FY2016 3Q Financial Results Outline

(April 1, 2016 – December 31, 2016)

January 30, 2017

SHIKOKU ELECTRIC POWER CO.,INC.

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(April 1, 2016 – December 31, 2016)

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I - 1 . Electricity Sales

Electricity Sales

(million kWh)

	FY2016 3Q (a)	FY2015 3Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	18,859	18,716	143	0.8%	・Temperature Effects approx. 400 GWh ・Increase in energy conservation,etc. approx. (300)GWh
Lighting	6,257	6,094	163	2.7%	
Power	12,602	12,622	(20)	(0.2)%	
<commercial>	<4,344>	<4,298>	< 46 >	< 1.1% >	
<Large-Scale, Industrial>	<5,546>	<5,604>	<(58)>	<(1.0)%>	
Wholesale	3,288	1,363	1,925	141.3%	
Total	22,147	20,079	2,068	10.3%	

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

Average temperatures in prefectural capitals in Shikoku

(℃)

	Jun	Jul	Aug	Sep	4-month AVG.	Oct	Nov	Dec	3-month AVG.
FY2016	23.2	27.7	29.1	25.4	26.4	21.0	14.0	9.7	14.9
Differences from the average year	0.4	0.9	1.3	0.9	0.9	2.2	0.6	1.4	1.4
Differences from the previous year	0.9	1.4	1.5	2.1	1.5	2.3	(1.5)	(0.6)	0.1

Electricity Sales to Large- Scale Industrial Customers

	FY2016 3Q*
Textiles	(18.1)%
Paper/Pulp	(17.4)%
Chemicals	3.0%
Steel	5.3%
Machinery	4.6%
Other	1.9%
Total	(1.0)%

*Changes from the previous period.

I - 2 . Electricity Supply

(million kWh)

	FY2016 3Q (a)	FY2015 3Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Hydro	2,962	3,054	(92)	(3.0)%	・ Flow Rate 117.9% → 113.3%
Nuclear	2,965	-	2,965	-	・ Ikata Unit No.3 resumed its operation.(August, 2016) ・ Capacity factor of Ikata Unit No.3: 0.0%→ 50.5%
Coal	72% 11,726	69% 12,177	3% (451)	(3.7)%	
LNG	8% 1,304	9% 1,459	(1)% (155)	(10.7)%	
Oil/Gas	20% 3,335	22% 3,868	(2)% (533)	(13.8)%	
Thermal	100% 16,365	100% 17,504	(1,139)	(6.5)%	
Renewable Energy	2,093	1,668	425	25.5%	

◇Electricity by thermal power (million kWh)

	FY2016 3Q		Change※
	GWh	Composition	
Generated	10,531	64%	(246)
Purchased	5,834	36%	(892)
Total	16,365	100%	(1,139)

※Changes from the previous period.

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

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

(Note3) The imbalances (the differences between the demand planned in advance by the electricity suppliers and the actual demand) which have not been confirmed as of the settlement day are not to be included.

I - 3 . Summary of Financial Results

- Operating revenues increased by ¥21.1 billion YoY, to ¥ 497.0 billion. The factors were as follows;
  - ✓ Revenues based on the Fuel Cost Adjustment System decreased due to down in the fuel prices.
  - ✓ Total electricity sales increased.
  - ✓ The surcharge income and grants from Surcharge Adjustment Organization based on the feed-in-tariff scheme (FIT) increased, etc.
- Operating expenses increased by ¥ 31.5 billion YoY, to ¥ 482.7 billion. The factors were as follows;
  - ✓ The total amount of the fuel and power purchase cost decreased due to the resumption of operation of Ikata Unit No.3 and down in the fuel prices.
  - ✓ The unrecognized actuarial loss was amortized.
  - ✓ Depreciation and maintenance cost increased, etc.
- As a result,
  - ✓ Operating income decreased by ¥ 10.4 billion YoY, to ¥ 14.2 billion.
  - ✓ Ordinary income decreased by ¥ 12.4 billion YoY, to ¥ 10.8 billion.
  - ✓ Net income decreased by ¥ 7.7 billion YoY, to ¥ 6.9 billion.

(100 million yen)

	FY2016 3Q (a)	FY2015 3Q (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	4,970	4,759	211	4.4%
Operating Expenses	4,827	4,512	315	7.0%
Operating Income	142	246	(104)	(42.3)%
Interest Expenses, etc.	34	14	20	138.8%
Ordinary Income	108	232	(124)	(53.5)%
Reserve for Fluctuations in Water Level (Provision)	3	20	(17)	(82.8)%
Income Taxes, etc.	35	65	(30)	(45.9)%
Net Income attributable to shareholders of parent company	69	146	(77)	(52.7)%

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

Details of Consolidated Financial Results ; year-on-year basis

(100 million yen)

	FY2016 3Q (a)	FY2015 3Q (b)	Change (c)=(a)-(b)	Change (c)/(b)
Electricity Sales(Retail)	3,438	3,553	(115)	(3.2)%
Electricity Sales(Wholesale), etc.	261	131	130	99.2%
Others	690	535	155	28.8%
Electric Operating Revenues	4,390	4,220	170	4.0%
Other Revenues	579	538	41	7.6%
Operating Revenues	4,970	4,759	211	4.4%
Personnel	531	367	164	44.5%
Fuel	501	719	(218)	(30.3)%
Power Purchase	1,162	1,132	30	2.7%
Depreciation	441	409	32	7.7%
Maintenance	425	392	33	8.6%
Nuclear Back-end	78	45	33	71.7%
Others	1,156	973	183	18.8%
Electric Operating Expenses	4,298	4,040	258	6.4%
Other Operating Expenses	529	472	57	12.2%
Operating Expenses	4,827	4,512	315	7.0%
Operating Income	142	246	(104)	(42.4)%
Interest Expenses, etc.	34	14	20	138.8%
Ordinary Income	108	232	(124)	(53.5)%
Reserve for Fluctuations in Water Level (Provision)	3	20	(17)	(82.8)%
Income Taxes,etc.	35	65	(30)	(45.9)%
Net income attributable to shareholders of parent company	69	146	(77)	(52.7)%

【Electricity Sales(Retail)】
- Increase in electricity sales (retail) volume +24
- Decrease in revenues based on the Fuel Cost Adjustment System (255)
- Increase in surcharge income based on FIT +116

【Electricity Sales (Wholesales)】
- Increase in electricity sales (wholesales) volume

【Other Electric Operating Revenues】
- Increase in grants for the purchase cost from Surcharge Adjustment Organization +134, etc.

【Personnel】
- Increase in amortization of the unrecognized actuarial loss +148, etc.

【Fuel, Power Purchase】 (187)
- Increase in electricity volume generated by nuclear power plants due to the resumption of operation of Ikata Unit No.3 (110)
- Decline in the thermal power generation cost per kWh (295)
- Increase in total electricity sales +94
- Increase in purchase of renewable energy sourced electricity +110, etc.

		FY2016 3Q (a)	FY2015 3Q (b)	(a-b)
CIF Price (all Japan)	Coal ($/t)	75	77	(2)
	Crude Oil ($/b)	45	55	(10)
	LNG ($/t)	347	473	(126)
Exchange Rate (¥/$)		107	122	(15)

【Depreciation】
- Increase due to the completion of replacement construction of Sakaide unit No.2, +26
- Increase due to safety measures at Ikata Unit No.3, +21, etc.

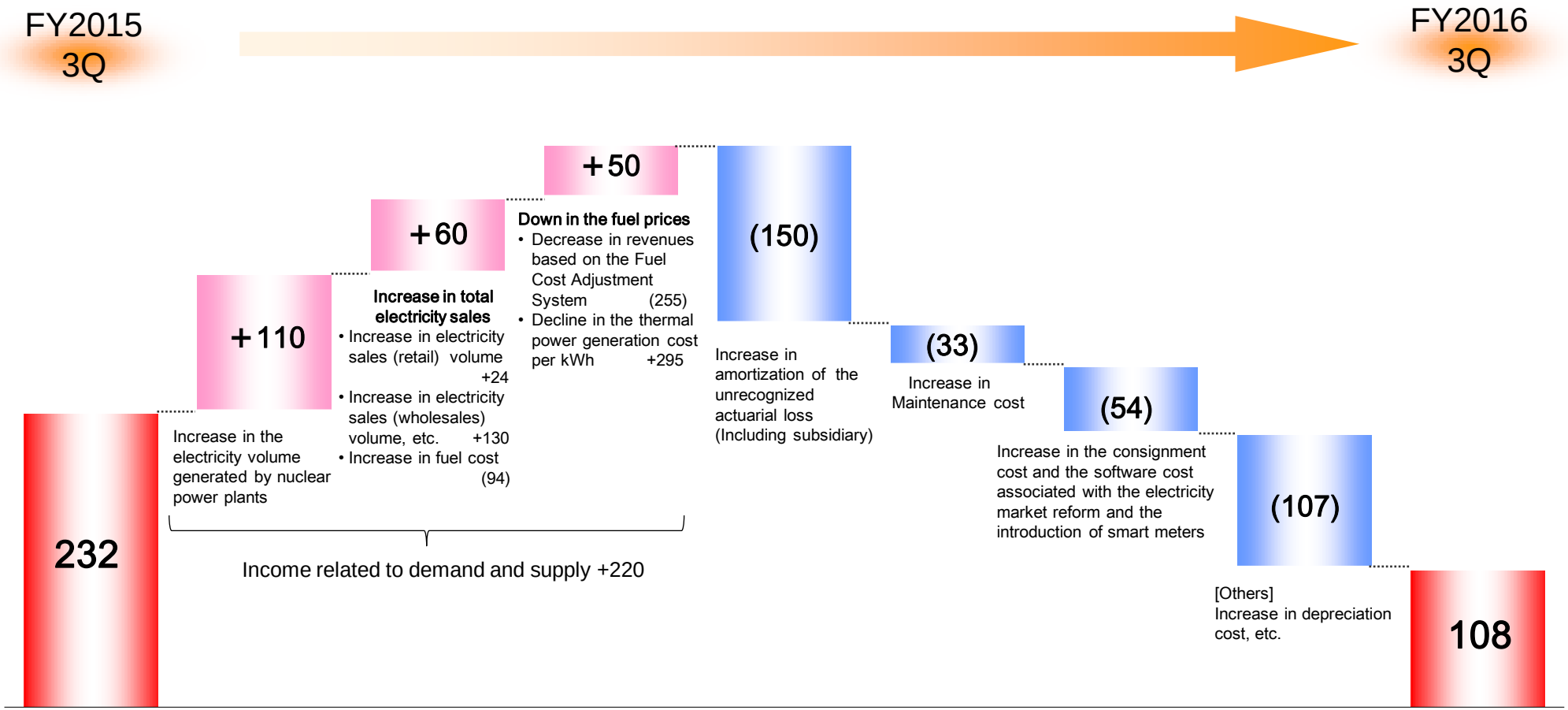
【Maintenance】
- Increase in construction associated with the distribution +17
- Increase in construction associated with the thermal power station +16, etc.

【Other Electric Operating Expenses 】
- Increase in payments to Surcharge Adjustment Organization +116
- Increase in the consignment cost and the software cost associated with the electricity market reform and the introduction of smart meters +54, etc.

Factors Contributing to Change in Ordinary Income

Ordinary Income

(100 million yen)



I - 4 . Results by Segment

< Electric Utility Segment >

□ Profit decreased by ¥ 8.7 billion to ¥ 7.8 billion. The factors were as follows;

- ✓ Income related to demand and supply improved due to the resumption of operation of Ikata Unit No.3 and the increase in total electricity sales.
- ✓ The unrecognized actuarial loss was amortized.
- ✓ Depreciation and maintenance cost increased, etc.

< IT/Communications Segment >

□ Profit was ¥ 2.7 billion, the same level as the previous interim period. The factors were as follows;

- ✓ The sales increased by ¥ 2.2 billion due to increase in FTTH business revenue and Mobile Service business commencement.
- ✓ The cost of sales promotion associated with those businesses increased, etc.

< Other Segments >

□ Profit decreased by ¥ 2.2 billion to ¥ 3.5 billion. The factors were as follows;

- ✓Sales of constructions and engineering business decreased, etc.

Results by segment

(100 million yen)

			FY2016 3Q (a)	FY2015 3Q (b)	(a-b)
Consolidated		Sales	4,970	4,759	211
		Segment Profit	142	246	(104)
Segment	Electric Utility*	Sales	4,399	4,229	170
		Segment Profit	78	165	(87)
	IT/Communications*	Sales	254	232	22
		Segment Profit	27	26	1
	Others*	Sales	847	889	(42)
		Segment Profit	35	57	(22)

* Internal transactions are not eliminated

Capital Investment

(100 million yen)

	FY2016 3Q
Electric Utility	397
<Safety measures at Ikata nuclear power station>	<77>
<Introduction of a LNG combined cycle to Sakaide thermal power station unit No.2>	<44>
IT/Communications	23
<FTTH>	<9>
Others	14
Total	435

I - 5 . Financial Position

(100 million yen)

	Dec 31, 2016 (a)	Mar 31,2016 (b)	(a-b)	Details
Total assets	12,921	14,017	(1,096)	
<Plant and equipment, and intangible assets (except nuclear power abolition in progress)>	<8,280>	<8,415>	<(135)>	・Capital investment +408 ・Advance of depreciation, etc. (543)
<Reserve fund for reprocessing of irradiated nuclear fuel>	< - >	<972>	<(972)>	Disposition following the introduction of the Spent Nuclear Fuel Reprocessing Implementation Act (958) etc.
Liabilities	9,951	11,155	(1,204)	
<Bonds and loans>	<7,078>	<7,197>	<(119)>	※
< Provisions, etc.>	<2,872>	<3,958>	<(1,086)>	Reversal of the provision for reprocessing of irradiated nuclear fuel (958) etc.
Total net assets	2,969	2,861	108	
<Retained earnings>	<1,429>	<1,401>	<28>	・Net Income +69 ・Dividend payment (41)
<Accumulated other comprehensive income>	<144>	<64>	<80>	
Shareholders' equity ratio	23.0%	20.4%	2.6%	

※) Due to the introduction of the Spent Nuclear Fuel Reprocessing Implementation Act in October 2016, we transferred the reserve fund for reprocessing of irradiated nuclear fuel as contribution to the new implementing body “Nuclear Reprocessing Organization of Japan”. Consequently, “Reserve fund for reprocessing of irradiated nuclear fuel” and “Provision for reprocessing of irradiated nuclear fuel” offset each other on the balance sheet.

II. Forecasts of Consolidated Financial Results for FY2016

Unchanged from forecasts in September 2016

- Operating revenues are expected to increase ¥16.0 billion YoY, to ¥670.0 billion. The factors are as follows;
  - ✓ Revenues based on the Fuel Cost Adjustment System is expected to decrease due to down in the fuel prices.
  - ✓ The surcharge income and grants from Surcharge Adjustment Organization based on FIT is expected to increase.
  - ✓ Revenue from wholesale is expected to increase.
- Operating income is expected to decrease by approx. ¥14.0 billion, to ¥10.5 billion; ordinary income is expected to decrease by approx. ¥15.0 billion, to ¥7.0 billion; and net income is expected to decrease by approx. ¥7.0 billion, to ¥4.5 billion.
  This reflects unrecognized actuarial loss, which will offset the improvement of income related to demand and supply due to the resumption of operation of Ikata Unit No. 3.

