

Summary of the Settlement of Accounts for FY2017 2nd Quarter

(April 1 – September 30, 2017)

October 31, 2017



The Okinawa Electric Power Company, Inc.



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Financial Results for FY2017 2Q YTD (Year-on-Year Comparison)

(Unit: million yen, X)

	Consolidated (A)			Non-consolidated (B)			(A) / (B)	
	FY2016 2Q YTD (Results)	FY2017 2Q YTD (Results)	Rate of Change	FY2016 2Q YTD (Results)	FY2017 2Q YTD (Results)	Rate of Change	FY2016 2Q YTD (Results)	FY2017 2Q YTD (Results)
Sales	95,680	105,078	+9.8%	93,292	101,664	+9.0%	1.03	1.03
Operating income	10,534	11,115	+5.5%	10,534	10,967	+4.1%	1.00	1.01
Ordinary income	9,719	10,414	+7.2%	9,887	10,537	+6.6%	0.98	0.99
Net income	7,566*	8,255*	+9.1%	7,802	8,434	+8.1%	0.97	0.98

* Net income attributable to owners of parent.

Consolidated and Non-consolidated : Increase in Sales, Increase in Income (the first time in 5 years)

【Revenue】

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

【Expenditure】

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



Trends in Electricity Sales Volume

Electricity Sales Volume

(Unit: million kWh, %)

	FY2016 2Q YTD (Results)	FY2017 2Q YTD (Results)	Change	Rate of Change
Lighting	1,686	1,692	+6	+0.4
Power	2,562	2,505	-57	-2.2
Total	4,248	4,197	-51	-1.2

<Lighting>

Although lower temperature from April to June compared with previous year, the demand for Lighting remained almost unchanged from the same period of the previous year due to increase of new customers.

<Power>

The demand for Power decreased compared with the same period of the previous year due to lower temperature from April to June compared with previous year and switching to other suppliers.

■ Power Generation Infrastructure and Power Generated and Received

(Unit: million kWh, thousand kW)

		FY2016 2Q YTD		FY2017 2Q YTD			
		Electricity generated	Com-position ratio	Electricity generated	Com-position ratio	Maximum output	Com-position ratio
OEPC	Coal	2,078	45.7%	1,905	42.2%	752	30.5%
	Oil	573	12.6%	688	15.3%	862	35.0%
	LNG	838	18.4%	876	19.4%	537	21.8%
	Total	3,489	76.7%	3,469	76.9%	2,151	87.3%
Other company (coal)		819	18.0%	781	17.3%	312	12.7%
Other		242	5.3%	261	5.8%	-	-
Total		4,550	100.0%	4,511	100.0%	2,463	100.0%

<Power Generation Infrastructure>

- The maximum electric power output decreased 1,765 kW.*
- | | |
|---|---|
| { | Tokashiki power plant No.5-8 : -1,690kW |
| } | Tonaki power plant No.4 : -75kW |

<Power Generated and Received>

- Power generated and received was 4,511 million kWh, down 0.9%.*
- Ratio of OEPC's coal-fired thermal power was down 3.5 points.*
- Ratio of Other company's coal-fired thermal power was down 0.7 points.*
- Ratio of LNG-fired thermal power was up 1.0 point.*

*Comparison with the same period of the previous year.



Non-consolidated - Factors in Revenue and Expenditure Changes

(Unit: million yen)

