

FY2023 2Q Financial Results Outline

(April 1, 2023 – September 30, 2023)

October 31, 2023

SHIKOKU ELECTRIC POWER CO.,INC.

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Overview of Consolidated Financial Results

【 Financial Results for FY 2023 2Q】

- Operating revenues are flat YoY at 400.8 billion yen. The main factors were as follows;
 - ✓ Decrease in the revenues from wholesale due to lower wholesale market prices, despite 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 decreased by ¥ 56.1 billion YoY, to ¥ 335.4 billion. The main factors were as follows;
 - ✓ The cost related to demand and supply decreased due to lower fuel prices and increasing in hydropower, despite the repair expenses and depreciation expenses increased, etc.
- As a result,
 - ✓ Operating profit increased by ¥ 54.9 billion YoY, to ¥ 65.4 billion.
 - ✓ Ordinary profit increased by ¥ 47.3 billion YoY, to ¥ 64.6 billion.
 - ✓ Profit attributable to owners of parent increased by ¥ 39.8 billion YoY, to ¥ 48.7 billion.

【 Forecasts of Financial Results for FY 2023】

Revised from the forecast announced in May 2023

- Operating revenues are expected to decrease by ¥ 43.0 billion compared to the forecast announced in May 2023, to ¥ 832.0 billion due to decrease in the revenues from wholesale, etc.
- Profits are expected to increase as follows compared to the forecast announced in May 2023 because the revenues from the costs related to demand and supply are expected to decrease due to lower fuel prices, etc.
 - ✓ Operating profit will increase by ¥ 21.5 billion YoY, to ¥ 56.5 billion.
 - ✓ Ordinary profit will increase by ¥ 20.0 billion YoY, to ¥ 58.0 billion.
 - ✓ Profit attributable to owners of parent will increase by ¥ 12.5 billion YoY, to ¥ 41.0 billion.

【 Dividends】

No change from the forecast announced in May 2023

- The interim dividend is ¥ 15 per share.
- The year-end dividend forecast is planned to be ¥ 15 per share, too.
〈The annual dividend forecast is ¥ 30 per share〉

I . Consolidated Financial Results for FY2023 2Q (April 1, 2023 – September 30, 2023)

Summary of Financial Results (Refer to page 6 to 7 for details)

(100 million yen)

	FY2023 2Q (a)	FY2022 2Q (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	4,008	4,021	(13)	(0.3)%
Operating Expenses	3,354	3,915	(561)	(14.3)%
Operating Profit	654	105	549	Approx. 6x
Non-Operating Profit	(8)	68	(76)	
Ordinary Profit	646	173	473	Approx. 4x
Income Taxes, etc.	158	83	75	
Profit attributable to owners of parent	487	89	398	Approx. 5x

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

(million kWh)

	FY2023 2Q (a)	FY2022 2Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	11,019	11,686	(667)	(5.7)%	<ul style="list-style-type: none"> • Decrease in industrial use due to the impact of increased operation of private power generation • Decrease in sales outside the Shikoku region, etc.
Lighting	3,417	3,587	(170)	(4.7)%	
Power	7,601	8,099	(498)	(6.1)%	
Wholesale	4,324	5,262	(938)	(17.8)%	• Decrease in power supply due to periodic inspections of thermal power plant, etc.
Total	15,343	16,949	(1,606)	(9.5)%	

(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 2Q	23.1	28.0	28.9	27.2	26.8
Differences from the average year	0.0	0.9	0.8	2.4	1.0
Differences from the previous year	(0.8)	0.1	(0.3)	1.0	0.0

Electricity Sales in the Last 5 Years

(million kWh)

	FY2019 2Q	FY2020 2Q	FY2021 2Q	FY2022 2Q	FY2023 2Q
Lighting	3,782	3,842	3,588	3,587	3,417
Power	7,294	7,032	7,242	8,099	7,601
Total	11,077	10,873	10,830	11,686	11,019

Electricity Sales Changes from the Previous Fiscal Year

(million kWh)

	FY2019 2Q	FY2020 2Q	FY2021 2Q	FY2022 2Q	FY2023 2Q
Lighting	(5.7)%	1.6%	(6.6)%	(0.0)%	(4.7)%
Power	(5.2)%	(3.6)%	3.0%	11.8%	(6.1)%
Total	(5.4)%	(1.8)%	(0.4)%	7.9%	(5.7)%

Average Temperatures in Prefectural Capitals in Shikoku (Summer)

(°C)

	FY2019 2Q	FY2020 2Q	FY2021 2Q	FY2022 2Q	FY2023 2Q
Summer*	25.9	26.3	25.8	26.8	26.8

* Summer means an average temperature from June to September.

Electricity Supplied

		(million kWh)				
		FY2023 2Q (a)	FY2022 2Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Own Generated Power	Nuclear	2,649	3,852	(1,203)	(31.2)%	· Capacity factor of Ikata Unit No.3 102.8% → 70.7%
	Hydro	1,588	1,208	380	31.5%	· Flow Rate 82.2% → 113.1%
	Renewable Energy	2	2	0	8.0%	
	Thermal	5,508	5,723	(215)	(3.8)%	
Purchased Power		6,449	7,067	(618)	(8.7)%	
Repost (Hydro)		< 829>	< 557>	< 272>	<48.8%>	
Repost (Renewable Energy)		<3,029>	<2,896>	< 133>	< 4.6%>	

(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)			
		FY2023 2Q (a)	FY2022 2Q (b)	Change	
				(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail)		2,807	2,327	480	20.6%
Electricity Sales(Wholesale)		572	1,071	(499)	(46.6)%
Others		193	190	3	1.6%
Electric Operating Revenues		3,573	3,589	(16)	(0.4)%
Other Operating Revenues		435	431	4	0.8%
Operating Revenues		4,008	4,021	(13)	(0.3)%
Personnel		236	235	1	0.4%
Fuel		913	1,021	(108)	(10.6)%
Power Purchase		638	1,248	(610)	(48.9)%
Depreciation		256	214	42	19.8%
Maintenance		328	217	111	51.4%
Nuclear Back-end		65	84	(19)	(22.7)%
Others		549	512	37	7.3%
Electric Operating Expenses		2,989	3,534	(545)	(15.4)%
Other Operating Expenses		364	380	(16)	(4.3)%
Operating Expenses		3,354	3,915	(561)	(14.3)%
Operating Profit		654	105	549	Approx. 6x
Non-Operating Profit (loss)		(8)	68	(76)	
Ordinary Profit		646	173	473	Approx. 4x
Income Taxes, etc.		158	83	75	
Profit attributable to owners of parent		487	89	398	Approx. 5x

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

① 【Electricity Sales(Retail)】

- Decrease in electricity sales (133)
- Increase in income per unit +613, etc.

② 【Electricity Sales(Wholesale)】

- Decrease in electricity sales (182)
- Decrease in income per unit (380)
- Increase in sales for supply and demand adjustment market (Tertiary) and sales of Non-fossil certificate +63, etc.

③ 【Fuel, Power Purchase】 (718)

- Decrease in nuclear power +170
- Decrease in total electricity sales (240)
- Increase in hydropower (98)
- Decrease in avoidable cost unit price for FIT retail purchases (302)
- Decrease in the thermal unit price (235), etc.

