

# **Financial Summary**

## **2nd Quarter of FY2019**

**( April 1, 2019 – September 30, 2019)**

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**October 31, 2019**



**Tohoku Electric Power Co., Inc.**

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# **2nd Quarter of FY2019 Financial Results**

# Summary of Financial Results

- Electricity sales (retail) decreased due to the impact of intensified competition resulting from liberalization of retail electricity market. On the other hand, the amount of electricity sold outside the area (wholesale sales) and the amount of adjustments to fuel expenses increased. As a result, operating revenue rose to ¥1,119.9 billion, a year on year increase of ¥84.8 billion or 8.2% increase.
- Ordinary income increased to ¥64.5 billion yen, an increase of ¥27.0 billion yen, or 72.0%. This was due to the impact of the time lag of the fuel cost adjustment system, as well as efforts to further improve productivity and efficiency of the corporate group as a whole and to cost reductions.

\* Operating revenue includes ¥263.4 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.

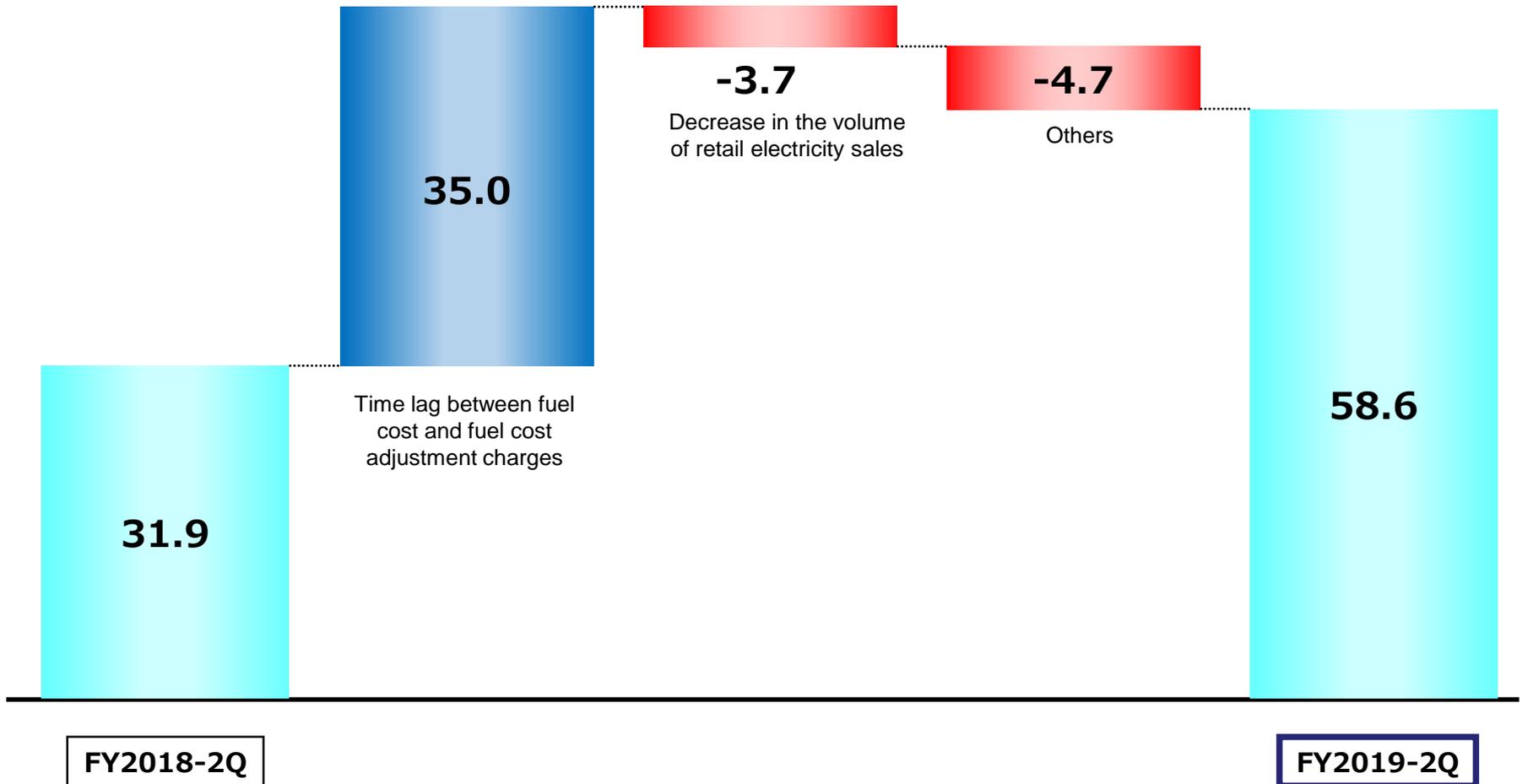
(billions of yen)

	Consolidated (A)			Non-consolidated (B)			(A) / (B) (times)	
	FY2019 2Q	FY2018 2Q	Change	FY2019 2Q	FY2018 2Q	Change	FY2019 2Q	FY2018 2Q
Operating Revenue	1,119.9	1,035.1	84.8	1,021.0	939.4	81.6	1.10	1.10
Operating Income	73.4	43.6	29.7	65.0	34.7	30.2	1.13	1.26
Ordinary Income	64.5	37.5	27.0	58.6	31.9	26.6	1.10	1.17
Net Income or Net Income Attributable to Owners of Parent	44.6	30.3	14.3	42.3	29.1	13.1	1.06	1.04

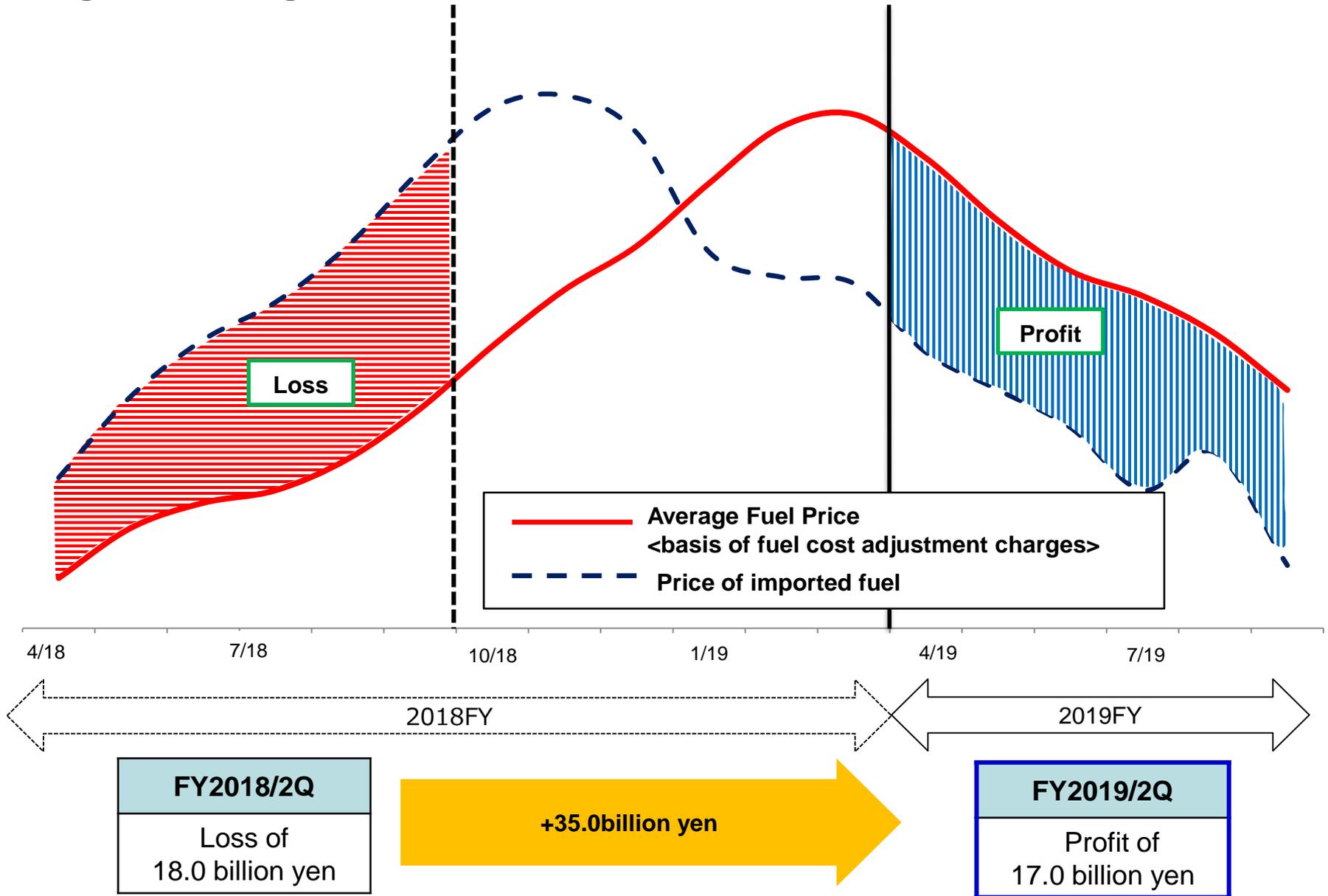
	Sep. 30, 2019	Mar. 31, 2019	Change	Sep. 30, 2019	Mar. 31, 2019	Change
Equity Ratio	18.8%	17.9%	0.9%	17.6%	16.6%	1.0%

## Increase of 26.6 Billion Yen (31.9 → 58.6)

(billions of yen)



■ Image of Time Lag Effect



# Electricity Supply

(GWh)

<b>Electricity Supply</b>	FY2019/2Q (A)	FY2018/2Q (B)	Change (A) - (B)	Change (A) / (B)
Own Generated Power*1	27,816	28,059	(243)	99.1%
Hydro	4,349	4,041	308	107.6%
Thermal	23,236	23,760	(524)	97.8%
Nuclear	(96)	(98)	2	97.9%
Renewables	328	356	(28)	92.2%
Power Interchanges and Purchased Power*2, 3	18,172 (2,754)	17,201 (3,076)	971 322	105.6% 89.6%
Used at Pumped Storage	(47)	(47)	(0)	100.2%
<b>Total of Electricity Supply*2</b>	<b>43,187</b>	<b>42,137</b>	<b>1,050</b>	<b>102.5%</b>

\*1 "Own Generated Power" shows sending end.

