

FY2017 1Q Financial Results Outline

(April 1, 2017 – June 30, 2017)

July 27, 2017

SHIKOKU ELECTRIC POWER CO.,INC.

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I . Consolidated Financial Results for FY2017 1Q

(April 1, 2017 – June 30, 2017)

- 1 . Electricity Sales
- 2 . Electricity Supply
- 3 . Summary of Financial Results
- 4 . Results by Segment
- 5 . Financial Position

I - 1 . Electricity Sales

Electricity Sales

(million kWh)

	FY2017 1Q (a)	FY2016 1Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	5,794	5,938	(144)	(2.4)%	<ul style="list-style-type: none"> · Decrease in contract demand, etc. · Influence of operation of customers' onsite power generations, etc.
Lighting	1,965	1,941	24	1.3%	
Power	3,828	3,997	(169)	(4.2)%	
<Commercial>	<1,194>	<1,304>	<(110)>	<(8.4)%>	
<Large-Scale, Industrial>	<1,829>	<1,849>	<(20)>	<(1.1)%>	
Wholesale	1,465	375	1,090	290.9%	
Total	7,259	6,312	947	15.0%	

*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

(°C)

	Mar	Apr	May	Jun	4-month AVG.
FY2017	9.4	15.8	20.5	22.7	17.1
Differences from the average year	(0.3)	0.9	1.2	(0.1)	0.4
Differences from the previous year	(1.5)	(0.7)	(0.1)	(0.5)	(0.7)

Electricity Sales to Large- Scale Industrial Customers

	FY2017 1Q*
Textiles	(4.1)%
Paper/Pulp	(7.6)%
Chemicals	3.4%
Steel	(3.7)%
Machinery	1.9%
Other	(1.2)%
Total	(1.1)%

*Changes from the previous period.

(million kWh)

	FY2017 1Q (a)	FY2016 1Q (b)	(c)=(a)-(b)	(c)/(b)	Details																		
Hydro	800	1,191	(391)	(32.9)%	• Flow Rate 119.5% → 84.9%																		
Nuclear	2,002	-	2,002	-	• Ikata Unit No.3 resumed its operation.(in August, 2016) • Capacity factor of Ikata Unit No.3: 0.0%→ 103.0%																		
Coal	73%	60%	13%	(1.6)%	◇Electricity by thermal power <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">FY2017 1Q</th> <th rowspan="2">Change[※]</th> </tr> <tr> <th>GWh</th> <th>Composition</th> </tr> </thead> <tbody> <tr> <td>Generated</td> <td>2,579</td> <td>65%</td> <td>(928)</td> </tr> <tr> <td>Purchased</td> <td>1,400</td> <td>35%</td> <td>(26)</td> </tr> <tr> <td>Total</td> <td>3,979</td> <td>100%</td> <td>(954)</td> </tr> </tbody> </table> ※Changes from the previous period.(GWh)		FY2017 1Q		Change [※]	GWh	Composition	Generated	2,579	65%	(928)	Purchased	1,400	35%	(26)	Total	3,979	100%	(954)
		FY2017 1Q					Change [※]																
GWh		Composition																					
Generated	2,579	65%	(928)																				
Purchased	1,400	35%	(26)																				
Total	3,979	100%	(954)																				
	2,916	2,962	(46)																				
LNG	13%	10%	3%	5.7%																			
	507	479	28																				
Oil/Gas	14%	30%	(16)%	(62.7)%																			
	556	1,492	(936)																				
Thermal	100%	100%		(19.3)%																			
	3,979	4,933	(954)																				
Renewable Energy	949	746	203	27.2%																			

(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.

- Operating revenues increased by ¥18.7 billion YoY, to ¥ 169.8 billion. The factors were as follows;
 - ✓ Wholesale largely increased by utilizing extra capacity of thermal power due to resumption of operation of Ikata Unit No.3, while retail decreased.
 - ✓ Revenues based on the Fuel Cost Adjustment System increased due to rise in the fuel prices.
 - ✓ The surcharge income and grants from Surcharge Adjustment Organization based on the feed-in-tariff scheme (FIT) increased, etc.
- Operating expenses increased by ¥ 1.0 billion YoY, to ¥ 160.5 billion. The factors were as follows;
 - ✓ The increase in the total amount of the fuel and power purchase cost restrained due to the resumption of operation of Ikata Unit No.3.
 - ✓ The amortization of unrecognized actuarial loss related to retirement benefits decreased, etc.
- As a result,
 - ✓ Operating income increased by ¥ 17.6 billion YoY, to ¥ 9.2 billion.
 - ✓ Ordinary income increased by ¥ 18.7 billion YoY, to ¥ 9.5 billion.
 - ✓ Net income increased by ¥ 14.8 billion YoY, to ¥ 6.4 billion.

(100 million yen)

	FY2017 1Q (a)	FY2016 1Q (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	1,698	1,511	187	12.4%
Operating Expenses	1,605	1,595	10	0.7%
Operating Income (loss)	92	(84)	176	-
Non-operating Income (loss)	2	(8)	10	-
Ordinary Income (loss)	95	(92)	187	-
Reserve for Fluctuations in Water Level	(Reversal) 2	(Provision) (3)	5	-
Income Taxes, etc.	32	(12)	44	-
Net Income (loss) attributable to shareholders of parent company	64	(84)	148	-

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

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

(100 million yen)

