

FY2022 2Q Financial Results Outline

(April 1, 2022 – September 30, 2022)

October 28, 2022

SHIKOKU ELECTRIC POWER CO.,INC.

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Overview of Consolidated Financial Results

【 Financial Results for FY 2022 2Q 】

- ❑ Operating revenues increased by ¥ 131.9 billion YoY, to ¥ 402.1 billion. The main factors were as follows;
 - ✓ The revenues based on the Fuel Cost Adjustment System and from wholesale increased.
- ❑ Operating expenses increased by ¥ 122.5 billion YoY, to ¥ 391.5 billion. The main factors were as follows;
 - ✓ The cost decreased due to the operation of Ikata unit No.3.
 - ✓ The cost increased significantly due to a rise in the fuel price and increasing the volume of total electricity sales.
- ❑ As a result,
 - ✓ Operating profit increased by ¥ 9.4 billion YoY, to ¥ 10.5 billion.
 - ✓ Ordinary profit increased by ¥ 16.0 billion YoY, to ¥ 17.3 billion.
 - ✓ Profit attributable to owners of parent increased by ¥ 8.1 billion YoY, to ¥ 8.9 billion.

The reason why we were able to secure ordinary profit of 17.3 billion yen is that in addition to the conventional cost reduction so far, various measures in terms of fuel procurement and financing activities have worked successfully.

【 Forecasts of Financial Results for FY 2022 】 Change from the announcement in April 2022

- ❑ Operating revenues are expected to increase by ¥ 213.0 billion compared to the previous year, to ¥ 855.0 billion. The main factor is as follows;
 - ✓ The revenues based on the Fuel Cost Adjustment System and from wholesale increase, etc.
- ❑ Profits are expected to decrease as follows compared to the previous year because of deteriorating of income related to supply and demand due to a rise in the fuel price.
 - ✓ Operating profit will decrease by ¥ 31.4 billion YoY, to loss of ¥ 45.0 billion.
 - ✓ Ordinary profit will decrease by ¥ 17.8 billion YoY, to loss of ¥ 30.0 billion.
 - ✓ Profit attributable to owners of parent will decrease by ¥ 18.7 billion YoY, to loss of ¥ 25.0 billion.

Uncollectible amount of the Fuel Cost Adjustment for the full year (=our burden) due to a rise in the fuel price, as the average fuel price, which is used to calculate the fuel cost adjustment amount, exceeds the price ceiling (= 1.5 times the standard fuel price) is expected to be about 50.0 billion yen.

【 Dividends 】 No change from the announcement in September 2022

- ❑ The interim dividend is ¥ 0 per share.
- ❑ The year-end dividend forecast is undecided, as we assess the impact of future fuel price trends on earnings.

I . Consolidated Financial Results for FY2022 2Q (April 1, 2022 – September 30, 2022)

Summary of Financial Results (Refer to page 7 to 8 for details)

(100 million yen)

	FY2022 2Q (a)	FY2021 2Q (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	4,021	2,702	1,319	48.8%
Operating Expenses	3,915	2,690	1,225	45.5%
Operating Profit	105	11	94	Approx. 9 times
Non-Operating Profit	68	1	67	
Ordinary Profit	173	13	160	Approx. 13 times
Income Taxes, etc.	83	5	78	
Profit attributable to owners of parent	89	8	81	Approx. 11 times

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

(million kWh)

	FY2022 2Q (a)	FY2021 2Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	11,686	10,830	856	7.9%	• Air conditioning demand increased due to high temperatures in summer, etc.
Lighting	3,587	3,588	(1)	(0.0)%	
Power	8,099	7,242	857	11.8%	
Wholesale	5,239	4,147	1,092	26.3%	• Wholesale in Japan Electric Power Exchange (JEPX) increased, etc.
Total	16,925	14,977	1,948	13.0%	

(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

Electricity Sales in the Last 5 Years

(million kWh)

	FY2018 2Q	FY2019 2Q	FY2020 2Q	FY2021 2Q	FY2022 2Q
Lighting	4,012	3,782	3,842	3,588	3,587
Power	7,696	7,294	7,032	7,242	8,099
Total	11,708	11,077	10,873	10,830	11,686

Electricity Sales Changes from the Previous Fiscal Year

	FY2018 2Q	FY2019 2Q	FY2020 2Q	FY2021 2Q	FY2022 2Q
Lighting	(4.2)%	(5.7)%	1.6%	(6.6)%	(0.0)%
Power	(6.0)%	(5.2)%	(3.6)%	3.0%	11.8%
Total	(5.4)%	(5.4)%	(1.8)%	(0.4)%	7.9%

Average Temperatures in Prefectural Capitals in Shikoku

(°C)

	FY2018 2Q	FY2019 2Q	FY2020 2Q	FY2021 2Q	FY2022 2Q
Summer*	26.3	25.9	26.3	25.8	26.8

* Summer means an average temperature from June to September.

Electricity Supplied

		(million kWh)				
		FY2022 2Q (a)	FY2021 2Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Own Generated Power	Nuclear	3,852	-	3,852	-	· Capacity factor of Ikata Unit No.3 - % → 102.8%
	Hydro	1,208	1,323	(115)	(8.7)%	· Flow Rate 102.9% → 82.2%
	Renewable Energy	2	4	(2)	(48.6)%	
	Thermal	5,723	6,189	(466)	(7.5)%	
Purchased Power		7,025	8,141	(1,116)	(13.7)%	· Hydropower 781 → 557 · Renewable Energy 2,693 → 2,893

(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.

(Blank)

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

(100 million yen)

	FY2022 2Q (a)	FY2021 2Q (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales (Retail)	2,327	1,752	575	32.8%
Electricity Sales (Wholesale)	1,071	351	720	204.7%
Others	190	149	41	27.8%
Electric Operating Revenues	3,589	2,253	1,336	59.3%
Other Operating Revenues	431	449	(18)	(3.9)%
Operating Revenues	4,021	2,702	1,319	48.8%
Personnel	235	223	12	5.3%
Fuel	1,021	412	609	147.7%
Power Purchase	1,248	644	604	93.8%
Depreciation	214	245	(31)	(12.7)%
Maintenance	217	251	(34)	(13.6)%
Nuclear Back-end	84	18	66	363.8%
Others	512	493	19	3.7%
Electric Operating Expenses	3,534	2,290	1,244	54.4%
Other Operating Expenses	380	400	(20)	(4.9)%
Operating Expenses	3,915	2,690	1,225	45.5%
Operating Profit	105	11	94	Approx. 9 times
Non-Operating Profit	68	1	67	
Ordinary Profit	173	13	160	Approx. 13 times
Income Taxes, etc.	83	5	78	
Profit attributable to owners of parent	89	8	81	Approx. 11 times

① 【Electricity Sales (Retail)】

- Increase in electricity sales volume +149
- Increase in income unit price +16
- Increase in revenues based on the Fuel Cost Adjustment System +410

② 【Electricity Sales (Wholesale)】

- Increase in electricity sales volume +215
- Increase in income unit price +400
- Increase in Replacement Reserve sales for supply and demand adjustment +11, etc.

