

Financial Summary

FY2018

(April 1, 2018 – March 31, 2019)

April 25, 2019



Tohoku Electric Power Co., Inc.

Contents

FY2018 Financial Results

Summary of Financial Results	••••	1
Changing Factor of Non-Consolidated Ordinary Income	••••	2
(Reference) Time Lag between Fuel Cost and Fuel Cost Adjustment Charges	••••	3
Electricity Supply	••••	4
Electricity Sales	••••	5
Major Factors & Sensitivity to Major Factors (Non-consolidated)	••••	6
Financial and Dividend Forecast for FY2019	••••	7

Topics

Progress of Our Quantitative Target Stated in Our Mid-Term Management Policies	••••	9
Focal Points for Business Development in 2019	••••	11
Further Enhancing the Competitiveness in Power Sales	••••	12
Enhancing Cost Competitiveness with Optimal Power Portfolio	••••	13
Making Steady Efforts to Restart Nuclear Power Reactors	••••	14
Management Efficiency Improvement	••••	16
Expansion of Renewable Energy Business	••••	17
Expansion of Overseas Business	••••	20
Strengthening Gas Business	••••	21
Initiative for Digital Innovation	••••	22

References

Financial Date	••••	23
Other Reference Date	••••	32

FY2018 Financial Results

Summary of Financial Results

- Even with a decrease in the volume of retail electricity sales due to intensifying competition caused by liberalization of electricity market, consolidated operating revenue* increased to ¥2,244.3 billion (a year-on-year increase of ¥172.9 billion), mainly due to an increase in wholesale electricity sales beyond our franchise area and to JEPX.
- Consolidated ordinary income decreased to ¥65.7 billion (a year-on-year decrease of ¥22.6 billion), due to a decrease in operation of hydro power station caused by a lower-than-normal water flow rate and an increase in fuel cost caused by a rise in fuel price, despite our thorough streamlining efforts.

* Consolidated operating revenue includes ¥408.3 billion, total of grant under act on purchase of renewable energy sourced electricity and surcharge for promoting renewable energy sourced electricity based on Feed-in Tariff Scheme for renewable energy and the self-contracted portion due to introduction of the indirect auction. As this is recorded in expenses as well, it does not affect the Company's income.

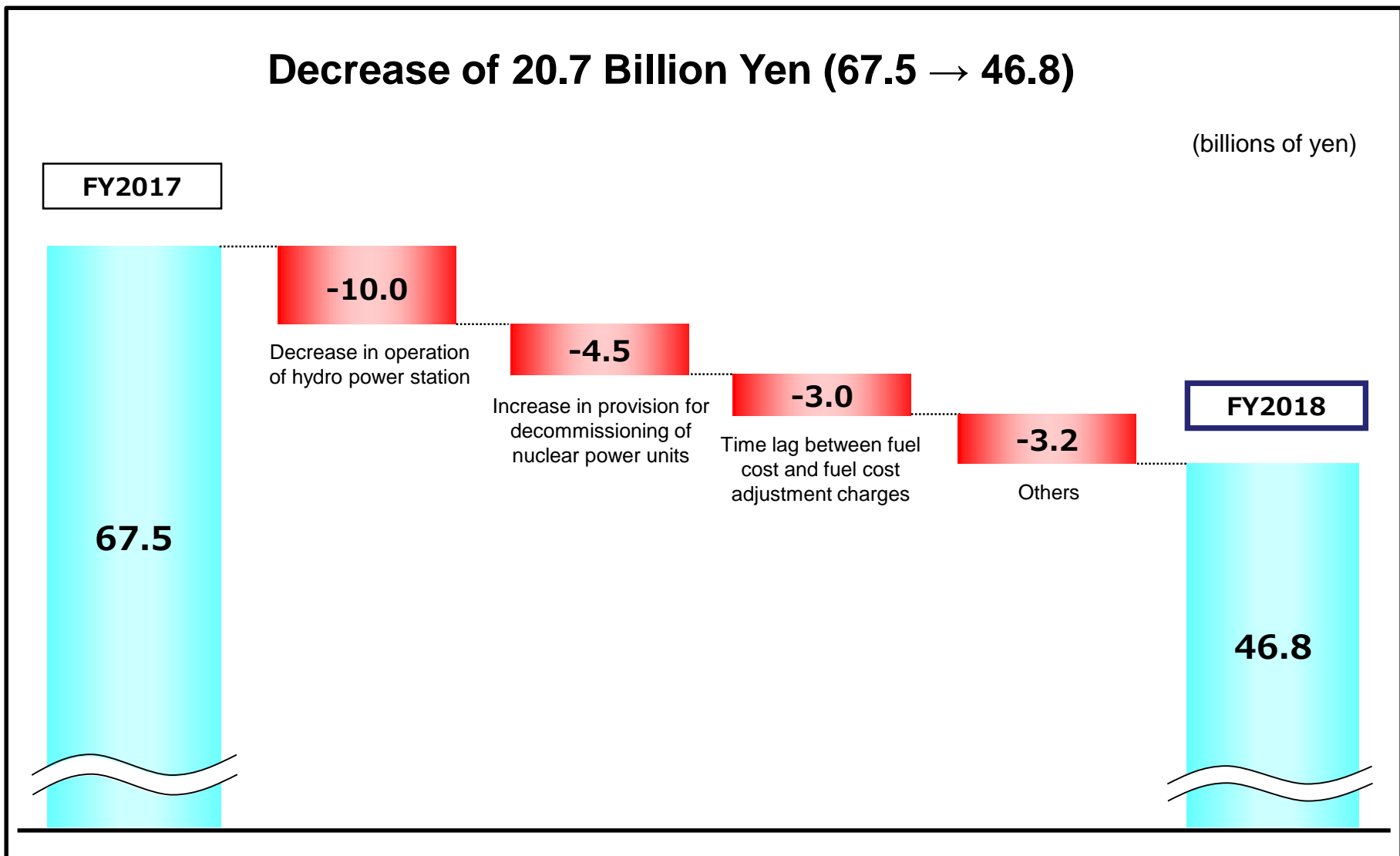
(billions of yen)

	Consolidated (A)			Non-consolidated (B)			(A) / (B) (times)	
	FY2018	FY2017	Change	FY2018	FY2017	Change	FY2018	FY2017
Operating Revenue	2,244.3	2,071.3	172.9	2,025.5	1,869.3	156.1	1.11	1.11
Operating Income	83.6	107.6	(24.0)	60.2	82.3	(22.1)	1.39	1.31
Ordinary Income	65.7	88.4	(22.6)	46.8	67.5	(20.7)	1.40	1.31
Net Income or Net Income Attributable to Owners of Parent	46.4	47.2	(0.7)	40.3	41.8	(1.5)	1.15	1.13

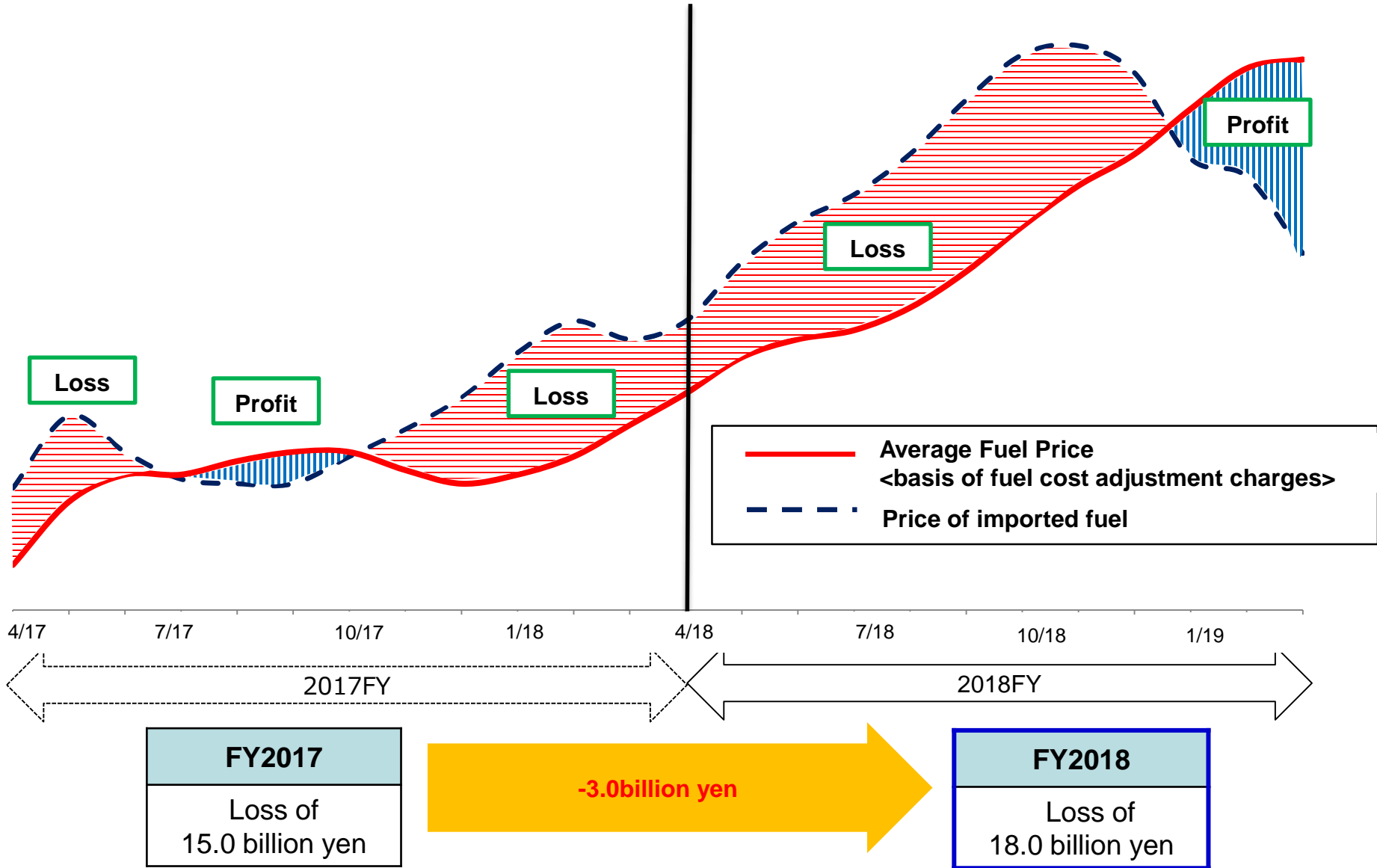
	Mar. 31, 2019	Mar. 31, 2018	Change	Mar. 31, 2019	Mar. 31, 2018	Change
Equity Ratio	17.9%	17.3%	0.6%	16.6%	16.3%	0.3%

Decrease of 20.7 Billion Yen (67.5 → 46.8)

(billions of yen)



■ Image of Time Lag Effect



Electricity Supply

(GWh)

Electricity Supply	FY2018 (A)	FY2017 (B)	Change (A) - (B)	Change (A) / (B)
Own Generated Power*1	61,719	63,116	(1,397)	97.8%
Hydro	7,372	8,382	(1,010)	87.9%
Thermal	53,830	54,207	(377)	99.3%
Nuclear	(215)	(223)	8	96.3%
Renewables	732	750	(18)	97.6%
Power Interchanges and Purchased Power*2, 3	34,949 (6,761)	33,258 (6,750)	1,691 (11)	105.1% 100.2%
Used at Pumped Storage	(92)	(88)	(4)	102.8%
Total of Electricity Supply*2	89,815	89,536	279	100.3%

*1 "Own Generated Power" shows sending end.