	FY2017 1Q (a)	FY2016 1Q (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	1,109	1,075	34	3.2%
Electricity Sales(Wholesale), etc.	120	30	90	301.2%
Others	296	240	56	23.7%
Electric Operating Revenues	1,527	1,345	182	13.5%
Other Revenues	170	165	5	3.2%
Operating Revenues	1,698	1,511	187	12.4%
Personnel	146	186	(40)	(21.4)%
Fuel	156	169	(13)	(7.6)%
Power Purchase	467	394	73	18.6%
Depreciation	141	142	(1)	(0.9)%
Maintenance	129	146	(17)	(12.0)%
Nuclear Back-end	48	13	35	251.9%
Others	363	394	(31)	(7.7)%
Electric Operating Expenses	1,453	1,447	6	0.4%
Other Operating Expenses	152	147	5	3.1%
Operating Expenses	1,605	1,595	10	0.7%
Operating Income (loss)	92	(84)	176	-
Non-operating Income (loss)	2	(8)	10	-
Ordinary Income (loss)	95	(92)	187	-
Reserve for Fluctuations in Water Level (Provision)	(Reversal) 2	(Provision) (3)	5	-
Income Taxes, etc.	32	(12)	44	-
Net income (loss) attributable to shareholders of parent company	64	(84)	148	-

【Electricity Sales(Retail)】

- Decrease in electricity sales (retail) volume (27)
- Increase in revenues based on the Fuel Cost Adjustment System +40
- Increase in surcharge income based on FIT +21

【Other Electric Operating Revenues】

- Increase in grants for the purchase cost from Surcharge Adjustment Organization based on FIT +40, etc.

【Personnel】

- Decrease in amortization of the unrecognized actuarial loss related to retirement benefits (40), etc.

【Fuel, Power Purchase】 +61

- Increase in electricity generated by nuclear power plants due to the resumption of operation of Ikata Unit No.3 (93)
- Increase in purchase of renewable energy sourced electricity +53
- Increase in total electricity sales +52
- Increase in the thermal power generation cost per kWh +25
- Decrease in electricity generated by hydro power plants +22, etc.

		FY2017 1Q (a)	FY2016 1Q (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	100	69	31
	Crude Oil (\$/b)	53	41	12
	LNG (\$/t)	433	312	121
Exchange Rate (¥/\$)		111	108	3

【Maintenance】

- Decrease in construction associated with the nuclear power station (15), etc.

【Nuclear Back-end】

- Increased due to the resumption of operation of Ikata Unit No.3

【Other Electric Operating Expenses】

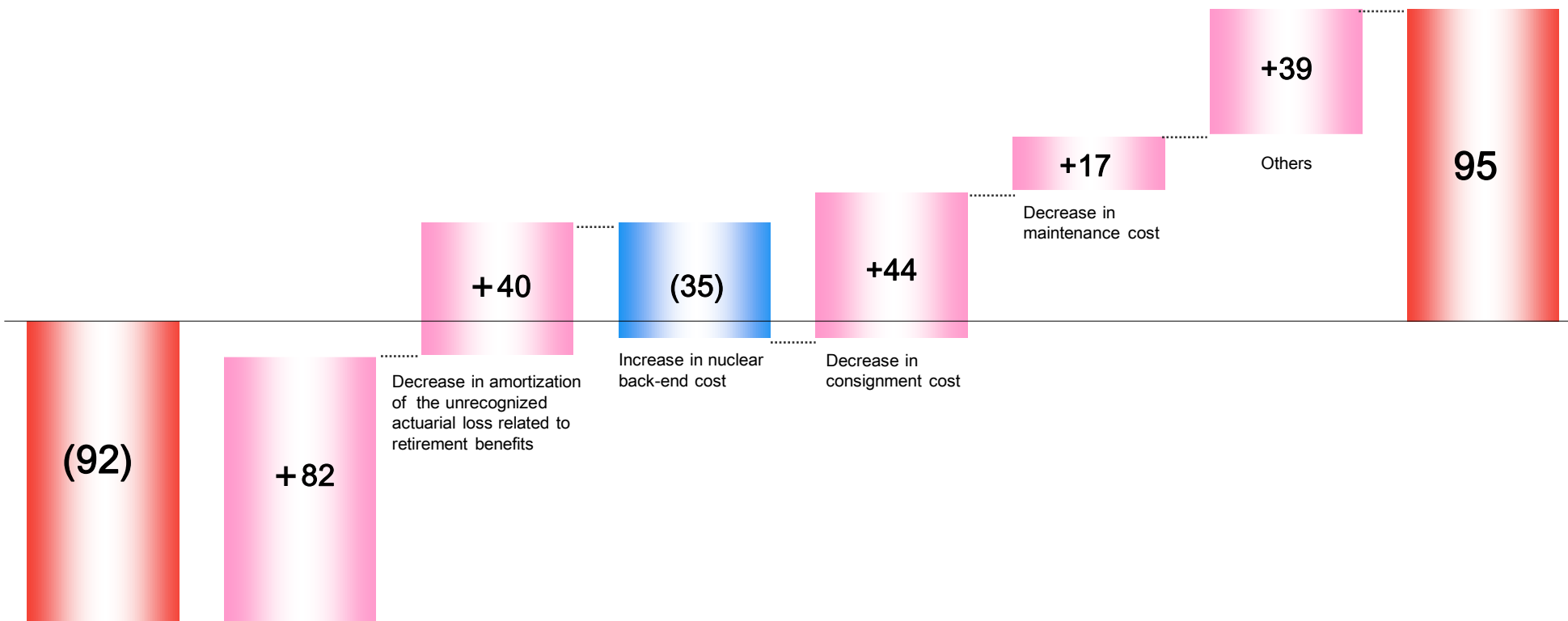
- Decrease in consignment cost (44)
- Increase in submission to Surcharge Adjustment Organization based on FIT +21, etc.

