

Presentation Materials for Three-Months ended June 30, 2018

July, 2018

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01

Outline of Financial Results for Three-Months Ended June 30, 2018

Note: The company's fiscal year (FY) is from April 1 to March 31 of the following year. FY2018 represents the fiscal year begun on April 1, 2018, and ending on March 31, 2019. 1st Quarter(1Q) represents three months period ended June 30, 2018.

- Operating revenues (consolidated) increased for 2 consecutive years since 2017/1Q.
- Ordinary income (consolidated) increased following 2015/1Q, for the first time in 3 years.
- We recorded increased sales and profit (consolidated) following 2015/1Q, for the first time in 3 years.

[Consolidated]

		(Rounded down to nearest 100 million yen.)		(Billion yen,%)	
	2018/1Q	2017/1Q	Change		
	(A)	(B)	(A-B)	(A-B)/B	
Operating revenues	684.4	655.4	29.0	4.4	
Operating income	36.4	31.9	4.4	14.0	
Ordinary income	39.5	28.4	11.0	38.9	
Net income attributable to owners of parent	28.0	20.6	7.3	35.7	

*The number of consolidated subsidiaries [change from the same period of the previous year in parenthesis]
 2018/1Q: 34 subsidiaries (+ 3 companies), 31 affiliates accounted for under the equity method (+ 5 companies)

[Non-consolidated]

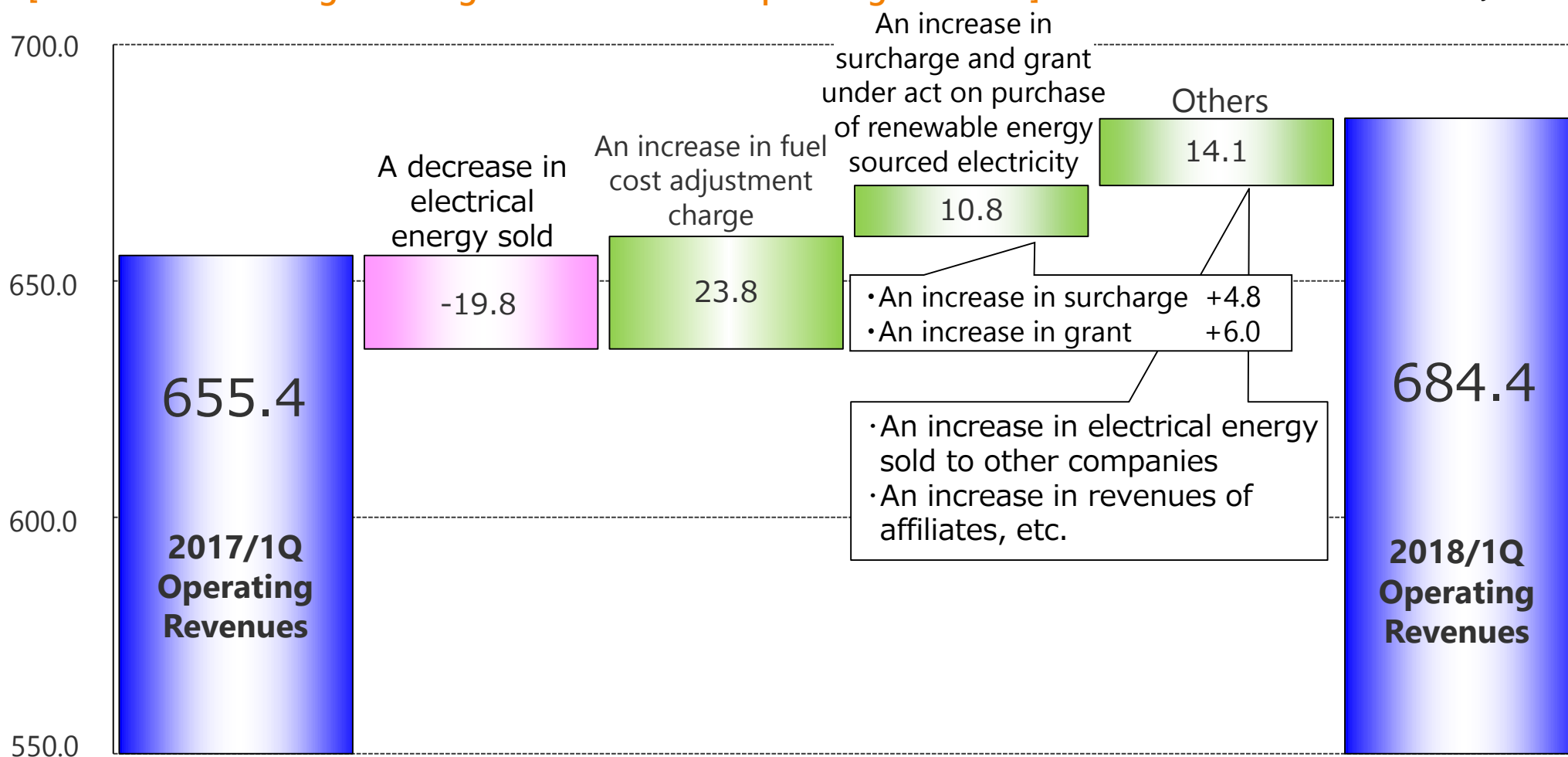
		(Rounded down to nearest 100 million yen.)		(Billion yen,%)	
	2018/1Q	2017/1Q	Change		
	(A)	(B)	(A-B)	(A-B)/B	
Operating revenues	624.3	604.5	19.7	3.3	
Operating income	33.6	28.8	4.7	16.5	
Ordinary income	35.3	25.9	9.3	36.2	
Net income	25.3	19.9	5.3	27.0	

