

Financial Summary FY2021

(April 1, 2021 – March 31, 2022)

April 28, 2022

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

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Key points of financial results and forecasts

Financial Result for FY2021

Decrease in revenue and income (First time in 5 years since FY2016)

- Operating revenue : Impact of the adoption of Accounting Standard for Revenue Recognition
- Ordinary Income : Impact of the time lag between fuel cost and fuel cost adjustment charges, rising JEPX prices and supply and demand due to the earthquake off the coast of Fukushima Prefecture

Financial and Dividend Forecast for FY2022

Undecided

Summary of Financial Results

- **Operating revenue** **¥2,104.4 billion** **(a year on year decrease of ¥182.3 billion)**
 - Operating revenue decreased due to the impact of the adoption of Accounting Standard for Revenue Recognition.
- **Ordinary income** **-¥49.2 billion** **(a year on year decrease of ¥116.7 billion)**
 - Ordinary income decreased due to an impact of the time lag between fuel cost and fuel cost adjustment charges caused by soaring fuel prices, an increase in procurement costs resulting from rising JEPX prices and the shutdown of thermal power stations damaged by the earthquake off the coast of Fukushima Prefecture.
- **Net Income Attributable to Owners of Parent** **-¥108.3 billion** **(a year on year decrease of ¥137.7 billion)**
 - Gain on sales of securities (stocks of group companies) was recorded as extraordinary income.
 - Costs for restoration of facilities damaged by the earthquake off the coast of Fukushima Prefecture in March 2022 and loss on return of imbalance income and expenditure were recorded as extraordinary loss.
 - In addition, income taxes-deferred increased due to a partial reversal of deferred tax assets based on recent business performance trends.

【Summary of Consolidated Financial Statements】

(billions of yen)

	FY2020 (A)	FY2021 (B)	Change (B) - (A)	Change (B) / (A)
Operating Revenue*1	2,286.8	2,104.4	(182.3)	92.0 %
	[1,867.2]	[2,104.4]	[237.1]	[112.7 %]
Ordinary Income*1	67.5	(49.2)	(116.7)	-
	[53.5]	[56.7]	[3.2]	[106.1 %]
Net Income Attributable to Owners of Parent	29.3	(108.3)	(137.7)	- %
Consolidated Cash Income*2	302.3	257.3	(45.0)	85.1 %

*1 Lower figures of operating revenue are based on Accounting Standard for Revenue Recognition. Grant under act on purchase of renewable energy sourced electricity and surcharge for promoting renewable energy sourced electricity based on Feed-in Tariff Scheme for renewable energy, which were previously recorded as operating revenue, will no longer be recorded.

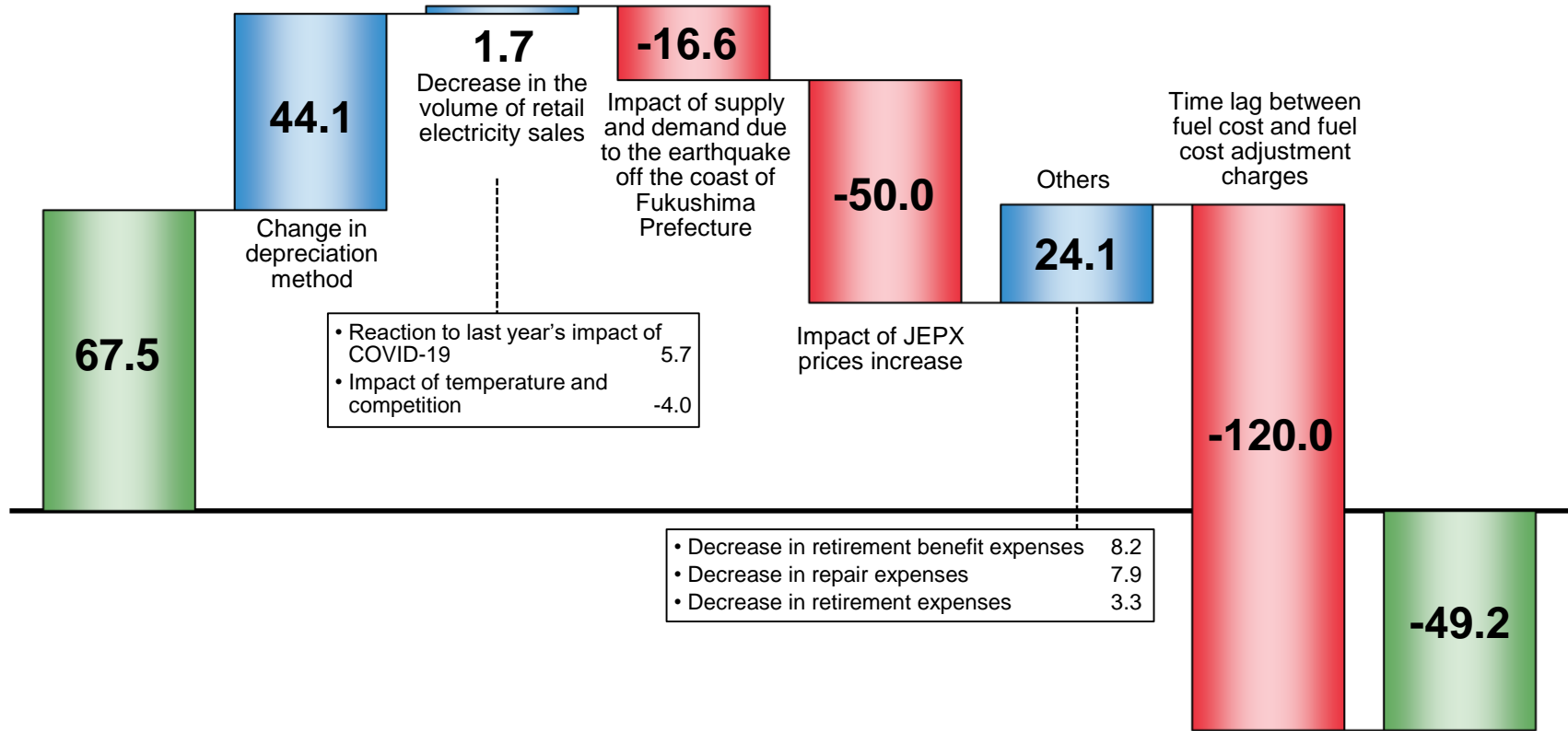
Those of ordinary income exclude time lag between fuel cost and fuel cost adjustment charges.

*2 Consolidate Cash Income = Operating income + Depreciation + Amortization of nuclear fuel + Share of profit of entities accounted for using equity method
(Operating income doesn't include time lag between fuel cost and fuel cost adjustment charges.)

