

Financial Summary

1st Quarter of FY2022

(April 1, 2022 – June 30, 2022)

July 29, 2022



Tohoku Electric Power Co., Inc.



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1st Quarter of FY2022 Financial Results

Key points of financial results and forecasts

Financial Results for the first quarter of FY2022

Increase in revenue, but decrease in income

(First time in 5 years since FY2017)

- Operating revenue : mainly due to increase in fuel cost adjustment charge
- Ordinary loss : mainly due to an increase in electricity procurement costs resulting from rising fuel prices and JEPX

Financial and Dividend Forecasts for FY2022

Consolidated Operating Revenue : ¥2,740.0 billion

- Operating revenue : mainly due to increase in fuel cost adjustment charge

Consolidated Ordinary Loss : - ¥200.0 billion

- Ordinary loss : mainly due to an increase in electricity procurement costs resulting from rising fuel prices and JEPX

Dividend Forecast : No dividend will be paid in FY2022

Summary of Financial Results

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- **Operating revenue** **¥558.2 billion (a year on year increase of ¥157.6 billion)**
 - Operating revenue increased mainly due to an increase in fuel cost adjustment charges resulting from rise in fuel prices.
- **Ordinary income/loss** **- ¥28.6 billion (a year on year decrease of ¥47.1 billion)**
 - Ordinary income/loss decreased mainly due to an increase in electricity procurement costs resulting from rising fuel prices and JEPX prices.
- **Net Income Attributable to Owners of Parent** **- ¥31.2 billion (a year on year decrease of ¥41.0 billion)**

【Summary of Consolidated Financial Statements】

(billions of yen)

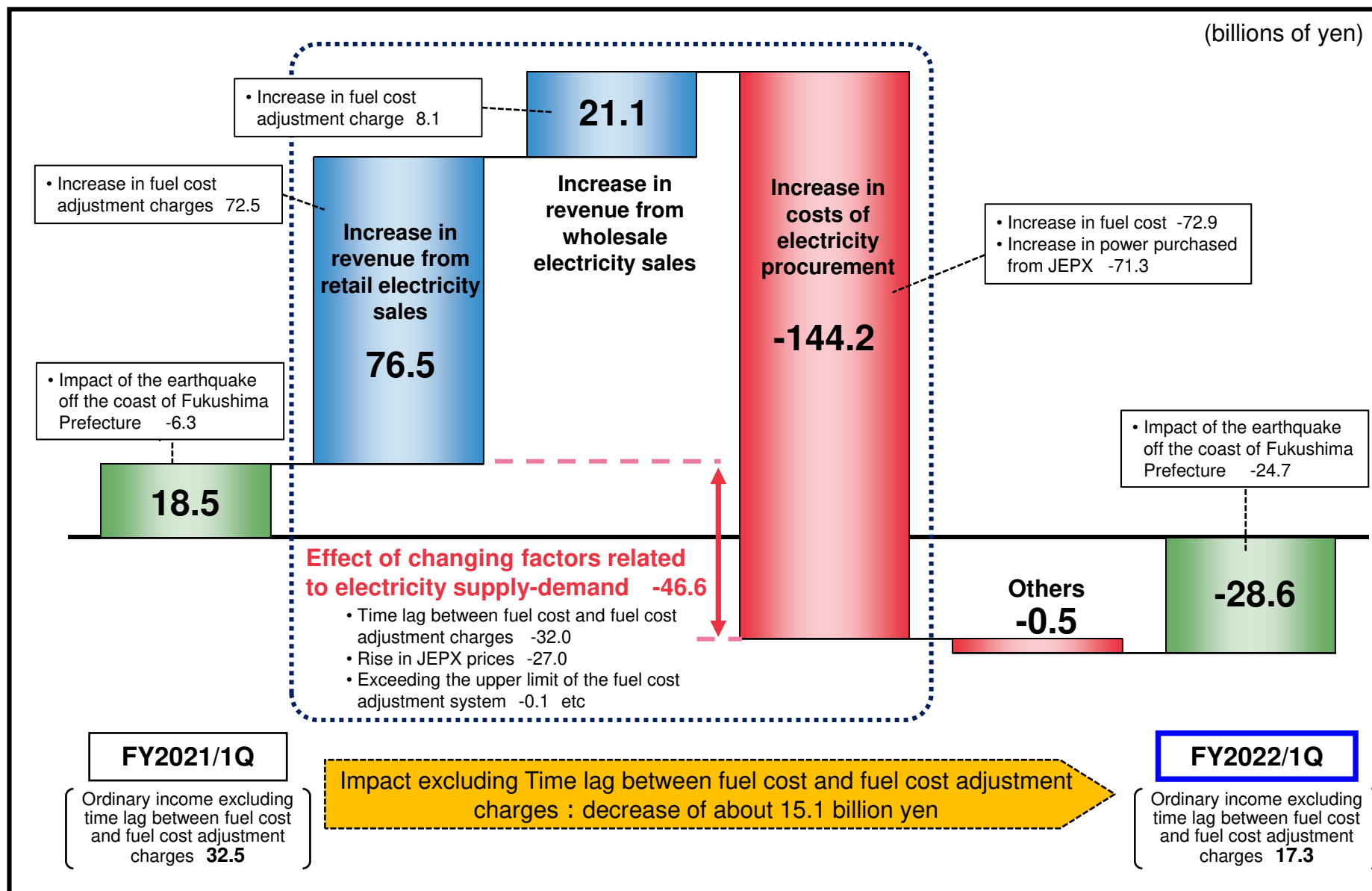
	FY2021/1Q (A)	FY2022/1Q (B)	Change (B) - (A)	Change (B) / (A)
Operating Revenue	400.5	558.2	157.6	139.4 %
Ordinary Income* ¹	18.5	(28.6)	(47.1)	-
	[32.5]	[17.3]	[(15.1)]	[53.4 %]
Net Income Attributable to Owners of Parent	9.8	(31.2)	(41.0)	- %
Consolidated Cash Income* ²	82.5	67.6	(14.9)	81.9 %

*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.)

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

Decrease of -47.1 Billion Yen (18.5 → -28.6)



Electricity Sales and Major Factors

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- **Retail electricity sales** **15.4 TWh (a year on year decrease 0.04 TWh)**
Retail electricity sales volume decreased due to the impact of intensifying competition.
- **Wholesale electricity sales** **3.0 TWh (a year on year decrease 0.1 TWh)**
Wholesale electricity sales volume decreased due to a decrease in volume of wholesale electricity sales outside our franchise area caused by suspension of thermal plant operations.

(GWh)

Electricity Sales*1	FY2021/1Q (A)	FY2022/1Q (B)	Change (B) - (A)	Change (B) / (A)
Lighting (Residential)	4,598	4,542	(56)	98.8 %
Power	10,824	10,838	14	100.1 %
Retail Electricity Sales*2	15,422	15,380	(42)	99.7 %
Wholesale Electricity Sales*3	3,153	3,038	(115)	96.3 %
Total of Electricity Sales	18,576	18,418	(158)	99.1 %

*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.

