

# **Financial Summary**

## **1st Quarter of FY2017**

**( April 1, 2017 – June 30, 2017)**

**July 27, 2017**



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

# Contents

## 1st Quarter of FY2017 Financial Results

1. Summary of Financial Results
2. Electricity Supply & Demand and Major Factors
3. Statements of Income & Balance Sheets (Consolidated)
4. Statements of Income (Non-consolidated)
5. Balance Sheets (Non-consolidated)
6. Segment Information (Consolidated)
7. Financial and Dividend Forecasts for FY2017

## References

8. Measures to Enhance Profits (1/2)
9. Measures to Enhance Profits (2/2)
10. Enhancement of Cost Competitiveness with Optimal Power Portfolio (1/2)
11. Enhancement of Cost Competitiveness with Optimal Power Portfolio (2/2)
12. Current Status of Conformity Assessments (1/3)
13. Current Status of Conformity Assessments (2/3)
14. Current Status of Conformity Assessments (3/3)
15. Fuel Consumption Results
16. Response to Renewables Connection Applications

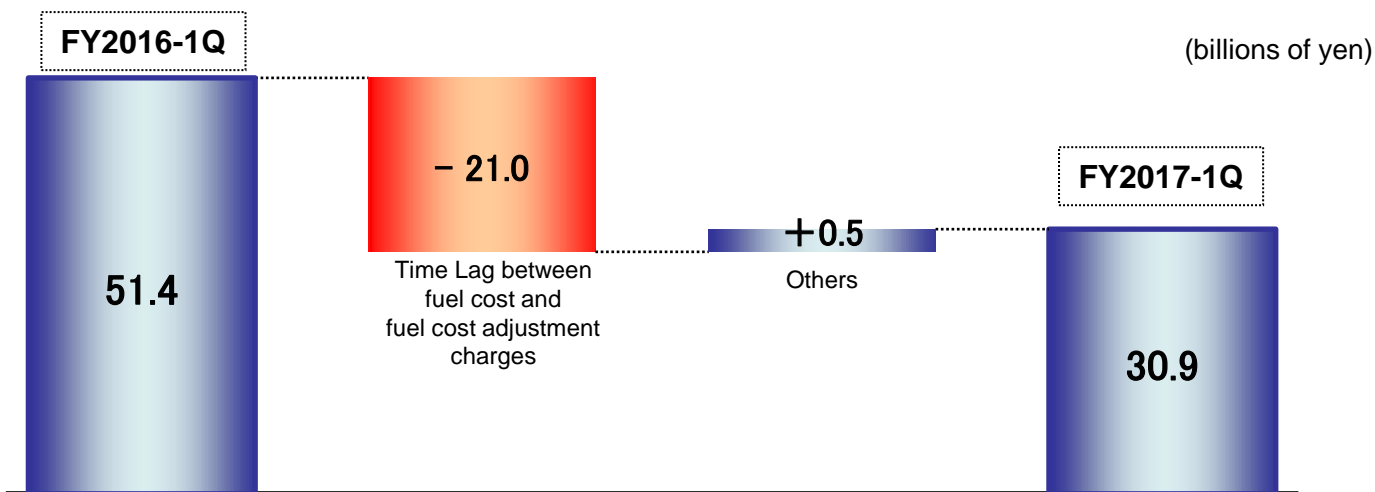
# 1st Quarter of FY2017 Financial Results

(billions of yen)

|   | Consolidated (A) |           |        | Non-consolidated (B) |           |        | (A) / (B) (times) |           |
|---|------------------|-----------|--------|----------------------|-----------|--------|-------------------|-----------|
|   | FY2017 1Q        | FY2016 1Q | Change | FY2017 1Q            | FY2016 1Q | Change | FY2017 1Q         | FY2016 1Q |
| Operating Revenue   | 470.6            | 455.8     | 14.7   | 429.1                | 411.7     | 17.4   | 1.10              | 1.11      |
| Operating Income  | 34.8             | 57.6      | (22.8) | 30.8                 | 54.1      | (23.3) | 1.13              | 1.07      |
| Ordinary Income   | 29.7             | 50.2      | (20.5) | 30.9                 | 51.4      | (20.5) | 0.96              | 0.98      |
| Net Income or Net Income Attributable to Owners of Parent | 19.8             | 34.4      | (14.6) | 23.1                 | 37.8      | (14.6) | 0.86              | 0.91      |

|              | Jun. 30, 2017 | Mar. 31, 2017 | Change | Jun. 30, 2017 | Mar. 31, 2017 | Change |
|--------------|---------------|---------------|--------|---------------|---------------|--------|
| Equity Ratio | 17.4%         | 16.8%         | 0.6%   | 16.7%         | 16.0%         | 0.7%   |

■ Year-on-year Comparison of Non-consolidated Ordinary Income (Decrease of 20.5 Billion Yen)



