

Financial Summary
3rd Quarter of FY2023
(April 1, 2023 – December 31, 2023)

January 31, 2024

Tohoku Electric Power Co., Inc.

Contents

3rd Quarter of FY2023 Financial Results

Key points of financial results and forecasts	....	1
Summary of Financial Results	....	2
Changing Factors in Consolidated Ordinary Income from the Corresponding Period Last Year	....	3
Electricity Sales, Major Factors	....	4
Electricity Supply	....	5
Segment Information (Consolidated)	....	6
Segment Information (Power generation and Sales)	....	7
Segment Information (Network)	....	8
Balance Sheets (Consolidated)	....	9
Statements of Income (Consolidated)	....	10
Financial Forecasts for FY2023	....	12
Time Lag between Fuel Cost and Fuel Cost Adjustment Charges	....	15
Dividend for FY2023	....	16

Financial Data

Forecast for achieving financial targets	....	18
Trends of Financial Position (Consolidated)	....	19
For the Recovery of Financial Base	....	20
Trends of Operating Revenue and Each Income (Consolidated)	....	21
Trends of Quarterly Income (Consolidated)	....	23
Trends of Financial Indicators (Consolidated)	....	24
Retail Electricity Sales Volume by Month	....	27
Fuel Consumption Results	....	28

Initiatives for Restarting Nuclear Power Station

Revision of safety measure work completion date for Onagawa Power Station Unit 2	....	30
Making Steady Efforts to Restart Nuclear Power Reactors	....	31

Main Initiatives in the 3rd Quarter of FY2023

Main Initiatives in the 2nd Quarter of 2023	....	33
Major Press Releases	....	35
List of Major Renewable Energy Development/Participation Points of Our Group	....	36

For Realizing Management Conscious of Cost of Capital and Stock Price

.... 37

3rd Quarter of FY2023 Financial Results

■ Key points of financial results and forecasts

■ Financial Results for the third quarter of FY2023

Decrease in revenue and increase in income

(First time in 8 years since FY2015)

- Operating revenue: mainly due to increase in revisions to electricity rates and decrease in electricity charges sold by other companies due to lower wholesale electricity trading market prices.
- Ordinary income: mainly due to increase in income from retail electricity sales thanks to revisions of electricity rates and the time lag between fuel cost and fuel cost adjustment charge

■ Financial and Dividend Forecasts for FY2023

Consolidated Operating Revenue : **¥2,830.0 billion**

- Decrease in income from fuel cost adjustment amount and decrease in electricity charges sold by other companies due to low wholesale electricity trading market prices

Consolidated Ordinary Income : **¥280.0 billion**

- Increase in income from the time lag between fuel cost and fuel cost adjustment charge, etc.

Dividend Forecast : **Interim 5 yen · Year-end 10 yen**

(No revision has been made from July 2023 release)

Summary of Financial Results

2

- **Operating revenue** **¥2,056.3 billion (a year-on-year decrease of ¥76.1 billion)**
 - Operating revenue increased mainly due to decrease in sales to wholesale power exchanges.
- **Ordinary income** **¥278.8 billion (a year-on-year increase of ¥502.0 billion)**
 - Ordinary income increased mainly due to a significant increase thanks to the time lag effect of the fuel cost adjustment system due to lower fuel prices, and an increase thanks to a review of electricity rates.
- **Net Income Attributable to Owners of Parent** **¥196.3 billion (a year-on-year increase of ¥426.6 billion)**

【Summary of Consolidated Financial Statements】

(billions of yen)

	FY2022/3Q (A)	FY2023/3Q (B)	Change (B) - (A)	Change (B) / (A)
Operating Revenue	2,132.4	2,056.3	(76.1)	96.4 %
Ordinary Income*1	(223.1)	278.8	502.0	-
	[(46.1)]	[185.8]	[232.0]	[- %]
Net Income Attributable to Owners of Parent	(230.3)	196.3	426.6	- %
Consolidated Cash Income*2	109.9	344.2	234.2	313.0 %

	Mar. 31, 2023 (A)	Dec. 31, 2023 (B)	Change (B) - (A)
Equity ratio	10.5%	14.1%	3.6%
	[13.2%]*3	[16.8%]*3	[3.6%]
Interest-Bearing Liabilities	3,375.6	3,328.0	(47.6)

*1 Lower figures exclude time lag between fuel cost and fuel cost adjustment charges.

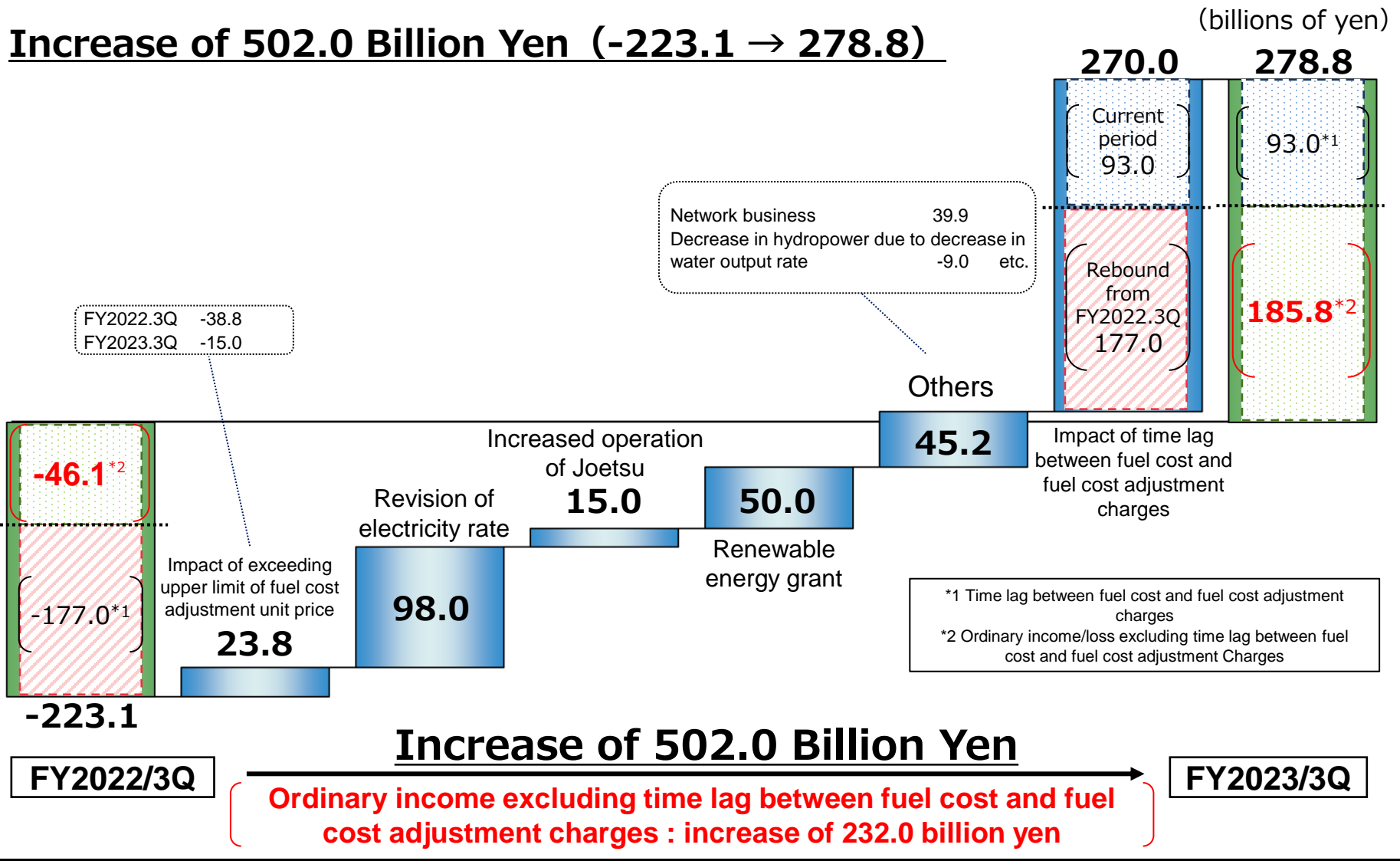
*2 Consolidate Cash Income = Operating income + Depreciation + Amortization of nuclear fuel + Share of profit of entities accounted for using equity method
(Operating income doesn't include time lag between fuel cost and fuel cost adjustment charges.)

*3 Equity ratio assuming 50% of the issued amount (140 billion yen) of the issued hybrid bonds as equity capital

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

- ✓ Income and expenditures have improved significantly due to an electricity rates review, increased operations in Joetsu Thermal Power Station, and time lag impact of fuel cost adjustment system due to lower fuel rates.
- ✓ Consolidated ordinary income was 278.8 billion yen, an increase of 502 billion yen from the corresponding period last year. (Income excluding time lag impact was 185.8 billion yen, an increase of 232 billion yen from the corresponding period last year.)

Increase of 502.0 Billion Yen (-223.1 → 278.8)



Electricity Sales, Major Factors

4

➤ **Retail electricity sales**

46.2 TWh (a year-on-year decrease 1.0 TWh)

Decreased industrial operations and energy-saving initiatives, etc.

➤ **Wholesale electricity sales**

10.2 TWh (a year-on-year decrease 2.0 TWh)

Decrease in wholesale to out of area, etc.

(GWh)

Electricity Sales*1	FY2022/3Q (A)	FY2023/3Q (B)	Change (B) - (A)	Change (B) / (A)
Lighting (Residential)	13,219	13,172	(47)	99.6 %
Power	33,926	32,991	(935)	97.2 %
Retail Electricity Sales*2	47,145	46,163	(982)	97.9 %
Wholesale Electricity Sales*3	12,156	10,199	(1,957)	83.9 %
Total of Electricity Sales	59,301	56,362	(2,939)	95.0 %

*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.

Major Factors	FY2022/3Q (A)	FY2023/3Q (B)	Change (B) - (A)
Crude Oil CIF Price (\$/bbl.)	107.9	86.6	(21.3)
Exchange Rate (¥/\$)	136	143	7
Hydro Power Flow Rate (%)	94.3	85.1	(9.2)
Nuclear Power Utilization Rate (%)	-	-	-

Electricity Supply

5

- ✓ Decrease in electricity generated by own hydropower due to the impact of water shortage.
- ✓ Decrease in the amount of power received from other companies due to a decrease in market procurement due to the resolution of supply shortages.

(GWh)

Electricity Supply*1	FY2022/3Q (A)	FY2023/3Q (B)	Change (B) - (A)	Change (B) / (A)
Own Generated Power*2	41,776	40,860	(916)	97.8 %
Hydro	5,964	5,434	(530)	91.1 %
Thermal	35,361	34,963	(398)	98.9 %
Nuclear	—	—	—	—
Renewables	451	462	11	102.4 %
Power Interchanges and Purchased Power*3	25,632	23,125	(2,507)	90.2 %
	(4,861)	(4,329)	532	89.1 %
Used at Pumped Storage and others*3	(249)	(305)	(56)	122.2 %
Total of Electricity Supply*3	62,298	59,351	(2,947)	95.3 %

	FY2022/3Q (A)	FY2023/3Q (B)	Change (B) - (A)	Change (B) / (A)
Total of Renewables*4 [Percentage of Electricity Supply]	13,352 (21.4%)	12,796 (21.6%)	(556)	95.8 %

*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", "Used at Pumped Storage and others" and "Total of Electricity Supply" partly include projected volume.

*4 The total value of solar power, wind power, biomass, waste, geothermal power, and hydro power generated by our company and power received by other companies.

Segment Information (Consolidated)

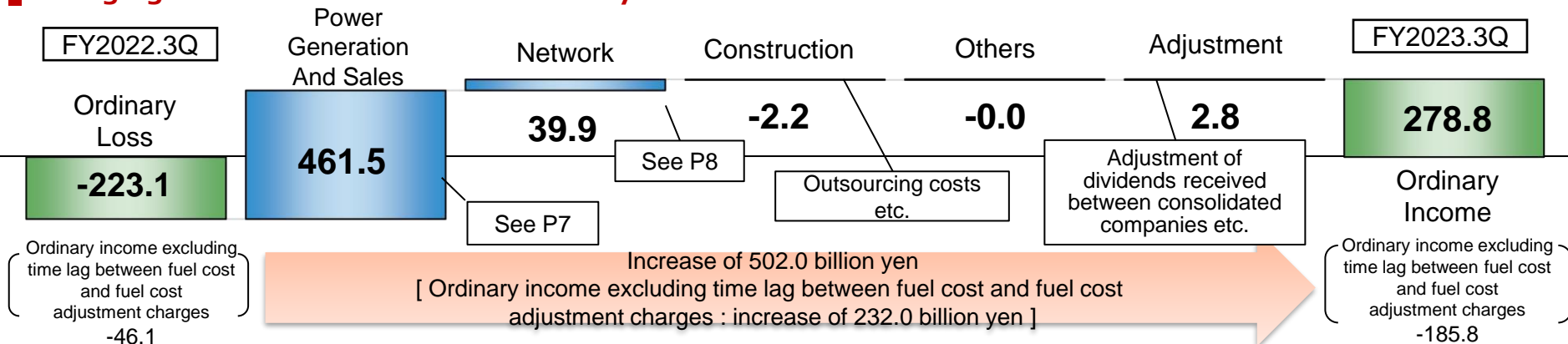
6

(billions of yen)

	FY2022/3Q(A)		FY2023/3Q(B)		Change (B) - (A)		Major factors for change
	Operating Revenue*	Ordinary Income	Operating Revenue*	Ordinary Income	Operating Revenue*	Ordinary Income	
Power Generation and Sales	1,607.5	(230.9)	1,669.0	230.5	61.5	461.5	<ul style="list-style-type: none"> Decrease in electricity charges sold by other companies due to lower wholesale electricity trading market prices, but increase in revenue due to electricity rate review, etc. Increase due to the impact of time lag in fuel cost adjustment system and review of electricity rates.
	1,446.7		1,583.9		137.2		
Network	841.7	8.1	620.0	48.1	(221.6)	39.9	<ul style="list-style-type: none"> Decreased income due to a decreased renewable energy electricity wholesale supply, etc. Increased income due to a decreased procurement costs in demand and supply adjustment market transactions.
	485.0		275.4		(209.6)		
Construction	197.5	3.9	205.8	1.7	8.3	(2.2)	<ul style="list-style-type: none"> Sales increased due to increase in air conditioning pipe work for general use and power transmission/distribution work, etc. Profit decreased due to increased outsourcing costs, etc.
	107.7		110.4		2.6		
Others	172.9	12.3	172.6	12.3	(0.2)	(0.0)	<ul style="list-style-type: none"> Decrease in sales and profits in the gas business, etc.
	92.8		86.5		(6.3)		
Subtotal	2,819.7	(206.4)	2,667.6	292.7	(152.1)	499.1	
Adjustment	(687.3)	(16.6)	(611.3)	(13.8)	75.9	2.8	
Total	2,132.4	(223.1)	2,056.3	278.8	(76.1)	502.0	

Changing Factors in Consolidated Ordinary Income

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



Segment Information (Power generation and Sales)

7

- As a result of revision of electricity rates and increased operations in high-efficiency Joetsu Thermal Power Station, increase in renewable energy subsidies due to lower wholesale electricity trading market prices, as well as time lag impacts of fuel costs adjustment due to lower fuel cost, ordinary income increased by 461.5 billion yen from the corresponding period last year. (Income excluding time lag impact increased by 191.5 billion yen)

