

Presentation Materials for Nine-Months ended December 31, 2017

January 31, 2018

INDEX

01	Outline of Financial Results for Nine-Months ended December 31, 2017	
	Summary of Financial Results01
	Electrical Energy Sold04
	Electric Power Supplied05
	(Reference) Impact of Accrued Income Incurred by Fuel Cost Adjustment System (Result)06
	Summary of Forecast for FY201707
	(Reference) Impact of Accrued Income Incurred by Fuel Cost Adjustment System in FY2017(Forecast)09
02	Reference Data: Financial Results	
	Consolidated Statements of Income10
	Non-consolidated Statements of Income11
	Consolidated and Non-consolidated Financial Standing14



01

Outline of Financial Results for Nine-Months ended December 31, 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 ending on March 31, 2018. 3rd Quarter(3Q) represents nine months period ended December 31, 2017.

- Operating revenues (consolidated and non-consolidated) increased following 2014/3Q, for the first time in 3 years.
- Ordinary income (consolidated and non-consolidated) decreased for 2 consecutive years since 2016/3Q.
- We recorded increased sales and decreased profit following 2013/3Q, for the first time in 4 years.
(We posted a deficit in 2013/3Q.)

[Consolidated]

	2017/3Q (A)	2016/3Q (B)	Change (A-B)	(Billion yen,%) (A-B)/B
Operating revenues	2,062.7	1,898.7	164.0	8.6
Operating income	124.8	168.0	(43.1)	(25.7)
Ordinary income	116.2	157.4	(41.2)	(26.2)
Net income attributable to owners of parent	80.8	141.4	(60.5)	(42.8)

*The number of consolidated subsidiaries [change from the same period of the previous year in parenthesis]
2017/3Q: 31 subsidiaries (+2 companies), 26 affiliates accounted for under the equity method (+2 companies)

[Non-consolidated]

	2017/3Q (A)	2016/3Q (B)	Change (A-B)	(Billion yen,%) (A-B)/B
Operating revenues	1,887.8	1,755.5	132.3	7.5
Operating income	111.9	155.3	(43.4)	(28.0)
Ordinary income	97.5	143.5	(46.0)	(32.1)
Net income	68.5	104.0	(35.4)	(34.1)

[Principal figures]

	2017/3Q (A)	2016/3Q (B)	Change (A-B)
Electrical energy sold (TWh)	88.8	89.3	(0.5)
CIF price: crude oil (\$/b)	53.9	44.9	9.0
FX rate (interbank) (yen/\$)	111.7	106.6	5.1
Nuclear power utilization rate (%)	-	-	-

