

# **Presentation Materials for Fiscal Year ended March 31, 2017**

**April 28, 2017**

# INDEX

|           |  |         |
|-----------|--|---------|
| <b>01</b> | <b>Outline of Financial Results for Fiscal Year ended March 31, 2017</b>                             |         |
|           | Summary of Financial Results   | .....01 |
|           | Electricity Sales Volume   | .....04 |
|           | Generated and Received Power   | .....05 |
|           | (Reference) Impact of accrued income incurred by fuel cost adjustment system (Result)                | .....06 |
|           | Summary of Forecast for FY2017   | .....07 |
|           | (Reference) Impact of accrued income incurred by fuel cost adjustment system in FY2017(Forecast)     | .....09 |
|           | Profit Allocation Policy and Dividends for the Fiscal Year under Review, and the Fiscal Year to Come | .....10 |
| <b>02</b> | <b>Reference Data: Financial Results</b>   |         |
|           | Consolidated statements of Income  | .....11 |
|           | Non-consolidated Statements of Income  | .....12 |
|           | Consolidated and Non-consolidated Financial Standing   | .....15 |

01

# Outline of Financial Results for Fiscal Year ended March 31, 2017

Note: The Company's fiscal year (FY) is from April 1 to March 31 of the following year. FY2016 represents the fiscal year begun on April 1, 2016, and ended on March 31, 2017.

- Operating revenues (Consolidated and Non-consolidated) decreased for two consecutive years since FY2015.
- Ordinary income (Consolidated and Non-consolidated) decreased following FY2013, for the first time in 3 years. (We posted a deficit in FY2013.)
- [Consolidated] We recorded decreased sales and profit following FY2002, for the first time in 14 years.
- [Non-consolidated] We recorded decreased sales and profit following FY1998, for the first time in 18 years.

**[Consolidated]**

|   | (Rounded down to nearest 100 million yen.) |               | (Billion yen,%) |         |
|---|--|---------------|-----------------|---------|
|   | FY2016<br>(A)                              | FY2015<br>(B) | Change          |         |
|   |  |               | (A-B)           | (A-B)/B |
| Operating revenues                          | 2,603.5                                    | 2,854.0       | (250.5)         | (8.8)   |
| Operating income                            | 136.4                                      | 284.9         | (148.5)         | (52.1)  |
| Ordinary income                             | 121.4                                      | 255.6         | (134.1)         | (52.5)  |
| Net income attributable to owners of parent | 114.6                                      | 169.7         | (55.0)          | (32.4)  |

\*The number of consolidated subsidiaries [change from the same period of the previous year in parenthesis]  
 FY2016 : 29 subsidiaries (-23 companies) , 24 affiliates accounted for under the equity method (-18 companies)

**[Non-Consolidated]**

|                    | (Rounded down to nearest 100 million yen.) |               | (Billion yen,%) |         |
|--------------------|--|---------------|-----------------|---------|
|                    | FY2016<br>(A)                              | FY2015<br>(B) | Change          |         |
|                    |  |               | (A-B)           | (A-B)/B |
| Operating revenues | 2,389.7                                    | 2,648.3       | (258.6)         | (9.8)   |
| Operating income   | 117.2                                      | 265.2         | (147.9)         | (55.8)  |
| Ordinary income    | 99.1                                       | 233.6         | (134.5)         | (57.6)  |
| Net income         | 72.0                                       | 157.2         | (85.1)          | (54.2)  |

**[Principal Figures]**

|                                |          | FY2016<br>(A) | FY2015<br>(B) | Change<br>(A-B) |
|--------------------------------|----------|---------------|---------------|-----------------|
| Electricity sales volume       | (TWh)    | 121.8         | 122.0         | (0.2)           |
| CIF price: crude oil           | (\$/b)   | 47.6          | 48.8          | (1.2)           |
| FX rate (interbank)            | (yen/\$) | 108.4         | 120.1         | (11.7)          |
| Nuclear power utilization rate | (%)      | -             | -             | -               |

