

FY2022 Financial Results Outline

(April 1, 2022 – March 31, 2023)

April 27, 2023
(Partial revision in May 9, 2023)

SHIKOKU ELECTRIC POWER CO.,INC.

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Overview of Consolidated Financial Results

【 Financial Results for FY 2022 】

- ❑ Operating revenues increased by ¥ 191.3 billion YoY, to ¥ 833.2 billion. The main factors were as follows;
 - ✓ The revenues based on the Fuel Cost Adjustment System and from wholesale increased.
- ❑ Operating expenses increased by ¥ 190.0 billion YoY, to ¥ 845.4 billion. The main factors were as follows;
 - ✓ The cost decreased due to the operation of Ikata unit No.3.
 - ✓ The fuel and power purchase cost increased significantly due to a rise in the fuel price.
- ❑ As a result,
 - ✓ Operating profit (loss) increased by ¥ 1.3 billion YoY, to loss of ¥ 12.2 billion.
 - ✓ Ordinary profit(loss) decreased by ¥ 10.4 billion YoY, to loss of ¥ 22.5 billion, mainly due to the posting of losses on investments in international businesses as non-operating expenses.
 - ✓ Profit attributable to owners of parent decreased by ¥ 16.6 billion YoY, to loss of ¥ 22.8 billion.

【 Forecasts of Financial Results for FY 2023 】

- ❑ The forecasts of consolidated financial results for FY 2023 is undecided due to the difficulty in foreseeing the timing of approval to regulated electricity rates hike.

【 Dividends 】

- ❑ The total annual dividend will be ¥ 0 per share due to the large amount of losses incurred from the impact of fuel price hikes and other factors.
- ❑ The annual dividend for FY2023 is undecided for the same reason as the consolidated financial results.

I . Consolidated Financial Results for FY2022 (April 1, 2022 –March 31, 2023)

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

(100 million yen)

	FY2022 (a)	FY2021 (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	8,332	6,419	1,913	29.8%
Operating Expenses	8,454	6,554	1,900	29.0%
Operating Profit (Loss)	(122)	(135)	13	-
Non-Operating Profit (Loss)	(102)	14	(116)	/
Ordinary Profit (Loss)	(225)	(121)	(104)	-
Reversal of reserve for water shortage	(8)	(65)	57	/
Extraordinary Losses	-	15	(15)	/
Profit (Loss) before Income Taxes	(216)	(70)	(146)	-
Income Taxes, etc.	12	(8)	20	/
Profit (Loss) attributable to owners of parent	(228)	(62)	(166)	-

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

(million kWh)

	FY2022 (a)	FY2021 (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	23,413	22,565	848	3.8 %	• Increase in sales due to increase in contract demand, etc.
Lighting	7,686	8,035	(349)	(4.3)%	
Power	15,727	14,530	1,197	8.2 %	
Wholesale	9,312	9,110	202	2.2 %	• Wholesale in Japan Electric Power Exchange (JEPX) increased, etc.
Total	32,725	31,675	1,050	3.3 %	

(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)

	Jun	Jul	Aug	Sep	4-month AVG.
FY2022	23.9	27.9	29.2	26.2	26.8
Differences from the average year	0.8	0.8	1.1	1.4	1.0
Differences from the previous year	0.6	0.7	1.7	1.1	1.0

(°C)

	Dec	Jan	Feb	Mar	4-month AVG.
FY2022	7.4	6.6	7.4	12.9	8.6
Differences from the average year	▲ 1.2	0.3	0.4	2.8	0.6
Differences from the previous year	▲ 1.4	0.6	1.8	1.1	0.5

Electricity Sales in the Last 5 Years

(million kWh)

	FY2018	FY2019	FY2020	FY2021	FY2022
Lighting	8,539	8,169	8,210	8,035	7,686
Power	14,757	14,226	13,777	14,530	15,727
Total	23,296	22,396	21,986	22,565	23,413

Electricity Sales Changes from the Previous Fiscal Year

	FY2018	FY2019	FY2020	FY2021	FY2022
Lighting	(7.4)%	(4.3)%	0.5%	(2.1)%	(4.3)%
Power	(7.2)%	(3.6)%	(3.2)%	5.5%	8.2%
Total	(7.3)%	(3.9)%	(1.8)%	2.6%	3.8%

Average Temperatures in Prefectural Capitals in Shikoku

(°C)

	FY2018	FY2019	FY2020	FY2021	FY2022
Summer *1	26.3	25.9	26.3	25.8	26.8
Winter*2	9.0	9.6	9.0	8.0	8.6

*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)					
		FY2022 (a)	FY2021 (b)	(c)=(a)-(b)	(c)/(b)	Details	
Own Generated Power	Nuclear	6,903	2,362	4,541	2.9 times	· Capacity factor of Ikata Unit No.3	31.6% → 92.4%
	Hydro	1,787	1,976	(189)	(9.5)%	· Flow Rate	84.7% → 73.6%
	Renewable Energy	4	7	(3)	(50.1)%		
	Thermal	11,133	12,619	(1,486)	(11.8)%		
Purchased Power		14,627	16,502	(1,875)	(11.4)%	· Hydropower · Renewable Energy	1,045 → 836 5,212 → 5,297

(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.

