

# Financial Results for FY 2018

April 26 , 2019



Statements made in this overview of operations regarding Kyushu Electric Power's strategies and forecasts and other statements that are not historical facts are forward-looking statements based on management's assumptions and beliefs in light of information currently available, and should not be interpreted as promises or guarantees. Owing to various uncertainties, actual results may differ materially from these statements. Investors are hereby cautioned against making investment decisions solely on the basis of forward-looking statements contained herein.

**Note:**

The English translation is for reference purposes only for the convenience of our English-speaking investors. In case a difference arises regarding the meaning herein , the original Japanese version shall prevail.

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## Sales (Increase), Ordinary Income (Surplus)

Consolidated Sales : **2,017.1 billion of yen** (Increase by **2.9%** Compared with FY2017 )

Consolidated Ordinary Income : **52.5 billion of yen** (Decrease by **28.7%** Compared with FY2017 )

### Financial Results for FY2018

Ordinary income decreased compared to the FY2017, although unit 3 and 4 of Genkai nuclear power station resumed commercial operation. It's because of a decline in electricity sales volume due to a decline in number of contracts and an effect of a warm winter, and higher maintenance costs and miscellaneous costs such as periodic inspections of Sendai nuclear power plant unit 1 and 2, and repairs of transmission/ distribution facilities to ensure a stable power supply. In addition, the valuation loss related to the overseas energy business is recorded in accordance with the equity method.

### Revenue Side

Sales increased by 2.9% to ¥2,017.1 billion and ordinary revenue increased by 2.6% to ¥2,027.6 billion due to an increase in a grant based on the Act on Purchase of Renewable Energy Sourced Electricity and sold power to other suppliers, although electricity sales volume decreased.

### Expenditure Side

Ordinary expense increased by 3.8% to ¥1,975.0 billion, even though we have been working on group-wide cost reduction. It's due to an increase in power purchase costs of renewable energy and an increase in maintenance costs and miscellaneous costs caused by the periodic inspections of Sendai nuclear power station and repairs of transmission/ distribution facilities to ensure a stable power supply. In addition, the valuation loss related to the overseas energy business is recorded in accordance with the equity method.

### Ordinary Income Profit attributable to owners of parent

Ordinary income decreased by 28.7% to ¥52.5 billion.  
Profit attributable to owners of parent decreased by 64.3% to ¥30.9 billion due to the income taxes increased as a result of recording the deferred tax assets in the previous year.

# I . Financial Results for FY2018

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Consolidated		(Billion of Yen,%)				Non-Consolidated		(Billion of Yen,%)			
	FY2018	FY2017	Difference	Rate of Change		FY2018	FY2017	Difference	Rate of Change		
Ordinary revenues	2,027.6	1,976.2	51.4	2.6	Ordinary revenues	1,874.4	1,830.2	44.2	2.4		
Sales [Figures are included above]	2,017.1	1,960.3	56.8	2.9	Sales [Figures are included above]	1,867.1	1,823.5	43.6	2.4		
Ordinary expenses	1,975.0	1,902.5	72.5	3.8	Ordinary expenses	1,841.9	1,782.0	59.8	3.4		
(Operating Income)	(86.5)	(103.1)	(-16.5)	(-16.0)	(Operating Income)	(60.6)	(81.2)	(-20.5)	(-25.3)		
Ordinary Income	52.5	73.6	-21.1	-28.7	Ordinary Income	32.5	48.2	-15.6	-32.5		
Profit attributable to owners of parent	30.9	86.6	-55.6	-64.3	Net Income	23.4	69.0	-45.5	-66.1		

## 【Reference : Key Factors】

	FY2018	FY2017	Difference
Electricity Sales Volume	72.2 billion kWh	76.8 billion kWh	-4.6 billion kWh
Crude Oil CIF Price	72 \$/b	57 \$/b	15 \$/b
Exchange Rate	111 ¥/\$	111 ¥/\$	—
Nuclear Power [Transmission-end]	28.8 billion kWh	14.3 billion kWh	14.5 billion kWh
(Genkai Nuclear Power)	( 17.2 billion kWh)	( -0.2 billion kWh)	( 17.4 billion kWh)
(Sendai Nuclear Power)	( 11.6 billion kWh)	( 14.5 billion kWh)	( -2.9 billion kWh)
(Utilization Rate of Nuclear Power)	( 73.1 %)	( 36.7 %)	( 36.4 %)

# I - ① Electricity Sales Volume

Total electricity sales volume came to 72.2 billion kWh, which is a decrease of 5.9% compared to FY2017. This is due to a decline in electricity contracts and an effect of a warm winter, etc.

(Million kWh,%)

	FY2018	FY2017	Comparison with FY2017	
			Difference	Ratio
Lighting	26,531	28,603	-2,072	92.8
Power	45,688	48,173	-2,485	94.8
Total	72,219	76,775	-4,556	94.1

Note: Some rounding errors may be observed.

【Reference】

(Million kWh,%)

	FY2018	FY2017	Comparison with FY2017	
			Difference	Ratio
Electricity sales volume to other utilities and other suppliers	7,855	5,964	1,891	131.7

# I - ② Generated and Received Electricity

The electricity supply has been stable, which is the result of a stable operation of 4 nuclear power units, comprehensive operation such as thermal power and water pumping, and the implementation of renewable energy output control based on the government rules.

(Million kWh,%)

		FY2018	FY2017	Comparison with FY2017	
				Difference	Ratio
Own facilities *1	Hydro	5,099	4,653	446	109.6
	(Water flow rate)	(100.2)	(101.2)	(-1.0)	
	Thermal	26,531	43,260	-16,729	61.3
	Nuclear	28,812	14,339	14,473	200.9
	(Utilization rate)	(73.1)	(36.7)	(36.4)	
	New Energy etc	1,038	1,092	-54	95.1
	Subtotal	61,480	63,344	-1,864	97.1
From other companies & Interchange *2		16,348	18,540	-2,192	88.2
( New Energy etc. [ Figures are included above] )		(11,319)	(9,994)	(1,325)	(113.3)
For pumping		-2,035	-1,627	-408	125.0
T o t a l		75,793	80,257	-4,464	94.4

\*1 Own facilities' generation means transmission-end number.

\*2 "From other companies & Interchange" includes the volume of electricity recognized as of the end of fiscal year.

[Reference] Ratio of Generated and Received Electricity

(%)

	FY2018	FY2017	Difference
Nuclear Power	38.0	17.9	20.1
Renewable Energy *3	23.2	20.3	2.9

\*3 "Renewable Energy" represents a total of Solar, Wind, Biomass, Waste, Geothermal and Hydro (excluding "For pumping") generated by facilities of our own and other companies.

# I - ③ Income Statement (Non-Consolidated)

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(Billion of Yen,%)

		FY2018	FY2017	Difference	Ratio	Explanations
Ordinary Revenues	Lighting	613.1	628.6	-15.4	97.5	Decrease in electricity sales volume, etc. -98.0
	Power	757.0	763.3	-6.3	99.2	Effect of fuel cost adjustment 69.6 (-28.0 ← -97.6)
	(Sub Total)	(1,370.1)	(1,391.9)	(-21.8)	(98.4)	<u>Renewable Energy Power Promotion Surcharge 6.4 (181.4 ← 175.0)*</u>
	Sold power to other utilities and other suppliers	78.1	61.1	17.0	127.8	Sold power to other suppliers 16.8
	Other	426.0	377.0	49.0	113.0	<u>Grant based on the Act on Purchase of Renewable Energy Sourced Electricity 29.5 (316.9 ← 287.3)*</u>
	(Sales)	(1,867.1)	(1,823.5)	(43.6)	(102.4)	
Total		1,874.4	1,830.2	44.2	102.4	
Ordinary Expenses	Labor	141.0	137.0	4.0	103.0	
	Fuel	241.7	312.0	-70.2	77.5	Effect of operating of nuclear power station -107.0 (Genkai NPS -133.0, Sendai NPS 26.0) Decrease in electricity sales volume -45.0 Increase in electricity sales volume to other suppliers 14.0 Increase in CIF 44.0
	Purchased power from other utilities and other suppliers	511.1	468.3	42.7	109.1	Purchased power from other suppliers 42.7 [Figures are included above : Purchase of Renewable Energy Sourced Electricity 44.0 (391.4 ← 347.4)* ]
	Maintenance	161.9	142.6	19.3	113.6	Nuclear 17.5 Distribution 4.6 Transmission 2.0 Transformation 1.4 Thermal -4.4
	Depreciation	179.0	170.2	8.8	105.2	Nuclear 11.0 Transmission -1.2 Transformation -1.0
	Interest	26.6	30.1	-3.5	88.4	
	Tax and public dues	89.0	86.9	2.1	102.4	Effect of operating of nuclear power station 3.3 (Genkai NPS 2.0, Sendai NPS 1.2)
	Nuclear back-end	70.3	35.8	34.4	196.1	Effect of operating of nuclear power station 29.0 (Genkai NPS 33.0, Sendai NPS -4.0)
	Other	420.9	398.8	22.0	105.5	Miscellaneous cost 11.7 <u>Levy based on the Act on Purchase of Renewable Energy Sourced Electricity 6.4 (181.4 ← 175.0)*</u>
Total		1,841.9	1,782.0	59.8	103.4	
(Operating Income)		(60.6)	(81.2)	(-20.5)	(74.7)	Decrease in electricity sales volume, etc. -38.0 Increase in miscellaneous cost -11.7 Increase in maintenance work of Transmission and Distribution facilities -8.0 Effect of operating of nuclear power station 46.0 (Genkai NPS 93.0, Sendai NPS -47.0, )
Ordinary Income		32.5	48.2	-15.6	67.5	
Reserve for Fluctuation In Water Levels		0.2	0.1	0.1	223.9	
Income Tax		8.8	-20.9	29.7	—	
Net Income		23.4	69.0	-45.5	33.9	

\* The underlined parts are related to Feed-in Tariff Power purchase and sale system of renewable energy

# I - ③ Income Statement (Consolidated)

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(Billion of Yen,%)

		FY2018	FY2017	Difference	Ratio	( FY2018 Consolidated Ratio )
Ordinary Revenues	Operating Revenues (Sales)	2,017.1	1,960.3	56.8	102.9	(1.08)
	Electric	1,844.8	1,804.4	40.4	102.2	
	Other	172.3	155.9	16.3	110.5	
	Other Revenues	10.4	15.8	-5.4	65.8	
	Total	2,027.6	1,976.2	51.4	102.6	
Ordinary Expenses	Operating Expenses	1,930.6	1,857.2	73.3	104.0	
	Electric	1,771.7	1,713.3	58.4	103.4	
	Other	158.8	143.9	14.9	110.4	
	Other Expenses	44.4	45.2	-0.8	98.2	
	Total	1,975.0	1,902.5	72.5	103.8	
(Operating Income)		(86.5)	(103.1)	(-16.5)	(84.0)	(1.43)
Ordinary Income		52.5	73.6	-21.1	71.3	(1.62)
Reserve for Fluctuation In Water Levels		0.2	0.1	0.1	223.9	
Profit attributable to owners of parent		30.9	86.6	-55.6	35.7	(1.32)
Comprehensive Income		22.5	96.5	-73.9	23.4	

## 【Reference】

As of the end of FY2018, 73 affiliates were subject to consolidated accounting.

