

FY2014 Financial Results Outline

(April 1, 2014 – March 31, 2015)

April 30, 2015

SHIKOKU ELECTRIC POWER CO.,INC.



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I . Consolidated Financial Results for FY2014

(April 1, 2014 – March 31, 2015)

- 1 . Electricity Sales
- 2 . Electricity Supply
- 3 . Summary of Financial Results
- 4 . Results by Segment
- 5 . Cash Flows
- 6 . Financial Position
- 7 . FY2014 Year-End Dividends

Electricity Sales

(million kWh)

	FY2014 (a)	FY2013 (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	26,392	27,214	(822)	(3.0)%	<ul style="list-style-type: none"> Rebound from the highly favorable temperature patterns seen in the last fiscal year; approx (400)GWh Increase in cutting down on electricity use; approx (400)GWh
Lighting	9,238	9,615	(377)	(3.9)%	
Power	17,154	17,599	(445)	(2.5)%	
<Commercial>	<5,887>	<6,149>	<(262)>	<(4.2)%>	
<Large-Scale,Industrial>	<7,505>	<7,511>	<(6)>	<(0.1)%>	
Wholesale	1,155	1,150	5	0.5%	
Total	27,547	28,364	(817)	(2.9)%	

Average temperatures in prefectural capitals in Shikoku

(°C)

	Jun	Jul	Aug	Sep	4-month AVG.
FY2014	23.0	27.0	26.7	23.9	25.2
Differences from the average year	0.2	0.2	(1.1)	(0.6)	(0.3)
Differences from the previous year	(0.5)	(1.4)	(2.6)	(0.7)	(1.3)

	Dec	Jan	Feb	Mar	4-month AVG.
FY2014	6.7	6.7	6.9	10.1	7.6
Differences from the average year	(1.6)	0.7	0.3	0.4	(0.1)
Differences from the previous year	(0.8)	0.3	0.3	(0.3)	(0.1)

Electricity Sales to Large- Scale Industrial Customers

(million kWh)

	FY2014	Change [※]
Machinery	1,835	2.7%
Paper/Pulp	1,195	(2.9)%
Chemicals	1,076	(5.5)%
Steel	877	6.3%
Textiles	333	(0.4)%
Other	2,189	(0.3)%
Total	7,505	(0.1)%

※Changes from the previous period.

Electricity sales in the last 5 years

(million kWh)

	FY2010	FY2011	FY2012	FY2013	FY2014
Lighting	10,130	9,793	9,625	9,615	9,238
Power	18,970	18,651	17,785	17,599	17,154
<Large-Scale,Industrial>	<8,220>	<8,237>	<7,681>	<7,511>	<7,505>
Total	29,100	28,444	27,410	27,214	26,392

Electricity sales changes from the previous fiscal year

	FY2010	FY2011	FY2012	FY2013	FY2014
Lighting	7.0%	(3.3)%	(1.7)%	(0.1)%	(3.9)%
Power	5.2%	(1.7)%	(4.6)%	(1.0)%	(2.5)%
<Large-Scale,Industrial>	<8.4%>	<0.2%>	<(6.7)%>	<(2.2)%>	<(0.1)%>
Total	5.8%	(2.3)%	(3.6)%	(0.7)%	(3.0)%

Average temperatures in prefectural capitals in Shikoku

(°C)

	FY2010	FY2011	FY2012	FY2013	FY2014
Summer ^{※1}	26.7	26.0	25.9	26.5	25.2
Winter ^{※2}	7.2	7.2	7.5	7.7	7.6

※1 Summer means an average temperature of June, July, August, and September.

※2 Winter means an average temperature of December, January, February, March.

(million kWh)

	FY2014 (a)	FY2013 (b)	(c)=(a)-(b)	(c)/(b)	Details																		
Hydro	3,495	3,100	395	12.7%	Flow Rate 101.4% → 114.6%																		
Nuclear	-	-	-	-	All units of the Ikata nuclear power station have been suspended.																		
Thermal	<div style="display: flex; justify-content: space-between; width: 100px;"> 68% </div> 17,050	<div style="display: flex; justify-content: space-between; width: 100px;"> 64% </div> 17,354	<div style="display: flex; justify-content: space-between; width: 100px;"> 4% </div> (304)	(1.7)%	◇Electricity by thermal power (million kWh) <table border="1" style="margin-top: 10px;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">FY2014</th> <th rowspan="2">Change*</th> </tr> <tr> <th>GWh</th> <th>Composition</th> </tr> </thead> <tbody> <tr> <td>Generated</td> <td>17,014</td> <td>67%</td> <td>(888)</td> </tr> <tr> <td>Purchased</td> <td>8,210</td> <td>33%</td> <td>(932)</td> </tr> <tr> <td>Total</td> <td>25,224</td> <td>100%</td> <td>(1,820)</td> </tr> </tbody> </table> ※Changes from the previous period.		FY2014		Change*	GWh	Composition	Generated	17,014	67%	(888)	Purchased	8,210	33%	(932)	Total	25,224	100%	(1,820)
		FY2014		Change*																			
		GWh	Composition																				
	Generated	17,014	67%	(888)																			
Purchased	8,210	33%	(932)																				
Total	25,224	100%	(1,820)																				
<div style="display: flex; justify-content: space-between; width: 100px;"> 9% </div> 2,358	<div style="display: flex; justify-content: space-between; width: 100px;"> 10% </div> 2,566	<div style="display: flex; justify-content: space-between; width: 100px;"> (1)% </div> (208)	(8.1)%																				
<div style="display: flex; justify-content: space-between; width: 100px;"> 23% </div> 5,816	<div style="display: flex; justify-content: space-between; width: 100px;"> 26% </div> 7,124	<div style="display: flex; justify-content: space-between; width: 100px;"> (3)% </div> (1,308)	(18.4)%																				
<div style="display: flex; justify-content: space-between; width: 100px;"> 100% </div> 25,224	<div style="display: flex; justify-content: space-between; width: 100px;"> 100% </div> 27,044	<div style="display: flex; justify-content: space-between; width: 100px;"> (1,820) </div> (1,820)	(6.7)%																				
Renewable Energy	1,547	984	563	57.2%																			

