

# FY2021 Financial Results Outline

(April 1, 2021 – March 31, 2022)

April 27, 2022

**SHIKOKU ELECTRIC POWER CO.,INC.**

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# Overview of Consolidated Financial Results

## 【 Financial Results for FY 2021 】

- ❑ Operating revenues decreased by ¥ 77.3 billion YoY, to ¥ 641.9 billion. The main factors were as follows;
  - ✓ The revenues based on the Fuel Cost Adjustment System and the revenues from wholesale increased.
  - ✓ The revenues decreased due to application of accounting standard for revenue recognition.Excluding the impact of the application of the accounting standard, operating revenues increased by ¥ 82.2 billion YoY.
- ❑ Operating expenses decreased by ¥ 57.3 billion YoY, to ¥ 655.4 billion. The main factors were as follows;
  - ✓ The cost increased due to a rise in the fuel price and increasing the volume of total electricity sales.
  - ✓ The cost decreased due to the restart of Ikata nuclear power station and the application of accounting standard for revenue recognition.Excluding the impact of the application of the accounting standard, operating expenses increased by ¥ 102.6 billion YoY.
- ❑ As a result of deterioration of income related to demand and supply due to increasing of the fuel price\*,
  - ✓ Operating Profit (loss) decreased by ¥ 19.9 billion YoY, to loss of ¥ 13.5 billion.
  - ✓ Ordinary Profit (loss) decreased by ¥ 17.2 billion YoY, to loss of ¥ 12.1 billion.
  - ✓ Profit (loss) attributable to owners of parent decreased by ¥ 9.1 billion YoY, to loss of ¥ 6.2 billion because of the reversal of reserve for fluctuation in water level.\* The effect of increasing the fuel price will be reflected on revenue based on the fuel cost adjustment system with a delay of three to five months, the result of 4Q became worse drastically.

## 【 Forecasts of Financial Results for FY 2022 】

- ❑ The forecasts of consolidated financial results and dividends for FY 2022 are undecided because the outlook for fuel prices has become more uncertain since Russia's invasion of Ukraine and it is difficult to forecast financial results.

## 【 Dividends 】

- ❑ The year-end dividend for FY2021 is ¥ 15 per share, as forecasted.  
The total annual dividend will be ¥ 30 per share, with interim dividend paid in November 2021 (no change from the previous year).
- ❑ The annual dividend for FY2022 is undecided for the same reason as the consolidated financial results because it is difficult to judge the dividend level without forecasting the full-year results.

# I . Consolidated Financial Results for FY2021 (April 1, 2021 – March 31, 2022)

Summary of Financial Results (See page 6 to 9 for details)

(100 million yen)				
	FY2021 (a)	FY2020 (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	6,419	7,192	(773)	(10.7)%
Operating Expenses	6,554	7,127	(573)	(8.0)%
Operating Profit (Loss)	(135)	64	(199)	-
Non-Operating Profit (Loss)	14	(12)	26	-
Ordinary Profit (Loss)	(121)	51	(172)	-
Reversal of reserve for Fluctuation in Water Level	(65)	-	(65)	-
Extraordinary Losses	15	-	15	-
Profit (Loss) before Income Taxes	(70)	51	(121)	-
Income Taxes, etc.	(8)	21	(29)	-
Profit (Loss) attributable to owners of parent	(62)	29	(91)	-

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

(million kWh)

	FY2021 (a)	FY2020 (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	22,565	21,986	579	2.6%	· Increase in electricity demand due to economic activity on a recovery trend, with the gradual easing impact of COVID-19, etc.
Lighting	8,035	8,210	(175)	(2.1)%	
Power	14,530	13,777	753	5.5%	
Wholesale	9,074	5,870	3,204	54.6%	· Increase in wholesale in Japan Electric Power Exchange (JEPX), etc.
Total	31,640	27,857	3,783	13.6%	

\* 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.
FY2021	23.3	27.2	27.5	25.1	25.8
Differences from the average year	0.5	0.4	(0.3)	0.6	0.3
Differences from the previous year	(0.9)	1.5	(2.4)	(0.1)	(0.5)

(°C)

	Dec	Jan	Feb	Mar	4-month AVG.
FY2021	8.8	6.0	5.6	11.8	8.0
Differences from the average year	0.5	0.0	(1.0)	2.1	0.4
Differences from the previous year	0.5	(0.2)	(3.3)	(0.9)	(1.0)

## Electricity Sales in the Last 5 Years

(million kWh)

	FY2017	FY2018	FY2019	FY2020	FY2021
Lighting	9,224	8,539	8,169	8,210	8,035
Power	15,896	14,757	14,226	13,777	14,530
Total	25,120	23,296	22,396	21,986	22,565

## Electricity Sales Changes from the Previous Fiscal Year

	FY2017	FY2018	FY2019	FY2020	FY2021
Lighting	1.6%	(7.4)%	(4.3)%	0.5%	(2.1)%
Power	(4.3)%	(7.2)%	(3.6)%	(3.2)%	5.5%
Total	(2.2)%	(7.3)%	(3.9)%	(1.8)%	2.6%

## Average Temperatures in Prefectural Capitals in Shikoku

(°C)

	FY2017	FY2018	FY2019	FY2020	FY2021
Summer* <sup>1</sup>	26.0	26.3	25.9	26.3	25.8
Winter* <sup>2</sup>	7.1	9.0	9.6	9.0	8.0

\*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)

		FY2021 (a)	FY2020 (b)	(c)=(a)-(b)	(c)/(b)	Details
Own Generated Power	Nuclear	2,362	-	2,362	-	· Capacity factor of Ikata Unit No.3    - %    → 31.6%
	Hydro	1,976	2,388	(412)	(17.3)%	· Flow Rate    98.9%    → 84.7%
	Renewable Energy	7	6	1	8.5%	
	Thermal	12,619	11,759	860	7.3%	
Purchased Power		16,470	15,608	862	5.5%	· Hydropower    1,188    → 1,045 · Renewable Energy    4,710    → 5,206

(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.

(Note) From FY 2021 1Q, the amount of Own Generated Power, which previously represented the gross actual generation amount, represents the net actual generation amount excluding the electricity used on site. Accordingly, the figure in FY 2020 is also revised to the net actual generation amount.

