



Shikoku Electric Power Group

INTEGRATED REPORT **2019**



Editorial Policy

This report has been published as an integrated report from this fiscal year to provide all stakeholders including shareholders and investors with a better understanding of the Shikoku Electric Power Group. We comprehensively organized the financial and non-financial information, which had been reported in the previous annual reports, presenting our Group's basic approach to creating sustainable corporate value as well as an overview of the status of actual initiatives and the outlook for the future.

Further detailed content that was not published in this report is available on our website.

We will continue to enhance the content of the report while reflecting the views of its readers.

Shikoku Electric Power Company Website

Investor Relations

Detailed information for shareholders and investors is available on our website.

<https://www.yonden.co.jp/english/ir/index.html>



Reporting Period

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

However, when it is appropriate to show past historical data and recent cases, we report on matters that fall outside this period.

Scope of Reporting

This report covers Shikoku Electric Power Co., Inc. and its subsidiaries and affiliated companies.

Reference Guidelines for Presentation of Non-Financial Information

Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation, Ministry of Economy, Trade and Industry

International Integrated Reporting Framework, International Integrated Reporting Council (IIRC) Sustainability Reporting Standards, Global Reporting Initiative (GRI)

Environmental Reporting Guidelines (2018 version), Ministry of the Environment

Publication Date

Japanese version: Published August 2019; English version: Published September 2019

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Caution Regarding Business Forecasts and Forward-Looking Statements

Forecasts included in this document are forward-looking statements based on data available at the time of their release and assumptions that are deemed reasonable. Actual results may differ substantially due to a number of factors.

The name "YONDEN" used in the Company logo is a combination of the first kanji characters (YON and DEN) of each of the two compound characters that make up the Company name. This is a company nickname familiar to local residents.

Contents

Shikoku Electric Power Group Value Creation

Shikoku Electric Power Group Vision	3
History of Shikoku Electric Power Group	5
Sustainable Value Creation Process	7
Group Strengths in the Value Chain	9
Shikoku Electric Power Group by the Numbers	11



Growth Strategies

Top Message	13
Shikoku Electric Power Group Medium-Term Management Plan 2020	19
Our 7 CSR Pillars underpinning Sustainable Value Creation	21



Value Creation Initiatives

Comprehensive Improvements in Cost Efficiency in the Electric Power Business	24
Maintaining and Improving Profitability in the Electric Power Business	34
Creation and Expansion of Profit Sources Outside of the Electric Power Business	39



Foundation Underpinning Value Creation

Yonden Group Action Charter	46
Yonden Basic Policy on Corporate Governance	47
Promoting Compliance	49
Advancing Environmental Preservation Activities	57
Practicing Transparent Management	59
Fostering Employee Motivation	63
Coexisting in Harmony with Communities	65
Enhancing Corporate Governance	65



Financial / Corporate Information

Data on Electric Power Business	72
Five-Year Financial Summary	73
Management Discussion and Analysis (Consolidated)	74
Corporate Data and Stock Information	78

Shikoku Electric Power Group Vision

We, the Shikoku Electric Power Group, will continue to share with employees our desire to be a force for the happiness of our customers and community members and work as a multi-utility corporate group supporting work and life to contribute to comfortable, safe, and secure living, and to the Shikoku region's development.

Shikoku Electric Power Group's Mission and Ultimate Purpose

We are committed to the continuous provision of high-quality services, centered on energy, that interconnect with the lives that people lead. In this way, we contribute to comfortable, safe, and secure life as well as to the Shikoku region's development.

Shikoku Electric Power Group Vision

**Seeking to be
a force for happiness**

Eco-friendly

**Creating
the future**

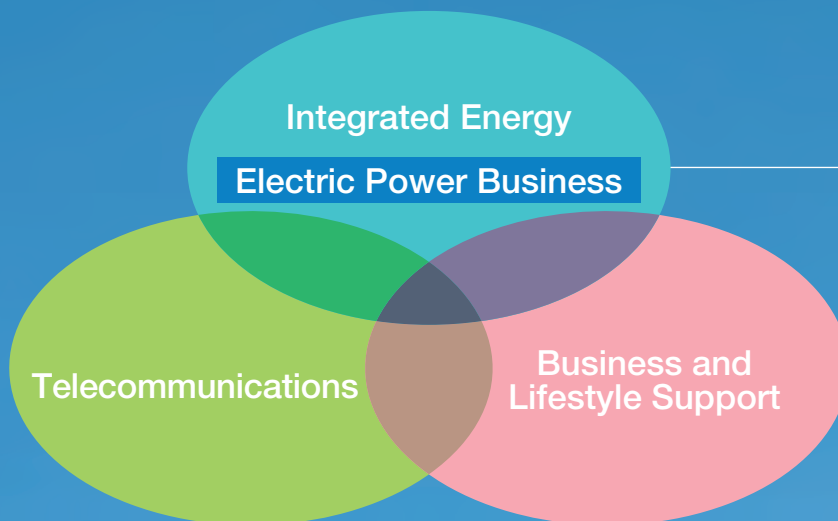
**Community
coexistence**

**Three key points
in realizing our group vision**

Shikoku Electric Power Group's Future Vision

Aiming to be a multi-utility corporate group supporting work and life

Our group aims to evolve and grow as the most trusted partner for customers in the Shikoku region, and as a corporate group capable of providing one-stop access to a full range of integrated energy, telecommunications, and business and lifestyle support services.



While effectively leveraging management resources including technology, human resources, and optical fiber equipment developed mainly by the Group company STNet, we provide one-stop IT services, that customers need to conduct business and daily life from information systems to telecommunication services and the cable television business.

We are working together as a Group to provide services that are consistent with industry characteristics and customer needs in the Shikoku region while leveraging the Group's brand strength in that region, and the technologies and knowhow developed by the Group.

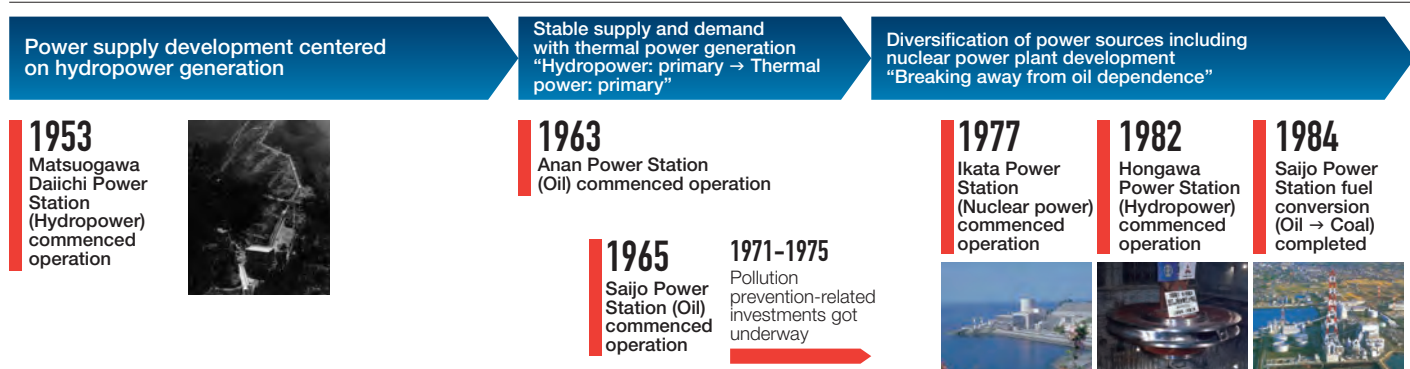
Japan, which lacks energy resources, has adopted as its basic policy for energy measures the realization of S+3E (safety, energy security, economic efficiency, and environment). Based on this policy, we strive to make use of supply and demand based on a well-balanced power supply that does not excessively rely on a specific power supply or fuel source, and based on the characteristics of each power source according to supply and demand fluctuations. At the same time, we have achieved an inexpensive, high-quality, and stable power supply by constantly working to create greater efficiency across management.

We are developing operations in a wide range of energy fields, such as the gas supply business and overseas power generation business by effectively leveraging our management resources including technology, knowhow, and personnel.

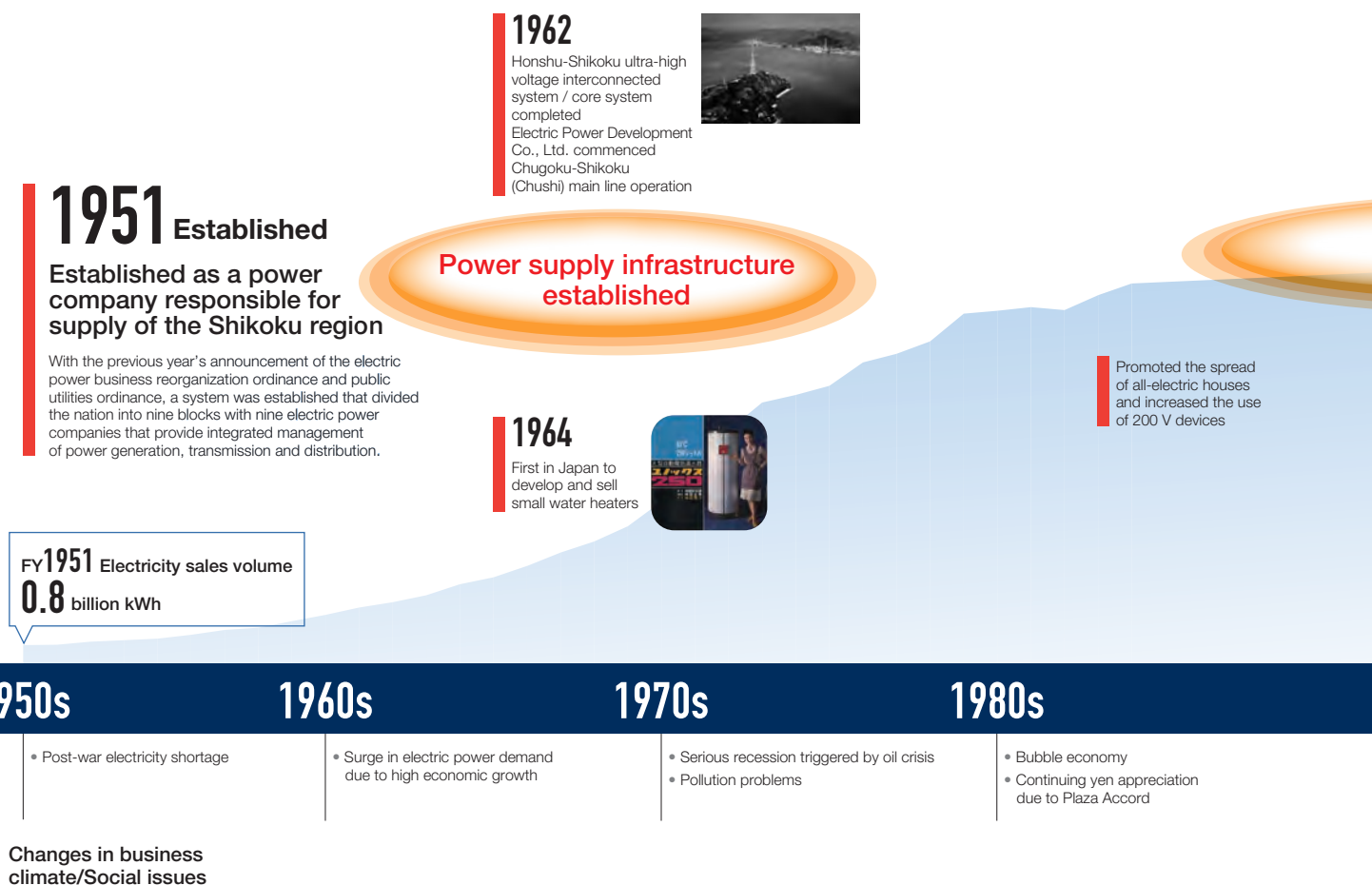


History of Shikoku Electric Power Group

Since its founding, we have steadily fulfilled its mission as an electric power supplier while expanding its business by solving social issues that change with the times, and responding to changes in customer needs.



Upgraded Electric Power Network Facilities and Expanded the Wide Area Interconnected Route



Maintaining balance between power sources

1988

Started visiting - for - dialogues with residents around Ikata Power Station

1996

Matsuyama Solar Power Station commenced operation

1999

Ikata Power Station adopted the "Ikata Style" of information disclosure

2000

Tachibana-wan Power Station (Coal) commenced operation

*In the foreground is our Tachibana-wan Power Station

2005

Woody biomass and coal co-firing at Saijo Power Station commenced operation

2010

Matsuyama Solar Power Station increased output

2010

Sakaide Thermal Power Station introduced LNG

Ikata Power Station's safety measures strengthened

Connected capacities of solar and wind power generation (End of fiscal 2011-2017)

Approx. **7** times

**1994**

Transmission of 500 kV across the entire Shikoku Chuo main line commenced operation
Electric Power Development Co., Ltd.'s Honshu-Shikoku (Honshi) Interconnected line commenced operation

1999

500 kV Awa main line / Minami Awa main line commenced operation

2000

Kii Channel direct current interconnector equipment commenced operation

2003

Overseas consulting business commenced

2004

Optical telecommunications service business to individual households commenced (STNet, Inc.)

2006

LNG sales business commenced

2008

Entry into overseas power generation business commenced

2013

"Powerico" data center in Takamatsu commenced service (STNet, Inc.)

FY2017 electricity sales volume
25.1 billion kWh

Strengthened the comprehensive power of the Group

**Developed electric power demand
Promoted customer services**

Developed industrial demand through energy solution activities

1997

District heating business commenced

1986-1989

Implemented rate discounts and reductions on the back of falling fuel costs caused by a strong yen

**Transforming and growing into
a multi-utility corporate group supporting work and life**

1996-2008 Rate reductions reflected greater management efficiency (7 times)

2001-2011 Buy-back and cancellation of treasury stock to improve capital efficiency

1990s

- Bubble collapse
- Rising awareness of global environmental issues
- Economic globalization
- Explosive growth of the Internet

2000s

- Longest postwar economic expansion
- Electrification progresses with changing lifestyles (pursuit of comfort and convenience)
- Global economic recession due to Lehman Brothers' collapse

2010s

- Frequent occurrence of large-scale disasters
- Declining population/dwindling birthrate and aging society
- Growing preference for saving energy and economizing

2000s

**Drastic change
in business
climate**

- Gradual liberalization of electricity retail market

2000 Extra-high voltage power

2004 High voltage (500 kW or more)

2005 High voltage (50 kW or more)

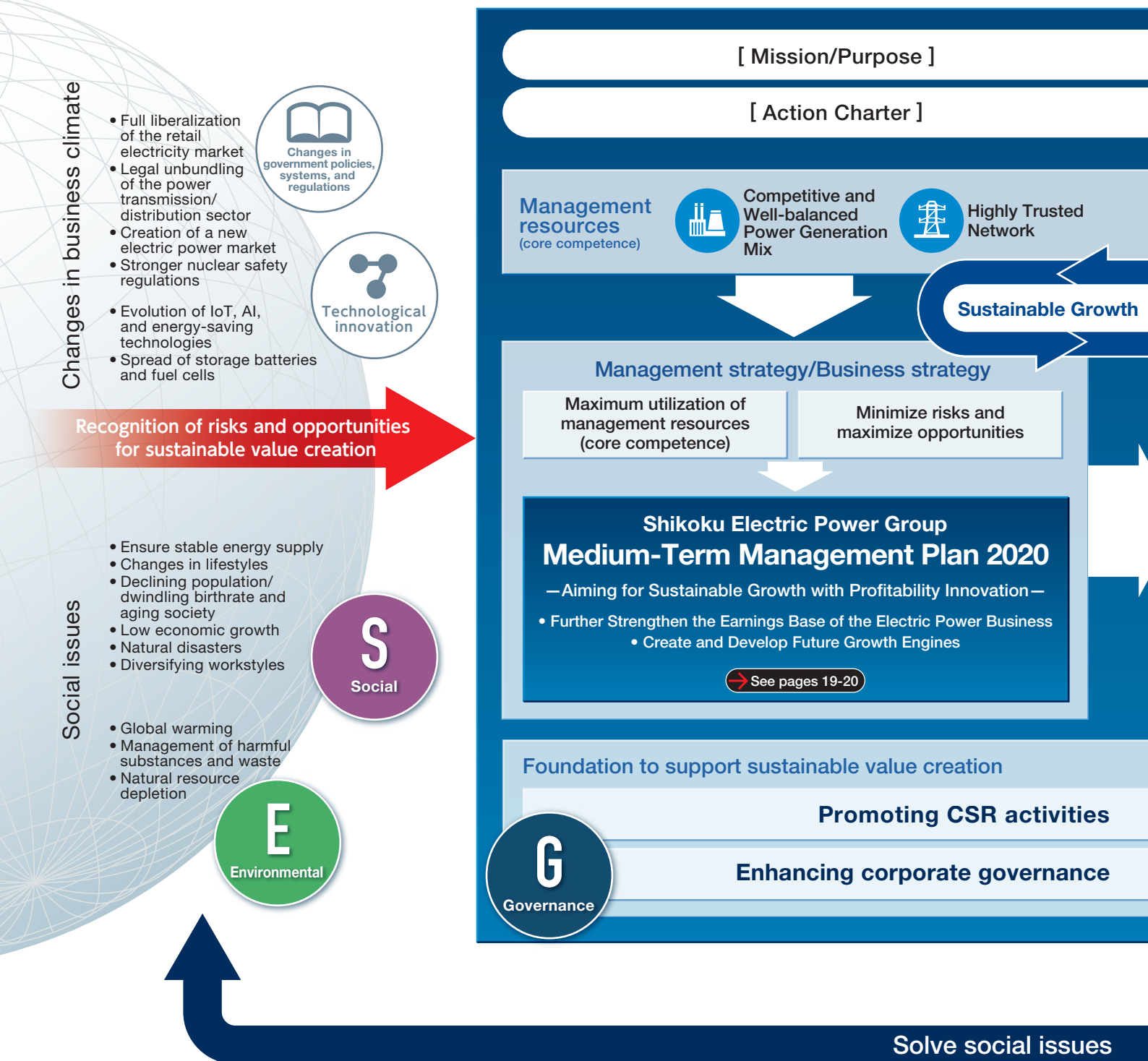
2016 Full liberalization of the retail electricity market

- Feed-in tariff system for renewable energy started

- Strengthened nuclear regulation on account of the Great East Japan Earthquake

Sustainable Value Creation Process

We seek to create sustainable corporate value through a deep connection with our business activities, stronger relationships of trust with every stakeholder who supports us, and fulfilling our social responsibilities.



Create Sustainable Corporate Value

Group Vision
Seeking to be a force for happiness

Vision for the Future
**Aiming to be a multi-utility corporate group
supporting work and life**

Contribute to a comfortable, safe, and secure life

Sustainable growth and development through
the fulfillment of social responsibility



Credibility and
Brand Power
in Shikoku
Region



Abundant Human
Resources,
Technologies,
and Knowhow

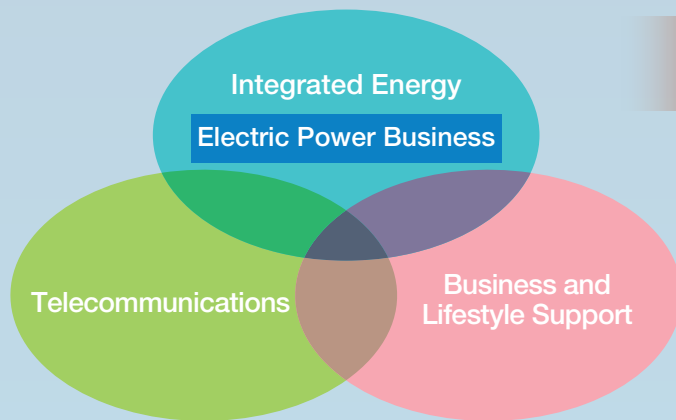


Sound
Financial
Structure

of the Group

Further enhance
management resources

Value creation through business activities



Offer value to
stakeholders

Creation of social value



Customers

- Providing society with useful products and services
- Providing safe, stable, reliable, and low-cost electric energy



Shareholders
and Investors

- Returning profits to shareholders by continuously improving corporate value
- Proactive disclosure of accurate information



Suppliers

- Fair and free trade as a good and reliable partner of equal standing



Employees

- Respecting the personality and individuality of each employee
- Committed to providing safe and comfortable working conditions
- Creating a cheerful and open corporate culture



Regional
Society

- Helping to develop local communities
- Maintaining sound and normal relations with politicians and government administrators
- Standing firmly against antisocial forces that menace civil society



The Earth

- Preserving the environment
- Minimizing environmental impact

→ See pages 21-22 and 45-70

based on the Yonden Group Action Charter

based on the Yonden Basic Policy on Corporate Governance

Group Strengths in the Value Chain

We deliver a wide range of value to customers and business partners by maximizing the Group's strengths, from fuel procurement to power generation, transmission, distribution, and energy services, focused on the electric power business.

Our Facilities (As of March 31, 2019)



Business Activities



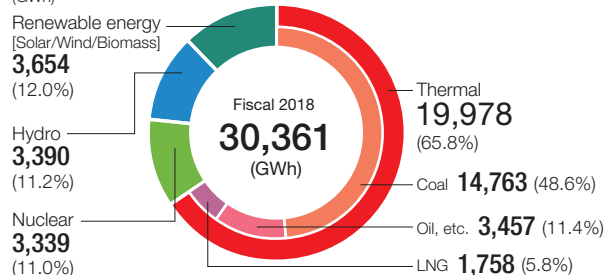
Fuel Procurement/Power Generation

- We conduct the economical and stable procurement of coal, LNG, and oil in thermal power generation, and uranium used in nuclear power generation based on the characteristics of fuel types.
- After use, nuclear fuel is stored in a power plant and then sent to a reprocessing plant where it is processed and reused as fuel.

- From a S (safety) +3Es (energy security, economic efficiency, and environment) perspective, we are optimizing power source configuration and maintaining a stable balance between supply and demand considering the individual characteristics of nuclear, thermal, and renewable energy power sources.

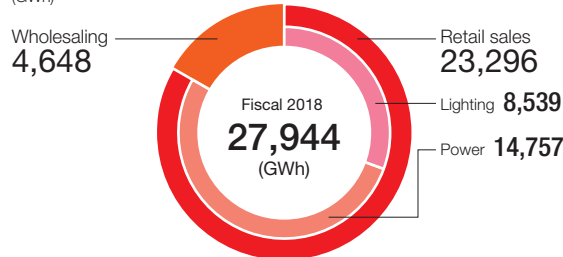
Electric power generation

(GWh)



Electricity sales

(GWh)

Competitive and Well-balanced
Power Generation Mix

- **Ratio of baseload power sources* with low generation cost**
(FY2018 results) Approx. **60%**
- **Ratio of zero emission power sources* with improved energy self-sufficiency and are environmentally friendly**
(FY2018 results) Approx. **30%**
- **Highly resilient power generation equipment**
Large power plants scattered around the Inland Sea area far from the epicenter (Nankai trough) where Tonankai and Nankai earthquakes are anticipated maintain high resilience in the event of a large-scale disaster.

* Baseload power source (nuclear + hydro [run-of-river type] + coal) ratio and zero emission power source (solar/wind/biomass + hydro + nuclear) ratio are calculated based on the amount of electricity generated and purchased.



Highly Trusted Network

- **World-leading quality electricity**
The duration of power outages is equivalent to or shorter than those of its peers in various foreign countries, through appropriate maintenance and inspections.
- **Trend of annual power outage time* per customer home compared to overseas**

Country/Region	Annual power outage time (Min.)
USA (California)	~180
UK	~120
France	~100
Germany	~80
Shikoku Electric Power	~60

* Figures for Shikoku Electric Power are the average for FY2014-2018, US (California) are the average for 2013-2017, and UK, France, and Germany are the averages for 2012-2016.

Source: Japan Electric Power Information Center, Inc., Overseas Electric Power Industry Statistic 2018 (Japanese only)
- **Highly resilient electric power network**
There are two connecting lines with Honshu (the main island of Japan) to maintain high resilience, even in the event of a large-scale disaster.

Credibility and Brand Power
in Shikoku Region

- **Abundant points of contact with customers**
With our 40 operating sites in Shikoku, we will build trusting relationships through face-to-face communication with customers.
- **Operating Sites (As of March 31, 2019)** (Operating Sites)

Within the Shikoku Region				Outside of the Shikoku Region
Head Office	Branch Offices	Sales & Customer Services Offices	Power Transmission & Distribution Company Branch Offices	Tokyo Branch Office
4	13	8	15	1

- **Understanding customers in power station communities**
For over a quarter century, we continue visit and dialogue with residents in the community surrounding the Ikata Power Station. (FY2018: approx. 27,000 homes)

Abundant Human Resources,
Technologies, and Knowhow

- **Wide range of business areas groupwide**
We will fully leverage our technological capabilities and knowhow synergies throughout the Group to provide a wide range of energy solutions based on trust and achievements.
- **Status of energy solution activities for business customers (Fiscal 2018)**

Category	Percentage
Energy-saving measures	56%
Facility maintenance measures	13%
Load equalization measures	12%
Environmental measures	3%
Others	16%

Number of proposals: 2,303



Transmission & Distribution

- We consistently deliver low-cost, high-quality electricity to our customers by improving the supply reliability of our transmission, transformation, and distribution equipment.



Providing Energy Services

- To insure against large-scale disasters such as future Tonankai and Nankai earthquakes, we are preparing tsunami countermeasures and restoration systems for our equipment.

- We offer a wide range of services in the fields of integrated energy, telecommunications, business and lifestyle support, including electric power and LNG sales, while making full use of the trust and brand power built over many years and the abundant human resources, technologies and knowhow throughout the Group.

Shikoku Electric Power Group by the Numbers

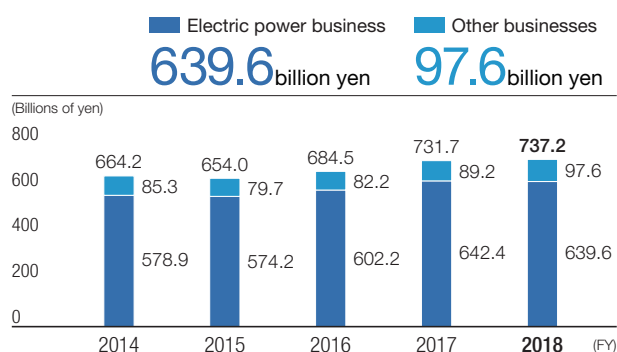
We will further strengthen our sound financial structure by working to achieve the targets of the medium-term management plan and seek to strengthen our management base to achieve sustainable value creation through non-financial initiatives related to the environment, society, and corporate governance.

To achieve the management goals contained in the medium-term management plan, we focused our business management efforts on three priority measures in fiscal 2018: expansion of electricity sales, comprehensive improvement of business efficiency, and creation and expansion of profit sources outside of the electric power business. As a result, operating revenues increased ¥5.5 billion year on year to ¥737.2 billion, and ordinary income decreased ¥2.9 billion to ¥25.1 billion mainly due to the impact of rising fuel prices.

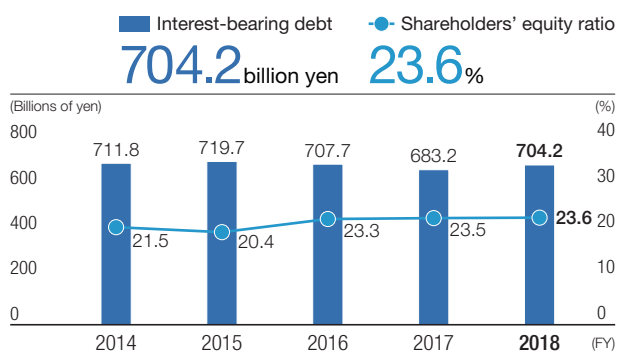
We achieved the following: ROA of 2.4%, a shareholders' equity ratio of 23.6%, and cash flows from operating activities of ¥54.5 billion, all indicators listed in our management goals. We set an interim and a year-end dividend payments at ¥15 per share each, for a total of ¥30 per share.

Financial Highlights

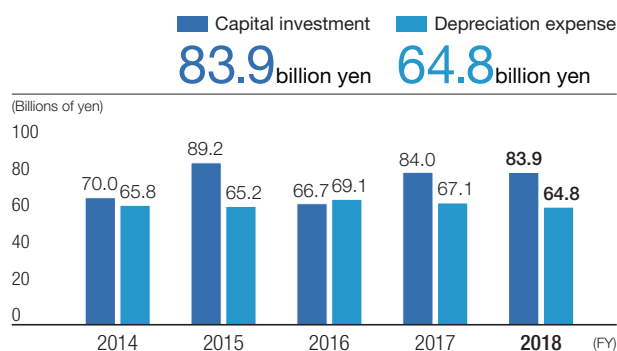
Operating Revenues



Interest-Bearing Debt / Shareholders' Equity Ratio

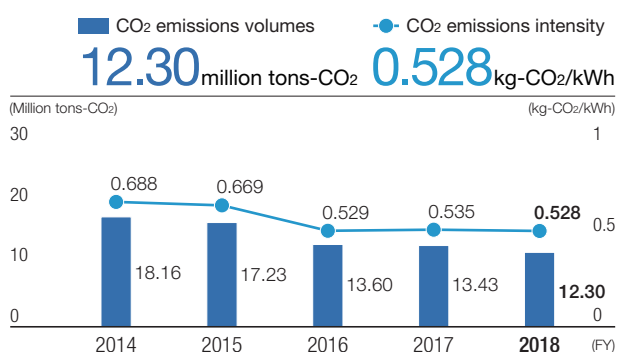


Capital Investment / Depreciation Expense



Non-financial Highlights

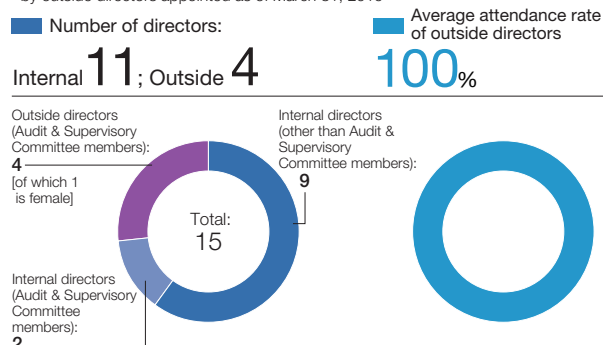
CO₂ Emissions Volumes and CO₂ Emissions Intensity



In fiscal 2018, CO₂ emissions decreased due to the expanded use of renewable energy. We will continue to reduce CO₂ emissions through a range of measures in the areas of power supply and sales.

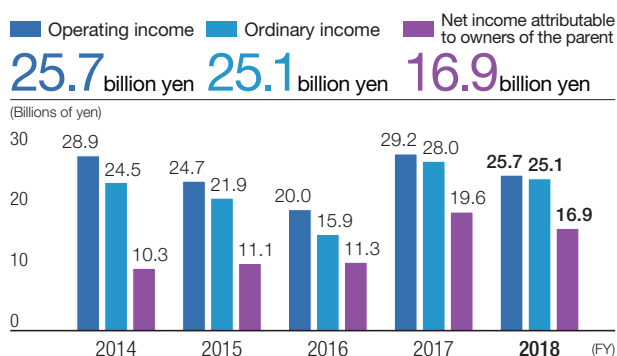
Number of directors (as of June 26, 2019) / Average attendance rate of outside directors (FY2018)

* Average attendance rate of the Board of Directors and Audit & Supervisory Committee by outside directors appointed as of March 31, 2019

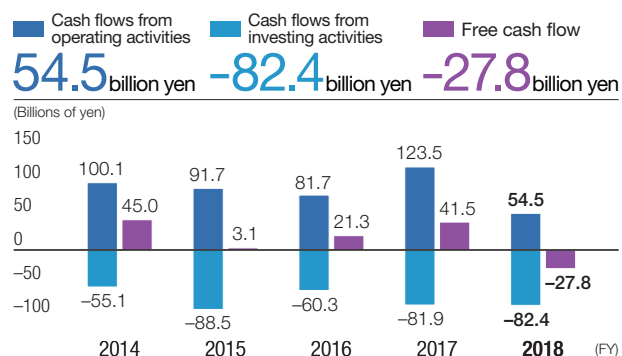


As of June 26, 2019, there were 15 directors, of which four were outside directors (of which one was female). The attendance rate of outside directors to the Board of Directors and the Audit & Supervisory Committee in fiscal 2018 was 100% and they spoke from an independent and objective point of view.