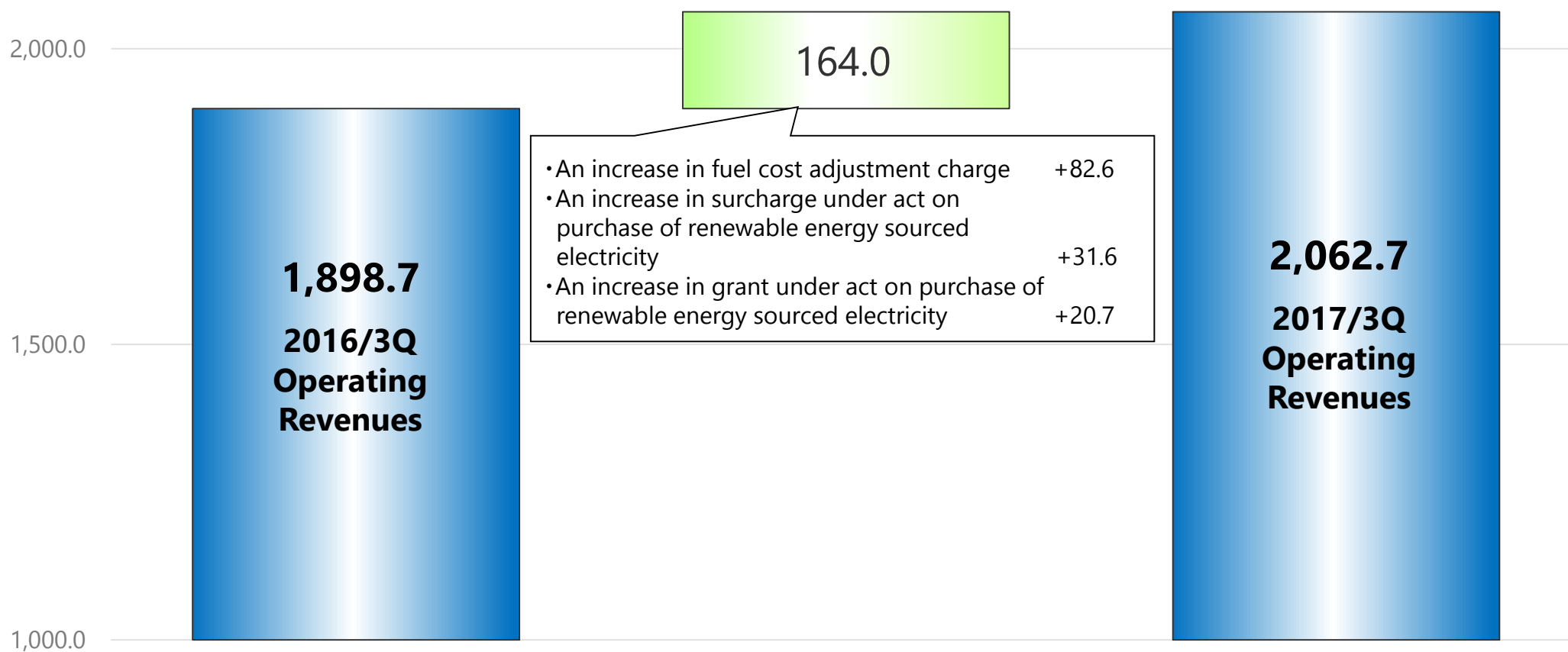
*CIF crude oil price for 3Q of FY2017 is tentative.

<Consolidated Operating Revenues>

- Operating revenues increased by 164.0 billion yen compared with 2016/3Q, mainly due to an increase in fuel cost adjustment charge, and an increase in surcharge and grant based on Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities.

[Factors contributing to change in consolidated operating revenues]

(Billion yen)