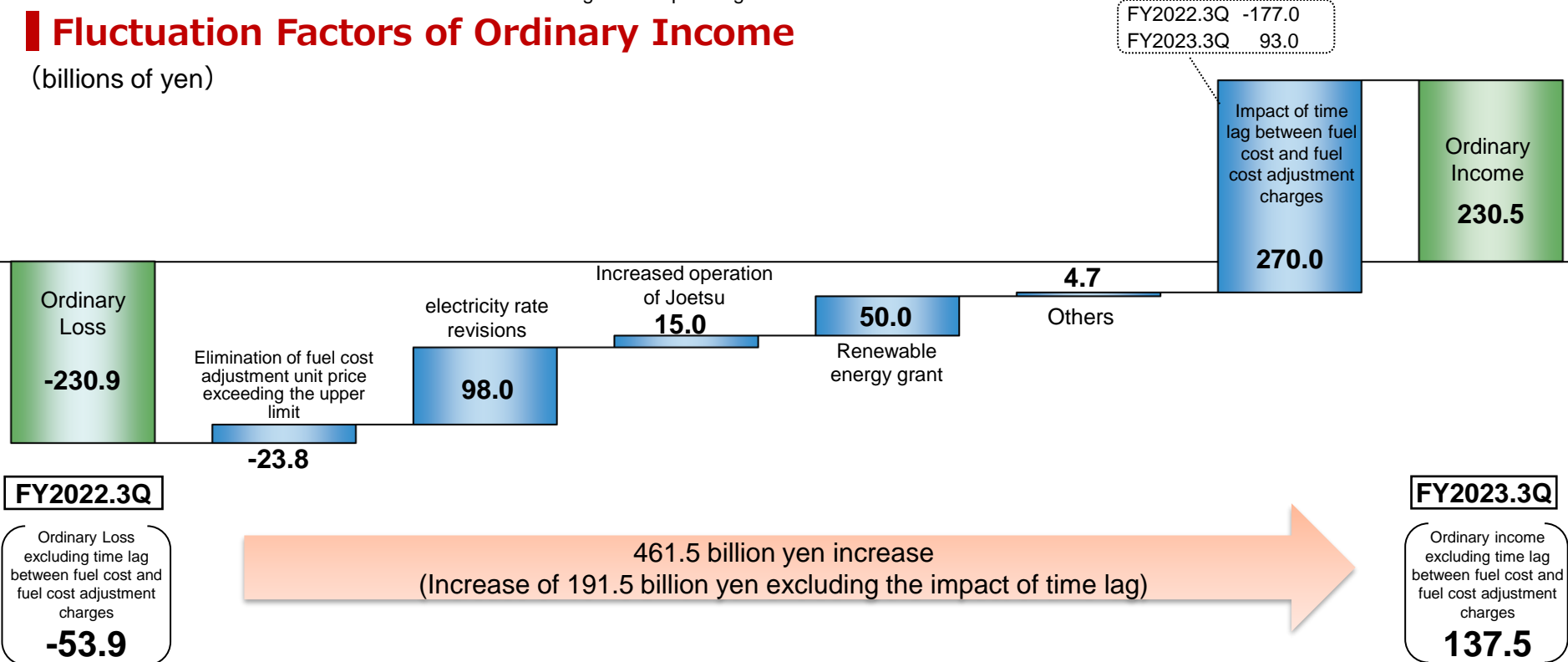
(billions of yen)

	FY2022/3Q(A)		FY2023/3Q(B)		Change (B) - (A)	
	Operating Revenue*	Ordinary Income	Operating Revenue*	Ordinary Income	Operating Revenue*	Ordinary Income
Power Generation and Sales	1,607.5	(230.9)	1,669.0	230.5	61.5	461.5
	1,446.7		1,583.9		137.2	

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

Fluctuation Factors of Ordinary Income

(billions of yen)



Segment Information (Network)

- Area demand decreased by 1.2 TWh due to the impact of energy-saving initiatives and industrial trend, etc. (97.9% from the corresponding period last year)
- Sales decreased by 221.6 billion yen from the corresponding period last year due to a decreased wholesale supply of renewable energy electricity, etc.
- Meanwhile, ordinary income increased by 39.9 billion yen from the corresponding period last year due to a decrease of procurement costs in demand and supply market transaction, etc.

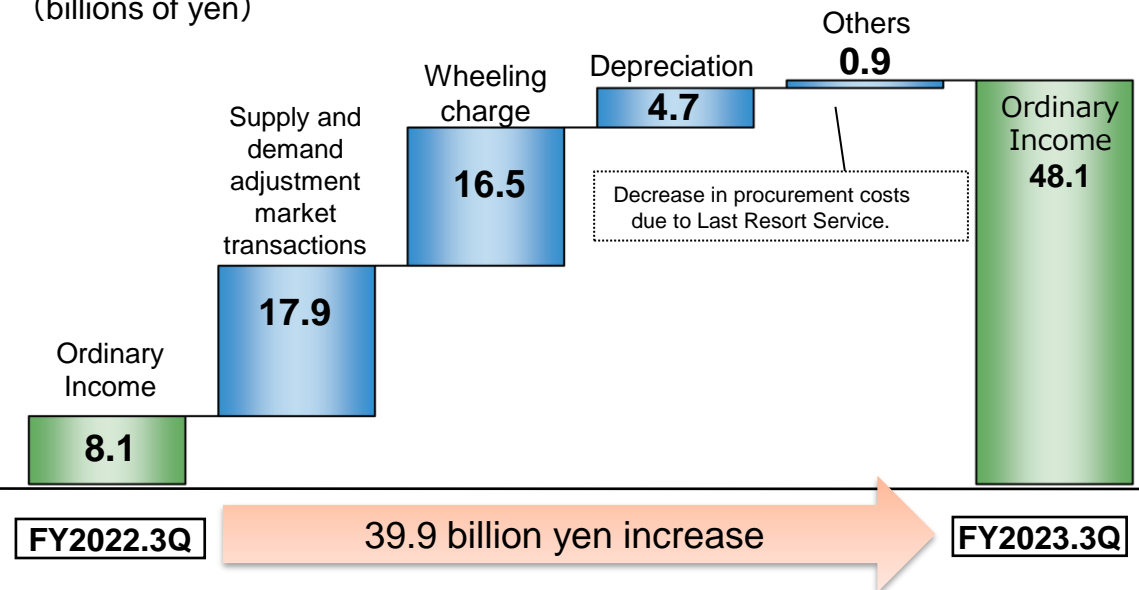
(billions of yen)

	FY2022/3Q(A)		FY2023/3Q(B)		Change (B) - (A)	
	Operating Revenue*	Ordinary Income	Operating Revenue*	Ordinary Income	Operating Revenue*	Ordinary Income
Network	841.7	8.1	620.0	48.1	(221.6)	39.9
	485.0		275.4		(209.6)	

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

Fluctuation Factors of Ordinary Income

(billions of yen)



Tohoku Area Electric Power Demand

(TWh)

FY2022 3 Q	FY2023 3 Q	Changes
55.3	54.1	(1.2) [97.9%]

Balance Sheets (Consolidated)

9

(billions of yen)

	Mar. 31, 2023 (A)	Dec. 31, 2023 (B)	Change (B) - (A)	
Total Assets	5,211.9	5,304.7	92.8	
Non-current Assets	4,005.1	4,109.2	104.0	Construction in progress : 118.5
Current Assets	1,206.7	1,195.5	(11.1)	
Total Liabilities	4,580.8	4,474.4	(106.3)	
Non-current Liabilities	3,467.3	3,446.1	(21.1)	
Current Liabilities	1,113.4	1,028.3	(85.1)	Arrears and accrued expenses : -65.0 Accounts payable : -40.8 etc.
Net Assets	631.0	830.2	199.1	Net income attributable to owners of parent : 196.3

Interest-Bearing Liabilities	3,375.6	3,328.0	(47.6)	Bonds : (55.0)
------------------------------	---------	---------	--------	----------------

Equity Ratio	10.5% [13.2%]*	14.1% [16.8%]*	3.6% [3.6%]
--------------	-------------------	-------------------	----------------

*Equity ratio assuming 50% of the issued amount (140 billion yen) of the issued hybrid bonds as equity capital

Statements of Income (Consolidated) (1/2)

10

(billions of yen)

	FY2022/3Q (A)	FY2023/3Q (B)	Change (B) - (A)	Change (B) / (A)
Operating Revenue	2,132.4	2,056.3	(76.1)	96.4 %
Electric utility	1,929.3	1,857.3	(71.9)	96.3 %
Other business	203.1	198.9	(4.1)	97.9 %
Operating Expenses	2,345.9	1,763.8	(582.0)	75.2 %
Electric utility	2,153.8	1,574.8	(578.9)	73.1 %
Other business	192.1	189.0	(3.0)	98.4 %
Operating Income	(213.4)	292.4	505.9	—
Non-operating income	8.7	8.6	(0.0)	99.5 %
Non-operating expenses	18.3	22.2	3.8	120.8 %
Ordinary Income	(223.1)	278.8	502.0	—
Provision of reserve for fluctuation in water levels	(0.0)	—	0.0	—
Income taxes	4.7	80.2	75.5	—
Net income attributable to non-controlling interests	2.5	2.2	(0.2)	90.4 %
Net income attributable to owners of parent	(230.3)	196.3	426.6	—

Statements of Income (Consolidated) (2/2)

11

(billions of yen)

			FY2022/3Q (A)	FY2023/3Q (B)	Change (B) - (A)	Change (B) / (A)	Major factors for change
Revenue	Electric utility operating revenue	Revenue from Electricity Sales	1,128.9	1,191.6	62.7	105.6%	Electricity rate revisions
		Lighting (Residential)	368.3	339.2	(29.1)	92.1%	
		Power	760.5	852.4	91.8	112.1%	
		Sales of power to other utilities and other companies	702.9	436.4	(266.4)	62.1%	Decrease in market transaction
		Other revenue	97.4	229.1	131.7	235.2%	Increase in subsidies for mitigation of drastic changes
		Sub total	1,929.3	1,857.3	(71.9)	96.3%	
	Other operating revenue	203.1	198.9	(4.1)	97.9%		
	[Operating Revenue]	[2,132.4]	[2,056.3]	[(76.1)]	[96.4%]		
	Non operating revenue	8.7	8.6	(0.0)	99.5%		
	Total revenue	2,141.1	2,065.0	(76.1)	96.4%		
Expenses	Electric utility operating expenses	Personnel	102.4	105.3	2.9	102.9%	
		Fuel	709.9	550.4	(159.5)	77.5%	
		Maintenance	111.5	115.5	3.9	103.6%	
		Depreciation	128.9	126.0	(2.8)	97.8%	
		Power purchased from other utilities and other companies	906.3	470.1	(436.2)	51.9%	Decrease in market transaction
		Taxes, etc.	64.4	68.1	3.6	105.7%	
		Nuclear power back-end cost	5.4	5.5	0.1	102.3%	
		Other expenses	124.7	133.5	8.8	107.1%	
		Sub total	2,153.8	1,574.8	(578.9)	73.1%	
	Other operating expenses	192.1	189.0	(3.0)	98.4%		
	Non operating expenses	18.3	22.2	3.8	120.8%		
	Total expenses	2,364.3	1,786.1	(578.2)	75.5%		
[Operating Income]			[(213.4)]	[292.4]	[505.9]	[-]	
Ordinary Income			(223.1)	278.8	502.0	-	
Provision of reserve for fluctuation in water levels			(0.0)	-	0.0	-	
Income taxes			4.7	80.2	75.5	-	
Net income attributable to non-controlling interests			2.5	2.2	(0.2)	90.4%	
Net income attributable to owners of parent			(230.3)	196.3	426.6	-	

➤ **Operating revenue ¥2,830.0 billion (Decrease of ¥190.0 billion compared to the previous forecast)**

Decrease in fuel cost adjustments due to low fuel prices, decrease in electricity sales charges from other companies due to low wholesale power transaction market prices, etc.

➤ **Ordinary Income ¥280.0 billion (Increase of ¥80.0 billion compared to the previous forecast)**

Improvements in the time lag effect of the fuel cost adjustment system due to low fuel prices, an increase in renewable energy subsidies due to low wholesale electricity trading market prices, and deeper efforts to improve efficiency such as optimizing supply and demand.

Consolidated Financial Forecasts for FY2023

(billions of yen)

	FY2023 forecast (previous) (A)	FY2023 forecast (new) (B)	Change (B) - (A)	FY2022
Operating Revenue	3,020.0	2,830.0	(190.0)	3,007.2
Operating Income	220.0	310.0	90.0	(180.0)
Ordinary Income	200.0 [132.0]	280.0 [186.0]	80.0 [54.0]	(199.2) [(76.2)]
Net Income Attributable to Owners of Parent	140.0	200.0	60.0	(127.5)
Consolidated Cash Income	340.0	410.0	70.0	136.6

[] : Ordinary income excluding time lag between fuel cost and fuel cost adjustment charges.

Major Factors

		FY2023 forecast (previous)	FY2023 forecast (new)	FY2022
Electric power sales* (TWh)	Retail	Approx. 64.8	Approx. 64.2	65.9
	Wholesale	Approx. 14.7	Approx. 14.5	15.9
	TOTAL	Approx. 79.5	Approx. 78.7	81.8
Crude Oil CIF Price (\$/bbl.)		Approx. 87	Approx. 87	102.7
Exchange Rate (¥/\$)		Approx. 142	Approx. 144	136
Nuclear Power Utilization Rate (%)		Approx. 1	—	—

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

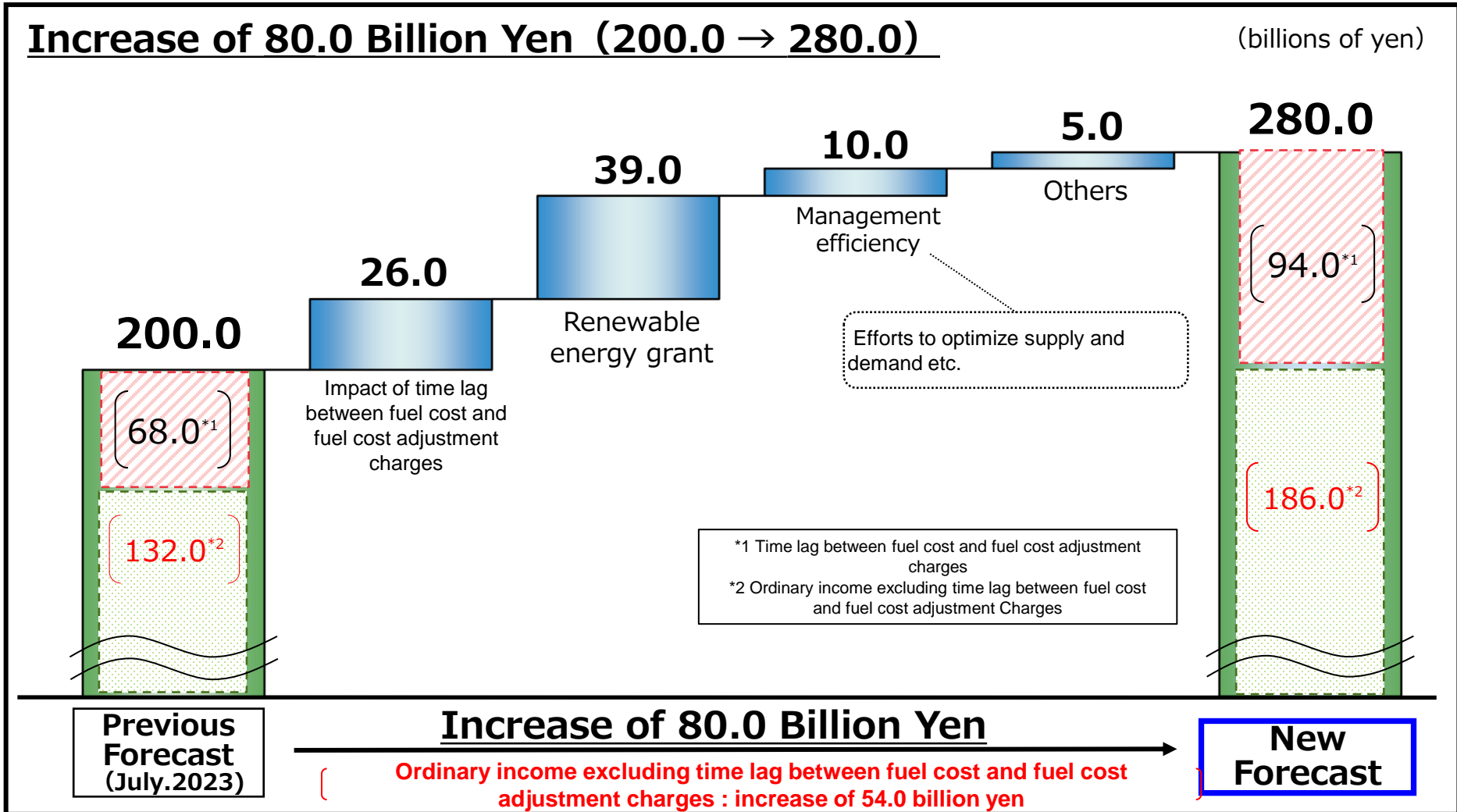
Sensitivity to Major Factors

(billions of yen)

Crude Oil CIF Price (per \$1/bbl.)	Approx. 2.9
Exchange Rate (per ¥1/\$)	Approx. 4.2

- ✓ Consolidated ordinary profit is expected to improve by 80 billion yen from the previous forecast to 280 billion yen due to the impact of the time lag in the fuel cost adjustment system due to the decline in fuel prices and the increase in renewable energy subsidies due to the decline in wholesale electricity market prices.
- ✓ Even excluding the impact of the time lag in the fuel cost adjustment system, consolidated ordinary income is expected to be 186 billion yen.