Changing Factors in Consolidated Ordinary Income from the Corresponding Period Last Year

Decrease of -116.7 Billion Yen (67.5 → -49.2)

(billions of yen)



- Reaction to last year's impact of COVID-19 5.7
- Impact of temperature and competition -4.0

- Decrease in retirement benefit expenses 8.2
- Decrease in repair expenses 7.9
- Decrease in retirement expenses 3.3

FY2020

Ordinary income excluding time lag between fuel cost and fuel cost adjustment charges **53.5**

Impact excluding Time lag between fuel cost and fuel cost adjustment charges : increase of about 3.2 billion yen

FY2021

Ordinary income excluding time lag between fuel cost and fuel cost adjustment charges **56.7**

- **Retail electricity sales** **67.3 TWh (a year on year increase 1.4 TWh)**
Retail electricity sales volume increased due to a rebound from a significant decrease in the previous year due to the impact of COVID-19.
- **Wholesale electricity sales** **16.7 TWh (a year on year increase 0.1 TWh)**
Wholesale electricity sales volume increased due to a decrease in JEPX transaction resulting from the shutdown of thermal power stations damaged by the earthquake off the coast of Fukushima Prefecture and a increase in wholesale in our franchise area.

(GWh)

Electricity Sales*1	FY2020 (A)	FY2021 (B)	Change (B) - (A)	Change (B) / (A)
Lighting (Residential)	21,969	20,990	(979)	95.5 %
Power	43,983	46,356	2,373	105.4 %
Retail Electricity Sales*2	65,952	67,346	1,394	102.1 %
Wholesale Electricity Sales*3	16,571	16,718	147	100.9 %
Total of Electricity Sales	82,523	84,064	1,541	101.9 %

*1 Individual figures of Tohoku Electric Power Co., Inc., excluding network business.

*2 Retail Electricity Sales includes electric power for business use.

*3 Wholesale Electricity Sales includes the volume of specified power interchange.

(billions of yen)

Major Factors	FY2020 (A)	FY2021 (B)	Change (B) - (A)
Crude Oil CIF Price (\$/bbl.)	43.4	77.2	33.8
Exchange Rate (¥/\$)	105	112	7
Hydro Power Flow Rate (%)	96.1	96.2	0.1
Nuclear Power Utilization Rate (%)	-	-	-

Sensitivity to Major Factors	FY2020 (A)	FY2021 (B)	Change (B) - (A)
Crude Oil CIF Price (per \$1/bbl.)	19	23	4
Exchange Rate (per ¥1/\$)	23	38	15
Hydro Power Flow Rate (per 1%)	6	10	4

Electricity Supply

Electricity Supply*1		FY2020 (A)	FY2021 (B)	Change (B) - (A)	Change (B) / (A)
Own Generated Power*2		59,513	60,532	1,019	101.7 %
Hydro		7,897	8,028	131	101.7 %
Thermal		50,913	51,891	978	101.9 %
Nuclear		-	-	-	-
Renewables		703	612	(91)	87.0 %
Power Interchanges*3	Received	33,417	32,306	(1,111)	96.7 %
	Transmitted	(6,444)	(4,575)	1,869	71.0 %
Used at Pumped Storage and others		(107)	(314)	(207)	292.8 %
Total of Electricity Supply*3		86,379	87,949	1,570	101.8 %

*1 Individual figures of Tohoku Electric Power Co., Inc., excluding network business.

*2 "Own Generated Power" shows sending end (electric power generated by the generator minus the electric power used in the power station).

*3 "Power Interchanges" and "Total of Electricity Supply" partly include projected volume.

Segment Information (Consolidated)

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(billions of yen)

	FY2020(A)		FY2021(B)		Change (B) - (A)		Major factors for change
	Operating Revenue*	Ordinary Income	Operating Revenue*	Ordinary Income	Operating Revenue*	Ordinary Income	
Power Generation and Sales	1,735.5	13.9	1,602.8	(83.0)	(132.7)	(96.9)	<ul style="list-style-type: none"> Operating revenue decreased by ¥317.0 billion due to the adoption of the Accounting Standard for Revenue Recognition. Ordinary income decreased due to an impact of the time lag between fuel cost and fuel cost adjustment charges, rising JEPX prices and the earthquake off the coast of Fukushima Prefecture.
	1,648.9		1,498.1		(150.8)		
Network	853.9	40.9	793.1	40.9	(60.8)	0.0	<ul style="list-style-type: none"> Operating revenue decreased by ¥135.2 billion due to the adoption of the Accounting Standard for Revenue Recognition. Ordinary income increased due to a decrease in depreciation resulting from change in depreciation method.
	421.0		348.9		(72.1)		
Construction	271.1	10.3	299.9	11.7	28.7	1.3	<ul style="list-style-type: none"> Ordinary income increased due to increases in power distribution and nuclear power improvement construction.
	130.5		157.4		26.8		
Others	208.1	10.7	207.3	10.0	(0.8)	(0.7)	<ul style="list-style-type: none"> Ordinary income decreased due to higher raw material costs in gas business.
	86.2		99.9		13.7		
Subtotal	3,068.8	76.0	2,903.2	(20.3)	(165.6)	(96.3)	
Adjustment	(782.0)	(8.4)	(798.8)	(28.8)	(16.7)	(20.3)	
Total	2,286.8	67.5	2,104.4	(49.2)	(182.3)	(116.7)	

* Lower figures of operating revenue are sales to outside customers.

Results of Major Consolidated Subsidiaries

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(billions of yen)

			FY2020(A)	FY2021(B)	Change (B)-(A)	Note
Power generation and Sales	Sakata Kyodo Power Co., Ltd.	Operating Revenue	29.0	46.5	17.4	Increase in electricity sales
		Ordinary Income	0.3	0.3	(0.0)	
	Tohoku Sustainable & Renewable Energy Co., Inc.	Operating Revenue	8.9	9.1	0.1	Increase in sales of Feed-in Tariffs for hydroelectric power generation
		Ordinary Income	1.6	1.9	0.2	Decrease in depreciation due to change in depreciation method
Construction	YURTEC CORP.	Operating Revenue	186.9	206.9	20.0	Increase in power distribution work for Tohoku Electric Power Network
		Ordinary Income	8.0	9.5	1.5	
	Tohoku Electric Power Engineering & Construction Co., Inc.	Operating Revenue	65.6	68.2	2.5	Increase in nuclear improvement construction and general construction work
		Ordinary Income	1.5	2.4	0.9	
Others	NIHONKAI LNG CO., LTD.	Operating Revenue	12.9	14.3	1.4	Increase in LNG purchase price (revenue) Discrepancy between LNG purchase price and sales price (income)
		Ordinary Income	0.9	0.4	(0.5)	
	Tohoku Intelligent Telecommunication Co., Inc.	Operating Revenue	23.5	24.2	0.7	Increase in new demand for general Decrease in depreciation
		Ordinary Income	2.2	3.5	1.2	
	Toinx Co., Ltd.	Operating Revenue	23.6	19.2	(4.3)	Decrease in facility utilization services for Tohoku Electric Power Decrease in solution services for Tohoku Electric Power Network
		Ordinary Income	0.9	0.9	0.0	
	Kitanihon Electric Cable Co., Ltd.	Operating Revenue	27.6	30.0	2.4	Increase in sales of wires for general use
		Ordinary Income	0.2	0.6	0.4	

* The amounts before elimination of inter-company transaction

Balance Sheets (Consolidated)

(billions of yen)

