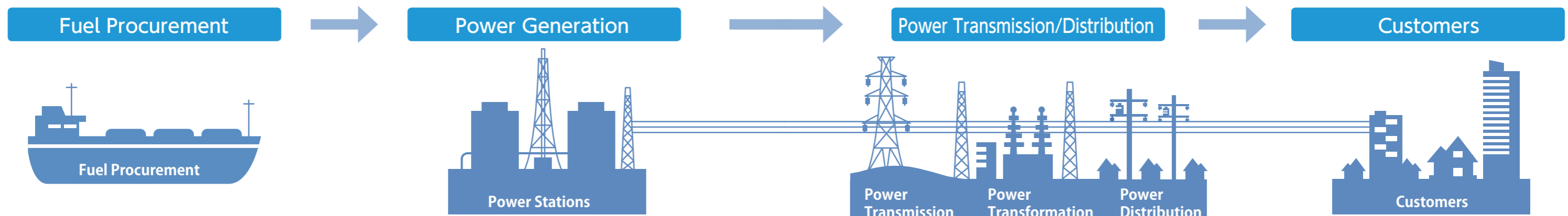
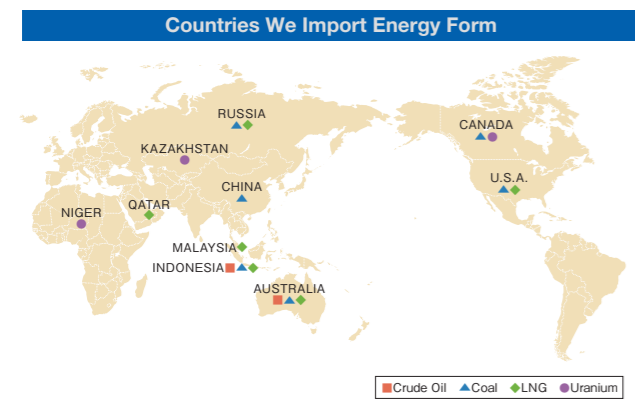


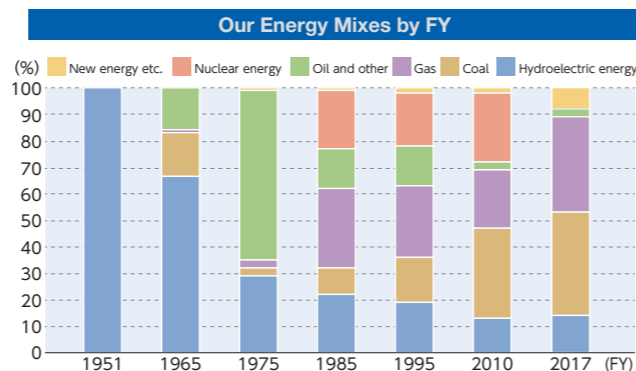
Overview of Business Activities (Value Chain)



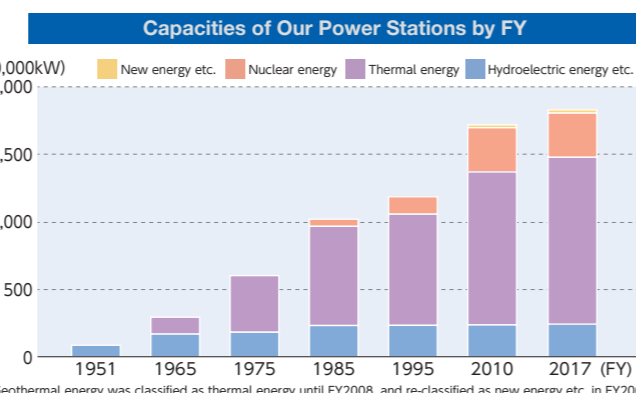
It is vital to ensure stable, economical, and flexible procurement of fuels used at thermal or nuclear power stations. Japan depends mostly on overseas markets for fuels (e.g., fossil fuels, LNG, uranium fuel) needed to generate electricity for a steady supply. In recent years, the situation surrounding fuel procurement has dramatically changed due to a sudden increase in demand for energy primarily in Asia and the growing demand for thermal fuels triggered by shutdowns of nuclear power plants. Besides, with renewable energy sources in wider use than ever, we need to deal well with fluctuations in the quantities of required fuel. Given these factors, we make various efforts to adapt to the changing environment. We remain alert to changes in social, economic, and political situations in Japan and the international community, and are diversifying the sources from which we buy fuels along with our price systems.



