

FY2019 3Q Financial Results Outline

(April 1, 2019 – December 31, 2019)

January 30, 2020

SHIKOKU ELECTRIC POWER CO.,INC.

Contents

Overview of Consolidated Financial Results 1

I . Consolidated Financial Results for FY2019 3Q

- Summary of Financial Results 2
- Electricity Sales 3
- Electricity Supplied 4
- Details of Consolidated Financial Results 5
- Results by Segment 7
- Financial Position 8

II . Forecasts of Consolidated Financial Results & Dividends for FY2019 9

<Reference> Non-Consolidated Financial Results for FY2019 3Q 10

Supplemental Material for FY2019 3Q

- Trend of All-electric Housing Construction 11
- Consumption of Fossil Fuels 12
- Flow Rate, Financial Sensitivity for Key Factors 13
- Time Lag Effect of Fuel Cost Adjustment System 14
- Plant and Equipment Expenditures (consolidated) 15
- Feed-in Tariff Scheme 17

Overview of Consolidated Financial Results

【 Financial Results for FY 2019 3Q 】

- ❑ Operating revenues increased by ¥8.7 billion YoY, to ¥ 543.8 billion. The main factors were as follows;
 - ✓ Wholesale electricity sales increased sharply, due to surplus capacity of thermal power accompanied by operation of Ikata Unit No.3.
 - ✓ Increase in grants for the purchase cost from Surcharge Adjustment Organization based on FIT.
 - ✓ Retail electricity sales declined.

- ❑ Operating expenses decreased by ¥ 9.4 billion YoY, to ¥ 507.8 billion, mainly due to decrease in total amount of fuel and power purchase cost accompanied by operation of Ikata Unit No.3.

- ❑ As a result,
 - ✓ Operating profit increased by ¥ 18.1 billion YoY, to ¥ 36.0 billion.
 - ✓ Ordinary profit increased by ¥ 16.0 billion YoY, to ¥ 33.9 billion.
 - ✓ Profit attributable to owners of parent increased by ¥ 12.4 billion YoY, to ¥ 24.2 billion.

【 Forecasts of Financial Results for FY 2019 】

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

【 Forecast of Dividend for FY 2019 】

- ❑ The year-end dividend is planned to be ¥ 15 per share, equal to the previous year.
(The annual dividend is planned to be ¥ 30 per share.)

I . Consolidated Financial Results for FY2019 3Q (April 1, 2019 – December 31, 2019)

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

(100 million yen)

	FY2019 3Q (a)	FY2018 3Q (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	5,438	5,351	87	1.6%
Operating Expenses	5,078	5,172	(94)	(1.8)%
Operating Profit	360	179	181	100.7%
Interest Expenses, etc.	20	0	20	—
Ordinary Profit	339	179	160	89.1%
Income Taxes, etc.	96	61	35	57.6%
Profit attributable to owners of parent	242	118	124	105.4%

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

(million kWh)

	FY2019 3Q (a)	FY2018 3Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	16,417	17,124	(707)	(4.1)%	<ul style="list-style-type: none"> · Decrease in contract power · Decrease in reaction to higher summer temperatures in the previous year, etc.
Lighting	5,645	5,909	(264)	(4.5)%	
Power	10,772	11,215	(443)	(4.0)%	
Wholesale	6,206	3,187	3,019	94.7%	
Total	22,623	20,311	2,312	11.4%	

(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

	Jun	Jul	Aug	Sep	4-month AVG.
FY2019 3Q	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)

	Oct	Nov	Dec	3-month AVG.
FY2019 3Q	21.0	14.1	9.7	14.9
Differences from the average year	2.2	0.7	1.4	1.4
Differences from the previous year	1.8	0.2	0.1	0.7

