

# Financial Results Briefing for FY2023

(April 1, 2023 – March 31, 2024)



May 8, 2024

**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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# Key Points of Consolidated Financial Results and Forecasts of Consolidated Financial Results & Dividends

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## [Consolidated Financial Results for FY2023] Revenue Decrease but Profit Increase

### Revenues

**787.4 billion yen**

Change: **(45.8 billion yen)**

### Profit

Ordinary profit

**80.0 billion yen**

Change: **+ 102.5 billion yen**

(Profit attributable to owners of parent)

**60.5 billion yen**

Change: **+83.3 billion yen**

### Dividend

< Interim dividend >

**¥15 per share**

< Year-end dividend >

**¥15 per share**

## [FY2024 Forecasts of Consolidated Financial Results & Dividends]

### Revenues

**852.0 billion yen**

### Profit

Ordinary profit

**48.0 billion yen**

(Net profit attributable to owners of parent)

**36.0 billion yen**

### Dividend

< Interim dividend >

**¥20 per share**

< Year-end dividend >

**¥20 per share**

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# I. Summary of FY2023 Financial Results

## Summary of Financial Results (Refer to page 6 to 7 for details)

(100 million yen)				
	FY2023	FY2022	Change	Growth rate
Revenues	7,874	8,332	(458)	(5.5)%
Operating Expenses	7,088	8,454	(1,366)	(16.2)%
Operating Profit(Loss)	785	(122)	907	-
Non-Operating Profit (Loss)	15	(102)	117	
Ordinary Profit(Loss)	800	(225)	1,025	-
Income Taxes, etc.	195	3	192	
Profit(Loss) attributable to owners of parent	605	(228)	833	-
Net profit per share	294 Yen	(111) Yen	405 Yen	-

Shareholders Equity Ratio	22.1%	18.3%	3.8%
Interest-Bearing Debts Ratio	2.5x	3.2x	(0.7)x

# Key Data

## Key Factors for Electric Power

	FY2023	FY2022	Change
Total Electricity Supplied <sup>*1</sup>	30,543	32,752	(2,209)
Electricity Sales (Retail)	22,170	23,413	(1,243)
Lighting	7,491	7,686	(195)
Power	14,679	15,727	(1,048)
Electricity Sales (Wholesale)	8,373	9,339	(966)
Demand from Shikoku area	26,019	27,808	(1,789)

(million kWh)

Nuclear Capacity Factor (%)	86.8	92.4	(5.6)
Flow Rate (%)	93.2	73.6	19.6
Coal Customs CIF Price (\$/t)	195	358	(163)
Crude Oil Customs CIF Price (\$/b)	86	103	(17)
LNG Customs CIF Price (\$/t)	648	930	(282)
Exchange Rate (¥/\$)	145	135	10
•JEPX Spot Market Prices in the Shikoku Area (¥/kWh)	9.5	19.1	(9.6)

\*1 The imbalances, etc. which have not been confirmed as of the settlement day are not to be included.

## Key Factors for Businesses Other than Electric Power

	FY2023	FY2022	Change
[IT/Communications] Number of FTTH contract (10,000 cases)	37.3	35.6	1.7
[Energy] Generation capacity in International Business (10,000kW)	111	92	19
[Energy] LNG Sales (10,000t)	10.5	10.0	0.5
[Construction/Engineering] Total orders received by major group companies <sup>*2</sup> (100 million yen)	1,437	1,267	170

<sup>\*2</sup> YONDENKO CORPORATION, Yonden Engineering Company, Incorporated, Yonden Consultants Company, Incorporated

## Financial Sensitivity for Key Factors

(100 million yen)

	FY2023	FY2022	Change
Nuclear Capacity Factor (1%)	10	14	(4)
Flow Rate (1%)	5	7	(2)
Coal Customs CIF Price (\$/t)	6	6	0
Crude Oil Customs CIF Price (\$/b)	2	4	(2)
Exchange Rate (1¥/\$)	11	23	(12)

# Details of Consolidated Financial Results (Electric Power and Businesses Other than Electric Power)

(100 million yen)

			FY2023	FY2022	Change	Growth rate
Revenues	Electric Power	Electricity Sales (Retail) Revenues	*1 5,409	*1 5,122	287	5.6%
		Electricity Sales (Wholesale) Revenues	1,097	1,849	(752)	(40.7)%
		Others	388	378	10	2.6%
		Subtotal	6,895	7,350	(455)	(6.2)%
	Businesses Other than Electric Power		978	981	(3)	(0.3)%
	Total		7,874	8,332	(458)	(5.5)%
Operating Expenses	Electric Power	Personnel	466	459	7	1.5%
		Fuel	1,663	2,070	(407)	(19.7)%
		Power Purchase	1,389	2,801	(1,412)	(50.4)%
		Depreciation	514	458	56	12.4%
		Maintenance	776	509	267	52.4%
		Nuclear Back-end	184	186	(2)	(1.3)%
		Others	1,265	1,120	145	12.9%
		Subtotal	6,260	7,606	(1,346)	(17.7)%
	Businesses Other than Electric Power		828	848	(20)	(2.4)%
Total		7,088	8,454	(1,366)	(16.2)%	
Operating Profit(Loss)			785	(122)	907	-
	Non-Operating Profit (Loss)		15	(102)	117	
Ordinary Profit(Loss)			800	(225)	1,025	-
	Income Taxes, etc.		*3 195	*2 3	192	
Profit(Loss) attributable to owners of parent			605	(228)	833	-

(Factors contributing to change: 100 million yen)

## ① [Electricity Sales (Retail)]

- Decrease in electricity sales (271)
- Increase in income per unit +558

①

## ②[Electricity Sales (Wholesale)]

- Decrease in electricity sales (184)
- Decrease in income per unit (636)
- Increase in sales for supply and demand adjustment market (Tertiary) and sales of Non-fossil certificate +68

②

## ③[Fuel, Power Purchase] (1,819)

- Decrease in nuclear power +50
- Decrease in total electricity sales (305)
- Increase in hydropower (85)
- Decrease in the thermal unit price (985)
- Decrease in unit price of avoidable costs for FIT purchases (432) and others

③

## ④[Depreciation]

- Increase in depreciation of unit No.1 of Saijo thermal power station +59, etc.

④

## ⑤[Maintenance]

- Increase in the maintenance expenses related to thermal power +153
- Increase in the maintenance expenses related to nuclear power +56
- Increase in the maintenance expenses related to Transmission & Distribution +34, etc.

⑤

## ⑥[Others]

- Increase in commission expenses +53
- Increase in other expenses

⑥

## ⑦[Non-Operating Profit (Loss)](Electric Power (97), Businesses Other than Electric Power +214)

- Decrease in foreign exchange gains (66)
- Rebound from investment losses in international businesses last year +188, etc.

⑦

\*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 A portion of deferred tax assets was reversed and 3.1 billion yen was recorded as income taxes.

\*3 Corporate taxes etc. decreased by 2.9 billion yen due to additional recording of deferred tax assets.

# Factors Contributing to Change in Consolidated Ordinary Profit from Previous Fiscal Year

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**FY2022**

**+1,025**

(100 million yen)

**FY2023**

**(Electric Power)  
+ 775**

- Decrease in nuclear power -50
- Decrease in total electricity sales +305
- Increase in hydropower +85
- Decrease in the thermal unit price +985
- Avoidable FIT purchases Decrease in unit price +432, etc.

**Decrease in  
supply and  
demand related  
expenses  
+1,819**

**Increase in  
maintenance and  
depreciation  
expenses, etc.  
-579**

- Rebound from investment losses in international businesses last year +188, etc.

**+250  
Increase in profit  
from Businesses  
Other than Electric  
Power, Other\***

\*Including adjustment -4

**800**

- Increase in maintenance expenses -267
- Increase in depreciation cost -56
- Increase in commission expenses -53
- Deterioration of non-operating profit (loss) -97, etc.

- Time Lag Effect of Fuel Cost Adjustment System +285
- Temporary fluctuations in profit of Electricity Transmission & Distribution companies +140

- Decrease in electricity sales -271
- Increase in income per unit 558

**+287  
Increase in  
retail  
revenues**

**Decrease in  
wholesale  
revenues  
-752**

- Decrease in electricity sales -184
- Decrease in income per unit -636
- Increase in sales for supply and demand adjustment market (Tertiary) and sales of Non-fossil certificate +68

**-225**



# Ordinary Profit (by Segment)

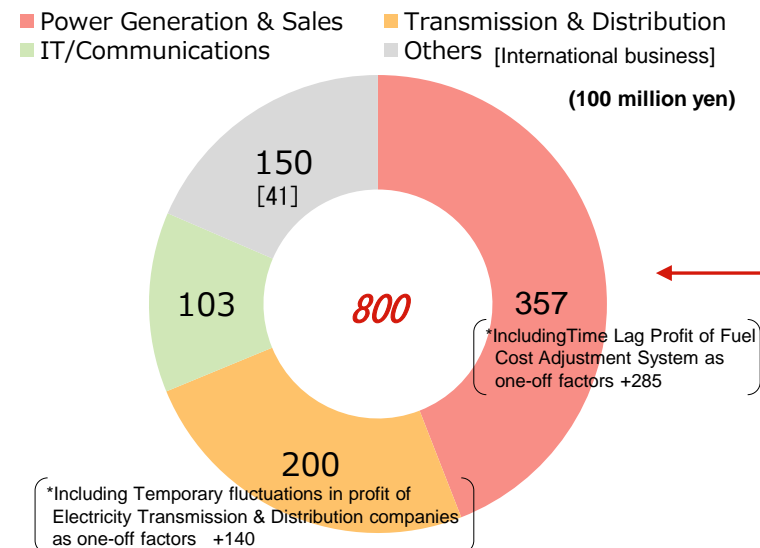
8

				(100 million yen)		
				Ordinary Profit		
				FY2023	FY2022	Change
Consolidated				800	(225)	1,025
Segment (Before Elimination of Internal Transactions)	Electric Power			558	(216)	775
		Power Generation & Sales*		357	(289)	646
		Transmission & Distribution		200	72	128
	Businesses Other than Electric Power			254	(0)	254
		IT/Communications		103	93	10
		Energy		67	(151)	218
		Construction/Engineering		58	35	23
		Others		24	21	3
	Adjustments				(11)	(7)

\*Ordinary Profit from Power Generation & Sales is Excluded dividends received from consolidated subsidiaries and equity method affiliates.

\*Because of rounding, the total figures are not necessarily equal to totals of individual figures.

## FY2023 Consolidated Ordinary Profit by Segment

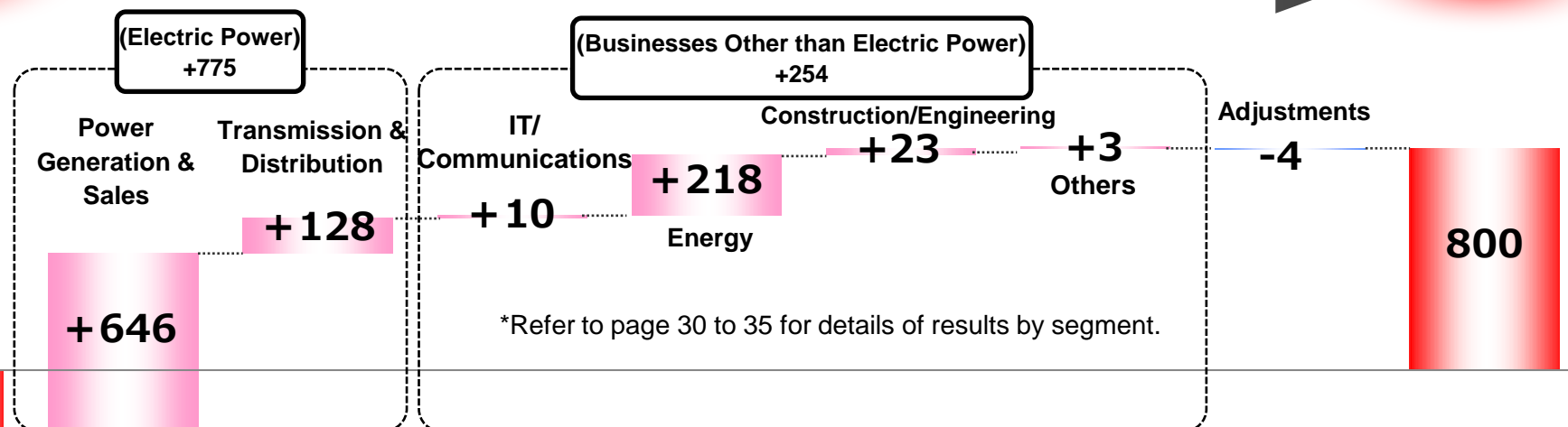


## Consolidated Ordinary Profit +1,025

FY2022

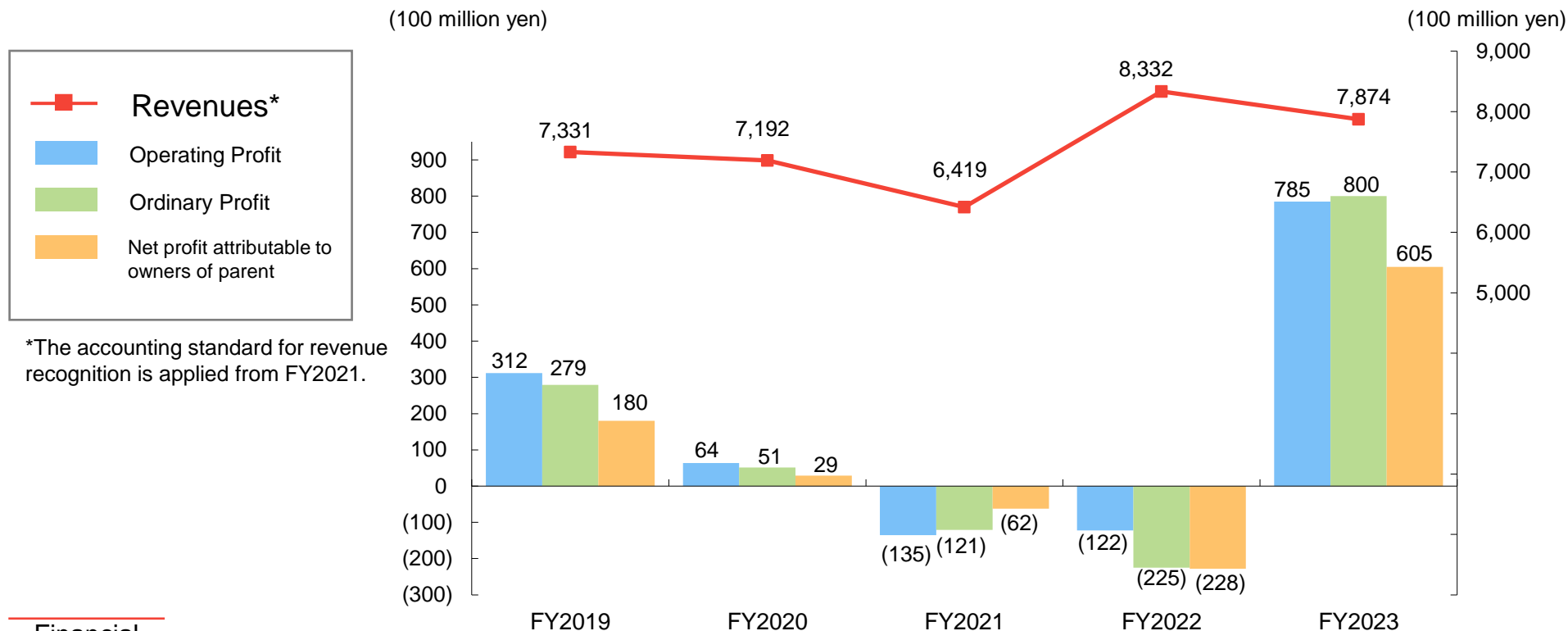
(100 million yen)

FY2023



# Changes in Consolidated Results

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## Financial Indicators

		FY2019	FY2020	FY2021	FY2022	FY2023
Operating profit margin	(%)	4.3	0.9	(2.1)	(1.5)	10.0
Net profit per share	(¥)	88	15	(30)	(111)	294
Business profit (ordinary profit + interest expense)	(100 million yen)	340	108	(65)	(163)	862

*Plus is income, ( ) is expenditure (100 million yen)			
	FY2023	FY2022	Change
Cash Flows from Operating Activities	1,436	360	1,076
Ordinary Profit	800	(225)	
Depreciation	589	524	
Others	46	61	
Cash Flows from Investing Activities	(973)	(916)	(57)
Capital Expenditures	(797)	(746)	
Investments	(175)	(169)	
Free Cash Flows	463	(555)	1,018
Cash Flows from Financing Activities	(341)	848	
Bonds and Loans	(310)	880	
Cash Dividends Paid	(30)	(30)	
Net Increase (Decrease) in Cash and Cash Equivalents	123	330	

## < Reference >

CF to Interest-bearing Debts Ratio (times)	6.4	26.3
Interest Coverage Ratio (times)	23.3	6.2

