

TOHOKU ELECTRIC POWER GROUP

INTEGRATED REPORT 2024



Editorial Policy

Tohoku Electric Power Group Integrated Report 2024 Editorial Policy

The Tohoku Electric Power Group has published integrated reports since FY2018 to promote understanding of the Group's plans for medium- and long-term value creation from both financial and non-financial perspectives.

We have prepared the FY2024 Report with careful consideration over the information we want to convey to shareholders and investors, including Working Alongside Next^{PLUS}, which describes future management initiatives intended to achieve the goals of the Tohoku Electric Power Group's Medium- to Long-Term Vision, as well as introductions to the business outlook, financial standing, management foundations, and related initiatives.

The Report also reflects the aims stated in the International Integrated Reporting Framework of the IFRS Foundation, the Guidance for Collaborative Value Creation from the Ministry of Economy, Trade and Industry of Japan, and other documents. Before its publication, we submitted this Report to the Board of Directors and confirmed its accuracy and suitability for presentation.

We will continue to enhance the content provided in the Report to deepen understanding of the Tohoku Electric Power Group among our stakeholders.

Guidelines and other information used for reference

- Ministry of Economy, Trade and Industry: Guidance for Collaborative Value Creation
- IFRS Foundation: The International <IR> Framework
- IFRS Foundation: SASB Standards
- Global Reporting Initiative (GRI): GRI Sustainability Reporting Standards
- Final report of the Task Force on Climate-related Financial Disclosures (TCFD)
- Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD)



Boundary of Report

The 77 companies in the Tohoku Electric Power Group

Period subject to Report

While the Report in principle covers initiatives during FY2023 (April 1, 2023–March 31, 2024), certain activities presented include information from past fiscal years or FY2024.

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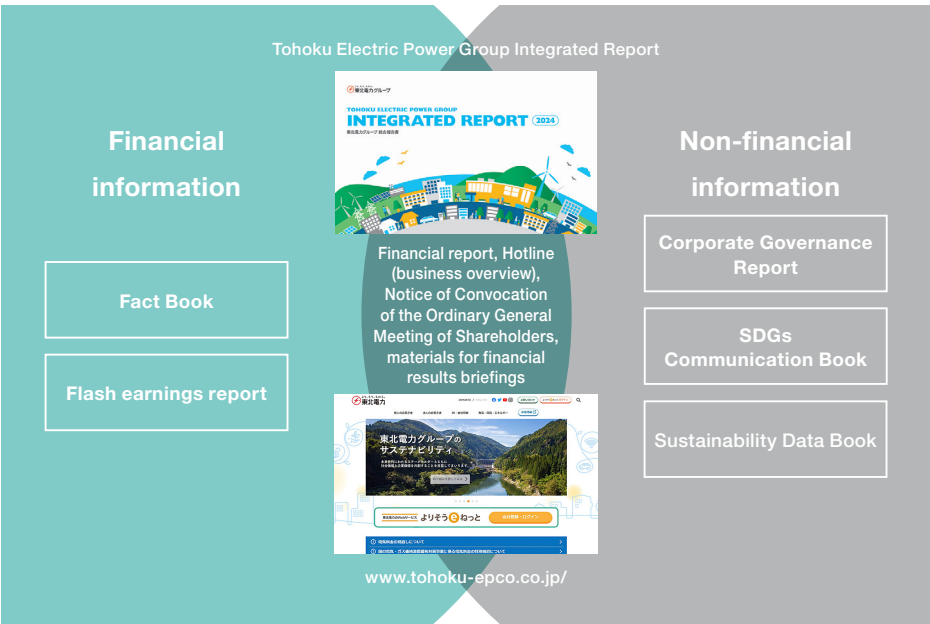
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Tohoku Electric Power's media for information disclosure

The Tohoku Electric Power Group reports issues and actions of high significance in its Integrated Report. In-depth financial information and non-financial information are available from other information sources. The Tohoku Electric Power Group's Sustainability Data Book introduces a broader range of information on sustainability.



Forward-looking statements

This report contains financial forecasts and other forward-looking statements. They represent Tohoku Electric Power's judgments based on information available at the time of disclosure and certain assumptions. They involve known and unknown risks, uncertainties, and other factors that may cause actual results, performance, and achievements to differ materially from expectations.

Editorial Policy

Index

Introduction

A Value Creation Story

Financial Foundations,
Business Development

Management Foundations

Corporate Governance

Data

Introduction

At a Glance	03
Tohoku Electric Power Group Values	05
The Tohoku Electric Power Group's Strengths	07
Message from Top Management	08

CHAPTER 1
A Value Creation Story

Value Creation Process	13
The Tohoku Electric Power Group's Ideal Vision	14
Future Management Initiatives: Working Alongside Next ^{PLUS}	15
Materiality Topics	19

CHAPTER 2
Financial Foundations, Business Development

Message from the CFO/Financial Strategies	24
Promoting Green/Transition Financing	27
Thermal Power Generation Business	28
Nuclear Power Business	33
Renewable Energy Business	36
The Next-Generation Energy Business	39
Green Energy Services Business	41
Retail Electricity Business/Solution Services Business	43
Power Transmission and Distribution Business	45
Related Areas	48
Taking on the Challenges of Growth	49

CHAPTER 3
Management Foundations

Carbon Neutrality Strategy	51
Establishing a Society that Recycles Effectively	54
Conserving Biodiversity	54
Human Resource Strategy	55
Digital Transformation (DX) Strategy	58
R&D/IP Strategies	60
Stakeholder Communication	63

CHAPTER 4
Corporate Governance

Corporate Governance	66
Communication with Shareholders and Investors	79
Risk Management	80

CHAPTER 5
Data

Financial Information	84
Partnerships, External Evaluations, Etc.	85
SASB Standards Index	87
Corporate Information	90



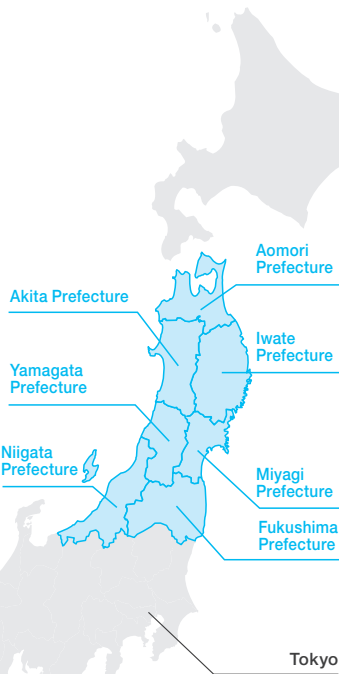
At a Glance

About the Tohoku and Niigata region

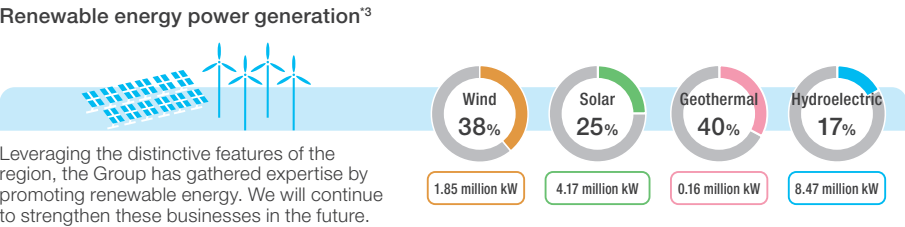
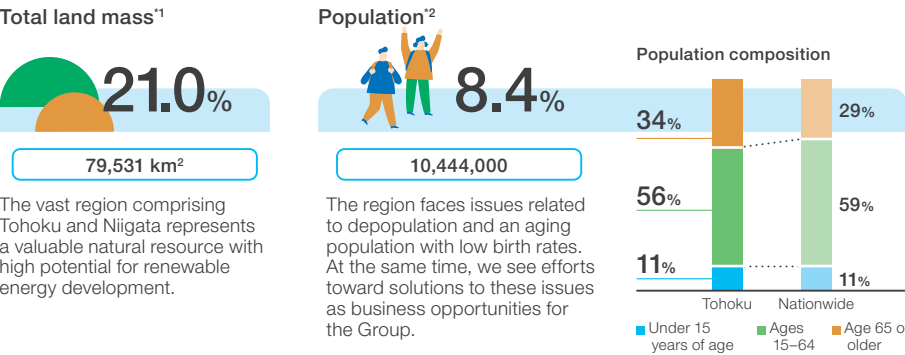
The area in which the Tohoku Electric Power Group’s businesses are based—the Tohoku and Niigata region—accounts for about 20% of Japan’s land mass. The region is subject to challenging natural conditions, including earthquakes like the Great East Japan Earthquake, winter storms, and snowfall.

The region’s traits also serve as valuable community resources that contribute not just to renewable energy from hydroelectric, wind, and geothermal sources, but to the region’s seasonal scenery and diverse culture, including foods and festivals marked by distinctive local flavors.

The region adjoins the vast market of the greater Tokyo area, to which it is connected by high-speed transportation network, including Shinkansen high-speed rail and expressways. At the same time, the region is experiencing the effects of depopulation and an aging population with low birth rates at a rate that outpaces other regions in Japan. The region is widely expected to confront social challenges in various areas, including transportation, education, and welfare.



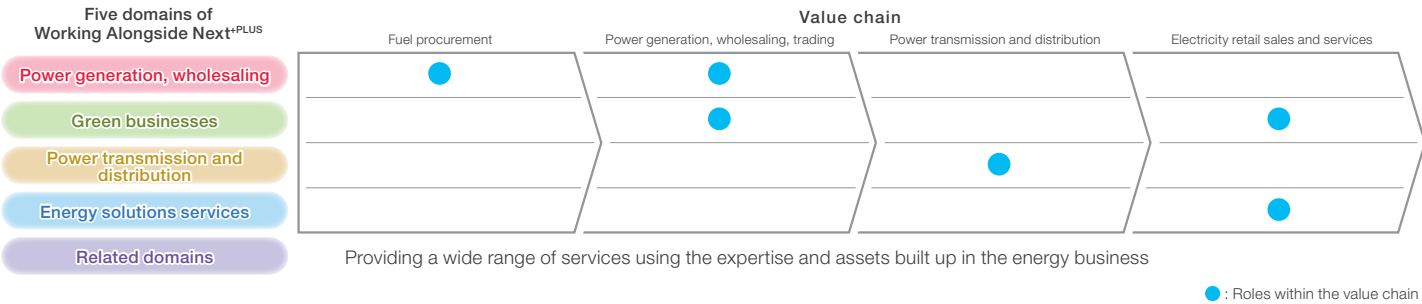
The Tohoku and Niigata region in nationwide statistics



Sources
*1: Ministry of Land, Infrastructure, Transport and Tourism, Statistical Reports on the Land Area by Prefectures and Municipalities in Japan (as of April 1, 2024)
*2: Statistics Bureau, Ministry of Internal Affairs and Communications, Population Estimates (as of October 1, 2023)
*3: Ministry of Agriculture, Forestry and Fisheries, Agricultural Production Statistics (2023) Power Stations and Output by Prefecture (March 2024) (as of August 30, 2024 announcement)

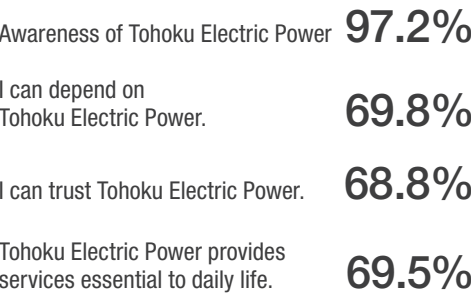
Tohoku Electric Power’s value chain and business

The Tohoku Electric Power Group engages in business as an energy services group based on its commitment to maximize value for customers. Its core business is to supply power, primarily in the Tohoku and Niigata region. By demonstrating the integrated capabilities of the Group while allocating management resources optimally across the value chain, the Tohoku Electric Power Group will strive to achieve the Group’s ideal vision for the 2030s—*Helping to establish a smart society, starting in Tohoku while growing and evolving alongside society*—in line with the Group’s Medium- to Long-Term Vision.



See > Future Management Initiatives: Working Alongside Next^{PLUS} > p. 15

Regional reputation of Tohoku Electric Power



* Source: Results of Stakeholder Survey on Business Activities of the Tohoku Electric Power Group involving 2,000 residents of the Tohoku and Niigata region (conducted July 1–4, 2024)

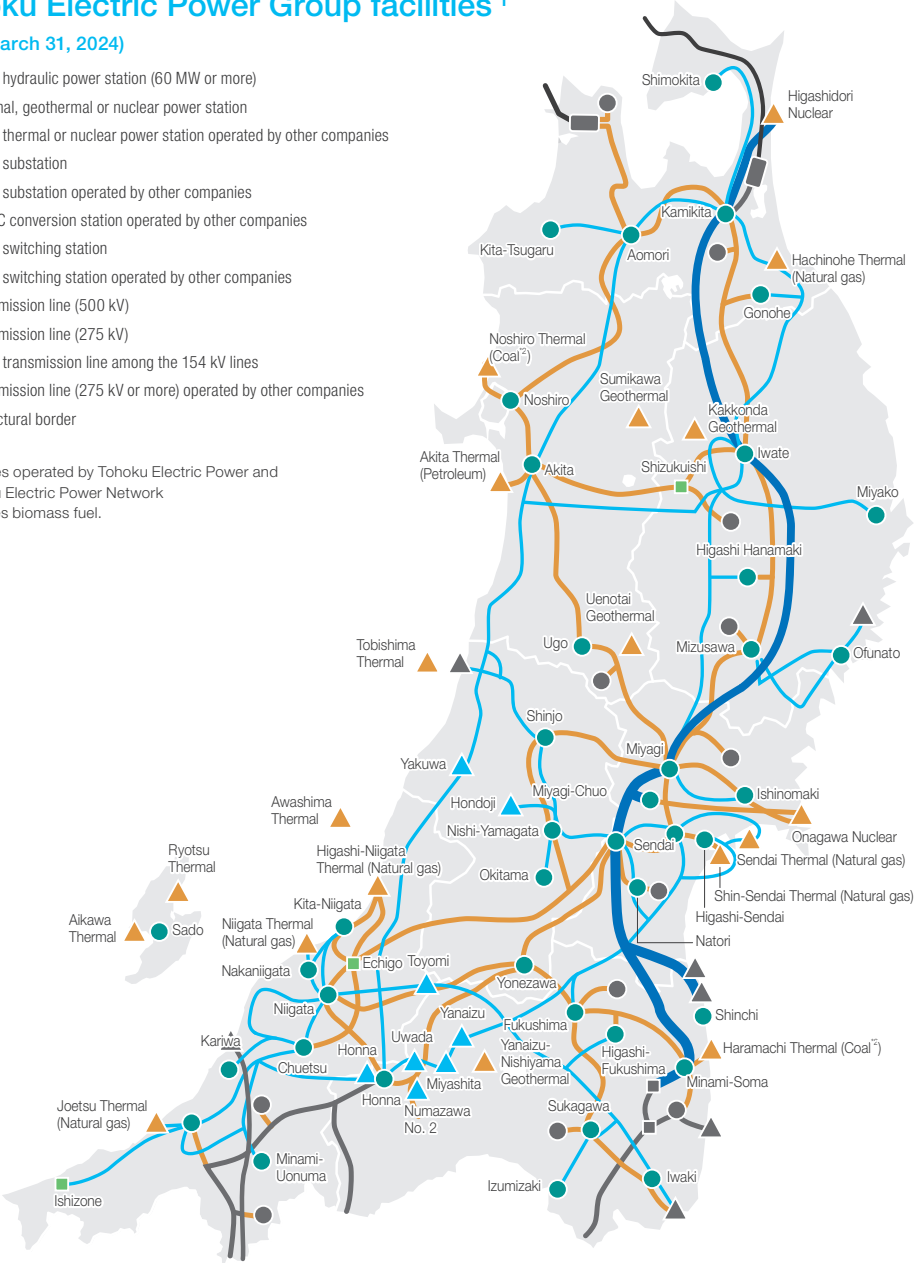
Tohoku Electric Power Group facilities*1

(as of March 31, 2024)

- ▲ Major hydraulic power station (60 MW or more)
- ▲ Thermal, geothermal or nuclear power station
- ▲ Major thermal or nuclear power station operated by other companies
- Major substation
- Major substation operated by other companies
- AC/DC conversion station operated by other companies
- Major switching station
- Major switching station operated by other companies
- Transmission line (500 kV)
- Transmission line (275 kV)
- Major transmission line among the 154 kV lines
- Transmission line (275 kV or more) operated by other companies
- Prefectural border

*1 Facilities operated by Tohoku Electric Power and Tohoku Electric Power Network

*2 Includes biomass fuel.

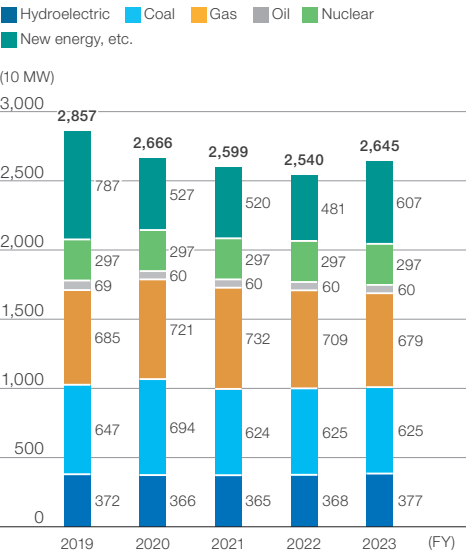


Facility overview

	Tohoku Electric Power Co., Inc		Tohoku Electric Power Group (major facilities)	
Power stations, etc.	Hydraulic	203 2,450 MW	225 2,570 MW	
	Thermal	9 11,170 MW	14 11,940 MW	
	Geothermal	4 139 MW	5 162 MW	
	Solar	10 12 MW	14 18 MW	
	Wind	1 14 MW	1 14 MW	
	Nuclear	2 2,750 MW	2 2,750 MW	
	Storage cells	— —	4 85 MW	
	Total	229 16,540 MW	265 17,540 MW	

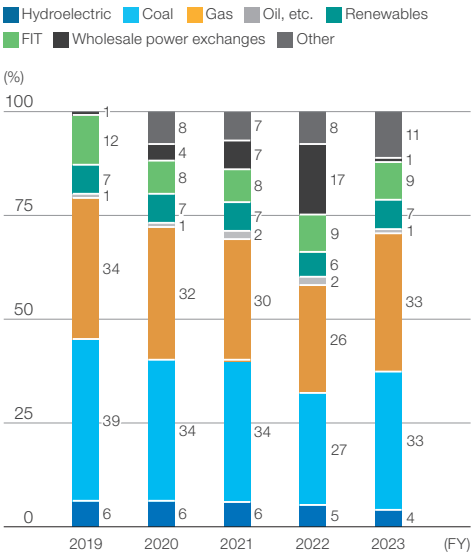
Tohoku Electric Power Network		
Transmission Facilities	Route distance (km)	15,520
	Circuit length (km)	25,265
	Supports	58,647
Substation Facilities	Number of facilities	636
Power Distribution Facilities	Route distance (km)	149,818
	Extended wire distance (km)	593,978
	Supports	3,177,522

Annual power generation capacity*3



*3 Totals for individual figures and total figures may not agree due to rounding. New energy, etc. refers to facility capacity on existing networks, including wind power, solar power biomass power, waste power, and geothermal power. The power transmission business is excluded from FY2020 due to a spin-off.

Annual shares of power sources*4



*4 Includes transmission to and from other areas and power received from other companies. Totals may not add up to 100 due to rounding.

Tohoku Electric Power Group Values

Tohoku Electric Power was founded in 1951. Amid the postwar recovery, our first President, Ungoro Uchigasaki, established the management philosophy which called for “Rebuilding Japan starting in Tohoku and developing Tohoku starting with electric power.” The Group rephrased this motto thereafter as follows: “The prosperity of the Tohoku region is essential to our own growth.” We’ve continued to do business under this philosophy for some 70 years.

The strong commitment to local communities expressed in this concept is a fundamental management value and the ultimate expression of the Tohoku Electric Power Group’s Management Philosophy of prospering with local communities. This vision of extending our roots to contribute to the regions in which we operate is an unshakeable pillar from which all Group employees continue to approach their work, even amid dramatically changing business environment.

However, the way to prosper with local communities must change with the times. To date, prosperity with local communities has referred to generating earnings by providing a stable, low-cost source of electricity to customers in Tohoku and Niigata. Looking forward, we will seek to expand our business area and secure management resources beyond Tohoku and Niigata, while maintaining our willingness to contribute to Tohoku and Niigata. Through value created by progressive activities grounded in energy services and creating solutions to social challenges, our goal is to contribute to Tohoku and Niigata, attracting human resources, technology, and investment to the region.

Essential aspects of putting this management philosophy into practice include receptiveness to the needs and issues confronting the customers who make up our local communities and the commitment of each individual employee to creating new forms of prosperity in joint efforts. The Tohoku Electric Power Group slogan—Yori, Sou, Chikara (The Strength to Work Alongside)—is a promise to our customers and to local communities. Based on the perspective of working together with and alongside our customers and communities, this promise says each and every Group employee will take this management philosophy to heart in his or her work and everyday activities. Under this slogan, we will seek to help co-create a comfortable, safe, reliable, and smart society and to provide the added value only the Tohoku Electric Power Group can deliver.

The Tohoku Electric Power Group’s Management Philosophy

Prosper with Local Communities

We seek to create value only the Tohoku Electric Power Group can deliver and to realize growth and an enriched society by continuing to take on challenges and pursue innovation alongside our customers and our communities.

The Tohoku Electric Power Group Slogan

Yori, Sou, Chikara

(The Strength to Work Alongside)

Our motto, yori, sou, chikara, derives from the care we take in providing each and every customer with services suited to their lifestyles and working lives. Moving forward, driven by our founding motive of serving as a bedrock for the region, we will continue working hand-in-hand with local communities, delivering services to the individuals within them based on a true sense of gratitude and broad vision of the future.

Editorial Policy

Index

Introduction

At a Glance
Tohoku Electric Power Group Values
The Tohoku Electric Power Group’s Strengths
Message from Top Management

A Value Creation Story

Financial Foundations, Business Development

Management Foundations

Corporate Governance

Data

Steps in value creation

In each era since our founding in 1951, Tohoku Electric Power has confronted numerous challenges, including power shortages during the postwar period, oil crises, and natural disasters. On each occasion, the Group has worked as a team to fulfill its mission of delivering a stable, high-quality supply of electricity.

Moving forward, we will continue to grow while strengthening our ties to our stakeholders by fulfilling our mission to support society while rising to meet the challenge of creating new value.



Securing a stable supply by diversifying power sources

Launch of operations at Onagawa Nuclear Power Station Unit No. 1, our first nuclear power plant



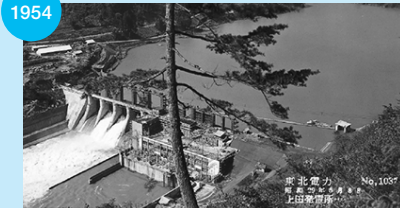
Reducing environmental impact

Higashi Niigata Thermal Power Station Unit 4-1 system comes online (achieving thermal efficiency of 55% or higher, world-leading figures at the time)

Rising to meet the challenge of creating new value through management based on sustainability



Corporate PPA service
(Photo courtesy Sendai Airport Renewable Energy G.K.)



Uwada Power Station comes online.

Amidst electricity shortages during the postwar period of recovery, Tohoku Electric Power pushed ahead to develop energy sources within the Tadami River water system, its largest hydroelectric power zone, working under the motto: "Rebuilding Japan starting with Tohoku and developing Tohoku through electric power." Later, to meet growing demand for electric power, we began building and expanding state-of-the-art thermal power stations, starting with the Hachinohe Thermal Power Station. We've supported local economic growth and the lives of local residents ever since.



Our first large-scale thermal power plant, Hachinohe Thermal Power Station Unit No. 1, begins operating

Responding to growing awareness of global environmental issues, including the need to reduce greenhouse gas emissions, we strive to protect the environment and to make more efficient use of energy through initiatives to develop technologies for renewable energy such as wind, solar, and geothermal power and to improve the thermal efficiency of thermal power generation.



Early restoration of power failure caused by the Great East Japan Earthquake

The Great East Japan Earthquake in March 2011 caused widespread power failures affecting nearly the entire Tohoku region. Nevertheless, drawing on the Group's strengths, we were able to restore power to around 80% of the area in just three days. The automatic shutdown of all reactors in response to the earthquake at the Onagawa Nuclear Power Station maintained safety, as designed. The station accommodated evacuees from the community for about three months and helped the region overcome the challenges posed by the disaster. Since then, we have engaged in a wide range of recovery activities alongside residents, including support for community development and information provision.



Representative Director & President
Tohoku Electric Power Co., Inc.

Kojiro Higuchi

Striving to realize a virtuous cycle of profits,
investment, and growth and a society
where everybody can live in comfort, safety,
and peace of mind, through sustainable
growth in our earnings capabilities

**Immediate management challenges:
Volatility in the electricity business and carbon
neutrality**

Since I took office as President in April 2020, we have strived to give concrete form to our medium- to long-term vision for the 2030s of establishing a smart society starting in Tohoku. The smart society we aim to achieve is one in which everybody can live in comfort, safety, and peace of mind. We are developing various services to propose comfort, safety, and peace of mind in customers' lives, and I feel that our efforts to propose smart life electrification combining various solutions such as full electrification, solar power, and fuel cell services are starting to make an impact. In addition, in April we opened the Green Energy Business Office, creating a structure to enable comprehensive proposal of services related to distributed renewable energy, such as corporate PPA* services, for which customer demand is growing.

At the same time, this period has been one in which we faced issues including supply-chain disruptions caused by COVID-19 and Russia's invasion of Ukraine, rising fuel prices, and damage to thermal power plants caused by the earthquake centered off the Fukushima Prefecture coast, along with the need to procure power to offset the lost capacity. In response, in addition to thorough improvements in efficiency across management activities as a whole, we made progress on demand and supply optimization from fuel procurement through power generation operations and wholesaling and generated results in increasing revenue and controlling costs amid dramatic fluctuations in fuel prices and wholesale power market prices. Additionally, we revised electricity rates to ensure stable supplies of power.

* Power Purchase Agreement: A method for long-term procurement and supply of renewable energy from new solar power generation equipment and other facilities at fixed prices, through direct long-term agreements between power companies and customers

Message from Top Management

At the same time, we developed systems for promoting sustainability and addressed sustainability issues related to the environment, society, and people. In particular, we need to respond urgently to climate change, which not only affects biodiversity, but is precipitating severe natural disasters and affecting agricultural production through droughts and floods, among other impacts. We have established the Tohoku Electric Power Group Carbon Neutral Challenge 2050 as we aim to achieve carbon neutrality, and together with making steady progress on renewable energy development centered on wind power we have begun feasibility testing of mixed hydrogen burning on Unit No. 5 at the Niigata Thermal Power Station, aiming to decarbonize thermal power sources.

As attention turns once again to stability of power supply and the movement toward carbon neutrality accelerates, we are also making steady progress toward resumption of operations at Onagawa Nuclear Power Station Unit No. 2, an important source of stable, economical, and eco-friendly power. We recognize the resumption of operations at this power station damaged by the Great East Japan Earthquake to be an historic, large-scale project. We will resume its operation with an unshakeable determination to ensure it will be a power plant that is trusted by, and contributes to, all members of the community.

As we prepare for resumption of operations at Onagawa Nuclear Power Station Unit No. 2, we consider now to be the perfect time to accelerate our efforts toward the Medium- to Long-Term Vision, “realizing a smart society, starting in Tohoku.” Accordingly, we have summarized in Working Alongside Next^{PLUS} our management directions for the future. Under my leadership, we will align the vectors of the Tohoku Electric Power Group to take on boldly the challenge of realizing the Medium- to Long-Term Vision.

The need to create sustained high profits: Purpose of the new financial targets

In FY2023, Joetsu Thermal Power Station Unit No. 1, a highly efficient gas-powered thermal power facility, operated all year long, contributing to efficiency improvements. Additionally, we revised electricity rates. In these and other efforts, we recorded record high consolidated ordinary income of 291.9 billion yen, while net income attributable to

owners of the parent, at 226.1 billion yen, was in the black for the first time in three years since FY2020. However, interest-bearing debt, which stood at 2.4332 trillion yen at the end of FY2020, has reached a high level of 3.2909 trillion yen as of the end of FY2023, while the equity ratio is 15.4%. As these figures indicate, we recognize that we continue to face a very challenging financial situation.

To restore our financial standing quality and generate further added value and returns to shareholders while continuing to invest about 300 billion yen per year as needed to ensure a stable power supply, we must focus on improving our earning capability and generate continual profits at levels that pose a daunting challenge. At the same time, these profits must be balanced with the sustainability of society. As an energy business, we need to work toward carbon neutrality while maintaining social infrastructure in various ways, including resilience to natural disasters and securing the required workforce.

In particular, realizing carbon neutrality will involve a broad range of large-scale capital investments in the new development of renewable power generation, grid improvements to distribute the power generated, the decarbonization of thermal power generation, and other areas, with the goal of creating the procurement capabilities and resilience needed to maintain an energy system powered increasingly by renewables.

The new financial targets were set based on repeated discussions by management of these and other factors. We set two timelines: the time through FY2026, over which we will address the most pressing issue of swiftly restoring our financial foundations, and the years through FY2030, over which we will realize a virtuous cycle of profits, investments, and growth to drive growth in corporate value. Our goals for FY2026 are to increase resilience to business risks such as fluctuations in fuel prices and wholesale electricity market prices, which are associated with natural disasters and international instability, and to achieve a consolidated equity ratio of 20%. We have set the target of 190 billion yen in consolidated ordinary income, as the essential profit level for achieving these aims. Our targets for FY2030 are consolidated ordinary income of 200 billion yen or more and a consolidated equity ratio of 25% or higher. These are intended to achieve a virtuous cycle of profits, investments, and

growth that will increase our corporate value while enhancing our financial foundations to ensure stability. We consider a consolidated equity ratio of 25% or higher to be ideal in terms of balancing our debts and capital and achieving stability in future business operations.



Message from Top Management

With the growth of our assets, we have set a consolidated ROIC target to put our facilities to efficient use and closely review proposed investments in terms of profitability. Our target consolidated ROIC is 3.5%, a level at which we should be able to realize increases in corporate value well in excess of our capital costs. By setting this KPI, we will carry out management even more strongly conscious of capital costs than before.

Pursuing autonomous earnings and growth through business development in 11 business categories in five domains

To date, our businesses have been divided into two categories: the Power Supply Business and the Smart Society Building Business. Now, we see diverse needs for renewable energy as a new business opportunity, and we need to develop green businesses such as renewable-energy power generation and green energy services. Accordingly, from now on we will pursue autonomous earnings and growth in 11 business categories in five domains, centered on electricity and energy, while continuing to innovate in each of

these businesses.

In order to earn profits, it is essential to be trusted and chosen by customers. We will generate earning opportunities by helping to maximize customer enrichment through adding value in areas such as green energy to help customers realize carbon neutrality, living services based on the home life cycle, general equipment engineering, and information and telecommunications.

The movement toward energy conservation, shrinking populations, and other factors can be expected to reduce demand for electricity; at the same time there are trends toward bringing supply chains back to Japan in response to recent geopolitical risks and expansion of data centers with the progress of digital transformation (DX). There also is expected to be a transition from fossil fuels to electricity as society as a whole moves toward carbon neutrality. We see the potential growth in demand spurred by these factors as a business opportunity.

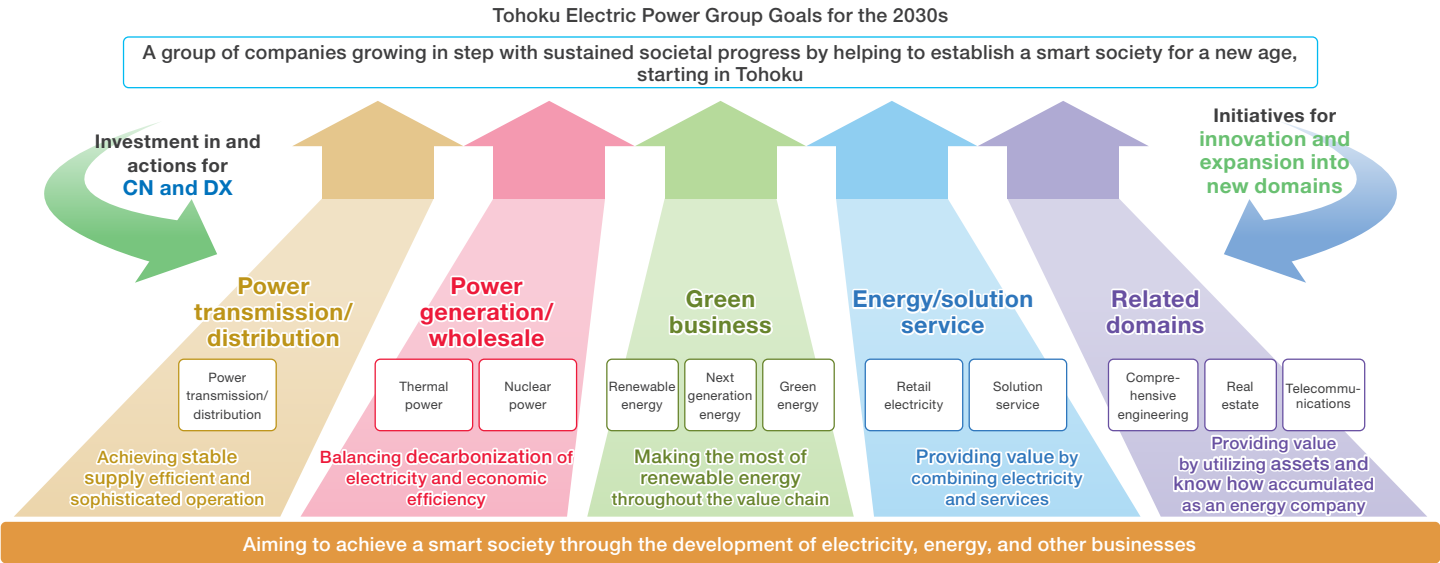
With the recent launch of Yokote Yuzawa Forest Cycle Co., Ltd., we have begun forestry and wood biomass power generation activities using local forestry resources. Rising to meet the challenges of new business domains like this will

help us achieve further growth.

Enhancing the management foundations centered on the three fields of carbon neutrality, DX, and human capital

I noted above how we will identify business opportunities in renewable energy and grow our green businesses. Our core business area of the Tohoku and Niigata region has the potential for renewable energy development. In addition to these regional advantages, we have also built up, over more than 70 years of operating an electricity business rooted in the Tohoku and Niigata region since our founding, a wealth of electricity business expertise in facility structures, maintenance, and management, power grid operation, and demand-supply coordination. We have also built strong relations of trust with our communities. Consensus building in the community is also for renewable energy development. We believe that our expertise and relations of trust—that is, our status as electricity professionals and our strong community ties—will give us a competitive advantage in green business development.

At the same time, the Tohoku and Niigata region is faced with an insufficient industrial workforce as well as leaders in its traditional culture, due to shrinking populations, low birth rates, and an aging population. While it is an area of flourishing agriculture, forestry, and fisheries, recent high temperatures, torrential downpours, and other extreme weather events are having serious impacts on agriculture and fisheries. As issues such as these affect the sustainability of the region, we will focus in particular on the materiality topics of carbon neutrality and digital transformation (DX) in order to make our business foundation a solid one and to “Prosper with Local Communities” as called for in our Management Philosophy, while enhancing our human capital.





Digital transformation in particular is attracting attention as a driver of innovation. To generate profits at a challenging level while addressing the labor shortage spurred by shrinking populations, it will be essential to improve productivity and greatly transform the quality of work. We will use data generated daily through the electricity business and digital technologies such as generative AI to promote platform building and both transform our business model and reform our business processes. Additionally, we will generate a virtuous cycle of investment in human capital, growth, and profit generation, through our employees by concentrating on creating innovation and work that only human beings can do.

Even so, the Group too is faced with the challenges of a shortage of labor, increasingly difficult hiring, and a fluid labor market with increasing separation rates. I think this leads to the question of how to align our meaning for existence and management courses of action with meaningful work and a growth orientation for each and every employee. While putting health and safety first, we will build employment systems and working environments that reflect the values of our increasingly diverse workforce and enable employees faced with needs such as those for childcare, family care, and caring for illnesses and injuries to balance their home and work lives. Additionally, we will make visible the skills that the Company needs and prepare an HR development environment suited to a mindset of taking on challenges, to realize both individual and organizational growth.

Innovation by diverse human resources is essential to generating earnings. We encourage diversity in gender, age, and disability status, as well as knowledge and experience. We will treat the increasingly fluid labor market as an opportunity in various ways, such as by building alumni* networks in addition to midcareer hiring. We will strive toward growth for both individual employees and the organization by creating workplaces where diverse human resources can work with vitality.

* Alumni: Former employees

Rising to meet the challenges of transformation to and creation of a society in which people can live in comfort, safety, and peace of mind

In my third year with the Company, I worked in construction of Unit No. 3 at the Higashi-Niigata Thermal Power Station, the first large combined-cycle power generation facility to enter into commercial use in Japan. While our original plans had been to adopt a standard type of facility, then-President Wakabayashi decided to use a combined-cycle plant, and work proceeded together with Mitsubishi Heavy Industries, Ltd. As the first project of its kind in Japan, naturally the project involved a succession of unprecedented difficulties. But we were able to move ahead to the start of commercial operation by overcoming each challenge as it arose, in line with President Wakabayashi's vision: "Someone needs to lead the way. Rather than simply adopting technologies from overseas, let's complete this project, the first of its kind in Japan, ourselves as Japanese professionals." I still recall vividly the sense of accomplishment I felt when the facility passed inspection.

Since assuming office as President, I have repeatedly highlighted the need to transform our awareness while maintaining the trust we have earned to date. Our business is founded on the trust we earn from our community. To achieve growth in a dramatically changing business environment, it is essential not just to transform our awareness and ways of doing business but to create new value and continue to take on challenges free of complacency. Growth means change; even failure can contribute to growth if it inspires us to continue trying. I want the Tohoku Electric Power Group to be an organization that not only fulfills the social mission of the electric power business and contributes to the Tohoku and Niigata region but provides each employee with rewarding work and a true sense of growth through encouragement to take on challenges.

I intend to lead the way in creating social value by helping to build a comfortable, safe, reliable society while strengthening corporate value through a virtuous cycle of profits, investments, and growth, all based on continual earning capabilities. I ask for the continuing support of our stakeholders.

Editorial Policy

Index

Introduction

At a Glance
Tohoku Electric Power Group
Values
The Tohoku Electric Power
Group's Strengths
[Message from Top Management](#)

A Value Creation Story

Financial Foundations,
Business Development

Management Foundations

Corporate Governance

Data

INTEGRATED REPORT

CHAPTER I

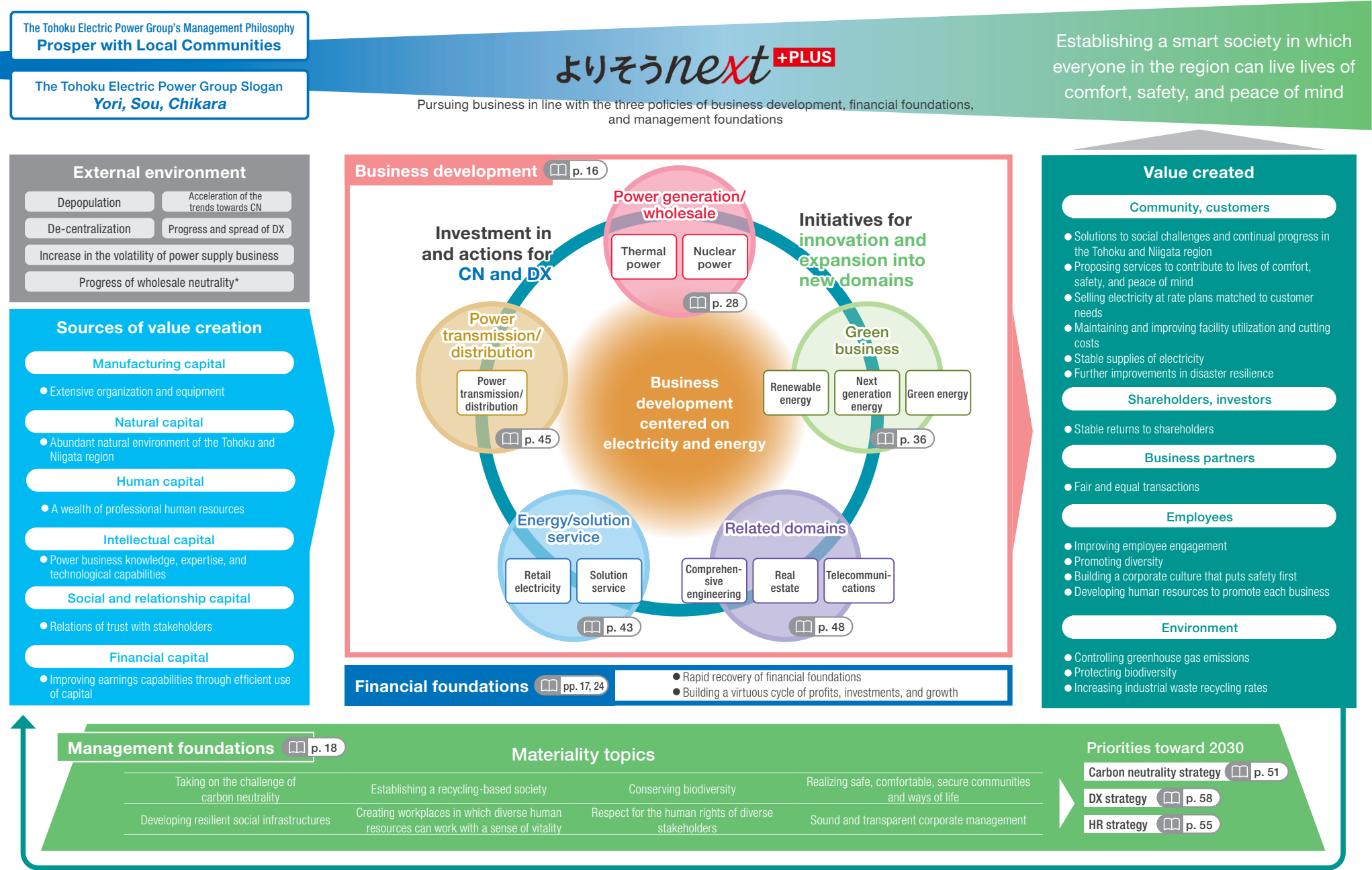
A Value Creation Story

Value Creation Process	p. 13
The Tohoku Electric Power Group's Ideal Vision	p. 14
Future Management Initiatives: Working Alongside Next ^{+PLUS}	p. 15
Materiality Topics	p. 19

よりそう*next*^{+PLUS}
Targeting a smart society, starting in Tohoku



Value Creation Process



The Tohoku Electric Power Group's Ideal Vision

A group of companies growing in step with sustained societal progress by helping to establish a smart society for a new age, starting in Tohoku. This is the Tohoku Electric Power Group's vision and ideal for the 2030s.

