

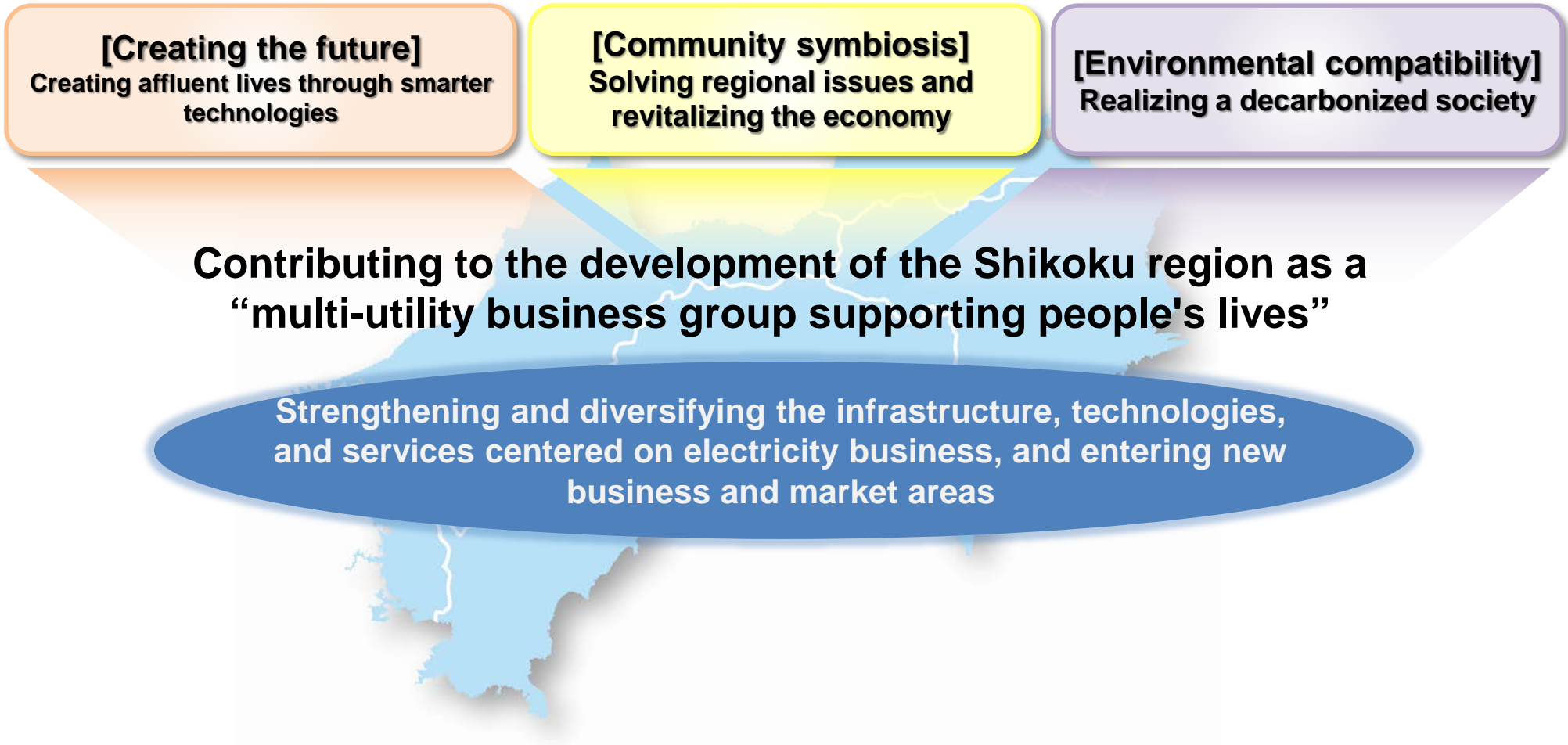
Shikoku Electric Power Group Medium-Term Management Plan **2025**

- Reform and efforts for sustainable growth and development -
(Overview version)