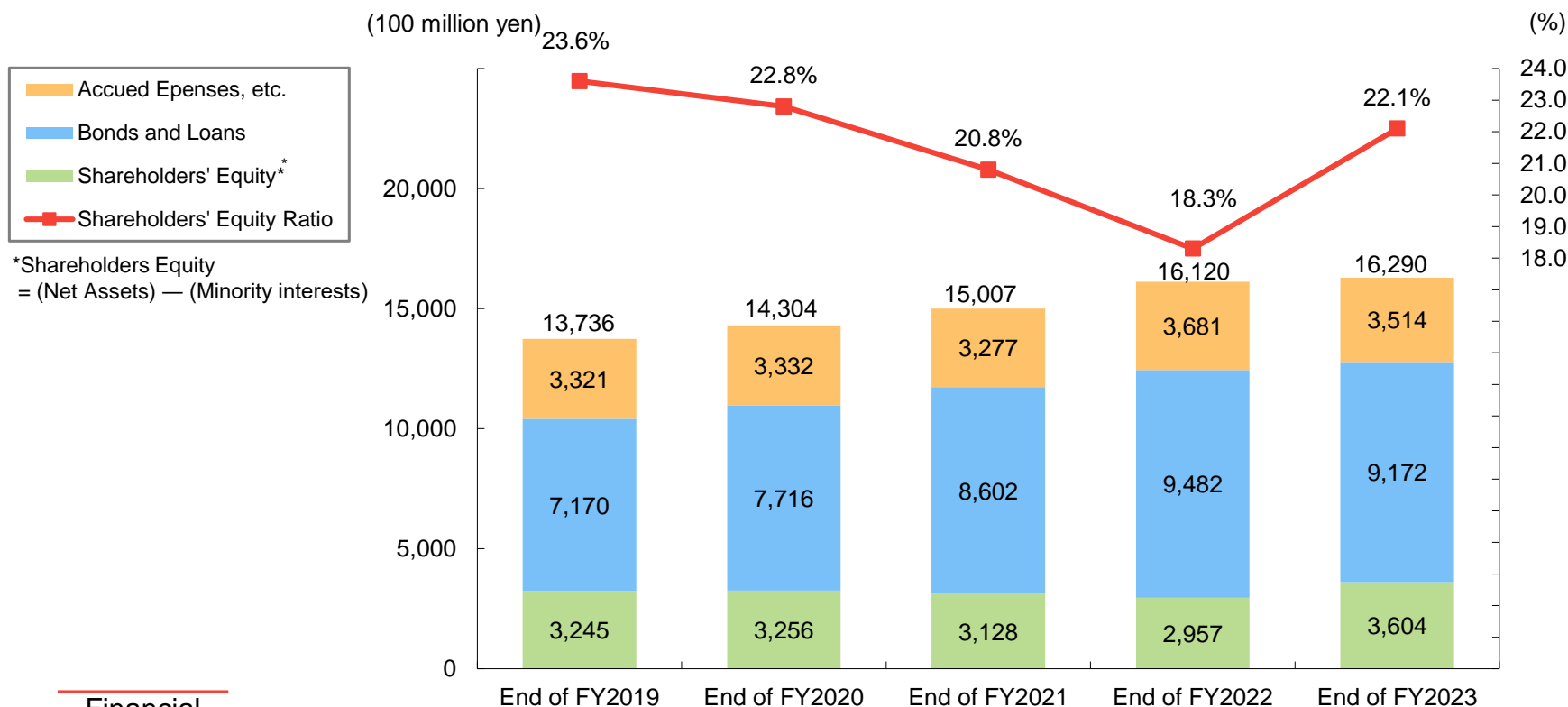
\*CF to Interest-bearing Debt Ratio: Interest-bearing Debt / Cash flows from operating activities  
Interest Coverage Ratio: Cash flows from operating activities / Interest expenses

(100 million yen)

	End of FY2023	End of FY2022	Change	Main reasons for the increase or decrease
Assets	16,290	16,120	170	
Business assets	8,962	9,029	(67)	<ul style="list-style-type: none"> <li>• Capital expenditures +572</li> <li>• Depreciation -589</li> </ul>
Nuclear fuel	1,317	1,256	61	
Investments, etc.	6,010	5,834	176	<ul style="list-style-type: none"> <li>• Increase in cash on hand +123</li> </ul>
Liabilities	12,658	13,137	(479)	
Bonds and loans	9,172	9,482	(310)	<ul style="list-style-type: none"> <li>• Decrease in bonds -300</li> <li>• Increase in long-term borrowings -10</li> </ul>
Others	3,485	3,654	(169)	<ul style="list-style-type: none"> <li>• Decrease in accounts payable/accrued expenses etc.</li> </ul>
Net Assets	3,631	2,983	648	
Capital and capital surplus	1,491	1,491	-	
Retained earnings	1,914	1,340	574	<ul style="list-style-type: none"> <li>• Profit attributable to owners of parent +605</li> <li>• Payment of interim dividend -30</li> </ul>
Accumulated other comprehensive income	225	151	74	<ul style="list-style-type: none"> <li>• Cumulative amount of adjustments related to retirement benefits 56 Others</li> </ul>
Shareholders equity ratio	22.1%	18.3%	3.8%	

# Changes in Capital Structure

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\*Shareholders Equity  
= (Net Assets) — (Minority interests)

## Financial Indicators

	End of FY2019	End of FY2020	End of FY2021	End of FY2022	End of FY2023
Shareholders Equity Ratio (%)	23.6	22.8	20.8	18.3	22.1
Interest-Bearing Debts Ratio* (times)	2.2	2.4	2.7	3.2	2.5
Book-value per Share (BPS) (yen)	1,578	1,583	1,521	1,438	1,753
Price Book-value Ratio (PBR) (times)	0.5	0.5	0.5	0.5	0.7

\*Interest-Bearing Debts Ratio = Bonds and Loans / Shareholders' Equity

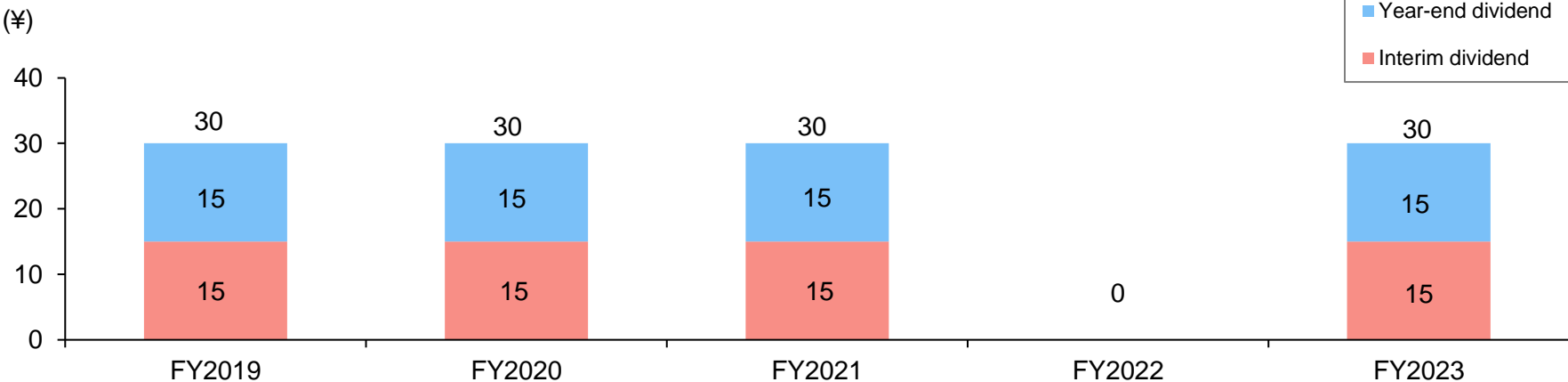
- Paying stable dividends is our basic policy for returns to shareholders. We will first aim for the early realization of a 50 yen per share dividend, which is decided in the light of comprehensive consideration of business results, financial position, and medium-to long-term business conditions.
- In FY2023, We plan to pay a year-end dividend of ¥15 (¥30 per year) per share as forecast.

## Dividends per share

	(yen)	
	FY2022	FY2023
Interim dividend	0	15
Year-end dividend	0	15*
Total	0	30

\*Year-end dividend will be officially decided at the general shareholders meeting to be held in June 2024.

## Changes in dividends per share



## II. Forecasts of Consolidated Financial Results & Dividends for FY2024

### Forecasts of Consolidated Financial Results

	FY2024 Forecast	(100 million yen) < Reference > FY2023 Results
Revenues	8,520	7,874
Operating Profit	440	785
Ordinary Profit	480	800
Net profit attributable to owners of parent	360	605
Net Profit per Share	175yen	294yen

### Dividends per share forecast

	FY2024 Forecast	(yen) < Reference > FY2023 Results
Interim dividend	20	15
Year-end dividend	20	15
Total	40	30

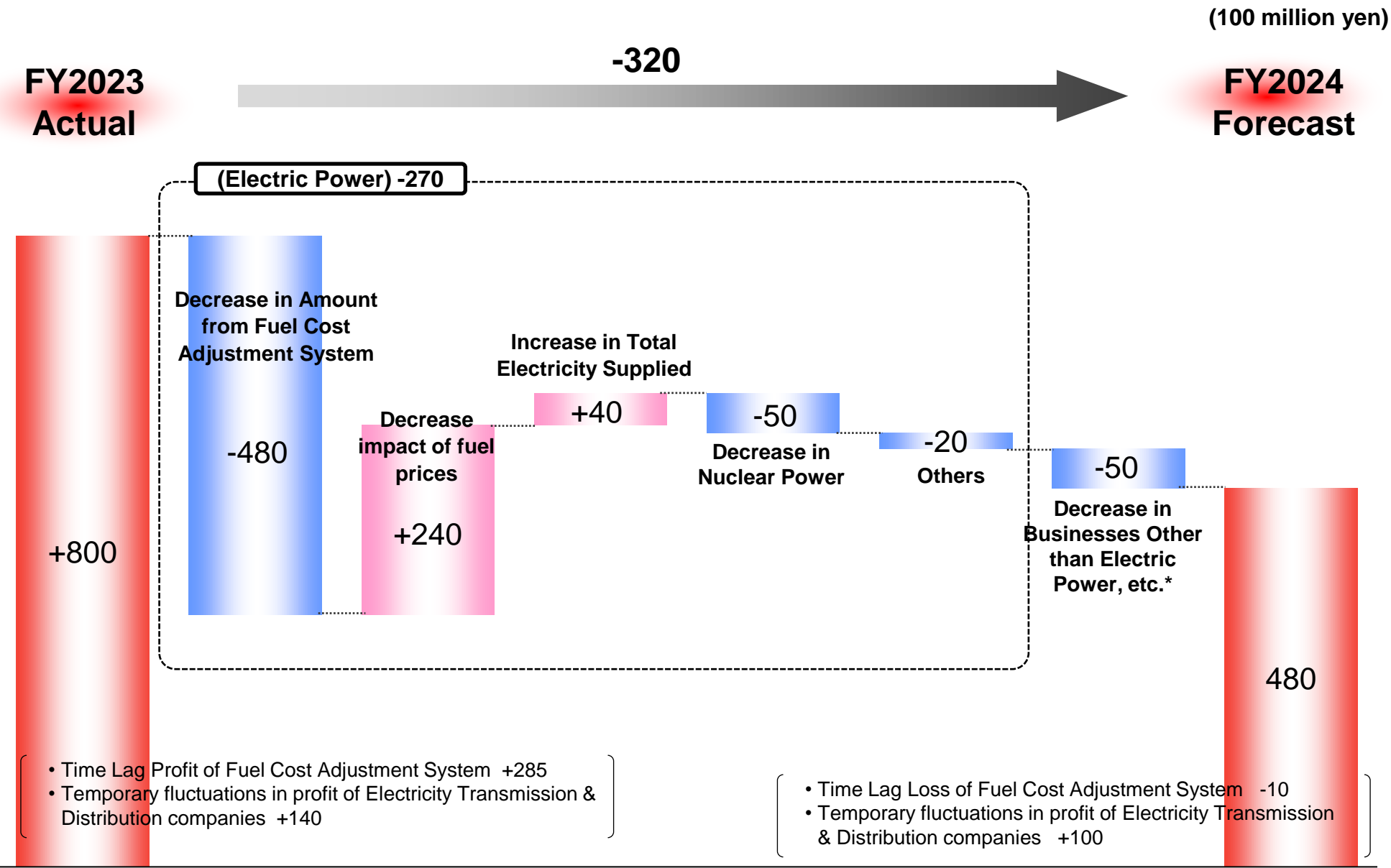
### Electricity Sales Forecast

	FY2024 Forecast	(100 million kWh) < Reference > FY2023 Results
Retail	223	222
Wholesale	154*	84
Total Electric Power	377	305

\*Increase due to an increase in self-contracted electricity transport between retail areas (electricity purchased in other areas from other power generation companies, etc.)

### Assumption factors

	FY2024 Forecast	< Reference > FY2023 Results
Nuclear Capacity Factor (%)	81	87
Coal CIF Price (\$/t)	170	195
Crude Oil CIF Price (\$/b)	90	86
Exchange Rate (¥/\$)	150	145





# Forecast of Ordinary Profit (by Segment)

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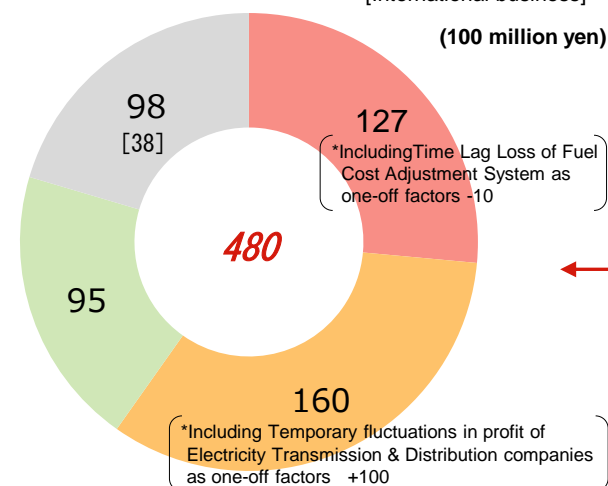
(100 million yen)						
		Revenues			Ordinary Profit	
		FY2024 Forecast	FY2023 Results	Change	FY2024 Forecast	FY2023 Results
<b>Consolidated</b>		<b>8,520</b>	<b>7,874</b>	<b>646</b>	<b>480</b>	<b>800</b>
Segment (Before Elimination of Internal Transactions)	<b>Electric Power</b>	<b>9,540</b>	<b>9,100</b>	<b>440</b>	<b>287</b>	<b>557</b>
	Power Generation & Sales*	7,160	6,700	460	127	357
	Transmission & Distribution	2,380	2,400	(20)	160	200
	<b>Businesses Other than Electric Power</b>	<b>1,635</b>	<b>1,756</b>	<b>(121)</b>	<b>193</b>	<b>252</b>
	IT/Communications	500	491	9	95	103
	Energy	255	258	(3)	50	67
	Construction/Engineering	520	652	(132)	25	58
	Others	360	355	5	23	24
	Adjustments	(2,655)	(2,985)	330	-	(9)

\*Ordinary Profit from Power Generation & Sales is Excluded dividends received from consolidated subsidiaries and equity method affiliates.

\*Because of rounding, the total figures are not necessarily equal to totals of individual figures.

## FY2024 Consolidated Ordinary Profit by Segment

■ Power Generation & Sales ■ Transmission & Distribution  
■ IT/Communications ■ Others [International business]



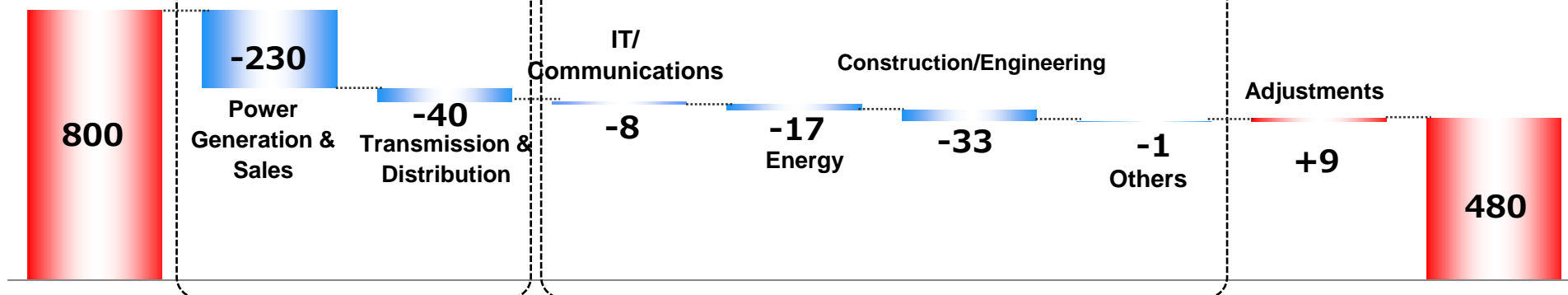
## Consolidated Ordinary Profit - 320

**FY2023 Actual**

**(Electric Power) - 270**

**(Businesses Other than Electric Power) - 59**

(100 million yen)  
**FY2024 Forecast**



## III . Initiatives to Enhance Corporate Value

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# (1) Medium-term Management Plan 2025: Partial Revision of Management Indexes

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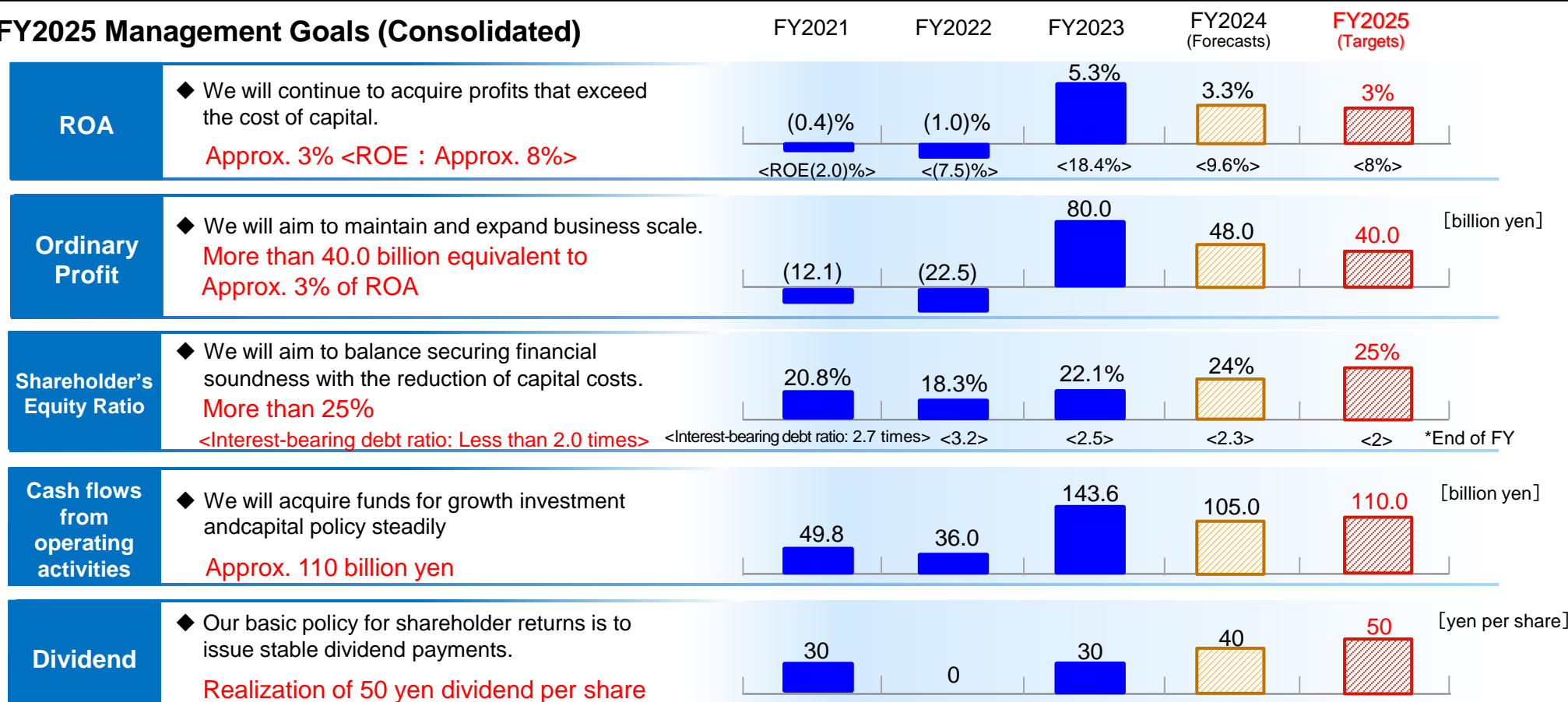
○ Based on changes in the business environment such as an increase in total assets after the publication of the Medium-Term Management Plan 2025, among the management targets for FY2025,

- The amount of ordinary profit equivalent to ROA of approximately 3% has been revised to approximately 40.0 billion yen (approx. 35.0 billion yen at the time of the announcement of the Medium-Term Management Plan 2025)
- ROE has been revised to approximately 8% in line with the revision of ordinary profit (approx. 7% at the time of the announcement of the Medium-Term Management Plan 2025)

We will work to sustainably increase corporate value through the achievement of these targets.