③ 【Others】

- Subsidies related to costs for securing adjustability +26, etc.

④ 【Fuel, Power Purchase】 +1,214

- Increase in nuclear power (640)
- Increase in total electricity sales +340
- Decrease in hydropower +60
- Increase in the thermal unit price +1,180
- Increase in avoidable cost unit price for FIT retail purchases +150
- Flexible fuel procurement in light of increasing the fuel price (20), etc.

		FY2022 2Q (a)	FY2021 2Q (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	343	126	217
	Crude Oil (\$/b)	112	70	42
	LNG (\$/t)	922	487	435
Exchange Rate (¥/\$)		134	110	24

⑤ 【Depreciation】

- Decrease in the cost due to changing the method of depreciation (Declining balance method → Straight-line method) (62)*, etc.
- <*Total decrease including other business (70) >

⑥ 【Non-Operating Profit】

- Foreign exchange gains due to risk hedging against yen depreciation +50,
- Profit on sales of Cross-Shareholdings, +10, etc.

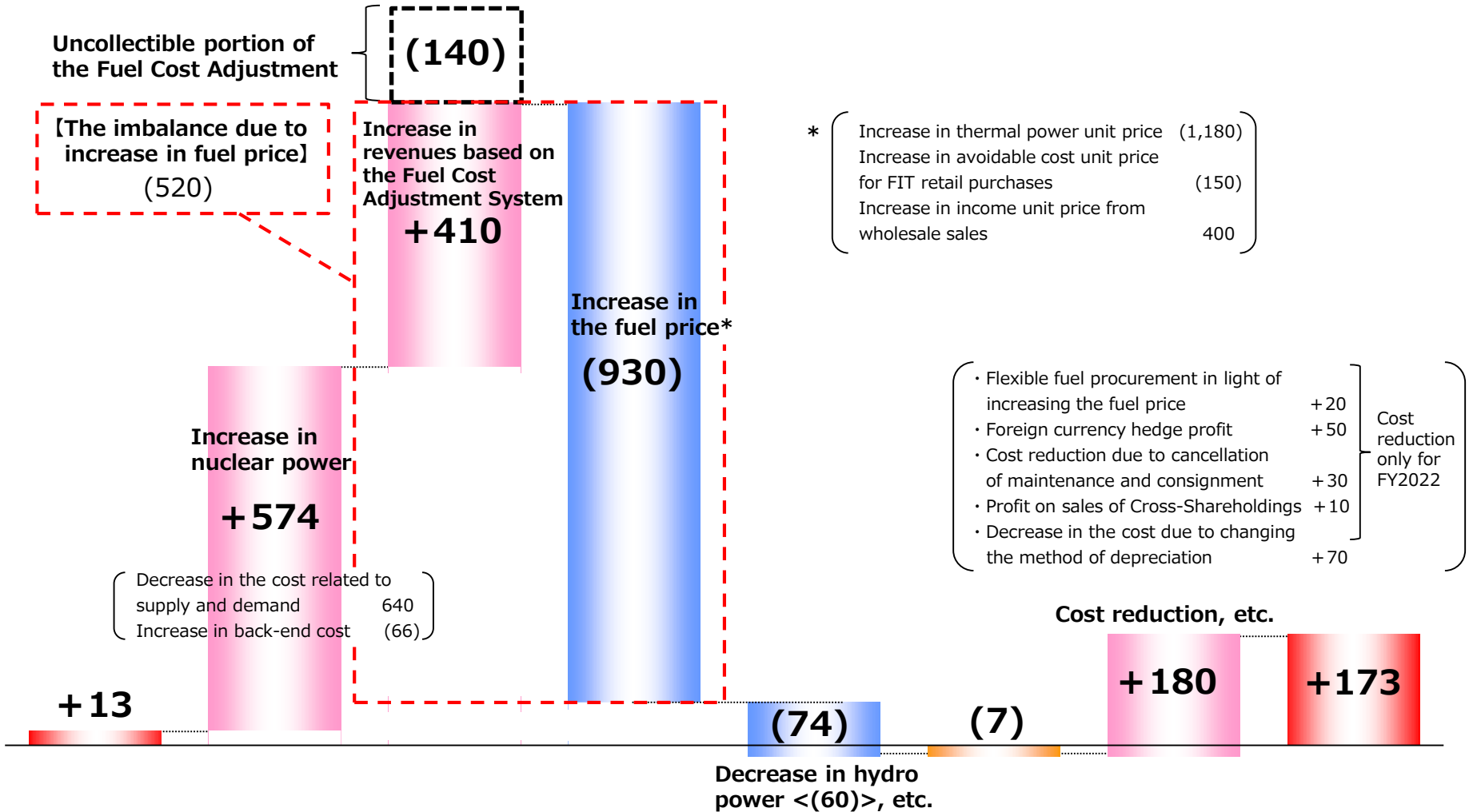
Factors Contributing to Change in Ordinary Profit

Ordinary Profit

FY2021 2Q

FY2022 2Q
(Before cost reduction, etc.)

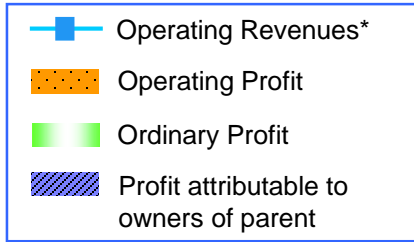
(100 million yen)
FY2022 2Q
(After cost reduction, etc.)



