

Presentation Materials for Nine-Months ended December 31, 2019

January 31, 2020

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01

Outline of Financial Results for Nine-Months ended December 31, 2019

Note: The company's fiscal year (FY) is from April 1 to March 31 of the following year. FY2019 represents the fiscal year begun on April 1, 2019, and ending on March 31, 2020.
3rd Quarter (3Q) represents nine months period ended December 31, 2019.
Monetary amounts are rounded down to the nearest whole number of the units being used, while principal figures like electrical energy sold or electric power supplied are rounded to the nearest unit.

<Points of Financial Results> (Consolidated)

- Operating revenues: 2,280.7 billion yen
Operating revenues increased by 81.5 billion yen compared with 2018/3Q, mainly due to an increase in fuel cost adjustment charge (+49.8 billion yen).
- Ordinary income: 165.3 billion yen
Ordinary income increased by 74.9 billion yen compared with 2018/3Q, mainly due to conversion of time lag loss incurred by fuel cost adjustment system into income (+98.0 billion yen [-61.0 billion yen → 37.0 billion yen]).
Further, consolidated ordinary income excluding the effect of time lag is approx. 128.0 billion yen (decreased by 23.0 billion yen compared with 2018/3Q).
- Extraordinary income: 19.0 billion yen
Valuation gain arising from consolidation accounting procedure due to transfer of the thermal power businesses.

- Operating revenues increased for 3 consecutive years since 2017/3Q.
- Ordinary income increased following 2015/3Q, for the first time in 4 years.
- We recorded increased sales and increased income following 2014/3Q, for the first time in 5 years.

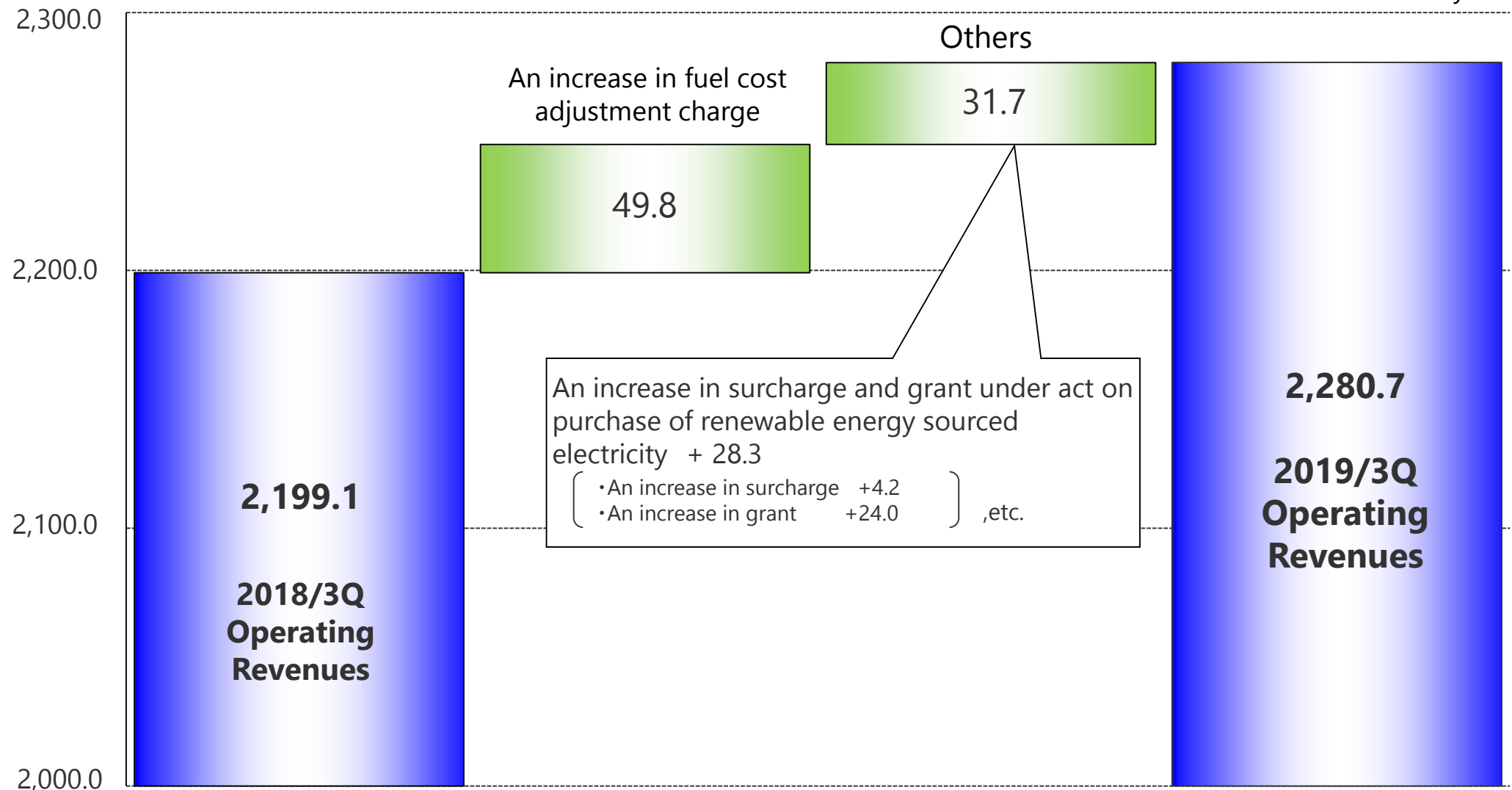
	2019/3Q (A)	2018/3Q (B)	Change (Billion yen,%)	
			(A-B)	(A-B)/B
Operating revenues	2,280.7	2,199.1	81.5	3.7
Operating income	103.5	94.9	8.5	9.0
Ordinary income	165.3	90.3	74.9	82.9
Extraordinary income	19.0	-	19.0	-
Net income attributable to owners of parent	152.6	62.9	89.7	142.5

