

# Financial Results Briefing for FY2021



May 11, 2022

**SHIKOKU ELECTRIC POWER CO.,INC.**

Note: This is an accurate and complete translation of original Japanese version prepared for the convenience of our English-speaking investors. In case of any discrepancy between the Japanese and English versions, the former shall prevail.

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  - ( 3 ) Maximum use of nuclear power generation
  - ( 4 ) Further use of electric energy

# 1 . Highlights of FY2021 Financial Results

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# Highlights of FY2021 Financial Results

【Consolidated】

(100 million yen)

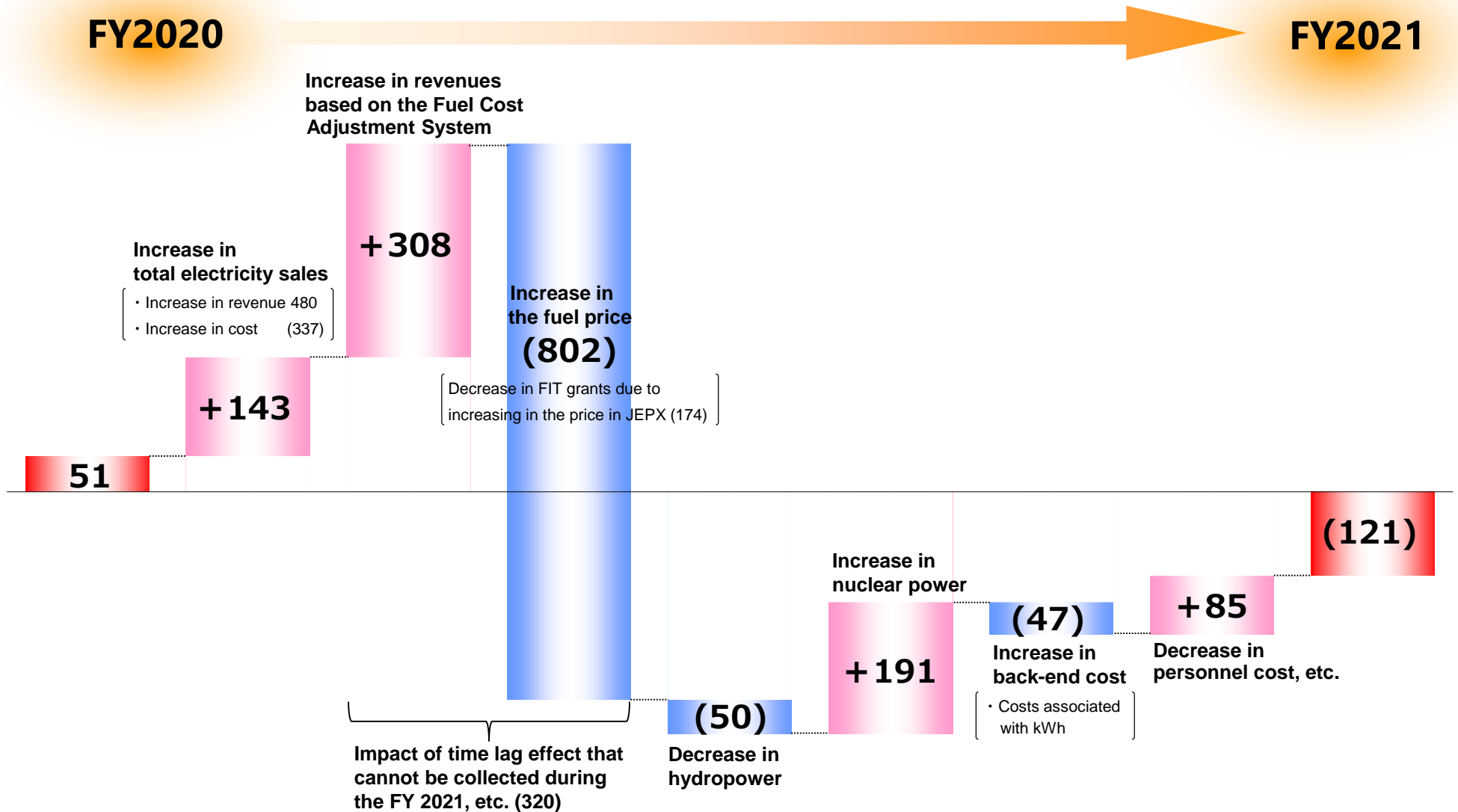
	<b>FY2021</b>	<b>Change from FY2020</b>	<b>Points</b>
Operating revenues	<b>6,419</b>	<b>(773)</b> <b>[+822]</b> *	<ul style="list-style-type: none"> <li>• Increase in the revenues based on the Fuel Cost Adjustment System and from wholesale</li> <li>• Decrease in revenues due to application of accounting standard for revenue recognition (1,594), etc.</li> </ul>
Operating expenses	<b>6,554</b>	<b>(573)</b> <b>[+1,026]</b> *	
Operating profit (loss)	<b>(135)</b>	<b>(199)</b>	<ul style="list-style-type: none"> <li>• Increase in cost related to demand and supply due to increasing of the fuel price and total electricity sales</li> <li>• Decrease in the costs due to application of accounting standard for revenue recognition (1,598), etc.</li> </ul>
Ordinary profit (loss)	<b>(121)</b>	<b>(172)</b>	
Profit attributable to owners of parent	<b>(62)</b>	<b>(91)</b>	

\* [] means the case where the accounting standard for revenue recognition is not applied.

# Factors Contributing to Change in Ordinary Profit

【Consolidated】

(100 million yen)



# Electricity Sales

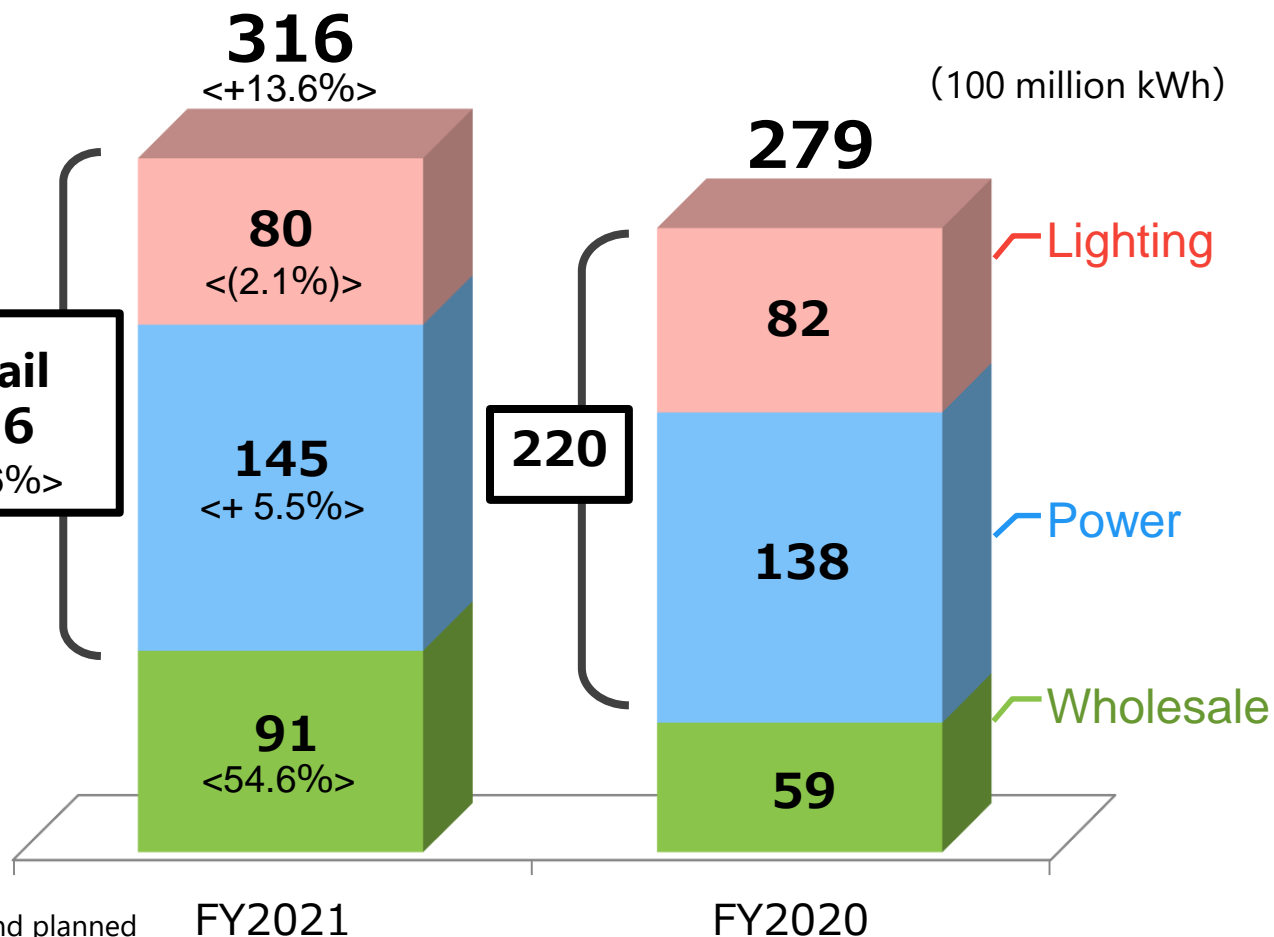
## ➤ Retail Sales

- Increase in electricity demand due to economic activity on a recovery trend, with the gradual easing impact of COVID-19, etc.

