

	2025	2024	2025
Income taxes			
For the period	50,503	56,577	337,744
Prior period	(536)	(2,659)	(3,584)
Total income taxes	49,966	53,918	334,153
Deferred income taxes			
Origination and reversal of temporary differences	17,331	66,295	115,903
Changes in unrecognized deferred tax assets	279	(4,037)	1,865
Adjustment to deferred tax assets and liabilities resulting from changes in tax rates	(1,560)	(28)	(10,432)
Total deferred income taxes	16,050	62,229	107,336
Total income tax expense	66,016	116,148	441,490

(3) Reconciliation of effective tax rates

Reconciliation between the statutory tax rates and the effective tax rates reflected in the consolidated statement of profit or loss for the years ended March 31, 2025 and 2024 was as follows:

	2025	2024
Statutory tax rate	27.9	27.9
Reconciliation:		
Difference in tax rates of subsidiaries	(9.2)	(6.8)
Retained earnings of foreign subsidiaries	0.9	0.6
Share of profit/loss of investments accounted for using the equity method	(1.2)	(1.0)
Change in judgment of recoverability of deferred tax assets	(0.3)	(0.6)
Controlled Foreign Company (CFC)	3.5	0.3
Other	2.2	(0.3)
Effective tax rate	23.7	20.1

The Company and its subsidiaries in Japan are mainly subject to corporate income tax, inhabitant tax, and enterprise tax levied on income. The applicable tax rate calculated based on these taxes was 27.9% for the years ended March 31, 2025 and 2024.

Foreign subsidiaries are subject to income and other taxes in their respective countries of domicile.

20. TRADE AND OTHER PAYABLES

The breakdown of trade and other payables as of March 31, 2025 and 2024 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Trade accounts payable	687,525	563,585	4,597,906
Accrued expenses	98,591	78,188	659,339
Accounts payable - capital expenditures	26,787	18,985	179,141
Total	812,905	660,759	5,436,400

Note: Trade and other payables are classified into financial liabilities measured at amortized cost.

21. BONDS AND BORROWINGS

(1) The breakdown of bonds and borrowings as of March 31, 2025 and 2024 was as follows:

	Millions of Yen		Thousands of U.S. Dollars		
	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025	Average interest rate (%)	Repayment (maturity) date
Short-term borrowings	19,604	51,496	131,104	1.01	—
Current portion of long-term borrowings	284,173	374,346	1,900,441	1.15	—
Current portion of bonds payable	122,078	29,985	816,411	0.27	(Note 4)
Long-term borrowings	2,065,294	2,084,288	13,811,903	2.36	2026–2043
Bonds payable	608,566	563,537	4,069,858	1.63	(Note 4)
Total	3,099,716	3,103,654	20,729,726	—	—
Current liabilities	425,855	455,828	2,847,956		
Non-current liabilities	2,673,860	2,647,826	17,881,762		
Total	3,099,716	3,103,654	20,729,726		

Notes: 1. The average interest rate represents the weighted average of contractual interest rate applicable to the ending balances.

2. Bonds and borrowings are classified into financial liabilities measured at amortized cost.

3. Some of the Group's borrowings were subject to financial covenants. The Company was in compliance with the financial covenants for the years ended March 31, 2025 and 2024. The Company monitors and maintains the level required by the said covenants.

4. The outline of the conditions for bond as of March 31, 2025 and 2024 is as follows:

Millions of Yen
Thousands of U.S. Dollars

Company name	Issue	Date of issuance	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025	Interest rate (%)	Collateral	Date of maturity
JERA Co., Inc.	Unsecured bonds - 1st (with an inter-bond pari passu clause)	October 22, 2020	19,994	19,984	133,712	0.190	None	October 24, 2025
JERA Co., Inc.	Unsecured bonds - 2nd (with an inter-bond pari passu clause)	October 22, 2020	19,962	19,955	133,498	0.390	None	October 25, 2030
JERA Co., Inc.	Unsecured bonds - 3rd (with an inter-bond pari passu clause)	November 26, 2021	39,970	39,952	267,304	0.150	None	November 25, 2026
JERA Co., Inc.	Unsecured bonds - 4th (with an inter-bond pari passu clause)	November 26, 2021	29,937	29,927	200,207	0.350	None	November 25, 2031
JERA Co., Inc.	Unsecured bonds - 5th (with an inter-bond pari passu clause)	January 19, 2022	–	29,985	–	0.050	None	January 24, 2025
JERA Co., Inc.	Unsecured bonds - 6th (with an inter-bond pari passu clause)	January 19, 2022	9,963	9,960	66,628	0.670	None	January 25, 2041
JERA Co., Inc.	Unsecured bonds - 7th (with an inter-bond pari passu clause)	April 27, 2022	69,997	69,960	468,113	0.200	None	April 25, 2025
JERA Co., Inc.	Unsecured bonds - 8th (with an inter-bond pari passu clause) (transition bonds)	May 24, 2022	11,986	11,980	80,157	0.420	None	May 25, 2027
JERA Co., Inc.	Unsecured bonds - 9th (with an inter-bond pari passu clause) (transition bonds)	May 24, 2022	7,979	7,976	53,360	0.664	None	May 25, 2032
JERA Co., Inc.	Unsecured bonds - 10th (with an inter-bond pari passu clause)	June 22, 2022	12,097	12,089	80,900	0.350	None	June 25, 2025
JERA Co., Inc.	Unsecured bonds - 11th (with an inter-bond pari passu clause)	July 11, 2022	10,083	10,078	67,431	0.600	None	July 25, 2028
JERA Co., Inc.	Unsecured bonds - 12th (with an inter-bond pari passu clause)	July 11, 2022	10,254	10,252	68,574	1.400	None	July 25, 2047
JERA Co., Inc.	Unsecured bonds - 13th (with an inter-bond pari passu clause)	September 12, 2022	5,276	5,275	35,283	1.340	None	September 23, 2044
JERA Co., Inc.	Unsecured bonds - 14th (with an inter-bond pari passu clause)	September 12, 2022	5,275	5,274	35,277	1.390	None	September 25, 2046
JERA Co., Inc.	Unsecured bonds - 15th (with an inter-bond pari passu clause)	September 22, 2022	19,988	19,976	133,672	0.540	None	March 25, 2026
JERA Co., Inc.	Unsecured bonds - 16th (with an inter-bond pari passu clause)	April 26, 2023	24,962	24,950	166,936	0.640	None	April 25, 2028
JERA Co., Inc.	Unsecured bonds - 17th (with an inter-bond pari passu clause)	April 26, 2023	14,965	14,959	100,080	0.900	None	April 25, 2030
JERA Co., Inc.	Unsecured bonds - 18th (with an inter-bond pari passu clause)	June 22, 2023	19,956	19,943	133,458	0.510	None	June 23, 2028
JERA Co., Inc.	Unsecured bonds - 19th (with an inter-bond pari passu clause)	June 19, 2023	9,982	9,977	66,755	0.510	None	June 23, 2028
JERA Co., Inc.	Unsecured bonds - 20th (with an inter-bond pari passu clause)	December 6, 2023	29,969	29,950	200,421	0.470	None	November 25, 2026
JERA Co., Inc.	Unsecured bonds – 21st (with an inter-bond pari passu clause)	December 6, 2023	9,980	9,974	66,742	0.689	None	November 24, 2028
JERA Co., Inc.	Unsecured bonds – 22nd (with an inter-bond pari passu clause)	March 6, 2024	29,964	29,946	200,387	0.500	None	February 25, 2027
JERA Co., Inc.	Unsecured bonds – 23rd (with an inter-bond pari passu clause) (transition bonds)	March 6, 2024	9,969	9,965	66,668	1.192	None	February 24, 2034

Thousands of
U.S. Dollars

Millions of Yen

Company name	Issue	Date of issuance	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025	Interest rate (%)	Collateral	Date of maturity
JERA Co., Inc.	Unsecured bonds – 24th (with an inter-bond pari passu clause)	April 24, 2024	19,958	–	133,471	0.876	None	April 25, 2029
JERA Co., Inc.	Unsecured bonds – 25th (with an inter-bond pari passu clause)	April 24, 2024	5,982	–	40,005	1.054	None	April 25, 2031
JERA Co., Inc.	Unsecured bonds – 26th (with an inter-bond pari passu clause)	June 25, 2024	19,942	–	133,364	0.924	None	June 25, 2029
JERA Co., Inc.	Unsecured bonds – 27th (with an inter-bond pari passu clause)	June 13, 2024	19,957	–	133,464	0.924	None	June 13, 2029
JERA Co., Inc.	Unsecured bonds – 28th (with an inter-bond pari passu clause) (transition bonds)	November 28, 2024	14,954	–	100,006	1.215	None	November 25, 2031
JERA Co., Inc.	Unsecured bonds – 29th (with an inter-bond pari passu clause) (transition bonds)	February 27, 2025	12,158	–	81,308	1.830	None	February 22, 2035
JERA Co., Inc.	Unsecured bonds with interest deferrable clause and early redeemable option - 1st (with a subordination clause)	December 15, 2022	64,983	64,973	434,581	2.144 ^{*1}	None	December 25, 2057
JERA Co., Inc.	Unsecured bonds with interest deferrable clause and early redeemable option - 2nd (with a subordination clause)	December 15, 2022	9,148	9,147	61,178	2.209 ^{*2}	None	December 25, 2059
JERA Co., Inc.	Unsecured bonds with interest deferrable clause and early redeemable option - 3rd (with a subordination clause)	December 15, 2022	21,869	21,865	146,251	2.549 ^{*3}	None	December 25, 2062
JERA Co., Inc.	Unsecured U.S. dollar-denominated bonds - 1st	April 14, 2022	44,748	45,234	299,257	3.665	None	April 14, 2027
JERA Co., Inc.	U.S. dollar-denominated bonds - 2nd	September 4, 2024	74,419	–	497,686	4.614	None	September 4, 2029

- *1. A fixed interest rate will apply until December 25, 2027, and variable interest rates will apply from the day immediately following December 25, 2027. The interest rate will increase on the day immediately following December 25, 2032 and the day immediately following December 25, 2047.
- *2. A fixed interest rate will apply until December 25, 2029, and variable interest rates will apply from the day immediately following December 25, 2029. The interest rate will increase on the day immediately following December 25, 2032 and the day immediately following December 25, 2049.
- *3. A fixed interest rate will apply until December 25, 2032, and variable interest rates will apply from the day immediately following December 25, 2032. The interest rate will increase on the day immediately following December 25, 2032 and the day immediately following December 25, 2052.

