

Financial Summary
3rd Quarter of FY2017
(April 1, 2017 – December 31, 2017)

January 30, 2018



Tohoku Electric Power Co., Inc.

Contents

3rd 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

Topics

8. Focal Points for 2018
9. Driving Our Initiatives to Enhance Profits
10. Accelerating Efficiency of Fuel Procurement
11. Making Steady Efforts to Restart Nuclear Power Reactors
12. Forthcoming In-house Company System
13. Enhancing Corporate Governance by Revising Our Governance Framework

References

14. Enhancing Cost Competitiveness with Optimal Power Portfolio
15. Current Status of Conformity Assessments (1/2)
16. Current Status of Conformity Assessments (2/2)
17. Fuel Consumption Results
18. Responding to Rising Renewable Energy

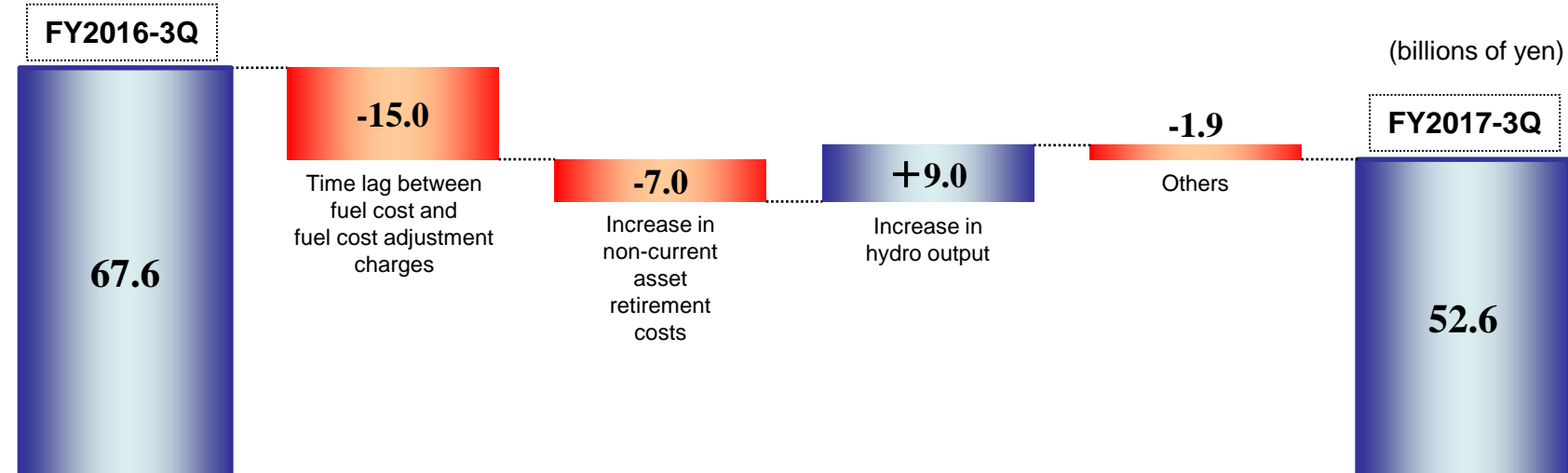
3rd Quarter of FY2017 Financial Results

(billions of yen)

| | Consolidated (A) | | | Non-consolidated (B) | | | (A) / (B) (times) | |
|---|------------------|-----------|--------|----------------------|-----------|--------|-------------------|-----------|
| | FY2017 3Q | FY2016 3Q | Change | FY2017 3Q | FY2016 3Q | Change | FY2017 3Q | FY2016 3Q |
| Operating Revenue | 1,479.9 | 1,401.7 | 78.1 | 1,341.0 | 1,250.6 | 90.4 | 1.10 | 1.12 |
| Operating Income | 79.7 | 104.6 | (24.9) | 62.2 | 84.0 | (21.8) | 1.28 | 1.24 |
| Ordinary Income | 67.1 | 82.1 | (14.9) | 52.6 | 67.6 | (14.9) | 1.27 | 1.21 |
| Net Income or Net Income Attributable to Owners of Parent | 42.8 | 53.3 | (10.4) | 37.1 | 48.6 | (11.4) | 1.15 | 1.10 |

| | Dec. 31, 2017 | Mar. 31, 2017 | Change | Dec. 31, 2017 | Mar. 31, 2017 | Change |
|--------------|---------------|---------------|--------|---------------|---------------|--------|
| Equity Ratio | 17.7% | 16.8% | 0.9% | 16.7% | 16.0% | 0.7% |

Year-on-year Comparison of Non-consolidated Ordinary Income (Decrease of 14.9 Billion Yen)



