

FY2019 1Q Financial Results Outline

(April 1, 2019 – June 30, 2019)

July 31, 2019

SHIKOKU ELECTRIC POWER CO.,INC.

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Overview of Consolidated Financial Results

【 Financial Results for FY 2019 1Q 】

- ❑ Operating revenues increased by ¥13.2 billion YoY, to ¥ 178.9 billion. The main factors were as follows;
 - ✓ Revenues from electricity wholesale increased, with surplus capacity of thermal power accompanied by operation of Unit No.3 of Ikata nuclear power station, while electricity retail declined.

- ❑ Operating expenses decreased by ¥ 2.8 billion YoY, to ¥ 167.7 billion. The main factors were as follows;
 - ✓ The total amount of the fuel and power purchase cost were similar to the previous year.
 - ✓ Maintenance cost decreased.

- ❑ As a result,
 - ✓ Operating profit increased by ¥ 15.9 billion YoY, to ¥ 11.2 billion.
 - ✓ Ordinary profit increased by ¥ 15.9 billion YoY, to ¥ 10.9 billion.
 - ✓ Profit attributable to owners of parent increased by ¥ 12.1 billion YoY, to ¥ 7.6 billion.

【 Forecasts of financial results & dividends for FY 2019 】

- ❑ Operating revenues are expected to be ¥ 734.0 billion, almost equal to the previous year. The main factors are as follows;
 - ✓ Regarding electric utility, revenues from wholesale will increase, while revenues from retail will decrease.

 - ❑ Profits are expected to be as follows, almost equal to the previous year ;
 - ✓ Operating profit will be ¥ 25.0 billion.
 - ✓ Ordinary profit will be ¥ 24.0 billion.
 - ✓ Profit attributable to owners of parent will be 17.0 billion.
- The main factors are increase in operation of Ikata Unit No.3 and wholesale, on the other hand decrease in retail, and so on.

【 Dividends 】

- ❑ The annual dividend for FY2019 is planned to be ¥ 30 per share, ¥ 15 for interim and ¥15 for year-end, equal to the previous year.

I . Consolidated Financial Results for FY2019 1Q (April 1, 2019 – June 30, 2019)

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

(100 million yen)

	FY2019 1Q (a)	FY2018 1Q (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	1,789	1,657	132	8.0%
Operating Expenses	1,677	1,705	(28)	(1.6)%
Operating Profit (Loss)	112	(47)	159	-
Interest Expenses, etc.	2	2	(0)	(0.6)%
Ordinary Profit (Loss)	109	(50)	159	-
Income Taxes, etc.	33	(4)	37	-
Profit (Loss) attributable to owners of parent	76	(45)	121	-

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

(million kWh)

	FY2019 1Q (a)	FY2018 1Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	5,225	5,414	(189)	(3.5)%	- Decrease in contract power, etc.
Lighting	1,815	1,837	(22)	(1.2)%	
Power	3,411	3,576	(165)	(4.6)%	
Wholesale	2,101	581	1,520	261.6%	
Total	7,326	5,995	1,331	22.2%	

(Note) 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.
FY2019 1Q	10.9	14.8	20.3	23.2	17.3
Differences from the average year	1.2	▲ 0.1	1.0	0.4	0.6
Differences from the previous year	▲ 0.5	▲ 1.9	0.5	0.1	▲ 0.5

