

# **Summary of the Settlement of Accounts for FY2010 3rd Quarter**

**(April 1 - December 31, 2010)**

**January 28, 2011**



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



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# Financial Results for FY2010 3Q YTD (Year-on-Year Comparison)

(Unit: million yen, X)

|                     | Consolidated (A)            |                             |                   | Non-consolidated (B)        |                             |                   | (A)/ (B)                    |                             |
|---------------------|-----------------------------|-----------------------------|-------------------|-----------------------------|-----------------------------|-------------------|-----------------------------|-----------------------------|
|                     | FY2010<br>3Q YTD<br>Results | FY2009<br>3Q YTD<br>Results | Rate of<br>change | FY2010<br>3Q YTD<br>Results | FY2009<br>3Q YTD<br>Results | Rate of<br>change | FY2010<br>3Q YTD<br>Results | FY2009<br>3Q YTD<br>Results |
| Sales               | 122,394                     | 126,029                     | -2.9%             | 116,880                     | 118,453                     | -1.3%             | 1.05                        | 1.06                        |
| Operating<br>income | 15,642                      | 19,739                      | -20.8%            | 14,656                      | 18,654                      | -21.4%            | 1.07                        | 1.06                        |
| Ordinary<br>income  | 13,677                      | 17,029                      | -19.7%            | 12,422                      | 16,087                      | -22.8%            | 1.10                        | 1.06                        |
| Net<br>income       | 9,709                       | 11,037                      | -12.0%            | 8,884                       | 10,471                      | -15.2%            | 1.09                        | 1.05                        |

## Decrease in Sales, Decrease in Income (Consolidated and Non-consolidated)

### 【Revenue】

- Decrease in income from the Fuel Cost Adjustment System in Electric business.
- Decrease in sales due to the influence of change in consolidated subsidiaries.(※)
- Decrease in construction orders from private sector and public sector in consolidated subsidiaries.

### 【Expenditure】

- Increase in fuel cost , repair and maintenance cost and business consignment expenses in Electric business.
- Decrease in expenditure due to the influence of change in consolidated subsidiaries.(※)

※“Okinawa Telecommunication Network Co.,Inc.” has become an equity-method affiliate since Jan.2010.

# Trends in Electricity Sales Volume

## Electricity Sales Volume

(Unit: million kWh)

|                    |                | FY2010<br>3Q YTD<br>(Results) | FY2009<br>3Q YTD<br>(Results) | Change | Rate of<br>change |
|--------------------|----------------|-------------------------------|-------------------------------|--------|-------------------|
| Lighting           |                | 2,261                         | 2,229                         | +32    | +1.5%             |
| Power <sup>※</sup> |                | 3,620                         | 3,636                         | -16    | -0.4%             |
| Total              |                | 5,881                         | 5,865                         | +16    | +0.3%             |
| Reference          | Consumer Use   | 4,889                         | 4,842                         | +47    | +1.0%             |
|                    | Industrial Use | 992                           | 1,023                         | -31    | -3.1%             |

※Figures for Power include demand in the de-regulated segment

### <Lighting>

The demand for Lighting increased Year-on-Year due to the increased number of customers .

### <Power>

The demand for Power decreased Year-on-Year due to the influence of high rate of operation of Sea Water Desalination Plant in Large industrial power in the previous year.

## ■ Power Generation Infrastructure and Power Generated and Received

(Unit: thousand kW, million kWh)

|                         |       | FY2010 3Q YTD     |                           |                          |                           | FY2009 3Q YTD            |                           |
|-------------------------|-------|-------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
|                         |       | Maximum<br>output | Com-<br>position<br>ratio | Electricity<br>generated | Com-<br>position<br>ratio | Electricity<br>generated | Com-<br>position<br>ratio |
| OEPC                    | Coal  | 752               | 33.7%                     | 3,986                    | 59.8%                     | 3,804                    | 57.1%                     |
|                         | Oil   | 1,167             | 52.3%                     | 1,368                    | 20.5%                     | 1,380                    | 20.7%                     |
|                         | Total | 1,919             | 86.0%                     | 5,354                    | 80.3%                     | 5,184                    | 77.8%                     |
| Other company<br>(coal) |       | 312               | 14.0%                     | 1,267                    | 19.0%                     | 1,435                    | 21.6%                     |
| Other                   |       | —                 | —                         | 49                       | 0.7%                      | 40                       | 0.6%                      |
| Total                   |       | 2,231             | 100.0%                    | 6,670                    | 100.0%                    | 6,659                    | 100.0%                    |

### <Power Generation Infrastructure>

- The maximum electric power output decreased 5,000 kW (due to disuse of Ishigaki island power plant No.8 :2,500kW)

### <Power Generated and Received>

- Power generated and received almost unchanged from the same period of the previous year.
- Ratio of coal-fired thermal power generated by ourselves was up 2.7 point Year-on-Year.
- Ratio of coal-fired thermal power generation including those purchased from other company was 78.8%.