Electricity Supply & Demand and Major Factors

(GWh)

| | | FY2017/3Q (A) | FY2016/3Q (B) | Comparison | |
|---|------------------------------------|------------------|------------------|------------|-----------|
| | | | | (A) - (B) | (A) / (B) |
| Electricity Generated and Purchased | Own Generated power | 46,872 | 46,182 | 690 | 101.5% |
| | Hydro | 6,431 | 5,175 | 1,256 | 124.3% |
| | Thermal | 39,838 | 40,339 | (501) | 98.8% |
| | Nuclear | — | — | — | — |
| | Renewables | 603 | 668 | (65) | 90.4% |
| | Purchased Power (Net)* | 15,471 | 17,335 | (1,864) | 89.3% |
| | Power Interchanges (Net)* | (5,746) | (4,920) | (826) | 116.8% |
| | Used at Pumped Storage | (60) | (39) | (21) | 153.6% |
| | Total, Generated and Purchased* | 56,537 | 58,558 | (2,021) | 96.5% |
| Electricity Sales | Lighting (Residential) | 15,892 | 16,121 | (229) | 98.6% |
| | Power | 35,507 | 37,225 | (1,718) | 95.4% |
| | Total of electricity sales | 51,399 | 53,345 | (1,946) | 96.4% |
| Major Factors | Crude Oil CIF Price (\$/bbl.) | 53.9 | 44.9 | 9.0 | |
| | Exchange Rate (¥/\$) | 112 | 107 | 5 | |
| | Hydro Power Flow Rate (%) | 108.6 | 82.5 | 26.1 | |
| | Nuclear Power Utilization Rate (%) | — | — | — | |

*: "Purchased Power (Net)", "Power Interchanges (Net)" and "Total, Generated and Purchased" include projected volume.

Statements of Income & Balance Sheets (Consolidated)

(billions of yen)

| Statements of Income | | FY2017/3Q (A) | FY2016/3Q (B) | Change (A) - (B) | Major factors for change |
|---|--|------------------|------------------|---------------------|--|
| Operating Revenue | | 1,479.9 | 1,401.7 | 78.1 | Electric utility: 87.6 Other business: (9.5) |
| Operating Expenses | | 1,400.2 | 1,297.1 | 103.0 | Electric utility: 108.9 Other business: (5.8) |
| Operating Income | | 79.7 | 104.6 | (24.9) | |
| Ordinary Income | | 67.1 | 82.1 | (14.9) | |
| Net Income Attributable to Owners of Parent | | 42.8 | 53.3 | (10.4) | |

(billions of yen)

| Balance Sheets | | Dec. 31, 2017 (A) | Mar. 31, 2017 (B) | Change (A) - (B) | Major factors for change |
|------------------------------|--|----------------------|----------------------|---------------------|---|
| Total Assets | | 4,119.6 | 4,145.9 | (26.3) | |
| Non-current Assets | | 3,483.3 | 3,475.4 | 7.9 | |
| Current Assets | | 636.2 | 670.5 | (34.2) | Cash and deposits: (68.6) Inventories: 15.5 Notes and accounts receivable - trade: 14.5 |
| Liabilities | | 3,326.7 | 3,390.3 | (63.5) | Notes and accounts payable - trade: (14.1) |
| Net Assets | | 792.8 | 755.6 | 37.1 | Retained earnings: 22.7 |
| Interest-Bearing Liabilities | | 2,390.6 | 2,435.5 | (44.8) | Loans: (77.8), CP: (17.0), Bonds: 50.0 |

(billions of yen)

| | | FY2017/3Q (A) | FY2016/3Q (B) | Comparison | | Major factors for change |
|--------------------|---|------------------|------------------|------------|------------|---|
| | | | | (A) - (B) | (A) / (B) | |
| Revenue | Lighting (Residential) | 394.7 | 379.9 | 14.8 | 103.9% | |
| | Power | 622.8 | 618.4 | 4.4 | 100.7% | |
| | Sub total | 1,017.6 | 998.3 | 19.2 | 101.9% | |
| | Sales of power to other utilities and other companies | 147.9 | 111.5 | 36.3 | 132.6% | Increase in sales of power on Japan Electric Power Exchange |
| | Grant under Act on Purchase of Renewable Energy Sourced Electricity | 117.2 | 101.2 | 15.9 | 115.8% | Increase in purchased volume from solar |
| | Other revenue | 66.4 | 47.7 | 18.7 | 139.2% | |
| | [Operating Revenue] | [1,341.0] | [1,250.6] | [90.4] | [107.2%] | |
| Total revenue | | 1,349.2 | 1,258.9 | 90.3 | 107.2% | |
| Expenses | Personnel | 114.6 | 110.5 | 4.1 | 103.7% | |
| | Fuel | 240.3 | 205.6 | 34.7 | 116.9% | Increase in thermal fuel expenses |
| | Maintenance | 130.7 | 134.1 | (3.3) | 97.5% | |
| | Depreciation | 151.7 | 155.4 | (3.6) | 97.7% | |
| | Power purchased from other utilities and other companies | 332.2 | 285.9 | 46.3 | 116.2% | Increase in purchased volume from solar |
| | Interest | 16.3 | 18.3 | (1.9) | 89.1% | |
| | Taxes, etc. | 61.1 | 59.7 | 1.4 | 102.5% | |
| | Nuclear power back-end cost | 5.5 | 5.9 | (0.3) | 94.0% | |
| | Levy under Act on Purchase of Renewable Energy Sourced Electricity | 112.2 | 97.4 | 14.7 | 115.2% | Increase by a price revision of renewable energy surcharge |
| | Other expenses | 131.4 | 118.2 | 13.1 | 111.2% | |
| | Total expenses | 1,296.5 | 1,191.2 | 105.3 | 108.8% | |
| [Operating Income] | | [62.2] | [84.0] | [(21.8)] | [74.0%] | |
| Ordinary Income | | 52.6 | 67.6 | (14.9) | 77.8% | |
| Net Income | | 37.1 | 48.6 | (11.4) | 76.5% | |