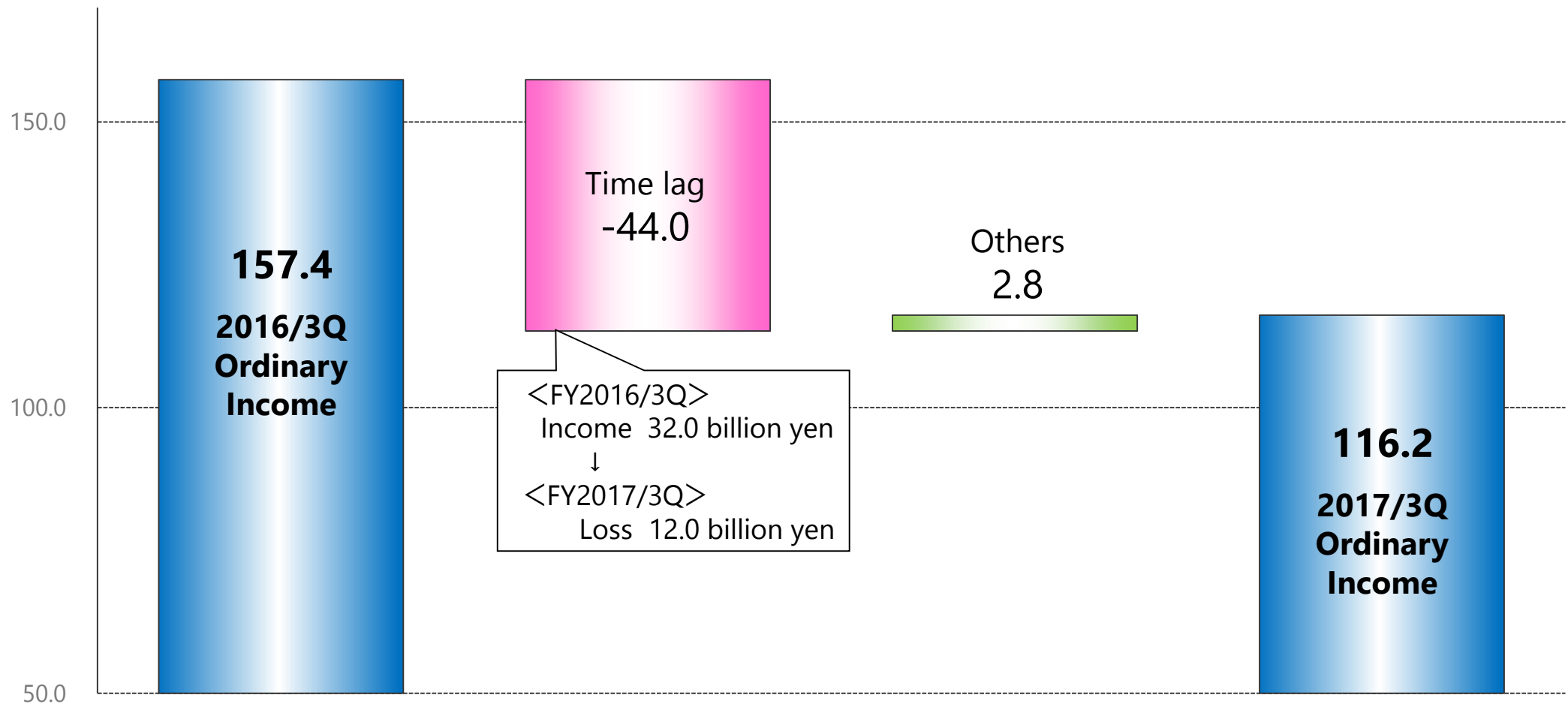


<Consolidated Ordinary Income>

- Consolidated ordinary income decreased by 41.2 billion yen compared with 2016/3Q, 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>

- **Dropped by 0.6% to 88.8TWh**, compared with 2016/3Q, mainly due to an effect of switches made to other operators with the intensified competition, in spite of an increase of production in the automobile and semiconductor industry, in addition to a sales increase in Tokyo metropolitan area.
- **Low voltage : Dropped by 0.7% to 26.5TWh**, compared with 2016/3Q, mainly due to an effect of switches made to other operators, in spite of an increase in air conditioning demand by lower temperature in this early spring and winter, in addition to a sales increase in the Tokyo metropolitan area.
- **High voltage / Extra-high voltage : Dropped by 0.5% to 62.3TWh**, compared with 2016/3Q, mainly due to an effect of switches made to other operators, in spite of an increase of production in the automobile and semiconductor industry, in addition to a sales increase in the Tokyo metropolitan area.

