

Presentation Materials for Nine-Months ended December 31, 2016

January, 2017

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01

Outline of Financial Results for Nine-Months ended December 31, 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. 3rd Quarter(3Q) represents nine months period ended December 31, 2016.

- Operating revenues (Consolidated and Non-consolidated) decreased for two consecutive years since 2015/3Q.
- Ordinary income (Consolidated and Non-consolidated) decreased following 2013/3Q, for the first time in 3 years. (We posted a deficit in 2013/3Q.)
- We recorded decreased sales and profit following 2005/3Q for the first time in 11 years.

[Consolidated]

	2016/3Q (A)	2015/3Q (B)	Change (A-B) (A-B)/B	
Operating revenues	1,898.7	2,126.4	(227.7)	(10.7)
Operating income	168.0	237.9	(69.8)	(29.4)
Ordinary income	157.4	215.3	(57.8)	(26.9)
Net income attributable to owners of parent	141.4	151.6	(10.2)	(6.8)

*The number of consolidated subsidiaries [change from the same period of the previous year in parenthesis]
 2016/3Q : 29 subsidiaries (-22 companies) , 24 affiliates accounted for under the equity method (-17 companies)

[Non-Consolidated]

	2016/3Q (A)	2015/3Q (B)	Change (A-B) (A-B)/B	
Operating revenues	1,755.5	1,979.8	(224.3)	(11.3)
Operating income	155.3	222.8	(67.4)	(30.3)
Ordinary income	143.5	198.5	(55.0)	(27.7)
Net income	104.0	141.5	(37.5)	(26.5)

[Principal Figures]

	2016/3Q (A)	2015/3Q (B)	Change (A-B)
Electricity sales volume (TWh)	89.3	89.7	(0.4)
CIF price: crude oil (\$/b)	44.9	54.6	(9.7)
FX rate (interbank) (yen/\$)	106.6	121.7	(15.1)
Nuclear power utilization rate (%)	-	-	-

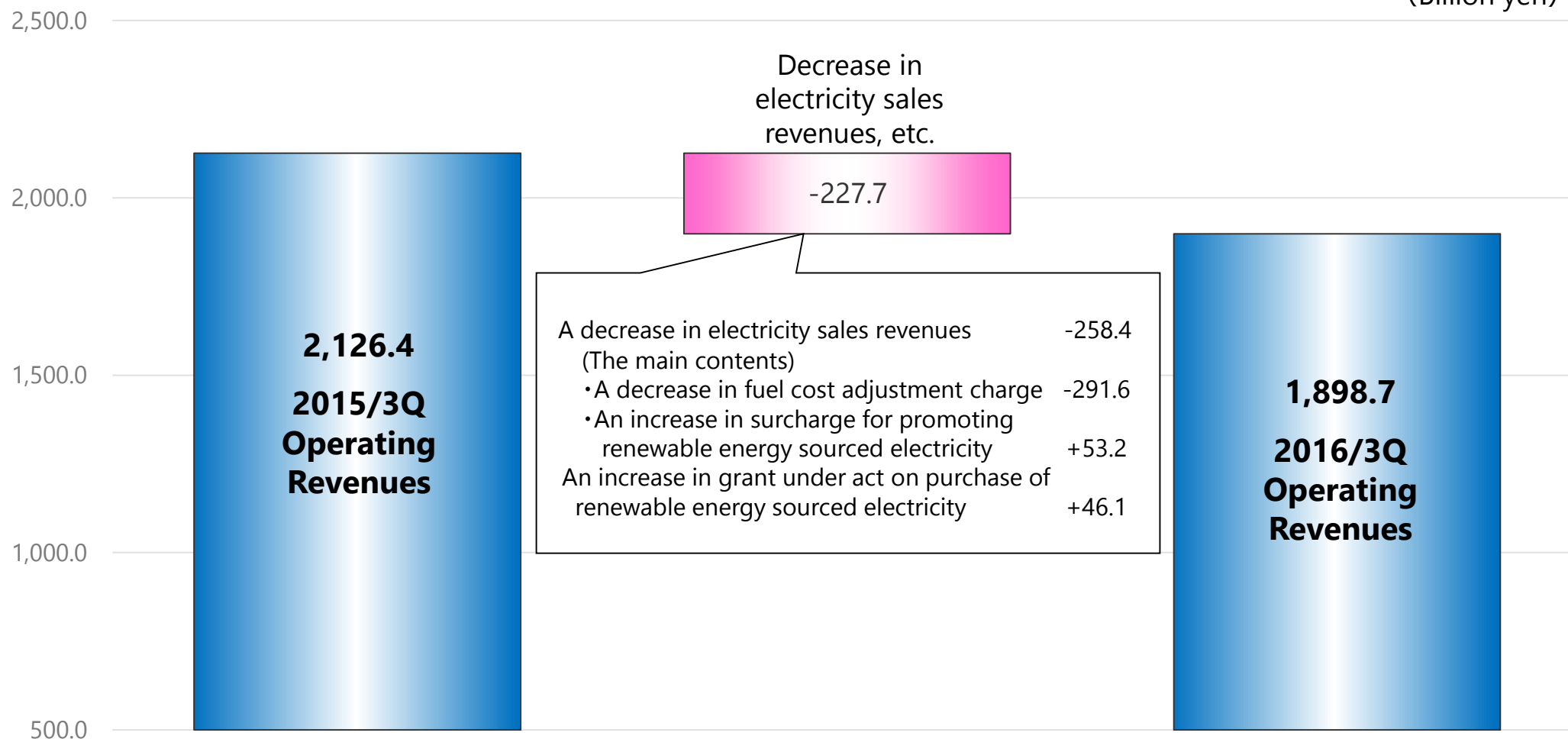
* CIF crude oil price for 3Q of FY 2016 is tentative.

