

FY2018 1Q Financial Results Outline

(April 1, 2018 – June 30, 2018)

July 31, 2018

SHIKOKU ELECTRIC POWER CO.,INC.

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Overview of Consolidated Financial Results

【 Financial Results for FY 2018 1Q 】

- ❑ Operating revenues decreased by ¥4.1 billion YoY, to ¥ 165.7 billion. The main factors were as follows;
 - ✓ Revenues from retail electricity sales decreased.
 - ✓ Revenues from electricity wholesale decreased.

- ❑ Operating expenses increased by ¥ 10.0 billion YoY, to ¥ 170.5 billion. The main factors were as follows;
 - ✓ The total amount of the fuel and power purchase cost increased due to
 - the suspension of the Ikata Nuclear Power Station Unit No.3.
 - the rise in fuel prices.

- ❑ As a result,
 - ✓ Operating profit (loss) decreased by ¥ 13.9 billion YoY, to loss of ¥ 4.7 billion.
 - ✓ Ordinary profit (loss) decreased by ¥ 14.5 billion YoY to loss of ¥ 5.0 billion.
 - ✓ Profit (loss) attributable to owners of parent decreased by ¥ 10.9 billion YoY to loss of ¥ 4.5 billion.

【 Forecasts of financial results & dividends for FY 2018 】

- ❑ Forecasts of consolidated financial results and dividends for FY 2018 are undecided because it is difficult to predict the time when the Ikata Nuclear Power Station Unit No.3 resumes operations.

I . Consolidated Financial Results for FY2018 1Q (April 1, 2018 – June 30, 2018)

Summary of Financial Results (Refer to page 5 to 6 for details)

(100 million yen)

	FY2018 1Q (a)	FY2017 1Q (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	1,657	1,698	(41)	(2.4)%
Operating Expenses	1,705	1,605	100	6.2%
Operating Profit (Loss)	(47)	92	(139)	-
Non-operating Profit (Loss)	(2)	2	(4)	-
Ordinary Profit (Loss)	(50)	95	(145)	-
Income Taxes, etc.	(4)	30	(34)	-
Profit (Loss) attributable to owners of parent	(45)	64	(109)	-

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

(million kWh)

	FY2018 1Q (a)	FY2017 1Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	5,414	5,794	(380)	(6.6)%	- Decrease in contract power, etc.
Lighting	1,837	1,965	(128)	(6.5)%	
Power	3,576	3,828	(252)	(6.6)%	
Wholesale	556	1,489	(933)	(62.7)%	
Total	5,969	7,283	(1,314)	(18.0)%	

*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.
FY2018 1Q	11.4	16.7	19.8	23.1	17.8
Differences from the average year	1.7	1.8	0.5	0.3	1.1
Differences from the previous year	2.0	0.9	(0.7)	0.4	0.7

Electricity Supplied

(million kWh)

	FY2018 1 Q (a)	FY2017 1 Q (b)	(c)=(a)-(b)	(c)/(b)	Details																		
Hydro	1,074	800	274	34.3%	-Flow Rate 84.9% → 101.6%																		
Nuclear	-	2,002	(2,002)	-	-Capacity factor of Ikata Unit No.3: 103.0%→0.0%																		
Coal	68%	73%	(5)%	0.9%	◇Electricity by thermal power <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">FY2018 1Q</th> <th rowspan="2">Change*</th> </tr> <tr> <th>GWh</th> <th>Composition</th> </tr> </thead> <tbody> <tr> <td>Generated</td> <td>2,792</td> <td>64%</td> <td>213</td> </tr> <tr> <td>Purchased</td> <td>1,547</td> <td>36%</td> <td>138</td> </tr> <tr> <td>Total</td> <td>4,339</td> <td>100%</td> <td>351</td> </tr> </tbody> </table> ※Changes from the previous period.(GWh)		FY2018 1Q		Change*	GWh	Composition	Generated	2,792	64%	213	Purchased	1,547	36%	138	Total	4,339	100%	351
		FY2018 1Q					Change*																
GWh		Composition																					
Generated	2,792	64%	213																				
Purchased	1,547	36%	138																				
Total	4,339	100%	351																				
	2,941	2,916	25																				
LNG	9%	13%	(4)%	(20.5)%																			
	403	507	(104)																				
Oil/Gas	23%	14%	9%	75.9%																			
	994	565	429																				
Thermal	100%	100%		8.8%																			
	4,339	3,988	351																				
Renewable Energy	1,061	955	106	11.2%																			

(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.