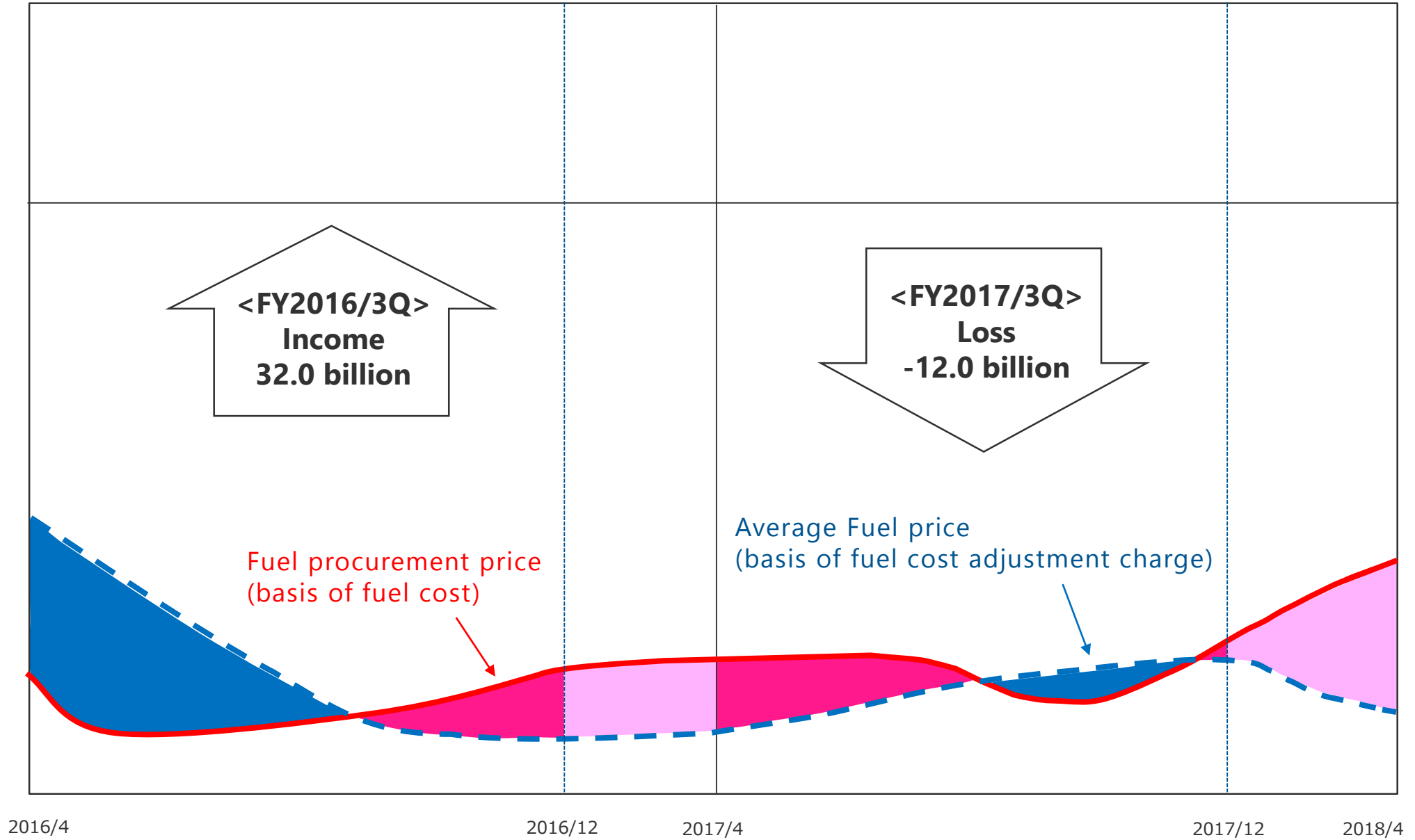
		(TWh,%)			
		2017/3Q	2016/3Q	Change	
		(A)	(B)	(A-B)	(A-B)/B
Electrical energy sold	Low voltage	26.5	26.7	(0.2)	(0.7)
	High voltage / Extra-high voltage	62.3	62.6	(0.3)	(0.5)
	Total	88.8	89.3	(0.5)	(0.6)

<Electric Power Supplied>

- **Hydro** : The flow rate fell short of 2016/3Q ; thus hydroelectric power output **decreased by 0.2TWh**.
- **Interchanged, purchased power** : **Increased by 1.1TWh**, mainly due to an increase in purchase of renewable energy.
- **Thermal** : As a result of a decrease in electrical energy sold and above, thermal power output **decreased by 1.4TWh**.

