

# FY2015 2Q Financial Results Outline

(April 1, 2015 – September 30, 2015)

October 29, 2015

**SHIKOKU ELECTRIC POWER CO.,INC.**

I . Consolidated Financial Results for FY2015 2Q (April 1, 2015 – September 30, 2015)	1 . Electricity Sales	1
	2 . Electricity Supply	3
	3 . Summary of Financial Results	4
	4 . Results by Segment	8
	5 . Cash flows	9
	6 . Financial Position	10
	7 . Dividends	12
II . Forecasts of Consolidated Financial Performance for FY2015		13
<reference>		
Non-Consolidated Financial Results for FY2015 2Q (April 1, 2015 – September 30, 2015)	1 . Details of Financial Results	14
	2 . Financial Position	16

# I . Consolidated Financial Results for FY2015 2Q

(April 1, 2015 – September 30, 2015)

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

## Electricity Sales

(million kWh)

	FY2015 2Q (a)	FY2014 2Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	12,756	12,867	(111)	(0.9)%	· Increase in cutting down on electricity use ; approx (100)GWh and other factors
Lighting	4,131	4,177	(46)	(1.1)%	
Power	8,625	8,690	(65)	(0.7)%	
<Commercial>	<2,983>	<3,028>	<(45)>	<(1.5)%>	
<Large-Scale,Industrial>	<3,764>	<3,752>	< 12 >	< 0.3% >	
Wholesale	835	518	317	61.1%	
Total	13,591	13,385	206	1.5%	

## Average temperatures in prefectural capitals in Shikoku

(°C)

	Jun.	Jul.	Aug.	Sep.	4-month AVG.
FY2015	22.3	26.3	27.6	23.3	24.9
Differences from the average year	(0.5)	(0.5)	(0.2)	(1.2)	(0.6)
Differences from the previous year	(0.7)	(0.7)	0.9	(0.6)	(0.3)

## Electricity Sales to Large- Scale Industrial Customers

(million kWh)

	FY2015 2Q	Change※
Machinery	953	2.0%
Paper/Pulp	597	3.2%
Chemicals	537	(3.0)%
Steel	367	(10.5)%
Textiles	206	29.1%
Other	1,104	(1.0)%
Total	3,764	0.3%

※Changes from the previous period.

## Electricity sales in the last 5 years

( million kWh )

	FY2011 2Q	FY2012 2Q	FY2013 2Q	FY2014 2Q	FY2015 2Q
Lighting	4,619	4,481	4,482	4,177	4,131
Power	9,591	9,231	9,104	8,690	8,625
<Large-Scale,Industrial>	<4,166>	<3,970>	<3,837>	<3,752>	<3,764>
Total	14,210	13,712	13,586	12,867	12,756

## Electricity sales changes from the previous fiscal year

	FY2011 2Q	FY2012 2Q	FY2013 2Q	FY2014 2Q	FY2015 2Q
Lighting	(5.0)%	(3.0)%	0.0%	(6.8)%	(1.1)%
Power	(2.3)%	(3.8)%	(1.4)%	(4.6)%	(0.7)%
<Large-Scale,Industrial>	<0.7%>	<(4.7)%>	<(3.3)%>	<(2.2)%>	<0.3%>
Total	(3.2)%	(3.5)%	(0.9)%	(5.3)%	(0.9)%

## Average temperatures in prefectural capitals in Shikoku

( °C )

	FY2011 2Q	FY2012 2Q	FY2013 2Q	FY2014 2Q	FY2015 2Q
Summer*	26.0	25.9	26.5	25.2	24.9

\* Summer means an average temperature of June, July, August, and September.

(million kWh)

		FY2015 2Q (a)	FY2014 2Q (b)	(c)=(a)-(b)	(c)/(b)	Details																					
Hydro		2,367	2,018	349	17.3%	Flow Rate 103.0% → 115.2%																					
Nuclear		-	-	-	-	All units of the Ikata nuclear power station have been suspended.																					
Thermal	Coal	66%	69%	(3)%	(8.1)%	◇Electricity by thermal power (million kWh) <table border="1"> <thead> <tr> <th colspan="2"></th> <th colspan="2">FY2015 2Q</th> <th rowspan="2">Change*</th> </tr> <tr> <th colspan="2"></th> <th>GWh</th> <th>Composition</th> </tr> </thead> <tbody> <tr> <td>Generated</td> <td>6,919</td> <td>61%</td> <td>(1,188)</td> </tr> <tr> <td>Purchased</td> <td>4,422</td> <td>39%</td> <td>632</td> </tr> <tr> <td>Total</td> <td>11,341</td> <td>100%</td> <td>(556)</td> </tr> </tbody> </table>			FY2015 2Q		Change*			GWh	Composition	Generated	6,919	61%	(1,188)	Purchased	4,422	39%	632	Total	11,341	100%	(556)
				FY2015 2Q			Change*																				
			GWh	Composition																							
	Generated	6,919	61%	(1,188)																							
	Purchased	4,422	39%	632																							
Total	11,341	100%	(556)																								
		7,502	8,160	(658)																							
LNG	9%	9%	0%	1.0%																							
		1,039	1,029		10																						
Oil/Gas	25%	22%	3%	3.4%																							
		2,800	2,708		92																						
	100%	100%		(4.7)%																							
		11,341	11,897		(556)																						
Renewable Energy		1,145	728	417	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 ¥ 4.1 billion YoY, to ¥ 323.1 billion. The factors were as follows;
  - ✓ Total electricity sales and revenues based on the fuel adjustment system decreased.
  - ✓ Under the feed-in-tariff scheme (FIT), surcharge income and grants for the purchase cost from Surcharge Adjustment Organization increased.
- Operating expenses increased by ¥ 7.4 billion YoY, to ¥ 304.4 billion. The factors were as follows;
  - ✓ Payments to Surcharge Adjustment Organization and the cost of maintenance increased.
  - ✓ The cost of the fuel and power purchase from others remained unchanged YoY for the following reasons;
    - increase of purchase of renewable energy sourced electricity and down of the capacity factor of coal-fired thermal power station due to the periodic inspections, etc.
    - rise of flow rate and down in the fuel prices, etc.
- As a result, all income were follows;  
 Operating income : ¥ 18.6 billion, ordinary income : ¥ 17.5 billion, net income : ¥ 10.9 billion.