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

(100 million yen)

	FY2018 1Q (a)	FY2017 1Q (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	1,064	1,109	(45)	(4.1)%
Electricity Sales(Wholesale)	58	120	(62)	(51.2)%
Others	321	296	25	8.3%
Electric Operating Revenues	1,444	1,527	(83)	(5.4)%
Other Revenues	212	170	42	24.3%
Operating Revenues	1,657	1,698	(41)	(2.4)%
Personnel	139	146	(7)	(4.4)%
Fuel	177	156	21	13.2%
Power Purchase	521	467	54	11.4%
Depreciation	134	141	(7)	(5.2)%
Maintenance	144	129	15	11.6%
Nuclear Back-end	14	48	(34)	(69.7)%
Others	381	363	18	4.7%
Electric Operating Expenses	1,512	1,453	59	4.1%
Other Operating Expenses	192	152	40	26.4%
Operating Expenses	1,705	1,605	100	6.2%
Operating Profit(Loss)	(47)	92	(139)	-
Non-operating Profit (Loss)	(2)	2	(4)	-
Ordinary Profit(Loss)	(50)	95	(145)	-
Income Taxes, etc.	(4)	30	(34)	-
Profit(Loss) attributable to owners of parent	(45)	64	(109)	-

【Electricity Sales(Retail)】

- Decrease in electricity sales(68)
- Increase in revenues based on the Fuel Cost Adjustment System +33
- Increase in surcharge income based on FIT +7, etc.

【Other Electric Operating Revenues】

- Increase in grants for the purchase cost from Surcharge Adjustment Organization based on FIT +13
- Increase in wheeling revenue +15, etc.

【Fuel, Power Purchase】 +74

- Decrease in electricity volume generated by nuclear power plants +110
- Increase in purchase of renewable energy sourced electricity +15
- Decrease in total electricity sales (84)
- Increase in the thermal power generation cost per kWh +35, etc.

		FY2018 1Q (a)	FY2017 1Q (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	115	99	16
	Crude Oil (\$/b)	71	53	18
	LNG (\$/t)	502	433	69
Exchange Rate (¥/\$)		109	111	(2)

【Maintenance】

- Increase in construction associated with thermal power plants +14, etc.

【Nuclear Back-end】

- Decreased due to decrease in operation of Ikata Unit No.3

【Other Electric Operating Expenses】

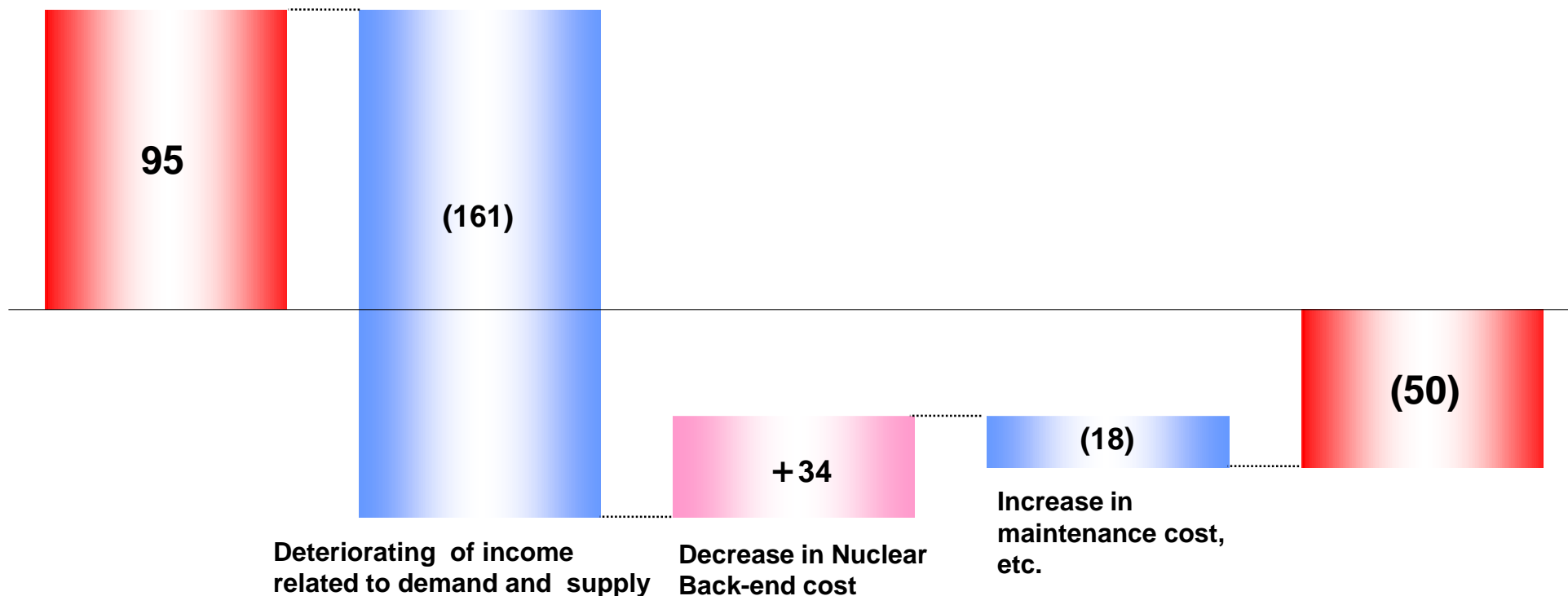
- Increase in submission to Surcharge Adjustment Organization based on FIT +7, etc.

