

FY2020 3Q Financial Results Outline

(April 1, 2020 – December 31, 2020)

January 28, 2021

SHIKOKU ELECTRIC POWER CO.,INC.

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Overview of Consolidated Financial Results

【 Financial Results for FY 2020 3Q 】

- ❑ Operating revenues decreased by ¥ 34.1 billion YoY, to ¥ 509.7 billion. The main factors were as follows;
 - ✓ Revenues from retail sales declined due to decrease in electricity sales of retail and the revenue based on the Fuel Adjustment System.
 - ✓ Revenues from wholesale decreased, with drop of surplus capacity due to the suspension of Ikata Unit 3, etc.
- ❑ Operating expenses decreased by ¥ 16.0 billion YoY, to ¥ 491.8 billion. The main factors were as follows;
 - ✓ Total amount of the fuel and power purchase cost was almost equal to the previous year due to the decline in fuel prices, despite the impact of the suspension of Ikata Unit 3.
 - ✓ Nuclear back-end cost decreased due to the suspension of Ikata Unit 3, and maintenance cost decreased, too.
- ❑ As a result,
 - ✓ Operating profit decreased by ¥ 18.2 billion YoY, to ¥ 17.8 billion.
 - ✓ Ordinary profit decreased by ¥ 18.9 billion YoY, to ¥ 15.0 billion.
 - ✓ Profit attributable to owners of parent decreased by ¥ 14.4 billion YoY, to ¥ 9.8 billion.

【 Forecasts of Financial Results for FY 2020 】

- ❑ Operating revenues are expected to decreased by ¥ 48.1 billion YoY, to ¥ 685.0 billion. The main factors are as follows;
 - ✓ Revenues from wholesale electricity and based on the Fuel Cost Adjustment System will decrease.
 - ❑ Profits are expected to be as follows ;
 - ✓ Operating profit will decrease by ¥ 19.2 billion YoY, to ¥ 12.0 billion.
 - ✓ Ordinary profit will decrease by ¥ 17.9 billion YoY, to ¥ 10.0 billion.
 - ✓ Profit attributable to owners of parent will decrease by ¥ 11.0 billion YoY, to ¥ 7.0 billion.
- The main factors are deteriorating of income related to demand and supply due to decrease in operation of Ikata Unit No.3 and declined in total electricity sales, and so on.

【 Forecast of Dividend for FY 2020 】

- ❑ 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 FY2020 3Q (April 1, 2020 – December 31, 2020)

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

(100 million yen)

	FY2020 3Q (a)	FY2019 3Q (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	5,097	5,438	(341)	(6.3)%
Operating Expenses	4,918	5,078	(160)	(3.1)%
Operating Profit	178	360	(182)	(50.3)%
Interest Expenses, etc.	28	20	8	36.5%
Ordinary Profit	150	339	(189)	(55.7)%
Income Taxes, etc.	52	96	(44)	(46.0)%
Profit attributable to owners of parent	98	242	(144)	(59.6)%

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

(million kWh)					
	FY2020 3Q (a)	FY2019 3Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	15,960	16,417	(457)	(2.8)%	· Decrease in electricity demand due to COVID-19, etc.
Lighting	5,605	5,645	(40)	(0.7)%	
Power	10,356	10,772	(416)	(3.9)%	
Wholesale	4,109	6,232	(2,123)	(34.1)%	· Decrease in drop of surplus capacity due to the suspension of Ikata Unit 3, etc.
Total	20,069	22,649	(2,580)	(11.4)%	

* 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 3Q	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

	Oct	Nov	Dec	3-month AVG.
FY2020 3Q	18.9	14.8	8.3	14.0
Differences from the average year	0.1	1.4	0.0	0.5
Differences from the previous year	(2.1)	0.7	(1.4)	(0.9)

Electricity Supplied

(million kWh)

		FY2020 3Q (a)	FY2019 3Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Own Generated Power	Hydro	1,959	1,804	155	8.6%	·Flow Rate 102.6% → 102.6%
	Nuclear	-	5,894	(5,894)	-	·Capacity factor of Ikata Unit No.3: 100.3%→0%
	Renewable Energy	5	5	0	0.1%	
	Thermal	8,749	7,516	1,233	16.4%	
Purchased Power		11,495	9,426	2,069	22.0%	·Hydropower 981 → 1,029 ·Renewable Energy 2,956 → 3,546

(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.

