

FY2020 Financial Results Outline

(April 1, 2020 – March 31, 2021)

April 28, 2021

SHIKOKU ELECTRIC POWER CO.,INC.

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Overview of Consolidated Financial Results

【 Financial Results for FY 2020 】

- ❑ Operating revenues decreased by ¥ 13.9 billion YoY, to ¥ 719.2 billion. The main factors were as follows;
 - ✓ Wholesale sales revenue increased due to soaring Japan Electric Power Exchange (JEPX) prices in January and renewable energy grants, etc.
 - ✓ Retail sales revenue declined due to decrease in revenues based on the Fuel Cost Adjustment System.
- ❑ Operating expenses increased by ¥ 10.9 billion YoY, to ¥ 712.7 billion. The main factors were as follows;
 - ✓ Demand and supply-related expenses increased due to the suspension of Unit 3 of the Ikata Nuclear Power Station and the impact of soaring JEPX prices in January.
 - ✓ Overall management cost reduced.
- ❑ As a result,
 - ✓ Operating profit decreased by ¥ 24.8 billion YoY, to ¥ 6.4 billion.
 - ✓ Ordinary profit decreased by ¥ 22.8 billion YoY, to ¥ 5.1 billion.
 - ✓ Profit attributable to owners of parent decreased by ¥ 15.1 billion YoY, to ¥ 2.9 billion.

【 Forecasts of Financial Results for FY 2021 】

- ❑ Operating revenues are expected to decrease by ¥ 169.2 billion YoY, to ¥550.0 billion. The main factor is as follows;
 - ✓ the levy related to the feed-in tariff system for renewable energy will not be recorded as sales and the grant will be deducted from the purchased electricity charges. (* See page 16 for details)
- ❑ Profits are expected to increase as follows compared to the previous year because of restart of Ikata Unit 3, etc.
 - ✓ Operating profit will increase by ¥12.1 billion YoY, to ¥ 18.5 billion.
 - ✓ Ordinary profit will increase by ¥12.9 billion YoY, to ¥ 18.0 billion.
 - ✓ Profit attributable to owners of parent will increase by ¥10.1 billion YoY, to ¥ 13.0 billion.

【 Dividends 】

- ❑ The year-end dividend for FY2020 announced in November 2020 will be ¥ 15 per share.
The total annual dividend will be ¥ 30 per share, with interim dividend paid in November 2020 (no change from the previous year)
- ❑ The annual dividend for FY2021 is planned to be ¥ 30 per share, ¥ 15 for interim and ¥15 for year-end.

I . Consolidated Financial Results for FY2020 (April 1, 2020 – March 31, 2021)

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

(100 million yen)

	FY2020 (a)	FY2019 (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	7,192	7,331	(139)	(1.9)%
Operating Expenses	7,127	7,018	109	1.5%
Operating Profit	64	312	(248)	(79.4)%
Interest Expenses, etc.	12	33	(21)	(62.0)%
Ordinary Profit	51	279	(228)	(81.4)%
Extraordinary losses	-	17	(17)	-
Income Taxes, etc.	21	80	(59)	(72.9)%
Profit attributable to owners of parent	29	180	(151)	(83.4)%

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

(million kWh)

	FY2020 (a)	FY2019 (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	21,986	22,396	(410)	(1.8)%	• Decrease in electricity demand due to COVID-19, etc.
Lighting	8,210	8,169	41	0.5%	
Power	13,777	14,226	(449)	(3.2)%	
Wholesale	5,848	7,460	(1,612)	(21.6)%	• Decrease in drop of surplus capacity due to the suspension of Ikata Unit 3, etc.
Total	27,834	29,855	(2,021)	(6.8)%	

* 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.
FY2020	24.2	25.7	29.9	25.2	26.3
Differences from the average year	1.4	(1.1)	2.1	0.7	0.8
Differences from the previous year	1.0	(0.4)	1.9	(1.1)	0.4

(°C)

	Dec	Jan	Feb	Mar	4-month AVG.
FY2020	8.3	6.2	8.9	12.7	9.0
Differences from the average year	0.0	0.2	2.3	3.0	1.4
Differences from the previous year	(1.4)	(2.6)	0.5	1.2	(0.6)

Electricity Sales in the Last 5 Years

(million kWh)

	FY2016	FY2017	FY2018	FY2019	FY2020
Lighting	9,081	9,224	8,539	8,169	8,210
Power	16,615	15,896	14,757	14,226	13,777
Total	25,697	25,120	23,296	22,396	21,986

Electricity Sales Changes from the Previous Fiscal Year

	FY2016	FY2017	FY2018	FY2019	FY2020
Lighting	1.7%	1.6%	(7.4)%	(4.3)%	0.5%
Power	(1.2)%	(4.3)%	(7.2)%	(3.6)%	(3.2)%
Total	(0.2)%	(2.2)%	(7.3)%	(3.9)%	(1.8)%

Average Temperatures in Prefectural Capitals in Shikoku

(°C)

	FY2016	FY2017	FY2018	FY2019	FY2020
Summer*1	26.4	26.0	26.3	25.9	26.3
Winter*2	8.2	7.1	9.0	9.6	9.0

*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)

		FY2020 (a)	FY2019 (b)	(c)=(a)-(b)	(c)/(b)	Details
Own Generated Power	Hydro	2,404	2,338	66	2.8%	· Flow Rate 105.1% → 98.9%
	Nuclear	-	5,894	(5,894)	-	· Capacity factor of Ikata Unit No.3 75.4% → - %
	Renewable Energy	7	6	1	8.4%	
	Thermal	12,457	10,799	1,658	15.4%	
Purchased Power		15,591	13,283	2,308	17.4%	· Hydropower 1,143 → 1,188 · Renewable Energy 3,892 → 4,705

* 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

(100 million yen)

