

Presentation Materials for Three-Months ended June 30, 2016

July, 2016

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01

Outline of Financial Results for Three-Months ended June 30, 2016

Note: The Company's fiscal year (FY) is from April 1 to March 31 of the following year. FY2016 represents the fiscal year begun in April 1, 2016, and ended in March 31, 2017. 1st Quarter(1Q) represents three months period ended June 30, 2016.

01 | Summary of Financial Results <1>

- Operating revenues (consolidated and non-consolidated) decreased following 2013/1Q, for the first time in 3 years.
- Ordinary income (consolidated and non-consolidated) decreased following 2013/1Q, for the first time in 3 years. (We posted a deficit in 2013/1Q.)
- We recorded decreased sales and profit following 2013/1Q, for the first time in 3 years. (We posted deficit in 2013/1Q.)

[Consolidated]

	Rounded down to nearest 100 million yen. (Billion yen,%)			
	2016/1Q (A)	2015/1Q (B)	Change (A-B)	(A-B)/B
Operating revenues	631.1	744.2	(113.1)	(15.2)
Operating income	96.9	144.2	(47.3)	(32.8)
Ordinary income	92.6	137.0	(44.4)	(32.4)
Net income attributable to owners of parent	65.3	95.7	(30.3)	(31.7)

*The number of consolidated subsidiaries [change from the same period of the previous year in parenthesis]
 2016/1Q : 53 subsidiaries (+2 companies) , 43 affiliates accounted for under the equity method (-7 companies)

[Non-Consolidated]

	Rounded down to nearest 100 million yen. (Billion yen,%)			
	2016/1Q (A)	2015/1Q (B)	Change (A-B)	(A-B)/B
Operating revenues	588.1	698.3	(110.1)	(15.8)
Operating income	93.9	139.0	(45.0)	(32.4)
Ordinary income	92.1	133.6	(41.4)	(31.1)
Net income	66.6	94.3	(27.7)	(29.4)

[Principal Figures]

Item		2016/1Q (A)	2015/1Q (B)	Change (A-B)
Electricity sales volume	(TWh)	28.3	29.0	(0.7)
CIF price: crude oil	(\$/b)	41.7	59.6	(17.9)
FX rate (interbank)	(yen/\$)	108.0	121.3	(13.3)
Nuclear power utilization rate	(%)	-	-	-