Ordinary Profit (loss)

(100 million yen)

FY2017
1Q

FY2018
1Q



Deteriorating of income related to demand and supply

·Decrease in the electricity volume generated by nuclear power plants(110) , etc.

Decrease in Nuclear Back-end cost

Increase in maintenance cost, etc.

Results by Segment

(100 million yen)

		FY2018 1Q (a)	FY2017 1Q (b)	(a-b)	Main Factors	
Consolidated	Revenues	1,657	1,698	(41)	-	
	Operating Profit (loss)	(47)	92	(139)		
Segment	Electric Utility*	Revenues	1,448	1,531	(83)	-Decrease in retail and wholesales revenues, etc.
		Segment Profit (loss)	(72)	73	(145)	-Deteriorating of income related to demand and supply, etc.
	IT/ Communications*	Revenues	98	85	13	- Increase associated with the expansion of consolidation range*, etc. * Cable Media Shikoku Company, Incorporated, Cable Television Tokushima, Incorporated
		Segment Profit	16	11	5	
	Construction/ Engineering*	Revenues	101	93	8	- Increase in orders received of construction contracts, etc.
		Segment Profit (loss)	(0)	(0)	(0)	
	Energy*	Revenues	52	47	5	-Increase in sales of LNG business, etc.
		Segment Profit	2	3	(1)	
	Others*	Revenues	106	95	11	-Increase in manufacturing business, etc
		Segment Profit	3	3	0	

* Internal transactions are not eliminated

Capital Investment

(100 million yen)

	FY2018 1Q
Electric Utility	174
<Safety measures at Ikata nuclear power station>	<32>
<Replacement of unit no.1 of Saijo thermal power station>	<22>
IT/Communications	9
<FTTH>	<3>
Construction/Engineering, Energy, Others	23
Total	207

(100 million yen)

	Jun30, 2018 (a)	Mar 31, 2018 (b)	(a-b)	Details
Total assets	13,379	13,302	77	
	12,703	12,599	104	
<Plant and equipment, and intangible assets (except Special account related to nuclear power decommissioning, Special account related to reprocessing of spent nuclear fuel)>	<8,243>	<8,221>	<22>	{ <ul style="list-style-type: none"> • Capital investment +165 • Advance of depreciation (158), etc.
<Investments, etc.>	<3,904>	<3,889>	<15>	
Liabilities	10,324	10,176	148	
	9,967	9,800	167	
<Bonds and loans>	<7,260>	<6,832>	<428>	• Decrease in accrued expenses (272), etc.
<Accrued expenses, etc.>	<3,064>	<3,344>	<(280)>	
Total net assets	3,055	3,125	(70)	
	2,736	2,799	(63)	
<Retained earnings>	<1,518>	<1,598>	<(80)>	{ <ul style="list-style-type: none"> • Net Loss (45) • Dividend payment (31), etc.