We believe the Group's mission in the Tohoku and Niigata region, where shrinking populations and other issues continue to weigh as major factors, is to deliver a stable supply of electricity as power professionals while providing added value based on electricity and helping to establish a smart society in which everyone in the region can live in comfort, safety, and peace of mind. In fulfilling this mission, we will strengthen our ties to customers and the community, inspire trust and high expectations, and achieve shared growth.



Future Management Initiatives: Working Alongside Next+PLUS

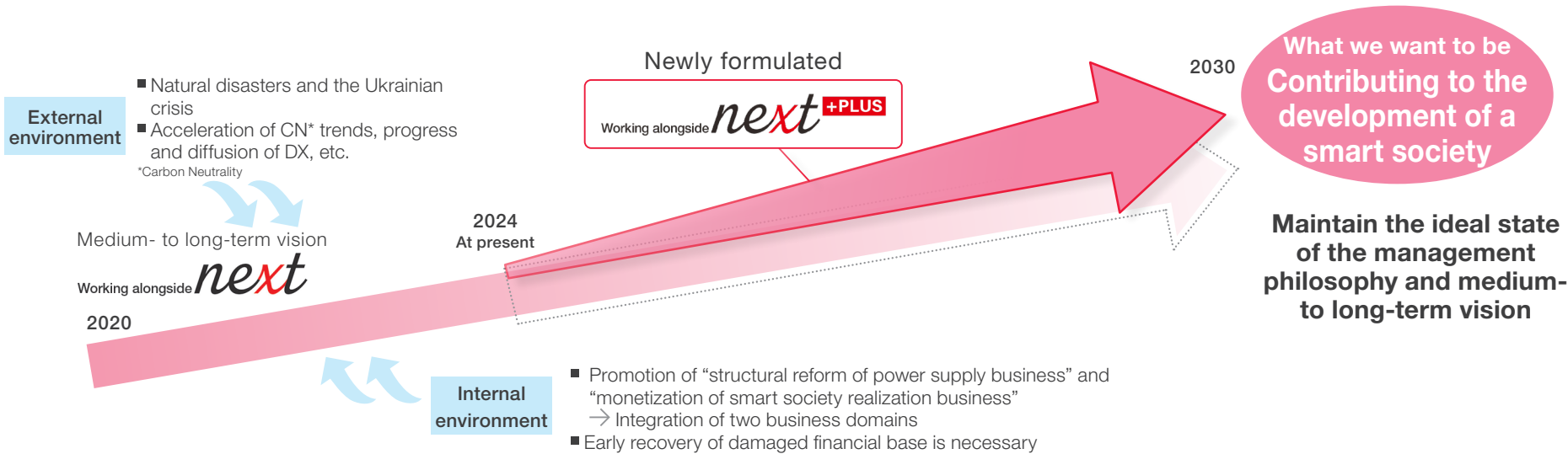
Behind the formulation of Working Alongside Next+PLUS

Since formulating Working Alongside Next, its medium- to long-term vision, in 2020, the entire Group has moved to establish structural reforms in the Power Supply Business and to generate new revenue through the Smart Society Building Business.

For two consecutive years of this period, our financial standing was rocked by large-scale losses attributable to various factors, including two earthquakes centered off the Fukushima Prefecture coast and Russia’s invasion of Ukraine. Additionally, with the accelerated shift toward carbon neutrality and digital transformation (DX), the Group’s business environment has changed dramatically.

As we approach the second half of the period covered by Working Alongside Next, we formulated Working Alongside Next+PLUS to describe management initiatives for the period leading up to FY2030, reflecting these initiatives and business environmental challenges.

While continuing to work toward our ideal vision of establishing a smart society in which everyone in the region can live in comfort, safety, and peace of mind, we will advance initiatives under the three policies of business development, financial foundations, and management foundations.



Three general initiatives of Working Alongside Next+PLUS

Business development <ul style="list-style-type: none">■ Identifying 11 business categories in five domains centered on electricity and energy■ Each business will help to establish a smart society through the autonomous pursuit of profits and growth■ Rising to meet the challenge of growing new business domains	Financial base <ul style="list-style-type: none">■ Focusing on the rapid recovery in our financial foundations■ Building a virtuous cycle of profits, investments, and growth■ Setting financial targets for FY2026 and FY2030	Management base <ul style="list-style-type: none">■ Promoting sustainability management■ Focus on carbon neutrality, DX, and HR strategies
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Business development New business domains

Since formulating the Medium- to Long-Term Vision, the Group has focused on two business pillars: the Power Supply Business and the Smart Society Building Business. We are also making progress on integrating recent business developments in the power and energy fields, such as corporate PPAs, into these two businesses. In light of these and other developments, we have identified 11 new business categories in five domains, centered on electricity and energy. While continuing to pursue reforms and capturing new demand, each business will help to establish a smart society through the autonomous pursuit of profits and growth.

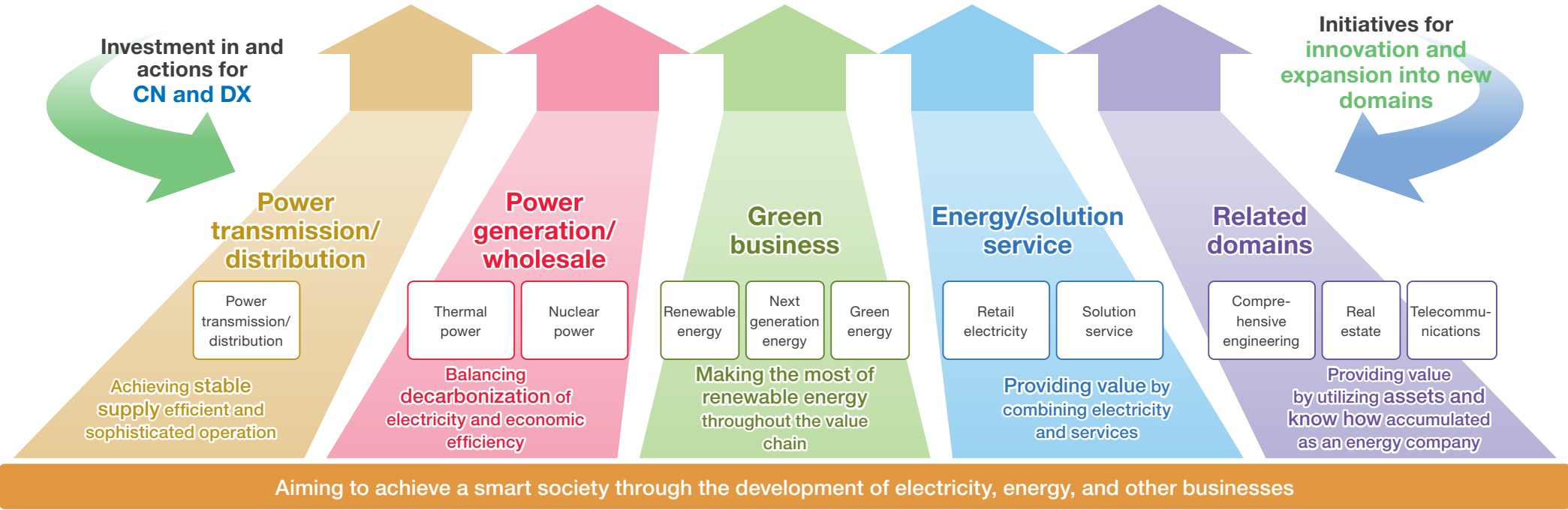
Additionally, we believe carbon neutrality and DX present growth opportunities. We will pursue the challenge of achieving growth Groupwide in various ways, including strengthening and expanding existing businesses and growing new business domains based on innovations and other efforts.

General initiatives

- **Business development centered on electricity and energy, adapting to changes in the electricity business framework**
The Group will develop our business around electricity and energy through selection and concentration. It will redefine the changing electricity business more broadly and work to capture demand across renewable energy, distributed power sources, and related services in addition to demand in the existing electricity business, thereby contributing to the development of a smart society.
- **Having respective businesses reform themselves and pursue profits and growth autonomously**
The Group will clarify the roles and expectations of respective businesses and encourage them to undergo reform and pursue profits and growth autonomously. It will also take on the challenge of strengthening and expanding existing businesses and expanding into new business areas through innovation, etc.

Tohoku Electric Power Group Goals for the 2030s

A group of companies growing in step with sustained societal progress by helping to establish a smart society for a new age, starting in Tohoku



Financial foundations Setting new financial targets

With a focus on the rapid recovery of our financial foundations to respond to business risks, based on steady progress toward our current financial targets, we will seek to achieve a consolidated equity ratio of approximately 20% by FY2026 by targeting consolidated ordinary income of 190 billion yen. In addition, as we build up assets for targeting stable supplies of electricity and carbon neutrality, we will seek to achieve a consolidated ROIC of roughly 3.5%, to put equipment to efficient use and create corporate value in excess of capital costs.

To be able to build a virtuous cycle of profits, investments, and growth, deliver a stable supply of power to our customers and community, and continue delivering further added value, even under business conditions of increasing uncertainty, we will aim for consolidated ordinary income of 200 billion yen or more, a consolidated equity ratio of 25% or more, and consolidated ROIC of 3.5% or more in FY2030.

Additionally, we will target dividends on equity (DOE) of 2% at this time, thereby enhancing shareholder returns in step with progress on restoring our financial foundations.

See > Message from the CFO/Financial Strategies > p. 24

General initiatives

Recovering the current financial base at an early stage

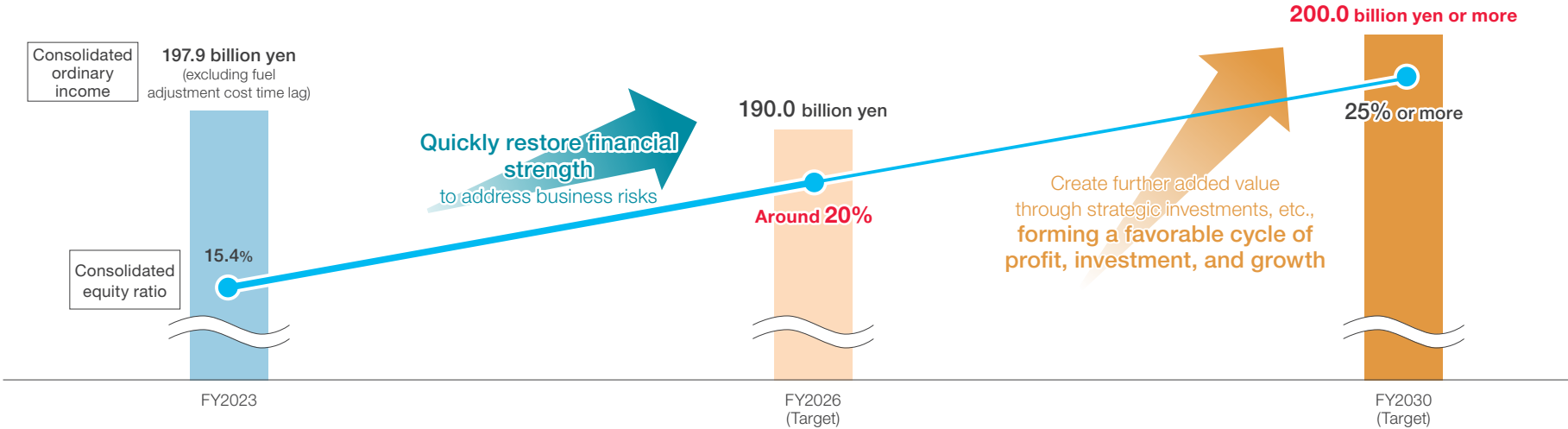
The Group will work to recover its financial base at an early stage in order to increase its risk resilience, thus ensuring continuous, stable supply even in the event of natural disaster or high volatility.

Forming a virtuous cycle of profits, investment, and growth

By strategically responding to CN, DX, etc., we will create further added value and form a virtuous cycle of profit, investment, and growth.

Current target	New financial target	
	Target indicators	
FY2024	FY2026	FY2030
Consolidated cash income 320 billion yen or more	Profit indicators [Consolidated ordinary income]	190.0 billion yen200.0 billion yen or more
	Financial soundness indicators [Consolidated equity ratio]	Around 20%25% or more
	Profitability index [Consolidated ROIC]	3.5% level*3.5% or more*

* Consolidated ROE will be 8% or more when the target is achieved.



Management foundations Focusing on the three areas of carbon neutrality, digital transformation (DX), and human resources

We will strengthen our management foundations to set the cornerstones for sustained business evolution and growth.

In particular, we will focus on carbon neutrality strategies for long-term, strategic carbon neutrality, in which the power business will play an important role, digital transformation (DX) strategies to power innovation and business reforms using DX, and various strategies to strengthen the human capital that represents the source of growth.

General initiatives

Strengthening the Management base that supports sustainable business development

The Group will strengthen its management base for sustainably developing businesses. Specifically, it will work to solve problems associated with materialities, especially ESG issues, from a medium to long term perspective and create value and trust together with its stakeholders.

The Tohoku Electric Power Group's materiality topics

E	Taking on the challenge of Carbon Neutrality
	Establishing a recycling-based society
	Conserving biodiversity
S	Realizing safe, comfortable, secure communities and ways of life
	Developing resilient social infrastructure
	Creating workplaces in which diverse human resources can work with a sense of vitality
G	Respect for the human rights of diverse stakeholders
	Sound and transparent corporate management

Particular focus toward 2030

Working alongside **next^{PLUS}**
To achieve a smart society, starting in Tohoku

CN strategy
p. 51

Putting renewables and nuclear energy to maximum use, decarbonizing thermal power, and promoting electrification while optimizing energy use, thereby achieving carbon neutrality

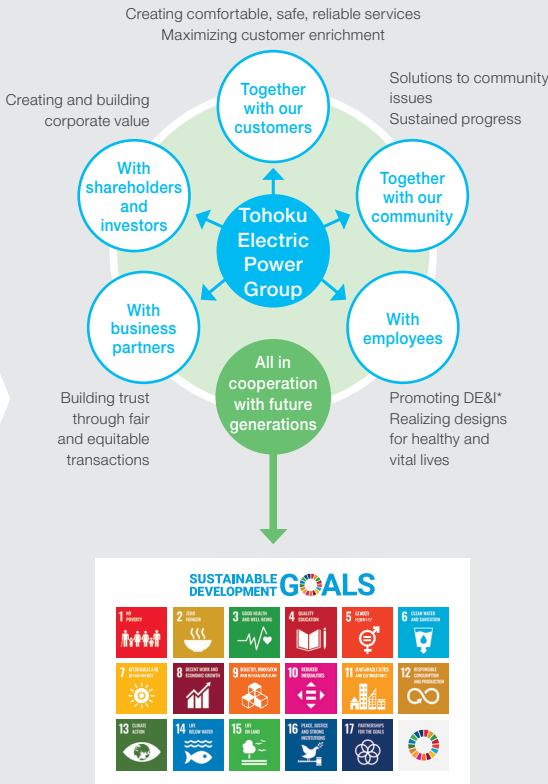
DX strategy
p. 58

Implementing business model reforms and business process improvements by harnessing digital technologies and promoting HR development and other initiatives

Human resources strategy
p. 55

Increasing organizational and individual growth potential by strengthening engagement while making the HR management cycle more effective

Value co-created with stakeholders










* Diversity, equity, and inclusion

See > Sustainability Management > Sustainability Data Book > p. 2

Materiality Topics

Risks and opportunities

Materiality topics Related SDGs		Key topics	Major risks associated with failure to address	Major opportunities potentially created by addressing
E	Taking on the Challenge of Carbon Neutrality 	<ul style="list-style-type: none">■ Rapid resumption of stable operation of nuclear power stations based on a safety-first approach■ Expanding the adoption of renewable energy■ Migration toward thermal power decarbonization■ Promoting energy conservation solutions and electrification alongside customers■ Promoting decarbonization technological development and innovations	<ul style="list-style-type: none">■ Increasing costs from stricter regulations, loss of society's trust■ Inability to grow market share in decentralized power sources and declining market value of the Company's conventional power sources■ Falling share prices due to accelerating divestment from thermal power and rising fundraising costs■ Damage to facilities and power failures due to increasingly severe weather events■ Decreased hydroelectric power generation due to changing precipitation patterns	<ul style="list-style-type: none">■ Increased demand for electricity due to expanded use of EVs and other electrification■ Falling fuel costs due to restricted operation of thermal power■ Contributions to local economy (e.g., employment)■ Creation of new business opportunities
	Establishing a recycling-based society 	<ul style="list-style-type: none">■ Controlling waste generation and using resources effectively	<ul style="list-style-type: none">■ Rising waste treatment costs■ Reputation risk due to negative impact on ecosystems and extinction of rare species■ Rising fundraising costs, divestment due to lower ESG evaluation	<ul style="list-style-type: none">■ Improved power generating efficiency of hydroelectric power due to effective use of water resources■ Lower costs due to effective use of waste and reduced waste generation■ Earning the trust of stakeholders
	Conserving biodiversity 	<ul style="list-style-type: none">■ Local environmental preservation		
S	Realizing safe, comfortable, secure communities and ways of life 	<ul style="list-style-type: none">■ Promoting the Smart Society Building Business to utilize digital technologies to help find solutions to community challenges■ Pursuing customer satisfaction■ Co-creation of vital local communities in Tohoku and Niigata	<ul style="list-style-type: none">■ Degradation of revenue foundations due to depopulation and deindustrialization■ Loss of business opportunities due to failure to adapt to changing societal needs■ Decreased demand due to lower customer satisfaction	<ul style="list-style-type: none">■ Strengthening earnings and customer satisfaction through the development and deployment of services■ Population growth due to regional vitalization and industrial promotion (market growth)■ Securing new business opportunities by identifying customer needs
	Developing resilient social infrastructures 	<ul style="list-style-type: none">■ Stable energy supplies■ Responding rapidly to large-scale disasters■ Contributing to more advanced social infrastructure through our technologies	<ul style="list-style-type: none">■ Loss of society's trust due to lengthening power failures following large-scale disasters■ Loss of business opportunities due to failure to adapt to changing societal needs■ Accelerating depopulation as communities become less attractive and public service levels decline	<ul style="list-style-type: none">■ Maintaining and strengthening societal trust through rapid recovery from power failures■ Preventing depopulation through regional vitalization and industrial promotion (market growth) in Tohoku and Niigata■ Maintaining and expanding the customer base by earning stakeholder trust
	Creating workplaces in which diverse human resources can work with a sense of vitality 	<ul style="list-style-type: none">■ Enhancement of human capital to support business model transformation■ Implementing work-style reforms in various ways, including use of digital technologies■ Promoting diversity, equity, inclusion■ Promoting health management	<ul style="list-style-type: none">■ Increasing difficulty in securing human resources■ Increasing separation, decreased job motivation (productivity), lower performance■ Loss of business opportunities through decreased ability to meet customer needs	<ul style="list-style-type: none">■ Securing human resources, preventing separation■ Enhancing ability to adapt to increasingly diverse customer needs■ Increasing earnings through improving performance and enhancing competitive strengths
	Respect for the human rights of diverse stakeholders 	<ul style="list-style-type: none">■ Ensuring worker safety■ Preventing discrimination and harassment■ Ensuring public safety and consumer safety	<ul style="list-style-type: none">■ Accidents involving fatalities or serious injuries■ Litigation risk and worsening reputation■ Growing demand loss due to impaired trust among stakeholders or brand damage	<ul style="list-style-type: none">■ Consideration for employee human rights by ensuring worker safety■ Securing human resources, preventing separation■ Maintaining and expanding customer base through earning trust from stakeholders
G	Sound and transparent corporate management 	<ul style="list-style-type: none">■ Securing sound foundations for revenue and finances■ Comprehensive compliance■ Risk management and response■ Ensuring information security■ Protecting and utilizing intellectual property■ Risk management in the supply chain■ Expanding true dialogue with our stakeholders■ Enhancing partnerships■ Developing an effective governance structure	<ul style="list-style-type: none">■ Growing demand loss due to impaired trust among stakeholders or brand damage■ Falling stock prices, increased difficulty of raising funds, divestment■ Decreased competitiveness due to failure to ascertain trends in soft law and delays in responding thereto	<ul style="list-style-type: none">■ Maintaining and expanding customer base through earning trust from stakeholders■ Beneficial fundraising through improved ESG evaluation■ Rising stock prices

Metrics and targets

Results in FY2023 were largely according to plan. For items on which results were lower than planned or targeted, we will analyze causes and issues and improve future efforts. While on-the-job accidents involve structural issues such as tough working environments due to extreme weather, the shortage of labor, and the aging of our workforce, we will promote DX and other initiatives in the area of occupational safety. The rate of recycling of wastes is dependent on demand for concrete, since a large component of wastes consists of coal ash. We have also decided to monitor the rate of recycling of wastes other than coal ash from this point forward. We are working to establish new metrics and targets and to revise existing ones in light of various factors, including our efforts to enhance human capital.

	Materiality topic	Targets	Scope ^{*1}	Target fiscal year	Metrics	Results			Self-assessment ^{*2}	Related pages
						FY2021	FY2022	FY2023		
E	Taking on the Challenge of Carbon Neutrality	■ Achieving carbon neutrality	G	2050	CO ₂ emissions in the power generation business	(32.55 million t-CO ₂) ^{*4}	39.89 million t-CO ₂	40.36 million t-CO ₂ (−20.0% vs. FY2013)	○	p. 51 Sustainability Data Book p. 10
		■ Targeting reduction in CO ₂ emissions ^{*3} to one-half the actual level in FY2013 (50.45 million t-CO ₂)	G	2030						
	Establishing a recycling-based society	■ Recycling at least 90% of all industrial waste	TD & TN ^{*5}	Annual	Recycling rate	91.9%	87.6%	85.5%	▲	p. 54 Sustainability Data Book p. 25
		■ Recycling at least 95% or more of industrial waste other than coal ash	TD & TN	Annual	Recycling rate	—	—	(Newly added in FY2024)	—	
		■ Wherever possible, choosing products that use fewer plastics or substitute materials	TD & TN	Annual	Plastic waste generated	1,029 t TN: 950 t (Reposted)	1,006 t TN: 917 t (Reposted)	1,094.1 t TN: 917.1 t (Reposted)	○	
		■ Promoting recycling of plastic waste, aiming for a recycling rate of 90% (including thermal recycling) ^{*6}	TD & TN	Annual	Plastic waste recycling rate	76.9% TN: 78.9% (Reposted)	84.2% TN: 88.1% (Reposted)	80.2% TN: 91.1% (Reposted)	○	
	Conserving biodiversity	■ Avoiding or minimizing the impact on biodiversity of business activities	TD & TN	Annual	—	(FY2023 results) • Continued existing environmental protection and rare plant and animal conservation initiatives at power plants and other facilities • Collecting information on rare plants and animals when planning facilities, and determining and implementing the preservation measures necessary			○	p. 54 Sustainability Data Book p. 16
S	Realizing safe, comfortable, secure communities and ways of life	■ Providing services with high added value to contribute to solutions to social challenges, etc.	G	2030	(Cumulative) number of businesses and services	29	43	60	○	p. 39, p. 41, p. 49
		■ Achieving a share of 66.0% or higher for deregulated electricity rate service plans introduced to provide new value and boost customer satisfaction ^{*7}	G (excluding TN)	2030	Share of deregulated service plans (vs. kWh)	45.7%	48.4%	46.5%	▲	
		■ 1,500 Yori, Sou Connect Tohoku users ^{*8}	TOHKNet	2024	Users	447	1,087	1,796	◎	p. 48
		■ 265 pieces of content posted on Yori, Sou Connect Tohoku ^{*8}	TOHKNet	2028	Content count	—	—	(Newly added in FY2024)	—	
	Developing resilient social infrastructures	■ Maintaining the quality of electricity	TN	Annual	Average number and length of power failures per household	0.11 times, 15 min.	0.11 times, 24 min.	0.12 times, 12 min.	—	p. 45 Sustainability Data Book p. 46
		■ Maintaining stable supplies through systematic repairs of aging facilities • Pylons: 591 pylons/5 years • Poles: 95,660 poles/5 years • Overhead power lines: 11,197 km/5 years • Underground cables: 428 km/5 years	TN	2027	Pylons	—	—	79	○	
					Poles	—	—	19,588		
					Total length of overhead power lines	—	—	2,802 km		
					Total length of underground cables	—	—	101 km		
■ Enhancing resilience to major disasters (emergency drills conducted at least once a year)	TD & TN	Annual	Major disaster drills conducted at all offices	Implemented	Implemented	Implemented	○			

^{*1} TD: Tohoku Electric Power; TN: Tohoku Electric Power Network; G: Tohoku Electric Power Group ^{*2} ◎: Exceeded plans or targets; ○: in line with plans or targets; ▲: below plans or targets ^{*3} CO₂ emissions from the Group's power generation business. ^{*4} CO₂ emissions from the retail business; have been revised to CO₂ emissions from the power generation business starting with the FY2022 results upon participation in GX League Phase I, which focuses on CO₂ emissions on a power generation basis. ^{*5} Since FY2024, the scope of metrics and targets has been expanded to include the entire Group (G). ^{*6} A quantitative target for recycling plastic wastes was added in FY2024. ^{*7} Target year and figure have been revised (target year shifted from FY2025 to FY2030, target figure revised from 66% to at least 66%) ^{*8} We achieved the target of 1,500 Yori, Sou Connect Tohoku users in FY2023. Since FY2024, we have monitored the service's content count rather than users.

Metrics and targets

	Materiality topic	Targets	Scope ^{*1}	Target fiscal year	Metrics	Results			Self-assessment ^{*2}	Related pages
						FY2021	FY2022	FY2023		
S	Creating workplaces in which diverse human resources can work with a sense of vitality	■ Engagement score ^{*3} of 3.8 or higher	TD & TN	2030	Engagement score	—	—	(Newly added in FY2024)	—	p. 55 Sustainability Data Book p. 54
		■ At least 40 hours of learning per employee per year	TD & TN	2030	Learning hours per employee per year	—	—	(Newly added in FY2024)	—	
		■ Training 2,000 DX literacy human resources	TD & TN	2025	Number of DX-literate human resources	—	—	612	○	
		■ Achieving a rate of at least 80% of employees taking ordinary leave (including hourly leave)	TD	2024	Average percentage taking ordinary leave	74.4%	77.1%	74.7%	○	
			TN	2024	Average percentage taking ordinary leave	79.2%	83.0%	83.8%	○	
		■ At least doubling the number of women managers (vs. the start of FY2019)	TD	2024	vs. FY2019 start	1.45-fold	1.48-fold	1.61-fold	○	
			TN	2024	vs. FY2019 start	0.89-fold	1.11-fold	1.56-fold	○	
		■ Achieving a rate of at least 5.0% of managers being women	TD & TN	2035	Women as a percentage of managers	2.24%	2.46%	2.87%	○	
		■ Complying with statutory percentage of employees with disabilities	TD, TN & TFP	Annual	Percentage of employees with disabilities	2.46%	2.48%	2.52%	○	
		■ Achieving a percentage of no more than 20.0% of employees who are smokers ^{*4}	TD & TN	2024	Percentage of smokers	21.6%	20.9%	20.9%	○	
	■ Presenteeism: 15.1%; absenteeism: 1.20% ^{*4}	TD & TN	2026	Presenteeism, absenteeism	—	—	(Newly added in FY2024)	—		
	Respect for the human rights of diverse stakeholders	■ Zero fatal accidents (including subcontractors, contracted work, etc.)	G	Annual	Number of fatal accidents	1	2	3	▲	p. 81 Sustainability Data Book p. 30, p. 37, p. 46
		■ Responding appropriately to consultation on harassment: number of consultations with hotline ^{*5}	TD & TN	Annual	Number of hotline consultations	24	31	44	○	
		■ Raising human rights awareness ^{*5}	TD & TN	Annual	Number of participants in human rights training	—	—	(Newly added in FY2024)	—	
		■ Zero electric shock accidents affecting the public (due to facility defects)	TD & TN	Annual	Number of accidents	0	0	0	○	

^{*1} TD: Tohoku Electric Power; TN: Tohoku Electric Power Network; TFP: Tohoku Electric Power Friendly Partners; G: Tohoku Electric Power Group

^{*2} ○: Exceeded plans or targets; ○: in line with plans or targets; ▲: below plans or targets

^{*3} The Company's engagement score is the average of the following answers to the question "Would you recommend the Company to someone you know as a great place to work?": Yes (5); more yes than no (4); more no than yes (2); and no (1).

^{*4} Since FY2024, presenteeism and absenteeism percentages have been monitored as health management metrics in place of percentage of smokers. Presenteeism refers to the lost productivity that occurs when employees are not fully functioning in the workplace due to illness, injury, or other conditions, while absenteeism refers to uninterrupted time off taken due to physical or mental conditions. The goal for each is a lower number.

^{*5} Since FY2024, the number of participants in human rights training has been monitored as a metric for preventing discrimination and harassment in place of numbers of hotline consultations.

Metrics and targets

Materiality topic		Targets	Scope ^{*1}	Target fiscal year	Metrics	Results			Self-assess-ment ^{*2}	Related pages
						FY2021	FY2022	FY2023		
G	Sound and transparent corporate management	■ Consolidated cash income of at least 320 billion yen	G	2024	Consolidated cash income	257.3 billion yen	136.6 billion yen	420.3 billion yen	○	p. 24
		■ Comprehensive compliance	G	Annual	Number of serious compliance violations	0	2	0	○	p. 81 Sustainability Data Book p. 72
					Number of consultations with whistleblowing hotline	130	148	189	○	
		■ Thorough business ethics and compliance: number of serious compliance violations	G	Annual	Controlling value at risk to keep it within the range of consolidated equity capital (value at risk/consolidated equity capital)	Under control (less than one)	Under control (less than one)	Under control (less than one)	○	p. 80 Sustainability Data Book p. 70
		■ Appropriate management of and response to important risks identified based on integrated risk management policy	G	Annual	Number of subjects for which information security has been confirmed (of which, the number of visited dialogues)	214 subjects (38 subjects)	206 subjects (38 subjects)	205 subjects (41 subjects)	○	p. 59 Sustainability Data Book p. 76
		■ Promoting activities to utilize intellectual property strategically	TD & TN	Annual	Number of business support cases through IPL activities	—	—	(Newly added in FY2024)	—	p. 62
		■ Maintenance and promotion of information security management	TD & TN	Annual	Number of patents held	286	293	288	○	
					Number of utility models registered	4	4	3		
					Number of designs registered	13	12	13		
					Number of trademarks registered	95	102	111		
		■ Zero violations of others' industrial property rights	TD & TN	Annual	Number of violations of others' rights	—	—	(Newly added in FY2024)	—	
		■ 100% of major trading partners surveyed	TD & TN	Annual	Percentage surveyed	—	—	100%	○	p. 82 Sustainability Data Book p. 36
		■ Proactive communication activities with stakeholders	G	Annual	Number of social contribution activities ^{*3}	485	502	319	○	p. 63 Sustainability Data Book p. 49
■ Enhanced dialogue with shareholders and investors (including ESG)	TD	Annual	Number of dialogues	139	191	160	◎	p. 79		
■ Improving efficacy of Board of Directors (assessing the efficacy of the Board and making continual improvements based on the results)	TD	Annual	—	FY2023 results • Surveys assessing efficacy have been undertaken continuously since FY2016, their results are reported to the Board, and improvements and other measures are implemented during the following fiscal year.			○	p. 71		

^{*1} TD: Tohoku Electric Power; TN: Tohoku Electric Power Network; G: Tohoku Electric Power Group

^{*2} ◎: Exceeded plans or targets; ○: in line with plans or targets; ▲: below plans or targets

^{*3} Results for activities sponsored or cosponsored by Tohoku Electric Power and Tohoku Electric Power Network (including participants from Group companies)

INTEGRATED REPORT

CHAPTER 2

Financial Foundations, Business Development

Message from the CFO/ Financial Strategies	p. 24
Promoting Green/Transition Financing	p. 27
Thermal Power Generation Business	p. 28
Nuclear Power Business	p. 33
Renewable Energy Business	p. 36
The Next-Generation Energy Business	p. 39
Green Energy Services Business	p. 41
Retail Electricity Business/ Solution Services Business	p. 43
Power Transmission and Distribution Business	p. 45
Related Areas	p. 48
Taking on the Challenges of Growth	p. 49



Message from the CFO/Financial Strategies

Looking back on FY2023

In FY2023, our financial results were in the black for the first time in three years since FY2020. The Company took its first steps toward growth as it recovered from the substantial damage to its financial foundations caused by the Ukraine crisis and other factors.

We recorded consolidated ordinary income of 291.9 billion yen, while the consolidated equity ratio recovered somewhat from 10.5% at the end of FY2022 to 15.4% at the end of FY2023. I believe that these results reflect more than just positive effects on profit from the revision of electricity rates and the time lag in the fuel-cost adjustment system. I believe they represent the results of earnest efforts by each company and business in the Group toward higher profits through business efficiency improvements and other initiatives reflecting the business environment that each faces.

While our financial foundations remain in a challenging situation, they have recovered to some extent, and the roadmap toward a full recovery of our financial foundations has become clear. Accordingly, we have decided to resume paying dividends starting in FY2023, at 15 yen per share.

The full-year outlook for FY2024

A look at the full-year performance outlook for FY2024 shows that while we expect profit to decrease year on year due to various factors, including the lag in the fuel-cost adjustment system returning to negative territory, we project consolidated ordinary income of roughly 190 billion yen. Additionally, we expect the consolidated equity ratio to return to approximately 17% by the end of the year. [Fig. 1](#)

We expect the resumption of operation of Unit No. 2 at the Onagawa Nuclear Power Station, planned for this fiscal year to contribute to stable business operations, not just by improving revenue, expenditures, and cash flow and alleviating the impact of fluctuations in revenue and expenditures by reducing fuel costs, but by dramatically reducing our CO₂ emissions.



Onagawa Nuclear Power Station

Fig.1 FY2023 results and FY2024 outlook

	FY2023	FY2024
Operating revenue	2,817.8 billion yen	2,830 billion yen
Ordinary income (loss)	291.9 billion yen [197.9 billion yen]	190 billion yen [200 billion yen]
Net income (loss) attributable to owners of parent	226.1 billion yen	130 billion yen
Consolidated cash income	420.3 billion yen	440 billion yen

* Figures in brackets exclude time-lag effects of the fuel-cost adjustment system.



Representative Director
& Executive Vice President
Chief Finance Officer (CFO)

Satoshi Isagoda

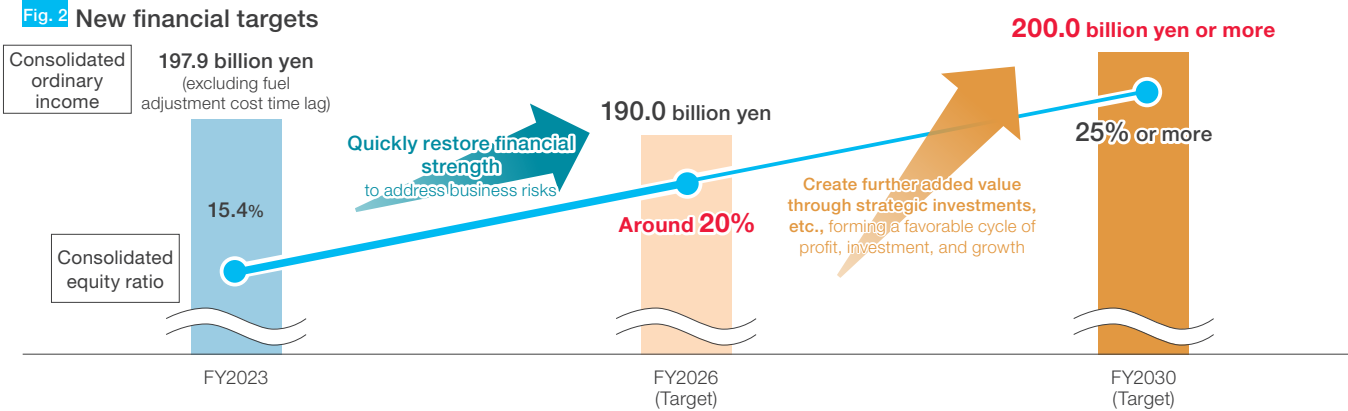
New financial targets under Working Alongside Next+PLUS

In April 2024, we formulated and announced Working Alongside Next+PLUS, describing our management approach in the years to FY2030.

While focusing on the pressing issue of a rapid recovery in our financial foundations, Working Alongside Next+PLUS also calls for building a virtuous cycle of profits, investments, and growth as a step toward realizing our ideal vision for the future beyond 2030. Accordingly, it sets new financial targets on the three metrics of consolidated ordinary income, consolidated equity ratio, and consolidated ROIC for FY2026 and FY2030.

Fig. 2

In line with this new approach, I hope FY2024 will be a year in which we will transform these first steps into steady strides by enhancing the Group's management, through each business working independently to increase earnings and connecting such efforts to the growth of the Tohoku Electric Power Group as a whole.



Current target

FY2024
Consolidated cash income
320 billion yen or more

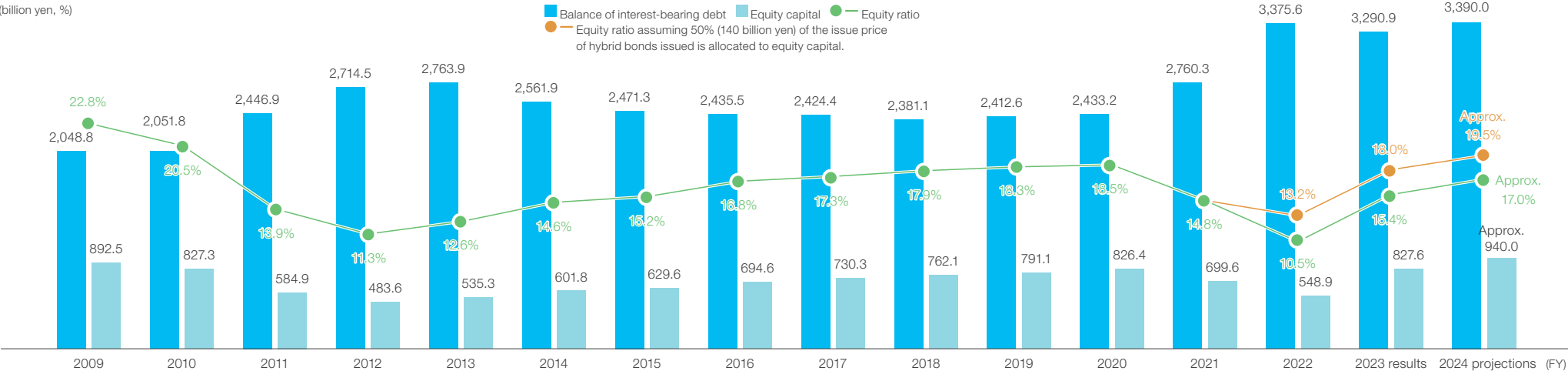
New financial target

KPIs	FY2026	FY2030
Profit indicators [Consolidated ordinary income]	190.0 billion yen	200.0 billion yen or more
Financial soundness indicators [Consolidated equity ratio]	Around 20%	25% or more
Profitability index [Consolidated ROIC]	3.5% level*	3.5% or more*

* Consolidated ROE will be 8% or more when the target is achieved.

Reference Trend in consolidated financial standing

(billion yen, %)



Our thinking on cash allocation

Along with these new financial targets, Working Alongside Next⁺PLUS also describes our thinking on cash allocation for the time being. [Fig 3](#)

In addition to restoring our financial foundations by strengthening cash flow from business operations through efforts to achieve the new financial targets, we will strive to create further added value in the future by investing about 300 billion yen through FY2030 in strategic investments in areas including the decarbonization of thermal power.

Regarding dividends, in addition to our previous policy of paying stable dividends, we have set as a present-day target a dividend on equity (DOE) ratio of 2%, thereby enhancing returns to shareholders in line with the pressing issue of restoring our financial foundations.

We will continue to allocate resources in ways mindful of the need to strike a balance between restoring our financial foundations and future growth on the one hand and shareholder returns on the other.

Strengthening corporate value over the medium to long term through sustained growth and dialogue with potential investors

We recognize that stakeholders have grown increasingly interested in capital costs and returns on capital because they expect businesses to strive to achieve sustained corporate growth and medium- to long-term gains in corporate value. Our PBR has recently been below one; however, under Working Alongside Next⁺PLUS, we will aim to meet stakeholder

expectations through efforts to achieve financial targets in each of two phases: the years leading up to FY2026 and the years thereafter up to FY2030.

In particular, we have repositioned consolidated ROIC, which to date has been a metric subject to monitoring, to a target the Company must strive to achieve. This should provide support for Groupwide growth as we pursue earnings and growth in each business by furthering the appropriate allocation of resources based on even stronger awareness of the profitability criterion.

We believe dialogue with capital markets is essential to securing financial support for our growth initiatives. For this reason, we will seek to engage in ongoing dialogue with stakeholders while enhancing IR, disclosure, and other related activities.

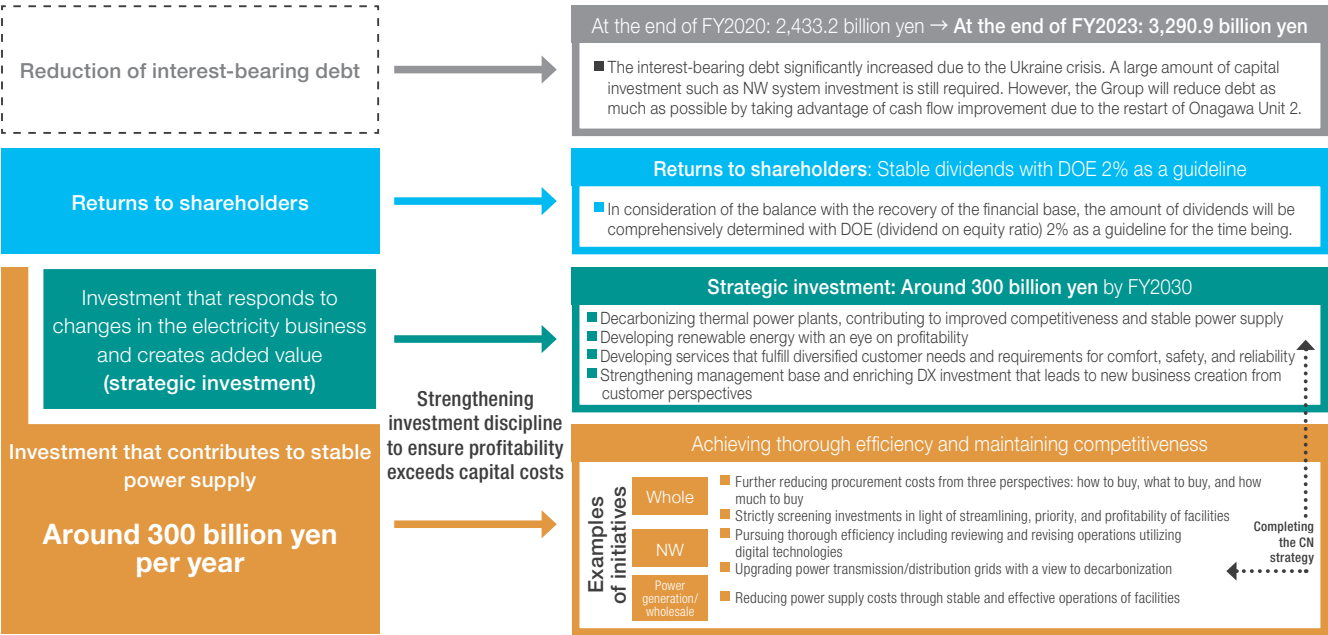
See > Communication with Shareholders and Investors > p. 79

Conclusion

My responsibility as CFO has been to allocate management resources effectively Groupwide while identifying the growth potential of each business. In today's dramatically changing business environment, leading the way in this area is becoming increasingly challenging.