[ Consolidated subsidiaries: 45 companies (2 companies are added, compared to the previous FY) ]  
 [ Equity method companies: 28 companies (1 company is added, compared to the previous FY) ]



# I - ④ Segment Information

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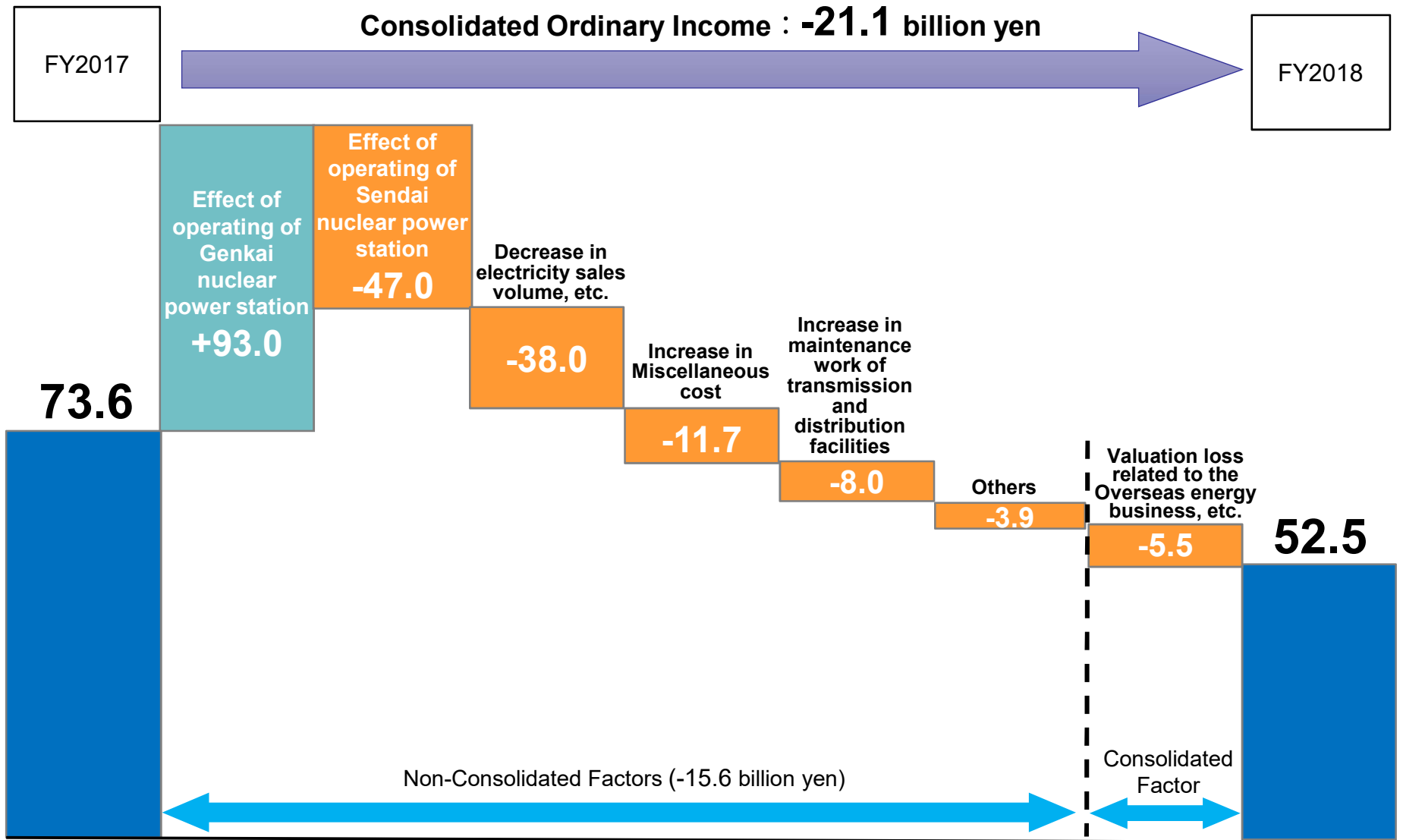
(Billion of Yen)

		FY2018	FY2017	Difference	Explanations
Electric power	Sales	1,848.6	1,808.3	40.3	
	Operating Income	61.7	81.4	-19.6	
Energy-related business	Sales	217.6	191.4	26.1	<ul style="list-style-type: none"> <li>• Sales and operating income increased due to an increase in construction and repair work of plants and an increase in revenue related electricity sales outside the Kyushu area and LNG sales.</li> </ul>
	Operating Income	14.7	11.7	3.0	
IT and Tele-communications	Sales	105.4	106.6	-1.2	<ul style="list-style-type: none"> <li>• Sales decreased due to a decrease of commissioned developments for information system.</li> <li>• Operating income decreased due to a decrease in sales and an increase in advertising expenses related to start-up of IoT service.</li> </ul>
	Operating Income	4.8	7.3	-2.4	
Other	Sales	29.5	25.5	3.9	<ul style="list-style-type: none"> <li>• Sales and operating income increased due to an increase in revenue related to real estate sales.</li> </ul>
	Operating Income	6.0	4.8	1.2	

Note: The above amounts represent figures prior to elimination of transactions among segments.

# I - ⑤ Major Factors Affecting Ordinary Income (Consolidated) 8

(Billion of Yen)



(Consolidated ordinary income excluding effect of time lag around 88.0)

(Consolidated ordinary income excluding effect of time lag around 67.0)

## II. Financial Status for FY2018

### 【 Consolidated Balance Sheet 】

Total Assets	Assets increased by ¥83.9 billion compared to the end of FY2017 due to an increase in non-current assets because of capital investment ,although current assets such as cash and deposits decreased.
Liabilities	Liabilities decreased by ¥72.6 billion compared to the end of FY2017 due to an increase in other current liabilities such as contribution payable for reprocessing of spent nuclear fuel and asset retirement obligations, despite a decrease of accrued taxes.
Equity	<p>Net assets increased by ¥11.2 billion compared to the end of FY2017 due to a record of net income* in spite of a decrease by payment of the dividends. As a result, shareholders' equity ratio was 13.3%.</p> <p>*= profit attributable to owners of parent</p>

Consolidated				Non-Consolidated			
				(Billion of Yen)			
	Mar.31,2019	Mar.31,2018	Difference	Mar.31,2019	Mar.31,2018	Difference	
Total Assets	4,794.0	4,710.0	83.9	4,278.8	4,230.9	47.9	
Liabilities	4,128.7	4,056.1	72.6	3,783.0	3,742.1	40.8	
Interest-bearing Debt	3,223.1	3,243.8	-20.6	3,003.3	3,024.2	-20.9	
Equity	665.2	653.9	11.2	495.7	488.7	7.0	
Equity Ratio (%)	13.3	13.4	-0.1	11.6	11.6	—	

## II – ① Balance Sheet (Non-Consolidated)

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### Assets

(Billion of Yen)

	Mar.31,2019	Mar.31,2018	Difference	Explanations
Non-current assets	3,845.9	3,693.5	152.4	Nuclear power plant equipment 136.2 (Countermeasure constructions to improve safety of nuclear power stations 116.4) Special account related to nuclear power decommissioning 26.3
Current assets	432.8	537.4	-104.5	Cash and deposits -131.1
Total	4,278.8	4,230.9	47.9	

### Liabilities and Equity

(Billion of Yen)

	Mar.31,2019	Mar.31,2018	Difference	Explanations
Liabilities	3,783.0	3,742.1	40.8	Asset retirement obligations 42.8 Accrued expenses 32.0 Other advances 26.0 Accrued taxes -26.5 Interest-bearing Debt -20.9
Equity	495.7	488.7	7.0	FY2018 Net income 23.4 Year-end Dividend -6.4 Interim Dividend -8.8 [Equity Ratio] Mar.31,2019 11.6% ← Mar.31,2018 11.6%
Total	4,278.8	4,230.9	47.9	

### [ The breakdown of Interest-bearing Debt ]

(Billion of Yen)

	Mar.31,2019	Mar.31,2018	Difference
Bonds	1,284.6	1,294.4	-9.8
Loans	1,718.7	1,729.8	-11.1
Total	3,003.3	3,024.2	-20.9

### III. Cash Flow (Consolidated) for FY2018

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Consolidated

(Billion of Yen)

	FY2018	FY2017	Difference	Explanations
Cash flows from operating activities ( A )	283.0	355.9	-72.9	Increase in consumption and income taxes paid -67.9 Increase in expenditures of purchased power from other suppliers -48.8 Increase in expenditures of maintenance -20.2 Decrease in revenue of lighting and power -13.2 Decrease in expenditures of fuel 47.4
Cash flows from investing activities	-364.3	-321.7	-42.5	Increase in expenditures of purchase of non-current asset -24.6 Increase in expenditures of investment -20.8
Reposting of capital expenditures including nuclear fuel [Figures are included above] ( B )	(-377.4)	(-352.7)	(-24.6)	
Cash flows from financing activities	-40.7	-90.3	49.6	Increase in long-term loans payable 50.1
Change in cash & cash equivalents	-120.6	-53.9	-66.6	

【Reference】

Free cash flows ( A ) + ( B )	-94.3	3.2	-97.6
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## IV. Year-end Dividends for FY2018

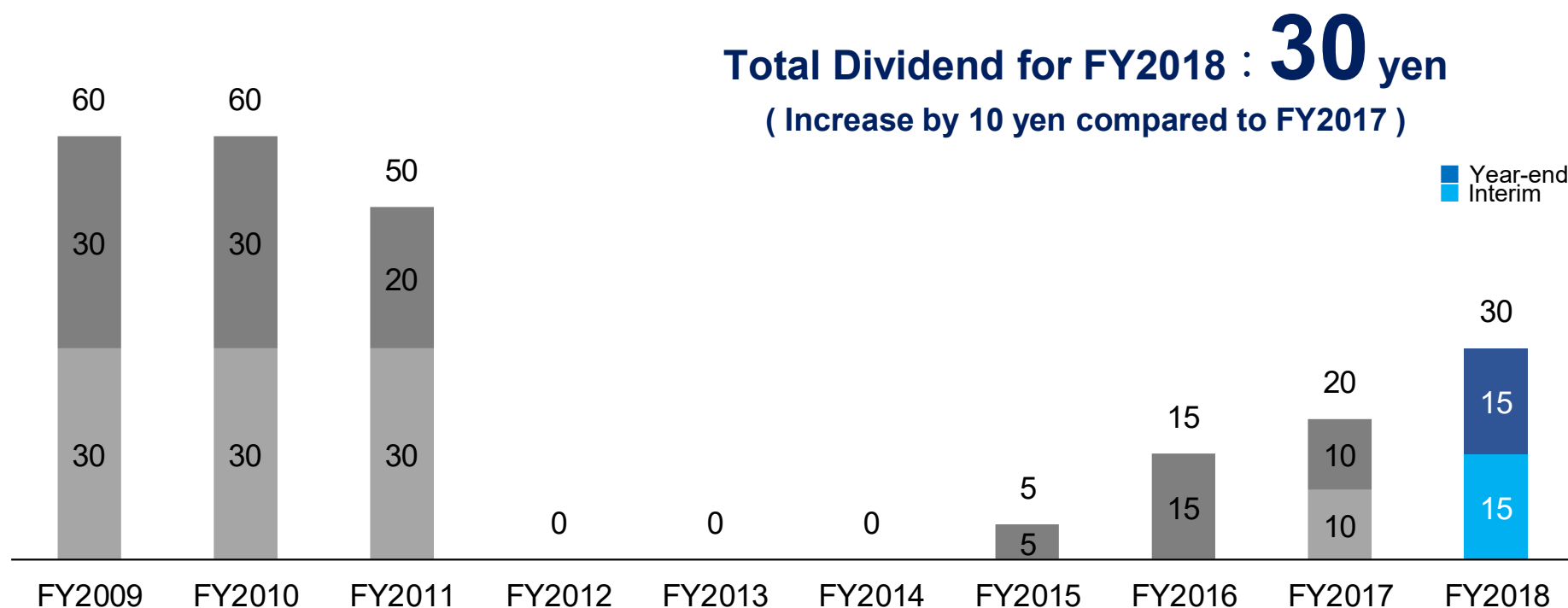
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As for the year-end dividends for the FY2018, based on a comprehensive analysis of operating forecasts and medium to long-term balance situation and financial and other factors, we plan to pay a dividend of ¥15 per common share.

