

# FY2021 3Q Financial Results Outline

(April 1, 2021 – December 31, 2021)

January 28, 2022

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

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# Overview of Consolidated Financial Results

## 【 Financial Results for FY 2021 3Q 】

- Operating revenues decreased by ¥ 76.7 billion YoY, to ¥ 433.0 billion. The main factors were as follows;
  - ✓ The revenues from wholesale and other businesses 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 ¥ 51.1 billion YoY.
- Operating expenses decreased by ¥ 44.2 billion YoY, to ¥ 447.6 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 application of accounting standard for revenue recognition.  
Excluding the impact of the application of the accounting standard, operating expenses increased by ¥ 84.0 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 ¥ 32.3 billion YoY, to loss of ¥ 14.5 billion.
  - ✓ Ordinary Profit (loss) decreased by ¥ 29.2 billion YoY, to loss of ¥ 14.2 billion.
  - ✓ Profit (loss) attributable to owners of parent decreased by ¥ 21.2 billion YoY, to loss of ¥ 11.4 billion.  
Since 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 3Q became worse drastically.

## 【 Forecasts of Financial Results for FY 2021 】 Change from the announcement in October 2021

- Operating revenues are expected to increase by ¥ 30.0 billion compare to the previous announcement, to ¥ 610.0 billion. The main factor is as follows;
  - ✓ Total electricity sales will increase.
- Profits (losses) are expected to decrease as follows compared to the previous announcement because of deteriorating of income related to demand and supply due to increasing of the fuel price and delaying in restarting operation of Ikata Unit 3.
  - ✓ Operating profit (loss) will decrease by ¥ 13.0 billion YoY, to loss of ¥ 6.5 billion.
  - ✓ Ordinary profit (loss) will decrease by ¥ 13.0 billion YoY, to loss of ¥ 7.0 billion.
  - ✓ Profit (loss) attributable to owners of parent will decrease by ¥ 10.5 billion YoY, to loss of ¥ 6.0 billion.

## 【 Dividends 】 No change from the announcement in October 2021

- Year-end dividend is planned to be ¥ 15 per share, equal to the previous year.  
(The annual dividend for FY 2021 is planned to be ¥ 30 per share.)

# I . Consolidated Financial Results for FY2021 3Q (April 1, 2021 – December 31, 2021)

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

(100 million yen)

	FY2021 3Q (a)	FY2020 3Q (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	4,330	5,097	(767)	(15.1)%
Operating Expenses	4,476	4,918	(442)	(9.0)%
Operating Profit (Loss)	(145)	178	(323)	-
Non-Operating Profit (Loss)	3	(28)	31	-
Ordinary Profit (Loss)	(142)	150	(292)	-
Extraordinary Losses	16	-	16	
Income Taxes, etc.	(44)	52	(96)	-
Profit (Loss) attributable to owners of parent	(114)	98	(212)	-

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

(million kWh)

	FY2021 3Q (a)	FY2020 3Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	16,175	15,960	215	1.3%	<ul style="list-style-type: none"> <li>• A reactionary decrease of air conditioning demand increased due to high temperature in the previous summer</li> <li>• Power demand increased due to increased industrial operation, etc.</li> </ul>
Lighting	5,372	5,605	(233)	(4.1)%	
Power	10,802	10,356	446	4.3%	
Wholesale	6,311	4,141	2,170	52.4%	• Wholesale in Japan Electric Power Exchange (JEPX) increase, etc.
Total	22,486	20,101	2,385	11.9%	

\* 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 3Q	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)

	Oct	Nov	Dec	3-month AVG.
FY2021 3Q	20.3	13.7	8.8	14.3
Differences from the average year	1.5	0.3	0.5	0.8
Differences from the previous year	1.4	(1.1)	0.5	0.3

(million kWh)

		FY2021 3Q (a)	FY2020 3Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Own Generated Power	Hydro	1,663	1,946	(283)	(14.5)%	· Flow Rate 102.6% → 94.7%
	Nuclear	467	-	467	-	· Capacity factor of Ikata Unit No.3 - % → 8.3%
	Renewable Energy	6	5	1	21.5%	
	Thermal	9,447	8,260	1,187	14.4%	
Purchased Power		12,327	11,514	813	7.1%	· Hydropower 1,029 → 962 · Renewable Energy 3,551 → 3,896

(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 FY2021 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 FY2020 3Q is also revised to the net actual generation amount.

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

		(100 million yen)			
		FY2021 3Q (a)	FY2020 3Q (b)	Change	
				(c)=(a)-(b)	(c)/(b)
	Electricity Sales(Retail)	2,671	3,017	(346)	(11.5)%
	Electricity Sales(Wholesale)	665	322	343	106.5%
	Others	231	1,076	(845)	(78.5)%
	Electric Operating Revenues	3,569	4,417	(848)	(19.2)%
	Other Operating Revenues	760	680	80	11.8%
	Operating Revenues	4,330	5,097	(767)	(15.1)%
	Personnel	328	399	(71)	(17.8)%
	Fuel	710	384	326	84.7%
	Power Purchase	1,190	1,620	(430)	(26.6)%
	Depreciation	389	365	24	6.6%
	Maintenance	384	390	(6)	(1.7)%
	Nuclear Back-end	33	20	13	63.0%
	Others	757	1,132	(375)	(33.1)%
	Electric Operating Expenses	3,794	4,314	(520)	(12.1)%
	Other Operating Expenses	681	604	77	12.9%
	Operating Expenses	4,476	4,918	(442)	(9.0)%
	Operating Profit (Loss)	(145)	178	(323)	-
	Non-Operating Profit (Loss)	3	(28)	31	-
	Ordinary Profit (Loss)	(142)	150	(292)	-
	Extraordinary Losses	16	-	16	-
	Income Taxes, etc.	(44)	52	(96)	-
	Profit (Loss) attributable to owners of parent	(114)	98	(212)	-