Under these conditions, we will work to meet the expectations of the Tohoku and Niigata region and all our stakeholders based on careful consideration of what will lead to growth and maximize corporate value.

Fig 3 Cash out



Promoting Green/Transition Financing

We are currently promoting green/transition financing as part of efforts to achieve carbon neutrality by 2050. In FY2023, we continued to raise funds through our existing green/transition financing initiatives. We will maintain the course of optimal fundraising to achieve the goals of the Tohoku Electric Power Group Carbon Neutral Challenge 2050.

Overview of financing

Type	Lender (loans)/name (bonds)	Use of funds	Date executed
Green loans	1 The Bank of Iwate, Ltd.	Renovation costs for the Matsukawa Geothermal Power Station (Iwate Prefecture)	April 27, 2023
	2 The Yamagata Bank, Ltd.	Renovation costs for the Chojahara Hydroelectric Power Station (Yamagata Prefecture)	June 29, 2023
Transition loans	3 Nippon Life Insurance Company	Costs for improvements of the grid connecting Tohoku with Tokyo and activities involving the process of acquiring power sources in the northern Tohoku area	December 26, 2023
	4 Meiji Yasuda Life Insurance Company		
Transition bonds	5 First transition bonds	Funding for improvements at the Joetsu Thermal Power Station	March 9, 2023
	6 Second transition bonds	Costs of improvements of the grid connecting Tohoku with Tokyo and activities involving the bidding process of acquiring power sources in the northern Tohoku area Decommissioning of Harbor Units Nos. 1 and 2 at the Higashi-Niigata Thermal Power Station	

* Power station developed and operated by Tohoku Sustainable & Renewable Energy Co. Inc.

Assessment by external agencies

Our green/transition finance initiatives have been assessed and verified for compliance with various applicable standards (including GBP standards) by DNV Business Assurance Japan K.K., an independent agency

Allocation of funds raised through green finance*1 and environmental impact (as of March 31, 2023)

Funds raised	Amount allocated	Amount allocated to refinancing	Unallocated balance	Output of projects to which funds were allocated	Annual CO ₂ emissions reductions*2 (FY2023)
1 Not disclosed	100%	0%	0%	15.0 MW (Planned for after renovation)	—
2 Not disclosed	100%	0%	0%	12.9 MW	1,953 t
Total Not disclosed	100%	0%	0%	27.9 MW/2 stations	1,953 t

*1 Projects funds of which were allocated from each mode of financing and were operating steadily as of 2024.

*2 Method for calculating annual CO₂ emissions reductions: FY2023 annual power generated (MWh) × FY2023 CO₂ emissions factors (t-CO₂/MWh). Emissions reductions from all projects are estimated through prorating by the amount of funds allocated.

The following information includes the disclosures required in annual reports following the execution of green/transition financing. The first through third issuance of Tohoku Electric Power Green Bonds and green/transition loans executed through FY2022 are not included below because their allocation was completed by FY2022, and thus they are not subject to annual reporting requirements.

Allocation of funds raised through transition finance and environmental impact (as of March 31, 2023)

Funds raised	Amount allocated	Amount allocated to refinancing	Unallocated balance	Annual CO ₂ emissions reductions (FY2023)*1
3 Not disclosed	100%	59%	0%	—
4 Not disclosed	100%	59%	0%	—
5 10 billion yen	10 billion yen	8 billion yen	—	75,567 t
6 5 billion yen	5 billion yen	3 billion yen	—	37,783 t
Total*2 15 billion yen	15 billion yen	11 billion yen	—	113,350 t

*1 Method for calculating annual CO₂ emissions reductions: facility utilization rate × 365 × 24 × difference in fuel consumption rate (Higashi-Niigata Thermal Power Station Unit No. 3 – Joetsu Thermal Power Station Unit No. 1) × calorific value of fuel × FY2023 CO₂ emissions factors, assuming replacement of power output from the Higashi-Niigata Thermal Power Station Unit No. 3 system (572 MW) with that from Joetsu Thermal Power Station Unit No. 1. Emissions reductions from all projects are estimated through prorating by the amount of funds allocated.

*2 Total excludes undisclosed amounts.

Details of transition projects

Use of funds	Details
Joetsu Thermal Power Station	Location: Joetsu, Niigata Prefecture Fuel used: LNG Power output: 572 MW FY2023 total output (at transmission point): 3,010 GWh Effects: Reduced fuel consumption and CO ₂ emissions due to higher efficiency, etc.
Grid connecting Tohoku with Tokyo	Location: Tamura, Fukushima Prefecture, and elsewhere Construction began: 2022 Planned start of operation: 2027 Effects: Increased use of renewable energy through expanded transmission capacity to Tokyo (from 5.65 GW to 10.28 GW), etc.
Bidding process to aquire power sources in the northern Tohoku area	Location: Akita, Akita Prefecture Construction began: 2022 Target start of operation: 2032 Effects: Connection of 3.9 GW of renewable energy sources to the grid
Minato Units Nos. 1 and 2 at the Higashi-Niigata Thermal Power Station	Location: Seiro, Niigata Prefecture Fuel used: LNG Power output: 700 MW (total of Harbor Units Nos. 1 and 2) Date decommissioned: 2022

* Among projects to which funds were allocated, those in use are operating steadily. Work is proceeding steadily for those currently under construction or in the process of removal.

Comprehensively enhancing our competitive strengths in power sources and strategically working toward carbon neutrality

Managing Executive Officer
President of Power Generation Company
Tohoku Electric Power Co., Inc.
Kaoru Hijikata



Even while the volume of power generated using thermal power generation drops with rising use of renewables, thermal power is expected to continue to demonstrate its strengths in terms of power supply control and coordination. The Group will put thermal power sources to maximum use while promoting their decarbonization, to realize the aims of the Tohoku Electric Power Group Carbon Neutral Challenge 2050.

First, to build an optimal portfolio of power sources, we will proceed with plans to replace Unit Nos. 1 and 2 at the Higashi-Niigata Thermal Power Station while making thermal power sources more efficient and reducing their environmental impact through future decommissioning and replacement. To decarbonize thermal power generation, we will develop structures for the procurement of hydrogen, ammonia, and other carbon-neutral fuels and strengthen the related functions. We will strive to move closer to carbon neutrality by proceeding to test mixed burning with carbon-neutral fuels.

In response to growing uncertainty in the power

business attributable to dramatic fluctuations in fuel and electricity trading, we will strive to enhance our risk resilience and quickly restore our financial foundations.

Specifically, in the area of fuel procurement, we will strive to improve our ability to adapt in a timely manner to fluctuations in electricity demand while continuing to reduce costs, based on efforts to ensure stable procurement. We will also seek to achieve further cost savings and even more advanced operations through means such as the use of digital technologies and existing data in thermal power generation. In wholesaling, we will strive to ensure profitability by trading in markets including the futures markets while ensuring wholesale neutrality* through a wholesale bidding process.

We will strive to grow profits by promoting these initiatives in fuel procurement, power generation, and wholesaling, alongside value chain optimization efforts.

* Wholesale neutrality: Neutrality in the treatment of internal retail sections and other retail power businesses in wholesaling

Business environment

- Opportunities

 - The accelerating shift toward carbon neutrality
 - Revenue opportunities in new markets
- Risks

 - Volatility due to fluctuations in fuel and electricity trading prices
 - Cutoff of fuel supplies due to geopolitical risks
- Strengths

 - Coordination function of thermal power generation
 - Demand-supply optimization achieved through markets and trading skills

Courses of action for responses

Promoting the following measures as part of a strategic approach to enhancing our competitive strengths in power sources and achieving carbon neutrality from a long-term perspective, with a focus on safety.

- Reducing fuel procurement costs, increasing flexibility and stability
- Building and functionally strengthening procurement structures for carbon-neutral fuels
- Promoting the replacement and decarbonization of thermal power sources to achieve carbon neutrality
- Advancing operation of thermal power sources using state-of-the-art digital technologies
- Value chain optimization in fuel procurement, power generation, and wholesaling
- Generating earnings from trading, including increasing activity in futures markets



Aerial view of the Joetsu Thermal Power Station

Editorial Policy

Index

Introduction

A Value Creation Story

Financial Foundations, Business Development

Message from the CFO/Financial Strategies

Promoting Green/Transition Financing

Power generation, wholesaling

Thermal Power Generation Business

Nuclear Power Business

Green Business

Renewable Energy Business

The Next-Generation Energy Business

Green Energy Services Business

Energy Solutions Business

Retail Electricity Business/
Solution Services Business

Power transmission and distribution

Power Transmission and
Distribution Business

Related Areas

Comprehensive facility
engineering business/Real
estate business/Information/
telecommunications business

Taking on the Challenges of
Growth

Management Foundations

Corporate Governance

Data

Pursuing economy, flexibility, and stability in fuel procurement

We will strive to flexibility adapt in a timely manner to fluctuating electricity demand while continuing to cut costs, both of which are premised on securing stable procurement.

With the Ukraine crisis and rising tensions in the Middle East, as global fuel markets grow increasingly volatile, we will maintain flexible procurement measures in response to changing business environment conditions while closely monitoring international circumstances, fuel market trends, and other factors.

We will strive to grow profits throughout the fuel procurement, power generation, and wholesaling value chain, using the functions of Group company Tohoku EPCO Energy Trading Co., Inc.

In line with the Tohoku Electric Power Group Carbon Neutral Challenge 2050, we will make steady progress on building procurement structures for carbon-neutral fuels (such as black pellets, ammonia, and hydrogen) and enhancing related functions, in light of the accelerating shift toward carbon neutrality.

Efforts toward improved economy, flexibility, and stability

■ Increasing procurement of economical low-grade coal* and coal from nearby sources (coal)

■ Short-term and spot procurement of economical LNG in cooperation with our Singapore facility (LNG)

■ Securing quantitative flexibility to adapt to demand-supply fluctuations (coal, LNG)

* Use of relatively low-priced coal such as subbituminous coal, which has inferior thermal heating value and ash content compared to standard grades, and coal meeting the specifications for use in our coal-fired power stations (such as heating value, moisture content, and ash content) regardless of coal type

Responding to risks of supply interruptions and price fluctuations

We will implement the following measures in response to rising global energy price volatility and fuel procurement risks.

■ Diversification of procurement sources (coal, LNG)

■ Expanding use of derivative transactions (coal, LNG)

■ Expanding procurement of new coal types (coal)

■ Enhancing alliances with other buyers in Japan (LNG)

Our main sources of imported fuels for use in power generation



Reducing the environmental impact of fuel transport through introduction of Shofumaru, the world's first coal transport ship equipped with Wind Challenger technology

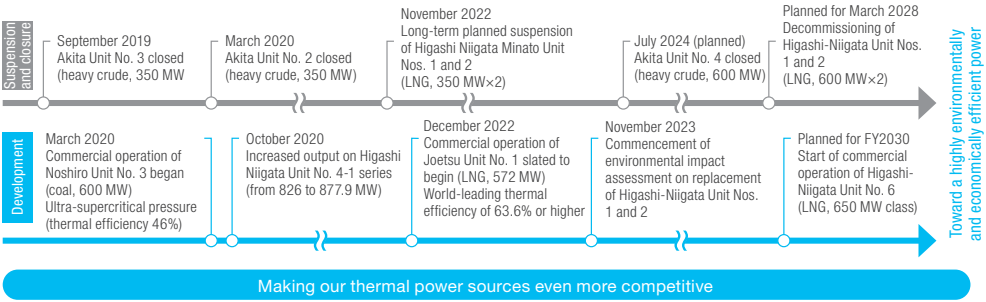
Fuel conservation Results Up to 17% (per day)
Average 5-8% (per trip)

Making our thermal power sources more competitive

Amid increasing use of renewable energy, the regulating and inertial strengths of thermal power sources are growing even more important.

We continue to make our thermal power sources more competitive and adapt to demand-supply fluctuations associated with increasing use of renewable energy by steadily developing high-efficiency power stations and decommissioning aged thermal power generation stations that have lower levels of environmental and economic performance.

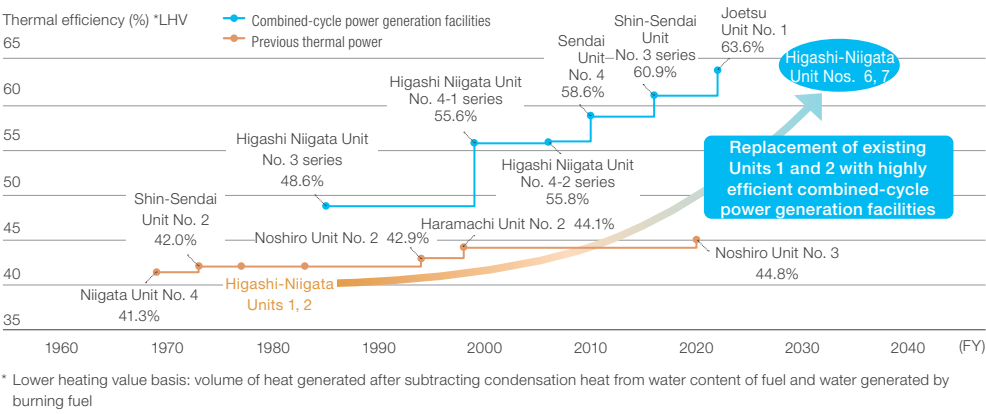
Status of thermal power stations in power source development plans



As part of our efforts to decarbonize thermal power to achieve the aims of the Tohoku Electric Power Group Carbon Neutral Challenge 2050, we are making progress toward replacement of Unit Nos. 1 and 2 at the Higashi-Niigata Thermal Power Station with highly efficient combined-cycle power generation facilities with low CO₂ emissions.*

* We expect to reduce fuel consumption and CO₂ emissions per kWh by about 30% vs. the previous units. We are also considering use of carbon-neutral fuels (hydrogen, ammonia) in the future.

Trends in thermal efficiency of our own thermal power stations (based on lower heating value)*



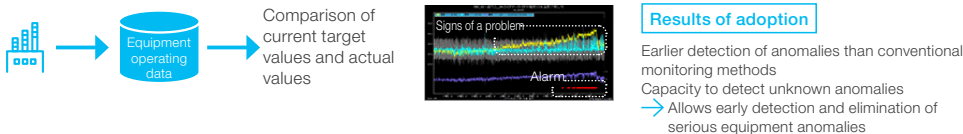
* Lower heating value basis: volume of heat generated after subtracting condensation heat from water content of fuel and water generated by burning fuel

Advances in the operation of thermal power sources

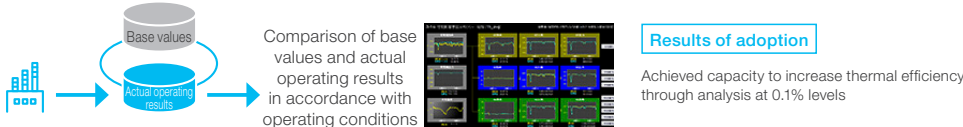
Seeking to boost operational efficiency of thermal power stations still further based on the Group's amassed experience in efficient operation of thermal power stations, operation and maintenance technologies, and expertise, we're adopting advanced digital technologies like Big Data analysis and IoT.

Since 2017, we've moved forward in joint verification efforts with Toshiba Energy Systems & Solutions Corporation for the following two systems, which are intended to contribute to the early detection of equipment anomalies and increased thermal efficiency. Since March 2020, we've deployed and operated these systems at all thermal power stations (15 units at nine stations as of May 2024).

Systems for early detection of signs of equipment anomalies (utilizing Big Data analysis technologies)

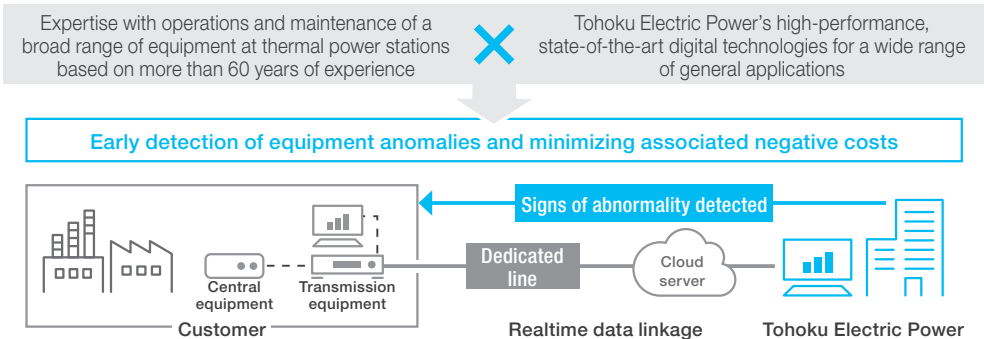


Systems to increase thermal efficiency by modifying operating conditions (applying IoT technologies)



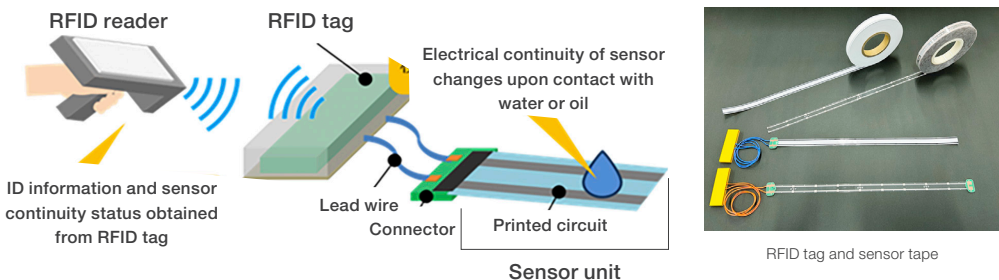
Of these, we believe in principle that systems for early detection of potential equipment anomalies will contribute to safety and operational stability not just for our thermal power stations but also for customer facilities across the manufacturing spectrum. For this reason, in April 2023 we began providing these services under the name of the ASYOMI Yori Sou Abnormality Monitoring Service. Working with Group members Tsuken Electric Ind. Co., Ltd. and TOHKnet Co., Inc., we aim to grow overseas sales of this service while fully capitalizing on the Group's strengths.

Service provision began in April 2023 under the name ASYOMI Yori Sou Abnormality Monitoring Service



In addition to these initiatives, we have teamed up with TOPPAN Edge Inc. to develop a system using printed circuits and RFID technology to swiftly and accurately detect leaks of fluids such as oil, water, and water-based chemicals. Introduction of this system both inside and outside the Group began in May 2024, following feasibility testing at our thermal power stations.

Fluid leak detection system introduced inside and outside the Group in May 2024



Efforts toward decarbonization of thermal power sources

Verification study of mixed burning with hydrogen and ammonia to decarbonize LNG-fired thermal power

Expectations are high for hydrogen and ammonia as energy sources to move closer to achieving carbon neutrality. Neither substance releases CO₂ emissions when burned.

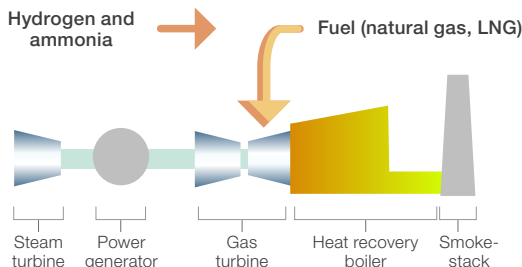
We're currently targeting hydrogen because testing with LNG thermal power can begin more quickly than for ammonia. In October 2023, we were the first in Japan (according to Tohoku Electric Power research) to conduct mixed-hydrogen burning testing (1% by volume) in a commercial combined-cycle power generation facility at our Niigata Thermal Power Station No. 5 Series (a 109 MW natural gas plant), providing use with basic knowledge on mixed-hydrogen burning.

We will continue testing of mixed-hydrogen burning in FY2024 while studying decarbonization of LNG thermal power through means such as applying the knowledge learned from this testing to use in large-scale combined-cycle power generation facilities in the future.

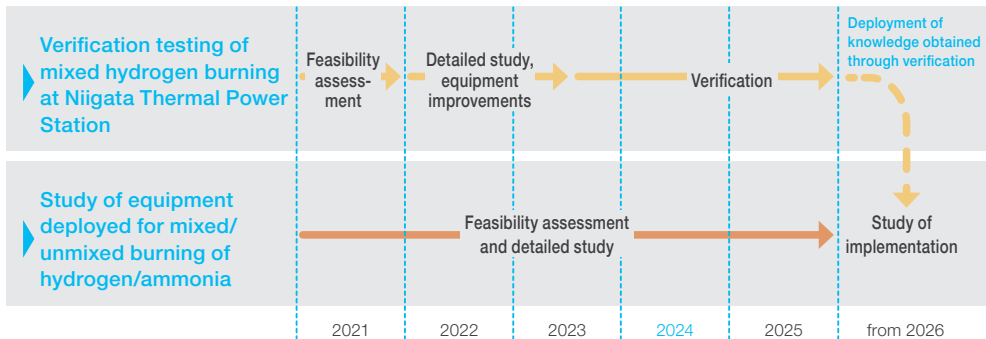


Testing of mixed-hydrogen burning at Niigata Thermal Power Station No. 5 Series

Illustration of mixed burning of hydrogen and ammonia



Projected timetable



Verification study of mixed burning with black pellets to decarbonize coal thermal power/production of biomass raw materials on unused land on the power station site

In 2021, the Noshiro Thermal Power Station (a coal-fired station with total output of 1,800 MW) began verification testing of mixed burning with black pellets biomass fuel made from partially carbonized wood.

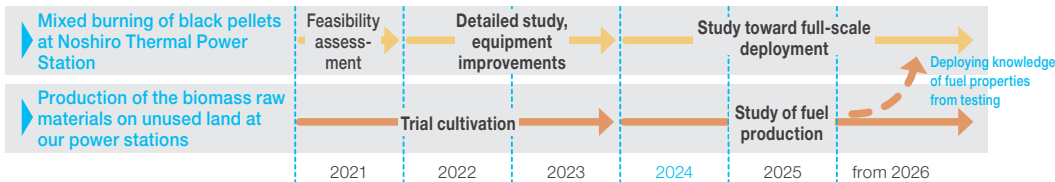
Following assessment of the storability and transportability of black pellets, in May 2023, we tested small-scale mixed burning. We will proceed with studies and preparations for testing using larger ratios of mixed burning, targeting a ratio of up to 20% black pellets by weight, as we aim to put this technology into full-fledged operation.

In addition, at the Akita Thermal Power Station (a station fired by heavy oil and crude oil with total output of 600 MW), test cultivation of plants that can serve as raw materials in biomass fuel from FY2021 through FY2023, using an unused plot of land, demonstrated that certain varieties of plants grew rapidly over a short time even in the cold Tohoku climate. Since harvesting some of the plants, we have begun trial pelletizing and torrefaction to verify their characteristics as biomass fuel. In FY2023, additionally, we produced biomass materials at the Noshiro Thermal Power Station to gather knowledge concerning expected crop yields and regional conditions and characteristics.

We will continue to pursue efforts such as trial cultivation of biomass materials to accumulate more knowledge of biomass.



Projected timetable



Joint study of advanced CCS project in the eastern Niigata area

Alongside Japan Petroleum Exploration Co., Ltd., Mitsubishi Gas Chemical Co., Inc., Hokuetsu Corporation, and Nomura Research Institute, Ltd., we participated in a five-company FY2023 study of an advanced CCS project under contract with the Japan Organization for Metals and Energy Security (August 2023–March 2024). This study covered the stages from capture and recovery of CO₂ emitted from chemical plants, paper plants, and thermal power stations, transporting it through CO₂ pipelines, and pressurization and storage.

Research and studies toward implementation of a CCS project will continue in FY2024.

Editorial Policy

Index

Introduction

A Value Creation Story

Financial Foundations,
Business Development

Message from the CFO/Financial
Strategies

Promoting Green/Transition
Financing

Power generation, wholesaling

Thermal Power Generation
Business

Nuclear Power Business

Green Business

Renewable Energy Business

The Next-Generation Energy
Business

Green Energy Services
Business

Energy Solutions Business

Retail Electricity Business/
Solution Services Business

Power transmission and
distribution

Power Transmission and
Distribution Business

Related Areas

Comprehensive facility
engineering business/Real
estate business/Information/
telecommunications business

Taking on the Challenges of
Growth

Management Foundations

Corporate Governance

Data

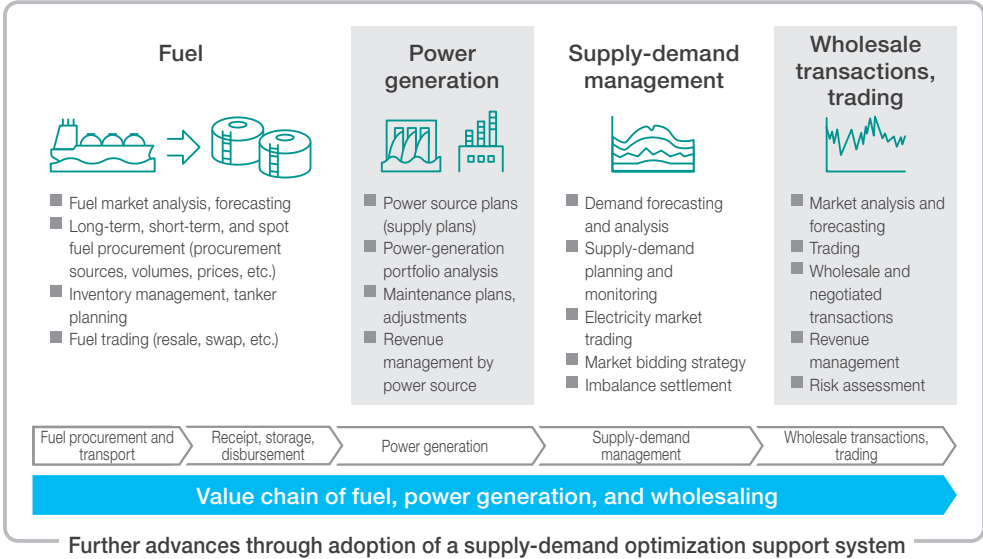
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REPORT 2024

Value-chain optimization

With the expanding adoption of market mechanisms in electricity trading, we are promoting value-chain optimization through pricing that reflects fuel and electricity market trends and diversifying sales methods including wholesale power sales, as well as utilizing trading activities to secure revenue while accounting for uncertainties in quantities and prices.

In addition, to advance demand-supply optimization initiatives further, we have developed and begun use of a support system using PLEXOS® optimization computing software, and will use this system to help in demand and supply management while maximizing earnings.

Illustration of initiatives to optimize the value chain from fuel procurement to power generation and wholesaling



Trading

Our strategic subsidiary Tohoku EPCO Energy Trading Co., Inc. engages in integrated trading including trading in the electricity market (including futures) and fuel futures.

It will continue to increase revenue by proposing solutions that deliver added value in aspects such as price levels tailored to market perspectives and flexible contractual terms and conditions while making the most of its trading functions.

We manage a range of risks surrounding the company, including market risk, by building a multilayered system involving the parent company.



Putting nuclear power to maximum use with the understanding of local residents, while putting safety first

Director & Managing Executive Officer
General Manager of the Nuclear Power Division
Tohoku Electric Power Co., Inc.
Sadao Kanazawa



On December 27, 2013, we applied to the Nuclear Regulatory Commission for a review of compliance with new regulatory standards at Unit No. 2 at the Onagawa Nuclear Power Station. Through responding appropriately to various inspections and construction work prioritized on safety, all construction was completed in May 2024. We continue to make every effort toward resuming operation of the power station, which is expected for roughly November 2024, while giving top priority to safety.

We consider the resumption of operation of Unit No. 2 at the Onagawa Nuclear Power Station to be a new start, or something of a rebirth. While strengthening our ties with the local community, we will continue to devote every effort to resumption of commercial operation while striving to ensure safe and stable operations thereafter, through improving the technical skills of station staff, maintaining and improving facility utilization rates, and reducing operation costs.

Safe nuclear power is a vital source of energy for Japan, from the perspectives of stable supplies of energy, economic efficiency, and environmental performance. It

will be essential to maintain nuclear power at a certain scale into the future. In addition, we consider it important to maximize use of nuclear power in order to realize the aims of the Tohoku Electric Power Group Carbon Neutral Challenge 2050.

Additionally, we will respond appropriately to reviews of compliance with the new regulatory standards regarding Unit No. 1 at the Higashidori Nuclear Power Station as we prepare for its swift resumption of operation, while advancing studies toward review of compliance with new regulatory standards at Unit No. 3 at the Onagawa Nuclear Power Station as well. At Unit No. 1 of the Onagawa Nuclear Power Station, we are making steady progress on decommissioning measures while giving top priority to safety.

Lastly, we believe that the trust of our stakeholders—particularly the residents of the local community—is essential to the safe and stable operation of nuclear power stations. We will continue to make thoroughgoing disclosures regarding our efforts at our nuclear power stations.

Business environment

Opportunities

- Growing importance of nuclear power for energy security and stable supply capacity in light of geopolitical risks and increasingly severe natural disasters
- Renewed understanding of the importance of nuclear power, as demonstrated by the passage of the GX Promotion Act in May 2023 and the signing by 25 countries, including the United States, of a statement calling for expanding global nuclear power capacity threefold at COP28 in December 2023.

Risks

- Facility damage and nuclear accidents attributable to natural disasters, terrorist attacks, and other events
- Unplanned suspension of operation attributable to human error, mechanical failures, etc.

Strengths

- An important energy source in terms of decarbonization, supply stability, and energy security

Courses of action for responses

In addition to accelerating efforts to maintain and improve safe and stable operation of Unit No. 2 at the Onagawa Nuclear Power Station and to achieve the rapid resumption of nuclear power station operation of Unit No. 1 at the Higashidori Nuclear Power Station and Unit No. 3 at the Onagawa Nuclear Power Station, all based on the paramount preconditions of safety, we will proceed with the following initiatives to enhance our competitive strengths and public trust:

Initiatives to enhance safety and reliability

- Onagawa Unit No. 2: Maintenance and improvement of safe and stable operations
- Higashidori Unit No. 1: Continued appropriate handling of compliance testing under new standards
- Onagawa Unit No. 3: Studying application for compliance testing under new standards
- Onagawa Unit No. 1: Planned decommissioning

Initiatives to enhance competitive strengths

- Maintenance and improvement of facility utilization rates and reducing operating costs after restart and maintenance and management costs for long-term outages

Initiatives to enhance trust

- Considering the strengthening relationships and community trust alongside the comprehensive disclosure of information in consideration of the resumption of operation as a fresh start

Editorial Policy

Index

Introduction

A Value Creation Story

Financial Foundations, Business Development

Message from the CFO/Financial Strategies

Promoting Green/Transition Financing

Power generation, wholesaling

Thermal Power Generation Business

Nuclear Power Business

Green Business

Renewable Energy Business

The Next-Generation Energy Business

Green Energy Services Business

Energy Solutions Business

Retail Electricity Business/ Solution Services Business

Power transmission and distribution

Power Transmission and Distribution Business

Related Areas

Comprehensive facility engineering business/Real estate business/Information/telecommunications business

Taking on the Challenges of Growth

Management Foundations

Corporate Governance

Data

Nuclear power stations

At our nuclear power plants, we will move forward steadily with initiatives intended to improve safety still further, above and beyond mere compliance with the new regulatory standards, based on our recognition that safety improvements will always remain an ongoing endeavor.

Unit No. 2 at the Onagawa Nuclear Power Station (output: 825 MW)

We will make every effort to ensure safe and stable operations in the future through means including continually improving the technical skills of station staff.

To ensure readiness for any possible accidents, in addition to measures involving the equipment itself, we will strengthen operating procedures on a continual basis, including by holding drills addressing various scenarios, thereby improving the station's capacity to react in emergencies.



Unit No. 1 at Higashidori Nuclear Power Station (output: 1,100 MW)

Review concerning seismic ground motion and tsunamis in response to our June 2014 application is complete, and we are proceeding with preparations for a plant review.

We will continue devoting our efforts to review compliance with new regulatory standards and construction safety.




Unit No. 3 at the Onagawa Nuclear Power Station (output: 825 MW)

We are currently undertaking studies in preparation for compliance assessments of various matters, including the proposed layout of safety equipment and geological surveys, based on the knowledge, assessments, and other feedback obtained from the review of compliance for Unit No. 2 at the Onagawa Nuclear Power Station.

Decommissioning of Unit No. 1 at Onagawa Nuclear Power Station

Unit No. 1 at Onagawa Nuclear Power Station ceased operation in December 2018, and its decommissioning measures were approved by the Nuclear Regulatory Commission in March 2020. In May 2020, Miyagi Prefecture, the town of Onagawa, and the city of Ishinomaki granted preliminary approval for the plans in accordance with our safety agreements.

In addition to putting safety first in the decommissioning process, we will share information on the progress with local residents and other parties through our website and other avenues.



About the decommissioning of Unit No. 1 at the Onagawa Nuclear Power Station
<https://www.tohoku-epco.co.jp/electr/genshi/safety/haishi/info.html>

Efforts to enhance competitive strengths

Maintenance and improvement of facility utilization rates and reducing operating costs after restart and maintenance and management costs for long-term outages

In addition to making every effort to ensure safety and stability after operations resume, we plan to reduce costs in various ways, including optimizing facility use through more efficient inspections, strengthening integrated operations with related companies, joint procurement with other businesses, optimizing the cycles and specifics of facility inspections, and expanding competitive bidding.

TOPICS

Enhancing the technical skills of station personnel


At the Onagawa Nuclear Power Station, we are carrying out a variety of skills-improvement initiatives in areas such as operations and maintenance.

We implement various measures to improve skills, including training and education on new safety equipment. Additionally, we are conducting activities for transferring skills and knowhow from senior colleagues who are highly experienced with station operation.

To help provide operations personnel with a feel for the status of equipment and machinery at the plants in operation, we're dispatching them for training at our thermal power stations and pressurized water reactor nuclear power stations in Japan and the boiling water reactor Edwin I. Hatch Nuclear Plant operated by US

partner Southern Nuclear. We also send personnel to undertake the technical training program operated by General Electric in the US.

Other initiatives, intended to motivate employees to make further improvements, include awards programs and presentation meetings on exemplary case studies and business improvements.

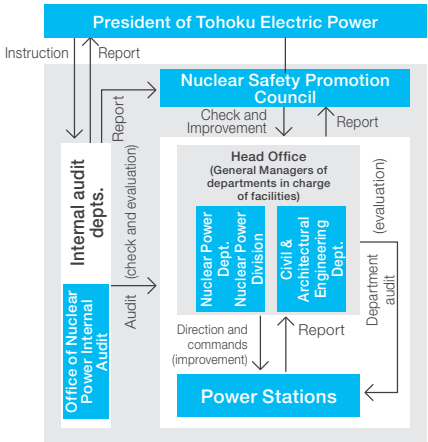


Dispatch of operations personnel to the Hatch Nuclear Plant (Accompanying a site patrol)

Nuclear risk management system

Establishing and strengthening organized and systematic risk management

In July 2014, in light of the importance of nuclear risk management, we established a nuclear risk management system led by the President to strengthen the commitment to nuclear risk management among senior executives. Among other duties, this commission is tasked with analyzing and evaluating nuclear risks and deliberating on measures to mitigate risks, approaches to establishing dialogue with local communities, and the overall direction and management of nuclear risk management.



Enhancing risk communication

We're working to strengthen nuclear risk communication. This means engaging local communities in dialogue concerning the basis of the risks posed by nuclear power generation, an approach that seeks to share risk information while carefully attending to community concerns and opinions on nuclear energy to help forge mutual understanding and build trust.

On these occasions, we continue to provide detailed presentations on and measures to reduce nuclear risk as part of efforts to maintain two-way dialogue with local communities. Furthermore, we also proactively communicate information via social media to help people to understand our initiatives to reduce the risks of nuclear power.

We will also reflect the opinions of outside experts and other stakeholders in our nuclear risk management. We plan to reorganize risk information into various categories to improve clarity and to develop the personnel who will be responsible for risk communication. In these and other ways, we plan to continue enhancing risk communication.

Efforts to strengthen trust

We consider the resumption of operation of Unit No. 2 at the Onagawa Nuclear Power Station as a new starting point, expressing our resolve for the rebirth of the facility, rather than a simple restart of operation.

Operating power stations based on an approach that emphasizes shared prosperity and coexistence with the community, we strive to achieve effective dialogue by listening attentively to community voices and communicating clearly.

Visiting all local households to reflect community feedback in power station operations

Twice a year, station staff visit the homes of nearby residents for dialogue to explain the status of the station in person and to seek out the viewpoints of residents.* What we learn informs our future initiatives.

* Konnichiwa Visits at the Onagawa Nuclear Power Station
Residents affected: Approximately 3,700 households in the town of Onagawa and the Oshika Peninsula area of the city of Ishinomaki
Visits to All Residences at the Higashidori Nuclear Power Station
Residents affected: Approximately 2,300 households in the village of Higashidori



A Konnichiwa Visit at the Onagawa Nuclear Power Station

Efforts to keep local residents informed of station status

Every month, we communicate information about station status to local residents through newspaper inserts and other channels.



The Power Station Bulletin (Onagawa)
Areas: Town of Onagawa and the cities of Ishinomaki and Higashimatsushima



The Power Station News (Higashidori)
Area: Village of Higashidori

Interacting with the community through participation in local events and other activities

We seek to establish and strengthen trust by interacting with communities near the power stations through active participation in local events.



Video explaining the attractions of Onagawa planned, filmed, and edited by employees and posted to Company social media sites (X, Facebook, YouTube)



Participation in local cleanup efforts (Higashidori)

Sightseeing, leisure, and dining in Onagawa: Episode 1. Onagawa Fall Harvest Festival: YouTube
<https://youtu.be/Hwto79NNdMs?si=b9miYGcLmpyt97so>

The Tohoku Electric Power Group will build a solid position as a responsible renewable energy operator

Director & Managing Executive Officer
President of Renewable Energy Company
Tohoku Electric Power Co., Inc.
Yuji Sasaki



Recognizing the need to assign a major role to renewable energy as an important power source to achieve carbon neutrality and promote sustainability, the Tohoku Electric Power Group is accelerating development of new power sources, making the most of existing ones, and pursuing new business opportunities centered on the Renewable Energy Company launched in April 2022.

To date, the Group has adopted approximately 2,800 MW in renewables, including hydroelectric, solar, geothermal, and wind power. In addition, we're currently proceeding with new development and business participation as part of efforts to develop 2,000 MW in new renewable energy sources, primarily in the Tohoku and Niigata region.

As for existing power sources, we will generate maximum value from current hydroelectric, geothermal, and other power sources, implementing comprehensive repairs and other maintenance and boosting generated power based on the premise of creative cost cutting.

To pursue new business opportunities, Tohoku Electric Power Renewable Energy Services is expanding the scope of its business efforts in various ways, including through the training of maintenance engineers for wind power facilities and dispatching of certified chief electrical engineers, with a focus on the operations and maintenance of renewable energy sources and related facilities. Tohoku Electric Power is also testing the reuse and recycling of spent solar panels as we take on the challenge of the extensive waste volumes of solar panels reaching the end of their service lifespans.

We will also promote digital transformation (DX) to make wind power more efficient and to improve the maintenance and management of hydroelectric power.

By advancing each of these initiatives, the Group will increase the profit-generating potential of our renewable energy businesses and seek to achieve both the sustained progress of society as a whole and medium- to long-term growth in corporate value.

Business environment

Opportunities

- Growing pressure to achieve carbon neutrality; the importance of energy security (self-sufficiency)
- The Tohoku region's wealth of renewable energy resources

Risks

- Lower profitability due to changes in various systems related to the renewable energy business
- Rising business costs driven by inflation and the increasing difficulty of procuring materials due to supply chain disruptions

Strengths

- Our technical capabilities and knowhow accumulated over 70 years in the power business
- Community networks established over our history doing business in the Tohoku and Niigata region

Courses of action for responses

Promoting the following measures to strengthen our capacity to generate profits in the renewable energy business, make progress toward sustainability throughout society, and strengthen corporate value over the medium to long term

- Promoting new development such as by enhancing development efforts and expanding our business territories while striving for coexistence with the community with the aim of a target of 2,000 MW
- Performance improvements through appropriate maintenance and upgrading of existing power-generation facilities
- Pursuing new business opportunities in wind power maintenance and other areas
- Optimizing Group company renewable energy development structures



The new Noshiro Wind Power Station

Editorial Policy

Index

Introduction

A Value Creation Story

Financial Foundations, Business Development

Message from the CFO/Financial Strategies

Promoting Green/Transition Financing

Power generation, wholesaling

Thermal Power Generation Business

Nuclear Power Business

Green Business

Renewable Energy Business

The Next-Generation Energy Business

Green Energy Services Business

Energy Solutions Business

Retail Electricity Business/ Solution Services Business

Power transmission and distribution

Power Transmission and Distribution Business

Related Areas

Comprehensive facility engineering business/Real estate business/Information/telecommunications business

Taking on the Challenges of Growth

Management Foundations

Corporate Governance

Data

Accelerating the development of 2,000 MW power sources through means including enhancement of our in-house development and expansion of our business territory

As of July 2024, the Tohoku Electric Power Group was involved in 34 new development and business operation projects, with an equity stake in output capacity of approximately 800 MW.*

In the area of wind power, in addition to the commencement of operations at the Green Power Fukaura Wind facility, a business group which we are a member of has been chosen to operate offshore wind power stations at two locations in Akita Prefecture—offshore from the cities of Oga, Katagami, and Akita in Akita Prefecture and offshore from the town of Happo and the city of Noshiro—under the Act on Promoting the Utilization of Sea Areas for the Development of Marine Renewable Energy Power Generation Facilities. Additionally, we are enhancing development activities outside our franchise area of the Tohoku and Niigata region, including an independent development project in the town of Nakatombetsu, Esashi-gun, Hokkaido, following successful efforts to secure all rights to the Nakatombetsu Offshore Wind Power Project (tentative name) from NCDWIND K.K. in October 2023.

In addition to the above, we also are working on construction of various power sources such as the hydroelectric Shin-Uematsuzawa Power Station (Aomori Prefecture, Tohoku Electric Power), the Kijiyama Geothermal Power Station (Akita Prefecture, Tohoku Sustainable & Renewable Energy Co., Inc.), and the Chokai Minami Biomass Power Station (Yamagata Prefecture, Chokai Minami Biomass Power Co., Ltd.).