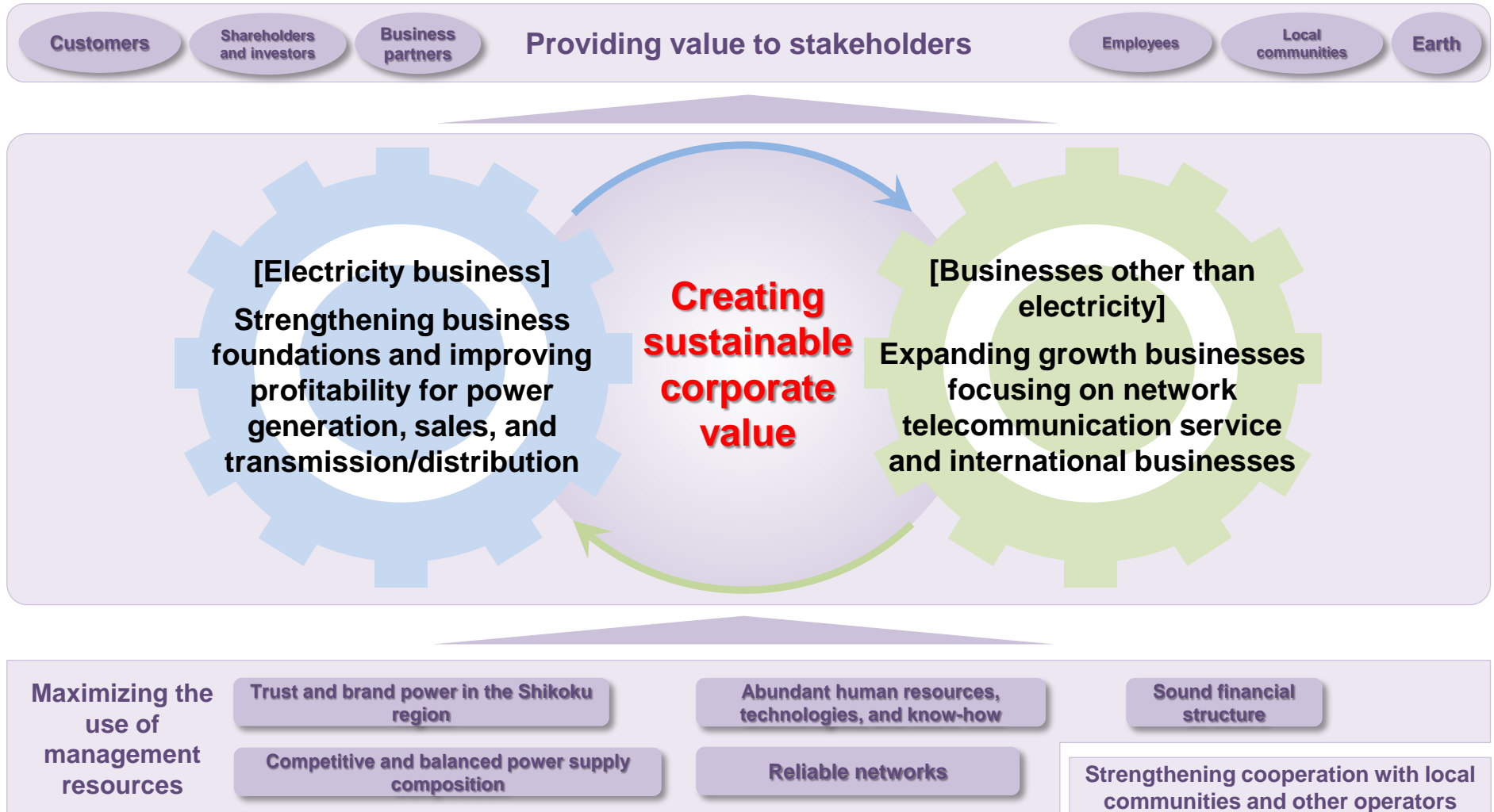
March 2021

SHIKOKU ELECTRIC POWER CO., Inc.

We will aim at “creating affluent lives through smarter technologies,” “solving regional issues and revitalizing the economy,” and “realizing a decarbonized society” to contribute to the development of the Shikoku region as a “multi-utility business group supporting people's lives” by strengthening and diversifying the infrastructure, technologies, and services centered on the Shikoku Electric Power Group's electricity business, and entering new business and market areas.



While making the most of our Group's management resources and actively cooperating with local communities and other operators, we will strive for “strengthening business foundations and improving profitability for power generation, sales, and transmission/distribution” and “expanding growth businesses, telecommunication service and international businesses,” by closely connecting the electricity business, which is our core businesses, with other businesses.



