

# **Summary of the Settlement of Accounts for FY2019 2nd Quarter**

**(April 1 – September 30, 2019)**

**October 31, 2019**



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

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# Financial Results for FY2019 2Q YTD

## (Year-on-Year Comparison)

(Unit: million yen, X)

	Consolidated (A)			Non-consolidated (B)			(A) / (B)	
	FY2018 2Q YTD (Results)	FY2019 2Q YTD (Results)	Rate of Change	FY2018 2Q YTD (Results)	FY2019 2Q YTD (Results)	Rate of Change	FY2018 2Q YTD (Results)	FY2019 2Q YTD (Results)
Sales	109,593	111,032	+1.3%	105,776	106,366	+0.6%	1.04	1.04
Operating income	5,590	8,762	+56.7%	5,419	8,483	+56.5%	1.03	1.03
Ordinary income	5,096	8,398	+64.8%	5,217	8,214	+57.4%	0.98	1.02
Net income	3,921 <sup>*</sup>	6,453 <sup>*</sup>	+64.6%	4,124	6,405	+55.3%	0.95	1.01

\* Net income attributable to owners of parent.

### Consolidated and Non-consolidated : Increase in Sales, Increase in Income (the first time in 2 years)

#### 【Revenue】

- Decrease in Electricity sales due to decrease in Electricity sales volume in Electric business.
- Increase in Sold power to other suppliers and Transmission revenue in Electric business.
- Increase in Sales to outside customers in consolidated subsidiaries.

#### 【Expenditure】

- Decrease in Fuel costs and Purchased power costs in Electric business.

# Trends in Electricity Sales Volume

## Electricity Sales Volume

(Unit: million kWh , %)

	FY2018 2Q YTD (Results)	FY2019 2Q YTD (Results)	Change	Rate of Change
Lighting	1,639	1,610	-29	-1.8
Power	2,474	2,356	-118	-4.8
Total	4,113	3,966	-147	-3.6

## <Lighting / Power >

Although the demand increased by new customers, Electricity sales volume decreased compared with Year-on-Year due to switching to other suppliers.

## ■ Power Generation Infrastructure and Power Generated and Received

(Unit: million kWh , thousand kW)

		FY2018 2Q YTD		FY2019 2Q YTD			
		Electricity generated	Com-position ratio	Electricity generated	Com-position ratio	Maximum output	Com-position ratio
OEPC	Coal	1,633	37.1%	1,836	43.2%	752	30.6%
	Oil	640	14.5%	607	14.3%	856	34.8%
	LNG	923	21.0%	809	19.0%	537	21.9%
	Total	3,196	72.6%	3,252	76.5%	2,145	87.3%
Other company (coal)		925	21.0%	891	21.0%	312	12.7%
Other		284	6.4%	108	2.5%	-	-
Total		4,405	100.0%	4,251	100.0%	2,457	100.0%

## <Power Generated and Received>

- Power generated and received was 4,251 million kWh, down 3.5%.\*
- Ratio of OEPC's Coal-fired thermal power was up 6.1 points.\*
- Ratio of OEPC's LNG-fired thermal power was down 2.0 points.\*

\*Comparison with the same period of the previous year.

# Non-consolidated

## – Factors in Revenue and Expenditure Changes

(Unit: million yen)

