

Summary of the Settlement of Accounts for FY2022

April 28, 2023



The Okinawa Electric Power Company, Inc.

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Financial Results for FY2022

(Year-on-Year Comparison)

(Unit: million yen, X)

	Consolidated (A)			Non-consolidated (B)			(A) / (B)	
	FY2021 (Results)	FY2022 (Results)	Rate of Change	FY2021 (Results)	FY2022 (Results)	Rate of Change	FY2021 (Results)	FY2022 (Results)
Sales	176,232	223,517	+26.8%	168,078	213,383	+27.0%	1.05	1.05
Operating income	2,810	-48,406	—	465	-50,582	—	6.04	—
Ordinary income	2,717	-48,799	—	500	-50,245	—	5.43	—
Net income	1,959 [*]	-45,457 [*]	—	694	-45,934	—	2.82	—

* Net income attributable to owners of parent.

【Revenue】

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

【Expenditure】

- Increase in Fuel costs and Purchased power costs due to soaring fuel prices in Electric business.

【Profit】

- Profit deteriorated significantly in Electric business because some of the increased costs associated with soaring fuel prices have not been reflected in Electricity sales.

Financial Results for FY2022

(Comparison with previous forecasts (Feb.2023))

(Unit: million yen)

	Consolidated					Non-consolidated				
	FY2022 (previous forecasts)			FY2022 Results	Change Against Feb.2023	FY2022 (previous forecasts)			FY2022 Results	Change Against Feb.2023
	Jul. 2022	Nov. 2022	Feb. 2023			Jul. 2022	Nov. 2022	Feb. 2023		
Sales	219,000	223,000	225,200	223,517	-0.7%	208,600	212,600	214,800	213,383	-0.7%
Operating income	-39,800	-46,500	-48,500	-48,406	—	-41,300	-48,000	-50,000	-50,582	—
Ordinary income	-40,000	-47,000	-49,000	-48,799	—	-41,500	-48,500	-50,500	-50,245	—
Net income	-30,800*	-41,600*	-43,600*	-45,457*	—	-31,700	-42,500	-44,500	-45,934	—

* Net income attributable to owners of parent.

[Comparison with previous forecasts (Feb.2023)]

【Revenue】

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

【Expenditure】

- Decrease in Fuel costs and Purchased power costs in Electric business.
- Decrease in Operating expenses in consolidated subsidiaries.

Trends in Electricity Sales Volume

Electricity Sales Volume

(Unit: million kWh, %)

	FY2021 (Results)	FY2022 (Results)	Change	Rate of Change
Lighting	2,895	2,842	-53	-1.8
Power	4,138	4,231	+93	+2.3
Total	7,033	7,073	+40	+0.6

<Lighting>

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

<Power >

The demand for Power increased compared with Year-on-Year due to recovery from the impact of the novel coronavirus and temperature effects.

■ Power Generated and Received

(Unit: million kWh)

		FY2021		FY2022		Change	Rate of change
		Electricity generated	Com- position ratio	Electricity generated	Com- position ratio		
OEPC	Coal	3,114	42.8%	3,239	44.1%	+125	+4.0%
	Oil	1,002	13.8%	989	13.4%	-13	-1.3%
	LNG	1,654	22.7%	1,651	22.5%	-3	-0.2%
	Total	5,770	79.3%	5,879	80.0%	+109	+1.9%
Other		1,506	20.7%	1,469	20.0%	-37	-2.5%
Total		7,276	100.0%	7,348	100.0%	+72	+1.0%

<Power Generated and Received>

- Power generated and received was 7,348 million kWh, up 1.0%. *
- Electricity generated of OEPC's Coal-fired thermal power was up 4.0%. *
- Electricity generated of OEPC's Oil-fired thermal power was down 1.3%. *
- Electricity generated of OEPC's LNG-fired thermal was down 0.2%. *

*Comparison with previous year.