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

(100 million yen)

	FY2021 (a)	FY2020 (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	3,877	4,128	(251)	(6.1)%
Electricity Sales(Wholesale)	1,146	679	467	68.6%
Others	328	1,354	(1,026)	(75.8)%
Electric Operating Revenues	5,352	6,163	(811)	(13.2)%
Other Operating Revenues	1,067	1,028	39	3.7%
Operating Revenues	6,419	7,192	(773)	(10.7)%
Personnel	433	527	(94)	(17.9)%
Fuel	1,068	558	510	91.1%
Power Purchase	1,864	2,389	(525)	(22.0)%
Depreciation	536	493	43	8.7%
Maintenance	542	581	(39)	(6.8)%
Nuclear Back-end	86	37	49	129.1%
Others	1,075	1,622	(547)	(33.7)%
Electric Operating Expenses	5,606	6,211	(605)	(9.7)%
Other Operating Expenses	948	916	32	3.5%
Operating Expenses	6,554	7,127	(573)	(8.0)%
Operating Profit (Loss)	(135)	64	(199)	-
Non-Operating Profit (Loss)	14	(12)	26	-
Ordinary Profit (Loss)	(121)	51	(172)	-
Reversal of reserve for Fluctuation in Water Level	(65)	-	(65)	-
Extraordinary Losses	15	-	15	-
Profit (Loss) before Income Taxes	(70)	51	(121)	-
Income Taxes, etc.	(8)	21	(29)	-
Profit (loss) attributable to owners of parent	(62)	29	(91)	-

## ① 【Electricity Sales (Retail)】

- Increase in electricity sales of volume +98
- Increase in revenues based on the Fuel Cost Adjustment System +308
- Decrease in the surcharge based on the FIT due to application of the accounting standard for revenue recognition (570), etc.

## ② 【Electricity Sales (Wholesale)】

- Increase in electricity sales of volume +382, etc.

## ③ 【Others Revenues】

- Decrease in payment for the purchase cost due to application of the accounting standard for revenue recognition (1,066), etc.

## ④ 【Personnel】

- Decrease in amortization of actuarial gains and losses related to retirement benefits (81), etc.

## ⑤ 【Fuel, Power Purchase】 (15)

- Increase in total electricity sales of volume +337
- Increase in nuclear power (191)
- Decrease in hydropower +50
- Increase in the fuel price +628
- The payment for the purchase cost was deducted from the purchased electricity cost due to application of the accounting standard for revenue recognition (859)\*, etc.
- \* Include decreasing in FIT grants due to increasing in the price in JEPX +174

		FY2021 (a)	FY2020 (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	159	80	79
	Crude Oil (\$/b)	77	43	34
	LNG (\$/t)	621	390	231
Exchange Rate (¥/\$)		112	106	6

## ⑥ 【Depreciation】

- Increase in the cost for Ikata nuclear power station safety measures construction +46, etc.

## ⑦ 【Others】

- Decrease in levy due to application of the accounting standard for revenue recognition (570).
- Increase in costs due to software acquisition / modification +14, etc.

## ⑧ 【Non-Operating Profit (Loss)】

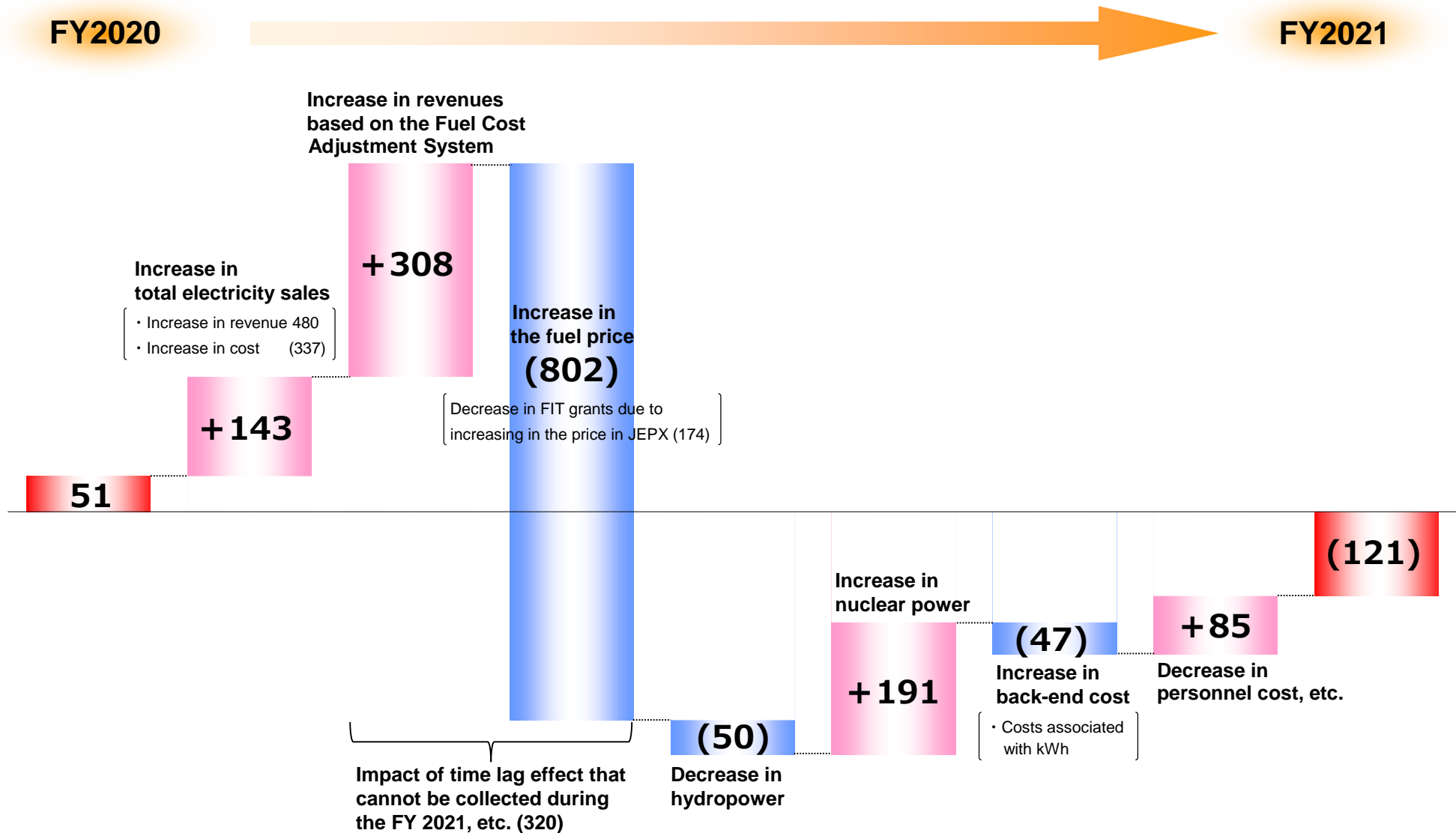
- Increase in equity in earnings of affiliates +10, etc.