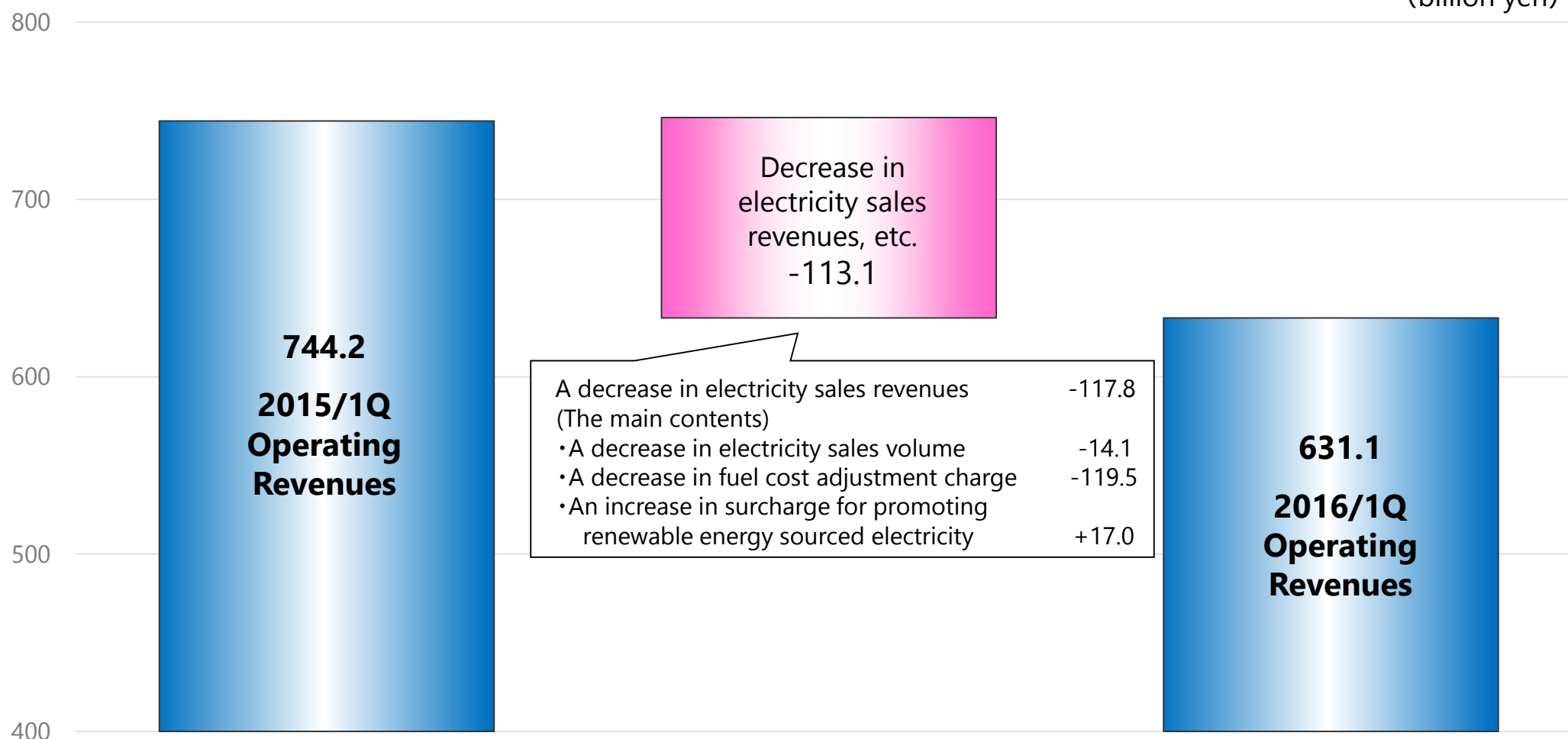
* CIF crude oil price for 1Q of FY 2016 is tentative.

<Consolidated operating revenues>

- Operating revenues decreased by 113.1 billion yen compared with 2015/1Q, due mainly to a decrease in electricity sales revenues resulting from a decrease of electricity sales volume and a decrease of fuel cost adjustment charge.

[Factors contributing to change in Consolidated ordinary revenue]

(billion yen)