## ① 【Electricity Sales(Retail)】

- Increase in electricity sales of volume +35
- Increase in revenues based on the Fuel Cost Adjustment System +102
- Decrease in the surcharge based on the FIT due to application of the accounting standard for revenue recognition (413), etc.

## ② 【Other Electric Operating Revenues】

- Decrease in payment for the purchase cost due to application of the accounting standard for revenue recognition (863), etc.

## ③ 【Personnel】

- Decrease in amortization of actuarial gains and losses related to retirement benefits (60), etc.

## ④ 【Fuel, Power Purchase】 (104)

- Increase in total electricity sales of volume +189
- Increase in nuclear power (34)
- Decrease in hydropower +27
- Increase in the fuel price +482
- The payment for the purchase cost was deducted from the purchased electricity cost due to application of the accounting standard for revenue recognition (755), etc.

		FY2021 3Q (a)	FY2020 3Q (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	144	76	68
	Crude Oil (\$/b)	74	39	35
	LNG (\$/t)	562	368	194
Exchange Rate (¥/\$)		111	106	5

## ⑤ 【Depreciation】

- Increase in the cost for Ikata nuclear power station safety measures construction +27, etc.

## ⑥ 【Others】

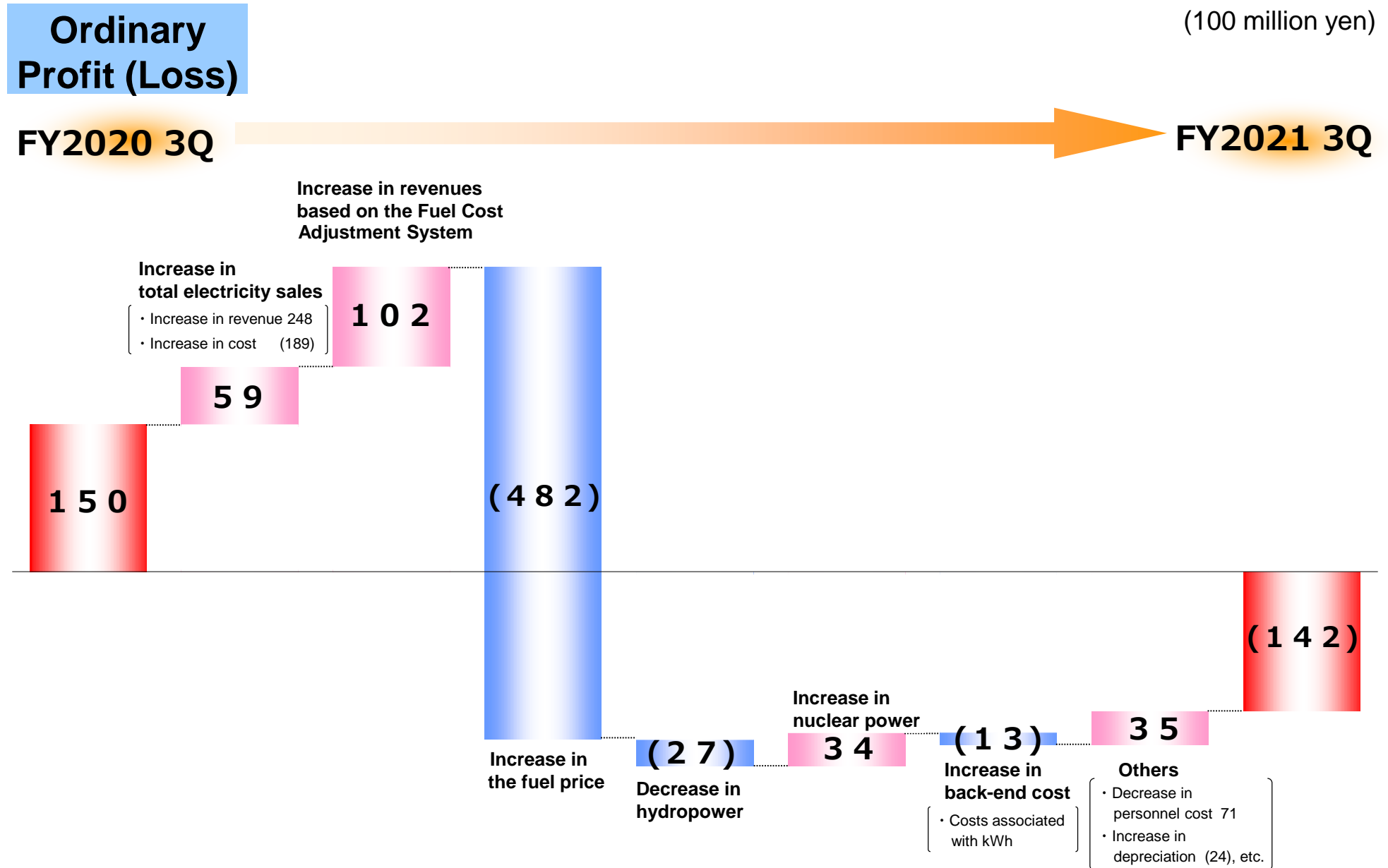
- Decrease in levy due to application of the accounting standard for revenue recognition (413), etc.
- Increase in costs due to software acquisition / modification +11, etc.