Facilities at Green Power Fukaura Wind come online.

Maintaining and expanding kWh capacity via the comprehensive renovation of aging hydroelectric and geothermal power facilities

To achieve sustained earnings, we're moving forward with various initiatives to maintain and expand power generation at existing facilities.

Following replacement work to improve generating efficacy at the aging Obonai Power Station (a hydroelectric power station with a maximum output of 31,500 kW), the plant resumed commercial operation in February 2024, with maximum output increased to 32,500 kW.

In addition, Tohoku Sustainable & Renewable Energy, a Group company, carried out full-fledged renovations on the Chojahara Power Station, a hydroelectric power station with maximum output of 12,400 kW that began operating in 1983. This station resumed operation in December 2023 with its capacity boosted to 12,900 kW. Tohoku Sustainable & Renewable Energy is currently making progress on replacement work at the Matsukawa geothermal power station, which began operating in 1966. This project seeks to resume operations in October 2025, drawing on the latest knowledge and its track record of over 50 years as Japan's first commercial geothermal power station.

Group company

Tohoku Sustainable & Renewable Energy Co., Inc.

As a Group company with a critical role in the renewable energy business, Tohoku Sustainable & Renewable Energy owns 18 hydroelectric power stations with total capacity of about 125,000 kW and five geothermal power stations with total capacity of about 154,000 kW in the Tohoku and Niigata region as of the end of August 2024. (The geothermal total includes capacity after the completion of replacement work at the Matsukawa geothermal power station.)

While making progress on replacement work at the aging Matsukawa geothermal power station, as one of Japan's leading generators of geothermal power, Tohoku Sustainable & Renewable Energy is also actively developing new projects, such as the Kichiyama geothermal power station (14,999 kW).

Artist's depiction of Matsukawa geothermal power station after completion of replacement work

Growing business opportunities across the renewable energy value chain

The Tohoku Electric Power Group is striving to grow its business opportunities throughout the renewable energy value chain, through means including promoting the wind and solar facility maintenance business and studying businesses based on the reuse and recycling of solar panels.

Reuse and recycling of spent solar panels

Tohoku Electric Power is engaged in feasibility testing of the reuse and recycling of spent solar panels on behalf of the Ministry of the Environment, with the goal of developing schemes for appropriately processing the used solar panels.

In addition, as a special member of PV CYCLE JAPAN, we are working on both scheme development and various efforts to identify solutions through enhanced cooperation with local governments, related firms, universities, and other partners.

Through these initiatives, we will help promote circularity within Japan while addressing the societal challenge of the significant waste volumes of spent solar panels.

Group company

Tohoku Electric Power Renewable Energy Service Co., Inc.

Tohoku Electric Power Renewable Energy Service is mainly engaged in the maintenance business for wind power facilities in the Tohoku and Niigata regions, but also provides Global Wind Organization (GWO)* basic safety training at the Akita Wind Power Training Center and training for maintenance engineers for wind power facilities at the Noshiro Wind Power Training Center. It is also active in dispatching certified chief electrical engineers.

In May 2024, Tohoku Electric Power Renewable Energy Service began offering basic safety training, including sea survival drills, in cooperation with the Akita Offshore Training Center, formed by NYK and Nippon Marine Enterprises.

* GWO (Global Wind Organisation): Nonprofit formed in 2012 by wind turbine makers including GE, Vestas, and Siemens along with windfarm operators

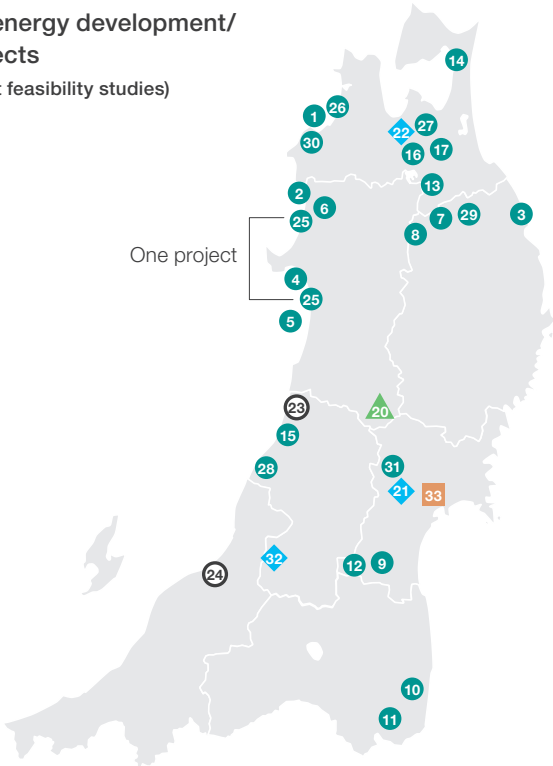
Renewable energy development

To date, we have been involved in the development of 34 projects. As of the end of July 2024, we held equity stakes in a total output of about 800 MW.* We plan to continue working toward our various goals, including enhancing in-house development activities and expanding our business territories to expand our renewable energy options.

* Assuming commercial operation of all projects currently under development

Major renewable energy development/ participation projects
(including development feasibility studies)

- Wind
- ◆ Hydroelectric
- ▲ Geothermal
- Solar
- Biomass



- 19

Nakatombetsu Wind
(Nakatombetsu,
Hokkaido)
- 34

Tsunase Solar Power Plant
(Tsu, Mie Prefecture)
- 18

Fukui Kunimidake wind
farm
(Fukui, Fukui Prefecture)

(As of July 31, 2024)

Power stations currently under development or in which we participate

		Project name	Output	Scheduled operational start date
Offshore wind	1	Aomori Prefecture offshore	TBD	TBD
	2	Wind project offshore from the town of Happo and the city of Noshiro in Akita Prefecture	375 MW	June 2029
	3	Iwata Prefecture offshore floating	TBD	TBD
	4	Wind project offshore from the cities of Oga, Katagami, and Akita in Akita Prefecture	315 MW	June 2028
	5	Southern Akita Prefecture offshore floating feasibility testing	TBD	TBD
Onshore wind	6	Noshiro-Yamamoto wide area wind	96.6 MW	March 2025
	7	Inaniwa-Takko wind	Approx. 100 MW	FY2025 or later
	8	Inaniwa wind	Approx. 100 MW	FY2025 or later
	9	Shiroishi-Kosugo wind	Approx. 38 MW	FY2026 or later
	10	Abukuma S. wind	Approx. 90 MW	FY2025 or later
	11	Tabito Central Wind Farm	Approx. 54.6 MW	FY2027 or later
	12	Inego Pass Wind Farm	58.8 MW	May 2028
	13	Takko wind	Approx. 75.6 MW	FY2027 or later
	14	Shimokita wind	96 MW	2027 or later
	15	JRE Sakata wind replacement project	Approx. 27.5 MW	2026
	16	Onakadaibokujo wind	4 MW	2025 or later
	17	Fukamochi wind	94.6 MW	FY2030 or later
	18	Fukui Kunimidake wind farm	37.8 MW	May 2027
	19	Nakatombetsu Wind	48 MW	April 2030
Geothermal	20	Kijiyama (tentative name)	14.9 MW	2029
Hydroelectric	21	Narusegawa	2.3 MW	FY2034
	22	Shin-Kamimatsuzawa	9.4 MW	FY2031
Biomass	23	Chokai-minami Biomass	52.9 MW	October 2024
	24	Niigata-Higashi Minato Biomass	50 MW	October 2024

Power stations in current operation

		Project name	Output	Scheduled operational start date
Offshore wind	25	Akita port/Noshiro port offshore	138.6 MW	Noshiro December 2022 Akita January 2023
	26	Wind Farm Tsugaru	121.6 MW	April 2020
Onshore wind	27	JRE Shichinohe-Towada wind	30.5 MW	December 2021
	28	JRE Tsuruoka-Hachimoriyama wind	13.6 MW	November 2021
	29	JRE Oritsumedake S. 1 wind	44.18 MW	January 2023
	30	Green Power Fukaura Wind	73.6 MW	February 2024
	31	JRE Miyagi Kamimachi Wind Farm	42 MW	May 2024
Hydroelectric	32	Tamagawa No. 2 hydroelectric	14.6 MW	November 2022
Solar	33	Miyagi Osato Solar Park	37.5 MW	October 2021
	34	Tsunase Solar Power Plant	35 MW	February 2023

Editorial Policy

Index

Introduction

A Value Creation Story

Financial Foundations,
Business Development

Message from the CFO/Financial
Strategies

Promoting Green/Transition
Financing

Power generation, wholesaling

Thermal Power Generation
Business

Nuclear Power Business

Green Business

Renewable Energy Business

The Next-Generation Energy
Business

Green Energy Services
Business

Energy Solutions Business

Retail Electricity Business/
Solution Services Business

Power transmission and
distribution

Power Transmission and
Distribution Business

Related Areas

Comprehensive facility
engineering business/Real
estate business/Information/
telecommunications business

Taking on the Challenges of
Growth

Management Foundations

Corporate Governance

Data

Building new businesses through use of distributed energy resources

Managing Executive Officer
Tohoku Electric Power Co., Inc.
Mitsuo Oyama



Amid structural changes to electric power supply and demand with the progress of decarbonization, decentralization, and digitalization, growing numbers of businesses are using distributed energy resources.

While these circumstances may appear to threaten power grid operations, we see them as opportunities. In particular, we will focus on building new business models based on renewable energy sources. As a comprehensive energy supplier for the region and as a team of electric power professionals making the most of various distributed and renewable energy resources, we will develop and supply services for businesses and residents in the Tohoku and Niigata region.

Specifically, our next-generation energy services will include renewable energy aggregation services, which provide power generation forecasts for renewable power generation operators and power generation planning for the Organization for Cross-regional Coordination of

Transmission Operators, in addition to generating revenue from market trading. These services have drawn numerous inquiries from prospective customers. We plan to launch the grid fuel-cell business by June 2025 to achieve business growth along with existing businesses and services.

We anticipate growth in the use of EVs and home/business fuel cells as virtual power plant (VPP) resources. We will develop energy management techniques for controlling such customer devices along with renewable sources with fluctuating outputs, to develop a business able to stabilize electric power and contribute to a carbon-neutral society.

By developing and supplying a wide range of services and products that put distributed energy resources to maximum use, we will help establish a smart society in which residents can live in comfort, safety, and peace of mind.

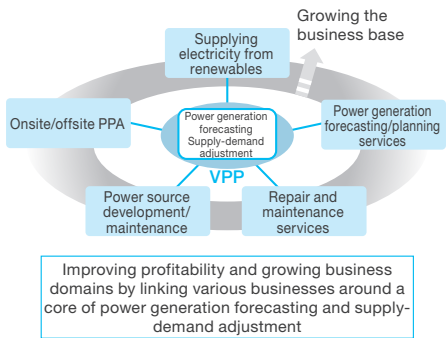
Business environment

- | | |
|----------------------|---|
| Opportunities | <ul style="list-style-type: none">■ Post-COVID changes in society■ Emergence of social issues accompanying depopulation■ Changes in power supply and demand structures due to the progress of decarbonization, decentralization, and digitalization |
| Risks | <ul style="list-style-type: none">■ Rising fuel and power procurement costs and changes in supply and demand structures■ Changing prices of machinery and materials related to renewable energy and storage cells■ Emergence of new service providers, severe competition |
| Strengths | <ul style="list-style-type: none">■ Energy know-how built up in the power business■ Customer base and human networks in the Tohoku and Niigata regions |

Courses of action for responses

Promoting the following initiatives to adapt flexibly to societal changes, as opportunities to realize a smart society

- Leveraging the knowhow we have amassed in energy management and other fields, as a team of electric power professionals, to grow sales in the next-generation energy business and expand business domains through the use of VPP technologies, provision of energy management solutions, and other efforts
- Contributing to a decarbonized society alongside efforts to achieve BER renewable energy such as wind and hydroelectric power [p. 39](#) and PPAs and other green energy services [p. 44](#)

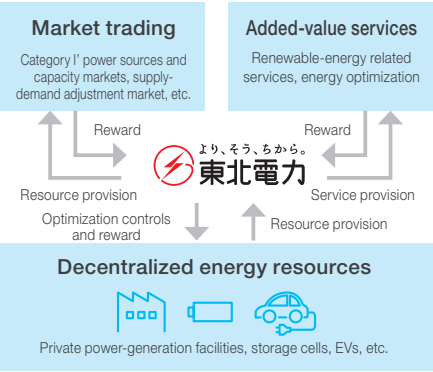


Virtual power plants (VPPs)

Virtual power plant (VPP) business

A virtual power plant (VPP) service combines distributed energy resources operated at customer sites for use as additional virtual power plants. It secures resources for controlling demand using customer power facilities and production facilities and provides returns to customers as a portion of revenues earned through capacity market trading and other means.

In the future, we plan to introduce household demand response services to control not only industrial resources but also household storage cells or EcoCute remotely in accordance with electricity market price fluctuations and tight supply-demand conditions. Through efforts such as these we will develop services able to contribute to stable power supplies and demand-supply optimization in addition to helping customers to conserve energy and cut costs.



Grid storage cell business

Issues faced in expanding use of renewable energy include securing adjustment capabilities for volumes of power that fluctuate with season and weather and putting to effective use surplus energy generated during lulls in demand. We aim to address these issues by connecting large-scale storage cells to the power grid to be recharged and discharged in accordance with surfeits or shortages of power to enable a stable supply of power, promote even more effective use of renewables, and generate revenues through trading of power using storage cells.



Illustration of the completed Yatogo Storage Cell Station

Ota, Gunma Prefecture	Yatogo Storage Cell Station	Nirazuka Storage Cell Station	Kozumida Storage Cell Station
Location	Kumagaya, Saitama Prefecture	Isesaki, Gunma Prefecture	Ota, Gunma Prefecture
Operation to begin	February 2025 (planned)	June 2025 (planned)	April 2025 (planned)
Output/capacity	Output: 1.96 MW Capacity: 7.46 MWh	Output: 1.96 MW Capacity: 7.46 MWh	Output: 1.99 MW Capacity: 7.40 MWh

Solution services using renewable energy

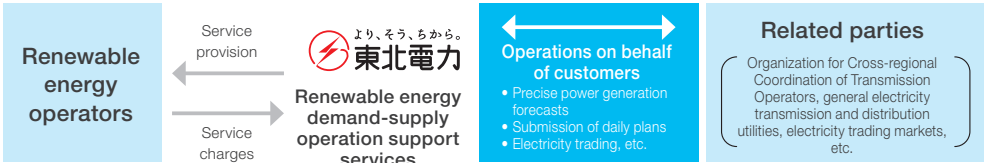
Growing the renewable energy aggregation service business

Under the Japanese government's targets for achieving carbon neutrality and a decarbonized society by 2050, the need to reduce emissions of greenhouse gases will grow even more in the future. Under such conditions, solar, wind, and other renewable power generation facilities will become increasingly important.

Renewable energy, which is seeing growing use, is a power source for which it is difficult to balance supply and demand due to considerable fluctuations in output. Accordingly, it requires advanced operation control technologies. Most renewable energy operators face considerable burdens in everyday operation control for renewable sources. We have launched renewable energy aggregation services that draw on our knowledge of the power business through power generation forecasting, bearing imbalances, and trading between electricity and environmental value on behalf of renewable power producers. In this way, we plan to encourage and expand the adoption of renewable energy by minimizing operational and control burdens on businesses and stabilizing business revenues.

Demand is also growing for power purchase agreements (PPAs). Under PPA agreements, corporate customers conclude long-term contracts with renewable power producers to procure renewable power. We plan to apply our renewable energy aggregation technologies to meet PPA needs.

Finally, we will contribute to Japan's carbon neutrality by expanding our service area from the Tohoku and Niigata region to include all of Japan (except for Okinawa Prefecture).



Delivering new value to customers through energy and services

Managing Executive Officer
President of Sales Company
Tohoku Electric Power Co., Inc.
Hideaki Sasaki



As we work to realize carbon neutrality by 2050, customer needs continue to grow more diverse from day to day. The Tohoku Electric Power Group holds the technologies and knowledge needed to promote and expand the use of renewable energy, and is striving to grow this business further while meeting customers' increasingly diverse needs.

The Sales Company proposes optimal solutions that combine the Group's strengths in retail electricity sales with solution services and green energy services, to provide value to customers while helping to realize carbon neutrality.

For corporate customers, we propose power purchase agreement (PPA) services that enable the stable, long-term procurement of electricity generated from renewable energy sources. We also partner with Group company Tohoku Energy Service Co., Inc. to propose

energy services combining energy conservation with electrification, facility contracting, and other options as well as supporting business operations through offering solutions to customers' various business challenges, not limited to the field of energy alone.

For residential customers, under the slogan "A brighter today, a better tomorrow," we work with Tohoku EPCO Frontier Co., Ltd. and other Group companies to offer electricity rate plans and various services to support customers' lives, based on addressing their needs and concerns. Tohoku EPCO Solar e Charge Co., Inc. and E life Partners Co., Ltd. are among the other Group companies with which we partner to propose solutions such as solar power and fuel cells to promote smart life electrification through smart use of safe, comfortable, eco-friendly electric power.

Green Business

Green energy services business

In the green energy services business, we arrange and propose various green energy solutions such as PPA services to corporate customers whose needs are growing increasingly diverse as they strive to contribute to the Sustainable Development Goals (SDGs) through their businesses. We will also support adoption of solar power and fuel cell services to help residential customers live in eco-friendly ways.

We have made various efforts to strengthen the structure for promoting this business, including establishment of the Green Energy Business Office in April 2024.

Business environment

Opportunities

- Creating new business opportunities by taking on the challenges of carbon neutrality

Risks

- Effects of various systemic changes in the electric power business
- Decreasing profitability due to growth in competition in green domains

Strengths

- Know how accumulated in the power business
- Customer base and human networks in the Tohoku and Niigata region
- Comprehensive abilities of the Tohoku Electric Power Group

Courses of action for responses

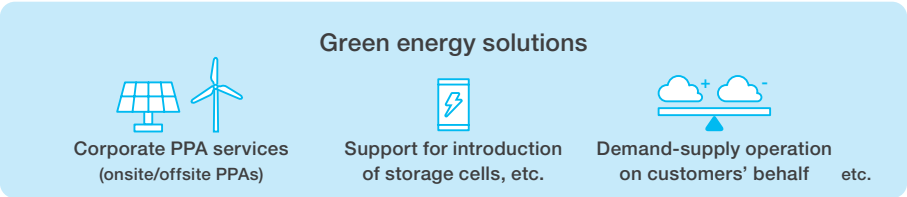
Deploying the following measures to enhance the green energy business, provide value to customers, and contribute to carbon neutrality

- Procurement of renewable energy sources based on customer needs
- Proposing various solutions by combining types of renewable energy
- Growing solar power and storage cell services for household customers
- Building a structure to promote the business of selling distributed renewable energy

Supporting management to achieve the Sustainable Development Goals (SDGs) based on green energy

Combining solutions to offer optimal proposals

We will propose combinations of various green energy solutions, including corporate PPA services, as well as support for the introduction of storage cells, demand-supply operation services on customers' behalf in connection with their use of renewable energy sources, and support for trading in environmental value and engaging in such trades on customers' behalf.



Corporate PPA services

Corporate PPA services offer various benefits, including the ability to procure stable, long-term supplies of renewable energy with added environmental value, with no initial cost to the customer. The Tohoku Electric Power Group offers two types of corporate PPA services: onsite PPAs and offsite PPAs.

With onsite PPAs, power generated from generation facilities installed on the customer's roof or grounds is consumed at the same site. We offer comprehensive solutions from inspecting the requested installation site through design and maintenance management.

An offsite PPA makes it possible for the customer to purchase renewable energy from a specific generation location. The Tohoku Electric Power Group procures the power from the supplier and sells it to the customer, along with the associated environmental value.



Services to support eco-friendly living

Solar power/storage cell services


We are expanding solar power and storage cell services for household customers. We offer not just support for installation of equipment, but special rate plans for customers who have installed solar panels and storage cells. The goal is to support the use of smart power while creating and conserving energy.

Group company

Tohoku Energy Service Co., Inc. (Tohoku ESCO)

Tohoku Energy Service Co., Inc. (Tohoku ESCO) offers a wealth of knowledge and expertise in promoting energy conservation and the use of renewables, including services to contribute to solutions in areas such as reducing GHG emissions and carbon neutrality.


It provides contract facility services that handle everything from construction and ownership of utility facilities and solar power generation equipment through maintenance and servicing. This supports efficiency improvements for customers by enabling them to concentrate on their main businesses, since they know they can use the facilities with peace of mind. Tohoku ESCO helps customers realize greater profits as their best partner for optimized energy use.



Tohoku EPCO Solar e Charge Co., Inc.


Through its Aozora Charge Service, Tohoku EPCO Solar e Charge Co., Inc. provides customers, mainly at new single-family residences, with solar power and storage cell services. The rate plan exclusive for customers of this service, Aozora Charge Service with Simple e-Denki (Tohoku EPCO Frontier Co., Ltd.) is a special plan under which customers pay only for consumption in excess of what they generated at their home. It has no initial cost and charges only for power used.

Highly regarded for how it facilitates contributions to carbon neutrality with zero initial costs, Tohoku EPCO Solar e Charge has partnered with more than 400 home builders. Its service is used by customers over a broad territory ranging from the Tohoku and Niigata region to the Kanto region.



東北電力ソーラーエチャージ

エコも、安心も、お手軽に
あおぞらチャージサービス



Editorial Policy

Index

Introduction

A Value Creation Story

Financial Foundations,
Business Development

Message from the CFO/Financial
Strategies

Promoting Green/Transition
Financing

Power generation, wholesaling

Thermal Power Generation
Business

Nuclear Power Business

Green Business

Renewable Energy Business

The Next-Generation Energy
Business

Green Energy Services
Business

Energy Solutions Business

Retail Electricity Business/
Solution Services Business

Power transmission and
distribution

Power Transmission and
Distribution Business

Related Areas

Comprehensive facility
engineering business/Real
estate business/Information/
telecommunications business

Taking on the Challenges of
Growth

Management Foundations

Corporate Governance

Data

INTEGRATED
REPORT 2024

In the retail electricity and solution services businesses, we are striving to maximize customer benefits by supplying customers with high-value-added services bundled to suit their needs, based on retail electricity sales.

In the retail electricity business, we are growing volumes of electricity sold by winning new customers via rate plans suited to diverse needs while reducing costs through the optimal procurement of power sources based on trends in fuel prices and the wholesale electricity market. In the solution services business, we are developing and proposing a wide range of services to support solutions to the issues facing our customers.

Business environment

Opportunities

Risks

Strengths

- Social issues associated with decreasing populations, depopulation, low birth rates, and an aging society
- Creating new business operations and increasing customer satisfaction by identifying needs

- Increasing volatility in power procurement prices
- Progress of competition among retail firms with alleviation of fuel costs and falling wholesale electricity market prices
- Rise of businesses offering new services

- Know-how accumulated in the power business
- Customer base and human networks in the Tohoku and Niigata region
- Comprehensive abilities of the Tohoku Electric Power Group

Courses of action for responses

Striving to maximize customer benefits by supplying safe, reliable, comfortable services through the following measures

- Securing optimal power sources
- Strengthening retail electricity earnings capabilities through sales reflecting the changing business environment
- Developing and proposing services that leverage the Group's strengths, grounded in customer needs
- Optimizing electricity use through energy conservation, demand-response services, etc.

Solution services to support business operation

Meeting diverse needs

We develop and supply a wide range of services to support solutions to the issues faced by corporate customers.

Specifically, our expert Energy Solution Partners personnel propose energy and business solutions to meet customer challenges in areas such as carbon neutrality and decarbonization, optimizing energy use, business continuity planning, workstyle reforms, sales promotion, use of information and communication technologies, and information security.

Energy solutions

Through energy solutions suited to customers' individual businesses, we offer optimal solutions based on various perspectives including energy conservation, safe and reliable electrification, and power facility for disaster readiness—all based on considerations such as individual customers' use of energy.

Aimed at providing hands-on support for energy optimization, our Experience Energy Management Systems (exEMS) support customers' efforts in the areas of energy conservation, cost saving, and carbon neutrality, through demand forecasting and monitoring as well as air conditioning controls and circuit-specific measurement, GHG visualization and reduction roadmaps, and other features.



Business solutions

The Tohoku EPCO BizSync business-matching service proposes various solutions offered by Tohoku Electric Power and its business partners, to address topics such as energy conservation, the Sustainable Development Goals (SDGs), and decarbonization.




Group company

Tohoku Natural Gas Co., Inc.

Tohoku Natural Gas Co., Inc. supplies and sells natural gas and LNG in the Tohoku region, helping to reduce carbon emissions by switching to natural gas, which has less CO₂ emissions than coal and petroleum, during the transition period toward decarbonization.

Its other activities to meet customers' diverse needs include proposing carbon credits.



東北天然ガス株式会社
TOHOKU NATURAL GAS Co.,Inc.

Services to support lives of comfort, safety, and peace of mind

Residential customers slogan

きょうを照らし、あしたをつくる。

A brighter today, a better tomorrow

We promise customers electricity rate plans suited to their lifestyles and services for more convenient, secure living through solutions to everyday challenges. We strive to earn their trust and meet their expectations.

きょうを照らし、あしたをつくる。

東北電力の電気・くらしサービス

A brighter today, a better tomorrow

Tohoku Electric Power's electricity and living services

Smart Life Electrification

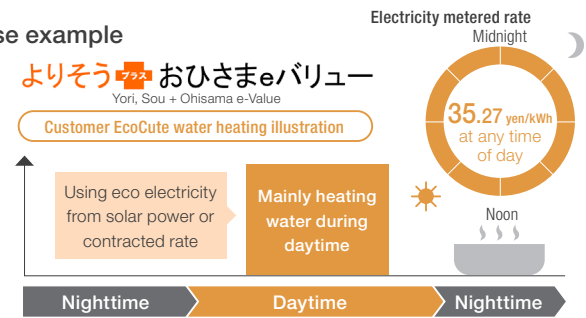
We help to realize safe, comfortable eco-friendly living through means including combining energy creation and storage solutions such as solar power and storage cells with full electrification of all household energy and bundling various services available from the Tohoku Electric Power Group.

Solution example: Ohisama EcoCute service

The Ohisama EcoCute service offers better economic and environmental performance than the conventional EcoCute service by using excess solar power generated at home mainly to heat water during the daytime.

We recommend Yori, Sou + Ohisama e-Value to customers in fully electrified homes equipped with Ohisama EcoCute and solar power equipment.

Rate setting and use example



Living services

We provide various services to make customers' lives more convenient, such as the Sumai Anshin Support service that handles issues related to electricity and plumbing and professional housecleaning services for air conditioners, bathrooms, etc.

Through means such as developing services based on the home life cycle and expanding the service areas of existing services, we are enhancing our solutions for the issues homeowners face.



Group company

Tohoku EPCO Frontier Co., Ltd.

In addition to the retail electricity business, including smart rate plans that provide discounts depending on amounts paid, Tohoku EPCO Frontier offers a wide range of other services to meet customer needs and brighten their lives. Examples include Tohoku EPCO Frontier Hikari

affordable high-speed Internet service and household budget advising services involving financial planners.

E Life Partners Co., Ltd.

The Tohoku Electric E Life Lease program offered by E Life Partners makes it possible to use 12 types of state-of-the-art electrification solutions such as EcoCute, air conditioners, solar power systems, and storage cells at fixed monthly rates. This service meets customer needs when they remodel their homes and on other such occasions, offering various options such as lease periods and payment methods.

We recommend Tohoku Electric Power rate plans for fully electrified homes to customers using the Tohoku Electric E Life Lease program.

Supporting lives of comfort, safety, and peace of mind in the community through a stable supply of electricity

Representative Director & President
Tohoku Electric Power Network Co., Inc.
Mitsuhiro Sakamoto



While fulfilling our mission to ensure a stable supply of electricity as the general power transmission franchise for the Tohoku and Niigata region, Tohoku Electric Power Network supports the lifestyles of local residents through ongoing cost-saving activities and by helping them achieve carbon neutrality by 2050. We do so through a stable supply of electricity while ensuring neutrality and fairness as a general power transmission franchise—always putting safety first.

We face various issues in the environment in which the Power Transmission and Distribution operates, including increasingly severe natural disasters, aging facilities, the expanding adoption of renewables to achieve carbon neutrality by 2050, and declining demand for electricity attributable to the shrinking population.

Even so, we are making steady progress based on thorough efficiency improvements in various aspects, including upgrades of aging facilities and large-scale grid improvements for increasing the use of renewables under the revenue cap system adopted in FY2023. Additionally, we are striving to grow electricity demand while creating new businesses to contribute to solutions in the community, using our facilities network and expertise.

Additionally, we carry out various drills on a regular basis to be more resilient to disasters. While about 7,000 Niigata Prefecture households in total lost power due to the January

2024 Noto Peninsula Earthquake, the Group was able to restore power the next day. We also marshaled the forces of Tohoku Electric Power and Tohoku Electric Power Network in the Hokuriku region for about one month of relief dispatch work, helping the region to recover.

While ensuring neutrality and fairness as a general power transmission franchise, we will continue to deliver a stable supply, to contribute to carbon neutrality, and to cut costs further, all while putting safety first. At the same time, we will strive to grow electricity demand while creating new businesses to leverage our network of facilities and expertise to work toward solutions to community challenges.

Aiming for growth and progress alongside our communities while supporting their safety, peace of mind, and comfort through the power network, Tohoku Electric Power Network will continue to provide high-quality services that meet the needs of our customers, enrich their lives, and support our communities, while fulfilling our mission to ensure a stable supply of electricity, based on our foundations in the Tohoku and Niigata region.



Company name	Tohoku Electric Power Network Co., Inc.	Established	April 1, 2019
Representative	Mitsuhiro Sakamoto, Representative Director & President	Capital	24 billion yen
Employees	6,636 (as of March 31, 2024)		

Business environment

- | | |
|---------------|---|
| Opportunities | <ul style="list-style-type: none">■ Securing capital investment planning opportunities under the revenue cap system■ Technological innovations associated with the progress of decarbonization, decentralization, and digitalization |
| Risks | <ul style="list-style-type: none">■ Impact of increasingly severe natural disasters on stable supply, facilities, etc.■ Depopulation and structural changes to power demand and supply |
| Strengths | <ul style="list-style-type: none">■ Expectations for the Tohoku and Niigata region to be an optimal site for renewable energy facilities■ Disaster-response abilities based on lessons from earthquakes and other disasters |

Courses of action for responses

Stable supply of electricity, stronger resilience

- Building efficient, disaster-resilient facilities while putting safety first
- Maintaining and strengthening both tangible and intangible disaster-response abilities

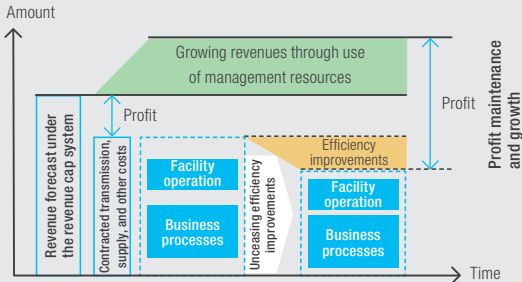
Contributing to carbon neutrality

- Steady progress of large-scale grid improvements
- Increasing adoption and maximizing use of renewables through effective use of existing power transmission lines

Cost cutting, new business creation, growing power demand

- Cutting costs using AI, IoT, and other new technologies
- Creating new businesses and growing power demand through use of assets owned, etc.

We will work to maintain and grow profits under the revenue cap system through steady progress on efficiency improvements included in business plans and by enhancing efficiency improvements further and putting management resources to use in growing revenues, all while securing the necessary investments and ensuring stable supply.



Editorial Policy

Index

Introduction

A Value Creation Story

Financial Foundations, Business Development

Message from the CFO/Financial Strategies

Promoting Green/Transition Financing

Power generation, wholesaling

Thermal Power Generation Business

Nuclear Power Business

Green Business

Renewable Energy Business

The Next-Generation Energy Business

Green Energy Services Business

Energy Solutions Business

Retail Electricity Business/Power Services Business

Power transmission and distribution

Power Transmission and Distribution Business

Related Areas

Comprehensive facility engineering business/Real estate business/Information/telecommunications business

Taking on the Challenges of Growth

Management Foundations

Corporate Governance

Data

Overviews of the revenue cap system and FY2023 initiatives

Overview of the revenue cap system

The revenue cap system was introduced in FY2023 to replace the existing comprehensive cost method. Its goals include striking the ideal balance among securing necessary investment and cost efficiency improvements at general power transmission businesses, strengthening resilience, and making renewables a major source of power.

Under this system, general power transmission businesses formulate business plans identifying targets to be achieved over a specific regulatory period (the first regulatory period is the five years from FY2023 through FY2027), based on national guidelines.* With government approval, they set transmission rates based on projected revenues after estimating the costs and other amounts involved in achieving these plans.

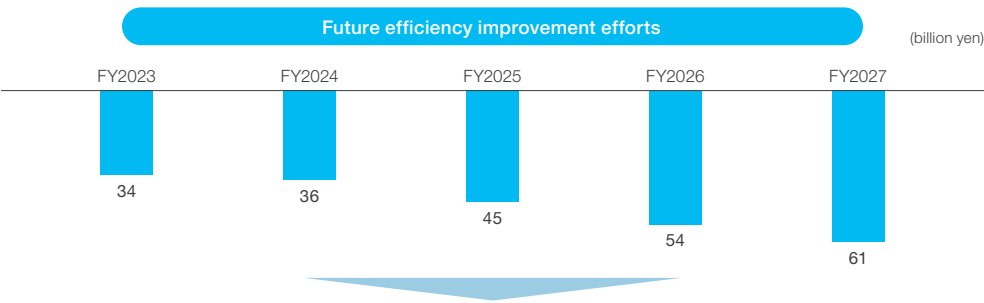
* Guidelines on Appropriate Calculation, etc. of Projected Revenues Related to Power Transmission and Supply, etc. by General Power Transmission Businesses (Ministry of Economy, Trade and Industry Ordinance No. 61 of 2022 [promulgated July 22, 2022])

Overview of FY2023 initiatives

In FY2023, the first fiscal year of the first regulatory period under the revenue cap system, we made steady progress on efforts in areas such as ensuring a stable supply of electricity and expanding the use of renewable energy, striving to achieve the five-year targets identified in the business plan.

In the area of efficiency improvements, we steadily achieved the efficiency improvement amount of 3.4 billion yen included in revenue projections and began efforts to achieve further improvements.

Efficiency improvement amount included in revenue projections

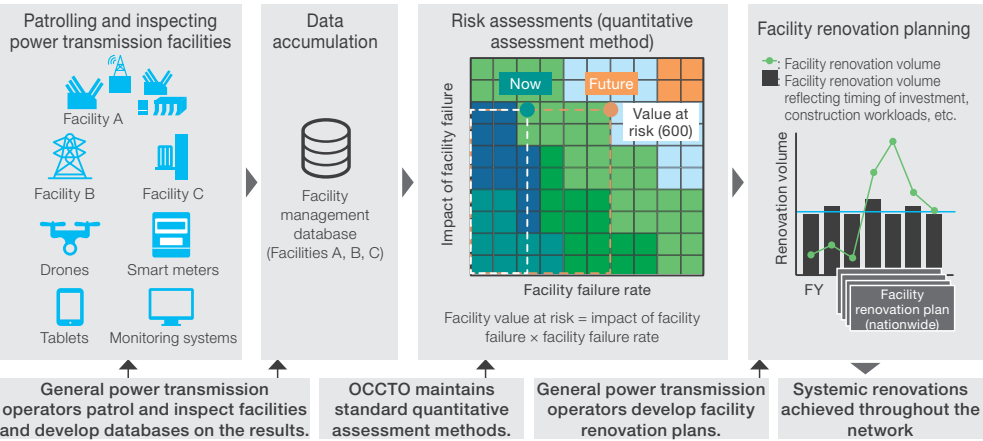


In addition to efficiency improvements through now (20.2 billion yen/year), incorporating further efficiency improvements of 23 billion yen in total over five years (averaging 4.6 billion yen/year)

Enhancing stable power supply and resilience

Ensuring stable supply through appropriate formation and operation of power transmission facilities

Tohoku Electric Power Network serves a vast region in which it maintains and manages numerous facilities under challenging natural conditions, including some of Japan’s heaviest snow belts. With the growing frequency and severity of natural disasters in recent years, we will strive to enhance the resilience of these facilities while applying various new technologies, including asset management systems and digital technologies, to renovate aging facilities systematically and efficiently. In this way, we will maintain the soundness of our power transmission facilities and ensure stable power supplies.



Source: Guidelines on Renovating Aging Facilities (Organization for Cross-regional Coordination of Transmission Operators, published December 17, 2021)

Efforts to strengthen resilience

Based on the lessons learned from numerous past natural disasters, we are moving ahead with efforts to strengthen resilience in both tangible and intangible aspects. These efforts include the development of autonomous recovery systems, supplies and machinery for recovery use, and partnerships with other general power transmission businesses, local governments, and disaster prevention agencies.

See > Public Safety and a Reliable Supply of Power > Sustainability Data Book > p. 46



Relief and recovery work in Ishikawa Prefecture, which was damaged by the January 2024 Noto Peninsula Earthquake

Contributing to carbon neutrality

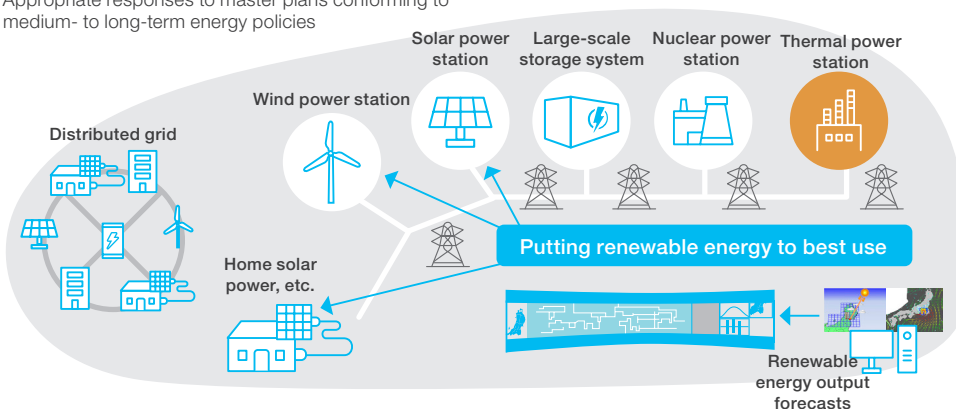
Building a next-generation network as adoption of renewable energy expands

The Tohoku and Niigata regions offer great potential for wind power and other renewable energy sources. Tohoku Electric Power Network understands its important role in achieving carbon neutrality by 2050 through maximum transmission and use of such renewable energy. To this end, we are currently aiming to expand the renewable power network through means such as improving and expanding the grid, including building a second 500,000 V line connecting Tohoku to Tokyo and a 500,000 V line on the Japan Sea side. Through means such as these, we are making steady progress based on thorough efficiency improvements.

In addition, to balance the growing need to adopt renewable energy with a stable, high-quality power supply, we're aiming to advance our network in ways including effective use of existing power transmission lines using Japan's first connect-and-manage initiative* and further raising accuracy levels of renewable energy output forecasts. (The total volume of renewable energy connected in FY2023 was approximately 20,650 MW.)

* A system that makes it possible to connect power sources without improving transmission lines by controlling power generation output in line with the amount of power flowing on the lines.

- Steady progress on improving and expanding the grid, including building a second 500,000 V line connecting Tohoku to Tokyo and a 500,000 V line on the Japan Sea side
- Promoting effective use of existing grid, such as Japanese-style connection and management including non-firm connection
- Appropriate responses to master plans conforming to medium- to long-term energy policies



- Balancing stable of electricity and its quality, through means such as advances in grid and supply-demand technologies and further improvements in the precision of renewable energy output forecasts

Cost cutting, new businesses, and growth in power demand

Cost cutting using new technologies

Tohoku Electric Power Network has established an Efficiency Promotion Committee, chaired by the President, and the Kaizen Promotion Committee, chaired by the Chief Kaizen Officer (CKO), to advance integrated efficiency and cost improvements companywide. The approaches taken include equipment and operational reviews, new technologies and digital transformation (DX), organizational reviews, and various kaizen activities.

In FY2023, thanks to the application of digital technologies to improve efficiency, including use of drones in pylon inspections, AI image diagnostics, and smart glasses to support remote substation operations, we steadily achieved the efficiency improvement amount of 3.4 billion yen included in revenue projections and began efforts to achieve further improvements.



Patrolling power lines using a drone

New businesses and growth in power demand from a medium- to long-term perspective

Tohoku Electric Power Network is making progress on creating new businesses and services based on our existing network assets. Examples include an advertising business using the exterior walls and other spaces at our business sites and a geolocation search service based on power poles and towers. In FY2022, we launched a new automated metering service for water and gas utilities using our smart meter communications network and aimed for business growth through feasibility testing with various local governments. In FY2023 we launched a car sharing business using Company land. We will continue to increase earnings through creating new businesses.

As an effort to grow power demand, in July 2023 we introduced a feature on the Tohoku Electric Power Network website to introduce companies considering advancing into the Tohoku and Niigata region to major industrial parks in the region, including summaries of power supply work for each industrial park. This is intended to support local governments' efforts to attract industry.

Tohoku Electric Power Network Website (major industrial parks)
<https://nw.tohoku-epco.co.jp/danchi/>

Related Areas

Providing a wide range of services using expertise and assets gained over our history in the energy business

We will offer a wide range of services using expertise and assets gained over our history in the energy business in each of the following areas related to electricity and energy: comprehensive facility engineering, real estate, and information/telecommunications.

Comprehensive facility engineering business

In addition to further enhancing our engineering business in our franchise area of the Tohoku and Niigata region, we will secure projects in other parts of Japan and enhance the business overseas as well.

We recognize the movement to find solutions to various social challenges, including those related to carbon neutrality and biodiversity as a business opportunity, and will strive to grow our earnings further by providing value using the expertise and assets we have built up through now in the energy business.

Interior wiring, air conditioning ductwork, information/telecommunications

- Strengthening sales for comprehensive contracting and renovation of related facilities
- Enhancing business development in areas outside Tohoku and Niigata
- Enhancing international business development beginning in Vietnam



Noi Bai International Airport Terminal 2 (Vietnam)

Yurtec

Industrial facility construction, maintenance, and operations

- Growing construction and maintenance of plant power supply facilities, etc.
- Boiler ash adherence reduction and other solution services



Partnership to Hearts
東北発電工業

Tohoku Electric Power Engineering & Construction Co., Inc.

ESG

- Building environments that are good for people and nature, to realize a nature-positive, carbon-neutral society
 - Flora environmental conservation and creation, including biotopes
 - Environmental consulting and surveying for biodiversity and natural revitalization
 - Measurement and analysis of harmful substances, etc. for a healthy environment

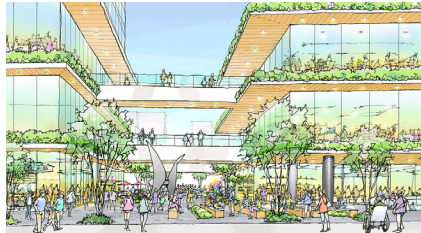


Real estate business

An integrated redevelopment project is underway on the site of the Denryoku Building in central Sendai, owned by HNK Co., Inc., which handles the Group's real estate business.

