

Summary of the Settlement of Accounts for FY2021

April 28, 2022



The Okinawa Electric Power Company, Inc.

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Financial Results for FY2021

(Year-on-Year Comparison)

(Unit: million yen, X)

	Consolidated (A)			Non-consolidated (B)			(A) / (B)	
	FY2020 (Results)	FY2021 (Results)	Rate of Change ^{*2}	FY2020 (Results)	FY2021 (Results)	Rate of Change	FY2020 (Results)	FY2021 (Results)
Sales	190,520	176,232	–	180,638	168,078	–	1.05	1.05
Operating income	12,619	2,810	-77.7%	10,097	465	-95.4%	1.25	6.04
Ordinary income	11,335	2,717	-76.0%	8,939	500	-94.4%	1.27	5.43
Net income	8,341 ^{*1}	1,959 ^{*1}	-76.5%	6,953	694	-90.0%	1.20	2.82

*1 Net income attributable to owners of parent.

*2 Since the Company applies the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) from the beginning of FY 2021, Sales for FY2021 are based on amounts after the application of this accounting standard. As a result, the rate of change to Sales is not stated.

【Revenue】

- Decrease in Electricity sales (Renewable Energy Power Promotion Surcharge) and Grant under Act on Purchase of Renewable Energy Sourced Electricity due to the application of the "Accounting Standard for Revenue Recognition" in Electric business.
- Increase in Sold power to other suppliers and income from the Fuel cost adjustment system in Electric business.

【Expenditure】

- Decrease in Levy under Act on Purchase of Renewable Energy Sourced Electricity and Purchased power costs due to the application of the "Accounting Standard for Revenue Recognition" in Electric business.
- Increase in Fuel costs in Electric business.

Financial Results for FY2021

(Comparison with previous forecasts (Mar.2022))

(Unit: million yen)

	Consolidated							Non-consolidated						
	FY2021 (previous forecasts)					FY2021 Results	Change Against Mar.2022	FY2021 (previous forecasts)					FY2021 Results	Change Against Mar.2022
	Apr. 2021	Jul. 2021	Oct. 2021	Jan. 2022	Mar. 2022			Apr. 2021	Jul. 2021	Oct. 2021	Jan. 2022	Mar. 2022		
Sales	162,400	168,500	174,600	175,400	175,800	176,232	+0.2%	153,100	159,200	165,200	166,900	167,600	168,078	+0.3%
Operating income	6,800	6,800	6,000	4,900	2,900	2,810	-3.1%	5,100	5,100	4,100	3,100	1,100	465	-57.7%
Ordinary income	6,500	6,500	5,700	4,600	2,600	2,717	+4.5%	5,000	5,000	4,000	3,000	1,000	500	-49.9%
Net income	* 4,700	* 4,700	* 4,200	* 3,300	* 1,700	* 1,959	+15.2%	4,000	4,000	3,300	2,500	900	694	-22.9%

* Net income attributable to owners of parent.

[Comparison with previous forecasts (Mar.2022)]

【Revenue】

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

【Expenditure】

- Increase in Fuel costs and Repair and maintenance costs in Electric business.
- Decrease in Operating expenses in consolidated subsidiaries.

Trends in Electricity Sales Volume

Electricity Sales Volume

(Unit: million kWh, %)

	FY2020 (Results)	FY2021 (Results)	Change	Rate of Change
Lighting	2,983	2,895	-88	-3.0
Power	4,154	4,138	-16	-0.4
Total	7,137	7,033	-104	-1.5

<Lighting>

The demand for Lighting decreased compared with Year-on-Year due to the impact of customer switching to other suppliers and the lower temperature in summer compared with previous year.

<Power >

The demand for Power remained almost unchanged from the previous year due to the impact of customer switching to other suppliers and the lower temperature, despite weakened impact of the novel coronavirus.