		FY2016 2Q YTD (Results)	FY2017 2Q YTD (Results)	Change	Rate of change	Main factors in changes	
Ordinary revenues	Lighting	40,122	43,766	+3,643	+9.1%	[Electricity sales] Electricity sales volume -1,010 Fuel cost adjustment system +7,078 Renewable Energy Power Promotion Surcharge +1,467	
	Power	45,113	49,416	+4,303	+9.5%		
	Electricity sales	85,236	93,182	+7,946	+9.3%		
	Grant under Act on Purchase of Renewable Energy Sourced Electricity	6,745	6,839	+94	+1.4%		
	Other income	1,844	2,208	+364	+19.8%		Gas supply business revenue +156 Transmission revenue +83
	(Sales)	(93,292)	(101,664)	(+8,371)	(+9.0%)		
Total		93,826	102,231	+8,405	+9.0%		
Ordinary expenses	Personnel costs	8,603	8,576	-27	-0.3%		
	Fuel costs	18,980	24,028	+5,048	+26.6%	CIF +6,444 Exchange rate +1,263 Fuel composition +730 Initial inventories -2,841	
	Repair and maintenance costs	8,329	7,777	-552	-6.6%	Thermal -835 Distribution +300	
	Depreciation costs	12,213	11,561	-652	-5.3%	Thermal -378 Internal combustion -147	
	Purchased power costs	14,542	16,350	+1,807	+12.4%	Thermal +1,059 Solar +656	
	Interest expenses	1,057	922	-135	-12.8%	Average rate -137	
	Tax and other public charges	3,586	3,750	+163	+4.6%	Enterprise tax +167	
	Levy under Act on Purchase of Renewable Energy Sourced Electricity	8,295	9,762	+1,467	+17.7%		
	Other expenses	8,328	8,965	+636	+7.6%	Noncurrent assets retirement costs +243 Gas supply business expenses +90	
(Operating expenses)		(82,758)	(90,696)	(+7,938)	(+9.6%)		
Total		83,938	91,694	+7,755	+9.2%		
(Operating income)		(10,534)	(10,967)	(+433)	(+4.1%)		
Ordinary income		9,887	10,537	+650	+6.6%		
Income before income taxes		9,887	10,537	+650	+6.6%		
Income taxes		2,085	2,102	+17	+0.8%		
Net income		7,802	8,434	+632	+8.1%		

Non-consolidated -Trends in Data and Effects of Changes

■ Main Data

		FY2016 2Q YTD (Results)	FY2017 2Q YTD (Results)
Crude oil CIF price	\$/bbl	43.8	51.4
Coal CIF price	\$/t	62.1	86.4
Exchange rate	Yen/\$	105.2	111.0

■ Effects of Changes

(Unit:100 million yen)

		FY2016 2Q YTD (Results)	FY2017 2Q YTD (Results)
Crude oil CIF price *1,2	1\$/bbl	2.0	2.3
Coal CIF price *1	1\$/t	1.0	0.9
Exchange rate *1	1Yen/\$	1.4	2.0
Electric energy demand	1%	3.8	3.8
Interest rate	1%	0.1	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)

	FY2016 2Q YTD (Results)	FY2017 2Q YTD (Results)	Change	Rate of change
Sales	95,680	105,078	+9,398	+9.8%
Operating income	10,534	11,115	+580	+5.5%
Ordinary income	9,719	10,414	+695	+7.2%
Net income*	7,566	8,255	+689	+9.1%

* Net income attributable to owners of parent.

■ By Segment (before eliminating internal transactions)

(Unit: million yen)

	Electric business	Other
Sales	101,664	18,905
(YoY change)	(+8,371)	(+389)
Sales to outside customers out of total	100,726	4,352
(YoY change)	(+8,214)	(+1,183)
Operating income	10,967	34
(YoY change)	(+433)	(-46)

(Unit: million yen)

■ Sales : 105,078 (+9,398)

- Increase in Sales in Electric business.

■ Operating income : 11,115 (+580)

【 Factors for increase 】

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

【 Factors for decrease 】

- Increase in Fuel costs in Electric business.
- Increase in Purchased power costs in Electric business.

■ Ordinary income : 10,414 (+695)

■ Net income* : 8,255 (+689)

By segment

- In “Other” segment, Sales increased due to increase in construction orders from public sector.