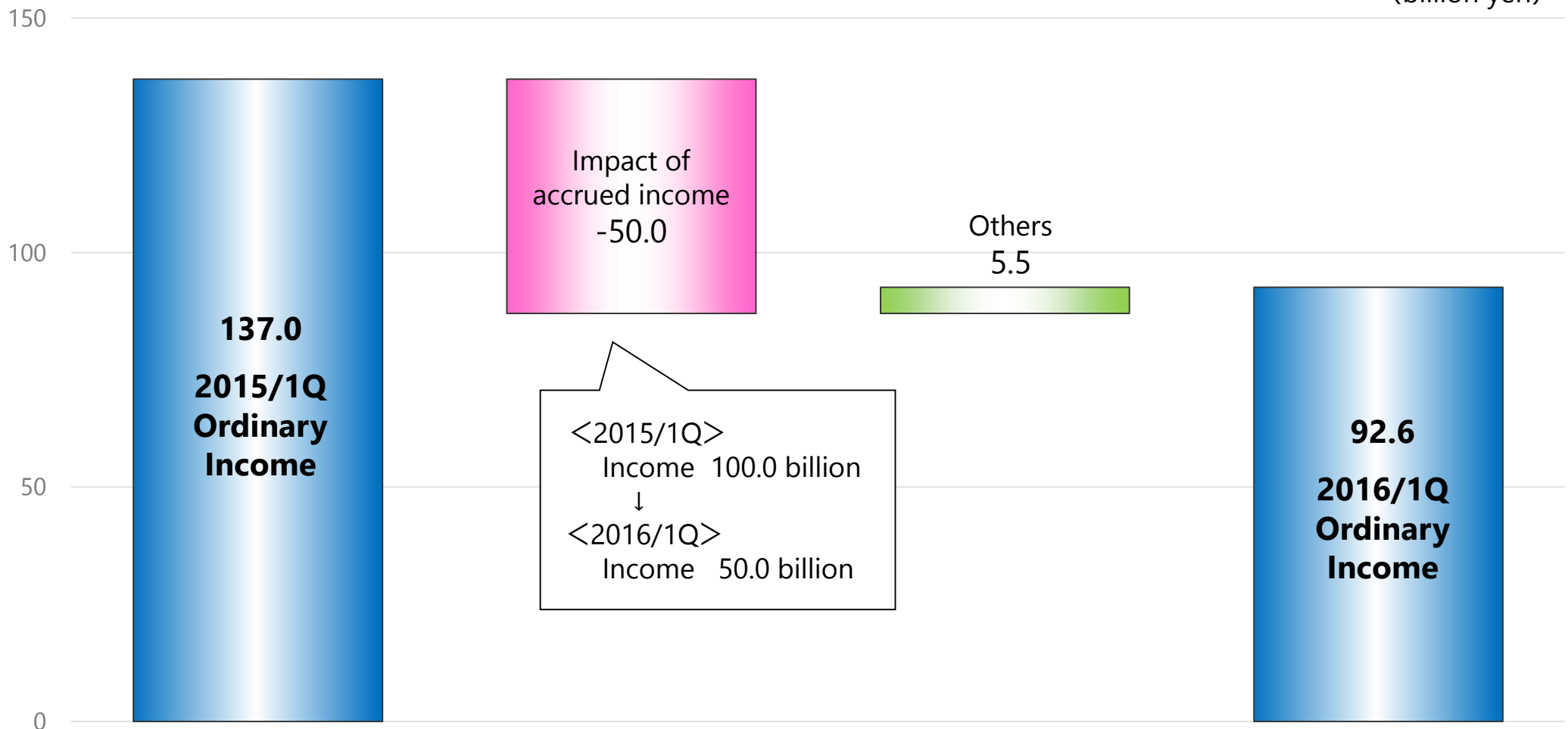


<Consolidated ordinary income>

- Consolidated ordinary income decreased by 44.4 billion yen compared with 2015/1Q, due to reduction of accrued income incurred by fuel cost adjustment system and decrease in fuel cost, affected by the fall of fuel price.

[Factors contributing to change in Consolidated ordinary income]

(billion yen)



<Electricity Sales Volume>

- Dropped by 2.4% to 28.3TWh, compared with 2015/1Q, due to a decrease in air conditioning demand by warmer temperature in this spring and a decrease of production in the automobile industry at the beginning of this fiscal year.
- **Low voltage : Dropped by 2.8% to 8.4TWh**, due to a decrease in air conditioning demand affected by warmer temperature in this spring and customer's power saving effect.
- **High voltage · Extra-high voltage : Dropped by 2.3% to 19.9TWh**, due to a decrease of production in the automobile industry at the beginning of this fiscal year and a rebound of an increase in electricity sales volume in the previous fiscal year accompanied by periodic maintenance of private power generation.