This project seeks to generate continuing economic vitality by building a vital community where people come together to work and play. The Group will also contribute to community progress and vitality by preserving and building on the image of the Denryoku Building, long familiar to local residents.

We will also strive to grow general revenues in the real estate business centered on the use of Group-owned assets in the future.



Artist's depiction of the Denryoku Building after redevelopment

東日本興業株式会社

Information/telecommunications business

While actively promoting digital transformation (DX) Groupwide to reform its businesses and enhance its competitive strengths, the Tohoku Electric Power Group is striving to grow revenues in general markets by further enhancing its existing information/telecommunications businesses and promoting new businesses related to DX.

In our existing information/telecommunications businesses, we plan to strengthen deployment of services such as the Yori, Sou Connect Tohoku business platform operated by TOHKnet Co., Inc. and the SOC security monitoring service operated by Toinx Co., Ltd., to contribute to community digitalization and a safer, more secure society. We will also create DX businesses for general business customers, as new businesses to make the most of the skills and expertise we have amassed in AI, data use, IoT, and other areas through Group DX promotion.

By developing and enhancing such DX and ICT businesses, we will strive to realize a smart society starting in Tohoku while growing the Group further.

つなげる、ちから。
TOHKnet

トインクス
TOINX
ITで、感動を、ともに。

Taking on the Challenges of Growth

While pursuing the autonomous earnings and growth of each business in the future, the entire Tohoku Electric Power Group will actively take on challenges in areas such as growing new business opportunities as well as enhancing and expanding existing businesses through innovation, positing carbon neutrality and digital transformation (DX) as opportunities for medium- to long-term growth.

Through technological and process innovations that leverage the Group's strengths and knowhow to meet the needs of customers and society, we will take on the challenges of strengthening existing businesses and growing our business domains, while actively using external expertise and other resources to create businesses in new domains.



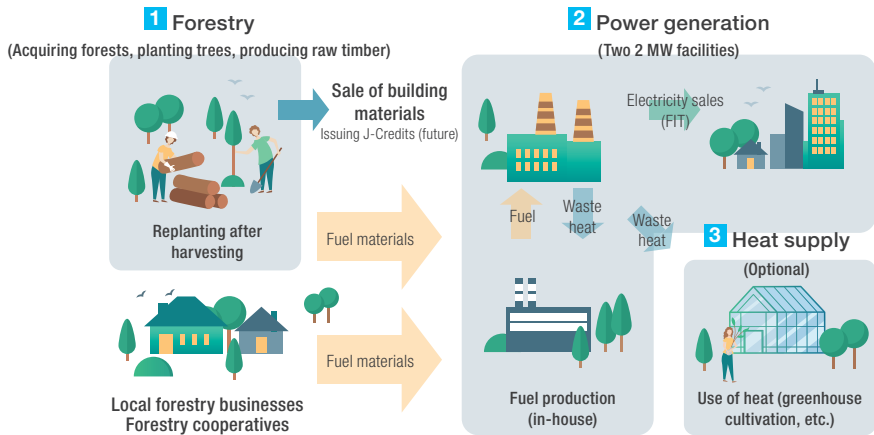
Taking on the challenges of new domains

Building a circular resource system through local production and local consumption

In May 2024, we joined with Kitanihonsakudou Co., Ltd., Sanyo Trading Co., Ltd., and Taihei Dengyo Kaisha, Ltd. to establish Yokote Yuzawa Forest Cycle Co., Ltd., which seeks to build a circular resource system in the region through forestry and wood biomass power generation activities based on local forestry resources. Taking on the challenges of such new business domains will play a vital role in achieving further growth.

Together with building and operating a wood biomass power station (with total output of 3,960 kW) in the cities of Yokote and Yuzawa in Akita Prefecture, powered by lumber from within the prefecture, this new company will maintain forestry resources through tree planting and developing forests and produce and sell building materials and fuel materials. It seeks to stimulate forestry, vitalize the community, and promote decarbonization.

Business overview



Overseas power generation business

We've applied the technologies, experience, and other resources gathered in Japan in activities related to the power generation business in pursuing business opportunities around the world. We plan to press forward to launch the commercial operation and stable utilization of projects in which we have invested and participated worldwide.

We will make full use of the expertise, personnel networks, and other resources accumulated to date in our overseas power generation operation in taking on the challenges of growth.



Rantau Dedap Geothermal Power Plant (Indonesia)

Projects in which we have invested and participate

	Rantau Dedap Geothermal Power Project	Nghi Son 2 Coal-fired Power Project
Country	Indonesia	Vietnam
Output (thousand kW)	98	1,200
Our share of output (thousand kW)	14.3	120
Operational commencement	December 2021	July 2022

A new initiative in cooperation with the community

Feasibility testing of expanding introduction of EV buses in cold-weather areas

Miyagi Transportation. Co., Ltd., EV Motors Japan Co., Ltd., Eneliver Co., Ltd., and Tohoku Electric Power have joined forces in feasibility testing of expanded use of EV buses in cold-weather areas.

This project seeks to build a system for efficient energy management in EV buses in order to promote decarbonization while providing more comfortable transportation in cold-weather areas.



Illustration of a test bus

INTEGRATED REPORT

CHAPTER 3

Management Foundations

Carbon Neutrality Strategy	p. 51
Establishing a Society that Recycles Effectively	p. 54
Conserving Biodiversity	p. 54
Human Resource Strategy	p. 55
Digital Transformation (DX) Strategy	p. 58
R&D/IP Strategies	p. 60
Stakeholder Communication	p. 63



Carbon Neutrality Strategy

Case studies of carbon neutrality initiatives

To achieve carbon neutrality by 2050, the Tohoku Electric Power Group is striving to reduce CO₂ emissions based on three pillars: making the most of renewable energy and nuclear power, decarbonization of thermal power sources, and electrification and realization of a smart society.

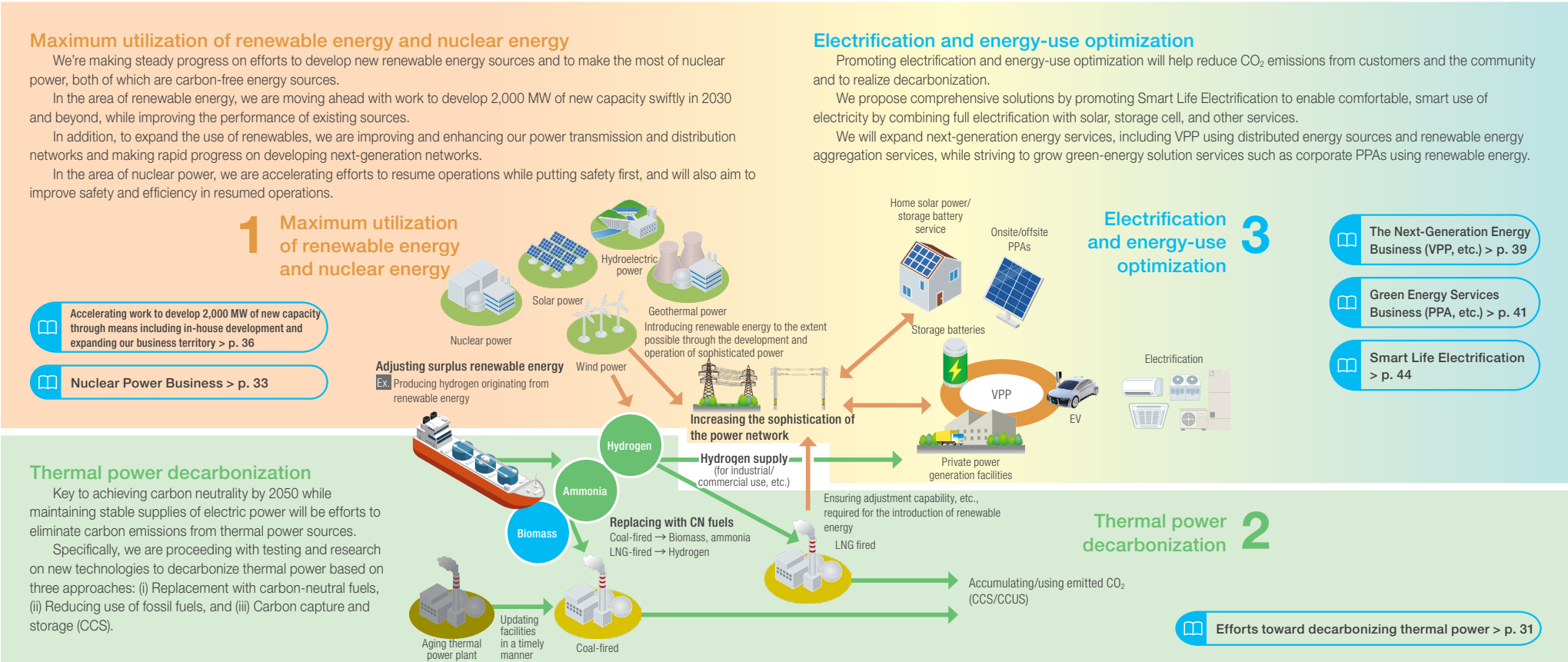
In the area of renewable energy, we are moving ahead with work to develop 2,000 MW of new capacity swiftly in 2030 and beyond, while maintaining and improving the capacity of existing sources. In the area of nuclear power, we are making steady efforts to resume operations soon and to improve safety and utilization in resumed operations.

To decarbonize thermal power, we are proceeding with studies and testing to use mixed burning with biomass and ammonia at coal-fired thermal power stations and to use hydrogen and

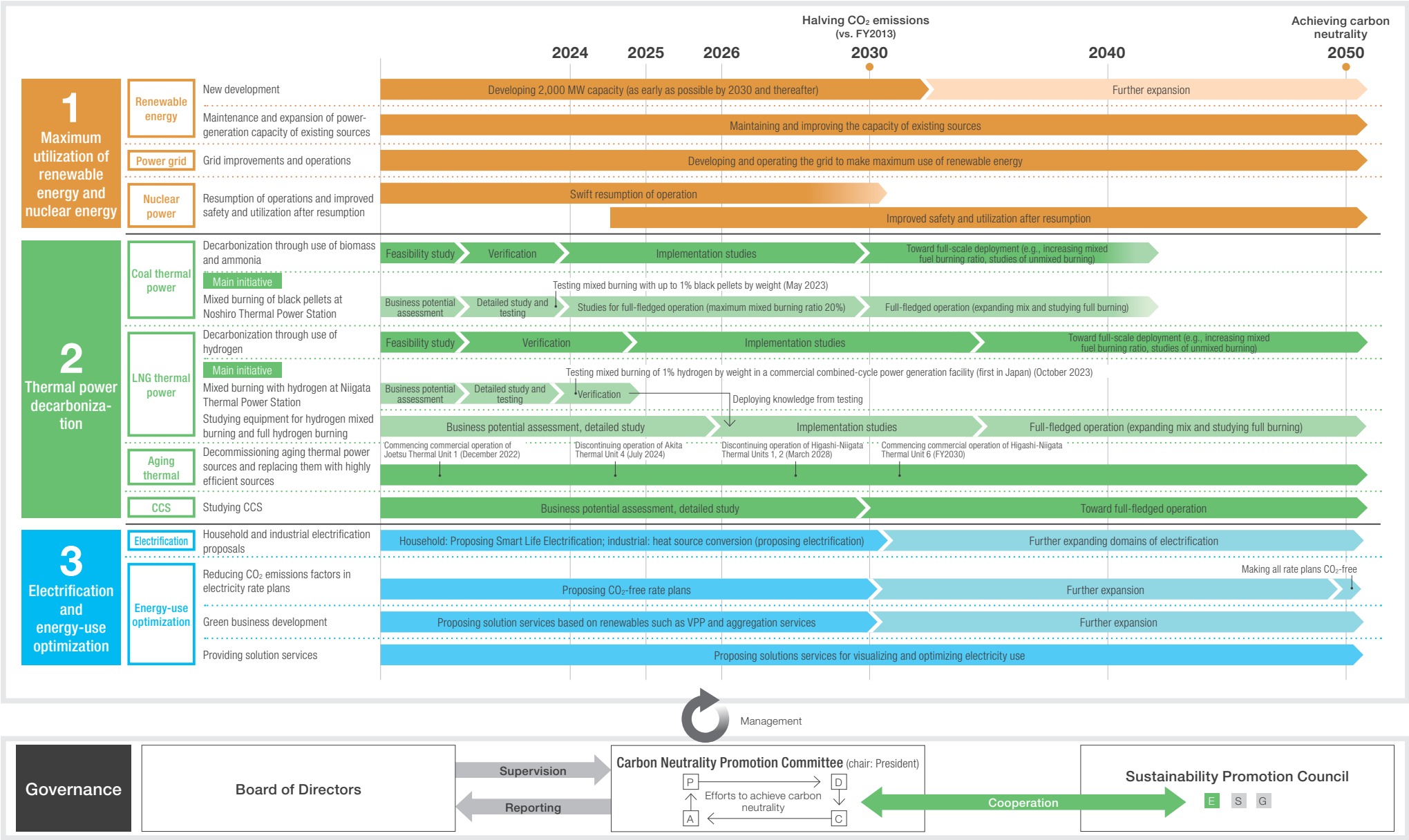
other fuels at LNG thermal power stations. Additionally, we are evaluating the feasibility of carbon capture and storage (CCS) at thermal power stations.

To promote electrification and optimize energy use, in addition to promoting smart life electrification combining full electrification with solar power, storage cells, and other services for smart, comfortable electricity use, we are deploying VPP technologies and distributed power generation services like PPAs to grow the green business while proposing energy solution services.

The Group is seeking to halve CO₂ emissions by FY2030 vs. actual FY2013 levels as a midcourse target toward carbon neutrality by 2050.



Roadmap toward realizing carbon neutrality

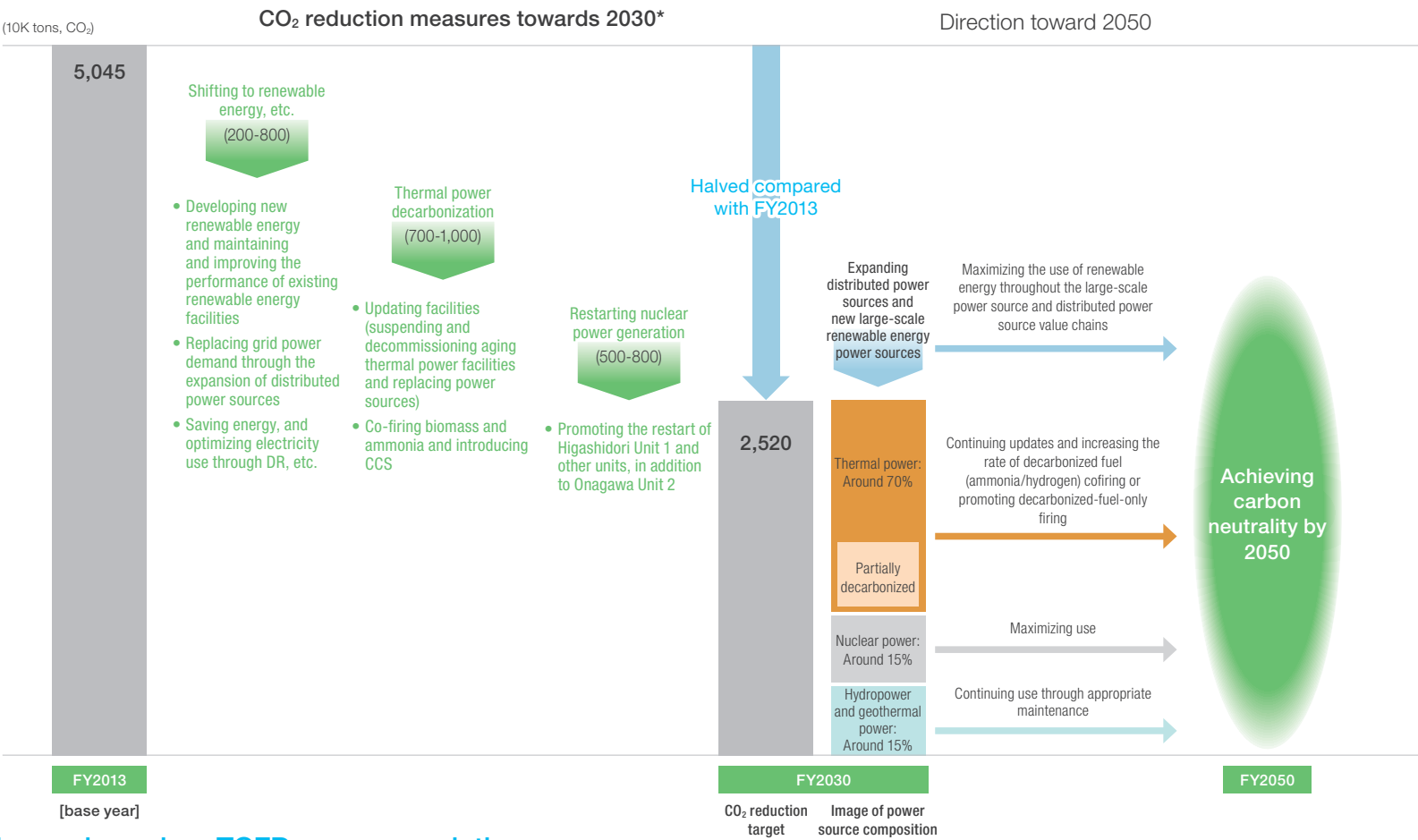


CO₂ emissions reduction targets

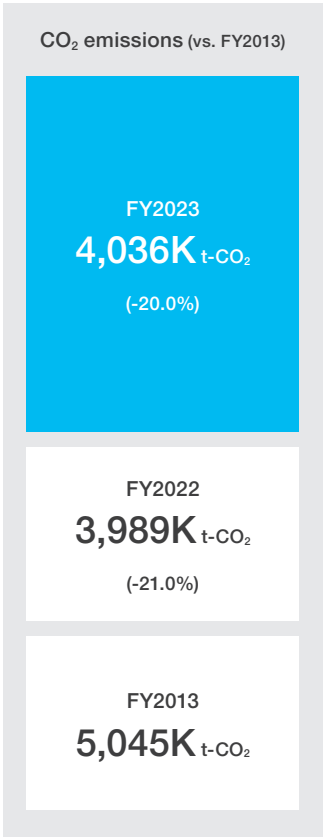
To achieve carbon neutrality by 2050, the Group has set the immediate target for FY2030 of halving CO₂ emissions vs. FY2013. We will monitor power demand and supply projections and the progress of decarbonization efforts and reflect these in our initiatives.

In FY2023, we sought to reduce CO₂ emissions in various ways, including highly efficient operation of thermal power sources, achieved as a result of full-year operation of the Joetsu

Thermal Power Station—one of the most efficient in the world—along with commencement of operations at new renewable energy sources and expanded PPA services. However, factors such as the operational resumption of coal-fired thermal power stations operations of which had been suspended due to the March 2022 earthquake off the Fukushima Prefecture coast resulted in overall CO₂ emissions remaining largely unchanged from last year, at 40.36 million t-CO₂.



Tohoku Electric Power Group's actual CO₂ emissions



Disclosure based on TCFD recommendations

See > Disclosure based on TCFD recommendations > Sustainability Data Book > p. 10

* The CO₂ reduction effects of each countermeasure have been calculated with certain current assumptions, and these can fluctuate depending on future power supply and demand trends, decarbonization technology development trends, system trends in the introduction and use of decarbonization technologies in various countries, and other factors. Therefore, the Group will continuously adjust its initiatives in light of progress and forecasts to increase the probability of achieving the targets.

Establishing a Society that Recycles Effectively

Our thinking on recycling

The Group has long sought to control industrial waste and increase recycling rates through reduction, reuse, and recycling (the “three Rs”).

Amid growing demand for products related to renewable energy and storage cells as society moves toward decarbonization, as well as the manifestation of risks such as interruptions to supplies of resources due to the increasingly unstable international situation, it is vital to transition to a society that recycles effectively.

In light of these conditions, the Group will contribute to such a society by recycling plastics and promoting efforts to reuse and recycle spent solar panels, volumes of which are expected to grow sharply in the years beyond 2030, focusing not just on our own wastes but also on wastes occurring in our communities as well.

Related materiality metrics and targets

Metrics	Target/FY (scope)	FY2023 results
Recycling rate	Recycling at least 90% of all industrial waste/each year (TD, TN)	85.5%
	Recycling at least 95% of industrial waste other than coal ash/each year (TD, TN)	(Newly established in FY2024)
Plastic waste generated	Wherever possible, choosing products that use fewer plastics or substitute materials/each year (TD, TN)	1094.1 t (Reposted) TN: 917.1 t
Plastic waste recycling rate	Promoting plastic waste recycling to achieve a recycling rate of 90%, including thermal recycling (TD, TN)	80.2% (Reposted) TN: 91.1%

Recycling initiatives

See > Establishing a Recycling-based Society > Sustainability Data Book > p. 25

Waste plastics

We have set quantitative targets, etc. (materiality topics) pursuant to the Plastic Resource Circulation Act. To achieve this, in addition to maintaining current recycling initiatives we are also developing new recycling schemes, such as repelletization of used smart meters.

Everyday waste

Our basic approach is to continue current initiatives targeting waste recycled as part of existing reduction, reuse, and recycling activities.

Reuse and recycling of spent solar panels

Solar panel waste is expected to peak in Japan in 2030 and beyond. Since this affects us as well, we will participate in testing of reuse and recycling of spent solar panels through PV CYCLE JAPAN, to be ready for the future issue of large waste volumes from spent solar panels.

See > Reuse and recycling of spent solar panels > p. 37

Conserving Biodiversity

Our position on conserving biodiversity

One of our four environmental action principles calls for us to safeguard and coexist with the rich natural environment. Emphasizing the spirit of coexistence with nature that characterizes the Tohoku and Niigata region, we are advancing various business activities that reflect due consideration for the environment, including a sense of gratitude for the various blessings and benefits generated by biodiversity, and implement measures to avoid or minimize the impact of our business operations on biodiversity.

Related materiality metrics and targets

Metric	Target/FY (scope)	FY2023 results
—	Avoiding or minimizing the impact on biodiversity of business activities (TD, TN)	<ul style="list-style-type: none">Maintained ongoing efforts in areas such as environmental conservation and protection of rare species at power plants and other facilitiesCollecting information on rare species when building transmission and substation facilities and deciding on and implementing suitable conservation measures

Consideration for biodiversity in the power generation and transmission businesses

Facility construction stage

When setting up power generation and transmission facilities, we implement environmental assessments in accordance with the Environmental Impact Assessment Act, environmental impact assessment ordinances, etc. and take necessary measures reflecting the opinions of experts and others.

Even when not required by laws or ordinances, depending on site conditions we conduct environmental assessments, flora and fauna surveys, and other activities on our own and take appropriate protective measures in construction, as necessary.

Business operation stage

After facilities come online, in addition to complying with environmental laws and regulations we strive to protect the environment through means such as periodic environmental measurements and monitoring of facility status and take measures as necessary.

See the Sustainability Data Book for specific initiatives.

See > Conserving Biodiversity > Sustainability Data Book > p. 20

Responding to the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD)

In light of the publication of the TNFD recommendations in September 2023 and the mainstreaming of biodiversity initiatives in Japan, we are studying the relationships between the power generation and transmission businesses of Tohoku Electric Power and Tohoku Electric Power Network and natural capital, including biodiversity, based on the TNFD recommendations.

See > Disclosure based on TNFD Recommendations > Sustainability Data Book > p. 16

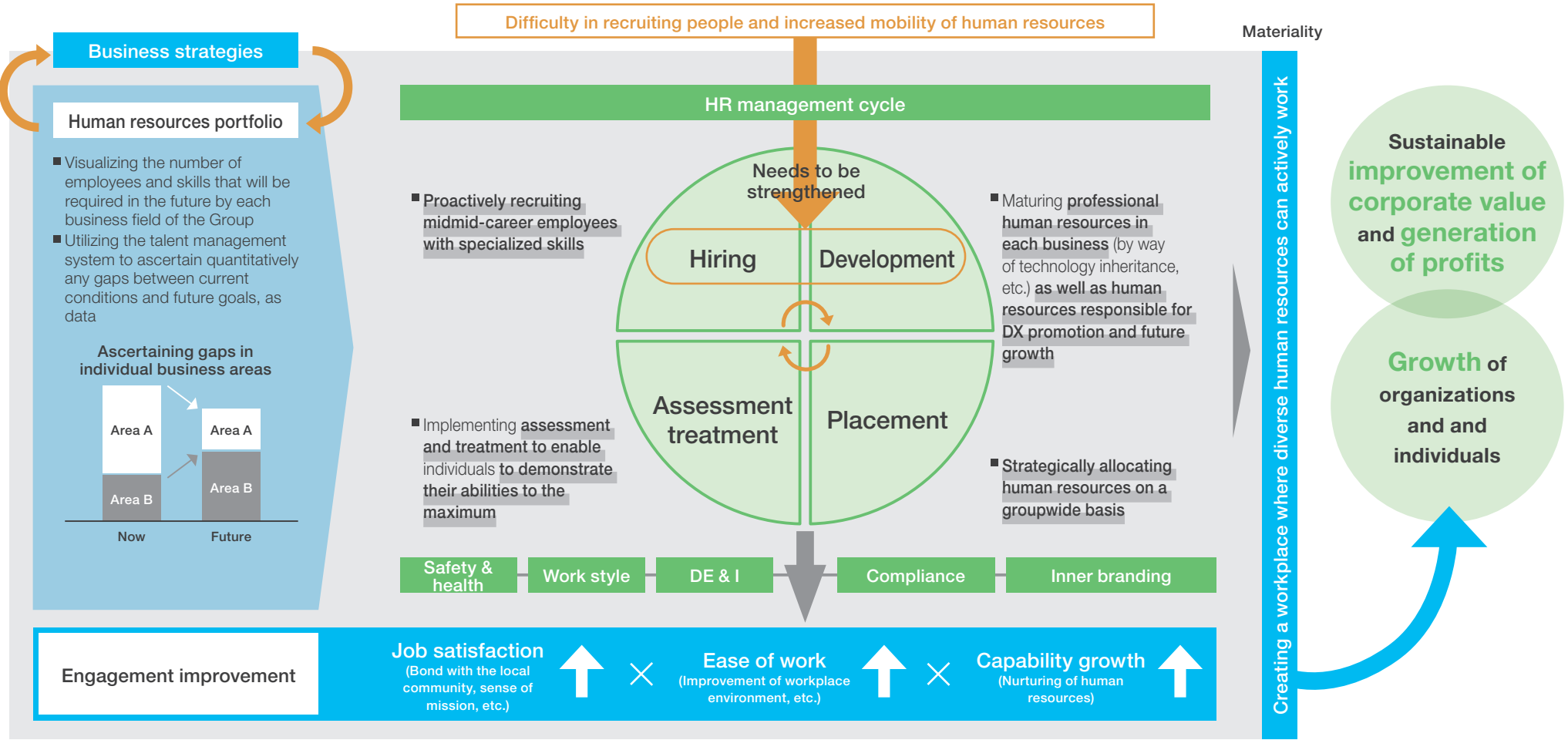
Human Resource Strategy

The Tohoku Electric Power Group’s human resource strategy is a specific topic of focus in the years leading up to FY2030, as we aim to strengthen our management foundations to support continuing business progress. Amid increasingly challenging hiring conditions and higher fluidity of human resources due to factors such as the shrinking workforce and changing values regarding work, we will respond to such issues by proceeding steadily with our human resource strategy based on our belief that the source of the Group’s growth lies in strengthening our human capital.

Specifically, in addition to increasing the efficacy of the Group HR management cycle under an HR portfolio linked to business strategies, we will enhance hiring and HR development in particular. We will also enhance measures in health and safety, workstyles, diversity, equity, and inclusion

(DE&I), compliance, and internal branding, the bases of the HR management cycle, and aim to achieve the materiality topic of Creating workplaces in which diverse human resources can work with a sense of vitality. Furthermore, we will strive to raise engagement through regular monitoring to ensure that individual employees can get a true feel for personal growth, while strengthening the three factors of motivation, comfortable work, and skills growth.

Through these efforts, we will link organizational and individual growth to ongoing growth in corporate value and profit generation.



HR portfolio for realizing the Medium- to Long-Term Vision

Our human resource portfolio divides the Group’s business domains into fields and divides the human resources who can play active roles in these fields into 181 skill types, thereby giving visibility to the numbers of employees required and the skills needed. Among these, we are enhancing HR development, hiring, and other efforts for human resources in 36 skill types essential to activities such as data analysis, digital marketing, and other digital initiatives, promoting next-generation energy services such as VPP, and developing and promoting renewable energy businesses. In the future, we will review which domains and skill types to expand based on our business strategies.

In addition, by adopting a talent management system, we will quantitatively ascertain and analyze aspects such as the skills of individual employees and reflect them in our staffing plans, hiring plans, HR development, and placement.

Enhancing hiring and development

Desired human resources

- Human resources who can learn, think, and act independently
- Human resources who can reform the business structure, contribute to new value, and strengthen earnings potential
- Technologically savvy and skilled human resources to raise efficiency and advance the power supply business

Tohoku Electric Power and Tohoku Electric Power Network are deploying HR management systems that visualize the human resources and skills needed in their HR portfolios and are focusing on strengthening efforts related to their hiring and development.

In the hiring of new graduates, in addition to deepening understanding of our businesses and corporate culture through company briefings, workplace tours, work experience, and other activities, we strive to confer to new hires the capacity to grow in their awareness of their own roles and goals after they join the Company. We are also focusing on recruiting graduates, including midcareer human resources with specialized and advanced business knowledge and experience, and core-skills human resources with the business experience needed in our core business of supplying electricity. We are hiring through our alumni network as well.

In HR development, we provide more than 20,000 internal and external video learning options via the T-next educational platform, allowing employees to build careers and develop skills on their own. In addition to striving to foster a culture in which everyone can learn, regardless of age or job type, we are also enhancing content to contribute to passing along skills and reskilling, building an environment in which diverse human resources can deepen their learning on their own initiative.

In particular, we are enhancing training related to digital transformation (DX), based on our conviction that sustained profit creation requires individual employees to improve their outlook and

skills regarding earnings capabilities and the DX literacy needed to achieve business reforms and innovations using digital technologies.

See > HR hiring and development > Sustainability Data Book > p. 54

Enabling employees to continue working in good mental and physical health

As Japan’s population continues to shrink and age, in addition to securing workers, it is becoming increasingly important to maintain an environment in which employees can continue to work in sound mental and physical health. Based on the philosophy that health and safety come first, Tohoku Electric Power and Tohoku Electric Power Network are striving to ensure thorough workplace safety while working to be healthy companies at which each employee can work in good health and with vitality. Toward this end, they promote health management through means including mental and physical health improvement initiatives based on a collaborative health program with their health insurance societies.

They are also introducing various workplace programs to help employees balance work and personal life, including programs that encourage monitoring of one’s health and care for children and other family members, as well as introducing measures to implement efficient workstyles in which each employee can use ICT and other tools to the fullest.

See > Safety > Sustainability Data Book > p. 37

See > Work-life balance, health management > Sustainability Data Book > p. 64

Inspiring innovation through the activities of diverse human resources


To meet the increasingly diverse needs of our customers, it is vital that we make the most of a workforce of employees with diverse backgrounds, individuality, ideas, and experiences, working with vitality and in good health. Diversity, equity, and inclusion (DE&I), we believe, lead to innovation.

Accordingly, Tohoku Electric Power and Tohoku Electric Power Network are enhancing efforts to support a balance between work and home life as well as career building and activity. They also strive to achieve DE&I targets through means including building internal and external networks with a focus on the views of women employees and studying and implementing measures to reform the awareness of management and others in the workplace regarding women’s career development and workstyles for employees caring for children. In addition, Tohoku Electric Power supports the Japan Business Federation’s initiative targeting a percentage of 30% or more of officers being women by 2030, and is working steadily toward this goal as an important social issue.

We provide manager training to achieve workplaces that embrace differences, in which all can demonstrate their abilities to the fullest, and hold various training activities and other events to raise employee awareness of human rights issues, including our obligations to prevent discrimination and harassment.

See > Diversity, equity, and inclusion > Sustainability Data Book > p. 60

See > Respect for human rights > Sustainability Data Book > p. 30



Employee interview

When my child was little, I drew on the programs for reduced working hours and work from home to find ways to spend enough time at home while continuing to work. When my child started elementary school, I started to use flextime and hourly time off to balance school activities with the fluctuations in my workload.

These programs based on work and home conditions lets me work efficiently without impacting valuable time spent with my family. I want to maintain this work-life balance and continue giving the proper weight to my time both at work and at home.

Office of Legal and Shareholders Affairs, General Affairs Department, Internal Services Division, Tohoku Electric Power Co., Inc.

Asuka Satake


Aiming for workplaces where men will find it easier to take childcare leave

To improve the employee work-life balance, Tohoku Electric Power is striving to establish a culture in which men will find it easier to take childcare leave.

Most of our employees with families, at both Tohoku Electric Power and Tohoku Electric Power Network, live in nuclear households. For them, because grandparents or other relatives live far away, it can be challenging to get the support needed during childbirth or childrearing. This makes household cooperation vital.

Given our responsibility to provide a stable supply of electricity, it is also vital to avoid situations in which employees find it hard to take childcare leave due to the burden of this responsibility as well as cases in which growing numbers of employees taking leave could impede our mission to provide reliable power.

For this reason, management conducts one-on-one interviews with employees every half year, striving in various ways to balance job performance with environmental improvements that allow employees to continue working during life events, including grasping the family and other life factors affecting each employee and by making adjustments throughout the workplace.



Initiatives at the Tohoku Electric Power Network Co., Inc. Shiogama Power Center

At the Tohoku Electric Power Network Co., Inc. Shiogama Power Center, three male employees in the Power Distribution Construction Department took childcare leave at the same time.

The Power Center, which is responsible for maintenance, inspections, and other tasks involving the facilities that ensure reliable power delivery, proved able to make it through the two-month period in which all three were absent by allocating the resources needed to establish a support structure. This was done, even with workforce limitations, by making detailed daily operational adjustments and soliciting support from other sites.

The employees taking childcare leave expressed their gratitude to their workplaces. A representative sentiment: "I'm so glad I got to participate in caring for my child." Positive comments were made in the workplace as well: "I was impressed by how energetic the three were when they came back to work"; "I hope others will take childcare leave in the future."

We will continue to promote initiatives from various approaches to broaden the base of work sites at which taking childcare leave is considered a matter of course.

Three Power Distribution Construction Department employees who took childcare leave

Establishing a deeper understanding of the management philosophy and management policy

Efforts to promote understanding and penetration of Working Alongside Next^{PLUS}

Having identified activities like tiered training and management visits to frontline sites as opportunities to ensure that each and every employee thoroughly understands our management philosophy and management policy, we are setting up opportunities for regular briefings and promoting mutual communication to achieve this understanding.

In particular, we're striving to establish a deeper understanding of Working Alongside Next^{PLUS}, formulated in April 2024 to describe our management directions for the future, in various ways, including online briefings, explanatory articles published in in-house bulletins, and explanatory videos posited to the in-house portal, in addition to site visits by the secretariat.



In FY2023, members of management visited and engaged in dialogue with employees at 138 sites. President Higuchi speaking at a site

Putting our slogan Strength to Work Alongside into practice

In performing their everyday tasks and working alongside our customers and communities, every employee plays a vital role in exemplifying the message implicit in the slogan Strength to Work Alongside. We take various measures to ensure that employees have a firm grasp of this mission, including the Working Alongside Next Manual, an e-learning tool for learning about the concepts behind the vision; a brand video intended to inspire autonomous action; and a series of interviews in in-house bulletins intended to deepen individual employee understanding of Strength to Work Alongside.



Work Alongside interviews in in-house bulletins

Employee engagement

Tohoku Electric Power and Tohoku Electric Power Network are working to improve employee engagement by strengthening the three elements of motivation, comfortable work, and skills growth.

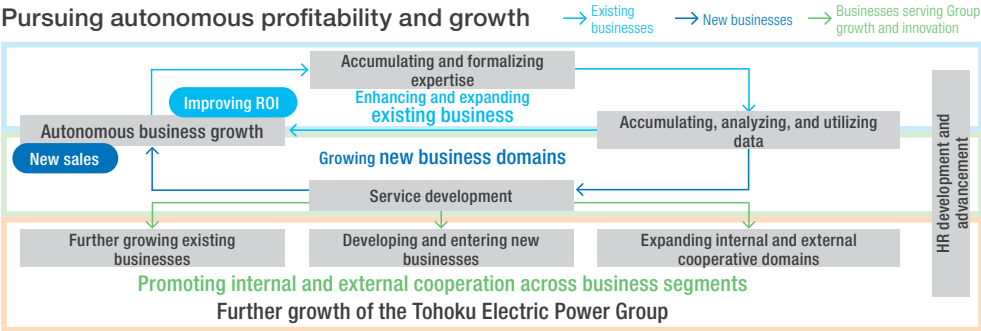
The engagement score in the FY2023 employee engagement survey was 3.54 points (out of a possible total of five points). With the goal of reducing negative answers to about one-half of the current level, we plan to improve various measures under our HR strategies by considering solutions based on results of analyzing the survey findings, targeting an engagement score of more than 3.8 points by FY2030.

See > Employee Engagement > Sustainability Data Book > p. 68

Introduction
A Value Creation Story
Financial Foundations, Business Development
Management Foundations
Carbon Neutrality Strategy
Establishing a Society that Recycles Effectively
Conserving Biodiversity
Human Resource Strategy
Digital Transformation (DX) Strategy
R&D/IP Strategies
Stakeholder Communication
Corporate Governance
Data

Digital Transformation (DX) Strategy

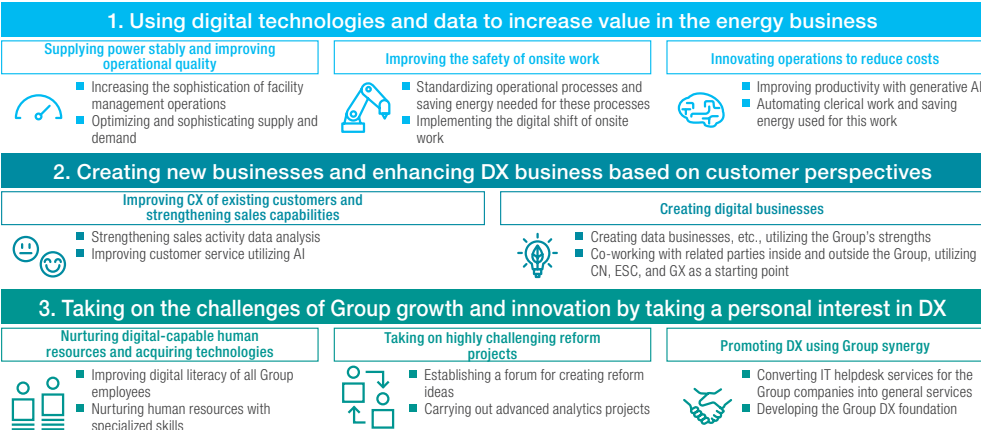
Recognizing digital transformation (DX) as a powerful driver of business reforms, we plan to strengthen and expand existing businesses while increasing the earning abilities that support the foundations of our business by leveraging DX expertise for business growth and reforms.



Based on the Tohoku Electric Power Group DX Promotion Policy, we will implement Groupwide initiatives on various priority issues, including achieving a stable power supply and implementing business quality improvements, creating digital businesses, training digital human resources, and securing digital technologies.

To accelerate these initiatives while delivering new value to customers, we have appointed a Chief Digital Officer (CDO) and established the Digital Transformation Department, an organization under the direct control of management whose mission will be to drive Groupwide initiatives from strategy formulation to resource allocation and real-world measures.

Tohoku Electric Power Group DX Promotion Policy



Organizational structure for promotion	CDO	A Chief Digital Officer is appointed from the management team and leads the DX promotion in the Group.
	DX Promotion Committee	The DX Promotion Committee deliberates on the DX strategy established based on DX promotion policy.
	Digital Transformation Department	The Digital Transformation Department, which is located within the corporate group, establishes and implements the groupwide DX strategy.

Message from the CDO

My name is Oyama. I was appointed Chief Digital Officer (CDO)* in April 2024.

As we strive to achieve our vision under the Medium- to Long-Term Vision of being “A Group that grows together with society’s continual progress, while helping to realize a smart society for the new era starting in Tohoku,” we will create new value through digital transformation (DX) based on Working Alongside Next⁺PLUS, which describes our management directions for the future. In so doing, we will contribute to the region’s progress by advancing solutions to various future challenges, including shrinking populations.

Specifically, in 11 business categories across five business domains centered on electric power and energy, we will strengthen business value by maintaining a constant reform-minded perspective in each business. Each business differs in various aspects, including its identifying characteristics and the status of the move toward digitalization; we will increase the value of our individual activities by deploying DX measures optimized for each business in place of adopting a uniform approach.

HR development and advancement will prove essential in these efforts. We will increase the value of our human capital by hiring and training human resources with advanced skills in both the digital (D) and business transformation (X) areas, capable of pushing forward with business reforms across the Group and in individual business domains.

I will perform my duties as CDO based on a clear understanding of the key role of DX in strengthening our business foundations and increasing added value.

* Serving concurrently as Chief Data Officer



Managing Executive Officer
Chief Digital Officer (CDO)
Tohoku Electric Power Co., Inc.
Mitsuo Oyama

Editorial Policy

Index

Introduction

A Value Creation Story

Financial Foundations,
Business Development

Management Foundations

Carbon Neutrality Strategy

Establishing a Society that
Recycles Effectively

Conserving Biodiversity

Human Resource Strategy

Digital Transformation (DX)
Strategy

R&D/IP Strategies

Stakeholder Communication

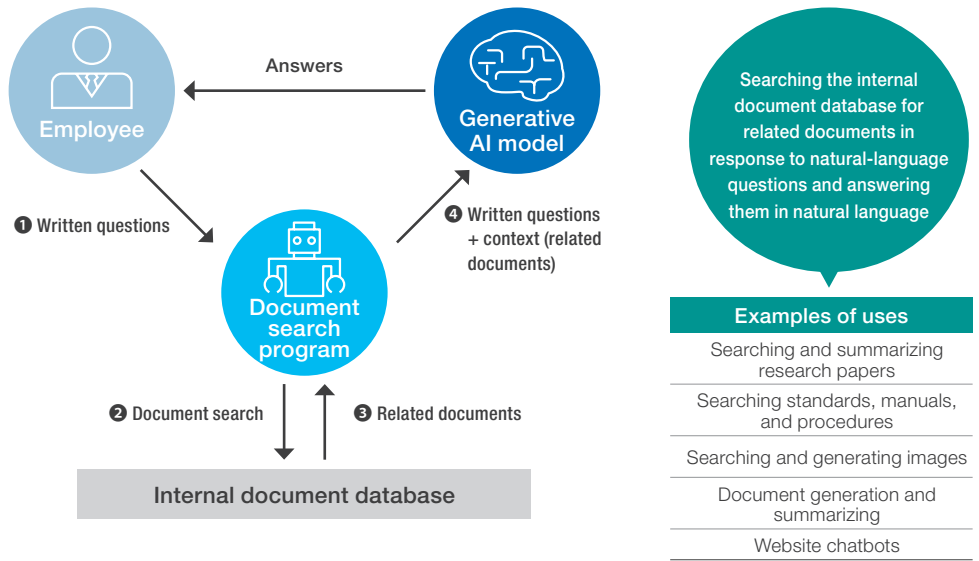
Corporate Governance

Data

Applying AI in business innovations

AI is becoming an essential tool for improving business efficiency. We will strive to improve productivity by deploying AI on PCs, smartphones, and other devices in various activities, including searching for information, assisting in the preparation of minutes, and document preparation. In addition to the widescale deployment of AI, we will develop rules to govern its application; strive to ensure appropriate data use and data security; and expand use of AI through a shared Group infrastructure.