■ Power Generated and Received

(Unit: million kWh)

		FY2020		FY2021		Change	Rate of change
		Electricity generated	Com- position ratio	Electricity generated	Com- position ratio		
OEPC	Coal	3,216	43.3%	3,114	42.6%	-102	-3.2%
	Oil	1,076	14.5%	1,002	13.7%	-74	-6.9%
	LNG	1,566	21.1%	1,654	22.6%	+88	+5.6%
	Total	5,858	78.9%	5,770	78.9%	-88	-1.5%
Other		1,568	21.1%	1,539	21.1%	-29	-1.8%
Total		7,426	100.0%	7,309	100.0%	-117	-1.6%

<Power Generated and Received>

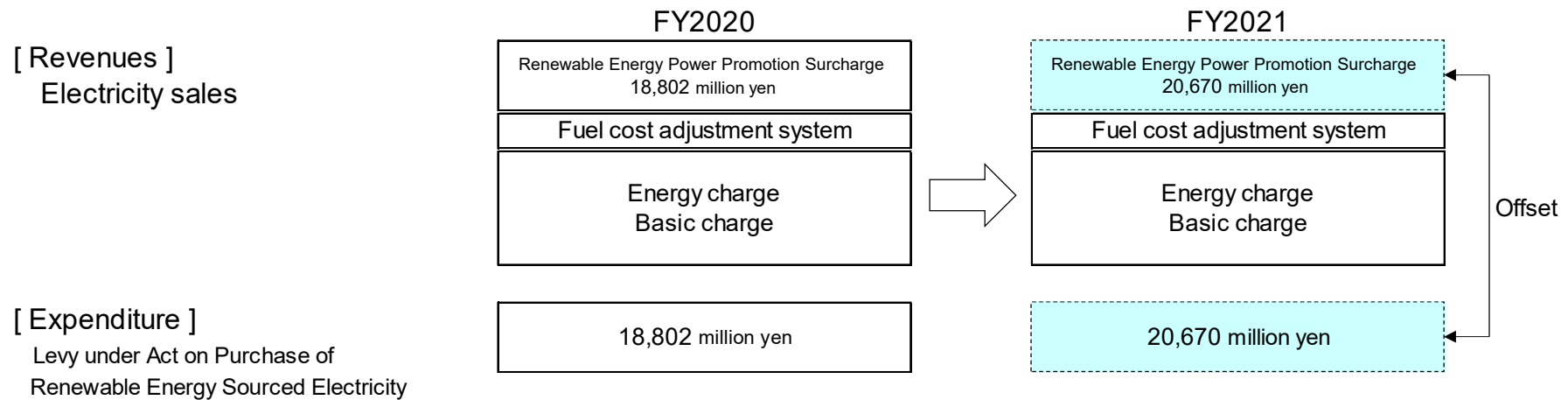
- Power generated and received was 7,309 million kWh, down 1.6%. *
- Electricity generated of OEPC's Coal-fired thermal power was down 3.2%. *
- Electricity generated of OEPC's Oil-fired thermal power was down 6.9%. *
- Electricity generated of OEPC's LNG-fired thermal power was up 5.6%. *

*Comparison with previous year.

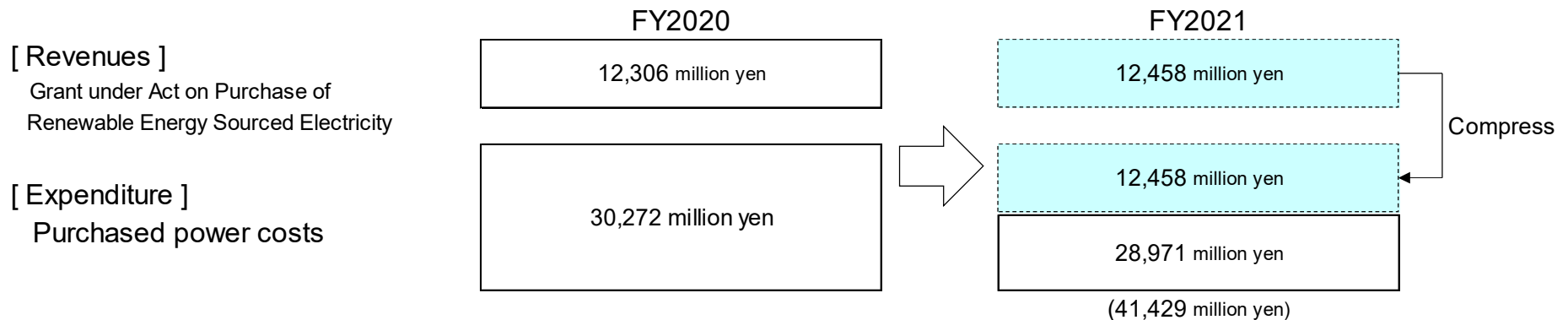
Application of the "Accounting Standard for Revenue Recognition"

The effect of the application of the "Accounting Standard for Revenue Recognition" is 33.1 billion yen decrease in Sales in FY2021. There will be no effect on profit.