		FY2023 2Q (a)	FY2022 2Q (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	221	345	(124)
	Crude Oil (\$/b)	84	112	(28)
	LNG (\$/t)	637	926	(289)
Exchange Rate (¥/\$)		141	134	7

④ 【Depreciation】

- Increase in depreciation of unit No.1 of Saijo thermal power station +43, etc.

⑤ 【Maintenance】

- Increase in the maintenance cost related to nuclear power +66
- Increase in the maintenance cost related to thermal power +17, 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 commission expenses +10
- Increase in taxes and dues +8, etc.

⑧ 【Non-Operating profit (Loss)】

- Decrease in foreign exchange gains (50)
- Impairment losses on stock of subsidiaries and associates (17), etc

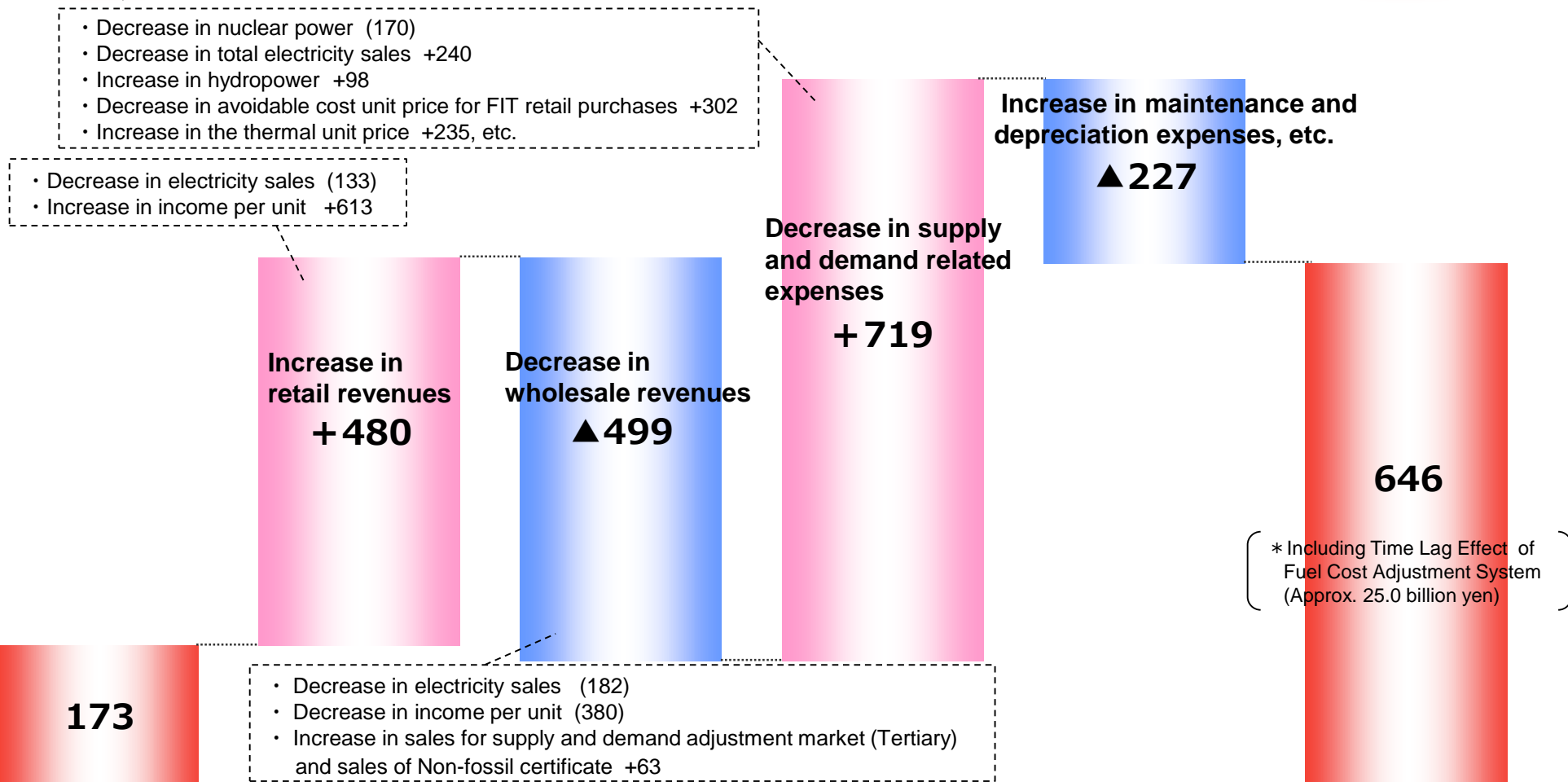
Factors Contributing to Change in Ordinary Profit

(100 million yen)

**FY2022
2Q**

+473

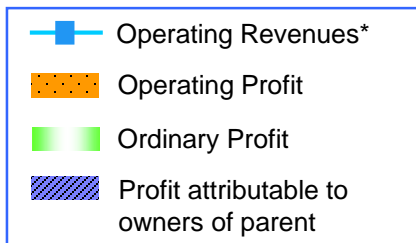
**FY2023
2Q**



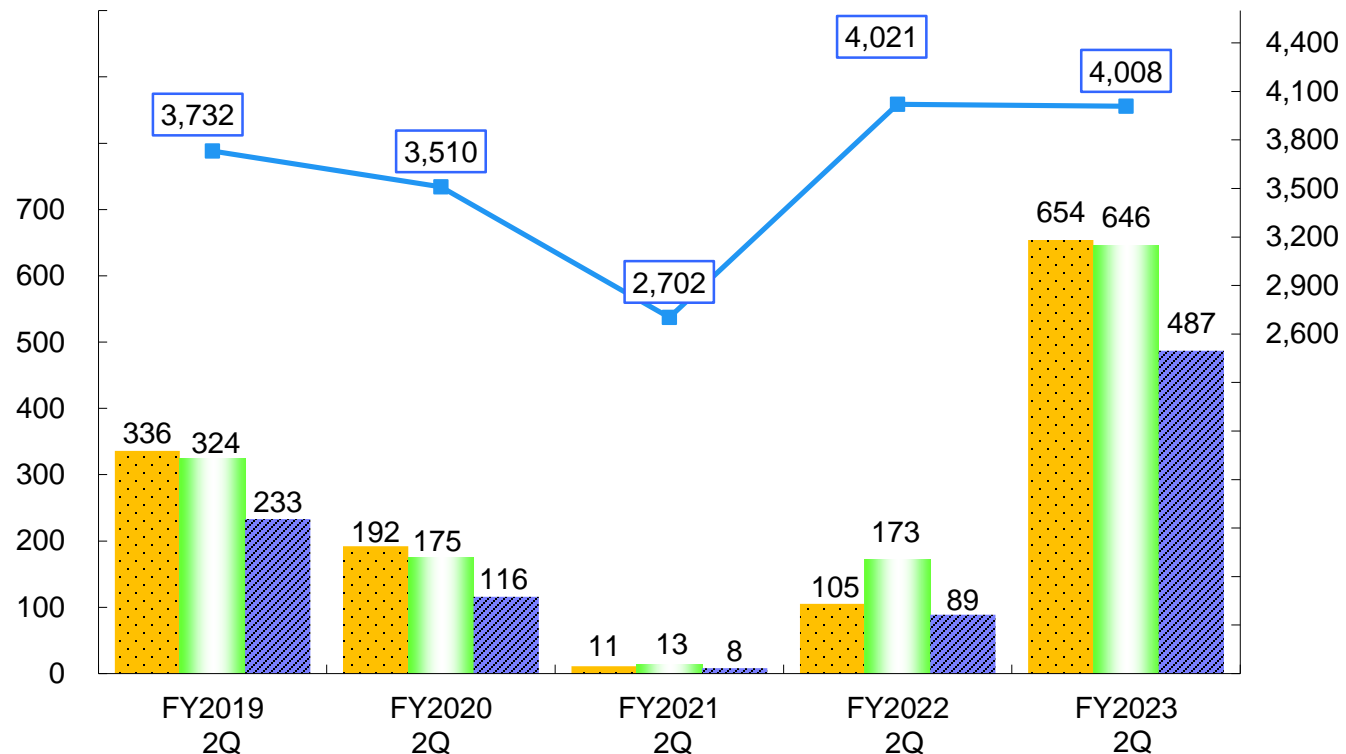
Financial Results in the last 5 fiscal years