(billions of yen)

| | Dec. 31, 2017 (A) | Mar. 31, 2017 (B) | Change (A) - (B) | Major factors for change |
|------------------------------|----------------------|----------------------|---------------------|---|
| Total Assets | 3,789.0 | 3,838.8 | (49.7) | |
| Non-current Assets | 3,349.7 | 3,340.1 | 9.5 | |
| Current Assets | 439.3 | 498.7 | (59.3) | Cash and deposits: (73.3) Short-term receivables from subsidiaries and affiliates: (16.7) Accounts receivable - trade: 22.1 |
| Liabilities | 3,154.7 | 3,224.9 | (70.2) | Short-term debt to subsidiaries and affiliates: (21.9) Accounts payable - other: (16.2) Accrued taxes: 10.6 |
| Net Assets | 634.3 | 613.8 | 20.4 | Retained earnings: 17.1 |
| Interest-Bearing Liabilities | 2,366.3 | 2,413.2 | (46.8) | Loans: (79.8), CP: (17.0), Bonds: 50.0 |

(billions of yen)

| | FY2017/3Q (A) | FY2016/3Q (B) | Change (A) - (B) |
|--|---------------------|---------------------|---------------------|
| Operating Revenue | 1,680.5 [1,479.9] | 1,611.6 [1,401.7] | 68.8 [78.1] |
| Electric Power Business | 1,333.0 [1,331.0] | 1,245.3 [1,243.3] | 87.7 [87.6] |
| Construction Business | 191.4 [86.1] | 202.0 [97.0] | (10.5) [(10.9)] |
| Gas Business | 25.4 [20.2] | 20.9 [15.7] | 4.4 [4.5] |
| Information Processing, Tele-communication Business | 33.9 [14.3] | 34.5 [14.5] | (0.6) [(0.2)] |
| Others | 96.6 [28.1] | 108.7 [31.0] | (12.1) [(2.8)] |

[] : Operating revenue from external customers

(billions of yen)

| | FY2017/3Q (A) | FY2016/3Q (B) | Change (A) - (B) |
|--|------------------|------------------|---------------------|
| Segment Income [Operating Income] | 80.3 | 104.8 | (24.5) |
| Electric Power Business | 63.3 | 84.9 | (21.5) |
| Construction Business | 6.8 | 9.3 | (2.5) |
| Gas Business | 0.8 | 0.7 | 0.0 |
| Information Processing, Tele-communication Business | 4.1 | 4.4 | (0.3) |
| Others | 5.1 | 5.2 | (0.1) |

■ Financial Forecasts for FY2017

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

【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

➤ The year-end dividend forecast for FY2017 remains unchanged from the previous release on April 27, 2017.

(yen)

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

Topics

■ Focal Points for 2018

- In 2017, we steadily implemented the measures stated in the Tohoku EPCO Group Mid-Term Management Policies (FY2017 to FY2020) formulated in January 2017.
- Meanwhile, the business environment is becoming increasingly harsh, including intensifying competition resulting from full liberalization of retail market and changing power supply and demand structure due to depopulation and expansion of the use of renewables.
- In 2018, in light of such situations we will expedite our initiatives to expand our business focusing on the following:
 - i. Further enhancing the competitiveness in power sales
 - ii. Making steady efforts to restart nuclear power reactors
 - iii. Cultivating new business opportunities for future growth
 - iv. Changing corporate structure to prevail against competition

Mid-Term Management Policies (FY2017 to FY2020)

[Basic Stance]

We see new opportunities ahead to meet challenges and seek further growth

- Focal point 1 Solutions to satisfy the needs of the customers and communities we serve
- Focal point 2 Seeking new business opportunities for growth
- Focal point 3 Establishing solid business foundations with renovation

[Financial Target]

Consolidated Equity Ratio of 25% or greater (30% in the future)

[Quantitative Target]

| | FY2020 | FY2030 |
|--|----------|----------|
| Electric Power Sales (Increment including sales beyond our service area and wholesale supply) | +3.5 TWh | +15 TWh |
| Ownership capacity in overseas power generating business | 600 MW | 1,200 MW |
| Gas Sales | 450 kt | 600 kt |

Focused Initiatives for 2018

Further enhancing the competitiveness in power sales

Making steady efforts to restart nuclear power reactors

Cultivating new business opportunities for future growth

Changing corporate structure to prevail against competition

■ Expanding Electric Power Business

- We updated our rate plans for Tokyo metropolitan residents, “Yorisou, Denki”, in January 2018, offering the lower price plan compared to TEPCO Energy Partner Inc.’s Meter-Rate Lightning B or Standard Plan S at any volume; in addition, we launched a marketing campaign to encourage customers there to choose us.
- We ran a new enrollment campaign to increase members for our members-only website, “Yorisou e Net”, which successfully attained 298,500 enrollments so far, and our new rate plans introduced after April 2016 have gained 52,100 contracts. We will continue enhancing our services and rate plans to be the power supplier of choice for customers in our franchise area.
- Since selling electricity in April 2016, Synergia Power Co., Ltd., a joint company of Tohoku EPCO and TOKYO GAS Co., Ltd., captured approximately 150 megawatts as of January 2018.