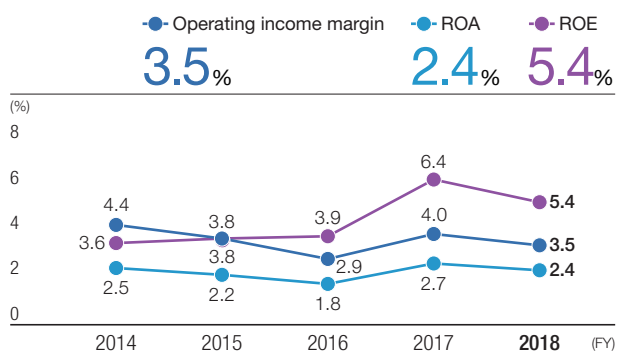
Operating Income / Ordinary Income / Net Income Attributable to Owners of the Parent Company



Cash Flows

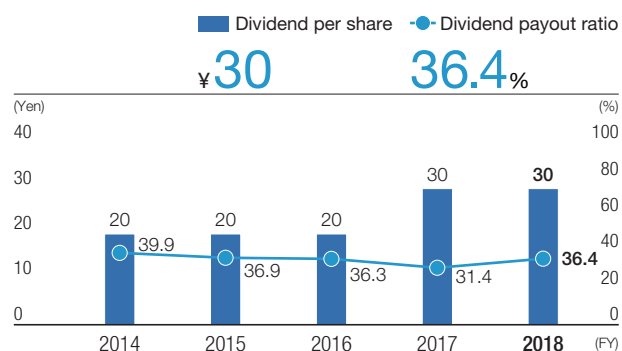


Operating Income Margin / Return on Assets* / Return on Equity

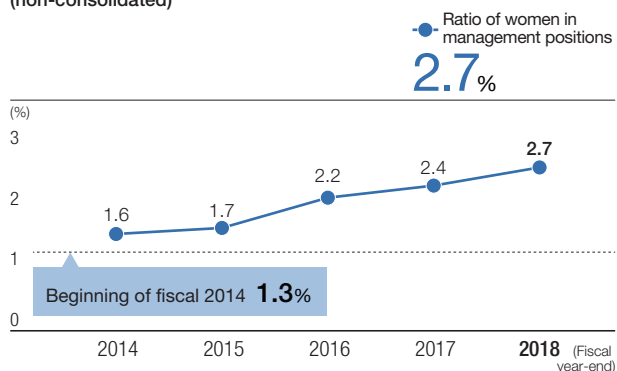


*(Ordinary income + Interest expense) / Average total assets

Dividend per Share / Dividend Payout Ratio



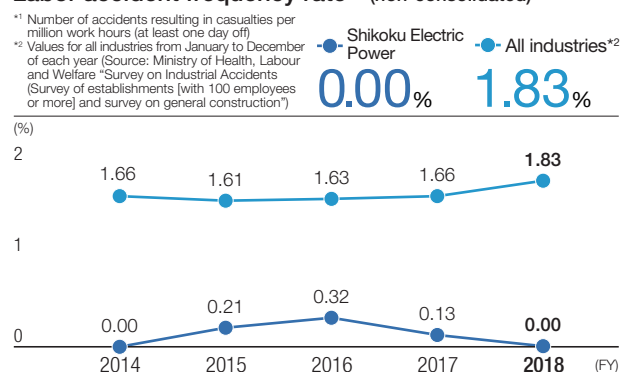
Ratio of women in management positions (non-consolidated)



Beginning of fiscal 2014 **1.3%**

While we sought to double the ratio of women in management positions at the end of fiscal 2019 compared with the beginning of fiscal 2014 (1.3%), we more than doubled that ratio at the end of fiscal 2018.

Labor accident frequency rate*1 (non-consolidated)



The frequency of labor accidents in fiscal 2018 was below the 1.83% frequency of labor accidents in all industries. We seek continued compliance with and enforcement of basic safety rules.

Top Message



Committed to Sustainable and Growth-Oriented Corporate Value Creation

Keisuke Nagai

Director and President

Q

You became president in June 2019.

What are your ambitions as the new head of the company?

A

While fulfilling our fundamental mission of contributing to the development of the Shikoku region through the stable supply of electricity, I will flexibly address changes in the business climate along with social issues, and carry out proactive and speedy business management harnessing the Group's collective strengths in order to grow and develop sustainably.

The electric power business, the core business of our Group, finds itself at a major crossroads symbolized by growing competition from the full liberalization of the retail electricity market, the creation of new markets, and the legal unbundling of the power transmission sector. Having taken the reins of management at such a critical time, I duly recognize the importance of my responsibilities.

Previously under former Chairman Chiba and new Chairman Saeki, our Group carried out initiatives balancing the two areas to further strengthen the earnings base of the electric power business and create and develop future growth engines as part of Medium-Term Management Plan 2020, with earnings reform the focus. I believe it is my role to further speed up these initiatives and help the seeds that have been planted grow quicker and larger.

Through my various experiences in thermal power, grid

operation, and corporate planning, among others, I have seen with my own eyes the high degree of potential offered by the Shikoku Electric Power Group. This includes a corporate culture that encourages collaboration and mutual discussions across organizations, flexible thinking not tied to the preconceptions, and the capabilities of employees to transform challenges into opportunities.

While fully harnessing these strengths, we will fulfill our basic mission of contributing to community development through low-cost and stable supplies of electricity, we will flexibly respond to changes in the business climate and social issues. In turn, we will harness the collective strengths of our Group to pursue business management in an even more active and speedy manner so as to grow and develop in a sustainable manner.

Q

How will you enhance corporate value?

A

I will aim for the sustainable improvement in our corporate value by responding to diverse social needs in Japan and abroad, while utilizing our Group's strengths in order to contribute to a comfortable, safe and secure life and to the Shikoku region's development as a multi-utility corporate group supporting work and life.

Under our management vision of becoming a multi-utility corporate group supporting work and life, our Group aims for sustainable improvement in our corporate value by fulfilling our mission of contributing to a comfortable, safe and secure life and to the Shikoku region's development and continually generating social value, through business activities in various sectors, mainly electric power, integrated energy, telecommunications services along with business and lifestyle support.

As we carry out individual business activities, with the foresight to identify changes in business climate and social issues and an awareness toward restraint of environmental load, we will fully capitalize on our Group's strengths to provide services tailored to diverse needs of consumers and businesses. During this process, we will enter business fields with profit and growth potential and take steps to further revitalize local communities.

In addition, we will seek out further growth by expanding

business with a global perspective and extending our business domains to outside Shikoku and overseas.

Furthermore, the Shikoku region where our Group is based, is blessed with abundant nature and tourism resources, and in recent years in-bound tourism has risen significantly. At the same time, social issues are emerging such as a declining birthrate and aging population. As a result, we will rethink our growth strategy while seeking out co-existence and co-prosperity with the community.

Q

What are the strengths of the Shikoku Electric Power Group?

A

Our strengths are found in a competitive and well-balanced power generation mix, highly trusted network, abundant human resources, technologies and knowhow, credibility and brand power in the Shikoku region, and sound financial structure, developed through our core electric power business.

Our Group has fulfilled our basic mission in our core electric power business as an energy provider realizing stable and low-cost electricity supply for close to 70 years since our establishment. In addition, we have continued to tackle new challenges and engage in original initiatives to address social needs while fully harnessing the collective strengths of our Group, including in peripheral fields surrounding the electric power business.

Looking back on our history, we have long built up energy infrastructure underpinning the lifeline of a stable supply of electricity. This has included the development of our mainstay Ikata Power Station and Tachibana-wan Power Station along with a regional power grid tied to these large power stations. At the same time, we have worked to promote understanding about our business among the communities of Shikoku through original initiatives including highly transparent disclosures known as the Ikata Style and visiting-for-dialogues activities. In addition, we were among the first power companies to reduce CO₂ emissions with the introduction of solar power generation for commercial customers and to create new services such as the rental of electric water heaters. We have also worked to improve business efficiency by integrating the Group's business systems.

Furthermore, we have worked to improve capital efficiency using a financial strategy in tune with the right capital mix and careful selection of capital investments. Through these initiatives, we have accumulated management resources in terms of personnel, technology and knowhow. Pursuing business management utilizing these resources has enabled us to contribute to the development of the Shikoku region, which in turn has fostered our Group's credibility and brand power.

In our future business activities, we will consider changes in the business climate and social issues as risks and opportunities and continue to fully utilize the inherent strengths of our Group gained through these initiatives and challenges to date.

Q

What areas do you emphasize to ensure sustainable value creation?

A

I believe the foundation of our sustainable value creation is embodied in the promotion of CSR activities under the Yonden Group Action Charter and enhancement of corporate governance following the Yonden Basic Policy on Corporate Governance.

Following the Yonden Group Action Charter, our Group carries out CSR activities integrated with our business activities. For promoting CSR activities, we have established



our seven CSR pillars which are realizing a stable electric supply, promoting compliance, advancing environmental preservation activities, practicing transparent management, entrenching a customer-first mindset, fostering employee motivation, and coexisting in harmony with communities.

In addition, we established the Yonden Basic Policy on Corporate Governance, under which we have been working to enhance corporate governance on an ongoing basis.

To raise the effectiveness of these initiatives, we use environmental, social and governance (ESG) perspectives identify risk factors standing in the way of sustainable growth and opportunities for reinforcing existing business or creating new business reflecting findings in business strategy. Additionally, we are making efforts to achieve the Sustainable Development Goals (SDGs) for 2030 adopted by the United Nations in September 2015.

Specifically, from the standpoint of further enhancing governance, we conducted a review of the corporate officer system on June 26, 2019, aiming to seek further transparency in the roles of supervision and business execution of management and to strengthen business execution functions.

We introduced a share-based remuneration plan to share corporate values with shareholders by making the linkage between remuneration for Directors and executive officers and the company's share value clearer.

In addition, amid growing interest in environmental conservation among stakeholders, our Group will further promote initiatives aimed at environmental conservation. At the same time, we plan to further expand disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Q

What specific actions will you take to reinforce your earnings base in the electric power business?

A

We will make comprehensive improvements to cost efficiency by optimizing supply capacity and increasing labor productivity. We will also boost profitability by reinforcing our sales capabilities.

We consider comprehensive improvements in cost efficiency along with maintaining and improving profitability in the electric power business as priority initiatives for fiscal 2019.

Toward improving cost efficiency, we are optimizing supply capacity by operating supply facilities such as Ikata Unit No. 3 in a safe and stable manner, increasing the efficiency of supply facilities such as replacing the ultra-supercritical (USC) generation equipment of Saijo Unit No. 1, addressing aging such as terminating oil-fired thermal power facilities, and furthermore, maximizing renewable energy, such as increasing output of hydropower plants. Furthermore, in terms of renewable energy, our Group is working as one to actively develop power sources in Japan and abroad, with the goal of developing 500 MW by 2030.

In addition, we are working to exhaustively improve business efficiency by carefully screening equipments and repair work, reducing the cost of equipment and materials and fuel procurement, and further improving labor productivity. As a new initiative for fiscal 2019, under the Special Committee for Business Reform directly controlled by the president, we newly established the Business Innovation Promotion Subcommittee, to speed up fundamental business innovations, utilize new technology, and promote flexible working styles.

Aimed at maintaining and improving profitability in the electric power business, we will expand rate plans and service offerings, boost demand by promoting electrification, and promote greater sales outside of the Shikoku region. At the same time, we aim to effectively utilize new markets including the baseload market.

As a new initiative, we are focusing particular efforts on reinforcing our sales structure through tie-ups with other businesses in the Shikoku region. Specifically, we have concluded agency agreements with local companies with a powerful customer base in the region, and by

utilizing the sales capabilities of these companies we will more effectively retain customers and, while working with alliance partner companies, we will strive to enhance and reinforce new value-added services.



What are your thoughts about growth strategy in fields outside the electric power business, as the creation and development of the next growth engine?



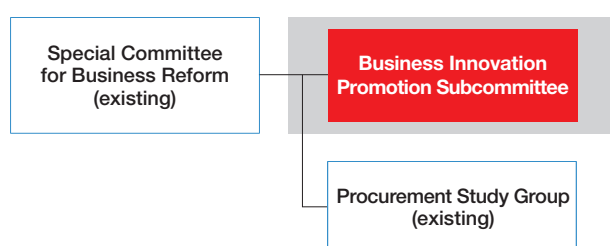
We will strengthen and expand existing businesses such as telecommunications services and overseas businesses, and tap into new business segments.

Telecommunications services is the next pillar of our business after electric power. As for fiber optic internet services for consumers, we will increase the number of contracts by stepping up sales collaboration between cable TV and electric power. In regard to data centers, we will seek to expand our customer base using the characteristics of the Shikoku region which experiences few natural disasters. Furthermore, we will examine expanding businesses in information communication technology (ICT) with an eye toward the future, including response to next-generation high speed telecommunications.

In regard to overseas businesses, we have expanded owned capacity to 710 MW as of the end of May 2019.

Looking ahead, we will expand our target area from the Middle East to Southeast Asia and the Americas, where growth is anticipated. By working to expand the

Implementation system for improving business efficiency



Priority Initiatives for Fiscal 2019

- Comprehensive improvements in cost efficiency and maintaining and improving profitability
- Creation and expansion of profit sources outside of Electric Power Business
- Fulfillment of social responsibilities forming the basis of sustainable value creation

development of renewable energy, too, we will aim to reach our annual profit target of ¥4 billion in fiscal 2025.

Furthermore, we will extend our reach into fields such as integrated energy, agriculture, and consumer services for the household field, invest in promising venture companies, and promote initiatives such as open innovation.

Q Can you detail the company's progress toward reaching the targets of Medium-Term Management Plan 2020?

A We face challenges to reaching our targets due to declining retail electricity sales volumes and impacts felt from the suspension of nuclear power generation. Nevertheless, we are speeding up efforts aimed at improving profitability.

The management targets on a consolidated basis contained in our Medium-Term Management Plan are as follows:

- ROA: Fiscal 2020 Approximately 3%;
- Shareholders' Equity Ratio: Fiscal 2020 year-end More than 25%; and
- Cash Flows from Operating Activities: Five-Year Cumulative Total Over ¥520.0 billion.

In fiscal 2018, we worked on creating and expanding revenue sources in fields outside of electric power, in addition to exhaustively improving business efficiency and increasing electricity sales. However, profits declined due to a drop-in heating demand from higher winter temperatures, falling electricity retail sales associated with tougher competition, and furthermore, a drop in the capacity factor of Ikata Unit No. 3 due to the temporary injunction suspending operations issued by the Hiroshima High Court.

The results for fiscal 2018 were as follows:

- ROA: 2.4%;
- Shareholders' Equity Ratio: 23.6%; and
- Cash Flows from Operating Activities: ¥54.5 billion.

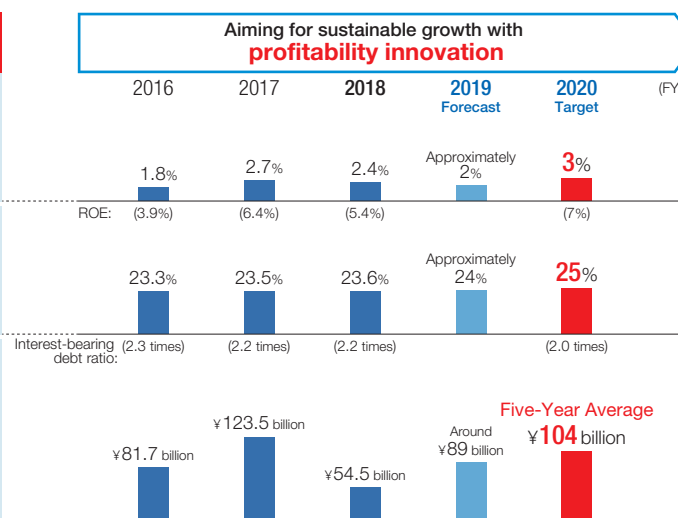
In fiscal 2019, there are positive factors at play, such as increased capacity factor of Ikata Unit No. 3 and growing wholesaling, but we expect profits to remain largely on par with the previous year due to declining electricity sales and an increase in repair costs associated with periodic inspections of Ikata and Tachibana-wan power stations, among other factors.

In this manner, we face challenges to achieving our management targets, but we will continue working toward these targets by exhaustively improving cost efficiency while maintaining and improving profitability in the electric power business, and creating and expanding revenue sources in fields outside of electric power.

Progress of Medium-Term Management Plan targets

Management Targets (Consolidated)	
ROA*	
Fiscal 2020 Approximately 3% [ROE: Approximately 7%]	
Shareholders' Equity Ratio	
Fiscal 2020 year-end More than 25% [Interest-Bearing Debt Ratio: Less than 2.0 times]	
Cash Flows from Operating Activities	
Five-Year Cumulative Total Over ¥520 billion	
Five-Year Average ¥104 billion	

* (Ordinary income + Interest expense) / Average total assets



Q

What are your thoughts on capital policy?

A

We will aim to optimize our capital structure by securing financial soundness along with controlling and reducing the capital cost rate. Our basic policy for shareholder returns is to issue stable dividend payments.

Considering situational changes, such as increased competition in the electric power business, and the risk of rising financing costs in the future, we will aim to optimize our capital structure by securing financial soundness along with controlling and reducing the capital cost rate.

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 business climate.

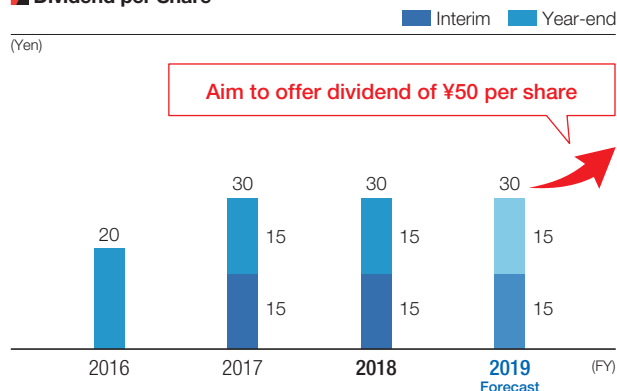
Based on the policy outlined above, we offered a full-year dividend of ¥30 per share for fiscal 2018, comprising an interim dividend and year-end dividend of ¥15 per share each.

In addition, our dividend forecast for fiscal 2019 remains the same as last year. We plan to offer a dividend of ¥30 per share for fiscal 2019, comprising an interim dividend of ¥15 and year-end dividend of ¥15 per share.

As for the dividend over the medium term, our goal remains unchanged to offer a dividend of ¥50 per share, assuming that business operations normalize with the stable and secure operation of Ikata Unit No. 3 and we secure stable earnings.

I look forward to the continued understanding and support of shareholders and investors alike and ask that you view our Group's business activities with a medium- to long-term perspective.

Dividend per Share

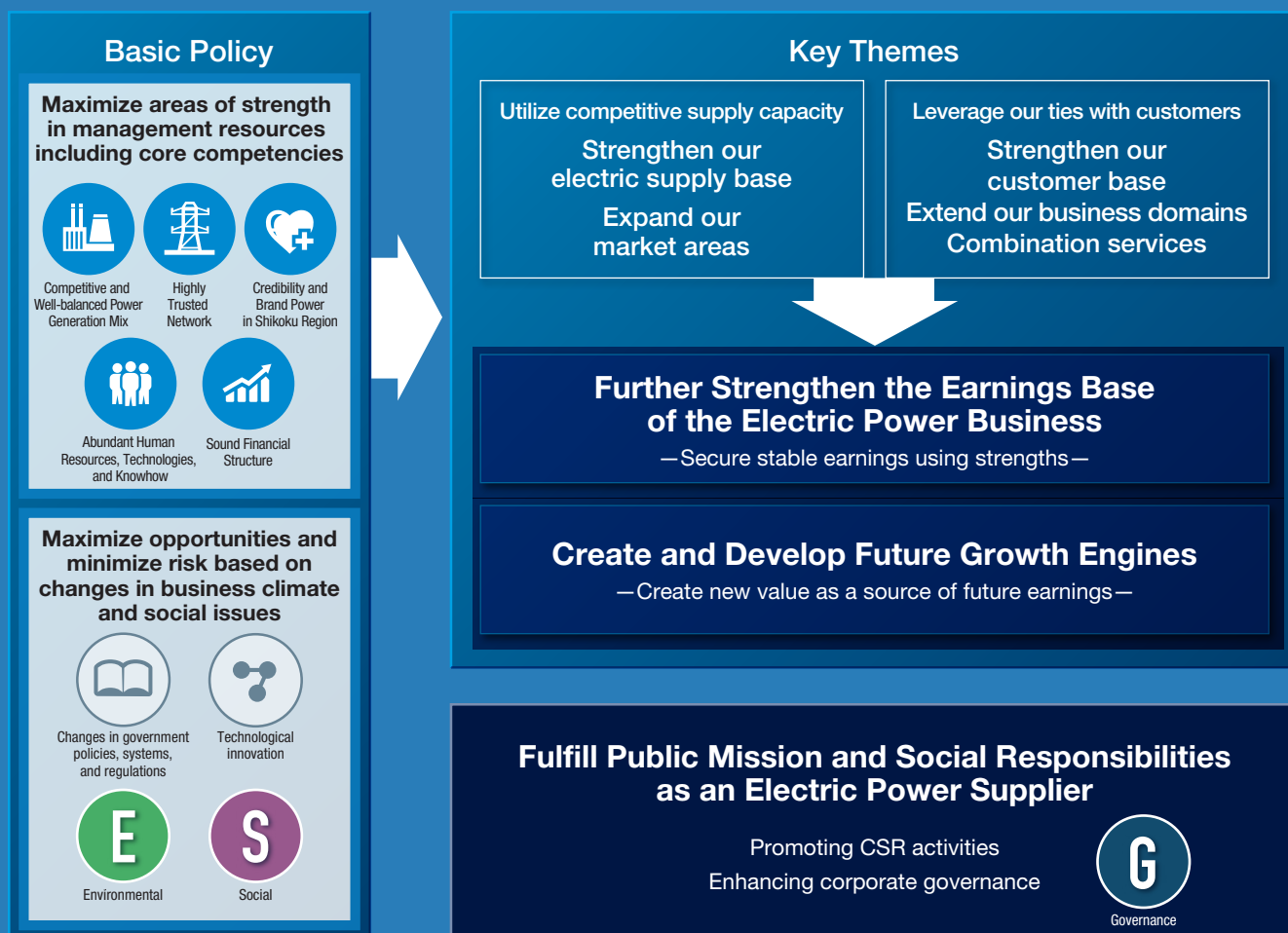


Keisuke Nagai
Director and President
August 2019

Shikoku Electric Power Group Medium-Term Management Plan 2020

Fiscal 2016–2020

Aiming for Sustainable Growth with Profitability Innovation



Capital policy

We will aim to optimize our capital structure by securing financial soundness along with controlling and reducing the capital cost rate.

Shareholder returns

Basic 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 business climate.

Target for Which We Aim to Achieve

We will work toward dividend payments of ¥50 per share, assuming the safe and stable operation of Ikata Unit No.3 leads to such outcomes as normalized business operations and the securing of stable profits.

Priority Initiatives
for Fiscal 2019

- 1 Comprehensive Improvements in Cost Efficiency in the Electric Power Business
- 2 Maintaining and Improving Profitability in the Electric Power Business
- 3 Creation and Expansion of Profit Sources Outside of the Electric Power Business

→ See pages 23-44

Outlook for
Fiscal 2019

ROA*
Approximately **2%**

Shareholders' Equity Ratio
Approximately **24%**

Cash Flows from Operating Activities
Approximately
¥**89** billion

Fiscal 2019 CSR action plans

→ See pages 21-22



* (Ordinary income + Interest expense)/Average total assets

Management Targets

ROA*

Fiscal 2020
Approximately 3%
[ROE: Approximately 7%]

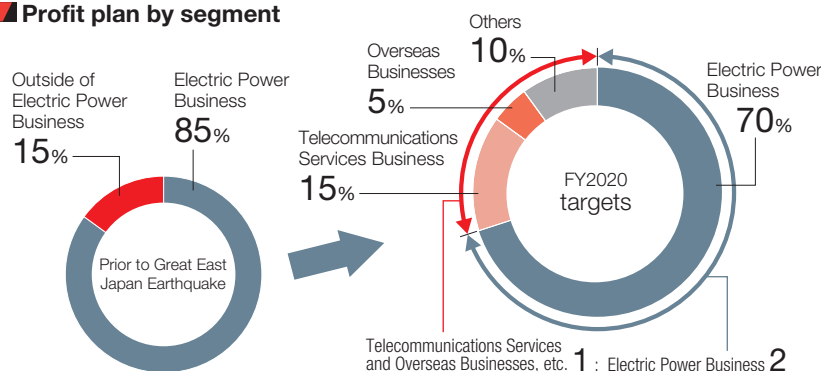
Shareholders' Equity Ratio

Fiscal 2020 year-end
More than 25%
[Interest-Bearing Debt Ratio:
Less than 2.0 times]

Cash Flows from
Operating Activities

Five-Year Cumulative Total
Over ¥520 billion
Five-Year Average
¥104 billion

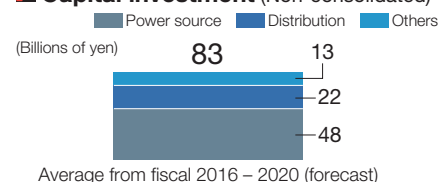
Profit plan by segment



Profit Target for Overseas Businesses

FY2025 Profit Target (Owned Installed Capacity)
¥4 billion a year (Approx. 1.5 GW)

Capital investment (Non-consolidated)



Our 7 CSR Pillars Underpinning Sustainable Value Creation










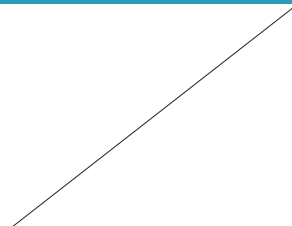









The Shikoku Electric Power Group engages in more effective CSR activities under the Yonden Group Action Charter following the 7 CSR pillars positioned as specific priorities categorized by Shikoku Electric Power. Specifically, aimed at realizing these seven pillars, CSR Promotion Council of Shikoku Electric Power has formulated a CSR action plan and this council promotes to carry out initiatives while taking into account the perspectives of environment, social and governance (ESG).

We are advancing initiatives to contribute to the accomplishment of the United Nations Sustainable Development Goals (SDGs), a set of goals for 2030 that were adopted in September 2015, in parallel with our ordinary CSR activities.

—The 7 CSR Pillars—

 Realizing a Stable Electric Supply	 Promoting Compliance	 Advancing Environmental Preservation Activities	 Practicing Transparent Management	 Entrenching a Customer-First Mindset	 Fostering Employee Motivation	 Coexisting in Harmony with Communities
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[]: Target for fiscal 2020 or beyond ■: Qualitative results

CSR action plans (fiscal 2019)		FY2019 (target)	FY2018 (performance)	Relevant SDGs
I	 Realizing a Stable Electric Supply  			
Energy mix that enables stable supply and efficient balance between supply and demand	<ul style="list-style-type: none"> Adequately implement supply and demand measures according to the increased introduction of renewable energy Actively utilize spot markets and new markets, etc. 	Utilization ratio of Ikata Unit No. 3 75%	43%	  
Nuclear power generation	<ul style="list-style-type: none"> Continue stable and reliable operation of Ikata Unit No. 3 Steadily implement safety measures over the medium to long term Continue to implement independent initiatives to improve safety Move forward with decommissioning of Ikata Unit No. 1 and Unit No. 2 Continue conducting activities with local communities to deepen understanding of the Ikata Nuclear Power Station 	Ratio of unplanned stoppages of thermal power plants 0%	3.3%	
Thermal power generation	<ul style="list-style-type: none"> Verify the reliability of equipment to maintain safe and reliable operation Steadily perform replacement work on Saijo Unit No. 1 Continue conducting stable and economical fuel procurement 	Increased output and developed capacity of hydropower plants 1,600 kW	600 kW	
Renewable energy	<ul style="list-style-type: none"> Use hydropower, solar power, wind power, and other renewable energy sources to the greatest degree possible 			
Power network	<ul style="list-style-type: none"> Maintained and strengthened infrastructure for ensuring a stable electricity supply by addressing aged power network facilities and conducting appropriate maintenance and management Introduced smart meters for all customers using high-voltage power and implementing them for every customers using low-voltage power, then, steadily advanced a shift toward automatic meter readings 	Introduction of smart meters for low-voltage customers 100% by fiscal 2023	42%	
II	 Promoting Compliance  			
Compliance	<ul style="list-style-type: none"> Steadily conduct compliance training based on social trends Promote thorough compliance throughout the entire Shikoku Electric Power Group Continue thorough observations for compliance with behavior regulations 			
Stringent confidential information security Comprehensive information management	<ul style="list-style-type: none"> Implement e-learning and other educational programs as well as initiatives for raising awareness to strengthen confidential information management Ensure confidential information management by subcontractors Steadily institute measures throughout our Group to facilitate information security improvements 			
III	 Advancing Environmental Preservation Activities 			
Climate change prevention measures	<ul style="list-style-type: none"> Formulated and instituted further CO₂ emissions reduction measures in consideration of trends in government energy and environmental policies Worked with the Electric Power Council for a Low Carbon Society (ELCS) to formulate a long-term vision in the electric power business for a low carbon society taking into account developments in Japan's national energy and environmental policies 	CO ₂ emissions intensity Approx. 0.37 kg-CO ₂ /kWh for the entire electric power business by fiscal 2030	0.528 kg-CO ₂ /kWh (Adjusted value)	     
Regional environment preservation activities	<ul style="list-style-type: none"> Conduct appropriate environmental monitoring during replacement work on Saijo Unit No. 1 and release the results Systematically carry out detoxification treatments on waste containing PCBs Contribute to society aimed at promoting disposal of PCB waste through environmental businesses 	Office electricity usage reduction 1% YOY reduction	0.3% YOY increase	
Promotion of a recycling-based society	<ul style="list-style-type: none"> Continue promoting effective use of waste 	SOx emissions intensity Less than 0.3 g/kWh	0.1 g/kWh	
Environmental management	<ul style="list-style-type: none"> Implemented more efficient and effective environmental education through environmental lectures and e-learning 	NOx emissions intensity Less than 0.5 g/kWh	0.4 g/kWh	
Communication with society	<ul style="list-style-type: none"> Hold events related to "Environmental-related Activity Month" in an effective manner 	Waste recycling ratio Approx. 99%	95.5%	
		Coal ash recycling ratio 99% or higher	99.8%	
		Green purchasing ratio 85% or higher	90%	

Sustainable Development Goals (SDGs)

The SDGs are a set of 17 goals and 169 targets to be achieved by 2030 that were approved at the UN Sustainable Development Summit held in September 2015 and serve as an action plan for ensuring a prosperous future for people and the earth.



17 goals to transform our world (United Nations)

1. No poverty
2. Zero hunger
3. Good health and well-being
4. Quality education
5. Gender equality
6. Clean water and sanitation
7. Affordable and clean energy
8. Decent work and economic growth
9. Industry, innovation and infrastructure
10. Reduced inequalities
11. Sustainable cities and communities
12. Responsible consumption and production
13. Climate action
14. Life below water
15. Life on land
16. Peace, justice and strong institutions
17. Partnerships for the goals

CSR action plans (fiscal 2019)		FY2019 (target)	FY2018 (performance)	Relevant SDGs
IV		Practicing Transparent Management		
Strengthening of corporate governance	<ul style="list-style-type: none">Respond appropriately to Japan's Corporate Governance CodePromote appropriate risk managementSteadily implement countermeasures in response to the legal separation of the power transmission and distribution sectors		<ul style="list-style-type: none">Updated Corporate Governance Report following revisions to Japan's Corporate Governance Code (November)Held regular press conferences by the president on timely themes (10 times)Issued timely and appropriate press releases (approx. 170)Held company briefings led by the Representative Director (2 times)	
Substantial information disclosure	<ul style="list-style-type: none">Continue conducting timely and appropriate information disclosure			
Improvement of corporate value through IR activities	<ul style="list-style-type: none">Communicate with institutional investors and analysts through explanatory forums led by the president and other activitiesContinue practicing timely and appropriate information disclosure to shareholders and investors			
V		Entrenching a Customer-First Mindset		
Customer-oriented sales activities	<ul style="list-style-type: none">Further expand new rate menus and services based on customer needsPromote electrification proposals and solution activities	Volume of Electricity Sold: 30.4 billion kWh Yonden Concierge Members: 370,000 members All-Electric Homes Among Newly Built Houses: 18,000 homes	27.9 billion kWh 274,000 members 16,000 homes	
Creation of new value	<ul style="list-style-type: none">Extend our target areas and diversify power generation types of overseas businessesNew value creation and establishment of combined services in the domains of energy and digitalization with a focus on electric power through alliances and capital tie-ups with companies from outside the industry	<div>Power generation facilities in overseas businesses</div> <div>Owned capacity and profit: Approx. 1.5 GW / ¥4 billion in fiscal 2025</div> <div>Pursue tie-ups and alliances with start-ups</div>	<div>Owned capacity: 0.65 GW</div> <div>Profit: ¥0.4 billion</div> <div>Investments in venture companies: 6</div> <div>Utilization of open innovation: select 4 projects for potential commercialization</div>	
VI		Fostering Employee Motivation		
Respect for employee individuality and diversity	<ul style="list-style-type: none">Foster a corporate culture that encourages employees to take on new challenges so that they can feel fulfilled and motivated in their workSteadily implement action items from the employer action plan to promote the active participation of women	Female managers: 2.6% (Currently formulating next target) Reduce overtime work by improving business efficiency	2.7% (Achieved fiscal 2019 target ahead of schedule) 17.6 hours/month	
Development of a comfortable workplace environment	<ul style="list-style-type: none">Continue to implement workstyle reform initiatives (Yonden e-Work)Pursue the creation of workplaces where employees can work energetically and healthily by reducing overtime work through improvements in business efficiency and the use of new technologiesContinued and improved trust between management and employees by enhancing meetings and information exchanges	Kurumin mark awarded for childrearing support from MHLW Acquire 4th certification in fiscal 2020 Female employees taking childcare leave: 100%	Acquired 3rd certification in May 2015 100%	
Stringent occupational health and safety measures	<ul style="list-style-type: none">Ensure full compliance with basic rules on safety through various safety seminar, further foster ownership in safety, and raise sensitivities to dangerPromote the prevention of heatstrokeImplement measures to promote mental healthcare and prevent illness	Fatal occupational accidents including outsourcing partners: 0 Employees who smoke: 18% or fewer by fiscal 2020	1 19.5%	
Proactive promotion of employee education	<ul style="list-style-type: none">Expand training to foster outward thinking that is outside the box to address changing and expanding business domainsPass on the necessary capabilities at the site to support stable operation of the electric power business	Stress check implementation: 95% or more by fiscal 2020	95.2%	
VII		Coexisting in Harmony with Communities		
Promoting initiatives to invigorate local communities	<ul style="list-style-type: none">Continue conducting activities to help invigorate the region, including initiatives based on the three-company collaboration agreement with Shikoku Railway Company and the Shikoku Branch of Japan Post		<ul style="list-style-type: none">Various activities under the three-company collaboration agreement.<ul style="list-style-type: none">Interactive event for children (May)Interactive tour for parents and children (July)Support for areas affected by torrential rains in July 2018 (August to March)Support educational activities through Special-visit Energy Lessons. (Cumulative: 19,272 times [reaching 293,000 people])	
Promoting communication with the public	<ul style="list-style-type: none">Continue contributing to societyContinue implementing activities to promote a relationship of trust to connect us with local customers			
Support for the education of the next generation	<ul style="list-style-type: none">Continue to provide energy education to the next generation including Special-visit Energy Lessons and facility tours			



Value Creation Initiatives

- We are committed to the continuous provision of high-quality services, that interconnect with the lives that people lead. In this way, we contribute to a comfortable, safe, and secure life as well as to the Shikoku region's development. With this as our mission, we manage our business with the aim of creating sustainable corporate value.
- In the execution of specific measures, we have set response policies and measures to minimize risks and maximize opportunities in light of changes in the business climate and social issues.

