

# **Financial Summary**

## **3rd Quarter of FY2021**

**( April 1, 2021 – December 31, 2021)**

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**January 31, 2022**



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



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## **3rd Quarter of FY2021 Financial Results**

# Key points of financial results and forecasts

## Financial Results for the 3rd Quarter of FY2021

### Decrease in revenue and income (Two years in a row)

- Operating revenue : Impact of the adoption of Accounting Standard for Revenue Recognition
- Ordinary Income : Impact the time lag between fuel cost and fuel cost adjustment charges and supply and demand due to the earthquake off the coast of Fukushima Prefecture

## Financial and Dividend Forecasts for FY2021

Change in Financial and Dividend Forecasts from July 2021 release

**Operating Revenue                      ¥1,980.0 billion**

- Increase of ¥170.0 billion from the previous forecasts due to an increase of fuel cost adjustment charges

**Ordinary Income                      -¥50.0 billion**

- Decrease of ¥85.0 billion from the previous forecasts due to the expanded impact of the time lag between fuel cost and fuel cost adjustment charges and the increased procurement costs

**Year-end dividend                      Undecided**

# Summary of Financial Results

2

- **Operating revenue**      **¥1,398.9 billion**    (a year on year decrease of ¥142.5 billion)  
Operating revenue decreased due to the impact of the adoption of Accounting Standard for Revenue Recognition.
- **Ordinary income**      **¥10.3 billion**    (a year on year decrease of ¥65.3 billion)  
Ordinary income decreased due to temporary factors such as an impact of the time lag between fuel cost and fuel cost adjustment charges caused by soaring fuel prices and the shutdown of thermal power stations damaged by the earthquake off the coast of Fukushima Prefecture.

## 【Summary of Consolidated Financial Statements】

(billions of yen)

	FY2021/3Q (A)	FY2020/3Q (B)	Change (A) – (B)	Change (A) / (B)
Operating Revenue* <sup>1</sup>	1,398.9	1,541.4	(142.5)	90.8 %
	[ 1,398.9 ]	[ 1,209.0 ]	[ 189.8 ]	[ 115.7 %]
Ordinary Income* <sup>1</sup>	10.3	75.7	(65.3)	13.7 %
	[ 85.3 ]	[ 40.7 ]	[ 44.6 ]	[ 209.7 %]
Net Income Attributable to Owners of Parent	2.4	50.6	(48.2)	4.8 %
Consolidated Cash Income	233.2	224.4	8.7	103.9 %

\*1 Lower figures of operating revenue are based on Accounting Standard for Revenue Recognition. 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, which were previously recorded as operating revenue, will no longer be recorded.

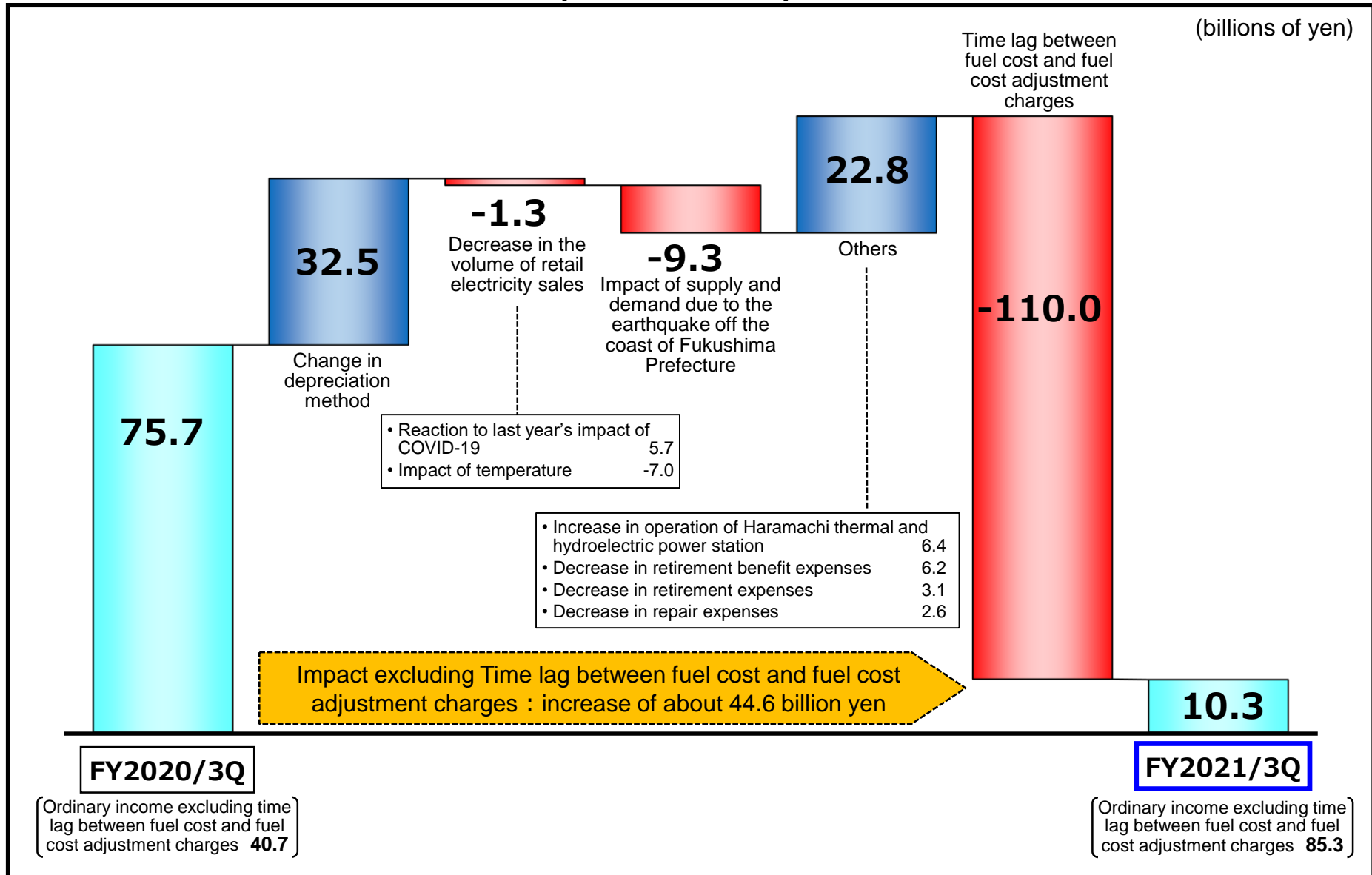
Those of ordinary income exclude time lag between fuel cost and fuel cost adjustment charges.

\*2 Consolidate Cash Income = Operating income + Depreciation + Amortization of nuclear fuel + Share of profit of entities accounted for using equity method  
(Operating income doesn't include time lag between fuel cost and fuel cost adjustment charges.)

# Changing Factors in Consolidated Ordinary Income from the Corresponding Period Last Year

3

Decrease of 65.3 Billion Yen (75.7 → 10.3)



# Electricity Sales

## ➤ Retail electricity sales

**47.5 TWh (a year on year increase 1.1 TWh)**

Retail electricity sales volume increased due to an increase in operations for commercial and industrial use as a reaction to the impact of last year's COVID-19.

## ➤ Wholesale electricity sales

**12.3 TWh (a year on year decrease 0.4 TWh)**

Wholesale electricity sales volume decreased due to a decrease in JEPX transaction resulting from the shutdown of thermal power stations damaged by the earthquake off the coast of Fukushima Prefecture.

(GWh)

Electricity Sales*1	FY2021/3Q (A)	FY2020/3Q (B)	Change (A) - (B)	Change (A) / (B)
Lighting (Residential)	13,607	14,377	(770)	94.6 %
Power	33,867	32,010	1,857	105.8 %
Retail Electricity Sales*2	47,474	46,387	1,087	102.3 %
Wholesale Electricity Sales*3	12,250	12,643	(393)	96.9 %
Total of Electricity Sales	59,725	59,030	695	101.2 %

\*1 Individual figures of Tohoku Electric Power Co., Inc., excluding network business.

\*2 Retail Electricity Sales includes electric power for business use.

\*3 Wholesale Electricity Sales includes the volume of specified power interchange.

# Electricity Supply and Major Factors

(GWh)

<b>Electricity Supply</b> <sup>*1</sup>	FY2021/3Q (A)	FY2020/3Q (B)	Change (A) - (B)	Change (A) / (B)
Own Generated Power <sup>*2</sup>	44,211	43,406	805	101.9 %
Hydro	6,178	5,786	392	106.8 %
Thermal	37,599	37,092	507	101.4 %
Nuclear	-	-	-	-
Renewables	434	528	(94)	82.1 %
Power Interchanges and Purchased Power <sup>*3,4</sup>	22,408	23,924	(1,516)	93.7 %
	(3,497)	(4,832)	1,335	72.4 %
Used at Pumped Storage and others	(190)	(59)	(131)	320.1 %
Total of Electricity Supply <sup>*3</sup>	62,932	62,439	493	100.8 %

\*1 Individual figures of Tohoku Electric Power Co., Inc., excluding network business.