① Offset Electricity sales (Renewable Energy Power Promotion Surcharge) and Levy under Act on Purchase of Renewable Energy Sourced Electricity.



② Compress Grant under Act on Purchase of Renewable Energy Sourced Electricity from Purchased power costs.



Non-consolidated

– Factors in Revenue and Expenditure Changes

(Unit: million yen)

		FY2020 (Results)	FY2021 (Results)	Change	Main factors in changes
Ordinary revenues	Electricity sales	154,306	146,745	-7,560	Renewable Energy Power Promotion Surcharge -18,802 (Decrease due to the application of the “Accounting Standard for Revenue Recognition”) Fuel cost adjustment system +14,656 Electricity sales volume -2,372
	Grant under Act on Purchase of Renewable Energy Sourced Electricity	12,306	-	-12,306	Decrease due to the application of the “Accounting Standard for Revenue Recognition” (Compress Purchased power costs)
	Other income	14,702	22,469	+7,766	Sold power to other suppliers +5,922 Transmission revenue +1,591
	(Sales)	(180,638)	(168,078)	(-12,560)	
Total		181,315	169,214	-12,100	
Ordinary expenses	Personnel costs	18,354	17,630	-723	Retirement benefits -626
	Fuel costs	35,947	52,869	+16,921	Unit price +15,964 (CIF +16,389 Exchange rate +4,335 Initial inventories -4,761) Quantity +654
	Repair and maintenance costs	18,481	17,812	-669	Thermal -730 Internal combustion -117 Distribution +212
	Depreciation costs	21,486	22,746	+1,260	Internal combustion +665 General +435 Transformation +280
	Purchased power costs	30,272	28,971	-1,301	Grant under Act on Purchase of Renewable Energy Sourced Electricity deduction -12,458 Thermal +5,004 Waste +4,787
	Interest expenses	1,071	899	-172	Average rate -227
	Tax and other public charges	7,263	7,376	+112	Enterprise tax +43 Electric power development promotion tax +26
	Levy under Act on Purchase of Renewable Energy Sourced Electricity	18,802	-	-18,802	Decrease due to the application of the “Accounting Standard for Revenue Recognition”
	Other expenses	20,694	20,407	-286	Non-operating expenses -570 Waste disposal costs -299 Non-current assets retirement costs +511
	(Operating expenses)	(170,541)	(167,612)	(-2,928)	
Total		172,375	168,714	-3,661	
(Operating income)		(10,097)	(465)	(-9,632)	
Ordinary income		8,939	500	-8,439	
Income before income taxes		8,939	500	-8,439	
Income taxes		1,986	-193	-2,180	
Net income		6,953	694	-6,259	

Non-consolidated

– Trends in Data and Effects of Changes

■ Main Data

		FY2020 (Results)	FY2021 (Results)
Crude oil CIF price	\$/bbl	43.4	77.2
Coal CIF price	\$/t	69.7	132.4
Exchange rate	Yen/\$	106.1	112.4

■ Effects of Changes

(Unit:100 million yen)

		FY2020 (Results)	FY2021 (Results)
Crude oil CIF price *1,2	1\$/bbl	3.8	4.2
Coal CIF price *1	1\$/t	1.5	1.5
Exchange rate *1	1Yen/\$	2.8	4.6
Electric energy demand	1%	6.3	5.3
Interest rate	1%	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

– Factors in Revenue and Expenditure Changes

(Unit: million yen)

	FY2020 (Results)	FY2021 (Results)	Change	Rate of Change*2
Sales	190,520	176,232	-14,288	—
Operating income	12,619	2,810	-9,809	-77.7%
Ordinary income	11,335	2,717	-8,617	-76.0%
Net income*1	8,341	1,959	-6,381	-76.5%

*1 Net income attributable to owners of parent.