Shareholders' equity ratio	22.7%	23.5%	(0.8)%
	21.5%	22.2%	(0.7)%

* 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 FY2018

- The forecasts of consolidated financial results and dividends for FY 2018 are undecided because it is difficult to predict the time when the Ikata Nuclear Power Station Unit No. 3 resumes operations.
- These financial forecasts will be promptly released as soon as they are determined.

(100 million yen)

	FY2018 1Q (a)	FY2017 1Q (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	1,064	1,109	(45)	(4.1)%
<Surcharge Income based on FIT>	<133>	<126>	<7>	<4.9%>
Electricity Sales(Wholesale)	58	120	(62)	(51.2)%
Others	352	323	29	8.7%
<Grants for the Purchase Cost from Surcharge Adjustment Organization based on FIT>	<270>	<257>	<13>	<5.1%>
Operating Revenues	1,475	1,554	(79)	(5.1)%
Personnel	141	147	(6)	(4.1)%
Fuel	177	156	21	13.2%
Power Purchase	521	467	54	11.4%
Depreciation	135	142	(7)	(5.3)%
Maintenance	145	129	16	11.6%
Nuclear Back-end	14	48	(34)	(69.7)%
Others	412	386	26	6.8%
Operating Expenses	1,547	1,478	69	4.6%
Operating Profit(Loss)	(71)	75	(146)	-
Non-operating Profit	23	24	(1)	(4.5)%
Ordinary Profit(Loss)	(48)	100	(148)	-
Income Taxes, etc.	(13)	27	(40)	-
Profit(Loss)	(35)	75	(110)	-

【Electricity Sales(Retail)】

- Decrease in electricity sales(68)
- Increase in revenues based on the Fuel Cost Adjustment System +33, etc.

【Fuel, Power Purchase】 +74

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Exchange Rate (¥/\$)		109	111	(2)

【Maintenance】

- Increase in construction associated with thermal power plants +14, etc.