(100 million yen)

(100 million yen)



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



Performance Indicators

		FY2019 2Q	FY2020 2Q	FY2021 2Q	FY2022 2Q	FY2023 2Q
Operating Profit Margin	(%)	9.0	5.5	0.4	2.6	16.3
Profit per Share	(yen)	113	57	4	44	237
Ordinary Profit + Interest Expenses	(100 million yen)	356	204	41	204	677

Results by Segment

(100 million yen)

		FY2023 2Q (a)	FY2022 2Q (b)	(a-b)	Main Factors		
Consolidated		Revenues 4,008	4,021	(13)			
		Ordinary Profit 646	173	473	-		
Segment *1	Electric Utility *	Power Generation & Sales	Revenues 3,522	3,432	90	[Increase in retail electricity sales +504 [Decrease in wholesale electricity sales (424), etc. [Increase in sales +90 [Decrease in the cost related to supply and demand +584 [Increase in maintenance cost (94) [Decrease in foreign exchange gains (53) [Increase in depreciation cost (45), etc.	
		Ordinary Profit (loss) *2	456	3	453		
		Transmission & Distribution	Revenues	1,198	1,378	(180)	[Increase in wheeling charges +44 [Decrease in the revenues related to supply and demand adjustment (223), etc. [Decrease in sales (180) [Decrease in the cost related to supply and demand adjustment +197 [Increase in maintenance cost (17), etc.
			Ordinary Profit	93	90	3	
	IT/ Communications	Revenues	236	220	16	- Increase in system development business +17, etc.	
		Ordinary Profit	51	48	3		
	Energy	Revenues	129	112	17	- Increase in LNG sales business +16, etc.	
		Ordinary Profit	30	18	12		[Increase in LNG sales business +25 [Decrease in associates (coal sale) (9), etc.
	Construction/ Engineering	Revenues	233	226	7		
		Ordinary Profit	9	3	6		
Others	Revenues	158	148	10	- Increase in commercial business , etc.		
	Ordinary Profit	6	8	(2)			

*1 Internal transactions are not eliminated.

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

Capital Investment

(100 million yen)

	FY2023 2Q
Electric Utility (Power generation & sales)	127
Electric Utility (Transmission & Distribution)	111
IT/Communications	19
Energy, Construction/Engineering, Others	32
Total (Before the elimination of unrealized profits)	291

(100 million yen)

		FY2023 2Q (a)	FY2022 2Q (a)	(a-b)
Cash Flows from Operating Activities	Ordinary Profit	646	173	/
	Depreciation	293	246	
	Others	(440)	(204)	
	Subtotal	498	216	
Cash Flows from Investing Activities	Capital Expenditures	(414)	(338)	/
	Investments	(45)	(31)	
	Subtotal	(459)	(370)	
Free Cash Flows		39	(154)	193
Cash Flows from Financing Activities	Bonds and Loans	(235)	590	/
	Cash Dividends Paid	—	(30)	
	Subtotal	(235)	558	
Net Increase (Decrease) in Cash and Cash Equivalents		(190)	438	

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

Debt to CF Ratio (times) ^{*1}	18.5	42.5
Interest Coverage Ratio (times) ^{*2}	15.9	7.6

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

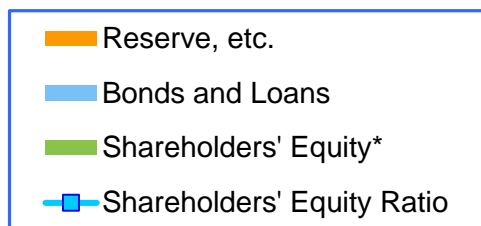
*2) Interest Coverage Ratio: Cash flows from operating activities / Interest expenses

(100 million yen)

