

Tohoku Electric Power Co., Inc.

Summary of Financial Statements (Unaudited)

(April 1, 2019 - March 31, 2020)

Information below is an English translation of the "Unaudited Financial Release" for the year ended March 31, 2020, which has been filed with the Tokyo Stock Exchange, Inc. for public inspection.

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(Note) All monetary values are rounded down to the nearest units as indicated in each table.

1. Business Results for Consolidated FY2019 (Year ended March 31, 2020)

(1) Progresses of Financial Results

	Operating revenue		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended Mar. 31, 2020	2,246,369	0.1	116,350	39.1	99,966	52.1	63,074	35.7
Year ended Mar. 31, 2019	2,244,314	8.3	83,633	(22.3)	65,743	(25.7)	46,483	(1.6)

(Note) Comprehensive income (FY2019: 50,924 million yen -8.7%, FY2018: 55,763 million yen -14.3%)

Percentage figures represent changes as compared to the same period of the previous year.

	Net income per share (basic)	Net income per share (diluted)	Net income / Equity	Ordinary income / Total assets	Operating income / Operating revenue
	Yen	Yen	%	%	%
Year ended Mar. 31, 2020	126.32	117.38	8.1	2.3	5.2
Year ended Mar. 31, 2019	93.12	87.61	6.2	1.6	3.7

(Reference) Share of profit of entities accounted for using equity method (FY2019: 534 million yen, FY2018: 141 million yen)

(Note) Percentage figures represent changes as compared to the same period of the previous year.

(2) Changes in Financial Positions

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Mar. 31, 2020	4,323,099	864,177	18.3	1,584.30
Mar. 31, 2019	4,258,633	833,711	17.9	1,526.66

(Reference) Shareholders' Equity (March 31, 2020: 791,121 million yen, March 31, 2019: 762,167 million yen)

(3) Situations of Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended Mar. 31, 2020	371,525	(310,627)	6,719	252,322
Year ended Mar. 31, 2019	262,804	(250,570)	(69,307)	184,942

2. Dividends

	Cash dividends per share					Dividends paid for the year	Dividends payout ratio	Dividends / Net assets
	1Q	2Q	3Q	Year-end	Annual total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended Mar. 31, 2019	-	20.00	-	20.00	40.00	19,969	43.0	2.7
Year ended Mar. 31, 2020	-	20.00	-	20.00	40.00	19,974	31.7	2.6
Year ending Mar. 31, 2021 (forecast)	-	-	-	-	-		-	

(Note) Dividend forecasts for the year ending March 31, 2021 have yet to be determined at this time.

3. Business Results Forecast for Consolidated FY2020 (Year ending March 31, 2021)

Financial forecasts for the year ending March 31, 2020 have yet to be determined at this time, because the impact on the power demand resulting from the spread of COVID-19 is unclear and it is difficult to reasonably assess the estimates of income.

These forecasts will be promptly disclosed as soon as certain conditions are met and we can reasonably assess the estimates.

(Reference) Summary of Non-consolidated Financial Statements

1. Business Results for Non-consolidated FY2019 (Year ended March 31, 2020)

(1) Progresses of Financial Results

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended Mar. 31, 2020	2,031,978	0.3	94,026	56.0	78,013	66.6	51,659	28.1
Year ended Mar. 31, 2019	2,025,559	8.4	60,284	(26.8)	46,821	(30.7)	40,320	(3.6)

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
Year ended Mar. 31, 2020	103.46	96.12
Year ended Mar. 31, 2019	80.77	75.97

(Note) Percentage figures represent changes as compared to the same period of the previous year.