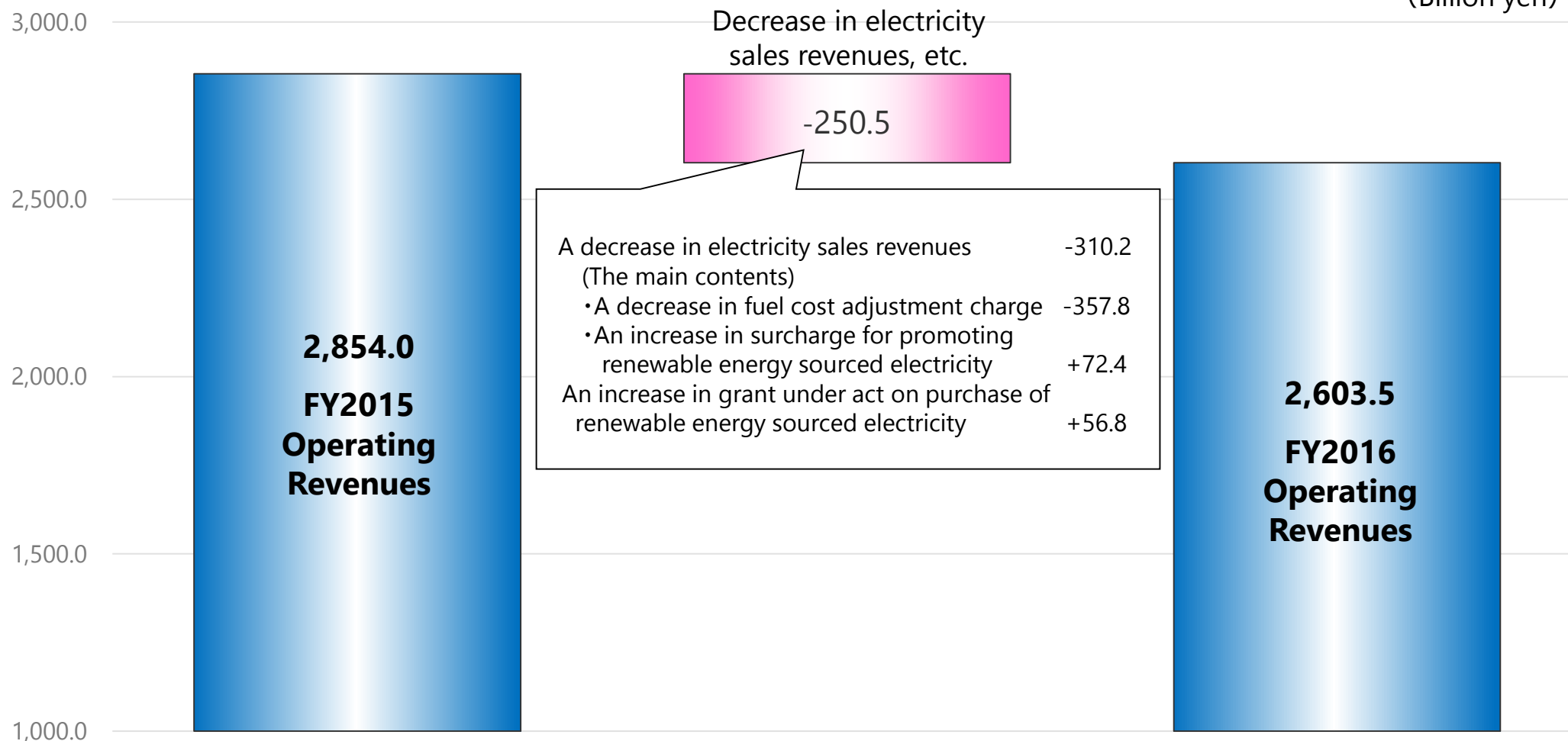
\*CIF crude oil price for FY2016 is tentative.

## <Consolidated operating revenues>

- Operating revenues decreased by 250.5 billion yen compared with FY2015, 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)

