

FY2022 3Q Financial Results Outline

(April 1, 2022 – December 31, 2022)

January 31, 2023

SHIKOKU ELECTRIC POWER CO.,INC.

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Overview of Consolidated Financial Results

【 Financial Results for FY 2022 3Q 】

- ❑ Operating revenues increased by ¥ 171.6 billion YoY, to ¥ 604.6 billion. The main factors were as follows;
 - ✓ The revenues based on the Fuel Cost Adjustment System and from wholesale increased.
- ❑ Operating expenses increased by ¥ 157.8 billion YoY, to ¥ 605.4 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 (loss) increased by ¥ 13.7 billion YoY, to loss of ¥ 0.8 billion.
 - ✓ Ordinary profit increased by ¥ 21.9 billion YoY, to ¥ 7.7 billion.
 - ✓ Profit attributable to owners of parent increased by ¥ 13.2 billion YoY, to ¥ 1.8 billion.

The reason why we were able to secure ordinary profit of 7.7 billion yen is that in addition to the cost reduction so far, various measures in terms of fuel procurement, financing activities and others have worked successfully.

【 Forecasts of Financial Results for FY 2022 】 No change from the announcement in October 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 October 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 3Q (April 1, 2022 – December 31, 2022)

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

(100 million yen)

	FY2022 3Q (a)	FY2021 3Q (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	6,046	4,330	1,716	39.6%
Operating Expenses	6,054	4,476	1,578	35.3%
Operating Loss	(8)	(145)	137	-
Non-Operating Profit	85	3	82	
Ordinary Profit (Loss)	77	(142)	219	-
Extraordinary Losses	-	16	(16)	-
Income Taxes, etc.	58	(44)	102	
Profit (Loss) attributable to owners of parent	18	(114)	132	-

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

(million kWh)

	FY2022 3Q (a)	FY2021 3Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	17,125	16,175	950	5.9%	· Increase in sales due to increase in contract demand, etc.
Lighting	5,233	5,372	(139)	(2.6)%	
Power	11,892	10,802	1,090	10.1%	
Wholesale	7,384	6,351	1,033	16.3%	· Wholesale in Japan Electric Power Exchange (JEPX) increased, etc.
Total	24,509	22,526	1,983	8.8%	

(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 3Q	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

	Oct	Nov	Dec	3-month AVG.
FY2022 3Q	19.2	15.5	7.4	14.0
Differences from the average year	(0.1)	1.8	(1.2)	0.2
Differences from the previous year	(1.1)	1.8	(1.4)	(0.2)

Electricity Supplied

(million kWh)

		FY2022 3Q (a)	FY2021 3Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Own Generated Power	Nuclear	5,785	467	5,318	12.4 times	·Capacity factor of Ikata Unit No.3 8.3% → 102.7%
	Hydro	1,498	1,663	(165)	(10.0)%	·Flow Rate 94.7% → 76.2%
	Renewable Energy	3	6	(3)	(52.5)%	
	Thermal	7,995	9,447	(1,452)	(15.4)%	
Purchased Power		10,807	12,356	(1,549)	(12.5)%	·Hydropower 962 → 728 ·Renewable Energy 3,905 → 4,069

(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.

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

(100 million yen)

	FY2022 3Q (a)	FY2021 3Q (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales (Retail)	3,575	2,671	904	33.8%
Electricity Sales (Wholesale)	1,521	665	856	128.5%
Others	287	231	56	24.1%
Electric Operating Revenues	5,384	3,569	1,815	50.9%
Other Operating Revenues	661	760	(99)	(13.0)%
Operating Revenues	6,046	4,330	1,716	39.6%
Personnel	347	328	19	5.8%
Fuel	1,484	710	774	108.8%
Power Purchase	2,054	1,190	864	72.6%
Depreciation	329	389	(60)	(15.6)%
Maintenance	337	384	(47)	(12.1)%
Nuclear Back-end	127	33	94	275.8%
Others	791	757	34	4.5%
Electric Operating Expenses	5,471	3,794	1,677	44.2%
Other Operating Expenses	583	681	(98)	(14.5)%
Operating Expenses	6,054	4,476	1,578	35.3%
Operating Loss	(8)	(145)	137	-
Non-Operating Profit	85	3	82	-
Ordinary Profit (Loss)	77	(142)	219	-
Extraordinary Losses	-	16	(16)	-
Income Taxes, etc.	58	(44)	102	-
Profit (Loss) attributable to owners of parent	18	(114)	132	-

① 【Electricity Sales (Retail)】

- Increase in electricity sales volume +165
- Increase in income unit price +41
- Increase in revenues based on the Fuel Cost Adjustment System +698

② 【Electricity Sales (Wholesale)】

- Increase in electricity sales volume +204
- Increase in income unit price +530, etc.