\*2 "Own Generated Power" shows sending end (electric power generated by the generator minus the electric power used in the power station).

\*3 "Power Interchanges and Purchased Power" and "Total of Electricity Supply" partly include projected volume.

\*4 As for "Power Interchanges and Purchased Power", the top is Received and the bottom is Transmitted.

<b>Major Factors</b>	FY2021/3Q (A)	FY2020/3Q (B)	Change (A) - (B)
Crude Oil CIF Price (\$/bbl.)	74.0	39.1	34.9
Exchange Rate (¥/\$)	110	105	5
Hydro Power Flow Rate (%)	96.2	90.1	6.1
Nuclear Power Utilization Rate (%)	-	-	-



# Segment Information (Consolidated)

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(billions of yen)

	FY2021/3Q (A)	FY2020/3Q (B)	Change (A) - (B)
Operating Revenue*	1,398.9	1,541.4	(142.5)
Power Generation and Sales	1,057.6	1,212.4	(154.8)
	1,000.5	1,168.3	(167.7)
Network	513.6	520.5	(6.8)
	216.6	223.6	(6.9)
Construction	197.2	172.9	24.3
	112.7	90.9	21.8
Gas	31.1	23.9	7.2
	26.0	18.5	7.5
IT	33.7	35.4	(1.6)
	14.4	13.6	0.8
Others	81.3	85.7	(4.3)
	28.4	26.4	2.0
Adjustment	(515.9)	(509.5)	(6.3)
	-	-	-

	FY2021/3Q (A)	FY2020/3Q (B)	Change (A) - (B)
Segment Income (Ordinary Income)	10.3	75.7	(65.3)
Power Generation and Sales	(1.5)	57.5	(59.1)
Network	25.6	13.3	12.3
Construction	3.1	(0.0)	3.2
Gas	0.8	1.7	(0.8)
IT	5.2	4.4	0.7
Others	4.9	5.1	(0.2)
Adjustment	(27.7)	(6.3)	(21.4)

\* Lower figures of operating revenue and each segment are sales to outside customers.

# Financial and Dividend Forecasts for FY2021 (1/2)

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- **Operating revenue** **¥1,980.0 billion** (increase of ¥170.0 billion compared to the previous forecast)  
Operating revenue increased due to an increase of fuel cost adjustment charges caused by soaring fuel prices.
- **Ordinary income** **-¥50.0 billion** (decrease of ¥85.0 billion compared to the previous forecast)  
Ordinary income decreased due to the expanded impact of the time lag between fuel cost and fuel cost adjustment charges caused by soaring fuel prices and the increased procurement costs resulting from JEPX prices increase.

## Consolidated Financial Forecasts for FY2021

(billions of yen)

	Forecast (new)(A)	Previous Forecast (July 2021)(B)	Change (A)-(B)	FY2020*1
Operating Revenue	1,980.0	1,810.0	170.0	1,867.9
Operating Income	(28.0)	52.0	(80.0)	87.9
Ordinary Income	(50.0)	35.0	(85.0)	67.5
Net Income Attributable to Owners of Parent	(45.0)	23.0	(68.0)	29.3
Consolidated Cash Income	245.0	274.0	(29.0)	302.3

\*1 Operating Revenue is calculated by applying "Accounting Standard for Revenue Recognition."

## Major Factors

		Forecast (new)(A)	Previous Forecast (July 2021)(B)	FY2020
Electric power sales*2 (TWh)	Retail	Approx. 66.5	Approx. 65.5	66.0
	Wholesale	Approx. 16.7	Approx. 15.3	16.6
	Total	Approx. 83.2	Approx. 80.8	82.5
Crude Oil CIF Price (\$/bbl.)		Approx. 74	Approx. 71	43.4
Exchange Rate (¥/\$)		Approx. 112	Approx. 110	106
Nuclear Power Utilization Rate (%)		—	—	—

\*2 Individual figures of Tohoku Electric Power Co., Inc., excluding network business.

## Sensitivity to Major Factors

Crude Oil CIF Price (per \$1/bbl.)	Approx. 23
Exchange Rate (per ¥1/\$)	Approx. 38

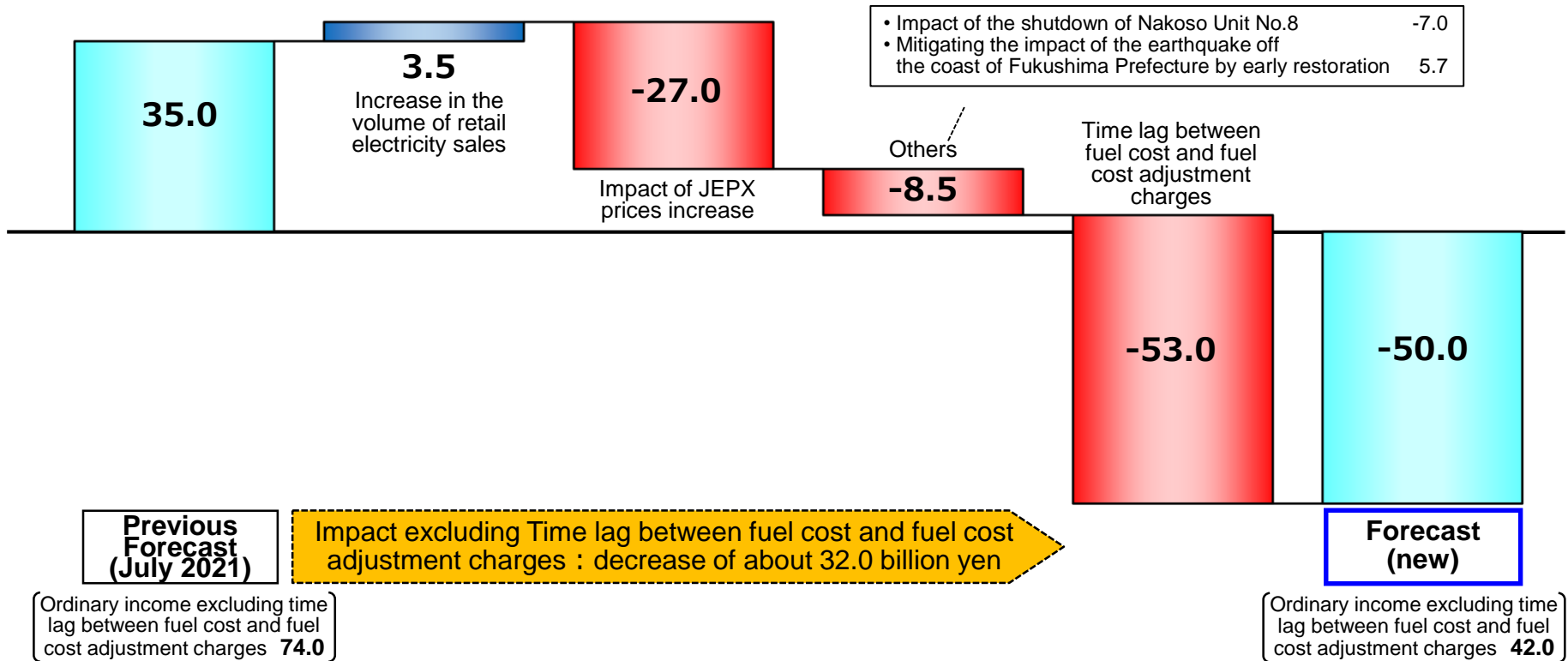
# Financial and Dividend Forecasts for FY2021 (2/2)

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## ■ Changing factor of consolidated ordinary income (compared to the previous forecast)

**Decrease of 85.0 Billion Yen (35.0 → -50.0)**

(billions of yen)



## ■ Dividend Per Share

Year-end dividend has been revised from 20 yen to undecided. (yen)

	Interim	Year-end	Annual
Dividend Per Share	20	Undecided	Undecided

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## **Status of Progress in Highlights of FY2021 Medium-term Plan**

## Highlights

## Basic concept of business promotion

### “Change”

Thorough enhancement of competitiveness through drastic reforms to our power supply business

### “Challenge”

Attempt to quickly achieve profitability with our smart society building business

### “Create”

Evolve our management base, which supports the creation of our corporate value



### *Accelerating our efforts:*

*To overcome severe income/expense conditions and open up a new, post-pandemic era*

- ✓ We will accelerate the speed of a structural reform of the power supply business while thoroughly strengthening electric power sales and digging deeper into cost reductions.
- ✓ While doing our utmost to restart the nuclear power stations with safety as the first priority, we will proactively provide information for local residents and carefully conduct activities to gain their understanding.
- ✓ Under the leadership of Tohoku EPCO Frontier Co., Inc., the entire Tohoku Electric Power Group will aggressively take on and quickly achieve profitability with our smart society building business.
- ✓ We will continue to research the ideal for achieving carbon neutrality by 2050 and contributing to the reduction of CO<sub>2</sub> emissions on the customer side

## Major efforts and progress

- We will endeavor to thoroughly strengthen current power sales to secure sustainable profits and reduce costs.
- We will shift to a business model for the maximization of profits by enhancing competitiveness and stable operation of facilities based on the mission of each function of the power supply business.