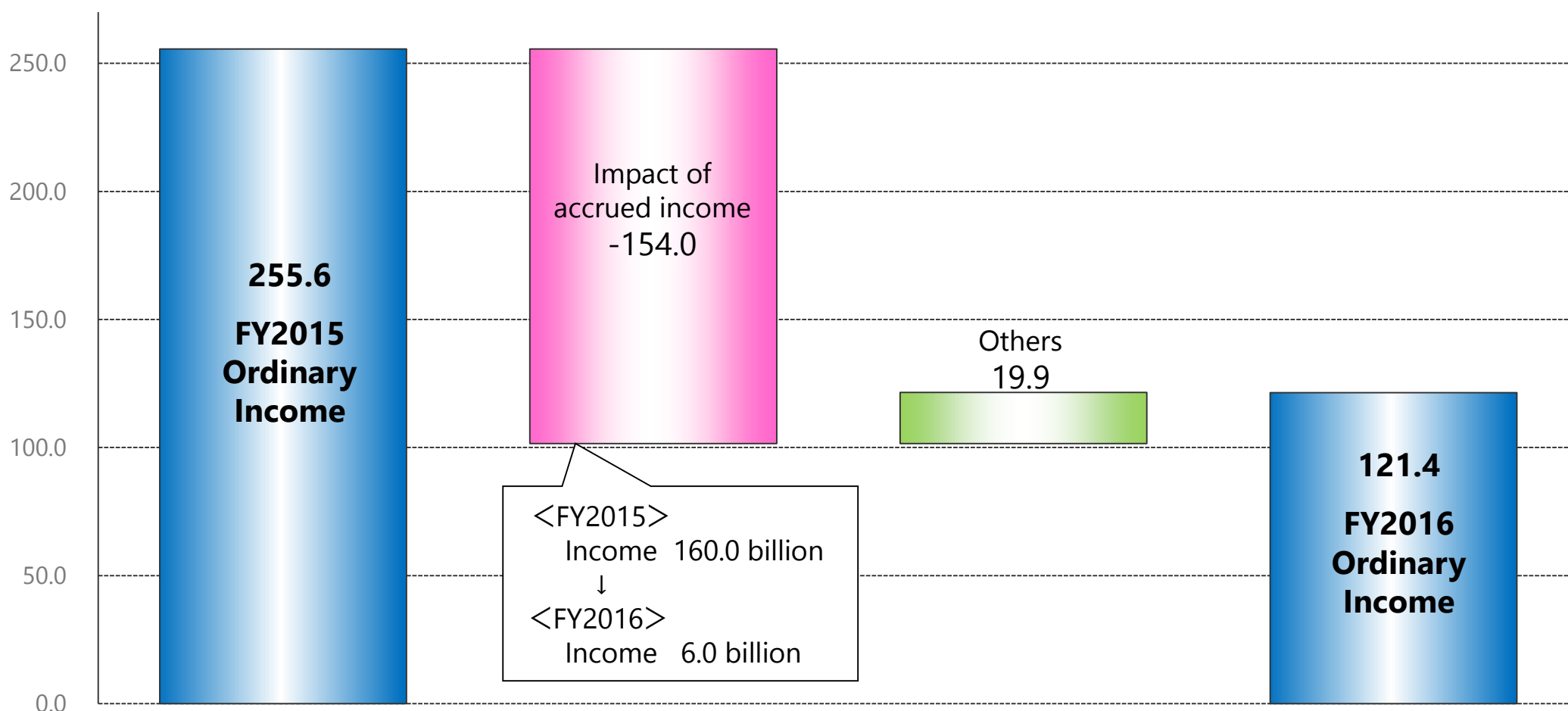


## <Consolidated ordinary income>

- Consolidated ordinary income decreased by 134.1 billion yen compared with FY2015, 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 121.8TWh**, almost the same as in FY2015, mainly due to a sales increase in the Tokyo metropolitan area and an increase in air conditioning demand by lower temperature in this winter, in spite of effect of switches made to other operators due to intensified competition.
- **Low voltage : Increased by 1.5% to 38.8TWh**, compared with FY2015, mainly due to a sales increase in the Tokyo metropolitan area and an increase in air conditioning demand by lower temperature in this winter, in spite of customer's power saving effect and effect of switches made to other operators.
- **High voltage · Extra-high voltage : Dropped by 0.8% to 83.0TWh**, compared with FY2015, mainly due to a sales increase in the Tokyo metropolitan area and an increase of production in the automobile and semiconductor industry, in spite of effect of switches made to other operators.

|                                |                                   | (TWh,%) |        |        |         |
|--------------------------------|-----------------------------------|---------|--------|--------|---------|
|                                |                                   | FY2016  | FY2015 | Change |         |
|                                |                                   | (A)     | (B)    | (A-B)  | (A-B)/B |
| Electricity<br>Sales<br>Volume | Low voltage                       | 38.8    | 38.2   | 0.6    | 1.5     |
|                                | High voltage · Extra-high voltage | 83.0    | 83.8   | (0.8)  | (0.8)   |
|                                | Total                             | 121.8   | 122.0  | (0.2)  | (0.1)   |