Financial Results of each Company

(Unit: million yen)

		Sales			Operating income			Ordinary income			Net income		
		FY2016 2Q YTD (Results)	FY2017 2Q YTD (Results)	Change	FY2016 2Q YTD (Results)	FY2017 2Q YTD (Results)	Change	FY2016 2Q YTD (Results)	FY2017 2Q YTD (Results)	Change	FY2016 2Q YTD (Results)	FY2017 2Q YTD (Results)	Change
The Okinawa Electric Power Co.,Inc.		93,292	101,664	+8,371	10,534	10,967	+433	9,887	10,537	+650	7,802	8,434	+632
Other	Okidenko Co.,Inc.	7,465	7,717	+251	21	60	+38	79	106	+27	56	74	+17
	Okiden Kigyo Co.,Inc.	2,259	2,050	-208	37	-41	-79	56	-21	-78	42	-12	-54
	Okinawa Plant Kogyo Co.,Inc.	4,138	4,029	-108	-85	-63	+21	-73	-54	+19	-32	-21	+11
	Okinawa Denki Kogyo Co.,Inc.	423	544	+121	41	55	+14	54	70	+16	43	46	+3
	Okiden Kaihatsu Co.,Inc.	1,483	1,677	+193	152	142	-9	146	144	-1	95	90	-4
	The Okiden Global Systems Co.,Inc.	749	755	+5	-88	-134	-46	-84	-129	-45	-55	-84	-28
	Okinawa Enetech Co.,Inc.	267	406	+138	-27	31	+58	-25	35	+61	-17	23	+40
	Okinawa New Energy Development Co.,Inc.	215	244	+29	-72	-88	-15	-80	-94	-14	-51	-63	-12
	Okisetsubi Co.,Ltd.	423	323	-100	-33	-27	+5	-31	-27	+4	-13	-17	-4
	First Riding Technology,Inc.	652	653	+0	131	115	-16	130	114	-15	89	45	-43
Progressive Energy Corp.	915	1,078	+162	13	1	-11	11	-7	-18	9	-4	-13	
Elimination (Include investment gain/loss by equity method)		-16,608	-16,066	+541	-89	96	+186	-350	-260	+89	-401	-255	+145
Consolidated		95,680	105,078	+9,398	10,534	11,115	+580	9,719	10,414	+695	7,566*	8,255*	+689*

* Net income attributable to owners of parent.



Balance Sheet Comparison

(Unit: million yen)

		FY2016 Term end	FY2017 2QTerm end	Change	Major factors for change
Assets	*1	400,237	409,400	+9,163	
	*2	376,373	383,559	+7,186	
Non-current assets	*1	359,169	353,905	-5,264	Consolidated (Capex +7,005, Depreciation -11,855, Loss on retirement of non-current assets -341)
	*2	350,801	343,763	-7,038	
Current assets	*1	41,067	55,495	+14,427	Notes and accounts receivable-trade +7,390
	*2	25,571	39,795	+14,224	
Liabilities	*1	246,876	248,576	+1,700	Bonds payable [Issue +10,000, Redemption -5,000] Long-term loans payable [Borrowing +56, Repayment -6,258]
	*2	238,387	237,991	-396	
Non-current liabilities	*1	191,445	194,202	+2,756	
	*2	184,322	187,595	+3,272	
Current liabilities	*1	55,431	54,374	-1,056	Accrued taxes +2,839
	*2	54,065	50,395	-3,669	
Net assets	*1	153,361	160,824	+7,463	Net income*3 +8,255 Valuation difference on available-for-sale securities +293 Dividend -1,178
	*2	137,985	145,567	+7,582	

Reference: Interest-bearing debt and Capital adequacy ratio

		FY2016 Term end	FY2017 2QTerm end	Change
Interest-bearing debt (million yen)	*1	179,758	178,785	-972
	*2	176,039	175,045	-994
Capital adequacy ratio (%)	*1	38.1	39.0	+0.9
	*2	36.7	38.0	+1.3

*1 Consolidated.

*2 Non-consolidated.

*3 Net income attributable to owners of parent.

