

# **Summary of the Settlement of Accounts for FY2016 1st Quarter**

**(April 1 – June 30, 2016)**

**July 29, 2016**



**The Okinawa Electric Power Company, Inc.**



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# Financial Results for FY2016 1Q YTD (Year-on-Year Comparison)

(Unit: million yen, X)

|                  | Consolidated (A)              |                               |                   | Non-consolidated (B)          |                               |                   | (A) / (B)                     |                               |
|------------------|-------------------------------|-------------------------------|-------------------|-------------------------------|-------------------------------|-------------------|-------------------------------|-------------------------------|
|                  | FY2015<br>1Q YTD<br>(Results) | FY2016<br>1Q YTD<br>(Results) | Rate of<br>Change | FY2015<br>1Q YTD<br>(Results) | FY2016<br>1Q YTD<br>(Results) | Rate of<br>Change | FY2015<br>1Q YTD<br>(Results) | FY2016<br>1Q YTD<br>(Results) |
| Sales            | 41,807                        | 41,376                        | -1.0%             | 40,585                        | 40,152                        | -1.1%             | 1.03                          | 1.03                          |
| Operating income | -484                          | 120                           | -                 | -588                          | 5                             | -                 | -                             | 24.06                         |
| Ordinary income  | -828                          | -252                          | -                 | -716                          | -113                          | -                 | -                             | -                             |
| Net income       | -769*                         | -326*                         | -                 | -569                          | -110                          | -                 | -                             | -                             |

\* Net income attributable to owners of parent.

**Consolidated : Decrease in Sales ( 2 consecutive years ), Ordinary loss (4 consecutive years)**

**Non-consolidated : Decrease in Sales ( the first time in 6 years ), Ordinary loss (4 consecutive years)**

### 【Revenue】

- Decrease in Sales due to decrease in income from the Fuel cost adjustment system in Electric business.
- Increase in Sales due to increase in Electricity sales volume in Electric business.

### 【Expenditure】

- Decrease in Fuel costs in Electric business.
- Increase in Repair and maintenance costs in Electric business.

# Trends in Electricity Sales Volume

## Electricity Sales Volume

(Unit: million kWh %)

|           | FY2015<br>1Q YTD<br>(Results) | FY2016<br>1Q YTD<br>(Results) | Change | Rate of<br>change |
|-----------|-------------------------------|-------------------------------|--------|-------------------|
| Lighting  | 661                           | 707                           | +46    | +6.9              |
| Power     | 1,111                         | 1,115                         | +4     | +0.4              |
| Total     | 1,772                         | 1,822                         | +50    | +2.8              |
| Reference | Consumer Use                  | 1,444                         | +52    | +3.6              |
|           | Industrial Use                | 328                           | -2     | -0.5              |

### <Lighting>

The demand for Lighting increased Year-on-Year due to increase of new customers and higher temperature compared with previous year.

### <Power>

Although demand of petroleum industry decreased, the demand for Power remained almost unchanged from the same period of the previous year due to higher temperature compared with previous year.

### <Power Generation Infrastructure>

- The maximum electric power output decreased 1,090 kW

Tarama retractable wind-power No.1,2 : +490kW  
 Yonaguni wind-power No.2 : -600kW  
 Minamidaito power plant No.1,4 : -600kW  
 Aguni power plant No.3,5 : -300kW  
 Shin tarama power plant No.1 : -80kW

### <Power Generated and Received>

- Power generated and received was 2,050 million kWh, up 1.1% Year-on-Year.
- Ratio of OEPC's coal-fired thermal power was up 1.2 points Year-on-Year.
- Ratio of LNG-fired thermal power was up 1.2 points Year-on-Year.

### ■ Power Generation Infrastructure and Power Generated and Received

(Unit: thousand kW, million kWh)

|                      | FY2015 1Q YTD         |                    | FY2016 1Q YTD         |                    |                |                    |       |
|----------------------|-----------------------|--------------------|-----------------------|--------------------|----------------|--------------------|-------|
|                      | Electricity generated | Com-position ratio | Electricity generated | Com-position ratio | Maximum output | Com-position ratio |       |
| OEPC                 | Coal                  | 859                | 42.4%                 | 894                | 43.6%          | 752                | 30.5% |
|                      | Oil                   | 264                | 13.0%                 | 253                | 12.3%          | 864                | 35.0% |
|                      | LNG                   | 379                | 18.7%                 | 407                | 19.9%          | 537                | 21.8% |
|                      | Total                 | 1,502              | 74.1%                 | 1,554              | 75.8%          | 2,153              | 87.3% |
| Other company (coal) | 427                   | 21.1%              | 386                   | 18.8%              | 312            | 12.7%              |       |
| Other                | 98                    | 4.8%               | 110                   | 5.4%               | -              | -                  |       |
| Total                | 2,027                 | 100.0%             | 2,050                 | 100.0%             | 2,465          | 100.0%             |       |