(2) Changes in Financial Positions

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Mar. 31, 2020	3,962,777	683,710	17.2	1,366.96
Mar. 31, 2019	3,923,541	654,178	16.6	1,308.32

(Reference) Shareholders' Equity (March 31, 2020: 682,590 million yen, March 31, 2019: 653,164 million yen)

CONSOLIDATED BALANCE SHEETS (Unaudited)

FY2019 (As of March 31, 2020) and FY2018 (As of March 31, 2019)

Assets	(Millions of yen)	
Item	March 31, 2020	March 31, 2019
Non-current assets:	3,679,082	3,620,997
Electric utility plant and equipment:	2,504,659	2,468,035
Hydroelectric power production facilities	187,035	181,091
Thermal power production facilities	402,870	340,205
Nuclear power production facilities	254,447	271,914
Transmission facilities	589,116	604,313
Transformation facilities	255,044	256,905
Distribution facilities	670,135	662,292
General facilities	118,187	122,667
Other electric utility plant and equipment	27,821	28,645
Other non-current assets	226,872	214,278
Construction in progress:	403,472	398,140
Construction and retirement in progress	357,778	359,324
Special account related to nuclear power decommissioning	24,451	24,514
Special account related to reprocessing of spent nuclear fuel	21,243	14,300
Nuclear fuel:	174,331	165,081
Loaded nuclear fuel	30,591	30,591
Nuclear fuel in processing	143,740	134,490
Investments and other assets:	369,745	375,461
Long-term investments	99,462	102,888
Net defined benefit asset	3,844	4,303
Deferred tax assets	159,568	162,696
Other	107,199	105,933
Allowance for doubtful accounts	(328)	(360)
Current assets:	644,017	637,635
Cash and deposits	244,010	178,729
Notes and accounts receivable - trade	224,649	232,303
Inventories	67,374	78,789
Other	108,450	148,275
Allowance for doubtful accounts	(466)	(462)
Assets	4,323,099	4,258,633

Liabilities and net assets

(Millions of yen)

Item	March 31, 2020	March 31, 2019
Non-current liabilities:	2,457,197	2,431,227
Bonds payable	865,000	815,120
Long-term loans payable	1,190,302	1,216,986
Reserve for restoration costs of natural disaster	5,061	4,873
Net defined benefit liability	189,968	178,561
Asset retirement obligations	165,848	161,929
Deferred tax liabilities for land revaluation	1,330	1,373
Other	39,685	52,383
Current liabilities:	1,001,724	993,693
Current portion of non-current liabilities	372,388	321,875
Notes and accounts payable - trade	144,616	141,197
Accrued taxes	33,253	22,941
Other advances	205,984	252,430
Reserve for restoration costs of natural disaster	2,613	198
Other	242,869	255,049
Liabilities	3,458,921	3,424,921
Shareholders' equity:	809,454	766,343
Capital stock	251,441	251,441
Capital surplus	22,390	22,558
Retained earnings	542,187	499,132
Treasury shares	(6,564)	(6,788)
Accumulated other comprehensive income:	(18,332)	(4,176)
Valuation difference on available-for-sale securities	197	3,072
Deferred losses on hedges	(618)	(908)
Revaluation reserve for land	(895)	(854)
Foreign currency translation adjustments	(288)	179
Remeasurements of defined benefit plans	(16,727)	(5,666)
Subscription rights to shares	1,120	1,013
Non-controlling interests	71,935	70,530
Net assets	864,177	833,711
Liabilities and net assets	4,323,099	4,258,633

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

FY2019 (Year ended March 31, 2020) and FY2018 (Year ended March 31, 2019)

(Millions of yen)

