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Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

April 28, 2023

Company name: The Okinawa Electric Power Company, Incorporated
 Stock exchange listing: Tokyo, Fukuoka
 Code number: 9511
 URL: <https://www.okiden.co.jp/>
 Representative: Hiroyuki Motonaga, President
 Contact: Hiroshi Kinjo, Accounting & Finance Department Accounting Group Manager
 Phone: +81-98-877-2341
 Scheduled date of Annual General Meeting of Shareholders: June 29, 2023
 Scheduled date of commencing dividend payments: -
 Scheduled date of filing annual securities report: June 30, 2023
 Availability of supplementary briefing material on annual financial results: Yes
 Schedule of annual financial results briefing session: Yes

(Amounts of less than one millions of yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	223,517	26.8	(48,406)	-	(48,799)	-	(45,457)	-
March 31, 2022	176,232	-	2,810	(77.7)	2,717	(76.0)	1,959	(76.5)

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ (45,146) million [-%]
 Fiscal year ended March 31, 2022: ¥ 1,674 million [(84.2)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended March 31, 2023	Yen (836.98)	Yen -	% (33.4)	% (10.5)	% (21.7)
March 31, 2022	36.05	-	1.2	0.6	1.6

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ 353 million
 Fiscal year ended March 31, 2022: ¥ 321 million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of March 31, 2023	Millions of yen 480,546	Millions of yen 114,495	% 23.4	Yen 2,073.44
March 31, 2022	446,519	161,287	35.7	2,936.44

(Reference) Equity: As of March 31, 2023: ¥ 112,610 million
 As of March 31, 2022: ¥ 159,484 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended March 31, 2023	Millions of yen (38,062)	Millions of yen (38,485)	Millions of yen 75,043	Millions of yen 18,869
March 31, 2022	17,328	(34,932)	12,788	20,374

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	-	30.00	-	30.00	60.00	3,264	166.4	2.0
March 31, 2023	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending March 31, 2024 (Forecast)	-	-	-	-	-		-	

(Note)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.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

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.

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: Yes

3) Changes in accounting estimates: Yes

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2023: 56,927,965 shares

March 31, 2022: 56,927,965 shares

2) Number of treasury shares at the end of the period:

March 31, 2023: 2,616,868 shares

March 31, 2022: 2,615,991 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023: 54,311,508 shares

Fiscal Year ended March 31, 2022: 54,350,711 shares

Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	213,383	27.0	(50,582)	-	(50,245)	-	(45,934)	-
March 31, 2022	168,078	-	465	(95.4)	500	(94.4)	694	(90.0)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended		
March 31, 2023	(845.76)	-
March 31, 2022	12.77	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
March 31, 2023	441,260	91,786	20.8	1,690.00
March 31, 2022	407,311	138,984	34.1	2,559.00

(Reference) Equity: As of March 31, 2023: ¥ 91,786 million
As of March 31, 2022: ¥ 138,984 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Non-current assets	378,373	402,215
Electric utility plant and equipment	300,196	299,788
Thermal power production facilities	88,330	84,152
Internal combustion engine power production facilities	20,269	19,413
Transmission facilities	53,216	55,579
Transformation facilities	40,438	41,194
Distribution facilities	82,318	85,448
General facilities	14,639	13,260
Other electric utility plant and equipment	982	739
Other non-current assets	24,276	33,909
Construction in progress	27,717	38,061
Construction and retirement in progress	27,717	38,061
Investments and other assets	26,183	30,455
Long-term investments	8,122	8,281
Retirement benefit asset	2,641	3,016
Deferred tax assets	11,394	15,856
Other	4,082	3,356
Allowance for doubtful accounts	(58)	(55)
Current assets	68,146	78,331
Cash and deposits	21,872	19,059
Notes and accounts receivable - trade	13,500	13,521
Inventories	12,251	20,058
Other	20,651	25,804
Allowance for doubtful accounts	(129)	(112)
Total	446,519	480,546
Liabilities and net assets		
Non-current liabilities	209,882	296,337
Bonds payable	70,000	135,000
Long-term borrowings	106,825	129,769
Lease liabilities	20,377	18,591
Retirement benefit liability	11,801	11,882
Other	877	1,095
Current liabilities	75,349	69,713
Current portion of non-current liabilities	23,184	19,039
Short-term borrowings	1,252	2,220
Commercial papers	6,000	-
Notes and accounts payable - trade	15,020	16,801
Accrued taxes	1,918	1,845
Other	27,974	29,807
Total liabilities	285,232	366,050
Shareholders' equity	156,909	109,873
Share capital	7,586	7,586
Capital surplus	7,223	7,278
Retained earnings	147,493	100,403
Treasury shares	(5,394)	(5,395)
Accumulated other comprehensive income	2,574	2,737
Valuation difference on available-for-sale securities	2,062	2,440
Deferred gains or losses on hedges	38	37
Remeasurements of defined benefit plans	474	259
Non-controlling interests	1,803	1,884
Total net assets	161,287	114,495
Total	446,519	480,546

