



Section1 Financial Results for FY2017

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Financial Results for FY 2017



I . Financial Results for FY2017

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

Sales : **1,960.3** billions of yen (Increase by **7.3%** Compared with FY2016)

Ordinary Income : **73.6** billions of yen (Decrease by **21.8%** Compared with FY2016)

Financial Results for FY2017

Ordinary income decreased by 21.8% compared to FY2016 due to a decrease of the electricity sales volume caused by the progress of competition and an increase miscellaneous cost caused by the electricity system reform, in spite of a decrease of fuel cost by increasing the generation volume by Sendai Nuclear Power Station. On the other hand, based on the operating conditions of Genkai Nuclear Power Station Unit No.3 and other factors, as a result of assessing the realizability of deferred tax assets, profit attributable to owners of parent increased by 9.3% compared to FY2016 due to a decrease in income taxes caused by recording deferred tax assets additionally.

Revenue Side

Consolidated sales (operating revenues) increased by 7.3% to ¥1,960.3 billion and ordinary revenue increased by 7.1% to ¥1,976.2 billion compared to FY2016, lighting and power revenue increased mainly due to an increase in charge unit price with the effect of fuel cost adjustment system and the grant based on the Act on Purchase of Renewable Energy Sourced Electricity in spite of a decrease in electricity sales volume.

Expenditure Side

Ordinary expenses increased by 8.6% to ¥1,902.5 billion compared to FY2016 mainly due to in the electricity business an increase of power purchase from renewable energy and an increase in fuel cost caused by increased fuel price and also an increase in miscellaneous cost, while we have made efforts for group-wide cost reduction.

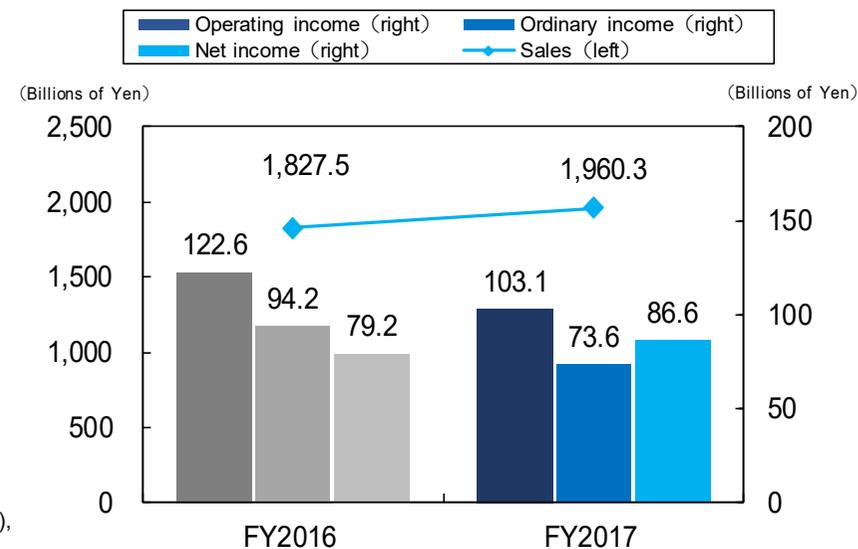
Ordinary Income Profit attributable to owners of parent

Ordinary income decreased by 21.8% to ¥73.6 billion compared to FY2016.
Also, profit attributable to owners of parent increased by 9.3% to ¥86.6 billion mainly due to a decrease of extraordinary losses in FY2016, associated with the Kumamoto Earthquake, and a decrease in corporate taxes caused by recording deferred tax assets additionally and other factors.

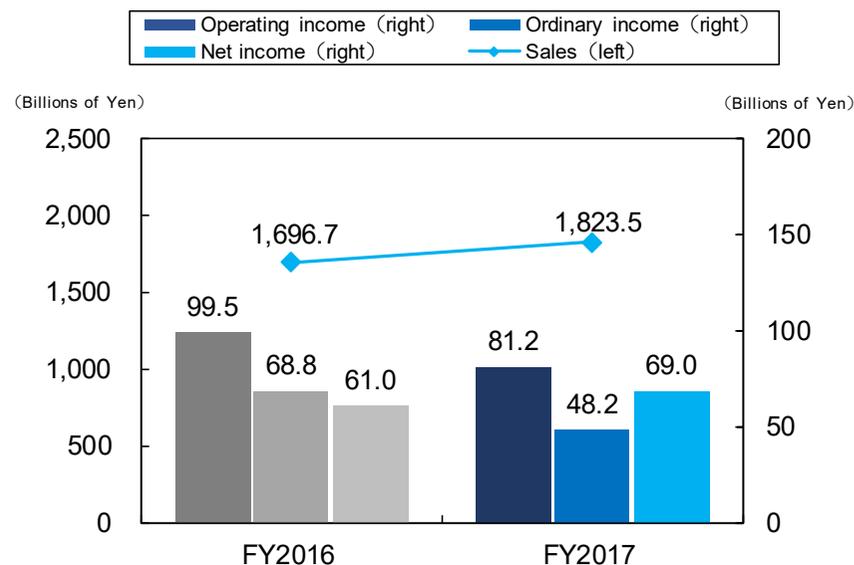
I. Financial Results for FY2017

Consolidated		(Billions of Yen,%)		
	FY2017	FY2016	Difference	Ratio
Ordinary revenues	1,976.2	1,845.6	130.5	107.1
Sales [Figures are included above]	1,960.3	1,827.5	132.8	107.3
Ordinary expenses	1,902.5	1,751.4	151.1	108.6
(Operating Income)	(103.1)	(122.6)	(-19.5)	(84.1)
Ordinary Income	73.6	94.2	-20.5	78.2
Extraordinary Loss	—	10.4	-10.4	—
Profit attributable to owners of parent	86.6	79.2	7.3	109.3

Note: As of the end of FY2017, 70 affiliates were subject to consolidated accounting.
 [Consolidated subsidiaries: 43companies(2 companies are added,compared with the previous FY),
 Equity method companies: 27 companies]



Non-Consolidated		(Billions of Yen,%)		
	FY2017	FY2016	Difference	Ratio
Ordinary revenues	1,830.2	1,708.1	122.0	107.1
Sales [Figures are included above]	1,823.5	1,696.7	126.8	107.5
Ordinary expenses	1,782.0	1,639.2	142.7	108.7
(Operating Income)	(81.2)	(99.5)	(-18.3)	(81.6)
Ordinary Income	48.2	68.8	-20.6	70.0
Extraordinary Loss	—	9.5	-9.5	—
Net Income	69.0	61.0	7.9	113.0

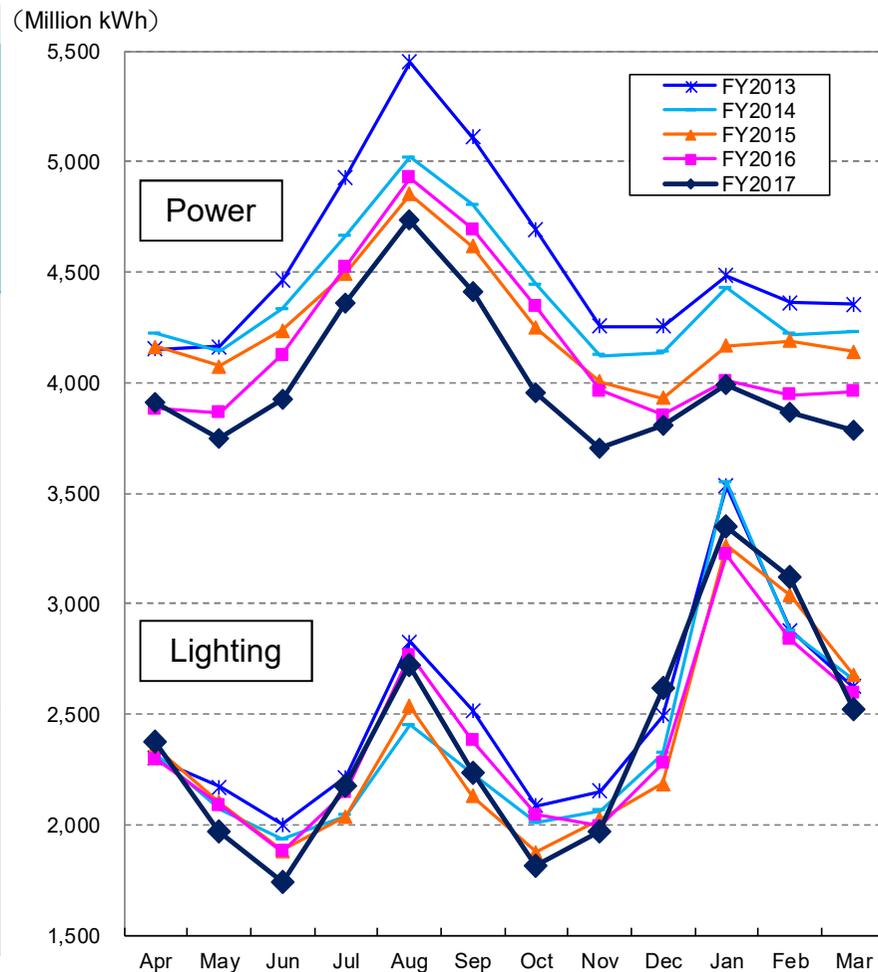


I - ① Electricity Sales Volume

Total electricity sales volume came to 76.775 million kWh, decreased by 2.3% compared to FY2016 due to a decrease of electricity contract.

(Million kWh,%) 【Changes in Electricity Sales Volume】

	FY2017	FY2016	Comparison with FY2016	
			Difference	Ratio
Lighting	28,603	28,535	68	100.2
Power	48,173	50,084	-1,912	96.2
Total	76,775	78,619	-1,844	97.7



I - ② Generated and Received Electricity

The electricity supply has been stable resulted from a stable operation of Sendai nuclear power station unit No.1 and 2 and the comprehensive operation of power plants like thermal and pumping responding to an increase in new energy received from other companies.

