

# **Summary of the Settlement of Accounts for FY2020 2nd Quarter**

**(April 1 – September 30, 2020)**

**October 30, 2020**



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

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# Financial Results for FY2020 2Q YTD

## (Year-on-Year Comparison)

(Unit: million yen, X)

	Consolidated (A)			Non-consolidated (B)			(A) / (B)	
	FY2019 2Q YTD (Results)	FY2020 2Q YTD (Results)	Rate of Change	FY2019 2Q YTD (Results)	FY2020 2Q YTD (Results)	Rate of Change	FY2019 2Q YTD (Results)	FY2020 2Q YTD (Results)
Sales	111,032	104,496	-5.9%	106,366	100,124	-5.9%	1.04	1.04
Operating income	8,762	10,924	+24.7%	8,483	10,490	+23.7%	1.03	1.04
Ordinary income	8,398	10,724	+27.7%	8,214	10,372	+26.3%	1.02	1.03
Net income	6,453 <sup>*</sup>	8,251 <sup>*</sup>	+27.9%	6,405	8,115	+26.7%	1.01	1.02

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

### Consolidated and Non-consolidated : Decrease in Sales, Increase in Income (the first time in 4 years)

#### 【Revenue】

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

#### 【Expenditure】

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

# Trends in Electricity Sales Volume

## Electricity Sales Volume

(Unit: million kWh, %)

	FY2019 2Q YTD (Results)	FY2020 2Q YTD (Results)	Change	Rate of Change
Lighting	1,610	1,656	+46	+2.9
Power	2,356	2,243	-113	-4.8
Total	3,966	3,899	-67	-1.7

### <Lighting>

The demand for Lighting increased compared with Year-on-Year due to higher temperature compared with previous year.

### <Power >

The demand for Power decreased compared with Year-on-Year due to the impact of the spread of the novel coronavirus and switching to other suppliers.

## ■ Power Generated and Received

(Unit: million kWh)

		FY2019 2Q YTD		FY2020 2Q YTD		Change	Rate of change
		Electricity generated	Com- position ratio	Electricity generated	Com- position ratio		
OEPC	Coal	1,836	43.2%	1,756	42.2%	-80	-4.4%
	Oil	607	14.3%	584	14.0%	-23	-3.8%
	LNG	809	19.1%	852	20.4%	+43	+5.3%
	Total	3,252	76.6%	3,192	76.6%	-60	-1.8%
Other		994	23.4%	975	23.4%	-19	-1.9%
Total		4,246	100.0%	4,167	100.0%	-79	-1.9%

### <Power Generated and Received>

- Power generated and received was 4,167 million kWh, down 1.9%.\*
- Electricity generated of OEPC's Coal-fired thermal power was down 4.4%.\*
- Electricity generated of OEPC's Oil-fired thermal power was down 3.8%.\*
- Electricity generated of OEPC's LNG-fired thermal power was up 5.3%.\*

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

# Non-consolidated

## – Factors in Revenue and Expenditure Changes

(Unit: million yen)

