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Summary of Consolidated Financial Statements for the Second Quarter of Fiscal 2016 Ending March 31, 2017 (Japan GAAP)

October 27, 2016

Listed company name: Shikoku Electric Power Co., Inc. Listed on: First Section of TSE
 Securities code: 9507 URL: <http://www.yonden.co.jp/>
 Representative: Hayato Saeki, President and Director
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 Date to submit the quarterly securities report: November 10, 2016
 Date to start dividends distribution: –
 Preparation of supplementary materials for the quarterly financial statements: Yes
 Information meeting for the quarterly financial results to be held: Yes (for institutional investors and financial analysts)

(Figures shown are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Second Quarter of Fiscal 2016 Ending March 31, 2017 (April 1, 2016 to September 30, 2016)

(1) Consolidated Operating Results (Cumulative)

(Percentage figures indicate the rates of changes from the same period of the preceding fiscal year.)

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Net income (loss) attributable to shareholders of parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2Q Fiscal 2016	330,172	2.2	4,922	(73.6)	2,691	(84.6)	1,128	(89.7)
2Q Fiscal 2015	323,103	1.3	18,641	(15.1)	17,532	(11.3)	10,978	(11.4)

(Note) Comprehensive income (loss): 2Q Fiscal 2016: ¥1,601 million (–83.8%); 2Q Fiscal 2015: ¥9,858 million (–28.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
2Q Fiscal 2016	5.48	–
2Q Fiscal 2015	53.30	–

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2Q Fiscal 2016	1,375,629	283,645	20.6	1,376.08
Fiscal 2015	1,401,750	286,177	20.4	1,388.35

(Reference) Shareholders' equity: 2Q Fiscal 2016: ¥283,390 million; Fiscal 2015: ¥285,922 million

2. Dividends

	Cash dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2015	–	0.00	–	20.00	20.00
Fiscal 2016	–	0.00	–	–	–
Fiscal 2016 (forecast)	–	–	–	20.00	20.00

(Note) Adjustment for the most recent forecasts of dividends: None

3. Forecasts of Consolidated Financial Results for Fiscal 2016 Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(Percentage figures indicate the rates of changes from the same period of the preceding fiscal year.)

	Operating revenues		Operating income (loss)		Ordinary income (loss)		Net income (loss) attributable to shareholders of parent company		Net income per share
Fiscal 2016	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	670,000	2.4	10,500	(57.5)	7,000	(68.1)	4,500	(59.6)	22.00

(Note) Adjustment for the most recent forecasts of financial results: None

* Other Information

(1) Changes in significant subsidiaries during the period under review (Changes in specific subsidiaries associated with changes in scope of consolidation): None

(2) Adoption of accounting methods specified in preparing quarterly financial statements: Yes

(3) Changes in accounting principles, changes in accounting estimates and restatements

1) Changes associated with the revision of accounting standards : None

2) Changes other than 1) : None

3) Changes in accounting estimates : None

4) Restatements : None

(4) Number of shares issued (common stock)

1) Number of shares issued at period-end (including treasury stock):

2Q Fiscal 2016 : 223,086,202 shares Fiscal 2015 : 223,086,202 shares

2) Number of treasury stock at period-end:

2Q Fiscal 2016 : 17,145,226 shares Fiscal 2015 : 17,142,432 shares

3) Average number of shares (cumulative):

2Q Fiscal 2016 : 205,942,438 shares 2Q Fiscal 2015 : 205,952,555 shares

* Display about implementation status of quarterly review procedures

As of the date of the release of this quarterly consolidated financial statements, review procedures are being carried out for the quarterly financial statements based on the Financial Instruments and Exchange Act.

* Statement regarding the proper use of financial forecasts and other special remarks

This document contains projections that were made based on information currently available and certain assumptions judged to be reasonable. There is a possibility that diverse factors may cause actual performance, etc., to differ materially from the projections.