Ordinary Income

(100 million yen)

FY2016
1Q

FY2017
1Q



Income related to demand and supply

- Increase in electricity generated by the nuclear power plant +93
- Decrease in electricity generated by hydro power plants (22), etc.

I - 4 . Results by Segment

(100 million yen)

		FY2017 1Q (a)	FY2016 1Q (b)	(a-b)	Main Factors	
Consolidated	Revenues	1,698	1,511	187		
	Segment Profit	92	(84)	176	-	
Segment	Electric Utility*	Revenues	1,531	1,349	182	Increase in wholesales revenues, revenues based on the Fuel Cost Adjustment System, the surcharge income and grants based on the FIT, etc. Increase in income related to demand and supply, decrease in amortization of the unrecognized actuarial loss, etc.
		Segment Profit	73	(105)	178	
	IT/ Communications*	Revenues	85	82	3	Increase in FTTH and mobile service business, etc.
		Segment Profit	11	7	4	
	Construction/ Engineering*	Revenues	93	107	(14)	Decrease in orders received of construction contracts, etc.
		Segment Profit	(0)	1	(1)	
	Energy*	Revenues	47	49	(2)	-
		Segment Profit	3	8	(5)	
	Others*	Revenues	95	106	(11)	Decrease in sales of manufacturing, etc.
		Segment Profit	3	5	(2)	

* Internal transactions are not eliminated

* "Construction/Engineering" and "Energy", which used to be included in "Others", are listed separately as the reportable segments from FY2016 ending Mar. 31, 2017.

Capital Investment

(100 million yen)

	FY2017 1Q
Electric Utility	178
<Safety measures at Ikata nuclear power station>	<35>
<Replacement of unit no.1 of Saijo thermal power station>	<23>
IT/Communications	6
<FTTH>	<1>
Construction/Engineering, Energy, Others	8
Total	194

I - 5 . Financial Position

(100 million yen)

	Jun 30, 2017 (a)	Mar 31, 2017 (b)	(a-b)	Details
Total assets	12,982	13,012	(30)	
	12,403	12,399	4	
<Plant and equipment, and intangible assets (except suspense account related to nuclear power decommissioning, manufacturing process in progress related to reprocessing of irradiated nuclear fuel)>	<8,277>	<8,294>	<(17)>	<ul style="list-style-type: none"> · Capital investment +159 · Advance of depreciation (164) · Retirement of equipment, etc. (12)
<Nuclear fuel>	<1,206>	<1,199>	<7>	
<Accounts receivable, etc.>	<3,498>	<3,518>	<(20)>	<ul style="list-style-type: none"> · Increase in accounts receivable due to increase in grants based on FIT +97 · Decrease in cash and deposits (129), etc.
Liabilities	9,922	9,973	(51)	
	9,607	9,640	(33)	
<Bonds and loans>	<7,118>	<7,077>	<41>	
<Accrued expenses, etc.>	<2,803>	<2,896>	<(93)>	Decrease in accrued expenses (110), etc.
Total net assets	3,060	3,038	22	
	2,796	2,759	37	
<Retained earnings>	<1,497>	<1,473>	<24>	<ul style="list-style-type: none"> · Net Income +64 · Dividend payment (41)
<Accumulated other comprehensive income>	<167>	<169>	<(2)>	
Shareholders' equity ratio	23.6%	23.3%	0.3%	
	22.5%	22.3%	0.2%	

* The figures in the lower rows of "Total assets", "Liabilities", "Total net assets" and "Shareholders' equity ratio" are on non-consolidated basis.

II. Forecasts of Consolidated Financial Results & Dividends for FY2017

Unchanged from forecasts announced in April 2017

- ❑ Operating revenues are expected to increase ¥25.5 billion YoY, to ¥710.0 billion. The main factors are as follows;
 - ✓ Revenues based on the Fuel Cost Adjustment System is expected to increase due to rise in the fuel prices.
 - ✓ The surcharge income and grants from Surcharge Adjustment Organization based on FIT is expected to increase.
 - ✓ Total electricity sales is expected to decrease.
- ❑ Operating income is expected to increase by ¥6.5 billion, to ¥26.5 billion; ordinary income is expected to increase by approx. ¥9.0 billion, to ¥25.0 billion; and net income is expected to increase by approx. ¥6.0 billion, to ¥17.5 billion. The main factors are as follows;
 - ✓ Personnel cost is expected to decrease in reaction to the amortization of the unrecognized actuarial loss in previous year.
 - ✓ Maintenance cost is expected to increase.
- ❑ The annual dividends of FY2017 is planned to be increased by ¥ 10 per share YoY, to ¥ 30.
 - ✓ The interim dividends will be ¥ 15 per share.
 - ✓ The year-end dividends will be ¥ 15 per share.

Financial Results

(100 million yen)

	FY2017 (Forecast) <a>	FY2016 (Result) 	change	
			<c=a-b>	<c / b>
Operating Revenues	7,100	6,845	255	3.7%
Operating Income	265	200	65	32.4%
Ordinary Income	250	159	91	57.0%
Net Income Attributable Shareholders of Parent Company	175	113	62	54.2%
Net income per share	¥85	¥55	¥30	-

Dividends per Share

	FY2017 (Forecast)	FY2016 (Result)
Interim	¥15	¥0
Year-end	¥15	¥20

Electricity Sales

(100 million kWh)

	FY2017 (Forecast) <a>	FY2016 (Result) 	change	
			<c=a-b>	<c / b>
Retail	250.8	257.0	(6.2)	(2.4)%
• Lighting	87.7	90.8	(3.1)	(3.5)%
• Power	163.1	166.2	(3.1)	(1.8)%
Wholesale	30.6	47.1	(16.5)	(35.0)%
Total	281.4	304.1	(22.7)	(7.5)%