State of Capex, Cash Flow and Interest-bearing Debt

(Unit : million yen)

		Consolidated			Non-consolidated		
		FY2016 2Q YTD (Results)	FY2017 2Q YTD (Results)	Change	FY2016 2Q YTD (Results)	FY2017 2Q YTD (Results)	Change
Capital expenditure		8,586	7,005	-1,581	7,760	5,238	-2,522
C F	Operating activities	16,203	16,967	+764	18,066	17,437	-629
	Investing activities	-11,175	-8,036	+3,138	-9,772	-9,210	+561
	(FCF)	(5,027)	(8,931)	(+3,903)	(8,294)	(8,226)	(-67)
	Financing activities	-5,088	-3,007	+2,081	-7,174	-3,000	+4,173
Interest-bearing debt outstanding		185,310	178,785	-6,525	181,589	175,045	-6,544

【Operating activities】 +764 million yen

- Increase in Increase (decrease) in notes and accounts payable-trade.

【Investing activities】 +3,138 million yen

- Decrease in Purchases of noncurrent assets.

Accordingly, free cash-flow increased 3,903 million yen.

Annual Outlook Summary

(Unit: million yen, X)

	Consolidated(A)				Non - Consolidated(B)				(A) / (B)	
	FY2016 (Results)	FY2017 (Forecasts)		Change (II) - (I)	FY2016 (Results)	FY2017 (Forecasts)		Change (II) - (I)	FY 2016 (Results)	FY 2017 (Forecasts)
		Announced In Jul. 2017 (I)	Announced In Oct. 2017 (II)			Announced In Jul. 2017 (I)	Announced In Oct. 2017 (II)			
Sales	179,997	191,900	195,500	+3,600	172,340	182,500	186,100	+3,600	1.04	1.05
Operating income	9,126	7,700	7,700	-	7,112	6,300	6,300	-	1.28	1.22
Ordinary income	7,521	6,200	6,200	-	5,622	5,000	5,000	-	1.34	1.24
Net income	5,517*	4,600*	4,600*	-	4,486	4,000	4,000	-	1.23	1.15

* Net income attributable to owners of parent.

Consolidated and Non-consolidated :Increase in Sales ,Decrease in Income(the first time in 5 years)

[Comparison with previous forecasts (Jul.2017)]

【Revenue】

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

【Expenditure】

- Increase in Fuel costs in Electric business.
- Increase in Purchased power costs in Electric business.
- Increase in Repair and maintenance costs in Electric business.



Non-consolidated – Revenue and Expenditure Forecasts, Factors in Changes [Comparison with previous forecasts (July.2017)]

■ Electricity Sales Volume

(Unit: million kWh)

(Unit: million yen)

	FY2017 (Forecasts)		Change	Rate of change
	Jul.2017	Oct.2017		
Lighting	2,993	3,109	+116	+3.9%
Power	4,518	4,570	+52	+1.2%
Total	7,511	7,679	+168	+2.2%

■ Revenue and Expenditure

(Unit: million yen)

Ordinary revenues	Electricity sales	167,300	170,800	+3,500	+2.1%
	Grant under Act on Purchase of Renewable Energy Sourced Electricity	11,600	11,700	+100	+0.9%
	Other income	4,200	4,500	+300	+7.1%
	(Sales)	(182,500)	(186,100)	(+3,600)	(+2.0%)
	Total	183,100	187,000	+3,900	+2.1%
Ordinary expenses	Personnel costs	17,300	17,300	-	-
	Fuel costs	43,600	44,500	+900	+2.1%
	Repair and maintenance costs	17,900	19,000	+1,100	+6.1%
	Depreciation costs	23,700	23,700	-	-
	Purchased power costs	29,000	29,400	+400	+1.4%
	Interest expenses	1,800	1,800	-	-
	Tax and other public charges	7,100	7,200	+100	+1.4%
	Levy under Act on Purchase of Renewable Energy Sourced Electricity	17,600	18,000	+400	+2.3%
	Other expenses	20,100	21,100	+1,000	+5.0%
	(Operating expenses)	(176,200)	(179,800)	(+3,600)	(+2.0%)
	Total	178,100	182,000	+3,900	+2.2%
	(Operating income)	(6,300)	(6,300)	(-)	(-)
	Ordinary income	5,000	5,000	-	-
	Income taxes	1,000	1,000	-	-
	Net income	4,000	4,000	-	-

■ Sales : 186,100 (+3,600)

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

■ Operating income : 6,300 (No change)

【Factors for increase】

- Increase in Sales.