**Retail**  
**226**  
<+2.6%>

## ➤ Wholesale

- Increase in wholesale sales in the Japan Electric Power Exchange (JEPX).



(\* 1) Figures in < > are Year-on-Year growth rates.

(\* 2) 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.

**Summer Jun.-Sep.**

25.8 °C

26.3 °C

(Normal difference +0.3°C, Year-on-Year difference (0.5)°C)

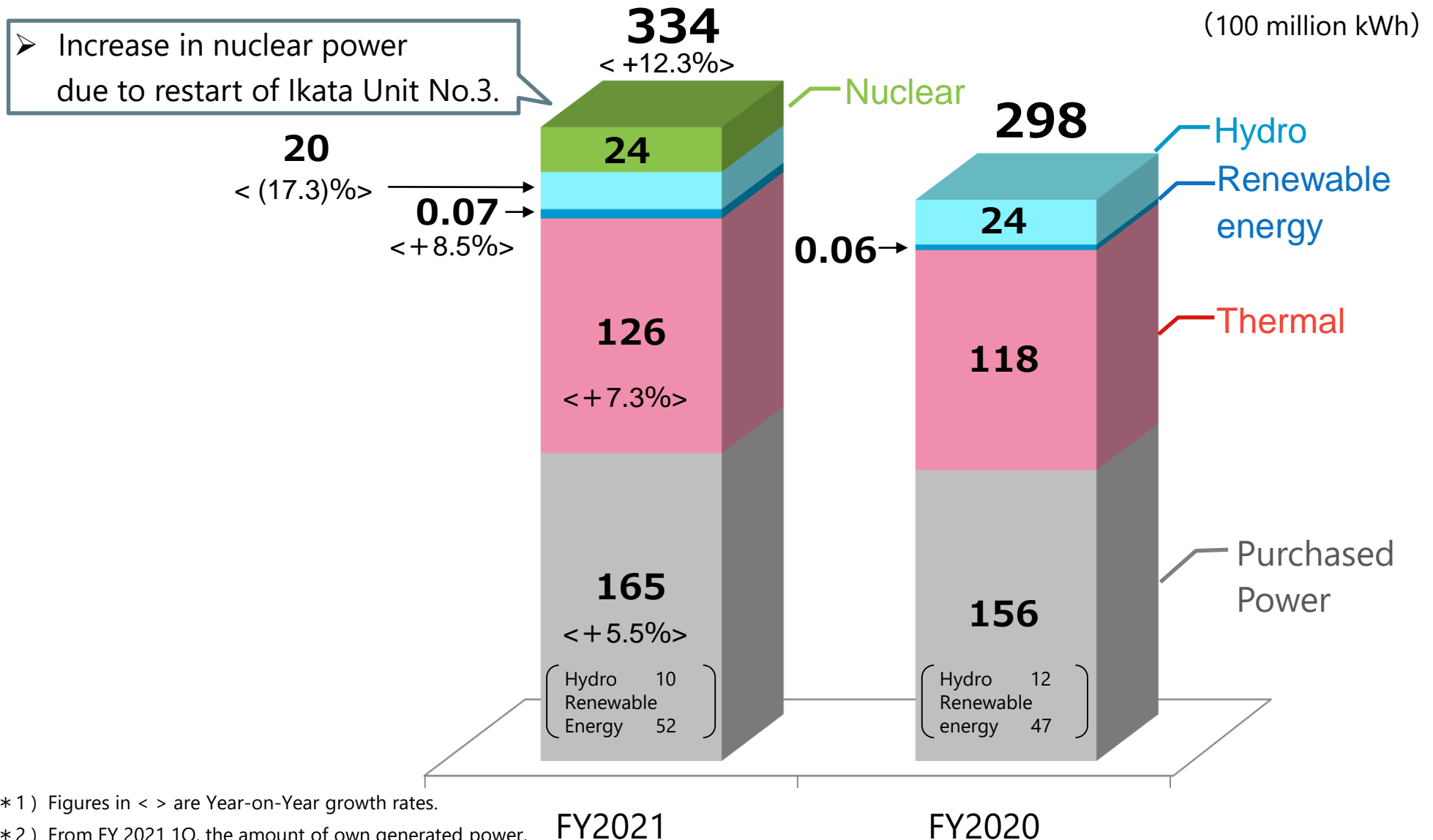
**Winter Dec.-Mar.**

8.0 °C

9.0 °C

(Normal difference +0.4°C, Year-on-Year difference (1.0)°C)

# Electricity Supplied



(\* 1) Figures in < > are Year-on-Year growth rates.

(\* 2) From FY 2021 1Q, the amount of own generated power, which previously represented the gross actual generation amount, represents the net actual generation amount excluding the electricity used on site.

(\* 3) 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.



# Cash Flows

(100 million yen)

		FY2021 <a>	FY2020 <b>	<a-b>
Cash Flows from Operating Activities	Ordinary Profit (Loss)	(121)	51	
	Depreciation	627	585	
	Others	(7)	(114)	
	Subtotal	498	522	
Cash Flows from Investing Activities	Capital Expenditures	(1,034)	(829)	
	Investments and financing, etc.	(216)	(64)	
	Subtotal	(1,251)	(893)	
Free Cash Flows		(752)	(371)	(381)
Cash Flows from Financing Activities	Bonds and Loans	886	546	
	Cash Dividends Paid	(62)	(62)	
	Others	(1)	(1)	
	Subtotal	822	483	
Net Increase in Cash and Cash Equivalents		74	111	

(Note) Positive numbers mean cash inflows, negative numbers mean cash outflows.

# Financial Position

	(100 million yen)		
	March 31, 2022 <a>	March 31, 2021 <b>	<a-b>
Total Assets	15,007	14,304	703
<Plant and equipment, and intangible assets> (except Special account related to nuclear power decommissioning, Special account related to reprocessing of spent nuclear fuel )	<8,807>	<8,575>	<232>
<Investments, etc.>	<4,948>	<4,537>	<411>
Liabilities	11,854	11,024	830
<Bonds and loans>	<8,602>	<7,716>	<886>
<Accrued expenses, etc.>	<3,251>	<3,307>	< (56)>
Total Net Assets	3,152	3,279	(127)
<Retained earnings>	<1,666>	<1,793>	<(127)>
<Accumulated other comprehensive income>	<71>	<72>	<(1)>
Shareholders' Equity Ratio	20.8%	22.8%	(2.0)%

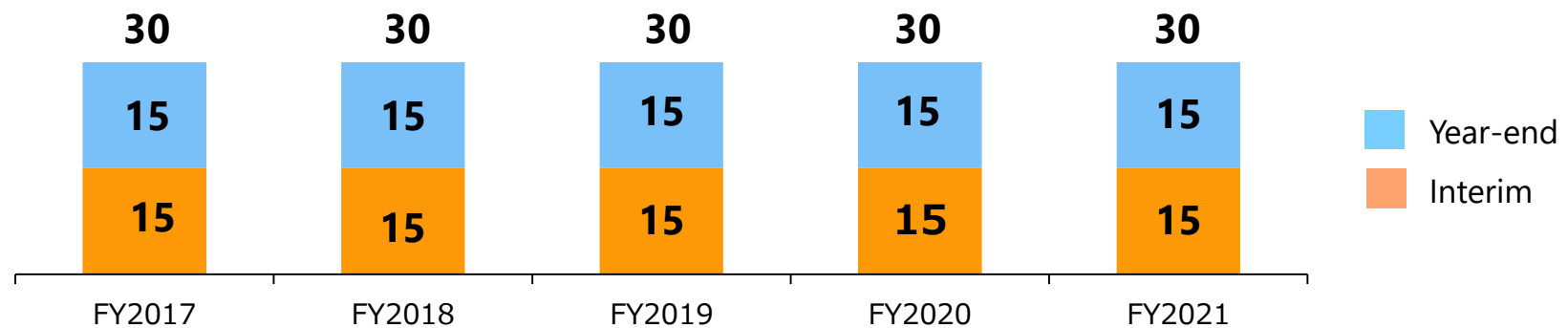
# Dividends

## Dividends per Share

	FY2021	FY2020
Interim	¥15	¥15
Year-end	¥15	¥15

## Changes in Dividends per Share

(Yen)



# Forecasts of Consolidated Financial Results & Dividends for FY2022

- The forecasts of consolidated financial results and dividends for FY2022 are undecided because the outlook for fuel prices has become more uncertain since Russia's invasion of Ukraine and it is difficult to forecast financial results.
- These financial forecasts will be promptly released as soon as they are determined.

