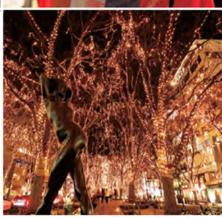






Current Situation of Tohoku EPCO's Fuel Procurement

January 30th, 2019
Tohoku Electric Power Company





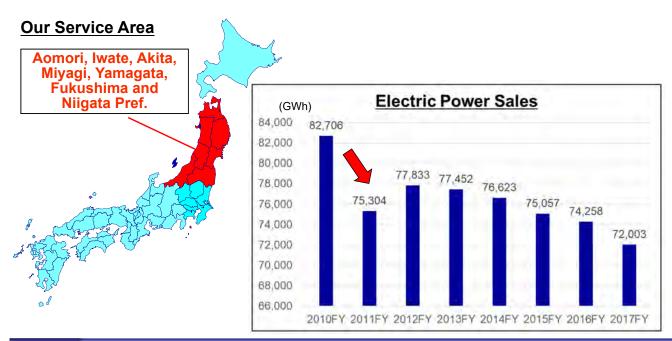
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Our Service Area and Electric Power Sales

Largest Service Area among 10 Major Electric Power Companies.

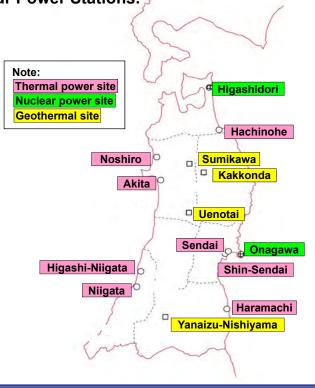
Our Sales Rapidly Dropped After Great East Japan Earthquake in March 2011.



Our Major Power Stations

We Are Diversifying the Location of Our Power Stations.

	No. of Unit	Capacity (MW)	Main Fuel
[Thermal]			
Hachinohe	1	416	Gas
Akita	4	1,633	Oil
Noshiro	2	1,200	Coal
Sendai	1	468	Gas
Shin-Sendai	1	1,046	Gas
Haramachi	2	2,000	Coal
Higashi-Niigata	7	5,149	Gas
Niigata	1	109	Gas
[Geothermal]			
Kakkonda	2	80	
Uenotai	1	29	
Sumikawa	1	50	
Yanaizu-Nishiyama	1	30	
[Nuclear]			
Onagawa	2	1,650	
Higashidori	1	1,100	



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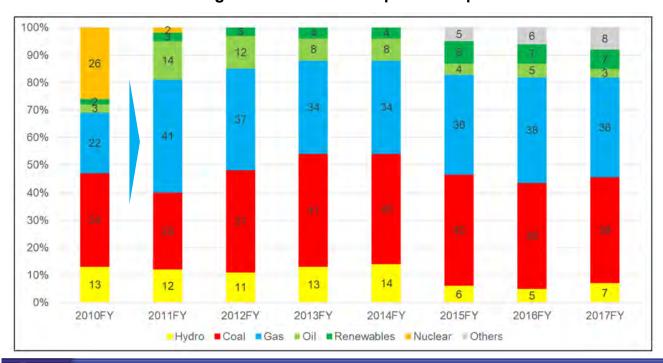
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Our Power Source Composition

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- We Are Diversifying Our Fuel Sources.
- Share of Gas Is Growing Since Great East Japan Earthquake.



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LNG Terminals and Gas Pipeline

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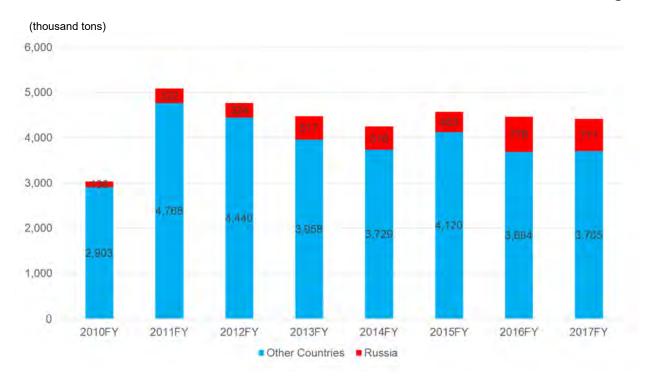
■ Two LNG Terminals Are Located at Both the Sea of Japan and Pacific Side.



Our LNG Procurement Volume (FY2010-17)

5

Since First LNG from Sakhalin in 2010FY, LNG Share of Russia Is Increasing.



Our Fuel Procurement Policy

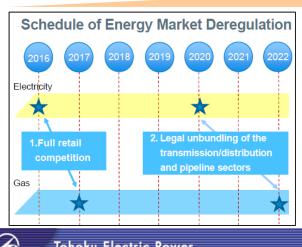
We Focus on "Flexibility" as well as "Stability" and "Economic Efficiency" in Terms of Fuel Procurement.

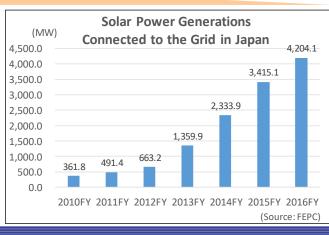
Our Fuel Procurement Policy

Stability

Flexibility

Economic Efficiency





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Enhancing Cost Competitiveness & Resilience

We Are Continuing Our Efforts for Efficient Procurement of Fuels.



- ✓ Through introduction of new fuel procurement schemes as well as diversification. of fuel pricing systems, we strive to further enhance our cost competitiveness.
- ✓ Through continuous review of our procurement portfolio, including diverse procurement sources, we quest for more efficient and optimal fuel procurement with emphasis on stability, economic efficiency and resilience.

Relationship between Tohoku and Russia

Through Procurement of Fuels, Our Relationship with Russia Is Becoming More Important.

◆ LNG Long Term Contract

Project	Contract Period	Volume	Term
Sakhalin II	2010 - 29FY (20 years)	0.42 mtpa	FOB

♦ LNG Spot Purchase from Russia

64 thousand MT (2017FY)

- Russia is geographically close to Tohoku region and has abundant natural resources.
- Russia will continue to be a important supplier for Tohoku EPCO in terms of energy security.



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Thank You for Your Attention.

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