	FY2020 (a)	FY2019 (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	4,128	4,470	(342)	(7.6)%
Electricity Sales(Wholesale)	679	606	73	12.0%
Others	1,354	1,237	117	9.5%
Electric Operating Revenues	6,163	6,314	(151)	(2.4)%
Other Operating Revenues	1,028	1,017	11	1.1%
Operating Revenues	7,192	7,331	(139)	(1.9)%
Personnel	527	502	25	5.0%
Fuel	558	674	(116)	(17.2)%
Power Purchase	2,389	1,985	404	20.3%
Depreciation	493	495	(2)	(0.4)%
Maintenance	581	624	(43)	(6.8)%
Nuclear Back-end	37	157	(120)	(76.1)%
Others	1,622	1,672	(50)	(3.0)%
Electric Operating Expenses	6,211	6,113	98	1.6%
Other Operating Expenses	916	905	11	1.1%
Operating Expenses	7,127	7,018	109	1.5%
Operating Profit	64	312	(248)	(79.4)%
Interest Expenses, etc.	12	33	(21)	(62.0)%
Ordinary Profit	51	279	(228)	(81.4)%
Extraordinary losses	-	17	(17)	-
Income Taxes, etc.	21	80	(59)	(72.9)%
Profit attributable to owners of parent	29	180	(151)	(83.4)%

① 【Electricity Sales(Retail)】
 ・ Decrease in electricity sales <(60)>
 ・ Decrease in revenues based on the Fuel Cost Adjustment System <(282)>

② 【Wholesale sales, Others】
 ・ Impact of soaring JEPX prices in January <+166>
 ・ Decrease in electricity sales <(128)>, etc.
 ・ Increase in grants based on FIT<+140>,etc.

③ 【Personnel】
 ・ Increase in amortization of actuarial gains and losses related to retirement benefits <+38>, etc.

④ 【Fuel, Power Purchase】 <+287>
 ・ Decrease in the operating rate of nuclear power <+230>
 ・ Impact of soaring JEPX prices in January <+213>
 ・ Decrease in wholesale electricity <(75)>
 ・ Increase in purchase of renewable energy sourced electricity <+160>
 ・ Decrease in thermal power generation cost per kWh <(235)>, etc.

		FY2020 (a)	FY2019 (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	79	101	(22)
	Crude Oil (\$/b)	43	68	(25)
	LNG (\$/t)	390	493	(103)
Exchange Rate (¥/\$)		106	109	(3)

⑤ 【Maintenance】
 ・ Decrease in construction associated with thermal power plants (69), etc

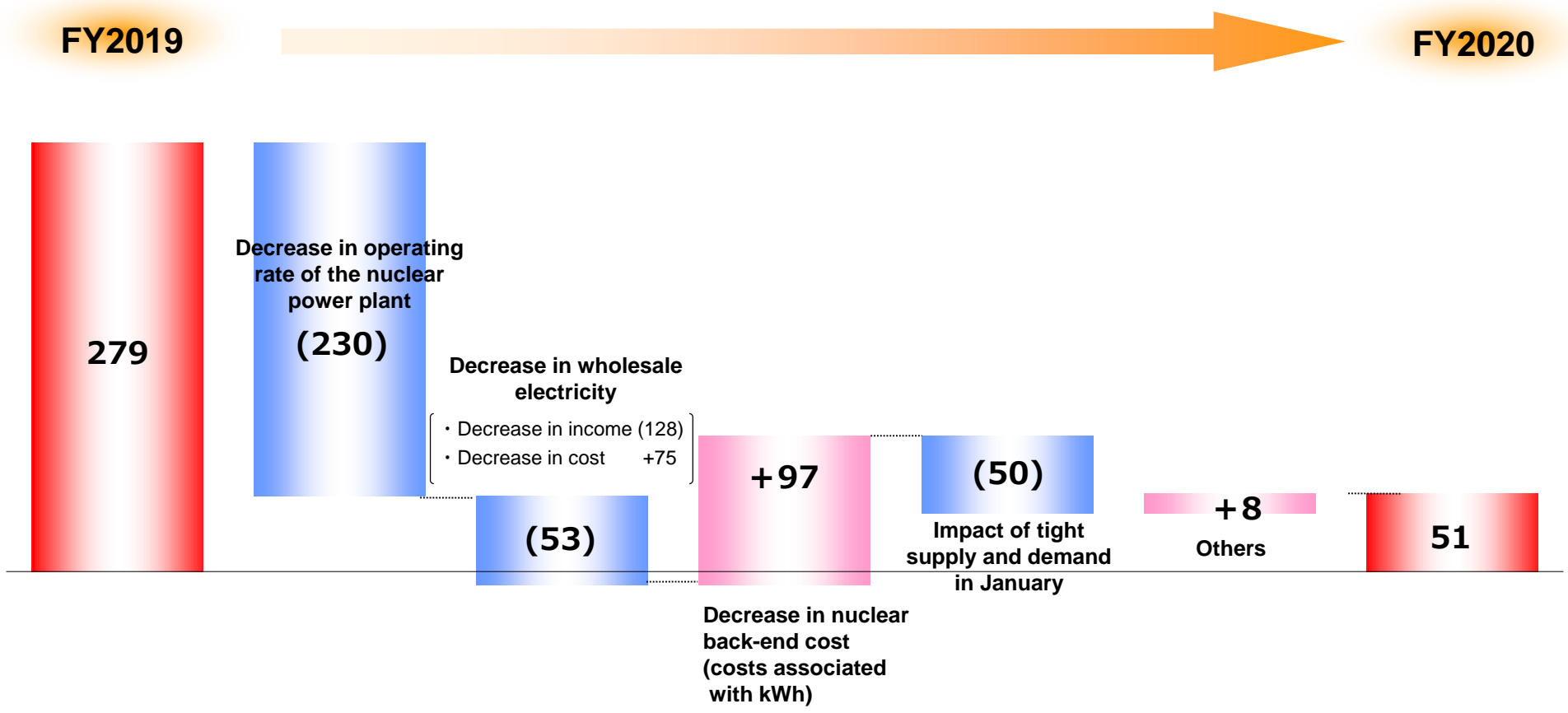
⑥ 【Nuclear Back-end Cost】
 ・ Decrease in reprocessing costs and high-level waste disposal costs due to the suspension of Unit 3 of the Ikata Nuclear Power Station <(97)>

