

July 31, 2024

Financial Results for the First Quarter of Fiscal Year ending March 31, 2025 (FY2024)

Tohoku Electric Power CO., Inc. released its financial results for the first quarter of FY2024 (April 1, 2024 through June 30, 2024) today.

【Consolidated Financial Results】

The result of the first quarter is as follows: Total sales electricity volume at our company reached 17.5 billion kWh (5.3% increase compared to the same period last year), despite a decrease in retail sales due to contract switches driven by competition, offset by an increase in wholesale electricity market transactions.

Net sales decreased to ¥614.5 billion, a year-on-year decrease of ¥19.0 billion or 3.0%, mainly due to decrease in fuel cost adjustment amount due to lower fuel prices.

Ordinary income decreased by ¥22.9 billion or 20.3%, year-on-year to 90.1 billion yen, mainly due to the time lag effect of the fuel cost adjustment system, despite the impact of improved earnings due to the elimination of the excess over the ceiling of the fuel cost adjustment unit price.

Net income for the quarter attributable to owners of the parent was ¥60.5 billion, a year-on-year decrease of ¥18.6 billion or 23.5%.

■ Key points of financial results and forecasts

■ Financial Results for the first quarter of FY2024

**Decrease in revenue and
Decrease in income
(First time in 3 years since FY2021)**

- Operating revenue : mainly due to decrease in fuel cost adjustment charge by lower fuel price
- Ordinary income : mainly due to decrease in income by the time lag between fuel cost and fuel cost adjustment charge

■ Financial and Dividend Forecasts for FY2024

**Same figures announced
on April 30th , 2024**

Summary of Financial Results

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- **Operating Revenue** **¥614.5 billion (a year on year decrease of ¥19.0 billion)**
 ...Operating revenue decreased mainly due to decrease in fuel cost adjustment charge by lower fuel price.
- **Ordinary Income** **¥90.1 billion (a year on year decrease of ¥22.9 billion)**
 ... Ordinary income decreased mainly due to decrease in income by the time lag between fuel cost and fuel cost adjustment charge.
- **Net Income Attributable to Owners of Parent**
¥60.5 billion (a year on year decrease of ¥18.6 billion)

【 Summary of Consolidated Financial Statements 】

(billions of yen)

	FY2023/1Q (A)	FY2024/1Q (B)	Change (B) - (A)	Change (B) / (A)
Operating Revenue	633.5	614.5	(19.0)	97.0 %
Ordinary Income*1	113.0 [57.0]	90.1 [83.1]	(22.9) [26.0]	79.7 % [145.7 %]
Net Income Attributable to Owners of Parent	79.1	60.5	(18.6)	76.5 %
Consolidated Cash Income*2	107.3	138.2	30.8	128.7 %

	Mar. 31, 2024 (A)	Jun. 30, 2024 (B)	Change (B) - (A)
Equity ratio*3	15.4% [18.0%]*3	16.9% [19.5%]*3	1.5% [1.5%]*3
Interest-Bearing Liabilities	3,290.9	3,308.4	17.4

*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.)