## ⑦ 【Non-operating Profit (Loss)】

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

## ⑧ 【Extraordinary Losses】

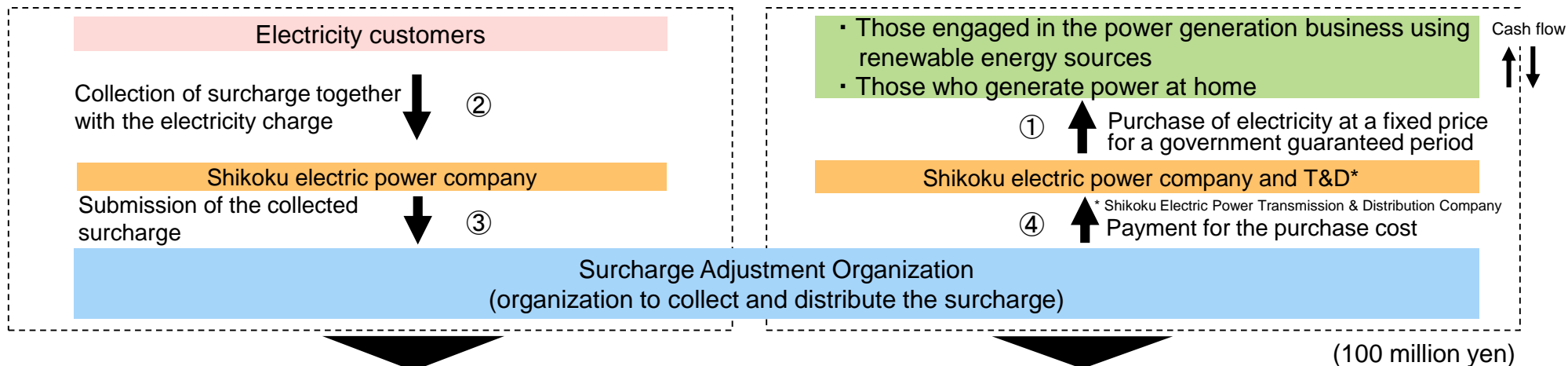
- Loss on return of imbalance revenues and expenses due to the event of soaring market prices in January last year +16





# [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 122.0 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>465</b>
We collect surcharge from customers with the electricity charge.	
<b>③ Submission of the collected surcharge</b>	<b>465</b>
We submit the collected surcharge to surcharge adjustment organization.	

<b>① Purchase of electricity</b>	<b>1,102</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>755</b>
Surcharge adjustment organization pay grants corresponding to the actual purchase costs.	

(100 million yen)

※The figures are based on the actual values for FY2021 3Q.

	Before the change	After the change
Operating revenues	② Surcharge 465	—
	④ Payment for the purchase cost 755	—
Operating expenses	① Purchase of electricity 1,102	① Purchase of electricity 1,102
	③ Submission of the collected surcharge 465	④ Payment for the purchase cost (755)
		③ Submission of the collected surcharge 465
		② Surcharge (465)

Decrease in sales: 122.0

Decrease in cost : 122.0

**No balance impact**

# Results by Segment

(100 million yen)

		FY2021 3Q (a)	FY2020 3Q (b)	(a-b)	Main Factors		
Consolidated		Revenues	4,330	5,097	(767)	-	
		Ordinary Profit (Loss)	(142)	150	(292)		
Segment	Electric Utility*	Power Generation & Sales	Revenues	3,415	4,195	(780)	-Decrease in surcharge, payment for the purchase cost because the accounting standard for revenue recognition is applied (1,133), etc. -Increase in revenues based on the Fuel Cost Adjustment System +102 -Increase in the fuel price (463), etc.
			Ordinary Profit (Loss)	(310)	0	(310)	
	Transmission & Distribution	Revenues	1,498	1,419	79	-Increase in revenues due to supply and demand adjustment +82, etc.	
		Ordinary Profit	51	55	(4)	-Increase in transaction of tertiary adjustment power 2 (28) -Increase in the fuel price (19), decrease in personnel cost +29, etc.	
	IT/Communications*		Revenues	323	325	(2)	- Increase in FTTH business +9, etc.
			Ordinary Profit	62	52	10	
	Energy*		Revenues	172	149	23	- Increase in coal sales business +22, etc.
			Ordinary Profit	14	28	(14)	- Decrease in LNG sales business (16), etc.
	Construction/Engineering*		Revenues	494	333	161	Increase in orders for contract work, etc.
			Ordinary Profit	21	4	17	
Others*		Revenues	252	344	(92)	- Decrease in revenues in commercial business due to application of the accounting standard for revenue recognition (97), etc.	
		Ordinary Profit	19	5	14		

\* Internal transactions are not eliminated

## Capital Investment

(100 million yen)