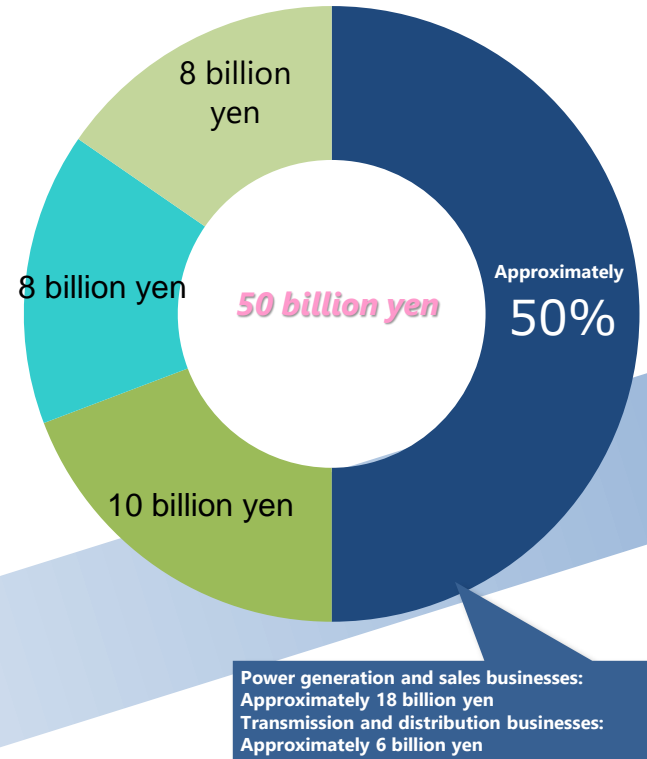
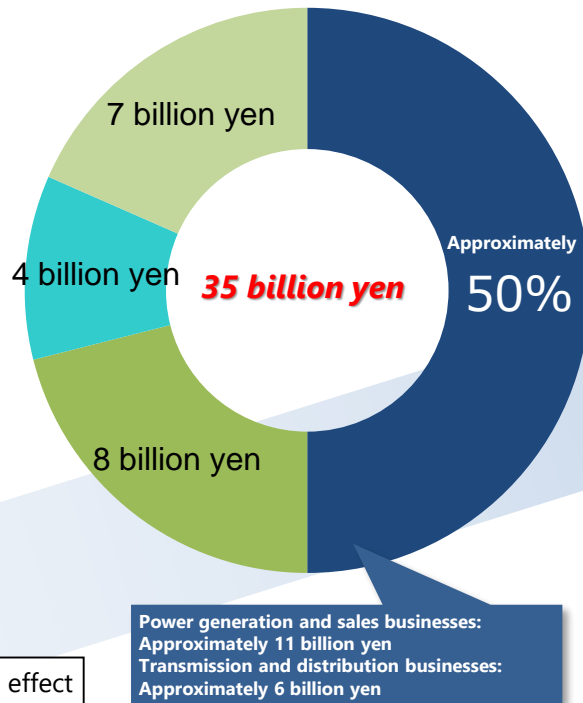
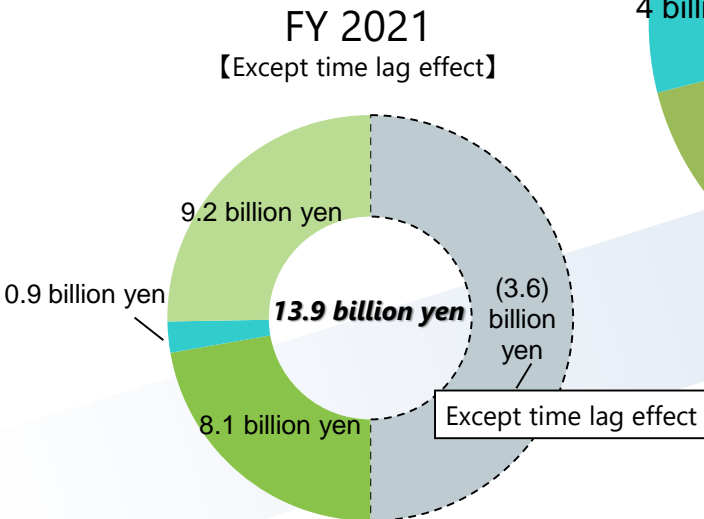
# Management Goal ① Profit Target by Segment

We will accelerate growth with the two wheels of "electricity business" and "business other than electricity business" and aim to achieve the target profit level of the group.

*FY 2030 (long-term goal)*

*FY 2025 (goal)*

- Electricity business
- Telecommunication service
- International business
- Other businesses



**Achieve 1/2 of the Group's overall profit target in the electricity business and 1/2 in other businesses**

\* Internal transactions <0.7 billion yen> regarding profit target by segment are not eliminated.

## ② Management Index (Consolidated)

FY2021  
(Results)

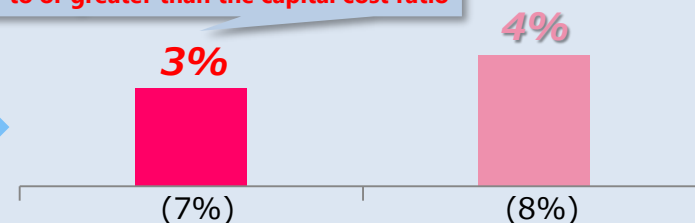
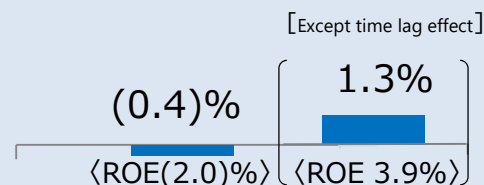
**FY2025  
(Goal)**

**FY2030  
(Long-term goal)**

**[Continuously earning profits exceeding the capital cost]**

**Equal to or greater than the capital cost ratio**

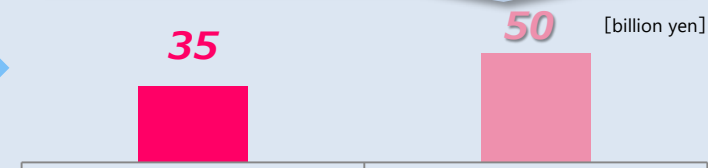
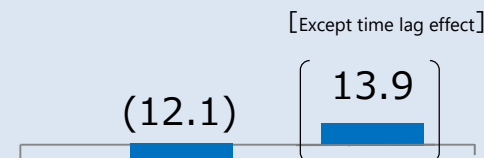
**ROA**  
**Approximately 3%**  
*(ROE: Approximately 7%)*



**[Aiming to maintain and expand business scale]**

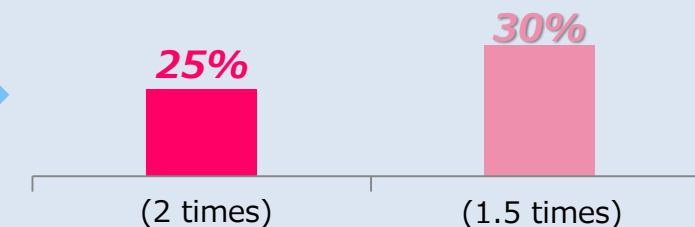
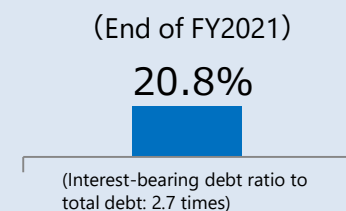
**Highest level since the start of consolidated accounting**

**Ordinary income**  
**Approximately 35 billion yen**



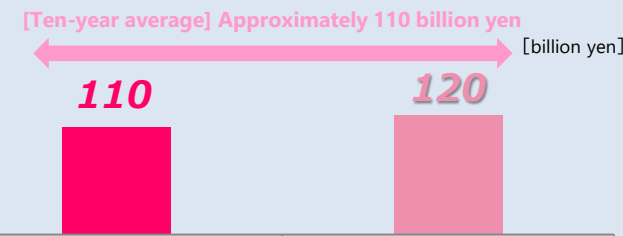
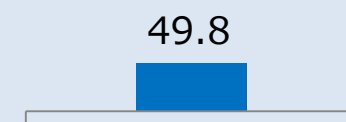
**[Aiming to maintain financial soundness while reducing the capital cost ratio]**

