# Financial Summary
# 2nd Quarter of FY2020

## ( April 1, 2020 – September 30, 2020)

Tohoku Electric Power Co., Inc.

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# 2nd Quarter of FY2020
# Financial Results

# Summary of Financial Results



- Operating revenue* ¥1,038.0 billion (a year on year decrease of ¥81.9 billion)

  Retail electricity sales volume decreased due to decrease in operations for commercial and industrial use resulting from the impact of COVID-19.

- Ordinary income ¥80.5 billion (a year on year increase of ¥16.0 billion)

  Retail and wholesale electricity sales volume decreased. However, in addition to a decrease in fuel costs due to an increase in spot purchase based on fuel market conditions and a decrease in maintenance costs due to the difference in the timing of inspections such as the power generation predetermined period, the time lag of the fuel cost adjustment system pushed up profits.

* Operating revenue includes ¥270.8 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.

## 【Summary of Consolidated Financial Statements】

(billions of yen)

| | Consolidated | | | Breakdown by segment of FY2020/2Q (A) | | | | |
|---|---|---|---|---|---|---|---|---|
| | FY2020/2Q (A) | FY2019/2Q (B) | Change (A) − (B) | Power Generation and Sales | Network | Construction | Others | (Adjustment*2) |
| Operating Revenue*1 | 1,038.0<br>[ 767.2 ] | 1,119.9<br>[ 856.4 ] | (81.9)<br>[ (89.2) ] | 830.4<br>[ (635.8) ] | 341.2<br>[ (265.0) ] | 106.5 | 97.0 | (337.2) |
| Ordinary Income*1 | 80.5<br>[ 48.5 ] | 64.5<br>[ 47.5 ] | 16.0<br>[ (1.0) ] | 71.1<br>[ (39.1) ] | 11.1 | (2.6) | 6.9 | (6.0) |
| Net Income Attributable to Owners of Parent | 56.1 | 44.6 | 11.4 | | | | | |

*1 Lower figures of operating revenue exclude grant under act on purchase of renewable energy sourced electricity, the surcharge for promoting renewable energy sourced electricity, FIT electricity, and the self-contracted portion due to indirect auction. Those of ordinary income exclude time lag between fuel cost and fuel cost adjustment charges.

*2 Elimination of transactions between segments.

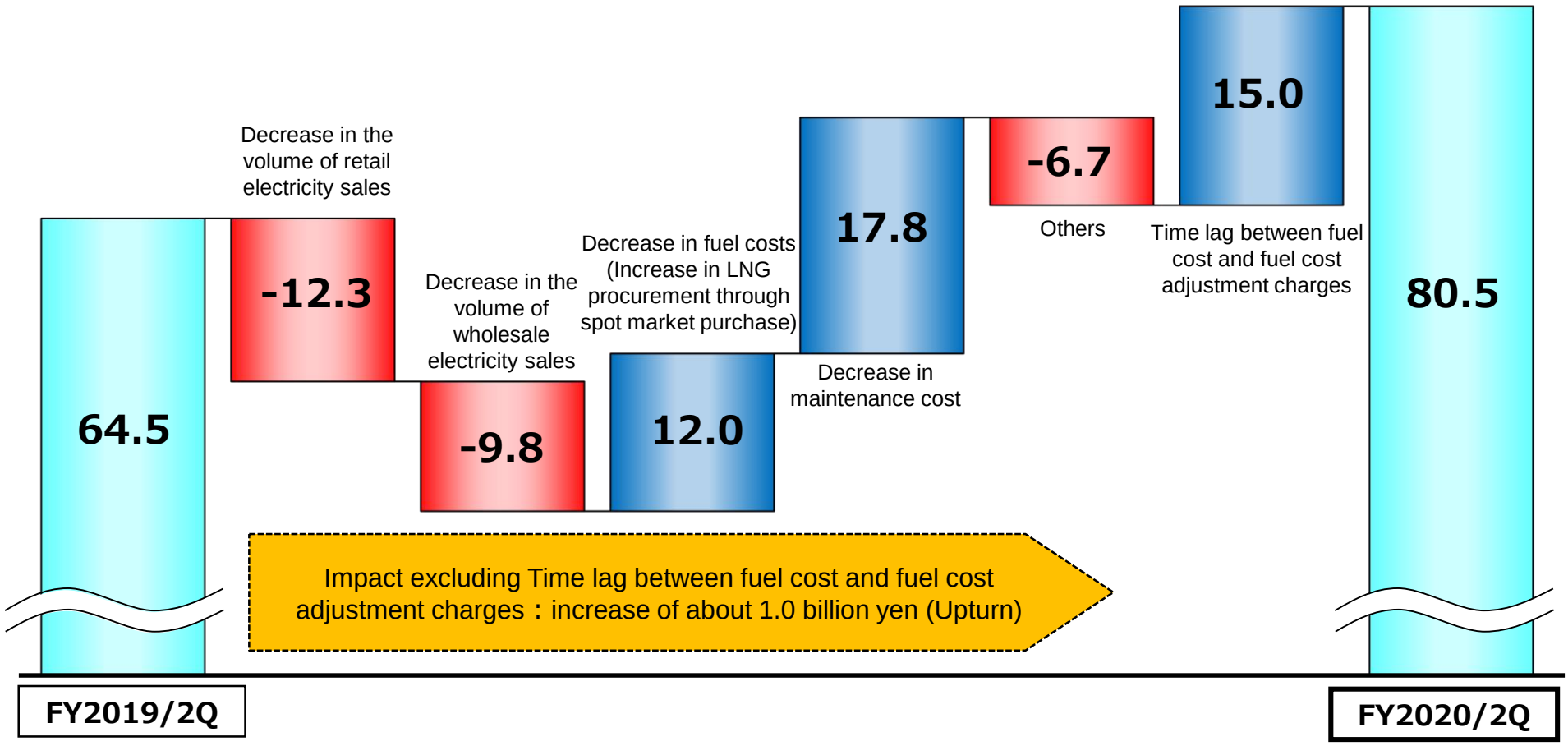
[Reference] Consolidate Cash Income (FY2020/2Q) : ¥171.0 billion

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.)

# Increase of 16.0 Billion Yen (64.5 → 80.5)

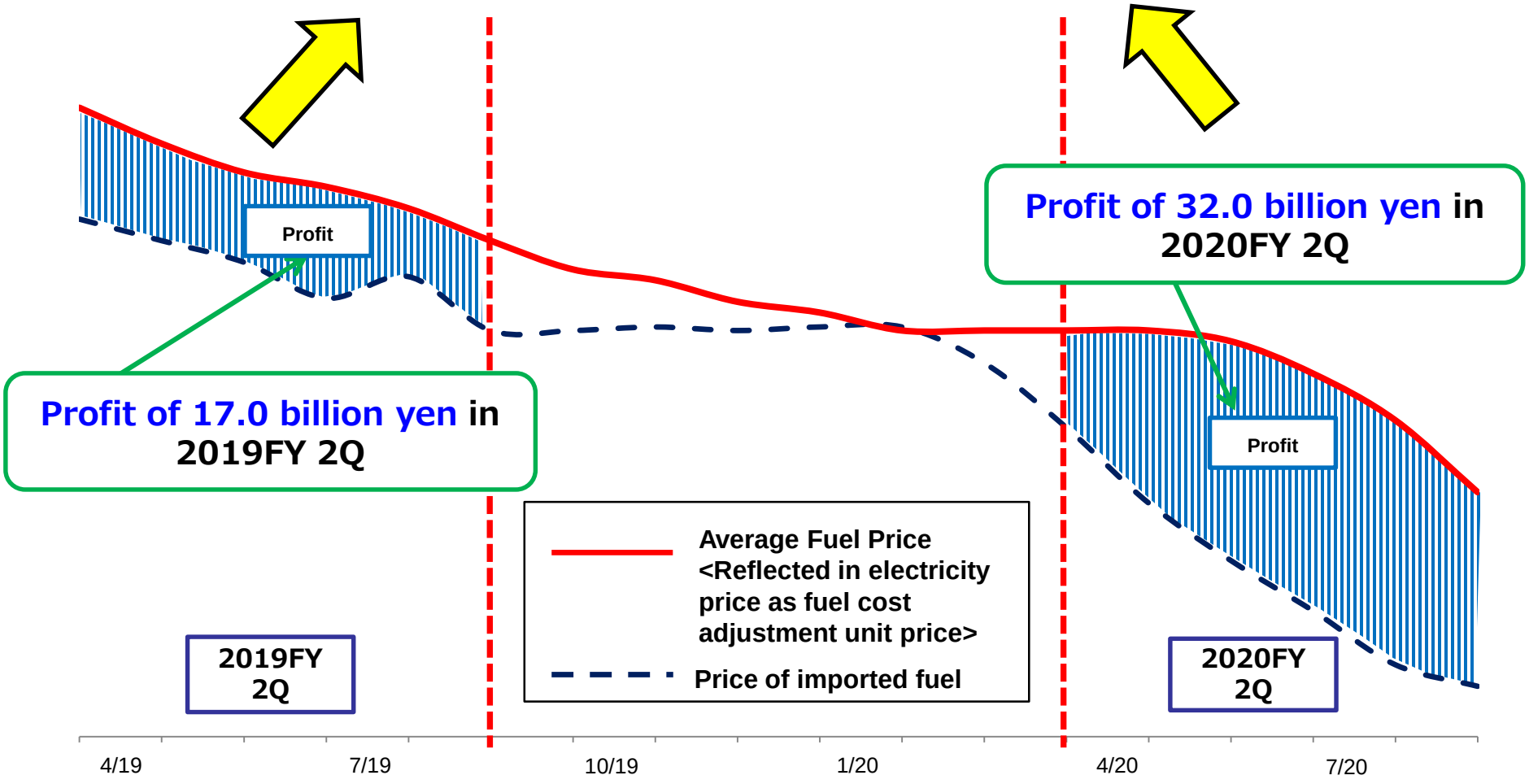
(billions of yen)