Non-consolidated

– Factors in Revenue and Expenditure Changes

(Unit: million yen)

		FY2021 (Results)	FY2022 (Results)	Change	Rate of Change	Main factors in changes
Ordinary revenues	Electricity sales	146,745	171,462	+24,717	+16.8%	Fuel cost adjustment system +25,010 Electricity sales volume +503
	Other income	22,469	43,686	+21,216	+94.4%	Sold power to other suppliers +13,869 Transmission revenue +1,814
	(Sales)	(168,078)	(213,383)	(+45,304)	(+27.0%)	
	Total	169,214	215,148	+45,934	+27.1%	
Ordinary expenses	Personnel costs	17,630	16,954	-676	-3.8%	Salary and benefits -561
	Fuel costs	52,869	118,678	+65,808	+124.5%	Unit price +64,501 (CIF +56,193 Exchange rate +11,478 Initial inventories -3,170) Quantity +1,273
	Repair and maintenance costs	17,812	18,383	+570	+3.2%	Thermal +602
	Depreciation costs	22,746	18,493	-4,252	-18.7%	Effect of change in depreciation method (from declining-balance method to straight-line method) -4,688
	Purchased power costs	28,971	60,790	+31,819	+109.8%	Thermal +22,145 Waste +3,472 Grant under Act on Purchase of Renewable Energy Sourced Electricity deduction +5,717
	Interest expenses	899	1,062	+162	+18.1%	Average balance +174 Average rate -11
	Tax and other public charges	7,376	7,630	+254	+3.5%	Enterprise tax +92 Electric power development promotion tax +57
	Other expenses	20,407	23,400	+2,993	+14.7%	Gas supply business expenses +1,446
	(Operating expenses)	(167,612)	(263,965)	(+96,352)	(+57.5%)	
Total	168,714	265,394	+96,680	+57.3%		
(Operating income)		(465)	(-50,582)	(-51,048)	(-)	
Ordinary income		500	-50,245	-50,746	-	
Income before income taxes		500	-50,245	-50,746	-	
Income taxes		-193	-4,310	-4,117	-	
Net income		694	-45,934	-46,628	-	

Non-consolidated

– Trends in Data and Effects of Changes

■ Main Data

		FY2021 (Results)	FY2022 (Results)	Rate of Change
Crude oil CIF price	\$/bbl	77.2	102.7	+33.1%
Coal CIF price *1	\$/t	132.4	346.8	+162.0%
Exchange rate	Yen/\$	112.4	135.5	+20.6%

*1 Our purchased prices.

■ Effects of Changes

(Unit: 100 million yen)

		FY2021 (Results)	FY2022 (Results)
Crude oil CIF price *2,3	1\$/bbl	4.2	5.1
Coal CIF price *2	1\$/t	1.5	1.9
Exchange rate *2	1Yen/\$	4.6	8.6
Electric energy demand	1%	5.3	0.0
Interest rate	1%	0.5	0.5

*2 Figures for effects of changes do not include data of Purchased power costs.

*3 Includes the effect of LNG.

Consolidated

– Factors in Revenue and Expenditure Changes

(Unit: million yen)

	FY2021 (Results)	FY2022 (Results)	Change	Rate of Change*2
Sales	176,232	223,517	+47,285	+26.8%
Operating income	2,810	-48,406	-51,216	–
Ordinary income	2,717	-48,799	-51,517	–
Net income*	1,959	-45,457	-47,416	–

* Net income attributable to owners of parent..

■ By Segment (before eliminating internal transactions)

(Unit: million yen)

	Electric business	Construction Business	Other
Sales	213,383	24,200	31,992
(YoY change)	(+45,304)	(-2,314)	(+3,573)
Sales to outside customers out of total	208,079	4,843	10,593
(YoY change)	(+43,409)	(+1,477)	(+2,397)
Operating income	-50,582	1,201	1,603
(YoY change)	(-51,048)	(-313)	(+250)

■ Sales : 223,517 (+47,285)

【 Factors for increase 】

- Increase in Sales in Electric business.