		(TWh,%)			
		2016/1Q	2015/1Q	Change	
		(A)	(B)	(A-B)	(A-B)/B
Electricity Sales Volume	Low voltage	8.4	8.7	(0.3)	(2.8)
	High voltage · Extra-high voltage	19.9	20.3	(0.4)	(2.3)
	Total	28.3	29.0	(0.7)	(2.4)

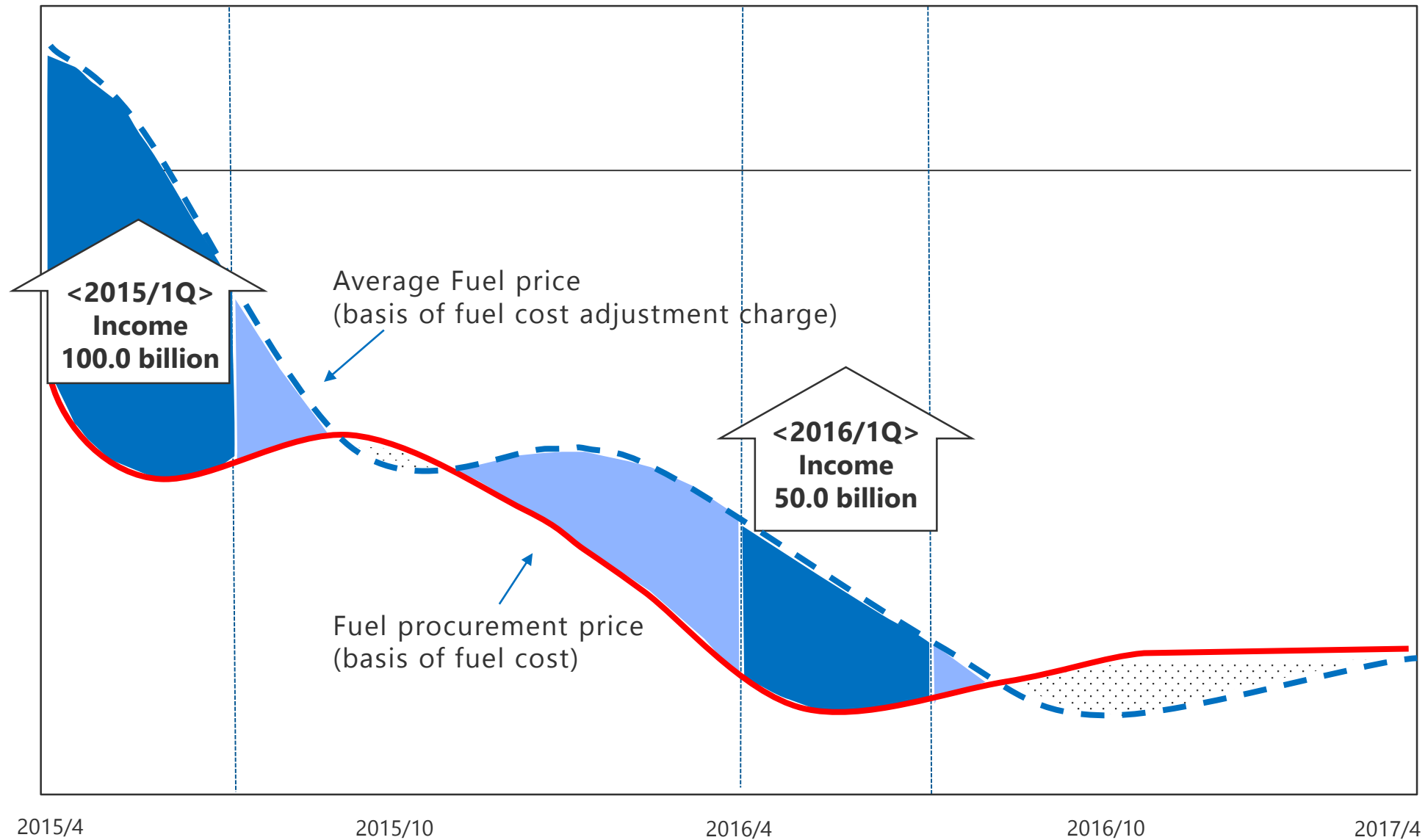
<Generated and Received Power>

- **Hydro** : Due to lower water flow, hydro power output **decreased by 0.2TWh**. (flow rate for 2016/1Q: 96.3%, 2015/1Q: 109.0%)
- **Interchanged, purchased Power** : **Decreased by 0.3TWh**, due to an increase in electricity sales volume to power exchange.
- **Thermal** : Due to a decrease of electricity sales volume and a result above, thermal power output **decreased by 0.2TWh**.