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

(100 million yen)

	FY2020 3Q (a)	FY2019 3Q (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	3,017	3,289	(272)	(8.2)%
Electricity Sales(Wholesale)	322	510	(188)	(36.9)%
Others	1,076	952	124	13.0%
Electric Operating Revenues	4,417	4,752	(335)	(7.1)%
Other Operating Revenues	680	686	(6)	(0.8)%
Operating Revenues	5,097	5,438	(341)	(6.3)%
Personnel	399	373	26	6.9%
Fuel	384	493	(109)	(22.0)%
Power Purchase	1,620	1,486	134	9.1%
Depreciation	365	368	(3)	(0.8)%
Maintenance	390	457	(67)	(14.6)%
Nuclear Back-end	20	138	(118)	(85.0)%
Others	1,132	1,151	(19)	(1.6)%
Electric Operating Expenses	4,314	4,469	(155)	(3.5)%
Other Operating Expenses	604	609	(5)	(0.8)%
Operating Expenses	4,918	5,078	(160)	(3.1)%
Operating Profit	178	360	(182)	(50.3)%
Interest Expenses, etc.	28	20	8	36.5%
Ordinary Profit	150	339	(189)	(55.7)%
Income Taxes, etc.	52	96	(44)	(46.0)%
Profit attributable to owners of parent	98	242	(144)	(59.6)%

【Electricity Sales(Retail)】

- Decrease in electricity sales (71)
- Decrease in revenues based on the Fuel Cost Adjustment System (199), etc.

【Other Electric Operating Revenues】

- Increase in grants for the purchase cost based on FIT +118, etc.

【Personnel】

- Increase in amortization of actuarial gains and losses on retirement benefits +28, etc.

【Fuel, Power Purchase】 +26

- Decrease in the operating rate of the nuclear power +230
- Decrease in retail sales (21)
- Decrease in wholesale Sales (95)
- Increase in electricity volume generated by hydro power plants (9)
- Increase in purchase of renewable energy sourced electricity +112
- Decrease in the thermal power generation cost per kWh (193), etc.

		FY2020 3Q (a)	FY2019 3Q (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	76	105	(29)
	Crude Oil (\$/b)	39	68	(29)
	LNG (\$/t)	369	495	(126)
Exchange Rate (¥/\$)		106	109	(3)

【Maintenance】

- Decrease in construction associated with thermal power plants (64), etc.