(100 million yen)

	FY2015 2Q (a)	FY2014 2Q (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	3,231	3,190	41	1.3%
Operating Expenses	3,044	2,970	74	2.5%
Operating Income	186	219	(33)	(15.1)%
Interest Expenses, etc.	11	22	(11)	(49.6)%
Ordinary Income	175	197	(22)	(11.3)%
Reserve for Fluctuations in Water Level	(Provision) 15	(Reversal) (5)	20	—
Income Taxes, etc.	50	79	(29)	(36.2)%
Net Income attributable to shareholders of parent company	109	123	(14)	(11.4)%

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

(100 million yen)

	FY2015 2Q	FY2014 2Q	Change	
	(a)	(b)	(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	2,429	2,525	(96)	(3.8)%
Electricity sales(Wholesale), etc.	80	68	12	16.7%
Others	366	232	134	57.4%
Electric Operating Revenues	2,876	2,826	50	1.8%
Other Revenues	354	363	(9)	(2.4)%
Operating Revenues	3,231	3,190	41	1.3%
Personnel	249	238	11	4.5%
Fuel	498	685	(187)	(27.2)%
Power Purchase	787	620	167	26.8%
Depreciation	269	276	(7)	(2.3)%
Maintenance	256	226	30	13.3%
Nuclear Back-end	30	35	(5)	(12.7)%
Others	643	553	90	16.1%
Electric Operating Expenses	2,735	2,636	99	3.8%
Others	309	334	(25)	(7.5)%
Operating Expenses	3,044	2,970	74	2.5%
Operating Income	186	219	(33)	(15.1)%
Interest Expenses, etc.	11	22	(11)	(49.6)%
Ordinary Income	175	197	(22)	(11.3)%
Reserve for Fluctuations in Water Level	(Provision) 15	(Reversal) (5)	20	-
Income Taxes, etc.	50	79	(29)	(36.2)%
Net income attributable to shareholders of parent company	109	123	(14)	(11.4)%

### 【Electricity Sales(Retail)】

- Increase in surcharge income based on FIT +84
- Decrease in revenues based on the Fuel Cost Adjustment System (143)
- Decrease in in electricity sales volume (retail) (30) ,etc.

### 【Others】

- Increase in grants for the purchase cost from Surcharge Adjustment Organization +128, etc.

### 【Fuel, Power Purchase】 (20)

- Increase in purchase of renewable energy sourced electricity +115
- Increase in electricity sales volume (retail + wholesale) +15
- Increase in electricity volume generated by hydro power plants (25)
- Decline in the thermal power generation cost per kWh (125),
  - > Down in the fuel prices (140)
  - > Down of the coal power ratio +15 ,etc.

		FY2015 2Q	FY2014 2Q	(a-b)
		(a)	(b)	
CIF Price (all Japan)	Coal (\$/t)	80	97	(17)
	Crude Oil (\$/b)	59	110	(51)
	LNG (\$/t)	479	839	(360)
Exchange Rate ( ¥/\$ )		122	103	19

### 【Maintenance】

- Increase of construction associated with the nuclear power station +22
- Increase of construction associated with thermal power stations +7, etc.

### 【Others】

- Increase in payments to Surcharge Adjustment Organization +84, etc.