【Factors for decrease】

- Increase in Fuel costs.
- Increase in Purchased power costs.
- Increase in Repair and maintenance costs.
- Increase in Other expenses.

■ Ordinary income : 5,000 (No change)

■ Net income : 4,000 (No change)

Non-consolidated – Revenue and Expenditure Forecasts, Factors in Changes [Comparison with FY2016 results]

■ Electricity Sales Volume

(Unit: million kWh)

(Unit: million yen)

	FY2016 (Results)	FY2017 (Forecasts)	Change	Rate of Change
Lighting	3,115	3,109	-6	-0.2%
Power	4,698	4,570	-128	-2.7%
Total	7,813	7,679	-134	-1.7%

■ Revenue and Expenditure

(Unit: million yen)

		FY2016 (Results)	FY2017 (Forecasts)	Change	Rate of Change
Ordinary revenues	Electricity sales	157,971	170,800	+12,828	+8.1%
	Grant under Act on Purchase of Renewable Energy Sourced Electricity	11,602	11,700	+97	+0.8%
	Other income	3,503	4,500	+996	+28.5%
	(Sales)	(172,340)	(186,100)	(+13,759)	(+8.0%)
Total		173,077	187,000	+13,922	+8.0%
Ordinary expenses	Personnel costs	17,385	17,300	-85	-0.5%
	Fuel costs	36,785	44,500	+7,714	+21.0%
	Repair and maintenance costs	18,986	19,000	+13	+0.1%
	Depreciation costs	24,650	23,700	-950	-3.9%
	Purchased power costs	25,590	29,400	+3,809	+14.9%
	Interest expenses	2,027	1,800	-227	-11.2%
	Tax and other public charges	6,818	7,200	+381	+5.6%
	Levy under Act on Purchase of Renewable Energy Sourced Electricity	15,495	18,000	+2,504	+16.2%
	Other expenses	19,714	21,100	+1,385	+7.0%
	(Operating expenses)	(165,227)	(179,800)	(+14,572)	(+8.8%)
Total		167,455	182,000	+14,544	+8.7%
(Operating income)		(7,112)	(6,300)	(-812)	(-11.4%)
Ordinary income		5,622	5,000	-622	-11.1%
Income taxes		1,135	1,000	-135	-11.9%
Net income		4,486	4,000	-486	-10.9%

■ Sales : 186,100 (+13,759)

- Increase in Electricity sales due to increase in income from the Fuel cost adjustment system.

■ Operating income : 6,300 (-812)

【Factors for decrease】

- Increase in Fuel costs due to rise in fuel prices.
- Increase in Purchased power costs due to increase in purchased power volume and rise in coal prices.

■ Ordinary income : 5,000 (-622)

■ Net income : 4,000 (-486)



Non-consolidated -Trends in Data and Effects of Changes (Forecasts)

■ Main Data

		FY2016 (Results)	FY2017(Forecasts)	
			Jul.2017	Oct.2017
Crude oil CIF price	\$/bbl	47.5	55.0	53.0
Coal CIF price	\$/t	66.9	84.0	86.0
Exchange rate	Yen/\$	108.3	114.0	113.0

■ Effects of Changes

(Unit:100 million yen)

		FY2016 (Results)	FY2017(Forecasts)	
			Jul.2017	Oct.2017
Crude oil CIF price *1,2	1\$/bbl	4.1	4.1	4.2
Coal CIF price *1	1\$/t	1.8	1.7	1.8
Exchange rate *1	1Yen/\$	2.9	3.5	3.6
Electric energy demand	1%	6.7	6.4	6.6
Interest rate	1%	0.1	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 – Revenue and Expenditure Forecasts, Factors in Changes

(Unit: million yen)

	FY2016 (Results) (A)	FY2017 (Forecasts)		Change	
		Jul.2017 (B)	Oct.2017 (C)	(C)-(A)	(C)-(B)
Sales	179,997	191,900	195,500	+15,502	+3,600
Operating income	9,126	7,700	7,700	-1,426	-
Ordinary income	7,521	6,200	6,200	-1,321	-
Net income*1	5,517	4,600	4,600	-917	-

*1 Net income attributable to owners of parent.