		(TWh,%)				
		2017/3Q	2016/3Q	Change		
		(A)	(B)	(A-B)	(A-B)/B	
Electric power supplied	Internally generated	Hydro	6.8	7.0	(0.2)	(4.0)
		<flow rate>	<96.3>	<101.0>	<(4.7)>	
	Internally generated	Thermal	78.4	79.8	(1.4)	(1.7)
		Nuclear	(0.2)	(0.2)	(0.0)	1.9
		<utilization rate>	<—>	<—>	<—>	
		Renewable energy	0.0	0.0	(0.0)	(7.8)
		Interchanged, purchased power(*)	8.9	7.8	1.1	14.7
	Power used for pumped storage	(0.9)	(0.8)	(0.1)	11.4	
Total		93.0	93.6	(0.6)	(0.7)	

* Interchanged, purchased power represent power output that we grasp at the end of the 2017/3Q.



<Forecast> Revised Forecasts of Financial Results previously announced on October 27, 2017.

- Operating revenues (consolidated) will increase mainly due to an increase in electricity sales volume and fuel cost adjustment charge.
- Ordinary income (consolidated) is not revised mainly due to an expansion of accrued loss incurred by fuel cost adjustment system and an increase in fuel cost, in spite of an increase in electricity sales volume and profit of subsidiaries.

[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)	October 27 (B)	Change	
			(A-B)	(A-B)/B
Operating revenues	2,780.0	2,760.0	20.0	0.7
Operating income	120.0	125.0	(5.0)	(4.0)
Ordinary income	110.0	110.0	-	-
Net income attributable to owners of parent	75.0	75.0	-	-

[(Reference) Non-consolidated]

(Billion yen,%)

	Current (A)	October 27 (B)	Change	
			(A-B)	(A-B)/B
Operating revenues	2,530.0	2,510.0	20.0	0.8
Operating income	100.0	105.0	(5.0)	(4.8)
Ordinary income	80.0	85.0	(5.0)	(5.9)
Net income	55.0	60.0	(5.0)	(8.3)

[Principal figures]

(Electrical energy sold)	(TWh,%)			
	Current (A)	October 27 (B)	Change (A-B) (A-B)/B	
Low voltage	38.0	37.7	0.3	0.8
High voltage / Extra-high voltage	82.3	81.6	0.7	0.8
Total	120.3	119.3	1.0	0.8