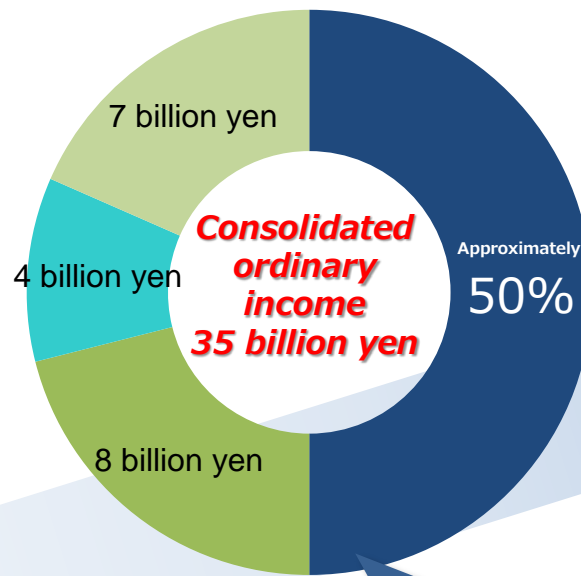
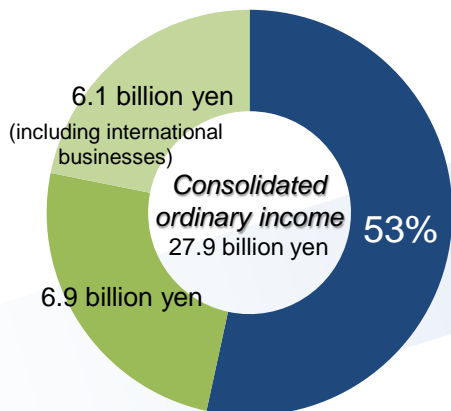
Achieve 1/2 of the Group's overall profit target in the electricity business and 1/2 in other businesses

FY 2030 (long-term goal)

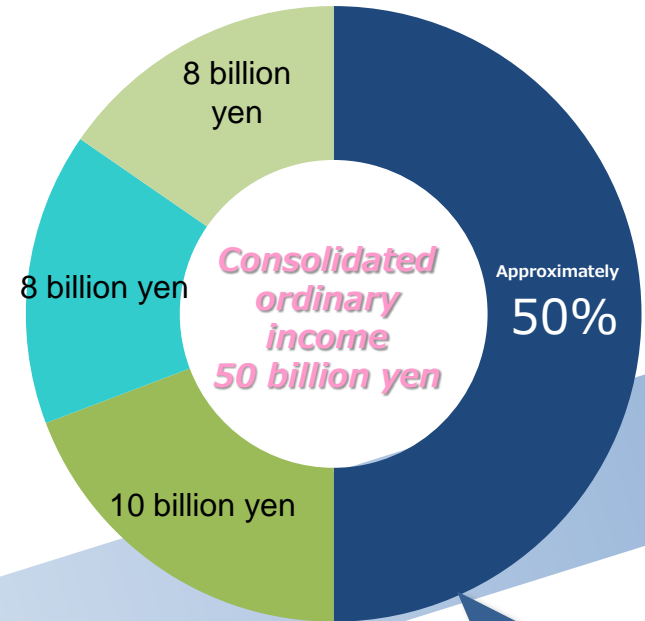
FY 2025 (goal)

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

FY 2019



Power generation and sales businesses:
Approximately 11 billion yen
Transmission and distribution businesses:
Approximately 6 billion yen



Power generation and sales businesses:
Approximately 18 billion yen
Transmission and distribution businesses:
Approximately 6 billion yen

FY 2025

Management goal (consolidated)