# Non-Consolidated - Factors in Revenue and Expenditure Changes

(Unit: million yen)

|                            |   | FY2015<br>1Q YTD<br>(Results) | FY2016<br>1Q YTD<br>(Results) | Change   | Rate of<br>change | Main factors in changes   |
|----------------------------|---|-------------------------------|-------------------------------|----------|-------------------|---|
| Ordinary revenues          | Lighting  | 16,338                        | 16,572                        | +234     | +1.4%             | [Electricity sales]<br>Electricity sales volume +1,239<br>Fuel cost adjustment system -3,580<br>Renewable Energy Power Promotion Surcharge +1,265<br><br>Gas supply business revenue +347<br>Sold power to other utilities -124 Other electricity revenue -76 |
|                            | Power   | 21,315                        | 19,968                        | -1,346   | -6.3%             |   |
|                            | Electricity sales   | 37,653                        | 36,540                        | -1,112   | -3.0%             |   |
|                            | Grant under Act on Purchase of Renewable Energy Sourced Electricity | 2,514                         | 2,998                         | +484     | +19.3%            |   |
|                            | Other income  | 939                           | 1,104                         | +164     | +17.5%            |   |
|                            | (Sales)   | (40,585)                      | (40,152)                      | (-433)   | (-1.1%)           |   |
| Total                      |   | 41,107                        | 40,643                        | -463     | -1.1%             |   |
| Ordinary expenses          | Personnel costs   | 4,189                         | 4,346                         | +157     | +3.8%             | Retirement benefits +163 Other salaries -21   |
|                            | Fuel costs  | 12,327                        | 8,982                         | -3,344   | -27.1%            | CIF -2,018 initial inventories -1,476 Exchange rate -504  |
|                            | Repair and maintenance costs  | 3,824                         | 4,810                         | +986     | +25.8%            | Thermal power +798 Distribution +195  |
|                            | Depreciation costs  | 6,476                         | 6,082                         | -393     | -6.1%             | Thermal power -250 Internal combustion -45  |
|                            | Purchased power costs   | 6,998                         | 6,798                         | -199     | -2.9%             | Thermal power -587 Solar power +341   |
|                            | Interest expenses   | 611                           | 552                           | -59      | -9.7%             | Average balance -46 Average rate -12  |
|                            | Tax and other public charges  | 1,628                         | 1,624                         | -3       | -0.2%             | Enterprise tax -16 Fixed property tax -12<br>Electric power development promotion tax +26   |
|                            | Levy under Act on Purchase of Renewable Energy Sourced Electricity  | 2,081                         | 3,347                         | +1,265   | +60.8%            |   |
|                            | Other expenses  | 3,686                         | 4,212                         | +526     | +14.3%            | Gas supply business expenses +319<br>Business consignment expenses +249<br>Noncurrent assets retirement costs -145  |
|                            | (Operating expenses)  | (41,174)                      | (40,147)                      | (-1,027) | (-2.5%)           |   |
| Total                      |   | 41,823                        | 40,757                        | -1,066   | -2.5%             |   |
| (Operating income)         |   | (-588)                        | (5)                           | (+593)   | (-)               |   |
| Ordinary income            |   | -716                          | -113                          | +602     | -                 |   |
| Income before income taxes |   | -716                          | -113                          | +602     | -                 |   |
| Income taxes               |   | -146                          | -3                            | +143     | -                 |   |
| Net income                 |   | -569                          | -110                          | +459     | -                 |   |

# Non-Consolidated -Trends in Data and Effects of Changes

## ■ Main Data

|                     |        | FY2015 1Q YTD<br>(Results) | FY2016 1Q YTD<br>(Results) |
|---------------------|--------|----------------------------|----------------------------|
| Crude oil CIF price | \$/bbl | 59.4                       | 41.1                       |
| Coal CIF price      | \$/t   | 68.0                       | 60.6                       |
| Exchange rate       | Yen/\$ | 121.4                      | 108.0                      |

## ■ Effects of Changes

(Unit: 100 million yen)

|                          |         | FY2015 1Q YTD<br>(Results) | FY2016 1Q YTD<br>(Results) |
|--------------------------|---------|----------------------------|----------------------------|
| Crude oil CIF price *1,2 | 1\$/bbl | 1.1                        | 1.0                        |
| Coal CIF price *1        | 1\$/t   | 0.5                        | 0.5                        |
| Exchange rate *1         | 1Yen/\$ | 0.8                        | 0.6                        |
| Electric energy demand   | 1%      | 1.1                        | 1.4                        |
| Interest rate            | 1%      | 0.0                        | 0.0                        |

\*1 Figures for effects of changes do not include data of Purchased power costs.

\*2 Includes the effect of LNG.



# Consolidated - Factors in Revenue and Expenditure Changes

(Unit: million yen)

|                  | FY2015<br>1Q YTD<br>(Results) | FY2016<br>1Q YTD<br>(Results) | Change | Rate of<br>change |
|------------------|-------------------------------|-------------------------------|--------|-------------------|
| Sales            | 41,807                        | 41,376                        | -431   | -1.0%             |
| Operating income | -484                          | 120                           | +604   | —                 |
| Ordinary income  | -828                          | -252                          | +576   | —                 |
| Net income*      | -769                          | -326                          | +442   | —                 |

\* Net income attributable to owners of parent.