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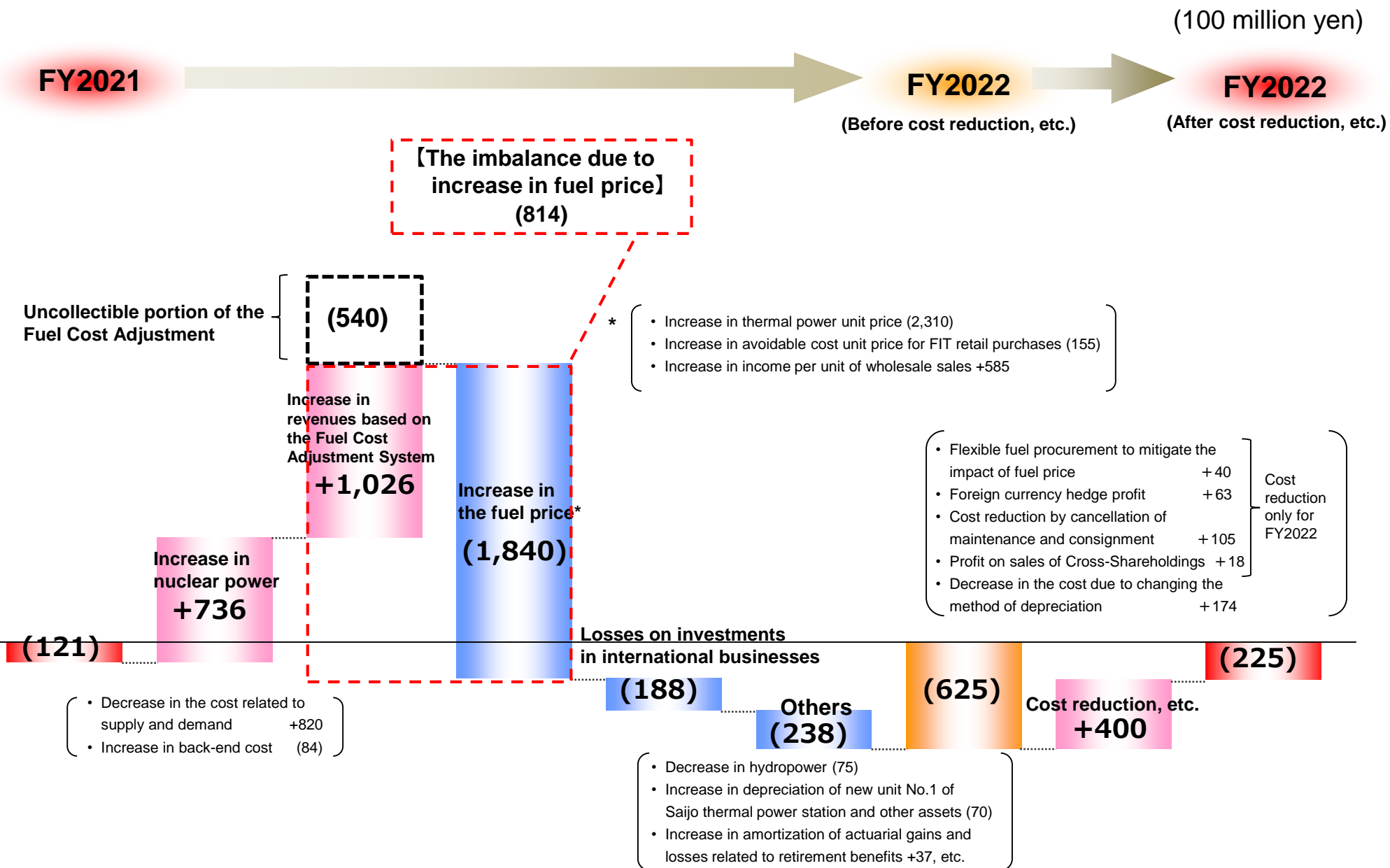
Details of Consolidated Financial Results ; year-on-year basis

(100 million yen)

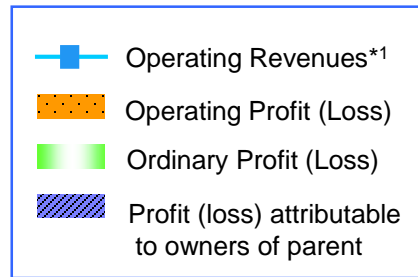
	FY2022 (a)	FY2021 (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales (Retail)	5,122	3,877	1,245	32.1%
Electricity Sales (Wholesale)	1,849	1,146	703	61.4%
Others	378	328	50	15.1%
Electric Operating Revenues	7,350	5,352	1,998	37.3%
Other Operating Revenues	981	1,067	(86)	(8.0)%
Operating Revenues	8,332	6,419	1,913	29.8%
Personnel	459	433	26	6.1%
Fuel	2,070	1,068	1,002	93.8%
Power Purchase	2,801	1,864	937	50.2%
Depreciation	458	536	(78)	(14.6)%
Maintenance	509	542	(33)	(6.1)%
Nuclear Back-end	186	86	100	116.7%
Others	1,120	1,075	45	4.2%
Electric Operating Expenses	7,606	5,606	2,000	35.7%
Other Operating Expenses	848	948	(100)	(10.5)%
Operating Expenses	8,454	6,554	1,900	29.0%
Operating Loss	(122)	(135)	13	-
Non-Operating Profit (Loss)	(102)	14	(116)	-
Ordinary Profit (Loss)	(225)	(121)	(104)	-
Reversal of reserve for water shortage	(8)	(65)	57	-
Extraordinary Losses	-	15	(15)	-
Profit (Loss) before Income Taxes	(216)	(70)	(146)	-
Income Taxes, etc.	12	(8)	20	-
Profit (loss) attributable to owners of parent	(228)	(62)	(166)	-

