

Summary of the Settlement of Accounts for FY2018 2nd Quarter

(April 1 – September 30, 2018)

October 31, 2018



The Okinawa Electric Power Company, Inc.



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Financial Results for FY2018 2Q YTD (Year-on-Year Comparison)

(Unit: million yen, X)

	Consolidated (A)			Non-consolidated (B)			(A) / (B)	
	FY2017 2Q YTD (Results)	FY2018 2Q YTD (Results)	Rate of Change	FY2017 2Q YTD (Results)	FY2018 2Q YTD (Results)	Rate of Change	FY2017 2Q YTD (Results)	FY2018 2Q YTD (Results)
Sales	105,078	109,593	+4.3%	101,664	105,776	+4.0%	1.03	1.04
Operating income	11,115	5,590	-49.7%	10,967	5,419	-50.6%	1.01	1.03
Ordinary income	10,414	5,096	-51.1%	10,537	5,217	-50.5%	0.99	0.98
Net income	8,255*	3,921*	-52.5%	8,434	4,124	-51.1%	0.98	0.95

* Net income attributable to owners of parent.

Consolidated and Non-consolidated : Increase in Sales, Decrease in Income (the first time in 4 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, Purchased power costs and Repair and maintenance costs in Electric business.

Trends in Electricity Sales Volume

Electricity Sales Volume

(Unit: million kWh %)

	FY2017 2Q YTD (Results)	FY2018 2Q YTD (Results)	Change	Rate of Change
Lighting	1,692	1,639	-53	-3.1
Power	2,505	2,474	-31	-1.2
Total	4,197	4,113	-84	-2.0

<Lighting>

Although number of customers increased, the demand for Lighting decreased Year-on-Year due to lower summer temperature compared with previous year when it was extremely hot.

<Power>

The demand for Power decreased Year-on-Year due to switching to other suppliers and lower summer temperature compared with previous year when it was extremely hot.

<Power Generation Infrastructure>

- The maximum electric power output decreased 5,705 kW.*

Miyako power plant No.10	: -4,500kW
Kumejima power plant No.9	: -2,000kW
Shin tarama power plant No.4	: -230kW
Shin tarama power plant No.5	: -200kW
Tonaki power plant No.1	: -75kW
Yonaguni power plant No.10	: +1,000kW
Shin tarama power plant No.8	: +300kW

■ Power Generation Infrastructure and Power Generated and Received

(Unit: million kWh , thousand kW)

	FY2017 2Q YTD		FY2018 2Q YTD				
	Electricity generated	Com-position ratio	Electricity generated	Com-position ratio	Maximum output	Com-position ratio	
OEPC	Coal	1,905	42.2%	1,633	37.1%	752	30.6%
	Oil	688	15.3%	640	14.5%	856	34.8%
	LNG	876	19.4%	923	21.0%	537	21.9%
	Total	3,469	76.9%	3,196	72.6%	2,145	87.3%
Other company (coal)	781	17.3%	925	21.0%	312	12.7%	
Other	261	5.8%	284	6.4%	-	-	
Total	4,511	100.0%	4,405	100.0%	2,457	100.0%	

<Power Generated and Received>

- Power generated and received was 4,405 million kWh, down 2.4%.*
- Ratio of OEPC's coal-fired thermal power was down 5.1 points.*
- Ratio of Other company's coal-fired thermal power was up 3.7 points.*
- Ratio of LNG-fired thermal power was up 1.6 points.*
- Ratio of oil-fired thermal power was down 0.8 points.*

*Comparison with the same period of the previous year.