(Note1) % figures in are composition ratios of the electricity generated and purchased by thermal power plants.

(Note2) The electricity purchased from other utilities are included.

- ✓ Operating revenues increased by ¥27.9 billion from the previous fiscal year, to ¥664.2 billion, due to a rise in the electricity charge rate implemented in the previous fiscal year and an increase in grants under act on purchase of renewable energy sourced electricity by electric utilities.
- ✓ Operating expenses increased by ¥1.6 billion from the previous fiscal year, to ¥635.2 billion. The factors are as follows;
 - The cost of the fuel and purchasing power from others declined because electricity demand and the thermal generation cost per kWh went down more than the previous year.
 - The companywide efforts to cut down the expenses.
- ✓ As a result, all income got into the black.

(100 million yen)

	FY2014 (a)	FY2013 (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	6,642	6,363	279	4.4%
Operating Expenses	6,352	6,336	16	0.3%
Operating Income	289	27	262	967.8%
Interest Expenses, etc.	44	44	0	0.9%
Ordinary Income(Loss)	245	(17)	262	-
Reserve for Fluctuations in Water Level	(Provision) 16	(Reversal) (13)	29	-
Income Taxes, etc.	125	28	97	337.8%
Net Income(Loss)	103	(32)	135	-

(Note) Ordinary income(loss) is income(loss) before reserve for fluctuations in water level and income taxes, etc.

(100 million yen)

	FY2014 (a)	FY2013 (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	5,150	5,025	125	2.5%
Electricity sales(Wholesale), etc.	155	163	(8)	(4.7)%
Others	483	322	161	49.6%
Electric Operating Revenues	5,789	5,511	278	5.1%
Other Revenues	853	851	2	0.1%
Operating Revenues	6,642	6,363	279	4.4%
Personnel	493	490	3	0.7%
Fuel	1,415	1,687	(272)	(16.1)%
Power Purchase	1,252	1,101	151	13.7%
Depreciation	557	569	(12)	(2.0)%
Maintenance	505	499	6	1.3%
Nuclear Back-end	72	83	(11)	(13.5)%
Others	1,271	1,115	156	14.0%
Electric Operating Expenses	5,568	5,546	22	0.4%
Others	784	789	(5)	(0.7)%
Operating Expenses	6,352	6,336	16	0.3%
Operating Income	289	27	262	967.8%
Interest Expenses, etc.	44	44	(0)	0.9%
Ordinary Income(Loss)	245	(17)	262	-
Reserve for Fluctuations in Water Level (Provision)	16	(Reversal) (13)	29	-
Income Taxes, etc.	125	28	97	337.8%
Net Income(Loss)	103	(32)	135	-

【Electricity Sales(Retail)】

- Rise in the electricity charge rate +177
- Increase in revenues based on the Fuel Cost Adjustment System +54
- Increase in surcharge income based on the feed-in tariff system +85
- Decrease in electricity sales volume (176) ,etc.

【Others】

- Grants under act on purchase of renewable energy sourced electricity by electric utilities +164 ,etc.

【Fuel, Power Purchase】 (121)

- Decrease in electricity sales volume (70)
- Increase in electricity volume generated by hydro power plants (35)
- Increase in purchase of renewable energy sourced electricity +150
- Decline in the thermal power generation cost per kWh (155) ,etc.
 - > Decline in the fuel prices (50)
 - > Rise of the coal power ratio (105)

		FY2014 (a)	FY2013 (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	93	108	(15)
	Crude Oil (\$/b)	90	110	(20)
	LNG (\$/t)	800	836	(36)
Exchange Rate (¥/\$)		110	100	10

【Others】

- Payments to Green Investment Promotion Organization + 85
- Outsourcing expenses associated with smart meter +52
- Decrease in expenses due to corporate efforts (13) ,etc.

