Financial Section / Corporate Information

Consolidated Financial Statements and Notes to Consolidated Financial Statements are available in PDF format on our website (in Japanese only)
http://www.yonden.co.jp/corporate/ir/library/yuho/index.html

Data on Electric Power Business

Million kWh

Years ended March 31	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017*3
Electricity Sales	37,137	34,828	30,942	34,223	32,652	28,437	28,364	27,547	27,524	30,435	**29,971**
Lighting (Residential)	9,651	9,565	9,464	10,130	9,793	9,625	9,615	9,238	8,932	9,081	**9,224**
Power (Industrial and Commercial)	19,618	19,136	18,032	18,970	18,651	17,785	17,599	17,154	16,822	16,615	**15,896**
Wholesale	7,868	6,127	3,446	5,123	4,208	1,027	1,150	1,155	1,770	4,738	**4,851**
Electricity Generated and Purchased by Power Source	40,897	38,456	34,420	37,761	35,838	30,959	31,128	30,266	30,220	33,278	**32,688**
Hydro Electric	2,549	3,252	2,661	3,277	3,611	3,706	3,100	3,495	3,784	3,463	**3,408**
Nuclear	15,415	14,970	14,102	16,104	6,698	—	—	—	—	4,945	**4,055**
Coal	16,472	15,298	13,900	13,597	17,395	16,400	17,354	17,050	16,554	16,010	**15,497**
Fuel Oil and Gas	6,181	4,649	3,208	2,497	5,398	7,794	7,124	5,816	5,501	4,060	**4,135**
LNG	—	—	196	1,819	2,235	2,397	2,566	2,358	2,114	1,961	**2,334**
Renewable Energy*1	280	287	353	467	502	662	984	1,547	2,267	2,840	**3,259**

Thousands

Numbers of Customers	2,863	2,859	2,861	2,869	2,872	2,872	2,878	2,891	2,892	2,866	**2,815**
Lighting (Residential)	2,442	2,449	2,461	2,478	2,490	2,499	2,512	2,527	2,536	2,519	**2,489**
Power (Industrial and Commercial)	421	410	400	391	382	373	366	364	356	347	**326**

%

Nuclear Power Plant Uptime Ratio	86.8	84.5	79.6	90.9	37.7	—	—	—	—	63.4	**52.0**
Flow Rate	75.2	98.0	79.2	92.8	113.6	117.2	101.4	114.6	116.9	110.0	**104.1**

People

Number of Employees*2 (Shikoku Electric Power)	4,445	4,474	4,549	4,556	4,570	4,772	4,819	4,739	4,705	4,644	**4,594**

*1 Renewable energy comprises solar energy, wind power, and energy from waste material and biomass.
*2 The continuously employed persons based on "Law concerning Stabilization of Employment of Older Persons" are included in the number of employees from fiscal 2012, the year ended March 31, 2013.
*3 The imbalances (the differences between the demand planned in advance by the electricity suppliers and the actual demand) which have not been confirmed as of the settlement day (April 26, 2018) are not to be included for fiscal 2017.

Eleven-Year Financial Summary

Shikoku Electric Power Company, Incorporated and Consolidated Subsidiaries

Millions of yen

Years ended March 31	2007	2008	2009	2010	2011	2012
Financial Performance						
Operating Revenues	¥ 618,106	¥ 635,132	¥ 545,393	¥ 592,123	¥ 592,142	¥ 561,783
Electric	550,392	569,464	486,442	519,807	528,401	487,012
Other	67,713	65,668	58,951	72,315	63,741	74,771
Operating Expenses	563,831	580,850	502,969	532,100	586,352	612,121
Electric	499,984	519,930	449,979	465,390	528,258	543,797
Other	63,846	60,920	52,990	66,709	58,094	68,324
Operating Income (Loss)	54,275	54,282	42,424	60,022	5,789	(50,337)
Ordinary Income (Loss) + Interest Expense	58,302	57,902	46,002	57,925	7,777	(47,538)
Income before Income (Loss) Taxes	44,668	46,510	35,766	39,175	(3,675)	(59,415)
Net Income (Loss) Attributable to Owners of the Parent	26,431	29,104	22,079	23,646	(9,357)	(42,886)
Financial Position						
Total Assets	1,420,775	1,405,671	1,383,190	1,379,859	1,375,197	1,385,440
Total Equity	373,988	381,004	360,156	351,384	326,815	285,201
Interest-Bearing Debt	712,195	690,553	686,742	657,836	671,800	734,684
Cash Flows						
Cash Flows from Operating Activities	127,140	125,488	126,793	145,608	81,605	15,781
Cash Flows from Investing Activities	(76,549)	(82,661)	(82,990)	(89,364)	(75,074)	(66,245)
Cash Flows from Financing Activities	(51,282)	(41,961)	(43,093)	(57,566)	(3,893)	56,651
Term-End Balance of Cash and Cash Equivalents	5,301	6,166	6,876	5,526	8,164	14,351

Yen

Per Share of Common Stock						
EPS (Earnings per Share)	¥ 113	¥ 128	¥ 100	¥ 111	¥ (45)	¥ (208)
Cash Dividends Applicable to the Year	50	50	50	60	60	—
Equity	1,627	1,681	1,668	1,684	1,586	1,384

%

Financial Indicators						
Operating Income Margin*1	8.8	8.5	7.8	10.1	1.0	(9.0) [(9.1)]
Return on Assets*2	4.1	4.1	3.3	4.2	0.6	(3.4)
Return on Equity*3	6.9	7.7	6.0	6.6	(2.8)	(14.0)
Shareholders' Equity Ratio	26.3	27.1	26.0	25.4	23.7	20.6
Profit Returned to Shareholders*4, *5	94.5	85.6	109.9	108.3	—	—
Dividend Payout Ratio*5	44.1	39.2	50.1	53.9	—	—

*1 Figures in brackets represent cases using figures for operating revenues that reflect the deduction of grants and surcharge income from the Expense Sharing Coordinating Body based on the feed-in tariff system for renewable energy.
*2 (Ordinary income (loss) + Interest expense) / Average total assets
*3 Net income (loss) attributable to owners of the parent for fiscal year under review / Average shareholders' equity
*4 (Retirement of treasury stock + Dividends) / Net income (loss) attributable to owners of the parent
*5 Dividend payout ratio and profit returned to shareholders for the fiscal years ended March 31, 2012, 2013 and 2014, are not provided due to the recording of a net loss.

Eleven-Year Financial Summary

Years ended March 31	2013	2014	2015	2016	2017 (Millions of yen)	2017 (Thousands of U.S. dollars*1)
Financial Performance						
Operating Revenues	¥ 636,332	¥ 664,286	¥ 654,013	¥ 684,537	¥ 731,775	$ 6,903,537
Electric	551,148	578,983	574,246	602,243	642,495	6,061,273
Other	85,184	85,302	79,767	82,293	89,279	842,254
Operating Expenses	633,617	635,292	629,311	664,528	702,510	6,627,452
Electric	554,653	556,858	559,685	589,589	621,899	5,866,971
Other	78,964	78,433	69,625	74,938	80,610	760,471
Operating Income (Loss)	2,715	28,993	24,702	20,009	29,265	276,084
Ordinary Income (Loss) + Interest Expense	8,161	34,486	31,066	24,485	35,621	336,047
Income before Income (Loss) Taxes	(426)	22,864	18,906	15,689	28,032	264,452
Net Income (Loss) Attributable to Owners of the Parent	(3,289)	10,333	11,147	11,349	19,675	185,613
Financial Position						
Total Assets	1,397,277	1,401,189	1,401,750	1,301,267	1,330,226	12,549,301
Total Equity	287,439	300,897	286,177	303,879	312,564	2,948,716
Interest-Bearing Debt	737,449	711,832	719,754	707,756	683,249	6,445,745
Cash Flows						
Cash Flows from Operating Activities	65,734	100,164	91,739	81,739	123,512	1,165,207
Cash Flows from Investing Activities	(71,700)	(55,164)	(88,542)	(60,379)	(81,955)	(773,160)
Cash Flows from Financing Activities	2,725	(25,650)	3,699	(16,186)	(31,757)	(299,594)
Term-End Balance of Cash and Cash Equivalents	11,109	30,544	37,441	42,518	52,218	492,622

					Yen	U.S. dollars*1
Per Share of Common Stock						
EPS (Earnings per Share)	¥ (16)	¥ 50	¥ 54	¥ 55	96	$ 0.90
Cash Dividends Applicable to the Year	—	20	20	20	30	0.28
Equity	1,394	1,460	1,388	1,474	1,517	14.31

					%	
Financial Indicators						
Operating Income Margin*2	0.4 [0.4]	4.4 [4.8]	3.8 [4.4]	2.9 [3.6]	4.0 [5.0]	
Return on Assets*3	0.6	2.5	2.2	1.8	2.7	
Return on Equity*4	(1.1)	3.6	3.8	3.9	6.4	
Shareholders' Equity Ratio	20.6	21.5	20.4	23.3	23.5	
Profit Returned to Shareholders*5, *6	—	39.9	36.9	36.3	31.4	
Dividend Payout Ratio*6	—	39.9	36.9	36.3	31.4	

*1 U.S. dollar amounts are translated from yen at the rate of ¥106=US$1.
*2 Figures in brackets represent cases using figures for operating revenues that reflect the deduction of grants and surcharge income from the Expense Sharing Coordinating Body based on the feed-in tariff system for renewable energy.
*3 (Ordinary income (loss) + Interest expense) / Average total assets
*4 Net income (loss) attributable to owners of the parent for fiscal year under review / Average shareholders' equity
*5 (Retirement of treasury stock + Dividends) / Net income (loss) attributable to owners of the parent
*6 Dividend payout ratio and profit returned to shareholders for the fiscal years ended March 31, 2012, 2013 and 2014, are not provided due to the recording of a net loss.

Consolidated Balance Sheet

Shikoku Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars (Note 1(a))
ASSETS	**2018**	2017	**2018**
PROPERTY, PLANT AND EQUIPMENT (Notes 2 and 18):			
Utility plant, at cost	**¥ 3,013,322**	¥ 3,035,964	**$ 28,427,566**
Other plant and equipment, at cost	**254,867**	251,677	**2,404,405**
Construction in progress	**55,278**	34,411	**521,490**
	3,323,467	3,322,053	**31,353,462**
Less:			
Contributions in aid of construction	**(43,602)**	(42,552)	**(411,339)**
Accumulated depreciation	**(2,456,799)**	(2,449,943)	**(23,177,349)**
	(2,500,402)	(2,492,496)	**(23,588,698)**
Net property, plant and equipment	**823,065**	829,557	**7,764,764**
NUCLEAR FUEL, LESS ACCUMULATED AMORTIZATION	**113,363**	119,951	**1,069,462**
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Notes 3 and 13)	**45,387**	47,893	**428,179**
Investments in and advances to unconsolidated subsidiaries and affiliates	**28,957**	26,566	**273,179**
Long-term loans receivable	**1,018**	1,087	**9,603**
Deferred tax assets (Note 10)	**30,291**	31,202	**285,764**
Net defined benefit assets (Notes 1(j) and 6)	**4,421**	1,643	**41,707**
Special account related to nuclear power decommissioning (Note 1(g) and (n))	**44,675**	21,472	**421,462**
Special account related to reprocessing of spent nuclear fuel (Note 1(m))	**5,822**		**54,924**
Other assets	**28,585**	33,961	**269,669**
Total investments and other assets	**189,160**	163,828	**1,784,528**
CURRENT ASSETS:			
Cash and cash equivalents (Notes 13 and 17)	**56,807**	42,518	**535,915**
Notes and accounts receivable (Note 13)	**94,729**	96,052	**893,669**
Inventories (Note 4)	**28,965**	26,424	**273,254**
Deferred tax assets (Note 10)	**8,838**	10,777	**83,377**
Other current assets (Note 12)	**17,541**	14,930	**165,481**
Allowance for doubtful accounts	**(2,245)**	(2,773)	**(21,179)**
Total current assets	**204,636**	187,930	**1,930,528**
TOTAL	**¥ 1,330,226**	¥ 1,301,267	**$ 12,549,301**

See notes to consolidated financial statements.