【Nuclear Back-end Cost】

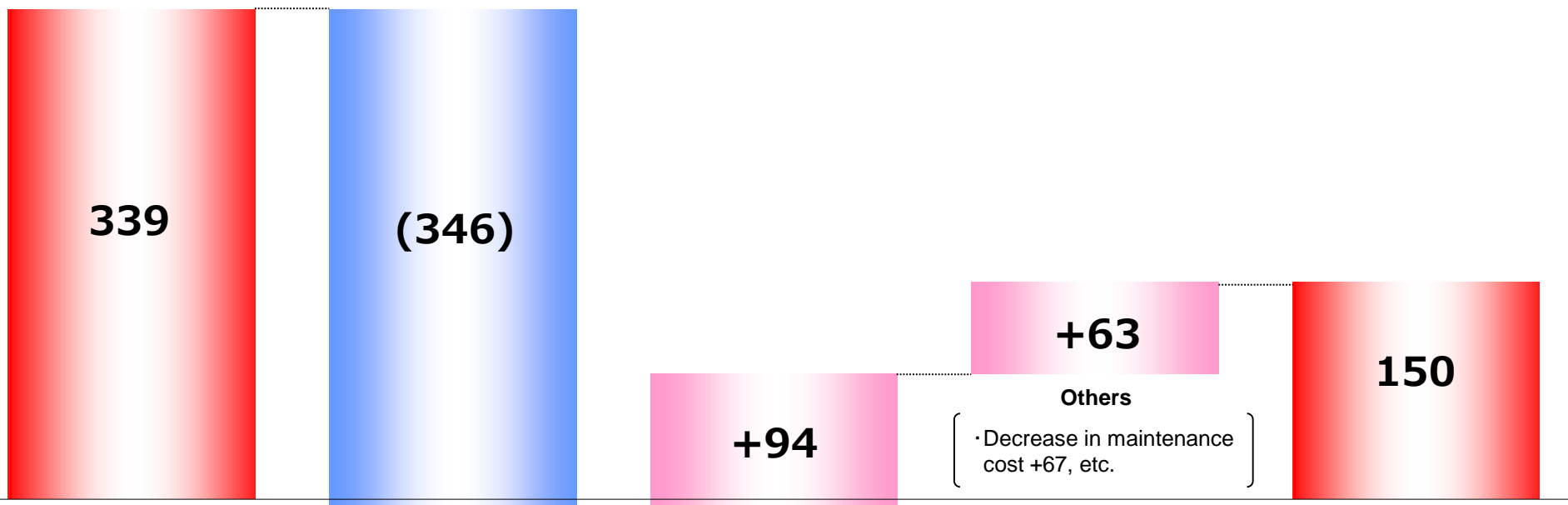
- Decrease in the reprocessing cost and the high level radioactive waste associate with the operating rate of the nuclear power plant <costs associated with kWh (94) >

Ordinary Profit

(100 million yen)

FY2019 3Q

FY2020 3Q



Deteriorating of income related to demand and supply

- Decrease in operating rate of the nuclear power plant (230)
- Decrease in retail (50), etc.
 - Decrease in sales (71)
 - Decrease in cost +21

Decrease in nuclear back-end cost (costs associated with kWh)

Results by Segment

(100 million yen)

			FY2020 3Q (a)	FY2019 3Q (b)	(a-b)	Main Factors	
Consolidated		Revenues	5,097	5,438	(341)		
		Operating Profit	178	360	(182)	-	
Segment	Electric Utility*	Power Generation & Sales	Revenues	4,195	4,711	(516)	- Decrease in retail sales (272), etc
			Segment Profit	14	181	(167)	- Deteriorating of income related to demand and supply, etc.
		Transmission & Distribution	Revenues	1,419	1,342	77	- Increase in grants due to increase in the purchase renewable electricity +91, etc.
			Segment Profit	79	90	(11)	- Increase in amortization of actuarial gains and losses on retirement benefits, etc.
	IT/Communications*		Revenues	325	323	2	
			Segment Profit	52	54	(2)	
	Construction/Engineering*		Revenues	333	338	(5)	
			Segment Profit(Loss)	(0)	0	(0)	
	Energy*		Revenues	149	183	(34)	- Decrease in Coal sales business (14), Decrease in LNG sales business (10), etc.
			Segment Profit	22	13	9	- Decrease in cost of LNG purchase due to drop price in fuel price, etc.
Others*		Revenues	344	374	(30)		
		Segment Profit	7	17	(10)		

* Internal transactions are not eliminated

Capital Investment

(100 million yen)

	FY2020 3Q
Electric Utility (Power generation & sales)	321
<Replacement of unit no.1 of Saijo thermal power station>	<122>
<Safety measures at Ikata nuclear power station>	<102>
Electric Utility (Transmission & Distribution)	161
IT/Communications	33
Construction/Engineering, Energy, Others	41
Total (before the elimination of unrealized profits)	557