		FY2019 2Q YTD (Results)	FY2020 2Q YTD (Results)	Change	Rate of change	Main factors in changes
Ordinary revenues	Electricity sales	94,577	86,781	-7,796	-8.2%	Fuel cost adjustment system -6,966 Electricity sales volume -977
	Grant under Act on Purchase of Renewable Energy Sourced Electricity	6,656	7,087	+430	+6.5%	Effect of Avoidable costs
	Other income	5,560	6,732	+1,171	+21.1%	Transmission revenue +732 Sold power to other suppliers +610 Gas supply business revenue -286
	(Sales)	(106,366)	(100,124)	(-6,242)	(-5.9%)	
	Total	106,795	100,601	-6,194	-5.8%	
Ordinary expenses	Personnel costs	8,939	9,103	+164	+1.8%	Salary and benefits +158 Retirement benefits +67
	Fuel costs	27,480	20,532	-6,947	-25.3%	Quantity -290 Unit price -6,627 (CIF -7,165, Exchange rate -285, Initial inventories +1,219)
	Repair and maintenance costs	9,137	8,843	-294	-3.2%	Internal combustion -484 Thermal +152
	Depreciation costs	10,697	10,485	-211	-2.0%	Thermal -241
	Purchased power costs	17,671	17,001	-670	-3.8%	Thermal -1,540 Adjustment capability +771
	Interest expenses	667	556	-110	-16.6%	Average rate -109
	Tax and other public charges	3,967	3,854	-112	-2.8%	Enterprise tax -109 Fixed property tax -10
	Levy under Act on Purchase of Renewable Energy Sourced Electricity	10,492	10,282	-209	-2.0%	Decrease in Electricity sales volume
	Other expenses	9,527	9,566	+39	+0.4%	Business consignment expenses +322 Gas supply business expenses -221
	(Operating expenses)	(97,883)	(89,634)	(-8,249)	(-8.4%)	
	Total	98,581	90,228	-8,352	-8.5%	
	(Operating income)	(8,483)	(10,490)	(+2,007)	(+23.7%)	
	Ordinary income	8,214	10,372	+2,158	+26.3%	
	Income before income taxes	8,214	10,372	+2,158	+26.3%	
	Income taxes	1,808	2,257	+448	+24.8%	
	Net income	6,405	8,115	+1,709	+26.7%	

# Non-consolidated

## – Trends in Data and Effects of Changes

### ■ Main Data

		FY2019 2Q YTD (Results)	FY2020 2Q YTD (Results)
Crude oil CIF price	\$/bbl	68.9	36.5
Coal CIF price	\$/t	92.2	68.4
Exchange rate	Yen/\$	108.6	106.9

### ■ Effects of Changes

(Unit:100 million yen)

		FY2019 2Q YTD (Results)	FY2020 2Q YTD (Results)
Crude oil CIF price *1,2	1\$/bbl	2.1	2.1
Coal CIF price *1	1\$/t	0.9	0.8
Exchange rate *1	1Yen/\$	2.2	1.5
Electric energy demand	1%	3.5	3.6
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)

	FY2019 2Q YTD (Results)	FY2020 2Q YTD (Results)	Change	Rate of Change
Sales	111,032	104,496	-6,535	-5.9%
Operating income	8,762	10,924	+2,162	+24.7%
Ordinary income	8,398	10,724	+2,326	+27.7%
Net income*	6,453	8,251	+1,798	+27.9%

\* Net income attributable to owners of parent.

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

(Unit: million yen)

	Electric business	Other
Sales (YoY change)	100,124 (-6,242)	22,306 (+753)
Sales to outside customers out of total (YoY change)	98,566 (-6,413)	5,930 (-122)
Operating income (YoY change)	10,490 (+2,007)	581 (+419)

(Unit: million yen)

### ■ Sales : 104,496 (-6,535)

- Decrease in Sales in Electric business.

### ■ Operating income : 10,924 (+2,162)

#### 【 Factors for increase 】

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

#### 【 Factors for decrease 】

- Decrease in Sales in Electric business.

### ■ Ordinary income : 10,724 (+2,326)

### ■ Net income\* : 8,251 (+1,798)

### By segment

- In “Other” segment, Sales increased due to increase in energy service provider (ESP) business sales.

# Financial Results of each Company

(Unit: million yen)