Consolidated Balance Sheet

	Millions of yen		Thousands of U.S. dollars (Note 1(a))
LIABILITIES AND EQUITY	**2018**	2017	**2018**
LONG-TERM LIABILITIES:			
Long-term debt (Notes 5, 13 and 18)	**¥ 580,793**	¥ 556,511	**$ 5,479,179**
Net defined benefit liabilities (Notes 1(j) and 6)	**27,133**	27,112	**255,971**
Asset retirement obligations (Note 8)	**103,912**	102,491	**980,301**
Other long-term liabilities (Notes 1(m) and 12)	**27,586**	24,790	**260,245**
Total long-term liabilities	**739,426**	710,905	**6,975,716**
CURRENT LIABILITIES:			
Current portion of long-term debt (Notes 5, 13 and 18)	**114,475**	144,252	**1,079,952**
Short-term borrowings (Notes 7 and 13)		18,000	
Notes and accounts payable (Note 13)	**49,873**	45,503	**470,500**
Income taxes payable	**3,463**	210	**32,669**
Accrued expenses	**62,007**	43,608	**584,971**
Other current liabilities (Notes 1(m), 12 and 18)	**40,586**	27,046	**382,886**
Total current liabilities	**270,406**	278,622	**2,551,000**
RESERVE FOR FLUCTUATIONS IN WATER LEVEL	**7,828**	7,860	**73,849**
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 12, 14 and 15)			
EQUITY (Note 9)**:**			
Common stock—authorized, 772,956,066 shares; issued, 223,086,202 shares in 2018 and 2017	**145,551**	145,551	**1,373,122**
Capital surplus	**35,198**	35,198	**332,056**
Retained earnings (Note 20)	**159,832**	147,384	**1,507,849**
Treasury stock–at cost 17,159,023 shares in 2018 and 17,148,762 shares in 2017	**(41,480)**	(41,467)	**(391,320)**
Accumulated other comprehensive income (Note 16):			
Net unrealized gain on available-for-sale securities	**5,510**	7,414	**51,981**
Deferred gain on derivatives under hedge accounting	**5,805**	8,237	**54,764**
Foreign currency translation adjustments	**1,730**	2,061	**16,320**
Remeasurements of defined benefit plans	**143**	(765)	**1,349**
Total	**312,291**	303,615	**2,946,141**
Non-controlling interests	**273**	264	**2,575**
Total equity	**312,564**	303,879	**2,948,716**
TOTAL	**¥1,330,226**	¥1,301,267	**$12,549,301**

Consolidated Statement of Income

Shikoku Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars (Note 1(a))
	2018	2017	2018
OPERATING REVENUES:			
Electric	¥642,495	¥602,243	$6,061,273
Other	89,279	82,293	842,254
Total operating revenues	731,775	684,537	6,903,537
OPERATING EXPENSES (Notes 11 and 18):			
Electric	621,899	589,589	5,866,971
Other	80,610	74,938	760,471
Total operating expenses	702,510	664,528	6,627,452
OPERATING INCOME	29,265	20,009	276,084
OTHER EXPENSES (INCOME):			
Interest expense (Note 18)	7,621	8,561	71,896
Interest and dividend income	(2,180)	(2,345)	(20,566)
Gains of investment securities	(1,223)	(0)	(11,537)
Foreign exchange gains	(2,036)	(1,679)	(19,207)
Equity in earnings of an affiliate	(656)	(369)	(6,188)
Other, net	(259)	(82)	(2,443)
Total other expenses	1,265	4,085	11,933
INCOME BEFORE PROVISION FOR (REVERSAL OF) RESERVE FOR FLUCTUATIONS IN WATER LEVEL AND INCOME TAXES	28,000	15,924	264,150
PROVISION FOR (REVERSAL OF) RESERVE FOR FLUCTUATIONS IN WATER LEVEL	(32)	234	(301)
INCOME BEFORE INCOME TAXES	28,032	15,689	264,452
INCOME TAXES (Note 10):			
Current	4,687	1,742	44,216
Deferred	3,659	2,587	34,518
Total income taxes	8,347	4,329	78,745
NET INCOME	19,685	11,359	185,707
NET INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	9	9	84
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT	¥ 19,675	¥ 11,349	$ 185,613

	Yen		U.S. dollars (Note 1(a))
	2018	2017	2018
PER SHARE OF COMMON STOCK (Notes 1(u) and 19):			
Basic net income	¥95.55	¥55.11	$0.90

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Shikoku Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars (Note 1(a))
	2018	2017	**2018**
NET INCOME	**¥19,685**	¥11,359	**$185,707**
OTHER COMPREHENSIVE (LOSS) INCOME (Note 16):			
Unrealized (loss) gain on available-for-sale securities	**(1,932)**	658	**(18,226)**
Deferred loss on derivatives under hedge accounting	**(2,432)**	(1,557)	**(22,943)**
Foreign currency translation adjustments	**(331)**	(351)	**(3,122)**
Remeasurements of defined benefit plans	**1,062**	11,775	**10,018**
Share of other comprehensive loss in associates	**(124)**	(45)	**(1,169)**
Total other comprehensive (loss) income	**(3,758)**	10,479	**(35,452)**
COMPREHENSIVE INCOME	**¥15,926**	¥21,839	**$150,245**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	**¥15,917**	¥21,829	**$150,160**
Non-controlling interests	**9**	9	**84**

See notes to consolidated financial statements.

Consolidated Statement of Changes In Equity

Shikoku Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2018 and 2017

	Thousands	Millions of yen										
						Accumulated other comprehensive income						
	Outstanding number of shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Total	Non-controlling interests	Total equity
BALANCE AT APRIL 1, 2016	205,944	¥145,551	¥35,198	¥140,164	¥(41,460)	¥ 6,788	¥ 9,795	¥2,413	¥(12,529)	¥285,922	¥254	¥286,177
Net income attributable to owners of the parent				11,349						11,349		11,349
Cash dividends, ¥20 per share				(4,130)						(4,130)		(4,130)
Purchase of treasury stock	(6)				(7)					(7)		(7)
Disposal of treasury stock	0			(0)	0					0		0
Net change in the year						625	(1,557)	(351)	11,763	10,479	9	10,489
BALANCE AT MARCH 31, 2017	205,937	¥145,551	¥35,198	¥147,384	¥(41,467)	¥ 7,414	¥ 8,237	¥2,061	¥ (765)	¥303,615	¥264	¥303,879
Net income attributable to owners of the parent				19,675						19,675		19,675
Cash dividends, ¥35 per share				(7,227)						(7,227)		(7,227)
Purchase of treasury stock	(10)				(14)					(14)		(14)
Disposal of treasury stock	0			(0)	0					0		0
Net change in the year						(1,904)	(2,432)	(331)	909	(3,758)	9	(3,749)
BALANCE AT MARCH 31, 2018	205,927	¥145,551	¥35,198	¥159,832	¥(41,480)	¥ 5,510	¥ 5,805	¥1,730	¥ 143	¥312,291	¥273	¥312,564

	Thousands of U.S. dollars (Note 1(a))										
					Accumulated other comprehensive income						
	Common stock	Capital surplus	Retained earnings	Treasury stock	Net unrealized gain on available-for-sale securities	Deferred gain on derivatives under hedge accounting	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Total	Non-controlling interests	Total equity
BALANCE AT MARCH 31, 2017	$1,373,122	$332,056	$1,390,415	$(391,198)	$ 69,943	$ 77,707	$19,443	$(7,216)	$2,864,292	$2,490	$2,866,783
Net income attributable to owners of the parent			185,613						185,613		185,613
Cash dividends, $0.33 per share			(68,179)						(68,179)		(68,179)
Purchase of treasury stock				(132)					(132)		(132)
Disposal of treasury stock			(4)	9					5		5
Net change in the year					(17,962)	(22,943)	(3,122)	8,575	(35,452)	84	(35,367)
BALANCE AT MARCH 31, 2018	$1,373,122	$332,056	$1,507,849	$(391,320)	$ 51,981	$ 54,764	$16,320	$ 1,349	$2,946,141	$2,575	$2,948,716

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Shikoku Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2018 and 2017

	Millions of yen		Thousands of U.S. dollars (Note 1(a))
	2018	2017	2018
OPERATING ACTIVITIES:			
Income before income taxes	¥ 28,032	¥ 15,689	$ 264,452
Adjustments for:			
Income taxes paid	(1,181)	(3,143)	(11,141)
Depreciation and amortization	70,842	73,446	668,320
Loss on disposal of property, plant and equipment	2,837	2,886	26,764
Increase in net defined benefit liabilities	279	2,156	2,632
Reversal of provision for reprocessing of irradiated nuclear fuel		(5,564)	
Decrease in contributions payable for reprocessing of irradiated nuclear fuel		(10,053)	
Decommissioning cost of nuclear power units	1,927	1,916	18,179
Depreciation of special account related to nuclear power decommissioning	308	308	2,905
Decrease in allowances for doubtful accounts	(543)	(159)	(5,122)
Provision for reserve for fluctuations in water level	(32)	234	(301)
Decrease in fund for reprocessing of irradiated nuclear fuel		1,337	
Equity in earnings of an affiliate	(656)	(369)	(6,188)
Changes in assets and liabilities:			
(Increase) decrease in net defined benefit assets	(1,554)	12,795	(14,660)
Decrease (increase) in notes and accounts receivable	1,322	(10,985)	12,471
(Increase) decrease in inventories	(2,253)	498	(21,254)
Increase in notes and accounts payable	4,370	1,151	41,226
Other, net	19,814	(407)	186,924
Net cash provided by operating activities	123,512	81,739	1,165,207
INVESTING ACTIVITIES:			
Capital expenditures including nuclear fuel	(80,507)	(63,580)	(759,500)
Proceeds from sales of property, plant and equipment	450	323	4,245
Payments for asset retirement obligations	(243)		(2,292)
Payments for investments and advances	(3,087)	(615)	(29,122)
Proceeds from sales of investment securities and collections of advances	5,388	2,245	50,830
Payments into time deposits	(10,162)		(95,867)
Proceeds from withdrawal of time deposits	6,206	1,246	58,547
Net cash used in investing activities	(81,955)	(60,379)	(773,160)
FINANCING ACTIVITIES:			
Proceeds from issuance of bonds	60,000	40,000	566,037
Redemption of bonds	(90,000)	(20,000)	(849,056)
Proceeds from long-term loans	75,796	22,029	715,056
Repayments of long-term loans	(52,162)	(53,962)	(492,094)
Net decrease in short-term borrowings	(18,000)		(169,811)
Cash dividends paid	(7,227)	(4,130)	(68,179)
Purchase of treasury stock	(13)	(6)	(122)
Other, net	(151)	(116)	(1,424)
Net cash used in by financing activities	(31,757)	(16,186)	(299,594)
EFFECT OF EXCHANGE RATE CHANGE ON CASH AND CASH EQUIVALENTS	(99)	(96)	(933)
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,700	5,077	91,509
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	42,518	37,441	401,113
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 17)	¥ 52,218	¥ 42,518	$ 492,622

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Shikoku Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2018 and 2017

1. SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

(a) Basis of presentation of consolidated financial statements

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act, the Japanese Electric Utility Law and its related accounting regulations, and in accordance with accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2017 consolidated financial statements to conform to the classifications used in 2018.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which Shikoku Electric Power Company, Incorporated (the "Company") is incorporated and operates. The translations of Japanese yen amounts into U.S. dollar amounts are included solely for the convenience of readers outside Japan and have been made at the rate of ¥106 to $1, the approximate rate of exchange at March 31, 2018. Such translations should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

Amounts less than one million yen have been rounded down, except for per share data.

As a result, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sums of the individual amounts.

(b) Consolidation and investments in unconsolidated subsidiaries and affiliates

In principle, under the control and influence concepts, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Company or significant subsidiaries have the ability to exercise significant influence are accounted for by the equity method. The consolidated financial statements as of March 31, 2018, include the accounts of the Company and its nine (nine in 2017) subsidiaries (collectively the "Group").