P.24 Comprehensive Improvements in Cost Efficiency in the Electric Power Business

P.34 Maintaining and Improving Profitability in the Electric Power Business

P.39 Creation and Expansion of Profit Sources Outside of the Electric Power Business

■ Opportunities and Risks Based on Changes in the Business Climate and Social Issues

Changes in the business climate/social issues	Opportunities	Risks
Full liberalization of the retail electricity market Establishment of a new electric power markets	<ul style="list-style-type: none"> Expanding market areas Increasing opportunities for profit Expanding collaboration with other companies 	<ul style="list-style-type: none"> Decreasing electricity sales Decreasing operating ratio of power generation facilities
Stronger nuclear safety regulations	<ul style="list-style-type: none"> Further improving nuclear power safety 	<ul style="list-style-type: none"> Increasing investment burden
Responses to global warming (Stronger environmental regulations)	<ul style="list-style-type: none"> Increasing introduction of renewable energy Further improving power generation efficiency Introduction of low-carbon pricing plan 	<ul style="list-style-type: none"> Increasing investment burden/cost
Responses to aged facilities and natural disasters	<ul style="list-style-type: none"> Further increasing resilience 	<ul style="list-style-type: none"> Increasing investment burden
Ensuring energy stability	<ul style="list-style-type: none"> Diversifying power supply and fuel procurement 	<ul style="list-style-type: none"> Increasing fuel procurement costs
Declining population, dwindling birthrate and aging society	<ul style="list-style-type: none"> Creation of new services and businesses Promotion of further electrification 	<ul style="list-style-type: none"> Decreasing electricity sales volume Decreasing operating ratio of power generation facilities
Technological innovation, evolution of new technologies	<ul style="list-style-type: none"> Further improving business efficiency and productivity Creation of new services and businesses Expanding collaboration and alliances with other companies 	<ul style="list-style-type: none"> Changing form of energy supply Increasing business risk

Comprehensive Improvements in Cost Efficiency in the Electric Power Business

Opportunities and Risks

Opportunities	Risks
<ul style="list-style-type: none"> Steadily addressing tighter nuclear safety regulations Expanding use of renewable energy and improve generation efficiency Ensuring energy stability by diversifying power supply and fuel procurement Increasing productivity due to technological innovation and new technologies 	<ul style="list-style-type: none"> Decreasing operating ratio of power generation facilities due to lower sales of electricity Increasing cost burden due to stronger environmental regulations Increasing investment burden due to aging facilities



Response policy and measures

➔ Please see pages 25-33 for details.

We strive to optimize our supply capacity and comprehensively improve business efficiency to transform our business and supply structures to ensure a competitive advantage.

Optimization of supply capacity

Safe and stable operation of supply facilities

- We properly carry out daily maintenance and inspections and periodic inspections at Ikata Nuclear Power Station to ensure safety. We are also taking steps to comply with new regulatory standards for the Specialized Safety Facility and install a dry cask storage facility for spent fuel.
- We will maintain and improve supply reliability through early detection and restoration of equipment problems.

Dealing with highly efficient supply equipment and aged facilities

- We will proceed with our plan to replace Saijo Unit No. 1 with highly efficient, ultra-supercritical (USC) generation equipment.
- We will proceed with decommissioning of Ikata Units No. 1 and No. 2 with ensuring safety as our top priority.
- Anan Units No. 1 and No. 2 are being dismantled and removed and Unit No. 4 is under long-term scheduled shutdown in consideration of future power supply and demand.
- We seek flexible and efficient operation by extending the time for periodic operator inspection of thermal power stations.

Maximum utilization of renewable energy

- In addition to boosting the generation capacity of our hydropower plants, the Group is developing renewable energy power sources in Japan and abroad with the aim of developing 500MW by 2030.

Comprehensive improvement of business efficiency

Decreasing procurement costs

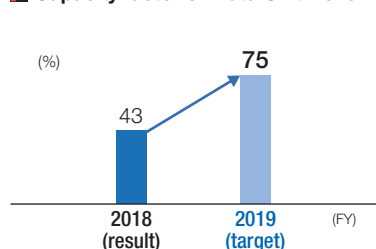
- We will carefully screen equipment and repair work and take steps to reduce the cost of equipment and materials and fuel procurement.

Strengthening organizational base

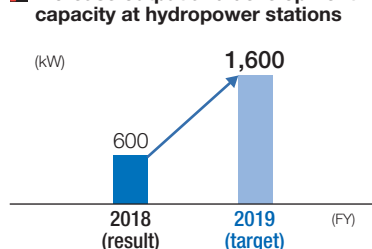
- We will secure and develop human resources who can adapt to the business climate, including market competition developments, and also seek to raise labor productivity through greater business efficiency by leveraging new technologies.
- We will steadily move forward with the legal unbundling of the power transmission and distribution sectors that is scheduled to take effect in fiscal 2020.

Key Performance Indicators (KPIs)

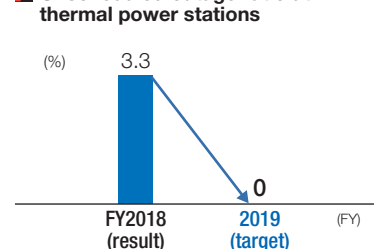
Capacity factor of Ikata Unit No. 3



Increase output and development capacity at hydropower stations



Unscheduled outage ratio at thermal power stations



Comprehensive Improvements in Cost Efficiency in the Electric Power Business

Optimization of supply capacity Safe and stable operation of supply facilities

Future power generation mix

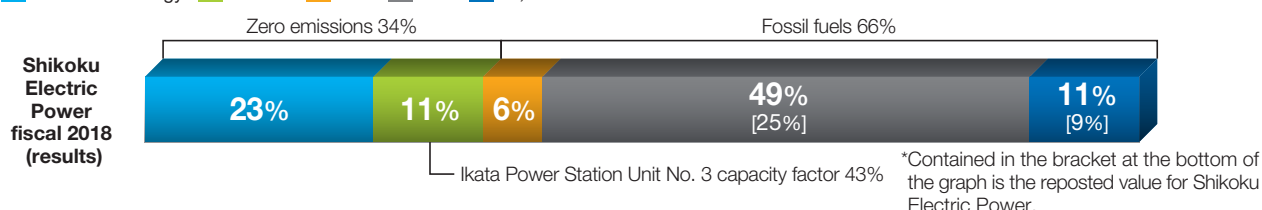
Basic approach to the power generation mix

Under the principle of S (Safety) +3E (Energy Security, Economic Efficiency, and Environment), Japan is pursuing an energy policy based on the 5th Strategic Energy Plan (decided in July 2018) that seeks to achieve an energy mix for 2030 shown in the Long-Term Energy Supply and Demand Outlook (decided in July 2015).

With the aim of achieving an optimal power generation mix that maximizes the economic and environmental characteristics of each power source, Shikoku Electric Power considers national policies and takes into account future demand forecasts, the degree of aging of the power source, environmental regulation trends, and changes in the competitive environment surrounding the electric power business.

Electric power generation volume ratio (including power received from other companies)

Renewable energy Nuclear LNG Coal Oil, etc.



(Reference) The energy mix for fiscal 2030 in the Japan's Long-Term Energy Supply and Demand Outlook



Utilization policy for each power source

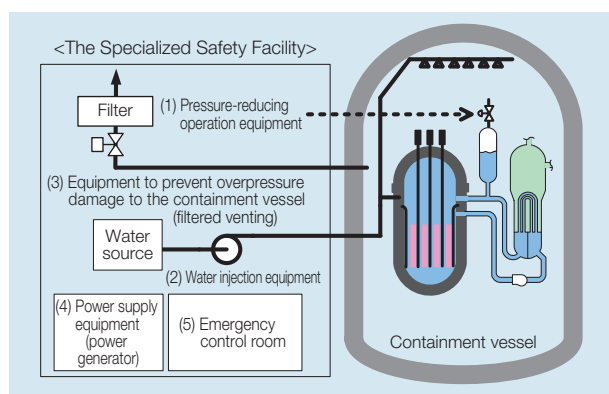
	Renewable energy	Nuclear	LNG	Coal	Oil
Position in the 5th Strategic Energy Plan	An important low-carbon domestic energy source that is promising and diverse and can contribute to energy security, that will be used with a view to reducing the long-term environmental impact.	An important baseload power source that contributes to the stability of the long-term energy supply and demand structure based on the premise of ensuring safety.	An important energy source whose role is expanding with a view to reducing the long-term environmental impact.	An important baseload power source with excellent supply stability and economy. It is used with a view to reducing the long-term environmental impact, such as promoting greater efficiency and the next generation, shifting to use of cleaner gas, and the phasing out of inefficient coal.	An important energy source that can play a role, such as in replacing lost power sources, and is important for the future.
Shikoku Electric Power's Usage Policies	We will increase the introduction of renewable energy, especially hydropower, solar power and wind power, through purchases from Group and other companies, in addition to promoting increased output at hydropower stations and reviewing new developments. → See pages 30 and 31	We will continue to effectively use Ikata Power Station Unit No. 3 as a core power source that supports stable and low-cost power supply in Shikoku based on the premise of ensuring safety. → See pages 26 and 27	We will continue to use LNG based on future demand trends mainly at Sakaide Power Station Units No. 1 and No. 2, which were replaced with LNG combined cycle systems.	We will continue to use coal to a certain extent while improving efficiency by replacing Saijo Unit No. 1 with ultra-supercritical (USC) equipment. → See page 28	Considering future demand trends, we will consider initiatives including terminating or suspending based on our need to adjust the increased use of renewable energy and secure energy supply capacity when power supply problems occur. → See page 29

Ensuring the safe and stable operation of Ikata Power Station

Introduction of Specialized Safety Facility

We will install the Specialized Safety Facility as part of our safety provisions at Ikata Unit No. 3. The establishment of this facility is required in the new regulatory standards. This facility is to be equipped with functions to prevent damage to the containment vessel in preparation for loss of the cooling function of the nuclear reactor followed by the risk of serious damage or actual damage to the nuclear reactor core, in case of large-sized intentional aircraft crash into the reactor building or any other acts of terrorism. In addition, this facility provides backup to existing safety equipment.

Overview of the Specialized Safety Facility



(1) Pressure-reducing operation equipment

The equipment controls existing release valves to lower pressure within the nuclear reactor.

(2) Water injection equipment

The equipment injects water into the nuclear reactor vessel and containment vessel from the water supply of the Specialized Safety Facility.

(3) Equipment to prevent overpressure damage to the containment vessel (filtered venting)

The equipment lowers pressure by allowing air to escape from within the containment vessel. The air that is released passes through a filter, thereby reducing the amount of radioactive materials emitted.

(4) Power supply equipment (Power generator)

The equipment (Power generator) provides electricity to water injection equipment and other equipment.

(5) Emergency control room

The room monitors the conditions of the power plant and operates water injection equipment.

Adjustment of operational management and maintenance

At Ikata Power Station, we monitor the operational status of facilities on a 24-hour-a-day basis, conduct regular inspection patrols, and every 13 months, stop operations of the power station to conduct periodic inspections in accordance with the law. The 15th periodic inspection of Ikata Unit No. 3 is scheduled for fiscal 2019,

and we will continue to conduct planned operational management so that safe and stable operation can be maintained for a long period of time.

Training programs for operational and maintenance staff

We implement thorough training programs geared toward our operational and maintenance staff. At the Nuclear Research & Training Center located in Matsuyama City in Ehime Prefecture, utilizing facilities built to the same specifications as those used at the power station, staff improve its skills and knowledge.



Operational training using simulator

Proactive collaboration with other nuclear power operators

We are currently engaged in proactive collaboration with other nuclear power operators. Specifically, cooperation is pursued with five companies located in West Japan while technical partnerships have been formed with four companies possessing pressurized water reactors. Through this collaboration, we participate in each other's disaster response drills, share information regarding facility decommissioning and the Specialized Safety Facilities, and take part in other initiatives for realizing safer and more reliable nuclear power.

Partnership agreements with other business operators

	Counterparty	Overview of Agreement
Cooperation regarding nuclear power operations (concluded on August 5, 2016)	Hokuriku Electric Power Co. The Kansai Electric Power Co., Inc. The Chugoku Electric Power Co., Inc. Shikoku Electric Power Co., Inc. Kyushu Electric Power Co., Inc.	<ul style="list-style-type: none"> Enhancement of expansion prevention and restoration measures in the event of a nuclear disaster Efforts to promote safe and smooth decommissioning Addressing installation of the Specialized Safety Facilities
Technical partnership for improving the safety of pressurized water reactors (concluded on October 19, 2016)	Hokkaido Electric Power Co., Inc. The Kansai Electric Power Co., Inc. Shikoku Electric Power Co., Inc. Kyushu Electric Power Co., Inc.	<ul style="list-style-type: none"> Evaluations of Safety Improvement Sharing of insight from overseas and knowhow for operational management Investigation and examination of next-generation light-water reactor and other technologies for improving safety at existing reactors

Comprehensive Improvements in Cost Efficiency in the Electric Power Business

Commitment to information disclosure through the Ikata Style

Based on safety agreements with the Ehime prefectural government and the town of Ikata, since 1999 we have been immediately reporting any situation that deviates from normal operation. This prompt, highly transparent disclosure approach is called the Ikata Style and has been an important tool in building relationships of trust with local government. Since September 2012, we have expanded the scope of these activities to include the cities of Yawatahama, Ozu, and Seiyō, which are located nearby the town of Ikata. Since June 2011 we have been expanding the range of entities to which we report “class A” incidents, those defined as requiring immediate disclosure. We now report such incidents to all cities and towns in Ehime Prefecture as well as to the prefectural governments of Kagawa, Tokushima, and Kochi.

■ Notifications to Ehime Prefecture and Town of Ikata based on safety agreements (Unit: No. of notifications)

FY	2014	2015	2016	2017	2018
Class A	1	8	1	1	5
Class B	2	0	3	4	3
Class C	17	24	19	15	14
Total	20	32	23	20	22

*Overview of public notification in Ehime Prefecture

Class A (Trouble, etc., that needs to be reported to the government): Immediate public notification

Class B (An abnormal situation at a facility, etc., has occurred within the radiation control area): Public notification within 48 hours

Class C (Events other than those covered by classes A and B above): Public notification on the 10th of every month about the previous month's events

Addressing litigation risk

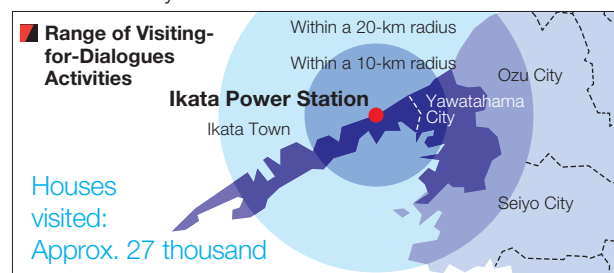
In the event that a judicial decision reveals the risk of a stoppage to Ikata Power Station, a core power source essential for stable power supply, during its operation, this would have a significant impact not only on Company management, but on society and industry as well.

To prevent the manifestation of such risk, we will win lawsuits by carefully asserting and demonstrating the safety of Ikata Power Station at each trial.

Furthermore, we will work to gain society's understanding through continuous safe operation and full information disclosure.

Fostering of understanding in the surrounding communities

Since 1988, we have been continuously conducting dialogue activities in which employees visit the residents in the town of Ikata and the city of Yawatahama to explain safety measures for Ikata Power Station and receive a variety of feedback from residents firsthand.



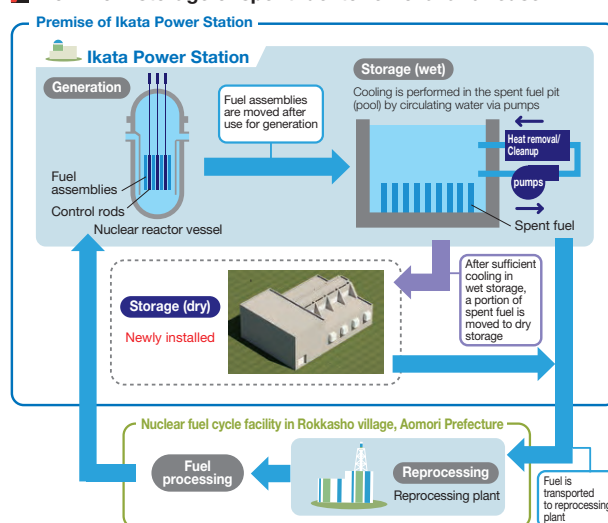
Beginning in fiscal 2011, aiming to respond to the increased concern from the community about the safety of nuclear power stations, we have expanded the scope of these efforts to include residences located within a 20-km radius of the Ikata Power Station.

In fiscal 2018, we visited a total of 26,953 houses from November to December and provided them an overview of the dry cask storage facility, explained the plan for decommissioning Units No. 1 and No. 2, and provided an overview of periodic inspection of Unit No. 3.

Installation of dry cask storage facility for spent fuel

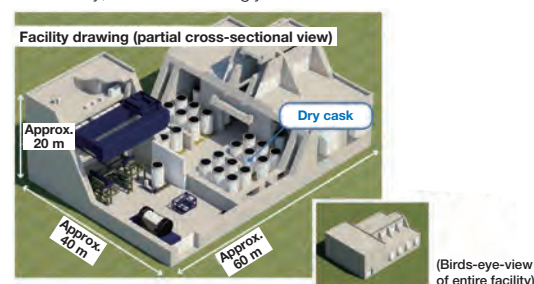
We are moving forward with our plan to install a dry cask storage facility on the site of Ikata Power Station for use in temporary storage of fuel used at the power station prior to transportation to reprocessing facility at Rokkasho village, Aomori Prefecture.

■ Flow from storage of spent fuel to removal and reuse



■ Overview of dry cask storage facility

- Spent fuel that has been sufficiently cooled in the spent fuel pit (pool) in the power station is stored and preserved in a sturdy metal container called a “dry cask.”
- It can be cooled by natural convection of air without use of water or electricity, so it is exceedingly safe.



Facility Details (plan at Ikata Power Station)

Building dimensions: 1 building (steel reinforced concrete)
(East-West) approx. 40 meters,
(North-South) approx. 60 meters,
(height) approx. 20 meters

Storage capacity: About 1,200 fuel assemblies
(45 dry casks, approx. 500 tons of uranium)

Maintaining and improvement of supply reliability

We are working to maintain and improve the reliability of supply through a range of initiatives aimed at achieving stable supply, including early detection and early restoration of equipment problems.

Electric power network initiatives

Transmission and Substation	We are backing up our current network by installing multiplex transmission lines and using multiple transformer banks. We are also taking steps to increase the functionality of grid protection devices in order to minimize impact in the rare event of an accident.
Distribution	We seek to shorten the duration of power outages through appropriate maintenance and inspections. Measures to reduce the frequency or the time required for maintenance and inspections that are accompanied by planned power outages contribute to our superior performance as well. Also, at all operating sites we are installing automation systems for distribution grids, which automatically and rapidly minimize the scope of power outages and enable us to resume transmission as soon as possible.

Furthermore, there exists a high probability of a Tonankai or Nankai Trough earthquake occurring in the near future. In such an event, we anticipate that our distribution facilities would undergo heavy damage. We strive for maintaining and reinforcing a highly resilient power infrastructure system that can cope with these large-scale disasters. We take advantage of times of normal operation to conduct drills on restoring downed operations at individual branches and offices as well as jointly with affiliates so that we can promptly respond, even under severe conditions of widespread damage.

Preparing in case of a large-scale earthquake in Shikoku

- There are two lines connecting Shikoku with Honshu, the Honshi line and the Anan-Kihoku DC main line. If the connecting facilities are operating safely and securely, massive amounts of power can be transmitted from Honshu.
- Numerous large power stations are scattered along the Seto Inland Sea side, which is far from the epicenter of the anticipated Tonankai or Nankai earthquakes, and they have a high probability of continuing operation in the event of an earthquake.

Optimization of supply capacity Dealing with highly efficient supply equipment and aged facilities

Replacing Saijo Unit No.1 with ultra-supercritical (USC) generation equipment

We plan to replace Saijo Unit No.1 with highly efficient, ultra-supercritical (USC^{*1}) generation equipment, keeping in mind the long-term utilization of the station as a base source for coal-fired power.

In April 2019, we completed environmental impact assessments and started construction in June. We will continue to steadily advance our plan with the aim of starting commercial operation in June 2023.

Overview of Saijo Unit No. 1 replacement plan

	Current Unit No. 1	New Unit No. 1
Start of operations	November 1965	June 2023 (scheduled)
Output	156 MW	500 MW
Thermal efficiency ^{*2}	Approximately 39% (approximately 38%)	More than 45% (more than 43%)

^{*1} Ultra Super Critical Power Plant

^{*2} Figures for thermal efficiency not enclosed in parentheses represent lower thermal efficiency while figures in parentheses represent higher thermal efficiency.

Lower thermal efficiency is calculated based on lower heating value determined by subtracting the heat of vaporization of the water from the calorific value of the fuel used or higher heating value. Accordingly, higher thermal efficiency is less than lower thermal efficiency by an amount equivalent to heat of vaporization of the water.

CO₂ emission reduction effect due to replacement of Saijo Unit No. 1 with USC equipment
Emissions intensity of power generation **Approx. -10%**

Our concept for coal-fired power

In light of Japan's scarce energy resources, Shikoku Electric Power believes it is important to achieve a well-balanced power generation mix that leverages the characteristics of each power source, without being overly dependent on specific power and fuel sources, from the S + 3E perspective.

Coal-fired power is an important baseload power source with excellent stability and economy that uses coal with the lowest unit price per caloric value of heat as the fuel, and is produced in a variety of countries and has a low geopolitical risk. On the other hand, there is the fact its CO₂ emissions per volume of power generated is the largest among thermal power generation facilities. For this reason, our basic policy

is to use coal-fired power while pursuing greater efficiency and reducing the environmental impact. We are replacing aging Saijo Power Station Unit No. 1 with state-of-the-art USC equipment (second example at Shikoku Electric Power following Tachibana-wan Power Station).

In addition, Sakaide Power Station converted fuel to LNG and uses highly efficient combined cycle power generation. At the same time, we continue to work vigorously to reduce CO₂ emissions, such as by increasing the ratio of zero-emission power sources through safe and stable operation of Ikata Power Station and increased introduction of renewable energy.

Comprehensive Improvements in Cost Efficiency in the Electric Power Business

Decommissioning of Anan Units No. 1 and No. 2, and shutdown of No. 4

In recent years, Anan Power Station's (oil-fired power plant) facilities have aged and maintenance costs are increasing. Considering the future outlook for supply and demand, the necessary supply capacity is expected to be secured. Therefore, Units No. 1 and No. 2 were decommissioned in March 2019, and Unit No. 4 has been under long-term scheduled shutdown since April 2019.

Overview of Anan Units No. 1, No. 2 and No. 4

	Decommissioned (March 2019)		Long-term scheduled shutdown (April 2019)
	Unit No. 1	Unit No. 2	Unit No. 4
Output	125 MW	220 MW	450 MW
Start of operations	July 1963	January 1969	December 1976

Decommissioning of Ikata Units No. 1 and No. 2

In December 2016, we submitted an application for permission to decommission Ikata Unit No. 1, and in October 2018, to decommission Unit No. 2 to the Nuclear Regulation Authority based on the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors. Regarding Unit No. 1, this application was approved in June 2017. Its decommissioning was commenced in September 2017 and is being carried out over a period of 40 years based on our established plan. Safety is maintained as our top priority through the entire process.

Extension of periodic operator inspection intervals for thermal power generation facilities

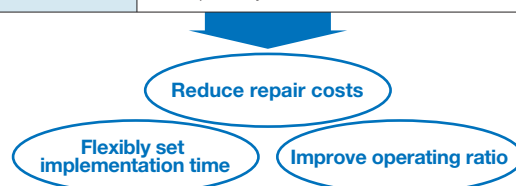
In April 2017, the national government's safety inspection

regulations were revised, making it possible for business operators to exercise more flexibility in establishing inspection intervals based on the ability of specific operators to maintain smooth operations at their facilities even over extended periods.

We will promote procedures for extending the inspection period while we build an advanced operational management system for flexible and efficient operation, and will acquire the S rating sequentially.

Status regarding extension of periodic operator inspection intervals for thermal power generation facilities

April 2018	Acquired S rating for Sakaide Unit No. 3 and Unit No. 4 → Inspection interval: Maximum of six years
Since fiscal 2019	<ul style="list-style-type: none"> Sakaide Unit No. 1 and Unit No. 2 Anan Unit No. 3 Tachibana-wan Power Station Saijo Unit No. 2 Prepare applications and schedule screening sequentially

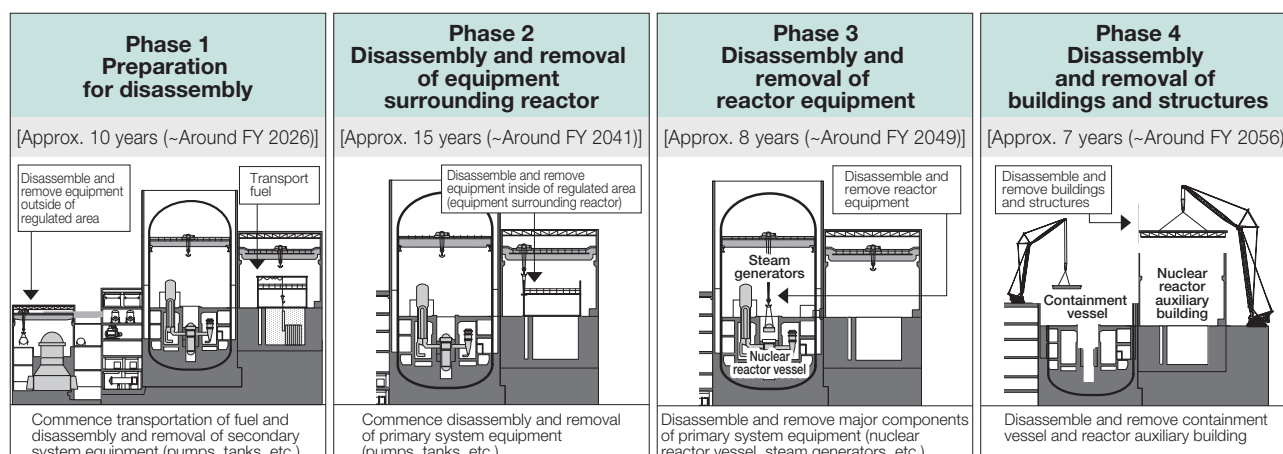


(Reference) Organization classifications and periodic inspection intervals under new safety inspection regulations

Evaluation	Periodic inspection intervals		Inspection item		
	Boiler	Steam turbine	Continuous inspection systems	Operational management	Sophisticated operational management
S	Within 6 years	Within 6 years	○	○	○
A	Within 4 years	Within 4 years	○	○	—
B	Within 2 years		○	—	—

*Previous periodic inspection: Boiler every two years, steam turbine every four years

Decommissioning work process of Ikata Unit 1



Optimization of supply capacity Maximum utilization of renewable energy

Concerted groupwide effort to promote renewable energy

The Shikoku Electric Power Group actively promotes the effective use of renewable energy in Japan and abroad to reduce CO₂ emissions.

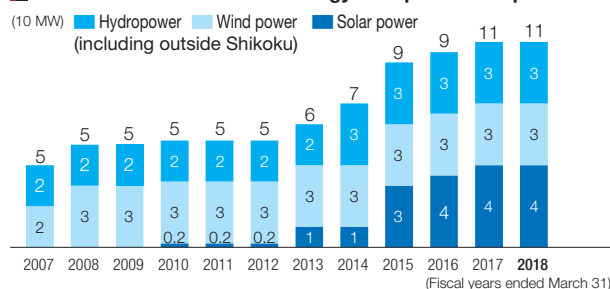
In Japan, in addition to Shikoku Electric Power's ownership of Matsuyama Solar Power Station, Group companies have entered the power generation business by taking open bids by local governments and have also received orders for facility construction and maintenance and management services.

Overseas, we advance initiatives to promote and expand the use of renewable energy working with Group companies. For example, we are participating in a solar power generation project in Chile, a hydropower generation project in Indonesia, and an offshore wind power generation project in Taiwan (see page 41).

Proactively working as a Group to develop renewable energy power sources in Japan and abroad

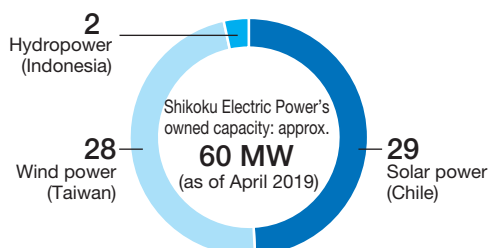
Seeking to develop 500 MW
by 2030

Introduction of renewable energy Groupwide in Japan



* The amount introduced is calculated based on the investment ratio of each Group company.

Development capacity of renewable energy power sources overseas



*Including projects to begin operating in the future

Increase of output at hydropower stations

We are increasing output by taking the opportunity to upgrade turbines and increase power generation efficiency by adopting high-efficiency turbines in hydropower stations.

Plans for increases in generation capacity of hydropower stations

FY	Hydropower Station	Maximum Output (Prior to increase → After increase [planned])
2019	Omogo Daiichi	7,000 kW → 7,700 kW
	Hirono	35,700 kW → 36,500 kW
2020	Iyogawa	3,100 kW → 3,400 kW
	Namuragawa	420 kW → 470 kW
2021	Kae	9,700 kW → 9,900 kW
	Yusuharagawa Daini	6,000 kW → 7,400 kW
	Kamo	1,700 kW → 1,800 kW

Benefits of Introduction of High-Efficiency Turbines after Fiscal 2000

**Approx. 30 MW increase in output,
70 GWh increase in annual power generation**
(Including those scheduled to commence operation prior to fiscal 2021)

Study on new development of hydropower station

We are also examining and exploring potential development sites for hydropower generation in Shikoku. Under the circumstances, the Maekawa river basin in Kumakogen Town Kamiukenagun in Ehime Prefecture was considered a promising candidate site based on conditions such as its elevation differential (drop) and flow rate, so we summarized the development concept. To achieve this development concept, we had to gauge the prospects for the authorization process associated with development, as well as coordinate with interested parties, so in March 2019, we requested a meeting with Kumakogen Town to discuss this.

Overview of development concept

River name	Maekawa river basin (Niyodogawa river system)
Candidate sites for development	Kurofujigawa, Kumakogen Town, Kamiukenagun, Ehime Prefecture
Type	Run-of-river
Maximum output	1.9 MW
Annual power generation	7.9 GWh

Comprehensive Improvements in Cost Efficiency in the Electric Power Business

Initiatives for spreading renewable energy

Since the implementation of the feed-in tariff scheme for renewable energy in July 2012, installations of solar and wind power generation facilities have been increasing in the Shikoku region.