Financial Forecasts

(100 million yen)

	FY 2016 (Forecast) <a>	FY 2015 (Result) <b>	change <c>=<a>-<b>	change <c>/<b>
Operating Revenues	6,700	6,540	160	2.4 %
Operating Income	105	247	(142)	(57.5) %
Ordinary Income	70	219	(149)	(68.1) %
Net income attributable to shareholders of parent company	45	111	(66)	(59.6) %
Net Income per Share	¥22	¥54	¥ (32)	-

Electricity Sales Forecasts

(100 million kWh)

	FY2016 (Forecast) <a>	FY2015 (Result) <b>	change <c>=<a>-<b>	change <c>/<b>
Retail	258.4	257.5	0.9	0.3 %
・Lighting	90.1	89.3	0.8	0.8 %
・Power	168.4	168.2	0.2	0.1 %
Wholesale	36.3	17.7	18.6	105.3 %
Total	294.8	275.2	19.6	7.1 %
Capacity Factor of Ikata Unit No.3* (%)	61.7	0.0	61.7	
Flow Rate (%)	101.1	116.9	(15.8)	

* Based on the assumption of Ikata Unit No.3's stable operation after restarting.

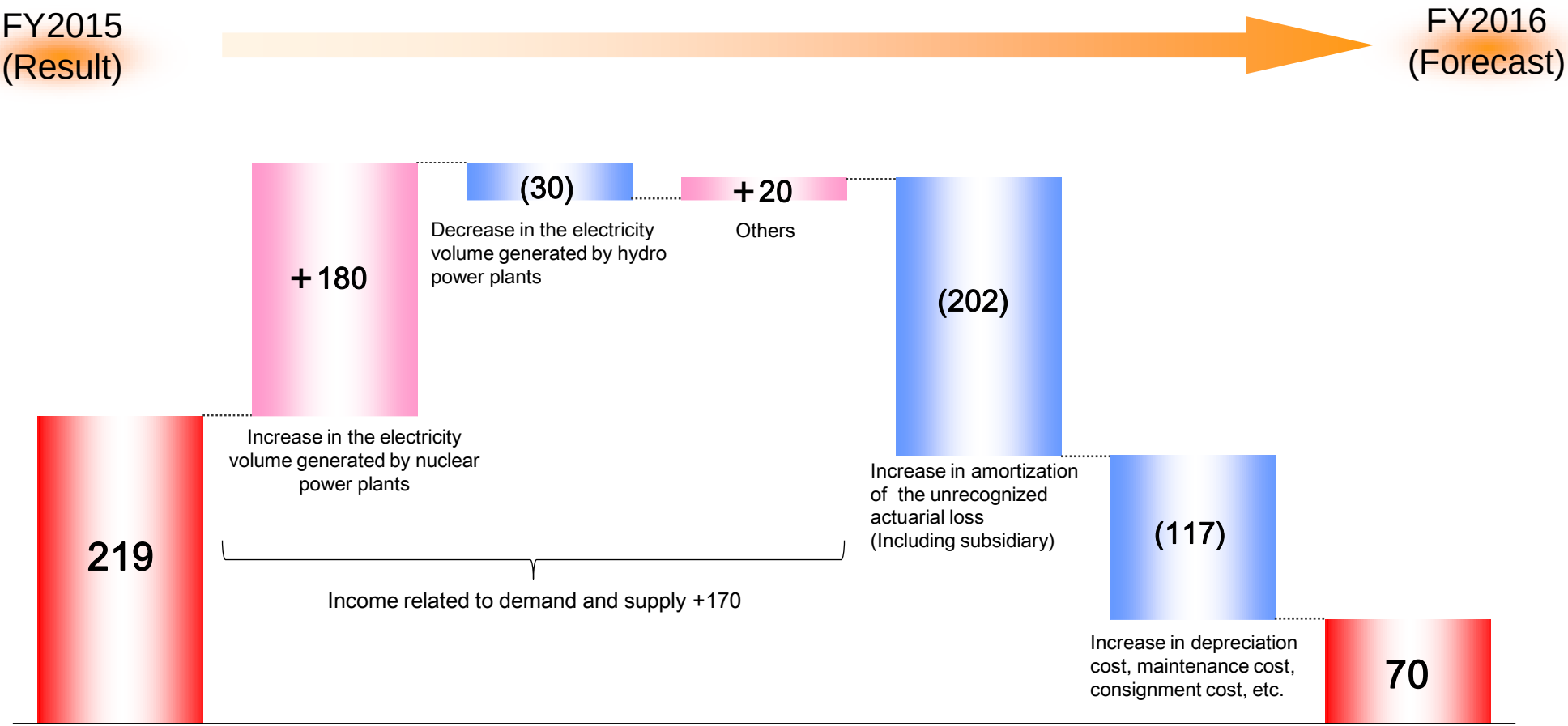
Fuel Prices and Exchange Rate Forecasts

	FY2016 (Forecast) <a>	FY2015 (Result) <b>	change <a>-<b>
Coal CIF Price ($/t)	70	75	(5)
Crude Oil CIF Price ($/b)	44	49	(5)
Exchange Rate (¥/$)	105	120	(15)

Factors Contributing to Change in Ordinary Income (Consolidated)

Ordinary Income

(100 million yen)



<Reference> Non-Consolidated Financial Results

1 . Details of Financial Results ; year-on-year basis

Non-consolidated

(100 million yen)

	FY2016 3Q (a)	FY2015 3Q (b)	Change (c)=(a)-(b)	Change (c)/(b)
Electricity Sales(Retail)	3,438	3,553	(115)	(3.2)%
<Surcharge Income based on FIT>	<361>	<245>	<116>	<46.9%>
Electricity Sales(Wholesale), etc.	261	131	130	99.3%
Others	770	638	132	20.7%
<Grants for the Purchase Cost from Surcharge Adjustment Organization>	<594>	<460>	<134>	<29.0%>
Operating Revenues	4,470	4,323	147	3.4%
Personnel	535	370	165	44.5%
Fuel	501	719	(218)	(30.3)%
Power Purchase	1,162	1,132	30	2.7%
Depreciation	444	413	31	7.5%
Maintenance	428	394	34	8.7%
Nuclear Back-end	78	45	33	71.7%
Others	1,226	1,060	166	15.6%
Operating Expenses	4,378	4,137	241	5.8%
Operating Income	92	186	(94)	(50.6)%
Interest expence, etc.	5	-	5	-
Ordinary Income	86	186	(100)	(53.6)%
Reserve for Fluctuations in Water Level (Provision)	3	20	(17)	(82.8)%
Income Taxes, etc.	19	44	(25)	(55.3)%
Net Income	63	121	(58)	(48.1)%

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- Increase in electricity sales volume +24
- Decrease in revenues based on the Fuel Cost Adjustment System (255)
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【Electricity Sales (Wholesales)】
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- Increase in construction associated with the thermal power station +16, etc.

【Other Operating Expenses 】
- Increase in payments to Surcharge Adjustment Organization +116
- Increase in the consignment cost and the software cost associated with the electricity market reform and the introduction of smart meters +54, etc.

2 . Financial Position

Non-consolidated

(100 million yen)

	Dec 31, 2016 (a)	Mar 31,2016 (b)	(a-b)	Details
Total assets	12,371	13,486	(1,115)	
<Plant and equipment, and intangible assets (except nuclear power abolition in progress)>	<7,667>	<7,756>	<(89)>	・Capital investment +382 ・Advance of depreciation, etc. (470)
<Reserve fund for reprocessing of irradiated nuclear fuel>	< - >	<972>	<(972)>	Disposition following the introduction of the Spent Nuclear Fuel Reprocessing Implementation Act (958) etc.
Liabilities	9,613	10,763	(1,150)	※
<Bonds and loans>	<7,056>	<7,149>	<(93)>	
< Provisions, etc.>	<2,556>	<3,613>	<(1,057)>	Reversal of the provision for reprocessing of irradiated nuclear fuel (958) etc.
Total net assets	2,758	2,723	35	
<Retained earnings>	<1,184>	<1,162>	<22>	・Net income +63 ・Dividend payment (41)
<Deferred gains on hedges>	<96>	<97>	<(1)>	
Shareholders' equity ratio	22.3%	20.2%	2.1%	

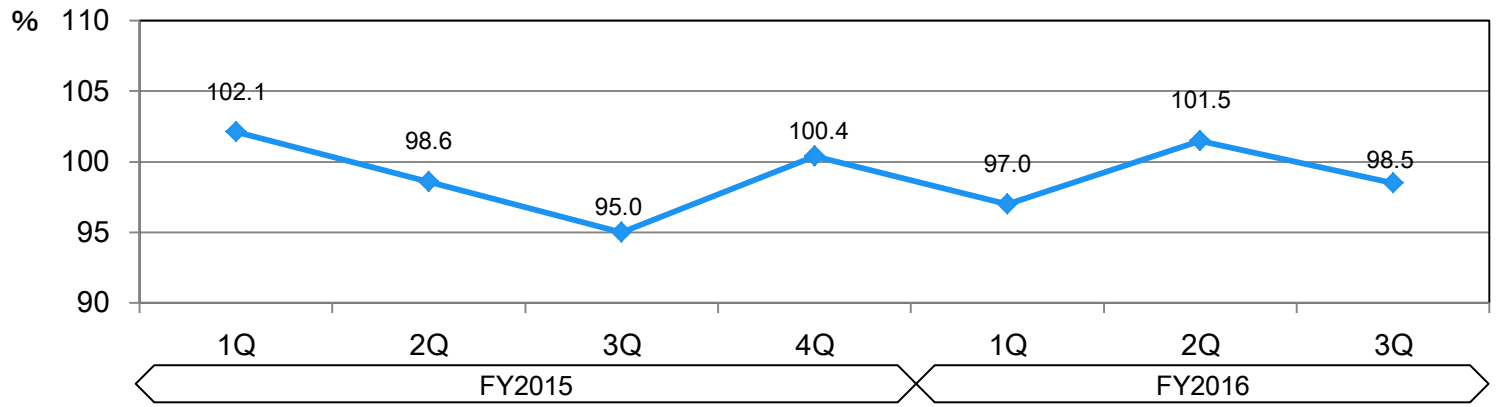
※) Due to the introduction of the Spent Nuclear Fuel Reprocessing Implementation Act in October 2016, we transferred the reserve fund for reprocessing of irradiated nuclear fuel as contribution to the new implementing body “Nuclear Reprocessing Organization of Japan”. Consequently, “Reserve fund for reprocessing of irradiated nuclear fuel” and “Provision for reprocessing of irradiated nuclear fuel” offset each other on the balance sheet.

Supplemental material for FY2016 3Q

- Trend of Electricity Sales to Large-scale Industrial Customers
- Trend of All-electric Housing Construction
- Consumption of Fossil Fuels
- Flow Rate, Financial Sensitivity for Key Factors
- Time Lag Effect of Fuel Cost Adjustment System
- Plant and Equipment Expenditures (consolidated)
- Feed-in Tariff Scheme

Trend of Electricity Sales to Large-scale Industrial Customers

Year on Year Growth Rate (Total)



Year on Year Growth Rate (By Segment)

(%)

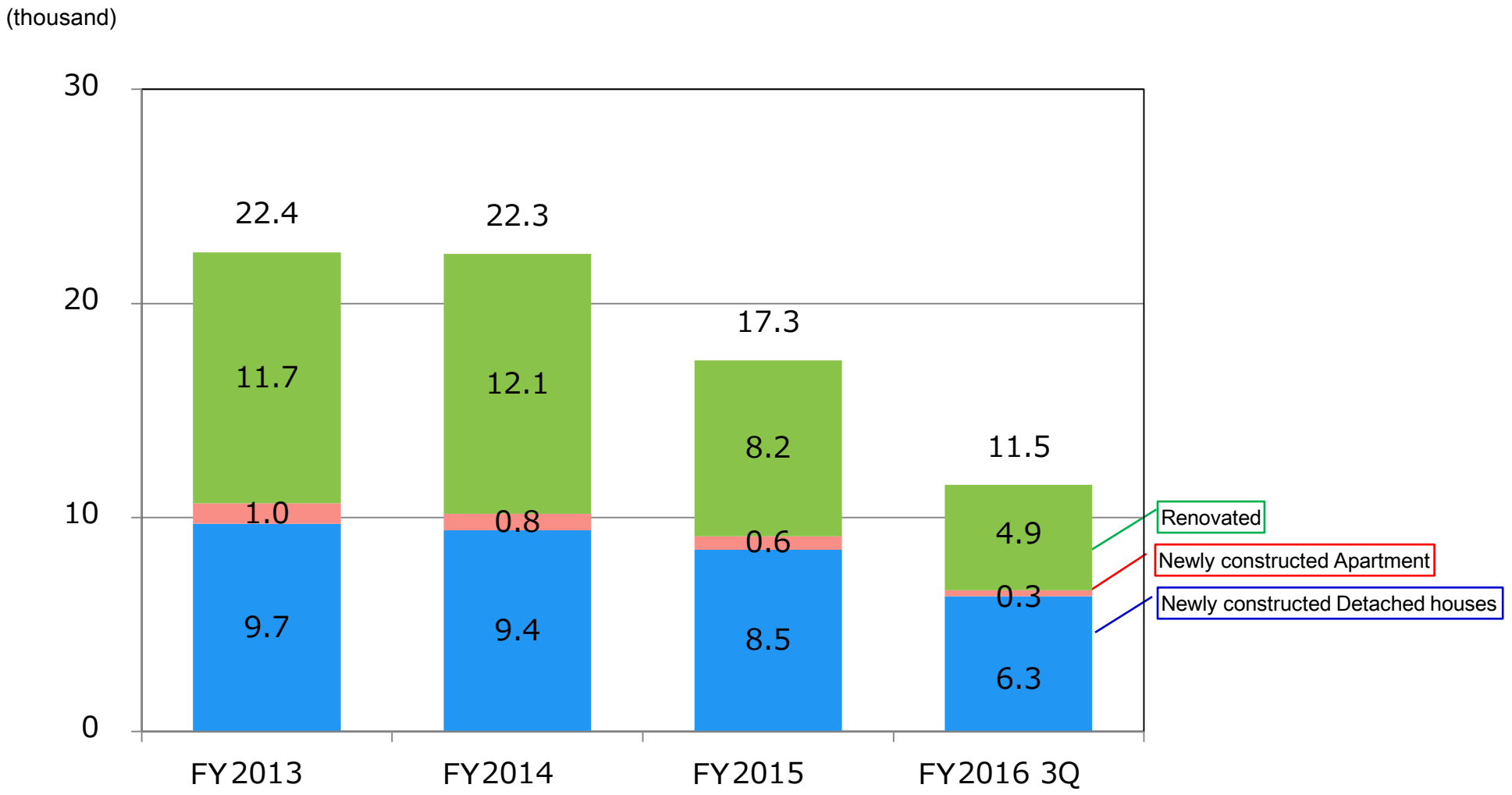
	FY2015					FY2016			
	1Q (Apr-Jun)	2Q (Jul-Sep)	3Q (Oct-Dec)	4Q (Jan-Mar)	Total	1Q (Apr-Jun)	2Q (Jul-Sep)	3Q (Oct-Dec)	Total
Total	2.1	(1.4)	(5.0)	0.4	(1.0)	(3.0)	1.5	(1.5)	(1.0)
Textiles	24.4	34.3	13.2	0.0	17.3	(19.6)	(19.3)	(15.4)	(18.1)
Paper/Pulp	6.6	(0.5)	(17.0)	(0.5)	(3.4)	(16.0)	(15.2)	(20.9)	(17.4)
Chemicals	(1.5)	(4.5)	(1.1)	3.7	(0.9)	0.9	5.4	2.5	3.0
Steel	(5.2)	(16.8)	(7.9)	0.4	(7.0)	5.4	11.9	0.5	5.3
Machinery	4.1	(0.0)	(3.4)	0.6	0.3	0.8	6.1	7.1	4.6
Others	(0.8)	(1.2)	(2.4)	(0.7)	(1.3)	(0.3)	4.4	1.4	1.9

Decrease due to closing of a part of the production line of some customers. etc.