		Sales			Operating income			Ordinary income			Net income		
		FY2019 2Q YTD (Results)	FY2020 2Q YTD (Results)	Change	FY2019 2Q YTD (Results)	FY2020 2Q YTD (Results)	Change	FY2019 2Q YTD (Results)	FY2020 2Q YTD (Results)	Change	FY2019 2Q YTD (Results)	FY2020 2Q YTD (Results)	Change
The Okinawa Electric Power Company, Inc.		106,366	100,124	-6,242	8,483	10,490	+2,007	8,214	10,372	+2,158	6,405	8,115	+1,709
O t h e r	Okidenko Company, Ltd.	8,524	9,366	+841	-19	379	+398	12	414	+402	22	290	+267
	Okiden Kigyo Company, Ltd.	2,538	2,262	-275	-23	-22	+0	-13	-8	+4	-5	-4	+1
	Okinawa Plant Kogyo Company, Inc.	4,226	4,618	+391	-100	131	+231	-92	143	+236	-39	93	+132
	Okinawa Denki Kogyo Company, Inc.	660	488	-172	71	34	-36	79	60	-18	53	41	-12
	Okiden Kaihatsu Company, Inc.	1,735	1,460	-275	177	118	-59	172	111	-61	113	87	-26
	The Okiden Global Systems Company, Inc.	735	1,051	+316	-43	-80	-37	-39	-75	-36	-26	-24	+1
	Okinawa Enetech Company, Inc.	394	335	-59	19	4	-15	22	6	-16	15	4	-11
	Okinawa New Energy Development Company, Inc.	283	258	-25	-13	-18	-5	-17	-21	-4	-6	-13	-7
	Okisetsubi Company, Ltd.	485	388	-96	-6	-22	-16	-3	-18	-14	-2	-10	-7
	First Riding Technology, Inc.	644	655	+11	113	116	+2	115	116	+0	75	79	+4
	Progressive Energy Corporation.	1,875	1,294	-581	-5	0	+5	-5	-1	+3	-2	-1	+1
	The Reliance Energy Okinawa, Inc.	82	837	+755	-15	70	+85	-26	58	+84	-17	38	+55
Elimination (Include investment gain/loss by equity method)		-17,522	-18,645	-1,123	121	-277	-399	-21	-432	-411	-132	-443	-311
Consolidated		111,032	104,496	-6,535	8,762	10,924	+2,162	8,398	10,724	+2,326	6,453*	8,251*	+1,798*

\* Net income attributable to owners of parent.



# Balance Sheet Comparison

(Unit: million yen)

		FY2019 Term end	FY2020 2QTerm end	Change	Major factors for change
Assets	*1	408,789	414,734	+5,945	{ Capex +11,501 , Depreciation -10,910, Loss on retirement of non-current assets -155  Notes and accounts receivable-trade +4,945
	*2	373,941	379,103	+5,161	
	*1	352,136	352,338	+201	
	*2	337,304	334,587	-2,716	
	*1	56,652	62,395	+5,743	
	*2	36,637	44,515	+7,878	
Liabilities	*1	253,078	252,071	-1,007	{ Interest-bearing debt -1,901 Bonds payable -10,000 Long-term loans payable -705 [ Borrowing +5,444, Repayment -6,150 ] Short-term loans payable -196 CP +9,000  Notes and accounts payable-trade -1,685 , Accrued taxes +3,073
	*2	236,382	234,893	-1,489	
	*1	195,613	183,915	-11,698	
	*2	182,952	171,641	-11,310	
	*1	57,465	68,156	+10,690	
	*2	53,430	63,252	+9,821	
Net assets	*1	155,710	162,662	+6,952	{ Net income*3 +8,251 , Dividend -1,554
	*2	137,558	144,209	+6,650	

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

		FY2019 Term end	FY2020 2QTerm end	Change
Interest-bearing debt (million yen)	*1	180,838	178,936	-1,901
	*2	173,836	172,093	-1,743
Capital adequacy ratio (%)	*1	37.7	38.9	+1.2
	*2	36.8	38.0	+1.2

\*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		
		FY2019 2Q YTD (Results)	FY2020 2Q YTD (Results)	Change	FY2019 2Q YTD (Results)	FY2020 2Q YTD (Results)	Change
Capital expenditure		12,490	11,501	-989	7,628	8,352	+723
C F	Operating activities	18,030	14,768	-3,261	15,786	15,142	-643
	Investing activities	-9,767	-11,585	-1,817	-9,056	-11,862	-2,806
	(FCF)	(8,262)	(3,183)	(-5,079)	(6,729)	(3,280)	(-3,449)
	Financing activities	-3,363	-4,423	-1,059	-3,186	-4,185	-999
Interest-bearing debt outstanding		179,984	178,936	-1,047	173,479	172,093	-1,386

【Operating activities】 -3,261 million yen

- Decrease in Decrease (increase) in inventories.

