

FY2023 3Q Financial Results Outline

(April 1, 2023 – December 31, 2023)

January 30, 2024

SHIKOKU ELECTRIC POWER CO.,INC.

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Overview of Consolidated Financial Results

【 Financial Results for FY 2023 3Q】

- ❑ Operating revenues decreased by ¥ 26.5 billion YoY, to ¥ 578.1 billion. 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 ¥ 105.9 billion YoY, to ¥ 499.5 billion. The main factors were as follows;
 - ✓ The cost related to demand and supply decreased due to lower fuel prices and decreasing the volume of total electricity sales, despite the repair expenses and depreciation expenses increased, etc.
- ❑ As a result,
 - ✓ Operating profit increased by ¥ 79.3 billion YoY, to ¥ 78.5 billion.
 - ✓ Ordinary profit increased by ¥ 70.7 billion YoY, to ¥ 78.4 billion.
 - ✓ Profit attributable to owners of parent increased by ¥ 54.4 billion YoY, to ¥ 56.2 billion.

【 Forecasts of Financial Results for FY 2023】

No change from the forecast announced in October 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 (loss) 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 year-end dividend forecast is planned to be ¥ 15 per share, the same amount as the interim dividend.
〈The annual dividend forecast is ¥ 30 per share〉

I . Consolidated Financial Results for FY2023 3Q (April 1, 2023 – December 31, 2023)

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

(100 million yen)

	FY2023 3Q (a)	FY2022 3Q (b)	(c)=(a)-(b)	(c)/(b)
Operating Revenues	5,781	6,046	(265)	(4.4)%
Operating Expenses	4,995	6,054	(1,059)	(17.5)%
Operating Profit (Loss)	785	(8)	793	-
Non-Operating Profit (Loss)	(1)	85	(86)	
Ordinary Profit	784	77	707	Approx. 10x
Income Taxes, etc.	221	58	163	
Profit attributable to owners of parent	562	18	544	Approx. 30x
Profit per Share	274 yen	9 yen	265 yen	Approx. 30x

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

(million kWh)

	FY2023 3Q (a)	FY2022 3Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Retail	16,209	17,125	(916)	(5.3)%	<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	5,084	5,233	(149)	(2.8)%	
Power	11,125	11,892	(767)	(6.4)%	
Wholesale	6,053	7,410	(1,357)	(18.3)%	• Decrease in power supply due to periodic inspections of thermal power plant, etc.
Total	22,263	24,536	(2,273)	(9.3)%	

(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.
FY2023 3Q	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

(°C)

	Oct	Nov	Dec	3-month AVG.
FY2023 3Q	19.4	14.3	9.1	10.7
Differences from the average year	0.1	0.6	0.5	0.3
Differences from the previous year	0.2	(1.2)	1.7	0.2

Electricity Supplied

		(million kWh)				
		FY2023 3Q (a)	FY2022 3Q (b)	(c)=(a)-(b)	(c)/(b)	Details
Own Generated Power	Nuclear	4,586	5,785	(1,199)	(20.7)%	· Capacity factor of Ikata Unit No.3 102.7% → 81.4%
	Hydro	1,801	1,498	303	20.3%	· Flow Rate 76.2% → 95.4%
	Renewable Energy	3	3	0	25.4%	
	Thermal	7,476	7,995	(519)	(6.5)%	
Purchased Power		9,778	10,841	(1,063)	(9.8)%	
Repost (Hydro)		< 971>	< 728>	< 243>	<33.4%>	
Repost (Renewable Energy)		<4,327>	<4,071>	< 256>	< 6.3%>	

(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.

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

(100 million yen)

	FY2023 3Q (a)	FY2022 3Q (b)	Change	
			(c)=(a)-(b)	(c)/(b)
Electricity Sales(Retail) *1	4,017	3,575	442	12.4%
Electricity Sales(Wholesale)	816	1,521	(705)	(46.4)%
Others	293	287	6	2.0%
Electric Operating Revenues	5,127	5,384	(257)	(4.8)%
Other Operating Revenues	654	661	(7)	(1.2)%
Operating Revenues	5,781	6,046	(265)	(4.4)%
Personnel	348	347	1	0.2%
Fuel	1,198	1,484	(286)	(19.3)%
Power Purchase	1,057	2,054	(997)	(48.6)%
Depreciation	384	329	55	16.9%
Maintenance	517	337	180	53.2%
Nuclear Back-end	109	127	(18)	(13.7)%
Others	832	791	41	5.2%
Electric Operating Expenses	4,447	5,471	(1,024)	(18.7)%
Other Operating Expenses	547	583	(36)	(6.0)%
Operating Expenses	4,995	6,054	(1,059)	(17.5)%
Operating Profit (Loss)	785	(8)	793	-
Non-Operating Profit (Loss)	(1)	85	(86)	
Ordinary Profit	784	77	707	Approx. 10x
Income Taxes, etc.	221	*258	163	
Profit attributable to owners of parent	562	18	544	Approx. 30x

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

*2 In FY2022, a portion of deferred tax assets was reversed and ¥ 3.1 billion was recorded as income taxes.

① 【Electricity Sales(Retail)】

- Decrease in electricity sales (191)
- Increase in income per unit +633

② 【Electricity Sales (Wholesale)】

- Decrease in electricity sales (265)
- Decrease in income per unit (502)
- Increase in sales for supply and demand adjustment market (Tertiary) and sales of Non-fossil certificate +62

③ 【Fuel, Power Purchase】 (1,283)

- Decrease in nuclear power +160
- Decrease in total electricity sales (324)
- Increase in hydropower (77)
- Decrease in the thermal unit price (621)
- Decrease in avoidable cost unit price for FIT retail purchases (371), etc.