■ Operating income : -48,406(-51,216)

【 Factors for decrease 】

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

■ Ordinary income : -48,799 (-51,517)

■ Net income* : -45,457 (-47,416)

By segment

- In “Construction Business” segment, Sales decreased due to decrease in internal construction work, despite increase in construction orders from private sector.
- In “Other” segment, Sales increased due to increase in gas supply business and energy service provider (ESP) business sales.

Financial Results of each Company

(Unit: million yen)

		Sales			Operating income			Ordinary income			Net income		
		FY2021 (Results)	FY2022 (Results)	Change	FY2021 (Results)	FY2022 (Results)	Change	FY2021 (Results)	FY2022 (Results)	Change	FY2021 (Results)	FY2022 (Results)	Change
The Okinawa Electric Power Company, Inc.		168,078	213,383	+45,304	465	-50,582	-51,048	500	-50,245	-50,746	694	-45,934	-46,628
O t h e r	Okidenko Company, Ltd.	23,965	22,282	-1,683	1,249	1,010	-239	1,321	1,073	-248	922	745	-176
	Okiden Kigyo Company, Ltd.	5,013	4,788	-224	109	3	-106	132	27	-105	88	93	+5
	Okinawa Plant Kogyo Company, Inc.	10,019	10,770	+750	458	358	-99	483	375	-107	327	307	-19
	Okinawa Denki Kogyo Company, Inc.	1,042	960	-81	108	92	-15	146	118	-27	98	82	-16
	Okiden Kaihatsu Company, Inc.	3,069	3,923	+853	381	628	+246	351	592	+240	231	343	+112
	The Okiden Global Systems Company, Inc.	2,227	2,191	-36	61	25	-36	80	68	-11	66	102	+35
	Okinawa Enetech Company, Inc.	1,299	1,273	-26	171	147	-24	183	154	-28	117	107	-10
	Okinawa New Energy Development Company, Inc.	781	1,127	+345	86	115	+29	80	107	+26	55	76	+21
	Okisetsubi Company, Ltd.	1,607	1,214	-392	93	41	-52	96	39	-57	65	27	-37
	FRT, Inc.	1,390	1,739	+349	177	133	-44	177	134	-43	131	38	-93
	Progressive Energy Corporation.	3,084	4,025	+940	242	106	-136	238	116	-122	189	88	-100
The Reliance Energy Okinawa, Inc.	2,214	3,049	+835	159	142	-17	133	104	-29	102	80	-21	
Reconciliations		-47,560	-47,210	+349	-955	-627	+327	-1,210	-1,468	-258	-1,131	-1,617	-486
Consolidated		176,232	223,517	+47,285	2,810	-48,406	-51,216	2,717	-48,799	-51,517	1,959*	-45,457*	-47,416*

* Net income attributable to owners of parent.

Balance Sheet Comparison

(Unit: million yen)

		FY2021 Term end	FY2022 Term end	Change	Major factors for change
Assets	*1	446,519	480,546	+34,026	
	*2	407,311	441,260	+33,948	
Non-current assets	*1	378,373	402,215	+23,841	{ Capex +42,847 , Depreciation -19,937 , Loss on retirement of non-current assets -916
	*2	361,748	381,594	+19,846	
Current assets	*1	68,146	78,331	+10,185	{ Inventories +7,807
	*2	45,562	59,665	+14,102	
Liabilities	*1	285,232	366,050	+80,818	{ Interest-bearing debt +78,804 Bonds payable +55,000 Long-term loans payable +28,836 [Borrowing +40,281 , Repayment -11,445] CP -6,000 Short-term loans payable +968
	*2	268,326	349,474	+81,147	
Non-current liabilities	*1	209,882	296,337	+86,455	
	*2	198,057	281,025	+82,968	
Current liabilities	*1	75,349	69,713	-5,636	
	*2	70,269	68,448	-1,820	
Net assets	*1	161,287	114,495	-46,792	{ Net income*3 -45,457 , Dividend -1,632
	*2	138,984	91,786	-47,198	

Reference: Interest-bearing debt and Capital adequacy ratio

		FY2021 Term end	FY2022 Term end	Change
Interest-bearing debt (million yen)	*1	205,423	284,227	+78,804
	*2	197,297	274,711	+77,414
Capital adequacy ratio (%) [After adjustments*4]	*1	35.7	23.4 [26.6]	-12.3 [-9.1]
	*2	34.1	20.8 [24.2]	-13.3 [-9.9]

*1 Consolidated.