【Nuclear Back-end】

- Decreased due to decrease in operation of Ikata Unit No.3

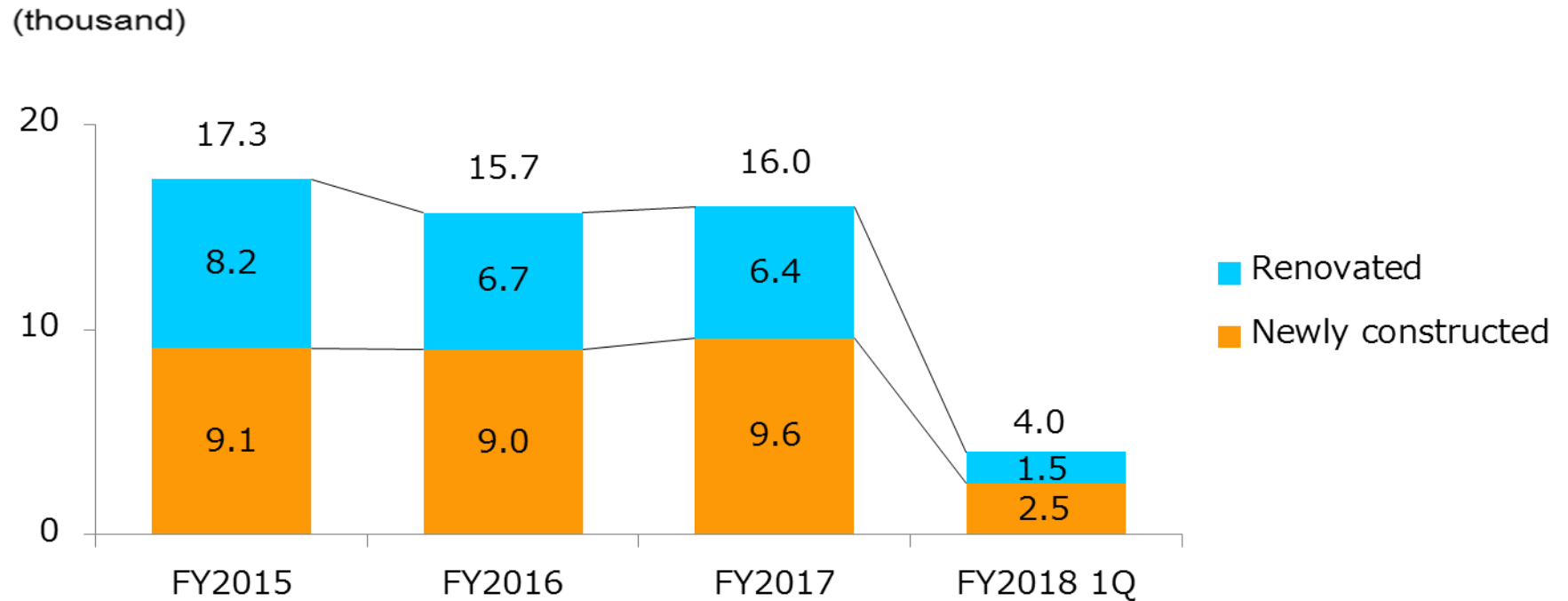
【Others】

- Increase in submission to Surcharge Adjustment Organization based on FIT +7, etc.

Supplemental material for FY2018 1Q

- 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

Number of All-electric Housing Construction



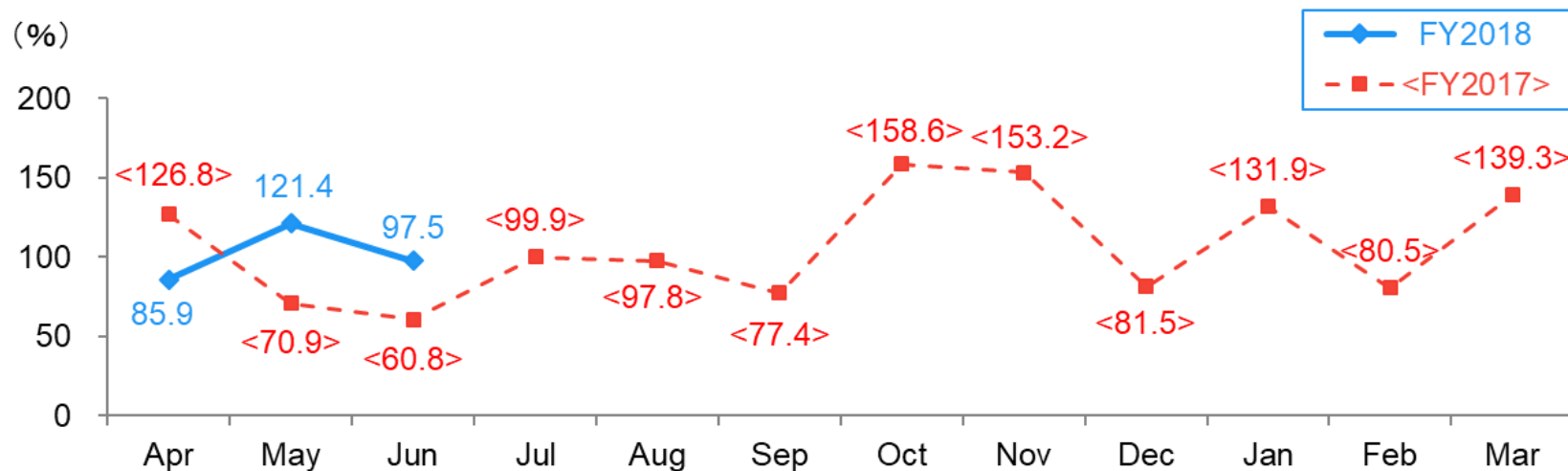
	FY2018 1Q (A)	FY2017 1Q (B)	(A-B)
Coal (10,000t)	58.3	55.5	2.8
Heavy Oil (10,000kl)	7.8	2.9	4.9
Crude Oil (10,000kl)	0.5	0.4	0.1
LNG (10,000t)	5.8	7.5	▲ 1.7

【Fuel Prices】

	FY2018 1Q (A)	FY2017 1Q (B)	(A-B)
CIF price: Coal (\$/t)	115.0	99.0	16.0
CIF price: Crude Oil (\$/b)	71.0	53.0	18.0
CIF price: LNG (\$/t)	502.0	433.0	69.0
Exchange rate (¥/\$)	109.0	111.0	▲ 2.0