## ■ By Segment (before eliminating internal transactions)

(Unit: million yen)

|  | Electric<br>business | Other    |
|--|----------------------|----------|
| Sales                                      | 40,152               | 9,549    |
| (YoY change)                               | (-433)               | (+1,025) |
| Sales to outside<br>customers out of total | 39,764               | 1,611    |
| (YoY change)                               | (-782)               | (+351)   |
| Operating income                           | 5                    | 133      |
| (YoY change)                               | (+593)               | (+138)   |

(Unit: million yen)

## ■ Sales : 41,376 (-431)

- Decrease in Sales in Electric business.

## ■ Operating income : 120 (+604)

【 Factor for increase 】

- Decrease in Fuel costs in Electric business.

【 Factor for decrease 】

- Decrease in Sales in Electric business.
- Increase in Repair and maintenance costs in Electric business.

## ■ Ordinary income : -252

## ■ Net income\* : -326

By segment

- In “Other” segment, Sales increased due to increase in construction orders from Electric business, and increased due to increase in sales in gas supply business.



# Financial Results of each Company

(Unit: million yen)

|   |   | Sales                         |                               |        | Operating income              |                               |        | Ordinary income               |                               |        | Net income                    |                               |        |
|---|---|-------------------------------|-------------------------------|--------|-------------------------------|-------------------------------|--------|-------------------------------|-------------------------------|--------|-------------------------------|-------------------------------|--------|
|   |   | FY2015<br>1Q YTD<br>(Results) | FY2016<br>1Q YTD<br>(Results) | Change | FY2015<br>1Q YTD<br>(Results) | FY2016<br>1Q YTD<br>(Results) | Change | FY2015<br>1Q YTD<br>(Results) | FY2016<br>1Q YTD<br>(Results) | Change | FY2015<br>1Q YTD<br>(Results) | FY2016<br>1Q YTD<br>(Results) | Change |
| The Okinawa Electric Power Co.,Inc.                         |   | 40,585                        | 40,152                        | -433   | -588                          | 5                             | +593   | -716                          | -113                          | +602   | -569                          | -110                          | +459   |
| Other   | Okidenko Co.,Inc.                       | 2,946                         | 3,734                         | +788   | -86                           | -22                           | +64    | -54                           | 8                             | +62    | -36                           | 6                             | +43    |
|   | Okiden Kigyo Co.,Inc.                   | 1,193                         | 1,286                         | +93    | -13                           | 33                            | +47    | 1                             | 47                            | +45    | 8                             | 36                            | +27    |
|   | Okinawa Plant Kogyo Co.,Inc.            | 2,323                         | 2,369                         | +46    | 25                            | 87                            | +61    | 33                            | 93                            | +60    | 24                            | 63                            | +38    |
|   | Okinawa Denki Kogyo Co.,Inc.            | 323                           | 196                           | -126   | 11                            | 10                            | -0     | 21                            | 17                            | -3     | 14                            | 17                            | +3     |
|   | Okiden Kaihatsu Co.,Inc.                | 677                           | 658                           | -19    | 65                            | 53                            | -12    | 64                            | 51                            | -13    | 41                            | 33                            | -8     |
|   | The Okiden Global Systems Co.,Inc.      | 406                           | 378                           | -28    | -5                            | -57                           | -52    | -1                            | -53                           | -52    | -1                            | -35                           | -34    |
|   | Okinawa Enetech Co.,Inc.                | 194                           | 127                           | -66    | 25                            | -11                           | -36    | 28                            | -10                           | -38    | 18                            | -6                            | -25    |
|   | Okinawa New Energy Development Co.,Inc. | 103                           | 116                           | +13    | -51                           | -14                           | +37    | -56                           | -18                           | +37    | -35                           | -12                           | +23    |
|   | Okisetsubi Co.,Ltd.                     | 102                           | 182                           | +79    | -31                           | -11                           | +20    | -31                           | -10                           | +21    | -20                           | 0                             | +21    |
|   | First Riding Technology,Inc.            | 326                           | 326                           | -0     | 71                            | 65                            | -5     | 69                            | 65                            | -4     | 47                            | 44                            | -2     |
| Progressive Energy Corp.                                    | 54                                      | 445                           | +390                          | -12    | -2                            | +9                            | -9     | -3                            | +5                            | -3     | 0                             | +4                            |        |
| Elimination (Include investment gain/loss by equity method) |   | -7,430                        | -8,600                        | -1,169 | 107                           | -15                           | -122   | -178                          | -325                          | -146   | -258                          | -365                          | -106   |
| Consolidated  |   | 41,807                        | 41,376                        | -431   | -484                          | 120                           | +604   | -828                          | -252                          | +576   | -769*                         | -326*                         | +442*  |

\* Net income attributable to owners of parent.