Electricity Supplied

		(million kWh)				Details																		
	FY2019 3Q (a)	FY2018 3Q (b)	(c)=(a)-(b)	(c)/(b)																				
Hydro	2,785	2,947	(162)	(5.5)%	- Flow Rate: 106.1% → 102.6%																			
Nuclear	5,894	1,358	4,536	333.9%	- Capacity factor of Ikata Unit No.3: 23.1% → 100.3%																			
Renewable Energy	2,957	2,841	116	4.1%																				
Thermal	Coal	74% 9,574	73% 11,153	1% (1,579)	(14.1)%	◇ Electricity by thermal power <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">FY2019 3Q</th> <th rowspan="2">Change*</th> </tr> <tr> <th>GWh</th> <th>Composition</th> </tr> </thead> <tbody> <tr> <td>Generated</td> <td>7,516</td> <td>58%</td> <td>(1,576)</td> </tr> <tr> <td>Purchased</td> <td>5,473</td> <td>42%</td> <td>(611)</td> </tr> <tr> <td>Total</td> <td>12,989</td> <td>100%</td> <td>(2,187)</td> </tr> </tbody> </table>		FY2019 3Q		Change*	GWh	Composition	Generated	7,516	58%	(1,576)	Purchased	5,473	42%	(611)	Total	12,989	100%	(2,187)
		FY2019 3Q		Change*																				
		GWh	Composition																					
	Generated	7,516	58%	(1,576)																				
Purchased	5,473	42%	(611)																					
Total	12,989	100%	(2,187)																					
Gas	21% 2,710	17% 2,565	4% 145	5.7%																				
Oil	5% 705	10% 1,457	(5)% (752)	(51.7)%																				
Thermal	100% 12,989	100% 15,176	(2,187)	(14.4)%																				

(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 3Q (a)	FY2018 3Q (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	3,289	3,458	(169)	(4.9)%
Electricity Sales(Wholesale)	510	336	174	51.8 %
Others	952	887	65	7.4 %
Electric Operating Revenues	4,752	4,681	71	1.5 %
Other Revenues	686	670	16	2.4 %
Operating Revenues	5,438	5,351	87	1.6 %
Personnel	373	390	(17)	(4.3)%
Fuel	493	595	(102)	(17.1)%
Power Purchase	1,486	1,539	(53)	(3.5)%
Depreciation	368	407	(39)	(9.6)%
Maintenance	457	406	51	12.5 %
Nuclear Back-end	138	64	74	113.2 %
Others	1,151	1,164	(13)	(1.1)%
Electric Operating Expenses	4,469	4,569	(100)	(2.2)%
Other Operating Expenses	609	602	7	1.1 %
Operating Expenses	5,078	5,172	(94)	(1.8)%
Operating Profit	360	179	181	100.7 %
Interest Expenses, etc.	20	0	20	—
Ordinary Profit	339	179	160	89.1 %
Income Taxes, etc.	96	61	35	57.6 %
Profit attributable to owners of parent	242	118	124	105.4 %

【Electricity Sales(Retail)】

- Decrease in electricity sales (125)
- Increase in revenues based on the Fuel Cost Adjustment System +10, etc.

【Other Electric Operating Revenues】

- Increase in grants for the purchase cost from Surcharge Adjustment Organization based on FIT +39
- Increase in wheeling revenue +22, etc.

【Fuel, Power Purchase】 (156)

- Increase in electricity volume generated by nuclear power plants (245)
- Increase in total electricity sales +141
- Increase in purchase of renewable energy sourced electricity +34
- Decrease in thermal power generation cost per kWh (63), etc.

		FY2019 3Q (a)	FY2018 3Q (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	105	120	(15)
	Crude Oil (\$/b)	68	75	(7)
	LNG (\$/t)	495	536	(41)
Exchange Rate (¥/\$)		109	111	(2)

【Maintenance】

- Increase in construction work associated with thermal power plants +51, etc.