■ By Segment (Forecasts)*2

(Unit: million yen)

	Electric business	Other
Sales	186,100	45,600
(YoY Change)	(+13,759)	(+2,240)
Sales to outside customers out of total	184,200	11,300
(YoY Change)	(+13,372)	(+2,129)
Operating income	6,300	1,600
(YoY Change)	(-812)	(-469)

*2 before eliminating internal transactions.

(Unit: million yen)

Comparison with previous forecasts(Jul.2017)

■ Sales : 195,500 (+3,600)

【Factors for increase】

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

■ Ordinary income : 6,200 (No Change)

Comparison with FY2016 results

■ Sales : (+15,502)

【Factors for increase】

- Increase in Electricity sales due to increase in income from the Fuel cost adjustment system in Electric business.
- Increase in Sales to outside customers in consolidated subsidiaries.

■ Ordinary income : (-1,321)

【Factors for decrease】

- Increase in Fuel costs in Electric business.
- Increase in Purchased power costs in Electric business.
- Increase in Operating expenses in consolidated subsidiaries.

By segment

- In “Other” segment, although Sales to outside customers is expected to increase, 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		
		FY2016 (Results)	FY2017 (Forecasts)	Change	FY2016 (Results)	FY2017 (Forecasts)	Change	FY2016 (Results)	FY2017 (Forecasts)	Change	FY2016 (Results)	FY2017 (Forecasts)	Change
The Okinawa Electric Power Co., Inc.		172,340	186,100	+13,759	7,112	6,300	-812	5,622	5,000	-622	4,486	4,000	-486
Other	Okidenko Co., Inc.	17,678	18,382	+704	744	558	-186	813	606	-206	564	503	-61
	Okiden Kigyo Co., Inc.	4,833	5,095	+262	64	41	-22	90	70	-19	48	50	+2
	Okinawa Plant Kogyo Co., Inc.	9,575	9,717	+142	327	41	-286	344	53	-291	219	30	-189
	Okinawa Denki Kogyo Co., Inc.	848	1,266	+417	18	141	+123	35	163	+128	30	108	+78
	Okiden Kaihatsu Co., Inc.	3,059	3,821	+762	364	455	+91	357	454	+96	225	299	+74
	The Okiden Global Systems Co., Inc.	2,292	1,956	-336	179	11	-167	186	17	-168	121	9	-112
	Okinawa Enetech Co., Inc.	946	1,096	+149	23	100	+77	24	100	+76	16	50	+34
	Okinawa New Energy Development Co., Inc.	623	828	+204	32	83	+51	17	69	+52	13	55	+41
	Okisetsubi Co., Ltd.	1,244	1,550	+305	38	35	-3	40	35	-5	34	23	-11
	First Riding Technology, Inc.	1,320	1,310	-10	244	195	-48	243	195	-48	176	62	-114
Progressive Energy Corp.	1,852	2,119	+266	40	4	-36	32	-7	-40	21	-5	-27	
Elimination (Include investment gain/loss by equity method)		-36,618	-37,743	-1,125	-64	-270	-205	-287	-560	-273	-441	-587	-145
Consolidated		179,997	195,500	+15,502	9,126	7,700	-1,426	7,521	6,200	-1,321	5,517*	4,600*	-917*

* Net income attributable to owners of parent.