(Million kWh,%)

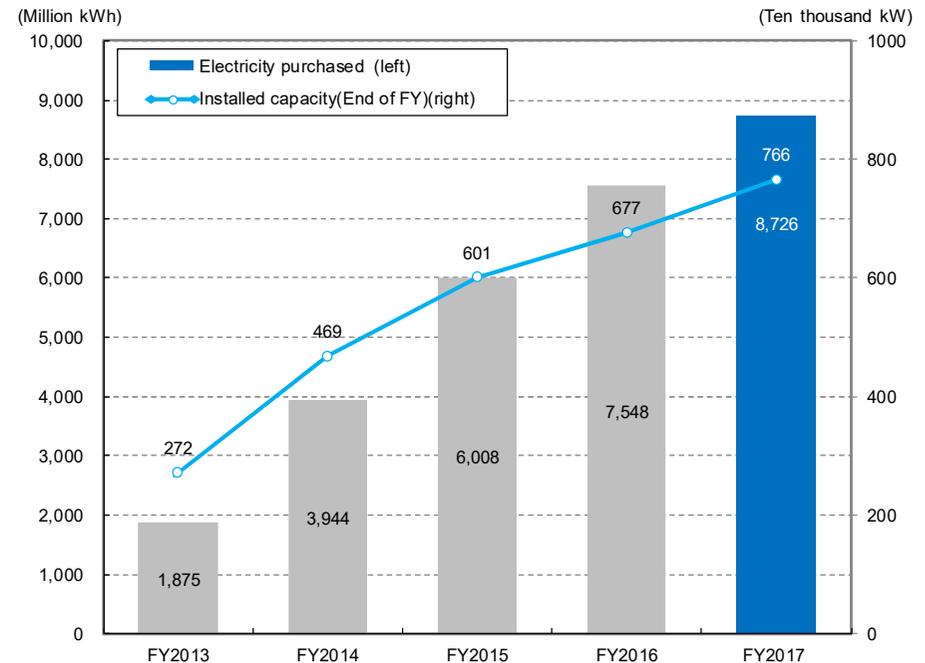
		FY2017	FY2016	Comparison with FY2016	
				Difference	Ratio
Own facilities ※1	Hydro	4,653	4,788	-135	97.2
	(Water flow rate)	(101.2)	(115.0)	(-13.8)	
	Thermal	43,260	45,615	-2,355	94.8
	Nuclear	14,339	12,455	1,884	115.1
	(Utilization rate)	(36.7)	(31.9)	(4.8)	
	New Energy etc※3	1,092	1,133	-41	96.3
	Subtotal	63,344	63,991	-647	99.0
From other companies ※2	Hydro	1,657	1,757	-100	94.3
	Thermal	6,859	9,598	-2,739	71.5
	New Energy etc※3	9,994	8,590	1,404	116.3
	Subtotal	18,510	19,945	-1,435	92.8
Interchange※2		1	48	-47	2.1
For pumping		-1,627	-1,306	-321	124.7
Total		80,228	82,678	-2,450	97.0

※1 Own facilities' generation means transmission-end number.

※2 "From other companies " and " Interchange" includes the volume of electricity recognized as of the end of fiscal year.

※3 "New Energy etc" includes Solar, Wind, Biomass, Waste and Geothermal.

【Installed Capacity and Electricity Purchase regarding Solar】



【Transition of Renewable Energy Power Promotion Surcharge】

	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Surcharge (Yen/kWh)	0.22	0.35	0.75	1.58	2.25	2.64
Price per household (Yen/Month)	55	87	187	395	562	660

※1 Meter rate Lightning B, Contract Current 30A, Monthly use of 250kWh

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

※3 The unit of Renewable Energy Power Promotion Surcharge in FY2018 is 2.90 yen. (It will be applied from May 2018.)

I - ③ Income Statement (Non-Consolidated)

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(Billions of Yen,%)

		FY2017	FY2016	Difference	Ratio	Explanations
Ordinary Revenues	Lighting	628.6	594.8	33.8	105.7	Decrease in electricity sales volume -32.0
	Power	763.3	747.6	15.6	102.1	Effect of fuel cost adjustment 66.3 (-97.6 ← -163.9)
	(Sub Total)	(1,391.9)	(1,342.5)	(49.4)	(103.7)	<u>Renewable Energy Power Promotion Surcharge 23.8 (175.0←151.1)</u>
	Other	438.2	365.6	72.5	119.8	<u>Grant based on the Act on Purchase of Renewable Energy Sourced Electricity 24.9 (287.3 ← 262.4)</u> Electricity Sales to Others 26.8
	(Sales)	(1,823.5)	(1,696.7)	(126.8)	(107.5)	
	Total	1,830.2	1,708.1	122.0	107.1	
Ordinary Expenses	Labor	137.0	132.6	4.3	103.3	
	Fuel	312.0	263.5	48.4	118.4	Increase in CIF 50.0 Exchange losses 5.0 Influence of the periodic inspection at nuclear power stations -16.0 Decrease in electricity sales volume -14.0 Increase in electricity sales volume to others 17.0 Decrease in Water flow 2.0
	Power purchase	468.3	409.8	58.5	114.3	Purchase from other companies 58.5 [Figures are included below : <u>Purchase of Renewable Energy Sourced Electricity 44.9 (347.4 ← 302.4)</u> Thermal from other companies 13.1]
	Maintenance	142.6	152.7	-10.0	93.4	Nuclear -19.8 Transmission 2.6 Thermal 2.2 Substation 1.6
	Depreciation	170.2	176.3	-6.1	96.5	
	Nuclear back-end	35.8	28.2	7.6	127.0	Influence of the periodic inspection at nuclear power stations 2.0
	Other	515.9	475.8	40.0	108.4	<u>Levy based on the Act on Purchase of Renewable Energy Sourced Electricity 23.8 (175.0 ←151.1)</u> Miscellaneous cost 10.2
Total	1,782.0	1,639.2	142.7	108.7		
(Operating Income)		(81.2)	(99.5)	(-18.3)	(81.6)	
Ordinary Income		48.2	68.8	-20.6	70.0	
Reserve for Fluctuation In Water Levels		0.1	0.9	-0.8	12.7	
Extraordinary Loss		—	9.5	-9.5	—	Extraordinary loss on natural disaster -9.3 Contingent loss -0.2
Income Tax		-20.9	-2.7	-18.2	—	Recording deferred tax assets additionally -21.1
Net Income		69.0	61.0	7.9	113.0	

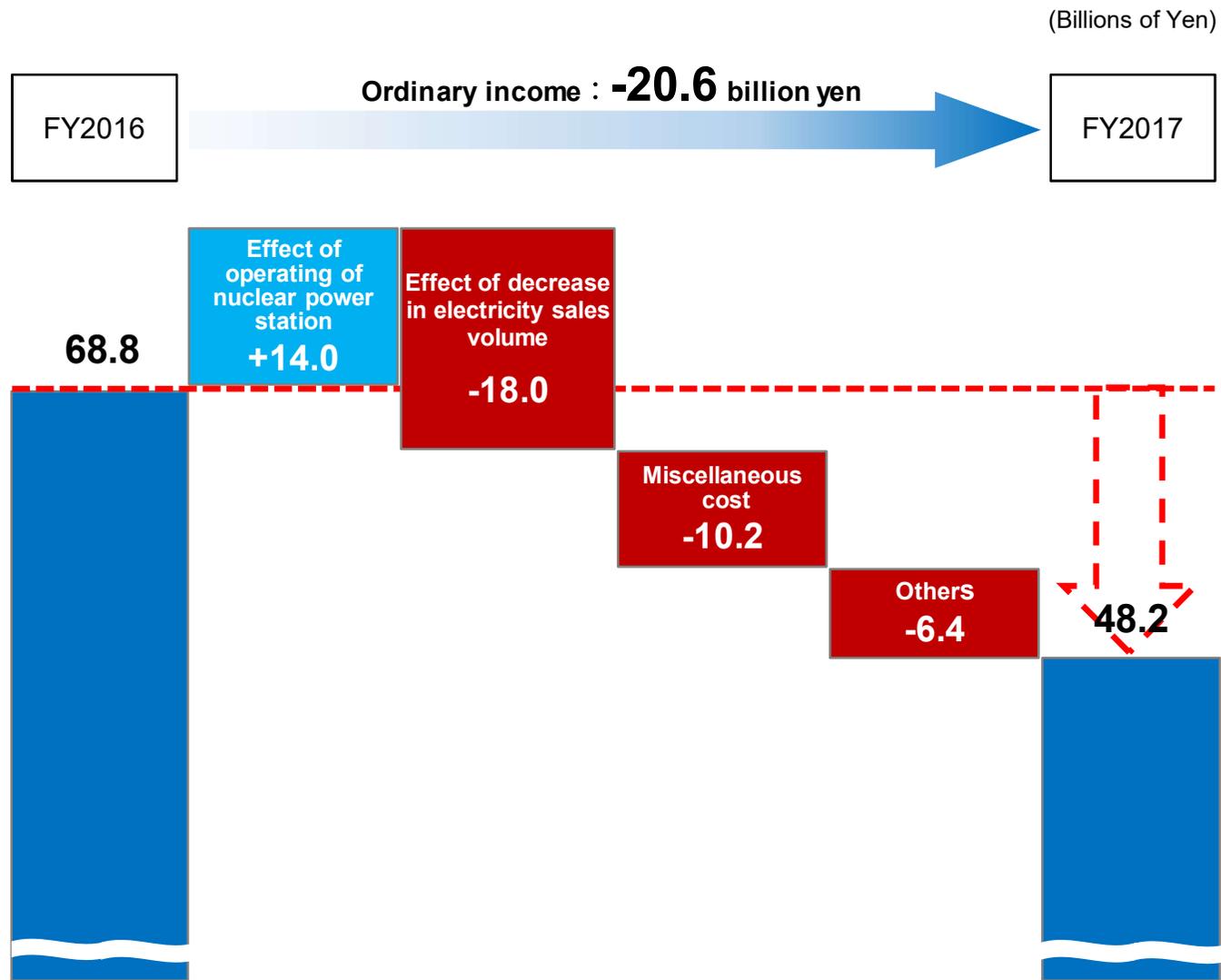
Note: The underlined parts are related to Feed-in Tariff Power purchase and sale system of renewable energy

【Reference : Key Factors】

(Billions of Yen)

	FY2017	FY2016	Difference	Financial impact	
Electricity Sales Volume	76.8 billions kWh	78.6 billions kWh	-1.8 billions kWh		
Crude Oil CIF Price	57 \$/b	48 \$/b	9 \$/b	(1\$/b)	3.5
Exchange Rate	111 ¥/\$	108 ¥/\$	3 ¥/\$	(1¥/\$)	3.0
Utilization Rate of Nuclear Power	36.7%	31.9%	4.8%	(1%)	2.5

【Major Factors in the Changes in Ordinary Income】



I - ③ Income Statement (Consolidated)

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(Billions of Yen,%)

