

FY2019 Financial Results Outline

(April 1, 2019 – March 31, 2020)

April 28, 2020

SHIKOKU ELECTRIC POWER CO.,INC.

Contents

Overview of Consolidated Financial Results 1

I . Consolidated Financial Results for FY2019

➤ Summary of Financial Results	2
➤ Electricity Sales	3
➤ Electricity Supplied	5
➤ Details of Consolidated Financial Results	6
➤ Results by Segment	9
➤ Cash Flows	10
➤ Financial Position	11
➤ Dividends	13

II . Forecasts of Consolidated Financial Results & Dividends for FY2020 14

Supplemental Material for FY2019

➤ Number of All-electric Housing Construction	15
➤ Consumption of Fossil Fuels	16
➤ Flow Rate, Financial Sensitivity for Key Factors	17
➤ Time Lag Effect of Fuel Cost Adjustment System	18
➤ Plant and Equipment Expenditures (consolidated)	19
➤ Feed-in Tariff Scheme	22

Overview of Consolidated Financial Results

【 Financial Results for FY 2019】

- ❑ Operating revenues decreased by ¥ 4.1 billion YoY, to ¥ 733.1 billion. The main factors were as follows;
 - ✓ Retail electricity sales declined sharply, due to progressing of competition and decreasing in the revenue based on the Fuel Adjustment System.
 - ✓ Wholesales electricity sales and the purchase cost from Surcharge Adjustment Organization based on FIT increased.
- ❑ Operating expenses decreased by ¥ 9.7 billion YoY, to ¥ 701.8 billion. The main factors were as follows;
 - ✓ Total amount of fuel and power purchase cost decreased due to increase in operation of Ikata Unit No.3.
 - ✓ Overall management cost reduced.
- ❑ As a result,
 - ✓ Operating profit increased by ¥ 5.5 billion YoY, to ¥ 31.2 billion.
 - ✓ Ordinary profit increased by ¥ 2.8 billion YoY, to ¥ 27.9 billion.
 - ✓ Profit attributable to owners of parent increased by ¥ 1.1 billion YoY, to ¥ 18.0 billion.

【 Forecasts of Financial Results for FY 2020 】

- ❑ The forecasts of consolidated financial results is undecided because it is difficult to predict the time when the Ikata Nuclear Power Station Unit No. 3 resumes operations.

【 Dividends】

- ❑ The year-end dividend for FY2019 is ¥ 15 per share, as forecasted.
The total annual dividend will be ¥ 30 per share, with interim dividend paid in November 2019.
(no change from the previous year)
- ❑ The annual dividend for FY2020 is undecided.

I . Consolidated Financial Results for FY2019 (April 1, 2019 – March 31, 2020)

Summary of Financial Results (Refer to page 6 to 8 for details)

(100 million yen)				
	FY2019 (a)	FY2018 (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	7,331	7,372	(41)	(0.6)%
Operating Expenses	7,018	7,115	(97)	(1.4)%
Operating Profit	312	257	55	21.6%
Interest Expenses, etc.	33	6	27	455.3%
Ordinary Profit	279	251	28	11.2%
Extraordinary losses	17	-	17	-
Income Taxes, etc.	80	81	(1)	(0.6)%
Profit attributable to owners of parent	180	169	11	6.5%

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

(million kWh)					
	FY2019 (a)	FY2018 (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	22,396	23,296	(900)	(3.9)%	<ul style="list-style-type: none"> · Decrease in contract power · Decrease in reaction to higher summer temperatures in the previous year, etc.
Lighting	8,169	8,539	(370)	(4.3)%	
Power	14,226	14,757	(531)	(3.6)%	
Wholesale	7,424	4,648	2,776	59.7%	
Total	29,820	27,944	1,876	6.7%	

*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)

	Jun	Jul	Aug	Sep	4-month AVG.
FY2019	23.2	26.1	28.0	26.3	25.9
Differences from the average year	0.4	(0.7)	0.2	1.8	0.4
Differences from the previous year	0.1	(2.4)	(1.2)	2.1	(0.4)

(°C)

	Dec	Jan	Feb	Mar	4-month AVG.
FY2019	9.7	8.8	8.4	11.5	9.6
Differences from the average year	1.4	2.8	1.8	1.8	2.0
Differences from the previous year	0.1	1.7	0.1	0.6	0.6

Electricity Sales in the Last 5 Years

(million kWh)

	FY2015	FY2016	FY2017	FY2018	FY2019
Lighting	8,932	9,081	9,224	8,539	8,169
Power	16,822	16,615	15,896	14,757	14,226
Total	25,754	25,697	25,120	23,296	22,396

Electricity Sales Changes from the Previous Fiscal Year

	FY2015	FY2016	FY2017	FY2018	FY2019
Lighting	(3.3)%	1.7%	1.6%	(7.4)%	(4.3)%
Power	(1.9)%	(1.2)%	(4.3)%	(7.2)%	(3.6)%
Total	(2.4)%	(0.2)%	(2.2)%	(7.3)%	(3.9)%

Average Temperatures in Prefectural Capitals in Shikoku

(°C)

	FY2015	FY2016	FY2017	FY2018	FY2019
Summer* ¹	24.9	26.4	26.0	26.3	25.9
Winter* ²	8.9	8.2	7.1	9.0	9.6