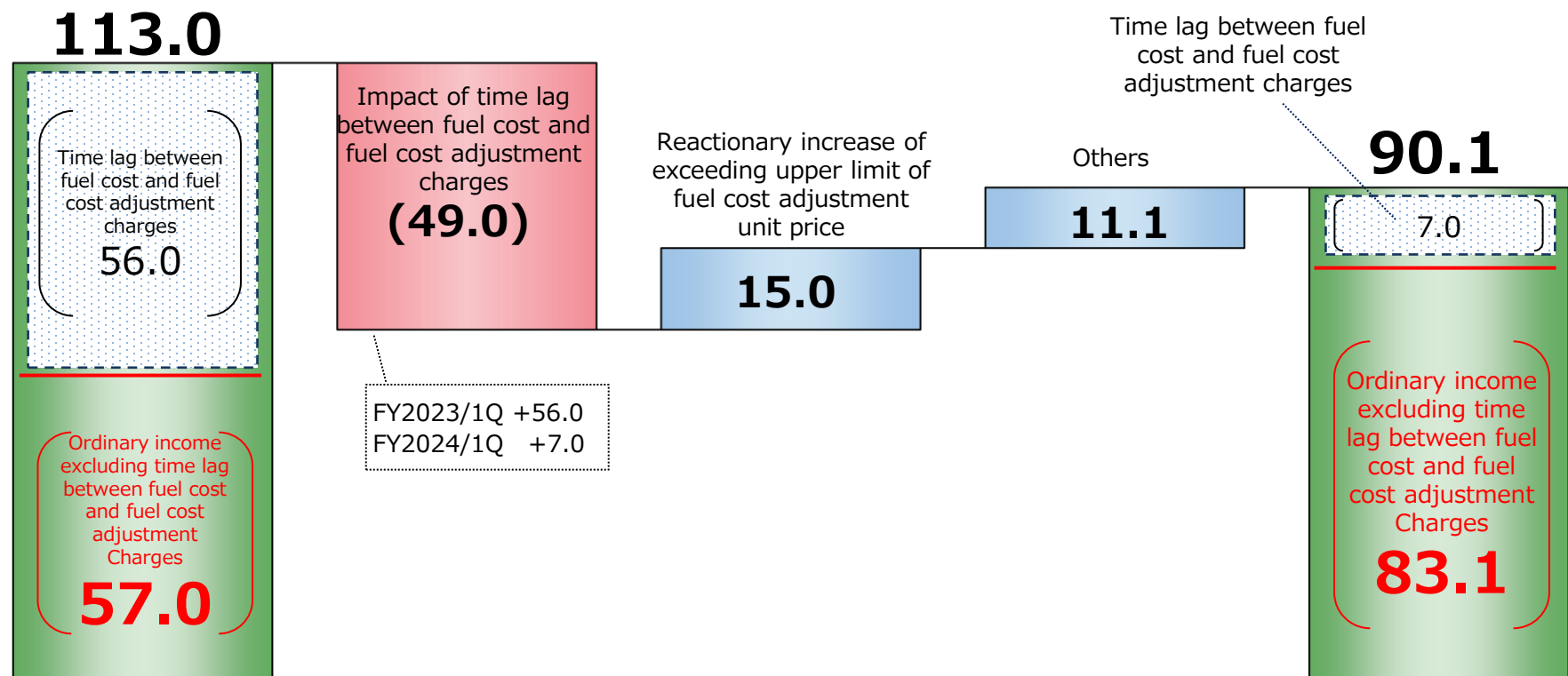
*3 Equity ratio assuming 50% of the issued amount (140 billion yen) of the issued hybrid bonds as equity capital

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

- ✓ Ordinary income decreased due to the impact of the time lag in the fuel cost adjustment system, regardless of the reactionary increase of excess of upper unit price of fuel cost adjustment system.
- ✓ Consolidated ordinary income was 90.1 billion yen, decrease of 22.9 billion yen year on year. (excluding time lag between fuel cost and fuel cost adjustment charges : 83.1 billion yen, increase of 26.0 billion yen)

Decrease of 22.9 Billion Yen (113.0→90.1)

(billions of yen)