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Operating revenue	176,232	223,517
Electric utility operating revenue	164,546	207,947
Other business operating revenue	11,685	15,569
Operating expenses	173,421	271,924
Electric utility operating expenses	162,767	257,588
Other business operating expenses	10,654	14,335
Operating profit (loss)	2,810	(48,406)
Non-operating income	1,140	1,306
Dividend income	201	213
Interest income	2	1
Gain on sale of investment securities	-	144
Gain on sale of goods	227	182
Share of profit of entities accounted for using equity method	321	353
Other	387	411
Non-operating expenses	1,233	1,699
Interest expenses	951	1,123
Bond issuance costs	44	273
Other	237	302
Total ordinary revenue	177,372	224,824
Total ordinary expenses	174,655	273,623
Ordinary profit (loss)	2,717	(48,799)
Profit (loss) before income taxes	2,717	(48,799)
Income taxes - current	1,104	1,040
Income taxes - deferred	(518)	(4,530)
Total income taxes	586	(3,489)
Profit (loss)	2,131	(45,309)
Profit attributable to non-controlling interests	172	147
Profit (loss) attributable to owners of parent	1,959	(45,457)

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit (loss)	2,131	(45,309)
Other comprehensive income		
Valuation difference on available-for-sale securities	(527)	379
Deferred gains or losses on hedges	14	(0)
Remeasurements of defined benefit plans, net of tax	57	(214)
Share of other comprehensive income of entities accounted for using equity method	(1)	(0)
Total other comprehensive income	(457)	163
Comprehensive income	1,674	(45,146)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,504	(45,294)
Comprehensive income attributable to non-controlling interests	169	148

Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,586	7,223	148,844	(5,249)	158,403
Cumulative effects of changes in accounting policies			(44)		(44)
Restated balance	7,586	7,223	148,799	(5,249)	158,359
Changes during period					
Dividends of surplus			(3,264)		(3,264)
Profit (loss) attributable to owners of parent			1,959		1,959
Purchase of treasury shares				(145)	(145)
Disposal of treasury shares		(0)		1	0
Net changes in items other than shareholders' equity					
Total changes during period	-	(0)	(1,305)	(144)	(1,450)
Balance at end of period	7,586	7,223	147,493	(5,394)	156,909

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,588	23	416	3,029	1,640	163,073
Cumulative effects of changes in accounting policies						(44)
Restated balance	2,588	23	416	3,029	1,640	163,029
Changes during period						
Dividends of surplus						(3,264)
Profit (loss) attributable to owners of parent						1,959
Purchase of treasury shares						(145)
Disposal of treasury shares						0
Net changes in items other than shareholders' equity	(526)	14	57	(454)	162	(291)
Total changes during period	(526)	14	57	(454)	162	(1,741)
Balance at end of period	2,062	38	474	2,574	1,803	161,287

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,586	7,223	147,493	(5,394)	156,909
Changes during period					
Dividends of surplus			(1,632)		(1,632)
Profit (loss) attributable to owners of parent			(45,457)		(45,457)
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares			(0)	0	0
Change in ownership interest of parent due to transactions with non-controlling interests		54			54
Net changes in items other than shareholders' equity					
Total changes during period	-	54	(47,090)	(0)	(47,035)
Balance at end of period	7,586	7,278	100,403	(5,395)	109,873

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,062	38	474	2,574	1,803	161,287
Changes during period						
Dividends of surplus						(1,632)
Profit (loss) attributable to owners of parent						(45,457)
Purchase of treasury shares						(1)
Disposal of treasury shares						0
Change in ownership interest of parent due to transactions with non-controlling interests						54
Net changes in items other than shareholders' equity	378	(0)	(214)	162	80	243
Total changes during period	378	(0)	(214)	162	80	(46,792)
Balance at end of period	2,440	37	259	2,737	1,884	114,495