### Power generation and wholesale

#### Nuclear power generation (See slide 12.)

Efforts in the “Highlights”		Status of efforts (as of January)
Onagawa Unit 2	Restart operations quickly by the following measures: conducting construction work for safety, succession of technical skills required for operation and exerting efforts for enhancing abilities to respond to new equipment.	<ul style="list-style-type: none"> <li>■ Construction work on safety measures are being implemented according to the plan.</li> <li>■ Education and training menu is being enhanced for technological succession and mastery of new equipment.</li> <li>■ Approval for construction plan (December)</li> <li>■ Application for approval of license amendment of facilities for dealing with serious accidents such as intentional aircraft collisions (January)</li> </ul>
Higashidori Unit 1	Respond to the conformity assessment for restarting while conducting construction work for safety measures.	<ul style="list-style-type: none"> <li>■ Currently, the review of the assessment of earthquake and tsunami is underway.</li> </ul>
Onagawa Unit 3	Proceed with the consideration for the application for conformity assessment.	Same as left

#### Thermal Power Generation

Efforts in the “Highlights”		Status of efforts (as of January)
Promote development of Joetsu Unit 1 (LNG : 572MW)		<ul style="list-style-type: none"> <li>■ Under construction to start commercial operation in December 2022 (90% progress rate of construction works)</li> </ul>
Replacement of aged thermal power plants with low environmental and economic efficiency		<ul style="list-style-type: none"> <li>■ Higashi Niigata Port Units 1 and 2: Long-term plan to be suspended (March 2021)</li> <li>■ Akita Unit 4 taken out of operation (March 2023)</li> </ul>

- We steadily implemented initiatives to improve safety while obtaining the understanding of the local communities.

## ■ Onagawa Nuclear Power Station

Conformity assessment	1. Permission for application for approval of license amendment (February 26, 2020) 2. Approval for construction plan (December 23, 2021) 3. The application for approval of safety regulations is currently being prepared for amendment.
Construction work on safety measures	Currently, additional ground improvement work for seawalls, installation of venting equipment for containment vessels with filters and earthquake resistant construction are underway with the aim of completing the work in FY2022.



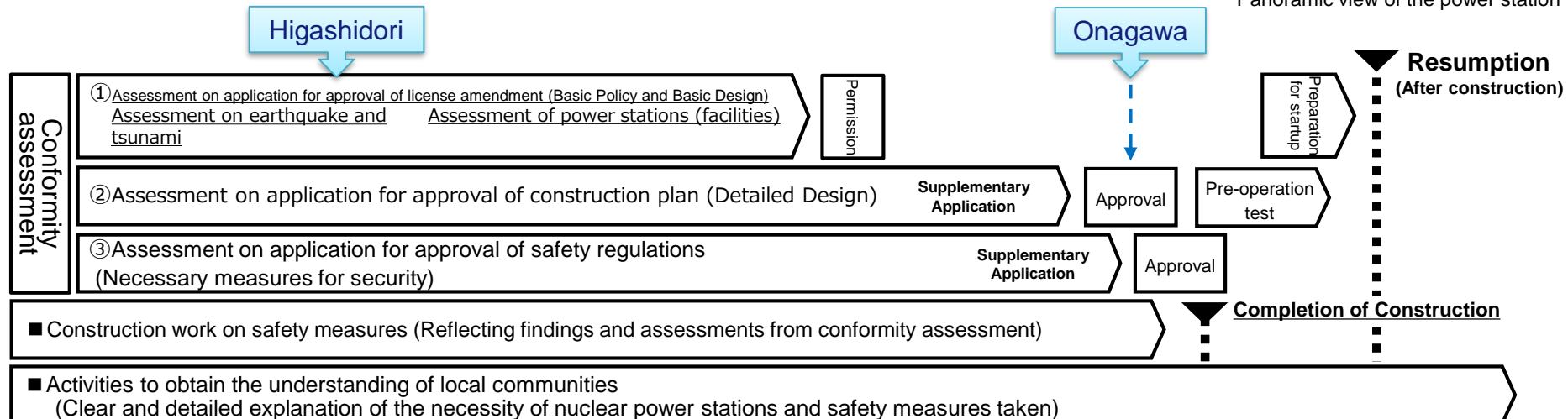
Sea wall 29m above sea level

## ■ Higashidori Nuclear Power Station

Conformity assessment	Currently, the review of the assessment of earthquake and tsunami is underway. To formulate the standard ground motion for seismic design, the identification of epicenter is being evaluated.
Construction work on safety measures	Currently earthquake resistant construction and installation of venting equipment for containment vessels with filters and emergency response facilities are underway with the aim of completing the work in FY2024.



Panoramic view of the power station



## Major efforts and progress

## Power generation and wholesale

## Renewable energy (See slide 14.)

Efforts in the “Highlights”	Status of efforts (as of January)
Putting wind power as a major power source and aiming to develop 2 million kW mainly in Tohoku Region and Niigata prefecture.	■ Currently, we are investing in 27 development projects. If all of the projects are commercialized, the equity output will be approximately 600MW.
Accelerating our studies to establish a new company conducting the operation and maintenance (O&M) business.	■ Tohoku Electric Power Renewable Energy Service Co., Inc., established to handle renewable energy O&M business. (April)

## Fuel procurement and Electricity wholesale

Efforts in the “Highlights”	Status of efforts (as of January)
[Fuel procurement] Reduction in fuel costs and securing fuel procurement flexibility by diversifying procurement methods.	■ Optimization of vessel allocation in long-term LNG contracts and effective use of short-term contracts in view of fuel market conditions
[Fuel procurement] Proceed with the initiative to optimize value chains from fuel procurement to power generation and wholesale by making the most of the trading function of the market.	■ Implementation of integrated trading by Tohoku EPCO Energy Trading, including the use of electricity markets and fuel futures
[Wholesale] Study and promotion of strategic sales utilizing a diversified portfolio of power sources and services that contribute to the improvement of added value of electricity wholesale while making the most of the trading functions	■ Conducting wholesale sales that meet customer needs even with limited supply capacity due to the earthquake off the coast of Fukushima Prefecture



## Under construction

(As of December 2021)

	Project Name	Output	Scheduled Commercial Operation Date
Offshore Wind	① Tsugaru Offshore Wind	Approx.480MW	After FY2028
	② Happo-Noshiro Offshore Wind	Approx.356MW	After FY2028
	③ Akita and Noshiro Port Offshore Wind	Approx.140MW	2022
Onshore Wind	④ Fukaura Wind	Approx.70MW	After FY2024
	⑤ Noshiro-Yamamoto Regional Wind	Approx.100MW	After FY2023
	⑥ Oritsumedake South 1 Wind	Approx.44MW	Jan. 2023
	⑦ Inaniwa Takko Wind	Approx.100MW	After FY2025
	⑧ Inaniwa Wind	Approx.100MW	After FY2025
	⑨ Shiroishi Kosugo Wind	Approx.38MW	After FY2024
	⑩ Southern Abukuma Wind	Approx.90MW	After FY2025
	⑪ Tabito Central Windfarm	Approx.54.6MW	After FY2027
	⑫ Inego-Toge Windfarm	Approx.79.8MW(Max)	After FY2027
	⑬ Miyagi Kami Windfarm	Approx.42MW	April 2024
	⑭ Takko Wind (tentative name)	Approx.75.6MW(Max)	After FY2027
	⑮ Shimokita	Approx.96MW	After FY2027
	⑯ JRE Sakata Replace	Approx.27.5MW(Max)	FY2026
Geothermal	⑰ Kijiyama (tentative name)	14.9MW	2029
Hydroelectric	⑱ Tamagawa No.2 Hydroelectric	14.6MW(Max)	Oct. 2022
	⑲ Naruse River	2.3MW(Max)	FY2034
	⑳ Shin-Kamimatsuzawa	9.4MW(Max)	Nov. 2031
Solar	㉑ Tsuhaze	35MW	March 2023
Biomass	㉒ Chokai-Minami	52.9MW	Oct. 2024
	㉓ Niigata East Port	50MW	Oct. 2024