	Mar. 31, 2021 (A)	Mar. 31, 2022 (B)	Change (B) - (A)	Major factors for change
Total Assets	4,471.0	4,725.6	254.5	
Non-current Assets	3,731.3	3,809.1	77.7	
Current Assets	739.7	916.5	176.7	Cash and deposits : 69.4
Total Liabilities	3,569.5	3,946.6	377.1	
Non-current Liabilities	2,518.1	2,754.0	235.8	Bonds : 155.0 Long-term loans : 77.3
Current Liabilities	1,051.4	1,192.5	141.1	Notes and accounts payable - trade :80.3
Net Assets	901.5	778.9	(122.5)	
Interest-Bearing Liabilities	2,433.2	2,760.3	327.1	Bonds : 180.0 Loans : 74.1 CP : 73.0
Equity Ratio	18.5%	14.8%	(3.7%)	
	FY2020 (A)	FY2021 (B)	Change (B) - (A)	
Capital Expenditure	309.1	311.4	2.2	

Statements of Income (Consolidated)

(billions of yen)

	FY2020 (A)	FY2021 (B)	Comparison	
			(B) - (A)	(B) / (A)
Operating Revenue	2,286.8	2,104.4	(182.3)	92.0 %
Electric utility	2,067.0	1,840.3	(226.7)	89.0 %
Other business	219.7	264.1	44.3	120.2 %
Operating Expenses	2,198.8	2,133.1	(65.6)	97.0 %
Electric utility	1,995.6	1,888.5	(107.1)	94.6 %
Other business	203.2	244.6	41.4	120.4 %
Operating Income	87.9	(28.7)	(116.6)	-
Non-operating income	6.1	5.5	(0.5)	91.2 %
Non-operating expenses	26.5	26.0	(0.4)	98.2 %
Ordinary (Loss) Income	67.5	(49.2)	(116.7)	-
Provision or reversal of reserve for fluctuation in water levels	-	0.0	0.0	-
Extraordinary Income	-	7.5	7.5	-
Extraordinary loss	13.0	26.4	13.4	203.3 %
Income taxes	21.5	35.7	14.2	166.0 %
Net (loss) income attributable to non-controlling interests	3.5	4.3	0.7	122.1 %
Net (loss) income attributable to owners of parent	29.3	(108.3)	(137.7)	-

Statements of Income (Consolidated)

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(billions of yen)

		FY2020 (A)	FY2021 (B)	Change (B) - (A)	Change (B) / (A)	Major factors for change	
Revenue	Electric utility operating revenue	Revenue from Electricity Sales	1,236.4	1,182.3	(54.0)	95.6%	Decrease due to adoption of Accounting Standard for Revenue Recognition
		Lighting (Residential)	528.5	494.3	(34.2)	93.5%	Decrease rates for regulated menu items
		Power	707.8	688.0	(19.8)	97.2%	
		Sales of power to other utilities and other companies	435.1	534.0	98.9	122.7%	Increased wide-area transmission of thermal power due to higher fuel prices Increase in wholesale in our franchise area (including continuous backup)
		Grant under Act on Purchase of Renewable Energy Sourced Electricity	254.0	-	(254.0)	-	Decrease due to adoption of Accounting Standard for Revenue Recognition
		Other revenue	141.4	123.8	(17.5)	87.6%	
	Sub total	2,067.0	1,840.3	(226.7)	89.0%		
	Other operating revenue	219.7	264.1	44.3	120.2%		
	[Operating Revenue]	[2,286.8]	[2,104.4]	[(182.3)]	[92.0%]		
	Non operating revenue	6.1	5.5	(0.5)	91.2%		
Total revenue	2,292.9	2,110.0	(182.8)	92.0%			
Expenses	Electric utility operating expenses	Personnel	148.8	136.3	(12.5)	91.6%	
		Fuel	282.4	484.2	201.8	171.5%	Increase in CIF price
		Maintenance	160.5	152.6	(7.9)	95.1%	
		Depreciation	207.1	161.4	(45.6)	78.0%	Decrease due to change in depreciation method
		Power purchased from other utilities and other companies	751.6	674.4	(77.1)	89.7%	Decrease due to adoption of Accounting Standard for Revenue Recognition
		Taxes, etc.	83.2	84.9	1.6	102.0%	
		Nuclear power back-end cost	7.5	7.8	0.2	102.9%	
		Levy under Act on Purchase of Renewable Energy Sourced Electricity	165.6	-	(165.6)	-	Decrease due to adoption of Accounting Standard for Revenue Recognition
		Other expenses	188.5	186.5	(1.9)	99.0%	
	Sub total	1,995.6	1,888.5	(107.1)	94.6%		
	Other operating expenses	203.2	244.6	41.4	120.4%		
	Non operating expenses	26.5	26.0	(0.4)	98.2%		
Total expenses	2,225.3	2,159.2	(66.1)	97.0%			
[Operating Income]	[87.9]	[(28.7)]	[(116.6)]	[-]			
Ordinary Income	67.5	(49.2)	(116.7)	-			
Provision or reversal of reserve for fluctuation in water levels	-	0.0	0	-			
Extraordinary Income	-	7.5	7.5	-	Gain on sales of securities (Stocks of group companies)		
Extraordinary loss	13.0	26.4	13.4	203.3%	The earthquake off the coast of Fukushima Prefecture in March 2022 Loss on return of imbalance income and expenditure		
Income taxes	21.5	35.7	14.2	166.0%	Reversal of deferred tax assets		
Income attributable to non-controlling interests	3.5	4.3	0.7	122.1%			
Profit attributable to owners of parent	29.3	(108.3)	(137.7)	-			

Statements of Cash Flows (Consolidated)

(billions of yen)

	FY2020 (A)	FY2021 (B)	Change (B) - (A)	Major factors for change
Cash Flows from Operating Activities	217.6	97.1	(120.4)	
Cash Flows from Investing Activities	(254.9)	(322.1)	(67.2)	
Cash Flows from Financing Activities	(5.7)	293.2	299.0	Bonds : 134.8 Loan : 118.2 CP : 46.0
Net Cash Flows	(42.7)	68.8	111.5	
Cash and cash equivalents at end of the period	209.5	278.4	68.8	
Free Cash Flows*	(22.6)	(211.5)	(188.8)	

*Our definition;

Free Cash Flows = (Cash Flows from Operating Activities) + (Cash Flows from Investing Activities) – (Interest and dividend income) – (Interest expenses)

Dividend for FY2021 / Financial and Dividend Forecast for FY2022

■ Dividend for FY2021

Our dividend policy is based on the payment of stable dividends, which are determined by comprehensively taking into account the financial results and the medium- to long-term outlook for income and expenditure for the fiscal year under review.

In addition to the impact of the time lag between fuel cost and fuel cost adjustment charges caused by soaring fuel prices and the impact of the earthquake off the coast of Fukushima Prefecture in February last year and March this year, as well as the partial reversal of deferred tax assets, we recorded a significant loss for this fiscal year.

In consideration of these circumstances, we have decided to pay a year-end dividend of 15 yen per share for FY2021.

As a result, the annual dividend for FY2021, including the interim dividend of 20 yen per share, will be 35 yen per share.

■ Consolidated Financial Forecast for FY2022

The financial forecast for FY2022 is undecided because it is difficult to make a reasonable estimate at this time due to the uncertainty of fuel price trends caused by the worsening situation in Ukraine and the need to closely scrutinize the timing of restoration of thermal power stations damaged by the earthquake off the coast of Fukushima Prefecture in March of this year.