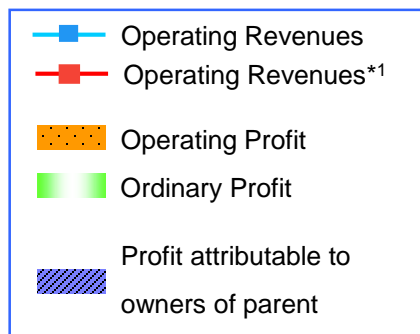
⑦ 【Others】
 ・ Decrease in consignment costs <(25)>, etc.

⑧ 【Interest expense, etc.】
 ・ Gain on sales of securities <(15)>, etc.

[Ordinary profit (FY2020) Breakdown of differences from the previous year]

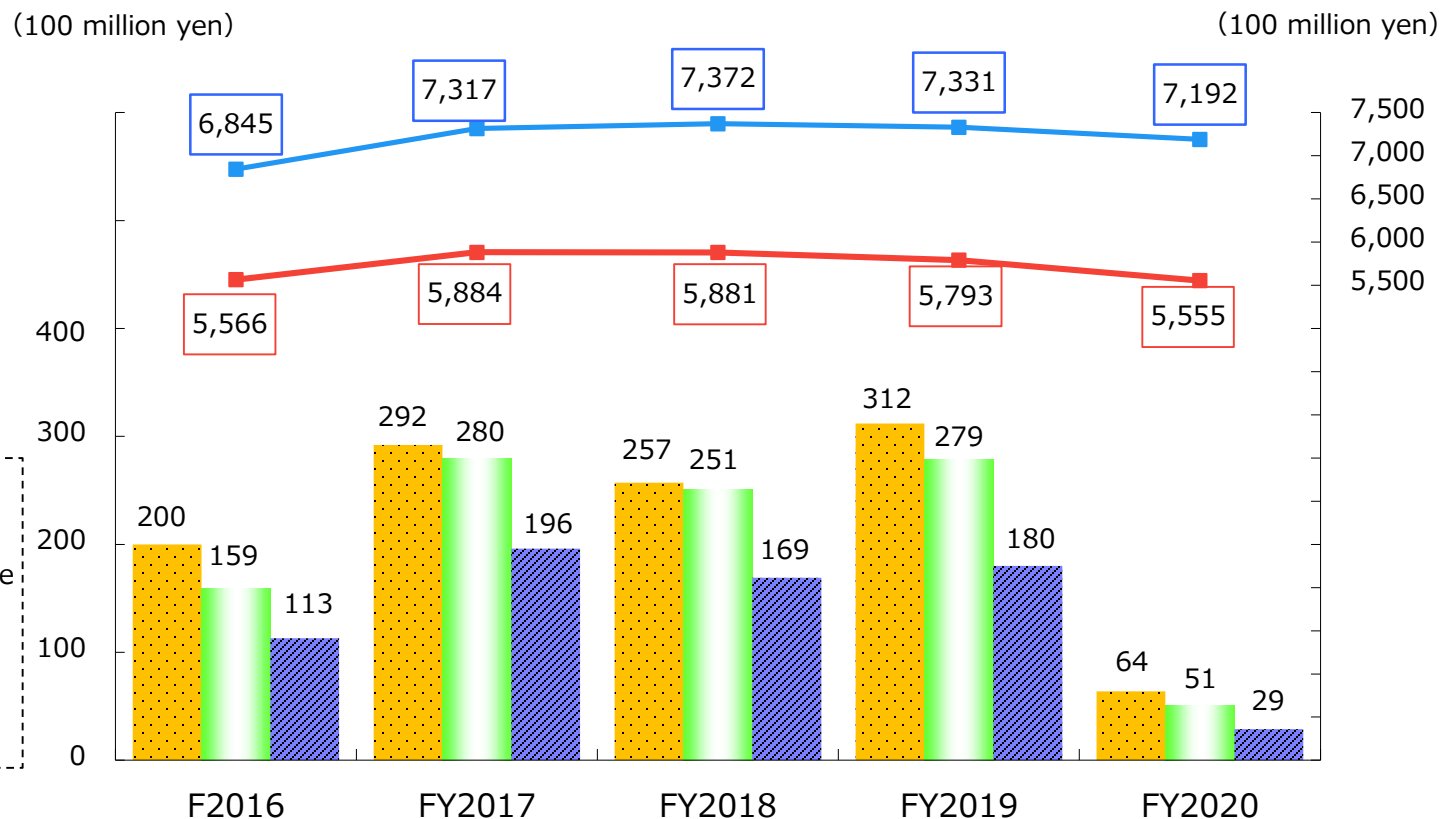
(100 million yen)





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

[Reference] Since the accounting standard for revenue recognition will be applied from 2021, the levy related to FIT will not be recorded as sales, and the grant will be deducted from the purchased electricity fee. The revenues from which income associated with FIT are deducted after 2021. (See page 16 for details)



Performance Indicators

		FY2016	FY2017	FY2018	FY2019	FY2020
Operating Profit Margin *2	(%)	<3.6%> 2.9	<5.0%> 4.0	<4.4%> 3.5	<5.4%> 4.3	<1.2%> 0.9
Return on Assets (ROA) *3	(%)	1.8	2.7	2.4	2.5	0.8
Return on Equity (ROE)	(%)	3.9	6.4	5.4	5.6	0.9
Profit per Share	(yen)	55	96	83	88	15
Ordinary Profit + Interest Expenses	(100 million yen)	244	356	321	340	108

*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)