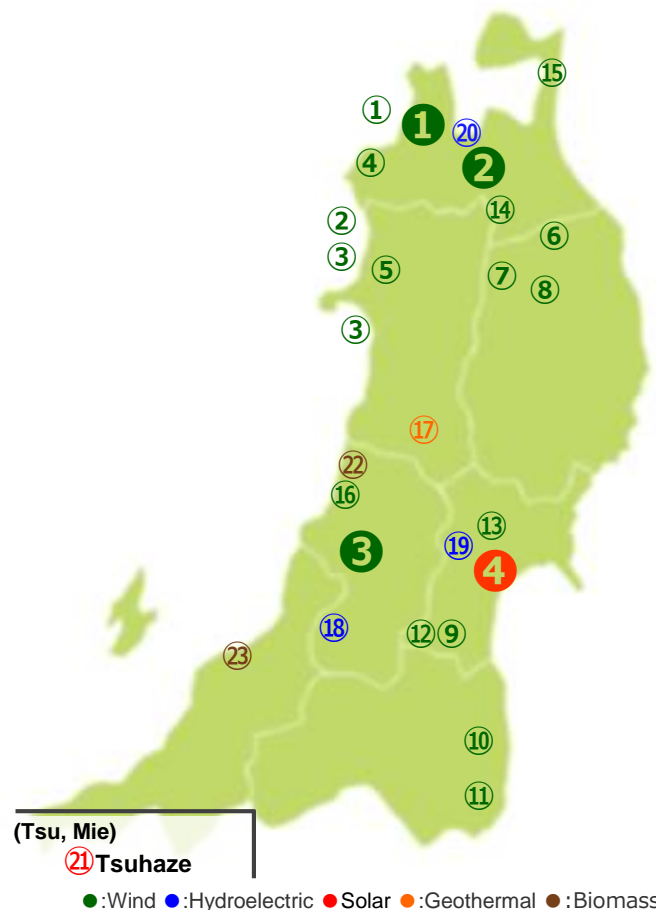
\* These projects include surveys of potential development

## Operation started

	Project Name	Output	Operation Date
Onshore Wind	① Windfarm Tsugaru	121.6MW	April 2020
	② Shichinohe-Towada Wind	30.5MW	Dec. 2021
	③ Tsuruoka Hachimoriyama Wind	13.6MW	Nov. 2021
Solar	④ Miyagi Osato Solar Park	37.5MW	Oct. 2021

Development/participation results  
(as of the end of December, 2021)Total output share **600** MW

\*Value in case of all commercialization



## Major efforts and progress

## Transmission and distribution



Tohoku Electric Power Network Co., Inc.

## Stable supply

Efforts in the “Highlights”	Status of efforts (as of January)
Strengthening resilience for stable supply	<ul style="list-style-type: none"> <li>■ Cooperation Agreement with NTT East (November)</li> <li>■ Signed a memorandum of understanding for mutual cooperation in the case of disaster with the Ninth Regional Coast Guard Headquarters (November) <ul style="list-style-type: none"> <li>*All three agreements include Tohoku Electric Power</li> </ul> </li> <li>■ Improving disaster response capabilities through regular drills</li> </ul>

## Autonomous management and further improvement of efficiency

Efforts in the “Highlights”	Status of efforts (as of January)
Effective use of technology such as AI and IoT and the unified specification joint procurement of equipment, continuation of procurement reform initiatives and cost reduction through productivity improvement	<ul style="list-style-type: none"> <li>■ Decrease in construction costs through the use of drones</li> <li>■ Establish a business management system through the establishment of a kaizen promotion system and a drastic review of business processes to continuously improve efficiency and productivity</li> </ul>

## Power network sophistication for building a smart society

Efforts in the “Highlights”	Status of efforts (as of January)
Power network sophistication for building a smart society	<ul style="list-style-type: none"> <li>■ An initiative in Sado Island to realize the optimal demand control which combines storage battery, internal combustion power energy, and Energy Management System (EMS) (October)</li> </ul>

## Major efforts and progress

- In smart society building business, with our mission to help customers enrich their lives to the maximum from the perspective of power retail sales, we will endeavor to quickly improve both customer satisfaction and environmental engagement and strengthen profitability by expanding services that focus on providing energy and services in the form of a total package.

### Establishment of a new company leading the smart society building business

#### Efforts in the “Highlights”

#### Status of efforts (as of January)

Establishment of Tohoku EPCO Frontier Co., Inc.

- Business Tie-up with Netflix (August)
- Launch of business, Simple Electricity with Netflix, and other new services (November)

### Services provided by Tohoku EPCO Frontier Co., Inc.

#### Streaming service combined with electricity

Simple Denki with Netflix  
(Japan's first bundling of electricity and Netflix services)



#### Subscription service of picture books

Selection of high-quality books translated into Japanese are chosen by World Library Personal's professionals.



(サービスのイメージ)



#### Online shopping service of used cloths for children

Buying and selling used clothes for children online.



(サービスのイメージ)



#### Rental service for outdoor camping gear

In addition to must-have items for camping, those related with electricity are added.



## Major efforts and progress

### Enhancing services for household customers and improving profitability

Efforts in the “Highlights”	Status of efforts (as of January)
Acceleration of the expansion of life support services	<ul style="list-style-type: none"><li>■ Launched Yorisou Mimamori Denki, a service for watching over elderly people (September)</li><li>■ Expansion of the service area for the "Support for living safe" housing equipment repair service (August)</li><li>■ Launch of a set package plan for electricity and gas through a business alliance with Shiogama Gas (November) *Expanding the number of partners</li></ul>
Promote proposal of the electrification of an environmentally friendly and smart life	<ul style="list-style-type: none"><li>■ Campaigns to replace Eco-Cute (until December)</li></ul>
Enhance customer satisfaction by proposing a special pricing plan	<ul style="list-style-type: none"><li>■ Campaigns such as a free basic fee for a certain period (from April)</li></ul>
Reduction of CO2 emissions and environmental load through the Eco-living Project	<ul style="list-style-type: none"><li>■ Proposal of CO2-Free Plan derived from renewable energy</li><li>■ Shift to paperless notice of meter reading (from April)</li><li>■ Support for the introduction of heat pump equipment (until December)</li></ul>

## Major efforts and progress

## Strengthening capability of proposals for corporate customers and maximizing profits by expanding solutions

## Efforts in the “Highlights”

Proposals for optimal energy plans (electricity, gas, renewable energy) according to the status of customer needs

Enhance and proactively propose energy solution services that involve the customer's equipment

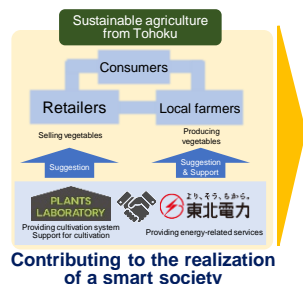
Release and propose new business solution services

## Status of efforts (as of January)

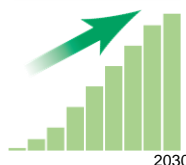
- Menu of power locally generated for local consumption using public hydraulic power stations
- Proactive proposal of our proprietary energy management system exEMS (continued)
- Solution services for retail businesses and farmers to achieve sustainable agriculture (November)
- Launch of the solution service introduction website (November)
- Lightning and Weather Risk Information Service to prevent lightning disasters (November)
- BCP, BPO, ICT-related support services (continued)
- Starting a trial run of platform for business users by our group (November)

## Solution service through “Indoor Farm system for creating and saving energy”

In collaboration with Plants Laboratory Inc., we combined energy management system “exEMS” that our company developed with energy-saving small-sized plants laboratory. Through this system, we will develop “sustainable agriculture from Tohoku”.

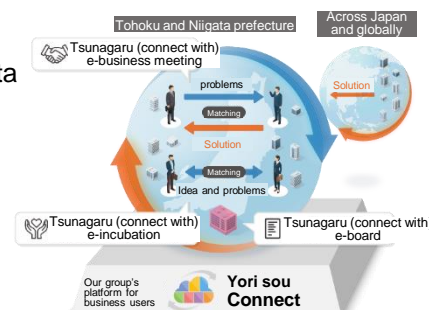


Set cumulative sales target of **5 billion yen** by FY2030 in energy-related service



## Starting a trial run of platform for business users

Under the “Yori sou Tohoku Connect”, which is designed for business users in Tohoku and Niigata prefecture and run by Tohoku Intelligent Telecommunication Co., Inc., businesses who have “problems” or “idea” can be connected with those who have “solutions” on a digital space.



## Major efforts and progress

## Commercialization of Virtual Power Plants (VPP)

## Efforts in the “Highlights”

Launch of some services including energy management

## Status of efforts (as of January)

■ Commencement of renewable energy aggregation demonstration experiment (December)

## Establishment of a new company that will offer a solar power generation and storage cell service

## Efforts in the “Highlights”

Establishment of Tohoku EPCO Solar e Charge Co., Inc.