# (Reference) Time Lag between Fuel Cost and Fuel Cost Adjustment Charges

## Image of Time Lag Effect

The effect of pushing up income by about **15.0 billion yen** compared to the same period of the previous year due to the downward trend in fuel prices



# Electricity Supply



(GWh)

| Electricity Supply*1 | FY2020/2Q (A) | FY2019/2Q (B) | Change (A) - (B) | Change (A) / (B) |
|---|---|---|---|---|
| Own Generated Power*2 | 29,650 | 27,700 | 1,950 | 107.0% |
| Hydro | 4,314 | 4,349 | (35) | 99.2% |
| Thermal | 24,991 | 23,120 | 1,871 | 108.1% |
| Nuclear | - | (96) | 96 | - |
| Renewables | 345 | 328 | 17 | 105.3% |
| Power Interchanges and Purchased Power*3,4 | 14,633<br>(2,876) | 14,027<br>2 | 606<br>(2,878) | 104.3%<br>- |
| Used at Pumped Storage | (34) | (47) | 13 | 72.9% |
| Total of Electricity Supply*3 | 41,373 | 41,682 | (309) | 99.3% |

*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). Due to legal separation, electric power used inside the power station that is stopped has been included in page 5, electric sales, as the amount of electric power for business use from FY2020.
*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. Figures of FY2020/2Q includes intercompany transactions due to the separation of network business.

# Electricity Sales

(GWh)

| Electricity Sales*1 | FY2020/2Q (A) | FY2019/2Q (B) | Change (A) - (B) | Change (A) / (B) |
|---|---|---|---|---|
| Lighting (Residential) | 9,462 | 9,611 | (149) | 98.5% |
| Power | 21,196 | 22,712 | (1,516) | 93.3% |
| Retail Electricity Sales*2 | 30,658 | 32,323 | (1,665) | 94.8% |
| Wholesale Electricity Sales*3 | 9,336 | 8,219 | 1,117 | 113.6% |
| Total of Electricity Sales | 39,994 | 40,542 | (548) | 98.6% |

*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.

# Major Factors and Sensitivity to Major Factors

| Major Factors | FY2020/2Q (A) | FY2019/2Q (B) | Change (A) - (B) |
|---|---|---|---|
| Crude Oil CIF Price ($/bbl.) | 36.5 | 68.9 | (32.4) |
| Exchange Rate (¥/$) | 107 | 109 | (2) |
| Hydro Power Flow Rate (%) | 93.1 | 90.3 | 2.8 |
| Nuclear Power Utilization Rate (%) | - | - | - |

(billions of yen)

| Sensitivity to Major Factors | FY2020/2Q (A) | FY2019/2Q (B) | Change (A) - (B) |
|---|---|---|---|
| Crude Oil CIF Price (per $1/bbl.) | 8 | 12 | (4) |
| Exchange Rate (per ¥1/$) | 11 | 14 | (3) |
| Hydro Power Flow Rate (per 1%) | 3 | 4 | (1) |

# Financial Forecast and Dividend Forecast (1/2)



- Operating revenue* ¥2,080.0 billion (a year on year decrease of 7.4%)
  Retail electricity sales volume decreased due to the impact of COVID-19.
- Ordinary income ¥55.0 billion (a year on year decrease of 45.0%)
  Although efforts will be made to reduced fuel cost due to an increase in LNG procurement through spot market purchase, retail electricity sales volume is expected to decrease due to the impact of COVID-19 and intensified competition.

## Consolidated Financial Forecasts for FY2020

(billions of yen)

| | FY2020 forecast (A) | FY2019 (B) | Change (A) – (B) |
|---|---|---|---|
| Operating Revenue | 2,080.0 | 2,246.3 | (166.3) |
| Operating Income | 72.0 | 116.3 | (44.3) |
| Ordinary Income | 55.0 | 99.9 | (44.9) |
| Net Income Attributable to Owners of Parent | 33.0 | 63.0 | (30.0) |

## Major Factors

| | | FY2020 forecast | FY2019 |
|---|---|---|---|
| Electric power sales* (TWh) | Retail | Approx. 64.1 | 66.9 |
| | Wholesale | Approx. 17.9 | 17.7 |
| | Total | Approx. 82.0 | 84.6 |
| Crude Oil CIF Price ($/bbl.) | | Approx. 41 | 67.8 |
| Exchange Rate (¥/$) | | Approx. 106 | 109 |
| Nuclear Power Utilization Rate (%) | | - | - |

## Sensitivity to Major Factors

(billions of yen)

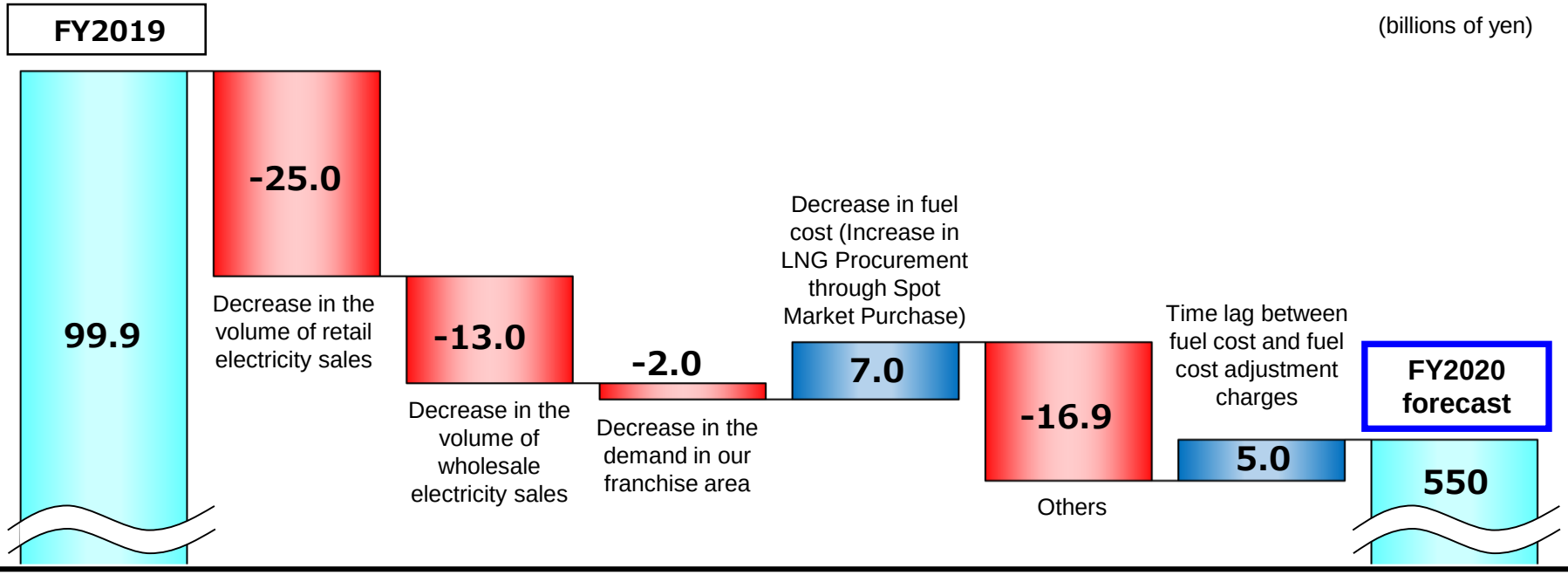
| | |
|---|---|
| Crude Oil CIF Price (per $1/bbl.) | Approx. 1.7 |
| Exchange Rate (per ¥1/$) | Approx. 2.1 |

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

# Financial Forecast and Dividend Forecast (2/2)

## ■Changing factor of consolidated ordinary income

### Decrease of 44.9 Billion Yen (99.9 → 55.0)




## ■Dividend Forecast for FY2020

(yen)

| | Interim | Year-end | Annual |
|---|---|---|---|
| **Dividend Per Share** | 20 | 20 (forecast) | 40 (forecast) |

# Topics

# New Initiative -Related to ESG (1)



## ■Tohoku Electric Power Project for Eco-friendly Life –Seeking sustainable society with our local communities and our customers

We launched “Tohoku Electric Power Project for Eco-friendly Life” including three actions which will lead to the reduction in CO2 emission and alleviate the burden on environment.

We will seek a sustainable society that enables children of the next-generation to live safely with our local communities and our customers.




### ＜Action 1＞ Launching “Eco Denki Premium”

For family users, we launched an optional extra called “Eco Denki Premium”, which supply carbon-free electricity generated at the hydroelectric or geothermal power stations starting from October 1. We will promote to utilize renewable energy.

### ＜Action 2＞ Going Paperless when notifying electricity bill

We currently provide “Notice of electricity consumption”, but we will gradually go paperless and provide a notice of electricity bill online from April 2021 so that we will help save the environment and reduce the amount of paper we use.

### ＜Action 3＞ Supporting to introduce heat pump equipment that is energy-saving and eco-friendly

From October 2020 to January 31 2021, we will launch “Heat Pump/Denka De Eco campaign”, which offers the chance to win 10,000 points for 3,000 users among those who purchased and installed heat pump and other equipment covered by this campaign. Under this campaign, we will promote energy-saving.

*In light of further promoting energy-saving action though spreading and expanding the use of the heat pump equipment, the discount set partially for electricity plan of late-night hours will end as of March 31, 2021.

