

Outline of Interim Financial Results

Ended September 30, 2014

October, 2014



Note: The Company's fiscal year (FY) is from April 1 to March 31 of the following year.
FY2014 represents the fiscal year begun in April 1, 2014, and ended in March 31, 2015.
1st half (1H) represents six months period ended September 30, 2014.

Table of Contents

Summary of Financial Results <1>	.....	1
Summary of Financial Results <2>	.....	2
Electricity Sales Volume	.....	3
Generated and Received Power	.....	4
Non-consolidated Statements of Income <1>	.....	5
Non-consolidated Statements of Income <2>	.....	6
Non-consolidated Statements of Income <3>	.....	7
Consolidated Statements of Income	.....	8
Segment Information	.....	9
Consolidated Financial Standing	.....	10
Consolidated Statements of Cash Flows	.....	11
Summary of Forecast for FY 2014	.....	12
Non-consolidated Forecast for FY 2014 (compared to FY 2013)	.....	13
The Policy on the Shareholder Return	.....	14

Summary of Financial Results <1>

1

[Consolidated]

- Operating revenues increased for five consecutive years since 1H of FY 2010.
- We recorded an ordinary income and net income.
(The first time in four years after 1H of FY2010)

(Billion yen,%)

	2014/1H (A)	2013/1H (B)	Change	
			(A-B)	(A-B)/B
Operating revenues	1,526.0	1,367.4	158.6	11.6
Operating income (loss)	69.5	(11.9)	81.5	—
Ordinary income (loss)	38.4	(27.0)	65.5	—
Net income (loss)	46.1	(16.7)	62.9	—

[Non-Consolidated]

(Billion yen,%)

	2014/1H (A)	2013/1H (B)	Change	
			(A-B)	(A-B)/B
Operating revenues	1,437.8	1,282.6	155.1	12.1
Operating income (loss)	63.8	(19.2)	83.1	—
Ordinary income (loss)	30.7	(32.0)	62.8	—
Net income (loss)	40.6	(18.0)	58.7	—

[Principal Figures]

Item	2014/1H (A)	2013/1H (B)	Change (A-B)
Electricity sales volume (TWh)	61.2	62.8	(1.6)
CIF price: crude oil (\$/b)	109.5*	107.7	1.8
FX rate (interbank) (yen/\$)	103	99	4