③ 【Others】

- Subsidies related to costs for securing adjustability +42, etc.

④ 【Fuel, Power Purchase】 +1,637

- Increase in nuclear power (950)
- Increase in total electricity sales +370
- Decrease in hydropower +75
- Increase in the thermal unit price +1,875
- Increase in avoidable cost unit price for FIT retail purchases +155
- Flexible fuel procurement in light of increasing the fuel price (50), etc.

		FY2022 3Q (a)	FY2021 3Q (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	359	146	213
	Crude Oil (\$/b)	108	74	34
	LNG (\$/t)	945	563	382
Exchange Rate (¥/\$)		137	111	26

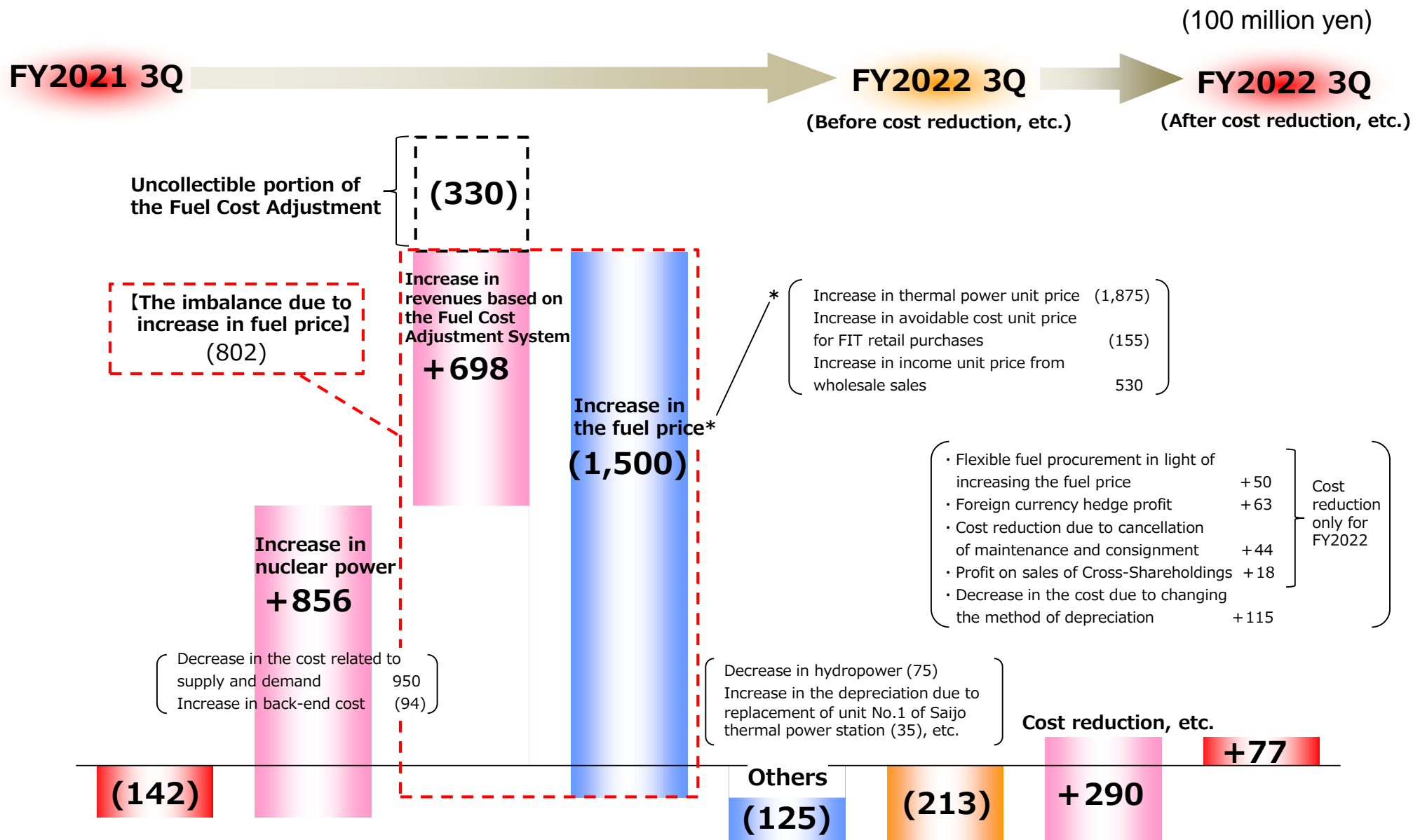
⑤ 【Depreciation】

- Increase in the cost due to replacement of unit No.1 of Saijo thermal power station +40*1, etc.
- *1 Total increase including other business +35
- Decrease in the cost due to changing the method of depreciation <Declining balance method → Straight-line method> (100)*2, etc.
- *2 Total decrease including other business (115)

⑥ 【Non-Operating Profit】

- Foreign exchange gains due to risk hedging against yen depreciation +63
- Profit on sales of Cross-Shareholdings +18, etc.