## ⑨ 【Extraordinary Losses】

- Loss on return of imbalance revenues and expenses due to the event of soaring market prices in January last year +15

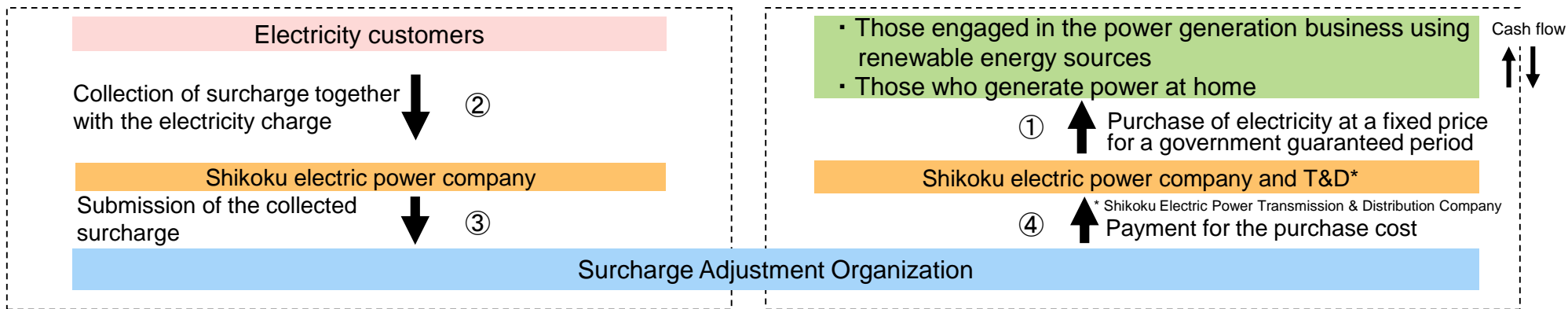
# [Ordinary Profit (Loss) [FY2021] Breakdown of differences from the previous year]

(100 million yen)



# [Reference] Feed-in Tariff System and Accounting Changes

○ Since the accounting standard for revenue recognition is applied from FY2021, the levy related to FIT is not recorded as sales, and the payment for the purchase cost is deducted from the purchased electricity fee. Sales compared to the case where the accounting standard is not applied decrease by 151.0 billion yen, but expenses also decrease by the same amount, so there is no impact on the balance of payments.



<b>② Surcharge</b>	<b>651</b>
We collect surcharge from customers with the electricity charge.	
<b>③ Submission of the collected surcharge</b>	<b>651</b>
We submit the collected surcharge to surcharge adjustment organization.	

<b>① Purchase of electricity</b>	<b>1,452</b>
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.	
<b>④ Payment for the purchase cost</b>	<b>859</b>
Surcharge adjustment organization pay grants corresponding to the actual purchase costs.	

\* The figures are based on the actual values for FY2021.

	Before the change	After the change
Operating revenues	② Surcharge <span style="float: right;">651</span>	—
	④ Payment for the purchase cost <span style="float: right;">859</span>	
Operating expenses	① Purchase of electricity <span style="float: right;">1,452</span>	① Purchase of electricity <span style="float: right;">1,452</span>
	③ Submission of the collected surcharge <span style="float: right;">651</span>	④ Payment for the purchase cost <span style="float: right;">(859)</span>
		③ Submission of the collected surcharge <span style="float: right;">651</span>
		② Surcharge <span style="float: right;">(651)</span>

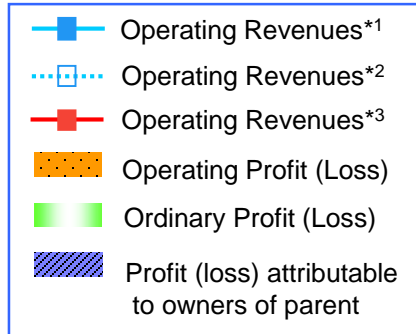
Decrease in sales: 1,510

Decrease in cost : 1,510

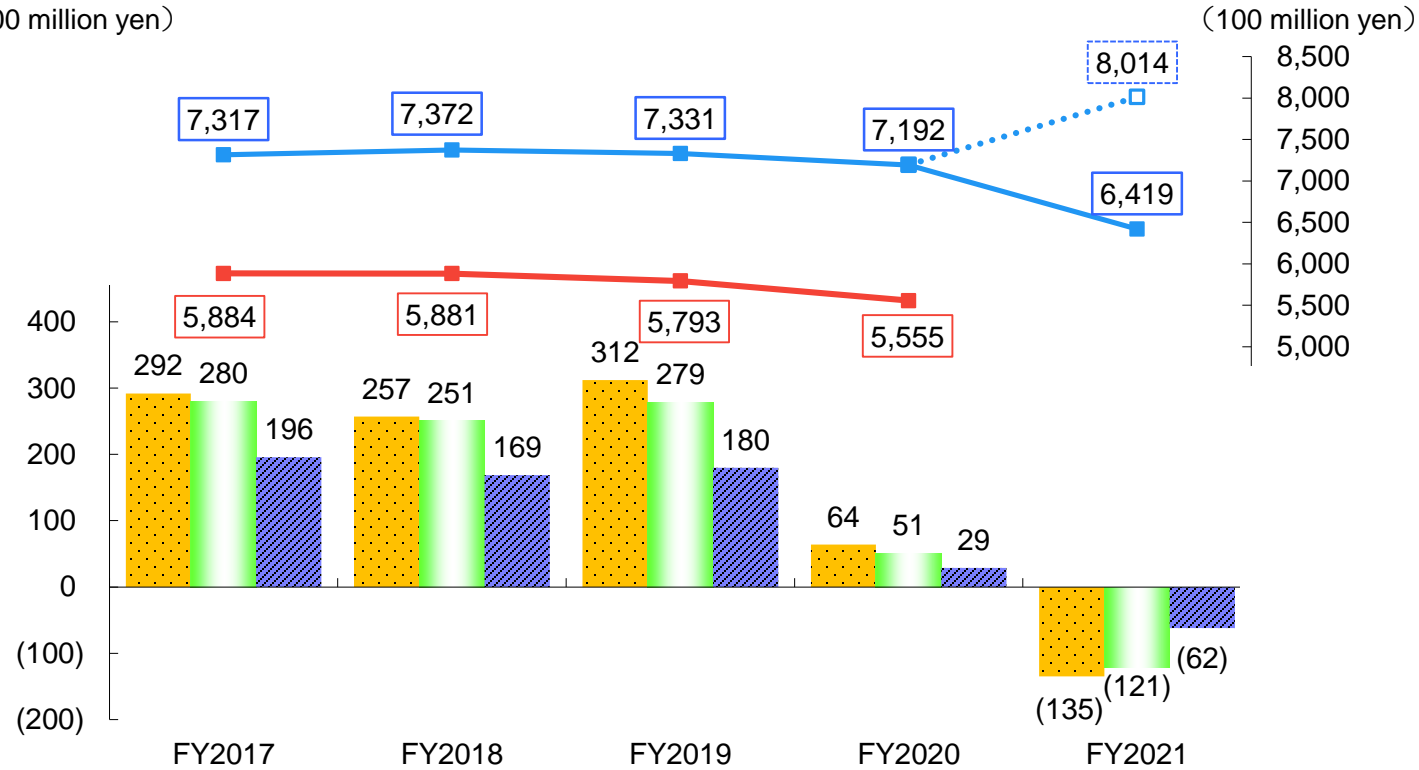
No balance impact

# [Financial Results in the last 5 fiscal years]

(100 million yen)



\*1 The accounting standard for revenue recognition is applied from FY2021.  
 \*2 The case where the accounting standard for revenue recognition is not applied.  
 \*3 The revenues from which income associated with FIT are deducted.