		(million kWh)				Details																	
	FY2019 1 Q (a)	FY2018 1 Q (b)	(c)=(a)-(b)	(c)/(b)																			
Hydro	720	1,074	(354)	(33.0)%	- Flow Rate: 101.6% → 74.3%																		
Nuclear	2,002	-	2,002	-	- Capacity factor of Ikata Unit No.3: 0% → 103.0%																		
Renewable Energy	1,152	1,072	80	7.5%																			
Coal	75%	67%	8%	2.2%	◇ Electricity by thermal power <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">FY2019 1Q</th> <th rowspan="2">Change*</th> </tr> <tr> <th>GWh</th> <th>Composition</th> </tr> </thead> <tbody> <tr> <td>Generated</td> <td>2,820</td> <td>70%</td> <td>28</td> </tr> <tr> <td>Purchased</td> <td>1,191</td> <td>30%</td> <td>(378)</td> </tr> <tr> <td>Total</td> <td>4,010</td> <td>100%</td> <td>(351)</td> </tr> </tbody> </table>		FY2019 1Q		Change*	GWh	Composition	Generated	2,820	70%	28	Purchased	1,191	30%	(378)	Total	4,010	100%	(351)
		FY2019 1Q					Change*																
GWh		Composition																					
Generated	2,820	70%	28																				
Purchased	1,191	30%	(378)																				
Total	4,010	100%	(351)																				
	3,005	2,941	64																				
Gas	22%	19%	3%	5.0%																			
	871	829	42																				
Oil	3%	14%	(11)%	(77.1)%																			
	135	590	(455)																				
Thermal	100%	100%		(8.0)%																			
	4,010	4,361	(351)																				

(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.

(Note4) Gas is the total amount of LNG and COG.

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

(100 million yen)

	FY2019 1Q (a)	FY2018 1Q (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	1,045	1,064	(19)	(1.8)%
Electricity Sales(Wholesale)	166	58	108	181.4%
Others	361	321	40	12.5%
Electric Operating Revenues	1,573	1,444	129	8.9%
Other Revenues	216	212	4	1.8%
Operating Revenues	1,789	1,657	132	8.0%
Personnel	138	139	(1)	(1.0)%
Fuel	179	177	2	1.6%
Power Purchase	524	521	3	0.5%
Depreciation	122	134	(12)	(9.0)%
Maintenance	105	144	(39)	(27.3)%
Nuclear Back-end	46	14	32	219.7%
Others	369	381	(12)	(3.0)%
Electric Operating Expenses	1,485	1,512	(27)	(1.8)%
Other Operating Expenses	191	192	(1)	(0.4)%
Operating Expenses	1,677	1,705	(28)	(1.6)%
Operating Profit(Loss)	112	(47)	159	-
Interest Expenses, etc.	2	2	(0)	(0.6)%
Ordinary Profit(Loss)	109	(50)	159	-
Income Taxes, etc.	33	(4)	37	-
Profit(Loss) attributable to owners of parent	76	(45)	121	-

【Electricity Sales(Retail)】

- Decrease in electricity sales (32)
- Increase in revenues based on the Fuel Cost Adjustment System +25
- Increase in surcharge income based on FIT +1, etc.

【Other Electric Operating Revenues】

- Increase in grants for the purchase cost from Surcharge Adjustment Organization based on FIT +26
- Increase in wheeling revenue +8, etc.

【Fuel, Power Purchase】 +6

- Increase in electricity volume generated by nuclear power plants (110)
- Increase in total electricity sales +82
- Increase in purchase of renewable energy sourced electricity +30
- Decrease in electricity volume generated by hydro power plants +21, etc.

		FY2019 1Q (a)	FY2018 1Q (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	115	117	(2)
	Crude Oil (\$/b)	72	71	1
	LNG (\$/t)	491	503	(12)
Exchange Rate (¥/\$)		110	109	1

【Maintenance】

- Decrease in construction work associated with thermal power plants (42), etc.