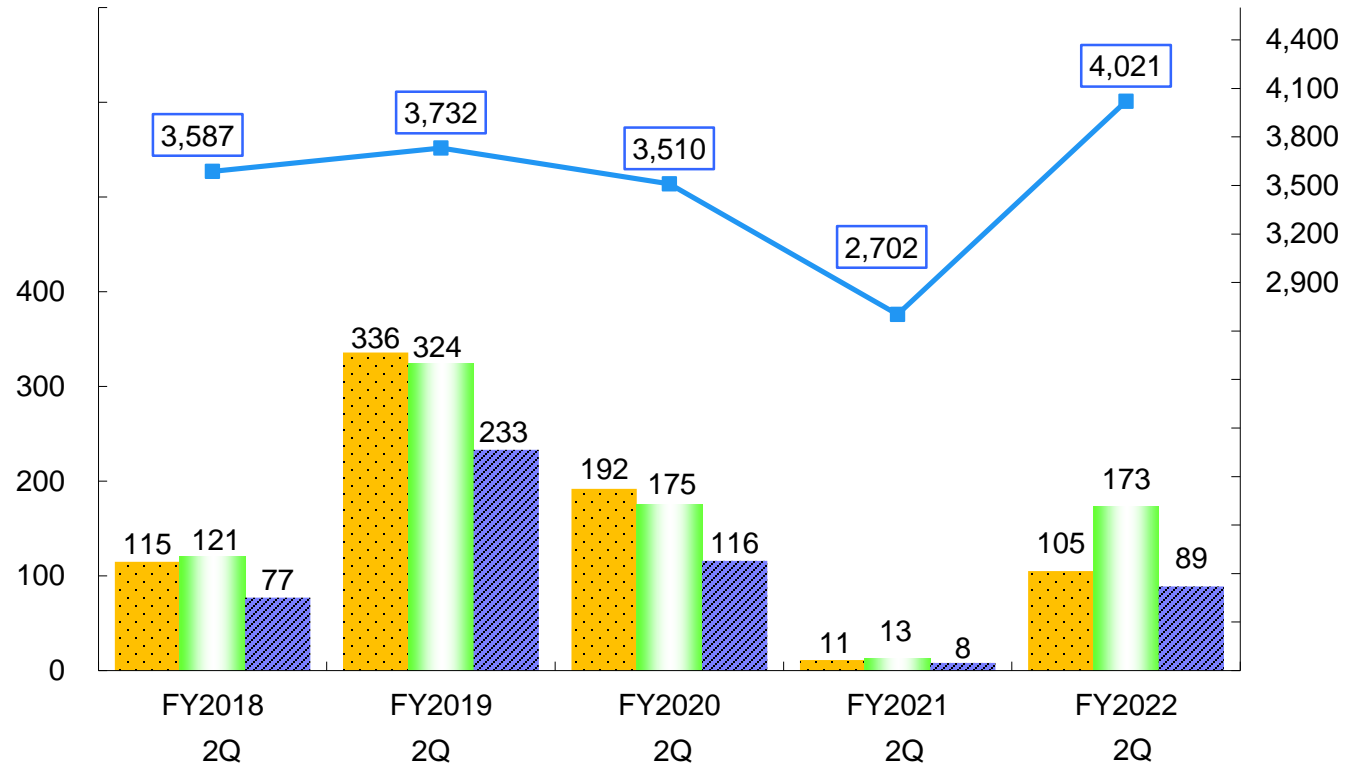
Financial Results in the last 5 fiscal years

(100 million yen)

(100 million yen)



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



Performance Indicators

		FY2018 2Q	FY2019 2Q	FY2020 2Q	FY2021 2Q	FY2022 2Q
Operating Profit Margin	(%)	3.2	9.0	5.5	0.4	2.6
Profit per Share	(yen)	38	113	57	4	44
Ordinary Profit + Interest Expenses	(100 million yen)	157	356	204	41	204

(100 million yen)

			FY2022 2Q (a)	FY2021 2Q (b)	(a-b)	Main Factors	
Consolidated		Revenues	4,021	2,702	1,319		
		Ordinary Profit (Loss)	173	13	160	-	
Segment *1	Electric Utility	Power Generation & Sales	Revenues	3,432	2,178	1,254	[Increase in revenues from electricity sales <retail> +575 [Increase in revenues from electricity sales <wholesale> +720, etc. [Increase in nuclear +574 [Increase in the fuel price (777), etc.
			Ordinary Profit (Loss) *2	3	(91)	94	
		Transmission & Distribution	Revenues	1,378	945	433	[Increase in profit due to supply and demand adjustment +144 [Increase in electricity sales among areas and other companies +210, etc. [The effect of changing the method of depreciation +21, etc. [Decrease in maintenance +8, etc.
				Ordinary Profit (Loss)	90	34	
	IT/Communications		Revenues	220	215	5	- The effect of changing the method of depreciation +6, etc.
			Ordinary Profit (Loss)	48	39	9	
	Energy		Revenues	112	108	4	- Increase in international business +4, etc.
			Ordinary Profit (Loss)	18	9	9	
	Construction/Engineering		Revenues	226	282	(56)	- Decrease in contract work, etc.
			Ordinary Profit (Loss)	3	8	(5)	
Others		Revenues	148	166	(18)	- Decrease in contract work, etc.	
		Ordinary Profit (Loss)	8	14	(6)		

*1 Internal transactions are not eliminated

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

Capital Investment

(100 million yen)

	FY2022 2Q
Electric Utility (Power generation & sales)	158
<Replacement of unit No.1 of Saijo thermal power station>	<106>
Electric Utility (Transmission & Distribution)	139
IT/Communications	19
Energy, Construction/Engineering, Others	29
Total (Before the elimination of unrealized profits)	345

(100 million yen)

		FY2022 2Q (a)	FY2021 2Q (a)	(a-b)
Cash Flows from Operating Activities	Ordinary Profit	173	13	/
	Depreciation	246	289	
	Others	(204)	(320)	
	Subtotal	216	(16)	
Cash Flows from Investing Activities	Capital Expenditures	(338)	(489)	/
	Investments	(31)	(67)	
	Subtotal	(370)	(557)	
Free Cash Flows		(154)	(573)	419
Cash Flows from Financing Activities	Cash Dividends Paid	(30)	(30)	/
	Bonds and Loans	590	536	
	Others	(0)	(1)	
	Subtotal	558	504	
Net Increase (Decrease) in Cash and Cash Equivalents		438	(68)	

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

Debt to CF Ratio (times) ^{*1}	42.5	-
Interest Coverage Ratio (times) ^{*2}	7.6	-

