

# FY2021 1Q Financial Results Outline

(April 1, 2021 – June 30, 2021)

July 30, 2021

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

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# Overview of Consolidated Financial Results

## 【 Financial Results for FY 2021 1Q】

□ Operating revenues decreased by ¥ 47.7 billion YoY, to ¥ 117.7 billion. The main factors were as follows;

- ✓ The revenues from wholesale increased.
- ✓ The revenues decreased due to application of accounting standard for revenue recognition.
- ✓ The revenues based on the Fuel Cost Adjustment System decreased.

Excluding the impact of the application of the accounting standard, operating revenues increased by ¥ 0.9 billion YoY.

□ Operating expenses decreased by ¥ 42.2 billion YoY, to ¥ 121.2 billion. The main factors were as follows;

- ✓ The fuel price increased.
- ✓ The cost decreased due to application of accounting standard for revenue recognition.
- ✓ The cost of personnel and maintenance decreased.

Excluding the impact of the application of the accounting standard, operating expenses increased by ¥ 6.6 billion YoY.

□ As a result,

- ✓ Operating profit (loss) decreased by ¥ 5.4 billion YoY, to loss of ¥ 3.4 billion.
- ✓ Ordinary profit (loss) decreased by ¥ 5.2 billion YoY, to loss of ¥ 3.8 billion.
- ✓ Profit (loss) attributable to owners of parent decreased by ¥ 3.6 billion YoY, to loss of ¥ 2.8 billion.

## 【 Forecasts of Financial Results for FY 2021 】

No change from the announcement in April 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.

□ 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】

No change from the announcement in April 2021

□ 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 FY2021 1Q (April 1, 2021 – June 30, 2021)

Summary of Financial Results (Refer to page 5 to 7 for details)

(100 million yen)				
	FY2021 1Q (a)	FY2020 1Q (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	1,177	1,654	(477)	(28.8)%
Operating Expenses	1,212	1,634	(422)	(25.8)%
Operating Profit (loss)	(34)	20	(54)	-
Interest Expenses, etc.	3	5	(2)	(28.7)%
Ordinary Profit (loss)	(38)	14	(52)	-
Income Taxes, etc.	(10)	6	(16)	-
Profit (loss) attributable to owners of parent	(28)	8	(36)	-

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

(million kWh)

	FY2021 1Q (a)	FY2020 1Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	5,111	5,060	51	1.0%	▪ A reactionary increase from the previous year when electricity demand decreased due to COVID-19, etc.
Lighting	1,709	1,801	(92)	(5.1)%	
Power	3,402	3,259	143	4.4%	
Wholesale	1,650	895	755	84.4%	▪ Increase in wholesales at Japan Electric Power Exchange (JEPX), etc.
Total	6,761	5,955	806	13.5%	

(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.
FY2021 1Q	12.7	15.6	19.6	23.3	17.8
Differences from the average year	3.0	0.7	0.3	0.5	1.1
Differences from the previous year	1.2	1.8	(0.8)	(0.9)	0.3

# Electricity Supplied

(million kWh)

		FY2021 1Q (a)	FY2020 1Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Own Generated Power	Hydro	669	723	(54)	(7.5)%	· Flow Rate 101.7% → 104.8%
	Nuclear	-	-	-	-	
	Renewable Energy	2	1	1	98.5%	
	Thermal	2,877	1,977	900	45.6%	
Purchased Power		3,515	3,657	(142)	(3.9)%	· Hydropower 314 → 329 · Renewable Energy 1,267 → 1,391

(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 this quarter, 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 FY2020 1Q is also revised to the net actual generation amount.