**Capital adequacy ratio**  
**25% or more**  
*(Interest-bearing debt ratio to total debt: 2 times or less)*



**[Steadily acquiring capital for growth investment and capital policy]**

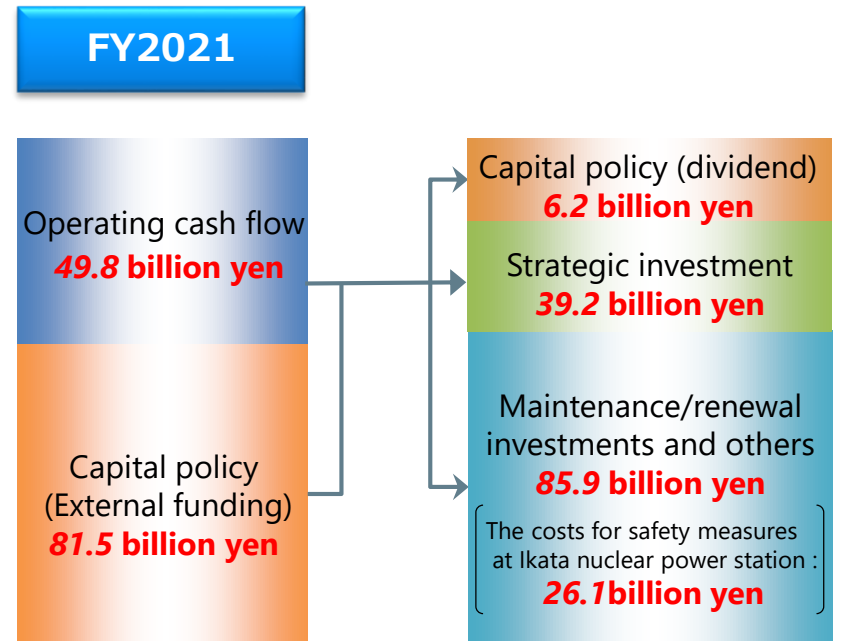
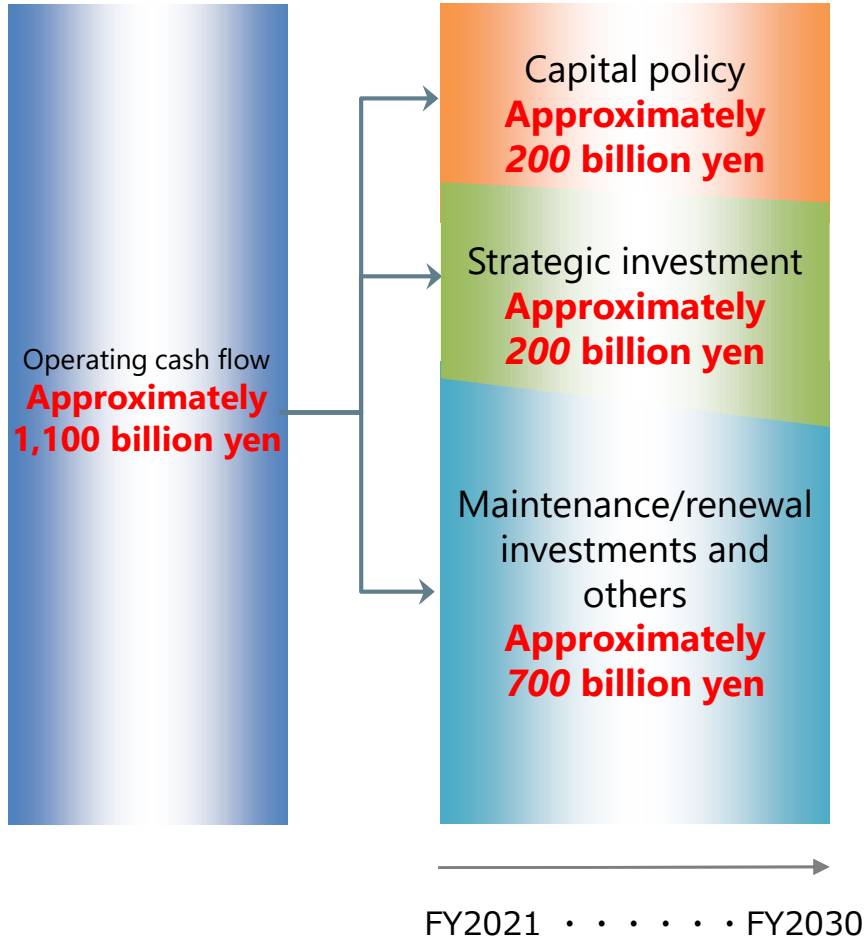
**Operating cash flow**  
**Approximately 110 billion yen**



\* ROA calculated based on "business profit (ordinary income + interest expense)/total assets (average of the beginning and end of the period)."

# ③Cash Flow Allocation

Cash flow allocation  
(Ten-year total from FY2021 to FY2030)



## ④ Shareholder Return

### Basic Policy

We will decide by comprehensively considering such factors as business performance levels, financial conditions, and the medium- to long-term business environment with stable dividend payments as the basis of shareholder returns.

### Target for Which We Aim to Achieve

- ✓ Supposing the safe and stable operation of Ikata Unit 3 will contribute to normalizing our business operations, and ensuring stable earnings, among other things, we will first aim for **the early realization of a 50 yen/share dividend.**
- ✓ **For FY 2030, we will aim to achieve our target profit level and further increase shareholder returns.**



# CARBON NEUTRAL CHALLENGE 2050

- As one of the long-term priorities of the Shikoku Electric Power Group's Medium-Term Management Plan 2025 (March 2021), we hope to contribute to the realization of a sustainable society by taking on the challenge of becoming carbon neutral by 2050.
- In FY2021, we conducted specific studies on reducing CO<sub>2</sub> emissions from thermal power generation, making renewable energy a major power source, maximizing the use of nuclear power, and further utilizing electric energy.

FY2030
FY2050

Low carbonization and decarbonization of power sources

Maximum use of nuclear power generation

Transition of renewable energy to mainstay power source

Reduction of CO<sub>2</sub> emissions in thermal power generation

**Further improvement of safety, continuation of safe and stable operations, and research on new reactors**

**Improvement of output and maximum use of existing hydroelectric power generation**

New power source development + 500MW (Development of and participation in new power sources, including overseas) Efforts aimed at + 2,000 MW

- Solar power generation
- Wind power generation

**Phasing out of inefficient coal-fired thermal power generation**

Use of high-efficiency coal-fired thermal power, LNG-fired thermal power and the use of biomass fuels Thermal power generation

Consideration and use of ammonia and hydrogen co-firing technology Hydrogen

Research on and introduction of CCUS / carbon recycling technology Ammonia

**Consideration and use of ammonia and hydrogen mono-firing technology**

CO<sub>2</sub> storage technology

**Reduction target of our CO<sub>2</sub> emissions\***

**19.62 million tons-CO<sub>2</sub>**  
(Before fiscal 2013 FIT free-of-charge distribution)

\* CO<sub>2</sub> emissions from retail electricity sales calculated based on the "Act on Promotion of Global Warming Countermeasures"

**Aiming for 50% by FY2030**  
(Compared to fiscal 2013)

**Aiming for carbon neutrality in 2050**

CO<sub>2</sub> Actual zero

**Further use of electric energy**

- Promotion of electrification (Switching from other heat sources), promotion of low carbonization of private power generation and expansion of CO<sub>2</sub>-free rate menus
- Expansion of storage batteries and EV resources and use of VPP and digital technologies
- Research on and introduction of hydrogen manufacturing technology using CO<sub>2</sub>-free power sources
- Improvement of power generation prediction accuracy and expansion of the renewable energy introduction based on connect and manager

Provision of composite services related to energy

Optimization of transmission and distribution facilities and supply and demand operations

**Establishment of an external environment aimed at carbon neutrality**

Based on Japan's Green Growth Strategy through Achieving Carbon Neutrality in 2050

- Realization of lower costs and more stable supply of CO<sub>2</sub>-free fuel (Ammonia, hydrogen)  
(Target for 2030 = ammonia: high ¥10 / Nm<sup>3</sup>-H<sub>2</sub>; hydrogen: ¥30 / Nm<sup>3</sup>)
- Progress in CCS-related technologies and environmental maturity  
(Progress in surveying suitable sites and technological development)
- Reduction of offshore wind power generation costs (Target for 2030 to 2035 = 8-9 yen/kWh)
- Transformation of the overall economic and social system through initiatives of the GX League (We agreed to the basic concept of the GX League in March 2022)