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

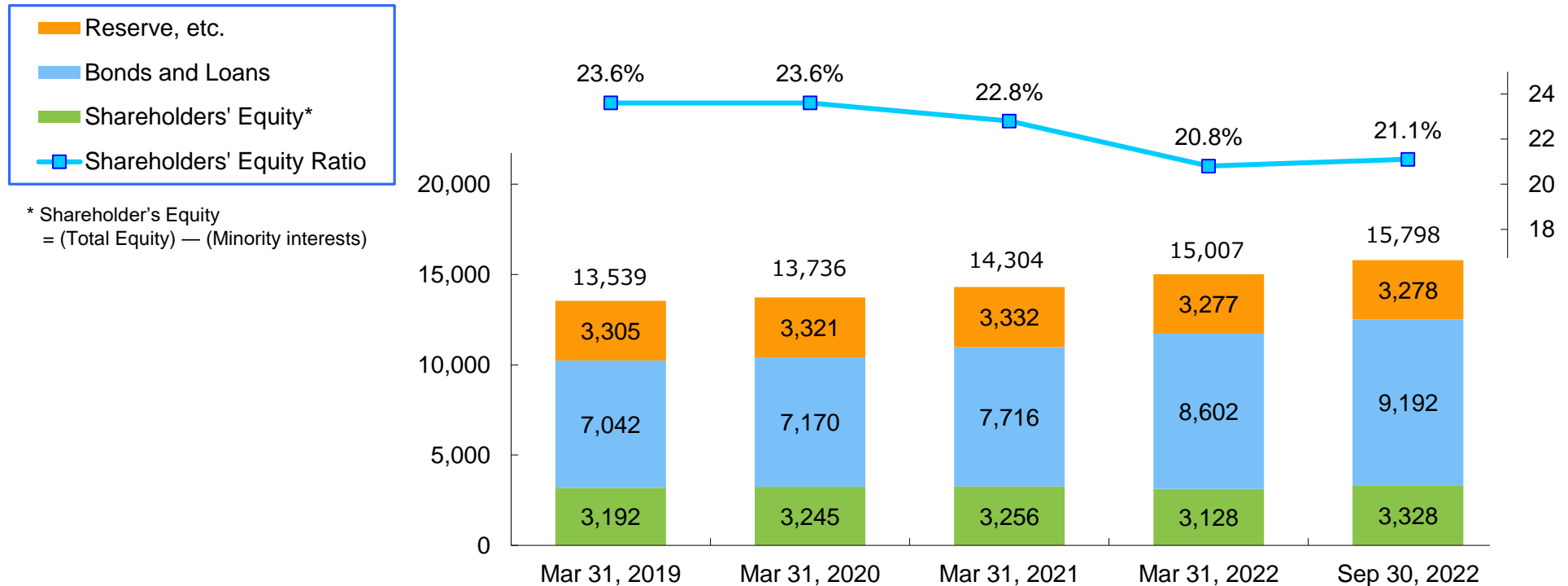
*2) Interest Coverage Ratio: Cash flows from operating activities / Interest expenses

(100 million yen)

	Sep 30, 2022 (a)	Mar 31, 2022 (b)	(a-b)	Details
Total assets	15,798	15,007	791	
<Plant and equipment, and intangible assets (except special account related to nuclear power decommissioning, special account related to reprocessing of spent nuclear fuel)>	<8,874>	<8,807>	<67>	<ul style="list-style-type: none"> • Capital investment +333 • Depreciation (246), etc.
<Investments, etc.>	<5,694>	<4,948>	<746>	<ul style="list-style-type: none"> • Increase in cash and deposits +438 • Increase in fuel storage +206, etc.
Liabilities	12,444	11,854	590	
<Bonds and loans>	<9,192>	<8,602>	<590>	<ul style="list-style-type: none"> • Increase in bonds +370 • Increase in long-term loan payable +550 • Decrease in commercial paper (330)
<Accrued expenses, etc.>	<3,251>	<3,251>	<0>	
Total net assets	3,353	3,152	201	
<Retained earnings>	<1,658>	<1,666>	<(8)>	
<Accumulated other comprehensive income>	<212>	<71>	<141>	<ul style="list-style-type: none"> • Increase in hedging profit carried forward +97, etc.
Shareholders' equity ratio	21.1%	20.8%	0.3%	

(100 million yen)

(%)



* Shareholder's Equity
= (Total Equity) — (Minority interests)

Financial Indicators

	Mar 31, 2019	Mar 31, 2020	Mar 31, 2021	Mar 31, 2022	Sep 30, 2022
Shareholders' Equity Ratio (%)	23.6	23.6	22.8	20.8	21.1
Interest-Bearing Debts Ratio (times)	2.2	2.2	2.4	2.7	2.8
Book-value per Share(BPS) (yen)	1,550	1,578	1,583	1,521	1,618
Price Book-value Ratio(PBR) (times)	0.9	0.5	0.5	0.5	0.4

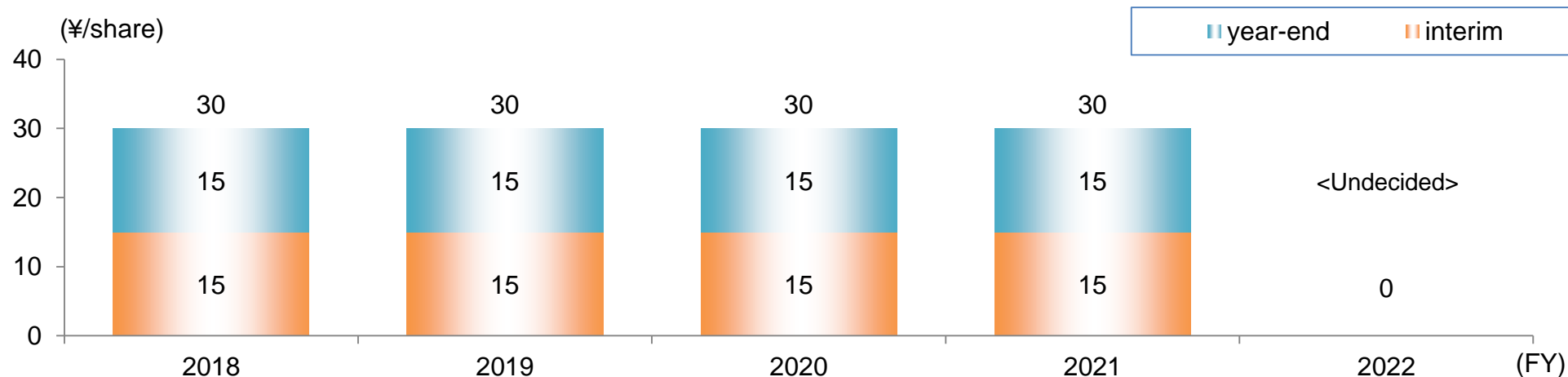
(Note) Interest-Bearing Debts Ratio = Bonds and Loans / Shareholders' Equity

- ❑ Paying stable dividends is our basic policy for returns to shareholders, which is decided in the light of comprehensive consideration of business results, financial position, and medium-to long-term business conditions.
- ❑ For FY2022,
 - ✓ The interim dividend is ¥ 0 per share.
 - ✓ The year-end dividend forecast is undecided, as we assess the impact of future fuel price trends on earnings.