				(100 million yen)
	Dec 31, 2020 (a)	Mar 31, 2020 (b)	(a-b)	Details
Total assets	13,969	13,736	233	
<Plant and equipment, and intangible assets (except Special account related to nuclear power decommissioning, Special account related to reprocessing of spent nuclear fuel)>	<8,490>	<8,430>	<60>	<ul style="list-style-type: none"> • Capital investment +536 • Advance of depreciation (434), etc.
<Investments, etc.>	<4,344>	<4,181>	<163>	<ul style="list-style-type: none"> • Investment and financing for Niihama LNG Co., Ltd. and overseas businesses +92 • Increase in inventories +42, etc.
Liabilities	10,674	10,469	205	
<Bonds and loans>	<7,575>	<7,170>	<405>	<ul style="list-style-type: none"> • Increase in bonds +250 • Increase in long-term loan payable +155
<Accrued expenses, etc.>	<3,098>	<3,299>	<(201)>	<ul style="list-style-type: none"> • Decrease in accrued expenses and accounts payable (159), etc.
Total net assets	3,295	3,266	29	
<Retained earnings>	<1,858>	<1,821>	<37>	<ul style="list-style-type: none"> • Profit attributable to owners of parent +98 • Dividend payment (62)
Shareholders' equity ratio	23.4%	23.6%	(0.2)%	

II . Forecasts of Consolidated Financial Results & Dividends for FY2020

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Unchanged from forecasts announced in November 2020

Financial Results

(100 million yen)

	FY2020 (Forecast)	<ref> FY2019
Operating Revenues	6,850	7,331
Operating Profit	120	312
Ordinary Profit	100	279
Profit attributable to owners of parent	70	180
Profit per Share	¥34	¥88

Dividends per Share

	FY2020	<ref> FY2019
Interim	¥15	¥15
Year-end	(Forecast) ¥15	¥15

Electricity Sales

(100 million kWh)

	FY2020 (Forecast)	<ref> FY2019
Lighting	82.2	81.6
Power	138.0	142.2
Retail	220.2	223.9
Wholesale	42.7	74.2
Total	262.9	298.2

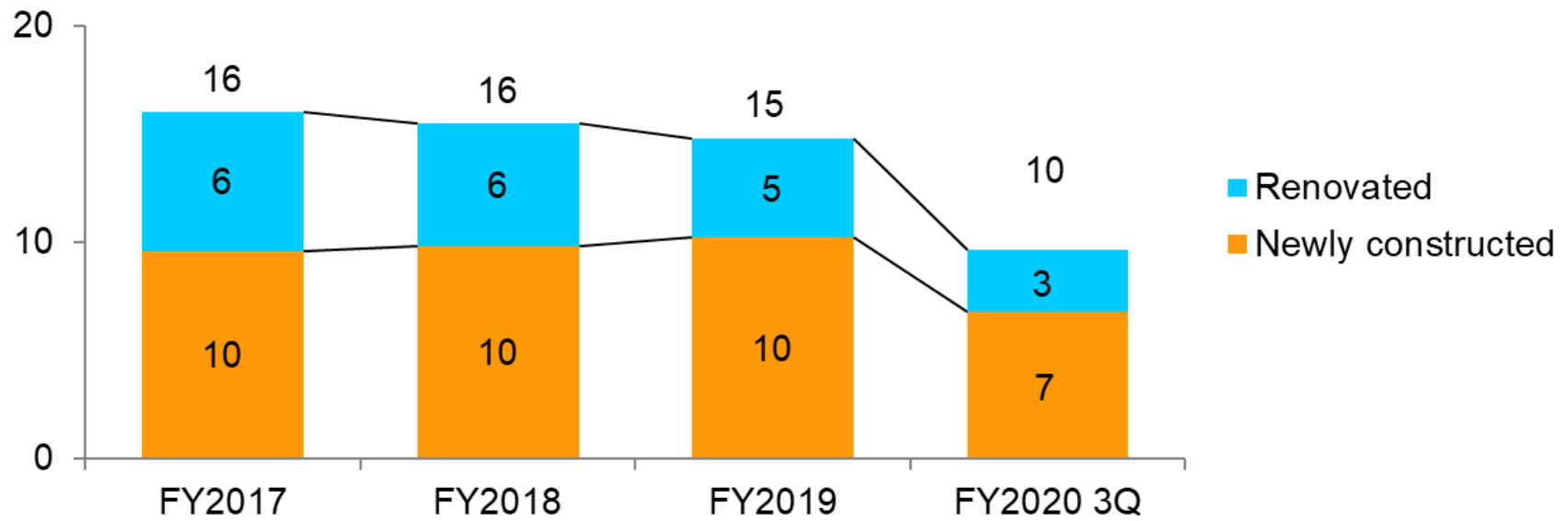
Fuel Prices / Exchange Rate and Other Factors

