

# **Presentation Materials for Three-Months ended June 30, 2017**

**July 28, 2017**

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# 01

## Outline of Financial Results for Three-Months ended June 30, 2017

Note: The company's fiscal year (FY) is from April 1 to March 31 of the following year. FY2017 represents the fiscal year begun on April 1, 2017, and ended on March 31, 2018. 1<sup>st</sup> Quarter(1Q) represents three months period ended June 30, 2017.

- Operating revenues (consolidated and non-consolidated) increased following 2015/1Q, for the first time in 2 years.
- Ordinary income (consolidated and non-consolidated) decreased for 2 consecutive years since 2016/1Q.
- We recorded increased sales and decreased profit following 2012/1Q, for the first time in 5 years.  
(We posted a deficit in 2012/1Q.)

**[Consolidated]**

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

	2017/1Q (A)	2016/1Q (B)	Change (A-B)	(A-B)/B
Operating revenues	655.4	631.1	24.2	3.8
Operating income	31.9	96.9	(64.9)	(67.0)
Ordinary income	28.4	92.6	(64.2)	(69.3)
Net income attributable to owners of parent	20.6	65.3	(44.6)	(68.3)

\*The number of consolidated subsidiaries [change from the same period of the previous year in parenthesis]  
2017/1Q: 31 subsidiaries (-22 companies), 26 affiliates accounted for under the equity method (-17 companies)

**[Non-consolidated]**

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

	2017/1Q (A)	2016/1Q (B)	Change (A-B)	(A-B)/B
Operating revenues	604.5	588.1	16.4	2.8
Operating income	28.8	93.9	(65.1)	(69.3)
Ordinary income	25.9	92.1	(66.1)	(71.8)
Net income	19.9	66.6	(46.6)	(70.0)

**[Principal figures]**

		2017/1Q (A)	2016/1Q (B)	Change (A-B)
Electrical energy sold	(TWh)	28.3	28.3	0
CIF price: crude oil	(\$/b)	53.3	41.1	12.2
FX rate (interbank)	(yen/\$)	111.2	108.0	3.2
Nuclear power utilization rate	(%)	-	-	-

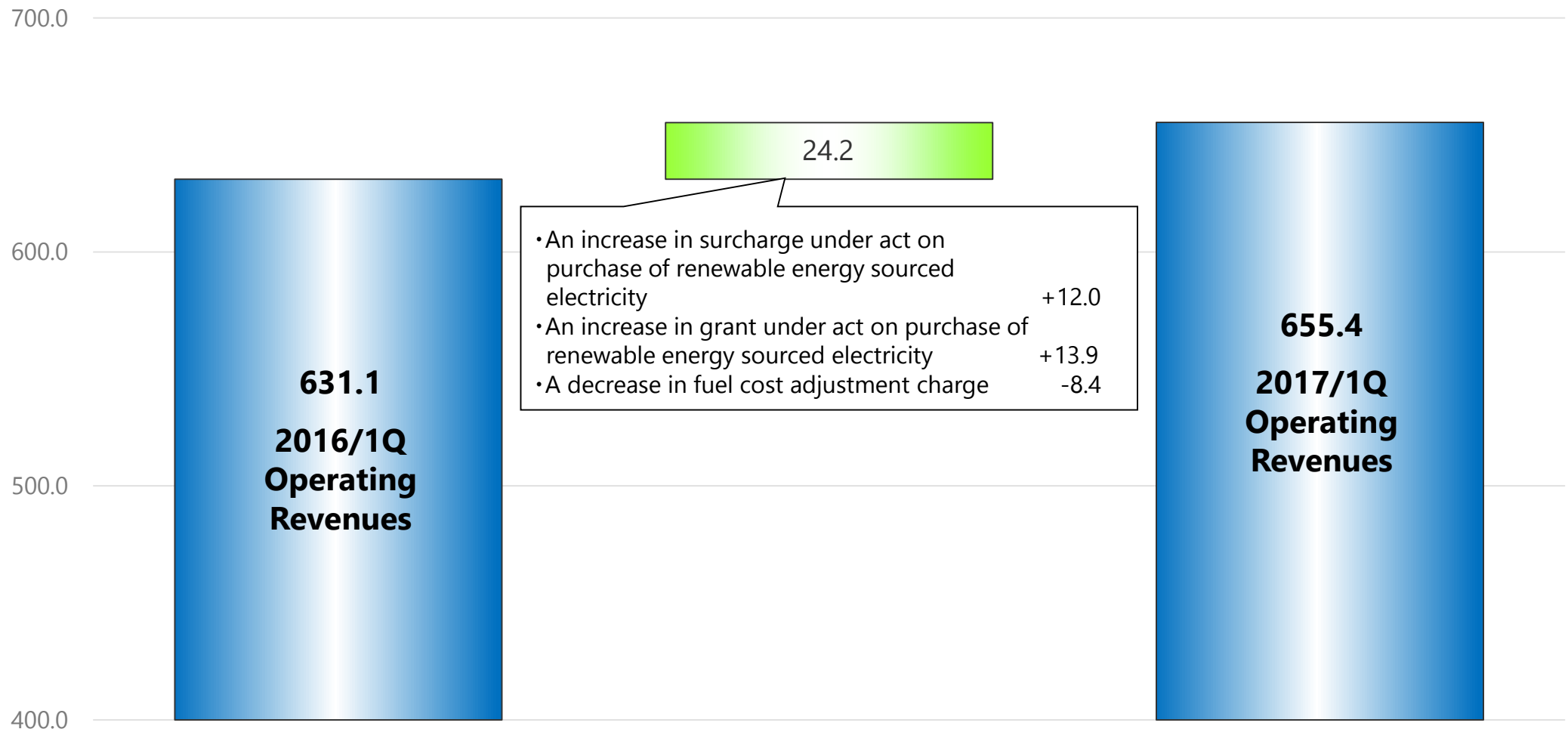
\*CIF crude oil price for 1Q of FY2017 is tentative.