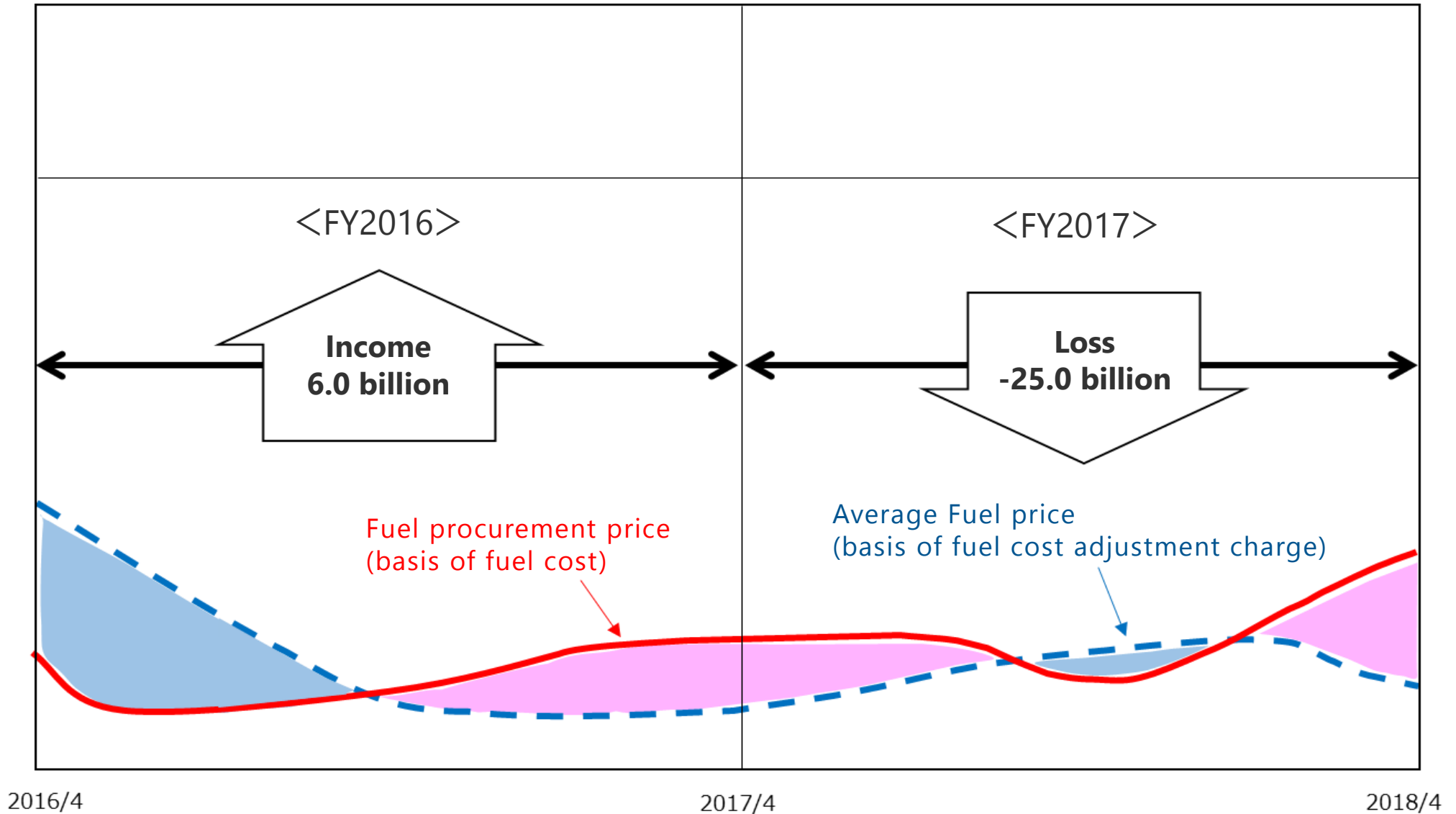
(Other principal figures)		Current	October 27
CIF price: crude oil	(\$/b)	approx. 57	approx. 53
FX rate	(yen/\$)	approx. 112	approx. 111
Nuclear power utilization rate	(%)	-	-

(Income sensitivity)		(Billion yen)		
		Current	October 27	
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.

09 | (Reference)
Impact of Accrued Income Incurred by Fuel Cost Adjustment System in FY2017 (Forecast)



02

Reference Data: Financial Results

10 | Consolidated Statements of Income

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

	2017/3Q	2016/3Q	Change	
	(A)	(B)	(A-B)	(A-B)/B
Operating revenues	2,062.7	1,898.7	164.0	8.6
Non-operating revenues	16.0	13.9	2.0	15.0
Ordinary revenues	2,078.7	1,912.6	166.1	8.7
Operating expenses	1,937.8	1,730.6	207.2	12.0
Non-operating expenses	24.6	24.4	0.1	0.6
Ordinary expenses	1,962.4	1,755.1	207.3	11.8
<Operating income>	<124.8>	<168.0>	<(43.1)>	<(25.7)>
Ordinary income	116.2	157.4	(41.2)	(26.2)
Reserve for fluctuation in water levels	(0.4)	(0.1)	(0.2)	-
Extraordinary income(*)	-	30.2	(30.2)	-
Income taxes	34.1	45.1	(11.0)	(24.4)
Net income attributable to non-controlling interests	1.6	1.3	0.3	25.7
Net income attributable to owners of parent	80.8	141.4	(60.5)	(42.8)