Factors Contributing to Change in Ordinary Profit



Results by Segment

(100 million yen)

			FY2022 3Q (a)	FY2021 3Q (b)	(a-b)	Main Factors	
Consolidated		Revenues	6,046	4,330	1,716	-	
		Ordinary Profit (Loss)	77	(142)	219		
Segment *1	Electric Utility	Power Generation & Sales	Revenues	5,155	3,415	1,740	Increase in revenues from electricity sales <retail> +868 Increase in revenues from electricity sales <wholesale> +841, etc. Increase in nuclear +856 The imbalance due to increase in the fuel price (822) The effect of changing the method of depreciation +68, etc.
		Ordinary Loss *2	(131)	(310)	179		
		Transmission & Distribution	Revenues	2,012	1,498	514	Increase in profit due to supply and demand adjustment +193 Increase in electricity sales among areas and other companies +248, etc. The effect of changing the method of depreciation +32, etc. Decrease in maintenance +4, etc.
			Ordinary Profit	95	51	44	
	IT/Communications		Revenues	334	323	11	- The effect of changing the method of depreciation +9, etc.
	Ordinary Profit		73	62	11		
	Energy		Revenues	177	172	5	- Increase in international business +6, etc.
	Ordinary Profit		20	14	6		
	Construction/Engineering		Revenues	323	494	(171)	- Decrease in contract work, etc.
	Ordinary Profit		8	21	(13)		
Others		Revenues	246	252	(6)	- Decrease in contract work, etc.	
Ordinary Profit		14	19	(5)			

*1 Internal transactions are not eliminated

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

Capital Investment

(100 million yen)

	FY2022 3Q
Electric Utility (Power generation & sales)	380
<Replacement of unit No.1 of Saijo thermal power station>	<293>
Electric Utility (Transmission & Distribution)	211
IT/Communications	29
Energy, Construction/Engineering, Others	48
Total (Before the elimination of unrealized profits)	669

(100 million yen)				
	Dec 31, 2022 (a)	Mar 31, 2022 (b)	(a-b)	Details
Total assets	15,978	15,007	971	
<Plant and equipment, and intangible assets (except Special account related to nuclear power decommissioning, Special account related to reprocessing of spent nuclear fuel)>	<9,032>	<8,807>	<225>	<ul style="list-style-type: none"> ▪ Capital investment +651 ▪ Depreciation (378), etc.
<Investments, etc.>	<5,731>	<4,948>	<783>	<ul style="list-style-type: none"> ▪ Increase in cash and deposits +279 ▪ Increase in fuel storage +269, etc.
Liabilities	12,710	11,854	856	
<Bonds and loans>	<9,292>	<8,602>	<690>	<ul style="list-style-type: none"> ▪ Increase in bonds +470 ▪ Increase in long-term loan payable +550 ▪ Decrease in commercial paper (330)
<Accrued expenses, etc.>	<3,417>	<3,251>	<166>	
Total net assets	3,267	3,152	115	
<Shareholders' equity>	<3,044>	<3,057>	<(13)>	<ul style="list-style-type: none"> ▪ Profit attributable to owners of parent +18 ▪ Dividend payment (30)
<Accumulated other comprehensive income>	<198>	<71>	<127>	<ul style="list-style-type: none"> ▪ Increase in deferred hedge profit +73, etc.
Shareholders' equity ratio	20.3%	20.8%	(0.5)%	

II . Forecasts of Consolidated Financial Results & Dividends for FY2022

No change from the announcement in October 2022

Financial Results

(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

	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

No change from the announcement in October 2022

(100 million yen)