## ■Issuance of Tohoku Electric Power Green Bond

- In light of expanding renewable energy and ensuring diversification of financing, we issued “the 2nd Tohoku Electric Power Green Bond” in September 2020. This green bond limits the use of the procured funds to projects that have environmental improvement effects at home and abroad, such as the development of renewable energy.

| Summary | |
|---|---|
| Period of maturity | 10 years |
| Amount of issue | 10 billion yen |
| Date of issue | September 16, 2020 |
| Lead manage and Structuring Agent | SMBC Nikko Securities Inc. (Lead manager)<br>Mizuho Securities Co., Ltd.<br>Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. |

# New Initiative -Related to ESG (2)



## ■ Issuance of Integrated Report 2020 -Introduce sustainable growth that we seek through realizing the smart society and promoting ESG management

- We issued “Integrated Report 2020”, which introduce our management policies and business performance in terms of both financial and non-financial aspects.
- “Integrated Report 2020” includes the following: message from the President, which tells about what our group company wants to be and our business direction, introduction of each policy by value chain under our policies, “Tohoku Electric Power Group’s Medium- to Long- Term Vision”, which was formulated this February. We believe this will provide you our initiatives for growth in detailed and concrete manner.

## ＜Highlights for the fiscal 2020＞

### (1) Seeking the potential growth based on Medium- to Long-Term Vision

・What we want to be in the 2030’s is to become a Business Group that helps Tohoku lead the new era in building a smart society and grows with the continued development of society. “Integrated Report 2020” introduces how our corporate group created and provided our own values by using a model for creating corporate value, and our efforts to enhance our competitive edge in power supply as our core business.
・It also introduces further detailed initiatives in smart-society building business as our new growth business.




Go to the full version of Integrated Report 2020

### (2) Further enhancing ESG disclosure

・In accordance with Recommendations on TCFD (The Task Force on Climate-related Financial Disclosure), we disclosed the information on E (environment) for the first time. In terms of S (social), we will enhance resilience based on the natural disasters that we’ve often experienced recently. In order to meet the needs for disclosure of information on G (governance), the Outside Directors commented for the first time. We’ve further promoted to disclose information.
・We organized CSR initiatives from ESG perspectives. Then, we summarized as “ESG Data Book” and attached them at the end of this report as we did last year.

# Other Management Information



## ■ Looking ahead to a post-pandemic early achievement of Tohoku Electric Power Group's Medium- to Long-Term Vision

The COVID-19 pandemic has significantly affected on economy, society, people's value, and accelerated 3D (Digitalization, De-centralization, De-carbonization) that we've recognized in Tohoku Electric Power Group's Medium- to Long-Term Vision.

**Economy and industry**
○Partially returned to home and distributed to the region

**Lifestyle**
○Shift to online communication has been accelerated

**Politics and administration**
○ Community-building that supports those who move to the region
○ De-carbonization has been accelerated globally

**Keywords for Post-pandemic**

Non-Face-to-Face / Remote / Virtual / Automatic

By seeing the post-pandemic as the chance for change, we will accelerate our efforts to achieve our policies, "Tohoku Electric Group's Medium- to Long-term vision" in an early stage. And we will help Tohoku lead in building a Smart Society".

## ■ New Initiatives starting from the last quarter

### ■ Initiative to expand the use of renewable energy

**Areas covered by "Yamagata's Power for Creating Hope" was expanded**
-Any companies in Yamagata Prefecture can join this plan. (July 2020)

**"Yamagata Hydroelectric Premium" which supplies the electricity with CO2-free emission**
-The electricity generated at hydroelectric power station of Corporate Bureau of Yamagata Prefecture is supplied for business users currently under contract in Yamagata Prefecture, including extra-high voltage power/High-voltage power service, if our customers pay electricity bill equivalent to environment values. (July 2020)

**Locally generating and consuming the renewable energy at TDK Museum**
-Through joining "We Like! Green Akita. Optional extras with 100% Hydroelectric Power Generation", TDK Corporation started to use the electricity generated with CO2-free emission. (August 2020)

**Locally generating and consuming the renewable energy at Funagata Mushroom**
-Through joining "Yamagata Hydroelectric Power Premium", Funagata Mushroom Limited Company started to use the electricity generated with CO2-free emission. (October 2020)

### ■ Initiatives to realize a smart society in Tohoku

Investing in THVP No.2 Investment Limited Partnership
-We promote cooperation and collaboration with a start-up in Tohoku. (October 2020)

# Efforts towards Building Smart Society

- Aiming to realize a smart society, we are developing initiatives that contribute to maximizing customer wealth and solving social issues from various perspectives such as VPP, mobility, and smart city. We aim to create new value and transform our business model.
- Positioning VPP as a future growth area, we are working in partnership with local government and corporate customers. We are promoting various efforts toward commercialization, such as verification with next-kraftwerke which is the world's largest VPP operator, and V2G verification. In addition to these, we are considering developing new services that utilize our resources.
- We are also advancing initiatives that contribute to solving local issues, such as initiatives for mobility such as car sharing, and participation in smart cities and town management.

## ■Various efforts toward early commercialization of VPP

### –Verification for VPP resource utilization

・We are verifying market transaction requirements and response characteristics for storage batteries owned by local governments (Sendai City, Niigata City, etc.) and generators for corporate customers. (2018FY ~)

### –Initiatives for diversifying VPP resources

・We participated in the "VPP construction demonstration project," which is a Ministry of Economy, Trade and Industry assistance project, and are implementing a demonstration project that combines stationary storage batteries and storage batteries for electric vehicles to control and use them to adjust the supply and demand of electric power.

With the view to utilizing electric vehicles as VPP resources, we will continue to carry out joint demonstrations with our company, Nissan Motor Co., Ltd., Mitsui & Co., Ltd., Mitsubishi Estate Co., Ltd., and Ricoh Japan Co., Ltd. (2018FY-)

### –Acquisition of optimal control technology and new business opportunities

・Signed a strategic cooperation agreement with next-kraftwerke, which has accurate and optimal control technology for multiple energy resources. With the aim of commercializing VPP by advancing control technology, we have begun verification of the effectiveness of control using the company's VPP system.(2019FY-)

### –Opened VPP business introduction site

・As an initiative to increase awareness of our VPP business, we opened the "VPP business introduction site". It introduces the concept of VPP business and VPP demonstration efforts. (2020FY-)

## ■Solving mobility issues through initiatives such as mobility services

・By setting up spread of EVs promotion and working on new mobility services such as car sharing, we will both solve the mobility issues of local communities and increase our profits.

## ■Contribution to sustainable town development

・We are participating in projects related to smart cities and town management from the perspective of contributing to the formation of a low-carbon society and recycling-oriented society and aiming to build a sustainable regional society.
We are considering introducing solution services in the ongoing development plan in Sendai City (2019FY-)




VPP business introduction site



VPP demonstration with customers

# Progress of Renewable Energy Business

- Considering renewable energy as a power source that will play a part in our future power source portfolio, we aim to become a responsible business entity dealing with renewable energy in the six prefectures of Tohoku and Niigata Prefecture. Having wind power generation at the core and covering hydroelectric, photovoltaic, geothermal, and biomass power generation, we will utilize the know-how our group has acquired and work on new development and business projects. **Aiming for 2GW mainly in the six prefectures of Tohoku and Niigata Prefecture**, we will preferentially devote our management resources to the effort.
- We believe achieving our development goal will require investment of more than 100 billion yen. For now, we anticipate investment on a scale of roughly 10-20 billion yen/year. We will select our investment targets with care, seeking those that will generate returns on consolidated cash flow after identifying their business potential.
- From the perspective of the general life cycle of renewable energy, we will also consider conducting **operation and maintenance (O&M) business and power source replacement business**.

**Areas designated as "promotion area" *1 and "promising area" *2**

Promotion area (July 21, 2020)・・・ Offshore of Noshiro City, Mitane Town and Oga City, Akita Prefecture : ④
Offshore of Yurihonjo City, Akita Prefecture : ⑤

Promising area (3rd July 2020)・・・ Sea of Japan off Aomori Prefecture (South side) : ①
Offshore of Happo Town and Noshiro City, Akita Prefecture : ②

*1 Areas where the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism comply with the standards of the Renewable Sea Area Utilization Law and carry out an offshore wind power generation business through public offering
*2 Area for establishing a council and investigating wind conditions by the country toward the designation of the promotion area

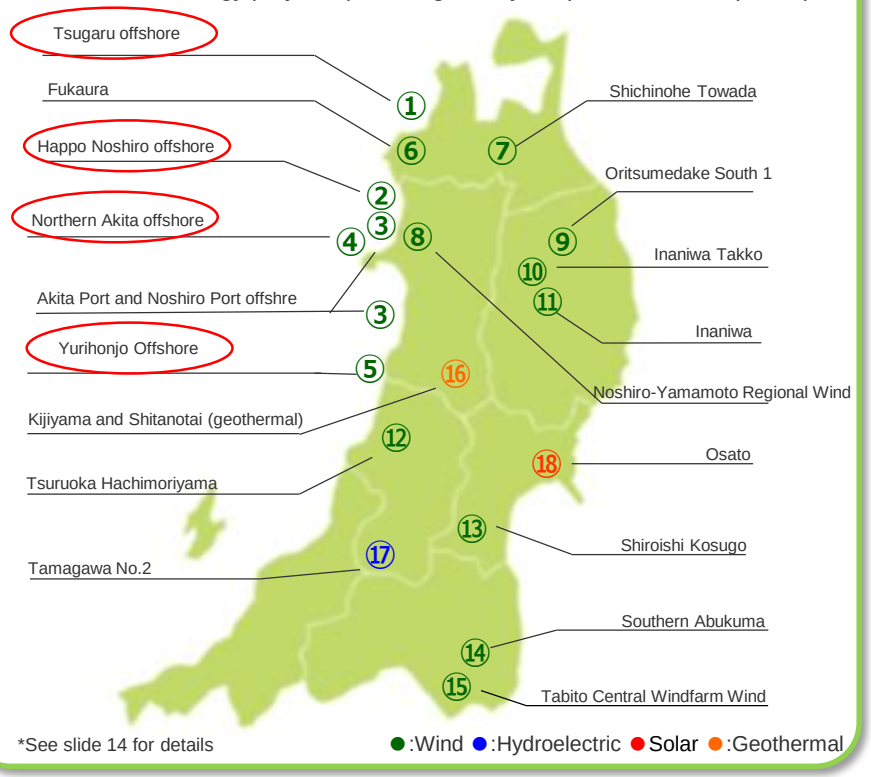
## <Current status>

As of October 2020, our company and our corporate group are engaged in 18 renewable energy development projects, including 15 wind power generation projects.