# Electricity Supply & Demand and Major Factors

(GWh)

|                                     |                                    | FY2017/1Q<br>(A) | FY2016/1Q<br>(B) | Comparison |           |
|-------------------------------------|------------------------------------|------------------|------------------|------------|-----------|
|                                     |                                    |                  |                  | (A) - (B)  | (A) / (B) |
| Electricity Generated and Purchased | Own Generated power                | 13,880           | 15,456           | (1,576)    | 89.8%     |
|                                     | Hydro                              | 2,601            | 2,085            | 516        | 124.7%    |
|                                     | Thermal                            | 11,093           | 13,147           | (2,054)    | 84.4%     |
|                                     | Nuclear                            | —                | —                | —          | —         |
|                                     | Renewables                         | 186              | 224              | (38)       | 83.2%     |
|                                     | Purchased Power                    | 5,347            | 4,943            | 404        | 108.2%    |
|                                     | Power Interchanges                 | (1,527)          | (1,953)          | 426        | 78.2%     |
|                                     | Used at Pumped Storage             | (40)             | (26)             | (14)       | 151.8%    |
|                                     | Total, Generated and Purchased     | 17,660           | 18,420           | (760)      | 95.9%     |
| Electricity Sales                   | Lighting (Residential)             | 5,381            | 5,348            | 33         | 100.6%    |
|                                     | Power                              | 11,560           | 11,977           | (417)      | 96.5%     |
|                                     | Total of electricity sales         | 16,941           | 17,325           | (384)      | 97.8%     |
| Major Factors                       | Crude Oil CIF Price (\$/bbl.)      | 53.4             | 41.1             | 12.3       |           |
|                                     | Exchange Rate (¥/\$)               | 111              | 108              | 3          |           |
|                                     | Hydro Power Flow Rate (%)          | 103.2            | 73.9             | 29.3       |           |
|                                     | Nuclear Power Utilization Rate (%) | —                | —                | —          |           |

\*: "Purchased Power", "Power Interchanges" and "Total, Generated and Purchased" include projected volume.

# Statements of Income & Balance Sheets (Consolidated)

(billions of yen)

| <b>Statements of Income</b>                    | FY2017/1Q<br>(A) | FY2016/1Q<br>(B) | Change<br>(A) - (B) | Major factors for change                        |
|--|------------------|------------------|---------------------|---|
| Operating Revenue                              | 470.6            | 455.8            | 14.7                | Electric utility: 17.7<br>Other business: (2.9) |
| Operating Expenses                             | 435.7            | 398.1            | 37.6                | Electric utility: 40.0<br>Other business: (2.3) |
| Operating Income                               | 34.8             | 57.6             | (22.8)              |   |
| Ordinary Income                                | 29.7             | 50.2             | (20.5)              |   |
| Net Income Attributable to<br>Owners of Parent | 19.8             | 34.4             | (14.6)              |   |

(billions of yen)

| <b>Balance Sheets</b>        | Jun. 30, 2017<br>(A) | Mar. 31, 2017<br>(B) | Change<br>(A) - (B) | Major factors for change                        |
|------------------------------|----------------------|----------------------|---------------------|---|
| Total Assets                 | 4,063.7              | 4,145.9              | (82.1)              |   |
| Non-current Assets           | 3,467.3              | 3,475.4              | (8.1)               |   |
| Current Assets               | 596.4                | 670.5                | (74.0)              | Cash and deposits: (110.1)<br>Inventories: 16.3 |
| Liabilities                  | 3,294.0              | 3,390.3              | (96.2)              | Notes and accounts payable – trade:<br>(19.6)   |
| Net Assets                   | 769.6                | 755.6                | 14.0                | Retained earnings: 9.8                          |
| Interest-Bearing Liabilities | 2,418.0              | 2,435.5              | (17.5)              | Loans: (28.5) , CP: 11.0                        |

(billions of yen)

|                    |   | FY2017/1Q<br>(A) | FY2016/1Q<br>(B) | Comparison |            | Major factors for change                                      |
|--------------------|---|------------------|------------------|------------|------------|---|
|                    |   |                  |                  | (A) - (B)  | (A) / (B)  |   |
| Revenue            | Lighting (Residential)  | 130.4            | 126.8            | 3.6        | 102.9%     |   |
|                    | Power   | 198.7            | 202.9            | (4.2)      | 97.9%      |   |
|                    | Sub total   | 329.2            | 329.7            | (0.5)      | 99.8%      |   |
|                    | Sales of power to other utilities and other companies               | 38.4             | 32.0             | 6.3        | 119.9%     |   |
|                    | Grant under Act on Purchase of Renewable Energy Sourced Electricity | 44.8             | 38.3             | 6.5        | 117.0%     | Increase in purchased volume from solar                       |
|                    | Other revenue   | 22.8             | 18.0             | 4.8        | 126.9%     |   |
|                    | [Operating Revenue]   | [ 429.1 ]        | [ 411.7 ]        | [ 17.4 ]   | [ 104.2% ] |   |
|                    | Total revenue   | 435.3            | 418.1            | 17.1       | 104.1%     |   |
| Expenses           | Personnel   | 36.9             | 35.6             | 1.2        | 103.6%     |   |
|                    | Fuel  | 65.8             | 61.5             | 4.2        | 107.0%     |   |
|                    | Maintenance   | 39.3             | 30.6             | 8.6        | 128.3%     | Increase in maintenance expenses for thermal power facilities |
|                    | Depreciation  | 50.4             | 51.4             | (1.0)      | 98.0%      |   |
|                    | Power purchased from other utilities and other companies            | 109.5            | 91.1             | 18.3       | 120.2%     | Increase in purchased volume for solar                        |
|                    | Interest  | 5.5              | 6.2              | (0.7)      | 88.1%      |   |
|                    | Taxes, etc.   | 20.0             | 19.7             | 0.2        | 101.3%     |   |
|                    | Nuclear power back-end cost   | 1.8              | 2.0              | (0.1)      | 90.5%      |   |
|                    | Levy under Act on Purchase of Renewable Energy Sourced Electricity  | 35.5             | 29.2             | 6.2        | 121.4%     | Increase by a price revision of renewable energy surcharge    |
|                    | Other expenses  | 39.3             | 38.8             | 0.5        | 101.3%     |   |
|                    | Total expenses  | 404.4            | 366.7            | 37.7       | 110.3%     |   |
| [Operating Income] | [ 30.8 ]  | [ 54.1 ]         | [ (23.3) ]       | [ 56.9% ]  |            |   |
| Ordinary Income    | 30.9  | 51.4             | (20.5)           | 60.1%      |            |   |
| Net Income         | 23.1  | 37.8             | (14.6)           | 61.1%      |            |   |