(2) Assets pledged as collateral and corresponding liabilities as of March 31, 2025 and 2024 were as follows:

A. Assets pledged as collateral

	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Cash and cash equivalents	120,309	125,227	804,581
Trade and other receivables	4,468	882	29,880
Inventories	1,134	1,111	7,583
Property, plant and equipment	1,277,555	962,364	8,543,803
Right-of-use assets	327	401	2,186
Goodwill and intangible assets	3,731	3,217	24,951
Investments accounted for using the equity method	3,926	46,981	26,255
Derivative assets	12,421	–	83,066
Other financial assets (current and non-current)	29,341	17,201	196,221
Other assets (current and non-current)	1,957	1,942	13,087

Total	1,455,174	1,159,330	9,731,652
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B. Liabilities corresponding to assets pledged as collateral

Millions of Yen			Thousands of U.S. Dollars
	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Borrowings (current and non-current)	876,751	737,945	5,863,378

22. OTHER FINANCIAL LIABILITIES

The breakdown of other financial liabilities as of March 31, 2025 and 2024 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Financial liabilities measured at amortized cost			
Accounts payable - other	82,152	72,225	549,401
Deposits received	6,141	67,924	41,068
Other (Note)	16,327	16,040	109,188
Subtotal	104,620	156,189	699,658
Other			
Liabilities recognized for written put options over non-controlling interests	146,306	178,877	978,439
Total	250,927	335,067	1,678,104
Current liabilities	54,928	89,924	367,337
Non-current liabilities	195,999	245,142	1,310,767
Total	250,927	335,067	1,678,104

Note: Items under “Other” in “Financial liabilities measured at amortized cost” include those that bear interest, the amounts of which were ¥16,121 million (\$107,811 thousand) (including ¥3,184 million [\$21,293 thousand] due within one year) as of March 31, 2025 and ¥16,040 million as of March 31, 2024. Their maturities ranged from 2025 through 2027 with an average interest rate of 5.5%.

23. PROVISIONS

Changes in provisions were as follows:

For the year ended March 31, 2025

Millions of Yen			
	Asset retirement obligations	Other provisions	Total
Beginning balance	21,005	95,085	116,091
Increase during the period	13,277	10,911	24,188
Increase due to business combination	3,085	—	3,085
Interest expense incurred over the discount period	633	2	635
Decrease due to intended use	—	(13,305)	(13,305)
Transfer to liabilities directly associated with assets held for sale	(4,954)	—	(4,954)
Exchange differences on translation of foreign operations	1,342	(4)	1,337
Other	17	(1,379)	(1,362)
Ending balance	34,405	91,310	125,715

For the year ended March 31, 2025

Thousands of U.S. Dollars

	Asset retirement obligations	Other provisions	Total
Beginning balance	140,473	635,892	776,372
Increase during the period	88,791	72,968	161,760
Increase due to business combination	20,631	—	20,631
Interest expense incurred over the discount period	4,233	13	4,246
Decrease due to intended use	—	(88,978)	(88,978)
Transfer to liabilities directly associated with assets held for sale	(33,130)	—	(33,130)
Exchange differences on translation of foreign operations	8,974	(26)	8,941
Other	113	(9,222)	(9,108)
Ending balance	230,087	610,646	840,734

The breakdown of provisions for current and non-current liabilities was as follows:

Millions of Yen Thousands of U.S. Dollars

	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Current liabilities	12,614	8,742	84,357
Non-current liabilities	113,101	107,348	756,376

Note: Provisions are included in “Other current liabilities” and “Other non-current liabilities” in the consolidated statement of financial position.

A. Asset retirement obligations

The Group’s asset retirement obligations consist mainly of removal obligations of power generation facilities in the offshore wind power generation business and resource development-related facilities in the fuel upstream business after completion of production.

These costs are expected to be paid by no later than 2048 for the former and 2065 for the latter, although the payment will be subject to future business plans and other factors.

B. Other provisions

The Group’s other provisions consist mainly of expenses and other outlays associated with the removal of power plant facilities.

These costs are expected to be settled by no later than 2035, although the payment will be subject to future business plans and other factors.

24. POST-EMPLOYMENT BENEFITS

The Company and certain of its consolidated subsidiaries have defined benefit corporate pension plans and lump-sum retirement payment plans as defined benefit plans, and defined contribution pension plans as defined contribution plans. The Company has adopted mainly lump-sum retirement payment plans, defined benefit corporate pension plans, and defined contribution pension plans. The Company's defined benefit corporate pension plans are a contract-based corporate pension plan and managed in accordance with laws and regulations, as well as the pension plan rules.

The pension plan rules specify the details of the pension plans, including eligibility, benefit details and methods, and contributions, on the basis of the consent of their employees.

Plan assets are legally separated from the Company. The asset management trustees are responsible for plan assets and obliged to perform their fiduciary duties for pension plan participants and other parties concerned and operational responsibilities such as diversified investments, as well as to prevent conflicts of interest.

The lump-sum retirement payment plans and defined benefit pension plans are exposed to general investment risk, interest rate risk and inflation risk. However, the Company appropriately manages those risks to operate the plans in a sound manner.

The Company integrated the existing corporate pension plans and lump-sum retirement payment plans, and transitioned to new retirement benefit plans effective from April 1, 2024. The Company recognized past service cost associated with this revision in the year ended March 31, 2024.

(1) Reconciliation of defined benefit obligation and plan assets

Reconciliation of defined benefit obligation and plan assets, and retirement benefit liability (asset) recognized in the consolidated statement of financial position as of March 31, 2025 and 2024 was as follows:

		Millions of Yen	Thousands of U.S. Dollars
	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Present value of funded defined benefit obligation	28,124	29,853	188,082
Fair value of plan assets	(37,721)	(38,280)	(252,263)
Subtotal	(9,597)	(8,426)	(64,181)
Present value of unfunded defined benefit obligation	37,348	38,123	249,769
Total	27,751	29,696	185,588
Amount in the consolidated statement of financial position			
Retirement benefit liability (Note 1)	35,908	38,436	240,139
Retirement benefit asset (Note 2)	(8,156)	(8,739)	(54,544)
Net liability (asset) recognized in the consolidated statement of financial position	27,751	29,696	185,588

Notes: 1. Retirement benefit liability is included in other non-current liabilities.

2. Retirement benefit asset is included in other non-current assets.

(2) Reconciliation of defined benefit obligation

Changes in defined benefit obligation for the years ended March 31, 2025 and 2024 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Beginning balance	67,977	72,817	454,604
Current service cost	3,107	3,171	20,778
Interest cost	1,086	915	7,262
Gains and losses on remeasurements			
Actuarial gains and losses arising from changes in demographic assumptions	(763)	(821)	(5,102)
Actuarial gains and losses arising from changes in financial assumptions	(5,102)	(3,242)	(34,120)
Actuarial gains and losses arising from experience adjustments	2,039	207	13,636
Past service cost	—	(2,525)	—
Benefits paid	(3,209)	(3,078)	(21,460)
Effect of business combinations and disposal	—	648	—
Increase due to transfer of employees	275	101	1,839
Other	61	(217)	407
Ending balance	65,473	67,977	437,858

The weighted average duration of the defined benefit obligation as of March 31, 2025 and 2024 was as follows:

	(Years)	
	As of March 31, 2025	As of March 31, 2024
Weighted average duration	11–18	11–20

(3) Reconciliation of plan assets

Changes in plan assets for the years ended March 31, 2025 and 2024 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Beginning balance	38,280	34,308	256,002
Interest income	619	440	4,139
Gains and losses on remeasurements			
Return on plan assets (excluding interest income)	(1,976)	2,536	(13,214)
Contribution by the employer	1,224	943	8,185
Contribution by plan participants	31	59	207
Benefits paid	(433)	(481)	(2,895)
Effect of business combinations and disposal	—	444	—
Increase due to transfer of employees	13	53	86
Other	(37)	(24)	(247)
Ending balance	37,721	38,280	252,263

Note: The Group will contribute ¥1,877 million (\$12,552 thousand) for the fiscal year ending March 31, 2026.

(4) Major components of plan assets

The major components of total plan assets as of March 31, 2025 and 2024 were as follows:

Millions of Yen

	As of March 31, 2025			As of March 31, 2024		
	With quoted prices in active markets	With no quoted prices in active markets	Total	With quoted prices in active markets	With no quoted prices in active markets	Total
Cash and cash equivalents	146	—	146	77	—	77
Equity investments	7,402	—	7,402	6,865	—	6,865
Bonds	11,964	—	11,964	12,006	757	12,764
General accounts of life insurance companies	—	14,471	14,471	3,489	14,557	18,046
Other (Note)	—	3,736	3,736	—	525	525
Total	19,513	18,208	37,721	22,439	15,840	38,280

Thousands of U.S. Dollars

	As of March 31, 2025		
	With quoted prices in active markets	With no quoted prices in active markets	Total
Cash and cash equivalents	976	—	976
Equity investments	49,501	—	49,501
Bonds	80,010	—	80,010
General accounts of life insurance companies	—	96,776	96,776
Other	—	24,984	24,984
Total	130,495	121,768	252,263

Note: Other as of March 31, 2025 includes privately placed REITs.

The investments of plan assets under the corporate pension plans of the Company are managed to generate sufficient earnings to meet future benefit payments.

The Group has established a portfolio to meet the objective, considering operational risks and returns, past performance and forecasts.