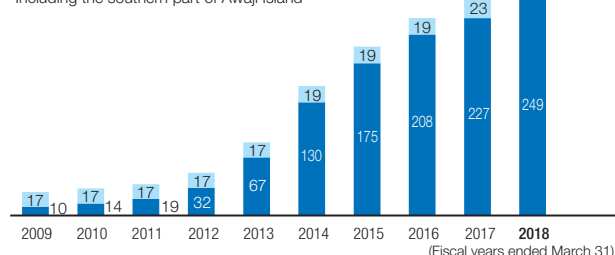
Above all, solar power generation continues to rapidly increase. The total output of connected solar power plants and solar power plants for which application for contracts have been completed in Shikoku reached the upper limit for 30-day output of 2,570 MW in January 2016. For contract applications submitted after the event, even in the case that output is controlled for over 360 hours per year, power can still be connected to our grid, on the condition that no compensation will be provided.

In light of this, we are taking various measures for supply and demand operation and electric power systems.

Generation capacities of connected solar and wind power generation facilities in the Shikoku Region

(10 MW) Wind power Solar power

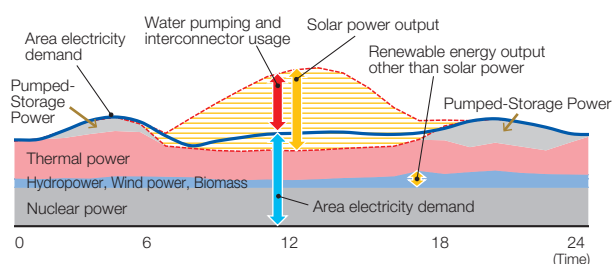
*Including the southern part of Awaji Island



Measures for maintaining supply-demand balance

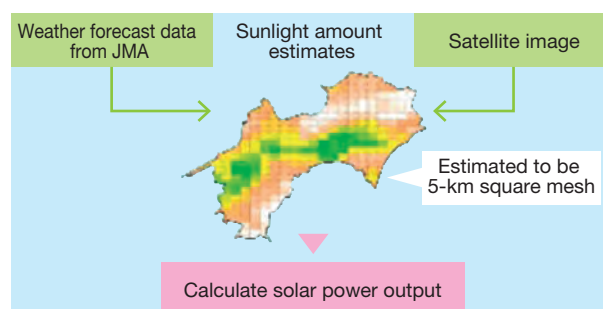
On May 5, 2019, we recorded a maximum solar power output of 1.87 GW during the period from 12PM to 1PM, which accounted for 88% of the total power demand during that time period. Over this period, we operated our power network in a manner that ensured a stable supply of power by limiting use of thermal power sources, using power to pump water at pumped-storage power plants, and effectively utilizing interconnectors to match power supply to demand.

Supply-demand balance on May 5, 2019



Solar power generation is heavily influenced by weather and other natural conditions. To facilitate more effective solar power operations, we developed a solar power output prediction system together with Group company Shikoku Research Institute Incorporated. This system utilizes weather forecast data from the Japan Meteorological Agency (JMA) and weather satellite images to estimate sunlight amounts across Shikoku, giving the light amounts for each section of mesh that divides the region into 5-km squares. This information is used to predict solar power output. The system was put into operation in October 2015 and has since been utilized to control daily supply-demand balances.

Solar power output prediction system processing flow



Measures for responding to increase in grid voltage

Higher generation of solar power can result in a rise in the amount of electricity input into the power grid, increasing the voltage within distribution grids and potentially resulting in a halt on solar power generation. We are installing additional automatic voltage regulators as well as pole transformers in order to limit increases in voltage.

Response to grid limitations

There are cases in which capacity of existing transmission lines proves insufficient for accommodating increases in renewable energy generation.

Based on our policy of utilizing existing transmission lines as much as possible, we seek to respond to such grid limitations by formulating current projections based on conditions similar to actual usage trends and ensuring capacity.

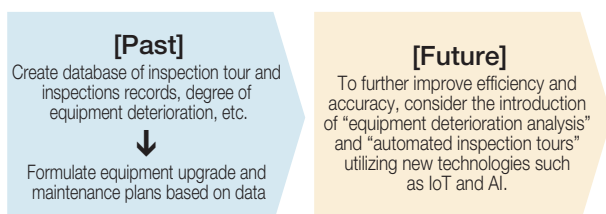
Comprehensive improvement of business efficiency

Decreasing procurement costs

Careful screening of equipment and repair work

To ensure stable supply and maintain supply reliability, we carefully screen equipment and repair work taking into account work volume equalization based on the state of engineering expertise after detailed evaluation of the necessity and timing of implementation in light of demand trends, the state of power source connection including renewable energy, and the state of equipment deterioration and operational difficulties.

Measures for careful screening



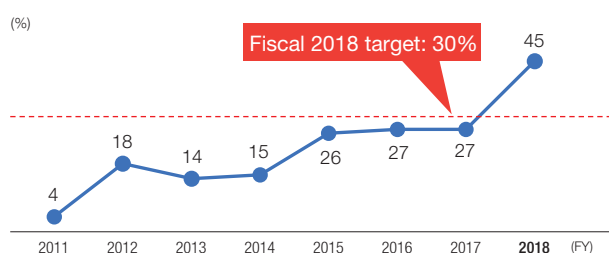
Decreasing procurement costs for equipment and materials

When procuring materials and equipment, we strive to reduce procurement costs by improving our procuring methods, increasing competitive orders, and building stronger partnerships with business partners.

Approach to reducing costs for equipment and materials

Improve procurement methods	Conduct rigorous inspections and price negotiations / Implement other procurement measures / Make changes order level (place separate orders for material purchase and installation, etc.)
Increase open bids	Standardization and simplification of specifications / Exploring new suppliers
Strengthen partnerships with suppliers	Closely communicate with suppliers regarding business issues and proposals that will lead to cost reductions, and achieve price reductions

Trends in the percentage of open bids



Decreasing procurement costs for fuel

When procuring fuel, we ensure its stable supply and reduce procurement costs.

Initiatives to reduce fuel procurement costs

Conclude long-term contracts with highly reliable suppliers

Diversify procurement countries and procurement methods

Procurement based on characteristics of fuel type

Aggressively conduct competitive procurement and joint procurement and transportation with other companies

Examples of fuel procurement initiatives

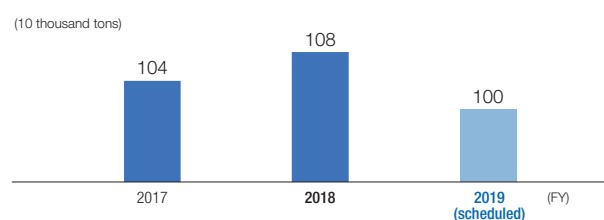
Oil	<ul style="list-style-type: none"> Utilizing inexpensive, high-sulfur C-heavy oil
Coal	<ul style="list-style-type: none"> Expanding use of affordable, low-grade coal Purchasing fuel under conditions that do not specify fuel brands Procure through YN Energy Pty Ltd., our local procurement company in Australia
LNG	<ul style="list-style-type: none"> Practicing efficient spot procurement
Transportation expenses and domestic expenses	<ul style="list-style-type: none"> Continuing usage of dedicated large-scale vessels (coal) Reducing base-, intermediation-, and processing fee- related expenses Conducting joint transportation of foreign coal

Coal procurement through local procurement companies

In April 2016, we established YN Energy Pty Ltd, a joint venture with Noble Resources International Pte Ltd., to function as our local fuel procurement company in Australia. The goal of YN Energy is to procure low-cost coal for power generation with sound levels of quality, a goal it pursues by purchasing coal directly from local producers and blending the coal it procures to match the quality standards of our power plants.

In the future, we will broaden our horizons by expanding our sales channels to other business operators. Through such efforts, we will work toward increased procurement flexibility and create new opportunities for profit.

Coal procurement through YN Energy



Comprehensive Improvements in Cost Efficiency in the Electric Power Business

Comprehensive improvement of business efficiency Strengthening organizational base

Further improvement of labor productivity

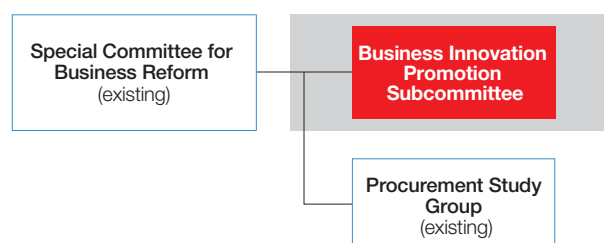
To appropriately adapt to changes in the business climate, we will strengthen our human resources and take strategic advantage of them, and also streamline and upgrade operations and improve labor productivity.

In May 2019, we established the new Business Innovation Promotion Subcommittee under the Special Committee for Business Reform in order to speed up effective Company-wide efforts to improve labor productivity. The subcommittee also reviews work processes and expanding the use of ICT.

Measures to improve labor productivity

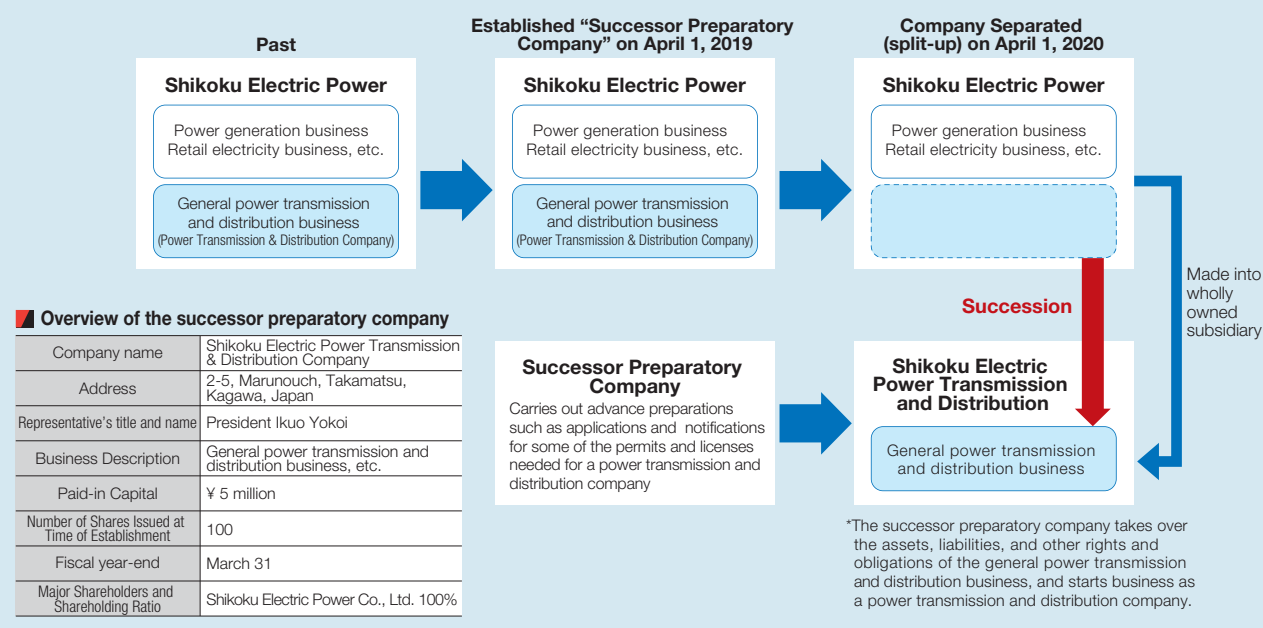
	Basic policies	Principal measures
Securing Human Resources	Secure diverse human resources	<ul style="list-style-type: none"> Conduct mid-career recruitment to ensure a workforce that can hit the ground running
Developing Human Resources	Develop human resources that form the foundation for sustainable growth	<ul style="list-style-type: none"> Cross-industry exchange training Training in Japan and abroad
Utilizing Human Resources	Promote strategic use of human resources according to individual ability, aptitude, and future potential	<ul style="list-style-type: none"> Evaluate and reward human resources who challenge new horizons Effectively employ elderly personnel
Increasing Efficiency	Promote operational efficiency through workstyle reforms (Yonden e-work)	<ul style="list-style-type: none"> Review work processes Promote varied and flexible workstyles by setting up an office system Promote greater work efficiency by introducing RPA

System to promote business efficiency



Efficient business management system to prepare for legal unbundling of the power transmission and distribution business

In preparation for the legal unbundling (split-up) of the power transmission and distribution business in April 2020, the Power Transmission & Distribution Company was established and a “successor preparatory company” was set up in April 2019 to prepare for the split-up. We have established a system that enables the business to operate efficiently and smoothly, such as by controlling the increase in employees associated with the split-up.



Maintaining and Improving Profitability in the Electric Power Business

Opportunities and Risks

Opportunities	Risks
<ul style="list-style-type: none"> Expansion of market areas and revenue opportunities following the full liberalization of retail electricity and the creation of new electricity markets Diversification of sales methods such as expansion of cooperation with other companies and promotion of electrification Creation of new services in response to changing lifestyles 	<ul style="list-style-type: none"> Decrease in electricity sales due to intensifying competition and population decline Changes in the form of energy supply due to new technology development



Response policy and measures

→ Please see pages 35-38 for details.

To boost profitability, we will expand measures for rates and services in the Shikoku region, increase demand by promoting electrification, and further expand revenue opportunities through retail and wholesale outside the Shikoku region, and seek to effectively leverage new markets including the baseload market.

Deepening ties with our customers

Expanding measures in pricing and other areas

- We seek to enhance our economical rate plan adapted to customer lifestyles and diverse needs.
- Through the free membership online service Yonden Concierge, we will provide convenient and economical services while leveraging our alliances with other companies.
- We seek to expand services that assist customers with their daily lives.
- Tie-ups with local companies will help us retain customers and expand and strengthen value-added services.

Expanding electricity demand

Further strengthening electrification

- In addition to promoting the spread of all-electric houses, we will further expand demand for electricity by more strongly promoting electrification of commercial air conditioning, hot water supply, and kitchens, and electrification of production processes in industry.

Development of energy-centric solution services

- Leveraging the collective strength of the Group, we will develop diverse and highly specialized solution services according to customer needs, with a focus on energy.

Increasing opportunities for profit

Expansion of retail and wholesale outside the Shikoku region

- In the Tokyo metropolitan and Kansai areas, we will develop new customers by providing and proposing optimal price plans based on customer usage.
- Effectively leveraging our surplus supply capacity, we will expand wholesale through sales to other business operators, and sales to Japan Electric Power Exchange.

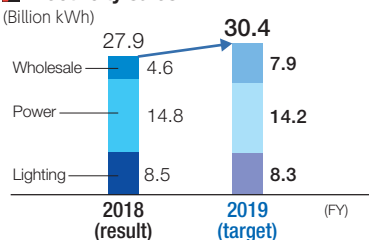
Maximizing profits by effectively leveraging new markets

- We will maximize profits by effectively leveraging new markets and new systems including the baseload market.

Key Performance Indicators (KPIs)

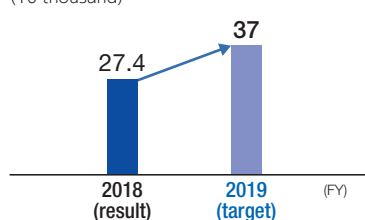
Electricity sales

(Billion kWh)



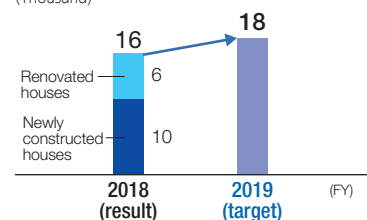
Number of Yonden concierge members

(10 thousand)



Number of all-electric houses

(Thousand)



Maintaining and Improving Profitability in the Electric Power Business

Deepening ties with our customers Expanding measures in pricing and other areas

Further enhancement of rate plans

We are enhancing our lineup of rate plans with options that enable customers to choose based on the needs of their diverse lifestyles in order to help provide residential customers with economical value.

From October 2018 we newly introduced two new plans. One, the *Denka e-Plan* applies a *Denka* discount for customers who adopt all-electric houses. The other, the *Re-energy Premium Plan* delivers CO₂-free electricity generated by our own renewable power supply. Furthermore, in January 2019 we launched a new discount plan called *Family e-Discount*.

Major rate plans for residential customers

Expand economical rate plans based on customers' actual electricity usage

Customers Not Living in All-Electric Houses

Otoku e-Plan

Customers that use relatively large amounts of electricity at all times of the day

Customers Living in All-Electric Houses

Denka e-Plan

Customers that can shift electricity use to nighttime or holidays

Denka discount of 10% off electricity rates for customers with both an induction heating (IH) cooktop and electric water heater

Customers with Strong Interest in Eco Electricity

Re-energy Premium Plan

Customers that use 100% of their electricity from renewable energy

Introduction of discount rate plans

Arigato Discount

—Discount applied to subsequent month's rate for every year of consecutive contracted electricity services with Shikoku Electric Power

Family e-Discount

—Discount applied to monthly rate upon consolidated payment for multiple locations with electricity services

Launched Yonden Tametoku Service for customers after the conclusion of the FIT* purchase period

- A service for customers after the conclusion of the FIT purchase period where Shikoku Electric Power is deemed a virtual storage battery so that the equivalent amount of surplus electricity from these customers is discounted from the rate as having been self-consumed.
- Yonden Energy Service Co., Ltd. will assist customers with a desire to install a storage battery in preparation for a disaster.

* FIT stands for Feed-in Tariff; a policy mechanism for purchasing renewable energy at a fixed price.

Utilization of free online web services for customers

We provide convenient and economical services through the free members-only web service called Yonden Concierge. To enhance our service lineup, in addition to a points service linked to rates where customers can accumulate points based on their payments for electricity rates, we are expanding redemptions for points and increasing the number of places where points can be redeemed, while actively utilizing tie-ups with other companies so as to respond to the increasingly diverse needs of customers.

What is Yonden Concierge?

A free members-only web service.

It helps to resolve the following issues faced by customers.



Makes it simpler for members to manage their electricity rates based on actual usage. Paperless, eco-friendly service where customers can track their usage (meter reading slip) online.



Members can run simulations for all-electric houses. They can also estimate which energy source is the most economical.



Members also have access to articles on simple and eco-friendly recipes, the latest hit home electronics, and useful tidbits for their lifestyles.

Members also earn Yonden Points.

Yonden Points

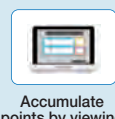


One Yonden Point is accumulated for every ¥200 paid in electricity rates.

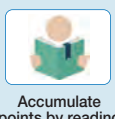
Accumulate points with each payment



Accumulate points by viewing electricity usage



Accumulate points by playing games



Accumulate points by reading articles and recipes

Exchange for item of choice



Converted to points for other loyalty programs



Gift certificates



Exchanged for local specialty items



Used for entry into prize drawings



Donations

Expanding services useful for everyday life

We are committed to providing high value-added services that benefit the everyday living of customers to address their increasingly diverse needs.

These services include the Rate Alert Email Service and Anshin Support Service that utilize the automatic meter reading function of smart meters for customers who are registered members of Yonden Concierge.

Going forward, we aim to be a company always chosen by customers through its expanded service lineup aiding a comfortable, safe and reliable life, while also considering cooperation and tie-ups with other companies.

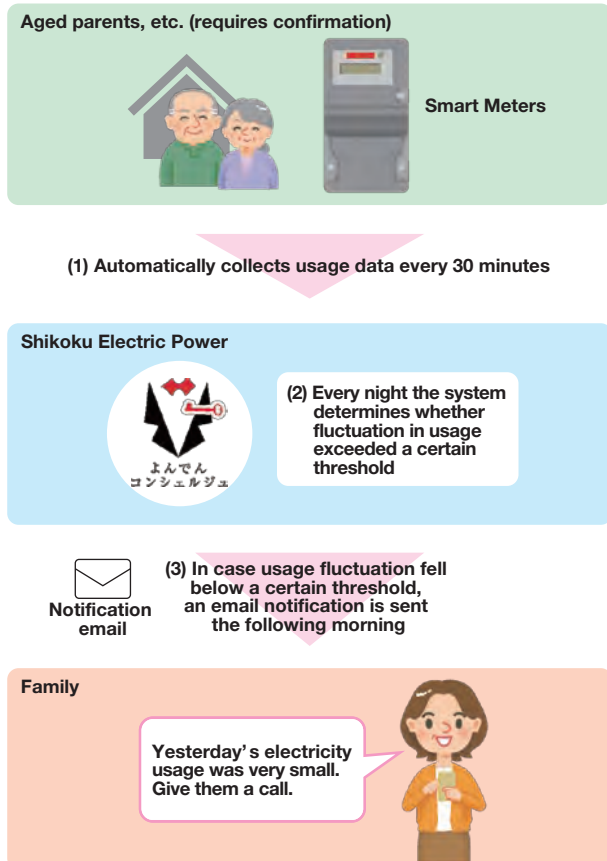
Summary of the Rate Alert Email Service

- Customers receive an email notification in case they reach a certain electricity rate threshold set in advance.

Summary of the Anshin Support Service

- Family members are notified by email the next day in case certain fluctuations in electricity usage are not observed.

Anshin Support Service



*The Rate Alert Email Service and Anshin Support Service is only available to customers with a smart meter that can automatically read meters and communicate the results.

Sales of our electricity by other companies

We have concluded agency agreements with local companies with powerful customer bases in the Shikoku region, and by utilizing the sales capabilities of these companies, we will more effectively retain customers.

In addition, while working with alliance partner companies, we will strive to enhance and reinforce new value-added services.

Business tie-up for electricity sales with HIWASAKI Co., Ltd.

- We have concluded an agency agreement on electricity sales with HIWASAKI Co., Ltd. (headquartered in Kochi City, Kochi Prefecture). This company maintains a strong customer base in LP gas sales with its business foundation in Shikoku.
- From April 1, 2019, HIWASAKI Co., Ltd. has been selling Shikoku Electric Power's electricity to its own residential customers.

Discount plan combining electricity and other companies' services

We offer discount plans combining electricity and other companies' services through tie-ups with companies providing lifestyle-related services closely rooted in the local community.

(For customers of rate plans designated by Shikoku Electric Power)

Introduction of discount plans with other companies' services (as of May 2019)

Discount plan combined with electric water heater lease service (launched in April 2019)	<ul style="list-style-type: none"> Customers who conclude a new lease agreement for an EcoCute or other electric water heater supplied by Group company Yonden Energy Service Co., Ltd. will receive a discount on their monthly bill by combining their lease fee and electricity rate into a single bill.
Discount plan combined with cable TV subscription (launched May 2019)	<ul style="list-style-type: none"> Our electricity customers that also subscribe to either Cable TV, Cable Internet or Cable Plus Telephone provided by Ehime CATV Inc. (headquartered in Matsuyama City, Ehime Prefecture) can enroll in our discount plan called Otoku e-Plan for Ehime CATV, which also entitles them to special pricing on Ehime CATV's various service offerings. Shikoku Electric Power and Ehime CATV Inc. have concluded an agency agreement on electricity sales whereby Ehime CATV Inc. can sell Shikoku Electric Power's electricity to its own residential customers.
Discount plan combined with oil sales company (launched May 2019)	<ul style="list-style-type: none"> Through a tie-up with Irimajiri Oil Co., Ltd. (headquartered in Kochi City, Kochi Prefecture), our customers who enroll in the discount rate plan called Otoku e-Plan for Irimajiri Oil will receive a Shikoku Electric Power x Irimajiri Oil Members Card from Irimajiri Oil Co., Ltd. that entitles them to economical combined discounts with the company's various service offerings. Shikoku Electric Power and Irimajiri Oil Co., Ltd. have concluded an agency agreement on electricity sales whereby Irimajiri Oil Co., Ltd. can sell Shikoku Electric Power's electricity to its own residential customers.

Maintaining and Improving Profitability in the Electric Power Business

Expanding electricity demand Further strengthening electrification

We will further expand electricity demand by increasing our promotion of electrification, including all-electric houses, along with air conditioning, water heating, and cooking in the commercial sector and production processes in the industrial sector.

Residential customers



Promoting spread of all-electric houses

- Promote economical rate plans through commercials, electrification events, and web services
- Expand horizons of sub-users including homebuilders

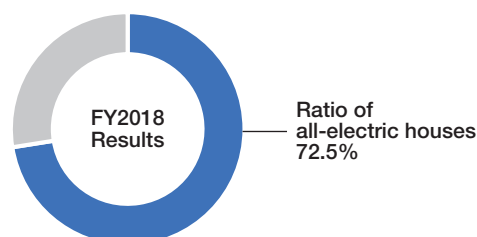
Business customers



Promoting electrification in the commercial and industrial sectors

- Create opportunities for electrification proposals through proposal-based sales and energy solution services
- Propose electric heat pump air conditioning, hot-water supply, and all-electric kitchens for hospitals, welfare facilities, and stores, etc.
- Roll out a broad range of consulting activities targeting production processes at factories

Ratio of all-electric houses among newly built houses



Number of contracts with all-electric houses in Shikoku: 372 thousand (aggregate as of March 31, 2019)

Development of energy-centric solution services

In the commercial and industrial sectors, we will work to build relationships with customers and promote electrification by rolling out a diverse array of highly specialized energy solution services. As part of these efforts, we will use strategic proposal-based sales and utilize the technical prowess and knowhow of Shikoku Electric Power and its Group companies based on the needs of customers.

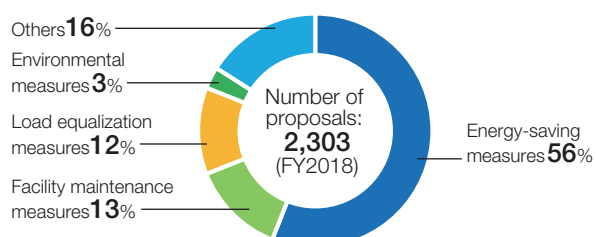
For hospitals, welfare facilities and stores...

- Offer electric heat pumps to reduce energy use, costs, and CO₂ emissions.
- Propose all-electric kitchens that truly exemplify the benefits of with their high levels of safety, comfort, and cleanliness.

For factories...

- Propose introduction of electric heating and automation systems that improve the productivity of factories.
- Propose environmental countermeasures and more efficient operation methods for existing facilities.
- Introduce measurement systems for improving the utilization efficiency of energy.
- Offer broad range of consulting activities, such as on environmental countermeasures.

Status of energy solution activities for business customers



Solution 1

Introduction of electric air conditioning, water heating and kitchen facilities at newly built and relocating hospitals

- Provided comparison of economics of each energy source and held hands-on demonstrations using Dennosuke, a demonstration vehicle equipped with an all-electric kitchen, for hospital officials and design offices.
- For kitchens, realized a comfortable and safe kitchen environment that makes it easier to comply with hygiene controls following HACCP mandated under revisions to the Food Sanitation Act, by introducing all-electric kitchen appliances such as IH cooktops and steam convection ovens.



A demonstration vehicle equipped with an all-electric kitchen

Facilities introduced

Air conditioning: 980 kW Water heating: 68 kW Kitchen: 158 kW

Solution 2

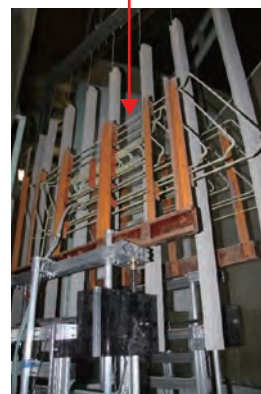
Introduction of induction heating system for paint drying process

- Proposed a solution using the introduction of an induction heating system for efficiently applying heat to the center of painted metal construction materials in order to reduce the drying time compared to using a gas-powered drying furnace.
- The introduction of this system increased productivity by shorting the drying time, increased paint quality by reducing the risk of contaminants inside the drying furnace, and lowered running costs by increasing heating efficiency.

Induction heating system

Electricity consumption: 150 kW One unit

Maximizing profits by effectively leveraging new markets



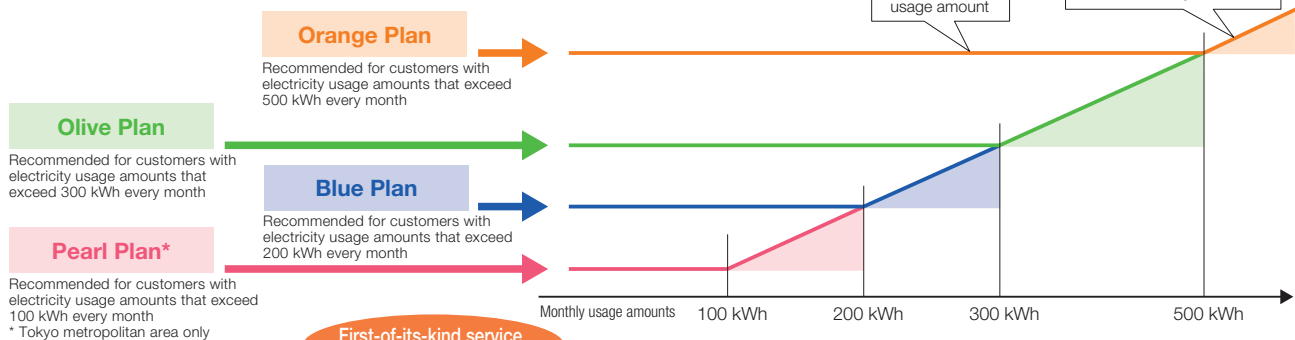
Increasing opportunities for profit Expansion of retail and wholesale outside the Shikoku region

Expanding retail sales outside of the Shikoku region

We are working to tap into new customer segments by providing or proposing the optimal rate plan to customers in the Tokyo Metropolitan Area and Kansai Region based on their actual usage.

In fiscal 2018, we launched new plans including *Kurikoshi Discount* where customers can carry over any unused portion of their fixed rate as a discount off their next month's fixed rate as well as Shikoku Electric Power Company's Cancer Insurance (Free Plan). In this manner, we are working hard to provide services that are even more attractive to customers.

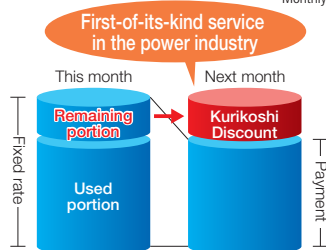
Rate plans for customers with families (Tokyo metropolitan Area and Kansai Region)



Kurikoshi Discount

Any remaining electricity usage* falling below the flat rate can be carried over to the next month's electricity rate as a discount

*Within the maximum carry over amount set for each rate plan.



Shikoku Electric Power's Cancer Insurance (Free Plan)

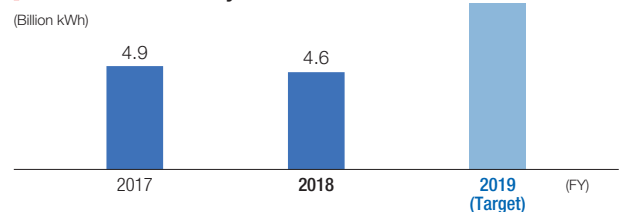
*For Tokyo Metropolitan Area only

Eligible customers	Individual customers newly enrolling in a rate plan for residential via Denki-no-hikaku Insweb, an electricity rate comparison website.		
Premium	0 yen (borne by Shikoku Electric Power)	Term	1 year
Amount of Coverage	50,000 yen provided as lump-sum if diagnosed with cancer	Policyholder	Shikoku Electric Power
		Underwriter	SBI Insurance Co., Ltd.

Expanding wholesaling

We are seeking to expand wholesaling by utilizing surplus supply capacity effectively for selling electricity to other companies and to exchanges.

Wholesale electricity volume



Maximizing profits by effectively leveraging new markets

We aim to maximize earnings through increased earnings opportunities and recovery of fixed costs by harnessing new markets and new system, such as the baseload market, while utilizing our competitively balanced supply capacity.

Timeline of introducing of new markets and system

	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 -
Baseload Market		Open Market	Start Delivery	
Transmission Usage	Implicit Action	Transmission Congestion Right (Open Market)		
Capacity Market			Open Market	Fiscal 2024: Put Capacity Contracts into Effect
Balancing Market			Start System Operation	Fiscal 2021: Start Procurement (Open Market)
Non-Fossil Value Trading Market	Open Market (FIT Only)		Open Market (Non-Fossil Energy Power Sources Outside of Post-FIT)	

Source: Prepared based on documents from the Ministry of Economy, Trade and Industry

Creation and Expansion of Profit Sources Outside of the Electric Power Business

Opportunities and Risks

Opportunities	Risks
<ul style="list-style-type: none"> Creation of new services and businesses in response to diversifying customer needs and technological innovation Expansion of telecommunications business due to growing digitalization Expansion of overseas business due to increasing global energy demand 	<ul style="list-style-type: none"> Changes in the form of energy supply with the evolution of new technologies Increasing risks due to business diversification



Response policy and measures

→ Please see pages 40–44 for details.

With the aim of creating and expanding new sources of profit, we endeavor to improve the earnings capacity of existing operations while exploring new business fields with an eye to expanding our market areas, extending our business domains, and developing combination services.

Improving profitability in existing businesses

Increasing profits in telecommunications services

- We will seek further growth in the fiber optic internet services for individual households, data center and cloud-related operations, and the low-cost mobile service operated by STNet Inc., a Group company.

Strengthening overseas independent power producer (IPP) business

- We will seek to expand the overseas IPP business by increasing the scope of covered areas and power generation methods, and strengthening business partnerships.

Increasing profits in gas supply business

- Leveraging the Sakaide LNG terminal near the Sakaide Power Station, we will promote wholesale supply to gas companies in Shikoku and LNG sales to large customers.