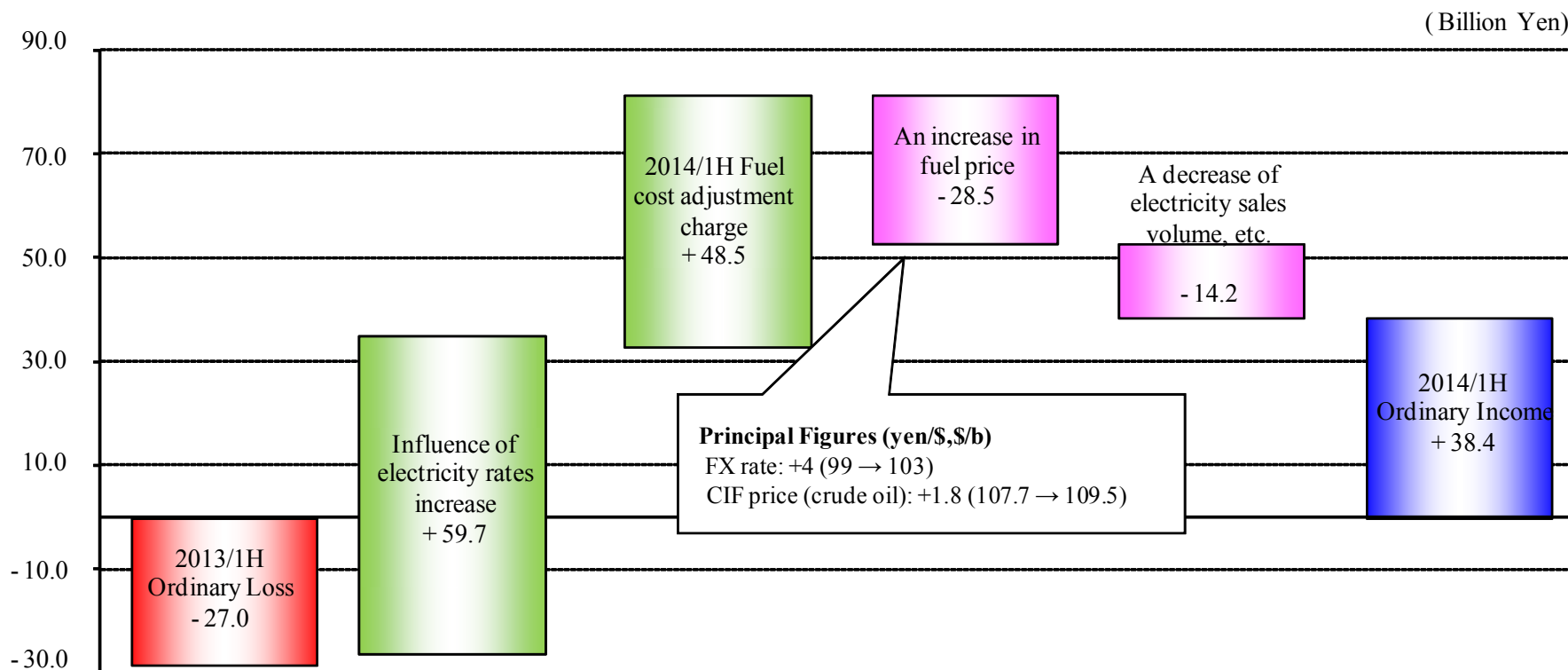
* CIF crude oil price for 2014/1H is tentative.

Summary of Financial Results <2>

< Main factors for year-on-year change in Consolidated ordinary income (loss) >

-Positive factors	- Influence of electricity rates increase	+59.7 billion yen
	- 2014/1H Fuel cost adjustment charge	+48.5 billion yen
-Negative factor	- An increase in fuel price	-28.5 billion yen
	- A decrease of electricity sales volume ,etc.	-14.2 billion yen

【Factors for change in Consolidated ordinary income (loss)】



<Demand from customers under regulation>

-Electric lighting Dropped by 6.0% to 15.2TWh, compared with 2013/1H, due to a decrease in air conditioning demand by lower temperature in this summer and customer's power saving effect.

-Electric power Dropped by 6.8% to 2.8 TWh, due to a decrease in air conditioning demand affected by lower temperature.

<Demand from customers under liberalization>

-Commercial power Dropped by 3.6% to 11.0 TWh, due to a decrease in air conditioning demand affected by temperature.

-Industrial power Amounted to 32.2TWh, almost the same as in 2013/1H, due to a decrease of production in the other industry, in spite of increase of production in the machine industry.

		(TWh, %)			
		2014/1H (A)	2013/1H (B)	Change	
				(A-B)	(A-B)/B
Demand from customers under regulation	Electric lighting	15.2	16.2	(1.0)	(6.0)
	Electric power	2.8	3.0	(0.2)	(6.8)
	Subtotal	18.0	19.2	(1.2)	(6.1)
Demand from customers under liberalization	Commercial power	11.0	11.4	(0.4)	(3.6)
	Industrial power, etc	32.2	32.2	0.0	0.0
	<Large-lot Demand>	<26.1>	<26.1>	<0.0>	<0.3>
	Subtotal	43.2	43.6	(0.4)	(0.9)
Total		61.2	62.8	(1.6)	(2.5)

Generated and Received Power

4

-Hydro Thanks to higher water flow, hydro power output **increased by 0.2TWh.**

(flow rate for 2014/1H:93.5%, 2013/1H:88.6%)

-Interchanged, purchased Power **Decreased by 1.5 TWh** , due to an increase in supply of interchanged power to other power utilities.