		FY2023 3Q (a)	FY2022 3Q (b)	(a-b)
CIF Price (all Japan)	Coal (\$/t)	206	359	(153)
	Crude Oil (\$/b)	87	108	(21)
	LNG (\$/t)	639	945	(306)
Exchange Rate (¥/\$)		143	137	6

④ 【Depreciation】

- Increase in depreciation of unit No.1 of Saijo thermal power station +58, etc.

⑤ 【Maintenance】

- Increase in the maintenance cost related to thermal power +77
- 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

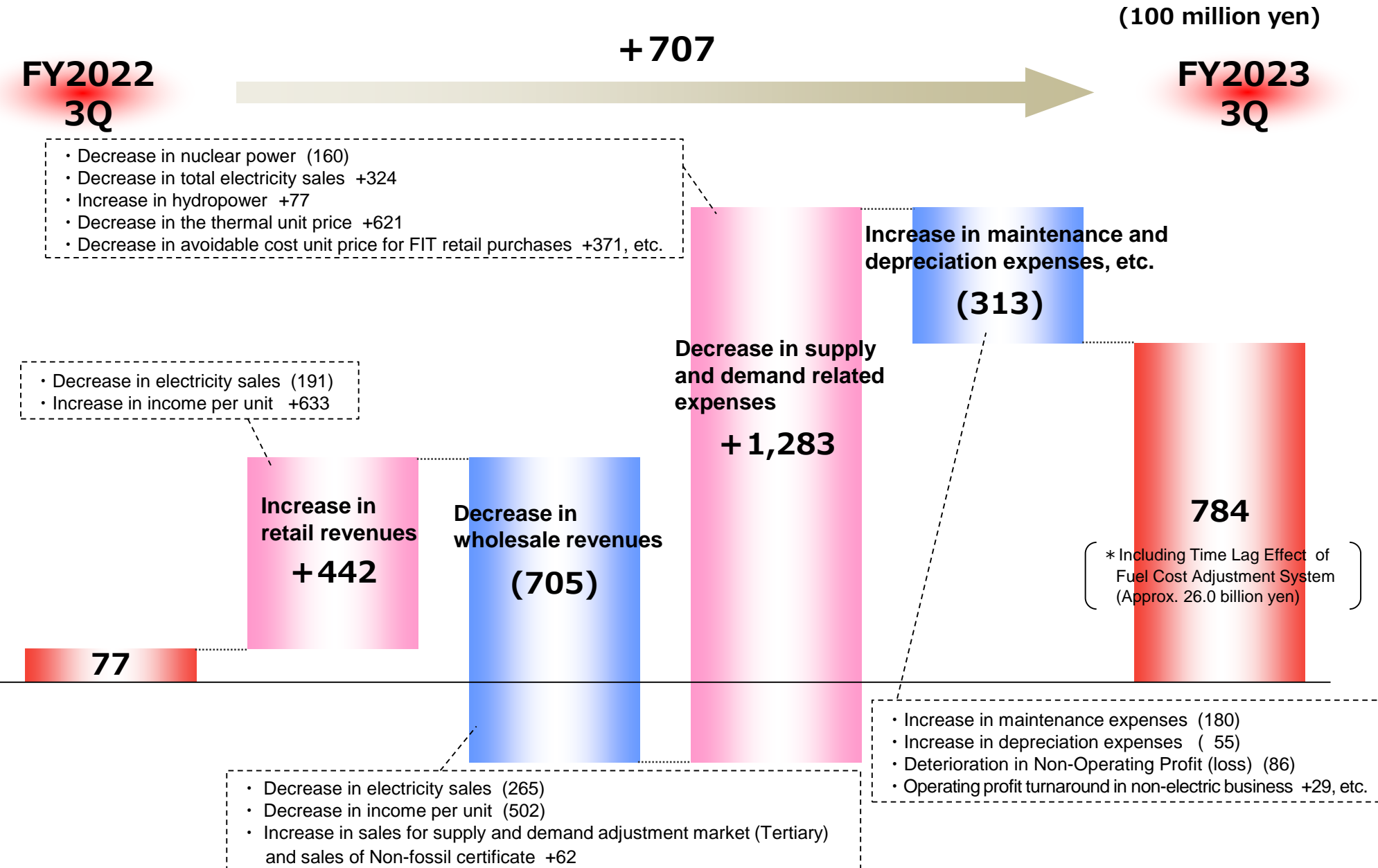
⑦ 【Others】

- Increase in commission expenses +31, etc.

⑧ 【Non-Operating Profit (Loss)】

- Decrease in foreign exchange gains (66)
- Impairment losses on stock of subsidiaries and associates (17), etc

Factors Contributing to Change in Ordinary Profit



Results by Segment

		(100 million yen)				
		FY2023 3Q (a)	FY2022 3Q (b)	(a-b)	Main Factors	
Consolidated		Revenues 5,781	6,046	(265)	-	
		Ordinary Profit 784	77	707		
Segment *1	Electric Utility *	Power Generation & Sales	Revenues 5,003	5,155	(152)	Increase in retail electricity sales +473 Decrease in wholesale electricity sales (644), etc. Decrease in sales (152) Decrease in the cost related to supply and demand +1,119 Increase in maintenance cost (154) Decrease in foreign exchange gains (66) Increase in depreciation cost (60), etc.
			Ordinary Profit (Loss) *2 497	(131)	628	
		Transmission & Distribution	Revenues 1,778	2,012	(234)	Increase in wheeling charges +77 Decrease in the revenues related to supply and demand adjustment (310), etc. Decrease in sales (234) Decrease in the cost related to supply and demand adjustment +314 Increase in maintenance cost (26), etc.
			Ordinary Profit 133	95	38	
	IT/Communications		Revenues 354	334	20	- Increase in system development business +20, etc.
			Ordinary Profit 79	73	6	- Increase in system development business + 5, etc.
	Energy		Revenues 190	177	13	- Increase in LNG sales business +12, etc.
			Ordinary Profit 42	20	22	- Increase in LNG sales business +22, etc.
	Construction/Engineering		Revenues 377	323	54	Increase in contract work, etc.
			Ordinary Profit 20	8	12	
Others		Revenues 247	246	1		
		Ordinary Profit 16	14	2		

*1 Internal transactions are not eliminated.