Developing new business fields that can be future profit sources

Expanding efforts as an integrated energy company

- Under the joint venture Niihama LNG Co., Ltd., which was jointly established with Tokyo Gas Engineering Solutions

Corporation, Sumitomo Chemical Co., Ltd., Sumitomo Joint Electric Power Co., Ltd., Shikoku-Gas Co., Ltd., and Shikoku Electric Power, we will work on the LNG terminal business and sales of LNG to the surrounding area.

- We will conduct studies aimed at developing business fields leveraging distributed resources including storage batteries and EVs

Entering the household field

- With the diversification of lifestyles, we will seek to provide one-stop services capable of responding to all kinds of problems in customers' lives and in life-related fields.

Expanding activities in the agricultural field

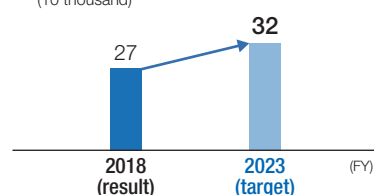
- Our Group works on projects related to crop production, processing, research and development and other areas by leveraging our management resources, while joining a project to grow strawberries. Through these initiatives, we promote the revitalization of agriculture in the Shikoku region.

Collaboration and cooperation with startup companies

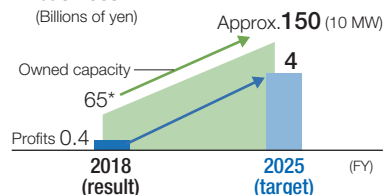
- We will seek to create new businesses and synergies by investing in promising ventures primarily in fields related to the electric power business, and collaborate with startup companies driven by the open innovation program.

Key Performance Indicators (KPIs)

Number of subscribers to the Pikara fiber optic internet services (10 thousand)

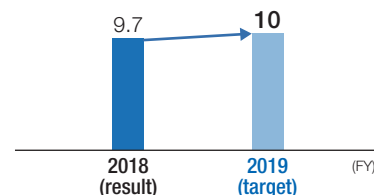


Owned capacity of power generation equipment and profits in overseas business (Billions of yen)



*Total owned capacity of projects participating in the business as of the end of fiscal 2018.

Sales volumes in gas supply services (10 thousand tons)



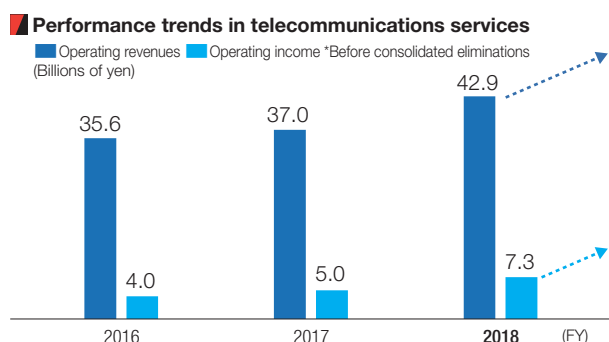
Improving profitability in existing businesses

Increasing profits in telecommunications services

Expanding business with focus on STNet

We have worked on the telecommunications business with the aim of expanding its earnings base by effectively leveraging management resources such as human resources and equipment, including telecommunications technology developed by the Group, as well as advancing telecommunications in the Shikoku region.

Centered on STNet, a Group company, we will further expand business in the ICT field by developing new businesses, as well as strengthen and expand existing businesses.



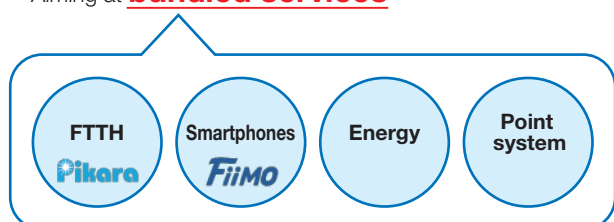
“Pikara” fiber optic internet services

Since the start of the service in 2004, the number of subscribers has steadily increased to approximately 270,000 at the end of fiscal 2018.

In addition to reinforcing the sales system and improving customer support, we seek to maintain and increase our market share through greater coordination with the CATV and electricity businesses.

Future direction in telecommunications services for individual households

- Maintain and expand Pikara market share
⇒ Goal of **320,000 subscribers (end of fiscal 2023)**
- Reach new targets through integrated sales to CATV and electricity customers in individual households
⇒ Aiming at **bundled services**



Data center and cloud-related operations

We established Powerico, a state-of-the-art data center in Takamatsu City, Kagawa Prefecture, which is known to have relatively few natural disaster in comparison with the rest of Japan, and are providing service. Currently, Powerico is used by many companies and municipalities as the main center of an important system and as a base for recovering from and preventing damage caused by disasters.

We will continue to expand our customer base by reinforcing the operational capability in the data center and supplying cloud services that meet various customer needs.

Powerico is scheduled to start service in the second building in November 2019. Combined with the existing service in the first building, it is expected to be one of the largest data centers in western Japan.



“Powerico” data center in Takamatsu

“Fiimo” low-cost mobile service

We are expanding contact points with customers of Fiimo, a mobile service that lets customers use smartphones and other devices at low prices, by establishing directly operated stores, accelerating promotional activities, and enhancing service quality.

We will further increase the number of subscribers by targeting potential customers of existing services, such as Pikara and electricity, within our Group.

Creation and Expansion of Profit Sources Outside of the Electric Power Business

Improving profitability in existing businesses Strengthening overseas IPP business

Leveraging the Group's management resources including technologies, knowhow, and human resources, we started our overseas business activities in fiscal 2003 with the aim of entering new markets that could help us expand our future earnings base. In overseas consulting, we have participated in 94 projects in 50 countries worldwide commissioned by JICA¹ and NEDO², helping us to expand

our network locally. Currently, we are working with other companies to reinforce our efforts in IPP business.

Moving forward, we will take a hard look at expanding business in energy and infrastructure-related fields outside of IPP business.

1. JICA: Japan International Cooperation Agency

2. NEDO: New Energy and Industrial Technology Development Organization

FY2025 profit target

**FY2025
profit target**
¥ **4 billion**
a year

Expanding targets of considerations

Without limiting ourselves to gas-fired thermal power in the Middle East, where we are already operating, we are expanding the scopes of regions to Southeast Asia and the Americas where growth is anticipated and generation types to renewable energy with the aim of expanding our owned capacity.

Strengthen strategic partnerships

In addition to strengthening our relationship with existing business partners, we will use our many strengths in order to establish relationships with new business partners. These strengths include our knowhow related to facility operation and maintenance cultivated in the domestic electricity business as well as the network of transaction partners and local government agencies we have established through our consulting services.

Initiatives in the overseas IPP business

Since joining Shikoku Electric Power's first overseas power generation project in Qatar in the Middle East, we expanded the target area to include Oman, Chile, the United States, the United Arab Emirates, Indonesia, Taiwan, and Myanmar, and total owned

capacity reached approximately 710 MW.

In addition to gas-fired power as the generation method, we have expanded the scope to include renewable energy such as solar power, hydropower, and wind power with the aim of further developing the overseas projects.

Overseas IPP business (as of September 30, 2019)



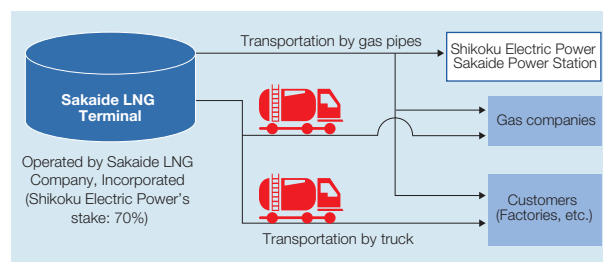
*¹ GTCC represents electricity generation by Gas Turbine Combined Cycle *² COD is the acronym for Commercial Operation Date

Improving profitability in existing businesses Increasing profits in gas supply business

LNG sales centered on Sakaide LNG terminal

The Sakaide LNG Terminal was constructed next to the Sakaide Thermal Power Station in conjunction with the introduction of LNG facilities at this power station. The terminal provides wholesale gas supply to gas companies in Shikoku as well as LNG sales to large-volume consumers. Moving forward, we plan to expand sales channels by accurately addressing a wide array of customers' needs.

LNG sales mechanism of Sakaide LNG terminal



Developing new business fields that can be future profit sources Expanding efforts as an integrated energy company

Niihama LNG terminal project

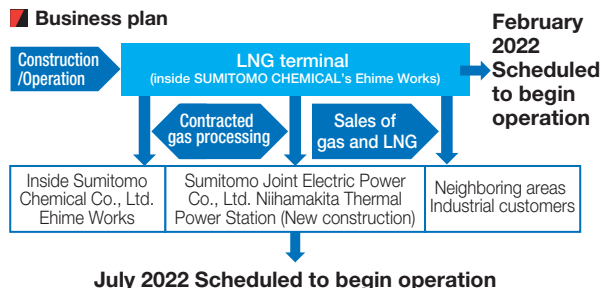
We established Niihama LNG Co., Ltd. jointly with Tokyo Gas Engineering Solutions Corporation, Sumitomo Chemical Co., Ltd., Sumitomo Joint Electric Power Co., Ltd., and Shikoku-Gas Co., Ltd. By promoting the LNG terminal project through Niihama LNG, we seek to promote and expand usage of eco-friendly natural gas while providing the surrounding area with a stable and efficient supply of energy.

In October 2018, construction of the LNG terminal started and other facilities, including LNG gasification and truck loading facilities, will be built in sequential order and plans are steadily moving forward with the aim of starting operations in fiscal 2021.



Inside completed LNG terminal (artist's rendition)

Business plan



Overview of Niihama LNG Co., Ltd.

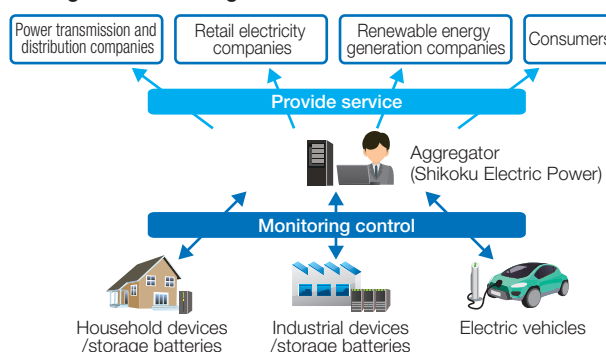
Location	Niihama City, Ehime Prefecture		
Founded	April 2, 2018	Paid-in Capital	¥10.7 billion
Equity stake	Tokyo Gas Engineering Solutions Corporation : 50.1% Shikoku Electric Power Co., Inc. : 30.0% Sumitomo Chemical Co., Ltd. : 9.9% Sumitomo Joint Electric Power Co., Ltd. : 5.0% Shikoku-Gas Co., Ltd. : 5.0%		
Business Activities	Contracted gas processing LNG terminal operation and maintenance Sales of gas and LNG, etc.		

Promoting initiatives utilizing new technologies

With technological innovations including AI and IoT progressing, we regard the spread of storage batteries, EVs, and other products anticipated in the future, as new business opportunities, and we are examining their commercialization.

One of them that we are focusing on is VPP (Virtual Power Plant), which uses distributed energy sources such as storage batteries with IoT. Since 2019, we have been participating in a national verification project to gain various knowledge and knowhow.

Diagram of VPP usage



Creation and Expansion of Profit Sources Outside of the Electric Power Business

Developing new business fields that can be future profit sources Entering the household field

In April 2018, we concluded a franchise agreement with Benry Co., Ltd., a company based in Kiyosu City, Aichi Prefecture, and commenced operation of the lifestyle support service business. We are already receiving praise in this business for being able to provide solutions to the various issues faced in people's everyday lives on a one-stop basis.

We look forward to gaining experience and expanding our network going forward, developing our business with an eye to having locations in major cities throughout Shikoku.



Benry Yonden Ritsurin office

Development of the Lifestyle Support Service Business

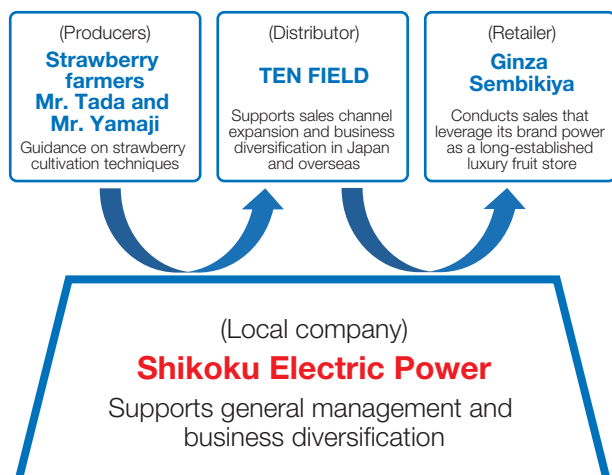


Expanding activities in the agricultural field

Established the agricultural corporation "Agribbon"

Individual Group companies within the Shikoku Electric Power Group have participated in agribusiness in a variety of fields while leveraging their management resources. Under these circumstances, Shikoku Electric Power formed a partnership with local strawberry farmers, distributors, and retailers to create the new company, Agribbon, to grow strawberries in October 2018. We will help to further expand production of this strawberry and develop farmers who will support local agriculture.

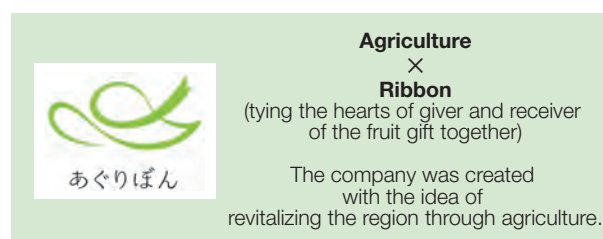
Business plan



Overview of Agribbon

Business description	Production, processing, and sales of agricultural products
Location	Miki Town, Kitagun, Kagawa Prefecture
Paid-in capital	¥50 million
Equity stake	Shikoku Electric Power: 70.0% Ginza Sembikiya: 20.0% TEN FIELD: 9.6% Ichigoya Mei*: 0.2% Hideaki Yamaji: 0.2% (strawberry farmer)

*An agricultural corporation run by Mr. Tada that produces strawberries



Agricultural field initiatives of Shikoku Electric Power Group





Developing new business fields that can be future profit sources Collaboration and cooperation with startup companies

Investment in promising venture companies

We seek to create synergies with our Group's business and expand our areas of business by investing in promising ventures, especially those related to the electricity business.

Outline of investments and investment amount

*Amounts shown are Shikoku Electric Power's actual investment

Miraikikai, Inc.

¥200 million

A venture company engaged in the development, manufacture, and sales of solar panel cleaning robots

LE System Co., Ltd.

¥200 million

A venture company engaged in R&D and production of electrolytes used in vanadium redox flow batteries

FOMM Corporation

¥300 million

A venture company engaged in the development and production of ultra-compact electric vehicles

ZenmuTech, Inc.

¥200 million

A venture company engaged in the development and sales of advanced information security software using secret splitting technology

Will Smart Co., Ltd.

¥45 million

A venture company engaged in software development, manufacturing, and mobility services

Mirai Creation Fund II

¥1,000 million

A fund that invests in venture companies around the world in the five sectors of intelligent technologies, robotics, and technologies for a hydrogen-powered society, electrification, and new materials.

Started Open Innovation Program

We started the Open Innovation Program "Shikoku Electric Power Accelerator" with Creww Inc.¹ in May 2018 with the aim of creating and providing new values and services for everyday life, the region including Shikoku, and society by merging various management resources developed by our Group with the innovative ideas, knowledge, and knowhow of possessed by the startup companies.²

In this program, we selected four candidate companies for collaboration in August 2018, and are examining them with the aim of commercialization of each project. Of these, two projects have already started verification testing.

1. Operator of Japan's largest community of startup companies

2. Rapidly growing companies that approach existing markets with unprecedented business models built on unique technologies and ideas

Overview of two verification testing projects

Project name	Camera system project using utility poles	Service to revitalize local communities using comic books
Collaborators	Z-MAX Media Solution (Shinjuku-ku, Tokyo) Representative Director: Iwao Ozawa	whomor Inc. (Chuo-ku, Tokyo) CEO: Mikiya Shibatsuji
Project description	Cameras were mounted on power poles owned by Shikoku Electric Power at five locations in Takamatsu City and video data was recorded and analyzed over the Internet with the goal of solving local problems including disaster and crime prevention.	By combining pilgrimages to the 88 temples of Shikoku with tourism through the distribution of the comic book "Mitsutabi," we will introduce pilgrimages and tourist spots in order to revitalize the region.



Foundation Underpinning Value Creation

At Shikoku Electric Power, frameworks are in place to facilitate corporate social responsibility (CSR) activities advanced through a concerted Group effort under the guidance of the CSR Promotion Council, which was established in March 2006 and is chaired by the president.

The basic policies for these activities are defined in the Yonden Group Action Charter, which was established in September 2006, and specific priorities are set as the 7 CSR Pillars. In this manner, we promote more effective CSR activities while ensuring that every employee is aware of the meaning of each pillar.

P.47 Promoting Compliance

P.49 Advancing Environmental Preservation Activities

P.57 Practicing Transparent Management

P.59 Fostering Employee Motivation

P.63 Coexisting in Harmony with Communities

P.65 Enhancing Corporate Governance

■ Activities of the CSR Promotion Council





Yonden Group Action Charter (in Japanese only)
<http://www.yonden.co.jp/corporate/csr/policy/index.html>

The Yonden Basic Policy on Corporate Governance (in Japanese only)
<https://www.yonden.co.jp/corporate/ir/policy/governance.html>

Yonden Group Action Charter

Our Group is committed to its basic stance: coexisting with the community, moving forward with the community, and prospering with the community. In accordance with this stance, we recognize the importance of strengthening the bonds of trust with stakeholders who play an important role in supporting our operations and fulfilling our responsibility to the greater society, which is crucial

to our ongoing growth and progress as a Group.

We have defined the following principles to serve as guidelines for our directors and employees in practicing corporate activities that emphasize compliance, corporate ethics, and transparency. Based on these principles, the Group will strive to live up to the high expectations of society and gain greater levels of trust.

Our Commitment to Our Customers

- We are committed to providing society with useful products and services, with full consideration for public safety, while placing our number one priority on customer satisfaction.
- We provide safe, stable, reliable, and low-cost electric energy according to our social mission as an electric power supplier.

Our Commitment to Our Investors

- We are dedicated to improving our corporate value continuously over the long term while operating our business in a sound and transparent manner.
- We are committed to the proactive disclosure of accurate information to our investors.

Our Commitment to Our Suppliers

- We treat our suppliers as good and reliable partners of equal standing with whom we engage in free and fair trade.

Our Commitment to Our Employees

- We respect the personality and individuality of each employee.
- We are committed to providing safe and comfortable working conditions and to creating a cheerful and open corporate culture.

Our Commitment to Society

- As a full member of society, we shall contribute to the progress of communities.
- We shall maintain sound and normal relations with statesmen and government administrators.
- We shall stand firmly against antisocial forces that menace civil society.

Our Commitment to the Planet

- We recognize the importance of environmental preservation and shall strive to minimize the environmental impacts caused by our business operations.

The 7 CSR Pillars



Yonden Basic Policy on Corporate Governance

Basic Approach to Corporate Governance

- 1 We will uphold the rights of our shareholders and ensure fairness.
- 2 We will cooperate with our various stakeholders in an appropriate manner.
- 3 We will actively disclose information promptly and appropriately in an effort to ensure transparency.
- 4 We will reinforce business execution and management supervisory functions under a corporate governance system with an Audit & Supervisory Committee.
- 5 We will engage in constructive dialogue with our shareholders and other investors.

Promoting Compliance

To further strengthen bonds of trust with our stakeholders and improve corporate value, our Group practices stringent compliance and acts in accordance with a high standard of corporate ethics. All employees are made well aware of the importance of compliance as we work to meet the expectations of society.

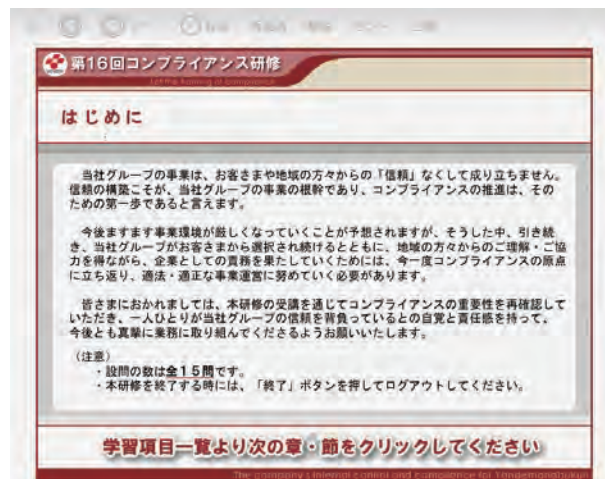
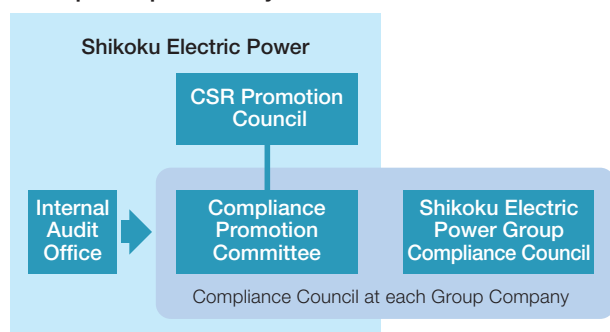
Promoting compliance

Compliance promotion system

Shikoku Electric Power has established the Compliance Promotion Committee and the Compliance Guidelines that contain specific compliance matters for officers and employees, such as legal compliance, respect for social norms, along with building and maintaining sound relationships with stakeholders. We are now working to instill and entrench compliance awareness among employees by making these guidelines known to all and using e-learning for all employees.

We are also promoting compliance across the entire Group through the Shikoku Electric Power Group Compliance Council. Also, similar to Shikoku Electric Power, each Group company has established a Compliance Promotion Committee to carry out initiatives of their own.

Compliance promotion system



Compliance training provided by e-learning



Compliance training tour at Tokushima Branch (November 2018)

Compliance Consultation Office

We have established a Compliance Consultation Office at Shikoku Electric Power and an outside law office to receive consultations from inside and outside the Group regarding actions that violate laws or corporate ethics.

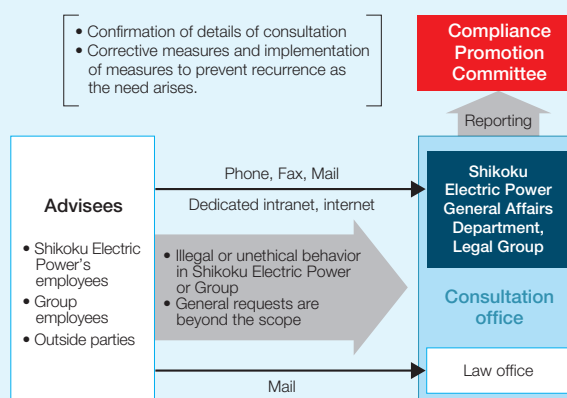
Consultations are investigated and corrective measures or recurrence prevention measures are implemented, if necessary.

Number of consultations

Fiscal year	2016	2017	2018
Number of consultations	9	12	7*

*Reports up to March

Overview of the Compliance Consultation Office





Shikoku Electric Power Compliance Guidelines (in Japanese only)
<https://www.yonden.co.jp/corporate/compliance/guideline/index.html>

Compliance Consultation Office (in Japanese only)
<https://www.yonden.co.jp/corporate/compliance/contact/index.html>

Confidential Information Security Policies (in Japanese only)
<https://www.yonden.co.jp/corporate/activity/privacy/index.html>

Stringent confidential information security

Establishment of management systems and education of employees

Our Group has established the Confidential Information Security Committee as a body for formulating and advancing confidential information security measures. Further, we have developed internal guidelines and are otherwise working to ensure that confidential information, including customer information, is managed in a stringent and appropriate manner.

The Internal Audit Office periodically evaluates these management systems and reports findings to management. In addition to these initiatives, we educate employees with regard to the management of confidential information through training programs and other efforts geared toward spreading awareness.

Confidential Information Security Policies

Our Group has formulated confidential information security policies. In these policies, we publicize the purpose for which our Group uses confidential information, and we have also established a confidential information consultation office. In these ways, we have made our confidential information efforts public, and we are responsive toward opinions and questions.

Confidential Information Consultation Office

SHIKOKU ELECTRIC POWER
 Legal Group, General Affairs Department
 2-5, Marunouchi, Takamatsu, Kagawa 760-8573, Japan
 Tel: 090-1320-2208 E-mail: privacy@yonden.co.jp

Comprehensive information security

Our Group realizes that information security is an exceptionally important task that needs to be addressed in business operations. As such, we have developed systems for guaranteeing comprehensive information security on a Groupwide basis and have formulated the Yonden Group Information System Security Guidelines.

Massive quantities of information are processed using computers, some of which is confidential. Such computer processing includes exposure to risks such as leakage, alteration, system crashes, etc., and these risks could have serious social repercussions should they materialize. To prevent the materialization of such risks, we are implementing various information management measures and taking steps to foster information security awareness among employees.

Information Security Measures

Physical Information Security Measures

Implemented crime and disaster prevention measures such as access control at specialized data centers that house computers and other IT equipment

Technological Information Security Measures

Identity verification measures, antivirus software, data encryption, and monitoring of networks to prevent unauthorized access

System and Human-Based Information Security Measures

Established rules such as information system security management standards to ensure security education, training, and programs to foster awareness regarding the importance of information security and cautionary guidelines for computer usage



In-house seminar on information security (February 2019)



Quality Assurance and Supervision Group
 Information Systems Dept.
Kenji Fujikawa

I am responsible for gathering and analyzing the latest threat information regarding information security as well as designing and building the information security system.

During the course of my work duties, I try my best to find out security information at an early stage and implement the right countermeasures without fail, in order to safeguard the Group's systems and information from cyberattacks that are increasingly complex and stealthy in nature.

Going forward, there is expected to be an increase in cyberattacks ahead of the Tokyo Olympics and Paralympics. Nevertheless, I will continue to dedicate myself toward ensuring information security and that the Shikoku Electric Power Group earns the trust of customers.

Advancing Environmental Preservation Activities

Our Group is devoted to preserving the planet, the community, and ensuring a bright future for all. For this reason, we actively pursue efforts in environmental conservation and continuously work to reduce our environmental footprint.

Yonden Group Environmental Policies

In accordance with the Yonden Group Environmental Policies, we have positioned environmental preservation among the most important tasks of management, and are advancing Groupwide environmental protection activities as such.

Basic Environmental Policies and Environmental Action Policies

Basic Environmental Policies

Our Group's basic concept of environmental preservation

- (1) Continue to reduce environmental impact throughout a variety of business fields

- (2) Practice environmental management

- (3) Communicate with society

Environmental Action Policies

Details of initiative

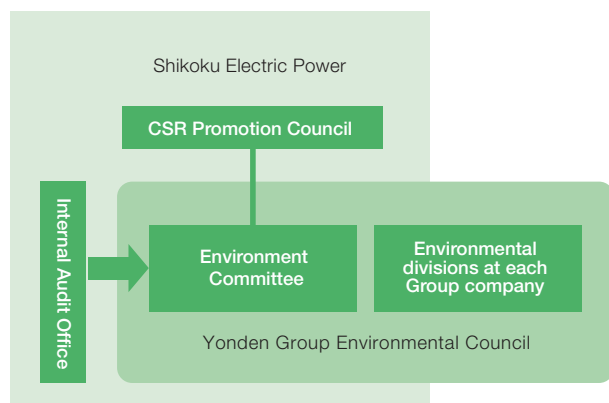
- Address climate change
- Conserve energy and level electricity loads
- Preserve regional environment
- Promote a recycling-based society
- Conduct green procurement and create eco-friendly offices
- Practice environmental management
- Communicate with society

Environmental preservation activity promotion system

The CSR Promotion Council, which is chaired by the president, guides Shikoku Electric Power in conducting environmental preservation activities, which are primarily managed by the Environment Committee.

In addition, our Group has established the Yonden Group Environmental Council, which meets regularly. By receiving reports on environmental protection plans and the progress of initiatives, and then deliberating on these reports, the committee helps realize uniform improvements in the quality of environmental preservation activities throughout our Group.

Environmental preservation activity promotion system

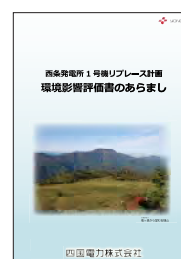


Environmental topics (Shikoku Electric Power fiscal 2018)

Date implemented (period)	Content
April 3	Saijo Unit No. 1 Replacement Plan Environmental Impact Statement Draft Disclosure
May 1–October 31	Started "Cool Biz" (campaign to limit the use of air conditioning by allowing employees to dress casually for work)
June 1–30	Conducted Environmental-Related Activity Month
July 27	Periodic Report Based on Energy Saving Law (Benchmark Index)
August 31	Fiscal 2018 Shikoku Electric Power Group Environmental-Related Data Book Disclosure Fiscal 2018 Environmental Preservation Activities Status Disclosure
September 10	Report on CO ₂ emission intensity (fiscal 2017) based on the Law Concerning the Promotion of Measures to Cope with Global Warming
January 8	Report on CO ₂ emission intensity used in greenhouse gas emissions reports (calculations of fiscal 2018 emissions)
March 8	Saijo Unit No. 1 Replacement Plan Environmental Impact Statement Disclosure



Environmental impact statement



Draft environmental impact statement outline



Yonden Environmental Policies (in Japanese only)
https://www.yonden.co.jp/energy/environ/policy_01/index.html

Yonden Group Environmental Policies (in Japanese only)
https://www.yonden.co.jp/assets/pdf/energy/environment/policy/index/yonden_policy.pdf












Yonden Group Environmental-Related Data Book (in Japanese only)
<https://www.yonden.co.jp/energy/environment/data/index.html>

Environmental goals and performance

(Shikoku Electric Power)

We are establishing management targets for environmental preservation and continuously working to decrease environmental impact.

Evaluation ratings	😊 Accomplished	😐 Nearly accomplished	😞 Unaccomplished
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Basic Environmental Policies/Environmental Action Policies		Relevant SDGs	Environmental indicator			Unit	Target	Performance		Target	
							FY2018	FY2018	Evaluation	FY2019	
Continue to reduce environmental impact throughout business fields	Address global warming	    	CO ₂ emissions intensity* ¹ (CO ₂ emissions volume)			kg-CO ₂ /kWh (10,000 tons)	Ensure safe and reliable operation of Ikata Nuclear Power Station, reduce CO ₂ emissions on supply and demand sides of all business areas.	0.500/0.528* ² (1,164/1,230* ²)	—	Ensure safe and reliable operation of Ikata Power Station, reduce CO ₂ emissions on supply and demand sides of all business areas.	
			Utilization ratio of nuclear power generation facilities			%		39.3			
			Ratio of non-fossil fuel power sources* ³			%		30			Aim to accomplish targets related to Act on Sophisticated Methods of Energy Supply Structures.
				Thermal efficiency of thermal power plants	Benchmark indicators* ⁴	Indicator A	—	Achieve targets related to Act on the Rational Use of Energy.	1.04	—	Achieve targets related to Act on the Rational Use of Energy.
						Indicator B	%		42.8	—	
				Transmission and distribution loss			%	Minimize loss	5.4	😊	Minimize loss
				Contracted capacity of heat pump thermal energy storage systems			MW (cumulative)	Approx. 541	561	😊	Approx. 603
				Office electricity usage reduction			%	1% YOY reduction	0.3 increase	😞	1% YOY reduction
				Rate of low-emission vehicle introduction* ⁵			%	Maximize introduction	91	😊	Maximize introduction
				Renewable energy used* ⁶	Solar power generation		10 MW (cumulative)	Fully maximized	248.7	😊	Fully maximized
					Wind power generation		10 MW (cumulative)	Fully maximized	22.8	😊	Fully maximized
				Renewable energy generation capacity developed			10 MW (cumulative)	Fully maximized	126.7	😊	Fully maximized
				SF ₆ gas recovery ratio			%	Maximize recovery	99.7	😊	Maximize recovery
	Preserve regional environment	 	SO _x emissions intensity			g/kWh	Less than 0.3	0.1	😊	Less than 0.3	
			NO _x emissions intensity			g/kWh	Less than 0.5	0.4	😊	Less than 0.5	
	Promote a recycling-based society	  	Waste recycling ratio			%	Approx. 99	95.5* ⁷	😞	Approx. 99	
				Coal ash recycling ratio		%	More than 99	99.8	😊	More than 99	
				Green purchasing ratio (office supplies)			%	More than 85	90	😊	More than 85

*¹ In February 2016, member companies of the Federation of Electric Power Companies of Japan, including Shikoku Electric Power Co., Inc., Electric Power Development Co., Ltd., The Japan Atomic Power Company, and cooperating power producers and suppliers established the Electricity Business Council for a Low-Carbon Society, which aims for a CO₂ emissions intensity of around 0.37 kg-CO₂/kWh by fiscal 2030.

*² After adjusting for domestic systems credits and the Excess Electricity Purchasing Scheme for Photovoltaic Power and the feed-in tariff scheme for renewable energy.

*³ Ratio of all power generated by Shikoku Electric Power (including power procured from other power providers but excluding power supplied to other providers through means other than retail) from non-fossil fuel sources, such as nuclear power and renewable energy (hydro, solar, wind, and biomass power) calculated as stipulated by regulations pertaining to usage of non-fossil fuel sources. (Decision standards based on the Law for Promoting Use of Non-Fossil Energy Resources and More Effective Use of Fossil Energy Resources by Energy Providers dictate that, in principle, a ratio of 44% or more should be targeted by fiscal 2030.)