-Thermal As a result above, thermal power output **decreased by 1.0 TWh** .

		(TWh, %)			
		2014/1H (A)	2013/1H (B)	Change	
				(A-B)	(A-B)/B
Internally generated	Hydro	4.8	4.6	0.2	5.2
	<flow rate>	<93.5>	<88.6>	<4.9>	
	Thermal	57.2	58.2	(1.0)	(1.7)
	Nuclear	—	—	—	—
	<utilization rate>	<—>	<—>	<—>	
	Renewable energy	0.0	0.0	(0.0)	(30.1)
Interchanged, Purchased power		4.4	5.9	(1.5)	(25.5)
Power used for pumped storage		(0.5)	(0.7)	0.2	(30.5)
Total		65.9	68.0	(2.1)	(3.0)

Non-consolidated Statements of Income <1>

5

	(Billion yen, %)				[Major factors for Change]
	2014/1H (A)	2013/1H (B)	Change (A-B) (A-B)/B		
Electricity sales revenues	1,261.6	1,167.6	93.9	8.0	-Influence of electricity rates increase : +59.7 -2014/1H fuel cost adjustment charge : +48.5 - A decrease of electricity sales volume : -28.5
Sold power to other electric utilities, and transmission revenues, etc.	63.7	40.6	23.1	56.9	
Grant under Act on Purchase of Renewable Energy Sourced Electricity	49.8	28.0	21.8	77.7		- An increase in revenues from interchanged power sales : +6.2 - An increase in sold power to other electric utilities : +16.1
Others	13.2	11.2	2.0	17.8	- An increase in purchase of renewable energy sourced electricity
Electric utility operating revenues	1,388.5	1,247.6	140.8	11.3	
Incidental businesses operating revenues	49.3	35.0	14.3	40.9	- An increase in gas supply business
Total operating revenues	1,437.8	1,282.6	155.1	12.1	

Rounded down to nearest 100 million yen.

Non-consolidated Statements of Income <2>

6

	(Billion yen, %)				[Major factors for Change]
	2014/1H (A)	2013/1H (B)	Change		
			(A-B)	(A-B)/B	
Salaries and employee benefits	90.8	94.8	(3.9)	(4.2)	- Thermal : +10.1 (A decrease in consumption volume : -18.4) (An Increase in fuel price : +28.5)
Fuel	631.1	620.9	10.1	1.6	
Nuclear back-end expenses	8.3	7.4	0.8	12.0	
Purchased power, and transmission charges, etc.	149.1	132.6	16.5	12.5	An increase in purchase of renewable energy sourced electricity
Maintenance	126.0	96.9	29.1	30.1	
Depreciation	125.5	126.9	(1.3)	(1.1)	- An increase in replacement of aged distribution facilities
Taxes other than income taxes	67.3	63.1	4.2	6.7	
Levy under Act on Purchase of Renewable Energy Sourced Electricity	36.7	18.7	17.9	96.0	An increase in purchase of renewable energy sourced electricity
Others	90.9	103.7	(12.7)	(12.3)	
Electric utility operating expenses	1,326.2	1,265.3	60.9	4.8	
Incidental business operating expenses	47.7	36.6	11.1	30.3	- An increase in gas supply business
Total operating expenses	1,374.0	1,301.9	72.0	5.5	

Rounded down to nearest 100 million yen.