■ Changing Factors in Consolidated Ordinary Income (compared with previous forecast)

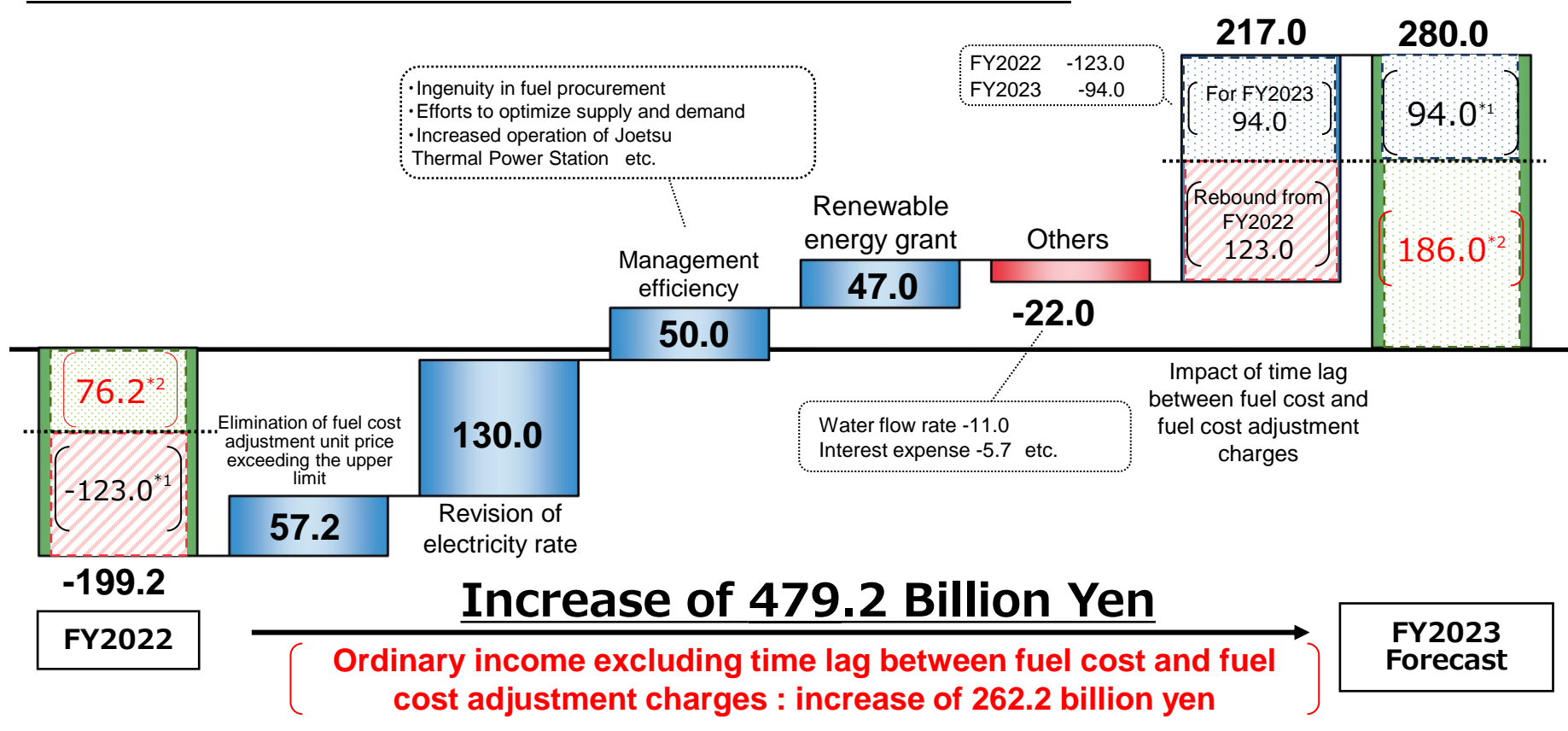


- ✓ Compared to the results of the previous fiscal year (FY2022), consolidated ordinary income is expected to improve significantly by 479.2 billion yen due to the time lag effect of the fuel cost adjustment system, a review of electricity rates, and efficiency improvement efforts such as supply and demand optimization.
- ✓ Also, in case of excluding the time lag in the fuel supply, we expect an improvement of 262.2 billion yen in the balance of payments.

■ Changing Factors in Consolidated Ordinary Income (compared with FY2022)

Increase of 479.2 Billion Yen (-199.2 → 280.0)

(billions of yen)

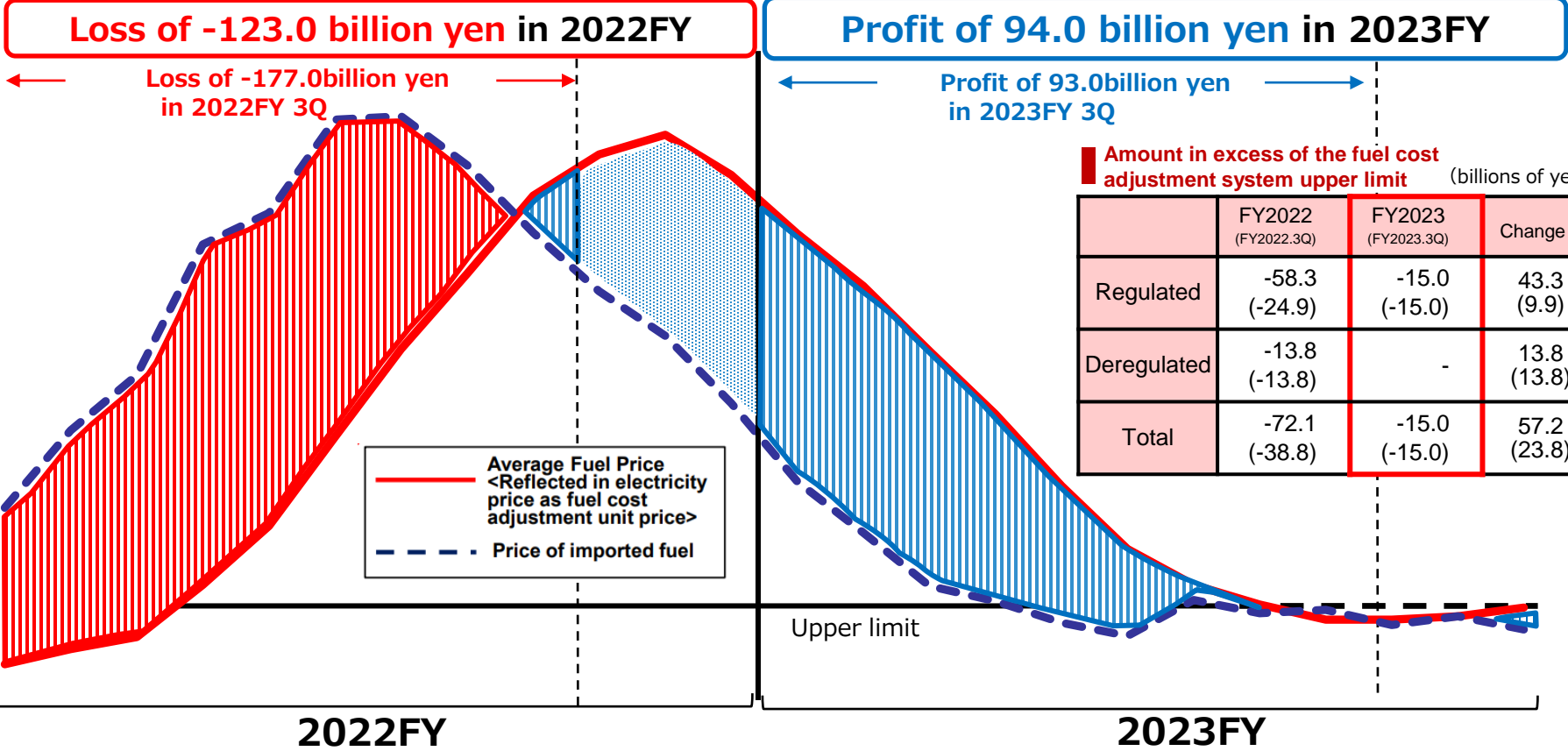


*1 Time lag between fuel cost and fuel cost adjustment charges

*2 Ordinary income excluding time lag between fuel cost and fuel cost adjustment Charges

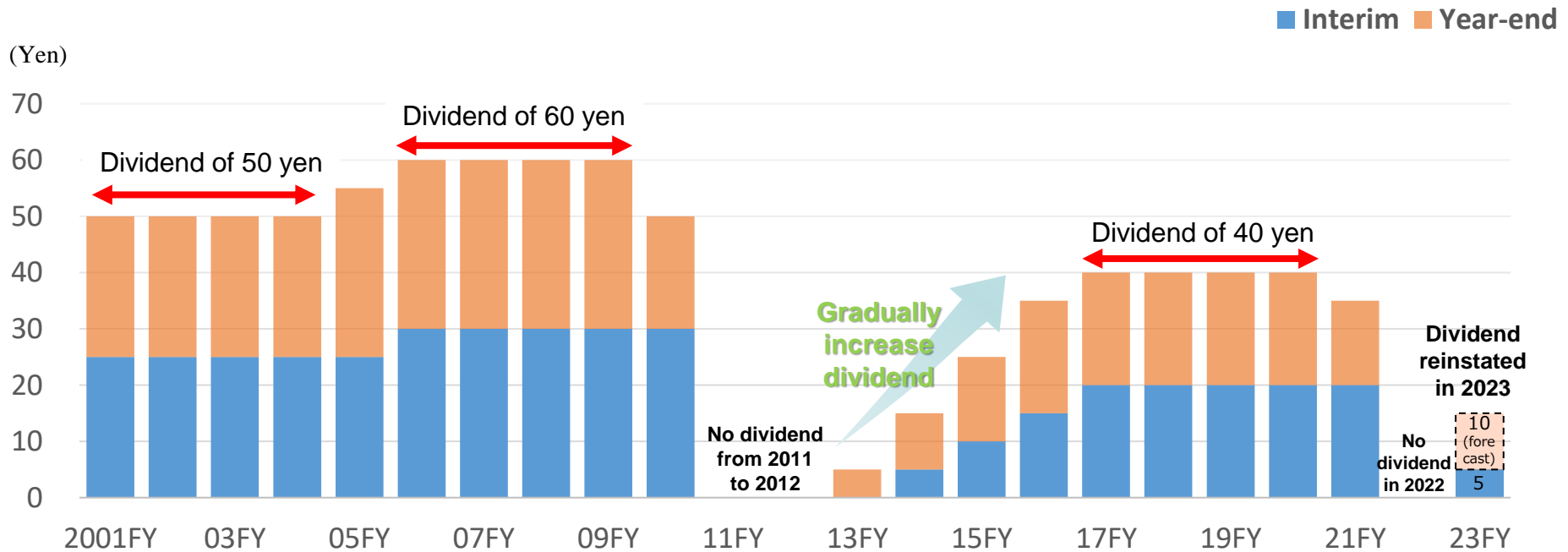
- ✓ While the time lag effect of the fuel cost adjustment system in the previous fiscal year resulted in a loss of 123 billion yen, this year's profit is expected to be 94 billion yen. **Compared to the fiscal year**, it is expected that **the balance will improve by about 217 billion yen**.
- ✓ In the 3Q results, there was a loss of 177 billion yen in the same period last year, and a profit of 93 billion yen in the current period, resulting in an improvement in profitability of 270 billion yen.
- ✓ **Prior to the electricity rate review in June last year, ceilings were exceeded in the low-voltage regulated sector**. The impact of exceeding the upper limit in the current fiscal year was 15 billion yen. The same impact in the previous year was 72.1 billion yen, **so the balance improved by 57.2 billion yen compared to the previous year**.
- ✓ FY2022.3Q result was -38.8 billion yen, so the same effect in FY2023.3Q comparison was a -23.8 billion yen improvement in profitability.

Improved income and expenditure by approximately **217 billion yen** compared to the previous year.
(In comparison with the same period last year improved approx. **270.0 billion yen**)



- ✓ For dividend, based on our basic policy to pay stable dividend, we determine the amount of it after comprehensive consideration on the company's financial results for the current fiscal year and the medium- to long-term outlook for income and expenditures.
- ✓ For the financial results for the current fiscal year, we forecast net income attributable to shareholders of the parent company of 200 billion yen, due to an improvement in the fuel time lag caused by lower fuel prices and an increase in the subsidy for renewable energy due to lower wholesale electricity market prices, as well as progress in efficiency improvement efforts.
- ✓ On the other hand, since the company's financial base has been damaged due to significant losses posted for two years in FY2021 and FY2022, we need to stabilize its revenue and expenditures and financial position as soon as possible, improve its significantly damaged equity capital, and steadily reduce its increased interest-bearing debt.
- ✓ Taking these circumstances into consideration, the year-end dividend forecast for FY2023 remains unchanged at "10 yen per share".