	FY2020 (Forecast)	<ref> FY2019
Nuclear Capacity Factor (%)	0.0	75.4
Coal CIF Price (\$/t)	77	101
Crude oil CIF Price (\$/b)	40	68
Exchange Rate (¥/\$)	107	109

Supplemental Material for FY2020 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)
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(thousand)

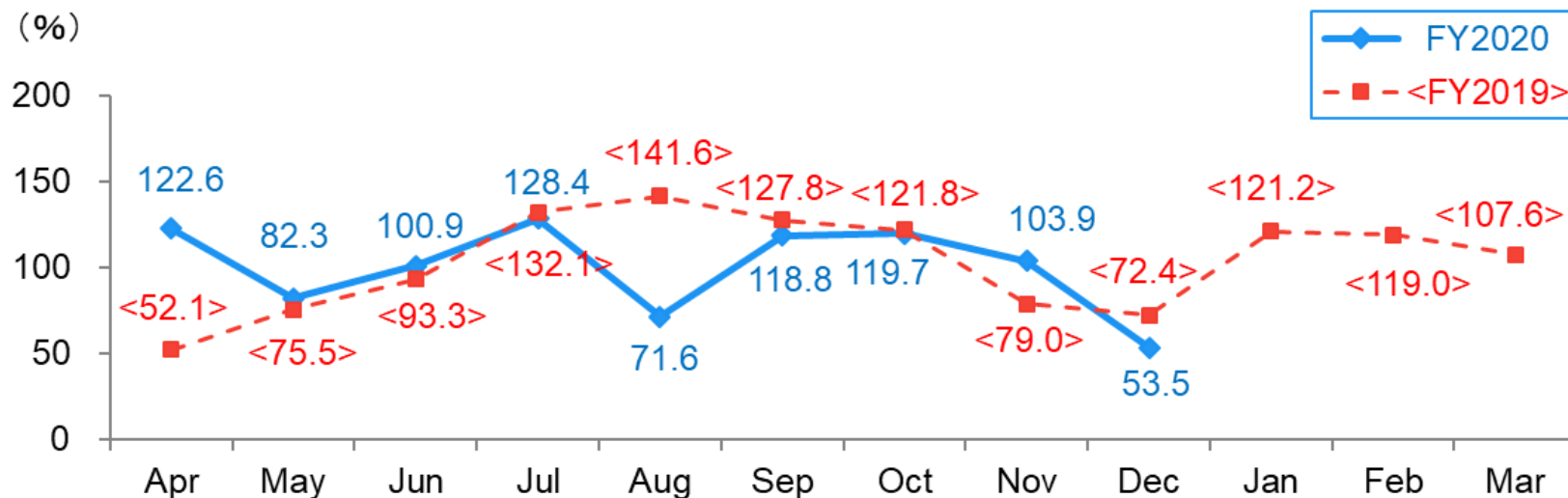


	FY2020 3Q (A)	FY2019 3Q (B)	(A-B)
Coal (10,000t)	194.5	167.1	27.4
Heavy Oil (10,000kl)	6.2	3.7	2.5
Crude Oil (10,000kl)	1.5	2.0	(0.5)
LNG (10,000t)	30.2	20.6	9.6

【Fuel Prices】

	FY2020 3Q (A)	FY2019 3Q (B)	(A-B)
CIF price: Coal (\$/t)	76	105	(29)
CIF price: Crude Oil (\$/b)	39	68	(29)
CIF price: LNG (\$/t)	369	495	(126)
Exchange rate (¥/\$)	106	109	(3)