(note) The number of consolidated subsidiaries [change from the previous year in parenthesis]
2019/3Q: 36 subsidiaries (±0 companies), 40 affiliates accounted for under the equity method (+5 companies)

[Factors contributing to change in consolidated operating revenues]

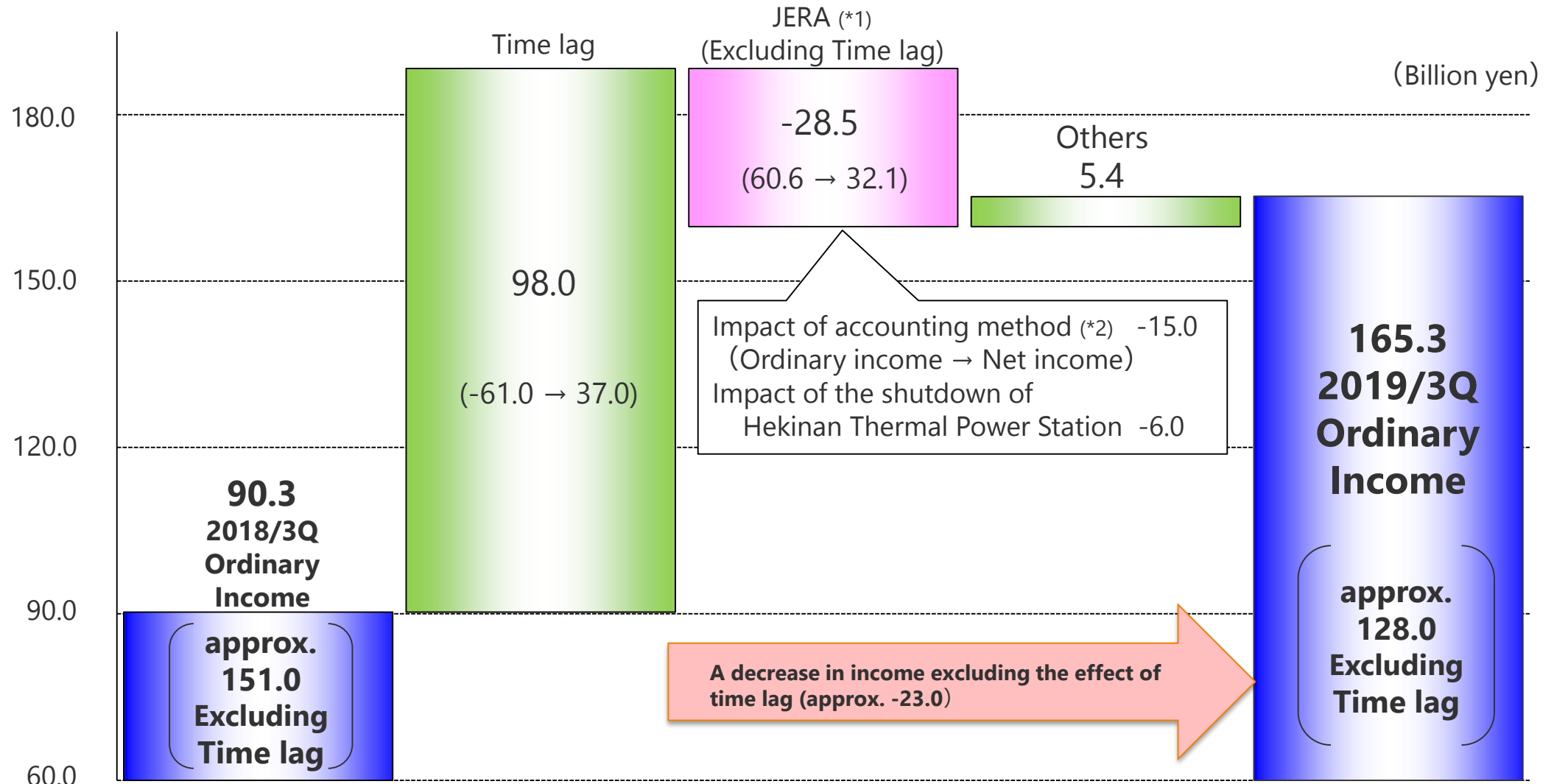
(Operating revenues increased by 81.5 billion yen)

(Billion yen)



[Factors contributing to change in consolidated ordinary income]

(Ordinary income increased by 74.9 billion yen)



*1 Income of 2018/3Q includes the income from thermal power generation business of Chubu Electric Power.

*2 The recognition of JERA profit was changed from pre-tax basis to post-tax basis under consolidation, as the existing thermal power generation businesses was integrated to JERA which is affiliates accounted for under the equity method.

<Electrical Energy Sold> (Nonconsolidated)

- Decreased by 0.3TWh to 86.9 TWh compared with 2018/3Q, mainly due to a decrease in industrial production and an effect of switches made to other operators with the intensified compared with the previous year, in spite of a sales increase outside Chubu region.

		(TWh,%)			
		2019/3Q	2018/3Q	Change	
		(A)	(B)	(A-B)	(A-B)/B
Electrical Energy Sold	Low voltage	24.2	25.2	(1.0)	(4.0)
	High voltage ▪ Extra-high voltage	62.7	62.0	0.7	1.2
	Total	86.9	87.2	(0.3)	(0.3)

[Reference (1)]

Electrical Energy Sold including group companies (*)	90.9	91.0	(0.1)	(0.1)
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* The sum of the company, consolidated subsidiaries, and affiliates accounted for under the equity method.

[Reference (2)]

Electrical Energy Sold to other companies (*)	3.4	5.8	(2.4)	(41.5)
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* Electrical Energy Sold to other companies represents power output excluding the electric power transmitted by Power Network Company from "Wholesale" of Externally generated power output.

<Electric Power Supplied> (Nonconsolidated)

- **Hydro:** The flow rate was lower than 2018/3Q; thus hydroelectric power output decreased by 0.4TWh.
- **Thermal:** Thermal power plants have been transferred to JERA in April, 2019.
- **Purchased power:** Increased by 78.2TWh, mainly due to the start purchasing electric power from JERA.