\* Long-term targets for FY2030 will be announced in the next medium-term management plan.

## FY2025 Management Goals (Consolidated)



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

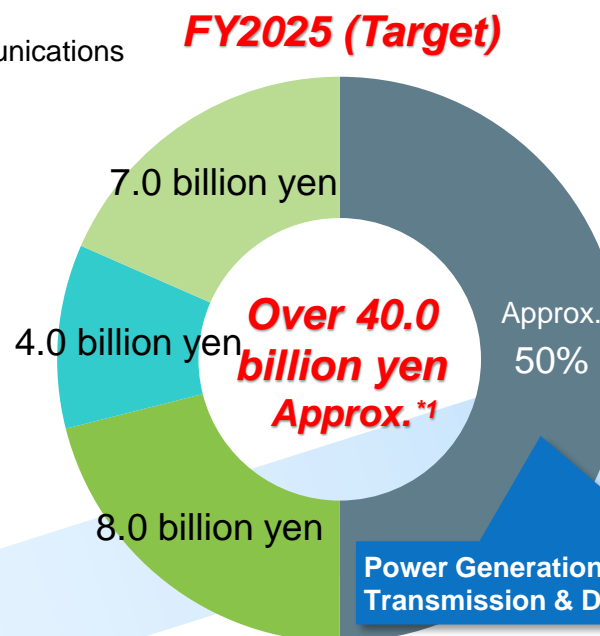
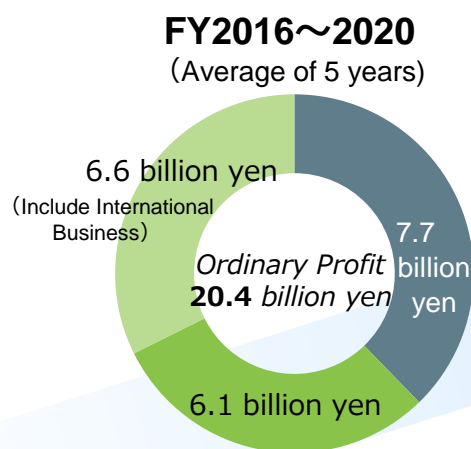
## (2) Medium-term Management Plan 2025: Partial Revision of Segment Profit Targets

○ We have revised our profit target for the power generation & sales business to 15.0 billion yen for FY2025, because ordinary income equivalent to Approx. 3% of ROA would be more than 40.0 billion yen.

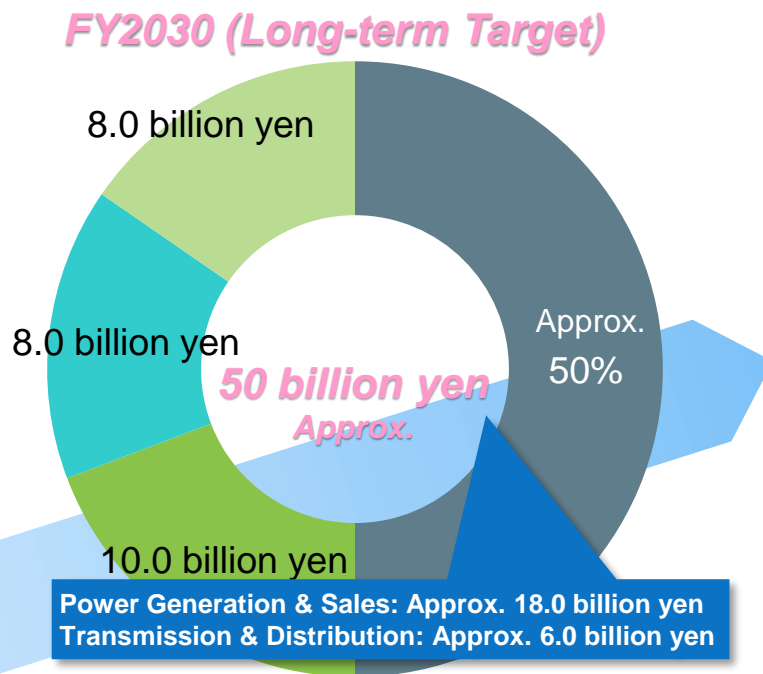
\*Long-term targets for FY2030 will be disclosed again in the next medium-term management plan.

- ✓ We will Create sustainable corporate value through both electric and non-electric businesses.
- ✓ We make half of our profit target from electric and half from non-electric businesses.

■ Electric Power      ■ IT/Communications  
■ International Business      ■ Others



**Power Generation & Sales: Approx. 15.0 billion yen\*2**  
**Transmission & Distribution: Approx. 6.0 billion yen**



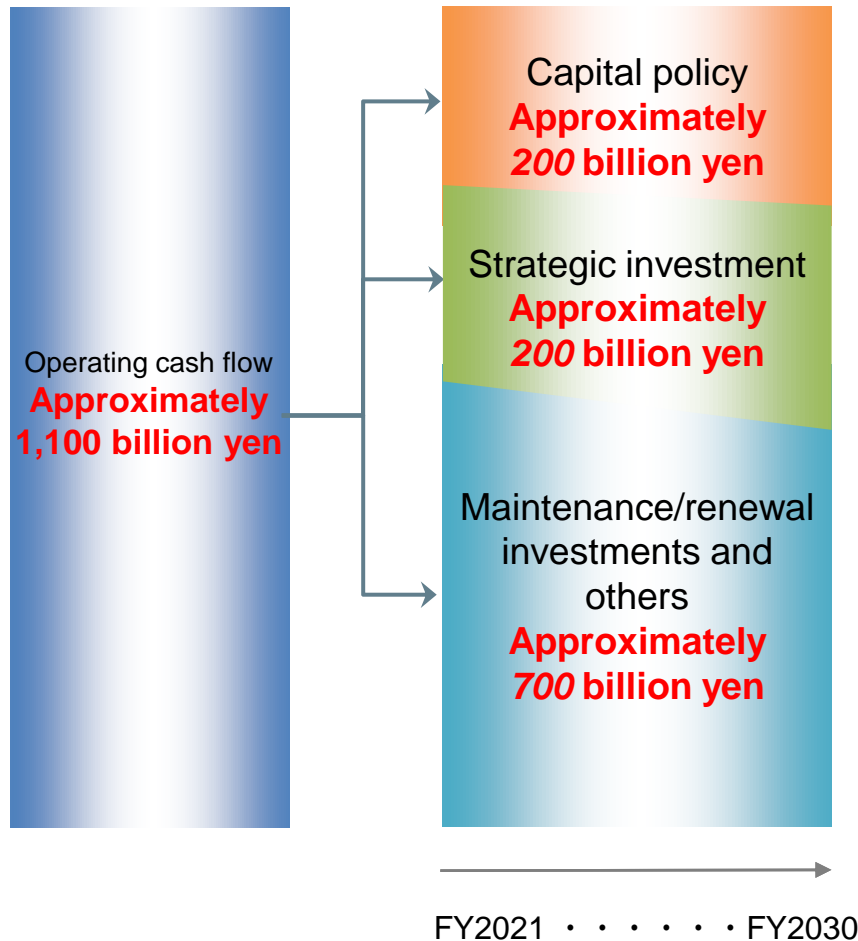
**Power Generation & Sales: Approx. 18.0 billion yen**  
**Transmission & Distribution: Approx. 6.0 billion yen**

\*1 Ordinary profit equivalent to about 3% ROA. When the Medium-Term Management Plan 2025 was announced (March 2021), the Company projected approx. 35 billion yen, but since then, total assets have increased more than expected, and the current figure is approx. 40 billion yen.

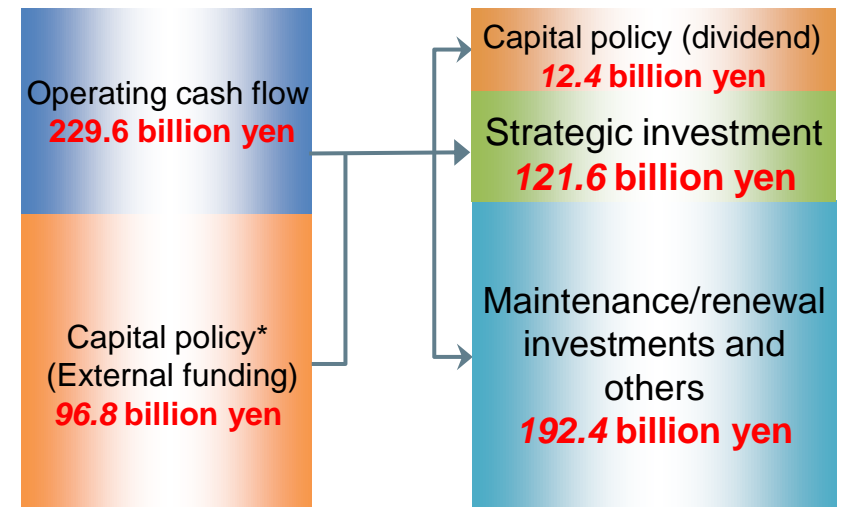
\*2 In line with the above, the profit of the Power Generation & Sales was revised from approx. 11.0 billion yen to approx. 16.0 billion yen.

### (3) Medium-term Management Plan 2025: Cumulative Cash Flow Allocation

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



#### Results (Three-year total from FY2021 to FY2023)

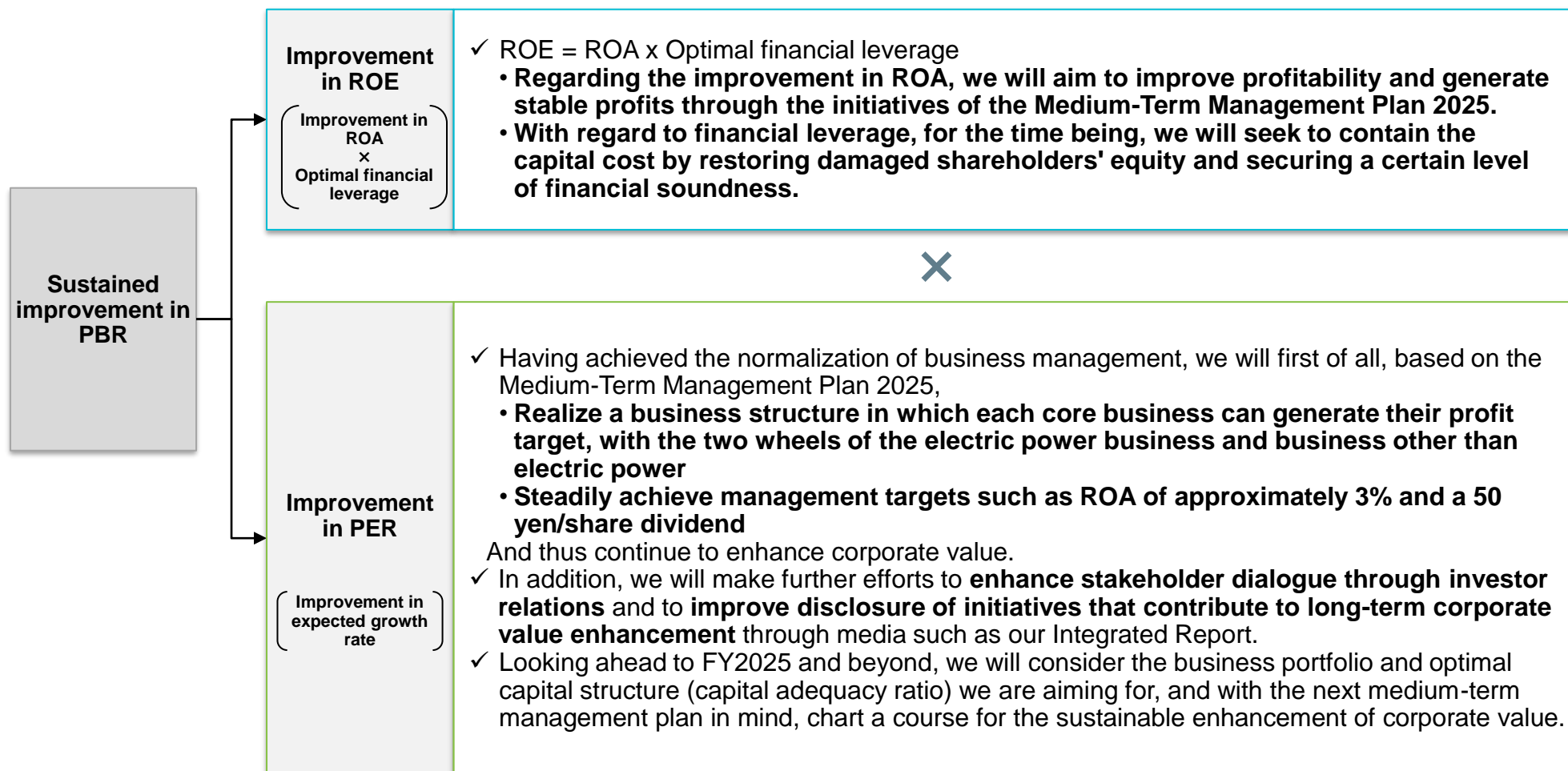


\* Value after taking into account changes in cash and deposits

## (4) Initiatives to Enhance Corporate Value

- We will first work to improve ROE and PER by firmly achieving the management targets set forth in the Medium-Term Management Plan 2025 (profit and cash flow indicators, realization of a 50 yen/share dividend, ensuring financial soundness, etc.) and improve PBR through sustainable enhancement of corporate value.

### <Initiatives for sustained improvement of PBR>



# (5) Major Initiatives for FY2024

## Improvement in PBR

### Improvement in ROE

**Improvement in ROA**  
Enhancement of profitability through the achievement of the Medium-Term Management Plan 2025



### Optimal financial leverage

Maintain financial soundness while optimizing control over capital cost



### Improvement in PER

(Improvement in expected growth rate)

- ✓ Establish a business structure with the two wheels of electric power business and business other than electric power
- ✓ Enhance dialogue and disclosure
- ✓ Consider business portfolio and capital structure with a view to the next Medium-term Management Plan period (FY26 and beyond)

#### Electric power business

**<Power generation business>** Reducing carbon emissions from and decarbonizing power sources while maintaining stable power supply

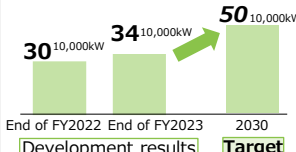
##### Nuclear energy

- ✓ Continuation of safe and stable operation
- ✓ Completion of dry storage facility



##### Renewable energy

- ✓ Operation and maintenance of existing facilities
- ✓ Promotion of new development



##### Thermal power

- ✓ Maintain and improve on-site technical capabilities
- ✓ Promote low carbon and decarbonization



#### Supply/demand operation, fuel procurement, wholesale sales

- ✓ Most economical supply/demand operation
- ✓ Economical and stable fuel procurement
- ✓ Optimization of wholesale sales

#### <Transmission and distribution businesses>

- ✓ Responding to the large-scale introduction of renewable energy and strengthening the resilience of the power grid
- ✓ Efficient procurement and operation of coordination capabilities

#### <Retail business>

- ✓ Corporate: Strengthen and expand proposal-based sales  
Expand sales outside Shikoku
- ✓ Households: Service expansion  
Promotion of electrified housing

#### Businesses Other than Electric Power

##### <IT/Communications Services Business>

- ✓ Expanding earnings of existing businesses
- ✓ Businesses utilizing new technologies such as generative AI
  - Expansion of services

Optical communication business (Individuals) → 10G plans, etc. Service expansion

Data Center Business (corporations) → One-stop provision of system development, etc.

Revenue growth

##### Energy-related

##### <International Business>

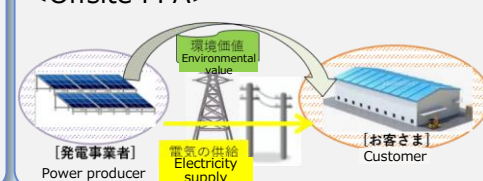
- ✓ Acquire quality new projects and steadily promote acquisitions
- ✓ Strengthen organization and talent in line with business expansion



##### <Domestic Energy Business>

- ✓ Expansion of solar PPA, DR, VPP, etc.