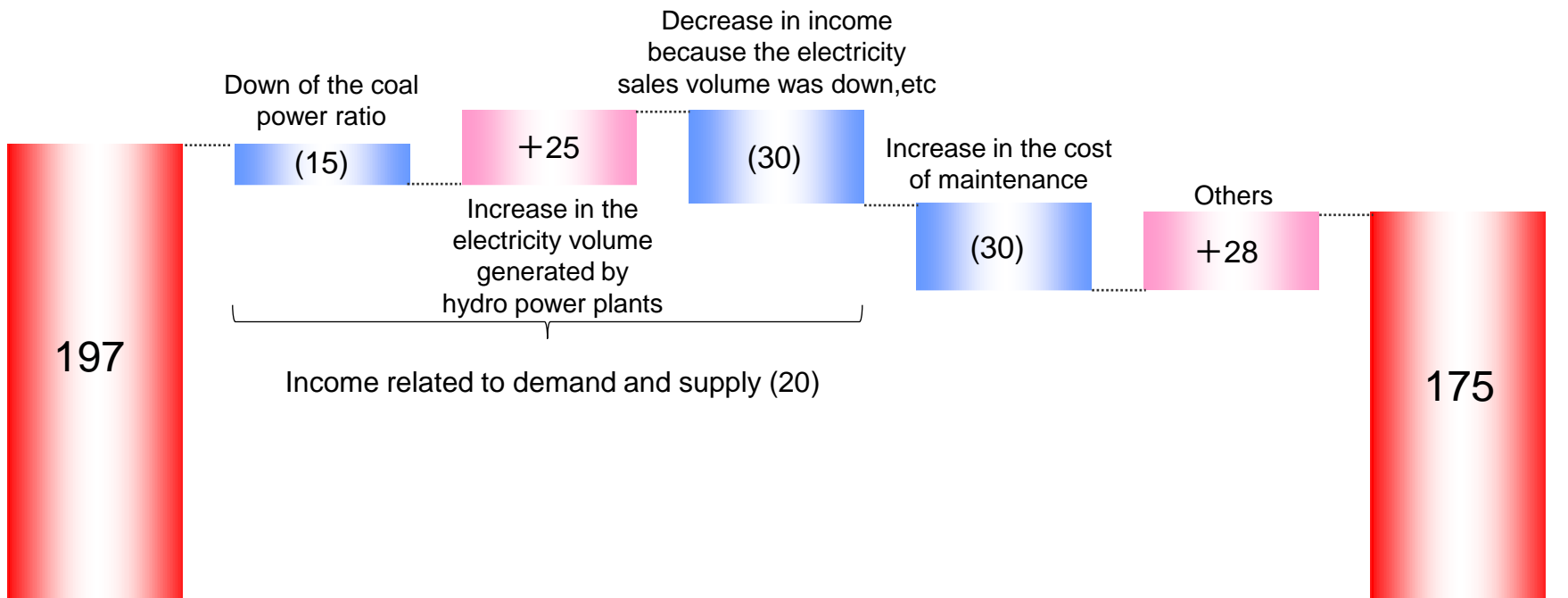


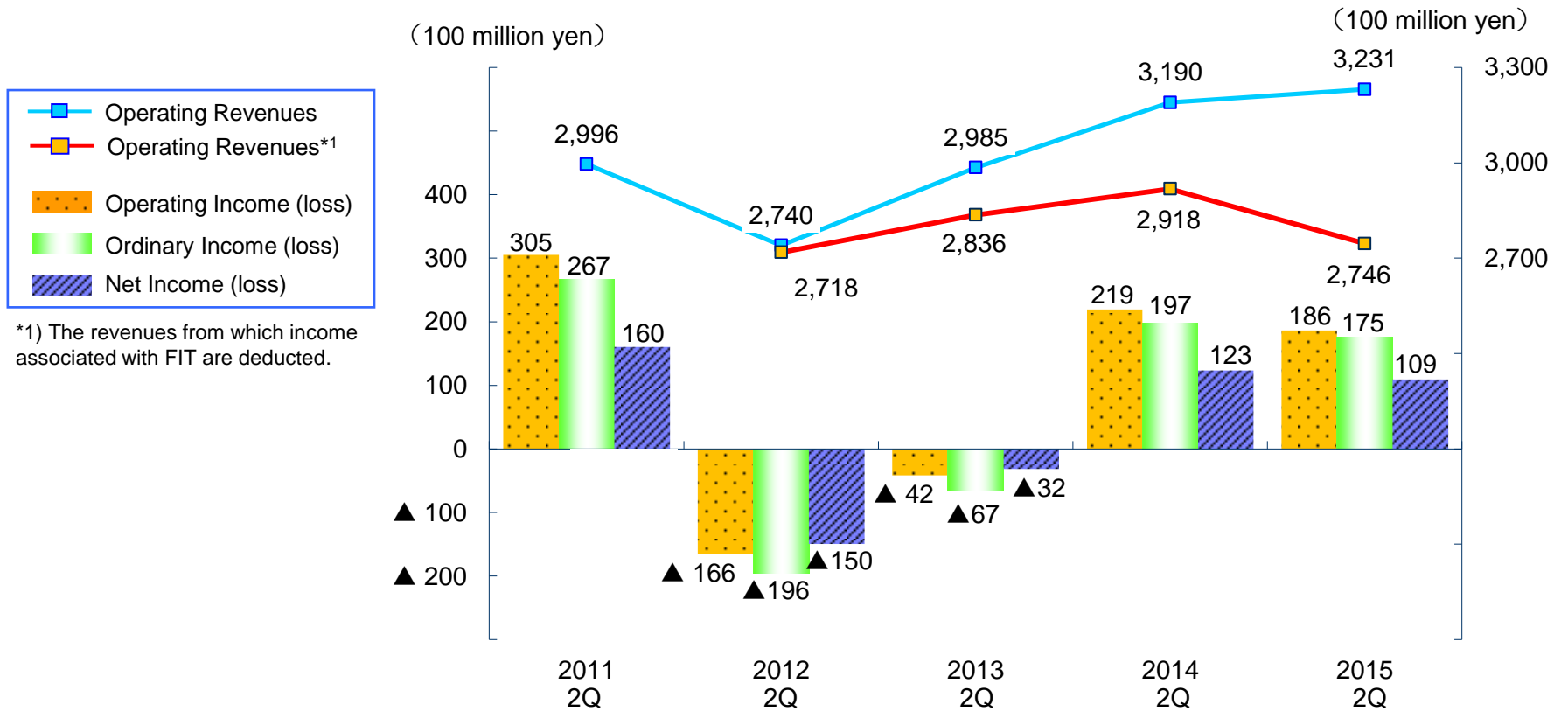
## Ordinary Income

(100 million yen)