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

(100 million yen)

	FY2021 1Q (a)	FY2020 1Q (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	789	981	(192)	(19.6)%
Electricity Sales(Wholesale)	124	57	67	114.7%
Others	71	397	(326)	(82.1)%
Electric Operating Revenues	984	1,437	(453)	(31.5)%
Other Operating Revenues	193	217	(24)	(11.3)%
Operating Revenues	1,177	1,654	(477)	(28.8)%
Personnel	119	145	(26)	(17.6)%
Fuel	165	98	67	67.2%
Power Purchase	262	563	(301)	(53.4)%
Depreciation	121	120	1	1.2%
Maintenance	118	133	(15)	(11.2)%
Others	258	381	(123)	(32.1)%
Electric Operating Expenses	1,046	1,442	(396)	(27.5)%
Other Operating Expenses	166	192	(26)	(13.6)%
Operating Expenses	1,212	1,634	(422)	(25.8)%
Operating Profit (loss)	(34)	20	(54)	-
Interest Expenses, etc.	3	5	(2)	(28.7)%
Ordinary Profit (loss)	(38)	14	(52)	-
Income Taxes, etc.	(10)	6	(16)	-
Profit (loss) attributable to owners of parent	(28)	8	(36)	-

① 【Electricity Sales(Retail)】

- Increase in electricity sales <+8>
- Decrease in revenues based on the Fuel Cost Adjustment System <(46)>
- Decrease in the surcharge based on the FIT due to application of the accounting standard for revenue recognition <(129)>, etc.

② 【Others】

- Decrease in payment for the purchase cost due to application of the accounting standard for revenue recognition <(334)>, etc.

③ 【Personnel】

- Decrease in amortization of actuarial gains and losses related to retirement benefits <(20)>, etc.

④ 【Fuel, Power Purchase】 <(235)>

- Increase in electricity sales <+47>
- Increase in the thermal power generation cost per kWh <+43>
- The payment for the purchase cost was deducted from the purchased electricity cost due to application of the accounting standard for revenue recognition <(323)>, etc.

		FY2021 1Q (a)	FY2020 1Q (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	105	82	23
	Crude Oil (\$/b)	67	32	35
	LNG (\$/t)	437	462	(25)
Exchange Rate (¥/\$)		110	108	2

⑤ 【Maintenance】

- Decrease in construction associated with thermal power plants <(25)>, etc.

⑥ 【Others】

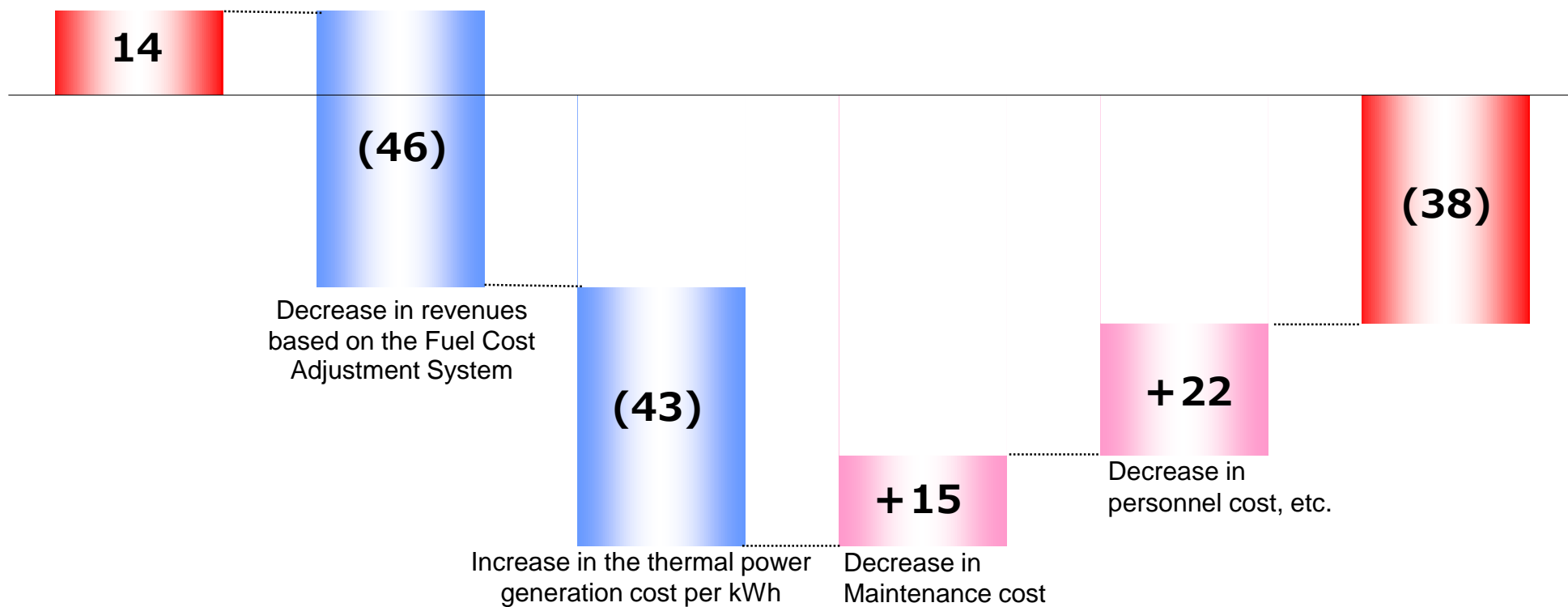
- Decrease in levy due to application of the accounting standard for revenue recognition <(129)>, etc.