## Status of efforts (as of January)

- Conclusion of a business alliance agreement with a housing company for the sale of solar power generation and storage battery services (July)
- Launch of combined services for electricity and energy storage services using solar power generation and energy storage systems and expansion of this service to the Kanto area (November)

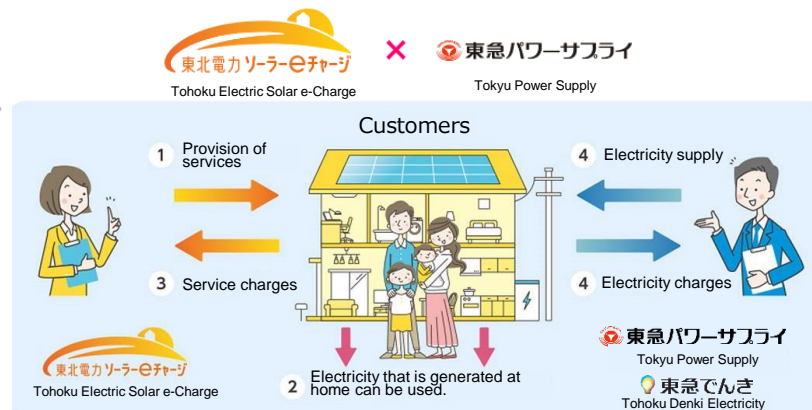
## Tohoku EPCO Solar e-Charge Co., Inc.

“Aozora Charge Service” started its sales in Kanto region.

In cooperation with Tokyu Power Supply, we began to expand “Aozora Charge Service” in Kanto region in November 2021, which had been deployed in Tohoku and Niigata prefecture since July 2021.

“Aozora Charge Service” is designed for those who newly buy their homes. Solar power generation and storage battery systems are available by paying subscription fee per month without any initial costs.

## &lt;Sales scheme in Kanto area&gt;



\*In the Tohoku and Niigata areas, the service is bundled with electricity from Tohoku Electric Power Frontier



## Major efforts and progress

## Promotion of services that contribute to solving local issues

## Efforts in the “Highlights”

Contribution to converting the area into an economically and environmentally friendly town that is resistant to disasters by participation in projects that contribute to solving issues of local government and communities such as regional smart city and town management projects

## Status of efforts (as of January)

- Participation of Izumi Park Town 6th Residential Area East Construction Zone Development Project (solar power generation and storage battery services)

## Acceleration of creation of new business by open innovation

## Efforts in the “Highlights”

Creation of new businesses and services through the collection and evaluation of business ideas from internal and external sources

## Status of efforts (as of January)

- Adoption of business ideas from external companies and consideration of their commercialization (92 applications, 3 adopted)

## Results of Open Innovation Programs

We held a final examination council to select business entities in Open Innovation Program “TOHOKU EPCO BUSINESS BUILD” last December, and aim to jointly put these three business idea into practice.

## 1 ONEDAYWORK CO.,LTD



Provide various work styles such as one-day work and shorter working hours through making use of a new method of recruitment.

2 Mysurance Inc.  
DeNA SOMPO Carlife Inc.  
Sompo Japan Insurance Inc.

Create a new subscription service for living and vehicles that support those in the 20's and 30's and bring a little happiness to their lives.

## 3 Women's Kampo K.K.



Services to promote an appropriate self-medication that make use of online pharmacists.

## Major efforts and progress

### Environment

#### Promotion of initiatives for low carbonization and de-carbonization (See slide 22.)

##### Efforts in the “Highlights”

The Tohoku Electric Power Group will proactively meet challenges to become a carbon neutral group by 2050.

##### Status of efforts (as of January)

- Tohoku Electric Power Group Carbon Neutral Challenge 2050 (March)
- Release of CO2 reduction targets for FY2030 and specific initiatives to achieve carbon neutrality (July)

### Social

#### Establishing new work styles and work style reforms in the post-pandemic era

##### Efforts in the “Highlights”

Practice workstyle reforms through the transformation of awareness and action and post-pandemic new work style

##### Status of efforts (as of January)

- Steady practice of working from home and going directly to the worksite
- Promote more efficient ways of working by using digital technologies such as online meetings

#### Promotion of diversity

##### Efforts in the “Highlights”

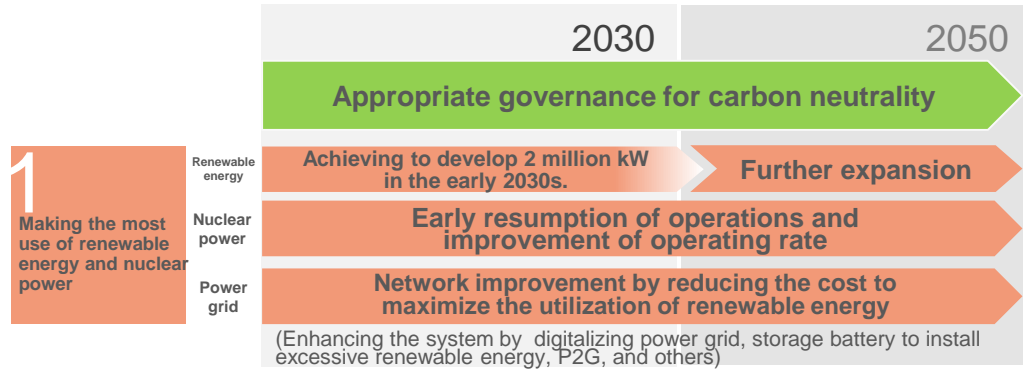
Create a workplace where diverse human resources can demonstrate their abilities to the maximum

##### Status of efforts (as of January)

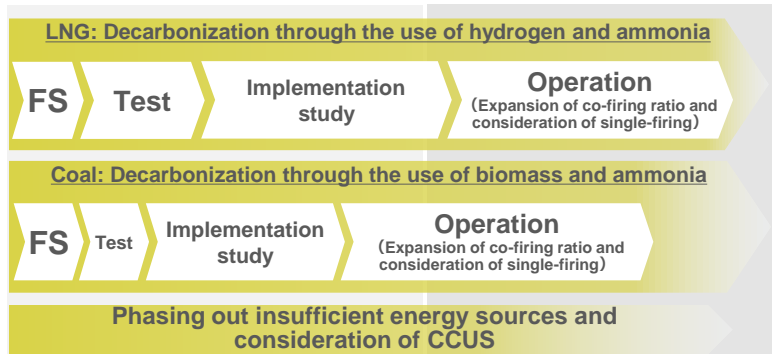
- Message on diversity from top management (August)
- Human rights seminars on LGBT issues (November), information exchange among women managers in the Group (January)



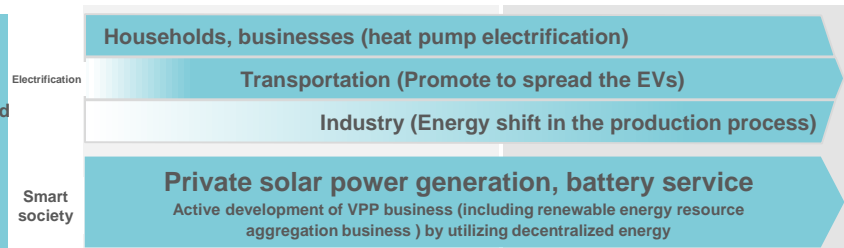
## Roadmap to 2030 and 2050



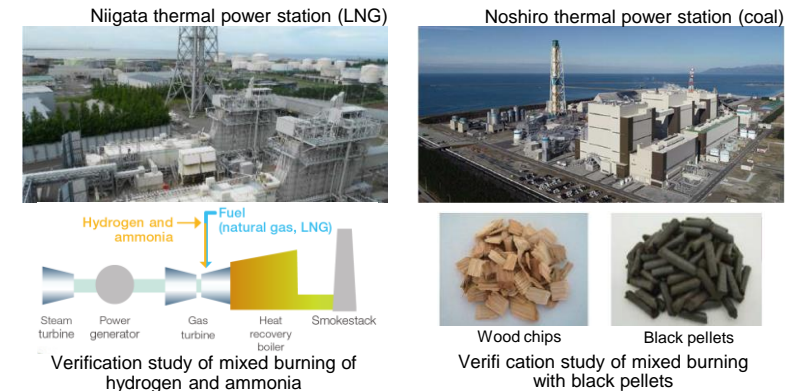
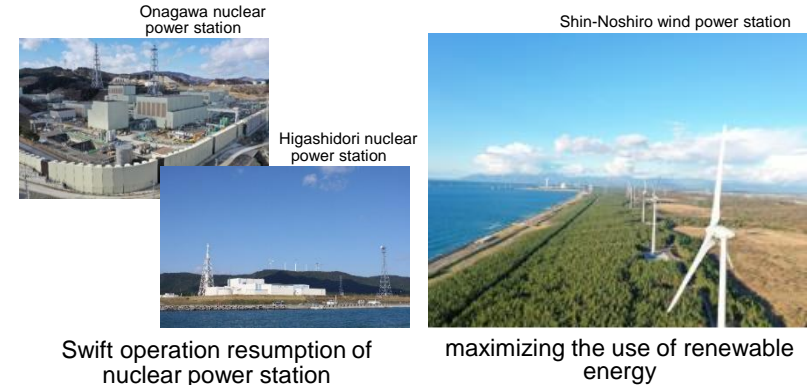
**2 Decarbonization of thermal power**



