

Summary of the Settlement of Accounts for FY2023 1st Quarter

(April 1 – June 30, 2023)

July 28, 2023



The Okinawa Electric Power Company, Inc.

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Financial Results for FY2023 1Q YTD

(Year-on-Year Comparison)

(Unit: million yen, X)

	Consolidated (A)			Non-consolidated (B)			(A) / (B)	
	FY2022 1Q YTD (Results)	FY2023 1Q YTD (Results)	Rate of Change	FY2022 1Q YTD (Results)	FY2023 1Q YTD (Results)	Rate of Change	FY2022 1Q YTD (Results)	FY2023 1Q YTD (Results)
Sales	48,452	53,778	+ 11.0%	46,757	51,502	+ 10.1%	1.04	1.04
Operating income	-9,349	-5,405	—	-9,280	-5,813	—	—	—
Ordinary income	-9,344	-5,528	—	-9,045	-5,631	—	—	—
Net income	-6,899 [*]	-5,701 [*]	—	-6,596	-5,632	—	—	—

* Net income attributable to owners of parent.

【Revenue】

- Increase in income from the price revision in Electric business.

【Expenditure】

- Increase in Repair and maintenance costs and Fuel costs in Electric business.

Trends in Electricity Sales Volume

Electricity Sales Volume

(Unit: million kWh, %)

	FY2022 1Q YTD (Results)	FY2023 1Q YTD (Results)	Change	Rate of Change
Lighting	624	589	-35	-5.7
Power	980	981	+1	+0.2
Total	1,604	1,570	-34	-2.1

<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 late April compared with previous year.

<Power >

The demand for Power remained almost unchanged from the previous year due to increase by recovery from the impact of the novel coronavirus, despite decrease in demand from the steel industry.

■ Power Generated and Received

(Unit: million kWh)

	FY2022 1Q YTD		FY2023 1Q YTD		Change	Rate of change	
	Electricity generated	Com- position ratio	Electricity generated	Com- position ratio			
OEPC	Coal	704	39.1%	623	35.6%	-81	-11.5%
	Oil	197	11.0%	255	14.5%	+58	+29.4%
	LNG	517	28.7%	399	22.7%	-118	-22.8%
	Total	1,418	78.8%	1,277	72.8%	-141	-9.9%
Other	381	21.2%	478	27.2%	+97	+25.5%	
Total	1,799	100.0%	1,755	100.0%	-44	-2.4%	

<Power Generated and Received>

- Power generated and received was 1,755 million kWh, down 2.4%. *
- Electricity generated of OEPC's Coal-fired thermal power was down 11.5%. *
- Electricity generated of OEPC's Oil-fired thermal power was up 29.4%. *
- Electricity generated of OEPC's LNG-fired thermal power was down 22.8%. *

*Comparison with the same period of the previous year.

Non-consolidated

– Factors in Revenue and Expenditure Changes

(Unit: million yen)

		FY2022 1Q YTD (Results)	FY2023 1Q YTD (Results)	Change	Main factors in changes
Ordinary revenues	Electricity sales	38,617	38,349	-268	Increased unit price +9,533(Impact of Electricity price revision) Electricity sales volume -788 Fuel cost adjustment system -9,012 (Discount from the government's program of electricity price sharp fluctuation mitigation -6,175)
	Other income	8,639	13,775	+5,136	Other electricity revenue +6,273(Subsidies from the government's program of electricity price sharp fluctuation mitigation +6,175)
	(Sales)	(46,757)	(51,502)	(+4,745)	
	Total	47,256	52,125	+4,868	
Ordinary expenses	Personnel costs	4,405	4,116	-288	Salary and benefits -299
	Fuel costs	22,590	23,167	+576	Unit price +2,990 (Initial inventories +6,627 Exchange rate +2,162 CIF -5,799) Quantity -2,741
	Repair and maintenance costs	4,754	5,624	+870	Thermal +553 Internal combustion +203
	Depreciation costs	4,536	4,883	+346	Thermal +225 Transmission +49
	Purchased power costs	12,989	12,280	-708	Thermal +2,143 Grant under Act on Purchase of Renewable Energy Sourced Electricity deduction -2,476
	Interest expenses	211	399	+188	Average rate +111 Average balance +76
	Tax and other public charges	1,792	1,770	-21	Electric power development promotion tax -22
	Other expenses	5,022	5,513	+490	Gas supply business expenses +245 Non-current assets retirement costs +154
(Operating expenses)	(56,038)	(57,316)	(+1,278)		
Total	56,302	57,756	+1,454		
(Operating income)		(-9,280)	(-5,813)	(+3,466)	
Ordinary income		-9,045	-5,631	+3,413	
Income before income taxes		-9,045	-5,631	+3,413	
Income taxes		-2,448	0	+2,449	
Net income		-6,596	-5,632	+964	