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

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

(million kWh)																								
		FY2019 (a)	FY2018 (b)	(c)=(a)-(b)	(c)/(b)	Details																		
Hydro		3,481	3,390	91	2.7%	・Flow Rate 98.2% → 105.1%																		
Nuclear		5,894	3,339	2,555	76.5%	・Capacity factor of Ikata Unit No.3: 42.8%→75.4%																		
Renewable Energy		3,896	3,654	242	6.6%																			
	Coal	72%	74%	(2)%	(7.7)%	<div>◇Electricity by thermal power</div> <table><tr><th rowspan="2"></th><th colspan="2">FY2019</th><th rowspan="2">Change※</th></tr><tr><th>GWh</th><th>Composition</th></tr><tr><td>Generated</td><td>10,799</td><td>57%</td><td>(1,219)</td></tr><tr><td>Purchased</td><td>8,232</td><td>43%</td><td>181</td></tr><tr><td>Total</td><td>19,031</td><td>100%</td><td>(1,039)</td></tr></table> ※Changes from the previous period.(GWh)		FY2019		Change※	GWh	Composition	Generated	10,799	57%	(1,219)	Purchased	8,232	43%	181	Total	19,031	100%	(1,039)
			FY2019					Change※																
	GWh		Composition																					
	Generated	10,799	57%	(1,219)																				
	Purchased	8,232	43%	181																				
	Total	19,031	100%	(1,039)																				
	13,623	14,763	(1,140)																					
	Gas	20%	17%	3%	10.6%																			
		3,818	3,453	365																				
	Oil	8%	9%	(1)%	(14.2)%																			
1,590		1,853	(263)																					
Thermal	100%	100%	(1,039)	(5.2)%																				
	19,031	20,070																						

(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.

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

6

(100 million yen)

		FY2019 (a)	FY2018 (b)	Change	
				(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)		4,470	4,756	(286)	(6.0)%
Electricity Sales(Wholesale)		606	488	118	24.2%
Others		1,237	1,150	87	7.6%
Electric Operating Revenues		6,314	6,396	(82)	(1.3)%
Other Operating Revenues		1,017	976	41	4.1%
Operating Revenues		7,331	7,372	(41)	(0.6)%
Personnel		502	519	(17)	(3.2)%
Fuel		674	797	(123)	(15.4)%
Power Purchase		1,985	1,989	(4)	(0.2)%
Depreciation		495	546	(51)	(9.4)%
Maintenance		624	580	44	7.6%
Nuclear Back-end		157	126	31	24.5%
Others		1,672	1,676	(4)	(0.2)%
Electric Operating Expenses		6,113	6,236	(123)	(2.0)%
Other Operating Expenses		905	879	26	3.1%
Operating Expenses		7,018	7,115	(97)	(1.4)%
Operating Profit		312	257	55	21.6%
Interest Expenses, etc.		33	6	27	455.3%
Ordinary Profit		279	251	28	11.2%
Extraordinary losses		17	-	17	-
Income Taxes, etc.		80	81	(1)	(0.6)%
Profit attributable to owners of parent		180	169	11	6.5%

【Electricity Sales(Retail)】

- Decrease in electricity sales (160)
- Decrease in revenues based on the Fuel Cost Adjustment System (55)
- Decrease in the surcharge from the FIT (15) etc.

【Other Electric Operating Revenues】

- Increase in grants for the purchase cost from Surcharge Adjustment Organization based on FIT +61, etc.

【Fuel, Power Purchase】 (127)

- Increase in the operating rate of the nuclear power (135)
- Decrease in retail (55)
- Increase in wholesale +165
- Increase in purchase of renewable energy sourced electricity +51
- Decrease in the thermal power generation cost per kWh (123), etc.

		FY2019 (a)	FY2018 (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	101	121	(20)
	Crude Oil (\$/b)	68	72	(4)
	LNG (\$/t)	492	545	(53)
Exchange Rate (¥/\$)		108	111	(3)

【Maintenance】

- Increased in construction associated with thermal power plants +49, etc.

【Nuclear Back-end Cost】

- Increase in the reprocessing cost and the high level radioactive waste associate with the operating rate of the nuclear power plant

【Interest Expenses etc】

- Loss on valuation of securities +17, etc.