In facility sections, we are seeking to achieve more efficient design and management operations in various ways, including the automatic generation of specifications based on facility plans and construction information and generation of documents for new terms and conditions with reference to documents on past decisions.



Ideation of measures for growth and reforms

We have held study meetings intended to put generative AI to business use, in which employees participating from all business sites generated numerous unique ideas. Those with the potential to be particularly effective are advancing to the practical planning stage.

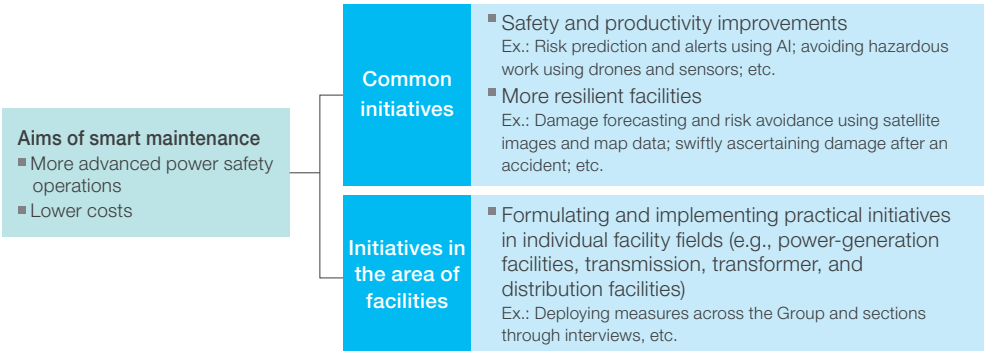
We will aim for the further growth of the Tohoku Electric Power Group by deploying reform ideation activities like this to Group companies as well.



Smart maintenance

Smart maintenance efforts seek to improve safety and productivity while enhancing facility resilience. We are identifying new measures using new technologies and sharing information in cooperation with safety and facility sections.

We plan to deploy practical initiatives in the facilities field across Group companies and sections.



HR development for DX

We've begun using our own DX HR certification program, alongside training and education based on four DX human resource ideals currently in demand in the Group. We have set certification standards suited to individual roles. As of March 2024, 804 employees had been certified (10 in the Groupwide category, six in the advanced category, 176 in individual sections, and 612 in the literacy category). We are also making progress on HR assignments to harness these skills by making it possible to check certification results in the talent management system.

	Roles in demand	FY2023 results	Targets through FY2025	Development measures
Groupwide DX promotion personnel	Driving Groupwide DX embodying corporate reforms	10	20	Learning ways of thinking to put the power of the organization to use toward solutions to issues from a management perspective
Advanced data analysts	Driving DX using advanced knowledge of data analysis	6	50	Learning practical skills for analyzing and using data on the frontlines of business
Section DX promotion personnel	Driving DX in individual sections based on section DX strategies	176	350	Learning technologies for promoting reforms to existing businesses based on issues in the workplace
DX-literate personnel	Working in DX based on basic understanding of digital technologies and data	612	2,000	Learning basic knowledge of digital technologies and basic data analysis using Microsoft Excel

R&D/IP Strategies

R&D vision

The Tohoku Electric Power Group is working toward Group growth by promoting research and development to contribute to innovations in society and thorough enhancement of our competitive strengths.

Under these initiatives, together with careful selection of the details of research and development projects based on profitability and future potential we have identified the three priority domains on which we will focus in particular: research and development to contribute to promoting the Tohoku Electric Power Group's Carbon Neutral Challenge 2050, realizing a smart society and creating new revenue sources, and steady efforts toward smart electric power maintenance and resilience.

Research and development priority domains

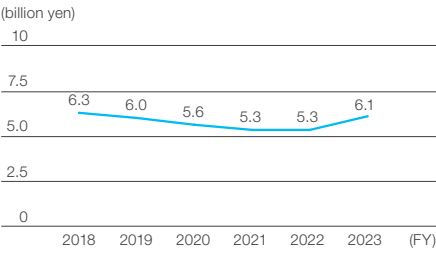
Contributing to progress toward Tohoku Electric Power Group Carbon Neutral Challenge 2050

Realizing a smart society and creating new revenue sources

Steady efforts toward smart electric power maintenance and resilience

R&D contributing to a stable supply of electricity to support core businesses

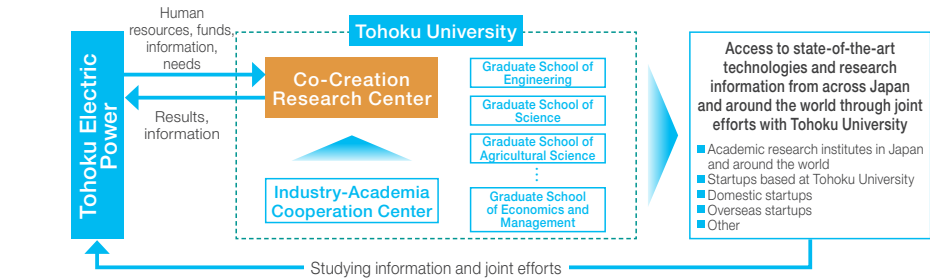
Trend in R&D expenses



* Research and development expenses shown are totals for Tohoku Electric Power and Tohoku Electric Power Network Co., Inc.

Accelerated promotion of R&D together Intellectual property with Tohoku University

In November 2021, we opened the Co-Creation Research Center together with Tohoku University to serve as a base for R&D joint efforts. During the period of November 2021 through March 2025, through close joint efforts with the University, we plan to make the most of research results and human resources in cooperative efforts on topics such as carbon neutrality and digital transformation (DX), thereby enhancing competitive strength of the power business.



Current state of research and development in priority domains and future courses of action

Contributing to progress toward the Tohoku Electric Power Group Carbon Neutral Challenge 2050

To achieve carbon neutrality by 2050, we're pursuing research and development across a wide range of fields, including decarbonization, renewable energy, and power grids.

- Research on mixed burning of black pellets in coal thermal power
- Research on CO₂ reduction and effective use
- Research on dynamic-rating power transmission capacity
- Research on more advanced methods of forecasting solar and wind power output
- Research on LNG thermal hydrogen/ammonia mixed burning
- Research on floating offshore wind power



Illustration of offshore wind power

Realizing a smart society and creating new revenue sources

In addition to actively carrying out research and development toward swiftly achieving profitability in businesses related to realizing a smart society, we will continue to advance initiatives that increase electrification rates, expand the adoption of electronic devices, and broaden efforts to help improve business efficiency and cut costs using digital and other technologies.

- Research on more precise short-/medium-range demand forecasts
- Research on more advanced solution services for consumer households
- Research on new next-generation energy businesses
- Research on automatic control of home appliances

Efforts toward smart maintenance and resilience

To ensure readiness for aging facilities, a shrinking electrical maintenance workforce, and increasingly severe natural disasters, we are striving to sustain and improve maintenance capacities while improving productivity drawing on IoT, AI, drones, and other new technologies.

- Research on automation of facility patrols
- Research on smart maintenance of outdoor power facilities
- Research on use of AI for operational safety
- Research on monitoring and patrolling using drones



Using NanoTerasu

NanoTerasu, a radiation facility constructed in the city of Sendai, Miyagi Prefecture, is capable of generating soft X rays with about 100 times the luminance of those produced by existing facilities in Japan. Operational from April 2024, it is generating high expectations in Japan and around the world as a world-class high luminosity radiation facility.

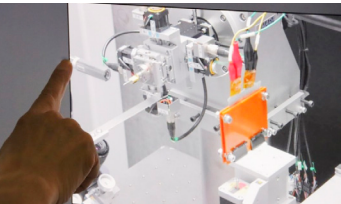
Developing the future of storage cells at nano-level precision (Tohoku Electric Power)

Storage cell technologies are expected to contribute to effective use of renewable energy by storing and releasing electricity in accordance with fluctuations in renewable power generation to maintain a balance between power demand and supply.

This project applied powerful X-rays from NanoTerasu to storage cells to get a clear view of their internal status. Obtaining data every five seconds and analyzing changes over time helps in identifying the effects of power charge and discharge on the internal structures of storage cells.

This project also compares measurement results from new storage cells and older ones to ascertain which parts of the cells are most damaged by wear and tear.

This research is expected to provide hints for building longer-lasting storage cells.



Using radiation analysis for higher-quality cables (Kitanihon Electric Cable)

Kitanihon Electric Cable Co., Ltd. is using NanoTerasu in product development and quality improvements.

Preliminary experiments on existing radiation facilities in FY2023 helped identify distortions in molecular structures attributable to residual stress inside cable insulating materials that emerge during cable manufacture. The company will undertake further analysis using NanoTerasu to contribute to product development and higher quality.

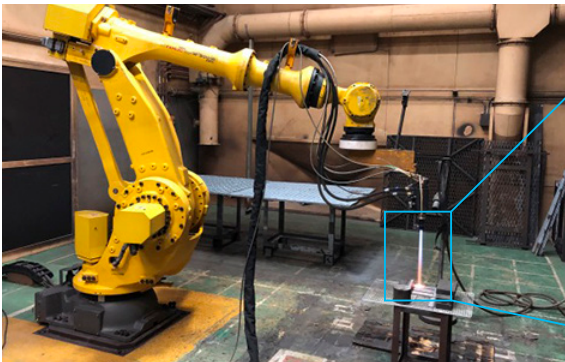


The New Energy and Industrial Technology Development Organization (NEDO)
Innovative Plastic Resource Circulation Process Technology Development national project

Applying thermal power maintenance technologies to plastic waste
(Tohoku Electric Power Engineering & Construction)

This NEDO project is carrying out research and development in four areas aimed at dramatically increasing the resource value of plastic waste: (1) advanced sorting systems for plastic waste, (2) advanced material regeneration process technologies, (3) technologies for hi-efficiency petrochemical feedstock process and (4) technologies for high-efficiency energy recovery and utilization. Tohoku Electric Power Engineering & Construction Co., Inc. has participated in the project (4) above since FY2020, in cooperation with Nagoya University and other partners.

Specifically, it is seeking to achieve a total energy efficiency of 80% by reducing ash adhesion, which impedes transmissivity of heat exchangers in waste processing plants, to recover energy more efficiently from plastics that are difficult to process for recycling and by developing technologies related to thermal transfer tube coatings that help to reduce corrosion caused by chlorides contained in plastics.



Testing thermal transfer tube coatings

Intellectual property

We see intellectual property s a key management resource in enhancing our competitive advantages. Our R&D activities also comply with the obligation to respect intellectual property rights specified in the Tohoku Electric Power Group Code of Conduct.

Policy on intellectual property

We advance strategic intellectual property initiatives throughout the Tohoku Electric Power Group to allow effective use of intellectual property in business activities through its creation, protection, and application.

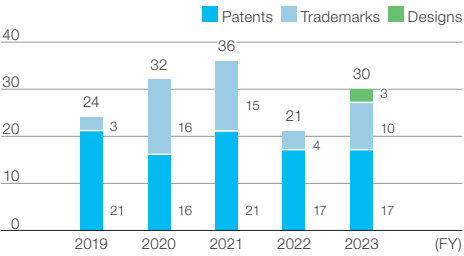
Code of Conduct: 3 (1) Protecting intellectual property rights
We protect and utilize the Group’s intellectual property rights while respecting those belonging to others.

Targets and metrics

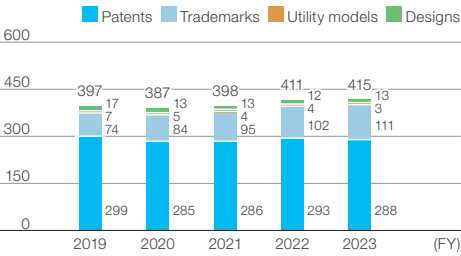
We have identified the following targets and metrics for our IP strategy initiatives. Based on these, we are pursuing sustained efforts to enhance business support and in-house training that will strengthen knowledge and awareness of IP from a compliance perspective, including promoting strategic use of IP and avoiding IP infringement, and the competitive perspective of securing rights to our research results.

Target	Metric
Promoting strategic IP activities	Number of business support projects implemented through use of IPL
Protecting IP rights in line with the Group code of conduct	Number of patents held Number of utility models, designs, and trademarks registered
Zero infringements on others’ rights in our industrial property rights	Number of infringements on others’ rights

IP application and registration status



Status of IP holdings



Initiatives under the intellectual property strategy

Our branding initiatives, new business promotion efforts to realize a smart society, and other activities have led to a significant increase in the number of trademark applications over recent years. We are also implementing continual business support and in-house training to analyze conditions for promoting IP activities based on business strategies, apply for IP, and avoid risks associated with applications and rights infringements.

Setting up a hotline for patents and other IP rights	To promote efficient R&D and to secure and make proactive use of intellectual property, we provide general employees with introductory and applied training on IP operations. We also provide seminars on searching for patent and trademark information and more specialized training for our IP staff. We have also set up three IP courses in our distance learning program for employees to offer a broad range of opportunities for acquiring knowledge in this area.
Setting up a hotline for patents and other IP rights	We have set up a hotline for the handling of industrial property (IP) rights by a team in the Research and Development Center to help oversee activities involving filing of patent applications and maintaining and managing IP rights.
Supporting the IP activities of Group companies	In addition to introducing the current state of Company IP activities through the Research and Development Center’s publicity bulletins, we accept trainees from Group companies for IP training programs and seminars. The goal is to strengthen IP knowledge groupwide.
Enhancing the competitive strengths of our businesses	To utilize IP based on business strategy, it is essential to strengthen situation analysis, IP applications, and avoidance of the risk of rights violations. Specifically, we will work on (1) consultations on inventions and reviewing them for infringements at the initial stages of projects and commercialization, (2) ascertaining technological trends and market competitive conditions through IP landscape review, and (3) research support and raising awareness for risk avoidance in various ways, including strengthening support in the review of prior technologies and sharing of information on the importance of IP and risk response measures.

Example of protected IP rights


exEMS (registered trademark no. 5873154)

Carbon neutrality, decarbonization

Optimization of energy use

Fixed-rate services

ICT use



exEMS

experience Energy Management Systems

Registered trademark no. 5873155

An experiential energy-optimization support service

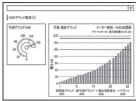
for customers contracting for high-voltage and extra high-voltage power

Visualization of electricity use enables energy and cost savings

Demand monitoring up to 24 hours in advance

Visualization of electricity use

Support for energy-conservation actions



Patent no. 6480487

Power consumption control equipment, power consumption control method, and computer program

62 Tohoku Electric Power Group

Editorial Policy

Index

Introduction

A Value Creation Story

Financial Foundations, Business Development

Management Foundations

Carbon Neutrality Strategy

Establishing a Society that Recycles Effectively

Conserving Biodiversity

Human Resource Strategy

Digital Transformation (DX) Strategy

R&D/IP Strategies

Stakeholder Communication

Corporate Governance

Data

INTEGRATED REPORT 2024

Stakeholder Communication

The Tohoku Electric Power Group recognizes our customers, communities, shareholders and investors, business partners, and employees as important stakeholders. In addition to enhancing relations of trust through mutual communication, we reflect stakeholders' viewpoints and requests in our business activities. We also will support society through business activities centered on

electric power and energy, co-create social value and corporate value with stakeholders, including future generations, and contribute to medium- to long-term gains in corporate value and the continual progress of society as a whole.

Co-creating value with stakeholders

Customers

Our goal is to maximize customer satisfaction by offering services that help establish a smart society in which customers can enjoy safe, comfortable, rewarding living spaces. These are centered on a stable supply of affordable energy that supports rewarding lives and business activities, all while putting safety first.

Main communication opportunities

- Receiving various applications, viewpoints, and inquiries at customer centers
- Everyday sales activities such as proposing energy solution services
- Communicating useful information for saving energy on the website
- Timely communication of information on power failures, etc.

See > The Next-Generation Energy Business, Green Energy Services Business, Retail Electricity Business/Solution Services Business > p. 39

See > Public Safety and a Reliable Supply of Power > Sustainability Data Book > p. 46

Shareholders and investors

In addition to increasing the transparency of management by enhancing disclosure and promoting corporate governance, we will strive to increase corporate value by promoting communication with shareholders and investors.

Main communication opportunities

- General meetings of shareholders
- Business reports
- Facility tours
- Visits with institutional investors
- Briefings for investors
- Website for shareholders and investors etc.

See > Communication with shareholders and investors > p. 79

Business partners

In addition to building positive relations of trust with business partners through fair and equitable transactions, we will strive to earn society's trust through even more transparency in transactions.

Main communication opportunities

- Providing fair and open transaction opportunities in various ways, including the disclosure of basic procurement policies
- Everyday procurement activities
- Business partner surveys
- Training sessions and safety patrols
- Presenting letters of thanks for outstanding examples
- Dialogue with business partners etc.

See > Supply Chain Management > Sustainability Data Book > p. 34

See > Safety > Sustainability Data Book > p. 37

Community

In addition to contributing to the continual progress of our communities through efforts to contribute to solutions to community challenges side by side with communities and efforts intended to provide true community benefits, we will build relations of trust through cooperation based on unceasing communication by individual employees.

Main communication opportunities

- Community activities in the vicinity of business sites
- Support for increasing community vitality
- Social contribution activities
- Promoting international cooperation and exchange activities
- Communication with residents in the vicinities of power stations (visits to all households)
- Tours of power stations and other sites, and visiting classes
- Opinion surveys etc.

See > Communication with Communities and Customers > Sustainability Data Book > p. 49

Employees

We contribute to vital and healthy life design for our employees based on respect for the individuality of each and every one of our diverse employees and promoting workplace and HR development so that they can experience rewarding, comfortable work while making the most of their abilities.

Main communication opportunities

- Main communication opportunities
- Site visits by management
- Intranet, in-house bulletins
- Consultation hotlines, various employee surveys
- Regular dialogue with superiors
- Discussions with labor unions etc.

See > Securing and Developing Human Resources, DE&I, Work-life Balance, Health Management, Employee Engagement > Sustainability Data Book > p. 54

SUSTAINABLE DEVELOPMENT GOALS

Strengthening community ties

By increasing trust and brand value through multifaceted communication with stakeholders and laying the groundwork for future businesses, the Tohoku Electric Power Group will realize continual growth together with the community and contribute to a smart society in which community members can experience comfort, safety, and peace of mind.

Contributing to the progress of the Tohoku and Niigata regions also improves engagement among employees, who sympathize with our Management Philosophy, which calls for us to Prosper with Local Communities. We will link the ties with the community built up in these ways to a virtuous cycle of profit, growth, and investment, building on them further as strengths specific to the Tohoku Electric Power Group.

Facility construction and operation in harmony with the community

The understanding and cooperation of the community is essential to building power facilities. We have built relations of trust with our communities by striving to build and operate facilities that reflect community conditions and other considerations based on discussions with related parties.

Posting evacuation information on power poles



To raise awareness of disaster risks, we have cooperated in the posting of information such as evacuation guidance and tide levels by local governments since the Great East Japan Earthquake.

Water level surveying at Lake Towada (for use of water in power generation, agriculture, and tourism)



The Konoguchi sluiceway, which releases water into Oirase Stream



Oirase Stream

At Lake Towada, located on the border between Aomori and Akita prefectures, in addition to generating power, we regulate the water level to supply water for agricultural use and the tourism resource of Oirase Stream through the power generation facility.

Social contribution activities

We strengthen communication with our communities in various ways, including participation in local events, cleanups, tree-planting, and other environmental activities, and active health and welfare activities. We also provide active support for children in the community and for energy education.

Support for the next generation

To support the healthy growth of the children who will lead our communities in the future, we engage in activities including support for middle school essay contests, school concerts, and various sporting tournaments.

Visiting classes, site torus

We organize visiting classes on the environment and energy as well as tours and work-experience events at power stations. In FY2023, we conducted 1,478 such activities.



For more vital communities

Supporting organizations taking on community challenges

We support organizations working toward solutions to the challenges faced by the Tohoku and Niigata regions and strive to stimulate local industry and communities through means including dispatch of experts and provision of grants.



Support for attracting businesses to communities

We have assigned specialized staff in charge to each prefecture to support local government efforts to attract businesses to their communities in various ways, including through advising on power supply and providing information on related procedures. (Tohoku Electric Power Network Co., Inc.)

Understanding of facility construction and maintenance



"Can be counted on": 69.8%^{*1}
"Can be trusted": 68.8%^{*1}

Positive brand recognition



Brand value

"Have heard of Tohoku Electric Power": 97.2%^{*1}

Pride in working in the area



Higher employee engagement

Employees who "feel ties to the community": 75.2%^{*2}

Solutions to community challenges



Vital communities

New business creation

A smart society in which community members can experience comfort, safety, and peace of mind



^{*1} From the results of the Stakeholder Survey on the Tohoku Electric Power Group's Business Activities, a survey of 2,000 residents in the Tohoku and Niigata regions (conducted July 1-4, 2024)

^{*2} From the results of the Employee Engagement Surveys (conducted April 2024)

INTEGRATED REPORT

CHAPTER 4

Corporate Governance

Corporate Governance	p. 66
Communication with Shareholders and Investors	p. 79
Risk Management	p. 80



Message from the Chairman of the Board



Representative
Director & Chairman
of the Board

Jiro Masuko

A widely fluctuating business environment

Three and one-half years have passed since I was appointed Chairman of the Board in 2021. After a challenging period in which we recorded losses for two years in a row, we moved strongly into the black in FY2023. While we continue to focus on swiftly restoring our financial standing, it is also becoming increasingly important in this widely fluctuating business environment to continue to deliver value into the future while adapting to various changes, including the accelerating trend toward carbon neutrality and the progress of generative AI and other digital technologies.

Over the past year, while addressing pressing issues such as electricity rate revisions the Board of Directors has also devoted considerable discussion time to medium- to long-term management topics such as business development toward realization of the Medium- to Long-Term Vision and sustainability initiatives.

An effective governance structure for growth

On our Board, seven outside directors and eight internal directors engage in free and open discussions with internal directors to incorporate diverse viewpoints and judgments from outside the organization into management decisions. In the Board's activities, we strive to prevent informational asymmetries among directors and to ensure discussions take place on a level playing field by thoroughly explaining matters to outside directors in advance. We also hold study meetings, tours of frontline business sites, dialogue with employees, and other activities to create opportunities to deepen familiarity with our businesses.

Working Alongside Next^{PLUS}, which describes our management directions for the future, was formulated through repeated discussions among members of the

Board. I believe that its content has been enhanced thanks to the views of outside directors, based on their wide-ranging perspectives, regarding various matters, including what the Group values and what it seeks to achieve, along with its courses of action in business development, securing competitive advantages, its human resources and organization, financial target-setting, and business and societal sustainability, all based on our management philosophy and purpose.

We're taking steps to accelerate the decision-making process and make it more independent by delegating authority from the Board to individual directors. Under Working Alongside Next^{PLUS}, each business will pursue autonomous profit and growth under the leadership of the officer in charge. As its autonomy increases, it grows even more important to monitor the Board from the perspective of overall optimization. From my perspective as Chairman of the Board, I will continue thoroughgoing oversight to ensure that the organization's vectors are in alignment.

To make the Board even more effective, in addition to conducting annual surveys of all directors we hold meetings to exchange viewpoints with outside directors on what topics the Board should focus on and courses of action for addressing them. To realize further growth Groupwide, I believe that it will be essential for the Board to continue to study and deliberate on various matters, including future controls and governance, while sharing its understanding of and deliberating on risks related to medium- to long-term management topics.

The Tohoku Electric Power management style:
Message to stakeholders

The Group's businesses are supported by the natural abundance of the Tohoku and Niigata regions and the trust of our communities. We, in turn, have

fulfilled our mission to support our communities through the electricity and energy businesses. Based on my experience working in the nuclear power segment and interacting with customers and community members as a branch manager, I believe that such relations of trust and mutual support with the community are the basis of Group business activities.

Our Management Philosophy to Prosper with Local Communities represents the values we have maintained consistently since our founding. This is something that must remain an unshakeable foundation of the business activities of each and every Group employee. I consider the Tohoku Electric Power management style to be one of growing together with our communities.

The Tohoku and Niigata regions face a wide range of social challenges, including shrinking populations and an aging society with a low birth rate. The Tohoku Electric Power Group's vision for the 2030s, as identified in the Medium- to Long-Term Vision, is to be "A group of companies growing in step with sustained societal progress by helping to establish a smart society for a new age, starting in Tohoku." It describes how the Group will continue to generate value by fulfilling its mission to address these issues as a member of the community. The recently formulated Working Alongside Next^{PLUS} describes a practical roadmap to realize this vision.

While we enhance corporate governance further from the perspectives of transparency, management dynamism, and soundness we will continue to value communication with stakeholders and reflect their voices in our management. We are grateful for the continuing guidance and support of all our stakeholders.

Editorial Policy

Index

Introduction

A Value Creation Story

Financial Foundations,
Business Development

Management Foundations

Corporate Governance

Corporate Governance

Communication with Shareholders
and Investors

Risk Management

Data

Basic concepts of corporate governance

The Tohoku Electric Power Board of Directors establishes basic corporate governance policies to clarify our basic corporate governance concepts and related practical initiatives.

Under our management philosophy of Prosper with Local Community and the Tohoku Electric Power Group's Medium- to Long-Term Vision, we seek to grow in step with sustained progress within society by helping to establish a smart society in various ways: providing services centered on power and energy, working alongside customers and communities, and engaging in sustained dialogue with stakeholders.

To ensure appropriate management consistent with this course, the Company continues to strengthen corporate governance by ensuring compliance, promoting fair, honest, and transparent business administration, and enhancing internal controls and risk management.

The Company sees strengthening and improving corporate governance as one of its priority management issues. Based on this perspective, the Company will advance initiatives to ensure sustained growth and enhanced corporate value on a medium- and long-term basis to meet the expectations of its stakeholders. Company initiatives will include activities that make management more flexible, sound, and transparent.

1 Guarantee of shareholder rights and equitable standing

The Company handles all matters based on laws and regulations, thereby guaranteeing shareholder rights and equality in real terms. At the same time, the Company advances efforts to prepare conditions that permit shareholders to exercise their rights, with due regard for minority and foreign shareholders.

2 Appropriate joint efforts with stakeholders beyond shareholders

Based on safety, consideration for the environment, and compliance, we emphasize activities based on two-way communication with a diverse array of stakeholders. The Company targets sustained growth and medium- to long-term growth in corporate value.

3 Appropriate information disclosure and transparency


- (1) In addition to the appropriate disclosure of information pursuant to laws and regulations, we engage in the timely disclosure of accurate and highly useful information through our website and various other media, in addition to press conferences and, as necessary, briefings, held by the representative director.

- (2) We disclose financial, non-financial, and other information through fair, detailed, and simple methods, in accordance with the Companies Act, the Financial Instruments and Exchange Act, and other laws and regulations, as well as our own Disclosure Policy and other policies.
- (3) To the extent feasible, we also strive to disclose this information in English.

 **Corporate Governance**
<https://www.tohoku-epco.co.jp/ir/policy/governance/index.html>


4 Responsibilities of the Board of Directors

- (1) The roles and responsibilities of the Board of Directors include measures to achieve the sustained growth of the Company and increasing corporate value over the medium to long term while soliciting diverse neutral and objective opinions from independent outside Directors, in light of the duties entrusted to them by shareholders and associated accountability and responsibilities. The Board of Directors also strives to foster a culture that encourages free and constructive debate and exchange of opinions and welcomes issues raised by outside Directors.
- (2) In addition to its important role as a Company supervisory body, the Audit and Supervisory Committee serves as a statutory independent body charged with auditing the discharge of management responsibilities on behalf of shareholders by the Representative Director and other Executive Directors. By fulfilling these responsibilities, it contributes to a sound corporate governance structure commensurate with society's trust in the Company and promotes sound, sustained growth and medium- to long-term value creation.

 **See > Internal Control and Corporate Governance Diagram > p. 69**

5 Shareholder dialogue

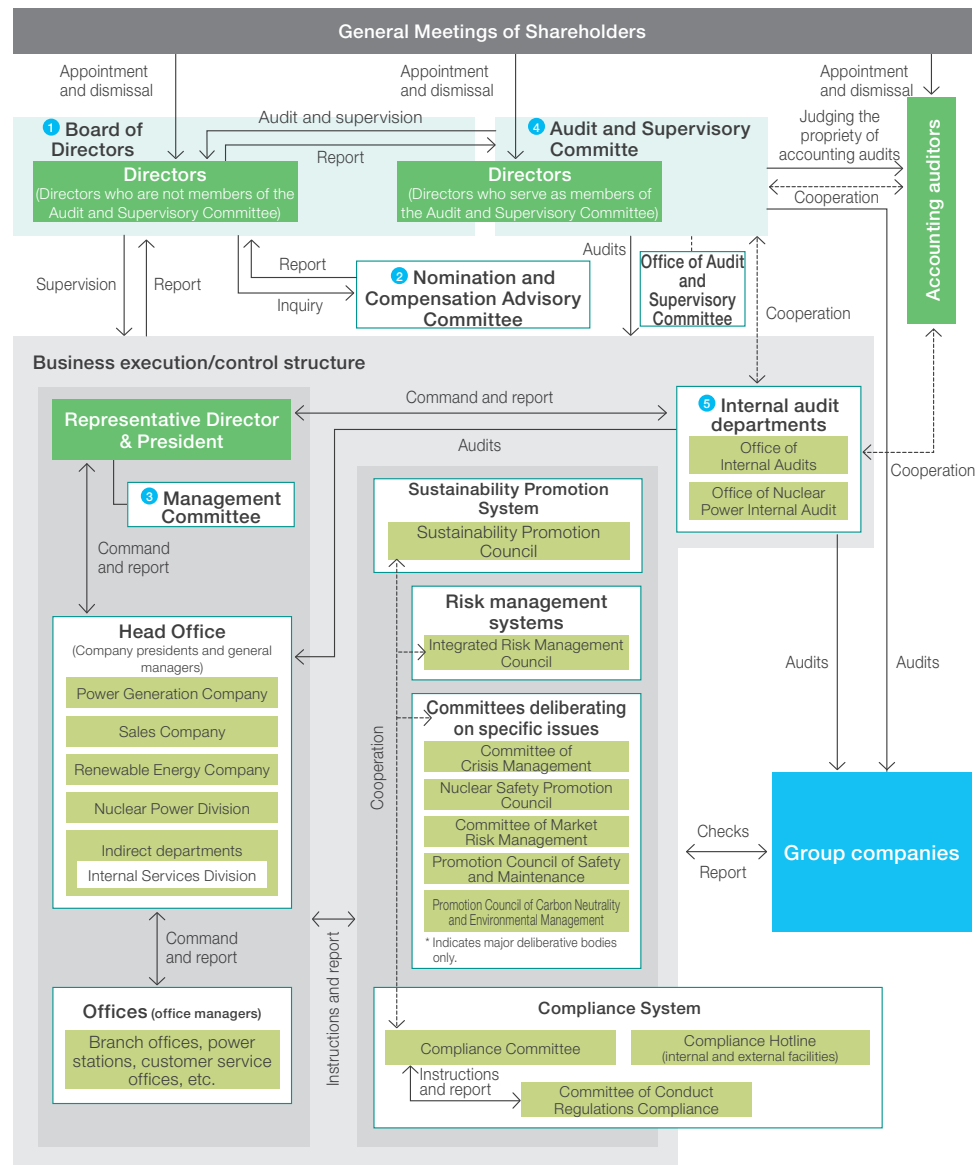
To further sustained growth and medium- to long-term growth in corporate value, the Company establishes opportunities for dialogue with shareholders beyond the General Meetings of Shareholders, while Directors and other members of top management strive to explain clearly in management policies and elsewhere matters such as the Company business environment and initiatives. The ultimate goal is to ensure understanding, and to promote constructive dialogue with shareholders.

 **See > Communication with Shareholders and Investors > p. 79**

Changes in corporate governance systems

Commencement of initiatives to strengthen governance and achieve flexible business administration		Promoting governance reforms based on corporate governance codes		Strengthening governance to account for rapidly changing management environment																	
<ul style="list-style-type: none">● Reducing the numbers of Directors and terms of office● Introducing the Executive Officer system● Introducing the system of stock options for stock-based compensation		<ul style="list-style-type: none">● Appointing two or more outside Directors● Initiating assessments of the Board of Directors' effectiveness● Establishing the voluntary Nomination and Compensation Advisory Committee		<ul style="list-style-type: none">● Establishing Executive Officers with titles● Changes in status to a company with an audit and supervisory committee● Appointment of female Directors● Adopting a stock-based compensation program linked to business performance																	
April 2005 to March 2018																					
Governance system	■ Company with an audit and supervisory board		June 2018 ■ Changes in status to company with an audit and supervisory committee																		
Committee	January 2017 ■ Establishing the voluntary Nomination and Compensation Advisory Committee (consisting of two members from the Company and two additional members from outside the Company)		June 2018 ■ Increase in the number of Nomination and Compensation Advisory Committee members from outside the Company (to change the numbers of members from the Company and those from outside the Company to two and four, respectively) January 2020 ■ Outside Director chosen as Chair of the Nomination and Compensation Advisory Committee June 2024 ■ Increase in the number of Nomination and Compensation Advisory Committee members from outside the Company (to change the numbers of members from the Company and those from outside the Company to two and five, respectively)																		
Chairman of the Board of Directors	■ Representative Director & Chairman of the Board		■ Representative Director & Chairman of the Board																		
Separation of supervision and execution	June 2005 ■ Introducing the Executive Officer system ■ Decrease in the number of Directors specified in the Articles of Incorporation from 25 or fewer to 18 or fewer		April 2018 ■ Establishing Executive Officers with titles June 2018 ■ Delegation of a portion of the Board of Directors' authorities to Directors April 2020 ■ Expanding the authority delegated by the Board of Directors to Directors																		
Nomination of Directors	June 2007 ■ Reducing the term of office for Directors from two years to one year November 2015 ■ Establishing criteria for judging the independence of outside Directors ■ Establishing policies for nominating Directors		November 2020 ■ Clearly defining the abilities and qualities demanded of Directors September 2021 ■ Formulation of skills matrix																		
Compensation for Directors	June 2007 ■ Abolishing Retirement Benefits for Directors June 2010 ■ Introducing the system of stock options for stock-based compensation November 2015 ■ Establishing policies for determining compensation for Directors		June 2020 ■ Adopting stock-based compensation program linked to business performance ■ Stock option compensation program abolished June 2024 ■ Reflecting ESG factors in compensation linked to short-term business performance																		
Assessment of the Board of Directors' effectiveness	February 2016 ■ Start of the assessment of the Board of Directors' effectiveness (using a questionnaire survey)																				
Basic policies regarding corporate governance	November 2015 ■ Establishment		March 2020 ■ Basic Policy on Corporate Governance established																		
Outside Directors (Figures in <table><tr><td></td><td></td></tr></table> are the ratios of outside Directors to total number of Directors.)			From June 2013 1 outside Director <table><tr><td>6%</td></tr></table>		6%	From June 2016 2 outside Directors <table><tr><td>13%</td></tr></table>			13%	From June 2018 6 outside Directors <table><tr><td>35%</td></tr></table> Including three outside Directors serving as members of the Audit and Supervisory Committee	35%	From June 2019 6 outside Directors <table><tr><td>35%</td></tr></table> Including three outside Directors (one female Outside Director) serving as members of the Audit and Supervisory Committee	35%	Since June 2020 6 outside Directors <table><tr><td>40%</td></tr></table> Including three outside Directors (one female Outside Director) serving as members of the Audit and Supervisory Committee	40%	Since June 2021 7 outside Directors <table><tr><td>44%</td></tr></table> Including three outside Directors (two female outside Directors) serving as members of the Audit and Supervisory Committee	44%	Since June 2022 7 outside Directors <table><tr><td>44%</td></tr></table> Including three outside Directors (three female outside Directors) serving as members of the Audit and Supervisory Committee	44%	Since April 2023 7 outside Directors <table><tr><td>47%</td></tr></table> Including three outside Directors (three female outside Directors) serving as members of the Audit and Supervisory Committee	47%
6%																					
13%																					
35%																					
35%																					
40%																					
44%																					
44%																					
47%																					
Outside Statutory Auditors Audit and Supervisory Committee members	3 (outside Statutory Auditors)		3 (outside Audit and Supervisory Committee members)																		

Internal Control and Corporate Governance Diagram (Tohoku Electric Power)



1 Board of Directors

The Board of Directors consists of 15 Directors, including seven independent outside Directors unimpeded by potential conflicts of interest that may arise with general shareholders.

In principle, the Board meets once a month to decide on important matters related to management and matters and essential for Company operations. The Directors also report on the status of business execution to the meetings of the Board of Directors and monitor these reports and business implementation carried out by other Directors. The Board of Directors delegates certain important decisions on business execution to the Directors through a system whereby the Representative Director & President, Representative Directors & Executive Vice Presidents, and Managing Executive Officers (collectively referred to as “Executive Officers with titles”) take charge of business execution.

The Board strives to ensure efficient business execution and appropriate business administration while maintaining a balance of knowledge, experience, and abilities across the Board, with consideration for diversity, including gender and international background, within its membership.

2 Nomination and Compensation Advisory Committee

The Company has established a Nomination and Compensation Advisory Committee, which fulfills the functions of both a voluntary committee equivalent in function to a nomination committee and a voluntary committee equivalent in function to a compensation committee. To ensure the objectivity, timeliness, and transparency of nomination and compensation, the organization of this body is based on a majority of its membership consisting of independent outside Directors and an independent outside Director serving as its chairperson. It deliberates and advises on consultation received from the Board of Directors regarding nomination and compensation of Directors and other executives.

The Committee's current membership consists of two inside directors (Representative Director & Chairman of the Board Jiro Masuko and Representative Director & President Kojiro Higuchi) and five independent outside Directors (Directors Osamu Kawanobe, Mikito Nagai, Keiko Uehara, and Shuji Ito, who do not sit on the Audit and Supervisory Committee, and Director Ikuko Miyahara, an Audit and Supervisory Committee member).

3 Management Committee

Consisting of Executive Officers with titles, the Management Committee meets weekly to discuss overall business administration policies and plans and the execution of important business based on basic management policies set by the Board of Directors.

The Management Committee also promotes the development of effective, efficient business processes through an in-house company system, in which the Power Generation Company, Sales Company, Renewable Energy Company, the Nuclear Power Division, and the Internal Services Division independently explore autonomous business expansion.

4 Audit and Supervisory Committee

To ensure objectivity and neutrality in management supervision functions, three of the four members of the Audit and Supervisory Committee are outside members. One full-time member of the Committee is appointed to carry out, on a daily basis, activities such as attending important meetings of the Executive Committee and other bodies, inquiring with business execution sections concerning the state of business

execution, inspecting sites, and joint efforts with internal audit sections, thereby making auditing and supervisory functions more effective. In addition to meeting monthly, the Audit and Supervisory Committee meets at other times when necessary to deliberate and report on matters relevant to its functions as an auditing and supervisory body.

In addition to attending meetings of the Board of Directors, the Executive Committee, and other important meetings, the full-time member also inquires with business execution sections concerning the state of business execution, reviews important documents, inspects the state of business and finances at business sites, and otherwise strives to ensure that auditing of matters such as the performance of Directors' duties and the maintenance and operation of internal control systems is fully addressed. He or she also strives to improve audit results by attending discussions with the Representative Director and engaging in the periodic exchange of viewpoints with the internal audit sections and the accounting auditors, as well as enhancing cooperation with the statutory auditors of affiliate companies. In particular, in the area of enhancing cooperation with internal audit sections and accounting auditors, tripartite auditing meetings are held among the full-time member, the Director with responsibility for internal auditing, and the accounting auditors. By providing information obtained through auditing activities and other activities, the full-time member helps ensure full and effective cooperation with outside members.

The outside members of the Audit and Supervisory Committee attend discussions of the Board of Directors and Representative Directors, asking questions and presenting views based on a wide range of perspectives and drawing on their wealth of personal experience, as well as touring facilities to inspect the state of operations. Member Miyahara attends the voluntary Nomination and Compensation Advisory Committee as a member.

In addition to the assignment of specially appointed auditing officers responsible for assisting in the duties of the Audit and Supervisory Committee, the Audit and Supervisory Committee Office functions as an organization charged with supporting the Committee in its duties.

5 Internal audit departments

At the Company, the Office of Internal Audits conducts internal audits on businesses from various perspectives, including the effectiveness and appropriateness of organizations and management systems, the economy and efficiency of business administration, and the effectiveness and efficiency of facility preservation activities. The Office of Nuclear Power Internal Audit performs internal audits associated with safety guarantees and reliability enhancements for nuclear power generation within the Company. These internal audit departments perform internal audits through interviews with the individuals concerned at the Company, its subsidiaries, and principal affiliates, documentary research, and on-site confirmation. The internal audit departments report their internal audit findings to the Representative Director & President, the Management Committee, the Board of Directors, and the Audit and Supervisory Committee. In addition, the departments urge the divisions concerned to resolve problems and issues that require improvement or correction. The departments also seek to raise the effectiveness of internal audits in cooperation with the Audit and Supervisory Committee and accounting auditors, through means such as semiannual joint audit meetings among the three parties of the Director in charge of internal auditing, full-time Audit and Supervisory Committee members, and accounting auditors, in addition to quarterly reporting to the Audit and Supervisory Committee on the results of internal auditing. The internal audit departments are independent from the respective executive bodies. The Office of Internal Audits and the Office of Nuclear Power Internal Audit fall under the direct control of the Representative Director & President.

Activities of the Board of Directors and other bodies

The Board engaged in various deliberations in FY2023, centered on formulation of Working Alongside Next^{PLUS} describing our management directions for the future.

Activities of the Board of Directors and other bodies in FY2023

System	Membership (as of the end of June 2024)	Meetings held in FY2023	Attendance rate of all directors
Board of Directors	15 (including seven outside directors)	11	99.4%
Nomination and Compensation Advisory Committee	7 (including four outside directors and one outside Audit and Supervisory Committee member)	5	100%
Audit and Supervisory Committee	4 (including three outside Audit and Supervisory Committee members)	13	100%

Main subjects of deliberations by the Board in FY2023

- Future management initiatives to realize the Tohoku Electric Power Group's Medium- to Long-Term Vision
- FY2024 Tohoku Electric Power Group Medium-Term Plan
- Courses of action for future sustainability initiatives
- Results of activities to establish internal controls systems
- Matters delegated by the Board to individual directors

Support systems for outside directors

Efforts to enhance the oversight function of outside directors in FY2023 included the following initiatives.