	FY2021 3Q
Electric Utility (Power generation & sales)	475
<Safety measures at Ikata nuclear power station>	<258>
<Replacement of unit no.1 of Saijo thermal power station>	<123>
Electric Utility (Transmission & Distribution)	201
IT/Communications	38
Energy, Construction/Engineering, Others	22
Total (before the elimination of unrealized profits)	738

(100 million yen)				
	Dec 31, 2021 (a)	Mar 31, 2021 (b)	(a-b)	Details
<b>Total assets</b>	15,006	14,304	702	
<Plant and equipment, and intangible assets (except Special account related to nuclear power decommissioning, Special account related to reprocessing of spent nuclear fuel)>	<8,807>	<8,575>	<232>	<ul style="list-style-type: none"> <li>▪ Capital investment +717</li> <li>▪ Depreciation (457), etc.</li> </ul>
<Investments, etc.>	<5,006>	<4,537>	<469>	
<b>Liabilities</b>	11,908	11,024	884	
<Bonds and loans>	<8,752>	<7,716>	<1,036>	<ul style="list-style-type: none"> <li>▪ Increase in bonds +200</li> <li>▪ Increase in long-term loan payable +257</li> <li>▪ Increase in commercial paper +580</li> </ul>
<Accrued expenses, etc.>	<3,155>	<3,307>	<(152)>	
<b>Total net assets</b>	3,098	3,279	(181)	
<Retained earnings>	<1,614>	<1,793>	<(179)>	<ul style="list-style-type: none"> <li>▪ Loss attributable to owners of parent (114)</li> <li>▪ Dividend payment (62), etc.</li> </ul>
<b>Shareholders' equity ratio</b>	20.5%	22.8%	(2.3)%	

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

### Financial Results

(100 million yen)

	FY2021 Forecast in January	FY2021 Forecast in October
Operating Revenues	6,100	5,800
Operating Profit (Loss)	(65)	65
Ordinary Profit (Loss)	(70)	60
Profit (Loss) attributable to owners of parent	(30)	45
Profit (Loss) per Share	¥(14)	¥22

### Electricity Sales

(100 million kWh)

	FY2021 Forecast in January	FY2021 Forecast in October
Lighting	78.5	78.1
Power	143.4	142.2
Retail	221.9	220.3
Wholesale	89.5	83.3
Total	311.4	303.6

### Dividends per Share

	FY2021	FY2021 Forecast in October
Interim	¥15	¥15
Year-end	(Forecast) ¥15	¥15

### Fuel Prices / Exchange Rate and Other Factors

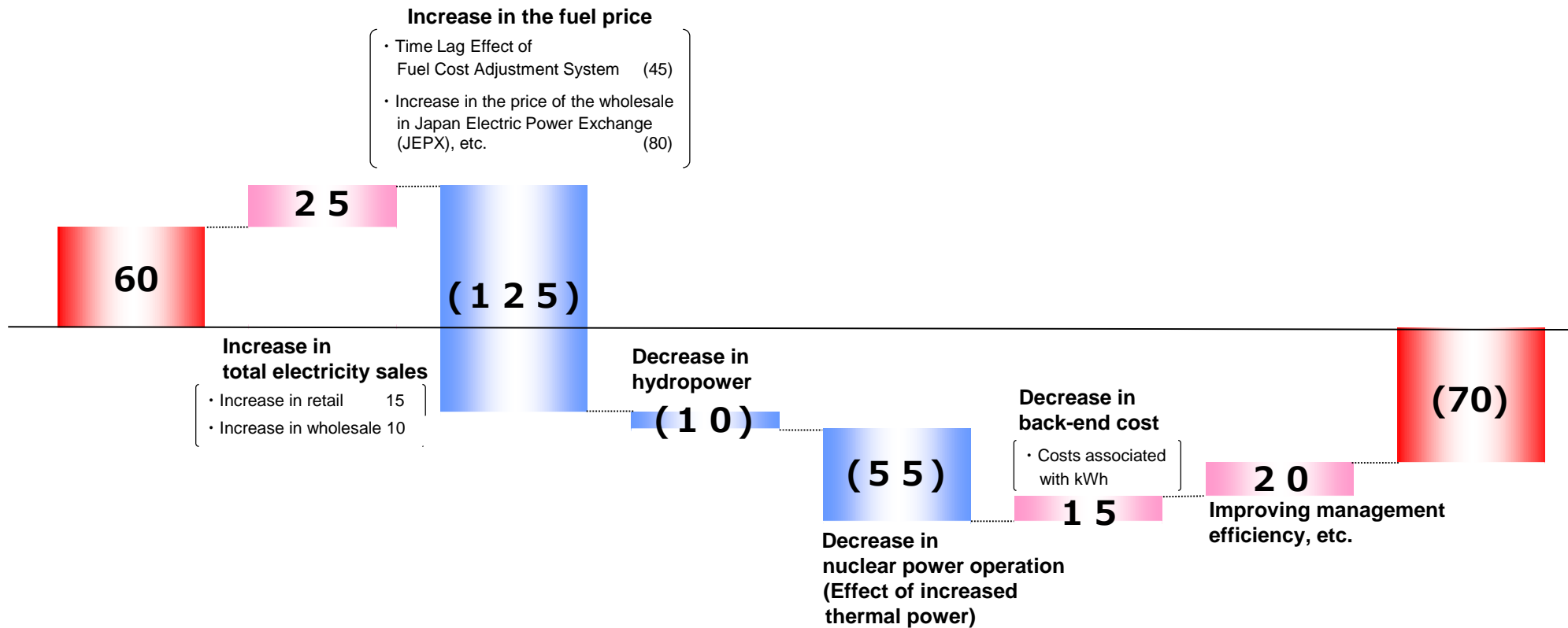
	FY2021 Forecast in January	FY2021 Forecast in October
Nuclear Capacity Factor (%)	31.4	42.1
Coal CIF Price (\$/t)	150	147
Crude oil CIF Price (\$/b)	75	70
Exchange Rate (¥/\$)	112	110