Fuel Prices / Exchange Rate and Other Factors

	FY2017 (Forecast) <a>	FY2016 (Result) 	change <c=a-b>
Capacity Factor of Ikata Unit No.3(%)	69.2	63.4	5.8
Coal CIF Price (\$/t)	100	81	19
Crude Oil CIF Price (\$/b)	55	48	7
Exchange Rate (¥/\$)	110	108	2

<Reference> Non-Consolidated Financial Results

(100 million yen)

	FY2017 1Q (a)	FY2016 1Q (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	1,109	1,075	34	3.2%
<Surcharge Income based on FIT>	<126>	<105>	<21>	<20.8%>
Electricity Sales(Wholesale), etc.	120	30	90	301.2%
Others	323	269	54	20.1%
<Grants for the Purchase Cost from Surcharge Adjustment Organization based on FIT>	<257>	<217>	<40>	<18.5%>
Operating Revenues	1,554	1,375	179	13.1%
Personnel	147	187	(40)	(21.3)%
Fuel	156	169	(13)	(7.6)%
Power Purchase	467	394	73	18.6%
Depreciation	142	143	(1)	(0.9)%
Maintenance	129	148	(19)	(12.2)%
Nuclear Back-end	48	13	35	251.9%
Others	386	416	(30)	(7.4)%
Operating Expenses	1,478	1,474	4	0.3%
Operating Income (loss)	75	(98)	173	-
Non-operating Income	24	20	4	-
Ordinary Income (loss)	100	(78)	178	-
Reserve for Fluctuations in Water Level	(Reversal) 2	(Provision) (3)	5	-
Income Taxes, etc.	27	(17)	44	-
Net Income (loss)	75	(64)	139	-

【Electricity Sales(Retail)】

- Decrease in electricity sales (retail) volume (27)
- Increase in revenues based on the Fuel Cost Adjustment System +40

【Personnel】

- Decrease in amortization of the unrecognized actuarial loss related to retirement benefits (40), etc.

【Fuel, Power Purchase】 +61

- Increase in electricity generated by nuclear power plants due to the resumption of operation of Ikata Unit No.3 (93)
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CIF Price (all Japan)	Coal (\$/t)	100	69	31
	Crude Oil (\$/b)	53	41	12
	LNG (\$/t)	433	312	121
Exchange Rate (¥/\$)		111	108	3

【Maintenance】

- Decrease in construction associated with the nuclear power station (15), etc.

【Nuclear Back-end】

- Increased due to the resumption of operation of Ikata Unit No.3

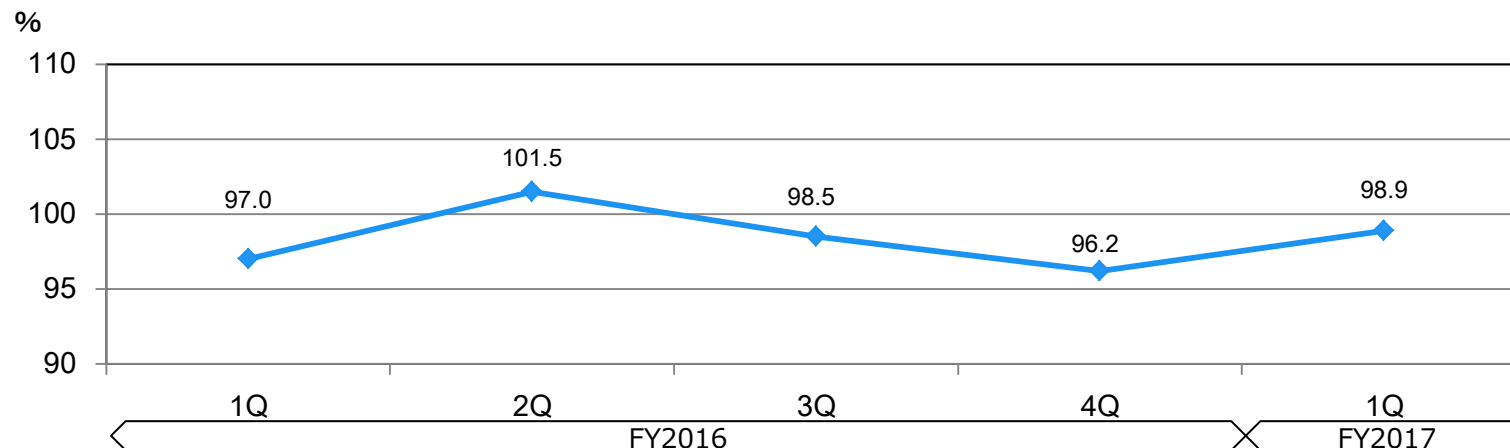
【Other Electric Operating Expenses】

- Decrease in consignment cost (44)
- Increase in submission to Surcharge Adjustment Organization based on FIT +21, etc.