As for the class A preferred share, we plan to pay a year-end dividend of total amount of ¥1.75 billion.

[Changes of a dividend per share (Common Stock) ]

(unit : yen)



Note: Year-end dividends for the FY2018 will be officially determined by the approval at the 95th Regular General Meeting of Stockholders to be held on June 26, 2019.

**Sales (Increase), Ordinary Income (Increase)****Consolidated Sales : 2,085.0 billion of yen****Consolidated Ordinary income : 80.0 billion of yen****Sales**

We expect that Sales will increase to around ¥2,085.0 billion, mainly due to an increase in electricity sales volume as a result of our strengthened position and an increase in a grant based on the Act on Purchase of Renewable Energy Sourced Electricity, in spite of the electricity rate reduction.

**Ordinary income**

We expect Ordinary income will increase to around ¥80.0 billion, due to the decrease of fuel costs as a result of the start of unit 2 of Matsuura thermal station and a reactionary increase of the valuation loss in the overseas energy business recorded in FY2018 in accordance with the equity method.

**Profit attributable to owners of parent**

We expect that Profit attributable to owners of parent will increase to around ¥55.0 billion.

# V. Forecasts of Financial Results for FY2019

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Consolidated					Non-Consolidated				
	(Billion of Yen,%)					(Billion of Yen,%)			
	FY2019 (Forecast)	FY2018	Difference	Rate of Change		FY2019 (Forecast)	FY2018	Difference	Rate of Change
Sales	2,085.0	2,017.1	67.9	3.4	Sales	1,915.0	1,867.1	47.9	2.6
Operating Income	105.0	86.5	18.5	21.3	Operating Income	75.0	60.6	14.4	23.6
Ordinary Income	80.0	52.5	27.5	52.3	Ordinary Income	50.0	32.5	17.5	53.7
Profit attributable to owners of parent	55.0	30.9	24.1	77.6	Net Income	35.0	23.4	11.6	49.4

## 【Reference : Key Factors】

	FY2019	FY2018	Difference
Electricity Sales Volume	73.6 billion kWh	72.2 billion kWh	1.4 billion kWh
Crude Oil CIF Price	70 \$/b	72 \$/b	-2 \$/b
Exchange Rate	110 ¥/\$	111 ¥/\$	-1 ¥/\$
Nuclear Power [Transmission-end]	26.5 billion kWh <sup>※2</sup>	28.8 billion kWh	-2.3 billion kWh

Financial impact <sup>※1</sup>
(1\$/b) 1.0 billion of yen
(1¥/\$) 1.8 billion of yen
(Utilization rate of nuclear power 1%) 2.3 billion of yen

※1 These figures represent financial impact for fuel expenses, etc. in case Key Factors fluctuate.

※2 Utilization Rate of Nuclear Power in FY2019 is 75.7%(based on the 4 Units).



As for the dividends for the FY2019, based on a comprehensive analysis of operating forecasts and medium to long-term balance situation and financial and other factors, we plan to pay a dividend of ¥40 per common share (both interim and year-end dividend of ¥20).

As for the class A preferred share, we plan to pay a dividend of total amount of ¥1.6 billion\*.

\* This is based on the assumption that approval will be obtained for the revision of the class A preferred share (dividend rate 3.5% ⇒ 2.1%) at the General Meeting of Stockholders which will be held on June 26, 2019.

(Breakdown)

- Interim dividend (6/28 to 9/30)      around ¥ 0.55 billion (¥ 546,575 per share)
- Year-end dividend                      around ¥ 1.05 billion (¥ 1,052,877 per share)
- With regard of around ¥ 0.84 billion (¥ 843,836 per share) of unpaid dividends on the holding period (4/1 to 6/27) of class A preferred shares before the review, we plan to withdraw from capital surplus as a loss on disposal of treasury stock.



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**(Reference) Data**

# Changes in Income and Expenditure (Non-Consolidated)

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Non-Consolidated

(Billion of Yen)

		FY2014	FY2015	FY2016	FY2017	FY2018
Ordinary Revenues	Lighting	648.5	614.2	594.8	628.6	613.1
	Power	897.6	823.6	747.6	763.3	757.0
	(Sub Total)	(1,546.1)	(1,437.9)	(1,342.5)	(1,391.9)	(1,370.1)
	Sold power to other utilities and other suppliers	17.0	19.2	34.0	61.1	78.1
	Other	208.7	266.6	331.5	377.0	426.0
	(Sales)	(1,761.2)	(1,705.4)	(1,696.7)	(1,823.5)	(1,867.1)
	Total	1,771.9	1,723.7	1,708.1	1,830.2	1,874.4
Ordinary Expenses	Labor	113.1	131.0	132.6	137.0	141.0
	Fuel	678.4	364.7	263.5	312.0	241.7
	Purchased power from other utilities and other suppliers	372.4	386.8	409.8	468.3	511.1
	Maintenance	126.6	144.4	152.7	142.6	161.9
	Depreciation	164.7	167.0	176.3	170.2	179.0
	Interest	38.6	37.0	33.4	30.1	26.6
	Tax and public dues	86.0	85.2	85.7	86.9	89.0
	Nuclear back-end	21.4	21.7	28.2	35.8	70.3
	Other	263.4	311.2	356.6	398.8	420.9
Total	1,865.0	1,649.4	1,639.2	1,782.0	1,841.9	
(Operating Income/Loss)		(-59.3)	(97.8)	(99.5)	(81.2)	(60.6)
Ordinary Income/Loss		-93.0	74.3	68.8	48.2	32.5
Reserve for Fluctuation In Water Levels		1.6	5.9	0.9	0.1	0.2
Extraordinary Gain / Loss		9.8	7.4	-9.5	—	—
Income Tax Income/Loss		34.1	10.4	-2.7	-20.9	8.8
Net Income/Loss		-119.0	65.3	61.0	69.0	23.4

# Revenues from Lighting and Power

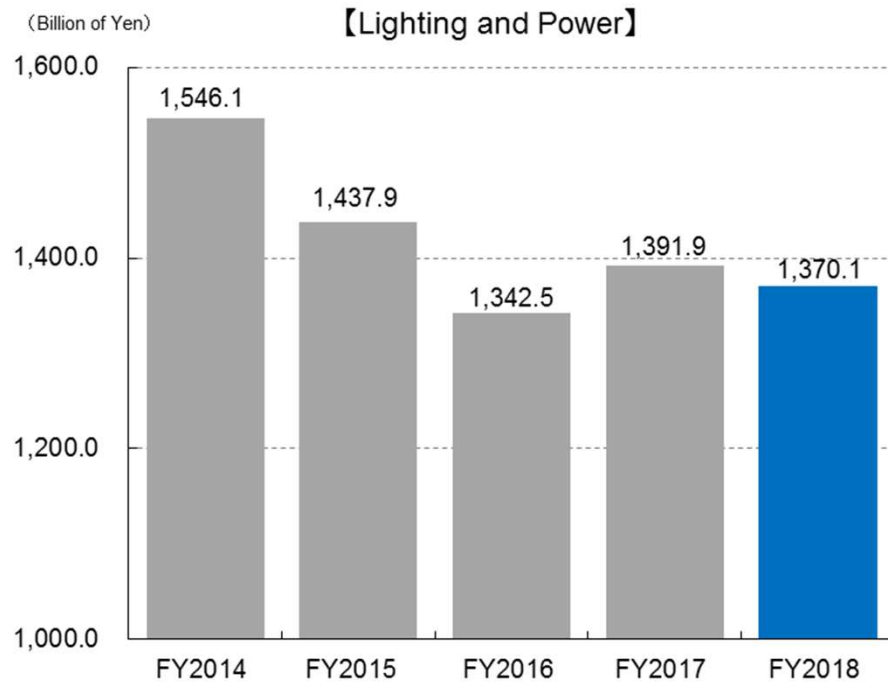
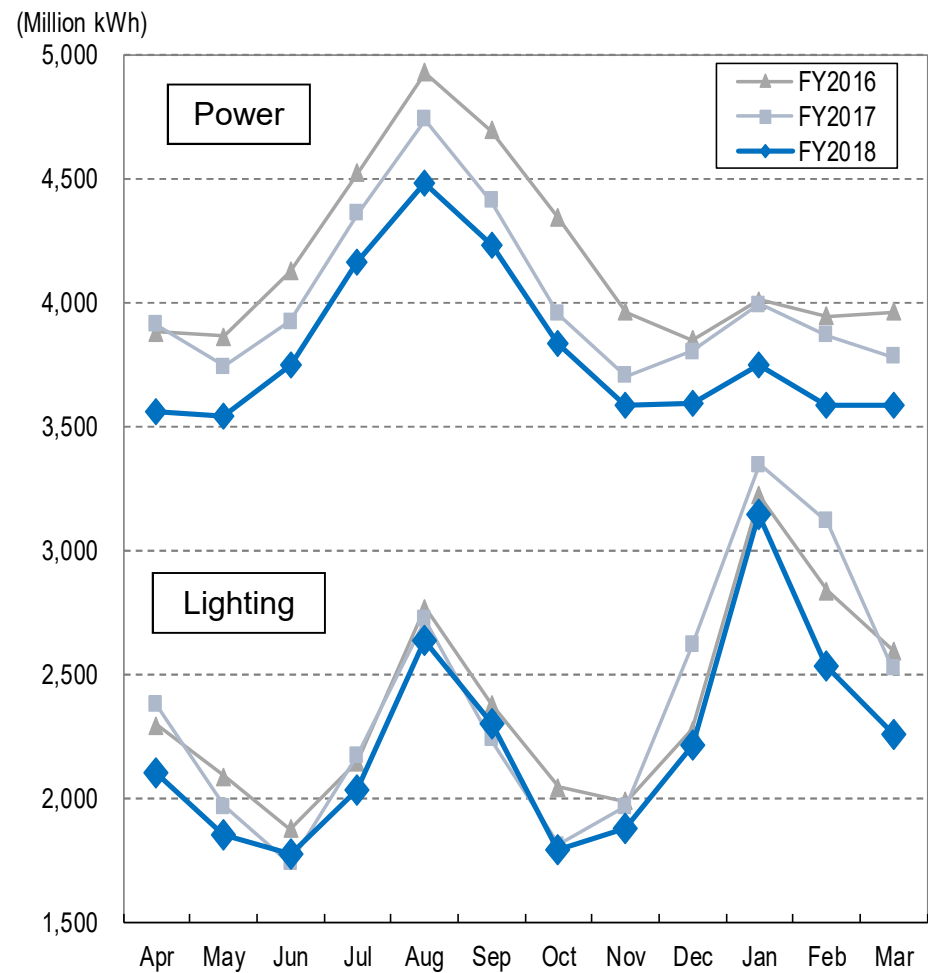
Non-Consolidated