Dividends per Share

	FY2021	FY2022 (Forecast)
Interim	¥15	¥0
Year-end	¥15	Undecided
Total	¥30	Undecided

Dividends per Share (last 5 fiscal years)



II . Forecasts of Consolidated Financial Results & Dividends for FY2022

Financial Results Forecasts

(100 million yen)

	FY2022 (Forecast)	<ref> FY2021
Operating Revenues	8,550	6,419
Operating Profit (Loss)	(450)	(135)
Ordinary Profit (Loss)	(300)	(121)
Profit (Loss) attributable to owners of parent	(250)	(62)
Profit (Loss) per Share	(¥121)	(¥30)

Electricity Sales

(100 million kWh)

	FY2022 (Forecast)	<ref> FY2021
Lighting	76.6	80.4
Power	155.8	145.3
Retail	232.4	225.7
Wholesale	98.9	91.1
Total	331.3	316.8

Dividends per Share Forecasts

	FY2022 (Forecast)	<ref> FY2021
Interim	¥0	¥15
Year-end	Undecided	¥15
Total	Undecided	¥30

Fuel Prices / Exchange Rate

	FY2022 (Forecast)	<ref> FY2021
Nuclear Capacity Factor (%) *	92.1	31.6
* Ikata Unit No.3		
Coal CIF Price (\$/t)	385 <430>	159
Crude oil CIF Price (\$/b)	105 < 95>	77
Exchange Rate (¥/\$)	139 <145>	112

(Note) < > is value of second half of the year

Factors Contributing to Change in Ordinary Profit (Outlook for Financial Results)

(100 million yen)

FY2021



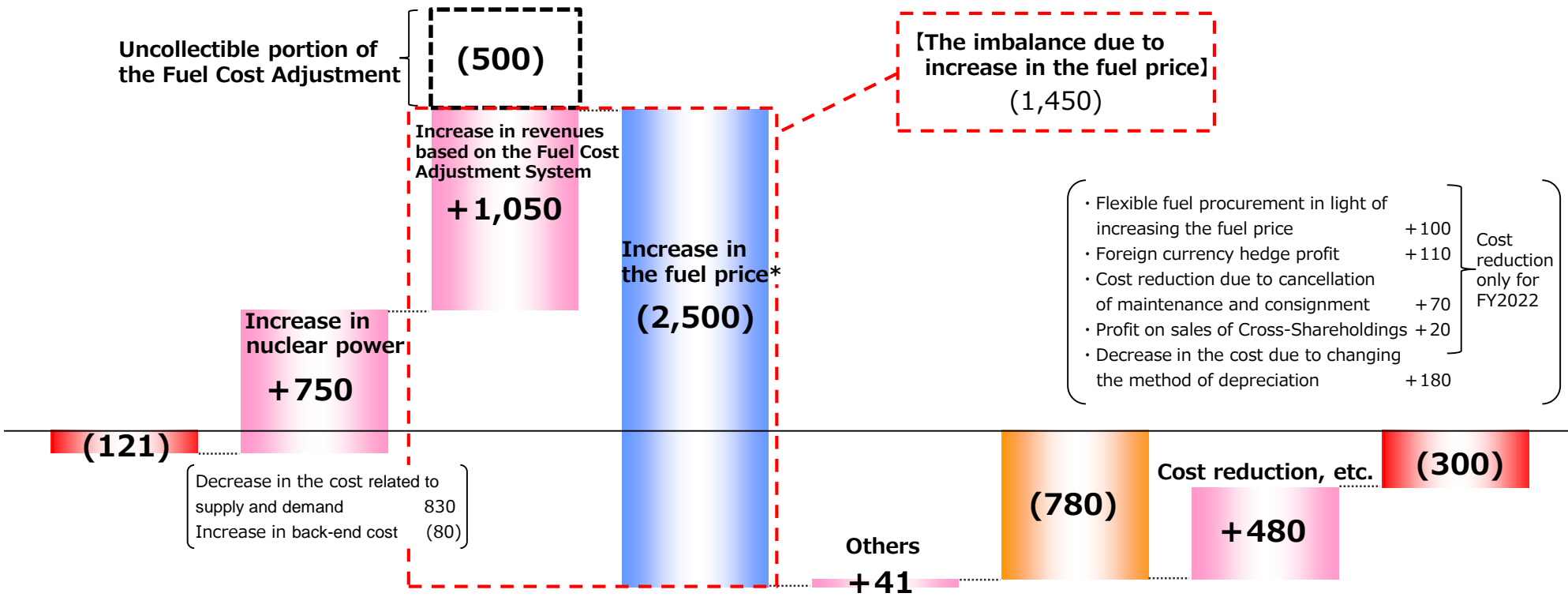
FY2022

(Before cost reduction, etc.)



FY2022

(After cost reduction, etc.)