(billions of yen)

|                              | Jun. 30, 2017<br>(A) | Mar. 31, 2017<br>(B) | Change<br>(A) - (B) | Major factors for change   |
|------------------------------|----------------------|----------------------|---------------------|--|
| Total Assets                 | 3,760.8              | 3,838.8              | (77.9)              |  |
| Non-current Assets           | 3,332.1              | 3,340.1              | (8.0)               |  |
| Current Assets               | 428.7                | 498.7                | (69.9)              | Cash and deposits: (94.0)<br>Short-term investments: 30.0  |
| Liabilities                  | 3,132.7              | 3,224.9              | (92.2)              | Short-term debt to subsidiaries and affiliates: (25.5)<br>Accrued expenses: (22.8)<br>Accounts payable – other: (18.8) |
| Net Assets                   | 628.0                | 613.8                | 14.2                | Retained earnings: 13.1  |
| Interest-Bearing Liabilities | 2,394.5              | 2,413.2              | (18.6)              | Loans : (29.6)<br>CP : 11.0  |



(billions of yen)

|  | FY2017/1Q<br>(A) |           | FY2016/1Q<br>(B) |           | Change<br>(A) - (B) |
|--|------------------|-----------|------------------|-----------|---------------------|
| Operating Revenue                                      | 530.6            | [ 470.6 ] | 515.6            | [ 455.8 ] | 15.0 [ 14.7 ]       |
| Electric Power Business                                | 427.4            | [ 426.8 ] | 409.7            | [ 409.1 ] | 17.7 [ 17.7 ]       |
| Construction Business                                  | 55.3             | [ 24.7 ]  | 53.3             | [ 27.1 ]  | 2.0 [ (2.3) ]       |
| Gas Business   | 7.1              | [ 5.5 ]   | 7.1              | [ 5.4 ]   | 0.0 [ 0.0 ]         |
| Information Processing,<br>Tele-communication Business | 10.3             | [ 4.6 ]   | 11.0             | [ 4.6 ]   | (0.6) [ 0.0 ]       |
| Others   | 30.3             | [ 8.7 ]   | 34.4             | [ 9.5 ]   | (4.1) [ (0.7) ]     |

[ ] : Operating revenue from external customers

(billions of yen)

|  | FY2017/1Q<br>(A) |  | FY2016/1Q<br>(B) |  | Change<br>(A) - (B) |
|--|------------------|--|------------------|--|---------------------|
| Segment Income<br>[Operating Income]                   | 34.5             |  | 57.5             |  | (22.9)              |
| Electric Power Business                                | 30.8             |  | 53.9             |  | (23.0)              |
| Construction Business                                  | 0.3              |  | (0.3)            |  | 0.6                 |
| Gas Business   | 0.4              |  | 0.7              |  | (0.3)               |
| Information Processing,<br>Tele-communication Business | 1.4              |  | 1.5              |  | (0.0)               |
| Others   | 1.4              |  | 1.5              |  | (0.0)               |



- Financial and dividend forecasts for FY2017 remain unchanged from the previous release on April 27, 2017.

## ■ Financial Forecast for FY2017

### 【Consolidated】

(billions of yen)

|                 | Operating Revenue | Operating Income | Ordinary Income | Net Income Attributable to Owners of Parent |
|-----------------|-------------------|------------------|-----------------|---|
| FY2017 forecast | 2,070.0           | 112.0            | 90.0            | 60.0  |

### 【Non-consolidated】

(billions of yen)

|                 | Operating Revenue | Operating Income | Ordinary Income | Net Income |
|-----------------|-------------------|------------------|-----------------|------------|
| FY2017 forecast | 1,880.0           | 89.0             | 70.0            | 50.0       |

## ■ Dividend Per Share

(yen)

|                 | Interim | Year-end | Annual |
|-----------------|---------|----------|--------|
| FY2017 forecast | 20      | 20       | 40     |

# References

## ■ Diversification of Services and Rate Plans for Family Users

- In May 2017, we started to offer new package services combining our electricity with Internet services and home security services to satisfy diverse needs from customers.
- New rate plans introduced after April 2016 have gained 28,500 contracts and the total enrollment of our member-only website service “Yorisou e Net” reached 228,000.
- In July 2017, we started offering a new service, “Yorisou Keizoku Points,” moreover we added a new content of “Gourmet Sugoroku” to “Yorisou e Net.” We will continue to create new services and enhance rate plans in order to be the power company of customers’ choice in Tohoku and Niigata.