Decrease due to production adjustments of some customers. etc.

Trend of All-electric Housing Construction

Number of All-electric Housing Construction



Consumption of Fossil Fuels

【Consumption of Fossil Fuels】

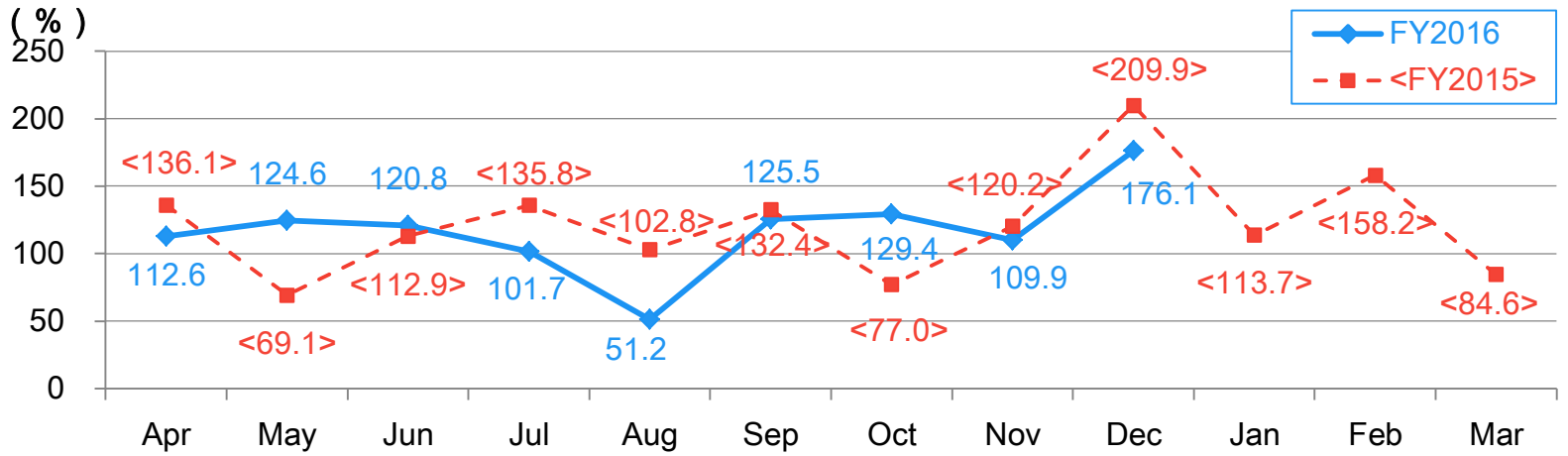
	FY2016 3Q (A)	FY2015 3Q (B)	(A-B)	<ref> FY2015
Coal（10,000t）	221.7	205.9	15.8	280.5
Heavy Oil（10,000kl）	32.6	46.9	(14.3)	67.0
Crude Oil（10,000kl）	9.8	7.7	2.1	14.2
LNG（10,000t）	19.4	21.4	(2.0)	30.4

【Fuel Prices】

	FY2016 3Q (A)	FY2015 3Q (B)	(A-B)	<ref> FY2015
CIF price: Coal ($/t)	75	77	(2)	75
CIF price: Crude Oil ($/b)	45	55	(10)	49
CIF price: LNG ($/t)	347	473	(126)	452
FX rate (￥/$)	107	122	(15)	120

Flow Rate, Financial Sensitivity for Key Factors

Flow Rate



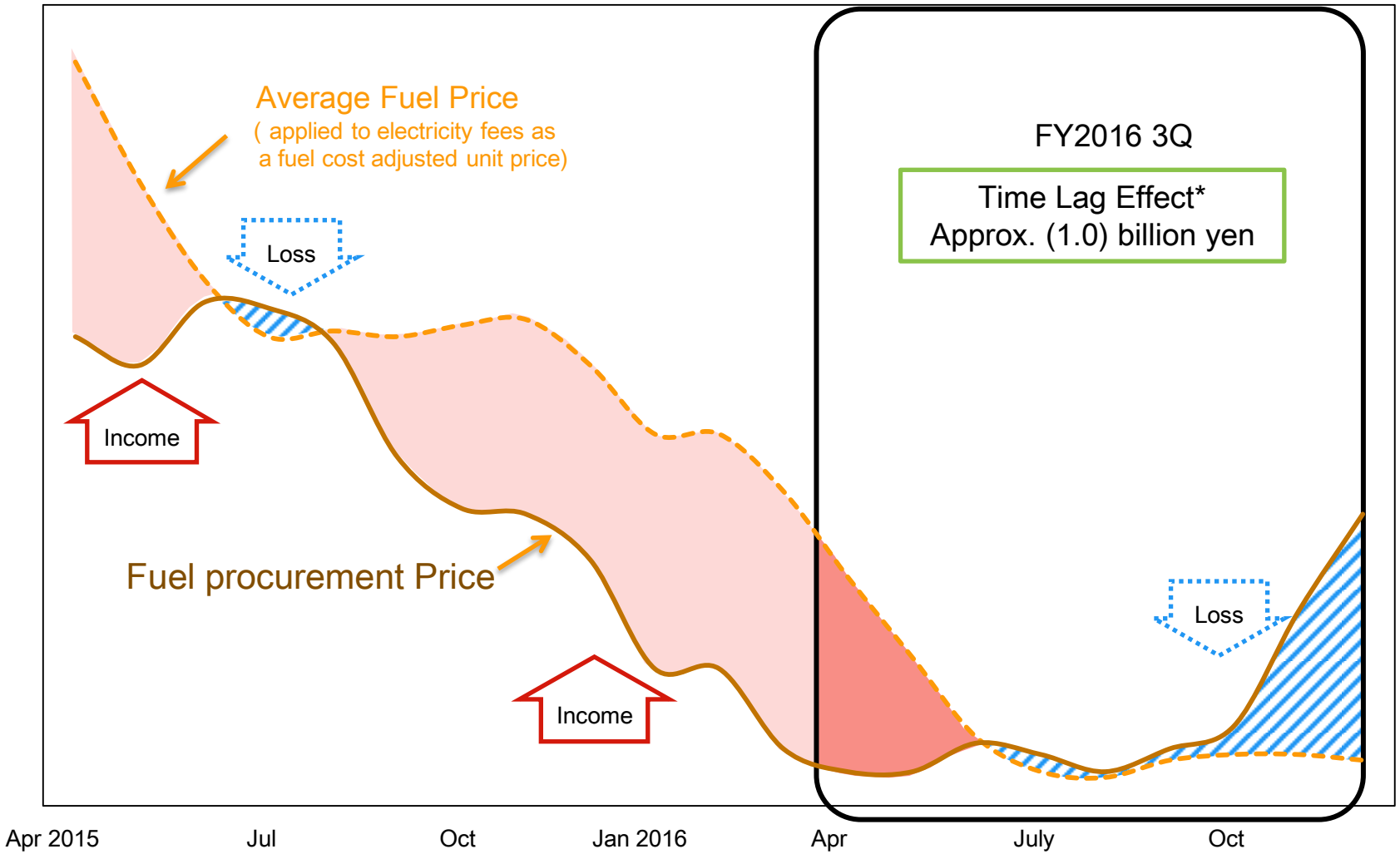
Financial Sensitivity for Key Factors

(100 million yen)

	FY2016 3Q
CIF price: crude oil (1$/b)	3
CIF price: coal (1$/t)	5
FX rate (¥ 1/$)	5
Nuclear power capacity factor (1%)	2
Flow Rate (1%)	1

*Because this sensitivity is theoretical value calculated based on some assumption, real impacts could change depending actual supply/demand situation.
*Nuclear power capacity is calculated by considering Ikata Unit No.3.

Time Lag Effect of Fuel Cost Adjustment System



*Fluctuation in fuel prices causes time lag between payment of fuel cost and reception of fuel cost adjustment charges, resulting in temporary increase or decrease in profits. Time Lag Effect above is this temporary increase or decrease, assuming that time lag does not take place.

Plant and Equipment Expenditures (consolidated)

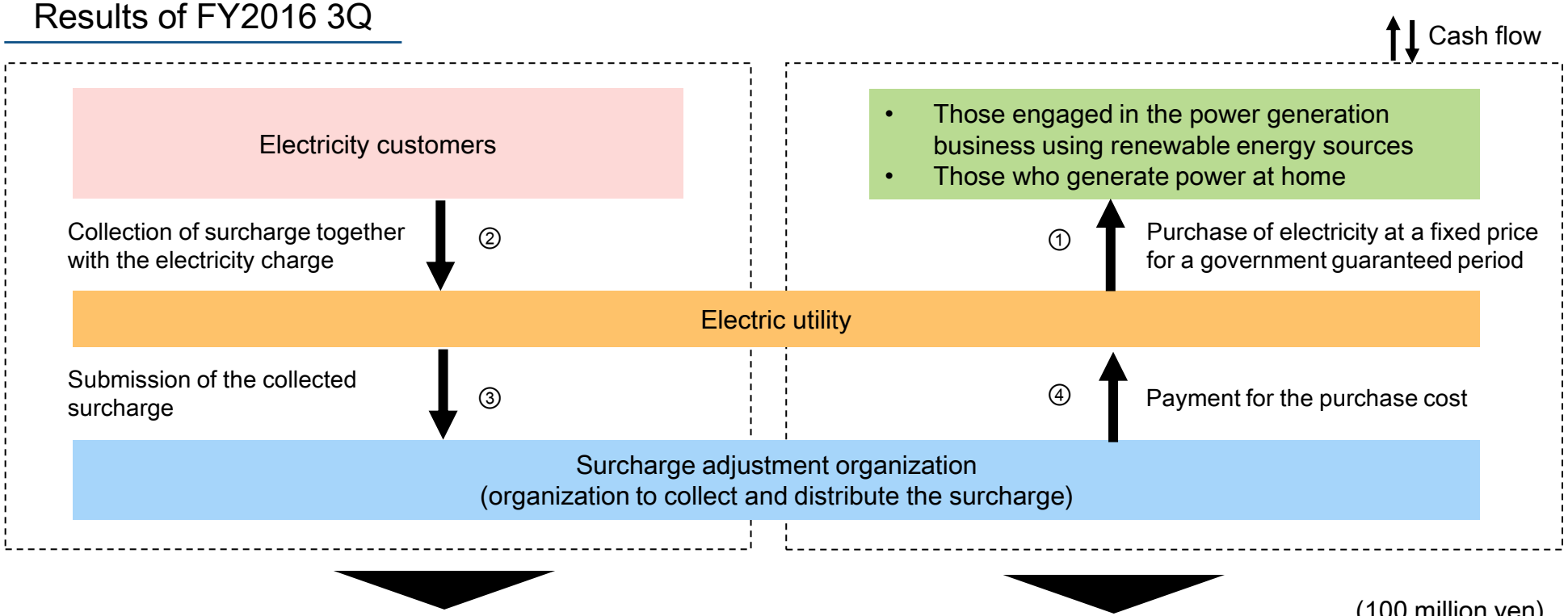
(100 million yen)

	FY2016 3Q	<ref> FY2015
Power sources	202	549
Hydro	20	39
Thermal	75	122
Nuclear	106	387
Transmission	37	45
Transformation	45	56
Distribution	78	96
Other	18	29
Subtotal	381	777
Nuclear fuel	15	35
Electric power business	397	812
Other business	37	104
Total※	435	917

※before the elimination of unrealized profits

Feed-in Tariff Scheme

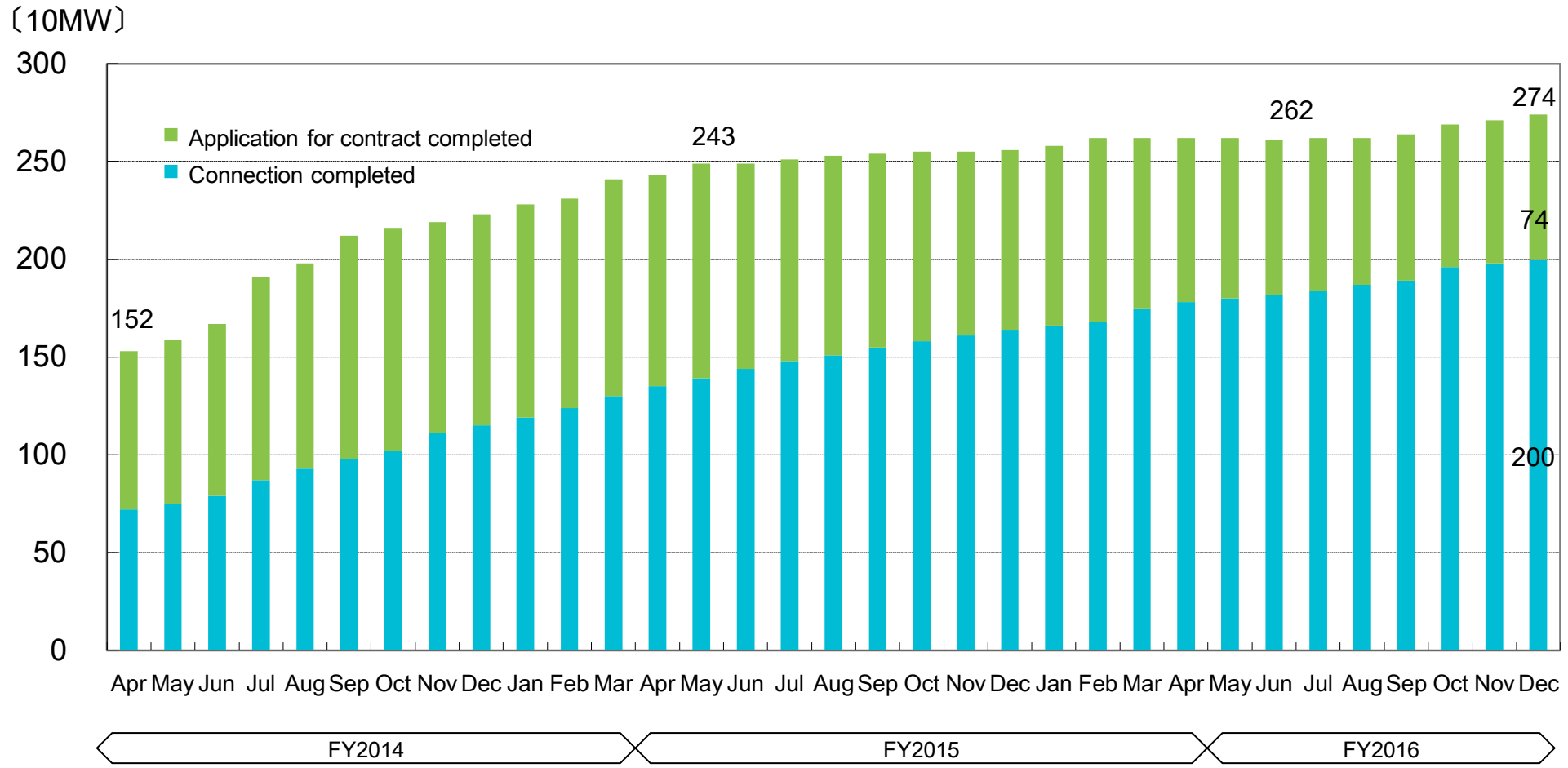
Results of FY2016 3Q



(100 million yen)

② Surcharge 361 We collect surcharge from customers with the electricity charge.	**① Purchase of electricity** 685 We purchase electricity at a fixed price from those engaged in the power generation business using renewable energy sources and those who generate power at home.
③ Submission of the collected surcharge 361 We submit the collected surcharge to surcharge adjustment organization.	**④ Payment for the purchase cost** 594 Surcharge adjustment organization pay grants corresponding to the actual purchase costs.