【Nuclear Back-end】

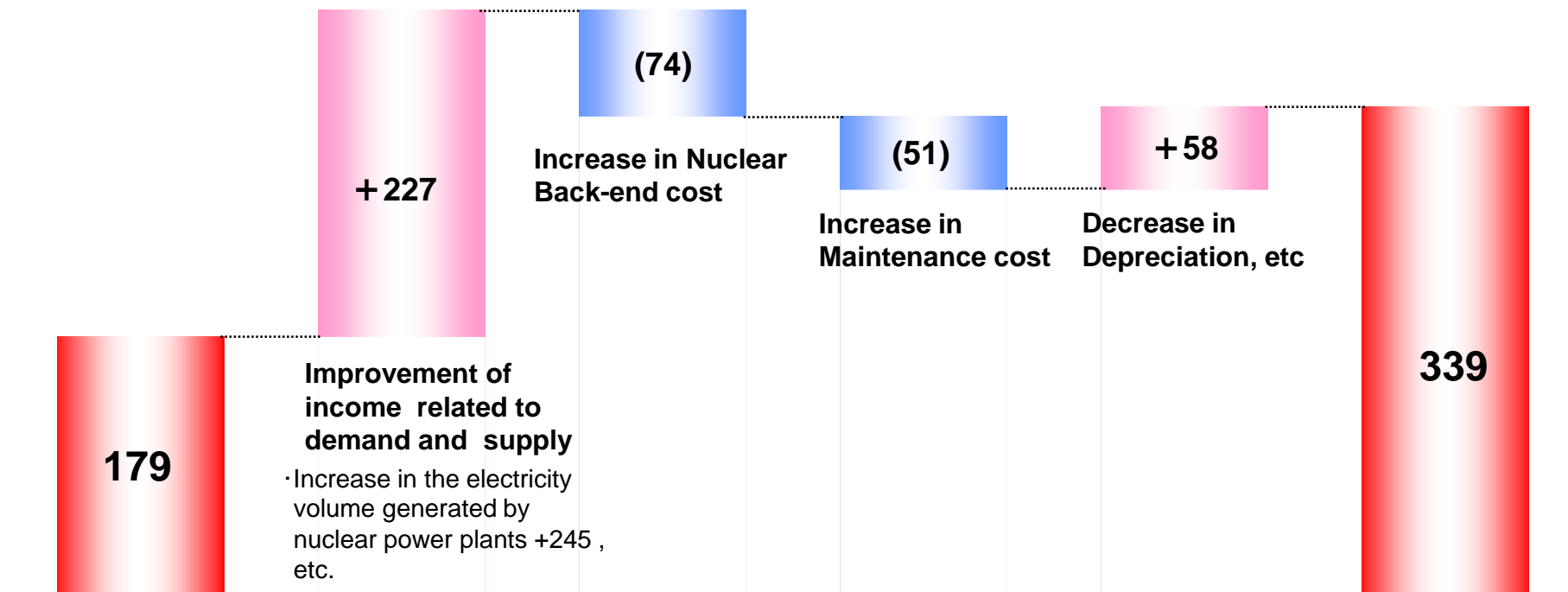
- Increase in contributions costs for reprocessing of irradiated nuclear fuel and disposal cost of high-level radioactive waste due to increase in operation of Ikata Unit No.3.

Ordinary Profit

(100 million yen)

FY2018
3Q

FY2019
3Q



Results by Segment

(100 million yen)

		FY2019 3Q (a)	FY2018 3Q (b)	(a-b)	Main Factors	
Consolidated	Revenues	5,438	5,351	87	-	
	Operating Profit	360	179	181		
Segment	Electric Utility*	Revenues	4,761	4,690	71	- Increase in wholesales electricity sales, and increase in grants for purchase cost based on FIT etc. - Decrease in the fuel and power purchase cost by operation of Ikata3, etc.
		Segment Profit	271	95	176	
	IT/ Communications*	Revenues	323	305	18	- Increase in FTTH business, etc.
		Segment Profit	54	55	(1)	
	Construction/ Engineering*	Revenues	338	295	43	- Increase in orders received of construction contracts, etc.
		Segment Profit(Loss)	0	(1)	1	
	Energy*	Revenues	183	188	(5)	-
		Segment Profit	13	8	5	
	Others*	Revenues	374	338	36	- Increase in orders received of construction contracts, etc.
		Segment Profit	17	15	2	

* Internal transactions are not eliminated

Capital Investment

(100 million yen)

	FY2019 3Q
Electric Utility	515
<Safety measures at Ikata nuclear power station>	<105>
<Replacement of unit no.1 of Saijo thermal power station>	<111>
IT/Communications	75
<Data Center>	<29>
<FTTH>	<8>
Construction/Engineering, Energy, Others	18
Total	609