Non-consolidated - Factors in Revenue and Expenditure Changes

(Unit: million yen)

		FY2017 2Q YTD (Results)	FY2018 2Q YTD (Results)	Change	Rate of change	Main factors in changes
Ordinary revenues	Lighting	43,766	44,239	+473	+1.1%	[Electricity sales]
	Power	49,416	51,902	+2,485	+5.0%	Electricity sales volume -1,932 Fuel cost adjustment system +3,891
	Electricity sales	93,182	96,142	+2,959	+3.2%	Renewable Energy Power Promotion Surcharge +892
	Grant under Act on Purchase of Renewable Energy Sourced Electricity	6,839	7,524	+684	+10.0%	
	Other income	2,208	2,770	+561	+25.4%	Sold power to other suppliers +226 Gas supply business revenue +202 Transmission revenue +103
	(Sales)	(101,664)	(105,776)	(+4,111)	(+4.0%)	
Total		102,231	106,437	+4,205	+4.1%	
Ordinary expenses	Personnel costs	8,576	8,748	+172	+2.0%	Salary and benefits +148
	Fuel costs	24,028	28,697	+4,668	+19.4%	CIF +6,343 Fuel composition +856 Electric energy output -1,700 Initial inventories -567
	Repair and maintenance costs	7,777	9,041	+1,263	+16.2%	Thermal +469 Internal combustion +465 Distribution +282
	Depreciation costs	11,561	11,215	-345	-3.0%	Thermal -482 Transmission +96 General +93
	Purchased power costs	16,350	19,099	+2,749	+16.8%	Thermal +1,441 Solar +1,180
	Interest expenses	922	798	-123	-13.4%	Average rate -85 Average balance -38
	Tax and other public charges	3,750	3,912	+162	+4.3%	Fixed property tax +134 Enterprise tax +46
	Levy under Act on Purchase of Renewable Energy Sourced Electricity	9,762	10,655	+892	+9.1%	
	Other expenses	8,965	9,052	+86	+1.0%	Business consignment expenses +236 Gas supply business expenses +198 Non-current assets retirement costs -257
(Operating expenses)		(90,696)	(100,357)	(+9,660)	(+10.7%)	
Total		91,694	101,220	+9,526	+10.4%	
(Operating income)		(10,967)	(5,419)	(-5,548)	(-50.6%)	
Ordinary income		10,537	5,217	-5,320	-50.5%	
Income before income taxes		10,537	5,217	-5,320	-50.5%	
Income taxes		2,102	1,092	-1,010	-48.0%	
Net income		8,434	4,124	-4,310	-51.1%	

Non-consolidated -Trends in Data and Effects of Changes

■ Main Data

		FY2017 2Q YTD (Results)	FY2018 2Q YTD (Results)
Crude oil CIF price	\$/bbl	51.4	73.8
Coal CIF price	\$/t	86.4	106.9
Exchange rate	Yen/\$	111.0	110.3

■ Effects of Changes

(Unit:100 million yen)

		FY2017 2Q YTD (Results)	FY2018 2Q YTD (Results)
Crude oil CIF price *1,2	1\$/bbl	2.3	2.3
Coal CIF price *1	1\$/t	0.9	0.8
Exchange rate *1	1Yen/\$	2.0	2.5
Electric energy demand	1%	3.8	3.2
Interest rate	1%	0.0	0.2

*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)

	FY2017 2Q YTD (Results)	FY2018 2Q YTD (Results)	Change	Rate of Change
Sales	105,078	109,593	+4,515	+4.3%
Operating income	11,115	5,590	-5,524	-49.7%
Ordinary income	10,414	5,096	-5,318	-51.1%
Net income*	8,255	3,921	-4,334	-52.5%

* Net income attributable to owners of parent.

■ By Segment (before eliminating internal transactions)

(Unit: million yen)

	Electric business	Other
Sales	105,776	20,268
(YoY change)	(+4,111)	(+1,363)
Sales to outside customers out of total	104,639	4,953
(YoY change)	(+3,913)	(+601)
Operating income	5,419	84
(YoY change)	(-5,548)	(+49)

(Unit: million yen)

■ Sales : 109,593 (+4,515)

- Increase in Sales in Electric business.

■ Operating income : 5,590 (-5,524)

【 Factors for increase 】

- Increase in Sales in Electric business.