<Consolidated Operating Revenues>

- Operating revenues increased by 29.0 billion yen compared with 2017/1Q, 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 addition to an increase in fuel cost adjustment charge, in spite of a decrease of electrical energy sold.

[Factors contributing to change in consolidated operating revenues]

(Billion yen)

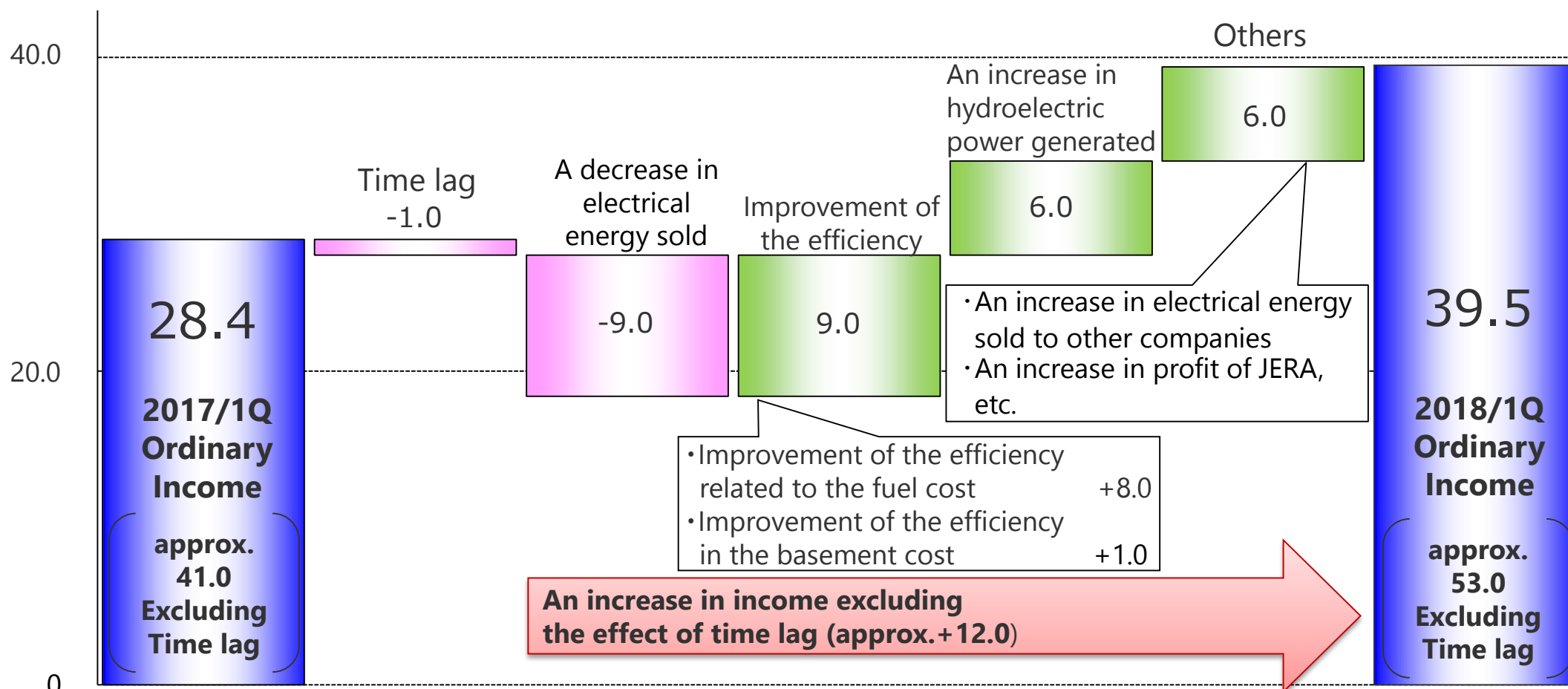


<Consolidated Ordinary Income>

- Consolidated ordinary income increased by 11.0 billion yen compared with 2017/1Q, mainly due to improvement of the efficiency and decrease in fuel cost by an increase in hydroelectric power generated, in spite of a decrease in electrical energy sold.

[Factors contributing to change in consolidated ordinary income]

(Billion yen)



<Electrical Energy Sold>

- **Dropped by 3.7% to 27.3 TWh**, compared with 2017/1Q, mainly due to an effect of switches made to other operators with the intensified competition and an decrease in air conditioning demand by higher temperature in this early spring, in spite of a sales increase mainly in the Tokyo metropolitan area and an increase of production in the semiconductor industry.

		(TWh,%)			
		2018/1Q (A)	2017/1Q (B)	Change	
				(A-B)	(A-B)/B
Electrical Energy Sold	Low voltage	7.8	8.5	(0.7)	(8.5)
	High voltage ▪ Extra-high voltage	19.5	19.8	(0.3)	(1.6)
	Total	27.3	28.3	(1.0)	(3.7)

[Reference(1)]

Electrical Energy Sold including group companies (*)	28.4	29.2	(0.8)	(2.8)
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* The sum of the company and consolidated subsidiaries.

[Reference(2)]

Electrical Energy Sold to other companies (*)	2.4	1.7	0.7	39.8
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* Electrical Energy Sold to other electric utilities represents wholesale volume in the electric power supplied.

05 | Electric Power Supplied and Principal Figures

<Electric Power Supplied>

- **Hydro** : The flow rate was higher than 2017/1Q ; thus hydroelectric power output **increased by 0.7 TWh**.
- **Wholesale** : **Increased by 0.7 TWh**, mainly due to an increase in wholesale volume.
- **Purchased power** : **Increased by 0.3 TWh**, mainly due to an increase in purchase of renewable energy.
- **Thermal** : As a result of decrease in electrical energy sold and above, thermal power output **decreased by 0.7 TWh**.

(TWh,%)