## <Generated and Received Power>

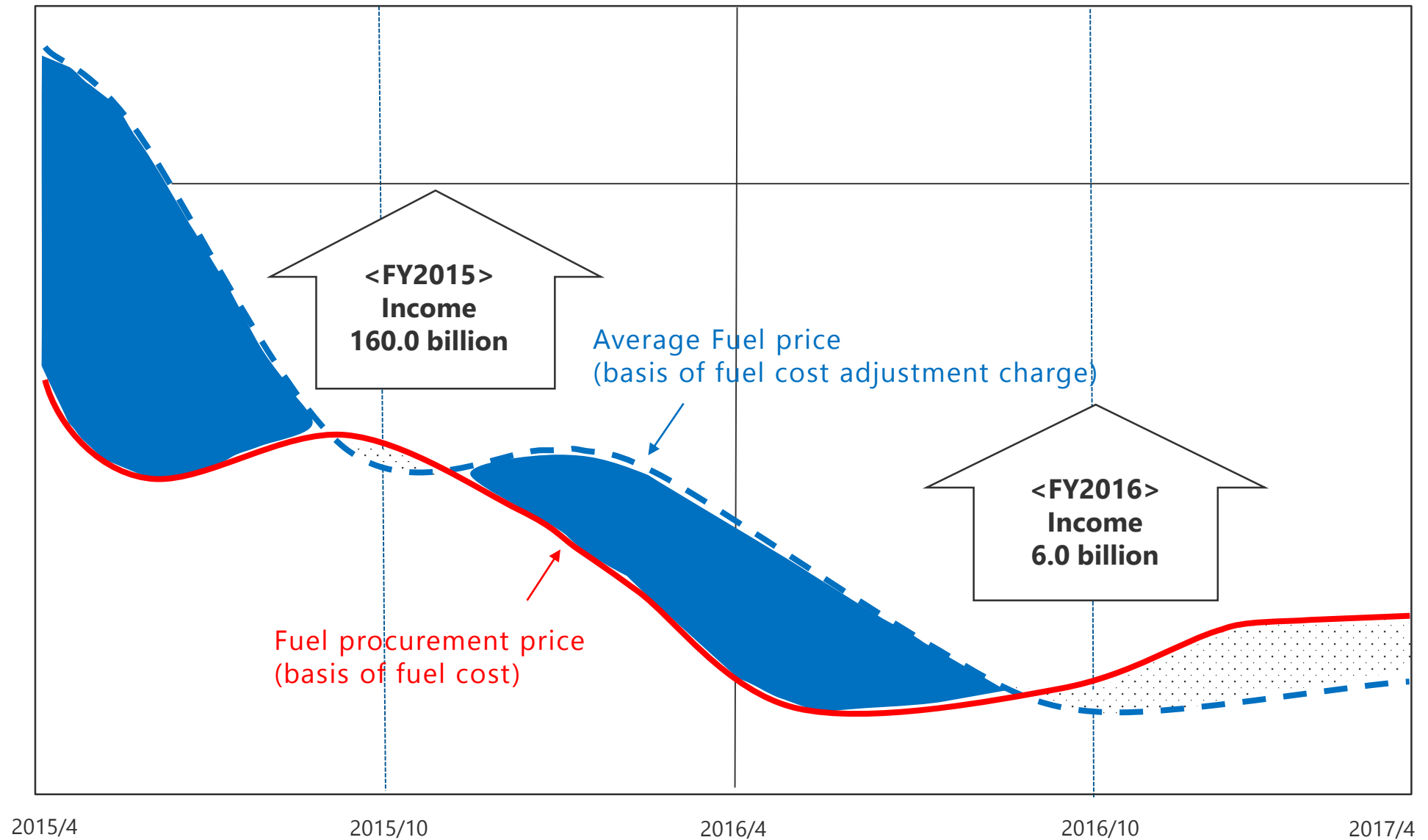
- **Hydro** : The flow rate fell short of the previous fiscal year; thus hydroelectric power output **decreased by 0.5TWh**.
- **Interchanged, purchased Power** : **Decreased by 1.9TWh**, mainly due to an increase in electricity sales volume to power exchange.
- **Thermal** : As a result above, thermal power output **increased by 3.2TWh**.