FY2023/1Q

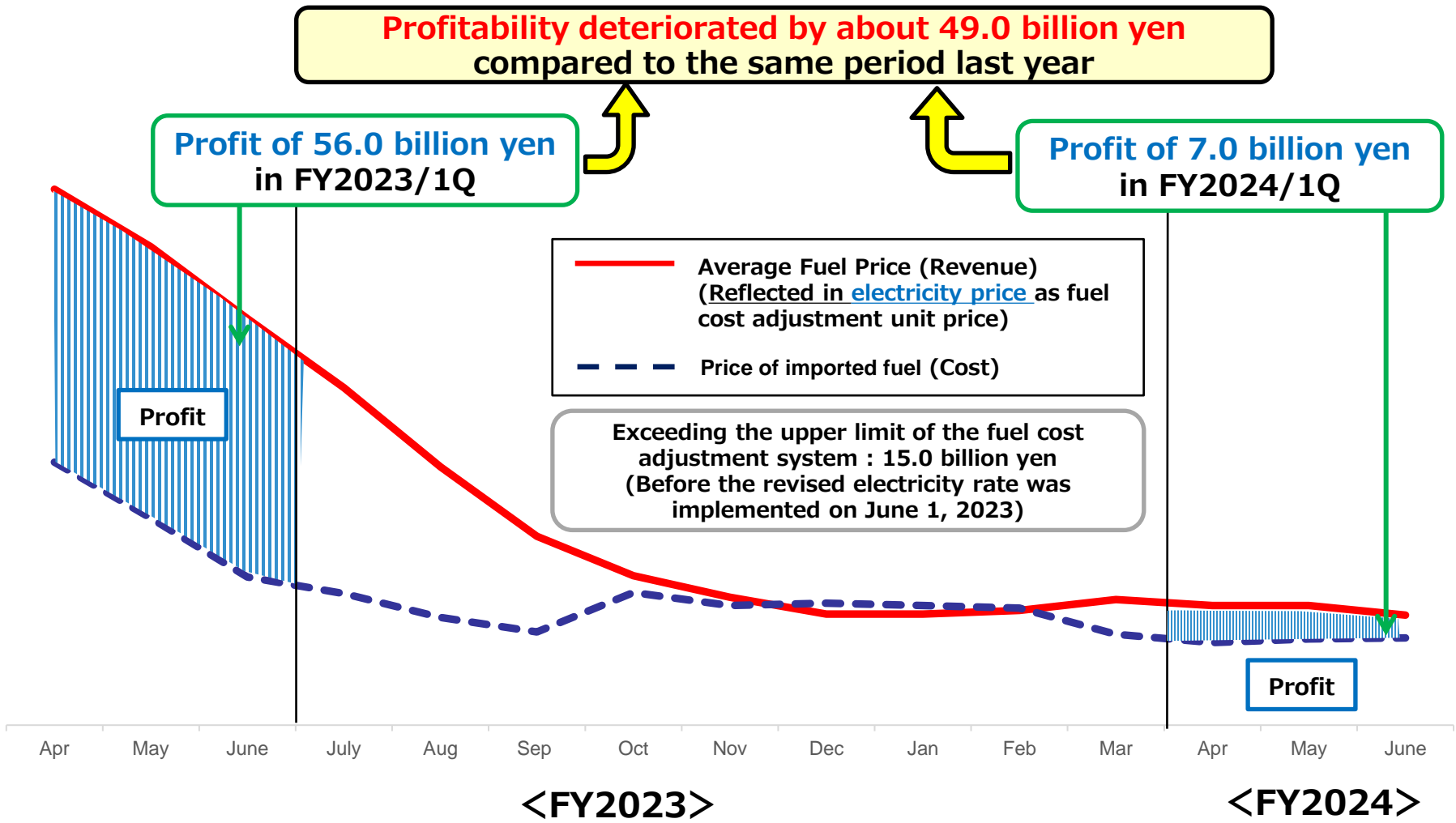
Decrease of 22.9 Billion Yen

FY2024/1Q

Ordinary income excluding time lag between fuel cost and fuel cost adjustment charges : increase of 26.0 billion yen

Impact of Time Lag between Fuel Cost and Fuel Cost Adjustment Charges in the First Quarter of FY2024

- ✓ **“The impact of the time lag”** in the same period of the previous year was a profit of 56.0 billion yen, but this fiscal year there was a profit of 7.0 billion yen, resulting in a deterioration in profitability of **49.0 billion yen**.
- ✓ With regard to **“The Impact of exceeding upper limit of fuel cost adjustment unit price”**, the fuel cost adjustment unit price of the low-voltage regulation rate menu exceeded the upper limit until the upper limit of fuel cost adjustment unit price is revised in the electricity rate revision on June 1, 2023, and the uncollectible income for this term was 15.0 billion yen. In current term, due to the resolution of such circumstances, there has been an **improvement of 15 billion yen** in income and expenditure compared to the same period last year.