# Balance Sheet Comparison

(Unit: million yen)

|                         |    | FY2015<br>Term end | FY2016<br>1Q Term end | Change | Major factors for change   |
|-------------------------|----|--------------------|-----------------------|--------|--|
| Assets                  | *1 | 409,860            | 409,704               | -156   |  |
|                         | *2 | 384,459            | 382,589               | -1,870 |  |
| Non-current assets      | *1 | 366,455            | 363,730               | -2,724 | { Consolidated (Capex +4,573, Depreciation -6,201<br>Loss on retirement of non-current assets -504)              |
|                         | *2 | 357,234            | 354,588               | -2,645 |  |
| Current assets          | *1 | 43,405             | 45,973                | +2,568 | { Cash and deposits +2,479<br>Notes and accounts receivable-trade +1,745<br>Inventories -782                     |
|                         | *2 | 27,225             | 28,000                | +775   |  |
| Liabilities             | *1 | 261,749            | 262,980               | +1,231 |  |
|                         | *2 | 249,849            | 249,197               | -652   | Bonds payable<br>[ Issue +10,000, Redemption -10,000 ]   |
| Non-current liabilities | *1 | 199,813            | 201,210               | +1,396 | Long-term loans payable<br>[ Borrowing +170, Repayment -2,898 ]<br>Short-term loans payable -1,000<br>CP +12,000 |
|                         | *2 | 191,589            | 193,088               | +1,499 |  |
| Current liabilities     | *1 | 61,935             | 61,769                | -165   | Notes and accounts payable-trade -1,082<br>Accrued taxes -2,012  |
|                         | *2 | 58,260             | 56,109                | -2,151 |  |
| Net assets              | *1 | 148,111            | 146,723               | -1,387 | { Dividend -786<br>Net loss*3 -326   |
|                         | *2 | 134,609            | 133,391               | -1,217 |  |

## Reference: Interest-bearing debt and Capital adequacy ratio

|                                     |    | FY2015<br>Term end | FY2016<br>1Q Term end | Change |
|-------------------------------------|----|--------------------|-----------------------|--------|
| Interest-bearing debt (million yen) | *1 | 188,748            | 197,019               | +8,271 |
|                                     | *2 | 187,153            | 193,145               | +5,992 |
| Capital adequacy ratio (%)          | *1 | 35.9               | 35.6                  | -0.3   |
|                                     | *2 | 35.0               | 34.9                  | -0.1   |

\*1 Consolidated.

\*2 Non-consolidated.

\*3 Net loss attributable to owners of parent.



# Annual Outlook Summary

(Unit: million yen, X)

|                     | Consolidated(A)     |                                  |                                   |                      |   | Non - Consolidated(B) |                                  |                                   |                      |   | (A) / (B)            |                       |
|---------------------|---------------------|----------------------------------|-----------------------------------|----------------------|---|-----------------------|----------------------------------|-----------------------------------|----------------------|---|----------------------|-----------------------|
|                     | FY2015<br>(Results) | FY2016 (Forecast)                |                                   | Change<br>(II) - (I) | 【Reference】<br>FY2016<br>1st half<br>(Forecast) | FY2015<br>(Results)   | FY2016 (Forecast)                |                                   | Change<br>(II) - (I) | 【Reference】<br>FY2016<br>1st half<br>(Forecast) | FY 2015<br>(Results) | FY 2016<br>(Forecast) |
|                     |                     | Announced<br>in Apr. 2016<br>(I) | Announced<br>in Jul. 2016<br>(II) |                      |   |                       | Announced<br>in Apr. 2016<br>(I) | Announced<br>in Jul. 2016<br>(II) |                      |   |                      |                       |
| Sales               | 182,265             | 174,500                          | 176,100                           | +1,600               | 93,800  | 174,286               | 166,200                          | 167,800                           | +1,600               | 90,300  | 1.05                 | 1.05                  |
| Operating<br>income | 7,239               | 8,200                            | 9,200                             | +1,000               | 8,000   | 5,597                 | 6,600                            | 7,600                             | +1,000               | 7,700   | 1.29                 | 1.21                  |
| Ordinary<br>income  | 5,229               | 6,600                            | 7,600                             | +1,000               | 7,100   | 3,784                 | 5,000                            | 6,000                             | +1,000               | 7,000   | 1.38                 | 1.27                  |
| Net income          | 3,647*              | 4,900*                           | 5,700*                            | +800                 | 5,500*  | 2,931                 | 4,000                            | 4,800                             | +800                 | 5,500   | 1.24                 | 1.19                  |

\* Net income attributable to owners of parent.

## Consolidated and Non-consolidated :Decrease in Sales ,Increase in Income(the first time in 7 years )

### [ Comparison with previous forecast (Apr.2016) ]

#### 【Revenue】

- Increase in Electricity sales due to increase in Electricity sales volume in Electric business.

#### 【Expenditure】

- Increase in Purchased power costs due to increase in purchased power volume in Electric business.



