

FY2023 1Q Financial Results Outline

(April 1, 2023 – June 30, 2023)

July 27, 2023

SHIKOKU ELECTRIC POWER CO.,INC.

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Overview of Consolidated Financial Results

【 Financial Results for FY 2023 1Q】

- ❑ Operating revenues increased by ¥ 14.4 billion YoY, to ¥ 181.0 billion. The main factors were as follows;
 - ✓ The revenues from retail increased due to abolishment of the fuel cost adjustment cap of deregulated electricity rates and revisions of regulated electricity rates, etc.
- ❑ Operating expenses are flat YoY at 164.4 billion yen. The main factors were as follows;
 - ✓ The cost related to demand and supply decreased due to decreasing wholesale market price and increase in hydropower , despite the repair expenses and depreciation expenses increased, etc.
- ❑ As a result,
 - ✓ Operating profit increased by ¥ 13.8 billion YoY, to ¥ 16.6 billion.
 - ✓ Ordinary profit increased by ¥ 10.5 billion YoY, to ¥ 15.4 billion.
 - ✓ Profit attributable to owners of parent increased by ¥ 9.6 billion YoY, to ¥ 11.8billion.

【 Forecasts of Financial Results for FY 2023 】

No change from the announcement in May 2023

- ❑ Operating revenues are expected to increase by ¥ 41.8 billion YoY, to ¥ 875.0 billion.
- ❑ Profits are expected to increase as follows compared to the previous year because the revenues from retail are expected to increase due to rates revisions and the costs related to demand and supply are expected to decrease due to lower fuel prices, etc.
 - ✓ Operating profit will increase by ¥ 47.2 billion YoY, to ¥ 35.0 billion.
 - ✓ Ordinary profit will increase by ¥ 60.5 billion YoY, to ¥ 38.0 billion.
 - ✓ Profit attributable to owners of parent will increase by ¥ 51.3 billion YoY, to ¥ 28.5 billion.

【 Dividends】

No change from the announcement in May 2023

- ❑ The annual dividend for FY2023 is planned to be ¥ 30 per share, ¥ 15 for interim and ¥ 15 for year-end.

I . Consolidated Financial Results for FY2023 1Q (April 1, 2023 – June 30, 2023)

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

(100 million yen)

	FY2023 1Q (a)	FY2022 1Q (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	1,810	1,666	144	8.6%
Operating Expenses	1,644	1,638	6	0.4%
Operating Profit	166	28	138	Approx. 6x
Non-Operating Profit (Loss)	(11)	20	(31)	
Ordinary Profit	154	49	105	Approx. 3x
Income Taxes, etc.	36	26	10	
Profit attributable to owners of parent	118	22	96	Approx. 5x

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

(million kWh)

	FY2023 1Q (a)	FY2022 1Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	5,006	5,316	(310)	(5.8)%	<ul style="list-style-type: none"> • Decrease due to the impact of increased operation of private power generation for industrial use • Decrease in sales outside the Shikoku region, etc.
Lighting	1,546	1,627	(81)	(4.9)%	
Power	3,460	3,689	(229)	(6.2)%	
Wholesale	1,895	2,197	(302)	(13.8)%	• Decrease in nuclear power due to periodic inspections of Ikata Unit No.3., etc.
Total	6,901	7,513	(612)	(8.1)%	

(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.
FY2023 1Q	12.9	16.0	19.8	23.1	18.0
Differences from the average year	2.8	0.9	0.1	0.0	1.0
Differences from the previous year	1.1	(0.3)	0.2	(0.8)	0.1

Electricity Supplied

		(million kWh)					
		FY2023 1Q (a)	FY2022 1Q (b)	(c)=(a)-(b)	(c)/(b)	Details	
Own Generated Power	Nuclear	717	1,922	(1,205)	(62.7)%	·Capacity factor of Ikata Unit No.3	103.1% → 38.5%
	Hydro	853	494	359	72.7%	·Flow Rate	68.3% → 122.2%
	Renewable Energy	1	1	0	42.7%		
	Thermal	2,545	2,374	171	7.2%		
Purchased Power		3,149	3,116	33	1.0%	·Hydropower ·Renewable Energy	194 → 407 1,513 → 1,505

(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)

	FY2023 1Q (a)	FY2022 1Q (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)	1,285	1,007	278	27.6%
Electricity Sales(Wholesale)	225	364	(139)	(38.2)%
Others	85	88	(3)	(3.1)%
Electric Operating Revenues	1,595	1,460	135	9.3%
Other Operating Revenues	215	206	9	4.0%
Operating Revenues	1,810	1,666	144	8.6%
Personnel	125	124	1	0.7%
Fuel	439	352	87	24.4%
Power Purchase	266	459	(193)	(42.0)%
Depreciation	129	106	23	21.5%
Maintenance	178	117	61	51.4%
Nuclear Back-end	21	42	(21)	(49.0)%
Others	301	259	42	16.2%
Electric Operating Expenses	1,462	1,463	(1)	(0.1)%
Other Operating Expenses	181	174	7	3.9%
Operating Expenses	1,644	1,638	6	0.4%
Operating Profit	166	28	138	Approx. 6x
Non-Operating Profit (loss)	(11)	20	(31)	
Ordinary Profit	154	49	105	Approx. 3x
Income Taxes, etc.	36	26	10	
Profit attributable to owners of parent	118	22	96	Approx. 5x

① 【Electricity Sales(Retail)】

- Decrease in electricity sales (59)
- Increase in income per unit +337, etc.