FY2021



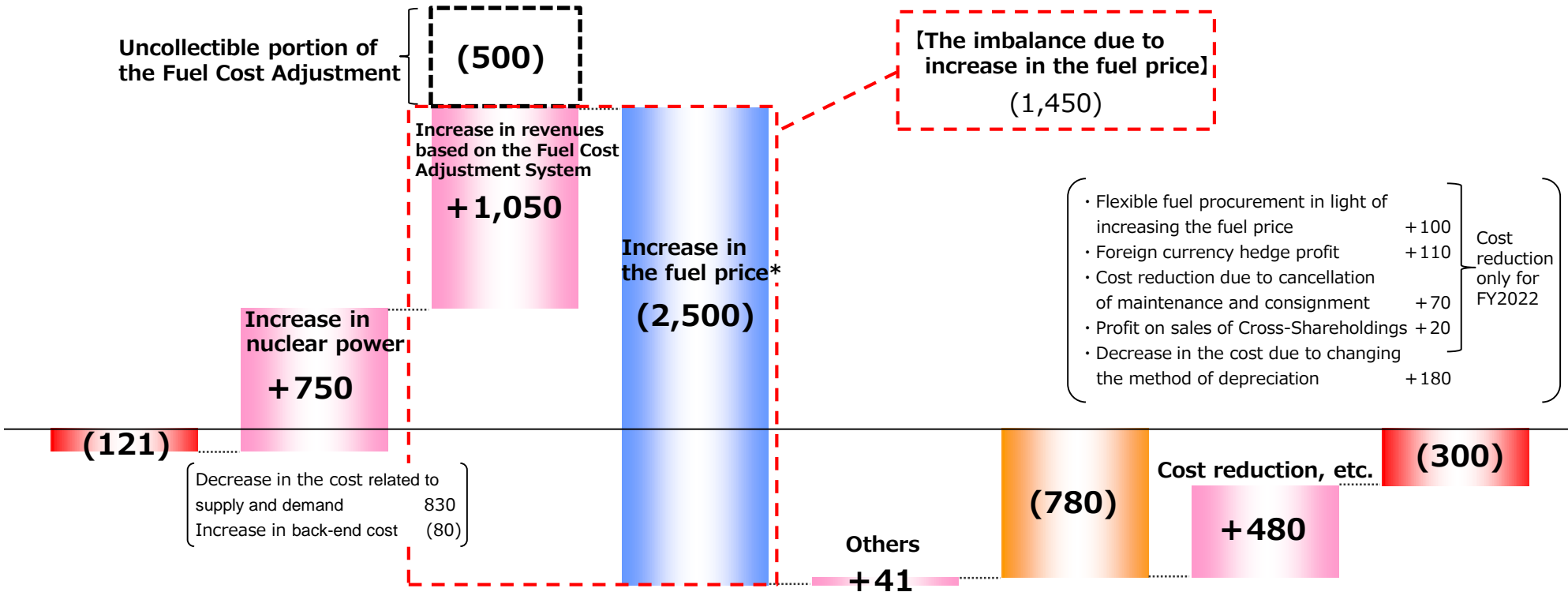
FY2022

(Before cost reduction, etc.)



FY2022

(After cost reduction, etc.)



(100 million yen)

