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Summary of Consolidated Financial Statements for the Second Quarter of Fiscal 2017 Ending March 31, 2018 (Japan GAAP)

October 26, 2017

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 7, 2017
 Date to start dividends distribution: November 30, 2017
 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 2017 Ending March 31, 2018 (April 1, 2017 to September 30, 2017)

(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		Ordinary income		Quarterly net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2Q Fiscal 2017	362,652	9.8	32,012	550.3	31,402	–	22,633	–
2Q Fiscal 2016	330,172	2.2	4,922	(73.6)	2,691	(84.6)	1,128	(89.7)

(Note) Comprehensive income (loss): 2Q Fiscal 2017: ¥21,557 million (– %); 2Q Fiscal 2016: ¥1,601 million (–83.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
2Q Fiscal 2017	109.91	–
2Q Fiscal 2016	5.48	–

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
2Q Fiscal 2017	1,291,752	321,301	24.9	1,558.91
Fiscal 2016	1,301,267	303,879	23.3	1,474.31

(Reference) Shareholders' equity: 2Q Fiscal 2017: ¥321,031 million; Fiscal 2016: ¥303,615 million

2. Dividends

	Cash dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2016	–	0.00	–	20.00	20.00
Fiscal 2017	–	15.00	–	–	–
Fiscal 2017 (forecast)	–	–	–	15.00	30.00

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

3. Forecasts of Consolidated Financial Results for Fiscal 2017 Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

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

	Operating revenues		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal 2017	710,000	3.7	26,500	32.4	25,000	57.0	17,500	54.2	85.00

(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 2017 : 223,086,202 shares Fiscal 2016 : 223,086,202 shares

2) Number of treasury stock at period-end:

2Q Fiscal 2017 : 17,152,920 shares Fiscal 2016 : 17,148,762 shares

3) Average number of shares (cumulative):

2Q Fiscal 2017 : 205,935,725 shares 2Q Fiscal 2016 : 205,942,438 shares

<ul style="list-style-type: none"> •This document is exempt from quarterly review procedure based upon the Financial Instruments and Exchange Act. •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.
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Consolidated Quarterly Financial Statements

1. Consolidated quarterly balance sheets

(Millions of yen)

	FY2016 (As of March 31, 2017)	Second quarter of FY2017 (As of September 30, 2017)
Assets		
Non-current assets	1,113,337	1,108,669
Plant and equipment, and intangible assets	851,030	845,310
Hydroelectric power production facilities	59,864	65,713
Thermal power production facilities	86,128	82,562
Nuclear power production facilities	117,835	111,375
Transmission facilities	134,680	131,391
Transformation facilities	80,525	79,695
Distribution facilities	205,795	206,128
Other non-current assets	110,316	108,107
Construction and retirement in progress	34,411	38,229
Suspense account related to nuclear power decommissioning	21,472	21,318
Manufacturing process in progress related to reprocessing of irradiated nuclear fuel	—	788
Nuclear fuel	119,951	121,067
Loaded nuclear fuel	10,838	7,382
Nuclear fuel in processing	109,113	113,685
Investments and other assets	142,355	142,290
Long-term investments	77,405	74,182
Deferred tax assets	31,202	31,060
Net defined benefit asset	1,643	2,422
Other assets	32,153	34,671
Allowance for doubtful accounts	(50)	(47)
Current assets	187,930	183,083
Cash and deposits	42,518	25,744
Notes and accounts receivable	85,011	92,836
Inventories	26,424	30,651
Deferred tax assets	10,777	5,459
Other current assets	25,971	31,134
Allowance for doubtful accounts	(2,773)	(2,742)
Total assets	1,301,267	1,291,752

(Millions of yen)

	FY2016 (As of March 31, 2017)	Second quarter of FY2017 (As of September 30, 2017)
Liabilities		
Non-current liabilities	710,905	760,925
Bonds payable	289,978	289,979
Long-term loans payable	257,616	307,076
Provision for retirement benefit	27,112	27,308
Asset retirement obligations	102,491	103,230
Other non-current liabilities	33,707	33,328
Current liabilities	278,622	202,095
Current portion of non-current liabilities	144,978	79,169
Short-term loans payable	18,000	–
Notes and accounts payable	33,635	30,487
Accrued taxes	6,898	14,732
Other current liabilities	75,109	77,706
Reserves under special laws	7,860	7,430
Reserve for fluctuation in water levels	7,860	7,430
Total liabilities	997,388	970,451
Net assets		
Shareholders' equity	286,667	305,165
Capital stock	145,551	145,551
Capital surplus	35,198	35,198
Retained earnings	147,384	165,887
Treasury shares	(41,467)	(41,472)
Accumulated other comprehensive income	16,948	15,866
Valuation difference on available-for-sale securities	7,414	6,873
Deferred gains or losses on hedges	8,237	8,194
Foreign currency translation adjustment	2,061	1,630
Remeasurements of defined benefit plans	(765)	(831)
Non-controlling interests	264	269
Total net assets	303,879	321,301
Total liabilities and net assets	1,301,267	1,291,752

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

(Millions of yen)