# [Factors Contributing to Change in Ordinary Profit (Loss) ]

(100 million yen)

FY2020 1Q

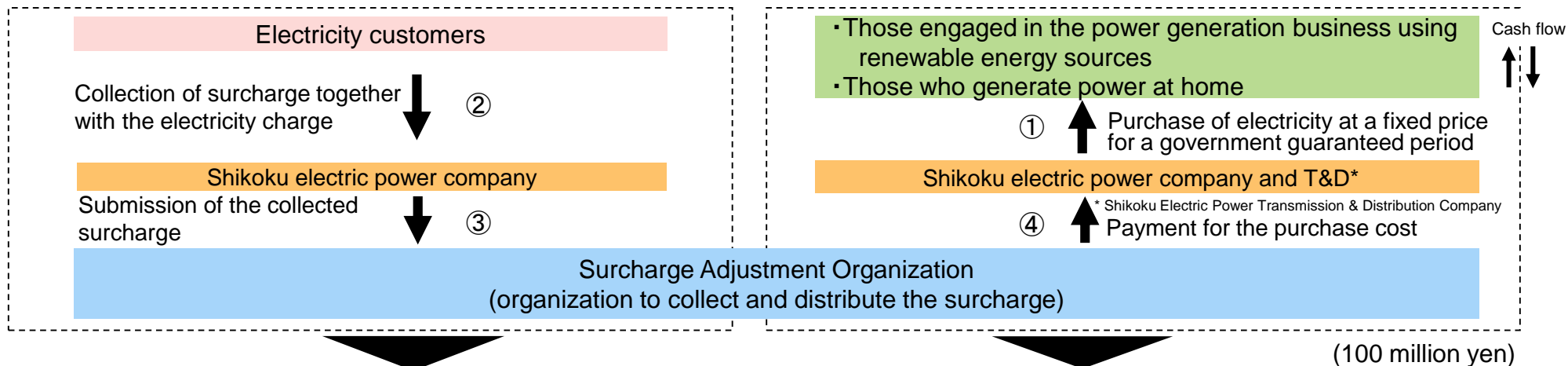
FY2021 1Q





# [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 46.4 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>141</b>
We collect surcharge from customers with the electricity charge.	
<b>③ Submission of the collected surcharge</b>	<b>141</b>
We submit the collected surcharge to surcharge adjustment organization.	

<b>① Purchase of electricity</b>	<b>403</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>323</b>
Surcharge adjustment organization pay grants corresponding to the actual purchase costs.	

※The figures are based on the actual values for FY2021 1Q.