FY 2017

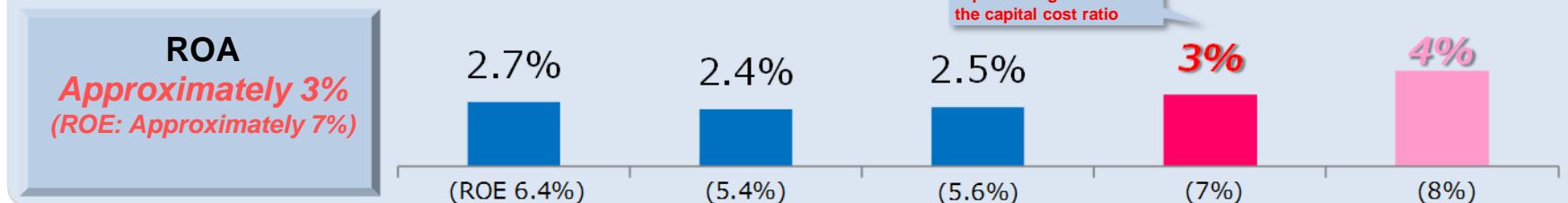
FY 2018

FY 2019

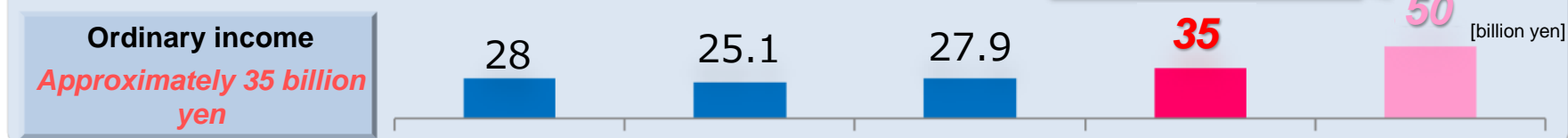
FY 2025
(Goal)

FY 2030
(Long-term goal)

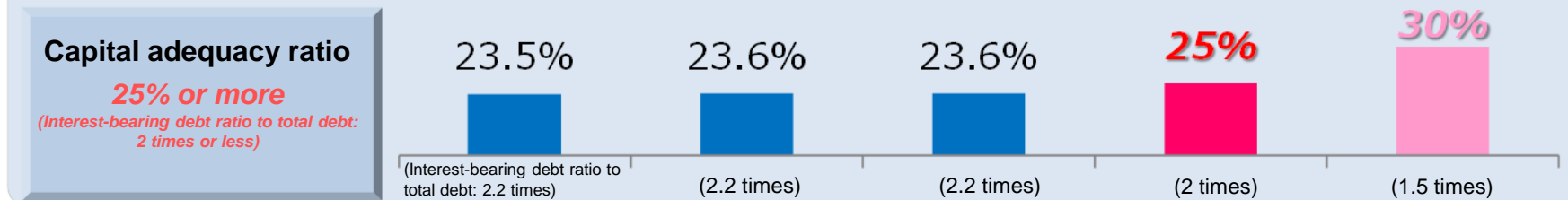
[Continuously earning profits exceeding the capital cost]



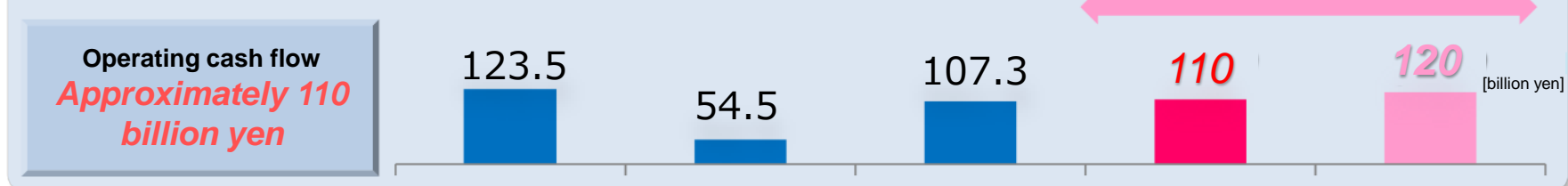
[Aiming to maintain and expand business scale]



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



[Steadily acquiring capital for growth investment and capital policy]