# Non-Consolidated – Revenue and Expenditure Forecast, Factors in Changes [Comparison with previous forecast (April.2016)]

## ■ Electricity Sales Volume

(Unit: million kWh)

(Unit: million yen)

|          | FY2016 (Forecast) |          | Change | Rate of change |
|----------|-------------------|----------|--------|----------------|
|          | Apr.2016          | Jul.2016 |        |                |
| Lighting | 2,957             | 2,996    | +39    | +1.3%          |
| Power    | 4,532             | 4,585    | +53    | +1.2%          |
| Total    | 7,489             | 7,581    | +92    | +1.2%          |

## ■ Revenue and Expenditure

(Unit: million yen)

|                   |   |           |           |          |         |
|-------------------|---|-----------|-----------|----------|---------|
| Ordinary revenues | Electricity sales   | 151,900   | 153,500   | +1,600   | +1.1%   |
|                   | Grant under Act on Purchase of Renewable Energy Sourced Electricity | 11,600    | 11,600    | —        | —       |
|                   | Other income  | 3,300     | 3,300     | —        | —       |
|                   | (Sales)   | (166,200) | (167,800) | (+1,600) | (+1.0%) |
|                   | Total   | 166,800   | 168,400   | +1,600   | +1.0%   |
| Ordinary expenses | Personnel costs   | 17,500    | 17,500    | —        | —       |
|                   | Fuel costs  | 35,200    | 35,200    | —        | —       |
|                   | Repair and maintenance costs  | 17,400    | 17,400    | —        | —       |
|                   | Depreciation costs  | 24,700    | 24,700    | —        | —       |
|                   | Purchased power costs   | 24,700    | 24,800    | +100     | +0.4%   |
|                   | Interest expenses   | 2,000     | 2,000     | —        | —       |
|                   | Tax and other public charges  | 6,700     | 6,800     | +100     | +1.5%   |
|                   | Levy under Act on Purchase of Renewable Energy Sourced Electricity  | 14,600    | 15,000    | +400     | +2.7%   |
|                   | Other expenses  | 19,000    | 19,000    | —        | —       |
|                   | (Operating expenses)  | (159,600) | (160,200) | (+600)   | (+0.4%) |
|                   | Total   | 161,800   | 162,400   | +600     | +0.4%   |
|                   | (Operating income)  | (6,600)   | (7,600)   | (+1,000) | (15.2%) |
|                   | Ordinary income   | 5,000     | 6,000     | +1,000   | 20.0%   |
|                   | Income taxes  | 1,000     | 1,200     | +200     | 20.0%   |
|                   | Net income  | 4,000     | 4,800     | +800     | 20.0%   |

### ■ Sales : 167,800 (+1,600)

- Increase in Electricity sales due to increase in Electricity sales volume.

### ■ Operating income : 7,600 (+1,000)

#### 【Factors for increase】

- Increase in sales.

#### 【Factors for decrease】

- Increase in Purchased power costs due to increase in purchased power volume.
- Increase in Tax and other public charges.

### ■ Ordinary income : 6,000 (+1,000)

### ■ Net income : 4,800 (+800)



# Non-Consolidated – Revenue and Expenditure Forecast, Factors in Changes [Comparison with FY2015 results]

## ■ Electricity Sales Volume

(Unit: million kWh)

(Unit: million yen)

|          | FY2015<br>(Results) | FY2016<br>(Forecast) | Change | Rate of<br>Change |
|----------|---------------------|----------------------|--------|-------------------|
| Lighting | 2,953               | 2,996                | +43    | +1.5%             |
| Power    | 4,696               | 4,585                | -111   | -2.4%             |
| Total    | 7,649               | 7,581                | -68    | -0.9%             |

## ■ Revenue and Expenditure

(Unit: million yen)

|                    |   | FY2015<br>(Results) | FY2016<br>(Forecast) | Change   | Rate of<br>Change |
|--------------------|---|---------------------|----------------------|----------|-------------------|
| Ordinary revenues  | Electricity sales   | 162,040             | 153,500              | -8,540   | -5.3%             |
|                    | Grant under Act on Purchase of Renewable Energy Sourced Electricity | 9,736               | 11,600               | +1,863   | +19.1%            |
|                    | Other income  | 3,197               | 3,300                | +102     | +3.2%             |
|                    | (Sales)   | (174,286)           | (167,800)            | (-6,486) | (-3.7%)           |
| Total              |   | 174,974             | 168,400              | -6,574   | -3.8%             |
| Ordinary expenses  | Personnel costs   | 16,724              | 17,500               | +775     | +4.6%             |
|                    | Fuel costs  | 46,162              | 35,200               | -10,962  | -23.7%            |
|                    | Repair and maintenance costs  | 17,128              | 17,400               | +271     | +1.6%             |
|                    | Depreciation costs  | 26,143              | 24,700               | -1,443   | -5.5%             |
|                    | Purchased power costs   | 25,543              | 24,800               | -743     | -2.9%             |
|                    | Interest expenses   | 2,372               | 2,000                | -372     | -15.7%            |
|                    | Tax and other public charges  | 6,818               | 6,800                | -18      | -0.3%             |
|                    | Levy under Act on Purchase of Renewable Energy Sourced Electricity  | 10,327              | 15,000               | +4,672   | +45.2%            |
|                    | Other expenses  | 19,969              | 19,000               | -969     | -4.9%             |
|                    | (Operating expenses)  | (168,689)           | (160,200)            | (-8,489) | (-5.0%)           |
| Total              |   | 171,190             | 162,400              | -8,790   | -5.1%             |
| (Operating income) |   | (5,597)             | (7,600)              | (+2,002) | (+35.8%)          |
| Ordinary income    |   | 3,784               | 6,000                | +2,215   | +58.5%            |
| Income taxes       |   | 853                 | 1,200                | +346     | +40.7%            |
| Net income         |   | 2,931               | 4,800                | +1,868   | +63.7%            |