	FY2021/1Q (A)	FY2022/1Q (B)	Change (B) - (A)
Crude Oil CIF Price (\$/bbl.)	66.9	110.8	43.9
Exchange Rate (¥/\$)	110	130	20
Hydro Power Flow Rate (%)	92.8	108.9	16.1
Nuclear Power Utilization Rate (%)	-	-	-

Electricity Supply

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(GWh)

Electricity Supply* ¹	FY2021/1Q (A)	FY2022/1Q (B)	Change (B) - (A)	Change (B) / (A)
Own Generated Power* ²	13,307	11,418	(1,889)	85.8%
Hydro	2,539	2,885	346	113.6%
Thermal	10,639	8,382	(2,257)	78.8%
Nuclear	-	-	-	-
Renewables	129	151	22	117.0%
Power Interchanges and Purchased Power* ^{3,4}	6,931	8,386	1,455	121.0%
	(1,304)	(975)	329	74.8%
Used at Pumped Storage and others	(43)	(95)	(52)	221.9%
Total of Electricity Supply* ³	18,891	18,733	(158)	99.2%

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

*4 As for "Power Interchanges and Purchased Power", the top is Received and the bottom is Transmitted.

Segment Information (Consolidated)

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(billions of yen)

	FY2021/1Q(A)		FY2022/1Q(B)		Change (B) - (A)		Major factors for change
	Operating Revenue*	Ordinary Income	Operating Revenue*	Ordinary Income	Operating Revenue*	Ordinary Income	
Power Generation and Sales	304.5	35.9	432.2	(24.5)	127.7	(60.5)	<ul style="list-style-type: none"> • Operating revenue increased due to an increase in fuel cost adjustment charges. • Ordinary income decreased due to an increase in electricity procurement costs resulting from rising fuel prices and JEPX prices.
	290.1		395.7		105.6		
Network	153.3	9.4	216.0	9.8	62.7	0.3	<ul style="list-style-type: none"> • Operating revenue increased mainly due to an increase in the volume of wholesale supply of renewable energy and an increase in the volume of electricity demand in our franchise area. • Even with an increase in operating revenue, operating income was almost at the same as the previous year due to an increase in costs of electricity supply-demand adjustment.
	57.1		107.1		49.9		
Construction	52.9	(2.6)	50.3	(1.8)	(2.6)	0.7	<ul style="list-style-type: none"> • Operating revenue decreased due to a decrease in general construction orders related to electrical facilities, and a decrease in construction orders of thermal power production facilities. • Operating loss became lower thanks to a decrease in raw material costs.
	32.7		29.0		(3.7)		
Others	47.0	4.1	51.1	3.8	4.0	(0.3)	<ul style="list-style-type: none"> • Ordinary income decreased due to higher raw material costs in gas business.
	20.5		26.3		5.7		
Subtotal	557.8	46.9	749.8	(12.8)	191.9	(59.7)	
Adjustment	(157.2)	(28.3)	(191.5)	(15.8)	(34.2)	12.5	
Total	400.5	18.5	558.2	(28.6)	157.6	(47.1)	

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

Balance Sheets (Consolidated)

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(billions of yen)

	Mar. 31, 2022 (A)	Jun. 30, 2022 (B)	Change (B) - (A)	Major factors for change
Total Assets	4,725.6	4,731.4	5.7	
Non-current Assets	3,809.1	3,823.7	14.6	
Current Assets	916.5	907.6	(8.8)	Cash and deposits : (47.5)
Total Liabilities	3,946.6	3,979.7	33.0	
Non-current Liabilities	2,754.0	2,789.1	35.1	Bonds : 58.3 Long-term loans : (1.8)
Current Liabilities	1,192.5	1,190.1	(2.3)	
Net Assets	778.9	751.6	(27.2)	Net loss attributable to owners of parent : (31.2)

Interest-Bearing Liabilities	2,760.3	2,947.9	187.6	Bonds : 118.3 CP : 75.0 Loans : (5.6)
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Equity Ratio	14.8%	14.2%	(0.6%)
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Statements of Income (Consolidated) (1/2)

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(billions of yen)

	FY2021/1Q (A)	FY2022/1Q (B)	Comparison	
			(B) - (A)	(B) / (A)
Operating Revenue	400.5	558.2	157.6	139.4%
Electric utility	347.0	502.7	155.6	144.9%
Other business	53.5	55.5	2.0	103.7%
Operating Expenses	377.7	584.7	207.0	154.8%
Electric utility	324.6	529.2	204.5	163.0%
Other business	53.0	55.4	2.4	104.6%
Operating Income	22.8	(26.4)	(49.3)	-%
Non-operating income	1.6	2.2	0.6	137.5%
Non-operating expenses	5.9	4.4	(1.5)	74.5%
Ordinary Income	18.5	(28.6)	(47.1)	-%
Provision of reserve for fluctuation in water levels	-	0.3	0.3	-%
Income taxes	8.5	1.9	(6.5)	23.2%
Net income attributable to non-controlling interests	0.1	0.3	0.2	276.4%
Net income attributable to owners of parent	9.8	(31.2)	(41.0)	-%

Statements of Income (Consolidated) (2/2)

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(billions of yen)

			FY2021/1Q (A)	FY2022/1Q (B)	Change (B) - (A)	Change (B) / (A)	Major factors for change
Revenue	Electric utility operating revenue	Revenue from Electricity Sales	242.7	321.7	78.9	132.5%	Increase in fuel cost adjustment charge
		Lighting (Residential)	99.3	120.7	21.3	121.5%	
		Power	143.3	201.0	57.6	140.2%	
		Sales of power to other utilities and other companies	80.9	150.7	69.8	186.3%	Increase in volume of market transactions
		Other revenue	23.3	30.2	6.9	129.6%	
		Sub total	347.0	502.7	155.6	144.9%	
	Other operating revenue	53.5	55.5	2.0	103.7%		
	[Operating Revenue]	[400.5]	[558.2]	[157.6]	[139.4%]		
	Non operating revenue	1.6	2.2	0.6	137.5%		
	Total revenue	402.2	560.5	158.3	139.4%		
Expenses	Electric utility operating expenses	Personnel	33.9	33.3	(0.5)	98.4%	
		Fuel	65.9	143.2	77.2	217.1%	Rise in CIF price
		Maintenance	25.8	28.4	2.5	110.0%	
		Depreciation	40.1	42.9	2.7	106.8%	
		Power purchased from other utilities and other companies	95.8	220.6	124.7	230.1%	Increase in volume of market transactions
		Taxes, etc.	20.7	21.1	0.3	101.6%	
		Nuclear power back-end cost	1.7	1.8	0.0	101.2%	
		Other expenses	40.1	37.6	(2.5)	93.6%	
		Sub total	324.6	529.2	204.5	163.0%	
	Other operating expenses	53.0	55.4	2.4	104.6%		
	Non operating expenses	5.9	4.4	(1.5)	74.5%		
	Total expenses	383.7	589.2	205.4	153.6%		
[Operating Income]			[22.8]	[(26.4)]	[(49.3)]	[-%]	
Ordinary Income			18.5	(28.6)	(47.1)	-%	
Provision of reserve for fluctuation in water levels			-	0.3	0.3	-%	
Income taxes			8.5	1.9	(6.5)	23.2%	
Net income attributable to non-controlling interests			0.1	0.3	0.2	276.4%	
Net income attributable to owners of parent			9.8	(31.2)	(41.0)	-%	

Financial Forecast and Dividend Forecast (1/2)

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➤ Operating revenue ¥2,740.0 billion (a year on year increase of ¥635.6 billion)

The forecasts for operating revenue is expected to increase mainly due to an increase in fuel cost adjustment charge resulting from rise in fuel prices.

➤ Ordinary Income - ¥200.0 billion (a year on year decrease of ¥150.8 billion)

The forecasts for ordinary income is expected to decrease due to an increase in electricity procurement costs resulting from rising fuel prices and JEPX prices.