*2 "Power Interchanges and Purchased Power" and "Total of Electricity Supply" include projected volume.

*3 As for "Power Interchanges and Purchased Power", the top is Received and the bottom is Transmitted.

Received and Transmitted includes system operation.

Electricity Sales

(GWh)

Electricity Sales	FY2018 (A)	FY2017 (B)	Change (A) - (B)	Change (A) / (B)
Lighting (Residential)	22,745	23,889	(1,144)	95.2%
Power	46,130	48,114	(1,984)	95.9%
Retail Electricity Sales	68,876	72,003	(3,127)	95.7%
Wholesale Electricity Sales*	16,220	13,651	2,569	118.8%
Total of Electricity Sales	85,096	85,654	(558)	99.4%

* "Wholesale Electricity Sales" includes the volume of specified power interchange.

Major Factors & Sensitivity to Major Factors (Non-consolidated)

Major Factors	FY2018 (A)	FY2017 (B)	Change (A) - (B)
Crude Oil CIF Price (\$/bbl.)	72.1	57.0	15.1
Exchange Rate (¥/\$)	111	111	0
Hydro Power Flow Rate (%)	90.5	108.3	(17.8)
Nuclear Power Utilization Rate (%)	-	-	-

(billions of yen)

Sensitivity to Major Factors	FY2018 (A)	FY2017 (B)	Change (A) - (B)
Crude Oil CIF Price (per \$1/bbl.)	3.3	3.6	(0.3)
Exchange Rate (per ¥1/\$)	3.5	2.9	0.6
Hydro Power Flow Rate (per 1%)	0.9	0.7	0.2
Nuclear Power Utilization Rate (per 1%)	1.2	1.1	0.1

- The Company projects lower electricity sales volume for FY2019; nevertheless, consolidated operating revenue for FY2019 is expected to be approximately ¥2,390.0 billion, due to an increase in wholesale electricity sales and the self-contracted portion caused by introduction of the indirect auction.
- Even with the impact of intensifying competition caused by liberalization of electricity market, consolidated ordinary income for FY2019 is expected to be approximately ¥73.0 billion, mainly due to time lag between fuel cost and fuel cost adjustment charges and a decrease in fuel cost caused by starting operation of Noshiro No.3.

■ Financial Forecast for FY2019

(billions of yen)

	Consolidated			Non-consolidated		
	FY2019 Forecast (A)	FY2018 Result (B)	Change (A) - (B)	FY2019 Forecast (a)	FY2018 Result (b)	Change (a) - (b)
Operating Revenue	2,390.0	2,244.3	145.6	2,170.0	2,025.5	144.4
Operating Income	90.0	83.6	6.3	69.0	60.2	8.7
Ordinary Income	73.0	65.7	7.2	55.0	46.8	8.1
Net Income or Net Income Attributable to Owners of Parent	45.0	46.4	(1.4)	39.0	40.3	(1.3)

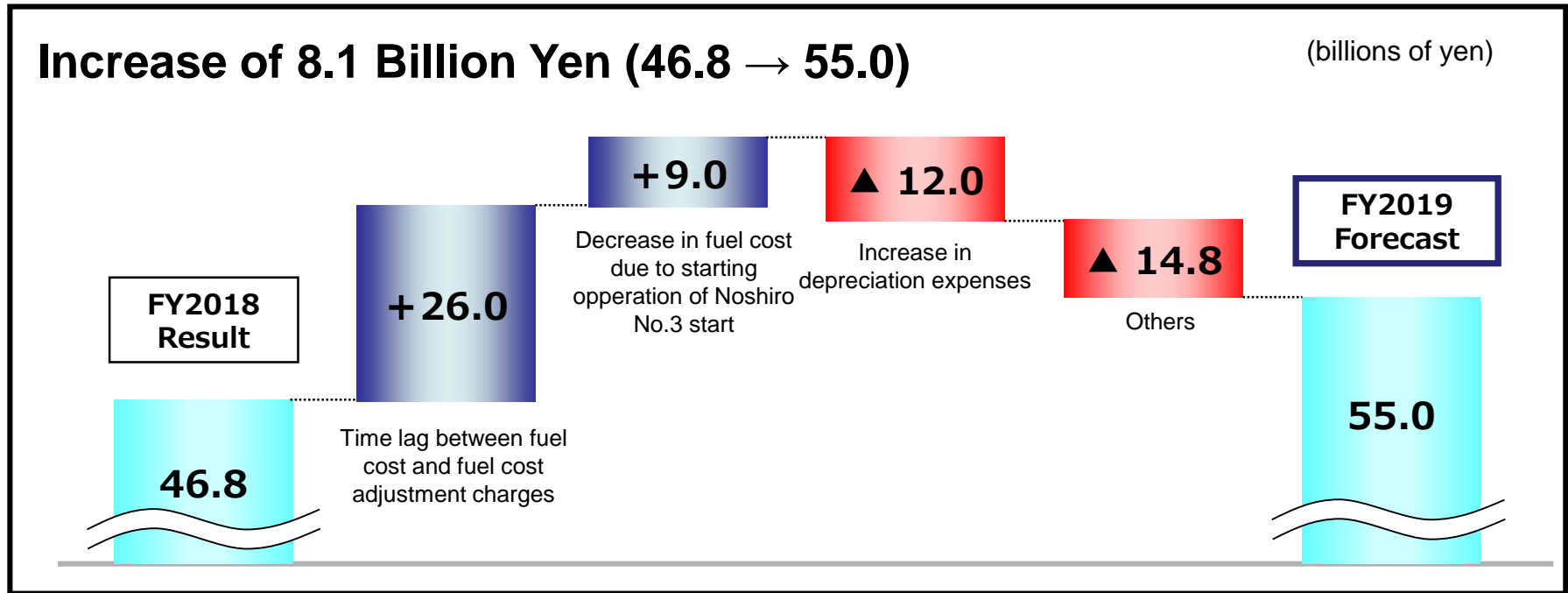
■ Major Factors

		2019FY Forecast	2018FY Result
Electricity Sales (TWh)	Retail	Approx. 68.1	Approx. 68.9
	Wholesale	Approx. 19.7	Approx. 16.2
	Total	Approx. 87.8	Approx. 85.1
Crude Oil CIF (\$/bbl.)		Approx. 65	Approx. 72.1
Exchange Rate (¥/\$)		Approx. 110	Approx. 111
Nuclear Power Utilization Rate (%)		—	—

■ Sensitivity to Major Factors

	2019FY Forecast
Crude Oil CIF Price (per \$/bbl.)	Approx. 3.4 billion yen
Exchange Rate (per ¥1/\$)	Approx. 3.3 billion yen

■ Factors for Change in Non-consolidated Ordinary Income



■ Dividend Per Share

➤ With regard to the dividend for FY2019, the Company intends to pay 20 yen per share for both interim and year-end dividends by taking into account overall business environment, earnings and improvement of financial positions.

	Interim	Year-end	Annual
FY2018	20 yen	20 yen	40 yen
FY2019 (forecast)	20 yen	20 yen	40 yen

Topics

Electricity Business

<Major Efforts in Tohoku and Niigata Region>

<Services for Residential Customers>

- Providing value-added services and rates and plans that meet a wide range of needs from customers, based on our total service “Yori, Sou, Chikara+One”

<Services for Business Customers>

- Starting full-fledged services of our unique energy management system “exEMS”
- Proposing optimized rates and plans and promoting the widespread use of environmentally-friendly and energy-saving heat pump devices that satisfy customers’ needs

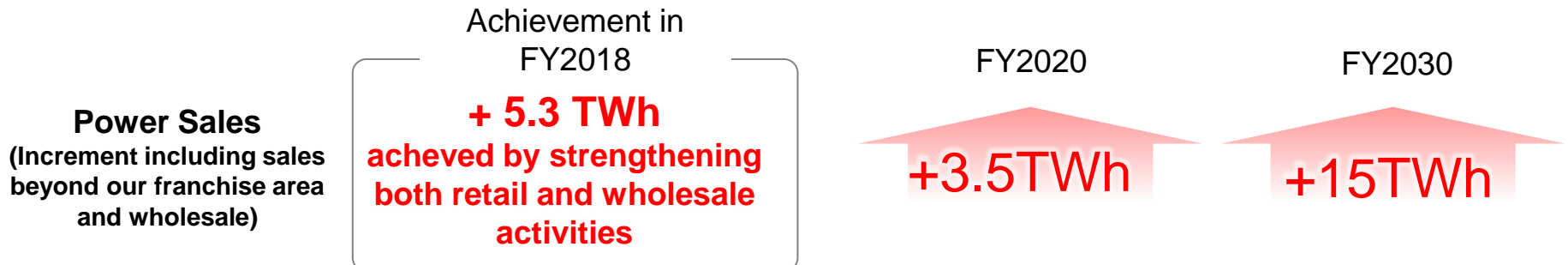


<Major Efforts Beyond our Service Area>

- Electric power business through rates and plans for the metropolitan area, “Yorisou Denki”
- Expanding our electric power sales, backed by our activities such as sales through Synergia Power which we established jointly with Tokyo Gas, and in collaboration with Tokyu Power Supply which we invested

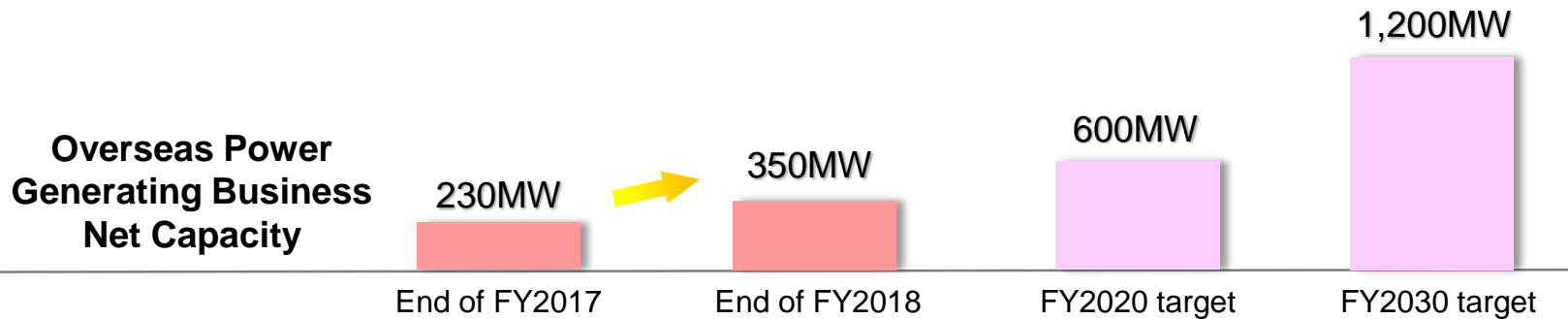
We deployed sales activities to satisfy customers’ needs and we achieved +3.5TWh which was set to be FY2020 target at the end of FY2018.