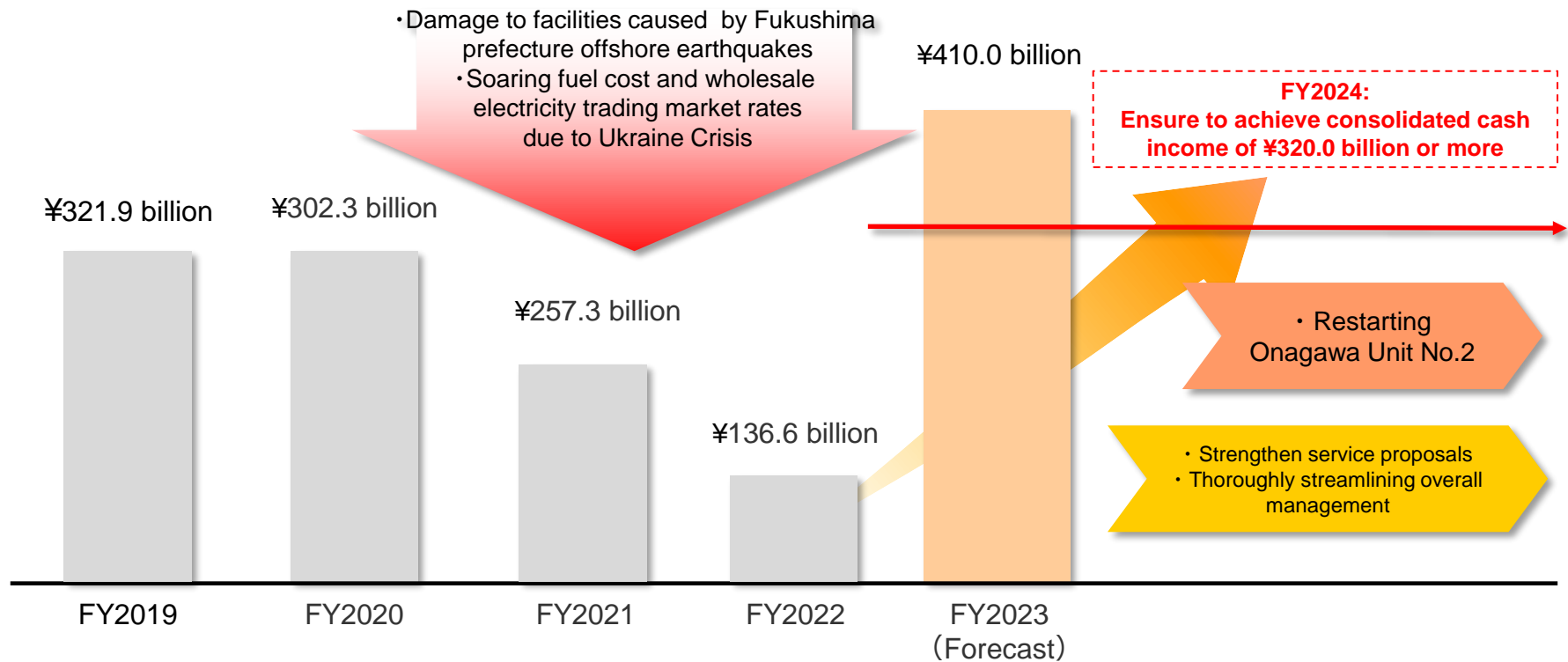
Trends of dividend per share



Financial Data

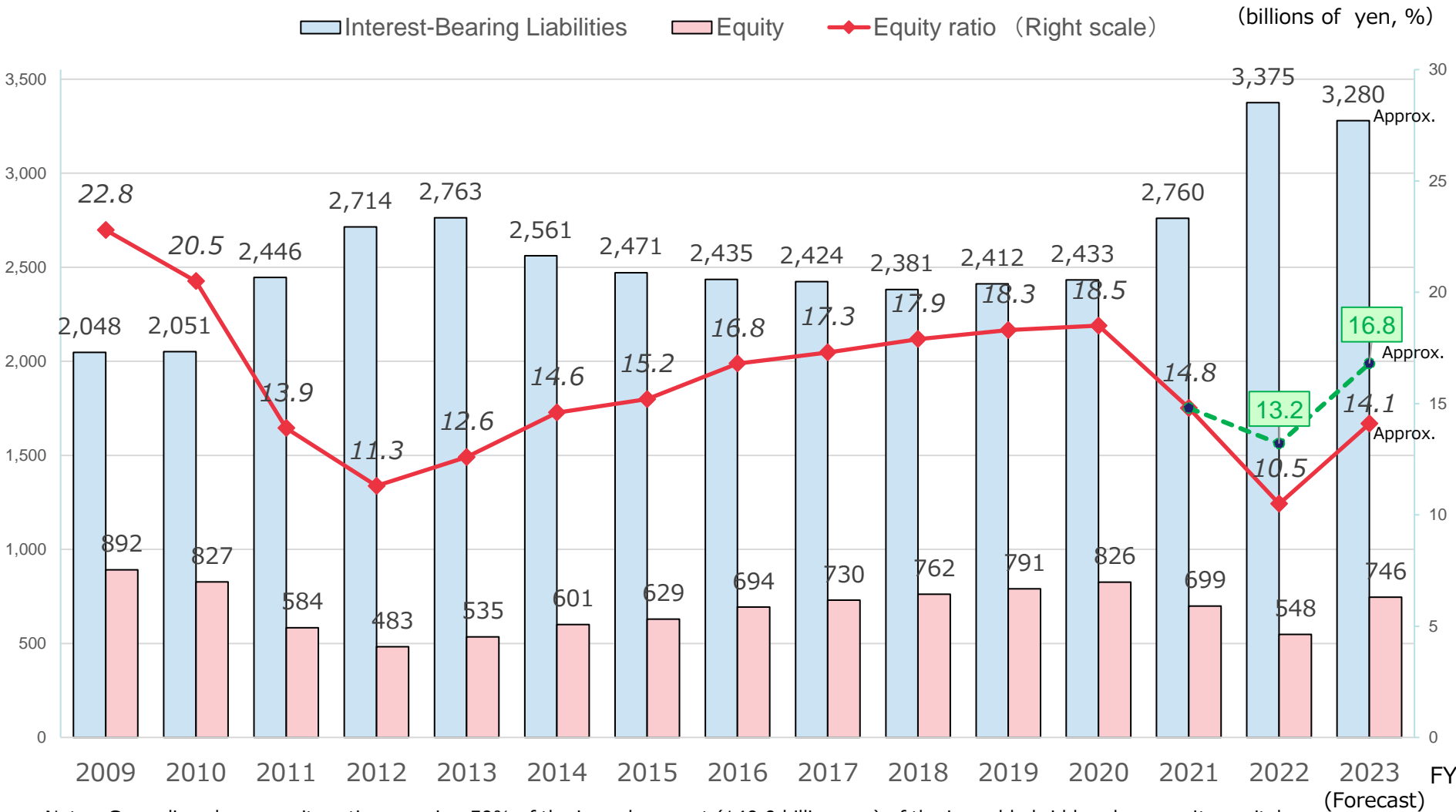
- ✓ In order to improve the ability to generate the cash profits necessary to transform the business model, we will be positioning an early recovery of financial base as a top-priority issue, we set a financial target of "**FY2024: consolidated cash income of ¥320 billion or more**".
- ✓ Due to the impact of Fukushima prefecture offshore earthquake and the invasion of Ukraine, consolidated cash income has remained low in recent years, but **in FY2023, it is expected to be around ¥410 billion** by reviewing electricity rates and thoroughly streamlining overall management, etc.
- ✓ In the future, we will build a long-term sustainable revenue base by steadily restarting Onagawa Unit 2. etc., as well as continuing to improve efficiency, etc. to ensure the achievement of financial targets for FY2024.

<Trends of Consolidated Cash Income>



Trends of Financial Position (Consolidated)

- ✓ Equity-ratio is expected to improve by around 3.6%, because income and expenditures will improve significantly in FY2023 compared to last fiscal year.
- ✓ Meanwhile, interest-bearing debt balance rose to a level above that in the period immediately after the Great East Japan Earthquake, and given unexpected occurrence of natural disaster and fluctuation risk of soaring fuel cost in recent years, it is recognized that financial condition is still in a difficult situation.

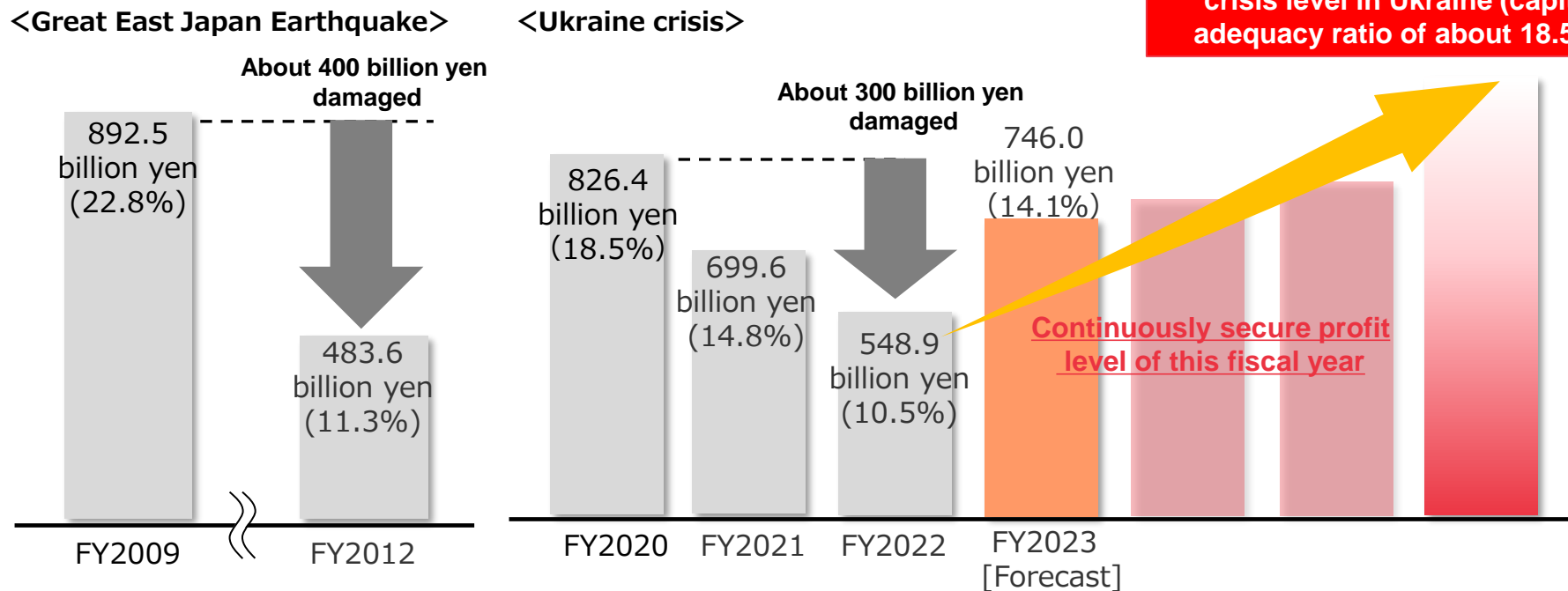


Note : Green line shows equity ratio assuming 50% of the issued amount (140.0 billion yen) of the issued hybrid bonds as equity capital

- ✓ Our company **damaged equity capital in the short term, including about 400 billion yen at the time of the Great East Japan Earthquake and about 300 billion yen at the time of Ukraine crisis. Equity capital at the end of FY2022 was about 40% lower than at its most recent peak.**
- ✓ According to the assumption based on this fiscal year's earnings forecast, it is expected to recover to "Equity capital ratio: 14.1%" and "Equity capital: 746.0 billion yen" at the end of this fiscal year.
- ✓ **To maintain a stable supply of electricity**, in terms of responding to an increasingly changing business environment that may be affected by various events including natural disasters and global economic crises in recent years, **we believe that we need to build up equity capital, aiming for early recovery to the pre-crisis level in Ukraine (capital adequacy ratio of about 18.5%).**
- ✓ To achieve such objectives, we need to continuously secure profit levels at this fiscal year levels through group-wide efforts including "strengthening of service proposals", "restart of nuclear power stations", and "thorough streamlining of overall management" while optimizing electricity supply and demand.

Direction for financial base recovery (Building up equity capital)

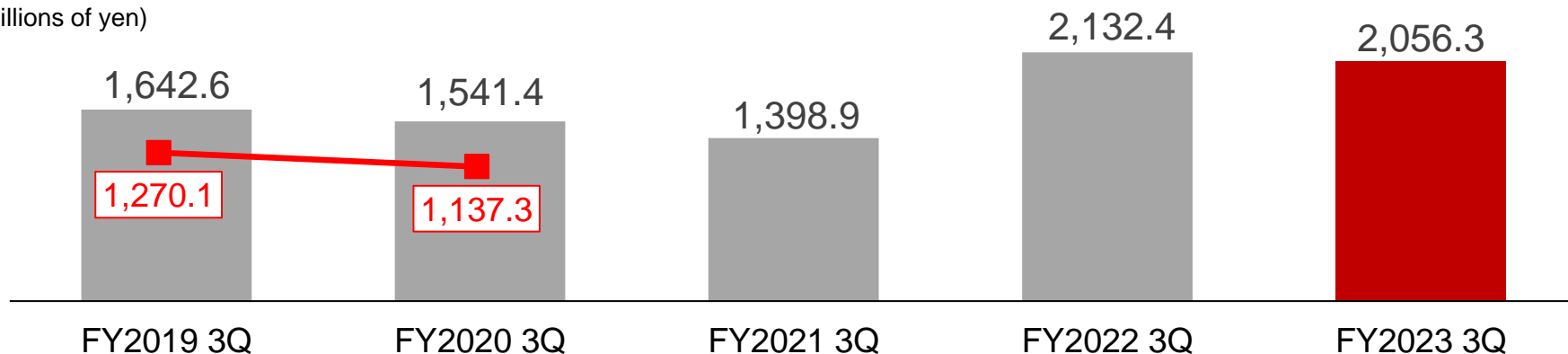
Aim for early recovery to the pre-crisis level in Ukraine (capital adequacy ratio of about 18.5%)



*All figures are on a consolidated basis. Figures in parentheses represent capital adequacy ratios.

Operating Revenue

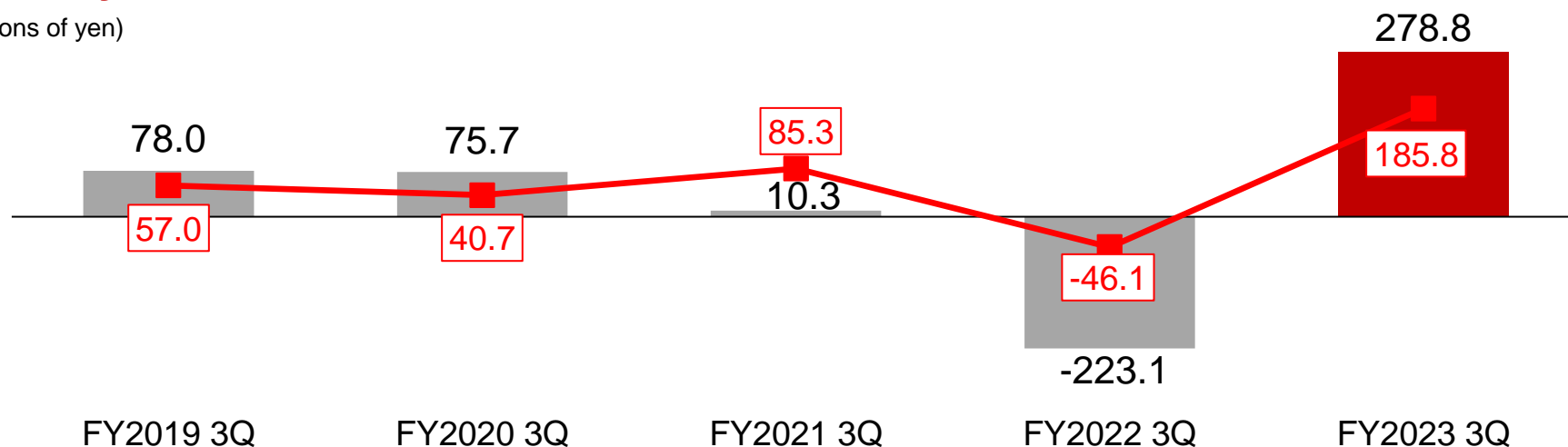
(billions of yen)



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."