- 1 Holding Board roundtable discussions in which inside and outside directors could exchange viewpoints freely at the stage of formulating policies, etc. on important management topics (two held in total)
- 2 Holding joint study meetings for outside directors regarding basic knowledge, backgrounds, and other information essential to deliberations on management topics, etc. (seven held in total)
- 3 Holding site tours and employee dialogue events to deepen understanding of business activities and details (seven held in total)
- 4 Holding prior lectures on individual board agenda items to encourage understanding of the agenda and Company businesses
- 5 Providing the details of key viewpoints and questions in the Management Committee concerning Board agenda items
- 6 Sharing with all internal and outside officers the views of outside directors expressed in prior lectures on individual board agenda items
- 7 Timely weekly provision of information on the industry and from within the Group by email (approx. 400 times/year)



A site tour by outside directors

Toward a more effective Board of Directors

Efficacy assessment

The Company undertakes a questionnaire survey of Directors to assess the Board of Directors' effectiveness and reports the findings of the survey to the Board of Directors annually. Based on the survey findings, the Board of Directors shares its understanding of the existing conditions and opinions for bettering the conditions and the like, assesses the effectiveness of the Board of Directors as a whole, and confirms initiatives for improving the Board's effectiveness, among other things.

■ Survey topics

The survey questions are grouped into the following main categories. Directors are asked to choose one of five answers for each question. A space is provided in each category for freeform comments.

I. Number of members and composition of the Board of Directors	V. Status of roundtable discussions, joint colloquia, etc. and support structures for Directors and members of the Audit and Supervisory Committee
II. Scope of matters submitted to the Board of Directors	VI. Operation of the Nomination and Compensation Advisory Committee
III. Decision-making and oversight at the Board of Directors	VII. Priority initiatives for FY2023
IV. Operation of the Board of Directors, etc.	

■ FY2023 initiatives

In FY2023, we sought to increase the efficacy of the Board of Directors via the following initiatives:

- 1

To enhance deliberation on Groupwide internal controls, holding colloquia with outside directors as opportunities for activities such as sharing understandings of the current state of Group internal controls and related issues
- 2

For more effective business risk management, holding colloquia with outside directors to promote an understanding of various matters, including an overview of medium- to long-term management topics and the state of progress of initiatives

In addition to the above initiatives, efforts are underway to deepen the understanding of outside Directors of the Company's current conditions and related management topics. These efforts include the regular and routine provision of internal and industry-related information, as well as information on how customers, shareholders, investors, and our communities evaluate us, in addition to facility tours and study meetings to present and discuss management topics and related matters.

■ Overview of results of evaluation

The results of the survey carried out in February 2024 showed improvements from the two previous surveys in terms of overall average scores, as well as strong results in all evaluation categories.

Referring to the results of exchange of opinions among all outside Directors in March 2024, after totaling the results of this survey, deliberations in a May 2024 Board of Directors meeting confirmed that the Board had demonstrated satisfactory efficacy in FY2023.

At the same time, to increase efficacy even more they recognized the need for initiatives on the following matters:

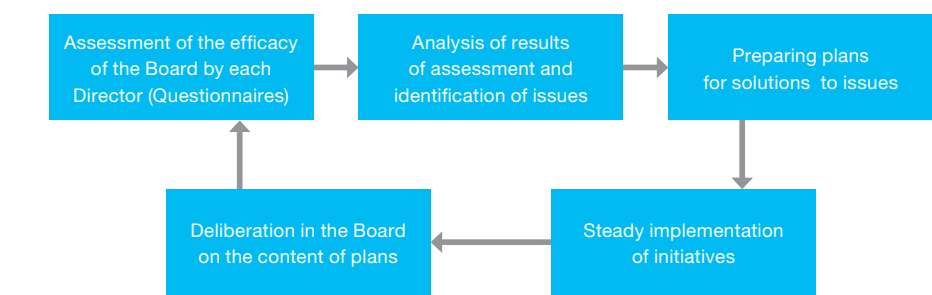
- 1

To enhance internal controls Groupwide, continuing studies and discussions on a range of topics, including future controls and governance
- 2

To increase the efficiency of business risk management, achieving a shared understanding and promoting discussion of risks associated with medium- to long-term management topics

The Company Board of Directors will continue to strive to maintain and improve the efficacy of the Board of Directors on these and other points, thereby ensuring appropriate management oversight by the Board and to realize sustained growth in corporate value.

Process of assessing the efficacy of the Board



Policies and procedures for appointing and dismissing executive team members and nominating candidates for Directors by the Board of Directors

The Company seeks to administer businesses to reshape their value alongside local communities by adapting to anticipated changes in the management environment and engaging in sustained dialogue with stakeholders, thereby maintaining the role of Tohoku Electric Power Group a group of companies that grow alongside and provide essential functions within communities. The Company has adopted the following policies and procedures for nominating and dismissing Directors to administer its businesses appropriately.

Policies

- The Board of Directors shall have members whose numbers are necessary and appropriate for building effective management systems in a company active in the electricity business and for monitoring substantive discussions and business execution. The Board of Directors shall consist of an appropriate number of members, totaling 18 or fewer, as specified in the Articles of Incorporation.
- In selecting and dismissing Directors, the Nomination and Compensation Advisory Committee, whose membership has a majority of independent outside Directors including its chairperson, shall convene discussions to secure the objectivity, timeliness, and transparency of their selection and dismissal.
- Candidates for internal Directors (excluding candidates for Directors serving as members of the Audit and Supervisory Committee) are chosen from individuals with a wealth of experience in each field, based on a consideration of a sound balance of specialties, technical expertise and business experience in particular in the electric power industry, which involves high specialization and a broad range of business domains, knowledge concerning the electricity business in general, and new business fields, among others, thereby helping to achieve the Tohoku Electric Power Group's Medium- to Long-Term Vision. The desired traits are:
 - The imagination needed to envision a forward-looking vision and creative business models and to lead the organization
 - The decisiveness needed to take personal responsibility for decision-making based on knowledge, experience, and principles
 - The tenacity needed to achieve goals without giving up, tackling challenges boldly, while bringing together wisdom and resources from inside and outside the organization
 - The sensitivity needed to identify business opportunities without overlooking signs indicating risk
 - The character needed to combine a strong sense of mission with lofty ethics as leaders of a business serving the public interest
- Candidates for outside Directors (excluding candidates serving as members of the Audit and Supervisory Committee) shall be selected by evaluating whether candidates can work to realize proper decisionmaking and management supervision by the Board of Directors, based on practical experience grounded in corporate management and other factors and insights into social, economic, and other trends.
- Candidates for Directors serving as members of the Audit and Supervisory Committee shall be selected by evaluating whether the candidates can apply their respective experience and insights to the proper execution of their duties as Audit and Supervisory Committee members and to the audit and supervision of job execution by Directors. Candidates for outside Directors serving as members of the Audit and Supervisory Committee shall be selected by evaluating whether the candidates can perform audits and supervision from an objective and neutral perspective.
- Whether candidates for outside Directors are independent or not shall be judged on the basis of the Independence Criteria for Outside Directors set by the Company.

Procedures

- Based on the above policies, the Board of Directors formulates a proposal for the election of Directors. To enable more objective, timely, and transparent decision-making, the Nomination and Compensation Advisory Committee deliberates on the proposal. A decision is made by the Board of Directors. For candidates for Directors serving as members of the Audit and Supervisory Committee, the consent of that Committee is obtained before submission to the Board of Directors. The Audit and Supervisory Committee may also present opinions on candidate Directors (not including candidates for Directors serving as members of the Audit and Supervisory Committee) and submit them to the General Meeting of Shareholders.

Policies and procedures for determining compensation for Directors

Policies and procedures for determining compensation for Directors (excluding Directors serving as members of the Audit and Supervisory Committee) are as follows:

Policies

- To help achieve the Tohoku Electric Power Group's Medium- to Long-Term Vision, decisions on the remuneration of Directors (not including Directors serving as members of the Audit and Supervisory Committee) are made in accordance with the following policy, intended to strengthen motivation among Directors to improve business performance and contribute to gains in corporate value over the medium to long term, by clarifying the relationship between remuneration and business performance and stock prices.
- The remuneration structure consists of fixed remuneration, remuneration linked to short-term performance, and remuneration linked to medium-/long-term performance. Remuneration amounts are determined for each position based on a consideration of Company business results, the business environment, and other factors, while also referring to remuneration at other publicly traded firms.
 - To incentivize improved business results, the percentages of total compensation accounted for by fixed remuneration, remuneration linked to short-term performance, and remuneration linked to medium-/long-term performance are set to roughly 70%, 10%, and 20%, respectively, at the time the goals are achieved.
 - Fixed remuneration is paid monthly as monetary remuneration in annual amounts determined so as not to exceed the total approved by the General Meeting of Shareholders.
 - Remuneration linked to short-term performance is paid as annual remuneration that varies with the degree to which business performance objectives are achieved, so as not to exceed the total approved by the General Meeting of Shareholders.
 - Remuneration linked to medium-/long-term performance is paid by awarding one share of Company common stock per point based on the total points earned annually during the time of service, at the time of retirement or resignation through an investment-trust- based remuneration system. This, too, is not to exceed the total approved by the General Meeting of Shareholders. Points are awarded as fixed points and variable performance-linked points awarded in accordance with the extent to which business performance objectives are achieved. If a recipient becomes ineligible to receive this remuneration, for example by having committed any of the acts prohibited under the Rules on Issue of Shares, and such fact has been discovered prior to the date of finalization of beneficiary rights, then the shares of common stock will not be issued. If the violation has been discovered after the date of finalization of beneficiary rights, then the Company may demand return of the amount corresponding to the remuneration paid.
 - The indicator used in the portion corresponding to variable performance-linked points in remuneration linked to short-term and medium-/long-term performance is the financial target of consolidated ordinary income (excluding factors such as time lag effects of the fuel-cost adjustment system, an external variable factor) identified in Working Alongside Next^{PLUS}, the Tohoku Electric Power Group's Medium- to Long-Term Vision. Performance-linked remuneration linked to short-term performance reflects results of ESG initiatives. Amounts paid and other matters vary with the extent of achievement of this target and other factors, within the range 0-125%.
 - Remuneration of outside Directors, whose perspectives are independent of business execution, consists of fixed remuneration only.
 - Allotments for the respective Directors shall be decided in accordance with the sizes of the roles assigned to the respective title holders, the details of deskwork and duties assigned to the respective Directors and their respective scopes of responsibility.

Procedures

- Overseeing the business as a whole, the President makes decisions each year regarding the amounts paid to each individual and other matters, through a Board of Directors resolution delegating full authority to him or her. To ensure its objectivity and transparency, the resolution on delegation of authority to the President is deliberated on by the Nomination and Compensation Advisory Committee, whose members include a majority of independent outside Directors, including the chair. The amounts paid to each individual and other matters, decisions related to which are delegated to the President as described above, cannot exceed the total payment amounts and other amounts for Directors (excluding Directors serving as members of the Audit and Supervisory Committee) as specified in advance through deliberation by the Nomination and Compensation Advisory Committee. The actual amounts paid are reported to the Nomination and Compensation Advisory Committee.
- The Audit and Supervisory Committee may state its decided opinion on compensation for Directors (excluding Directors serving as members of the Audit and Supervisory Committee) at a General Meeting of Shareholders.

Policies and procedures for determining compensation for Directors serving as members of the Audit and Supervisory Committee are as follows:

- Remuneration for Directors serving as members of the Audit and Supervisory Committee, whose positions are independent of business execution, consists of fixed remuneration only, paid monthly so as not to exceed the total approved by the General Meeting of Shareholders. The amount paid to each Director is determined through negotiation among the Directors serving as members of the Audit and Supervisory Committee.

Compensation for Directors, etc.

	Monetary remuneration				Nonmonetary remuneration	
	Fixed remuneration		Remuneration linked to short-term performance		Remuneration linked to medium-/long-term performance	
	Number of compensation recipients	Amount paid (millions of yen)	Number of compensation recipients	Amount paid (millions of yen)	Number of compensation recipients	Amount paid (millions of yen)
Directors (excluding Directors serving on the Audit and Supervisory Committee)	12	290	7	48	7	79
Members of the Audit and Supervisory Committee	4	65	—	—	—	—

(Notes) 1. As of March 31, 2024, there were 11 Directors (including four outside Directors), excluding those serving as members of the Audit and Supervisory Committee. The Company has four additional Directors serving as members of the Audit and Supervisory Committee, including three outside Directors. Compensation for the Directors specified above includes compensation for one Director not serving as a member of the Audit and Supervisory Committee who stepped down at the end of the 99th Ordinary General Meeting of Shareholders held June 28, 2023.

2. The total compensation paid to the seven outside Directors above was 75 million yen, all paid as fixed remuneration.

3. The Company has issued a total of 75,830 shares of stock as payment for execution of duties to one Director (excluding Directors serving as members of the Audit and Supervisory Committee) who resigned on March 31, 2023 and one Director (excluding Directors serving as members of the Audit and Supervisory Committee) who stepped down at the end of the 99th Ordinary General Meeting of Shareholders held June 28, 2023. Each of these was paid under the stock-based compensation program linked to business performance.

4. Remuneration limits approved by the General Meeting of Shareholders are outlined below.

Fixed remuneration, remuneration linked to short-term performance			
Directors (excluding Directors serving as members of the Audit and Supervisory Committee)	Up to 516 million yen/year (including up to 60 million yen/year for outside Directors)	Directors serving as members of the Audit and Supervisory Committee	Up to 12 million yen/month
(Based on resolution passed at the 96th Ordinary General Meeting of Shareholders held June 25, 2020. The resolution affects 11 Directors.)		(Based on resolution passed at the 94th Ordinary General Meeting of Shareholders held June 27, 2018. The resolution affects four Directors.)	
Remuneration linked to medium-/long-term performance			
Directors excluding outside Directors (excluding Directors serving on the Audit and Supervisory Committee)	Under the investment-trust- based remuneration system, Company stock and monetary amounts equivalent to the convertible value of Company stock are issued/ granted at the time of resignation. The trust contribution amount per three fiscal years is not to exceed 540 million yen in total; the total number of points awarded to Directors per fiscal year is not to exceed 400 thousand points (equivalent to 400 thousand shares of stock).		
(Based on resolution passed at the 96th Ordinary General Meeting of Shareholders held June 25, 2020. The resolution affects eight Directors.)			

CEO (President) succession plan

The Board of Directors oversees the development of successors to the position of Chief Executive Officer (President) to ensure this occurs systematically and with an adequate investment of time and resources. The Nomination and Compensation Advisory Committee, whose members include a majority of independent outside Directors, including the chair, deliberates on the development of successors in a systematic and continuous manner, to ensure its objectivity and transparency, while taking into consideration various matters, including the Company’s changing business conditions.

Message from the chair of the Nomination and Compensation Advisory Committee

Initiatives of the Committee

Our Nomination and Compensation Advisory Committee was established in FY2016. The committee met five times in FY2023. The committee is composed of a majority of independent outside Directors. In June 2024, one more member was added to the numbers of independent outside Directors, resulting in a membership of two internal Directors and five independent outside Directors, including myself as chair.

Committee meetings feature active discussions among member internal and outside Directors. To date, we have deliberated on ways to develop and evaluate the next generation of management based on the five abilities and qualities required for candidate Directors: imagination, decisiveness, tenacity, sensitivity, and integrity. We also used the skills matrix to select appointments that strike a balance in terms of the skills, specializations, and other qualities needed of the Board of Directors as a whole.

On the topic of compensation, with the goal of achieving the new financial targets of Working Alongside Next^{PLUS}, which describes our management directions for the future under the Tohoku Electric Power Group's Medium- to Long-Term Vision, we revised the indicator used in compensation programs linked to business performance to consolidated ordinary income as well as adding ESG elements as part of compensation linked to business performance, to connect it to our ESG strategies.

Initiatives such as these have led to more effective governance in the Company. We also share various information with Directors who are not members of the committee, including summaries of our discussions and agenda items through reports submitted to the Board of Directors. In this way, we strive both to deepen understanding of various matters, including nomination and remuneration systems, and to make the committee even more transparent.

Director (Independent Outside Director)
Chairperson, Nomination and Compensation Advisory Committee

Osamu Kawanobe

Into the future

Under Working Alongside Next^{PLUS}, which describes our management directions for the future based on the Tohoku Electric Power Group's Medium- to Long-Term Vision, Directors must continue to contribute to improving business performance and increasing corporate value over the medium to long term under appropriate governance. Accordingly, I believe that the Committee needs to enhance succession planning in areas such as developing the next-generation of highly specialized, diverse management able to adapt to a challenging business environment characterized by dramatic changes and uncertainty about the future and to manage thoroughly remuneration systems to provide incentives for officers to achieve performance targets.

We will maintain our efforts to deepen understanding of the actual conditions under which individual businesses operate and the issues they face and to ascertain the abilities, qualities, and other characteristics of candidates for the next generation of management through means such as study meetings and site tours for independent outside Directors, while paying attention to objectivity, timeliness, and transparency of the committee. All members will strive to contribute to sustained growth by identifying optimal solutions for the Group through repeated multifaceted discussions of key matters based on their unique standpoints as outsiders.

Directors (as of July 2024)



Representative Director & Chairman of the Board
Jiro Masuko

Status of attendance at Board of Directors meetings 11/11 (100%)

Reasons for appointment

Since joining the Company, Masuko has worked in businesses centered on those assigned to the nuclear power divisions. He is familiar with the Company's businesses in general, as demonstrated by past service as an Executive Officer and the General Manager of the Aomori Branch Office, and as Executive Officer and General Manager of the Nuclear Power Department. He has served as Managing Director since June 2015, as a Representative Director and Executive Vice President since April 2018, and as a Representative Director and Chairman of the Board since April 2021. The Company reappointed him as Director in light of his extensive business experience within the Company and general knowledge of electricity business management.



Representative Director & President
Kojiro Higuchi

Status of attendance at Board of Directors meetings 11/11 (100%)

Reasons for appointment

Since joining the Company, Higuchi has worked in businesses centered on those assigned to the thermal power divisions. He is familiar with the Company's businesses in general, as demonstrated by past service as the General Manager of the Haramachi Thermal Power Station and as an Executive Officer and General Manager of the Thermal Power Department. He has served as Managing Director from June 2016, as a Director and Managing Executive Officer from April 2018, as a Representative Director and Executive Vice President from June 2019, and as a Representative Director and President since April 2020, in light of his extensive business experience within the Company and general knowledge of electricity business management.



Representative Director & Executive Vice President
Kazuhiro Ishiyama

Status of attendance at Board of Directors meetings 11/11 (100%)

Reasons for appointment

Since joining the Company, Ishiyama has worked in businesses centered on those assigned to the planning divisions. He is familiar with the Company's businesses in general, as demonstrated by past service as Executive Officer and General Manager of the Corporate Planning Department and Managing Executive Officer. He served as Director and Managing Executive Officer from June 2021 and as a Representative Director and Executive Vice President from April 2022. The Company reappointed him as Director based on his extensive business experience within the Company and general knowledge of electricity business management.



Representative Director & Executive Vice President
Hiromitsu Takano

Status of attendance at Board of Directors meetings 11/11 (100%)

Reasons for appointment

Since joining the Company, Takano has worked in businesses centered on those assigned to the general-affairs divisions. He is familiar with the Company's businesses in general, as demonstrated by past service as General Manager of the General Affairs Department, Senior Executive Officer and General Manager of the Niigata Branch Office, and Managing Executive Officer. He served as Director and Managing Executive Officer from June 2021 and as a Representative Director and Executive Vice President from April 2022. The Company reappointed him as Director based on his extensive business experience within the Company and general knowledge of electricity business management.



Representative Director & Executive Vice President
Satoshi Isagoda

Status of attendance at Board of Directors meetings 11/11 (100%)

Reasons for appointment

Since joining the Company, Isagoda has worked in businesses with a focus on those assigned to the business administration divisions. He is familiar with the Company's businesses in general, as demonstrated by past service as an Executive Officer and General Manager of the Human Resources Department, an Executive Officer and General Manager of the Iwate Branch, and a Managing Executive Officer. He was appointed Director & Managing Executive Officer in June 2022 and Representative Director & Executive Vice President in April 2023. The Company appointed him as Director based on his extensive business experience within the Company and general knowledge of electricity business management.



Director & Managing Executive Officer
Sadao Kanazawa

Status of attendance at Board of Directors meetings 9/9 (100%)

Reasons for appointment

Since joining the Company, Kanazawa has worked in businesses centered on those assigned to the nuclear power divisions. He is familiar with the Company's general businesses, as demonstrated by past service as an Executive Officer and General Manager of the Nuclear Power Department and as a Managing Executive Officer. He has been a Director & Managing Executive Officer since June 2023. The Company has reappointed him as Director in light of his extensive business experience within the Company and general knowledge of electricity business management.



Director & Managing Executive Officer
Yuji Sasaki

Status of attendance at Board of Directors meetings —/— (—%)

Reasons for appointment

Since joining the Company, Sasaki has worked in businesses centered on those assigned to the planning divisions. He is familiar with the Company's general businesses, as demonstrated by past service as an Executive Officer and General Manager of the Group Business Promotion Department, as a Senior Executive Officer and General Manager of the Tokyo Branch, and as a Managing Executive Officer. The Company has appointed him as Director in light of his extensive business experience within the Company and general knowledge of electricity business management.

* Actual attendance is shown for FY2023. Yuji Sasaki took office on June 26, 2024.
* Attendance for Sadao Kanazawa is for meetings of the Board held since June 28, 2023.

Editorial Policy

Index

Introduction

A Value Creation Story

Financial Foundations,
Business Development

Management Foundations

Corporate Governance

Corporate Governance

Communication with Shareholders
and Investors

Risk Management

Data

Directors (as of July 2024)



Director (Outside Director)
(Independent Director)

Osamu Kawanobe

Status of attendance at
Board of Directors meetings 11/11 (100%)

Reasons for appointment and summary of anticipated roles

Kawanobe's previously held positions include those of Representative Director and Vice President of East Japan Railway Company. He brings a wealth of experience in managing public-interest businesses and in other areas. The Company reappointed Kawanobe as an Outside Director based on expectations that he will apply his extensive experience and rare insights to the management of the Company based on his past career and performance record.

Kawanobe brings a wealth of experience as a corporate manager, playing a leading role in business diversification efforts based on the rail transportation business. He is expected both to oversee Company management and to offer advice on management policies and businesses from an independent perspective.



Director (Outside Director)
(Independent Director)

Mikito Nagai

Status of attendance at
Board of Directors meetings 11/11 (100%)

Reasons for appointment and summary of anticipated roles

Nagai's previous positions include Representative Director and President of NIPPON STEEL KOWA REAL ESTATE CO.,LTD. He has also served as a Director and Vice President of Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.), and he brings a wealth of experience in managing the real estate and banking businesses and in other areas. The Company appointed Nagai as an Outside Director based on expectations that he will apply his extensive experience and rare insights to the management of the Company based on his past career and performance record.

Nagai brings a wealth of experience and financial insights as a corporate manager. He is expected both to oversee Company management and to offer advice on management policies and businesses from an independent perspective.



Director (Outside Director)
(Independent Director)

Keiko Uehara

Status of attendance at
Board of Directors meetings 11/11 (100%)

Reasons for appointment and summary of anticipated roles

Uehara's previous positions include Executive Director of Daiwa Securities Business Center Co. Ltd., where she managed back-office business operations, and Executive Officer of Daiwa Securities Group Inc. The Company appointed Uehara as an Outside Director based on expectations that she will apply her extensive experience and rare insights to the management of the Company based on her past career and performance record.

Uehara brings a wealth of experience and financial insights as a corporate manager. She is expected both to oversee Company management and to offer advice on management policies and businesses from an independent perspective.



Director (Outside Director)
(Independent Director)

Shuji Ito

Status of attendance at
Board of Directors meetings —/— (—%)

Reasons for appointment and summary of anticipated roles

Ito's previous positions include Representative Director, President, and CEO of Calbee, Inc. He brings a wealth of experience in managing the food-products manufacturing and sales businesses and in other areas. The Company appointed Ito as an Outside Director based on expectations that he will apply his extensive experience and rare insights to the management of the Company based on his past career and performance record.

Ito brings a wealth of experience and marketing insights as a corporate manager. He is expected both to oversee Company management and to offer advice on management policies and businesses from an independent perspective.



Director & Audit and
Supervisory Committee
Member

Katsuaki Fujikura

Status of attendance at
Board of Directors meetings 11/11 (100%)

Status of attendance in Audit and
Supervisory Committee meetings 13/13 (100%)

Reasons for appointment

Since joining the Company, Fujikura has worked in businesses with a focus on those assigned to the fuel divisions. He is familiar with the Company's businesses in general, as demonstrated by past service as an Executive Officer and General Manager of the Fuel Department, an Executive Officer and Special Remuneration Audit Executive, and a Senior Executive Officer and General Manager of the Niigata Branch. He has been a Director & Audit and Supervisory Committee Member since June 2022. The Company has reappointed him as Director & Audit and Supervisory Committee Member in light of his extensive business experience within the Company, general knowledge of electricity business management, and general auditing insights.



Director & Audit and
Supervisory Committee
Member (Outside Director)
(Independent Director)

Ikuko Miyahara

Status of attendance at
Board of Directors meetings 11/11 (100%)

Status of attendance in Audit and
Supervisory Committee meetings 13/13 (100%)

Reasons for appointment and summary of anticipated roles

As university professor, Miyahara has experience in the real-world use of regional resources, research on support for reconstruction following major earthquakes, and joint industry, government, and academic projects. The Company appointed Miyahara as Outside Director and Audit and Supervisory Committee Member based on expectations she will apply her extensive experience and rare insights gained in her academic career toward the objective of providing impartial audits and supervision, drawing on her past career and performance record.

Miyahara brings a wealth of insights as an experienced academic and experience based on involvement in disaster recovery in the Tohoku region. She is expected both to audit and oversee Company management from an independent perspective.



Director & Audit and
Supervisory Committee
Member (Outside Director)
(Independent Director)

Kazuo Kobayashi

Status of attendance at
Board of Directors meetings 11/11 (100%)

Status of attendance in Audit and
Supervisory Committee meetings 13/13 (100%)

Reasons for appointment and summary of anticipated roles

Kobayashi has served in posts including as Representative Director and Executive Vice President and Standing Statutory Auditor of the Nippon Life Insurance Company. He offers considerable knowledge of financial affairs and accounting, and he has experience in management of the life insurance business. The Company reappointed him as an Outside Director and an Audit and Supervisory Committee Member based on expectations that he will apply his extensive experience and rare insights toward the objective of providing impartial audits and supervision of the Company based on his past career and performance record.

Kobayashi brings knowledge of financial affairs and accounting and financial insights. He is expected both to audit and oversee Company management from an independent perspective.



Director & Audit and
Supervisory Committee
Member (Outside Director)
(Independent Director)

Akiko Ide

Status of attendance at
Board of Directors meetings 11/11 (100%)

Status of attendance in Audit and
Supervisory Committee meetings 13/13 (100%)

Reasons for appointment and summary of anticipated roles

Ide's previous positions include Standing Statutory Auditor of Nippon Telegraph and Telephone Corporation, Statutory Auditor of NTT, Inc., and Executive Officer of NTT Docomo, Inc. The Company appointed her as an Outside Director and an Audit and Supervisory Committee Member based on expectations that she will apply her extensive experience and rare insights toward the objective of providing impartial audits and supervision of the Company based on her past career and performance record.

Ide brings a wealth of experience in management of public utilities and auditing experience and insights. She is expected both to audit and oversee Company management from an independent perspective.

* Actual attendance is shown for FY2023. Shuji Ito took office on June 26, 2024.

* The independence of independent Directors is judged based on the standards for independence established by the financial instruments exchange on which Company shares are listed.

Areas of specific expectations for skills individual Directors have (skills matrix)

Our outlook on areas of expectations for individual Directors

The seven items below have been identified as skills essential to Company Directors in general and skills essential for future strategic implementation to realize “Working alongside next,” the Tohoku Electric Power Group's Medium- to Long-Term Vision:

Chair

Member

Male

Female

	Name	Title	Nomination and Compensation Advisory Committee member?	Gender	Areas of particular expectations ¹						
					Planning and management	Technology ²	Finance and accounting	Legal and risk management	Business development and marketing	Social communication ³	Personnel and human resource development
Directors (excluding Audit and Supervisory Committee)	Jiro Masuko	Representative Director & Chairman of the Board	Member	Male	Yes	Yes				Yes	
	Kojiro Higuchi	Representative Director & President	Member	Male	Yes	Yes		Yes			
	Kazuhiro Ishiyama			Male	Yes	Yes		Yes			
	Hiromitsu Takano	Representative Director & Executive Vice President		Male	Yes			Yes		Yes	
	Satoshi Isagoda			Male	Yes		Yes				Yes
	Sadao Kanazawa	Director & Managing Executive Officer		Male		Yes				Yes	
	Yuji Sasaki			Male					Yes	Yes	
	Osamu Kawanobe		Chair	Male	Yes	Yes		Yes			
	Mikito Nagai	Director (Outside Director)	Member	Male	Yes		Yes	Yes			
	Keiko Uehara		Member	Female			Yes			Yes	Yes
	Shuji Ito		Member	Male	Yes				Yes	Yes	
Directors serving as members of the Audit and Supervisory Committee	Katsuaki Fujikura	Director & Audit and Supervisory Committee Member		Male				Yes		Yes	
	Ikuko Miyahara	Director & Audit and Supervisory Committee Member (Outside Director)	Member	Female					Yes	Yes	Yes
	Kazuo Kobayashi			Male	Yes		Yes		Yes		
	Akiko Ide			Female	Yes				Yes	Yes	

¹ The above list describes the top three areas of particular expectations based on the skills possessed by individual Directors. It does not indicate all areas of specialization and experience of each Director.
² Technology refers to capabilities related to electricity, machinery, and other technologies in general, including environmental knowledge, to contribute to carbon neutrality.
³ Social communication refers to capabilities related to communication with local communities and other stakeholders.

Messages from outside Directors

Director (Outside Director)
(Independent Director)

Mikito Nagai



In FY2023, Tohoku Electric Power recorded a high level of profits and was able to return to payment of dividends at last. However, its financial makeup remains vulnerable, and it finds itself in a challenging situation in which it needs to invest actively in future stable supply and decarbonization while improving its equity capital ratio.

While I had concerns that the Company would not be able to meet customer expectations and respond to social issues under conditions of contracted equilibrium, I was impressed by the way Working Alongside Next^{PLUS}, which was announced in April 2024 to describe the Group's management directions for the future, organizes its businesses into five domains centered on electricity and energy and describes aggressive plans intended to establish a virtuous cycle of profit, growth, and investment, expressing the Group's backbone as electricity professionals.

Human resources and digital transformation (DX) will be key to realizing the Tohoku Electric Power Group's vision based on Working Alongside Next^{PLUS}. I hope to see the Group make progress on thoroughgoing business reforms and labor savings while greatly improving its organizational drive and creativity through further efforts toward human resource diversity and vitality as well as DX. I also think it could be more flexible about alliances and cooperation with other firms, to ensure that it does not fall into the trap of trying to do everything on its own. I would like to contribute to accelerating the pace of realizing the Medium- to Long-Term Vision by supporting these reforms and challenging initiatives.

Director (Outside Director)
(Independent Director)

Keiko Uehara



While in FY2023 Tohoku Electric Power was able to bounce back from record losses to profitability, this was the result of electricity rate revisions and payment of decreased or zero dividends. Its financial standing still remains challenging. Under these conditions, the Company needs to proceed along the difficult path of securing profits amid increasingly intense competition and actively taking on new fields, while continuing to fulfill its mission of delivering a stable supply of power. This is a completely new business environment that differs thoroughly from the past one in which the electricity and energy businesses were conducted as one and the same. The recently formulated Working Alongside Next^{PLUS} makes the directions in which the Group should move clear, by organizing its businesses into five domains and 11 business categories. As each and every employee learns to understand the positioning of his or her own domain and business, as well as the Group's other domains, I believe that the Group will be able to achieve something more. The Group also includes many outstanding member companies that offer opportunities for business growth in related domains.

Unit No. 2 at the Onagawa Nuclear Power Station is scheduled to resume operation this year. I hope that smooth, safe progress on resuming its operation will have a positive effect on the Tohoku region as a whole. While checking the status of conditions on site, I plan to support Tohoku Electric Power's efforts to proceed steadily with reforms, with a sense of urgency, and to create added value across multiple domains.

Director (Outside Director)
(Independent Director)

Shuji Ito



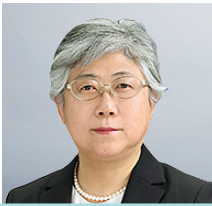
I was appointed an Outside Director in June 2024. In recent years, the food products business in which I have worked until now faces strong demands for both continuous corporate growth and sustainability from a society-wide perspective, in response to a succession of social, natural, disaster-related, environmental, and geopolitical issues arising in both domestic and international markets.

The Tohoku Electric Power Group also needs to work toward solutions to such issues. It also plays a very important role in Japan's next growth strategy (particularly in the Tohoku region). In the few months since I took office, I have come to understand, from attending Board of Directors meetings, from touring and engaging in meetings at individual business sites, and considering medium- to long-term management policies, how the Group has already begun to address these issues. The Working Alongside Next Medium- to Long-Term Vision and the future management initiatives described in Working Alongside Next^{PLUS} truly express this approach in concrete form.

Among these efforts, I see the need for more determined promotion and communication of the Group's initiatives and approaches for contributing to a smart society by generating added value based on electricity. In doing so, active co-creation with the community, consumers, and other organizations will be key. I hope that I, too, will be able to play a role in achieving the Group's goal to Prosper with Local Communities.

Messages from outside Director/Audit and Supervisory Committee Members

Director/Audit and Supervisory
Committee Member (Outside Director)



Ikuko Miyahara

In FY2023, with the lifting of the COVID-19 restrictions, we saw movement toward recovery in various sectors, tourism and service industries in particular. Although the conflict between Ukraine and Russia drags on, the cost of fuel for power generation shows signs of settling down. Tohoku Electric Power’s business performance is also moving in a positive direction. As the Tohoku Electric Power enters the latter period covered by its Medium- to Long-Term Vision, each section is taking action within its business area with a strong drive to utilize Group resources in business reforms and to strengthen our financial foundations.

As an Outside Director, I seek to communicate ideas for environmental improvements to management that will allow individual workplaces to move forward, including efforts to promote women and securing younger human resources. In the post-COVID electric power industry, new businesses have begun to emerge based on joint efforts among multiple bodies in the field of renewable energy. The Company has been forced to respond to various issues over the past few years, including societal changes and natural disasters; as an Outside Director, I want to help it continue to contribute as a company that helps to enrich the region by creating new businesses in the future.

Director/Audit and Supervisory
Committee Member (Outside Director)



Kazuo Kobayashi

Four years have passed since I was appointed an Outside Director & Audit and Supervisory Committee Member in 2020. During this time, the external environment has had a substantial impact on Tohoku Electric Power’s businesses. Examples include the major changes wrought by COVID-19 on our corporate and personal lives and activities, damage to power generation facilities due to earthquakes centered off the coast of Fukushima Prefecture two years in succession, starting in 2021, and increased fluctuation in fuel prices due to the conflict in Ukraine. At the same time, the current trend toward carbon neutrality and digitalization continues to accelerate.

To continue to meet the expectations of its customers in the region and its other stakeholders, Tohoku Electric Power must clarify the Group’s vision of itself over the medium to long term and make steady and dynamic progress toward that vision. Under Working Alongside Next⁺PLUS, which sets the general course, the essence of Tohoku Electric Power’s governance is a plan-do-check-act (PDCA) cycle based on risk management and compliance. FY2024 marks a year in which the Group must work as one to make further progress on these initiatives. I, too, will strive to contribute to this progress in my role as an Outside Director and as an Audit and Supervisory Committee Member.

Director/Audit and Supervisory
Committee Member (Outside Director)



Akiko Ide

While Tohoku Electric Power improved its revenue dramatically in FY2023 from the previous year, some way remains to restore its financial foundations. Based on repeated deliberation on future management directions, the Board of Directors formulated Working Alongside Next⁺PLUS in April 2024. This includes new financial targets for profit, financial soundness, and profitability. I would like the Board to monitor progress toward these goals.

Enhanced governance and thorough compliance will be essential to achieving our management goals. The Compliance Promotion Office was formed in October 2023 and the Risk Management Office in July 2024 based on repeated discussions by the Audit and Supervisory Committee and the Board of Directors. These bodies represent decisive steps forward that further strengthen two of the organization’s three lines of defense. As a member of the Audit and Supervisory Committee, I plan to closely monitor these two lines of defense to ensure that they can be strengthened Groupwide.

In the area of diversity, equity, and inclusion (DE&I), I myself have taken part in discussions with women employees at Group companies and exchanged viewpoints on a range of topics, including career building and networking. I want to draw on such opportunities for interaction with the employees who support the Company’s businesses on the front lines to deepen my understanding of our business activities and to contribute to the auditing efforts of the Audit and Supervisory Committee and discussions at the Board of Directors.

Communication with Shareholders and Investors

To promote constructive dialogue with shareholders and investors, we provide opportunities to enhance dialogue beyond the general meeting of shareholders through organic joint efforts with various sections, centered on the Chief Finance Officer (CFO) and the director in charge of IR in addition to the President. These measures are intended to provide a better understanding of our initiatives.

Dialogue with shareholders and investors represents a valuable opportunity for the Company to gain various insights. In addition to the timely reporting and sharing of such insights with Company Directors and management, we use what we learn to consider various improvements and to implement, improve, and strengthen various initiatives, striving to establish a virtuous cycle of dialogue and feedback.

Major IR activities

FY2023 activities

Activity	Main participants	Times
Briefings on financial results Small meetings	Representative Director & President Representative Director & Executive Vice President Chief Finance Officer (CFO) Managing Executive Officer in charge of IR	5
Meetings with overseas institutional investors	Representative Director & Executive Vice President	19
Meetings with domestic institutional investors	Chief Finance Officer (CFO)	9
Company briefings for individual investors	Managing Executive Officer in charge of IR	3
Facility tours		5
ESG dialogue	IR secretariat (Corporate Strategy Division)	23
Individual IR meetings		96



FY2023 briefing on financial results

Main themes and content of dialogue

Subject	Main themes and content
Management, financial strategies	■ Medium- to Long-Term Vision, future management courses of action ■ Future profit outlook, target profit levels ■ Improving financial constitution, future equity capital ratio levels ■ Future policies on shareholder returns, dividend forecasts ■ Efforts to realize management keenly aware of capital costs and share price
Sales, demand	■ Understanding of competitive environment, future sales strategies ■ Future area demand and electric power sales outlook
Nuclear power	■ Progress of process to resume operation of Unit No. 2 at the Onagawa Nuclear Power Station ■ Advantages of resumption of operation of Unit No. 2 at the Onagawa Nuclear Power Station (improved earnings effects) ■ Future outlook and schedules for resumption of nuclear power operations
ESG, carbon neutrality	■ Carbon neutrality strategy (progress, future outlook) ■ Thinking on medium- to long-term resource portfolio ■ Status of development of renewable energy sources ■ Composition of the Board of Directors, governance, etc.

Forming a virtuous cycle of dialogue and feedback



Enhancing dialogue with the capital markets through IR activities (strengthening IR activities)

To increase corporate value through business development centered on electricity and energy, Tohoku Electric Power is seeking to increase returns on invested capital Companywide by pursuing autonomous earnings and growth while emphasizing the profitability and capital efficiency of the individual investments within each business.

We will promote enhanced dialogue with the capital markets through IR activities and thereby meet the expectations of capital markets while pursuing profits and growth within each business and striving toward new financial targets.

Toward management keenly aware of capital costs and share prices

See > New financial targets > p. 25

Ideal	Courses of action	Targets, KPIs, etc.
Continual growth and medium- to long-term gains in corporate value PBR of more than 1	ROIC	FY2026 ■ Consolidated ordinary income: 190 billion yen ■ Consolidated ROIC: approx. 3.5% FY2030 ■ Consolidated ordinary income: 200 billion yen or more ■ Consolidated ROIC: 3.5% or higher
	Financial constitution	FY2026 ■ Consolidated equity capital ratio: approx. 20% FY2030 ■ Consolidated equity capital ratio: 25% or higher
	Expectations of capital markets	■ Stable dividends targeting DOE of 2% (For the time being, we will target dividends on equity [DOE] of 2% while judging the overall situation, with consideration for the balance with recovering the financial foundations) ■ Dialogue between Company directors and capital market participants ■ Dialogue and visits with domestic and overseas institutional investors ■ Dialogue with overseas institutional investors (in person, remote) ■ Dialogue and information-sharing with individual investors ■ Various external evaluations, scores, and survey results

FY2023 financial briefing materials
https://www.tohoku-epco.co.jp/ir/report/co_explanation/pdf/2023_kessan.pdf#page=39

Strengthening contact, dialogue, and engagement with capital market participants

- Creating new opportunities for dialogue (dialogue between Company directors [including Outside Directors] and capital market participants)
- Enhancing visits to and dialogue with major institutional investors by Company Directors
- Proactive, dynamic approaches to overseas institutional investors
- Holding customized site tours and exchange of viewpoints reflecting investors' needs
- Further enhancing ESG dialogue

Further enhancing disclosure

- Strengthening efforts to enhance English-language disclosure
- Improving disclosure tools (various IR materials)
- Enhancing the corporate site (IR, shareholder relations, sustainability information)



A site tour of the Haramachi Thermal Power Station

Risk Management

Risk management initiatives

In addition to establishing an Integrated Risk Management Policy, the Company periodically reviews business and financial risks to identify, analyze, and evaluate risks and to study and implement responses.

Particularly for factors that pose major risks to Company businesses, the integrated risk management departments cooperate with various committees and other organizations in accordance with risk characteristics, based on monitoring and risk management by the Integrated Risk Management Council. Business execution departments such as in-house companies and divisions also identify and evaluate risks periodically and incorporate responses and other measures into their annual business plans to deploy risk management activities specific to their own organizations.

Integrated Risk Management Council

The Integrated Risk Management Council is a joint council with Tohoku Electric Power Network chaired by the President of Tohoku Electric Power. Its membership consists of all directors of both companies. Its purpose is to promote the Company's integrated risk management activities and to deliberate on and explore our response to key business risks in the Group from a management perspective while taking care to handle information in compliance with applicable laws and regulations.

Specifically, it meets twice annually to evaluate the state of management of important business risks and to provide guidance and advice on deployment of risk management activities while striving to enhance risk management activities through feedback to individual business execution sections and related deliberative bodies. It also reports periodically to the Board of Directors and other parties on the state of risk management.