Investment in one (one in 2017) significant affiliate is accounted for by the equity method. Investments in the remaining unconsolidated subsidiaries and affiliates are stated at cost. If the equity method of accounting had been applied to the investments in these companies, the effect on the accompanying consolidated financial statements would not be material.

The excess of the cost of acquisition over the fair value of the net assets of an acquired subsidiary at the date of acquisition is amortized over a maximum period of 20 years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is also eliminated.

The fiscal year-end of one consolidated subsidiary is December 31. The Company consolidates such consolidated subsidiary's financial statements using its financial results for the year ended December 31. The effects of any significant transactions during the period between the subsidiary's fiscal year-end and the Company's fiscal year-end are reflected in the consolidated financial statements.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost. Contributions in aid of construction include contributions made by customers and are deducted from the cost of the related assets in accordance with the regulations described in 1(a).

Depreciation of property, plant and equipment is principally computed by the declining-balance method based on the estimated useful lives of the assets.

(d) Long-lived assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

(e) Amortization of nuclear fuel

Amortization of nuclear fuel is computed based on the quantity of heat produced for the generation of electricity.

(f) Investment securities

All investment securities are classified and accounted for, depending on management's intent, as follows:

Available-for-sale securities are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported as a separate component of equity. Nonmarketable available-for-sale securities are stated at cost, determined by the moving-average method.

For other-than-temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

(g) Special account related to nuclear power decommissioning

On September 28, 2017, "Ordinance on Accounting at Electricity Utilities" (Ordinance of the Ministry of Economy, Trade and Industry No. 77, 2017; "Revised Ordinance") was revised.

After the date of enforcement of the Revised Ordinance (September 28, 2017), in the event of decommissioning of a nuclear reactor resulting from changes in energy policies, based on the accounting regulations, the following assets and costs may be posted as or transferred to a special account related to nuclear power decommissioning with the approval of the Minister of Economy, Trade and Industry: (A) The carrying amount of fixed assets requiring maintenance to operate a nuclear reactor at the time of its decommissioning (excludes the carrying amount of specified assets for nuclear power [among the fixed assets requiring maintenance to operate a nuclear reactor at the time of its decommissioning, specified assets for nuclear power refers to items contaminated by nuclear fuel materials—as defined by the Atomic Energy Basic Act, Article 3, Item 2—and the fixed assets requiring maintenance after the suspension of operations. Specified assets for nuclear power includes fixed assets recorded as construction in progress that are limited to items for which construction is completed after the suspension of nuclear reactor operations, but does not include assets corresponding to asset retirement obligations] and includes the carrying amount of fixed assets recorded as construction in progress that are limited to items for which construction is not completed after the suspension of nuclear reactor operations); (B) The carrying value of nuclear fuel for said reactor (excludes projected disposal amounts); and (C) Cost of reprocessing of irradiated nuclear fuel generated in connection with the decommissioning of the nuclear reactor, and amount corresponding to costs necessary to dismantle the components of the nuclear fuel. Also, the special account related to nuclear power decommissioning has been amortized by amortization expense of the special account related to nuclear power decommissioning, upon collection of the regulated power fees, after the date of the approval.

(h) Inventories

Inventories, principally fuel for power generation, are stated at the lower of cost, determined by the average method, or net realizable value.

(i) Cash equivalents

Cash equivalents are deposits and short-term investments that are readily convertible into cash and exposed to insignificant risk of changes in value. They mature or become due within three months of the date of acquisition.

(j) Retirement and pension plans

The net defined benefit liabilities and assets are accounted for based on projected benefit obligations and plan assets at the consolidated balance sheet date. The projected benefit obligations are attributed to a benefit formula basis. Actuarial gains and losses are mainly amortized in the following period. Past service costs are mainly amortized in the current period.

The Company accounts for the liability for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. The projected benefit obligations are mainly attributed to periods on a benefit formula basis. Actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized within equity (accumulated other comprehensive income), after adjusting for tax effects, and are recognized in profit or loss in the next year that gains and losses have accrued and the year that past service costs have accrued, respectively.

(k) Asset retirement obligations

An asset retirement obligation is recorded for a legal obligation imposed either by law or contract that results from the acquisition, construction, development and normal operation of a tangible fixed asset and is associated with the retirement of such tangible fixed asset. The asset retirement obligation is recognized as the sum of the discounted cash flows required for the future asset retirement and is recorded in the period in which the obligation is incurred if a reasonable estimate can be made. If a reasonable estimate of the asset retirement obligation cannot be made in the period the asset retirement obligation is incurred, the liability should be recognized when a reasonable estimate of the asset retirement obligation can be made. Upon initial recognition of a liability for an asset retirement obligation, an asset retirement cost is capitalized by increasing the carrying amount of the related fixed asset by the amount of the liability. Any subsequent revisions to the timing or the amount of the original estimate of undiscounted cash flows are reflected as an adjustment to the carrying amount of the liability and the capitalized amount of the related asset retirement cost.

For nuclear power units, the Company recognizes asset retirement obligations as the sum of the discounted cash flows using a discount rate of 2.3%. However, the Company recognizes asset retirement obligations as the amount determined by the Japanese Electric Utility Law and its related accounting regulations if such amount is higher than the sum of the discounted cash flows.

(l) Revision of Ministerial Ordinance on Provision for Decommissioning of Nuclear Power Units

The Ministerial Ordinance on Provisions for Decommissioning of Nuclear Power Units was revised on April 1, 2018, following the enactment of Ministerial Ordinance for the Partial Revision of the Ministerial Ordinance on Provisions for Decommissioning of Nuclear Power Units (2018 Ministry of Economy, Trade and Industry Ordinance No. 17).

Traditionally, removal costs corresponding with asset retirement obligations related to decommissioning measures for specific nuclear power facilities were accounted for based on the Ministerial Ordinance on Provisions for Decommissioning of Nuclear Power units and total estimated costs of decommissioning a power facility were expensed over the facility's prospective operating period, plus expected safe storage periods, on a straight-line basis. However, with the new revision, from the date of enactment onward, these costs will be expensed on a straight-line basis only over a facility's prospective operating period.

However, when nuclear reactors are to be decommissioned due to changes in energy policies and safety regulations, such costs will be expensed on a straight-line basis over the period of 10 years starting from the month of discontinuance of the specified nuclear power generation facility with the approval of the Ministry of Economy.

(m) Cost of reprocessing irradiated nuclear fuel

The cost of reprocessing nuclear fuel irradiated from operation of nuclear power facilities as contribution, defined by the Act for Partial Revision of the Spent Nuclear Fuel Reprocessing Implementation Act (Act No. 40 of 2016, the "Revised Act"), has been recognized as electric utility operating expenses in proportion to the amount of irradiated nuclear fuel from the nuclear power facilities.

As for the unamortized balance of the difference of ¥9,715 million at the end of consolidated FY2017 and ¥6,477 million ($61,103 thousand) at the end of consolidated FY2018 resulting from Ordinance of METI No. 92 of 2005, the average of the unamortized balance is paid to the NuRO as contribution in relation to irradiated nuclear fuel in accordance with Article 4 of the Supplementary Provisions of the Revised Ordinance and recognized as electric utility operating expenses.

Contributions include those made in relation to reprocessing of spent fuel as stipulated in Article 2 of the revised law, and these contributions have been organized into a special account related to reprocessing of spent nuclear fuel.

(n) Submission of application for approval of specified assets for nuclear power and a special account related to nuclear power decommissioning based on the decision to decommission Ikata Unit No. 2 and the ordinance on accounting at electricity utilities

The Company made the decision to decommission Ikata Unit No. 2 at a Board of Directors' meeting held on March 27, 2018. On the same day, the Company submitted an application to the Minister of METI for approval of specified assets for a nuclear power and for a special account related to nuclear power decommissioning based on the Ordinance on Accounting at Electricity Utilities.

As a result, the Company recorded a carrying amount of ¥6,478 million for specified assets for nuclear power in regard to the nuclear reactor. In addition, the Company transferred a carrying amount of fixed assets requiring maintenance to operate a nuclear reactor at the time of its decommissioning of ¥8,808 million (excludes the carrying amount of specified assets for nuclear power and includes the carrying amount of fixed assets recorded as construction in progress that are limited to items for which construction will not be completed after the suspension of nuclear reactor operations) and an amount corresponding to expenses for the decommissioning of nuclear power units totaling ¥14,702 million (includes contribution expenses for the reprocessing of used fuel generated following the decommissioning of said reactor [excluding electricity costs for the reprocessing of spent fuel] and the necessary expenses for dismantling the components of the nuclear fuel) to a special account related to nuclear power decommissioning, where they were subsequently transferred or recorded.

(o) Provisional disposition to re-suspend operations at Ikata Unit No. 3

On December 13, 2017, the Company received a provisional disposition from the Hiroshima High Court to re-suspend operations at Ikata Unit No. 3 until September 30, 2018. In response to this decision, the Company filed an objection to the temporary restraining order to the Hiroshima High Court on December 21, 2017.

(p) Income taxes

The provision for income taxes is computed based on the pretax income included in the consolidated statement of income.

The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted income tax rates to the temporary differences.

(q) Bond issuance costs

Bond issuance costs are charged to income as incurred.

(r) Foreign currency transactions

Short-term and long-term monetary receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rates in effect as of each balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statement of income to the extent that they are not hedged by forward exchange contracts.

(s) Foreign currency financial statements

The balance sheet accounts of the consolidated foreign subsidiary are translated into Japanese yen at the current exchange rate as of the balance sheet date except for equity, which is translated at the historical rate. Differences arising from such translation are shown as “Foreign currency translation adjustments” under accumulated other comprehensive income in a separate component of equity. Revenue and expense accounts of the consolidated foreign subsidiary are translated into yen at the current exchange rate as of the balance sheet date.

(t) Derivative and hedging activities

The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign currency exchange rates and interest rates. Foreign exchange forward contracts and interest rate swaps are utilized by the Group to reduce foreign currency exchange rate and interest rate risks. The Group does not enter into derivatives for trading or speculative purposes.

For derivatives used for hedging purposes, if the derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

Payables denominated in foreign currencies for which foreign exchange forward contracts are used to hedge the foreign currency fluctuations are translated at the contracted rate if the forward contracts qualify for hedge accounting.

The interest rate swaps which qualify for hedge accounting and which meet specific matching criteria are not remeasured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expense.

(u) Per share information

Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Diluted net income per share is not disclosed because dilutive securities are not issued.

(v) Consolidated tax system

The Company and certain (wholly owned) domestic subsidiaries file a tax return under the consolidated corporate tax system, which allows companies to base tax payments on the combined profits or losses of the parent company and its wholly owned domestic subsidiaries.

(w) New accounting pronouncements

Accounting standards on revenue recognition (statement No. 29, March 30, 2018, Accounting Standards Board of Japan)

Implementation guidelines on accounting standard on revenue recognition (Guideline No. 30, March 30, 2018, Accounting Standards Board of Japan)

(1) Overview

The International Accounting Standards Board (IASB) and U.S. Financial Accounting Standards Board (FASB) co-developed a new comprehensive revenue recognition standard following the publication of “Revenue from Contracts with Customers” in May 2014 (IFRS No. 15 in IASB, topic 606 in FASB).

In response to this standard, on March 30, 2018 the ASBJ issued ASBJ Statement No. 29, “Accounting Standard for Revenue Recognition,” and ASBJ Guidance No. 30, “Implementation Guidance on Accounting Standard for Revenue Recognition”.

The Company should recognize revenue in accordance with the core principles of the standard by applying the following steps:

① Identify the contract(s) with a customer
② Identify the performance obligations in the contract
③ Determine the transaction price
④ Allocate the transaction price to the performance obligation in the contract
⑤ Recognize revenue when (or as) the entity satisfies a performance obligation

(2) Planned date of application

The Company expects to apply the accounting standard and guidance for annual periods beginning on or after April 1, 2021.

(3) Impact of application on these accounting standards, etc.

The Company is in the process of measuring the effects of applying the accounting standard and guidance in future applicable periods.

2. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at carrying amount at March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2018	2017	**2018**
Hydroelectric power	**¥ 294,126**	¥ 286,222	**$ 2,774,773**
Thermal power	**543,751**	543,423	**5,129,726**
Nuclear power	**682,552**	718,903	**6,439,169**
Transmission facilities	**553,434**	551,506	**5,221,075**
Transformation facilities	**341,262**	340,374	**3,219,452**
Distribution facilities	**489,674**	485,783	**4,619,566**
General facilities	**108,500**	109,750	**1,023,584**
Total utility plant, at cost	**3,013,302**	3,035,964	**28,427,377**
Other plant and equipment, at cost	**254,867**	251,677	**2,404,405**
Construction in progress	**55,278**	34,411	**521,490**
Total	**3,323,447**	3,322,053	**31,353,273**
Less contributions in aid of construction	**(43,602)**	(42,552)	**(411,339)**
Less accumulated depreciation	**(2,456,780)**	(2,449,943)	**(23,177,169)**
Carrying amount	**¥ 823,065**	¥ 829,557	**$ 7,764,764**

3. INVESTMENT SECURITIES

Information regarding each category of the securities classified as available-for-sale is as follows:

				Millions of yen
	Cost	Unrealized gains	Unrealized losses	Fair value
March 31, 2018				
Securities classified as:				
Available-for-sale:				
Equity securities	**¥6,135**	**¥6,976**	**¥ (5)**	**¥13,106**
Other securities	**26**	**1**		**28**
Total	**¥6,161**	**¥6,978**	**¥ (5)**	**¥13,134**
March 31, 2017				
Securities classified as:				
Available-for-sale:				
Equity securities	¥6,365	¥9,375	¥(194)	¥15,546
Other securities	26	1		28
Total	¥6,392	¥9,377	¥(194)	¥15,574

				Thousands of U.S. dollars
	Cost	Unrealized gains	Unrealized losses	Fair value
March 31, 2018				
Securities classified as:				
Available-for-sale:				
Equity securities	**$57,877**	**$65,811**	**$(47)**	**$123,641**
Other securities	**245**	**9**		**264**
Total	**$58,122**	**$65,830**	**$(47)**	**$123,905**

At March 31, 2018 and 2017, investment securities whose fair values cannot be reliably determined were ¥32,252 million ($304,264 thousand) and ¥32,318 million, respectively, and their carrying amounts were not included in the above table.

4. INVENTORIES

Inventories at March 31, 2018 and 2017, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2018	2017	**2018**
Merchandise and finished products	**¥ 324**	¥ 383	**$ 3,056**
Work-in-process	**5,224**	3,553	**49,283**
Raw materials and supplies	**23,416**	22,488	**220,905**
Total	**¥28,965**	¥26,424	**$273,254**

5. LONG-TERM DEBT

Long-term debt at March 31, 2018 and 2017, consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2018	2017	**2018**
0.14% to 2.26% (0.14% to 2.26% in 2017) domestic bonds, due on various dates through 2037	**¥ 349,981**	¥ 379,977	**$ 3,301,707**
0.41% to 2.95% (0.68% to 2.95% in 2017) loans from The Development Bank of Japan, due on various dates through 2031	**27,608**	14,370	**260,452**
0.28% to 2.38% (0.30% to 2.20% in 2017) loans principally from banks and insurance companies, due on various dates through 2037	**305,659**	295,408	**2,883,575**
Obligations under finance leases	**12,019**	11,008	**113,386**
Total	**695,268**	700,764	**6,559,132**
Less current portion	**(114,475)**	(144,252)	**(1,079,952)**
Long-term debt, less current portion	**¥ 580,793**	¥ 556,511	**$ 5,479,179**

Note: The above does not include plans applying the simple method.

All of the Company's assets are subject to certain statutory preferential rights as collateral for loans from The Development Bank of Japan, for bonds, and for transferred bonds, by debt assumption.

Annual maturities of long-term debt at March 31, 2018, were as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars
2019	¥114,475	$1,079,952
2020	101,902	961,339
2021	72,598	684,886
2022	17,810	168,018
2023	67,611	637,839
2024 and thereafter	320,889	3,027,254
Total	¥695,287	$6,559,311

6. RETIREMENT AND PENSION PLANS

The Company has a defined benefit pension plan based on the Defined Benefit Corporate Pension Act, a lump-sum retirement benefit plan, and a defined contribution pension plan. The consolidated subsidiaries have adopted some of these plans.

Certain consolidated subsidiaries calculate net defined benefit assets, net defined benefit liabilities, and net periodic benefit cost by the simple method.

In certain cases, the Group pays additional retirement benefits for employees.

(1) The changes in defined benefit obligation for the years ended March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	**2018**
Balance at beginning of year	**¥153,328**	¥155,004	**$1,446,490**
Current service cost	**5,421**	5,496	**51,141**
Interest cost	**174**	165	**1,641**
Actuarial (gains) losses	**(469)**	226	**(4,424)**
Benefits paid	**(7,596)**	(7,564)	**(71,660)**
Balance at end of year	**¥150,859**	¥153,328	**$1,423,198**

Note: The above does not include plans applying the simple method.

Notes to Consolidated Financial Statements
6. RETIREMENT AND PENSION PLANS (continued)

(2) The changes in plan assets for the years ended March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	**2018**
Balance at beginning of year	**¥128,518**	¥128,792	**$1,212,433**
Expected return on plan assets	**2,568**	2,574	**24,226**
Actuarial gains	**850**	291	**8,018**
Contributions from the employer	**2,788**	2,831	**26,301**
Benefits paid	**(5,938)**	(5,971)	**(56,018)**
Balance at end of year	**¥128,789**	¥128,518	**$1,214,990**

Note: The above does not include plans applying the simple method.

(3) The changes in net defined benefit liabilities and net defined benefit assets for plans applying the simple method for the years ended March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	**2018**
Balance at beginning of year	**¥658**	¥670	**$6,207**
Net periodic benefit cost	**136**	145	**1,283**
Benefits paid	**(70)**	(75)	**(660)**
Contributions from the employer to plan assets	**(83)**	(82)	**(783)**
Balance at end of year	**¥641**	¥658	**$6,047**

(4) A reconciliation between the liabilities and assets recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets is as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2018	2017	**2018**
Funded defined benefit obligation	**¥ 124,859**	¥ 127,248	**$ 1,177,915**
Plan assets	**(128,789)**	(128,518)	**(1,214,990)**
	(3,929)	(1,269)	**(37,066)**
Unfunded defined benefit obligation	**26,000**	26,080	**245,283**
Net assets arising from defined benefit obligation	**¥ 22,070**	¥ 24,810	**$ 208,207**

Notes to Consolidated Financial Statements

6. RETIREMENT AND PENSION PLANS (continued)

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2018	2017	**2018**
Net defined benefit liabilities	**¥26,422**	¥26,400	**$249,264**
Net defined benefit assets	**(4,351)**	(1,590)	**(41,047)**
Net assets arising from defined benefit obligation	**¥22,070**	¥24,810	**$208,207**

Note: The above does not include plans applying the simple method.

(5) A reconciliation between the liabilities and assets recorded in the consolidated balance sheet and the balances of defined benefit obligation and plan assets for plans applying the simple method is as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2018	2017	**2018**
Funded defined benefit obligation	**¥ 1,629**	¥ 1,589	**$ 15,367**
Plan assets	**(1,129)**	(1,068)	**(10,650)**
	499	521	**4,707**
Unfunded defined benefit obligation	**141**	137	**1,330**
Net liabilities arising from defined benefit obligation	**¥ 641**	¥ 658	**$ 6,047**

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2018	2017	**2018**
Net defined benefit liabilities	**¥711**	¥712	**$6,707**
Net defined benefit assets	**(70)**	(53)	**(660)**
Net liabilities arising from defined benefit obligation	**¥641**	¥658	**$6,047**

(6) The components of net periodic benefit costs for the years ended March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Service cost	¥ 5,421	¥ 5,496	$ 51,141
Interest cost	174	165	1,641
Expected return on plan assets	(2,568)	(2,574)	(24,226)
Recognized actuarial losses	161	16,300	1,518
Amortization of prior service cost	0	0	2
Others	235	296	2,216
Net periodic benefit costs	¥ 3,424	¥19,684	$ 32,301

Note: The above does not include plans applying the simple method.

(7) Net periodic benefit cost for plans applying the simple method for the years ended March 31, 2018 and 2017, was as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Net periodic benefit cost	¥138	¥145	$1,301

(8) Amounts recognized in other comprehensive income (before income tax effect) in respect of defined retirement benefit plans for the years ended March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Prior service cost	¥ (0)	¥ (0)	$ (2)
Actuarial gains	(1,481)	(16,365)	(13,971)
Total	¥(1,481)	¥(16,365)	$(13,971)

(9) Amounts recognized in accumulated other comprehensive income (before income tax effect) in respect of defined retirement benefit plans as of March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2018	2017	**2018**
Unrecognized prior service cost		¥ 0	
Unrecognized actuarial (gains) losses	**¥(633)**	847	**$(5,971)**
Total	**¥(633)**	¥ 847	**$(5,971)**

(10) Plan assets

a. Components of plan assets
Plan assets as of March 31, 2018 and 2017, consisted of the following:

	2018	2017
Debt investments	**39%**	41%
Equity investments	**10%**	9%
Life insurance company general accounts	**49%**	48%
Others	**2%**	2%
Total	**100%**	100%

b. Method of determining the expected rate of return on plan assets
The expected rate of return on plan assets is determined considering the long-term rates of return which are expected currently and in the future from the various components of the plan assets.

(11) Assumptions used for the years ended March 31, 2018 and 2017, were set forth as follows:

	2018	2017
Discount rate	**Mainly 0.1%**	Mainly 0.1%
Expected rate of return on plan assets	**Mainly 2.0%**	Mainly 2.0%

(12) Defined contribution pension plan cost for the years ended March 31, 2018 and 2017, was as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	**2018**
Defined contribution pension plan cost	**¥1,498**	¥1,517	**$14,132**

7. SHORT-TERM BORROWINGS

Short-term borrowings consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2018	2017	**2018**
Loans, principally from banks		¥18,000	
Total		¥18,000	

8. ASSET RETIREMENT OBLIGATIONS

The changes in asset retirement obligations for the years ended March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	**2018**
Balance at beginning of year	**¥102,491**	¥100,892	**$966,896**
Reductions associated with settlement of asset retirement obligations	**(243)**		**(2,292)**
Other	**1,665**	1,598	**15,707**
Balance at end of year	**¥103,912**	¥102,491	**$980,301**

9. EQUITY

Japanese companies are subject to the Companies Act of Japan (the “Companies Act”). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

(a) Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders’ meeting. For companies that meet certain criteria including (1) having a Board of Directors, (2) having independent auditors, (3) having an Audit & Supervisory Board, and (4) the term of service of the directors being prescribed as one year rather than the normal two year-term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends-in-kind) at any time during the fiscal year if the Company has prescribed so in its articles of incorporation. With respect the third condition above, the Board of Directors of companies with (a) board committees (namely, appointment committee, compensation committee, and audit committee) or (b) an audit and supervisory committee (as implemented under the Companies Act effective May 1, 2015) may also declare dividends at any time because such companies, by nature, meet the criteria under the Companies Act. The Company is organized as a company with an audit and supervisory committee, effective. However, the Company cannot do so because it does not meet all the above criteria.

The Companies Act permits companies to distribute dividends-in-kind (noncash assets) to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the Company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥3 million.

(b) Increases / decreases and transfer of common stock, reserve and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends, until the total aggregate amount of legal reserve and additional paid-in capital equals 25% of the amount of common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts within equity under certain conditions upon resolution at the shareholders’ meeting.