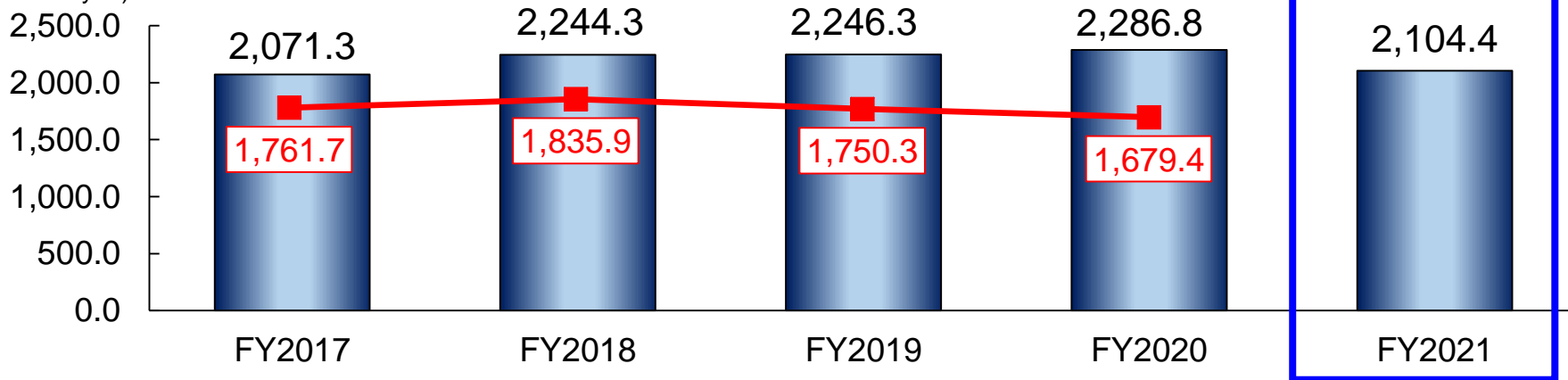
It will be promptly disclosed as soon as certain conditions are met and we can reasonably assess the estimate, after a close examination of fuel price trends and the timing of restoration of thermal power stations.

■ Dividend Forecast for FY2022

Since it is difficult to reasonably assess the forecast of financial result, both the interim and year-end dividends have yet to be determined.

Operating Revenue

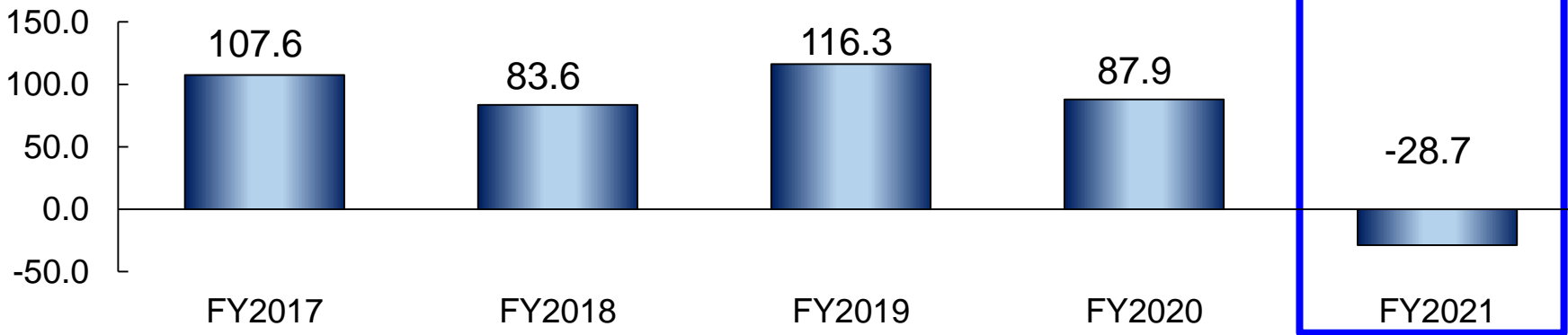
(billions of yen)



Note : Red line shows operating revenue (consolidated) excluding grant under act on purchase of renewable energy sourced electricity, the surcharge for promoting renewable energy sourced electricity, and the self-contracted portion due to indirect auction, etc. FY2021 is after the application of the "Accounting Standard for Revenue Recognition."

Operating Income

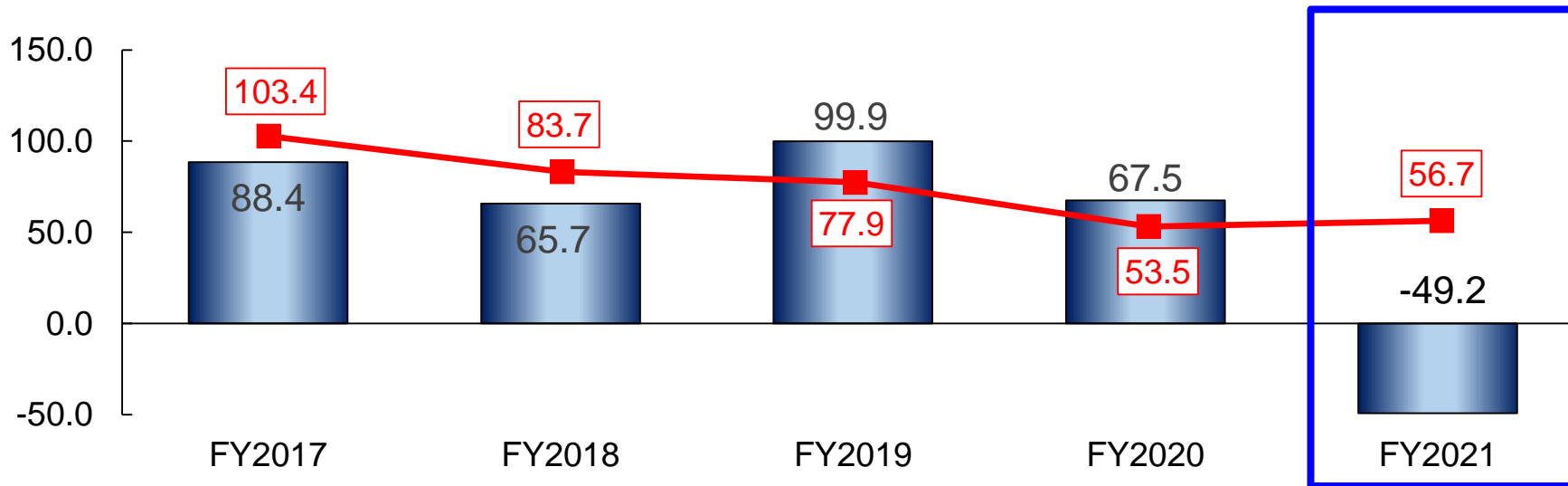
(billions of yen)



	FY2017	FY2018	FY2019	FY2020	FY2021
Operating Income on Operating Revenue Ratio (Consolidated basis)	5.2%	3.7%	5.2%	3.8%	-
Operating Income on Operating Revenue Ratio using above red line (Consolidated basis)	6.1%	4.6%	6.6%	5.2%	-

■ Ordinary Income

(billions of yen)



Note : Red line shows operating revenue (consolidated) excluding time lag between fuel cost and fuel cost adjustment charges.