【Nuclear Back-end】

- Increased accompanied by operation of Ikata Unit No.3

【Other Electric Operating Expenses】

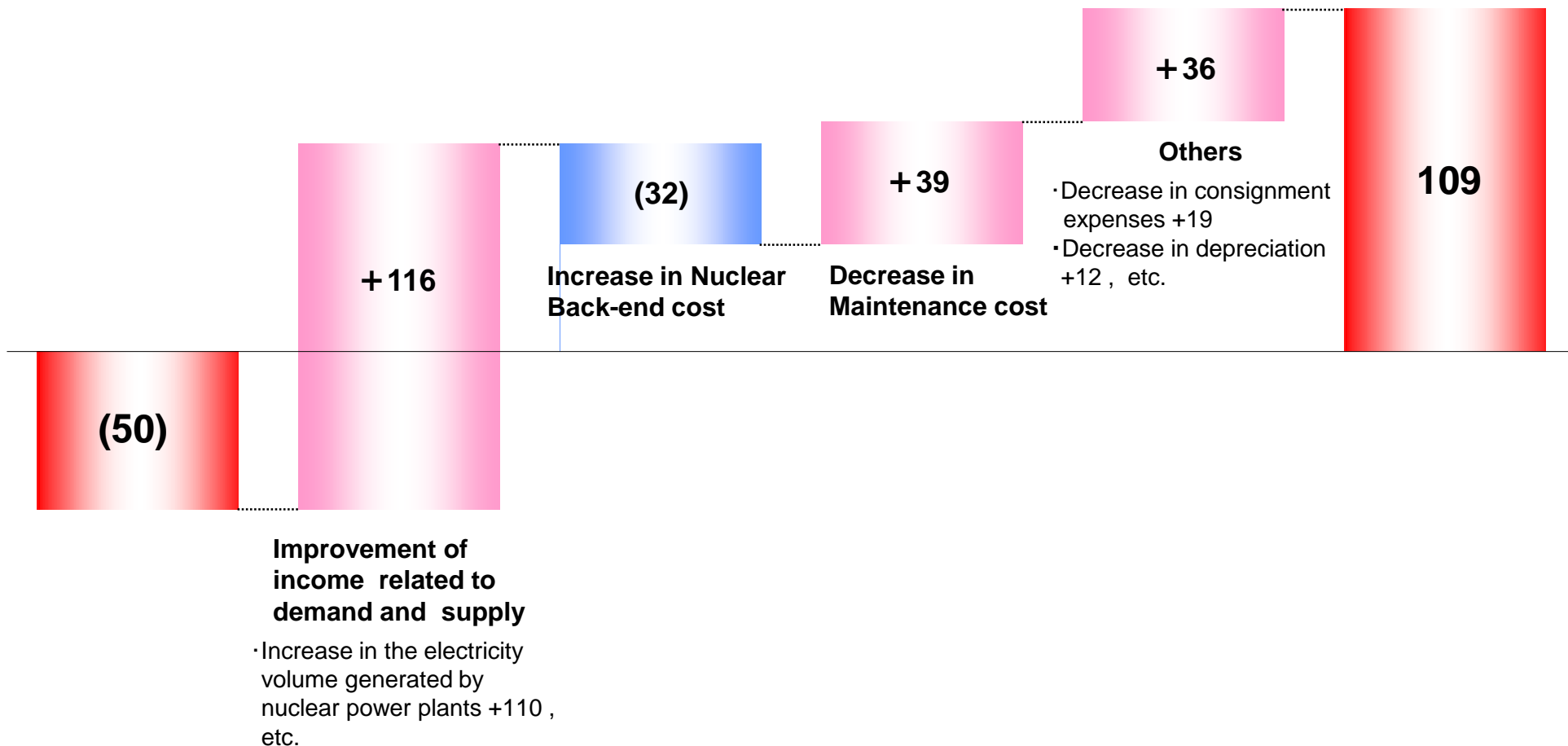
- Decrease in consignment expenses (19)
- Increase in submission to Surcharge Adjustment Organization based on FIT +1, etc.