\*2 "Power Interchanges and Purchased Power" and "Total of Electricity Supply" partly 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 etc.

# Electricity Sales

(GWh)

Electricity Sales	FY2019/2Q (A)	FY2018/2Q (B)	Change (A) - (B)	Change (A) / (B)
Lighting (Residential)	9,670	9,971	(301)	97.0%
Power	22,784	22,948	(164)	99.3%
Retail Electricity Sales	32,454	32,919	(465)	98.6%
Wholesale Electricity Sales*	8,219	7,498	721	109.6%
Total of Electricity Sales	40,673	40,417	256	100.6%

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

# Major Factors and Sensitivity to Major Factors (Non-consolidated)

<b>Major Factors</b>	FY2019/2Q (A)	FY2018/2Q (B)	Change (A) - (B)
Crude Oil CIF Price (\$/bbl.)	68.9	73.7	(4.8)
Exchange Rate (¥/\$)	109	110	(1)
Hydro Power Flow Rate (%)	90.3	90.9	(0.6)
Nuclear Power Utilization Rate (%)	-	-	-

(billions of yen)

<b>Sensitivity to Major Factors</b>	FY2019/2Q (A)	FY2018/2Q (B)	Change (A) - (B)
Crude Oil CIF Price (per \$1/bbl.)	1.2	1.3	(0.1)
Exchange Rate (per ¥1/\$)	1.4	1.5	(0.1)
Hydro Power Flow Rate (per 1%)	0.4	0.4	-
Nuclear Power Utilization Rate (per 1%)	0.6	0.5	0.1

## ■ Financial Forecasts for FY2019 (No Change from the release in April 2019)

### 【Consolidated】

(billions of yen)

	Operating Revenue	Operating Income	Ordinary Income	Net Income Attributable to Owners of Parent
FY2019 forecast	2,390.0	90.0	73.0	45.0

### 【Non-consolidated】

(billions of yen)

	Operating Revenue	Operating Income	Ordinary Income	Net Income
FY2019 forecast	2,170.0	69.0	55.0	39.0

## ■ Dividend Per Share (No Change from the release in April 2019)

(yen)

	Interim	Year-end	Annual
Dividend Per Share (Forecast)	20	20	40

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# Topics

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.

## Major Efforts in Tohoku and Niigata Region

- For family users, we are providing various rate plans and services through “Yori, Sou, Chikara+ONE” which is the total service to widely support our customers’ lives.
- For business users, we’re strengthening sales and promotional activities through “exEMS”, our own unique energy management system.

### 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

#### 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

#### 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 visualize electricity usage by utilizing IoT and AI, and accurately predict change of demand through the system.

(Started providing services to new customers at 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.

## Major Efforts in Tohoku and Niigata Region

“Yori, Sou, Chikara+ONE” offers a variety of services to help our customers lead more affluent and comfortable lives and realize safer and more secure living.

**冬の暮らし全力応援!** All-out support for winter lives!  
 “+ONE campaign is underway.”  
**+ONE キャンペーン開催中!**

Considering regional issues including “declining birthrate and aging population” and “voices of having too much energy burden during severe winter season”, “all-out support for winter lives+ONE campaign” is held from September 26, 2019 to March 1, 2020 in order to support winter lives for the elderly and families with small children.

We offer special benefits and services that allow customers to discount some portion of their electricity bills on terms such as subscribing to the electricity rate plan.

Rates and plan		Target
①	<b>あったか割引</b> Attaka (warm) Discount	Families with the elderly at the age of 65 or more
②	<b>もっとあったか割引</b> Motto Attaka (warmer) Discount	
③	<b>子育て応援割引</b> Discount for supporting families with small children	Families with children under 3
④	<b>快適暮らしサポート</b>	Families of all generations



We started web content service “Event & Beneficial Information Ode Café”, which enables our customers to easily search for information including various events held in six Tohoku prefectures and Niigata prefecture.

In response to voices raised from our customers such as “how can we easily search the destination for outing?” or “we want to participate in some events with our children!”, we started to provide a new service as “Yori, Sou, Chikara+ONE”. We will provide content that can be enjoyed by families, such as local festivals, events of local companies, and gift plans.



Search for information on events and apply for them.



Participate and experience events



Get some gifts that are useful for living!

## Major Efforts Beyond Tohoku and Niigata Region

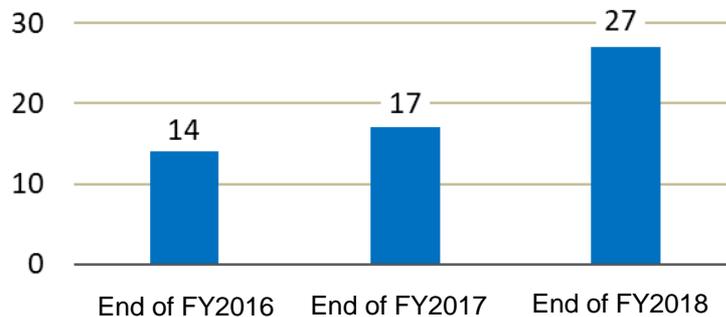
- **Synergia Power Co., Ltd.**, a company we established jointly with Tokyo Gas Co., Ltd., sells electricity for customers who use high- or extra-high voltage power in the Kanto region (mainly in the northern Kanto area) . The company has won contracts for approx. 270,000 kW as of the end of FY2018.
- **Tokyu Power Supply Co., Ltd.**, in which we invested in March 2018 sells electricity and gas mainly to customers living in areas along the Tokyu lines. As of the end of FY2018, we had won approx. 180,000 electricity sales contracts (low-voltage sector).

### Synergia Power



#### Electricity Contract Capacity

(10 thousand kW)

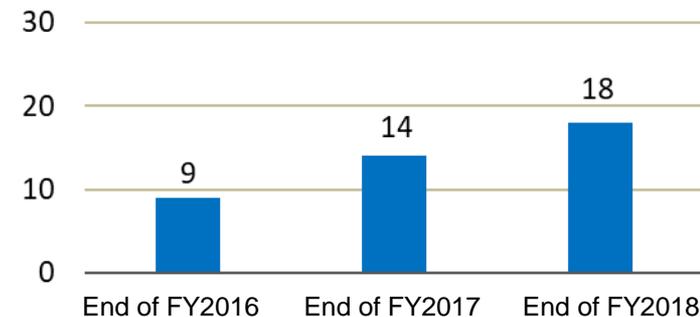


### Tokyu Power Supply



#### Number of Contracts (Low-Voltage Sector)

(10 thousand)



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% or higher, which is the world's highest level at the time

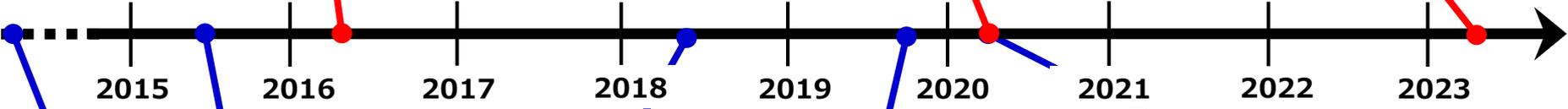
**Operation will start three months earlier than scheduled.**

**【Noshiro No.3】**  
Started test run for power generation on August 2019  
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
- Aiming for thermal efficiency of 63% or higher by introducing Next-generation gas turbine adopting forced air-cooled combustor system



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

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 1 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

**Aging thermal power plants which was abolished or halted for power source abolishment plan FY2019**

- 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.

- **Noshiro Thermal Power Unit No.3 started test run for power generation on August 1, 2019.**
- The features of Noshiro Thermal Power Unit No.3 is as follows: Compared to the existing Units No.1 and 2, higher thermal efficiency with 44.8% [LHV standard] is expected due to ultra super critical system and high steam temperature. We plan to expand the use of sub-bituminous coal that is abundant and generates less coal ash.
- While making security our top priority, we will gradually increase output of power generator, steadily conduct all kind of tests, and aim to start commercial operation in March 2020.

## <Outline>

	No.3	(Ref) No.2	(Ref) No.1
Location	1-6 Oomoriyama, Noshiro-shi, Akita		
Output	600 MW	600 MW	600 MW
Commercial Operation Date	March 2020 (Scheduled)	December 1994	May 1993
Main Steam Temperature	600 °C	566°C	538°C
Reheat Steam Temperature	600°C	593°C	566°C
Main Steam Pressure	24.5 MPa	24.1 MPa	24.5 MPa
Main Fuel	Coal		
Gross Thermal Efficiency (LHV Standard)	Approx. 44.8%	Approx. 44.0%	Approx. 43.5%

## <Major Construction Process>

- January 2016 Launch of Construction
- August 2019 Start of Power Generation (Test Run)
- March 2020 Start of Commercial Operation (Scheduled)

## <Appearance (No.3 is in the front) >



➔ Spent fuel amount and CO2 emission **annually decreased at 3%**, compared to Units No.1 and No.2.

## ■ Current Status of Onagawa and Higashidori Nuclear Power Station

- Concerning construction work , we are working diligently to aim for completion in FY 2020 for Onagawa Unit 2 and FY 2021 for Higashidori Unit 1.
- Concerning Conformity Assessments of plants (facilities) of Onagawa Unit 2, explanation for the issues pointed out so far have been completed by the assessment meeting on August 30. Accordingly, we submitted to the Nuclear Regulation Authority(NRA) an amendment to the application for licenses to change nuclear installation on September 19, reflecting the content of the reviews conducted so far. As the assessments by the NRA continue, we will respond appropriately to the assessments.
- Concerning Conformity Assessments of Higashidori Unit 1, 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.

