

TOHOKU ELECTRIC POWER GROUP
INTEGRATED
REPORT 2025



Editorial Policy

Tohoku Electric Power Group Integrated Report 2025 Editorial Policy

The Tohoku Electric Power Group has published integrated reports since FY2018 to promote understanding of the Group's plans for medium- and long-term value creation from both financial and non-financial perspectives. We prepared the FY2025 Report with the goal of clearly describing our initiatives to swiftly restore our financial base and to build a virtuous cycle of profits, investment, and growth over the medium to long term, based on business development targeting earnings growth, strategic investments in growth, and ongoing enhancement of our sustainable management foundations.

The Corporate Strategy Division played a central role in preparing and editing the Report, with support provided by many sections within the Group. While compiling it, we took into consideration documents such as the International Integrated Reporting Framework of the IFRS Foundation and the Guidance for Collaborative Value Creation from the Ministry of Economy, Trade and Industry of Japan. As the individual responsible for sustainability, I can state with conviction that this Report has been prepared through the appropriate process and contains accurate information.

We hope this Report will help provide a better understanding of the Group for all our stakeholders. We will continue to strengthen dialogue with our stakeholders and enhance disclosure using various tools.

Hiroki Nikaido

Representative Director & Executive Vice President
In charge of Sustainability

Guidelines and other information used for reference

- Ministry of Economy, Trade and Industry: Guidance for Collaborative Value Creation
- IFRS Foundation: The International <IR> Framework
- IFRS Foundation: SASB Standards
- Global Reporting Initiative (GRI): GRI Sustainability Reporting Standards
- Final report of the Task Force on Climate-related Financial Disclosures (TCFD)
- Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD)



Boundary of Report

The 70 companies in the Tohoku Electric Power Group

Period subject to Report

While the Report in principle covers initiatives during FY2024 (April 1, 2024–March 31, 2025), certain activities presented include information from past fiscal years or FY2025.

Date of publication

September 2025
(previous Report: September 2024)

Planned next date of publication

September 2026

Tohoku Electric Power's media for information disclosure

The Tohoku Electric Power Group reports issues and actions of high significance in its Integrated Report. In-depth financial information and non-financial information are available from other information sources. The Tohoku Electric Power Group's Sustainability Data Book introduces a broader range of information on sustainability.



Forward-looking statements

This report contains financial forecasts and other forward-looking statements. They represent Tohoku Electric Power's judgments based on information available at the time of disclosure and certain assumptions. They involve known and unknown risks, uncertainties, and other factors that may cause actual results, performance, and achievements to differ materially from expectations.

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The artwork on the frontispiece to each chapter (pp. 14, 26, 51, 70, and 89) was created by employees at Tohoku-Electric Power Friendly Partners, a special subsidiary.

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See >Financial Information> p. 90

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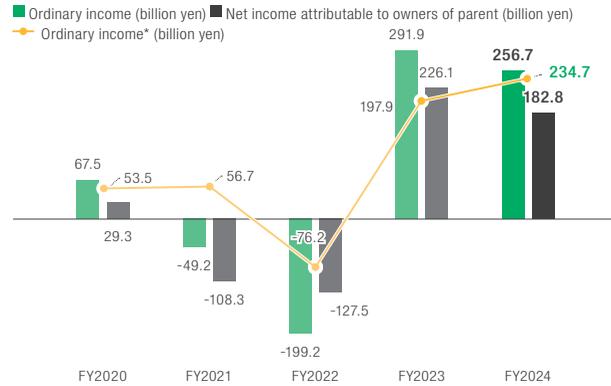
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Ordinary income
256.7 billion yen

Net income attributable to owners of parent
182.8 billion yen

Ordinary income excluding fuel cost adjustment time lag
234.7 billion yen

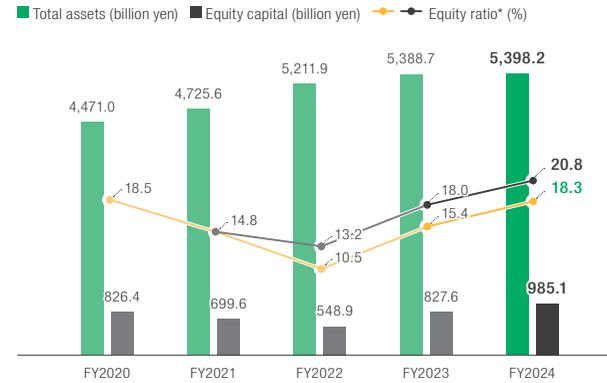


* Line graph indicates ordinary income, excluding fuel cost adjustment time lag.

Total assets
5,398.2 billion yen

Equity capital
985.1 billion yen

Equity ratio
18.3%

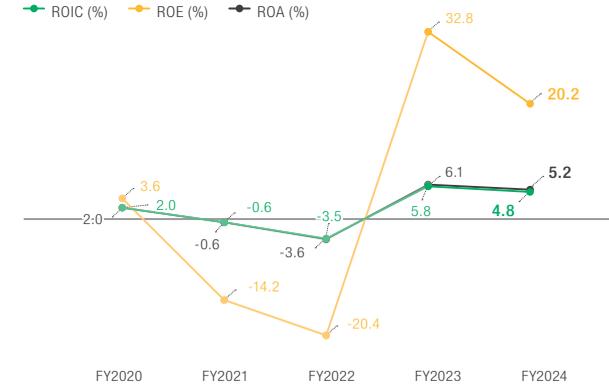


* Equity ratio assuming 50% (140 billion yen) of the issue price of hybrid bonds issued is allocated to equity capital.

Return on invested capital (ROIC)
4.8%

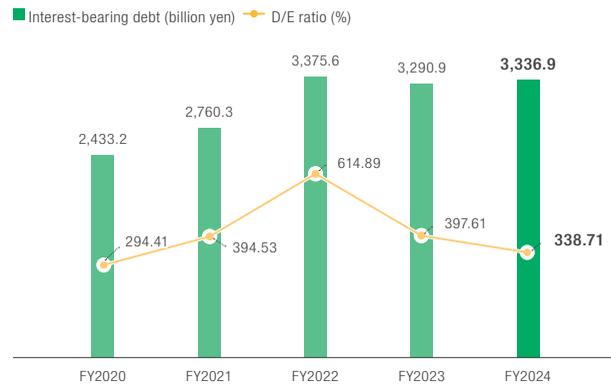
Return on equity (ROE)
20.2%

Return on assets (ROA)
5.2%



Interest-bearing debt
3,336.9 billion yen

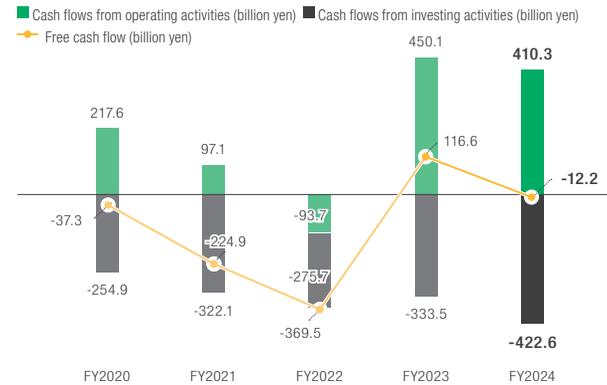
D/E ratio
338.71%



Cash flows from operating activities
410.3 billion yen

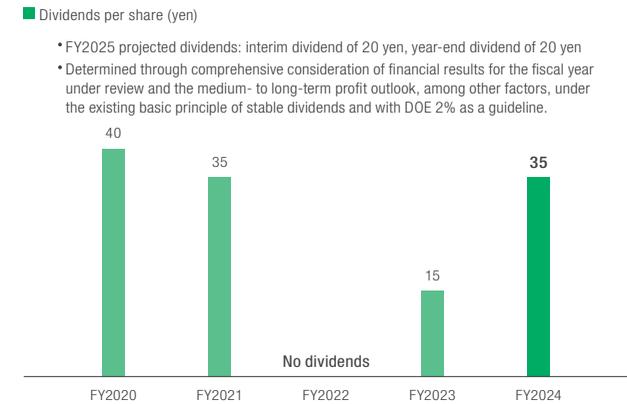
Cash flows from investing activities
-422.6 billion yen

Free cash flow*
-12.2 billion yen



* Free cash flow = cash flows from operating activities + cash flows from investing activities

Dividends per share
35 yen



* FY2025 projected dividends: interim dividend of 20 yen, year-end dividend of 20 yen
 * Determined through comprehensive consideration of financial results for the fiscal year under review and the medium- to long-term profit outlook, among other factors, under the existing basic principle of stable dividends and with DOE 2% as a guideline.

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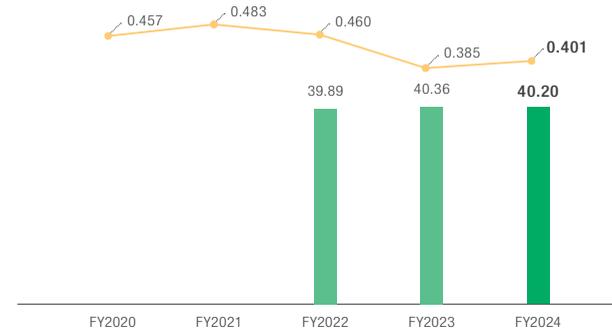
Financial and non-financial highlights



■ Electricity sold (wholesale) (100 GWh) ■ Electricity sold (retail) (100 GWh)

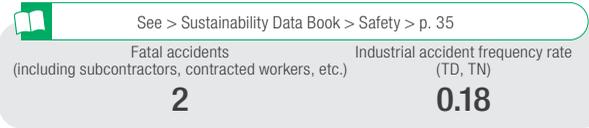


■ Power generation business CO₂ emissions (million t-CO₂)
 — Retail business CO₂ emissions coefficient (kg-CO₂/kWh)

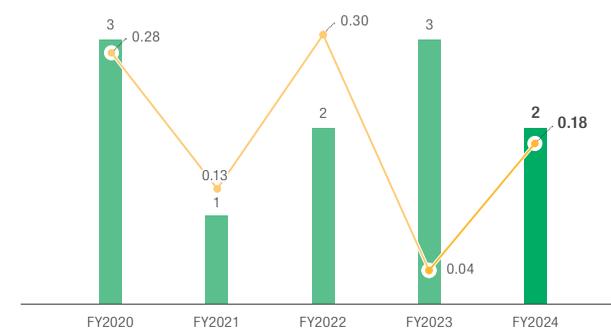


* CO₂ emissions from power generation business subject to calculation since FY2022.

See > Sustainability Data Book > Performance Data > p. 75



■ Fatal accidents (including subcontractors, contracted workers, etc.)
 — Industrial accident frequency rate



■ Number of women managers (persons) — Women as a percentage of managers (%)
 — (Reference) Women as a percentage of employees (%)



■ Average days of childcare leave per female employee
 ■ Average days of childcare leave per male employee
 — Percentage of eligible female employees taking childcare leave (%)
 — Percentage of eligible male employees taking childcare leave (%)



■ Number of internal directors ■ Number of outside directors
 — Women as a percentage of directors (%)



TD, TN: Totals for the two companies Tohoku Electric Power Co., Inc. and Tohoku Electric Power Network Co., Inc.

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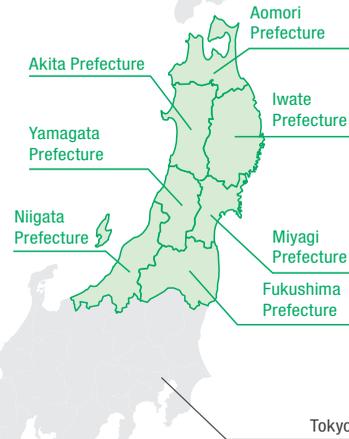
At a Glance

About the Tohoku and Niigata region

The area in which the Tohoku Electric Power Group's businesses are based—the Tohoku and Niigata region—accounts for about 20% of Japan's land mass. The region is subject to challenging natural conditions, including earthquakes like the Great East Japan Earthquake, winter storms, and snowfall.

The region's traits also serve as valuable community resources that contribute not just to renewable energy from hydroelectric, wind, and geothermal sources, but to the region's seasonal scenery and diverse culture, including foods and festivals marked by distinctive local flavors.

The region adjoins the vast market of the greater Tokyo area, to which it is connected by high-speed transportation network, including Shinkansen high-speed rail and expressways. At the same time, the region is experiencing the effects of depopulation and an aging population with low birth rates at a rate that outpaces other regions in Japan. The region is widely expected to confront social challenges in various areas, including transportation, education, and welfare.



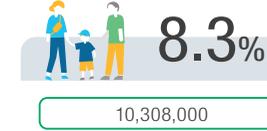
The Tohoku and Niigata region in nationwide statistics

Total land mass^{*1}



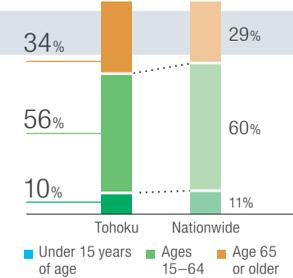
The vast region comprising Tohoku and Niigata represents a valuable natural resource with high potential for renewable energy development.

Population^{*2}

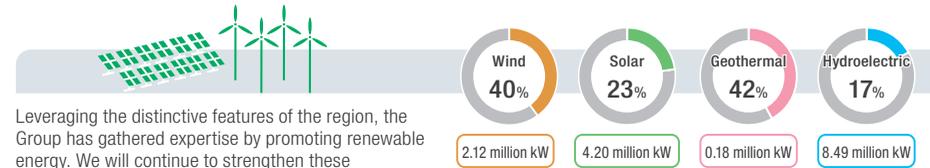


The region faces issues related to depopulation and an aging population with low birth rates. At the same time, we see efforts toward solutions to these issues as business opportunities for the Group.

Population composition



Renewable energy power generation^{*3}



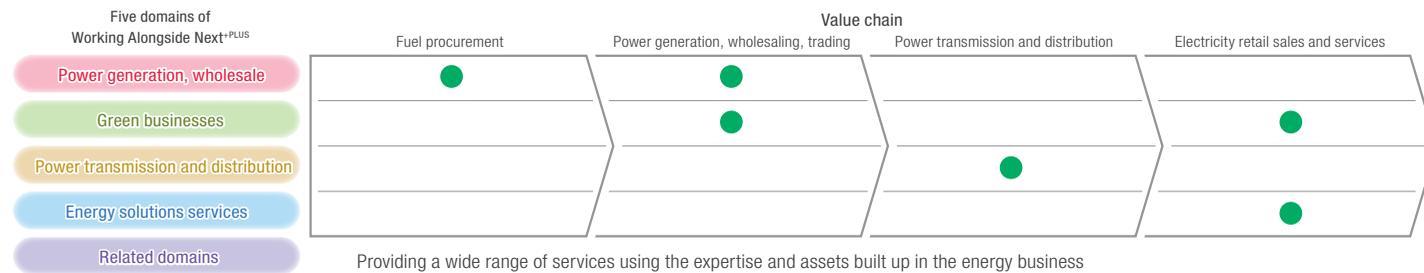
Leveraging the distinctive features of the region, the Group has gathered expertise by promoting renewable energy. We will continue to strengthen these businesses in the future.

Sources

- *1: Ministry of Land, Infrastructure, Transport and Tourism, Statistical Reports on the Land Area by Prefectures and Municipalities in Japan (as of January 1, 2025)
- *2: Statistics Bureau, Ministry of Internal Affairs and Communications, Population Estimates (as of October 1, 2024)
- *3: Ministry of Agriculture, Forestry and Fisheries, Agricultural Production Statistics (2024) Power Stations and Output by Prefecture (March 2025) (as of July 1, 2025 announcement)

Tohoku Electric Power's value chain and business

The Tohoku Electric Power Group engages in business as an energy services group based on its commitment to maximize value for customers. Its core business is to supply power, primarily in the Tohoku and Niigata region. By demonstrating the integrated capabilities of the Group while allocating management resources optimally across the value chain, the Tohoku Electric Power Group will strive to achieve the Group's ideal vision for the 2030s—Helping to establish a smart society, starting in Tohoku while growing and evolving alongside society—in line with the Group's Medium- to Long-Term Vision.



●: Roles within the value chain

Regional reputation of Tohoku Electric Power

Awareness of Tohoku Electric Power	96.9%
I can depend on Tohoku Electric Power.	68.6%
I can trust Tohoku Electric Power	70.1%
Tohoku Electric Power provides services essential to daily life.	66.9%

* Source: Results of Stakeholder Survey on Business Activities of the Tohoku Electric Power Group involving 2,000 residents of the Tohoku and Niigata region (conducted June 27-July 2, 2025)

See > To realize the Tohoku Electric Power Group's Medium- to Long-Term Vision > p. 15

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Tohoku Electric Power Group Values

Tohoku Electric Power was founded in 1951.

Amid the postwar recovery, our first President, Ungoro Uchigasaki, established the management philosophy which called for “Rebuilding Japan starting in Tohoku and developing Tohoku starting with electric power.” The Group rephrased this motto thereafter as follows: “The prosperity of the Tohoku region is essential to our own growth.” We’ve continued to do business under this philosophy for some 70 years.

The strong commitment to local communities expressed in this concept is a fundamental management value and the ultimate expression of the Tohoku Electric Power Group’s Management Philosophy of prospering with local communities. This vision of extending our roots to contribute to the regions in which we operate is an unshakeable pillar from which all Group employees continue to approach their work, even amid dramatically changing business environment.

However, the way to prosper with local communities must change with the times. To date, prosperity with local communities has referred to generating earnings by providing a stable, low-cost source of electricity to customers in Tohoku and Niigata. Looking forward, we will seek to expand our business area and secure management resources beyond Tohoku and Niigata, while maintaining our willingness to contribute to Tohoku and Niigata. Through value created by progressive activities grounded in energy services and creating solutions to social challenges, our goal is to contribute to Tohoku and Niigata, attracting human resources, technology, and investment to the region.

Essential aspects of putting this management philosophy into practice include receptiveness to the needs and issues confronting the customers who make up our local communities and the commitment of each individual employee to creating new forms of prosperity in joint efforts.

The Tohoku Electric Power Group slogan—Yori, Sou, Chikara (The Strength to Work Alongside)—is a promise to our customers and to local communities. Based on the perspective of working together with and alongside our customers and communities, this promise says each and every Group employee will take this management philosophy to heart in his or her work and everyday activities. Under this slogan, we will seek to help co-create a comfortable, safe, reliable, and smart society and to provide the added value only the Tohoku Electric Power Group can deliver.

The Tohoku Electric Power Group’s Management Philosophy

Prosper with Local Communities

We will work alongside our customers and local communities and meet challenges and promote reforms, thereby creating value distinctive of the Tohoku Electric Power Group and achieving both an affluent society and our own growth.

The Tohoku Electric Power Group Slogan

Yori, Sou, Chikara

(The Strength to Work Alongside)

The Tohoku Electric Power Group has the ability to work alongside its customers and be of help to them, which means we pay attention to each customer and propose comfortable ways of living that suite their lifestyles.

The Group has the ability to work alongside local communities, which means we keep growing with them based on our principles that have not changed since our founding.

With sincere gratitude and great ambition,
we serve each customer and local community.

We endeavor to serve you well.

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Steps in value creation

In each era since our founding in 1951, Tohoku Electric Power has confronted numerous challenges, including power shortages during the postwar period, oil crises, and natural disasters. On each occasion, the Group has worked as a team to fulfill its mission of delivering a stable, high-quality supply of electricity.

Moving forward, we will continue to grow while strengthening our ties to our stakeholders by fulfilling our mission to support society while rising to meet the challenge of creating new value.

Securing a stable supply by diversifying power sources



1984
Launch of operations at Onagawa Nuclear Power Station Unit No. 1, our first nuclear power plant

In response to the global oil crisis, Tohoku Electric Power approached various issues, including research on diverse power sources and development site surveys, with the goal of breaking the dependency on oil-fired power. Power source diversification has advanced significantly. The large-scale pumped-type Numazawa Power Station No. 2 (Unit 1 came online in 1981, Unit 2 in 1982) and Onagawa Nuclear Power Station Unit 1 came online during this period.

Reducing environmental impact



1999
Higashi Niigata Thermal Power Station Unit 4-1 system comes online (achieving thermal efficiency of 55% or higher, world-leading figures at the time)

Responding to growing awareness of global environmental issues, including the need to reduce greenhouse gas emissions, we strive to protect the environment and to make more efficient use of energy through initiatives to develop technologies for renewable energy such as wind, solar, and geothermal power and to improve the thermal efficiency of thermal power generation.



Corporate PPA service
(Photo courtesy: Sendai Airport Renewable Energy G.K.)

Rising to meet the challenge of creating new value through management based on sustainability

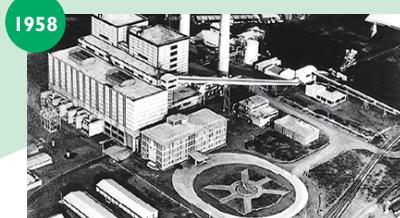


Generative AI infrastructure services
(Photo courtesy: GX TECHNOLOGY Co., Ltd.)

Contributing to postwar recovery and the development of Tohoku and Niigata by developing power sources



1954
Uwada Power Station comes online.



1958
Our first large-scale thermal power plant, Hachinohe Thermal Power Station Unit No. 1, begins operating

Amidst electricity shortages during the postwar period of recovery, Tohoku Electric Power pushed ahead to develop energy sources within the Tadami River water system, its largest hydroelectric power zone, working under the motto: "Rebuilding Japan starting with Tohoku and developing Tohoku through electric power." Later, to meet growing demand for electric power, we began building and expanding state-of-the-art thermal power stations, starting with the Hachinohe Thermal Power Station. We've supported local economic growth and the lives of local residents ever since.