Consolidated quarterly financial statements

1. Consolidated quarterly balance sheets

(Millions of yen)

	FY2015 (As of March 31, 2016)	Second quarter of FY2016 (As of September 30, 2016)
Assets		
Non-current assets	1,237,087	1,219,782
Plant and equipment, and intangible assets	863,473	856,067
Hydroelectric power production facilities	61,284	59,567
Thermal power production facilities	65,348	88,687
Nuclear power production facilities	114,020	124,154
Transmission facilities	138,926	136,304
Transformation facilities	82,563	81,188
Distribution facilities	204,355	206,435
Other non-current assets	115,977	113,118
Construction and retirement in progress	59,215	24,984
Nuclear power abolition in progress	21,781	21,627
Nuclear fuel	134,889	133,392
Loaded nuclear fuel	—	14,283
Nuclear fuel in processing	134,889	119,108
Investments and other assets	238,723	230,322
Long-term investments	65,958	59,650
Reserve fund for reprocessing of irradiated nuclear fuel	97,213	95,876
Deferred tax assets	43,791	42,926
Net defined benefit asset	239	865
Other assets	31,530	31,012
Allowance for doubtful accounts	(9)	(9)
Current assets	164,663	155,847
Cash and deposits	38,731	13,213
Notes and accounts receivable	77,665	88,095
Inventories	26,674	25,936
Deferred tax assets	5,180	4,505
Other current assets	19,384	27,090
Allowance for doubtful accounts	(2,973)	(2,994)
Total assets	1,401,750	1,375,629

(Millions of yen)

	FY2015 (As of March 31, 2016)	Second quarter of FY2016 (As of September 30, 2016)
Liabilities		
Non-current liabilities	901,300	819,972
Bonds payable	339,972	289,976
Long-term loans payable	287,820	259,039
Provision for reprocessing of irradiated nuclear fuel	107,111	103,697
Provision for preparation of the reprocessing of irradiated nuclear fuel	9,066	9,294
Provision for retirement benefit	27,122	27,154
Asset retirement obligations	100,892	101,715
Other long-term liabilities	29,313	29,095
Current liabilities	206,648	264,210
Current portion of non-current liabilities	76,479	148,938
Short-term loans payable	18,000	18,000
Commercial papers	—	1,000
Notes and accounts payable	32,924	24,681
Accrued taxes	8,263	6,373
Other current liabilities	70,979	65,217
Reserves under special laws	7,625	7,801
Reserve for fluctuation in water levels	7,625	7,801
Total liabilities	1,115,573	1,091,984
Net assets		
Shareholders' equity	279,454	276,449
Capital stock	145,551	145,551
Capital surplus	35,198	35,198
Retained earnings	140,164	137,163
Treasury shares	(41,460)	(41,463)
Accumulated other comprehensive income	6,468	6,941
Valuation difference on available-for-sale securities	6,788	6,457
Deferred gains or losses on hedges	9,795	6,267
Foreign currency translation adjustment	2,413	871
Remeasurements of defined benefit plans	(12,529)	(6,654)
Non-controlling interests	254	254
Total net assets	286,177	283,645
Total liabilities and net assets	1,401,750	1,375,629

2. Consolidated quarterly statements of income and consolidated quarterly statements of comprehensive income
Consolidated quarterly statements of income

(Millions of yen)

	Second quarter of FY2015 (April 1, 2015 to September 30, 2015)	Second quarter of FY2016 (April 1, 2016 to September 30, 2016)
Operating revenue	323,103	330,172
Electric utility operating revenue	287,621	295,223
Other business operating revenue	35,481	34,949
Operating expenses	304,462	325,250
Electric utility operating expenses	273,544	294,466
Other business operating expenses	30,917	30,783
Cost of sales	26,617	26,502
Selling, general and administrative expenses	4,299	4,281
Operating income	18,641	4,922
Non-operating income	3,694	2,322
Dividend income	707	797
Interest income	1,168	611
Foreign exchange gains	1,412	721
Share of profit of entities accounted for using equity method	172	13
Other, net	233	178
Non-operating expenses	4,803	4,553
Interest expenses	4,611	4,365
Other, net	191	187
Ordinary income	17,532	2,691
Provision or reversal of reserve for fluctuation in water levels	1,507	175
Provision of reserve for fluctuation in water levels	1,507	175
Profit before income taxes	16,024	2,515
Income taxes	5,048	1,387
Quarterly net income	10,976	1,128
Net loss attributable to non-controlling interests	(1)	(0)
Net profit attributable to owners of parent	10,978	1,128

