

Questions and Answers at FY2018 Financial Results Briefing

Q1. What is the current status of conformity assessments and construction work on safety measures conducted for Onagawa Nuclear Power Station Unit 2?

A1. Concerning Onagawa Unit 2, a series of explanation for earthquake and tsunami, and plant-related assessments was completed by April 11th. We would like to make sure to conduct the assessment process so that we'll be able to finish explaining about the agenda which was pointed out by Nuclear Regulation Authority (NRA) by the end of July. As for construction work on safety measures, we're currently conducting the procedures including installation of filter vent equipment, with aiming to complete construction by 2020.

Q2. As full liberalization of retail electric power sales is underway, is there any impact such as customers' switching to new suppliers?

A2. In our franchise area, competition with newcomers has been intensified and electricity sales volume continues to decrease. Against the backdrop of such a situation, declining of a certain amount of our revenue becomes apparent. Meanwhile, the total electricity sales volume is secured at a certain level, thanks to electricity sales beyond the franchise area by leveraging wholesale operations and through the wholesale supply to our alliances such as Synergia Power Co., Ltd. and Tokyu Power Supply Co., Ltd. Although competition becomes intense, we would like to overcome such difficulties by enhancing earning capability through our additional services and strengthening cost competitiveness through building an optimal power portfolio.

Q3. What is the background of the prospect for FY2019 that consolidated ordinary income amounts to 73 billion yen and annual dividend per share for the year will be 40 yen?

A3. We incorporated some risk factors such as reduction of electricity sales volume that may push downward the income level, and estimated consolidated ordinary income would be 73 billion yen. As for FY2019, we expect to pay an annual dividend of 40 yen. Comprehensively considering the results for this year and the prospect of mid- and long-term income, we would like to maintain the stable dividends and return profits to our shareholders. Under the Mid-term Management Policies, we will meet our shareholders' expectations in terms of increasing the stock price through improving corporate value.

Q4. What kind of initiatives are taken in order to expand the renewable energy business including offshore wind power generation?

A4. We aim to develop renewable energy with 2 million kW, mainly in the six Tohoku prefectures and Niigata prefecture. Regarding offshore wind power generation, many utility companies have already conducted research and development in the Tohoku region and Niigata prefecture. When it comes to Akita Yurihonjo Offshore Wind Power Generation Project, we determined to participate in the Feasibility Study, given various conditions such as the discussion made up until now, the condition of wind, and its location.