		2019/3Q (A)	2018/3Q (B)	Change (TWh,%) (A-B) (A-B)/B		
Electric Power Supplied	Internally generated	Hydro	7.0	7.4	(0.4)	(5.2)
		<flow rate>	<100.4>	<110.0>	<(9.6)>	
		Thermal	-	75.5	(75.5)	-
		Nuclear	(0.2)	(0.2)	0.0	(6.8)
		<utilization rate>	<->	<->	<->	
	Renewable energy, etc.	0.0	0.0	0.0	4.8	
	Externally generated(*)	Wholesale	(10.3)	(7.7)	(2.5)	32.7
	Purchased power	95.2	17.0	78.2	459.4	
	Power used for pumped storage	(0.6)	(0.5)	(0.1)	20.7	
Total		91.2	91.5	(0.3)	(0.3)	

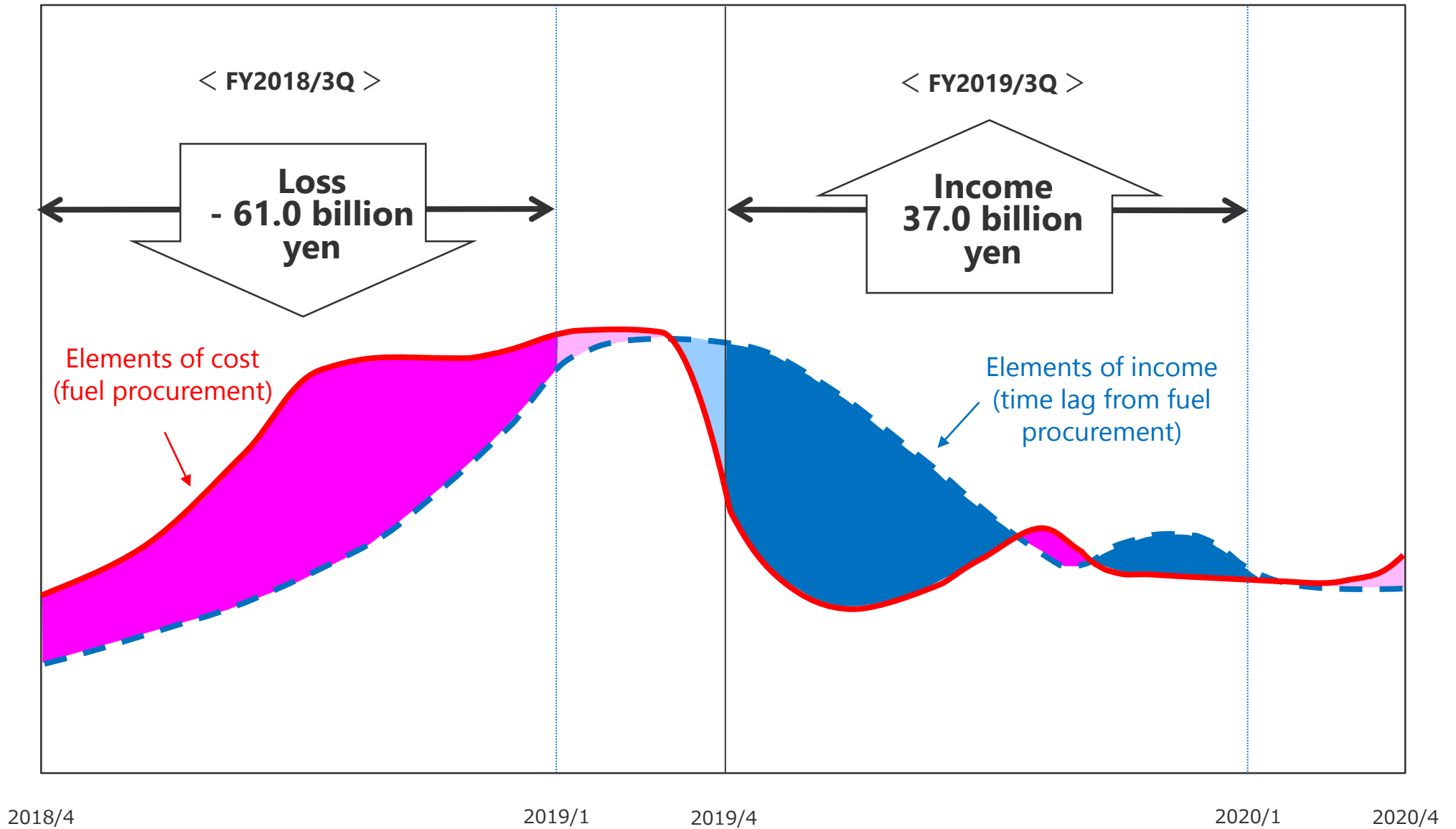
* Externally generated represents power output that we grasped at the end of 2019/3Q. It includes -6.9TWh (2019/3Q) and -2.0TWh (2018/3Q) as the transmitted power and 6.4TWh (2019/3Q) and 2.1TWh (2018/3Q) as the purchased power by Power Network Company.