		FY2017	FY2016	Difference	Ratio	FY2017 Consolidated Ratio
Ordinary Revenues	Operating Revenues (Sales)	1,960.3	1,827.5	132.8	107.3	
	Electric	1,804.4	1,681.0	123.3	107.3	
	Other	155.9	146.4	9.4	106.5	
	Other Revenues	15.8	18.1	-2.2	87.5	
	Total	1,976.2	1,845.6	130.5	107.1	
Ordinary Expenses	Operating Expenses	1,857.2	1,704.8	152.3	108.9	(1.27)
	Electric	1,713.3	1,574.8	138.4	108.8	
	Other	143.9	129.9	13.9	110.7	
	Other Expenses	45.2	46.5	-1.2	97.3	
	Total	1,902.5	1,751.4	151.1	108.6	
(Operating Income)		(103.1)	(122.6)	(-19.5)	(84.1)	(1.27)
Ordinary Income		73.6	94.2	-20.5	78.2	(1.53)
Reserve for Fluctuation In Water Levels		0.1	0.9	-0.8	12.7	
Extraordinary loss		—	10.4	-10.4	—	
Profit attributable to owners of parent		86.6	79.2	7.3	109.3	(1.26)
Comprehensive Income		96.5	82.0	14.5	117.7	

I - ③ Segment Information

		FY2017	FY2016	Difference	Explanations
Electric power	Sales	1,808.3	1,685.0	123.2	
	Operating Income	81.4	98.3	-16.9	
Energy-related business	Sales	191.4	185.2	6.2	·Sales increased due to an increase in gas and LNG sales and commencement of production of the overseas LNG project, though a decrease in smart-meters sales. ·Operating income increased due to commencement of production of the overseas LNG project and an increase in profit of overseas power generation business in spite of an increase in outsourcing cost associated with the system building for entering the gas retail market.
	Operating Income	11.7	10.0	1.6	
IT and Tele-communications	Sales	106.6	101.4	5.2	·Sales increased due to an increase in entrusted developments of information systems and in sales of electronic communication devices . ·Operating income decreased due to an increase in selling costs in smart phone service business.
	Operating Income	7.3	8.4	-1.1	
Other	Sales	25.5	24.9	0.6	·Sales increased due to an increase in income of temporary staffing business and fee-based nursing home for the elderly business. ·Operating income increased due to a decrease in depreciation of rental buildings.
	Operating Income	4.8	4.5	0.2	

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

II. Financial Status for FY2017

Total Assets

Assets increased by ¥122.6 billion compared to the end of FY2016 due to an increase in Non-current assets mainly because of an increase in Construction in progress with countermeasure constructions to improve safety of nuclear power stations and an increase in Nuclear fuel and also because of additional record of deferred tax assets as a result of assessing the realizability of deferred tax assets, while current assets like cash and deposits decreased.

Liabilities

Liabilities increased by ¥43.2 billion compared to the end of FY2016 mainly due to an increase in Accrued taxes, Notes and accounts payable-trade and Other Current liabilities, though interest-bearing debt decreased.

Equity

Net assets increased by ¥79.3 billion compared to the end of FY2016 mainly due to record of Profit attributable to owners of parent in spite of a decrease by payment of the dividend. Shareholders' equity ratio went up to 13.4%.

Consolidated

(Billions of Yen)

Non-Consolidated

(Billions of Yen)

	Mar.31,2018	Mar.31,2017	Difference	Mar.31,2018	Mar.31,2017	Difference
Total Assets	4,710.1	4,587.5	122.6	4,230.9	4,141.5	89.3
Liabilities	4,056.1	4,012.9	43.2	3,742.1	3,705.0	37.0
Interest-bearing Debt	3,243.8	3,313.9	-70.1	3,024.2	3,100.5	-76.3
Equity	653.9	574.5	79.3	488.7	436.4	52.3
Equity Ratio (%)	13.4	12.0	1.4	11.6	10.5	1.1

II – ① Balance Sheet (Non-Consolidated)

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Assets

(Billions of Yen)

	Mar.31,2018	Mar.31,2017	Difference	Explanations
Non-current assets	3,654.0	3,493.3	160.7	Construction in progress 151.5 Nuclear fuel 19.6 Deferred tax assets 25.6 Utility Property, Plant and Equipment -51.0
Current assets	576.8	648.2	-71.3	Cash and cash equivalents -74.4 (Mar.31,2018 286.8 ← Mar.31,2017 361.3)
Total	4,230.9	4,141.5	89.3	

Liabilities and Equity

(Billions of Yen)

	Mar.31,2018	Mar.31,2017	Difference	Explanations
Liabilities	3,742.1	3,705.0	37.0	Accrued expenses 34.9 Taxes payable 29.5 Accounts payable 23.2 Interest-bearing Debt -76.3
Equity	488.7	436.4	52.3	FY2017 Net Income 69.0 Year-end dividend -10.6 Interim dividend -6.4 [Equity Ratio] Mar.31,2018 11.6% ← Mar.31,2017 10.5%
Total	4,230.9	4,141.5	89.3	↑ +1.1%

[The breakdown of Interest-bearing Debt]

(Billions of Yen)

	Mar.31,2018	Mar.31,2017	Difference
Bonds	1,294.4	1,294.4	-
Loans	1,729.8	1,806.1	-76.3
Total	3,024.2	3,100.5	-76.3

III. Cash Flow (Consolidated) for FY2017

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Consolidated

(Billions of Yen)

	FY2017	FY2016	Difference	Explanations
Cash flows from operating activities (A)	355.9	188.0	167.9	Decrease in consumption and income taxes paid 73.7 Decrease in expenditures of payments of accrued contributions for reprocessing of irradiated nuclear fuel 36.1
Cash flows from investing activities	-321.7	-275.0	-46.7	Increase of purchase of non-current asset -48.0 Increase of investment-return 6.6
Reposting of capital expenditures including nuclear fuel [Figures are included above] (B)	(-352.7)	(-304.6)	(-48.0)	
Cash flows from financing activities	-90.3	78.3	-168.7	Increase of repayments of bonds -169.9 (Decrease in FY2017 -0.6 ← Increase in FY2016 169.3)
Change in cash & cash equivalents	-53.9	-9.9	-44.0	

(Reference) Free cash flows (A) + (B)	3.2	-116.6	119.9
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IV. Year-End Dividends for FY2017

As for dividends, we maintain a stable dividend, with amounts determined based on a comprehensive analysis of performance and other factors.

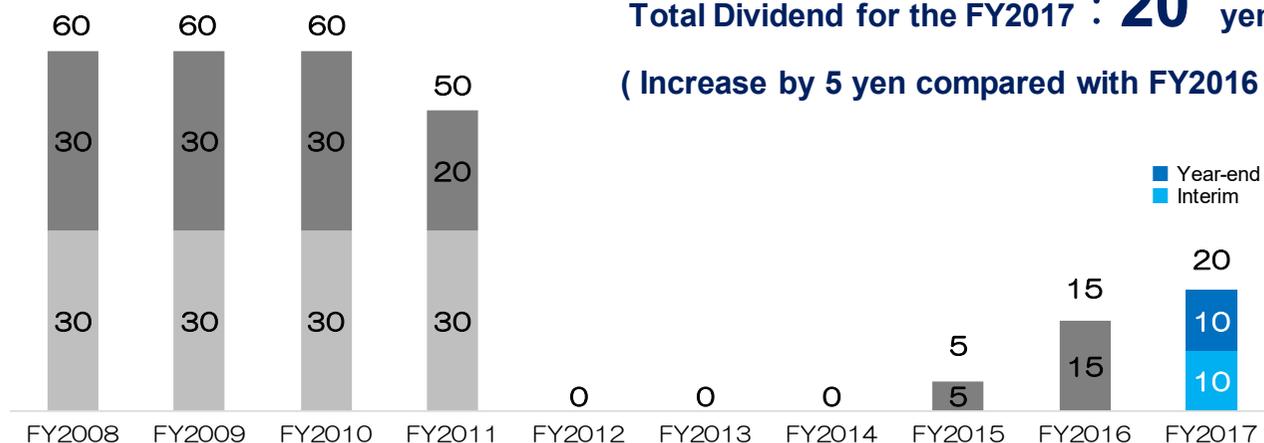
As for the year-end dividends, we decide to pay ¥10 per common share.

Regarding class A preferred share, we decide to pay year-end dividend of total amount of ¥1,750,000,000.

Common Share		(Unit : yen)		
	A Dividend per Share			
	End of the 2Q	End of the FY	Total	
FY 2017	10	10	20	
FY 2016	0	15	15	

Class A Preferred Share		(Unit : thousand yen)		
	A Dividend per Share			
	End of the 2Q	End of the FY	Total	
FY 2017	1,750	1,750	3,500	
FY 2016	0	3,500	3,500	

【 Changes of a dividend per share (Common Stock) 】



Forecasts of Financial Results and Dividends for FY2018



Sales (Increase), Ordinary Income (Surplus)

Sales : **2,005** billions of yen (Increase by **2.3%** Compared with FY2017)

Ordinary income : **80** billions of yen (Increase by **8.6%** Compared with FY2017)

Sales

We expect that Sales will increase to ¥2,005.0 billion mainly due to an increase in electricity sales for other companies and the grant based on the Act on Purchase of Renewable Energy Sourced Electricity in spite of a decrease in lighting and power revenues mainly due to reactionary decline attributable to increased demand from the effects of temperature in FY2017 and a decrease of electricity contract caused by the progress of competition.

Ordinary income

We expect that Ordinary income will increase to ¥80 billion. We expect improvement in financial standing due to restart of Genkai Nuclear Power Unit No.3 and 4, on the other hand fuel cost and maintenance cost will increase due to the periodic inspections of Sendai Nuclear Power Station Unit No.1 and 2, and lighting and power revenues will decrease. Considering these situation, we will make efforts for thorough group-wide cost reduction throughout business activities.

Profit attributable to owners of parent

We expect that Profit attributable to owners of parent will decrease to ¥55 billion, due to an increase in income taxes caused by the effect of recording deferred tax assets additionally in FY2017.