## Performance Indicators

		FY2017	FY2018	FY2019	FY2020	FY2021
Operating Profit Margin *4	(%)	<5.0%> 4.0	<4.4%> 3.5	<5.4%> 4.3	<1.2%> 0.9	(2.1)
Return on Assets (ROA) *5	(%)	2.7	2.4	2.5	0.8	(0.4)
Return on Equity (ROE)	(%)	6.4	5.4	5.6	0.9	(2.0)
Profit (Loss) per Share	(yen)	96	83	88	15	(30)

Ordinary Profit (Loss) + Interest Expenses	(100 million yen)	356	321	340	108	(65)
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\*4 Figures in < > are calculated on the revenues from which income associated with FIT are deducted.

\*5 ROA = (Ordinary Profit (Loss) + Interest Expenses) / Total Assets

(100 million yen)

			FY2021 (a)	FY2020 (b)	(a-b)	Main Factors	
Consolidated		Revenues	6,419	7,192	(773)		
		Ordinary Profit (Loss)	(121)	51	(172)		
Segment	Electric Utility*	Power generation and sales	Revenues	5,082	5,807	(725)	-Decrease in surcharge, payment for the purchase cost because the accounting standard for revenue recognition is applied (1,491), etc.
			Ordinary Loss	(402)	(220)	(182)	-Increase in revenues based on the Fuel Cost Adjustment System +308 -Increase in the fuel price (594) -Increase in nuclear power +191, etc.
		Transmission and distribution	Revenues	2,198	2,151	47	-Increase in wheeling charge +24 -Increase in revenues due to supply and demand adjustment +19, etc.
			Ordinary Profit	105	129	(24)	-Increase in transaction of tertiary adjustment power 2 (31) -Increase in the fuel price (34) , decrease in personnel cost +38, etc.
	IT/Communications*		Revenues	446	454	(8)	
			Ordinary Profit	81	68	13	-Increase in FTTH business +13, etc.
	Energy*		Revenues	264	201	63	-Increase in coal sales business +55, etc.
			Ordinary Profit	29	31	(2)	-Increase in coal sales business +5, increase in overseas businesses +9 -Decrease in LNG sales business (15), etc.
	Construction/Engineering*		Revenues	691	618	73	-Increase in orders for contract work, etc.
			Ordinary Profit	39	30	9	
Others*		Revenues	361	498	(137)	-Decrease in revenues in commercial business due to application of the accounting standard for revenue recognition (136), etc.	
		Ordinary Profit	31	14	17	-Increase in commercial business +10, etc.	

\* Internal transactions are not eliminated.

## Capital Investment

(100 million yen)

	FY2021
Electric Utility <Power generation & sales>	655
<Safety measures at Ikata nuclear power station>	<261>
<Replacement of unit no.1 of Saijo thermal power station>	<167>
Electric Utility <Transmission and distribution>	267
IT/Communications	58
Energy, Construction/Engineering, Others	45
Total (Before the elimination of unrealized profits)	1,026

(100 million yen)

		FY2021 (a)	FY2020 (b)	(a-b)
Cash Flows from Operating Activities	Ordinary Profit (Loss)	(121)	51	/
	Depreciation	627	585	
	Others	(7)	(114)	
	Subtotal	498	522	
Cash Flows from Investing Activities	Capital Expenditures	(1,034)	(829)	/
	Investments	(216)	(64)	
	Subtotal	(1,251)	(893)	
Free Cash Flows		(752)	(371)	(381)
Cash Flows from Financing Activities	Bonds and Loans	886	546	/
	Cash Dividends Paid	(62)	(62)	
	Others	(1)	(1)	
	Subtotal	822	483	
Net Increase in Cash and Cash Equivalents		74	111	

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

Debt to CF Ratio (times) <sup>*1</sup>	17.3	14.8
Interest Coverage Ratio (times) <sup>*2</sup>	8.4	9.1

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

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

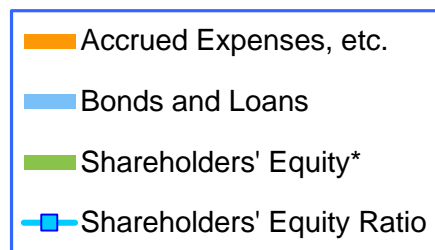
(100 million yen)

	Mar 31, 2022 (a)	Mar 31, 2021 (b)	(a-b)	Details
Total assets	15,007	14,304	703	
<Plant and equipment, and intangible assets (except special account related to nuclear power decommissioning and reprocessing of spent nuclear fuel)>	<8,807>	<8,575>	<232>	<ul style="list-style-type: none"> <li>• Capital investment +927</li> <li>• Depreciation (627), etc</li> </ul>
<Investment, etc.>	<4,948>	<4,537>	<411>	<ul style="list-style-type: none"> <li>• Investment and financing for Niihama LNG Co., Ltd. and overseas businesses +234</li> <li>• Increase in cash and deposits +74, etc</li> </ul>
Liabilities	11,854	11,024	830	
<Bonds and loans>	<8,602>	<7,716>	<886>	<ul style="list-style-type: none"> <li>• Increase in bonds +300</li> <li>• Increase in long-term loan payable +356</li> </ul>
<Accrued expenses, etc.>	<3,251>	<3,307>	<(56)>	<ul style="list-style-type: none"> <li>• Increase in commercial paper +230</li> </ul>
Total net assets	3,152	3,279	(127)	
<Retained earnings>	<1,666>	<1,793>	<(127)>	<ul style="list-style-type: none"> <li>• Loss attributable to owners of parent (62)</li> <li>• Dividend Payment (62), etc</li> </ul>
<Accumulated other comprehensive income>	<71>	<72>	<(1)>	