【 Factors for decrease 】

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

■ Ordinary income : 5,096 (-5,318)

■ Net income* : 3,921 (-4,334)

By segment

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



Financial Results of each Company

(Unit: million yen)

		Sales			Operating income			Ordinary income			Net income		
		FY2017 2Q YTD (Results)	FY2018 2Q YTD (Results)	Change	FY2017 2Q YTD (Results)	FY2018 2Q YTD (Results)	Change	FY2017 2Q YTD (Results)	FY2018 2Q YTD (Results)	Change	FY2017 2Q YTD (Results)	FY2018 2Q YTD (Results)	Change
The Okinawa Electric Power Co.,Inc.		101,664	105,776	+4,111	10,967	5,419	-5,548	10,537	5,217	-5,320	8,434	4,124	-4,310
Other	Okidenko Co.,Inc.	7,717	8,983	+1,266	60	112	+52	106	160	+53	74	112	+38
	Okiden Kigyo Co.,Inc.	2,050	2,391	+341	-41	-16	+24	-21	1	+22	-12	0	+13
	Okinawa Plant Kogyo Co.,Inc.	4,029	4,110	+81	-63	-160	-96	-54	-148	-94	-21	-80	-59
	Okinawa Denki Kogyo Co.,Inc.	544	606	+62	55	79	+23	70	97	+27	46	64	+18
	Okiden Kaihatsu Co.,Inc.	1,677	1,320	-357	142	114	-28	144	119	-25	90	76	-14
	The Okiden Global Systems Co.,Inc.	755	767	+12	-134	-29	+105	-129	-25	+103	-84	-10	+74
	Okinawa Enetech Co.,Inc.	406	258	-147	31	-53	-84	35	-50	-86	23	-33	-57
	Okinawa New Energy Development Co.,Inc.	244	290	+45	-88	-27	+61	-94	-32	+62	-63	-20	+43
	Okisetsubi Co.,Ltd.	323	496	+172	-27	-8	+19	-27	-6	+21	-17	-3	+14
	First Riding Technology,Inc.	653	657	+4	115	108	-7	114	109	-5	45	67	+21
	Progressive Energy Corp.	1,078	1,319	+240	1	23	+22	-7	25	+32	-4	18	+22
	The Reliance Energy Okinawa,Inc. *1	-	-	-	-	-40	-40	-	-40	-40	-	-27	-27
Elimination (Include investment gain/loss by equity method)		-16,066	-17,386	-1,319	96	69	-27	-260	-328	-68	-255	-367	-111
Consolidated		105,078	109,593	+4,515	11,115	5,590	-5,524	10,414	5,096	-5,318	8,255*2	3,921*2	-4,334*2

*1 Energy service provider business company. (Established on December 1, 2017)

*2 Net income attributable to owners of parent.



Balance Sheet Comparison

(Unit: million yen)

		FY2017 Term end	FY2018 2QTerm end	Change	Major factors for change
Assets	*1	402,088	411,136	+9,048	{ Consolidated (Capex +8,493, Depreciation -11,484, Loss on retirement of non-current assets -46)
	*2	375,163	381,964	+6,800	
Non-current assets	*1	354,495	350,705	-3,789	
	*2	343,797	338,114	-5,682	
Current assets	*1	47,593	60,431	+12,837	{ Notes and accounts receivable-trade +7,902 Inventories +5,715
	*2	31,366	43,850	+12,483	
Liabilities	*1	249,329	256,016	+6,687	Long-term loans payable [Borrowing +5,299, Repayment -6,021] CP +4,000 Notes and accounts payable-trade +3,453
	*2	239,156	243,387	+4,230	
Non-current liabilities	*1	187,403	185,266	-2,136	
	*2	180,388	178,576	-1,812	
Current liabilities	*1	61,926	70,750	+8,824	
	*2	58,767	64,810	+6,042	
Net assets	*1	152,759	155,119	+2,360	{ Net income*3 +3,921, Dividend -1,244
	*2	136,006	138,577	+2,570	

Reference: Interest-bearing debt and Capital adequacy ratio

		FY2017 Term end	FY2018 2QTerm end	Change
Interest-bearing debt (million yen)	*1	177,332	181,128	+3,795
	*2	173,257	176,070	+2,813
Capital adequacy ratio (%)	*1	37.7	37.4	-0.3
	*2	36.3	36.3	-