Recovery and restoration from the Great East Japan Earthquake



2011
Early restoration of power failure caused by the Great East Japan Earthquake

The Great East Japan Earthquake in March 2011 caused widespread power failures affecting nearly the entire Tohoku region. Nevertheless, drawing on the Group's strengths, we were able to restore power to around 80% of the area in just three days. The automatic shutdown of all reactors in response to the earthquake at the Onagawa Nuclear Power Station maintained safety, as designed. The station accommodated evacuees from the community for about three months and helped the region overcome the challenges posed by the disaster. Since then, we have engaged in a wide range of recovery activities alongside residents, including support for community development and information provision.

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1951 Founded

Into the future

The Tohoku Electric Power Group's Strengths

A group of electricity professionals with strong community ties

The Tohoku Electric Power Group's strengths are its status as a team of electricity professionals and its strong community ties. Our fundamental values hold that the prosperity of the Tohoku region is essential to our own growth. We have leveraged these strengths as we do business in the bountiful, and at times challenging, natural environment of the Tohoku and Niigata region over more than 70 years.

The Tohoku Electric Power Group's Strengths

Professionals in electric power

- Knowledge and expertise in the electricity business
- Human resources with technical skills and a sense of mission
- Capacity to respond to disasters




Close ties with local communities

- Facility development across the region
- Customer base
- Networks with local governments, businesses, and other organizations and individuals in the community

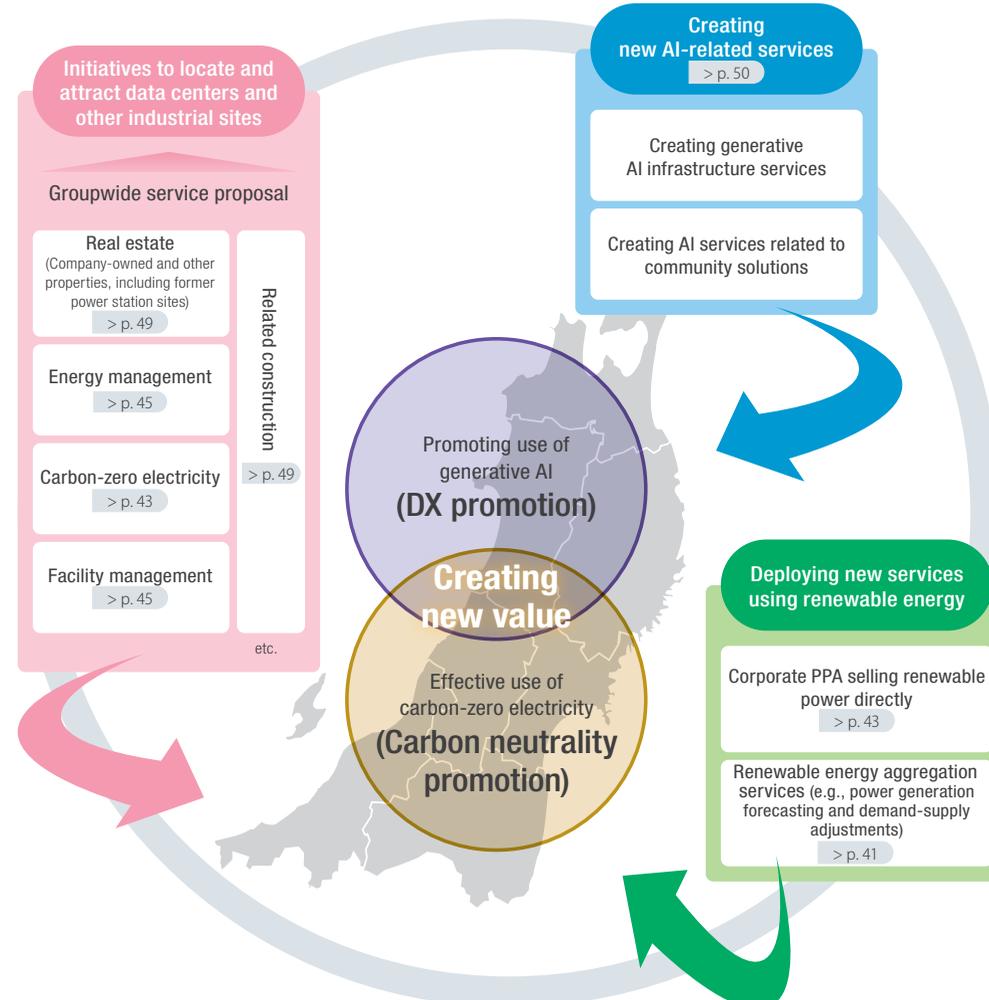



Properties of the Tohoku and Niigata region

Wind, hydroelectric, geothermal, wood biomass, and other resources	Abundant natural environment, cold climate
Extensive area and low population density	Natural disasters such as earthquakes and blizzards

New value creation in the Tohoku Electric Power Group

By drawing on our strengths and regional characteristics to tackle new challenges in areas such as initiatives to locate and attract data centers and other industrial sites, creating new AI-related services, and deploying new services using renewable energy, we aim for ongoing growth hand in hand with regional communities through promoting digital transformation (DX) and carbon neutrality in the Tohoku and Niigata region.



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TOP MESSAGE



Representative Director & President
Tohoku Electric Power Co., Inc.

Kazuhiro Ishiyama

Management with a focus on execution and speed: We will maintain our status as a company trusted by our customers and communities.

Message upon appointment as President

My name is Kazuhiro Ishiyama. I was appointed as the President of Tohoku Electric Power in April of this year.

Last year, we formulated Working Alongside Next+PLUS, which addresses future management initiatives for the latter half of the period covered by the Tohoku Electric Power Group's Medium- to Long-Term Vision. We are promoting businesses centered on electricity and energy to achieve the Group's ideal vision for the 2030s.

To date, seeking to restore our financial base that has been significantly impaired by substantial losses recorded for two consecutive years, the entire Group has worked as a team to grow earnings and reduce costs through measures such as revising electricity rates and management streamlining. Recent results show steady improvements in income and expenditures and in our financial base. Last year, Onagawa Nuclear Power Station Unit No. 2, affected by the Great East Japan Earthquake, resumed commercial operations for the first time in about 14 years, with the understanding of community residents.

Looking ahead, the business environment faces various risks, including inflation, rising interest rates, intensifying competition in the retail electricity sector, and labor shortages, along with uncertainty about future prospects. To reinforce our efforts, we must respond flexibly and with a sense of urgency while thoroughly addressing various management challenges.

I consciously embrace the principle of unity of knowledge and action as my personal creed. That is to say, knowledge and action are two sides of the same coin. The ability to execute, in a true sense, is essential to corporate management as well. This is why I will strive for a management approach that focuses on execution and speed, always maintaining a challenging spirit, free from traditional concepts and convention, while embracing innovative thinking.

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TOP MESSAGE



Our fundamental belief that the prosperity of the Tohoku region is essential to our own growth—a perspective maintained since our founding—as well as our Management Philosophy, Prosper with Local Communities, together with the Group slogan, Yori, Sou, Chikara (The Strength to Work Alongside), remain vital, unchanging concepts shared by the Tohoku Electric Power Group. I have never let go of my long-standing desire to contribute to the growth and progress of the Tohoku and Niigata region ever since joining Tohoku Electric Power.

When the Great East Japan Earthquake occurred, as General

Manager of the Soso Customer Services Office in Minamisoma, Fukushima Prefecture, I worked with office staff on equipment recovery and resolution of power failures, under the ongoing impact of the accident at Tokyo Electric Power's Fukushima Dai-ichi Nuclear Power Station. At that time, while being overwhelmed by the destructive power and threat of nuclear power accidents, I also reaffirmed the importance of ties to the community. Even today, I am grateful for the warm support of the local community, including the supplies of materials, food, and beverages and help with the operations of lodging facilities for dispatched personnel and others, even with various logistics interruptions and difficulties in delivering food and other daily essentials. Without this support, we would not have been able to continue working toward recovery on site.

The Tohoku Electric Power Group believes the resumption of commercial operations at Onagawa Nuclear Power Station Unit No. 2 marks a new start. Learning from our predecessors, who launched the power station from a clean slate, we worked on this project with a determination to be reborn, while strengthening ties to the community and reflecting on the lessons learned from the accident at Tokyo Electric Power's Fukushima Dai-ichi Nuclear Power Station.

It is essential to earn the trust of the community to continue our nuclear power station operations with safety as top priority. We strongly believe in continuing to be a company trusted by our customers and community.

Management courses of action to achieve the Medium- to Long-Term Vision

Creating new value with sustainability positioned as the core of management

For over 70 years, our group has operated its electric business rooted in the Tohoku and Niigata region. With the mission of providing a stable supply of power, the Group has accumulated technologies and expertise in all aspects of the electricity business, including facility construction, maintenance, and management, grid operations, and demand-supply adjustment, while building a relationship of trust with the community. We recognize that our major strength lies with our team of electricity professionals and our relations with local communities.

We consider it is our responsibility to provide new value through businesses such as green business, that utilizes the region's abundant renewable energy sources, and energy solutions service, that combine electricity and energy with value-added services to meet specific customer needs by applying our technologies and expertise, as well as our customer base and community connections, centered on the Tohoku and Niigata region.

The Tohoku and Niigata region are expected to face societal issues such as shrinking populations, low birth rates, an aging population, and rural depopulation earlier than other regions. The growing incidence of severe weather events attributable to climate change is also affecting farming and fishery yields while creating increasingly severe and more frequent natural disasters. It is vital for the Group to meet these challenges head-on and respond robustly. The general affairs and community cocreation section established at the Tohoku Electric Power head office in April of this year will take the lead in coordinating internal and external initiatives in a Groupwide structure, based on cooperation with the community cocreation division of each branch office and the individual business sections.

Placing sustainability as the core issue of management, the Tohoku Electric Power Group will strive to grow alongside our customers and communities to realize the ideal called for in the Group Medium- to Long-Term Vision. We will fulfill our mission to support society while taking on the challenge of proposing effective solutions to societal issues and creating new value by addressing our sustainability priorities (materiality topics).

See > To realize the Tohoku Electric Power Group's Medium- to Long-Term Vision > p. 15

See > Sustainability > p. 21

Tackling Carbon neutrality and digital transformation (DX) as growth opportunities

The Tohoku Electric Power Group sees carbon neutrality and digital transformation (DX) as opportunities for growth. These topics can also be seen as means for solving social issues such as climate change and shrinking populations.

Our green business initiatives will leverage the renewable energy potential of the Tohoku and Niigata region to generate earnings in the stages from power generation to sales, by drawing on the Tohoku Electric Power Group's technologies, expertise, insights, and customer base. In light of growing interest among corporate customers in environmental value, we are actively developing

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various businesses, including PPA solutions, involving direct sales of electricity from renewable energy sources, and renewable energy aggregation services providing power generation forecasting and demand-supply adjustment for power generating businesses. We are also focusing on household electrification and expansion of home solar power and storage cell services. Starting this fiscal year, we have set a target of an emissions reduction of at least 2.5 million metric tons by FY 2030 as our group's contribution to CO₂ reduction and have begun our initiatives.

In pursuing carbon neutrality across all power sources, the ideal is to restrain cost hikes as much as possible. There is also a need to assess trends in the development of new technologies and their applicability and economical effects on the power system and related infrastructure. We are addressing these topics while considering all possible options.

Recently, the Japanese government announced a policy aimed at attracting industries, data centers, and other industrial sites to locate near carbon-zero power sources. Establishing new data centers will not only increase demand for power, but play a key role in creating new industries and employment. For this reason, the Tohoku Electric Power Group will work proactively to attract data centers and similar facilities to the Tohoku and Niigata region through proposals integrating the Group's expertise and services, including the potential use of former sites of power stations. We plan to establish dedicated teams and build a Groupwide promotion structure toward this end.

In February of this year, in the DX and IT businesses themselves, we introduced a GPU cloud service that provides high-performance GPUs with the advanced processing power required for generative AI usage over the internet. We are also working to develop corporate AI services to support business efficiency improvements and advancements for our customers.

We believe digital technologies can contribute to solving issues related to the intensification of natural disasters, labor shortages, difficulties in passing on skills, and workplace accidents. We are taking on challenges in areas such as advanced remote monitoring using sensors and drones, Big Data analysis and learning support through generative AI, and smart maintenance.

 See > Carbon Neutrality Strategy > p. 52

 See > DX Strategy > p. 64

Strengthening human capital, the source of value creation

Tohoku Electric Power sees its employees as the source of its value creation potential. The diligent work of our employees has fostered a sense of trust in the Tohoku Electric Power Group. Our employees' sincere work ethic has fostered trust in our group, and our sense of mission for stable power supply, technological capabilities, and disaster resilience are recognized across our Group as our strengths.

Going forward, to strengthen the foundations that support sustainable management, we plan to focus our efforts on enhancing human capital in addition to carbon neutrality and DX.

A forward-looking attitude of taking on new challenges aggressively is essential to further growth. This is why I take every opportunity to discuss with employees the importance of curiosity in

various topics, creativity generated by thinking outside the box, and collaboration, i.e., teamwork with colleagues.

Due to a shrinking workforce and diversification of work-related values, recruitment challenges are increasing and workforce mobility is rising. We must build workplaces where an even more diverse range of employees can thrive and work with vitality.

Toward this end, we have promoted more advanced human resource management by formulating HR portfolios as HR strategies linked to business strategies in each field. While focusing on hiring and HR development in particular, we will strive toward a more effective HR management cycle Groupwide while increasing employee engagement (motivation, comfort, and skills) based on defined goals. From the perspectives of job motivation, comfort on the job, and improving work skills, we will enhance human capital, including the diversity and organizational culture at its base, so that all employees can demonstrate their individual abilities to the fullest.

 See > Human Resources Strategy > p. 61

Revisions of the management plan structure

To respond flexibly to the changing business environment, starting this fiscal year, we have revised the management plan structure and Group management to pursue profitability and growth autonomously for each business.

Specifically, we have revised our existing three-year medium-term plans into annual management plans based on back-casting from our ideal vision for the future. Under this new plan structure, rather than simply extending current operations to build on plans, each business division will adapt swiftly and dynamically to changing business conditions and uncertainties, while targeting the Medium- to Long-Term Vision and long-term financial targets. In Group management, we have also enhanced the functional responsibilities of each business segment, including affiliate companies. Tohoku Electric Power and Group companies will work together to make steady progress toward our ideal vision while tackling the challenges of medium- to long-term growth.

 See > New management plan structure > p. 18

Current business conditions

A look back at FY2024 business results

Despite the improvements in income and expenditures resulting from the resumption of commercial operation at Onagawa Nuclear Power Station Unit No. 2, FY2024 business results showed the first year-on-year drop in revenues and profit in three years. Contributing factors include lower fuel cost adjustments with falling fuel prices and lower marginal profits due to fuel cost adjustment time lag effects. Net sales were down 6.1% YoY to 2,644.9 billion yen, ordinary income was down 12.1% YoY to 256.7 billion yen, and net income attributable to owners of parent was down

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19.1% YoY to 182.8 billion yen.

Competition is heating up in the retail electricity sector against a backdrop of falling prices for wholesale electricity transactions, and costs have been rising due to the rising cost of materials and labor. In addition, exchange rates and market prices for fuel and other materials heavily fluctuate due to the impact of US tariff policies. Uncertainty is growing amid faster than normal changes in the environment in which the Tohoku Electric Power Group does business.

In this business environment, despite expectations for improved income and expenditures attributable to increasing operation of Onagawa Nuclear Power Station Unit No. 2, FY2025 business results are projected to show year-on-year decreases in revenues and profit due to rising interest payments, increased logistics and other costs, changing market and selling environments, and other factors. We project consolidated ordinary income of 190 billion yen, while the equity ratio is projected to improve to about 19.5% by the end of FY2025.

Tohoku Electric Power sets financial targets for profit (consolidated ordinary income), financial soundness (consolidated equity ratio), and profitability (consolidated ROIC) across two time horizons. We are focusing mainly on a recovery in our financial base in the runup to FY2026, and our targets for 2030 emphasize building a virtuous cycle of profits, investment, and growth.

For the time being, we will strive to achieve a swift recovery in our financial base. While the balance of interest-bearing debt at the end of FY2024 had risen to 3,336.9 billion yen, at the same time we expect to continue investments in maintenance and renovation essential to stable power supply and strategic investments in areas including networks. Capital investment in the electricity business is characterized by its large scale and the considerable time required to recover investment. Investments have a strong impact on cash flow, especially at times of rising labor costs, machinery and materials prices, and interest rates. For these reasons, we will continue to choose investments selectively and improve the efficiency of equipment while evaluating and monitoring profitability based on ROIC by business, taking into consideration medium- to long-term growth in areas such as carbon neutrality and DX.

See > Message from the CFO/Financial Strategies > p. 27

Growing sales to improve free cash flow

Our Management Plan for FY2025 calls for Business Development for Revenue Increase, including expanding retail and wholesale sales to generate cash. As recent conditions in the wholesale electricity market show stable low prices, competition is intensifying in the Tohoku area. We are striving to grow electricity sales (kWh) while maintaining stable profit margins by proposing attractive solutions based on ascertaining customer needs for value-added services other than electricity. The nationwide and supply-zone demand forecasts announced by the Organization for Cross-regional Coordination of Transmission Operators in January of this year project an increase of approximately 10% in demand in the East Japan area over the coming decade. Thus, the market has very high growth potential.

We consider this trend to be a significant business opportunity for Tohoku Electric Power. While considering the expansion of capacity to the Tokyo metropolitan area through the two routes on the grid connecting Tohoku with Tokyo in FY2027, we seek to enhance electricity sales to other areas.

See > FY2025 Tohoku Electric Power Group Management Plan > p. 19

Returns to shareholders and investors

Our PBR currently stands below one. We see increasing both the PBR and our PER, which is much lower than the average of shares listed on the Tokyo Stock Exchange Prime Market, to be important issues. Tohoku Electric Power's dividend policy for the time being is to pay stable dividends targeting a DOE of 2% while working to restore our financial base. In FY2024, we paid dividends of 35 yen/share (total of interim and year-end dividends). We plan to pay total dividends of 40 yen/share in FY2025.

We will also continue our efforts to steadily restore our financial foundation, improve profitability and capital efficiency, and strengthen engagement with the capital markets. This will solidify confidence and trust in our medium- to long-term growth potential and profitability among capital market participants.

See > Message from the CFO/Financial Strategies > p. 27

See > Engagement with Shareholders and Investors > p. 69

Message to stakeholders

To succeed in this time of transformation, amid the dramatically changing business environment and high uncertainty, we believe it is essential to think freely beyond conventional ideas and put into practice any resulting ideas. Degeneration, it is said, begins when evolution ends. With this in mind, we will strive to achieve the Medium- to Long-Term Vision based on execution and speed. We would appreciate the continued understanding and support from all our stakeholders.