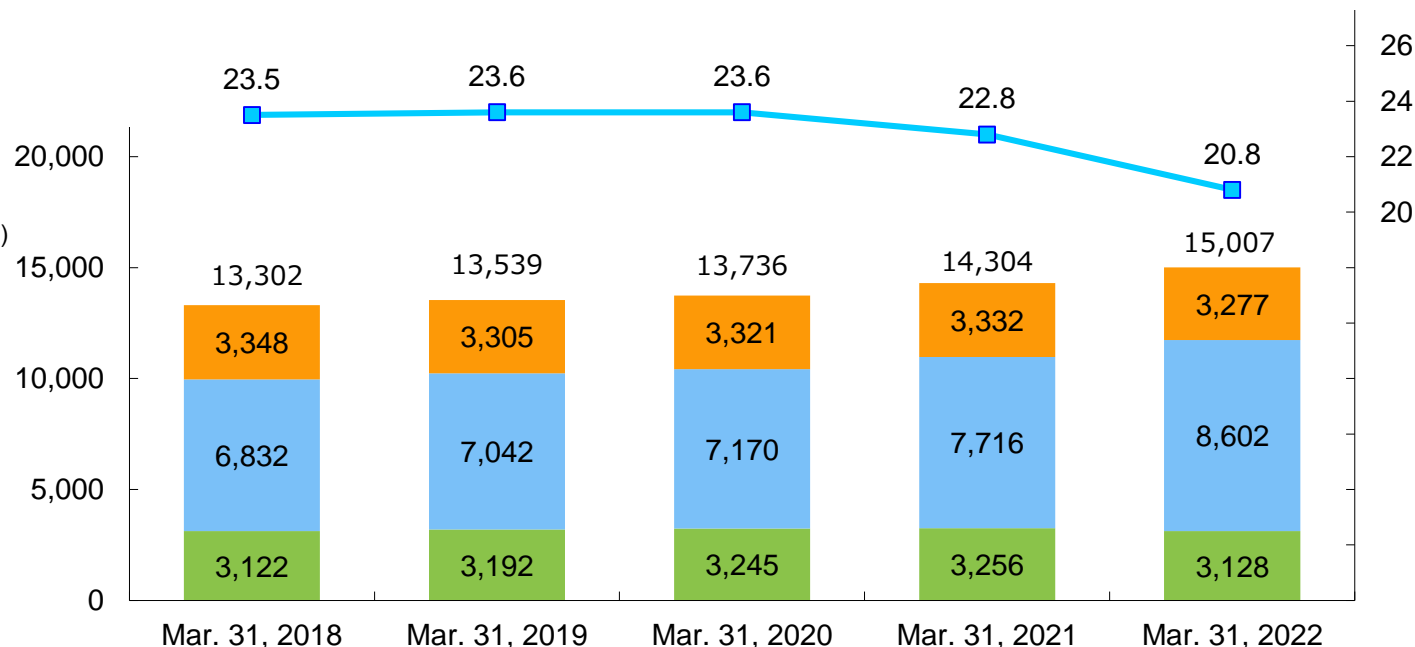
# [Liabilities and Total Equity ; last 5 fiscal years]

(100 million yen)

(%)



\* Shareholder's Equity  
= (Total Equity) — (Non-controlling interests)



## Financial Indicators

	Mar 31, 2018	Mar 31, 2019	Mar 31, 2020	Mar 31, 2021	Mar 31, 2022
Shareholders' Equity Ratio (%)	23.5	23.6	23.6	22.8	20.8
Interest Bearing Debts Ratio (times)	2.2	2.2	2.2	2.4	2.7
Book-value per Share(BPS) (yen)	1,517	1,550	1,578	1,583	1,521
Price Book-value Ratio(PBR) (times)	0.8	0.9	0.5	0.5	0.5

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

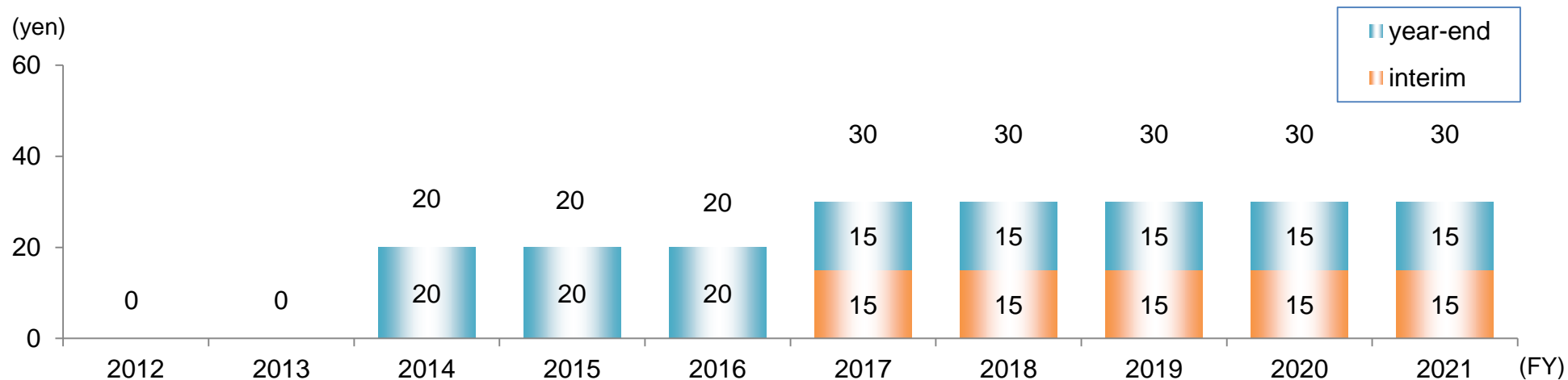


- ❑ Paying stable dividends is our basic policy for returns to shareholders, which is decided for each year in light of comprehensive consideration of business results, financial position, and medium-to-long term business conditions.
- ❑ For FY2021,
  - ✓ The year-end dividend is ¥ 15 per share ( annual ¥ 30 ) as forecasted.