Ordinary Income

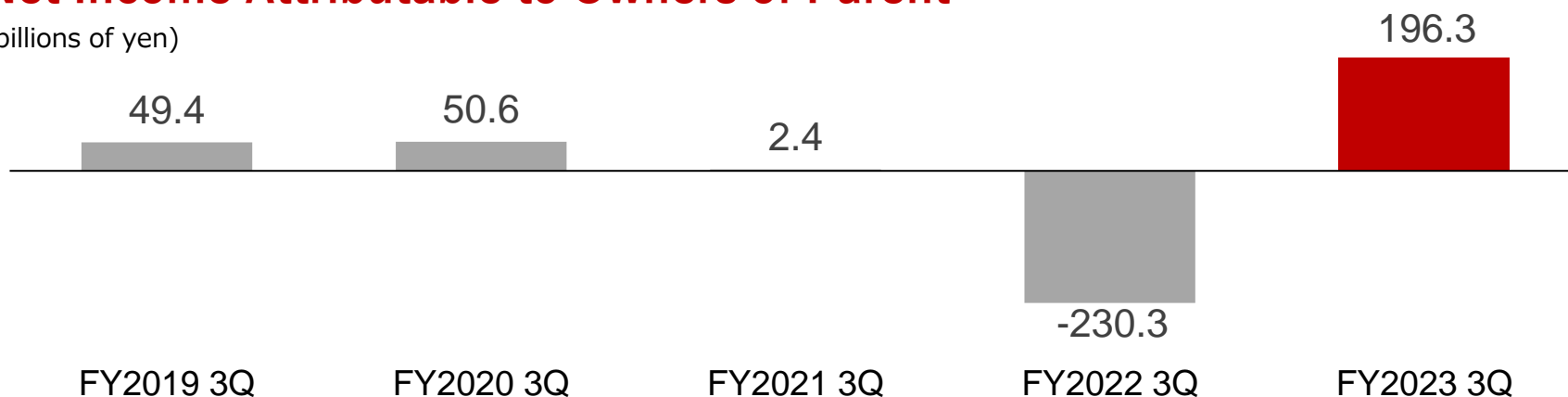
(billions of yen)



Note : Red line shows ordinary income (consolidated) excluding Impact of time lag between fuel cost and fuel cost adjustment charges.

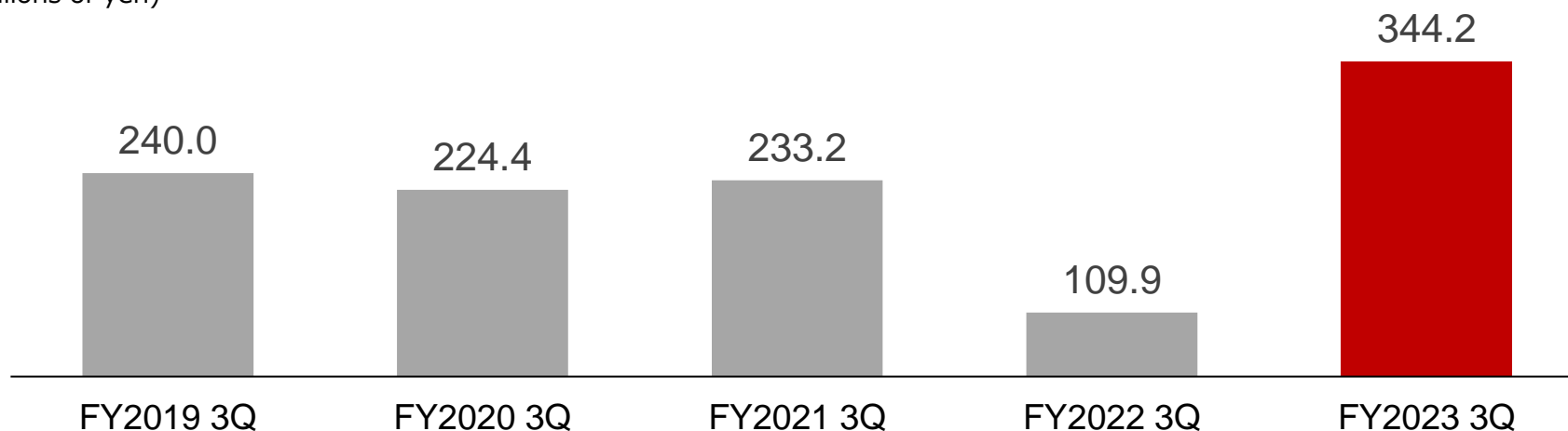
Net Income Attributable to Owners of Parent

(billions of yen)



Consolidated Cash Income*

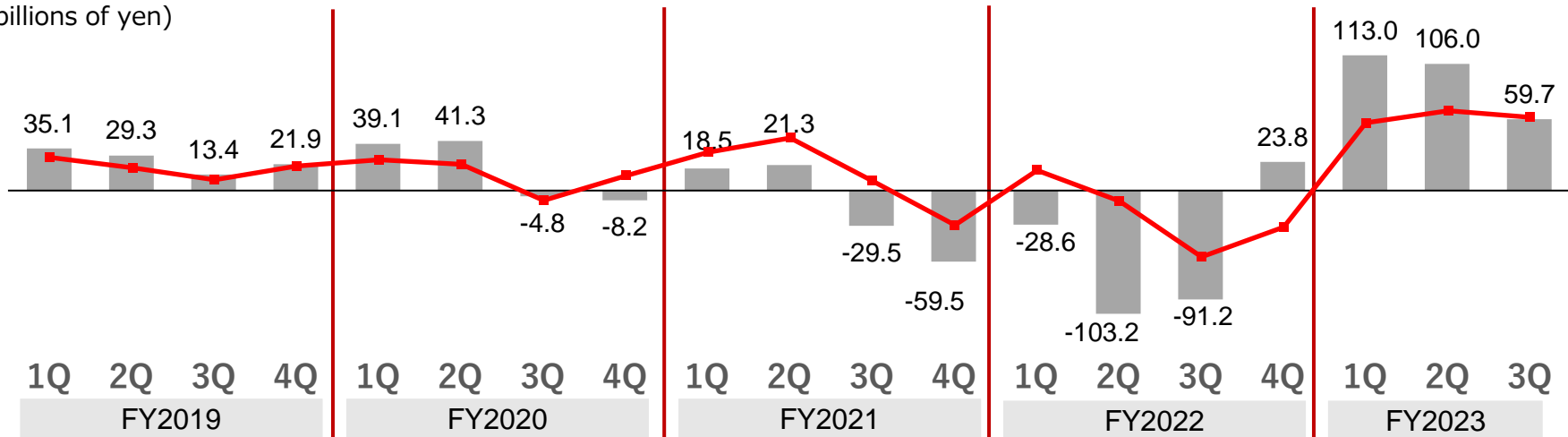
(billions of yen)



* 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.)

Ordinary Income

(billions of yen)



Note : The red line graph shows the trend in ordinary income excluding the time lag effect of the fuel cost adjustment system.

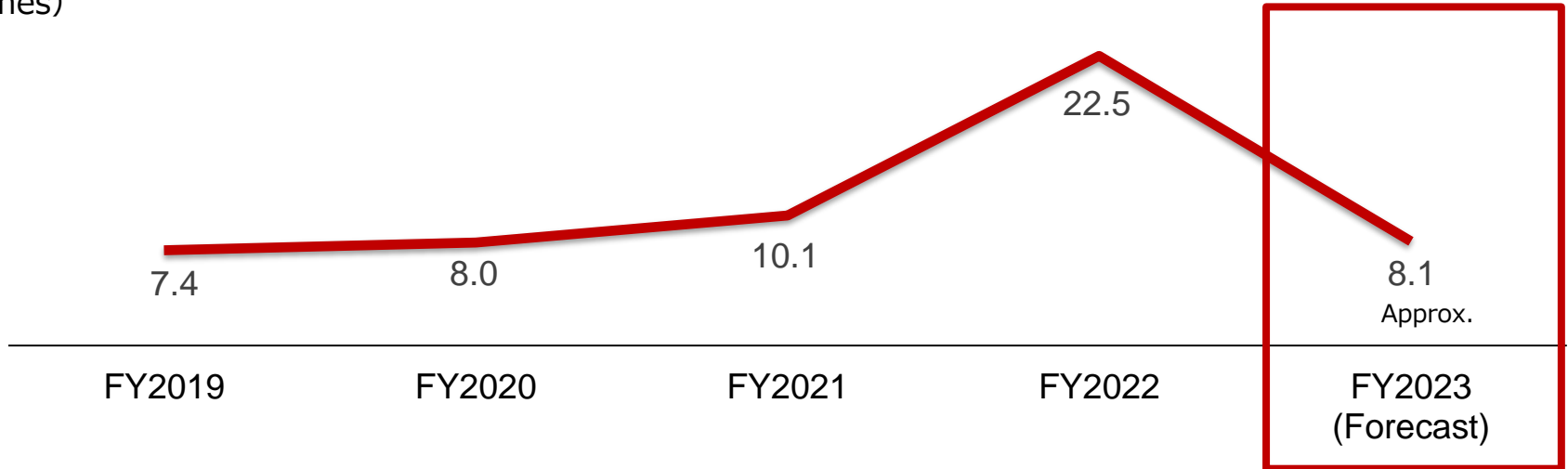
Net Income Attributable to Owners of Parent

(billions of yen)



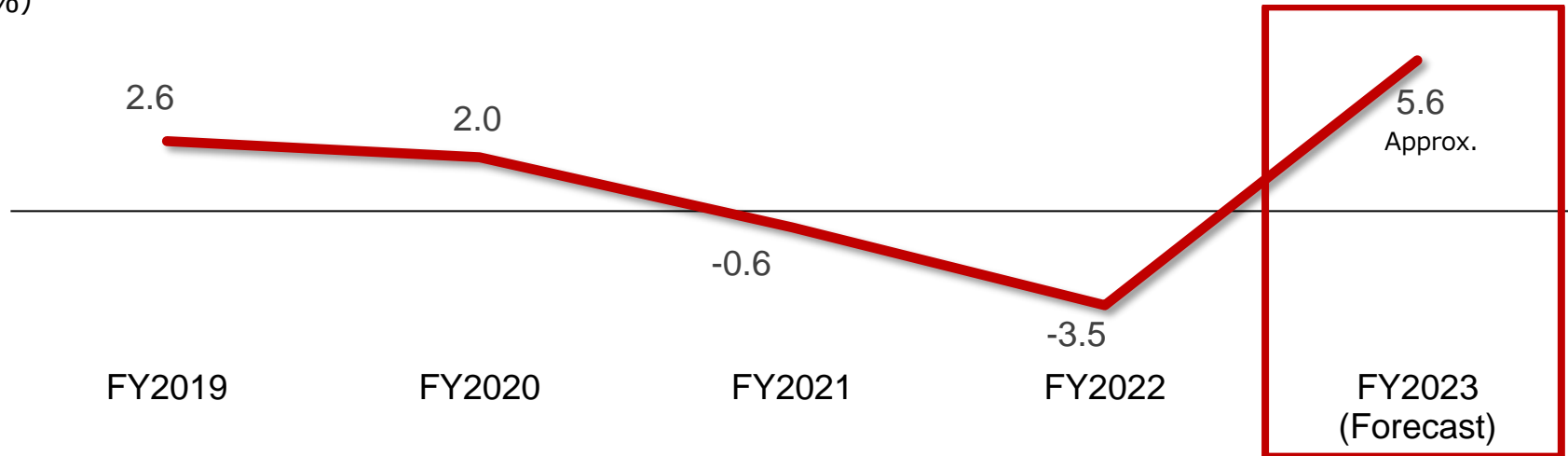
Consolidated interest-bearing debt / cash income ratio

(times)



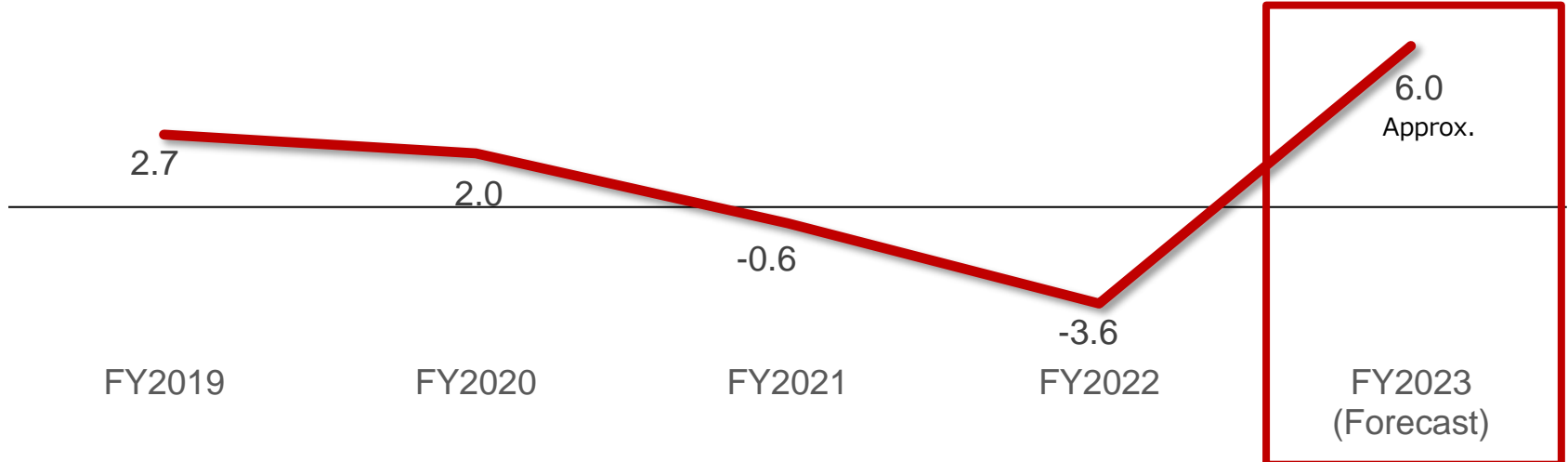
Return On Invested Capital (ROIC)

(%)