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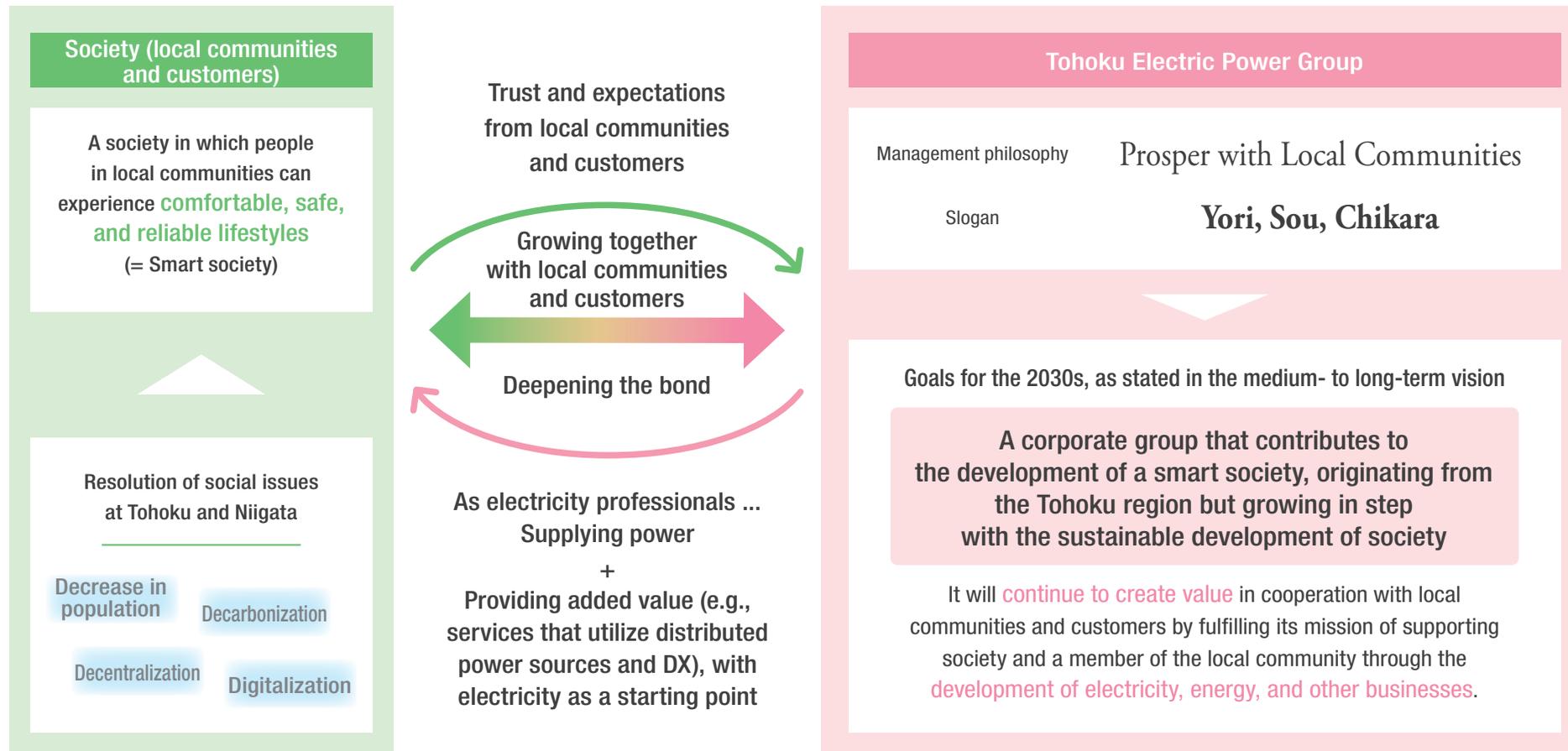


To realize the Tohoku Electric Power Group's Medium- to Long-Term Vision

The Tohoku Electric Power Group's Ideal Vision

Under our Management Philosophy, Prosper with Local Communities, and the Group slogan Yori, Sou, Chikara (The Strength to Work Alongside), the Tohoku Electric Power Group is striving together to move toward the ideal vision for the 2030s as called for in the Medium- to Long-Term Vision: Helping to establish a smart society, starting in Tohoku while growing and evolving alongside society. We believe the Group's mission in the Tohoku and Niigata region, where shrinking populations and

other issues continue to weigh as major factors, is to deliver a stable supply of electricity as power professionals while providing added value based on electricity to help establish a society in which everyone in the region can live in comfort, safety, and peace of mind (i.e., a smart society). Based on this mission, we will strengthen our ties with customers and communities, inspire trust and high expectations, and achieve shared growth



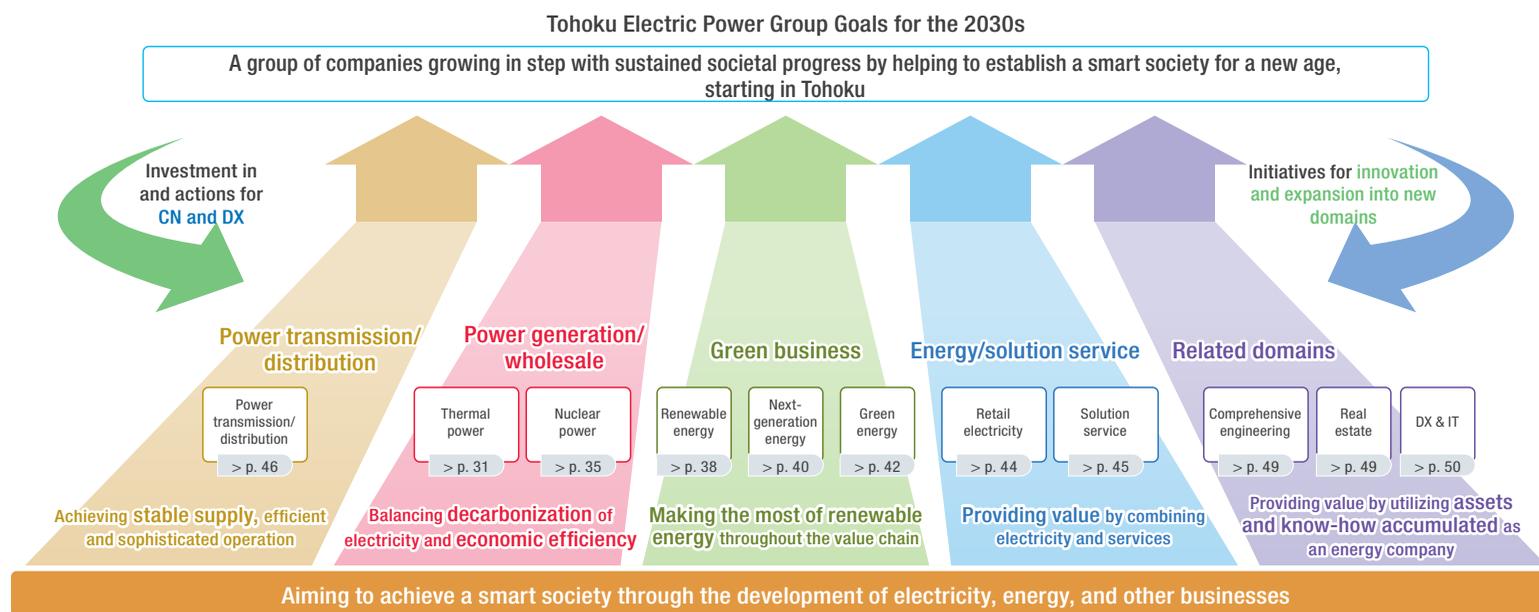
To realize the Tohoku Electric Power Group's Medium- to Long-Term Vision

Three general initiatives of the Tohoku Electric Power Group's Medium- to Long-Term Vision

Working Alongside Next+PLUS, which describes management initiatives to realize the Medium- to Long-Term Vision, identifies three general initiatives in the areas of business development, financial base, and management base. We do business while linking these three initiatives to one another.

Business development
Business development > p. 31

Pursuing autonomous earnings and growth through business development in 11 business categories in five domains, centered on electricity and energy Regarding carbon neutrality and digital transformation (DX) as opportunities for growth, taking on the challenges of strengthening and expanding existing business domains and growing new business domains through innovation and other activities



Financial base
Financial base > p. 27

Financial target

	FY2026	FY2030
Profit indicators [Consolidated ordinary income]	190.0 billion yen	200.0 billion yen or more
Financial soundness indicators [Consolidated equity ratio]	Around 20%	25% or more
Profitability index [Consolidated ROIC]	3.5% level*	3.5% or more*

* Consolidated ROE will be 8% or more when the target is achieved.

Swift recovery of the financial base
Building a virtuous cycle of profits, investment, and growth

Management base
Management base > p. 52

Promoting sustainability management and strengthening the management base Focusing in particular on the three fields of carbon neutrality, digital transformation (DX), and human resources

CN strategy
CN strategy > p. 52

DX strategy
DX Strategy > p. 64

Human resources strategy
Human Resources Strategy > p. 61

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To realize the Tohoku Electric Power Group's Medium- to Long-Term Vision

Taking on the challenges of growth

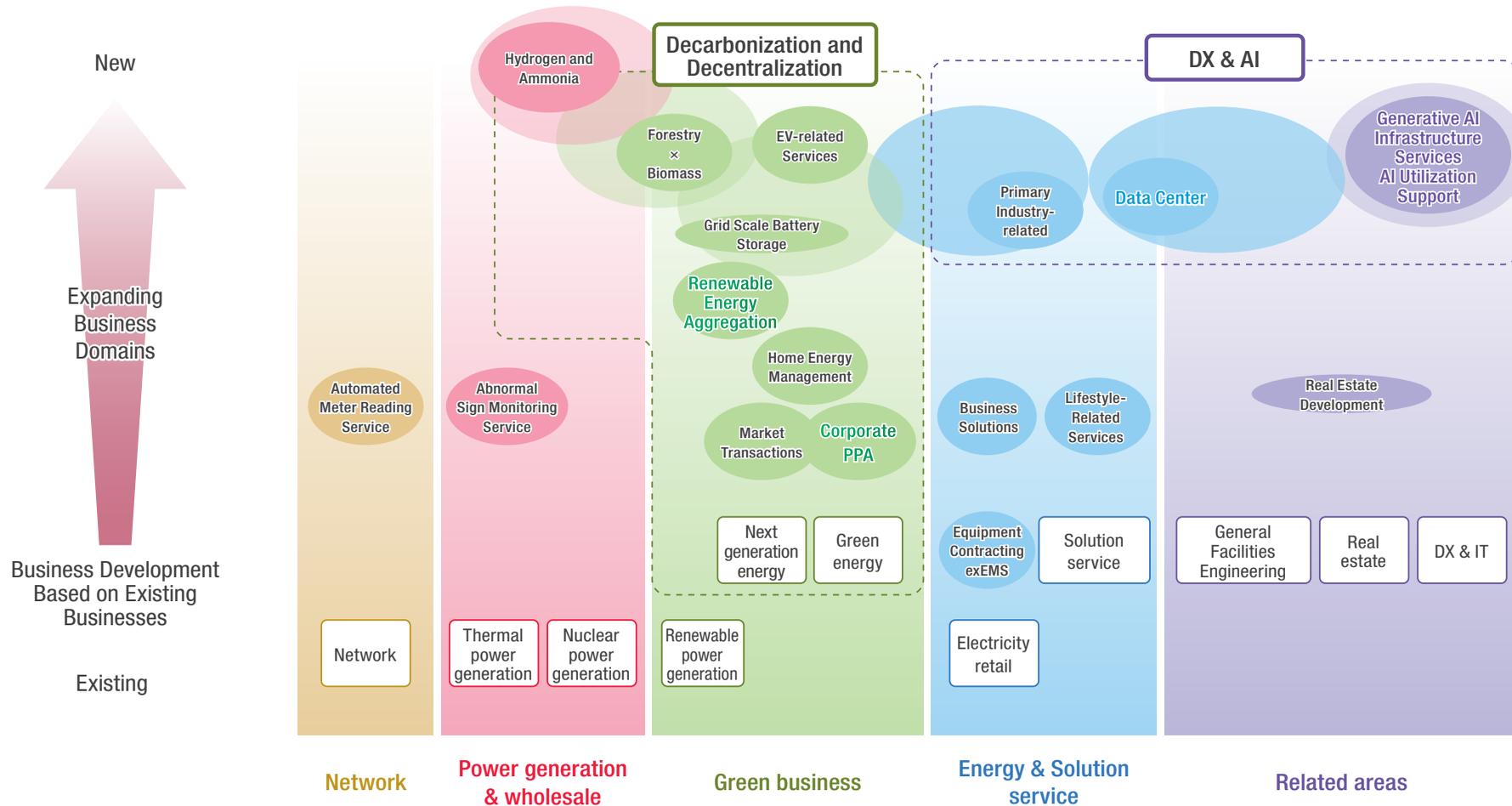
Regarding carbon neutrality and digital transformation (DX) as opportunities for growth, the entire Tohoku Electric Power Group is taking on the challenges of medium- to long-term growth through each business pursuing autonomous earnings and growth in 11 business categories in five domains, centered on electricity and energy.

In existing businesses, in addition to promoting further business growth through innovations (technical and process reforms) that draw on the strengths and expertise of each business as well as

DX, we are identifying business areas to lead to earnings in each business.

Furthermore, while identifying customer and social needs we are utilizing Group strengths and expertise to grow new business domains based on electricity and energy.

Through these initiatives, the entire Group will take on the challenges of sustained growth over the medium to long term through business selection and concentration.



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New management plan structure

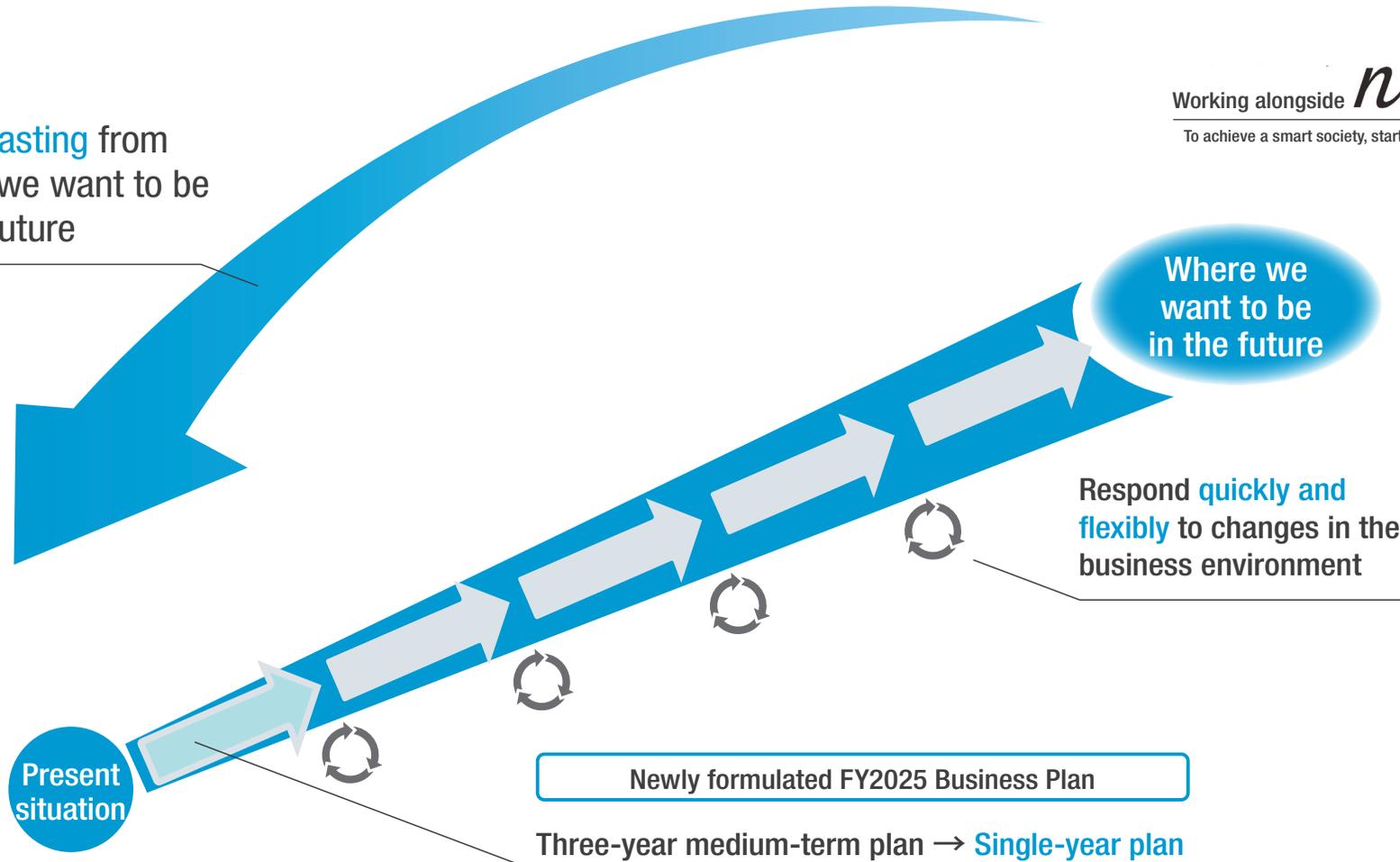
In a business environment characterized by significant uncertainty and change, achieving the Medium- to Long-Term Vision requires not merely continuing in current directions, but moving more quickly and dynamically toward an ideal vision for the future.

Accordingly, as practical plans based on the Medium- to Long-Term Vision, beginning with FY2025 we revised our existing three-year medium-term plans intended to build up results based on

future forecasts into annual management plans based on back-casting from our ideal vision for the future.

Under Group management plans formulated annually, we will make steady progress toward our ideal vision of the future while employing highly dynamic business administration and business deployment to take on the challenges of medium- to long-term growth.

Back-casting from
where we want to be
in the future



Working alongside **next+PLUS**
To achieve a smart society, starting in Tohoku

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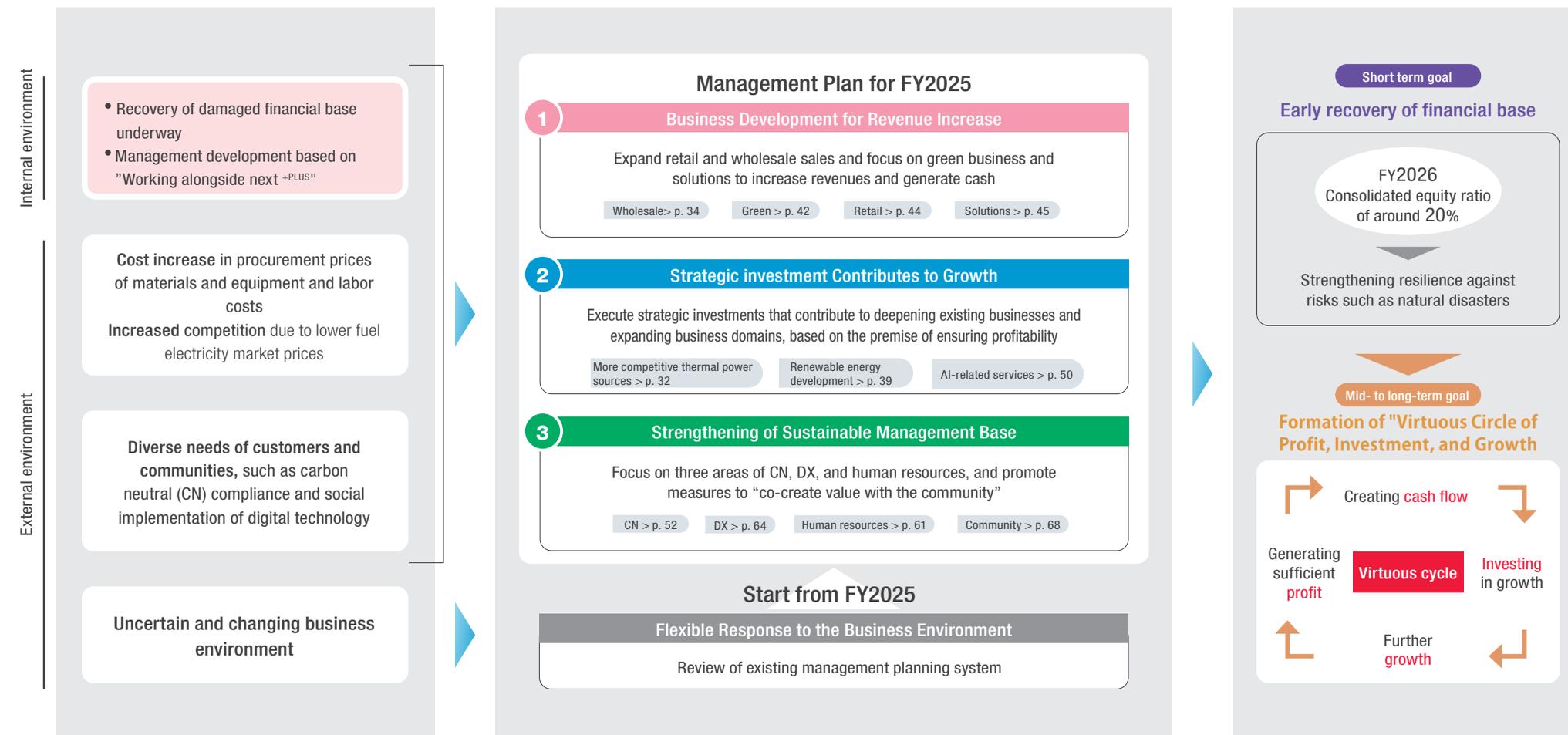
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FY2025 Tohoku Electric Power Group Management Plan

Formulated under the new management plan structure, the FY2025 Management Plan will address the following topics: ❶ Business Development for Revenue Increase, ❷ Strategic Investment Contributes to Growth, and ❸ Strengthening of Sustainable Management Base. These reflect the ongoing need for recovery in our financial base and various business conditions, including the rising

cost of machinery, materials, etc. and intensifying competition for retail and wholesale electricity sales.

Through this plan, we will rapidly restore our financial base and build a virtuous cycle of profits, investment, and growth over the medium to long term.



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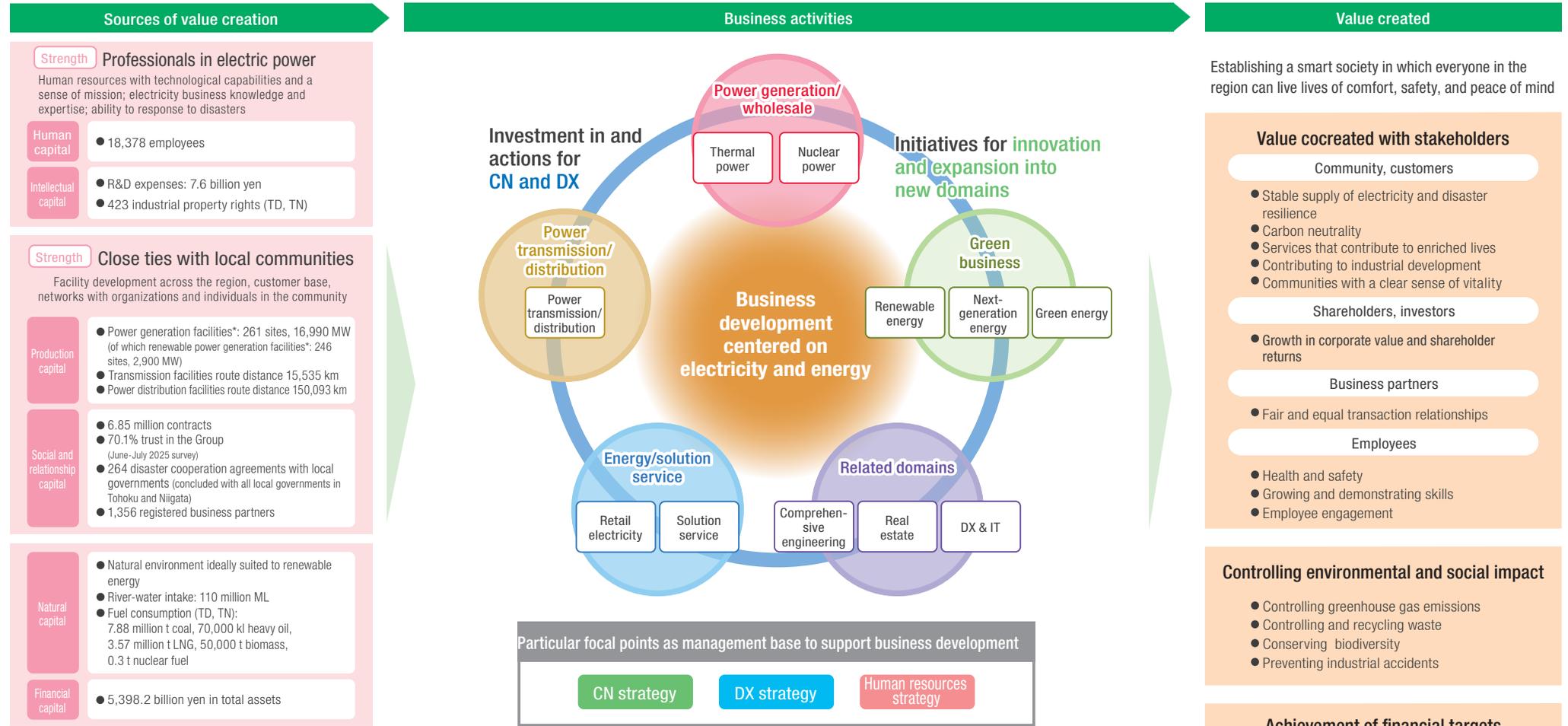
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Value Creation Process

We will cocreate corporate value and social value by drawing on the Tohoku Electric Power Group's strengths in business development centered on electricity and energy. We will strive to achieve the sustained cocreation of value by addressing eight sustainability priorities (materiality topics), which represent the source of such value, in the ESG areas of the environment, society, and governance.