## <Consolidated Operating Revenues>

- Operating revenues increased by 24.2 billion yen compared with 2016/1Q, mainly due to a increase in surcharge and grant based on Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities , in spite of a decrease of fuel cost adjustment charge.

### [Factors contributing to change in consolidated operating revenues]

(Billion yen)

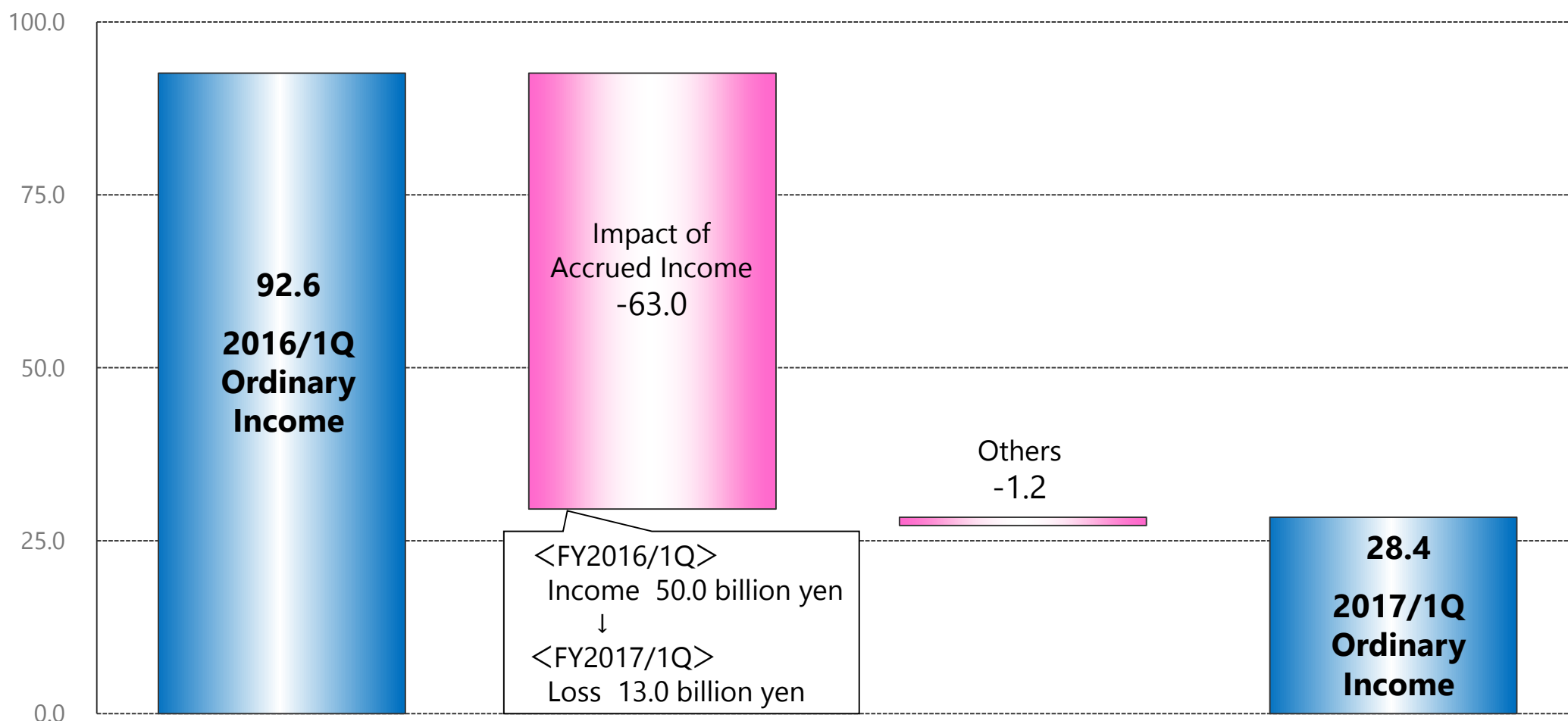


## <Consolidated Ordinary Income>

- Consolidated ordinary income decreased by 64.2 billion yen compared with 2016/1Q, mainly due to a conversion of income incurred by fuel cost adjustment system time lag into loss.

### [Factors contributing to change in consolidated ordinary income]

(Billion yen)



## <Electrical Energy Sold>

- **Amounted to 28.3TWh**, almost the same as in 2016/1Q, mainly due to a sales increase in the Tokyo metropolitan area and an increase in air conditioning demand by lower temperature in this early spring, in spite of effect of switches made to other operators due to intensified competition.
- **Low voltage : Increased by 0.9% to 8.5TWh**, compared with 2016/1Q, mainly due to a sales increase in the Tokyo metropolitan area and an increase in air conditioning demand by lower temperature in this early spring, in spite of effect of switches made to other operators.
- **High voltage / Extra-high voltage : Amounted to 19.8TWh**, almost the same as in 2016/1Q, mainly due to a sales increase in the Tokyo metropolitan area and an increase in electrical energy sold accompanied by an increase of production in the automobile and semiconductor industry, in spite of effect of switches made to other operators.

		(TWh,%)			
		2017/1Q	2016/1Q	Change	
		(A)	(B)	(A-B)	(A-B)/B
Electrical energy sold	Low voltage	8.5	8.4	0.1	0.9
	High voltage / Extra-high voltage	19.8	19.9	(0.1)	(0.1)
	Total	28.3	28.3	0.0	0.2