(c) Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by a specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

10. INCOME TAXES

The Group is subject to several taxes based on income. The aggregate normal statutory tax rates for the Company approximated 28% for each of the years ended March 31, 2018 and 2017. Such rates for the consolidated subsidiaries approximated 31% for each of the years ended March 31, 2018 and 2017.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities at March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2018	2017	**2018**
Deferred Tax Assets:			
Depreciation and amortization	**¥ 16,341**	¥15,288	**$ 154,160**
Asset retirement obligations	**9,489**	9,509	**89,518**
Net defined benefit liabilities	**7,919**	7,923	**74,707**
Intercompany profit elimination	**4,797**	4,840	**45,254**
Contribution payable for reprocessing of spent nuclear fuel	**4,424**	1,277	**41,735**
Tax loss carryforwards	**1,789**	8,128	**16,877**
Other	**22,695**	16,902	**214,103**
Less valuation allowance	**(8,846)**	(8,377)	**(83,452)**
Total	**58,612**	55,493	**552,943**
Deferred Tax Liabilities:			
Special account related to nuclear power decommissioning	**(12,509)**	(6,013)	**(118,009)**
Deferred gain on derivatives under hedge accounting	**(2,274)**	(3,210)	**(21,452)**
Net unrealized gain on available-for-sale securities	**(1,532)**	(1,810)	**(14,452)**
Other	**(3,165)**	(2,478)	**(29,858)**
Total	**(19,482)**	(13,513)	**(183,792)**
Net Deferred Tax Assets	**¥ 39,130**	¥ 41,980	**$ 369,150**

Notes to Consolidated Financial Statements
10. INCOME TAXES (continued)

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income for the year ended March 31, 2018, was as follows.
A reconciliation is omitted, as the difference between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income for the year ended March 31, 2017, is not significant.

	2018
Normal effective statutory tax rate	28.2%
Increase in valuation allowance	1.5%
Other	0.1%
Actual effective tax rate	29.8%

At March 31, 2018, the Company had deferred tax assets relating to tax loss carryforwards of ¥1,789 million ($16,877 thousand), which had the effect of reducing future income tax. These deferred tax assets relating to tax loss carryforwards, if not utilized, will expire as follows:

Year ending March 31,	Millions of yen	Thousands of U.S. dollars
2022	¥ 69	$ 650
2023	212	2,000
2024	1,394	13,150
2025	18	169
2026	54	509
2027	38	358
Total	¥1,789	$16,877

11. RESEARCH AND DEVELOPMENT COSTS

Research and development costs charged to income were ¥3,675 million ($34,669 thousand) and ¥3,644 million for the years ended March 31, 2018 and 2017, respectively.

12. LEASES

[Lessee]

The minimum lease payments under noncancelable operating leases subsequent to March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	**2018**
Due within one year	**¥ 149**	¥ 150	**$ 1,405**
Due after one year	**1,015**	1,164	**9,575**
Total	**¥1,164**	¥1,315	**$10,981**

[Sublease]

Lease investment assets and lease obligations, without deducting interest expense in the accompanying consolidated balance sheet as of March 31, 2018, under sublease transactions were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	**2018**
Lease investment assets:			
Current assets	**¥11,523**	¥10,342	**$108,707**
Lease obligations:			
Current liabilities	**2,111**	1,914	**19,915**
Noncurrent liabilities	**9,411**	8,428	**88,783**

13. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

(1) Group policy for financial instruments

The Group uses financial instruments, mainly long-term debt, including bonds and loans, based on its capital financing plan. Short-term borrowings are used to fund ongoing operations. Cash surpluses, if any, are invested in low-risk financial assets. Derivatives are not used for speculative purposes, but to manage exposure to financial risks as described in (2) below.

(2) Nature and extent of financial instruments and risk management

Investment securities, mainly equity instruments for ensuring stable and efficient operation of the electric utility business, are managed by monitoring market values and financial position of issuers on a regular basis.

Accounts receivable are mostly for electricity charges and managed individually.

The repayments of bonds and loans are primarily long term, and the interest rates for them are fixed. Although they are exposed to market risks from changes in interest rates, fluctuations in interest have only a limited impact on the Group.

Payment terms of payables, such as trade notes and trade accounts, are less than one year.

Derivatives mainly include foreign exchange forward contracts and interest rate swaps, which are used to manage exposure to market risks from changes in foreign currency exchange rates of payables and from changes in interest rates of loans. The counterparties to these derivatives are limited to major international financial institutions with high credit ratings. Therefore, the Group does not anticipate any losses arising from credit risk. Derivative transactions are executed and controlled by the Accounting Department. Please see Note 14 for more details about derivatives.

(3) Fair values of financial instruments

Fair values of financial instruments are based on quoted prices in active markets. If a quoted price is not available, other rational valuation techniques are used instead. Please also see Note 14 for the details of fair value for derivatives.

	Millions of yen		
March 31, 2018	Carrying amount	Fair value	Unrealized gain / Loss
Investment securities	¥ 13,134	¥ 13,134	
Cash and cash equivalents	56,807	56,807	
Notes and accounts receivable	94,729	94,729	
Total	¥164,672	¥164,672	
Bonds	¥349,981	¥362,260	¥12,278
Long-term loans	333,267	342,576	9,308
Notes and accounts payable	49,873	49,873	
Total	¥733,122	¥754,709	¥21,586

Notes to Consolidated Financial Statements

13. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES (continued)

			Millions of yen
March 31, 2017	Carrying amount	Fair value	Unrealized gain / Loss
Investment securities	¥ 15,574	¥ 15,574	
Cash and cash equivalents	42,518	42,518	
Notes and accounts receivable	96,052	96,052	
Total	¥154,145	¥154,145	
Bonds	¥379,977	¥394,842	¥14,864
Long-term loans	309,778	320,268	10,489
Short-term borrowings	18,000	18,000	
Notes and accounts payable	45,503	45,503	
Total	¥753,259	¥778,613	¥25,354

			Thousands of U.S. dollars
March 31, 2018	Carrying amount	Fair value	Unrealized gain / Loss
Investment securities	**$ 123,905**	**$ 123,905**	
Cash and cash equivalents	**535,915**	**535,915**	
Notes and accounts receivable	**893,669**	**893,669**	
Total	**$1,553,509**	**$1,553,509**	
Bonds	**$3,301,707**	**$3,417,547**	**$115,830**
Long-term loans	**3,144,028**	**3,231,849**	**87,811**
Notes and accounts payable	**470,500**	**470,500**	
Total	**$6,916,245**	**$7,119,896**	**$203,641**

Notes: 1. Bonds and long-term loans in the above table include the current portion of such instruments.
2. At March 31, 2018 and 2017, investment securities whose fair values cannot be reliably determined were ¥32,252 million ($304,264 thousand) and ¥32,318 million, respectively, and their carrying amounts were not included in the above table.

Investment securities

The fair values of investment securities are measured at the quoted market price of the stock exchange for the equity instruments. Fair value information for investment securities by classification is included in Note 3.

Financial instruments whose fair value cannot be reliably determined are not included in the tables above.

Cash and cash equivalents

The carrying values of cash and cash equivalents approximate fair value because of their short maturities.

Bonds

The fair values of bonds are measured at the quoted market price.

Long-term loans

The fair values of long-term loans are determined by discounting the cash flows related to the debt at the Group's assumed corporate borrowing rate.

Short-term borrowings, notes, and accounts receivable and payable

The carrying values of short-term borrowings, notes, and accounts receivable and payable approximate fair value because of their short maturities.

Derivatives

Fair value information for derivatives is included in Note 14.

(4) Maturity analysis for financial assets and securities with contractual maturities

	Millions of yen	Thousands of U.S. dollars
March 31, 2018	Due in one year or less	Due in one year or less
Cash and cash equivalents	**¥ 56,807**	**$ 535,915**
Notes and accounts receivable	**94,729**	**893,669**
Total	**¥151,537**	**$1,429,594**

Please see Note 5 for annual maturities of long-term debt.

14. DERIVATIVES

The Company uses derivative financial instruments ("derivatives"), including foreign exchange forward contracts and currency swaps, to hedge foreign currency exchange rate risk associated with certain assets and liabilities denominated in foreign currencies. The Company also enters into interest rate swap contracts as a means of managing its interest rate exposure on certain liabilities. The Company does not hold or issue derivatives for trading or speculation purposes.

The counterparties to these derivatives are limited to major international financial institutions with high credit ratings. Therefore, the Company does not anticipate any losses arising from credit risk.

There were no derivative transactions to which hedge accounting is not applied at March 31, 2018.

Derivative transactions to which hedge accounting is applied at March 31, 2018, were as follows:

				Millions of yen
March 31, 2018	Hedged item	Contract amount	Contract amount due after one year	Fair value
Foreign exchange forward contracts:				
Buying U.S.$	Payables and forecasted transactions	¥26,373	¥20,311	¥7,981
Buying U.S.$	Interest expense	¥ 20		¥ (1)
Total		¥26,394	¥20,311	¥7,980
Interest rate swaps:				
Fixed rate payments, floating rate receipt	Long-term debt	¥ 1,381		¥ 5
Total		¥ 1,381		¥ 5

				Thousands of U.S. dollars
March 31, 2018	Hedged item	Contract amount	Contract amount due after one year	Fair value
Foreign exchange forward contracts:				
Buying U.S.$	Payables and forecasted transactions	$248,801	$191,613	$75,292
Buying U.S.$	Interest expense	$ 188		$ (9)
Total		$249,000	$191,613	$75,283
Interest rate swaps:				
Fixed rate payments, floating rate receipt	Long-term debt	$ 13,028		$ 47
Total		$ 13,028		$ 47

Notes: 1. The fair values of derivatives are measured at the quoted price obtained from the financial institution.
2. The amount of long-term debt, which includes derivatives to fix the interest rates, is ¥24,000 million ($226,415 thousand).

There were no derivative transactions to which hedge accounting was not applied at March 31, 2017.

Derivative transactions to which hedge accounting is applied at March 31, 2017, were as follows:

				Millions of yen
March 31, 2017	Hedged item	Contract amount	Contract amount due after one year	Fair value
Foreign exchange forward contracts:				
Buying U.S.$	Payables and forecasted transactions	¥28,263	¥23,291	¥11,451
Buying U.S.$	Interest expense	¥ 49	¥ 27	¥ (1)
Total		¥28,312	¥23,319	¥11,449
Interest rate swaps:				
Fixed rate payments, floating rate receipt	Long-term debt	¥ 1,458	¥ 1,458	¥ (2)
Total		¥ 1,458	¥ 1,458	¥ (2)

Notes 1. The fair values of derivatives are measured at the quoted price obtained from the financial institution.
2. The amount of long-term debt which includes derivatives to fix the interest rates is ¥24,000 million.

15. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Fuel purchase commitments

At March 31, 2018, the Company had a number of fuel purchase commitments, most of which specify quantities and dates for fuel deliveries. However, purchase prices are contingent upon fluctuations of market prices.