## ■ Power Supply Beyond our Franchise Area

- Synergia Power Co., Ltd., a joint company of Tohoku EPCO and Tokyo Gas, started selling electricity in April 2016, and captured approximately 170 megawatts as of the end of June 2017.
- “Yorisou, Denki”, our special rate plan for Tokyo metropolitan residents, has gained around 290 contracts.

|                               | As of July, 2017      | As of April, 2017     |
|-------------------------------|-----------------------|-----------------------|
| Enrollment of Yorisou e Net   | Approximately 228,000 | Approximately 214,000 |
| Contracts of New Rate Plans*  | Approximately 28,500  | Approximately 21,600  |
| Contracts of “Yorisou, Denki” | Approximately 290     | Approximately 260     |

\*New rate plans introduced after April 2016

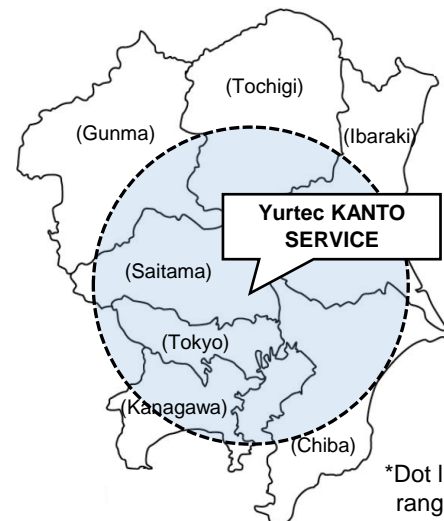
## ■ Enhancement of Gas Supply Business

- We have been working to expand sales of natural gas to business customers and local gas supply companies through our group companies, such as Tohoku Natural Gas Co., Inc., with gas pipelines and tank trucks in the Tohoku and Niigata region we serve.
- In April 2017, we started to provide natural gas for Toyota Motor East Japan, Inc. in Iwate Prefecture; and moreover, we will offer natural gas to Denso Iwate Corporation from this Autumn.
- We intend to continue contributing to diversified and advanced use of energy in our franchise area by enhancing our total energy solution services.

## ■ Business Deployment by Yurtec (our subsidiary)

- Our subsidiary Yurtec Co., Inc. established YURTEC KANTO SERVICE CORPORATION in Kawaguchi, Saitama Prefecture, to reinforce its operation structure for installation work of electric equipment and air conditioning duct in the Kanto area.
- YURTEC KANTO SERVICE CORPORATION, Yurtec's first-established subsidiary in Kanto, is specialized in maintenance for large commercial facilities and office buildings, including of which Yurtec engaged in the construction.
- Yurtec intends to enhance its operation structure by combining maintenance with new construction to improve its services for customers.

<Business Area> Kanto area (Tokyo and 6 prefectures)



\*Dot line shows one hour range from the new company.

## ■ Establishment of Tohoku EPCO Energy Trading Company

- We established Tohoku EPCO Energy Trading Co., Inc. in June 2017 with an aim to proactively pursue new business opportunities and enhance profitability in anticipation of an increase in power trading in line with the progress of electricity deregulation.
- The company is to expand profitability through power trading at the electric power exchange and control fluctuation of fuel costs by using fuel futures.

# Enhancement of Cost Competitiveness with Optimal Power Portfolio (1/2)

## ■ Construction of Noshiro No.3 and Joetsu No.1

- Given aging of our thermal power plants and the full retail market liberalization, we have been systematically replacing aged thermal power facilities and constructing new economically efficient thermal power plants. We are constructing Noshiro Thermal Power Station Unit No.3 and Joetsu Thermal Power Station Unit No.1.
- Concerning Noshiro No.3, we plan to adopt power generating facilities that use higher temperature steam than the existing Units No.1 and 2, which enable high thermal efficiency and to expand the use of sub-bituminous coal that is abundant and generates less coal ash. We aim to attain both high economic efficiency and reduction of the environmental impact. Civil engineering works started in February 2016 are on schedule. We began to install the boiler in February 2017 and will continue working toward the commencement of commercial operation in June 2020.
- Concerning Joetsu No.1, we plan to introduce the state-of-the-art gas combined-cycle facilities to secure the world's highest level of thermal efficiency. We are drafting the detailed design of facilities to commence construction in May 2019.

[Noshiro No.3] (Noshiro, Akita)

Start of construction: Jan. 2016

Output: 600 MW

Thermal efficiency: 44.8% [LHV standard]

Fuel: Coal

Start of operation: June 2020 (scheduled)

[Joetsu No.1] (Joetsu, Niigata)