【Investing activities】 -1,817 million yen

- Increase in Purchase of non-current assets.

Accordingly, free cash-flow Decreased 5,079 million yen.

# Annual Outlook Summary

(Unit: million yen, X)

	Consolidated(A)				Non-consolidated(B)				(A) / (B)	
	FY2019 (Results)	FY2020 (Forecasts)		Change (II) - (I)	FY2019 (Results)	FY2020 (Forecasts)		Change (II) - (I)	FY2019 (Results)	FY2020 (Forecasts)
		Announced in Jul. 2020 (I)	Announced in Oct. 2020 (II)			Announced in Jul. 2020 (I)	Announced in Oct. 2020 (II)			
Sales	204,296	188,700	190,300	+1,600	194,471	178,400	180,200	+1,800	1.05	1.06
Operating income	10,326	10,000	10,000	-	8,236	8,100	8,100	-	1.25	1.23
Ordinary income	9,311	9,300	9,300	-	7,321	7,500	7,500	-	1.27	1.24
Net income	6,705*	7,000*	7,000*	-	5,651	5,900	5,900	-	1.19	1.19

\* Net income attributable to owners of parent.

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

**Ordinary income almost unchanged from the previous year**

**Non-consolidated: Decrease in Sales, Increase in Income (2 consecutive years)**

**[ Comparison with previous forecasts (Jul.2020) ]**

**【Revenue】**

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

**【Expenditure】**

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

The impact due to spread of the novel coronavirus after October 2020 has not been considered in this forecast because it is extremely difficult to calculate.

# Non-consolidated – Revenue and Expenditure Forecasts, Factors in Changes I [Comparison with previous forecasts (July.2020)]

## ■ Electricity Sales Volume

(Unit: million kWh)

	FY2020 (Forecasts)		Change	Rate of Change
	Jul.2020	Oct.2020		
Lighting	2,903	2,990	+87	+3.0%
Power	4,262	4,236	-26	-0.6%
Total	7,165	7,226	+61	+0.9%

(Unit: million yen)

## ■ Sales : 180,200 (+1,800)

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

## ■ Operating income : 8,100 (No change)

### 【Factors for increase】

- Increase in Sales.

### 【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 of renewable energy.

## ■ Ordinary income : 7,500 (No change)

## ■ Net income : 5,900 (No change)

## ■ Revenue and Expenditure

(Unit: million yen)

Ordinary revenues	Electricity sales	154,100	155,800	+1,700	+1.1%
	Grant under Act on Purchase of Renewable Energy Sourced Electricity	11,900	12,500	+600	+5.0%
	Other income	13,000	12,500	-500	-3.8%
	(Sales)	(178,400)	(180,200)	(+1,800)	(+1.0%)
	Total	179,000	180,800	+1,800	+1.0%
Ordinary expenses	Personnel costs	18,400	18,400	-	-
	Fuel costs	35,600	36,100	+500	+1.4%
	Repair and maintenance costs	18,500	18,500	-	-
	Depreciation costs	21,900	21,600	-300	-1.4%
	Purchased power costs	29,000	29,900	+900	+3.1%
	Interest expenses	1,100	1,100	-	-
	Tax and other public charges	7,200	7,300	+100	+1.4%
	Levy under Act on Purchase of Renewable Energy Sourced Electricity	18,800	19,000	+200	+1.1%
	Other expenses	21,000	21,400	+400	+1.9%
	(Operating expenses)	(170,300)	(172,100)	(+1,800)	(+1.1%)
	Total	171,500	173,300	+1,800	+1.0%
	(Operating income)	(8,100)	(8,100)	(-)	(-)
	Ordinary income	7,500	7,500	-	-
	Income taxes	1,600	1,600	-	-
	Net income	5,900	5,900	-	-

The impact due to spread of the novel coronavirus after October 2020 has not been considered in this forecast because it is extremely difficult to calculate.