Supplemental material for FY2017 1Q

- Trend of Electricity Sales to Large-scale Industrial Customers
- Trend of All-electric Housing Construction
- Consumption of Fossil Fuels
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Year on Year Growth Rate (Total)

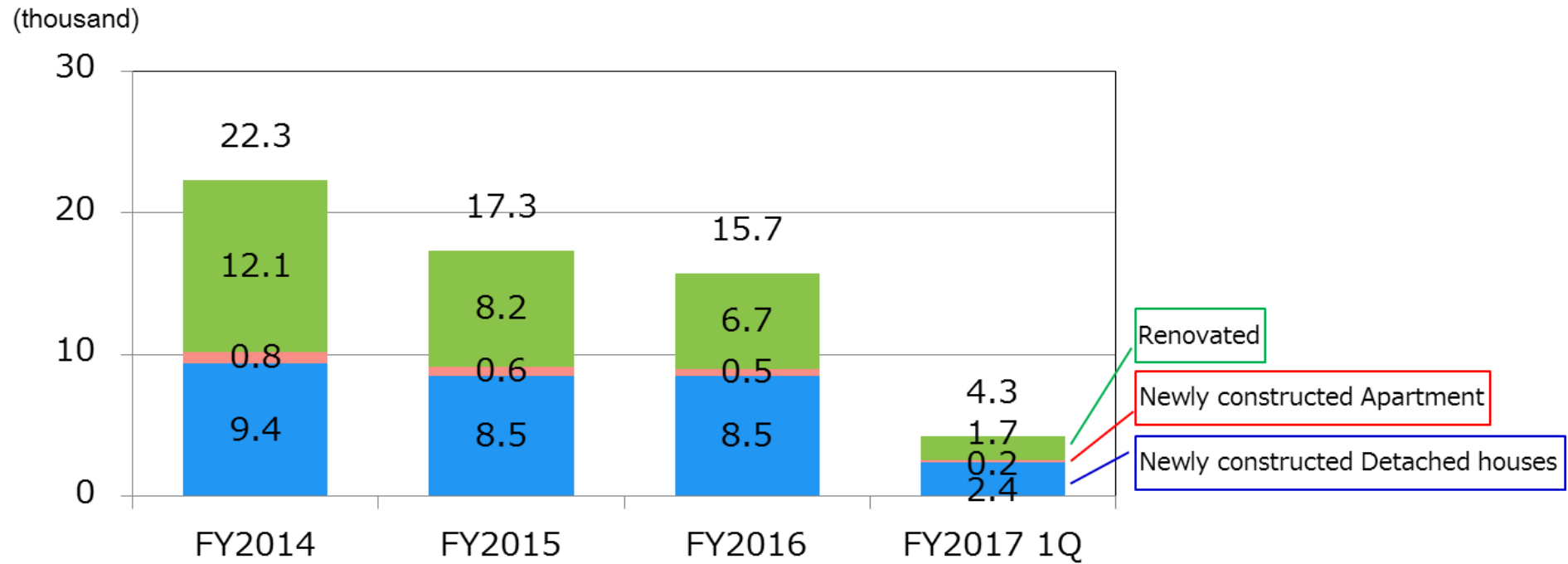


Year on Year Growth Rate (By Segment)

	FY2016					FY2017
	1Q (Apr-Jun)	2Q (Jul-Sep)	3Q (Oct-Dec)	4Q (Jan-Mar)	Total	1Q (Apr-Jun)
Total	(3.0)	1.5	(1.5)	(3.8)	(1.7)	(1.1)
Textiles	(19.6)	(19.3)	(15.4)	(22.4)	(19.1)	(4.1)
Paper/Pulp	(16.0)	(15.2)	(20.9)	(18.8)	(17.7)	(7.6)
Chemicals	0.9	5.4	2.5	2.0	2.7	3.4
Steel	5.4	11.9	0.5	(8.3)	1.5	(3.7)
Machinery	0.8	6.1	7.1	3.5	4.4	1.9
Others	(0.3)	4.4	1.4	(0.1)	1.4	(1.2)

Decrease due to operation of onsite power generations of some customers, etc.

Number of All-electric Housing Construction



【Consumption of Fossil Fuels】

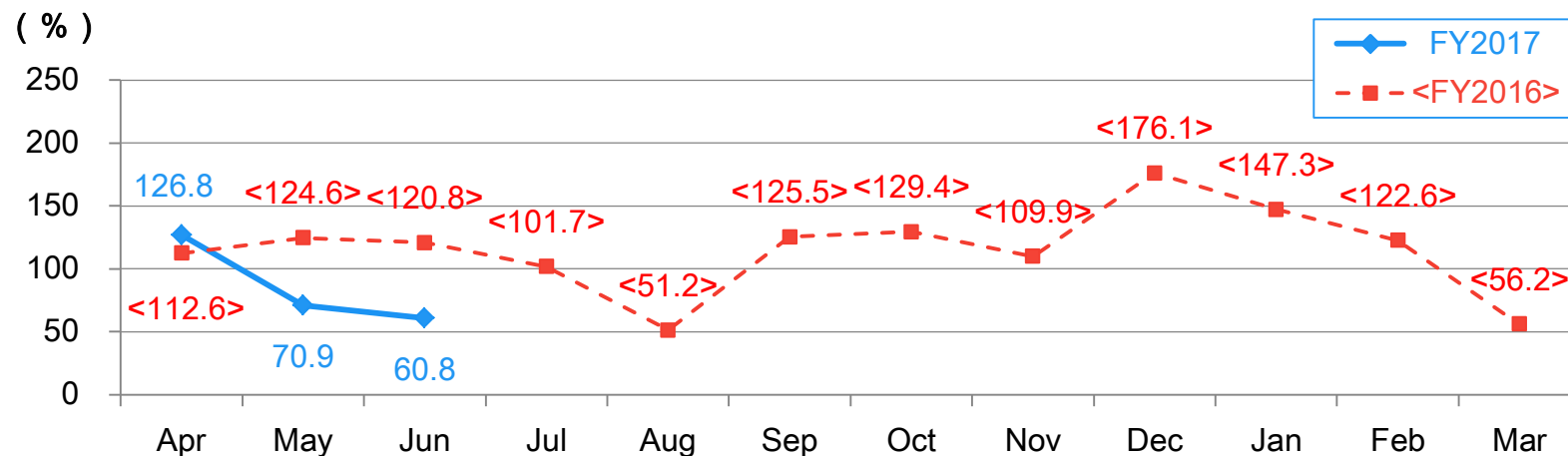
	FY20171Q (A)	FY2016 1Q (B)	(A-B)	(ref.) FY2016
Coal (10,000t)	55.5	56.2	(0.7)	303.5
Heavy Oil (10,000kl)	2.9	16.2	(13.3)	38.1
Crude Oil (10,000kl)	0.4	6.3	(5.9)	10.8
LNG (10,000t)	7.5	7.3	0.2	28.5