	Before the change	After the change
Operating revenues	② Surcharge <u>141</u>	—
	④ Payment for the purchase cost <u>323</u>	—
Cost	① Purchase of electricity 403	① Purchase of electricity 403
	③ Submission of the collected surcharge 141	④ Payment for the purchase cost <u>(323)</u>
	② Surcharge <u>(141)</u>	③ Submission of the collected surcharge 141
		② Surcharge <u>(141)</u>

Decrease in sales :464

Decrease in cost : 464

**No balance impact**

(100 million yen)

		FY2021 1Q (a)	FY2020 1Q (b)	(a-b)	Main Factors		
Consolidated		Revenues 1,177	1,654	(477)			
		Ordinary Profit (loss) (38)	14	(52)	-		
Segment	Electric Utility *	Power Generation & Sales	Revenues 952	1,374	(422)	-Decrease in surcharge, payment for the purchase cost (414), etc.	
			Ordinary Loss (72)	(24)	(48)	-Increase in the thermal power generation cost per kWh (43), etc.	
	Transmission & Distribution	Revenues	440	440	(0)		
		Ordinary Profit (loss)	(2)	7	(9)	- Increase in cost of supply and demand adjustment	
	IT/Communications *		Revenues	107	108	(1)	
			Ordinary Profit	20	19	1	
	Energy *		Revenues	45	49	(4)	Decrease in LNG sales business, etc.
		Ordinary Profit	3	7	(4)		
Construction/Engineering *		Revenues	111	94	17	- Increase in contract work, etc.	
		Ordinary Profit	5	0	5		
Others *		Revenues	80	113	(33)	- Decrease in revenues in commercial business due to application of the accounting standard for revenue recognition, etc.	
		Ordinary Profit	7	3	4		

\* Internal transactions are not eliminated.

## Capital Investment

(100 million yen)

	FY2021 1Q
Electric Utility (Power generation & sales)	138
<Safety measures at Ikata nuclear power station>	<59>
<Replacement of unit no.1 of Saijo thermal power station>	<42>
Electric Utility (Transmission & Distribution)	78
IT/Communications	10
Energy, Construction/Engineering, Others	7
Total (Before the elimination of unrealized profits)	235

(100 million yen)				
	Jun 30, 2021 (a)	Mar 31, 2021 (b)	(a-b)	Details
<b>Total assets</b>	14,577	14,304	273	
<Plant and equipment, and intangible assets (except Special account related to nuclear power decommissioning, Special account related to reprocessing of spent nuclear fuel)>	<8,644>	<8,575>	<69>	<ul style="list-style-type: none"> <li>▪ Capital investment +226</li> <li>▪ Depreciation (143), etc.</li> </ul>
<Investment, etc.>	<4,736>	<4,537>	<199>	<ul style="list-style-type: none"> <li>▪ Increase in receivable amount due to payment for the purchase cost +125</li> <li>▪ Recording of prepaid expenses associated with prepaid property tax +75, etc.</li> </ul>
<b>Liabilities</b>	11,343	11,024	319	
<Bonds and loans>	<8,216>	<7,716>	<500>	<ul style="list-style-type: none"> <li>▪ Increase in bonds +100</li> <li>▪ Increase in long-term loan payable +100</li> <li>▪ Increase in commercial paper +300</li> </ul>
<Accounts payable, etc.>	<3,126>	<3,307>	<(181)>	<ul style="list-style-type: none"> <li>▪ Decrease in accounts payable (85)</li> <li>▪ Decrease in unpaid tax (82), etc.</li> </ul>
<b>Total net assets</b>	3,233	3,279	(46)	
<Retained earnings>	<1,732>	<1,793>	<(61)>	<ul style="list-style-type: none"> <li>▪ Dividend payment (31)</li> <li>▪ Loss attributable to owners of the parent (28), etc.</li> </ul>
<b>Shareholders' equity ratio</b>	22.0%	22.8%	(0.8)%	

## II . Forecasts of Consolidated Financial Results & Dividends for FY2021

(No change from the announcement in April 2021)

