

January 27, 2021

## **Financial Results for the Third Quarter of Fiscal Year ended March 31, 2021 (FY2020)**

Tohoku Electric Power CO., Inc. released its financial results for the third quarter of FY2020 (April 1, 2020 through March 31, 2021) today.

### **【Consolidated Financial Results】**

Retail electricity volume decreased due to a decrease in operations for commercial and industrial use resulting from the impact of COVID-19. Total electricity sales volume increased to 59.0 TWh, a year-on-year decrease of 3.0%.

Furthermore, the amount of the fuel cost adjustment has decreased as fuel prices have decreased. Operating revenue decreased to ¥1,541.4 billion, a year on year decrease of ¥101.1 billion or 6.2%.

Operating revenue includes ¥404.1 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.

Regarding ordinary income, the time lag of the fuel cost adjustment system pushed up profits and in the first and second quarter, fuel costs decreased due to an increase in LNG spot procurement based on fuel market conditions. However, retail and wholesale electricity volume decreased. As a result, ordinary income decreased to ¥75.7 billion, a year-on-year decrease of ¥2.2 billion or 2.9%.

There was an absence of extraordinary loss from Typhoon Hagibis last year in the previous fiscal year. As a result, net income attributable to owners of the parent rose to ¥50.6 billion, a year-on-year increase of ¥1.1 billion or 2.4%. Consolidate cash income\* for this period was ¥224.4 billion.

\*We set consolidated cash income as a financial target in the Tohoku Electric Power Group's medium- to long-term vision formulated this year. (Target for 320 billion yen in FY 2024)

Consolidated 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.)

## 【Financial Results】

[Consolidated]

(Billions of yen)

	FY2020/3Q (A)	FY2019/3Q (B)	Change	
			(A) - (B)	(A)/(B)
Operating revenue	1,541.4	1,642.6	-101.1	93.8%
Operating income	87.8	91.9	-4.0	95.5%
Ordinary income	75.7	78.0	-2.2	97.1%
Net income attributable to owners of parent	50.6	49.4	1.1	102.4%

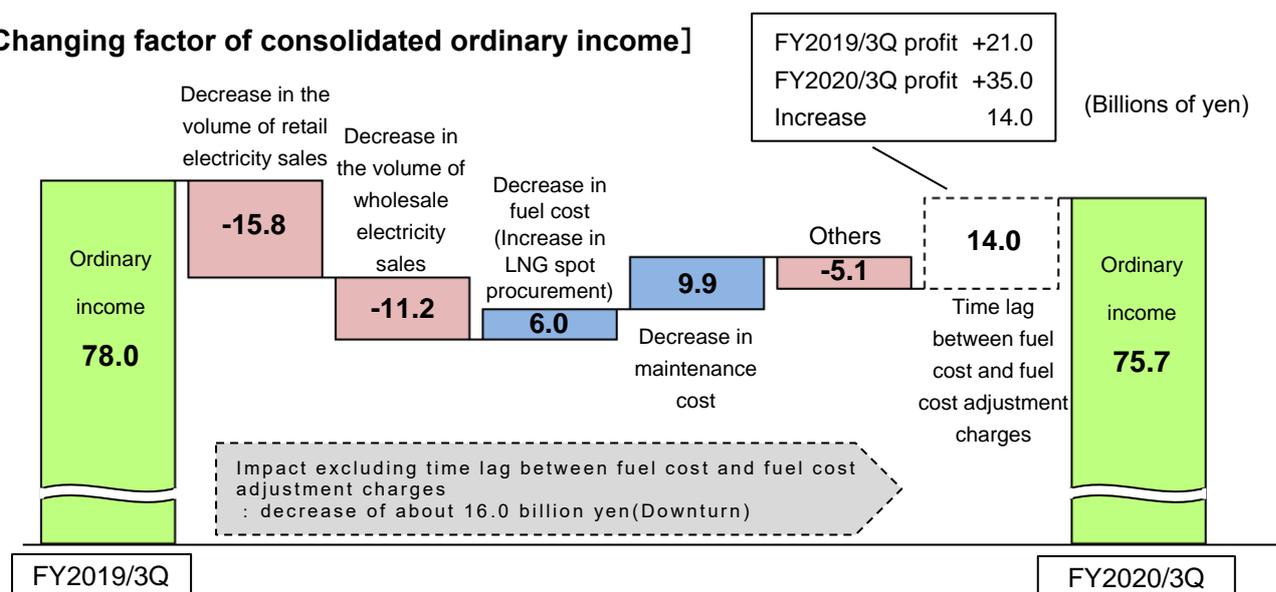
(Reference)

Operating revenue includes 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 (\*). Operating revenue and operating income on operating revenue ratio excluding these factors are as follows.