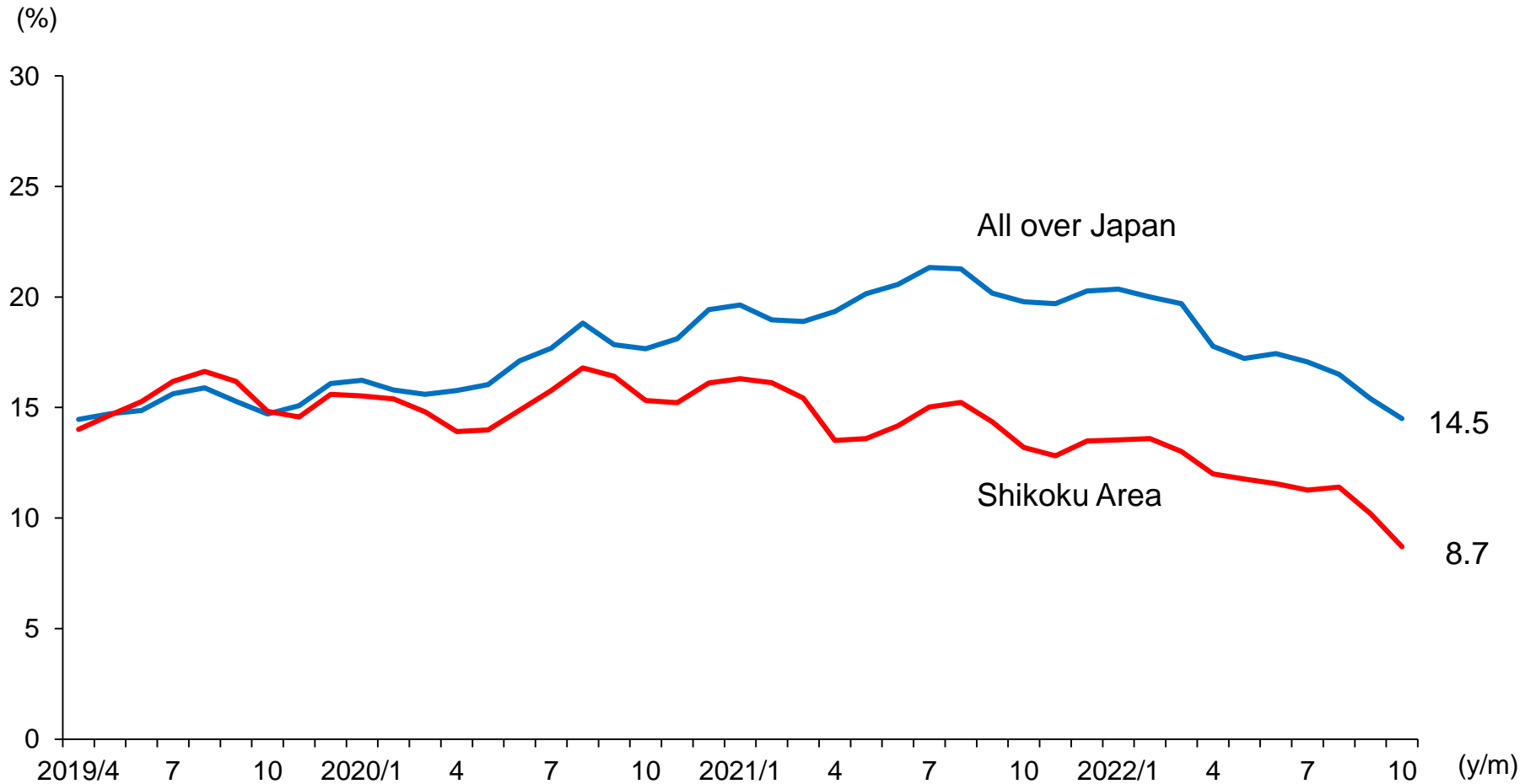
			FY2022 (Forecast)	<ref> FY2021	
Consolidated		Revenues	8,550	6,419	
		Ordinary Profit (Loss)	(300)	(121)	
Segment *1	Electric Utility	Revenues	7,050	5,807	
		Ordinary Profit (Loss) *2	(600)	(402)	
	Transmission & Distribution	Revenues	2,760	2,198	