Technology

Policies and regulations

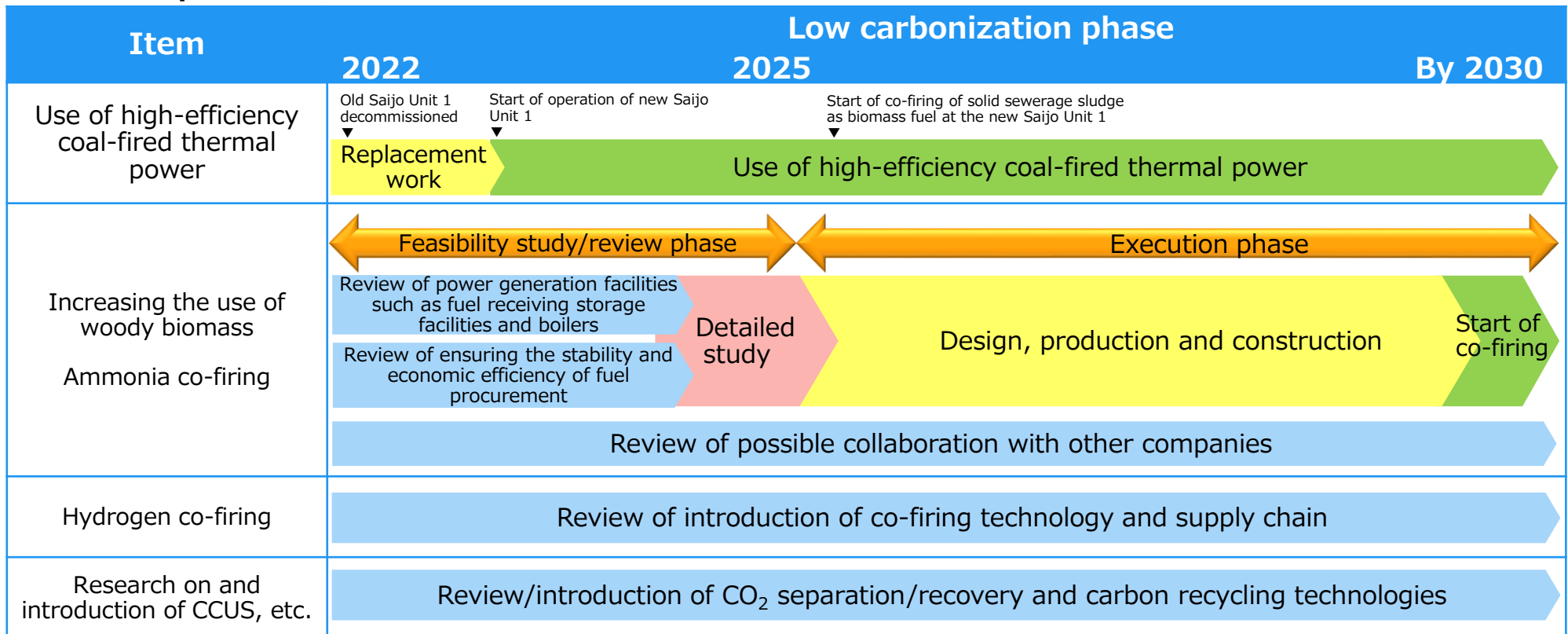
Society and local communities

(Target for 2050 = hydrogen: ¥20 / Nm<sup>3</sup>)  
(Establishment of related laws and regulations and social acceptability)

# (1) Initiatives to reduce CO<sub>2</sub> emissions from thermal power generation (1/2)

- We have designated the period up to 2030 as a low-carbonization phase, and are currently implementing measures to reduce CO<sub>2</sub> emissions, such as replacing the aging Saijo Power Station Unit 1 with a high-efficiency unit, and co-firing of solid sewerage sludge as biomass fuel at the Saijo Power Station from 2025.
- In addition, we will consider increasing the use of woody biomass and introducing ammonia co-firing at coal-fired thermal power plants by 2030.
- With regard to hydrogen and CCUS, etc., we will extensively examine the possibility of introducing these at thermal power plants, based on the development of the necessary technologies and ensuring economic efficiency.

## ◇ Roadmap towards low carbonization



# (1) Initiatives to reduce CO<sub>2</sub> emissions from thermal power generation (2/2)

## ◇ Transition to high-efficiency coal-fired power generation

- Saijo Power Station Unit 1, a very old coal-fired thermal power plant, has been decommissioned and is currently being replaced with a state-of-the-art, highly efficient ultra-supercritical pressure (USC) power plant. Following the replacement, the plant aims to reduce CO<sub>2</sub> emissions by continuing to co-fire woody biomass, and by newly starting to co-fire solid sewerage sludge as a biomass fuel.



Rendering of completed Saijo Unit No. 1

### <Overview of Saijo Power Station Unit 1>

	New Unit 1	Old Unit 1
Start of operation	June 2023 (Scheduled)	1965
Rated output	500 MW	156MW
Power generation efficiency	43% or more	Approx. 38%
Fuel	Coal Woody biomass Solid sewerage sludge as a biomass fuel*1	Coal Woody biomass

\*1 Start of co-firing scheduled from October 2025

## ◇ Co-firing of solid sewerage sludge as a biomass fuel

- In collaboration with Nippon Steel Engineering, we are participating in a project to convert sewage sludge into solid fuel at the Seibu Purification Center in Matsuyama City.
- This project is a first in Shikoku to produce solid fuel for effective use from sewage sludge, which was previously incinerated, and aims to reduce CO<sub>2</sub> emissions by co-firing the solid sewerage sludge as biomass fuel at the new Saijo Power Station Unit 1.



Solid sewerage sludge as a biomass fuel

### Overview of the project to co-fire solid sewerage sludge as a biomass fuel

Start of co-firing operations	October 2025 (Scheduled start)
Volume of co-firing	Approx.4,900 t/year
Reduction in CO <sub>2</sub> emissions	Approx. 8,000 t/year

## ◇ Feasibility study on ammonia co-firing

- In order to examine the feasibility of ammonia co-firing, one measure to reduce the carbon content of coal-fired thermal power, we have been studying the basic specifications of ammonia receiving and storage facilities and identifying technical issues, while also incorporating external knowledge.
- In the future, in addition to examining how to resolve issues related to ammonia receiving and storage facilities, we will examine specifications for modifying power generation facilities, such as boilers, and examine how to ensure the stability and economic efficiency of fuel procurement, in order to ascertain feasibility.

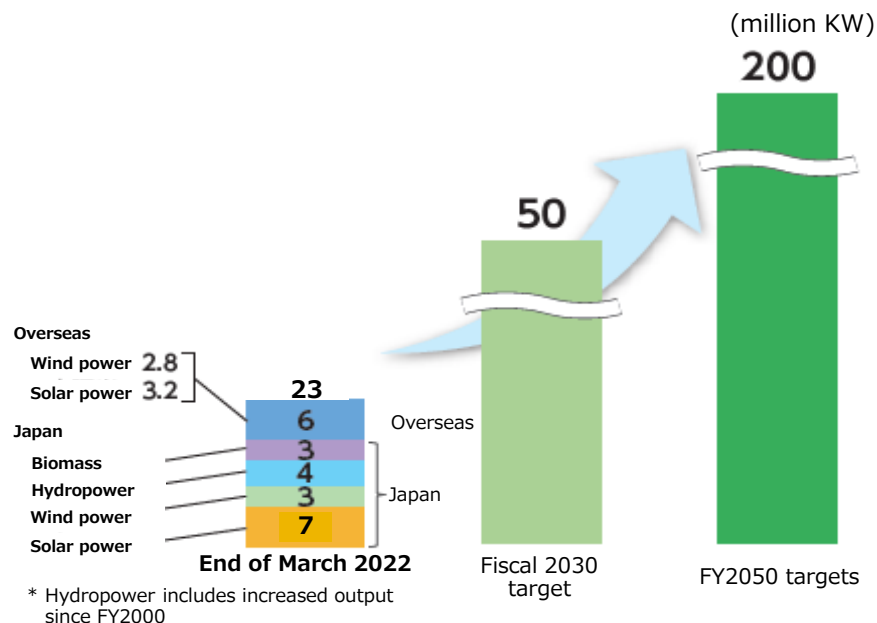
## (2) Transition to renewable energy as a mainstay power source (1/3)

- Our group aims to develop 500,000 kW of renewable energy by fiscal 2030 and 2 million kW by fiscal 2050 in Japan and overseas, and is participating in various projects and working to find potential development sites.

### ◇ New development targets for renewable energy

- As of the end of March 2022, we had developed approximately 230MW of renewable energy (Up 59MkW from the previous year).
- As a result, our group has approximately 1.35 million kW of renewable energy capacity.