[Others]

		2019/3Q (A)	2018/3Q (B)	Change (A-B)
CIF price: crude oil	(\$/b)	67.8	75.0	(7.2)
FX rate (interbank)	(yen/\$)	108.7	111.1	(2.4)

*CIF crude oil price for 2019/3Q is tentative.

06 | (Reference) Impact of Accrued Income (Result)



<Forecast> (Consolidated)

Forecasts of financial results have not been revised from the previous announcement made in October 31, 2019.

- Operating revenues: 3,050.0 billion yen (forecast)
- Ordinary income: 185.0 billion yen (forecast)
(Ordinary income excluding the effect of time lag is expected to be approx.150.0 billion yen.)

	(Billion yen,%)			
	Current (A)	October 31 (B)	Change	
			(A-B)	(A-B)/B
Operating revenues	3,050.0	3,050.0	-	-
Ordinary income	185.0	185.0	-	-
Net income attributable to owners of parent	165.0	165.0	-	-

[(Reference) Nonconsolidated]

	(Billion yen,%)			
	Current (A)	October 31 (B)	Change	
			(A-B)	(A-B)/B
Operating revenues	2,720.0	2,720.0	-	-
Ordinary income	80.0	75.0	5.0	6.7
Net income	50.0	45.0	5.0	11.1

08 | Summary of Forecast for FY2019 <2>

[Principal Figures]

<Electrical energy sold>	(TWh,%)			
	Current (A)	October 31 (B)	Change (A-B) (A-B)/B	
Electrical energy sold	118.7	118.7	-	-
(Reference)				
Electrical energy sold including group companies *	124.2	124.2	-	-

* The sum of the company, consolidated subsidiaries, and affiliates accounted for under the equity method.

<Others>		Current	October 31
CIF price: crude oil	(\$/b)	approx. 65	approx. 65
FX rate	(yen/\$)	approx. 110	approx. 110
Nuclear power utilization rate	(%)	-	-

02

Reference Data : Financial Results

09 | Consolidated Statements of Income



	(Billion yen,%)			
	2019/3Q (A)	2018/3Q (B)	Change (A-B) (A-B)/B	
Operating revenues	2,280.7	2,199.1	81.5	3.7
Share of profit of entities accounted for using equity method	72.7	9.5	63.1	658.3
Other	8.8	10.0	(1.1)	(11.9)
Non-operating revenues	81.6	19.6	61.9	315.3
Ordinary revenues	2,362.3	2,218.8	143.5	6.5
Operating expenses	2,177.2	2,104.2	73.0	3.5
Non-operating expenses	19.7	24.2	(4.4)	(18.2)
Ordinary expenses	2,197.0	2,128.4	68.6	3.2
<Operating income>	<103.5>	<94.9>	<8.5>	<9.0>
Ordinary income	165.3	90.3	74.9	82.9
Extraordinary income	19.0	-	19.0	-
Income taxes	29.0	25.2	3.7	14.9
Net income attributable to non-controlling interests	2.7	2.1	0.5	27.2
Net income attributable to owners of parent	152.6	62.9	89.7	142.5