【Extraordinary losses】

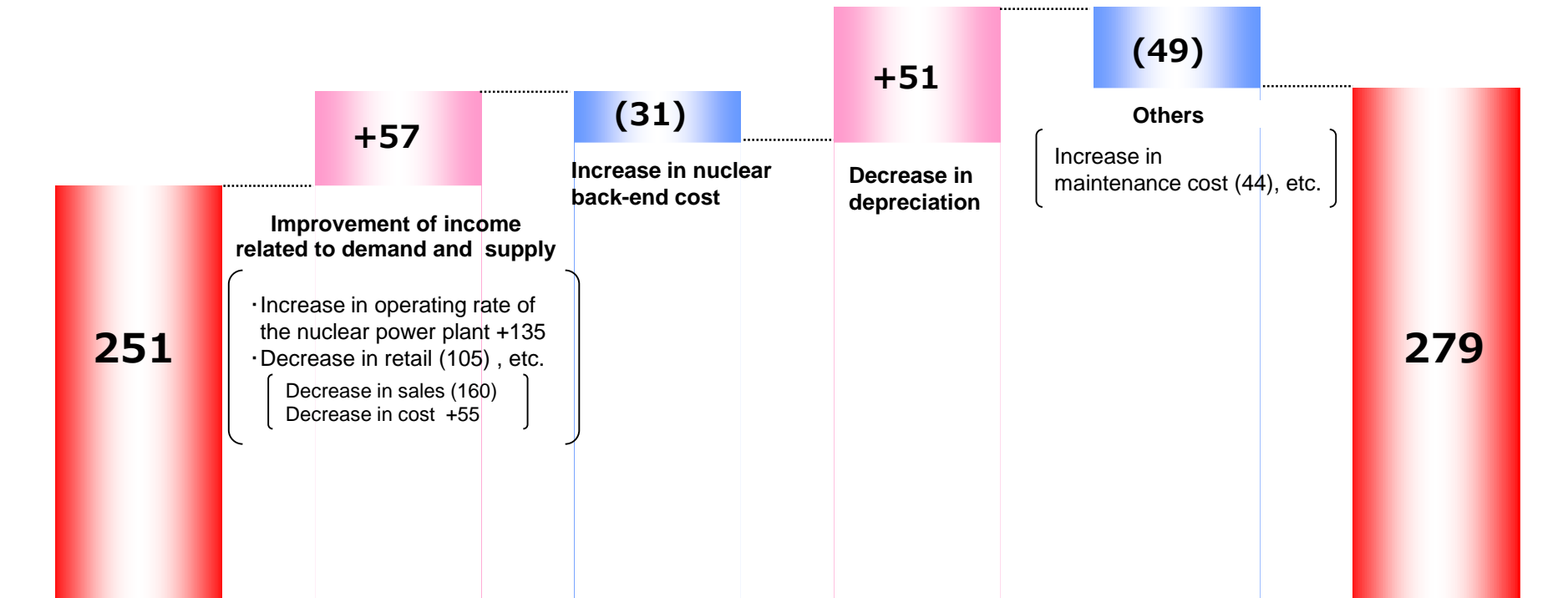
- Impairment loss on assets for rent

Ordinary Profit

(100 million yen)

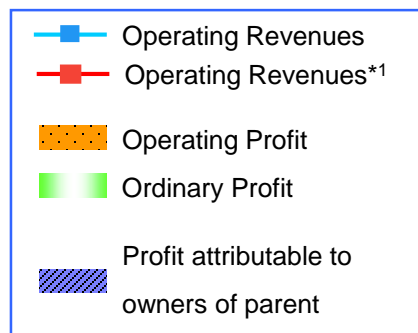
FY2018

FY2019

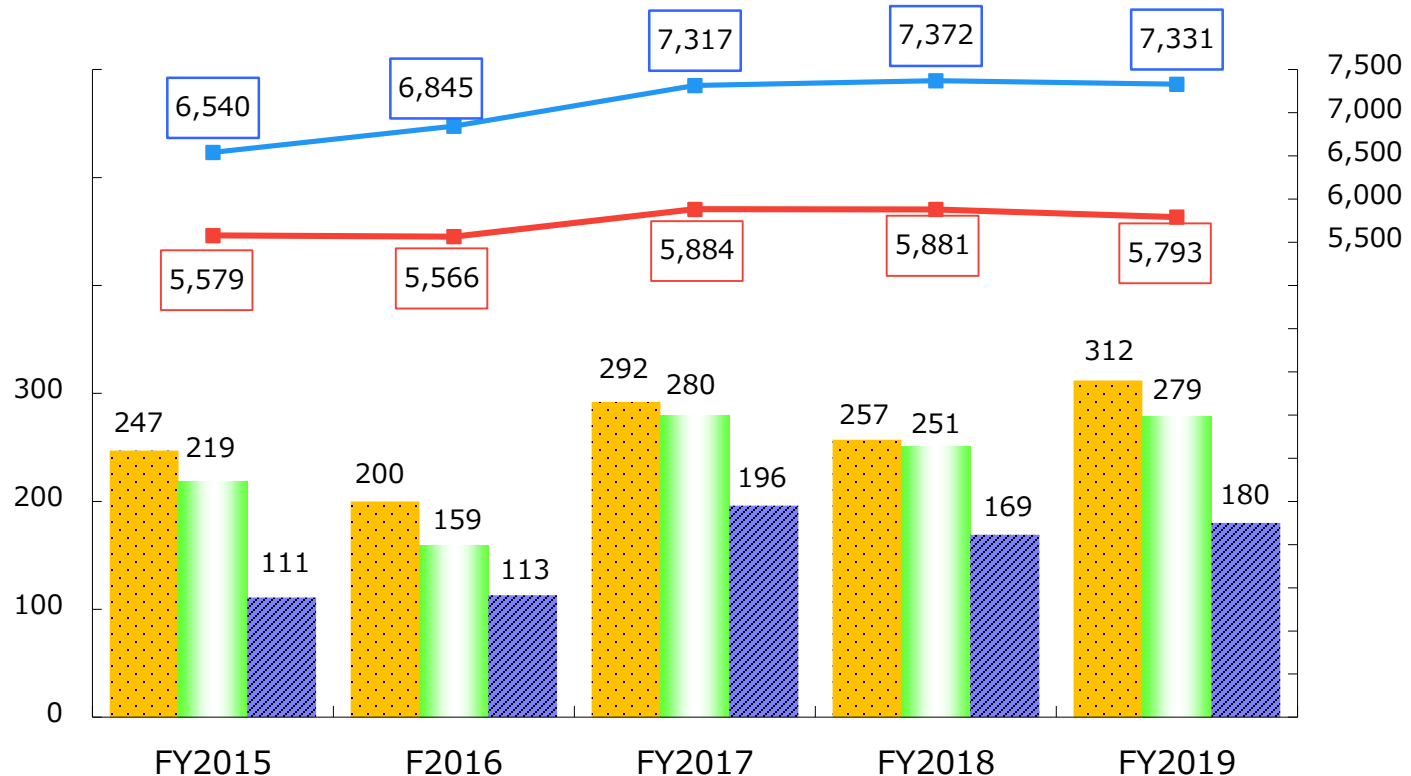


(100 million yen)

(100 million yen)