- ✓ **Retail electricity sales 14.0 TWh (a year on year decrease 0.4 TWh)**
 ...Retail electricity sales decreased due to the increase of customers switching to competitors due to increased competition, etc.
- ✓ **Wholesale electricity sales 3.5 TWh (a year on year increase 1.3 TWh)**
 ...Wholesale electricity sales volume increased due to a increase in volume of wholesale electricity sales in the wholesale electricity trading market.

【Electricity Sales】

(GWh)

【Electricity Sales】*1	FY2023/1Q (A)	FY2024/1Q (B)	Change (B) - (A)	Change (B) / (A)
Lighting (Residential)	4,105	4,139	34	100.8 %
Power	10,353	9,886	(467)	95.5 %
Subtotal of Retail Electricity Sales*2	14,458	14,025	(433)	97.0 %
Wholesale Electricity Sales*3	2,180	3,497	1,317	160.4 %
Total of Electricity Sales	16,639	17,522	883	105.3 %

*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】

	FY2023/1Q (A)	FY2024/1Q (B)	Change (B) - (A)
Crude Oil CIF Price (\$/bbl)	84.0	87.4	3.4
Exchange Rate (¥/\$)	137	156	19
Hydro Power Flow Rate (%)	83.5	74.2	(9.3)
Nuclear Power Utilization Rate (%)	—	—	—

Segment Information (Consolidated)

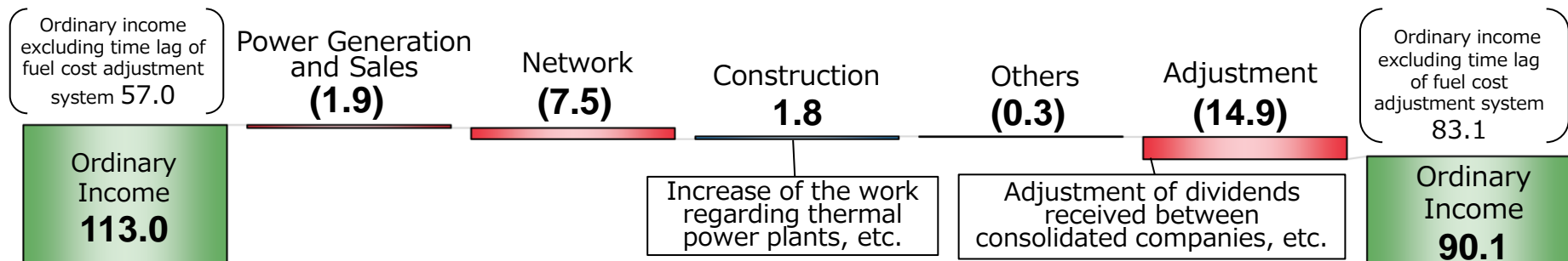
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(billions of yen)

	FY2023/1Q (A)		FY2024/1Q (B)		Change (B) - (A)		Major factors for change
	Operating Revenue*	Ordinary Income	Operating Revenue*	Ordinary Income	Operating Revenue*	Ordinary Income	
Power Generation and Sales	519.7	107.5	487.7	105.5	(31.9)	(1.9)	<ul style="list-style-type: none"> • Sales decreased due to a decrease in fuel cost adjustments by the lower fuel price, etc. • Profit decreased due to the impact of time lag in the fuel cost adjustment system, etc.
	496.1		467.7		(28.3)		
Network	185.3	13.1	190.7	5.5	5.3	(7.5)	<ul style="list-style-type: none"> • Increased income due to a increased renewable energy electricity wholesale supply, etc. • Decreased profit due to a increased procurement costs in demand and supply adjustment market transactions.
	80.2		90.0		9.7		
Construction	53.7	(1.7)	59.9	0.1	6.2	1.8	<ul style="list-style-type: none"> • Both sales and income increased due to an increase in thermal power-related construction work.
	30.0		29.5		(0.5)		
Others	57.4	5.3	56.2	5.0	(1.2)	(0.3)	<ul style="list-style-type: none"> • Sales and profits decreased due to the down of the unit price in the gas business, etc.
	27.1		27.2		0.1		
Subtotal	816.3	124.2	794.7	116.3	(21.6)	(7.9)	
Adjustment	(182.7)	(11.1)	(180.1)	(26.1)	2.6	(14.9)	
Total	633.5	113.0	614.5	90.1	(19.0)	(22.9)	