Enrollment of Yorisou e Net and Contracts of New Rate Plans

| | As of January 2018 | As of October 2017 |
|------------------------------|-----------------------|-----------------------|
| Enrollment of Yorisou e Net | Approximately 298,500 | Approximately 267,000 |
| Contracts of New Rate Plans* | Approximately 52,100 | Approximately 36,000 |

*New rate plans introduced after April 2016

■ Reinforcing Gas Supply Business

- We completed the expansion of LNG satellite terminal at our gas customer Iwate Plant of Toyota Motor East Japan, Inc. in Iwate Prefecture in December 2017. Consequently, we started supplying gas to Denso Iwate Corp., a new gas customer located right next to the Plant.
- We also commenced full-fledged construction of LNG shipping facilities at Shin-Sendai Thermal Power Station in October 2017. After the completion, we will ship LNG from the second half of 2018.

■ Concluding Basic Agreement to buy LNG from Mozambique

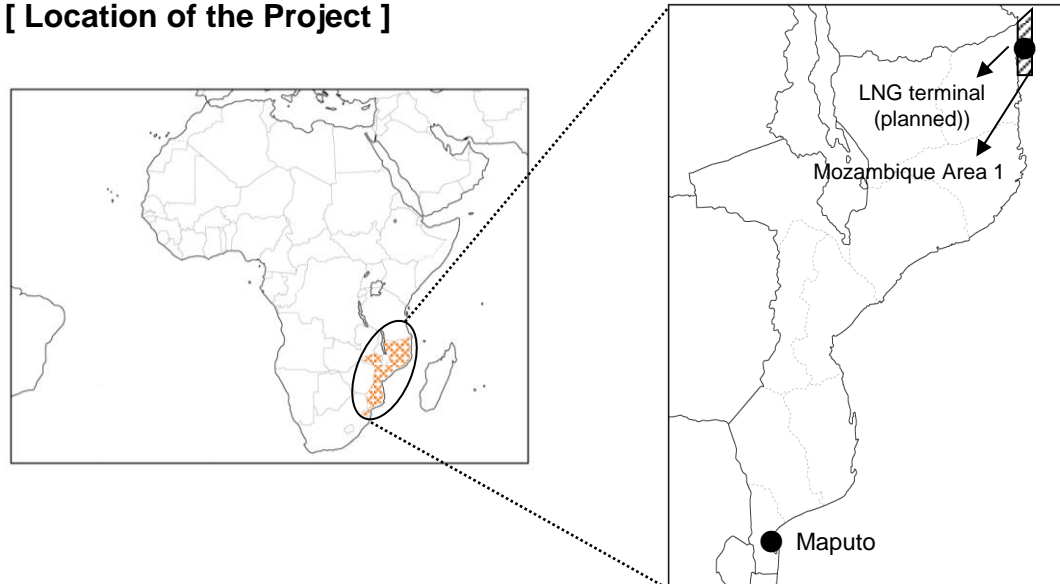
- We signed a basic agreement with Mozambique LNG 1* to buy up to around 280,000 tons per year of LNG from Mozambique LNG project for 15 years from the start of the project's production in the early 2020s.
- This deal marks our first purchase of long-term LNG from the African continent, helping diversify our procurement sources.
- We also anticipate this deal will enhance stable, efficient and flexible LNG procurement, which will enable us to control procurement volume in accordance with LNG demand.
- We will continue diversifying fuel procurement to secure stable, efficient and flexible LNG procurement.

* A marketing firm, set up by Mozambique LNG project participants, such as Anadarko Petroleum, in December 2015.

<Outline of the Basic Agreement>

| | |
|------------------------|---|
| Execution date | December 15, 2017 |
| Seller | Mozambique LNG 1 |
| Buyer | Tohoku EPCO |
| Contract term | 15 years from the production start (in the early 2020s) |
| Annual contract volume | Up to around 280,000 tons |
| Terms of delivery | Delivered ex ship (DES) basis |

[Location of the Project]



Making Steady Efforts to Restart Nuclear Power Reactors

■ 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 conformity assessment 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 to realize 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>

| Onagawa Unit 2 | Higashidori Unit 1 |
|--|--|
| <p>[Earthquake/Tsunami-related assessment]</p> <p>(1) The design-basis earthquake ground motions (Ss), conceivable maximum tsunami, faults within and around the premises, and volcanic effects were judged appropriate.</p> <p>(2) Next agenda will be the stability evaluations of ground and slope.</p> <p>[Plant-related assessment]</p> <p>(1) We are explaining that the reactor building and facilities do not have any issues with their seismic safety based on inspections and analysis results.</p> <p>(2) We presented our available dates for explanation of controversial issues to expedite the assessment process.</p> | <p>[Earthquake/Tsunami-related assessment]</p> <p>(1) The activity of the faults on the premises is under assessment.</p> <p>(i) f-2 fault just below the reactor building was judged to be inactive for the foreseeable future.</p> <p>(ii) As further detailed explanations of f-1 and m-a fault just below the seismic critical facilities were required, we conducted the additional survey, such as trenching and boring cores. The Nuclear Regulation Authority conducted an on-site survey regarding this matter in November 2017.</p> <p>(iii) Based on the results of the on-site survey, we have been enhancing explanatory materials.</p> <p>(2) The conceivable maximum tsunami is under assessment.</p> <p>[Plant-related assessment]</p> <p>We are preparing for assessment incorporating the findings obtained from other plants' assessments in a more advanced stages and from the Onagawa Unit 2 assessment.</p> |