(Billion of Yen,%)

	FY2018	FY2017	Difference	Ratio
Lighting and Power	1,370.1	1,391.9	-21.8	98.4

	Difference	FY2018	FY2017
1. Decrease in electricity sales volume, etc.	-98.0		
2. Effect of fuel cost adjustment	69.6	( -28.0 ← -97.6 )	
3. Renewable Energy Power Promotion Surcharge	6.4	( 181.4 ← 175.0 )	

【Reference: Changes in Electricity sales volume】

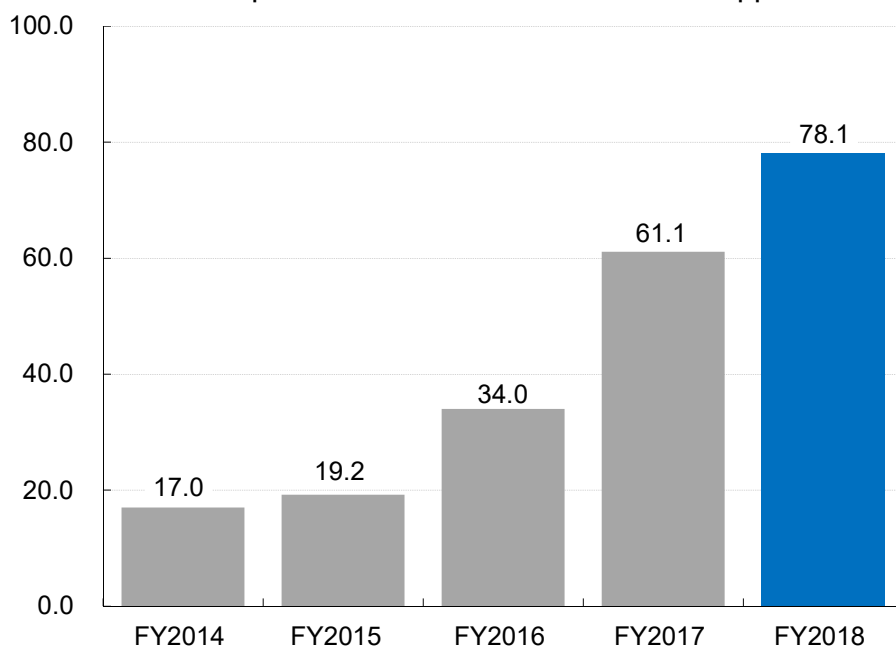


# Revenues from Sold power to other utilities and other suppliers and from Others 18

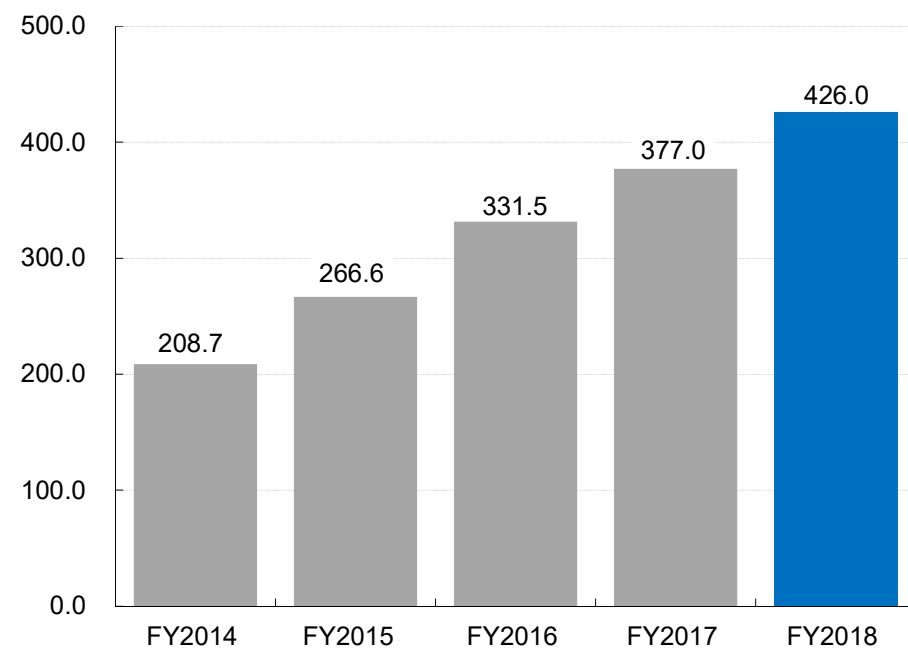
Non-Consolidated				
(Billion of Yen,%)				
	FY2018	FY2017	Difference	Ratio
Sold power to other utilities and other suppliers	78.1	61.1	17.0	127.8
		Difference	FY2018	FY2017
1. Sold power to other suppliers		16.8	( 77.1 ←	60.3 )

(Billion of Yen,%)				
	FY2018	FY2017	Difference	Ratio
Others	426.0	377.0	49.0	113.0
		Difference	FY2018	FY2017
1. Grant based on the Act on Purchase of Renewable Energy Sourced Electricity		29.5	( 316.9 ←	287.3 )

(Billion of Yen) 【Sold power to other utilities and other suppliers】



(Billion of Yen) 【Others】



# Expenses for Fuel and Purchased power from other utilities and other suppliers 19

## Non-Consolidated

(Billion of Yen,%)

	FY2018	FY2017	Difference	Ratio
Fuel	241.7	312.0	-70.2	77.5

Difference

Difference

1. Effect of operating of nuclear power station	-107.0	3. Increase in CIF	44.0
2. Decrease in electricity sales volume	-45.0	4. Increase in electricity sales to other suppliers	14.0

[ Reference 1 ] All Japan CIF prices

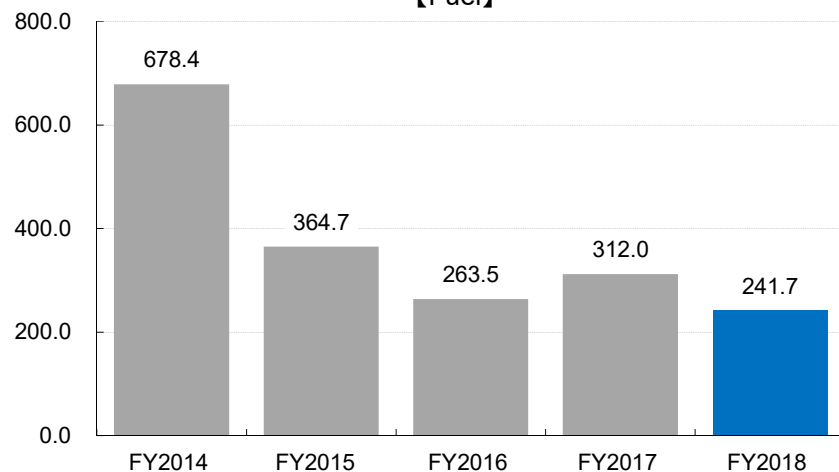
	FY2018	FY2017	Difference
Coal(\$/t)	121	103	18
LNG(\$/t)	545	438	107
Crude oil(\$/b)	72	57	15

[ Reference 2 ] Fuel consumption

	FY2018	FY2017	Difference
Coal (ten thousand ton)	498	598	-100
Heavy oil (ten thousand kiloliter)	1	38	-36
Crude oil (ten thousand kiloliter)	—	15	-14
LNG (ten thousand ton)	191	373	-182

(Billion of Yen)

【Fuel】



(Billion of Yen,%)

	FY2018	FY2017	Difference	Ratio
Purchased power from other utilities and other suppliers	511.1	468.3	42.7	109.1

Difference

FY2018

FY2017

1. Purchased power from other suppliers	42.7	( 510.2 ← 467.5 )
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- ◆ Purchase of Renewable Energy Sourced Electricity 44.0 ( 391.4 ← 347.4 )
- ◆ Thermal from other suppliers -0.3 ( 103.9 ← 104.3 )

[ Reference 3 ] Received electricity from other suppliers

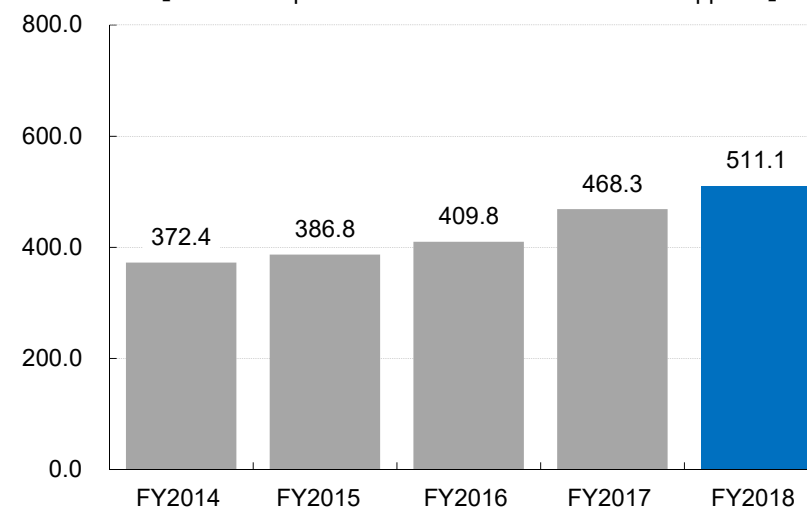
(Million kWh)

	FY2018	FY2017	Difference
Hydro	1,516	1,657	-141
Thermal *1	3,616	6,888	-3,272
New Energy, etc. *2	11,319	9,994	1,325
Total	16,451	18,539	-2,088