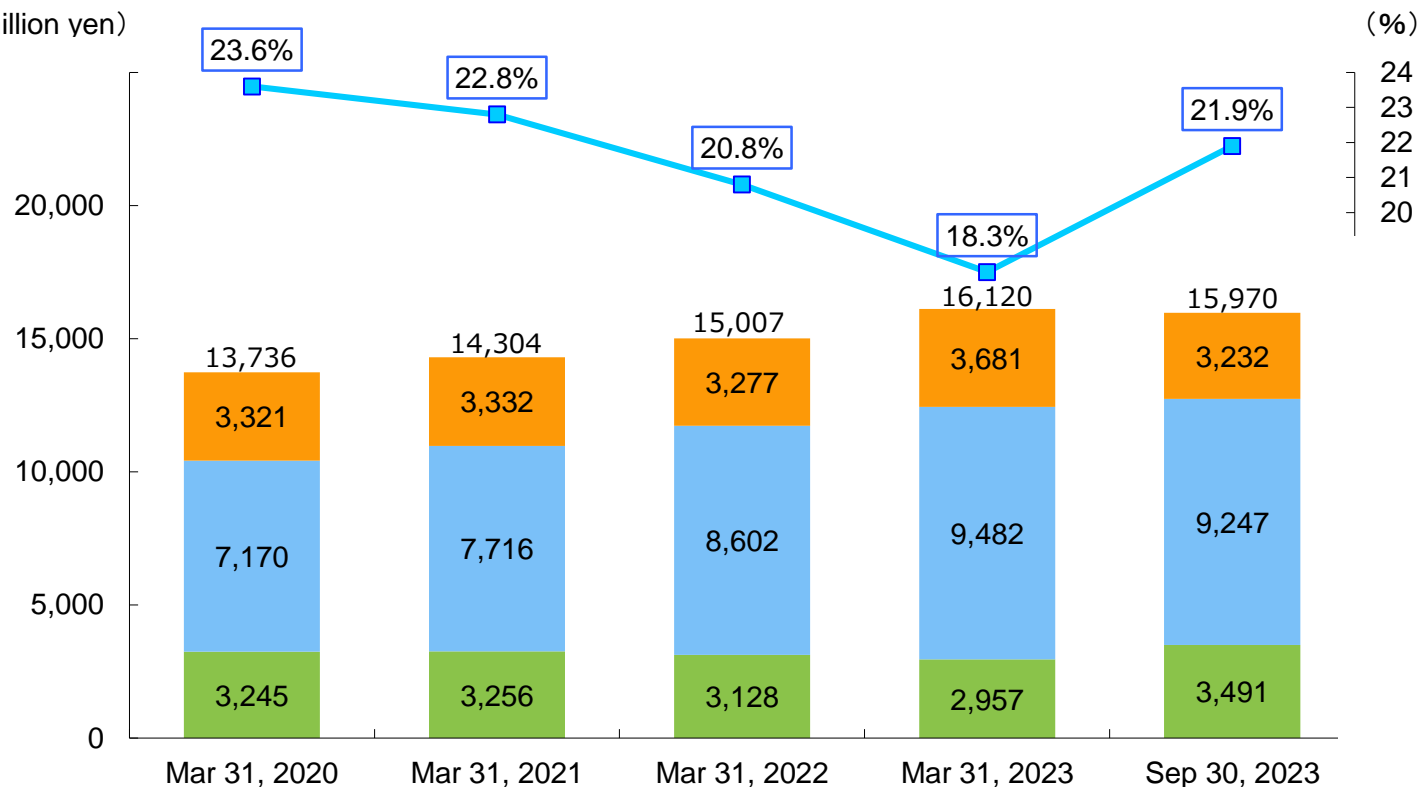
	Sep 30, 2023 (a)	Mar 31, 2023 (b)	(a-b)	Details
Total assets	15,970	16,120	(150)	
<Plant and equipment, and intangible assets (except Special account related to nuclear power decommissioning, Special account related to reprocessing of spent nuclear fuel)>	<8,974>	<9,029>	<(55)>	{ • Capital investment +253 • Depreciation (293), etc.
<Investment, etc.>	<5,731>	<5,834>	<(103)>	{ • Decrease in cash and cash equivalents (190), etc.
Liabilities	12,453	13,137	(684)	
<Bonds and loans>	<9,247>	<9,482>	<(235)>	{ • Decrease in bonds (300) • Increase in long-term loan payable +65
<Others>	<3,205>	<3,654>	<(449)>	{ • Decrease in accounts payable and accrued expenses, etc.
Total net assets	3,517	2,983	534	
<Retained earnings>	<1,827>	<1,340>	<487>	{ • Profit attributable to owners of the parent +487
<Accumulated other comprehensive income>	<206>	<160>	<46>	{ • Increase in foreign currency translation adjustment due to depreciation of yen +35

Liabilities and Total Equity in the last 5 fiscal years

(100 million yen)



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



Financial Indicators

	Mar 31, 2020	Mar 31, 2021	Mar 31, 2022	Mar 31, 2023	Sep 30, 2023
Shareholders' Equity Ratio (%)	23.6	22.8	20.8	18.3	21.9
Interest-Bearing Debts Ratio (times)	2.2	2.4	2.7	3.2	2.6
Book-value per Share (BPS) (yen)	1,578	1,583	1,521	1,438	1,698
Price Book-value Ratio (PBR) (times)	0.5	0.5	0.5	0.5	0.6

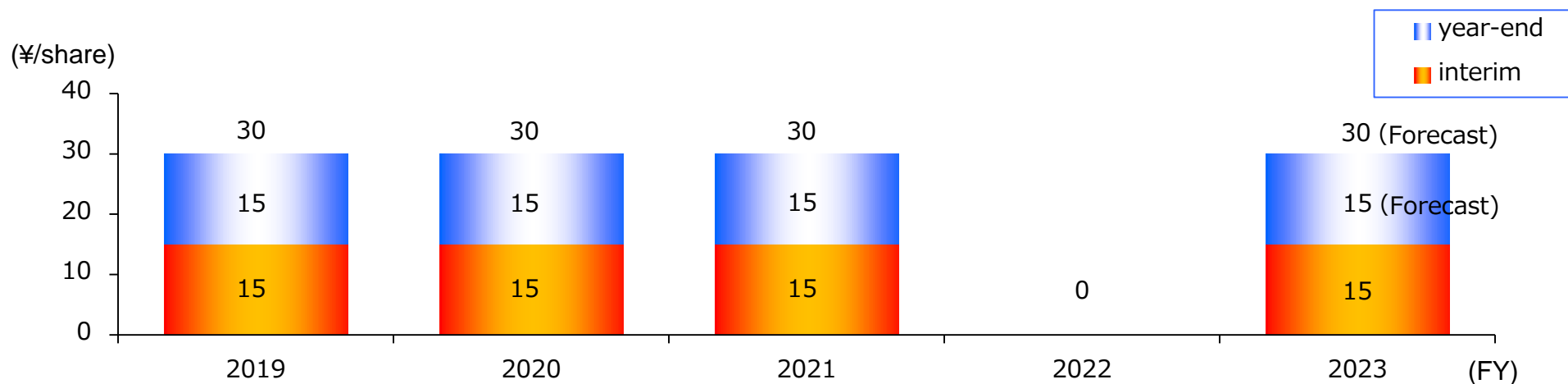
(Note) Interest-Bearing Debts Ratio = Bonds and Loans / Shareholders' Equity

- ❑ 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 FY2023,
 - ✓ The interim dividend is ¥ 15 per share.
 - ✓ The year-end dividend forecast is ¥ 15 per share, too. No change from the forecast announced in May 2023

Dividends per Share

	FY2022	FY2023
Interim	¥0	¥15
Year-end	¥0	¥15 (Forecast)
Total	¥0	¥30 (Forecast)

Dividends per Share (last 5 fiscal years)



II . Forecasts of Consolidated Financial Results & Dividends for FY2023

Financial Results

	(100 million yen)	
	FY2023 (Forecast)	〈Ref.〉 FY2023 (Forecast announced in May 2023)
Operating Revenues	8,320	8,750
Operating Profit	565	350
Ordinary Profit	580	380
Profit attributable to owners of parent	410	285
Profit per Share	¥199	¥138

Electricity Sales

	(100 million yen)	
	FY2023 (Forecast)	〈Ref.〉 FY2023 (Forecast announced in May 2023)
Retail	230	232
Wholesale	95	102
Total	325	334