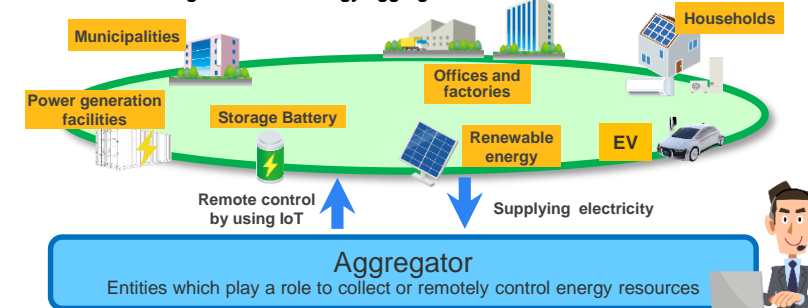
**3 Electrification and realizing a smart society**



## Main Efforts



### VPP service including renewable energy aggregation



## Major efforts and progress

### Governance

#### Enhancement of corporate governance

##### Status of efforts (as of January)

Firmly establish a governance system and further improve its effectiveness While fully taking into consideration the social trends and social demands

##### Status of efforts (as of January)

- As a result of the 97th Ordinary General Meetings of Shareholders, the board of directors consists of 16 members, including seven outside directors. (Two of them are women.)
- Tohoku Electric Power Group Sustainability Policy and Sustainability promotion structure (October)

#### Picking out and developing human resources who support business model transformation

##### Status of efforts (as of January)

Picking out and developing diverse talents inside and outside our group and promoting allocating personnel who can make the growth business profitable

##### Status of efforts (as of January)

- Launch of "T-next," a New AI-driven Education Platform for the Development of Autonomous Human Resources (July)
- Business creativity training (November)

#### Response to business risks

##### Status of efforts (as of January)

Accurate risk control through integrated management of risks in business development

##### Status of efforts (as of January)

- Integrated risk management system (June) and promoting the integrated risk management cycle based on an integrated risk management policy

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# References

# Balance Sheets (Consolidated)

25

(billions of yen)

	Dec. 31, 2021 (A)	Mar. 31, 2021 (B)	Change (A) - (B)	Major factors for change
Total Assets	4,622.6	4,471.0	151.5	
Non-current Assets	3,741.8	3,731.3	10.5	
Current Assets	880.7	739.7	140.9	
Total Liabilities	3,736.1	3,569.5	166.5	
Non-current Liabilities	2,697.8	2,518.1	179.7	Bonds : 130.0
Current Liabilities	1,038.1	1,051.4	(13.2)	
Net Assets	886.4	901.5	(15.0)	
Interest-Bearing Liabilities	2,690.6	2,433.2	257.3	Bonds : 155.0 CP : 70.0 Loans : 32.3
Equity Ratio	17.5%	18.5%	(1.0%)	

# Statements of Income (Consolidated)

26

(billions of yen)

	FY2021/3Q (A)	FY2020/3Q (B)	Comparison	
			(A) - (B)	(A) / (B)
Operating Revenue	1,398.9	1,541.4	(142.5)	90.8%
Electric utility	1,213.1	1,391.1	(177.9)	87.2%
Other business	185.8	150.3	35.4	123.6%
Operating Expenses	1,375.6	1,453.6	(78.0)	94.6%
Electric utility	1,202.1	1,309.4	(107.2)	91.8%
Other business	173.4	144.2	29.2	120.3%
Operating Income	23.3	87.8	(64.5)	26.6%
Non-operating income	3.5	6.0	(2.5)	58.7%
Non-operating expenses	16.5	18.2	(1.6)	90.7%
Ordinary Income	10.3	75.7	(65.3)	13.7%
Provision or reversal of reserve for fluctuation in water levels	0.0	-	0.0	-
Extraordinary Income	7.5	-	7.5	-
Extraordinary loss	6.0	-	6.0	-
Income taxes	6.8	23.9	(17.1)	28.5%
Net income attributable to non-controlling interests	2.5	1.1	1.3	213.2%
Net income attributable to owners of parent	2.4	50.6	(48.2)	4.8%

# Statements of Income (Consolidated)

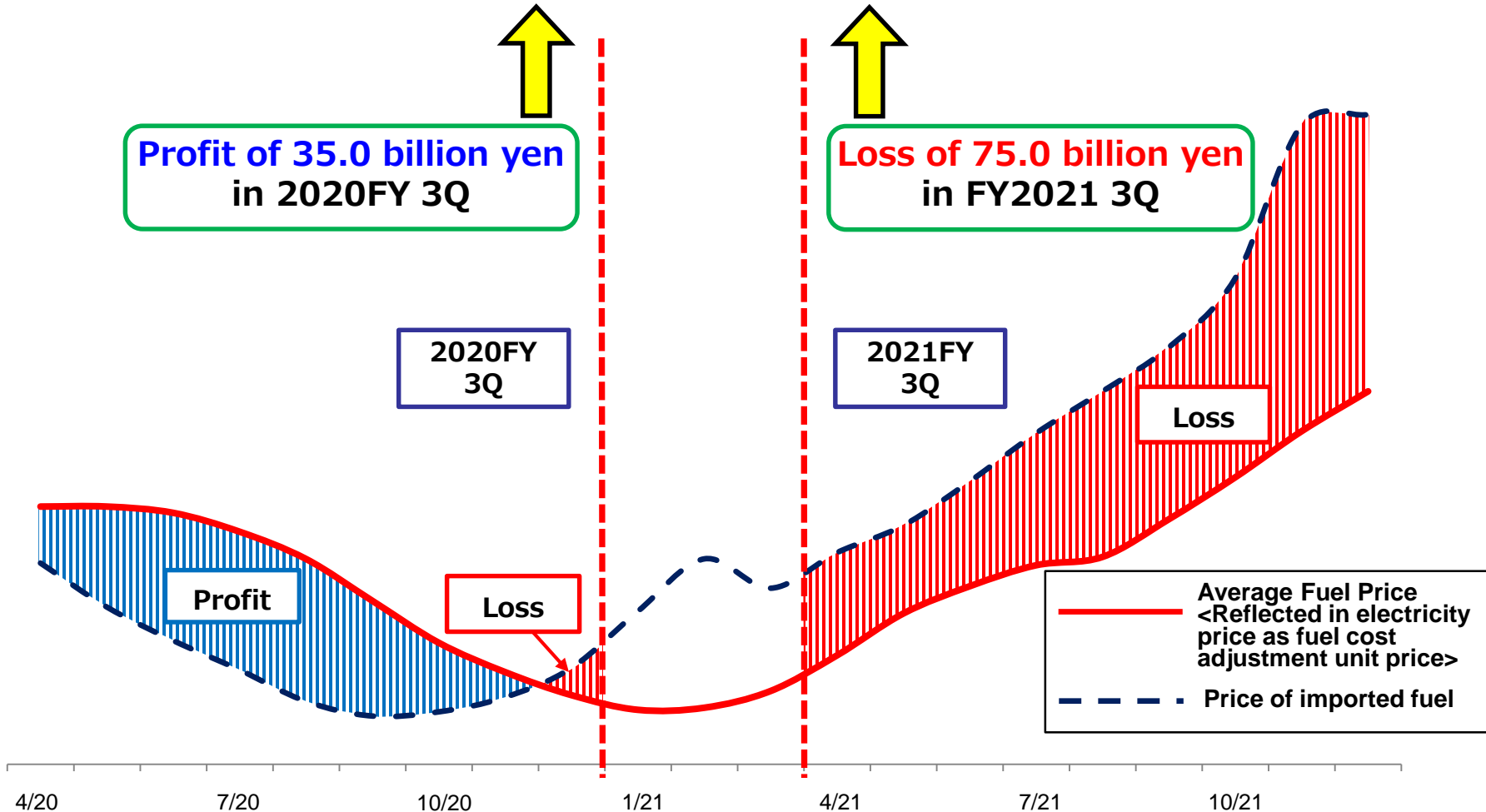
27

(billions of yen)