(100 million yen)				
	Dec 31, 2019 (a)	Mar 31, 2019 (b)	(a-b)	Details
Total assets	13,621	13,539	82	
	12,800	12,729	71	
<Plant and equipment, and intangible assets (except Special account related to nuclear power decommissioning, Special account related to reprocessing of spent nuclear fuel)>	< 8,395 >	< 8,282 >	< 113 >	<ul style="list-style-type: none"> • Capital investment +588 • Advance of depreciation (445), etc.
Liabilities	10,264	10,327	(63)	
	9,821	9,892	(71)	
<Bonds and loans>	< 6,990 >	< 7,042 >	<(52)>	
<Reserve, etc.>	< 3,274 >	< 3,284 >	<(10)>	
Total net assets	3,356	3,211	145	
	2,979	2,836	143	
<Retained earnings>	< 1,883 >	< 1,702 >	< 181 >	<ul style="list-style-type: none"> • Net Income + 242 • Dividend payment (61)
Shareholders' equity ratio	24.5%	23.6%	0.9%	
	23.3%	22.3%	1.0%	

(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

9

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

Dividends per Share

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

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

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 3Q (a)	FY2018 3Q (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	3,289	3,458	(169)	(4.9)%
<Surcharge Income based on FIT>	<423>	<432>	<(9)>	<(2.1)%>
Electricity Sales(Wholesale)	510	336	174	51.8%
Others	1,064	1,000	64	6.4%
<Grants for the Purchase Cost from Surcharge Adjustment Organization based on FIT>	<745>	<706>	<39>	<5.5%>
Operating Revenues	4,863	4,794	69	1.4%
Personnel	378	395	(17)	(4.2)%
Fuel	493	595	(102)	(17.1)%
Power Purchase	1,486	1,539	(53)	(3.5)%
Depreciation	370	410	(40)	(9.7)%
Maintenance	460	410	50	12.2%
Nuclear Back-end	138	64	74	113.2%
Others	1,251	1,277	(26)	(2.1)%
Operating Expenses	4,579	4,694	(115)	(2.4)%
Operating Profit	283	99	184	183.4%
Interest Expenses, etc.	2	24	(22)	(91.4)%
Ordinary Profit	285	124	161	129.9%
Income Taxes, etc.	72	34	38	112.6%
Profit	213	90	123	136.5%

【Electricity Sales(Retail)】

- Decrease in electricity sales (125)
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CIF Price (all Japan)	Coal (\$/t)	105	120	(15)
	Crude Oil (\$/b)	68	75	(7)
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【Maintenance】

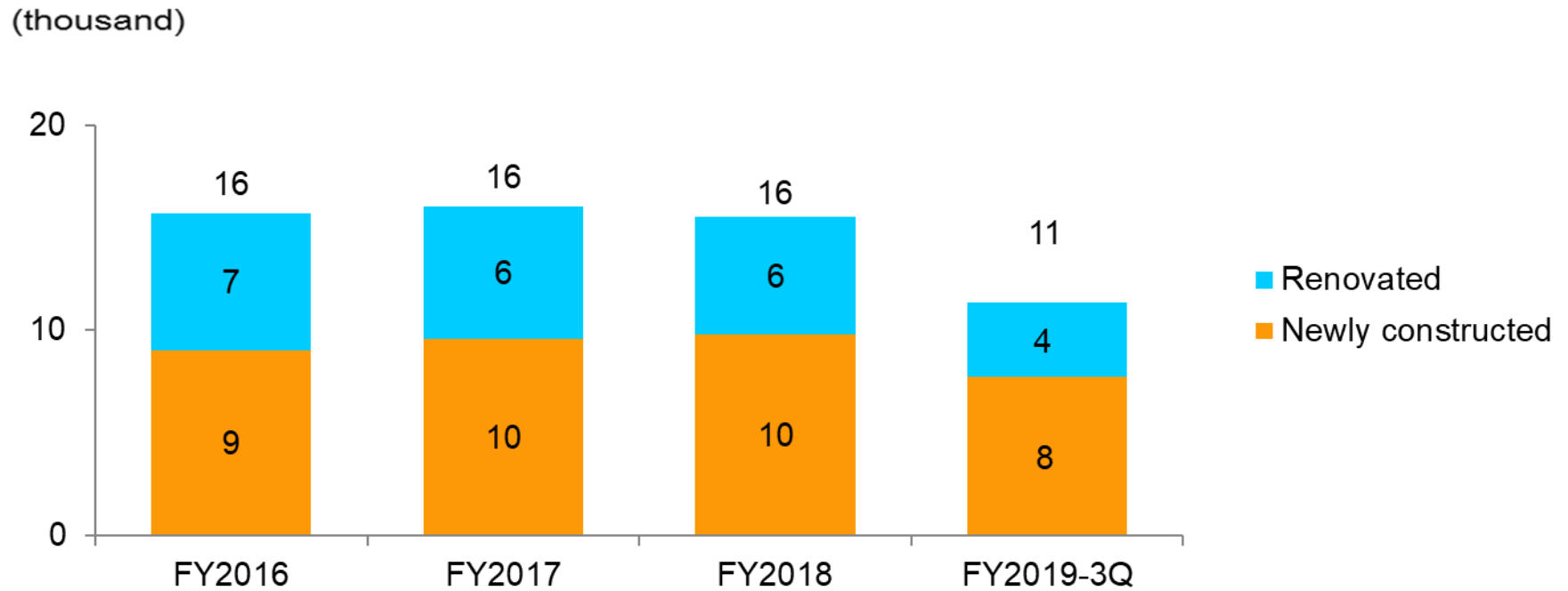
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【Nuclear Back-end】