Fuel Prices / Exchange Rate and Other Factors

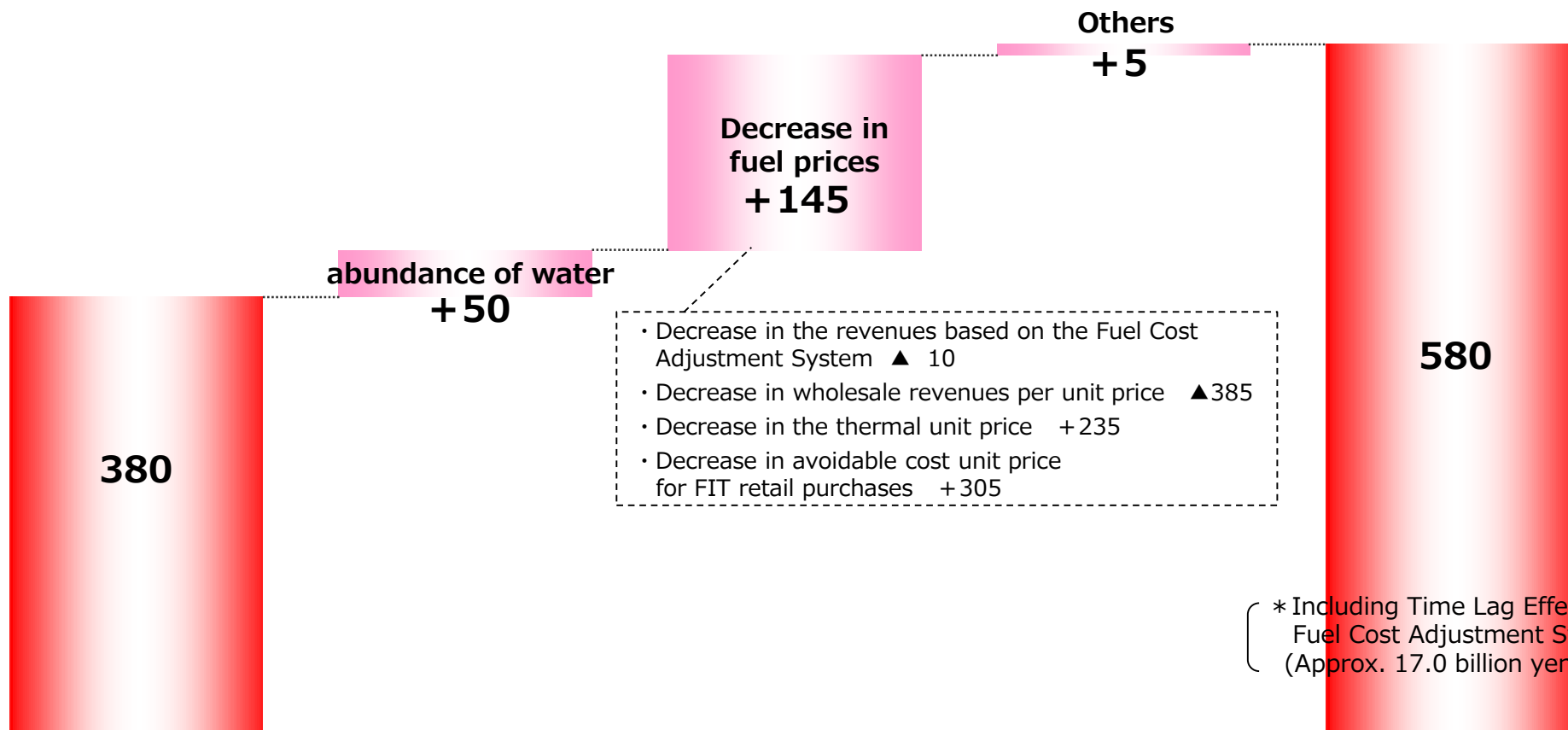
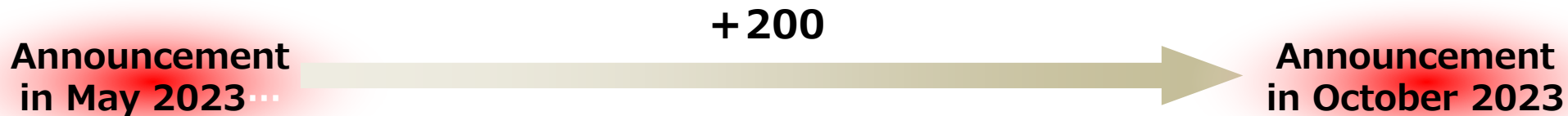
*Figures in parentheses indicate the second half of the fiscal year.

	FY2023 (Forecast)		〈Ref.〉 FY2023 (Forecast announced in May 2023)
Coal CIF Price (\$/t)	(230)	225	(280) 260
Crude oil CIF Price (\$/b)	(95)	90	(95) 90
Exchange Rate (¥/\$)	(150)	145	(135) 135
Nuclear Capacity Factor (%)	No change from the forecast announced in May		87

Dividends per Share

	FY2023 (Forecast)		〈Ref.〉 FY2023 (Forecast announced in May 2023)
Interim	¥15		¥15
Year-end	¥15	(Forecast)	¥15
Total	¥30	(Forecast)	¥30

(100 million yen)



(100 million yen)

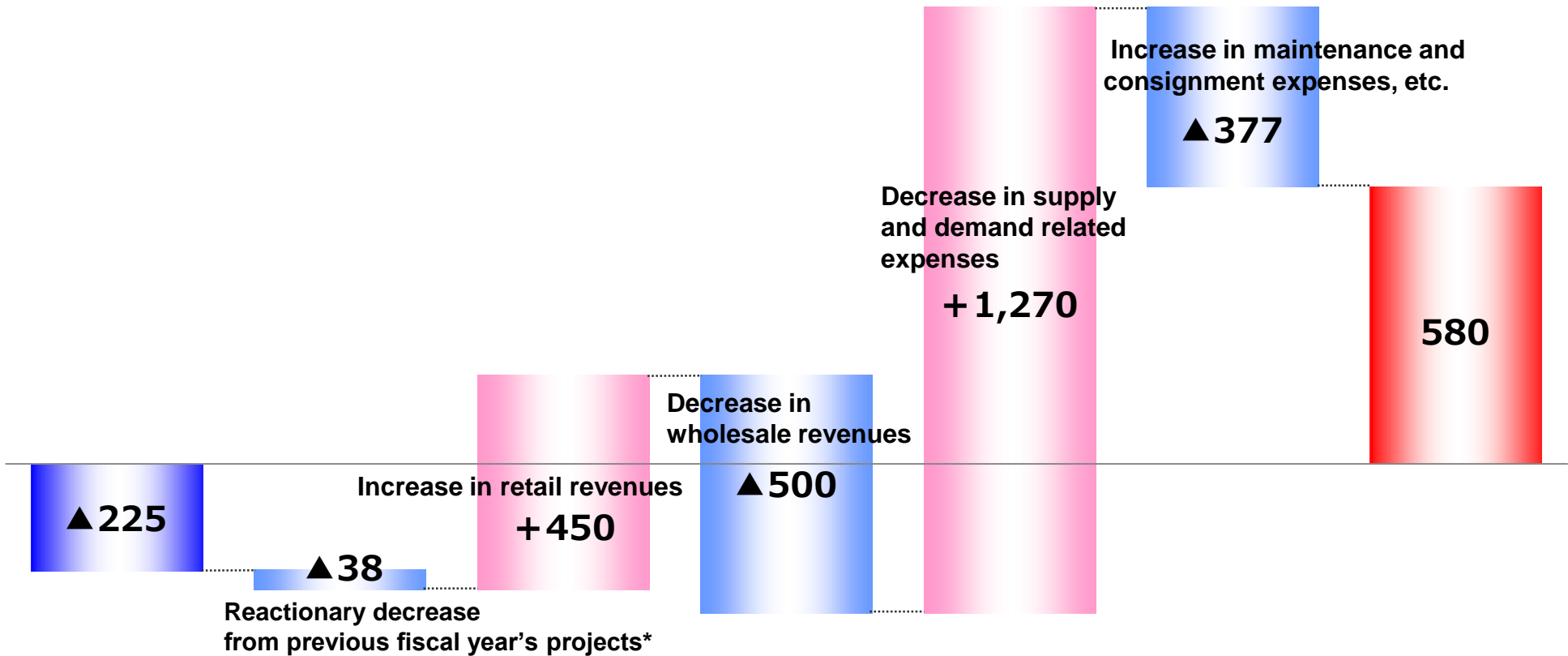
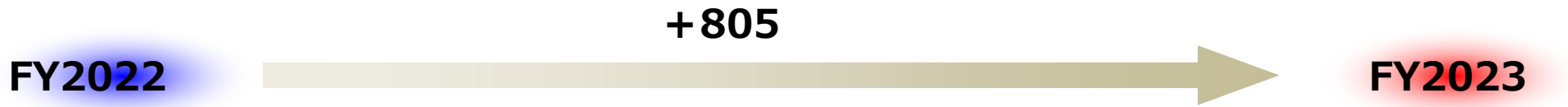
			FY2023 (Forecast)	〈Ref.〉 FY2023 (Forecast announced in May 2023)
Consolidated		Revenues	8,320	8,750
		Ordinary Profit	580	380
Segment *1	Electric Utility	Power Generation & Sales	Revenues 7,090 Ordinary Profit *2 280	7,380 80
		Transmission & Distribution	Revenues 2,460 Ordinary Profit 120	2,640 120
	IT/ Communications		Revenues Ordinary Profit	480 80
	Energy		Revenues Ordinary Profit	275 45
	Construction/ Engineering		Revenues Ordinary Profit	605 35
	Others		Revenues Ordinary Profit	360 20
				No change from the forecast announced in May

