

# Tohoku Electric Power Co., Inc.

## Summary of Quarterly Financial Statements (Unaudited)

(April 1, 2019 - September 30, 2019)

Information below is an English translation of the "Unaudited Quarterly Financial Release" for six months ended September 30, 2019, 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 Second Quarter Period in FY2019 (Six months ended September 30, 2019)

#### (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                             | %      |
| 6 months ended Sep. 30, 2019 | 1,119,980         | 8.2 | 73,430           | 68.1   | 64,550          | 72.0   | 44,657                                      | 47.3   |
| 6 months ended Sep. 30, 2018 | 1,035,108         | 5.5 | 43,678           | (29.1) | 37,539          | (29.1) | 30,312                                      | (12.4) |

(Note) Comprehensive income (6 months ended September 30, 2019: 44,952 million yen 9.5%, 6 months ended September 30, 2018: 41,041 million yen -8.5%)  
 Percentage figures represent changes as compared to the same period of the previous year.

|                              | Net income per share (basic) | Net income per share (diluted) |
|------------------------------|------------------------------|--------------------------------|
|                              | Yen                          | Yen                            |
| 6 months ended Sep. 30, 2019 | 89.44                        | 83.14                          |
| 6 months ended Sep. 30, 2018 | 60.73                        | 57.50                          |

#### (2) Changes in Financial Positions

|               | Total assets    | Net assets      | Equity-to-asset ratio |
|---------------|-----------------|-----------------|-----------------------|
|               | Millions of yen | Millions of yen | %                     |
| Sep. 30, 2019 | 4,232,611       | 868,305         | 18.8                  |
| Mar. 31, 2019 | 4,258,633       | 833,711         | 17.9                  |

(Reference) Shareholders' Equity (Sep 30, 2019: 797,089 million yen, March 31, 2019: 762,167 million yen)

### 2. Dividends

|                                      | Cash dividends per share |       |     |          |              |
|--------------------------------------|--------------------------|-------|-----|----------|--------------|
|                                      | 1Q                       | 2Q    | 3Q  | Year-end | Annual total |
|                                      | Yen                      | Yen   | Yen | Yen      | Yen          |
| Year ended Mar. 31, 2019             | -                        | 20.00 | -   | 20.00    | 40.00        |
| Year ending Mar. 31, 2020            | -                        | 20.00 |     |          |              |
| Year ending Mar. 31, 2020 (forecast) |                          |       | -   | 20.00    | 40.00        |

(Note) Forecast revision of dividends from the latest forecast: None

### 3. Business Results Forecast for Consolidated FY2019 (Year ending March 31, 2020)

|        | Operating revenue |     | Operating income |     | Ordinary income |      | Net income attributable to owners of parent |       | Net income per share (basic) |
|--------|-------------------|-----|------------------|-----|-----------------|------|---|-------|------------------------------|
|        | Millions of yen   | %   | Millions of yen  | %   | Millions of yen | %    | Millions of yen                             | %     | Yen                          |
| FY2019 | 2,390,000         | 6.5 | 90,000           | 7.6 | 73,000          | 11.0 | 45,000                                      | (3.2) | 90.12                        |

(Note) Forecast revision of consolidated results from the latest forecast: None  
 Percentage figures represent changes as compared to the same period of the previous year.

**(Reference) Business Results Forecast for Non-consolidated FY2019 (Year ending March 31, 2020)**

|        | Operating revenue |     | Operating income |      | Ordinary income |      | Net income      |       | Net income per share |
|--------|-------------------|-----|------------------|------|-----------------|------|-----------------|-------|----------------------|
|        | Millions of yen   | %   | Millions of yen  | %    | Millions of yen | %    | Millions of yen | %     | Yen                  |
| FY2019 | 2,170,000         | 7.1 | 69,000           | 14.5 | 55,000          | 17.5 | 39,000          | (3.3) | 78.10                |