*2 Non-consolidated.

*3 Net income attributable to owners of parent.

*4 Calculated with 50% of the 30,000 million yen of issued hybrid corporate bonds as equity.

State of Capex, Cash Flow and Interest-bearing Debt

(Unit : million yen)

		Consolidated			Non-consolidated		
		FY2021 (Results)	FY2022 (Results)	Change	FY2021 (Results)	FY2022 (Results)	Change
Capital expenditure		38,105	42,847	+4,741	30,756	38,629	+7,873
C F	Operating activities	17,328	-38,062	-55,391	17,090	-40,685	-57,775
	Investing activities	-34,932	-38,485	-3,552	-33,782	-32,372	+1,409
	(FCF)	(-17,603)	(-76,548)	(-58,944)	(-16,691)	(-73,058)	(-56,366)
	Financing activities	12,788	75,043	+62,255	11,470	73,783	+62,313
Interest-bearing debt outstanding		205,423	284,227	+78,804	197,297	274,711	+77,414

【Operating activities】 -55,391 million yen

- Decrease in Income before income taxes.

【Investing activities】 -3,552 million yen

- Increase in Purchase of non-current assets.

Accordingly, free cash-flow decreased by 58,944 million yen.

Annual Outlook Summary

(Unit: million yen, X)

	Consolidated(A)			Non-consolidated(B)			(A) / (B)	
	FY2022 (Results)	FY2023 (Forecasts)	Rate of Change	FY2022 (Results)	FY2023 (Forecasts)	Rate of Change	FY2022 (Results)	FY2023 (Forecasts)
Sales	223,517	undecided	—	213,383	undecided	—	1.05	—
Operating income	-48,406	undecided	—	-50,582	undecided	—	—	—
Ordinary income	-48,799	undecided	—	-50,245	undecided	—	—	—
Net income	-45,457*	undecided	—	-45,934	undecided	—	—	—

* Net income attributable to owners of parent.

The forecast for FY2023 is “undecided” because we are in the process of applying for raising regulated electricity rates, and it is difficult to reasonably calculate both sales and profits at this time.

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

【Dividends】

The dividends for FY2023 is "undecided" due to the uncertain factors including profits after price revision.

It will be disclosed promptly when the dividends forecast, based on the financial outlook and other related factors, becomes possible.

Financial Outlook of each Company

(Unit: million yen)

	Sales			Operating income			Ordinary income			Net income			
	FY2022 (Results)	FY2023 (Forecasts)	Change	FY2022 (Results)	FY2023 (Forecasts)	Change	FY2022 (Results)	FY2023 (Forecasts)	Change	FY2022 (Results)	FY2023 (Forecasts)	Change	
The Okinawa Electric Power Company, Inc.	213,383	Undecided	—	-50,582	Undecided	—	-50,245	Undecided	—	-45,934	Undecided	—	
O t h e r	Okidenko Company, Ltd.	22,282	23,415	+1,133	1,010	804	-205	1,073	866	-206	745	602	-143
	Okiden Kigyo Company, Ltd.	4,788	5,551	+762	3	173	+169	27	197	+169	93	140	+46
	Okinawa Plant Kogyo Company, Inc.	10,770	10,396	-373	358	285	-73	375	302	-72	307	196	-111
	Okinawa Denki Kogyo Company, Inc.	960	1,020	+59	92	84	-7	118	108	-9	82	65	-16
	Okiden Kaihatsu Company, Inc.	3,923	4,411	+488	628	284	-344	592	240	-352	343	158	-185
	The Okiden Global Systems Company, Inc.	2,191	2,350	+158	25	69	+43	68	82	+13	102	38	-63
	Okinawa Enetech Company, Inc.	1,273	1,039	-234	147	109	-37	154	109	-45	107	72	-35
	Okinawa New Energy Development Company, Inc.	1,127	1,386	+259	115	64	-50	107	51	-55	76	32	-44
	Okisetsubi Company, Ltd.	1,214	1,700	+485	41	24	-17	39	26	-13	27	17	-10
	FRT, Inc.	1,739	2,039	+300	133	84	-49	134	86	-47	38	47	+9
	Progressive Energy Corporation	4,025	4,129	+103	106	89	-16	116	88	-28	88	58	-29
The Reliance Energy Okinawa, Inc.	3,049	3,555	+506	142	100	-42	104	59	-45	80	30	-50	
Consolidated	223,517	Undecided	—	-48,406	Undecided	—	-48,799	Undecided	—	-45,457*	Undecided	—	