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



Performance Indicators

		FY2015	FY2016	FY2017	FY2018	FY2019
Operating Profit Margin ^{*2}	(%)	<4.4%> 3.8	<3.6%> 2.9	<5.0%> 4.0	<4.4%> 3.5	<5.4%> 4.3
Return on Assets (ROA) ^{*3}	(%)	2.2	1.8	2.7	2.4	2.5
Return on Equity (ROE)	(%)	3.8	3.9	6.4	5.4	5.6
Profit per Share	(yen)	54	55	96	83	88
Ordinary Profit + Interest Expenses	(100 million yen)	310	244	356	321	340

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

*3) ROA = (Ordinary Profit + Interest Expenses) / Total Assets

Results by Segment

		(100 million yen)				
		FY2019 (a)	FY2018 (b)	(a-b)	Main Factors	
Consolidated		Revenues	7,331	7,372	(41)	-
		Operating Profit	312	257	55	
Segment	Electric Utility*	Revenues	6,327	6,408	(81)	-Increase in wholesales, decrease in retail, etc.
		Segment Profit	180	136	44	-Decrease in total amount of fuel and power purchase cost associated with rise of the operating rate of nuclear power, etc.
	IT/ Communications*	Revenues	447	429	18	- Increase in FTTH business, etc.
		Segment Profit	68	73	(5)	
	Construction/ Engineering*	Revenues	565	507	58	- Increase in orders of construction contracts, etc.
		Segment Profit	16	11	5	
	Energy*	Revenues	250	243	7	
		Segment Profit	22	11	11	
	Others*	Revenues	531	478	53	- Increase in orders of construction contracts, etc.
		Segment Profit	21	18	3	

Capital Investment

		(100 million yen)
		FY2019
Electric Utility		773
<Replacement of unit no.1 of Saijo thermal power station>		<153>
<Safety measures at Ikata nuclear power station>		<150>
IT/Communications		91
<Data Center>		<30>
<FTTH>		<17>
Construction/Engineering, Energy, Others		27
Total		893

(100 million yen)

		FY2019 (a)	FY2018 (b)	(a-b)
Cash Flows from Operating Activities	Ordinary Profit	279	251	
	Depreciation	596	648	
	Others	196	(355)	
	Subtotal	1,073	545	528
Cash Flows from Investing Activities	Capital Expenditures	(862)	(828)	
	Investments	(136)	4	
	Subtotal	(999)	(824)	(175)
Free Cash Flows		73	(278)	351
Cash Flows from Financing Activities	Bonds and Loans	128	210	
	Cash Dividends Paid	(62)	(62)	
	Others	(3)	(2)	
	Subtotal	63	145	

Net Increase (Decrease) in Cash and Cash Equivalents	136	(133)
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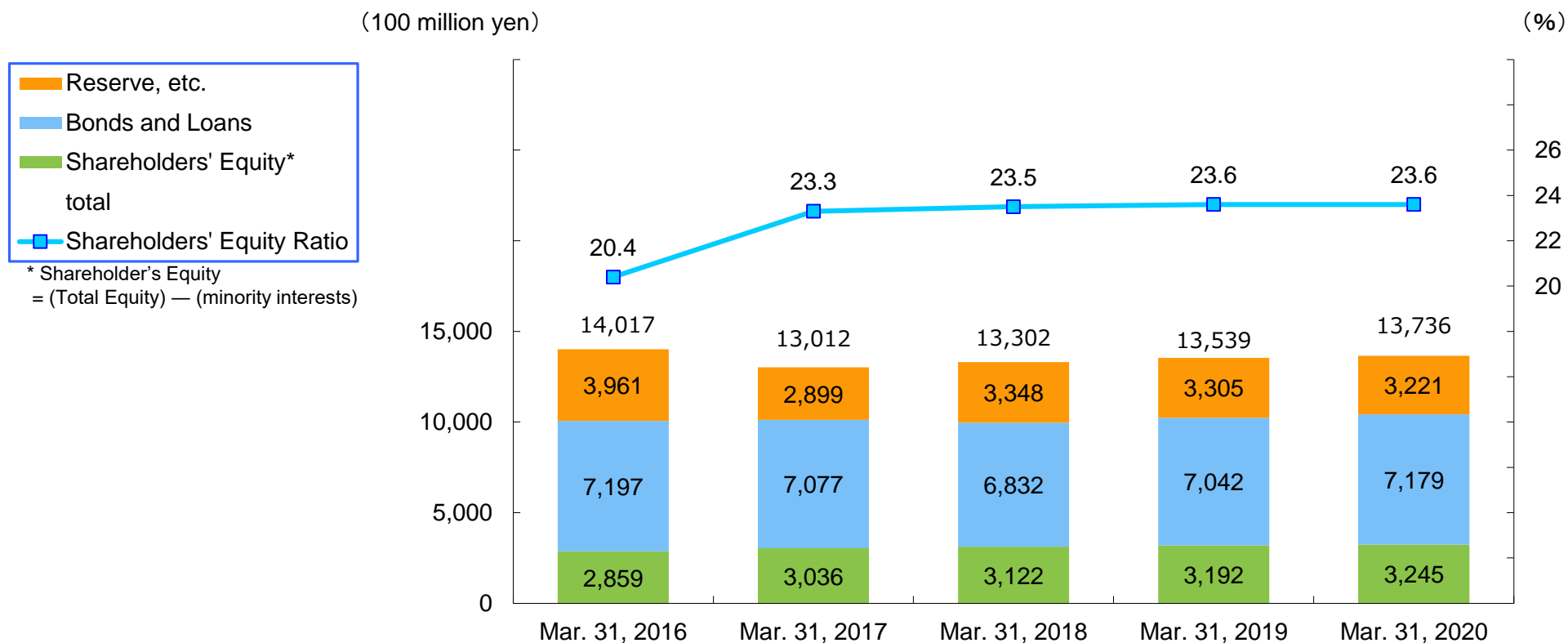
(Note) Plus figures means cash inflow, minus figures means cash outflow.