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Supplemental material for FY2019 3Q

- 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

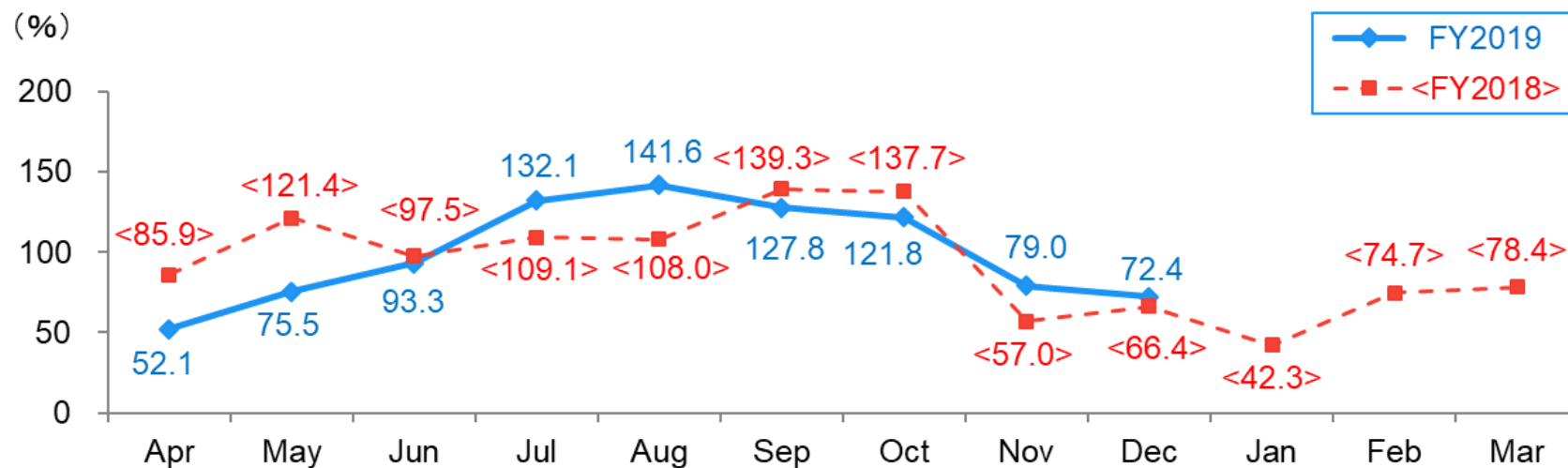


	FY2019 3Q (A)	FY2018 3Q (B)	(A-B)
Coal (10,000t)	167.1	208.0	(40.9)
Heavy Oil (10,000kl)	3.7	17.9	(14.2)
Crude Oil (10,000kl)	2.0	2.2	(0.2)
LNG (10,000t)	20.6	18.5	2.1