10 | Nonconsolidated Statements of Income <1>: Operating revenues

	(Billion yen,%)				<Major factors for change>
	2019/3Q (A)	2018/3Q (B)	Change (A-B)	Change (A-B)/B	
Electricity sales revenues	1,601.8	1,591.8	10.0	0.6	An increase in fuel cost adjustment charge +49.8 A decrease in electrical energy sold -5.3
Sold power to other electric utilities(*1)	66.0	76.0	(9.9)	(13.1)	
Transmission revenue, etc. (*2)	70.4	62.6	7.7	12.4	An increase in purchase of renewable energy sourced electricity
Grant under act on purchase of renewable energy sourced electricity	217.9	193.9	24.0	12.4	
Other	24.3	20.6	3.7	18.1	
Electricity business operating revenues	1,980.7	1,945.1	35.5	1.8	Gas supply business +4.9 <Gas/LNG sold> 663 thousand tons → 684 thousand tons
Incidental business operating revenues	54.6	51.9	2.7	5.2	
Total operating revenues	2,035.3	1,997.1	38.2	1.9	

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

*2 Transmission revenue, and Settlement revenue among utilities

11 | Nonconsolidated Statements of Income <2>: Operating expenses



(Billion yen,%)

	2019/3Q (A)	2018/3Q (B)	Change		<Major factors for change>
			(A-B)	(A-B)/B	
Salaries and employee benefits	129.4	139.8	(10.4)	(7.5)	
Fuel	0.0	580.5	(580.4)	(100.0)	Integration of the existing thermal power generation businesses into JERA -580.5
Nuclear back-end expenses (*1)	12.3	12.0	0.2	2.3	Start purchasing electric power from JERA
Purchased power etc. (*2)	1,114.9	361.9	753.0	208.1	Sales increase outside Chubu region
Transmission charges etc. (*3)	25.2	17.6	7.5	43.1	
Maintenance	82.8	120.0	(37.2)	(31.0)	Integration of the existing thermal power generation businesses into JERA -33.1
Depreciation	117.6	175.7	(58.0)	(33.1)	
Taxes other than income taxes	74.0	91.7	(17.6)	(19.3)	Integration of the existing thermal power generation businesses into JERA -56.6
Levy under act on purchase of renewable energy sourced electricity	221.6	217.3	4.2	2.0	
Other	114.3	146.4	(32.0)	(21.9)	Integration of the existing thermal power generation businesses into JERA -26.1 (Waste disposal expenses, etc.)
Electricity business operating expenses	1,892.5	1,863.3	29.2	1.6	
Incidental business operating expenses	52.0	50.5	1.4	2.9	Gas supply business +3.4
Total operating expenses	1,944.6	1,913.8	30.7	1.6	