[Reference] Installation of Solar Power Generation Facilities



* Outputs after July 2014 are including southern part of Awaji Island (approx. 180MW, as of December 31, 2016)
* Outputs after October 2016 are total amount of Shikoku region, including new electric utility entrants.

Reference Information

- The Outline of Shikoku Electric Power Group Medium-Term Management Plan 2020
- Shikoku Electric Power's Facilities
- The Resumption of Commercial Operation of Ikata Unit No.3
- Forecasts of Costs for Safety Measures at Ikata Nuclear Power Station
- Medium-term Facility Construction for Safety Measures at Ikata Unit No.3
- Decommissioning of Ikata Unit No.1
- Development of Future Power Sources
- Expansion of Renewable Energy
- Establishment of the New Coal Procurement Company
- Response Toward Strengthening Environmental Regulations
- CO_2 Emissions Volume and Intensity
- Enrichment and Enhancement of Customers' Services
- Plan for Smart Meter Introduction
- View of Overseas Business
- Shareholder Return
- Financial Results
  [Financial Data, Cash Flows, Plant and Equipment Expenditures]
- Yonden Group Vision
- Subsidiaries and Affiliated Companies

The Outline of Shikoku Electric Power Group Medium-Term Management Plan 2020

- To work toward accomplishing far-reaching, sustainable growth in the midst of an ever-changing operating environment, we have summarized our managerial direction and targets for the next five years in the “Shikoku Electric Power Group Medium-Term Management Plan 2020.”
- Following the roadmap set out in this plan, we will push ahead with initiatives that carry a sense of speed and aim to realize our image for the future, which fulfills our mission and meaning for existence, indicated in our Group Vision (announced in 2011).

■ Basic Concept

Amid a rapidly changing external environment, we will strive for profitability innovation that aims for sustainable growth in the future in order to bring us closer to the realization of our Group vision in the five years spanning fiscal 2016–2020.

【 Group Mission and Meaning for Existence 】

Contribute to comfortable, safe, and secure life as well as to the Shikoku region’s development

Group Strengths and merits

- Competitive supply
- Proximity to customers
- Comprehensive Group capabilities

Changing External Circumstances

- Full deregulation of the retail electricity market, legal separation of the power transmission and distribution sectors, strengthening of environmental regulations
- Increased market competition, business alliances
- Economic maturation, declining birthrate/aging population, energy conservation
- Storage battery installation, Internet of Things (IoT) expansion

Group Vision

The Shikoku Electric Power Group of the Future

Multi-Utility Corporate Group Supporting Work and Life

Fiscal 2016-2020

Aiming for Sustainable Growth with Profitability Innovation

Fiscal 2011–2015

- Focusing efforts on overcoming the risks following the suspended operation of all units at Ikata Nuclear Power Station and returning to normal operations

■ Roadmap - Priority Initiatives for the Next Five Years -

Further Strengthen the Earnings Base for the electric power business

Draw on our strengths to ensure stable profits

①Strengthen Our Electric Supply Base

~ Leverage our competitive supply ~

- Nuclear power :
  Achieve safe and stable operation of Ikata Nuclear Power Station
- Thermal power :
  Improve efficiency of aged facilities (replace)
  Improve operational efficiency through raising utilization ratios
- Power transmission and distribution:
  Achieve stable operation and equipment upgrades
- Adapt to environmental regulations, increase cost effectiveness

②Strengthen Our Customer Base

~ Leverage our ties with customers ~

- Offer rate menus in line with lifestyle and business needs
- Develop a wide range of solution services in line with customer needs

Create and Develop Future Growth Engines

Create new value that translates into a future source of profits

①Expand Our Market Area

- While maintaining the Shikoku region as our core, we will expand our target market areas to include regions outside of Shikoku, including overseas, in accordance with business content.

②Extend our business domains

- Accurately assessing the industrial characteristics and needs of the Shikoku region, we will extend our business domains while leveraging the technologies and know-how that the Group possesses.

③Combine services

- Through alliances with business partners from various industries, we will create new markets by combining a wide variety of services that match with the potential needs of customers.

Generate demand for electricity

Bring out the diverse capabilities and organizational strengths of our employees

Fulfill Our Public Mission and Social Responsibilities as an Electric Power Supplier

<Reference> Expand Our Market Areas

- While proactively collaborating with non-group companies and taking advantage of changes in energy business environments such as in the development of the reform of electric power/gas systems, we are expanding market areas outside the Shikoku area as well as overseas in addition to local integrated energy operations in Shikoku.

■ Development of operations inside / outside Shikoku and overseas

Local Shikoku

- Further strengthening of integrated energy operations field with focuses on electric power as well as gas.

Areas outside Shikoku

- Expansion of wholesale to other operators through electric power wholesale trade markets, etc. by operating safe and stable thermal power generation facility and improving capacity utilization ratios.
- Electric power source development in outside areas.
- Electricity retailing in the Tokyo metropolitan area and Kansai region.

Overseas

•Expansion of IPP and consulting businesses by broadening target regions and power generation methods and by strengthening relationships with business partners in overseas markets, particularly in emerging nations, where future growth is expected.

◇Outline of existing projects in IPP business
・Region: Middle East (Qatar, Oman)
・Power generation method:
Gas turbine combined cycle
・Owned capacity: total of Approx. 240MW

Expansion of consideration targets such as regions, power generation methods, etc.

Strengthening of relationships with business partners

FY 2025 profit target
¥ 4 billion/year
Owned capacity of power generation facilities capacity
Approx. 1,500MW

■Management Targets (Consolidated)

Overcome the business challenges associated with the suspension of all nuclear power operations

Aiming for Sustainable Growth with **Profitability Innovation**

ROA

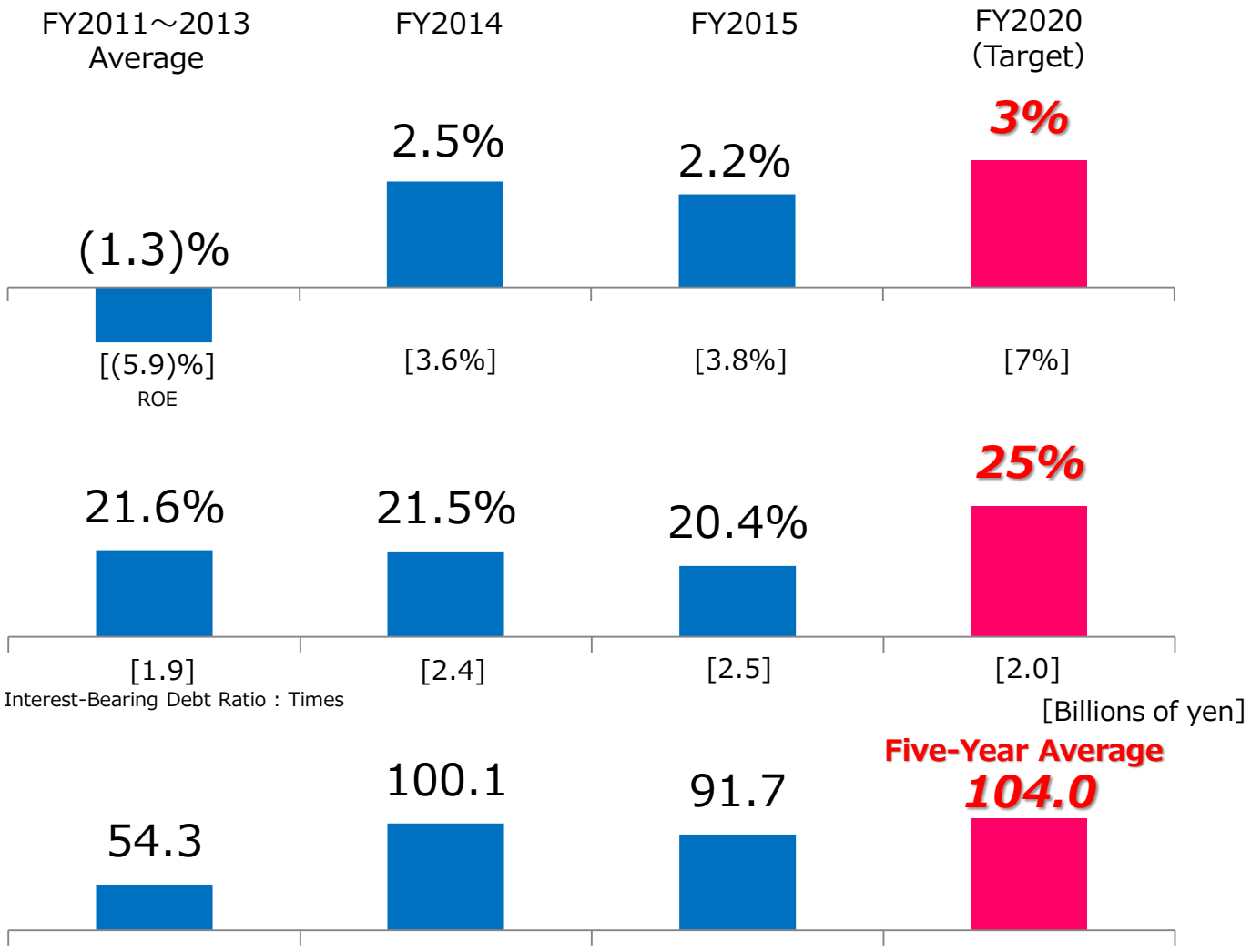
FY2020
Approximately **3%**
(ROE: Approx. 7%)

Shareholders' Equity Ratio

End of FY2020
More than 25%
(Interest-Bearing Debt Ratio: Less than 2.0 times)

Cash flows from Operating Activities

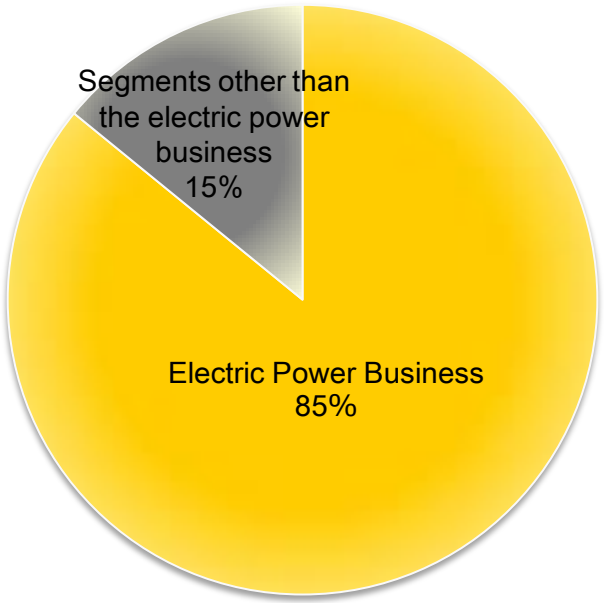
Five-Year Cumulative Total
Over ¥520.0 billion



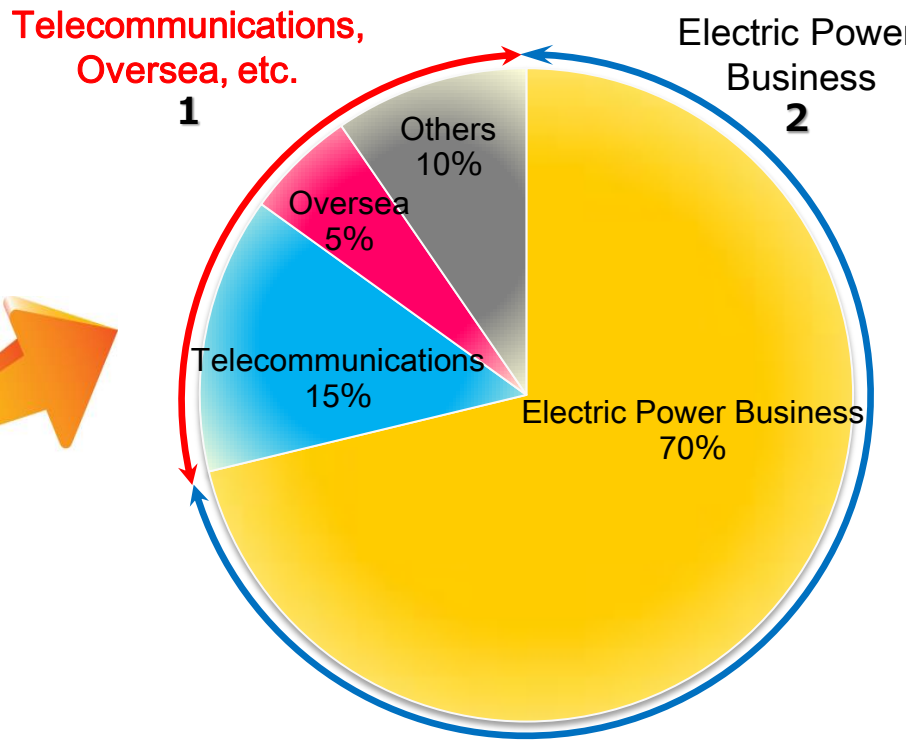
*1 When referring to nuclear power in this plan, only the restarting of operations of Ikata Unit No. 3 is factored in the calculations.
*2 ROA: (Ordinary income (loss) + Interest expense) / Average total assets (Average of assets at the beginning and end of the fiscal year)