(5) Matters concerning actuarial assumptions

The major actuarial assumptions as of March 31, 2025 and 2024 were as follows:

%

	As of March 31, 2025	As of March 31, 2024
Discount rate	mainly 2.2	mainly 1.6

Note: The sensitivities of defined benefit obligation as of March 31, 2025 and 2024 that were affected by changes in main actuarial assumptions are described below. Each sensitivity is based on the assumption that the other variables are constant. However, in reality, they do not necessarily change independently. Negative values represent a decrease in defined benefit obligation, while positive values represent an increase in defined benefit obligation.

Millions of Yen Thousands of U.S. Dollars

	Change in actuarial assumptions	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Discount rate	50-basis-point increase	(3,396)	(4,111)	(22,711)
	50-basis-point decrease	3,724	4,515	24,904

(6) Defined contribution pension plans

The contributions to the defined contribution pension plans for the years ended March 31, 2025 and 2024 were ¥8,210 million (\$54,905 thousand) and ¥5,935 million, respectively.

25. EQUITY AND OTHER EQUITY ITEMS

(1) Share capital

A. Number of shares authorized

The number of shares authorized was 50,000,000 shares of common stock, two Class A shares, and two Class B shares as of March 31, 2025 and 2024.

The shares are no-par-value common stock with no restrictions on any rights and no par-value Class A and B shares prescribed differently from common stock in respect of dividends of surplus, distribution of residual assets, put options, and matters to be resolved at shareholders' meetings.

B. Shares issued and fully paid

Changes in the number of shares issued for the years ended March 31, 2025 and 2024 were as follows:

	Number of shares of common stock issued (Shares)
As of March 31, 2025	20,000,000
As of March 31, 2024	20,000,000
Changes during period	—
As of April 1, 2023	20,000,000
Changes during period	—

(2) Surplus

A. Capital surplus

Under the Companies Act of Japan (the “Companies Act”), at least 50% of the amount paid-in or contributed for share issuance shall be credited to share capital, and the remainder shall be credited to legal capital surplus that is included in capital surplus.

The Companies Act also provides that legal capital surplus may be credited to share capital pursuant to a resolution at the shareholders' meeting.

B. Retained earnings

The Companies Act provides that 10% of the amount of surplus that is reduced by the distribution of surplus shall be appropriated as legal capital surplus or as legal retained earnings until the aggregate amount of legal capital surplus and legal retained earnings included in retained earnings equals 25% of share capital. Legal retained earnings accumulated may be used to eliminate or reduce a deficit. Further, legal retained earnings may be reversed pursuant to a resolution at the shareholders' meeting.

(3) Other equity instruments

In order to further strengthen its financial base, the Company obtained financing through a perpetual subordinated syndicated loan of ¥200.0 billion (Tranche A: ¥100.0 billion and Tranche B: ¥100.0 billion) (the “Loans”) on March 30, 2023. The Loans have no requirements for repayments of principal or maturity date. The Company is able to defer interest payments at its discretion and has no obligation to redeem the Loans unless any of the subordination events (liquidation and bankruptcy) occurs as specified in the subordination agreement. Accordingly, the Loans are classified into equity instruments under IFRS, and the amount raised through the Loans less issuance costs is recognized as “Other equity instruments” in “Equity” in the consolidated statement of financial position.

Details of the Loans

Total funding amount	¥200.0 billion (Tranche A: ¥100.0 billion and Tranche B: ¥100.0 billion)
Maturity date and optional redemption	No fixed due date. However, the Company may repay the principal of Tranche A on March 31, 2028 and any subsequent interest payment date, subject to prior notice by the Company. For Tranche B, the Company may repay the principal on March 29, 2030 and any subsequent interest payment date, subject to prior notice by the Company.
Restrictions on interest payments	The Company may, at its discretion, suspend and defer the payment of interest on the Loans, subject to prior notice by the Company. However, in the event that the Company pays dividends on its common stock, etc., it shall make reasonably possible efforts to pay the said optionally suspended interest and any interest arrears as a for-profit organization.
Subordination	In case any of the subordination events (liquidation and bankruptcy) occurs as specified in the subordination agreement, the Loans are subordinated to the claims of all senior creditors.
Applicable interest rates	For Tranche A, the interest rate will step up by 0.25% on and after the interest payment date in March 2033 and another 0.75% on and after the interest payment date in March 2048. For Tranche B, the interest rate will step up by 0.25% on and after the interest payment date in March 2033 and another 0.75% on and after the interest payment date in March 2050.

(4) Other components of equity

A. Exchange differences on translation of foreign operations

This represents the exchange differences arising from the consolidation of financial statements of foreign operating entities prepared in foreign currencies.

B. Effective portion of change in fair value of cash flow hedges

The Group hedges against the fluctuation risk of future cash flows. The portion of the amount of the change in fair value of the derivatives designated as a cash flow hedge, which is determined to be effective, is included within other components of equity.

C. Net change in fair value of financial assets measured through other comprehensive income

This represents the amount of change in fair value of financial assets measured at fair value through other comprehensive income.

D. Remeasurements of defined benefit retirement plans

This represents actuarial gains and losses associated with defined benefit obligation, the return on plan assets (excluding amounts included in interest income) and the amount of change in the effect of the asset ceiling (excluding amounts included in interest income).

26. DIVIDENDS

(1) Dividends paid

For the year ended March 31, 2025

Not applicable because no dividends were paid.

For the year ended March 31, 2024

Not applicable because no dividends were paid.

(2) Dividends whose effective date falls after the end of the fiscal year

For the year ended March 31, 2025

Resolution	Type of shares	Source of dividends	Total amount		Per share amount		Record date	Effective date
			(Millions of Yen)	(Thousands of U.S. Dollars)	(Yen)	(U.S. Dollars)		
Annual shareholders' meeting held on June 20, 2025	Common stock	Retained earnings	43,100	288,236	2,155	14.41	March 31, 2025	June 21, 2025

For the year ended March 31, 2024

Not applicable because no dividends were paid.

27. REVENUE

(1) Disaggregation of revenue

The breakdown of revenue for the years ended March 31, 2025 and 2024 is presented in Note 6 “SEGMENT INFORMATION.”

(2) Information on contract balances as of March 31, 2025 and 2024 was as follows:

	Millions of Yen			Thousands of U.S. Dollars
	As of March 31, 2025	As of March 31, 2024	As of April 1, 2023	As of March 31, 2025
Receivables from contracts with customers	428,022	400,041	630,164	2,862,449
Contract liabilities	1,092	2,260	1,856	7,302

Note: The balance of contract liabilities as of the beginning of the year ended March 31, 2025 was mostly recognized as revenue for the fiscal year, and the amount carried forward was immaterial. In addition, for the year ended March 31, 2025, there was no material revenue recognized from performance obligations satisfied in previous periods.

(3) Information on the remaining performance obligations associated with the supply of electricity as of March 31, 2025 and 2024 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Transaction price allocated to the performance obligations that are unsatisfied or partially unsatisfied	1,312,803	1,237,972	8,779,529
Expected timing of revenue recognition			
Within 1 year	133,259	493,173	891,185
Between 1 and 5 years	1,179,544	744,798	7,888,343
More than 5 years	—	—	—

Note: Applying the practical expedient, the above amounts do not include the transaction price for the remaining performance obligations for which the expected term of the original contract is one year or less, and for the remaining performance obligations for which revenue is recognized in the amount that the Company has the right to bill, such as contracts billed based on hours of service rendered. In addition, the amount of variable consideration is included in the transaction price only to the extent that it is highly probable that, when the uncertainty regarding the amount of the variable consideration is resolved subsequently, there will not be a significant reversal in the amount of cumulative revenue recognized up to the point at which uncertainty is resolved. Furthermore, the total transaction price expected to be recognized as revenue as of March 31, 2025 does not include revenue from the long-term decarbonization capacity auction. Revenue from the long-term decarbonization capacity auction is the contract amount of the capacity contract, net of refund, which is approximately 90% of the revenue from the whole sale markets and non-fossil markets etc. during the same period of the contract term. As the amount of refund changes along with the future market prices, it is difficult to estimate a portion for which a recorded revenue decline is highly unlikely to occur, when the uncertainty about the amount of variable consideration is resolved subsequently. Therefore, revenue from the long-term decarbonization capacity auction is not subject to the notes.

(4) Information on costs incurred to fulfill contracts as of March 31, 2025 and 2024 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Ending balance of costs incurred to fulfill contracts that were recognized as assets	14,778	15,027	98,829

The amounts of amortization of the costs incurred to fulfill contracts recognized as assets for the years ended March 31, 2025 and 2024 were ¥555 million (\$3,711 thousand) and ¥151 million, respectively.

28. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

The breakdown of selling, general and administrative expenses for the years ended March 31, 2025 and 2024 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Employee benefit expenses	62,599	48,723	418,638
Depreciation and amortization	44,222	73,655	295,739
Outsourcing expenses	30,919	28,365	206,774
Other	62,005	43,385	414,665
Total	199,746	194,129	1,335,825

29. EMPLOYEE BENEFIT EXPENSES

Total employee benefit expenses recorded for the years ended March 31, 2025 and 2024 were ¥107,717 million (\$720,370 thousand) and ¥89,467 million, respectively.

Employee benefit expenses are included in “Cost of sales” and “Selling, general and administrative expenses.”

30. OTHER INCOME AND OTHER EXPENSES

The breakdown of other income for the years ended March 31, 2025 and 2024 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Insurance claim income, etc.	6,161	1,986	41,202
Gain on sale of investments accounted for using the equity method	6,080	1,662	40,660
Other	4,653	9,767	31,117
Total	16,894	13,417	112,980

The breakdown of other expenses for the years ended March 31, 2025 and 2024 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Commission expenses	1,171	634	7,831
Foreign exchange loss	120	10,766	802
Other	4,476	2,880	29,933
Total	5,768	14,280	38,574

Note: Details of impairment losses included in Other are provided in Note 16 “IMPAIRMENT OF NON-FINANCIAL ASSETS.”