(100 million yen)

**Announcement  
in October 2021**



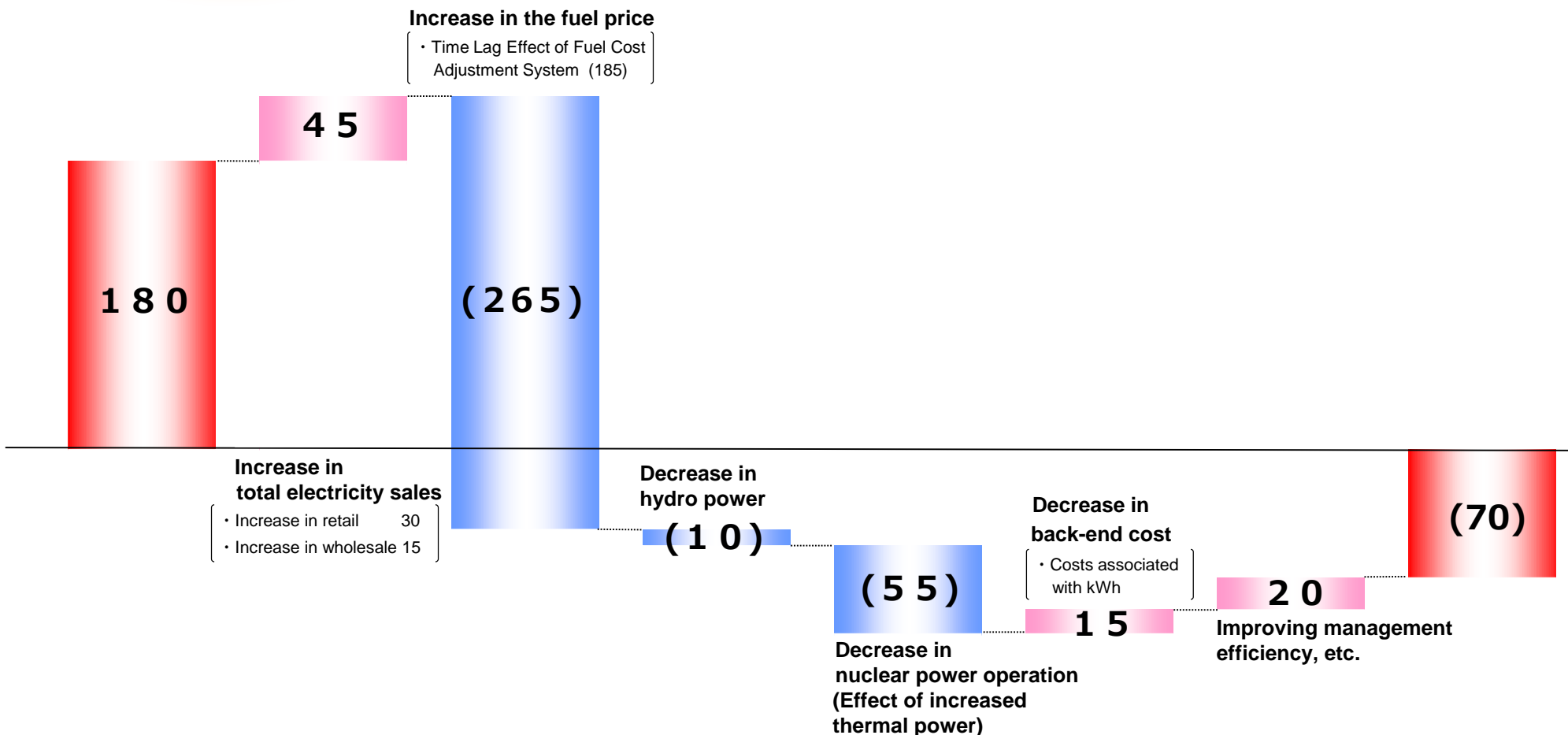
**Announcement  
in January 2022**



(100 million yen)