Figures shown are for FY2024 results or as of March 31, 2025 except as indicated otherwise.
* Includes storage cell equipment.

Sustainability priorities (materiality topics)

Taking on the challenge of carbon neutrality	Establishing a recycling-based society	Conserving biodiversity	Realizing safe, comfortable, secure communities and ways of life
Developing resilient social infrastructures	Creating workplaces in which diverse human resources can work with a sense of vitality	Respect for the human rights of diverse stakeholders	Sound and transparent corporate management

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* Consolidated ROE will be 8% or more when the target is achieved.

Sustainability

Sustainability goals

The Tohoku Electric Power Group recognizes sustainability as the core of management. Striving to deliver solutions to the challenges facing our communities and society through our business, in line with the Tohoku Electric Power Group Sustainability Policy, we will create both social value and corporate value alongside our stakeholders for generations to come.

For more information on the Tohoku Electric Power Group Sustainability Policy
See > Sustainability Data Book > p. 02

Structure for promoting sustainability

We have established a Sustainability Promotion Council on which the President of Tohoku Electric Power serves as Chairperson and the President of Tohoku Electric Power Network as Vice-Chairperson. The Council is composed of members from both companies. The Council undertakes comprehensive reviews of various initiatives to address the sustainability priorities (materiality topics), working in cooperation with specialized councils established to discuss individual priorities, including carbon neutrality and human resource strategies. It reports to the Board of Directors to ensure appropriate oversight. The Tohoku Electric Power Group Sustainability Liaison Committee and other bodies promote joint efforts among Group member companies.

An officer in charge of sustainability has been appointed and an advisory board of outside experts has been established to advise this officer.

For more information on the structure for promoting sustainability
See > Sustainability Data Book > p. 03

Sustainability priority (materiality topic) identification

We identified eight materiality topics along two axes: their importance to the Tohoku Electric Power Group (corporate value) and their importance to stakeholders (social value).

In the runup to 2030, we will focus on our carbon neutrality strategy that seeks to achieve carbon neutrality, a topic in which the electricity business will play an important role, through long-term and strategic measures, our digital transformation (DX) strategy to use DX in innovation and business reforms, and our human capital strategy to enhance the human capital that represents the source of our growth.

Particular focuses in the runup to 2030

CN strategy

DX strategy

Human resources strategy

For more information on the materiality topic identification process
See > Sustainability Data Book > p. 05

Sustainability priorities (materiality topics) and individual priorities

	Materiality topics Related SDGs	Key topics
E	Taking on the Challenge of Carbon Neutrality 	<ul style="list-style-type: none"> Rapid resumption of stable operation of nuclear power stations based on a safety-first approach Expanding the adoption of renewable energy Migration toward thermal power decarbonization Promoting energy conservation solutions and electrification alongside customers Promoting decarbonization technological development and innovations
	Establishing a recycling-based society 	<ul style="list-style-type: none"> Controlling waste generation and using resources effectively
	Conserving biodiversity 	<ul style="list-style-type: none"> Local environmental preservation
S	Realizing safe, comfortable, secure communities and ways of life 	<ul style="list-style-type: none"> Promoting businesses to contribute to solutions to community issues by using digital technologies Pursuing customer satisfaction Co-creation of vital local communities in Tohoku and Niigata
	Developing resilient social infrastructures 	<ul style="list-style-type: none"> Stable energy supplies Responding rapidly to large-scale disasters Contributing to more advanced social infrastructure through our technologies
	Creating workplaces in which diverse human resources can work with a sense of vitality 	<ul style="list-style-type: none"> Enhancement of human capital to support business model transformation Implementing work-style reforms in various ways, including use of digital technologies Promoting diversity, equity, inclusion Promoting health management
	Respect for the human rights of diverse stakeholders 	<ul style="list-style-type: none"> Ensuring worker safety Preventing discrimination and harassment Ensuring public safety and consumer safety
G	Sound and transparent corporate management 	<ul style="list-style-type: none"> Securing sound foundations for revenue and finances Comprehensive compliance Risk management and response Ensuring information security Protecting and utilizing intellectual property Risk management in the supply chain Expanding true dialogue with our stakeholders Enhancing partnerships Developing an effective governance structure

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Identifying risks and opportunities

We study and implement responses to sustainability-related risks and opportunities in specialized councils and sections in charge following regular confirmation by the Sustainability Promotion Council, with advice from the advisory board. Among these, risks with the potential to pose significant impact on management are addressed in cooperation with the Integrated Risk Management Council.

 See >Risk Management> p. 86

Megatrends	Social issues	Risks	Opportunities	Materiality topic
Global Climate change Population growth Economic growth centered on emerging markets Economic disparities	Decarbonization, carbon neutrality Loss of biodiversity Increasingly severe natural disasters	<ul style="list-style-type: none"> Reduced competitive strength attributable to various factors, including rising power generation costs due to carbon pricing Rising cost of raising funds from capital markets Facility damage due to increasingly severe climate disasters Reduced hydroelectric power generation capacity due to changing precipitation patterns 	<ul style="list-style-type: none"> Business opportunities in carbon neutrality services, including distributed power sources and energy solutions Maximal use of renewables and nuclear power Promoting electrification of other energy sources (increasing power demand) Business opportunities related to disaster responses and business continuity planning (BCP) 	<ul style="list-style-type: none"> E Taking on the Challenge of Carbon Neutrality E Conserving biodiversity S Developing resilient social infrastructures
	Securing resources Geopolitical risks Cyberattacks	<ul style="list-style-type: none"> Growing difficulty of procurement of fossil fuels and other raw materials Increasingly severe cyberattacks 	<ul style="list-style-type: none"> Increasing power demand as supply chains return to Japan 	<ul style="list-style-type: none"> E Establishing a recycling-based society S Developing resilient social infrastructures
Domestic Decreasing populations Economic maturation Diversification of values	Ageing infrastructure	<ul style="list-style-type: none"> Equipment damage due to ageing Insufficient construction workforce and rising costs of machinery, materials, and construction 	<ul style="list-style-type: none"> Growing demand for construction from infrastructure renovation 	<ul style="list-style-type: none"> S Developing resilient social infrastructures
	Decreasing community vitality	<ul style="list-style-type: none"> Shrinking retail market Negative spiral of further lowering populations as communities become less convenient places to live 	<ul style="list-style-type: none"> Solutions to community issues through public service maintenance, etc. Community economic stimulation through cocreation of local communities with a clear sense of vitality 	<ul style="list-style-type: none"> S Realizing safe, comfortable, secure communities and ways of life
	Workforce shortage Increasingly fluid workforce DEI*	<ul style="list-style-type: none"> Growing difficulties in ensuring a stable supply due to a shortage of workers Shortage of workforce in supply chains Negative effects on hiring and engagement 	<ul style="list-style-type: none"> Securing labor and generating innovation through diverse human resources Increasing business efficiency and labor productivity through aggressive use of digital trans-formation (DX) 	<ul style="list-style-type: none"> S Creating workplaces in which diverse human resources can work with a sense of vitality
Global Changes in social norms and technology	Respect for human rights Responsibility for supply chains	<ul style="list-style-type: none"> Risk of litigation and damage to brand value due to violations of human rights Falling share prices and divestment 	<ul style="list-style-type: none"> Earning stakeholders' trust and securing competitive advantage 	<ul style="list-style-type: none"> S Respect for the human rights of diverse stakeholders G Sound and transparent corporate management
	Addressing new technologies and digital transformation (DX)	<ul style="list-style-type: none"> Violations of human rights due to abuse of AI Loss of competitive advantages such as expertise 	<ul style="list-style-type: none"> Growing power demand from semiconductors, data centers, etc. Use of digital technologies to secure business opportunities 	<ul style="list-style-type: none"> S Realizing safe, comfortable, secure communities and ways of life S Developing resilient social infrastructures S Respect for the human rights of diverse stakeholders

* DEI: Diversity, equity, and inclusion

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Materiality metrics and targets

While FY2024 results fell short of plans and targets for some items, including industrial accidents (number of on-the-job fatalities), the overall results reflected steady progress. Regarding industrial accidents, since serious accidents continue to occur, we have established an approach to safety management as a practical, medium-term workplace-oriented initiative based on worker awareness and actual workplace conditions. We are also taking steps to reduce the risk of accidents involving workers through means such as digital transformation (DX).

We made progress toward our carbon neutrality targets through means including the resumption of operation of Onagawa Nuclear Power Station Unit No. 2, commercial operation of some renewable

energy power plants, and studies and demonstrations involving thermal power decarbonization. The number of DX-literate human resources is also increasing steadily. We will continue to make steady progress on the KPIs of the percentage of managers who are women and our engagement score, as indicators of diversity and the state of activity of core human resources. These are intended to respond to intensifying competition to secure outstanding human resources and ensure that diverse human resources can work with a clear sense of vitality. We are also establishing new KPIs and targets and revising existing ones to strengthen the management base further and make value creation more visible.

	Materiality topic	Metrics	Boundary ¹	Targets	Target fiscal year	Results			Self-assessment ²	Related pages
						FY2022	FY2023	FY2024		
E	Taking on the Challenge of Carbon Neutrality	CO ₂ emissions in the power generation business	G	■ Achieving carbon neutrality	2050					p. 52, p. 55
			G	■ Reduction to one-half actual FY2013 levels (50.45 million t-CO ₂)	2030	39.89 million t-CO ₂	40.36 million t-CO ₂	40.20 million t-CO ₂	○	
		Contributions to CO ₂ emissions reductions through promotion of electrification and optimization of energy use (reduction contributions) ³	G	■ 2.5 million t-CO ₂ or more	2030	—	—	(Newly added in FY2025)	—	
	Establishing a recycling-based society	Industrial waste recycling rate	G	■ 90% or higher	Annual	87.6% ⁴	85.5% ⁴	89.3%	▲	p. 60 Sustainability Data Book p.22
Industrial waste recycling rate excluding coal ash		TD & TN	■ 95% or higher	Annual	—	—	93.7%	▲		
Plastic waste generated		TD & TN	■ Wherever possible, choosing products that use fewer plastics or alternative materials	Annual	1,006t (Reported) TN:917t	1,094.1t (Reported) TN:917.1t	808.9t (Reported) TN:712.9t	—		
Plastic waste recycling rate (including thermal recycling)		TD & TN	■ 90%	Annual	84.2% (Reported) TN:88.1%	80.2% (Reported) TN:91.1%	83.5% (Reported) TN:89.3%	▲		
Conserving biodiversity	—	TD & TN ⁵	■ Avoiding or minimizing the impact on biodiversity of business activities	Annual	(FY2024 results) <ul style="list-style-type: none"> Maintaining existing environmental protections and rare plant and animal conservation initiatives Began disclosure based on TNFD recommendations. Obtained favorable evaluations from capital markets. 			○	p. 60 Sustainability Data Book p. 11	
S	Realizing safe, comfortable, secure communities and ways of life	Cumulative number of businesses and services	G	■ Providing highly value-added services that contribute to solutions to community issues	2030	43	60	82	○	p. 40, p. 42, p. 50
		Share of deregulated service plans contributing to higher customer satisfaction (kWh comparison) ⁶	G (excluding TN)	■ 66.0% or higher	2030	48.4%	46.5%	50.8%	○	
		Number of contracts for rate plans for electrified homes ⁶	G (excluding TN)	■ 1 million or more	2030	—	—	(Newly added in FY2025)	—	
		Number of Yori, Sou, Tohoku Connect content	TOHKNet	■ 265	2028	—	—	184	○	

¹ TD: Tohoku Electric Power; TN: Tohoku Electric Power Network; TFP: Tohoku-Electric Power Friendly Partners; G: Tohoku Electric Power Group
² ○: Exceeded plans or targets; ○: in line with plans or targets; ▲: below plans or targets
³ Customer CO₂ emissions reductions by using Group products or services. Calculated from numbers of electrification and free rate plan contracts provided and CO₂-free electricity sales by the Group.

⁴ Actual figures for Tohoku Electric Power and Tohoku Electric Power Network. Since FY2024, the scope has been expanded to include the entire Group (G).
⁵ Since FY2025, the scope of metrics and targets has been expanded to include the entire Group (G).
⁶ Since FY2025, we have monitored as an indicator the number of contracts for rate plans for electrified homes instead of share of deregulated service plans.

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Materiality metrics and targets

Materiality topic	Metrics	Boundary ^{*1}	Targets	Target fiscal year	Results			Self-assessment ^{*2}	Related pages
					FY2022	FY2023	FY2024		
Developing resilient social infrastructures	Average number and length of power failures per household	TN	■ Maintaining the quality of electricity	Annual	0.11 times, 24 min.	0.12 times, 12 min.	0.10 times, 14 min.	—	P. 46 Sustainability Data Book p. 45
	Systematic repairs of aging facilities ^{*7}	TN	■ 591 pylons/5 years	2027	—	79	94	▲	
			■ 95,660 poles/5 years		—	19,588	19,549		
			■ 11,197 km of overhead power lines/5 years		—	2,802 km	2,591 km		
			■ 428 km of underground cables/5 years		—	101 km	90 km		
Progress of next-generation investment plan ^{*7}	TN	■ Steady implementation of next-generation investments already announced as business plan based on revenue-cap system	2027	—	—	(Newly added in FY2025)	—		
Major disaster drills conducted at all offices	TD & TN	■ Enhancing resilience to major disasters (emergency drills conducted at least once a year)	Annual	Implemented	Implemented	Implemented	○		
Creating workplaces in which diverse human resources can work with a sense of vitality	Engagement score ^{*8}	TD & TN	■ 3.8 or higher	2030	—	3.54	3.56	○	p. 61 Sustainability Data Book p. 52
	Learning hours per employee per year	TD & TN	■ 40 or more hours/year	2030	—	—	30.2 hours	○	
	Number of DX-literate human resources	TD & TN	■ 2,000	2025	—	612	1,271	○	
	Number of Tohoku Electric Power Group DX human resources ^{*9}	G	■ 30% or more in Group (7,400)	2030	—	—	(Newly added in FY2025)	—	
	Average percentage taking ordinary leave (including hourly leave) ^{*10}	TD	■ 80% or more	2024	77.1%	74.7%	81.1%	○	
		TN			83.0%	83.8%	86.6%	○	
	Average percentage taking ordinary leave (including hourly leave) and seasonal leave ^{*10}	TD	■ 80% or more	2029	—	—	(Newly added in FY2025)	—	
		TN			—	—	(Newly added in FY2025)	—	
	Number of women managers vs. start of FY2019 ^{*11}	TD	■ 2.0 times or more	2024	1.48-fold	1.61-fold	3.61-fold	○	
		TN			1.11-fold	1.56-fold	4.67-fold	○	
	Women as a percentage of managers ^{*12}	TD & TN	■ 5.0%	2035	2.46%	2.87%	3.06%	○	
	Percentage of employees with disabilities	TD & TN & TFP	■ Complying with statutory percentage of employees with disabilities	Annual	2.48%	2.52%	2.54%	○	
Presenteeism ^{*13}	TD & TN	■ 15.1%	2026	—	—	18.0%	○		
Absenteeism ^{*13}				—	—	1.73%			
Respect for the human rights of diverse stakeholders	Fatal accidents (including subcontractors, contracted workers, etc.)	G	■ Zero incidents	Annual	2	3	2	▲	p. 87 Sustainability Data Book p. 27, p. 35, p. 45
	Number of participants in human rights training	TD & TN	■ Raised awareness of human rights	Annual	—	—	24,006	○	
	Electric shock accidents affecting the public due to facility defects	TD & TN	■ Zero incidents	Annual	0	0	0	○	

*7 Since FY2025, we have monitored the rate of progress of next-generation investments (implementation amount of next-generation investment plans already announced as business plan based on revenue-cap system), instead of systematic repairs of aging facilities, as the indicator of the stable supply of energy. Next-generation investment plans include upgrades and resilience enhancements to power transmission and distribution network, the deployment of digital technologies, and other measures.

*8 The Company's engagement score is the average of the following answers to the question: "Would you recommend the Company to someone you know as a great place to work?": Yes (5); more yes than no (4); more no than yes (2); and no (1).

*9 The number of DX human resources Groupwide has been used as an indicator since FY2025.

*10 Since FY2025, the average percentage taking ordinary leave has been monitored as the percentage taking the 20 days of ordinary leave and seasonal leave (two days in summer, one day in winter) awarded in April of each year.

*11 Number of women in positions of department manager or above under the Act on the Promotion of Women's Active Engagement in Professional Life. The scope of the department manager position was expanded with reorganization of job grades associated with personnel and wage system revisions in October 2024.

*12 Women as a percentage of all managerial posts, including but not restricted to positions of department manager or above

*13 Presenteeism refers to lost productivity sustained when employees are not fully functioning in the workplace due to illness, injury, or other factors. Absenteeism refers to uninterrupted time off taken due to physical or mental conditions. The goal for each is a lower number.

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Materiality topic	Metrics	Boundary ^{*1}	Targets	Target fiscal year	Results			Self-assessment ^{*2}	Related pages	
					FY2022	FY2023	FY2024			
G	Sound and transparent corporate management	Consolidated cash income ^{*14}	G	■ 320 billion yen or more	2024	136.6 billion yen	420.3 billion yen	470.5 billion yen	◎	p. 27
		Consolidated ordinary income ^{*14}	G	■ 200 billion yen or more	2030	—	—	(Newly added in FY2025)	—	
		Consolidated equity ratio ^{*14}	G	■ 25% or higher	2030	—	—	(Newly added in FY2025)	—	
		Consolidated ROIC ^{*14}	G	■ 3.5% or higher	2030	—	—	(Newly added in FY2025)	—	
		Number of serious compliance violations	G	■ Comprehensive compliance	Annual	2	0	0	○	p. 87 Sustainability Data Book p. 69
		Number of consultations with whistleblowing hotline				148	189	177	○	
		Controlling value at risk to keep it within the range of consolidated equity capital (value at risk/consolidated equity capital)	G	■ Appropriate management of and response to important risks identified based on integrated risk management policy	Annual	Under control (less than one)	Under control (less than one)	Under control (less than one)	○	p. 86 Sustainability Data Book p. 67
		Number of subjects for which information security has been confirmed (of which, the number of visited dialogues)	G	■ Maintenance and promotion of information security management	Annual	206 subjects (38 subjects)	205 subjects (41 subjects)	206 subjects (43 subjects)	○	p. 87 Sustainability Data Book p. 73
		Number of business support cases through IPL activities	TD & TN	■ Promoting activities to utilize intellectual property strategically	Annual	—	—	2	○	p. 66
		Number of patents held	TD & TN ^{*5}	■ Protecting intellectual property rights in accordance with Group Code of Conduct	Annual	293	288	285	○	
		Number of utility models registered				4	3	3		
		Number of designs registered				12	13	18		
		Number of trademarks registered				102	111	117		
		Number of infringements on industrial property rights belonging to others	TD & TN ^{*5}	■ Zero incidents	Annual	—	—	0	○	
		Percentage of major business partners surveyed	TD & TN	■ 100%	Annual	—	100%	100%	○	p. 88 Sustainability Data Book p. 31
		Number of social contribution activities	TD & TN ^{*15}	■ Proactive communication activities with stakeholders	Annual	502	319	284	○	p. 67 Sustainability Data Book p. 48
		Number of dialogues with shareholders and investors	TD	■ Enhanced dialogue with shareholders and investors	Annual	191	160	233	◎	p. 69
—	TD	■ Improving efficacy of Board of Directors (assessing the efficacy of the Board and making continual improvements based on the results)	Annual	FY2024 results • Surveys assessing efficacy have been undertaken continuously since FY2016, their results are reported to the Board, and improvements and other measures are implemented during the following fiscal year.			○	p. 76		

*14 Since FY2025, consolidated ordinary income, the consolidated equity ratio, and consolidated ROIC have been monitored as indicators of earnings and the financial base, in place of consolidated cash income.

*15 Since the figures shown are actual figures for activities undertaken individually or jointly by Tohoku Electric Power and Tohoku Electric Power Network (including participation by Group companies), the scope has been revised from G (Tohoku Electric Power Group) to TD & TN (Tohoku Electric Power, Tohoku Electric Power Network).