### <Renewable energy development targets>



### ◇ Roadmap for renewable energy development

Power source type	2022	2025	By 2030
Hydropower	Improvement of output and maximum use of existing hydroelectric power generation plants		
	▼ Start of operation of the Kurofujigawa Hydroelectric Power Project (Scheduled for June 2024)		
	Discovery/planning/construction of new development sites		
Solar power	▼ Start of operation of the Nagatani-ike Floating Solar Power Project (Scheduled for August 2022)		
	Development utilizing reservoirs and degraded farmland		
	Acquisition of existing power plants (Also accepting on HP)		
Wind power	▼ Start of operation of the Imanoyama Wind Power Project (Scheduled for 2027)		
	Participation in onshore wind power projects/discovery of new development sites		
	Replacing existing onshore wind farms		
	Participation in offshore wind power projects		
Biomass	▼ Start of operation of the Ozu Biomass Power Project (Scheduled for August 2024)		
	▼ Start of operation of the Hirata Biomass Power Project Unit 1: Scheduled for June 2022 Unit 2: Scheduled for April 2023	▼ Start of operation of the Sakaide Biomass Power Project (Scheduled for June 2025)	▼ Start of project to convert sewerage sludge into biomass fuel (Scheduled for October 2025)
	Participation in biomass power generation projects		
	Discovery of new development sites		

## (2) Transition to renewable energy as a mainstay power source (2/3)

### ◇ Participation in Sakaide Biomass Power Generation Project

- The aim of this project is to construct Japan's largest biomass power plant (Approx. 75MW) in Sakaide City, Kagawa Prefecture which will generate electricity using imported wood pellets as fuel, and sell the electricity to Shikoku Electric Power Transmission and Distribution using the FIT system.
- Construction is scheduled to begin in November of this year, with operations scheduled to begin in June 2025.

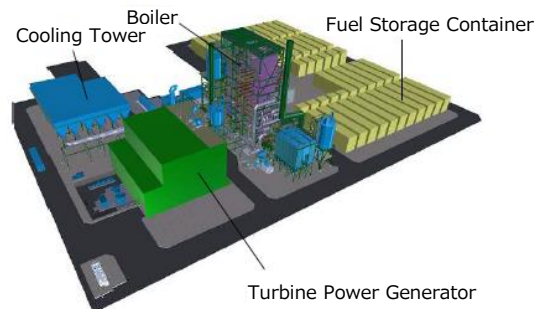
#### <Project overview>

Sakaide Biomass Power Generation Project (Kagawa Prefecture)	
Planned construction site	Hayashida-cho, Sakaide-City, Kagawa Prefecture
Primary contractor	Sakaide Biomass Power LLC
Investors	Shikoku Electric Power (36%), Hazama Ando Corporation, Prominent Power, Inc. (Tokyo Gas subsidiary), erex Co., Ltd., Shinko Denso Co., Ltd., Sakaide Yusengumi
Output	75MW
Start of construction	November 2022 (Scheduled)
Start of operation	June 2025 (Scheduled)

#### <Location>



#### <Image of Power Plant >



### ◇ Consideration of the Imanoyama Wind Power Project

- The aim of this project is to construct and operate Japan's largest onshore wind power plant (193MW) on the ridge of Mt. Imano, which straddles Tosashimizu City and Mihara Village in Hata-gun in Kochi Prefecture. Construction is scheduled to begin in 2024 with operations scheduled to begin in 2027.

#### <Project overview>

Imanoyama Wind Power Project (Kochi Prefecture)	
Planned construction site	Tosashimizu City, Kochi Prefecture and Mihara Village, Hata-gun
Primary contractor	Imanoyama Wind Power LLC
Investors	Shikoku Electric Power (Approx. 30%), Sumitomo Corporation, Japan Wind Engineering, Hokutaku
Output	193MW
Start of construction	2024 (Scheduled)
Start of operation	2027 (Scheduled)

#### <Location>



## (2) Transition to renewable energy as a mainstay power source (3/3)

### ◇ Start of construction of the Kurofujigawa Hydropower Plant

- We are working on the construction of the Kurofujigawa Hydroelectric Power Plant that will output a maximum of 1.9MW in Kumakogen-cho, Kamiukena-gun, Ehime Prefecture.
- There are few suitable sites in Shikoku for the development of new large-scale hydroelectric power plants. This will be our first development of a new hydroelectric power plant in 30 years. With the understanding and cooperation of the local community, construction work is being carried out with safety as a top priority, with the aim of commencing operations in June 2024.

#### <Project overview>

	Kurofujigawa Hydropower Plant (Ehime Prefecture)
Planned construction site	Kumakogen-cho, Kamiukena-gun, Ehime Prefecture
Type	Run-of-river system
Output	1.9MW
Annual power generation	8.5 million kWh
Start of construction	June 2021
Start of operation	June 2024 (Scheduled)

#### <Image of Power Plant >



### ◇ Renewable energy initiatives of our group companies

- Initiatives of Yonden Engineering
  - ✓ Yonden Engineering is engaged in EPC (Engineering, Procurement and Construction) and O&M (Operation and Maintenance) of wind and solar power generation facilities nationwide.

They are also involved in wind and solar power generation businesses and more recently, are involved in a solar power generation business in Agano City, Niigata Prefecture and Chita City, Aichi Prefecture.



Agano Mega Solar (Niigata Prefecture)

- Initiatives of Yonden Business Co., Inc.
  - ✓ Leveraging its operational management experience at our own power plants, Yonden Business established a subsidiary in April 2021 (YB Power Support) to manage the operations, etc. of biomass power generation.
  - ✓ In collaboration with Maeda Corporation, JAPEX, etc. they are also working on the construction of a woody biomass power plant in Ozu City, Ehime Prefecture with an output of Approx. 50MW with the aim of commencing operations in August 2024.
- Initiatives of Yondenko
  - ✓ Yondenko is engaged in a number of solar power plant construction projects, and utilizes its accumulated technology and know-how to operate solar power generation business of Sunshine Park Aki.
  - ✓ Additionally, Yonko Solar was established as a subsidiary responsible for solar power generation business. The entire Yondenko Group has solar power plants amounting to Approx. 50MW (Total power generation output) while also performing O&M for power plants.

# (3) Maximum use of nuclear power generation (1/2)

- We will contribute to the realization of carbon neutrality by making maximum use of nuclear power generation, an already established decarbonized power source, and maintaining safe and stable operation.

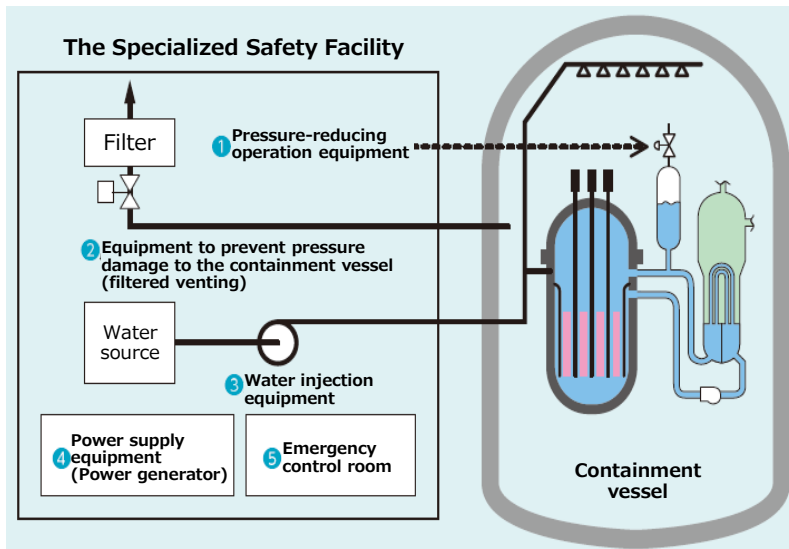
## ◇ Continuation of safe and stable operation (Facility expansion and improvement)

### • Installation of Specialized Safety Facility

Specialized Safety Facility is a backup facility that functions to prevent damage to the reactor containment vessel caused by the impact of a large aircraft with the reactor building or terrorism, etc., and are required to be installed under the new regulatory standards.

When installing these facilities, we implemented measures, such as advancing the start of construction and applying for a division of the construction plans aimed at shortening the construction process as far as possible under the basic premise of ensuring safety and commenced operation in October 2021.

### <Mechanism of the Specialized Safety Facility>



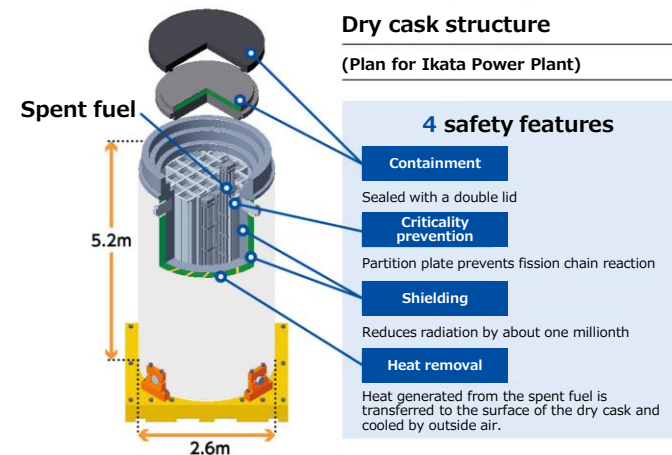
### • Installation of Dry Cask Storage Facility for Spent Fuel

We obtained prior understanding locally at the end of 2020 for the installation of a dry storage facility to store Ikata Power Station's spent fuel temporarily until it is transported to a reprocessing plant.