FY2014  
2Q

FY2015  
2Q





## Performance Indicators

		FY2011 2Q	FY2012 2Q	FY2013 2Q	FY2014 2Q	FY2015 2Q
Operating Income Margin *2	(%)	10.2	<(6.1)%> (6.1)	<(1.5)%> (1.4)	<7.5%> 6.9	<6.8%> 5.8
Return on Assets (ROA) *3	(%)	4.6	(2.2)	(0.3)	3.6	3.2
Return on Equity (ROE)	(%)	9.1	(9.5)	(2.3)	8.6	7.2
Net Income per Share	(yen)	77	(73)	(16)	60	53
Ordinary Income(Loss) + Interest Expenses	(100 million yen)	316	(149)	(18)	247	221

\*2) Figures in <> are calculated on the revenues from which income associated with FIT are deducted.

\*3) ROA = (Ordinary Income(Loss) + Interest Expenses) / Total Assets

- ❑ Profit of electric utility segment decreased by ¥ 5.2 billion to ¥ 13.4 billion. The factors were as follows;
  - ✓ Income related to fuel and power purchases deteriorated.
  - ✓ The cost of maintenance increased.
- ❑ Sales and operating expenses of IT/communications segment remained unchanged from previous fiscal year level. As a result, segment profit was ¥ 1.6 billion.
- ❑ Sales of others segment increased by ¥ 2.6 billion, because sales in constructions and engineering business increased. Segment profit increased by ¥2.2 billion to ¥3.5 billion.

## Results by segment

(100 million yen)

		FY2015 2Q (a)	FY2014 2Q (b)	(a-b)	
Consolidated	Sales	3,231	3,190	41	
	Segment Profit	186	219	(33)	
Segment	Electric Utility*	Sales	2,883	2,833	50
		Segment Profit	134	186	(52)
	IT/Communications*	Sales	154	151	3
		Segment Profit	16	19	(3)
	Others*	Sales	572	546	26
		Segment Profit	35	13	22

\* Internal transactions are not eliminated

## Capital Investment

(100 million yen)

	2015FY 2Q
Electric Utility	287
<Safety measures at the Ikata nuclear power station>	<105>
<Introduction of a LNG combined cycle to the Sakaide thermal power station unit No.2>	<26>
IT/Communications	22
<FTTH>	<7>
Others	26
Total	336

(100 million yen)

		FY2015 2Q(a)	FY2014 2Q(b)	(a-b)
Net Cash Provided by Operating Activities	Ordinary Income(loss)	175	197	
	Depreciation	317	324	
	Others	(292)	(238)	
	Subtotal	201	283	(82)
Net Cash Used in Investing Activities	Capital Expenditures	(356)	(263)	
	Investments	(2)	47	
	Subtotal	(358)	(215)	(143)
Free Cash Flows		(157)	67	(224)
Net Cash Provided by financing Activities	Bonds and Loans	89	(11)	
	Dividend Payments	(41)	-	
	Purchase of Treasury Stock	(0)	(0)	
	Subtotal	47	(11)	
Net Increase(Decrease) in Cash and Cash Equivalentents		(109)	57	

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

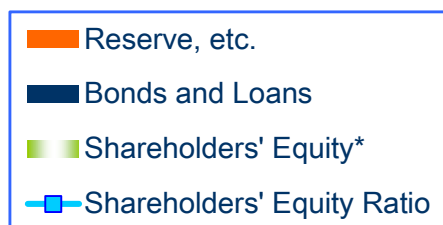
(100 million yen)

	Sep 30, 2015 (a)	Mar 31, 2015 (b)	(a-b)	Details
<b>Total Assets</b>	13,884	14,011	(127)	
<Plant and Equipment, and intangible assets>	<8,300>	<8,325>	<(25)>	<ul style="list-style-type: none"> <li>Capital investment +318</li> <li>Advance of depreciation, etc. (343)</li> </ul>
<Cash and Cash Equivalents>	<195>	<305>	<(109)>	
<b>Liabilities</b>	10,818	11,002	(184)	
<Bonds and Loans>	<7,207>	<7,118>	<89>	
<Accounts Payable, etc>	<3,610>	<3,884>	<(274)>	• Decrease of accounts payable
<b>Total Equity</b>	3,066	3,008	58	<ul style="list-style-type: none"> <li>• Dividend payment (41)</li> <li>• Net income attributable to shareholders of parent company +109</li> </ul>