			FY2020 (a)	FY2019 (b)	(a-b)	Main Factors	
Consolidated		Revenues	7,192	7,331	(139)		
		Operating Profit	64	312	(248)		
Segment	Electric Utility*	Power generation and sales	Revenues	5,807	6,249	(442)	Decrease in the amount of Fuel Cost Adjustment <(282)>, etc. Decrease in the operating rate of nuclear power <(186)>, The impact of tight supply and demand <(100)>, etc.
			Segment Profit <Loss>	(226)	68	(294)	
		Transmission and distribution	Revenues	2,151	1,827	324	Increase in imbalance supply revenue <109> Increase in FIT related revenue <163>, etc Income and expenditure improved due to tight supply and demand in January, etc.
			Segment Profit	161	111	50	
	IT/Communications*		Revenues	454	447	7	
			Segment Profit	67	68	(1)	
	Construction/Engineering*		Revenues	618	565	53	Increase in substation-related construction work, etc.
		Segment Profit	18	16	2		
Energy*		Revenues	201	250	(49)	Decrease in coal sales business <(19)>, Decrease in LNG sales business <(19)>, etc. Decrease in LNG purchase cost due to lower fuel price, etc.	
		Segment Profit	26	22	4		
Others*		Revenues	498	531	(33)	Decrease in commercial business, etc.	
		Segment Profit	15	21	(6)		

* Internal transactions are not eliminated.

Capital Investment

(100 million yen)

	FY2020
Electric Utility <Power generation & sales>	556
<Safety measures at Ikata nuclear power station>	<172>
<Replacement of unit no.1 of Saijo thermal power station>	<167>
Electric Utility <Transmission and distribution>	216
IT/Communications	51
Construction/Engineering, Energy, Others	47
Total (Before the elimination of unrealized profits)	871

(100 million yen)

		FY2020 (a)	FY2019 (b)	(a-b)
Cash Flows from Operating Activities	Ordinary Profit	51	279	/
	Depreciation	585	596	
	Others	(114)	196	
	Subtotal	522	1,073	
Cash Flows from Investing Activities	Capital Expenditures	(829)	(862)	/
	Investments	(64)	(136)	
	Subtotal	(893)	(999)	
Free Cash Flows		(371)	73	(444)
Cash Flows from Financing Activities	Bonds and Loans	546	128	/
	Cash Dividends Paid	(62)	(62)	
	Others	(1)	(3)	
	Subtotal	483	63	
Net Increase in Cash and Cash Equivalents		111	136	

(Note) Plus figures means cash inflow, minus figures means cash outflow.

Debt to CF Ratio (times) ^{*1}	14.8	6.7
Interest Coverage Ratio (times) ^{*2}	9.1	17.1

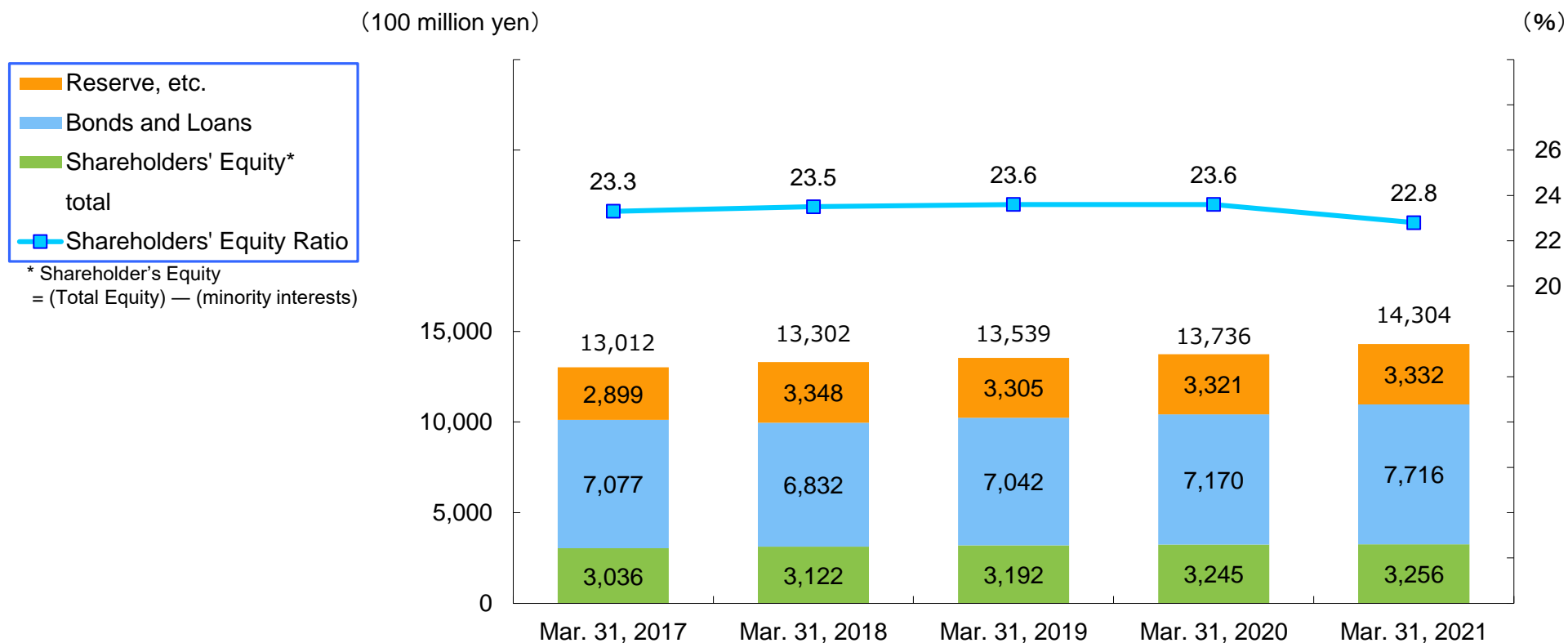
*1) Debt to CF Ratio: Interest bearing debt / Cash flows from operating activities