We will continue to strive to boost electricity sales volume in the retail and wholesale market.



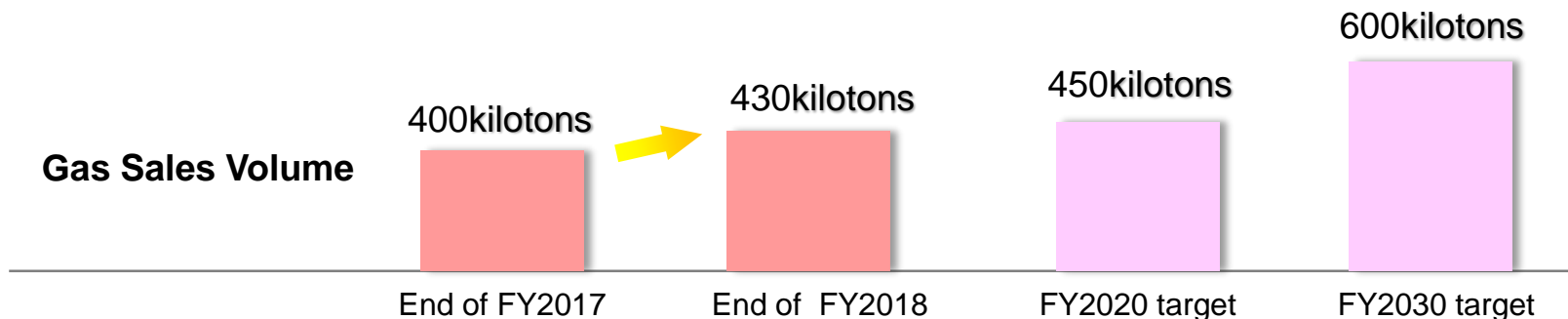
Overseas Business

As the first overseas geothermal power project in which we had ever taken part, we invested in the Rantau Dedap Geothermal Project in Indonesia in March 2018 and Nghi Son 2 Thermal Power Project in Vietnam in March 2019.



Gas Business

The LNG is supplied to Toyota Motor East Japan and Denso Iwate in Kanegasaki, Iwate. The gas sales volume is increasing by utilizing the LNG shipping facilities at the Shin-Sendai Thermal Power Station, which went into operation in August 2018.



In 2019, we will make all-out efforts to develop our business based on four focal points and pave the way to achieve our goal stated in “Tohoku EPCO Group Mid-Term Management Policies (FY2017 to FY2020).”

1. Thoroughly enhancing “ability to produce profits”

- ✓ Maximize profitability through making use of integrated operation of power generation and sales.
- ✓ Make steady efforts to restart nuclear power reactors.

2. Improving further “productivity and efficiency”

- ✓ Reduce cost and seek further efficiency
- ✓ Promote work-style reform “Mina, Osu, Chikara”

3. Challenging “New Business Opportunities”

- ✓ Expand renewable energy business
- ✓ Enhance gas business
- ✓ Encourage efforts for digital innovation, and expand overseas business

4. Establishing robust “business foundations”

- ✓ Respond to legal unbundling and make further efforts to enhance our business foundations
- ✓ Promote CSR management
- ✓ Make consistent efforts to ensure safety and improve business quality, ensure stable power supply

Tohoku EPCO Group will make all-out efforts to pave the way for achieving the goal of Mid-Term Management Policies and seek further growth.

- For family users, we will further deploy **“Yori, Sou, Chikara+ONE”, which is the total service to widely support our customers’ lives.** For business users, we’ll provide **“exEMS”, our own unique energy management system.** Thus, we’re strengthening our sales activities both for family and business customers in terms of price and non-price.
- Beyond our service area, we will expand our sales in terms of both retail and wholesales supply, backed by our activities such as **sales through Synergia Power Co., Ltd.** and **wholesale supply to Tokyu Power Supply Co., Ltd.**

Our Total Services for living

より、そう、ちから。



Support for living

Makapuu Concierge

- Location-based service for kids (from November, 2018)
- Health Consultation Service (Now on trial, Start from January 2019)
- Yori Sou Smart Project (Now under verification, Start from July 2018)
- Proposals of IH cooking heaters and Eco Cute (from April 2019)

Rates and Plan

Yori Sou Plus Yori Sou Denki

- Rates and Plan that suit customers’lifestyles, including families, singles, residents in metropolitan area and snowy area.
- Cheaper Plan combined with electricity

Service for household solar power generation

Tsunagaru Denki

- Customers whose FIT scheme is to be expired.
 - Service to purchase surplus electricity
 - Proposals such as storage battery and Eco Cute
 - Service to keep surplus electricity
- (Details will be announced separately)

Web Service

Yori Sou e-Net

- Saving points
- Simple check of the amount of electricity usage
- Price simulation
- Cashless payment by using smartphone app. (from October, 2018)
- Local information magazine “Nanabi”, etc.

Our Own Unique Energy Management System



In order to realize further energy-saving and cost-saving, we visualizes electricity usage by utilizing IoT and AI, and accurately predict change of demand through the system.

(Service is provided to the new customers from the end of February 2019.)

Functions is expanded from April 2019.

- ✓ “exEMS with A”, which is capable of auto-controlling air-conditioner
- ✓ “exEMS Advance”, which is capable of auto-controlling multiple facilities including air-conditioner.

Development

[Shin-Sendai Thermal Power Series 3]
Went into full operation in July 2016

- LNG
- 1,046MW
- Developed as the substitute power source for Shin-Sendai No.1 and No.2
- By introducing the cutting-edge gas turbine, accomplished thermal efficiency of over 60%, which is the world's highest level

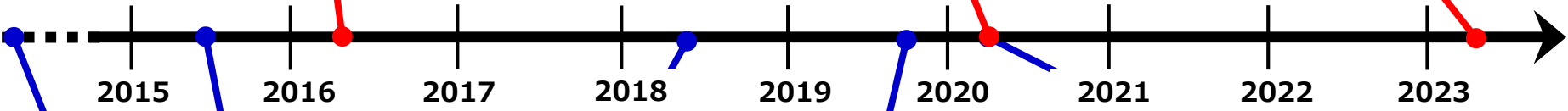
Operation will start three months earlier than scheduled.

[Noshiro No.3]
 Commercial operation is scheduled to start in March 2020.

- Coal
- 600MW
- Ultra super critical system (Thermal efficiency of 44.8%)

[Joetsu No.1]
 Commercial operation is scheduled in June 2023.

- LNG
- 572MW
- Combined cycle power generation system (Thermal efficiency of over 63%)



As high-efficient power source is developed, aging thermal power plants have been replaced.

Aging thermal power plants which was abolished or halted for this time

Abolishment

[Shin-Sendai No.2]
 Abolished in October 2011

- Natural gas, heavy oil, crude oil
- 600MW
- Commercial operation started in June 1973

[Shin-Sendai No.1]
 Abolished in September 2015

- Heavy oil
- 350MW
- Commercial operation started in August 1971

[Niigata No.4]
 Abolished in September 2018

- Heavy oil, natural gas, LNG
- 250MW
- Commercial operation started in August 1969

[Akita No.3]
Abolished in September 2019

- Heavy oil, crude oil
- 350MW
- Commercial operation started in November 1974

[Akita No.2]
Scheduled to be halted for a long-term in March 2020

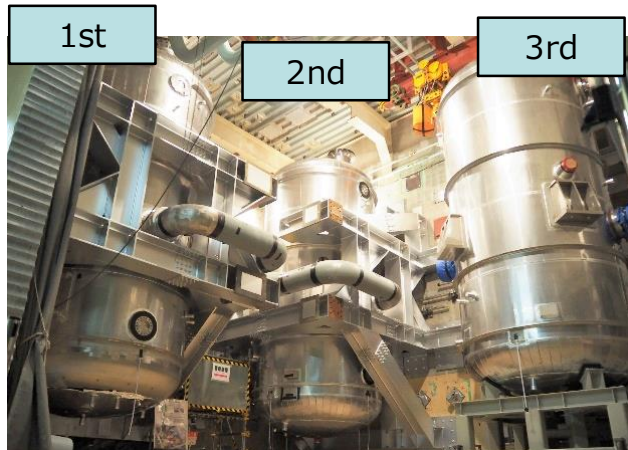
- Heavy oil, crude oil
- 350MW
- Commercial operation started in February 1972

- Due to a long-term suspension of Akita Unit 2 and abolishment of Akita Unit 3, the power station in operation after FY2020 will be limited to Akita Unit 4 (Heavy oil, crude oil/600MW/commercial operation started in July 1980) at Akita Thermal Power Plant.
- As for Akita Unit 4, we will continue its operation for the time being despite of its aging facilities as same as Unit 2 and Unit 3. Given the future prospect for demand, we will examine and take steps to abolish it.

■ Current Status of Onagawa Nuclear Power Station

- Concerning construction work of Onagawa Unit 2, we are working diligently to aim for completion in FY 2020.
- Conformity assessments has been accelerating since January 2019, and proceeding steadily.
- Based on the progress of conformity assessments, we assessed the total cost of safety measures for Onagawa Unit 2 which include common facilities required to ensure overall plant safety such as seawall as around ¥ 340 billion.

<Efforts to improve safety>



Filter vent installation work
(Installation of two filter devices completed by February 2019. Currently we are carrying out the third installation work)

<Current Status of Conformity Assessments>

Onagawa Unit 2	Assessment of earthquake and tsunami	<p>(1) The design-basis earthquake ground motions (Ss) , conceivable maximum tsunami, faults within and around the premises, and effects of volcanoes were judged appropriate.</p> <p>(2) Currently the explanation of the stability evaluations of foundation and slope is being carried out.</p>
	Assessment of plants (facilities)	<p>(1) We are explaining seismic design policy, tsunami resistant design policy, facilities for serious accidents, and facilities subject to design standards.</p> <p>(2) In order to finish the explanation in July, including the response to the items pointed out by the NRA, we are working on an efficient explanation at the assessment meeting.</p> <p>(By the assessment meeting on April 11, explanations for all the examination items have been completed, and we will respond to the items pointed out from the NRA.)</p>

■ Current Status of Higashidori Nuclear Power Station

- Concerning construction work of Higashidori Unit 1, we are working diligently to aim for completion in FY 2021.
- Concerning Conformity Assessments, our explanation that faults just below seismic critical facilities are inactive for the foreseeable future has been judged to be appropriate by the Nuclear Regulation Authority (NRA). However, we expect that it will take a certain period of time before assessments on the activity of faults within and around the premises and plants/facilities are completed.