Non-consolidated Statements of Income <3>

7

	(Billion yen, %)			
	2014/1H (A)	2013/1H (B)	Change (A-B) (A-B)/B	
Operating income (loss)	63.8	(19.2)	83.1	—
Non-operating revenues	7.0	10.9	(3.9)	(35.7)
Non-operating expenses	40.1	23.7	16.3	69.0
Ordinary revenues	1,444.9	1,293.6	151.2	11.7
Ordinary expenses	1,414.1	1,325.6	88.4	6.7
Ordinary income (loss)	30.7	(32.0)	62.8	—
Reserve for fluctuation in water levels	(2.9)	(7.9)	5.0	—
Extraordinary income	28.4	—	28.4	—
Income taxes	21.5	(6.0)	27.5	—
Net income (loss)	40.6	(18.0)	58.7	—

[Major factors for Change]

Electricity business : +79.9
Incidental business : + 3.2

Receipt of compensation
related to the deficiency of
the Company's facilities

Rounded down to nearest 100 million yen.

Consolidated Statements of Income

8

(Billion yen, %)

		2014/1H (A)	2013/1H (B)	Changes	
				(A-B)	(A-B)/B
Revenues	Electricity business	1,387.7	1,246.9	140.8	11.3
	Other business	138.3	120.4	17.8	14.8
		1,526.0	1,367.4	158.6	11.6
Operating income (loss)	Electricity business	63.4	(13.9)	77.4	—
	Other business	6.0	2.0	4.0	201.2
		69.5	(11.9)	81.5	—
Ordinary income (loss)		38.4	(27.0)	65.5	—
Reserve for fluctuation in water levels		(2.9)	(7.9)	5.0	—
Extraordinary income		28.4	—	28.4	—
Income taxes		23.0	(3.0)	26.0	—
Minority interests in income		0.6	0.7	(0.0)	(8.7)
Net income (loss)		46.1	(16.7)	62.9	—

Internal transactions were cancelled. Rounded down to nearest 100 million yen.

Segment Information

9

		(Billion yen,%)			
		2014/1H	2013/1H	Changes	
		(A)	(B)	(A-B)	(A-B)/B
Revenues	Electricity business	1,387.7	1,246.9	140.8	11.3
	Other business	138.3	120.4	17.8	14.8
	<Energy business>	<54.0>	<39.1>	<14.9>	<38.3>
	<Other business>	<84.2>	<81.3>	<2.8>	<3.5>
		1,526.0	1,367.4	158.6	11.6
Operating income (loss)	Electricity business	62.2	(17.6)	79.9	—
	Other business	6.4	5.7	0.6	12.0
	<Energy business>	<3.3>	<(1.0)>	<4.4>	<—>
	<Other business>	<(3.0)>	<6.8>	<(3.7)>	<(55.4)>
	Cancellation for Internal transaction (between segments etc.)	0.8	(0.0)	0.9	—
		69.5	(11.9)	81.5	—

Each segment operating income is before canceling internal transaction.

Rounded down to nearest 100 million yen.

Consolidated Financial Standing

10

- Assets** **Decreased by 122.4 billion yen** from the end of FY2013, because of a decrease in noncurrent assets due to progress in depreciation, and also a decrease in current assets due to a reduction in short-term investment.
- Liabilities** **Decreased by 163.0 billion yen** from the end of FY2013, due to a decrease in interest-bearing debts.
- Net assets** **Increased by 40.6 billion yen** from the end of FY2013, due to net income.

	(Billion yen)		
	30 Sep. 2014 (A)	31 Mar. 2014 (B)	Change (A-B)
Assets	5,659.7	5,782.1	(122.4)
Liabilities	4,181.9	4,345.0	(163.0)
Net assets	1,477.8	1,437.1	40.6
	(Billion yen, %)		
Shareholders' equity ratio	25.5 <23.2>	24.2 <22.0>	1.3 <1.2>
Outstanding interest-bearing debt	3,068.6 <3,108.4>	3,260.0 <3,294.6>	(191.4) <(186.1)>

*Non-consolidated figures in angle brackets.
Rounded down to nearest 100 million yen.*

Consolidated Statements of Cash Flows

11

-Cash flows from operating activities.

Increased by 142.9 billion yen from the previous year, mainly because electricity utility operating revenue increased due to the electricity rates increase and an increase in fuel cost adjustment charge.