# Non-Consolidated - Factors in Revenue and Expenditure Changes

(Unit: million yen)

|                    |                                 | FY2010<br>3Q YTD<br>Results | FY2009<br>3Q YTD<br>Results | Change   | Rate of<br>change | Main factors in changes   |
|--------------------|---------------------------------|-----------------------------|-----------------------------|----------|-------------------|---|
| Ordinary revenues  | Lighting                        | 53,153                      | 53,494                      | -340     | -0.6%             | [Electricity sales]<br>Electricity sales volume 376<br>Fuel Cost Adjustment System -1,939 |
|                    | Power                           | 63,121                      | 64,201                      | -1,079   | -1.7%             |   |
|                    | Electricity sales               | 116,275                     | 117,696                     | -1,420   | -1.2%             |   |
|                    | Other income                    | 1,095                       | 1,117                       | -21      | -1.9%             |   |
|                    | (Sales)                         | (116,880)                   | (118,453)                   | (-1,573) | (-1.3%)           |   |
|                    | Total                           | 117,371                     | 118,813                     | -1,442   | -1.2%             |   |
| Ordinary expenses  | Personnel                       | 12,253                      | 12,757                      | -504     | -4.0%             | Retirement benefits -452  |
|                    | Fuel                            | 31,916                      | 30,442                      | +1,473   | +4.8%             | CIF 3,088 Exchange rate -2,077  |
|                    | Repair and maintenance          | 11,107                      | 10,308                      | +798     | +7.7%             | Thermal power 796 Internal combustion 136 Distribution -163                               |
|                    | Depreciation                    | 15,132                      | 15,855                      | -723     | -4.6%             | Thermal power -625 (Kin power station -467 ) Transmission -236                            |
|                    | Expenditure for power purchases | 11,866                      | 11,647                      | +219     | +1.9%             | Thermal power -199 Solar power 317  |
|                    | Interest                        | 2,194                       | 2,447                       | -253     | -10.3%            | Average balance -13 Average rate -239   |
|                    | Tax and other public charges    | 5,469                       | 5,550                       | -81      | -1.5%             |   |
|                    | Other expenses                  | 15,009                      | 13,715                      | +1,294   | +9.4%             | Business consignment expenses 1,392   |
|                    | (Operating expenses)            | (102,224)                   | (99,799)                    | (+2,425) | (+2.4%)           |   |
| Total              | 104,949                         | 102,726                     | +2,222                      | +2.2%    |                   |   |
| (Operating income) |                                 | (14,656)                    | (18,654)                    | (-3,998) | (-21.4%)          |   |
| Ordinary income    |                                 | 12,422                      | 16,087                      | -3,664   | -22.8%            |   |
| Income taxes       |                                 | 3,537                       | 5,615                       | -2,078   | -37.0%            |   |
| Net income         |                                 | 8,884                       | 10,471                      | -1,586   | -15.2%            |   |

# Non-Consolidated -Trends in Data and Effects of Changes (FY2010 3Q YTD)

## ■ Main Data

|                     |        | FY2010<br>3Q YTD<br>(Results) | FY2009<br>3Q YTD<br>(Results) |
|---------------------|--------|-------------------------------|-------------------------------|
| Crude oil CIF price | \$/bbl | 79.4                          | 66.5                          |
| Coal CIF price      | \$/t   | 95.2                          | 92.4                          |
| Exchange rate       | Yen/\$ | 86.4                          | 93.6                          |

## ■ Effects of Changes

(Unit: 100 million yen)

|                        |         | FY2010<br>3Q YTD<br>(Results) | FY2009<br>3Q YTD<br>(Results) |
|------------------------|---------|-------------------------------|-------------------------------|
| Crude oil CIF price ※  | 1\$/bbl | 1.8                           | 1.9                           |
| Coal CIF price ※       | 1\$/t   | 1.4                           | 1.5                           |
| Exchange rate ※        | 1Yen/\$ | 3.1                           | 2.8                           |
| Electric energy demand | 1%      | 5.4                           | 5.7                           |
| Interest rate          | 1%      | 0.5                           | 0.6                           |

※ Figures for effects of changes do not include data of expenditure for power purchase



# Consolidated - Factors in Revenue and Expenditure Changes

(Unit: million yen)

|                     | FY2010<br>3Q YTD<br>(Results) | FY2009<br>3Q YTD<br>(Results) | Change | Rate of<br>change |
|---------------------|-------------------------------|-------------------------------|--------|-------------------|
| Sales               | 122,394                       | 126,029                       | -3,634 | -2.9%             |
| Operating<br>income | 15,642                        | 19,739                        | -4,097 | -20.8%            |
| Ordinary<br>income  | 13,677                        | 17,029                        | -3,352 | -19.7%            |
| Net<br>income       | 9,709                         | 11,037                        | -1,327 | -12.0%            |

## ■ By Segment (before eliminating internal transactions)

(Unit: million yen)

|  | Electric<br>business | Other    |
|--|----------------------|----------|
| Sales                                      | 116,880              | 29,741   |
| (YoY change)                               | (-1,573)             | (+2,055) |
| Sales to outside<br>customers out of total | 116,780              | 5,614    |
| (YoY change)                               | (-1,452)             | (-2,181) |
| Operating income                           | 14,656               | 1,070    |
| (YoY change)                               | (-3,998)             | (+268)   |

※ “Electric business” is the required reportable segment. And the disclosure segments are “Electric business” and “Other (Business except for Electric business)” from FY2010.