		Ordinary Profit (Loss)	80	105	
	IT/ Communications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

*1 Internal transactions are not eliminated

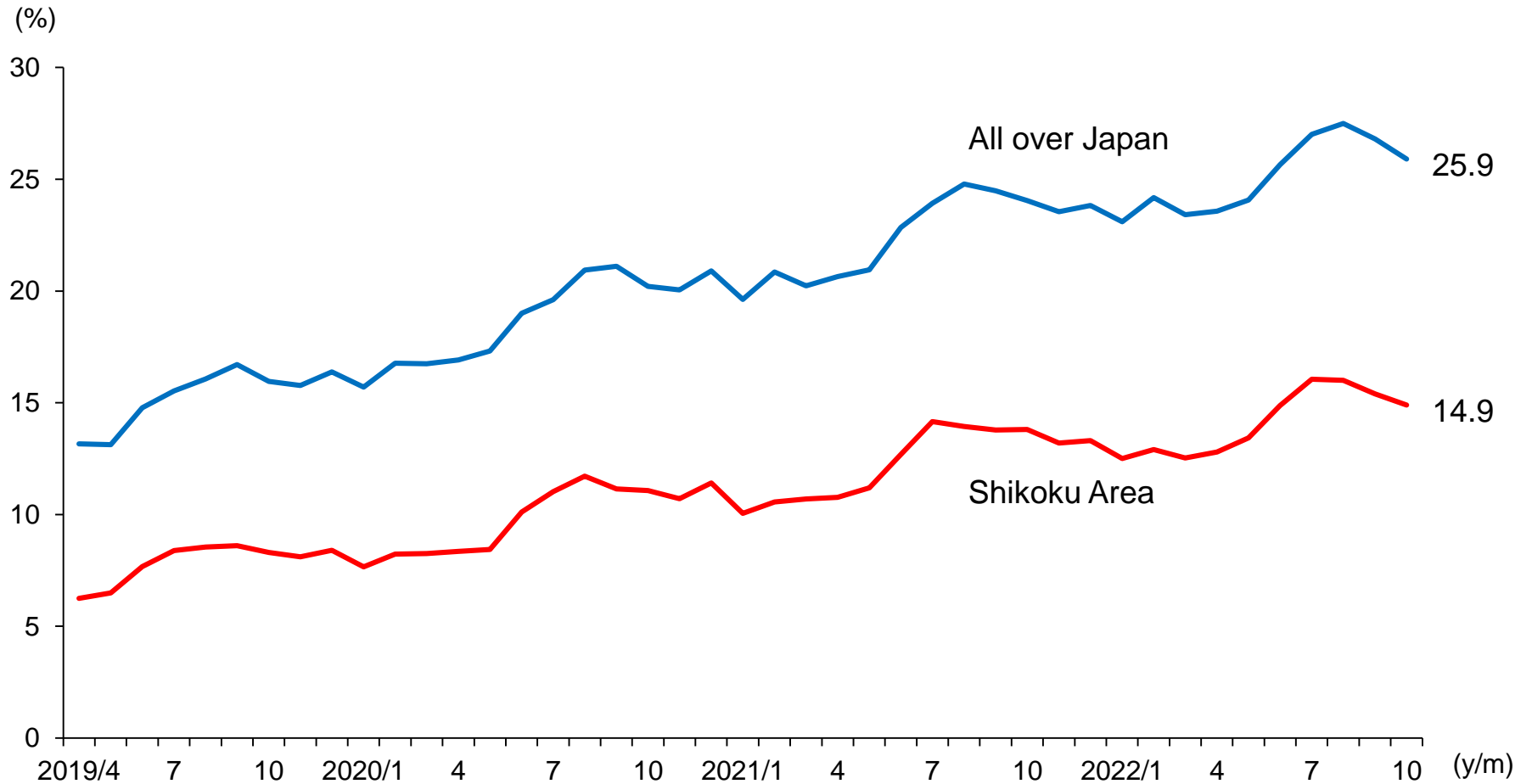
*2 Excludes dividends received from consolidated subsidiaries and equity method affiliates.