■ Profitability Plans by Segment

Before the Great East Japan Earthquake

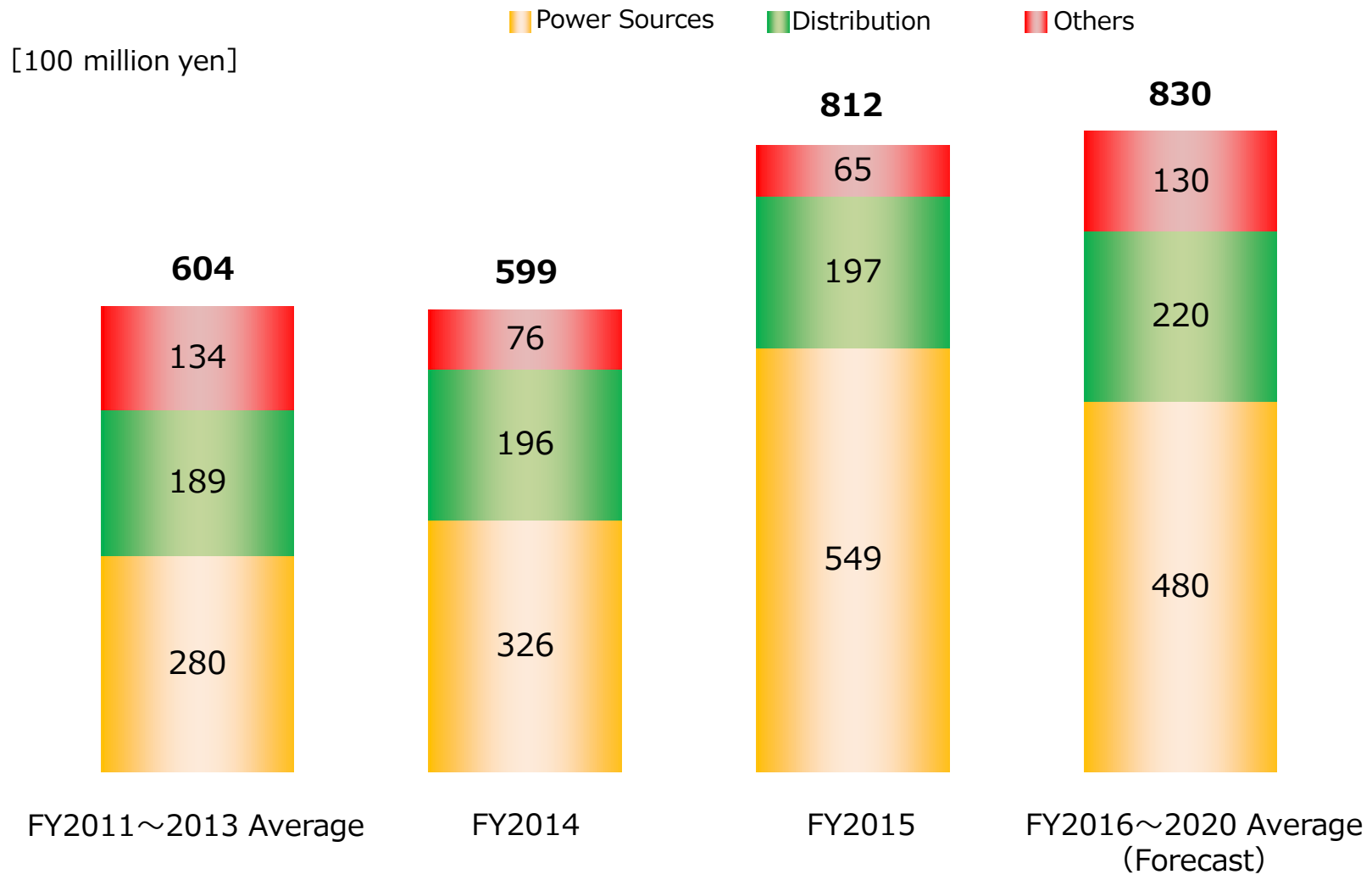


FY 2020 Targets



■ Forecast of Plant and Equipment Expenditures

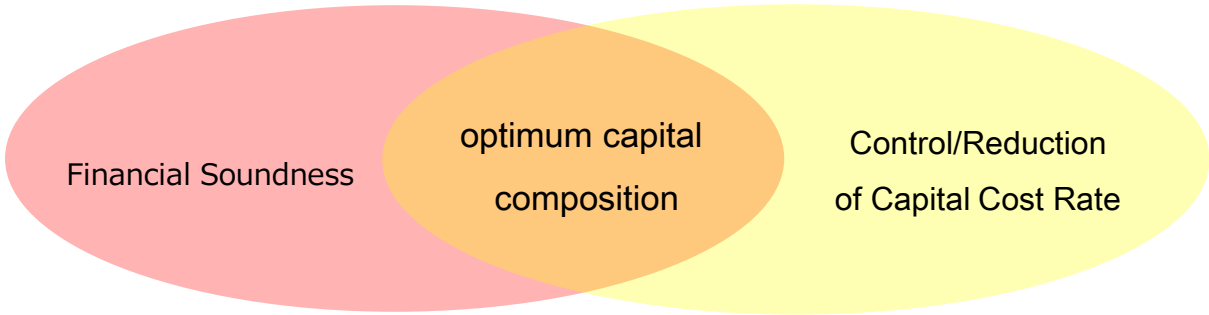
【Non-Consolidated】



■ Capital Policy

Basic Policy

Our aim is to realize optimum capital composition by attempting to 'ensure financial soundness' and 'control/reduce capital cost rates'.



Target for Which We Aim to Achieve and keep

Shareholders' Equity Ratio

More than *25%*

<Ref.>Interest-Bearing Debt Ratio: Less than 2.0 times

■ Shareholder Return Policy

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 environment.

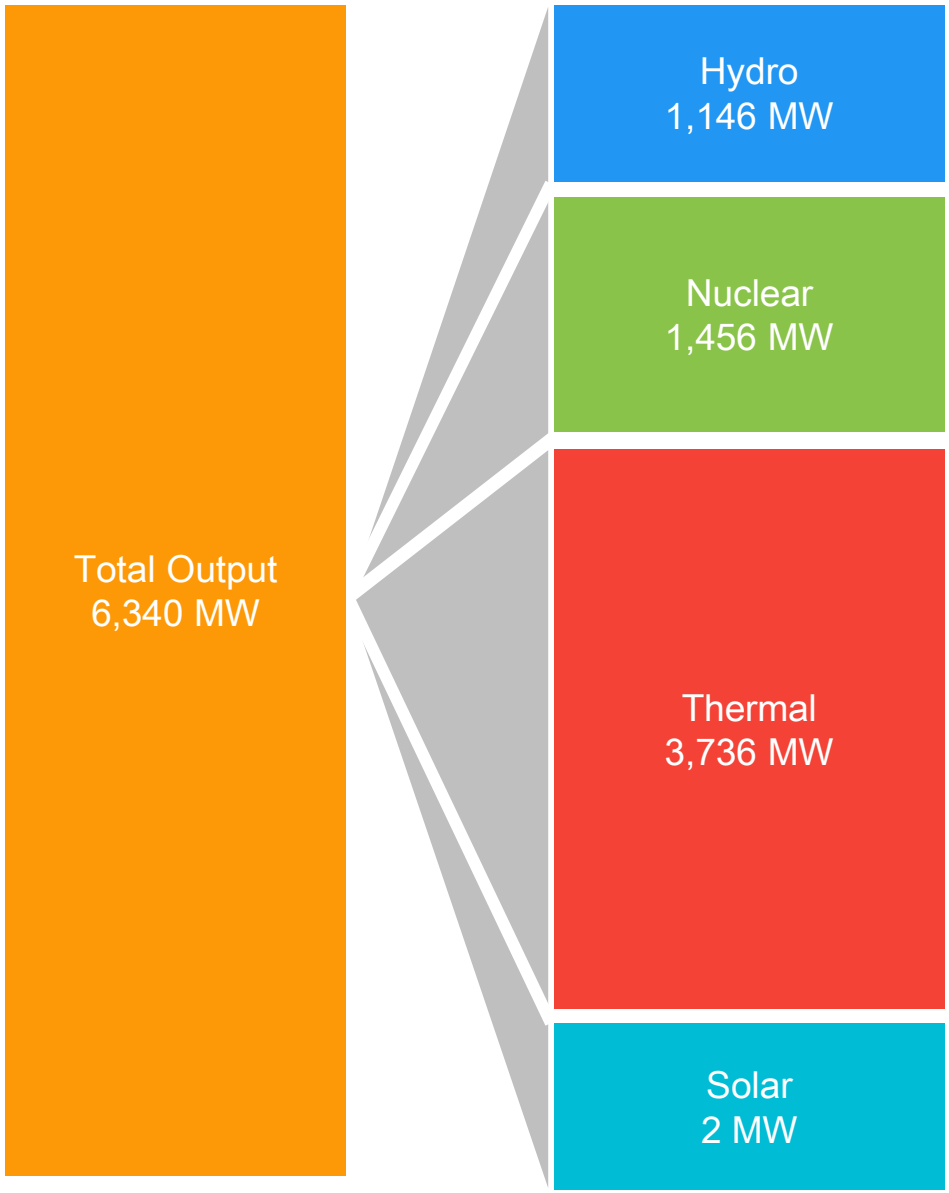
Target for Which We Aim to Achieve

Dividend payment of *¥50* per share

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.

Shikoku Electric Power's Facilities

(As of January 30, 2017)



Types	Output (MW)
Run-of-the-river type	305
Reservoir type	155
Pumped-storage	686

Core Power Source
Ikata (nuclear) +
Tachibana-wan (coal)

Power Plant		Output (MW)	Start of operations	Age	
Ikata	(Unit No.1)	(566)	(September 1977)	(38)	Decommissioned on May 10, 2016
	Unit No.2	566	March 1982	34	
	Unit No.3	890	December 1994	22	

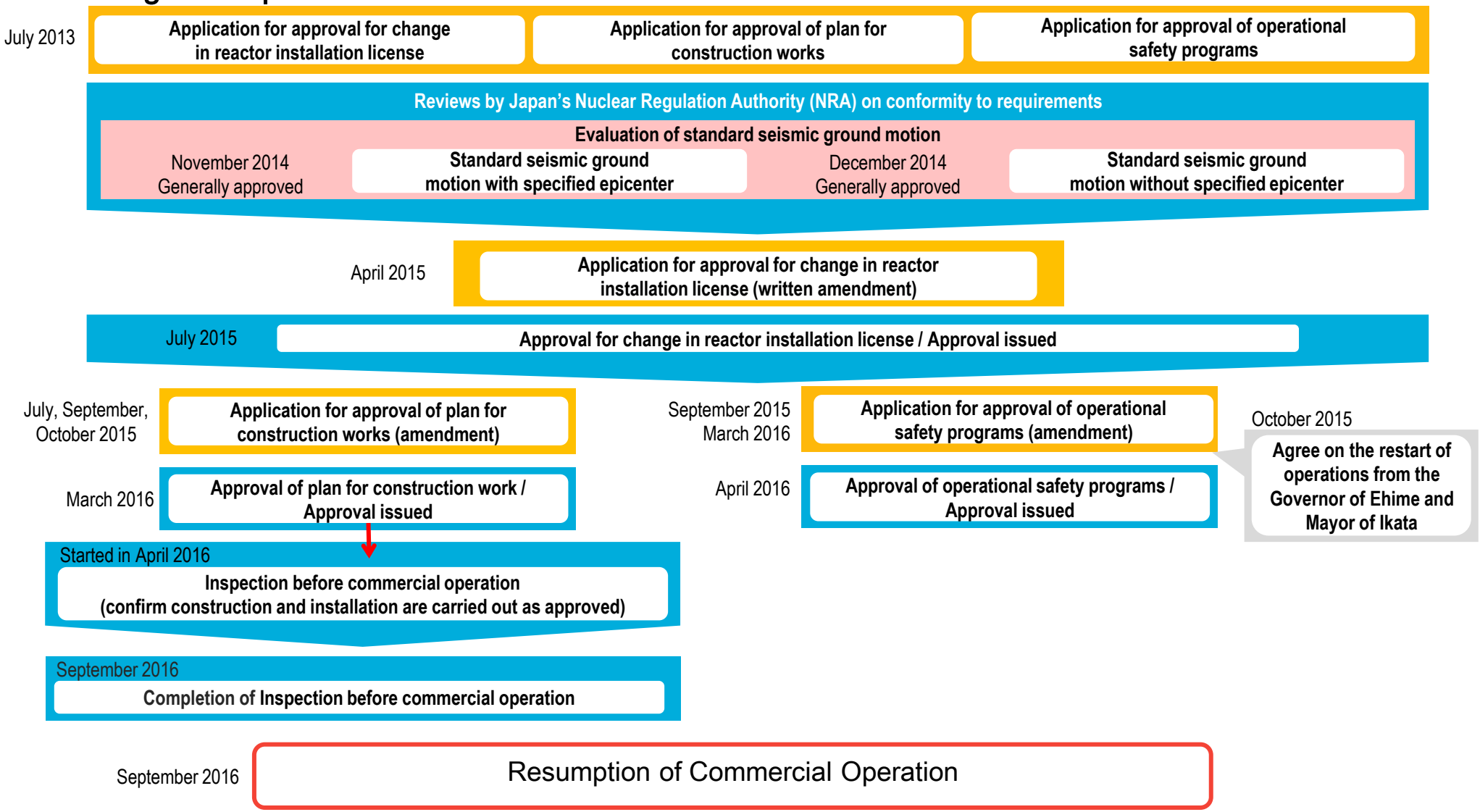
Power Plant		Output (MW)	Start of operations	Age	Fuel source
Anan	Unit No.1	125	July 1963	53	Oil
	Unit No.2	220	January 1969	48	Oil
	Unit No.3	450	August 1975	41	Oil
	Unit No.4	450	December 1976	40	Oil
Tachibana-wan		700	June 2000	16	Coal
Saijo	Unit No.1	156	November 1965	51	Coal / Biomass / Oil
	Unit No.2	250	June 1970	46	Coal / Biomass / Oil
Sakaide	Unit No.1	296	August 2010	6	LNG
	Unit No.2	289	August 2016	0	LNG
	Unit No.3	450	April 1973	43	Oil / COG
	Unit No.4	350	May 1974	42	LNG / COG

Power Plant	Output (MW)	Start of operations	Age
Matsuyama	2	March 2003	13

The Resumption of Commercial Operation of Ikata Unit No.3

- In September 2016, the Inspection by Japan's Nuclear Regulation Authority before commercial operation was completed, which is when Ikata Unit No.3 resumed its operation.