(Note) Forecast revision of non-consolidated results from latest forecast: None

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

**QUARTERLY CONSOLIDATED BALANCE SHEETS (Unaudited)**

Second Quarter FY2019 (as of September 30, 2019) and FY2018 (as of March 31, 2019)

| <b>Assets</b>   | (Millions of yen)  |                  |
|---|--------------------|------------------|
| Item  | September 30, 2019 | March 31, 2019   |
| <b>Non-current assets:</b>                                    | <b>3,617,926</b>   | <b>3,620,997</b> |
| Electric utility plant and equipment:                         | 2,416,712          | 2,468,035        |
| Hydroelectric power production facilities                     | 181,562            | 181,091          |
| Thermal power production facilities                           | 329,684            | 340,205          |
| Nuclear power production facilities                           | 255,348            | 271,914          |
| Transmission facilities                                       | 593,223            | 604,313          |
| Transformation facilities                                     | 256,476            | 256,905          |
| Distribution facilities                                       | 662,545            | 662,292          |
| General facilities  | 109,076            | 122,667          |
| Other electric utility plant and equipment                    | 28,795             | 28,645           |
| Other non-current assets                                      | 225,961            | 214,278          |
| Construction in progress:                                     | 440,531            | 398,140          |
| Construction and retirement in progress                       | 399,572            | 359,324          |
| Special account related to nuclear power decommissioning      | 24,483             | 24,514           |
| Special account related to reprocessing of spent nuclear fuel | 16,476             | 14,300           |
| Nuclear fuel:   | 165,744            | 165,081          |
| Loaded nuclear fuel   | 30,591             | 30,591           |
| Nuclear fuel in processing                                    | 135,153            | 134,490          |
| Investments and other assets:                                 | 368,975            | 375,461          |
| Long-term investments   | 100,350            | 102,888          |
| Net defined benefit asset                                     | 4,380              | 4,303            |
| Deferred tax assets   | 157,274            | 162,696          |
| Other   | 107,323            | 105,933          |
| Allowance for doubtful accounts                               | (352)              | (360)            |
| <b>Current assets:</b>  | <b>614,685</b>     | <b>637,635</b>   |
| Cash and deposits   | 187,700            | 178,729          |
| Notes and accounts receivable - trade                         | 236,524            | 232,303          |
| Inventories   | 72,539             | 78,789           |
| Other   | 118,300            | 148,275          |
| Allowance for doubtful accounts                               | (378)              | (462)            |
| <b>Assets</b>   | <b>4,232,611</b>   | <b>4,258,633</b> |

**Liabilities and net assets**

(Millions of yen)

| Item  | September 30, 2019 | March 31, 2019   |
|---|--------------------|------------------|
| <b>Non-current liabilities:</b>                       | <b>2,534,443</b>   | <b>2,431,227</b> |
| Bonds payable   | 885,086            | 815,120          |
| Long-term loans payable                               | 1,261,007          | 1,216,986        |
| Reserve for restoration costs of natural disaster     | 4,873              | 4,873            |
| Net defined benefit liability                         | 174,513            | 178,561          |
| Asset retirement obligations                          | 163,276            | 161,929          |
| Deferred tax liabilities for land revaluation         | 1,363              | 1,373            |
| Other   | 44,323             | 52,383           |
| <b>Current liabilities:</b>                           | <b>829,862</b>     | <b>993,693</b>   |
| Current portion of non-current liabilities            | 254,520            | 321,875          |
| Notes and accounts payable - trade                    | 116,270            | 141,197          |
| Accrued taxes   | 34,196             | 22,941           |
| Other advances  | 220,596            | 252,430          |
| Reserve for restoration costs of natural disaster     | 198                | 198              |
| Other   | 204,079            | 255,049          |
| <b>Liabilities</b>                                    | <b>3,364,306</b>   | <b>3,424,921</b> |
| <b>Shareholders' equity:</b>                          | <b>801,169</b>     | <b>766,343</b>   |
| Capital stock   | 251,441            | 251,441          |
| Capital surplus                                       | 22,559             | 22,558           |
| Retained earnings                                     | 533,727            | 499,132          |
| Treasury shares                                       | (6,558)            | (6,788)          |
| <b>Accumulated other comprehensive income:</b>        | <b>(4,079)</b>     | <b>(4,176)</b>   |
| Valuation difference on available-for-sale securities | 2,335              | 3,072            |
| Deferred losses on hedges                             | (697)              | (908)            |
| Revaluation reserve for land                          | (863)              | (854)            |
| Foreign currency translation adjustments              | (431)              | 179              |
| Remeasurements of defined benefit plans               | (4,423)            | (5,666)          |
| Subscription rights to shares                         | 1,120              | 1,013            |
| Non-controlling interests                             | 70,094             | 70,530           |
| <b>Net assets</b>                                     | <b>868,305</b>     | <b>833,711</b>   |
| <b>Liabilities and net assets</b>                     | <b>4,232,611</b>   | <b>4,258,633</b> |