【Income Taxes ,etc.】

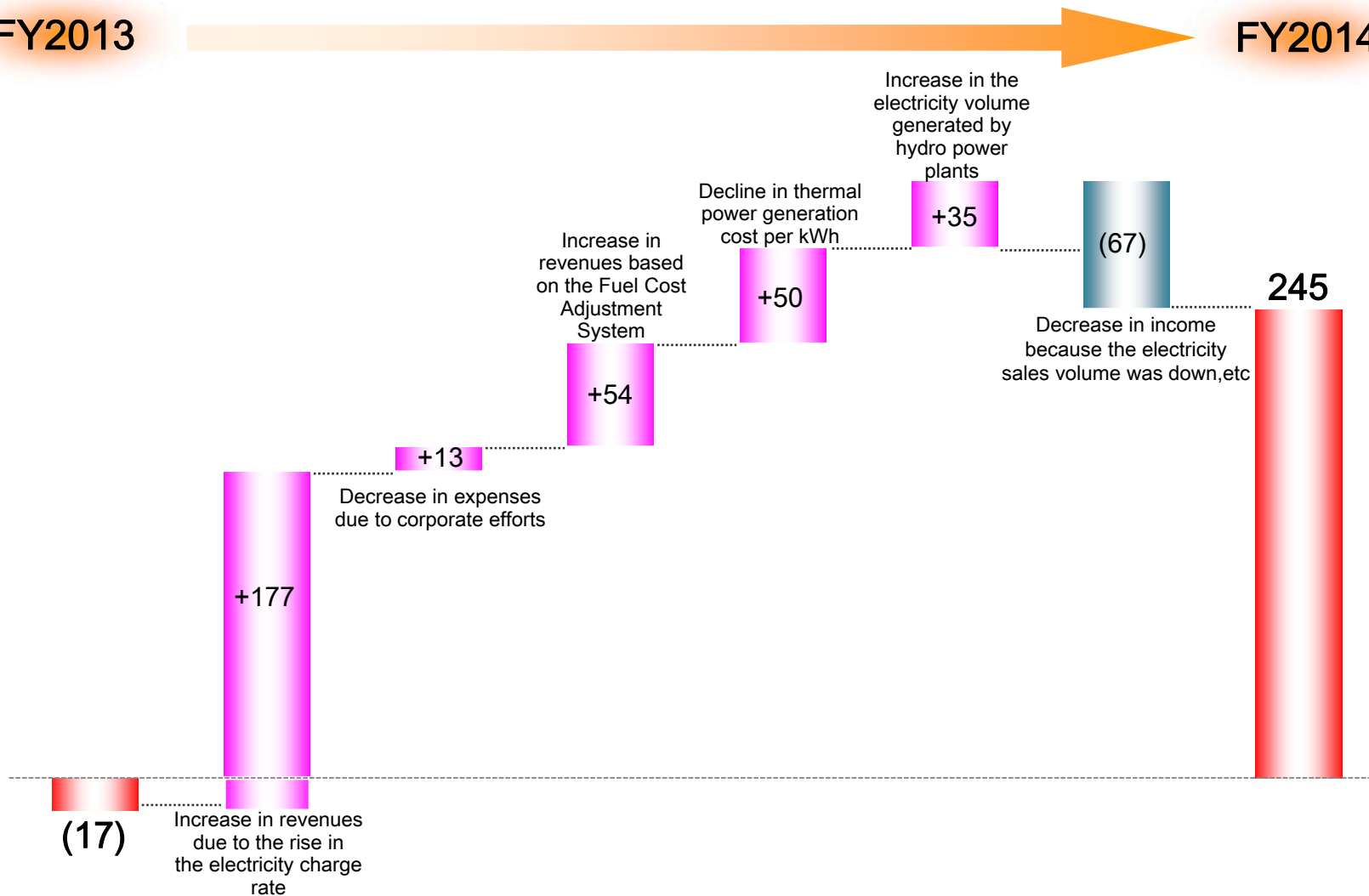
- Increase in income before tax + 49
- Increase by the tax reform implemented in FY2015 +48