<Consolidated operating revenues>

- Operating revenues decreased by 227.7 billion yen compared with 2015/3Q, mainly due to a decrease in electricity sales revenues resulting from a decrease of fuel cost adjustment charge.

[Factors contributing to change in Consolidated operating revenues]

(Billion yen)

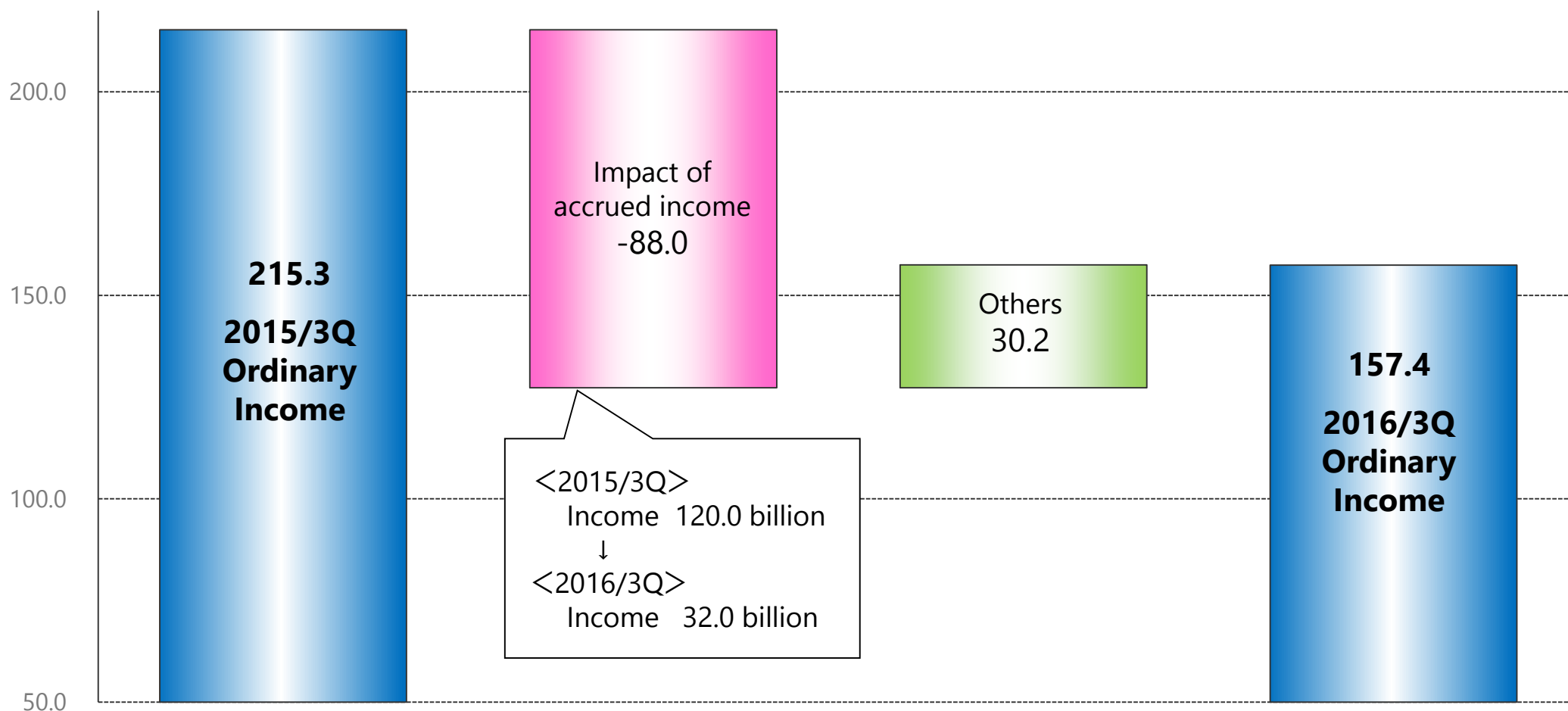


<Consolidated ordinary income>

- Consolidated ordinary income decreased by 57.8 billion yen compared with 2015/3Q, mainly due to a reduction of accrued income incurred by fuel cost adjustment system and a decrease in fuel cost, affected by the fall of fuel price.

[Factors contributing to change in Consolidated ordinary income]

(Billion yen)



<Electricity Sales Volume>

- **Amounted to 89.3TWh**, almost the same as in 2015/3Q, mainly due to a rebound of an increase in electricity sales volume in the previous fiscal year accompanied by a decrease in operation of private power generation, in spite of an increase in air conditioning demand by warmer temperature in this summer.
- **Low voltage : Increased by 1.1% to 26.7TWh**, compared with 2015/3Q, mainly due to an increase in air conditioning demand by warmer temperature in this summer, in spite of customer's power saving effect.
- **High voltage · Extra-high voltage : Dropped by 1.0% to 62.6TWh**, compared with 2015/3Q, mainly due to a rebound of an increase in electricity sales volume in the previous fiscal year accompanied by a decrease in operation of private power generation, in spite of an increase of production in the automobile and semiconductor industry.

		(TWh,%)			
		2016/3Q	2015/3Q	Change	
		(A)	(B)	(A-B)	(A-B)/B
Electricity Sales Volume	Low voltage	26.7	26.4	0.3	1.1
	High voltage · Extra-high voltage	62.6	63.3	(0.7)	(1.0)
	Total	89.3	89.7	(0.4)	(0.4)