		FY2018 2Q YTD (Results)	FY2019 2Q YTD (Results)	Change	Rate of change	Main factors in changes
Ordinary revenues	Electricity sales	96,142	94,577	-1,565	-1.6%	Electricity sales volume -3,190 Fuel cost adjustment system +1,716
	Grant under Act on Purchase of Renewable Energy Sourced Electricity	7,524	6,656	-867	-11.5%	Decrease in the amount of FIT purchase -1,078 Avoidable costs +161
	Other income	2,770	5,560	+2,790	+100.7%	Sold power to other suppliers +1,670 Transmission revenue +1,088 Gas supply business revenue +247
	(Sales)	(105,776)	(106,366)	(+590)	(+0.6%)	
	Total	106,437	106,795	+358	+0.3%	
Ordinary expenses	Personnel costs	8,748	8,939	+190	+2.2%	Retirement benefits +116 Salary and benefits +65
	Fuel costs	28,697	27,480	-1,216	-4.2%	Quantity +642 Unit price -1,871 (CIF -2,832, Fuel composition -1,373, Initial inventories +2,649)
	Repair and maintenance costs	9,041	9,137	+96	+1.1%	Thermal +542 Distribution -389
	Depreciation costs	11,215	10,697	-517	-4.6%	Thermal -480 Internal combustion -67
	Purchased power costs	19,099	17,671	-1,427	-7.5%	Solar -1,052 Thermal -322
	Interest expenses	798	667	-131	-16.4%	Average rate -126
	Tax and other public charges	3,912	3,967	+54	+1.4%	Enterprise tax +36
	Levy under Act on Purchase of Renewable Energy Sourced Electricity	10,655	10,492	-162	-1.5%	Decrease in Electricity sales volume -386 Increase in renewable energy surcharge rate +224
	Other expenses	9,052	9,527	+475	+5.2%	Non-current assets retirement costs +302 Gas supply business expenses +168
	(Operating expenses)	(100,357)	(97,883)	(-2,473)	(-2.5%)	
Total	101,220	98,581	-2,638	-2.6%		
(Operating income)		(5,419)	(8,483)	(+3,064)	(+56.5%)	
Ordinary income		5,217	8,214	+2,997	+57.4%	
Income before income taxes		5,217	8,214	+2,997	+57.4%	
Income taxes		1,092	1,808	+715	+65.5%	
Net income		4,124	6,405	+2,281	+55.3%	

# Non-consolidated

## – Trends in Data and Effects of Changes

### ■ Main Data

		FY2018 2Q YTD (Results)	FY2019 2Q YTD (Results)
Crude oil CIF price	\$/bbl	73.8	68.9
Coal CIF price	\$/t	106.9	92.2
Exchange rate	Yen/\$	110.3	108.6

### ■ Effects of Changes

(Unit:100 million yen)

		FY2018 2Q YTD (Results)	FY2019 2Q YTD (Results)
Crude oil CIF price *1,2	1\$/bbl	2.3	2.1
Coal CIF price *1	1\$/t	0.8	0.9
Exchange rate *1	1Yen/\$	2.5	2.2
Electric energy demand	1%	3.2	3.5
Interest rate	1%	0.2	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)

	FY2018 2Q YTD (Results)	FY2019 2Q YTD (Results)	Change	Rate of Change
Sales	109,593	111,032	+1,438	+1.3%
Operating income	5,590	8,762	+3,171	+56.7%
Ordinary income	5,096	8,398	+3,301	+64.8%
Net income*	3,921	6,453	+2,532	+64.6%

\* Net income attributable to owners of parent.

### ■ By Segment (before eliminating internal transactions)

(Unit: million yen)

	Electric business	Other
Sales	106,366	21,552
(YoY change)	(+590)	(+1,283)
Sales to outside customers out of total	104,979	6,052
(YoY change)	(+340)	(+1,098)
Operating income	8,483	161
(YoY change)	(+3,064)	(+77)

(Unit: million yen)

### ■ Sales : 111,032 (+1,438)

- Increase in Sales in Electric business.
- Increase in Sales to outside customers in consolidated subsidiaries.

### ■ Operating income : 8,762 (+3,171)

#### 【 Factors for increase 】

- Increase in Sales in Electric business.
- Decrease in Purchased power costs and Fuel costs in Electric business.