Item	Year ended March 31,	
	2020	2019
Operating revenue:	2,246,369	2,244,314
Electric utility operating revenue	2,022,251	2,012,701
Other business operating revenue	224,117	231,613
Operating expenses:	2,130,018	2,160,681
Electric utility operating expenses	1,916,492	1,943,004
Other business operating expenses	213,525	217,676
Operating income	116,350	83,633
Non-operating income:	8,724	6,840
Dividend income	943	941
Interest income	224	223
Gain on sales of securities	3,249	0
Share of profit of entities accounted for using equity method	534	141
Other	3,773	5,533
Non-operating expenses:	25,108	24,730
Interest expenses	17,331	18,762
Other	7,777	5,968
Ordinary revenue	2,255,093	2,251,155
Ordinary expenses	2,155,127	2,185,412
Ordinary income	99,966	65,743
Provision or reversal of reserve for fluctuation in water levels:	-	(1,100)
Reversal of reserve for fluctuation in water levels	-	(1,100)
Extraordinary gain:	-	7,900
Compensation income for damage	-	7,900
Extraordinary loss:	6,198	2,145
Contingent loss	550	-
Loss on disaster	5,648	-
Loss on decommissioning of Onagawa Nuclear Power Station Unit 1	-	2,145
Income before income taxes	93,768	72,598
Income taxes - current	20,414	13,861
Income taxes - deferred	8,287	7,873
Income taxes	28,702	21,735
Net income	65,065	50,863
Net income attributable to non-controlling interests	1,991	4,379
Net income attributable to owners of parent	63,074	46,483

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

FY2019 (Year ended March 31, 2020) and FY2018 (Year ended March 31, 2019)

Item	(Millions of yen)	
	Year ended March 31,	
	2020	2019
Net income	65,065	50,863
Other comprehensive income:		
Valuation difference on available-for-sale securities	(2,939)	(3,883)
Deferred gains or losses on hedges	290	363
Foreign currency translation adjustments	(470)	(503)
Remeasurements of defined benefit plans	(11,019)	8,925
Share of other comprehensive income of entities accounted for using equity method	(2)	(1)
Other comprehensive income	(14,141)	4,900
Comprehensive income	50,924	55,763
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	48,959	51,450
Comprehensive income attributable to non-controlling interests	1,965	4,312

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited)

FY2019 (Year ended March 31, 2020) and FY2018 (Year ended March 31, 2019)

FY2019

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Deferred losses on hedges
Balance at the beginning of current period	251,441	22,558	499,132	(6,788)	766,343	3,072	(908)
Changes of items during the period							
Changes in parent's ownership interests arising from transactions with non-controlling interests		(168)			(168)		
Dividends of surplus			(19,971)		(19,971)		
Net income attributable to owners of parent			63,074		63,074		
Purchases of treasury shares				(20)	(20)		
Disposal of treasury shares			(88)	244	155		
Reversal of revaluation reserve for land			41		41		
Net changes of items other than shareholders' equity						(2,875)	290
Total changes of items during the period	-	(168)	43,055	223	43,110	(2,875)	290
Balance at the end of current period	251,441	22,390	542,187	(6,564)	809,454	197	(618)

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	(854)	179	(5,666)	(4,176)	1,013	70,530	833,711
Changes of items during the period							
Changes in parent's ownership interests arising from transactions with non-controlling interests							(168)
Dividends of surplus							(19,971)
Net income attributable to owners of parent							63,074
Purchases of treasury shares							(20)
Disposal of treasury shares							155
Reversal of revaluation reserve for land							41
Net changes of items other than shareholders' equity	(41)	(468)	(11,061)	(14,156)	107	1,404	(12,644)
Total changes of items during the period	(41)	(468)	(11,061)	(14,156)	107	1,404	30,465
Balance at the end of current period	(895)	(288)	(16,727)	(18,332)	1,120	71,935	864,177

FY2018

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Deferred losses on hedges
Balance at the beginning of current period	251,441	22,433	472,718	(7,101)	739,490	6,861	(1,272)
Changes of items during the period							
Changes in parent's ownership interests arising from transactions with non-controlling interests		125			125		
Dividends of surplus			(19,966)		(19,966)		
Net income attributable to owners of parent			46,483		46,483		
Purchases of treasury shares				(33)	(33)		
Disposal of treasury shares			(117)	347	229		
Reversal of revaluation reserve for land			13		13		
Net changes of items other than shareholders' equity						(3,789)	363
Total changes of items during the period	-	125	26,413	313	26,853	(3,789)	363
Balance at the end of current period	251,441	22,558	499,132	(6,788)	766,343	3,072	(908)