Non-consolidated

– Trends in Data and Effects of Changes

■ Main Data

		FY2022 1Q YTD (Results)	FY2023 1Q YTD (Results)	Change
Crude oil CIF price	\$/bbl	110.7	84.0	-24.1%
Coal CIF price *1	\$/t	315.7	205.0	-35.1%
Exchange rate	Yen/\$	129.7	137.5	+6.0%

*1 Our purchased prices.

■ Effects of Changes

(Unit: 100 million yen)

		FY2022 1Q YTD (Results)	FY2023 1Q YTD (Results)
Crude oil CIF price *2,3	1\$/bbl	1.1	1.6
Coal CIF price *2	1\$/t	0.3	0.5
Exchange rate *2	1Yen/\$	1.7	1.7
Electric energy demand	1%	0.3	0.6
Interest rate	1%	0.1	0.1

*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)

	FY2022 1Q YTD (Results)	FY2023 1Q YTD (Results)	Change	Rate of Change
Sales	48,452	53,778	+5,326	+11.0%
Operating income	-9,349	-5,405	+3,944	—
Ordinary income	-9,344	-5,528	+3,816	—
Net income*	-6,899	-5,701	+1,197	—

* Net income attributable to owners of parent.

■ By Segment (before eliminating internal transactions)

(Unit: million yen)

	Electric business	Construction Business	Other
Sales	51,502	4,477	8,781
(YoY change)	(+4,745)	(-667)	(+2,061)
Sales to outside customers out of total	50,102	864	2,811
(YoY change)	(+4,447)	(+275)	(+603)
Operating income	-5,813	-82	456
(YoY change)	(+3,466)	(-222)	(+543)

■ Sales : 53,778 (+5,326)

【 Factors for increase 】

- Increase in Sales in Electric business.

■ Operating income : -5,405 (+3,944)

【 Factors for increase 】

- Increase in Sales in Electric business.

【 Factors for decrease 】

- Increase in Repair and maintenance costs in Electric business.
- Increase in Fuel costs in Electric business.

■ Ordinary income : -5,528 (+3,816)

■ Net income* : -5,701 (+1,197)

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 internal construction work and gas supply business.

Financial Results of each Company

(Unit: million yen)

		Sales			Operating income			Ordinary income			Net income		
		FY2022 1Q YTD (Results)	FY2023 1Q YTD (Results)	Change	FY2022 1Q YTD (Results)	FY2023 1Q YTD (Results)	Change	FY2022 1Q YTD (Results)	FY2023 1Q YTD (Results)	Change	FY2022 1Q YTD (Results)	FY2023 1Q YTD (Results)	Change
The Okinawa Electric Power Company, Inc.		46,757	51,502	+4,745	-9,280	-5,813	+3,466	-9,045	-5,631	+3,413	-6,596	-5,632	+964
O t h e r	Okidenko Company, Ltd.	4,898	4,109	-788	111	-63	-174	153	-15	-169	107	-11	-119
	Okiden Kigyo Company, Ltd.	1,347	1,616	+268	-26	16	+42	-11	31	+42	-5	20	+25
	Okinawa Plant Kogyo Company, Inc.	1,992	3,115	+1,122	-83	293	+377	-71	301	+373	-43	205	+249
	Okinawa Denki Kogyo Company, Inc.	166	190	+24	-21	-4	+17	-9	10	+20	1	8	+7
	Okiden Kaihatsu Company, Inc.	910	1,002	+92	62	89	+26	54	81	+26	35	53	+17
	The Okiden Global Systems Company, Inc.	358	335	-22	-67	-60	+7	-63	-54	+8	-29	-36	-6
	Okinawa Enetech Company, Inc.	176	120	-56	43	-32	-76	45	-27	-72	29	-17	-47
	Okinawa New Energy Development Company, Inc.	221	270	+48	-2	19	+21	-3	16	+20	-1	10	+12
	Okisetsubi Company, Ltd.	164	363	+198	-16	13	+29	-19	13	+33	-13	9	+22
	FRT, Inc.	361	502	+140	38	60	+22	38	61	+22	26	43	+16
Progressive Energy Corporation.	808	1,071	+263	12	30	+17	17	30	+12	10	20	+9	
The Reliance Energy Okinawa, Inc.	667	839	+171	0	11	+10	-7	2	+9	-4	1	+6	
Reconciliations		-10,379	-11,261	-881	-122	34	+156	-422	-349	+73	-415	-375	+39
Consolidated		48,452	53,778	+5,326	-9,349	-5,405	+3,944	-9,344	-5,528	+3,816	-6,899*	-5,701*	+1,197*