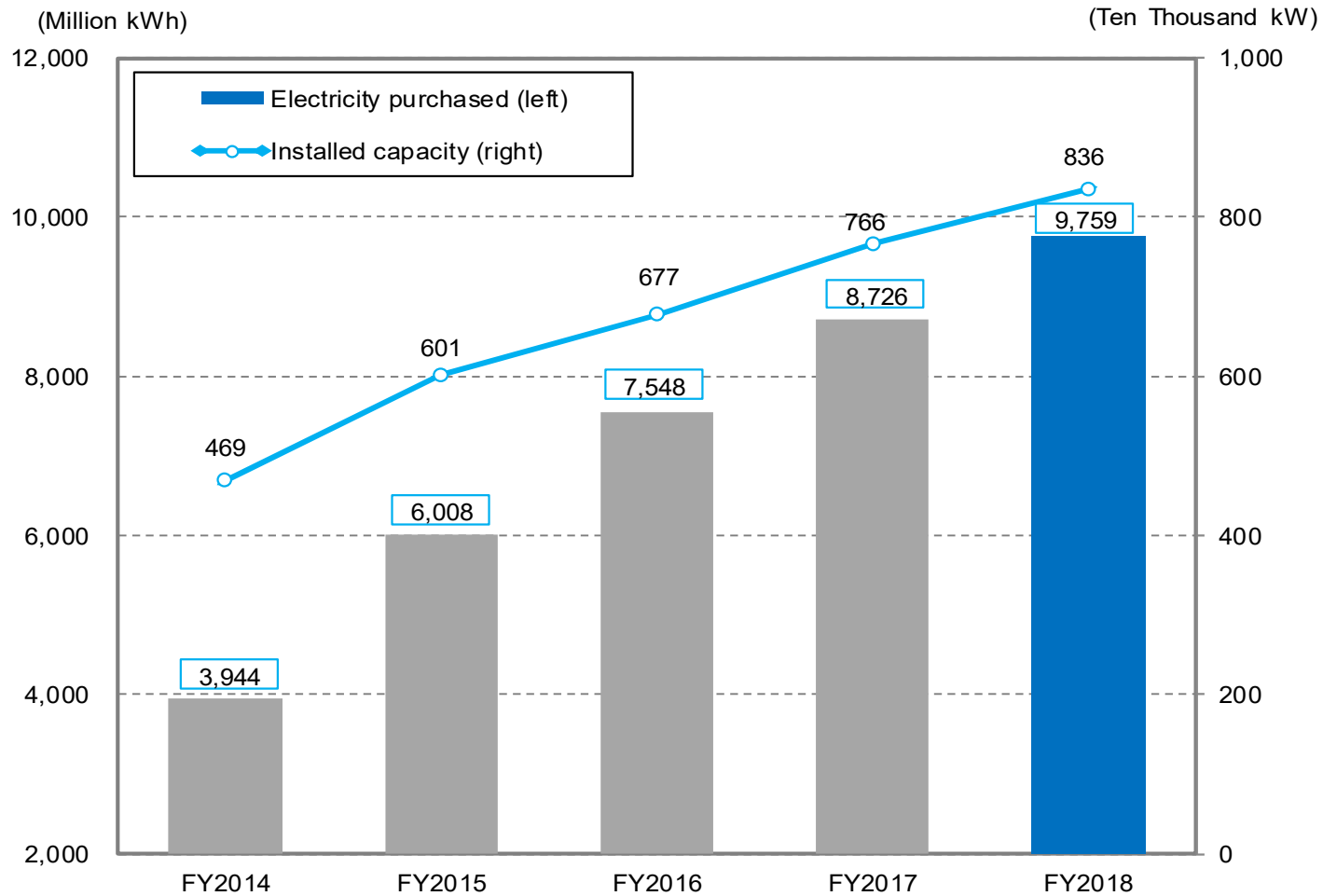
\*1 These amounts represent figures as a result of offsetting transmission electricity to other suppliers.

\*2 "New Energy etc." includes Solar, Wind, Biomass, Waste and Geothermal.

(Billion of Yen) 【Purchased power from other utilities and other suppliers】



# (Reference) Installed Capacity and Electricity Purchase regarding Solar 20



【Transition of Renewable Energy Power Promotion Surcharge】

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
Surcharge (Yen/kWh)	0.35	0.75	1.58	2.25	2.64	2.90
Price per household * (Yen/Month)	87	187	395	562	660	725

\* Meter rate: Lightning B, Contract Current 30A, Monthly use of 250kWh

Note1: Feed-in tariff has been enforced since July 2012 ( and a surcharge on electricity rate has started in August 2012).

Note2: The unit of Renewable Energy Power Promotion Surcharge in FY2019 is 2.95 yen/kWh.(It will be applied from May 2019.)



# Expenses for Maintenance and Depreciation

Non-Consolidated

		(Billion of Yen,%)		
	FY2018	FY2017	Difference	Ratio
Maintenance	161.9	142.6	19.3	113.6

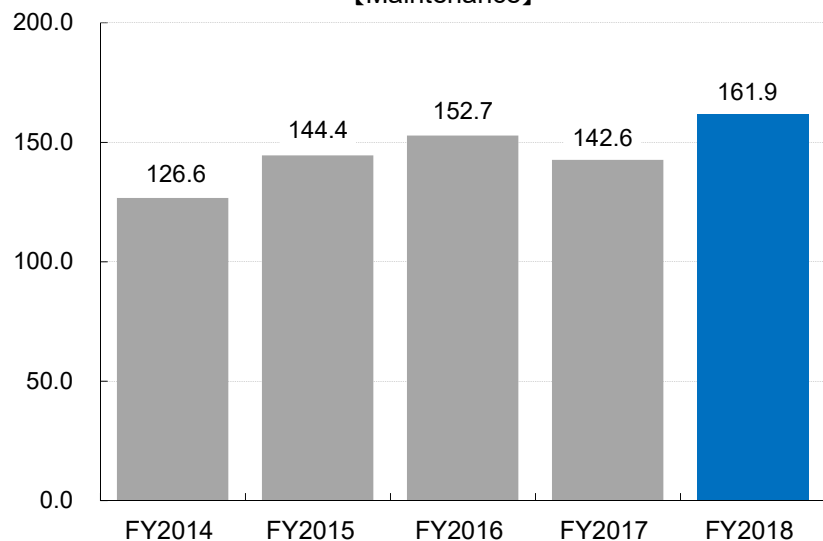
		(Billion of Yen,%)		
	FY2018	FY2017	Difference	Ratio
Depreciation	179.0	170.2	8.8	105.2

	Difference	FY2018	FY2017
1. Nuclear	17.5	( 50.0 ← 32.5 )	
2. Distribution	4.6	( 50.6 ← 45.9 )	
3. Transmission	2.0	( 12.0 ← 9.9 )	
4. Transformation	1.4	( 5.9 ← 4.5 )	
5. Thermal	-4.4	( 27.8 ← 32.2 )	

	Difference	FY2018	FY2017
1. Nuclear	11.0	( 45.5 ← 34.4 )	
2. Transmission	-1.2	( 38.3 ← 39.5 )	
3. Transformation	-1.0	( 17.8 ← 18.8 )	

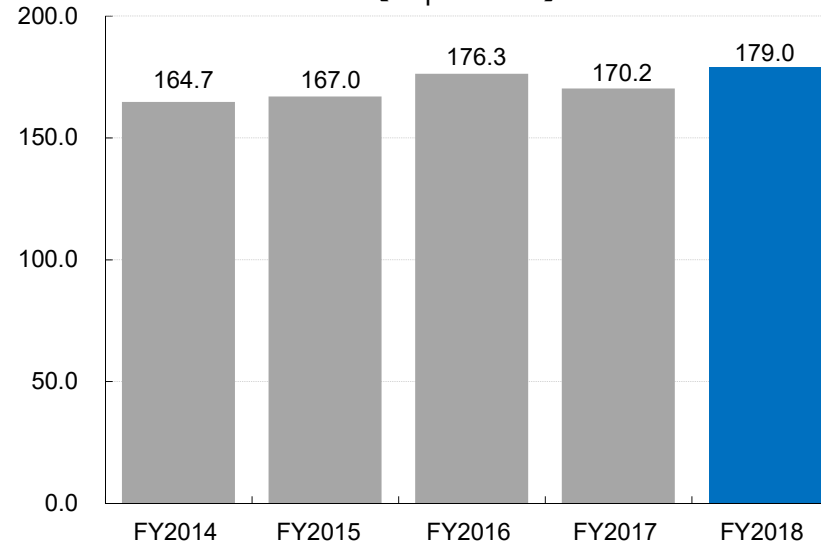
(Billion of Yen)

【Maintenance】



(Billion of Yen)

【Depreciation】



Non-Consolidated

(Billion of Yen,%)

	FY2018	FY2017	Difference	Ratio
Labor	141.0	137.0	4.0	103.0

(Billion of Yen,%)

	FY2018	FY2017	Difference	Ratio
Others	606.8	551.8	55.0	110.0

	Difference	FY2018	FY2017
1. Employee retirement benefits	3.9	( 14.9 ←	11.0 )

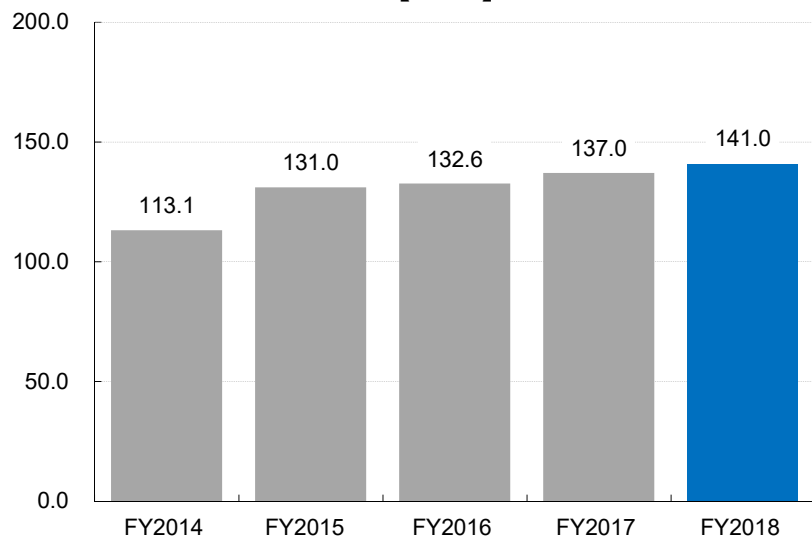
	Difference	FY2018	FY2017
1. Nuclear back-end	34.4	( 70.3 ←	35.8 )

2. Miscellaneous cost	11.7	( 172.5 ←	160.7 )
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3. Levy based on the Act on Purchase of Renewable Energy Sourced Electricity	6.4	( 181.4 ←	175.0 )
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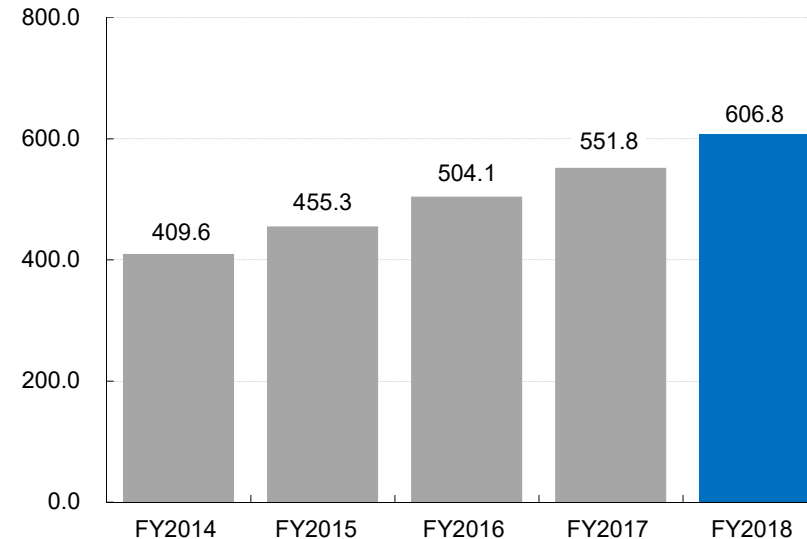
(Billion of Yen)

