								
	Domestic Electric Power								
	Power Generation and Sale	Electricity Transmission and Distribution	Other Energy Services	ICT Services	Other	Total	Reconciliations	Consolidated	
Sales:									
Revenues from contracts with customers	\$ 11,296,542	\$ 1,402,892	\$ 640,311	\$ 657,949	\$ 98,534	\$ 14,096,229		\$ 14,096,229	
Other revenue	6,921	62,511	25,784	4,623	45,498	145,338		145,338	
Sales to external customers	11,303,464	1,465,404	666,095	662,572	144,032	14,241,568		14,241,568	
Intersegment sales or transfers	1,079,554	3,422,625	956,437	256,226	128,181	5,843,025	\$ (5,843,025)		
<b>Total</b>	<b>\$ 12,383,018</b>	<b>\$ 4,888,030</b>	<b>\$ 1,622,532</b>	<b>\$ 918,798</b>	<b>\$ 272,213</b>	<b>\$ 20,084,594</b>	<b>\$ (5,843,025)</b>	<b>\$ 14,241,568</b>	
Segment profit (loss)	\$ (48,489)	\$ 58,685	\$ 183,422	\$ 49,879	\$ 49,863	\$ 293,361	\$ (28,803)	\$ 264,557	
Segment assets	34,785,457	15,722,843	4,997,750	1,686,369	1,228,650	58,421,071	(14,777,985)	43,643,086	
Other:									
Depreciation	939,531	586,539	100,506	196,709	27,735	1,851,022	(10,537)	1,840,485	
Interest income	79,451	184	5,600	29	216	85,482	(78,704)	6,778	
Interest charges	178,372	75,236	26,740	1,386	1,556	283,293	(78,704)	204,588	
Share of profit of entities accounted for using the equity method			64,502	324	180	65,008	(2,779)	62,229	
Loss on impairment of fixed assets	27,815	1,077				28,892		28,892	
Increase in property and nuclear fuel	1,269,690	963,436	93,641	222,756	47,496	2,597,021	(47,079)	2,549,942	

Notes: a. Reconciliations of segment profit (loss) and segment assets are intersegment transaction eliminations.

b. Segment profit (loss) is adjusted to reflect ordinary income.

Ordinary income is calculated by adding interest income, dividends, share of profit of entities accounted for using the equity method and other income to, and deducting interest charges and other expenses from operating income.

Geographic segment information is not disclosed because the Group's overseas operations are immaterial.

Information for overseas sales is not disclosed due to overseas sales being immaterial compared with consolidated net sales.



**25. SUBSEQUENT EVENTS****a. Year-End Cash Dividends**

At the general shareholders' meeting held on June 28, 2022, the Company's shareholders approved the following appropriation of retained earnings as of March 31, 2022:

	Millions of Yen	Thousands of U.S. Dollars
Yea-end cash dividends, ¥20.00 (\$0.16) per common share	¥ 9,478	\$ 77,431
Yea-end cash dividends, ¥1,050,000.00 (\$8,577.73) per Class A preferred share	1,050	8,577

**b. Reduction of Legal Retained Earnings**

The resolution of the proposal on the reduction of legal retained earnings at the general shareholders' meeting on June 28, 2022, was made at the Board of Directors meeting held on April 28, 2022. The proposal was subsequently approved at that general shareholders' meeting on June 28, 2022.

*(1) Purpose of the reduction of legal retained earnings*

In order to ensure flexible implementation of capital policy in response to future changes in the business environment, the amount of legal retained earnings was reduced, and transferred to retained earnings brought forward, pursuant to the provisions of Article 448, Paragraph 1 of the Companies Act.

*(2) Details of the reduction of legal retained earnings*

Amount of the reduction: ¥59,326 million (\$484,651 thousand) (entire amount)

Method of the reduction: The entire amount of the reduction of the legal retained earnings was transferred to retained earnings brought forward.

*(3) Schedule of the reduction of legal retained earnings*

April 28, 2022	Date of resolution by the Board of Directors meeting
June 28, 2022	Date of resolution by the general shareholders' meeting
June 29, 2022	Initial date of public notice for creditors to make objections
July 29, 2022 (scheduled)	Final due date for creditors to make objections
July 30, 2022 (scheduled)	Effective date

**26. NET INCOME PER SHARE**

Reconciliation of the differences between basic and diluted net income per share ("EPS") for the years ended March 31, 2022 and 2021, was as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Income Attributable to Owners of the Parent	Weighted-Average Shares	EPS	
<b>Year Ended March 31, 2022</b>				
Net income attributable to owners of the parent	¥ 6,873			
Amount not attributable to common shareholder—Preferred dividend	(2,100)			
Basic EPS—Net income available to common shareholders	¥ 4,773	472,851	¥ 10.09	\$ 0.08
Effect of dilutive securities—Convertible bonds				
Diluted EPS—Net income for computation				
<b>Year Ended March 31, 2021</b>				
Net income attributable to owners of the parent	¥ 31,835			
Amount not attributable to common shareholder—Preferred dividend	(2,100)			
Basic EPS—Net income available to common shareholders	¥ 29,735	473,015	¥ 62.86	
Effect of dilutive securities—Convertible bonds		54,352		
Diluted EPS—Net income for computation	¥ 29,735	¥ 527,367	¥ 56.39	

Note: The Group adopted the ASBJ Statement No. 29 from the annual periods beginning on April 1, 2021 (see Note 4). As a result, basic EPS and diluted EPS for the year ended March 31, 2021, were adjusted retrospectively and decreased by ¥0.71 and ¥0.62, respectively.