* Net income attributable to owners of parent.

[Reference]

Trends in Financial Indicators (Non-consolidated)

		2018	2019	2020	2021	2022
Sales	Million yen	195,960	194,471	180,638	168,078	213,383
Operating income	Million yen	3,507	8,236	10,097	465	-50,582
EBITDA	Million yen	26,225	29,929	31,583	23,211	-32,088
Ordinary income	Million yen	3,694	7,321	8,939	500	-50,245
Net income	Million yen	3,034	5,651	6,953	694	-45,934
ROA (Operating income/Assets)	%	0.9	2.2	2.6	0.1	-11.9
ROA (Net income/Assets)	%	0.8	1.5	1.8	0.2	-10.8
Capital adequacy [After adjustments*]	%	36.7	36.8	36.3	34.1	20.8 [24.2]
Interest-bearing debt outstanding	Million yen	174,275	173,836	180,549	197,297	274,711
Total assets	Million yen	368,746	373,941	391,496	407,311	441,260
Total assets turnover	X	0.53	0.52	0.47	0.42	0.50
Shareholders' equity	Million yen	135,228	137,558	142,180	138,984	91,786
ROE	%	2.2	4.1	5.0	0.5	-39.8
Return on sales (Operating income/Sales)	%	1.8	4.2	5.6	0.3	-23.7
Return on sales (Net income/Sales)	%	1.5	2.9	3.8	0.4	-21.5
D/E ratio	X	1.29	1.26	1.27	1.42	2.99

* Calculated with 50% of the 30,000 million yen of issued hybrid corporate bonds as equity.

[Reference]

Trends in Financial Indicators (Consolidated)

		2018	2019	2020	2021	2022
Sales	Million yen	205,481	204,296	190,520	176,232	223,517
Operating income	Million yen	5,443	10,326	12,619	2,810	-48,406
EBITDA	Million yen	28,682	32,711	34,966	26,384	-28,468
Ordinary income	Million yen	5,220	9,311	11,335	2,717	-48,799
Net income *1	Million yen	3,751	6,705	8,341	1,959	-45,457
ROA (Operating income/Assets)	%	1.4	2.6	3.0	0.6	-10.4
ROA (Net income/Assets)	%	0.9	1.7	2.0	0.4	-9.8
Capital adequacy [After adjustments*2]	%	37.8	37.7	37.8	35.7	23.4 [26.6]
Interest-bearing debt outstanding	Million yen	180,914	180,838	187,335	205,423	284,227
Total assets	Million yen	399,104	408,789	427,031	446,519	480,546
Total assets turnover	X	0.51	0.51	0.46	0.40	0.48
Shareholders' equity *3	Million yen	151,004	154,226	161,432	159,484	112,610
ROE	%	2.5	4.4	5.3	1.2	-33.4
Return on sales (Operating income/Sales)	%	2.6	5.1	6.6	1.6	-21.7
Return on sales (Net income/Sales)	%	1.8	3.3	4.4	1.1	-20.3
D/E ratio	X	1.20	1.17	1.16	1.29	2.52

*1 Net income attributable to owners of parent.

*2 Calculated with 50% of the 30,000 million yen of issued hybrid corporate bonds as equity.

*3 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 contain potential risks and uncertainties. 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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