Dry cask storage facility is very safe as spent fuel cooled in pools for more than 15 years is cooled using natural convection of the air.

The design and construction plans were approved by the Nuclear Regulation Authority in July 2021, and we will proceed with work to install the buildings and equipment aiming for the start of operations in fiscal 2024.

### <Dry cask structure>



## (3) Maximum use of nuclear power generation (2/2)

### ◇ Continuation of safe and stable operation (Operation management, education and training, etc.)

- Appropriate implementation of operational management and maintenance

At Ikata Power Station, operations are stopped once in no more than 13 months to implement regular statutory inspections. With this and by monitoring operations and patrolling facilities 24 hours a day during operation, we implement planned operational management and maintenance to continue safe and stable operations.

- Training programs for operational and maintenance staff

In order to improve the skills and knowledge of operational and maintenance staff, we implement training continuously at the Nuclear Safety Training Center in Matsuyama City, which has equipment equivalent to that at Ikata Power Station, so that they can take the best course of action in response to various events.

#### <Operational training at Nuclear Research & Training Center (Simulator room)>



- Strengthening Accident Response Preparedness (Training and cooperation system)

At Ikata Power Station, we are raising the proficiency of emergency response personnel, including Group companies and cooperating companies, by repeatedly implementing individual training conducted for each individual response procedure and comprehensive training conducted together with related groups as training to respond to serious accidents.

In addition, we have concluded agreements with 12 nuclear operators to provide human and material support, such as dispatching personnel and lending equipment, in preparation for a nuclear disaster. We have also concluded agreements for additional cooperation with 5 electric power companies in western Japan that are close geographically from the perspective of responding to accidents more quickly.

#### <A Scene of Comprehensive Training>





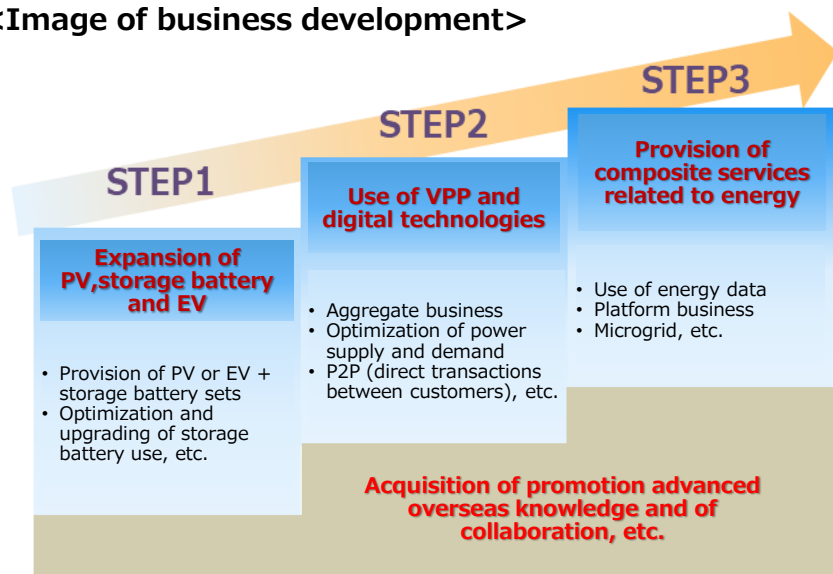
## (4) Further use of electric energy (1/3)

- In light of the increasing need for decarbonization, technological innovation in the energy business and others, in addition to the promotion of the more conventional electrification, we are working to further utilize electric energy by expanding the use of storage batteries/EVs and utilizing VPP and digital technology.

### ◇ Development of decentralized energy business

- Our group is supporting the expansion of the use of batteries and EVs by customers and local communities in order to further utilize electric energy.
- We are also engaged in the decentralized energy business with a view to further expanding our energy aggregation business using VPP/digital technologies and the provision of composite services related to energy.

### <Image of business development>

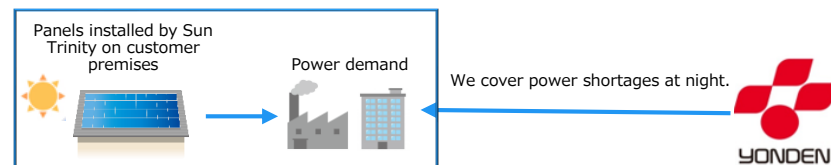


- \* PV (Photovoltaic power generation), EV (Electric vehicle), VPP (Virtual power plant)
- \* Examples of STEPS 1 and 2 are described below.

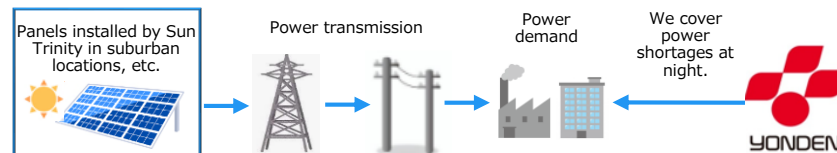
### ◇ Example of STEP 1: Promotion of solar PPA business

- We have been promoting the solar PPA business to corporations and local government agencies requiring high voltage or higher, in which companies install and operate solar power generation facilities, and sell the electricity and environmental benefits on to consumers. In March this year, we established Sun Trinity, a new company to manage this business, together with Sumitomo Corporation and the Singapore-based Sunseap Group\*.
  - \* Company holding top share of rooftop solar power generation business in Southeast Asia
- In addition to the knowledge of the electric power business and broad business foundation in Japan held by Shikoku Electric Power and Sumitomo Corporation, the strength of this business lies in the ability to provide customers with optimal renewable electricity and environmental benefits through the use of photovoltaic power generation by utilizing Sunseaps' world-class technological and procurement capabilities for solar modules and other products.

### < Onsite PPA >



### < Offsite PPA >



- \* Our group's role in the PPA business: Maintenance/management of power generation facilities, power transmission, adjustment of power supply and demand, etc.

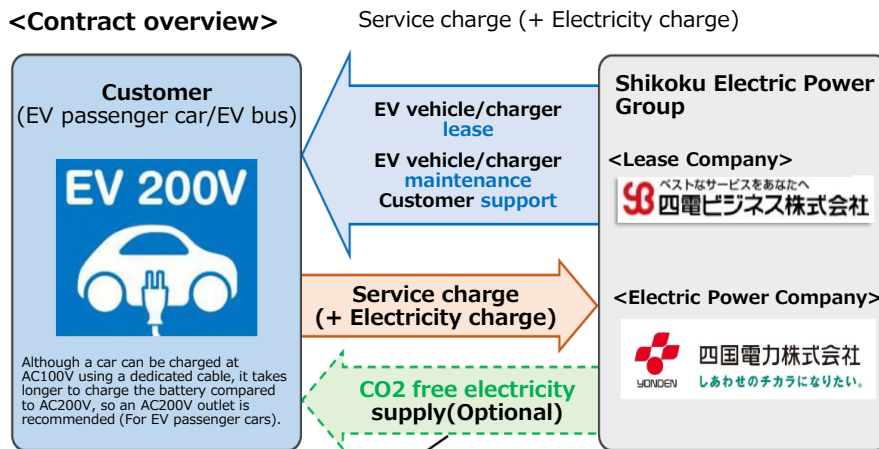
## (4) Further use of electric energy (2/3)

### ◇ Example of STEP 1: Promoting the spread of EVs

#### (1) EV/charger introduction service (For corporations and local government)

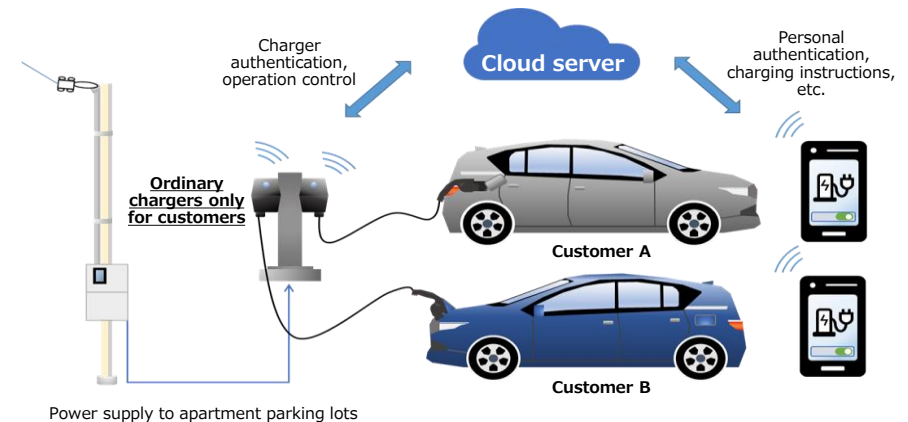
- The "lease service including an EV passenger car, EV bus and charger" and the "option to supply CO2 free electricity for EV charging" are provided as one-stop services for corporate and local government customers.
- We are also proposing EV car sharing to reduce costs by reducing the number of commercial vehicles owned by customers.