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

Basic policy for shareholder returns

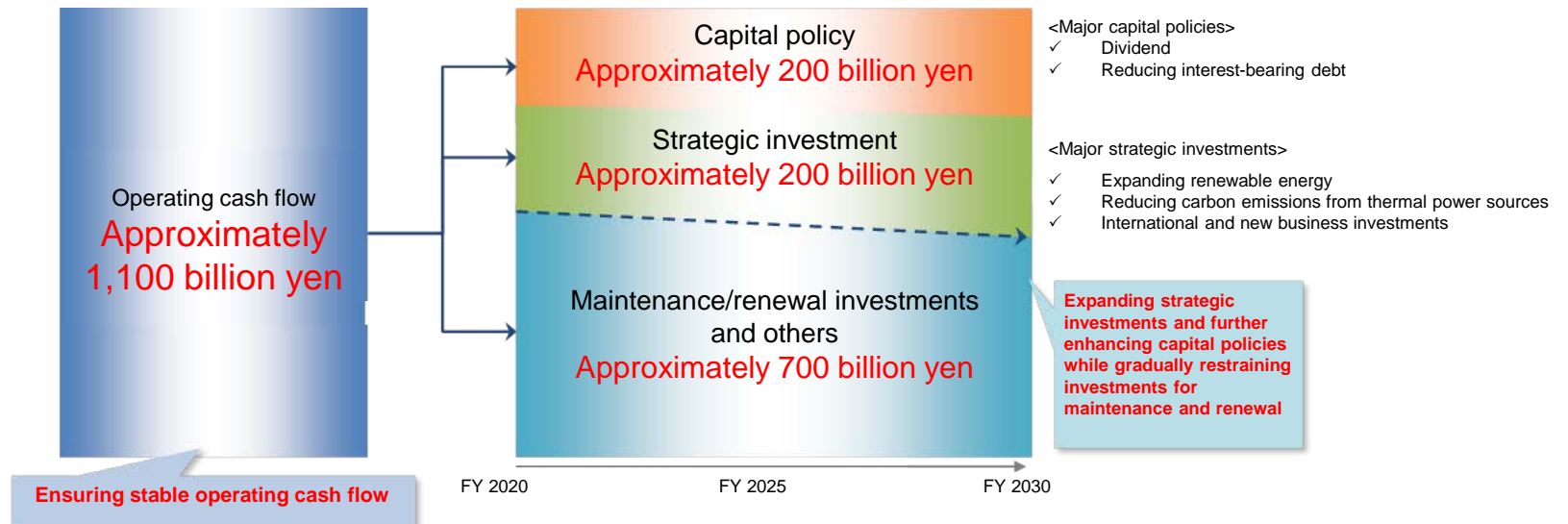
We will decide by comprehensively considering such factors as business performance levels, financial conditions, and the medium- to long-term business environment with stable dividend payments as the basis of shareholder returns.

Goals to be pursued

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**.

Cash flow allocation (ten-year total from FY 2021 to FY 2030)

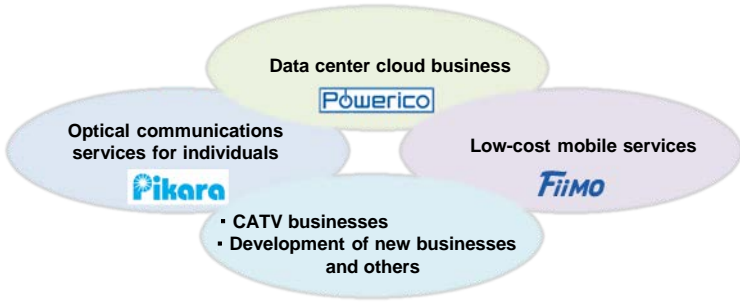
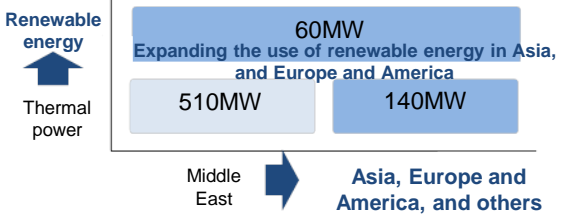