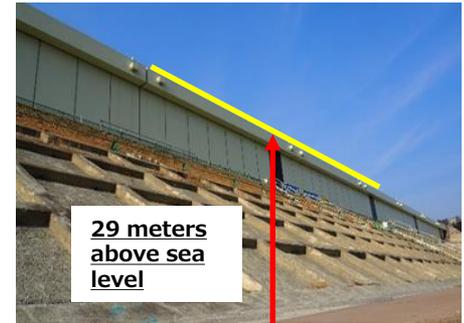
### <Current Status of Conformity Assessments>

<p><b>Onagawa Unit 2</b></p>	<ul style="list-style-type: none"> <li>•By the assessment meeting on August 30, explanation for the issues pointed out so far have been completed.</li> <li>•We submitted to the Nuclear Regulation Authority(NRA) an amendment to the application for licenses to change nuclear installation on September 19, reflecting the content of the reviews conducted so far.</li> </ul>
<p><b>Higashidori Unit 1</b></p>	<p>【Assessment of earthquake and tsunami】</p> <ul style="list-style-type: none"> <li>•Our explanation that faults of f-1and f-2 just below seismic critical facilities, such as the reactor building, are inactive for the foreseeable future has been judged to be appropriate.</li> <li>•Other faults within and around the premises are under assessment.</li> <li>•In parallel the conceivable maximum tsunami is under assessment.</li> <li>•With regard to the evaluation of “active faults considered as hypocenters” within and around the site, a supplementary survey to improve the explainability of geological data was conducted, and survey results are currently being evaluated.</li> </ul> <p>【Assessment of plants (facilities)】</p> <ul style="list-style-type: none"> <li>•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.</li> </ul>

## ■ Status of Conformity Assessments and Safety Measures Construction of Onagawa Unit 2

➤ For safety measures construction, the same level of measures have been implemented as to prevent accidents similar to Fukushima Daiichi. We will pursue a further level of safety by continuing voluntary efforts that reflect the latest knowledge beyond the framework of the new regulatory standards.

Item	Status of main safety measures construction
MSeasures for earthquake and tsunami	<ul style="list-style-type: none"> <li>• Seismic construction (ongoing)</li> <li>• Seawall embankment (17m → 29m) construction (ongoing)</li> <li>• Installation of seawalls around intake and discharge channel openings (ongoing)</li> <li>• Watertight door installation work (ongoing)</li> </ul>
Measures to secure power sources	<ul style="list-style-type: none"> <li>• Power supply vehicle deployment (continuing preparations for operation)</li> <li>• Large capacity power supply installed (completed)</li> <li>• Gas turbine generator deployment (ongoing)</li> </ul>
Measures to ensure cooling function	<ul style="list-style-type: none"> <li>• Alternative water injection vehicle deployment (completed)</li> <li>• Deployment of alternative emergency cooling seawater pump (completed)</li> <li>• High-pressure / low-pressure alternative water injection equipment, large-capacity water pump car, heat exchanger unit, reactor containment vessel alternative spray cooling system installation work (continuing preparations for operation)</li> <li>• Freshwater storage tank installation work (ongoing)</li> </ul>
Measures to secure the closed function	<ul style="list-style-type: none"> <li>• Reactor containment pressure relief device (filter vent system) construction (ongoing)</li> <li>• Static catalytic hydrogen recombination equipment construction (ongoing)</li> <li>• Hydrogen detector installation work (completed)</li> <li>• Hydrogen concentration meter installation work (ongoing)</li> <li>• Water cannon, silt fence deployment (ongoing)</li> </ul>
Establishing a foundation for handling accidents	<ul style="list-style-type: none"> <li>• Emergency response center installation (ongoing)</li> <li>• Central control room habitability ensuring measures (measures to secure additional power sources are underway)</li> <li>• Deployment of heavy equipment for debris removal (continuing preparations for operation)</li> </ul>
Measures against various risk events	<ul style="list-style-type: none"> <li>• Fire detection and extinguishing measures, penetration seal construction (ongoing)</li> <li>• Installation of fire protection as external fire protection (ongoing)</li> <li>• Penetration water stoppage construction to prevent overflow damage (ongoing)</li> </ul>



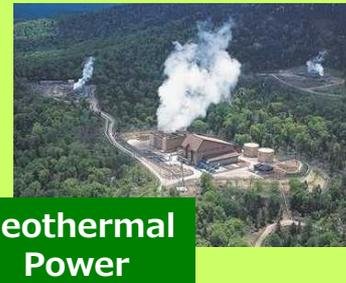
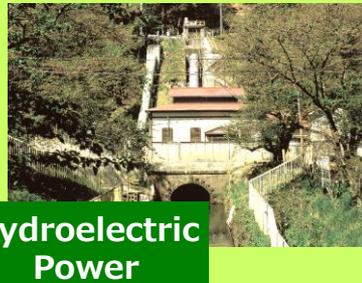
Seawall appearance  
(Under construction for to 29 meters above sea level)



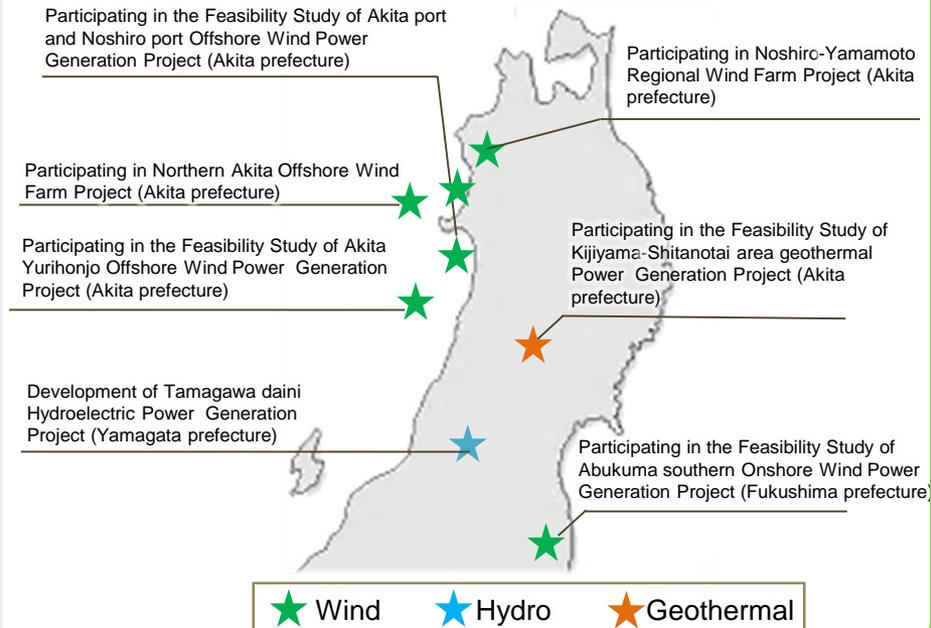
Filter vent system  
(Under construction of the third unit)

- 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.

## Expand Renewable Energy Business ◁Aims to develop 2GW primarily by Wind power▷



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

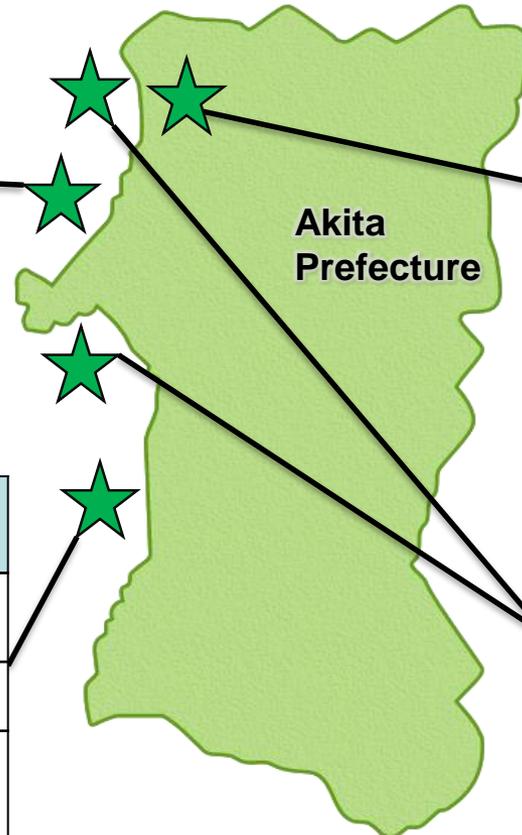


## ■ Participation in Wind Power Generation Project

- We participated as an investor in “Northern Akita Offshore Wind Farm Project” initiated by “Northern Akita Offshore Wind GK”, and “Noshiro-Yamamoto Regional Wind Farm Project” initiated by “Shirakami Wind GK” in addition to the two projects in Akita that decided to participate earlier.
- Akita Prefecture is blessed with one of the most favorable wind conditions for wind power generation in Japan. We will make the most use of our knowledge in terms of utility business, and speed up our examination for developing our business.