*⁴ Indicators based on benchmarking systems pertaining to the Act on the Rational Use of Energy

Indicator A: Indicator of rate of accomplishment of target for thermal power generation efficiency by fuel source (Decision standards based on the Act on the Rational Use of Energy dictate that, in principle, a level of 1.0 or more should be targeted by fiscal 2030.)

Indicator B: Indicator of overall thermal power generation efficiency (Decision standards based on the Act on the Rational Use of Energy dictate that, in principle, a ratio of 44.3% or more should be targeted by fiscal 2030.)

*⁵ Rate of introduction of electric vehicles, hybrid vehicles, plug-in hybrid vehicles, fuel-efficient vehicles, and low-exhaust vehicles.

*⁶ Capacity of facilities connected to Shikoku area power grid.

*⁷ As there were many waste products resulting from a large scale civil engineering works that were hard to recycle, the waste recycling rate was 95.5%; otherwise, the waste recycling rate was 99.6% excluding the specified civil engineering works.

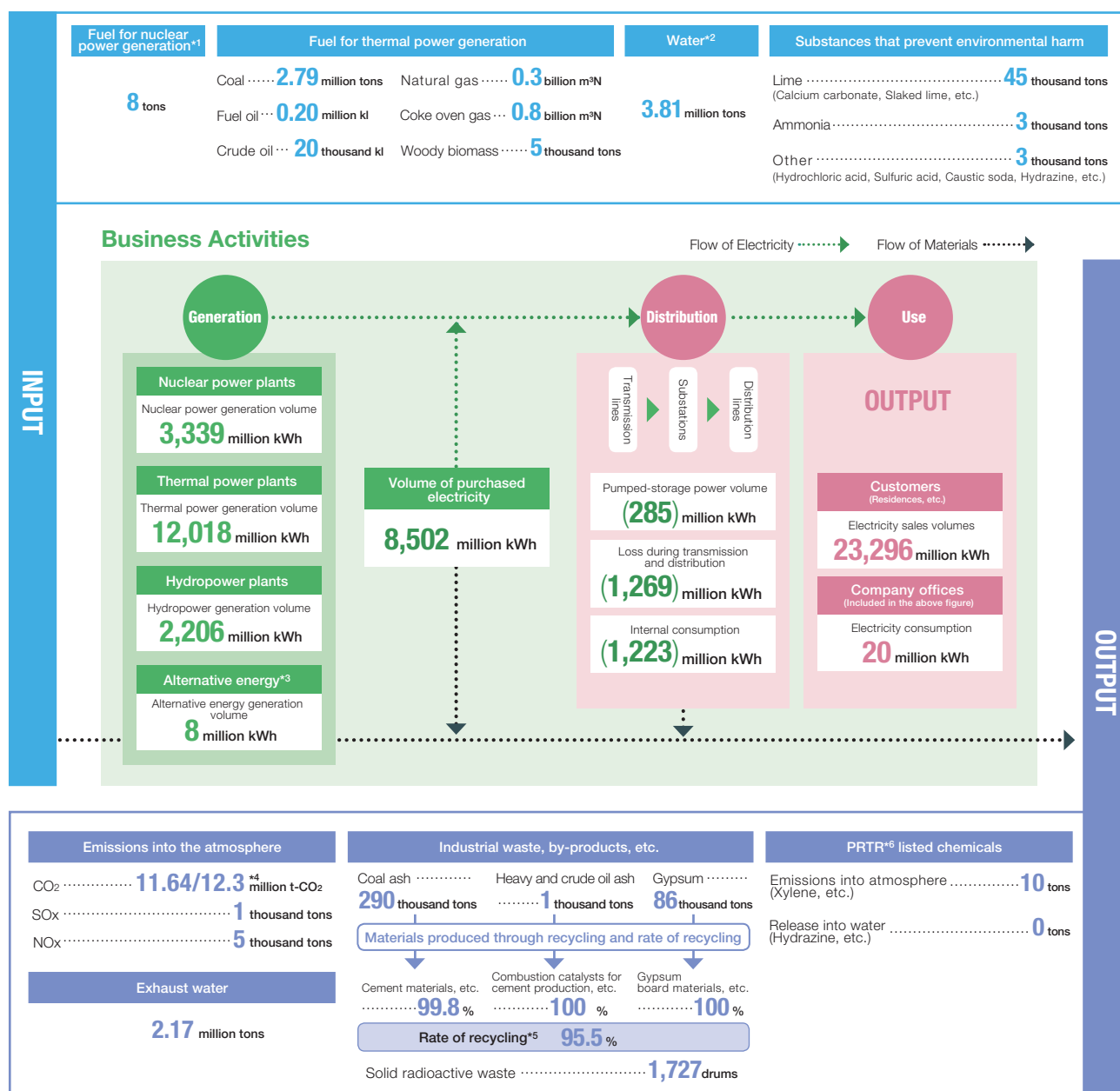
► For long-term trends and specific details on various environmental data, please see pages 27 and 28 of the Yonden Group Environmental-Related Data Book 2019.

Relationship between business activities and the environment

(fiscal year ended March 31, 2019)

Power plants consume fuel and other resources to generate electricity, which results in the production of by-products such as CO₂ and industrial waste.

This is a given, but we are implementing an array of initiatives to minimize the impacts of our whole operation cycle on the environment.



*1 Uranium used.

*2 Combined total of water used for generation and other purposes in thermal and nuclear power plants.

*3 Energy from woody biomass co-firing generation at the Saijo Thermal Power Station and from the Matsuyama Solar Power Station.

*4 After adjustment for the feed-in tariff system for renewable energy.

*5 Average of all materials recycled, including the three items listed above.

*6 PRTR: Pollutant Release and Transfer Register

► For long-term trends and specific details on various environmental data, please see pages 27 and 28 of the Yonden Group Environmental-Related Data Book 2019.



Initiatives toward Environmental Issues (in Japanese only)
<https://www.yonden.co.jp/energy/environ/index.html>

Environmental Action Policies (in Japanese only)
https://www.yonden.co.jp/energy/environ/policy_01/page_02.html

Yonden Group Environmental-Related Data Book (in Japanese only)
<https://www.yonden.co.jp/energy/environment/data/index.html>

Promotion of measures against climate change

The Paris Agreement was adopted in December 2015 at the 21st session of the United Nations Framework Convention on Climate Change Conference of the Parties (COP21) and went into effect in November 2016. In response to this, Japan began formulating new plans to combat climate change in May 2016.

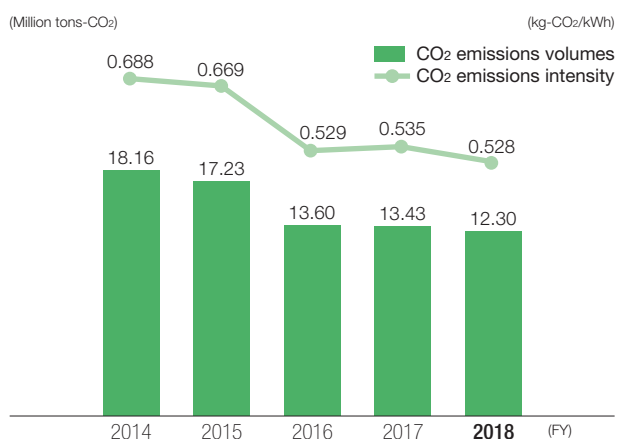
As a member of the Electricity Business Council for a Low-Carbon Society, Shikoku Electric Power aims for a CO₂ emissions intensity of around 0.37 kg-CO₂/kWh by fiscal 2030.

We are taking steps to ensure safe and stable operation at Ikata Unit No. 3 as well as maintaining and improving the thermal efficiency of thermal power plants. At the same time, we are working to curtail our CO₂ emissions by implementing measures from the perspective of both power supply and power demand through initiatives that promote lower energy consumption and CO₂ emissions by our customers.

In fiscal 2018, CO₂ emissions volume was 12.3 million tons and CO₂ emissions intensity was 0.528 kg-CO₂/kWh.

Both figures were brought by such as the continued introduction of renewable energy and then declined over the previous year.

CO₂ emissions volumes and CO₂ emissions intensity (Shikoku Electric Power)



Note: Both CO₂ emissions volumes and CO₂ emissions intensity reflect Kyoto mechanism credits and adjustments for the feed-in tariff system for renewable energy until fiscal 2015. Figures from fiscal 2016 reflect adjustments for the feed-in tariff system for renewable energy.

Electricity supply side measures

Maintaining and improving the thermal efficiency of thermal power plants

The thermal efficiency of thermal power plants declines the longer the plants are in use. We work to maintain thermal efficiency through appropriate daily

equipment inspections, repairs, and operational management. These efforts enable us to limit use of fossil fuels such as coal, oil, and liquefied natural gas (LNG), and thereby minimize CO₂ emission volumes.



Replaced with highly efficient LNG combined cycle system (Sakaide Unit No. 2)

Promotion of renewable energy

The Group is making a concerted Group-wide effort to promote renewable energy in order to reduce CO₂ emissions.

In their solar power and wind power generation operations, Group companies take part in open bids for generation projects by local government bodies and also receive orders for facility construction and maintenance and management services.

Meanwhile, we are contributing to increased use of renewable energy both in Japan and overseas through our involvement in power generation business, as seen in Chile (solar power), Indonesia (hydropower), and Taiwan (offshore wind power).



Solar panel installed in Chile

Other electricity supply-side measures, and measures that promote energy saving and CO₂ reduction (Shikoku Electric Power, FY2018)

Diversification of power sources even as we use nuclear power at a constant rate as an important base-load power source, while ensuring safe and reliable operation

Reduction of CO₂ emission through ultra-supercritical generation equipment at Saijo Unit No. 1

Further reduction of transmission losses by employing low-loss transmission lines and transformers

Improvement of generation output at hydropower plants by introducing high-efficiency turbines and utilizing surplus capacity of aqueducts and other facilities

Investigation and research of carbon dioxide capture and storage (CCS) and other technologies

Electricity demand side measures

Tracking of energy data

We are promoting the introduction of smart meters as their ability to track energy data helps customers use energy more efficiently. We completed installing smart meters into systems for all customers using high-voltage power. Our goal is to have smart meters in place for all low-voltage customers by fiscal 2023. As of March 31, 2018, approximately 42% of this goal had been achieved.

In addition, we provide the Yonden Concierge free membership online service to support customers' energy conservation efforts and thereby contribute to lower CO₂ emissions across society. Yonden Concierge allows users to view their monthly electricity bills and usage amounts, receive emails when their bill for that month has reached a predetermined level, and calculate their CO₂ emissions simply by inputting the amount of electricity, gas, and gasoline they have used.

Spreading usage of heat pump thermal storage air-conditioning systems

As consulting activities focus on the efficient use of energy and proposal activities for more effective and less wasteful ways to use electricity, as well as other initiatives, we are pursuing activities to spread the use of heat pump air-conditioning systems as one of the measures on the electricity demand side.



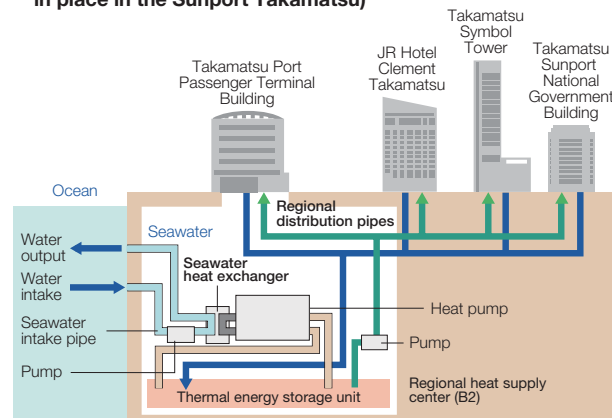
Energy consulting activities

Moreover, we are encouraging developers to create centralized heat supply bases by collecting the heat pumps that would normally be installed in individual buildings in a centralized location. These heat supply centers can then centrally heat and cool water to be pumped to different buildings to meet air-conditioning needs. We are currently operating such heat supply bases in three regions* of Takamatsu City, Kagawa Prefecture.

Concentrating equipment in this manner will contribute to reductions in energy consumption by making use of unutilized energy sources, such as ground and ocean water, and leveraging thermal storage units.

* Bancho, Marunouchi, and Sunport Takamatsu areas of Takamatsu City

Regional heat supply system (regional heat supply system in place in the Sunport Takamatsu)



Other electricity demand-side measures, and measures that promote energy saving and CO₂ reduction (Shikoku Electric Power, FY2018)

Consulting on the effective use of energy for clients involved in business and manufacturing	1,279 consultations
Energy and environment lectures for the general public at our facilities and community centers	76 lectures 1,177 attendees
Energy and environment classes given by lecturers dispatched to schools	340 classes 10,081 attendees
Renewable Energy Premium Plan that delivers 100% renewable electricity to households	Launched in October 2018

Global environment preservation activities

Air and water pollution prevention

To prevent air and water pollution, we are installing flue gas desulfurization and denitrator systems at our thermal plants, and also using low-sulfur fuel and carefully managing combustion processes. These measures help limit the release of SO_x and NO_x into the atmosphere at plants.

In recent years, we have introduced more eco-friendly combined cycle power generation facilities that use LNG as fuel (Sakaide Power Plant No. 1 and No. 2) instead of using conventional facilities that use heavy oil. As a result, per unit emissions of SO_x and NO_x are decreasing.

Both thermal and nuclear power stations decontaminate wastewater using comprehensive effluent processing facilities. Meanwhile, sea water used to cool the steam resulting from turbine rotation is released back into the ocean at a temperature similar to that of the surrounding water. To minimize the difference between water exhaust and the ocean, we use cold water from close to the ocean floor for cooling purposes. Moreover, we continue to monitor exhaust vapors and water, and report measured



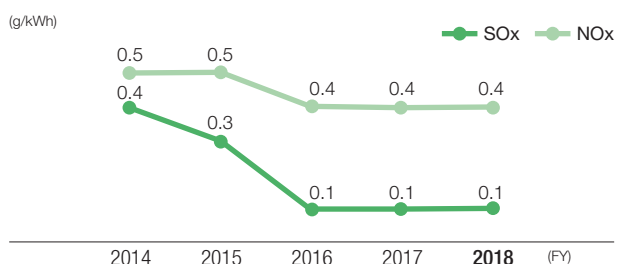
Initiatives toward Environmental Issues (in Japanese only)
<https://www.yonden.co.jp/energy/envirion/index.html>

Yonden Group Environmental-Related Data Book (in Japanese only)
<https://www.yonden.co.jp/energy/environment/data/index.html>

emissions volumes to local government bodies.

When replacing Saijo Unit No. 1, consideration was given to preserving the valuable water resources of the Saijo area as groundwater is used for generating electricity.

SOx / NOx emissions of our thermal power plants (Shikoku Electric Power)



Radiation management

We continuously measure and monitor radiation levels inside and outside the Ikata Power Station, as well as in the surrounding areas, to confirm that there are no abnormalities.

Radioactive waste management

There are two types of radioactive waste, including low level radioactive waste resulting from the operation of Ikata Power Station which has a low level of radiation, and high level radioactive waste* with a high level of radiation resulting from the reprocessing of spent fuel which cannot be reused.

Low level radioactive waste is processed and stored safely within the power station based on the properties such as gas, liquid, and solid state.

In addition, metallic drums used to store low level radioactive waste are systematically carried out of the facility and taken to the Low Level Radioactive Waste Disposal Center in Rokkasho village in Aomori Prefecture, where they are then buried.

On the other hand, high level radioactive waste* is buried deeper than 300 meters underground in a stable stratum after cooling for 30-50 years to undergo stratum disposition.

At Shikoku Electric Power, we are enhancing our collaboration with the Nuclear Waste Management Organization of Japan (NUMO) as a producer of high level radioactive waste with fundamental responsibility in continuously promoting awareness activities on final disposal activities.

* High level radioactive waste resulting from the reprocessing of spent fuel are classified in Japan (vitrified wastes).

Environmental assessment

Prior to initiating our power plant construction projects, we conduct environmental assessment procedures, which are a series of estimations and evaluations into the environmental impact of construction and plant operation on the surrounding areas based on studies into air quality, noise pollution, vibrations, maritime areas, and plant and animal life. The results of these assessments are reflected in subsequent environment conservation measures.

Between 2016 and 2019, we implemented the appropriate environmental assessment procedures for replacing Saijo Unit No. 1. Going forward, we will engage in construction and operate power plants with increased environmental consciousness following the feedback received through the environmental assessment procedures.

Business activities that give consideration to biodiversity

In April 2011, we incorporated preserving biodiversity into our Environmental Action Policies. Since then, we have been conducting activities aimed at reducing adverse impacts on biodiversity and sustainable use of the riches a biodiverse environment provides.

One such activity is our pursuit of harmony between our business and the local environment and nature that surrounds us, achieved in such ways as conducting planting to make local species the dominant plant life on the premises of our power stations.

We are also cooperating with local governments to conduct forest maintenance through planting and thinning in neglected areas as part of our forest preservation activities. For instance, the Shimanto Yonden Forest activity is one initiative aimed at developing the municipal forest at Shimanto town in Kochi Prefecture.

In addition, when performing construction work for the premises of Ikata Unit No. 3, we carried out land reclamation. As it was anticipated that this land reclamation would destroy a certain amount of natural seaweed beds, we used rubble created from construction work to build a replacement seaweed bed. As a result, it has been confirmed that the amount of vegetation growing around the replacement seaweed bed is equal to that of a natural seaweed bed.

Moving forward, we will continue to conduct a variety of initiatives to benefit biodiversity, including environmental and forestry education, as well as forest maintenance.



Replacement seaweed bed in the ocean area in front of the Ikata Power Station

Polychlorinated biphenyl* management

We test all facilities for polychlorinated biphenyls (PCBs) when they are retired, and appropriately store and manage those items found to contain this substance. We have also been detoxifying hazardous substances.

In fiscal 2009, we began detoxifying electrical equipment and materials that contain high amounts of PCBs in an appropriate manner, such as transformers and capacitors. Nearly all of them have been detoxified.

Treatment of equipment containing high amounts of PCBs (Shikoku Electric Power)

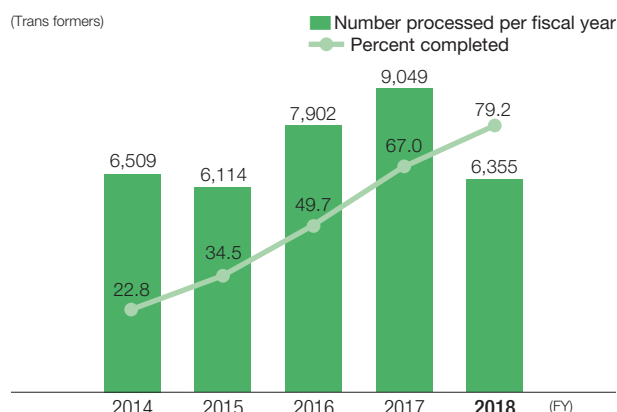
Transformers, capacitors	1,085 units	Stabilizers, etc.	9,367 units
PCB oils	0,319 kl	Other contaminated articles	1,837 kg

For equipment with low concentrations of PCBs, we are proceeding with processing via incineration and charge deprivation treatment. Starting from 2018 we have begun the detoxifying treatment of 20 large PCB-contaminated transformers across all of the prefectures in the Shikoku region using heat treatment methods.

We will move ahead with these initiatives going forward with the aim of treating all applicable articles prior to the prescribed deadline.

* Organic chlorine compounds that are hazardous to human beings.

Processing of our pole transformers with trace amounts of PCB (Shikoku Electric Power)



* This percentage is a calculation using the estimated total number of our pole transformers with traces of PCB.

Promotion of a recycling-based society

We work to limit the output of waste from the activities of all Group companies, and are actively recycling those wastes that are output.

Waste output by us includes coal ash, as well as gypsum and metal scraps. We are working to recycle these waste materials while taking other steps to increase the percentage of material effectively reused. In doing so, we have successfully realized a high recycling rate.

In fiscal 2018, there were many waste products resulting from large scale civil engineering works that were hard to recycle, resulting in a waste recycling rate of 95.5%; otherwise the waste recycling rate is 99.6% excluding the specified civil engineering works.

* For long-term trends in the effective utilization of coal ash, see P.25 of the Yoden Group Environmental-Related Data Book 2019.

Waste output and recycled volumes* in the fiscal year ended March 31, 2019 (Shikoku Electric Power)

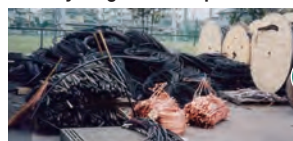
Waste	Output (Tons)	Recycled Volume (Tons)	Recycling Ratio (%)
Coal ash	290,212	289,487	99.8
Gypsum	85,765	85,765	100.0
Rubble	13,412	13,411	99.9
Metal scraps	5,051	5,049	100.0
Mud	19,858	1,900	9.6
Heavy and crude oil ash	831	831	100.0
Waste Plastic	115	95	82.6
Other	2,644	2,531	95.7
Total (excluding large scale civil engineering works)	417,888 (400,816)	399,070 (399,070)	95.5 (99.6)

* Figures are for the volume of waste for which we are considered the waste generator. However, volumes of waste concrete from pillars (rubble) and insulating covers (waste plastic) for which the waste generator is a subsidiary or affiliated company are included as these are intrinsically related to the electric power business.

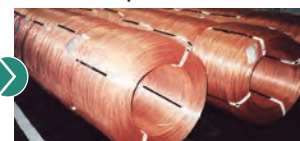
Recycling of remains of demolished structures

We actively recycle the remains of demolished structures. When replacing aged copper and aluminum power lines, the materials from these lines are used to create new power lines. Likewise, concrete pillars are pulverized, and the resulting concrete materials are separated from the metal framework and converted into construction aggregates, for uses such as in the foundations of road pavement. In this manner, we recycle any materials we can.

Recycling status of power lines and concrete pillars



Power lines before recycling



Recycled power lines



Concrete pillars before recycling



Recycled construction aggregates



Environmental Action Policies (in Japanese only)
<https://www.yonden.co.jp/energy/environment/policy/index.html>

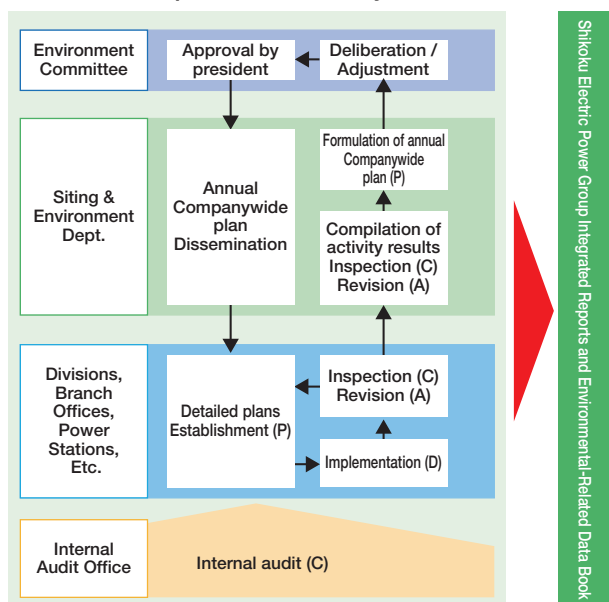
Yonden Group Environmental-Related Data Book (in Japanese only)
<https://www.yonden.co.jp/energy/environment/data/index.html>

Environmental management

We have implemented environmental management systems (EMSs) that entail applying the plan-do-check-act (PDCA) cycle to concrete plans based on business conditions. We are continuously improving our environmental preservation initiatives through these systems.

In our business activities, we promote high levels of environmental awareness among our employees through effective and ongoing environmental education. This awareness contributes to compliance with environmental laws and regulations and with our environmental agreements with local government bodies.

Environmental preservation PDCA cycle



Takamatsu as a distinguished organization in environmental hygiene for its ongoing cleanup activities.

In addition, the Group, in which Shikoku Electric Power plays a center roll, is working to raise environmental awareness among our employees with activities like composing and compiling Environmental Senryu (Japanese comic poetry) and events like the Yonden Group Environmental Photo Contest. The best photos are used in our monthly environmental poster.



Environmental-related activity month themes poster 2019

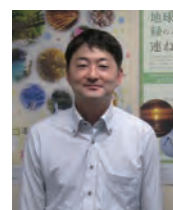
Awarded a certificate of commendation from the City of Takamatsu for our recognition as a distinguished organization in environmental hygiene



Shikoku Electric Power Group environmental photo contest (Fiscal 2019)

Best Photo Award: Mountain stream in Kamiyama town by Ryota Watanabe

[Photo location] Vicinity of Amagoi-no-taki (waterfalls) in Kamiyama Town, Myozai District, Tokushima Prefecture



Carrying out appropriate treatment in anticipation of the treatment deadline for PCB waste

Environment Group Siting & Environment Dept.
Wataru Kinoshita

Promoting communication with society

Environmental-related activity month initiatives

Our Group has designated each June as “Environmental-related activity month,” and we hold various events related to the environment throughout the Shikoku region during the month.

In fiscal 2019, we are conducting activities together with the local community to promote environmental conservation, including cleanup activities and planting of flower seedlings, under the theme of “Connecting the Earth’s Future with Ecology and Succession of Green Batons.”

Among these initiatives, Kagawa Branch Office of Shikoku Electric Power has been recognized by the City of

The Environment Group takes the lead in implementing our environmental preservation measures. We are involved in responding to environmental laws and regulations, providing environmental education to employees and disclosure on environmental data to stakeholders, as well as promoting communication with the local community through monthly environmental events.

Currently, I am involved in the disposal of PCB waste, while my job encompasses a wide range of duties from deliberating disposal policy to publishing manifests, and processing various procedures. As PCB wastes are highly toxic and there is a defined deadline for disposal based on their content level, I strive to properly dispose of PCB by coordinating with other relevant offices in planning systematic disposal for the long term. This is in addition to my regular duty of managing waste disposal.

Going forward, I hope to continue carrying out duties to appropriately dispose of PCB while effectively utilizing other waste materials in aiming to preserve the environment.

Practicing Transparent Management

Our Group actively communicates with customers and community members, shareholders and other investors, employees, business partners, and other stakeholders to ensure the transparency of management.

Enhancement of communication activities

Customers and community members

We have introduced an advisory system to our business. Under this system, advisors are appointed by us from opinionative demographics of the surrounding communities. We receive valuable input and requests from these advisors at meetings held at business sites, during tours of power plants, and on other occasions. Furthermore, we hold yearly customers' roundtable meetings at which the president and other members of management speak directly with the community members from various demographics.

We also publish our *Light & Life* magazine every month with the aim of providing information for the purposes of facilitating understanding with regard to the activities of the Group and explaining the history, culture, and traditional industries of Shikoku as well as the various initiatives implemented to invigorate the region.

Another communication initiative is the "Ikata Style," which we implement at the Ikata Power Station based on safety agreements. This style entails prompt disclosure of highly transparent information as well as visiting-for-dialogues activities in which we visit the homes of people living within a 20-km radius of the power station.



The Light & Life Magazine

Shareholders and investors

We promptly disclose impartial information to shareholders and other investors through our website. We also provide our investor relations (IR) email service to shareholders or other investors wishing to subscribe.

In addition to financial information, we actively disclose non-financial information that has been deemed to be highly valuable to shareholders and other investors. Such information includes that related to management plans, corporate governance, and CSR activities. We thereby aim to ensure transparency in our management.

We value mutual understanding with shareholders and other investors and aim to enhance



Explanatory forum for analysts and institutional investors

mutual communication. To this end, we arrange individual meetings with domestic and overseas investors led by members of management and IR representatives as well as explanatory forums, small meetings, and facility tours for analysts and institutional investors. The input and requests solicited through these activities are reflected in our business to drive ongoing improvements in corporate value.

President-led explanatory forums for analysts and institutional investors

Fiscal 2018 1Q, 2Q Financial Results Briefing

Date	November 5, 2018 (Attendees : Approximately 60)
Topics Covered	<ul style="list-style-type: none"> • 1Q, 2Q Financial results • Status of initiatives for priority issues in fiscal 2018

Fiscal 2018 Full-year Financial Results Briefing

Date	May 8, 2019 (Attendees : Approximately 70)
Topics Covered	<ul style="list-style-type: none"> • Explanation of financial results for fiscal 2018 • Initiatives for the telecommunications business and overseas business • Progress toward the accomplishment of management targets

Employees

Each month we publish the in-house magazine *YONDEN Terrace*, which contains information related to the Group, and distribute it to Group companies.

Starting with the improvement of employee awareness, we believe this magazine helps share information as well as promote communication among Group employees, thereby further fostering Groupwide unity.



YONDEN Terrace

Business partners

Shikoku Electric Power established the Basic Principles of Procurement and conducts its procurement activities keeping in mind its corporate social responsibilities (CSR) such as providing information on its website and through other means about key procurement materials and operating a consultation office.

In addition, the Group has established Green Procurement Guidelines in relation to consideration for the environment. Based on these guidelines, we receive proposals from suppliers for eco-friendly office supplies and electricity generation-related supplies and equipment. In this manner, we are working together with business partners to reduce our environmental footprint.

Green purchasing ratio (office supplies) (fiscal 2018)

Target **85%** or more

Result **90%**



IR and Shareholder Information (in Japanese only)
<https://www.yonden.co.jp/corporate/ir/index.html>

IR E-mail Newsletter Service (in Japanese only)
<https://www.yonden.co.jp/corporate/ir/mail/index.html>

Materials and Equipment Procurement Information
https://www.yonden.co.jp/english/announcement/basic_principles/index.html

Stakeholder Feedback

Customers

- I don't think the Group's views and future vision are sufficiently communicated. I'd like to see the company find additional ways to communicate its message.
- The Shikoku Electric Power Group's service, such as maintenance, is meticulous.

Community members

- I'd like employees to get more deeply involved with the community.
- I'd like to see Shikoku Electric Power communicate to children that energy is something familiar and accessible to all.

Stakeholders and investors

- I would like to see the management practices that have increased corporate value lead to higher stock value and further shareholder returns.
- Although I often see commercials about the communication services Pikara and Fiimo, I didn't know that they were a Group's business. I was surprised by the growth of the telecommunications business.

Employees

- I'm very satisfied with Shikoku Electric Power's work system, including the childcare system and by-hour leave with pay system. They can be flexibly tailored to our lifestyle.
- With the changing business environment, all employees must work together in their respective positions.

Basic Principles of Procurement (Shikoku Electric Power)

1. Openness

We do business with reliable suppliers of high-quality materials and equipment, services in Japan and other countries.

2. Equity and fairness

We impartially select new suppliers in view of materials and equipment quality and performance, price, delivery date, term of construction, our operating conditions, availability of after-sales services, consideration for the environment, and safety.

3. Observance of laws and social ethics

We respect human rights and protects personal information and secret matters. In addition, we observe all relevant laws, spirit, and social ethics in Japan and other countries.

4. Priority of safety

We make a point of safety as our first priority. We prevent industrial and workforce accidents and endeavors to secure public safety and hygiene.

5. Consideration for the environment

We promote to procure materials and equipment with less environmental impact (our Green Procurement Guidelines), and endeavors to create a society based on resource-recycling in collaboration with valued suppliers.

6. Observance of the contract

We observe the contract with suppliers and execute it sincerely.

7. Establishment of mutual trust

We build partnerships with our suppliers through equal and fair business. In addition, we aim at the mutual development.

8. Contribution to the community

We contribute to the development of the local community through procurement of materials and equipment under the following basic corporate philosophy:
 "Living in the community, moving forward with the community, and prospering with the community".

Fostering Employee Motivation

Our Group wants all of its employees to be motivated to work in an active and creative manner and feel satisfaction with their work. To this end, we strive to develop an open-minded and lively workplace environment that encourages respect for employee individuality and diversity.

Respect for employee individuality and diversity

Diversity promotion

Our Group respects the diverse value systems, beliefs, and lifestyles of its employees. Capable and motivated employees are provided with opportunities to exercise their abilities and promoted to higher ranks, regardless of gender.

Diversity promotion initiatives (Shikoku Electric Power)



Human rights education

We have a Human Rights Education Committee to foster proper understanding and recognition among all employees with regard to various human rights problems.

Each year, this committee formulates policies for human rights education programs and, based on these policies, we actively hold group training sessions as well as workplace seminars and lectures at our offices, working to cultivate even higher levels of human rights awareness.

Furthermore, the Yonden Group Human Rights Education Committee has been established to facilitate the exchange of information regarding human rights issues and other pertinent information with our Group companies.

Employee evaluation and reward systems to recognize employee efforts

We have developed a human resource evaluation system that evaluates employee performance in the process of executing their duties, and includes a mechanism that proactively evaluates the extent to which employees contributed to performance and took on challenges.

Moreover, we established a system of awards given to encourage employees to tackle challenges in new fields and areas.

Employment of people with disabilities and older persons

Shikoku Electric Power established Yonden Plus Corporation in January 2019 to expand employment for people with disabilities. We will continue to help people with disabilities maintain their independence and participate in society.