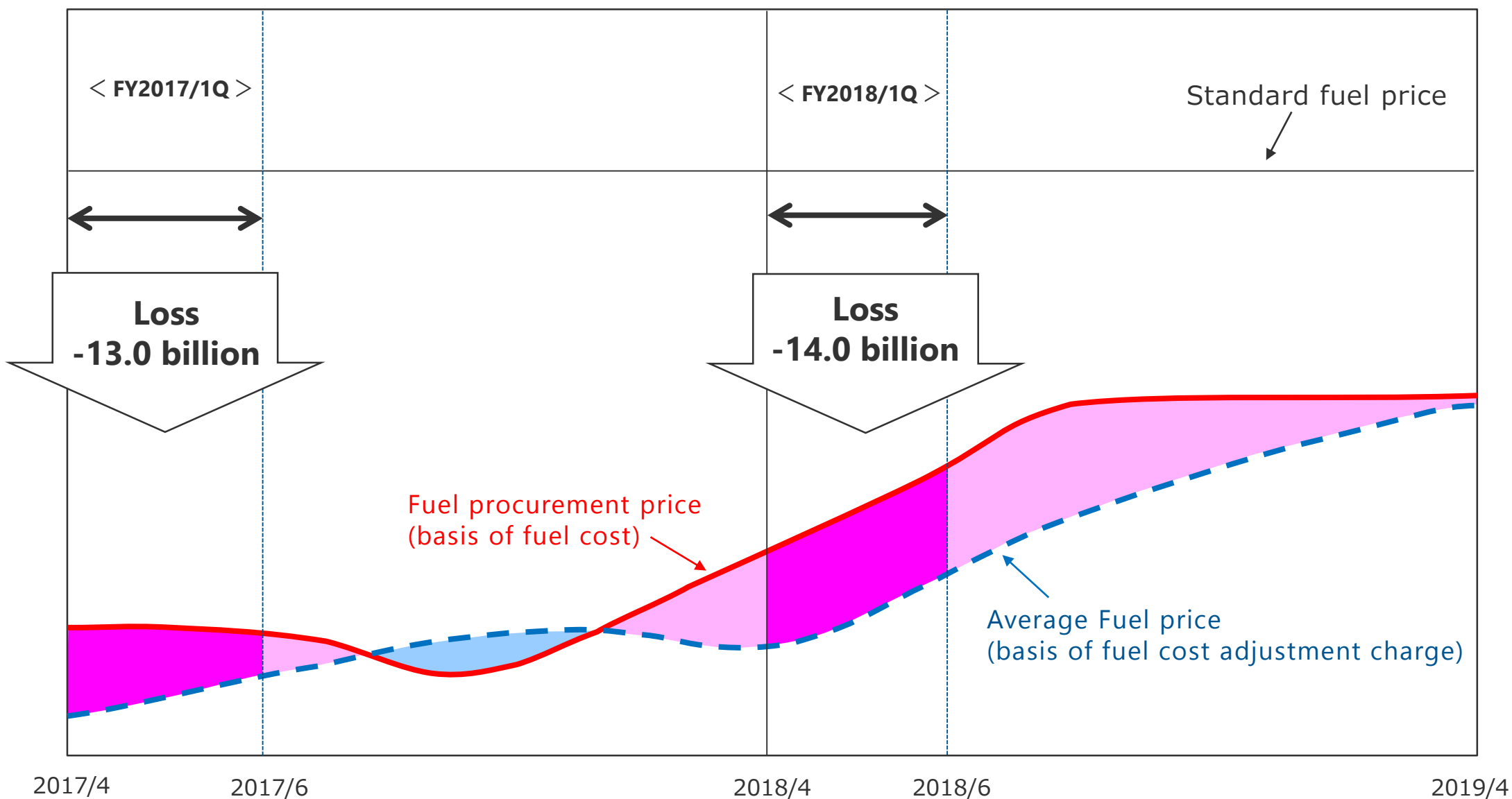
			2018/1Q (A)	2017/1Q (B)	Change (A-B) (A-B)/B	
Electric Power Supplied	Internally generated	Hydro	2.9	2.2	0.7	30.7
		<flow rate>	<108.9>	<82.1>	<26.8>	
		Thermal	22.7	23.4	(0.7)	(3.1)
		Nuclear	(0.1)	(0.1)	(0.0)	0.2
		<utilization rate>	<—>	<—>	<—>	
	Renewable energy	0.0	0.0	(0.0)	132.7	
	Externally generated(*)	Wholesale	(2.4)	(1.7)	(0.7)	39.8
		Purchased power	5.2	4.9	0.3	5.4
Power used for pumped storage		(0.2)	(0.2)	(0.0)	0.8	
Total		28.1	28.5	(0.4)	(1.6)	

* Externally generated represent power output that we grasp at the end of the 2018/1Q.

[Principal Figures]

		2018/1Q (A)	2017/1Q (B)	Change (A-B)
CIF price: crude oil	(\$/b)	71.0	53.3	17.7
FX rate (interbank)	(yen/\$)	109.1	111.2	(2.1)

*CIF crude oil price for 2018/1Q is tentative.



* Accrued income include the effect of time lag of gas supply business.

<Forecast>

Forecasts of financial results have been revised from the previous announcement made in April 27, 2018.

- Consolidated operating revenues will increase mainly due to an increase of fuel cost adjustment charge.
- Consolidated ordinary income will decrease mainly due to expansion of time lag loss because of rise in fuel price. Further, consolidated ordinary income excluding the effect of time lag is expected to be approx.150.0 billion yen (No change from previous announcement).

[Consolidated]

- Operating revenues will increase for 2 consecutive years since FY2017.
- Ordinary income will decrease following FY2016, for the first time in 2 years.