In light of the recent movement, Japan Renewable Energy Corporation participated in an offshore wind power generation project and three onshore wind power generation projects in September.

Among these projects, “Happo Noshiro Offshore Wind Power Energy Project” is located at the promising area under “Act on Promoting the Utilization of Sea Areas for the Development of Marine Renewable Energy Power Generation Facilities”, and is expected to be designated as the promotion target areas for the future.

Major sites where our group is developing renewable energy or involved in renewable energy projects (including surveys of potential development)



# List of Major Renewable Energy Development/Participation Points of Our Group

| | Project Name | | Business Operator | Output | Scheduled Commercial Operation Date |
|---|---|---|---|---|---|
| ① | Offshore Wind | Tsugaru Offshore Wind | Green Power Nishitsugaru Offshore G.K. | Approx. 480MW | After 2028FY |
| ② | | Happo-Noshiro Offshore Wind | GK Happo Noshiro Offshore Wind | Approx. 155MW | After 2024FY |
| ③ | | Akita and Noshiro Port Offshore Wind | Akita Offshore Wind Corporation | Approx. 140MW | 2022 |
| ④ | | Northern Akita Offshore Wind | Northern Akita Offshore Wind Power LLC. | 448MW（Max） | After 2025FY |
| ⑤ | | Akita Yurihonjo Offshore Wind | Akita Yurihonjo Offshore Wind GK | Approx. 700MW | TBD |
| ⑥ | Onshore Wind | Fukaura Wind | Green Power Fukaura G.K. | Approx. 70MW | After 2024FY |
| ⑦ | | Shichinohe-Towada Wind | GK JRE Hachimandake | Approx. 31MW | Dec. 2021 |
| ⑧ | | Noshiro-Yamamoto Regional Wind | Shirakami Wind GK | Approx. 100MW | After 2023FY |
| ⑨ | | Oritsumedake South 1 Wind | GK JRE Oritsumedake Minami 1 | Approx. 44MW | Jan. 2023 |
| ⑩ | | Inaniwa Takko Wind | Green Power Inaniwa Takko G.K. | Approx. 100MW | After 2025FY |
| ⑪ | | Inaniwa Wind | Inaniwa Wind GK | Approx. 100MW | After 2025FY |
| ⑫ | | Tsuruoka Hachimoriyama Wind | GK JRE Tsuruoka Hachimoriyama | Approx. 14MW | Jan. 2021 |
| ⑬ | | Shiroishi Kosugo Wind | Acacia Renewables K.K. | Approx. 38MW | After 2024FY |
| ⑭ | | Southern Abukuma Wind | Abukuma South Wind Power LLC. | Approx. 90MW | 2022FY |
| ⑮ | | Tabito Central Windfarm Wind | GF Corporation | Approx. 54.6MW | After FY2027 |
| ⑯ | Geothermal | Kijiyama Shitanotai Geothermal | Tohoku Sustainable & Renewable Energy Co., Inc. | TBD | TBD |
| ⑰ | Hydroelectric | Tamagawa No.2 Hydroelectric | Tohoku Sustainable & Renewable Energy Co., Inc. | 14.6MW | Oct.2022 |
| ⑱ | Solar | Osato solar | Miyagi Osato Solar Park GK. | Approx. 37.5MW | 2021FY |

# Making Steady Efforts to Restart Nuclear Power Reactors (1/2)

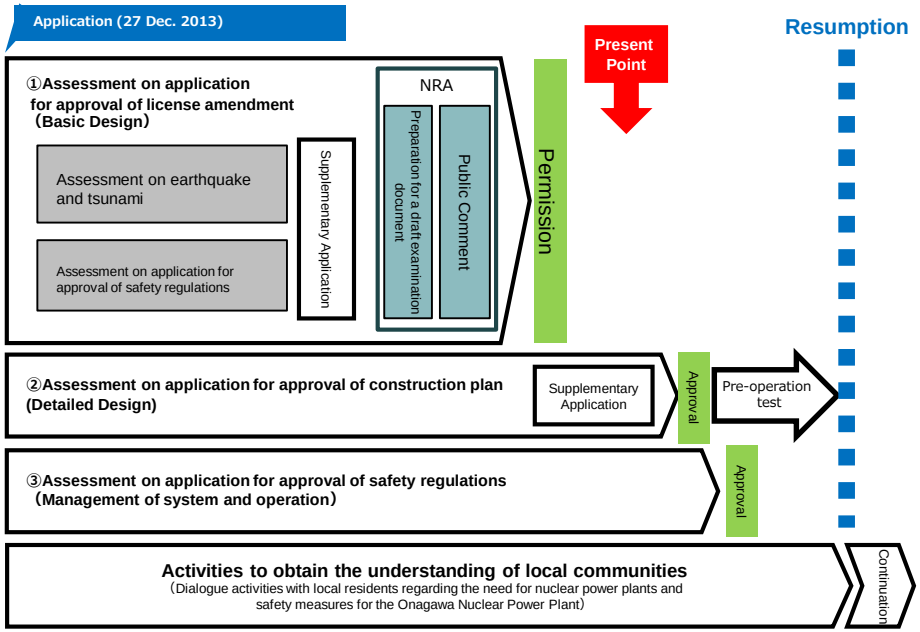
## ■Onagawa Nuclear Power Station

- On February 26, 2020, we received permission for application for approval of license amendment of Onagawa No.2, and we can see the entire process of safety measures in more detail. As a result of re-evaluating the completion time of the construction work, we decided to proceed with the aim of completing the construction of safety measures in FY2022.
- We have made a supplementary application for approval of construction plan, and the detailed design of the reactor facility is under review.

### <Status of efforts>

| | |
|---|---|
| **Assessment** | - We have made a supplementary application for approval of construction plan, and application is currently under review. We submitted supplementary applications in May 29 and September 30. Moreover next submission is scheduled for November. |
| **Construction work on safety measures** | - Scheduled to be completed in 2022. Currently, additional ground improvement work for seawalls and installation of venting equipment for containment vessels with filters are underway. |
| **Activities to obtain the understanding of local communities** | - To prevent infection with the new coronavirus, we conducted a non-face-to-face (posting method) visit to local residents. (July)<br>- A prefecture-sponsored inhabitant briefing will be held and the company will explain the safety measures of the Onagawa Nuclear Power Plant (August) |

### <Flow until resumption of Onagawa No.2>



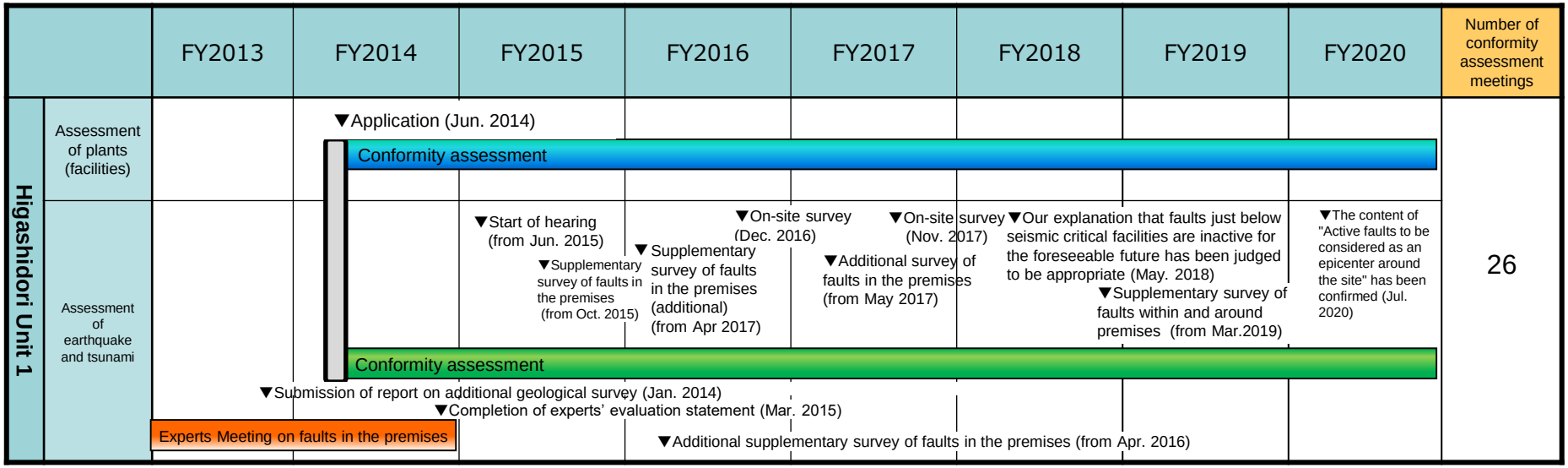
# Making Steady Efforts to Restart Nuclear Power Reactors (2/2)