		Priority items to be addressed	Target Indicators (FY 2025 targets and FY 2030 long-term targets)
Power generation business	Nuclear energy	<ul style="list-style-type: none"> ✓ Early completion of construction for installation of specialized safety facilities and restarting operation ✓ Thoroughly improving operating effectiveness, including improving capacity factors 	<ul style="list-style-type: none"> ✓ The power generation capacity factor_{*1}: 55% ✓ The Ikata Unit 3 capacity factor: The top-level in Japan ✓ Renewable energy development_{*2}: 500MW
	Renewable energy	<ul style="list-style-type: none"> ✓ Active new development in Japan and overseas ✓ Maximizing the use of existing hydropower, including increasing power output 	
	Thermal power	<ul style="list-style-type: none"> ✓ Optimizing power supply composition by upgrading the efficiency of facilities and replacing them with the state-of-the-art, based on economic efficiency and environmental regulations ✓ Pursuing the highest economic efficiency in fuel procurement in Japan 	
Retail sales businesses		<ul style="list-style-type: none"> ✓ Expanding combined sales with other products and enhancing value-added services and rates plans ✓ Promoting efficient electrification through integrated group operation of sales channels and others ✓ Providing a variety of options and expanding alliances to contribute to facilitating efficient sales activities 	<ul style="list-style-type: none"> ✓ Total electricity sales_{*3}: 30 billion kWh ✓ Ordinary income from power generation and sales businesses: Approximately 11 billion yen → Approximately 18 billion yen ✓ Retail sales electricity inside the region: 21 billion kWh ✓ Retail sales electricity outside the region: 1 billion kWh
Transmission and distribution businesses		<ul style="list-style-type: none"> ✓ Thoroughly streamlining facilities to take advantage of renewal opportunities and optimizing facility management and improving its efficiency (studying asset management, including risk assessment) ✓ Maintaining and improving supply reliability, including disaster recovery response ✓ Creating new value using power transmission and distribution facilities, including remote metering services using smart meters 	<ul style="list-style-type: none"> ✓ Ordinary profit: Approximately 6 billion yen

*1 Excluding pumped storage power generation (Hongawa Power Station)

*2 Development since FY 2000

*3 Retail sales electricity inside and outside the region + wholesale electricity

<p>Telecommunication service</p>	<ul style="list-style-type: none"> ✓ Combined sales of optical communication services for individuals (Pikara) and low-cost mobile services (Fiimo) with electricity ✓ Further expanding sales of data centers (Powerico) ✓ Promoting CATV business combining broadcasting and communication ✓ Developing new businesses using IoT, AI, and others 							
<p>International business</p>	<ul style="list-style-type: none"> ✓ Expanding targets from thermal power generation in the Middle East to renewable energy and other regions ✓ Studying participation in energy-related services and social infrastructure businesses 	<table border="1" data-bbox="1326 542 1854 692"> <thead> <tr> <th></th> <th>FY 2019</th> <th>FY 2030 (Rough standard)</th> </tr> </thead> <tbody> <tr> <td>Equity capacity</td> <td>Approximately 710MW</td> <td>Approximately 2 million kW</td> </tr> </tbody> </table> 		FY 2019	FY 2030 (Rough standard)	Equity capacity	Approximately 710MW	Approximately 2 million kW
	FY 2019	FY 2030 (Rough standard)						
Equity capacity	Approximately 710MW	Approximately 2 million kW						
<p>Other businesses</p>	<ul style="list-style-type: none"> ✓ Participating in the Niihama LNG base project (scheduled to commence operations in 2022) ✓ Expanding market and business areas in construction engineering ✓ Expanding new businesses <ul style="list-style-type: none"> • Responding to the advancement and diversification of energy use • Efforts based on solving regional issues in Shikoku 	<p>(Completion prediction diagram of the Niihama LNG base)</p> 						

The Shikoku Electric Power Group will further strengthen the relationships of trust with all those who support our business activities and promote efforts aiming at creating sustainable value and forming a better society based on the viewpoints of ESG (Environment, Society and Governance) and the SDGs (Sustainable Development Goals).

Business Activities (source of sustainability)