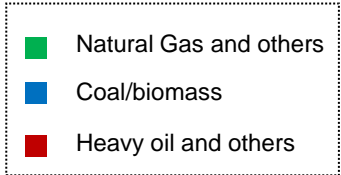
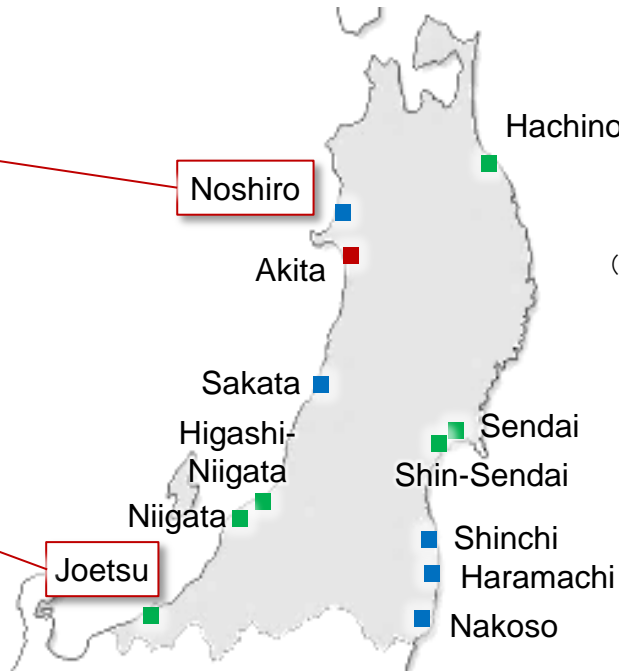
Start of construction: May 2019 (scheduled)

Output: 572 MW

Thermal efficiency: approximately 63%  
(under design) [LHV standard]

Fuel: LNG

Start of operation: June 2023 (scheduled)



(Reference) Further use of highly efficient thermal power

[Sendai No.4] (Shichigahama, Miyagi)

Output increase: 446 MW → 468 MW  
(from April 2017)

[Shin-Sendai No.3 Series] (Sendai, Miyagi)

Output increase: 980 MW → 1,046 MW  
(from July 2017)

## ■ Efforts toward Efficient Fuel Procurement

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

### < Coal >

- Diversification of procurement sources to minimize supply risks and improve economic efficiency and resilience
- Total cost reduction (including ash treatment-related expenses) with the expansion of the use of sub-bituminous coal
- Securing stability and economic efficiency by using specialized/regular routed carriers



Regular-routed carrier  
"Noshiro Maru"

### < LNG >

We are planning to procure LNG from three new projects, including a project in North America, to improve flexibility of LNG procurement and diversify LNG pricing system.

Mozambique LNG Project  
《Under deliberation》

Australia Wheatstone LNG Project  
《Expected to start supply in FY2017》

U.S. Cameron LNG Project  
《Expected to start supply in FY2018》

## ■ Joint Procurement/Transportation of U.S. Sub-bituminous Coal

- Our Company reached an agreement with Kansai Electric Power Co., Inc. (KEPCO) on joint procurement/transportation of U.S. sub-bituminous coal that both companies procure on a spot basis. Accordingly, Tohoku EPCO received the part of joint procurement on June 8, 2017 at its Noshiro Thermal Power Station, and KEPCO received the part of joint procurement on June 14 at its Maizuru Thermal Power Station.
- With this agreement, we aim to diversify the methods of procurement and further reduce the costs of procurement; in addition, we intend to control storage management costs for sub-bituminous coal by dividing procured amount into smaller receiving size for each company.
- Both companies will continue to discuss joint procurement and others. We continue to work on measures to improve economic efficiency and stability of fuel procurement to secure stable power supply.

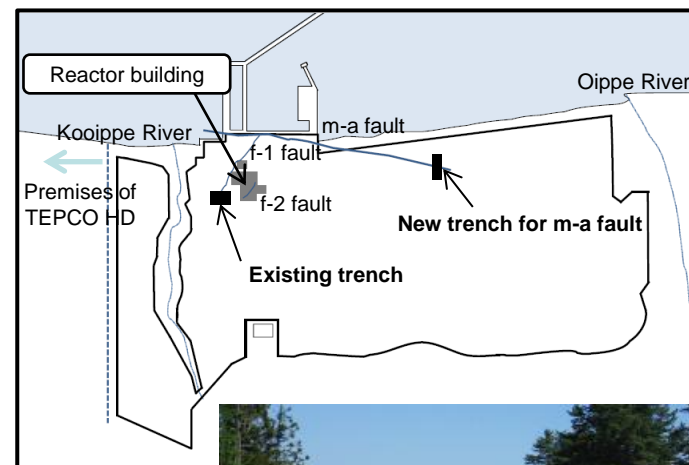
## Current Status of Nuclear Power Stations

- We submitted applications for conformity assessments for Onagawa Nuclear Power Station Unit 2 and Higashidori Nuclear Power Station Unit 1. We, based on the comments stated in examination meetings, have been implementing construction work on safety measures with design modification considered to be important to enhance safety.
- We will continue making all-out efforts toward conformity assessments and to complete construction work on safety measures in the latter half of FY2018 for Onagawa Unit 2 and in FY2019 for Higashidori Unit 1, realizing early resumption of nuclear power units.
- After the construction is completed, we will set out to make preparation for resuming operation while gaining the understanding from local communities.