① 【Electricity Sales (Retail)】	<ul style="list-style-type: none"> • Increase in electricity sales volume +147 • Increase in income per unit +72 • Increase in revenues based on the Fuel Cost Adjustment System +1,026 																							
② 【Electricity Sales (Wholesale)】	<ul style="list-style-type: none"> • Increase in electricity sales volume +39 • Increase in income per unit +585, etc. 																							
③ 【Others】	<ul style="list-style-type: none"> • Subsidies related to costs for securing adjustability +50, etc. 																							
④ 【Personnel】	<ul style="list-style-type: none"> • Increase in amortization of actuarial gains and losses related to retirement benefits +37, etc. 																							
⑤ 【Fuel, Power Purchase】 +1,939	<ul style="list-style-type: none"> • Increase in nuclear power (820) • Increase in total electricity sales +197 																							
⑥	<ul style="list-style-type: none"> • Decrease in hydropower +75 • Increase in the thermal power unit price +2,310 • Increase in avoidable cost unit price for FIT retail purchases +115 																							
⑦	<ul style="list-style-type: none"> • Flexible fuel procurement to mitigate the impact of fuel price hikes (40), etc. 																							
	<table border="1"> <thead> <tr> <th colspan="2"></th> <th>FY2022 (a)</th> <th>FY2021 (b)</th> <th>(a-b)</th> </tr> </thead> <tbody> <tr> <td rowspan="3">CIF Price (all Japan)</td> <td>Coal (\$/t)</td> <td>359</td> <td>161</td> <td>198</td> </tr> <tr> <td>Crude Oil (\$/b)</td> <td>103</td> <td>77</td> <td>26</td> </tr> <tr> <td>LNG (\$/t)</td> <td>932</td> <td>622</td> <td>310</td> </tr> <tr> <td colspan="2">Exchange Rate (¥/\$)</td> <td>135</td> <td>112</td> <td>23</td> </tr> </tbody> </table>			FY2022 (a)	FY2021 (b)	(a-b)	CIF Price (all Japan)	Coal (\$/t)	359	161	198	Crude Oil (\$/b)	103	77	26	LNG (\$/t)	932	622	310	Exchange Rate (¥/\$)		135	112	23
		FY2022 (a)	FY2021 (b)	(a-b)																				
CIF Price (all Japan)	Coal (\$/t)	359	161	198																				
	Crude Oil (\$/b)	103	77	26																				
	LNG (\$/t)	932	622	310																				
Exchange Rate (¥/\$)		135	112	23																				
⑧ 【Depreciation】	<ul style="list-style-type: none"> • Increase in depreciation of new unit No.1 of Saijo thermal power station and other assets +77*1 *1 Total increase including other business +70 • Decrease in depreciation due to changing the method of depreciation <Declining balance method → Straight-line method> (155)*2 *2 Total decrease including other business (174) 																							
⑦ 【Nuclear Back-end】	<ul style="list-style-type: none"> • Increased in the portion linked to the amount of kWh +84, etc. 																							
⑧ 【Non-Operating Profit】	<ul style="list-style-type: none"> • Foreign exchange gains due to risk hedging against yen depreciation +63 • Profit on sales of Cross-Shareholdings +18 • Losses on investments in international businesses (188), etc. 																							

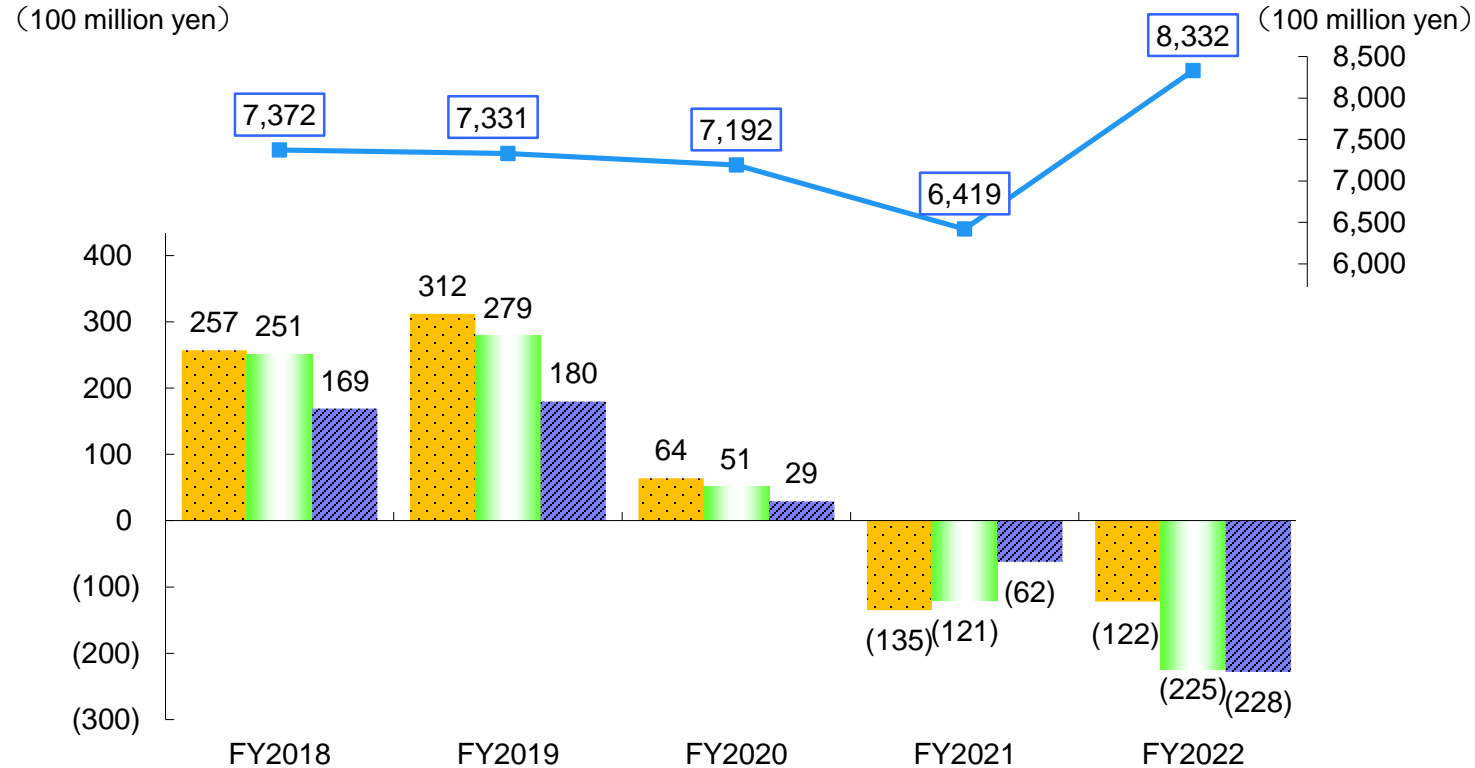
Factors Contributing to Change in Ordinary Profit



[Financial Results in the last 5 fiscal years]



*1 The accounting standard for revenue recognition is applied from FY2021.