### ■ Ordinary income : 8,398 (+3,301)

### ■ Net income\* : 6,453(+2,532)

#### By segment

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

# Financial Results of each Company

(Unit: million yen)

		Sales			Operating income			Ordinary income			Net income		
		FY2018 2Q YTD (Results)	FY2019 2Q YTD (Results)	Change	FY2018 2Q YTD (Results)	FY2019 2Q YTD (Results)	Change	FY2018 2Q YTD (Results)	FY2019 2Q YTD (Results)	Change	FY2018 2Q YTD (Results)	FY2019 2Q YTD (Results)	Change
The Okinawa Electric Power Co., Inc.		105,776	106,366	+590	5,419	8,483	+3,064	5,217	8,214	+2,997	4,124	6,405	+2,281
O t h e r	Okidenko Co., Inc.	8,983	8,524	-459	112	-19	-131	160	12	-148	112	22	-90
	Okiden Kigyo Co., Inc.	2,391	2,538	+146	-16	-23	-6	1	-13	-14	0	-5	-6
	Okinawa Plant Kogyo Co., Inc.	4,110	4,226	+115	-160	-100	+60	-148	-92	+55	-80	-39	+41
	Okinawa Denki Kogyo Co., Inc.	606	660	+54	79	71	-8	97	79	-18	64	53	-10
	Okiden Kaihatsu Co., Inc.	1,320	1,735	+415	114	177	+63	119	172	+53	76	113	+36
	The Okiden Global Systems Co., Inc.	767	735	-32	-29	-43	-13	-25	-39	-13	-10	-26	-16
	Okinawa Enetech Co., Inc.	258	394	+136	-53	19	+73	-50	22	+73	-33	15	+49
	Okinawa New Energy Development Co., Inc.	290	283	-6	-27	-13	+14	-32	-17	+15	-20	-6	+13
	Okisetsubi Co., Ltd.	496	485	-10	-8	-6	+2	-6	-3	+2	-3	-2	+1
	First Riding Technology, Inc.	657	644	-12	108	113	+5	109	115	+6	67	75	+8
	Progressive Energy Corp.	1,319	1,875	+556	23	-5	-28	25	-5	-30	18	-2	-20
	The Reliance Energy Okinawa, Inc.	-	82	+82	-40	-15	+25	-40	-26	+14	-27	-17	+9
Elimination (Include investment gain/loss by equity method)		-17,386	-17,522	-136	69	121	+52	-328	-21	+307	-367	-132	+235
Consolidated		109,593	111,032	+1,438	5,590	8,762	+3,171	5,096	8,398	+3,301	3,921*	6,453*	+2,532*

\* Net income attributable to owners of parent.





# Balance Sheet Comparison

(Unit: million yen)

		FY2018 Term end	FY2019 2QTerm end	Change	Major factors for change		
Assets	*1	399,104	409,560	+10,455	Consolidated (Capex +12,490, Depreciation -11,019, Loss on retirement of non-current assets -224)		
	*2	368,746	374,001	+5,254			
	Non-current assets	*1	348,393	349,018		+624	
		*2	335,735	331,776		-3,959	
Current assets	*1	50,711	60,542	+9,831	Notes and accounts receivable-trade +5,637		
	*2	33,010	42,224	+9,213			
	Liabilities	*1	246,700	252,186		+5,485	CP +5,000 Accrued taxes +3,340 Long-term loans payable -6,033 [ Borrowing +176, Repayment -6,209 ]
		*2	233,518	233,952		+433	
Non-current liabilities	*1	199,473	185,656	-13,816			
	*2	190,517	174,256	-16,260			
Current liabilities	*1	47,226	66,529	+19,302			
	*2	43,000	59,695	+16,694			
Net assets	*1	152,404	157,374	+4,969	Net income*3 +6,453 , Dividend -1,554		
	*2	135,228	140,049	+4,820			

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

		FY2018 Term end	FY2019 2QTerm end	Change
Interest-bearing debt (million yen)	*1	180,914	179,984	-929
	*2	174,275	173,479	-795
Capital adequacy ratio (%)	*1	37.8	38.1	+0.3
	*2	36.7	37.4	+0.7

\*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		
		FY2018 2Q YTD (Results)	FY2019 2Q YTD (Results)	Change	FY2018 2Q YTD (Results)	FY2019 2Q YTD (Results)	Change
Capital expenditure		8,493	12,490	+3,996	6,614	7,628	+1,013
C F	Operating activities	7,746	18,030	+10,283	6,491	15,786	+9,294
	Investing activities	-9,858	-9,767	+90	-8,675	-9,056	-381
	(FCF)	(-2,111)	(8,262)	(+10,373)	(-2,183)	(6,729)	(+8,913)
	Financing activities	1,716	-3,363	-5,080	773	-3,186	-3,960
Interest-bearing debt outstanding		181,128	179,984	-1,143	176,070	173,479	-2,591

【Operating activities】 +10,283 million yen

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

【Investing activities】 +90 million yen

- Increase in Contributions in aid of construction received.