Northern Akita Offshore Wind Power Generation	
Operating Body	Northern Akita Offshore Wind GK
Output	455MW (Maximum)
Commercial Operation Date	FY2024 onwards

Noshiro-Yamamoto Regional Wind Power Generation	
Operating Body	Shirakami Wind GK
Output	Approx. 100MW
Commercial Operation Date	FY2023 onwards



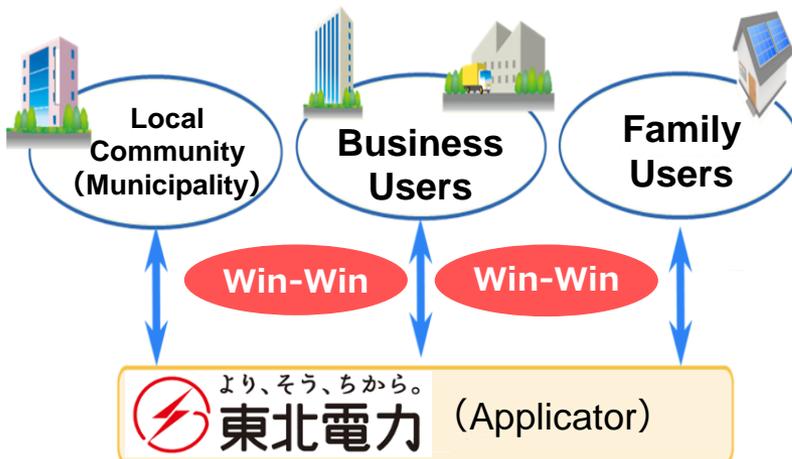
Akita Yurihonjo Offshore Wind Power Generation	
Operating Body	Akita Yurihonjo Offshore GK
Output	Approx. 700MW
Commercial Operation Date	TBD

Akita and Noshiro Port Offshore Wind Power Generation	
Operating Body	Akita Offshore Wind Power Co., Ltd.
Output	145MW
Commercial Operation Date	End of 2022

- We are proactively taking initiative for digital innovation to build new business model to improve customer service and expand future business field.
- As for VPP, in addition to initiatives in collaboration with local governments, we agreed to enter into a basic agreement on a strategic partnership in a VPP demonstration project with the German virtual power plant (VPP) operator Next Kraftwerke which is one of the largest VPP operators in the world in May 2019.

(Verification Period: April 2018 to March 2021)

## <Our VPP Vision>



① Initiative to enhance regional disaster prevention system and reduce environmental burden by utilizing VPP technology under cooperation with Local government \*1.

\*1 Sendai City, Koriyama City, Niigata City, Miyagi Prefecture

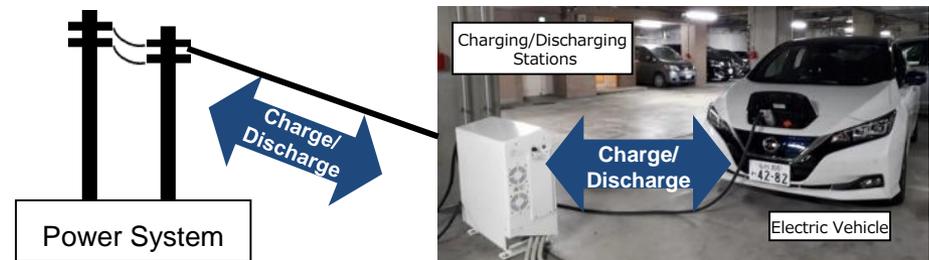


Agreement conclusion ceremony with Sendai City  
Sendai Mayor Kazuko Kori, right,  
President Hiroya Harada, left



Agreement conclusion ceremony with Miyagi Prefecture  
Miyagi Governor Yoshihiro Murai, left,  
President Hiroya Harada, right

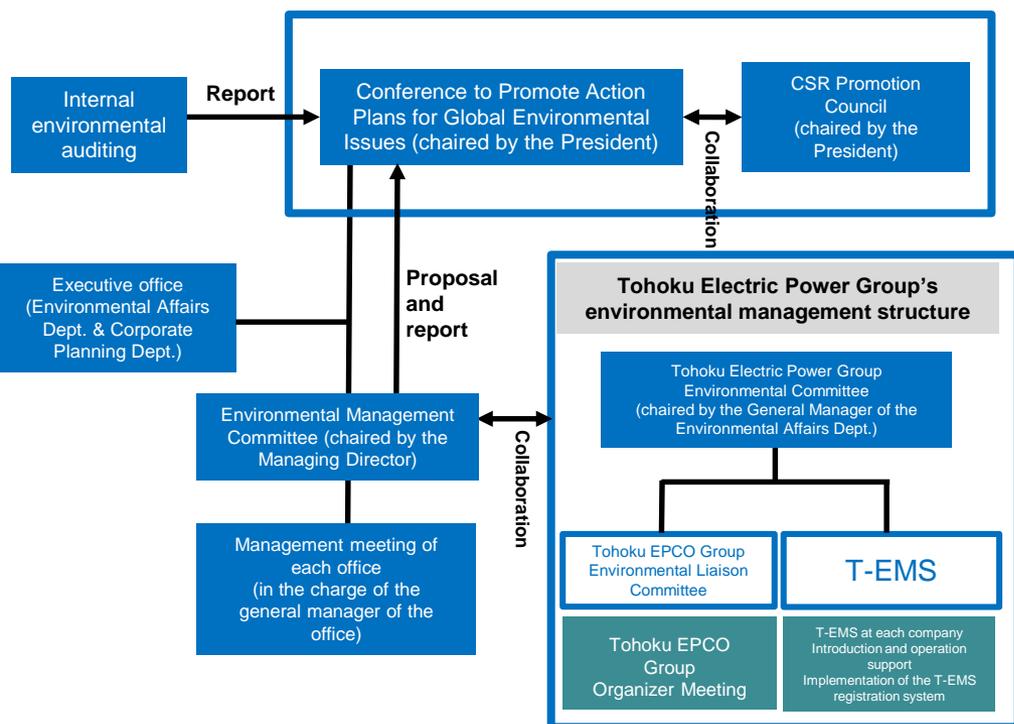
② V2G\*2 Verification Project.



\*2 V2G (Vehicle to Grid) : Technology for charging and discharging electric vehicle storage batteries connected to the power system

- Tohoku Electric Power has been working on environmental management as part of its corporate group management. Based on the “Medium-term Environmental Action Plan” established under the management system including the “Conference to Promote Action Plans for Global Environmental Issues”, we are working on the promotion of global warming countermeasures, global environmental conservation, environmental management and environmental communication.
- Regarding the disclosure of environmental information in this environmental communication, we support for the TCFD Recommendations. We will continue to actively disclose information based on the needs of stakeholders such as institutional investors.

## Structure for implementation of environmental management



## Environmental information disclosure

Support for TCFD Recommendations



**On April 25, 2019, we announced our support for the TCFD Recommendations**

We will work to further enrich communication with stakeholders to improve environmental management and environmental information disclosure, enhancing our environmental policies that also serve as growth strategies.

CDP's Rating

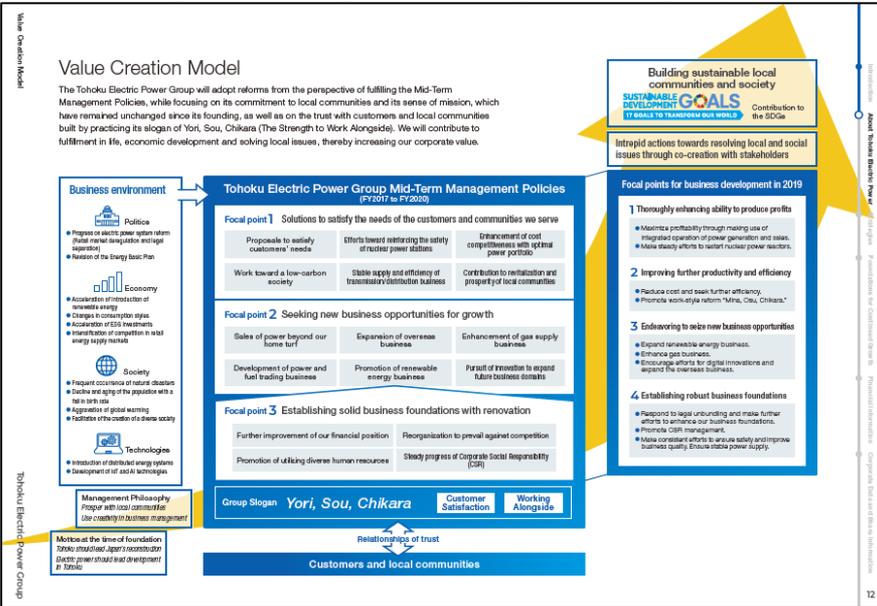


We submitted a response to the 2018 climate change questionnaire from CDP, an international non-governmental organization, formerly known as the Carbon Disclosure Project, which evaluates corporate information disclosure on climate change and suchlike, and was awarded a B rating, which is the third-highest rating.

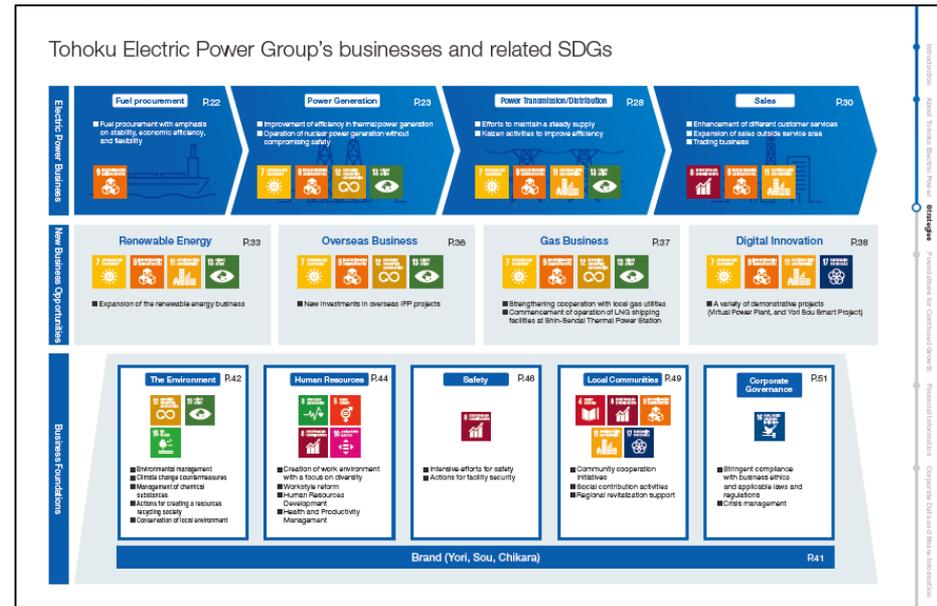
We will continue our efforts to retain and improve the rating.