Performance Indicators

		FY2018	FY2019	FY2020	FY2021	FY2022
Operating Profit Margin	(%)	3.5	4.3	0.9	(2.1)	(1.5)
Return on Assets (ROA) *2	(%)	2.4	2.5	0.8	(0.4)	(1.0)
Return on Equity (ROE)	(%)	5.4	5.6	0.9	(2.0)	(7.5)
Profit per Share	(yen)	83	88	15	(30)	(111)

Ordinary Profit + Interest Expenses (100 million yen)		321	340	108	(65)	(163)
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*2 ROA = (Ordinary Profit (Loss) + Interest Expenses) / Total Assets

Results by Segment

(100 million yen)

			FY2022 (a)	FY2021 (b)	(a-b)	Main Factors	
Consolidated		Revenues	8,332	6,419	1,913		
		Ordinary Profit (Loss)	(225)	(121)	(104)	-	
Segment *1	Electric Utility	Power Generation & Sales	Revenues	7,090	5,082	2,008	[Increase in revenues from electricity sales <retail> +1,052 [Increase in revenues from electricity sales <wholesale> +774, etc. [Increase in nuclear +736 [Increase in revenues based on the Fuel Cost Adjustment System +1,026 [The imbalance due to increase in the fuel price (1,796) [The effect of changing the method of depreciation +110, etc.
			Ordinary Loss *2	(289)	(402)	113	
		Transmission & Distribution	Revenues	2,662	2,198	464	[Increase in revenues due to supply and demand adjustment +214 [Increase in electricity sales among areas and other companies +199, etc. [Decrease in profit due to supply and demand adjustment (78) [The effect of changing the method of depreciation +44, etc.
				Ordinary Profit	72	105	
	IT/Communications		Revenues	455	446	9	- The effect of changing the method of depreciation +13, etc.
			Ordinary Profit	93	81	12	
	Energy		Revenues	257	264	(7)	- Losses on investments in international businesses (188), etc.
			Ordinary Profit (Loss)	(151)	29	(180)	
	Construction/Engineering		Revenues	530	691	(161)	- Decrease in contract work, etc.
			Ordinary Profit	35	39	(4)	
Others		Revenues	356	361	(5)		
		Ordinary Profit	21	31	(10)		

*1 Internal transactions are not eliminated

*2 Excludes dividends received from consolidated subsidiaries and equity method affiliates.

Capital Investment

(100 million yen)

	FY2022
Electric Utility (Power generation & sales)	483
< Replacement of unit No.1 of Saijo thermal power station >	<306>
Electric Utility (Transmission & Distribution)	282
IT/Communications	55
Energy, Construction/Engineering, Others	66
Total (Before the elimination of unrealized profits)	888

(100 million yen)

		FY2022 (a)	FY2021 (b)	(a-b)
Cash Flows from Operating Activities	Ordinary Profit	(225)	(121)	
	Depreciation	524	627	
	Others	61	(7)	
	Subtotal	360	498	(138)
Cash Flows from Investing Activities	Capital Expenditures	(746)	(1,034)	
	Investments	(169)	(216)	
	Subtotal	(916)	(1,251)	335
Free Cash Flows		(555)	(752)	197
Cash Flows from Financing Activities	Bonds and Loans	880	886	
	Cash Dividends Paid	(30)	(62)	
	Others	(0)	(1)	
	Subtotal	848	822	

Net Increase (Decrease) in Cash and Cash Equivalents	330	74
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(Note) Plus figures means cash inflow, minus figures means cash outflow.

Debt to CF Ratio (times) ^{*1}	26.3	17.3
Interest Coverage Ratio (times) ^{*2}	6.2	8.4

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

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

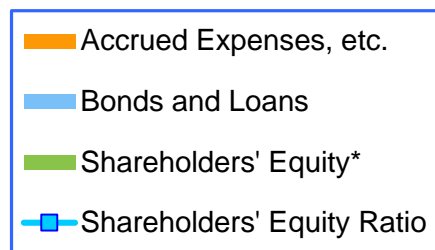
(100 million yen)

	Mar 31, 2023 (a)	Mar 31, 2022 (b)	(a-b)	Details
Total assets	16,120	15,007	1,113	
<Plant and equipment, and intangible assets (except Special account related to nuclear power decommissioning, Special account related to reprocessing of spent nuclear fuel)>	<9,029>	<8,807>	<222>	<ul style="list-style-type: none"> • Capital investment +808 • Depreciation (524), etc.
<Investments, etc.>	<5,834>	<4,948>	<886>	<ul style="list-style-type: none"> • Increase in cash and deposits +330 • Increase in fuel storage +323, etc.
Liabilities	13,137	11,854	1,283	
<Bonds and loans>	<9,482>	<8,602>	<880>	<ul style="list-style-type: none"> • Increase in bonds +470 • Increase in long-term loan payable +740 • Decrease in commercial paper (330)
<Accrued expenses, etc.>	<3,654>	<3,251>	<403>	<ul style="list-style-type: none"> • Increase in accounts payable +270, etc.
Total net assets	2,983	3,152	(169)	
<Shareholders' equity>	<1,340>	<1,666>	<(326)>	<ul style="list-style-type: none"> • Loss attributable to owners of parent (228) • Dividend payment (30)
<Accumulated other comprehensive income>	<160>	<71>	<89>	<ul style="list-style-type: none"> • Increase in deferred hedge profit +68, etc.