31. FINANCE INCOME AND FINANCE COSTS

(1) The breakdown of finance income for the years ended March 31, 2025 and 2024 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Interest income			
Financial assets measured at amortized cost	62,584	62,006	418,538
Dividend income			
Equity instruments measured at fair value through other comprehensive income	5,590	3,696	37,383
Net change in fair value of financial assets			
Financial assets measured at fair value through profit or loss	—	4,714	—
Gain on valuation of derivatives	25,562	4,555	170,948
Other	383	3,696	2,561
Total	94,121	78,668	629,445

The breakdown of dividend income from equity instruments measured at fair value through other comprehensive income was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Financial assets derecognized during the year	102	—	682
Financial assets held at the end of the year	5,488	3,696	36,701

(2) The breakdown of finance costs for the years ended March 31, 2025 and 2024 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Interest expenses			
Financial liabilities measured at amortized cost	40,119	44,849	268,300
Lease liabilities	9,186	6,434	61,432
Foreign exchange loss	2,877	8,430	19,240
Other	4,554	4,916	30,455
Total	56,737	64,631	379,435

Note: Foreign exchange loss includes loss on valuation of currency derivatives.

32. OTHER COMPREHENSIVE INCOME

Amounts arising during the year, reclassification adjustment to profit or loss, and tax effects by item included in other comprehensive income for the years ended March 31, 2025 and 2024 were as follows:

		Millions of Yen	Thousands of U.S. Dollars
	2025	2024	2025
Net change in fair value of financial assets measured through other comprehensive income			
Amount arising during the year	(5,199)	14,972	(34,768)
Amount before income tax effect	(5,199)	14,972	(34,768)
Income tax effect	153	(645)	1,023
Net change in fair value of financial assets measured through other comprehensive income	(5,045)	14,327	(33,739)
Remeasurements of defined benefit retirement plans			
Amount arising during the year	1,686	6,463	11,275
Amount before income tax effect	1,686	6,463	11,275
Income tax effect	(515)	(1,760)	(3,444)
Remeasurements of defined benefit retirement plans	1,171	4,703	7,831
Exchange differences on translation of foreign operations			
Amount arising during the year	118,308	174,861	791,199
Reclassification adjustment	(1,264)	(946)	(8,453)
Exchange differences on translation of foreign operations	117,044	173,915	782,745
Effective portion of change in fair value of cash flow hedges			
Amount arising during the year	41,797	183,024	279,522
Reclassification adjustment	(9,724)	(6,970)	(65,030)
Amount before income tax effect	32,072	176,053	214,485
Income tax effect	(10,320)	(48,136)	(69,016)
Effective portion of change in fair value of cash flow hedges	21,751	127,917	145,462
Share of other comprehensive income of investments accounted for using the equity method			
Amount arising during the year	13,884	(2,097)	92,850
Reclassification adjustment	(3,489)	(3,090)	(23,333)
Share of other comprehensive income of investments accounted for using the equity method	10,394	(5,187)	69,511

33. SUPPLEMENTARY INFORMATION ON CONSOLIDATED STATEMENT OF CASH FLOWS

(1) Interest paid

Cash flows from operating activities and “Purchase of property, plant and equipment” under cash flows from investing activities include the following interest paid.

		Millions of Yen	Thousands of U.S. Dollars
	2025	2024	2025
Interest paid	13,653	9,193	91,306

(2) Non-cash transactions

Non-cash transactions related to investing and financing activities in the years ended March 31, 2025 and 2024 are the acquisition of right-of-use assets by lease, and the amounts for each year are presented in Note 15 “LEASES.”

(3) Liabilities arising from financing activities

Changes in liabilities arising from financing activities during the years ended March 31, 2025 and 2024 were as follows:

For the year ended March 31, 2025

Millions of Yen

Liabilities arising from financing activities	Beginning balance	Changes from cash flows from financing activities	Non-cash changes					Ending balance
			Effect of business combinations and disposal	Increase due to new leases	Exchange differences	Transfer to liabilities directly associated with assets held for sale	Other	
Bonds and borrowings (Note)	3,103,654	(38,965)	34,166	—	23,609	(27,980)	5,230	3,099,716
Lease liabilities (Note)	457,674	(90,797)	9,594	83,067	(8,533)	(10,036)	(18,715)	422,252
Commercial paper	—	—	—	—	—	—	—	—
Total	3,561,329	(129,762)	43,760	83,067	15,075	(38,016)	(13,485)	3,521,969

Note: Including the current portion.

For the year ended March 31, 2024

Millions of Yen

Liabilities arising from financing activities	Beginning balance	Changes from cash flows from financing activities	Non-cash changes					Ending balance
			Effect of business combinations and disposal	Increase due to new leases	Exchange differences	Transfer to liabilities directly associated with assets held for sale	Other	
Bonds and borrowings (Note)	3,411,821	(632,592)	256,811	—	63,041	—	4,573	3,103,654
Lease liabilities (Note)	341,581	(80,590)	757	179,198	16,691	—	37	457,674
Commercial paper	99,000	(99,000)	—	—	—	—	—	—
Total	3,852,403	(812,183)	257,568	179,198	79,732	—	4,610	3,561,329

Note: Including the current portion.

For the year ended March 31, 2025

Thousands of U.S. Dollars

Liabilities arising from financing activities	Beginning balance	Changes from cash flows from financing activities	Non-cash changes					Ending balance
			Effect of business combinations and disposal	Increase due to new leases	Exchange differences	Transfer to liabilities directly associated with assets held for sale	Other	
Bonds and borrowings (Note)	20,756,062	(260,583)	228,489	—	157,888	(187,119)	34,976	20,729,726
Lease liabilities (Note)	3,060,750	(607,215)	64,161	555,520	(57,065)	(67,116)	(125,158)	2,823,861
Commercial paper	—	—	—	—	—	—	—	—
Total	23,816,819	(867,799)	292,650	555,520	100,815	(254,236)	(90,182)	23,553,594

Note: Including the current portion.

34. FINANCIAL INSTRUMENTS

(1) Capital management

The Group strives to achieve and maintain an optimal capital structure in order to achieve its medium- to long-term Group strategy and maximize corporate value.

The index we focus on in capital management is the net debt-to-equity ratio (net D/E ratio)*¹. This index is continuously reported to the management and monitored.

*1 Net D/E ratio = net interest-bearing liabilities*² / equity capital*³

*2 Net interest-bearing liabilities is obtained by deducting cash and cash equivalents and time deposits with maturities over three months from total interest-bearing liabilities.

Interest-bearing liabilities is calculated by subtracting lease liabilities from short-term and long-term financial liabilities.

*3 Equity capital = equity – non-controlling interests

The net D/E ratios as of March 31, 2025 and 2024 were 0.62 and 0.64, respectively.

The Group is subject to no significant capital regulations other than the general provisions of the Companies Act and other laws.

(2) Basic policy on financial risk management

The Group is exposed to financial risks (credit risk, liquidity risk, foreign exchange risk, interest rate risk, and commodity price fluctuation risk) in the course of performing operation activities. To mitigate such financial risks, the Group has managed risks in accordance with certain policies.

(3) Credit risk

A. Credit risk management and maximum exposure to credit risk

Credit risk is the risk of a financial loss that the Group will incur from a default of a contractual obligation by a counterparty of financial assets held by the Group.

The Group has a system in place for enabling the management of due dates and outstanding balances for each counterparty as well as the regular assessment of the credit status of major counterparties in accordance with the credit management regulations.

In addition, the Group enters into derivative transactions only with financial institutions and other counterparties which have a sound credit profile; thus, the impact of such transactions on credit risk is limited.

The Group is exposed to credit risk concentrated on a specific group of counterparties with respect to trade and other receivables.

The Group holds trade and other receivables from Tokyo Electric Power Company Holdings, Inc. and its associates, Chubu Electric Power Co., Inc. and its associates, and Électricité de France S.A. and its associates.

Trade and other receivables from the customer groups mentioned above represent 12.4%, 7.7%, and 37.2% of total trade receivables, respectively, as of March 31, 2025 and 34.1%, 21.6%, and 24.8% of total trade receivables, respectively, as of March 31, 2024.

Except for unused balances related to loan commitments and guarantee obligations, the maximum exposure of the Group to credit risk equals the carrying amount of financial assets less impairment losses reported in the consolidated statement of financial position. The maximum exposure of the Group to the credit risk from loan commitments is unused balances related to loan commitments disclosed in Note 37 “COMMITMENTS,” and that from guarantee obligations is the amount of guarantee obligation disclosed in Note 38 “CONTINGENT LIABILITIES.”

B. Changes in allowance for doubtful accounts

Changes in allowance for doubtful accounts during the years ended March 31, 2025 and 2024 were as follows:

Millions of Yen

	2025				2024			
	Financial assets whose allowance for doubtful accounts is measured at an amount equal to 12-month expected credit losses	Lifetime expected credit losses			Financial assets whose allowance for doubtful accounts is measured at an amount equal to 12-month expected credit losses	Lifetime expected credit losses		
		Trade and other receivables, lease receivables	Financial instruments whose credit risk has increased significantly	Credit-impaired financial instruments		Trade and other receivables, lease receivables	Financial instruments whose credit risk has increased significantly	Credit-impaired financial instruments
Beginning balance	—	1,991	31	—	—	1,719	—	—
Provision	—	1,214	—	—	—	1,955	—	—
Reversal	—	(2,007)	—	—	—	(1,877)	—	—
Other	—	(7)	—	—	—	195	31	—
Ending balance	—	1,190	31	—	—	1,991	31	—

Thousands of U.S. Dollars

	2025			
	Financial assets whose allowance for doubtful accounts is measured at an amount equal to 12-month expected credit losses	Lifetime expected credit losses		
		Trade and other receivables, lease receivables	Financial instruments whose credit risk has increased significantly	Credit-impaired financial instruments
Beginning balance	—	13,315	207	—
Provision	—	8,118	—	—
Reversal	—	(13,422)	—	—
Other	—	(46)	—	—
Ending balance	—	7,958	207	—

C. Carrying amounts of financial instruments related to allowance for doubtful accounts

Carrying amounts of financial instruments related to allowance for doubtful accounts (before deducting allowance for doubtful accounts) as of March 31, 2025 and 2024 were as follows:

Millions of Yen

Thousands of
U.S. Dollars

	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Financial assets whose allowance for doubtful accounts is measured at an amount equal to 12-month expected credit losses	62,055	53,557	415,000
Trade and other receivables, lease receivables (Lifetime expected credit losses)	786,414	672,787	5,259,238
Financial instruments whose credit risk has increased significantly (Lifetime expected credit losses)	35	35	234
Credit-impaired financial instruments (Lifetime expected credit losses)	—	—	—

D. Credit risk analysis

Past due information of trade and other receivables, lease receivables, and loans receivable as of March 31, 2025 and 2024 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Before due date	848,504	726,192	5,674,473
Past due within 30 days	—	56	—
Past due between 30 days and 90 days	—	94	—
Past due over 90 days	—	37	—
Total	848,504	726,379	5,674,473

The Group does not have concentration of credit risk in rating of financial instruments related to allowance for doubtful accounts other than trade and other receivables, lease receivables, and loans receivable.