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

(100 million yen)

	Mar 31, 2021 (a)	Mar 31, 2020 (b)	(a-b)	Details
Total assets	14,304	13,736	568	
<Plant and equipment, and intangible assets (except special account related to nuclear power decommissioning and reprocessing of spent nuclear fuel)> <Investment, etc.>	<8,575> <4,537>	<8,430> <4,181>	<145> <356>	<ul style="list-style-type: none"> • Capital investment +786 • Depreciation (585) , etc • Investment and financing for Niihama LNG Co., Ltd. and overseas businesses +116 • Increase in cash reserves +111, etc
Liabilities	11,024	10,469	555	
<Bonds and loans> <Accrued expenses, etc.>	<7,716> <3,307>	<7,170> <3,299>	<546> <8>	<ul style="list-style-type: none"> • increase in bonds +250 • Increase in long-term loan payable +196 • Increase in commercial paper +100
Total net assets	3,279	3,266	13	
<Retained earnings> <Accumulated other comprehensive income>	<1,793> <72>	<1,821> <33>	<(28)> <39>	<ul style="list-style-type: none"> • Profit attributable to owners of the parent + 29 • Dividend Payment (62) , etc • Increase in accumulated adjustments for retirement benefits due to actuarial gains and losses +64 , etc

[Liabilities and Total Equity ; last 5 fiscal years]



Financial Indicators

	Mar 31, 2017	Mar 31, 2018	Mar 31, 2019	Mar 31, 2020	Mar 31, 2021
Shareholders' Equity Ratio (%)	23.3	23.5	23.6	23.6	22.8
Interest Bearing Debts Ratio (times)	2.3	2.2	2.2	2.2	2.4
Book-value per Share(BPS) (yen)	1,474	1,517	1,550	1,578	1,583
Price Book-value Ratio(PBR) (times)	0.8	0.8	0.9	0.5	0.5

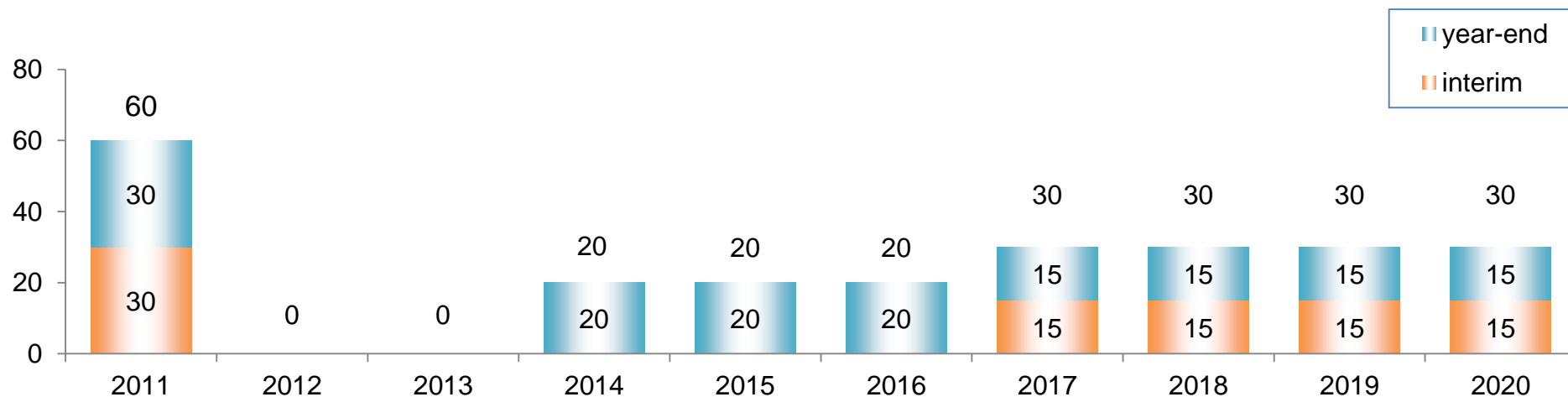
(Note) Interest Bearing Debts Ratio = Bonds and Loans / Shareholders' Equity

- ❑ We will decide by comprehensively considering such factors as business performance levels, financial conditions, and the medium- to long-term business environment with stable dividend payments as the basis of shareholder returns.
- ❑ The year-end dividend for FY2020 announced November 2020 will be ¥ 15 per share.
The total annual dividend will be ¥ 30 per share, with interim dividend paid in November 2020.

Dividends per Share

	FY2019	FY2020
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 FY2021

Financial Results

(100 million yen)

	FY2021 (Forecast)	FY2020
Operating Revenues	* 5,500	7,192
Operating Profit	185	64
Ordinary Profit	180	51
Profit attributable to owners of parent	130	29
Profit per Share	¥63	¥15

(* See page 16 for factors of decrease)

Dividends per Share

	FY2021 (Forecast)	FY2020
Interim	¥15	¥15
Year-end	¥15	¥15

Electricity Sales

(100 million kWh)

	FY2021 (Forecast)	FY2020
Lighting	78.3	82.1
Power	140.5	137.8
Retail	218.7	219.9
Wholesale	75.1	58.5
Total	293.8	278.3

Fuel Prices / Exchange Rate and Other Factors

	FY2021 (Forecast)	FY2020
Nuclear Capacity Factor (%) *	42	-

※ Ikata Unit No.3

Coal CIF Price (\$/t)	95	79
Crude oil CIF Price (\$/b)	65	43
Exchange Rate (¥/\$)	110	106

[Ordinary profit (FY2021 income and expenditure outlook) Breakdown of differences from the previous year]