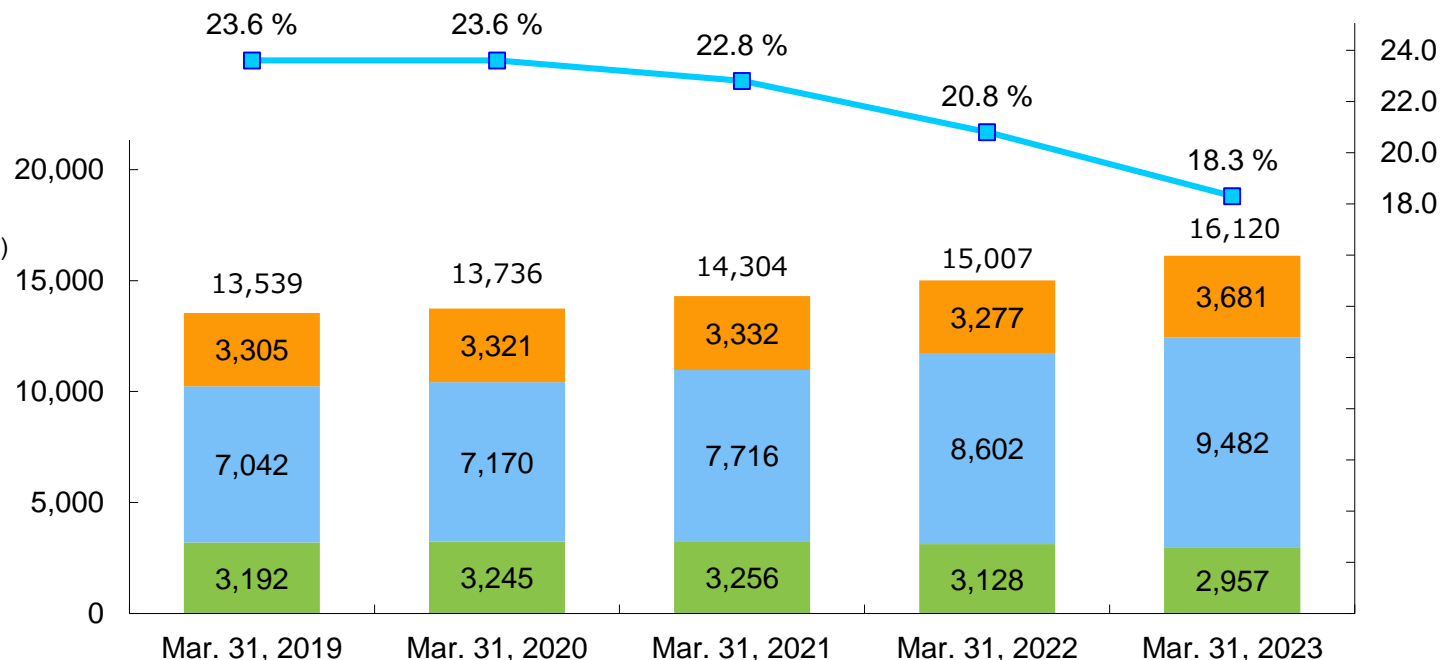
[Liabilities and Total Equity ; last 5 fiscal years]

(100 million yen)

(%)



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



Financial Indicators

	Mar 31, 2019	Mar 31, 2020	Mar 31, 2021	Mar 31, 2022	Mar 31, 2023
Shareholders' Equity Ratio (%)	23.6	23.6	22.8	20.8	18.3
Interest Bearing Debts Ratio (times)	2.2	2.2	2.4	2.7	3.2
Book-value per Share(BPS) (yen)	1,550	1,578	1,583	1,521	1,438
Price Book-value Ratio(PBR) (times)	0.9	0.5	0.5	0.5	0.5

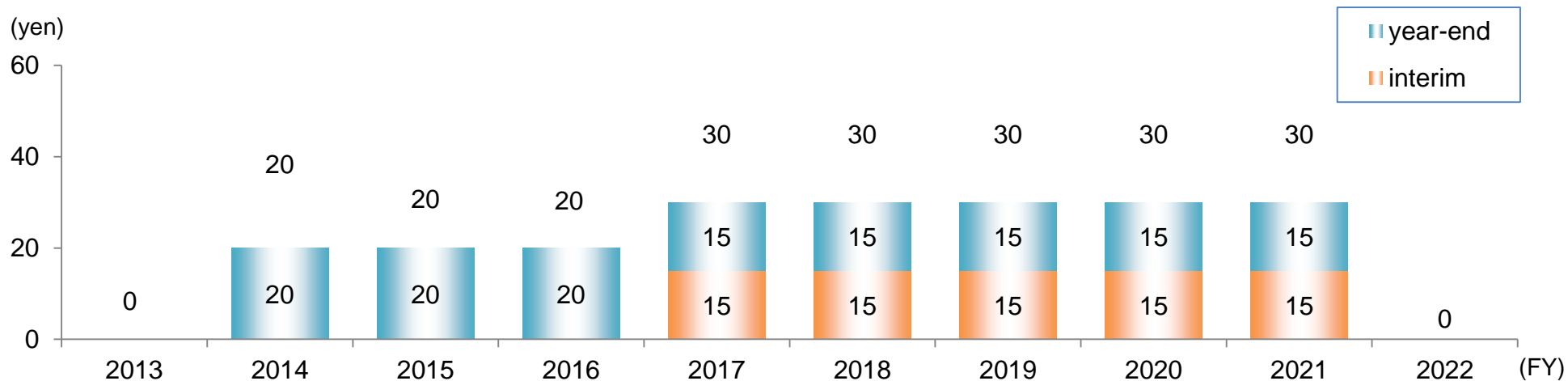
(Note) Interest Bearing Debts Ratio = Bonds and Loans / Shareholders' Equity

- ❑ 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 FY2022, the year-end dividend is ¥0 per share due to the large amount of losses incurred as a result of the sharp rise in fuel price and other factors.

Dividends per Share

	FY2021	FY2022
Interim	¥15	¥0
Year-end	¥15	¥0
Total	¥30	¥0

Dividends per Share (last 10 fiscal years)