■ Net Income or Net Income Attribute to Owners of Parent

(billions of yen)

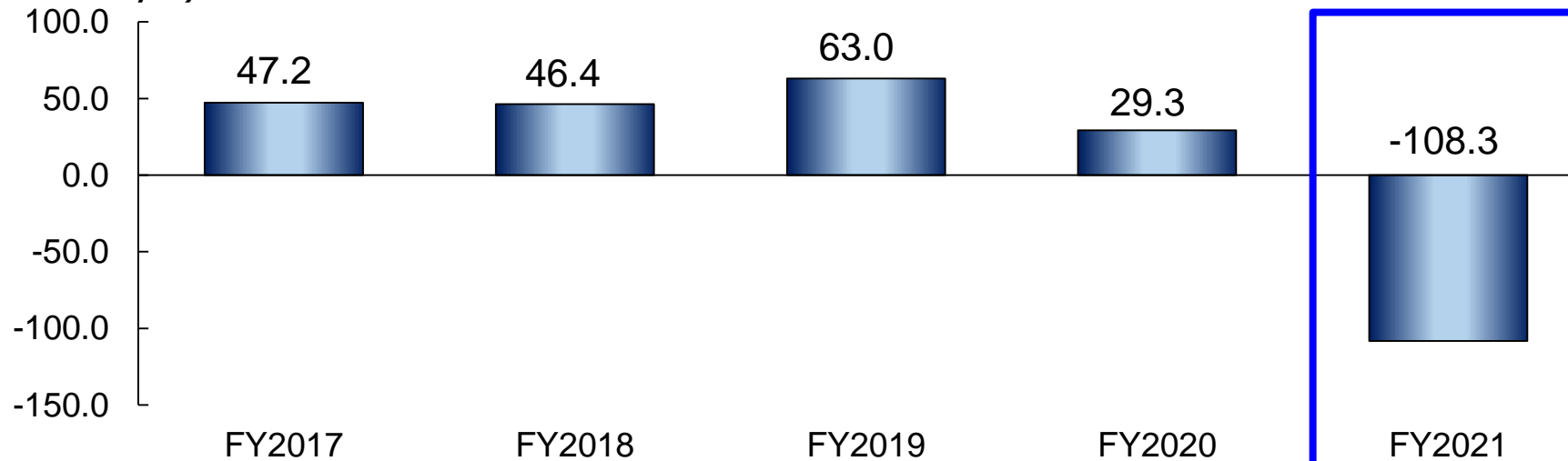
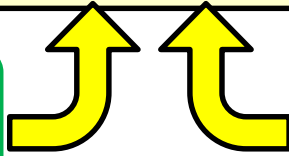


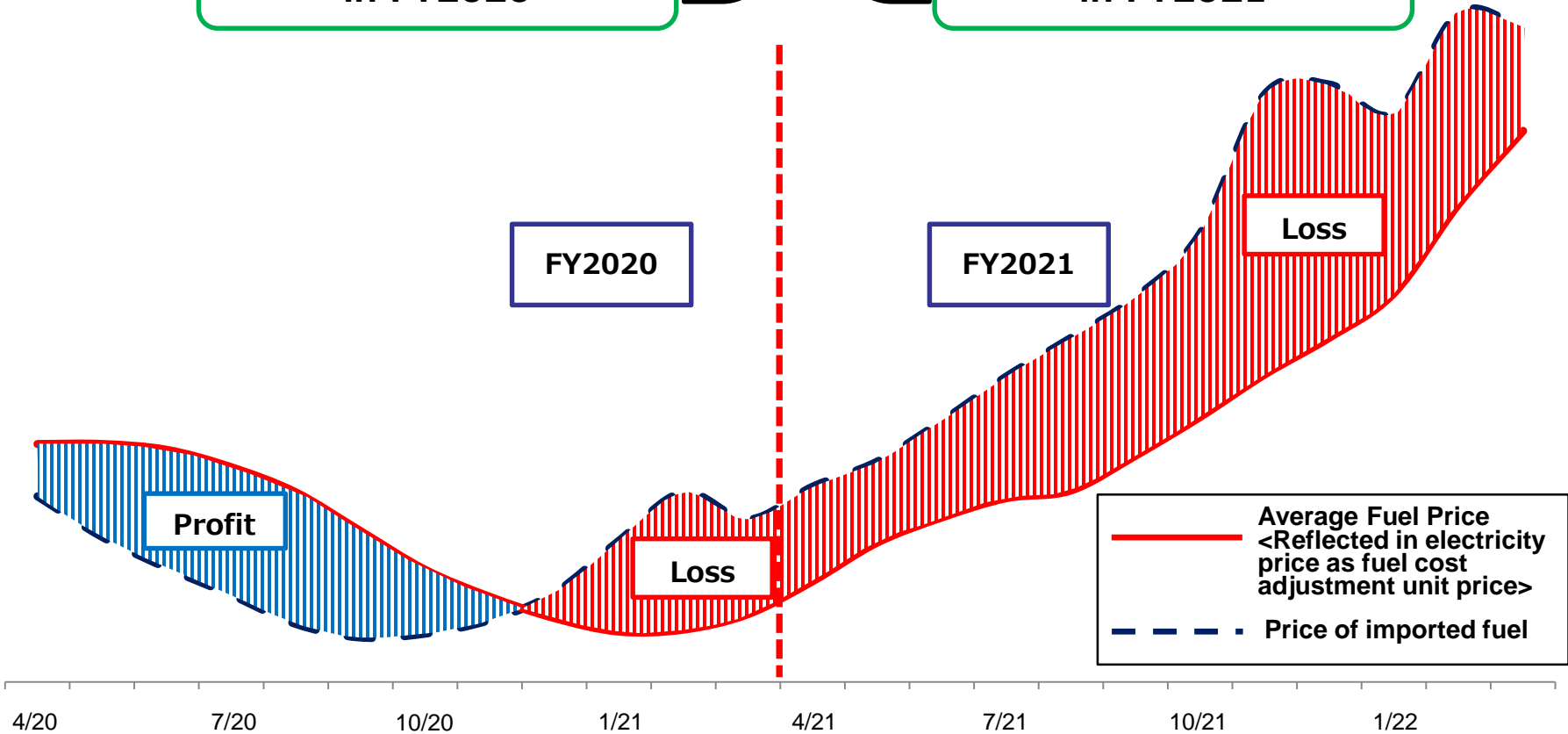
Image of Time Lag Effect

The effect of pushing down income by about **120.0 billion yen** compared to the previous year due to the upward trend in fuel prices

Profit of 14.0 billion yen
in FY2020



Loss of 106.0 billion yen
in FY2021



Retail Electricity Sales Volume by Month

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(GWh)

	FY2021												
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Lighting (Residential)	1,806	1,581	1,211	1,290	1,588	1,412	1,262	1,526	1,931	2,694	2,428	2,261	20,990
Power	3,600	3,512	3,712	3,957	4,072	3,768	3,674	3,646	3,925	4,314	4,160	4,015	46,356
Retail Electricity Sales	5,407	5,093	4,923	5,246	5,660	5,180	4,936	5,172	5,857	7,008	6,588	6,276	67,346

(GWh)

	FY2020												
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Lighting (Residential)	2,043	1,664	1,307	1,310	1,500	1,639	1,422	1,554	1,939	2,880	2,425	2,287	21,969
Power	3,465	3,234	3,414	3,542	3,726	3,813	3,559	3,459	3,796	4,196	3,930	3,848	43,983
Retail Electricity Sales	5,508	4,899	4,721	4,852	5,226	5,452	4,982	5,013	5,734	7,076	6,355	6,135	65,952