■ Consolidated Financial Forecasts for FY2022

(billions of yen)

	FY2021 (A)	FY2022 forecast (B)	Change (B) - (A)
Operating Revenue	2,104.4	2,740.0	635.6
Operating Income	(28.7)	(180.0)	(151.3)
Ordinary Income	(49.2)	(200.0)	(150.8)
Net Income Attributable to Owners of Parent	(108.3)	(180.0)	(71.6)
Consolidated Cash Income	257.3	130.0	(127.3)

■ Major Factors

		FY2021	FY2022 forecast
Electric power sales* (TWh)	R e t a i l	67.3	Approx. 65.5
	W h o l e s a l e	16.7	Approx. 17.1
	T o t a l	84.1	Approx. 82.6
Crude Oil CIF Price (\$/bbl.)		77.2	Approx. 110
Exchange Rate (¥/\$)		112	Approx. 130
Nuclear Power Utilization Rate (%)		-	-

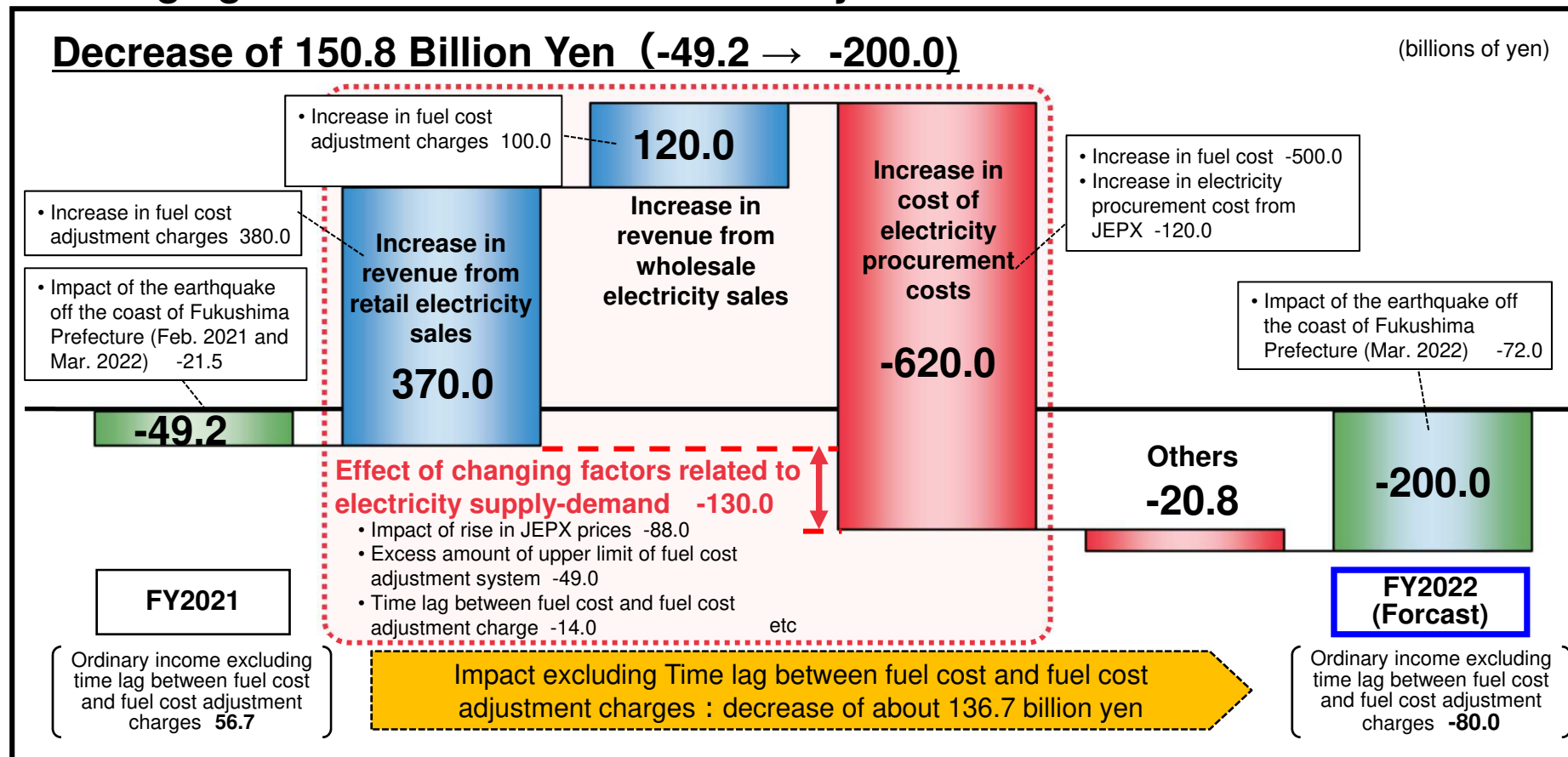
■ Sensitivity to Major Factors

(billions of yen)

Crude Oil CIF Price (per \$1/bbl.)	Approx. 2.7
Exchange Rate (per ¥1/\$)	Approx. 6.5

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

■ Changing factor of consolidated ordinary income



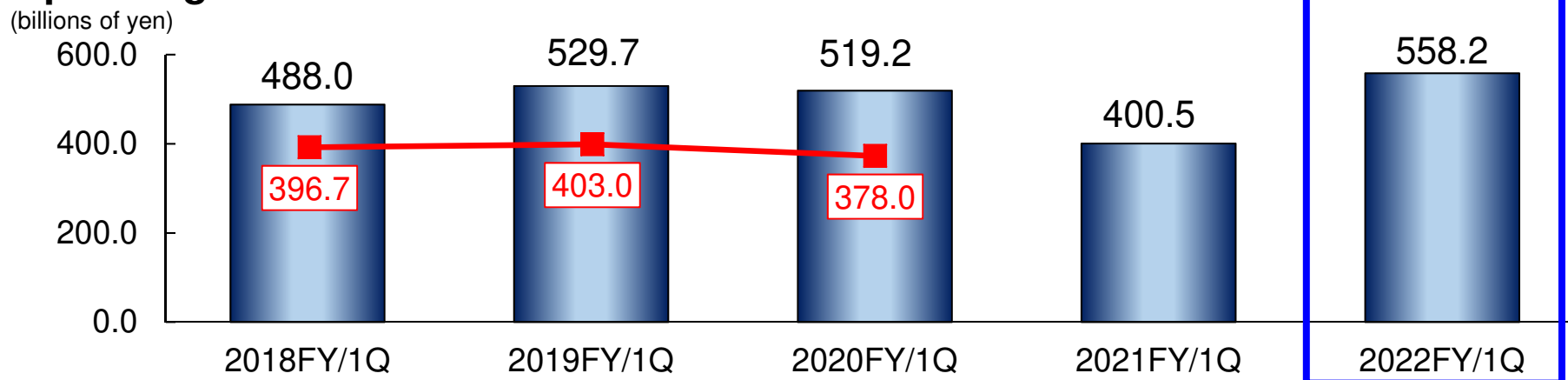
■ Dividend Forecast for FY2022

(yen)