■ Image of Inspection Schedule



Forecasts of Costs for Safety Measures at Ikata Nuclear Power Station

(100 million yen)

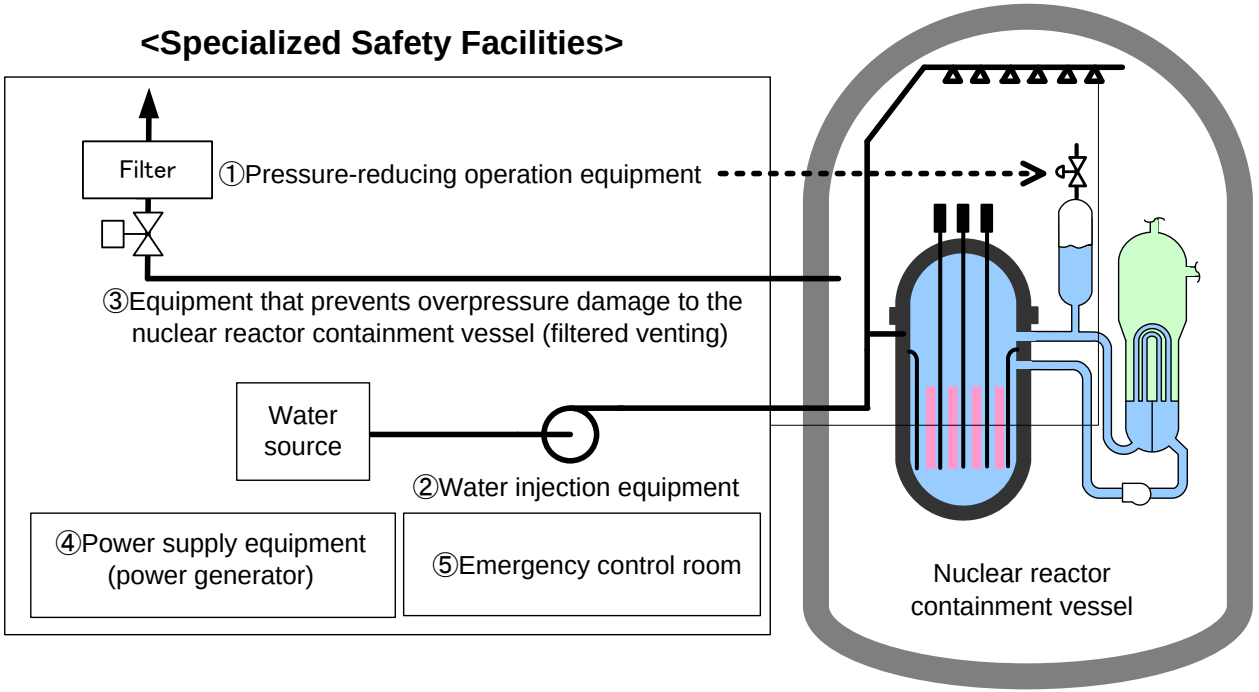
		Total (forecasts)	FY2011 ~ FY2015 (results)		FY2016 3Q (results)
				FY2015	
Facility Construction	Short term	Approx. 750	666	299	50
	Medium term	Approx. 700	211	91	32
Analysis and Evaluation		Approx. 250	225	126	23
Total		Approx.1,700	1,103	516	106
	Capital Investment	Approx.1,400	806	366	77
	Expenses	Approx. 300	296	150	28

*Total amounts of costs for safety measures are based on our assumptions and judgments in consideration of the information available at this time, and are therefore subject to change due to future situation.

Medium-term Facility Construction for Safety Measures at Ikata Unit No.3

■ Outline of Specialized Safety Facilities at Ikata Unit No.3

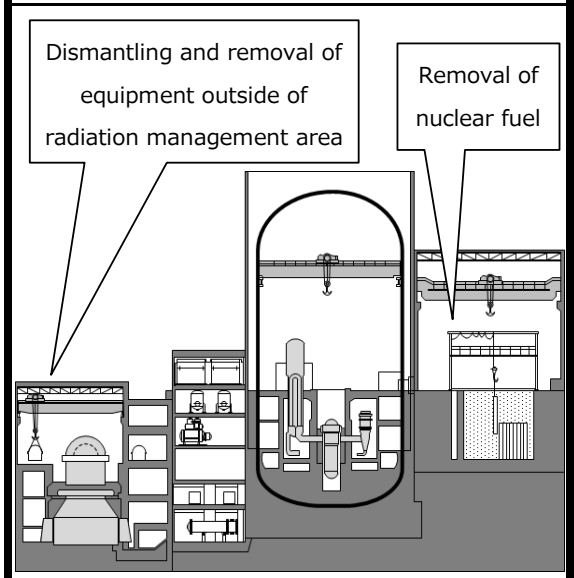
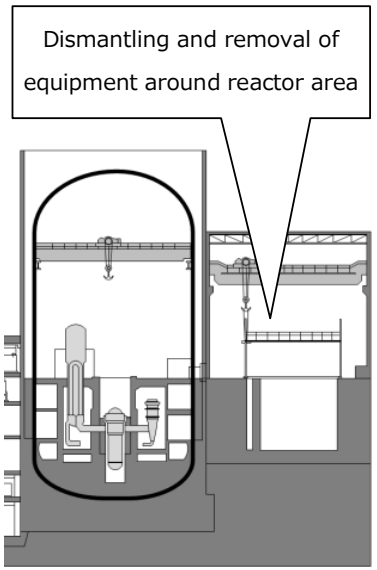
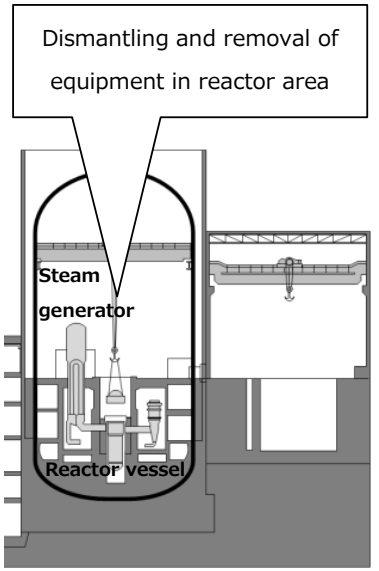
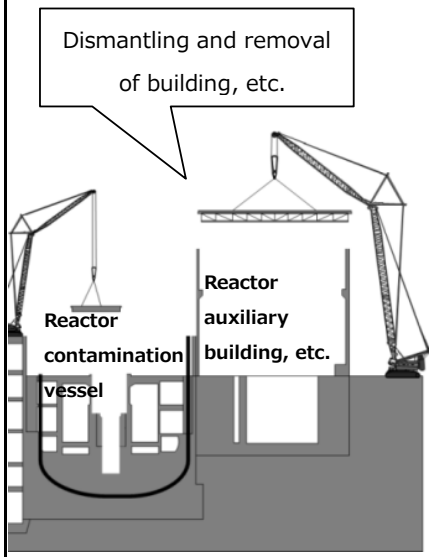
- Installed with equipment required by the new regulatory requirements.
- Possesses functions to prevent damage of the nuclear reactor containment vessel in preparation for loss of the cooling function of the nuclear reactor and damage to the nuclear reactor core. This type of damage can be caused by a large-sized aircraft intentionally colliding with the reactor building or any other acts of terrorism.
- Provides back up to existing safety equipment.
- Submitted an application for permission for change in reactor installation in January 2016.
- Scheduled to be completed in FY2019.



Decommissioning of Ikata Unit No.1

- Finished the operation of Ikata Unit No.1 on May 10, 2016.
- Submitted the application form for approval of its decommissioning plan to the Nuclear Regulation Authority on December 26, 2016.

■ Entire Process of Decommissioning

1st Stage Preparation for dismantling	2nd Stage Dismantling and removal of equipment around reactor area	3rd Stage Dismantling and removal of equipment in reactor area	4th Stage Dismantling and removal of building, etc.
[approx. 10 years] (～around FY2026)	[approx. 15 years] (～around FY2041)	[approx. 8 years] (～around FY2049)	[approx. 7 years] (～around FY2056)
			
・Remove nuclear fuel ・Start to dismantle and remove mainly the secondary (radiation management not necessary) equipment, such as pumps and tanks.	・Start to dismantle and remove the primary (radiation management necessary) equipment, such as pumps and tanks.	・Dismantle and remove the main primary equipment, such as reactor vessel and steam generator.	・Dismantle and remove the reactor contaminent vessel and the reactor auxiliary building, etc.

Development of Future Power Sources

➢ We move forward with plans to replace aging thermal power generation facilities.

■ Replacing Unit No.1 of the Saijo Thermal Power Station

- Replacing Unit No.1 with highly efficient, ultra-supercritical (USC) generation equipment.
- We opened bid for the supply of thermal power which we won ourselves in March 2016.
- Currently under environmental impact assessment.

	Current Unit No.1	New Unit No.1
Start of operations	November 1965	March 2023 (scheduled)
Output	156MW	500MW
Thermal efficiency *1	Approx.39% (Approx.38%)	Approx.45% (Approx.43%)
Fuel type	Coal	

*1) LHV(upper line) is determined by subtracting the heat of vaporization of the water vapor from HHV(lower line).

■ Switching from Oil to LNG at the Sakaide Thermal Power Station

	Unit No.4	Unit No.1	New Unit No.2
Start of operations	March 2010*2	August 2010	August 2016
Output	350MW	296MW	289MW
Generation method	Steam power (Oil→LNG)	LNG combined cycle	LNG combined cycle

*2) Unit No. 4 is switched from oil to LNG in March 2010.

New Sakaide Unit. No.2

Expansion of Renewable Energy

➢ Renewable energy is beneficial in its ability to help Japan become more self-sufficient in terms of energy and its low CO_2 emissions. As such, we are working across the Group to promote its use.

■ Installation of Solar and Wind power Generation Facilities

<Solar Power>

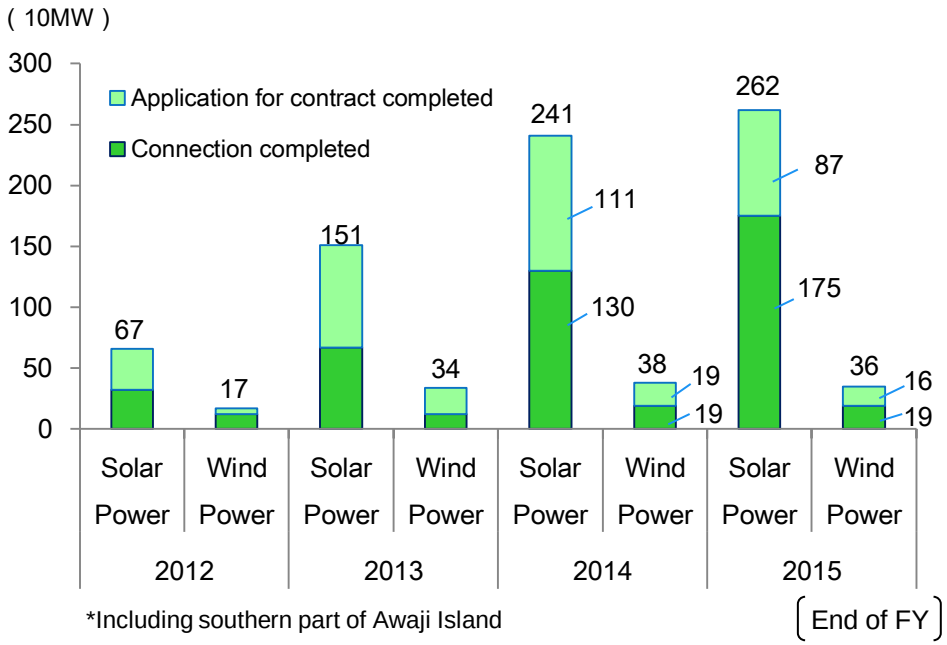
- As of January 2016, the total output of connected plants and plants for which application for contract completed had reached the upper limit, 2,570 MW.
- The METI designated us as a “Designated Utility Operator” under the ministerial ordinance, which enabled power to be connected to our grid, presuming no compensation is provided even in the case that output is curtailed for over 360 hours per year.

Connection completed; 1,750 MW (As of end of FY2015)

<Wind Power>

- In November 2016, we expand the upper limit from 640 MW to 710 MW.

Connection completed; 190 MW (As of end of FY2015)



*Including southern part of Awaji Island

■ Working to increase the generation capacity of hydropower Plants

- We took advantage of the opportunity to replace equipment on existing turbines at hydropower plants by employing highly efficient turbine runners to improve generation efficiency. In this way, we are working to increase the generation capacity of hydropower plants.

FY	Hydropower Station	Maximum Output (Current After replacement [planned])
2016	Iokigawa	7,700kW→ 8,100kW
2017	Bunsui Daiichi	26,600kW→29,900kW
2018	Kira	2,700kW→ 3,000kW

<e.g. Installation of Inter-level Winged Blade>

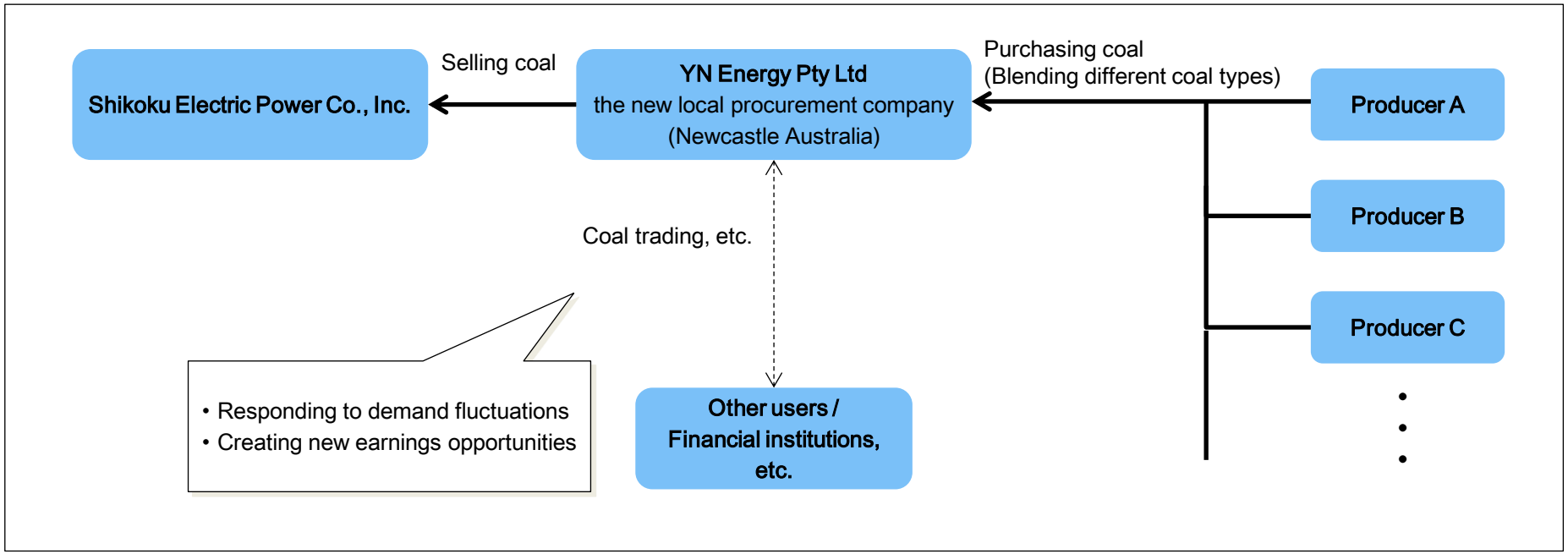
Establishment of the New Coal Procurement Company

■ Introduction of New Coal Procurement Scheme

【Our Aim】
Establishment of the local procurement company abroad

➡
- Purchasing coal directly from producer
- Blending high grade and low grade coal to ensure quality conforming to our power stations

➡ Stable procurement of coals offering reliable performance for low cost



Response Toward Strengthening Environmental Regulations

- We are attempting to achieve industry-wide targets realize a low-carbon society through further approaches to safe and stable operation of Ikata Nuclear Power Station, replacement in aged thermal power stations with highly-efficient facilities, suspension and closure of low-operation facilities, and maximum application of renewable energy such as solar power generation, etc.