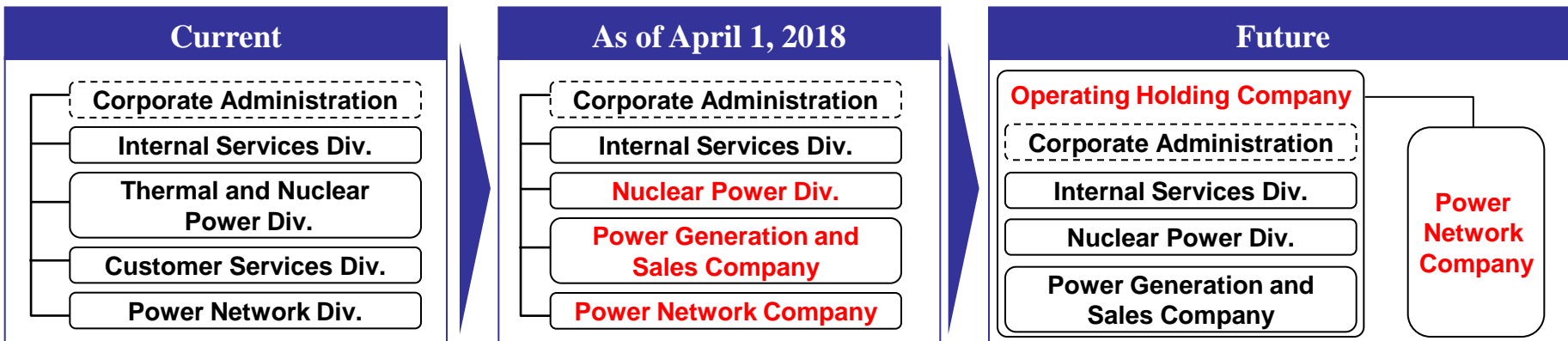
■ Introducing In-house Company System

- Positively confront intensifying competition resulting from retail deregulation and legal unbundling of transmission/distribution sectors scheduled for April 2020, we will introduce in-house company system in April 2018 and reorganize our business structure.
- The three divisions currently responsible for power generation, transmission/distribution and retailing will be reorganized into two in-house companies: Power Generation and Sales Company and Power Network Company.
- Each company will have its Company President and conduct autonomous business management through its own decision-making and business administration.
- After transmission/distribution sectors are unbundled, we will establish 2-company system: Power Network Company and Operating Holding Company that incorporates in-house Power Generation and Sales Company.

[Mission and Future Structure]

| Company Name | Mission |
|------------------------------------|---|
| Power Generation and Sales Company | Making maximum use of integrated operation of power generation and sales, this company will aim to enhance further competitiveness and profitability. (e.g. Optimum use of wholesale electricity market) |
| Power Network Company | This company will continue providing stable energy supply for its franchise area and securing neutrality and fairness. |

• Nuclear Power Division will be under the direct control of the management team because it is vital for Tohoku EPCO to conduct company-wide efforts to improve safety of Onagawa and Higashidori Nuclear Power Stations and gain the understanding from local communities.



Enhancing Corporate Governance by Revising Our Governance Framework

■ Enhancing Corporate Governance by Revising Our Governance Framework

- In line with introducing in-house company system, we decided to change our corporate governance structure to a “company with audit and supervisory committee” and revise our executive officer system.
- Through these changes, we aim to realize prompt management decisions as well as flexible implementation of various measures to expedite business operation and to reinforce supervisory functions at the same time.

Transition from a “company with audit and supervisory board ” to a “company with audit and supervisory committee”

| | |
|---------------|--|
| Outline | <ul style="list-style-type: none"> • The new structure permits operational matters determined by the Board of Directors to be delegated to Representative Directors and Executive Directors. • Increase in the ratio of outside directors within the Board of Directors would reinforce supervisory functions. |
| Revision date | After the approval at the 94 th General Meeting of Shareholders scheduled for June 2018. |

Revision of Executive Officer System

| | |
|---------------|--|
| Outline | <ul style="list-style-type: none"> • Prior to the transition to a “company with audit and supervisory committee”, we will revise our executive officer system to clarify the roles and responsibility of “Directors” in charge of decision-making and management oversight and of “Executive Officers” in charge of business execution as members of the Board of Directors to expedite business operation. |
| Revision date | April 1, 2018 |

References

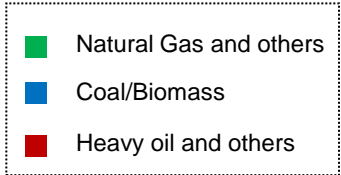
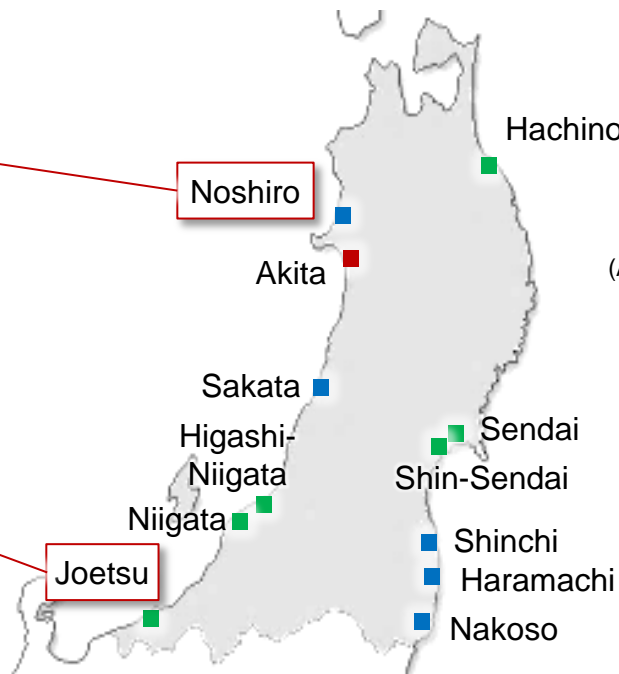
Enhancing Cost Competitiveness with Optimal Power Portfolio