② 【Electricity Sales(Wholesale)】

- Decrease in electricity sales (47)
- Decrease in income per unit (124)
- Increase in sales for supply and demand adjustment market (Tertiary) and sales of Non-fossil certificate +32, etc.

③ 【Fuel, Power Purchase】 (106)

- Decrease in nuclear power +171
- Decrease in total electricity sales (92)
- Increase in hydropower (86)
- Decrease in avoidable cost unit price for FIT retail purchases (135)
- Increase in the thermal unit price due to difference in fuel composition +40, etc.

		FY2023 1Q (a)	FY2022 1Q (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	256	304	(48)
	Crude Oil (\$/b)	84	111	(27)
	LNG (\$/t)	664	803	(139)
Exchange Rate (¥/\$)		137	130	7

④ 【Depreciation】

- Increase in depreciation of unit No.1 of Saijo thermal power station due to replacement construction +21, etc.

⑤ 【Maintenance】

- Increase in the maintenance cost related to nuclear power +62, etc.

⑥ 【Nuclear Back-end】

- Decrease in contributions costs for reprocessing of irradiated nuclear fuel and disposal cost of high-level radioactive waste due to decrease in operating days of nuclear power plant, etc.

⑦ 【Others】

- Increase in taxes and dues +9,
- Increase in Non-current assets retirement costs +6, etc

⑧ 【Non-Operating profit (Loss)】

- Decrease in foreign exchange gains (22) , etc

*Electricity Sales (Retail) include subsidies for electricity business implemented based on the "Comprehensive Economic Measures to Overcome Rising Prices and Realize Economic Revival".

Factors Contributing to Change in Ordinary Profit

(100 million yen)