*2 Since the Company applies the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29) from the beginning of FY 2021, Sales for FY2021 are based on amounts after the application of this accounting standard. As a result, the rate of change to Sales is not stated.

■ By Segment (before eliminating internal transactions)

(Unit: million yen)

	Electric business	Other
Sales	168,078	49,713
(YoY change)	(-12,560)	(-123)
Sales to outside customers out of total	164,670	11,562
(YoY change)	(-13,079)	(-1,209)
Operating income	465	2,868
(YoY change)	(-9,632)	(-365)

■ Sales : 176,232 (-14,288)

【 Factors for decrease 】

- Decrease in Electricity sales (Renewable Energy Power Promotion Surcharge) and Grant under Act on Purchase of Renewable Energy Sourced Electricity due to the application of the "Accounting Standard for Revenue Recognition" in Electric business.

【 Factors for increase 】

- Increase in income from the Fuel cost adjustment system in Electric business.
- Increase in Sold power to other suppliers in Electric business.

■ Operating income : 2,810 (-9,809)

【 Factors for decrease 】

- Increase in Fuel costs in Electric business.

■ Ordinary income : 2,717 (-8,617)

■ Net income*1 : 1,959 (-6,381)

By segment

- In "Other" segment, Sales decreased due to decrease in construction orders from private sector although increase in energy service provider (ESP) business.

Financial Results of each Company

(Unit: million yen)

		Sales			Operating income			Ordinary income			Net income		
		FY2020 (Results)	FY2021 (Results)	Change	FY2020 (Results)	FY2021 (Results)	Change	FY2020 (Results)	FY2021 (Results)	Change	FY2020 (Results)	FY2021 (Results)	Change
The Okinawa Electric Power Company, Inc.		180,638	168,078	-12,560	10,097	465	-9,632	8,939	500	-8,439	6,953	694	-6,259
O t h e r	Okidenko Company, Ltd.	21,242	23,965	+2,722	1,205	1,249	+44	1,251	1,321	+69	873	922	+48
	Okiden Kigyo Company, Ltd.	4,810	5,013	+203	76	109	+33	93	132	+39	66	88	+22
	Okinawa Plant Kogyo Company, Inc.	11,413	10,019	-1,393	671	458	-212	690	483	-207	444	327	-117
	Okinawa Denki Kogyo Company, Inc.	1,234	1,042	-192	180	108	-72	220	146	-73	146	98	-47
	Okiden Kaihatsu Company, Inc.	3,279	3,069	-210	336	381	+45	310	351	+41	212	231	+18
	The Okiden Global Systems Company, Inc.	2,414	2,227	-186	107	61	-45	117	80	-37	99	66	-33
	Okinawa Enetech Company, Inc.	1,339	1,299	-39	236	171	-64	240	183	-57	159	117	-42
	Okinawa New Energy Development Company, Inc.	732	781	+48	177	86	-91	172	80	-91	41	55	+14
	Okisetsubi Company, Ltd.	1,434	1,607	+172	24	93	+69	30	96	+66	21	65	+43
	FRT, Inc.	1,308	1,390	+81	182	177	-5	183	177	-5	112	131	+19
	Progressive Energy Corporation.	2,336	3,084	+747	14	242	+228	10	238	+228	-4	189	+194
The Reliance Energy Okinawa, Inc.	1,724	2,214	+489	153	159	+5	127	133	+6	91	102	+10	
Reconciliations		-43,390	-47,560	-4,170	-844	-955	-110	-1,053	-1,210	-156	-878	-1,131	-253
Consolidated		190,520	176,232	-14,288	12,619	2,810	-9,809	11,335	2,717	-8,617	8,341*	1,959*	-6,381*

* Net income attributable to owners of parent.