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

Capital Investment

(100 million yen)

	FY2023 3Q
Electric Utility (Power generation & sales)	212
Electric Utility (Transmission & Distribution)	188
IT/Communications	30
Energy, Construction/Engineering, Others	40
Total (Before the elimination of unrealized profits)	472

(100 million yen)

	Dec 31, 2023 (a)	Mar 31, 2023 (b)	(a-b)	Details
Total assets	16,047	16,120	(73)	
<Plant and equipment, and intangible assets (except Special account related to nuclear power decommissioning, Special account related to reprocessing of spent nuclear fuel)>	<8,977>	<9,029>	<(52)>	<ul style="list-style-type: none"> • Capital investment +416 • Depreciation (440), etc.
<Investment, etc.>	<5,807>	<5,834>	<(27)>	
Liabilities	12,457	13,137	(680)	
<Bonds and loans>	<9,222>	<9,482>	<(260)>	<ul style="list-style-type: none"> • Decrease in bonds (300) • Increase in long-term loan payable +40
<Others>	<3,234>	<3,654>	<(420)>	
Total net assets	3,589	2,983	606	
<Retained earnings>	<1,872>	<1,340>	<532>	<ul style="list-style-type: none"> • Profit attributable to owners of the parent +562 • Interim dividend payment (30)
<Accumulated other comprehensive income>	<233>	<160>	<73>	
Shareholders' equity ratio	22.2%	18.3%	3.9%	

II . Forecasts of Consolidated Financial Results & Dividends for FY2023

No change from the forecast announced in October 2023

Financial Results

	(100 million yen)	
	FY2023 (Forecast announced in October)	〈Ref.〉 FY2022 results
Operating Revenues	8,320	8,332
Operating Profit (Loss)	565	(122)
Ordinary Profit (Loss)	580	(225)
Profit (Loss) attributable to owners of parent	410	(228)
Profit (Loss) per Share	¥199	¥(111)

Electricity Sales

	(100 million yen)	
	FY2023 (Forecast announced in October)	〈Ref.〉 FY2022 results
Retail	230	234
Wholesale	95	93
Total	325	328

Dividends per Share

	FY2023 (Forecast announced in May)	
	FY2023 (Forecast announced in May)	〈Ref.〉 FY2022 results
Interim	¥15	¥0
Year-end	¥15 (Forecast)	¥0
Total	¥30 (Forecast)	¥0

Fuel Prices / Exchange Rate and Other Factors

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

	FY2023 (Forecast announced in October)	
	FY2023 (Forecast announced in October)	〈Ref.〉 FY2022 results
Coal CIF Price (\$/t)	(230) 225	359
Crude oil CIF Price (\$/b)	(95) 90	103
Exchange Rate (¥/\$)	(150) 145	135
Nuclear Capacity Factor (%)	87	92

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

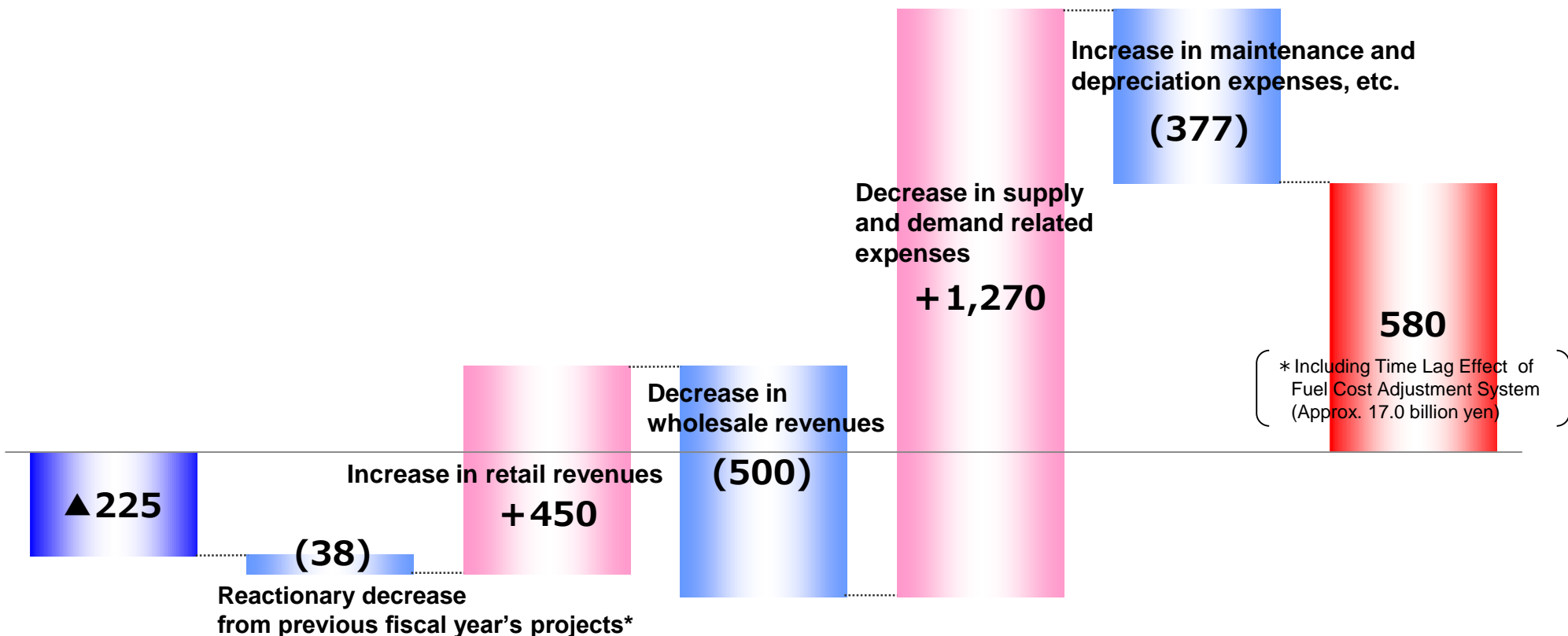
No change from the forecast announced in October 2023