Flow Rate, Financial Sensitivity for Key Factors

Flow Rate



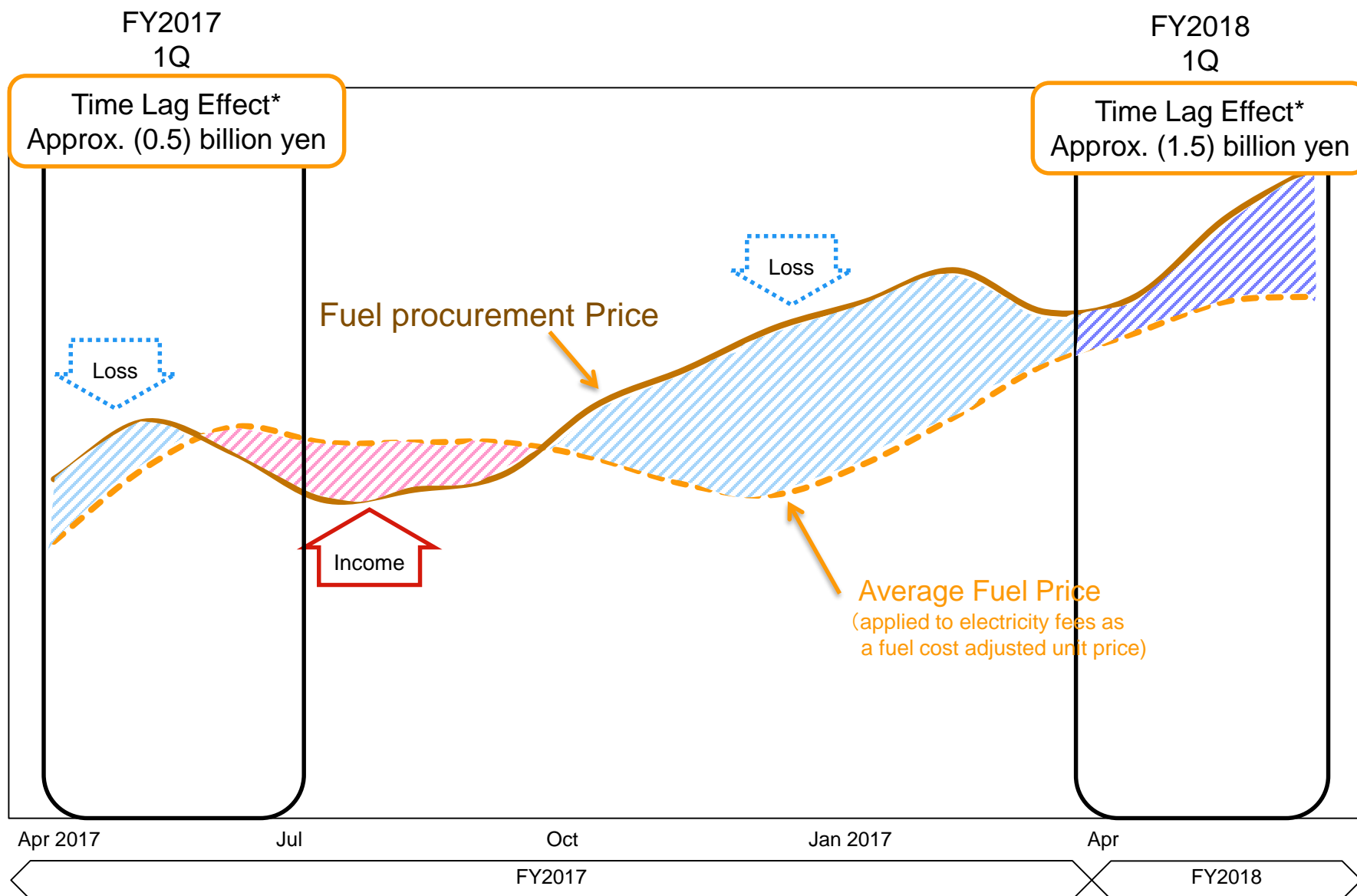
Financial Sensitivity for Key Factors

(100 million yen)

	FY2018 1Q
CIF price: crude oil (1\$/b)	1
CIF price: coal (1\$/t)	1
Exchange rate (¥ 1/\$)	2
Nuclear power capacity factor (1%)	1
Flow Rate (1%)	1

*Because this sensitivity is theoretical value calculated based on some assumption, real impacts could change depending actual supply/demand situation.