		2016/1Q	2015/1Q	Change (TWh,%)		
		(A)	(B)	(A-B)	(A-B)/B	
Generated and Received Power(*1)	Internally generated	Hydro	2.5	2.7	(0.2)	(6.7)
		<flow rate>	<96.3>	<109.0>	<(12.7)>	
		Thermal	24.1	24.3	(0.2)	(0.8)
		Nuclear	(0.1)	(0.1)	0.0	(19.5)
		<utilization rate>	<—>	<—>	<—>	
	Renewable energy	0.0	0.0	(0.0)	(46.2)	
	Interchanged, Purchased power(*2)		2.5	2.8	(0.3)	(8.7)
	Power used for pumped storage		(0.1)	(0.2)	0.1	(25.6)
	Total		28.9	29.5	(0.6)	(1.9)

*1 From 2016/1Q, the amount of power at the sending end has been mentioned as the amount of internally generated power. Change in the amount of power is calculated by converting the figure from the previous year to the sending end value.

*2 Interchanged, Purchased power represent power output that we grasp at the end of the 2016/1Q.



<Forecast> Revised Forecasts of Financial Results previously announced on April 28, 2016.

- Operating revenues (consolidated and non-consolidated) will decrease mainly due to a decrease in electricity sales volume.
- Ordinary income (consolidated and non-consolidated) will decrease mainly due to reduction of accrued income incurred by fuel cost adjustment system and decrease in fuel cost, affected by the fall of fuel price. [declining income]

【Consolidated】

(Features of consolidated financial results)

- Operating revenues will decrease for 2 consecutive years since FY2015.
- Ordinary income will decrease following FY2013, for the first time in 3 years. [declining income]

(Billion yen,%)

	Current (A)	April 28 (B)	Change	
			(A-B)	(A-B)/B
Operating revenues	2,610.0	2,620.0	(10.0)	(0.4)
Operating income	135.0	150.0	(15.0)	(10.0)
Ordinary income	115.0	130.0	(15.0)	(11.5)
Net income attributable to owners of parent	115.0	125.0	(10.0)	(8.0)

【Non-Consolidated】

(Features of non-consolidated financial results)

- Operating revenues will decrease for 2 consecutive years since FY2015.
- Ordinary income will decrease following FY2013, for the first time in 3 years. [declining income]

(Billion yen,%)

	Current (A)	April 28 (B)	Change	
			(A-B)	(A-B)/B
Operating revenues	2,380.0	2,390.0	(10.0)	(0.4)
Operating income	115.0	130.0	(15.0)	(11.5)
Ordinary income	95.0	110.0	(15.0)	(13.6)
Net income	70.0	80.0	(10.0)	(12.5)

【Principal Figures】

(Electricity sales volume)	Current (A)	April 28 (B)	Change (TWh,%)	
			(A-B)	(A-B)/B
Low voltage	38.0	38.1	(0.1)	(0.3)
High voltage ▪ Extra-high voltage	84.2	84.8	(0.6)	(0.7)
Total	122.2	122.9	(0.7)	(0.6)