Consolidated

(Billions of Yen, %)

	FY2018 (Forecast)	FY2017	Difference	Ratio
Sales	2,005.0	1,960.3	44.7	102.3
Operating income	105.0	103.1	1.9	101.8
Ordinary income	80.0	73.6	6.4	108.6
Profit attributable to owners of parent / Net income	55.0	86.6	-31.6	63.5

Non-Consolidated

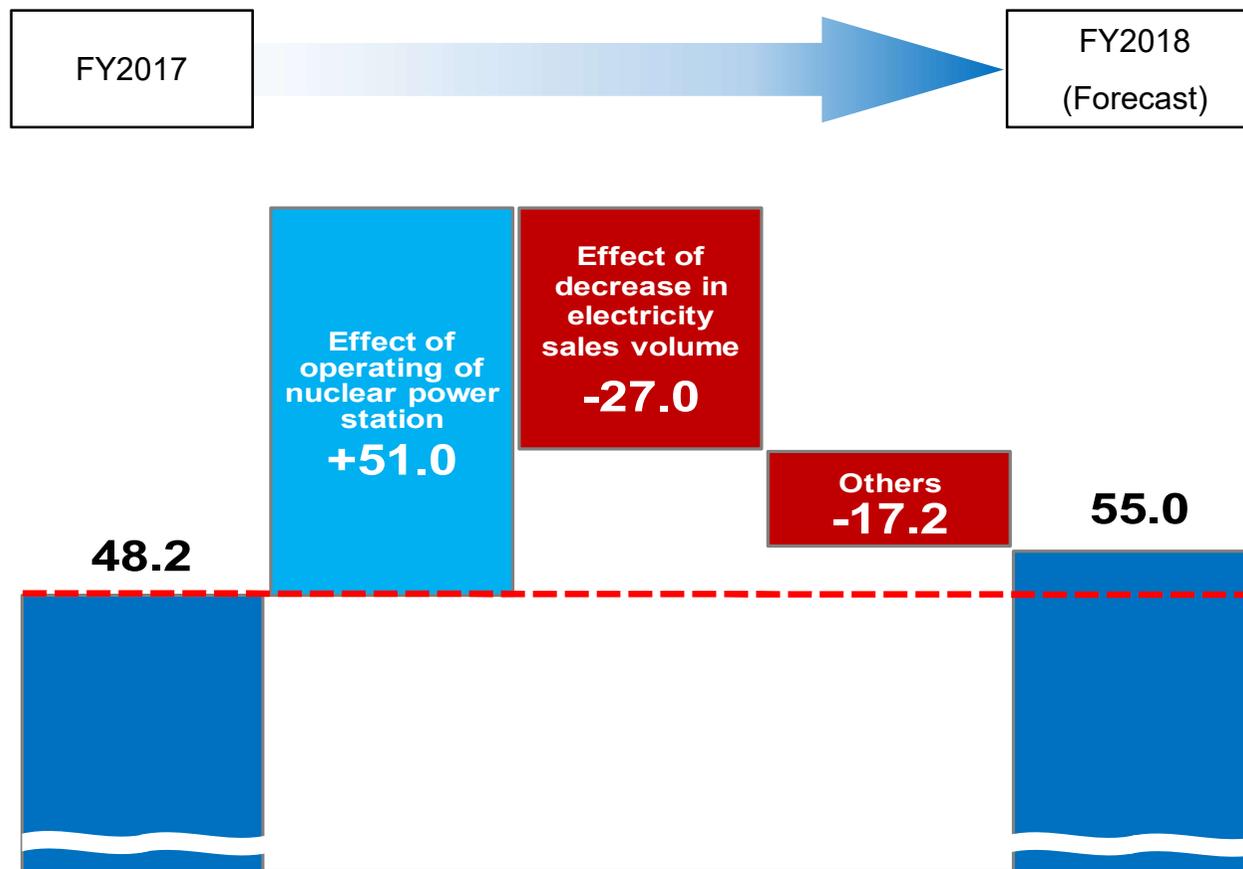
(Billions of Yen, %)

	FY2018 (Forecast)	FY2017	Difference	Ratio
Sales	1,865.0	1,823.5	41.5	102.3
Operating income	85.0	81.2	3.8	104.7
Ordinary income	55.0	48.2	6.8	114.1
Profit attributable to owners of parent / Net income	40.0	69.0	-29.0	58.0

【Major Factors in the Changes in Ordinary Income】

(Billions of Yen)

Ordinary income : around +**6.8** billions of yen



【Reference : Key Factors】

(Billions of Yen)

	FY2018	FY2017	Difference	Financial impact	
Electricity Sales Volume	73.0 billions kWh	76.8 billions kWh	-3.8 billions kWh		
Crude Oil CIF Price	65 \$/b	57 \$/b	8 \$/b	(1\$/b)	1.0
Exchange Rate	110 ¥/\$	111 ¥/\$	-1 ¥/\$	(1¥/\$)	1.9
Utilization Rate of Nuclear Power	73.4%	36.7%	36.7%	(1%)	2.5

II. Forecasts of Dividends for FY2018

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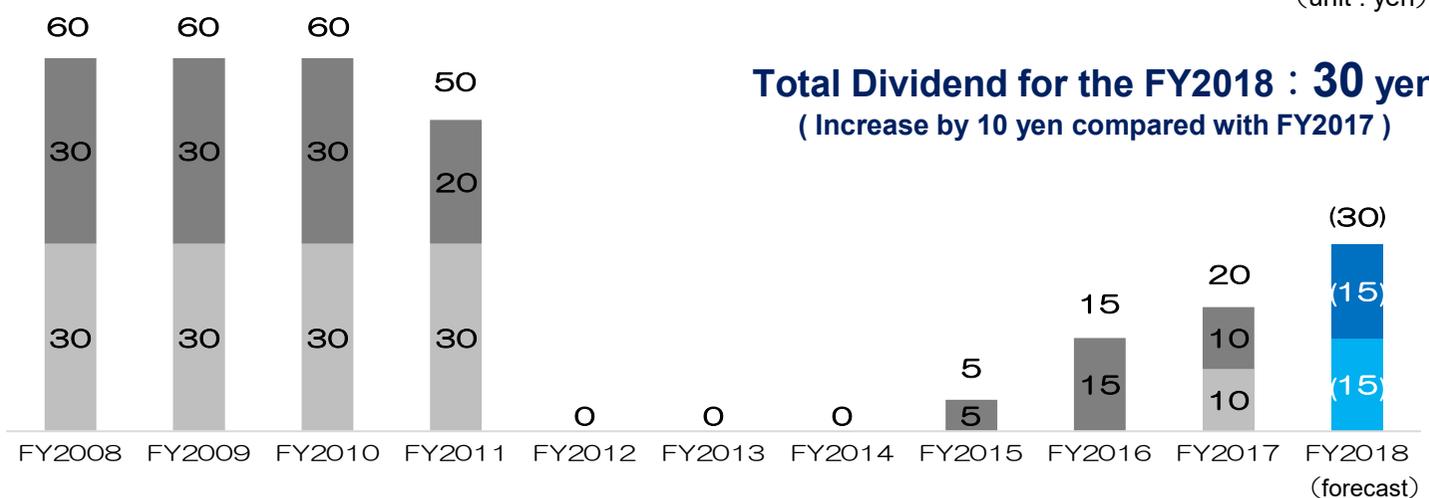
As for forecasts of dividends for the FY2018, based on a comprehensive analysis of operating results and medium to long-term balance situation and financial condition and other factors, we plan to pay a dividend of ¥30 per common share (interim of ¥15 and year-end of ¥15) and to pay a dividend of ¥3,500,000 per class A preferred share (interim of ¥1,750,000 and year-end of ¥1,750,000).

Common Share (Unit : yen)			
	A Dividend per Share		
	End of the 2Q	End of the FY	Total
FY 2018	(15)	(15)	(30)
FY 2017	10	10	20

Class A Preferred Share (Unit : thousand yen)			
	A Dividend per Share		
	End of the 2Q	End of the FY	Total
FY 2018	(1,750)	(1,750)	(3,500)
FY 2017	1,750	1,750	3,500

※The number with () for the FY 2018 is a forecast.

Changes of a dividend per share (Common Stock)



Total Dividend for the FY2018 : 30 yen
(Increase by 10 yen compared with FY2017)

■ Year-end
■ Interim



(Reference)

Ordinary Revenues, Ordinary Expenses, Ordinary Income/Loss, Net Income/Loss

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Non-Consolidated

(Billions of Yen)

		FY2013	FY2014	FY2015	FY2016	FY2017
Ordinary Revenues	Lighting	656.6	648.5	614.2	594.8	628.6
	Power	871.4	897.6	823.6	747.6	763.3
	Sub Total	(1,528.1)	(1,546.1)	(1,437.9)	(1,342.5)	(1,391.9)
	Other	176.2	225.8	285.8	365.6	438.2
	(Sales)	(1,682.9)	(1,761.2)	(1,705.4)	(1,696.7)	(1,823.5)
	Total	1,704.4	1,771.9	1,723.7	1,708.1	1,830.2
Ordinary Expenses	Labor	113.7	113.1	131.0	132.6	137.0
	Fuel	754.4	678.4	364.7	263.5	312.0
	Power purchase	314.9	372.4	386.8	409.8	468.3
	Maintenance	103.1	126.6	144.4	152.7	142.6
	Depreciation	172.3	164.7	167.0	176.3	170.2
	Interest	38.0	38.6	37.0	33.4	30.1
	Tax and public dues	86.0	86.0	85.2	85.7	86.9
	Nuclear back-end	22.3	21.4	21.7	28.2	35.8
	Other	236.6	263.4	311.2	356.6	398.8
Total	1,841.6	1,865.0	1,649.4	1,639.2	1,782.0	
(Operating Income/Loss)		(-112.2)	(-59.3)	(97.8)	(99.5)	(81.2)
Ordinary Income/Loss		-137.2	-93.0	74.3	68.8	48.2
Reserve for Fluctuation In Water Levels		-4.3	1.6	5.9	0.9	0.1
Extraordinary Loss		57.3	9.8	7.4	9.5	—
Income Tax Income/Loss		15.3	34.1	10.4	-2.7	-20.9
Net Income/Loss		-90.9	-119.0	65.3	61.0	69.0

Revenues from Lighting and Power and from Others

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Non-Consolidated

(Billions of Yen,%)

	FY2017	FY2016	Difference	Ratio
Lighting and Power	1,391.9	1,342.5	49.4	103.7

Difference FY2017 FY2016

1. Effect of fuel cost adjustment 66.3 (-97.6 ← -163.9)

2. Renewable Energy Power Promotion Surcharge 23.8 (175.0 ← 151.1)

3. Decrease in electricity sales volume -32.0

(Billions of Yen,%)