【Labor】



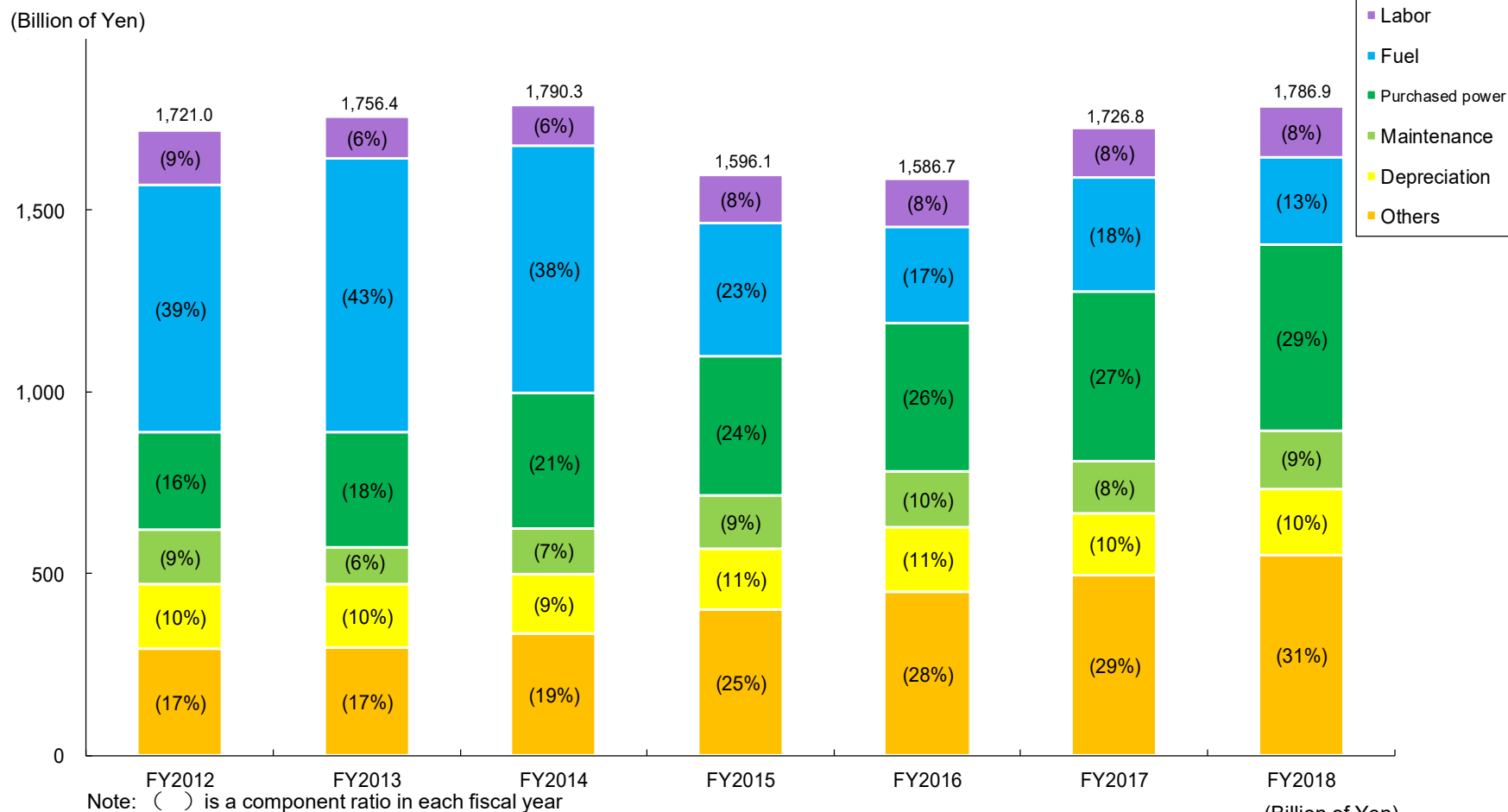
(Billion of Yen)

【Others】

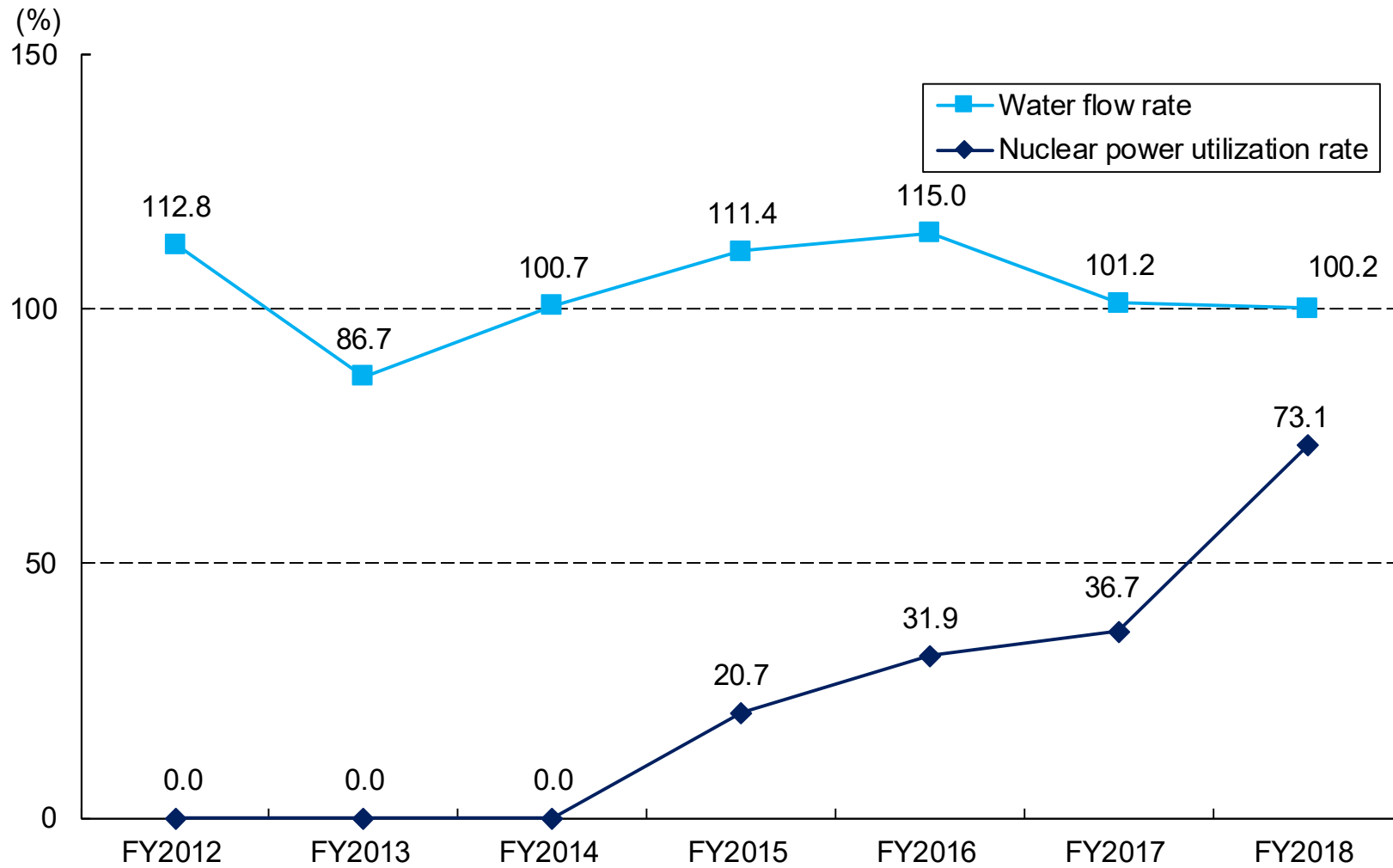


# Components of Operating Expense in Electricity Business

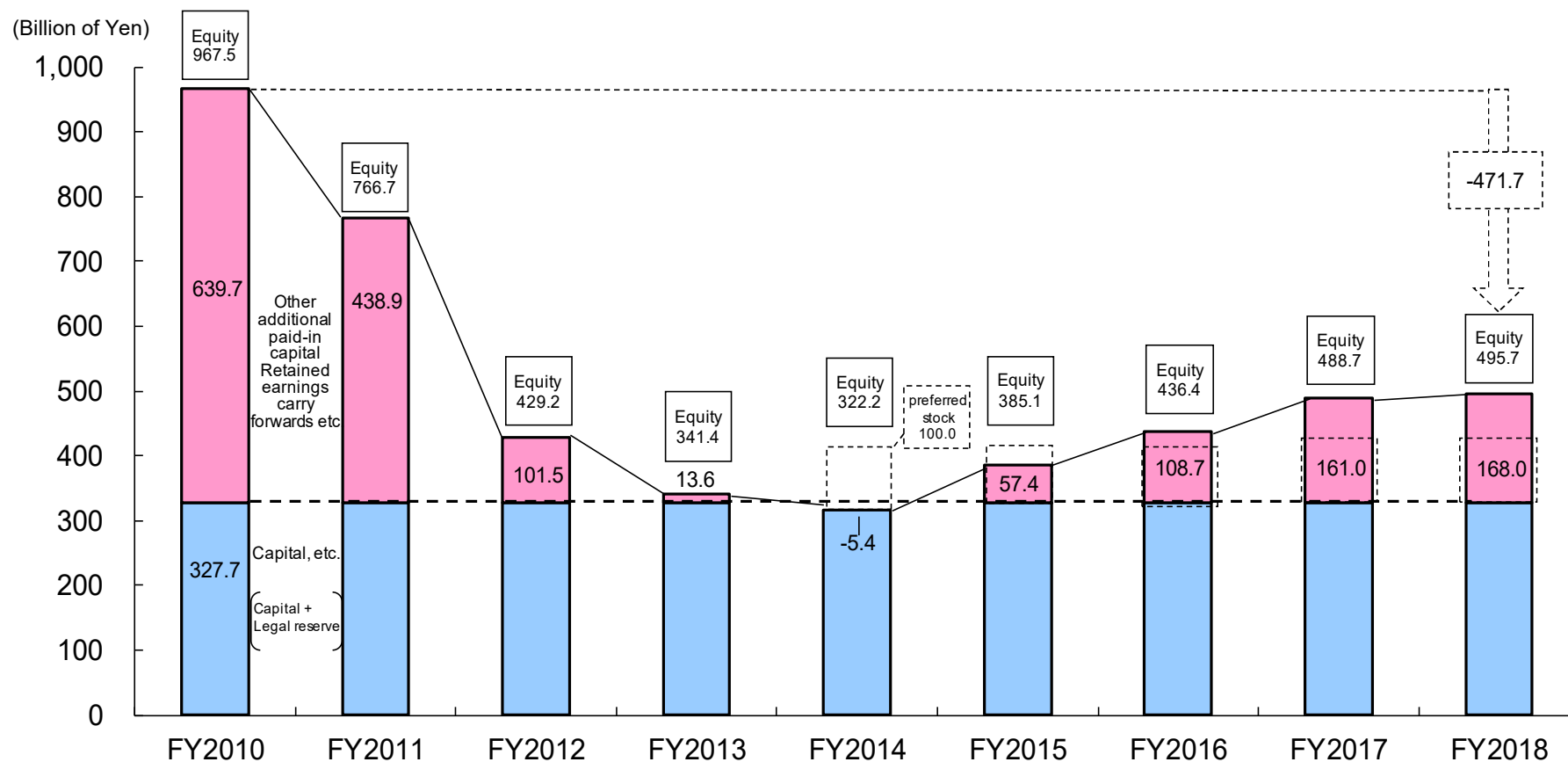
23



	(Billion of Yen)						
Labor	151.8	113.7	113.1	131.0	132.6	137.0	141.0
Fuel	679.7	754.4	678.4	364.7	263.5	312.0	241.7
Purchased power	269.5	314.9	372.4	386.8	409.8	468.3	511.1
Maintenance	147.9	103.1	126.6	144.4	152.7	142.6	161.9
Depreciation	180.1	172.3	164.7	167.0	176.3	170.2	179.0
Others	291.7	297.7	334.9	402.0	451.5	496.6	551.9
Total	1,721.0	1,756.4	1,790.3	1,596.1	1,586.7	1,726.8	1,786.9