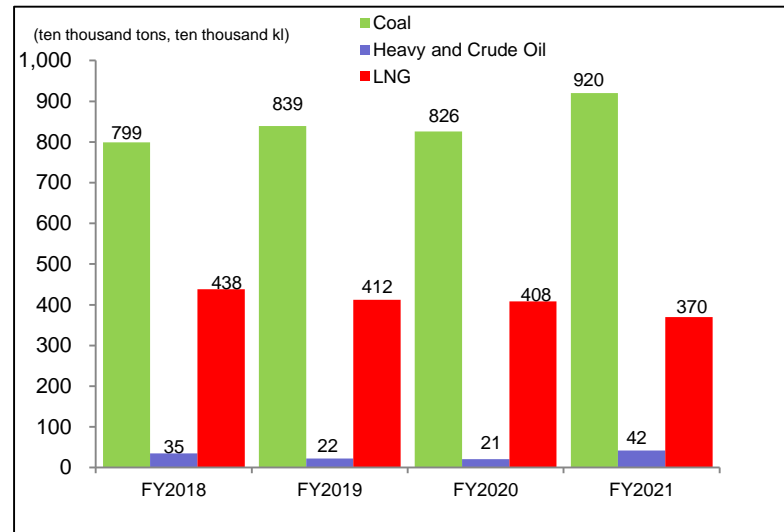
*Total may not match due to rounding.

Fuel Consumption Results

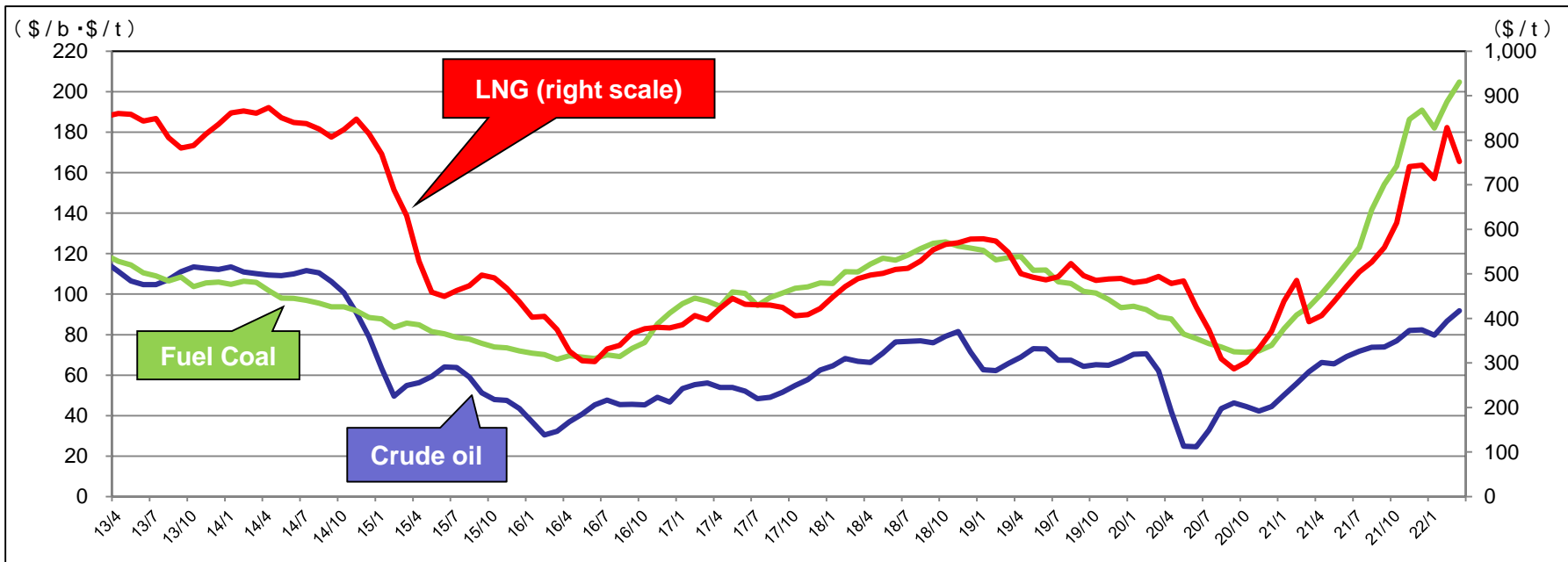
Fuel Consumption

	FY2020 (A)	FY2021 (B)	Change (B) - (A)
Coal (ten thousand tons)	826	920	94
Heavy and Crude Oil (ten thousand kl)	21	42	21
LNG (ten thousand tons)	408	370	(38)

*Above figures are fuel consumption of Tohoku EPCO and remote island



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



Topics

Highlight 1. Change

Thorough enhancement of competitiveness through drastic reforms to our power supply business

■ Renewable energy

- Participated in 27 development projects. In case that all the projects are operationalized, the ownership capacity is about 600 MW. (As of the end of March, 2022)
- As for those projects that started its operation in FY2021, the ownership capacity is about 130 MW.
- Tohoku Electric Power Renewable Energy Service Co., Inc., established to handle renewable energy O&M business. (April)

■ Nuclear power

(Onagawa Nuclear Power Station Unit 2)

- Approval for construction plan (December)
- Application for approval of license amendment of Special Facility for Severe Accident Management (January 2022)
- Announcement of rescheduling of completion date of construction work on safety measures (March 2022)
- Application for Pre-Service Checking to conduct Pre-Service Operator Inspections (March 2022)

■ Fuel purchasing, Thermal power, Wholesale

- Joetsu Thermal Power Station Unit 1 started its operation as a test run. (March 31, 2022)
- Countermeasures such as optimizing supply and demand have been implemented, which led to cost reduction. (Optimum vessel assignment under a long-term LNG contract, Making use of short-term contract considering the current situation of the fuel market, and so forth)

■ Tohoku Electric Power Network

- Strengthening resilience (Collaboration agreement with NTT East Japan was concluded. Agreement on mutual cooperation with 2nd and 9th Regional Coast Guard Headquarters in case of emergency such as disasters was concluded.)
- Streamlining (Established Kaizen Promotion Committee, initiated by the Vice President as CKO (Chief Kaizen Officer), Integration of load dispatching center. (Load dispatching center in Aomori and Miyagi were integrated.)
- Enhancement of Network (Efforts towards realizing optimal control over supply and demand combining renewable energy, storage batteries, and EMS)

Highlight 2. Challenge

Attempt to quickly achieve profitability with our smart society building business

- **Establishment of a new company leading the smart society building business**
 - Electricity + Combined Service Package Menu (Tohoku EPCO Frontier's "Simple Denki with Netflix", and various menus to enrich your life)(from November)
- **Services for Households**
 - Covered area of "Support for living safe" (plan for individual houses), a housing equipment repair service, was expanded (August), and the same service for condominiums is also available. (February)
 - Rates and plans combining power and gas such as Tobu Gas and Shiogama Gas started to be offered in June and November, respectively.
- **Corporate Services**
 - Solutions for the Next, a website offering solutions services, launched. (November)
 - Creation and energy-saving indoor farm system, a solution service to help retailers and farmers achieve sustainable agriculture, is launched. (November)
- **Next-generation Energy Service**
 - Verification business of renewable energy aggregation started.
 - Business alliance with a house maker related to Aozora Charge Service (solar power and storage batteries service under a PPA, provided by Tohoku Electric Power Solar e-Charge), Expansion of service to Kanto area

Highlight 3. Create

Evolve our management base, which supports the creation of our corporate value

- **Environment**
 - Reduction target of CO2 emission for FY2030 and specific measures is formulated and unveiled to accelerate the implementation of "Tohoku Electric Power Group Carbon Neutral Challenge 2050"
 - Development of renewable energy by using green loan, and purchasing funds for renovation steadily.
- **Social**
 - Disseminating message from the President and diversity promotion.
 - Aiming for nurturing self-sustaining human resources, a new education platform called T-next using AI starts to be operated.
- **Governance**
 - "Tohoku Electric Power Group Sustainability Policy" is set out, and sustainability promotion scheme is arranged.