■ Constructing Advanced Thermal Power Plants (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 enables 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: January 2016
 Output: 600 megawatts
 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 megawatts
 Thermal efficiency: approx. 63%
 (under design) [LHV standard]
 Fuel: LNG
 Start of operation: June 2023 (scheduled)



(Actual case) Enhanced cost competitiveness with highly efficient thermal power

[Sendai No.4](Shichigahama, Miyagi)
 Output increase: from 446 megawatts to 468 megawatts (from April 2017)

[Shin-Sendai No.3 Series](Sendai, Miyagi)
 Output increase: from 980 megawatts to 1,046 megawatts (from July 2017)



(as of December 31, 2017)

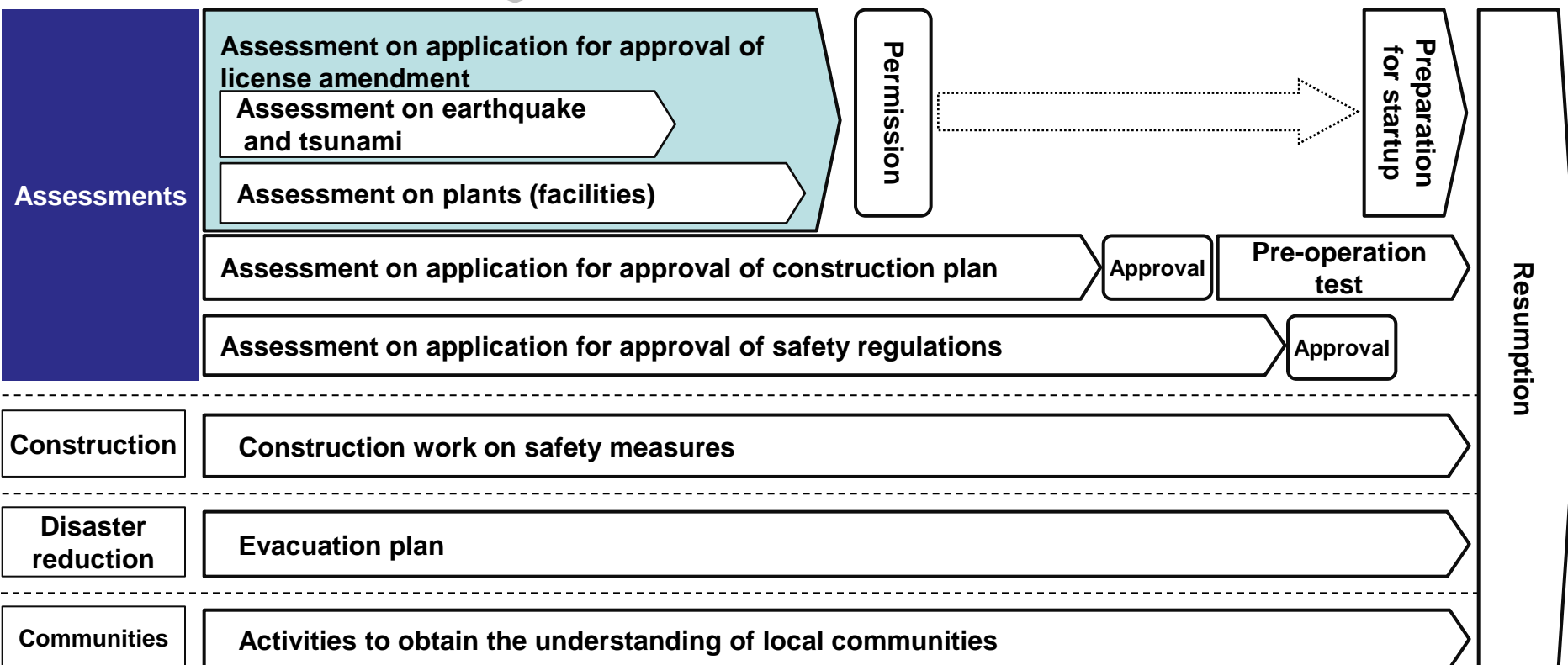
| | | FY2013 | FY2014 | FY2015 | FY2016 | FY2017 |
|--------------------|--------------------------------------|---|--|--|---|---|
| Onagawa Unit 2 | Assessment of plants (facilities) | ▼Application (Dec. 2013) | ▼On-site survey (Jan. 2015) | ▼Restart of assessments (from Apr. 2016) | | ▼On-site survey (Nov. 2017) |
| | Assessment of earthquake and tsunami | | ▼Full-fledged conformity assessments on BWR (Jul. 2014) | ▼[Start of intensive assessments on TEPCO's Kashiwazaki-Kariwa Units 6 and 7 (from Aug. 2015)] | ▼On-site survey (Jun. 2016) | 99 meetings in total |
| Higashidori Unit 1 | Assessment of plants (facilities) | | ▼Application (Jun. 2014) | | | 13 meetings in total |
| | Assessment of earthquake and tsunami | ▼Submission of report on additional geological survey (Jan. 2014) | ▼Completion of experts' evaluation statement (Mar. 2015) | ▼Start of hearing (from Jun. 2015) | ▼Supplementary survey of faults in the premises (from Oct. 2015) ▼Additional supplementary survey of faults in the premises (from Apr. 2016) | ▼On-site survey (Dec. 2016) ▼Additional survey of faults in the premises (from May 2017) |
| | | Experts Meeting on faults in the premises | | | | |