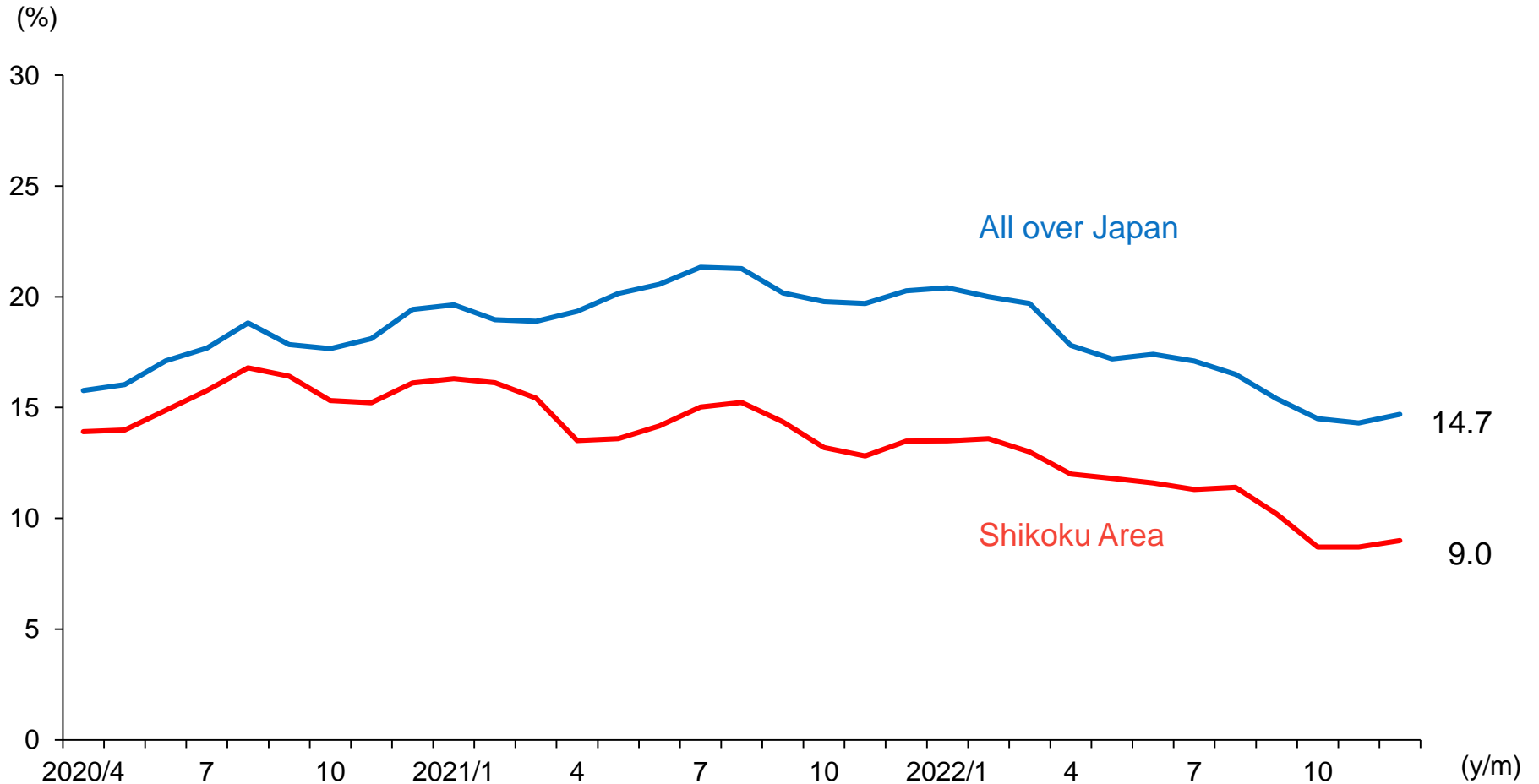


Ⅱ . Forecasts of Consolidated Financial Results & Dividends for FY2023

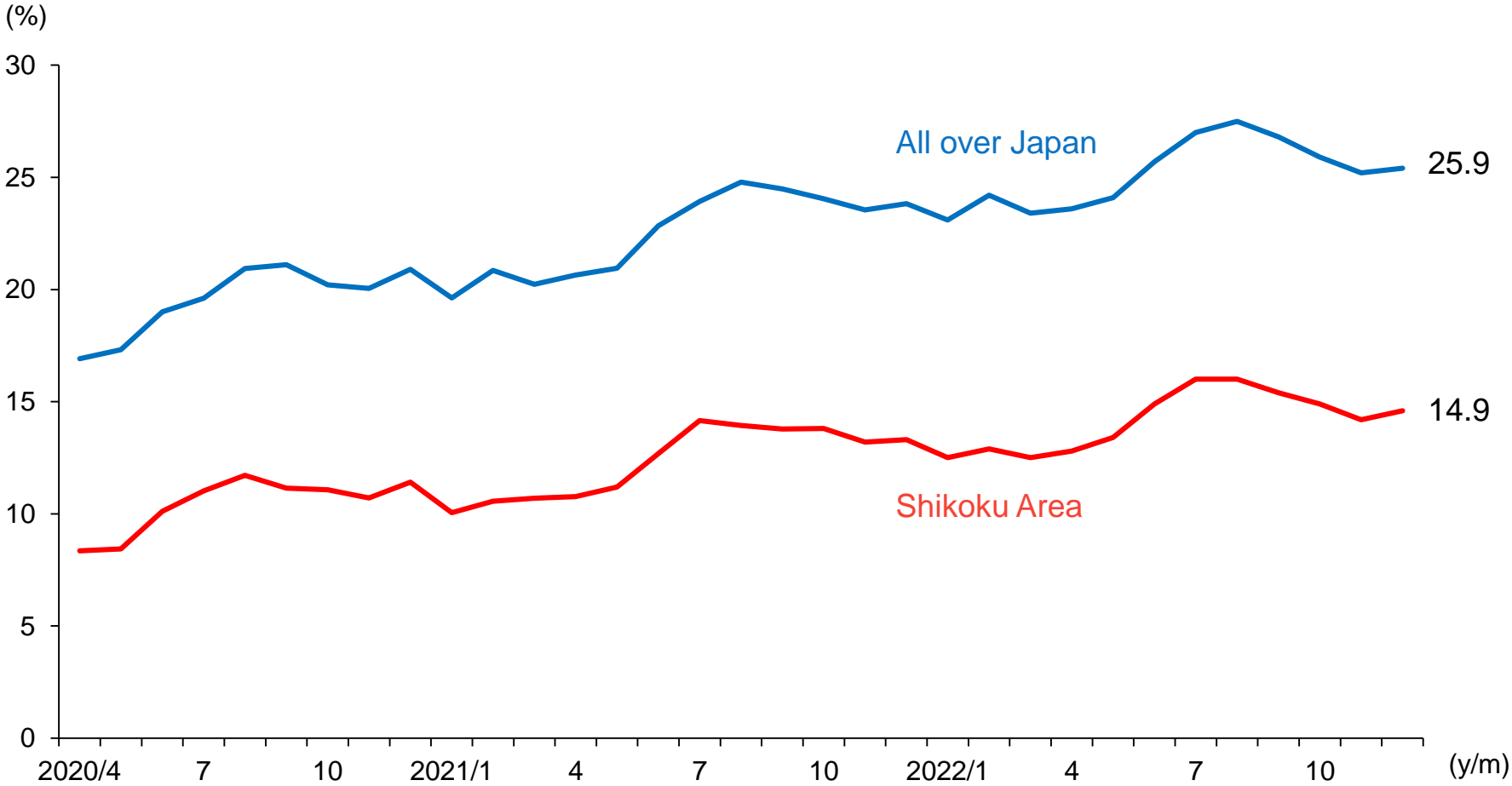
- ❑ The forecasts of consolidated financial results and dividends for FY 2023 are undecided due to the difficulty in foreseeing the timing of approval to regulated electricity rates hike.