Accordingly, free cash-flow increased 10,373 million yen.

# Annual Outlook Summary

(Unit: million yen, X)

	Consolidated(A)				Non-consolidated(B)				(A) / (B)	
	FY2018 (Results)	FY2019 (Forecasts)		Change (II) - (I)	FY2018 (Results)	FY2019 (Forecasts)		Change (II) - (I)	FY2018 (Results)	FY2019 (Forecasts)
		Announced in Jul. 2019 (I)	Announced in Oct. 2019 (II)			Announced in Jul. 2019 (I)	Announced in Oct. 2019 (II)			
Sales	205,481	205,600	206,400	+800	195,960	195,200	196,000	+800	1.05	1.05
Operating income	5,443	7,900	8,900	+1,000	3,507	6,600	7,600	+1,000	1.55	1.17
Ordinary income	5,220	7,200	8,200	+1,000	3,694	6,000	7,000	+1,000	1.41	1.17
Net income	3,751*	5,500*	6,300*	+800	3,034	4,800	5,600	+800	1.24	1.13

\* Net income attributable to owners of parent.

## Consolidated and Non-consolidated : Increase in Sales, Increase in Income(the first time in 2 years)

### [ Comparison with previous forecasts (Jul.2019) ]

#### 【Revenue】

- Increase in Electricity sales due to increase in Electricity sales volume in Electric business.
- Increase in Sold power to other suppliers and Transmission revenue in Electric business.

#### 【Expenditure】

- Decrease in Fuel costs and Purchased power costs in Electric business.

# Non-consolidated – Revenue and Expenditure Forecasts, Factors in Changes I [Comparison with previous forecasts (July.2019)]

## ■ Electricity Sales Volume

(Unit: million kWh)

	FY2019 (Forecasts)		Change	Rate of Change
	Jul.2019	Oct.2019		
Lighting	2,961	2,989	+28	+1.0%
Power	4,329	4,333	+4	+0.1%
Total	7,290	7,322	+32	+0.4%

(Unit: million yen)

## ■ Revenue and Expenditure

(Unit: million yen)

Ordinary revenues	Electricity sales	172,300	172,800	+500	+0.3%
	Grant under Act on Purchase of Renewable Energy Sourced Electricity	11,700	11,300	-400	-3.4%
	Other income	12,000	12,700	+700	+5.8%
	(Sales)	(195,200)	(196,000)	(+800)	(+0.4%)
	Total	196,000	196,800	+800	+0.4%
Ordinary expenses	Personnel costs	18,200	18,200	-	-
	Fuel costs	50,100	49,600	-500	-1.0%
	Repair and maintenance costs	18,500	19,000	+500	+2.7%
	Depreciation costs	22,000	21,800	-200	-0.9%
	Purchased power costs	31,800	31,400	-400	-1.3%
	Interest expenses	1,300	1,300	-	-
	Tax and other public charges	7,400	7,400	-	-
	Levy under Act on Purchase of Renewable Energy Sourced Electricity	19,200	19,300	+100	+0.5%
	Other expenses	21,500	21,800	+300	+1.4%
	(Operating expenses)	(188,600)	(188,400)	(-200)	(-0.1%)
	Total	190,000	189,800	-200	-0.1%
	(Operating income)	(6,600)	(7,600)	(+1,000)	(+15.2%)
	Ordinary income	6,000	7,000	+1,000	+16.7%
	Income taxes	1,200	1,400	+200	+16.7%
	Net income	4,800	5,600	+800	+16.7%

## ■ Sales : 196,000 (+800)

- Increase in Electricity sales due to increase in Electricity sales volume.
- Increase in Other income such Sold power to other suppliers and Transmission revenue.