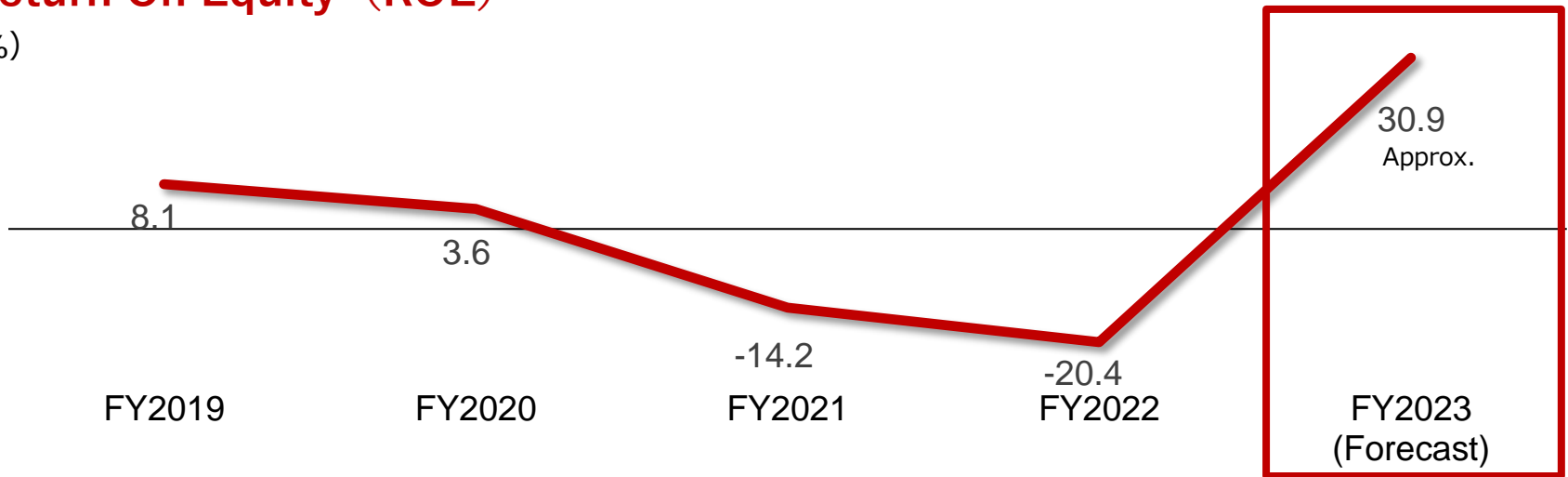
Return On Assets (ROA)

(%)



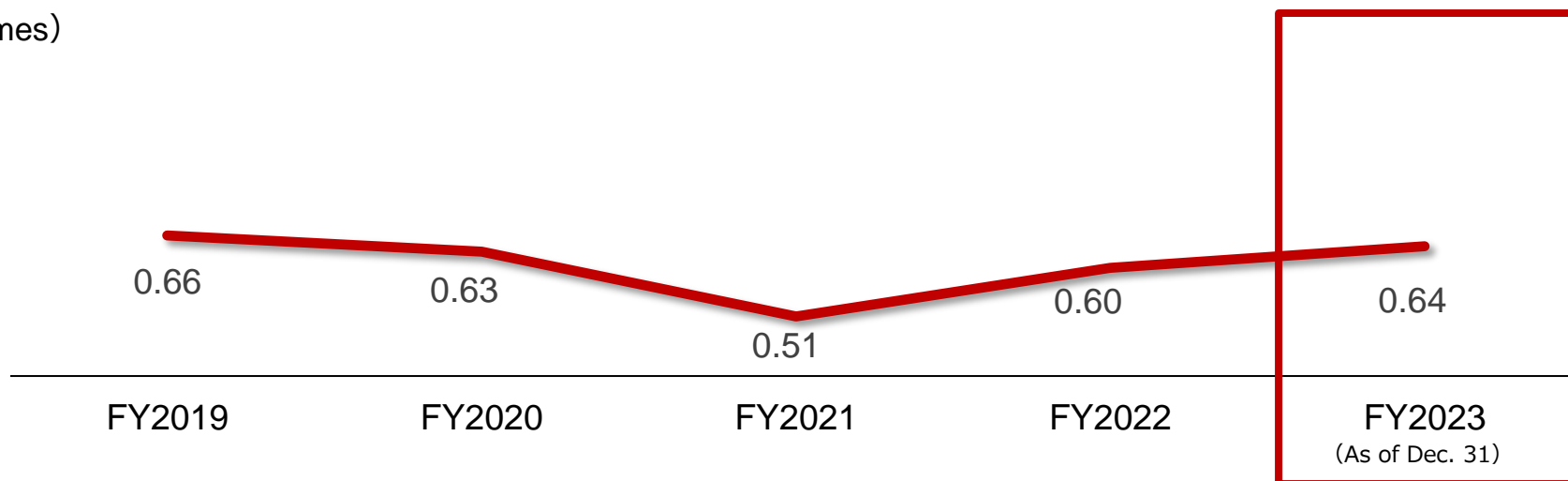
Return On Equity (ROE)

(%)



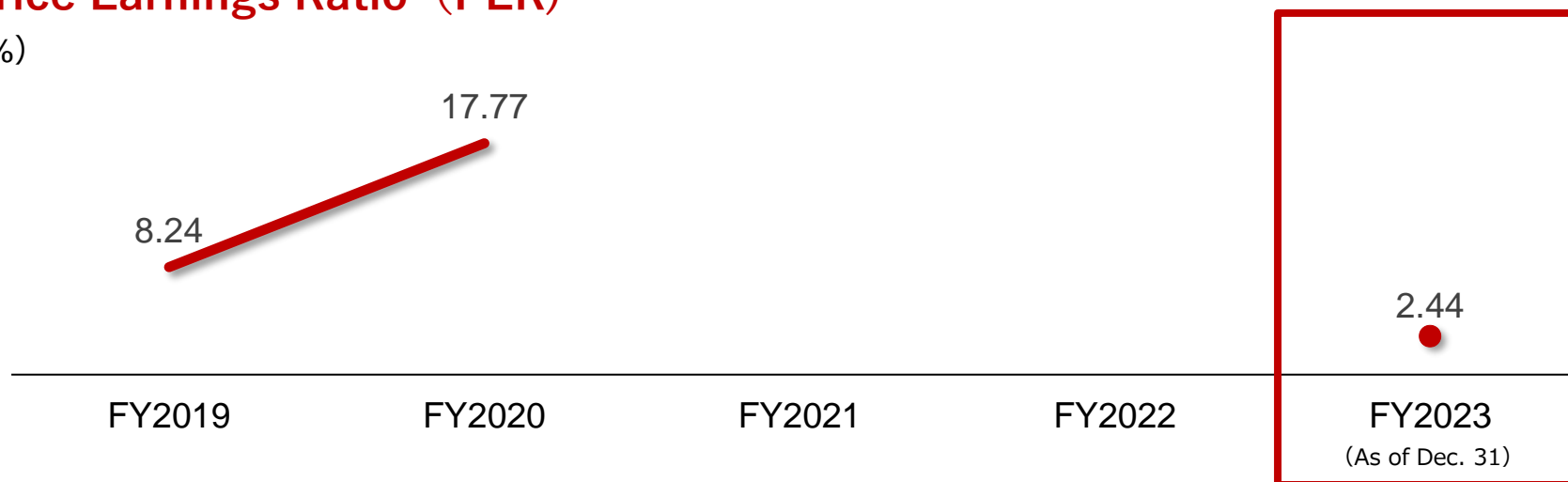
Price Book-value Ratio (PBR)

(times)



Price Earnings Ratio (PER)

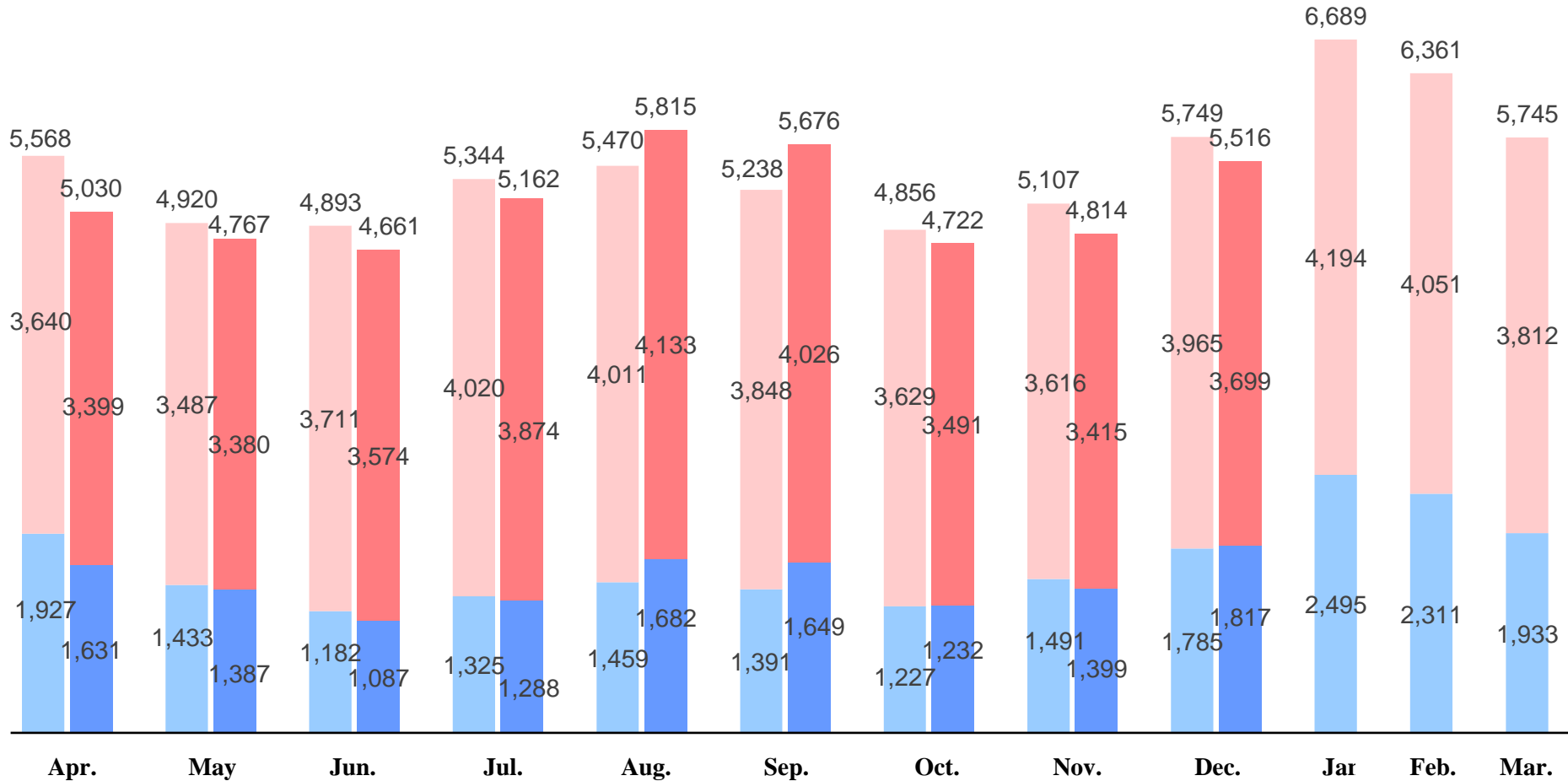
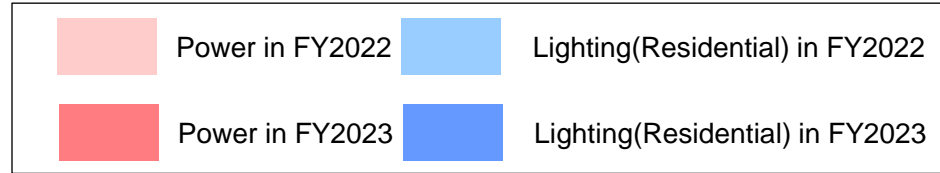
(%)



Note : Price Earnings Ratio cannot be calculated for FY2021 and FY2022 due to net loss.

Retail Electricity Sales Volume by Month

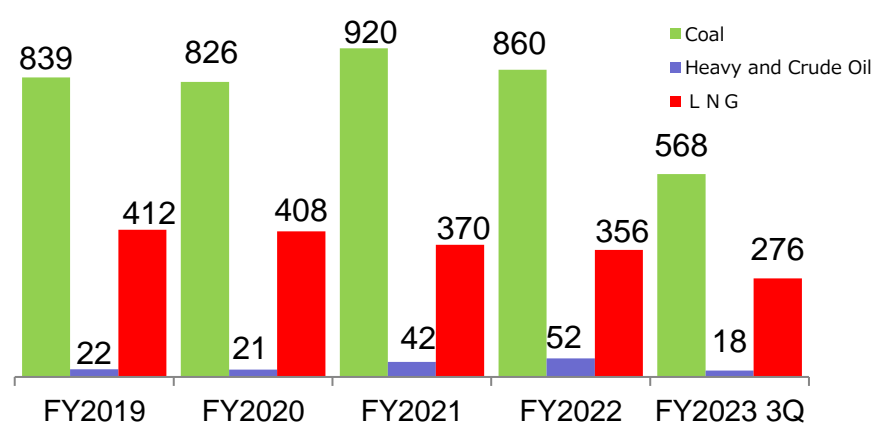
■ Retail Electricity Sales Volume (GWh)



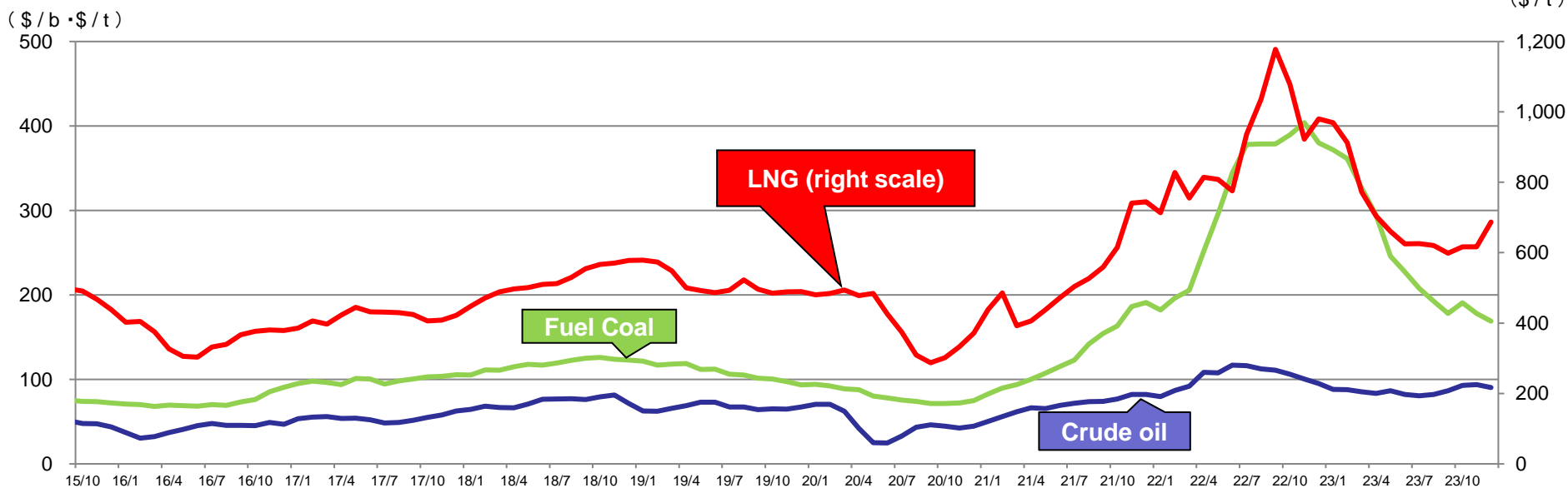
Fuel Consumption

	FY2022/ 3Q	FY2023/ 3Q	Change	(Reference) FY2022
Coal (ten thousand tons)	644	568	(76)	860
Heavy and Crude Oil (ten thousand kl)	39	18	(21)	52
LNG (ten thousand ton)	246	276	30	356

(ten thousand tons, ten thousand kl)