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Moving forward step by step toward sustainable corporate value enhancement

Representative Director
& Executive Vice President
Chief Finance Officer (CFO)

Satoshi Isagoda

I took office as CFO in 2023, at a time of recording two consecutive years of losses due to the earthquake centered off the Fukushima Prefecture coast and the Ukraine crisis. The company was in a critical situation where its consolidated equity ratio had fallen to its lowest levels ever. While my term began in what truly was the middle of a storm, over the two years since then, we have generated results by granting top priority to a swift recovery of the financial base. I recognize that the recovery of our financial base is still insufficient and requires further initiatives, and I am grateful for the cooperation and understanding of all stakeholders regarding the steady progress we have made so far.

Progress toward financial targets

As we build a virtuous cycle of profits, investment, and growth to achieve rapid recovery in our financial base and realize our ideal vision, we have set financial targets for FY2026 and FY2030 consisting of the three KPIs of consolidated ordinary income, consolidated equity ratio, and consolidated ROIC. We are currently working toward the first set of these targets, for FY2026.

In FY2024, due to improvements in income and expenditures with Onagawa Nuclear Power Station Unit No. 2 resuming operations and other factors, we recorded consolidated ordinary income of 256.7 billion yen and a consolidated equity ratio of 18.3% at the end of the fiscal year. Forecasts of consolidated financial results for FY2025 call for consolidated ordinary income of 190 billion yen and consolidated ROIC of 3.6%, despite the decline in profits due to various factors, including the increases in interest payments and in costs associated with rising prices and

interest rates as well as changes in the market and sales environment. We expect the consolidated equity ratio to recover to 19.5% by the end of the fiscal year. [Table 1](#)

Table 1 Financial targets, results, and forecasts

	FY2024 (Result)	FY2025 (Forecast)	Financial target	
			FY2026	FY2030
Profit indicator (Consolidated ordinary income) ^{*1}	234.7 billion yen [256.7 billion yen]	190.0 billion yen	190.0 billion yen	200.0 billion yen or more
Financial soundness indicator (Consolidated equity ratio)	18.3%	Approx. 19.5%	About 20%	25% or more
Profitability indicator (Consolidated ROIC)	4.8%	Approx. 3.6%	About 3.5% ^{*2}	3.5% or more ^{*2}

*1 Excluding fuel cost adjustment time lag. Figures in brackets include effects of fuel cost adjustment time lags.

*2 Consolidated ROE will be 8% or higher when target achieved

At the same time, to reach our financial targets for FY2030 and achieve our ideal vision, we must not only continue our current efforts, but develop new businesses in response to changing markets and the trend toward carbon neutrality. We must pursue autonomous earnings and growth through business development in the 11 business categories identified in Working Alongside Next⁺PLUS. As we continue to invest at a high level, including investments to install facilities to respond to a specified severe accident at Onagawa Nuclear Power Station Unit No. 2, large-scale grid improvements at Tohoku Electric Power Network, and strategic investments in new business development, we expect assets to increase for the time being. Obviously, this involves the issue of how to raise funds for investment efficiently. Another issue is that interest burdens now are much higher than in the past. Accordingly, we must introduce a system that enable careful examination of investments based on risk-adjusted earnings potential, aiming to be a lean and efficient company—one that generates returns commensurate with its asset—regardless of the size of such assets. This should lead to changes in employee awareness and sharing of courses of action for change across the Company. Toward this end, we at corporate management must work still harder than before to support the initiatives for each business. [Table 1](#)

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Fig. 1 Trend in financial standing



Three opening gambits toward realizing the ideal vision

Based on this understanding of the issues, we recently launched three initiatives to realize the ideal vision.

The first is adopting ROIC for individual businesses. The FY2025 Group Management Plan introduces business ROIC as an indicator for use in internal business evaluation to motivate each business to be conscious of returns on investment while demonstrating its own autonomy and being aware of its expected roles, which vary by business. [Table 2](#)

With the addition of business ROIC, rather than focusing on volume alone, such as revenues and profit, as we have to date, evaluation of capital efficiency is gaining traction within the company. This will not only lead to more selective investments in each business but also foster competition among businesses for allocation of investment. This should contribute to achieving autonomy as well as the subsequent goals of our ideal vision of formulating a Groupwide business portfolio.

The second initiative involves enhancing our investment and finance review functions. If the first measure of adopting business ROIC is an offensive move to raise awareness of profitability, this is a defensive move to encourage greater awareness of risks and returns. Since the liberalization

of electric power, increasing earnings requires a degree of risk-taking. Our ability to make swift and reasonable investment decisions based on appropriate risk taking is a key factor in increasing corporate value. From this perspective, in July 2024 we launched the Risk Management Office, whose activities are centered on review of investments. Staffed with highly experienced human resources who worked at other companies and other industries, over the past year it has reviewed and consulted on dozens of investment and finance proposals. By building on this knowledge, we will raise the frame of reference of our investment decision-making still further.

The third initiative involves enhancing adaptability and flexibility. With the business environment changing at an accelerating pace, beginning with the FY2025 Management Plan, we have revised our previous three-year medium-term plans into annual management plans based on back-casting from our ideal vision for the future. Through this change, we will accelerate the plan-do-check-act (PDCA) cycle and deploy highly dynamic business development to take on the challenges of medium- to long-term growth.

Table 2 Business ROIC*

Domain	Power transmission/distribution	Power generation/wholesale		Green business			Energy/solution service		Related domains		
	Power transmission/distribution	Thermal power	Nuclear power	Renewable energy	Next generation energy	Green energy	Retail electricity	Solution service	Comprehensive engineering	Real estate	DX & IT
ROIC (FY2024 result)	1.3%			7.3%					6.6%		
Profitability to achieve consolidated ROIC target	1.5% or more			5% or more					6% or more		

* [Operating income after taxes / (equity capital + interest-bearing debt) × 100] Both equity capital and interest-bearing debt are averages at start of period.

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Toward increased corporate value

As we seek to increase corporate value over the medium to long term, we are working to increase PBR, which remains far below 1, by achieving our financial targets through pursuing revenues and growth in each business. To do so, we must consider the allocation of funds based on a bird's-eye view of cash inflows and outflows overall. As demand for funds grows with investments seeking to respond to the changing business environment, the fundraising environment has become increasingly complex today, making it even more crucial to develop strategic fundraising activities that carefully consider both the cost of capital and fundraising capacity. We plan to optimize the cost of capital by diversifying fundraising methods while retaining funds internally through profit generation and working to maintain financial discipline and creditworthiness.

Fig. 2 Cash allocation

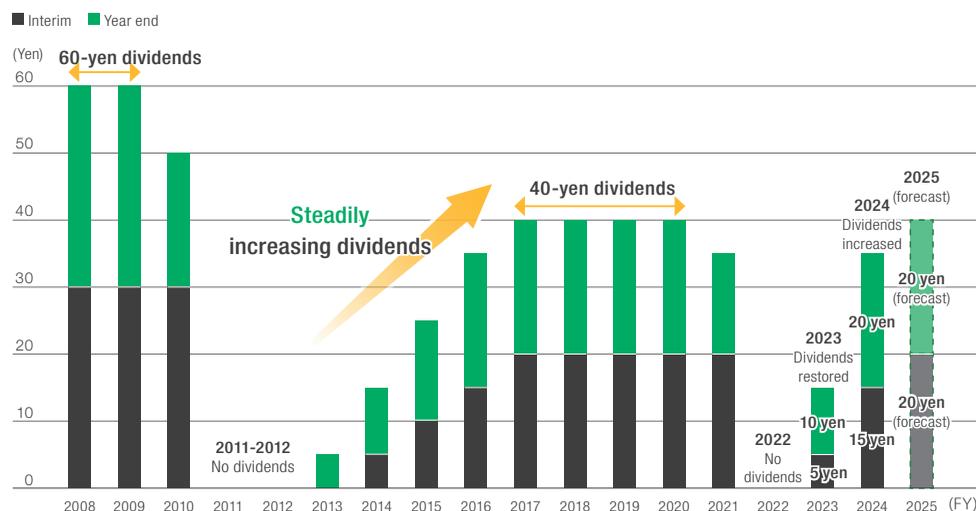


To increase corporate value, I believe it is important to grow earnings through strategic investments that contribute to growth, while also meeting the expectations of shareholders through dividends and other returns. In April 2024, we set the target for the time being of DOE of 2%. This is intended to enhance shareholder returns while maintaining a degree of foresight in line with recovery of the financial base. In FY2025, we expect to pay annual dividends of 40 yen/share. This level of 40 yen expresses our desire to meet shareholder expectations by returning to the levels before the Ukraine crisis as quickly as possible. Regarding the future, we do not consider the current dividend level to be sufficient, and as we seek to meet shareholder expectations, we plan to intensify study of our policy on returns to shareholders while also enhancing business initiatives. Fig. 2 Fig. 3

Conclusion

As noted in last year's message, I understand the difficulty of increasing corporate value as CFO every day. Under such conditions, I have learned a lot by talking with stakeholders. I will continue to move forward step by step toward sustainable growth and increasing corporate value while continuing to value dialogue with stakeholders.

Fig. 3 Trend in dividends/share



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Promoting Green/Transition Financing

We are currently promoting green/transition financing as part of efforts to achieve carbon neutrality by 2050. In FY2023, we continued to raise funds through our existing green/transition financing initiatives. We will maintain the course of optimal fundraising to achieve the goals of the Tohoku Electric Power Group Carbon Neutral Challenge 2050.

Overview of financing

Type	Lender (loans)/name (bonds)	Use of funds	Date executed
Green loans	① Mizuho Bank, Ltd.	Shiroishi Kosugo Wind Farm* (Miyagi Prefecture) construction costs	September 27, 2024
	② The Norinchukin Bank		November 11, 2024
Transition loans	③ Meiji Yasuda Life Insurance Company	Costs for improvements of the grid connecting Tohoku with Tokyo and activities involving the process of acquiring power sources in the northern Tohoku area	December 20, 2024
	④ Nippon Life Insurance Company		December 27, 2024
	⑤ Dai-ichi Life Insurance Company		March 21, 2025
	⑥ Development Bank of Japan		March 31, 2025

* Power station developed and operated by Shiroishi Kosugo Wind Power G.K.

Assessment by external agencies

Our green/transition finance initiatives have been assessed and verified for compliance with various applicable standards (including GBP standards) by DNV Business Assurance Japan K.K., an independent agency.

Allocation of funds raised through green finance and environmental impact (as of March 31, 2025)

Funds raised	Amount allocated	Amount allocated to refinancing	Unallocated balance	Output of projects to which funds were allocated	Annual CO ₂ emissions reductions (FY2024)
① Not disclosed	100%	0%	0%	Approx. 33,600 kW	Under construction* (planned to begin operating in FY2026)

* Work is proceeding without issue on the projects currently under construction.

The following information includes the disclosures required in annual reports following the execution of green/transition financing. The green/transition financing executed through FY2023 are not included below because their allocation was completed by FY2023, and thus they are not subject to annual reporting requirements.

Allocation of funds raised through transition finance and environmental impact (as of March 31, 2025)

Funds raised	Amount allocated	Amount allocated to refinancing	Unallocated balance	Annual CO ₂ emissions reductions (FY2024)
② Not disclosed	100%	53%	0%	Under construction *
③ Not disclosed	100%	53%	0%	
④ Not disclosed	100%	53%	0%	
⑤ Not disclosed	100%	53%	0%	
⑥ Not disclosed	100%	53%	0%	
⑥ Not disclosed	100%	53%	0%	

Details of transition projects

Use of funds	Details
Grid connecting Tohoku with Tokyo	Location: Tamura, Fukushima Prefecture, and elsewhere Construction began: 2022 Planned start of operation: 2027 Effects: Increased use of renewable energy through expanded transmission capacity to Tokyo (from 5.65 GW to 10.28 GW), etc.
Bidding process to acquire power sources in the northern Tohoku area	Location: Akita, Akita Prefecture Construction began: 2022 Target start of operation: FY2036 or thereafter Effects: Connection of 3.9 GW of renewable energy sources to the grid

* Work is proceeding without issue on the projects currently under construction.

Power Generation / Wholesale

Thermal Power Generation Business

Comprehensively enhancing our competitive strengths in power sources and strategically working toward carbon neutrality

Managing Executive Officer
President of Power Generation Company
Tohoku Electric Power Co., Inc.



Kaoru Hijikata

Toward achieving the Medium- to Long-Term Vision

The business activities of the Thermal Power Generation Business cover an extensive value chain ranging from fuel procurement through power generation, wholesale sales of electricity, and trading. The business plays a core role in Tohoku Electric Power's business operations. Going forward, we will take strategic action to enhance our competitive strength in power sources and achieve carbon neutrality.

The electric power industry is experiencing increasing uncertainty due to factors such as fluctuating exchange rates and fuel prices. Despite such conditions, we are striving to increase ROIC and generate sustained profits to achieve the financial targets of Working Alongside Next+PLUS. As part of these efforts, we will work with Group member company Tohoku EPCO Energy Trading Co., Inc. toward demand-supply optimization through responding flexibly to changing fuel and electricity markets and demand-supply trends as well as promoting revenue growth across the value chain.

Thermal power generation is an important power source not only for the ability to supply power

to meet demand but also to regulate power supplies along with increasing use of renewable energy and to provide the inertial force needed to maintain a stable power grid. We expect decarbonized thermal power generation to continue to play an important role, even in the carbon-neutral society of the future. While closely monitoring government energy policies and carbon pricing trends, we will continue to make our thermal power sources even more competitive through means such as suspending and decommissioning inefficient coal power facilities and other aged thermal power facilities, promoting replacement with highly environmentally and economically efficient thermal power through potential adoption of carbon-neutral fuels in the future and other means, and making operations more advanced and efficient by adopting the latest digital technologies.

Furthermore, we will make decarbonization technologies more effective through deployment of trial mixed burning with carbon-neutral fuels such as hydrogen and black pellets and proceeding with study of facilities to put the results of past testing to practical use. Other efforts to accelerate the decarbonization of thermal power include building stable supply systems for carbon-neutral fuels and advancing R&D for decarbonization technologies and their application.

Progress of initiatives

In the first long-term decarbonized power source auction held in January 2024, a successful bid was tendered for development of Unit No. 6 as part of the replacement plans for Units Nos. 1 and 2 at the Higashi-Niigata Thermal Power Station. Together with proceeding with preparations to begin operations in FY2030, we will build a strategic power source structure, accounting for the use of appropriate programs in the development of future units. In a leading-edge initiative in electricity trading, Tohoku EPCO Energy Trading became the first successful Japanese seller of electricity futures options (launched in February 2025) on the European Energy Exchange (EEX). We will continue to make proactive use of electricity trading markets to further grow our earnings potential through demand-supply optimization.

Overview of the business environment

Opportunities

- Growing demand for power due to expansion of data centers, semiconductor plants, etc.
- Accelerating efforts to realize carbon neutrality

Risks

- Increasing uncertainty in foreign exchange and fuel markets
- Risk of interruptions to fuel supplies due to geopolitical risks

Strengths

- Demonstrating regulating functions of thermal power sources
- Leveraging expertise in electricity trading markets to optimize demand and supply through trading and the markets, thereby maximizing profits

Issues

- Establishing decarbonization technologies for thermal power and building supply chains for carbon-neutral fuels

Strategic courses of action and priorities

Striving to ensure future competitive strengths and grow profitability while targeting carbon neutrality and putting safety first

- Thoroughly enhancing competitive strengths while promoting power source portfolio optimization targeting carbon neutrality and decarbonizing thermal power
- Promoting demand-supply optimization and growing profitability across the entire value chain of fuel procurement, power generation, and wholesaling
- Enhancing business foundations based on reforming individual consciousness and behavior, while putting safety first

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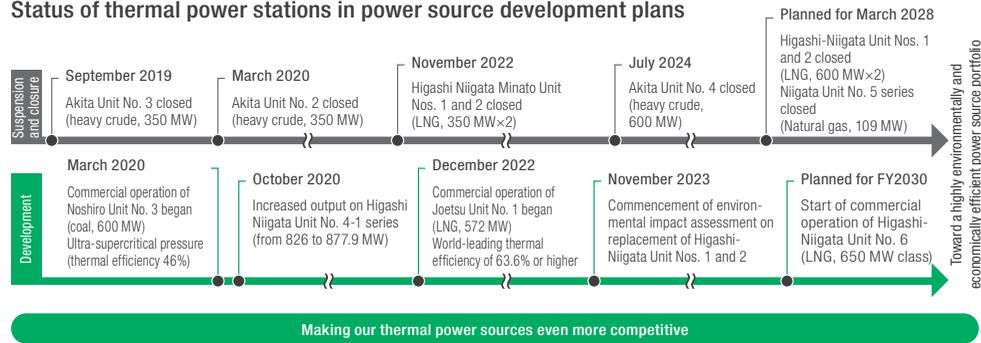
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Making our thermal power sources more competitive

Amid increasing use of renewable energy, the regulating and inertial strengths of thermal power sources are growing even more important.

We continue to make our thermal power sources more competitive and adapt to demand-supply fluctuations associated with increasing use of renewable energy by steadily developing high-efficiency power stations and decommissioning aged thermal power generation stations that have lower levels of environmental and economic performance.

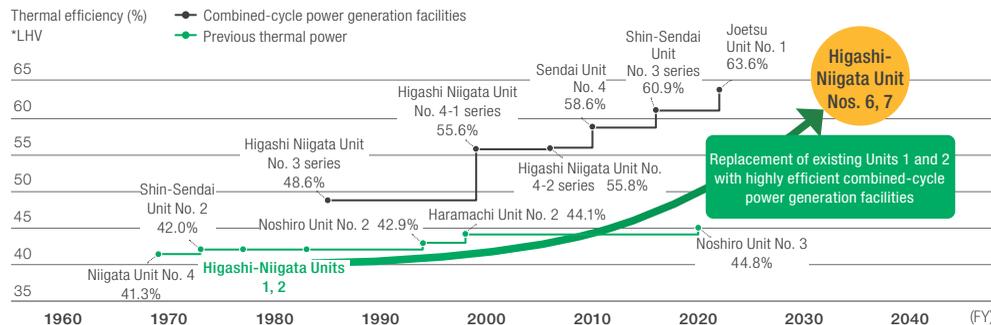
Status of thermal power stations in power source development plans



As part of our efforts to make our thermal power sources still more competitive and to decarbonize thermal power, we are making progress toward replacing Units Nos. 1 and 2 at the Higashi-Niigata Thermal Power Station with highly efficient advanced combined-cycle power generation facilities with low CO₂ emissions.*

* We expect to reduce fuel consumption and CO₂ emissions per kWh by about 30% vs. the previous units. We are also considering use of carbon-neutral fuels (hydrogen, ammonia) in the future.

Trends in thermal efficiency of our own thermal power stations (based on lower heating value)*



* Lower heating value basis: volume of heat generated after subtracting condensation heat from water content of fuel and water generated by burning fuel

Advances in the operation of thermal power sources

DX

Seeking to boost operational efficiency of thermal power stations still further based on the Group's amassed experience in efficient operation of thermal power stations, operation and maintenance technologies, and expertise, we're adopting advanced digital technologies like Big Data analysis and IoT.

We consider the system for rapidly detecting signs of facility abnormalities adopted at all of our thermal power stations since March 2020 to be able fundamentally to contribute to safety and stable operation at facilities of customers involved in manufacturing, in addition to our own thermal power stations. In April 2023, we began offering this service under the name ASYOMI Yori Sou Abnormality Monitoring Service.

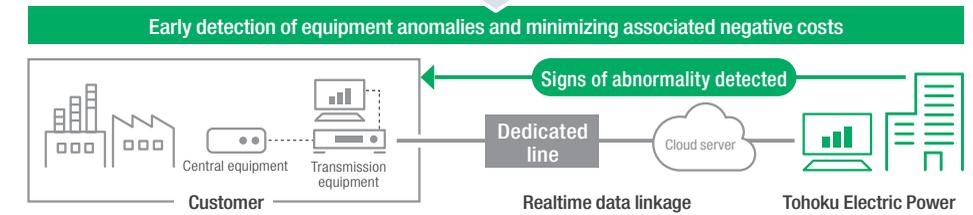
Working with Group members Tsuken Electric Ind. Co., Ltd. and TOHKnet Co., Inc., we aim to grow overseas sales of this service while fully capitalizing on the Group's strengths.

Service provision began in April 2023 under the name ASYOMI Yori Sou Abnormality Monitoring Service

Expertise with operations and maintenance of a broad range of equipment at thermal power stations based on more than 60 years of experience

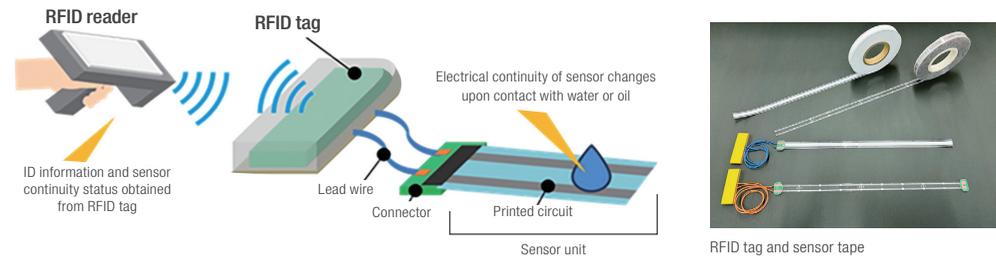


Tohoku Electric Power's high-performance, state-of-the-art digital technologies for a wide range of general applications



In addition to these initiatives, we have teamed up with TOPPAN Edge Inc. to develop a system using printed circuits and RFID technology to swiftly and accurately detect leaks of fluids such as oil, water, and water-based chemicals. Introduction of this system both inside and outside the Group began in May 2024, following feasibility testing at our thermal power stations.