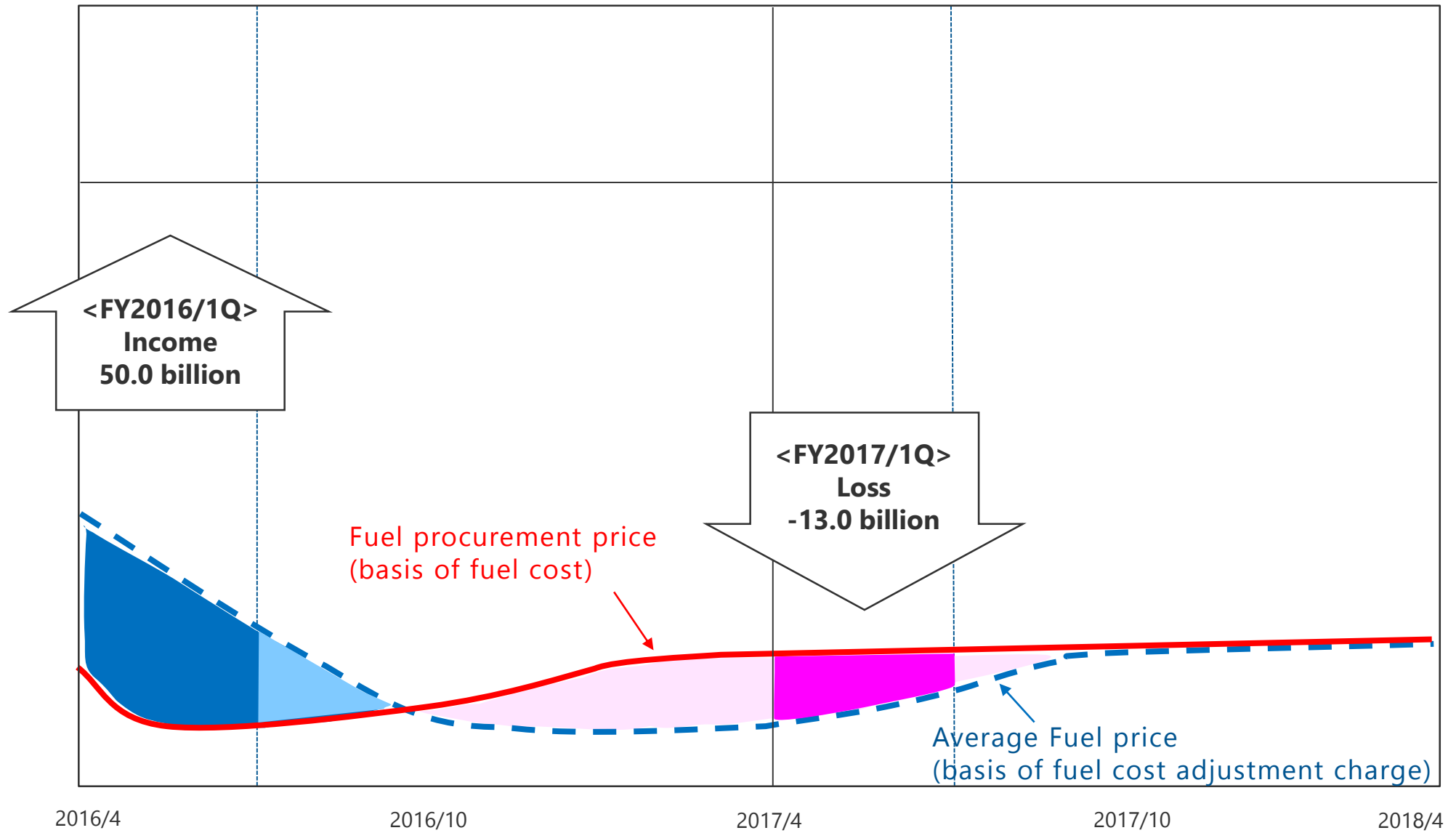
## <Electric Power Supplied>

- **Hydro** : The flow rate fell short of 2016/1Q ; thus hydroelectric power output **decreased by 0.3TWh**.
- **Interchanged, purchased power** : **Increased by 0.6TWh**, mainly due to an increase in purchase of renewable energy.
- **Thermal** : As a result above, thermal power output **decreased by 0.7TWh**.

		(TWh,%)				
		2017/1Q	2016/1Q	Change		
		(A)	(B)	(A-B)	(A-B)/B	
Electric power supplied		Hydro	2.2	2.5	(0.3)	(11.7)
		<flow rate>	<82.1>	<96.3>	<(14.2)>	
	Internally generated	Thermal	23.4	24.1	(0.7)	(3.1)
		Nuclear	(0.1)	(0.1)	(0.0)	11.4
		<utilization rate>	<—>	<—>	<—>	
		Renewable energy	0.0	0.0	(0.0)	(0.8)
	Interchanged, purchased power(*)		3.2	2.6	0.6	22.5
	Power used for pumped storage		(0.2)	(0.1)	(0.1)	34.2
Total		28.5	29.0	(0.5)	(1.8)	

\* Interchanged, purchased power represent power output that we grasp at the end of the 2017/1Q.





## <Forecast>

Forecasts of financial results have not been revised from the previous announcement made in April 28, 2017.

- Forecast of consolidated and non-consolidated financial results have not been revised as it is expected to be about the same as the previous announcement.

## [Consolidated]

- 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,%)			
	Current (A)	April 28 (B)	Change	
			(A-B)	(A-B)/B
Operating revenues	2,760.0	2,760.0	-	-
Operating income	115.0	115.0	-	-
Ordinary income	100.0	100.0	-	-
Net income attributable to owners of parent	70.0	70.0	-	-

## [Non-consolidated]

- 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,%)			
	Current (A)	April 28 (B)	Change	
			(A-B)	(A-B)/B
Operating revenues	2,510.0	2,510.0	-	-
Operating income	95.0	95.0	-	-
Ordinary income	75.0	75.0	-	-
Net income	55.0	55.0	-	-