【Fuel Prices】

	FY20171Q (A)	FY2016 1Q (B)	(A-B)	(ref.) FY2016
CIF price: Coal (\$/t)	100	69	31	81
CIF price: Crude Oil (\$/b)	53	41	12	48
CIF price: LNG (\$/t)	433	312	121	361
Exchange rate (¥/\$)	111	108	3	108

Flow Rate, Financial Sensitivity for Key Factors

Flow Rate



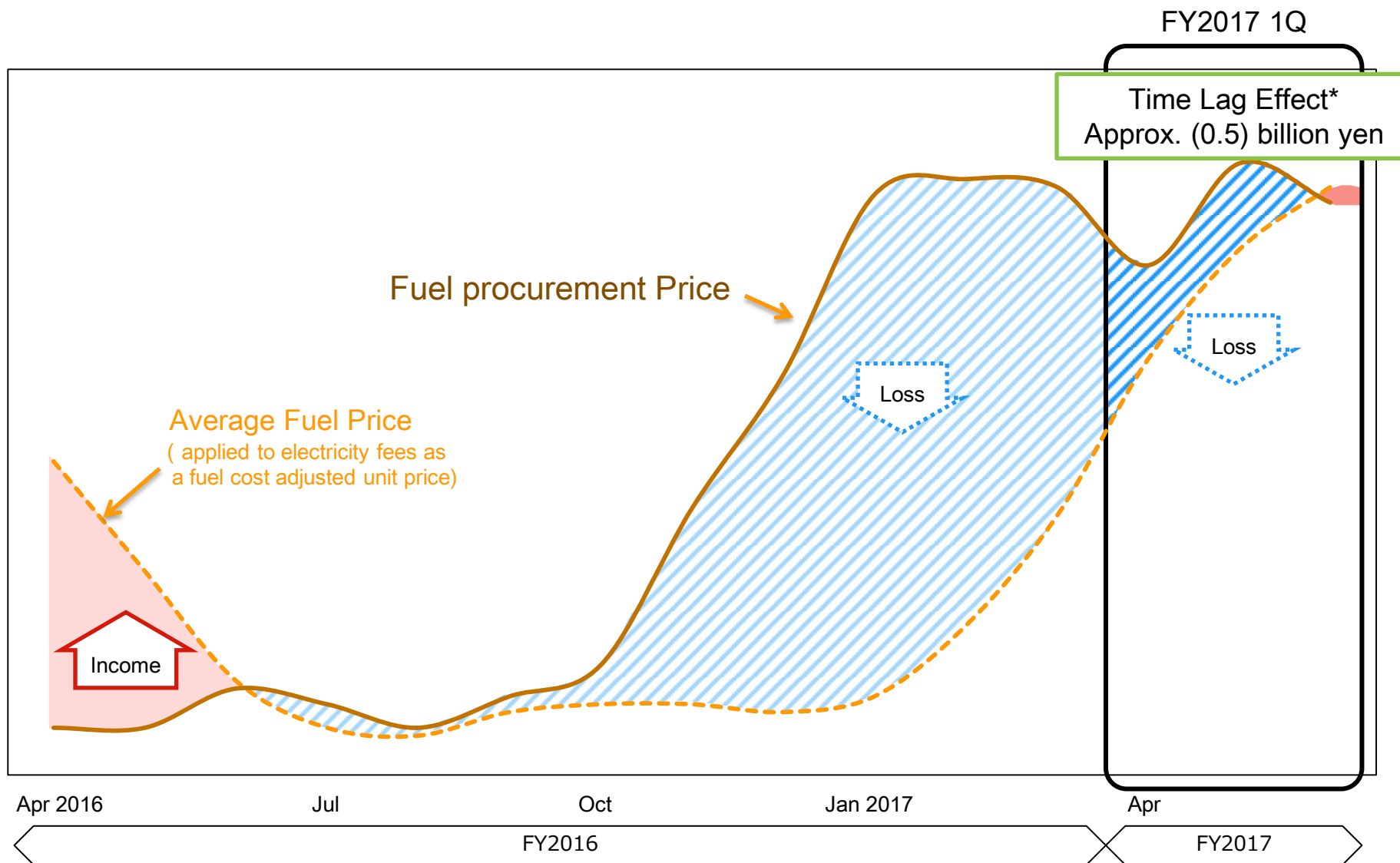
Financial Sensitivity for Key Factors

(100 million yen)

	FY2017 1Q
CIF price: crude oil (1\$/b)	0
CIF price: coal (1\$/t)	1
Exchange rate (¥ 1/\$)	2
Nuclear power capacity factor (1%)	1
Flow Rate (1%)	0

*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 considering Ikata Unit No.3.



*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.