(100 million yen)

+ 805

FY2022

FY2023



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

(100 million yen)

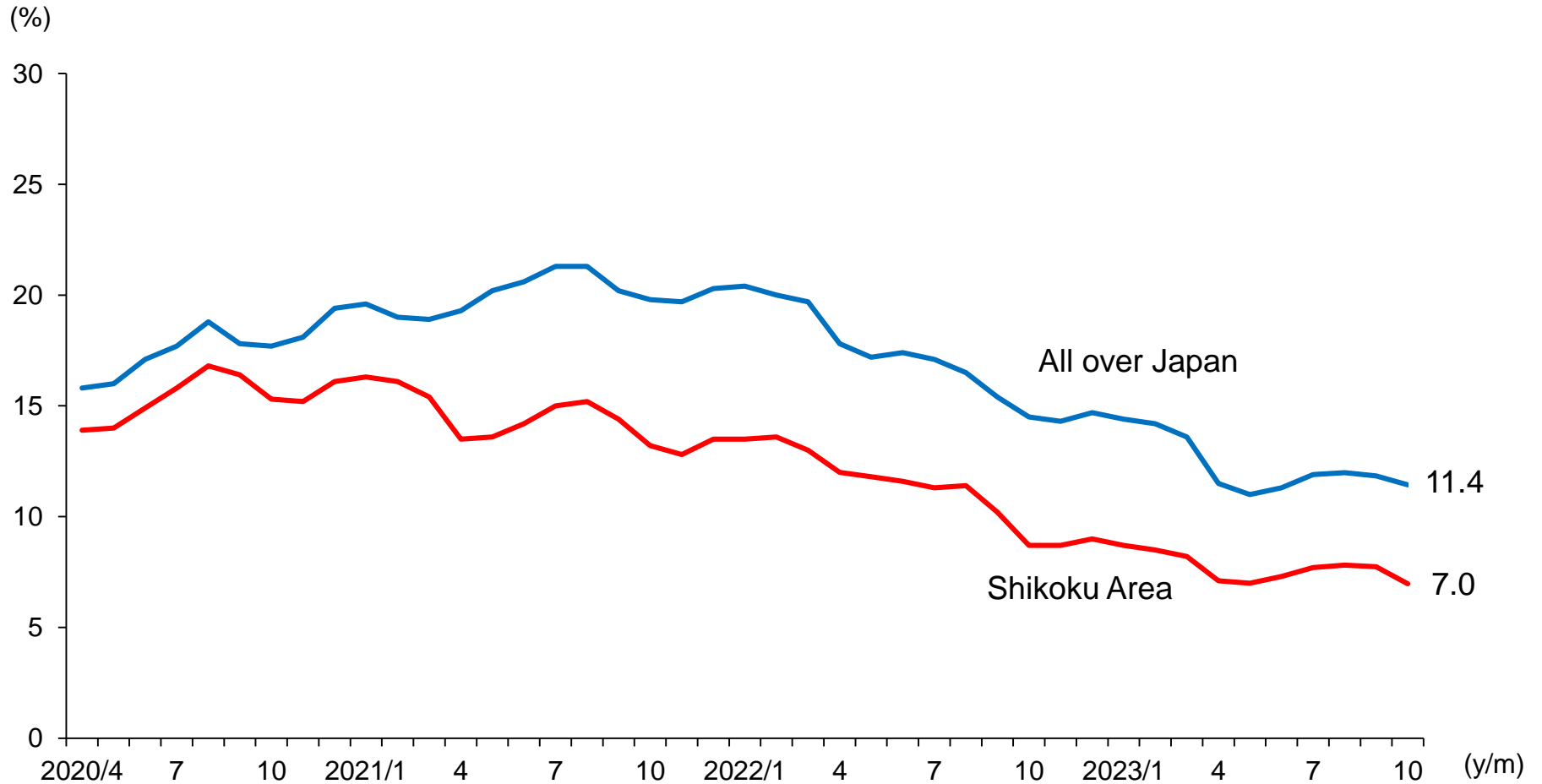
			FY2023 (Forecast)	〈Ref.〉 FY2022 results	
Consolidated		Revenues	8,320	8,332	
		Ordinary Profit (Loss)	580	(225)	
Segment *1	Electric Utility	Power Generation & Sales	Revenues	7,090	7,090
			Ordinary Profit (Loss) *2	280	(289)
		Transmission & Distribution	Revenues	2,460	2,662
			Ordinary Profit	120	72
	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.