Announcement  
in April 2021

Announcement  
in January 2022

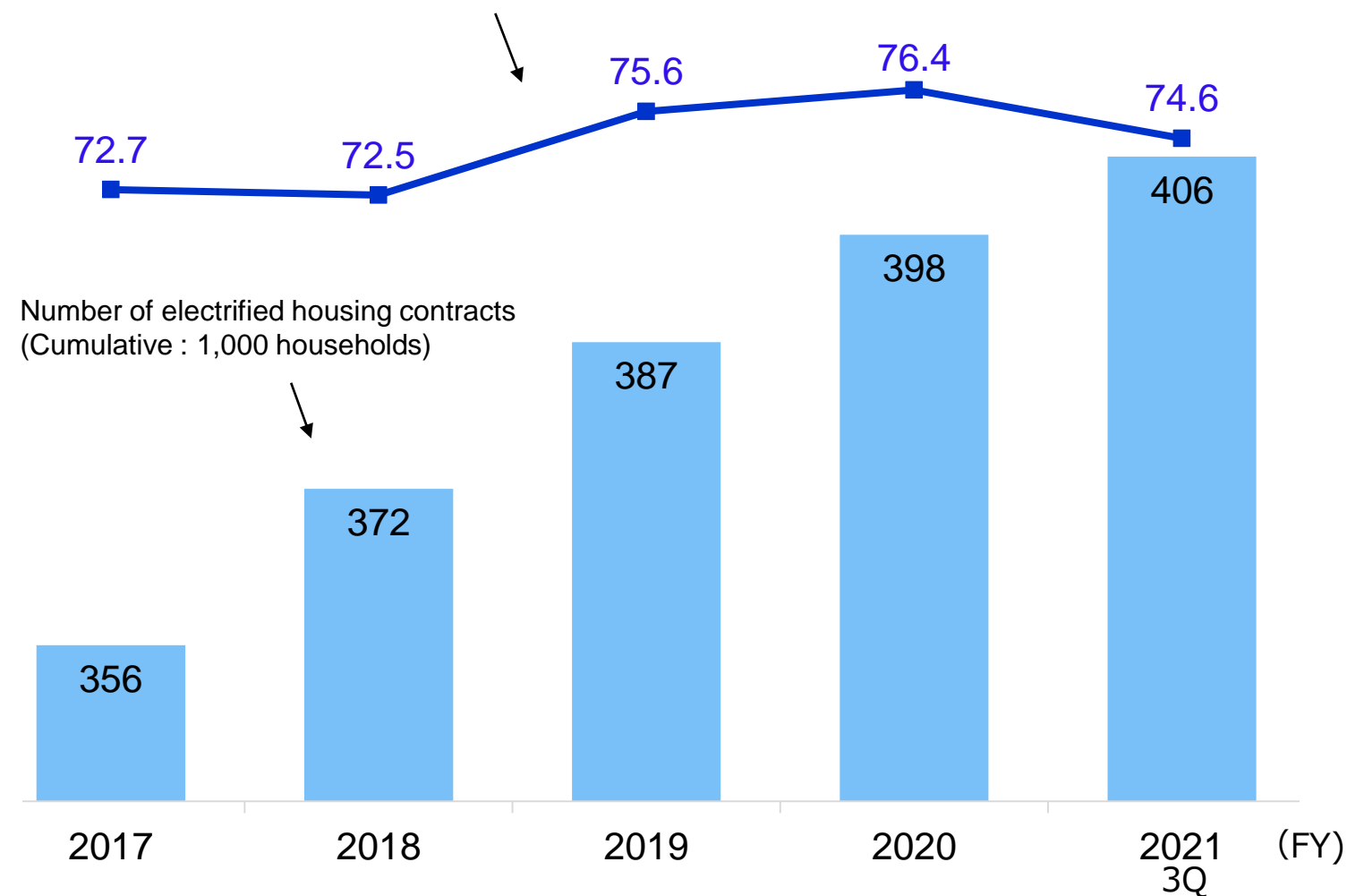


## Supplemental Material for FY2021 3Q

- 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)

# 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)

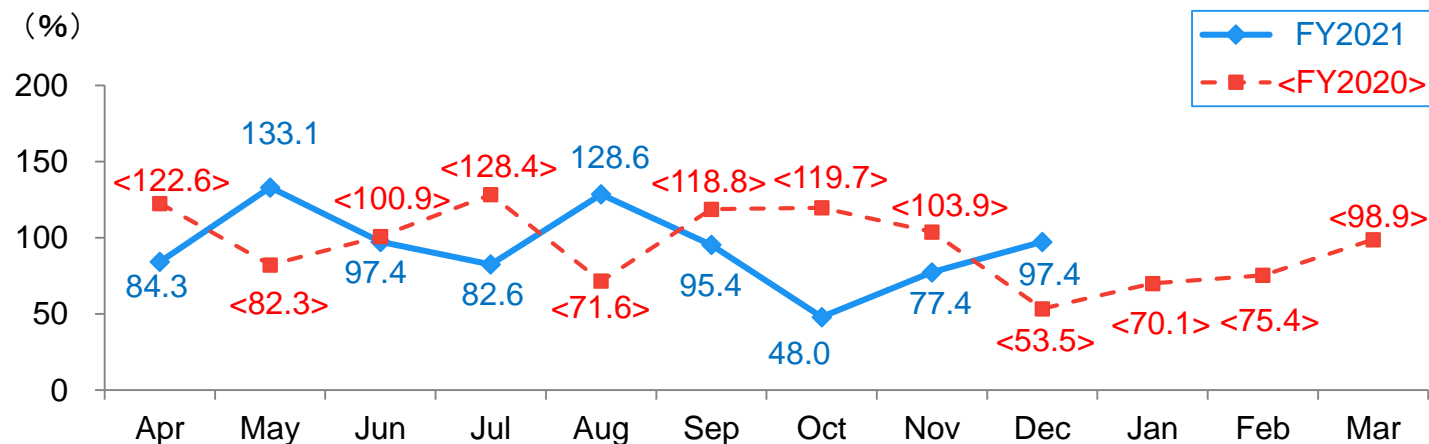


	FY2021 3Q (A)	FY2020 3Q (B)	(A-B)
Coal (10,000t)	232.3	194.5	37.8
Heavy Oil (10,000kl)	25.2	6.2	19.0
Crude Oil (10,000kl)	-	1.5	(1.5)
LNG (10,000t)	27.2	30.2	(3.0)