Our Main Initiatives

- Safe and stable operations at Ikata Nuclear Power Station
- Improving efficiency through the replacement of aged thermal power
  - → Refitting Unit. No. 2 (oil) at the Sakaide Thermal Power Station with an LNG combined cycle system
  - → Replacing Unit No. 1 at the Saijo Thermal Power Station with highly efficient, ultra-supercritical (USC) facility
- Improving efficiency through replacement of water turbines at hydro power stations
- Maximum utilization of renewable energy such as solar and wind power, etc.
- Application of low-loss power lines and introduction of low-loss pole transformers
- Offering customers useful energy-saving advice
- Expanding heat pump thermal storage air-conditioning systems, etc.

Action Plan for the Electricity Business for Achieve a Low-Carbon Society

< Achievement of the electricity industry's* common targets >

- Reduce the user-end emission intensity to approx. 0.37 kg-CO2/kWh.
- Utilize the best available technology (BAT) affordable in new thermal power plants to secure a maximum reduction potential of approx. 11 million t-CO2.

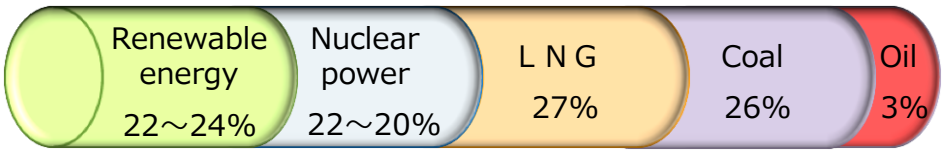
< Development of Innovative technologies >

- Thermal technologies such as A-USC, IGCC and CCS for reducing environmental burden, etc.

* Federation of Electric Power Companies, J-Power, The Japan Atomic Power Company , Volunteering Power Producers and Suppliers

National Policy

◇Long-term Energy Supply and Demand Outlook
- Power source mix in FY2030
[Total power generation : 1,065 billion kWh]



*Values are approximate.

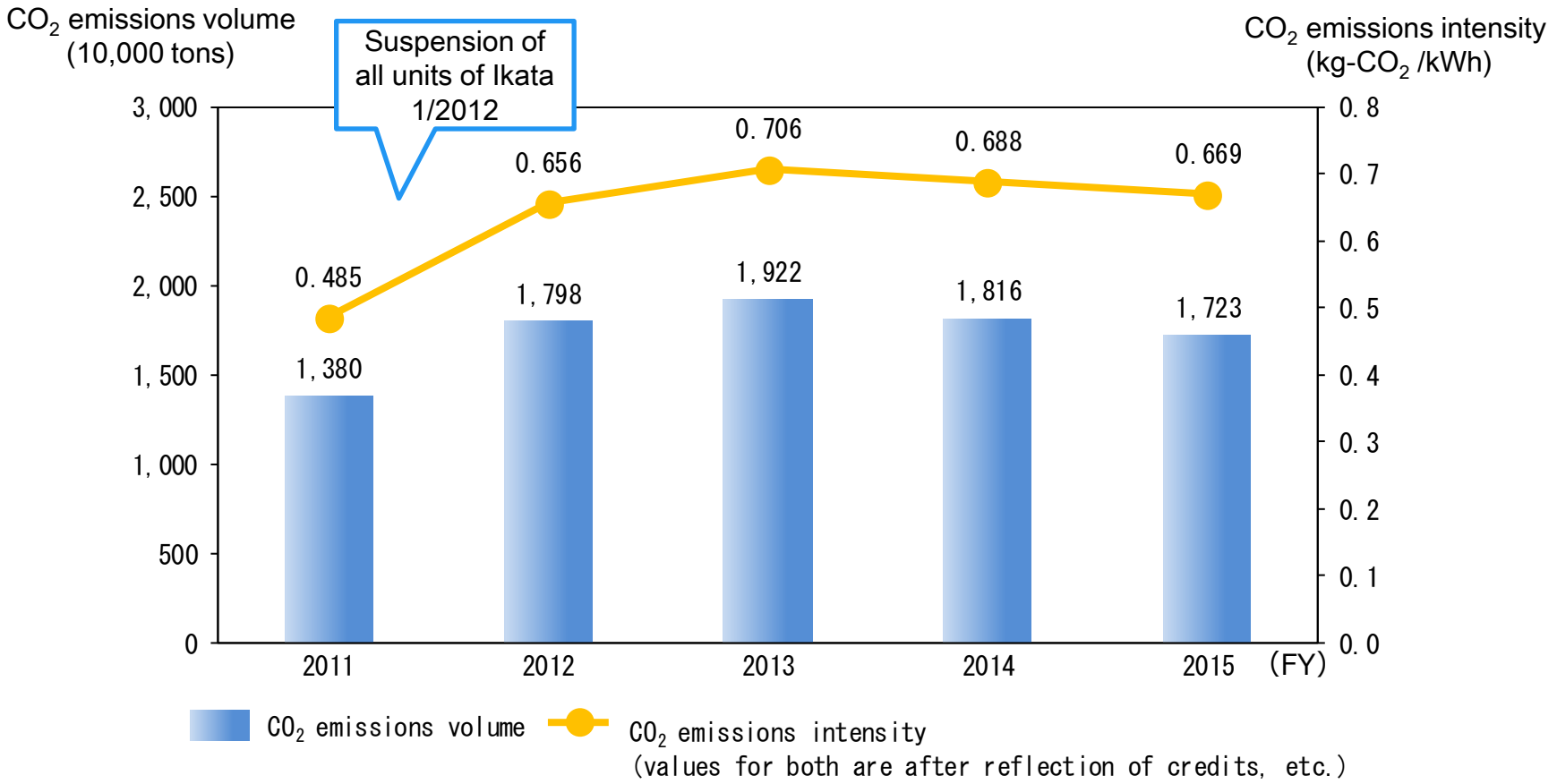
source : The report compiled by the Long-term Energy Supply and Demand Subcommittee, the Ministry of Economy, Trade and Industry (July, 2015)

- Regulations on power generation companies
[Act on the Rational Use of Energy]
⇒ Enhancement of the efficiency of thermal power stations

- Regulations on power Retailers
[Sophisticated Methods of Energy Supply Structures]
⇒ non-fossil power sources ratio : 44% or more

CO_2 Emissions Volume and Intensity

- The Company's CO2 emissions volume and intensity have been increasing rapidly following the suspension of all units of Ikata Nuclear Power Station.



Fiscal Year	2011	2012	2013	2014	2015
Electricity sales (100 million kWh)	284	274	272	264	258

Enrichment and Enhancement of Customers' Services

■ Introduction of a New Menu for Electricity Rates

【New Menu for Residence】
Provision of various menu lineups

【New Menu for Offices and Stores】
Provision of new economical rate menus

■ Expansion in Content of Online Membership Services and Introduction of the Loyalty Program

よんでん
コンシェルジュ

[Started from March 2015]
- Inquiry services for electricity rates and amount of electricity used
- Optimal rate menu simulations
- Simulations of the effects of energy conservation, etc.

[Started from January 2016]
- Loyalty Program, etc.

[Started from April 2016]
- Rate alert service
- Convenient monitoring service for energy usage amounts
- Point exchange service

Plan for Smart Meter Introduction

➢ To improve convenience for our customers and enhance operational efficiency, we are moving forward with the introduction of smart meters(※).

■ Anticipated Effects from the Introduction of Smart Meters

Improvement of customer convenience	・ Acceleration of commencing and suspending electricity supply, as well as verifying electricity usage amounts, when a customer changes residence ・ Possibility of selecting a rate menu that conserves energy and matches the customer's lifestyle through the visualization of electricity usage amounts, etc.
Improvement of business efficiency	・ Possibility of remote control support for starting or discontinuing a contract ・ Possibility of reducing meter inspection duties every month, etc.

Smart meters for low-voltage use

■ Schedule for Smart Meter Introduction

Extra-High-Voltage Supplies Large High-Voltage Supplies	Small High-Voltage Supplies	Low-Voltage Supplies
Introduction completed	Introduction scheduled to be completed by fiscal 2016	Introduction scheduled to be completed by fiscal 2023 ・ Currently implementing the introduction in line with legal replacement procedures, etc. ・ Gradually commencing the introduction of automatic meters (starting fiscal 2016)

※ Smart meters : New electronic meters that have transmission functions and functions to turn electricity off and on, in addition to conventional measurement functions

View of Overseas Business

■ The Profit Target and Measures by 10 years

The Profit Target of Overseas Business (by 10 years)

4.0 **billion yen / year**

(Net generation capacity : About 1.5 million kW)

Expanding Targets of Consideration

✓ Expanding our net generation capacity focusing not only the Middle East Asia / gas power plant, but also the Southeast Asia and Americas / renewable energy which are expected to grow

Strengthening Strategic Partnership

✓ Building relations with new partners, while strengthening of relations with existing partners, appealing of our strengths such as know-how we have cultivated in our domestic electric power business and connections with the local governments and companies developed through overseas consulting business

■ Overview of Existing Projects

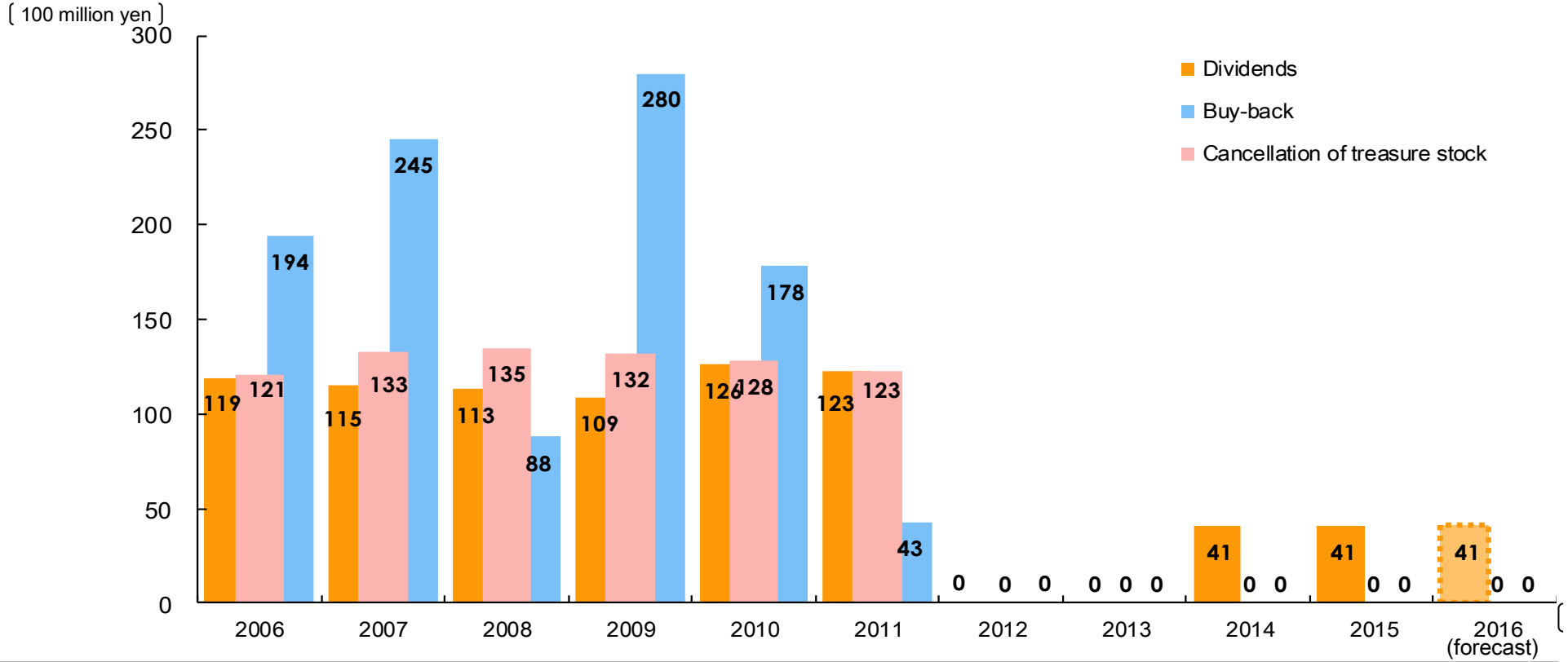
	Qatar	Oman	
Project	Ras Laffan C	Barka 3	Sohar 2
Project Details	Construction and operation of new power and desalination plants, sales of power and water	Construction and operation of new power plant and power sales	
Power Generation Facilities	2,730 MW (GTCC)	744 MW each (GTCC)	
Desalination Facilities	290 k tons per day	-	
Investment Participation by SEPCO	5 %	7.15%	7.15%
Total Cost	Approx. US$3.9 billion	Approx. US$1.7 billion	
Project Term	April 2011—March 2036	April 2013—March 2028	

GTCC represents electricity generation by Gas Turbine Combined Cycle

Shareholder Return

- Paying stable dividend is our basic policy for returns to shareholders.
- Dividend level is determined in consideration of such factors as business performance, financial condition, and the medium-to-long-term outlook for the operating environment.