	Current (A)	April 27 (B)	(Billion yen,%) Change (A-B) (A-B)/B	
Operating revenues	2,980.0	2,950.0	approx. 30.0	1.0
Operating income	110.0	145.0	(approx. 35.0)	(24.1)
Ordinary income	100.0	135.0	(approx. 35.0)	(25.9)
Net income attributable to owners of parent	75.0	100.0	(approx. 25.0)	(25.0)

[(Reference)Non-consolidated]

	Current (A)	April 27 (B)	(Billion yen,%) Change (A-B) (A-B)/B	
Operating revenues	2,670.0	2,640.0	approx. 30.0	1.1
Operating income	90.0	125.0	(approx. 35.0)	(28.0)
Ordinary income	80.0	115.0	(approx. 35.0)	(30.4)
Net income	60.0	85.0	(approx. 25.0)	(29.4)

[Principal figures] (Electrical energy sold)	(TWh,%)			
	Current (A)	April 27 (B)	Change (A-B) (A-B)/B	
Low voltage	35.7	36.0	(0.3)	(0.8)
High voltage • Extra-high voltage	81.6	81.3	0.3	0.4
Total	117.3	117.3	-	-
[Reference]				
Electrical energy sold including group companies (*1)	123.0	123.0	-	-

(Other principal figures)		Current	April 27
CIF price: crude oil	(\$/b)	approx. 74	approx. 65
FX rate	(yen/\$)	approx. 110	approx. 110
Nuclear power utilization rate	(%)	-	-

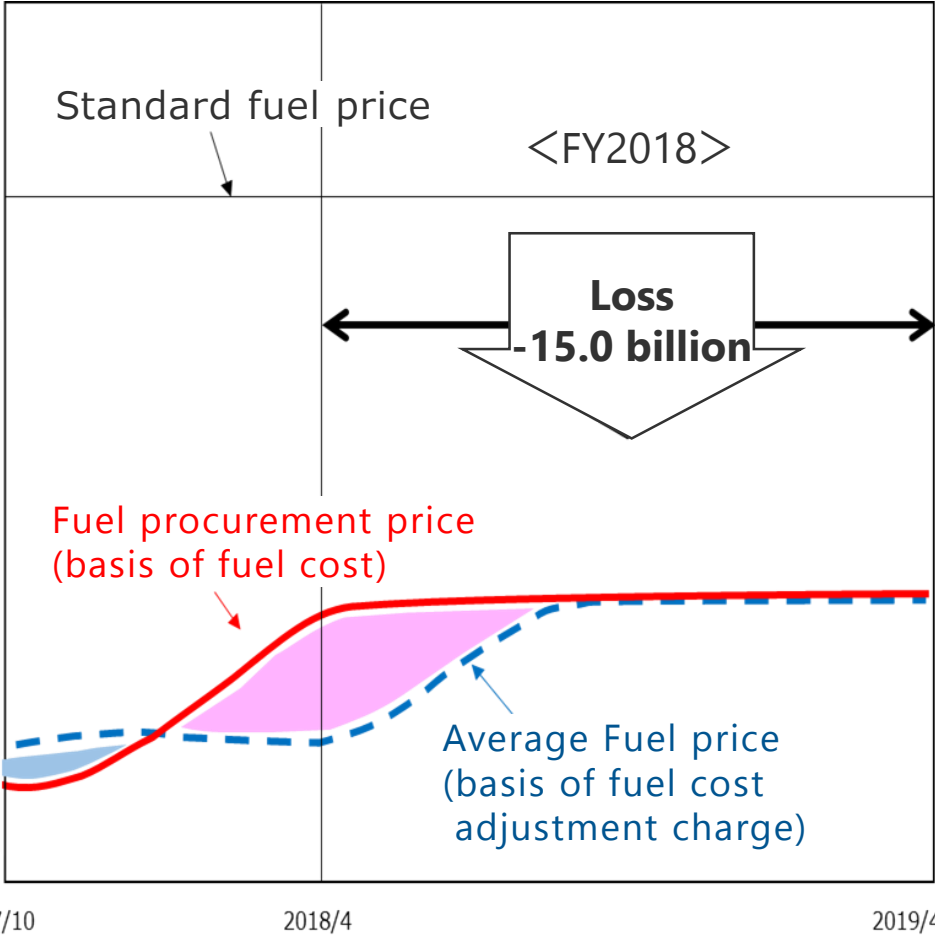
(Income sensitivity)		(Billion yen)	
		Current	April 27
CIF price: crude oil	(1\$/b)	7.0	7.0 (*2,3)
FX rate	(1yen/\$)	6.5	5.5 (*2)
Flow rate	(1%)	0.8	0.8
Interest rate	(1%)	4.5	4.5

*1 The sum of the company, consolidated subsidiaries, and equity method companies.