Ordinary Profit (loss)

(100 million yen)

FY2018
1Q

FY2019
1Q



Results by Segment

(100 million yen)

		FY2019 1Q (a)	FY2018 1Q (b)	(a-b)	Main Factors	
Consolidated	Revenues	1,789	1,657	132		
	Operating Profit (loss)	112	▲ 47	159	-	
Segment	Electric Utility*	Revenues	1,577	1,448	129	- Increase in wholesales revenues, etc.
		Segment Profit (loss)	87	▲ 72	159	- Decrease in maintenance, etc.
	IT/ Communications*	Revenues	102	98	4	- Increase in FTTH business, etc.
		Segment Profit	19	16	3	
	Construction/ Engineering*	Revenues	94	101	(7)	- Decrease in orders received of construction contracts, etc.
		Segment loss	(0)	(0)	(0)	
	Energy*	Revenues	52	52	0	
		Segment Profit	4	2	2	
	Others*	Revenues	105	106	(1)	
		Segment Profit	2	3	(1)	

* Internal transactions are not eliminated

Capital Investment

(100 million yen)

	FY2019 1Q
Electric Utility	165
<Safety measures at Ikata nuclear power station>	<37>
<Replacement of unit no.1 of Saijo thermal power station>	<34>
IT/Communications	20
<Data Center>	<12>
<FTTH>	<2>
Construction/Engineering, Energy, Others	7
Total	192

(100 million yen)				
	Jun30, 2019 (a)	Mar 31, 2019 (b)	(a-b)	Details
Total assets	13,656	13,539	117	
	12,886	12,729	157	
<Plant and equipment, and intangible assets (except Special account related to nuclear power decommissioning, Special account related to reprocessing of spent nuclear fuel)>	<8,306>	<8,282>	<24>	{ <ul style="list-style-type: none"> • Capital investment +182 • Advance of depreciation (146), etc.
<Investments, etc.>	<4,168>	<4,067>	<101>	
Liabilities	10,413	10,327	86	
	10,005	9,892	113	
<Bonds and loans>	<7,330>	<7,042>	<288>	{ <ul style="list-style-type: none"> • Decrease in accrued expenses and accounts payable (227), etc.
<Accrued expenses, etc.>	<3,083>	<3,284>	<(201)>	
Total net assets	3,242	3,211	31	
	2,880	2,836	44	
<Retained earnings>	<1,748>	<1,702>	<46>	{ <ul style="list-style-type: none"> • Net Income +76 • Dividend payment (30)

Shareholders' equity ratio	23.6%	23.6%	0.0%
	22.4%	22.3%	0.1%

(Note) 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 FY2019

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Unchanged from forecasts announced in April 2019

Financial Results

	(100 million yen)	
	FY2019 (Forecast)	<ref> FY2018
Operating Revenues	7,340	7,372
Operating Profit	250	257
Ordinary Profit	240	251
Profit attributable to owners of parent	170	169
Profit per Share	¥83	¥83

Electricity Sales

	(100 million kWh)	
	FY2019 (Forecast)	<ref> FY2018
Lighting	82.7	85.4
Power	141.9	147.6
Retail	224.6	233.0
Wholesale	79.1	46.5
Total	303.7	279.4

Dividends per Share

	FY2019 (Forecast)	<ref> FY2018
Interim	¥15	¥15
Year-end	¥15	¥15

Fuel Prices / Exchange Rate and Other Factors

	FY2019 (Forecast)	<ref> FY2018
Nuclear Capacity Factor (%) *	75.0	42.8
Coal CIF Price (\$/t)	110	121
Crude oil CIF Price (\$/b)	65	72
Exchange Rate (¥/\$)	110	111

* Ikata Unit No.3

(100 million yen)