- Cash flows from investment cash flows

Increased by 1.4 billion yen from the previous year, because payments for investments and other long-term assets exceeded proceed from investments and other long-term assets in the current fiscal year, although purchase of noncurrent assets decreased.

	(Billion yen)		
	2014/1H (A)	2013/1H (B)	Change (A-B)
Cash flows from operating activities (a)	195.4	52.5	142.9
Cash flows from investment activities (b)	(129.1)	(127.7)	(1.4)
Cash flows from financing activities	(192.8)	(5.0)	(187.8)
Free cash flows (a+b)	66.3	(75.1)	141.4
	30 Sep. 2014 (A)	31 Mar. 2014 (B)	Change (A-B)
Cash and cash equivalents at end of period	410.9	536.7	(125.8)

Rounded down to nearest 100 million yen.

Summary of Forecast for FY 2014

12

- Consolidated

(billion yen)

	FY 2014 forecast (Current) (A)	FY 2014 forecast (July 31) (B)	Change (A)-(B)
Operating revenues	3,120.0	3,090.0	30.0
Operating income	75.0	75.0	—
Ordinary income	30.0	30.0	—
Net income	38.0	38.0	—

-Non-consolidated

(billion yen)

	FY 2014 forecast (Current) (A)	FY 2014 forecast (July 31) (B)	Change (A)-(B)
Operating revenues	2,900.0	2,870.0	30.0
Operating income	60.0	60.0	—
Ordinary income	20.0	20.0	—
Net income	33.0	33.0	—

-Principal figures

(billion yen)

Items		FY 2014 forecast (Current) (A)	FY 2014 forecast (July 31) (B)	Change (A)-(B)	Income sensitivity	
Electricity sales volume	(TWh)	approx. 124.9	approx. 125.5	approx.(0.6)	1%	4.0
CIF price: crude oil	(\$/b)	approx. 107	approx. 110	approx. (3)	1\$/b	10.0 ^{*1,2}
FX rate (interbank)	(yen/\$)	approx. 107	approx. 102	approx. 5	1yen/\$	12.0 ^{*1}

*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, 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.

Non-consolidated Forecast for FY 2014 (compared to FY 2013)

13

(Billion yen)

	FY 2014 Forecast (A)	FY 2013 Result (B)	Change (A)-(B)
Operating revenues	2,900.0	2,638.2	approx. 262.0
Operating expenses	2,840.0	2,715.4	approx. 125.0
Operating income (loss)	60.0	(77.2)	approx. 137.0
Ordinary income (loss)	20.0	(104.1)	approx. 124.0
Net income(loss)	33.0	(67.2)	approx. 100.0

-Principal figures

Items	FY 2014 (Forecast) (A)	FY 2013 (Result) (B)	Change (A)-(B)
Electricity sales volume (TWh)	approx. 124.9	127.1	approx.(2.2)
CIF price: crude oil (\$/b)	approx. 107	110.0	approx. (3)
FX rate (interbank) (yen/\$)	approx. 107	100	approx. 7

- Dividend Forecast

- The Company has been endeavoring to improve profitability by implementing an electric rate hike and enhancing the company-wide management efficiency. However, taking into consideration the future fluctuations of profitability and the necessity to put further efforts into more management efficiency as well as reinforce the damaged financial base, the Company has decided to pay no interim dividend for FY 2014.
- The Company has not yet decided forecast year-end dividend since it is difficult to foresee the future situation with certain accuracy and rationality.

	Dividends per Share (yen)		
	Interim	Year-end	Total
FY 2014 (Forecast)	0	—	—
FY 2013 (Result)	0	0	0

※Dividends of FY 2014 ending March 2015 has not yet been decided.

DISCLAIMER

This presentation contains assumptions and forward-looking statements with respect to the financial conditions, and forecasts of the company, which are based on information currently available.

These assumptions involve certain risks and uncertainties, and may cause actual results materially differ from them, by changes in the managerial environment such as economic activities and market trends.

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