◇Consolidated Basis

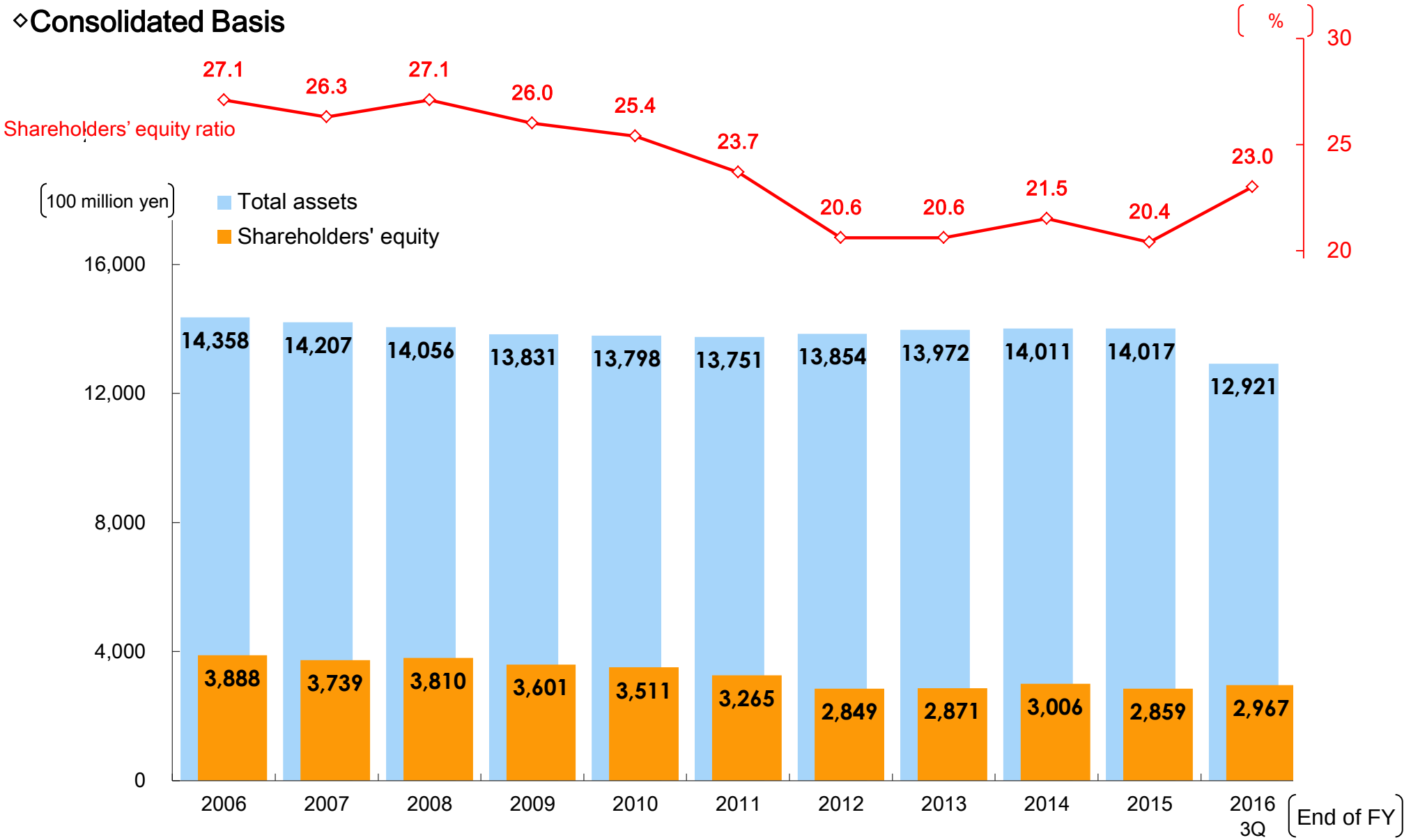


F Y	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 (forecast)
DPS(yen)	50	50	50	50	60	60	0	0	20	20	20
Payout ratio(%)	42.8	44.1	39.2	50.1	53.9	-	-	-	39.9	36.9	90.9
Dividend yield * (%)	1.8	1.7	1.9	1.9	2.7	2.6	0.0	0.0	1.4	1.3	-

*Calculated form the closing price at the end of each fiscal year

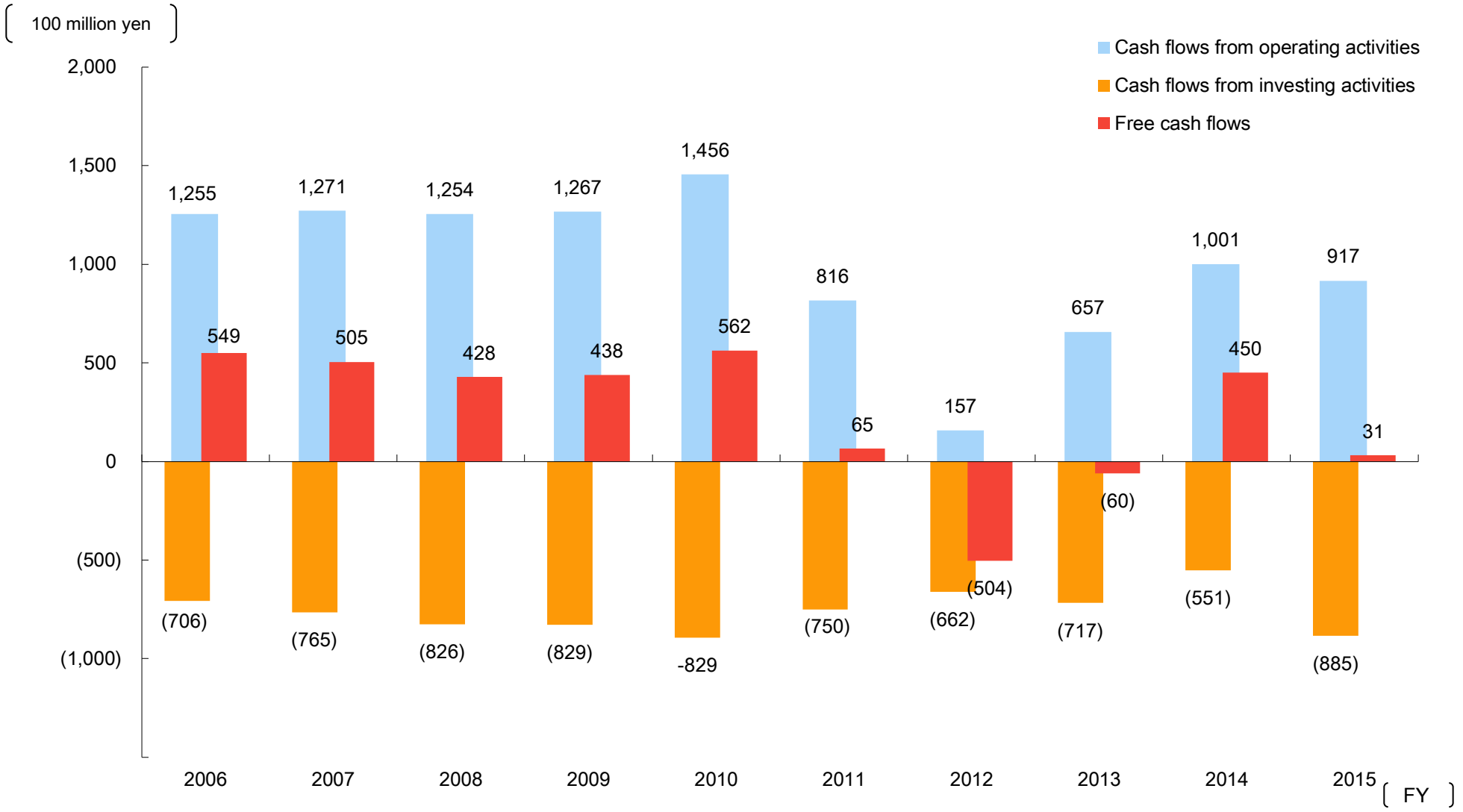
Financial Data

◇Consolidated Basis



Cash Flows

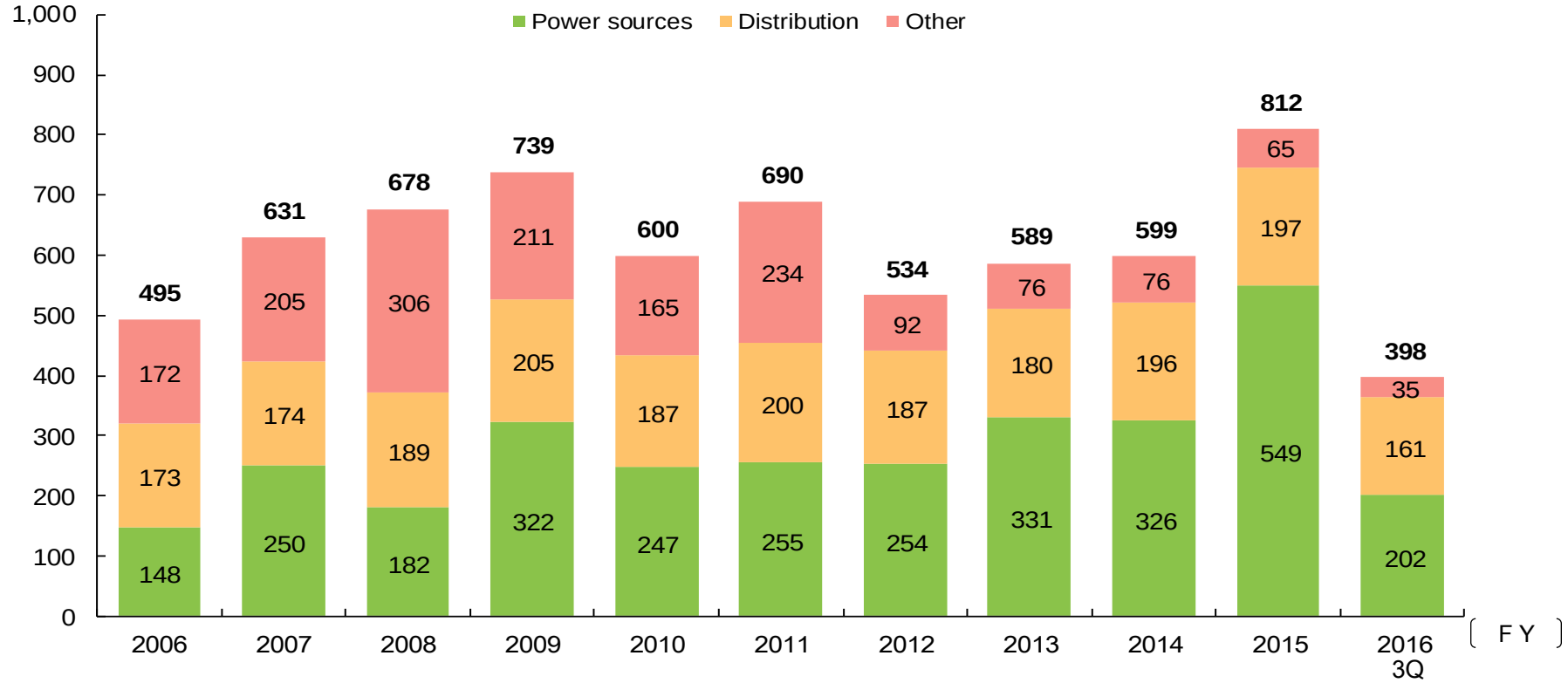
◇Consolidated Basis



Plant and Equipment Expenditures

◇Non-Consolidated Basis

〔100 million yen〕



◇Consolidated Basis

〔100 million yen〕

F Y	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 3Q
	565	706	776	803	666	757	654	757	721	917	435
Electric Power Business	485	626	673	737	590	685	531	587	595	812	397
Others	80	80	102	65	75	71	122	169	125	104	37

*before the elimination of unrealized profits

Yonden Group Vision

The Shikoku Electric Power Group (“Yonden Group”) is committed to driving forward the happiness of customers and community members alike.
We are avidly working to be a multi-utility corporate group supporting work and life.

Mission and Meaning of the Yonden Group

The Yonden Group is committed to the continuous provision of high-quality services, centered on energy, that interconnect with the lives that people lead. In this way, the Yonden Group contributes both to comfortable, safe, and reliable living and to the Shikoku region’s development.

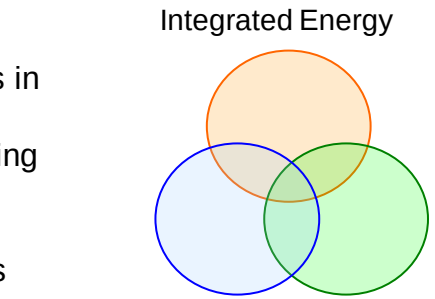
Three Key Points in Realizing the Yonden Group Vision

- Eco-friendly
- Community coexistence
- Creating the future

The Yonden Group of the Future

Aiming to be a Multi-Utility Corporate Group Supporting Work and Life

We aim 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.



Three Challenges to Realizing Our Group Vision

- ▶ Contribute to realizing a low-carbon energy society driven by electricity
  1. Pursue the best mix of power sources appropriate to the era along with safe and dependable operations
  2. Form reliable electric power networks
  3. Promote a further “shift to electricity” in the residential and industrial sectors
- ▶ Continually strive to create added value beyond the core electric power business
- ▶ Foster the human resources that will pave the way forward

(Announced on February 28, 2011)

Subsidiaries and Affiliated Companies

（As of March 31, 2016）

Electric Utility

Shikoku Electric Power Company ← ○ Electricity supply — TOSA POWER Inc.

IT/ Communications

○ Telecommunication services (FTTH), Communication services targeted at corporations, Mobile service, Information system services, Crowd services, Cable TV broadcasting, etc.

- STNet, Incorporated
- Cable Media Shikoku Company, Incorporated
- Cable Television Tokushima, Incorporated

Manufacturing

○ Manufacture and sales of materials for electricity supply and electronics, etc.

- SHIKOKU INSTRUMENTATION CO., LTD.
- Techno-Success Company, Incorporated
- SHIHEN TECHNICAL CORPORATION
- Eco-Tech Company, Incorporated

Construction Engineering

○ Study, designing, engineering for power supply facilities, civil works, construction, etc.

- Yonden Engineering Company, Incorporated
- Yonden Consultants Company, Incorporated
- YONDENKO CORPORATION [Covered by consolidated financial statements (accounted for by the equity method)]

Energy Real Estate Services, etc.

○ Storage and delivery of LNG, investment and financing for overseas projects, heat supplying service, sales and engineering of electric equipment, real estate, transportation, operation of charged nursing facilities for the aged, etc.

- Sakaide LNG Company, Incorporated
- Yonden Business Company, Incorporated
- Yonden energy Service Company, Incorporated
- SEP International Netherlands B.V.
- SHIOKOKU AIR SURVICE CO., LTD.
- Yonden Life Care Company, Incorporated
- Ikata Service Company, Incorporated
- Yonden Media Works Company, Incorporated
- Ei Wind Power Company, Incorporated
- Tachibana Thermal Power Port Service Company, Limited
- Tokushimaichiko PFI Service Co., Ltd.
- MISAKI WIND POWER Co., Ltd.
- Utazu Kyushoku Service Co., Ltd
- Okawara Windfarm Corporation

Research Development

○ Research and development on technologies related to electric utility business and others

- Shikoku Research Institute, Incorporated

Consolidated subsidiaries　Non-consolidated subsidiaries　Affiliated Companies

* In April 2016, the Company established affiliated company YN Energy Pty Ltd, which deals primarily with the procurement and sale of coal.

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.