(4) Liquidity risk

A. Liquidity risk management

Liquidity risk is the risk that the Group is unable to fulfill its repayment obligations of financial liabilities on the due date.

The Group manages its liquidity risk by reserving adequate funds for repayment, ensuring readily available credit facility extended by financial institutions, and monitoring cash flow plans and its results on an ongoing basis.

B. Liquidity risk analysis of non-derivative financial liabilities

The liquidity risk analysis of non-derivative financial liabilities as of March 31, 2025 and 2024 was as follows:

As of March 31, 2025

	Millions of Yen				
	Carrying amount	Contractual cash flows	Within 1 year	In 1 to 5 years	In more than 5 years
Non-derivative financial liabilities					
Trade and other payables	812,905	812,905	812,905	—	—
Short-term borrowings	19,604	19,604	19,604	—	—
Long-term borrowings	2,349,467	2,687,914	319,723	1,254,329	1,113,860
Bonds payable	730,644	779,689	132,273	395,007	252,408
Lease liabilities	422,252	450,896	86,009	177,829	187,057
Liabilities recognized for put options written on non-controlling interests (Note)	146,306	159,312	—	159,312	—
Total	4,481,181	4,910,322	1,370,517	1,986,479	1,553,326

Note: The table above assumes that the counterparties of the contracts will exercise their rights at the earliest possible date based on the contracts.

As of March 31, 2024

Millions of Yen

	Carrying amount	Contractual cash flows	Within 1 year	In 1 to 5 years	In more than 5 years
Non-derivative financial liabilities					
Trade and other payables	660,759	660,759	660,759	—	—
Short-term borrowings	51,496	51,496	51,496	—	—
Long-term borrowings	2,458,634	2,699,187	416,314	1,334,687	948,186
Bonds payable	593,523	626,615	35,832	371,448	219,333
Lease liabilities	457,674	482,075	98,937	199,044	184,092
Liabilities recognized for put options written on non-controlling interests (Note)	178,877	206,363	—	206,363	—
Total	4,400,966	4,726,498	1,263,341	2,111,544	1,351,612

Note: The table above assumes that the counterparties of the contracts will exercise their rights at the earliest possible date based on the contracts.

As of March 31, 2025

Thousands of U.S. Dollars

	Carrying amount	Contractual cash flows	Within 1 year	In 1 to 5 years	In more than 5 years
Non-derivative financial liabilities					
Trade and other payables	5,436,400	5,436,400	5,436,400	—	—
Short-term borrowings	131,104	131,104	131,104	—	—
Long-term borrowings	15,712,345	17,975,750	2,138,186	8,388,477	7,449,073
Bonds payable	4,886,270	5,214,264	884,591	2,641,657	1,688,009
Lease liabilities	2,823,861	3,015,421	575,195	1,189,252	1,250,966
Liabilities recognized for put options written on non-controlling interests (Note)	978,439	1,065,418	—	1,065,418	—
Total	29,968,441	32,838,373	9,165,498	13,284,819	10,388,055

Note: The table above assumes that the counterparties of the contracts will exercise their rights at the earliest possible date based on the contracts.

C. Liquidity analysis of derivatives

Liquidity risk analysis of derivatives as of March 31, 2025 and 2024 was as follows: Derivatives that are settled net of other contracts are also disclosed in gross amounts.

As of March 31, 2025

Millions of Yen

		Within 1 year	In 1 to 5 years	In more than 5 years	Total
Foreign currency contracts	Receipts	16,379	14,366	5,481	36,228
	Payments	(22,732)	(5,505)	—	(28,237)
Interest rate contracts	Receipts	10,905	14,401	35,430	60,737
	Payments	—	—	—	—
Commodity contracts	Receipts	386,574	130,623	22,441	539,639
	Payments	(386,642)	(132,155)	(8,270)	(527,068)

As of March 31, 2024

Millions of Yen

		Within 1 year	In 1 to 5 years	In more than 5 years	Total
Foreign currency contracts	Receipts	32,214	17,418	5,967	55,600
	Payments	(3,682)	(1,566)	—	(5,248)
Interest rate contracts	Receipts	11,086	12,288	27,796	51,171
	Payments	—	—	—	—
Commodity contracts	Receipts	632,913	212,666	6,606	852,186
	Payments	(663,116)	(197,825)	(1)	(860,943)

As of March 31, 2025

Thousands of U.S. Dollars

		Within 1 year	In 1 to 5 years	In more than 5 years	Total
Foreign currency contracts	Receipts	109,536	96,074	36,654	242,279
	Payments	(152,023)	(36,815)	—	(188,838)
Interest rate contracts	Receipts	72,928	96,308	236,942	406,186
	Payments	—	—	—	—
Commodity contracts	Receipts	2,585,260	873,557	150,076	3,608,901
	Payments	(2,585,715)	(883,802)	(55,306)	(3,524,831)

(5) Foreign exchange risk

A. Foreign exchange risk management

The Group is exposed to foreign exchange risk, mainly in fuel procurement transactions. Therefore, the Group engages in hedging transactions using derivatives such as forward exchange contracts in order to reduce foreign exchange risks.

B. Foreign exchange sensitivity analysis

For financial instruments held by the Group as of March 31, 2025 and 2024, the effect of a 1% increase in the value of the Japanese Yen against the U.S. Dollar on profit before tax, assuming that all the other variable factors remain constant, is ¥3,297 million (\$22,049 thousand) and ¥1,148 million, respectively, and the effect of a 1 % increase in the value of the U.S. Dollar against the Euro is ¥1,045 million (\$6,988 thousand) and ¥165 million, respectively.

This analysis does not include the effect of financial instruments denominated in the functional currency or the effect of translating assets and liabilities of foreign operations into the reporting currency.

(6) Interest rate risk

A. Interest rate risk management

The Group is exposed to interest rate fluctuation risk mainly related to long-term borrowings. To minimize this risk, the Group manages the fluctuation risk of cash flows mainly through interest rate swap agreements. The interest rate swap agreements are mainly receive-variable, pay-fixed agreements. Under the agreements, the Group receives variable interest rate payments on long-term borrowings and makes fixed interest rate payments, thereby converting floating-rate long-term borrowings into fixed-rate long-term borrowings.

B. Sensitivity analysis on interest rate fluctuation risk

For floating-rate long-term borrowings held by the Group as of March 31, 2025 and 2024, the effect of a 1% increase in the interest rates on profit before tax, assuming that all the other variable factors remain constant, is as follows:

The analysis does not include long-term borrowings with floating interest rates whose interest rates were fixed by derivative transactions such as interest rate swap agreements.

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Effect on profit before tax	(4,103)	(2,713)	(27,439)

(7) Commodity price fluctuation risk

A. Commodity price fluctuation risk management

The Group sells electricity and other products under long-term sales contracts that are linked to commodity price indexes and procures raw materials such as LNG and coal based on long-term purchase contracts, and thus is exposed to commodity price fluctuation risk due to market fluctuations and other factors. The Group takes measures to mitigate the risk of commodity price fluctuations using derivative instruments such as commodity swaps.

B. Sensitivity analysis on commodity price fluctuation risk

The Company and JERA Global Markets Pte. Ltd. have adopted the Value-at-Risk (VaR) metric to measure commodity price fluctuation risk. VaR is the statistically estimated maximum loss that could occur within a specified time frame based on past market fluctuation data. Since VaR is based on the mixture of trends in data on changes in market risk factors, actual results may deviate significantly from the calculations below.

The VaR of the Company's commodity price fluctuation risk as of March 31, 2025 and 2024 was ¥8,119 million (\$54,296 thousand) and ¥8,518 million, respectively. (Parametric method; 95% confidence interval (two-sided); holding period: 1 day)

The VaR of JERA Global Markets Pte. Ltd.'s commodity price fluctuation risk as of March 31, 2025 and 2024 was ¥626 million (\$4,186 thousand) and ¥1,025 million, respectively. (Monte Carlo Simulation method; 95% confidence interval (two-sided); holding period: 1 day)

(8) Derivative transactions and hedging activities

At the inception of a hedging relationship, the Group determines an appropriate hedge ratio based on the volume of hedged items and instruments.

A. Cash flow hedges

The Group designates the following transactions as cash flow hedges: foreign currency forward contracts primarily to fix cash flows of transactions denominated in foreign currencies, interest rate swaps to fix cash flows associated with floating interest rates on borrowings, commodity swaps to fix cash flows associated with fuel procurement transactions, and currency swaps to fix cash flows related to principal and interest payments on foreign currency-denominated corporate bonds.

For the years ended March 31, 2025 and 2024, the amounts recognized in profit or loss on the ineffective portion of hedges and the portion excluded from the assessment of hedge effectiveness were not material.

B. Hedges of net investments in foreign operations

The Group uses bonds, borrowings and currency swaps to hedge the foreign exchange risk of net investments in foreign operations.