### <Current Status of Conformity Assessments>

|                           |   |
|---------------------------|---|
| <p>Onagawa Unit 2</p>     | <p>[ Earthquake/tsunami-related assessment ]</p> <p>(1) The adequacy of basic ground motions is under assessment while we are implementing elaborate review based on the comments stated in examination meetings.</p> <p>(2) Conceivable maximum tsunami, faults within and around the premises, and influences of volcanos were judged as appropriate.</p> <p>[ Plant-related assessment ]</p> <p>(1) The plant is under assessment in parallel with other companies' BWR (boiling water reactor) plants.</p> <p>(2) We are explaining that the reactor building does not have any issues with its seismic safety based on inspections and analysis results.</p>   |
| <p>Higashidori Unit 1</p> | <p>[ Earthquake/tsunami-related assessment ]</p> <p>(1) The activity of the faults in the premises is under assessment.</p> <p>(i) f-2 fault just below the reactor building was judged not to be active in the future.</p> <p>(ii) Further detailed explanations of m-a fault and f-1 fault just below the seismic critical facilities were required. We are conducting additional survey, such as trenching, from May 2017.</p> <p>(2) The conceivable maximum tsunami is under assessment.</p> <p>[ Plant-related assessment ]</p> <p>We are in preparation for assessment incorporating the findings obtained from other plants that are in a more advance stage of assessment and from Onagawa Unit 2 in our work.</p> |

<Reference> Location of additional survey of faults in the premises of Higashidori Power Station



Trenching survey (Image)





(as of June 30, 2017)

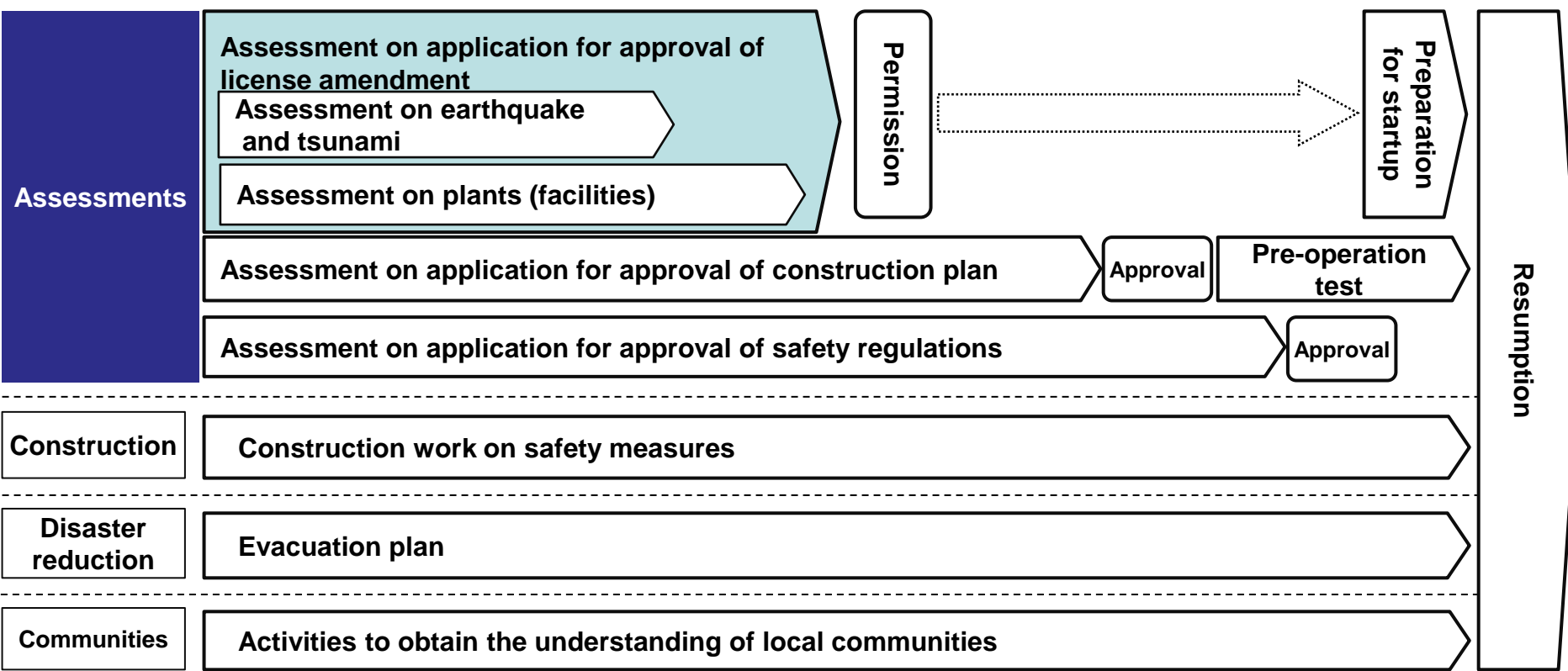
|                    |                                      | FY2013  | FY2014   | FY2015   | FY2016  | FY2017   |
|--------------------|--------------------------------------|---|--|--|---|--|
| Onagawa Unit 2     | Assessment of plants (facilities)    | ▼Application (Dec. 2013)  | ▼On-site survey at Onagawa (Jan. 2015)                   | ▼[Start of intensive assessments on TEPCO's Kashiwazaki-Kariwa Units 6 and 7 (from Aug. 2015)] | ▼Restart of assessments in parallel (from Apr. 2016)                        |  |
|                    | Assessment of earthquake and tsunami |   | ▼Full-fledged conformity assessments on BWR (Jul. 2014)  |  |   | ▼On-site survey at Onagawa (Jun. 2016)                       |
|                    |                                      | Conformity assessment   |  |  |   | 93 meetings in total   |
| Higashidori Unit 1 | Assessment of plants (facilities)    |   | ▼Application (Jun. 2014)                                 |  |   |  |
|                    | Assessment of earthquake and tsunami |   |  | ▼Start of hearing (from Jun. 2015)   | ▼Additional supplementary survey of faults in the premises (from Apr. 2016) | ▼Additional survey of faults in the premises (from May 2017) |
|                    |                                      | Conformity assessment   |  |  |   | 10 meetings in total   |
|                    |                                      | ▼Submission of report on additional geological survey (Jan. 2014) | ▼Completion of experts' evaluation statement (Mar. 2015) |  |   |  |
|                    |                                      | Experts Meeting on faults in the premises                         |  |  |   |  |