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

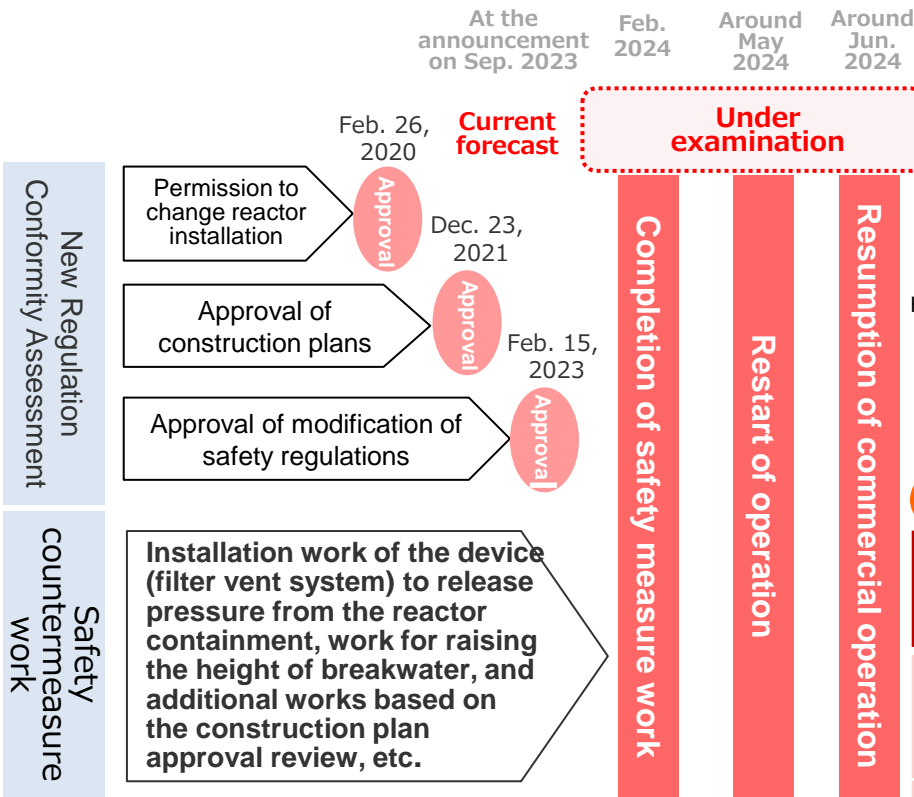


Initiatives for Restarting Nuclear Power Station

Revision of safety measure work completion date for Onagawa Power Station Unit 2

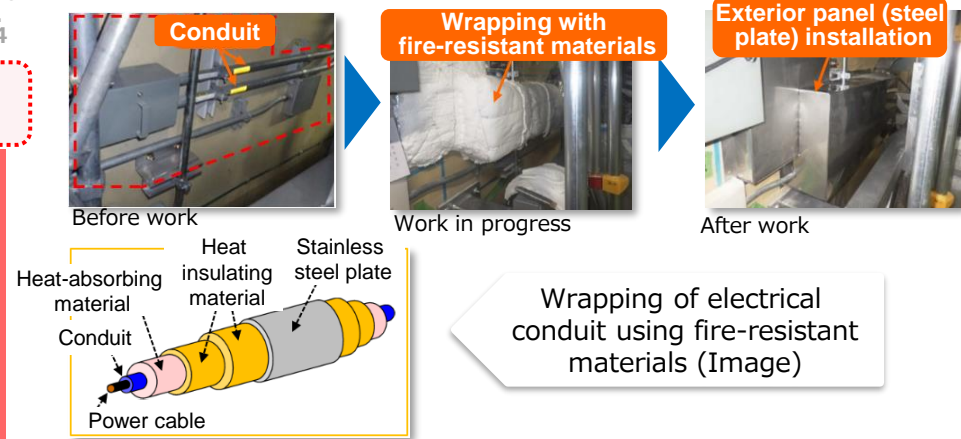
- The safety countermeasure work for Onagawa Power Station Unit 2 was scheduled to be completed in February 2024, but the construction period of the "**fire protection countermeasure work**" currently underway is expected to be delayed due to increase in construction volume. Therefore, we are now making a close examination of the completion date of the safety work.
- At present, a delay of several months is expected with regard to the completion of the safety work, and the date of restart and resumption of operations will also be changed. We will promptly announce the new work process as soon as we completed the close examination.

Timing of completion of safety work after examination



Outline of fire protection countermeasure work

[Ex. Conduit wrapping work currently underway]



Status of fire protection countermeasure work

		Target conduit (total length)	Number of conduits works	Number of seismic reinforcement works
Plan	① Previous time (announced in Sep. 2023)	300 meters	42 locations	150 locations
	② This time	430 meters	52 locations	Under evaluation
Result	③ Construction achievements to date (as of end of Dec. 2023)	240 meters	31 locations	149 locations
	④ Future construction volume (②-③)	190 meters	21 locations	Under evaluation

Onagawa Nuclear Power Station

Conformity assessment	<ol style="list-style-type: none"> 1. Permission for application for approval of license amendment (February 26, 2020) 2. Approval for construction plan (December 23, 2021) 3. Approval of safety regulations (February 15, 2023)
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.
Pre-Service Operator Inspections	<p>Since May 2022, Pre-Service Operator inspections have been conducted. The main inspection process is as follows.</p> <ol style="list-style-type: none"> 1. Inspections during the fuel bundles insertion 2. Inspections at the beginning stage of criticality reaction operations 3. Inspections at the time of construction completion <p>After the inspection described in "2", the reactor start-up operation will be performed.</p>



Onagawa Nuclear Power Station

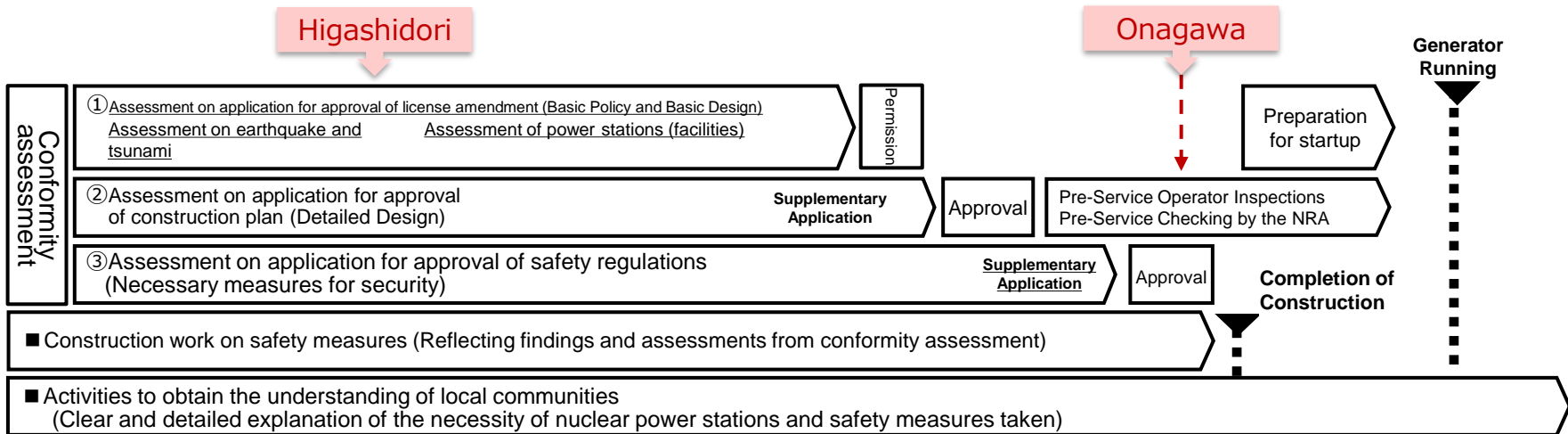


Higashidori Nuclear Power Station

We are currently examining the completion date of safety measure work, Pre-Service Operator Inspections and restart date.

Higashidori Nuclear Power Station

Conformity assessment	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.



Main Initiatives in the 3rd Quarter of FY2023

Financial and management information

date	Theme
10/12	Tohoku Electric Power Frontier begins offering "Tohoku Electric Power Frontier Hikari"
10/30	Tohoku Electric Power Frontier implements "Simple Denki with Netflix new subscription campaign"
10/31	Approval of terms and conditions for wheeling supply, etc. (Press release by Tohoku Electric Power Network)
11/1	Implementation of "Winter Power Saving Action" by Tohoku Electric Power and Tohoku Electric Power Frontier
11/20	Joetsu Cable Vision and Tohoku Electric Power begin offering set plans (Save up to 220 yen per month on your monthly payment)
11/24	Approval of "revenue forecast" related to wheeling supply, etc. (Press release by Tohoku Electric Power Network)
12/1	Issue of 562nd corporate bond (for individual investors)
12/1	Application for approval to change the terms and conditions for wheeling supply, etc. (Press release by Tohoku Electric Power Network)
12/1	Initiatives to ensure stable power supply this winter (Press release by Tohoku Electric Power Network)
12/4	Application for approval of special measures for electricity rates following the continuation of the "Project to Mitigate Sharp Fluctuations in Gas/Electricity Rates"
12/13	Special measures for electricity rates following the continuation of the project of the "Project to Mitigate Sharp Fluctuations in Gas/Electricity Rates"

ESG

date	Theme
10/18	Utilization of revenue from non-fossil certificate sales
11/14	Submission and publication of the "Environmental Consideration Document at Planning Stage" regarding the Higashi Niigata Thermal Power Station Units 1 and 2 replacement plan
11/15	Environmental impact assessment regarding Higashi Niigata Thermal Power Station Units 1 and 2 replacement plan
12/8	Tohoku Sustainable & Renewable Energy Co., Inc. "Commencement of commercial operation of Chojahara Power Station (hydropower)"
12/18	Start of operation of solar power station "Hikari no Chikara Kurinoe" and "storage battery system" (Press release by Tohoku Electric Power Network)
12/19	Start of supply of "Akita Ene! 100% Option Hydropower" to "Bunka Shutter Co., Ltd." and issuance of certificate
12/22	Start of supply of "Akita Ene! 100% Option Hydropower" to "Matagi no Sato Tourism Development Co., Ltd." and issuance of certificate

Renewable energy

date	Theme
10/13	Participation in Nakatombetsu onshore wind power generation project (tentative name)
12/13	Selected as an offshore wind power generation operator in Oga City, Katagami City, and offshore Akita City, Akita Prefecture

Nuclear power

date	Theme
10/5	Permission for reactor installation change related to the installation of specific serious accident response facilities at Onagawa Nuclear Power Station Unit 2
10/27	Report on our response to confirmation and requests from Aomori Prefecture after receiving the Aomori Prefecture Nuclear Safety Measures Verification Committee report (as of the end of September 2023)
11/20	Implementation of geological survey (Part 2) within the premises of Higashidori Nuclear Power Station
11/30	Amendments to “Onagawa Nuclear Power Station Nuclear Operator Disaster Prevention Work Plan”
11/30	Amendments to “Higashidori Nuclear Power Station Nuclear Operator Disaster Prevention Operation Plan”
12/1	Receipt of prior approval regarding the installation of specific serious accident response facilities at Onagawa Nuclear Power Station Unit 2
12/11	Completion of the second periodic operator inspection of Onagawa Nuclear Power Station Unit 1
12/11	Implementation of the third periodic operator inspection of Onagawa Nuclear Power Station Unit 1
12/14	Application for design and construction plan approval for specific serious accident response facilities at Onagawa Nuclear Power Station Unit 2

Smart society realization project

date	Theme
11/1	Vacant house management, lock/window glass/fittings trouble support service Trial campaign implementation (Special price for a limited time to commemorate one year since its launch)
11/15	Tohoku Electric Power begins offering “House Cleaning” as a lifestyle service (Special promotions are also available.)
12/6	Tohoku Electric Power Frontier begins offering child monitoring service “Komamoru” in Kawamata Town, Fukushima Prefecture

Renewable energy-related

Selected as an offshore wind power generation operator in Oga City, Katagami City, and Akita City, Akita Pref. (press dated Dec. 13)

- Through a consortium of four companies, with JERA Co., Ltd. as the representative company, we were selected as the operator of the "offshore wind power generation project in Oga City, Katagami City, and the offshore of Akita City, Akita Prefecture."
- By bringing together the know-how and strengths of the four companies, we will create a synergistic effect and realize a world-class offshore wind power generation business that is stable and efficient over the long term.

Name of Consortium	Oga, Katagami, and Akita Offshore Green Energy Consortium
Members	JERA Co., Ltd. (representative company), Electric Power Development Co., Ltd. Tohoku Electric Power Co., Inc., ITOCHU Corporation
Interconnection Capacity	315MW
Number of Units	21 units
Turbine Model	Vestas V236-15MW
Planned Start of Commercial Operation	June, 2028

ESG-related

Regarding the start of operation of the solar power station "Hikari no Chikara Kurinoe" and the "storage battery system" (press dated Dec. 18 by Tohoku Electric Power Network)

- Tohoku Electric Power Network is participating in a project promoted by Niigata Prefecture to further expand the introduction of renewable energy on Sado Island, and is working to achieve optimal supply and demand control.
- As part of the above, on December 18, 2023, the company began operation of the solar power station "Hikari no Chikara Kurinoe" and the "storage battery system (Ryotsu Thermal Power Station premises)".



Smart society realization project -related

Tohoku Electric Power begins offering "house cleaning" as a lifestyle service (press release dated Nov.15)

- Started providing the service in some areas of Miyagi Pref. in November 2023.
- Cleaning professionals selected by our company will clean items such as wall-mounted air conditioners and range hoods. There is no need to visit for estimates, and everything from ordering to payment can be done online.
- In addition to existing services such as "vacant house management service" and "grass mowing/pruning service," we will contribute to solving customer problems and social issues.



<Ref.: Tohoku Electric Power's Living Services - Main Lineup>

"Problem Solving" Service			"Preparedness for Safety" Service	
Vacant house inspection	Mowing and pruning	Extermination of pests and vermin	Electrical equipment and water supply	Locks, windows and fittings
Vacant house management service	Mowing and pruning service	Extermination of pests and vermin service	Housing safety support	Locks, windows and fittings trouble support
Inspect vacant house every month, then report the result.	A wide range of services from weeding and mowing to cutting and pruning of garden trees.	Supports pest and vermin extermination and control operations.	Arranges a repair store to work on electrical and water facilities in case of trouble.	On-site support in case of problems such as lost keys, cracked windows, door malfunctions, etc.