### 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

### 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	58.7
Total	293.8	278.6

### Dividends per Share

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

### Fuel Prices / Exchange Rate and Other Factors

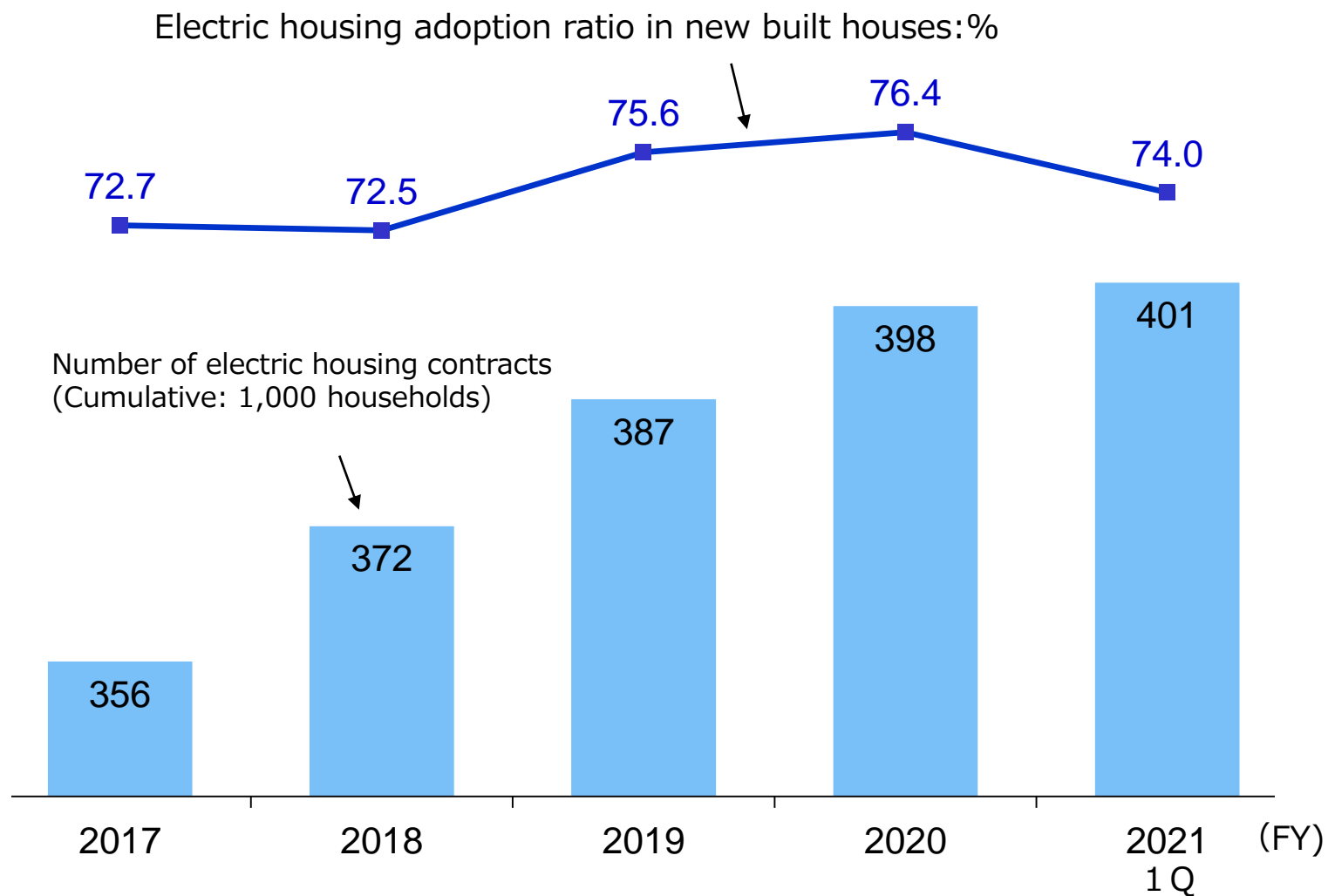
	FY2021 (Forecast)	FY2020
Nuclear Capacity Factor (%) *	42	-

※Ikata Unit No.3

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

## Supplemental Material for FY2021 1Q

- 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)