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	2,717	(48,799)
Depreciation	23,573	19,937
Loss on retirement of non-current assets	579	916
Increase (decrease) in retirement benefit liability	270	80
Decrease (increase) in retirement benefit asset	(905)	(430)
Interest and dividend income	(204)	(215)
Interest expenses	951	1,123
Decrease (increase) in trade receivables	(925)	(20)
Decrease (increase) in inventories	(1,571)	(7,695)
Increase (decrease) in trade payables	2,210	1,781
Other, net	(4,922)	(3,946)
Subtotal	21,774	(37,269)
Interest and dividends received	234	230
Interest paid	(978)	(906)
Income taxes refund (paid)	(3,702)	(116)
Net cash provided by (used in) operating activities	17,328	(38,062)
Cash flows from investing activities		
Purchase of non-current assets	(35,964)	(43,078)
Proceeds from sale of non-current assets	383	564
Investments and loan advances	(2,410)	(313)
Proceeds from divestments and collection of loans receivable	2,044	1,676
Other, net	1,014	2,665
Net cash provided by (used in) investing activities	(34,932)	(38,485)
Cash flows from financing activities		
Proceeds from issuance of bonds	14,955	64,726
Redemption of bonds	(10,000)	(10,000)
Proceeds from long-term borrowings	21,639	40,281
Repayments of long-term borrowings	(11,983)	(11,445)
Net increase (decrease) in short-term borrowings	432	968
Net increase (decrease) in commercial papers	3,000	(6,000)
Dividends paid	(3,261)	(1,634)
Other, net	(1,993)	(1,852)
Net cash provided by (used in) financing activities	12,788	75,043
Net increase (decrease) in cash and cash equivalents	(4,815)	(1,504)
Cash and cash equivalents at beginning of period	25,190	20,374
Cash and cash equivalents at end of period	20,374	18,869

Non-consolidated Financial Statements

Non-consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Non-current assets	361,748	381,594
Electric utility plant and equipment	311,916	312,229
Thermal power production facilities	88,960	84,774
Internal combustion engine power production facilities	20,756	19,873
Renewable power production facilities	259	227
Transmission facilities	56,312	59,155
Transformation facilities	42,580	43,436
Distribution facilities	87,231	90,537
General facilities	15,040	13,667
Inactive facilities	229	10
Facilities loaned	545	545
Incidental business facilities	188	161
Non-operating facilities	1,337	1,320
Construction in progress	17,695	35,044
Construction in progress	17,695	35,044
Retirement in progress	0	0
Investments and other assets	30,610	32,838
Long-term investments	7,748	7,893
Long-term investments in subsidiaries and associates	14,317	11,751
Long-term prepaid expenses	921	724
Deferred tax assets	5,664	9,836
Prepaid pension costs	1,988	2,659
Allowance for doubtful accounts	(29)	(27)
Current assets	45,562	59,665
Cash and deposits	9,305	10,031
Accounts receivable - trade	9,264	9,223
Other accounts receivable	13,530	14,355
Supplies	11,225	19,116
Prepaid expenses	144	145
Short-term receivables from subsidiaries and associates	564	987
Other current assets	1,646	5,901
Allowance for doubtful accounts	(118)	(96)
Total	407,311	441,260

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities and net assets		
Non-current liabilities	198,057	281,025
Bonds payable	70,000	135,000
Long-term borrowings	100,611	116,593
Lease liabilities	18,227	16,689
Long-term debt to subsidiaries and associates	319	3,584
Provision for retirement benefits	8,163	8,207
Other non-current liabilities	735	950
Current liabilities	70,269	68,448
Current portion of non-current liabilities	22,146	17,570
Short-term borrowings	-	2,000
Commercial papers	6,000	-
Accounts payable - trade	6,265	9,941
Accounts payable - other	5,618	5,109
Accrued expenses	5,439	4,799
Accrued taxes	1,027	1,069
Deposits received	70	395
Short-term debt to subsidiaries and associates	10,287	11,926
Other advances	10,642	12,888
Other current liabilities	2,770	2,745
Total liabilities	268,326	349,474
Shareholders' equity	136,885	89,317
Share capital	7,586	7,586
Capital surplus	7,141	7,141
Legal capital surplus	7,141	7,141
Retained earnings	127,551	79,984
Legal retained earnings	964	964
Other retained earnings	126,586	79,019
Reserve for adjustment of cost fluctuations	9,000	-
General reserve	105,000	105,000
Retained earnings brought forward	12,586	(25,980)
Treasury shares	(5,394)	(5,395)
Valuation and translation adjustments	2,098	2,468
Valuation difference on available-for-sale securities	2,060	2,431
Deferred gains or losses on hedges	38	37
Total net assets	138,984	91,786
Total	407,311	441,260