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

Fluctuation Factors in Consolidated Ordinary Income



FY2023/1Q

22.9 billion Yen decrease
(Increase of 26.0 billion Yen excluding the impact of time lag)

FY2024/1Q

Balance Sheets (Consolidated)

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(billions of yen)

	Mar. 31, 2024 (A)	Jun. 30, 2024 (B)	Change (B) - (A)	Major factors for change
Total Assets	5,388.7	5,270.6	(118.0)	
Non-current Assets	4,186.3	4,161.5	(24.7)	
Current Assets	1,202.3	1,109.1	(93.2)	Cash and deposit -147.0, etc.
Total Liabilities	4,477.6	4,298.8	(178.8)	
Non-current Liabilities	3,319.9	3,250.1	(69.7)	
Current Liabilities	1,157.7	1,048.7	(109.0)	Accounts payable and accrued expenses -125.0, etc.
Net Assets	911.0	971.8	60.7	Net income attributable to owners of parent 60.5, etc.

Interest-Bearing Liabilities	3,290.9	3,308.4	17.4	CP 35.0, Long-term loans -21.5, etc.
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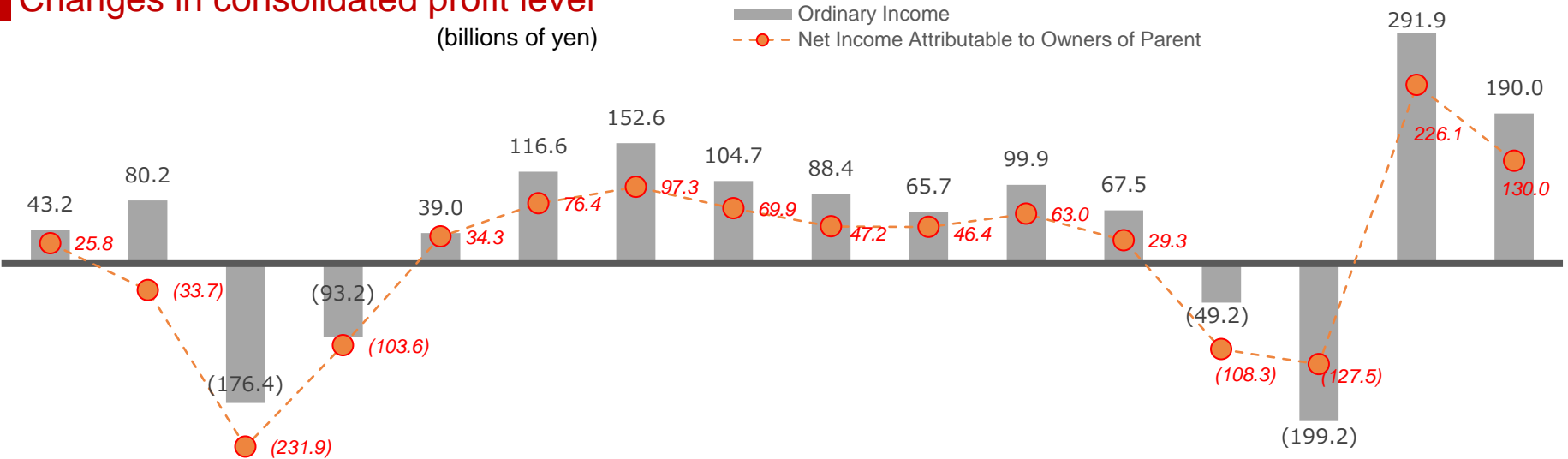
Equity Ratio	15.4% (18.0%*)	16.9% (19.5%*)	1.5% (1.5%)
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*Equity ratio assuming 50% of the issued amount (140 billion yen) of the issued hybrid bonds as equity capital