(100 million yen)

	FY2017 1Q	<ref.> FY2016
Power sources	83	337
Hydro	12	48
Thermal	27	117
Nuclear	43	172
Transmission	8	57
Transformation	19	57
Distribution	26	95
Other	9	31
Subtotal	147	579
Nuclear fuel	31	45
Electric power business	178	625
Other business	15	58
Total ※	194	684

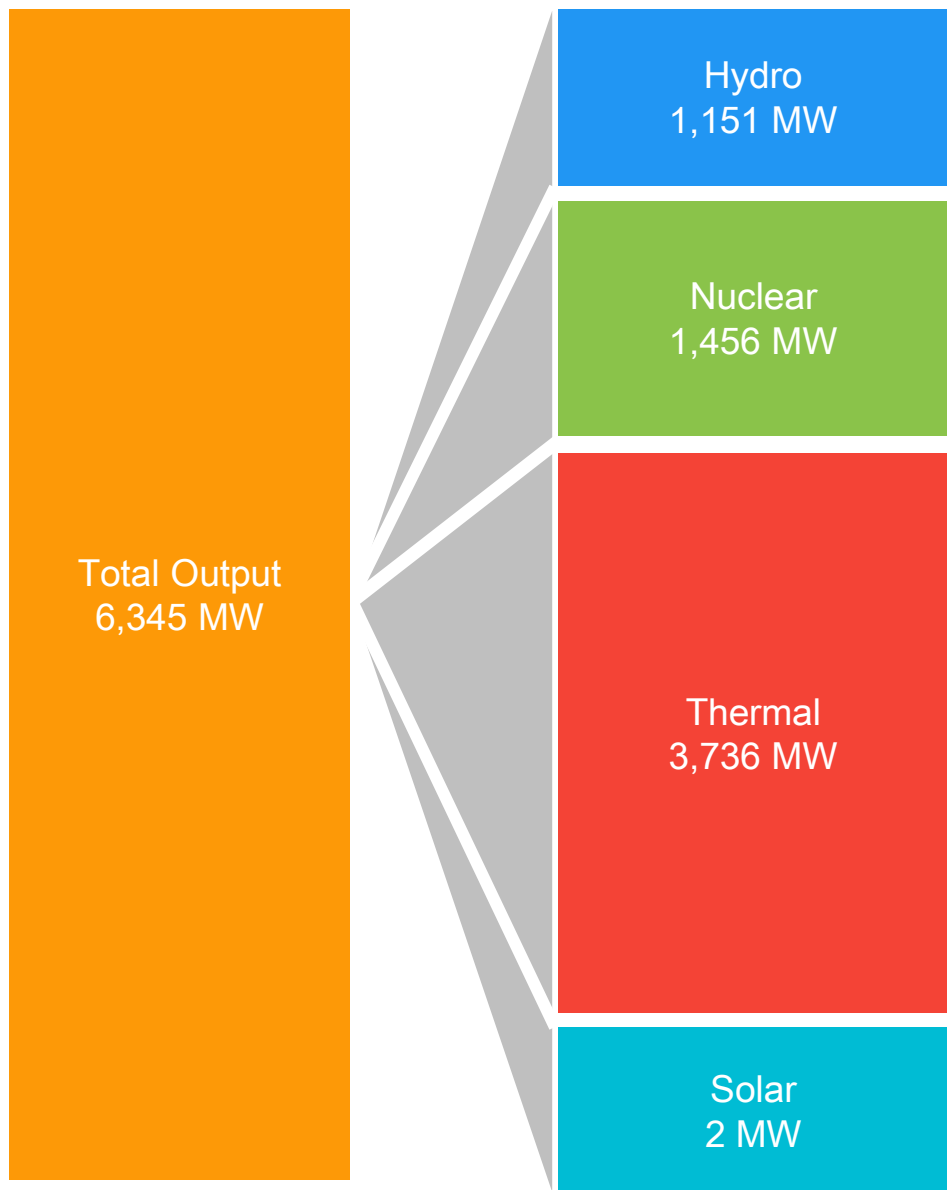
※before the elimination of unrealized profits

(100 million yen)

		Total (forecasts)	FY2011~FY2016 (results)		FY2017 1Q (results)
				FY2016	
Facility Construction	Short term	Approx. 750	717	51	0
	Medium term	Approx. 700	282	71	35
Analysis and Evaluation		Approx. 250	239	13	0
		Approx.1,700	1,239	136	35
Total	Capital Investment	Approx.1,400	921	115	35
	Expenses	Approx. 300	317	20	0

*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.

(As of June 30, 2017)



Types	Output (MW)
Run-of-the-river type	307
Reservoir type	158
Pumped-storage	686