## ■ Sales decreased approx. 3.6 billion yen

### 【Factors for decrease】

- Decrease in electricity sales in Electric business
- Decrease in sales due to the influence of change in consolidated subsidiaries
- Decrease in construction orders from private sector and public sector in consolidated subsidiaries

## ■ Operating income decreased approx. 4.1 billion yen

### 【Factors for decrease】

- Decrease in sales
- Increase in fuel cost in Electric business
- Increase in business consignment expenses in Electric business
- Increase in repair and maintenance cost in Electric business

### 【Factors for increase】

- Decrease in depreciation cost in Electric business
- Decrease in personnel cost in Electric business

## ■ Ordinary income decreased approx. 3.4 billion yen

【Factor for decrease】 · Decrease in Operating income

【Factor for increase】 · Decrease in interest expenses

## ■ Net income decreased approx. 1.3 billion yen

【Factor for decrease】 · Decrease in Ordinary income

【Factor for increase】 · Decrease in income taxes

### By segment

- In “Other” segment, sales increased due to an increase in construction orders from Electric business, although there was influence of change in consolidated subsidiaries and decrease in construction orders from private sector and public sector.



# FY2010 3Q YTD Financial Results of each Company

(Unit: million yen)

|   |   | Sales                         |                               |        | Operating income              |                               |        | Ordinary income               |                               |        | Net income                    |                               |        |
|---|---|-------------------------------|-------------------------------|--------|-------------------------------|-------------------------------|--------|-------------------------------|-------------------------------|--------|-------------------------------|-------------------------------|--------|
|   |   | FY2010<br>3Q YTD<br>(Results) | FY2009<br>3Q YTD<br>(Results) | Change | FY2010<br>3Q YTD<br>(Results) | FY2009<br>3Q YTD<br>(Results) | Change | FY2010<br>3Q YTD<br>(Results) | FY2009<br>3Q YTD<br>(Results) | Change | FY2010<br>3Q YTD<br>(Results) | FY2009<br>3Q YTD<br>(Results) | Change |
| The Okinawa Electric Power Co.,Inc.                         |   | 116,880                       | 118,453                       | -1,573 | 14,656                        | 18,654                        | -3,998 | 12,422                        | 16,087                        | -3,664 | 8,884                         | 10,471                        | -1,586 |
| Other   | Okidenko Co.,Inc.                       | 11,006                        | 9,751                         | +1,254 | 188                           | -49                           | +238   | 255                           | -10                           | +266   | 182                           | -6                            | +188   |
|   | Okiden Kigyo Co.,Inc.                   | 3,735                         | 3,537                         | +198   | 47                            | -25                           | +72    | 84                            | 5                             | +78    | 43                            | -49                           | +93    |
|   | Okinawa Plant Kogyo Co.,Inc.            | 7,386                         | 5,778                         | +1,607 | 74                            | 39                            | +34    | 94                            | 61                            | +33    | 52                            | 32                            | +20    |
|   | Okinawa Denki Kogyo Co.,Inc.            | 908                           | 775                           | +133   | 75                            | 58                            | +16    | 79                            | 63                            | +16    | 58                            | 37                            | +21    |
|   | Okiden Kaihatsu Co.,Inc.                | 2,325                         | 2,059                         | +266   | 350                           | 341                           | +9     | 315                           | 299                           | +15    | 182                           | 179                           | +2     |
|   | The Okiden Global Systems Co.,Inc.      | 1,412                         | 1,271                         | +140   | 11                            | -136                          | +148   | 19                            | -133                          | +153   | 14                            | -72                           | +87    |
|   | Okinawa Enetech Co.,Inc.                | 504                           | 409                           | +95    | -3                            | -31                           | +27    | -3                            | -31                           | +28    | -2                            | -18                           | +16    |
|   | Okinawa New Energy Development Co.,Inc. | 329                           | 310                           | +18    | -91                           | 8                             | -100   | -113                          | -8                            | -105   | -113                          | -6                            | -107   |
|   | Okisetsubi Co.,Ltd.                     | 655                           | 456                           | +199   | -6                            | -22                           | +16    | -5                            | -21                           | +15    | -2                            | -25                           | +22    |
|   | First Riding Technology,Inc.            | 987                           | 967                           | +19    | 287                           | 233                           | +54    | 275                           | 267                           | +8     | 275                           | 267                           | +8     |
|   | Progressive Energy Corp.                | 1,175                         | 1,421                         | -246   | 58                            | 98                            | -40    | 58                            | 97                            | -39    | 38                            | 62                            | -23    |
|   | Kanucha Community Co.,Inc.              | —                             | —                             | —      | -18                           | -38                           | +19    | -212                          | -203                          | -8     | -191                          | -204                          | +12    |
| Okinawa Telecommunication Network Co.,Inc.                  | —                                       | 1,792                         | -1,792                        | —      | 245                           | -245                          | —      | 197                           | -197                          | —      | 134                           | -134                          |        |
| Elimination (Include investment gain/loss by equity method) |   | -24,912                       | -20,956                       | -3,955 | 11                            | 361                           | -349   | 407                           | 358                           | +48    | 286                           | 234                           | +52    |
| Consolidated  |   | 122,394                       | 126,029                       | -3,634 | 15,642                        | 19,739                        | -4,097 | 13,677                        | 17,029                        | -3,352 | 9,709                         | 11,037                        | -1,327 |

※ "Okinawa Telecommunication Network Co.,Inc." has become an equity-method affiliate since Jan.2010.