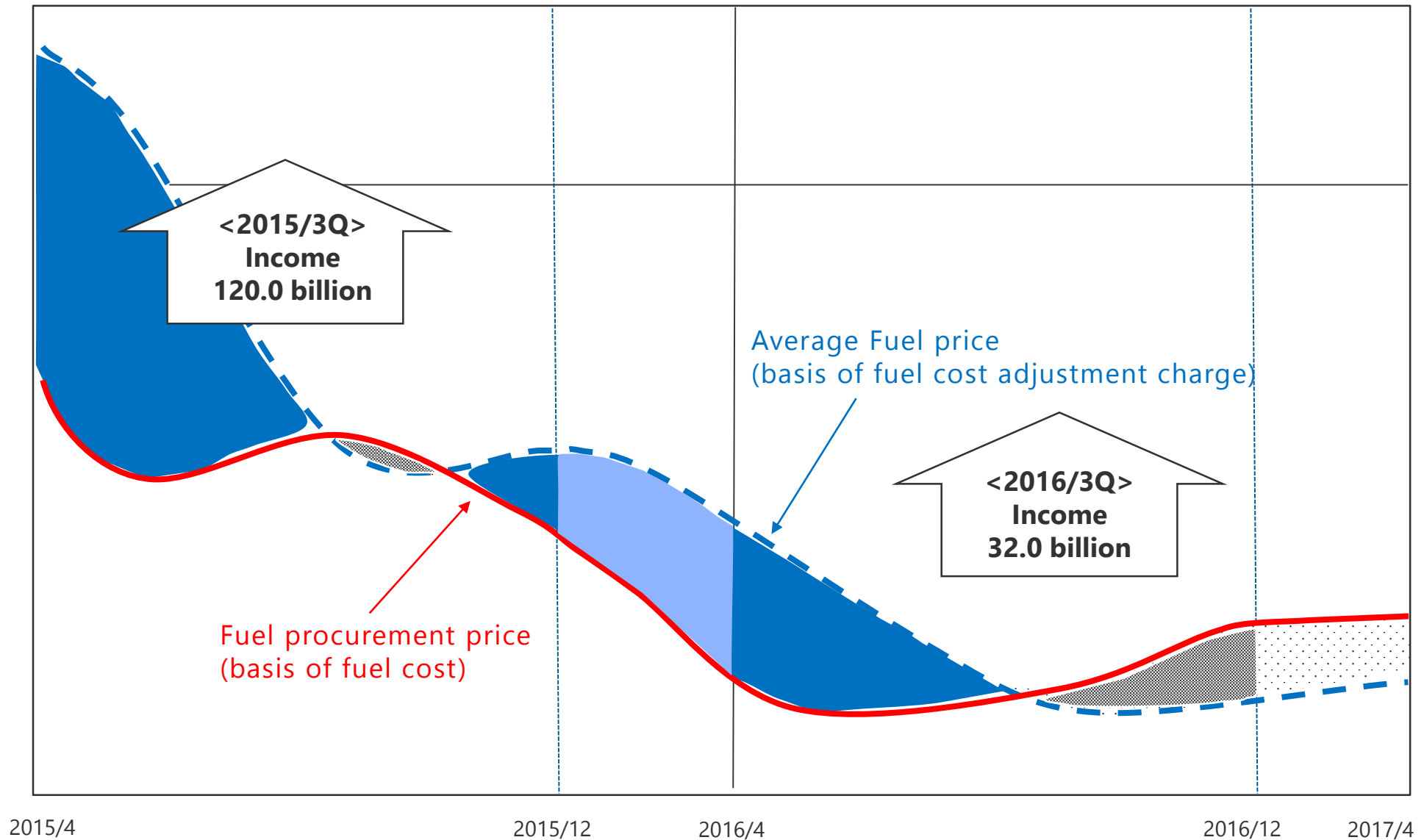
<Generated and Received Power>

- **Hydro** : The flow rate fell short of the year-before period; thus hydroelectric power output **decreased by 0.4TWh**
- **Interchanged, purchased Power** : **Decreased by 1.3TWh**, mainly due to an increase in electricity sales volume to power exchange.
- **Thermal** : As a result above, thermal power output **increased by 1.9TWh**.