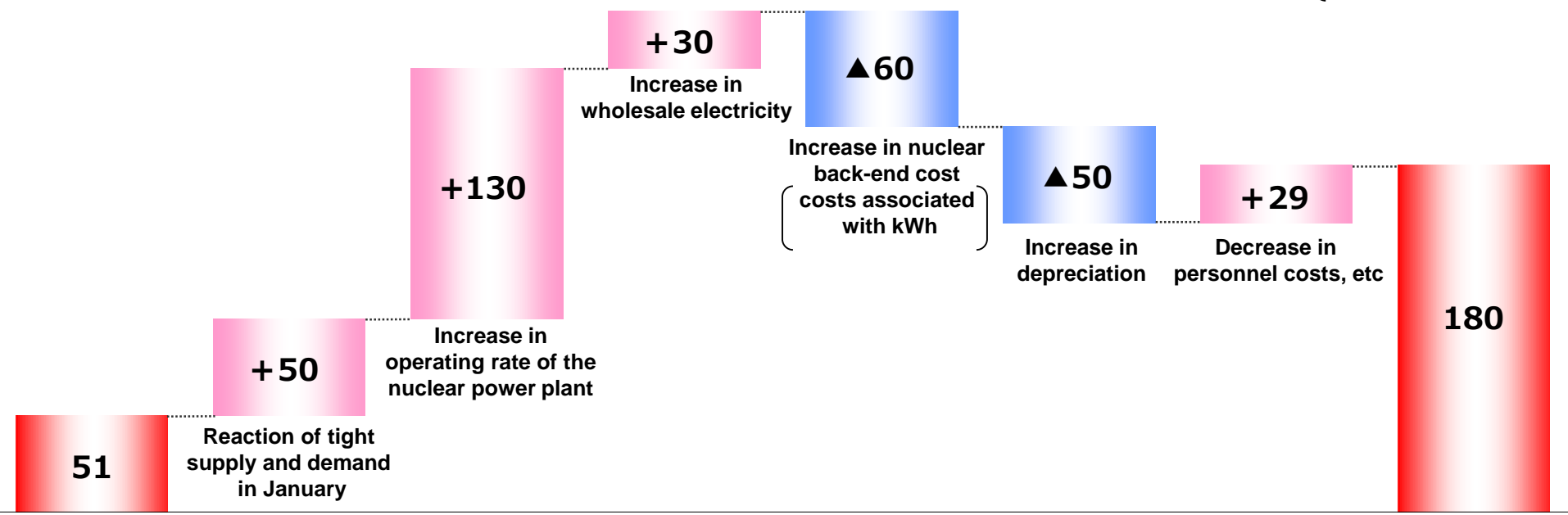
(100 million yen)

FY2020



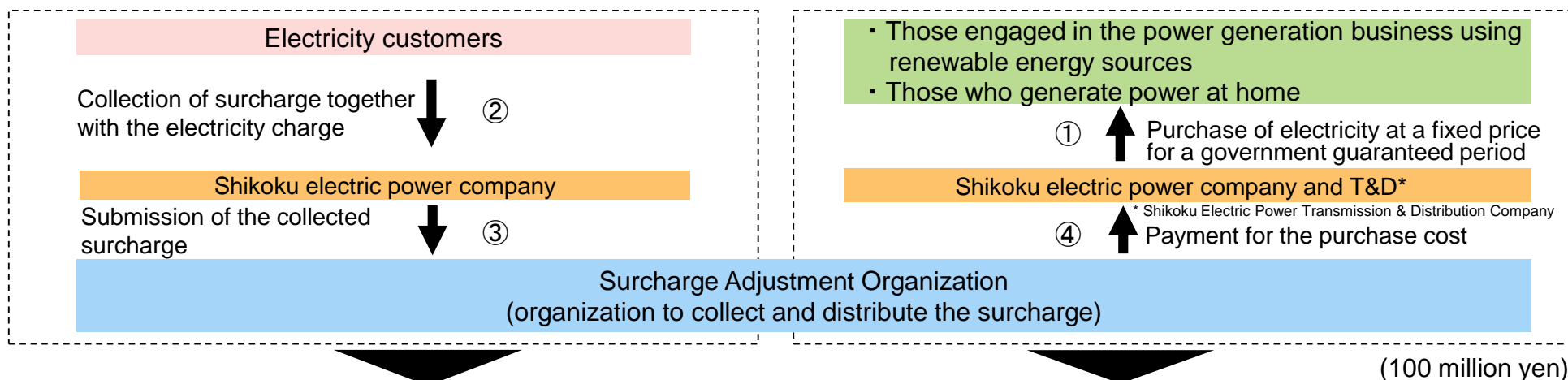
FY2021

(income and expenditure outlook)



[Reference] Feed-in tariff system and accounting changes

- Since the accounting standard for revenue recognition will be applied from 2021, the levy related to FIT will not be recorded as sales, and the grant will be deducted from the purchased electricity fee. Sales will decrease by about 160 billion yen year-on-year, but expenses will also decrease by the same amount, so there will be no impact on the balance of payments.



② Surcharge	570
We collect surcharge from customers with the electricity charge.	
③ Submission of the collected surcharge	570
We submit the collected surcharge to surcharge adjustment organization.	

① Purchase of electricity	1,376
T&D and 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	1,066
Surcharge adjustment organization pay grants corresponding to the actual purchase costs.	

※The figures are based on the actual values for FY2020.