【Fuel Prices】

	FY2019 3Q (A)	FY2018 3Q (B)	(A-B)
CIF price: Coal (\$/t)	105	120	(15)
CIF price: Crude Oil (\$/b)	68	75	(7)
CIF price: LNG (\$/t)	495	536	(41)
Exchange rate (¥/\$)	109	111	(2)

Flow Rate

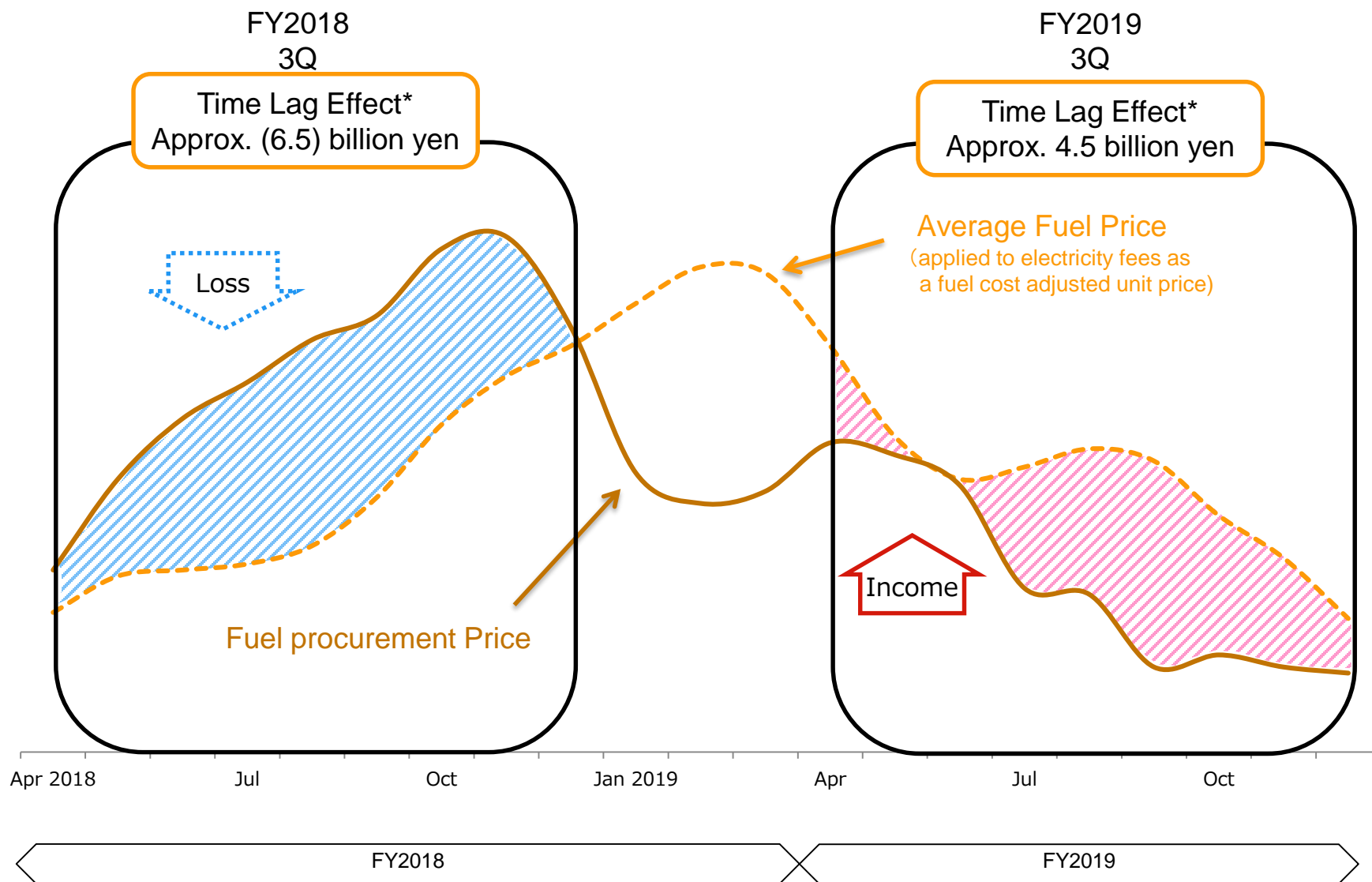


Financial Sensitivity for Key Factors

(100 million yen)