		2016/3Q	2015/3Q	Change		
		(A)	(B)	(A-B)	(A-B)/B	
Generated and Received Power(*1)	Hydro	7.0	7.4	(0.4)	(5.0)	
		<flow rate>	<101.0>	<114.4>	<(13.4)>	
	Internally generated	Thermal	79.8	77.9	1.9	2.4
		Nuclear	(0.2)	(0.2)	0.0	(4.0)
		<utilization rate>	<—>	<—>	<—>	
		Renewable energy	0.0	0.1	(0.1)	(34.9)
	Interchanged, Purchased power(*2)		7.8	9.1	(1.3)	(14.4)
	Power used for pumped storage		(0.8)	(0.5)	(0.3)	69.6
	Total		93.6	93.8	(0.2)	(0.1)

*1 From FY2016, 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 2016/3Q.



<Forecast>

Forecasts of Financial Results have not been revised from the previous announcement made in October 28, 2016.

- Operating revenues (consolidated and non-consolidated) have not changed.
- Ordinary income (consolidated and non-consolidated) have not changed mainly due to an expansion of hydroelectric power output and further improvement of our management efficiency, in spite of a reduction of accrued income incurred by fuel cost adjustment system and a decrease in fuel cost.

【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)	October 28 (B)	Change	
			(A-B)	(A-B)/B
Operating revenues	2,590.0	2,590.0	-	-
Operating income	145.0	145.0	-	-
Ordinary income	125.0	125.0	-	-
Net income attributable to owners of parent	115.0	115.0	-	-

【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)	October 28 (B)	Change	
			(A-B)	(A-B)/B
Operating revenues	2,360.0	2,360.0	-	-
Operating income	125.0	125.0	-	-
Ordinary income	105.0	105.0	-	-
Net income	75.0	75.0	-	-

【Principal Figures】

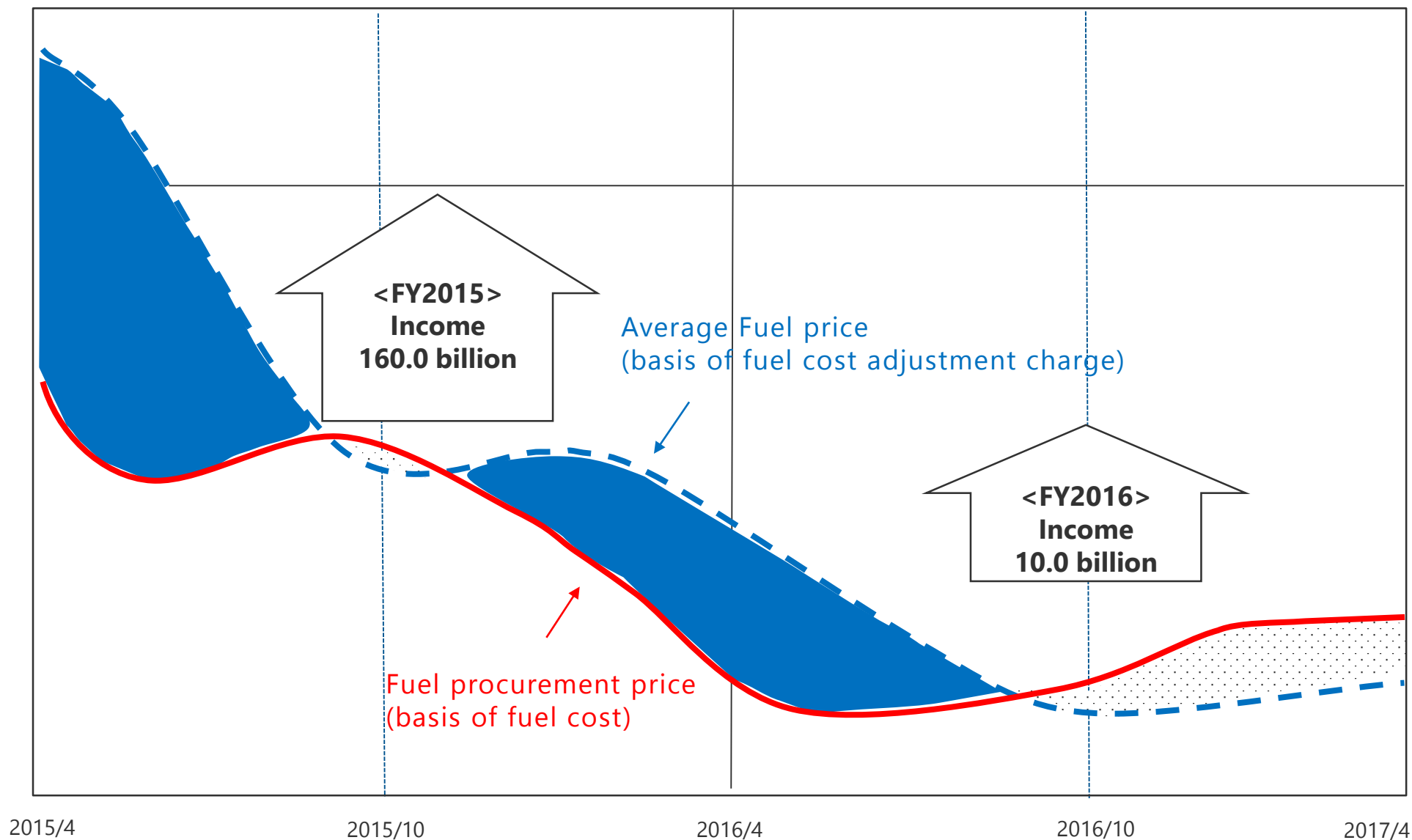
(Electricity sales volume)	(TWh,%)			
	Current (A)	October 28 (B)	Change (A-B) (A-B)/B	
Low voltage	38.5	38.5	-	-
High voltage ▪ Extra-high voltage	82.9	82.9	-	-
Total	121.4	121.4	-	-