## Dividends per Share

	FY2020	FY2021
Interim	¥15	¥15
Year-end	¥15	¥15
Total	¥30	¥30

## Dividends per Share (last 10 fiscal years)

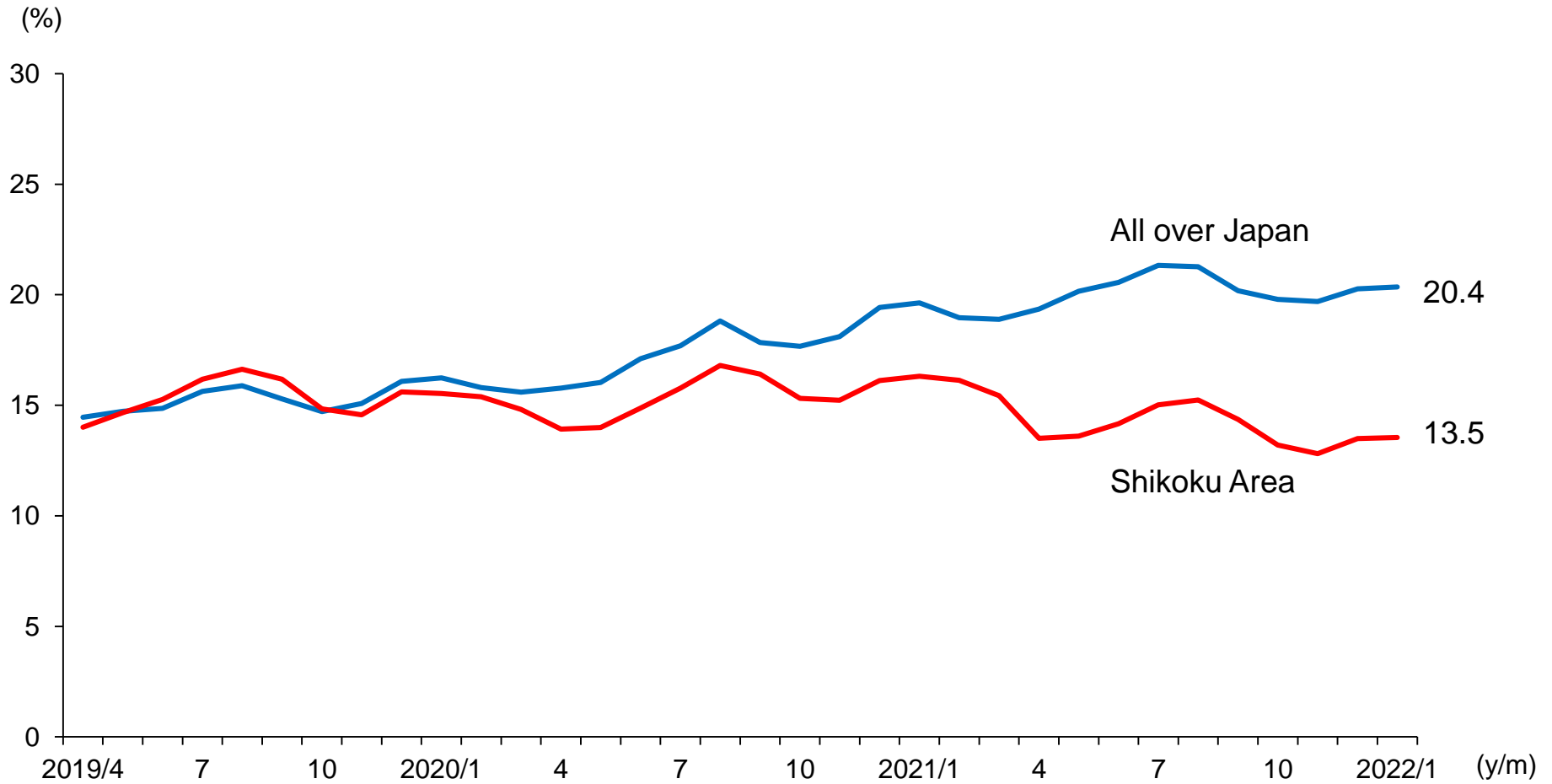


## II . Forecasts of Consolidated Financial Results & Dividends for FY2022

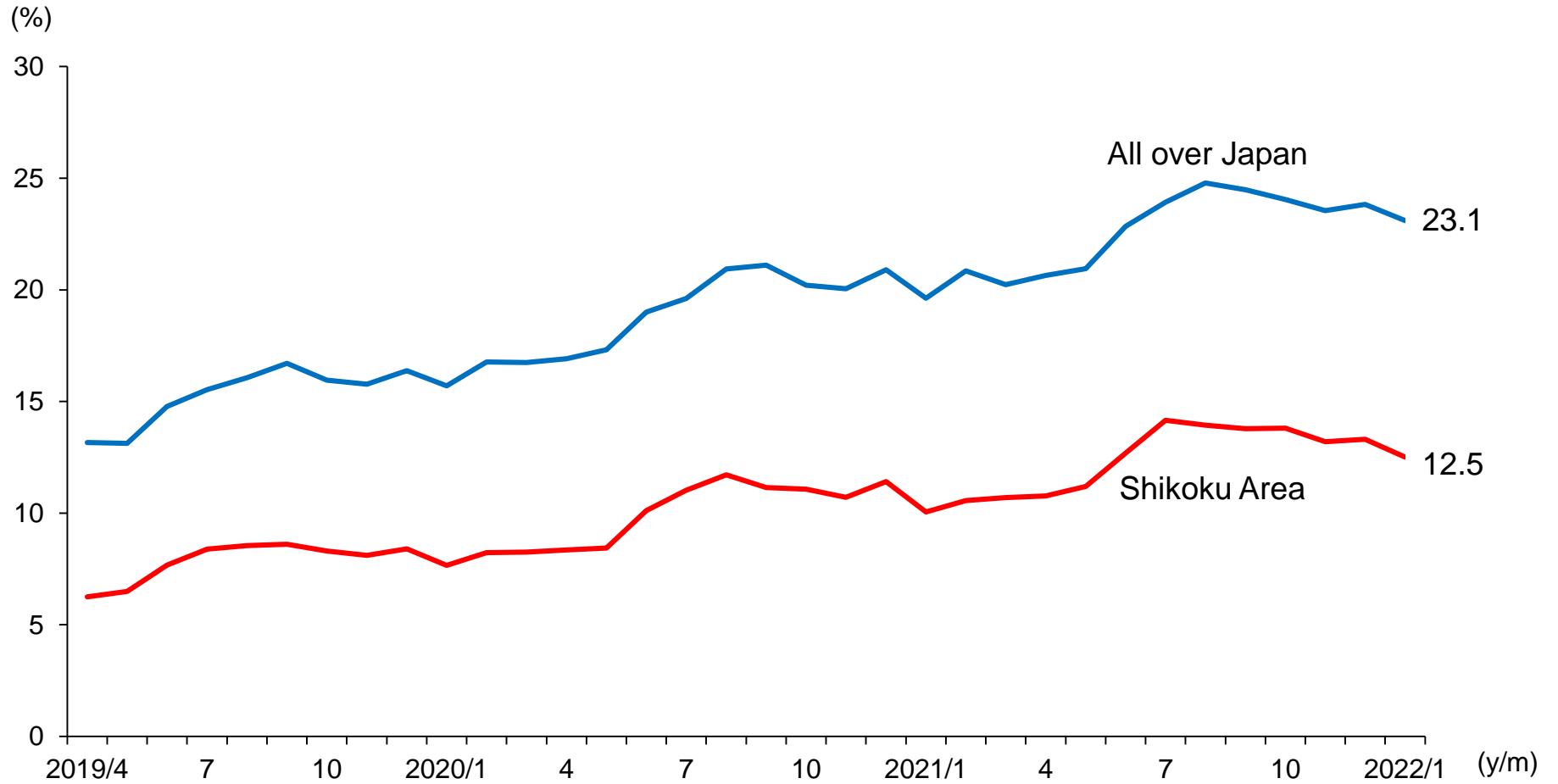
- ❑ The forecasts of consolidated financial results and dividends for FY 2022 are undecided because the outlook for fuel prices has become more uncertain since Russia's invasion of Ukraine and it is difficult to forecast financial results.
- ❑ These financial forecasts will be promptly released as soon as they are determined.