## ■ Sales : 167,800 (-6,486)

- Decrease in Electricity sales due to decrease in income from the Fuel cost adjustment system.
- Decrease in Electricity sales due to decrease in Electricity sales volume.
- Increase in Grant under Act on Purchase of Renewable Energy Sourced Electricity due to increase in purchased costs of renewable energy sourced electricity.

## ■ Operating income : 7,600 (+2,002)

### 【Factors for increase】

- Decrease in Fuel costs due to fall in fuel prices.
- Decrease in Depreciation costs.
- Decrease in Purchased power costs due to decrease in purchased power volume.

## ■ Ordinary income : 6,000 (+2,215)

## ■ Net income : 4,800 (+1,868)

# Non-Consolidated

## - Trends in Data and Effects of Changes (Forecast)

### ■ Main Data

|                     |        | FY2015<br>(Results) | FY2016 (Forecast) |          |
|---------------------|--------|---------------------|-------------------|----------|
|                     |        |                     | Apr.2016          | Jul.2016 |
| Crude oil CIF price | \$/bbl | 48.7                | 40.0              | 48.0     |
| Coal CIF price      | \$/t   | 66.6                | 62.0              | 62.0     |
| Exchange rate       | Yen/\$ | 120.2               | 115.0             | 106.0    |

### ■ Effects of Changes

(Unit:100 million yen)

|                          |         | FY2015<br>(Results) | FY2016 (Forecast) |          |
|--------------------------|---------|---------------------|-------------------|----------|
|                          |         |                     | Apr.2016          | Jul.2016 |
| Crude oil CIF price *1,2 | 1\$/bbl | 4.4                 | 4.1               | 3.8      |
| Coal CIF price *1        | 1\$/t   | 2.0                 | 2.0               | 1.8      |
| Exchange rate *1         | 1Yen/\$ | 3.1                 | 2.5               | 2.8      |
| Electric energy demand   | 1%      | 6.3                 | 6.0               | 6.6      |
| Interest rate            | 1%      | 0.2                 | 0.1               | 0.1      |

\*1 Figures for effects of changes do not include data of Purchased power costs

\*2 Includes the effect of LNG



# Consolidated – Revenue and Expenditure Forecast, Factors in Changes

(Unit: million yen)

|                  | FY2015<br>(Results)<br>(A) | FY2016 (Forecast) |                 | Change  |         |
|------------------|----------------------------|-------------------|-----------------|---------|---------|
|                  |                            | Apr.2016<br>(B)   | Jul.2016<br>(C) | (C)-(A) | (C)-(B) |
| Sales            | 182,265                    | 174,500           | 176,100         | -6,165  | +1,600  |
| Operating income | 7,239                      | 8,200             | 9,200           | +1,960  | +1,000  |
| Ordinary income  | 5,229                      | 6,600             | 7,600           | +2,370  | +1,000  |
| Net income*1     | 3,647                      | 4,900             | 5,700           | +2,052  | +800    |

\*1 Net income attributable to owners of parent

## ■ By Segment (Forecast)\*2

(Unit: million yen)

|   | Electric business | Other  |
|---|-------------------|--------|
| Sales                                   | 167,800           | 42,300 |
| (YoY Change)                            | (-6,486)          | (-60)  |
| Sales to outside customers out of total | 166,300           | 9,800  |
| (YoY Change)                            | (-6,905)          | (+739) |
| Operating income                        | 7,600             | 1,600  |
| (YoY Change)                            | (+2,002)          | (-280) |

\*2 before eliminating internal transactions

(Unit: million yen)

## Comparison with previous forecast (Apr.2016)

### ■ Sales : 176,100 (+1,600)

#### 【Factors for increase】

- Increase in Electricity sales due to increase in Electricity sales volume in Electric business.

### ■ Ordinary income : 7,600 (+1,000)

## Comparison with FY2015 results

### ■ Sales : (-6,165)

#### 【Factors for decrease】

- Decrease in Electricity sales due to decrease in income from the Fuel cost adjustment system in Electric business.
- Decrease in Electricity sales due to decrease in Electricity sales volume in Electric business.

#### 【Factors for increase】

- Increase in Grant under Act on Purchase of Renewable Energy Sourced Electricity due to increase in purchased costs of renewable energy sourced electricity in Electric business.

### ■ Ordinary income : (+2,370)

#### 【Factors for increase】

- Decrease in Fuel costs due to fall in fuel prices in Electric business.
- Decrease in Depreciation costs in Electric business.
- Decrease in Purchased power costs due to decrease in purchased power volume in Electric business.