	Interim	Year-end	Annual
FY2022 forecast	0	0	0
FY2021	20	15	35

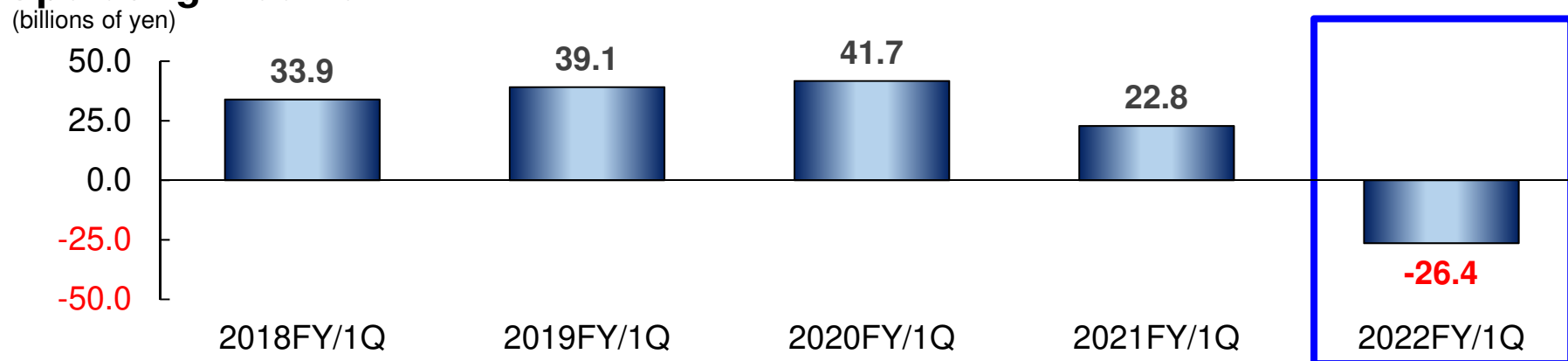
Trends of Operating Revenue, and Each Income (Consolidated) (1/2)

■ Operating Revenue



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."

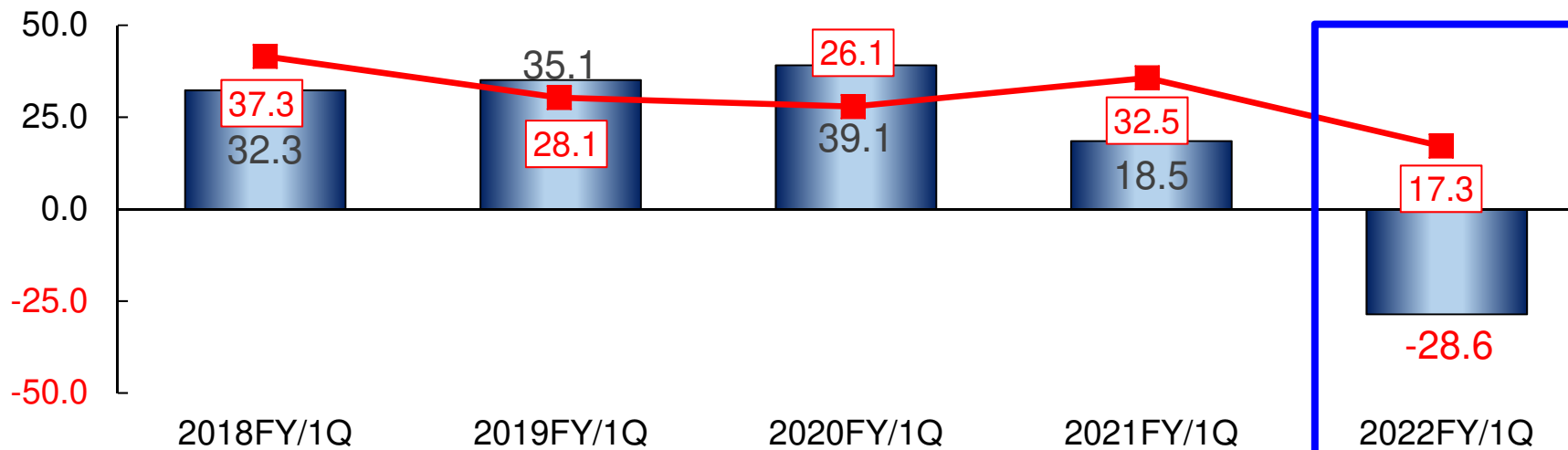
■ Operating Income



	2018FY/1Q	2019FY/1Q	2020FY/1Q	2021FY/1Q	2022FY/1Q
Operating Income on Operating Revenue Ratio (Consolidated basis)	7.0%	7.4%	8.0%	5.7%	-4.7%
Operating Income on Operating Revenue Ratio using above red line (Consolidated basis)	8.6%	9.7%	11.0%		

■ Ordinary Income

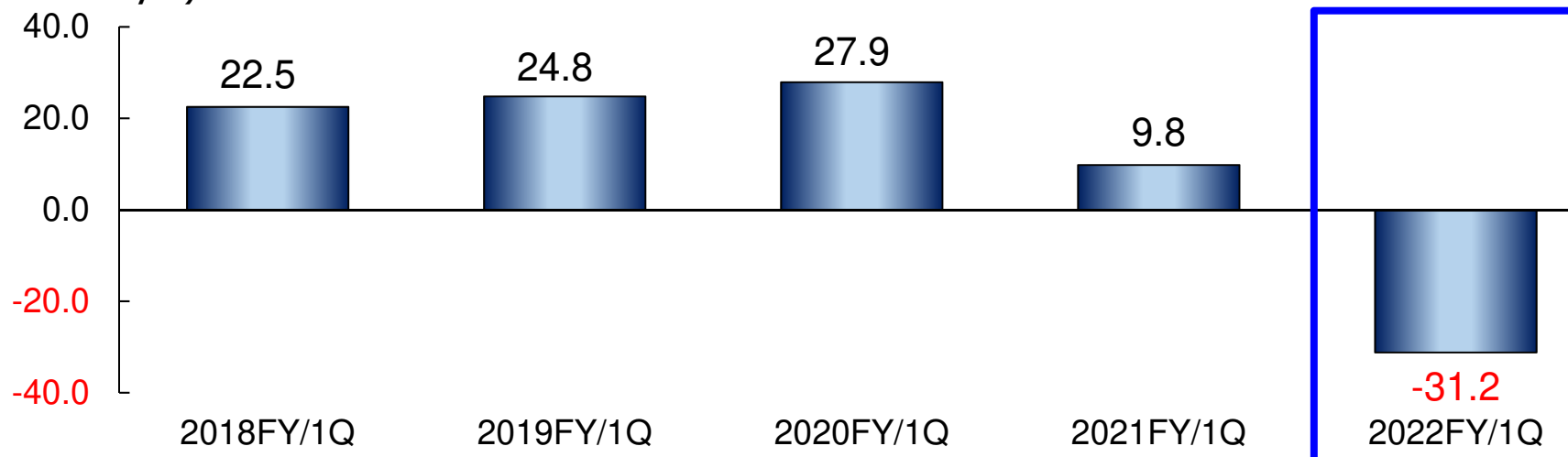
(billions of yen)