- **“Tohoku Electric Power Group Integrated Report 2019”**, which unveils the management policy of Tohoku Electric Group and the status of business activities in terms of a wide range of financial and non-financial aspects, was issued to our stakeholders including shareholders and investors at home and abroad.
- The report includes interview with the president that describes our corporate vision pursued by the Tohoku Electric Power Group. It also introduces all kinds of policies to which we’ve been committed under our corporate slogan “Yori, Sou, Chikara” (literally, “The Strength to Work Alongside”) by value chain.
- The report includes “value creation model” which we grow with local communities and seek to realize the sustainable society in response to expectations from our customers and regional communities, as well as our efforts to achieve “SDGs” as a responsible operating body.

The visualized “value creation model” showcases a direction of mid- and long- term management strategies of our group.



Introduction of relations between our group business and the SDGs



○ As for “Tohoku Electric Power Group Integrated Report 2019”, please refer to [here](#).

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# References

# Balance Sheets (Consolidated)

21

(billions of yen)

	Sep. 30, 2019 (A)	Mar. 31, 2019 (B)	Change (A) - (B)	Major factors for change
Total Assets	4,232.6	4,258.6	(26.0)	
Non-current Assets	3,617.9	3,620.9	(3.0)	
Current Assets	614.6	637.6	(22.9)	
Total Liabilities	3,364.3	3,424.9	(60.6)	
Non-current Liabilities	2,534.4	2,431.2	103.2	Bonds : 69.9
Current Liabilities	829.8	993.6	(163.8)	Current portion of non-current liabilities : (67.3) Other advances : (31.8)
Net Assets	868.3	833.7	34.5	Retained earnings : 34.5
Interest-Bearing Liabilities	2,414.3	2,381.1	33.1	Bonds : 90.0 Loans : (41.8) CP : (15.0)

# Statements of Income (Consolidated)

(billions of yen)

	FY2019/2Q (A)	FY2018/2Q (B)	Comparison	
			(A) - (B)	(A) / (B)
Operating Revenue	1,119.9	1,035.1	84.8	108.2%
Electric utility	1,017.3	933.2	84.1	109.0%
Other business	102.6	101.8	0.7	100.8%
Operating Expenses	1,046.5	991.4	55.1	105.6%
Electric utility	946.8	894.5	52.3	105.9%
Other business	99.7	96.9	2.7	102.9%
Operating Income	73.4	43.6	29.7	168.1%
Non-operating income	3.9	4.9	(1.0)	79.2%
Non-operating expenses	12.8	11.1	1.7	115.3%
Ordinary Income	64.5	37.5	27.0	172.0%
Provision or reversal of reserve for fluctuation in water levels	-	(0.8)	0.8	-
Extraordinary gain	-	7.9	(7.9)	-
Extraordinary loss	-	2.1	(2.1)	-
Income taxes	19.6	12.6	7.0	155.5%
Net income attributable to non-controlling interests	0.2	1.0	(0.8)	18.8%
Net Income Attributable to Owners of Parent	44.6	30.3	14.3	147.3%

# Statements of Cash Flows (Consolidated)

23

(billions of yen)

	FY2019/2Q (A)	FY2018/2Q (B)	Change (A) - (B)	Major factors for change
Cash Flows from Operating Activities	125.6	104.4	21.1	
Cash Flows from Investing Activities	(136.6)	(112.1)	(24.5)	
Cash Flows from Financing Activities	20.1	(77.8)	97.9	Bonds : 119.4 Loan: 23.5 CP: (45.0)
Net Cash Flows	8.8	(85.4)	94.2	
Cash and cash equivalents at end of the period	193.7	156.7	37.0	
Free Cash Flows*	(2.7)	1.4	(4.1)	

\*: Our definition;

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

# Segment Information (Consolidated)

24

(billions of yen)

	FY2019/2Q (A)	FY2018/2Q (B)	Change (A) - (B)
Sales*1	1,240.5	1,156.6	83.8
	1,119.9	1,035.1	84.8
Electric Utility	1,019.1	934.9	84.1
	1,017.3	933.2	84.1
Construction	119.0	117.6	1.3
	57.7	57.3	0.4
Gas	19.4	18.0	1.3
	15.8	14.5	1.2
IT	21.0	23.5	(2.4)
	9.4	9.6	(0.2)
Others	61.8	62.3	(0.4)
	19.6	20.3	(0.6)

\*1: Lower is net sales to outside customers.

	FY2019/2Q	FY2018/2Q	Change
Segment Income [Operating Income]	72.9	43.8	29.0
Electric Utility	68.2	37.0	31.1
Construction	0.0	0.6	(0.6)
Gas	1.3	0.6	0.6
IT	1.7	2.7	(1.0)
Others	1.6	2.7	(1.1)

## 【 Major Consolidated Subsidiaries 】\*2

(billions of yen)

	FY2019/2Q		Year-on-year	
	Sales	Operating Income	Sales	Operating Income
<b>[ Electric Utility ]</b>				
Sakata Kyodo Power Co., Ltd.	18.3	(1.2)	(0.2)	(0.4)
Tohoku Sustainable & Renewable Energy Co., Inc.	5.1	1.4	0.3	(0.1)
<b>[ Construction ]</b>				
Yurtec Corp.	84.0	0.0	(1.8)	(0.5)
Tohoku Electric Engineering & Construction Co., Inc.	28.7	0.6	(1.0)	(0.0)
<b>[ Gas ]</b>				
Nihonkai LNG Co., Ltd.	5.8	0.7	0.1	0.2
<b>[ IT ]</b>				
Tohoku Intelligent Telecommunication Co., Inc.	11.5	1.9	0.0	0.2
Tohoku Information Systems Co., Inc.	11.3	0.2	(0.3)	(0.4)
<b>[ Others ]</b>				
Kitanihon Electric cable Co., Ltd.	14.0	(0.0)	(0.7)	(0.2)

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

# Balance Sheets (Non-consolidated)

25

(billions of yen)

	Sep. 30, 2019 (A)	Mar. 31, 2019 (B)	Change (A) - (B)	Major factors for change
Total Assets	3,890.5	3,923.5	(33.0)	
Non-current Assets	3,470.6	3,480.9	(10.3)	
Current Assets	419.9	442.6	(22.7)	
Total Liabilities	3,204.3	3,269.3	(65.0)	
Non-current Liabilities	2,468.4	2,361.4	106.9	Bonds : 69.9
Current Liabilities	735.8	907.8	(172.0)	Current portion of non-current liabilities : (67.9) Other advances : (31.8)
Net Assets	686.2	654.1	32.0	Retained earnings : 32.2
Interest-Bearing Liabilities	2,390.0	2,357.0	32.9	Bonds : 90.0 Loans : (42.0) CP : (15.0)

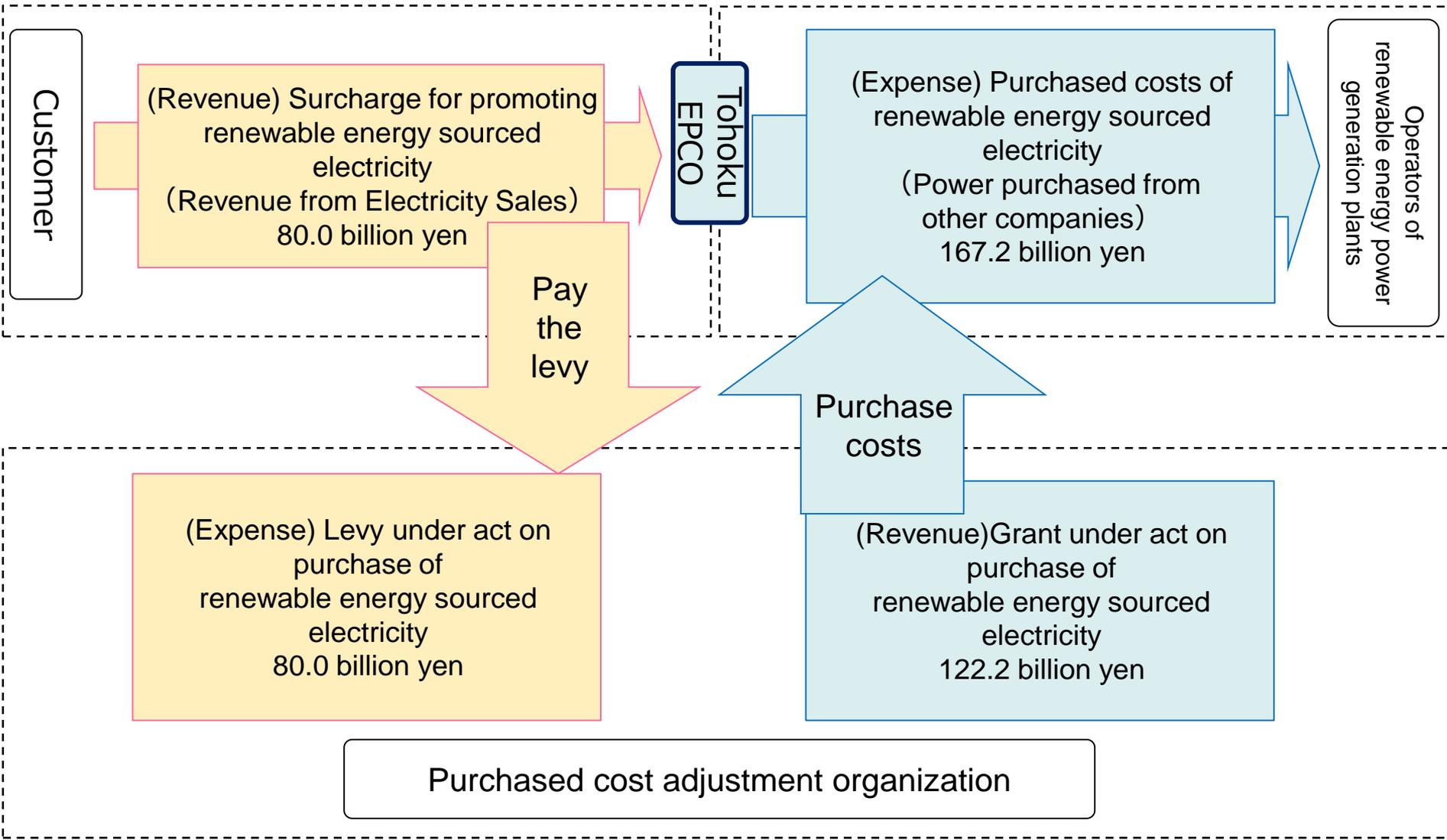
# Statements of Income (Non-consolidated)