(Other principal figures)		Current	October 28
CIF price: crude oil	(\$/b)	approx. 47	approx. 47
FX rate	(yen/\$)	approx. 109	approx. 105
Nuclear power utilization rate	(%)	-	-

(Income sensitivity)		(Billion yen)		
		Current	October 28	
CIF price: crude oil	(1\$/b)	8.0	8.0	*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.



02

Reference Data: Financial Results

10 | Consolidated Statements of Income



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

	2016/3Q (A)	2015/3Q (B)	Change	
			(A-B)	(A-B)/B
Operating revenues	1,898.7	2,126.4	(227.7)	(10.7)
Non-operating revenues	13.9	16.6	(2.7)	(16.3)
Ordinary revenues	1,912.6	2,143.0	(230.4)	(10.8)
Operating expenses	1,730.6	1,888.5	(157.8)	(8.4)
Non-operating expenses	24.4	39.2	(14.7)	(37.6)
Ordinary expenses	1,755.1	1,927.7	(172.5)	(9.0)
<Operating income>	<168.0>	<237.9>	<(69.8)>	<(29.4)>
Ordinary income	157.4	215.3	(57.8)	(26.9)
Reserve for fluctuation in water levels	(0.1)	9.3	(9.5)	-
Extraordinary income(*)	30.2	10.8	19.4	180.2
Income taxes	45.1	63.0	(17.8)	(28.3)
Net income attributable to non-controlling interests	1.3	2.0	(0.7)	(34.7)
Net income attributable to owners of parent	141.4	151.6	(10.2)	(6.8)

* 2016/3Q : Gain on change in equity

2015/3Q : Reversal of provision for loss in conjunction with discontinued operations of nuclear power plants