## 【Fuel Prices】

	FY2021 3Q (A)	FY2020 3Q (B)	(A-B)
CIF price: Coal (\$/t)	144	76	68
CIF price: Crude Oil (\$/b)	74	39	35
CIF price: LNG (\$/t)	562	368	194
Exchange rate (¥/\$)	111	106	5

## Flow Rate

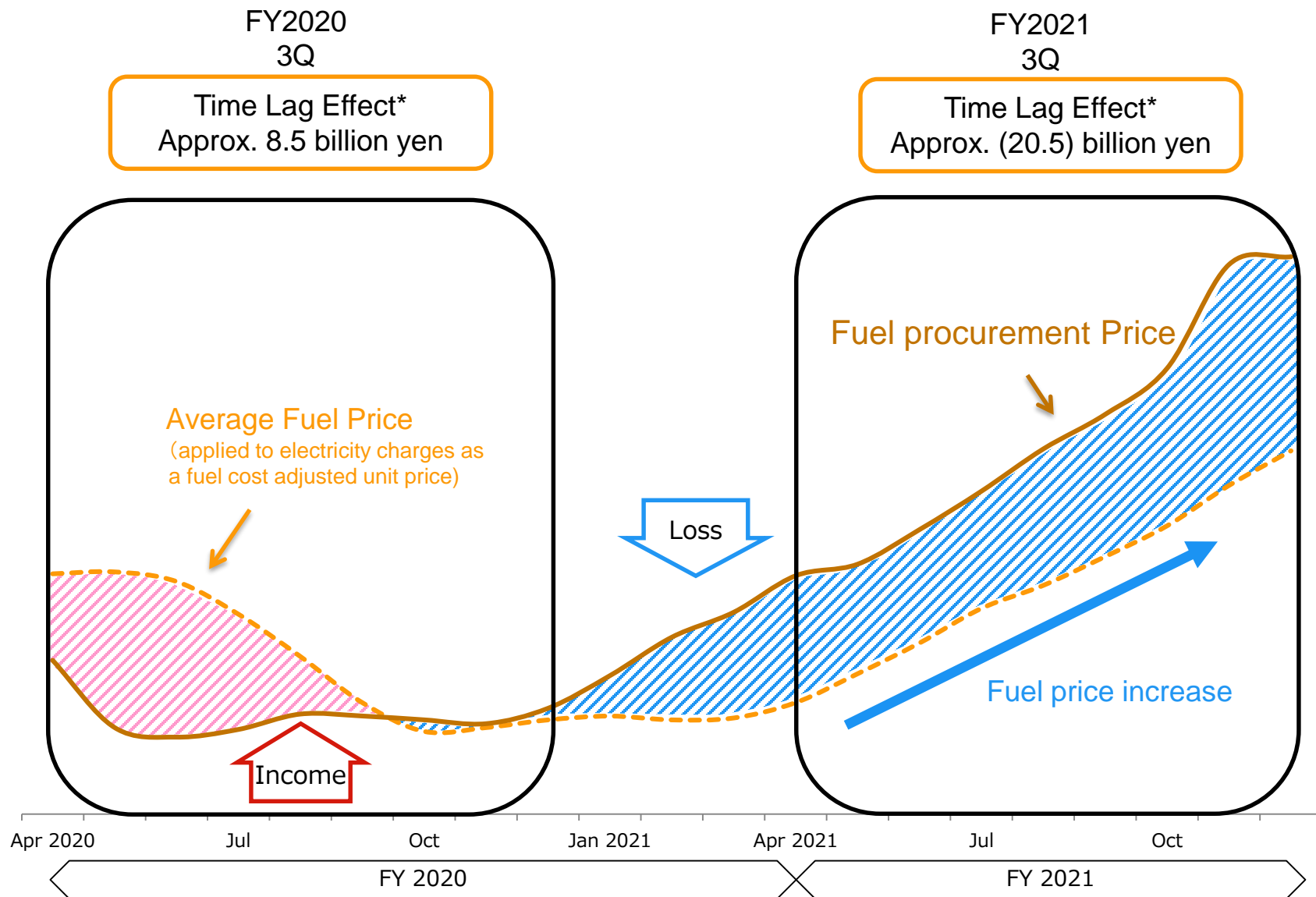


## Financial Sensitivity for Key Factors

(100 million yen)

	FY2021 3Q
CIF price: coal (1\$/t)	5
CIF price: crude oil (1\$/b)	2
Exchange rate (¥1/\$)	9
Nuclear power capacity factor (1%)	4
Flow Rate (1%)	2