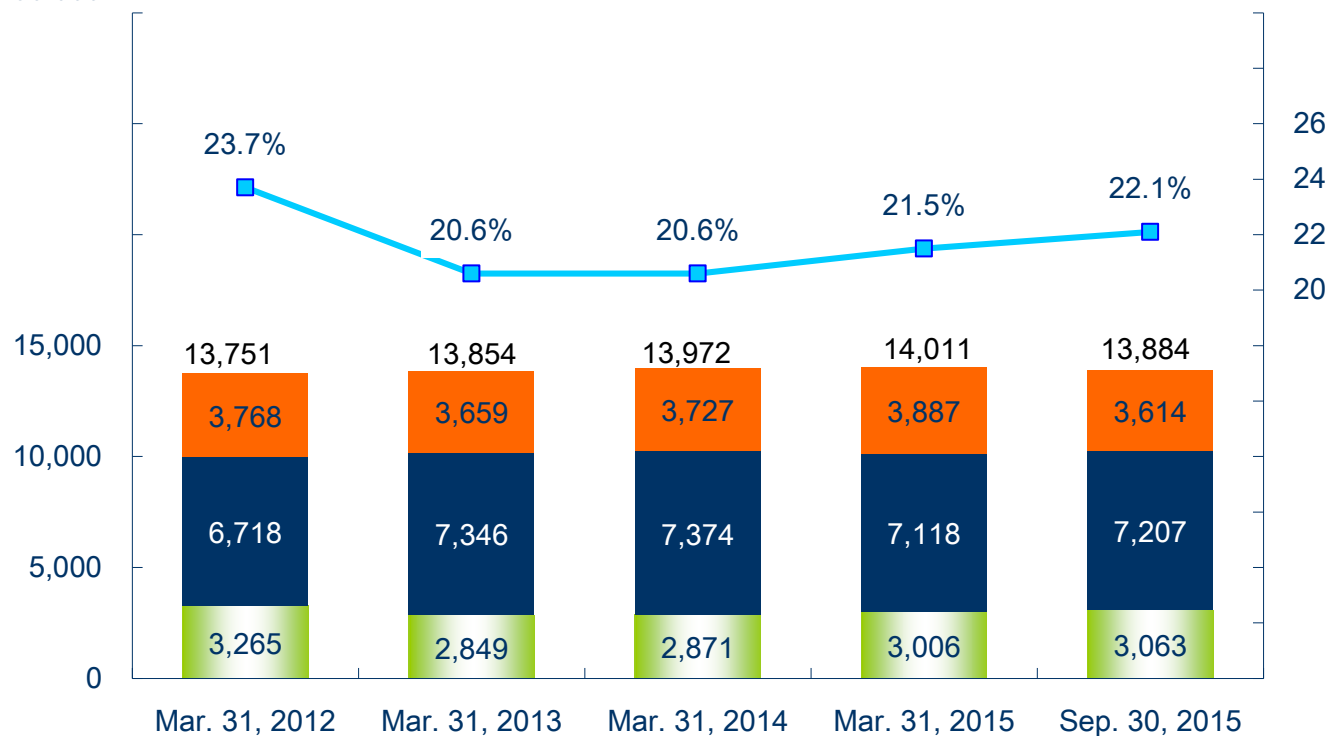
<b>Shareholders' Equity Ratio</b>	22.1%	21.5%	0.6%
-----------------------------------	-------	-------	------

( 100 million yen )

( % )



\*1) Shareholder's Equity  
= (Total Equity) – (minority interests)



## Financial Indicators

	Mar 31, 2012	Mar 31, 2013	Mar 31, 2014	Mar 31, 2015	Sep 30, 2015
Shareholder's Equity Ratio (%)	23.7	20.6	20.6	21.5	22.1
Interest Bearing Debts Ratio (times)	2.1	2.6	2.6	2.4	2.4
Book-value per share(BPS) (yen)	1,586	1,384	1,394	1,460	1,488
Price Book-value Ratio(PBR) (times)	1.5	1.0	1.0	1.0	1.3