*1 Internal transactions are not eliminated.

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

〈Ref〉 Forecast of Ordinary Profit for FY2023
 (Factors Contributing to Change from FY2022 results)

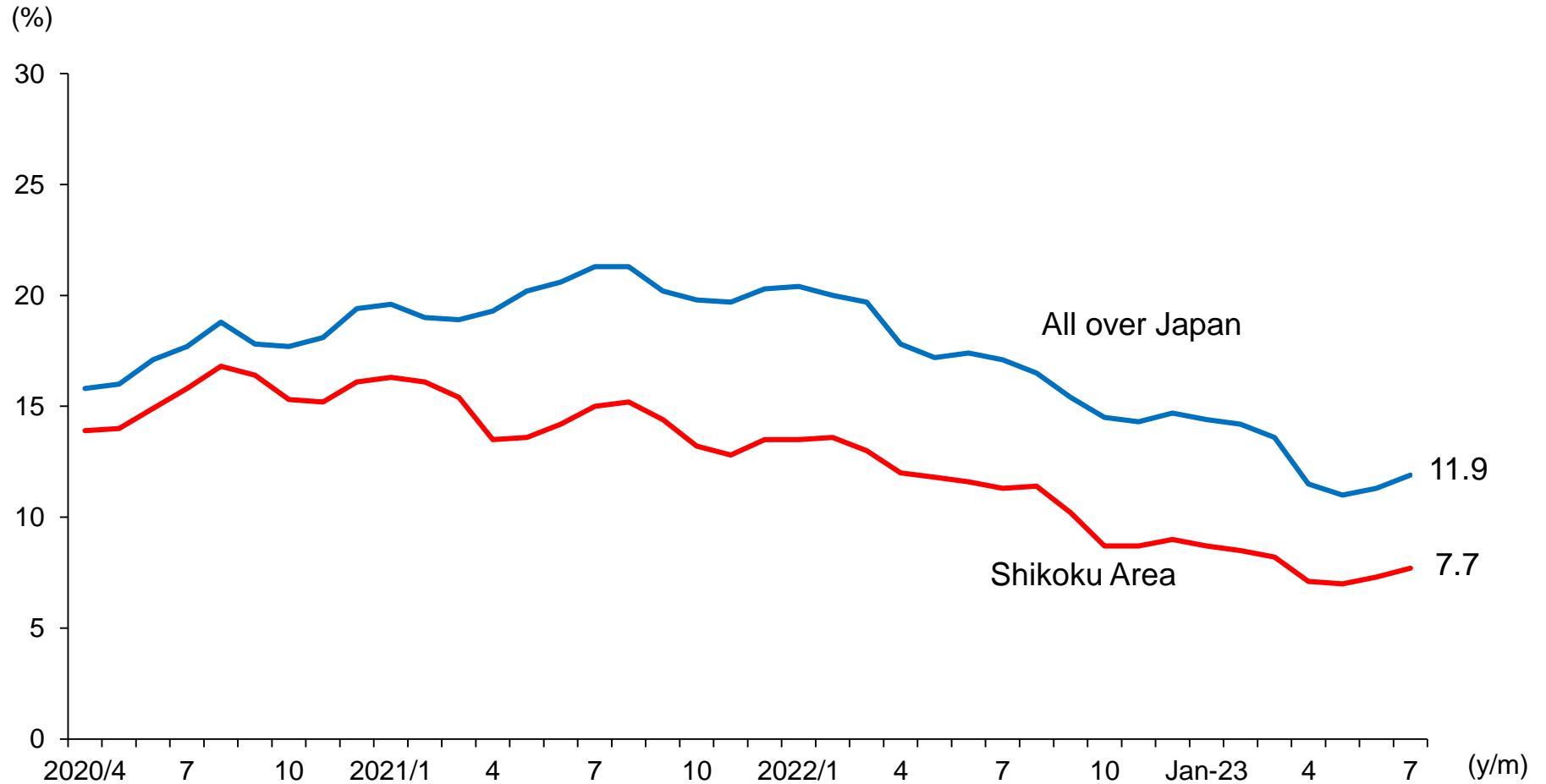
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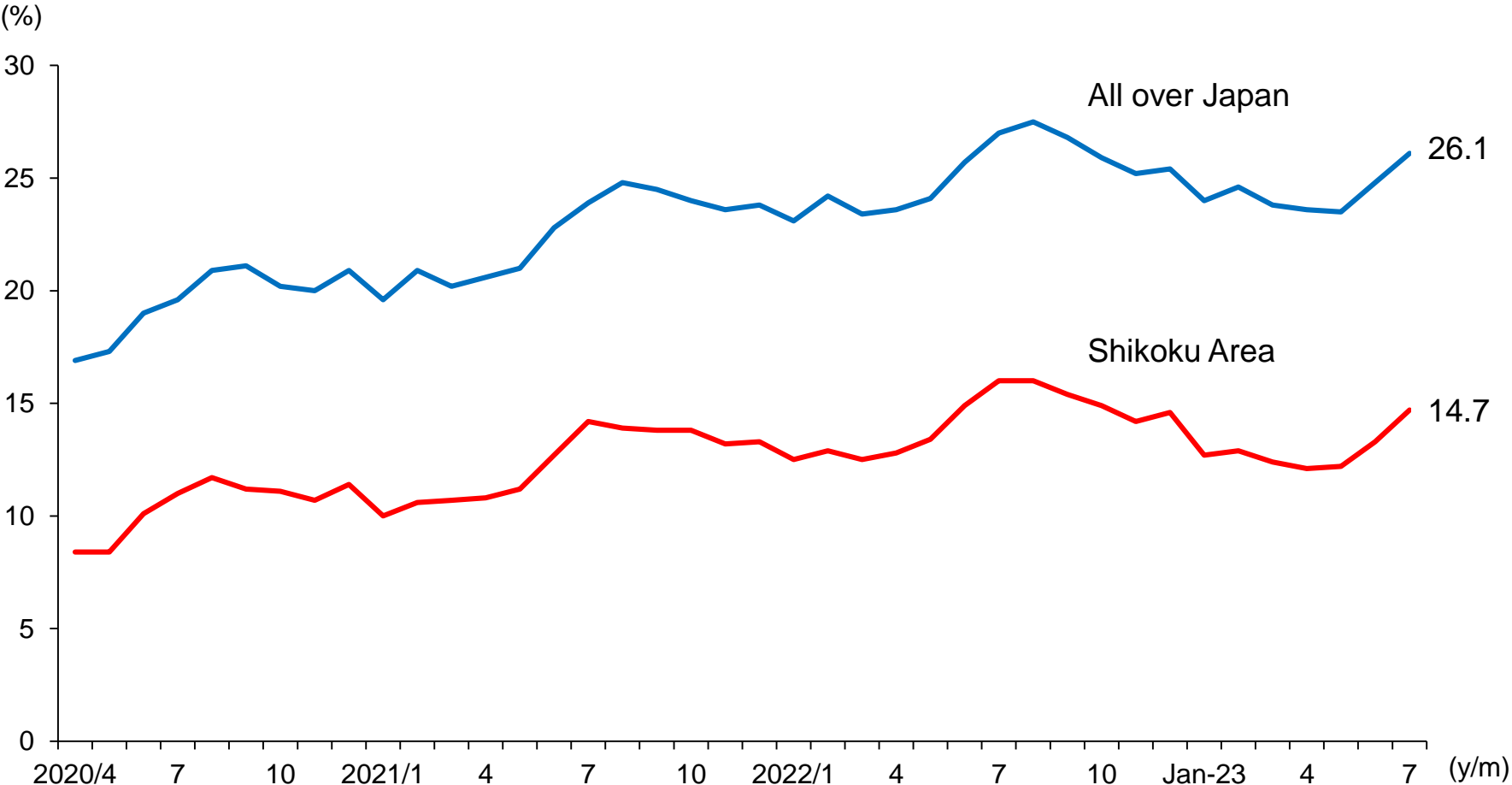
* [Reactionary decrease of cost reduction only for FY2022 ▲226
 [Reactionary increase of losses on investments in international businesses in FY2022 +188