	Change before	Change after
Operating revenues	② Surcharge 570	—
	④ Payment for the purchase cost 1,066	
Cost	① Purchase of electricity 1,376	① Purchase of electricity 1,376
	③ Submission of the collected surcharge 570	④ Payment for the purchase cost (1,066)
		③ Submission of the collected surcharge 570
		② Surcharge (570)

Decrease in sales : 1,636

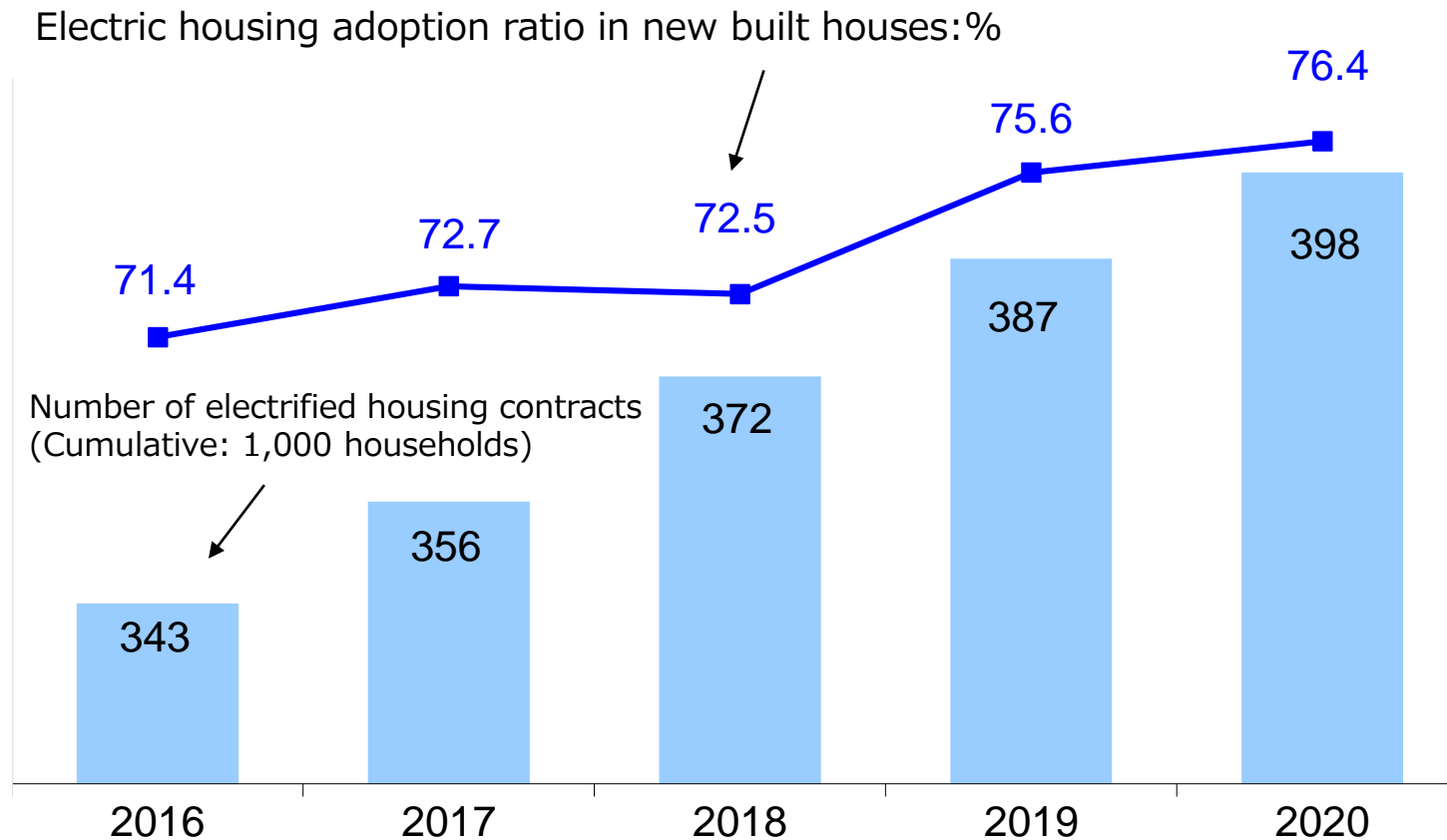
Decrease in cost : 1,636

No balance impact

↑ ↓ Cash flow

Supplemental Material for FY2020

- Changes in the number of electrified housing contracts (cumulative)
- Consumption of Fossil Fuels
- Flow Rate, Financial Sensitivity for Key Factors
- Time Lag Effect of Fuel Cost Adjustment System
- Plant and Equipment Expenditures (consolidated)

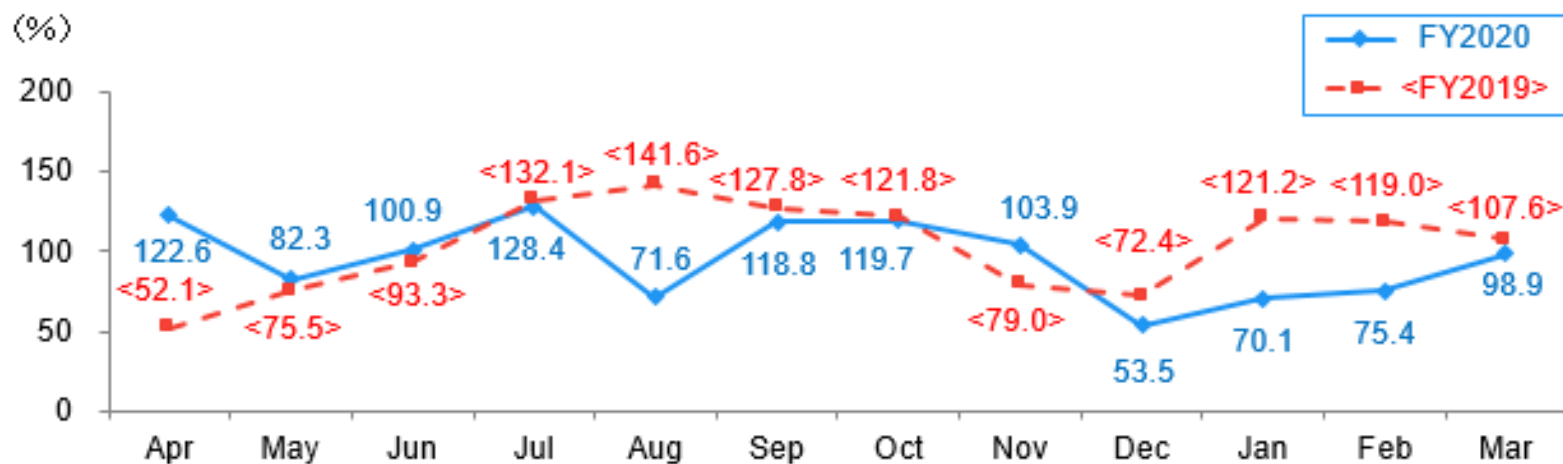


	FY2020 (a)	FY2019 (b)	(a-b)
Coal (10,000t)	277.5	241.3	36.2
Heavy Oil (10,000kl)	13.4	5.7	7.7
Crude Oil (10,000kl)	1.6	2.2	(0.6)
LNG (10,000t)	40.7	31.3	9.4