## Higashidori Nuclear Power Station

- At the assessment meeting on July 17, 2020, it was agreed that the faults on the site other than directly under the earthquake-resistant important facilities and the faults near the site do not fall under “active faults to be considered as the epicenter”. As a result, The content of "Active faults to be considered as an epicenter around the site" has been confirmed. Assessment of standard earthquake ground motions and standard tsunamis are also underway.
- Regarding construction work for safety measures, we are working towards the completion of the work in FY2021.

| | |
|---|---|
| Assessment of plants (facilities) | - We are preparing while making use of the examination trends of the preceding plant and the examination experience at Onagawa Unit 2. |
| Assessment of earthquake and tsunami | - 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 approved at the assessment meeting on May 2020.<br>- Regarding the faults on the site other than directly under the earthquake-resistant important facilities and the faults near the site, based on the results of the supplementary survey conducted in 2019, our explanation that it did not fall under “active faults to be considered as an epicenter” has been approved at the assessment meeting on July 2020.<br>- To formulate the standard ground motion for seismic design, the identification of epicenter and the tsunami height is being evaluated. |

**(as of October 28, 2020)**



# Promotion of Wholesale Electricity Sales

- **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 .
- **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.
- Both companies have steadily won contracts and will continue to expand in the future.

## Synergia Power

より、そう、ちから。東北電力 50% stake

TOKYO GAS 50% stake

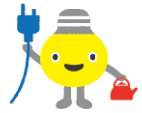
SYNERGIA POWER

## Tokyu Power Supply

より、そう、ちから。東北電力 33.3% stake

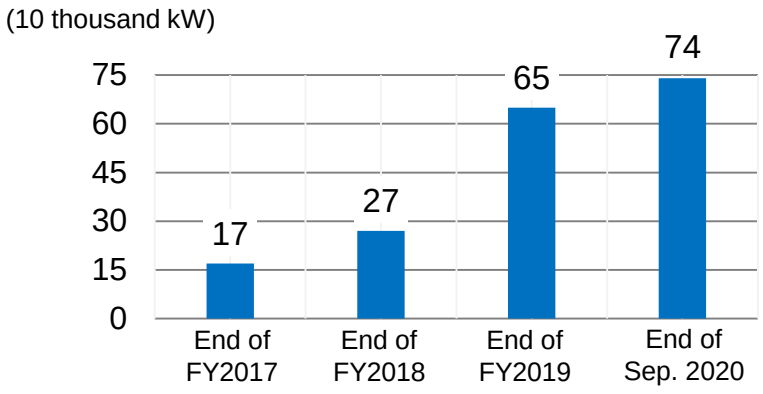
東急 66.7% stake

東急パワーサプライ

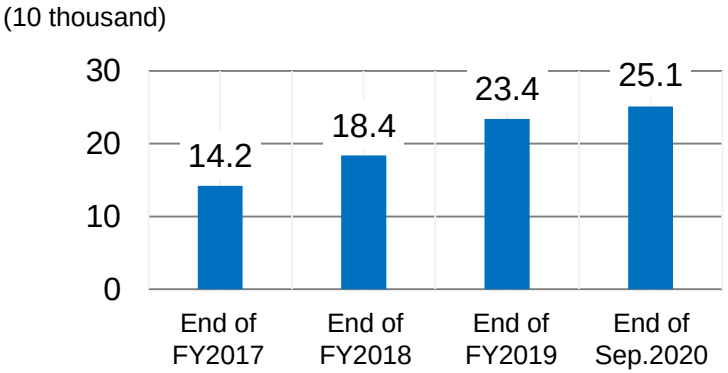


Terumaru, the mascot character of Tokyu's electricity business

### Electricity Contract Capacity




### Number of Contracts ※ Electricity contracts only



# References

# Balance Sheets (Consolidated)

(billions of yen)

| | Sep. 30, 2020 (A) | Mar. 31, 2020 (B) | Change (A) - (B) | Major factors for change |
|---|---|---|---|---|
| **Total Assets** | 4,460.0 | 4,323.0 | 136.9 | |
| **Non-current Assets** | 3,666.5 | 3,679.0 | (12.5) | |
| **Current Assets** | 793.4 | 644.0 | 149.4 | Other receivable : 92.0 |
| **Total Liabilities** | 3,547.3 | 3,458.9 | 88.4 | |
| **Non-current Liabilities** | 2,519.8 | 2,457.1 | 62.6 | Bonds : 130.0<br>Long-term loans : -62.0 |
| **Current Liabilities** | 1,027.5 | 1,001.7 | 25.8 | |
| **Net Assets** | 912.6 | 864.1 | 48.4 | |

| | | | | |
|---|---|---|---|---|
| **Interest-Bearing Liabilities** | 2,494.7 | 2,412.6 | 82.0 | Bonds : 105.0<br>Loans : -32.9<br>CP : 10.0 |

| | | | |
|---|---|---|---|
| **Capital Expenditure** | 18.9% | 18.3% | 0.6% |

# Statements of Income (Consolidated)

(billions of yen)

| | FY2020/2Q (A) | FY2019/2Q (B) | Comparison | |
|---|---|---|---|---|
| | | | (A) - (B) | (A) / (B) |
| Operating Revenue | 1,038.0 | 1,119.9 | (81.9) | 92.7% |
| Electric utility | 942.1 | 1,017.3 | (75.2) | 92.6% |
| Other business | 95.9 | 102.6 | (6.6) | 93.5% |
| Operating Expenses | 948.6 | 1,046.5 | (97.8) | 90.6% |
| Electric utility | 855.6 | 946.8 | (91.2) | 90.4% |
| Other business | 93.0 | 99.7 | (6.6) | 93.3% |
| Operating Income | 89.3 | 73.4 | 15.9 | 121.7% |
| Non-operating income | 2.2 | 3.9 | (1.7) | 56.3% |
| Non-operating expenses | 11.0 | 12.8 | (1.7) | 86.2% |
| Ordinary Income | 80.5 | 64.5 | 16.0 | 124.8% |
| Income taxes | 24.2 | 19.6 | 4.5 | 123.3% |
| Net income attributable to non-controlling interests | 0.1 | 0.2 | (0) | 90.7% |
| Net income attributable to owners of parent | 56.1 | 44.6 | 11.4 | 125.6% |

# Statements of Income (Consolidated)

(billions of yen)

| | | | FY2020/2Q (A) | FY2019/2Q (B) | Change (A) − (B) | Change (A) ／ (B) | Major factors for change |
|---|---|---|---|---|---|---|---|
| Revenue | Electric utility operating revenue | Revenue from Electricity Sales | 603.9 | 670.4 | (66.5) | 90.1% | |
| | | Lighting (Residential) | 241.6 | 257.4 | (15.8) | 93.9% | |
| | | Power | 362.3 | 413.0 | (50.6) | 87.7% | Decrease in large/commercial demand |
| | | Sales of power to other utilities and other companies | 136.4 | 178.6 | (42.1) | 76.4% | Decrease in indirect auction |
| | | Grant under Act on Purchase of Renewable Energy Sourced Electricity | 153.6 | 122.2 | 31.3 | 125.6% | |
| | | Other revenue | 48.0 | 45.9 | 2.0 | 104.5% | |
| | | Sub total | 942.1 | 1,017.3 | (75.2) | 92.6% | |
| | Other operating revenue | | 95.9 | 102.6 | (6.6) | 93.5% | |
| | [Operating Revenue] | | [ 1,038.0] | [ 1,119.9] | [ (81.9) ] | [ 92.7%] | |
| | Non operating revenue | | 2.2 | 3.9 | (1.7) | 56.3% | |
| | Total revenue | | 1,040.3 | 1,123.9 | (83.6) | 92.6% | |
| Expenses | Electric utility operating expenses | Personnel | 75.2 | 73.5 | 1.6 | 102.2% | |
| | | Fuel | 119.9 | 175.2 | (55.3) | 68.4% | Decrease in CIF price |
| | | Maintenance | 59.4 | 77.2 | (17.8) | 76.9% | Differences in the timing of regular inspections |
| | | Depreciation | 102.2 | 98.4 | 3.8 | 103.9% | |
| | | Power purchased from other utilities and other companies | 297.2 | 314.3 | (17.1) | 94.6% | Decrease in indirect auction |
| | | Taxes, etc. | 41.4 | 42.4 | (1.0) | 97.6% | |
| | | Nuclear power back-end cost | 3.4 | 4.7 | (1.3) | 72.9% | |
| | | Levy under Act on Purchase of Renewable Energy Sourced Electricity | 76.7 | 80.0 | (3.3) | 95.9% | |
| | | Other expenses | 79.7 | 80.6 | (0.8) | 99.0% | |
| | | Sub total | 855.6 | 946.8 | (91.2) | 90.4% | |
| | Other operating expenses | | 93.0 | 99.7 | (6.6) | 93.3% | |
| | Non operating expenses | | 11.0 | 12.8 | (1.7) | 86.2% | |
| | Total expenses | | 959.7 | 1,059.3 | (99.6) | 90.6% | |
| [Operating Income] | | | [ 89.3] | [ 73.4] | [ 15.9 ] | [ 121.7%] | |
| Ordinary Income | | | 80.5 | 64.5 | 16.0 | 124.8% | |
| Income taxes | | | 24.2 | 19.6 | 4.5 | 123.3% | |
| Income attributable to non-controlling interests | | | 0.1 | 0.2 | (0.0) | 90.7% | |
| Profit attributable to owners of parent | | | 56.1 | 44.6 | 11.4 | 125.6% | |