	FY2017	FY2016	Difference	Ratio
Others	438.2	365.6	72.5	119.8

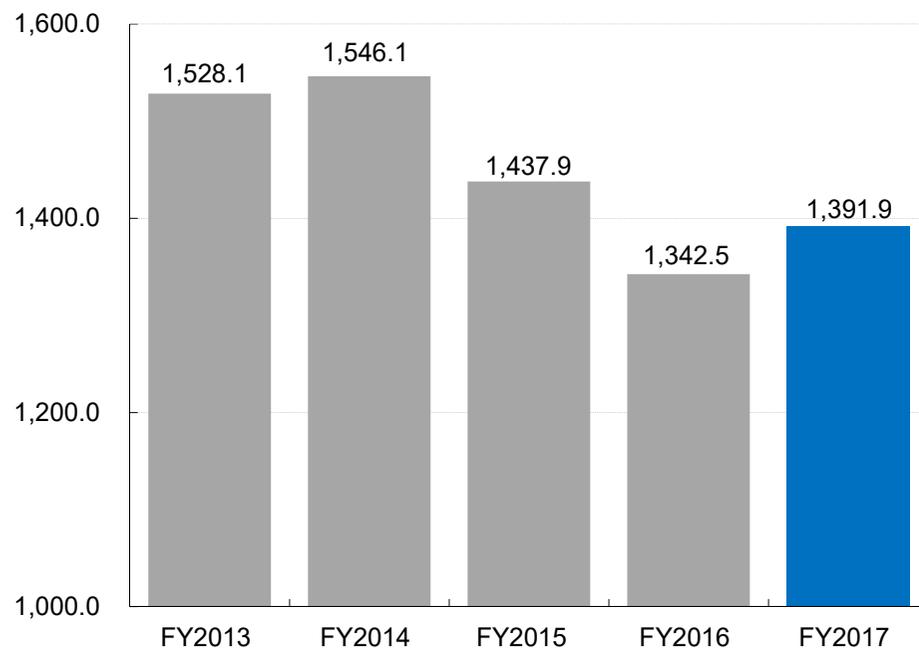
Difference FY2017 FY2016

1. Grant based on the Act on Purchase of Renewable Energy Sourced Electricity 24.9 (287.3 ← 262.4)

2. Electricity Sales to Others 26.8 (60.3 ← 33.5)

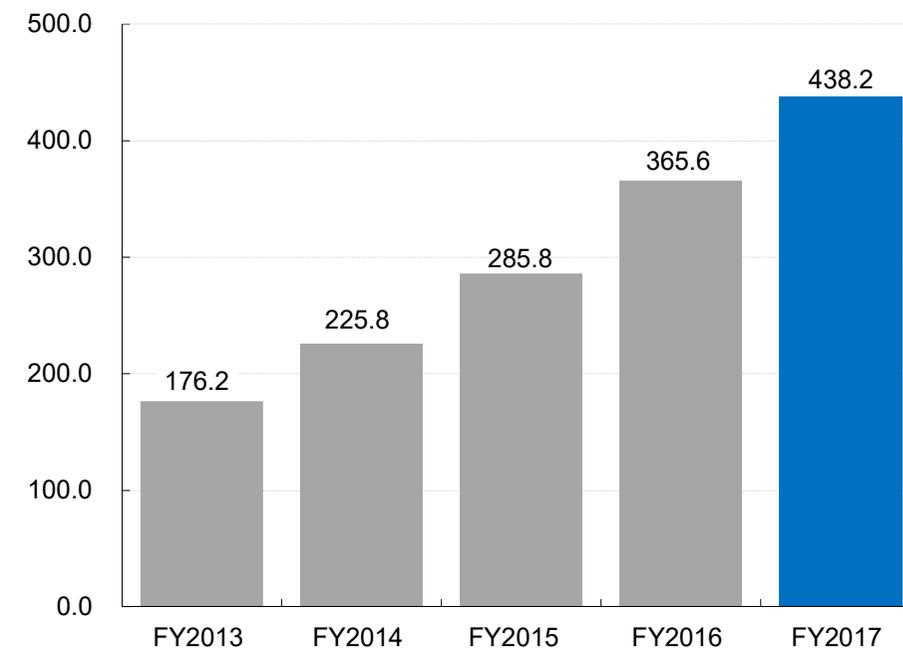
(Billions of yen)

【Lighting and Power】



(Billions of yen)

【Others】



Expenses for Fuel and Power purchase

Non-Consolidated

(Billions of Yen,%)

	FY2017	FY2016	Difference	Ratio
Fuel	312.0	263.5	48.4	118.4

Difference

1. Increase in CIF	50.0
2. Exchange losses	5.0
3. Effect of operating of nuclear power station	-16.0

[Reference1] All Japan CIF prices

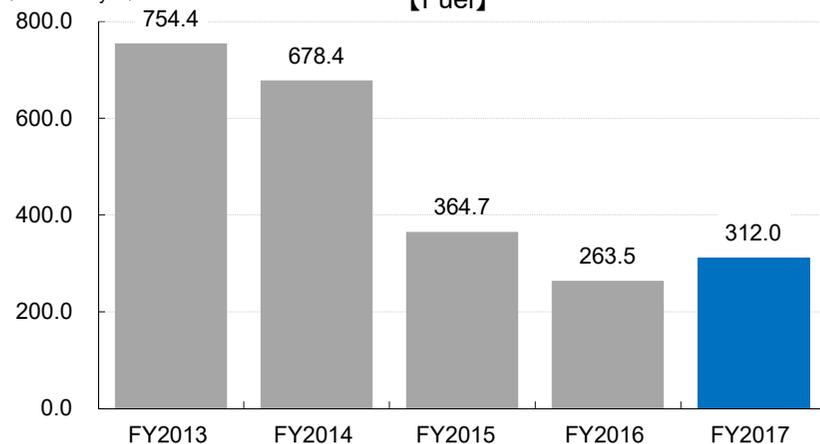
	FY2017	FY2016	Difference
Coal(\$/t)	102	81	21
LNG(\$/t)	432	362	71
Crude oil(\$/b)	57	48	9

[Reference2] Fuel consumption

	FY2017	FY2016	Difference
Coal (ten thousand. ton)	598	626	-27
Heavy oil (ten thousand. kiloliter)	38	27	10
Crude oil (ten thousand. kiloliter)	15	14	—
LNG (ten thousand. ton)	373	405	-32

(Billions of yen)

【Fuel】



(Billions of Yen,%)

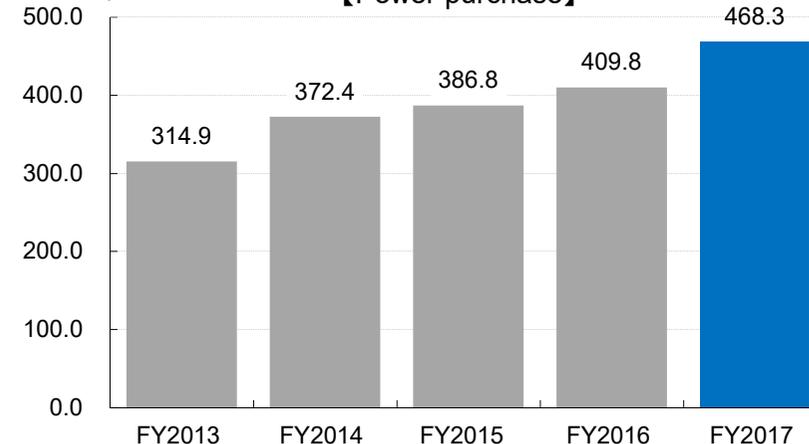
	FY2017	FY2016	Difference	Ratio
Power purchase	468.3	409.8	58.5	114.3

Difference FY2017 FY2016

1. Purchase from other companies	58.5	(467.5 ← 408.9)
◆ Purchase of Renewable Energy Sourced Electricity	44.9	(347.4 ← 302.4)
◆ Thermal from other companies	13.1	(104.3 ← 91.2)

(Billions of yen)

【Power purchase】



Non-Consolidated

(Billions of Yen,%)

	FY2017	FY2016	Difference	Ratio
Maintenance	142.6	152.7	-10.0	93.4

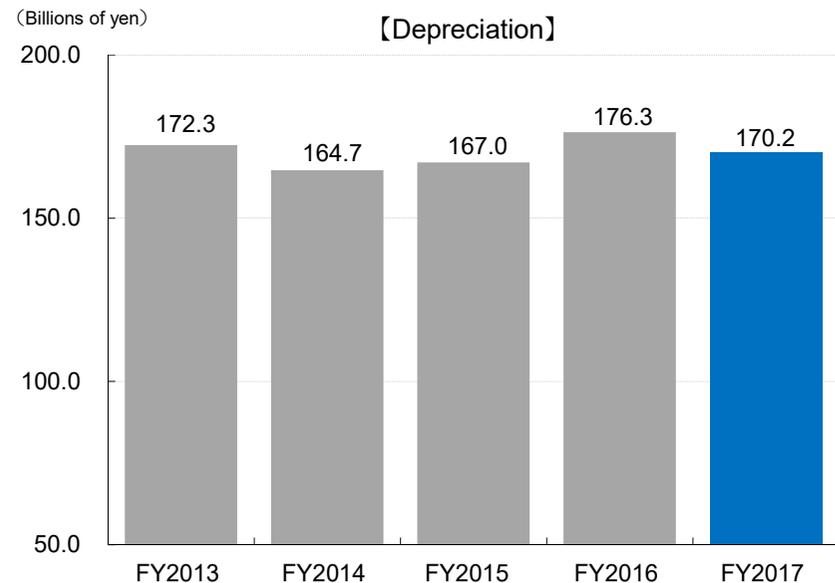
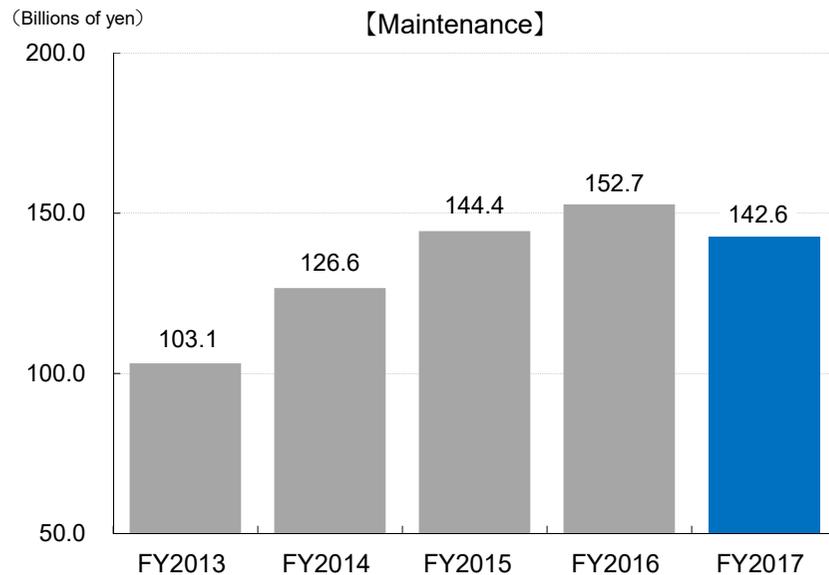
(Billions of Yen,%)