Trends in profit levels and financial position

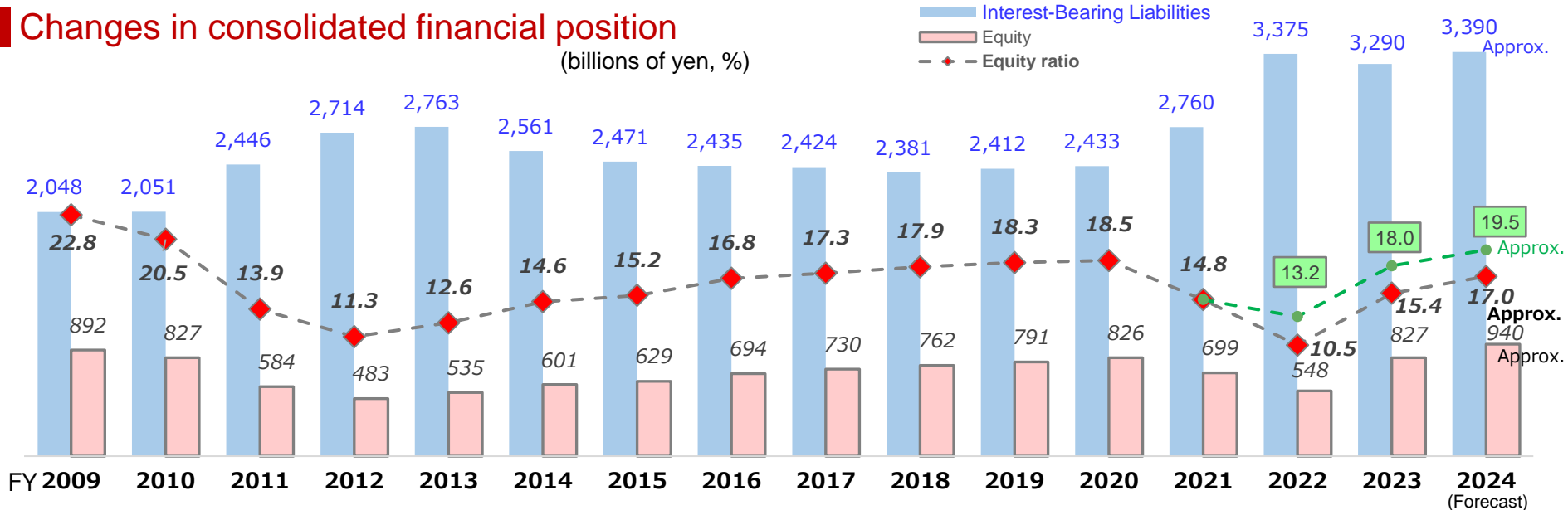
Changes in consolidated profit level (billions of yen)

— Ordinary Income
-○- Net Income Attributable to Owners of Parent



Changes in consolidated financial position (billions of yen, %)

— Interest-Bearing Liabilities
— Equity
-◆- Equity ratio



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

Reference: FY2024 Consolidated Interest-Bearing Liabilities (average of opening and closing period) / Consolidated cash income ratio is expected to be approximately 7.6 times.

- ✓ Financial and dividend forecasts for FY2024 are same as announced in April 30th, 2024. (Major Factors and Sensitivity remains unchanged as well.)