For the years ended March 31, 2025 and 2024, the amounts recognized in profit or loss on the ineffective portion of hedges and the portion excluded from the assessment of hedge effectiveness were not material.

C. Carrying amounts of hedging instruments to which hedge accounting is applied

Carrying amounts of hedging instruments to which hedge accounting is applied as of March 31, 2025 and 2024 by hedge type were as follows:

	Millions of Yen				Thousands of U.S. Dollars	
	As of March 31, 2025		As of March 31, 2024		As of March 31, 2025	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Cash flow hedges						
Foreign currency forward contracts	6,386	7,247	31,654	—	42,707	48,465
Interest rate swaps	39,050	—	23,057	—	261,151	—
Commodity swaps	23	274	1,632	1,280	153	1,832
Currency swaps	3,203	—	—	—	21,420	—
Subtotal	48,665	7,521	56,344	1,280	325,453	50,297
Hedges of net investments in foreign operations						
Bonds and borrowings	—	179,436	—	181,596	—	1,200,000
Currency swaps	0	—	58	—	0	—
Subtotal	0	179,436	58	181,596	0	1,200,000
Total	48,666	186,957	56,403	182,876	325,459	1,250,297

D. Notional amounts and average prices of hedging instruments to which hedge accounting is applied

Notional amounts and average prices of hedging instruments to which hedge accounting is applied as of March 31, 2025 and 2024 were as follows:

Category	Contract details	Type	Notional amount and average price	Millions of Yen, unless otherwise stated				Thousands of U.S. Dollars, unless otherwise stated	
				As of March 31, 2025		As of March 31, 2024		As of March 31, 2025	
				Total	Portion over 1 year	Total	Portion over 1 year	Total	Portion over 1 year
Cash flow hedges	Foreign currency forward contracts	Buy U.S. Dollar / Sell Yen	Notional amount	525,440	44,239	588,774	60,136	3,513,943	295,853
			Average price (Yen / U.S. Dollar)	141.54		134.74		0.94	
	Interest rate swaps (Note 1)	Pay fixed/ Receive variable	Notional amount	939,377	837,566	965,948	901,470	6,282,197	5,601,324
			Average rate (%)	1.46%		1.46%		1.46%	
	Commodity swaps (Note 2)	—	Notional amount	272,506	9,023	275,787	76,465	1,822,416	60,342
	Currency swaps	Buy U.S. Dollar / Sell Yen	Notional amount	72,225	55,931	—	—	483,013	374,045
			Average price (Yen / U.S. Dollar)	144.45		—		0.96	
	Bonds and borrowings	Sell U.S. Dollar / Buy Yen	Notional amount	179,436	179,436	181,596	181,596	1,200,000	1,200,000
			Average price (Yen / U.S. Dollar)	149.53		151.33		1.00	
Hedges of net investments in foreign operations	Currency swaps	Sell Euro / Buy U.S. Dollar	Notional amount	13,083	—	12,584	—	87,494	—
			Average price (Euro / U.S. Dollar)	1.08		1.09		0.00	

Notes: 1. It includes contracts whose notional amount increases or decreases depending on the balance of borrowings as hedged items.

2. Calculating average price of commodity swaps is practically impossible due to the countless types of its transactions.

E. Other components of equity and gains or losses on hedging instruments in cash flow hedges and hedges of net investments in foreign operations

Other components of equity and gains or losses on hedging instruments in cash flow hedges and hedges of net investments in foreign operations as of March 31, 2025 and 2024 were as follows:

For the year ended March 31, 2025

Millions of Yen

	Other components of equity (net of tax)	Gains (losses) on hedges recognized in other comprehensive income	Amount reclassified to acquisition cost of non-financial assets	Reclassification adjustment from other comprehensive income to profit	Major line items in the consolidated statement of profit or loss for reclassification adjustments
Cash flow hedges					
Foreign currency forward contracts	(676)	23,701	(38,263)	(8,937)	Cost of sales
Interest rate swaps	35,126	8,530	—	(1,066)	Finance costs
Commodity swaps	(193)	(7,278)	667	5,865	Cost of sales
Currency swaps	474	3,369	—	(2,895)	Finance costs
Subtotal	34,730	28,322	(37,596)	(7,033)	
Hedges of net investments in foreign operations					
Bonds and borrowings	(28,768)	1,921	—	—	—
Currency swaps	(435)	8	—	—	—
Subtotal	(29,203)	1,929	—	—	
Total	5,526	30,252	(37,596)	(7,033)	

For the year ended March 31, 2024

Millions of Yen

	Other components of equity (net of tax)	Gains (losses) on hedges recognized in other comprehensive income	Amount reclassified to acquisition cost of non-financial assets	Reclassification adjustment from other comprehensive income to profit	Major line items in the consolidated statement of profit or loss for reclassification adjustments
Cash flow hedges					
Foreign currency forward contracts	21,983	101,718	(86,384)	(3,340)	Cost of sales
Interest rate swaps	28,071	2,035	—	(453)	Finance costs
Commodity swaps	552	22,974	(5,875)	(1,219)	Cost of sales
Subtotal	50,606	126,728	(92,260)	(5,012)	
Hedges of net investments in foreign operations					
Bonds and borrowings	(30,689)	(15,391)	—	—	—
Currency swaps	(444)	53	—	—	—
Subtotal	(31,134)	(15,338)	—	—	
Total	19,472	111,390	(92,260)	(5,012)	

For the year ended March 31, 2025

Thousands of U.S. Dollars

	Other components of equity (net of tax)	Gains (losses) on hedges recognized in other comprehensive income	Amount reclassified to acquisition cost of non-financial assets	Reclassification adjustment from other comprehensive income to profit	Major line items in the consolidated statement of profit or loss for reclassification adjustments
Cash flow hedges					
Foreign currency forward contracts	(4,520)	158,503	(255,888)	(59,767)	Cost of sales
Interest rate swaps	234,909	57,045	—	(7,129)	Finance costs
Commodity swaps	(1,290)	(48,672)	4,460	39,222	Cost of sales
Currency swaps	3,169	22,530	—	(19,360)	Finance costs
Subtotal	232,261	189,406	(251,427)	(47,034)	
Hedges of net investments in foreign operations					
Bonds and borrowings	(192,389)	12,846	—	—	—
Currency swaps	(2,909)	53	—	—	—
Subtotal	(195,298)	12,900	—	—	
Total	36,955	202,313	(251,427)	(47,034)	

(9) Offsetting financial assets and financial liabilities

Total amount, offset amount and carrying amount of financial assets and financial liabilities, and the amount of financial assets and financial liabilities that are subject to legally enforceable master netting agreements or similar contracts as of March 31, 2025 and 2024 were as follows:

As of March 31, 2025

Millions of Yen

	Gross amount of recognized financial assets	Total amount of financial liabilities offset in the consolidated statement of financial position	Carrying amount	Related amount not offset in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral	
Derivative assets	964,709	(420,276)	544,433	(78,055)	—	466,377

Millions of Yen

	Gross amount of recognized financial liabilities	Total amount of financial assets offset in the consolidated statement of financial position	Carrying amount	Related amount not offset in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral	
Derivative liabilities	881,954	(420,276)	461,677	(78,053)	(10,418)	373,206

As of March 31, 2024

Millions of Yen

	Gross amount of recognized financial assets	Total amount of financial liabilities offset in the consolidated statement of financial position	Carrying amount	Related amount not offset in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral	
Derivative assets	1,096,520	(170,234)	926,286	(182,526)	—	743,760

Millions of Yen

	Gross amount of recognized financial liabilities	Total amount of financial assets offset in the consolidated statement of financial position	Carrying amount	Related amount not offset in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral	
Derivative liabilities	998,038	(170,234)	827,804	(182,526)	(34,174)	611,104

As of March 31, 2025

Thousands of U.S. Dollars

	Gross amount of recognized financial assets	Total amount of financial liabilities offset in the consolidated statement of financial position	Carrying amount	Related amount not offset in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral	
Derivative assets	6,451,608	(2,810,646)	3,640,961	(522,002)	—	3,118,952

Thousands of U.S. Dollars

	Gross amount of recognized financial liabilities	Total amount of financial assets offset in the consolidated statement of financial position	Carrying amount	Related amount not offset in the consolidated statement of financial position		Net amount
				Financial instruments	Cash collateral	
Derivative liabilities	5,898,174	(2,810,646)	3,087,520	(521,988)	(69,671)	2,495,860

Financial instruments and collateral are subject to master netting agreements or other similar agreements, and offsetting becomes enforceable only in the event of specific circumstances, such as the inability of a counterparty to fulfill its obligations due to bankruptcy or other reasons.

The amounts of financial assets and liabilities recognized in relation to notional pooling are as follows.

As of March 31, 2025

Millions of Yen

	Type of transaction	Gross amount of recognized financial assets	Total amount of financial liabilities offset in the consolidated statement of financial position	Net amount of financial assets on the consolidated statement of financial position
Cash and cash equivalents	Notional pooling	348,160	(334,992)	13,167

Millions of Yen

	Type of transaction	Gross amount of recognized financial liabilities	Total amount of financial assets offset in the consolidated statement of financial position	Net amount of financial liabilities on the consolidated statement of financial position
Bonds and borrowings	Notional pooling	334,992	(334,992)	—

As of March 31, 2024

Millions of Yen

	Type of transaction	Gross amount of recognized financial assets	Total amount of financial liabilities offset in the consolidated statement of financial position	Net amount of financial assets on the consolidated statement of financial position
Cash and cash equivalents	Notional pooling	224,212	(120,000)	104,212

Millions of Yen

	Type of transaction	Gross amount of recognized financial liabilities	Total amount of financial assets offset in the consolidated statement of financial position	Net amount of financial liabilities on the consolidated statement of financial position
Bonds and borrowings	Notional pooling	120,000	(120,000)	—

As of March 31, 2025

Thousands of U.S. Dollars

	Type of transaction	Gross amount of recognized financial assets	Total amount of financial liabilities offset in the consolidated statement of financial position	Net amount of financial assets on the consolidated statement of financial position
Cash and cash equivalents	Notional pooling	2,328,362	(2,240,299)	88,055

Thousands of U.S. Dollars

	Type of transaction	Gross amount of recognized financial liabilities	Total amount of financial assets offset in the consolidated statement of financial position	Net amount of financial liabilities on the consolidated statement of financial position
Bonds and borrowings	Notional pooling	2,240,299	(2,240,299)	—

35. FAIR VALUE MEASUREMENT

(1) Definition of fair value hierarchy

The Group classifies fair value measurements into the following three levels, according to the observability and materiality of inputs used.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

If multiple inputs are used for a fair value measurement, the fair value measurement is categorized in its entirety in the lowest level input that is significant to the entire measurement.