# Balance Sheet Comparison

(Unit: million yen)

|                         |         | FY2010<br>3Q term end | FY2009<br>Term end | Change  | Major factors for change<br>(Consolidated factors)  |       |         |              |       |        |        |         |      |
|-------------------------|---------|-----------------------|--------------------|---------|---|-------|---------|--------------|-------|--------|--------|---------|------|
| Assets                  | *       | 378,120               | 365,299            | +12,821 | Electric utility plant and equipment -7,545<br>Construction in progress +15,439<br>Investments and other assets -1,539<br>【Reference】 Changes in fixed assets in Electric business                                      |       |         |              |       |        |        |         |      |
|                         | **      | 360,683               | 349,308            | +11,375 |   |       |         |              |       |        |        |         |      |
| Fixed assets            | *       | 341,410               | 334,968            | +6,441  | <table border="1"> <thead> <tr> <th>Capex</th> <th>Removal</th> <th>Depreciation</th> <th>Other</th> </tr> </thead> <tbody> <tr> <td>15,448</td> <td>-7,429</td> <td>-15,132</td> <td>-431</td> </tr> </tbody> </table> | Capex | Removal | Depreciation | Other | 15,448 | -7,429 | -15,132 | -431 |
|                         | Capex   | Removal               | Depreciation       | Other   |   |       |         |              |       |        |        |         |      |
| 15,448                  | -7,429  | -15,132               | -431               |         |   |       |         |              |       |        |        |         |      |
| **                      | 336,389 | 330,116               | +6,273             |         |   |       |         |              |       |        |        |         |      |
| Current assets          | *       | 36,710                | 30,330             | +6,379  | Other accounts receivable +4,791 [Construction grants +4,531<br>(The New Energy verification studies for the Remote Island<br>Independent System)]  |       |         |              |       |        |        |         |      |
|                         | **      | 24,294                | 19,191             | +5,102  |   |       |         |              |       |        |        |         |      |
| Liabilities             | *       | 250,564               | 245,648            | +4,915  | Bonds +20,000<br>Long-term loans -1,001<br>Other non-current liabilities +1,447 (provisions for PCB waste<br>treatment +1,466 )   |       |         |              |       |        |        |         |      |
|                         | **      | 240,994               | 237,204            | +3,789  |   |       |         |              |       |        |        |         |      |
| Non-current liabilities | *       | 195,145               | 174,149            | +20,996 | Current maturities of long-term debt -17,468<br>CP +8,000<br>Notes payable-trade and accounts payable-trade -2,770<br>Accrued taxes -2,071  |       |         |              |       |        |        |         |      |
|                         | **      | 188,608               | 168,024            | +20,584 |   |       |         |              |       |        |        |         |      |
| Current liabilities     | *       | 55,418                | 71,499             | -16,080 |   |       |         |              |       |        |        |         |      |
|                         | **      | 52,385                | 69,180             | -16,794 |   |       |         |              |       |        |        |         |      |
| Net assets              | *       | 127,556               | 119,651            | +7,905  | Net income 9,709, Dividend -1,048<br>Valuation difference on available-for-sale securities -298   |       |         |              |       |        |        |         |      |
|                         | **      | 119,689               | 112,103            | +7,585  |   |       |         |              |       |        |        |         |      |

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

|                                     |    | FY2010<br>3Q term end | FY2009<br>Term end | Change |
|-------------------------------------|----|-----------------------|--------------------|--------|
| Interest-bearing debt (million yen) | *  | 208,944               | 200,883            | +8,060 |
|                                     | ** | 206,906               | 198,726            | +8,179 |
| Capital adequacy ratio (%)          | *  | 33.6                  | 32.5               | +1.1   |
|                                     | ** | 33.2                  | 32.1               | +1.1   |

※ \*Consolidated \*\*Non-consolidated

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

(Unit: 100 million yen)

|                                   |                      | Consolidated                  |                               |        | Non-consolidated              |                               |        |
|-----------------------------------|----------------------|-------------------------------|-------------------------------|--------|-------------------------------|-------------------------------|--------|
|                                   |                      | FY2010<br>3Q YTD<br>(Results) | FY2009<br>3Q YTD<br>(Results) | Change | FY2010<br>3Q YTD<br>(Results) | FY2009<br>3Q YTD<br>(Results) | Change |
| Capital expenditure               |                      | 295                           | 182                           | +113   | 292                           | 179                           | +112   |
| C<br>F                            | Operating activities | 183                           | 268                           | -85    | 188                           | 265                           | -77    |
|                                   | Investing activities | -268                          | -190                          | -77    | -267                          | -194                          | -73    |
|                                   | (FCF)                | (-85)                         | (78)                          | (-163) | (-78)                         | (71)                          | (-150) |
|                                   | Financing activities | 69                            | -120                          | +189   | 70                            | -92                           | +162   |
| Interest-bearing debt outstanding |                      | 2,089                         | 2,034                         | +55    | 2,069                         | 1,979                         | +89    |

## 【Operating activities】 (-8.5 bn.yen)

- Decrease in income before taxes
- Decrease in income due to an increase in trade notes and accounts receivable
- Increase in income taxes paid

## 【Investing activities】 (-7.7 bn.yen)

- Increase in capital expenditure

Accordingly, free cash-flow decreased 16.3 billion yen.