# Non-consolidated – Revenue and Expenditure Forecasts, Factors in Changes II [Comparison with FY2019 results]

## ■ Electricity Sales Volume

(Unit: million kWh)

	FY2019 (Results)	FY2020 (Forecasts)	Change	Rate of Change
Lighting	2,946	2,990	+44	+1.5%
Power	4,370	4,236	-134	-3.1%
Total	7,316	7,226	-90	-1.2%

(Unit: million yen)

## ■ Sales : 180,200 (-14,271)

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

## ■ Revenue and Expenditure

(Unit: million yen)

Ordinary revenues	Electricity sales	171,930	155,800	-16,130	-9.4%
	Grant under Act on Purchase of Renewable Energy Sourced Electricity	11,971	12,500	+528	+4.4%
	Other income	11,146	12,500	+1,353	+12.1%
	(Sales)	(194,471)	(180,200)	(-14,271)	(-7.3%)
	Total	195,048	180,800	-14,248	-7.3%
Ordinary expenses	Personnel costs	17,981	18,400	+418	+2.3%
	Fuel costs	48,836	36,100	-12,736	-26.1%
	Repair and maintenance costs	18,841	18,500	-341	-1.8%
	Depreciation costs	21,693	21,600	-93	-0.4%
	Purchased power costs	32,010	29,900	-2,110	-6.6%
	Interest expenses	1,298	1,100	-198	-15.3%
	Tax and other public charges	7,530	7,300	-230	-3.1%
	Levy under Act on Purchase of Renewable Energy Sourced Electricity	19,179	19,000	-179	-0.9%
	Other expenses	20,355	21,400	+1,044	+5.1%
	(Operating expenses)	(186,234)	(172,100)	(-14,134)	(-7.6%)
	Total	187,727	173,300	-14,427	-7.7%
	(Operating income)	(8,236)	(8,100)	(-136)	(-1.7%)
	Ordinary income	7,321	7,500	+178	+2.4%
	Income taxes	1,669	1,600	-69	-4.2%
	Net income	5,651	5,900	+248	+4.4%

## ■ Operating income : 8,100 (-136)

### 【Factors for decrease】

- Decrease in Sales.

### 【Factors for increase】

- Decrease in Fuel costs due to fall in fuel prices.
- Decrease in Purchased power costs due to decrease in Purchased power volume and fall in coal prices.

## ■ Ordinary income : 7,500 (+178)

## ■ Net income : 5,900 (+248)

The impact due to spread of the novel coronavirus after October 2020 has not been considered in this forecast because it is extremely difficult to calculate.

# Non-consolidated

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

### ■ Main Data

		FY2019 (Results)	FY2020(Forecasts)	
			Jul.2020	Oct.2020
Crude oil CIF price	\$/bbl	67.8	38.0	41.0
Coal CIF price	\$/t	88.6	68.0	68.0
Exchange rate	Yen/\$	108.7	109.0	108.0

### ■ Effects of Changes

(Unit:100 million yen)

		FY2019 (Results)	FY2020(Forecasts)	
			Jul.2020	Oct.2020
Crude oil CIF price *1,2	1\$/bbl	3.9	3.9	3.9
Coal CIF price *1	1\$/t	1.6	1.5	1.6
Exchange rate *1	1Yen/\$	3.9	2.7	2.8
Electric energy demand	1%	6.1	6.4	6.6
Interest rate	1%	0.5	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)

	FY2019 (Results) (A)	FY2020 (Forecasts)		Change	
		Jul.2020 (B)	Oct.2020 (C)	(C)-(A)	(C)-(B)
Sales	204,296	188,700	190,300	-13,996	+1,600
Operating income	10,326	10,000	10,000	-326	-
Ordinary income	9,311	9,300	9,300	-11	-
Net income*1	6,705	7,000	7,000	+294	-

\*1 Net income attributable to owners of parent.