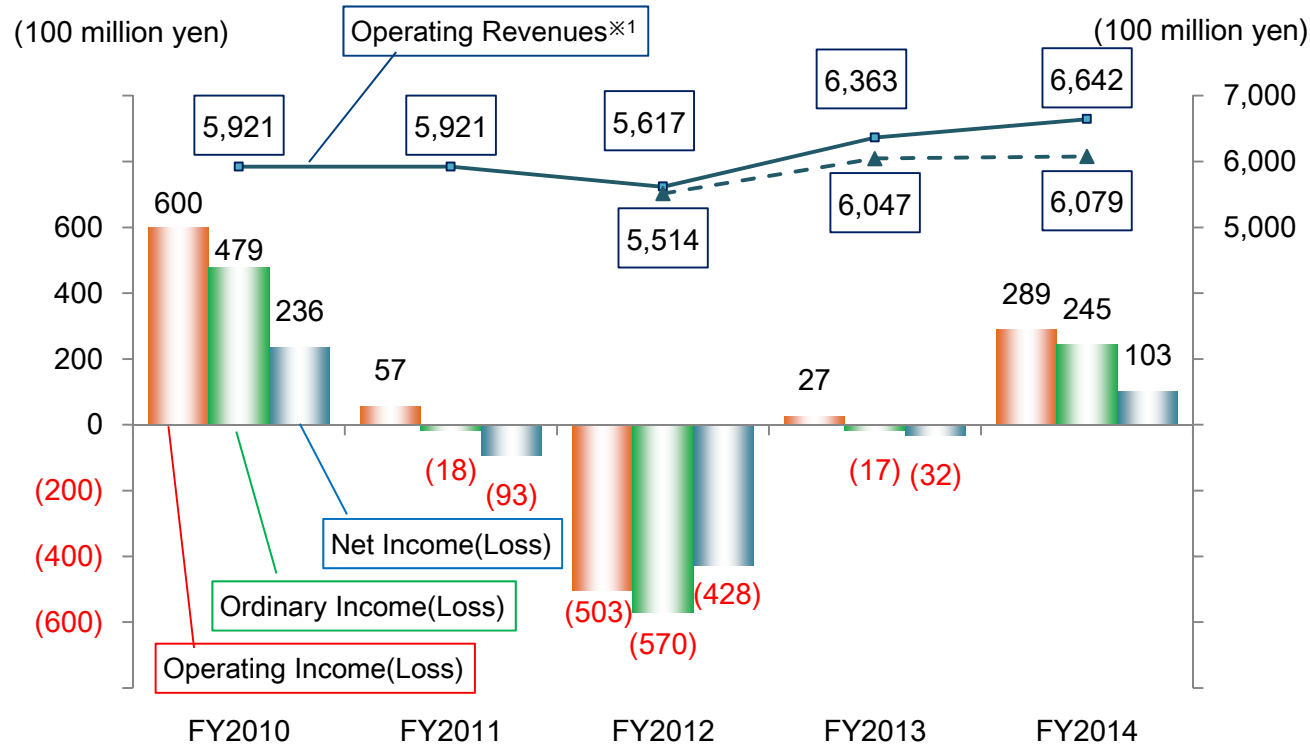
Ordinary income

(100 million yen)

FY2013

FY2014





※1 Broken line means the revenues from which income associated with FIT(surcharge income and grants from the Expense Sharing Coordinating Body) are deducted.

Performance Indicators

		FY2010	FY2011	FY2012	FY2013	FY2014
Operating Income Margin	(%)	10.1	1.0	<(9.1)> (9.0)	<0.4> 0.4	<4.8> 4.4
Return on Assets (ROA) ^{※2}	(%)	4.2	0.6	(3.4)	0.6	2.5
Return on Equity (ROE)	(%)	6.6	(2.8)	(14.0)	(1.1)	3.6
Net Income per Share	(yen)	111	(45)	(208)	(16)	50
Ordinary Income(Loss) + Interest Expenses	(100 million yen)	579	77	(475)	81	344

※2 ROA = (Ordinary Income(Loss) + Interest Expenses) / Total Assets

(Note) Figures in <> are calculated on the revenues from which income associated with FIT are deducted.

- ✓ Electric utility segment profit increased by ¥25.4 billion from the previous fiscal year to ¥20.4 billion, mainly due to the rise in the electricity charge rate, the decline of fuel cost, and the companywide efforts to cut down expenses.
- ✓ IT/communications segment profit stayed at ¥3.6 billion. It was because that the initial cost went up more than a growth in sales due to the expansion of FTTH service areas.

Results by segment

(100 million yen)

		FY2014 (a)	FY2013 (b)	(a-b)
Consolidated	Sales to External Customers	6,642	6,363	279
	Segment Profit(Loss)	289	27	262
Electric Utility [※]	Sales to External Customers	5,801	5,523	278
	Segment Profit(Loss)	204	(50)	254
IT/Communications [※]	Sales to External Customers	320	299	21
	Segment Profit(Loss)	36	36	0
Others [※]	Sales to External Customers	1,326	1,356	(30)
	Segment Profit(Loss)	53	45	8

※ Internal transactions are not eliminated

A number of FTTH service contracts

(10 thousand)

	Mar 31, 2015 (a)	Mar 31, 2014 (b)	(a-b)
Number of contracts	17.1	16.0	1.1

Capital Investment

(100 million yen)

	2014FY
Electric Utility	595
<Safety measures at the Ikata nuclear power station>	<192>
<introduction of a LNG combined cycle to the Sakaide thermal power station unit No.2>	<51>
IT/Communications	81
<FTTH>	<17>
<Data Center>	<12>
Others	43
Total	721

(100 million yen)

		FY2014 (a)	FY2013 (b)	(a-b)
Net Cash Provided by Operating Activities	Ordinary Income(loss)	245	(17)	
	Depreciation	658	662	
	Others	98	12	
	Subtotal	1,001	657	
Net Cash Used in Investing Activities	Capital Expenditures	(589)	(727)	
	Investments	37	9	
	Subtotal	(551)	(717)	
Free Cash Flows		450	(60)	510
Net Cash Provided by financing Activities	Bonds and Loans	(256)	27	
	Purchase of Treasury Stock	(0)	(0)	
	Subtotal	(256)	27	
Net Increase(Decrease) in Cash and Cash Equivalents		194	(32)	

※Plus figures means cash inflow, minus figures means cash outflow.

(100 million yen)