<Efforts to improve safety>



Supplementary survey
(Boring geological survey : collect the soil in the deep underground and check the condition of geology directly)

<Current Status of Conformity Assessments>

Higashidori Unit 1	Assessment of earthquake and tsunami	<p>(1) Our explanation that faults of f-1 and f-2 just below seismic critical facilities, such as the reactor building, are inactive for the foreseeable future has been judged to be appropriate.</p> <p>(2) Other faults within and around the premises are under assessment.</p> <p>(3) In parallel the conceivable maximum tsunami is under assessment.</p> <p>(4) With regard to the evaluation of “active faults considered as hypocenters” within and around the site, a supplementary survey is being conducted for about half a year from the end of March 2019, with the aim of improving the explainability of geological data.</p>
	Assessment of plants (facilities)	<p>We are in preparation for assessment incorporating the findings obtained from other plants that are in a more advance stage of assessment and from Onagawa Unit 2 in our work.</p>

■ Efforts to Improve Management Efficiency

- Thanks to the acceleration of the structural cost reduction throughout our management operation securing both safety and a stable energy supply, we achieved a cost reduction of 157.3 billion yen in FY2018, exceeding our target of 113.9 billion yen (the average of FY2013 to FY2015).

Results in FY2018

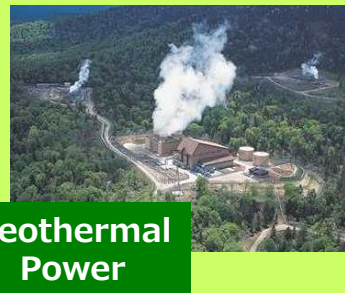
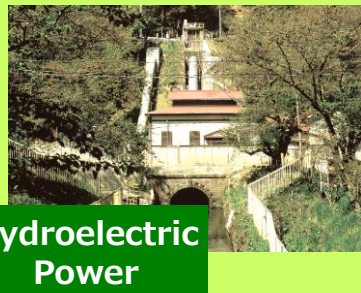
(billions of yen)

Items	Cost reduction in FY2018	【Reference】 Cost reduction target included in our rate base
		Average of rate base between FY2013 to FY2015
Personnel	17.6	40.3
Fuel and Power purchased	78.6	31.6
Capital expenditure	18.0	9.5
Maintenance	24.0	13.5
Others	19.1	19.0
Total	157.3	113.9

Expand renewable energy business towards the development of 2GW.

- In order to utilize renewable energy which potentially exists in Tohoku and Niigata area for long-term, **the Tohoku Electric Power Group aims to become responsible operating body for renewable energy and develop renewable energy power generation of 2GW mainly in Tohoku and Niigata area.**
- From the perspective of **the general life cycle of renewable energy**, we will **examine the business development including operation, maintenance, and replacement of power source.**
- In addition, we **will set up “renewable energy business task force” in July 2019**, and strengthen our system.

Expand Renewable Energy Business <Aims to develop 2GW primarily by Wind power>



Main development point of renewable energy power generation of our company group

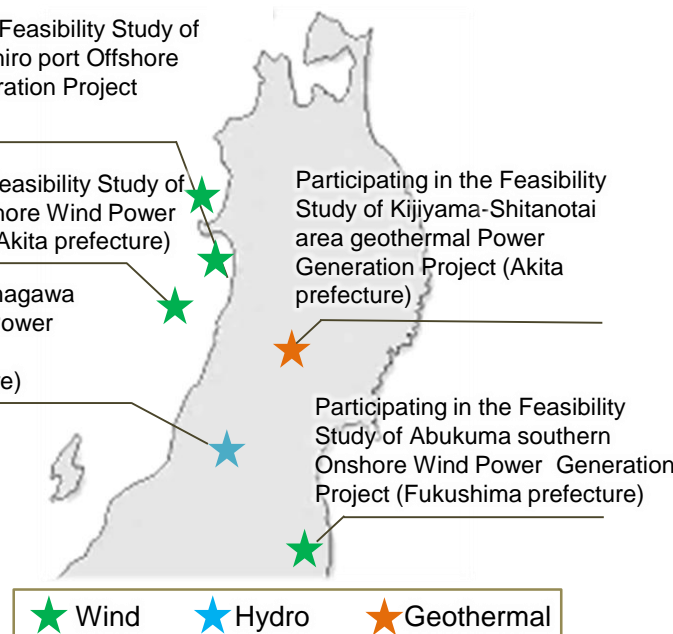
Participating in the Feasibility Study of Akita port and Noshiro port Offshore Wind Power Generation Project (Akita prefecture)

Participating in the Feasibility Study of Akita Yurihonjo Offshore Wind Power Generation Project (Akita prefecture)

Development of Tamagawa daini Hydroelectric Power Generation Project (Yamagata prefecture)

Participating in the Feasibility Study of Kijiyama-Shitanotai area geothermal Power Generation Project (Akita prefecture)

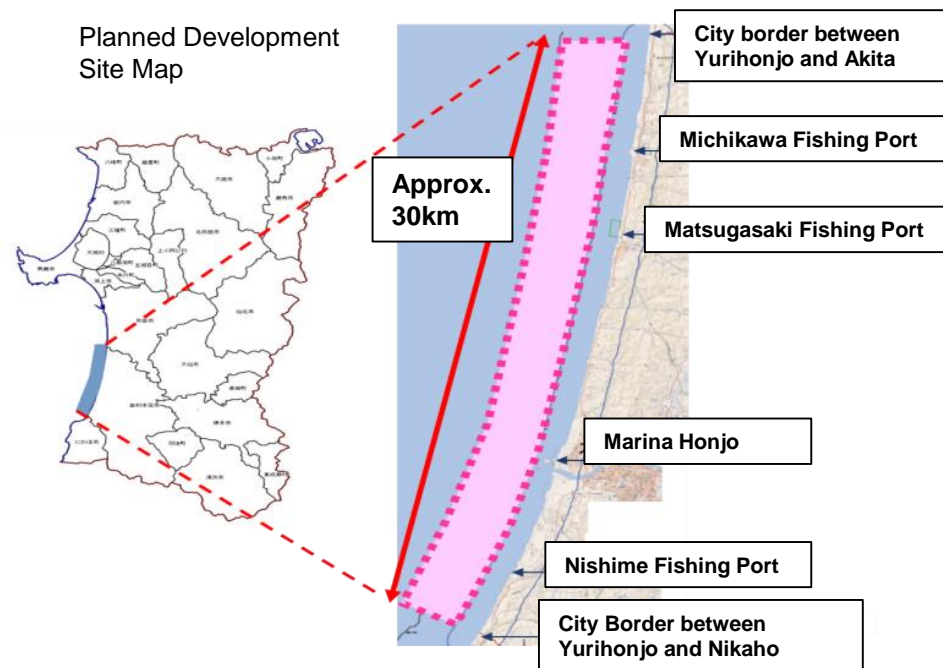
Participating in the Feasibility Study of Abukuma southern Onshore Wind Power Generation Project (Fukushima prefecture)



■ Participating in the Feasibility Study of Akita Yurihonjo Offshore Wind Power Generation Project

- We participated in the Feasibility Study (hereinafter FS) of Akita Yurihonjo Offshore Wind Power Generation Project whose development is initiated by RENOVA, Inc.
- This project is designed for constructing one of Japan's largest offshore wind farms which have a power generating capacity of approximately 700 MW. Construction is planned to start in 2021, and commencement of operation is scheduled from 2024 onwards.
- In the future, we will make the most use of our knowledge in terms of utility business, and proceed the FS including environmental impact assessments in cooperation with other sponsors.

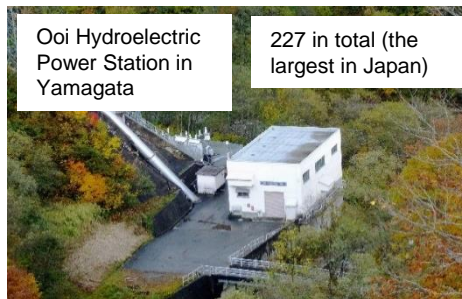
Operator	Akita Yurihonjo Offshore Wind GK
Sponsors	RENOVA, Inc. Eco Power Co., Ltd. JR-EAST Energy Development Co., Ltd. Tohoku Electric Power Co., Inc.
Capacity	Approx. 700 MW
Commencement of construction	FY2021
Commencement of operation	FY2024 onwards (Sequential commencement of operation)



■ Train service on Setagaya Line started in Tokyo, powered fully by renewable energy

- From March 25 2019, we started supplying renewable energy derived electricity from part of the hydroelectric power and geothermal power plants owned by the Tohoku Electric Power Group to the Tokyu Setagaya Line. As a result, on the Tokyu Setagaya Line, all lines and all vehicles are operated by electricity with zero CO2 emissions from renewable energy.
- We will further enhance services to meet the diverse needs of our customers based on the knowledge and know-how obtained through this initiative, which is an advanced example of renewable energy utilization in Japan.

Tohoku Electric Power Group



The geothermal power plant that started its commercial operation for the first time in Japan

We boast Japan's largest number of hydroelectric power plants and the largest capacity of geothermal power generation in terms of output basis. Hence, stable supply of renewable energy enabled a train service.



Tokyu Group



Tokyu Power Supply



Electric bill

commissioned



“Renewable Energy” Electricity Contract



Tokyu Corporation

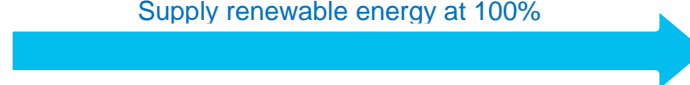


Low-carbon, Recycling-based Society



Adopting “renewable energy service”, proposed by Tokyu Corporation, enabled a train service that achieved zero emission. Efforts to solve the issues of low-carbon, recycling-based society bore fruits.

Supply renewable energy at 100%



With taking advantage of our expertise and experiences on renewable energy including highly efficient thermal and geothermal power generation in Japan, we will examine business potential and take an initiative in overseas business mainly in North and Central America and South East Asia.

■ Invested in the Rantau Dedap Geothermal Project

- As the first overseas geothermal power project in which we had ever taken part, we invested in the Rantau Dedap Geothermal Project in Indonesia in March 2018.
- Construction is underway towards commercial operation in the latter half of 2020.

■ Invested in the Nghi Son 2 Thermal Power Project

- We concluded the share transfer agreement on the Nghi Son 2 Thermal Power Project in Vietnam in March 2019.
(After the approval from Vietnam government is provided, we will participate in this project.)
- We plan to start commercial operation around from 2021 to 2022 by utilizing our state-of-the-art technology.



Rantau Dedap Geothermal
Power Project

■ Strengthen collaboration with local gas companies

~ Conclude the basic contract regarding business partnership with Ishinomaki Gas Co., Ltd.