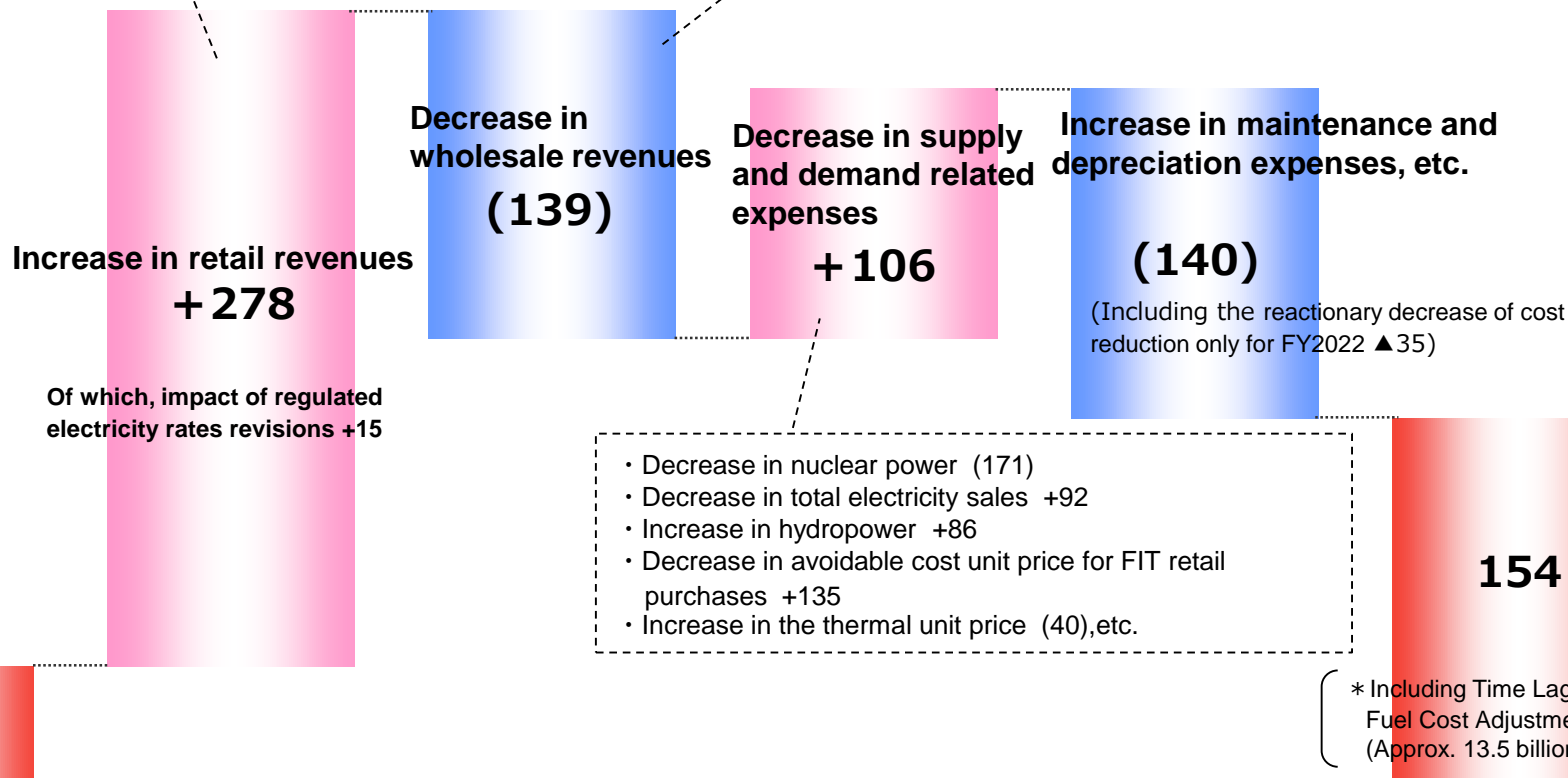
+ 105

**FY2022
1Q**

**FY2023
1Q**

- Decrease in electricity sales (59)
- Increase in income per unit +337

- Decrease in electricity sales (47)
- Increase in income per unit (124)
- Increase in sales for supply and demand adjustment market (Tertiary) and sales of Non-fossil certificate +32



Results by Segment

		(100 million yen)			Main Factors		
		FY2023 1Q (a)	FY2022 1Q (b)	(a-b)			
Consolidated		Revenues	1,810	1,666	144	-	
		Ordinary Profit	154	49	105		
Segment *1	Electric Utility *	Power Generation & Sales	Revenues	1,590	1,397	193	[Increase in retail electricity sales +278 [Decrease in wholesale electricity sales (92), etc. [Increase in sales +193 [Decrease in the cost related to supply and demand +38 [Increase in maintenance cost (55) [Increase in depreciation cost (22) [Decrease in foreign exchange gains (22), etc.
			Ordinary Profit (loss) *2	103	(25)	128	
		Transmission & Distribution	Revenues	523	606	(83)	[Increase in wheeling charges +20 [Decrease in revenues due to supply and demand adjustment (103), etc. [Decrease in sales (83) [Decrease in the cost related to supply and demand adjustment +79, etc.
			Ordinary Profit	17	28	(11)	
	IT/Communications		Revenues	116	111	5	
			Ordinary Profit	24	24	(0)	
	Energy		Revenues	66	54	12	
			Ordinary Profit	2	11	(9)	- Decrease in profit of subsidiaries, etc.
	Construction/Engineering		Revenues	117	107	10	
			Ordinary Profit	7	5	2	
Others		Revenues	82	74	8		
		Ordinary Profit	0	5	(5)	- Decrease in profit of subsidiaries, etc.	

*1 Internal transactions are not eliminated.

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

Capital Investment

	(100 million yen)
	FY2023 1Q
Electric Utility (Power generation & sales)	93
Electric Utility (Transmission & Distribution)	55
IT/Communications	7
Energy, Construction/Engineering, Others	23
Total (Before the elimination of unrealized profits)	179

(100 million yen)

	Jun 30, 2023 (a)	Mar 31, 2023 (b)	(a-b)	Details
Total assets	15,850	16,120	(270)	
<Plant and equipment, and intangible assets (except Special account related to nuclear power decommissioning, Special account related to reprocessing of spent nuclear fuel)>	<9,019>	<9,029>	<(10)>	<ul style="list-style-type: none"> • Capital investment +146 • Depreciation (147), etc.
<Investment, etc.>	<5,552>	<5,834>	<(282)>	<ul style="list-style-type: none"> • Decrease in cash and cash equivalents (390) • Decrease in Fuel storage (153) • Increase in accounts receivable due to grants for renewable energy +265, etc.
Liabilities	12,749	13,137	(388)	
<Bonds and loans>	<9,532>	<9,482>	<50>	<ul style="list-style-type: none"> • Decrease in bonds (200) • Increase in commercial paper +250
<Accounts payable, etc.>	<3,216>	<3,654>	<(438)>	<ul style="list-style-type: none"> • Decrease in accounts payable and accrued expenses, etc.
Total net assets	3,101	2,983	118	
<Retained earnings>	<1,458>	<1,340>	<118>	<ul style="list-style-type: none"> • Profit attributable to owners of the parent +118
<Accumulated other comprehensive income>	<160>	<160>	<0>	

Shareholders' equity ratio	19.4%	18.3%	1.1%
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II . Forecasts of Consolidated Financial Results & Dividends for FY2023

Announcement in May 2023

Financial Results

(100 million yen)

	FY2023 (Forecast)	〈Ref.〉 FY2022
Operating Revenues	8,750	8,332
Operating Profit (loss)	350	(122)
Ordinary Profit (loss)	380	(225)
Profit (loss) attributable to owners of parent	285	(228)
Profit (loss) per Share	¥138	(¥111)

Electricity Sales

(100 million kWh)