*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		
		FY2017 2Q YTD (Results)	FY2018 2Q YTD (Results)	Change	FY2017 2Q YTD (Results)	FY2018 2Q YTD (Results)	Change
Capital expenditure		7,005	8,493	+1,488	5,238	6,614	+1,376
C F	Operating activities	16,967	7,746	-9,220	17,437	6,491	-10,945
	Investing activities	-8,036	-9,858	-1,822	-9,210	-8,675	+535
	(FCF)	(8,931)	(-2,111)	(-11,042)	(8,226)	(-2,183)	(-10,410)
	Financing activities	-3,007	1,716	+4,724	-3,000	773	+3,774
Interest-bearing debt outstanding		178,785	181,128	+2,342	175,045	176,070	+1,025

【Operating activities】 -9,220 million yen

- Decrease in Decrease(increase) in inventories.
- Decrease in Income before income taxes.

【Investing activities】 -1,822 million yen

- Increase in Purchase of non-current assets.

Accordingly, free cash-flow decreased 11,042 million yen.



Annual Outlook Summary

(Unit: million yen, X)

	Consolidated(A)				Non-consolidated(B)				(A) / (B)	
	FY2017 (Results)	FY2018 (Forecasts)		Change (II) - (I)	FY2017 (Results)	FY2018 (Forecasts)		Change (II) - (I)	FY 2017 (Results)	FY 2018 (Forecasts)
		Announced in Jul. 2018 (I)	Announced in Oct. 2018 (II)			Announced in Jul. 2018 (I)	Announced in Oct. 2018 (II)			
Sales	196,134	207,300	207,800	+500	188,075	197,300	198,300	+1,000	1.04	1.05
Operating income	9,333	7,800	6,300	-1,500	7,160	6,400	4,900	-1,500	1.30	1.29
Ordinary income	8,381	6,700	5,200	-1,500	6,322	5,500	4,000	-1,500	1.33	1.30
Net income	6,273*	5,100*	3,800*	-1,300	5,106	4,400	3,100	-1,300	1.23	1.23

* Net income attributable to owners of parent.

Consolidated and Non-consolidated :Increase in Sales, Decrease in Income(the first time in 6 years)

[Comparison with previous forecasts (Jul.2018)]

【Revenue】

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

【Expenditure】

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



Non-consolidated – Revenue and Expenditure Forecasts, Factors in Changes [Comparison with previous forecasts (July.2018)]

■ Electricity Sales Volume

(Unit: million kWh)

(Unit: million yen)

	FY2018 (Forecasts)		Change	Rate of Change
	Jul.2018	Oct.2018		
Lighting	3,041	3,046	+5	+0.2%
Power	4,544	4,528	-16	-0.4%
Total	7,585	7,574	-11	-0.1%

■ Revenue and Expenditure

(Unit: million yen)

		FY2018 (Forecasts)	FY2018 (Forecasts)	Change	Rate of Change
		Jul.2018	Oct.2018		
Ordinary revenues	Electricity sales	179,800	180,300	+500	+0.3%
	Grant under Act on Purchase of Renewable Energy Sourced Electricity	12,300	12,200	-100	-0.8%
	Other income	5,900	6,500	+600	+10.2%
	(Sales)	(197,300)	(198,300)	(+1,000)	(+0.5%)
Total		198,000	199,000	+1,000	+0.5%
Ordinary expenses	Personnel costs	17,600	17,700	+100	+0.6%
	Fuel costs	51,300	53,800	+2,500	+4.9%
	Repair and maintenance costs	18,300	18,500	+200	+1.1%
	Depreciation costs	23,000	22,900	-100	-0.4%
	Purchased power costs	32,500	33,000	+500	+1.5%
	Interest expenses	1,500	1,500	-	-
	Tax and other public charges	7,500	7,500	-	-
	Levy under Act on Purchase of Renewable Energy Sourced Electricity	19,700	19,600	-100	-0.5%
	Other expenses	21,100	20,500	-600	-2.8%
	(Operating expenses)	(190,900)	(193,400)	(+2,500)	(+1.3%)
Total		192,500	195,000	+2,500	+1.3%
(Operating income)		(6,400)	(4,900)	(-1,500)	(-23.4%)
Ordinary income		5,500	4,000	-1,500	-27.3%
Income taxes		1,100	900	-200	-18.2%
Net income		4,400	3,100	-1,300	-29.5%