- Conclude the basic contract regarding business partnership of selling electricity and gas with Ishinomaki Gas Co., Ltd. in January, 2019.
- Through our wide collaboration, we will jointly operate to **expand gas sales and propose services combined electricity and gas for business users** in the supply area of Ishinomaki Gas Co., Ltd.
- Through this business partnership, we will endeavor to meet our customers' needs. We will convert heavy oil into more eco-friendly LNG. Also, we will seek total energy solutions by optimizing the combination of electricity and gas.

■ Efforts to expand gas sales volume

We will further expand gas sales volume by utilizing the LNG shipping facilities of Shin-Sendai Thermal Power Station, as well as setting up "Gas Business Department" in Power Generation and Sales Company in July 2019.



Ishinomaki Gas Co., Ltd.



Tohoku Electric Power Co., Inc.

- ✓ For business users, we jointly operate to expand gas sales volume and propose service combined electricity and gas.

Make further efforts to meet our customers' needs and contribute to the recovery from the 2011 disaster and development of industrial infrastructure in Ishinomaki area

Basic contract regarding business partnership between Ishinomaki Gas Co., Ltd. and Tohoku Electric Power Co., Ltd.



LNG Shipping Facilities of Shin-Sendai Thermal Power Station

■ Drive our initiative for digital innovation

- **We will set up “Digital Innovation Promotion Office” in July 2019.** Then, we will seek to create new business and new service, and reduce cost and increase income of the current electric business.
- **Through the Virtual Power Plant (VPP) Verification Project and Yori Sou Smart Project,** we will proactively take initiative to build new business model to improve customer service and expand future business field.

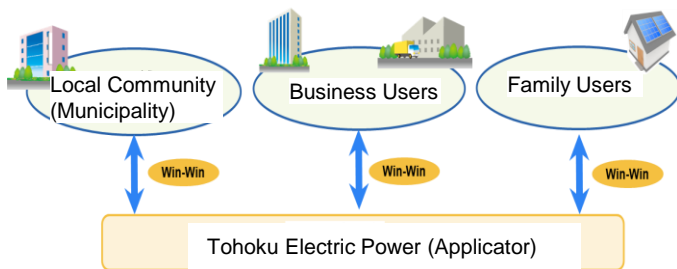
Virtual Power Plant (VPP) Verification Project

(Verification Period: April 2018 to March 2021)

① VPP verification project under cooperation with Sendai, Koriyama, Niigata city.

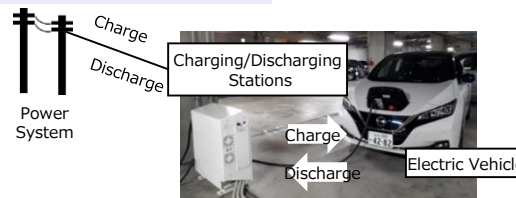
Our VPP Verification Project will not only seek to expand future business area, but also aim to take a win-win approach that benefits both customers (local community, corporates, and households) and our company.

<Our VPP Vision>



Sendai Mayor Kazuko Kori, right, and President Hiroya Harada pose after signing the Master Agreement.

② V2G Verification Project



Yori Sou Smart Project

(Verification Period: July 2018 to the end of August 2019)

We're now developing and verifying the following services with our customers' help

① Life assistance service offered through communication robot Bocco (developed by Yukai Engineering Inc.)

Multiple services will make use of Bocco's basic functions designed to assist communication between family members in different everyday situations and to provide our newly developed services, including air-conditioner control assistance.



② Energy conservation assistance service tailored to specific home appliances

Energy-saving advice delivered through our unique, newly developed system



References

Balance Sheets (Consolidated)

23

(billions of yen)

	Mar. 31, 2019 (A)	Mar. 31, 2018 (B)	Change (A) - (B)	Major factors for change
Total Assets	4,258.6	4,222.1	36.4	
Non-current Assets	3,620.9	3,557.4	63.5	Construction and retirement in progress : 47.3
Current Assets	637.6	664.6	(27.0)	
Total Liabilities	3,424.9	3,423.4	1.4	
Non-current Liabilities	2,431.2	2,411.1	20.0	
Current Liabilities	993.6	1,011.1	(17.4)	
Reserve for fluctuation in water levels	-	1.1	(1.1)	
Net Assets	833.7	798.7	35.0	Retained earnings : 26.4

Interest-Bearing Liabilities	2,381.1	2,424.4	(43.3)	Loans : (45.6) Bonds : (19.7) CP : 22.0
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	FY2018 (A)	FY2017 (B)	Change (A) - (B)
Capital Expenditure	293.6	303.4	(9.8)

Statements of Income (Consolidated)

(billions of yen)

	FY2018 (A)	FY2017 (B)	Comparison	
			(A) - (B)	(A) / (B)
Operating Revenue	2,244.3	2,071.3	172.9	108.3%
Electric utility	2,012.7	1,854.3	158.3	108.5%
Other business	231.6	216.9	14.6	106.7%
Operating Expenses	2,160.6	1,963.7	196.9	110.0%
Electric utility	1,943.0	1,763.7	179.2	110.2%
Other business	217.6	199.9	17.7	108.9%
Operating Income	83.6	107.6	(24.0)	77.7%
Non-operating income	6.8	6.3	0.4	107.6%
Non-operating expenses	24.7	25.5	(0.8)	96.6%
Ordinary Income	65.7	88.4	(22.6)	74.3%
Provision or reversal of reserve for fluctuation in water levels	(1.1)	1.1	(2.2)	-
Extraordinary gain	7.9	-	7.9	-
Extraordinary loss	2.1	14.9	(12.7)	14.4%
Income taxes	21.7	20.2	1.4	107.3%
Net income attributable to non-controlling interests	4.3	4.9	(0.5)	88.7%
Net Income Attributable to Owners of Parent	46.4	47.2	(0.7)	98.4%

Statements of Cash Flows (Consolidated)

(billions of yen)

	FY2018 (A)	FY2017 (B)	Change (A) - (B)	Major factors for change
Cash Flows from Operating Activities	262.8	324.0	(61.2)	
Cash Flows from Investing Activities	(250.5)	(273.9)	23.3	
Cash Flows from Financing Activities	(69.3)	(36.2)	(33.0)	Bonds : (49.5) Loan: (6.1) CP: 23.0
Net Cash Flows	(57.2)	13.9	(71.1)	
Cash and cash equivalents at end of the period	184.9	242.1	(57.2)	
Free Cash Flows*	30.6	71.1	(40.5)	

*: Our definition;

Free Cash Flows = (Cash Flows from Operating Activities) + (Cash Flows from Investing Activities) – (Interest and dividend income) – (Interest expenses)

Segment Information (Consolidated)

(billions of yen)

	FY2018 (A)	FY2017 (B)	Change (A) - (B)
Sales*1	2,516.8	2,364.5	152.2
	2,244.3	2,071.3	172.9
Electric Utility	2,015.9	1,857.6	158.3
	2,012.7	1,854.3	158.3
Construction	275.8	288.4	(12.5)
	132.5	128.9	3.6
Gas	44.2	37.6	6.6
	37.3	30.8	6.5
IT	47.0	47.1	(0.0)
	19.6	19.6	(0.0)
Others	133.6	133.7	(0.0)
	42.0	37.5	4.4

*1: Lower is net sales to outside customers.

	FY2018 (A)	FY2017 (B)	Change (A) - (B)
Segment Income [Operating Income]	86.5	109.9	(23.4)
Electric Utility	64.8	84.0	(19.1)
Construction	10.8	15.1	(4.2)
Gas	1.9	1.8	0.0
IT	2.5	1.9	0.5
Others	6.3	6.8	(0.5)

【 Major Consolidated Subsidiaries 】*2

(billions of yen)

	FY2018		Year-on-year	
	Sales	Operating Income	Sales	Operating Income
[Electric Utility]				
Sakata Kyodo Power Co., Ltd.	41.2	0.0	3.1	(0.2)
Tohoku Sustainable & Renewable Energy Co., Inc.	8.9	0.6	(1.2)	(0.9)
[Construction]				
Yurtec Corp.	193.6	7.6	(10.1)	(2.3)
Tohoku Electric Engineering & Construction Co., Inc.	65.2	1.8	(0.3)	(1.2)
[Gas]				
Nihonkai LNG Co., Ltd.	14.6	0.9	1.1	0.2
[IT]				
Tohoku Intelligent Telecommunication Co., Inc.	23.1	2.3	0.0	0.5
Tohoku Information Systems Co., Inc.	25.7	0.4	0.2	(0.9)
[Others]				
Kitanihon Electric cable Co., Ltd.	29.3	0.2	1.7	0.1

*2: The amounts before elimination of inter-company transaction

Balance Sheets (Non-consolidated)

(billions of yen)

	Mar. 31, 2019 (A)	Mar. 31, 2018 (B)	Change (A) - (B)	Major factors for change
Total Assets	3,923.5	3,906.4	17.0	
Non-current Assets	3,480.9	3,420.9	60.0	Construction in progress : 37.7
Current Assets	442.6	485.5	(42.9)	
Total Liabilities	3,269.3	3,269.6	(0.2)	
Non-current Liabilities	2,361.4	2,337.0	24.3	
Current Liabilities	907.8	931.4	(23.5)	
Reserve for fluctuation in water levels	-	1.1	(1.1)	
Net Assets	654.1	636.8	17.3	

Interest-Bearing Liabilities	2,357.0	2,402.6	(45.6)	Loans : (47.6) Bonds : (20.0) CP : 22.0
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	FY2018 (A)	FY2017 (B)	Change (A) - (B)
Capital Expenditure	256.6	275.9	(19.3)