## Supplemental Material for FY2021

- Retail Sales Power Share of Power Producer and Supplier [PPS]  
(Extra high, High, Low Voltage : Shikoku Area)
- 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)



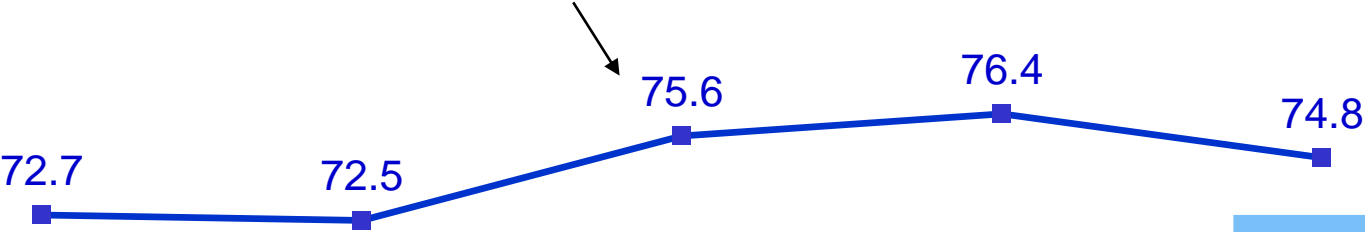
(Source) Electricity and Gas Market Surveillance Commission “ Electricity transaction report ”



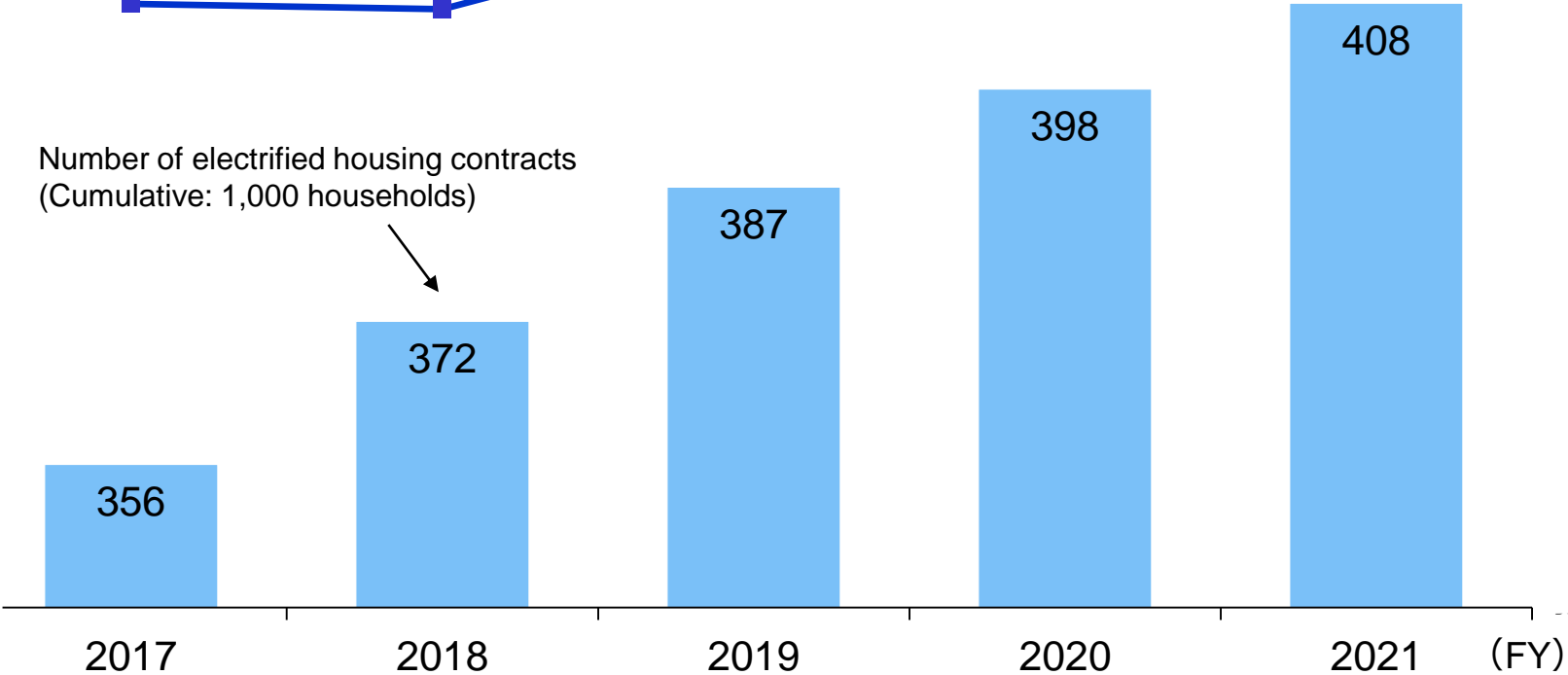
(Source) Electricity and Gas Market Surveillance Commission " Electricity transaction report "

# Changes in the Number of Electrified Housing Contracts (Cumulative)

Electric housing adoption ratio in new built houses : %



Number of electrified housing contracts (Cumulative: 1,000 households)