## ■ Process of Resumption of Nuclear Power Stations and Conformity Assessments

(as of June 30, 2017)

- 26 units (11 companies) submitted applications for conformity assessments.
- Of them, 5 pressurized water reactors (PWR, 3 companies) were authorized permission of license amendment, and resumed operation.
- Boiling water reactors (BWR), including our Onagawa Unit 2 and Higashidori Unit 1, are under assessments.

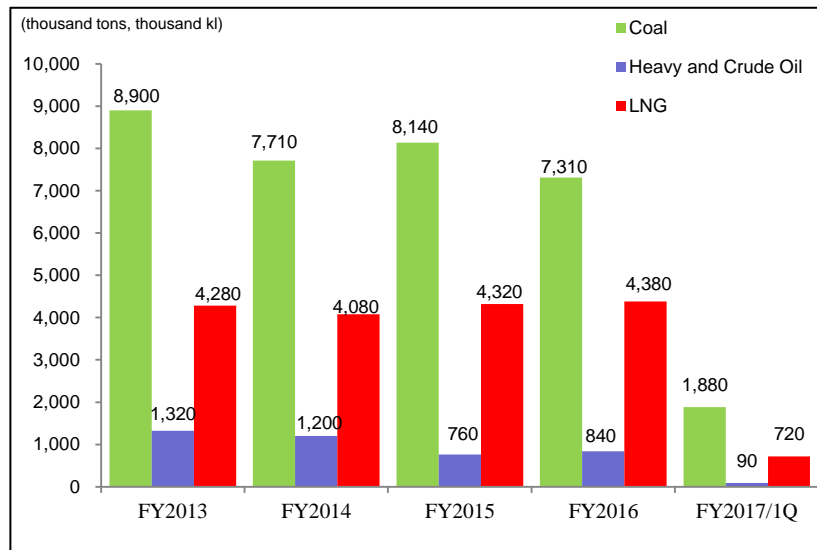
Our Onagawa Unit 2 and Higashidori Unit 1



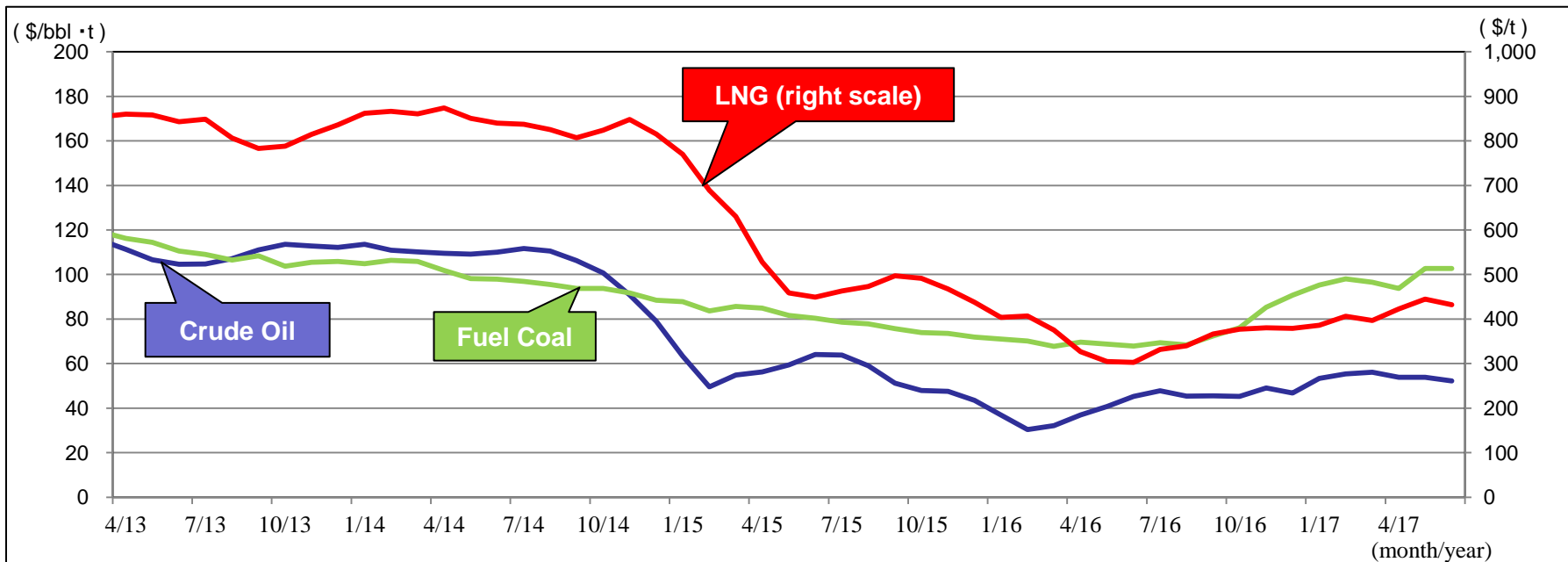
## Fuel Consumption

(thousand tons, thousand kl)