■ Sales : 198,300 (+1,000)

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

■ Operating income : 4,900 (-1,500)

【Factors for decrease】

- Increase in Fuel costs due to rise in fuel prices.
- Increase in Fuel costs due to increase of operation of LNG and oil thermal power plants because of unplanned repair and stoppage of coal thermal power plant.
- Increase in Purchased power costs due to increase in purchased power volume.
- Increase in Repair and maintenance costs due to the restoration of damage caused by Typhoon No.24.

【Factors for increase】

- Increase in Sales.

■ Ordinary income : 4,000 (-1,500)

■ Net income : 3,100 (-1,300)



Non-consolidated – Revenue and Expenditure Forecasts, Factors in Changes [Comparison with FY2017 results]

■ Electricity Sales Volume

(Unit: million kWh)

(Unit: million yen)

	FY2017 (Results)	FY2018 (Forecasts)	Change	Rate of Change
Lighting	3,140	3,046	-94	-3.0%
Power	4,621	4,528	-93	-2.0%
Total	7,761	7,574	-187	-2.4%

■ Sales : 198,300 (+10,224)

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

■ Revenue and Expenditure

(Unit: million yen)

		FY2017 (Results)	FY2018 (Forecasts)	Change	Rate of Change
Ordinary revenues	Electricity sales	172,846	180,300	+7,453	+4.3%
	Grant under Act on Purchase of Renewable Energy Sourced Electricity	11,628	12,200	+571	+4.9%
	Other income	4,737	6,500	+1,762	+37.2%
	(Sales)	(188,075)	(198,300)	(+10,224)	(+5.4%)
Total		189,212	199,000	+9,787	+5.2%
Ordinary expenses	Personnel costs	17,251	17,700	+448	+2.6%
	Fuel costs	45,609	53,800	+8,190	+18.0%
	Repair and maintenance costs	19,717	18,500	-1,217	-6.2%
	Depreciation costs	23,584	22,900	-684	-2.9%
	Purchased power costs	29,335	33,000	+3,664	+12.5%
	Interest expenses	1,782	1,500	-282	-15.8%
	Tax and other public charges	7,141	7,500	+358	+5.0%
	Levy under Act on Purchase of Renewable Energy Sourced Electricity	18,144	19,600	+1,455	+8.0%
	Other expenses	20,324	20,500	+175	+0.9%
	(Operating expenses)	(180,915)	(193,400)	(+12,484)	(+6.9%)
Total		182,890	195,000	+12,109	+6.6%
(Operating income)		(7,160)	(4,900)	(-2,260)	(-31.6%)
Ordinary income		6,322	4,000	-2,322	-36.7%
Income taxes		1,216	900	-316	-26.0%
Net income		5,106	3,100	-2,006	-39.3%

■ Operating income : 4,900 (-2,260)

【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 : 4,000 (-2,322)

■ Net income : 3,100 (-2,006)

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

■ Main Data

		FY2017 (Results)	FY2018(Forecasts)	
			Jul.2018	Oct.2018
Crude oil CIF price	\$/bbl	57.0	70.0	77.0
Coal CIF price	\$/t	86.1	105.0	108.0
Exchange rate	Yen/\$	110.9	110.0	110.0

■ Effects of Changes

(Unit:100 million yen)

		FY2017 (Results)	FY2018(Forecasts)	
			Jul.2018	Oct.2018
Crude oil CIF price *1,2	1\$/bbl	4.2	3.9	4.1
Coal CIF price *1	1\$/t	1.7	1.6	1.6
Exchange rate *1	1Yen/\$	3.7	4.4	4.6
Electric energy demand	1%	6.7	6.3	6.1
Interest rate	1%	0.0	0.4	0.4