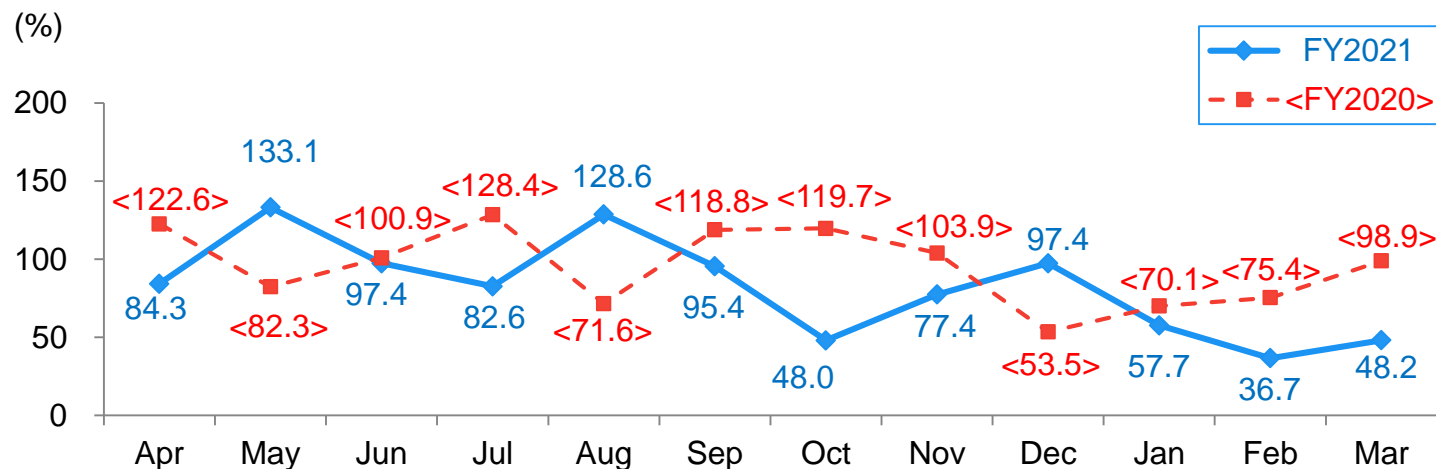


	FY2021 (A)	FY2020 (B)	(A-B)
Coal (10,000t)	299.9	277.5	22.4
Heavy Oil (10,000kl)	44.4	13.4	31.0
Crude Oil (10,000kl)	-	1.6	(1.6)
LNG (10,000t)	32.5	40.7	(8.2)

### 【Fuel Prices】

	FY2021 (A)	FY2020 (B)	(A-B)
CIF price: Coal (\$/t)	159	80	79
CIF price: Crude Oil (\$/b)	77	43	34
CIF price: LNG (\$/t)	621	390	231
Exchange rate (¥/\$)	112	106	6

## Flow Rate

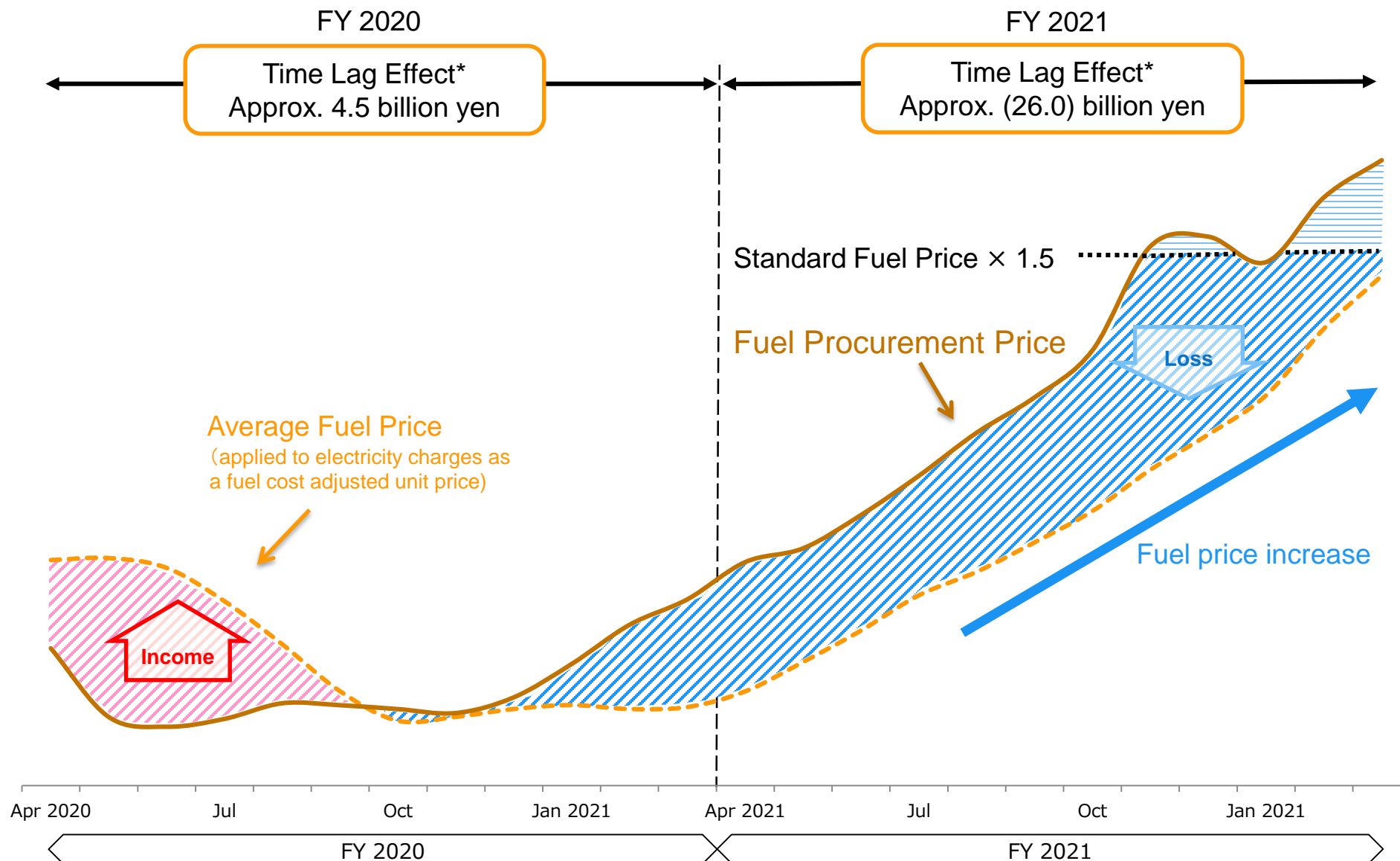


## Financial Sensitivity for Key Factors

(100 million yen)

	FY2021
CIF price: coal (1\$/t)	6
CIF price: crude oil (1\$/b)	3
Exchange rate (¥1/\$)	13
Nuclear power capacity factor (1%)	6
Flow Rate (1%)	3





\* Fluctuation in fuel prices causes time lag between payment of fuel cost (up to 1.5 times of standard fuel price) 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)

	FY2021	<ref> FY2020
Power Generation & Sales	655	556
Renewable energy	41	28
Thermal	188	202
Nuclear	336	248
Nuclear fuel	80	71
Transmission & Distribution	267	216
Transmission	77	54
Transformation	86	62
Distribution	81	79
Electric power business	922	772
Other business	103	98
<b>Total*</b>	<b>1,026</b>	<b>871</b>

\* Before the elimination of unrealized profits

(100 million yen)

		Total (forecasts)	FY2011~FY2021 (results)	
				FY2021
Facility Construction	Short term	Approx. 720	717	-
	Medium-to-long term	Approx.1,140	1,166	265
Analysis and Evaluation		Approx. 240	240	0
Total		Approx.2,100	2,124	265



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.