|   |                                   |                    | (TWh,%)       |               |                              |        |
|---|-----------------------------------|--------------------|---------------|---------------|------------------------------|--------|
|   |                                   |                    | FY2016<br>(A) | FY2015<br>(B) | Change<br>(A-B)      (A-B)/B |        |
| Generated<br>and<br>Received<br>Power(*1) | Internally<br>generated           | Hydro              | 8.6           | 9.1           | (0.5)                        | (6.2)  |
|   |                                   | <flow rate>        | <99.8>        | <114.4>       | <(14.6)>                     |        |
|   |                                   | Thermal            | 110.2         | 107.0         | 3.2                          | 3.0    |
|   |                                   | Nuclear            | (0.2)         | (0.2)         | (0.0)                        | 0.3    |
|   |                                   | <utilization rate> | <—>           | <—>           | <—>                          |        |
|   | Renewable energy                  | 0.0                | 0.1           | (0.1)         | (32.9)                       |        |
|   | Interchanged, Purchased power(*2) |                    | 9.8           | 11.7          | (1.9)                        | (16.8) |
| Power used for pumped storage             |                                   | (1.1)              | (0.6)         | (0.5)         | 78.4                         |        |
| Total                                     |                                   | 127.3              | 127.1         | 0.2           | 0.2                          |        |

\*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 FY2016.





## <Forecast>

- Operating revenues (consolidated and non-consolidated) will increase mainly due to an increase in electricity sales revenues resulting from an increase of fuel cost adjustment charge.
- Ordinary income (consolidated and non-consolidated) will decrease mainly due to a conversion of income incurred by fuel cost adjustment system time lag into loss.

## 【Consolidated】

(Features of consolidated financial results)

- Operating revenues will increase following FY2014, for the first time in 3 years.
- Ordinary income will decrease for 2 consecutive years since FY2016.

|   | (Billion yen,%)         |                       |                         |        |
|---|-------------------------|-----------------------|-------------------------|--------|
|   | FY2017<br>(Forecast)(A) | FY2016<br>(Result)(B) | Change<br>(A-B) (A-B)/B |        |
| Operating revenues                          | 2,760.0                 | 2,603.5               | approx. 157.0           | 6.0    |
| Operating income                            | 115.0                   | 136.4                 | approx. (21.0)          | (15.7) |
| Ordinary income                             | 100.0                   | 121.4                 | approx. (21.0)          | (17.7) |
| Net income attributable to owners of parent | 70.0                    | 114.6                 | approx. (45.0)          | (39.0) |

## 【Non-Consolidated】

(Features of non-consolidated financial results)

- Operating revenues will increase following FY2014, for the first time in 3 years.
- Ordinary income will decrease for 2 consecutive years since FY2016.

|                    | (Billion yen,%)         |                       |                         |        |
|--------------------|-------------------------|-----------------------|-------------------------|--------|
|                    | FY2017<br>(Forecast)(A) | FY2016<br>(Result)(B) | Change<br>(A-B) (A-B)/B |        |
| Operating revenues | 2,510.0                 | 2,389.7               | approx. 120.0           | 5.0    |
| Operating income   | 95.0                    | 117.2                 | approx. (22.0)          | (19.0) |
| Ordinary income    | 75.0                    | 99.1                  | approx. (24.0)          | (24.3) |
| Net income         | 55.0                    | 72.0                  | approx. (17.0)          | (23.6) |

## 【Principal Figures】

| (Electricity sales volume)        | FY2017<br>(Forecast)(A) | FY2016<br>(Result)(B) | (TWh,%)<br>Change |         |
|-----------------------------------|-------------------------|-----------------------|-------------------|---------|
|                                   |                         |                       | (A-B)             | (A-B)/B |
| Low voltage                       | 37.7                    | 38.8                  | (1.1)             | (2.8)   |
| High voltage ▪ Extra-high voltage | 81.6                    | 83.0                  | (1.4)             | (1.7)   |
| Total                             | 119.3                   | 121.8                 | (2.5)             | (2.0)   |