			FY2021/3Q (A)	FY2020/3Q (B)	Change (A) – (B)	Change (A) / (B)	Major factors for change
Revenue	Electric utility operating revenue	Revenue from Electricity Sales	795.6	887.5	(91.9)	89.6%	Decrease due to adoption of Accounting Standard for Revenue Recognition
		Lighting (Residential)	313.1	358.2	(45.1)	87.4%	Decrease in meter rate lighting service
		Power	482.4	529.3	(46.8)	91.2%	
		Sales of power to other utilities and other companies	332.9	214.4	118.4	155.2%	
		Grant under Act on Purchase of Renewable Energy Sourced Electricity	-	216.5	(216.5)	-	Decrease due to adoption of Accounting Standard for Revenue Recognition
		Other revenue	84.5	72.5	12.0	116.6%	
		Sub total	1,213.1	1,391.1	(177.9)	87.2%	
	Other operating revenue		185.8	150.3	35.4	123.6%	
	[Operating Revenue]		[ 1,398.9 ]	[ 1,541.4 ]	[ (142.5) ]	[ 90.8% ]	
	Non operating revenue		3.5	6.0	(2.5)	58.7%	
Total revenue		1,402.5	1,547.5	(145.0)	90.6%		
Expenses	Electric utility operating expenses	Personnel	103.3	111.7	(8.3)	92.5%	
		Fuel	305.9	182.4	123.5	167.7%	Increase in CIF price
		Maintenance	99.5	102.2	(2.6)	97.4%	
		Depreciation	120.6	154.4	(33.7)	78.1%	Decrease due to change in depreciation method
		Power purchased from other utilities and other companies	383.6	458.3	(74.6)	83.7%	Decrease due to adoption of Accounting Standard for Revenue Recognition
		Taxes, etc.	61.9	61.2	0.7	101.2%	
		Nuclear power back-end cost	5.3	5.2	0.0	101.7%	
		Levy under Act on Purchase of Renewable Energy Sourced Electricity	-	115.9	(115.9)	-	Decrease due to adoption of Accounting Standard for Revenue Recognition
		Other expenses	121.5	117.7	3.8	103.3%	
		Sub total	1,202.1	1,309.4	(107.2)	91.8%	
	Other operating expenses		173.4	144.2	29.2	120.3%	
	Non operating expenses		16.5	18.2	(1.6)	90.7%	
	Total expenses		1,392.1	1,471.8	(79.6)	94.6%	
[Operating Income]		[ 23.3 ]	[ 87.8 ]	[ (64.5) ]	[ 26.6% ]		
Ordinary Income		10.3	75.7	(65.3)	13.7%		
Provision or reversal of reserve for fluctuation in water levels		0.0	-	0.0	-		
Extraordinary Income		7.5	-	7.5	-	Gain on sales of securities (Stocks of group companies)	
Extraordinary loss		6.0	-	6.0	-	Loss on return of imbalance income and expenditure	
Income taxes		6.8	23.9	(17.1)	28.5%		
Income attributable to non-controlling interests		2.5	1.1	1.3	213.2%		
Profit attributable to owners of parent		2.4	50.6	(48.2)	4.8%		

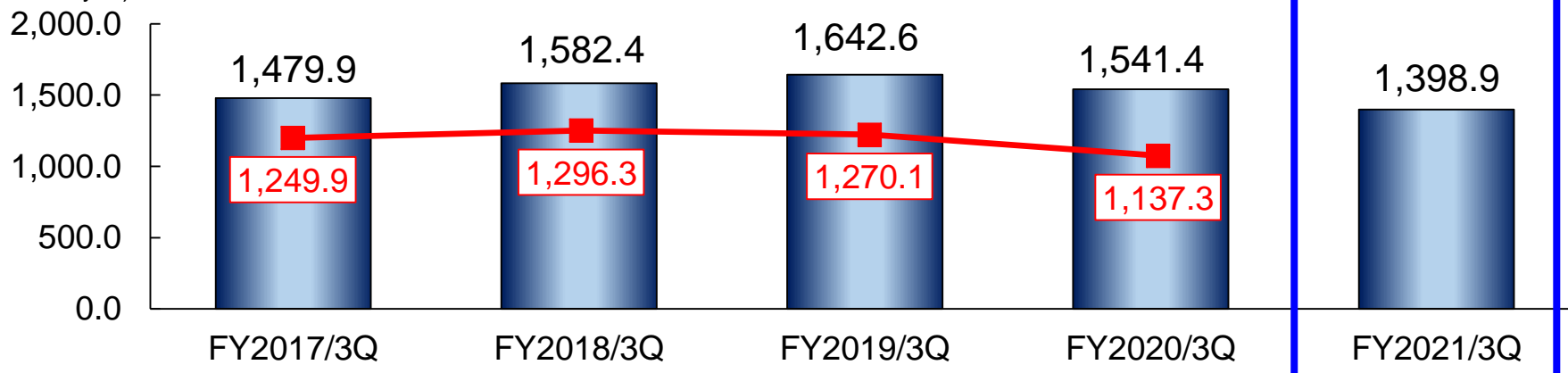
## Image of Time Lag Effect

The effect of pushing down income by about **110.0 billion yen** compared to the same period of the previous year due to the upward trend in fuel prices



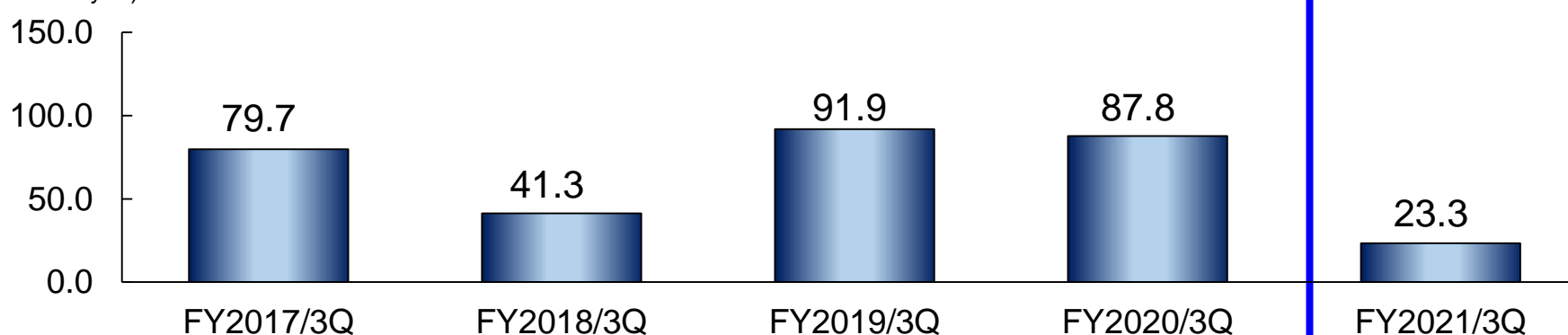
## ■ Operating Revenue

(billions of yen)



## ■ Operating Income

(billions of yen)

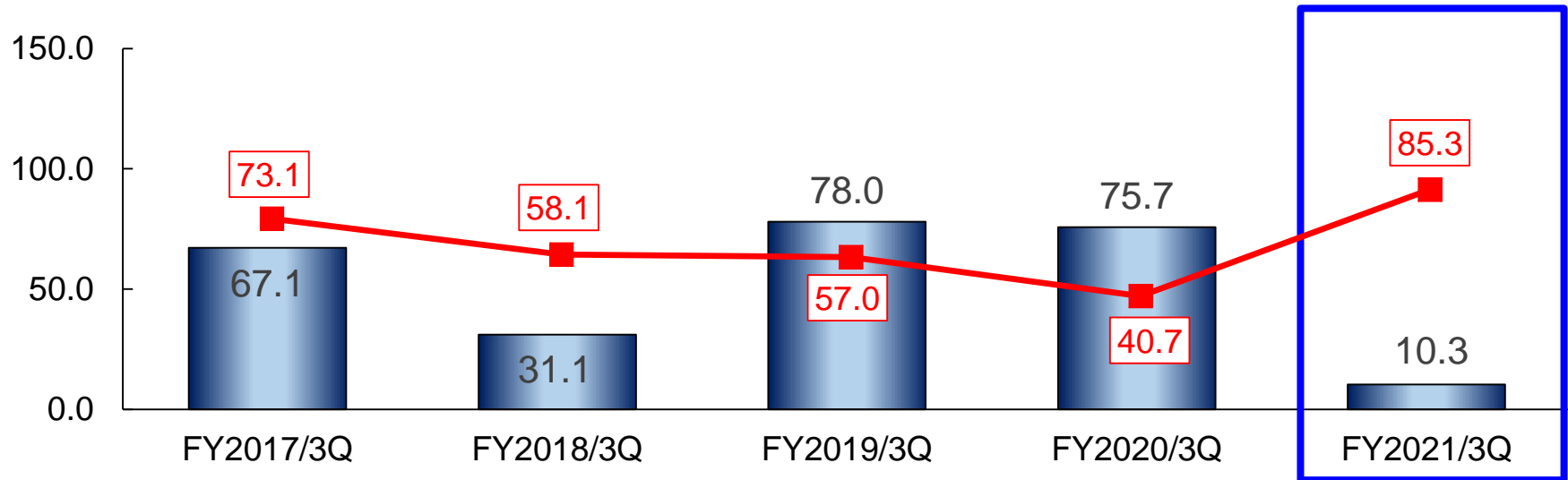


	2017FY/3Q	2018FY/3Q	2019FY/3Q	2020FY/3Q	2021FY/3Q
Operating Income on Operating Revenue Ratio (Consolidated basis)	5.4%	2.6%	5.6%	5.7%	1.7%
Operating Income on Operating Revenue Ratio using above red line (Consolidated basis)	6.4%	3.2%	7.2%	7.7%	