# Statements of Cash Flows (Consolidated)



(billions of yen)

| | FY2020/2Q (A) | FY2019/2Q (B) | Change (A) - (B) | Major factors for change |
|---|---|---|---|---|
| Cash Flows from Operating Activities | 80.3 | 125.6 | (45.2) | |
| Cash Flows from Investing Activities | (90.2) | (136.6) | 46.3 | |
| Cash Flows from Financing Activities | 67.6 | 20.1 | 47.5 | CP: 25.0<br>Bonds : 14.9<br>Loan: 8.4 |
| Net Cash Flows | 57.9 | 8.8 | 49.0 | |
| Cash and cash equivalents at end of the period | 310.2 | 193.7 | 116.4 | |
| Free Cash Flows* | (2.2) | (2.7) | 0.4 | |

*: 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)

| | FY2020/2Q (A) | FY2019/2Q (B) | Change (A) – (B) |
|---|---|---|---|
| Operating Revenue* | 1,375.3 | 1,240.5 | 134.8 |
| | 1,038.0 | 1,119.9 | (81.9) |
| Power Generation and Sales | 830.4 | - | - |
| | 799.9 | - | - |
| Network | 341.2 | - | - |
| | 142.7 | - | - |
| Construction | 106.5 | 119.0 | (12.4) |
| | 57.2 | 57.7 | (0.5) |
| Gas | 15.5 | 19.4 | (3.8) |
| | 12.0 | 15.8 | (3.8) |
| IT | 25.7 | 21.0 | 4.6 |
| | 9.0 | 9.4 | (0.4) |
| Others | 55.6 | 61.8 | (6.1) |
| | 17.1 | 19.6 | (2.4) |
| (Ref.) Former Electric Utility | 943.9 | 1,019.1 | (75.1) |
| | 942.1 | 1,017.3 | (75.2) |

(billions of yen)

| | FY2020/2Q (A) | FY2019/2Q (B) | Change (A) – (B) |
|---|---|---|---|
| Segment Income (Ordinary Income) | 86.5 | 68.4 | 18.1 |
| Power Generation and Sales | 71.1 | - | - |
| Network | 11.1 | - | - |
| Construction | (2.6) | 0.3 | (3.0) |
| Gas | 1.5 | 1.3 | 0.2 |
| IT | 3.0 | 1.8 | 1.2 |
| Others | 2.3 | 1.7 | 0.6 |
| (Ref.) Former Electric Utility | 82.0 | 63.2 | 18.8 |

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

# Segment Information (Consolidated)

## 【 Reference : Major Consolidated Subsidiaries】*

(billions of yen)

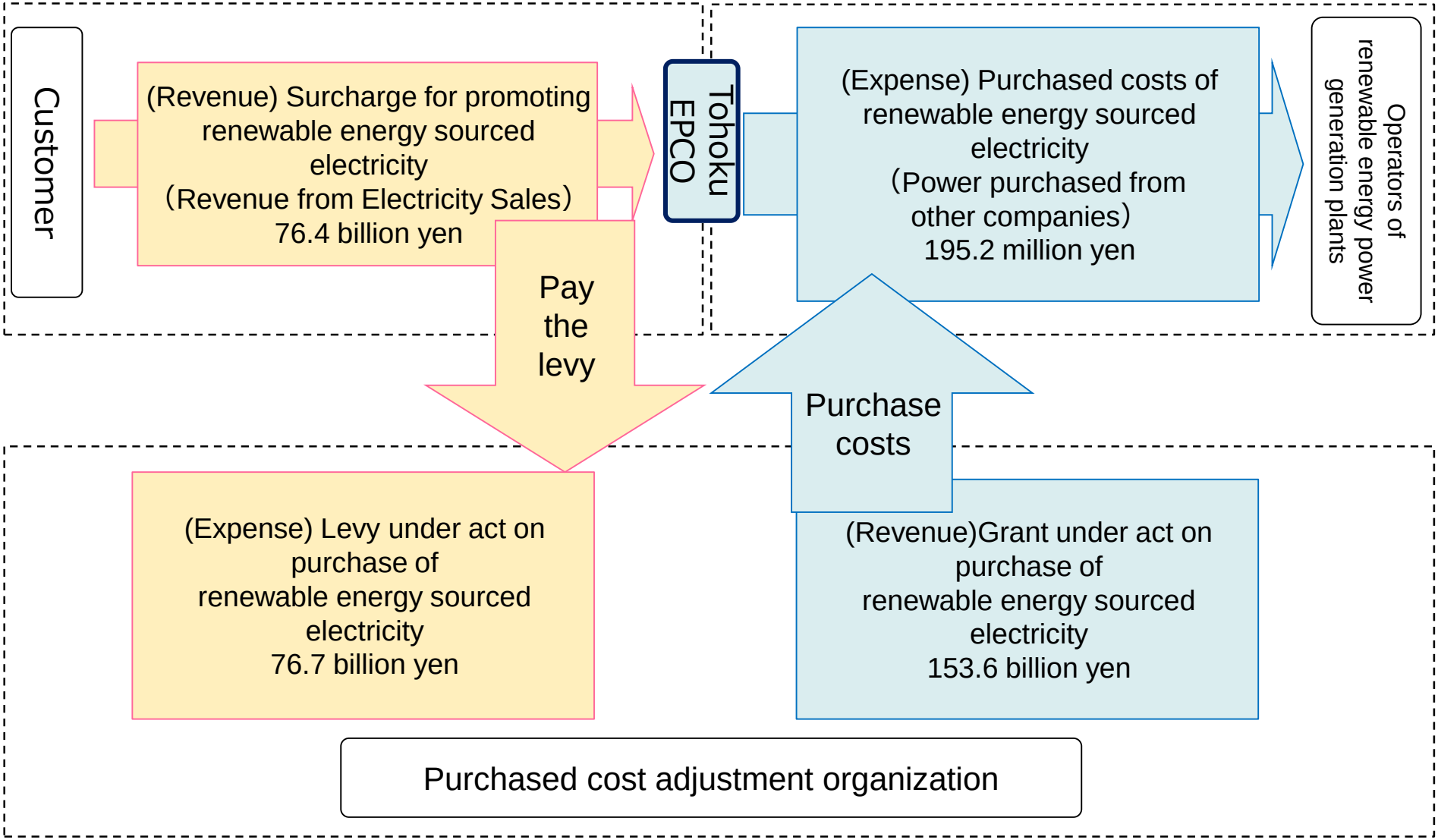
| | FY2020/2Q | | Year-on-year | |
|---|---|---|---|---|
| | Sales | Operating Income | Sales | Operating Income |
| **[ Power generation and Sales ]** | | | | |
| Sakata Kyodo Power Co., Ltd. | 13.3 | (1.0) | (5.0) | 0.1 |
| Tohoku Sustainable & Renewable Energy Co., Inc. | 4.8 | 1.6 | (0.2) | 0.2 |
| **[ Construction ]** | | | | |
| Yurtec Corp. | 77.5 | (0.3) | (6.5) | (0.4) |
| Tohoku Electric Power Engineering & Construction Co., Inc. | 28.7 | (1.1) | (0.0) | (1.7) |
| **[ Gas ]** | | | | |
| Nihonkai LNG Co., Ltd. | 5.5 | 0.8 | (0.3) | 0.0 |
| **[ IT ]** | | | | |
| Tohoku Intelligent Telecommunication Co., Inc. | 11.5 | 1.4 | 0.0 | (0.4) |
| Tohoku Information Systems Co., Inc. | 10.6 | 0.2 | (0.7) | 0.0 |
| **[ Others ]** | | | | |
| Kitanihon Electric Cable Co., Ltd. | 13.6 | 0.2 | (0.3) | 3.0 |

* The amounts before elimination of inter-company transaction

# Effect of Feed-in Tariff Scheme for Renewable Energy (Consolidated)



## FY2020/2Q



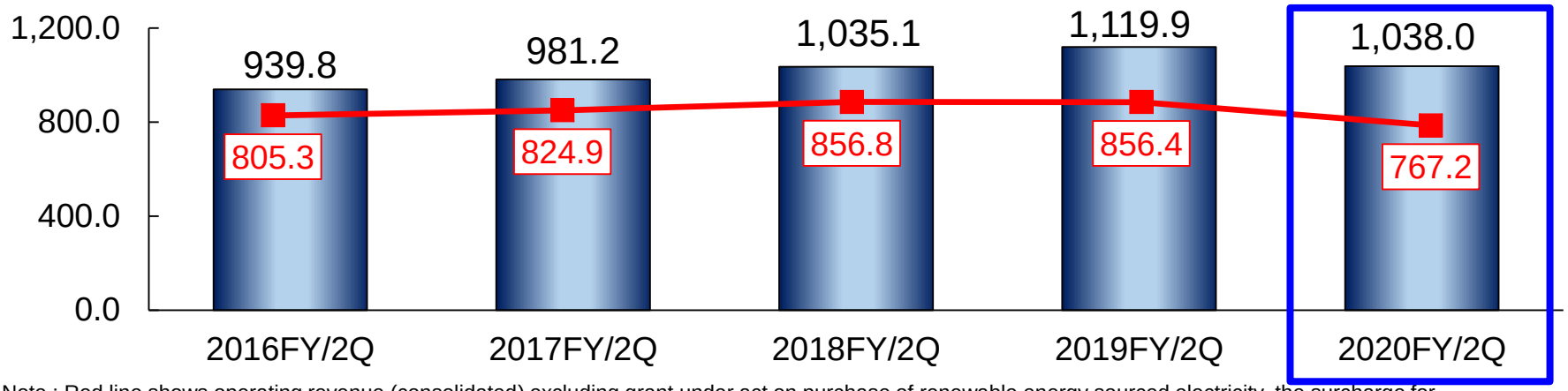

* As levy under act on purchase of renewable energy sourced electricity includes electric power for business use from FY2020, it doesn't match with Surcharge for promoting renewable energy sourced electricity.