* Net income attributable to owners of parent.

Balance Sheet Comparison

(Unit: million yen)

		FY2022 Term end	FY2023 1QTerm end	Change	Major factors for change		
Assets	*1	480,546	495,014	+14,468	{ Capex +7,732 , Depreciation -5,264 , Loss on retirement of non-current assets -92		
	*2	441,260	454,420	+13,160			
	Non-current assets	*1	402,215	403,631		+1,416	
		*2	381,594	382,901		+1,307	
Current assets	*1	78,331	91,383	+13,052			
	*2	59,665	71,518	+11,852			
	Liabilities	*1	366,050	386,159		+20,108	{ Interest-bearing debt +30,386 Bonds payable +10,000 Long-term loans payable -982 [Borrowing +6,200 , Repayment -7,182] CP +20,000 Short-term loans payable +1,369
		*2	349,474	368,191		+18,717	
Non-current liabilities	*1	296,337	303,613	+7,275			
	*2	281,025	289,076	+8,050			
Current liabilities	*1	69,713	82,545	+12,832			
	*2	68,448	79,115	+10,666			
Net assets	*1	114,495	108,855	-5,640	{ Net income*3 -5,701		
	*2	91,786	86,228	-5,557			

Reference: Interest-bearing debt and Capital adequacy ratio

		FY2022 Term end	FY2023 1QTerm end	Change
Interest-bearing debt (million yen)	*1	284,227	314,614	+30,386
	*2	274,711	305,144	+30,432
Capital adequacy ratio (%) [After adjustments*4]	*1	23.4 [26.6]	21.6 [24.6]	-1.8 [-2.0]
	*2	20.8 [24.2]	19.0 [22.3]	-1.8 [-1.9]

*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.

Annual Outlook Summary

(Unit: million yen, X)

	Consolidated(A)				Non-consolidated(B)				(A) / (B)	
	FY2022 (Results)	FY2023 (Forecasts)		Change (II) - (I)	FY2022 (Results)	FY2023 (Forecasts)		Change (II) - (I)	FY2022 (Results)	FY2023 (Forecasts)
		Announced in May. 2023 (I)	Announced in Jul. 2023 (II)			Announced in May. 2023 (I)	Announced in Jul. 2023 (II)			
Sales	223,517	234,700	234,700	—	213,383	222,900	222,900	—	1.05	1.05
Operating income	-48,406	6,800	undecided	—	-50,582	5,700	undecided	—	—	—
Ordinary income	-48,799	5,600	undecided	—	-50,245	4,500	undecided	—	—	—
Net income	-45,457 [*]	4,000 [*]	undecided	—	-45,934	3,500	undecided	—	—	—

* Net income attributable to owners of parent.

On July 27, 2023, one of the coal unloaders at the Gushikawa Thermal Power Plant collapsed.

Since the impact of this accident on our business performance is uncertain at this time, the forecast for FY2023 is "undecided". It will be disclosed promptly when the reliable calculation of financial forecast becomes possible.

[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'

**Statements regarding future performance included in this document is 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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