##### <Offsite PPA>



#### Strengthen foundations

##### <Promoting efforts to reduce emissions>

FY2030 (Compared with FY2013)

**Power generation**  
Reduction in in-house power generation (GHG emissions Scope 1+2) **-30%**

**Retail**  
Retail sector CO<sub>2</sub> emissions (Based on the Act on Promotion of Global Warming Countermeasures) **-50%**

Undertaking reduction methods at both retail and power generation

##### <Practicing human capital management>

- ✓ Acquire and develop talent by diversifying recruitment methods and enhancing education and training programs
- ✓ Strengthen DE&I initiatives structure and promote priority measures

Enhancement of corporate value

Carving out the future  
Talent acquisition and development

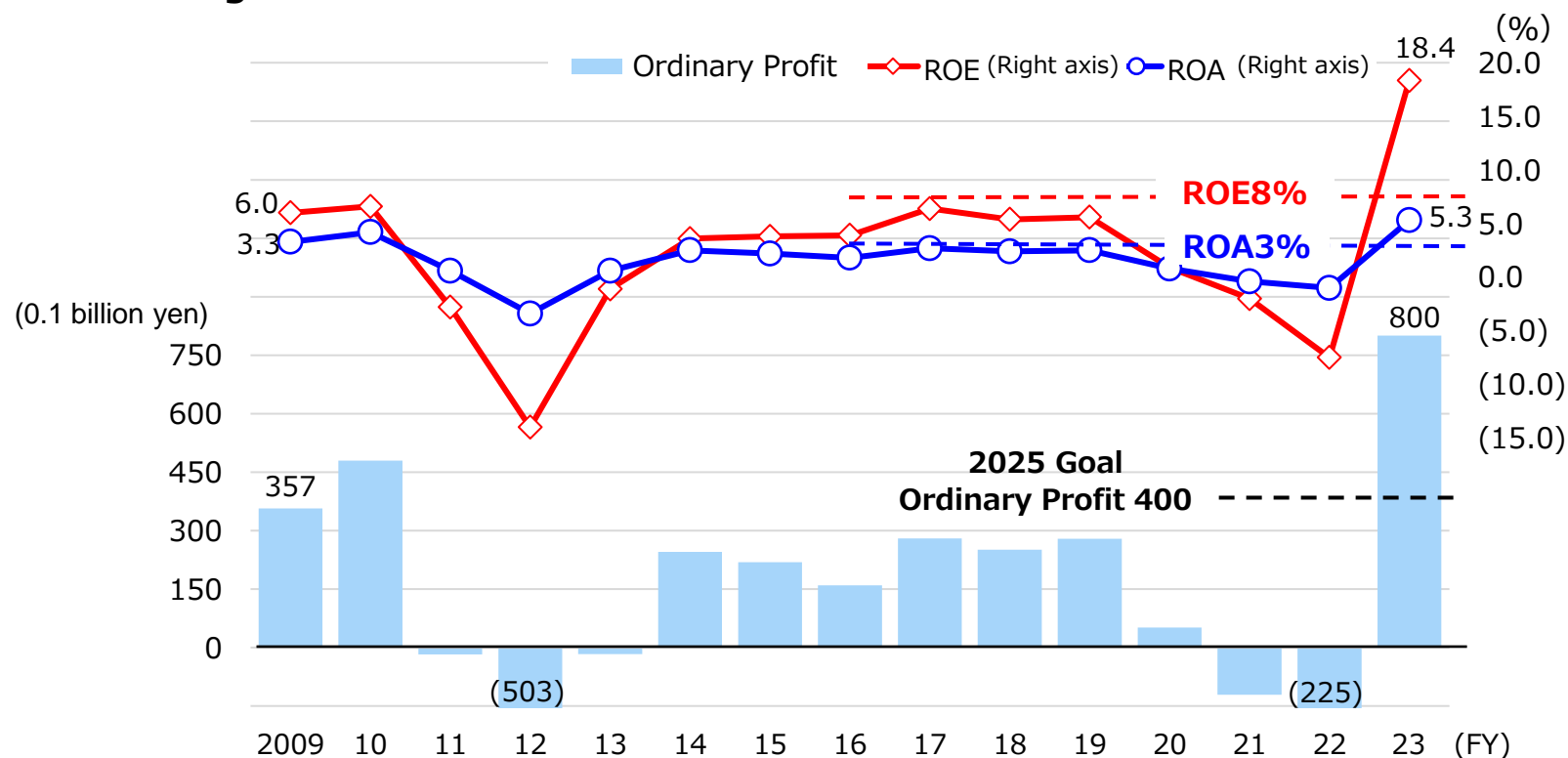
Promotion of DE&I

Creating a workplace environment in which employees can thrive

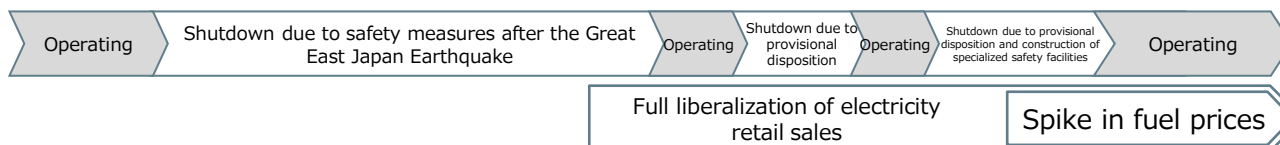
## — Capital Profitability (Changes in ROA and ROE) —

- Management has continued to experience low profitability due to the prolonged shutdown of the Ikata Unit No. 3 (nuclear power) following the Great East Japan Earthquake and intensified competition following the full liberalization of retail sales.
- In recent years, performance has been affected by significant fluctuations in fuel prices, but in FY2023, ROA and ROE both improved significantly due to the normalization of business management, as well as one-off factors such as the lag in fuel cost adjustment and fluctuations in profit of Electricity Transmission & Distribution companies.

### <Changes in ROA and ROE>



Status of Ikata Unit No. 3



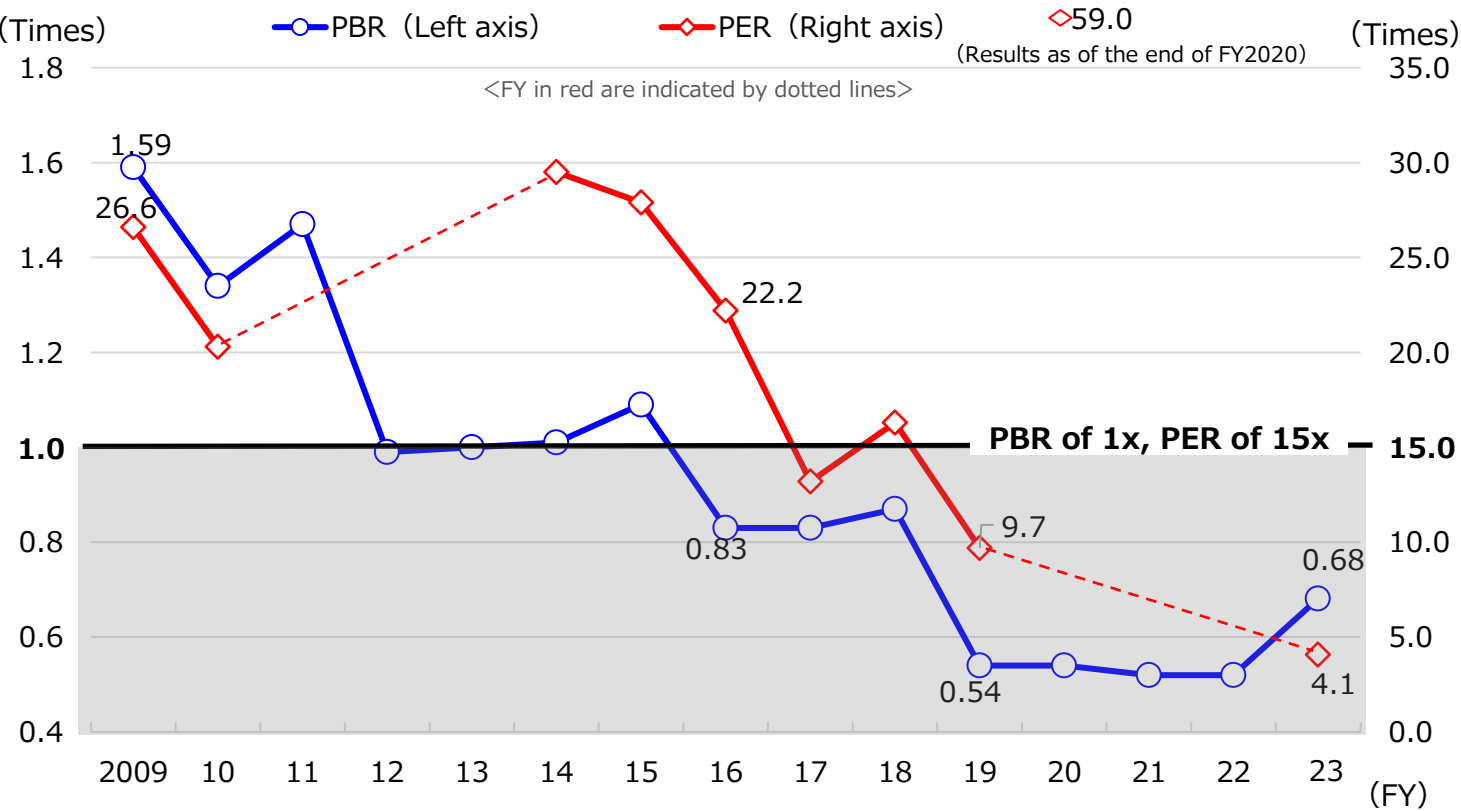


○PBR (Price Book-value Ratio), has been below 1x due to the decline in profitability indicators, but changed to an upward trend in FY2023 as business management normalized combined with one-off factors as a lag in fuel cost adjustment.

○PER (Price Earnings Ratio) is also expected to take an upward trend going forward.

\*PER in FY2020 and FY2023 are considered outliers due to the high level of profits.

<Changes in PBR and PER>



Consolidated ordinary profit (billion yen)	357	479	(18)	(503)	(17)	245	219	159	280	251	279	51	(121)	(225)	800
Annual dividends (yen/share)	50	60	60	—	—	20	20	20	30	30	30	30	30	—	30

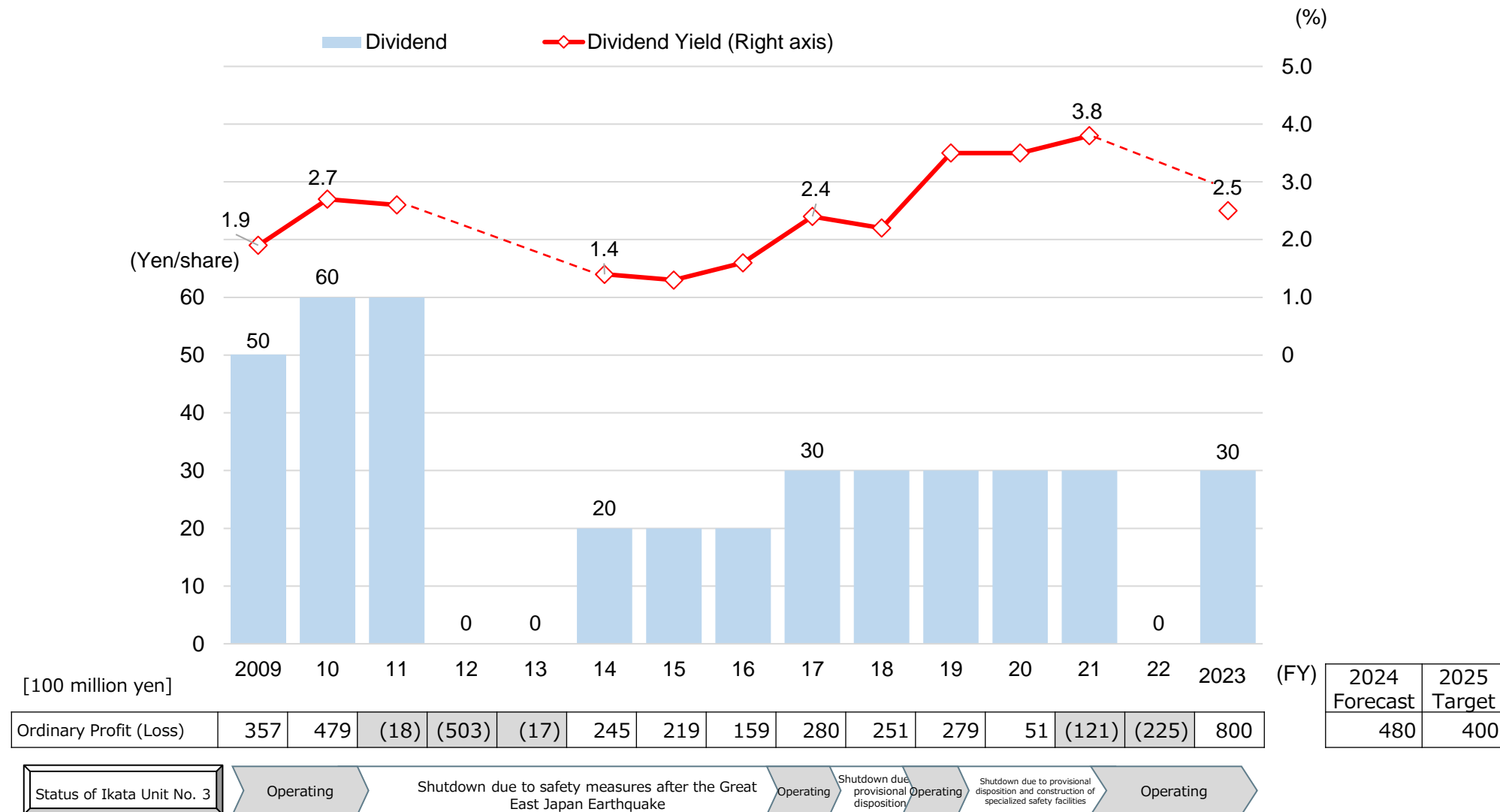
2024 Forecast	2025 Target
480	400
40	50

\* PER cannot be calculated in 2013, 2021 and 2022 due to net loss.

\* PER cannot be calculated for years with net losses.

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○The change in dividend yield has been on an upward trend since FY2019 due to stock price slump caused by the suspension of the nuclear power plant due to the provisional disposition and deteriorating profitability, but for FY2023, it has declined to approximately 2.5% as business management has normalized.



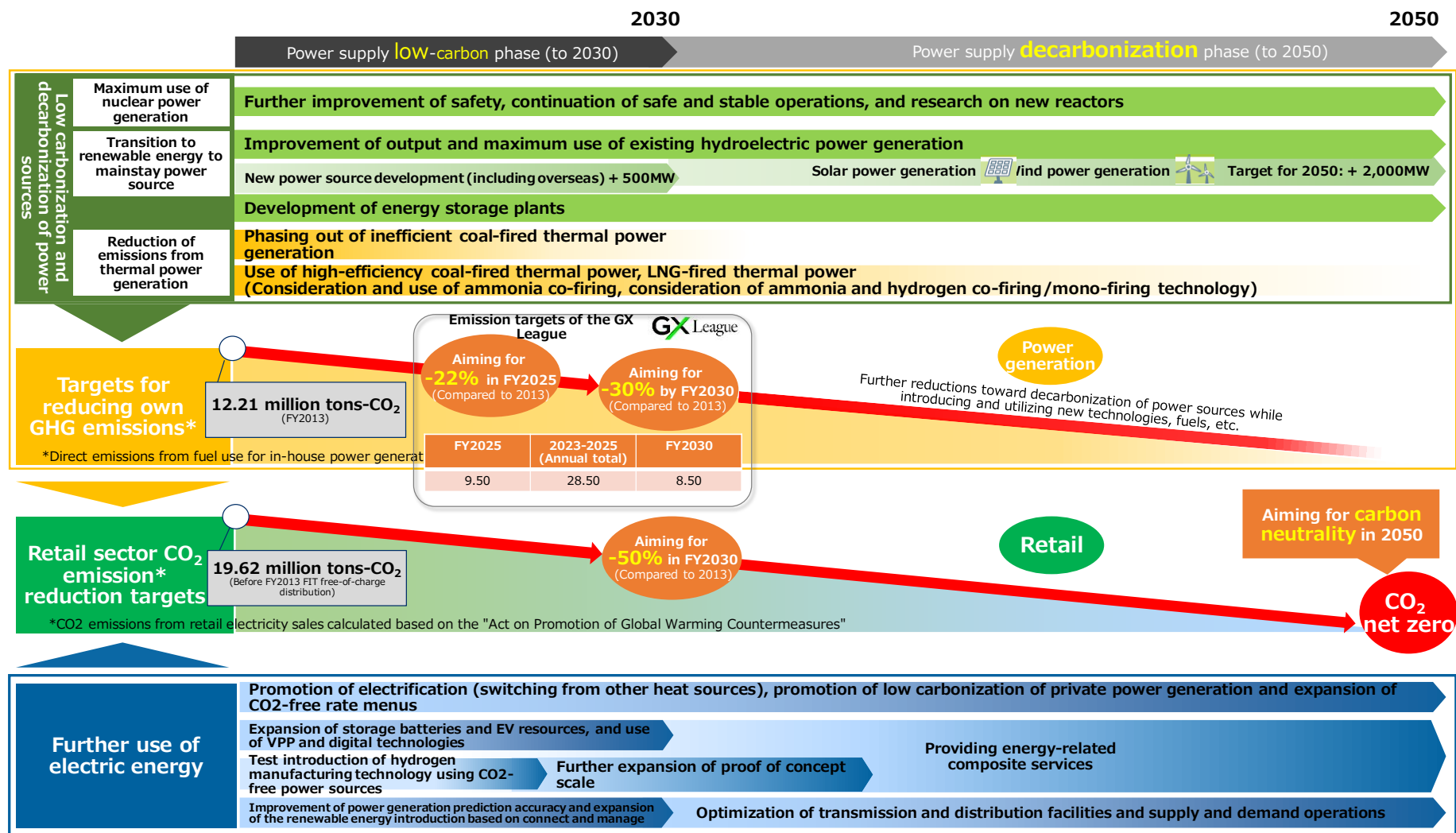
## IV. Carbon Neutral Challenge 2050 (Update)

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# (1) Roadmap Update

○The GX League's reduction targets (Scope 1 and 2 of GHG emissions) will be added to the roadmap toward carbon neutrality in 2050, along with the retail sector's reduction targets under the Act on Promotion of Global Warming Countermeasures, to promote initiatives to achieve them.