	FY2023 (Forecast)	〈Ref.〉 FY2022
Retail	232	234
Wholesale	102	93
Total	334	328

Dividends per Share

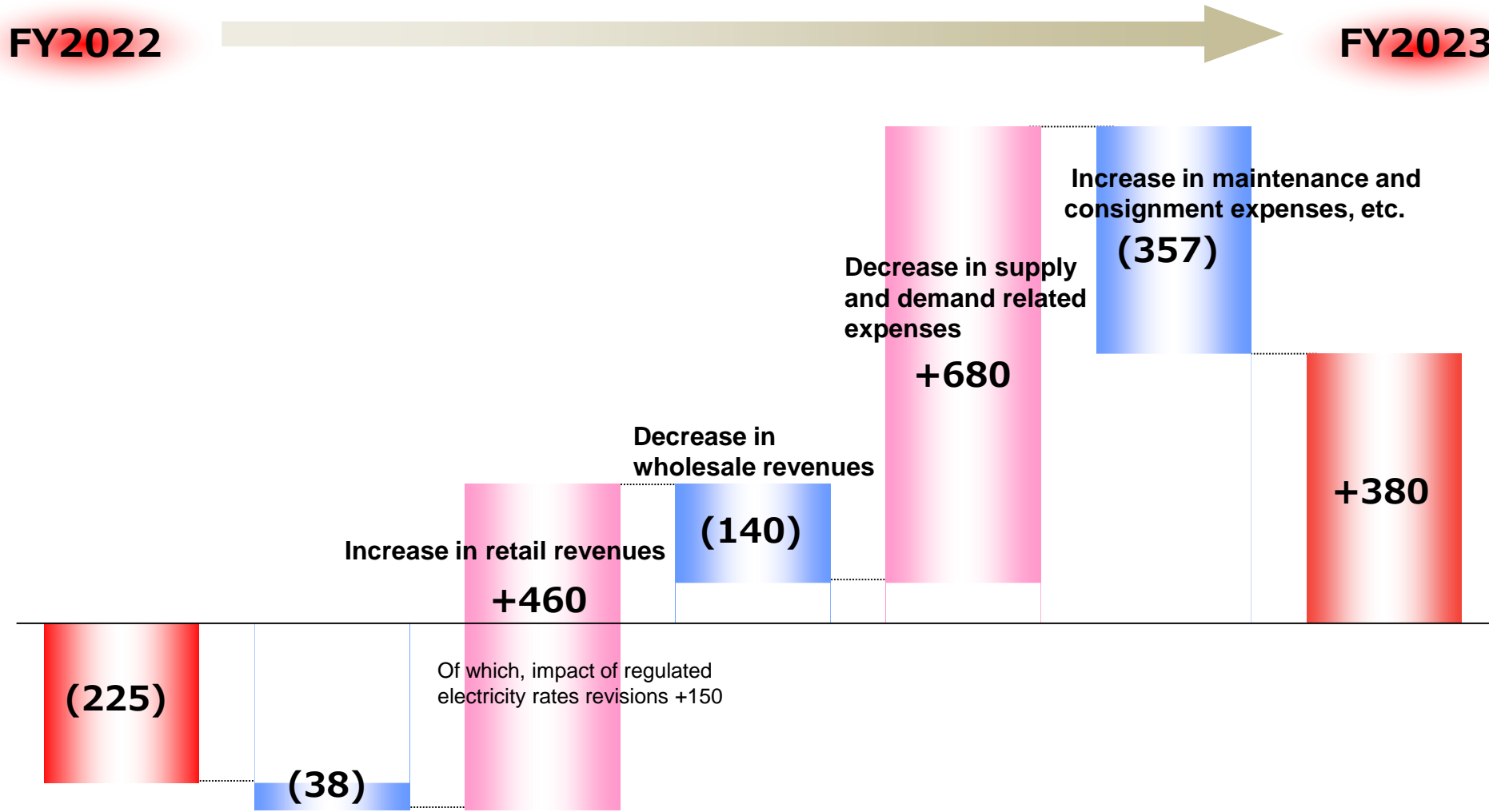
	FY2023 (Forecast)	〈Ref.〉 FY2022
Interim	¥15	¥0
Year-end	¥15	¥0

Fuel Prices / Exchange Rate and Other Factors

	FY2023 (Forecast)	〈Ref.〉 FY2022
Coal CIF Price (\$/t)	260	359
Crude oil CIF Price (\$/b)	90	103
Exchange Rate (¥/\$)	135	135

Factors Contributing to Change in Ordinary Profit (Loss) (Outlook for Financial Results) ¹⁰

(100 million yen)



Reactionary decrease from previous fiscal year's projects*

- * [· Reactionary decrease of cost reduction only for FY2022 ▲226
- Reactionary increase of losses on investments in international businesses in FY2022 +188

(100 million yen)