Supplemental Material for FY2022 3Q

- 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)

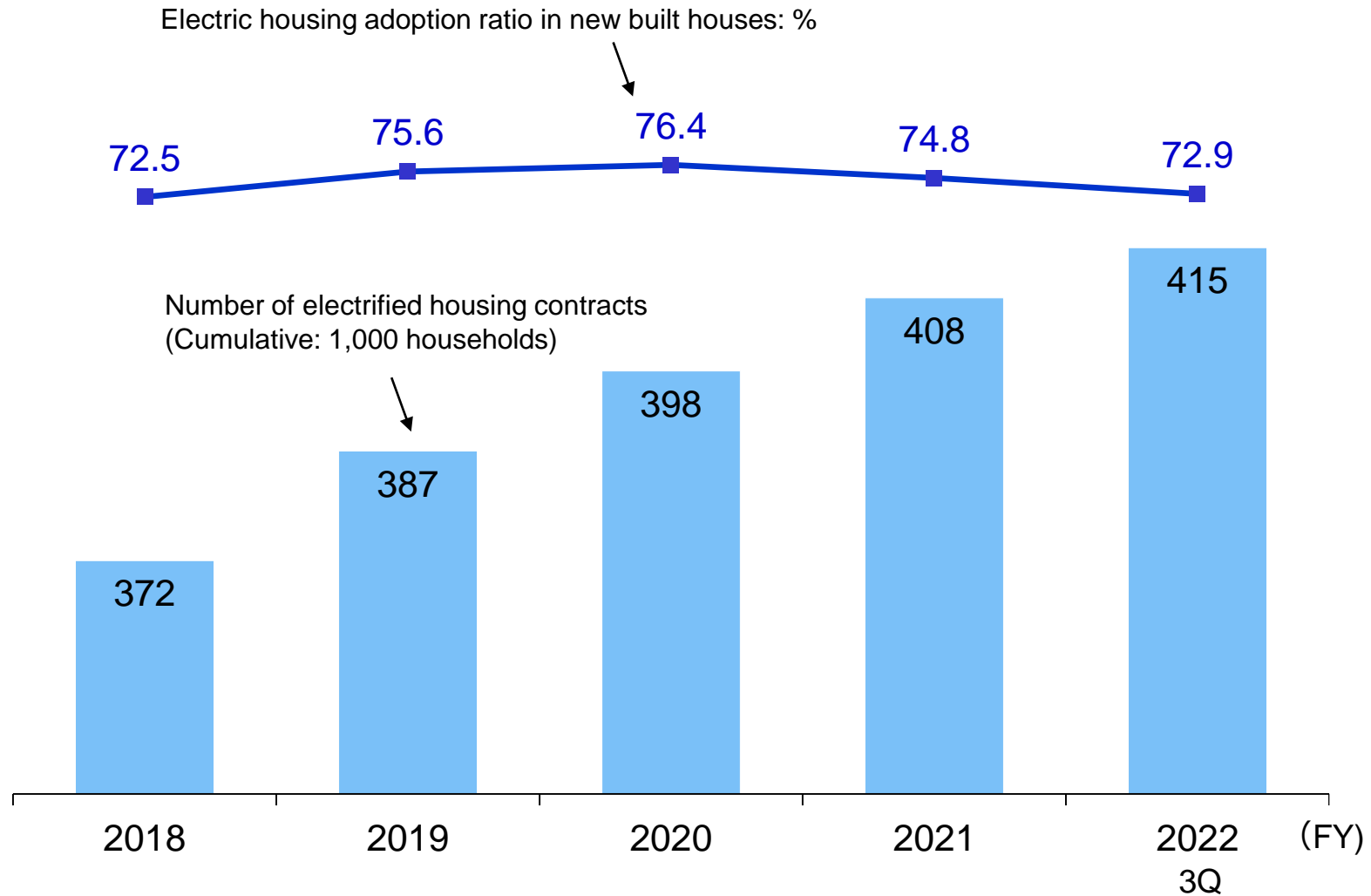


(Source) Electricity and Gas Market Surveillance Commission "Electricity transaction report"



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

Changes in the Number of Electrified Housing Contracts (Cumulative: Shikoku Area) ¹⁵

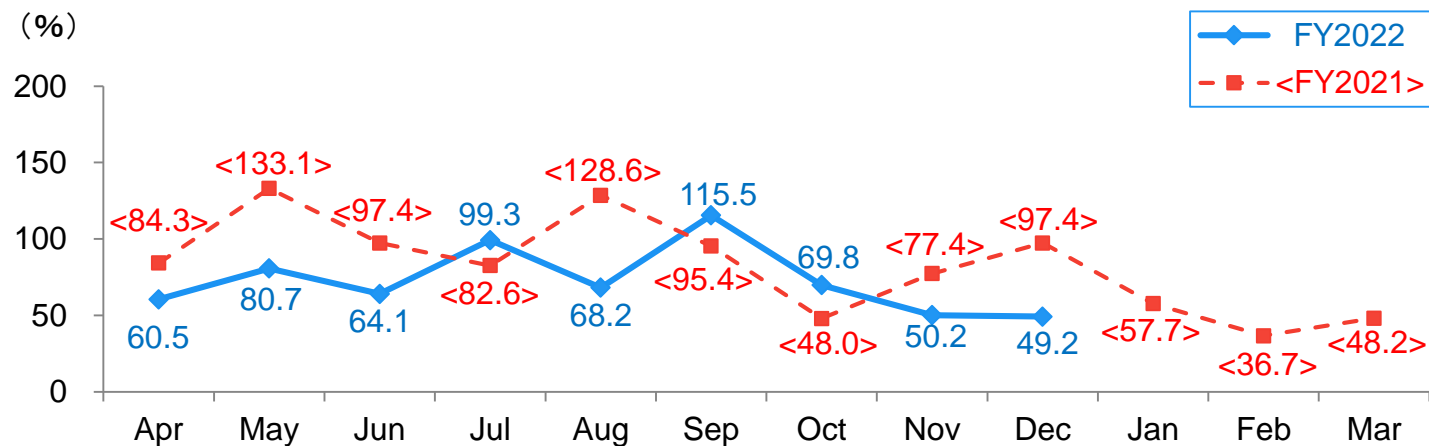


	FY2022 3Q (A)	FY2021 3Q (B)	(A-B)
Coal (10,000t)	160.1	232.3	(72.2)
Heavy Oil (10,000kl)	32.4	25.2	7.2
Crude Oil (10,000kl)	-	-	-
LNG (10,000t)	28.9	27.2	1.7

【Fuel Prices】

	FY2022 3Q (A)	FY2021 3Q (B)	(A-B)
CIF price: Coal (\$/t)	359	146	213
CIF price: Crude Oil (\$/b)	108	74	34
CIF price: LNG (\$/t)	945	563	382
Exchange rate (¥/\$)	137	111	26

Flow Rate



Financial Sensitivity for Key Factors

(100 million yen)