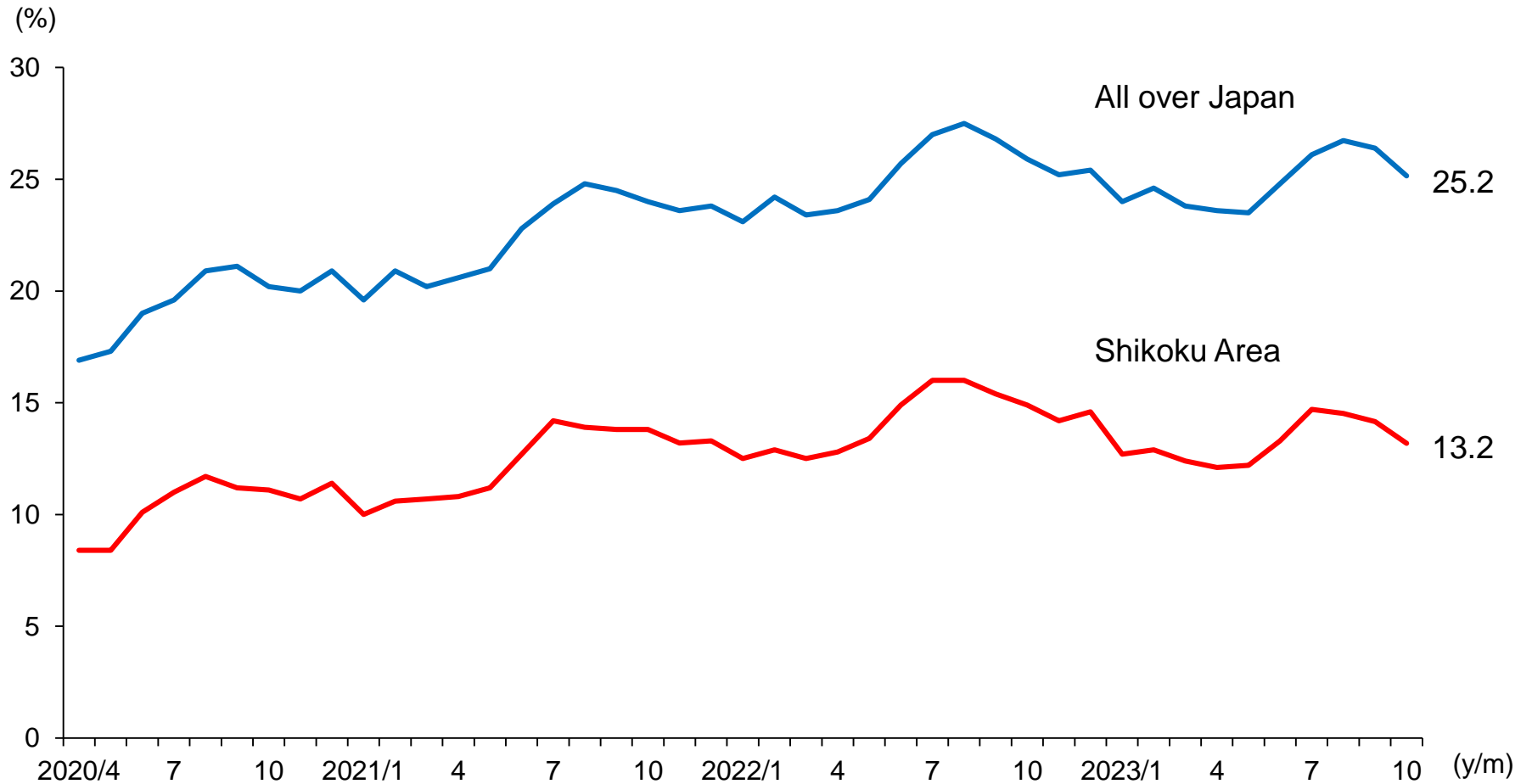
*2 Excludes dividends received from consolidated subsidiaries and equity method affiliates.

Supplemental Material for FY2023 3Q

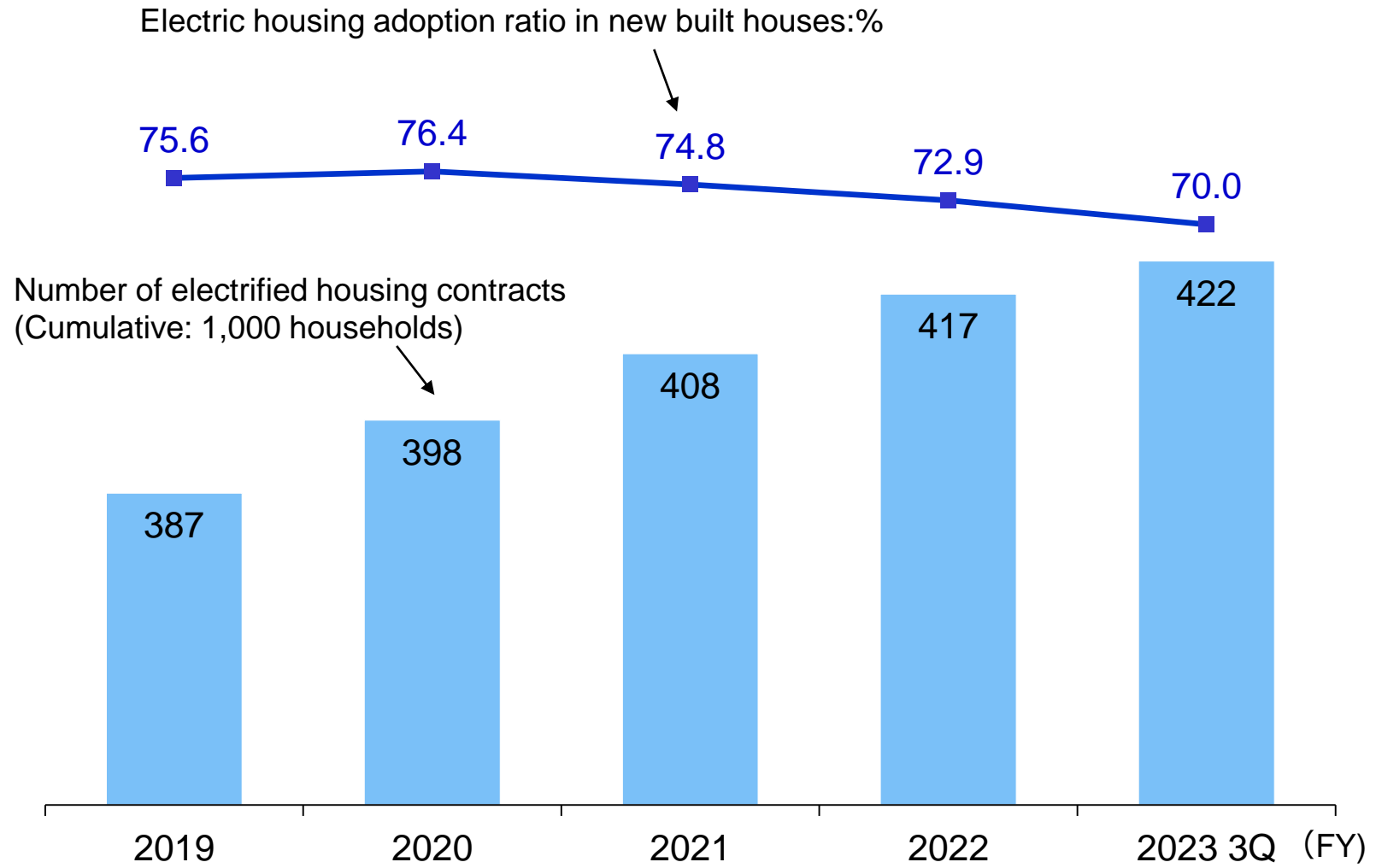
- Retail Sales Power Share of Power Producer and Supplier [PPS] (Extra high, High, Low Voltage : Shikoku Area)
- Changes in the Number of Electrified Housing Contracts (Cumulative : Shikoku Area)
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- Flow Rate, Financial Sensitivity for Key Factors
-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