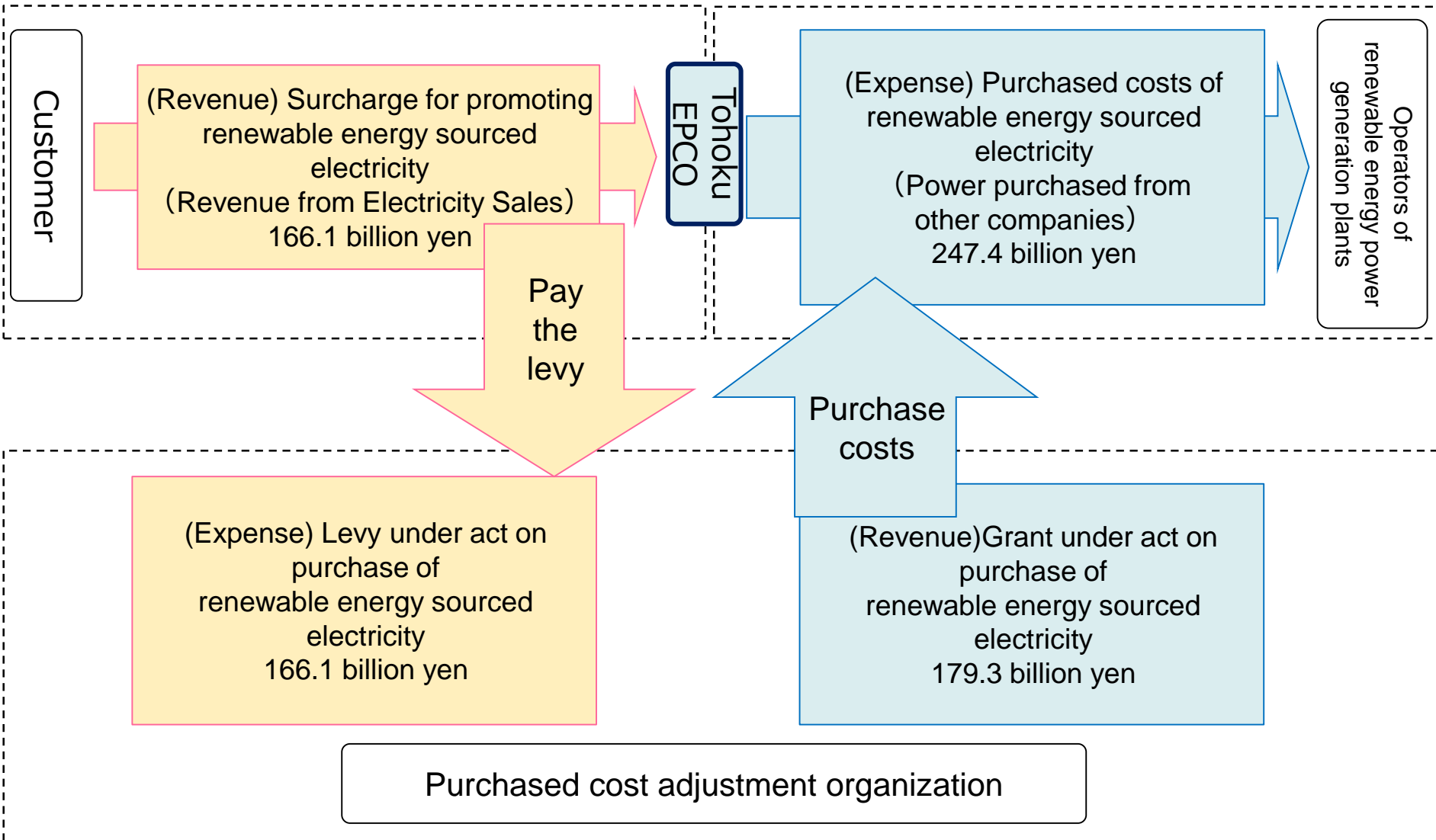
Statements of Income (Non-consolidated)

28

(billions of yen)

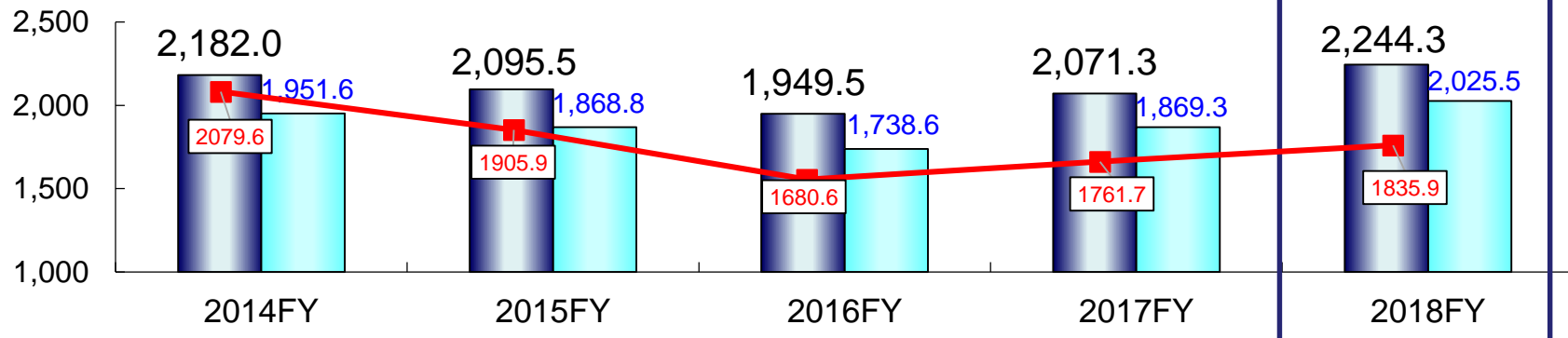
		FY2018 (A)	FY2017 (B)	Comparison		Major factors for change
				(A) - (B)	(A) / (B)	
Revenue	Revenue from Electricity Sales	1,428.4	1,426.2	2.2	100.2%	
	Lighting (Residential)	590.9	587.3	3.5	100.6%	
	Power	837.5	838.8	(1.3)	99.8%	
	Sales of power to other utilities and other companies	310.1	209.4	100.6	148.1%	Increase in wholesale beyond our franchise area
	Grant under Act on Purchase of Renewable Energy Sourced Electricity	179.3	149.3	30.0	120.1%	Increase in purchased volume from solar
	Other revenue	117.2	93.2	23.9	125.7%	
	[Operating Revenue]	[2,025.5]	[1,869.3]	[156.1]	[108.4%]	
	Total revenue	2,035.2	1,878.3	156.9	108.4%	
Expenses	Personnel	158.2	152.5	5.7	103.8%	
	[Amortization of actuarial gain or loss]	[20.2]	[14.8]	[5.4]	[136.7%]	
	Fuel	423.1	349.9	73.1	120.9%	Increase in CIF price
	Maintenance	170.6	189.5	(18.9)	90.0%	
	Depreciation	197.6	203.1	(5.5)	97.3%	
	Power purchased from other utilities and other companies	571.8	450.9	120.9	126.8%	Increase in purchased volume from solar
	Interest	18.5	21.4	(2.8)	86.5%	
	Taxes, etc.	84.4	84.2	0.2	100.3%	
	Nuclear power back-end cost	10.3	7.3	3.0	141.5%	
	Levy under Act on Purchase of Renewable Energy Sourced Electricity	166.1	158.7	7.4	104.7%	
	Other expenses	187.3	192.8	(5.4)	97.2%	
	Total expenses	1,988.4	1,810.7	177.6	109.8%	
[Operating Income]	[60.2]	[82.3]	[(22.1)]	[73.2%]		
Ordinary Income	46.8	67.5	(20.7)	69.3%		
Provision or reversal of reserve for fluctuation in water levels	(1.1)	1.1	(2.2)	-		
Extraordinary gain	7.9	5.5	2.3	143.1%	2018FY : Compensation income for damage	
Extraordinary loss	2.1	14.6	(12.4)	14.7%	2018FY : Loss on decommissioning of Onagawa Nuclear Power Station Unit 1	
Income taxes	13.3	15.5	(2.1)	85.9%		
Net Income	40.3	41.8	(1.5)	96.4%		

FY2018



■ Operating Revenue

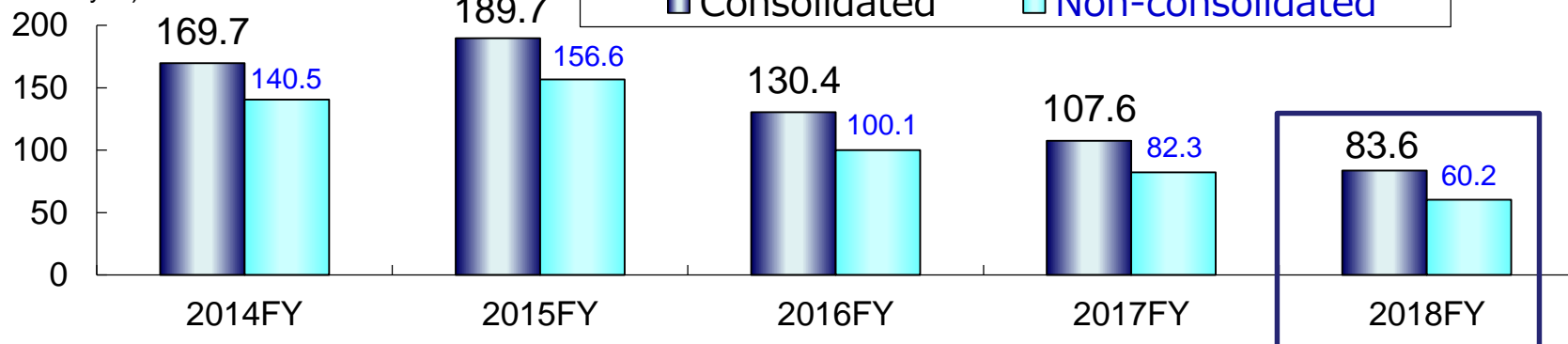
(billions of yen)



Note : Red line shows operating revenue (consolidated) excluding grant under act on purchase of renewable energy sourced electricity, the surcharge for promoting renewable energy sourced electricity, and the self-contracted portion due to indirect auction.

■ Operating Income

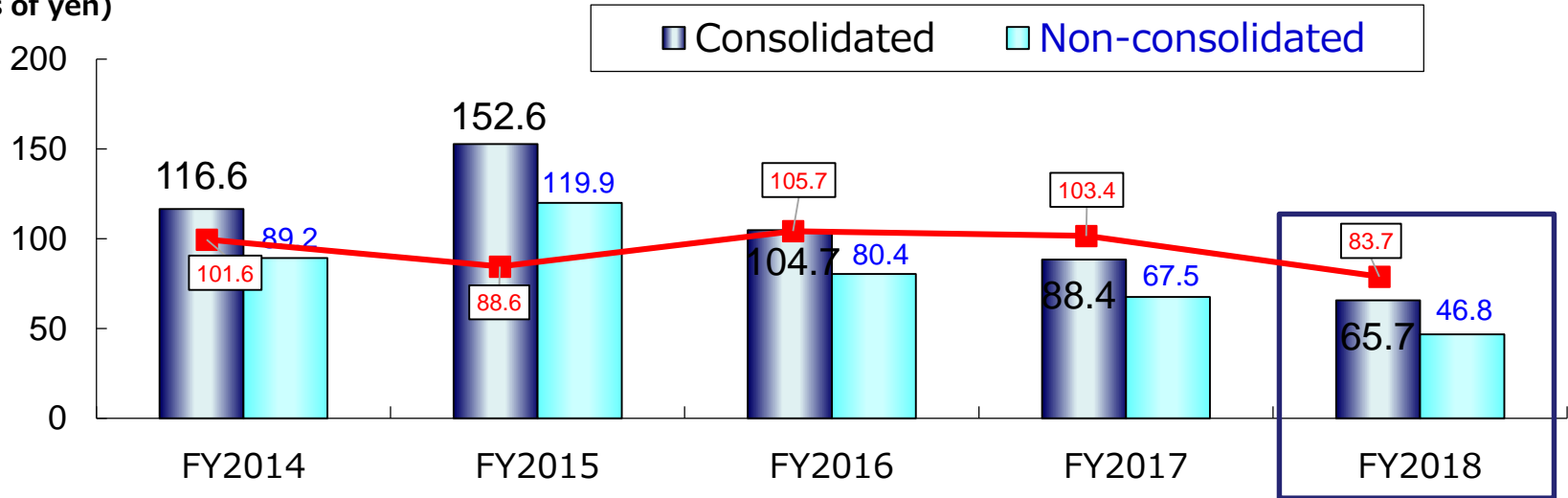
(billions of yen)