26

(billions of yen)

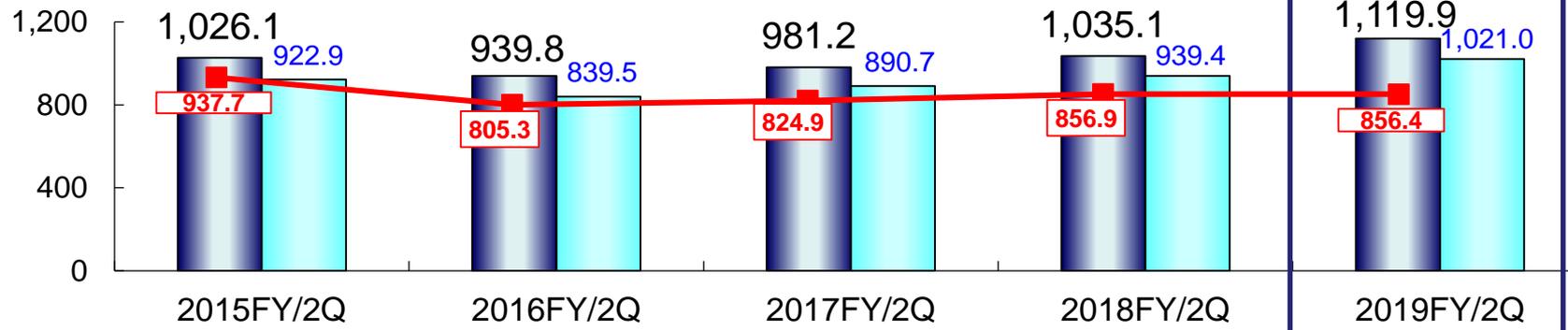
		FY2019/2Q (A)	FY2018/2Q (B)	Comparison		Major factors for change
				(A) - (B)	(A) / (B)	
Revenue	Revenue from Electricity Sales	670.4	671.0	(0.5)	99.9%	
	Lighting (Residential)	257.4	258.7	(1.2)	99.5%	
	Power	413.0	412.3	0.7	100.2%	
	Sales of power to other utilities and other companies	174.9	123.1	51.7	142.0%	Increase in indirect auction
	Grant under Act on Purchase of Renewable Energy Sourced Electricity	122.2	94.7	27.5	129.0%	Increase in purchased volume from solar
	Other revenue	59.0	58.0	0.9	101.7%	
	[Operating Revenue]	[ 1,021.0 ]	[ 939.4 ]	[ 81.6 ]	[ 108.7% ]	
	Total revenue	1,026.7	947.0	79.6	108.4%	
Expenses	Personnel	72.3	81.1	(8.8)	89.1%	
	[Amortization of actuarial gain or loss]	[ 1.7 ]	[ 10.1 ]	[ (8.3) ]	[ 17.7% ]	
	Fuel	164.3	175.9	(11.6)	93.4%	
	Maintenance	72.5	82.2	(9.7)	88.2%	Decrease in maintenance of thermal power generation facilities
	Depreciation	100.7	98.8	1.9	101.9%	
	Power purchased from other utilities and other companies	336.6	262.4	74.2	128.3%	Increase in indirect auction
	Interest	8.8	9.5	(0.7)	92.6%	
	Taxes, etc.	41.0	41.0	(0.0)	99.8%	
	Nuclear power back-end cost	4.7	5.3	(0.5)	90.2%	
	Levy under Act on Purchase of Renewable Energy Sourced Electricity	80.0	78.5	1.5	101.9%	
	Other expenses	86.7	79.9	6.7	108.5%	
Total expenses	968.0	915.0	52.9	105.8%		
[Operating Income]	[ 65.0 ]	[ 34.7 ]	[ 30.2 ]	[ 186.9% ]		
Ordinary Income	58.6	31.9	26.6	183.4%		
Provision or reversal of reserve for fluctuation in water levels	-	(0.8)	0.8	-		
Extraordinary gain	-	7.9	(7.9)	-		
Extraordinary loss	-	2.1	(2.1)	-		
Income taxes	16.3	9.3	6.9	174.1%		
Net Income	42.3	29.1	13.1	145.3%		

## FY2019/2Q



## Operating Revenue

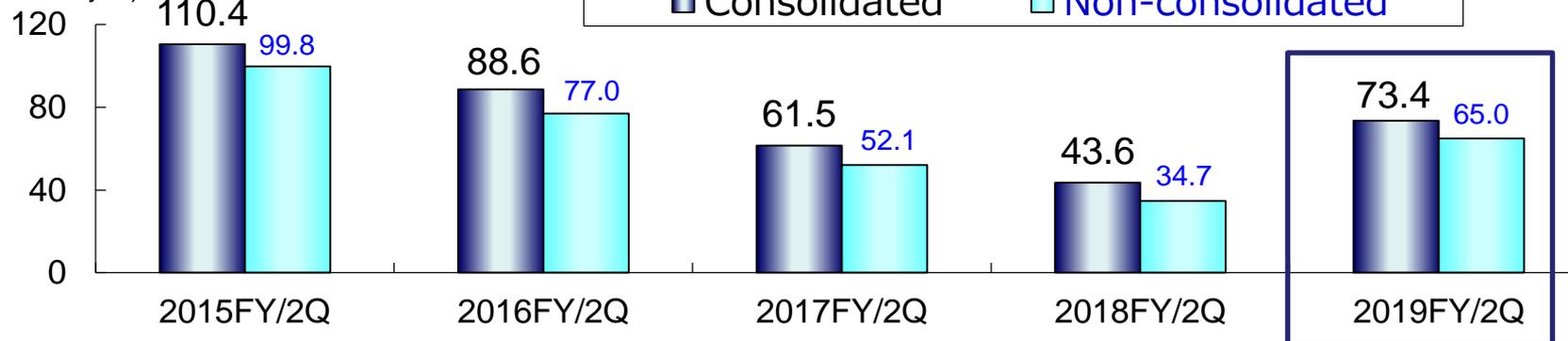
(billions of yen)



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

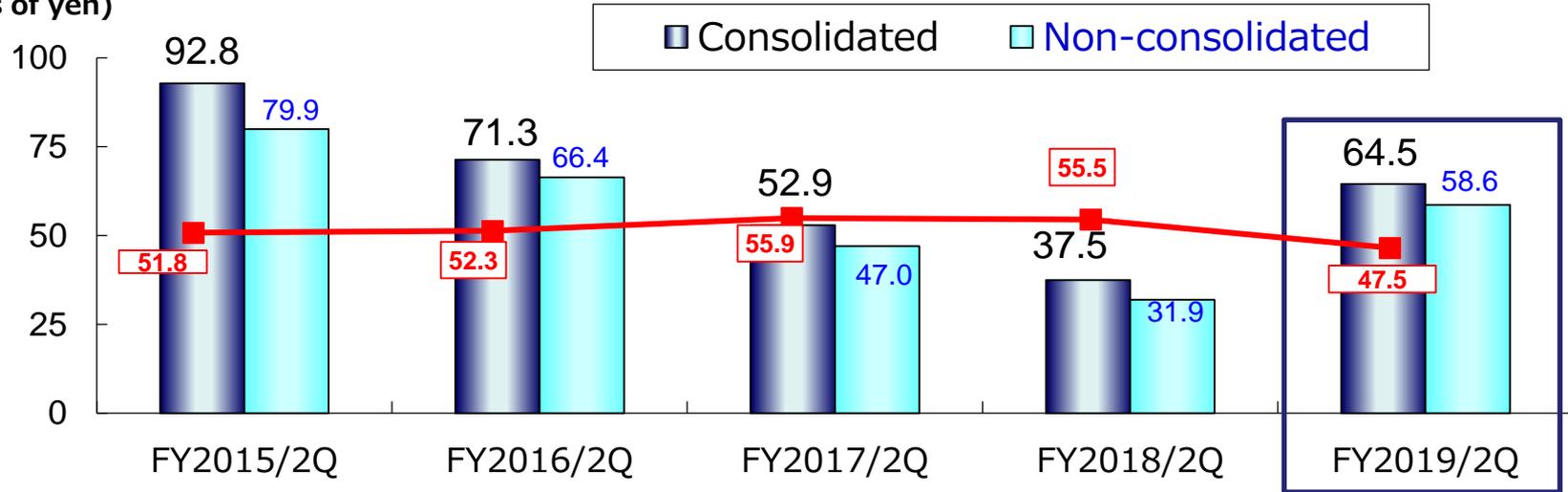
(billions of yen)



	2015FY/2Q	2016FY/2Q	2017FY/2Q	2018FY/2Q	2019FY/2Q
Operating Income on Operating Revenue Ratio (Consolidated basis)	10.8%	9.4%	6.3%	4.2%	6.6%
Operating Income on Operating Revenue Ratio using above red line (Consolidated basis)	11.8%	11.0%	7.5%	5.1%	8.6%