Fluid leak detection system introduced inside and outside the Group in May 2024



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Decarbonization of thermal power

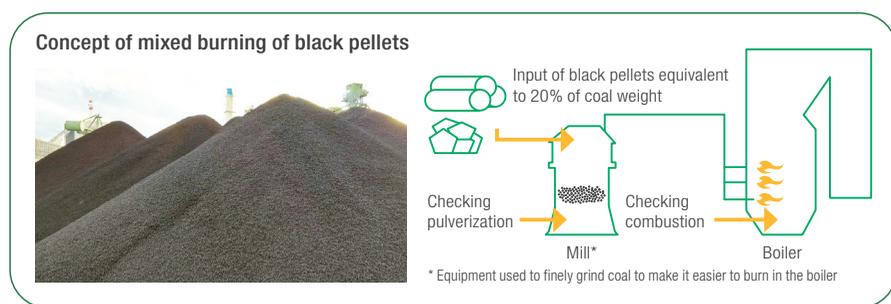
Verification study of mixed burning with black pellets to decarbonize coal thermal power/production of biomass raw materials on unused land on the power station site

In 2021, the Noshiro Thermal Power Station (a coal-fired station with total output of 1,800 MW) began verification testing of mixed burning with black pellets biomass fuel made from partially carbonized wood.

In addition to assessments of the storability and transportability of black pellets, we have successfully demonstrated small-scale mixed burning. In FY2024, we confirmed power generation with a ratio of mixed burning increased to 20% black pellets by weight, as we aim to put this technology into full-fledged operation.

We will proceed with studies toward decarbonizing coal-fired thermal power in the future using the knowledge derived from these tests.

In addition, test cultivation of plants that can serve as raw materials in biomass fuel using unused plots of land on power station sites has demonstrated that certain varieties of plants grew rapidly over a short time even in the cold Tohoku climate. Since harvesting some of the plants, we are testing pelletizing and torrefaction to verify their characteristics as biomass fuel.



The central control room during testing



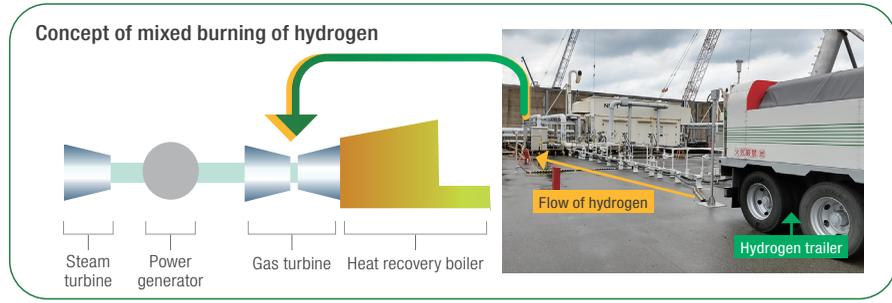
Checking combustion in a boiler

Verification study of mixed burning with hydrogen to decarbonize LNG-fired thermal power

Expectations are high for hydrogen, which does not release CO₂ emissions when burned, as an energy source to move closer to achieving carbon neutrality.

In October 2023, we were the first in Japan (according to Tohoku Electric Power research) to conduct mixed-hydrogen burning testing (1% by volume) in a commercial combined-cycle power generation facility at our Niigata Thermal Power Station Unit No. 5 series (109 MW, natural gas). Tests of mixed-hydrogen burning in October 2024 achieved mixed burning at a rate of 8% by volume, the highest volume that may be tested using existing facilities at the power station.

We will continue to study decarbonization of LNG thermal power through means such as applying the knowledge learned from this testing to use in large-scale combined-cycle gas power generation facilities in the future.



Overview of Niigata Thermal Power Station Unit No. 5 series



Supplying hydrogen from a hydrogen trailer

Joint study of advanced CCS project in the eastern Niigata area

Alongside Japan Petroleum Exploration Co., Ltd., Mitsubishi Gas Chemical Co., Inc., and Hokuetsu Corporation, we participated in a four-company FY2024 study of an advanced CCS project under contract with the Japan Organization for Metals and Energy Security. This study covered the stages from capture and recovery of CO₂ emitted from chemical plants, paper plants, and thermal power stations, transporting it through CO₂ pipelines, and pressurization and storage.

Research and studies toward implementation of a CCS project will continue in FY2025.

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Pursuing economy, flexibility, and stability in fuel procurement

We will strive to flexibility adapt in a timely manner to fluctuating electricity demand while continuing to cut costs, both of which are premised on securing stable procurement.

As global fuel markets grow increasingly volatile with trends in US trade policies and the manifestation of geopolitical risks around the world, we will continue to deploy flexible procurement measures in response to the changing business environment while closely monitoring international circumstances, fuel market trends, and other factors.

We will strive to grow profits throughout the fuel procurement, power generation, and wholesaling value chain, using the functions of Group company Tohoku EPCO Energy Trading Co., Inc.

In line with the Tohoku Electric Power Group Carbon Neutral Challenge 2050, we will make steady progress on building procurement structures for carbon-neutral fuels (such as black pellets, ammonia, and hydrogen) and enhancing related functions, in light of the accelerating shift toward carbon neutrality.

Efforts toward improved economy, flexibility, and stability

- Increasing procurement of economical low-grade coal* and coal from nearby sources (coal)
- Short-term and spot procurement of economical LNG in cooperation with our Singapore office (LNG)
- Securing quantitative flexibility to adapt to demand-supply fluctuations (coal, LNG)

* Use of relatively low-priced coal such as subbituminous coal, which has inferior thermal heating value and ash content compared to standard grades, and coal meeting the specifications for use in our coal-fired power stations (such as heating value, moisture content, and ash content) regardless of coal type

Responding to risks of supply interruptions and price fluctuations

We will implement the following measures in response to rising global energy price volatility and fuel procurement risks

- Diversification of procurement sources (coal, LNG)
- Expanding use of derivative transactions (coal, LNG)
- Expanding procurement of new coal types (coal)
- Enhancing alliances with other buyers in Japan (LNG)

Efforts to secure optimal fuel procurement through an overseas site

In Singapore, which is home to offices of leading global energy firms, we opened the Singapore Representative Office in April 2022 (upgraded to the Singapore Branch Office in April 2024) to support everyday fuel procurement activities and enhance our functions for researching overseas energy trends.

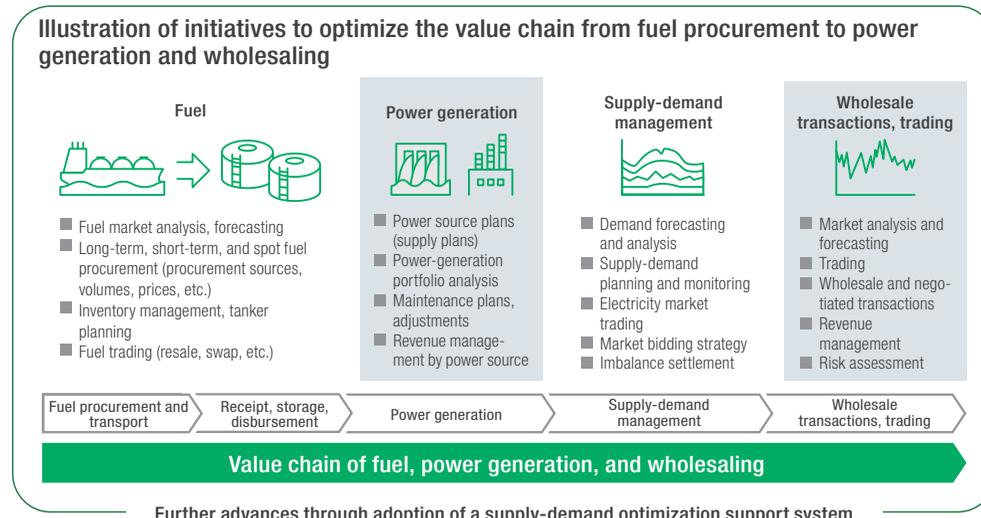
Through the activities in Singapore, we will continue to work toward goals such as further improving the economic performance of fuel procurement, expanding our networks with players involved in electricity trading, researching trends related to carbon-neutral fuels, and discovering potential overseas suppliers.



Value-chain optimization

With growing adoption of market mechanisms in electricity trading, we are promoting value-chain optimization to secure revenue while accounting for uncertainties in quantities and prices.

We will continue striving toward stable demand and supply management and profit maximization through diversification of electricity wholesaling and using subsidiaries' trading technologies.

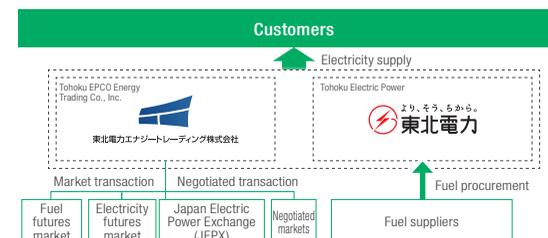


Trading

Our strategic subsidiary Tohoku EPCO Energy Trading Co., Inc. engages in integrated trading including trading in the electricity market (including futures) and fuel futures.

It will continue to increase revenue by proposing solutions that deliver added value in aspects such as price levels tailored to market perspectives and flexible contractual terms and conditions while making the most of its trading functions.

We manage a range of risks surrounding the company, including market risk, by building a multilayered system involving the parent company.



Efforts for supply-demand optimization based on market trading

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Nuclear Power Business

Contributing to the stable supply of electricity and carbon neutrality while continuing safe and stable nuclear power station operation

Managing Executive Officer
General Manager of the Nuclear Power Division
Tohoku Electric Power Co., Inc.



Hiroaki Aoki

Toward achievement of the Medium- to Long-Term Vision

As a nation lacking in energy resources, Japan will need to maintain a certain level of nuclear power as an important power source in terms of stable supply, economic efficiency, and environmental compatibility, while putting safety first.

Demand for electricity is expected to grow in the future with the progress of digital transformation (DX) and green transformation (GX) technologies. In addition, rising geopolitical risks are making it even more important to respond to risks of fluctuations in fossil-fuel prices and to ensure energy security.

Ensuring stable supply through a well-balanced power-source structure not overly dependent on any specific power source or fuel, Tohoku Electric Power will proceed steadily with several efforts, including maintaining safe and stable operation of Onagawa Nuclear Power Station Unit No. 2 and resuming operation of Higashidori Nuclear Power Station Unit No. 1 and Onagawa Nuclear Power Station Unit No. 3.

Progress of initiatives

Onagawa Nuclear Power Station Unit No. 2 resumed commercial operation in December 2024. We are grateful for the understanding of local residents and all other stakeholders and for the hard work of all those involved in the safety work.

The resumption of commercial operation of Onagawa Nuclear Power Station Unit No. 2 is linked to earthquake recovery efforts. It is also significant from the perspective of the stable supply of electricity and carbon neutrality. Estimates under certain assumptions project that by reducing the need for fuel burning in thermal power generation, its operation will result in fuel cost savings of about 60 billion yen per year and CO₂ emissions reductions of about 3 million tons per year.

While adapting to recent changes in the business environment, we will both continue safe and stable operation of Unit No. 2 and study further improvements in utilization through means such as long-cycle operation and more efficient regular operator inspections. We will also continue to strive toward further improvements in safety reflecting the latest knowledge, based on our recognition that safety improvements will always remain an ongoing endeavor.

At the same time, it is our human resources who truly operate the plant. While we have strived to secure technological capabilities through training using training facilities, we will enhance training of nuclear power human resources through hands-on experience in actual plant operations in areas such as operation management and facility inspections at Unit No. 2.

Lastly, we are grateful for the understanding and support of local residents and all stakeholders in operation of the nuclear power station. We will continue seeking to make the station a facility that is trusted by and contributes to the community by carefully and simply communicating information on Group initiatives through two-way communication.

Overview of the business environment

Opportunities

- Growing demand for power due to expansion of data centers, semiconductor plants, etc.
- Policy of making maximum use of nuclear power to ensure energy security and carbon neutrality

Risks

- Risks of facility damage and nuclear accidents due to natural disasters, terrorism, etc.
- Deterioration of nuclear power supply chain related to maintenance and operations

Strengths

- Resumption of power generation at Onagawa Nuclear Power Station Unit No. 2
- Resistance to impact of fuel-price fluctuations

Issues

- Passing along operating technologies and skills at nuclear power stations

Strategic courses of action and priorities

Maintaining safe and stable operation of Onagawa Nuclear Power Station Unit No. 2 and the rapid resumption of operation of the second and later units

- Maintaining safe and stable operation of Onagawa Nuclear Power Station Unit No. 2
- Steady operation management
- Maintaining and improving technologies and skills through hands-on experience
- Progress of plans to install dry storage facility for spent fuel

- Swift resumption of operation of the second and later units
- Higashidori Nuclear Power Station Unit No. 1: Continuing appropriate handling of review of compliance with new regulatory standards
- Onagawa Nuclear Power Station Unit No. 3: Preparing to apply for review of compliance with new regulatory standards

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Nuclear power stations

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At our nuclear power stations, we will move forward steadily with initiatives intended to improve safety still further, above and beyond mere compliance with the new regulatory standards, based on our recognition that safety improvements will always remain an ongoing endeavor.

Unit No. 2 at the Onagawa Nuclear Power Station (output: 825 MW)

We will steadily continue operation management to continue safe and stable operation. In addition to drilling in preparation for various scenarios, we will maintain and improve technologies and skills through hands-on experience with the active plant.

The unit began operating more than 30 years ago. The Nuclear Regulatory Commission has approved its long-term facility management plan. We plan to continue operating the facility on a safety-first basis, starting with facility maintenance.



Supporting safe and stable nuclear power station operations

The power station is run by operational staff who operate in three shifts, 24 hours/day. In addition to operational control and monitoring from the central control room, staff patrol the power station and respond promptly to any signs of equipment abnormalities, thereby addressing any problems that may lead to suspension of operation.

Given the vital need for the capacity not to overlook even the smallest changes, staff have undergone repeated training using machinery that simulates actual motors, pumps, and other equipment. Since Onagawa Nuclear Power Station Unit No. 2 is currently operating, we are striving to improve the capabilities of younger technicians through hands-on experiences on site.



Facilities for responding to a specified severe accident at Onagawa Nuclear Power Station Unit No. 2

Facilities for responding to a specified severe accident are intended to prevent damage to the reactor core and nuclear reactor containment structure and to control release of radioactive materials even in the event of a deliberate crash of an aircraft into the power station. They can be used remotely for various purposes, including depressurizing reactor pressure vessels and cooling the containment structure.

Construction of these facilities, which began in January 2024, is proceeding on a safety-first basis.

Unit No. 1 at Higashidori Nuclear Power Station (output: 1,100 MW)

Reviews of measures against seismic ground motion and tsunamis in response to our June 2014 application are largely complete. We are proceeding with preparations for a plant review.

We will continue devoting our efforts to review compliance with new regulatory standards and construction safety.



Unit No. 3 at the Onagawa Nuclear Power Station (output: 825 MW)

We are preparing to apply for compliance assessments based on the knowledge, assessments, and other feedback obtained from the compliance review for Unit No. 2 at the Onagawa Nuclear Power Station. In January 2025, as part of preparations for applying for a compliance review, we began a geological survey intended to expand the range of data available for explanatory purposes.



Decommissioning of Unit No. 1 at Onagawa Nuclear Power Station

Unit No. 1 at Onagawa Nuclear Power Station ceased operation in December 2018, and its decommissioning measures were approved by the Nuclear Regulatory Commission in March 2020. In May 2020, Miyagi Prefecture, the town of Onagawa, and the city of Ishinomaki granted preliminary approval for the plans in accordance with our safety agreements.

In addition to putting safety first in the decommissioning process, we will share information on the progress with local residents and other parties through our website and other avenues.

About the decommissioning of Unit No. 1 at the Onagawa Nuclear Power Station
<https://www.tohoku-epco.co.jp/electr/genshi/safety/haishi/info.html>

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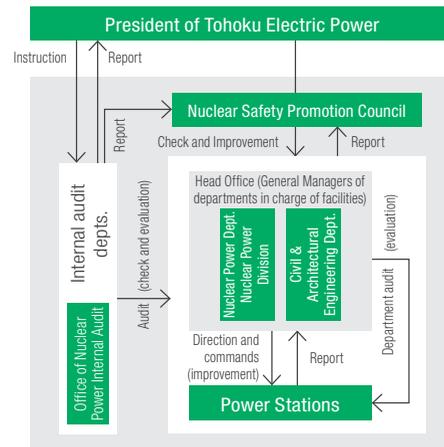
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Nuclear risk management system

Establishing and strengthening organized and systematic risk management

In July 2014, in light of the importance of nuclear risk management, we established a nuclear risk management system led by the President to strengthen the commitment to nuclear risk management among senior executives.

Among other duties, this commission is tasked with analyzing and evaluating nuclear risks and deliberating on measures to mitigate risks, approaches to establishing dialogue with local communities, and the overall direction and management of nuclear risk management.



Efforts to strengthen trust

We consider the resumption of operation of Unit No. 2 at the Onagawa Nuclear Power Station as a new starting point, expressing our resolve for the rebirth of the facility, rather than a simple restart of operation.

To operate power stations based on an approach that emphasizes shared prosperity and coexistence with the community, we use various means, including visits to all residents, plant tours, our website, and social media to communicate timely and accurate information.

We also undertake ongoing risk communication to communicate information on topics like nuclear power risks and our efforts to reduce such risks.

Through ongoing dialogue with stakeholders at various opportunities, we will continue to make every effort to earn the understanding and trust of our communities.

-  See > Sustainability Data Book > Safety management system (QMS) > p. 40
-  See > Sustainability Data Book > Radiation control > p. 43
-  See > Electric Power Business Systems and Glossary > Systems related to the nuclear power business > p. 96

Visiting all local households to reflect community feedback in power station operations

Twice a year, staff at our nuclear power stations in Onagawa and Higashidori visit the homes of local residents to explain the status of the station. This activity is intended to learn about residents' points of view, and what we learn informs our future initiatives.

These door-to-door visits target approximately 3,600 households in the town of Onagawa and the Oshika Peninsula area of the city of Ishinomaki and approximately 2,300 households in the village of Higashidori.



Efforts to keep local residents informed of station status

Every month, we communicate information about station status to local residents through newspaper inserts and other channels.

We also use our website and social media to provide information on our nuclear power stations in Onagawa and Higashidori and our efforts to make them even safer. Through videos, photos, and computer graphics, our website offers virtual tours that provide information on safety measures to a wider audience.



Interacting with the community through participation in local events and other activities

We seek to establish and strengthen trust by interacting with communities near the power stations through active participation in local events.



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Renewable Energy Business

The Tohoku Electric Power Group will build a solid position as a responsible renewable energy operator



Director & Managing Executive Officer
President of Renewable Energy Company
Tohoku Electric Power Co., Inc.

Yuji Sasaki

Toward realizing the Medium- to Long-Term Vision

Renewable energy is drawing more attention as a way to realize carbon neutrality. It also plays an increasingly important role as a resource that contributes to energy self-sufficiency in Japan, a nation with few natural resources.

In promoting the sustainable development of the Tohoku Electric Power Group and of our region, we recognize the clear need to make renewables a major energy source. Based on this understanding, we are accelerating related initiatives under three pillars: promoting the development of new energy sources; improving the performance of existing power generation equipment; and expanding business domains across the value chain. The Tohoku and Niigata region happens to be blessed with an abundance of natural resources. The Group has Japan's largest number of hydroelectric power stations (224 as of the end of March 2025); we also generate about 30% of Japan's geothermal power. Among our most significant strengths is our capacity to put to use the technological capabilities and expertise accumulated over more than 70 years of producing renewable energy to develop new power sources and grow new business opportunities.

Recently, against a backdrop of rising labor and material costs and exchange rate fluctuations,

growing concerns have been voiced concerning the profitability of renewable energy, especially offshore wind power. Even under such conditions, to build cost-competitive business models, the Group will continue to formulate business plans and make decisions based on close attention to discussions concerning the evolution of the business environment, including government initiatives. For projects deemed promising in development feasibility studies, we will examine ways to cut costs and risks, whether through national government programs, new technologies, or the conclusion of long-term sales contracts with users. We will pursue the development of renewables while working to gain the understanding of community residents through timely decision-making based on this approach. We will make steady progress toward the vision of making renewables a primary energy source while realizing stable and sustainable returns by leveraging regional resources and our cumulative expertise to grow earnings.

Progress of initiatives

We are making steady progress toward the goal of generating at least 2,000 MW by the early 2030s. As of the end of FY2024, the figure had risen to approximately 850 MW. To achieve this goal, we plan to invest more than 100 billion yen in new development and business participation through circa 2030. At existing power generation facilities, in addition to systematic repowering work at hydroelectric power stations, we are increasing power output by making better use of water resources in ways that do not require renovation work following the permission from the relevant authorities. To grow business opportunities across the value chain, Tohoku Electric Power Renewable Energy Services is expanding the scope of its business efforts in various ways, including training maintenance engineers for wind power facilities and dispatching certified chief electrical engineers, with a focus on the operations and maintenance of renewable energy sources and related facilities. Tohoku Electric Power also participates in the reuse and recycling of spent solar panels as we take on the challenge of the extensive waste volume of solar panels reaching the end of their service lifespan.

In FY2025, in addition to making steady progress on the above initiatives, we will pursue significant cost reductions through digital transformation (DX) to make wind power development work more efficient and to improve the maintenance and management of hydroelectric power.