Non-consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Operating revenue	168,078	213,383
Electric utility operating revenue	166,024	209,843
Residential	69,199	78,603
Commercial and industrial	77,545	92,859
Sold power to other suppliers	10,922	24,791
Transmission revenue	6,177	7,991
Other electricity revenue	2,179	5,597
Incidental business operating revenue	2,053	3,539
Operating revenue - gas supply business	1,930	3,407
Operating revenue - other businesses	123	132
Operating expenses	167,612	263,965
Electric utility operating expenses	165,690	260,586
Thermal power production expenses	64,226	123,873
Internal combustion engine power production expenses	19,456	25,552
Renewable power production expenses	121	106
Purchased power from other suppliers	28,971	60,790
Transmission expenses	7,127	6,166
Transformation expenses	5,152	4,665
Distribution expenses	16,961	15,690
Selling expenses	6,443	6,341
Inactive facilities expenses	93	55
Loaned facilities expenses	8	8
General and administrative expenses	12,591	12,649
Electric power development promotion tax	2,921	2,978
Enterprise tax	1,617	1,710
Transferred costs of electricity for construction and incidental business	(0)	(2)
Incidental business operating expenses	1,922	3,379
Operating expenses - gas supply business	1,878	3,324
Operating expenses - other businesses	43	54
Operating profit (loss)	465	(50,582)

(Millions of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Non-operating income	1,136	1,765
Financial revenue	653	583
Dividend income	625	547
Interest income	27	35
Non-operating revenue	483	1,182
Gain on sale of non-current assets	112	102
Gain on sales of securities	-	738
Miscellaneous revenue	370	341
Non-operating expenses	1,101	1,428
Financial expenses	943	1,335
Interest expenses	899	1,062
Bond issuance costs	44	273
Non-operating expenses	157	92
Loss on sale of non-current assets	2	20
Miscellaneous losses	154	72
Total ordinary revenue	169,214	215,148
Total ordinary expenses	168,714	265,394
Ordinary profit (loss)	500	(50,245)
Profit (loss) before income taxes	500	(50,245)
Income taxes - current	7	6
Income taxes - deferred	(200)	(4,317)
Total income taxes	(193)	(4,310)
Profit (loss)	694	(45,934)

Non-consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for adjustment of cost fluctuations	General reserve	Retained earnings brought forward	
Balance at beginning of period	7,586	7,141	0	7,141	964	9,000	105,000	15,157	130,122
Changes during period									
Reversal of reserve for adjustment of cost fluctuations									
Provision of general reserve									
Dividends of surplus								(3,264)	(3,264)
Profit (loss)								694	694
Purchase of treasury shares									
Disposal of treasury shares			(0)	(0)				(0)	(0)
Net changes in items other than shareholders' equity									
Total changes during period	-	-	(0)	(0)	-	-	-	(2,570)	(2,570)
Balance at end of period	7,586	7,141	-	7,141	964	9,000	105,000	12,586	127,551

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(5,249)	139,601	2,555	23	2,579	142,180
Changes during period						
Reversal of reserve for adjustment of cost fluctuations						-
Provision of general reserve						-
Dividends of surplus		(3,264)				(3,264)
Profit (loss)		694				694
Purchase of treasury shares	(145)	(145)				(145)
Disposal of treasury shares	1	0				0
Net changes in items other than shareholders' equity			(494)	14	(480)	(480)
Total changes during period	(144)	(2,715)	(494)	14	(480)	(3,195)
Balance at end of period	(5,394)	136,885	2,060	38	2,098	138,984

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings				
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
					Reserve for adjustment of cost fluctuations	General reserve	Retained earnings brought forward		
Balance at beginning of period	7,586	7,141	-	7,141	964	9,000	105,000	12,586	127,551
Changes during period									
Reversal of reserve for adjustment of cost fluctuations						(9,000)		9,000	-
Provision of general reserve									
Dividends of surplus								(1,632)	(1,632)
Profit (loss)								(45,934)	(45,934)
Purchase of treasury shares									
Disposal of treasury shares								(0)	(0)
Net changes in items other than shareholders' equity									
Total changes during period	-	-	-	-	-	(9,000)	-	(38,567)	(47,567)
Balance at end of period	7,586	7,141	-	7,141	964	-	105,000	(25,980)	79,984

	Shareholders' equity		Valuation and translation adjustments			Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(5,394)	136,885	2,060	38	2,098	138,984
Changes during period						
Reversal of reserve for adjustment of cost fluctuations		-				-
Provision of general reserve						-
Dividends of surplus		(1,632)				(1,632)
Profit (loss)		(45,934)				(45,934)
Purchase of treasury shares	(1)	(1)				(1)
Disposal of treasury shares	0	0				0
Net changes in items other than shareholders' equity			370	(0)	369	369
Total changes during period	(0)	(47,567)	370	(0)	369	(47,198)
Balance at end of period	(5,395)	89,317	2,431	37	2,468	91,786