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



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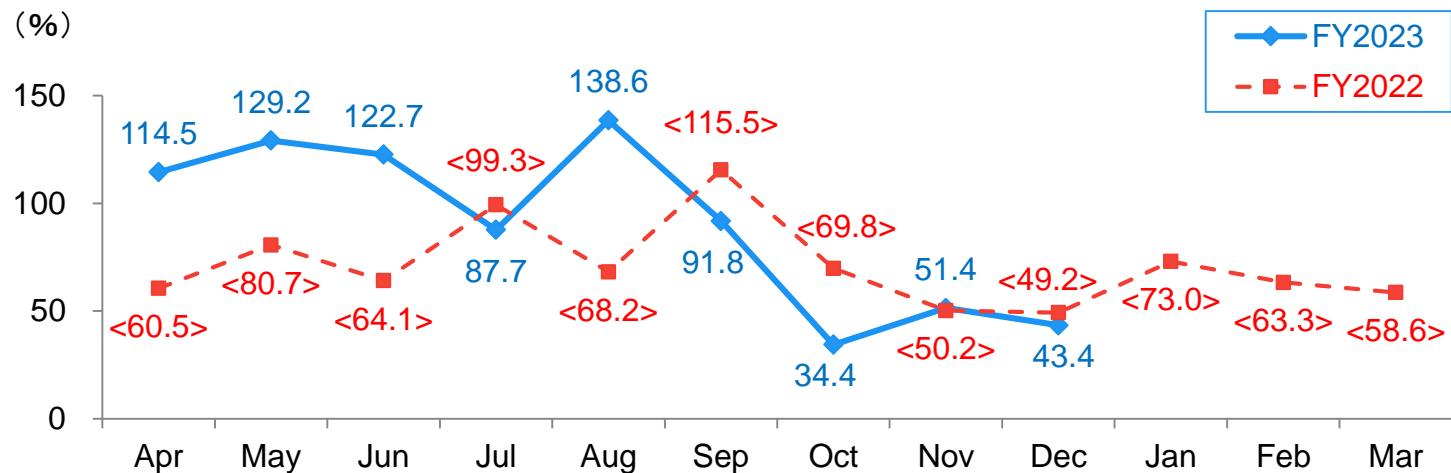


	FY2023 3Q (A)	FY2022 3Q (B)	(A-B)
Coal (10,000t)	170.3	160.1	10.2
Heavy Oil (10,000kl)	13.5	32.4	(18.9)
LNG (10,000t)	24.2	28.9	(4.7)

【Fuel Prices】

	FY2023 3Q (A)	FY2022 3Q (B)	(A-B)
CIF price: Coal (\$/t)	206	359	(153)
CIF price: Crude Oil (\$/b)	87	108	(21)
CIF price: LNG (\$/t)	639	945	(306)
Exchange rate (¥/\$)	143	137	6