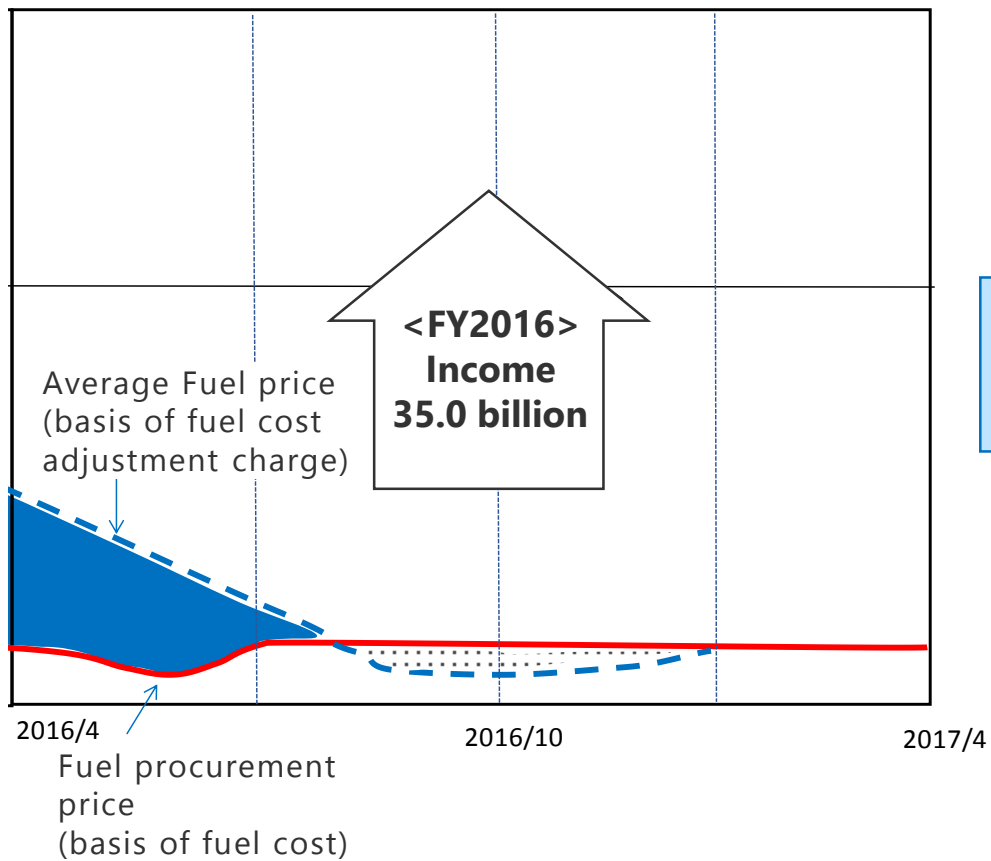
(Other principal figures)		Current	April 28
CIF price: crude oil	(\$/b)	approx. 48	approx. 40
FX rate	(yen/\$)	approx. 105	approx. 115
Nuclear power utilization rate	(%)	-	-

(Income sensitivity)		(billion yen)		
		Current	April 28	
CIF price: crude oil	(1\$/b)	8.0	9.0	*1,2
FX rate	(1yen/\$)	4.5	4.5	*1
Flow rate	(1%)	0.5	0.5	
Interest rate	(1%)	5.0	5.0	