(b) At March 31, 2018, total contingent liabilities were as follows:

	Millions of yen	Thousands of U.S. dollars
Co-guarantees of loans of other companies:		
Japan Nuclear Fuel Limited	¥46,037	$434,311
Ras Girtas Power Company Q. S. C.	828	7,811
Al Suwadi Power Company S.A.O.C.	626	5,905
Al Batinah Power Company S.A.O.C.	595	5,613
Other	68	641
Guarantees of employees' housing loans	11,556	109,018
Guarantees under debt assumption agreements	40,000	377,358
Total	¥99,713	$940,688

16. OTHER COMPREHENSIVE (LOSS) INCOME

The components of other comprehensive (loss) income for the years ended March 31, 2018 and 2017, were as follows:

	Millions of yen		Thousands of U.S. dollars
	2018	2017	2018
Unrealized (loss) gain on available-for-sale securities:			
(Losses) gains arising during the year	¥ (990)	¥ 1,084	$ (9,339)
Reclassification adjustments to profit or loss	(1,219)	(0)	(11,500)
Amount before income tax effect	(2,210)	1,084	(20,849)
Income tax effect	277	(425)	2,613
Total	¥(1,932)	¥ 658	$(18,226)
Deferred loss on derivatives under hedge accounting:			
Losses arising during the year	¥(1,334)	¥ (449)	$(12,584)
Reclassification adjustments to profit or loss	(2,048)	(1,718)	(19,320)
Amount before income tax effect	(3,383)	(2,168)	(31,915)
Income tax effect	951	611	8,971
Total	¥(2,432)	¥ (1,557)	$(22,943)
Foreign currency translation adjustments:			
Adjustments arising during the year	¥ (331)	¥ (351)	$ (3,122)
Total	¥ (331)	¥ (351)	$ (3,122)
Remeasurements of defined benefit plans:			
Adjustments arising during the year	¥ 1,319	¥ 64	$ 12,443
Reclassification adjustments to profit or loss	161	16,300	1,518
Amount before income tax effect	1,481	16,365	13,971
Income tax effect	(419)	(4,589)	(3,952)
Total	¥ 1,062	¥11,775	$ 10,018
Share of other comprehensive loss in associates:			
Losses arising during the year	¥ (206)	¥ (60)	$ (1,943)
Reclassification adjustments to profit or loss	81	15	764
Total	¥ (124)	¥ (45)	$ (1,169)
Total other comprehensive (loss) income	¥(3,758)	¥10,479	$(35,452)

17. CASH AND CASH EQUIVALENTS

A reconciliation of the difference between cash and cash equivalents in the consolidated balance sheet as of March 31, 2018 and 2017, and cash and cash equivalents in the consolidated statement of cash flows for the years ended March 31, 2018 and 2017, is as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31,		March 31,
	2018	2017	**2018**
Cash and cash equivalents in the consolidated balance sheet	**¥56,807**	¥42,518	**$535,915**
Time deposits with maturities of more than three months	**(4,588)**		**(43,283)**
Cash and cash equivalents in the consolidated statement of cash flows	**¥52,218**	¥42,518	**$492,622**

18. RELATED-PARTY TRANSACTIONS

Significant transactions of the Company with directors and Audit & Supervisory Committee members, unconsolidated subsidiaries, and an affiliated company for the years ended March 31, 2018 and 2017, were as follows:

Yondenko Corporation

(The Company owns 32.2% of the common stock of Yondenko Corporation at March 31, 2018)

	Millions of yen		Thousands of U.S. dollars
	2018	2017	**2018**
Transactions:			
Construction	**¥16,592**	¥20,023	**$156,528**
Maintenance	**16,870**	16,313	**159,150**
Balances:			
Other current liabilities	**¥ 3,842**	¥ 3,943	**$ 36,245**

Tomoki Watanabe (Audit & Supervisory Committee Member)

	Millions of yen		Thousands of U.S. dollars
	2018	2017	**2018**
Transactions:			
Payment of interest	**¥ 194**		**$ 1,830**
Balances:			
Long-term debt	**¥28,500**		**$268,867**
Current portion of long-term debt	**10,000**		**94,339**

Note: Tomoki Watanabe, who is an Audit & Supervisory Committee Member, was concurrently the chairman of The Hyakujushi Bank, LTD. (the "Bank"). The Company borrowed from the Bank of which he was a representative, and the interest rate has been reasonably determined considering the market rate of interest. Collateral for the loans is not being offered.
On June 28, 2017, Tomoki Watanabe assumed the position of an Audit & Supervisory Committee Member and is, therefore, a related party. The above transactions were made after he assumed his position.

19. PER SHARE INFORMATION

Basic net income per share (“EPS”) for the years ended March 31, 2018 and 2017, was as follows:

	Millions of yen	Thousands of shares	Yen	U.S. dollars
For the year ended	Net income available to common shareholders	Weighted-average Shares	EPS	
March 31, 2018	**¥19,675**	**205,933**	**¥95.55**	**$0.90**
March 31, 2017	¥11,349	205,941	¥55.11	

20. SUBSEQUENT EVENTS

At the shareholders’ meeting of the Company held on June 27, 2018, the following appropriation of retained earnings as of March 31 2018, was approved.

	Millions of yen	Thousands of U.S. dollars
Year-end cash dividends, ¥15 ($0.14) per share	**¥3,113**	**$29,367**

21. SEGMENT INFORMATION

Under the Accounting Standards Board of Japan (the "ASBJ") Statement No. 17, "Accounting Standard for Segment Information Disclosures", and ASBJ Guidance No. 20, "Guidance on Accounting Standard for Segment Information Disclosures”, an entity is required to report financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components of an entity about which separate financial information is available and for which such information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, segment information is required to be reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

(1) Description of reportable segments

The Group’s reportable segments are those for which separate financial information is available and regular evaluation by the Company’s management is performed in order to decide how resources are allocated among the Group.

For the year ended March 31, 2018, the Group’s reportable segments consisted of four segments: “Electric utility,” “Telecommunications services,” “Construction/Engineering,” and “Energy.”

(2) Methods of measurement for the amounts of sales, profit, assets and other items for each reportable segment

The accounting policies of each reportable segment are consistent with those disclosed in Note 1, “Significant accounting and reporting policies.” Reportable segment profit is based on operating income. Also, intersegment sales or transfers are computed based on market price.

(3) Information about sales, profit, assets and other items of the Group for the years ended March 31, 2018 and 2017, was as follows:

Millions of yen

	Reportable Segments								
	Electric utility	Telecommunica-tions services	Construction / Engineering	Energy	Total	Other	Total	Adjustments	Consolidated
2018									
Sales:									
Sales to external customers	¥ 642,495	¥27,657	¥28,496	¥16,707	¥ 715,357	¥16,418	¥ 731,775		¥ 731,775
Intersegment sales or transfers	1,277	9,375	27,877	4,816	43,346	29,653	72,999	¥(72,999)	
Total	643,773	37,032	56,374	21,523	758,703	46,071	804,775	(72,999)	731,775
Segment profit	¥ 18,098	¥ 5,052	¥ 2,224	¥ 1,766	¥ 27,141	¥ 1,905	¥ 29,047	¥ 218	¥ 29,265
Segment assets	¥1,244,987	¥38,643	¥35,017	¥45,587	¥1,364,235	¥50,187	¥1,414,422	¥(84,196)	¥1,330,226
Other:									
Depreciation and amortization	61,286	5,073	295	3,190	69,845	2,599	72,444	(1,601)	70,842
Increase in property, plant and equipment and intangible assets	78,223	4,555	219	678	83,677	1,769	85,446	(1,411)	84,034

Millions of yen

	Reportable Segments								
	Electric utility	Telecommunica-tions services	Construction / Engineering	Energy	Total	Other	Total	Adjustments	Consolidated
2017									
Sales:									
Sales to external customers	¥ 602,243	¥25,864	¥24,348	¥15,343	¥ 667,800	¥ 16,736	¥ 684,537		¥ 684,537
Intersegment sales or transfers	1,189	9,805	28,368	4,744	44,108	32,752	76,860	¥(76,860)	
Total	603,433	35,670	52,717	20,087	711,909	49,488	761,398	(76,860)	684,537
Segment profit	¥ 10,418	¥ 4,078	¥ 1,630	¥ 1,995	¥ 18,122	¥ 1,891	¥ 20,013	¥ (3)	¥ 20,009
Segment assets	¥1,224,512	¥38,324	¥32,682	¥47,587	¥1,343,107	¥ 51,934	¥1,395,041	¥(93,773)	¥1,301,267
Other:									
Depreciation and amortization	63,691	5,289	312	3,196	72,490	2,594	75,084	(1,637)	73,446
Increase in property, plant and equipment and intangible assets	62,561	3,786	163	306	66,819	1,598	68,418	(1,690)	66,727

Notes: 1. “Other” consists of production, sales of electric appliances, and others.
2. Amounts of adjustment were as follows:
- An adjustment of segment profit of ¥(3) million, which represents transactions made between segments, is eliminated. Segment profit, after this adjustment, is consistent with the operating profit.
- An adjustment of segment assets of ¥(93,773) million, which represents transactions made between segments, is eliminated.
- An adjustment of depreciation of ¥(1,637) million, which represents transactions made between segments, is eliminated.
- An adjustment of increase in property, plant and equipment and intangible assets of ¥(1,690) million, which represents transactions made between segments, is eliminated.

Notes to Consolidated Financial Statements

21. SEGMENT INFORMATION (continued)

Thousands of U.S. dollars

	Reportable Segments								
	Electric utility	Telecommunica-tions services	Construction / Engineering	Energy	Total	Other	Total	Adjustments	Consolidated
2018									
Sales:									
Sales to external customers	$ 6,061,273	$260,915	$268,830	$157,613	$ 6,748,650	$154,886	$ 6,903,537		$ 6,903,537
Intersegment sales or transfers	12,047	88,443	262,990	45,433	408,924	279,745	688,669	$(688,669)	
Total	6,073,330	349,358	531,830	203,047	7,157,575	434,632	7,592,216	(688,669)	6,903,537
Segment profit	$ 170,735	$ 47,660	$ 20,981	$ 16,660	$ 256,047	$ 17,971	$ 274,028	$ 2,056	$ 276,084
Segment assets	$11,745,160	$364,556	$330,349	$430,066	$12,870,141	$473,462	$13,343,603	$(794,301)	$12,549,301
Other:									
Depreciation and amortization	578,169	47,858	2,783	30,094	658,915	24,518	683,433	(15,103)	668,320
Increase in property, plant and equipment and intangible assets	737,952	42,971	2,066	6,396	789,405	16,688	806,094	(13,311)	792,773

Notes: 1. "Other" consists of production, sales of electric appliances, and others.
2. Amounts of adjustment were as follows:
- An adjustment of segment profit of ¥218 million ($2,056 thousand), which represents transactions made between segments, is eliminated. Segment profit, after this adjustment, is consistent with the operating profit.
- An adjustment of segment assets of ¥(84,169) million ($(794,301) thousand), which represents transactions made between segments, is eliminated.
- An adjustment of depreciation of ¥(1,601) million ($(15,103) thousand), which represents transactions made between segments, is eliminated.
- An adjustment of increase in property, plant and equipment and intangible assets of ¥(1,411) million ($(13,311) thousand), which represents transactions made between segments, is eliminated.

Independent Auditor's Report

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Shikoku Electric Power Company, Incorporated:

We have audited the accompanying consolidated balance sheet of Shikoku Electric Power Company, Incorporated and its consolidated subsidiaries as of March 31, 2018, and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Shikoku Electric Power Company, Incorporated and its consolidated subsidiaries as of March 31, 2018, and the consolidated results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

Our audit also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in accordance with the basis stated in Note 1(a) to the consolidated financial statements. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu LLC

June 27, 2018

Member of
Deloitte Touche Tohmatsu Limited

Analysis of Business Results and Financial Position (Consolidated)

Business Performance (April 1, 2017–March 31, 2018)

Electricity Sales*

Electricity sales in fiscal 2017 declined 2.2% year on year, to 25,120 million kWh. Of this, sales for lighting (residential) were up 1.6% due to unusually low temperatures during winter months, resulting in greater demand for heating. In addition, sales of electricity to commercial customers fell 7.8% due to a reduction in contracted electricity. In addition, sales to large industrial customers fell 0.7% due to the influence of private power generation, among other factors, resulting in an overall decrease in electricity sales of 4.3%. Additionally, sales of wholesale were up 2.4% year on year, to 4,851 million kWh.

As a result, total electricity sales amounted to 29,971 million kWh, a year-on-year decrease of 1.5%.

Electricity Supply Operations*

Due to the reduced number of days that Ikata Unit No. 3 was operational, the volume of nuclear power generated fell 18.0% year on year, to 4,055 million kWh. Furthermore, the amount of hydroelectric power generated and purchased was relatively unchanged year on year at 3,408 million kWh, and renewable energy (solar/wind/biomass) increased 14.8% year on year, to 3,259 million kWh.

As a result, total thermal power generated and purchased remained steady at 21,966 million kWh.

Operating Results

In the fiscal year under review, operative revenues increased 6.9%, or ¥47.2 billion, year on year, to ¥731.7 billion. This result reflected increases in grants and surcharge income based on the feed-in tariff system for renewable energy as well as fuel price adjustment. These factors outweighed the decrease in electricity sales.

Operating expenses were up only 5.7%, or ¥38.0 billion, year on year, to ¥702.5 billion. This was attributed to increases in costs related to supply and demand (fuel costs + cost of purchasing electricity) due to rising fuel prices and a decreased amount of nuclear energy generated, as well as increased repair costs, which offset lowered personnel expenses caused by a decrease in the amortization of unrecognized actual loss related to retirement benefit obligations.