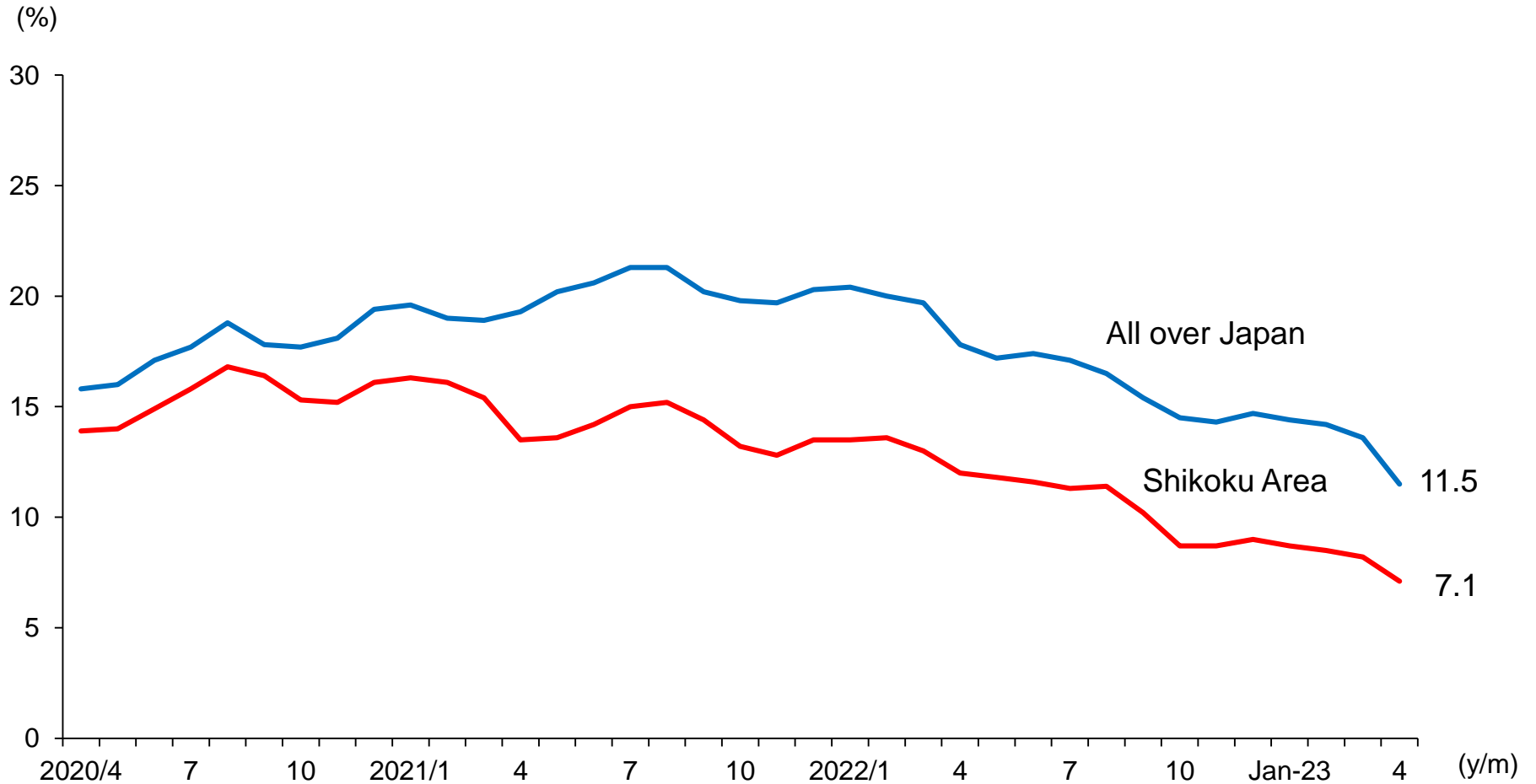
			FY2023 (Forecast)	<Ref.> FY2022	
Consolidated		Revenues	8,750	8,332	
		Ordinary Profit (loss)	380	(225)	
Segment *1	Electric Utility	Power Generation & Sales	Revenues	7,380	7,090
			Ordinary Profit (loss) *2	80	(289)
		Transmission & Distribution	Revenues	2,640	2,662
			Ordinary Profit (loss)	120	72
	IT/ Communications		Revenues	480	455
			Ordinary Profit	80	93
	Energy		Revenues	275	257
			Ordinary Profit (loss)	45	▲ 151
	Construction/ Engineering		Revenues	605	530
			Ordinary Profit	35	35
Others		Revenues	360	356	
		Ordinary Profit	20	21	

*1 Internal transactions are not eliminated.