Balance Sheet Comparison

(Unit: million yen)

		FY2020 Term end	FY2021 Term end	Change	Major factors for change
Assets	*1	427,031	446,519	+19,488	{ Capex +38,105 , Depreciation -23,573 , Loss on retirement of non-current assets -579
	*2	391,496	407,311	+15,814	
Non-current assets	*1	364,906	378,373	+13,467	
	*2	349,932	361,748	+11,816	
Current assets	*1	62,124	68,146	+6,021	
	*2	41,564	45,562	+3,998	
Liabilities	*1	263,957	285,232	+21,274	{ Interest-bearing debt +18,087 Bonds payable +5,000 Long-term loans payable +9,655 [Borrowing +21,639 , Repayment -11,983] CP +3,000 Short-term loans payable +432
	*2	249,316	268,326	+19,010	
Non-current liabilities	*1	196,417	209,882	+13,464	
	*2	185,373	198,057	+12,683	
Current liabilities	*1	67,539	75,349	+7,809	
	*2	63,942	70,269	+6,326	
Net assets	*1	163,073	161,287	-1,786	{ Net income*3 +1,959 , Dividend -3,264
	*2	142,180	138,984	-3,195	

Reference: Interest-bearing debt and Capital adequacy ratio

		FY2020 Term end	FY2021 Term end	Change
Interest-bearing debt (million yen)	*1	187,335	205,423	+18,087
	*2	180,549	197,297	+16,747
Capital adequacy ratio (%)	*1	37.8	35.7	-2.1
	*2	36.3	34.1	-2.2

*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		
		FY2020 (Results)	FY2021 (Results)	Change	FY2020 (Results)	FY2021 (Results)	Change
Capital expenditure		33,926	38,105	+4,178	30,972	30,756	-216
C F	Operating activities	31,686	17,328	-14,357	30,051	17,090	-12,961
	Investing activities	-29,479	-34,932	-5,452	-30,003	-33,782	-3,778
	(FCF)	(2,206)	(-17,603)	(-19,810)	(48)	(-16,691)	(-16,739)
	Financing activities	1,389	12,788	11,399	1,718	11,470	+9,752
Interest-bearing debt outstanding		187,335	205,423	+18,087	180,549	197,297	+16,747

【Operating activities】 -14,357 million yen

- Decrease in Income before income taxes.

【Investing activities】 -5,452 million yen

- Increase in Purchase of non-current assets.

Accordingly, free cash-flow decreased by 19,810 million yen.

Annual Outlook Summary

(Unit: million yen, X)

	Consolidated(A)			Non-consolidated(B)			(A) / (B)	
	FY2021 (Results)	FY2022 (Forecasts)	Rate of Change	FY2021 (Results)	FY2022 (Forecasts)	Rate of Change	FY2021 (Results)	FY2022 (Forecasts)
Sales	176,232	undecided	—	168,078	undecided	—	1.05	—
Operating income	2,810	undecided	—	465	undecided	—	6.04	—
Ordinary income	2,717	undecided	—	500	undecided	—	5.43	—
Net income	1,959*	undecided	—	694	undecided	—	2.82	—

* Net income attributable to owners of parent.

The trend of fuel prices, which are rising due to the Russia-Ukraine situation, is extremely uncertain, and it is difficult to reasonably calculate the financial forecast.

In consideration of this situation, the forecast in the FY2022 are not decided.

The forecast will be disclosed promptly when the reliable calculation of financial forecast becomes possible.

【Dividends】

Because of unable to foresee profit levels, the dividends for FY2022 have yet to be determined at this time.

Financial Outlook of each Company

(Unit: million yen)