	FY2019 1Q (a)	FY2018 1Q (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	1,045	1,064	(19)	(1.8)%
<Surcharge Income based on FIT>	<134>	<133>	<1>	<0.8%>
Electricity Sales(Wholesale)	166	58	108	181.4%
Others	393	352	41	11.8%
<Grants for the Purchase Cost from Surcharge Adjustment Organization based on FIT>	<296>	<270>	<26>	<9.7%>
Operating Revenues	1,605	1,475	130	8.8%
Personnel	140	141	(1)	(0.9)%
Fuel	179	177	2	1.6%
Power Purchase	524	521	3	0.5%
Depreciation	122	135	(13)	(9.1)%
Maintenance	105	145	(40)	(27.2)%
Nuclear Back-end	46	14	32	219.7%
Others	394	412	(18)	(4.2)%
Operating Expenses	1,514	1,547	(33)	(2.1)%
Operating Profit(Loss)	91	(71)	162	-
Non-operating Profit	20	23	(3)	(12.2)%
Ordinary Profit(Loss)	111	(48)	159	-
Income Taxes, etc.	28	(13)	41	-
Profit(Loss)	85	(35)	120	-

【Electricity Sales(Retail)】

- Decrease in electricity sales (32)
- Increase in revenues based on the Fuel Cost Adjustment System +25

【Fuel, Power Purchase】 +6

- Increase in electricity volume generated by nuclear power plants (110)
- Increase in total electricity sales +82
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		FY2019 1Q (a)	FY2018 1Q (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	115	117	(2)
	Crude Oil (\$/b)	72	71	1
	LNG (\$/t)	491	503	(12)
Exchange Rate (¥/\$)		110	109	1

【Maintenance】

- Decrease in construction work associated with thermal power plants (42), etc.

【Nuclear Back-end】

- Increased accompanied by operation of Ikata Unit No.3

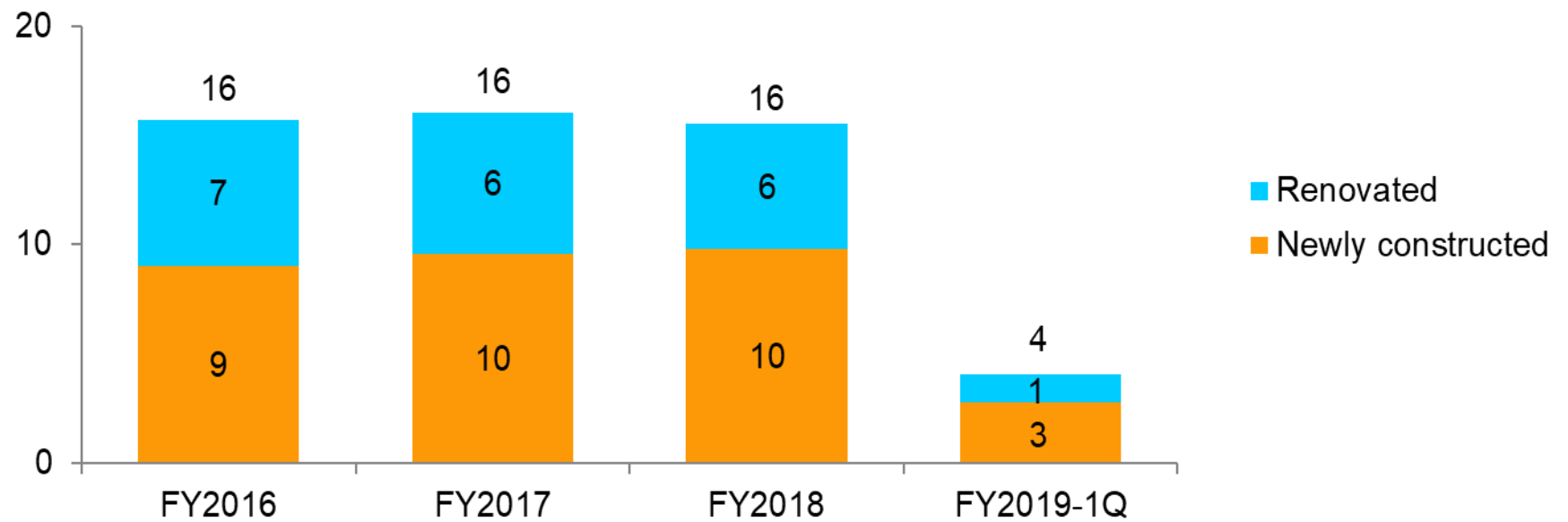
【Other Electric Operating Expenses】

- Decrease in consignment expenses (19)
- Increase in submission to Surcharge Adjustment Organization based on FIT +1, etc.