	FY2019-3Q
CIF price: coal (1\$/t)	4
CIF price: crude oil (1\$/b)	1
Exchange rate (¥1/\$)	6
Nuclear power capacity factor (1%)	3
Flow Rate (1%)	2

(Note) 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 3Q	<ref> FY2018
Power sources	349	412
Renewable energy	28	35
Thermal	198	192
Nuclear	123	184
Transmission	40	66
Transformation	40	47
Distribution	61	76
Other	11	20
Subtotal	503	623
Nuclear fuel	12	108
Electric power business	515	732
Other business	93	117
Total*	609	849

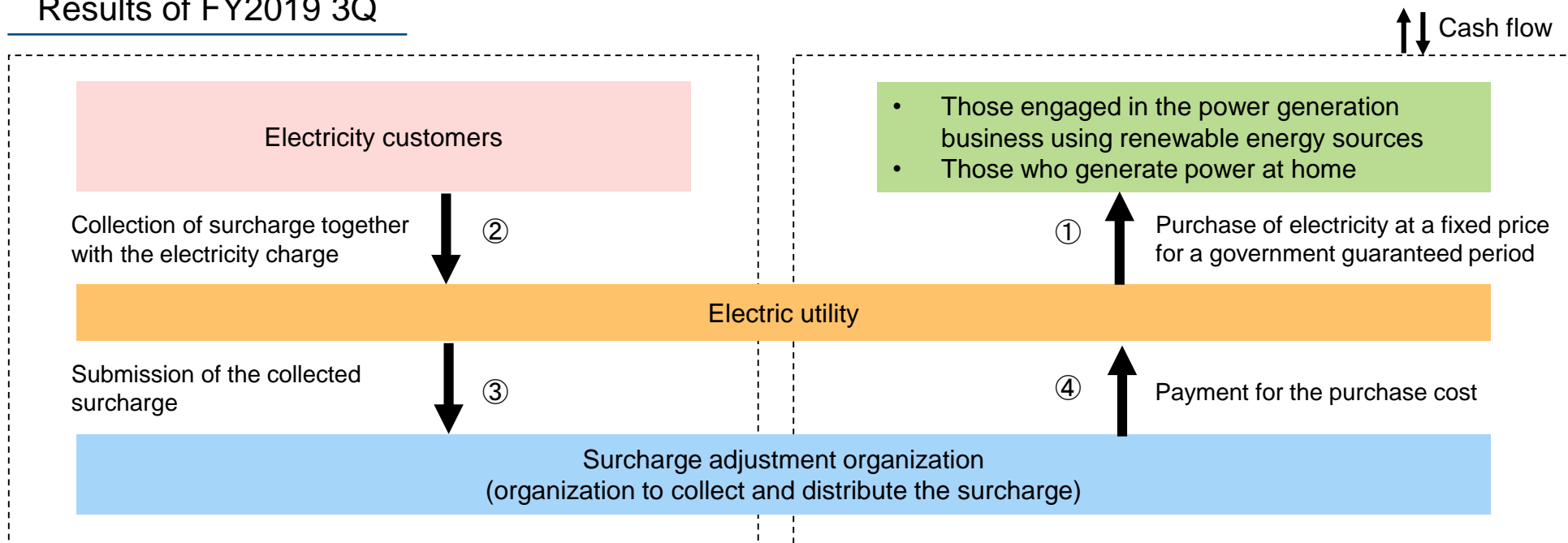
* before the elimination of unrealized profits

(100 million yen)

		Total (forecasts)	FY2011~FY2018 (results)		FY2019 3Q (results)
				FY2018	
Facility Construction	Short term	Approx. 720	717	0	0
	Medium term	Approx. 940	566	137	105
Analysis and Evaluation		Approx. 240	240	0	0
Total		Approx. 1,900	1,523	137	105

(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 3Q



② Surcharge	423
We collect surcharge from customers with the electricity charge.	
③ Submission of the collected surcharge	423
We submit the collected surcharge to surcharge adjustment organization.	

(100 million yen)

① Purchase of electricity	932
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	745
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 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.