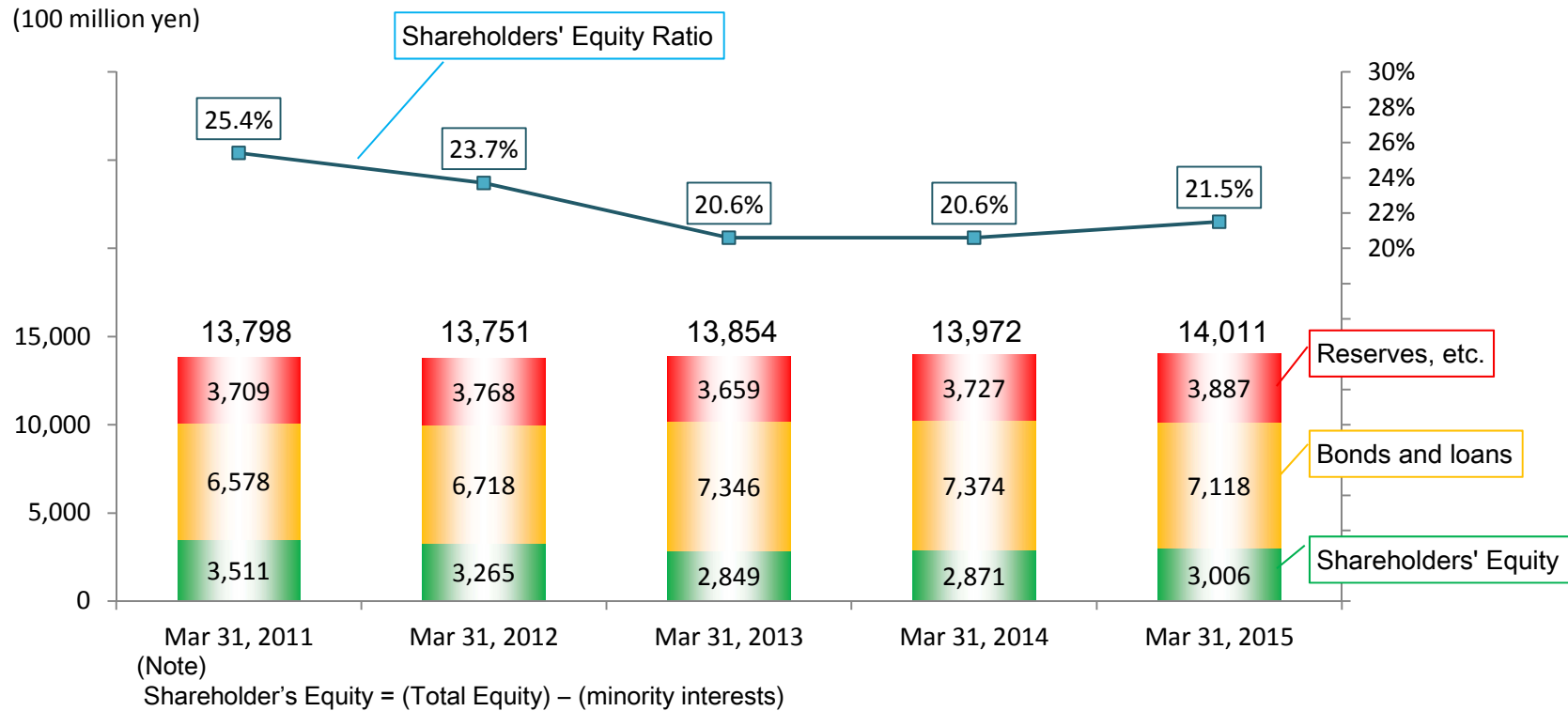
	Mar 31, 2015 (a)	Mar 31, 2014 (b)	(a-b)	Details
Total Assets	14,011	13,972	39	
<Net Property, Plant and Equipment>	<8,325>	<8,398>	<(73)>	• Depreciation
<Net Defined Benefit Assets>	<136>	<220>	<(84)>	• Decrease resulted from the revision of accounting standard for retirement benefits (130)
<Cash and Cash Equivalents>	<347>	<111>	<236>	
Liabilities	11,002	11,098	(96)	
<Bonds and Loans>	<7,118>	<7,374>	<(256)>	
Total Equity	3,008	2,874	134	
<Retained Earnings>	<1,331>	<1,336>	<(5)>	• Net Income +103 • Decrease resulted from the revision of accounting standard for retirement benefits (113)
<Accumulated Other Comprehensive Income>	<281>	<142>	<139>	• Deferred gain on derivatives under hedge accounting +86, etc.
Shareholders' Equity Ratio	21.5%	20.6%	0.9%	

(Note)

Projected benefit obligations increased by ¥15.9 billion at the beginning of FY2014 due to the revision of accounting standard for retirement benefits.

[Decrease in net defined benefit asset; (¥13.0 billion), increase in net defined benefit liability; + ¥2.9 billion]

¥11.3 billion(after tax effect) are deducted from retained earnings by the application of the special measure associated with the revision above.



Financial Indicators

	Mar 31, 2011	Mar 31, 2012	Mar 31, 2013	Mar 31, 2014	Mar 31, 2015
Shareholder's Equity Ratio (%)	25.4	23.7	20.6	20.6	21.5
Interest Bearing Debts Ratio (times)	1.9	2.1	2.6	2.6	2.4
Book-value per share(BPS) (yen)	1,684	1,586	1,384	1,394	1,460
Price Book-value Ratio(PBR) (times)	1.3	1.5	1.0	1.0	1.0

(Note)