Supplemental material for FY2019 1Q

- 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

(thousand)

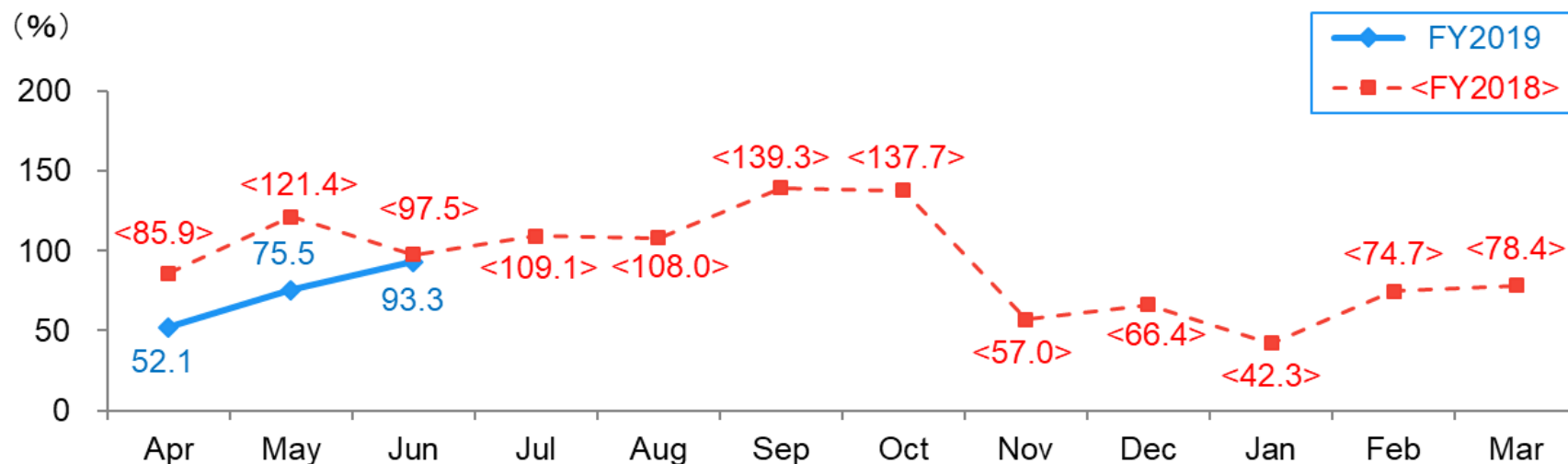


	FY2019 1Q (A)	FY2018 1Q (B)	(A-B)
Coal (10,000t)	70.9	58.3	12.6
Heavy Oil (10,000kl)	0.5	7.8	(7.3)
Crude Oil (10,000kl)	0.1	0.5	(0.4)
LNG (10,000t)	6.0	5.8	0.2

【Fuel Prices】

	FY2019 1Q (A)	FY2018 1Q (B)	(A-B)
CIF price: Coal (\$/t)	115	117	(2)
CIF price: Crude Oil (\$/b)	72	71	1
CIF price: LNG (\$/t)	491	503	(12)
Exchange rate (¥/\$)	110	109	1