*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)

	FY2017 (Results) (A)	FY2018 (Forecasts)		Change	
		Jul.2018 (B)	Oct.2018 (C)	(C)-(A)	(C)-(B)
Sales	196,134	207,300	207,800	+11,665	+500
Operating income	9,333	7,800	6,300	-3,033	-1,500
Ordinary income	8,381	6,700	5,200	-3,181	-1,500
Net income*1	6,273	5,100	3,800	-2,473	-1,300

*1 Net income attributable to owners of parent.

■ By Segment (Forecasts)*2

(Unit: million yen)

	Electric business	Other
Sales	198,300	47,900
(YoY Change)	(+10,224)	(+2,840)
Sales to outside customers out of total	196,000	11,800
(YoY Change)	(+9,767)	(+1,898)
Operating income	4,900	1,300
(YoY Change)	(-2,260)	(-857)

*2 before eliminating internal transactions.

(Unit: million yen)

Comparison with previous forecasts(Jul.2018)

■ Sales : 207,800 (+500)

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

■ Ordinary income : 5,200 (-1,500)

【Factors for decrease】

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

Comparison with FY2017 results

■ Sales : (+11,665)

- 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 : (-3,181)

【Factors for decrease】

- Increase in Fuel costs in Electric business.
- Increase in Purchased power costs in Electric business.
- Increase in Cost of sales in consolidated subsidiaries.

Comparison with FY2017 results

- In “Other” segment, although Sales to outside customers is expected to increase, Operating income is expected to decrease due to increase in Cost of sales.



Financial Outlook of each Company

(Unit: million yen)

		Sales			Operating income			Ordinary income			Net income		
		FY2017 (Results)	FY2018 (Forecasts)	Change	FY2017 (Results)	FY2018 (Forecasts)	Change	FY2017 (Results)	FY2018 (Forecasts)	Change	FY2017 (Results)	FY2018 (Forecasts)	Change
The Okinawa Electric Power Co., Inc.		188,075	198,300	+10,224	7,160	4,900	-2,260	6,322	4,000	-2,322	5,106	3,100	-2,006
Other	Okidenko Co., Inc.	17,551	20,233	+2,682	623	410	-213	687	460	-227	577	318	-258
	Okiden Kigyo Co., Inc.	5,108	5,228	+120	49	75	+25	75	101	+25	56	39	-16
	Okinawa Plant Kogyo Co., Inc.	10,696	10,263	-433	406	135	-271	423	147	-275	275	95	-179
	Okinawa Denki Kogyo Co., Inc.	1,321	1,358	+36	203	149	-54	225	180	-45	149	118	-30
	Okiden Kaihatsu Co., Inc.	3,202	2,794	-408	299	253	-46	299	249	-49	213	172	-40
	The Okiden Global Systems Co., Inc.	1,976	1,997	+21	40	67	+26	49	73	+24	47	63	+15
	Okinawa Enetech Co., Inc.	1,187	1,132	-54	102	44	-58	107	44	-63	71	29	-42
	Okinawa New Energy Development Co., Inc.	838	714	-123	147	18	-129	135	8	-126	91	6	-84
	Okisetsubi Co., Ltd.	1,292	1,400	+107	79	40	-39	79	40	-39	53	27	-25
	First Riding Technology, Inc.	1,308	1,325	+17	206	118	-87	206	118	-88	83	66	-16
	Progressive Energy Corp.	2,101	3,149	+1,048	23	77	+53	2	71	+68	0	51	+51
The Reliance Energy Okinawa, Inc. *1	-	-	-	-4	-89	-85	-5	-89	-84	-3	-59	-56	
Elimination (Include investment gain/loss by equity method)		-38,525	-40,098	-1,572	-7	100	+107	-229	-205	+24	-447	-229	+217
Consolidated		196,134	207,800	+11,665	9,333	6,300	-3,033	8,381	5,200	-3,181	6,273*2	3,800*2	-2,473*2

*1 Energy service provider business company. (Established on December 1, 2017)

*2 Net income attributable to owners of parent.