(100 million yen)

			FY2022 (Forecast)	<ref> FY2021	
Consolidated		Revenues	8,550	6,419	
		Ordinary Profit (Loss)	(300)	(121)	
Segment *1	Electric Utility	Power Generation & Sales	Revenues	7,050	5,807
			Ordinary Profit (Loss) *2	(600)	(402)
		Transmission & Distribution	Revenues	2,760	2,198
			Ordinary Profit	80	105
	IT/ Communications		Revenues	460	446
			Ordinary Profit	100	81
	Energy		Revenues	220	264
			Ordinary Profit	40	29
	Construction/ Engineering		Revenues	510	691
			Ordinary Profit	40	39
Others		Revenues	380	361	
		Ordinary Profit	40	31	

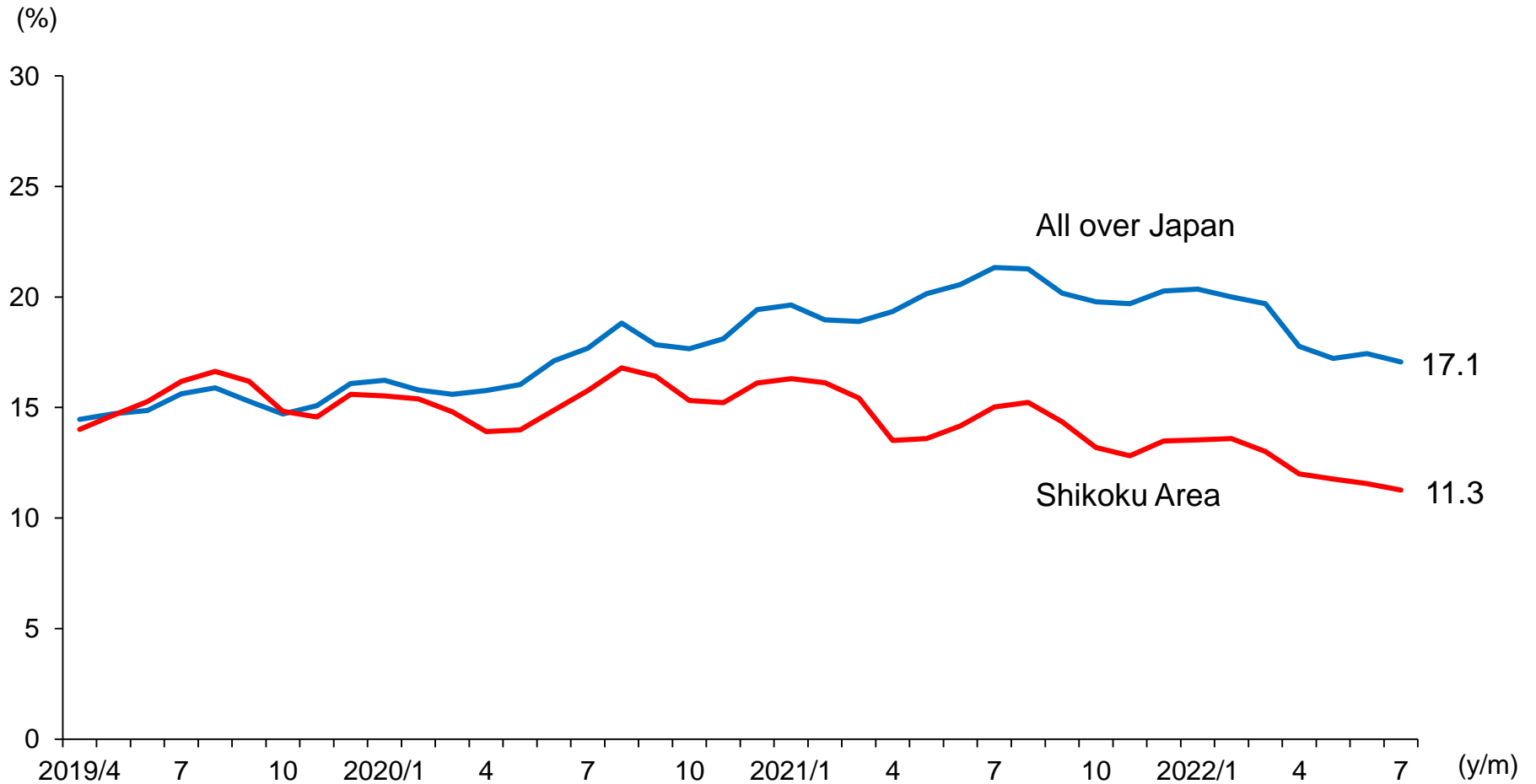
*1 Internal transactions are not eliminated

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

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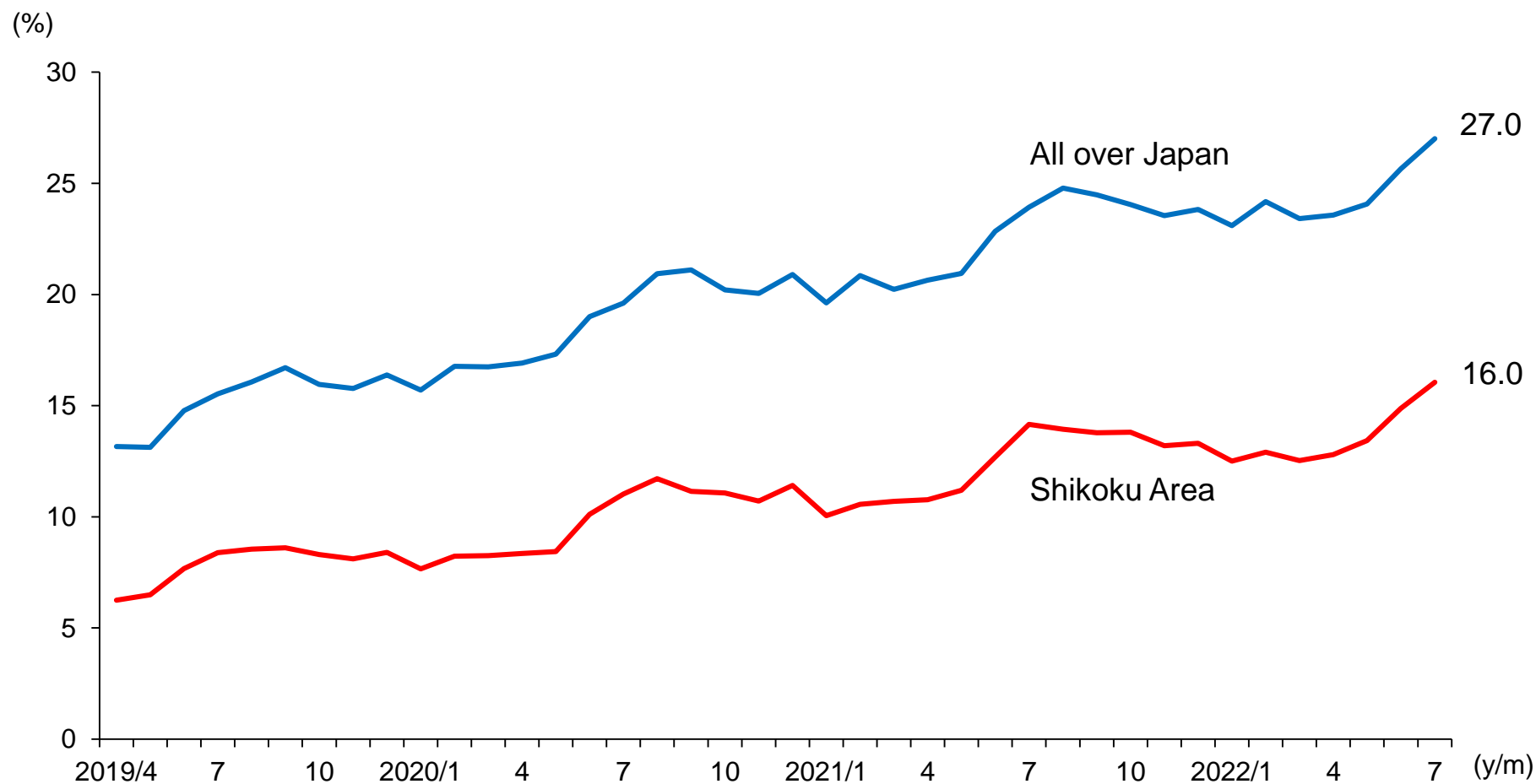
Supplemental Material for FY2022 2Q