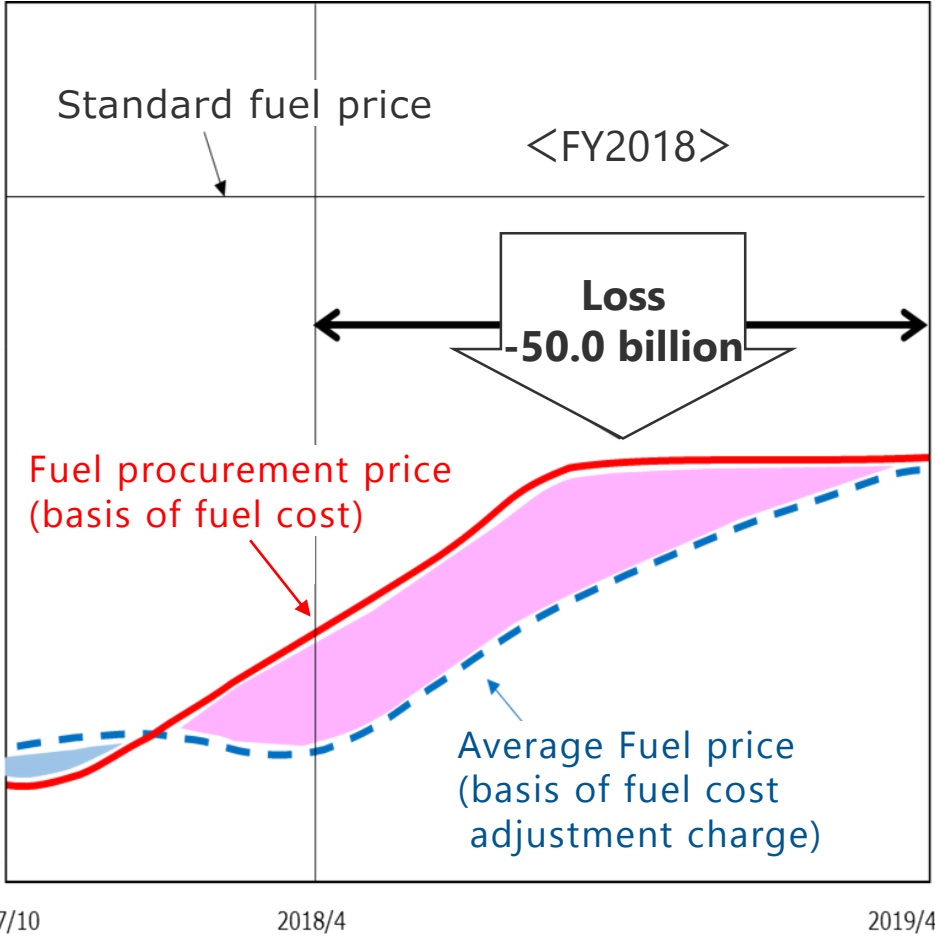
*2 These figures represent income sensitivity for fuel expenses. Fluctuation of CIF price (crude oil) and FX rate will be reflected in sales revenue, in cases where average fuel price fluctuates and fuel cost adjustment system will be applied.

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

○ April 27 (Loss of 15.0 billion yen)



○Current(Loss of 50.0billion yen)



* Accrued income include the effect of time lag of gas supply business.

02

Reference Data: Financial Results

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

	2018/1Q (A)	2017/1Q (B)	Change (A-B)	(A-B)/B
Operating revenues	684.4	655.4	29.0	4.4
Non-operating revenues	9.8	5.0	4.8	97.5
Ordinary revenues	694.3	660.4	33.9	5.1
Operating expenses	648.0	623.4	24.5	3.9
Non-operating expenses	6.8	8.5	(1.7)	(20.0)
Ordinary expenses	654.8	632.0	22.8	3.6
<Operating income>	<36.4>	<31.9>	<4.4>	<14.0>
Ordinary income	39.5	28.4	11.0	38.9
Reserve for fluctuation in water levels	-	(0.7)	0.7	-
Income taxes	11.2	8.1	3.1	38.2
Net income attributable to non-controlling interests	0.1	0.3	(0.1)	(57.7)
Net income attributable to owners of parent	28.0	20.6	7.3	35.7