Debt to CF Ratio (times) ^{*1}	6.7	12.9
Interest Coverage Ratio (times) ^{*2}	17.1	7.6

*1) Debt to CF Ratio: Interest bearing debt / Cash flows from operating activities

*2) Interest Coverage Ratio: Cash flows from operating activities / Interest expenses

(100 million yen)				
	Mar 31, 2020 (a)	Mar 31, 2019 (b)	(a-b)	Details
Total assets	13,736	13,539	197	<ul style="list-style-type: none"> • Capital investment +804 • Advance of depreciation (596), etc.
<Plant and equipment, and intangible assets (except Special account related to nuclear power decommissioning, Special account related to reprocessing of spent nuclear fuel)>	<8,430>	<8,282>	<148>	
Liabilities	10,469	10,327	142	
<Bonds and loans>	<7,170>	<7,042>	<128>	
Total net assets	3,266	3,211	55	<ul style="list-style-type: none"> • Profit attributable to owners of parent +180 • Dividend payment (62), etc.
<Retained earnings>	<1,821>	<1,702>	<119>	
<Accumulated other comprehensive income>	<33>	<96>	<(63)>	



Financial Indicators

		Mar 31, 2016	Mar 31, 2017	Mar 31, 2018	Mar 31, 2019	Mar 31, 2020
Shareholders' Equity Ratio	(%)	20.4	23.3	23.5	23.6	23.6
Interest Bearing Debts Ratio	(times)	2.5	2.3	2.2	2.2	2.2
Book-value per Share(BPS)	(yen)	1,388	1,474	1,517	1,550	1,578
Price Book-value Ratio(PBR)	(times)	1.1	0.8	0.8	0.9	0.5

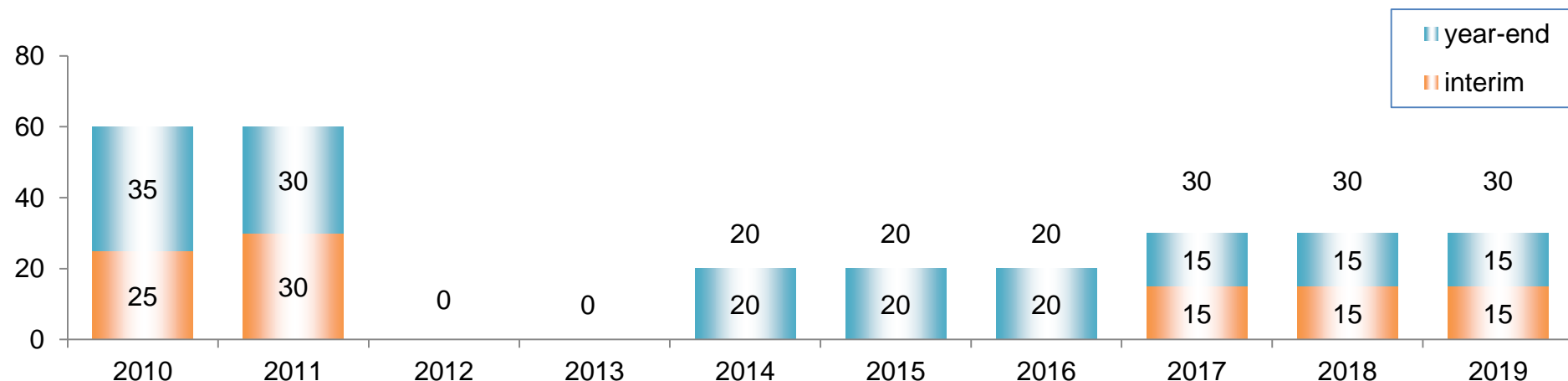
(Note) Interest Bearing Debts Ratio = Bonds and Loans / Shareholders' Equity

- 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.
- For FY2019, the year-end dividend is ¥ 15 per share as forecasted.
(The annual dividend is ¥ 30 per share.)

Dividends per Share

	FY2018	FY2019
Interim	¥15	¥15
Year-end	¥15	¥15
Total	¥30	¥30

Dividends per Share (last 10 fiscal years)