11 | Non-consolidated Statements of Income <1>: Operating revenues

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

	2016/3Q (A)	2015/3Q (B)	Change (A-B) (A-B)/B		【Major factors for Change】
Electricity sales revenues	1,488.0	1,746.5	(258.4)	(14.8)	<ul style="list-style-type: none"> - A decrease in fuel cost adjustment charge : -291.6 - An increase in surcharge for promoting renewable energy sourced electricity : +53.2
Sold power to other electric utilities, and transmission revenue, etc. *	57.0	47.0	10.0	21.3	
Grant under act on purchase of renewable energy sourced electricity	156.7	110.6	46.1	41.7	<ul style="list-style-type: none"> - An increase in purchase of renewable energy sourced electricity
Other	18.7	18.6	0.0	0.4	
Electric utility operating revenues	1,720.6	1,922.8	(202.1)	(10.5)	
Incidental businesses operating revenues	34.8	56.9	(22.1)	(38.9)	<ul style="list-style-type: none"> - A decrease in gas supply business
Total operating revenues	1,755.5	1,979.8	(224.3)	(11.3)	

* 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,%)

	2016/3Q	2015/3Q	Change		【Major factors for Change】
	(A)	(B)	(A-B)	(A-B)/B	
Salaries and employee benefits	131.2	134.0	(2.7)	(2.0)	
Fuel	416.5	617.7	(201.1)	(32.6)	- A decrease in fuel price
Nuclear back-end expenses *1	10.1	11.1	(0.9)	(8.8)	
Purchased power, and transmission charges, etc. *2	271.2	247.6	23.6	9.6	- An increase in purchase of renewable energy sourced electricity
Maintenance	136.9	140.0	(3.1)	(2.2)	
Depreciation	170.6	180.1	(9.4)	(5.3)	
Taxes other than income taxes	92.1	93.6	(1.4)	(1.6)	
Levy under act on purchase of renewable energy sourced electricity	169.5	116.2	53.2	45.8	
Other	173.0	166.6	6.3	3.8	
Electric utility operating expenses	1,571.6	1,707.2	(135.6)	(7.9)	
Incidental business operating expenses	28.5	49.7	(21.2)	(42.7)	- A decrease in gas supply business
Total operating expenses	1,600.1	1,756.9	(156.8)	(8.9)	

*1 Reprocessing of irradiated nuclear fuel, Preparation of reprocessing of irradiated nuclear fuel, Contributions 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, transmission charges, supply connection transmission charges, Settlement revenue among utilities

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

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

	2016/3Q	2015/3Q	Change	
	(A)	(B)	(A-B)	(A-B)/B
Operating income	155.3	222.8	(67.4)	(30.3)
Non-operating revenues	11.3	10.0	1.2	12.3
Non-operating expenses	23.1	34.3	(11.2)	(32.6)
Ordinary revenues	1,766.8	1,989.9	(223.1)	(11.2)
Ordinary expenses	1,623.2	1,791.3	(168.0)	(9.4)
Ordinary income	143.5	198.5	(55.0)	(27.7)
Reserve for fluctuation in water levels	(0.1)	9.3	(9.5)	-
Extraordinary income	-	10.8	(10.8)	-
Income taxes	39.7	58.4	(18.7)	(32.1)
Net income	104.0	141.5	(37.5)	(26.5)

【Major factors for Change】

- Electricity business : -66.5
- Incidental business : -0.9

- 2015/3Q :
Reversal of provision for loss in conjunction with discontinued operations of nuclear power plants

	(Rounded down to nearest 100 million yen.)		(Billion yen)
	2016.12 (A)	2016.3 (B)	Change (A-B)
Assets	5,322.2	5,538.9	(216.7)
	<4,885.2>	<5,065.5>	<(180.3)>
Liabilities	3,585.7	3,901.8	(316.1)
	<3,430.8>	<3,697.3>	<(266.4)>
Net assets	1,736.5	1,637.1	99.3
	<1,454.3>	<1,368.2>	<86.1>
Shareholders' equity ratio (%)	31.9	28.9	3.0
	<29.8>	<27.0>	<2.8>
Outstanding interest-bearing debt	2,604.9	2,625.4	(20.5)
	<2,590.4>	<2,629.8>	<(39.3)>

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.