Transfers between levels of the fair value hierarchy are recognized to have occurred at the end of each quarter.

(2) Assets and liabilities measured at fair value on a recurring basis

The breakdown of assets and liabilities measured at fair value on a recurring basis as of March 31, 2025 and 2024 was as follows:

As of March 31, 2025

Millions of Yen

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets measured at fair value through profit or loss				
Derivative assets (Note 2)	105,027	423,812	16,878	545,718
Other	—	—	3,150	3,150
Equity instruments measured at fair value through other comprehensive income				
Equity securities and investments in capital	34,452	—	70,053	104,506
Inventories	—	56,444	—	56,444
Total	139,479	480,257	90,082	709,820
Liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities (Note 3)	95,910	365,733	12,236	473,880
Total	95,910	365,733	12,236	473,880

Notes: 1. There were no reclassifications between Level 1 and Level 2 in the year ended March 31, 2025.

2. They include assets held for sale, which are described in Note 39 “DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE.”

3. They include liabilities directly associated with assets held for sale, which are described in Note 39 “DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE.”

As of March 31, 2024

Millions of Yen

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets measured at fair value through profit or loss				
Derivative assets	252,108	670,495	3,682	926,285
Other	—	—	1,341	1,341
Equity instruments measured at fair value through other comprehensive income				
Equity securities and investments in capital	38,365	—	66,801	105,167
Inventories	—	69,914	—	69,914
Total	290,473	740,409	71,825	1,102,708
Liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities	172,942	654,005	856	827,803
Total	172,942	654,005	856	827,803

Note: There were no reclassifications between Level 1 and Level 2 in the year ended March 31, 2024.

As of March 31, 2025

Thousands of U.S. Dollars

	Level 1	Level 2	Level 3	Total
Assets				
Financial assets measured at fair value through profit or loss				
Derivative assets (Note 2)	702,380	2,834,294	112,873	3,649,555
Other	—	—	21,066	21,066
Equity instruments measured at fair value through other comprehensive income				
Equity securities and investments in capital	230,401	—	468,487	698,896
Inventories	—	377,476	—	377,476
Total	932,782	3,211,776	602,434	4,747,007
Liabilities				
Financial liabilities measured at fair value through profit or loss				
Derivative liabilities (Note 3)	641,409	2,445,883	81,829	3,169,129
Total	641,409	2,445,883	81,829	3,169,129

Notes: 1. There were no reclassifications between Level 1 and Level 2 in the year ended March 31, 2025.

2. They include assets held for sale, which are described in Note 39 “DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE.”

3. They include liabilities directly associated with assets held for sale, which are described in Note 39 “DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE.”

The major measurement methods of assets and liabilities measured at fair value on a recurring basis are as follows.

Derivatives

The fair value of derivatives is mainly measured at the price obtained from counterparties with which the Company has transactions. In addition, the fair value of derivatives for trading purposes is mainly measured at the quoted price of the exchange on which they are traded or the price calculated by adjusting interest rates and other fluctuation factors as necessary to year-end index price relevant to transaction items. Such fair value is mainly classified as Level 2.

The significant unobservable inputs are mainly some of the fuel prices, correlation coefficients, and volatilities.

Equity securities and investments in capital

The fair value of equity securities for which an active market exists is based on quoted market prices and, therefore, is classified as Level 1. Of equity securities and investments in capital for which no active market exists, the fair value of those measured at the amounts calculated using significant unobservable inputs, including third-party appraisals, and valuation techniques based on net asset value is classified as Level 3.

The significant unobservable input is primarily the discount rate, and the fair value will decrease (increase) as the discount rate increases (decreases).

The discount rates used ranged from 5.8% to 9.7% as of March 31, 2025, and from 5.3% to 9.2% as of March 31, 2024.

Inventories

The fair value of inventories is measured at the quoted price of the exchange on which they are traded, or price which is calculated by adjusting interest rates and other fluctuation factors as necessary to year-end index price relevant to transaction items, and is classified as Level 2.

For assets and liabilities classified as Level 3, the department in charge determines the valuation method and measures the fair value of each subject asset and liability in accordance with the valuation policies and procedures for fair value measurement.

The results of fair value measurements are approved by the appropriate authorized person.

Net changes in Level 3 assets and liabilities measured at fair value on a recurring basis during the years ended March 31, 2025 and 2024 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Beginning balance	70,969	53,533	474,613
Total gain (loss)	18,723	6,465	125,212
Profit (loss) (Note 2)	20,214	1,933	135,183
Other comprehensive income (Note 3)	(1,491)	4,532	(9,971)
Purchase and transfer	(13,953)	1,845	(93,312)
Sale	(0)	—	(0)
Settlement	570	1,200	3,811
Other	1,536	7,924	10,272
Ending balance	77,845	70,969	520,597
Change in unrealized gains (losses) in assets and liabilities held at the end of reporting period recognized in profit or loss (Note 1)	20,214	1,933	135,183

Notes: 1. Includes the change in liabilities directly associated with assets held for sale.

2. Included mainly in “Revenue” in the consolidated statement of profit or loss.

3. Included in “Net change in fair value of financial assets measured through other comprehensive income” in the consolidated statement of comprehensive income.

(3) Financial assets and liabilities measured at amortized cost

The breakdown of carrying amount and fair value of financial assets and liabilities measured at amortized cost as of March 31, 2025 and 2024 was as follows:

Financial assets and liabilities measured at amortized cost other than long-term borrowings and bonds payable are not included because their fair values approximate their carrying amounts.

	As of March 31, 2025		As of March 31, 2024		As of March 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Long-term borrowings*	2,377,447	2,358,085	2,458,634	2,450,863	15,899,464	15,769,979
Bonds payable	730,644	714,036	593,523	587,434	4,886,270	4,775,202

* Including the current portion and liabilities directly associated with assets held for sale.

The major measurement methods for fair value of the above financial assets and liabilities are as follows:

The fair value of long-term borrowings is measured based on the total amount of principal and interests discounted at an interest rate that would be applicable to similar new borrowings and is classified as Level 2.

The fair value of bonds payable is measured based on the terms that would be applicable to similar new bonds payable, and is classified as Level 2.

(4) Other

The Group recognizes put options of the shares of the subsidiaries written on non-controlling interests as financial liabilities at present value of the exercise price and derecognizes the non-controlling interests with the difference between the present value and the non-controlling interests being recognized in capital surplus.

Put options of the shares of the subsidiaries written by the Group on non-controlling interests are measured at present value of the exercise price. The carrying amounts as of March 31, 2025 and 2024 were ¥146,306 million (\$978,439 thousand) and ¥178,877 million, respectively, and included in other financial liabilities (non-current liabilities) in the consolidated statement of financial position.

36. RELATED PARTIES

(1) Related party transactions

Transactions of the Group with related parties were as follows. Transactions between the Group and its subsidiaries are not subject to disclosure as they are eliminated for the purpose of consolidated financial statements.

Transaction terms with related parties are determined through price negotiations in consideration of prevailing market conditions.

For the year ended March 31, 2025

Type	Name	Transaction	Millions of Yen		Thousands of U.S. Dollars	
			Transaction amount	Outstanding balance	Transaction amount	Outstanding balance
Subsidiary of shareholder	Chubu Electric Power Miraiz Co., Inc.	Sales of electricity and gas	1,339,672	47,551	8,959,218	318,003
Fellow subsidiary of shareholder	TEPCO Energy Partner, Inc.	Sales of electricity and gas	2,077,810	94,017	13,895,606	628,750

For the year ended March 31, 2024

Type	Name	Transaction	Millions of Yen	
			Transaction amount	Outstanding balance
Shareholder	Chubu Electric Power Co., Inc.	Guarantee (Note)	680	—
Subsidiary of shareholder	Chubu Electric Power Miraiz Co., Inc.	Sales of electricity and gas	1,543,499	137,575
Fellow subsidiary of shareholder	TEPCO Energy Partner, Inc.	Sales of electricity and gas	2,481,349	214,842

Note: Details are provided in Note 38 “CONTINGENT LIABILITIES.”

(2) Compensation for management personnel

Compensation for management personnel for the years ended March 31, 2025 and 2024 was as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2025	2024	2025
Compensation and bonuses	403	390	2,695
Total	403	390	2,695

37. COMMITMENTS

(1) Commitments relating to purchase of assets

Commitments relating to purchase of assets as of March 31, 2025 and 2024 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Purchase of property, plant and equipment	363,952	164,002	2,433,973
Purchase of intangible assets	1,568	2,348	10,486

(2) Loan commitments

The Group has loan commitments to equity method associates.

The unused balances of such loan commitment as of March 31, 2025 and 2024 were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Total amount of loan commitment	2,609	2,546	17,448
Outstanding loan balances	2,609	2,546	17,448
Difference (unused balances)	—	—	—

38. CONTINGENT LIABILITIES

Contingent liabilities as of March 31, 2025 and 2024 were as follows:

Guarantee obligations, etc.