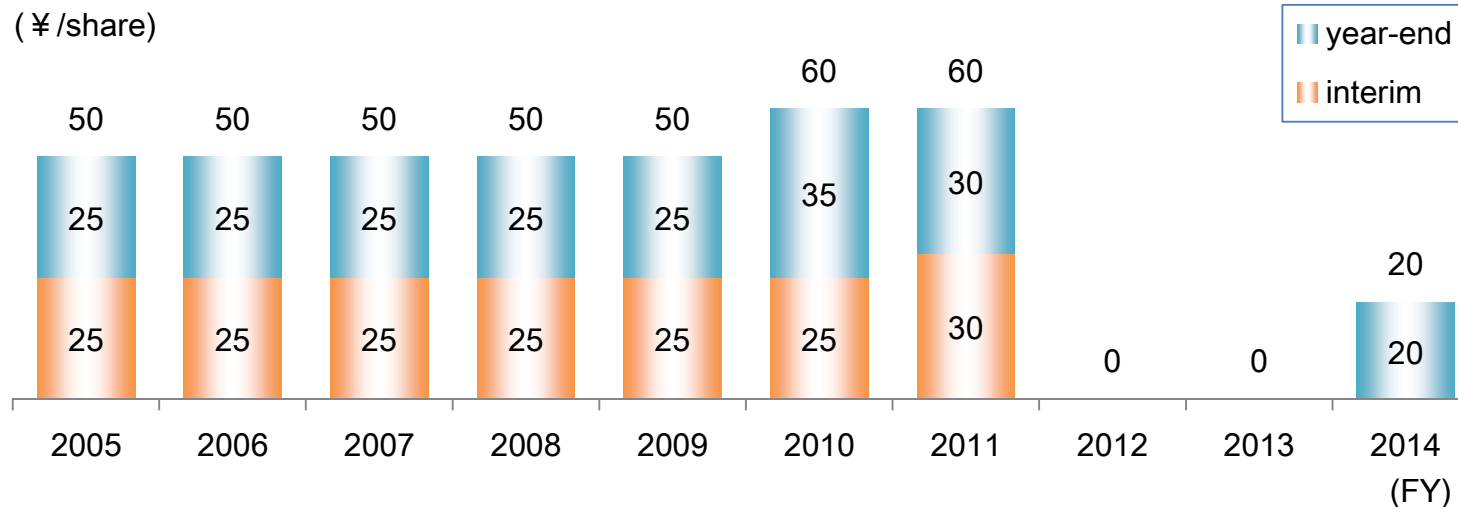
Interest Bearing Debts Ratio = (Bonds and Loans) / (Shareholders' Equity)

- ✓ Paying stable dividends is our basic policy for returns to shareholders, which are decided in light of comprehensive consideration of business results, financial position, and medium-to-long-term business conditions.
- ✓ Regarding FY2014 year-end dividends, we decided on the resumption because we achieved net income to some extent, and put a brake on the deterioration of financial condition in this fiscal year.
- ✓ The dividend per share will be ¥20, considering that the Ikata nuclear power station No3 has been still suspended, and it is necessary to improve the deteriorated financial condition.

	FY2014 (a)	FY2013 (b)
Dividend per share (yen)	※ 20	0
amount of dividends (million yen)	4,151	0

※FY2014 year-end dividends is officially decided on the resolution of general meeting of stockholders which will be held in Jun.2015.

Dividend per share(last 10 fiscal years)



II . Consolidated Financial Forecasts for FY2015 (April 1, 2015 – March 31, 2016)

- ✓ Electricity sales will increase by 0.1% due to the rebound from the low temperature in the last summer.
- ✓ Operating revenues will increase by approximately ¥16.0 billion to ¥680.0 billion due to the rise of income associated with FIT(surcharge income and grants from the Expense Sharing Coordinating Body) .
- ✓ We cannot release forecasts of income(loss) and year-end dividend at this point in time because it is difficult to find out when the Ikata nuclear power station unit No.3 will re-start.

Electricity Sales Forecasts

(100 million kWh)

	FY2015 (Forecast) <a>	FY2014 (Result) 	<c>=<a-b>	<c>/
Lighting	94.1	92.4	1.7	1.8%
Power	172.1	171.5	0.6	0.3%
Retail	266.2	263.9	2.3	0.8%
Wholesale	9.5	11.6	(2.1)	(17.0)%
Total	275.7	275.5	0.2	0.1%

Fuel Prices and Exchange Rate Forecasts

	FY2015 (Forecast) <a>	FY2014 (Result) 	<a-b>
Coal CIF Price(\$/t)	85	93	(8)
Crude oil CIF Price(\$/b)	65	90	(25)
Exchange Rate(¥/\$)	120	110	10

Operating Revenues Forecasts

(100 million yen)

	FY2015 (Forecast) <a>	FY2014 (Result) 	<c>=<a-b>	<c>/
Operating Revenues (Consolidated)	6,800	6,642	158	2.4%

<reference> Non-Consolidated Financial Results for FY2014
(April 1, 2014 – Mar 31, 2015)

Non-consolidated

(100 million yen)

	FY2014 (a)	FY2013 (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	5,150	5,025	125	2.5%
Electricity sales(Wholesale), etc.	155	163	(8)	(4.7)%
Others	639	477	162	34.0%
Operating Revenues	5,945	5,665	280	4.9%
Personnel	497	494	3	0.7%
Fuel	1,415	1,687	(272)	(16.1)%
Power Purchase	1,252	1,101	151	13.7%
Depreciation	564	576	(12)	(2.1)%
Maintenance	508	502	6	1.3%
Nuclear Back-end	72	83	(11)	(13.5)%
Others	1,417	1,260	157	12.5%
Operating Expenses	5,728	5,705	23	0.4%
Operating Income(Loss)	216	(40)	256	-
Interest Expenses, etc.	22	41	(19)	(44.4)%
Ordinary Income(Loss)	194	(81)	275	-
Reserve for Fluctuations in Water Level	(Provision) 16	(Reversal) (13)	29	-
Extraordinary Income	-	342	(342)	-
Income Taxes, etc.	84	(6)	90	-
Net Income(Loss)	93	280	(187)	(66.6)%

【Electricity Sales(Retail)】

- Rise in the electricity charge rate +177
- Increase in revenues based on the Fuel Cost Adjustment System +54
- Increase in surcharge income based on the feed-in tariff system +85
- Decrease in electricity sales volume (176) ,etc.