- 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)



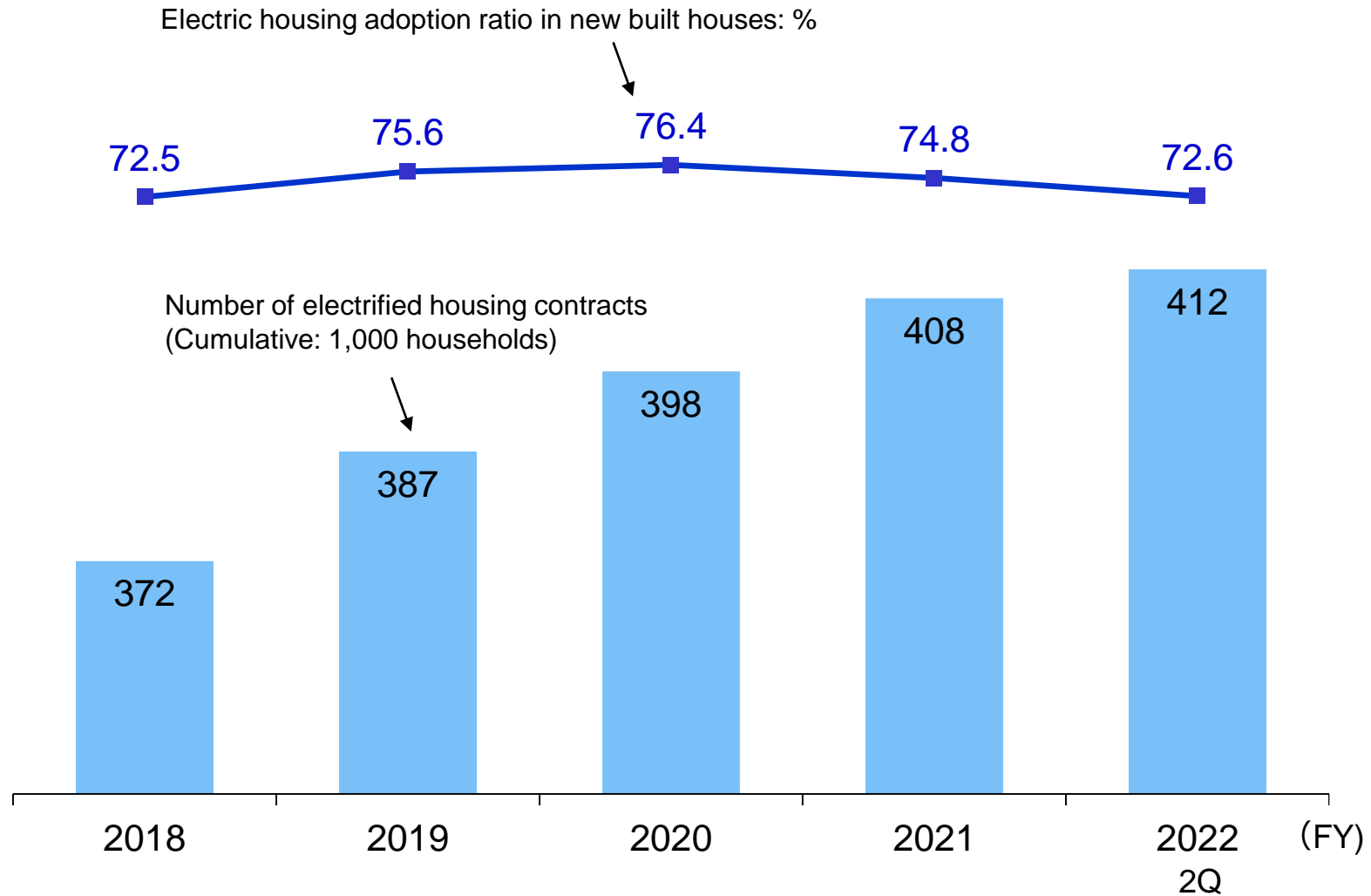
(Source) Electricity and Gas Market Surveillance Commission "Electricity transaction report"

Retail Sales Power Share of PPS (Low Voltage)



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

Changes in the Number of Electrified Housing Contracts (Cumulative: Shikoku Area) ²²