## ■ Ordinary Income

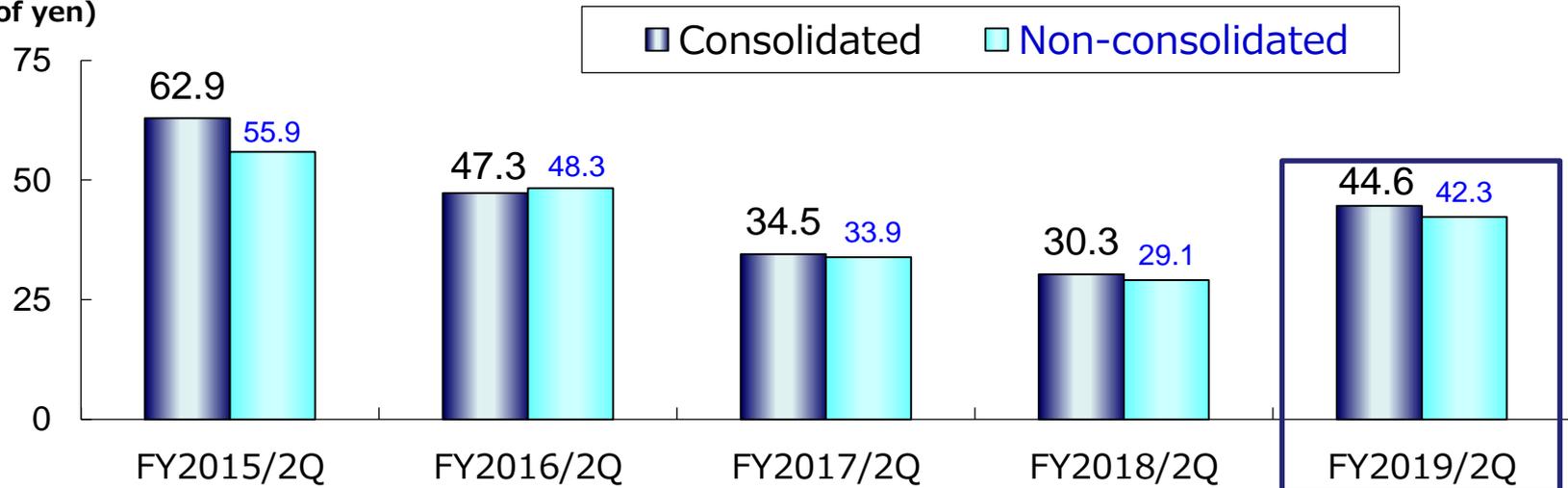
(billions of yen)



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

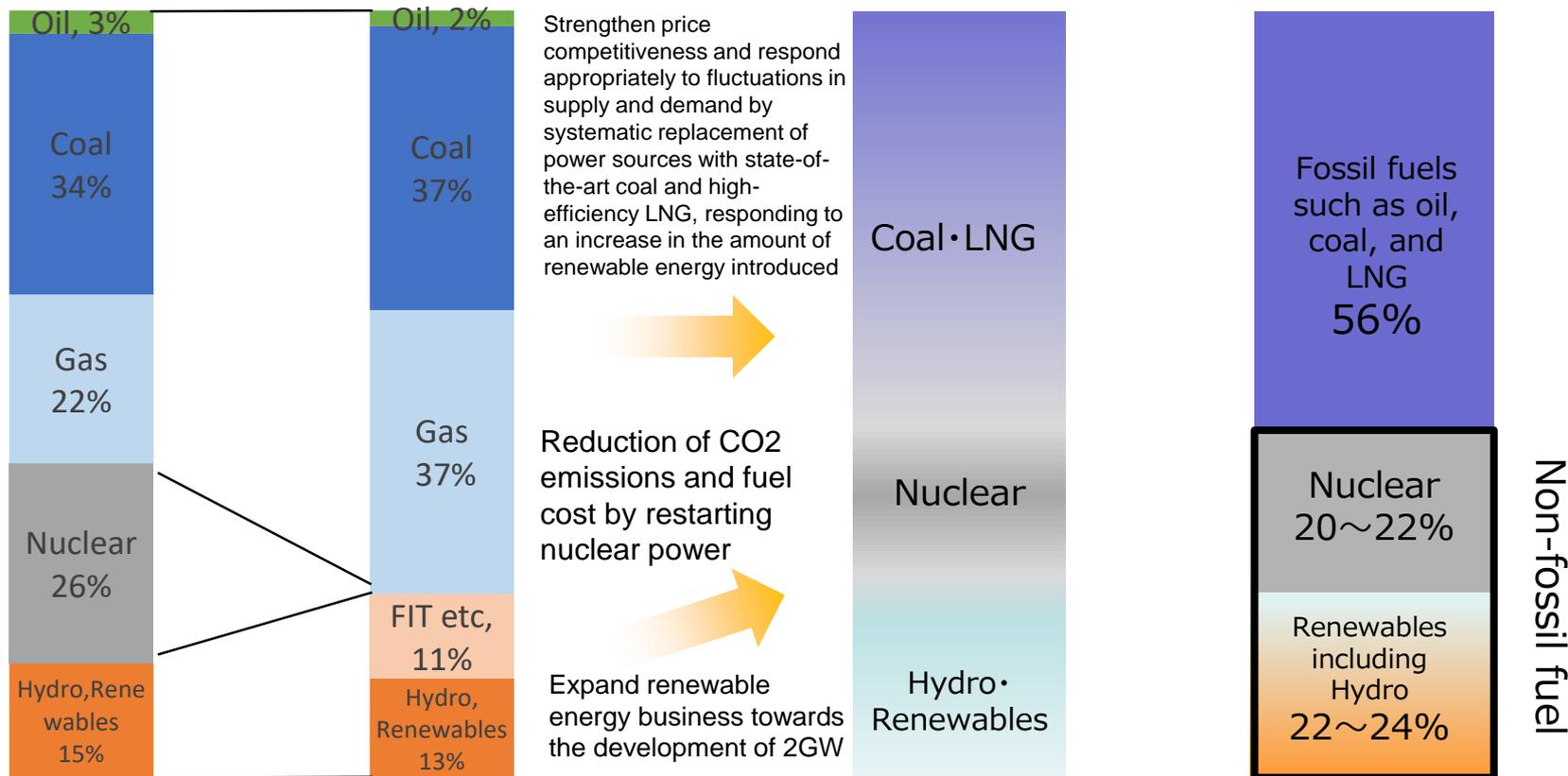
## ■ Net Income or Net Income Attribute to Owners of Parent

(billions of yen)



# Policy of Power Portfolio (Power Procurement)

We aim for a balanced power portfolio (power procurement) that is not excessively dependent on specific power sources and fuel types, and also take into account the viewpoints of securing price competitiveness and ensuring adjustment capabilities when expanding the introduction of renewable energy, by planned replacement with state-of-the-art coal-fired and high-efficiency LNG-fired, promoting nuclear restart, expanding introduction of renewable energy.



2010 (Before the Earthquake)

2018

Future

2030

« Reference Long-term supply-demand outlook (energy mix) »  
Decided by METI in July 2018

# Current Status of Conformity Assessments (1/2)

(As of September 30, 2019)

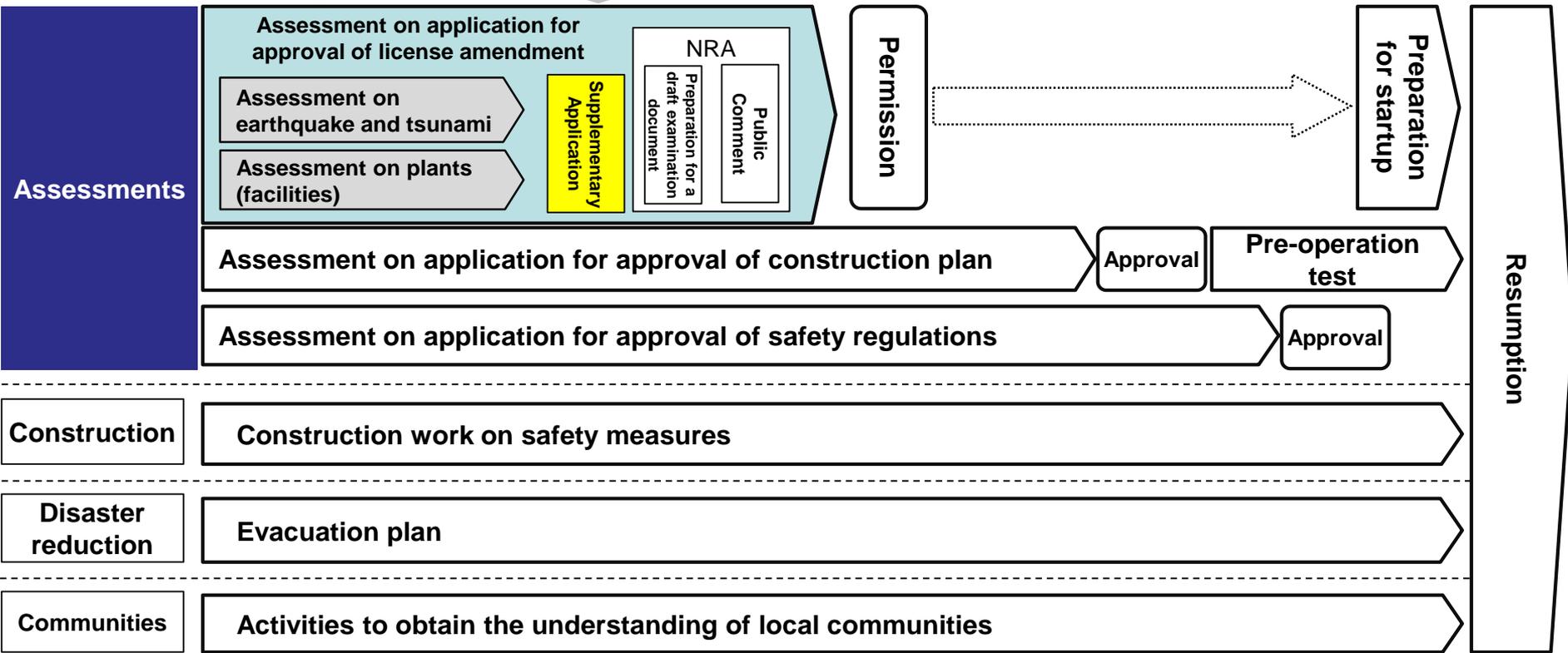
		FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	Number of conformity assessment meetings
Oragawa Unit 2	Assessment of plants (facilities)		▼Application (Dec. 2013)				▼Full-fledged conformity assessment (from Oct. 2017) ▼On-site survey (Nov. 2017)	▼Supplementary Application (Sep. 2019)	174
	Assessment of earthquake and tsunami			▼On-site survey (Jan. 2015)					
		Conformity assessment							
		Conformity assessment							
Higashidori Unit 1	Assessment of plants (facilities)		▼Application (Jun. 2014)						19
	Assessment of earthquake and tsunami			▼Supplementary survey of faults in the premises (from Oct. 2015)	▼On-site survey (Dec. 2016)	▼Additional survey of faults in the premises (from May 2017)	▼Supplementary survey of faults within and around premises (from Mar. 2019)		
				▼Start of hearing (from Jun. 2015)	▼Additional supplementary survey of faults in the premises (from Apr. 2016)	▼On-site survey (Nov. 2017)			
		Conformity assessment							
		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 September 30, 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 No2 were authorized permission in September 2018. (Construction plan of Tokai No.2 was approved in October 2018.)