# Annual Outlook Summary

(Unit: million yen, X)

|                  | Consolidated                    |                                 |                   |                     | Non-consolidated                |                                 |                   |                     | (A)/(B)               |                      |
|------------------|---------------------------------|---------------------------------|-------------------|---------------------|---------------------------------|---------------------------------|-------------------|---------------------|-----------------------|----------------------|
|                  | FY2010 Forecast                 |                                 | Change<br>(A)-(B) | FY2009<br>(Results) | FY2010 Forecast                 |                                 | Change<br>(A)-(B) | FY2009<br>(Results) | FY 2010<br>(Forecast) | FY 2009<br>(Results) |
|                  | Announced<br>in Jan.2011<br>(A) | Announced<br>in Oct.2010<br>(B) |                   |                     | Announced<br>in Jan.2011<br>(A) | Announced<br>in Oct.2010<br>(B) |                   |                     |                       |                      |
| Sales            | 158,100                         | 158,300                         | -200              | 162,501             | 149,500                         | 149,700                         | -200              | 151,825             | 1.06                  | 1.07                 |
| Operating income | 12,200                          | 11,700                          | +500              | 17,397              | 10,200                          | 10,000                          | +200              | 14,935              | 1.20                  | 1.16                 |
| Ordinary income  | 9,600                           | 9,000                           | +600              | 13,659              | 7,300                           | 7,000                           | +300              | 11,315              | 1.32                  | 1.21                 |
| Net income       | 7,100                           | 6,700                           | +400              | 8,950               | 5,500                           | 5,300                           | +200              | 7,293               | 1.29                  | 1.23                 |

## Decrease in Sales, Decrease in Income (Consolidated and Non-consolidated)

### [ Comparison with previous forecast (Oct.2010) ]

(Electric business)

【Revenue】 Decrease in electricity sales volume.

【Expenditure】 Decrease in fuel cost.

Increase in depreciation cost.

(Consolidated subsidiaries)

Increase in operating income due to an increase in sales.

# Non-consolidated – Revenue and Expenditure Forecast, Factors in Changes

## ■ Electricity Sales Volume

(Unit: million kWh)

|          | FY2010 Forecast |                 | FY2009<br>(Results)<br>(C) | Change  |         |
|----------|-----------------|-----------------|----------------------------|---------|---------|
|          | Jan.2011<br>(A) | Oct.2010<br>(B) |                            | (A)-(B) | (A)-(C) |
| Lighting | 2,937           | 2,933           | 2,916                      | +4      | +21     |
| Power    | 4,545           | 4,559           | 4,562                      | -14     | -17     |
| Total    | 7,482           | 7,492           | 7,478                      | -10     | +4      |

### Comparison with previous forecast (Oct.2010)

#### ■ Sales : 149.5 billion yen (-0.2 bn. yen)

[Electricity sales]

Decrease in electricity sales volume

#### ■ Operating income : 10.2 billion yen (+0.2 bn. yen)

#### ■ Ordinary income : 7.3 billion yen (+0.3 bn. yen)

**【Factor for increase】**

[Fuel cost] Decrease in electric energy output

**【Factor for decrease】**

[Depreciation cost] General and distribution facilities

#### ■ Net income : 5.5 billion yen (+0.2 bn. yen)

## ■ Revenue and Expenditure

(Unit: million yen)

|                    | FY2010 Forecast                 |                 | FY2009<br>(Results)<br>(C) | Change    |          |          |
|--------------------|---------------------------------|-----------------|----------------------------|-----------|----------|----------|
|                    | Jan.2011<br>(A)                 | Oct.2010<br>(B) |                            | (A)-(B)   | (A)-(C)  |          |
| Ordinary revenues  | Electricity sales               | 148,600         | 148,900                    | 150,644   | -300     | -2,044   |
|                    | Other income                    | 1,500           | 1,300                      | 1,614     | +200     | -114     |
|                    | (Sales)                         | (149,500)       | (149,700)                  | (151,825) | (-200)   | (-2,325) |
|                    | Total                           | 150,100         | 150,200                    | 152,259   | -100     | -2,159   |
| Ordinary expenses  | Personnel                       | 16,400          | 16,400                     | 16,920    | —        | -520     |
|                    | Fuel                            | 41,200          | 41,800                     | 39,327    | -600     | +1,872   |
|                    | Repair and maintenance          | 17,000          | 17,000                     | 17,009    | —        | -9       |
|                    | Depreciation                    | 21,200          | 21,000                     | 21,328    | +200     | -128     |
|                    | Expenditure for power purchases | 15,700          | 15,700                     | 15,105    | —        | +594     |
|                    | Interest                        | 2,900           | 3,000                      | 3,208     | -100     | -308     |
|                    | Tax and other public charges    | 7,100           | 7,100                      | 7,196     | —        | -96      |
|                    | Other expenses                  | 21,300          | 21,200                     | 20,848    | +100     | +451     |
|                    | (Operating expenses)            | (139,300)       | (139,700)                  | (136,889) | (-400)   | (+2,410) |
|                    |                                 | Total           | 142,800                    | 143,200   | 140,943  | -400     |
| (Operating income) | (10,200)                        | (10,000)        | (14,935)                   | (+200)    | (-4,735) |          |
| Ordinary income    | 7,300                           | 7,000           | 11,315                     | +300      | -4,015   |          |
| Income taxes       | 1,800                           | 1,700           | 4,021                      | +100      | -2,221   |          |
| Net income         | 5,500                           | 5,300           | 7,293                      | +200      | -1,793   |          |