## ■ By Segment (Forecasts)\*2

(Unit: million yen)

	Electric business	Other
Sales	180,200	49,900
(YoY Change)	(-14,271)	(+1,107)
Sales to outside customers out of total	177,000	13,300
(YoY Change)	(-14,609)	(+613)
Operating income	8,100	2,300
(YoY Change)	(-136)	(-75)

\*2 before eliminating internal transactions.

(Unit: million yen)

## Comparison with previous forecasts(Jul.2020)

### ■ Sales : 190,300 (+1,600)

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

### ■ Ordinary income : 9,300 (No change)

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

## Comparison with FY2019 results

### ■ Sales : (-13,996)

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

### ■ Ordinary income : (-11)

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

## Comparison with FY2019 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.

The impact due to spread of the novel coronavirus after October 2020 has not been considered in this forecast because it is extremely difficult to calculate.

# Financial Outlook of each Company

The impact due to spread of the novel coronavirus after October 2020 has not been considered in this forecast because it is extremely difficult to calculate.

(Unit: million yen)

		Sales			Operating income			Ordinary income			Net income		
		FY2019 (Results)	FY2020 (Forecasts)	Change	FY2019 (Results)	FY2020 (Forecasts)	Change	FY2019 (Results)	FY2020 (Forecasts)	Change	FY2019 (Results)	FY2020 (Forecasts)	Change
The Okinawa Electric Power Company, Inc.		194,471	180,200	-14,271	8,236	8,100	-136	7,321	7,500	+178	5,651	5,900	+248
O t h e r	Okidenko Company, Ltd.	20,761	21,042	+281	799	533	-266	844	576	-268	600	399	-201
	Okiden Kigyo Company, Ltd.	4,985	4,892	-93	58	48	-9	74	65	-8	-10	46	+56
	Okinawa Plant Kogyo Company, Inc.	10,186	11,137	+950	302	334	+32	317	350	+33	198	224	+26
	Okinawa Denki Kogyo Company, Inc.	1,302	1,191	-111	160	113	-47	172	152	-19	108	101	-6
	Okiden Kaihatsu Company, Inc.	3,245	3,396	+150	398	476	+77	396	450	+54	262	312	+50
	The Okiden Global Systems Company, Inc.	2,682	2,466	-216	168	98	-70	175	105	-69	118	94	-24
	Okinawa Enetech Company, Inc.	1,287	1,510	+222	170	252	+81	180	252	+72	120	166	+46
	Okinawa New Energy Development Company, Inc.	699	721	+21	100	115	+15	93	110	+17	69	75	+6
	Okisetsubi Company, Ltd.	1,442	1,600	+157	70	58	-12	71	59	-12	47	39	-8
	First Riding Technology, Inc.	1,291	1,361	+70	196	188	-7	200	188	-11	133	131	-2
	Progressive Energy Corporation	3,259	2,297	-962	-19	-37	-18	-21	-42	-20	-77	-42	+35
	The Reliance Energy Okinawa, Inc.	495	1,804	+1,308	-11	126	+137	-24	101	+125	-17	51	+68
Elimination (Include investment gain/loss by equity method)		-41,814	-43,319	-1,505	-304	-407	-103	-490	-570	-80	-501	-501	-0
Consolidated		204,296	190,300	-13,996	10,326	10,000	-326	9,311	9,300	-11	6,705*	7,000*	+294*

\* Net income attributable to owners of parent.