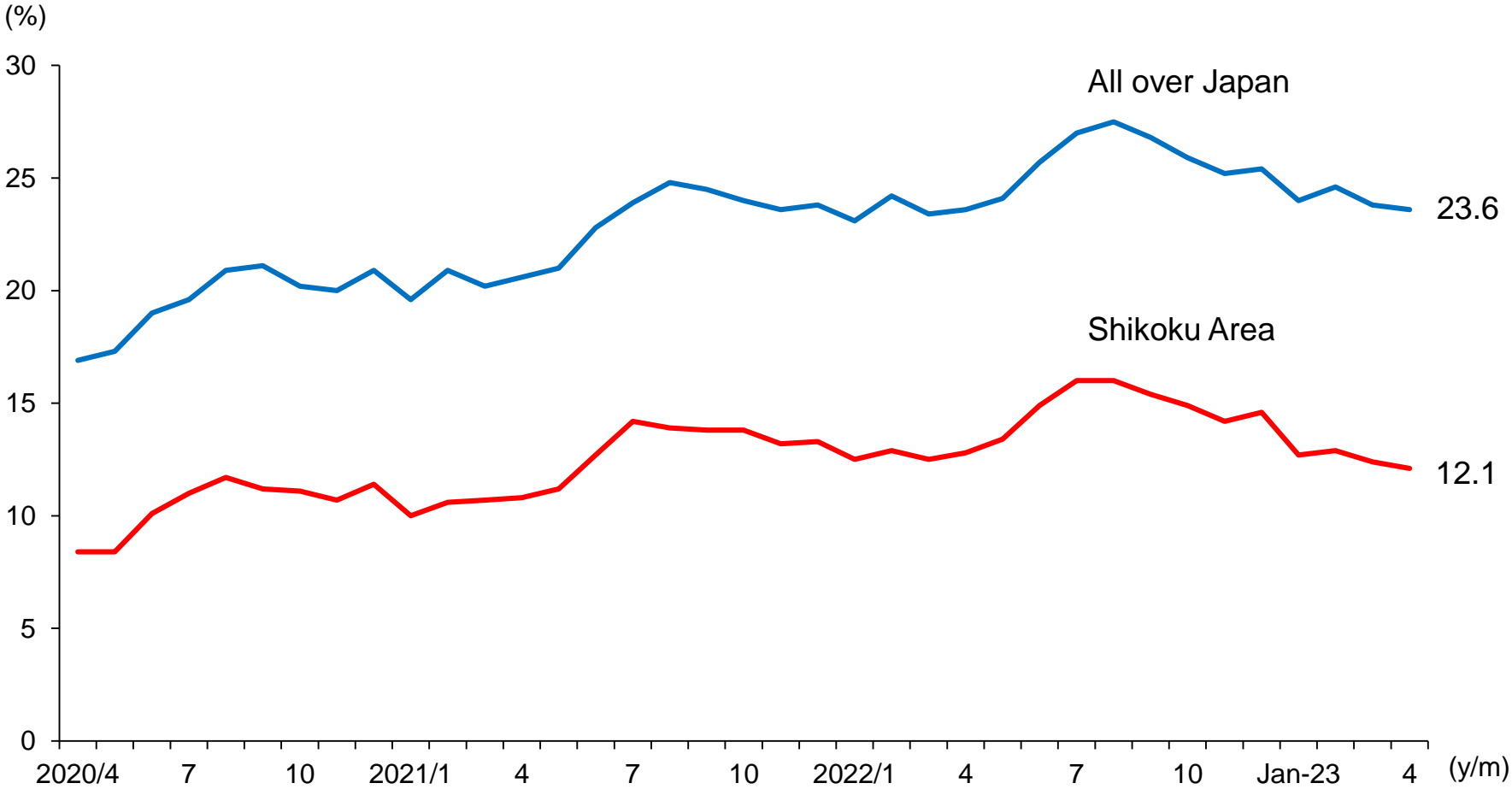
*2 Excludes dividends received from consolidated subsidiaries and equity method affiliates.