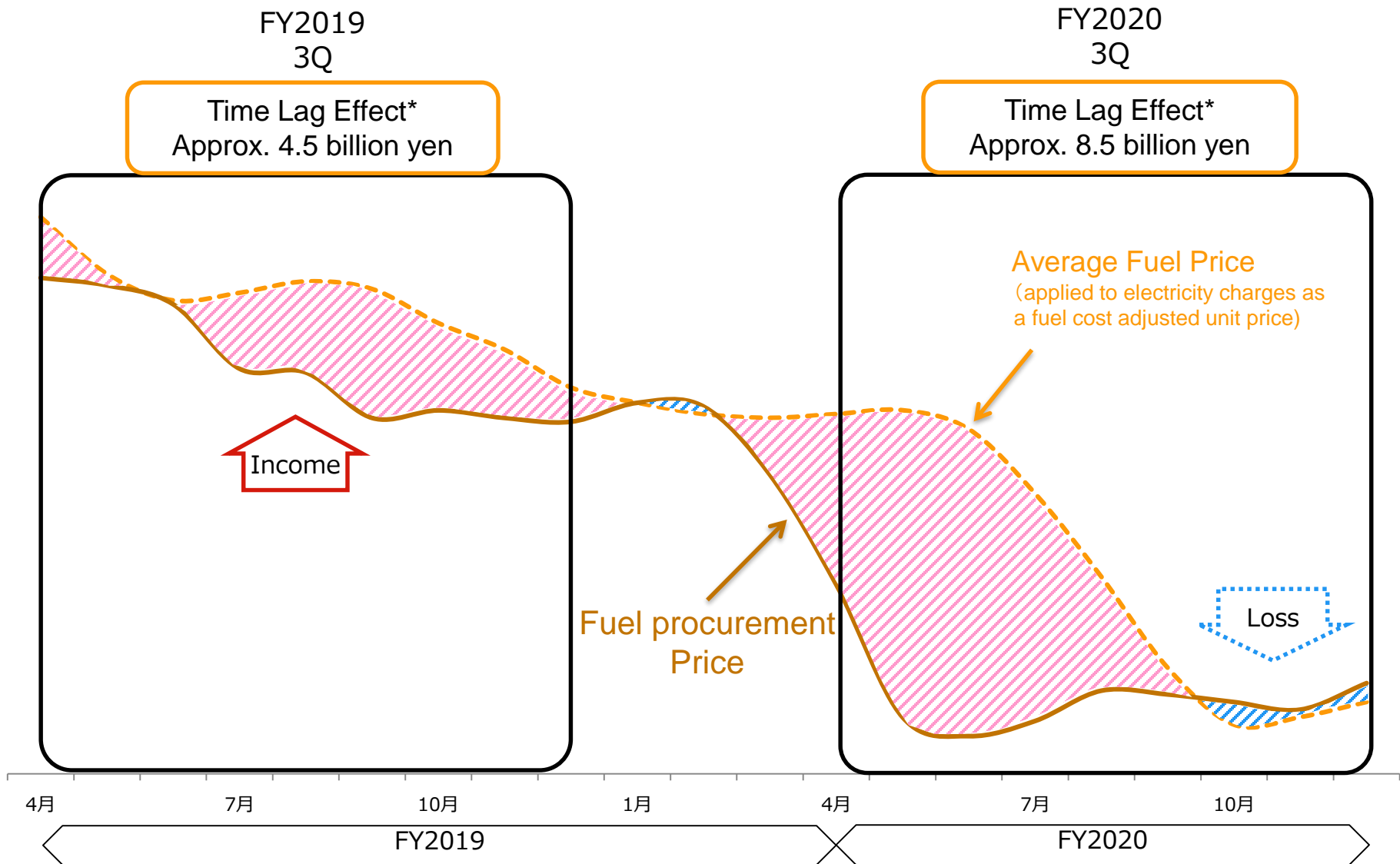
Flow Rate



Financial Sensitivity for Key Factors

(100 million yen)