		Sales			Operating income			Ordinary income			Net income		
		FY2021 (Results)	FY2022 (Forecasts)	Change	FY2021 (Results)	FY2022 (Forecasts)	Change	FY2021 (Results)	FY2022 (Forecasts)	Change	FY2021 (Results)	FY2022 (Forecasts)	Change
The Okinawa Electric Power Company, Inc.		168,078	Undecided	—	465	Undecided	—	500	Undecided	—	694	Undecided	—
O t h e r	Okidenko Company, Ltd.	23,965	24,017	+52	1,249	812	-437	1,321	865	-456	922	602	-320
	Okiden Kigyo Company, Ltd.	5,013	5,042	+29	109	40	-69	132	65	-67	88	49	-38
	Okinawa Plant Kogyo Company, Inc.	10,019	10,651	+632	458	346	-112	483	361	-122	327	232	-94
	Okinawa Denki Kogyo Company, Inc.	1,042	919	-122	108	47	-60	146	71	-75	98	47	-51
	Okiden Kaihatsu Company, Inc.	3,069	4,116	+1,046	381	263	-118	351	220	-131	231	145	-86
	The Okiden Global Systems Company, Inc.	2,227	2,346	+118	61	73	+11	80	90	+10	66	63	-3
	Okinawa Enetech Company, Inc.	1,299	1,164	-135	171	163	-8	183	163	-19	117	107	-9
	Okinawa New Energy Development Company, Inc.	781	1,111	+330	86	41	-44	80	38	-42	55	25	-30
	Okisetsubi Company, Ltd.	1,607	1,600	-7	93	62	-31	96	64	-32	65	42	-22
	FRT, Inc.	1,390	1,793	+403	177	104	-72	177	104	-73	131	66	-65
	Progressive Energy Corporation	3,084	3,431	+346	242	30	-211	238	27	-211	189	23	-165
The Reliance Energy Okinawa, Inc.	2,214	2,812	+598	159	116	-42	133	78	-55	102	51	-50	
Consolidated		176,232	Undecided	—	2,810	Undecided	—	2,717	Undecided	—	1,959*	Undecided	—

* Net income attributable to owners of parent.

[Reference]

Trends in Financial Indicators (Non-consolidated)

		2017	2018	2019	2020	2021
Sales	Million yen	188,075	195,960	194,471	180,638	168,078
Operating income	Million yen	7,160	3,507	8,236	10,097	465
EBITDA	Million yen	30,745	26,225	29,929	31,583	23,211
Ordinary income	Million yen	6,322	3,694	7,321	8,939	500
Net income	Million yen	5,106	3,034	5,651	6,953	694
ROA (Operating income/Assets)	%	1.9	0.9	2.2	2.6	0.1
ROA (Net income/Assets)	%	1.4	0.8	1.5	1.8	0.2
Capital adequacy ratio	%	36.3	36.7	36.8	36.3	34.1
Interest-bearing debt outstanding	Million yen	173,257	174,275	173,836	180,549	197,297
Total assets	Million yen	375,163	368,746	373,941	391,496	407,311
Total assets turnover	X	0.50	0.53	0.52	0.47	0.42
Shareholders' equity	Million yen	136,006	135,228	137,558	142,180	138,984
ROE	%	3.7	2.2	4.1	5.0	0.5
Return on sales (Operating income/Sales)	%	3.8	1.8	4.2	5.6	0.3
Return on sales (Net income/Sales)	%	2.7	1.5	2.9	3.8	0.4
D/E ratio	X	1.27	1.29	1.26	1.27	1.42

[Reference]

Trends in Financial Indicators (Consolidated)

		2017	2018	2019	2020	2021
Sales	Million yen	196,134	205,481	204,296	190,520	176,232
Operating income	Million yen	9,333	5,443	10,326	12,619	2,810
EBITDA	Million yen	33,486	28,682	32,711	34,966	26,384
Ordinary income	Million yen	8,381	5,220	9,311	11,335	2,717
Net income *1	Million yen	6,273	3,751	6,705	8,341	1,959
ROA (Operating income/Assets)	%	2.3	1.4	2.6	3.0	0.6
ROA (Net income/Assets)	%	1.6	0.9	1.7	2.0	0.4
Capital adequacy ratio	%	37.7	37.8	37.7	37.8	35.7
Interest-bearing debt outstanding	Million yen	177,332	180,914	180,838	187,335	205,423
Total assets	Million yen	402,088	399,104	408,789	427,031	446,519
Total assets turnover	X	0.49	0.51	0.51	0.46	0.40
Shareholders' equity *2	Million yen	151,543	151,004	154,226	161,432	159,484
ROE	%	4.1	2.5	4.4	5.3	1.2
Return on sales (Operating income/Sales)	%	4.8	2.6	5.1	6.6	1.6
Return on sales (Net income/Sales)	%	3.2	1.8	3.3	4.4	1.1
D/E ratio	X	1.17	1.20	1.17	1.16	1.29

*1 Net income attributable to owners of parent.

*2 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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