# Time Lag Effect of Fuel Cost Adjustment System (Result of FY2021 3Q)



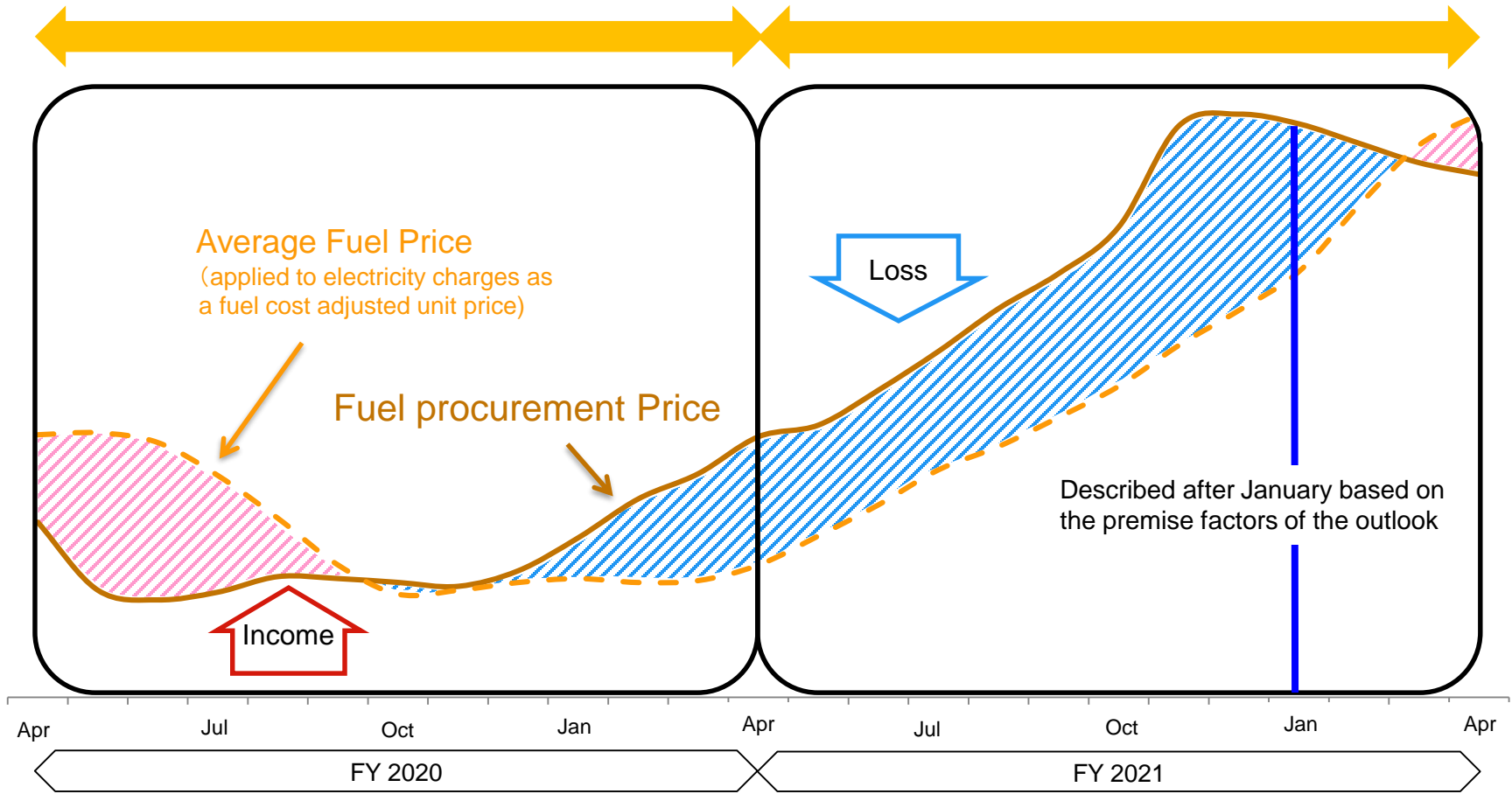
\*Fluctuation in fuel prices causes time lag between payment of fuel cost and reception of fuel cost adjustment charges, resulting in temporary increase or decrease in profits. Time Lag Effect above is this temporary increase or decrease, assuming that time lag does not take place.

## Result of FY2020

Time Lag Effect\*  
Approx. 4.5 billion yen

## Outlook of FY2021

Outlook of Time Lag Effect\*  
**Announcement in January : Approx. (23.5) billion yen**  
 <Difference in October : Approx. (4.5) billion yen, Difference in April : Approx. (18.5) billion yen>  
 \*Announcement in October : Approx. (19.0) billion yen, Announcement in April : 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 3Q	<ref> FY2020
Power Generation & Sales	475	556
Renewable energy	16	28
Thermal	138	202
Nuclear	307	248
Nuclear fuel	7	71
Transmission & Distribution	201	216
Transmission	50	54
Transformation	72	62
Distribution	63	79
Electric power business	677	772
Other business	61	98
Total*	738	871

\* before the elimination of unrealized profits

(100 million yen)

		Total (forecasts)	FY2011~FY2021 3Q (results)	
				FY2021 3Q
Facility Construction	Short term	Approx. 720	717	-
	Medium-to-long term	Approx.1,140	1,163	261
Analysis and Evaluation		Approx. 240	240	0
Total		Approx.2,100	2,120	261



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.