## [Principal figures]

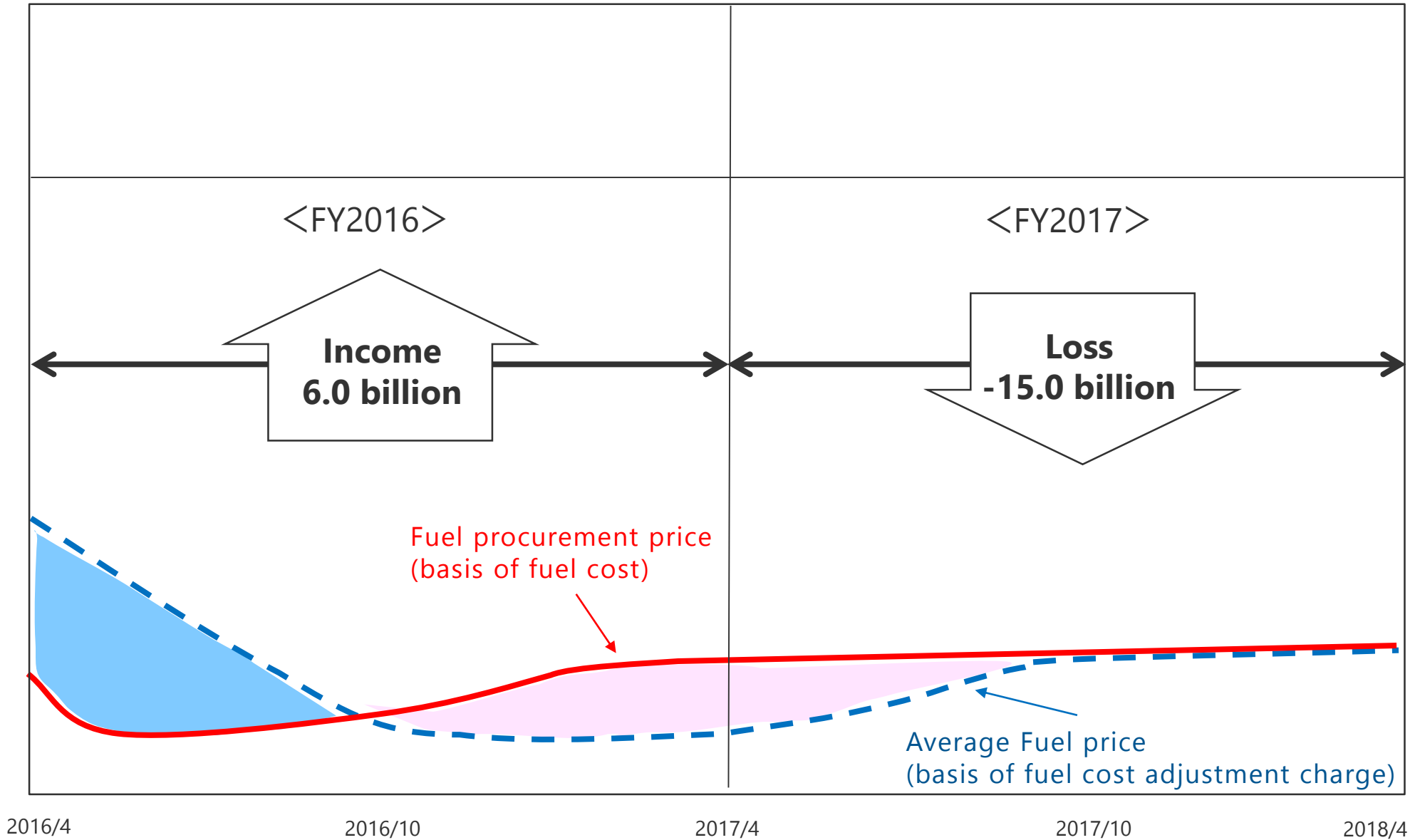
(Electrical energy sold)	(TWh,%)			
	Current (A)	April 28 (B)	Change (A-B)      (A-B)/B	
Low voltage	37.7	37.7	-	-
High voltage / Extra-high voltage	81.6	81.6	-	-
Total	119.3	119.3	-	-

(Other principal figures)		Current	April 28
CIF price: crude oil	(\$/b)	approx. 55	approx. 55
FX rate	(yen/\$)	approx. 110	approx. 110
Nuclear power utilization rate	(%)	-	-

(Income sensitivity)		(Billion yen)		
		Current	April 28	
CIF price: crude oil	(1\$/b)	7.5	7.5	*1,2
FX rate	(1yen/\$)	5.5	5.5	*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,%)