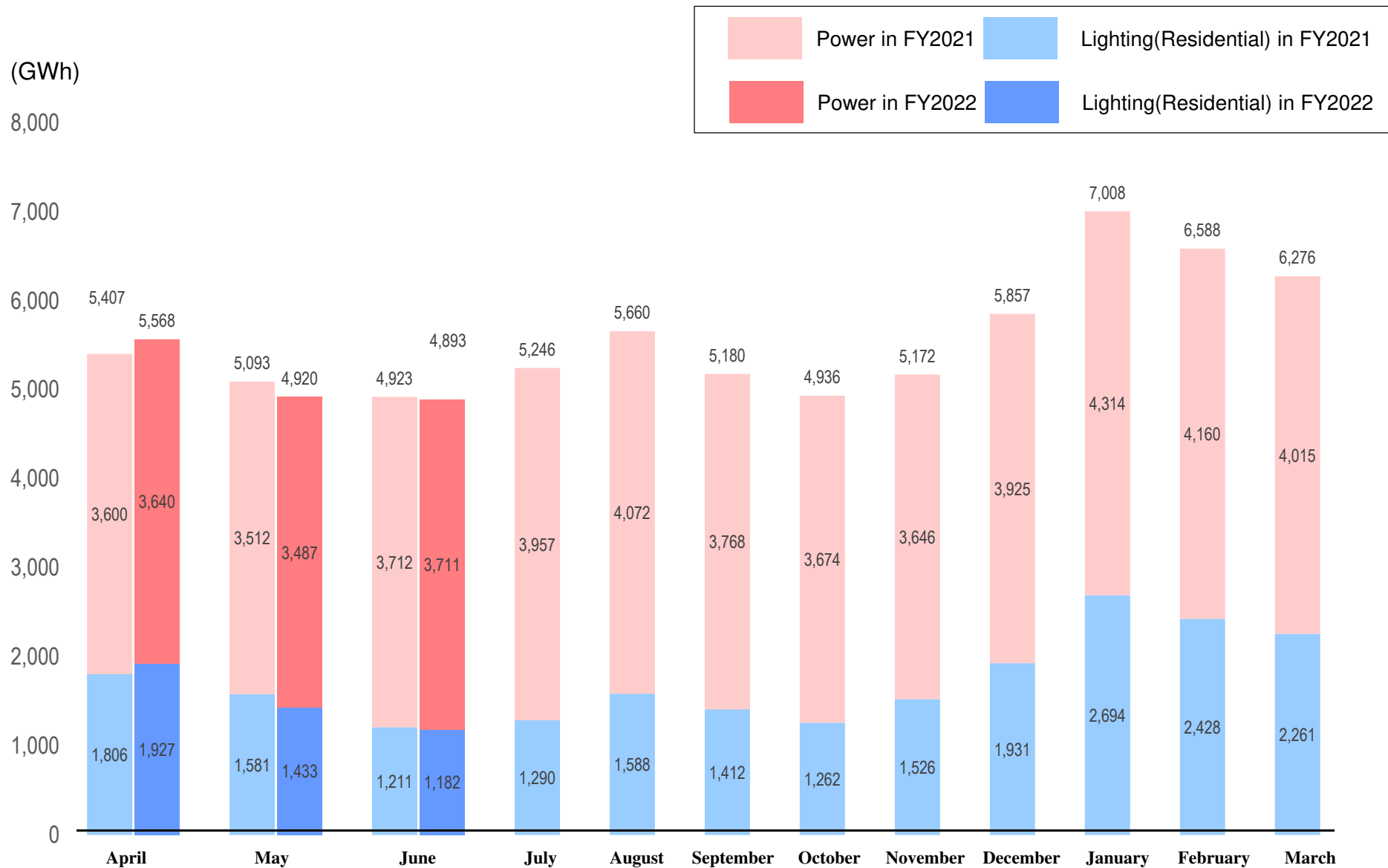
Note : Red line shows operating revenue (consolidated) excluding time lag between fuel cost and fuel cost adjustment charges.

■ Net Income Attribute to Owners of Parent

(billions of yen)



Retail Electricity Sales Volume by Month

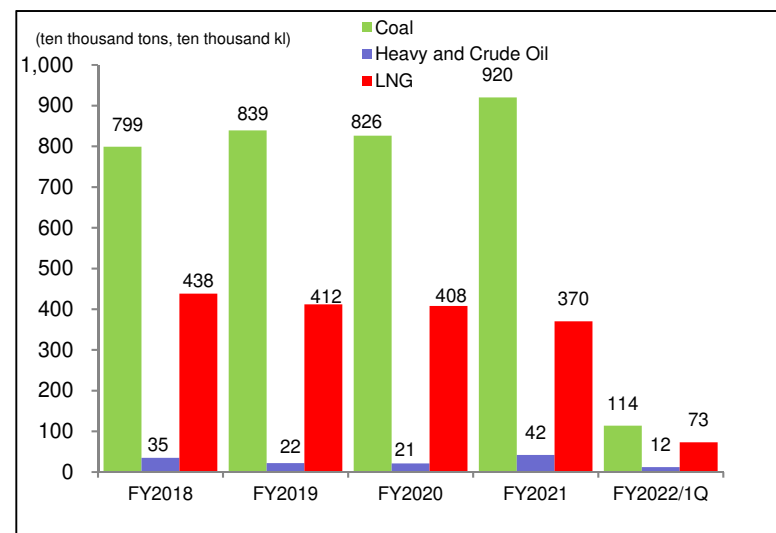


Fuel Consumption Results

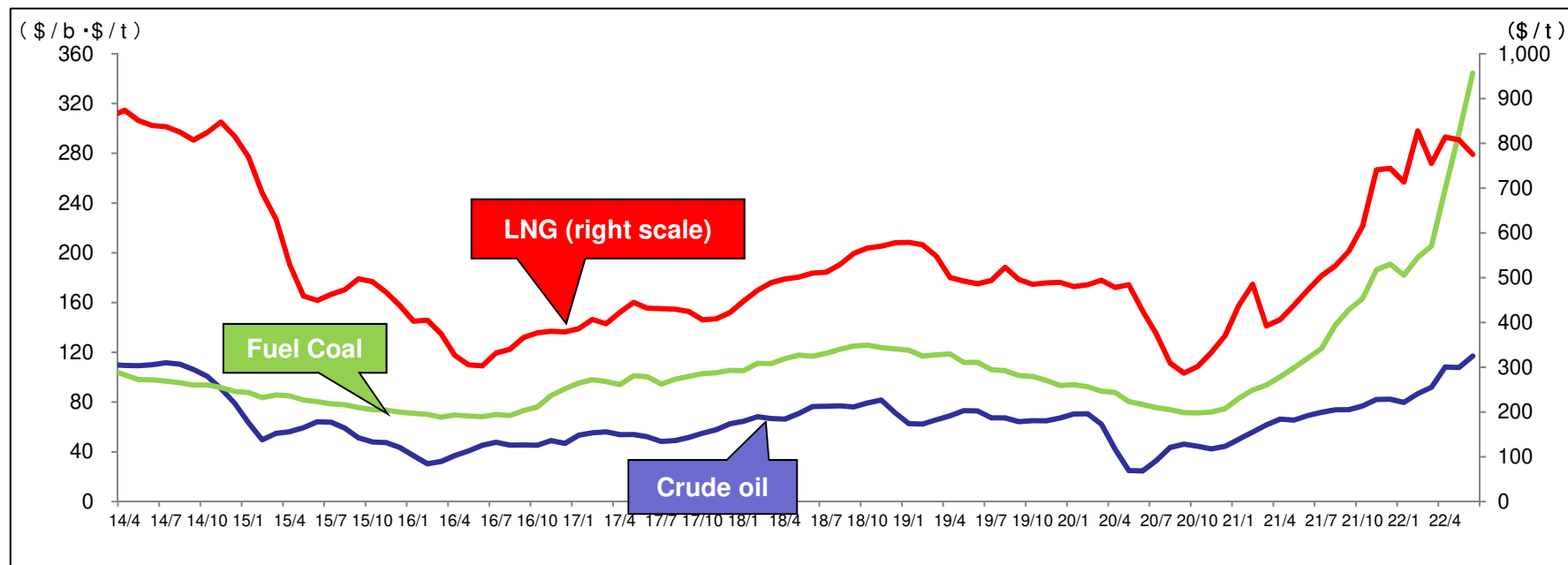
Fuel Consumption

	FY2021/1Q (A)	FY2022/1Q (B)	Change (B) - (A)	(Reference) FY2021
Coal (ten thousand tons)	203	114	(89)	920
Heavy and Crude Oil (ten thousand kl)	2	12	10	42
LNG (ten thousand tons)	76	73	(3)	370