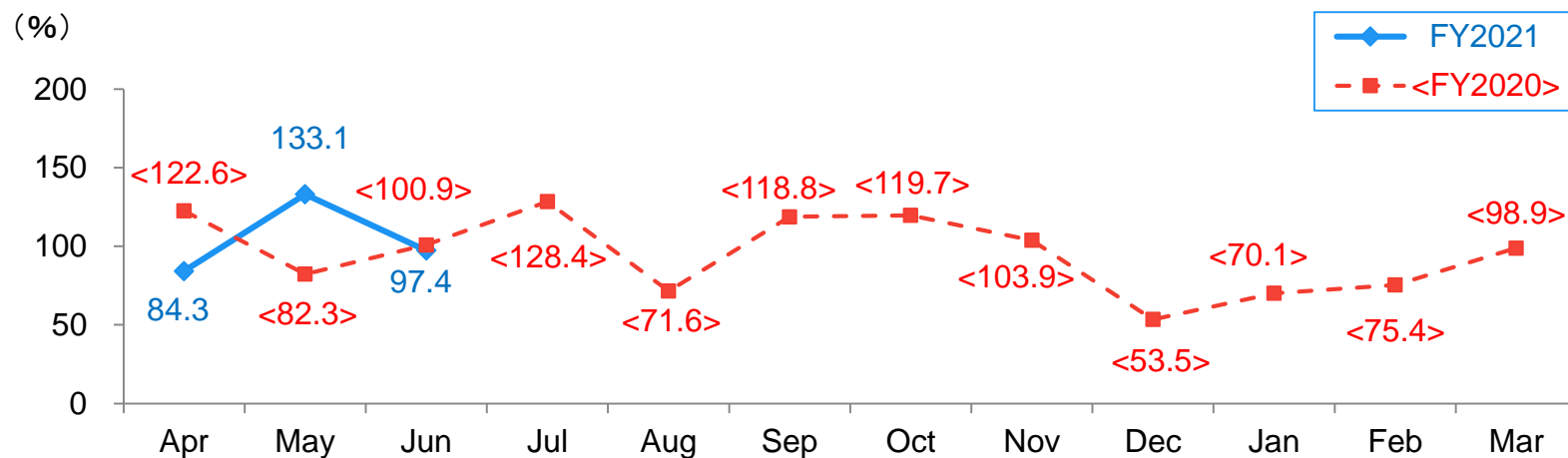
	FY2021 1Q (A)	FY2020 1Q (B)	(A-B)
Coal (10,000t)	77.0	47.9	29.1
Heavy Oil (10,000kl)	4.1	0.3	3.8
Crude Oil (10,000kl)	-	0.0	(0.0)
LNG (10,000t)	7.0	6.5	0.5

## 【Fuel Prices】

	FY2021 1Q (A)	FY2020 1Q (B)	(A-B)
CIF price: Coal (\$/t)	105	82	23
CIF price: Crude Oil (\$/b)	67	32	35
CIF price: LNG (\$/t)	437	462	(25)
Exchange rate (¥/\$)	110	108	2

# Flow Rate, Financial Sensitivity for Key Factors

## Flow Rate



## Financial Sensitivity for Key Factors

(100 million yen)

	FY2021 1Q
CIF price: coal (1\$/t)	1
CIF price: crude oil (1\$/b)	0.4
Exchange rate (¥1/\$)	2
Nuclear power capacity factor (1%)	1
Flow Rate (1%)	1