Supplemental Material for FY2022

- Retail Sales Power Share of Power Producer and Supplier [PPS]
(Extra High, High, Low Voltage)
- Changes in the Number of Electrified Housing Contracts
(Cumulative: Shikoku Area)
- Consumption of Fossil Fuels
- Flow Rate, Financial Sensitivity for Key Factors
- Time Lag Effect of Fuel Cost Adjustment System, etc.
- Plant and Equipment Expenditures (Consolidated)

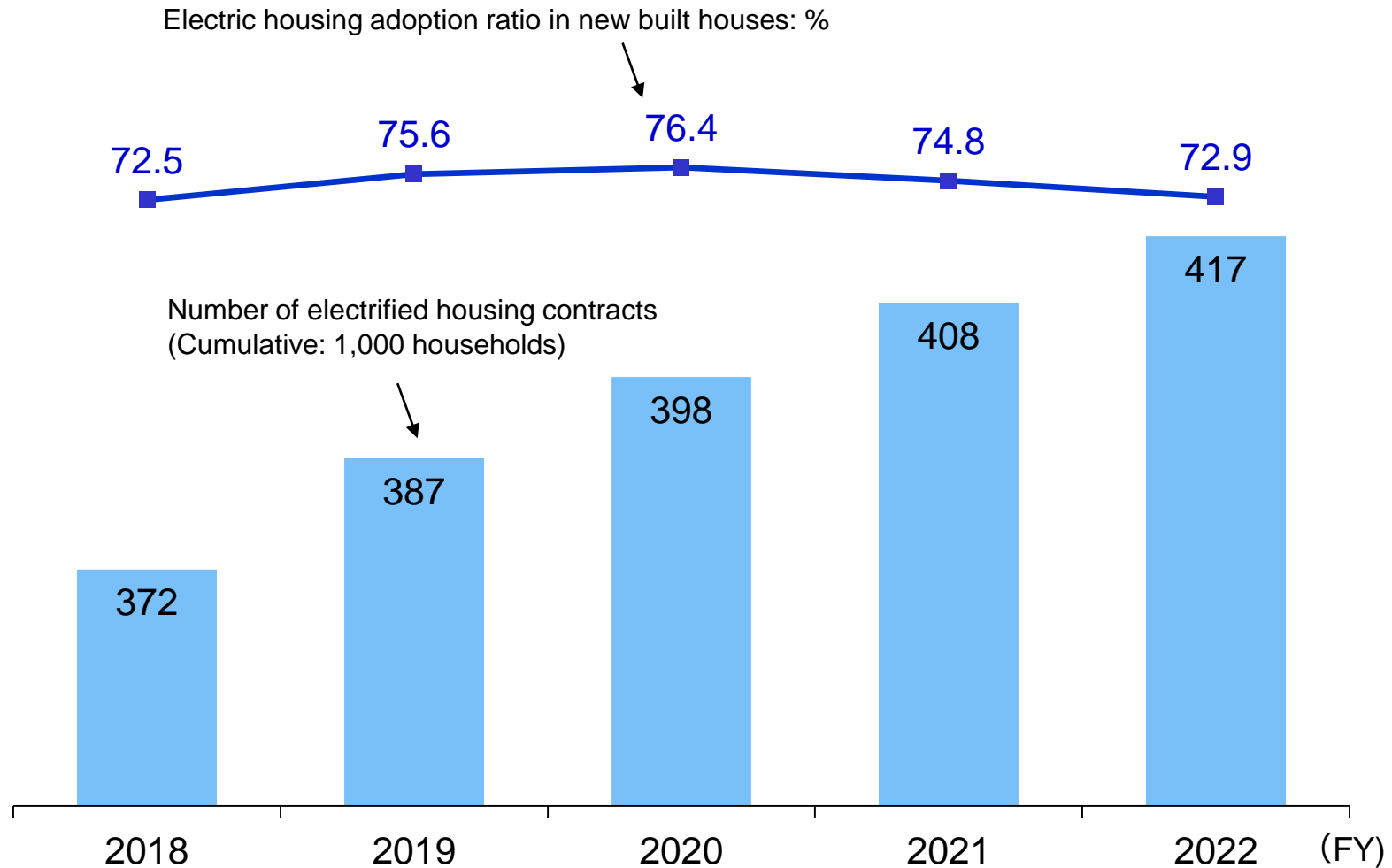


(Source) Electricity and Gas Market Surveillance Commission "Electricity transaction report"



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

Changes in the Number of Electrified Housing Contracts (Cumulative: Shikoku Area) ¹⁸