	2014FY	2015FY	2016FY	2017FY	2018FY
Operating Income on Operating Revenue Ratio (Consolidated basis)	7.8%	9.1%	6.7%	5.2%	3.7%
Operating Income on Operating Revenue Ratio using above red line (Consolidated basis)	8.2%	10.0%	7.8%	6.1%	4.6%

■ Ordinary Income

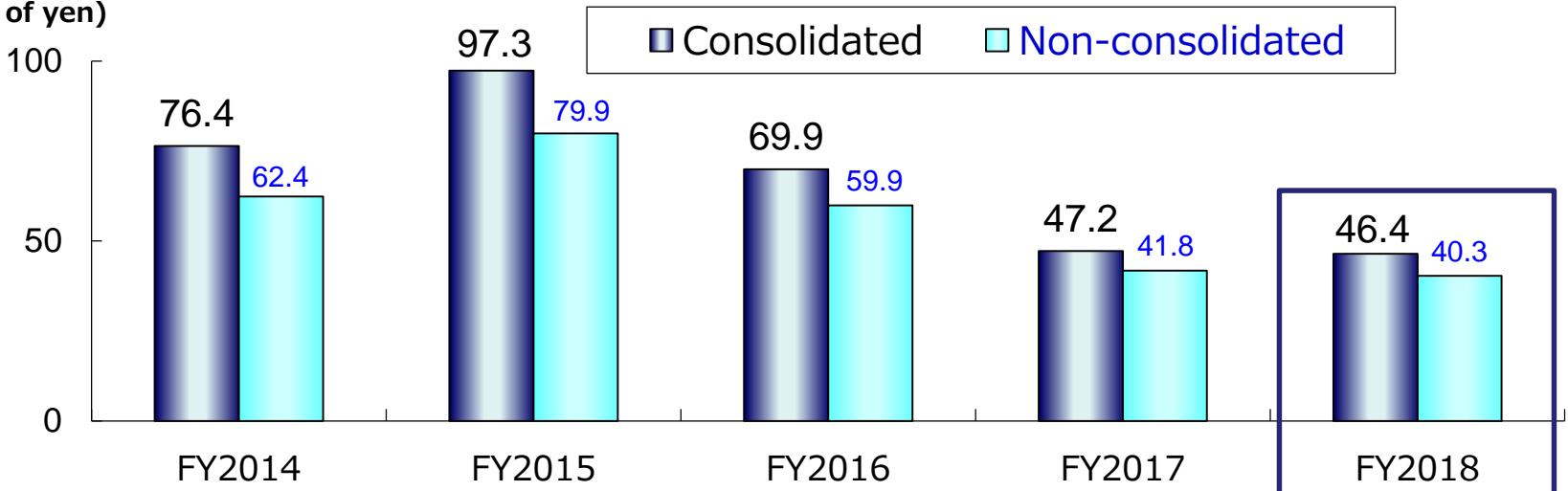
(billions of yen)



Note : Red line shows operating revenue (consolidated) excluding time lag between fuel cost and fuel cost adjustment charges.

■ Net Income or Net Income Attribute to Owners of Parent

(billions of yen)



Current Status of Conformity Assessments (1/2)

(As of March 31, 2019)

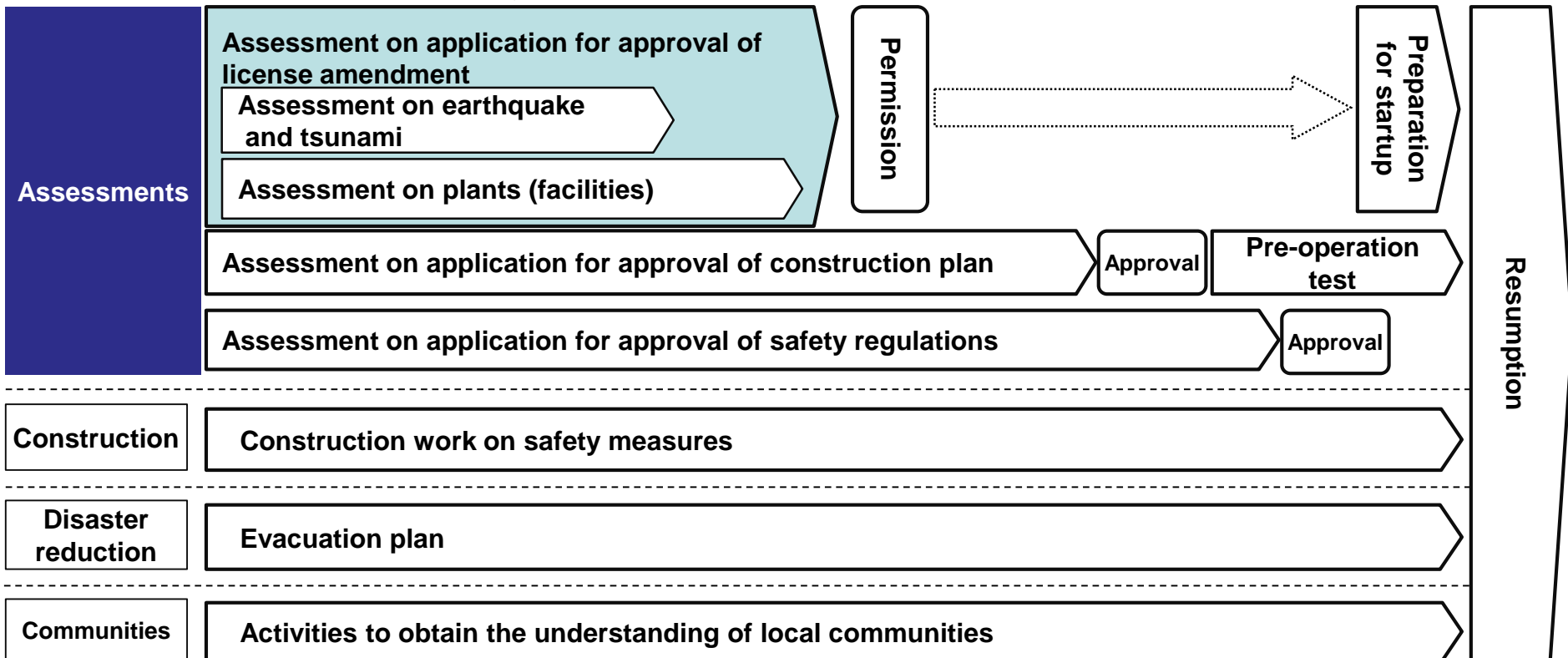
		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	Number of conformity assessment meetings
Onagawa Unit 2	Assessment of plants (facilities)		▼Application (Dec. 2013)				▼Full-fledged conformity assessment (from Oct. 2017) ▼On-site survey (Nov. 2017)	152
	Assessment of earthquake and tsunami			▼On-site survey (Jan. 2015)				
			Conformity assessment					
					▼On-site survey (Jun. 2016)			
			Conformity assessment					
Higashidori Unit 1	Assessment of plants (facilities)		▼Application (Jun. 2014)					18
	Assessment of earthquake and tsunami			▼Supplementary survey of faults in the premises (from Oct. 2015) ▼Start of hearing (from Jun. 2015)	▼Additional supplementary survey of faults in the premises (from Apr. 2016)	▼On-site survey (Dec. 2016) ▼Additional survey of faults in the premises (from May 2017) ▼On-site survey (Nov. 2017)	▼Supplementary survey of faults within and around premises (from Mar. 2019)	
			Conformity assessment					
			▼Submission of report on additional geological survey (Jan. 2014)	▼Completion of experts' evaluation statement (Mar. 2015)			▼Our explanation that faults just below seismic critical facilities are inactive for the foreseeable future has been judged to be appropriate (May. 2018)	
		Experts Meeting on faults in the premises						

■ Conformity Assessments and Process of Resumption of Nuclear Power Reactors

(as of March 31, 2019)

- 27 units (11 companies including us) submitted applications for conformity assessments.
- Of them, 12 pressurized water reactors (PWR, 3 companies) were authorized permission of license amendment, and 9 of them were approved their safety and resumed operation.
- Concerning boiling water reactors (BWR), including our Onagawa Unit 2 and Higashidori Unit 1, Tokyo Electric Power Company Holdings, Inc.'s Kashiwazaki-Kariwa Unit 6 and 7 were authorized permission of license amendment in December 2017, Japan Atomic Power Company's Tokai No.2 were authorized permission in September 2018. (Construction plan of Tokai No.2 was approved in October 2018.)

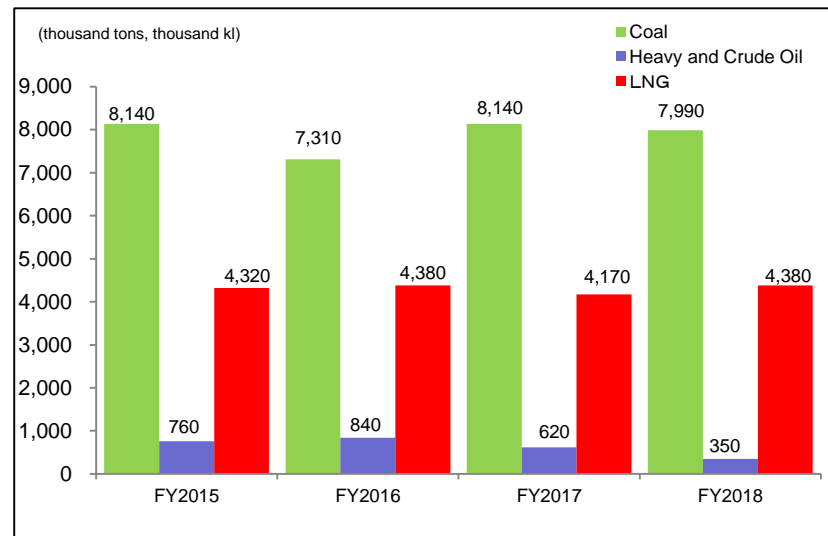
Our Onagawa Unit 2 and Higashidori Unit 1