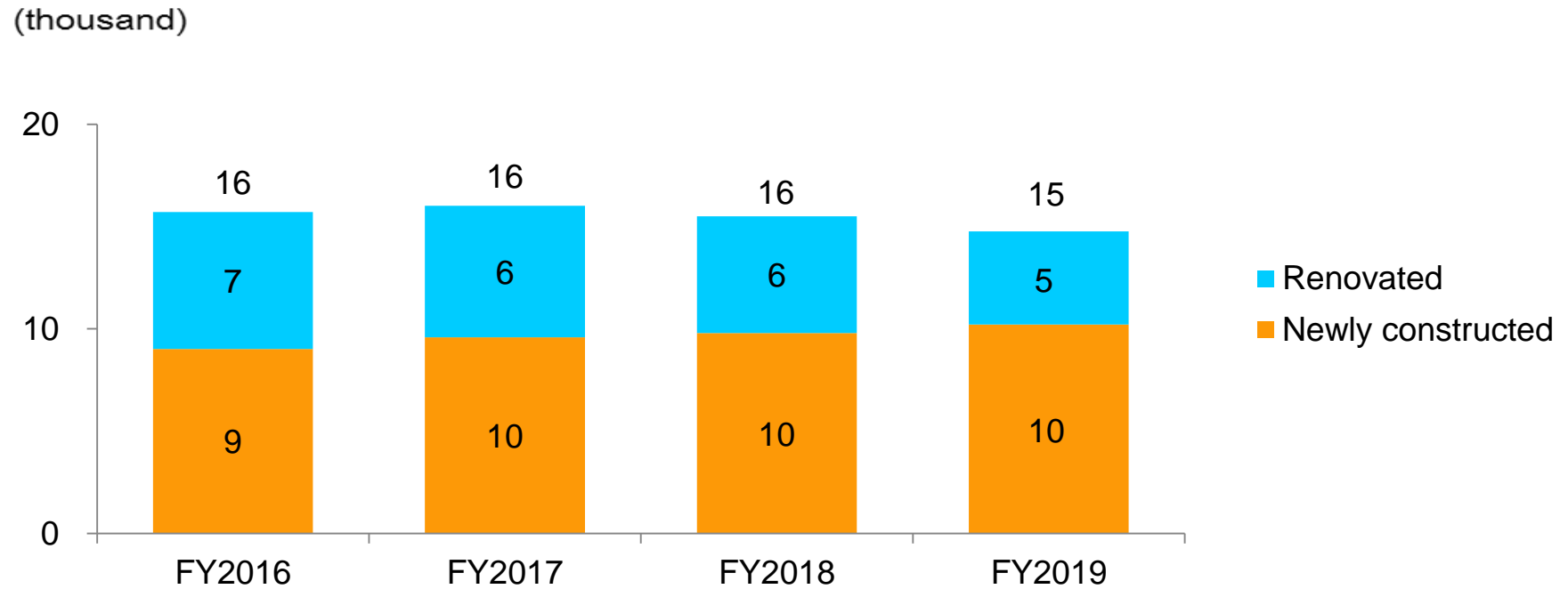


Ⅱ . Forecasts of Consolidated Financial Results & Dividends for FY2020

- ❑ The forecasts of consolidated financial results and dividends for FY 2020 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.

Supplemental Material for FY2019

- Number 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

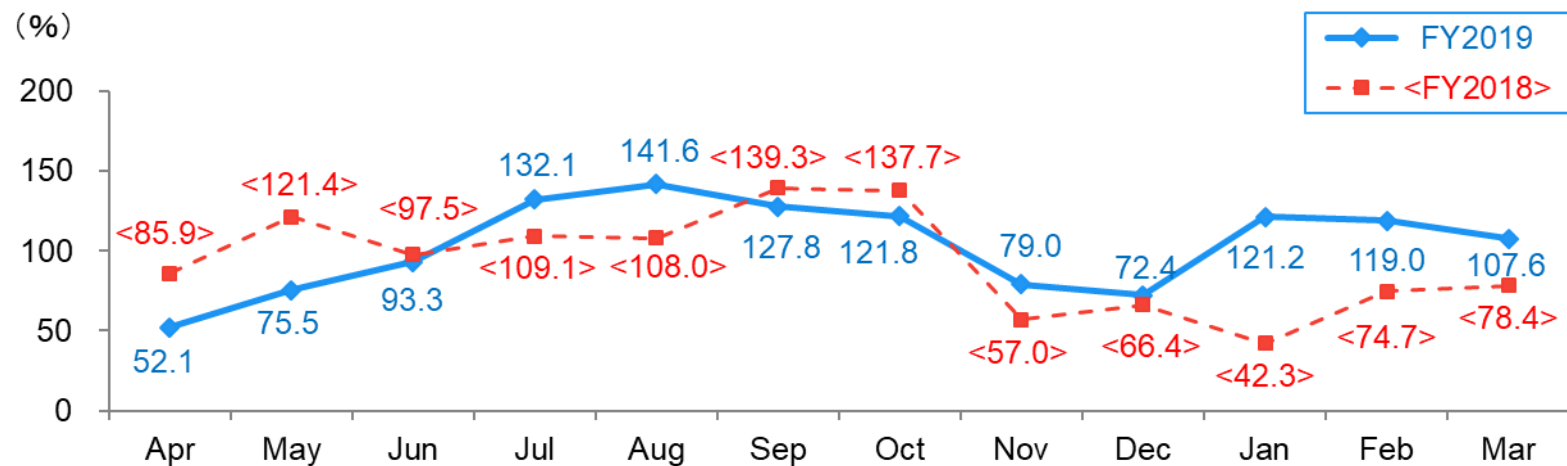


	FY2019 (A)	FY2018 (B)	(A-B)
Coal (10,000t)	241.3	278.7	(37.4)
Heavy Oil (10,000kl)	5.7	20.2	(14.5)
Crude Oil (10,000kl)	2.2	2.3	(0.1)
LNG (10,000t)	31.3	25.4	5.9

【Fuel Prices】

	FY2019 (A)	FY2018 (B)	(A-B)
CIF price: Coal (\$/t)	101	121	(20)
CIF price: Crude Oil (\$/b)	68	72	(4)
CIF price: LNG (\$/t)	492	545	(53)
Exchange rate (¥/\$)	108	111	(3)