 See > Risk Management > Sustainability Data Book p. 70

Important management risks

Risk type	Anticipated risks	Related pages
Disaster, facility risks	Effects of natural disasters and facility failures	Financial report p. 28 Sustainability Data Book p. 46
	Risks associated with climate change (increasingly severe natural disasters)	Financial report p. 29 Sustainability Data Book p. 10, p. 46
Regulatory risks	Effects of factors such as changes to systems related to the electricity business	Financial report p. 28
	Effects of factors such as changes to systems related to nuclear power	Financial report p. 28
	Effects of changing costs of nuclear power backend operations, etc.	Financial report p. 28
	Risks associated with climate change (transition to a decarbonized society)	Financial report p. 29 Sustainability Data Book p. 10
Market risks	Effects of fluctuations in demand and selling prices	Financial report p. 29
	Effects of fluctuations in fuel prices and rates on electricity purchases	Financial report p. 29
	Effects of fluctuations in interest rates	Financial report p. 29
	Effects of fluctuations in retirement benefit costs and obligations	Financial report p. 29
Operational risks, other risks	Effects of information leaks	Financial report p. 30 Sustainability Data Book p. 76
	Effects of compliance violations	Financial report p. 30 Sustainability Data Book p. 72
	Effects of emerging infectious diseases	Financial report p. 30 Sustainability Data Book p. 46
	Risks outside the electricity business	Financial report p. 30

Responses to major risks

Crisis management

We identify and assess risks, take preventive measures, and conduct drills as risk assessment and risk management activities in normal times.

In an emergency, together with immediately taking necessary emergency measures we respond swiftly by taking various actions to minimize damage, in cooperation with related parties.

If an emergency involves a crisis that requires immediate judgment and decisions by top management, we set up an emergency task force chaired by the president of the company where the incident occurred, or an officer appointed by the president, to respond.

Tohoku Electric Power and Tohoku Electric Power Network set up an emergency task force in the event of an incident such as a natural disaster or damage to a nuclear power facility.

See > Risk Management > Sustainability Data Book p. 70

See > Public Safety and a Reliable Supply of Power > Sustainability Data Book p. 46

Market risks

The Market Risk Management Committee manages market risks in business activities, such as fluctuations in fuel prices or wholesale electricity trading prices, and studies and implements the use of hedge transactions, among other responses.

Investment and finance risks

To make timely and appropriate decisions on investment in and financing of renewable energy businesses and other initiatives toward further growth, we have established a specialized office to advise on and guide investment and finance.

Thorough compliance

Considering compliance to be the foundation on which all business activities are based, we have established measures for thorough compliance in the Tohoku Electric Power Group Code of Conduct.

We have established a Compliance Committee chaired by the President to run through the plan-do-check-act (PDCA) cycle of deploying Groupwide activities, verifying and confirming whether Company initiatives are adequate in light of current social conditions and other considerations, and making improvements as necessary.

Respect for human rights

We implement human-rights due diligence in line with the Tohoku Electric Power Group Human Rights Policy. Due diligence was conducted for Group companies in FY2023, to check on important risks in areas such as occupational safety, long working hours, and harassment, and the results were reported to the Sustainability Promotion Committee while taking measures to mitigate and prevent risks.

We also survey regular suppliers on sustainability, to manage risks in the supply chain. As necessary, we strive to avoid and prevent risks through dialogue with suppliers.

See > Respect for human rights > Sustainability Data Book p. 30

Yori, Sou Hotline (internal whistleblowing hotline and remediation mechanism)

We have established the Yori, Sou Hotline with both internal and external contact points to respond appropriately to issues concerning matters such as compliance and harassment.

This hotline accepts consultations (including anonymous consultations) from people working in the Group (officers, employees, contractors, temporary personnel, and personnel from placement agencies) as well as Group business partners.

Hotline staff are trained to provide the necessary skills. In addition, pursuant to the Whistleblower Protection Act, the privacy of whistleblowers is rigorously protected. Whistleblowers are also protected from any disadvantageous treatment attributable to reaching out to the hotline to ensure potential whistleblowers are not silenced by fear of repercussions.

See > Compliance > Sustainability Data Book p. 72

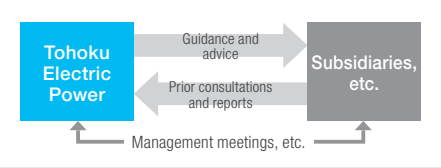
Enhancement of Group governance

The Board of Directors has established a basic policy on a structure to secure appropriate business operations and a structure to secure appropriate business operations at subsidiaries and other Group companies, under which we’re striving to enhance governance at subsidiaries and other members of the Group.

Business administration structure

We’ve established Affiliate Business Rules and Affiliate Business Standards, and we demand prior consultations and reports from subsidiaries and affiliates concerning important matters, as well as providing appropriate guidance and advice.

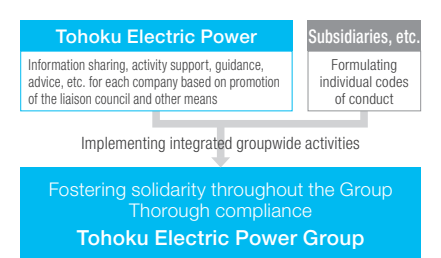
Alongside ensuring a thorough understanding of the Group’s Medium- to Long-Term Vision “Working alongside next” through means such as periodic corporate group management meetings, we’re studying and implementing measures to improve efficiency and productivity on a continual basis.



Compliance

We established the Tohoku Electric Power Group Liaison Council on Compliance Promotion to promote compliance smoothly and steadily and to strengthen related activities throughout the Group through means such as sharing information, improving knowledge, and improving skills through enhanced joint efforts among the Company and Group companies.

Group companies formulate and implement codes of conduct based on the Tohoku Electric Power Group Sustainability Policy and the Tohoku Electric Power Group Code of Conduct.




Structure for management of risks of losses

In accordance with the Affiliate Business Rules and Affiliate Business Standards, we demand prior consultations and reports from subsidiaries and affiliates concerning significant risks, as well as provide appropriate guidance and advice.

We have also established the Risk Management Response Manual and the Tohoku Electric Power Group Emergency Communication Rules, through which we have set up a structure for risk management and emergency response.

Any legal violations or other such incidents identified at a Group company in consultations with the Yori, Sou Hotline are duly reported to the Board of Directors and the Committee of Corporate Ethics and Compliance, then appropriately addressed.



The meaning of having a publicly traded subsidiary and policies related to ensuring the efficacy of its governance structure

The Tohoku Electric Power Group includes one publicly traded subsidiary, Yurtec Corporation. Among the business categories identified in Working Alongside Next^{PLUS}, Yurtec Corporation plays important roles in power transmission and distribution and general equipment engineering.

Yurtec Corporation increases corporate value Groupwide by leveraging its name recognition as a publicly traded company to secure highly specialized human resources and improving its competitive strengths and profitability in each business through business management subject to strict monitoring in the stock market.

With the risk of conflicts of interest between general shareholders of Tohoku Electric Power and Yurtec Corporation in mind, we have adopted a policy of maintaining management independence. To ensure Yurtec makes independent decisions as a publicly traded subsidiary, we encourage it to establish an effective governance structure that makes effective use of independent outside directors. This policy ensures independent decision-making on nomination and remuneration, based on a nomination and remuneration committee in which membership consists primarily of independent outside directors.

Yurtec Corporation’s Advisory Committee on Significant Transactions with Parent Company, etc. reviews potential material conflicts of interest and irregular transactions with Tohoku Electric Power and its wholly owned subsidiaries, to strengthen protection of minority interests.

Supply chain management

Tohoku Electric Power asks suppliers to comply with laws, regulations, and social norms, prevent corruption, and respect human rights through its Requests to Materials Suppliers.

Furthermore, sustainability surveys of suppliers monitor supplier human rights initiatives (e.g., prohibition of child labor, forced labor, and discrimination). Specifically, these surveys check on internal human rights policies, counseling systems for human rights issues, and regular surveys to detect such issues. The survey results are analyzed. For suppliers for whom we identify room for improvement, we review the matters surveyed through dialogue and the exchange of viewpoints, thereby working toward a shared understanding. We also ask them to make improvements, where needed. In FY2023, we surveyed 215 suppliers, including major suppliers, and found none that necessitated improvements.

See > Supply chain management > Sustainability Data Book p. 34

INTEGRATED REPORT

CHAPTER 5

Data

Financial Information	p. 84
Partnerships, External Evaluations, Etc.	p. 85
SASB Standards Index	p. 87
Corporate Information	p. 90



Financial Information

Financial data for most recent 11 years (consolidated)

(billion yen)		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	(FY)
Business results	Operating revenue*	2,038.8	2,182.0	2,095.5	1,949.5	2,071.3	2,244.3	2,246.3	2,286.8	2,104.4	3,007.2	2,817.8	
	Electric utility operating revenue	1,815.4	1,932.2	1,853.2	1,727.2	1,854.3	2,012.7	2,022.2	2,067.0	1,840.3	2,716.9	2,531.7	
	Other business operating revenue	223.4	249.7	242.3	222.3	216.9	231.6	224.1	219.7	264.1	290.2	286.0	
	Operating expenses	1,953.2	2,012.3	1,905.8	1,819.1	1,963.7	2,160.6	2,130.0	2,198.8	2,133.1	3,187.2	2,495.5	
	Electric utility operating expenses	1,732.4	1,782.0	1,686.3	1,618.7	1,763.7	1,943.0	1,916.4	1,995.6	1,888.5	2,906.9	2,228.6	
	Other business operating expenses	220.7	230.2	219.4	200.4	199.9	217.6	213.5	203.2	244.6	280.3	266.9	
	Operating income	85.6	169.7	189.7	130.4	107.6	83.6	116.3	87.9	(28.7)	(180.0)	322.2	
	Ordinary income	39.0	116.6	152.6	104.7	88.4	65.7	99.9	67.5	(49.2)	(199.2)	291.9	
	Net income attributable to owners of parent	34.3	76.4	97.3	69.9	47.2	46.4	63.0	29.3	(108.3)	(127.5)	226.1	
Cash flow	Cash flows from operating activities	236.4	374.2	371.8	278.1	324.0	262.8	371.5	217.6	97.1	(93.7)	450.1	
	Cash flows from investing activities	(247.5)	(247.7)	(250.5)	(256.3)	(273.9)	(250.5)	(310.6)	(254.9)	(322.1)	(275.7)	(333.5)	
	Cash flows from financing activities	45.4	(211.2)	(104.1)	(55.9)	(36.2)	(69.3)	6.7	(5.7)	293.2	598.4	(96.0)	
Financial standing	Total assets	4,243.0	4,131.2	4,152.4	4,145.9	4,222.1	4,258.6	4,323.0	4,471.0	4,725.6	5,211.9	5,388.7	
	Property, plant, and equipment	3,536.5	3,497.2	3,502.7	3,475.4	3,557.4	3,620.9	3,679.0	3,731.3	3,809.1	4,005.1	4,186.3	
	Current assets	706.4	633.9	649.7	670.5	664.6	637.6	644.0	739.7	916.5	1,206.7	1,202.3	
	Net assets	574.5	651.2	684.3	755.6	798.7	833.7	864.1	901.5	778.9	631.0	911.0	
	Interest-bearing debt	2,763.9	2,561.9	2,471.3	2,435.5	2,424.4	2,381.1	2,412.6	2,433.2	2,760.3	3,375.6	3,290.9	
Main indicators	Consolidated cash income	360.4	376.2	368.2	357.5	345.3	317.4	321.9	302.3	257.3	136.6	420.3	
	Equity ratio (%)	12.6	14.6	15.2	16.8	17.3	17.9	18.3	18.5	14.8	10.5	15.4	
	Free cash flow	(11.1)	126.4	121.3	21.8	50.1	12.2	60.8	(37.3)	(224.9)	(369.5)	116.6	
	Return on assets (ROA) (%)	2.0	4.1	4.6	3.1	2.6	2.0	2.7	2.0	(0.6)	(3.6)	6.1	
	Return on equity (ROE) (%)	6.7	13.6	15.8	10.6	6.6	6.2	8.1	3.6	(14.2)	(20.4)	32.8	
	Return on invested capital (ROIC) (%)	1.8	3.7	4.4	3.0	2.5	1.9	2.6	2.0	(0.6)	(3.5)	5.8	
Per-share information	Payout ratio (%)	7.3	9.8	12.8	25.0	42.3	43.0	31.7	68.0	-	-	3.3	
	Dividend yield (%)	0.47	1.10	1.72	2.32	2.81	2.83	3.84	3.83	4.92	0.00	1.25	
	Net earnings per share (EPS) (yen)	68.78	153.35	195.01	140.10	94.61	93.12	126.32	58.81	(216.84)	(255.14)	452.13	
	Book value per share (BPS) (yen)	1,073.45	1,206.38	1,261.40	1,392.24	1,463.42	1,526.66	1,584.30	1,654.46	1,399.90	1,097.95	1,655.09	

* The Accounting Standard for Revenue Recognition has been applied since FY2021.

Partnerships, External Evaluations, Etc.*

Participation in initiatives

UN Global Compact signatory

Seeking to build a sound global society through joint efforts between the United Nations and the private sector (companies and other organizations), the UN Global Compact is the world's largest sustainability initiative. Signatory organizations are required to conform to and put into practice 10 principles in the four areas of human rights, labor, the environment, and anti-corruption.



Participation in Plastics Smart

Plastics Smart is a campaign launched by the Ministry of the Environment to promote joint efforts and partnership among a wide range of parties including individuals, NGOs, corporations, research institutes, and government agencies, to resolve the issue of ocean plastic wastes.



Partnerships with local governments

Joining the Akita SDGs Partnership
(Tohoku Electric Power Akita Branch)

The Akita SDGs Partnership program is an Akita Prefecture program whereby companies, other organizations, and local governments who are making active efforts to achieve the Sustainable Development Goals (SDGs) through their business activities and other efforts are recognized and publicly acknowledged. To help realize sustainable communities powered by public-private partnerships on SDG efforts, the program makes visible the efforts of registered companies and other members.



Participation in Challenge Zero

Challenge Zero is an initiative to communicate across the world and support innovative actions by companies and other organizations to take on the challenge of realizing a carbon-neutral society, a long-term goal under the Paris Agreement, through joint efforts between Keidanren and the Japanese government.



Support for the Keidanren Initiative for Biodiversity Conservation

The Keidanren Initiative for Biodiversity Conservation is an initiative launched by Keidanren and the Keidanren Committee on Nature Conservation. By promoting the Keidanren Biodiversity Conservation Statement and Guidelines, it strives to promote further mainstream adoption of efforts to preserve biodiversity.



Support for the Challenge Initiatives for 30% of Executives to be Women by 2030

The Challenge Initiatives for 30% of Executives to be Women by 2030 program was launched by Keidanren to accelerate efforts to promote diverse human resources for inclusion and co-creation based on diverse values, the key to sustainable capitalism. The goal is to ensure that 30% of executives will be women by 2030.



Participation in the GX League

The GX League provides opportunities for industry, government, and academia to work jointly to achieve green transformation (GX) and carbon neutrality by 2050 and social reforms through various initiatives targeting sustainable growth now and in the future. We participate in the GX League as we continue to enhance promotion of efforts to achieve carbon neutrality by accumulating knowledge and expertise on reducing CO₂ emissions.



* Tohoku Electric Power's partnerships, external assessments, etc.

External evaluations on sustainability

CDP*2 evaluation

We proactively disclose environmental information by responding continually to CDP climate change and water security questionnaires. Our scores in 2023 were A- for climate change and B for water security.



Kurumin certification

Under this certification program based on the Act on Advancement of Measures to Support Raising Next-Generation Children, the Minister of Health, Labour and Welfare certifies companies that actively support employees raising children.



DX Certification

This program certifies companies ready to promote the digital transformation of their own businesses (DX-ready) under the Act on Facilitation of Information Processing. Tohoku Electric Power and TOiNX Co., Ltd. have been recognized as DX-certified operators by the Ministry of Economy, Trade and Industry.



2024 Certified Health & Productivity Management Outstanding Organizations Recognition Program

We've been chosen to the 2024 Certified Health & Productivity Management Outstanding Organizations (Large Enterprise Category) Recognition Program by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi. (Joint recognition of Tohoku Electric Power and Tohoku Electric Power Network)



Eruboshi certification

Under this certification program based on the Act on the Promotion of Female Participation and Career Advancement in the Workplace, the Minister of Health, Labour and Welfare certifies companies that carry out outstanding initiatives to promote women in the workplace.



Sports Yell Company

Under this program, the Japan Sport Council certifies as Sports Yell Company enterprises that actively support and promote sports activities to improve employee health. (Joint recognition for Tohoku Electric Power and Tohoku Electric Power Network)



Inclusion in ESG indices

FTSE Blossom Japan Sector Relative Index

This index developed by the global index provider FTSE Russell includes Japanese firms with outstanding ESG (environmental, social, and governance) initiatives in each industry.



MSCI Japan ESG Select Leaders Index
MSCI Japan Stock ESG Select Leaders Index

General ESG indices based on ESG research by MSCI, a major US financial services firm; these include issues with relatively high ESG scores within each industry.

2024 CONSTITUENT MSCIジャパン ESGセレクト・リーダーズ指数

2024 CONSTITUENT MSCI日本株 ESGセレクト・リーダーズ指数

Sompo Sustainability Index

This index developed by Sompo Asset Management Co., Ltd. includes about 300 issues chosen for their outstanding ESG initiatives, through a combination of annual ESG assessments and stock price assessments.



*1 Tohoku Electric Power's partnerships, external assessments, etc.

*2 An international NGO (formerly known as Carbon Disclosure Project) that promotes and assesses disclosure by companies and local governments on climate change and other fields

*3 Tohoku Electric Power's inclusion in the MSCI index and its use of the MSCI logo, trademark, service mark, and index name do not indicate the support, recommendation, or promotion of Tohoku Electric Power by MSCI or its affiliates. The MSCI index is the exclusive property of MSCI. The MSCI name and logo and the MSCI index are the trademarks or service marks of MSCI and its affiliates.

SASB Standards Index

Disclosure topics and accounting metrics

Disclosure topic	Accounting metrics	Category	Unit	Code	FY2023 results
Environment					
Greenhouse Gas Emissions and Energy Resource Planning	(1) Gross global Scope 1 emissions (2) Gross global Scope 1 emissions, percentage covered under emissions limiting regulations (3) Gross global Scope 1 emissions, percentage covered under emissions reporting regulations	Quantitative	t-CO ₂ -%	IF-EU-110a.1	(1) 33,760,000 t-CO ₂ (2) 0% (because Japan lacks regulated markets) (3) 100%
	Greenhouse gas (GHG) emissions associated with power delivery	Quantitative	t-CO ₂	IF-EU-110a.2	24,680,000 t-CO ₂ (30,420,000 t-CO ₂) * Figure in parentheses represents base CO ₂ emissions not reflecting adjustments, etc. under the feed-in tariff (FIT) program for renewables.
	Long-term and short-term strategy or plans to manage Scope 1 emissions, emissions reduction targets, and analysis of performance against these targets	Discussion and Analysis	—	IF-EU-110a.3	In March 2021, in the Tohoku Electric Power Group Carbon Neutral Challenge 2050, we summarized our long-term course of action to achieve carbon neutrality by 2050. We have also set a CO ₂ emissions target of halving CO ₂ emissions by FY2030 vs. actual FY2013 levels. Under the Tohoku Electric Power Group Carbon Neutral Challenge 2050, the Group will accelerate CO ₂ emissions reductions, primarily by making the most of renewable energy and nuclear power and promoting electrification and optimal energy use, in addition to decarbonizing its thermal power sources. Specifically, we will seek to swiftly achieve and expand 2,000 MW in renewable power generating capacity, based primarily on wind power, to make effective use of the wealth of renewable energy sources in the Tohoku and Niigata region. We will also enhance the power network and make progress in aspects such as the use of storage cells and hydrogen in preparation for growing use of renewables. We will help reduce CO ₂ emissions by our customers and communities by promoting electrification and optimal energy use. Our Scope 1 emissions were 31.1 million t-CO ₂ in FY2020, 32.8 million t-CO ₂ in FY2021, and 31.1 million t-CO ₂ in FY2023. We plan to maintain this course through the measures specified above to achieve these goals.
	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) (2) Percentage fulfillment of RPS target by market	Quantitative	Number, Percentage (%)	IF-EU-110a.4	The RPS system was abolished in Japan in 2012 when the nation migrated to a FIT program. We purchase electricity generated from renewables under the FIT program.
	Atmospheric emissions of the following pollutants: (1) NOx (excluding N ₂ O) (2) SOx (3) Particulate matter (PM10) (4) Lead (Pb) (5) Mercury (Hg) Percentage of each in or near densely populated areas	Quantitative	t-%	IF-EU-120a.1	(1) 13,879 t, 100% (2) 5,981 t, 100% (3) Not disclosed (4) Not disclosed (5) Not disclosed * Although particulate matter, lead, and mercury are treated as part of the normal flow of powerplant operations, figures for these pollutants are undisclosed because their atmospheric emissions are not analyzed.
Water Management	(1) Total water withdrawn (2) Total water consumed Percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	1000m ³ -%	IF-EU-140a.1	(1) 9,942,000 m ³ , 0% (2) 314,000 m ³ , 0%
	Number of incidents of noncompliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	Number	IF-EU-140a.2	0
	Water management risks and strategies and measures to mitigate such risks	Discussion and Analysis	—	IF-EU-140a.3	In use of river water and other water sources, we strive to manage water resources in various ways, including compliance with water intake volumes permitted under laws and regulations. Measures to confirm water stress in the Tohoku and Niigata region using the WRI Aqueduct Water Risk Atlas tool to identify water risks resulted in a "low-medium" assessment at maximum. As such, the expected frequency of water-related risks, including drought, is low.
Coal Ash Management	Amount of coal combustion residuals (CCR) generated, percentage recycled	Quantitative	t-%	IF-EU-150a.1	799,000 t, 82.4%
	Total number of coal combustion residual (CCR) impoundments broken down by (EPA) hazard potential classification and structural integrity assessment	Quantitative	Number	IF-EU-150a.2	Five sites

Editorial Policy

Index

Introduction

A Value Creation Story

Financial Foundations,
Business Development

Management Foundations

Corporate Governance

Data

Financial Information

Partnerships, External
Evaluations, Etc.

[SASB Standards Index](#)

Corporate Information

Disclosure topic	Accounting metrics	Category	Unit	Code	FY2023 results
Social capital					
Energy Affordability	Average retail electric rate (per kWh) for: (1) residential (2) commercial (3) industrial customers	Quantitative	Yen	IF-EU-240a.1	(1) Residential: 27.41 yen (2) Commercial: 28.84 yen (3) Industrial: 26.92 yen * Including consumption tax and fuel-cost adjustments; not including levies intended to encourage use of renewables; including measures to alleviate sudden fluctuations
	Typical monthly electric bill for residential customers for (1) 500 kWh (2) 1,000 kWh of electricity delivered per month	Quantitative	Yen	IF-EU-240a.2	(1) 500 kWh: 13,688 yen (2) 1,000 kWh: 28,248 yen * Including consumption tax and fuel-cost adjustments; not including levies intended to encourage use of renewables; including measures to alleviate sudden fluctuations
	Number of residential customer electric disconnections for nonpayment Percentage reconnected within 30 days	Quantitative	Number, Percentage (%)	IF-EU-240a.3	(1) Number of residential customer electric disconnections for nonpayment a. Disconnections under specific retail supply agreements: FY2023: 163,298 b. Cancellations of demand and supply contracts based on low voltage electricity standard agreements: FY2023: 13,329 (2) Percentage reconnected within 30 days N/A
	Discussion of the impact of external factors on affordability of electricity, including economic conditions within the territory served	Discussion and Analysis	—	IF-EU-240a.4	Japan's Electricity Business Act stipulates the following: "A General Electricity Utility shall not refuse to provide power transmission in its service area without due cause." In general, all applications for electricity service in the Tohoku Electric Power Network service area are automatically fulfilled. We believe consumers should have equal opportunity to obtain affordable energy services. Factors affecting electricity rates include government levies intended to encourage use of renewables, fuel-cost adjustments on thermal power, and prices on the wholesale electricity market.
Human capital					
Employee Occupational Safety and Health	(1) Total recordable incident rate (TRIR: incidents/200,000 hours worked) (2) Fatality rate (incidents) (3) Near-miss frequency rate (NMFR: incidents/200,000 hours worked)	Quantitative	%	IF-EU-320a.1	(1) 0.01% (employees of Tohoku Electric Power and Tohoku Electric Power Network) (2) 0 (employees of Tohoku Electric Power and Tohoku Electric Power Network) (3) Not disclosed (not disclosed because we have no calculation made on a groupwide basis)
Business-model innovation					
End-Use Efficiency and Demand	(1) Percentage of decoupled electricity revenues sold, (2) Lost revenue adjustment (LRAM) as a percentage of electricity sold	Quantitative	%	IF-EU-420a.1	Not applicable (since there are no subject customers in Japan) * To make up for lost revenue from progress in energy conservation, we aim to increase revenues through means such as provision of various services to meet customer needs.
	Percentage of electric load served by smart grid technology	Quantitative	%	IF-EU-420a.2	Penetration of smart meters at end of FY2023: 100%
	Customer electricity savings from efficiency measures in each market	Quantitative	MWh	IF-EU-420a.3	We propose solutions to the various challenges facing our customers, centered on energy. Specific examples include joint development with the manufacturer of Heat Edge air chillers, which offer improved capacity during times of harsh cold and better energy efficiency; provision of exEMS services with demand control functions to visualize electricity usage; and home solar power services provided through one-stop services ranging from adoption through maintenance, with no need for initial investment. Other activities include the development of equipment and services that help conserve energy and reduce CO ₂ emissions. We have also launched an Energy Conservation Action Campaign to lower customer utility costs and improve electricity supply and demand. Numerous customers currently participate. We disclose the following quantitative data in place of customer electricity savings: ○ Number of energy solutions proposed (FY2023): 1,987 ○ Number of views of the Shou-ene Life service providing information on energy conservation (FY2023): 596,461 viewers • https://www.tohoku-epco.co.jp/dprivate/sl-denka/saving/ • https://www.tohoku-epco.co.jp/energy_saving_cp_2023/summer_action/dr/ • https://www.tohoku-epco.co.jp/energy_saving_cp_2023_winter/action/dr/ ○ Number of entries to the Energy Conservation Action Campaign (FY2023): 180,000 for low-voltage, 35,000 for high-voltage and extra high-voltage

Introduction

A Value Creation Story

Financial Foundations,
Business Development

Management Foundations

Corporate Governance

Data

Financial Information

Partnerships, External
Evaluations, Etc.

SASB Standards Index

Corporate Information

Disclosure topic	Accounting metrics	Category	Unit	Code	FY2023 results
Leadership, governance					
Nuclear Safety and Emergency Management	Total number of nuclear power units, broken down by US Nuclear Regulatory Commission (NRC) Action Matrix Column	Quantitative	Number	IF-EU-540a.1	4 units (breakdown: 3 units at the Onagawa Nuclear Power Station*, 1 unit at the Higashidori Nuclear Power Station) * Unit No. 1 at the Onagawa Nuclear Power Station is in the process of decommissioning and is currently not operational.
	Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	—	IF-EU-540a.2	Quality policies for nuclear safety (excerpt) We have a duty to enhance nuclear safety and reduce risks based on the keen safety awareness inherited from our predecessors and the many lessons gained from the Great East Japan Earthquake and other disasters. For this objective, each employee has resolved to gain the understanding and trust of society by demonstrating a strong sense of responsibility, contributing to the safety culture, and continually conducting PDCA activities, based on the formulated policies set forth below. 1. Put safety first at all times. 2. Comply with laws, regulations, and rules. 3. Establish a habit of constant review. 4. Enhance information sharing. 5. Take a proactive approach to improvements. See the following link for more on our quality policies for nuclear safety: https://www.tohoku-epco.co.jp/electr/genshi/safety/quality/index.html
Grid Resiliency	Number of incidents of noncompliance with physical and/or cybersecurity standards or regulations	Quantitative	Number	IF-EU-550a.1	Physical risk incidents: 0 Cybersecurity incidents: not disclosed (in light of risks posed by such disclosure)
	(1) System Average Interruption Duration Index (SAIDI) including major event days (2) System Average Interruption Frequency Index (SAIFI) including major event days (3) Customer Average Interruption Duration Index (CAIDI) including major event days	Quantitative	Minutes, Number	IF-EU-550a.2	(1) 14 minutes (including interruptions for work purposes) (2) 0.13 times (including interruptions for work purposes) (3) 103 minutes (including interruptions for work purposes)

Activity Metrics	Category	Unit	Code	FY2023 results
Number of: (1) residential, (2) commercial, and (3) industrial customers served	Quantitative	Number	IF-EU-000.A	(1) 6.24 million (total for electric lighting) Total of (2) and (3): 680,000 (total for electricity)
Total electricity delivered to: (1) residential customers, (2) commercial customers, (3) industrial customers, (4) all other retail customers, and (5) wholesale customers	Quantitative	MWh	IF-EU-000.B	(1) 19,738,000 MWh (total for electric lighting) Total of (2), (3), and (4): 44,396,000 MWh (total for electricity) (5) 15,091,000 MWh
Length of transmission and distribution lines	Quantitative	km	IF-EU-000.C	Transmission lines (circuit length) Aerial: 24,442 km Underground: 823 km Distribution lines (route length) Aerial: 145,926 km Underground: 3,892 km
Total electricity generated, percentage by major energy source, percentage in regulated markets	Quantitative	MWh, %	IF-EU-000.D	Total electricity generated: 57,746,268 MWh (volume at transmission destination) Includes: 13.2% from hydroelectric power 85.7% from thermal power None from nuclear power 1.1% from renewables Percentage in regulated markets: Not applicable (because Japan lacks regulated markets)
Total wholesale electricity purchased	Quantitative	MWh	IF-EU-000.E	Left undisclosed for reasons involving competition

Corporate Information

Business Overview

Company Name Tohoku Electric Power Co., Inc.	Capital 251.4 billion yen	Representatives (as of the end of March 2024) Jiro Masuko, Representative Director & Chairman of the Board Kojiro Higuchi, Representative Director & President	Number of Employees (as of the end of March 2024) 4,763 (consolidated: 24,234)
Head Office 1-7-1 Honcho, Aoba-ku, Sendai, Miyagi 980-8550, Japan	Total Assets (as of the end of March 2024) 4,465.9 billion yen (consolidated: 5,388.7 billion yen)	Number of Shareholders (as of the end of March 2024) 173,941	Electricity Sales (for FY2023) Lighting: 19,738 GWh Power: 44,396 GWh Retail total: 64,135 GWh Wholesale: 15,091 GWh Total: 79,225 GWh
Date established May 1, 1951	Operating revenue (for FY2023) 2,253.9 billion yen (consolidated: 2,817.8 billion yen)	Service Areas Aomori Prefecture, Iwate Prefecture, Akita Prefecture, Miyagi Prefecture, Yamagata Prefecture, Fukushima Prefecture, Niigata Prefecture and other areas	
	Ordinary income (for FY2023) 201.5 billion yen (consolidated: 291.9 billion yen)		

Total Number of Shares (as of the end of March 2024)

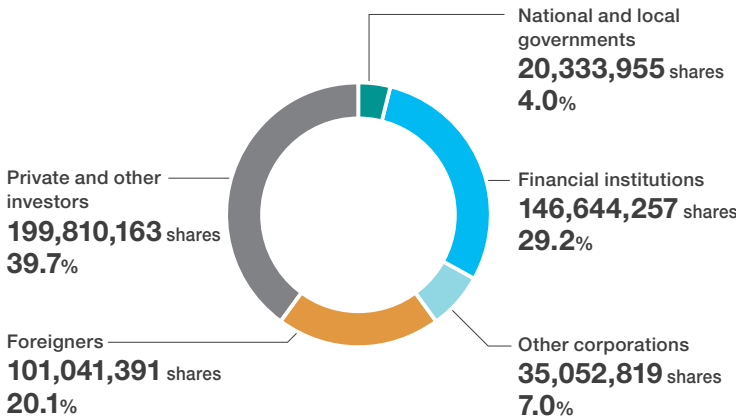
Total Number of Issuable Shares 1,000,000,000 shares
Total Number of Issued Shares 502,882,585 shares

* Due to rounding, the sum of individual figures may not equal the total.

Major Shareholders (as of the end of March 2024)

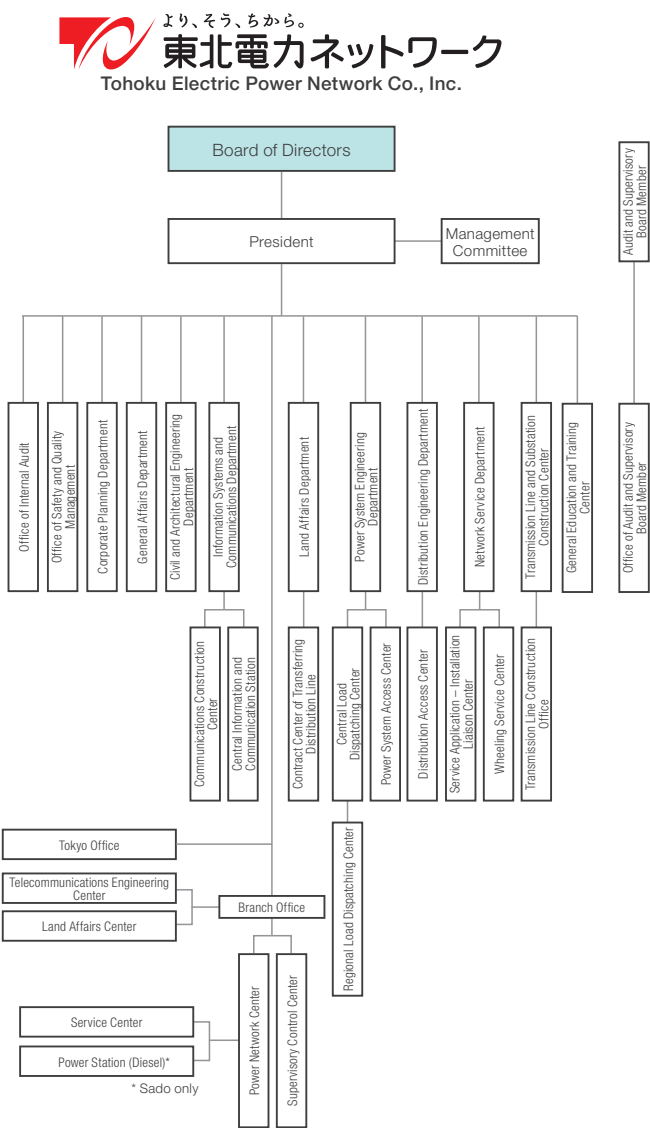
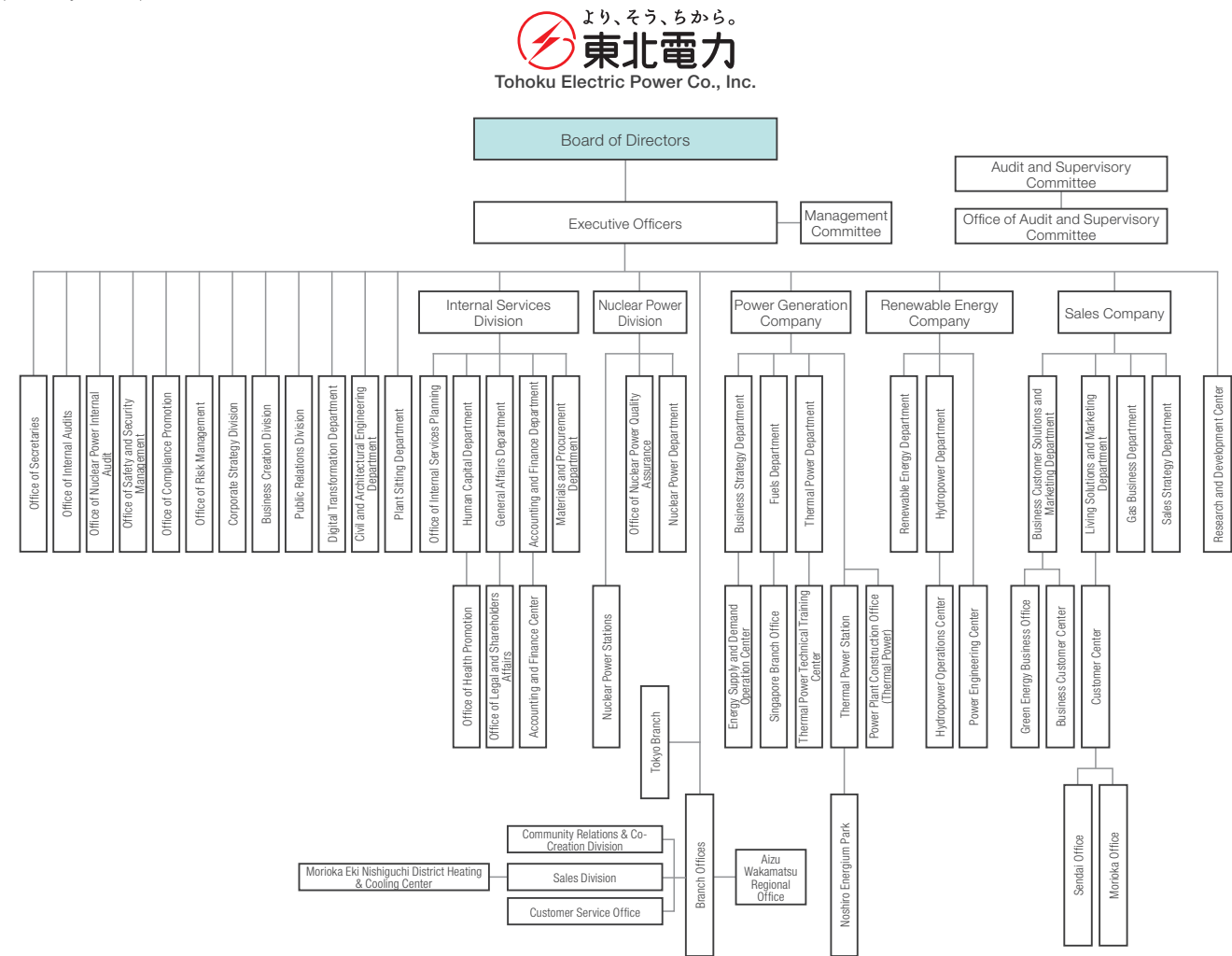
Name	Investment status Number of shares owned (thousand)	Ratio of shares owned to the total number of issued shares (%)
The Master Trust Bank of Japan, Ltd. (trust account)	69,753	13.92
Custody Bank of Japan, Ltd. (trust account)	32,241	6.43
Tohoku Electric Power Employee Shareholding Association	17,699	3.53
Nippon Life Insurance Company	13,727	2.74
JP MORGAN CHASE BANK 385781	6,512	1.30
The 77 Bank, Ltd.	6,468	1.29
MSCO CUSTOMER SECURITIES	6,154	1.23
SSBTC CLIENT OMNIBUS ACCOUNT	5,346	1.07
GOLDMAN SACHS INTERNATIONAL	5,342	1.07
STATE STREET BANK WEST CLIENT - TREATY 505234	5,207	1.04
Total	168,449	33.62

Distribution of Shares by Type of Shareholders (as of the end of March 2024)



Organization chart

(as of July 1, 2024)



Editorial Policy

Index

Introduction

A Value Creation Story

Financial Foundations,
Business Development

Management Foundations

Corporate Governance

Data

Financial Information

Partnerships, External
Evaluations, Etc.

SASB Standards Index

Corporate Information

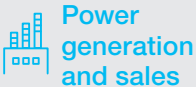
Members of the Tohoku Electric Power Group

(83 companies as of July 1, 2024)



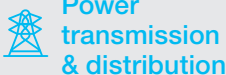
Tohoku Electric Power Co., Inc.

Tohoku Electric Power Network Co., Inc.



Power
generation
and sales

- Tohoku Sustainable & Renewable Energy Co., Inc.
 - Sakata Kyodo Power Company Ltd.
 - Tohoku EPCO Energy Trading Co., Inc.
 - Tohoku EPCO Frontier Co., Ltd.
 - Chokai Minami Biomass Power Co., Ltd.
 - Yur Solar (Tomiya/Hobara/Zao) Co., Ltd.
 - Aqua Power Tohoku Co., Ltd.
 - Hakkoda Wind Power Company Inc.
 - Shiroishi-Kosugo Wind Power G.K.
 - Takko-Oguni Wind Power G.K.
 - Wind Farm Noheji G.K.
 - Nakatombetsu Wind Farm G.K.
 - Imabetsu Wind Farm G.K.
 - Yokote Yuzawa Forest Cycle Co., Ltd.
 - TDRI G.K.
 - Tohoku EPCO Solar e Charge Co., Inc.
 - Tohoku Electric Power Renewable Energy Services Co., Inc.
- 19 other companies



Power
transmission
& distribution

- Tohoku Power Transmission and Distribution Service Co., Inc.



Construction

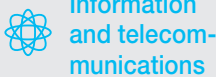
- Yurtec Corporation
- Tohoku Electric Power Engineering & Construction Co., Inc.
- Tohoku Ryokka Kankyohozen
- Tohoku Development Consultant Co., Ltd.
- Higashi Nihon Techno Survey Corporation
- YUTOS Corporation
- YURTEC SERVICE Corporation
- TECS FUKUSHIMA Corporation
- YURTEC MIYAGI SERVICE Corporation
- Yurtec Vietnam Co., Ltd.
- YURTEC HAIDEN TECHNO Corporation
- YURTEC KANTO SERVICE Corporation
- Air Conditioning Enterprise Co., Ltd.
- Tohatsu Hydro Engineering Co., Inc.
- Sigma Engineering JSC



Manufacturing

- Kitanihon Electric Cable Co., Ltd.
- Tsuken Electric Ind Co., Ltd.
- Tohoku Electric Meter Industry Co., Inc.
- Kitanihon Densen Service Co., Ltd.
- GREENRECYCLE Corporation
- Aquaclara Tohoku Corporation

2 other companies



Information
and telecom-
munications

- Toinx Co., Ltd.
- TOHKnet Co., Inc.



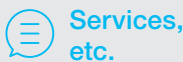
Natural gas

- Nihonkai LNG Co., Ltd.
- Tohoku Natural Gas Co., Inc.



Real estate

- HNK Co., Inc.



Services,
etc.

- Tohoku Port Service Co., Inc.
 - Eltas Tohoku Inc.
 - Tohoku Air Service, Inc.
 - Tohoku Energy Service Co., Inc.
 - TDG Business Support Corporation
 - Tohoku Power Investment Company
 - Tohoku-Electric Power Friendly Partners Co., Inc.
 - E life Partners Co., Ltd.
 - New Lease Corporation
 - Tohcs Corporation
 - Tohoku Electric Power Transcosmos Management Partner Co., Inc.
- Three other companies

Editorial Policy

Index

Introduction

A Value Creation Story

Financial Foundations,
Business Development

Management Foundations

Corporate Governance

Data

Financial Information

Partnerships, External
Evaluations, Etc.

SASB Standards Index

Corporate Information



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