* 2016/3Q: Gain on change in equity

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

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

	2017/3Q (A)	2016/3Q (B)	Change (A-B) (A-B)/B		【Major factors for change】
Electricity sales revenues	1,564.5	1,488.0	76.4	5.1	<ul style="list-style-type: none"> - An increase in fuel cost adjustment charge - An increase in surcharge under act on purchase of renewable energy sourced electricity
Sold power to other electric utilities, and transmission revenue, etc. *	89.0	57.0	32.0	56.2	
Grant under act on purchase of renewable energy sourced electricity	177.5	156.7	20.7	13.2	<ul style="list-style-type: none"> - An increase in purchase of renewable energy sourced electricity
Other	18.8	18.7	0.0	0.4	
Electricity business operating revenues	1,850.0	1,720.6	129.3	7.5	
Incidental business operating revenues	37.8	34.8	2.9	8.5	
Total operating revenues	1,887.8	1,755.5	132.3	7.5	

* 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,%)

	2017/3Q	2016/3Q	Change		【Major factors for change】
	(A)	(B)	(A-B)	(A-B)/B	
Salaries and employee benefits	135.7	131.2	4.5	3.4	
Fuel	514.3	416.5	97.8	23.5	- An increase in fuel price
Nuclear back-end expenses *1	9.7	10.1	(0.4)	(4.3)	
Purchased power, and transmission charges, etc. *2	323.2	271.2	51.9	19.1	- An increase in purchase of renewable energy sourced electricity
Maintenance	121.7	136.9	(15.1)	(11.1)	
Depreciation	184.7	170.6	14.0	8.3	
Taxes other than income taxes	90.6	92.1	(1.4)	(1.6)	
Levy under act on purchase of renewable energy sourced electricity	201.1	169.5	31.6	18.7	- An increase in surcharge under act on purchase of renewable energy sourced electricity < Equivalent to surcharge under act on purchase of renewable energy sourced electricity >
Other	158.1	173.0	(14.8)	(8.6)	
Electricity business operating expenses	1,739.7	1,571.6	168.0	10.7	
Incidental business operating expenses	36.1	28.5	7.6	27.0	
Total operating expenses	1,775.8	1,600.1	175.7	11.0	

*1 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】

	2017/3Q	2016/3Q	Change	
	(A)	(B)	(A-B)	(A-B)/B
Operating income	111.9	155.3	(43.4)	(28.0)
Non-operating revenues	9.0	11.3	(2.3)	(20.3)
Non-operating expenses	23.4	23.1	0.2	1.3
Ordinary revenues	1,896.8	1,766.8	130.0	7.4
Ordinary expenses	1,799.3	1,623.2	176.0	10.8
Ordinary income	97.5	143.5	(46.0)	(32.1)
Reserve for fluctuation in water levels	(0.4)	(0.1)	(0.2)	-
Income taxes	29.3	39.7	(10.3)	(26.0)
Net income	68.5	104.0	(35.4)	(34.1)

- Electricity business : -38.7
- Incidental business : -4.7

	(Rounded down to nearest 100 million yen.)		(Billion yen)
	2017.12 (A)	2017.3 (B)	Change (A-B)
Assets	5,423.3	5,412.3	11.0
	<4,922.9>	<4,956.5>	<(33.5)>
Liabilities	3,619.7	3,687.5	(67.8)
	<3,454.7>	<3,535.9>	<(81.2)>
Net assets	1,803.6	1,724.7	78.8
	<1,468.2>	<1,420.5>	<47.6>
Shareholders' equity ratio (%)	32.1	31.1	1.0
	<29.8>	<28.7>	<1.1>
Outstanding interest-bearing debt	2,600.5	2,674.7	(74.2)
	<2,580.8>	<2,662.8>	<(81.9)>

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.