## ■ Ordinary Income

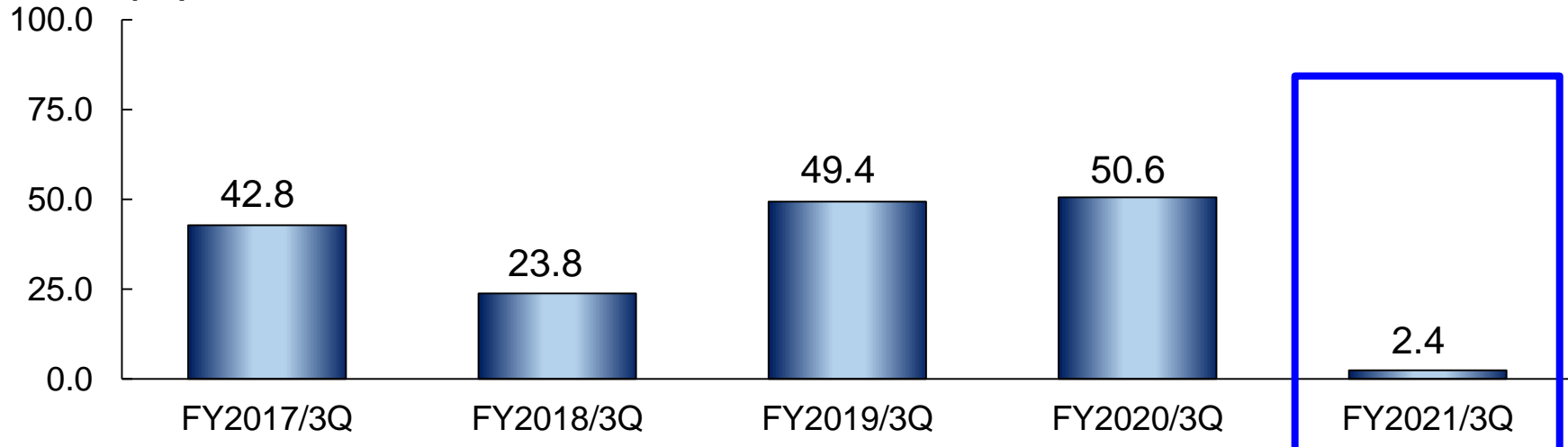
(billions of yen)



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)



# Retail Electricity Sales Volume by Month

31

(GWh)

	FY2021												
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Lighting (Residential)	1,806	1,581	1,211	1,290	1,588	1,412	1,262	1,526	1,931	—	—	—	13,607
Power	3,600	3,512	3,712	3,957	4,072	3,768	3,674	3,646	3,925	—	—	—	33,867
Retail Electricity Sales	5,407	5,093	4,923	5,246	5,660	5,180	4,936	5,172	5,857	—	—	—	47,474

(GWh)

	FY2020												
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Lighting (Residential)	2,043	1,664	1,307	1,310	1,500	1,639	1,422	1,554	1,939	2,880	2,425	2,287	21,969
Power	3,465	3,234	3,414	3,542	3,726	3,813	3,559	3,459	3,796	4,196	3,930	3,848	43,983
Retail Electricity Sales	5,508	4,899	4,721	4,852	5,226	5,452	4,982	5,013	5,734	7,076	6,355	6,135	65,952

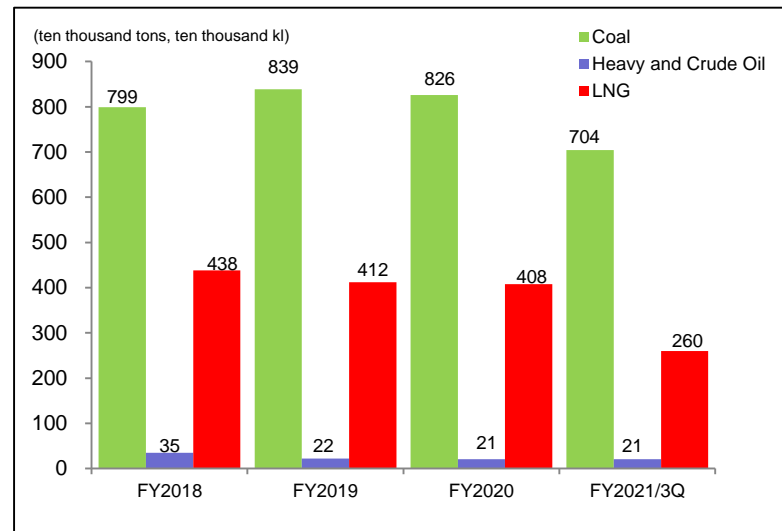
\*Total may not match due to rounding.

# Fuel Consumption Results

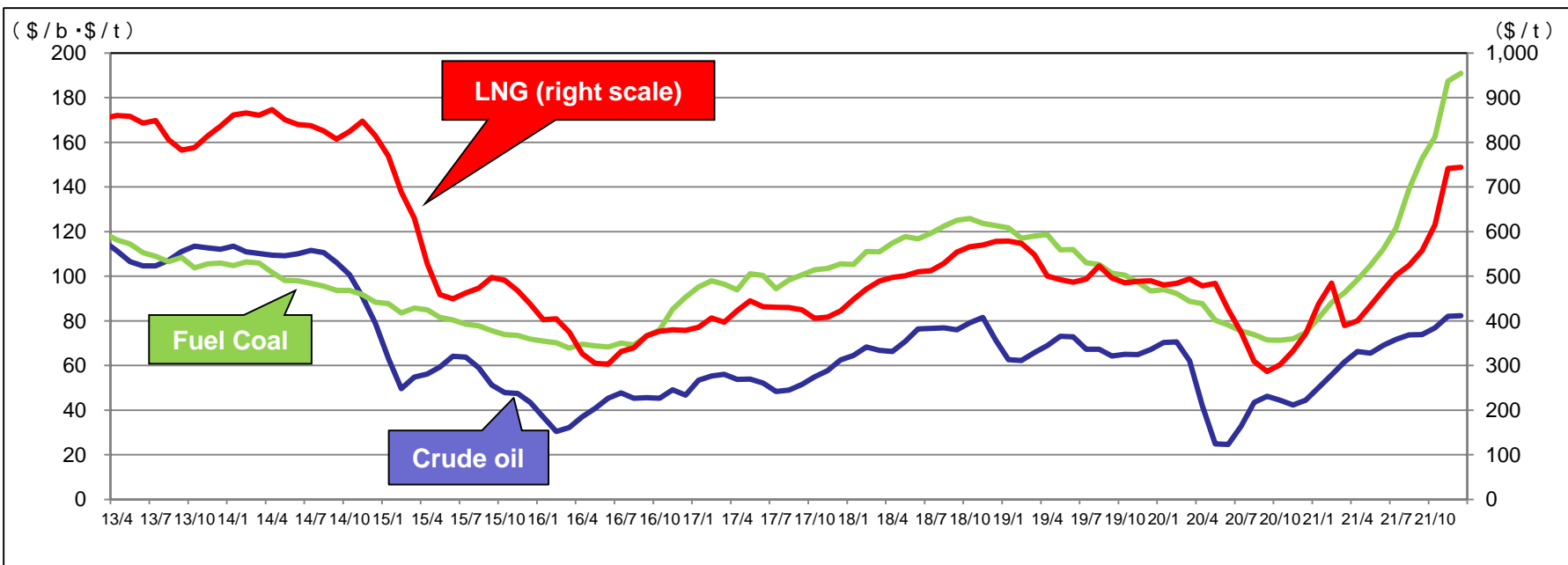
## Fuel Consumption

	FY2021/3Q (A)	FY2020/3Q (B)	Change (A) - (B)	(Reference) FY2020
Coal (ten thousand tons)	704	637	67	826
Heavy and Crude Oil (ten thousand kl)	21	12	9	21
LNG (ten thousand tons)	260	285	(25)	408

\*Above figures are fuel consumption of Tohoku EPCO and remote island



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



(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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