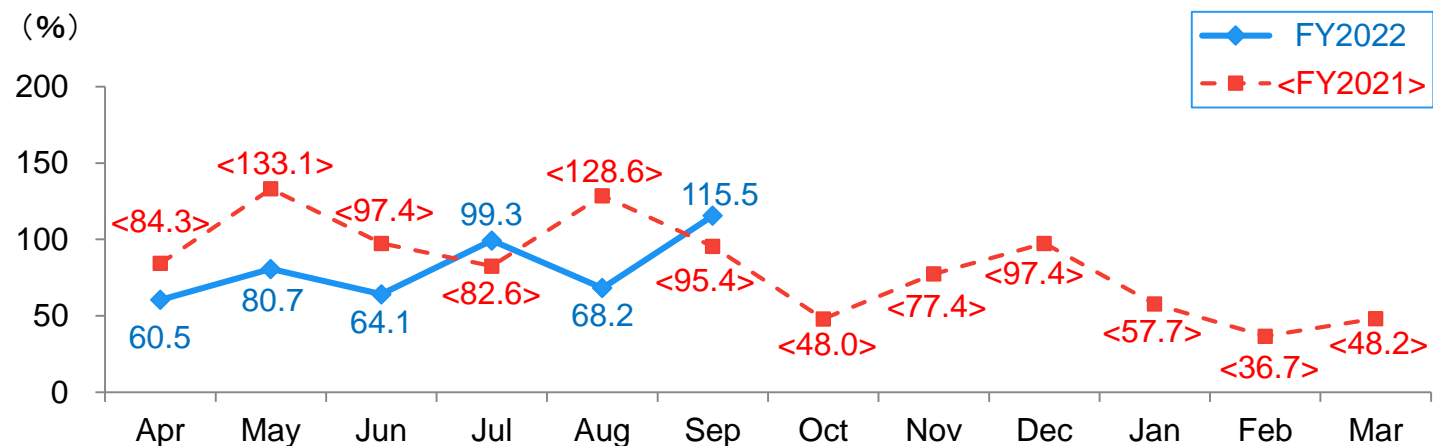


	FY2022 2Q (A)	FY2021 2Q (B)	(A-B)
Coal (10,000t)	111.9	158.0	(46.1)
Heavy Oil (10,000kl)	24.6	10.2	14.4
Crude Oil (10,000kl)	-	-	-
LNG (10,000t)	21.5	19.0	2.5

【Fuel Prices】

	FY2022 2Q (A)	FY2021 2Q (B)	(A-B)
CIF price: Coal (\$/t)	343	126	217
CIF price: Crude Oil (\$/b)	112	70	42
CIF price: LNG (\$/t)	922	487	435
Exchange rate (¥/\$)	134	110	24

Flow Rate



Financial Sensitivity for Key Factors

(100 million yen)

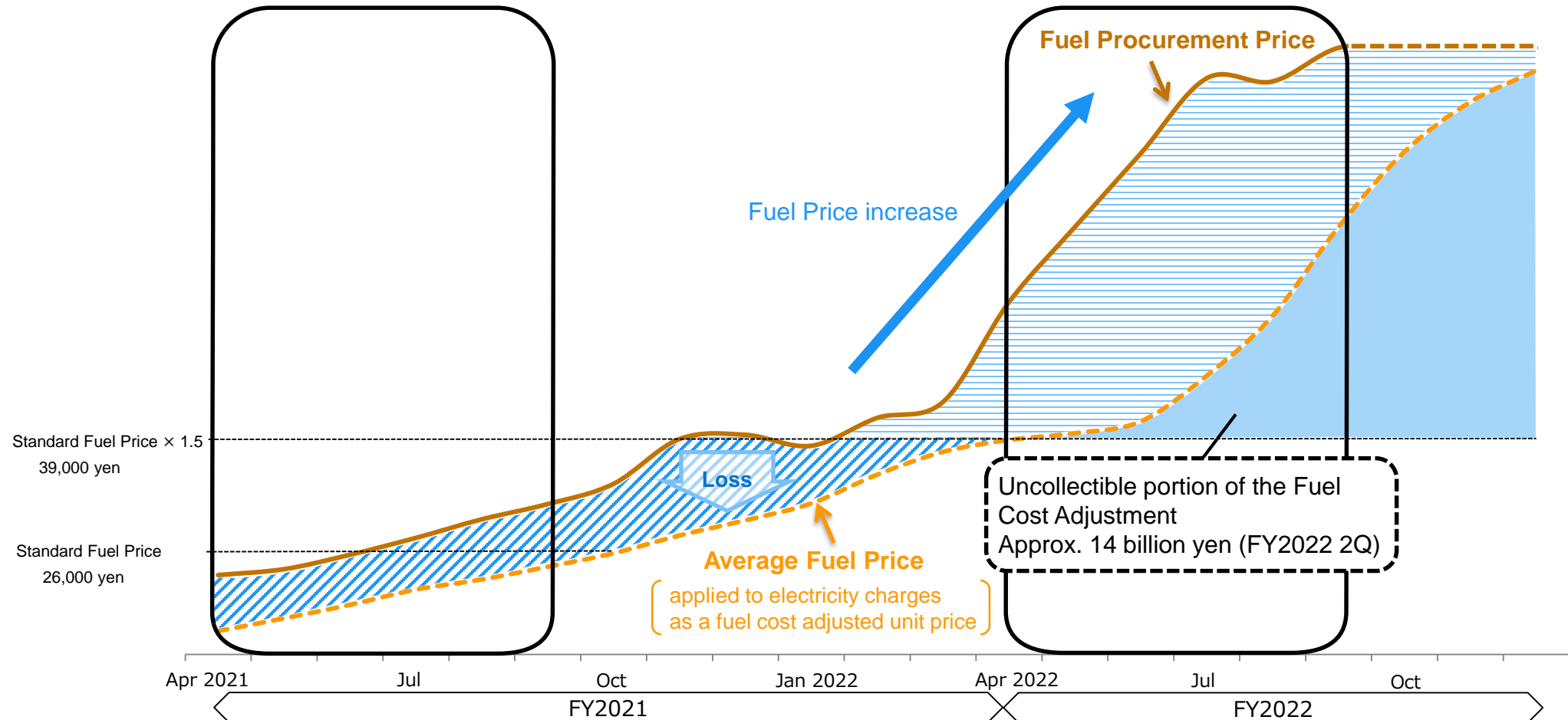
	FY2022 2Q
CIF price: coal (1\$/t)	3
CIF price: crude oil (1\$/b)	2
Exchange rate (¥1/\$)	12
Nuclear power capacity factor (1%)	7
Flow Rate (1%)	3

FY2021 2Q

Time Lag Effect* Approx. (12.0) billion yen

FY2022 2Q

Time Lag Effect* indefinable
 <Exceed the ceiling price (= the Standard Fuel Price × 1.5) since April>
 Assuming that there is no price ceiling, it's approx. (52.5) 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)

	FY2022 2Q	FY2021 2Q
Power Generation & Sales	158	276
Renewable energy	8	9
Thermal	122	94
Nuclear	15	160
Nuclear fuel	7	6
Transmission & Distribution	139	136
Transmission	36	30
Transformation	49	52
Distribution	44	43
Electric power business	297	412
Other business	48	39
Total*	345	451

* 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.