➤ We steadily implemented initiatives to improve safety while obtaining the understanding of the local communities.

■ Onagawa Nuclear Power Station

Conformity assessment	① Permission for application for approval of license amendment (February 26, 2020) ② Approval for construction plan (December 23, 2021) ③ The application for approval of safety regulations is currently being prepared for amendment.
Construction work on safety measures	Currently, additional ground improvement work for seawalls, installation of venting equipment for containment vessels with filters and earthquake resistant reinforcement construction on pressure control room are underway with the aim of completing the work in November 2023.
Pre-Service Operator Inspections	On March 30, an application for Pre-Service Checking was submitted to the Nuclear Regulation Authority. The main inspection process is as follows. <ol style="list-style-type: none"> 1. Inspections during the fuel bundles insertion by November 2023 2. Inspections at the beginning stage of criticality reaction operations by February 2024 3. Inspections at the time of construction completion by April 2024. After the inspection described in "2", the reactor start-up operation will be performed. Based on other companies' examples and our past performance, the timing of the generators running in parallel after that is assumed to be February 2024.



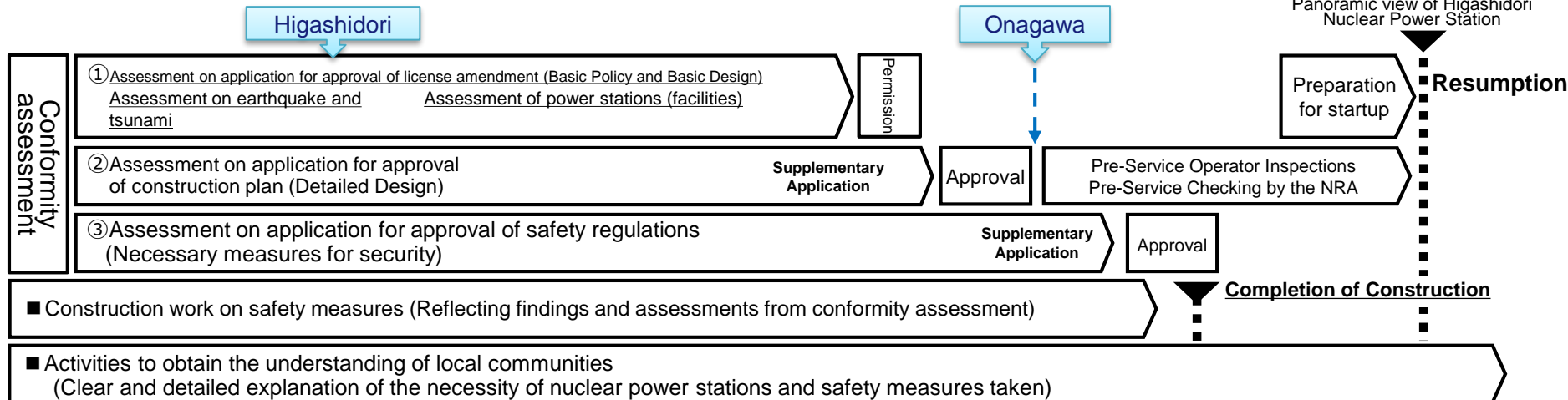
Sea wall 29m above sea level of Onagawa Nuclear Power Station

■ Higashidori Nuclear Power Station

Conformity assessment	① Currently, the review of the assessment of earthquake and tsunami is underway. *Assessment of ground motion and tsunami standards is underway.
Construction work on safety measures	Currently earthquake resistant construction and installation of venting equipment for containment vessels with filters and emergency response facilities are underway with the aim of completing the work in FY2024.



Panoramic view of Higashidori Nuclear Power Station



Under construction

(As of December 2021)

	Project Name	Output	Scheduled Commercial Operation Date
Offshore Wind	① Tsugaru Offshore Wind	Approx.480MW	After FY2028
	② Happo-Noshiro Offshore Wind	Approx.356MW	After FY2028
	③ Akita and Noshiro Port Offshore Wind	Approx.140MW	2022
Onshore Wind	④ Fukaura Wind	Approx.70MW	After FY2024
	⑤ Noshiro-Yamamoto Regional Wind	Approx.100MW	After FY2023
	⑥ Oritsumedake South 1 Wind	Approx.44MW	Jan. 2023
	⑦ Inaniwa Takko Wind	Approx.100MW	After FY2025
	⑧ Inaniwa Wind	Approx.100MW	After FY2025
	⑨ Shiroishi Kosugo Wind	Approx.38MW	After FY2024
	⑩ Southern Abukuma Wind	Approx.90MW	After FY2025
	⑪ Tabito Central Windfarm	Approx.54.6MW	After FY2027
	⑫ Inego-Toge Windfarm	Approx.79.8MW(Max)	After FY2027
	⑬ Miyagi Kami Windfarm	Approx.42MW	April 2024
	⑭ Takko Wind (tentative name)	Approx.75.6MW(Max)	After FY2027
	⑮ Shimokita	Approx.96MW	After FY2027
	⑯ JRE Sakata Replace	Approx.27.5MW(Max)	FY2026
Geothermal	⑰ Kijiyama (tentative name)	14.9MW	2029
Hydroelectric	⑱ Tamagawa No.2 Hydroelectric	14.6MW(Max)	Oct. 2022
	⑲ Naruse River	2.3MW(Max)	FY2034
	⑳ Shin-Kamimatsuzawa	9.4MW(Max)	Nov. 2031
Solar	㉑ Tsuhaze	35MW	March 2023
Biomass	㉒ Chokai-Minami	52.9MW	Oct. 2024
	㉓ Niigata East Port	50MW	Oct. 2024