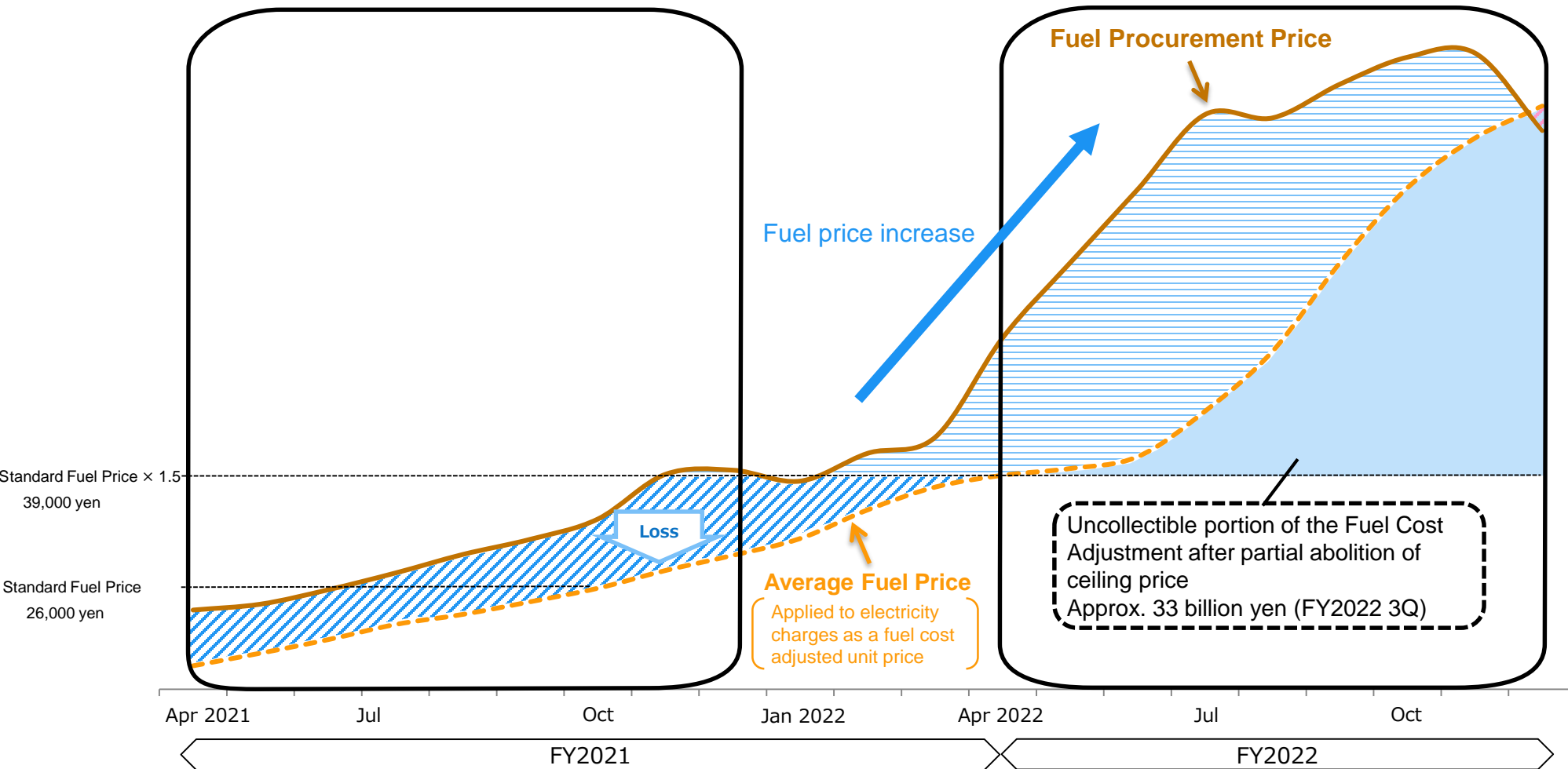
	FY2022 3Q
CIF price: coal (1\$/t)	5
CIF price: crude oil (1\$/b)	3
Exchange rate (¥1/\$)	18
Nuclear power capacity factor (1%)	11
Flow Rate (1%)	4

FY2021 3Q

FY2022 3Q

Time Lag Effect* Approx. (20.5) billion yen

Time Lag Effect* indefinable
 <Includes contracts that exceed the ceiling of the standard fuel price>
 Assuming that there is no price ceiling, it's approx. (59.5) 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 3Q	FY2021 3Q
Power Generation & Sales	380	475
Renewable energy	15	16
Thermal	322	138
Nuclear	28	307
Nuclear fuel	8	7
Transmission & Distribution	211	201
Transmission	56	50
Transformation	69	72
Distribution	67	63
Electric power business	591	677
Other business	78	61
Total*	669	738

* 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.