Supplemental Material for FY2023 1Q

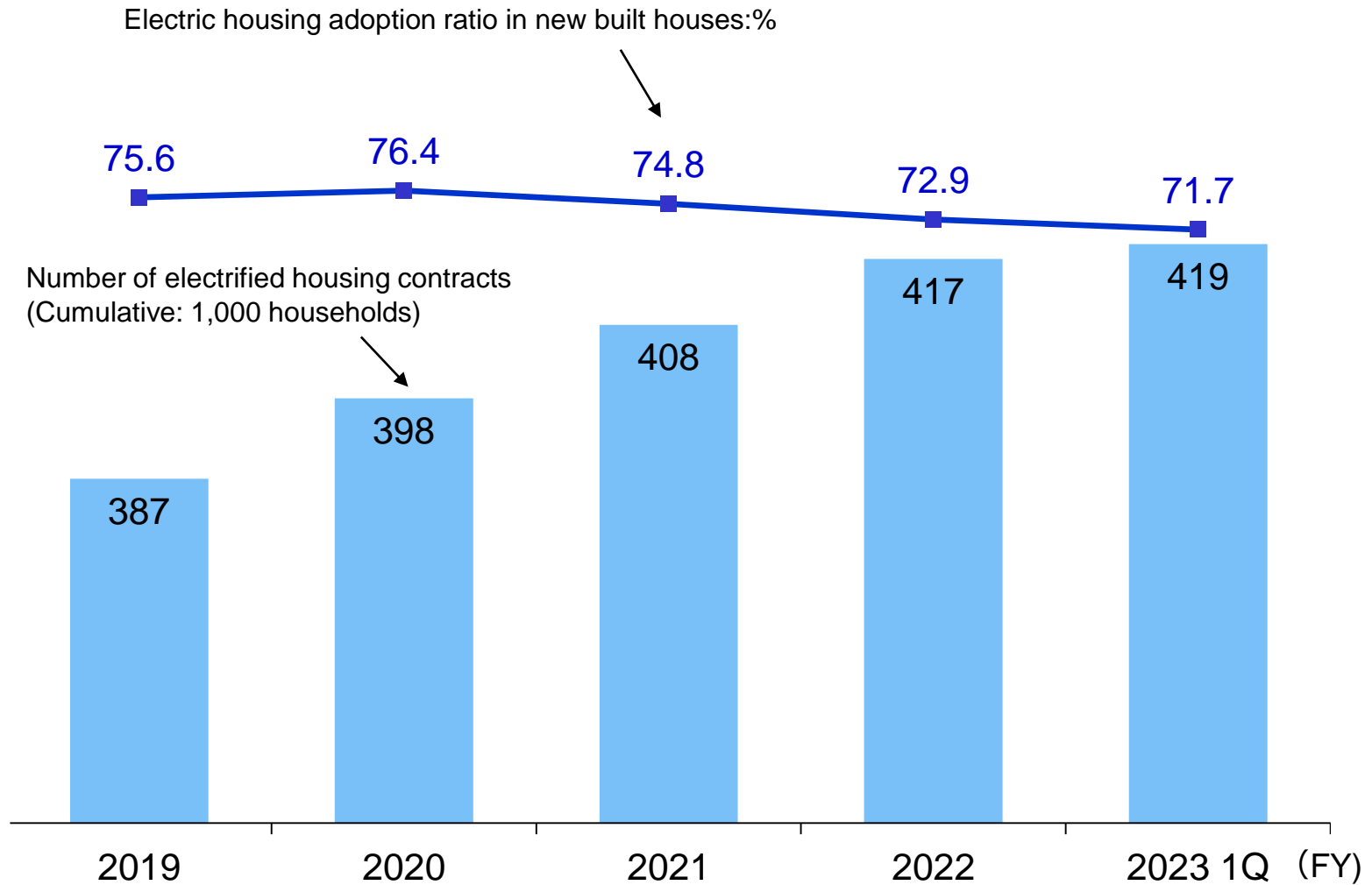
- Retail Sales Power Share of Power Producer and Supplier [PPS] (Extra high, High, Low Voltage : Shikoku Area)
- Changes in the Number of Electrified Housing Contracts (Cumulative : Shikoku Area)
- Consumption of Fossil Fuels
- Flow Rate, Financial Sensitivity for Key Factors
- Time Lag Effect of Fuel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



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



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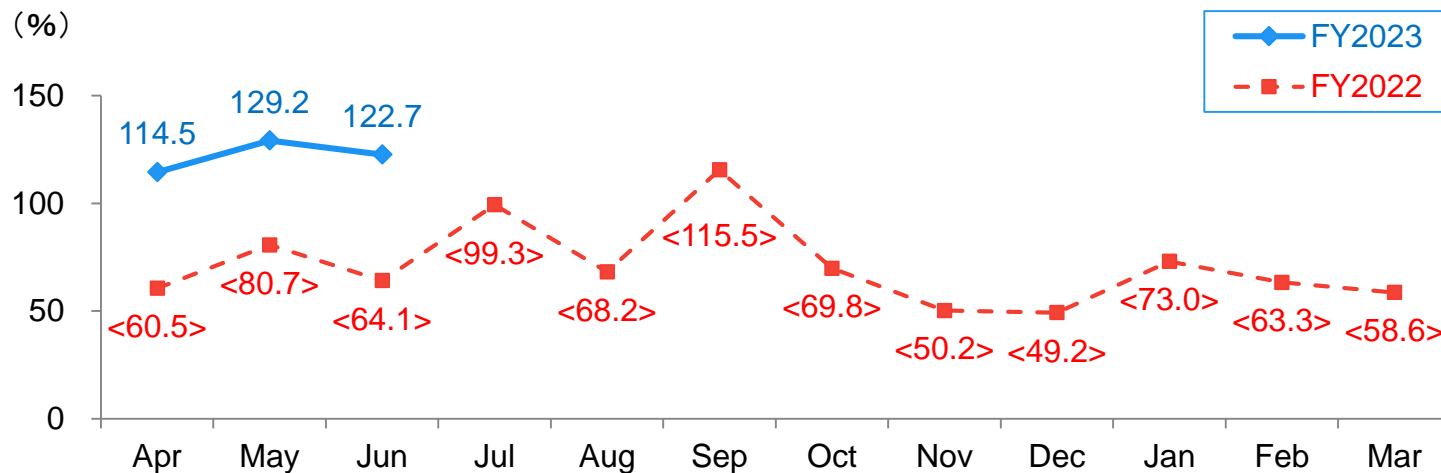


	FY2023 1Q (A)	FY2022 1Q (B)	(A-B)
Coal (10,000t)	66.7	46.2	20.5
Heavy Oil (10,000kl)	3.0	8.8	(5.8)
LNG (10,000t)	6.1	8.8	(2.7)

【Fuel Prices】

	FY2023 1Q (A)	FY2022 1Q (B)	(A-B)
CIF price: Coal (\$/t)	256	304	(48)
CIF price: Crude Oil (\$/b)	84	111	(27)
CIF price: LNG (\$/t)	664	803	(139)
Exchange rate (¥/\$)	137	130	7

Flow Rate



Financial Sensitivity for Key Factors

(100 million yen)

	FY2023 1Q
CIF price: coal (1\$/t)	1
CIF price: crude oil (1\$/b)	0.4
Exchange rate (¥1/\$)	3
Nuclear power capacity factor (1%)	3
Flow Rate (1%)	2

Time Lag Effect of Fuel Cost Adjustment System

○ Time Lag Effect of FY2023 1Q is Approx. 13.5 billion yen.