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



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



Topics

Electricity Charge for Our Customers Categorized in a Deregulated Section

- We determined to “revise unit rate of electricity for high-voltage or more” and “abolish the cap under fuel cost adjustment system for low-voltage deregulated rate”.
- We continuously seek more efficient management thoroughly. Although we are facing severe situation where supply and demand balance is unstable, we will deliver power supply to our customers in a wide and stable manner and suggest how to use the electricity efficiently in order to alleviate our customers’ burden as much as possible.

■ Revising unit rate of electricity for High-voltage or more

- ✓ For all the customers with contracted demand of high-voltage or more, we will revise a base fee and unit rate of electricity, and adopt the new rate to a contract which starts in November 2022.
- ✓ As for how a new rate impact our customers’ charge, in terms of model case by contract-type, the charge is estimated to rise by around 16 to 18% compared the current level. (It includes fuel cost adjustment amount and renewable energy power promotion surcharge.)
- ✓ As for customers who may want to switch from other retail electric provider to our company, we begin to accept under the revised standard plan. (A contract will start in November 2022 onwards.)

■ Abolishing the cap under fuel cost adjustment system for low-voltage deregulated rate

- ✓ For customers with deregulated rate who conclude their contracts for low-voltage, in terms of the charge after a meter reading day in November 2022 (electricity rate for December), fuel cost adjustment cost will be passed onto an electric fee without the cap of fuel cost adjustment system.

Highlights of FY2022 Tohoku Electric Power Group's Medium-term Plan

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- Regarding FY2022 Tohoku Electric Power Group's Medium-term Plan, we aim to realize a smart society for the new age, starting from Tohoku stipulated in the Medium- to Long-Term Vision "*Working alongside next.*" Then, we will continuously maintain the direction while strengthening and accelerating the current level in terms of "drastic reforms to our power supply business" and "attempt to swiftly achieve profitability in our smart society building business".

Highlights of FY2022 Medium-term Plan

Maintain the current policy direction

Highlight 1 : *Change*
Thoroughly enhancing competitive edge through drastic reforms to our power supply business

Highlight 2: *Challenge*
Attempt to swiftly achieve profitability in our smart society building business

Highlight 3: *Create*
Evolving our management base, which supports the creation of our corporate value

Direction of FY2022 Medium-term Plan based on highlights

In-depth measures contributing to the maximization of profit

- We will transform our business structure to continuously generate profit even under such market environment where structural changes take place so that each function of power supply business will achieve both their own mission and the maximization of profits.
- We will succeed over the competition and increase profits by offering proposals for high value-added service packages from the perspective of power retail sales. At the same time, we will accelerate to build up our proprietary service platforms by quickly following the cycle of service development to sales launch.
- We will enhance sensitivity for the demands of society and changes in expectations by stakeholders, and proactively proceed our group-wide initiatives for ESG-based sustainability.

Realize our Medium- to Long-Term Vision "*Working alongside next*" and attempt to achieve carbon neutrality.

Making Steady Efforts to Restart Nuclear Power Reactors

➤ 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. Currently, assessment on application for approval of safety regulations is underway. (Supplementary application (June 30, 2022))
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	Since May 2022, Pre-Service Operator inspections have been conducted. The main inspection process is as follows. 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.



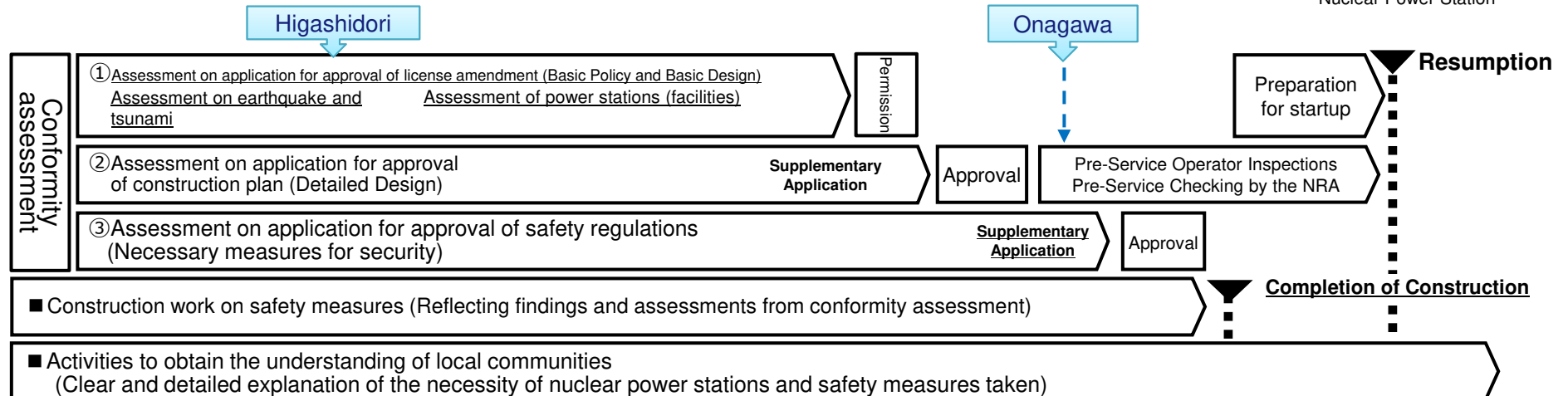
Sea wall 29m above sea level of Onagawa Nuclear Power Station

■ 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



■ Damage of thermal power stations caused by the earthquake off the coast of Fukushima in March 2022

	Power Station	Unit	Situation when the earthquake occurred	Schedule of restoration (As of July 29)
Tohoku Electric Power	Sendai Thermal Power Station	No. 4	Partial damage to bearing stand and sealing fin of turbines (Repaired) <ul style="list-style-type: none"> In a test run process of preventive maintenance, problems occurred to gas turbine. 	TBD
	Shin Sendai Thermal Power Station	No. 3-1	Automatic suspension of operation of turbine shaft due to excessive shake (No damage was found, but mal-operation of a part of valves was confirmed.)	March 25
		No. 3-2	Automatic suspension of operation of turbine shaft due to excessive shake (No damage was found.)	March 17
	Haramachi Thermal Power Station	No. 1	Partial deformation pipes inside boiler was found.	May 10
		No. 2	Partial deformation and damage of pipes inside boiler was found.	July 13
Soma Joint Thermal Power	Shinchi Power Station	No. 1	Partial deformation and damage of boilers, turbines, and coal unloaders was found.	October 31 (Planned)
		No. 2	Partial deformation of turbines was found. (When the earthquake occurred, main transformer was under suspension due to failure.)	January 13, 2023 (Planned)

■ Launch of Joetsu Thermal Power Station No.1

- ✓ As the conventional thermal power stations have been aging and competition has been intensifying, we started its test run as a cost-competitive and state-of-art thermal power source from March 31 2022.
- ✓ By introducing a next-generation gas turbine that uses a forced air-cooled combustor system utilizing a cutting-edge technology, we aim for thermal efficiency of 63% or higher, the world's highest level for gas combined cycle power generation facilities, thereby reducing the amount of fuel consumption and carbon dioxide emission and realizing high cost efficiency and less burden on the environment.
- ✓ Various tests are now being conducted in order to start commercial operation in December 2022.