Supplemental Material for FY2023 2Q

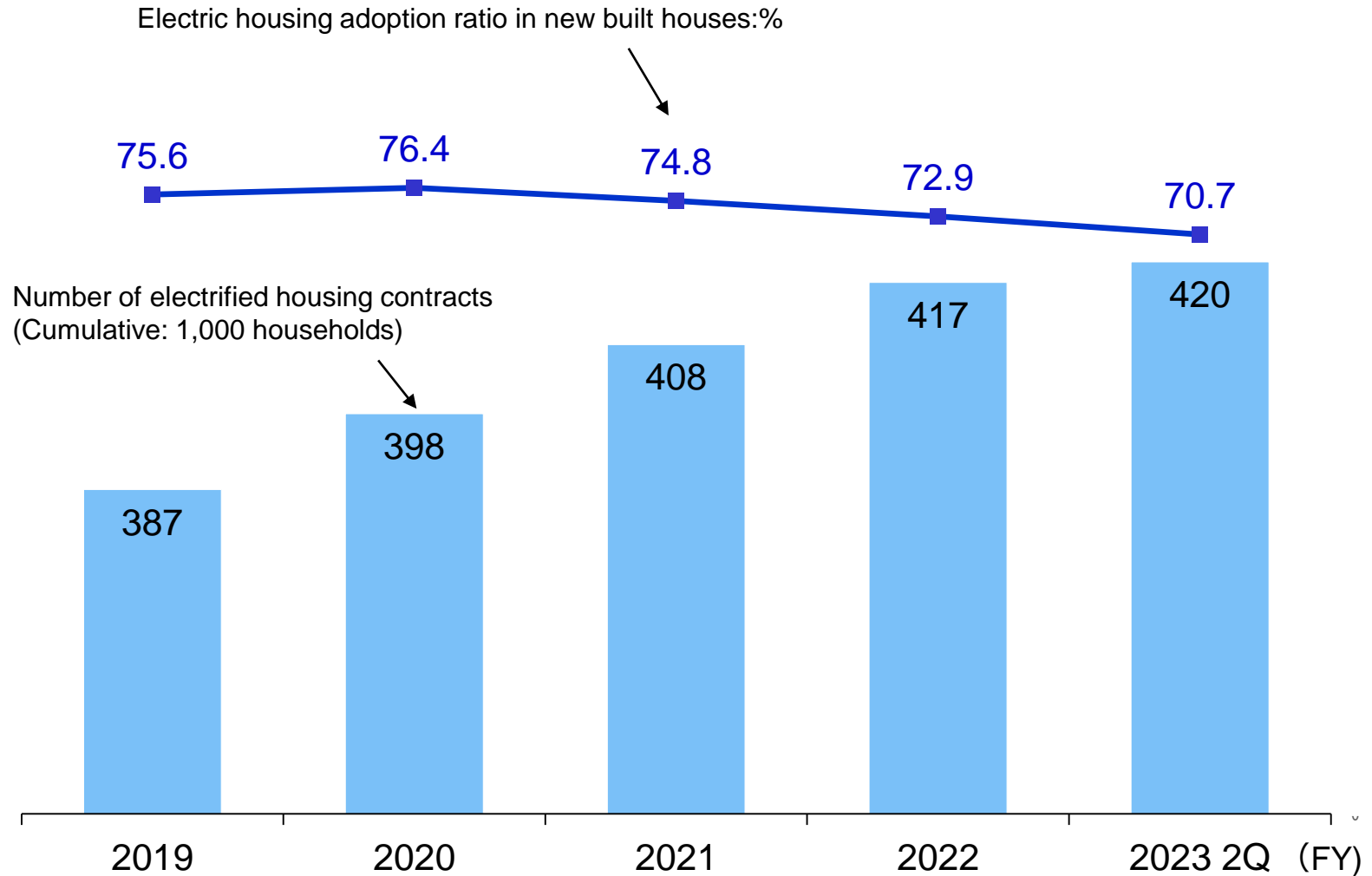
- Retail Sales Power Share of Power Producer and Supplier [PPS]
(Extra high, High, Low Voltage : Shikoku Area)
- Changes in the Number of Electrified Housing Contracts
(Cumulative : Shikoku Area)
- Consumption of Fossil Fuels
- Flow Rate, Financial Sensitivity for Key Factors
- Time Lag Effect of Fuel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



(Source) Electricity and Gas Market Surveillance Commission “ Electricity transaction report ”