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

(Unit : million yen)

		Consolidated			Non-consolidated		
		FY2019 (Results)	FY2020 (Forecasts)	Change	FY2019 (Results)	FY2020 (Forecasts)	Change
Capital expenditure		28,551	45,800	+17,248	23,064	40,900	+17,836
C F	Operating activities	36,092	31,600	-4,492	33,520	29,900	-3,620
	Investing activities	-25,988	-34,300	-8,312	-22,884	-32,400	-9,516
	(FCF)	(10,103)	(-2,700)	(-12,803)	(10,635)	(-2,500)	(-13,135)
	Financing activities	-5,018	4,600	+9,618	-5,254	4,800	+10,054
Interest-bearing debt outstanding		180,838	190,500	+9,661	173,836	183,500	+9,664

【Operating activities】 -4,492 million yen

- Decrease in Decrease (increase) in inventories.
- Increase in income taxes paid.

【Investing activities】 -8,312 million yen

- Increase in Purchase of non-current assets.

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

The impact due to spread of the novel coronavirus after October 2020 has not been considered in this forecast because it is extremely difficult to calculate.

## [Reference]

# Trends in Financial Indicators (Non-consolidated)

		2015	2016	2017	2018	2019
Sales	Million yen	174,286	172,340	188,075	195,960	194,471
Operating income	Million yen	5,597	7,112	7,160	3,507	8,236
EBITDA	Million yen	31,740	31,763	30,745	26,225	29,929
Ordinary income	Million yen	3,784	5,622	6,322	3,694	7,321
Net income	Million yen	2,931	4,486	5,106	3,034	5,651
ROA (Operating income/Assets)	%	1.4	1.9	1.9	0.9	2.2
ROA (Net income/Assets)	%	0.7	1.2	1.4	0.8	1.5
Capital adequacy ratio	%	35.0	36.7	36.3	36.7	36.8
Interest-bearing debt outstanding	Million yen	187,153	176,039	173,257	174,275	173,836
Total assets	Million yen	384,459	376,373	375,163	368,746	373,941
Total assets turnover	X	0.44	0.45	0.50	0.53	0.52
Shareholders' equity	Million yen	134,609	137,985	136,006	135,228	137,558
ROE	%	2.2	3.3	3.7	2.2	4.1
Return on sales (Operating income/Sales)	%	3.2	4.1	3.8	1.8	4.2
Return on sales (Net income/Sales)	%	1.7	2.6	2.7	1.5	2.9
D/E ratio	X	1.39	1.28	1.27	1.29	1.26

## [Reference]

# Trends in Financial Indicators (Consolidated)

		2015	2016	2017	2018	2019
Sales	Million yen	182,265	179,997	196,134	205,481	204,296
Operating income	Million yen	7,239	9,126	9,333	5,443	10,326
EBITDA	Million yen	33,823	34,393	33,486	28,682	32,711
Ordinary income	Million yen	5,229	7,521	8,381	5,220	9,311
Net income * <sup>1</sup>	Million yen	3,647	5,517	6,273	3,751	6,705
ROA (Operating income/Assets)	%	1.7	2.3	2.3	1.4	2.6
ROA (Net income/Assets)	%	0.9	1.4	1.6	0.9	1.7
Capital adequacy ratio	%	35.9	38.1	37.7	37.8	37.7
Interest-bearing debt outstanding	Million yen	188,748	179,758	177,332	180,914	180,838
Total assets	Million yen	409,860	400,237	402,088	399,104	408,789
Total assets turnover	X	0.44	0.44	0.49	0.51	0.51
Shareholders' equity * <sup>2</sup>	Million yen	147,111	152,316	151,543	151,004	154,226
ROE	%	2.5	3.7	4.1	2.5	4.4
Return on sales (Operating income/Sales)	%	4.0	5.1	4.8	2.6	5.1
Return on sales (Net income/Sales)	%	2.0	3.1	3.2	1.8	3.3
D/E ratio	X	1.28	1.18	1.17	1.20	1.17

\*<sup>1</sup> Net income attributable to owners of parent.

\*<sup>2</sup> Shareholders' equity : Subtract 'Non-controlling interests' 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.**

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