*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

12 | Nonconsolidated Statements of Income <3>: Net income



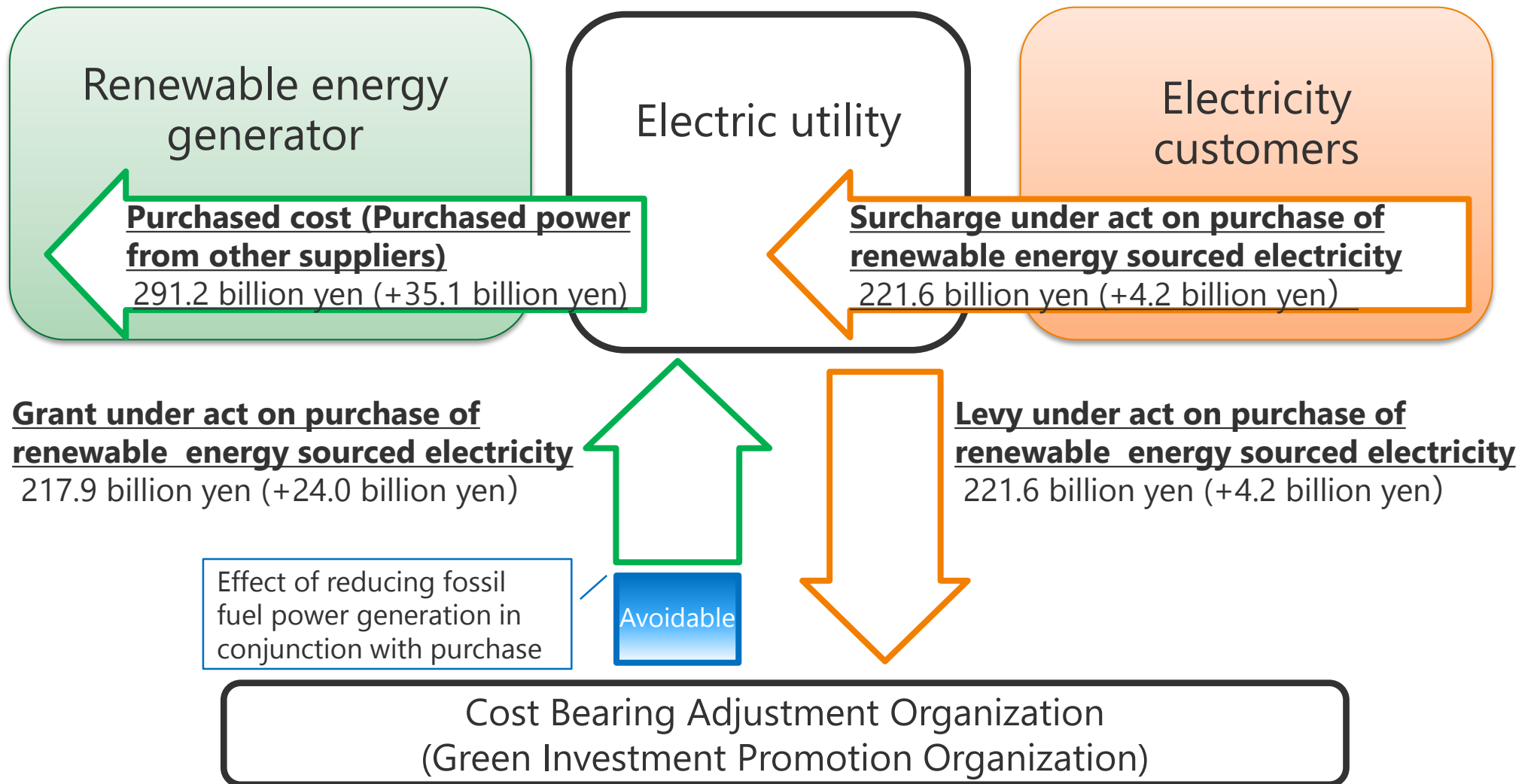
(Billion yen,%)

	2019/3Q (A)	2018/3Q (B)	Change	
			(A-B)	(A-B)/B
Operating income	90.7	83.2	7.5	9.0
Non-operating revenues	10.6	12.1	(1.4)	(12.3)
Non-operating expenses	16.7	22.2	(5.4)	(24.6)
Ordinary revenues	2,046.0	2,009.2	36.7	1.8
Ordinary expenses	1,961.3	1,936.1	25.2	1.3
Ordinary income	84.6	73.1	11.5	15.7
Income taxes	23.3	19.7	3.5	18.2
Net income	61.3	53.4	7.9	14.8

13 | Consolidated and Nonconsolidated Financial Standing

		(Billion yen)			
		Dec. 31, 2019 (A)	Mar. 31, 2019 (B)	Change (A-B)	<Major factors for change>
Assets	Consolidated	5,409.4	5,987.5	(578.0)	Succeeded to JERA -1,188.9 (including cash and deposits <-335.0>) Acquisition of JERA's stock by succeeding +578.8
	Nonconsolidated	4,723.7	5,402.8	(679.1)	
Liabilities	Consolidated	3,451.0	4,143.1	(692.0)	
	Nonconsolidated	3,213.6	3,922.8	(709.1)	
Net assets	Consolidated	1,958.3	1,844.3	114.0	Succeeded to JERA -610.1
	Nonconsolidated	1,510.0	1,480.0	30.0	
Shareholders' equity ratio (%)	Consolidated	35.0	29.7	5.3	
	Nonconsolidated	32.0	27.4	4.6	
Outstanding interest-bearing debt	Consolidated	2,357.4	2,981.1	(623.7)	
	Nonconsolidated	2,279.2	2,921.3	(642.0)	Succeeded to JERA -599.2

<Result of 2019/3Q (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.