Flow Rate



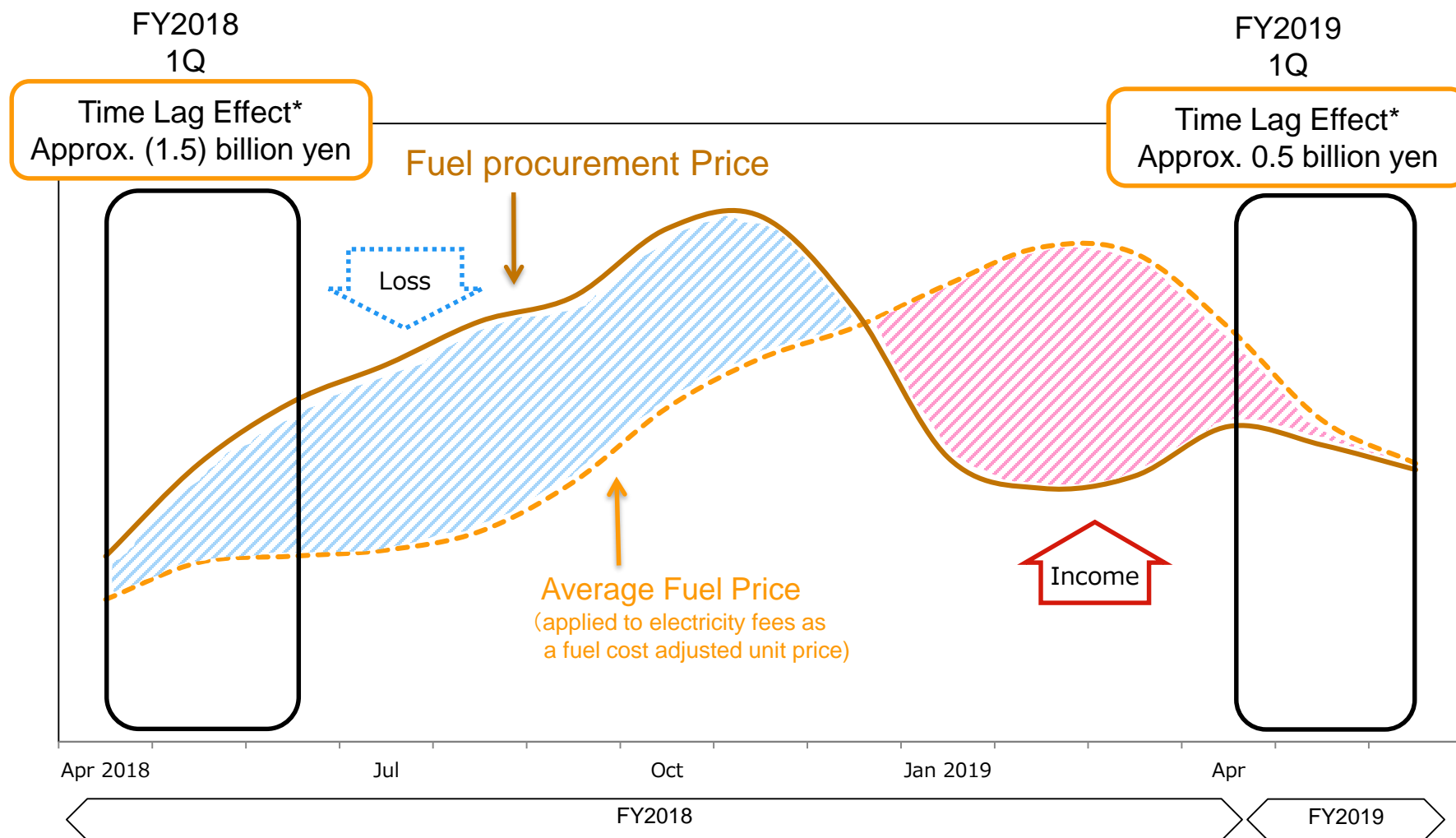
Financial Sensitivity for Key Factors

(100 million yen)

	FY2019-1Q
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

(Note) 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.