Outlook of Capex, Cash Flow and Interest-bearing Debt

(Unit : million yen)

		Consolidated			Non-consolidated		
		FY2017 (Results)	FY2018 (Forecasts)	Change	FY2017 (Results)	FY2018 (Forecasts)	Change
Capital expenditure		18,942	27,000	+8,057	16,859	24,700	+7,841
C F	Operating activities	32,610	22,300	-10,310	32,532	21,000	-11,532
	Investing activities	-15,238	-21,800	-6,562	-16,097	-19,200	-3,103
	(FCF)	(17,372)	(500)	(-16,872)	(16,434)	(1,800)	(-14,634)
	Financing activities	-11,411	800	+12,211	-11,757	-1,400	+10,357
Interest-bearing debt outstanding		177,332	182,600	+5,267	173,257	176,300	+3,042

【Operating activities】 -10,310 million yen

- Decrease in Decrease (increase) in inventories.
- Decrease in Income before income taxes.

【Investing activities】 - 6,562 million yen

- Increase in Purchase of non-current assets.

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



[Reference]

Trends in Financial Indicators (Non-consolidated)

		2013	2014	2015	2016	2017
Sales	Million yen	172,059	177,509	174,286	172,340	188,075
Operating income	Million yen	6,788	7,525	5,597	7,112	7,160
EBITDA	Million yen	35,686	34,840	31,740	31,763	30,745
Ordinary income	Million yen	5,207	5,720	3,784	5,622	6,322
Net income	Million yen	3,917	3,960	2,931	4,486	5,106
ROA (Operating income/Assets)	%	1.6	1.9	1.4	1.9	1.9
ROA (Net income/Assets)	%	1.0	1.0	0.7	1.2	1.4
Capital adequacy ratio	%	31.2	33.4	35.0	36.7	36.3
Interest-bearing debt outstanding	Million yen	201,713	199,767	187,153	176,039	173,257
Total assets	Million yen	408,570	400,934	384,459	376,373	375,163
Total assets turnover	X	0.42	0.44*	0.44	0.45	0.50
Shareholders' equity	Million yen	127,631	133,851	134,609	137,985	136,006
ROE	%	3.1	3.0	2.2	3.3	3.7
Return on sales (Operating income/Sales)	%	3.9	4.2	3.2	4.1	3.8
Return on sales (Net income/Sales)	%	2.3	2.2	1.7	2.6	2.7
D/E ratio	X	1.58	1.49	1.39	1.28	1.27

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



[Reference]

Trends in Financial Indicators (Consolidated)

		2013	2014	2015	2016	2017
Sales	Million yen	179,266	185,001	182,265	179,997	196,134
Operating income	Million yen	8,693	9,479	7,239	9,126	9,333
EBITDA	Million yen	37,752	36,907	33,823	34,393	33,486
Ordinary income	Million yen	6,936	7,638	5,229	7,521	8,381
Net income ^{*3}	Million yen	4,731	4,943	3,647	5,517	6,273
ROA (Operating income/Assets)	%	2.0	2.2	1.7	2.3	2.3
ROA (Net income/Assets)	%	1.1	1.2	0.9	1.4	1.6
Capital adequacy ratio	%	32.7	34.9	35.9	38.1	37.7
Interest-bearing debt outstanding	Million yen	202,895	200,882	188,748	179,758	177,332
Total assets	Million yen	428,333	421,824	409,860	400,237	402,088
Total assets turnover	X	0.42	0.44 ^{*2}	0.44	0.44	0.49
Shareholders' equity ^{*1}	Million yen	140,222	147,008	147,111	152,316	151,543
ROE	%	3.4	3.4	2.5	3.7	4.1
Return on sales (Operating income/Sales)	%	4.8	5.1	4.0	5.1	4.8
Return on sales (Net income/Sales)	%	2.6	2.7	2.0	3.1	3.2
D/E ratio	X	1.45	1.37	1.28	1.18	1.17

^{*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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