|                        | FY2017/1Q<br>(A) | FY2016/1Q<br>(B) | Change<br>(A) - (B) | (Reference)<br>FY2016 |
|------------------------|------------------|------------------|---------------------|-----------------------|
| Coal                   | 1,880            | 2,230            | (350)               | 7,310                 |
| Heavy and<br>Crude Oil | 90               | 200              | (110)               | 840                   |
| LNG                    | 720              | 830              | (110)               | 4,380                 |



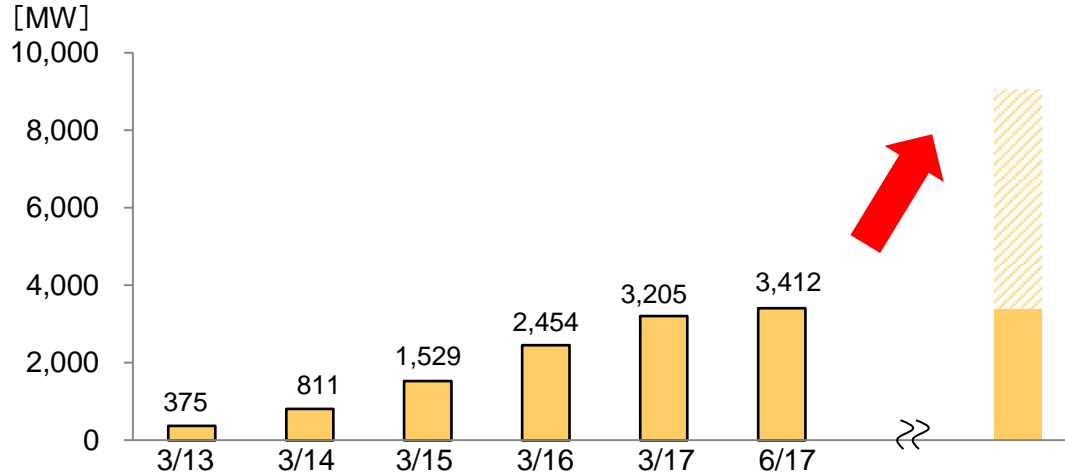
## [Reference] Historical CIF Prices of Crude Oil, Fuel Coal and LNG



## Solar & Wind Power Generations Connected to our Grid and Estimated Grid Access Volume

(as of June 30, 2017)

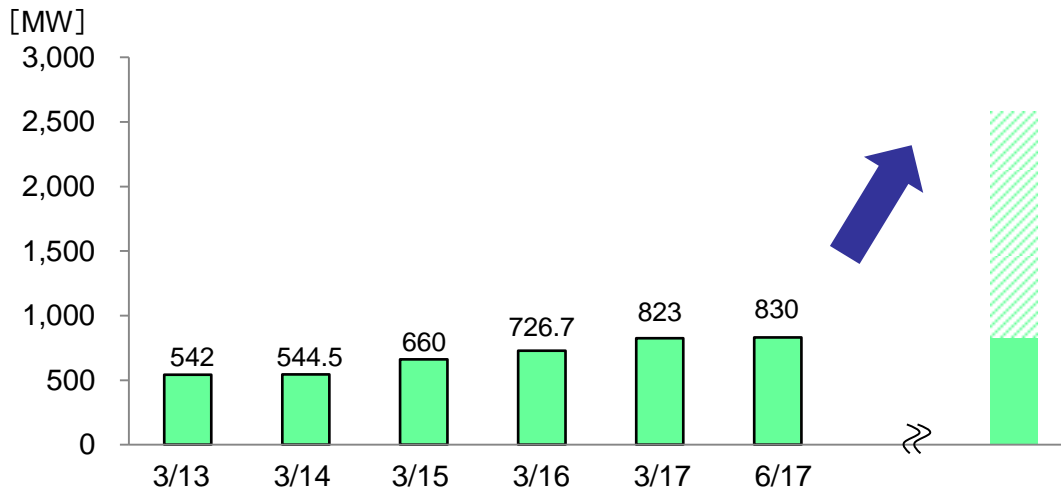
### [Solar]



Expected grid access volume: 5,633 MW

Old rule: 2,761 MW  
New rule: 2,872 MW

### [Wind]



Expected grid access volume: 1,746 MW

Old rule: 1,650 MW  
New rule: 96 MW

(Note)

This presentation solely constitutes reference material for the purpose of providing the readers with relevant information to evaluate our company.

The information contains forward-looking statements based on assumptions and projections about the future with regard to our company. As such, the readers are kindly asked to refrain from making judgment by depending solely on this information.

The forward-looking statements inherently involve a degree of risks and uncertainties. Consequently, these risks and uncertainties could cause the actual results and performance to differ from the assumed or projected status of the company.

Tohoku Electric Power Co., Inc. hereby disclaim any responsibility or liability in relation to consequences resulting from decisions made by investors.