- Based on “Tohoku Electric Power Group Carbon Neutral Challenge 2050” announced in 2021, we aim to develop 2GW as early as possible centered on wind power in order to make the most of abundant renewable energy in Tohoku and Niigata prefecture.
- As of the end of June 2022, we are working on new development and participation in 30 projects. **When all projects are commercialized, we will have an equity stake in total output of approx. 650 MW.**

■ The Latest Initiative

• *Joint commercial-scale floating offshore wind power off the coast of Iwate prefecture*

- ✓ In collaboration with a global leader in floating offshore wind power, BW Ideol, we initiated the feasibility studies off the coast of Kuji city of Iwate prefecture.



1. Oonakadai-bokujuyo Wind Power Generation Project

Company	Hakkoda Wind Power Company Inc.
Place	Towada city, Aomori prefecture
Output	4,000kW (2,000kW Wind power generator×2)
Start of Operation	November 2024

2. Feasibility Study of Fukamochi Wind Power Generation Project

Major Developer	Eco Works Corporation Tohoku Electric Power Co., Ltd.
Place	Shichinohe town, Kamikita-gun, Towada city, Aomori prefecture
Output	94,600kW
Number of units installed	22 unit (Maximum)
Start of Operation	FY2030 onwards



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

Under construction

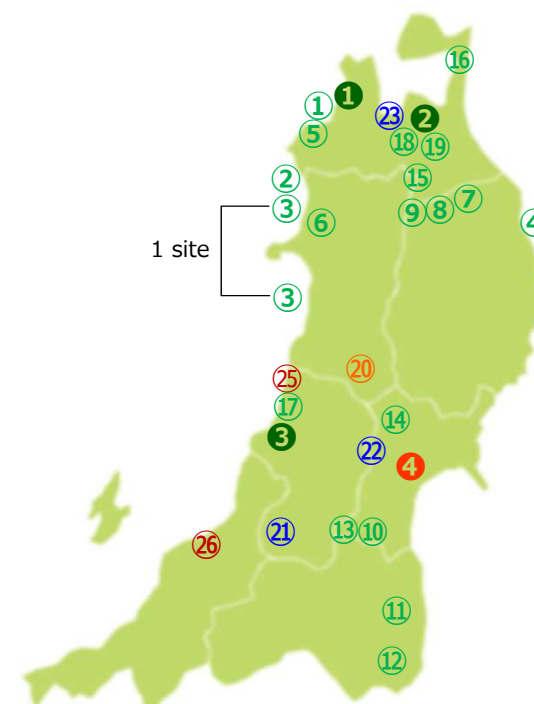
(As of June 30)

	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
	④ Kuji City Floating Offshore Wind	TBD	TBD
Onshore Wind	⑤ Fukaura Wind	Approx.70MW	After FY2024
	⑥ Noshiro-Yamamoto Regional Wind	Approx.100MW	After FY2023
	⑦ Oritsumedake South 1 Wind	Approx.44MW	Jan. 2023
	⑧ Inaniwa Takko Wind	Approx.100MW	After FY2025
	⑨ Inaniwa Wind	Approx.100MW	After FY2025
	⑩ Shiroishi Kosugo Wind	Approx.38MW	After FY2024
	⑪ Southern Abukuma Wind	Approx.90MW	After FY2025
	⑫ Tabito Central Windfarm	Approx.54.6MW	After FY2027
	⑬ Inego-Toge Windfarm	Approx.58.8MW(Max)	May 2028
	⑭ Miyagi Kami Windfarm	Approx.42MW	FY2024
	⑮ Takko Wind (tentative name)	Approx.75.6MW(Max)	After FY2027
	⑯ Shimokita	Approx.96MW	After FY2027
	⑰ JRE Sakata Replace	Approx.27.5MW(Max)	FY2026
	⑱ Oonakadai-bokujyo Wind	Approx.4MW	November 2024
	⑲ Fukamochi Wind	Approx.94.6MW(Max)	After FY2030
Geothermal	⑳ Kijiyama (tentative name)	14.9MW	2029
Hydroelectric	㉑ Tamagawa No.2 Hydroelectric	14.6MW(Max)	Oct. 2022
	㉒ Naruse River	2.3MW(Max)	FY2034
	㉓ Shin-Kamimatsuzawa	9.4MW(Max)	Nov. 2031
Solar	㉔ Tshuaze	35MW	March 2023
Biomass	㉕ Chokai-Minami	52.9MW	Oct. 2024
	㉖ Niigata East Port	50MW	Oct. 2024

Development/participation results
(as of the end of June, 2022)

Total output share **650** MW

*Value in case of all commercialization



(Tsu, Mie)

㉔ Tshuaze

●:Wind ●:Hydroelectric ●:Solar ●:Geothermal ●:Biomass

* 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

➤ Through leveraging mobility, a feature of “Tohoku Electric Power Frontier” established in April 2021, we launched a series of services that could solve social issues in a short term. Then, we pursue maximizing profits of our electricity business and service as a group.

Concept of service development in Tohoku Electric Power Frontier and a series of services

<Concept of service development>

Add excitement to electricity service

We will provide excitement that you never felt before for your family members and yourselves. Through our services that will add color to your lives, Tohoku Electric Power Frontier will deliver you something new to your lives one after another.

Enjoy your time



Enjoy your time with your family

Make your own time as well as keeping time with your family

Launched in FY2022

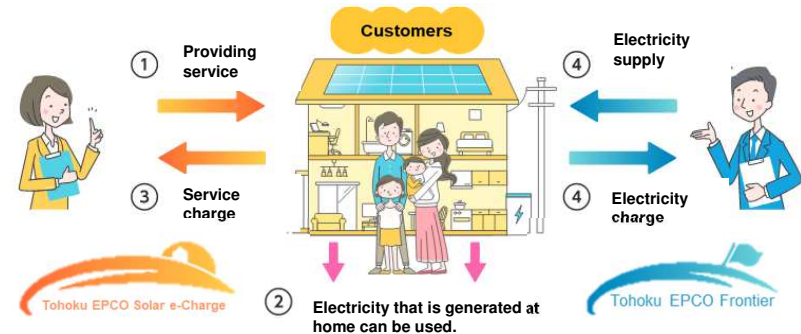
<Major Services>

Job matching service (one-day or few-hours jobs)	東北電力フロンティアのスマートDAYWORK!
House-keeping consulting service	トキメグくらしの家計ご相談サービス
Lease service of private cars	東北電力フロンティアで乗る
Service to sell craft beer	おうちビールクラブ
Camp experience and rental service of camping gear	CAMP FRONTIER
Rental and delivery service of camping gear	hinata レンタル
Subscription service of picture books	WORLDLIBRARY Personal
Service to shop second-hand children's clothes	キャリーオン
Regular delivery service of customized coffee	PostCoffee®
Rental service that makes your lives comfortable	Calice STYLE
Insurance service for simple life	東北電力フロンティアくらしのシンプル保険
Delivery service of drinking water	Aqua Clara
Box storage and delivery service	サマリーポケット

➤ We take the initiatives in achieving carbon neutrality in a smart society building business. Specifically, we will expand renewable energy aggregation service while rolling out distributed energy resources (DERs) and effectively using renewable energy generation facilities.