## By segment

- In “Other” segment, Sales are expected to remain almost unchanged due to increase in Sales to outside customers, although construction orders from Electric business are expected to decrease. Operating income is expected to decrease due to increase in Operating expenses in consolidated subsidiaries.



# Financial Outlook of each Company

(Unit: million yen)

|   |  | Sales               |                      |        | Operating income    |                      |        | Ordinary income     |                      |        | Net income          |                      |         |
|---|--|---------------------|----------------------|--------|---------------------|----------------------|--------|---------------------|----------------------|--------|---------------------|----------------------|---------|
|   |  | FY2015<br>(Results) | FY2016<br>(Forecast) | Change | FY2015<br>(Results) | FY2016<br>(Forecast) | Change | FY2015<br>(Results) | FY2016<br>(Forecast) | Change | FY2015<br>(Results) | FY2016<br>(Forecast) | Change  |
| The Okinawa Electric Power Co., Inc.                        |  | 174,286             | 167,800              | -6,486 | 5,597               | 7,600                | +2,002 | 3,784               | 6,000                | +2,215 | 2,931               | 4,800                | +1,868  |
| Other   | Okidenko Co., Inc.                       | 16,414              | 17,952               | +1,537 | 447                 | 543                  | +95    | 509                 | 598                  | +89    | 326                 | 415                  | +88     |
|   | Okiden Kigyo Co., Inc.                   | 4,555               | 4,213                | -341   | 49                  | 26                   | -22    | 84                  | 60                   | -24    | 24                  | 43                   | +19     |
|   | Okinawa Plant Kogyo Co., Inc.            | 9,111               | 8,933                | -178   | 171                 | 49                   | -121   | 188                 | 65                   | -123   | 116                 | 36                   | -80     |
|   | Okinawa Denki Kogyo Co., Inc.            | 1,480               | 710                  | -769   | 162                 | 3                    | -158   | 182                 | 48                   | -133   | 116                 | 32                   | -84     |
|   | Okiden Kaihatsu Co., Inc.                | 3,572               | 3,663                | +90    | 451                 | 451                  | +0     | 439                 | 440                  | +1     | 248                 | 290                  | +42     |
|   | The Okiden Global Systems Co., Inc.      | 2,377               | 1,916                | -460   | 149                 | 67                   | -81    | 157                 | 74                   | -82    | 101                 | 49                   | -52     |
|   | Okinawa Enetech Co., Inc.                | 992                 | 900                  | -92    | 52                  | 25                   | -27    | 54                  | 25                   | -29    | 35                  | 12                   | -23     |
|   | Okinawa New Energy Development Co., Inc. | 635                 | 875                  | +240   | 62                  | 160                  | +97    | 46                  | 145                  | +98    | 15                  | 101                  | +85     |
|   | Okisetsubi Co., Ltd.                     | 1,046               | 1,200                | +153   | -21                 | 12                   | +33    | -20                 | 12                   | +32    | -20                 | 8                    | +28     |
|   | First Riding Technology, Inc.            | 1,306               | 1,338                | +31    | 274                 | 223                  | -51    | 267                 | 216                  | -51    | 179                 | 143                  | -36     |
| Progressive Energy Corp.                                    | 1,826                                    | 1,661               | -165                 | 110    | 7                   | -103                 | 109    | 2                   | -106                 | 74     | 2                   | -72                  |         |
| Elimination (Include investment gain/loss by equity method) |  | -35,339             | -35,065              | +274   | -266                | 30                   | +297   | -573                | -89                  | +484   | -502                | -235                 | +267    |
| Consolidated  |  | 182,265             | 176,100              | -6,165 | 7,239               | 9,200                | +1,960 | 5,229               | 7,600                | +2,370 | 3,647*              | 5,700*               | +2,052* |

\* Net income attributable to owners of parent.



# Outlook of Capex, Cash Flow and Interest-bearing Debt

(Unit : million yen)

|                                   |                      | Consolidated        |                      |          | Non-consolidated    |                      |          |
|-----------------------------------|----------------------|---------------------|----------------------|----------|---------------------|----------------------|----------|
|                                   |                      | FY2015<br>(Results) | FY2016<br>(Forecast) | Change   | FY2015<br>(Results) | FY2016<br>(Forecast) | Change   |
| Capital expenditure               |                      | 20,267              | 25,000               | +4,733   | 18,466              | 23,900               | +5,434   |
| C<br>F                            | Operating activities | 33,875              | 32,700               | -1,175   | 32,206              | 31,300               | -906     |
|                                   | Investing activities | -17,096             | -21,300              | -4,204   | -15,724             | -20,000              | -4,276   |
|                                   | (FCF)                | (16,779)            | (11,400)             | (-5,379) | (16,482)            | (11,300)             | (-5,182) |
|                                   | Financing activities | -15,395             | -7,900               | +7,495   | -16,034             | -10,000              | +6,034   |
| Interest-bearing debt outstanding |                      | 188,748             | 184,400              | -4,348   | 187,153             | 180,600              | -6,553   |

【Operating activities】 -1,175 million yen

- Decrease in Decrease (increase) in inventories.