Overview of the business environment

Opportunities

- Growing pressure to achieve carbon neutrality; the importance of energy security (self-sufficiency)
- The Tohoku region's wealth of renewable energy resources

Risks

- Effects on profitability of changes in various systems related to the renewable energy business
- Increasingly severe natural disasters due to climate change

Strengths

- Providing high-quality maintenance and operation management based on our accumulated technological capabilities and expertise in electric power
- Proactive participation in the offshore wind power business (participation in six projects, one of which has begun operations)

Issues

- Intensification of studies on improving economic performance and steady development of power sources
- Updating and repowering aging facilities to increase power generation output and grow earnings
- Securing business profitability under conditions of rising labor and material costs

Strategic courses of action and priorities

Making renewables a highly profitable business through our generation, improvement, and sales capabilities

- Promoting new power source development by enhancing development efforts and expanding our business territories while striving for coexistence with the community toward the target of 2,000 MW early in the 2030
- Performance improvements through appropriate maintenance and upgrading of existing power-generation facilities
- Pursuing new business opportunities in wind power maintenance and other areas across the value chain

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Accelerating new power development

As of July 2025, the Tohoku Electric Power Group was involved in 35 new development and business operation projects, with an equity stake in output capacity of approximately 850 MW.*

In the area of onshore wind power, we are participating in the development of 21 sites, including some outside our franchise area of the Tohoku and Niigata region. Of these, the JRE Miyagi Kami Wind Farm began commercial operation in May 2024.

In the area of offshore wind power, in addition to commencing commercial operation of the Akita Port-Noshiro Port Offshore Wind Farm in January 2023, we are developing wind farms in Tsugaru, offshore from the town of Happo and the city of Noshiro, and offshore from the cities of Oga, Katagami, and Akita in Akita Prefecture.

In the area of biomass power generation, commercial operation began at the Chokai-minami Biomass Power Station (the Group's first dedicated biomass power station) in November 2024 and at the Niigata-Higashi Minato in December 2024.

We are also working to build various power sources, including the hydroelectric Shin-Kamimatsuzawa Power Station (Tohoku Electric Power) and the Kijiyama Geothermal Power Station (Tohoku Sustainable & Renewable Energy Co., Inc.).



The Chokai-minami Biomass Power Station, where commercial operations have begun

* Assuming the ultimate commercial operation of all projects currently under development



Renewable energy development > Overview of development
<https://www.tohoku-epco.co.jp/oshirase/newene/archive.html>

Maintaining and expanding kWh capacity via the comprehensive renovation of aging hydroelectric and geothermal power facilities

To achieve sustained earnings, we're moving forward with various initiatives to maintain and expand power generation at existing facilities.

Following replacement work to improve generating efficacy at the aging Obonai Power Station (a hydroelectric power station with a maximum output of 31,500 kW), the plant resumed commercial operation in February 2024, with maximum output increased to 32,500 kW.

In addition, Tohoku Sustainable & Renewable Energy, a Group company, carried out full-fledged renovations on the Chojahara Power Station, a hydroelectric power station with maximum output of 12,400 kW that began operating in 1983. This station resumed operation in December 2023 with its capacity boosted to 12,900 kW.

Tohoku Sustainable & Renewable Energy is currently making progress on replacement work at the Matsukawa geothermal power station, which began operating in 1966. This project seeks to resume operations in October 2025, drawing on the latest knowledge and its track record of over around 60 years as Japan's first commercial geothermal power station.



The Matsukawa Geothermal Power Station, where replacement work is underway (artist's conception of the completed facility)

Growing business opportunities across the renewable energy value chain

The Tohoku Electric Power Group is striving to grow its business opportunities throughout the renewable energy value chain, through means including promoting the wind and solar facility maintenance business and studying businesses based on the reuse and recycling of solar panels.

Reuse and recycling of spent solar panels

Tohoku Electric Power is engaged in feasibility testing of the reuse and recycling of spent solar panels on behalf of the Ministry of the Environment, with the goal of developing schemes for appropriately processing the used solar panels.

In addition, as a special member of PV CYCLE JAPAN, we are working on both scheme development and various efforts to identify solutions through enhanced cooperation with local governments, related firms, universities, and other partners.

Through these initiatives, we will help promote circularity within Japan while addressing the societal challenge of the significant waste volumes of spent solar panels.

Wind and solar power facility maintenance business

Tohoku Electric Power Renewable Energy Service is mainly engaged in maintaining wind and solar power facilities in the Tohoku and Niigata regions. It also provides Global Wind Organization* basic safety training (GWO-BST) at the Akita Wind Power Training Center and training for maintenance engineers for wind power facilities at the Noshiro Wind Power Training Center, and dispatches certified chief electrical engineers.

In May 2024, Tohoku Electric Power Renewable Energy Service began offering basic safety training, including sea survival drills, in cooperation with the Akita School of Wind and Sea Training Center, formed by NYK and Nippon Marine Enterprises.

* GWO (Global Wind Organisation): Nonprofit formed in 2012 by wind turbine makers including GE, Vestas, and Siemens along with windfarm operators

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The Next-Generation Energy Business

Contributing to carbon neutrality and the stable supply of electricity through new businesses using distributed energy resources



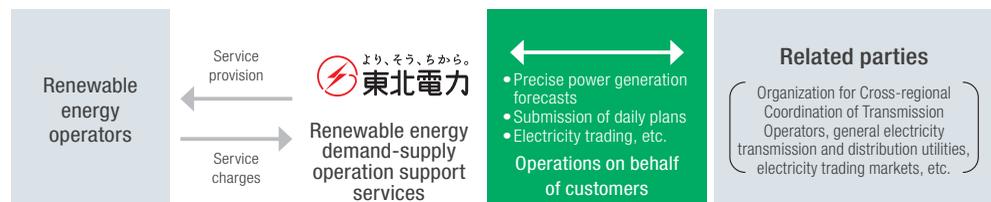
Managing Executive Officer
Tohoku Electric Power Co., Inc.

Mitsuo Oyama

Toward realizing the Medium- to Long-Term Vision

Amid expectations for future growth in demand for electricity in Japan, renewable energy is becoming increasingly important in efforts to achieve carbon neutrality and energy security.

At the same time, use of renewable energy poses various challenges, including the dependence of power generation on natural conditions; additionally, many of these power sources offer only relatively modest capacity.



Our aggregation business initiatives are intended to meet such challenges and maximize power value.

Specifically, we plan to maximize electricity value (kW, kWh, ΔkW, and non-fossil-fuel value) through the integration and control of distributed energy resources (DER) from renewable energy power generation and grid storage cell operators and demand resources (DR). In doing so, we will engage in market transactions on the most advantageous terms.

Progress of initiatives

In FY2024, in addition to the existing wholesale markets, actual power supply started based on trading in capacity markets and trading began for all products in demand-supply adjustment markets. We are currently working to enhance demand-supply management and operational services for renewable energy power generation businesses. These include services involving submitting capacity forecasts and development plans on behalf of clients and providing support to mitigate imbalance risks. We have also initiated demand-supply operational services for businesses involved in grid storage cells, virtual power plants (VPPs), and demand-response resources.

In related business areas, we are growing the value chain of green businesses by installing and operating our own grid storage cells and installing solar and storage cell equipment at user sites.

A Japanese government council is discussing new power trading systems, including the adoption of real-time markets. We plan to build business models to generate sustained profits while responding appropriately to related changes.



Yatogo storage cell station, which began operating in March 2025

See > Electric Power Business Systems and Glossary > Electricity markets > p. 96

Overview of the business environment

Opportunities

- Commencement of actual power supply based on trading in capacity markets and trading for all products in demand-supply adjustment markets in FY2024
- Increasing the value of renewable energy and adjustment capacity based on progress toward carbon neutrality

Risks

- Rising fuel and power procurement costs and changing supply and demand structures
- Rising cost of machinery and materials
- Emergence of new service providers, intense competition

Strengths

- High-precision power generation forecasting that draws on energy know-how built up in the power business

Issues

- Various markets remain in their early stages.
- Carbon neutrality value is still in the process of being equated with market value.

Strategic course of action and priorities

Service development reflecting market trends and customer needs; business deployment across multiple areas

- Securing renewable energy business resources and demand resources
- Growing the value chain through grid storage cell site development, solar and storage cell businesses, etc.
- Studying low-voltage DR (including EV use) business models, developing services to support EV adoption, and deploying services in the Tohoku and Niigata region

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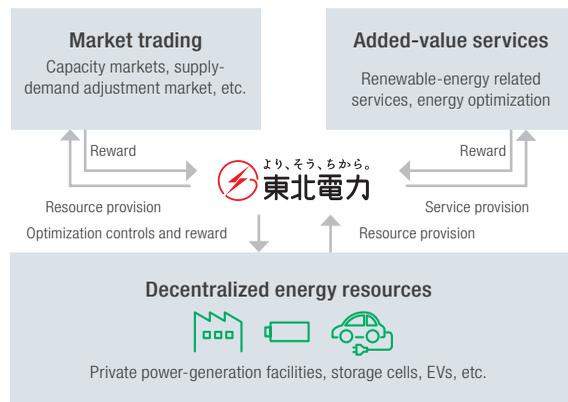
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Virtual power plants (VPPs)

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A virtual power plant (VPP) service combines distributed energy resources operated at customer sites for use as additional virtual power plants. It secures resources for controlling demand using customer power facilities and production facilities and provides returns to customers as a portion of revenues earned through capacity market trading and other means.

In the future, we plan to introduce household demand response services to control not only industrial resources but also household storage cells or EcoCute remotely in accordance with electricity market price fluctuations and tight supply-demand conditions. Through efforts such as these we will develop services able to contribute to stable power supplies and demand-supply optimization in addition to helping customers to conserve energy and cut costs.



Growing the renewable energy aggregation service business

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Due to its inherent output fluctuations, solar or wind renewable energy is a power source for which it is difficult to balance supply and demand. Accordingly, it requires advanced operational control skills under the planned balancing system. Most renewable energy operators face significant burdens related to everyday operational control for renewable sources. We have launched renewable energy aggregation services that draw on our knowledge of the power business through power generation forecasting, bearing imbalances, and trading between electricity and environmental value on behalf of renewable power producers. In this way, we plan to encourage and expand the adoption of renewable energy by minimizing operational and control burdens on businesses and stabilizing business revenues.

Demand is also growing for power purchase agreements (PPAs). Under PPA agreements, corporate customers conclude long-term contracts with renewable power producers to procure renewable power. We plan to apply our renewable energy aggregation technologies to meet PPA needs.

Finally, we plan to grow earnings by contributing to carbon neutrality in Japan and capturing new business opportunities by expanding our service area from the Tohoku and Niigata region to include all of Japan (except for Okinawa Prefecture).

See > Green Energy Services Business > Growing sales of corporate PPA services > p. 43

Grid storage cell business

Issues faced in expanding use of renewable energy include securing adjustment capabilities for volumes of power that fluctuate with season and weather and putting to effective use surplus energy generated during lulls in demand. We aim to address these issues by connecting large-scale storage cells to the power grid to be recharged and discharged in accordance with surfeits or shortages of power to enable a stable supply of power, promote even more effective use of renewables, and generate revenues through trading of power using storage cells. In addition to installing and operating our own grid storage cells, we will develop other businesses, such as operating other operators' storage cells under contract, as we adapt to the changing business environment.



Nirazuka Storage Cell Station



Kozumida Storage Cell Station

	Yatogo Storage Cell Station	Nirazuka Storage Cell Station	Kozumida Storage Cell Station
Location	Kumagaya, Saitama Prefecture	Isesaki, Gunma Prefecture	Ota, Gunma Prefecture
Start of operation	March 2025	June 2025	June 2025
Output/capacity	1.96 MW/7.46 MWh	1.96 MW/7.46 MWh	1.99 MW/7.40 MWh
Storage cell utilization method	Wholesale market, demand-supply adjustment market, capacity market		

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Providing new value to customers and maximizing earnings through Groupwide business development

Managing Executive Officer
President of Sales Company
Tohoku Electric Power Co., Inc.

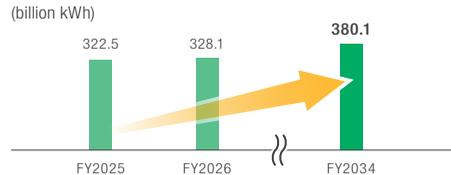


Hideaki Sasaki

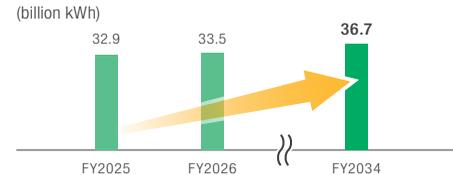
Toward realizing the Medium- to Long-Term Vision

Factors such as new construction of data centers and semiconductor plants are projected to increase power demand nationwide. Power demand for industrial and other uses in the Tohoku and Niigata region is projected to grow by 3.8 billion kWh over the coming 10 years. We see this as a substantial growth opportunity. At the same time, the business environment continues to change. Examples include more intense competition in response to low prices in wholesale power markets and growing uncertainty in fuel markets.

Nationwide power demand (industrial and other uses)



Power demand in the Tohoku and Niigata region (industrial and other uses)



Source: Organization for Cross-regional Coordination of Transmission Operators, "National and Supply-area Demand Projections (FY2025)," January 22, 2025

Under such conditions, the Sales Company will grow sales and maximize profits by promoting business development across multiple areas and promoting electrification, centered on the Tohoku and Niigata region, as part of efforts to achieve the financial targets specified in Working Alongside Next+PLUS. Specifically, in addition to securing optimal power sources and diversifying electricity rates, we will further expand electricity sales by enhancing the Groupwide product lineup and strengthening our capacity to propose solutions. We will also increase value provided through synergies between the green-energy services business, which meets demand for reducing CO₂ emissions, and the solutions services business, which identifies solutions for customer issues, through optimizing energy use and other solutions.

Rather than focusing solely on the seller's side, we will promote actions based on customer perspectives and contribute to carbon neutrality across society by delivering forward-looking value that inspires customers. This will help create the best solutions for buyers, sellers, and society at large. We will build a sustainable future together with our region and society.

Progress of initiatives

Spurred by the reorganization of sales facilities, the Sales Company has made administrative procedures more efficient and enhanced its capacity to propose solutions while striving to reduce procurement costs. In FY2024, the retail electricity business recorded sales of 60.9 billion kWh despite a market environment characterized by intensifying competition.

The green energy business proved capable of responding effectively to growing demand for renewable energy, generating steady growth in numbers of corporate PPA service orders received. The solutions services business grew orders received for facility contracting services by providing wide-ranging support services for corporate customers—from services to facilitate the adoption of optimal utility equipment to maintenance and operational services. In the solutions services business, services for addressing issues facing individual consumers have been well received by customers, with sharp growth in the numbers of contracts for services related to everyday living—for example, the Sumai Anshin Support service, which provides home repairs at fixed rates.

The cost of procuring renewable power sources is increasing in FY2025 due to rising material costs, amid large-scale demand related to data centers and other facilities and expectations of ever tighter competition, including competition to secure renewable energy sources. Even in this challenging environment, we will cut costs and secure competitive strength through revising the power source procurement portfolio, while planning to capture demand by developing services that reflect customer needs and interests and by offering diverse electricity rate options. We will maximize profits by further strengthening our capacity to gather information for capturing large-scale demand, including demand from data centers, cooperating with even more local businesses by expanding the area in which we provide living services, and promoting electrification for smart living through the growing adoption of heat pumps, solar and storage cell equipment, and other solutions. In this way we will anticipate diversifying customer needs and provide new value to surpass expectations.

As the Tohoku Electric Power Group takes on the challenge of carbon neutrality, the Sales Company has set the target of contributing to 2.5 million t-CO₂ or more in CO₂ emissions reductions by promoting electrification and optimizing energy use through FY2030. To do so, we will support customer decarbonization initiatives.

Recognizing our responsibility for future energy, we will continue to make every effort to increase corporate value and realize a sustainable carbon-zero society in the Tohoku and Niigata region.

See > Green Energy Services Business > Growing sales of corporate PPA services > p. 43

See > Retail Electricity Business > Contributing to customer CO₂ emissions reductions > p. 44

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Overview of the business environment

- Opportunities**
 - Accelerating customer efforts to achieve carbon neutrality, growing demand for renewable energy
 - Growing demand for power due to expansion of data centers, semiconductor plants, etc.
 - The Tohoku and Niigata region's wealth of renewable energy resources
- Risks**
 - Impact of regulatory changes and new regulations in the business environment
 - Progress of competition in the green energy domain

- Strengths**
 - Capacity to promote business development actively using renewable energy
 - Demand-supply operational know-how gained in the power business
 - Capacity to gather information through the human networks, represented by our customer base and business partners, built while doing business with roots in the Tohoku and Niigata region
 - One-stop service based on the comprehensive capabilities of the Tohoku Electric Power Group
- Issues**
 - Addressing rising renewable energy procurement costs attributable to high material costs

Strategic course of action and priorities

Contributing to customer carbon neutrality, strengthening corporate value, and generating profits by proposing optimal green energy services Groupwide involving bundling retail electricity sales with solutions services

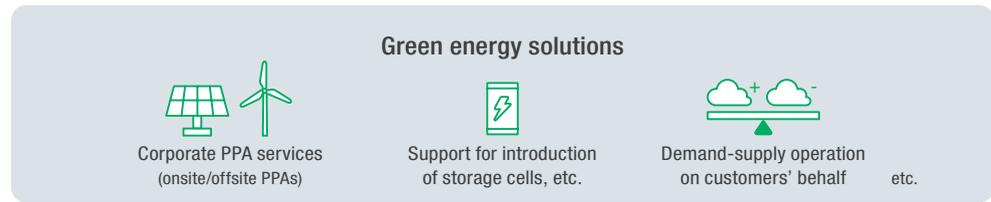
- Maximizing the use of Tohoku and Niigata region's wealth of renewable energy resources as a leading region in renewable energy

Service growth powered by growing environmental awareness across society

Courses of action for the green energy services business

In response to increasingly diverse needs resulting from growing customer environmental awareness and other factors, we are proposing optimal bundles of various green energy solutions such as our corporate PPA services.

In this way, we seek to increase corporate value and create profits while supporting customer CO₂ emissions reductions in the region.



Growing sales of corporate PPA services

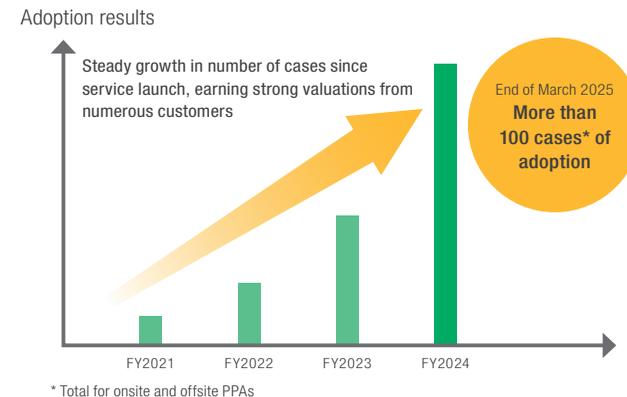
Corporate/organizational PPA services help reduce customer CO₂ emissions by adopting renewable energy in contracts in which businesses and local governments purchase electricity from renewable energy sources.

They benefit customers by enabling them to secure stable, long-term procurement of electricity from renewables and environmental value while avoiding startup costs. Orders received for the Group's onsite and offsite PPA services are growing from year to year.

With onsite PPA services, we offer one-stop services via our Group company Tohoku Energy Services, covering facility design, construction, and maintenance.

Through our offsite PPA services we can propose optimal and flexible solutions to meet customer needs and electricity demand by procuring diverse wind, hydroelectric, and biomass power sources, in addition to solar power, which is seeing increasing use across Japan, including in the Tohoku and Niigata region.

In addition to working to attract more customers by minimizing the impact of rising costs and meeting customer needs by offering a broader range of renewable energy sources, we are promoting virtual PPA services to customers seeking environmental value alone, apart from the electricity from renewable sources.



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Overview of the business environment

- Opportunities**
 - Accelerating customer efforts to achieve carbon neutrality
 - Growing demand for power due to expansion of data centers, semiconductor plants, etc.
 - Diversification of needs with increasingly diverse values and lifestyles
 - The Tohoku and Niigata region's high potential for increasing electrification rates
- Risks**
 - Intensifying competition with competitors
 - Growing uncertainty in fuel market trends
 - Difficulty in increasing actual energy demand due to depopulation, inflation, etc.

- Strengths**
 - Capacity to gather information through the human networks represented by our customer base built while doing business with roots in the Tohoku and Niigata region
 - Demand-supply operational know-how gained in the electricity business
 - Capacity of dedicated staff as energy solutions partners to propose side-by-side solutions for customers Groupwide
- Issues**
 - Securing the capacity to adapt to price competition and competitive strengths needed to achieve continuous growth
 - Responding to rising costs due to inflation

Strategic course of action and priorities

Striving to grow sales by putting regional resources to use, building sustainable, competitive energy supply structures, and expanding to other areas from our base in the Tohoku and Niigata region;

- Strengthening the value chain from procurement through sales; providing added value on a Groupwide basis
- Contributing to carbon neutrality and responding swiftly to customer issues by promoting electrification and supporting fuel conversion

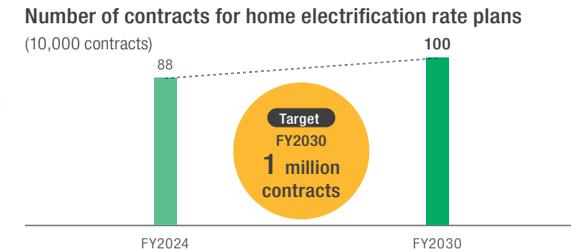
Capturing booming power demand

Demand for electricity is expected to grow, both across Japan and in the Tohoku area, driven by the expanding construction and expansion of data centers and semiconductor plants and growing demand for electrification to achieve carbon neutrality in 2050. In addition, customer needs related to renewable energy and energy conservation continue to diversify.