■ Consolidated Financial Forecasts for FY2024

(billions of yen)

	FY2023 (A)	FY2024 forecast (B)	Change (B) - (A)
Operating Revenue	2,817.8	2,830.0	12.2
Operating Income	322.2	220.0	(102.2)
Ordinary Income	291.9 [197.9]	190.0 [200.0]	(101.9) [2.1]
Net Income Attributable to Owners of Parent	226.1	130.0	(96.1)
Consolidated Cash Income	420.3	440.0	19.7

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

■ Major Factors

		FY2023	FY2024 forecast
Electric power sales* (TWh)	Retail	641	Approx. 613
	Wholesale	151	Approx. 214
	Total	792	Approx. 827
Crude Oil CIF Price (\$/bbl.)		86	Approx. 90
Exchange Rate (¥/\$)		145	Approx. 150
Nuclear Power Utilization Rate (%)		—	Approx. 14.8

* 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. 2.3
Exchange Rate (per ¥1/\$)	Approx. 3.7
Nuclear Power Utilization Rate (1%)	Approx. 2.8

■ Forecast of Dividend Per Share

	Interim	Year-end	Total
FY2023	5 Yen	10 Yen	15 Yen
FY2024 (Forecast)	15 Yen	15 Yen	30 Yen

Tohoku Electric Power Co., Inc.

Summary of Quarterly Financial Statements (Unaudited)

(April 1, 2024 - June 30, 2024)

Information below is an English translation of the "Unaudited Quarterly Financial Release" for three months ended June 30, 2024, which has been filed with the Tokyo Stock Exchange, Inc. for public inspection.

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(Note) All monetary values are rounded down to the nearest units as indicated in each table.

1. Business Results for Consolidated First Quarter Period in FY2024 (Three months ended June 30, 2024)

(1) Progresses of Financial Results

	Operating revenue		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3 months ended Jun. 30, 2024	614,563	(3.0)	93,957	(19.6)	90,135	(20.3)	60,566	(23.5)
3 months ended Jun. 30, 2023	633,576	13.5	116,802	-	113,071	-	79,168	-

(Note) Comprehensive income (3 months ended June 30, 2024: 67,016 million yen -23.4%, 3 months ended June 30, 2023: 87,503 million yen -%)

Percentage figures represent changes as compared to the same period of the previous year.

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
3 months ended Jun. 30, 2024	121.11	-
3 months ended Jun. 30, 2023	158.33	-

(2) Changes in Financial Positions

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
Jun. 30, 2024	5,270,685	971,850	16.9
Mar. 31, 2024	5,388,723	911,078	15.4

(Reference) Shareholders' Equity (June 30, 2024: 889,351 million yen, March 31, 2024: 827,695 million yen)

2. Dividends

	Cash dividends per share				
	1Q	2Q	3Q	Year-end	Annual total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2024	-	5.00	-	10.00	15.00
Year ending Mar. 31, 2025	-				
Year ending Mar. 31, 2025 (forecast)		15.00	-	15.00	30.00

(Note) Forecast revision of dividends from the latest forecast: None

3. Business Results Forecast for Consolidated FY2024 (Year ending March 31, 2025)

	Operating revenue		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share (basic)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY2024	2,830,000	0.4	220,000	(31.7)	190,000	(34.9)	130,000	(42.5)	259.95

(Note) Forecast revision of consolidated results from the latest forecast: None

Percentage figures represent changes as compared to the same period of the previous year.

QUARTERLY CONSOLIDATED BALANCE SHEETS (Unaudited)

First Quarter FY2024 (as of June 30, 2024) and FY2023 (as of March 31, 2024)

Assets	(Millions of yen)	
Item	June 30, 2024	March 31, 2024
Non-current assets:	4,161,545	4,186,336
Electric utility plant and equipment:	2,486,861	2,555,037
Hydroelectric power production facilities	204,664	207,012
Thermal power production facilities	391,711	402,661
Nuclear power production facilities	171,166	224,175
Transmission facilities	558,450	562,392
Transformation facilities	261,657	261,503
Distribution facilities	735,955	733,673
General facilities	131,453	131,754
Other electric utility plant and equipment	31,800	31,863
Other non-current assets	229,779	232,132
Construction in progress:	796,118	759,587
Construction and retirement in progress	733,495	701,459
Special account related to nuclear power decommissioning	22,312	17,817
Special account related to reprocessing of spent nuclear fuel	40,310	40,310
Nuclear fuel:	143,716	143,637
Loaded nuclear fuel	30,591	30,591
Nuclear fuel in processing	113,125	113,045
Investments and other assets:	505,069	495,941
Long-term investments	155,529	148,900
Net defined benefit asset	36,353	35,091
Deferred tax assets	180,300	181,372
Other	133,371	131,034
Allowance for doubtful accounts	(485)	(457)
Current assets:	1,109,140	1,202,387
Cash and deposits	336,687	483,709
Notes and accounts receivable - trade	249,152	262,901
Inventories	95,887	92,806
Other	428,746	364,320
Allowance for doubtful accounts	(1,333)	(1,351)
Assets	5,270,685	5,388,723