#### <Contract overview>



#### (2) EV charger installation service for apartments (Individuals and corporations)

- This service provides EV charging facilities and electricity exclusively to customers in each section of existing apartment building carparks. As a solution service for the installation of charging facilities in housing complexes, one factor hindering the spread of EVs, the service is scheduled to start in the first half of FY2022 and will be gradually expanded to include corporate customers.



#### (3) 100% electrification of commercial vehicles by FY2030

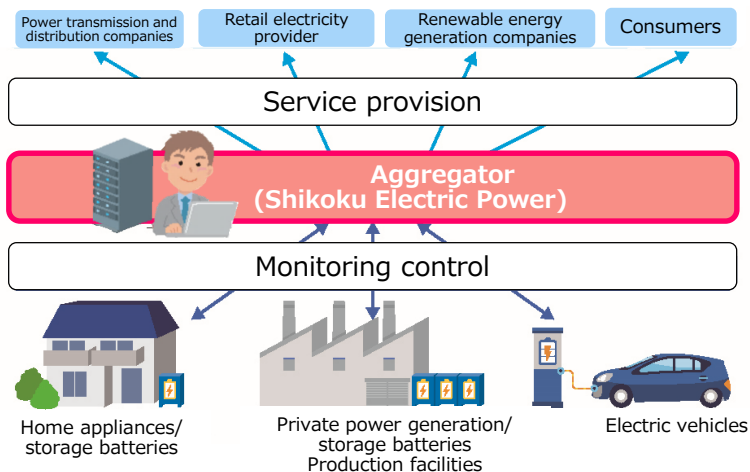
- Together with Shikoku Electric Power Transmission and Distribution, we have set a goal of making our commercial vehicles 100% electrified\* by FY2030, and will contribute to decarbonization of society through the electrification of mobility.
- \* Excluding emergency and construction vehicles that may hinder smooth business operations

# (4) Further use of electric energy (3/3)

## ◇ Example of STEP 2: Utilization of VPP/Digital Technology

- Through demonstration projects carried out up until FY2021 in which we have participated as a resource aggregator, we have achieved the following technical goals.
  - ✓ Remote control using commercial and industrial batteries and in-house power generation equipment
  - ✓ Transactions in the electric power trading market utilizing distributed energy resources ("DER") including the above
- We have already entered the DER market in the capacity market, etc. In FY2022, we will acquire a newly established aggregator license and aim to enter the supply-demand adjustment market as we look to continue to expand available resources.

### <Image of aggregator business utilizing VPP/digital technology>



## [Topics] Supporting decarbonization in local communities

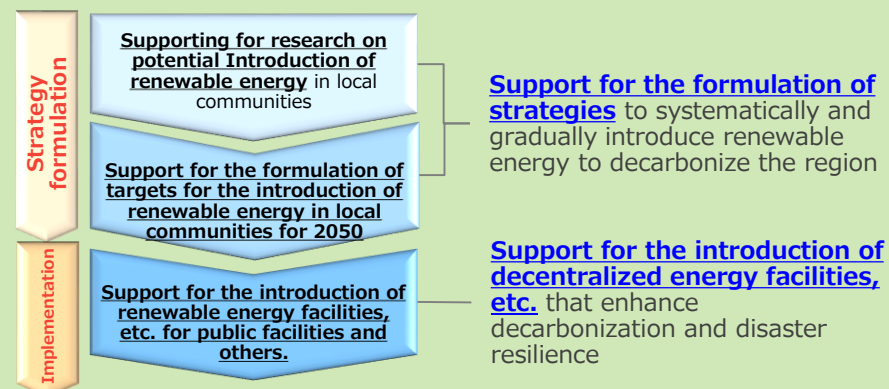
### ◆ Provision of consulting services and solutions

- In response to the growing demand for decarbonization in local communities, we are providing consultation services and solutions for local governments and schools, including solar power generation, storage batteries, and energy-saving measures.
- In February this year, we signed a partnership agreement with Iyo Bank to support local efforts toward carbon neutrality. By combining the products and services of the two companies with the strengths of the Shikoku region, we are supporting the decarbonization of local communities.



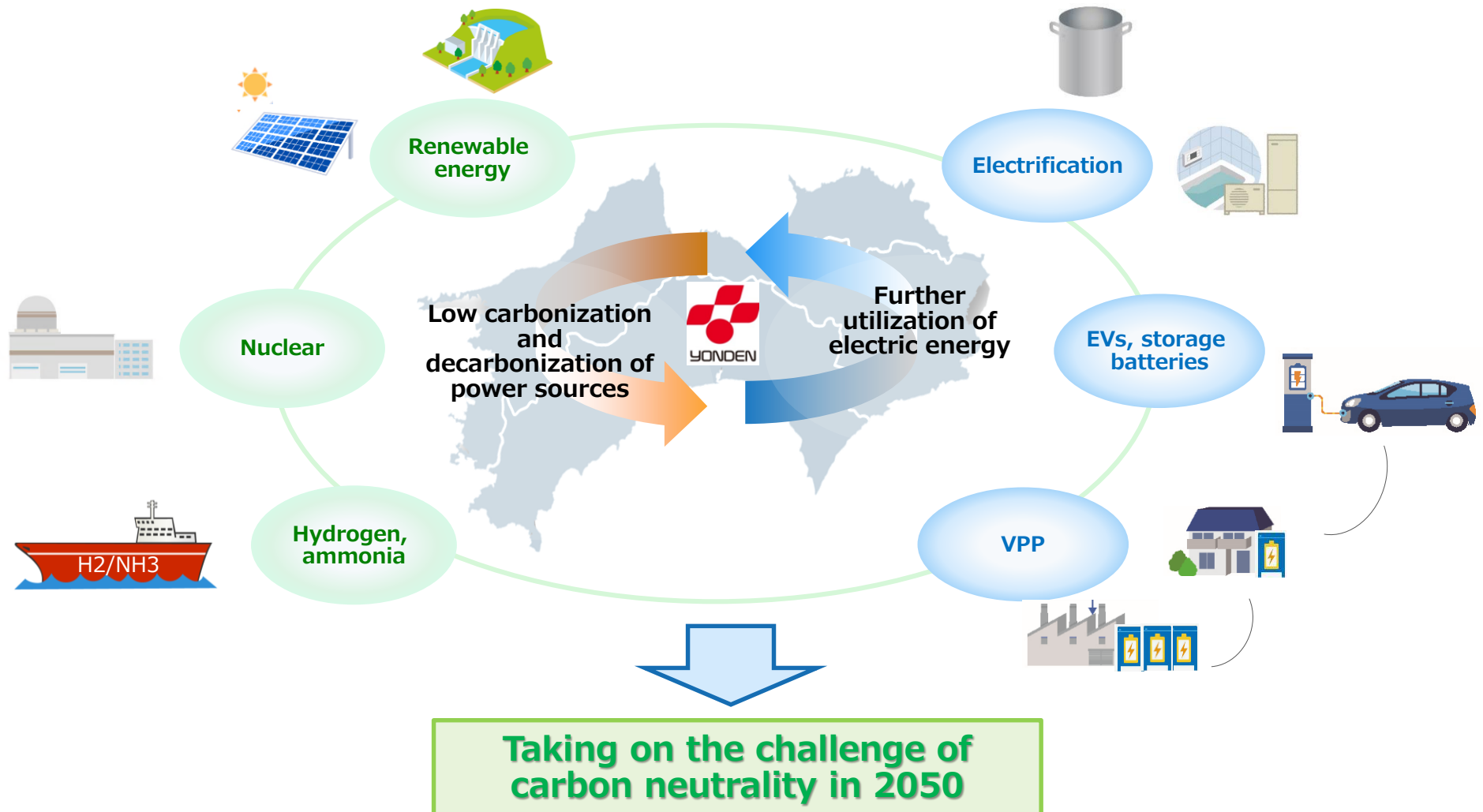
### <Reference>

#### Consultation process for local governments



# Conclusion

- As a responsible supplier of energy, we, together with our stakeholders, hope to contribute to the realization of a sustainable society in the Shikoku region in terms of both the supply and demand of electricity through “low-carbonization and decarbonization of power sources” and the “further utilization of electric energy” by taking on the challenge of becoming “carbon neutral in 2050”.



## Disclaimer

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 therefore subject to risks and contain an element of uncertainty.

It is also possible that such forecasts will be revised at a later date in light of changes in business areas of our group, such as economic, social and weather conditions, the government energy policy, systems pertaining to electric power business, regulations related to nuclear power generation, tougher competition, and rapid changes of currency exchange rates and fuel prices. We ask that readers take these factors into consideration.



**SHIKOKU ELECTRIC POWER CO., INC.**