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

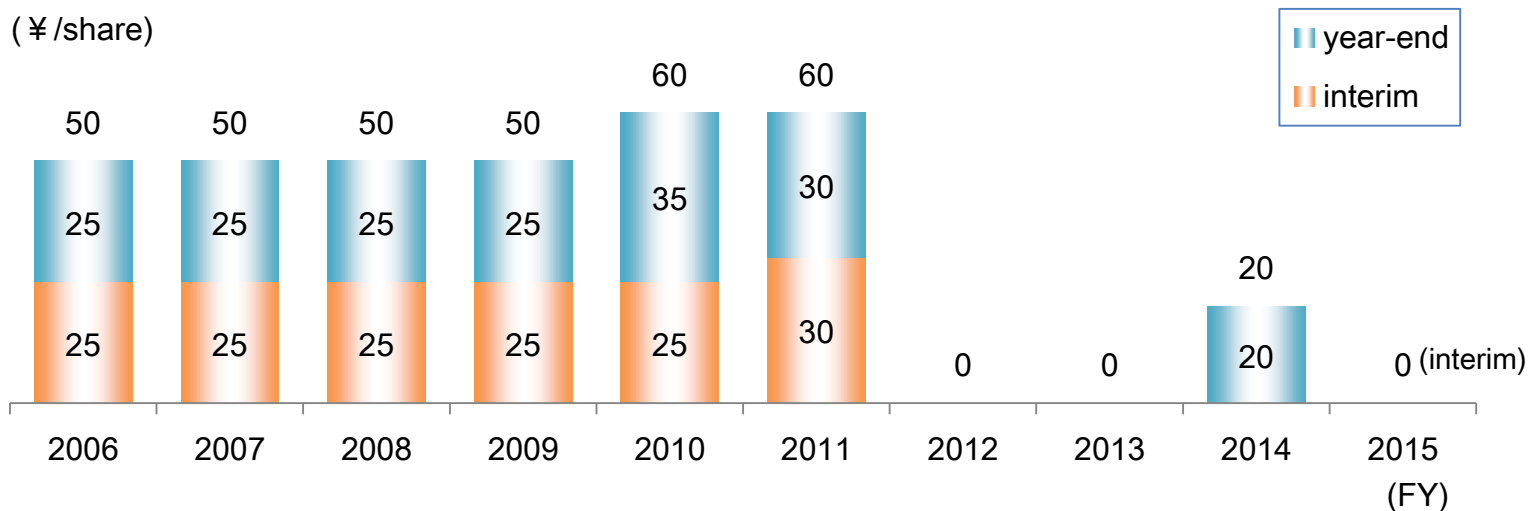
- ✓ Paying stable dividends is our basic policy for returns to shareholders, which are decided in light of comprehensive consideration of business results, financial position, and medium-to-long-term business conditions.
- ✓ We decided to forgo interim dividend payments, because we are unable to clearly indicate forecasts for our business performance throughout the fiscal year.

## Dividend per share

	FY2014	FY2015
Interim	¥0	¥0
Year-end	¥20	(undesided)

## Dividend per share(last 10 fiscal years)

(¥/share)



## II . Forecasts of Consolidated Financial Performance for FY2015

- ✓ The forecast of operating revenues throughout the fiscal year remains unchanged from April this year.
- ✓ The forecast of consolidated financial results for FY2015 is still undecided because it is difficult to predict when Unit 3 of the Ikata Nuclear Power Station will resume operations.
- ✓ The financial forecast of year-end dividend per share is still undecided at this point in time because it is difficult to predict the future financial performance. Our basic shareholder returns' policy is to issue stable dividend payments, and we will continue operating our business to accomplish this. We will release this financial forecasts as soon as it is determined.

### Operating Revenues Forecasts

(100 million yen)

	FY 2015 (Forecast) <a>	FY2014 (Result) <b>	(c)=(a)-(b)	(c)/(b)
Operating Revenues	6,800	6,642	158	2.4%

### Electricity Sales Forecasts

(100 million kWh)

	FY2015 (Forecast) <a>	FY2014 (Result) <b>	(c)=(a)-(b)	(c)/(b)
Lighting	92.5	92.4	0.1	0.1 %
Power	171.1	171.5	(0.4)	( 0.3)%
Retail	263.6	263.9	(0.3)	( 0.1)%
Wholesale	13.0	11.6	1.4	12.6 %
Total	276.6	275.5	1.1	0.4 %

### Fuel Prices and Exchange Rate Forecasts

	FY2015 (Forecast) <a>	FY2014 (Result) <b>	<a-b>
Coal CIF Price(\$/t)	80	93	(13)
Crude oil CIF Price(\$/b)	54	90	(36)
Exchange Rate( ¥ /\$)	121	110	11



<reference> Non-Consolidated Financial Results for FY2015 2Q  
(April 1, 2015 – September 30, 2015)

Non-consolidated

(100 million yen)

	FY2015 2Q (a)	FY2014 2Q (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	2,429	2,525	(96)	(3.8)%
<Surcharge Income based on FIT>	<163>	<79>	<84>	<106.9%>
Electricity sales(Wholesale), etc.	80	68	12	16.7%
Others	438	307	131	42.6%
<Grants for the Purchase Cost from Surcharge Adjustment Organization>	<321>	<193>	<128>	<66.6%>
<b>Operating Revenues</b>	<b>2,948</b>	<b>2,901</b>	<b>47</b>	<b>1.6%</b>
Personnel	251	240	11	4.4%
Fuel	498	685	(187)	(27.2)%
Power Purchase	787	620	167	26.8%
Depreciation	272	279	(7)	(2.4)%
Maintenance	258	227	31	13.3%
Nuclear Back-end	30	35	(5)	(12.7)%
Others	698	619	79	12.7%
<b>Operating Expenses</b>	<b>2,797</b>	<b>2,709</b>	<b>88</b>	<b>3.3%</b>
<b>Operating Income</b>	<b>151</b>	<b>192</b>	<b>(41)</b>	<b>(21.4)%</b>
Interest expense, etc.	(5)	1	(6)	-
<b>Ordinary Income</b>	<b>157</b>	<b>191</b>	<b>(34)</b>	<b>(17.8)%</b>
Reserve for Fluctuations in Water Level (Provision) 15 (Reversal) (5)			20	-
Income Taxes, etc.	38	68	(30)	(43.6)%
<b>Net Income</b>	<b>103</b>	<b>128</b>	<b>(25)</b>	<b>(19.2)%</b>

**【Electricity Sales(Retail)】**

- Decrease in revenues based on the Fuel Cost Adjustment System (143)
- Decrease in electricity sales volume (retail) (30), etc.