In fiscal 2006, we introduced the Senior Employment System, which enables employees that have reached the regular retirement age of 60 to continue working until 65, should they choose to do so. As of March 31, 2018, a total of 141 employees over 60 were participating in this system.

* Percentage of employees with disabilities: 2.17% [89 people] (Shikoku Electric Power, as of the end of fiscal 2018)

Development of a comfortable workplace environment

Working style reform

We set up a system to promote the Working Style Reform program, which is headed by the Director and Senior Corporate Officer of the Employee Relations & Human Resources Department, and are taking steps to create and establish various systems and frameworks that satisfy employees' diverse lifestyles and needs as well as to change the way employees think about work.

Details on key initiatives for Working Style Reform [Yonden e-Work] (Shikoku Electric Power) → See page 60

Childcare support systems (Shikoku Electric Power) → See page 60

Initiatives to support female employees

The specialized female employee support team helps female employees' exercise their talents and skills and balance their work life with home life.

In October 2015, the director of the Kagawa Prefectural Labor Standards Bureau presented Shikoku Electric Power an award for its initiatives as a company that actively promote environments where women can display their skills.

Furthermore, we are proceeding with initiatives aimed at achieving the objective to double the fiscal 2014 ratio of women in management positions laid out in our general employer action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace and targeted for the four year period from fiscal 2016 to fiscal 2019.

Measures to prevent harassment

We conduct online education programs for all employees geared toward preventing every type of harassment. In



Shikoku Electric Power Employment Information (in Japanese only)
<https://www.yonden.co.jp/corporate/saiyo/index.html>

YONDEN MOVIE SITE (in Japanese only)
 (website containing videos about the stance of employees toward their work)
<https://www.yonden.co.jp/movie/index.html>

Details on key initiatives for Working Style Reform [Yonden e-Work] (Shikoku Electric Power)

Purpose	Item	Details
Cultivation of a corporate culture that motivates employees	Exchanges of opinion between management and frontline employees	Exchanges of opinions between senior management and frontline managers for developing workplaces that keep employees healthy and energetic were held 11 times and attended by approx. 800 managers in fiscal 2018.
Enable work-life balance	Promotion of the participation of female employees in the workplace	[Women's participation in the workplace] Promotion of deliberate efforts to nurture women by expanding career options and actively increasing work responsibilities to enable them to participate more in the workplace and display their skills without discrimination in addition to encouraging added skills and promotion to management positions, depending on their individual abilities and desires.
	Institution of flexible working systems	[By-hour leave system] System through which employees are able to acquire paid leave on a by-hour basis [Sliding shift system] System through which employees are allowed to adjust the start and end times of their shifts by 10-minute increments [Flextime system] System that enables employees to freely adjust the start and end times of their workday on a daily basis
	Active promotion of taking a minimum five-day vacation each year	Promotion of consecutive days of leave to encourage employees to enjoy leisure time and come back to work physically and mentally refreshed
Raise time management awareness	"Leave work on time month" (August)	Companywide initiatives implemented on top of the once weekly "no overtime day" to encourage employees to leave work on time conducted for the entire month of August, which was designated as "leave work on time month."
Prevention of excessive work hours and protection of employee health	Interval-separated shift system	Ensures employees have a rest period (interval) of at least nine hours between the end of one shift and the start of another

Childcare support systems (Shikoku Electric Power)

From 6 weeks prior to birth to 8 weeks after	<ul style="list-style-type: none"> • Maternity leave • Childbirth leave (5 special paid leave days for birth by spouse) • Congratulatory monetary gift presented to celebrate childbirth
Until child's 2nd birthday	<ul style="list-style-type: none"> • Childcare leave (For employees raising children under 2 years of age)
Until child's 3rd birthday	<ul style="list-style-type: none"> • Exemption from overtime (For employees raising children under 3 years of age)
Until child's graduation from elementary school	<ul style="list-style-type: none"> • Shortened work hour system for childcare support (Shorten work hours by up to 2 hours a day) • Childcare sick leave (15 paid leave days per year to care for sick child) • Deferred leave system (Used to care for injured or sick child or participate in school events)

Support systems	Number of employees who used the support systems
Childbirth leave	145
Childcare leave	18 Taken by 100% of female employees giving birth
Childcare support flextime system	33
Shortened work hour system for childcare support	53
Childcare sick leave	52
Deferred leave system (Used to care for child or participate in school events)	188

We offer the following childcare support systems to help employees raising children balance their work life and home life, regardless of gender.

- Childcare leave system
- Measures to help employees secure time for child-rearing
- Conference system that provides employees using the childcare leave system with opportunities to have discussions with their supervisors before and after taking childcare leave.

We are acknowledged for these initiatives with the Kurumin Mark from the Kagawa Labour Bureau for the third time in May 2015. This mark is awarded to companies that are supportive toward child-rearing in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children.



Kurumin mark

In addition, a harassment consultation and reporting office has been established to respond to these complaints in a fair and appropriate manner, while protecting the privacy of the employee that issued the complaint.

Accurate management of work hours

We have introduced a system that allows work hours to be accurately tracked and are taking other steps to prevent the occurrence of unpaid overtime. Through these efforts, management is working together with employees to ensure that their work hours are accurately managed.

In addition, we are actively working to reduce total working hours and facilitate work-life balance through promoting working styles

flexible to simplification, streamlining, and prioritization of duties.

Construction of a favorable relationship between management and employees

We have adopted a union shop system under which all employees are enrolled except ones designated on our labor agreement. Moreover, we encourage proactive communication between management and employees, and are working to provide opportunities for such communication. For example, representatives from management and labor unions meet to discuss and exchange opinions with regard to important matters pertaining to management. These exchanges of opinion are conducted at meetings of the Central Management and Employee Cooperative Committee and forums held at business sites.

Stringent occupational health and safety measures

Basic policies on occupational health and safety

Committed to exercising respect for human rights, we implement various occupational health and safety measures to create healthy and pleasant workplaces. With this regard, we strive to eliminate any dangers that natural disasters might pose to employees, subcontractors, or the general public, prevent accidents, and create comfortable work environments.

Occupational health and safety management system

Occupational health and safety managers* have been appointed to each business site to promote health and safety management. In addition, safety committees and health committees have been established at all business sites over a certain size. These committees are headed by employees appointed by us and labor unions and are responsible for discussing important matters related to safety and health, respectively.

* Safety managers, safety drive managers, health managers, industrial physicians, etc.

Safety management initiatives

Our Group aims to reduce the number of industrial accidents throughout the Group to zero, and the Yonden Group Safety Committee has been established to help accomplish this goal. Guided by this committee, we will work to strengthen the safety management systems of Group companies and affiliated companies alike.

In addition, we have designated the 10-day period from July 1–10 of every year as the Yonden Group Safety Reinforcement Period, and we use this period as an opportunity to raise safety awareness. During this period, we implement various safety improvement initiatives including safety patrols and lectures.

Number of occupational accidents requiring time off from work in the fiscal year ended March 31, 2019 (Shikoku Electric Power)

	Shikoku Electric Power	Subcontractors*1	Total
Labor	0	11(1)*2	11
Transportation	0	3	3
Total	0	14	14

*1. Accidents by subcontractors represent the number of accidents when performing tasks contracted from Shikoku Electric Power.

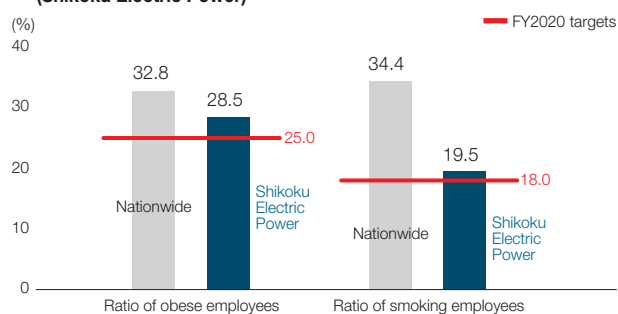
*2. The figure in parentheses is the number of fatal accidents.

Initiatives toward promoting health

In the hopes of improving and maintaining the health of employees, we will conduct individual health guidance based on regular health exams. At the same time, we are actively working to achieve the health goals of our three-year plan that begins in fiscal 2018, based on the PDCA cycle, in order to reduce risks such as those associated with lifestyle-related diseases.

For mental health care, we are establishing systems for employees to access external specialist organizations in addition to measures including mental health care focused on improving work environments, access to counselors and occupational health staff, and employee self-care through stress checks.

Numerical targets for reducing lifestyle disease risks (Shikoku Electric Power)



Sources: Figures for men aged 20–69, 2017 National Health and Nutrition Survey, Ministry of Health, Labor and Welfare (Nationwide)
* Shikoku Electric Power own data (fiscal 2018)

Proactive promotion of employee education

At each office, by exercising on-the-job training (OJT), we effectively combine group training of new recruits, mid-career employees, and managerial staff with employee self-awareness programs. We also support employees in the acquisition of outside certifications to promote the cultivation of human resources.

In anticipation of the change and expansion of business areas, we are conducting inter-industry exchanges and domestic and overseas dispatches to nurture next-generation leaders with broad perspectives that defy existing boundaries. We are also conducting work process improvement support to increase the vitality of the organization.



YONDEN MOVIE SITE (in Japanese only)
(website containing videos about the stance of employees toward their work)
<https://www.yonden.co.jp/movie/index.html>

Developing human resources through group training (OFF-JT)



New recruit training



Training through cross-industry exchanges



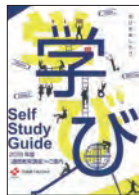
Courses on the basic management of distribution systems useful for customer service



Education and training in power transmission

Support for voluntary education program

Shikoku Electric Power supports self-development using various tools including correspondence courses and e-learning.



Correspondence course pamphlet

Initiatives to improve organizational vitality (Shikoku Electric Power)

Shikoku Electric Power is seeking to rigorously improve operational efficiency to create a corporate structure that can respond to a fast-changing business environment.

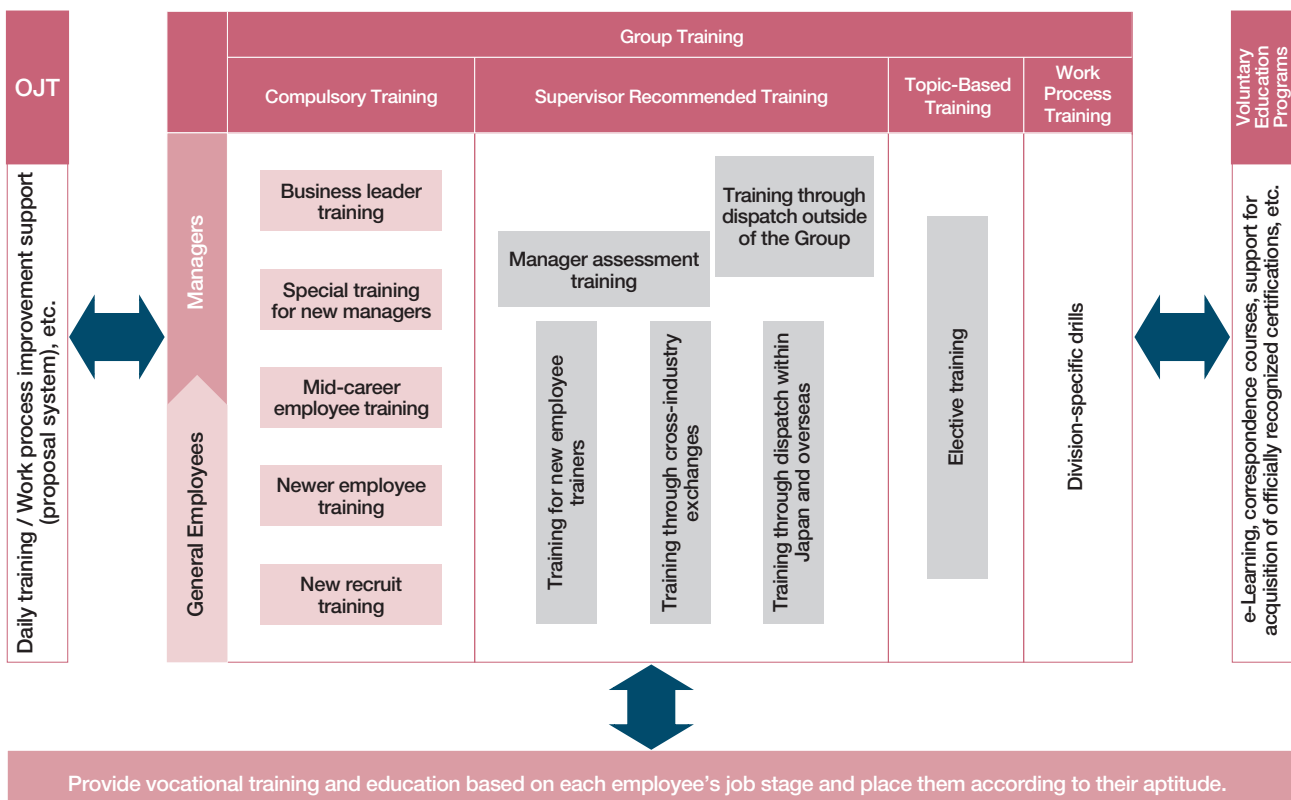
As a part of this effort, the General Education and Training Center holds lectures on the themes of operational efficiency and productivity improvement, and broadcasts them Companywide.

Through these measures, we will continue to help improve organizational vitality in order to increase and improve operational efficiency under the leadership of each workplace, while further raising awareness in working styles and operational improvement.



Lecture on "Raising team productivity"

Education systems (Shikoku Electric Power)



Coexisting in Harmony with Communities

Our Group is committed to living in the community, moving forward with the community, and prospering with the community. Guided by this basic stance, we actively support and contribute to efforts to invigorate Shikoku, the region in which we operate.

Promoting initiatives to invigorate Shikoku region

Initiatives for invigorating industry

We are working to vitalize local industries and create new ones through collaborations with the Shikoku Industry & Technology Promotion Center and Shikoku Productivity Center and by cooperating with local industrial support funds.

Creating a flourishing region by expanding the non-resident population

In March, 2018, Shikoku Electric Power Company, with Shikoku Railway Company and the Shikoku branch of Japan Post, signed a collaborative agreement as three companies that serve the whole region of Shikoku. Through this agreement, we are cooperating on various initiatives to revitalize Shikoku by holding experiential events for children, conducting experiential tours for parents and children during summer vacation, and other events.

In anticipation of a declining population in Shikoku, we are also investing in and collaborating with organizations and groups (DMOs and DMCs) that broadly promote tourism to help expand its promotion efforts.



Presenting donations for Ehime and Kochi prefectures to assist areas devastated by heavy rains in July 2018 based on a three-company collaborative agreement.

Support for sports, culture, and the arts

Through the activities of the Yonden Cultural Foundation established in 1991, we are supporting culture and the arts in Shikoku and contributing to the realization of a local society with an even richer cultural heritage.

The foundation conducts the following projects on an ongoing basis.

- Scholarships for students from Shikoku aspiring to become artists
- Honors for talented artists connected to Shikoku
- Local concerts and art exhibitions by scholarship students
- Assistance for arranging events featuring performing artists.

In addition, we support Shikoku's professional sports teams in order to contribute to the development of local sports.



Shikoku hometown concert by scholarship students

Promoting communication with society

Yonden Group interaction month

Every October has been designated Yonden Group Interaction Month. This period is for conducting communication and exchange activities with customers in the community. We hope these efforts will help cultivate a sense of community, foster additional trust, and cement the position of the Group as a community-rooted organization.

In fiscal 2018, Group companies collaborated with the Shikoku Electrical Safety Inspection Association to conduct an array of engagement activities with local customers in the Shikoku area that capitalized on our unique expertise. These activities included inspections of electrical equipment, cleanup and other social contribution activities, tours of facilities, and exhibitions at experiential science events.



Cleaning a statue of Sakamoto Ryoma (Kochi City, Kochi Prefecture)

Support for the next generation

Energy education

Since the fiscal year ended March 31, 2003, we have been conducting Special-visit Energy Lessons, with the aggregate total number of people participating in these lessons exceeding 293,000 (19,272 lessons) as of fiscal 2018. We hope that these lessons will heighten knowledge with regard to energy and environmental issues among children, who will assume an important role in the future of society, and inspire them to work toward the resolution of these issues. These lessons are widely known among educators and community members alike.

We also support children's education related to energy and the environment in various other ways. We have established a Kids' Museum webpage designed for children and the Yonden Energy Study Support webpage geared toward education professionals.



Activities to support energy education



Yonden Cultural Foundation (in Japanese only)
http://www.pikara.ne.jp/yonden-f/

Kids Museum (in Japanese only)
https://www.yonden.co.jp/cnt_kids/

Internships

We provide internship programs for students at universities, graduate programs, and technical colleges.

In addition, we also offer internships and other work-study programs for students ranging from elementary school to high school level.



Practice to improve power transmission and distribution skills

Support for employees' social contribution efforts

Various volunteer leave systems

We provide our employees with various systems enabling them to acquire leave to conduct volunteer activities. We introduced an extended period volunteer leave system, which allows employees to be absent from work for extended periods of time to participate in long-term social contribution programs conducted by the Japan International Cooperation Agency or local or national public service organizations.

In addition, we offer a volunteer leave system that provides employees with up to seven special paid leave days that can be taken for volunteer purposes and are separate from standard paid leave days. We have also introduced a special leave system that enables employees to be absent from work without depleting paid leave days should they be called to participate in court proceedings as a lay judge or potential candidate for being a lay judge under the saiban-in (lay judge) system.

Awards for employees' social contributions








We have received a variety of awards for our contributions to local communities, including social welfare activities and accident prevention activities, such as traffic safety and security initiatives.

In fiscal 2018, public institutions and organizations presented nine awards to our offices and nine awards to individual employees. Included among these was the receipt of a letter of appreciation from the Environmental Forestry Manager of Kagawa Prefecture in recognition of the Kagawa Yonden *Goshiki-no-mori* (Forest preserving initiative), a forest growing activity that includes tree planting and clearing forest interiors in the Goshikidai mountain range of Kagawa Prefecture begun in 2008 by the Kagawa and Takamatsu Branch offices.



Letter of appreciation from Kagawa Prefecture

Main communication methods at a glance

	Main Methods of Communication	Main Communication Tools	
		Booklets, etc.	
Community Members	<ul style="list-style-type: none"> ● Solution services based on integrated Group operations ● Customer support center, network call center, helpdesks ● Electricity meter reading, visits ● Meetings with external advisors ● Customers' roundtable meetings ● Community-building facilities (Yonden Plaza, etc.) ● Study tours of facilities (power generation facilities, etc.) ● Community-building activities (cleanup initiatives and community photo exhibition) ● Participation in local events ● PR activities for energy, visiting-for-dialogues initiative ● Conducting questionnaire surveys, etc., about customer attitudes 	<ul style="list-style-type: none"> ● Shikoku Electric Power Corporate Profile ● Light & Life (PR magazine) ● Guide to All-Electric Homes, various pamphlets promoting understanding of nuclear power generation 	 Shikoku Electric Power Corporate Profile  Light & Life (PR magazine)
Shareholders and Other Investors	<ul style="list-style-type: none"> ● General Meeting of Stockholders ● Briefings for individual investors ● Briefings for analysts and institutional investors ● Study tours of power generation facilities, etc. 	<ul style="list-style-type: none"> ● Financial results reports ● Financial statements ● Fact books ● Reports for shareholders ● Documents from Company briefings 	 Let's ECO LIFE  A Message to You from the Last Polar Bear in the North Pole
Environmental Communication	<ul style="list-style-type: none"> ● Environmental roundtable meetings ● Special-visit Energy Lessons ● Tree-planting initiatives ● Local area cleanup initiatives 	<ul style="list-style-type: none"> ● Let's ECO LIFE (pamphlet introducing environmental preservation initiatives) ● A Message to You from the Last Polar Bear in the North Pole (booklet for children) 	 Let's ECO LIFE  A Message to You from the Last Polar Bear in the North Pole
Employees	<ul style="list-style-type: none"> ● Tours of workplaces by senior management team ● Surveys of employees' attitudes ● Labor-management roundtable meetings, workplace ● Roundtable meetings organized by unions ● Recreational activities at workplaces ● Various consultation services related to life plans and mental health 	<ul style="list-style-type: none"> ● YONDEN Terrace (in-house magazine) 	 YONDEN Terrace
Business Partners	<ul style="list-style-type: none"> ● Business transactions 	<ul style="list-style-type: none"> ● Publication through helpdesk of material procurement information 	

Enhancing Corporate Governance

Acting in accordance with the Yonden Basic Policy on Corporate Governance, we will improve corporate value by reinforcing business execution and management supervisory functions and by ensuring management transparency through timely and appropriate information disclosure and constructive dialogue with our shareholders and other investors.

Basic approach to corporate governance

Shikoku Electric Power's fundamental mission is to contribute to the development of local communities by providing our customers with a stable supply of low-cost, high-quality electricity. Guided by this mission, we have established the Yonden Basic Policy on Corporate Governance and are making efforts to continuously enhance our governance. In doing so, we aim to realize sustainable improvement in our corporate value. In addition, we take into consideration the key principles that contribute to effective corporate governance stated in Japan's Corporate Governance Code. We are also pursuing initiatives for impartiality and decisiveness in decision-making, and improving corporate value.

Major initiatives to enhance corporate governance in recent years

Year	Initiative	Purpose
2014	Increased outside directors from one to two (one female)	Enhance management supervisory functions
2015	Established the Yonden Basic Policy on Corporate Governance	Clarify our ideal corporate governance system in accordance with Japan's Corporate Governance Code
2017	Transitioned from a Company with a Board of Corporate Auditors to a Company with an Audit & Supervisory Committee Increased outside directors from two to four	Enhance management supervisory functions and expedite decision-making
2019	Reviewed the corporate officer system	Strengthen business execution function

Message from outside director

For the creation of sustainable corporate value

The creation of sustainable corporate value represents a vital mission for companies. Our integrated report is published as a form of media for disclosing how we organically integrate various elements related to the value creation process and how we go about generating this value creation. On this occasion, I had an opportunity to rethink our enhancement of corporate governance as a foundation underpinning sustainable value creation.

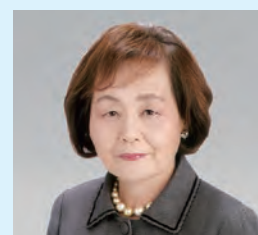
I have served as an outside director of Shikoku Electric Power for five years. During this time, I can point out that our transition from a Company with a Board of Corporate Auditors to a Company with an Audit & Supervisory Committee was a major enhancement in Shikoku Electric Power's corporate governance. By increasing the number of outside directors with voting rights at board meetings as Audit & Supervisory Committee members, we have been able to reinforce management supervision functions and enhance business execution functions by expediting decision making through the transfer of authority from the board to directors. The Audit & Supervisory Committee is reinforcing its supervision through reporting from and interviews with business execution divisions and internal audit divisions, along with discussions with representative directors and onsite audits, among other efforts. In addition, the knowledge gained through these audit operations is utilized so that outside directors are involved in decision making related to important business execution via the board of directors as deeply and actively as possible. It is also used so that outside directors redouble their efforts to supervise the execution of duties by directors.

Furthermore, I can also cite the establishment of the

Compensation Committee as a step forward. The Compensation Committee, a majority of whose members are outside directors, holistically examines the compensation of directors (excluding Audit & Supervisory Committee members). This process includes looking at company performance, dividend, peer comparison, and relationship with the newly introduced share-based remuneration plan, among other indicators, so that directors, who aim to realize the Company's basic mission and increase sustainable corporate value, are compensated appropriately. The results of these examinations are reported to the board of directors.

As above, I am certain that Shikoku Electric Power has made efforts to enhance corporate governance. However, in order to make further enhancements in the future, outside directors must take part in board meetings based on even stronger audit operations. In addition, I believe a deep understanding of the sustainable value creation process, presented in this integrated report, is extremely important. Through this process, we gain an understanding about the origins of significant business climate changes and social issues, and lay out our initiatives noting these matters in the background, in an attempt to generate sustainable value creation. As an outside director, I must deepen my understanding of such business climate changes and social issues along with associated risks and opportunities. In turn, I will need to evaluate these comprehensively from an external perspective. It is my hope that Shikoku Electric Power's sustainable value creation process is made known more clearly and persuasively to all stakeholders, including shareholders, investors, local communities and employees.

Director
Audit & Supervisory
Committee Member
Michiyo Ihara

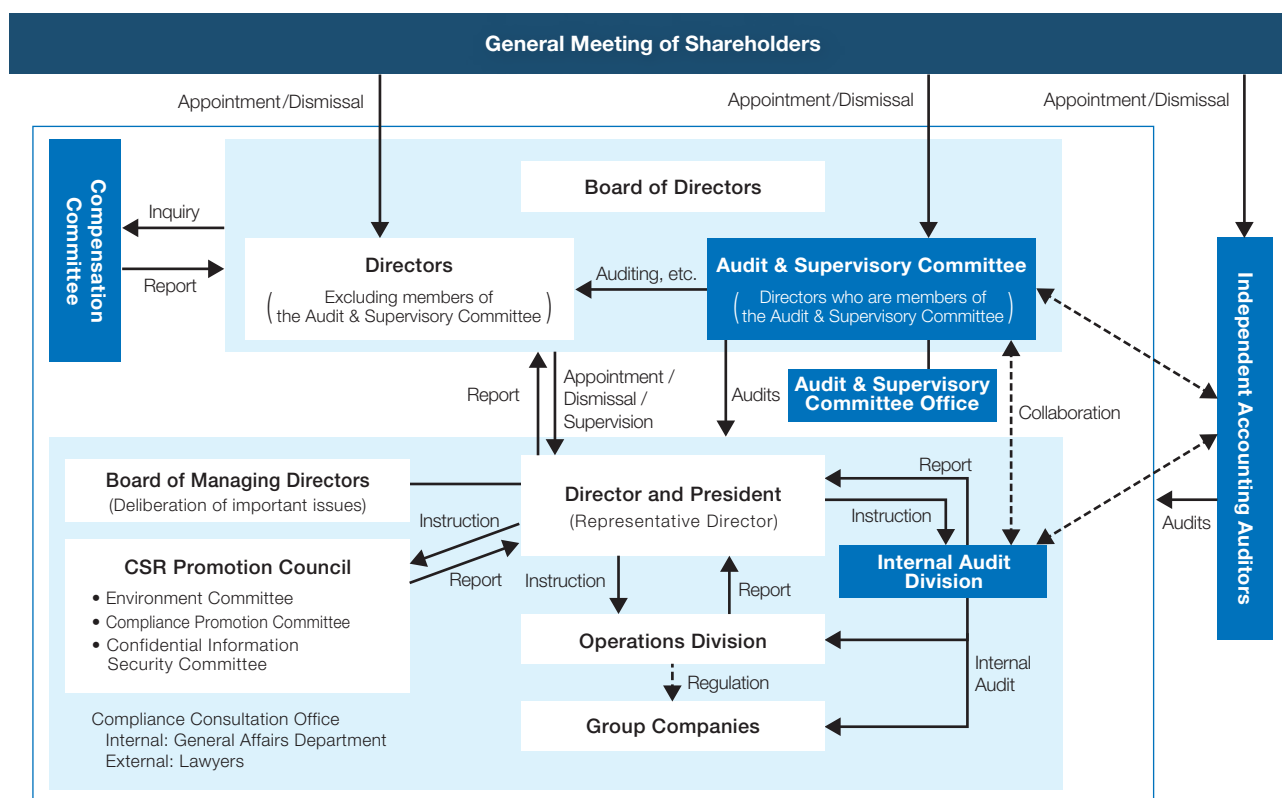




Our Corporate Governance Report (in Japanese only)
<https://www.yonden.co.jp/assets/pdf/corporate/ir/library/governance/corporate.pdf>

The Yonden Basic Policy on Corporate Governance (in Japanese only)
<https://www.yonden.co.jp/corporate/ir/policy/governance.html>

Corporate governance system



Board of Directors

The Board is made up of 15 directors, four of whom are outside directors, including one who is female. This group is tasked with making decisions on important matters of business execution and supervising the individual directors in the performance of their duties. It meets once per month, as a general rule, with additional meetings held as necessary.

Board of Managing Directors

The Board of Managing Directors is comprised of the Director and President as well as executive officers in charge of each headquarters and division. As an institution that deliberates matters to be discussed by the Board of Directors and important matters concerning business execution, in principle, it meets once weekly. Furthermore, the Chairman of the Board and Director who is an Audit & Supervisory Committee member with investigative authority can also attend these meetings.

Compensation Committee

The Compensation Committee is comprised of three individuals, including two outside directors and one internal director. At the request of the board of directors, the Compensation Committee deliberates on the amount of director compensation and the details of shareholder

meeting proposals related to director compensation. The committee then reports its findings to the board.

Audit & Supervisory Committee

This committee consists of six directors, four of whom are outside directors who are members of the Audit & Supervisory Committee (one of the outside directors is female). In accordance with auditing policies and plans determined by the Audit & Supervisory Committee, this group supervises executive directors in the performance of their duties by interviewing executive directors and other employees about their performance and inspecting and examining important documents. They also present opinions and make suggestions on management, which they form through regular exchanges with representative directors and attendance at Board of Directors and other important meetings.

Internal Audit Office

The Internal Audit Office conducts internal audits of the implementation status of the management cycle under the Group's annual management plan, which describes the Group's basic policies and plans, as well as of appropriate business execution and effective business management based on the responsibilities and authority of each employment position.

Policy and process for nominating director candidates

Nomination policy

Directors are nominated not only for their career path and gender but for their temperament, insight and ability as someone who understands our mission and who can contribute to the continued improvement of sustainable corporate value.

In addition to the factors stated above, outside directors are nominated for their ability to utilize their wide array of experience and strong insight to provide valuable opinions concerning management or properly audit the performance of directors from a neutral and objective viewpoint. These directors maintain independence in accordance with the guidelines stipulated by the Tokyo Stock Exchange.

Nomination process

Candidates for directors (excluding directors who are members of the Audit & Supervisory Committee) are decided following explanation to the Audit & Supervisory Committee and after full deliberation among the Board of Directors.

Candidates for directors who are members of the Audit & Supervisory Committee are decided after first receiving consent from the Audit & Supervisory Committee and then finalized after full deliberation among the Board of Directors.

Policy and process for deciding officer compensation

Policy for deciding compensation

Compensation for directors is determined by a comprehensive assessment of several factors, including business performance, content and execution of duties, and compensation levels of other businesses with particular focus on listed companies. In doing so, we aim to provide appropriate compensation in light of each director's responsibility to realize our mission and to facilitate sustainable improvement of corporate value.

- Compensation for directors who are not members of the Audit & Supervisory Committee is provided as:
 - Monthly compensation
 - Supplemental bonus determined at the General Meeting of Shareholders, taking into consideration business performance for each fiscal year, although standard indicators have not been defined
 - Stock compensation paid with the aim on increasing medium- to long-term business performance and boosting corporate value. However, outside directors are limited to monthly compensation only.
- Directors who are members of the Audit & Supervisory Committee are limited to monthly compensation only.

Decision process

In accordance with our decision policy, compensation for directors who are not members of the Audit & Supervisory Committee is based on reports to our Board of Directors by the Compensation Committee, comprising mainly outside directors. Monthly compensation is decided by the Chairman of the Board and the Director and President as entrusted by

the Board of Directors, within an upper limit of ¥38 million per month determined at the 93rd Ordinary General Meeting of Shareholders held on June 28, 2017. In addition, share-based remuneration is paid out pursuant to the Share Grant Regulations for Officers within the scope of a maximum trust amount (¥160 million) over three continuous business years and a maximum number of points per year (50,000 points), as approved by resolution of the 95th Ordinary General Meeting of Shareholders held on June 26, 2019. In addition, bonuses are determined by resolution of general meetings of shareholders.

Also in accordance with our decision policy, compensation for directors who are members of the Audit & Supervisory Committee is decided through discussions among directors who are members of the Audit & Supervisory Committee, within an upper limit of ¥10 million per month, as determined at the 93rd Ordinary General Meeting of Shareholders held on June 28, 2017.

Efforts to maintain effectiveness of the Board of Directors

We are working within the scope stipulated by our Articles of Incorporation (the number of directors must be 13 or less [excluding directors who are members of the Audit & Supervisory Committee] and the number of directors who are members of the Audit & Supervisory Committee must be seven or less) to establish a proper balance of insight, experience and ability throughout the entire Board of Directors while maintaining diversity and an appropriate size by a plurality of executive directors from a variety of fields and backgrounds and multiple independent outside directors. In doing so, we hope to ensure ample discussion based on a variety of opinions as well as expedited and rational decision-making.

In order to ensure the effectiveness of the Board of Directors, all directors fill out a questionnaire, and we conducted assessments in terms of organization, governance, and management based on the results.

Details of our directors in terms of concurrent director positions held at other listed companies are published annually in the business report attached to the Notice of Convocation of the General Meeting of Shareholders.

Review of the corporate officer system

Effective June 26, 2019, we reviewed the Corporate Officer System and decided to reinforce our business execution system in which Director and President and directors responsible for business execution concurrently serve as executive officer.