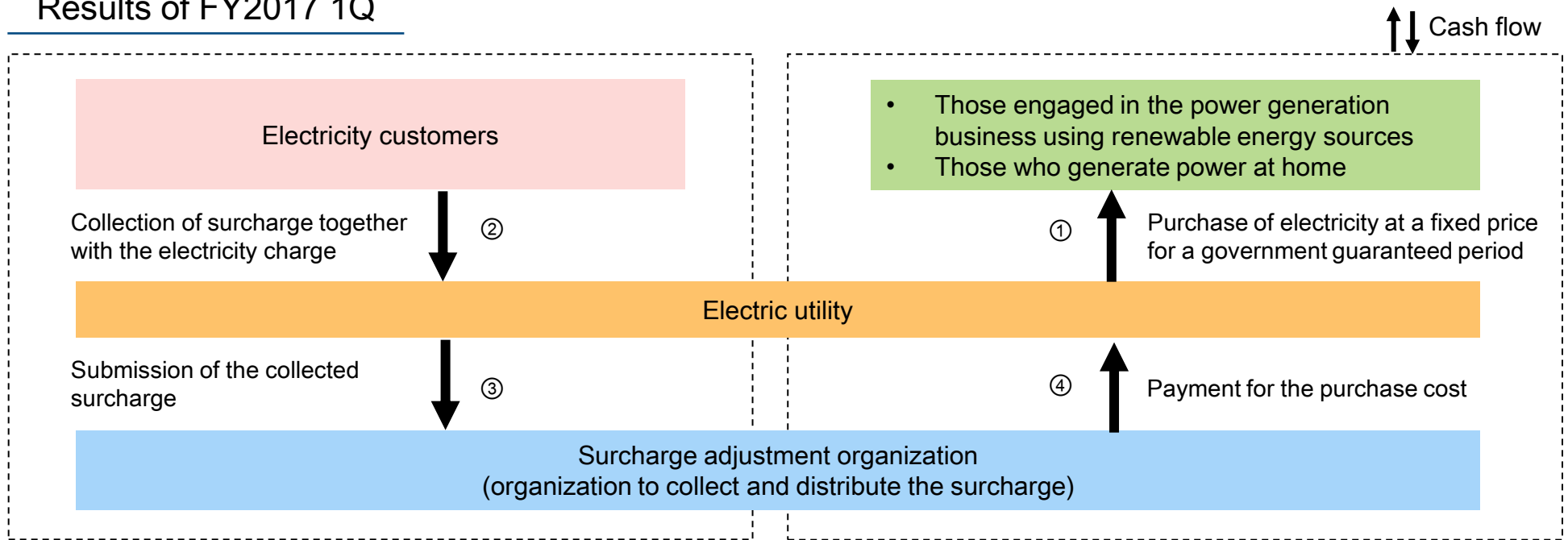
Power Plant	Output (MW)	Start of operations	Age
Ikata (Unit No.1)	(566)	(September 1977)	(38)
Unit No.2	566	March 1982	35
Unit No.3	890	December 1994	22

(Decommissioned on May 10, 2016)

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	17	Coal
Saijo Unit No.1	156	November 1965	51	Coal / Biomass / Oil
Unit No.2	250	June 1970	47	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	44	Oil / COG
Unit No.4	350	May 1974	43	LNG / COG

Power Plant	Output (MW)	Start of operations	Age
Matsuyama	2	March 2003	14

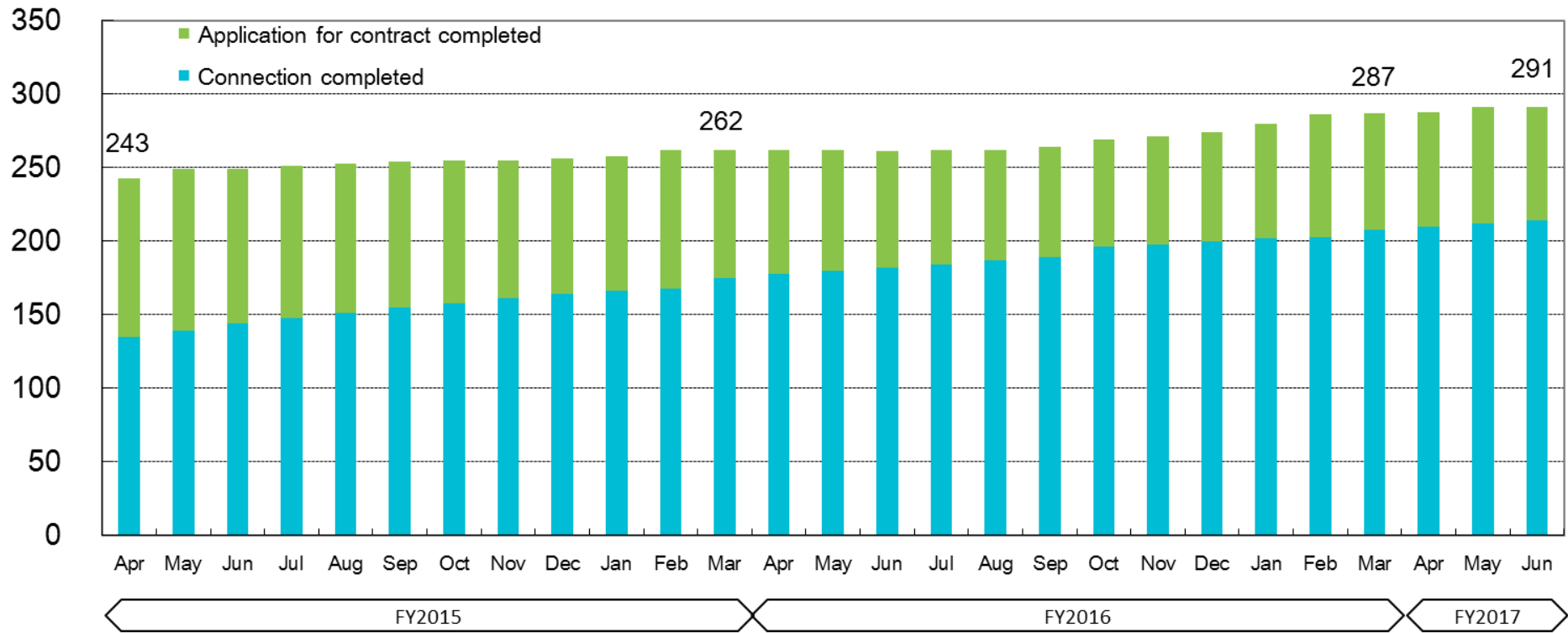
Results of FY2017 1Q



(100 million yen)	
② Surcharge	126
We collect surcharge from customers with the electricity charge.	
③ Submission of the collected surcharge	126
We submit the collected surcharge to surcharge adjustment organization.	

(100 million yen)	
① Purchase of electricity	315
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.	
④ Payment for the purchase cost	257
Surcharge adjustment organization pay grants corresponding to the actual purchase costs.	

{10MW}



* Outputs are including southern part of Awaji Island.

* Outputs after October 2016 are total amount of Shikoku region, including new electric utility entrants.

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.