

May 11, 2021

Shikoku Electric Power Company, Incorporated.

Main questions and answers at FY2020 Financial Results and Shikoku Electric Power Group Medium-Term Management Plan 2025 Briefing.

- Q. Profits have declined by about five billion JPY due to the tight supply-demand balance, but what about allowance for doubtful accounts and the outlook for future collection?
- A. For allowance for doubtful accounts, the collectability of individual operators is assessed. The same method is used to calculate the allowance for doubtful accounts for operators who have applied to pay the imbalance charge in installments, but in our case, this is not so large.
- Q. What is the progress of the Specialized Safety Facility construction work on Ikata 3? Also, what is the possibility of shortening the construction period?
- A. The progress of the construction of the Specialized Safety Facility is at about 80%. We do believe there is a possibility of shortening the construction period, but our top priority is safety, so construction is moving forward with consideration for COVID-19 and weather risks.
- Q. What is the reason for keeping the FY2021 annual dividend forecast at 30 JPY despite the Medium-Term Plan's target of early realization of an annual dividend of 50 JPY?
- A. Paying stable dividends is our basic policy for returns to shareholders, and the level of dividends for each fiscal year is decided in light of comprehensive consideration of business results, financial position, and medium-to-long-term business conditions. In the future, once Ikata 3 is successfully restarted this October, we will first dig deep to improve profitability and efficiency through stable reactor operation. After examining the path to achieving consolidated ordinary income of about 35 billion JPY and ROA of about 3% in FY2025, which is the final fiscal year of the mid-term plan, we will gradually increase dividends to 50 JPY per year.
- Q. With regard to the challenge of carbon neutrality, what is the current status of efforts toward the goal of halving CO<sub>2</sub> emissions in FY2030 from the fiscal 2013 level? Also, what initiatives will be necessary in the future?
- A. As for CO<sub>2</sub> emissions, with nuclear power suspended both in FY2013 and FY2020, we expect CO<sub>2</sub> emissions for FY2020 to be about 14 million tons, down from 19.62 million tons in FY2013. The main reasons for this CO<sub>2</sub> reduction were lower thermal power generation due to a decrease in the amount of electricity sold and an increase

in the amount of electricity purchased at FIT retail, as well as increased efficiency due to the replacement of Sakaide 2. The cumulative effect of all this is a reduction of about six million tons.

From FY2020 to FY2030, in addition to the reduction effect of thermal power generation through the normal operation of Ikata 3, we will reduce emissions by improving the efficiency of coal-fired power generation through the replacement of Saijo 1 and by developing renewable energy power sources. Further, we expect to halve emissions by adjusting the amount of power generated by LNG and coal.

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