## ■ CARBON NEUTRAL CHALLENGE 2050 (Road map) <Summary version>

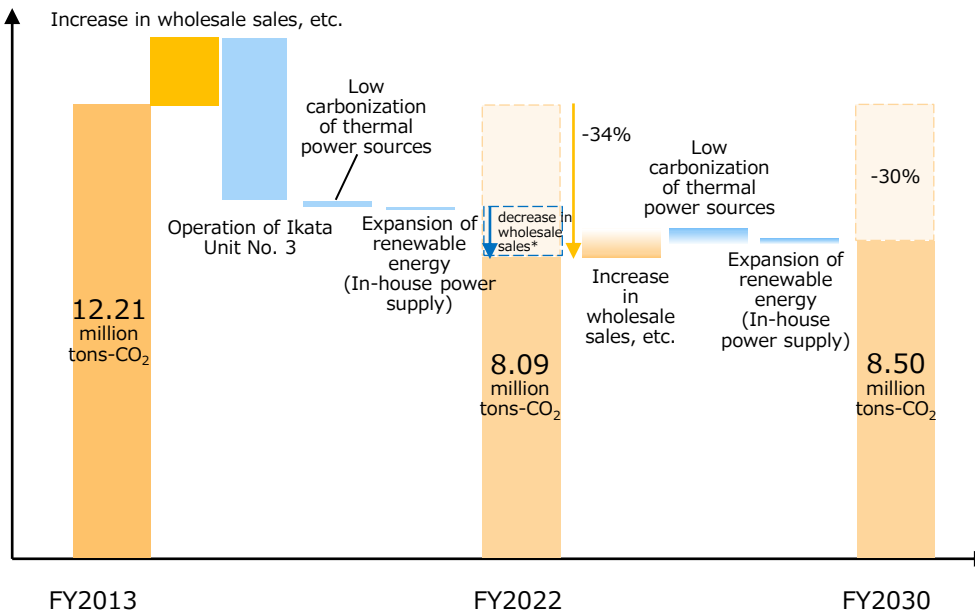


## (2) Outlook for Achieving Reduction Targets for Power Generation and Retail Sales Business

28

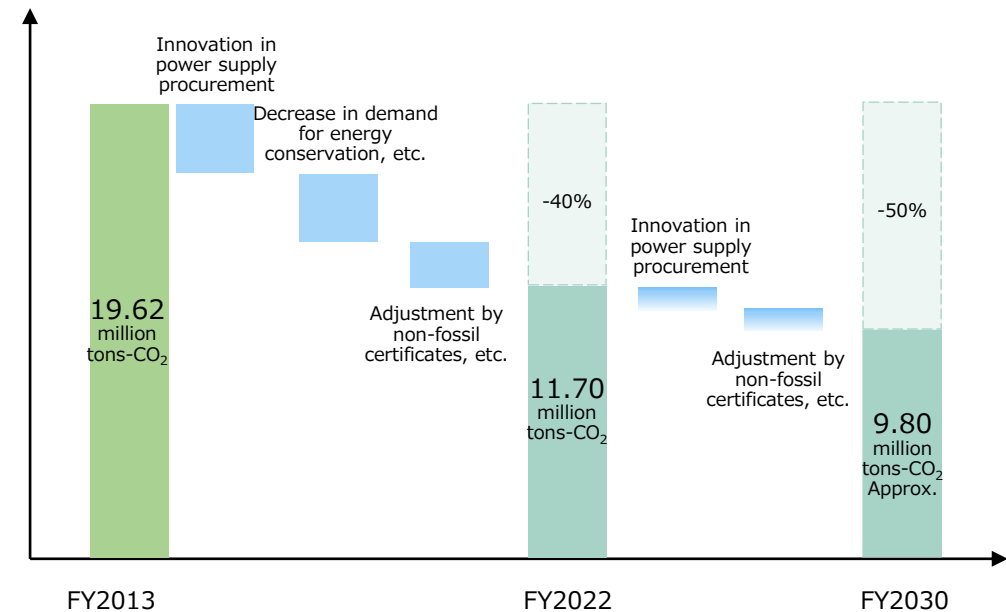
- We have been reducing GHG associated with the use of fuels for our own power generation mainly through the stable operation of Ikata Unit No. 3 and expansion of renewable energy. We aim to increase the amount of reduction through initiatives related to ammonia co-firing in thermal power generation.
- CO<sub>2</sub> emissions in retail sector have been reduced through procurement of low-carbon power sources in addition to nuclear power and renewable energy. We will continue to reduce emissions by considering the reduction of demand through energy conservation and other measures while innovating ways to procure power sources.

### <Reduction targets for in-house power generation >



\* Wholesale electricity consumption decreased compared to previous years due to the shutdown of Saijo Power Station Unit No. 1 for replacement work, emissions was suppressed.

### <Reduction targets for retail sector (Based on the Act on Promotion of Global Warming Countermeasures) >



# Supplemental Data for FY2023

## ➤ Segment Information

- Results by Segment  
(Reference) Changes in Results by Segment
- Plant and Equipment Expenditures

## ➤ Electric Power-Related

- Electricity Sales
- Electricity Supplied, Consumption of Fossil Fuels
- Time Lag Effect of Fuel Cost Adjustment System
- 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)
- Changes in JEPX Spot Market Prices (Shikoku Area)
- Feed-in Tariff Scheme for Renewable Energy

## ➤ Time Series Data

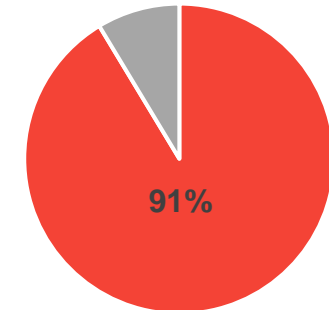
# 1. Segment Information

## Overview of Financial Results by Segment: Power Generation & Sales

### [Revenues] **670.0 billion yen (Decrease)**

Revenues decreased by ¥39.0 billion to ¥670.0 billion year on year, mainly due to a decrease in wholesale revenues due to a decrease in market prices, etc., although retail revenues increased due mainly to the abolition of the fuel limit for deregulated rates and a review of regulated rates.

[Ratio of Sales to External Customers]



### [Ordinary Profit (Loss)] **35.7 billion yen (Change to profit)**

Ordinary profit (loss) improved by ¥64.6 billion year on year to ¥35.7 billion, due to a decrease in supply-demand related expenses from lower fuel prices, despite increases in maintenance and depreciation expenses, etc.

(100 million yen)

	FY2023	FY2022	Change	Major Factors Contributing to Changes (Before Elimination of Internal Transactions)
Revenues	6,700	7,090	(390)	Retail revenues +321 , wholesale revenues (724), etc.
Ordinary Profit(Loss)	357	(289)	646	Decrease in revenues (390), decrease in supply-demand related expenses + 1,629, increase in maintenance expenses (232), increase in depreciation cost (64), Decrease in foreign exchange gains (61), Increase in commission expenses (32), etc.

\*Excluding dividends received from consolidated subsidiaries and equity method affiliates.

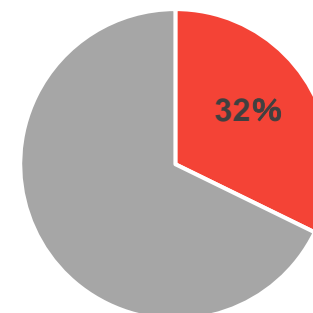
### Business Content

Power generation and retail electricity business in Japan, etc.

## [Revenues] **240.0 billion yen (Decrease)**

Revenues decreased by ¥26.2 billion year on year to ¥240.0 billion, mainly due to a decrease in revenues related to supply and demand adjustment despite an increase in wheeling charges.

[Ratio of Sales to External Customers]



## [Ordinary Profit] **20.0 billion yen (Increase)**

Ordinary profit increased by ¥12.8 billion to ¥20.0 billion year on year due to an increase in wheeling charges and a decrease in costs related to supply and demand adjustment and maintenance expenses.

(100 million yen)

	FY2023	FY2022	Change	Major Factors Contributing to Changes (Before Elimination of Internal Transactions)
Revenues	2,400	2,662	(262)	Increase in connection supply wheeling charges + 103, Decrease in the revenues related to supply and demand adjustment (369), etc.
Ordinary Profit	200	72	128	Decrease in sales (262), Decrease in the cost related to supply and demand adjustment + 426, Increase in maintenance expenses (34), etc.

## Business Content

Transmission & Distribution in Japan, etc.

(Main business entity(ies): Shikoku Electric Power Transmission & Distribution Company, Incorporated)



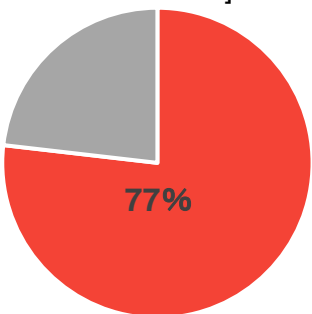
[Revenues] **49.1 billion yen (Increase)**

Revenues increased by ¥3.6 billion year on year to ¥49.1 billion, mainly due to an increase in system development orders and FTTH revenues.

[Ordinary Profit] **10.3 billion yen (Increase)**

Ordinary profit increased by ¥1.0 billion year on year to ¥10.3 billion mainly due to higher sales.

[Ratio of Sales to External Customers]



(100 million yen)

	FY2023	FY2022	Change	Major Factors Contributing to Changes (Before Elimination of Internal Transactions)
Revenues	491	455	36	Increase in orders for system development projects +19, Increase in FTTH revenue +6, etc.
Ordinary Profit	103	93	10	Increased profits due to increased sales

Business Content

Retail optical services [FTTH], communications services for corporates, mobile services, IT system services, cloud services, cable television broadcasting, etc.

(Main business entity(ies): STNet, Incorporated, Cable Media Shikoku Company, Incorporated, Cable Television Tokushima, Incorporated)

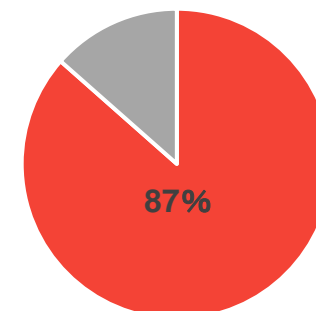
[Revenues] **25.8 billion yen (Increase)**

Revenues increased by ¥0.1 billion year on year to ¥25.8 billion.

[Ordinary Profit] **6.7 billion yen (Increase)**

Ordinary profit increased by ¥21.8 billion year on year to ¥6.7 billion, mainly due to an increase in income of LNG sales from the time lag effect from a decline in fuel prices.

[Ratio of Sales to External Customers]



(100 million yen)

	FY2023	FY2022	Change	Major Factors Contributing to Changes (Before Elimination of Internal Transactions)
Revenues	258	257	1	-
Ordinary Profit(Loss) [International business]	67 [41]	(151) [(183)]	218 [224]	rebound from last year's investment losses in international business +188 Increased profits from international business through new participation etc. +22 Increase in LNG sales business +11, etc.

## Business Content

Sales and leasing of power generation equipment, etc., heat supply, LNG storage and vaporization, international business, procurement and receipt of coal, etc.

(Main business entity(ies): Sakaide LNG Company, Yonden Energy Services Company, Limited, Incorporated, SEP International Netherlands B.V. , YN Energy Pty Ltd )

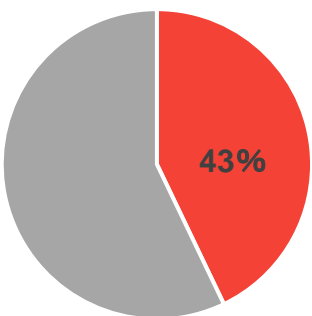
[Revenues] **65.2 billion yen (Increase)**

Revenues increased by ¥12.2 billion year on year to ¥65.2 billion, mainly due to an increase in orders for thermal power plant-related and biomass-related construction work.

[Ordinary Profit] **5.8 billion yen (Increase)**

Ordinary profit increased by ¥2.3 billion year on year to ¥5.8 billion due to increased revenues and improved profit margins.

[Ratio of Sales to External Customers]



(100 million yen)

	FY2023	FY2022	Change	Major Factors Contributing to Changes (Before Elimination of Internal Transactions)
Revenues	652	530	122	— Increase in construction work related to thermal power plants +72 — Increase in biomass-related construction projects +35, etc.
Ordinary Profit	58	35	23	— Increase due to increased orders

**Business Content**

Surveying, design, and construction of electrical, mechanical, civil engineering, and architectural works, etc.

(Main business entity(ies): YONDENKO CORPORATION, Yonden Engineering Company, Incorporated, Yonden Consultants Company, Incorporated)

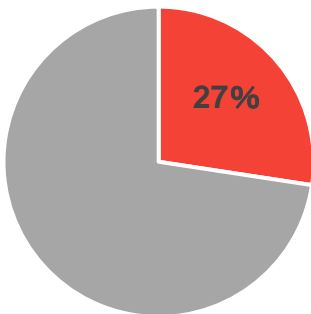
[Revenues] **35.5 billion yen (Increase)**

Revenues increased by ¥0.1 billion year on year to ¥35.5 billion.

[Ordinary Profit] **2.4 billion yen (Increase)**

Ordinary profit increased by ¥0.3 billion year on year to ¥2.4 billion.

[Ratio of Sales to External Customers]



(100 million yen)

	FY2023	FY2022	Change	Major Factors Contributing to Changes (Before Elimination of Internal Transactions)
Revenues	355	356	(1)	—
Ordinary Profit	24	21	3	—

## Business Content

Manufacture and sale of equipment, trading, real estate, R&D, etc.

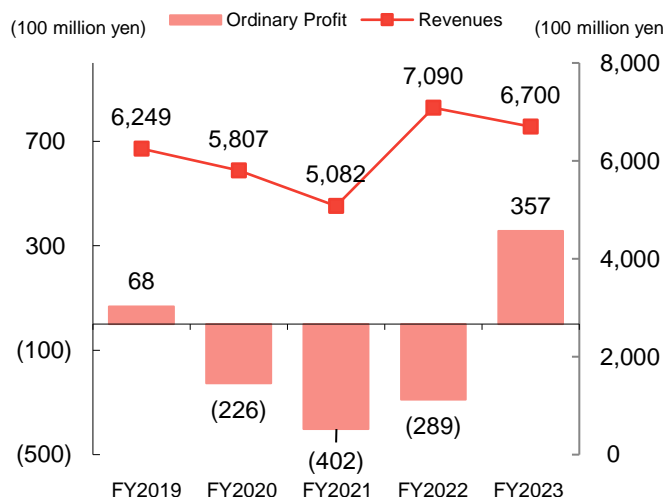
(Main business entity(ies): SHIKOKU INSTRUMENTATION CO., LTD., Yonden Business Company, Incorporated, Shikoku Research Institute Incorporated)