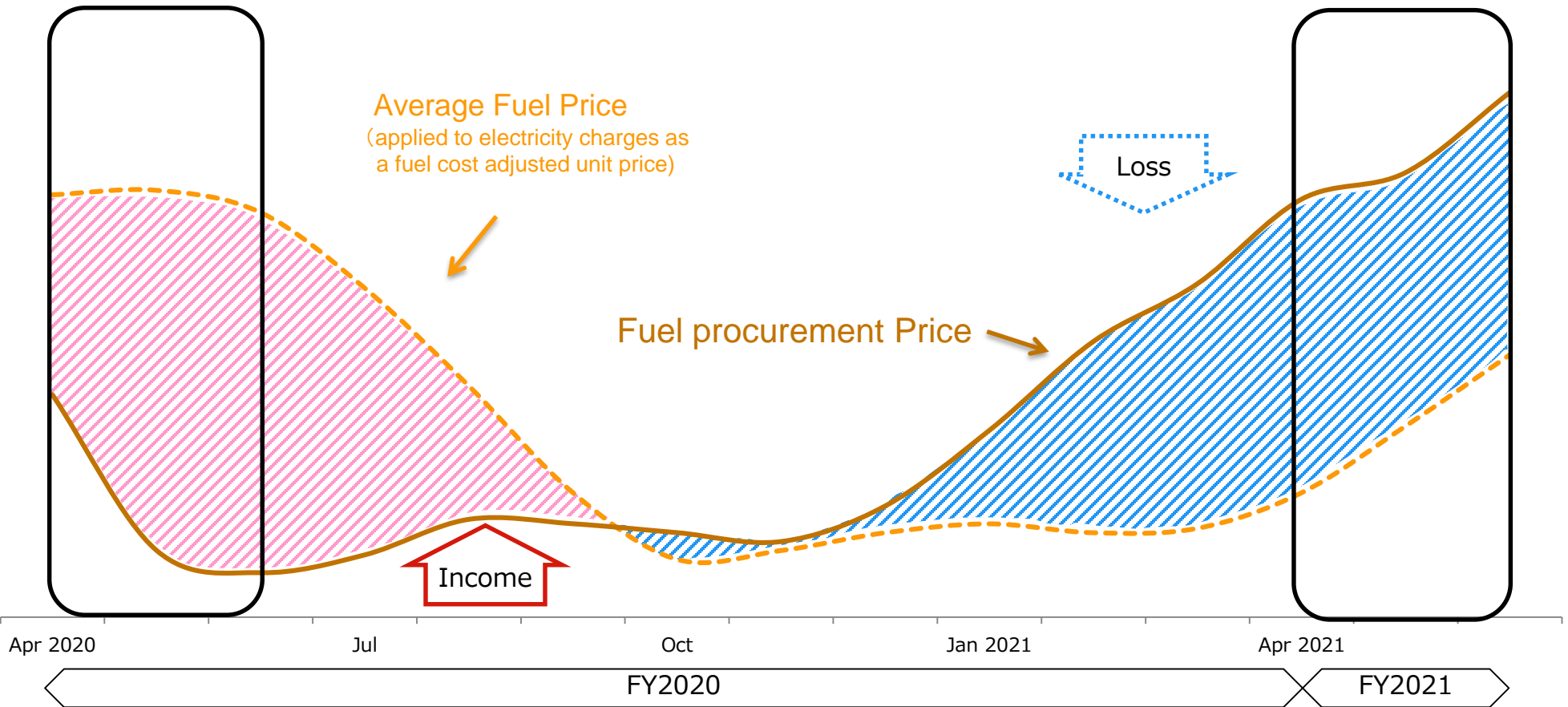


FY2020  
1Q

FY2021  
1Q

Time Lag Effect\*  
Approx. 6.0 billion yen

Time Lag Effect\*  
Approx. (5.0) billion yen



\*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)

	FY2021 1Q	<ref> FY2020
Power Generation & Sales	138	556
Renewable energy	4	28
Thermal	49	202
Nuclear	77	248
Nuclear fuel	4	71
Transmission & Distribution	78	216
Transmission	15	54
Transformation	30	62
Distribution	25	79
Electric power business	217	772
Other business	17	98
<b>Total*</b>	<b>235</b>	<b>871</b>

\* before the elimination of unrealized profits

(100 million yen)

		Total (forecasts)	FY2011~FY2021 1Q (results)	
				FY2021 1Q
Facility Construction	Short term	Approx. 720	717	—
	Medium-to-long term	Approx.1,140	960	59
Analysis and Evaluation		Approx. 240	240	—
Total		Approx.2,100	1,918	59



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.