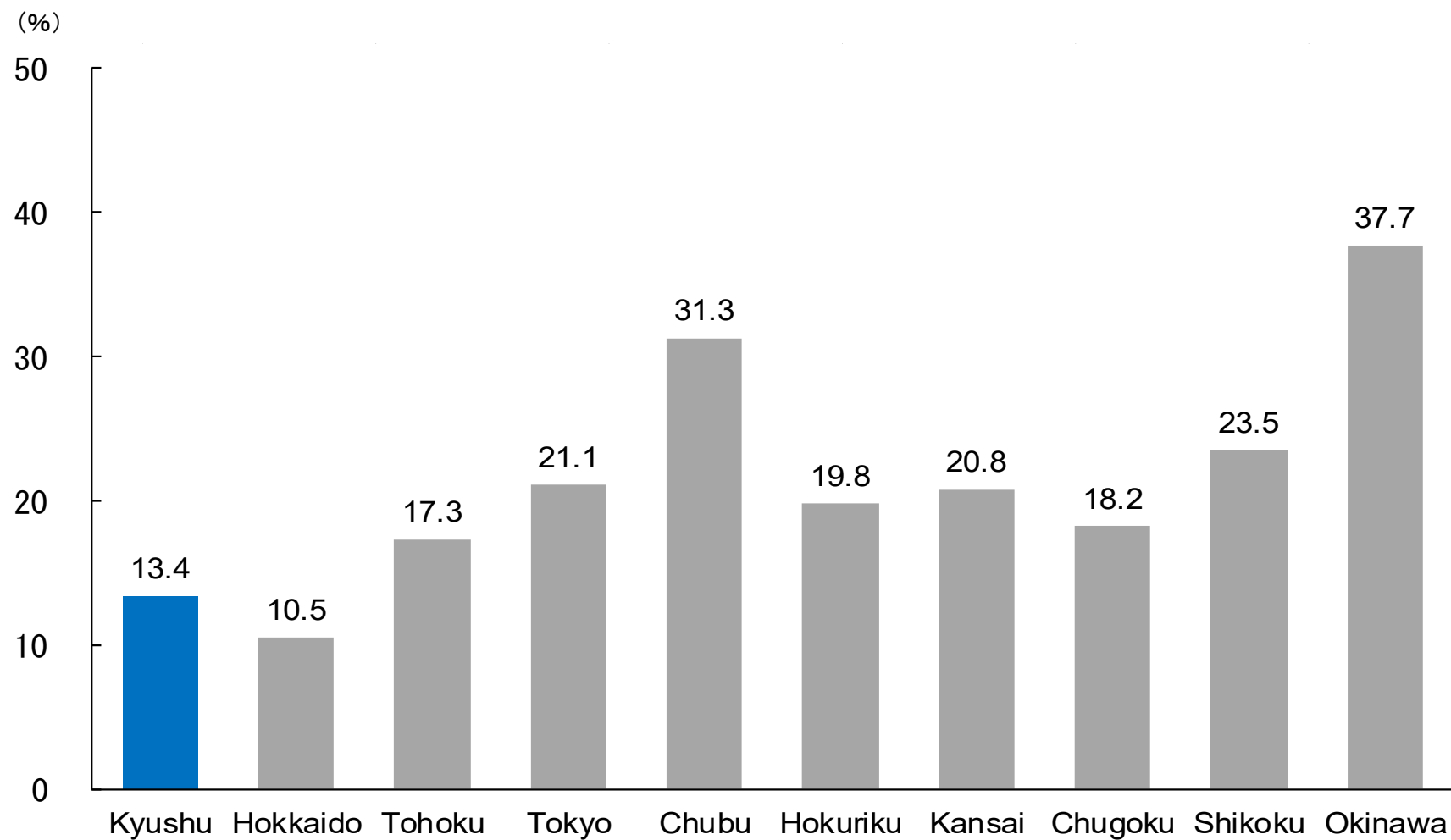


# Changes in Equity (Non-Consolidated)



Equity ratio(%)	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018
	24.9	18.7	10.2	8.1	7.3	8.9	10.5	11.6	11.6

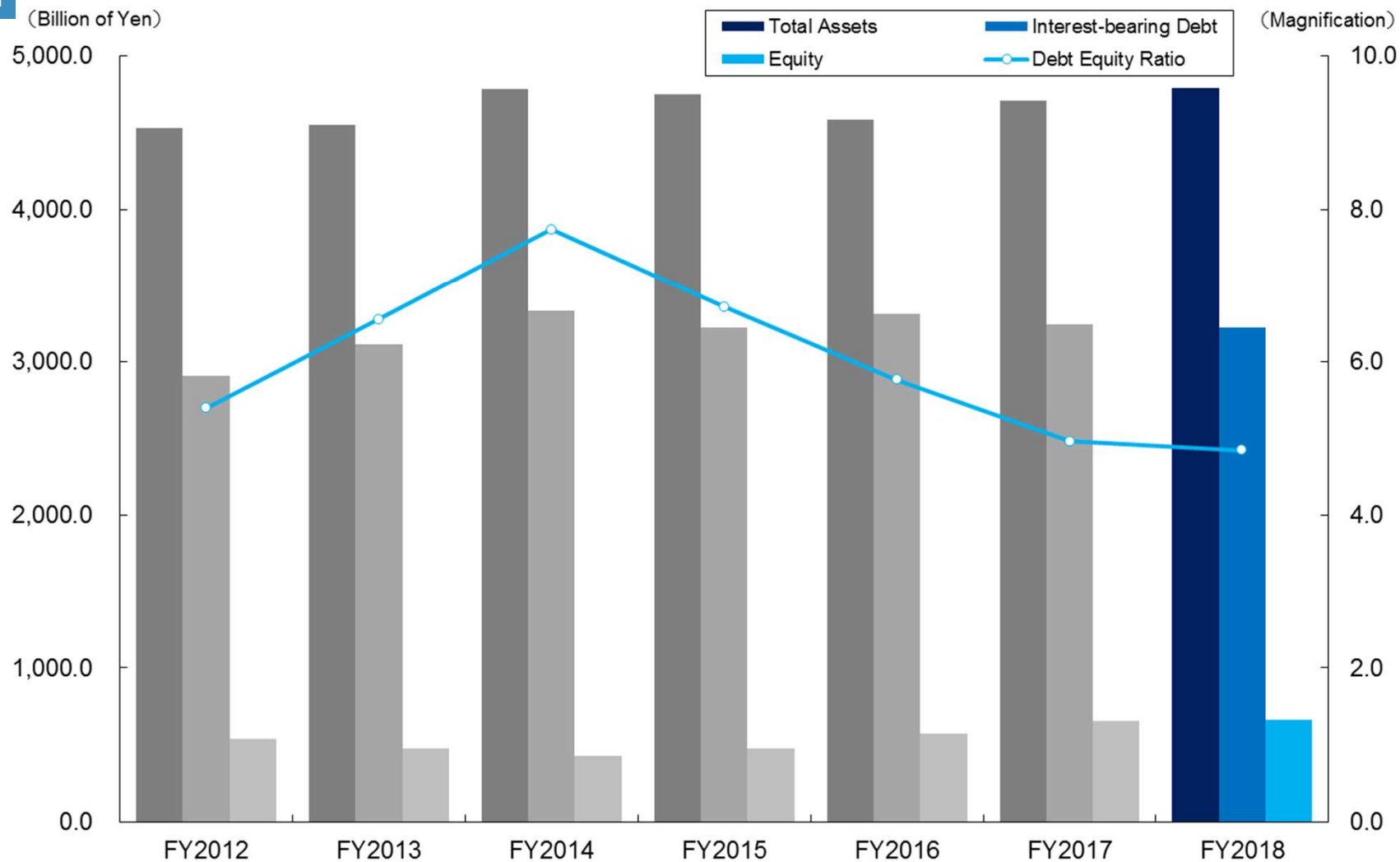
# Equity ratio of electric power companies in Japan (FY2017 Consolidated) 26