Plant and Equipment Expenditures (consolidated)

(100 million yen)

	FY2019 1Q	<ref> FY2018
Power sources	104	412
Renewable energy	7	35
Thermal	52	192
Nuclear	44	184
Transmission	11	66
Transformation	16	47
Distribution	22	76
Other	2	20
Subtotal	158	623
Nuclear fuel	6	108
Electric power business	165	732
Other business	27	117
Total*	192	849

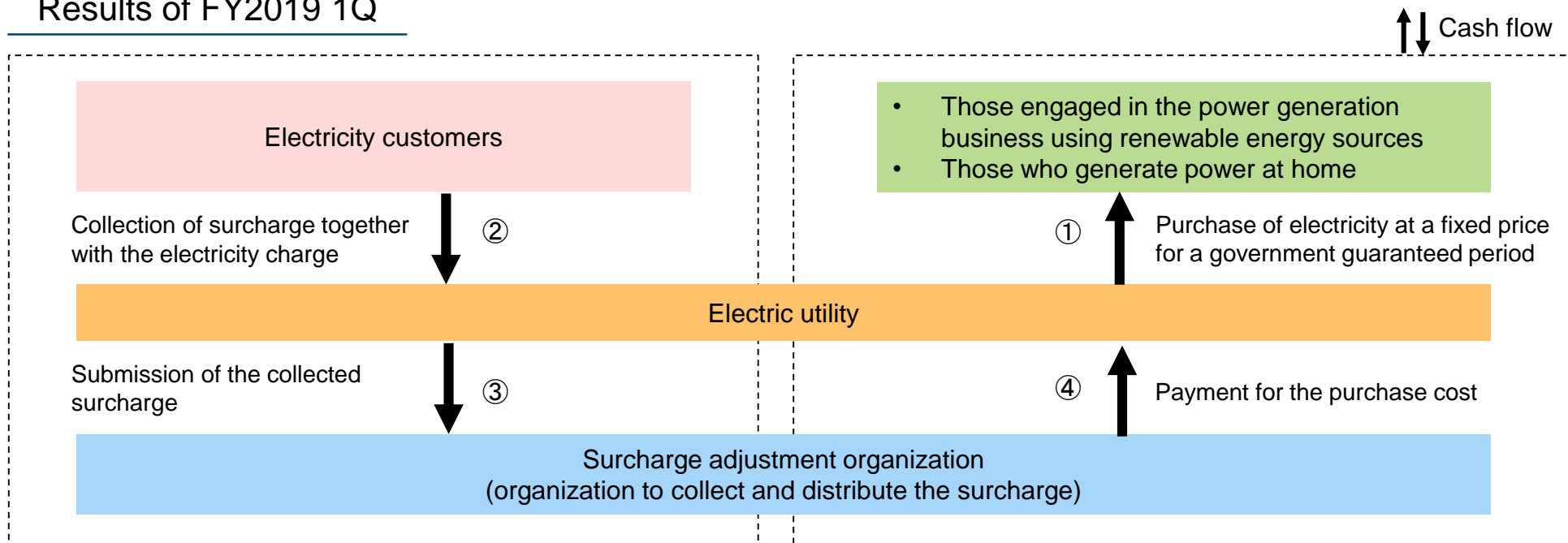
* before the elimination of unrealized profits

(100 million yen)

		Total (forecasts)	FY2011~FY2018 (results)		FY2019 1Q (results)
				FY2018	
Facility Construction	Short term	Approx. 720	717	0	0
	Medium term	Approx. 940	566	137	37
Analysis and Evaluation		Approx. 240	240	0	0
Total		Approx. 1,900	1,523	137	37

(Note) 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 1Q



② Surcharge	134
We collect surcharge from customers with the electricity charge.	
③ Submission of the collected surcharge	134
We submit the collected surcharge to surcharge adjustment organization.	

(100 million yen)

① Purchase of electricity	371
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	296
Surcharge adjustment organization pay grants corresponding to the actual purchase costs.	



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.