※Monthly fuel prices are reflected in the fuel cost adjusted unit price with a 3-5 month delay. Time Lag Effect is the difference between Average Fuel Price applied to electricity charges as a fuel cost adjusted unit price and Monthly Fuel Procurement Price if there is no delay in the application of fuel prices, which is different from the financial effects calculated by actual fuel costs, etc.

FY2022 1Q

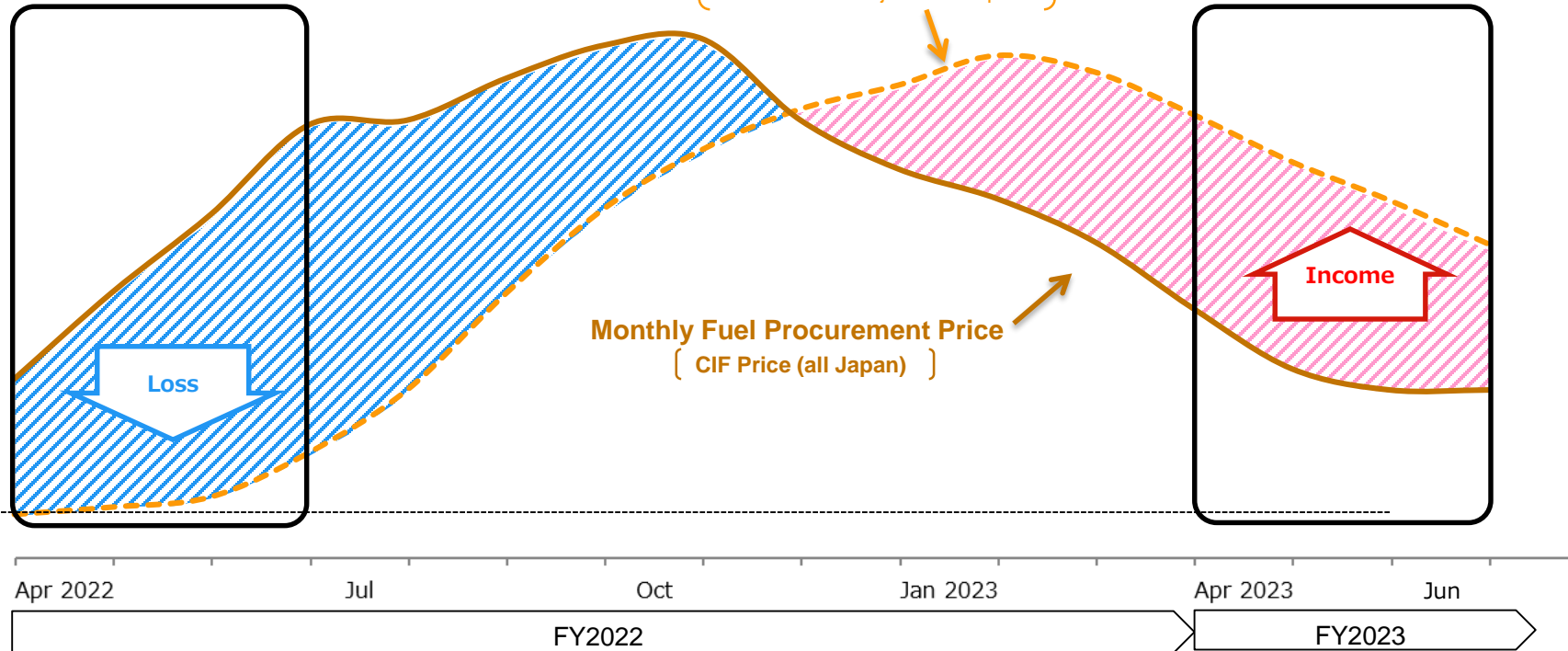
FY2023 1Q

Time Lag Effect indefinable
Assuming that there is no price ceiling, approx.(21.5)billion yen

Time Lag Effect Approx.
13.5 billion yen

Average Fuel Price
[applied to electricity charges as a fuel cost adjusted unit price]

Monthly Fuel Procurement Price
[CIF Price (all Japan)]



Abolishment of the ceiling price (= the Standard Fuel Price × 1.5) of deregulated electricity rates

Revision of the ceiling price of regulated electricity rates

(100 million yen)

	FY2023 1Q	<ref> FY2022
Power Generation & Sales	93	483
Renewable energy	11	30
Thermal	33	338
Nuclear	19	38
Nuclear fuel	28	65
Transmission & Distribution	55	282
Transmission	14	75
Transformation	14	90
Distribution	23	86
Electric power business	149	766
Other business	30	122
Total*	179	888

* 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.