### Comparison with FY2009 results

#### ■ Sales : Decrease of 2.3 billion yen

[Electricity sales]

Decrease in income from the Fuel Cost Adjustment System due to expiry of special measures and transitional measures

#### ■ Operating income : Decrease of 4.7 billion yen

#### ■ Ordinary income : Decrease of 4.0 billion yen

**【Factors for decrease】**

[Fuel cost] Increase in electric energy output and fuel prices

[Power purchases cost]

Increase in purchase cost for photovoltaic generation

[Other expenses]

Increase in business consignment expenses

**【Factors for increase】**

[Personnel] Decrease in retirement benefits

[Interest expense] Lower average interest rate

#### ■ Net income : Decrease of 1.8 billion yen

# Non-Consolidated

## - Trends in Data and Effects of Changes (FY2010 Forecast)

### ■ Main Data

|                     |        | FY2010 Forecast |          | FY2009<br>(Results) |
|---------------------|--------|-----------------|----------|---------------------|
|                     |        | Jan.2011        | Oct.2010 |                     |
| Crude oil CIF price | \$/bbl | 83.0            | 79.0     | 69.4                |
| Coal CIF price      | \$/t   | 95.0            | 95.0     | 93.2                |
| Exchange rate       | Yen/\$ | 86.0            | 87.0     | 92.9                |

### ■ Effects of Changes

(Unit: 100 million yen)

|                        |         | FY2010 Forecast |          | FY2009<br>(Results) |
|------------------------|---------|-----------------|----------|---------------------|
|                        |         | Jan.2011        | Oct.2010 |                     |
| Crude oil CIF price ※  | 1\$/bbl | 2.4             | 2.5      | 2.6                 |
| Coal CIF price ※       | 1\$/t   | 1.7             | 1.7      | 1.9                 |
| Exchange rate ※        | 1Yen/\$ | 4.1             | 4.1      | 3.6                 |
| Electric energy demand | 1%      | 6.7             | 6.7      | 7.1                 |
| Interest rate          | 1%      | 0.7             | 0.7      | 0.8                 |

※ Figures for effects of changes do not include data of expenditure for power purchase



# Consolidated – Revenue and Expenditure Forecast, Factors in Changes

(Unit: million yen)

|                  | FY2010 Forecast |              | FY2009 Results (C) | Change  |         |
|------------------|-----------------|--------------|--------------------|---------|---------|
|                  | Jan.2011 (A)    | Oct.2010 (B) |                    | (A)-(B) | (A)-(C) |
| Sales            | 158,100         | 158,300      | 162,501            | -200    | -4,401  |
| Operating income | 12,200          | 11,700       | 17,397             | +500    | -5,197  |
| Ordinary income  | 9,600           | 9,000        | 13,659             | +600    | -4,059  |
| Net income       | 7,100           | 6,700        | 8,950              | +400    | -1,850  |

## Comparison with previous forecast (Oct.2010)

- **Sales : 158.1 billion yen(-0.2 bn. yen)**  
**【Factor for decrease】**
  - Decrease in electricity sales in Electric business
- **Operating income : 12.2 billion yen (+0.5 bn. yen)**  
**【Factors for increase】**
  - Decrease in fuel cost in Electric business
  - Increase in operating income in consolidated subsidiaries**【Factor for decrease】**
  - Increase in depreciation cost in Electric business
- **Ordinary income : 9.6 billion yen (+0.6 bn. yen)**
- **Net income : 7.1 billion yen (+0.4 bn. yen)**

## Comparison with FY2009 results

- **Sales : Decrease of 4.4 billion yen**  
**【Factors for decrease】**
  - Decrease in electricity sales in Electric business
  - Influence of change in consolidated subsidiaries
- **Operating income : Decrease of 5.2 billion yen**  
**【Factors for decrease】**
  - Increase in fuel cost in Electric business
  - Increase in expenditure for power purchase in Electric business
  - Increase in business consignment expenses in Electric business
- **Ordinary income : Decrease of 4.1 billion yen**
- **Net income : Decrease of 1.9 billion yen**

## ■ By Segment (Forecast)

(Unit: million yen)

|   | Electric business | Other    |
|---|-------------------|----------|
| Sales                                   | 149,500           | 43,000   |
| (YoY Change)                            | (-2,325)          | (+346)   |
| Sales to outside customers out of total | 149,300           | 8,800    |
| (YoY Change)                            | (-2,245)          | (-2,156) |
| Operating income                        | 10,200            | 2,000    |
| (YoY Change)                            | (-4,735)          | (-327)   |

## By segment

- In "Other" segment, sales is expected to increase due to a rise in construction orders from Electric business, although there is influence of change in consolidated subsidiaries.