# Trends of Operating Revenue, and Each Income (Consolidated) (1/2)



## Operating Revenue

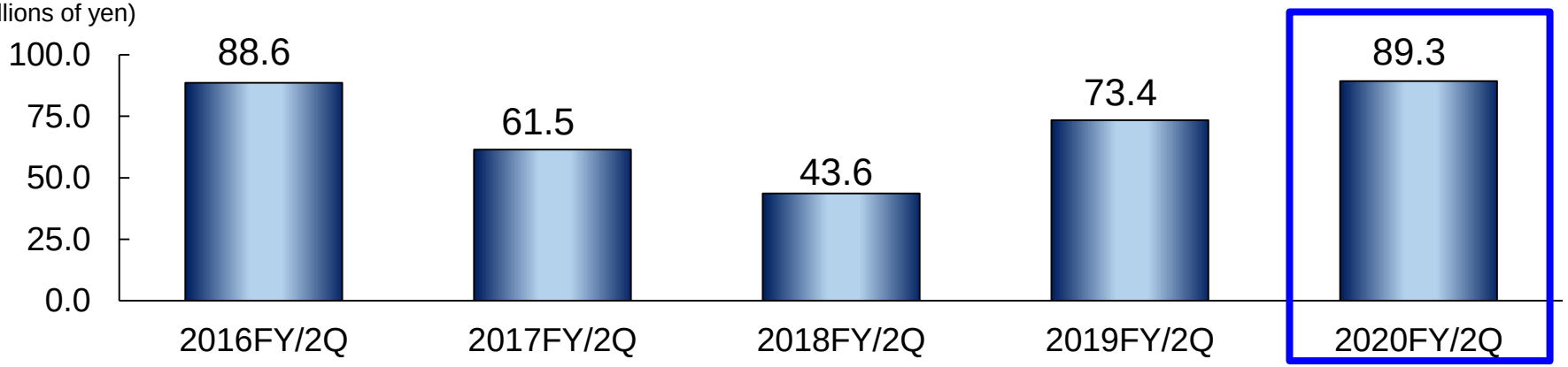
(billions of yen)




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)

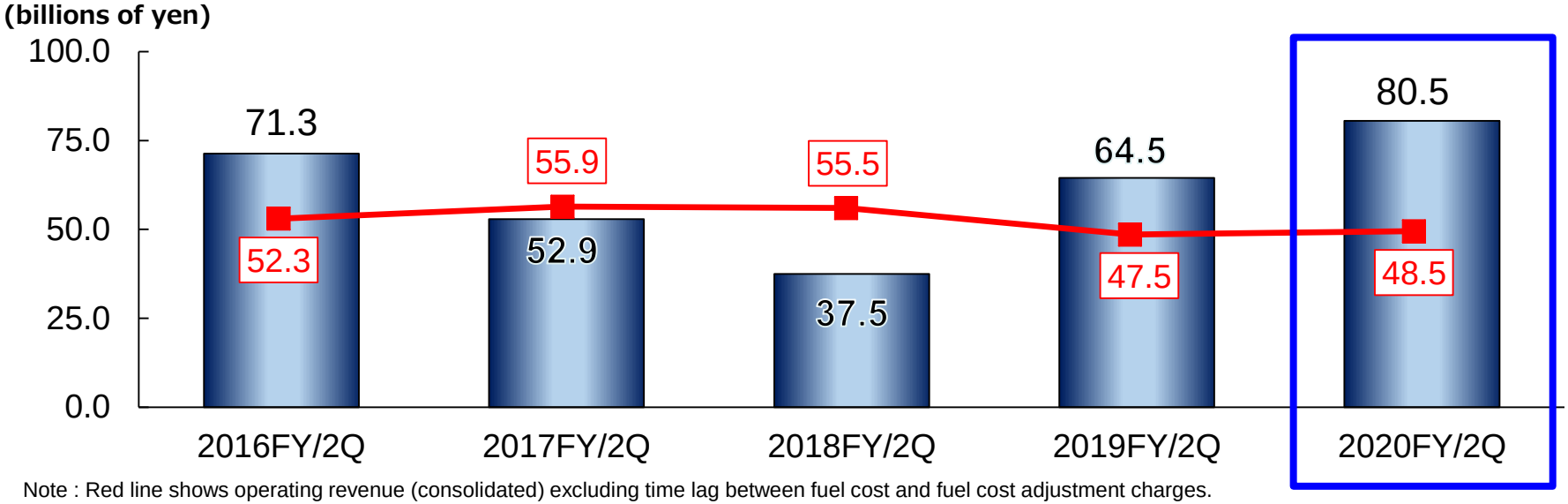



| | 2016FY/2Q | 2017FY/2Q | 2018FY/2Q | 2019FY/2Q | 2020FY/2Q |
|---|---|---|---|---|---|
| Operating Income on Operating Revenue Ratio (Consolidated basis) | 9.4% | 6.3% | 4.2% | 6.6% | 8.6% |
| Operating Income on Operating Revenue Ratio using above red line (Consolidated basis) | 11.0% | 7.5% | 5.1% | 8.6% | 11.7% |

# Trends of Operating Revenue, and Each Income (Consolidated) (2/2)

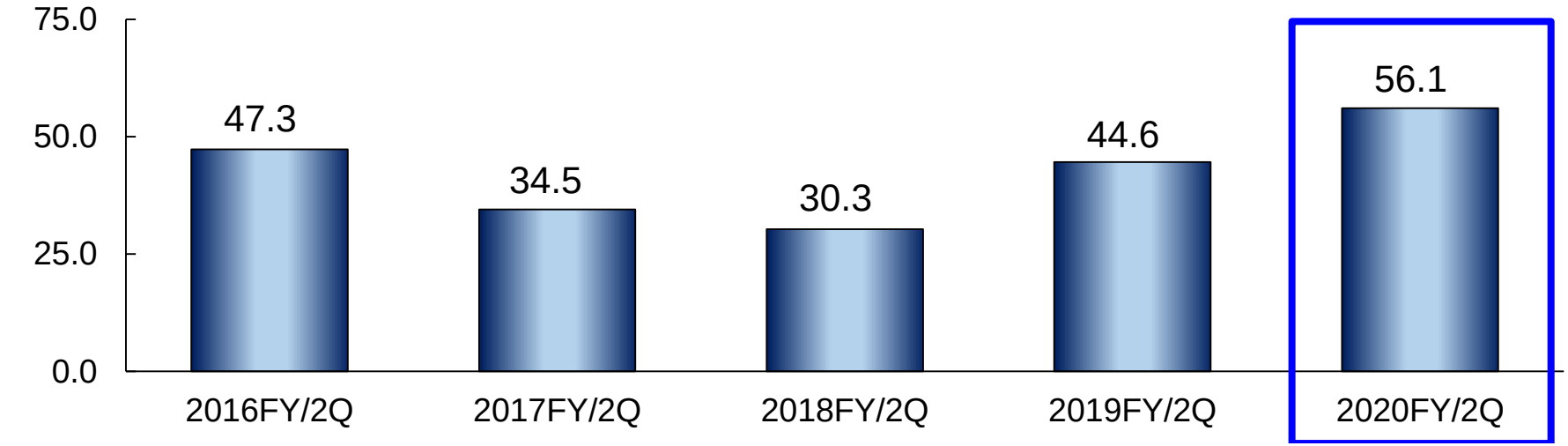


## Ordinary Income




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



# Retail Electricity Sales Volume by Month

(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 | – | – | – | – | – | – | – |
| Power | 3,465 | 3,234 | 3,414 | 3,542 | 3,726 | 3,813 | – | – | – | – | – | – | – |
| Retail Electricity Sales | 5,508 | 4,899 | 4,721 | 4,852 | 5,226 | 5,452 | – | – | – | – | – | – | – |

(GWh)

| | FY2019 | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Total |
| Lighting (Residential) | 2,016 | 1,704 | 1,276 | 1,335 | 1,766 | 1,513 | 1,424 | 1,626 | 1,948 | 2,634 | 2,277 | 2,166 | 21,686 |
| Power | 3,670 | 3,586 | 3,686 | 3,845 | 4,103 | 3,822 | 3,646 | 3,550 | 3,774 | 3,898 | 3,885 | 3,752 | 45,217 |
| Retail Electricity Sales | 5,686 | 5,290 | 4,962 | 5,180 | 5,869 | 5,335 | 5,070 | 5,176 | 5,722 | 6,532 | 6,162 | 5,919 | 66,903 |

*Total may not match due to rounding.