	Second quarter of FY2016 (April 1, 2016 to September 30, 2016)	Second quarter of FY2017 (April 1, 2017 to September 30, 2017)
Operating revenue	330,172	362,652
Electric utility operating revenue	295,223	325,636
Other business operating revenue	34,949	37,016
Operating expenses	325,250	330,640
Electric utility operating expenses	294,466	297,524
Other business operating expenses	30,783	33,116
Cost of sales	26,502	27,618
Selling, general and administrative expenses	4,281	5,497
Operating income	4,922	32,012
Non-operating income	2,322	3,512
Dividend income	797	1,122
Interest income	611	248
Foreign exchange gains	721	1,027
Share of profit of entities accounted for using equity method	13	227
Other, net	178	886
Non-operating expenses	4,553	4,122
Interest expenses	4,365	3,952
Other, net	187	169
Ordinary income	2,691	31,402
Provision or reversal of reserve for fluctuation in water levels	175	(430)
Provision of reserve for fluctuation in water levels	175	–
Reversal of reserve for fluctuation in water levels (credit)	–	(430)
Profit before income taxes	2,515	31,833
Income taxes	1,387	9,194
Quarterly net income	1,128	22,638
Net income (loss) attributable to non-controlling interests	(0)	5
Net income attributable to owners of parent	1,128	22,633

Consolidated quarterly statements of comprehensive income

(Millions of yen)

	Second quarter of FY2016 (April 1, 2016 to September 30, 2016)	Second quarter of FY2017 (April 1, 2017 to September 30, 2017)
Quarterly net income	1,128	22,638
Other comprehensive income (loss)		
Valuation difference on available-for-sale securities	(234)	(531)
Deferred gains or losses on hedges	(3,527)	(42)
Foreign currency translation adjustment	(1,542)	(431)
Remeasurements of defined benefit plans, net of tax	5,866	57
Share of other comprehensive income (loss) of entities accounted for using equity method	(88)	(133)
Total other comprehensive income (loss)	472	(1,081)
Quarterly comprehensive income	1,601	21,557
Quarterly comprehensive income attributable to owners of parent	1,601	21,552
non-controlling interests	(0)	5

3. Consolidated statements of cash flows

(Millions of yen)

	Second quarter of FY2016 (April 1, 2016 to September 30, 2016)	Second quarter of FY2017 (April 1, 2017 to September 30, 2017)
Cash flows from operating activities		
Profit before income taxes	2,515	31,833
Depreciation	33,851	33,164
Decommissioning costs of nuclear power units	987	959
Amortization of suspense account related to nuclear power decommissioning	154	154
Amortization of nuclear fuel	822	3,456
Loss on retirement of non-current assets	1,174	940
Increase (decrease) in net defined benefit liability	1,144	275
Increase (decrease) in provision for reprocessing of irradiated nuclear fuel	(3,414)	–
Increase (decrease) in provision for other reprocessing of irradiated nuclear fuel	228	–
Increase (decrease) in allowance for doubtful accounts	19	(33)
Increase (decrease) in reserve for fluctuation in water levels	175	(430)
Decrease (increase) in reserve fund for reprocessing of irradiated nuclear fuel	1,337	–
Decrease (increase) in net defined benefit asset	6,412	(776)
Decrease (increase) in notes and accounts receivable – trade	(10,427)	(7,824)
Decrease (increase) in inventories	852	(4,112)
Increase (decrease) in notes and accounts payable – trade	(8,243)	(3,148)
Share of (profit) loss of entities accounted for using equity method	(13)	(227)
Interest expenses	4,365	3,952
Other, net	(12,499)	2,146
Subtotal	19,443	60,327
Interest and dividend income received	1,914	1,555
Interest expenses paid	(4,440)	(4,075)
Income taxes (paid) refund	(2,077)	(637)
Net cash provided by operating activities	14,840	57,169
Cash flows from investing activities		
Capital expenditures including nuclear fuel	(30,680)	(36,031)
Proceeds from sales of property, plant and equipment	210	273
Payments for asset retirement obligations	–	(62)
Increase in investments	(346)	(2,331)
Proceeds from investments	375	2,342
Payments into time deposits	–	(5,842)
Proceeds from withdrawal of time deposits	689	3,292
Net cash used in investing activities	(29,751)	(38,360)
Cash flows from financing activities		
Proceeds from issuance of bonds	10,000	30,000
Redemption of bonds	(10,000)	(60,000)
Proceeds from long-term loans	18,500	60,796
Repayments of long-term loans	(24,931)	(47,281)
Net increase (decrease) in short-term loans payable	–	(18,000)
Net increase (decrease) in commercial papers	1,000	–
Dividends paid	(4,130)	(4,129)
Purchase of treasury shares	(3)	(5)
Other, net	(54)	(76)
Net cash provided by (used in) financing activities	(9,618)	(38,696)
Effect of exchange rate changes on cash and cash equivalents	(110)	(108)
Net increase (decrease) in cash and cash equivalents	(24,640)	(19,996)
Cash and cash equivalents at beginning of year	37,441	42,518
Cash and cash equivalents at end of quarterly period	12,801	22,522