# (Reference) Changes in Results by Segment

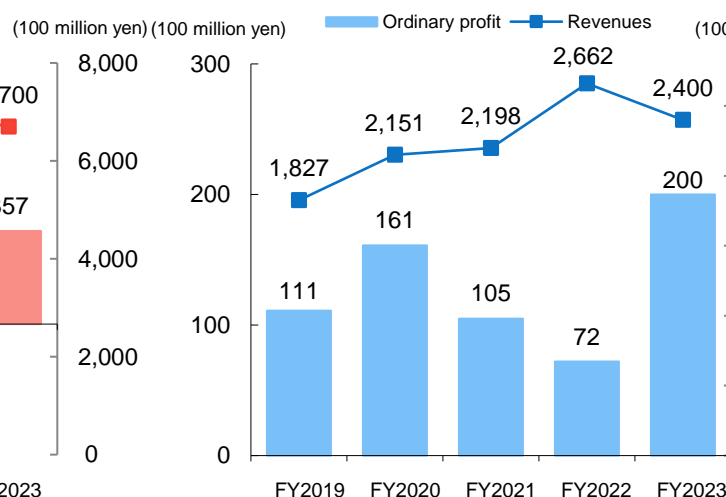
36

\*All before the elimination of intercompany transactions

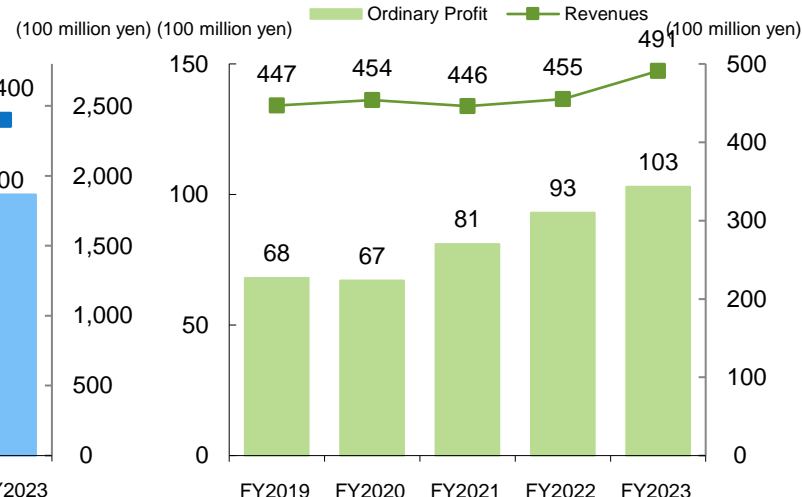
## Power Generation & Sales



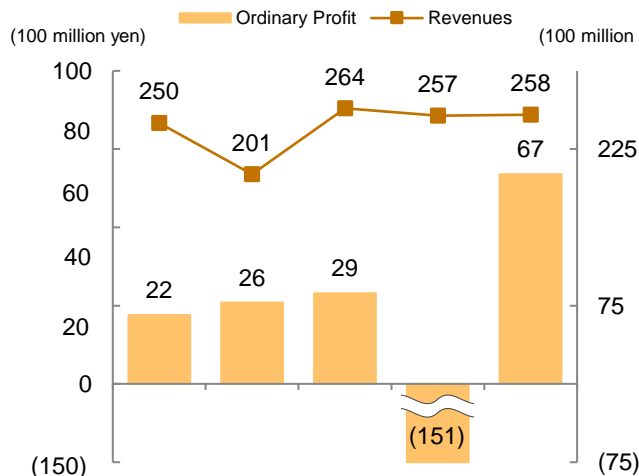
## Transmission & Distribution



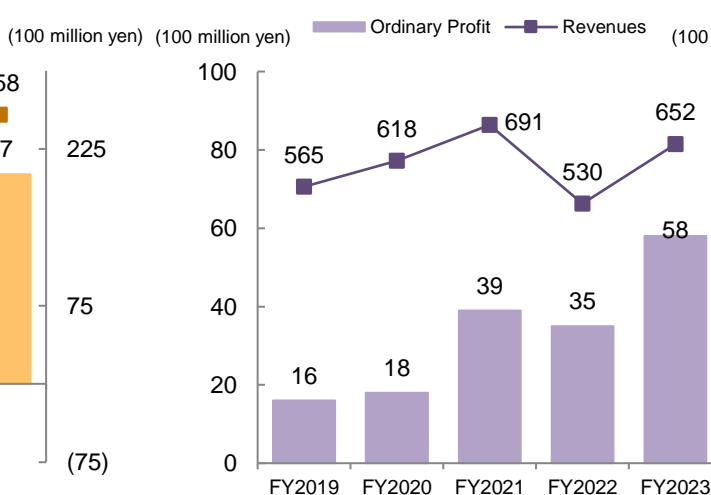
## IT/Communications



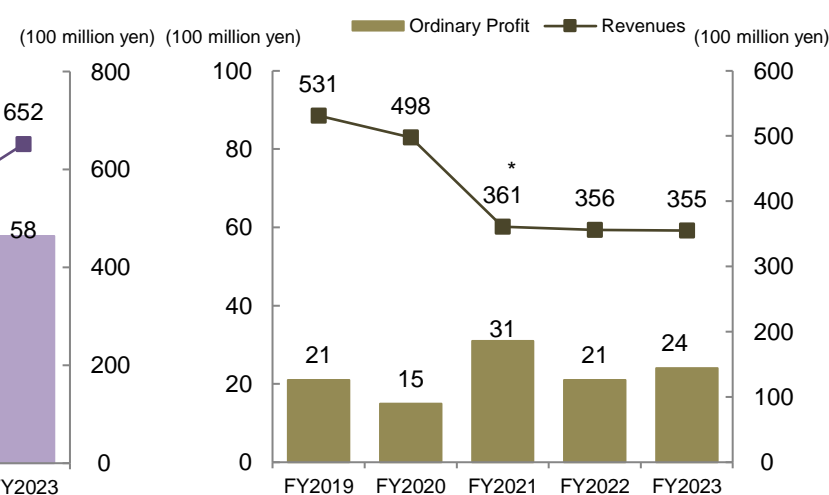
## Energy



## Construction/Engineering



## Others



\* The accounting standard for revenue recognition is applied from FY2021.

# Plant and Equipment Expenditures

(100 million yen)			
	FY2023	FY2022	FY2022
Power Generation & Sales	338	483	(145)
Renewable energy	48	30	18
Thermal	110	338	(228)
Nuclear	59	38	21
Nuclear fuel	112	65	47
Transmission & Distribution	266	282	(16)
Transmission	73	75	(2)
Transformation	79	90	(11)
Distribution	88	86	2
Electric Power Total	605	766	(161)
Other business	99	122	(23)
IT/Communications	47	55	(8)
Energy	12	6	6
Construction/Engineering and Others	40	60	(20)
Plant and Equipment Expenditures*	704	888	(184)

\*Before the elimination of unrealized profits

## 2. Electric Power-Related

### Electricity Sales

#### Electricity Sales

(million kWh)

	FY2023	FY2022	Change	Growth rate	Major Factors Contributing to Changes
Total retail sales	22,170	23,413	(1,243)	(5.3)%	<ul style="list-style-type: none"> <li>Decrease in industrial demand due to the impact of increased operation of private power generators of customers</li> <li>Decrease in sales outside the Shikoku region, etc.</li> </ul>
Lighting	7,491	7,686	(195)	(2.5)%	
Power	14,679	15,727	(1,048)	(6.7)%	
Wholesale	8,373	9,339	(966)	(10.3)%	<ul style="list-style-type: none"> <li>Reduction in supply capacity due to periodic inspections of power plants, etc.</li> </ul>
Total Electric Power	30,543	32,752	(2,209)	(6.7)%	

\*The imbalances which have not been confirmed as of the settlement day are not to be included.

#### <Reference> Average Temperatures in Prefectural Capitals in Shikoku

(°C)

	Jun	Jul	Aug	Sep	Jun-Sep Avg.
Actual	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
Change	- 0.8	0.1	- 0.3	1.0	0.0

(°C)

	Dec	Jan	Feb	Mar	Dec-Mar Avg.
Actual	9.1	7.4	8.9	10.3	8.9
Differences from the average year	0.5	1.1	1.9	0.2	0.9
Change	1.7	0.8	1.5	-2.6	0.4

# Electricity Supplied, Consumption of Fossil Fuels

## Electricity Supplied

		(million kWh)					
		FY2023	FY2022	Change	Growth rate	Details	
Own Generated Power	Nuclear	6,510	6,903	(393)	(5.7)%	•Nuclear Capac	92.4% → 86.8%
	Hydro*	2,140	1,787	353	19.7%	•Flow Rate	73.6% → 93.2%
	New Energy*	4	4	0	20.7%		
	Thermal	10,810	11,133	(323)	(2.9)%		
Purchased Power		12,741	14,660	(1,919)	(13.1)%		
Repost <Hydro>*		<1,096>	<836>	<260>	<31.1%>		
Repost <New Energy>*		<5,729>	<5,304>	<425>	<8.0%>		
Total		32,204	34,487	(2,283)	(6.6)%		
Repost <Renewable Energy>*Total		<8,969>	<7,931>	<1,038>	<13.1%>		
Renewable Energy Ratio		27.9%	23.0%		4.9%		

\*The imbalances which have not been confirmed as of the settlement day are not to be included.

## Consumption of Fossil Fuels

	FY2023	FY2022	Change
Coal (10,000t)	260.7	229.1	31.6
Heavy Oil (10,000kl)	18.3	45.4	(27.1)
LNG (10,000t)	31.2	36.7	(5.5)

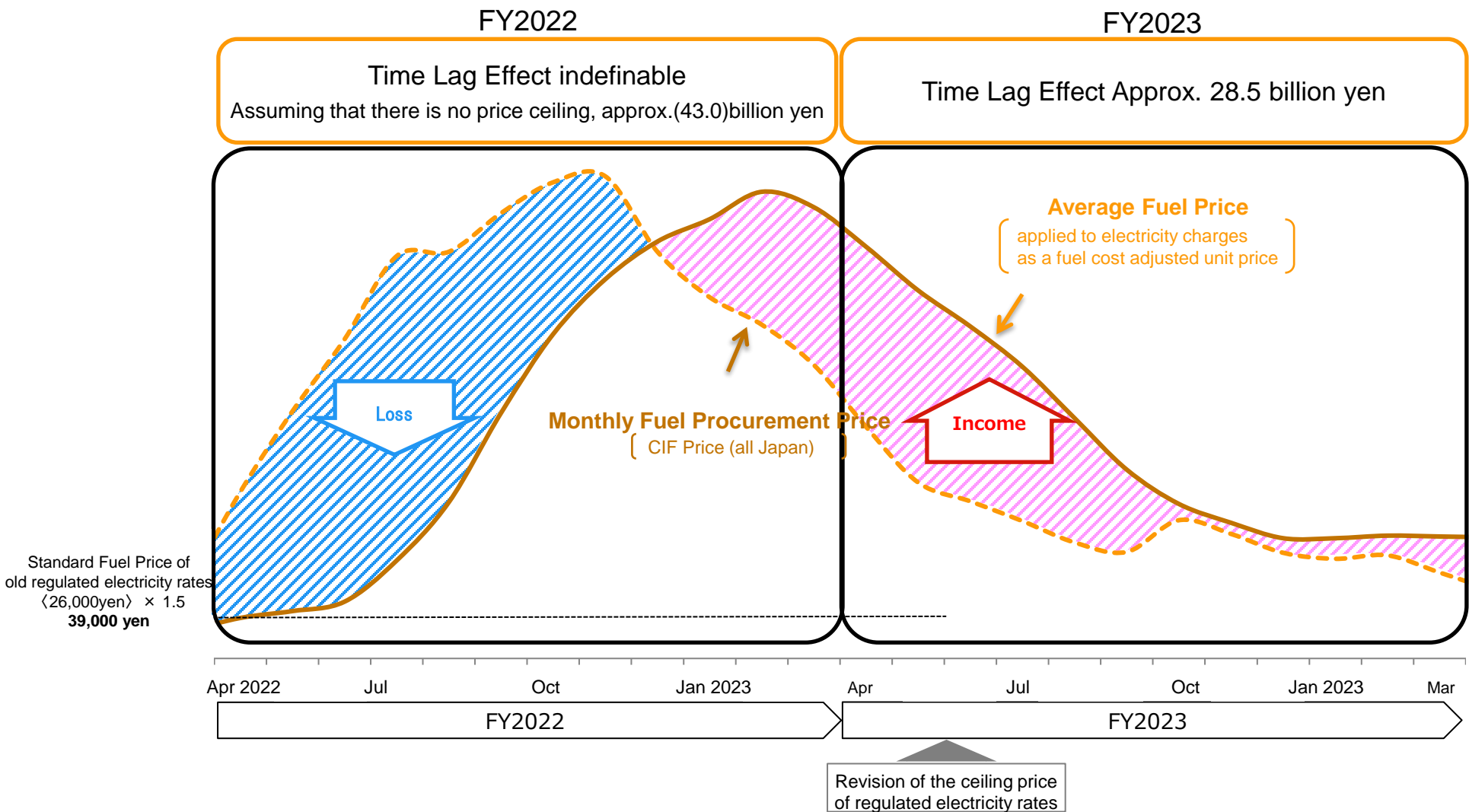
\*Numbers are cumulative

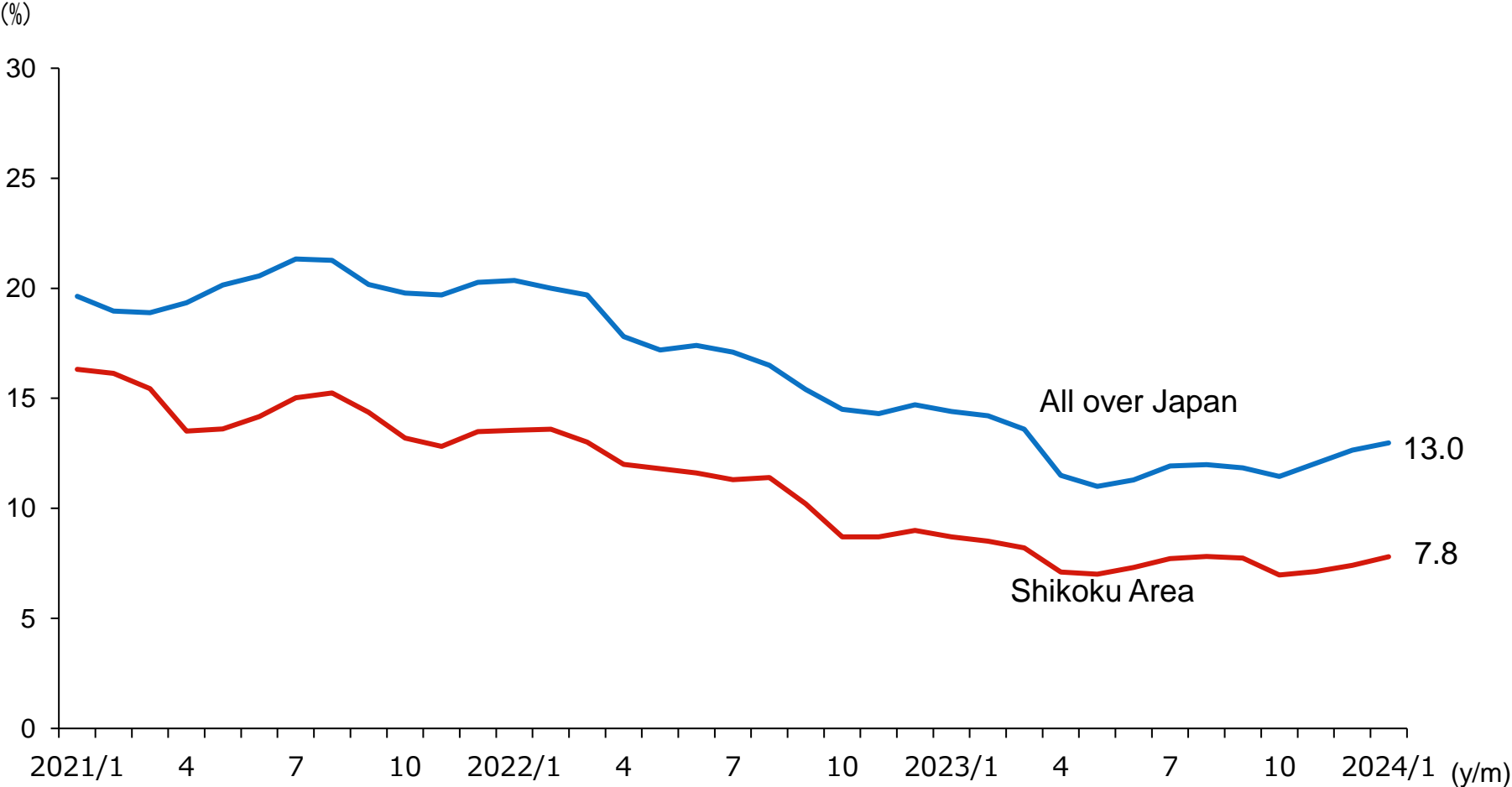


# Time Lag Effect of Fuel Cost Adjustment System

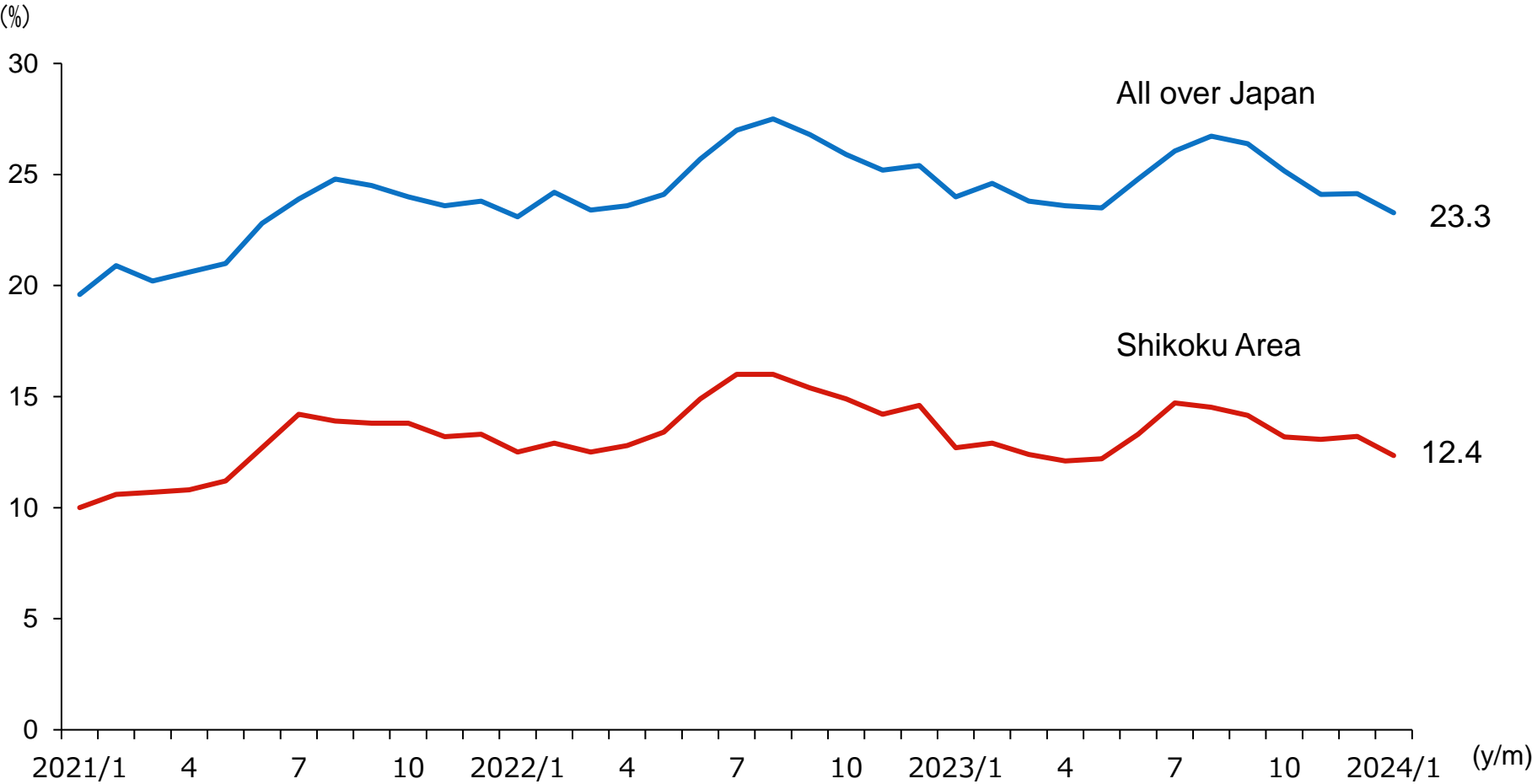
○ Time Lag Effect of FY2023 is Approx. 28.5 billion yen.

※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.