Providing diverse services and added value that meet customers' needs

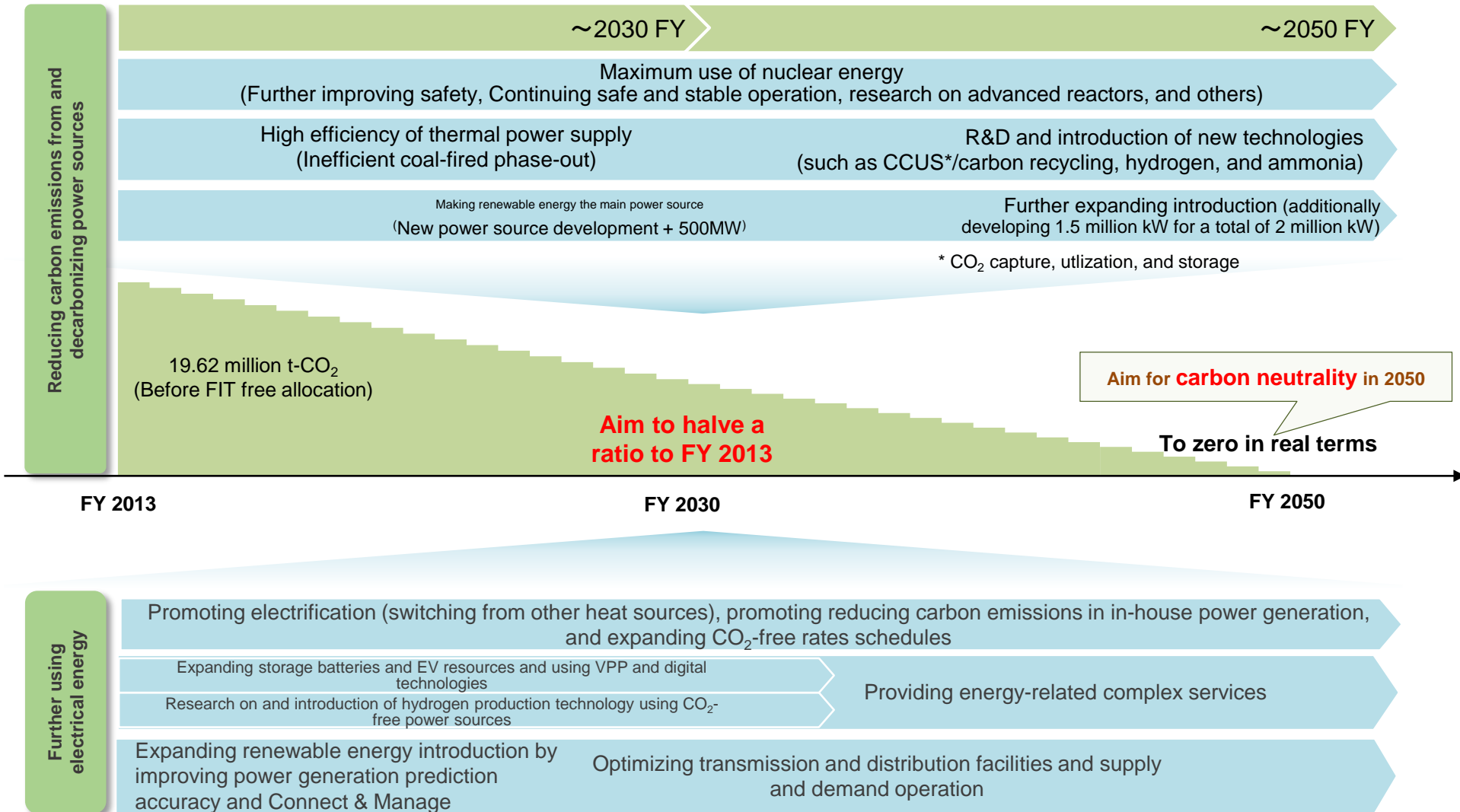
Strengthening the resilience of power supply composition and power networks to support stable power supply

<Acceleration of business activities> Business innovation and new value creation through the strategic use of digital technology (DX propulsion)

Priority issues for improving sustainability (materiality)