※ before eliminating internal transactions



# FY2010 Financial Outlook of each Company

(Unit: million yen)

|   |  | Sales           |                |        | Operating income |                |        | Ordinary income |                |        | Net income      |                |        |
|---|--|-----------------|----------------|--------|------------------|----------------|--------|-----------------|----------------|--------|-----------------|----------------|--------|
|   |  | FY2010 Forecast | FY2009 Results | Change | FY2010 Forecast  | FY2009 Results | Change | FY2010 Forecast | FY2009 Results | Change | FY2010 Forecast | FY2009 Results | Change |
| The Okinawa Electric Power Co., Inc.                        |  | 149,500         | 151,825        | -2,325 | 10,200           | 14,935         | -4,735 | 7,300           | 11,315         | -4,015 | 5,500           | 7,293          | -1,793 |
| Other   | Okidenko Co., Inc.                       | 16,510          | 14,851         | +1,658 | 467              | 289            | +178   | 549             | 344            | +204   | 313             | 194            | +119   |
|   | Okiden Kigyo Co., Inc.                   | 5,247           | 5,054          | +193   | 142              | 29             | +112   | 187             | 70             | +117   | 94              | 30             | +63    |
|   | Okinawa Plant Kogyo Co., Inc.            | 10,011          | 9,938          | +73    | 104              | 481            | -377   | 119             | 509            | -390   | 59              | 656            | -597   |
|   | Okinawa Denki Kogyo Co., Inc.            | 1,164           | 1,053          | +111   | 93               | 72             | +21    | 98              | 78             | +20    | 76              | 48             | +27    |
|   | Okiden Kaihatsu Co., Inc.                | 3,609           | 3,554          | +55    | 553              | 624            | -70    | 508             | 571            | -62    | 293             | 336            | -42    |
|   | The Okiden Global Systems Co., Inc.      | 2,069           | 2,198          | -128   | 40               | 61             | -20    | 50              | 72             | -21    | 22              | 28             | -5     |
|   | Okinawa Enetech Co., Inc.                | 930             | 915            | +14    | 20               | 39             | -19    | 20              | 39             | -19    | 10              | 25             | -15    |
|   | Okinawa New Energy Development Co., Inc. | 529             | 573            | -43    | -146             | 2              | -149   | -175            | -20            | -155   | -171            | -37            | -133   |
|   | Okisetsubi Co., Ltd.                     | 1,100           | 970            | +129   | 10               | 9              | +1     | 11              | 10             | +0     | 6               | 9              | -2     |
|   | First Riding Technology, Inc.            | 1,322           | 1,282          | +40    | 375              | 306            | +68    | 357             | 354            | +2     | 356             | 393            | -36    |
|   | Progressive Energy Corp.                 | 1,679           | 1,726          | -46    | 76               | 107            | -31    | 75              | 106            | -30    | 50              | 57             | -7     |
|   | Kanucha Community Co., Inc.              | —               | —              | —      | -27              | -46            | +18    | -280            | -268           | -11    | -280            | -268           | -11    |
| Okinawa Telecommunication Network Co., Inc.                 | —  | 1,792           | -1,792         | —      | 245              | -245           | —      | 197             | -197           | —      | 134             | -134           |        |
| Elimination (Include investment gain/loss by equity method) |  | -35,575         | -33,233        | -2,342 | 288              | 237            | +50    | 776             | 277            | +499   | 768             | 47             | +721   |
| Consolidated  |  | 158,100         | 162,501        | -4,401 | 12,200           | 17,397         | -5,197 | 9,600           | 13,659         | -4,059 | 7,100           | 8,950          | -1,850 |

※"Okinawa Telecommunication Network Co., Inc." has become an equity-method affiliate since Jan.2010.



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

(Unit: 100 million yen)

|                                      |                      | Consolidated         |                     |        | Non-consolidated     |                     |        |
|--------------------------------------|----------------------|----------------------|---------------------|--------|----------------------|---------------------|--------|
|                                      |                      | FY2010<br>(Forecast) | FY2009<br>(Results) | Change | FY2010<br>(Forecast) | FY2009<br>(Results) | Change |
| Capital expenditure                  |                      | 568                  | 319                 | +248   | 569                  | 310                 | +259   |
| C<br>F                               | Operating activities | 259                  | 390                 | -131   | 241                  | 362                 | -121   |
|                                      | Investing activities | -358                 | -304                | -54    | -351                 | -300                | -50    |
|                                      | (FCF)                | (-99)                | (86)                | (-185) | (-110)               | (62)                | (-172) |
|                                      | Financing activities | 90                   | -101                | +192   | 97                   | -84                 | +182   |
| Interest-bearing debt<br>outstanding |                      | 2,113                | 2,008               | +105   | 2,097                | 1,987               | +110   |