# List of Large-Scale Thermal Power Stations

| Name | Unit | Authorized Maximum Capacity (MW) | Commencement of Commercial Operation | Fuel (Power Generation System) |
|---|---|---|---|---|
| Hachinohe | No.5 | 416 | Jul.2015 | LNG |
| Noshiro | No.1 | 600 | May.1993 | Coal [Supercritical : SC] |
| | No.2 | 600 | Dec.1994 | Coal [Ultra –Supercritical : USC] |
| | No.3 | 600 | Mar.2020 | Coal [Ultra –Supercritical : USC] |
| Akita | No.4 | 600 | Jul.1980 | Heavy Oil・Crude Oil |
| Sendai | No.4 | 468 | Jul.2010 | Natural Gas |
| Shin-Sendai | No.3 Series | 1,046 | Dec.2015<br>Jul.2016 | LNG |

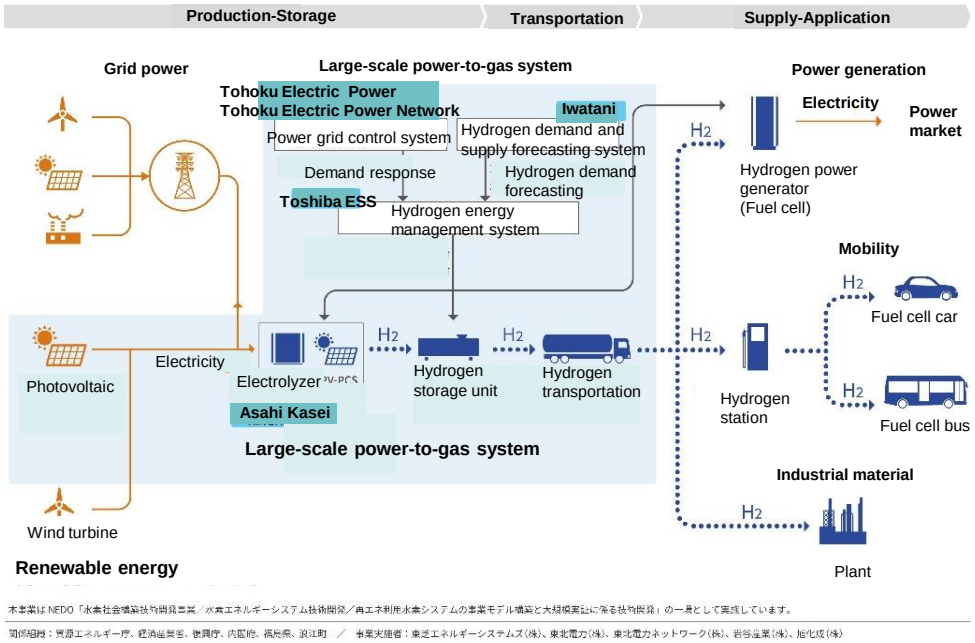
| Name | Unit | Authorized Maximum Capacity (MW) | Commencement of Commercial Operation | Fuel (Power Generation System) |
|---|---|---|---|---|
| Haramachi | No.1 | 1,000 | Jul.1997 | Coal [Ultra –Supercritical : USC] |
| | No.2 | 1,000 | Jul.1998 | Coal [Ultra –Supercritical : USC] |
| Higashi-Niigata | No.1 | 600 | Apr.1977 | Heavy Oil・Crude Oil ・LNG・Natural Gas |
| | No.2 | 600 | Jun.1983 | Heavy Oil・Crude Oil ・LNG・Natural Gas |
| | No.3-Series | 1,210 | Dec.1984<br>Oct.1985 | LNG |
| | No.4-Series | 1,700 | Jul.1999<br>Dec.2006 | LNG |
| | Minato-No.1 | 350 | Nov.1972 | Crude Oil・LNG |
| | Minato-No.2 | 350 | Nov.1975 | Crude Oil・LNG |
| Niigata | No.5 Series | 109 | Jul.2011 | Natural Gas |

# Expansion and Reinforcement of Technology Development Project towards Putting Energy Storage and Use into Practice by Using Hydrogen



## ■Extension of Project Term and Newly Added Participants for New Energy and Industrial Technology Development Organization (NEDO) Hydrogen Energy System Technology Development Project in Namie Town, Fukushima Prefecture

- In terms of “Technology development project on constructing hydrogen society/Hydrogen energy system technology development/Technology development concerning business model construction and the large-scale verification of a renewable use hydrogen system”, previously solicited by Japan’s New Energy and Industrial Technology Development Organization (NEDO), in order to expand and reinforce the project, the five companies, including the initial participants Toshiba Energy Systems & Solutions Corporation, Tohoku Electric Power Co., Inc., Iwatani Corporation, and newly added Tohoku Electric Power Network Co., Inc., and Asahi Kasei Corporation, have concluded a consignment agreement with NEDO to extend the term from March 31, 2021, to February 28, 2023.
- Through this project, the five companies will promote technology development to expand the use of hydrogen derived from renewable energy and run the operation system in an optimal way. Then, we will take initiatives in expanding the renewable energy towards sustainably commercializing Power-to-Gas business model in 2030 beyond.




### <The roles of each company>

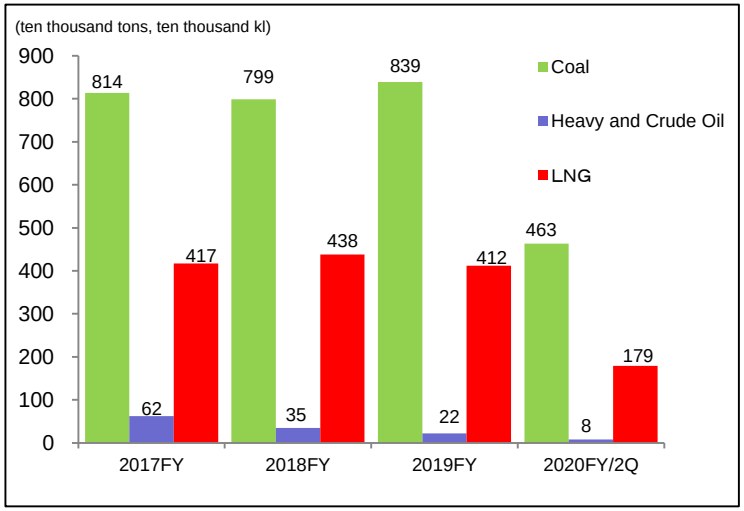
| | |
|---|---|
| Toshiba ESS | Supervision of overall project and the overall hydrogen energy management system |
| Tohoku Electric Power | Verification of the use of large-scale power to gas system on the premise of stable power supply of electric power |
| Tohoku Electric Power Network | Adjustment of supply and demand in the power grid by using power grid control system |
| Iwatani | Hydrogen demand prediction system and storage and transportation of hydrogen |
| Asahi Kasei | Technology development for reduced maintenance cost of water electrolysis equipment |

# Fuel Consumption Results

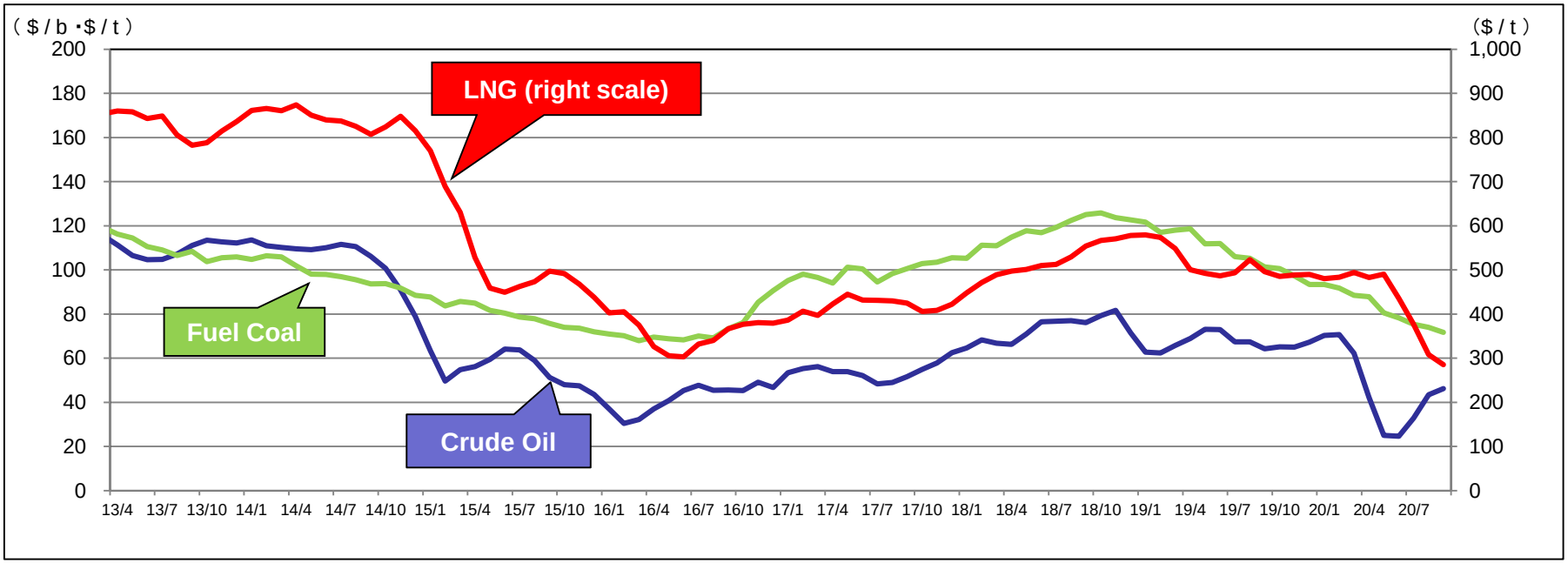
## Fuel Consumption

| | FY2020/2Q (A) | FY2019/2Q (B) | Change (A) - (B) | (Reference) FY2019 |
|---|---|---|---|---|
| Coal (ten thousand tons) | 463 | 383 | 80 | 839 |
| Heavy and Crude Oil (ten thousand kl) | 8 | 12 | ▲ 4 | 22 |
| LNG (ten thousand tons) | 179 | 182 | ▲ 3 | 412 |

*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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