For detailed information, please see Tohoku Electric Power's web site "Living Service".
<https://www.tohoku-epco.co.jp/dprivate/living-service/> (Japanese only)

List of Major Renewable Energy Development/Participation Points of Our Group

Development/participation results
(as of the end of December, 2023)

Total output share **750** MW*

New developments target

In early 2030s **2,000** MW

List of power stations

(As of December 31)

	Project Name	Output	Scheduled Commercial Operation Date
Offshore Wind	Aomori Offshore Wind	TBD	TBD
	Akita Offshore Wind	TBD	TBD
	Iwate Floating Offshore Wind	TBD	TBD
	Akita and Noshiro Port Offshore Wind	138.6MW	Jan. 2023
	Oga Katagami and Akita Offshore Wind	315MW	June. 2028
Onshore Wind	Fukaura Wind	73.6MW	Feb. 2024
	Noshiro-Yamamoto Regional Wind	96.6MW	Mar. 2025
	Inaniwa Takko Wind	Approx.100MW	After FY2025
	Inaniwa Wind	Approx.100MW	After FY2025
	Shiroishi Kosugo Wind	Approx.38MW	After FY2026
	Southern Abukuma Wind	Approx.90MW	After FY2025
	Tabito Central Windfarm	Approx.54.6MW	After FY2027
	Inego-Toge Windfarm	58.8MW	May 2028
	Miyagi Kami Windfarm	Approx.42MW	April 2024
	Takko Wind (tentative name)	Approx.75.6MW	After FY2027
	Shimokita	96MW	After 2027
	JRE Sakata Replace	Approx.27.5MW	2026
	Oonakadai-bokujo Wind	4MW	Nov. 2024
	Fukamochi Wind	94.6MW	After FY2030
	Fukui Kunimidake Wind	37.8MW	May 2027
	Windfarm Tsugaru	121.6MW	April 2020
	Shichinohe-Towada Wind	30.5MW	Dec. 2021
	Tsuruoka Hachimoriyama Wind	13.6MW	Nov. 2021
	Oritsumedake South 1 Wind	44.2MW	Jan. 2023
	Nakatombetsu Wind	48MW	April 2030
Geothermal	Kijiyama	14.9MW	2029
	Naruse River	2.3MW	FY2034
Hydroelectric	Shin-Kamimatsuzawa	9.4MW	FY2031
	Tamagawa No.2 Hydroelectric	14.6MW	Nov. 2022
	Power Plant Tsuhaze	35MW	Feb. 2023
Solar	Miyagi Osato Solar Park	37.5MW	Oct. 2021
	Chokai-Minami	52.9MW	Oct. 2024
Biomass	Niigata East Port	50MW	Oct. 2024

Major power stations already in operation



【Akita and Noshiro Port Offshore Wind】
Output 138,600kW
(Operation Started : Jan.2023)

Photo provided by Akita Offshore Wind Corporation



【Windfarm Tsugaru】
Output 121,600kW
(Operation Started : Apr.2020)

Photo provided by Green Power Investment Corporation



【Tamagawa No.2 Hydroelectric】
Output 14,600kW
(Operation Started : Nov.2022)



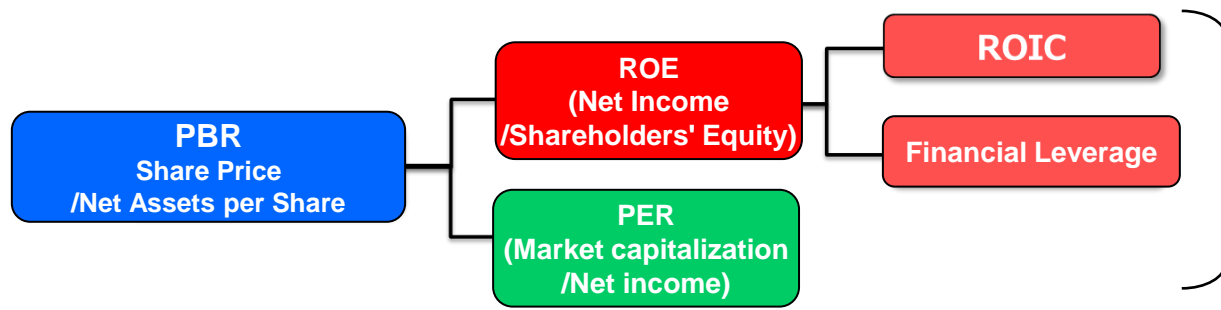
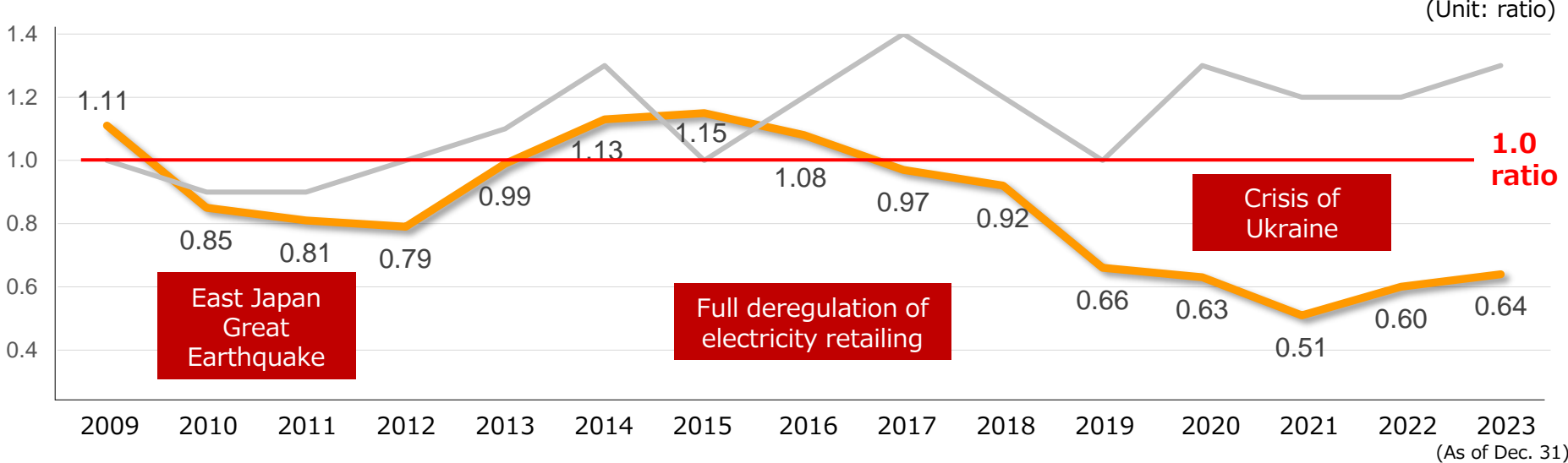
【Power Plant Tsuhaze】
Output 35,000kW
(Operation Started : Feb. 2023)

For Realizing Management Conscious of
Cost of Capital and Stock Price

- ✓ For TSE request "the response to realize management conscious of cost of capital and stock price", after analyzing our capital cost, capital profitability, and stock price trend, we have been in deep internal discussions about how to realize "sustainable growth and mid-and-long term improvement of corporate value, and meet capital market expectations.
- ✓ Our P/B ratio has been above 1x at one time, but has remained below 1x recently. On the next slide, we will break down PBR into its constituent indices, and analyze factors and issues from each transition.

■ PBR Transition and Current Status (Unit price at the end of each fiscal year/Net assets per share)

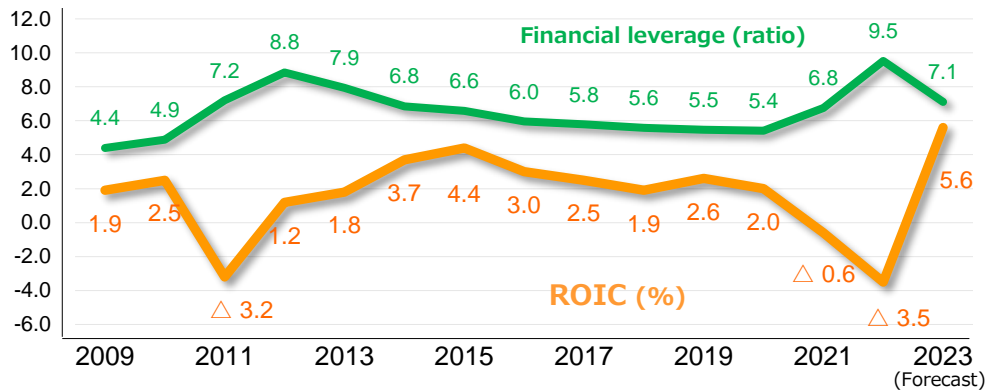
*Gray line shows TSE Prime and First Section average



On the next slide, we will break down PBR into its constituent indices, and analyze factors and issues from each transition.

- ✓ Break down P/B ratio into its components, "ROIC and financial leverage" and "PER", and analyze factors and issues from each transition.
- ✓ ROIC peaked in FY2015 and has been on a flat or declining trend since then, mainly due to declines in profit (rate) and asset efficiency. Financial leverage rose sharply due to the recent deterioration in equity capital and an increase in interest-bearing debt.
- ✓ PER is currently lower than listed average, this is thought to be due to a growing sense of uncertainty about growth potential and profitability of the company's future business operation and its commitment to shareholder returns, as well as its inability to meet expectations.
- ✓ In order to accurately address these issues and realize management that meets investors' expectations, the company has already begun to implement initiatives from the current fiscal year to improve profitability and establish a financial base at early stage, and will improve PBR by achieving sustainable growth and increasing corporate value over the mid- and long-term.

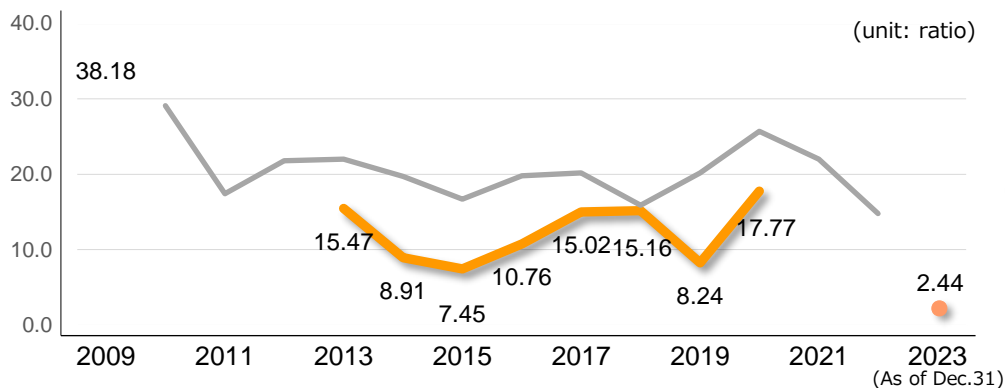
Transition of ROIC & Financial Leverage



- ROIC peaked in FY2015 and has been declining significantly due to Ukraine Crisis. It is expected to improve for this fiscal year due to the recovery of financial results.
- The trend of declining in the past are thought to be **mainly due to declines in profit (ratio) and asset efficiency**. The following factors are assumed to be influential.
 - Decrease in sales and sales unit price due to intensified competition
 - Increase in fuel and other costs due to prolonged nuclear shutdowns
 - Decrease in fixed cost recovery rate of thermal power generation due to expansion of renewable energy, etc.
- Financial leverage increased after the earthquake and has since been on a downward trend. Recently, **it rose sharply due to a decrease in equity capital and an increase in interest-bearing debt as a result of the earthquake and the impact of the Ukraine**, but it is expected to turn downward due to the recovery of financial results for this fiscal year.

Transition of PER

*Gray line shows TSE Prime Listed Company Average



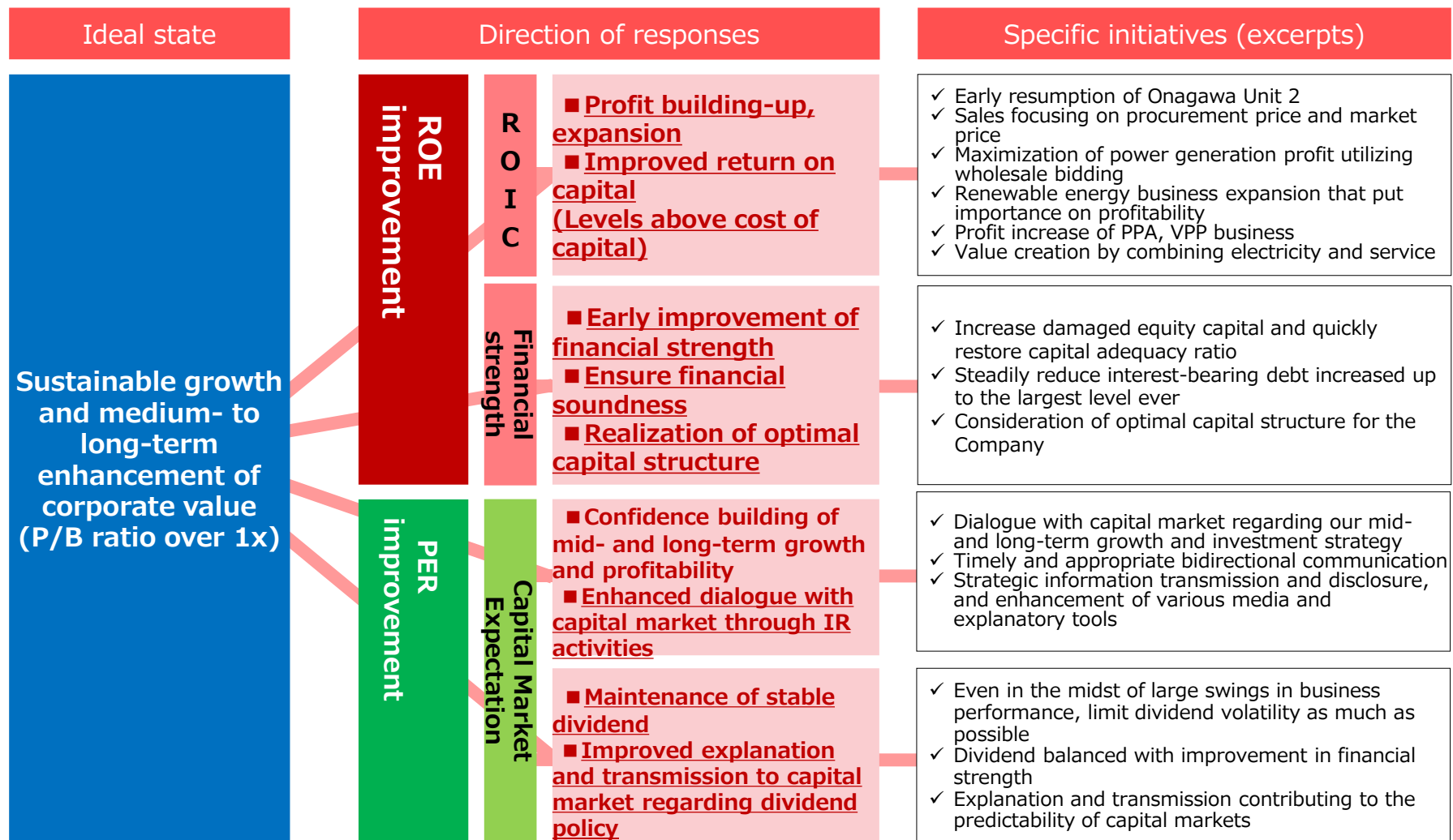
- PER has remained around 10x since the earthquake, however, it has recently declined significantly due to a sharp deterioration in earnings and the absence of dividend payments. The company's P/E ratio is currently lower than the average of listed companies. **Amid growing uncertainty about the company's future growth potential, profitability, and commitment to shareholder returns, the company has not fully met expectations in a tangible form**, among other factors.
- The following factors are assumed to influence the sense of insecurity.
 - Concern about profitability due to the progress of institutional reform and marketization of the electric utility industry
 - Uncertainty and reduced predictability in the nuclear power business such as delayed resumption of operations
 - Responses and cost-effectiveness for decarbonization and CN (cost concerns)
 - Profitability of growth businesses and probability of return on investment
 - Impact on shareholder returns (stable dividends) due to increased earnings volatility

*Unable to calculate for FY2010 to FY2012 and FY2021 to FY2022 due to net loss recorded by the company

Initiatives for Realizing Management Conscious of Cost of Capital and Stock Price

- Future Direction of the Company's Response (as of now) -

- ✓ The Company recorded its largest ever consolidated ordinary loss in FY2022, but recovered to its highest ever profit level in FY2023 through the implementation of various income and expenditure improvement measures. However, we need to quickly recover its financial base, which has deteriorated significantly.
- ✓ Under these circumstances, we are currently considering our future medium- to long-term management and financial strategies, taking into account the changes in the business environment that we expect to see in the future, the profit level we aim to achieve in the medium to long term, our financial challenges, and the TSE's request. The following is a summary of the current direction of action (at this time), taking into consideration the issues mentioned in the previous slide. We plan to disclose and explain the details as soon as they are determined.



(Note)

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

The information contains forward-looking statements based on assumptions and projections about the future with regard to our group. 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 our group.

We hereby disclaim any responsibility or liability in relation to consequences resulting from decisions made by investors.