Guarantees and guarantees in kind provided by the Group to joint ventures, associates, and other companies for borrowings from financial institutions and guarantee obligations for performance of contracts were as follows:

	Millions of Yen		Thousands of U.S. Dollars
	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Guarantee obligations for borrowings			
Joint ventures	75,270	38,367	503,377
Associates	49,900	2,435	333,712
Other	4,663	10,778	31,184
Total	129,834	51,580	868,280
Guarantee obligations for performance of contracts			
Joint ventures	34,645	19,921	231,692
Associates	40,789	—	272,781
Other	51,002	45,328	341,082
Total	126,437	65,250	845,562

Note: The above guarantee obligations as of March 31, 2024 include those by Chubu Electric Power Co., Inc. The Group has entered into an agreement with the Guarantee Company to compensate for any loss incurred by the Guarantee Company. The said guarantee obligations are disclosed because they have the same substantive and economic effect as if the Group had assumed them.

The breakdown by the Guarantee Company was as follows:

		Millions of Yen	Thousands of U.S. Dollars
	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Chubu Electric Power Co., Inc.	—	680	—

As of March 31, 2025, there were no guarantees whose execution would probably result in material losses.

39. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

The breakdown of assets held for sale and liabilities directly associated with those assets is as follows:

		Millions of Yen	Thousands of U.S. Dollars
	As of March 31, 2025	As of March 31, 2024	As of March 31, 2025
Assets held for sale			
Property, plant and equipment	111,930	—	748,545
Right-of-use assets	9,579	—	64,060
Other financial assets	5,183	—	34,661
Derivative assets (Note 1)	1,285	—	8,593
Other	610	—	4,079
Total	128,589	—	859,954
Liabilities directly associated with assets held for sale			
Other non-current assets	40,867	—	273,303
Bonds and borrowings	27,980	—	187,119
Derivative liabilities (Note 2)	12,202	—	81,602
Lease liabilities	10,036	—	67,116
Other	1,922	—	12,853
Total	93,009	—	622,008

Notes: 1. Of the assets classified as held for sale, the fair value hierarchy level of the derivative assets is Level 2. Details on the fair value hierarchy are provided in Note 35 “FAIR VALUE MEASUREMENT.”

2. Of the liabilities directly associated with assets classified as held for sale, the fair value hierarchy level of the derivative liabilities is Level 3. Details on the fair value hierarchy are provided in Note 35 “FAIR VALUE MEASUREMENT.”

Major assets and liabilities held for sale as of March 31, 2025 are related to partial sale of the solar power generation project in North America in the overseas power generation and renewable energy business segment. The Group believes that it is able to sell those assets within one year from March 31, 2025.

These disposal groups are measured at their carrying amount because their fair value less costs to sell exceeds the carrying amount.

40. EVENTS AFTER THE REPORTING PERIOD

Investment in “Blue Point” Low-Carbon Ammonia Production Project in the United States

Through a subsidiary, the Group entered into a joint investment agreement on April 8, 2025, with CF Industries Holdings, Inc. and Mitsui & Co., Ltd. for the low-carbon ammonia production project, “Blue Point”, in Ascension Parish, Louisiana, USA. The total project cost is approximately \$4 billion (¥600 billion) and the Group plans to invest approximately \$1.4 billion (¥210 billion) over the next five years. The Group has significant influence over the new associate, and applies the equity method. At this point in time, it is difficult to reasonably estimate the financial impact of this transaction on the Group’s consolidated financial statements.

Formation of JERA Nex bp

On August 1, a joint venture company named JERA Nex bp was formed through the integration of the offshore wind power businesses of JERA Nex Limited, a renewable energy subsidiary of JERA, and bp.

JERA Nex bp is jointly owned by both parties on a 50:50 basis and qualifies as a joint venture under joint control.

JERA Nex bp will initially focus on progressing existing projects in North-West Europe, Australia and Japan. JERA Nex bp also sees potential for long-term growth through projects currently under consideration.

To support these initiatives, both parties have agreed to invest up to \$5.8 billion in JERA Nex bp before end of 2030.

At this point in time, it is difficult to reasonably estimate the financial impact of this transaction on the Group's consolidated financial statements.

41. ADDITIONAL INFORMATION

Fire that occurred at Taketoyo Thermal Power Station

Although Taketoyo Thermal Power Station, owned by JERA Power TAKETOYO LLC., a consolidated subsidiary of the Company, had suspended its operation due to the fire that occurred on January 31, 2024, it started coal-only operation on January 7, 2025.

Due to the expenses incurred for equipment repairs and fuel procurement, etc. resulting from the fire and suspension of operation, profit attributable to owners of parent for the year ended March 31, 2025 decreased by ¥20,271 million (\$135,564 thousand).

Independent Auditor's Report

Independent Auditor's Report

The Board of Directors
JERA Co., Inc.

The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of JERA Co., Inc. (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at March 31, 2025, and the consolidated statements of profit or loss, comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill related to Parkwind N.V.

Description of Key Audit Matter	Auditor's Response
As described in Note 4. "SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS" and Note 14. "GOODWILL AND INTANGIBLE ASSETS", the Company holds 100% of the shares of Parkwind N.V., a Belgian offshore wind power generation company, and consolidates Parkwind N.V. and its subsidiaries. The Company recognized and measured the identifiable assets acquired and liabilities assumed, that were included in the consideration for the acquisition, and recorded goodwill. As at March 31, 2025, the amount of goodwill associated with the acquisition of Parkwind N.V. was €130,457 million. Goodwill is tested for impairment annually and whenever there is any indication of impairment. The Company performed an impairment test for goodwill for the year ended March 31, 2025. The Company measures the recoverable amount of the group of cash-generating units containing goodwill, at fair value less costs of disposal. The future cash flows used for measuring fair value less costs of disposal are estimated based on the future business plan and reflecting market participants' expectations. The key assumptions used in estimating future cash flows are wind conditions, which are an element used in calculating future electricity sales volume, as well as construction costs, operating periods, and discount rates.	We primarily performed the following audit procedures with respect to the goodwill related to Parkwind N.V. • We made inquiries of management relating to the environment surrounding offshore wind power generation projects in Europe. • We compared future cash flows to business plan approved by the Board of Directors. • We performed the following procedures with respect to future electricity sales volume included in future cash flows. • We inspected power sales agreements. • We evaluated the assumptions related to estimates by comparing them to actual electricity sales volume for the year ended March 31, 2025. • We compared assumptions for wind conditions, which are an element used in calculating future electricity sales volume, to data published by external organizations. • We performed the following procedures with respect to the construction costs included in future cash flows. • We evaluated the assumptions related to estimates by comparing them to actual construction costs incurred for the year ended March 31, 2025. • We compared them to the Company's cost estimates for the offshore wind power generation project that was awarded to the Group for the year ended March 31, 2025. • We performed the following procedures for operating periods of the offshore wind power generation project. • We compared them to operating periods of the offshore wind power generation project disclosed by comparable companies. • We compared them to the period of the commercial licenses for constructing and

Given that the aforementioned key assumptions used in estimating the recoverable amounts are subject to uncertainty and require judgment to be exercised by the management, we determined the valuation of goodwill related to Parkwind N.V. as a key audit matter.	operating offshore wind power facilities in specified regions. • We involved valuation specialists from our network firm to consider the valuation models and discount rates used by management. We compared discount rates to ranges set by these specialists based on external information. • To assess the uncertainty of estimates of future cash flows, we performed a sensitivity analysis, considering the risks associated with fluctuations in the underlying business plans.
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Recoverability of deferred tax assets	
Description of Key Audit Matter	Auditor's Response
The Group recorded deferred tax assets of ¥97,610 million in its consolidated statement of financial position as at March 31, 2025. As described in Note 19. "INCOME TAXES", deferred tax assets, before offsetting against deferred tax liabilities, amounted to ¥389,609 million. The primary balances of the deferred tax assets represent the Company's deferred tax assets on tax loss carryforwards of ¥19,788 million. As described in Note 4. "SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS", deferred tax assets are recorded for the tax loss carryforwards and deductible temporary differences determined to be recoverable. The recoverability of deferred tax assets is determined based on the estimate of future taxable profit. The estimate of the future taxable profit is made based on the management plan prepared by the management. The key assumptions used in management's estimates of taxable profit are electricity sales volume and fuel price forecasts. As the key assumptions are influenced by changes in the	To consider the recoverability of the Company's deferred tax assets, we primarily performed the following audit procedures. • We considered the balances of temporary differences and tax loss carryforwards. We also considered the schedule for future fiscal years in which these balances are expected to be reversed. • We assessed the consistency between the estimate of future taxable profit and the management plan approved by the Board of Directors, which serve as the basis for the expected future taxable profit. • We compared prior year management plan to actual amounts in the current fiscal year to evaluate the effectiveness of the estimation process used by the management in formulating management plan. • To evaluate the reasonableness of the key assumptions adopted in the formulation of management plan, we performed the following procedures. • We compared the Company's electricity sales volume forecasts to demand forecasts released by external organizations for each area or region.

power generation mix, supply and demand balance of electricity, and future economic conditions, they involve subjective judgment exercised by the management and are subject to uncertainty. Based on the above, we determined the recoverability of deferred tax assets as a key audit matter.	• We compared the Company's fuel price forecasts to forward prices. • To evaluate the uncertainty in estimates of future taxable profit, we considered the impact if certain stresses are accounted for in management plan, which serve as the basis for the estimated future taxable profit.
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Other Information

Other information comprises the information included in disclosure documents that contain audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We have concluded that other information does not exist. Accordingly, we have not performed any work related to other information.

Responsibilities of Management and the Corporate Auditor for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by IFRS Accounting Standards, matters related to going concern.

The Corporate Auditor is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with IFRS Accounting Standards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Corporate Auditor, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2025 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2 to the consolidated financial statements.

Fee-related Information

The fees for the audits of the financial statements of JERA Co., Inc. and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2025 are 878 million yen and 91 million yen, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

August 8, 2025

Shigeru Sekiguchi

Designated Engagement Partner
Certified Public Accountant

Kazuyuki Maekawa

Designated Engagement Partner
Certified Public Accountant

Yasuo Maeda

Designated Engagement Partner
Certified Public Accountant