Liabilities and net assets

(Millions of yen)

Item	June 30, 2024	March 31, 2024
Non-current liabilities:	3,250,125	3,319,923
Bonds payable	1,548,700	1,570,700
Long-term loans payable	1,386,087	1,383,710
Unpaid decommissioning funds	135,671	–
Reserve for restoration costs of natural disaster	3,142	3,142
Net defined benefit liability	124,153	125,070
Deferred tax liabilities for land revaluation	1,279	1,279
Other	51,090	236,020
Current liabilities:	1,048,709	1,157,721
Current portion of non-current liabilities	348,613	331,680
Notes and accounts payable - trade	208,225	231,281
Accrued taxes	44,795	62,601
Other advances	270,317	276,910
Reserve for restoration costs of natural disaster	4,208	4,217
Other	172,550	251,030
Liabilities	4,298,835	4,477,645
Shareholders' equity:	835,549	779,963
Capital stock	251,441	251,441
Capital surplus	23,291	23,291
Retained earnings	564,929	509,385
Treasury shares	(4,112)	(4,154)
Accumulated other comprehensive income:	53,801	47,731
Valuation difference on available-for-sale securities	8,247	7,598
Deferred gains or losses on hedges	12,714	7,153
Revaluation reserve for land	(926)	(937)
Foreign currency translation adjustments	6,870	5,533
Remeasurements of defined benefit plans	26,895	28,383
Non-controlling interests	82,498	83,383
Net assets	971,850	911,078
Liabilities and net assets	5,270,685	5,388,723

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

First Quarter FY2024 (Three months ended June 30, 2024) and FY2023 (Three months ended June 30, 2023)

(Millions of yen)

Item	Three months ended June 30,	
	2024	2023
Operating revenue:	614,563	633,576
Electric utility operating revenue	550,527	575,550
Other business operating revenue	64,036	58,025
Operating expenses:	520,605	516,774
Electric utility operating expenses	465,182	460,891
Other business operating expenses	55,423	55,882
Operating income	93,957	116,802
Non-operating income:	3,074	2,966
Dividend income	480	329
Interest income	264	72
Share of profit of entities accounted for using equity method	1,089	1,226
Other	1,240	1,336
Non-operating expenses:	6,896	6,696
Interest expenses	6,273	6,192
Other	623	504
Ordinary revenue	617,637	636,542
Ordinary expenses	527,502	523,470
Ordinary income	90,135	113,071
Income before income taxes	90,135	113,071
Income taxes - current	29,442	33,699
Income taxes - deferred	(298)	(43)
Income taxes	29,144	33,655
Net income	60,991	79,416
Net income attributable to non-controlling interests	424	247
Net income attributable to owners of parent	60,566	79,168

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

First Quarter FY2024 (Three months ended June 30, 2024) and FY2023 (Three months ended June 30, 2023)

Item	(Millions of yen)	
	Three months ended June 30,	
	2024	2023
Net income	60,991	79,416
Other comprehensive income:		
Valuation difference on available-for-sale securities	680	1,614
Deferred gains or losses on hedges	5,545	4,981
Foreign currency translation adjustments	1,338	1,663
Remeasurements of defined benefit plans	(1,554)	38
Share of other comprehensive income of entities accounted for using equity method	14	(211)
Other comprehensive income	6,025	8,086
Comprehensive income	67,016	87,503
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	66,625	87,215
Comprehensive income attributable to non-controlling interests	391	287

(Note)

This report 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.

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