	FY2020 3Q
CIF price: coal (1\$/t)	4
CIF price: crude oil (1\$/b)	1
Exchange rate (¥1/\$)	4
Nuclear power capacity factor (1%)	2
Flow Rate (1%)	1



* 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)

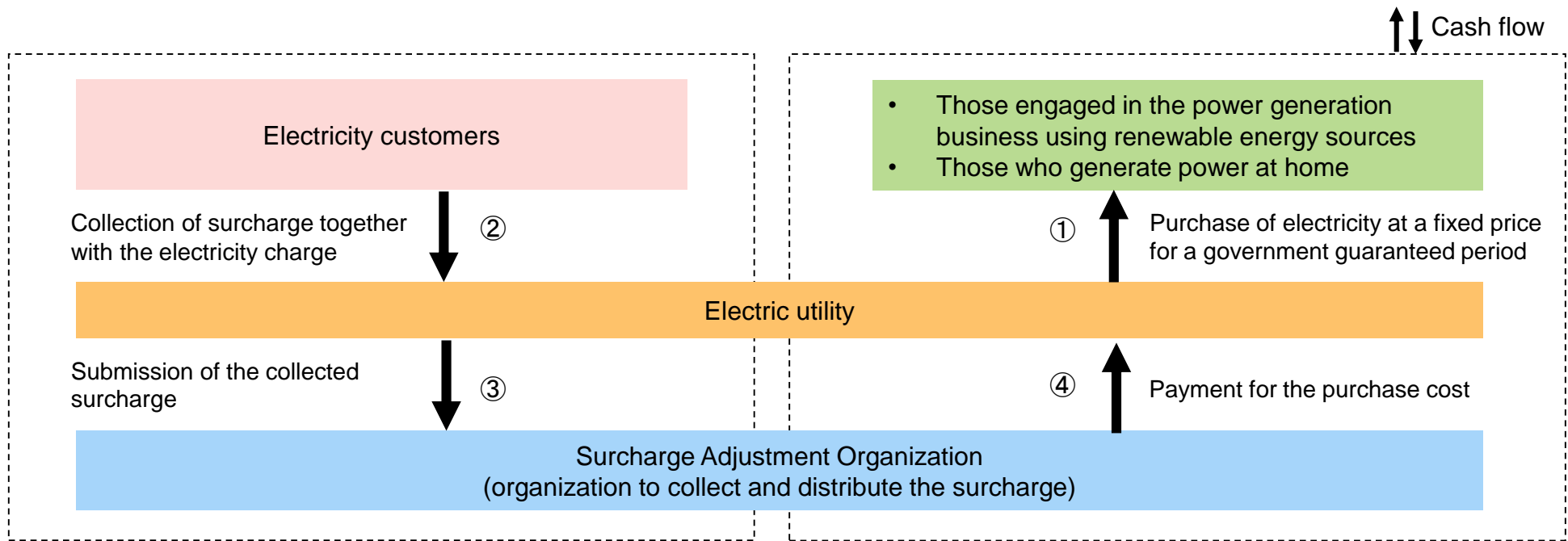
	FY2020 3Q	<ref> FY2019
Power Generation & Sales	321	576
Renewable energy	10	50
Thermal	150	253
Nuclear	142	190
Nuclear fuel	14	75
Transmission & Distribution	161	197
Transmission	35	53
Transformation	53	53
Distribution	63	77
Electric power business	483	773
Other business	74	119
Total*	557	893

* before the elimination of unrealized profits

(100 million yen)

		Total (forecasts)	FY2011 ~ FY2020 3Q (results)	
			FY2020 3Q	
Facility Construction	Short term	Approx. 720	717	—
	Medium-to- long term	Approx. 1,140	825	102
Analysis and Evaluation		Approx. 240	240	—
Total		Approx. 2,100	1,782	102

Results of FY2020 3Q



② Surcharge	413
We collect surcharge from customers with the electricity charge.	
③ Submission of the collected surcharge	413
We submit the collected surcharge to surcharge adjustment organization.	

(100 million yen)	
① Purchase of electricity	1,048
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	863
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.