# Total Assets, Interest - Bearing Debt, Equity, Debt- Equity Ratio

27

Consolidated



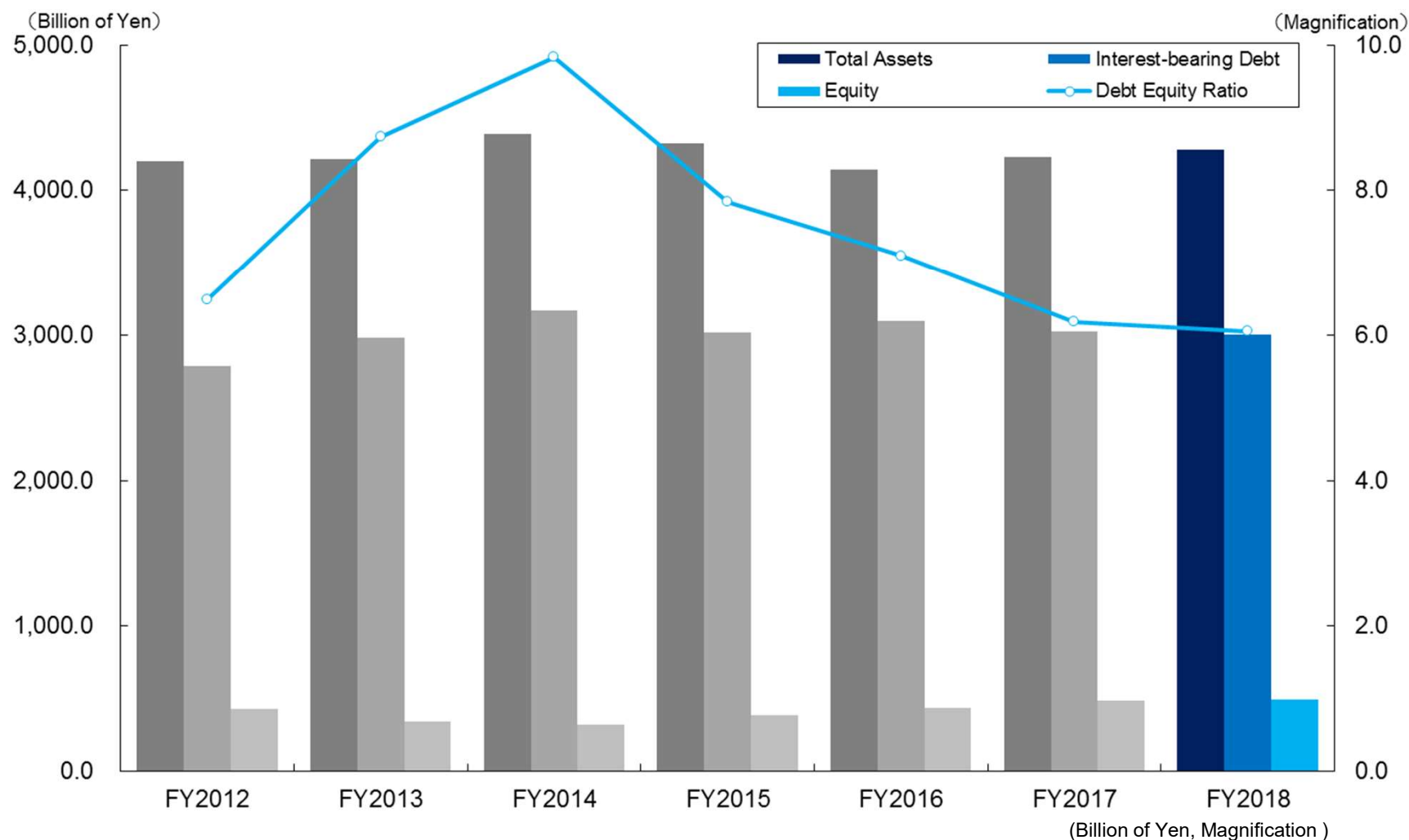
(Billion of Yen, Magnification)

Total Assets	4,526.5	4,549.8	4,784.7	4,748.2	4,587.5	4,710.0	4,794.0
Interest-bearing Debt	2,910.7	3,116.7	3,337.9	3,224.8	3,313.9	3,243.8	3,223.1
Equity	539.6	475.5	431.5	479.9	574.5	653.9	665.2
Debt Equity Ratio	5.4	6.6	7.7	6.7	5.8	5.0	4.8

# Total Assets, Interest - Bearing Debt, Equity, Debt- Equity Ratio

28

Non-Consolidated

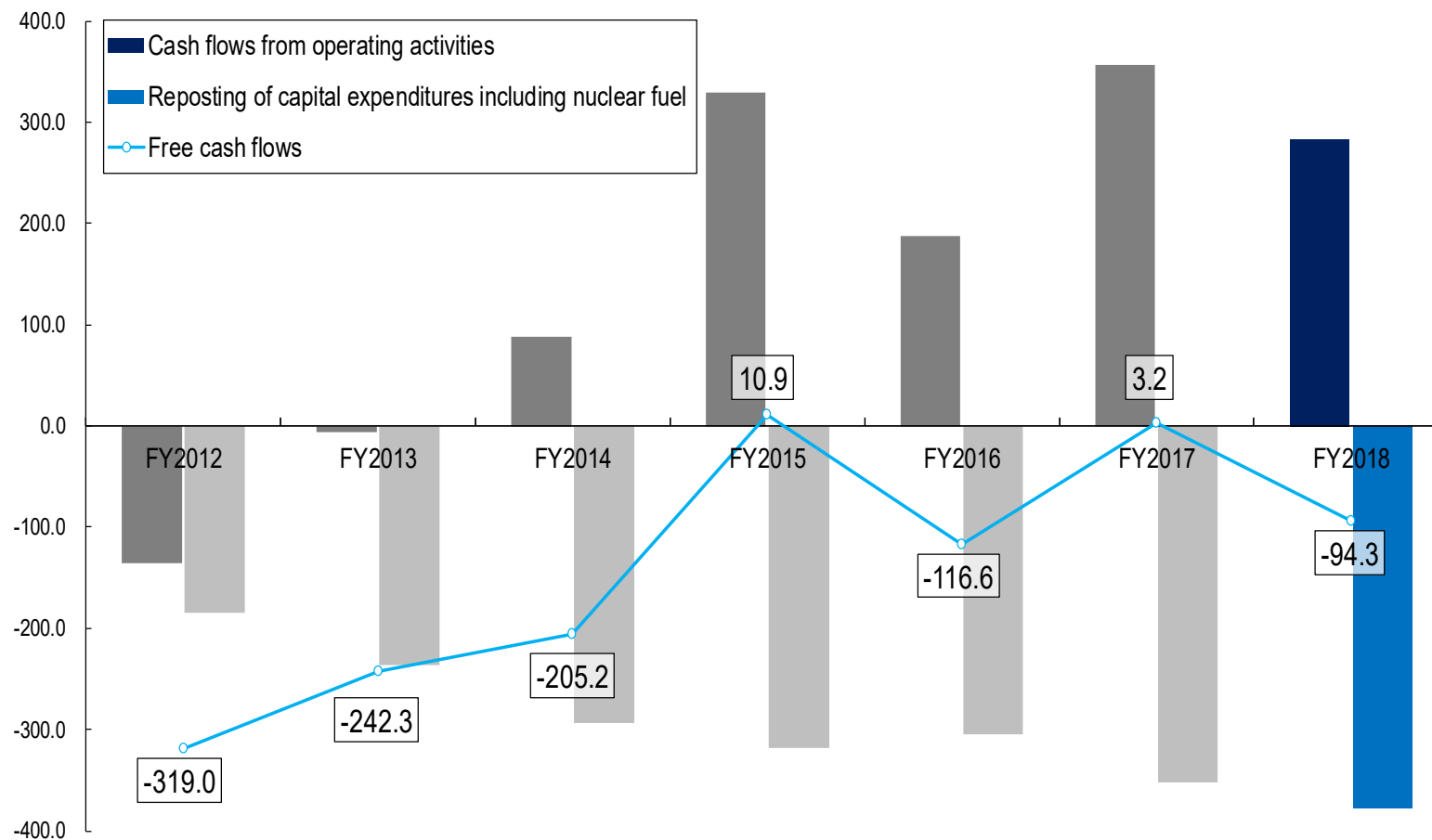


Total Assets	4,201.7	4,218.0	4,390.9	4,321.4	4,141.5	4,230.9	4,278.8
Interest-bearing Debt	2,789.0	2,983.8	3,168.2	3,020.0	3,100.5	3,024.2	3,003.3
Equity	429.2	341.4	322.2	385.1	436.4	488.7	495.7
Debt Equity Ratio	6.5	8.7	9.8	7.8	7.1	6.2	6.1



Consolidated

(Billion of Yen)



(Billion of Yen)

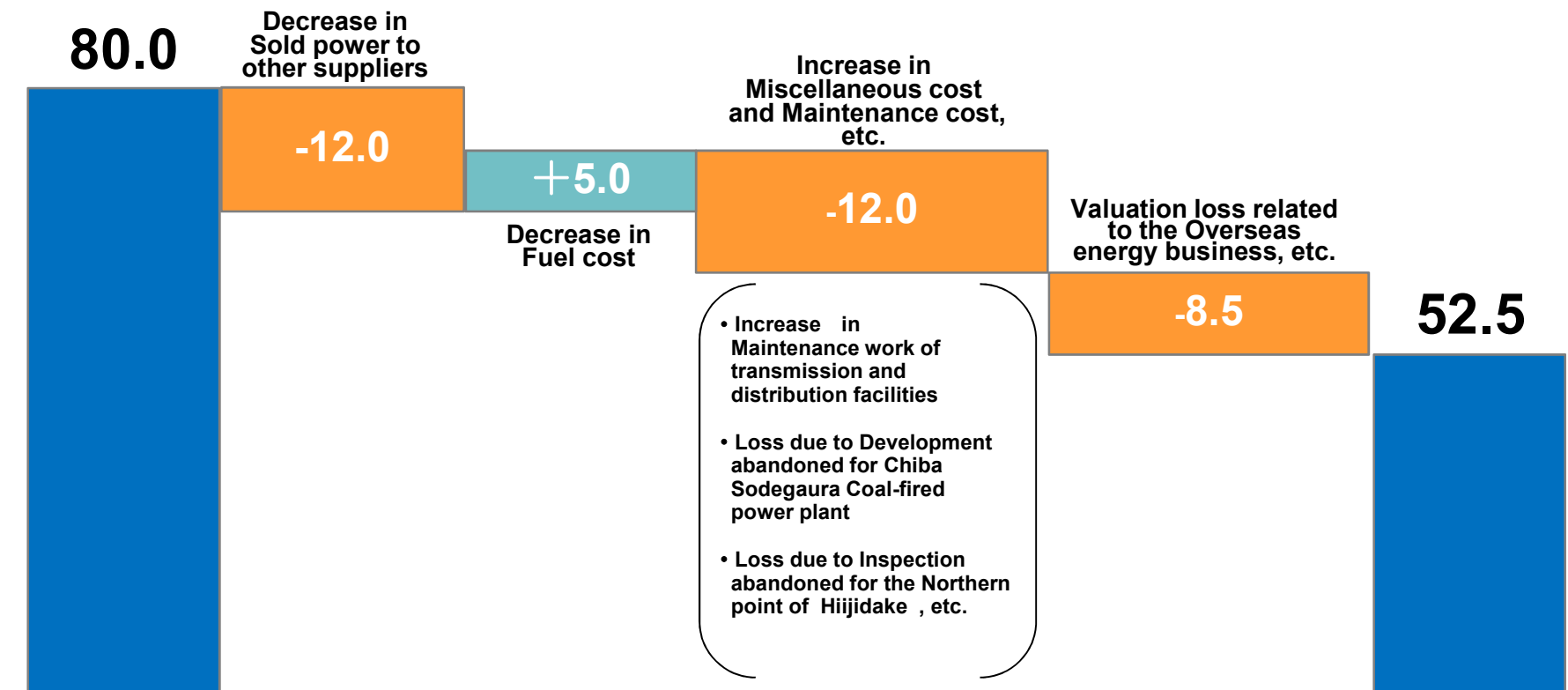
Cash flows from operating activities	-135.1	-5.9	88.7	329.4	188.0	355.9	283.0
Reposting of capital expenditures including nuclear fuel	-183.9	-236.3	-293.9	-318.4	-304.6	-352.7	-377.4
Free cash flows	-319.0	-242.3	-205.2	10.9	-116.6	3.2	-94.3

# (Reference) Financial Results for FY 2018 Compared to Forecasts in January 30

## 【 Major Factors Affecting Ordinary Income (Consolidated) 】

(Billion of Yen)

Consolidated Ordinary Income : **-27.5** billion yen



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