	2017/1Q (A)	2016/1Q (B)	Change	
			(A-B)	(A-B)/B
Operating revenues	655.4	631.1	24.2	3.8
Non-operating revenues	5.0	3.6	1.3	35.8
Ordinary revenues	660.4	634.8	25.5	4.0
Operating expenses	623.4	534.2	89.2	16.7
Non-operating expenses	8.5	7.9	0.5	7.1
Ordinary expenses	632.0	542.2	89.8	16.6
<Operating income>	<31.9>	<96.9>	<(64.9)>	<(67.0)>
Ordinary income	28.4	92.6	(64.2)	(69.3)
Reserve for fluctuation in water levels	(0.7)	(0.3)	(0.4)	-
Income taxes	8.1	27.4	(19.3)	(70.3)
Net income attributable to non-controlling interests	0.3	0.1	0.1	111.5
Net income attributable to owners of parent	20.6	65.3	(44.6)	(68.3)

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

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

	2017/1Q (A)	2016/1Q (B)	Change (A-B) (A-B)/B		【Major factors for change】
Electricity sales revenues	490.7	495.5	(4.7)	(1.0)	- A decrease in fuel cost adjustment charge
Sold power to other electric utilities, and transmission revenue, etc. *	25.5	15.3	10.2	66.8	
Grant under act on purchase of renewable energy sourced electricity	70.4	56.5	13.9	24.6	- An increase in purchase of renewable energy sourced electricity
Other	6.0	5.6	0.3	7.0	
<b>Electricity business operating revenues</b>	<b>592.8</b>	<b>573.0</b>	<b>19.8</b>	<b>3.5</b>	
<b>Incidental business operating revenues</b>	<b>11.7</b>	<b>15.1</b>	<b>(3.4)</b>	<b>(22.6)</b>	
<b>Total operating revenues</b>	<b>604.5</b>	<b>588.1</b>	<b>16.4</b>	<b>2.8</b>	

\* 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,%)

	2017/1Q	2016/1Q	Change		【Major factors for change】
	(A)	(B)	(A-B)	(A-B)/B	
Salaries and employee benefits	44.4	44.0	0.3	0.8	
Fuel	153.6	120.3	33.2	27.6	- An increase in fuel price
Nuclear back-end expenses *1	3.2	3.5	(0.2)	(8.0)	
Purchased power, and transmission charges, etc. *2	118.9	93.6	25.2	27.0	- An increase in purchase of renewable energy sourced electricity
Maintenance	47.0	42.3	4.6	11.0	- An increase in maintenance expense for thermal power plants
Depreciation	58.1	56.3	1.8	3.2	
Taxes other than income taxes	29.3	29.4	(0.0)	(0.3)	
Levy under act on purchase of renewable energy sourced electricity	61.6	49.5	12.0	24.2	
Other	47.8	44.0	3.8	8.6	
<b>Electricity business operating expenses</b>	<b>564.1</b>	<b>483.4</b>	<b>80.7</b>	<b>16.7</b>	
<b>Incidental business operating expenses</b>	<b>11.5</b>	<b>10.7</b>	<b>0.7</b>	<b>7.3</b>	
<b>Total operating expenses</b>	<b>575.7</b>	<b>494.1</b>	<b>81.5</b>	<b>16.5</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



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

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

【Major factors for change】

	2017/1Q	2016/1Q	Change	
	(A)	(B)	(A-B)	(A-B)/B
Operating income	28.8	93.9	(65.1)	(69.3)
Non-operating revenues	5.2	5.7	(0.5)	(10.0)
Non-operating expenses	8.1	7.6	0.4	5.9
Ordinary revenues	609.8	593.9	15.8	2.7
Ordinary expenses	583.8	501.8	82.0	16.3
Ordinary income	25.9	92.1	(66.1)	(71.8)
Reserve for fluctuation in water levels	(0.7)	(0.3)	(0.4)	-
Income taxes	6.7	25.7	(19.0)	(74.0)
Net income	19.9	66.6	(46.6)	(70.0)

- Electricity business : -60.9
- Incidental business : -4.2

	(Rounded down to nearest 100 million yen.)		(Billion yen)
	2017.6 (A)	2017.3 (B)	Change (A-B)
Assets	5,387.5	5,412.3	(24.7)
	<4,918.4>	<4,956.5>	<(38.1)>
Liabilities	3,636.8	3,687.5	(50.7)
	<3,487.5>	<3,535.9>	<(48.3)>
Net assets	1,750.6	1,724.7	25.9
	<1,430.8>	<1,420.5>	<10.2>
Shareholders' equity ratio (%)	31.4	31.1	0.3
	<29.1>	<28.7>	<0.4>
Outstanding interest-bearing debt	2,664.3	2,674.7	(10.4)
	<2,655.5>	<2,662.8>	<(7.2)>

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.