We combine multiple energy sources for power generation, including thermal, hydroelectric, geothermal, and solar energy, in such a way that ensures a steady and affordable electricity supply. We are committed to optimizing our energy mix to stably provide inexpensive electricity generated from green energy. Each energy source for power generation has its own advantages and disadvantages, that is, no energy source is perfect. Hence, with the highest priority given to safety, we endeavor to achieve energy security, economy, and environmental conservation (S+3E) and to deal properly with fluctuations in supply and demand, thereby ensuring a competitive energy mix.



*1: Tohoku Electric Power's Higashidori and Onagawa Nuclear Power Stations have been shut down since the Great East Japan Earthquake in March 2011.
 *2: "New energy etc." includes wind energy, solar energy, biomass, waste-to-energy, and geothermal energy.
 *3: These energy mixes consider interchange power in addition to the total of our electricity and other companies'.



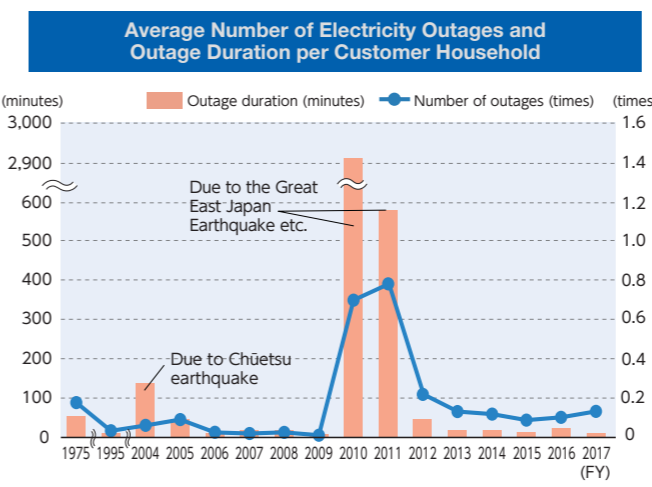
* Geothermal energy was classified as thermal energy until FY2008, and re-classified as new energy etc. in FY2009.

We need a network for power transmission and distribution (i.e., power network) in order to deliver the electricity we generate to our customers. We ensure thorough maintenance work, which includes daily inspection rounds at our power network facilities, so that our customers can rest assured that the electricity we deliver is perfectly safe for use. We also keep improving our anti-disaster ability in order to further ensure a steady electricity supply.

Overview of Power Transmission/Distribution Facilities

- Transmission lines
Total distance: 15,281km
Towers: 58,307
- Distribution lines
Total distance: 147,583km
Electric poles (including transmission towers): 3,116,413

*Total distance: Total horizontal distance between towers, power poles, and other supporting structures
 (The figures are current as of late March 2018)



- We are an energy company, with our operating base spanning the six Tohoku prefectures and Niigata Prefecture. We use our creativity to promptly develop and enhance services that meet customers' needs, such as various electricity rate plans that customers can choose from according to their lifestyles and other convenient services.
- We regard the deregulation of the retail electricity market—a major change in the business environment—as a new opportunity to boost our revenue. We plan to offer our electricity outside our home region (the six Tohoku prefectures and Niigata Prefecture) through alliances we will be forming with local companies to increase our earnings.
- We will make more active contributions to the region's recovery from the devastation caused by the earthquake in order to sustain the growth of the prefectures. To achieve this goal, we will work to have clear pictures of situations and of needs related to energy services and regional revitalization. We will also continue the initiatives we have launched, including the future-generation assistance project "Hokago Hiroba (after-school common)" and the community building assistance project "Machizukuri Genki Juku (action program for community building)."

Services and Rate Plans Unique to Tohoku Electric Power

Yorisou e-Net

- Check your electricity bill online anytime
- Easy sign-up
- Find the best rate plan for you
- Earn Yorisou e-points

Yorisou e-Point Program

- Sign up
- Online monthly electric bills
- Credit-card payment
- Electronic money / common points
- Gift certificates or coupons
- Vouchers for local specialties of any of the six Tohoku prefectures or Niigata Prefecture
- Donations toward recovery assistance or regional revitalization funds

Yorisou+ Seasons & Time
Yorisou+ Night 8
Yorisou+ Night 10
Yorisou+ Night 12
Yorisou+ Nights and Holidays
Yorisou+ Family Value