**【Fuel, Power Purchase】 (20)**

- Increase in purchase of renewable energy sourced electricity +115
- Increase in electricity sales volume (retail + wholesale) +15
- Increase in electricity volume generated by hydro power plants (25)
- Decline in the thermal power generation cost per kWh (125),
  - > Down in the fuel prices (140)
  - > Down of the coal power ratio +15, etc.

		FY2015 2Q (a)	FY2014 2Q (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	80	97	(17)
	Crude Oil (\$/b)	59	110	(51)
	LNG (\$/t)	479	839	(360)
Exchange Rate (¥/\$)		122	103	19

**【Maintenance】**

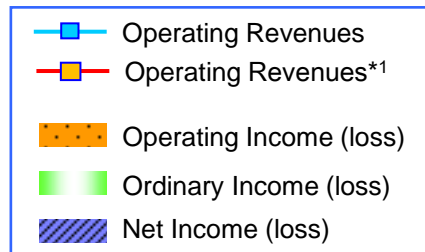
- Increase of construction associated with the nuclear power station +22
- Increase of construction associated with thermal power stations +7, etc.

**【Others】**

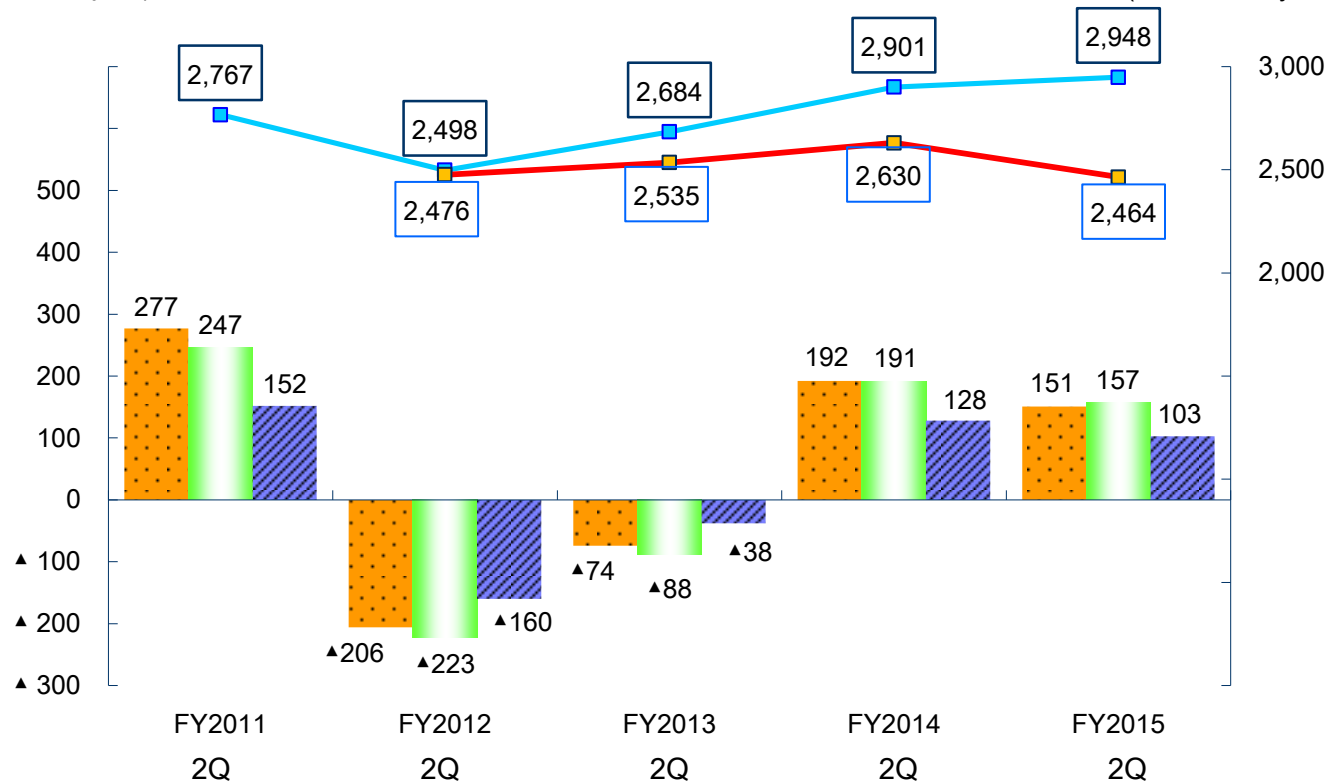
- Increase in payments to Surcharge Adjustment Organization +84, etc.

( 100 million yen )

( 100 million yen )



\*1) The revenues from which income associated with FIT are deducted.