	FY2017	FY2016	Difference	Ratio
Depreciation	170.2	176.3	-6.1	96.5

	Difference	FY2017	FY2016
1. Nuclear	-19.8	(32.5 ← 52.3)	
2. Transmission	2.6	(9.9 ← 7.2)	
3. Thermal	2.2	(32.2 ← 30.0)	
4. Substation	1.6	(4.5 ← 2.9)	

	Difference	FY2017	FY2016
1. Ordinary depreciation	-4.9	(170.2 ← 175.1)	
◆ Nuclear	-2.3	(34.4 ← 36.8)	
◆ Transmission	-0.9	(39.5 ← 40.5)	
◆ General	-0.9	(11.9 ← 12.8)	
2. Commissioning depreciation	-1.2	(— ← 1.2)	

◆ Shin-Oita Power Station No.3,4 expansion
(Test operation started on Jan 2016 / Commercial operation started on Jun 2016)



Expenses for Labor and Others

20

Non-Consolidated

(Billions of Yen,%)

	FY2017	FY2016	Difference	Ratio
Labor	137.0	132.6	4.3	103.3

(Billions of Yen,%)

	FY2017	FY2016	Difference	Ratio
Others	551.8	504.1	47.6	109.5

Difference FY2017 FY2016

1. Salary 3.0 (99.0 ← 95.9)

2. Employee retirement benefits 2.0 (11.0 ← 8.9)

Difference FY2017 FY2016

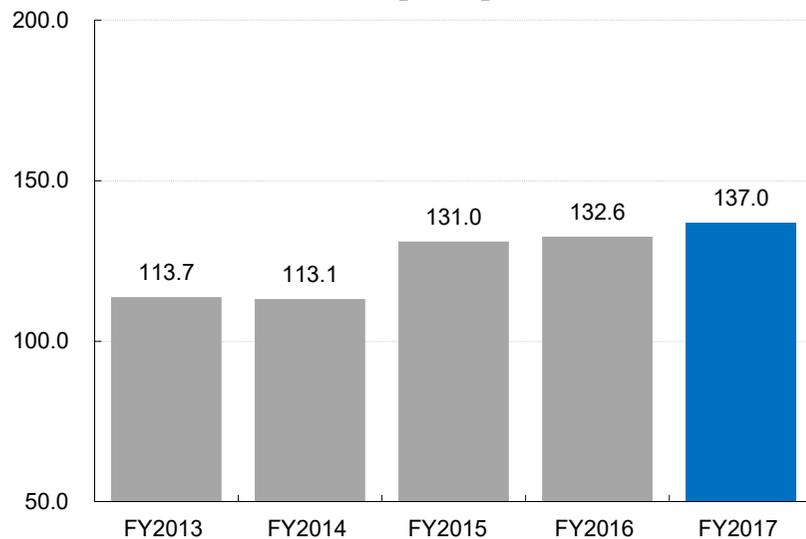
1. Levy based on the Act on Purchase of Renewable Energy Sourced Electricity 23.8 (175.0 ← 151.1)

2. Miscellaneous cost 10.2 (160.7 ← 150.4)

3. Nuclear back-end 7.6 (35.8 ← 28.2)

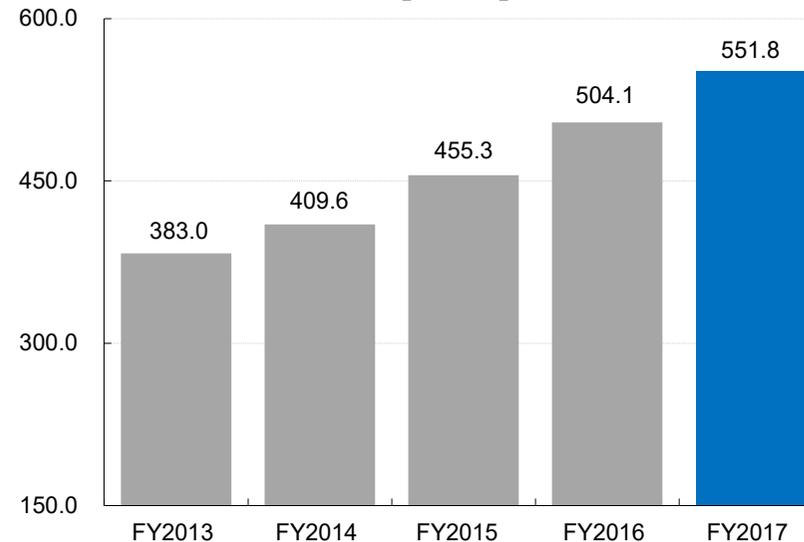
(Billions of yen)

【Labor】

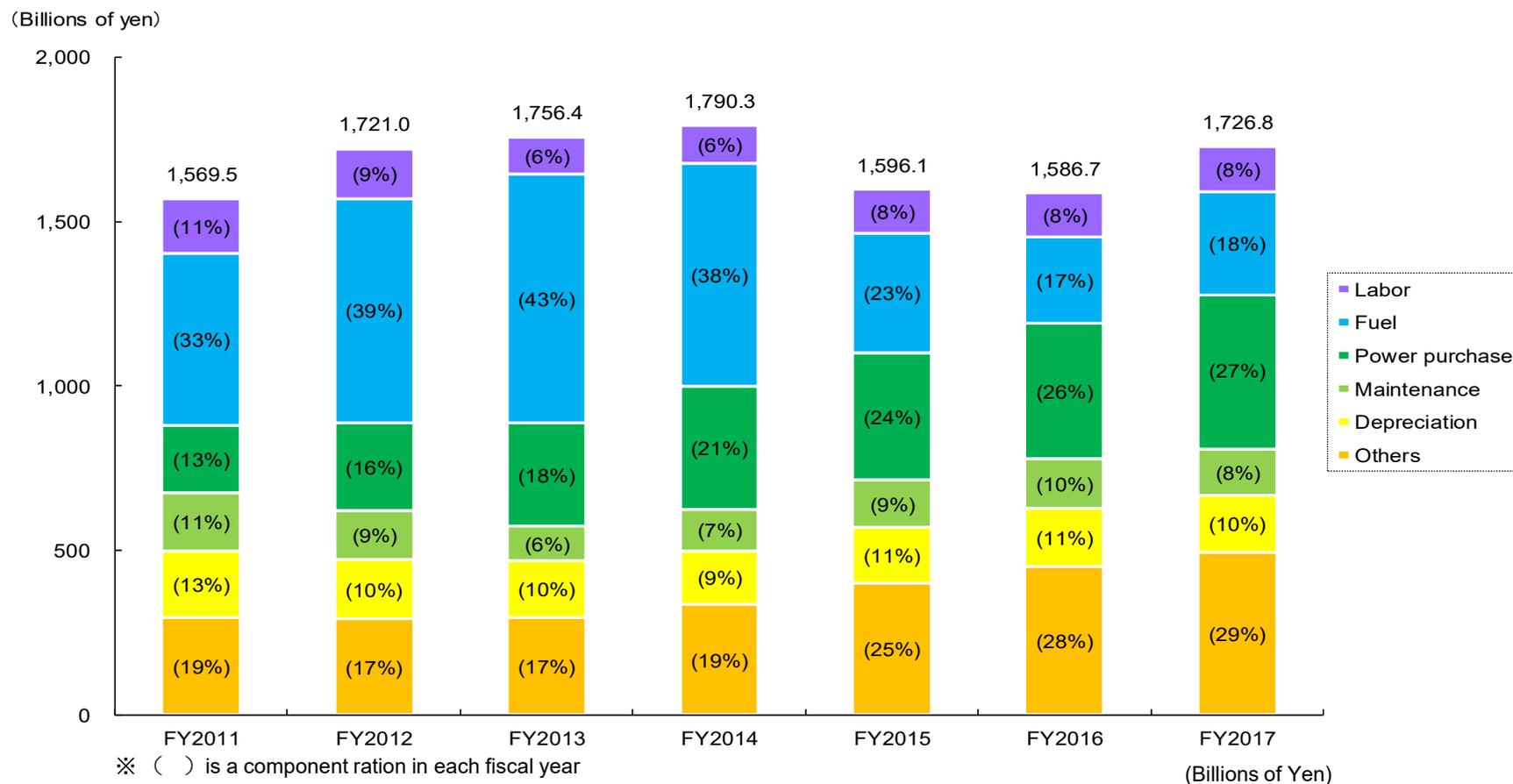


(Billions of yen)