【Others】

- Grants under act on purchase of renewable energy sourced electricity by electric utilities +164

【Fuel, Power Purchase】 (121)

- Decrease in electricity sales volume (70)
- Increase in electricity volume generated by hydro power plants (35)
- Increase in purchase of renewable energy sourced electricity +150
- Decline in the thermal power generation cost per kWh (155) ,etc.
 - > Decline in the fuel prices (50)
 - > Rise of the coal power ratio (105)

		FY2014 (a)	FY2013 (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	93	108	(15)
	Crude Oil (\$/b)	90	110	(20)
	LNG (\$/t)	800	836	(36)
Exchange Rate (¥ / \$)		110	100	10

【Others】

- Payments to Green Investment Promotion Organization + 85
- Outsourcing expenses associated with Smart Meter +52
- Decrease in expenses due to corporate efforts (13) ,etc.

【Interest Expenses, etc.】

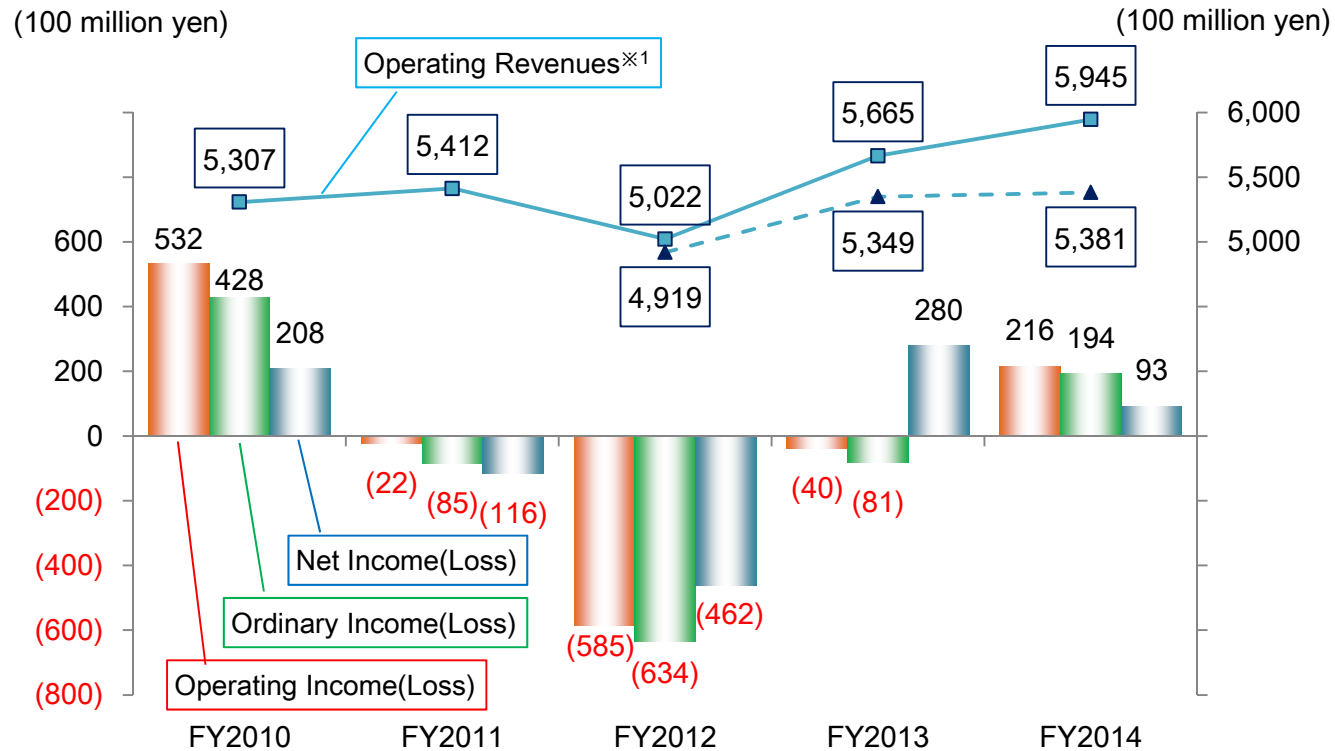
- Increase in dividend income received from consolidated subsidiaries (12) ,etc.

【Extraordinary Income】

- FY2013:Special dividends received from consolidated subsidiaries

【Income Taxes ,etc.】

- Increase by the tax reform implemented in FY2015 +29



※1 Broken line means the revenues from which income associated with FIT(surcharge income and grants from the Expense Sharing Coordinating Body) are deducted.

Performance Indicators

		FY2010	FY2011	FY2012	FY2013	FY2014
Operating Income Margin	(%)	10.0	(0.4)	<(11.9)> (11.7)	<(0.7)> (0.7)	<4.0> 3.6
Return on Assets (ROA) ^{※2}	(%)	4.0	0.1	(4.1)	0.1	2.2
Return on Equity (ROE)	(%)	6.6	(3.9)	(17.7)	11.1	3.5
Net Income per Share	(yen)	97	(56)	(223)	135	45
Ordinary Income(Loss) + Interest Expenses	(100 million yen)	526	10	(540)	17	293

※2 ROA = (Ordinary Income(Loss) + Interest Expenses) / Total Assets

(Note) Figures in < > are calculated on the revenues from which income associated with FIT are deducted.