Flow Rate



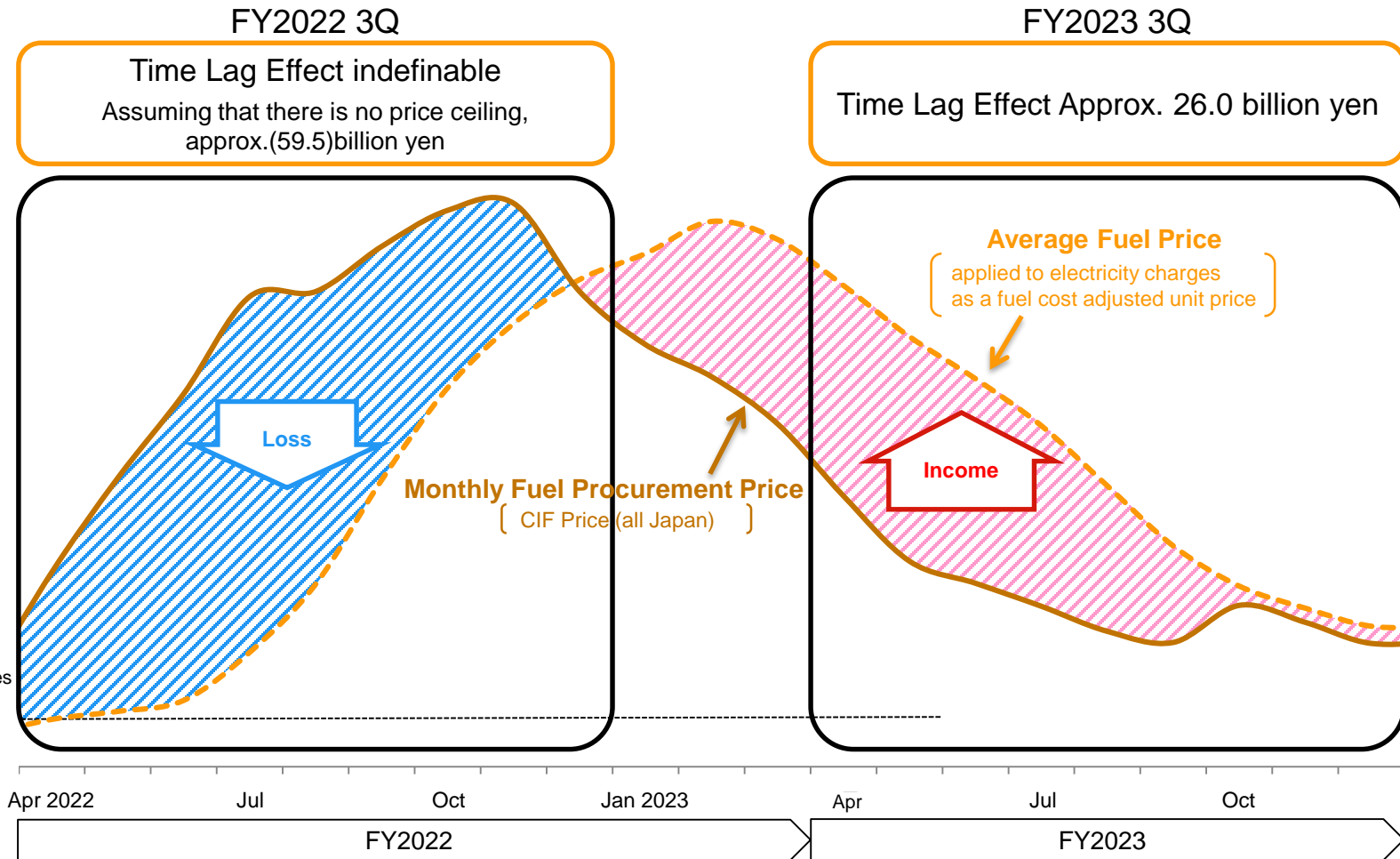
Financial Sensitivity for Key Factors

(100 million yen)

	FY2023 3Q
CIF price: coal (1\$/t)	4
CIF price: crude oil (1\$/b)	2
Exchange rate (¥1/\$)	8
Nuclear power capacity factor (1%)	8
Flow Rate (1%)	4

○ Time Lag Effect of FY2023 3Q is Approx. 26.0 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.



Revision of the ceiling price
of regulated electricity rates

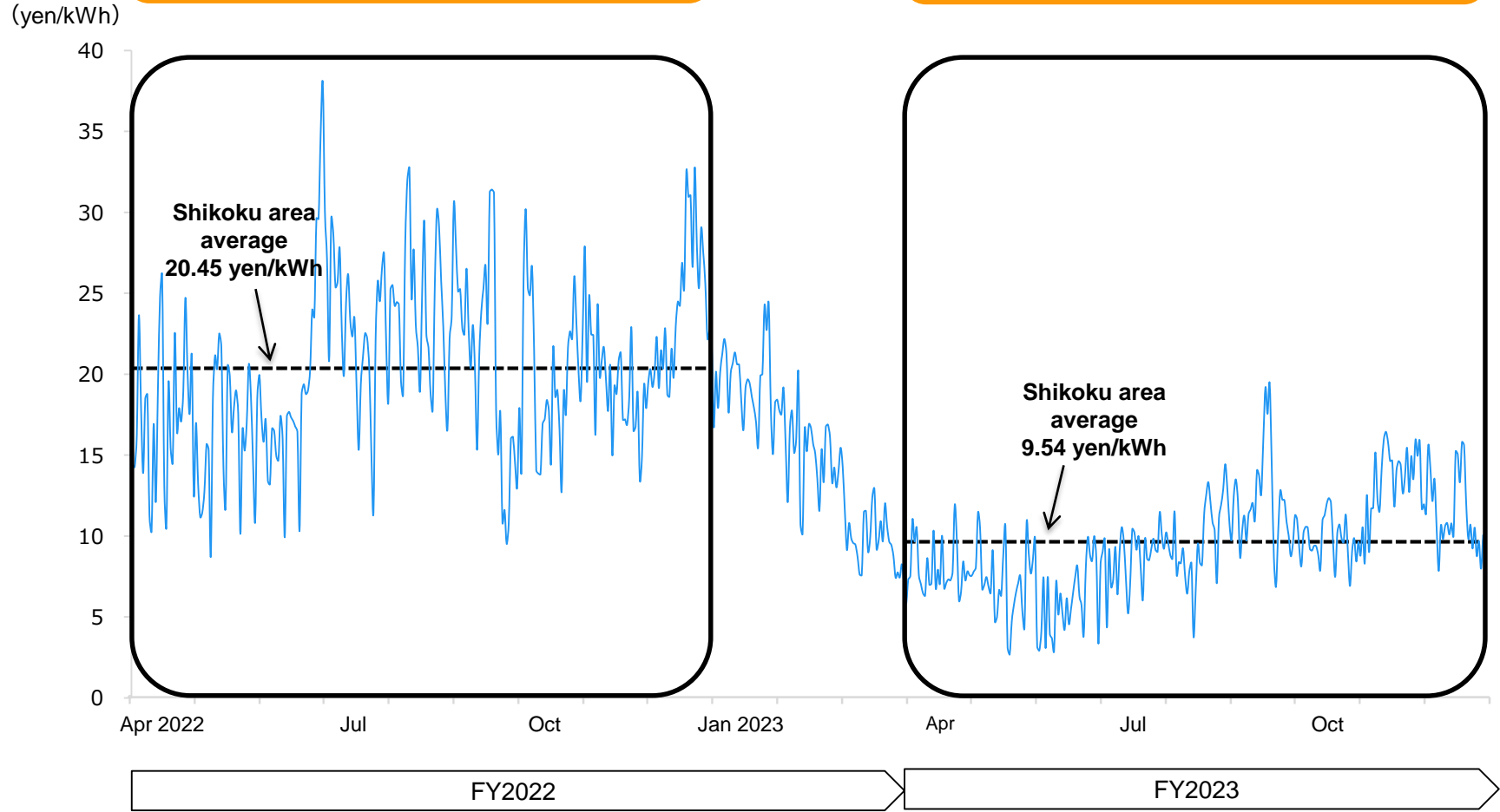
Changes in JEPX spot market prices in Shikoku area