■ Conformity Assessments and Process of Resumption of Nuclear Power Reactors

(as of December 31, 2017)

- 26 units (11 companies including us) submitted applications for conformity assessments.
- Of them, 12 pressurized water reactors (PWR, 3 companies) were authorized permission of license amendment, and 5 of them were approved their safety and resumed operation.
- Concerning boiling water reactors (BWR), including our Onagawa Unit 2 and Higashidori Unit 1, Tokyo Electric Power Company Holdings, Inc.'s Kashiwazaki-Kariwa Unit 6 and 7 were authorized permission of license amendment in December 2017.

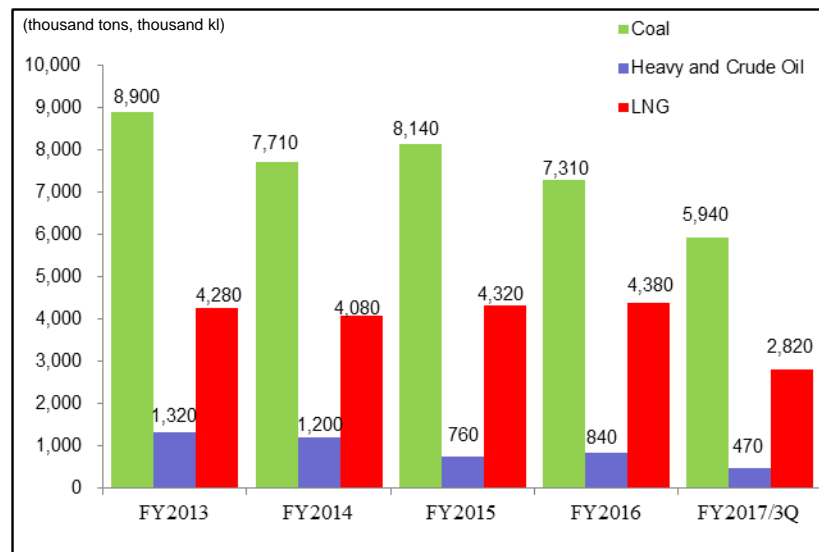
Our Onagawa Unit 2 and Higashidori Unit 1



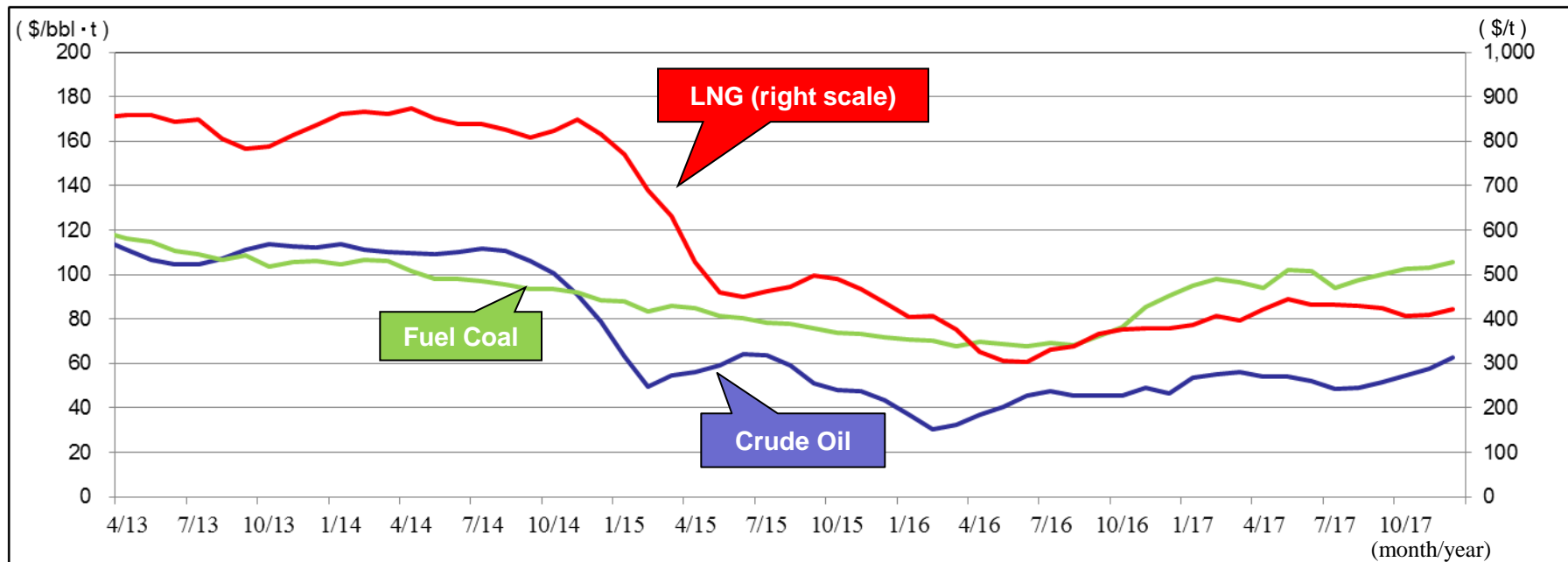
Fuel Consumption

(thousand tons, thousand kl)

| | FY2017/3Q (A) | FY2016/3Q (B) | Change (A) - (B) | (Reference) FY2016 |
|------------------------|------------------|------------------|---------------------|-----------------------|
| Coal | 5,940 | 5,690 | 250 | 7,310 |
| Heavy and Crude Oil | 470 | 610 | (140) | 840 |
| LNG | 2,820 | 2,960 | (140) | 4,380 |