Flow Rate

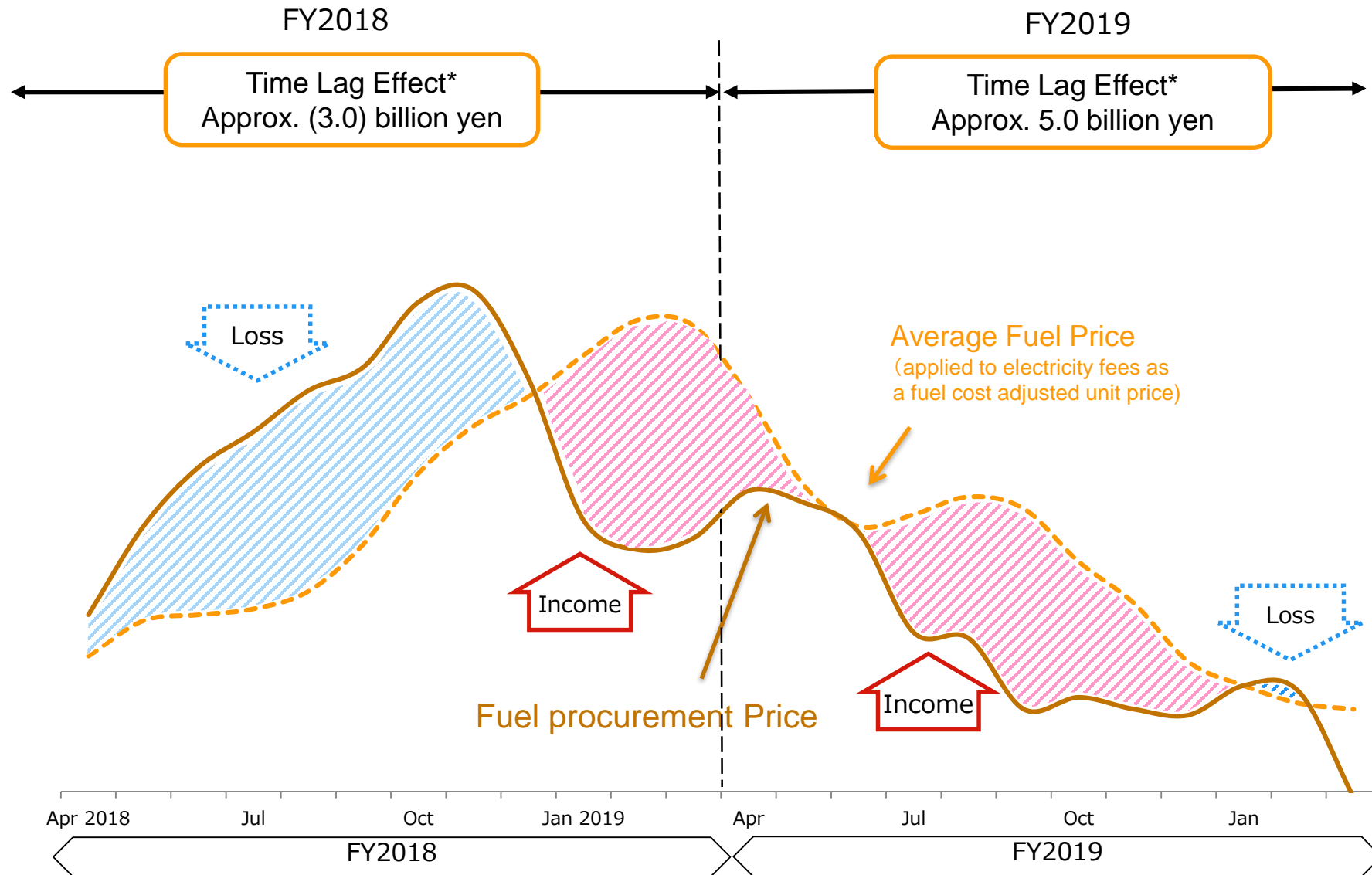


Financial Sensitivity for Key Factors

(100 million yen)

	FY2019
CIF price: coal (1\$/t)	6
CIF price: crude oil (1\$/b)	1
Exchange rate (¥1/\$)	8
Nuclear power capacity factor (1%)	4
Flow Rate (1%)	2

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



*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.

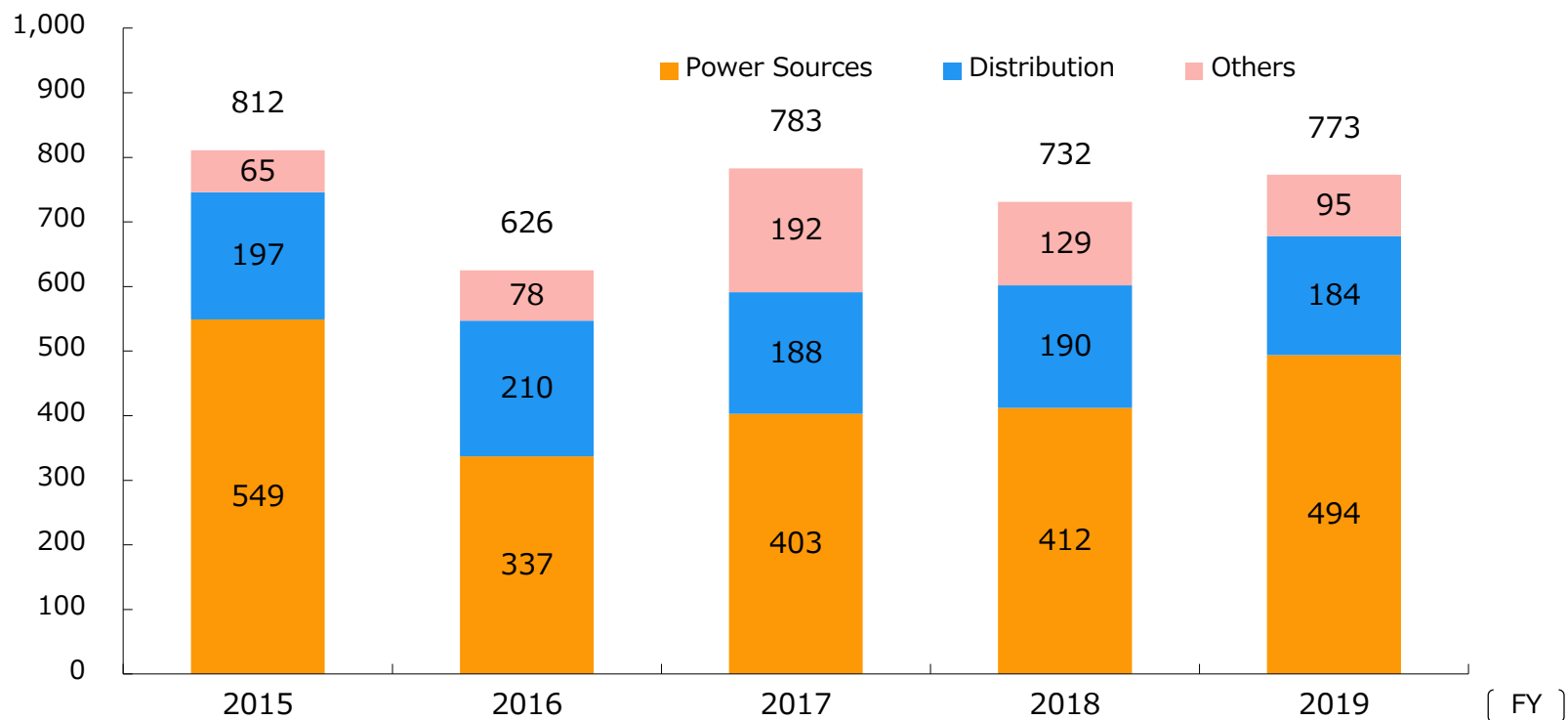
(100 million yen)