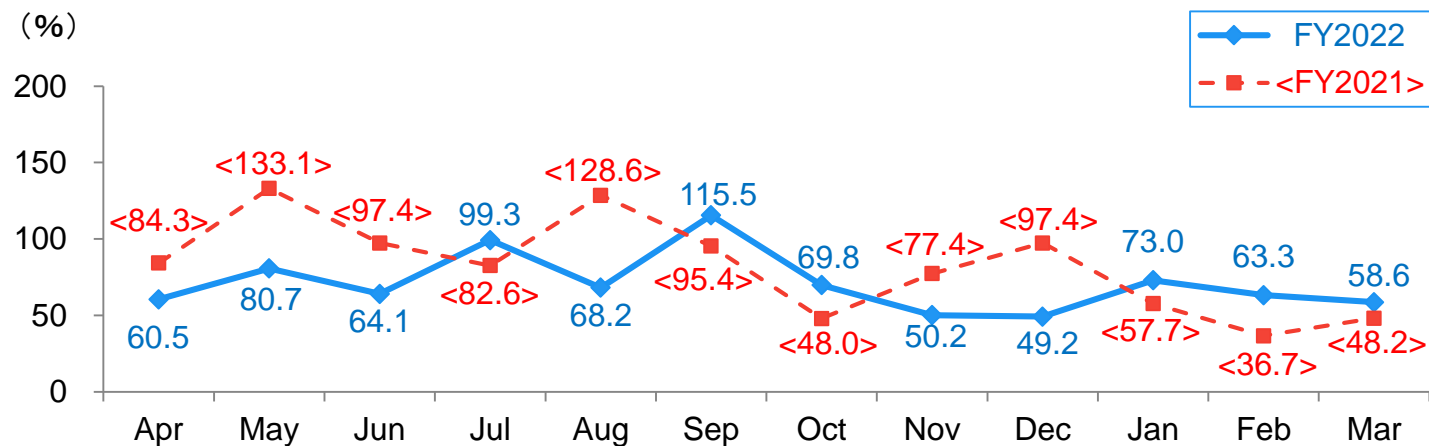


	FY2022 (A)	FY2021 (B)	(A-B)
Coal (10,000t)	229.1	299.9	(70.8)
Heavy Oil (10,000kl)	45.4	44.4	1.0
Crude Oil (10,000kl)	-	-	-
LNG (10,000t)	36.7	32.5	4.2

【Fuel Prices】

	FY2022 (A)	FY2021 (B)	(A-B)
CIF price: Coal (\$/t)	359	161	198
CIF price: Crude Oil (\$/b)	103	77	26
CIF price: LNG (\$/t)	932	622	310
Exchange rate (¥/\$)	135	112	23

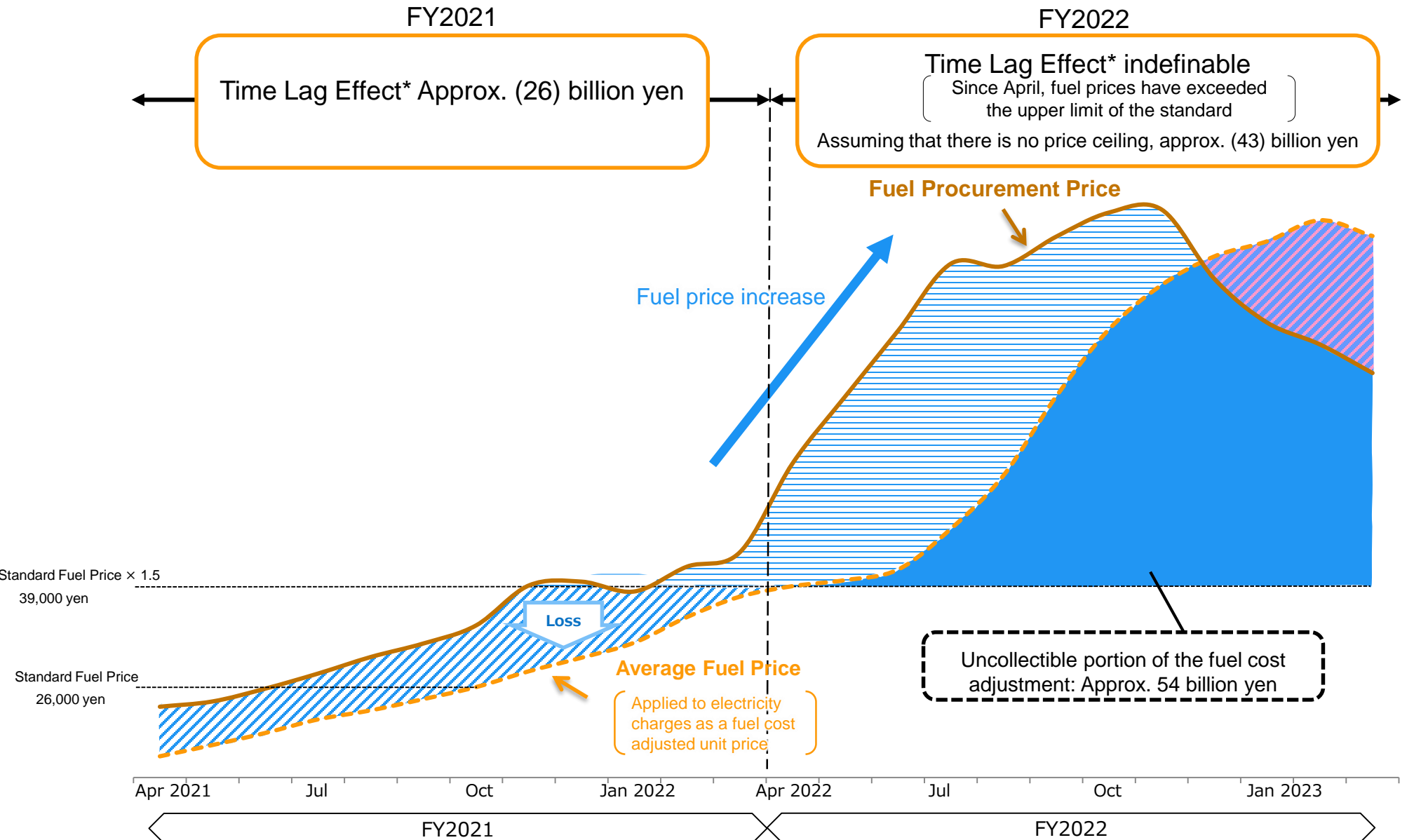
Flow Rate



Financial Sensitivity for Key Factors

(100 million yen)

	FY2022
CIF price: coal (1\$/t)	6
CIF price: crude oil (1\$/b)	4
Exchange rate (¥1/\$)	23
Nuclear power capacity factor (1%)	14
Flow Rate (1%)	5



* 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)

	FY2022	FY2021
Power Generation & Sales	483	655
Renewable energy	30	41
Thermal	338	188
Nuclear	38	336
Nuclear fuel	65	80
Transmission & Distribution	282	267
Transmission	75	77
Transformation	90	86
Distribution	86	81
Electric power business	766	922
Other business	122	103
Total*	888	1,026

* Before the elimination of unrealized profits



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.