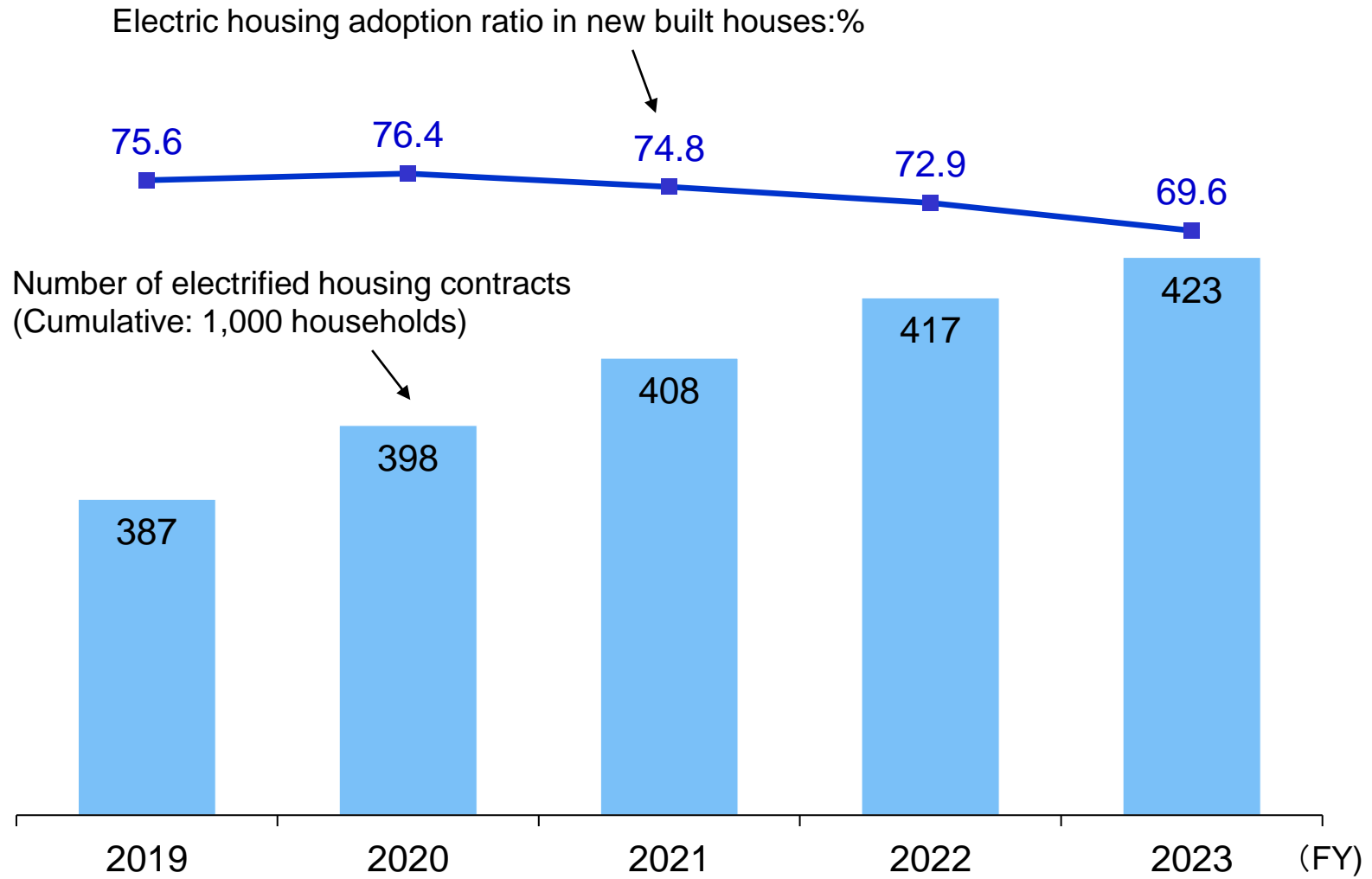




(Source) Electricity and Gas Market Surveillance Commission “ Electricity transaction report ”



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



# Changes in JEPX spot market prices in Shikoku area

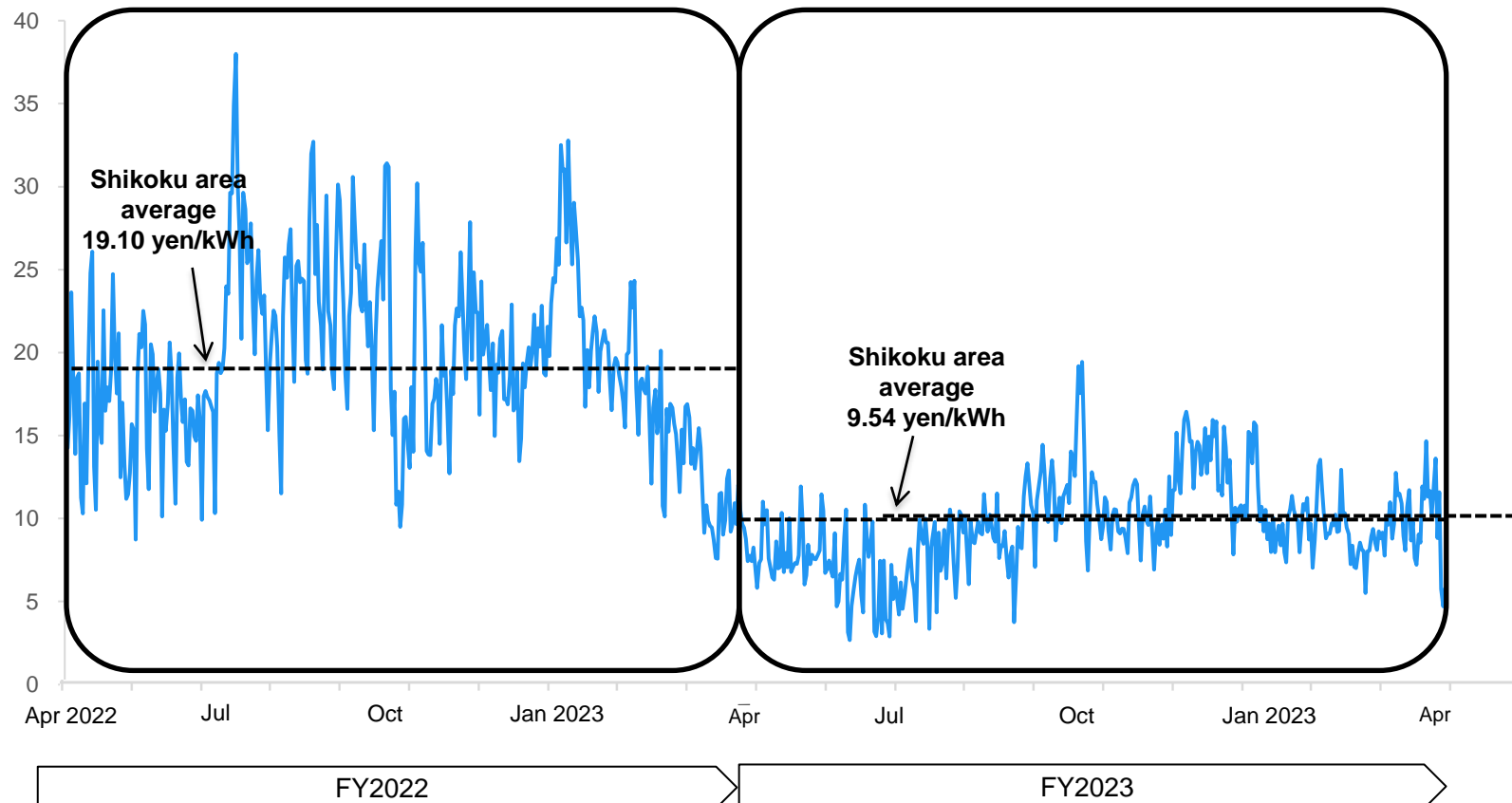
FY2022 average price

Shikoku area : 19.10 yen/kWh  
(West Japan area : 18.77 yen/kWh)

FY2023 average price

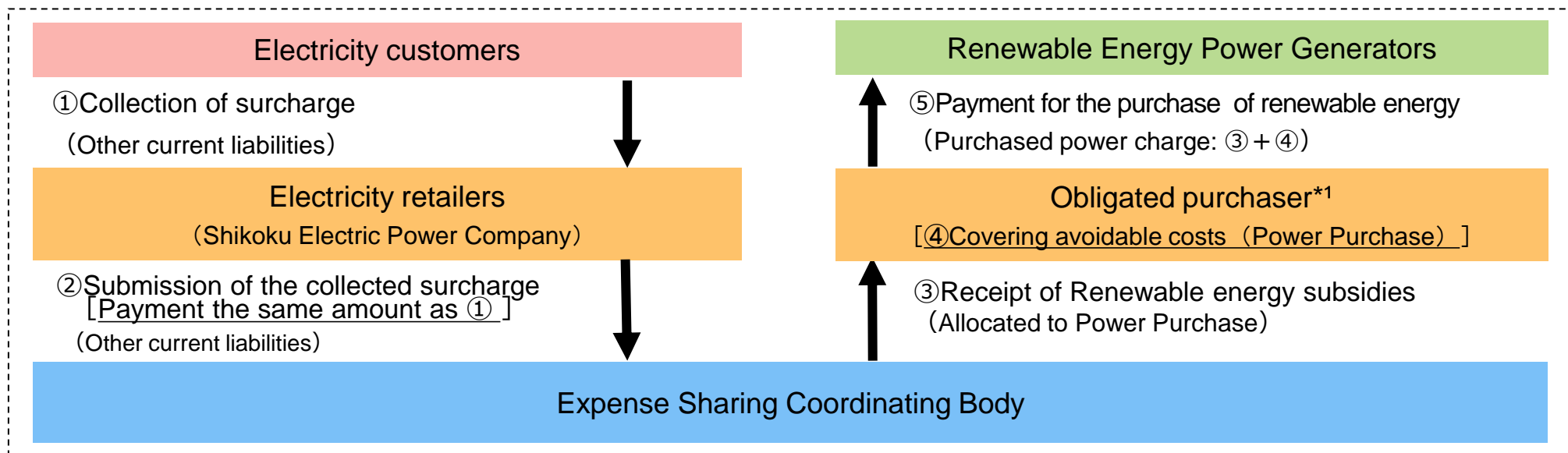
Shikoku area : 9.54 yen/kWh  
(West Japan area : 9.85 yen/kWh)

(yen/kWh)



Source: Japan Electric Power Exchange, trading market data

➡ : Cash flow



(100 million yen)

	FY2023 (A)	FY2022 (B)	(A-B)
① Surcharge*2	299	701	(402)
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.

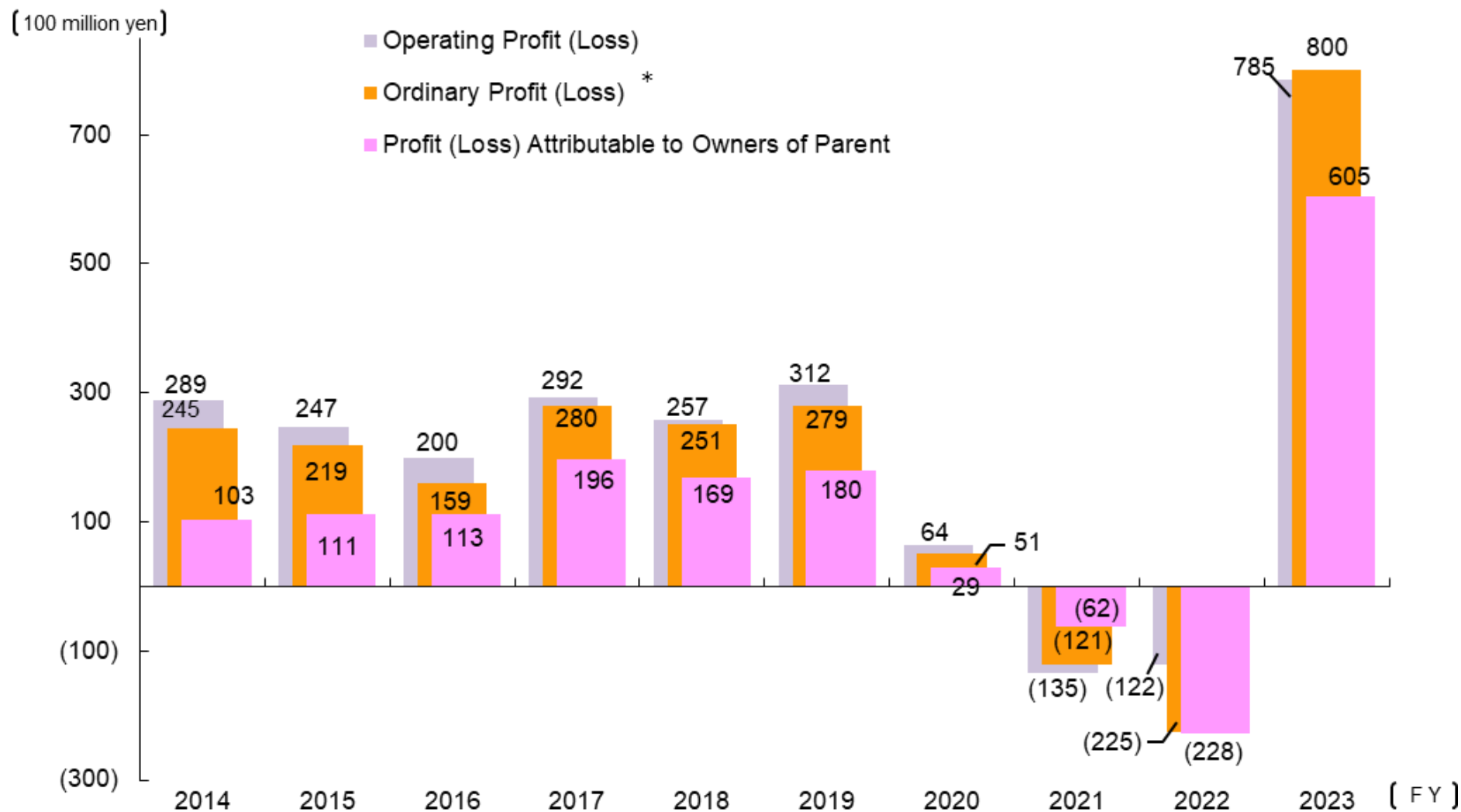
\*4 Of the year-on-year difference, the unit price difference is (43.2) billion yen and the quantity difference is 2.5 billion yen.

(100 million yen)

	FY2023 (A)	FY2022 (B)	(A-B)
③ Receipt of Renewable energy Subsidies	1,184	696	488
④ <b>Avoidable costs</b> *3	379	785	※2(4069)
<div style="display: flex; align-items: center;"> <div style="border-left: 1px dashed black; padding-left: 10px; margin-right: 10px;">                     Amount of renewable electricity valued at market price                 </div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> <b>Shikoku Electric Power Company, Incorporated</b> </div> </div>	179	457	(278)
⑤ Payment for the purchase of renewable energy [③ + ④]	1,564	1,482	82

# 3. Time Series Data

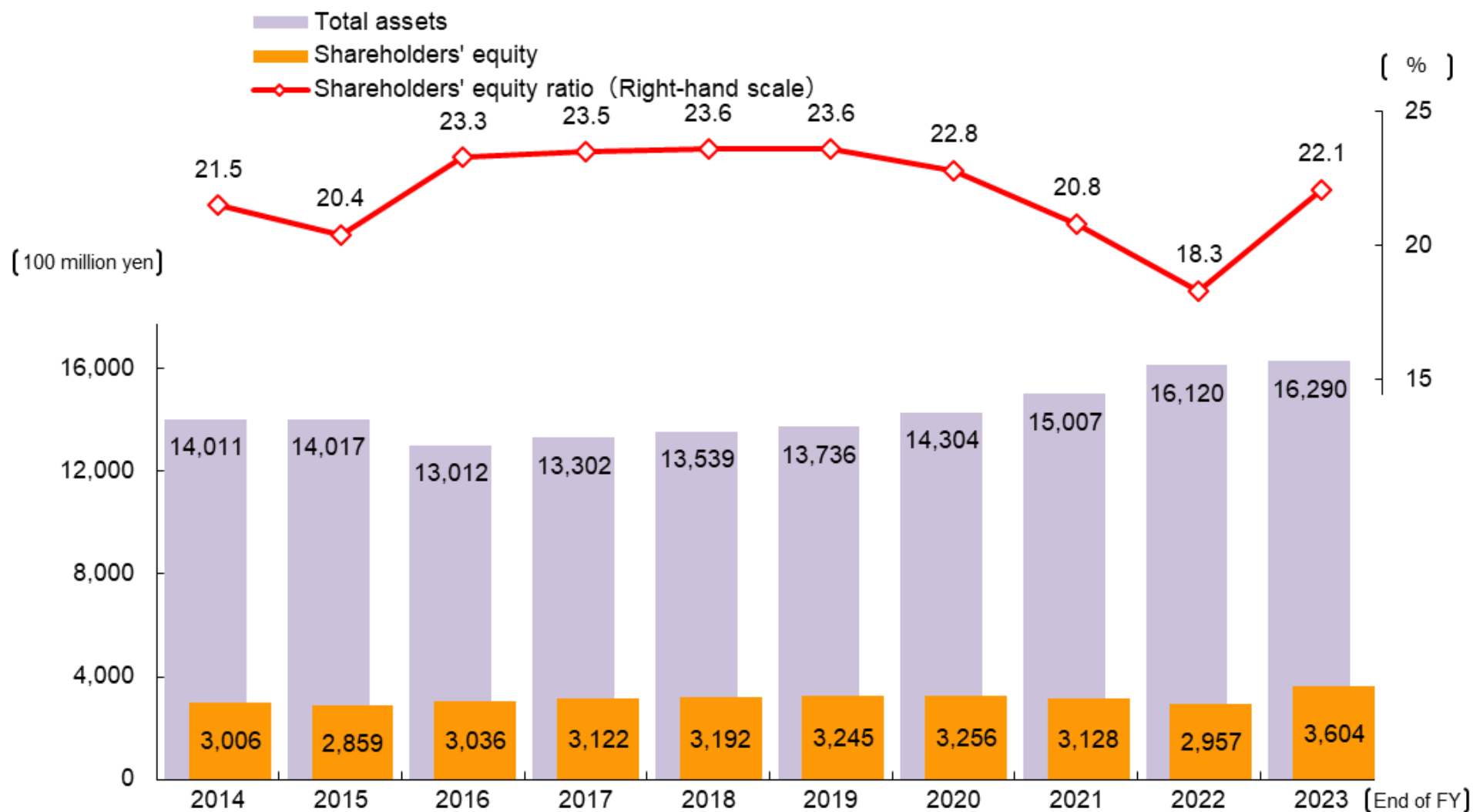
Operating Profit (Loss), Ordinary Profit (Loss) & Profit (Loss) Attributable to Owners of Parent



\* Ordinary Profit (loss) : Profit before provision for (reversal of) reserve for fluctuations in water level, extraordinary loss, income taxes, and minority interests (losses) .