Outlook of Capex, Cash Flow and Interest-bearing Debt

(Unit : million yen)

		Consolidated			Non-consolidated		
		FY2016 (Results)	FY2017 (Forecasts)	Change	FY2016 (Results)	FY2017 (Forecasts)	Change
Capital expenditure		18,747	25,200	+6,452	19,330	23,500	+4,170
C F	Operating activities	31,907	30,300	-1,607	32,049	29,400	-2,649
	Investing activities	-19,795	-23,000	-3,205	-16,865	-21,000	-4,135
	(FCF)	(12,112)	(7,300)	(-4,812)	(15,184)	(8,400)	(-6,784)
	Financing activities	-12,626	-5,500	+7,126	-14,683	-5,800	+8,883
Interest-bearing debt outstanding		179,758	178,300	-1,458	176,039	174,300	-1,739

【Operating activities】 -1,607 million yen

- Decrease in Income before income taxes.

【Investing activities】 - 3,205 million yen

- Increase in Purchase of non-current assets.

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



[Reference]

Trends in Financial Indicators (Non-consolidated)

		2012	2013	2014	2015	2016
Sales	Million yen	158,911	172,059	177,509	174,286	172,340
Operating income	Million yen	7,047	6,788	7,525	5,597	7,112
EBITDA	Million yen	30,999	35,686	34,840	31,740	31,763
Ordinary income	Million yen	4,309	5,207	5,720	3,784	5,622
Net income	Million yen	3,098	3,917	3,960	2,931	4,486
ROA (Operating income/Assets)	%	1.8	1.6	1.9	1.4	1.9
ROA (Net income/Assets)	%	0.8	1.0	1.0	0.7	1.2
Capital adequacy ratio	%	30.0	31.2	33.4	35.0	36.7
Interest-bearing debt outstanding	Million yen	207,201	201,713	199,767	187,153	176,039
Total assets	Million yen	415,087	408,570	400,934	384,459	376,373
Total assets turnover	X	0.40	0.42	0.44*	0.44	0.45
Shareholders' equity	Million yen	124,469	127,631	133,851	134,609	137,985
ROE	%	2.5	3.1	3.0	2.2	3.3
Return on sales (Operating income/Sales)	%	4.4	3.9	4.2	3.2	4.1
Return on sales (Net income/Sales)	%	1.9	2.3	2.2	1.7	2.6
D/E ratio	X	1.66	1.58	1.49	1.39	1.28

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



[Reference]

Trends in Financial Indicators (Consolidated)

		2012	2013	2014	2015	2016
Sales	Million yen	166,439	179,266	185,001	182,265	179,997
Operating income	Million yen	8,969	8,693	9,479	7,239	9,126
EBITDA	Million yen	33,218	37,752	36,907	33,823	34,393
Ordinary income	Million yen	6,307	6,936	7,638	5,229	7,521
Net income * ³	Million yen	4,318	4,731	4,943	3,647	5,517
ROA (Operating income/Assets)	%	2.1	2.0	2.2	1.7	2.3
ROA (Net income/Assets)	%	1.0	1.1	1.2	0.9	1.4
Capital adequacy ratio	%	31.1	32.7	34.9	35.9	38.1
Interest-bearing debt outstanding	Million yen	209,472	202,895	200,882	188,748	179,758
Total assets	Million yen	435,515	428,333	421,824	409,860	400,237
Total assets turnover	X	0.40	0.42	0.44* ²	0.44	0.44
Shareholders' equity * ¹	Million yen	135,281	140,222	147,008	147,111	152,316
ROE	%	3.2	3.4	3.4	2.5	3.7
Return on sales (Operating income/Sales)	%	5.4	4.8	5.1	4.0	5.1
Return on sales (Net income/Sales)	%	2.6	2.6	2.7	2.0	3.1
D/E ratio	X	1.55	1.45	1.37	1.28	1.18

*¹ Shareholders' equity Subtract 'Non-controlling interests' from 'Net assets'

*² Figures for Total assets turnover in FY2014 include the impact of revision of accounting standard for retirement benefits.

*³ 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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