【Operating activities】 (-13.1 bn.yen)

- Decrease in income before taxes
- Increase in income taxes paid

【Investing activities】 (-5.4 bn.yen)

- Increase in capital expenditure

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





## [Reference]

# Trends in Financial Indicators (Non-Consolidated)

|  |                 | 2005    | 2006    | 2007    | 2008    | 2009    |
|--|-----------------|---------|---------|---------|---------|---------|
| Sales                                    | Million yen     | 143,653 | 147,201 | 149,320 | 161,239 | 151,825 |
| Operating income                         | Million yen     | 18,296  | 13,690  | 13,144  | 12,006  | 14,935  |
| EBITDA                                   | Million yen     | 43,359  | 37,009  | 36,542  | 34,485  | 36,263  |
| Ordinary income                          | Million yen     | 14,063  | 10,096  | 9,733   | 8,889   | 11,315  |
| Net income                               | Million yen     | 9,163   | 6,398   | 6,590   | 3,635   | 7,293   |
|  |                 |         |         |         |         |         |
| ROA (Operating income/Assets)            | %               | 5.1     | 3.9     | 3.7     | 3.5     | 4.3     |
| ROA (Net income/Assets)                  | %               | 2.5     | 1.8     | 1.9     | 1.1     | 2.1     |
| Capital adequacy ratio                   | %               | 26.5    | 28.1    | 29.7    | 30.7    | 32.1    |
| Interest-bearing debt outstanding        | 100 million yen | 2,285   | 2,217   | 2,122   | 2,060   | 1,987   |
|  |                 |         |         |         |         |         |
| Total assets                             | Million yen     | 356,659 | 354,113 | 347,192 | 343,999 | 349,308 |
| Total assets turnover                    | X               | 0.40    | 0.41    | 0.43    | 0.47    | 0.44    |
| Shareholders' equity                     | Million yen     | 94,339  | 99,392  | 103,258 | 105,503 | 112,103 |
| ROE                                      | %               | 10.2    | 6.6     | 6.5     | 3.5     | 6.7     |
| Return on sales (Operating income/Sales) | %               | 12.7    | 9.3     | 8.8     | 7.4     | 9.8     |
| Return on sales (Net income/Sales)       | %               | 6.4     | 4.3     | 4.4     | 2.3     | 4.8     |
| D/E ratio                                | X               | 2.42    | 2.23    | 2.06    | 1.95    | 1.77    |



## [Reference]

# Trends in Financial Indicators (Consolidated)

|  |                 | 2005    | 2006    | 2007    | 2008    | 2009    |
|--|-----------------|---------|---------|---------|---------|---------|
| Sales                                    | Million yen     | 157,080 | 159,395 | 161,521 | 173,136 | 162,501 |
| Operating income                         | Million yen     | 19,816  | 15,482  | 14,809  | 14,086  | 17,397  |
| EBITDA                                   | Million yen     | 46,393  | 40,394  | 39,610  | 37,938  | 39,740  |
| Ordinary income                          | Million yen     | 15,437  | 11,739  | 10,971  | 10,717  | 13,659  |
| Net income                               | Million yen     | 9,975   | 6,418   | 7,072   | 5,604   | 8,950   |
|  |                 |         |         |         |         |         |
| ROA (Operating income/Assets)            | %               | 5.1     | 4.1     | 4.0     | 3.8     | 4.8     |
| ROA (Net income/Assets)                  | %               | 2.6     | 1.7     | 1.9     | 1.5     | 2.4     |
| Capital adequacy ratio                   | %               | 25.6    | 27.1    | 28.7    | 30.2    | 32.5    |
| Interest-bearing debt outstanding        | 100 million yen | 2,392   | 2,326   | 2,231   | 2,144   | 2,008   |
|  |                 |         |         |         |         |         |
| Total assets                             | Million yen     | 378,666 | 376,071 | 369,840 | 365,557 | 365,299 |
| Total assets turnover                    | X               | 0.41    | 0.42    | 0.43    | 0.47    | 0.44    |
| Shareholders' equity                     | Million yen     | 96,899  | 101,914 | 106,150 | 110,334 | 118,614 |
| ROE                                      | %               | 10.9    | 6.5     | 6.8     | 5.2     | 7.8     |
| Return on sales (Operating income/Sales) | %               | 12.6    | 9.7     | 9.2     | 8.1     | 10.7    |
| Return on sales (Net income/Sales)       | %               | 6.4     | 4.0     | 4.4     | 3.2     | 5.5     |
| D/E ratio                                | X               | 2.47    | 2.28    | 2.10    | 1.94    | 1.69    |

※Shareholders' equity : Subtract 'Shares of minor shareholders' from 'Net assets'



**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.**

**【Enquiries regarding this document】**

Finance Section, Accounting & Finance Department  
The Okinawa Electric Power Company, Inc.

TEL : +81-98-877-2341    FAX : +81-98-879-1317  
Email : [ir@okiden.co.jp](mailto:ir@okiden.co.jp)