As a result of the above, we recorded year-on-year increases in operating income of ¥9.2 billion, to ¥29.2 billion, and in ordinary income of ¥12.1 billion, to ¥28.0 billion. In addition, net income attributable to owners of the parent rose ¥8.3 billion, to ¥19.6 billion.

Cash Flows

Cash flows from operating activities was ¥123.5 billion, due largely to the securement of income and depreciation and amortization.

Cash flows from investing activities was ¥81.9 billion due to such factors as investment in construction to enhance safety measures at the Ikata Nuclear Power Station and replace Saijo Unit No. 1.

As a result, free cash flow amounted to ¥41.5 billion.

Meanwhile, cash flows from financing activities totaled ¥31.7 billion, reflecting a bonds and loans reduction as well as dividend payouts. Cash reserves at fiscal year-end increased ¥9.7 billion.

* The imbalances (the differences between the demand planned in advance by the electricity suppliers and the actual demand) which have not been confirmed as of the settlement day (April 26, 2018) are not to be included.

Financial Position

Total assets stood at ¥1,330.2 billion on March 31, 2018, increasing ¥29.0 billion from the previous fiscal year-end. This was mainly due to recording provisions for reprocessing of irradiated nuclear fuel under the suspense account related to nuclear power decommissioning, stemming from the decision to decommission Ikata Unit No. 2, and an increase in cash reserves.

Total liabilities amounted to ¥1,017.6 billion, up ¥20.3 billion from the previous fiscal year-end, despite a decrease in corporate loans and bonds due to provisions for reprocessing of irradiated nuclear fuel stemming from the decision to decommission Ikata Unit No. 2.

Total equity increased ¥8.7 billion, to ¥312.5 billion, reflecting the recording of income.

Dividend Policy

Our basic policy for shareholder returns is to issue stable dividend payments. Dividend levels are determined based on thorough consideration of such factors as business performance, financial condition, and the medium- to long-term outlook for the operating environment.

Furthermore, our basic policy is to pay cash dividends twice a year, an interim dividend and a year-end dividend, as stipulated by our articles of incorporation to enable the payment of interim cash dividends, which is pursuant to Article 454, Paragraph 5 of Japan's Companies Act, and our basic policy. The interim dividend is set by the Board of Directors, while the final year-end dividend is set by the General Meeting of Stockholders.

In the fiscal year under review, in accordance with our basic policy for shareholder returns and based on business performance, financial conditions, and other factors, we decided on an interim dividend and a year-end dividend of ¥15 per share each, amounting to an annual dividend of ¥30 per share.

Other

Capital Investment

Capital investment relating to facility construction in our electric power business totaled ¥78.2 billion (before the elimination of transactions between segments). Investments included those to enhance safety measures at the Ikata Nuclear Power Station, a move taken in consideration of the Great East Japan Earthquake, and to replace Saijo Unit No. 1, as well as those to upgrade our transmission and transformation facilities to ensure that they can continue to supply power in a reliable manner.

In the telecommunications business, we invested a total of ¥4.6 billion (before the elimination of transactions between segments) in such projects as construction related to optical communications services.

Consolidated capital investment for the entire Group, which includes the construction and engineering, energy, and other business segments, totaled ¥84.0 billion for fiscal 2017 (after the elimination of transactions between segments).

Research and Development

The research and development activities of the Group are carried out mainly by its subsidiary Shikoku Research Institute Inc. The purpose of these activities, which relate primarily to the supply and use of electricity, is to improve our technologies and competitiveness.

In the fiscal year under review, the Group invested a total of ¥3.7 billion in research and development activities centered on the electric power business.

Outlook for Fiscal 2018 (April 1, 2018–March 31, 2019)

Due to difficulties in predicting the schedule for the resumption of operations at Ikata Unit No. 3, we are not making forecasts at this point in time. We will release business performance forecasts as soon as it becomes possible. (Statement made as of April 26, 2018.)

Business and Other Risks

The following is a description of the principal risks to the financial position, operating results, and cash flows of the Group. The forward-looking statements below represent estimates made as of the date of the publication of this annual report.

Risks Pertaining to the Economic Environment

Economic, Social, and Weather Conditions

The electric power business accounts for about 90% of the Group's consolidated operating revenues. Electricity sales volumes can be affected by changes in trends in economic, social, and weather conditions. The Group's business performance is particularly susceptible to cool summers and warm winters.

Price Fluctuations in the Fuel Used for Thermal Power Generation

The prices of crude oil, coal, and other fuels used in our thermal power generation business are affected by trends in the international market and currency exchange rates. The impact of these variables on our business performance is limited by the Fuel Cost Adjustment System under which the impacts of changes in fuel prices and exchange rates are reflected in our electricity rates. Therefore, the effects these variables have on the Group's business performance are limited. However, the Group's business performance may be impacted if fuel costs or currency exchange rates fluctuate to a significant degree.

Influence of Interest Rate Fluctuations

The Group's outstanding bonds and loans totaled ¥683.2 billion as of March 31, 2018. Future fluctuations in interest rates have the potential to influence our business performance.

However, the majority of the Group's outstanding bonds and loans are in the form of long-term debt at fixed interest rates; therefore, interest rate fluctuations can have only a limited impact on the Group's business performance.

Retirement Benefit Expenses and Obligations

The Group's retirement benefit expenses and obligations are computed based on actuarial calculation assumptions like the discount rate. As such, if this discount rate were to change due to interest rate fluctuations, the business performance of the Group may be affected.

Risks Relating to Environment Changes for the Electric Power Business

Reforming of the Government Energy Policy and Systems Pertaining to Electric Power Companies

Future government measures in accordance with the Basic Energy Plan, which stipulates basic policy in relation to energy supply and demand; Electricity System Reform in terms of full liberalization of the retail electricity market and the legal separation of the power transmission and distribution sector; and implementation of markets and rules to promote competition in the electricity market or progress of competition with other operators as a result of the above factors have the potential of impacting the Group's business performance.

Revisions to Safety Regulations Related to Nuclear Power Generation

Our Group adheres to all laws and regulations related to the nuclear power business, including compliance with the new regulatory requirements determined by the Nuclear Regulation Authority, and is making efforts to operate its nuclear power station in a safe and stable manner. In the event that revisions are made to the new regulatory requirements, the event that restrictions are placed on the operation of nuclear power plants, or the event that it becomes necessary to implement additional safety measures, the Group's business performance may be affected.

Changes in Expenses Arising from Nuclear Fuel Cycles

The uncertainties of costs arising from the nuclear fuel cycle, including reprocessing spent fuel and disposing of radioactive waste, and decommissioning nuclear power units have been mitigated by various governmental systems and measures. However, the Group's business performance is subject to the influence of prospective changes in these systems and measures, changes in estimates of future costs, the operational status of reprocessing facilities, and similar changes.

Strengthening Environmental Regulations

In the electric power business, the Group is reducing emissions of greenhouse gases in a variety of ways, including the maximum utilization of nuclear power generation facilities as well as the introduction of highly efficient thermal power generation facilities, such as LNG facilities, and renewable energy. However, business performance of the Group could be affected in the event that environmental regulations are strengthened as part of efforts to create a low-carbon society in the future.

Risks Pertaining to Business Activities

Operational and Facility-Related Issues

The Group's business is focused on the electric power business. To provide high-quality services, the Group maintains and inspects its facilities on a regular basis. At the same time, we thoroughly evaluate our exposure to natural disaster-related risks and work to implement appropriate and effective safety measures for our facilities, which we continually upgrade to reflect advances in knowledge and technologies. However, the Group's business performance is exposed to the risk of operational problems or damage to facilities due to malfunctions, accidents, or natural disasters, such as a major earthquake, tsunami, or typhoon. The Group's business performance could be affected by the occurrence of these events.

Other Businesses

The Group is committed to promoting other businesses by carefully investing in their future prospects and profitability. The anticipated revenues from these initiatives are vulnerable to any sudden deterioration in the market environment and other factors.

Compliance

The Group strictly adheres to laws and regulations in all of its business activities. To ensure strong corporate ethics and to receive the trust and praise of society at large, we have established a Compliance Promotion Committee at each Group company. At the same time, we have set up the Compliance Council of the Shikoku Electric Power Group, which promotes compliance on a Groupwide level. However, in the event that the Group loses social credibility due to the occurrence of an unlawful act or an action that violates corporate ethics, the Group's business performance could be affected.

Information Management

The Group places priority on implementing the strict and appropriate management of customer information in the Group's possession as well as other important business information by establishing information management rules and systems, training employees, and other means. The Group's business performance could be affected by the leakage of such information outside the Group.

Lawsuits

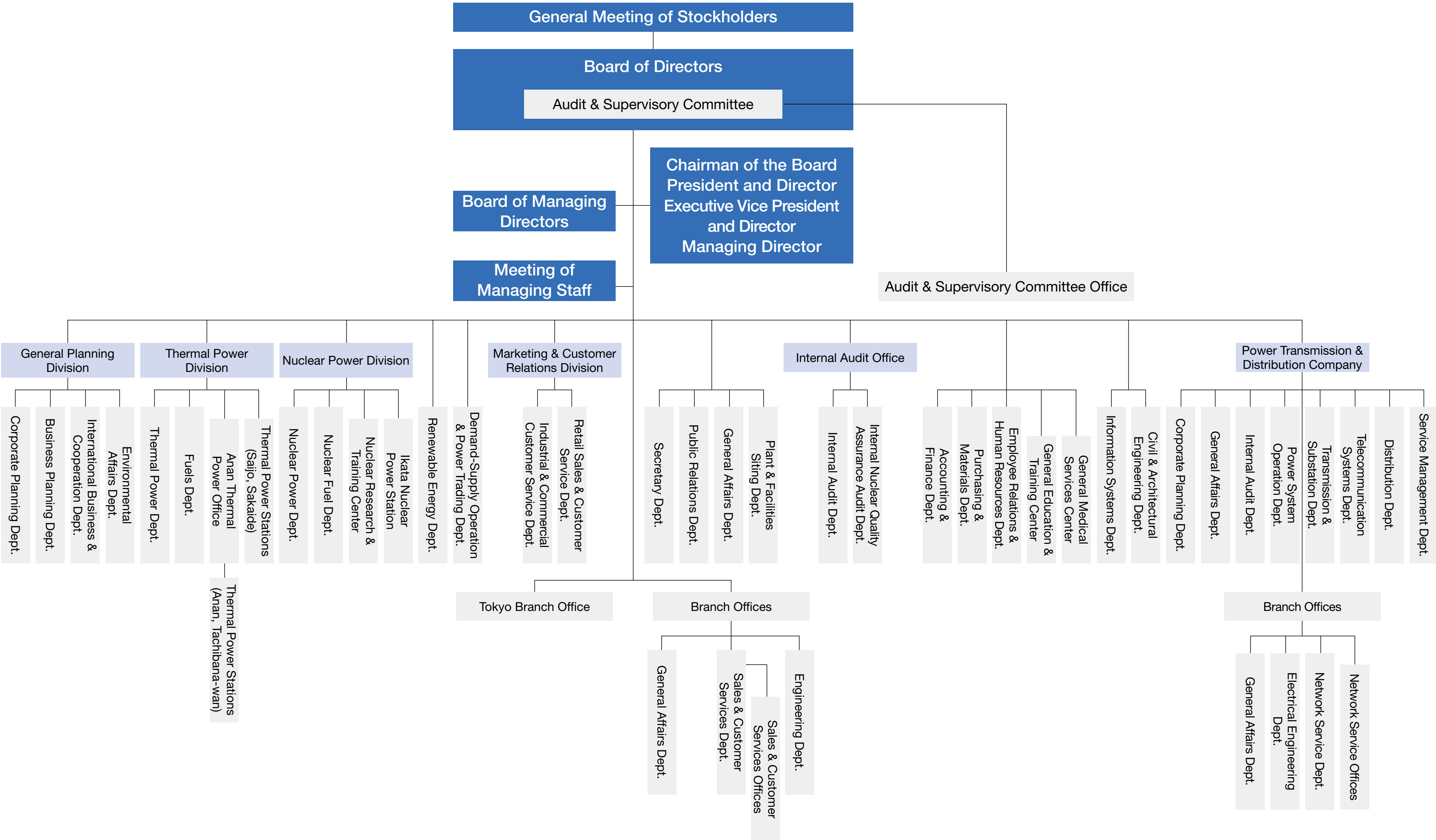
The Group makes every effort to strictly adhere to laws and regulations. However, if the Group's business activities become the target of a major lawsuit, and the ruling of such a lawsuit is unfavorable for the Group, the Group's business performance could be impacted.