【Fuel Prices】

	FY2020 (a)	FY2019 (b)	(a-b)
CIF price: Coal (\$/t)	79	101	(22)
CIF price: Crude Oil (\$/b)	43	68	(25)
CIF price: LNG (\$/t)	390	493	(103)
Exchange rate (¥/\$)	106	109	(3)

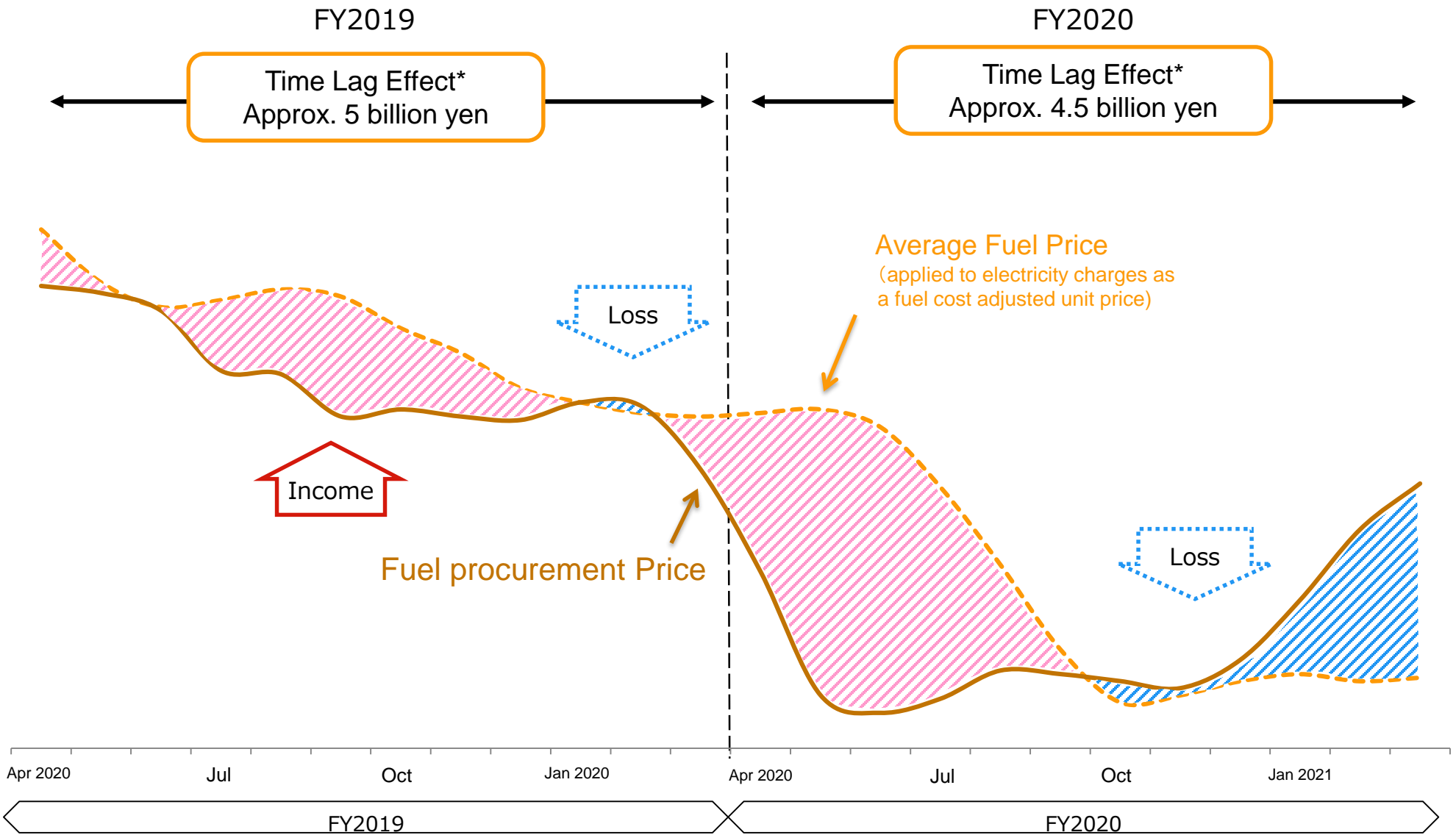
Flow Rate



Financial Sensitivity for Key Factors

(100 million yen)

	FY2020
CIF price: coal (1\$/t)	6
CIF price: crude oil (1\$/b)	1
Exchange rate (¥1/\$)	6
Nuclear power capacity factor (1%)	3
Flow Rate (1%)	2



*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)

	FY2020	<ref> FY2019
Power Generation & Sales	556	576
Renewable energy	28	50
Thermal	202	253
Nuclear	248	190
Nuclear fuel	71	75
Transmission & Distribution	216	197
Transmission	54	53
Transformation	62	53
Distribution	79	77
Electric power business	772	773
Other business	98	119
Total*	871	893

* Before the elimination of unrealized profits

(100 million yen)

		Total (forecasts)	FY2011~FY2020 (results)	
				FY2020
Facility Construction	Short term	Approx. 720	717	-
	Medium-to- long term	Approx.1,140	901	178
Analysis and Evaluation		Approx. 240	240	-
Total		Approx.2,100	1,858	178

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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.