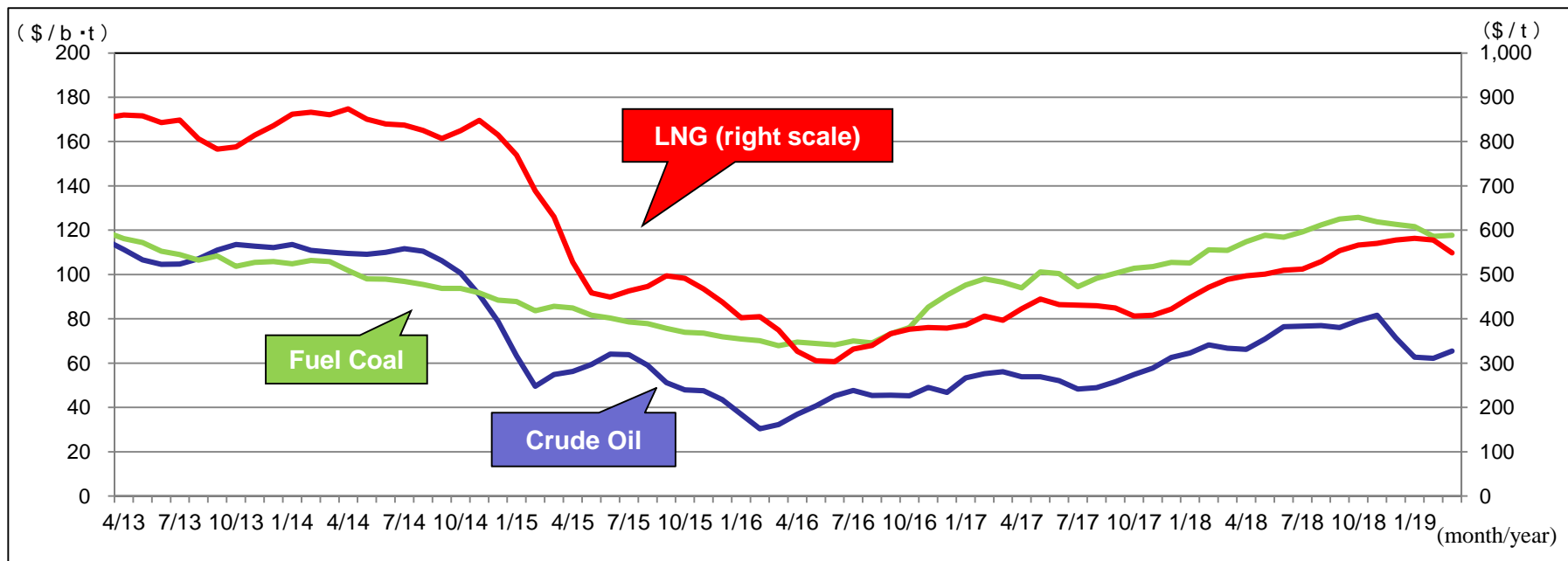
Fuel Consumption Results

Fuel Consumption

	FY2018 (A)	FY2017 (B)	Change (A) - (B)
Coal (thousand tons)	7,990	8,140	(150)
Heavy and Crude Oil (thousand kl)	350	620	(270)
LNG (thousand tons)	4,380	4,170	210



[Reference] Historical CIF Prices of Crude Oil, Fuel Coal and LNG

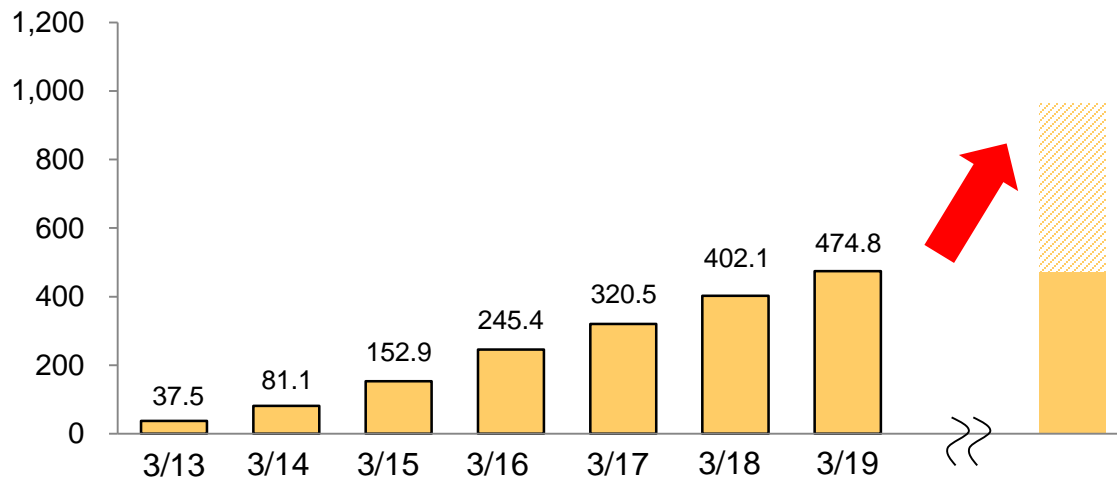


■ Current and Expected Grid Access Volume of Solar and Wind within our Service Area

(as of March 31, 2019)

[Solar]

[10 megawatts]

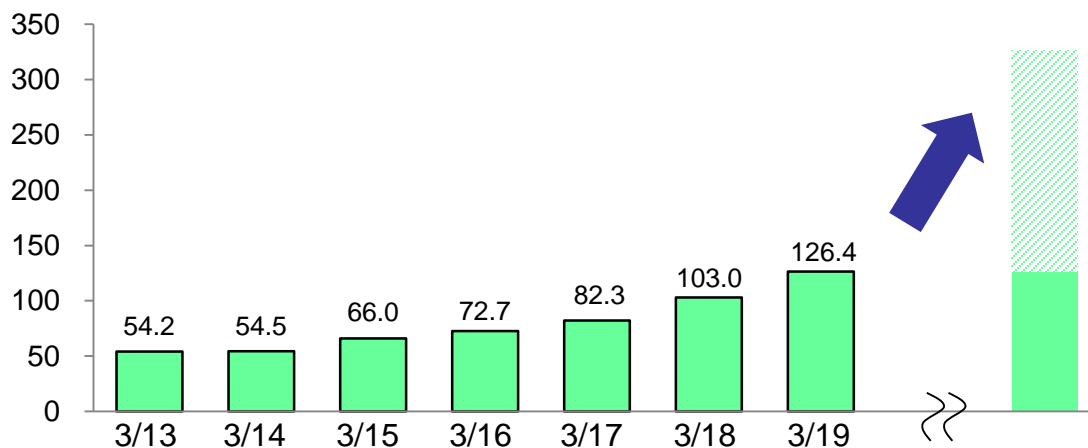


Expected grid access volume:
4,899 megawatts

(Old rule: 1,999 megawatts
New rule: 2,900 megawatts)

[Wind]

[10 megawatts]



Expected grid access volume:
2,002 megawatts

(Old rule: 1,132 megawatts
New rule: 870 megawatts)

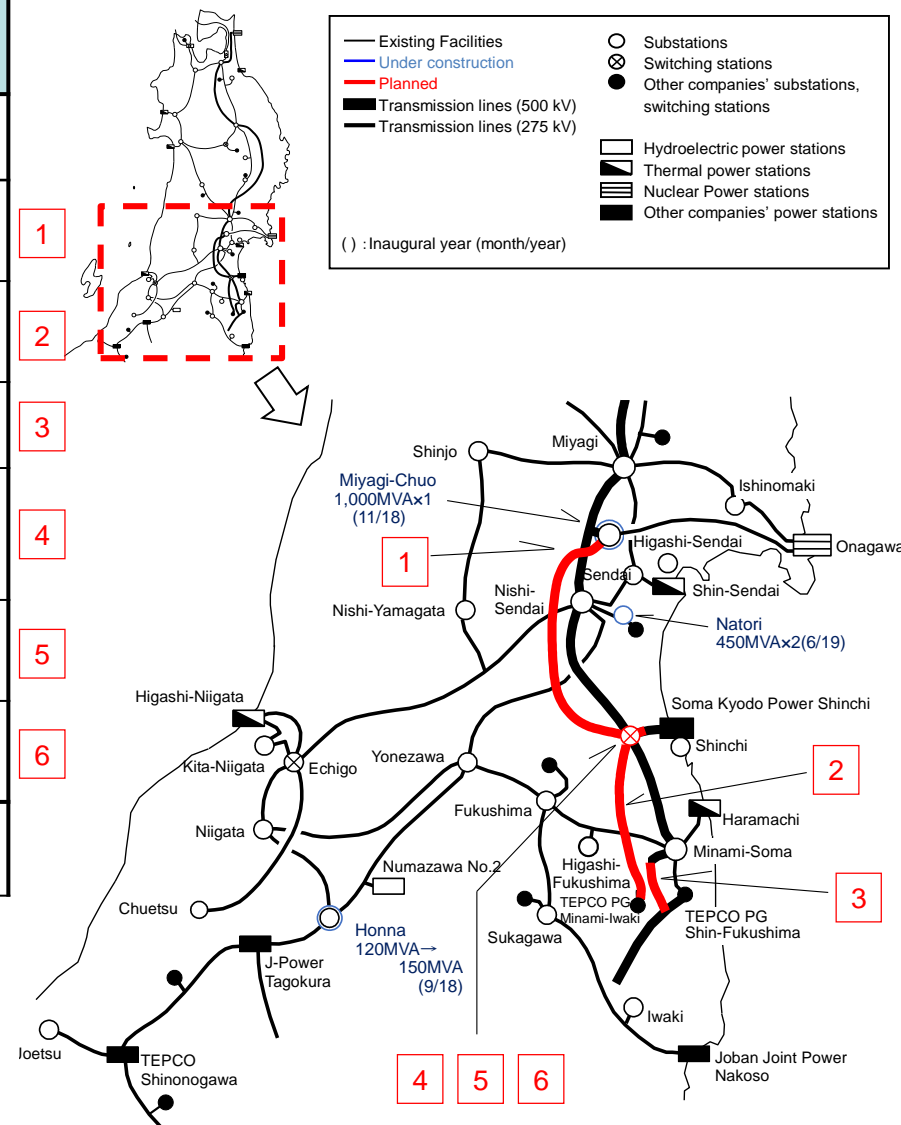
Major Transmission System Planning

Facility	Projects	Specification	Start of Construction	Start of Operation
Transmission	Natori Substation Lead-in	275 kV 0.4 km	May 2018	Jun. 2019
	Construction of Cross-Regional Interconnection Northern Trunk Line* ¹	500 kV 81 km	Sep. 2022	Nov. 2027
	Construction of Cross-Regional Interconnection Southern Trunk Line* ¹	500 kV 62 km	Sep. 2024	Nov. 2027
	Connection Change of Soma-Futaba Trunk Line* ¹	500 kV 15 km	Apr. 2022	Nov. 2025
	Shinchi-Karyoku Line Cross-Regional Interconnection Switching Station Lead-in Construction* ¹	500 kV 1 km	Jul. 2024	Jun. 2026
	Joban Trunk Line Cross-Regional Interconnection Switching Station Lead-in construction* ¹	500 kV 1 km	May. 2025	Jul. 2026
	Construction of Cross-Regional Interconnection Switching Station * ¹	500 kV 10 circuit	May. 2023	Nov. 2027* ²
Transformer	Construction of Natori Substation	275/154 kV 450 MVA × 2	Feb. 2017	Jun. 2019

*1: These projects relate to Cross-regional Network Development Plan between Tohoku and Tokyo. The names of transmission and switching stations are tentative.

*2: Partly starts in June 2026.

[Reference] Power Supply Network



(Note)

This presentation 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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