(100 million yen)

	Mar 31, 2015 (a)	Mar 31, 2014 (b)	(a-b)	Details
Total Assets	13,386	13,344	42	
<Net Property, Plant and Equipment>	<7,644>	<7,702>	<(58)>	• Depreciation
<Net Defined Benefit Assets>	<97>	<187>	<(90)>	• Decrease resulted from the revision of accounting standard for retirement benefits (125) ,etc.
<Cash and Cash Equivalents>	<294>	<103>	<191>	
Liabilities	10,620	10,659	(39)	
<Bonds and Loans>	<7,070>	<7,331>	<(261)>	
Total Equity	2,765	2,685	80	
<Retained Earnings>	<1,142>	<1,146>	<(4)>	• Net Income +93 • Decrease resulted from the revision of accounting standard for retirement benefits (97)
<Valuation, translation adjustments and others>	<197>	<113>	<84>	• Deferred gain on derivatives under hedge accounting ,etc.

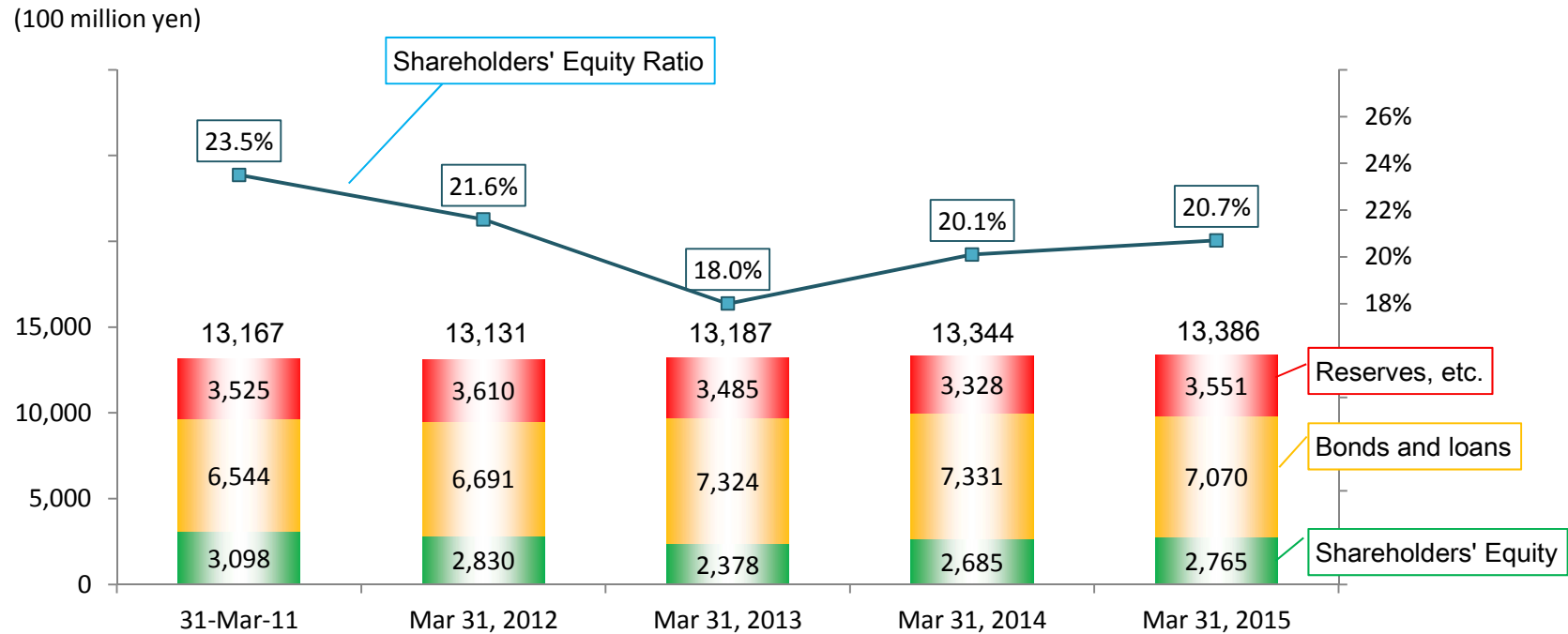
Shareholders' Equity Ratio	20.7%	20.1%	0.6%
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Projected benefit obligations increased by ¥14.0 billion at the beginning of FY2014 due to the revision of accounting standard for retirement benefits.

[Decrease in net defined benefit asset; (¥12.5 billion), increase in net defined benefit liability; + ¥1.5 billion]

¥9.7 billion(after tax effect) are deducted from retained earnings by the application of the special measure associated with the revision above.

Non-consolidated



Financial Indicators

	Mar 31, 2011	Mar 31, 2012	Mar 31, 2013	Mar 31, 2014	Mar 31, 2015
Shareholder's Equity Ratio (%)	23.5	21.6	18.0	20.1	20.7
Interest Bearing Debts Ratio (times)	2.1	2.4	3.1	2.7	2.6
Book-value per share(BPS) (yen)	1,475	1,363	1,146	1,293	1,332
Price Book-value Ratio(PBR) (times)	1.5	1.7	1.2	1.1	1.1

(Note)

Interest Bearing Debts Ratio = (Bonds and Loans) / (Shareholders' Equity)

Caution Regarding Business Forecasts and Forward-Looking Statements

In addition to historical facts regarding Shikoku Electric Power Company and its subsidiaries and affiliated companies, this presentation contains business forecasts and other forward-looking statements.

These statements are based on our assumptions and judgments in consideration of the information available at the time, and are therefore subject to risks and contain an element of uncertainty.

It is also possible that such forecasts will be revised at a later date in light of changes in the operating environment or other underlying assumptions for the forecasts. We ask that readers please take these factors into consideration.



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