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

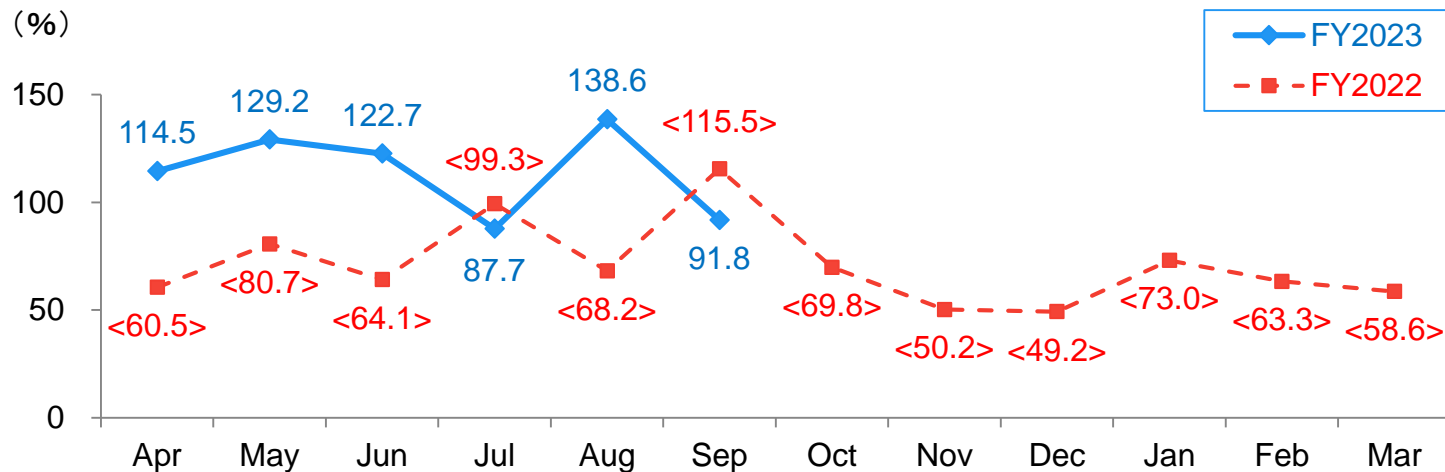


	FY2023 2Q (A)	FY2022 2Q (B)	(A-B)
Coal (10,000t)	128.9	111.9	17.0
Heavy Oil (10,000kl)	9.7	24.6	(14.9)
LNG (10,000t)	18.1	21.5	(3.4)

【Fuel Prices】

	FY2023 2Q (A)	FY2022 2Q (B)	(A-B)
CIF price: Coal (\$/t)	221	345	(124)
CIF price: Crude Oil (\$/b)	84	112	(28)
CIF price: LNG (\$/t)	637	926	(289)
Exchange rate (¥/\$)	141	134	7

Flow Rate



Financial Sensitivity for Key Factors

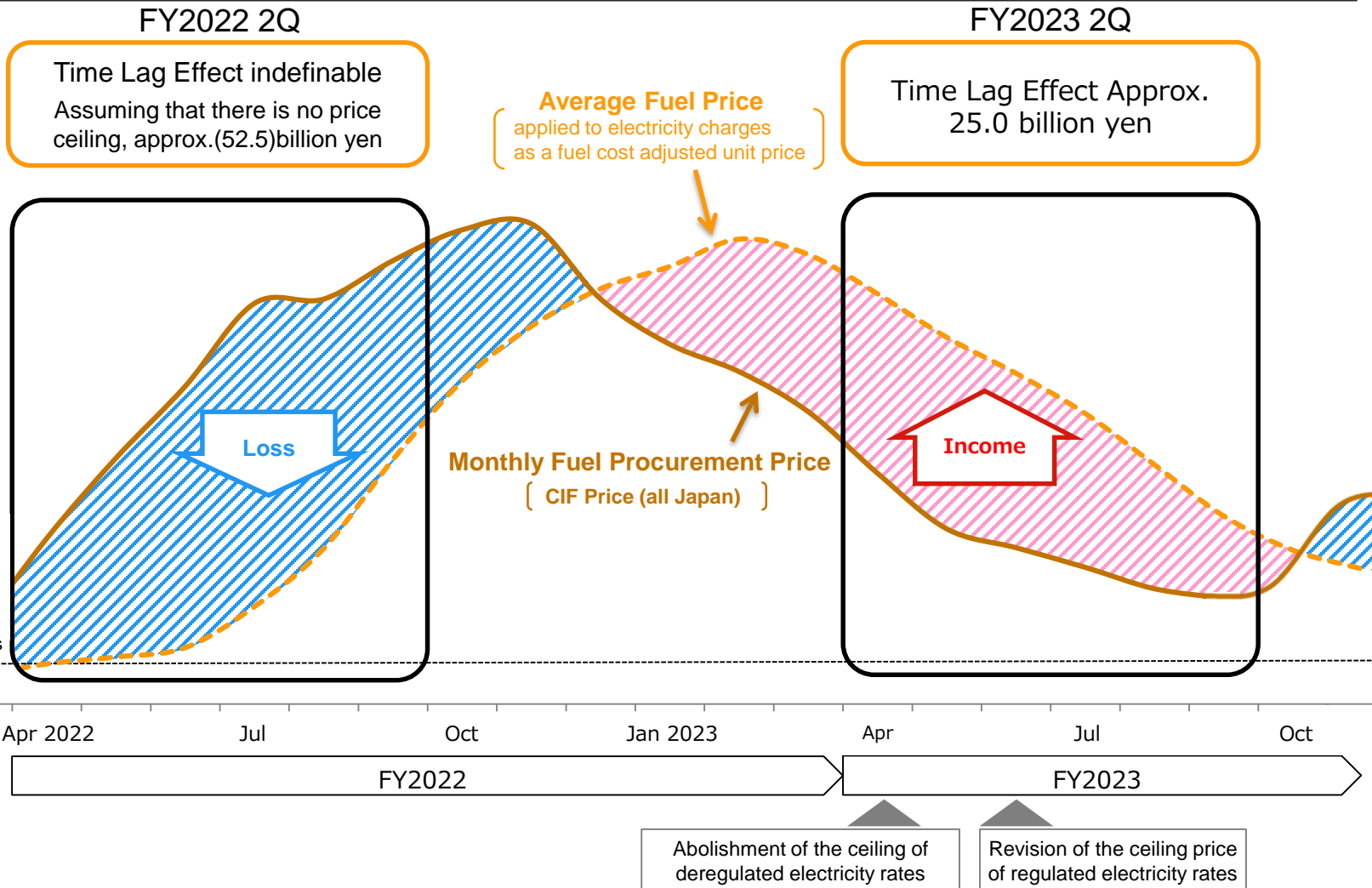
(100 million yen)

	FY2023 2Q
CIF price: coal (1\$/t)	3
CIF price: crude oil (1\$/b)	1
Exchange rate (¥1/\$)	6
Nuclear power capacity factor (1%)	6
Flow Rate (1%)	3

Time Lag Effect of Fuel Cost Adjustment System

○ Time Lag Effect of FY2023 2Q is Approx. 25.0 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.



(100 million yen)

	FY2023 2Q	FY2022 2Q
Power Generation & Sales	127	158
Renewable energy	19	8
Thermal	45	122
Nuclear	30	15
Nuclear fuel	29	7
Transmission & Distribution	111	139
Transmission	31	36
Transformation	30	49
Distribution	43	44
Electric power business	239	297
Other business	52	48
Total*	291	345

* 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.