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.

(100 million yen)

	FY2018 1Q	<ref> FY2017
Power sources	76	403
Hydro	2	32
Thermal	33	130
Nuclear	40	240
Transmission	15	49
Transformation	15	61
Distribution	21	76
Other	5	24
Subtotal	134	616
Nuclear fuel	39	166
Electric power business	174	782
Other business	32	72
Total [※]	207	854

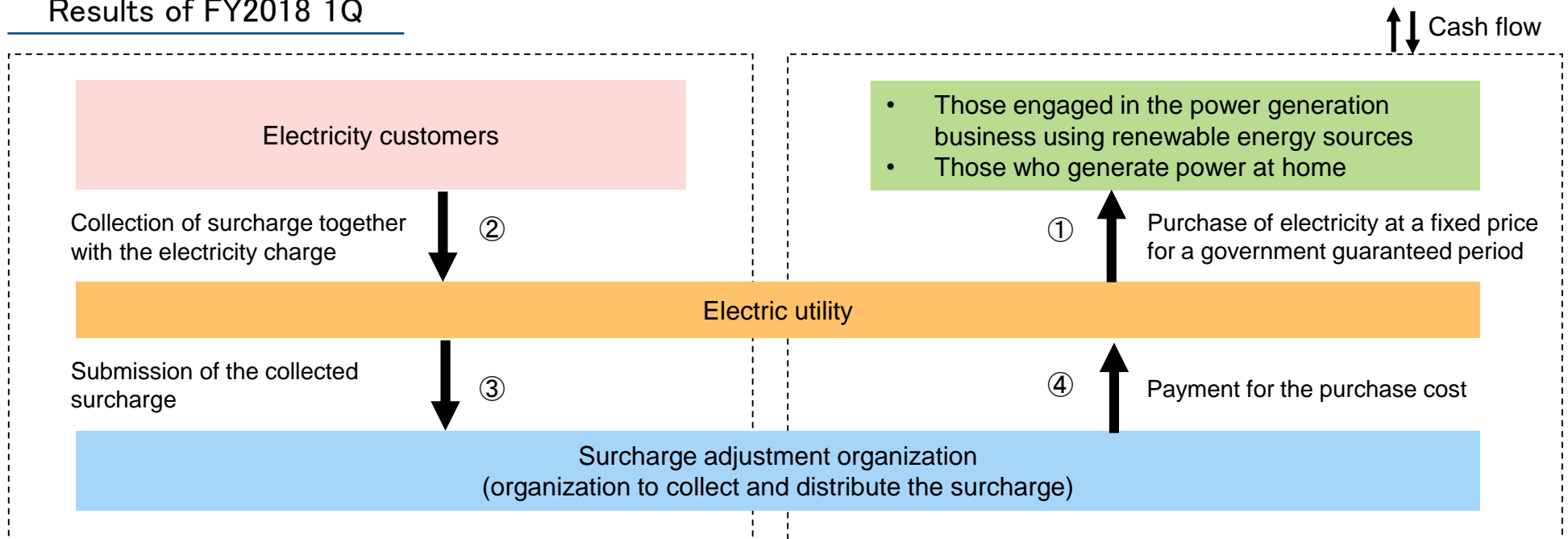
※before the elimination of unrealized profits

(100 million yen)

		Total (forecasts)	FY2011~FY2017 (results)		FY2018 1Q (results)
				FY2017	
Facility Construction	Short term	Approx. 720	717	0	0
	Medium term	Approx. 940	428	145	32
Analysis and Evaluation		Approx. 240	240	0	0
Total		Approx. 1,900	1,386	146	32

*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.

Results of FY2018 1Q



② Surcharge	133
We collect surcharge from customers with the electricity charge.	
③ Submission of the collected surcharge	133
We submit the collected surcharge to surcharge adjustment organization.	

① Purchase of electricity	336
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	270
Surcharge adjustment organization pay grants corresponding to the actual purchase costs.	

(100 million yen)



SHIKOKU ELECTRIC POWER CO., INC.

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.