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Summary of Consolidated Financial Statements for the Second Quarter of Fiscal 2023 Ending March 31, 2024 (Japanese GAAP)

October 31, 2023

Company name: Shikoku Electric Power Company, Incorporated
 Listed on: Prime Market of TSE
 Securities code: 9507
 URL: <https://www.yonden.co.jp/>
 Representative: Keisuke Nagai Director and President
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 Scheduled date of filing quarterly securities report: November 10, 2023
 Scheduled date of commencing dividend payments: November 30, 2023
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes (for institutional investors and financial analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Second Quarter of Fiscal 2023 Ending March 31, 2024 (April 01, 2023 to September 30, 2023)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2Q Fiscal 2023	400,857	(0.3)	65,450	519.8	64,611	272.1	48,771	442.6
2Q Fiscal 2022	402,122	48.8	10,559	781.0	17,364	1,165.6	8,988	956.0

(Note) Comprehensive income: 2Q Fiscal 2023: ¥ 53,432 million [130.6%]
 2Q Fiscal 2022: ¥ 23,168 million [2,825.1%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
2Q Fiscal 2023	237.15	-
2Q Fiscal 2022	43.69	-

(2) Consolidated Financial Position

	Total assets	Net assets	shareholders'equity ratio
	Million yen	Million yen	%
2Q Fiscal 2023	1,597,069	351,730	21.9
Fiscal 2022	1,612,025	298,312	18.3

(Reference) Equity: 2Q Fiscal 2023: ¥ 349,141 million
 Fiscal 2022: ¥ 295,788 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2022	-	0.00	-	0.00	0.00
Fiscal 2023	-	15.00			
Fiscal 2023 (Forecast)			-	15.00	30.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal 2023 Ending March 31, 2024 (April 01, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Operating revenues		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions yen	%	Millions yen	%	Millions yen	%	Millions yen	%	Yen
Fiscal 2023	832,000	(0.1)	56,500	-	58,000	-	41,000	-	199.00

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the period under review

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

2Q Fiscal 2023: 207,528,202 shares

Fiscal 2022: 207,528,202 shares

2) Total number of treasury shares at the end of the period:

2Q Fiscal 2023: 1,859,635 shares

Fiscal 2022: 1,880,571 shares

3) Average number of shares during the period:

2Q Fiscal 2023: 205,656,654 shares

2Q Fiscal 2022: 205,732,451 shares

(Note)

We have introduced the Board Benefit Trust, and the total number of treasury shares at the end of the period includes our shares held by the trust account relating to the Board Benefit Trust (224,834 shares (2Q Fiscal 2023), 248,234 shares (Fiscal 2022)). In addition, our shares held by the trust account are included in the total number of treasury shares which are deducted in the calculation of the average number of shares. (238,205 shares (2Q Fiscal 2023), 167,734 shares (2Q Fiscal 2022))

- This document is exempt from quarterly review procedure based upon a certified public accountant or audit corporation.
- 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.
- Supplementary materials will be posted on our web site on October 31, 2023.

Quarterly Consolidated Financial Statements

1. Quarterly Consolidated Balance Sheets

(Millions of yen)

	FY 2022 (As of March 31, 2023)	Second quarter of FY 2023 (As of September 30, 2023)
Assets		
Non-current assets	1,287,917	1,281,589
Plant and equipment, and intangible assets	988,374	981,360
Hydroelectric power production facilities	57,136	57,612
Thermal power production facilities	61,909	153,394
Nuclear power production facilities	176,075	170,579
Transmission facilities	113,997	112,663
Transformation facilities	83,232	82,485
Distribution facilities	204,105	205,265
Other non-current assets	100,507	104,941
Construction and retirement in progress	118,715	22,270
Special account related to nuclear power decommissioning	36,803	34,637
Special account related to reprocessing of spent nuclear fuel	35,891	37,511
Nuclear fuel	89,735	88,960
Loaded nuclear fuel	6,568	11,139
Nuclear fuel in processing	83,166	77,821
Investments and other assets	209,807	211,267
Long-term investments	60,403	60,833
Long-term investments in subsidiaries and associates	91,565	96,778
Deferred tax assets	37,343	32,374
Retirement benefit asset	10,382	11,067
Other	11,004	11,062
Allowance for doubtful accounts	(891)	(849)
Current assets	324,108	315,480
Cash and deposits	105,954	86,994
Notes and accounts receivable - trade, and contract assets	92,649	91,236
Lease receivables and investments in leases	16,546	16,734
Inventories	59,974	49,418
Other	49,371	71,711
Allowance for doubtful accounts	(388)	(615)
Total assets	1,612,025	1,597,069

(Millions of yen)

	FY 2022 (As of March 31, 2023)	Second quarter of FY 2023 (As of September 30, 2023)
Liabilities		
Non-current liabilities	1,059,216	1,063,135
Bonds payable	396,992	406,993
Long-term borrowings	463,700	467,400
Provision for loss on guarantees	8,384	-
Retirement benefit liability	21,711	21,519
Asset retirement obligations	130,494	130,994
Other	37,933	36,227
Current liabilities	254,096	181,480
Current portion of non-current liabilities	90,282	53,146
Notes and accounts payable - trade	61,910	36,803
Accrued taxes	7,851	16,189
Provision for loss on guarantees	152	-
Other	93,900	75,340
Reserves under special laws	400	722
Reserve for water shortage	400	722
Total liabilities	1,313,713	1,245,338
Net assets		
Shareholders' equity	279,733	328,523
Share capital	145,551	145,551
Capital surplus	3,598	3,598
Retained earnings	134,023	182,795
Treasury shares	(3,440)	(3,421)
Accumulated other comprehensive income	16,054	20,618
Valuation difference on available-for-sale securities	125	500
Deferred gains or losses on hedges	8,395	8,920
Foreign currency translation adjustment	7,368	10,947
Remeasurements of defined benefit plans	165	249
Non-controlling interests	2,524	2,588
Total net assets	298,312	351,730
Total liabilities and net assets	1,612,025	1,597,069

2. Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

(Millions of yen)

	Second quarter of FY 2022 (April 1, 2022 to September 30, 2022)	Second quarter of FY 2023 (April 1, 2023 to September 30, 2023)
Operating revenue	402,122	400,857
Electric utility operating revenue	358,928	357,336
Other business operating revenue	43,193	43,521
Operating expenses	391,562	335,406
Electric utility operating expenses	353,481	298,944
Other business operating expenses	38,080	36,462
Cost of sales	31,451	30,266
Selling, general and administrative expenses	6,629	6,196
Operating profit	10,559	65,450
Non-operating income	10,670	4,236
Dividend income	1,052	382
Interest income	331	394
Gain on sale of securities	914	76
Foreign exchange gains	6,954	1,564
Share of profit of entities accounted for using equity method	875	1,242
Other	541	576
Non-operating expenses	3,865	5,075
Interest expenses	3,110	3,113
Loss on valuation of securities	269	3
Loss on valuation of shares subsidiaries	-	1,704
Other	484	254
Ordinary profit	17,364	64,611
Provision or reversal of reserve for water shortage	(452)	322
Provision of reserve for water shortage	-	322
Reversal of reserve for water shortage	(452)	-
Profit before income taxes	17,816	64,288
Income taxes	8,730	15,420
Profit	9,086	48,868
Profit attributable to non-controlling interests	98	97
Profit attributable to owners of parent	8,988	48,771

Quarterly Consolidated Statements of Comprehensive Income

(Millions of yen)

	Second quarter of FY 2022 (April 1, 2022 to September 30, 2022)	Second quarter of FY 2023 (April 1, 2023 to September 30, 2023)
Profit	9,086	48,868
Other comprehensive income		
Valuation difference on available-for-sale securities	(704)	186
Deferred gains or losses on hedges	4,106	(111)
Foreign currency translation adjustment	5,704	3,091
Remeasurements of defined benefit plans, net of tax	(324)	88
Share of other comprehensive income of entities accounted for using equity method	5,300	1,308
Total other comprehensive income	14,081	4,563
Comprehensive income	23,168	53,432
Comprehensive income attributable to		
Owners of parent	23,069	53,335
Non-controlling interests	98	97

3. Quarterly Consolidated Statements of Cash Flows

	(Millions of yen)	
	Second quarter of FY 2022 (April 1, 2022 to September 30, 2022)	Second quarter of FY 2023 (April 1, 2023 to September 30, 2023)
Cash flows from operating activities		
Profit before income taxes	17,816	64,288
Depreciation	24,672	29,327
Decommissioning costs of nuclear power units	1,448	1,492
Amortization of special account related to nuclear power decommissioning	2,166	2,166
Amortization of nuclear fuel	2,955	2,080
Loss on retirement of non-current assets	818	1,061
Increase (decrease) in retirement benefit liability	(320)	(557)
Increase (decrease) in allowance for doubtful accounts	9	184
Increase (decrease) in reserve for water shortage	(452)	322
Decrease (increase) in retirement benefit asset	(955)	(208)
Decrease (increase) in trade receivables	(5,799)	1,377
Decrease (increase) in inventories	(20,793)	10,686
Increase (decrease) in trade payables	(2,728)	(25,106)
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	7,323	(4,192)
Share of loss (profit) of entities accounted for using equity method	(875)	(1,242)
Increase (decrease) in provision for loss on guarantees	-	(8,536)
Interest and dividend income	(1,383)	(777)
Interest expenses	3,110	3,113
Foreign exchange losses (gains)	(2,697)	(25)
Other, net	(2,034)	(25,383)
Subtotal	22,279	50,073
Interest and dividends received	1,833	1,239
Interest paid	(2,846)	(3,132)
Income taxes refund (paid)	358	1,691
Net cash provided by (used in) operating activities	21,624	49,871
Cash flows from investing activities		
Purchase of non-current assets	(34,737)	(41,641)
Proceeds from sale of non-current assets	1,172	296
Payments for asset retirement obligations	(327)	(83)
Investments and loan advances	(7,261)	(9,014)
Proceeds from divestments and collection of loans receivable	4,082	4,476
Net cash provided by (used in) investing activities	(37,069)	(45,967)
Cash flows from financing activities		
Proceeds from issuance of bonds	89,500	22,500
Redemption of bonds	(52,500)	(52,500)
Proceeds from long-term borrowings	84,900	15,000
Repayments of long-term borrowings	(29,900)	(8,500)
Net increase (decrease) in commercial papers	(33,000)	-
Purchase of treasury shares	(2)	(3)
Dividends paid	(3,096)	-
Dividends paid to non-controlling interests	(32)	(33)
Other, net	(18)	(18)
Net cash provided by (used in) financing activities	55,849	(23,554)
Effect of exchange rate change on cash and cash equivalents	3,442	689
Net increase (decrease) in cash and cash equivalents	43,846	(18,960)
Cash and cash equivalents at beginning of period	72,928	105,904
Cash and cash equivalents at end of period	116,775	86,944