In particular the results of lawsuits related to nuclear power could cause extended closures of power plants. In the event of such an occurrence, the increased fuel costs for thermal energy used as a substitute could have a significant impact on business performance.

Corporate Information

(As of April 1, 2018)

Organization



Subsidiaries and Affiliated Companies (As of March 31, 2018)

		Company Name	Year of Foundation	Principal Business
Electric Utility		TOSA POWER Inc.	2003	Electricity supply business
		MISAKI WIND POWER CO., Ltd.	2004	Wind power generation business
		Okawara Windfarm Corporation	2006	Wind power generation business
		Ei Wind Power Company, Incorporated	2006	Wind power generation business
IT / Communication		STNet, Incorporated*	1984	Telecommunication services (FTTH, etc.) and information system services
		Cable Media Shikoku Company, Incorporated*	1995	Cable TV broadcasting and telecommunication businesses
		Cable Television Tokushima, Incorporated*	1987	Cable TV broadcasting and telecommunication businesses
Construction / Engineering		Yonden Engineering Company, Incorporated*	1970	Study, designing, engineering and maintenance of electricity related facilities
		Yonden Consultants Company, Incorporated*	1982	Designing, engineering and supervision of civil works
		YONDENKO CORPORATION*	1963	Engineering works for power supply facilities
Energy		Yonden Energy Service Company, Limited*	1971	Sales and engineering of electric hot water heaters and air-conditioning systems
		Sakaide LNG Company, Incorporated*	2004	The construction and operation of LNG fuel bases; the storage and delivery of LNG
		SEP International Netherlands B.V.*	2011	Investment and financing for overseas projects (a subsidiary company for international investments)
		Tachibana Thermal Power Port Service Company, Limited	1998	Harbor unloading of coals imported from overseas to use at Tachibana-wan Power Station
		YN Energy Pty Ltd	2016	Procurement, sales, and trading of coals
		S4 Chile SpA	2016	Investment and financing for overseas project
		Niihama LNG Co.,Ltd.	2018	The construction and operation of LNG fuel bases; the storage and delivery of LNG and gas; sales of LNG, etc.
Others	Manufacturing	SHIKOKU INSTRUMENTATION CO., LTD.*	1951	Manufacture and sales of automatic gauge, information transmission system, etc.
		SHIHEN TECHNICAL CORPORATION	1946	Manufacture and sales of transformer and other electric equipment
		Techno-Success Company, Incorporated	1990	Manufacture and sales of transmission and distribution equipment
		Abe Iron Works Ltd.	1979	Designing, manufacture, and sales of industrial machinery
	Commercial Affairs Real Estate Transportation Services	Yonden Business Company, Incorporated*	1961	Real estate, planning, and production of advertisements, and office related services
		SHIKOKU AIR SERVICE CO., LTD.	1956	General aviation using aircraft and helicopter, and tourist agency
		Ikata Service Company, Incorporated	1995	Local community development and management services of Ikata Power Station
		Yonden Media Works Company, Incorporated	2001	Video production and other media related services
		Yonden Life Care Company, Incorporated	2002	Operation of nursing facilities for the elderly
		Utazu Kyushoku Service Co., Ltd.	2006	General maintenance, servicing, and management of school catering facility
		Tokushimaichiko PFI service Co., Ltd.	2007	Facilities and maintenance of Tokushima Municipal High School
		Matsuyamagakkokucho PFI service Co., Ltd.	2016	Development and maintenance of air-conditioning facilities of Matsuyama Municipal elementary and junior high school
	R&D	Shikoku Research Institute Incorporated*	1987	Research and development on technologies related to electric utility business and other

* Covered by consolidated financial statements (YONDENKO CORPORATION is accounted for by the equity method)

Corporate History

1951	May	Shikoku Electric Power Company, Incorporated, established
1963	Jul.	Our first thermal power station, Anan Unit No. 1 (125 MW), commenced operations
1965	Nov.	Saijo Unit No. 1 (156 MW) commenced operations (thermal power stations surpassed hydropower stations in terms of approved maximum output in the fiscal year ended March 31, 1966 (thermal power became primary and hydropower secondary))
1968	Jul.	Peak load exceeded 1,000 MW
1971	Jul.	Sakaide Unit No. 1 (195 MW), incorporating Japan's first combined-cycle power generation systems (gas turbine and steam turbine), commenced operations
1972	Aug.	Peak load exceeded 2,000 MW and annual electricity sales in the fiscal year ended March 31, 1973, exceeded 10 billion kWh
1973	Apr.	Sakaide Unit No. 3 (450 MW) commenced operations
	Oct.	First Oil Shock energy crisis occurred
1977	Aug.	Peak load exceeded 3,000 MW
	Sep.	Our first nuclear power station, Ikata Unit No. 1 (566 MW), commenced operations
1979		Second Oil Shock energy crisis occurred
1982	Mar.	Ikata Unit No. 2 (566 MW) commenced operations
	Jun.	Hongawa Unit No. 1 (300 MW) commenced operations
1988	Oct.	Started to visit and hold explanatory meetings at the 20,000 homes that fell within 10 km of Ikata Nuclear Power Station (and has been continued every fall since)
1990	Jul.	Peak load exceeded 4,000 MW and annual electricity sales in the fiscal year ended March 31, 1991, exceeded 20 billion kWh
1994	Jul.	Peak load exceeded 5,000 MW
	Dec.	Ikata Unit No. 3 (890 MW) commenced operations and total output reached 2,022 MW
1999	Dec.	Ikata Nuclear Power Station adopted the "Ikata System" of prompt, highly transparent disclosure of information
2000	Mar.	Liberalization of electricity retail market for extra-high-voltage power
	Jun.	Tachibana-wan Thermal Power Station (700 MW) commenced operations
2001	Jan.	Started to purchase and cancel treasury stock (began cancelling treasury stock in October)
	Mar.	Customer Information Center commenced operations
2004	Mar.	2010 Yonden Group Vision announced
	Oct.	STNet, Inc., started Pikara Optical Cable Internet Services, an optical telecommunications service for individual households
2005	Apr.	Liberalization of retail electricity market for high-voltage power occurred
2008	Jul.	Participated in the first overseas IPP business, Ras Laffan C Power and Water Project in Qatar
2010	Mar.	First LNG terminal completed; introduced LNG to Sakaide Unit No. 4 (350 MW) and commenced operations
		Pluthermal power generation started at Ikata Unit No. 3
	Aug.	Introduced LNG to Sakaide Unit No. 1 (296 MW) and commenced operations
	Dec.	Matsuyama Solar Power Station expansion plan phase I (2,042 MW) completed
2011	Feb.	New Yonden Group Vision announced
	Mar.	Great East Japan Earthquake and an accident at a nuclear power plant in Fukushima Prefecture occurred
2012	Jan.	Operation of all units of Ikata Nuclear Power Station halted
2013	Jul.	Applications submitted to confirm the compliance of Ikata Unit No. 3 with the new regulatory requirements
	Sep.	Electricity rates raised for customers in regulated categories (electricity rates raised for customers in deregulated categories in July 2013)
2016	Apr.	Start of the full liberalization of the retail electricity market
	May	Finished operations of Ikata Unit No. 1
	Aug.	Resumed operations of Ikata Unit No. 3
		Introduced LNG to Sakaide Unit No. 2 (289 MW) and commenced operations
2018	Apr.	Establishment of Power Transmission & Distribution Company as an in-house company
	May	Finished operations of Ikata Unit No. 2

Corporate Data and Stock Information

(As of March 31, 2018)

Corporate Data

Corporate Name	Shikoku Electric Power Co., Inc.
URL	http://www.yonden.co.jp/english/
Head Office	2-5, Marunouchi, Takamatsu, Kagawa 760-8573, Japan
Date of Establishment	May 1, 1951
Paid-in Capital	¥145,551,921,500
Number of Employees	8,156 (Consolidated) 4,594 (Non-consolidated)

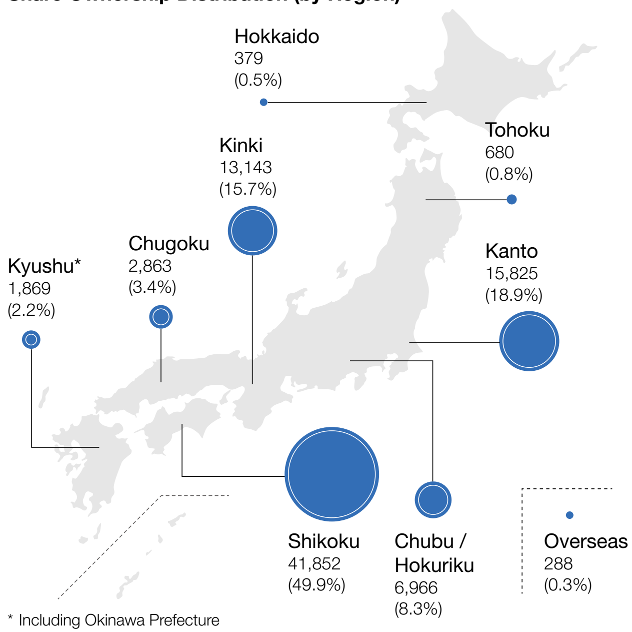
Stock Information

Total Number of Shares Authorized to be Issued	772,956,066
Total Number of Shares Issued	223,086,202
Number of Shareholders	83,865
Stock Exchange Listing	Tokyo Stock Exchange
Share Transfer Agency Department	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo 100-8233, Japan
Independent Auditors	Deloitte Touche Tohmatsu
Business Year	From April 1 to March 31 of the next year
General Meeting of Stockholders	June every year

Principal Shareholders (Top 10)

Name	Number of Shares (Thousands)	Shareholding (%)
The Iyo Bank, Ltd.	8,851	4.26
The Hyakujushi Bank, Ltd.	8,846	4.26
The Master Trust Bank of Japan, Ltd. (Trust account)	7,192	3.47
SUMITOMO JOINT ELECTRIC POWER CO., LTD.	7,062	3.40
Nippon Life Insurance Company	6,663	3.21
Kochi Prefecture	6,230	3.00
Japan Trustee Services Bank, Ltd. (Trust account)	5,361	2.58
Shikoku Electric Power Employee Stock Ownership	4,500	2.17
Meiji Yasuda Life Insurance Company	4,001	1.93
Japan Trustee Services Bank, Ltd. (Trust account 5)	3,441	1.66

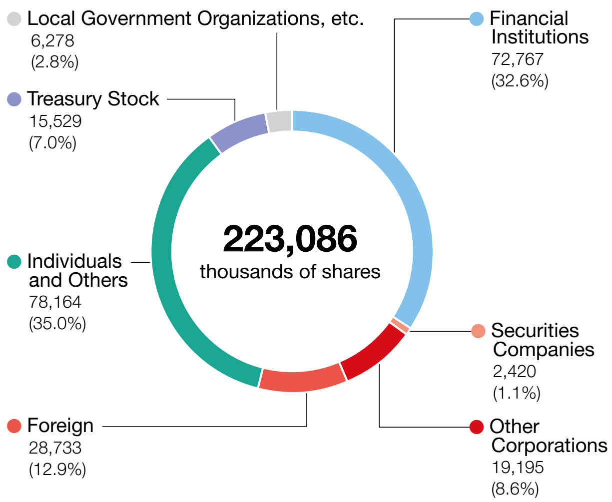
Share Ownership Distribution (by Region)



* Including Okinawa Prefecture

Share Ownership Distribution (by Investor Profile)

Thousands



Monthly Share Price and Trading Volume