【Others】

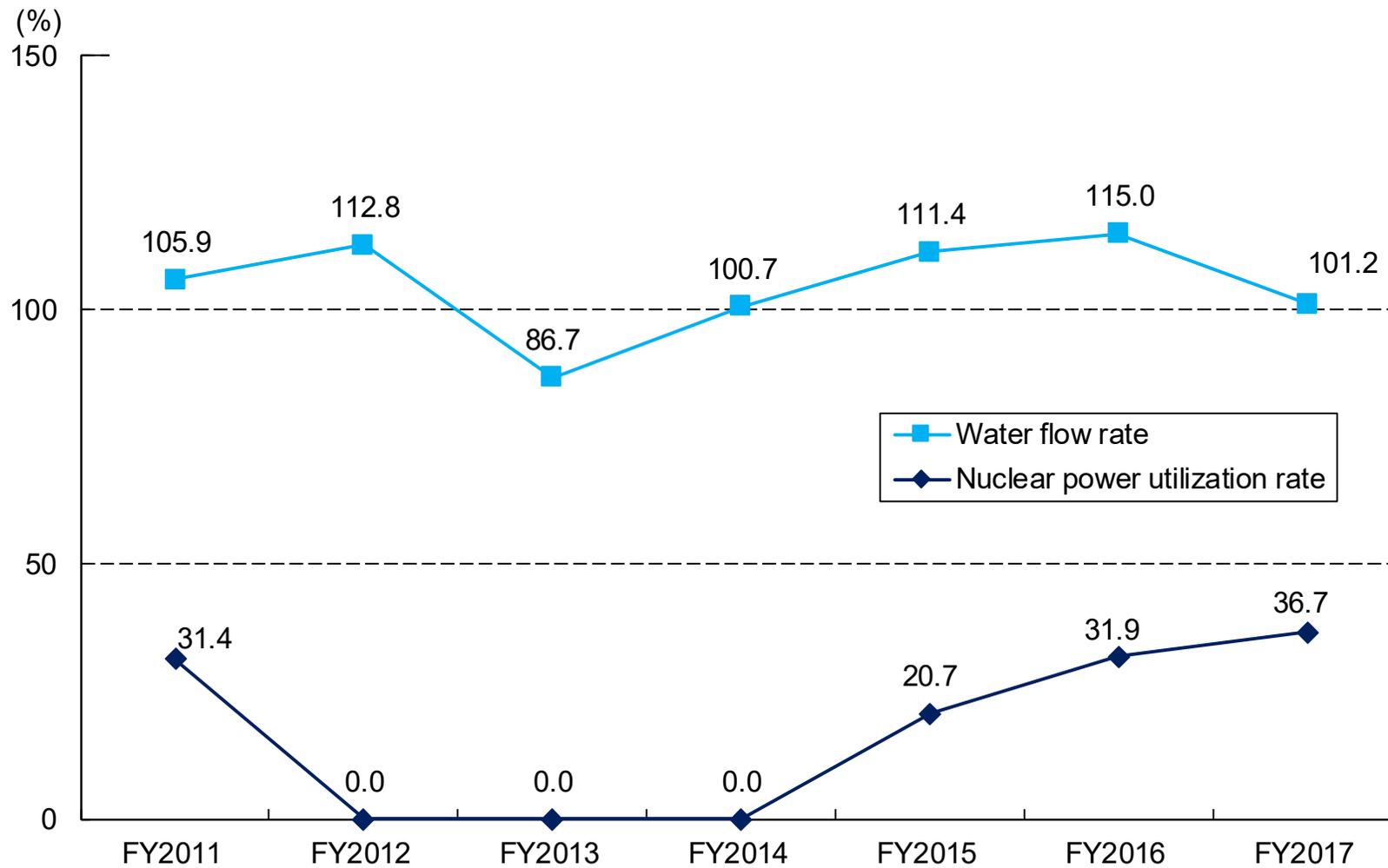


Components of Operating Expense in Electricity Business

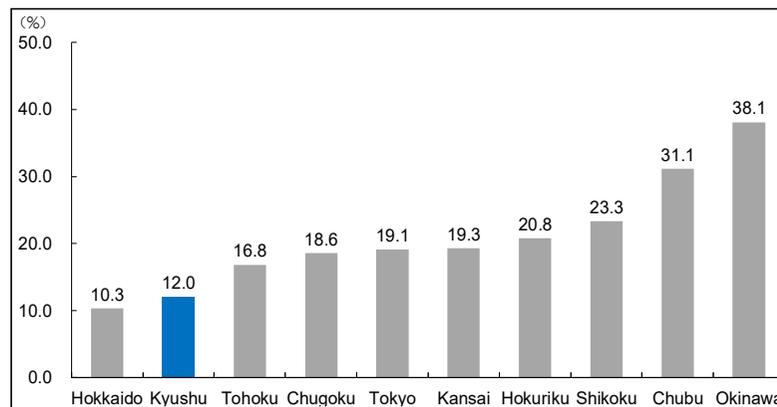


	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Labor	167.9	151.8	113.7	113.1	131.0	132.6	137.0
Fuel	520.2	679.7	754.4	678.4	364.7	263.5	312.0
Power purchase	206.0	269.5	314.9	372.4	386.8	409.8	468.3
Maintenance	176.0	147.9	103.1	126.6	144.4	152.7	142.6
Depreciation	202.1	180.1	172.3	164.7	167.0	176.3	170.2
Others	297.0	291.7	297.7	334.9	402.0	451.5	496.6
Total	1,569.5	1,721.0	1,756.4	1,790.3	1,596.1	1,586.7	1,726.8

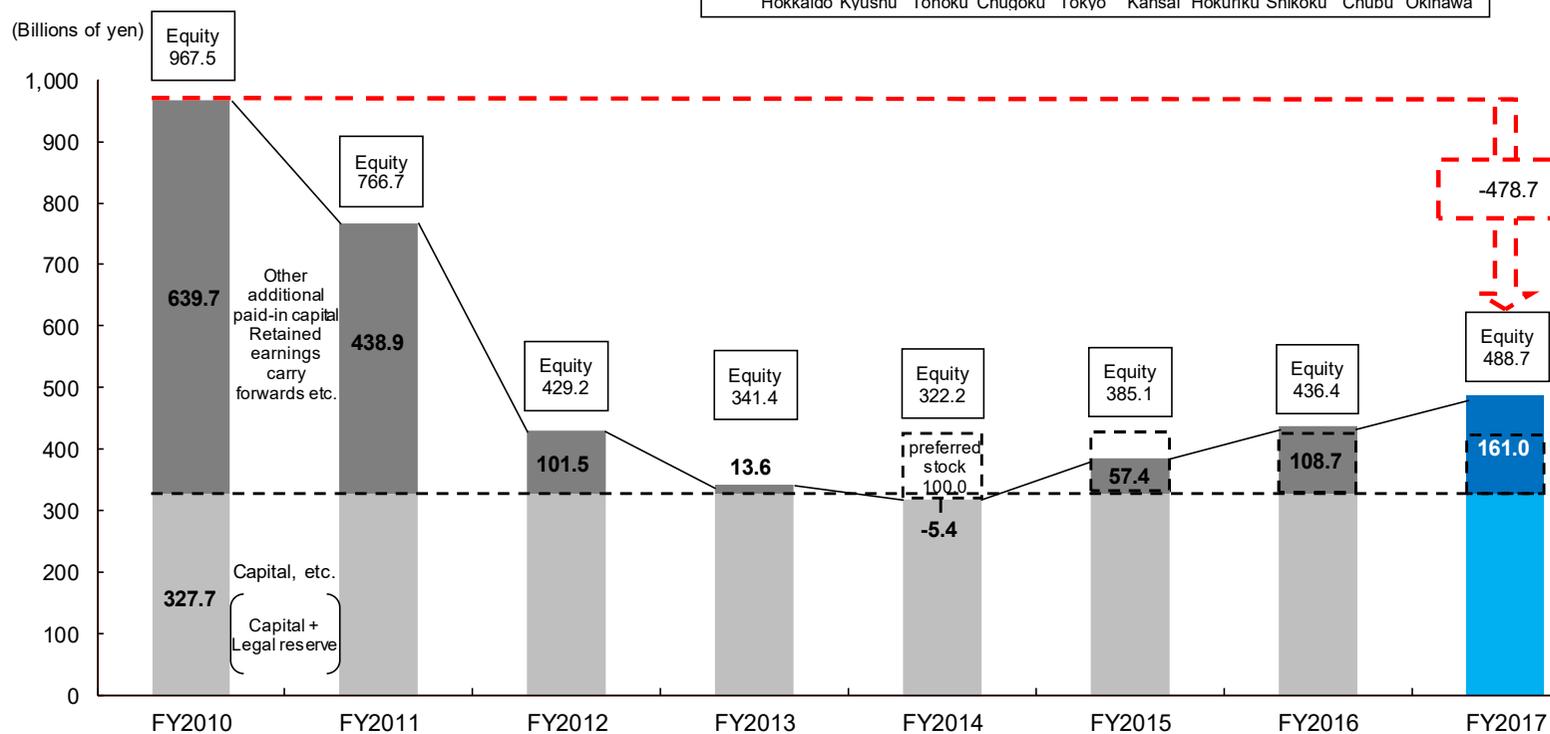
(Billions of Yen)



(Reference) Equity ratio of electric power companies in Japan (FY2016 Consolidated)