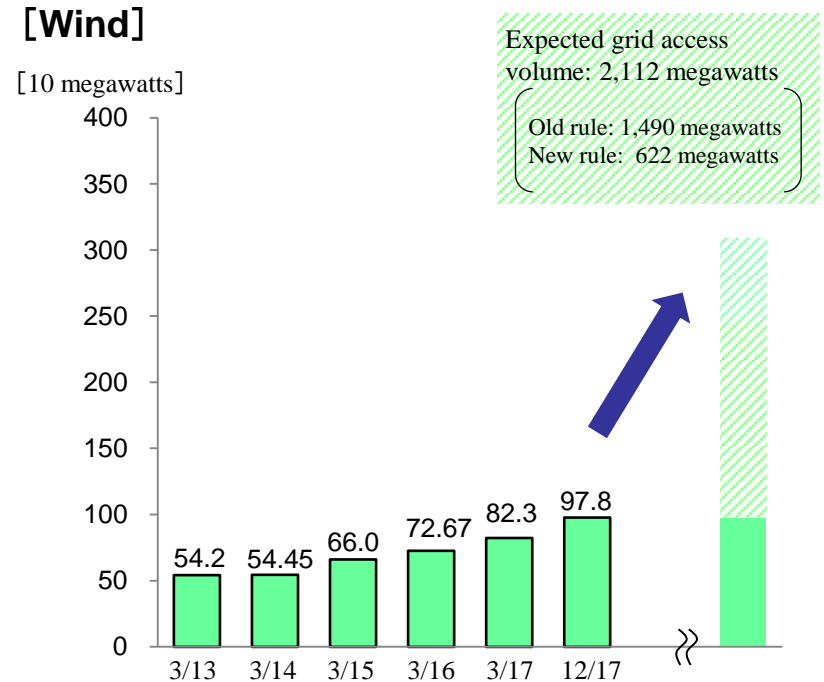
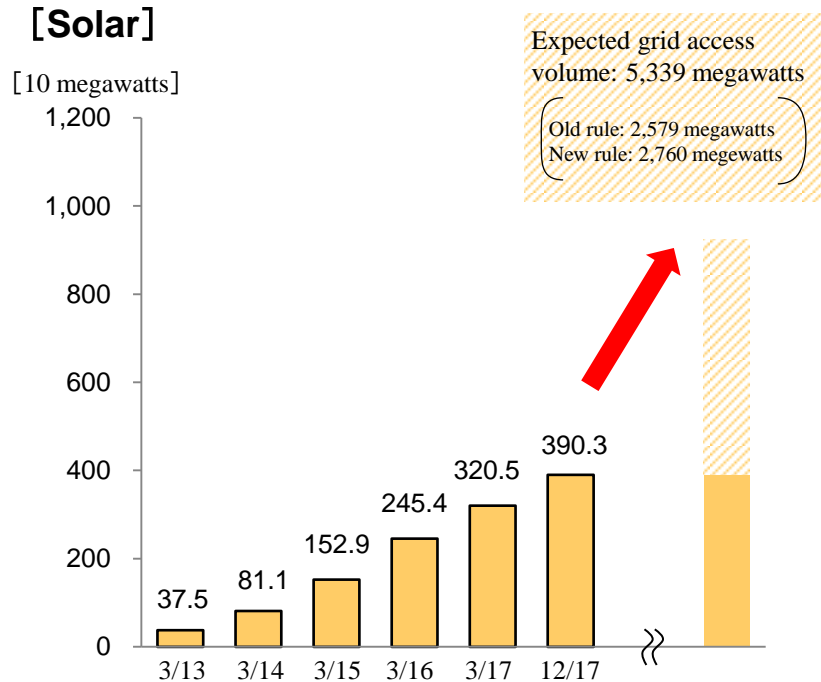


[Reference] Historical CIF Prices of Crude Oil, Fuel Coal and LNG



■ Current and Expected Grid Access Volume of Solar and Wind within our Service Area

(as of December 31, 2017)



* Since figures are rounded off, totals may not equal the sum of individual figures.

■ Making Efforts to Enlarge Grid Connection Capacity in the North Tohoku Region

- We have been receiving an enormous volume of grid-connection applications from power generators in the northern part of Tohoku, which exceeds the heat capacity of trunk lines connecting the north and south of Tohoku. For this reason, additional enhancement of grid facilities is needed to enlarge grid connection capacity in the region.
- Based on the fact above, the Organization of Cross-regional Coordination of Transmission Operators (OCCTO) began offering process for grid access in the north Tohoku region in October 2016. This process is to recruit power generators up to 2.8 gigawatts who should jointly share the construction cost for building new grid facilities to attain the grid access.
- As a power transmission and distribution business operator, we will construct a new 500 kV trunk line while fully leveraging the existing facilities. We are committed to expanding grid connection capacity wherever possible.

(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.