【Investing activities】 -4,204 million yen

- Decrease in Collection of investment and loans receivable.
- Increase in Purchase of non-current assets.

Accordingly, free cash-flow decreases Year-on-Year.





## [Reference]

# Trends in Financial Indicators (Non-Consolidated)

|  |             | 2011    | 2012    | 2013    | 2014    | 2015    |
|--|-------------|---------|---------|---------|---------|---------|
| Sales                                    | Million yen | 157,886 | 158,911 | 172,059 | 177,509 | 174,286 |
| Operating income                         | Million yen | 10,844  | 7,047   | 6,788   | 7,525   | 5,597   |
| EBITDA                                   | Million yen | 32,912  | 30,999  | 35,686  | 34,840  | 31,740  |
| Ordinary income                          | Million yen | 8,059   | 4,309   | 5,207   | 5,720   | 3,784   |
| Net income                               | Million yen | 5,050   | 3,098   | 3,917   | 3,960   | 2,931   |
| ROA (Operating income/Assets)            | %           | 2.9     | 1.8     | 1.6     | 1.9     | 1.4     |
| ROA (Net income/Assets)                  | %           | 1.3     | 0.8     | 1.0     | 1.0     | 0.7     |
| Capital adequacy ratio                   | %           | 31.9    | 30.0    | 31.2    | 33.4    | 35.0    |
| Interest-bearing debt outstanding        | Million yen | 217,417 | 207,201 | 201,713 | 199,767 | 187,153 |
| Total assets                             | Million yen | 381,787 | 415,087 | 408,570 | 400,934 | 384,459 |
| Total assets turnover                    | X           | 0.42    | 0.40    | 0.42    | 0.44*   | 0.44    |
| Shareholders' equity                     | Million yen | 121,954 | 124,469 | 127,631 | 133,851 | 134,609 |
| ROE                                      | %           | 4.2     | 2.5     | 3.1     | 3.0     | 2.2     |
| Return on sales (Operating income/Sales) | %           | 6.9     | 4.4     | 3.9     | 4.2     | 3.2     |
| Return on sales (Net income/Sales)       | %           | 3.2     | 1.9     | 2.3     | 2.2     | 1.7     |
| D/E ratio                                | X           | 1.78    | 1.66    | 1.58    | 1.49    | 1.39    |

\* Figures for Total assets turnover in FY2014 include the impact of revision of accounting standard for retirement benefits.



## [Reference]

# Trends in Financial Indicators (Consolidated)

|  |             | 2011    | 2012    | 2013    | 2014               | 2015    |
|--|-------------|---------|---------|---------|--------------------|---------|
| Sales                                    | Million yen | 166,075 | 166,439 | 179,266 | 185,001            | 182,265 |
| Operating income                         | Million yen | 12,769  | 8,969   | 8,693   | 9,479              | 7,239   |
| EBITDA                                   | Million yen | 35,288  | 33,218  | 37,752  | 36,907             | 33,823  |
| Ordinary income                          | Million yen | 10,273  | 6,307   | 6,936   | 7,638              | 5,229   |
| Net income * <sup>3</sup>                | Million yen | 6,956   | 4,318   | 4,731   | 4,943              | 3,647   |
| ROA (Operating income/Assets)            | %           | 3.2     | 2.1     | 2.0     | 2.2                | 1.7     |
| ROA (Net income/Assets)                  | %           | 1.8     | 1.0     | 1.1     | 1.2                | 0.9     |
| Capital adequacy ratio                   | %           | 32.8    | 31.1    | 32.7    | 34.9               | 35.9    |
| Interest-bearing debt outstanding        | Million yen | 219,776 | 209,472 | 202,895 | 200,882            | 188,748 |
| Total assets                             | Million yen | 400,687 | 435,515 | 428,333 | 421,824            | 409,860 |
| Total assets turnover                    | X           | 0.42    | 0.40    | 0.42    | 0.44* <sup>2</sup> | 0.44    |
| Shareholders' equity * <sup>1</sup>      | Million yen | 131,512 | 135,281 | 140,222 | 147,008            | 147,111 |
| ROE                                      | %           | 5.4     | 3.2     | 3.4     | 3.4                | 2.5     |
| Return on sales (Operating income/Sales) | %           | 7.7     | 5.4     | 4.8     | 5.1                | 4.0     |
| Return on sales (Net income/Sales)       | %           | 4.2     | 2.6     | 2.6     | 2.7                | 2.0     |
| D/E ratio                                | X           | 1.67    | 1.55    | 1.45    | 1.37               | 1.28    |

\*<sup>1</sup> Shareholders' equity Subtract 'Shares of minor shareholders' from 'Net assets'

\*<sup>2</sup> Figures for Total assets turnover in FY2014 include the impact of revision of accounting standard for retirement benefits.

\*<sup>3</sup> Net income attributable to owners of parent.



**This document includes statements concerning future results. Such statements are based on calculations and predictions and are neither definite nor guaranteed. Please be aware that future results may change in accordance with changes in assumptions related to the management environment and the like.**

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