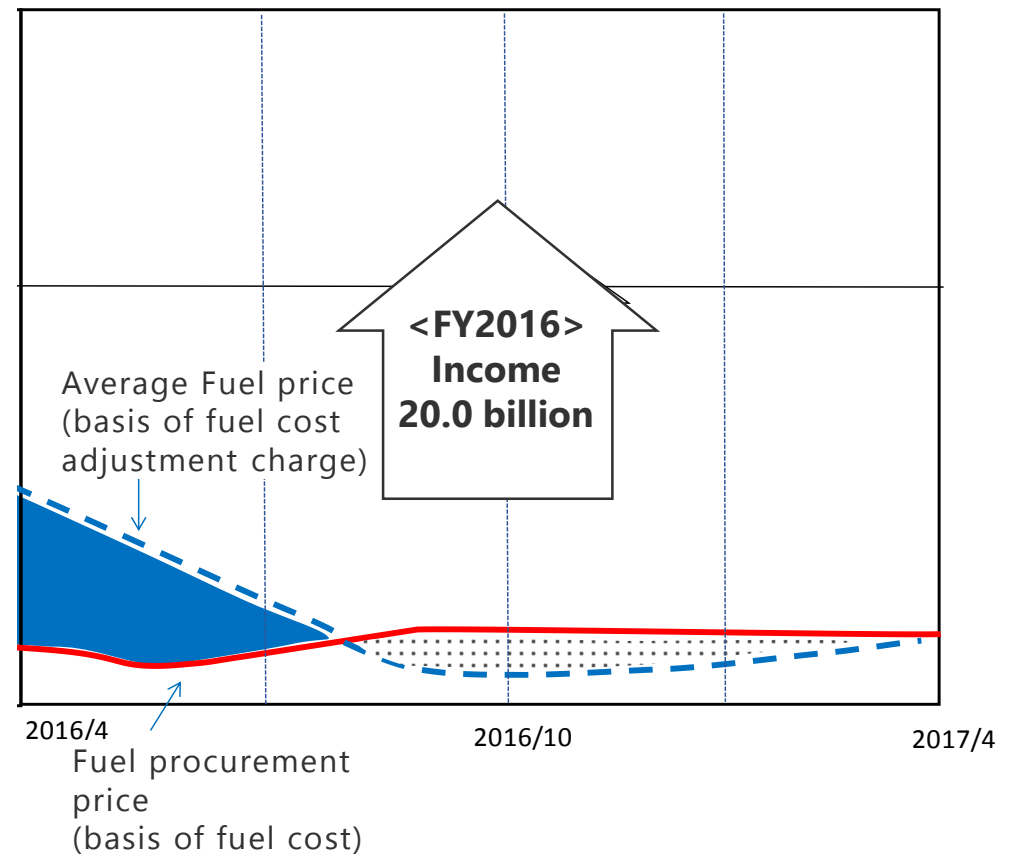
*1 These figures represent income sensitivity for fuel expenses. Fluctuation of CIF price (crude oil) and FX rate will be reflected in sales revenue, in cases where average fuel price fluctuates and fuel cost adjustment system will be applied.

*2 The impact value of crude oil price includes the impact of LNG price because LNG price is subject to crude oil price.

【Announcement in April (35.0 billion yen)】



【Current (20.0 billion yen)】



02

Reference Data: Financial Results

(Rounded down to nearest 100 million yen.) (Billion yen,%)

	2016/1Q	2015/1Q	Change	
	(A)	(B)	(A-B)	(A-B)/B
Operating revenues	631.1	744.2	(113.1)	(15.2)
Non-operating revenues	3.6	4.7	(1.0)	(22.1)
Ordinary revenues	634.8	749.0	(114.1)	(15.2)
Operating expenses	534.2	600.0	(65.7)	(11.0)
Non-operating expenses	7.9	11.9	(3.9)	(33.1)
Ordinary expenses	542.2	611.9	(69.7)	(11.4)
<Operating income>	<96.9>	<144.2>	<(47.3)>	<(32.8)>
Ordinary income	92.6	137.0	(44.4)	(32.4)
Reserve for fluctuation in water levels	(0.3)	1.4	(1.7)	-
Income taxes	27.4	39.3	(11.8)	(30.1)
Net income attributable to non-controlling interests	0.1	0.6	(0.4)	(75.8)
Net income attributable to owners of parent	65.3	95.7	(30.3)	(31.7)

Rounded down to nearest 100 million yen. (Billion yen,%)

	2016/1Q	2015/1Q	Change		【Major factors for Change】
	(A)	(B)	(A-B)	(A-B)/B	
Electricity sales revenue	495.5	613.3	(117.8)	(19.2)	<ul style="list-style-type: none"> - A decrease in electricity sales volume : -14.1 - A decrease in fuel adjustment charge : -119.5 - An increase in surcharge for promoting renewable energy sourced electricity : +17.0
Sold power to other electric utilities, and transmission revenue, etc. *	15.3	17.3	(1.9)	(11.5)	
Grant under Act on Purchase of Renewable Energy Sourced Electricity	56.5	37.9	18.5	48.9	
Other	5.6	5.8	(0.2)	(3.5)	<ul style="list-style-type: none"> - An increase in purchase of renewable energy sourced electricity
Electric utility operating revenues	573.0	674.5	(101.4)	(15.0)	
Incidental businesses operating revenues	15.1	23.7	(8.6)	(36.4)	<ul style="list-style-type: none"> - A decrease in gas supply business
Total operating revenues	588.1	698.3	(110.1)	(15.8)	