**QUARTERLY CONSOLIDATED STATEMENTS OF INCOME (Unaudited)**

Second Quarter FY2019 (Six months ended September 30, 2019) and Second Quarter FY2018 (Six months ended September 30, 2018)

| Item  | (Millions of yen)              |           |
|---|--------------------------------|-----------|
|   | Six months ended September 30, |           |
|   | 2019                           | 2018      |
| Operating revenue:  | 1,119,980                      | 1,035,108 |
| Electric utility operating revenue                                | 1,017,373                      | 933,268   |
| Other business operating revenue                                  | 102,606                        | 101,840   |
| Operating expenses:   | 1,046,549                      | 991,430   |
| Electric utility operating expenses                               | 946,840                        | 894,501   |
| Other business operating expenses                                 | 99,708                         | 96,929    |
| Operating income  | 73,430                         | 43,678    |
| Non-operating income:   | 3,948                          | 4,985     |
| Dividend income   | 515                            | 501       |
| Interest income   | 112                            | 100       |
| Share of profit of entities accounted for using equity method     | 1,506                          | 1,928     |
| Other   | 1,814                          | 2,454     |
| Non-operating expenses:   | 12,828                         | 11,124    |
| Interest expenses   | 8,897                          | 9,600     |
| Other   | 3,931                          | 1,524     |
| Ordinary revenue  | 1,123,929                      | 1,040,094 |
| Ordinary expenses   | 1,059,378                      | 1,002,554 |
| Ordinary income   | 64,550                         | 37,539    |
| Provision or reversal of reserve for fluctuation in water levels: | -                              | (804)     |
| Reversal of reserve for fluctuation in water levels               | -                              | (804)     |
| Extraordinary income:   | -                              | 7,900     |
| Compensation income for damage                                    | -                              | 7,900     |
| Extraordinary loss:   | -                              | 2,178     |
| Loss on decommissioning of Onagawa Nuclear Power Station Unit 1   | -                              | 2,178     |
| Income before income taxes  | 64,550                         | 44,065    |
| Income taxes - current  | 14,411                         | 10,248    |
| Income taxes - deferred   | 5,276                          | 2,411     |
| Income taxes  | 19,687                         | 12,659    |
| Net income  | 44,862                         | 31,406    |
| Net income attributable to non-controlling interests              | 205                            | 1,094     |
| Net income attributable to owners of parent                       | 44,657                         | 30,312    |