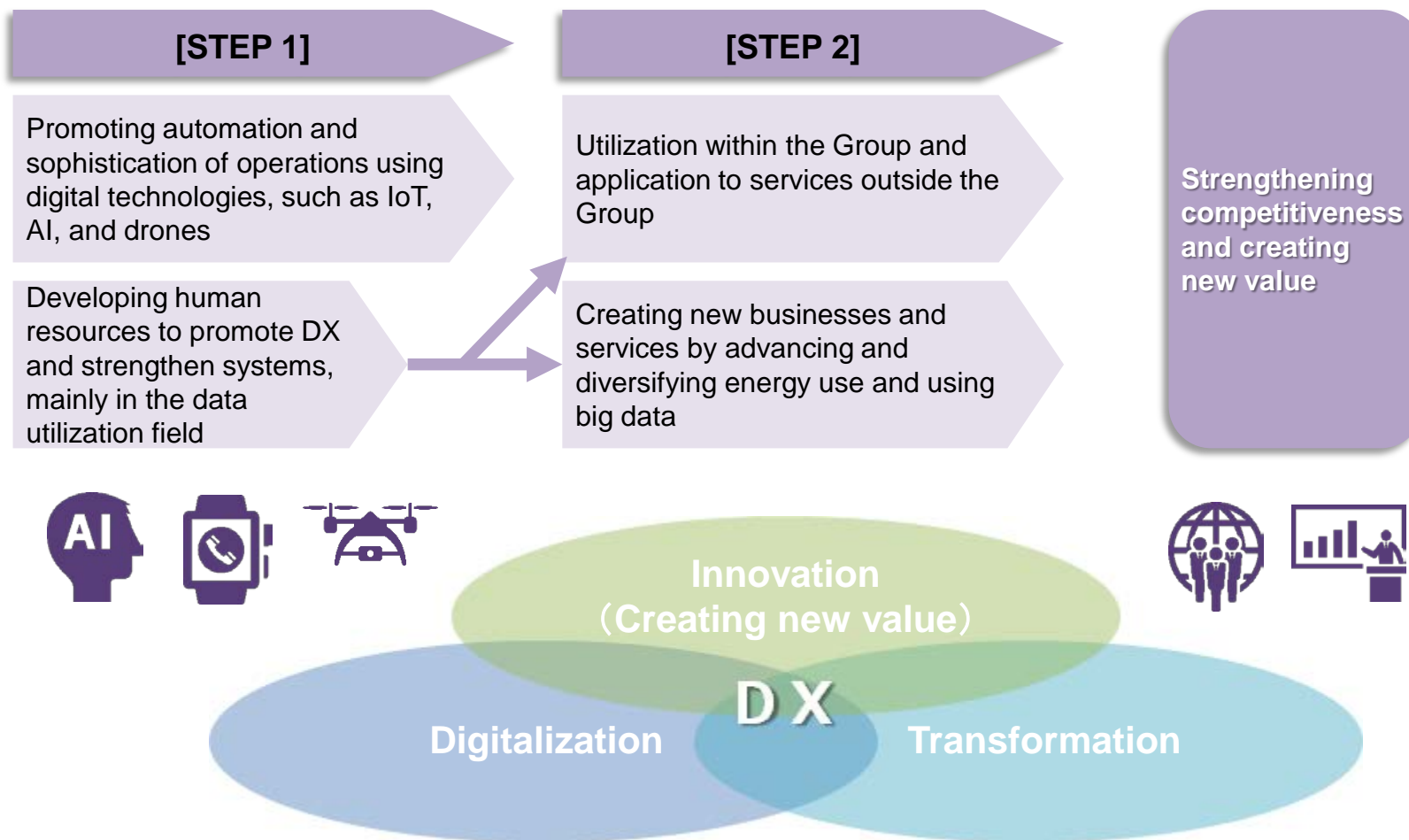
<p>E nvironment</p>		<p>Promoting measures against climate change Efforts to realize a decarbonized society, strategy formulation, and information disclosure based on the TCFD recommendations</p> <p>Promoting environmental conservation activities Forming a recycling-oriented society and promoting local environmental conservation</p>
<p>S ocial</p>		<p>Promoting community symbiosis activities Promoting efforts to solve local issues and revitalize regions, supporting the next generation, and promoting communication with society</p> <p>Maintaining and improving partnerships with business partners Promoting coexistence and co-prosperity with business partners and added value creation</p> <p>Maintaining and improving employee vitality Promoting diversity and inclusion, creating a comfortable work environment, ensuring occupational health and safety, and promoting the acquisition and development of human resources that will open up the future</p>
<p>G overnance</p>		<p>Practicing open management Enhancing and strengthening corporate governance, thoroughly disclosing information, and improving corporate value through IR activities</p> <p>Promoting compliance Promoting compliance and ensuring information security</p>

The Shikoku Electric Power Group will promote “reducing carbon emissions from and decarbonizing power sources” and “further using electric energy” to **contribute to realizing a sustainable society in efforts for “carbon neutrality in 2050”** as a responsible operator supporting energy supply.



The Shikoku Electric Power Group will promote digital transformation (DX), which will transform businesses and operations by using digital technologies, and aim to strengthen competitiveness and create new value by deepening efficiency and creating innovative services.

(Image of DX promotion)



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.