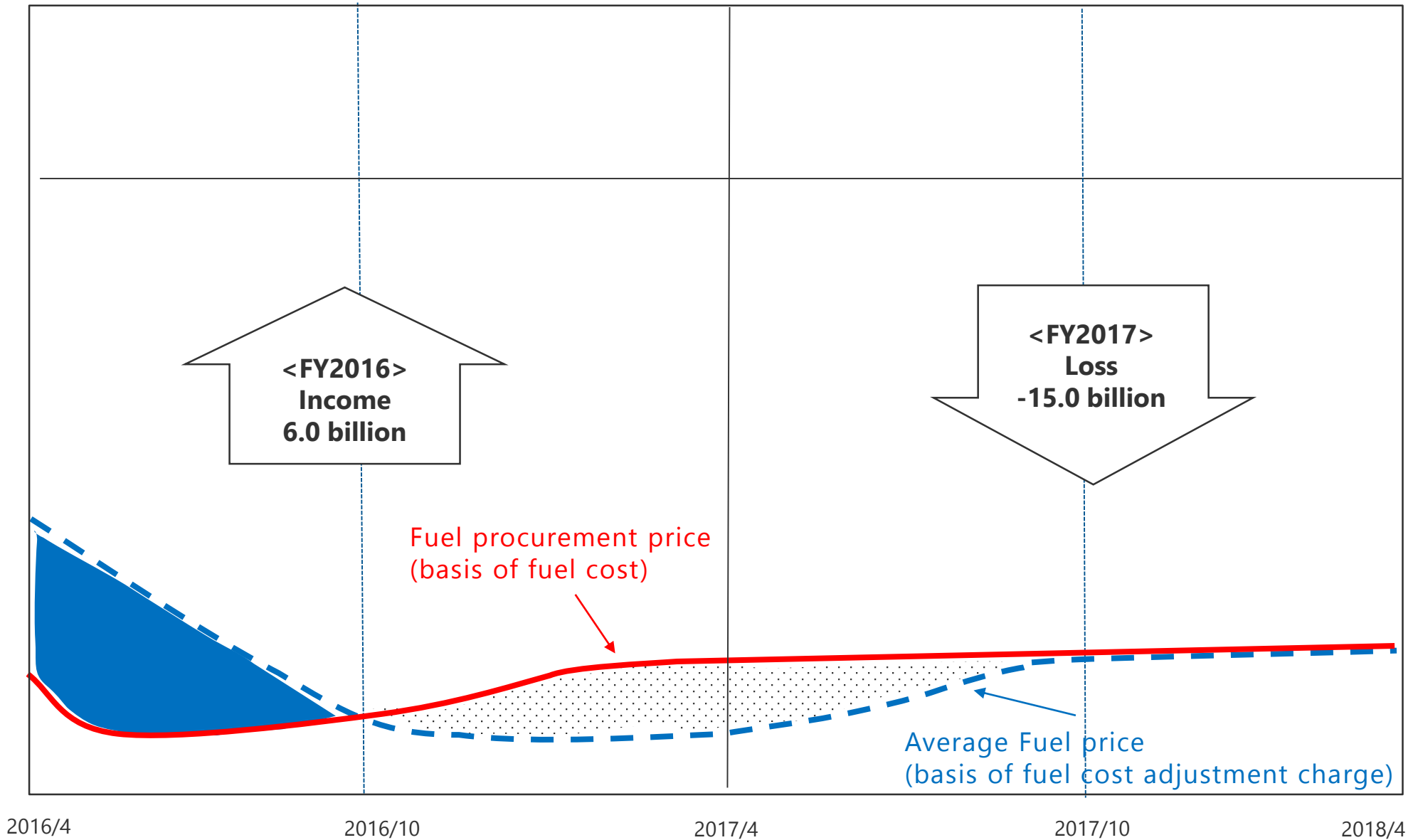
| (Other principal figures)      |          | FY2017<br>(Forecast) | FY2016<br>(Result) |
|--------------------------------|----------|----------------------|--------------------|
| CIF price: crude oil           | (\$/b)   | approx. 55           | 47.6               |
| FX rate                        | (yen/\$) | approx. 110          | 108.4              |
| Nuclear power utilization rate | (%)      | -                    | -                  |

| (Income sensitivity) |           | (Billion yen)        |                    |      |
|----------------------|-----------|----------------------|--------------------|------|
|                      |           | FY2017<br>(Forecast) | FY2016<br>(Result) |      |
| CIF price: crude oil | (1\$/b)   | 7.5                  | 8.5                | *1,2 |
| FX rate              | (1yen/\$) | 5.5                  | 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.

09 | (Reference)  
Impact of accrued income incurred by fuel cost adjustment system in FY2017 (Forecast)



### <Profit Allocation Policy>

- The Company will work to maintain stable dividends after taking account of financial condition and other factors, while continuously investing in building and operating facilities that are essential for a safe and stable supply of electricity.