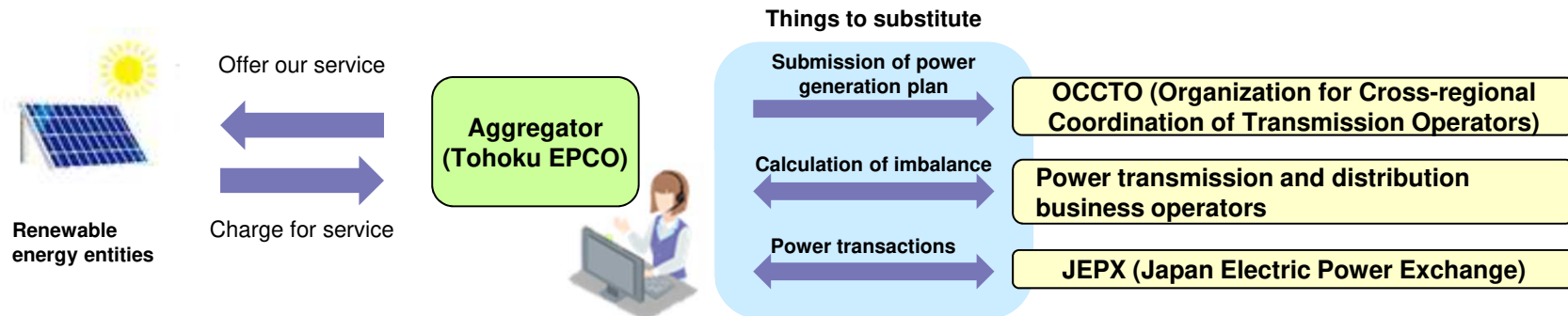
Flat-rate Solar Power Service for existing houses “Pon! to Solar” (meaning that solar panel that can be easily adopted by any houses)

- ✓ We install solar panel equipment that Tohoku EPCO Solar e-Charge possesses to our customers' houses **without any initial cost**.
- ✓ Our customers use environmentally-friendly electricity which is generated by solar power.
- ✓ In return, they pay monthly service fee at a flat-rate.
- ✓ After the service is over (15 years/10 years), a set of solar power equipment will be provided to our customers **free-of-charge**.



“Renewable Energy Aggregation Service” that supports energy transaction for renewable energy

- ✓ Instead of renewable energy entities, we **formulate highly accurate power generation plan**, so **the amount of imbalance that might occur can be reduced**.
- ✓ When a certain amount of service charge is paid by our customers, **we bear the amount of imbalance**.
- ✓ We substitute the daily bidding or make transactions on the market. In exchange for our service, our customers can sell electricity in a way they have done under FIT scheme.



- We propose our services which regional decarbonization roadmap, formulated by the government, is put into practice.

Services that our group can provides

Service provider	Service that we can provide
Yurtec Corporation	<ul style="list-style-type: none"> • Renewable Energy related construction (introducing large-scale facilities for solar power generation and facilities for wind power generation, and others) • Support to roll out Zero Energy Buildings (ZEB), based on a cutting-edge energy-saving technology • Installment of EV charging station • Suggestion of BCP measures and construction various equipment (Introduction of emergency power generation equipment)
Tohoku Energy Service Co., Inc.	<ul style="list-style-type: none"> • Self-consumed solar power generation service (no cost at the time of installing equipment, only service fee for the amount of electricity used) • Contracted service of HAVC (a subscription with no upfront cost and updated highly-efficient equipment, with users paying a flat fee per month)
Tohoku EPCO Solar eCharge Co., Inc.	<ul style="list-style-type: none"> • Solar power and story battery service through Third-Party Ownership (a subscription with no upfront, with users paying a flat fee per month)
Tohoku Electric Power Renewable Energy Service Co., Inc.	<ul style="list-style-type: none"> • Maintenance and Operation of renewable energy facilities, Training Operators
Tohoku Development Consultant Co., Ltd.	<ul style="list-style-type: none"> • Design of ZEBs and energy-saving consulting (Business support towards ZEB ranging from building planning, designing to maintenance)
K.K. Higashi Nihon Techno Survey	<ul style="list-style-type: none"> • Services to measure and investigate renewable energy-related power source by utilizing drone and 3D laser scanner

Enhancing our Capability to Create ESG-centric Corporate Value

- We place sustainability as core elements of management, and identify material sustainability issues that should be addressed first in order to enhance corporate value in the medium to long term perspectives and contribute to sustainable development of the whole society.
- Through resolving material issues, attempting to achieve “Working alongside next”, and tackling the challenge “Tohoku EPCO’s “Carbon neutral Challenge 2050,” we aim to continuously co-create social value and corporate value with our stakeholders of the next generation.

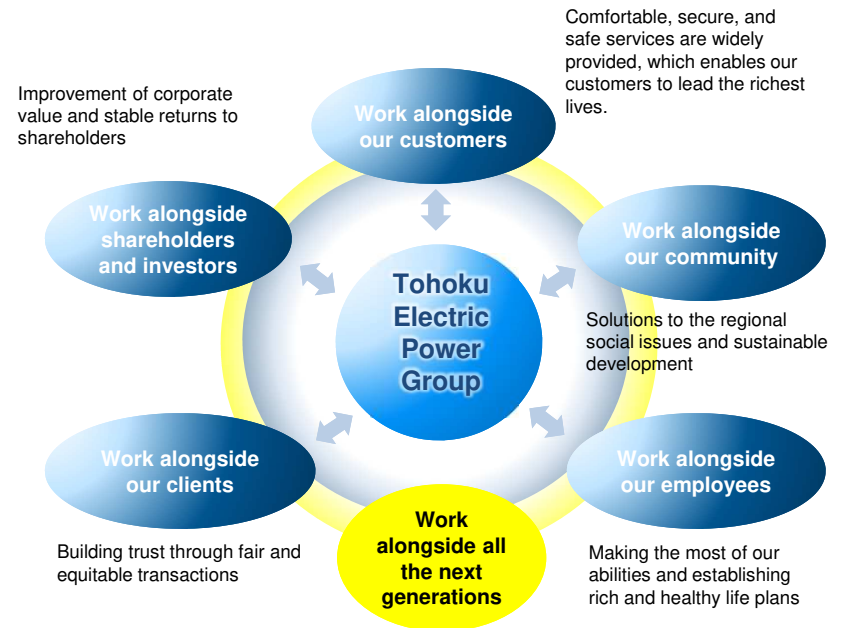
Material Issues

- Tackling the challenge of carbon neutrality
- Creation of recycling-based society
- Preservation of biodiversity
- Realization of local community that is safe, secured and comfortable lives
- Building up resilient social infrastructure
- Creating workplace where diverse human resources can work lively
- Respect of human rights of various stakeholders
- Sound and transparent corporate management

Tohoku Electric Power Group's Medium- to Long-Term Vision
Working alongside next
 To build a smart society originating in Tohoku

Tohoku EPCO Group
 Carbon Neutral Challenge 2050

Co-creating values with our stakeholders



Contribution to achievement of the SDGs

SUSTAINABLE DEVELOPMENT GOALS



(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.