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

### 【Factors for increase】

- Increase in Sales.
- Decrease in Fuel costs due to fall in fuel prices.
- Decrease in Purchased power costs due to decrease in renewable energy purchase volume.

### 【Factors for decrease】

- Increase in Repair and maintenance costs due to the restoration of damage caused by Typhoon.

## ■ Ordinary income : 7,000 (+1,000)

## ■ Net income : 5,600 (+800)

# Non-consolidated – Revenue and Expenditure Forecasts, Factors in Changes II [Comparison with FY2018 results]

## ■ Electricity Sales Volume

(Unit: million kWh)

	FY2018 (Results)	FY2019 (Forecasts)	Change	Rate of Change
Lighting	2,960	2,989	+29	+1.0%
Power	4,493	4,333	-160	-3.6%
Total	7,453	7,322	-131	-1.8%

(Unit: million yen)

## ■ Revenue and Expenditure

(Unit: million yen)

Ordinary revenues	Electricity sales	177,727	172,800	-4,927	-2.8%
	Grant under Act on Purchase of Renewable Energy Sourced Electricity	11,898	11,300	-598	-5.0%
	Other income	8,248	12,700	+4,451	+54.0%
	(Sales)	(195,960)	(196,000)	(+39)	(+0.0%)
	Total	197,874	196,800	-1,074	-0.5%
Ordinary expenses	Personnel costs	17,692	18,200	+507	+2.9%
	Fuel costs	54,070	49,600	-4,470	-8.3%
	Repair and maintenance costs	18,992	19,000	+7	+0.0%
	Depreciation costs	22,717	21,800	-917	-4.0%
	Purchased power costs	32,732	31,400	-1,332	-4.1%
	Interest expenses	1,518	1,300	-218	-14.4%
	Tax and other public charges	7,427	7,400	-27	-0.4%
	Levy under Act on Purchase of Renewable Energy Sourced Electricity	19,362	19,300	-62	-0.3%
	Other expenses	19,666	21,800	+2,133	+10.8%
	(Operating expenses)	(192,453)	(188,400)	(-4,053)	(-2.1%)
	Total	194,180	189,800	-4,380	-2.3%
	(Operating income)	(3,507)	(7,600)	(+4,092)	(+116.7%)
	Ordinary income	3,694	7,000	+3,305	+89.5%
	Income taxes	659	1,400	+740	+112.3%
	Net income	3,034	5,600	+2,565	+84.5%

### ■ Sales : 196,000 (+39)

- Decrease in Electricity sales due to decrease in Electricity Sales Volume and income from the Fuel cost adjustment system.
- Increase in Other income such Sold power to other suppliers and Transmission revenue.

### ■ Operating income : 7,600 (+4,092)

#### 【Factors for increase】

- Decrease in Fuel costs due to fall in fuel prices.
- Decrease in Purchased power costs due to decrease in renewable energy purchase volume and fall in coal prices.
- Decrease in Depreciation costs due to progress of depreciation.

### ■ Ordinary income : 7,000 (+3,305)

### ■ Net income : 5,600 (+2,565)

# Non-consolidated

## – Trends in Data and Effects of Changes (Forecasts)

### ■ Main Data

		FY2018 (Results)	FY2019(Forecasts)	
			Jul.2019	Oct.2019
<b>Crude oil CIF price</b>	\$/bbl	72.1	70.0	69.0
<b>Coal CIF price</b>	\$/t	107.1	93.0	90.0
<b>Exchange rate</b>	Yen/\$	110.9	110.0	109.0

### ■ Effects of Changes

(Unit:100 million yen)

		FY2018 (Results)	FY2019(Forecasts)	
			Jul.2019	Oct.2019
<b>Crude oil CIF price</b> *1,2	1\$/bbl	4.1	3.9	3.9
<b>Coal CIF price</b> *1	1\$/t	1.5	1.6	1.6
<b>Exchange rate</b> *1	1Yen/\$	4.5	4.0	4.0
<b>Electric energy demand</b>	1%	5.9	6.1	6.3
<b>Interest rate</b>	1%	0.4	0.5	0.5

\*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)

	FY2018 (Results) (A)	FY2019 (Forecasts)		Change	
		Jul.2019 (B)	Oct.2019 (C)	(C)-(A)	(C)-(B)
Sales	205,481	205,600	206,400	+918	+800
Operating income	5,443	7,900	8,900	+3,457	+1,000
Ordinary income	5,220	7,200	8,200	+2,979	+1,000
Net income*1	3,751	5,500	6,300	+2,548	+800

\*1 Net income attributable to owners of parent.