## Performance Indicators

		FY2011 2Q	FY2012 2Q	FY2013 2Q	FY2014 2Q	FY2015 2Q
Operating Income Margin <sup>*2</sup>	(%)	10.0	<(8.3)%> (8.2)	<(2.9)%> (2.8)	<7.3%> 6.6	<6.2%> 5.1
Return on Assets (ROA) <sup>*3</sup>	(%)	4.5	(2.7)	(0.6)	3.6	3.1
Return on Equity (ROE)	(%)	9.8	(11.8)	(3.2)	9.5	7.4
Net Income per Share	(yen)	73	(77)	(18)	62	50
Ordinary Income(Loss) + Interest Expenses	(100 million yen)	295	(176)	(39)	241	203

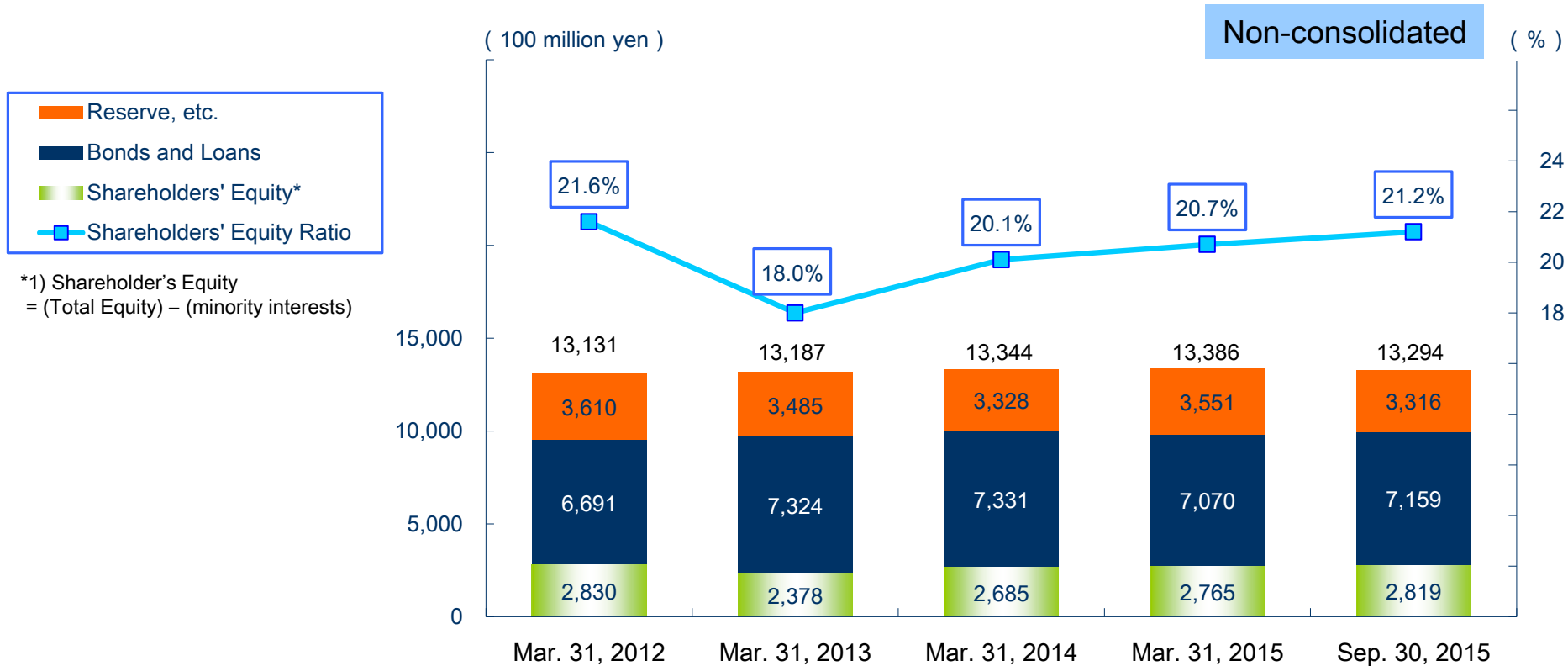
\*2) Figures in <> are calculated on the revenues from which income associated with FIT are deducted.

\*3) ROA = (Ordinary Income(Loss) + Interest Expenses) / Total Assets

(100 million yen)

	Jun 30, 2015 (a)	Mar 31, 2015 (b)	(a-b)	Details
<b>Total Assets</b>	13,294	13,386	(92)	
<Plant and Equipment, and intangible assets>	<7,627>	<7,644>	<(17)>	{ Capital investment +279 Advance of depreciation, etc. (296)
<Cash and Cash Equivalents>	<185>	<294>	<(109)>	
<b>Liabilities</b>	10,474	10,620	(146)	
<Bonds and Loans>	<7,159>	<7,070>	<89>	
<Accounts Payable, etc>	<3,315>	<3,550>	<(235)>	· Decrease of accounts payable
<b>Total Equity</b>	2,819	2,765	54	· Dividend payment (41) · Net income +103

Shareholders' Equity Ratio	21.2%	20.7%	0.5%
----------------------------	-------	-------	------



## Performance Indicators

	Mar 31, 2012	Mar 31, 2013	Mar 31, 2014	Mar 31, 2015	Sep 30, 2015
Shareholder's Equity Ratio (%)	21.6	18.0	20.1	20.7	21.2
Interest Bearing Debts Ratio (times)	2.4	3.1	2.7	2.6	2.5
Book-value per share(BPS) (yen)	1,363	1,146	1,293	1,332	1,359
Price Book-value Ratio(PBR) (times)	1.7	1.2	1.1	1.1	1.4

(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.



**SHIKOKU ELECTRIC POWER CO., INC.**