

November 10, 2022

Shikoku Electric Power Company, Incorporated

Main Questions and Answers at FY2022 2Q Financial Results Briefing

Q. Why did you not pay an interim dividend?

A. The first half financial results were not only due to our own efforts, but were also down to a number of fortunate factors, including the full operation of Ikata Unit No.3 and the success of currency hedging. In addition, as a result of the understanding and cooperation of customers in the removal of the ceiling on the fuel cost adjustment, we managed to secure a profit. However, we have determined that we are not in a position to pay a dividend at this time as we anticipate a very difficult earnings environment for the full year.

Q. Why is the year-end dividend yet to be decided?

A. Although the full-year operating results are estimated based on certain assumptions, there will be larger fluctuations depending on the trends for fuel prices and demand and supply during winter. We have also just start to consider a review of regulated rates. In any case, in light of these various circumstances, we would like to reassess our decision on the year-end dividend, bearing in mind the maximization of shareholder value over the medium to long term.

Q. Why did you state you are considering a review of regulated rates?

A. Amid soaring fuel prices and the depreciation of the yen, we have been asking customers of high-voltage, extra-high voltage and low-voltage deregulated rate menus for the gradual removal of the ceiling on the fuel cost adjustment this fiscal year. Under these circumstances, we decided it is necessary to consider a review of regulated rates as well, taking into account such factors as the stabilization of management and balance among customers.

Q. What is your approach to the review of the standard menus for high-voltage and extra-high voltage?

A. For high-voltage and extra-high voltage, we are currently considering new standard menus for supply commencing in April next year, taking into account such factors as the outlook for scale of demand and power procurement next fiscal year and the fuel price and market price trends. We believe it is necessary to accept a reasonable amount of return demand from PPS. We would like to make an announcement on our approach in December after carefully considering how to secure supply capacity for this purpose.

Q. How will you handle Medium-Term Management Plan 2025?

A. We have described how the Company will aim to achieve management targets with the electric power business and businesses other than electricity as our twin wheels for realizing Medium-Term Management Plan 2025. At present, businesses other than electricity operated by subsidiaries and

others are expanding steadily. However, in the electric power business, we are considering and implementing various measures aimed at normalization of business operations amid soaring fuel prices. We aim to achieve the medium-term targets by fiscal 2025 by continuing to utilize the market to recover the fixed costs of power supply and improve profitability in the sales business.

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