* Sold power to other utilities, Sold power to other suppliers, Transmission revenue and Settlement revenue among utilities

12 | Non-consolidated Statements of Income <2>: Operating expenses

Rounded down to nearest 100 million yen. (Billion yen,%)

【Major factors for Change】

	2016/1Q	2015/1Q	Change		
	(A)	(B)	(A-B)	(A-B)/B	
Salaries and employee benefits	44.0	47.9	(3.9)	(8.1)	
Fuel	120.3	195.1	(74.7)	(38.3)	- A decrease in fuel price
Nuclear back-end expenses *1	3.5	3.6	(0.1)	(4.7)	
Purchased power, and transmission charges, etc. *2	93.6	84.8	8.8	10.4	- An increase in purchase of renewable energy sourced electricity
Maintenance	42.3	42.0	0.2	0.7	
Depreciation	56.3	59.4	(3.1)	(5.3)	
Taxes other than income taxes	29.4	31.2	(1.8)	(5.8)	
Levy under Act on Purchase of Renewable Energy Sourced Electricity	49.5	32.5	17.0	52.5	
Other	44.0	44.1	(0.0)	(0.2)	
Electric utility operating expenses	483.4	541.1	(57.6)	(10.7)	
Incidental business operating expenses	10.7	18.1	(7.4)	(40.8)	- A decrease in gas supply business
Total operating expenses	494.1	559.2	(65.0)	(11.6)	

*1 Reprocessing of irradiated nuclear fuel, Preparation for reprocessing of irradiated nuclear fuel, Designated radioactive waste disposal expenses, Decommissioning nuclear power plants

*2 Sold power to other utilities, Sold power to other suppliers, Portion of the existing power generation expenses such as spent fuel reprocessing for which contracts have been signed, consignment charges, supply connection consignment charges, Settlement revenue among utilities

13 | Non-consolidated Statements of Income <3>: Net income

Rounded down to nearest 100 million yen. (Billion yen,%)

【Major factors for Change】

	2016/1Q	2015/1Q	Change	
	(A)	(B)	(A-B)	(A-B)/B
Operating income	93.9	139.0	(45.0)	(32.4)
Non-operating revenues	5.7	4.5	1.2	27.7
Non-operating expenses	7.6	9.9	(2.3)	(23.2)
Ordinary revenues	593.9	702.8	(108.8)	(15.5)
Ordinary expenses	501.8	569.2	(67.3)	(11.8)
Ordinary income	92.1	133.6	(41.4)	(31.1)
Reserve for fluctuation in water levels	(0.3)	1.4	(1.7)	-
Income taxes	25.7	37.8	(12.0)	(31.9)
Net income	66.6	94.3	(27.7)	(29.4)

- Electricity business : -43.8
- Incidental business : -1.2

(Rounded down to nearest 100 million yen.) (Billion yen,%)

	2016.6 (A)	2016.3 (B)	Change (A-B)
Assets	5,409.1	5,538.9	(129.8)
	<4,966.9>	<5,065.5>	<(98.6)>
Liabilities	3,739.9	3,901.8	(161.9)
	<3,544.5>	<3,697.3>	<(152.7)>
Net assets	1,669.2	1,637.1	32.1
	<1,422.4>	<1,368.2>	<54.1>
Shareholders' equity ratio	30.2	28.9	1.3
	<28.6>	<27.0>	<1.6>
Outstanding interest-bearing debt	2,587.8	2,625.4	(37.6)
	<2,586.7>	<2,629.8>	<(43.0)>

Non-consolidated figures in <>.

DISCLAIMER

The forecasts in this presentation are based on information available as of the date of this announcement is made, and also, assumptions as of the date of this announcement are made on uncertain factors that would affect future results.

Actual results may materially differ by various causes in the future.