(Billions of yen)

	Operating revenue	Operating revenue excluding (*)	Operating income on operating revenue ratio	Operating income on operating revenue ratio excluding (*)
FY2020/3Q	1,541.4	1,137.3	5.7%	7.7%

### 【Changing factor of consolidated ordinary income】



**[Segment Information]**

(Billions of yen)

	Power Generation and Sales	Network	Construction	Others	Subtotal	Adjustment*	Total
FY2020/3Q							
Operating revenue	1,212.4	520.5	172.9	145.0	2,051.0	-509.5	1,541.4
Ordinary income	57.5	13.3	-0.0	11.2	82.0	-6.3	75.7

\*Elimination of transactions between segments. By adding the adjustment amount to the sum of the figures for each segment, the figures are consistent with the figures for each item in the consolidated financial statements.

**[Power Generation and Sales Business]**

Retail electricity volume decreased to 46.4 TWh, a year-on-year decrease of 3.9%, due to a decrease in operations for commercial and industrial use resulting from the impact of COVID-19. Lighting (Residential) was 14.4 TWh, a year-on-year decrease of 1.6%. Power was 32.0 TWh, a year-on-year decrease of 5.0%.

On the other hand, wholesale electricity volume increased to 12.6 TWh, a year-on-year increase of 0.6%, due to an increase in wholesale electricity volume in the area other than Tohoku region and Niigata Prefecture.

As a result, total electricity sales decreased to 59.0 TWh, a year-on-year decrease of 3.0%.

The time lag of the fuel cost adjustment system pushed up profits and fuel costs decreased due to an increase in LNG spot procurement based on fuel market conditions. However, retail and wholesale electricity volume decreased. As a result, operating revenue was ¥1,212.4 billion and ordinary income was ¥57.5 billion.

**[Network Business]**

Electricity demand in our franchise area for this period decreased to 53.9 TWh, a year-on-year decrease of 2.6%, due to the impact of COVID-19. In terms of costs, maintenance costs of distribution facilities decreased.

As a result, operating revenue was ¥520.5 billion and ordinary income was ¥13.3 billion.

**[Construction Business]**

There was a decrease in construction for general consumers such as indoor wiring and air conditioning of Yurtec Corporation. As a result, Operating revenue was ¥172.9 billion and ordinary loss was ¥0.09 billion.

**[Other Business]**

Operating revenue was ¥145.0 billion and ordinary income was ¥11.2 billion due to an increase in the information and communications business and a decrease in the gas business and the manufacturing industry.

< Major factors >

Items	FY2020/3Q	FY2019/3Q
Crude oil CIF price (\$/bbl.)	39.0	67.8
Exchange rate (¥/\$)	106	109
Nuclear power utilization rate (%)	-	-

### 【Electricity Sales】

(GWh)

	FY2020/3Q (A)	FY2019/3Q* (B)	Change (A) -(B)	Change (A) /(B)
Lighting (Residential)	1,437.7	1,460.9	-23.2	98.4%
Power	3,201.0	3,368.2	-167.2	95.0%
Retail Electricity Sales	4,638.7	4,829.1	-190.4	96.1%
Wholesale Electricity Sales	1,264.3	1,256.1	8.2	100.6%
Total of Electricity Sales	5,903.0	6,085.2	-182.2	97.0%

\*FY2019/3Q(B) doesn't include sales of Tohoku Electric Power Network Co., Inc.

### 【Consolidated Financial Forecast for fiscal 2020】

There are no revisions to the Consolidated Financial Forecast for FY2020 announced on October 28, 2020.

(Billions of yen)

	Operating revenue	Operating income	Ordinary income	Net income attributable to owners of parent
FY2020	2,080.0	72.0	55.0	33.0

### 【Dividend Forecast for fiscal 2020】

There are no revisions to the Dividend Forecast for FY2020 announced on October 28, 2020.

(yen)

	Interim	Year-end (forecast)	Annual (forecast)
Dividend	20	20	40