* These projects include surveys of potential development

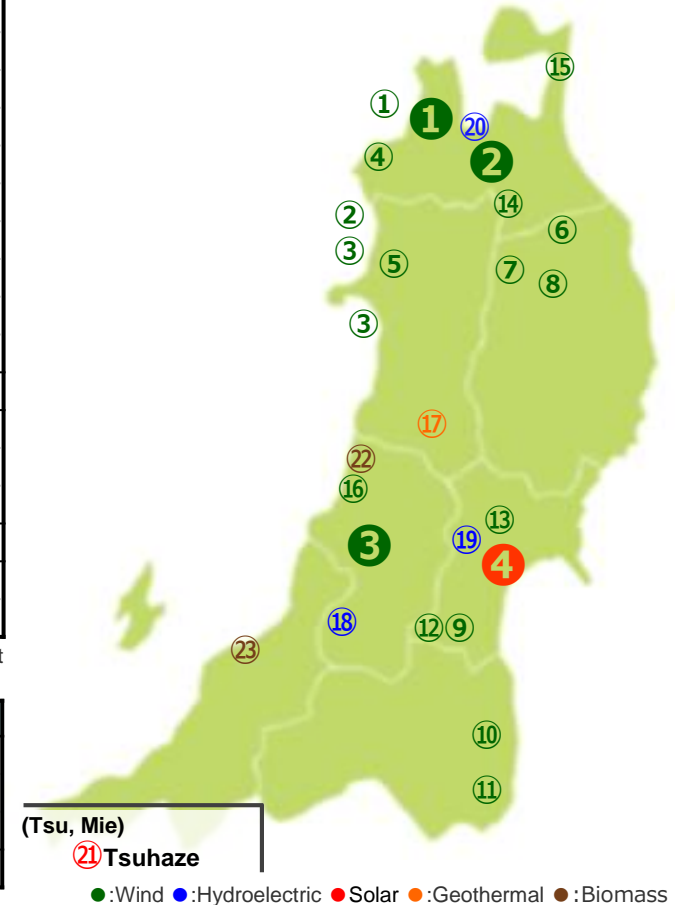
Operation started

	Project Name	Output	Operation Date
Onshore Wind	① Windfarm Tsugaru	121.6MW	April 2020
	② Shichinohe-Towada Wind	30.5MW	Dec. 2021
	③ Tsuruoka Hachimoriyama Wind	13.6MW	Nov. 2021
Solar	④ Miyagi Osato Solar Park	37.5MW	Oct. 2021

Development/participation results
(as of the end of December, 2021)

Total output share **600** MW

*Value in case of all commercialization

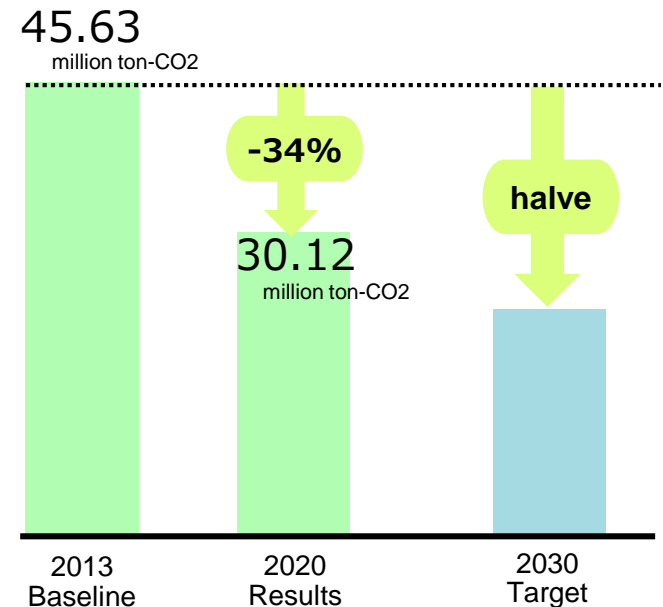


- Based on “Tohoku Electric Power Group Carbon Neutral Challenge 2050”, specific initiatives are being promoted in the three pillars of making the most use of renewable energy and nuclear power, decarbonization of thermal power, and electrification and realization of smart society.
- The CO2 emissions reduction target for FY2030 was set to halve from the FY2013 level, achieving a reduction of approximately 34% in FY2020 compared to the FY2013 level.

Efforts towards realizing carbon neutrality

1 Making the most use of renewable energy and nuclear power	<ul style="list-style-type: none"> ✓ Piling up projects towards achieving new development of renewable energy of 2GW ✓ Early resumption of operation at nuclear power stations and continuous safe operation after that ✓ <Construction work on safety measures is scheduled to be completed below> Onagawa Unit 2: November 2023, Higashidori Unit 1: FY2024
2 Decarbonization of thermal power	<ul style="list-style-type: none"> ✓ Demonstration of hydrogen and ammonia co-firing in Niigata Thermal Power Station ✓ Demonstration of black pellet to co-fire with coal at Noshiro Thermal Power Station ✓ Demonstrative study on cultivating biomass raw materials at unused land of power plant
3 Electrification and realization of smart society	<ul style="list-style-type: none"> ✓ In order to spread electrical vehicles, approx. 2,700 company vehicles are to be switched to EVs such as plug-in hybrid cars (Excluding special cars) ✓ Electrification including heat source conversion is suggested and business through distributed power sources is expanded ✓ Renewable energy aggregation business is promoted *Services that collect renewable energy to a site and make use of it locally

CO2 Reduction Target and Progress



➤ In order to realize “Working alongside Next”, **our group regard renewable energy business including enhancing distribution and transmission network and smart society building business as a medium and long term growth area.** Going forward, **we will invest approx. ¥400 billion by around 2030, expand our businesses,** and increase profitability as soon as possible.

		Scale of Investment by 2030	Major efforts	Effect, Return (Target)
Growth Business	Renewable energy Power resource development	Over 100 billion yen	<ul style="list-style-type: none"> ✓ Aiming for developing 2GW as early as 2030 onwards (Strengthening in-house development and expanding the covered area) ✓ Setting out our strategies and plans by seeing the whole picture of renewable energy ✓ Maintaining and expanding of hydropower and geothermal power facilities by drastic repairs of aging facilities ✓ Developing O&M businesses through Tohoku Electric Power Renewable Energy Service 	(FY2030) □ Consolidated cash income Approx. 20 billion yen
	Renewable energy Investment in network (Enforcing power grid)	Approx. 200 billion yen	<ul style="list-style-type: none"> ✓ Expand the capacity of transmission network (Enforcing power grid and core system) ✓ Effective use of the existing network (N-1 power control, Control output fluctuation) ✓ Next-generation devise to distributed network, Smart meter was applied ✓ Optimal control over demand and supply by using renewable, storage batteries, and EMS 	□ Decarbonization □ Sustainable stable power supply □ Optimization of the power transmission and distribution network
	Smart society building business	Approx. 100 billion yen	<ul style="list-style-type: none"> ✓ Tohoku EPCO Frontier: Provide packaged plans that combine “Electricity” with “a variety of services” (Simple Denki with Netflix) and various menus to enrich your life ✓ Tohoku EPCO Solar e Charge: Provide a service that combines solar power with storage batteries (Aozora Charge Service) ✓ VPP business, Renewable energy aggregation business ✓ Regional project, Smart city initiative ✓ Support to safe and secure life, sustainable agriculture, and so on 	(FY2030) □ Sales Approx. 100 billion yen □ Consolidated cash income Approx. 20 billion yen

- ◆ **While boosting profitability at early stage, we aim to seek steady growth towards FY2030 onwards through expanding consolidated cash income.**
- ◆ **We will proceed drastic structural reform of power supply business, as well as maintaining fiscal discipline and securing sound financial situation. We aim to hit the fiscal target stipulated in “Working alongside Next” by enhancing capital efficiency in investment.**

(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.

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