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at the beginning of current period	(840)	684	(14,562)	(9,129)	957	67,387	798,705
Changes of items during the period							
Changes in parent's ownership interests arising from transactions with non-controlling interests							125
Dividends of surplus							(19,966)
Net income attributable to owners of parent							46,483
Purchases of treasury shares							(33)
Disposal of treasury shares							229
Reversal of revaluation reserve for land							13
Net changes of items other than shareholders' equity	(13)	(504)	8,896	4,953	56	3,143	8,152
Total changes of items during the period	(13)	(504)	8,896	4,953	56	3,143	35,005
Balance at the end of current period	(854)	179	(5,666)	(4,176)	1,013	70,530	833,711

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

FY2019 (Year ended March 31, 2020) and FY2018 (Year ended March 31, 2019)

(Millions of yen)

Item	Year ended March 31,	
	2020	2019
Cash flows from operating activities:		
Income before income taxes	93,768	72,598
Depreciation	227,019	215,628
Decommissioning costs of nuclear power units	7,269	7,664
Amortization of special account related to nuclear power decommissioning	63	26
Loss on retirement of non-current assets	13,577	12,636
Increase (decrease) in net defined benefit liability	(6,465)	(7,266)
Increase (decrease) in reverse for fluctuation in water levels	-	(1,100)
Interest and dividend income	(1,167)	(1,165)
Interest expenses	17,331	18,762
Decrease (increase) in notes and accounts receivable - trade	4,009	(27,154)
Decrease (increase) in inventories	11,022	(8,589)
Increase (decrease) in notes and accounts payable - trade	4,111	(3,603)
Increase (decrease) in deposits received	25,735	21,983
Other, net	4,322	(2,179)
Subtotal	400,597	298,240
Interest and dividend income received	1,168	1,164
Interest expenses paid	(17,448)	(19,550)
Income taxes paid	(12,791)	(17,050)
Net cash provided by operating activities	371,525	262,804
Cash flows from investing activities:		
Purchase of non-current assets	(317,323)	(272,304)
Payments of investment and loans receivable	(15,191)	(11,629)
Collection of investment and loans receivable	16,233	9,212
Other, net	5,653	24,150
Net cash used in investing activities	(310,627)	(250,570)
Cash flows from financing activities:		
Proceeds from issuance of bonds	234,278	99,666
Redemption of bonds	(95,000)	(119,700)
Proceeds from long-term loans payable	150,325	194,600
Repayments of long-term loans payable	(218,039)	(240,196)
Increase in short-term loans payable	15,856	32,300
Decrease in short-term loans payable	(15,800)	(32,928)
Proceeds from issuance of commercial papers	217,000	513,000
Redemption of commercial papers	(257,000)	(491,000)
Cash dividends paid	(19,918)	(19,871)
Dividends paid to non-controlling interests	(1,054)	(1,061)
Other, net	(3,927)	(4,116)
Net cash used in financing activities	6,719	(69,307)
Effect of exchange rate change on cash and cash equivalents	(237)	(154)
Net increase(decrease) in cash and cash equivalents	67,379	(57,228)
Cash and cash equivalents at beginning of the period	184,942	242,171
Cash and cash equivalents at end of the period	252,322	184,942

(Note)

This report solely constitutes reference material for the purpose of providing the readers with relevant information to evaluate our company.

The information contains forward-looking statements based on assumptions and projections about the future with regard to our company. As such, the readers are kindly asked to refrain from making judgment by depending solely on this information.

The forward-looking statements inherently involve a degree of risks and uncertainties. Consequently, these risks and uncertainties could cause the actual results and performance to differ from the assumed or projected status of the company.

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