## ■ By Segment (Forecasts)\*2

(Unit: million yen)

	Electric business	Other
Sales	196,000	49,000
(YoY Change)	(+39)	(+1,888)
Sales to outside customers out of total	193,400	13,000
(YoY Change)	(-165)	(+1,084)
Operating income	7,600	1,600
(YoY Change)	(+4,092)	(-344)

\*2 before eliminating internal transactions.

(Unit: million yen)

### Comparison with previous forecasts(Jul.2019)

#### ■ Sales : 206,400 (+800)

- Increase in Electricity sales in Electric business.
- Increase in Sold power to other suppliers and Transmission revenue in Electric business.

#### ■ Ordinary income : 8,200 (+1,000)

### Comparison with FY2018 results

#### ■ Sales : (+918)

- Increase in Sold power to other suppliers and Transmission revenue in Electric business.
- Increase in Sales to outside customers in consolidated subsidiaries.
- Decrease in Electricity sales in Electric business.

#### ■ Ordinary income : (+2,979)

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

### Comparison with FY2018 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		
		FY2018 (Results)	FY2019 (Forecasts)	Change	FY2018 (Results)	FY2019 (Forecasts)	Change	FY2018 (Results)	FY2019 (Forecasts)	Change	FY2018 (Results)	FY2019 (Forecasts)	Change
The Okinawa Electric Power Co., Inc.		195,960	196,000	+39	3,507	7,600	+4,092	3,694	7,000	+3,305	3,034	5,600	+2,565
O t h e r	Okidenko Co., Inc.	20,311	21,315	+1,004	966	480	-486	1,027	537	-490	713	372	-341
	Okiden Kigyo Co., Inc.	5,048	4,827	-220	30	-13	-43	54	1	-53	39	5	-33
	Okinawa Plant Kogyo Co., Inc.	10,224	9,549	-674	176	39	-137	195	51	-144	130	30	-100
	Okinawa Denki Kogyo Co., Inc.	1,361	1,240	-120	189	93	-96	220	105	-114	146	71	-75
	Okiden Kaihatsu Co., Inc.	2,744	3,954	+1,210	246	565	+318	251	550	+298	141	364	+222
	The Okiden Global Systems Co., Inc.	2,137	2,657	+520	156	101	-55	163	107	-56	114	82	-32
	Okinawa Enetech Co., Inc.	994	1,166	+171	31	124	+93	33	124	+90	-18	82	+101
	Okinawa New Energy Development Co., Inc.	635	729	+94	5	120	+115	-5	113	+118	-2	89	+91
	Okisetsubi Co., Ltd.	1,444	1,400	-44	101	48	-53	106	49	-57	70	32	-38
	First Riding Technology, Inc.	1,308	1,354	+45	159	168	+9	162	168	+5	105	108	+2
	Progressive Energy Corp.	3,051	3,128	+76	10	-66	-76	7	-71	-78	5	-101	-107
	The Reliance Energy Okinawa, Inc.	-	246	+246	-88	-40	+47	-88	-44	+43	-58	-29	+28
Elimination (Include investment gain/loss by equity method)		-39,740	-41,169	-1,428	-50	-321	-271	-603	-491	+111	-673	-407	+266
Consolidated		205,481	206,400	+918	5,443	8,900	+3,457	5,220	8,200	+2,979	3,751*	6,300*	+2,548*

\* Net income attributable to owners of parent.