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

	2018/1Q (A)	2017/1Q (B)	Change (A-B) (A-B)/B		[Major factors for change]
Electricity sales revenues	486.5	490.7	(4.2)	(0.9)	- A decrease in electrical energy sold
Sold power to other electric utilities(*1)	21.9	14.5	7.3	50.9	- An increase in wholesale volume
transmission revenue, etc. (*2)	17.5	11.0	6.5	59.0	
Grant under act on purchase of renewable energy sourced electricity	76.5	70.4	6.0	8.6	- An increase in purchase of renewable energy sourced electricity
Other	6.7	6.0	0.6	11.4	
Electricity business operating revenues	609.3	592.8	16.4	2.8	- Gas supply business : +3.2 <Gas/LNG sold> 202 thousand tons → 217 thousand tons
Incidental businesses operating revenues	15.0	11.7	3.3	28.6	
Total operating revenues	624.3	604.5	19.7	3.3	

*1 Sold power to other utilities, and Sold power to other suppliers

*2 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,%)

	2018/1Q (A)	2017/1Q (B)	Change (A-B)	(A-B)/B	[Major factors for change]
Salaries and employee benefits	45.5	44.4	1.1	2.6	
Fuel	156.3	153.6	2.7	1.8	<ul style="list-style-type: none"> - Differences in power generated : -10.4 <ul style="list-style-type: none"> • Improvement of thermal efficiency by Nishi-Nagoya thermal power plant • An increase in hydroelectric power generated - Increase in unit price : +13.1 <ul style="list-style-type: none"> • Rise in CIF price
Nuclear back-end expenses (*1)	4.0	3.2	0.7	24.1	
Purchased power etc. (*2)	124.3	115.3	9.0	7.8	
Transmission charges etc. (*3)	4.8	3.5	1.2	34.5	
Maintenance	40.0	47.0	(7.0)	(14.9)	<ul style="list-style-type: none"> - An increase in purchase of renewable energy sourced electricity
Depreciation	57.5	58.1	(0.5)	(0.9)	
Taxes other than income taxes	29.2	29.3	(0.0)	(0.2)	<ul style="list-style-type: none"> - An increase in extra-regional power supply
Levy under act on purchase of renewable energy sourced electricity	66.4	61.6	4.8	7.8	<ul style="list-style-type: none"> - A decrease in repair work in thermal
Other	47.2	47.8	(0.6)	(1.3)	
Electricity business operating expenses	575.7	564.1	11.5	2.0	
Incidental business operating expenses	15.0	11.5	3.5	30.5	
Total operating expenses	590.7	575.7	15.0	2.6	<ul style="list-style-type: none"> - Gas supply business : +3.4

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

*2 Purchased power from other utilities, Purchased power from other suppliers, Portion of the existing power generation expenses such as spent fuel reprocessing for which contracts have been signed

*3 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,%)