**QUARTERLY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)**

Second Quarter FY2019 (Six months ended September 30, 2019) and Second Quarter FY2018 (Six months ended September 30, 2018)

| Item  | (Millions of yen)              |        |
|---|--------------------------------|--------|
|   | Six months ended September 30, |        |
|   | 2019                           | 2018   |
| Net income  | 44,862                         | 31,406 |
| Other comprehensive income:   |                                |        |
| Valuation difference on available-for-sale securities                             | (731)                          | 1,504  |
| Deferred gains or losses on hedges  | 210                            | 718    |
| Foreign currency translation adjustments  | (611)                          | 91     |
| Remeasurements of defined benefit plans   | 1,222                          | 7,318  |
| Share of other comprehensive income of entities accounted for using equity method | (0)                            | 0      |
| Other comprehensive income  | 89                             | 9,634  |
| Comprehensive income  | 44,952                         | 41,041 |
| Comprehensive income attributable to:   |                                |        |
| Comprehensive income attributable to owners of parent                             | 44,762                         | 39,862 |
| Comprehensive income attributable to non-controlling interests                    | 189                            | 1,179  |

**CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)**

Second Quarter FY2019 (Six months ended September 30, 2019) and Second Quarter FY2018 (Six months ended September 30, 2018)

(Millions of yen)

| Item   | Six months ended September 30, |           |
|--|--------------------------------|-----------|
|  | 2019                           | 2018      |
| <b>Cash flows from operating activities:</b>                   |                                |           |
| Income before income taxes                                     | 64,550                         | 44,065    |
| Depreciation   | 109,262                        | 107,324   |
| Decommissioning costs of nuclear power units                   | 3,450                          | 3,972     |
| Special account related to nuclear power decommissioning       | 31                             | -         |
| Loss on retirement of non-current assets                       | 3,138                          | 3,724     |
| Decrease in net defined benefit liability                      | (4,047)                        | (4,371)   |
| Increase (decrease) in reverse for fluctuation in water levels | -                              | (804)     |
| Interest and dividend income                                   | (627)                          | (602)     |
| Interest expenses  | 8,897                          | 9,600     |
| Increase in notes and accounts receivable - trade              | (4,535)                        | (16,699)  |
| Decrease(increase) in inventories                              | 6,231                          | (4,853)   |
| Decrease in notes and accounts payable - trade                 | (23,984)                       | (15,889)  |
| Other, net   | (20,667)                       | (581)     |
| Subtotal   | 141,699                        | 124,885   |
| Interest and dividend income received                          | 627                            | 602       |
| Interest expenses paid   | (8,932)                        | (9,758)   |
| Income taxes paid  | (7,759)                        | (11,291)  |
| Net cash provided by operating activities                      | 125,635                        | 104,437   |
| <b>Cash flows from investing activities:</b>                   |                                |           |
| Purchase of non-current assets                                 | (140,571)                      | (122,195) |
| Payments of investment and loans receivable                    | (7,946)                        | (5,963)   |
| Collection of investment and loans receivable                  | 10,048                         | 4,215     |
| Other, net   | 1,817                          | 11,835    |
| Net cash used in investing activities                          | (136,651)                      | (112,108) |
| <b>Cash flows from financing activities:</b>                   |                                |           |
| Proceeds from issuance of bonds                                | 144,577                        | 39,858    |
| Redemption of bonds  | (55,000)                       | (69,700)  |
| Proceeds from long-term loans payable                          | 109,025                        | 61,100    |
| Repayments of long-term loans payable                          | (151,555)                      | (126,320) |
| Increase in short-term loans payable                           | 9,000                          | 17,100    |
| Decrease in short-term loans payable                           | (8,300)                        | (17,228)  |
| Proceeds from issuance of commercial papers                    | 166,000                        | 280,000   |
| Redemption of commercial papers                                | (181,000)                      | (250,000) |
| Cash dividends paid  | (9,947)                        | (9,928)   |
| Dividends paid to non-controlling interests                    | (643)                          | (650)     |
| Other, net   | (2,014)                        | (2,067)   |
| Net cash used in financing activities                          | 20,141                         | (77,835)  |
| Effect of exchange rate change on cash and cash equivalents    | (290)                          | 56        |
| Net increase(decrease) in cash and cash equivalents            | 8,833                          | (85,450)  |
| Cash and cash equivalents at beginning of the period           | 184,942                        | 242,171   |
| Cash and cash equivalents at end of the period                 | 193,776                        | 156,721   |

**(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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