Introduction of the share-based remuneration plan

Pursuant to the resolution passed at the General Meeting



Fiscal 2018 Report (in Japanese only)
https://www.yonden.co.jp/assets/pdf/corporate/ir/library/report/report_to_shareholders_previous.pdf

Yonden Basic Policy on Investor Relations (in Japanese only)
<https://www.yonden.co.jp/corporate/ir/policy/irpolicy.html>

of Shareholders held in June 2019, we introduced a share-based remuneration plan for Directors (excluding Directors who are members of the Audit & Supervisory Committee) and executive officers (hereinafter, Directors, etc.) called the Board Benefit Trust (hereinafter, the Plan).

The Plan is a share-based remuneration plan where the Company's stock acquired through a trust is provided to Directors, etc., at the time of their retirement.

The introduction of the Plan will enable Directors, etc. to share corporate values with shareholders and increase the motivation to contribute to the improvement of medium- to long-term business performance and the enhancement of corporate values by making the linkage between remuneration for Directors and the Company's share value clearer.

Initiatives regarding internal control systems

To ensure the effective functioning of internal control systems that support the appropriate, efficient execution of day-to-day business operations by directors and employees, it is essential that we maintain a sound corporate culture, identify chains of authority and responsibility, and develop systems to manage risks. It is also essential that we regularly check the implementation status of this mechanism and make any necessary improvements.

We recognize the importance of winning the trust of society at large. Aiming to conduct business activities that are legal, appropriate, and efficient, the Board of Directors passed a resolution setting out our policy on a System for Ensuring Sound Business. Going forward, we will focus on operating our business in harmony with this policy. Further, we will disseminate the policy to gain the understanding of all our directors and employees, in order to strengthen our initiatives for enhancing our internal control systems.

Results of evaluation of the effectiveness of the Board of Directors (Fiscal 2018)

All directors were asked to fill out a questionnaire, the results of which were utilized to evaluate the Board of Directors from the perspectives of composition, governance, and proceedings. Through this process, it was judged that the Board of Directors was functioning effectively overall.

Reasons for judgment of appropriate effectiveness

- The Board of Directors carries out decision-making and mutual supervision of directors' execution of duties while maintaining diversity and an appropriate size. This ability is supported by the fact that the Board of Directors as a whole is configured to maintain a balance of insight, experience, and ability.
- The expanded authority granted to directors following the transition to a Company with an Audit & Supervisory Committee raises the flexibility of projects related to business execution, while appropriate resolution or reporting is performed by the Board regarding important projects.
- Open discussion takes place under management with consideration given to schedule setting, explanation of proposals, and discussion time as well as the content and quantity of materials provided.

Issues

- Efforts will be made to make further improvements regarding Board meeting proceedings, including providing explanations that are further to the point.

We will continue our work to improve the effectiveness of the Board of Directors by taking the opinions that identify ways to best improve governance and integrating them into Board meeting proceedings, and continue to implement questionnaires for our directors moving forward.

Risk management

We recognize the importance of practicing risk management in our business activities. As such, we have formulated the Risk Management Rules that define the basic aspects of risk management and action principles.

Every year, the management team checks and reviews risks that have the potential to significantly impact operations, and the results are incorporated into our management plans for the following fiscal year to ensure every effort is made to prevent or reduce the impact of the risk.

For risks that cut across the entire Group, we set up expert committees as necessary and address such risks in an appropriate manner based on comprehensive assessments. For emergency situations brought about by natural disasters or other circumstances, we have established a separate set of rules and a clear management structure that work to minimize damage and expedite recovery.

Further, we encourage crisis management awareness among all employees and share information appropriately through such initiatives as establishing a crisis hotline as a helpdesk that swiftly gathers crisis-related information. Also, we have clarified systems and roles in the event of a crisis and established measures to reduce damage and restore operations as soon as possible.

Initiatives for information disclosure

Timely disclosure of corporate information

Information is disclosed to shareholders and other investors in a timely, appropriate, and fair manner. To facilitate this endeavor, we have established a document entitled the Rules for Timely Disclosure of Corporate Information, which compiles corporate information items needing to be disclosed based on Securities Listing Regulations.

Should an event occur requiring disclosure, the appropriate chief administrator responsible for information management will quickly contact the General Manager of the Public Relations Department, who is responsible for handling such information. After discussing the details to be reported, the General Manager of the Public Relations Department will disclose this information in a timely manner through the Timely Disclosure Network (TDnet) operated by Tokyo Stock Exchange, Inc.

Initiatives to engage in constructive dialogue with shareholders and other investors

Our policy on the structure and initiatives for encouraging constructive dialogue with shareholders and investors has been compiled in the Yonden Basic Policy on Investor Relations. Pursuant to this policy, through various activities such as direct and proactive dialogue held by directors, we are promoting the further understanding of our management policy and business operations among shareholders and investors. At the same time, we are working to enhance sustainable corporate value by reflecting the views and requests obtained through these various activities in business management.

Foundation Underpinning Value Creation

Enhancing Corporate Governance

Board of Directors

(As of June 26, 2019)



Hayato Saeki
Chairman of the Board

April 1977 Joined the Company
June 2013 Managing Director, in charge of Public Relations Dept., General Affairs Dept., Plant & Facilities Siting Dept., and Tokyo Branch Office
June 2015 President and Director of the Company
June 2019 Chairman of Shikoku Economic Federation (to the present)
June 2019 Chairman of the Board of the Company (to the present)



Keisuke Nagai
Director and President

April 1981 Joined the Company
June 2013 Senior Corporate Officer, General Manager of Corporate Planning Dept., General Planning Division
June 2015 Managing Director, General Manager of General Planning Division
June 2017 Executive Vice President and Director, General Manager of General Planning Division, in charge of Information Systems & Telecommunications Dept.
April 2018 Executive Vice President and Director, General Manager of General Planning Division, in charge of Renewable Energy Dept., Demand-Supply Operation & Power Trading Dept., and Information Systems Dept.
June 2019 Chairman of Shikoku Productivity Center (to the present)
June 2019 Director and President of the Company (to the present)



Hisashi Shirai
Director and Senior Corporate Officer
General Manager of Business Development Division, In Charge of Accounting & Finance Dept., Purchasing & Materials Dept., and Information Systems Dept.

April 1981 Joined the Company
June 2012 Corporate Officer, General Manager of Accounting & Finance Dept.
June 2015 Senior Corporate Officer, General Manager of Accounting & Finance Dept.
June 2016 Senior Corporate Officer, Accounting & Finance Dept.
June 2017 Managing Director, in charge of Accounting & Finance Dept. and Purchasing & Materials Dept.
June 2017 Director of STNet, Incorporated (to the present)
June 2019 Director and Senior Corporate Officer General Manager of Business Development Division, In Charge of Accounting & Finance Dept., Purchasing & Materials Dept., and Information Systems Dept. (to the present)
June 2019 Director of Yondenko Corporation (to the present)



Akifumi Nishizaki
Director and Senior Corporate Officer
In Charge of General Affairs Dept., Siting & Environment Dept., Employee Relations & Human Resources Dept., General Education & Training Center, and General Medical Services Center, Tokyo Branch Office

April 1980 Joined the Company
June 2013 Corporate Officer, General Manager of Public Relations Dept.
June 2015 Corporate Officer, General Manager of Tokyo Branch Office
June 2016 Senior Corporate Officer, General Manager of Tokyo Branch Office
June 2018 Managing Director, in charge of Secretary Dept., Employee Relations & Human Resources Dept., General Education & Training Center, General Medical Services Center, and Tokyo Branch Office
June 2018 Director of Yonden Business Company, Incorporated (to the present)
June 2019 Director and Senior Corporate Officer, In Charge of General Affairs Dept., Siting & Environment Dept., Employee Relations & Human Resources Dept., General Education & Training Center, and General Medical Services Center, Tokyo Branch Office (to the present)
June 2019 Director of Yonden Engineering Company, Incorporated (to the present)



Isao Kobayashi
Director and Senior Corporate Officer
General Manager of General Planning Division, In charge of Renewable Energy Dept. and Public Relations Dept.

April 1982 Joined the Company
October 2013 Corporate Officer, General Manager of Corporate Planning Dept., General Planning Division (in charge of corporate planning and corporate administration) and General Manager of Managerial Efficiency Enhancement Project Team
March 2015 Corporate Officer, General Manager of Corporate Planning Dept., General Planning Division (in charge of corporate planning and corporate administration) and General Manager of Corporate Innovation Project Team
June 2015 Corporate Officer, General Manager of Corporate Planning Dept., General Planning Division
June 2016 Senior Corporate Officer, General Manager of Corporate Planning Dept., General Planning Division
June 2018 Managing Director, in charge of Public Relations Dept., General Affairs Dept., and Plant & Facilities Siting Dept.
June 2018 Director of Sakai LNG Company, Incorporated (to the present)
June 2019 Director and Senior Corporate Officer, General Manager of the General Planning Division, In charge of Renewable Energy Dept. and Public Relations Dept. (to the present)



Koji Morita
Director
Audit & Supervisory Committee Member (Outside Director)

June 2005 President of The Iyo Bank, Ltd.
June 2012 Chairman of The Iyo Bank, Ltd.
June 2014 Audit & Supervisory Board Member of the Company
June 2015 Director and Senior Advisor of The Iyo Bank, Ltd.
June 2017 Director who is an Audit and Supervisory Committee Member of the Company (to the present)
June 2017 Senior Advisor of The Iyo Bank, Ltd. (to the present)



Michiyo Ihara
Director
Audit & Supervisory Committee Member (Outside Director)

November 1985 Professor of Faculty of Economics, Kagawa University
April 2002 Dean of Faculty of Economics, Kagawa University
April 2004 Professor and Dean of Graduate School of Management, Kagawa University
December 2007 Governor of NHK (Japan Broadcasting Corporation)
April 2008 Governor and Auditor of NHK
April 2009 Governor and Auditor (Full time) of NHK (Retired in December 2013)
April 2009 Honorary Professor of Kagawa University (to the present)
April 2014 Professor of Faculty of Business Administration, Takamatsu University
June 2014 Director of the Company
June 2015 Director of The Hyakujushi Bank, Ltd.
June 2017 Director who is an Audit and Supervisory Committee Member of the Company (to the present)
June 2017 Director who is an Audit and Supervisory Committee Member of The Hyakujushi Bank, Ltd. (to the present)
April 2019 Visiting Professor of Faculty of Business Administration, Takamatsu University (to the present)



Nobuhiko Manabe

Director and
Executive Vice President
Division
Manager of Thermal
Power Division

April 1978 Joined the Company
June 2013 Corporate Officer, General Manager of Thermal Power Dept., Thermal Power Division
June 2015 Senior Corporate Officer, Deputy Division Manager of Thermal Power Division, General Manager of Thermal Power Dept.
June 2016 Senior Corporate Officer, Deputy Division Manager of Thermal Power Division, Thermal Power Dept.
June 2017 Managing Director, Division Manager of Thermal Power Division
June 2018 Executive Vice President and Director, Division Manager of Thermal Power Division
June 2019 Director and Executive Vice President, Division Manager of the Thermal Power Division (to the present)



Ikuo Yokoi

Director and
Executive Vice President
President of Power
Transmission &
Distribution Company

April 1982 Joined the Company
June 2013 Corporate Officer, General Manager of Tokyo Branch Office
June 2015 Managing Director, Division Manager of System Operation & Transmission Division
April 2018 Managing Director, President of Power Transmission & Distribution Company of the Company
April 2019 President and Director of Shikoku Electric Power Transmission & Distribution Company, Incorporated (to the present)
June 2019 Director and Executive Vice President, President of Power Transmission & Distribution Company (to the present)



Kenji Yamada

Director and
Executive Vice President
Division
Manager of Nuclear
Power Division, and
in charge of Civil &
Architectural
Engineering Dept.

April 1980 Joined the Company
June 2013 Senior Corporate Officer, General Manager of Nuclear Power Dept., Nuclear Power Division
June 2015 Senior Corporate Officer, Nuclear Power Dept., Nuclear Power Division
June 2016 Managing Director, Deputy Division Manager of Nuclear Power Division
June 2017 Managing Director, Deputy Division Manager of Nuclear Power Division, in charge of Civil & Architectural Engineering Dept. of the Company
June 2019 Director and Executive Vice President, Division Manager of Nuclear Power Division, and in charge of Civil & Architectural Engineering Dept. (to the present)



New election

Tassei Yamasaki

Director and
Senior Corporate Officer
Division Manager of
Marketing & Customer
Relations Division

April 1984 Joined the Company
June 2009 Manager of New Business Planning Group, Business Planning Dept., General Planning Division
June 2014 General Manager of Business Planning Dept., General Planning Division
June 2016 Corporate Officer, General Manager of Kochi Branch Office
April 2018 Corporate Officer, Deputy Division Manager of Marketing & Customer Relations Division
June 2018 Senior Corporate Officer, Deputy Division Manager of Marketing & Customer Relations Division
June 2019 Director and Senior Corporate Officer, and Division Manager of Marketing & Customer Relations Division (to the present)
June 2019 Director of Yonden Business Company, Incorporated (to the present)
June 2019 Director of Shikoku Instrumentation Co., Ltd. (to the present)



Hiroshi Arai

Director
Audit & Supervisory
Committee Member
Chairman of the Audit
& Supervisory Committee

April 1976 Joined the Company
June 2011 Managing Director, in charge of Accounting & Finance Dept., and Purchasing & Materials Dept.
June 2015 Executive Vice President and Director, in charge of Accounting & Finance Dept., and Purchasing & Materials Dept.
June 2017 Director who is an Audit and Supervisory Committee Member, Chairman of the Audit and Supervisory Committee (to the present)
June 2017 Audit & Supervisory Board Member of Yonden Engineering Company, Incorporated (to the present)
June 2017 Audit & Supervisory Board Member of STNet, Incorporated (to the present)



New election

Hiroshi Kawahara

Director
Audit & Supervisory
Committee Member

April 1980 Joined the Company
June 2011 General Manager of Power System Operation Dept., System Operation & Transmission Division, and Manager of Research Group
June 2013 General Manager of Transmission & Substation Dept., System Operation & Transmission Division
June 2015 Corporate Officer, General Manager of Transmission & Substation Dept., System Operation & Transmission Division
June 2016 Senior Corporate Officer, Deputy Division Manager of System Operation & Transmission Division, and General Manager of Transmission & Substation Dept.
June 2017 Senior Corporate Officer, Deputy Division Manager of System Operation & Transmission Division, Transmission & Substation Dept.
April 2018 Senior Corporate Officer, Power Transmission & Distribution Company, in charge of Corporate Planning Dept. and Transmission and Substation Dept.
June 2019 Director and Audit & Supervisory Committee Member (to the present)
June 2019 Corporate Auditor of Yonden Business Company, Incorporated (to the present)
June 2019 Corporate Auditor of Yonden Corporation (to the present)
June 2019 Corporate Auditor of Shikoku Instrumentation Co., Ltd. (to the present)
June 2019 Corporate Auditor of Sakaide LNG Company, Incorporated (to the present)



Katsuyuki Takeuchi

Director
Audit & Supervisory
Committee Member
(Outside Director)

June 1995 President and Director of ASAHISHOKUJIN CO., LTD.
April 2004 Chairman of the Board of ASAHISHOKUJIN CO., LTD.
June 2015 Audit & Supervisory Board Member of the Company
April 2016 Senior Advisor and Director of ASAHISHOKUJIN CO., LTD.
June 2016 Senior Advisor of ASAHISHOKUJIN CO., LTD. (to the present)
June 2017 Director who is an Audit and Supervisory Committee Member of the Company (to the present)



New election

Ryohei Kagawa

Director
Audit & Supervisory
Committee Member
(Outside Director)

April 2016 Director and Senior Managing Executive Officer of The Hyakujushi Bank, Ltd.
April 2019 Director and Senior Managing Executive Officer, and CCO^{Outside} of The Hyakujushi Bank, Ltd. (to the present)
June 2019 Director and Audit & Supervisory Committee Member (to the present)

(Note) Chief Compliance Officer

Financial / Corporate Information

P.72 **Data on Electric Power Business**

P.73 **Five-Year Financial Summary**

P.74 **Management Discussion and Analysis** (Consolidated)

P.78 **Corporate Data and Stock Information**



Consolidated Financial Statements and Notes to Consolidated Financial Statements are available in PDF format on our website

Consolidated Financial Statements

https://www.yonden.co.jp/english/ir/tools/consolidated_financial_statements.html

Annual Securities Report (in Japanese only)

https://www.yonden.co.jp/corporate/ir/library/securities_report.html

Financial / Corporate Information

Data on Electric Power Business

(million kWh)

Years ended March 31	FY2014	FY2015	FY2016	FY2017	FY2018
Electricity Sales	27,547	27,524	30,435	29,988	27,944
Lighting (Residential)	9,238	8,932	9,081	9,224	8,539
Power (Industrial and Commercial)	17,154	16,822	16,615	15,896	14,757
Wholesale	1,155	1,770	4,738	4,868	4,648

Electricity Generated and Purchased by Power Source	30,266	30,220	33,278	32,710	30,361
Hydropower	3,495	3,784	3,463	3,408	3,390
Nuclear	—	—	4,945	4,055	3,339
Coal	17,050	16,554	16,010	15,497	14,763
Oil and Gas	5,816	5,501	4,060	4,146	3,457
LNG	2,358	2,114	1,961	2,334	1,758
Renewable Energy*1	1,547	2,267	2,840	3,269	3,654

(Thousands)

Numbers of Customers	2,891	2,892	2,866	2,815	2,760
Lighting (Residential)	2,527	2,536	2,519	2,489	2,449
Power (Industrial and Commercial)	364	356	347	326	312

(%)

Nuclear Power Plant Capacity Factor	—	—	63.4	52.0	42.8
Flow Rate	114.6	116.9	110.0	104.1	98.2

(People)

Number of Employees*2 (Non-Consolidated)	4,739	4,705	4,644	4,594	4,489
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*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.

Five-Year Financial Summary

Shikoku Electric Power Company, Incorporated and Consolidated Subsidiaries

(Millions of yen)

(Thousands of U.S. dollars^{*1})

Years ended March 31	FY2014	FY2015	FY2016	FY2017	FY2018	FY2018
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Financial Performance

Operating Revenues	664,286	654,013	684,537	731,775	737,274	6,642,108
Electric	578,983	574,246	602,243	642,495	639,601	5,762,171
Other	85,302	79,767	82,293	89,279	97,673	879,936
Operating Expenses	635,292	629,311	664,528	702,510	711,544	6,410,306
Electric	556,858	559,685	589,589	621,899	623,640	5,618,378
Other	78,433	69,625	74,938	80,610	87,904	791,927
Operating Income	28,993	24,702	20,009	29,265	25,729	231,792
Ordinary Income + Interest Expense	34,486	31,066	24,485	35,621	32,125	289,414
Income before Income Taxes	22,864	18,906	15,689	28,032	25,145	226,531
Net Income Attributable to Owners of the Parent	10,333	11,147	11,349	19,675	16,995	153,108

Financial Position

Total Assets	1,401,189	1,401,750	1,301,267	1,330,226	1,353,941	12,197,666
Total Equity	300,897	286,177	303,879	312,564	321,189	2,893,594
Interest-Bearing Debt	711,832	719,754	707,756	683,249	704,261	6,344,693

Cash Flows

Cash Flows from Operating Activities	100,164	91,739	81,739	123,512	54,507	491,054
Cash Flows from Investing Activities	(55,164)	(88,542)	(60,379)	(81,955)	(82,400)	(742,342)
Cash Flows from Financing Activities	(25,650)	3,699	(16,186)	(31,757)	14,541	131,000
Term-End Balance of Cash and Cash Equivalents	30,544	37,441	42,518	52,218	40,681	366,495

(Yen) (U.S. dollars^{*1})

Per Share of Common Stock						
EPS (Earnings per Share)	50	54	55	96	83	0.74
Cash Dividends Applicable to the Year	20	20	20	30	30	0.27
Equity	1,460	1,388	1,474	1,517	1,550	13.96

(%)

Financial Indicators						
Operating Income Margin ^{*2}	4.4 [4.8]	3.8 [4.4]	2.9 [3.6]	4.0 [5.0]	3.5 [4.4]	
Return on Assets ^{*3}	2.5	2.2	1.8	2.7	2.4	
Return on Equity ^{*4}	3.6	3.8	3.9	6.4	5.4	
Shareholders' Equity Ratio	21.5	20.4	23.3	23.5	23.6	
Dividend Payout Ratio	39.9	36.9	36.3	31.4	36.4	

^{*1} U.S. dollar amounts are translated from yen at the rate of ¥111=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 + Interest expense) / Average total assets^{*4} Net income attributable to owners of the parent for fiscal year under review / Average shareholders' equity



Management Discussion and Analysis

(Consolidated)

Consolidated Financial Statements (in Japanese only)
https://www.yonden.co.jp/corporate/ir/library/securities_report.htmlFact Book 2018
https://www.yonden.co.jp/english/assets/pdf/ir/tools/fact/fy2018_factbook.pdf

Fiscal 2018 Results

(April 1, 2018–March 31, 2019)

Analysis of Business Performance

Electricity Sales

Retail sales of electricity in fiscal 2018 declined 7.3% year on year, to 23,296 million kWh. This was mainly due to lower demand for heating caused by higher temperatures during winter months and a reduction in contracted electricity.

Wholesaling of electricity declined 4.5% year on year, to 4,648 million kWh.

As a result, total electricity sales were 27,944 million kWh, a year on year decrease of 6.8%.

Electricity Supply

Due to the reduced number of days that Ikata Unit No. 3 was operational, the volume of nuclear power generated fell 17.7% year on year, to 3,339 million kWh. Furthermore, the amount of hydropower generated and purchased was relatively unchanged year on year at 3,390 million kWh, and renewable energy (solar/wind/biomass) increased 11.8% year on year, to 3,654 million kWh.

As a result, total thermal power generated and purchased decreased 9.1% year on year, to 19,978 million kWh.

Operating Results

Operating revenues increased 0.8%, or ¥5,498 million, year on year, to ¥737,274 million, while operating expenses increased 1.3%, or ¥9,034 million, to ¥711,544 million.

As a result, operating income decreased 12.1%, or ¥3,535 million, year on year, to ¥25,729 million, ordinary income after deducting non-operating income and expenses such as interest expenses declined 10.3%, or ¥2,871 million, to ¥25,128 million, net income attributable to owners of the parent after deducting income taxes decreased 13.6%, or ¥2,680 million, to ¥16,995 million.

Operating results by segment (before the elimination of transactions between segments) are as follows.

[Electric Power Business]

Operating revenues declined 0.5%, or ¥2,901 million, year on year, to ¥640,871 million due to a decrease in retail sales of electricity.

Meanwhile, operating expenses increased 0.2%, or ¥1,559 million, year on year, to ¥627,234 million due to costs related to supply and demand (fuel costs + power purchase costs) associated with rising fuel prices and other factors increased, despite efforts to reduce overall management costs.

As a result, operating income dropped 24.6%, or ¥4,460 million, year on year, to ¥13,637 million.

[Telecommunications Business]

Operating revenues increased 16.0%, or ¥5,932 million, year on year, to ¥42,965 million due to the inclusion of Cable Media Shikoku and Cable Television Tokushima in the scope of consolidation from the fiscal year under review.

On the other hand, operating expenses increased 11.5%, or ¥3,668 million, year on year, to ¥35,648 million due to the inclusion of Cable Media Shikoku and Cable Television Tokushima in the scope of consolidation from the fiscal year under review.

As a result, operating income jumped 44.8%, or ¥2,263 million, year on year, to ¥7,316 million.

[Construction and Engineering Business]

Operating revenues declined 9.9%, or ¥5,579 million, year on year, to ¥50,795 million due to fewer orders for subcontracting work.

Meanwhile, operating expenses decreased 8.4%, or ¥4,531 million, year on year, to ¥49,618 million due to lower raw material costs accompanying decrease in orders for subcontracting work.

As a result, operating income fell 47.1%, or ¥1,047 million, year on year, to ¥1,176 million.

[Energy Business]

Operating revenues increased 13.1%, or ¥2,818 million, year on year to ¥24,341 million due to higher LNG sales and other factors.

On the other hand, operating expenses climbed 17.2%, or ¥3,402 million, year on year, to ¥23,159 million due to rising purchasing prices for the LNG sales business.

As a result, operating income decreased 33.1%, or ¥584 million, year on year, to ¥1,182 million.

[Other Business Segments]

Operating revenues increased 3.9%, or ¥1,794 million, year on year, to ¥47,866 million, due to an increase in the manufacturing business and other factors.

On the other hand, operating expenses increased 4.2%, or ¥1,841 million, year on year, to ¥46,007 million, due to an increase in the manufacturing business and other factors.

As a result, operating income decreased 2.5%, or ¥47 million, to ¥1,858 million.

Management Discussion and Analysis

(Consolidated)

Analysis of Financial Position

Assets

Total assets stood at ¥1,353,941 million, increasing 1.8%, or ¥23,715 million year on year due to an increase in plant and equipment, and intangible assets*.

*Except special account related to nuclear power decommissioning and special account related to reprocessing of spent nuclear fuel.

Liability

Total liabilities amounted to ¥1,032,752 million, increasing 1.5%, or ¥15,091 million year on year due to an increase in loans and bonds.

Equity

Total equity increased 2.8%, or ¥8,624 million, year on year, to ¥321,189 million, largely due to a profit gain.

Analysis of Cash Flows

Cash Flows from Operating Activities

Net cash provided by operating activities was ¥54,507 million, down 55.9%, or ¥69,004 million, year on year mainly due to a profit decrease.

Cash Flows from Investing Activities

Net cash used in investing activities were ¥82.4 billion, up 0.5%, or ¥445 million, year on year primarily due to higher capital investment.

Cash Flows from Financing Activities

Net cash provided by financing activities was ¥14,541 million, up ¥46,299 million, year on year mainly due to the procurement of loans and bonds.

As a result of the foregoing, cash and cash equivalents as of March 31, 2019 were ¥40,681 million, down ¥11,537 million year on year.

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. The interim dividend is set by the Board of Directors, while

the final year-end dividend is set by the General Meeting of Shareholders.

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.

Capital Investment

Capital investment relating to facility construction in our electric power business totaled ¥73,216 million (before the elimination of transactions between segments). Investments included those to enhance safety measures at the Ikata 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 ¥8,202 million (before the elimination of transactions between segments) in such projects as the construction of a data center.

Consolidated capital investment for the entire Group, which includes the construction and engineering, energy, and other business segments, totaled ¥83,920 million for the fiscal year under review (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 ¥3,725 million in research and development activities centered on the electric power business.

Major research projects were as follows.

(1) Research and development that lead to lower electric power supply costs

We conduct R&D on technologies for extending the lifespan of equipment, technologies for increasing the functionality and efficiency of operation maintenance, and technologies for utilizing coal ash.

(2) Research and development to deal with changes in the power supply system

We conduct R&D to deal with changes in the power supply system, such as introducing large amounts of renewable energy and utilizing consumer devices such as storage batteries.

Outlook for Fiscal 2019

(April 1, 2019–March 31, 2020)

Electric Power Sales

Retail sales of electricity are expected to reach 22.46 billion kWh, a 3.6% decrease year on year, due to a reduction in contracted electricity and other factors. On the other hand, wholesaling of electricity is expected to reach 7.91 billion kWh, an increase of 70.1% year on year.

As a result, total electricity sales will come to 30.37 billion kWh, a year-on-year increase of 8.7%.

Operating Results

Operating revenues are expected to reach ¥734.0 billion, largely unchanged from the previous fiscal year, due to lower retail sales, despite an increase in wholesaling.

Profits will be largely unchanged from the previous fiscal year due to a decrease in retail sales and an increase in maintenance costs associated with periodic inspections of the Ikata and Tachibana-wan power stations, despite increased operation of Ikata Unit No. 3 and higher electricity wholesaling. As a result, we expect operating income to be ¥25.0 billion, ordinary income to be ¥24.0 billion, and net income attributable to owners of the parent to be ¥17.0 billion. (Announced in April 2019)

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 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 ¥704.2 billion as of March 31, 2019. 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 unbundling 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.

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 restrictions are placed on the operation of nuclear power plants, or it becomes necessary to implement additional safety measures to ensure conformity to new regulatory standards, or to respond to changes in standards and laws, the Group's business performance may be affected.

Management Discussion and Analysis

(Consolidated)

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.

Businesses Outside Electric Power

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 Data and Stock Information

(As of March 31, 2019)

Shikoku Electric Power Group Information
<https://www.yonden.co.jp/corporate/yonden/group/index.html>

Shikoku Electric Power Organization Chart
<https://www.yonden.co.jp/english/profile/organization.html>

Corporate Data

Corporate Name Shikoku Electric Power Co., Inc.
 URL <https://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 8,207 (Consolidated)
 4,489 (Non-consolidated)

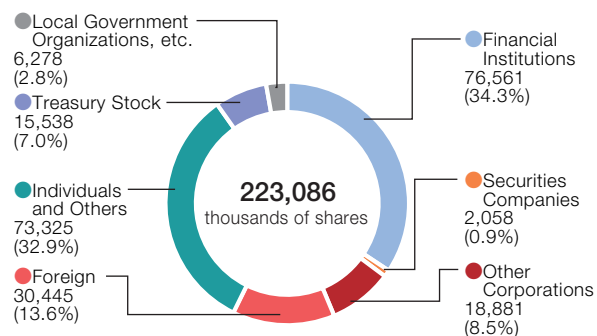
Stock Information

Total Number of Shares Authorized to be Issued 772,956,066
 Total Number of Shares Issued 223,086,202
 Number of Shareholders 78,782
 Stock Exchange Listing Tokyo Stock Exchange
 Transfer Agent 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

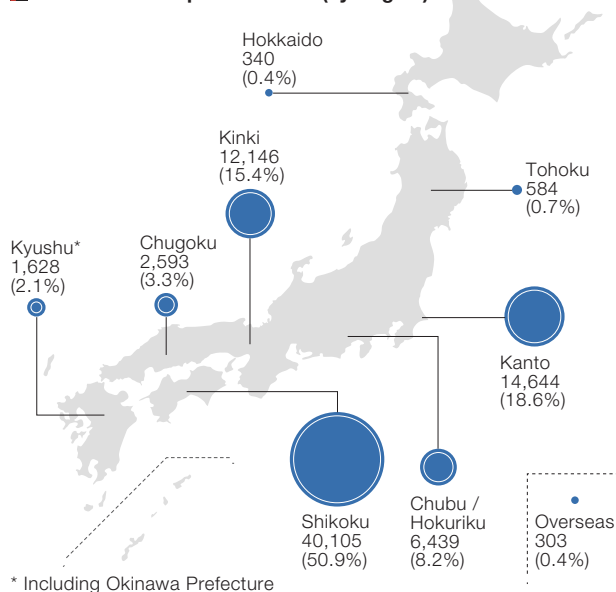
Principal Shareholders (Top 10)

Name	Number of Shares (Thousands)	Shareholding (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	10,757	5.18%
The Iyo Bank, Ltd.	8,851	4.26%
The Hyakujushi Bank, Ltd.	8,846	4.26%
SUMITOMO JOINT ELECTRIC POWER CO., LTD.	7,062	3.40%
Kochi Prefecture	6,230	3.00%
Japan Trustee Services Bank, Ltd. (Trust account)	6,017	2.90%
Nippon Life Insurance Company	5,923	2.85%
Shikoku Electric Power Employee Stock Ownership	4,398	2.12%
SSBTC CLIENT OMNIBUS ACCOUNT (Standing proxy: Custody Division, The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	4,351	2.10%
Meiji Yasuda Life Insurance Company	4,001	1.93%

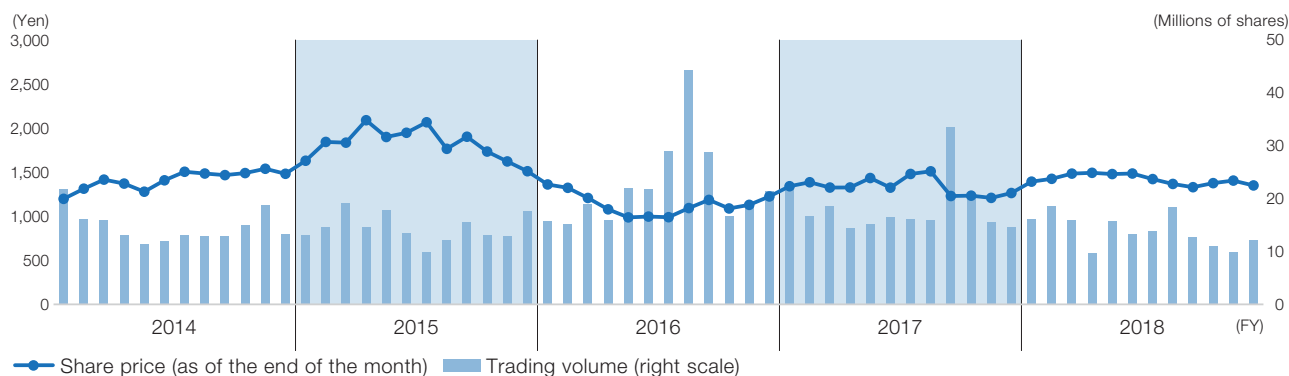
Share Ownership Distribution (by Investor Profile) (Thousands)



Share Ownership Distribution (by Region)



Monthly Share Price and Trading Volume





<https://www.yonden.co.jp/english/index.html>