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

(Unit : million yen)

		Consolidated			Non-consolidated		
		FY2018 (Results)	FY2019 (Forecasts)	Change	FY2018 (Results)	FY2019 (Forecasts)	Change
Capital expenditure		19,428	36,500	+17,071	17,376	29,700	+12,324
C F	Operating activities	16,608	35,500	+18,892	15,632	33,500	+17,868
	Investing activities	-17,408	-30,700	-13,292	-15,070	-28,600	-13,530
	(FCF)	(-799)	(4,800)	(+5,599)	(562)	(4,900)	(+4,338)
	Financing activities	-778	500	+1,278	-3,404	-200	+3,204
Interest-bearing debt outstanding		180,914	186,300	+5,385	174,275	178,800	+4,524

【Operating activities】 +18,892 million yen

- Increase in Decrease (increase) in inventories.
- Increase in Decrease (increase) in notes and accounts receivable-trade.

【Investing activities】 -13,292 million yen

- Increase in Purchase of non-current assets.

Accordingly, free cash-flow is expected to increase Year-on-Year.

## [Reference]

# Trends in Financial Indicators (Non-consolidated)

		2014	2015	2016	2017	2018
Sales	Million yen	177,509	174,286	172,340	188,075	195,960
Operating income	Million yen	7,525	5,597	7,112	7,160	3,507
EBITDA	Million yen	34,840	31,740	31,763	30,745	26,225
Ordinary income	Million yen	5,720	3,784	5,622	6,322	3,694
Net income	Million yen	3,960	2,931	4,486	5,106	3,034
ROA (Operating income/Assets)	%	1.9	1.4	1.9	1.9	0.9
ROA (Net income/Assets)	%	1.0	0.7	1.2	1.4	0.8
Capital adequacy ratio	%	33.4	35.0	36.7	36.3	36.7
Interest-bearing debt outstanding	Million yen	199,767	187,153	176,039	173,257	174,275
Total assets	Million yen	400,934	384,459	376,373	375,163	368,746
Total assets turnover	X	0.44 <sup>*</sup>	0.44	0.45	0.50	0.53
Shareholders' equity	Million yen	133,851	134,609	137,985	136,006	135,228
ROE	%	3.0	2.2	3.3	3.7	2.2
Return on sales (Operating income/Sales)	%	4.2	3.2	4.1	3.8	1.8
Return on sales (Net income/Sales)	%	2.2	1.7	2.6	2.7	1.5
D/E ratio	X	1.49	1.39	1.28	1.27	1.29

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

## [Reference]

# Trends in Financial Indicators (Consolidated)

		2014	2015	2016	2017	2018
Sales	Million yen	185,001	182,265	179,997	196,134	205,481
Operating income	Million yen	9,479	7,239	9,126	9,333	5,443
EBITDA	Million yen	36,907	33,823	34,393	33,486	28,682
Ordinary income	Million yen	7,638	5,229	7,521	8,381	5,220
Net income <sup>*3</sup>	Million yen	4,943	3,647	5,517	6,273	3,751
ROA (Operating income/Assets)	%	2.2	1.7	2.3	2.3	1.4
ROA (Net income/Assets)	%	1.2	0.9	1.4	1.6	0.9
Capital adequacy ratio	%	34.9	35.9	38.1	37.7	37.8
Interest-bearing debt outstanding	Million yen	200,882	188,748	179,758	177,332	180,914
Total assets	Million yen	421,824	409,860	400,237	402,088	399,104
Total assets turnover	X	0.44 <sup>*2</sup>	0.44	0.44	0.49	0.51
Shareholders' equity <sup>*1</sup>	Million yen	147,008	147,111	152,316	151,543	151,004
ROE	%	3.4	2.5	3.7	4.1	2.5
Return on sales (Operating income/Sales)	%	5.1	4.0	5.1	4.8	2.6
Return on sales (Net income/Sales)	%	2.7	2.0	3.1	3.2	1.8
D/E ratio	X	1.37	1.28	1.18	1.17	1.20

<sup>\*1</sup> Shareholders' equity Subtract 'Non-controlling interests' from 'Net assets'

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

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

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

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