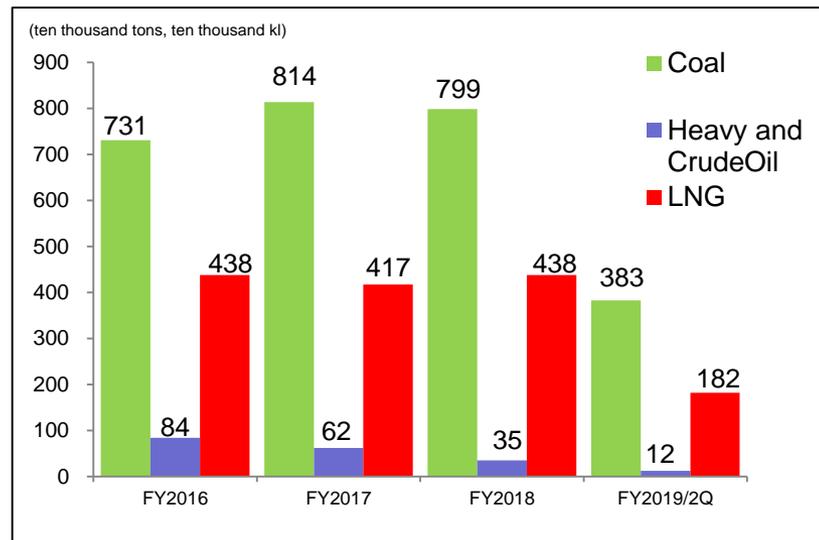
Higashidori Unit 1      Onagawa Unit 2



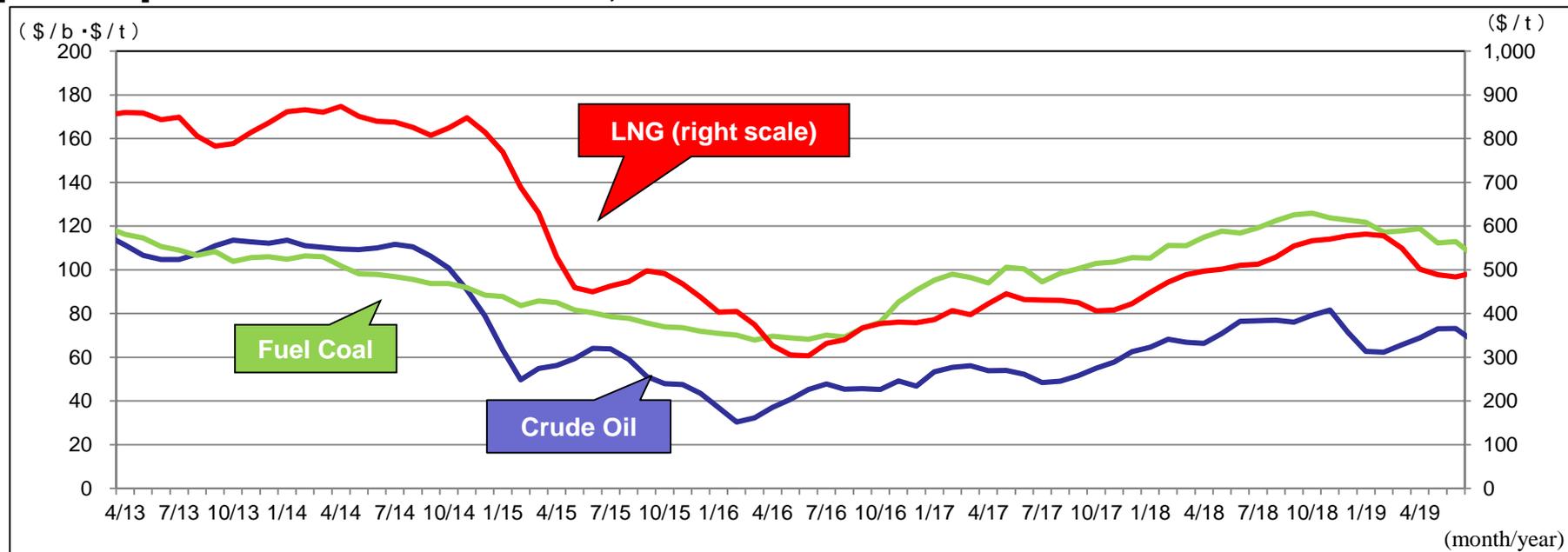
# Fuel Consumption Results

## Fuel Consumption

	FY2019/2Q (A)	FY2018/2Q (B)	Change (A) - (B)	(Reference) FY2018
Coal (ten thousand tons)	383	371	12	799
Heavy and Crude Oil (ten thousand kl)	12	17	(5)	35
LNG (ten thousand tons)	182	186	(4)	438



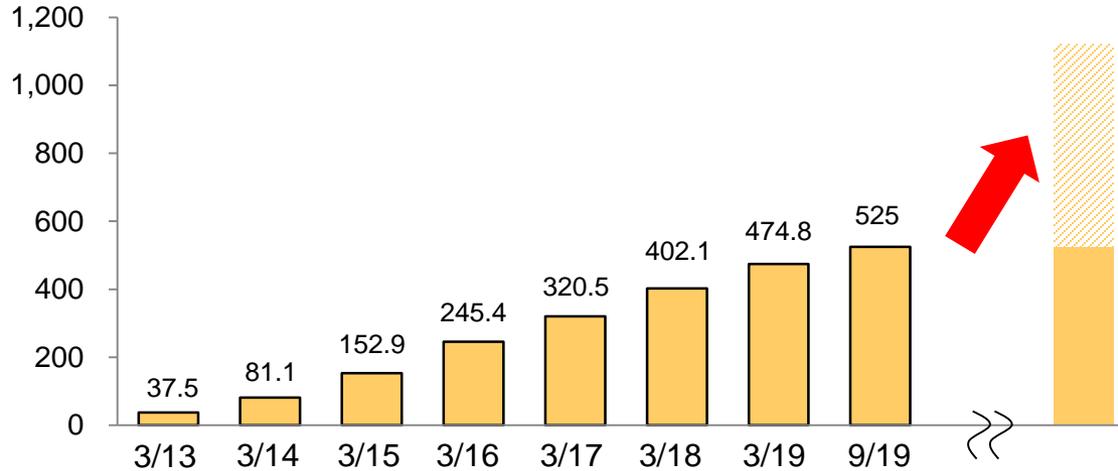
## [Reference] Historical CIF Prices of Crude Oil, Fuel Coal and LNG



## ■ Current and Expected Grid Access Volume of Solar and Wind within our Service Area (as of Sep 30, 2019)

### [Solar]

[10 megawatts]

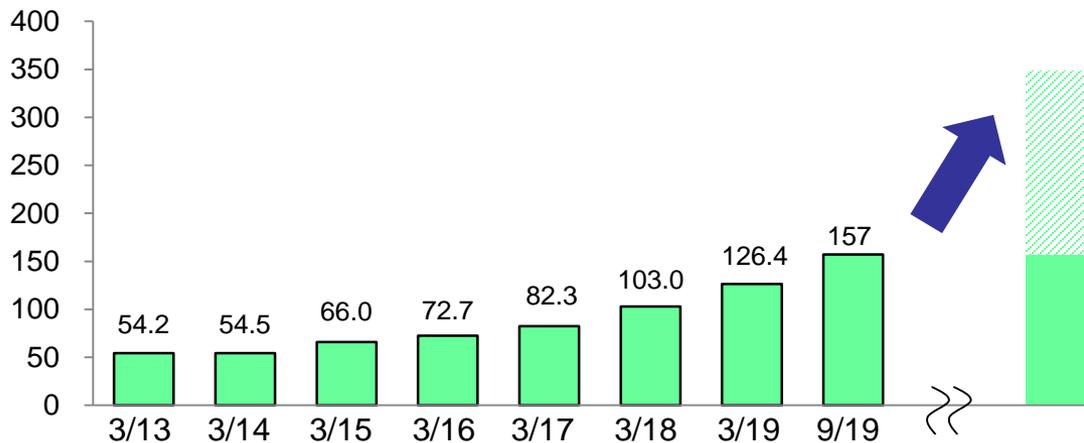


Expected grid access volume: 5,950 megawatts

Reference :  
New rule: 4,200 megawatts

### [Wind]

[10 megawatts]



Expected grid access volume: 1,910 megawatts

Reference :  
New rule: 1,080 megawatts

(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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