### <Dividends for the fiscal year (FY2016)>

- For FY2016, on the assumption that we will work to further increase our management efficiency, the year-end dividends per share is expected to be **15 yen** in comprehensive consideration of med- and long-term financial position, managerial environment, etc.

|         | Interim<br>Dividends per<br>share (yen) | Year-end<br>Dividends per<br>share (yen) | Annual<br>Dividends per<br>share (yen) |
|---------|---|--|--|
| FY 2016 | 15                                      | 15                                       | 30                                     |
| FY 2015 | 10                                      | 15                                       | 25                                     |

### <Dividends for the fiscal year to come (FY2017)>

- For FY2017, on the assumption that we will work to further increase our management efficiency, annual dividends per share is expected to be **30 yen** in comprehensive consideration of med- and long-term financial position, managerial environment, etc.

02

## Reference Data: Financial Results

# 11 | Consolidated Statements of Income



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

|  | FY2016<br>(A) | FY2015<br>(B) | Change    |          |
|--|---------------|---------------|-----------|----------|
|  |               |               | (A-B)     | (A-B)/B  |
| Operating revenues                                   | 2,603.5       | 2,854.0       | (250.5)   | (8.8)    |
| Non-operating revenues                               | 18.4          | 19.3          | (0.8)     | (4.5)    |
| Ordinary revenues                                    | 2,621.9       | 2,873.3       | (251.3)   | (8.7)    |
| Operating expenses                                   | 2,467.0       | 2,569.0       | (101.9)   | (4.0)    |
| Non-operating expenses                               | 33.4          | 48.6          | (15.2)    | (31.4)   |
| Ordinary expenses                                    | 2,500.5       | 2,617.7       | (117.2)   | (4.5)    |
| <Operating income>                                   | <136.4>       | <284.9>       | <(148.5)> | <(52.1)> |
| Ordinary income                                      | 121.4         | 255.6         | (134.1)   | (52.5)   |
| Reserve for fluctuation in water levels              | (0.3)         | 12.2          | (12.5)    | -        |
| Extraordinary income(*)                              | 30.2          | 10.8          | 19.4      | 180.2    |
| Income taxes   | 35.2          | 82.1          | (46.9)    | (57.1)   |
| Net income attributable to non-controlling interests | 2.2           | 2.2           | (0.0)     | (1.0)    |
| Net income attributable to owners of parent          | 114.6         | 169.7         | (55.0)    | (32.4)   |

\* FY2016 : Gain on change in equity

FY2015 : Reversal of provision for loss in conjunction with discontinued operations of nuclear power plants

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

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

|  | FY2016<br>(A)  | FY2015<br>(B)  | Change<br>(A-B) (A-B)/B |              | 【Major factors for Change】  |
|--|----------------|----------------|-------------------------|--------------|---|
| Electricity sales revenues   | 2,027.6        | 2,337.8        | (310.2)                 | (13.3)       | <ul style="list-style-type: none"> <li>- A decrease in fuel cost adjustment charge : -357.8</li> <li>- An increase in surcharge for promoting renewable energy sourced electricity : +72.4</li> </ul> |
| Sold power to other electric utilities, and transmission revenue, etc. * | 85.9           | 63.0           | 22.9                    | 36.4         |   |
| Grant under act on purchase of renewable energy sourced electricity      | 203.4          | 146.5          | 56.8                    | 38.8         | <ul style="list-style-type: none"> <li>- An increase in purchase of renewable energy sourced electricity</li> </ul>   |
| Other  | 26.5           | 25.0           | 1.5                     | 6.4          |   |
| <b>Electric utility operating revenues</b>                               | <b>2,343.5</b> | <b>2,572.4</b> | <b>(228.8)</b>          | <b>(8.9)</b> |   |
| Incidental businesses operating revenues                                 | 46.1           | 75.8           | (29.7)                  | (39.2)       | <ul style="list-style-type: none"> <li>- A decrease in gas supply business</li> </ul>   |
| <b>Total operating revenues</b>  | <b>2,389.7</b> | <b>2,648.3</b> | <b>(258.6)</b>          | <b>(9.8)</b> |   |