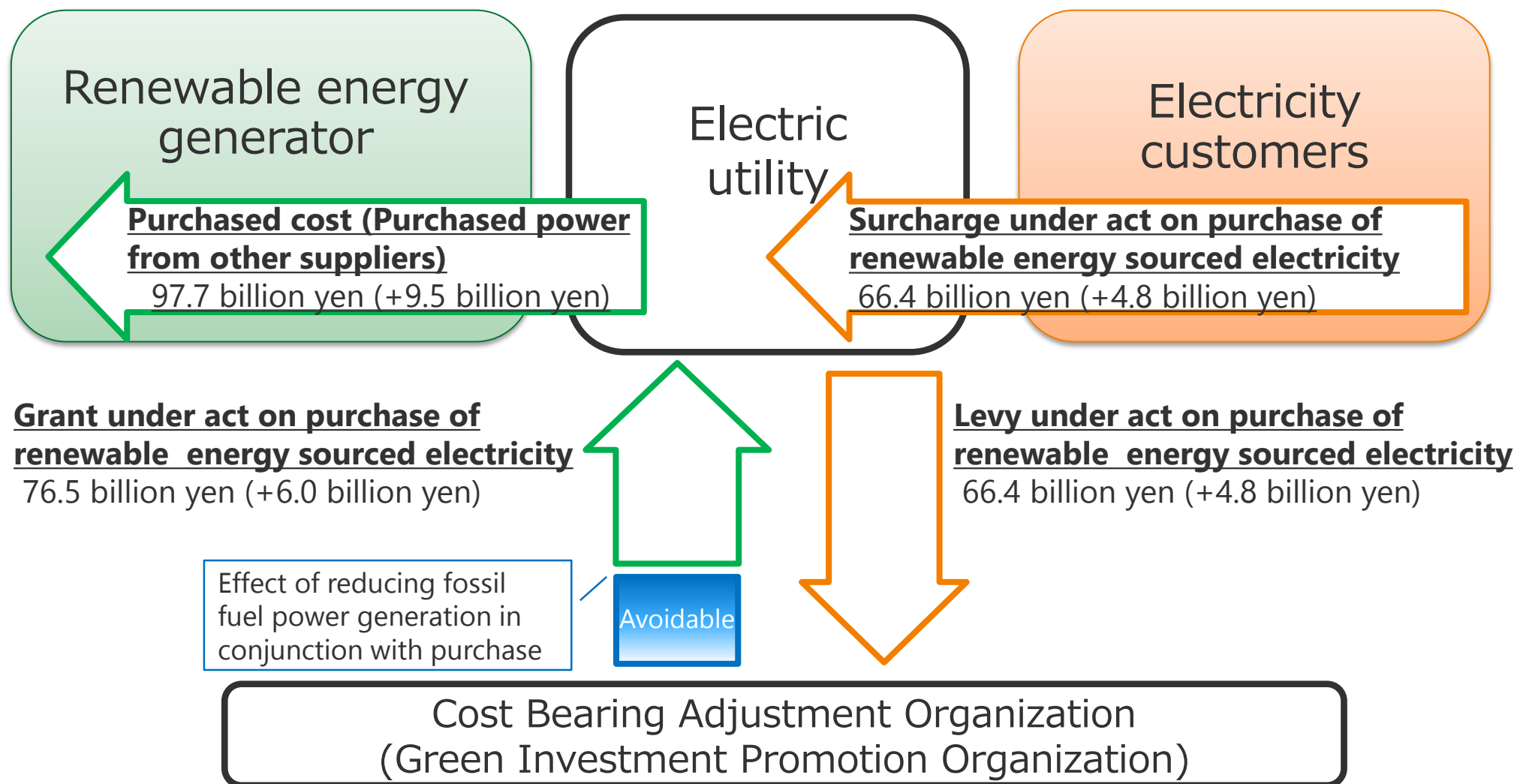
[Major factors for change]

	2018/1Q (A)	2017/1Q (B)	Change (A-B) (A-B)/B	
Operating income	33.6	28.8	4.7	16.5
Non-operating revenues	8.1	5.2	2.9	56.7
Non-operating expenses	6.4	8.1	(1.6)	(20.9)
Ordinary revenues	632.5	609.8	22.7	3.7
Ordinary expenses	597.1	583.8	13.3	2.3
Ordinary income	35.3	25.9	9.3	36.2
Reserve for fluctuation in water levels	-	(0.7)	0.7	-
Income taxes	9.9	6.7	3.2	48.8
Net income	25.3	19.9	5.3	27.0

- Electricity business : +4.9
(28.6 → 33.6)
- Incidental business : -0.1
(0.1 → -0.0)

		(Rounded down to nearest 100 million yen.) (Billion yen)		
		2018.6 (A)	2018.3 (B)	Change (A-B)
Assets	Consolidated	5,496.4	5,529.4	(32.9)
	Non-consolidated	4,962.1	5,001.2	(39.0)
Liabilities	Consolidated	3,695.2	3,737.4	(42.1)
	Non-consolidated	3,503.0	3,556.1	(53.0)
Net assets	Consolidated	1,801.1	1,791.9	9.1
	Non-consolidated	1,459.1	1,445.0	14.0
Shareholders' equity ratio (%)	Consolidated	31.6	31.3	0.3
	Non-consolidated	29.4	28.9	0.5
Outstanding interest-bearing debt	Consolidated	2,648.5	2,595.6	52.9
	Non-consolidated	2,607.1	2,569.4	37.6

<Result of 2018/1Q (change from the previous year in parenthesis)>



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.