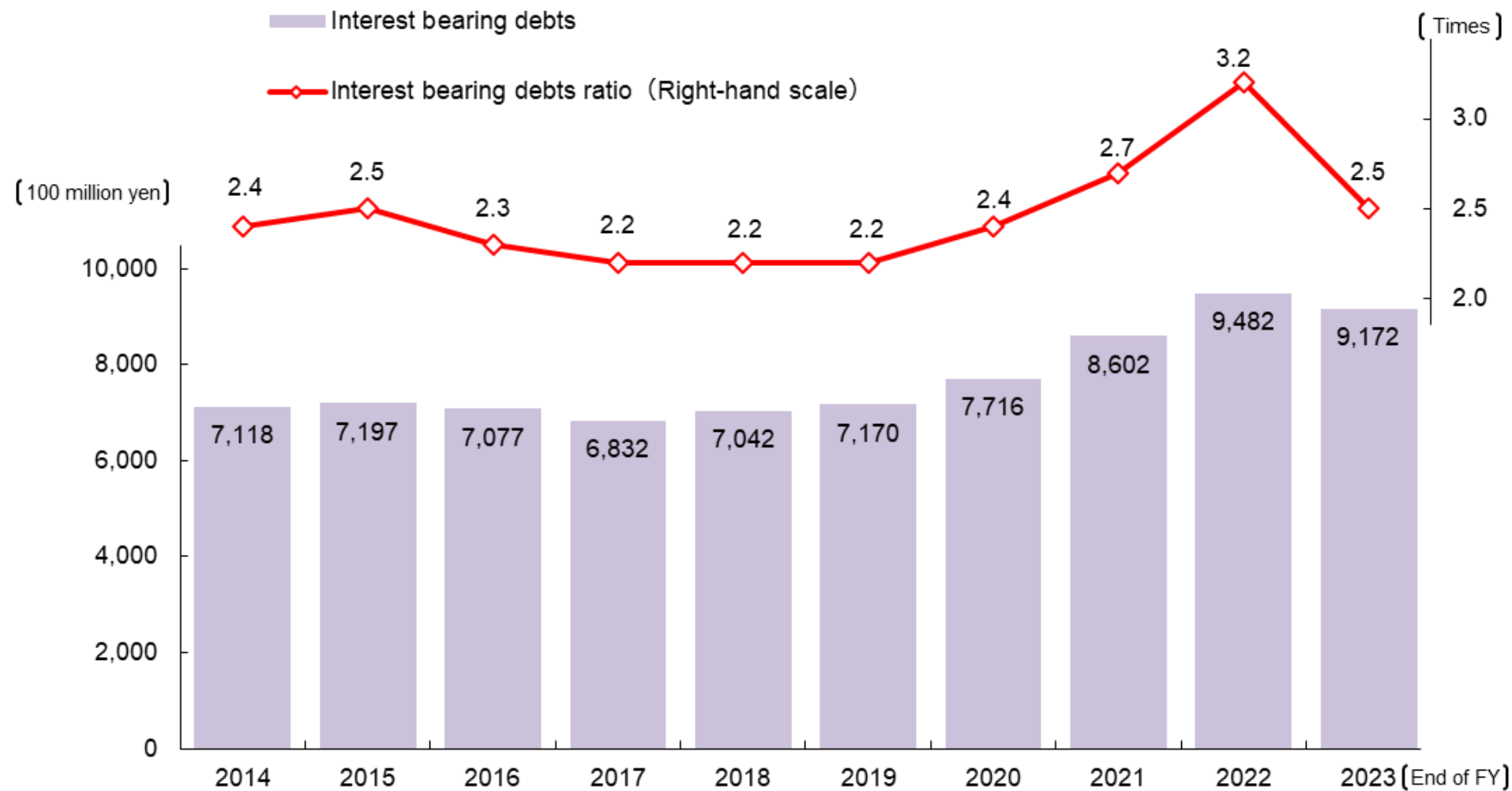
# Total Assets , Shareholders' Equity & Shareholders' Equity Ratio

47

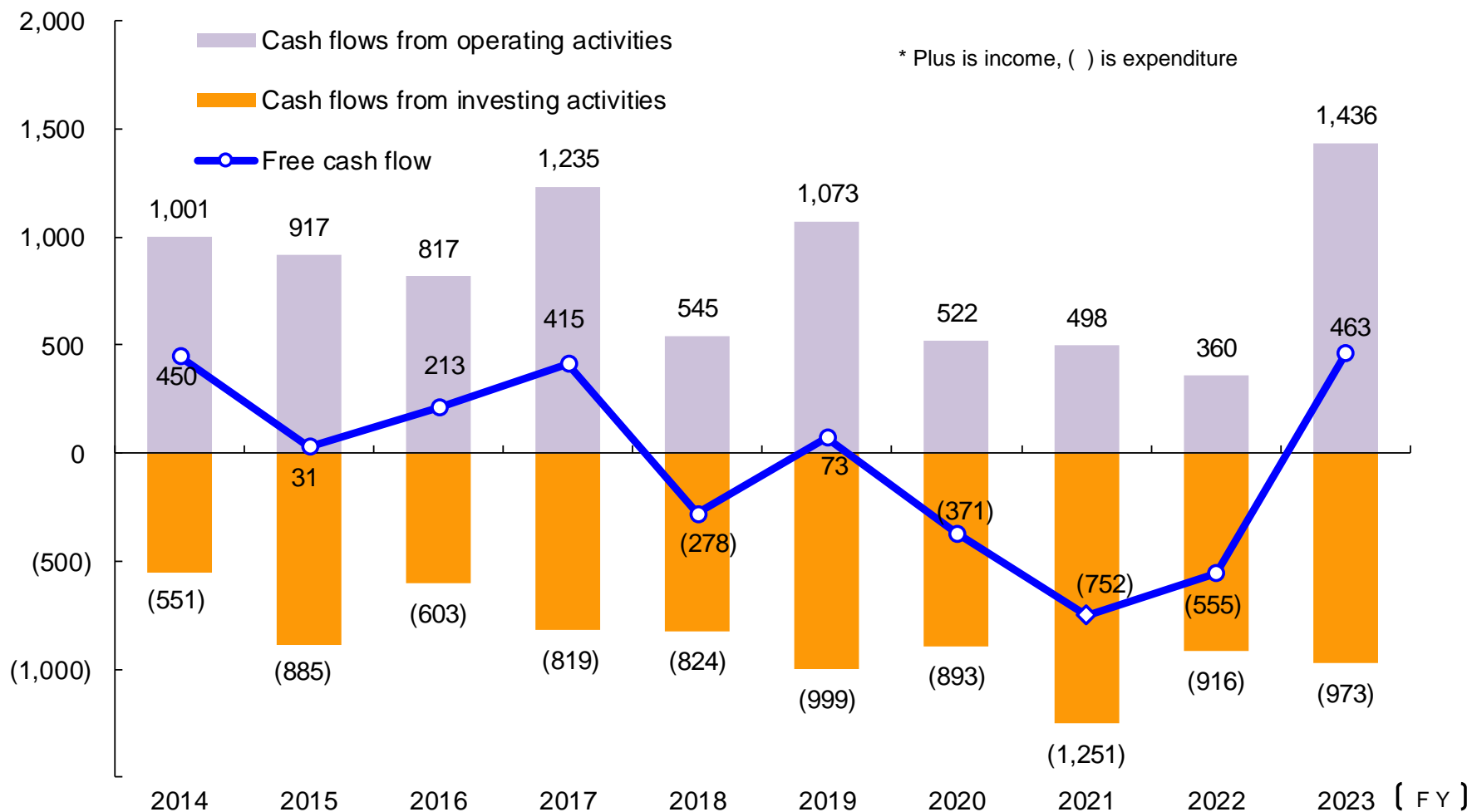




# Interest Bearing Debts & Interest Bearing Debt Ratio



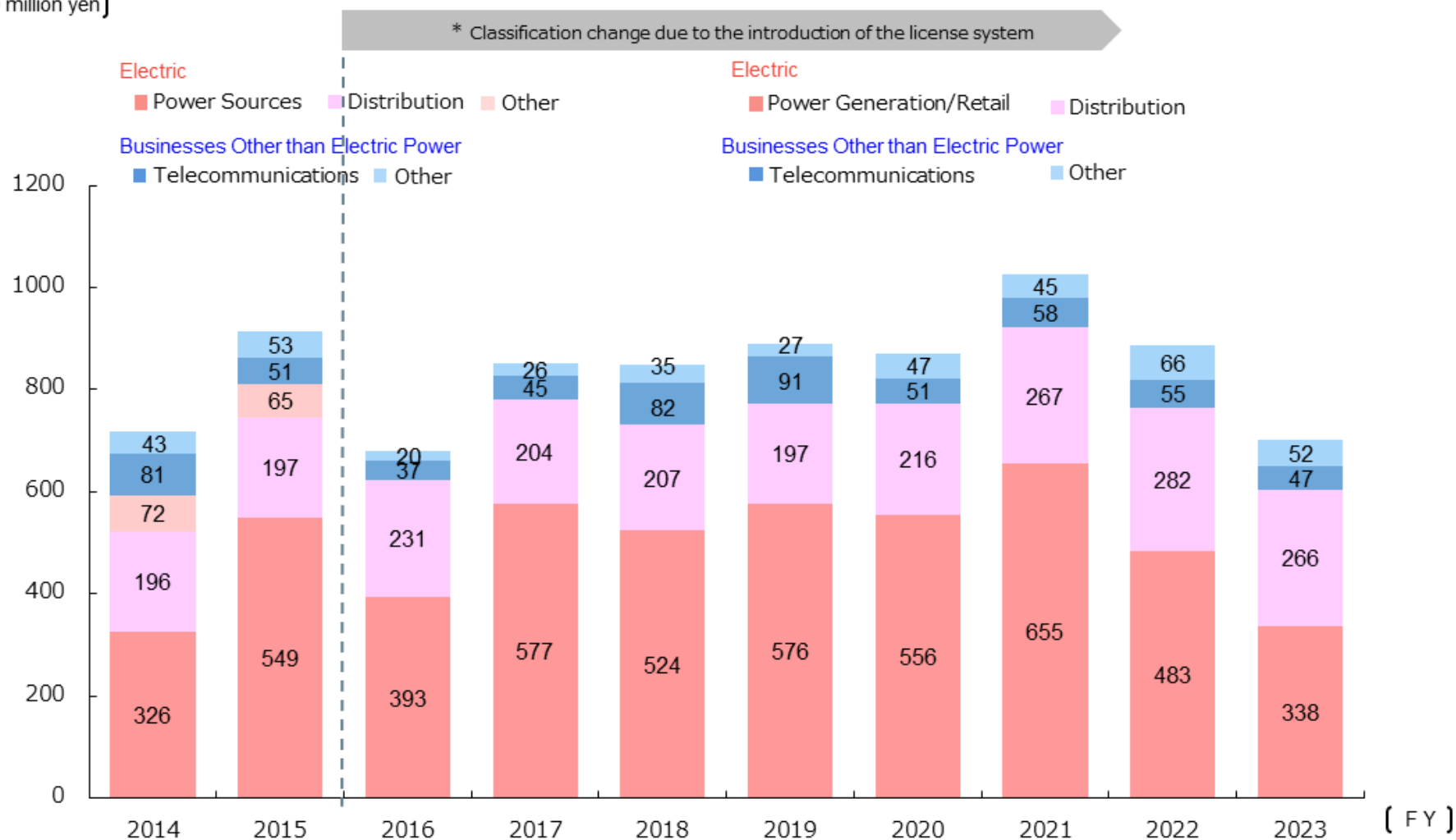
[100 million yen]



# Plant and Equipment Expenditures

50

[ 100 million yen ]



Total (Before elimination)	721	917	684	854	850	893	871	1,026	888	704
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\* Because of rounding, the total figures are not necessarily equal to totals of individual figures.

\* From FY2016, when the license system for each business type was introduced in the electric power business,

" Other electric power business " is divided into power generation / sales business and power transmission and distribution business.

Item			Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
E (Environment)	CO <sub>2</sub> emissions	Excluding FIT free-of-charge distribution <sup>*1</sup>	10,000 tons-CO <sub>2</sub>	1,297	1,024	1,372	1,312	1,170	To be finalized in the summer
		Including FIT free-of-charge distribution <sup>*2</sup>		1,230	914	1,252	1,186	1,041	
	CO <sub>2</sub> emission factor (including FIT free-of-charge distribution) <sup>*2</sup>		Kg-CO <sub>2</sub> /kWh	0.528	0.408	0.569	0.526	0.447	
	Ratio of non-fossil fuel power sources <sup>*3</sup>		%	30	39	24	30	31	
	Greenhouse gases throughout the whole supply chain	Scope 1 <sup>*4</sup>	10,000 tons-CO <sub>2</sub>	-	739	854	966	809	
		Scope 2 <sup>*5</sup>		-	0	0	0	0	
		Scope 3 <sup>*6</sup>		-	669	648	721	635	
	Thermal efficiency benchmark for thermal power plants <sup>*7</sup>	Indicator A	—	1.04	1.03	1.02	1.02	1.04	
		Indicator B	%	42.8	43.1	43.1	42.1	43.5	
		Coal indicator	%	-	-	-	-	39.43	
	Solar and wind power connection volume		10,000kW	272	303	321	340	361	370
S (Social)	Number of employees	Male	People	4,123	4,048	4,001	3,935	3,870	3,801
		Female (Ratio)	People (%)	366	361	373	374	393	395
	Years of service	Male	Year(s)	22.5	22.6	22.4	21.9	21.2	20.5
		Female		19.3	19.4	18.7	18.2	17.2	17.0
	Number of new hires	Male	People	73	74	89	92	103	106
		Female (Ratio)	People (%)	4 (5.2)	18 (19.6)	18 (16.8)	20 (17.9)	24 (18.9)	19 (15.2)
	Ratio of female managers		%	2.7	2.6	2.8	3.1	3.5	4.2
	Ratio of female managers against the total number of female employees		%	8.2	8.2	8.5	8.7	9.2	9.4

<sup>\*1</sup> The value obtained after excluding the FIT free-of-charge distribution from the value pertaining to retail sales based on the Act on Promotion of Global Warming Countermeasures (reflecting adjustments made under the feed-in tariff system, etc.) [same basis as the fiscal 2030 target of the Company]

<sup>\*2</sup> Values pertaining to retail sales based on the Act on Promotion of Global Warming Countermeasures (reflecting adjustments made under the feed-in tariff system, etc.)

<sup>\*3</sup> Indicator for retail sales based on the Act on Sophisticated Methods of Energy Supply Structures

<sup>\*4</sup> Emissions associated with direct emissions (fuel use for own power generation) (includes CO<sub>2</sub>, SF<sub>6</sub>, N<sub>2</sub>O, and HFCs)

<sup>\*5</sup> Emissions associated with the use of electricity purchased from other companies at our places of business, etc. (offices)

<sup>\*6</sup> Emissions contained in electricity purchased from other companies, etc. (including investment emissions from FY2021 onwards)

<sup>\*7</sup> Indicators based on the Act on the Rational Use of Energy and Non-Fossil Energy Conversion, etc. (coal indicators are reported from FY2022 results onwards following revisions to the Energy Conservation Act)

<sup>\*8</sup> Calculated based on the total for Shikoku Electric Power Company and Shikoku Electric Power Transmission & Distribution Co., Inc.

Item			Unit	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
S (Social)	Ratio of employees taking childcare leave	Male	%	0.6	0.6	3.3	5.7	9.6	35.5
		Female		100.0	100.0	100.0	100.0	100.0	100.0
	Number of paid vacation days * <sup>9</sup>	Male	Day(s)	16.3	15.8	15.9	16.5	17.2	18.7
		Female		15.8	14.7	15.8	15.9	16.1	18.5
	Employee turnover rate * <sup>10</sup>	Male	%	0.3	0.3	0.3	0.2	0.5	0.4
		Female		1.9	0.8	0.0	1.9	1.9	1.3
	Ratio of employees with disabilities* <sup>11</sup>		%	2.1	2.2	2.4	2.5	2.6	2.7
	Labor accident frequency rate (employees only) * <sup>12</sup>		—	0.00	0.00	0.12	0.36	0.24	0.12
G (Governance)	* <sup>8</sup> Number of occupational accidents requiring time off from work	Employees (number of fatal accidents)	Cases	0 (0)	0 (0)	1 (0)	3 (0)	2 (0)	1(0)
		Subcontractors (number of fatal accidents)		14 (1)	16 (0)	14 (0)	13 (1)	13 (1)	5(0)
	Total number of Directors* <sup>13</sup>		People	17	15	15	14	14	14
		Outside Directors	People	4	4	5	5	5	5
		Female Directors	People	1	1	2	2	2	2
	Board of Directors	Number of meetings held	Times	11	11	11	12	11	14
		Attendance rate	%	99.5	98.2	98.2	100.0	98.7	98.0
	Audit & Supervisory Committee	Number of meetings held	Times	17	18	17	19	18	18
		Attendance rate	%	97.9	98.1	99.1	99.2	97.7	99.1
	Compliance	Percentage of employees receiving compliance education	%	99.9	99.9	99.8	99.9	100.0	100.0
		Number of consultations with the Compliance Consultation Office	Cases	9	6	2	8	9	15

\*<sup>8</sup> Calculated based on the total for Shikoku Electric Power Company and Shikoku Electric Power Transmission & Distribution Co., Inc.

\*<sup>9</sup> Managing supervisors, etc. are excluded

\*<sup>10</sup> Voluntary resignation only

\*<sup>11</sup> Employment rate for four companies in total, including Shikoku Electric Power Company and Shikoku Electric Power Transmission & Distribution, based on use of the "special subsidiary" system

\*<sup>12</sup> Number of deaths and injuries per million total working hours (wherein operations are suspended for one day or more)

\*<sup>13</sup> States after the General Meeting of Shareholders in June



SHIKOKU ELECTRIC POWER CO., INC.

## 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.