	FY2019	<ref> FY2018
Power sources	494	412
Renewable energy	50	35
Thermal	253	192
Nuclear	190	184
Transmission	53	66
Transformation	53	47
Distribution	77	76
Other	19	20
Subtotal	697	623
Nuclear fuel	75	108
Electric power business	773	732
Other business	119	117
Total*	893	849

* before the elimination of unrealized profits

【Non-Consolidated Basis】

〔 100 million yen 〕



【Consolidated Basis】

〔 100 million yen 〕

FY	2015	2016	2017	2018	2019
	917	684	854	849	893
Power Sources	812	625	782	732	773
Others	104	58	72	117	119

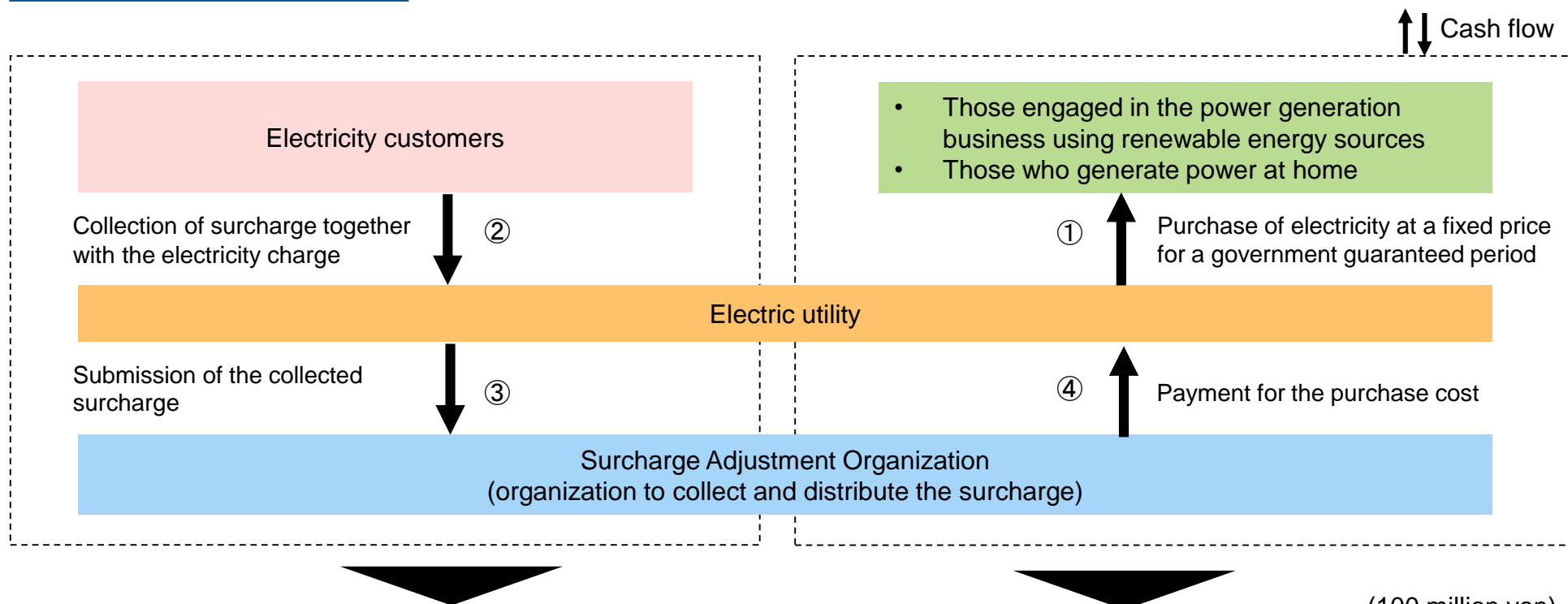
* before the elimination of unrealized profits

(100 million yen)

		Total (forecasts)	FY2011～FY2018 (results)		FY2019 (results)
				FY2018	
Facility Construction	Short term	Approx. 720	717	—	—
	Medium term	Approx. 940	566	137	156
Analysis and Evaluation		Approx. 240	240	0	0
Total		Approx.1,900	1,523	137	156

*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 FY2019



② Surcharge 575

We collect surcharge from customers with the electricity charge.

③ Submission of the collected surcharge 575

We submit the collected surcharge to surcharge adjustment organization.

① Purchase of electricity 1,200

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 962

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 subject to risks and uncertainties.

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.