Consolidated quarterly statements of comprehensive income

(Millions of yen)

	Second quarter of FY2015 (April 1, 2015 to September 30, 2015)	Second quarter of FY2016 (April 1, 2016 to September 30, 2016)
Quarterly profit	10,976	1,128
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	721	(234)
Deferred gains or losses on hedges	(625)	(3,527)
Foreign currency translation adjustment	157	(1,542)
Remeasurements of defined benefit plans, net of tax	(1,346)	5,866
Share of other comprehensive income (loss) of entities accounted for using equity method	(24)	(88)
Total other comprehensive income (loss)	(1,117)	472
Quarterly comprehensive income	9,858	1,601
Quarterly comprehensive income attributable to		
Owners of parent	9,860	1,601
Non-controlling interests	(1)	(0)

3. Consolidated statements of cash flows

(Millions of yen)

	Second quarter of FY2015 (April 1, 2015 to September 30, 2015)	Second quarter of FY2016 (April 1, 2016 to September 30, 2016)
Cash flows from operating activities		
Profit before income taxes	16,024	2,515
Depreciation	31,799	33,851
Decommissioning costs of nuclear power units	876	987
Depreciation of nuclear power abolition in progress	—	154
Depreciation of nuclear fuel	—	822
Loss on retirement of non-current assets	1,729	1,174
Increase (decrease) in net defined benefit liability	132	1,144
Increase (decrease) in provision for reprocessing of irradiated nuclear fuel	(3,644)	(3,414)
Increase (decrease) in provision for other reprocessing of irradiated nuclear fuel	163	228
Increase (decrease) in allowance for doubtful accounts	22	19
Increase (decrease) in reserve for fluctuation in water levels	1,507	175
Decrease (increase) in reserve fund for reprocessing of irradiated nuclear fuel	4,625	1,337
Increase (decrease) in net defined benefit asset	(2,344)	6,412
Decrease (increase) in notes and accounts receivable – trade	(183)	(10,427)
Decrease (increase) in inventories	(628)	852
Increase (decrease) in notes and accounts payable – trade	(15,154)	(8,243)
Share of profit (loss) of entities accounted for using equity method	(172)	(13)
Interest expenses	4,611	4,365
Other, net	(14,980)	(12,499)
Subtotal	24,385	19,443
Interest and dividend income	1,977	1,914
Interest expenses	(4,620)	(4,440)
Income taxes (paid) refund	(1,628)	(2,077)
Net cash provided by operating activities	20,114	14,840
Cash flows from investing activities		
Purchase of non-current assets	(35,757)	(30,680)
Proceeds from sales of non-current assets	111	210
Payments of investment and loans receivable	(765)	(346)
Collection of investment and loans receivable	925	375
Payments into time deposits	(3,089)	—
Proceeds from withdrawal of time deposits	2,709	689
Net cash used in investing activities	(35,866)	(29,751)
Cash flows from financing activities		
Proceeds from issuance of bonds	10,000	10,000
Redemption of bonds	—	(10,000)
Proceeds from long-term loans payable	28,000	18,500
Repayments of long-term loans payable	(29,061)	(24,931)
Net increase (decrease) in commercial papers	—	1,000
Cash dividends paid	(4,130)	(4,130)
Purchase of treasury shares	(10)	(3)
Other, net	(22)	(54)
Net cash provided by (used in) financing activities	4,775	(9,618)

Effect of exchange rate change on cash and cash equivalents	0	(110)
Net increase (decrease) in cash and cash equivalents	(10,975)	(24,640)
Cash and cash equivalents at beginning of year	30,544	37,441
Cash and cash equivalents at end of quarterly period	19,568	12,801