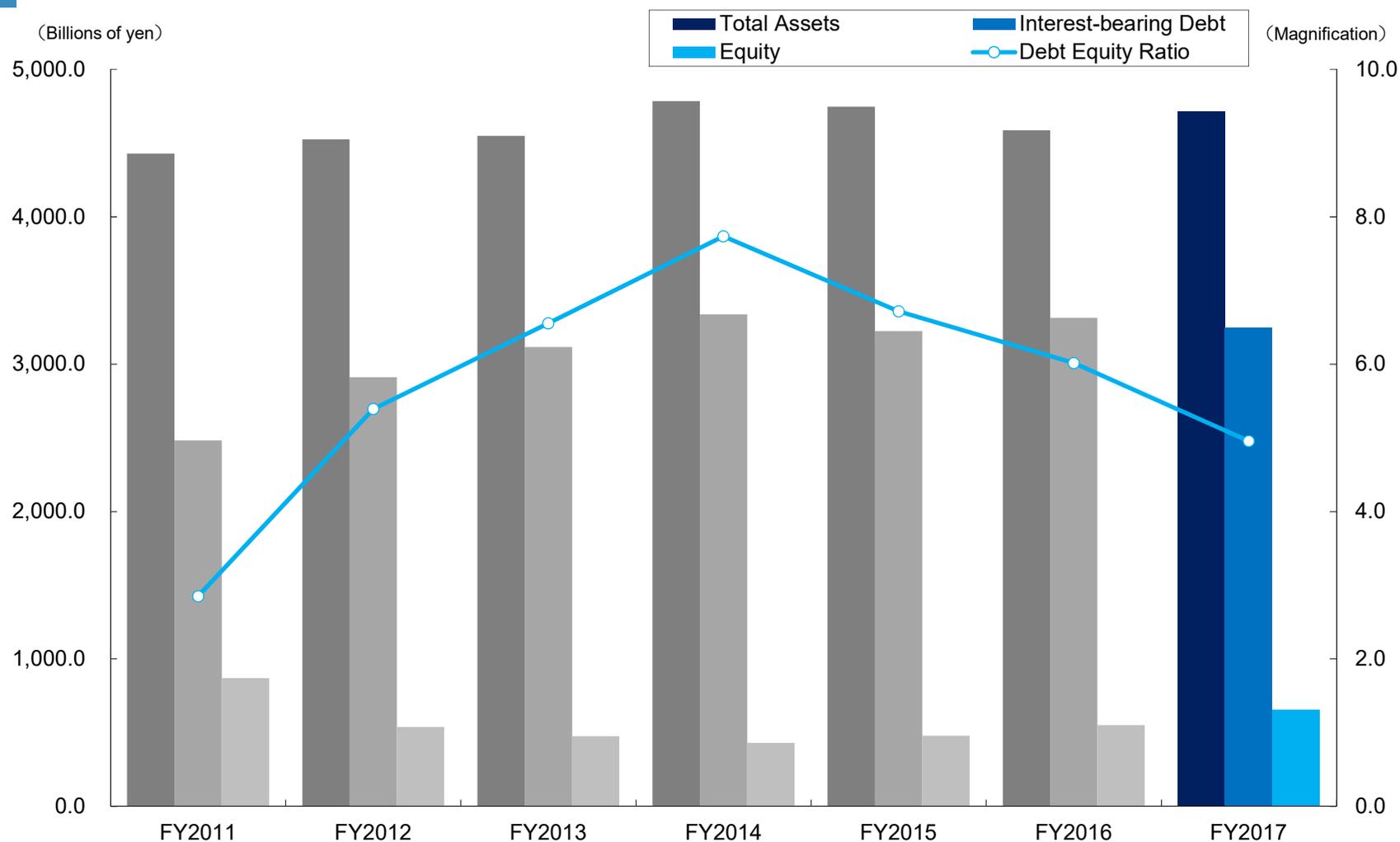


Non-Consolidated



Equity ratio(%)	24.9	18.7	10.2	8.1	7.3	8.9	10.5	11.6
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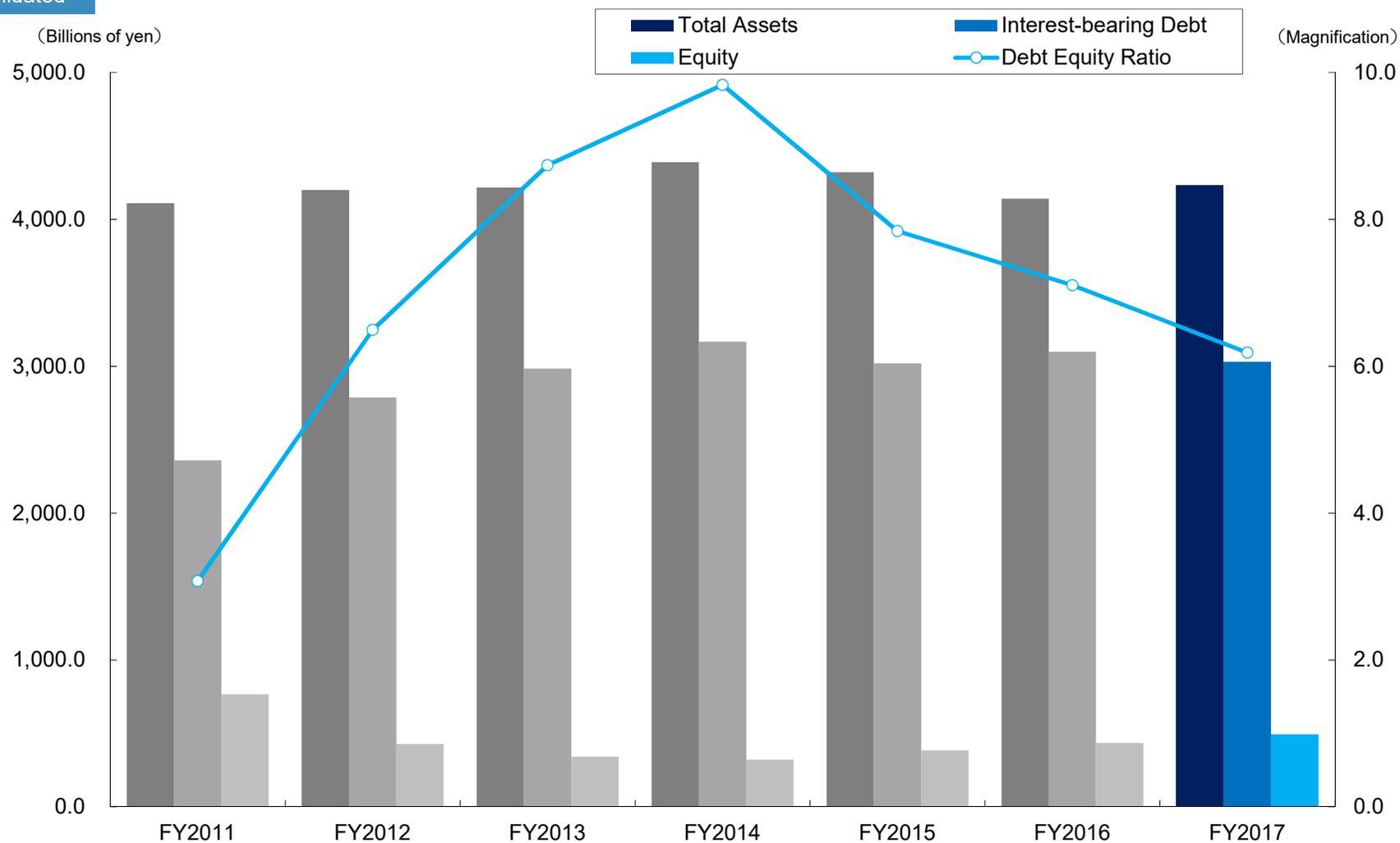
Consolidated



(Billions of Yen, Magnification)

Total Assets	4,428.0	4,526.5	4,549.8	4,784.7	4,748.2	4,587.5	4,710.1
Interest-bearing Debt	2,483.2	2,910.7	3,116.7	3,337.9	3,224.8	3,313.9	3,243.8
Equity	870.3	539.6	475.5	431.5	479.9	574.5	653.9
Debt Equity Ratio	2.9	5.4	6.6	7.7	6.7	6.0	5.0

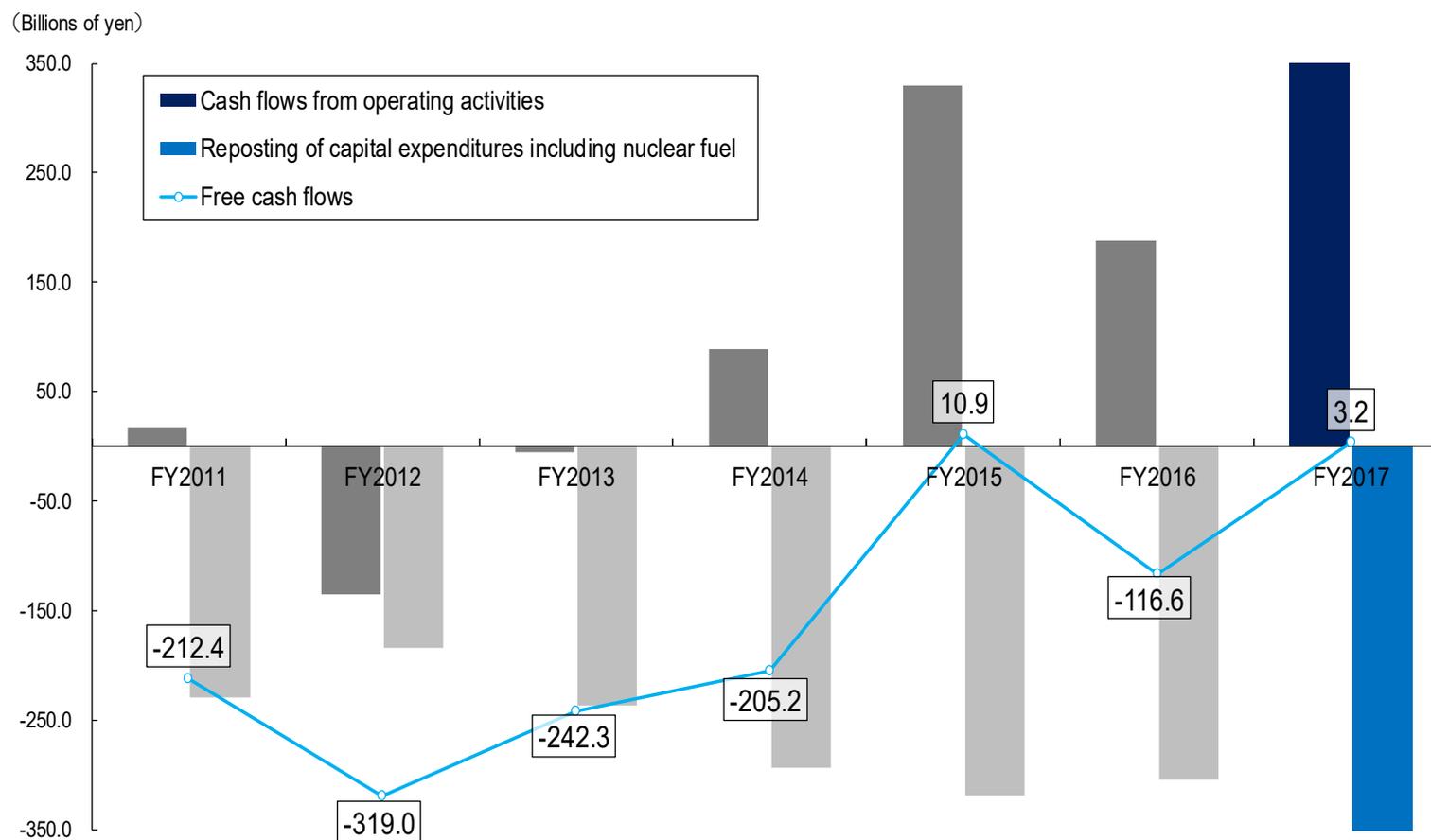
Non-Consolidated



(Billions of Yen, Magnification)

Total Assets	4,110.9	4,201.7	4,218.0	4,390.9	4,321.4	4,141.5	4,230.9
Interest-bearing Debt	2,360.1	2,789.0	2,983.8	3,168.2	3,020.0	3,100.5	3,024.2
Equity	766.7	429.2	341.4	322.2	385.1	436.4	488.7
Debt Equity Ratio	3.1	6.5	8.7	9.8	7.8	7.1	6.2

Consolidated



(Billions of yen)

Cash flows from operating activities	16.9	-135.1	-5.9	88.7	329.4	188.0	355.9
Reposting of capital expenditures including nuclear fuel	-229.3	-183.9	-236.3	-293.9	-318.4	-304.6	-352.7
Free cash flows	-212.4	-319.0	-242.3	-205.2	10.9	-116.6	3.2