

May 11, 2020

Shikoku Electric Power Company, Incorporated.

Main questions and answers at FY2019 Financial Results Briefing

- Q: Comparing the provisional decision made by the Hiroshima High Court (in January 2020) and the successful appeal in September 2018, is there the possibility that the trial will be prolonged due to the decision's rationale and newly indicated findings?
- A: Several trials have been held since the previous appeal at the Hiroshima High Court, but it was a surprise to us that this decision denied matters that were granted in past provisional dispositions. In any case, we are preparing to carefully address the issues indicated, aiming for an early operate.
- Q: Do you think that if Ikata Unit 3 were to operate normally, then ordinary profits of 30 billion yen and operating CF of 100 billion yen—or the same level as the FY2019 accounts settlement—would be a sustainable level?
- A: Non-electric utilities accounted for one-third of ordinary profits in FY2019. Overseas business and the information and communications business are strong, so we expect that their profits will continue to grow. In the electric utility area, if we can achieve a normal year's level of operation, we expect more efficient operation from Ikata Unit 3, as well as further reductions in repair costs and personnel expenditures. Although wholesale profitability has fallen due to the recent decline in wholesale market prices, we believe that, based on a comprehensive view, it is possible to maintain the FY2019 level of earnings if Ikata operates normally.
- Q: What is your approach to achieving a dividend of 50 yen?
- A: Dividends will be determined from a comprehensive view, by focusing on the ongoing stable dividends, based on medium- to long-term business environment prospects, financial conditions, and other factors. We expect to pay a dividend of 50 yen if prospects show a further increase in our current profit level.

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