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



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

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

|  | FY2016         | FY2015         | Change         |              | 【Major factors for Change】  |
|--|----------------|----------------|----------------|--------------|---|
|  | (A)            | (B)            | (A-B)          | (A-B)/B      |   |
| Salaries and employee benefits                                     | 176.2          | 181.5          | (5.3)          | (3.0)        |   |
| Fuel   | 614.5          | 805.6          | (191.0)        | (23.7)       | - A decrease in fuel price  |
| Nuclear back-end expenses *1                                       | 13.3           | 16.6           | (3.3)          | (20.0)       |   |
| Purchased power, and transmission charges, etc. *2                 | 356.9          | 326.6          | 30.3           | 9.3          | - An increase in purchase of renewable energy sourced electricity |
| Maintenance  | 204.6          | 200.9          | 3.7            | 1.8          |   |
| Depreciation   | 236.2          | 239.3          | (3.0)          | (1.3)        |   |
| Taxes other than income taxes                                      | 123.8          | 125.2          | (1.4)          | (1.1)        |   |
| Levy under act on purchase of renewable energy sourced electricity | 233.4          | 161.0          | 72.4           | 45.0         |   |
| Other  | 272.4          | 260.2          | 12.2           | 4.7          |   |
| <b>Electric utility operating expenses</b>                         | <b>2,231.7</b> | <b>2,317.3</b> | <b>(85.5)</b>  | <b>(3.7)</b> |   |
| Incidental business operating expenses                             | 40.6           | 65.7           | (25.0)         | (38.1)       | - A decrease in gas supply business                               |
| <b>Total operating expenses</b>                                    | <b>2,272.4</b> | <b>2,383.0</b> | <b>(110.6)</b> | <b>(4.6)</b> |   |

\*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

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

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

|   | FY2016  | FY2015  | Change  |         | 【Major factors for Change】  |
|---|---------|---------|---------|---------|---|
|   | (A)     | (B)     | (A-B)   | (A-B)/B |   |
| Operating income                        | 117.2   | 265.2   | (147.9) | (55.8)  | <ul style="list-style-type: none"> <li>- Electricity business : -143.2</li> <li>- Incidental business : -4.7</li> </ul>   |
| Non-operating revenues                  | 13.0    | 13.8    | (0.8)   | (6.0)   |   |
| Non-operating expenses                  | 31.1    | 45.4    | (14.2)  | (31.4)  | <ul style="list-style-type: none"> <li>- A decrease in interest expenses</li> </ul>   |
| Ordinary revenues                       | 2,402.7 | 2,662.2 | (259.4) | (9.7)   |   |
| Ordinary expenses                       | 2,303.6 | 2,428.5 | (124.8) | (5.1)   |   |
| Ordinary income                         | 99.1    | 233.6   | (134.5) | (57.6)  |   |
| Reserve for fluctuation in water levels | (0.3)   | 12.2    | (12.5)  | -       |   |
| Extraordinary income                    | -       | 10.8    | (10.8)  | -       | <ul style="list-style-type: none"> <li>- FY2015 : Reversal of provision for loss in conjunction with discontinued operations of nuclear power plants</li> </ul> |
| Income taxes                            | 27.4    | 75.0    | (47.5)  | (63.4)  |   |
| Net income                              | 72.0    | 157.2   | (85.1)  | (54.2)  |   |

|                                   | (Rounded down to nearest 100 million yen.) |               | (Billion yen)   |
|-----------------------------------|--|---------------|-----------------|
|                                   | 2017.3<br>(A)                              | 2016.3<br>(B) | Change<br>(A-B) |
| Assets                            | 5,412.3                                    | 5,538.9       | (126.6)         |
|                                   | <4,956.5>                                  | <5,065.5>     | <(109.0)>       |
| Liabilities                       | 3,687.5                                    | 3,901.8       | (214.2)         |
|                                   | <3,535.9>                                  | <3,697.3>     | <(161.3)>       |
| Net assets                        | 1,724.7                                    | 1,637.1       | 87.6            |
|                                   | <1,420.5>                                  | <1,368.2>     | <52.3>          |
| Shareholders' equity ratio (%)    | 31.1                                       | 28.9          | 2.2             |
|                                   | <28.7>                                     | <27.0>        | <1.7>           |
| Outstanding interest-bearing debt | 2,674.7                                    | 2,625.4       | 49.2            |
|                                   | <2,662.8>                                  | <2,629.8>     | <33.0>          |

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.