FY2022 3Q average price

Shikoku area : 20.45 yen/kWh
(West Japan area : 20.08 yen/kWh)

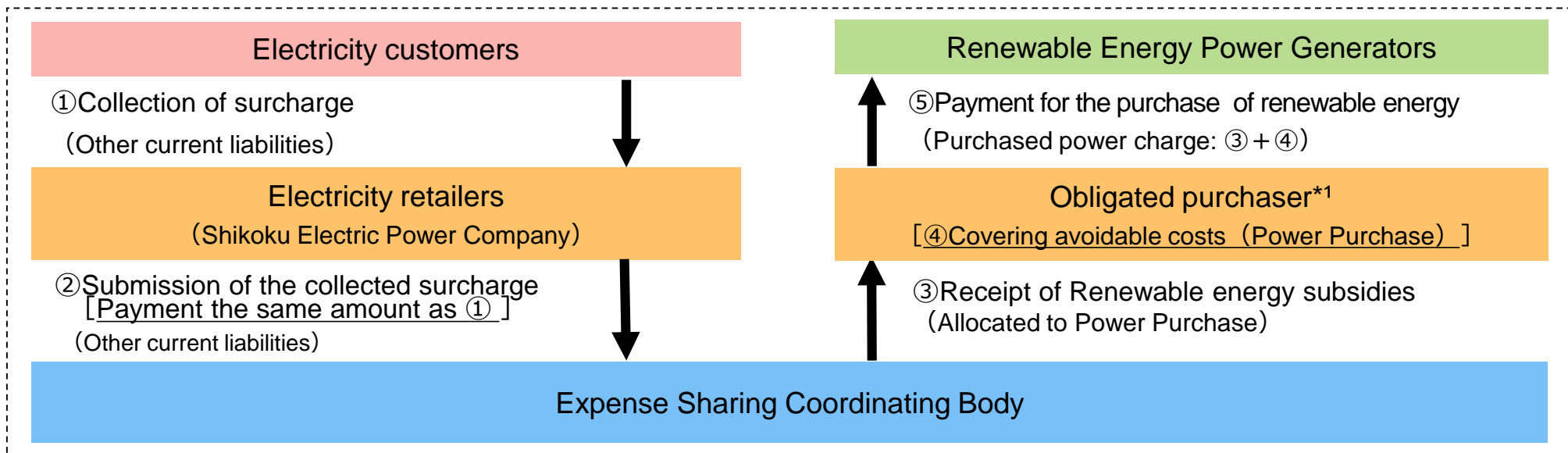
FY2023 3Q average price

Shikoku area : 9.54 yen/kWh
(West Japan area : 9.93 yen/kWh)



Source: Japan Electric Power Exchange, trading market data

➡ : Cash flow



(100 million yen)

	FY2023 3Q (A)	FY2022 3Q (B)	(A-B)
① Surcharge*2	226	512	(286)
② Submission of the collected surcharge*2			

*1 Shikoku Electric Power Company and Shikoku Electric Power Transmission & Distribution Company

*2 There is no impact of both ① and ② above on income and expenditure.

*3 Under the Feed-in Tariff system for renewable energy, all kWh purchased by Shikoku Electric Power Transmission and Distribution is sold on the market, etc., so there is no impact on income and expenditure basically.

*4 Of the year-on-year difference, the unit price difference is (37.1) billion yen and the quantity difference is 1.2 billion yen.

(100 million yen)

	FY2023 3Q (A)	FY2022 3Q (B)	(A-B)				
③ Receipt of Renewable energy Subsidies	917	515	402				
④ Avoidable costs*3	270	629	*4(359)				
<div style="display: flex; align-items: center;"> <div style="border-left: 1px dashed black; border-right: 1px dashed black; padding: 0 5px;"> Amount of renewable electricity valued at market price </div> <div style="margin-left: 10px;"> <table border="1" style="font-size: small;"> <tr> <td style="text-align: center;">Shikoku Electric Power Company, Incorporated</td> <td style="text-align: center;">132</td> <td style="text-align: center;">367</td> <td style="text-align: center;">(235)</td> </tr> </table> </div> </div>	Shikoku Electric Power Company, Incorporated	132	367	(235)	132	367	(235)
Shikoku Electric Power Company, Incorporated	132	367	(235)				
⑤ Payment for the purchase of renewable energy [③ + ④]	1,187	1,145	42				

(100 million yen)

	FY2023 3Q	FY2022 3Q
Power Generation & Sales	212	380
Renewable energy	27	15
Thermal	96	322
Nuclear	43	28
Nuclear fuel	41	8
Transmission & Distribution	188	211
Transmission	48	56
Transformation	55	69
Distribution	67	67
Electric power business	400	591
Other business	72	78
Total*	472	669

* 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.