To meet diverse needs and to deliver a stable supply of price-competitive power, we are enhancing the procurement of optimal power sources. We aim to expand earnings opportunities and maximize profit based on the value created across the Group. Through proposals related to energy conservation and electrification of heat sources as well as diverse service options, we will continue anticipating customer needs and engaging in proactive business development not restricted to specific regions.

The goal is to achieve safe and comfortable eco-friendly living by bundling various services, including the home solar power and storage cell equipment adoption support provided by Group companies E life Partners Co., Ltd. and Tohoku EPCO Solar e Charge Co., Inc.

See > Climate Change Disclosure (TCFD) > Electrification by regional bloc > p. 56



Contributing to customer CO₂ emissions reductions

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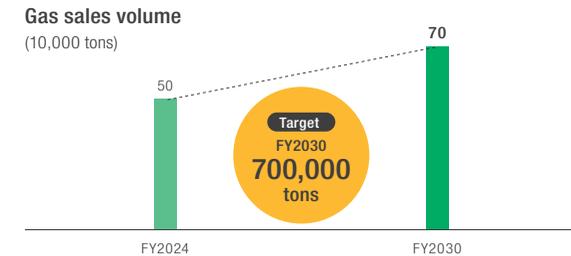
Smart Life Electrification

We are enhancing Smart Life Electrification proposals that combine full electrification with solar power generation, storage cells, and various services to support customer lifestyles.

The cold-weather Tohoku and Niigata region consumes considerable energy for heating and water heating, therefore providing a wider range of solutions like heat-pump air conditioners and EcoCute technologies, which can be expected to contribute to substantial reductions in CO₂ emissions (i.e., promote electrification), will contribute to customer energy conservation, cost savings, and CO₂ reductions.

Gas sales

In partnership with Group company Tohoku Natural Gas Co., Inc., we are proposing fuel conversion from coal and oil to natural gas, which emits less CO₂, in addition to proposing carbon credits to meet diverse customer needs.



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Overview of the business environment

Opportunities

- Growing demand for renewables with progress toward carbon neutrality
- Increasing value of and demand for living services associated with aging
- Making greater use of customer data with digital transformation (DX)
- High potential for electrification in the Tohoku and Niigata region

Risks

- Shrinking markets for living services alongside declining populations and household numbers
- Emergence of new service providers, intense competition

Strengths

- The power of a brand with deep roots in the region
- Our know-how in energy management and construction related to utility facilities such as power receiving substations and air conditioning, amassed through the electricity business
- Proprietary service development and one-stop service provision based on comprehensive strengths of the Tohoku Electric Power Group, including various Group products and services
- Customer base and network with other businesses in the Tohoku and Niigata region

Issues

- Further advancing technological and service development capabilities alongside progress toward carbon neutrality
- Securing partners to grow businesses and areas

Strategic course of action and priorities

Targeting business growth and profit generation by building perpetual relationships and enhancing sales capabilities, through customer-centered value creation and service expansion with external partners

- Creating services to surpass customer expectations through service development that reflects customer perspectives and anticipates potential needs based on perpetual relationships
- Enhancing services and service areas and growing partnerships to strengthen sales capabilities

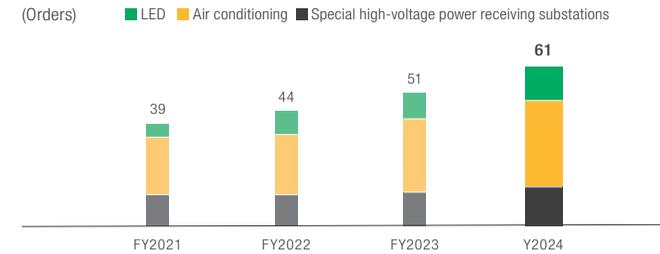
Corporate solutions and services to provide broad-ranging support for business operations from the client perspective



We partner with Group company Tohoku Energy Service to support the establishment of business environments in which clients can devote themselves to their core businesses with peace of mind, by providing integrated services including the adoption, maintenance, and operation of utility equipment optimized to meet client needs.

Our proprietary services, including exEMS SOLA, are gaining trust and generating results. These services draw on know-how gained from the electricity business to visualize and prepare roadmaps for reducing GHG emissions; provide support for the execution of energy conservation measures; and provide other support for customer decarbonization and energy optimization efforts. We will continue to develop and provide services that meet the diverse, broad-ranging needs of customers while accelerating business growth by growing sales to customers outside the Tohoku and Niigata region and by strengthening business partnerships.

Facility contracting service orders received



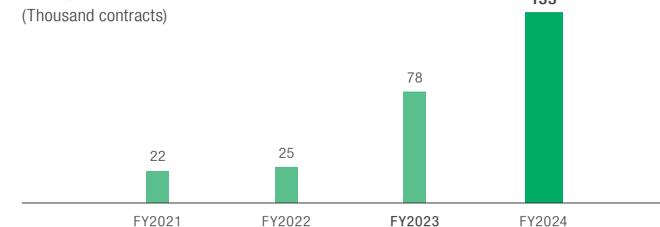
Providing living services grounded in our customer base and network



Tohoku Electric Power provides living services and solutions to various challenges encountered across the home life cycle.

Amid various changes in society, from aging populations to growing numbers of two-income households, we provide a range of living services, including housecleaning, the Sumai Anshin Support service that handles issues related to electricity and plumbing, and remodeling and renovation services. Customers have used these services more than 100,000 times. As we continue to grow our service area by expanding networks with local businesses, we will work to improve business efficiency and customer satisfaction by deploying digital technologies and expanding service lineups in line with various customer needs.

Living service contracts



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Power Transmission and Distribution

Power Transmission and Distribution Business

Growing and achieving progress with the community while supporting safe, secure, comfortable living based on the electric power network

Representative Director & President
Tohoku Electric Power Network Co., Inc.



Hiromitsu Takano

Toward realizing the Medium- to Long-Term Vision

As the general power transmission franchise for the Tohoku and Niigata region, Tohoku Electric Power Network is responsible for ensuring a stable supply of electricity.

Our mission is to stabilize and strengthen the business base by providing a stable supply of electricity, as well as by contributing to carbon neutrality, cost-cutting, and securing earnings. In our efforts to fulfill this mission, we put safety first while ensuring neutrality and fairness in the power transmission and distribution business.

Progress of initiatives

We are pursuing systematic capital investments for various ends, including upgrading aging facilities and building next-generation networks to increase use of renewables under the revenue cap system adopted in FY2023. Among these efforts, the large-scale project to build a second 500,000 V line connecting Tohoku to Tokyo is reaching its busiest phase.

At the same time, a look at the business environment for power transmission and distribution business shows it faces numerous issues, including increasingly frequent and severe natural disasters, shrinking populations, rising labor costs, and inflation.

In response, we are focusing on cutting costs through drastic efficiency improvements to stabilize and strengthen the business base. In addition to the efficiency improvements achieved by adding a second line connecting Tohoku to Tokyo, we are revising everyday maintenance and inspection work and introducing an asset management system to implement advanced facility management. Through these and other means, we will continue to improve efficiency and cut costs.

We are also promoting efforts to increase electricity demand to contribute to earnings and accelerating activities to draw businesses to our region. Specifically, in addition to assigning staff to support activities to attract businesses in each prefecture, in January 2025 we announced “welcome zones” on the Tohoku Electric Power website to accommodate companies looking for locations for data centers or other facilities in need of access to large volumes of electricity. We are also utilizing our assets to promote diverse new businesses, including automated meter-readings for water and gas based on smart electricity meters, use of site exterior walls for advertising, and transmission pylon leasing.

Since adoption of the revenue cap system, unexpected developments such as inflation and rising interest rates have changed the business environment. In response, a Japanese government council is discussing measures such as revisions to the system. While closely following the course of these discussions, we will call for steps including prompt implementation of future revisions.

As a team of stable power supply professionals, Tohoku Electric Power Network will continue to provide high-quality services that meet the needs of our customers, enrich their lives, and support our communities, while fulfilling our unchanging mission to ensure a stable supply of electricity and contribute to carbon neutrality, based on our foundations in the Tohoku and Niigata region.

Overview of the business environment

Opportunities

- Securing capital investment planning opportunities under the revenue cap system
- Technological innovations associated with the progress of decarbonization, decentralization, and digitalization

Risks

- Impact of increasingly severe natural disasters on stable supply, facilities, etc.
- Depopulation and structural changes to power demand and supply

Strengths

- Expectations for the Tohoku and Niigata region to be an optimal site for renewable energy facilities
- Disaster-response abilities based on lessons from earthquakes and other disasters

Issues

- Impact of rising labor costs, inflation, etc.
- Securing and training the required personnel, including personnel at partner companies

Strategic course of action and priorities

Stable supply of electricity, stronger resilience

- Building efficient, disaster-resilient facilities while putting safety first
- Maintaining and strengthening both tangible and intangible disaster-response abilities

Contributing to carbon neutrality

- Steady progress of large-scale grid improvements
- Increasing adoption and maximizing use of renewables through effective use of existing power transmission lines

Cost cutting, new business creation, growing power demand

- Cutting costs using AI, IoT, and other new technologies
- Creating new businesses by making use of assets owned and growing power demand by supporting new corporate locations and other efforts.

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Enhancing stable power supply and resilience

Ensuring stable supply through appropriate formation and operation of power transmission facilities

Tohoku Electric Power Network serves a vast region that covers about 20% of Japan's land area, an area encompassing some of Japan's heaviest snow belts, and maintains and manages numerous facilities under challenging natural conditions.

The incidence and severity of natural disasters have grown in recent years. We are applying the know-how, technical capabilities, and lessons learned from experience with such natural disasters to strengthen systems against future disasters.

We will continue to renovate aging facilities systematically and efficiently, maintain the soundness of our power transmission facilities, and ensure a stable power supply by applying various new technologies, including an asset management system (see the column on the next page) and digital technologies.

Efforts to strengthen resilience

Based on the lessons learned from numerous past natural disasters, we are moving ahead with efforts to strengthen resilience in both tangible and intangible aspects. These efforts include the development of autonomous recovery systems, supplies and machinery for recovery use, and partnerships with other general power transmission businesses, local governments, and disaster prevention agencies.

As seen in the July 2024 torrential downpours in Yamagata and Akita, natural disasters have grown in both frequency and severity in recent years. Based on the knowledge and experience gained from these disasters, in FY2024, we revised how we handle various matters to prevent secondary disasters, including standards for determining whether or not to continue work.

We will continue to put the lessons learned to use to enhance resilience and to support swift recovery, while always putting safety first.

Employee interview

The July 2024 torrential downpours damaged numerous Tohoku Electric Power Network facilities across wide areas in Yamagata and Akita prefectures. I worked in responding to the disaster on site in the city of Sakata. Staff managed to achieve swift recovery by securing recovery routes that avoided flooded roads and working with emergency personnel from inside and outside the prefecture and liaisons sent to local governments.

This experience at the disaster site improved the abilities of many employees, including young staff, to respond to disasters.

We will continue to enhance resilience by sharing the lessons learned from each disaster to improve emergency equipment and systems, working with related units, putting safety first at all times, and passing along our experiences to the next generation.



Distribution Construction Sec.
Sakata Power Network Center
Kazuhiro Sugawara

See > Sustainability Data Book > Public Safety and a Reliable Supply of Power > p. 45

Building a next-generation network as adoption of renewable energy expands

CN

The Tohoku and Niigata regions offer great potential for wind power and other renewable energy sources. Tohoku Electric Power Network understands its important role in achieving carbon neutrality by 2050 through maximum transmission and use of such renewable energy.

To this end, we are currently planning to expand renewable power network connection and transmission volumes through existing power transmission lines using a non-firm connection^{*1} and by promoting large-scale grid improvements, including building a second line connecting Tohoku to Tokyo and a new 500,000 V line on the Japan Sea side.^{*2}

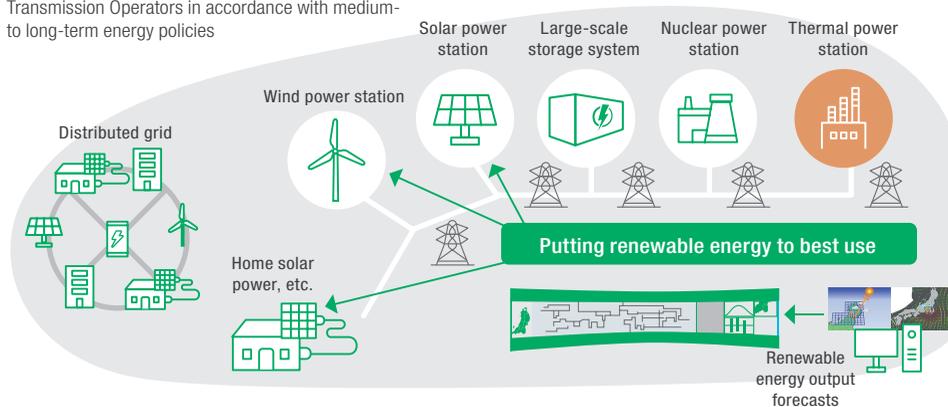
To reduce the volume of output controls after connecting renewable energy to the grid, we are working to advance grid and demand-supply operating technologies by continuing to improve the precision of renewable energy output forecasts and encouraging efforts to bring output controls online. These efforts seek to balance the need to maximize renewable energy power generation volumes and the need to maintain stable supply and quality.

Growing numbers of large-scale storage cells have been linked to the grid in recent years. Since storage cells can store excess renewable energy and release it when needed, we are striving to grow the volume of connections.

*1 A system that makes it possible to connect power sources without improving transmission lines by controlling power generation output in line with the amount of power flowing on the lines

*2 The total volume of renewable energy connected in FY2024 was approximately 21,610 MW.

- Steady progress on improving and expanding the grid, including building a second line connecting Tohoku to Tokyo and a 500,000 V line on the Japan Sea side
- Appropriate response to master plans formulated by the Organization for Cross-regional Coordination of Transmission Operators in accordance with medium- to long-term energy policies
- Promoting effective use of existing grid, such as Japanese-style connection and management including non-firm connection



- Balancing maximization of renewable energy power generation volumes and maintenance of stable supplies and quality by working continually to advance grid and demand-supply operation technologies through means such as making renewable energy output forecasts more precise and encouraging efforts to bring output controls online

See > Electric Power Business Systems and Glossary > p. 95

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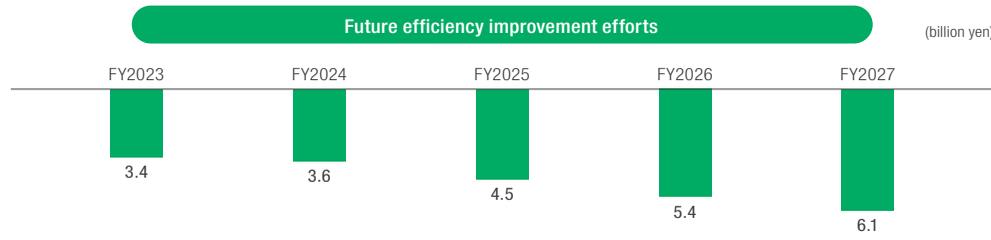
Stability of and enhancements in the business foundations from a medium- to long-term perspective

Efforts to cut costs by improving efficiency

Initiatives are underway toward the goals for the five years in the business plan for the first regulatory period (FY2023-2027) under the revenue cap system.

Efforts to improve efficiency have achieved improvements equivalent to 7 billion yen for FY2023-2024, figures assumed in revenue forecasts. We will continue to pursue related efforts, including further enhancements.

Efficiency improvement amount included in revenue projections



See > Electric Power Business Systems and Glossary > Revenue cap system > p. 95

Efficiency improvement using new technologies

DX

We are pursuing efforts to use drones, AI, and other digital technologies to make the maintenance of power transmission facilities more efficient. In FY2023, we proceeded with demonstration testing of use of drones and AI imaging diagnostics to inspect power transmission pylons and use of smart glasses to support substation work. In FY2024, we deployed digital technologies to various applications, including verifying the suitability of the knowledge gained through these activities, for use in communication pylon inspections.

Efficiency improvements achieved using these digital technologies will contribute to cost savings; they will also make facilities more resilient and advance power safety operations. We will continue to pursue practical measures for each facility field, across the Group and its sections.



Patrolling power lines using a drone

Efforts to expand power demand and new businesses

To expand power demand, since January 2025, we have actively communicated information on topics like welcome zones set up as prospective sites (areas) for data centers and other facilities that

consume large volumes of electric power, where required power can be delivered in a relatively short time.

Tohoku Electric Power Network website (information on welcome zones)
https://nw.tohoku-epco.co.jp/danchi/pdf/energy_resource.pdf

Image of the "Welcome Zone" listing

- Available supply capacity (approx.) 300 MWh
- Available supply capacity (approx.) 100 MWh
- Location of major industrial parks



We are also promoting new business and service creation using our owned assets and know-how. Examples include advertising on the exterior walls of our sites, geolocation services using power poles and pylons, and car-sharing services operating on Company-owned land.

Among these, the automated meter reading service using the smart power meter network for water and gas utilities is expected to contribute to social solutions by making meter readings more efficient, resolving the labor shortage, and advancing security work. We are proceeding with demonstration testing with various local governments to grow our businesses, and plan to continue promoting these and other new businesses.

Results of utilizing the asset management system

The asset management system was launched in March 2025 to centrally manage information concerning facilities (e.g., facility ledgers, state of deterioration, and construction information) and to assess risks based on such information in line with the guidelines for renovation of aging facilities set by the Organization for Cross-regional Coordination of Transmission Operators, thereby allowing the formulation of reasonable construction plans that account for construction capacity and other constraints.

This system can be used to control additional work associated with responding to the risk volume evaluation system and cut costs for more efficient conventional tasks such as management of construction results. It can also contribute to advancement of security work by using AI, drones, and other data connecting infrastructure in the future.

Management of facility status

- Centralized management of facility information drawn from facility ledgers, deterioration status, etc. and related accounting information
- Future coordination of inspection and other data using AI, drones, etc.



Risk evaluation / renovation planning

- Realizing quantitative facility risk evaluations based on the probability and impact of failures calculated from facility information, etc.

- Formulating draft construction plans based on resource constraints such as renovation costs, construction capacity, and materials and equipment, in addition to risk volumes by facility



Systematization of management operations

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Overview of the business environment

Opportunities

- Accelerating efforts to achieve carbon neutrality
- Progressive deterioration of various infrastructure

Risks

- High cost of materials, equipment, and labor
- Increasingly severe labor shortages

Strengths

- Know-how and construction track record accumulated by building power facilities
- Strong customer base centered on the Tohoku and Niigata region

Issues

- Securing and training the required personnel, including personnel at partner companies
- Creating new businesses using our technologies

Strategic courses of action and priorities

Growing business scales by accelerating the intensification of existing businesses and advancement into growth fields while playing a role in establishing stable supplies

- Growing orders received for data centers, district heating, and other growth fields
- Developing overseas businesses, including ODA projects, based on the Vietnam business
- Strengthening construction systems related to renewable energy
- R&D on new businesses

Intensification of existing businesses and advancement into growth fields

We are using the technologies and expertise possessed by the three companies conducting the comprehensive facility engineering business (Yurtec, Tohoku Electric Power Engineering & Construction, and Tohoku Ryokka Kankyohozen) to grow earnings from general markets.

Interior wiring, air conditioning ductwork, information/telecommunications (Yurtec)

- Increasing orders received by strengthening sales for comprehensive contracting and renovation of related facilities
- Enhancing business development in areas outside Tohoku and Niigata
- Increasing orders received by strengthening sales for interior wiring and air conditioning ductwork in large hotels and complexes, mainly in Vietnam



Water Front City Project
(The Yurtec Group handles machinery and facility construction on this project in Vietnam.)

Industrial facility construction, maintenance, and operations (Tohoku Electric Power Engineering & Construction)

- Growing construction and maintenance of plant power supply facilities, etc.
- Boiler ash adherence reduction and other solutions services
- Basic research on wood biomass ash recycling and reuse

ESG (Tohoku Ryokka Kankyohozen)

- Building environments that are good for people and nature, to realize a nature-positive, carbon-neutral society
 - Flora environmental conservation and creation, including biotopes
 - Environmental consulting and surveying for biodiversity and natural revitalization
 - Measurement and analysis of harmful substances, etc. for a healthy environment

Overview of the business environment

Opportunities

- Rising real estate prices and rents
- Interest in real estate in good locations

Risks

- Rising interest rates
- High construction costs

Strengths

- Ownership of usable real estate
- Asset expertise related to real estate owned by Group companies

Issues

- Insufficient track record in the general real estate business
- Increase in assets accompanying business progress

Strategic courses of action and priorities

Business development centered on use of assets owned

- Development of rental offices, residences, and other rental projects in the Sendai area and elsewhere
- Contributing to community vitalization and increasing the value of development areas as a whole through business activities

Initiatives involving regional development and profit generation

An integrated redevelopment project is underway on the site of the Denryoku Building in central Sendai, owned by HNK Co., Inc., which handles the Group's real estate business.

This project seeks to generate continuing economic vitality by building a vital community where people come together to work and play. The Group will also contribute to community progress and vitality by preserving and building on the image of the Denryoku Building, long familiar to local residents.

We will also strive to grow general revenues in the real estate business through office and residential development, centered on the use of Group-owned assets.



Artist's depiction of the Denryoku Building after redevelopment

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Overview of the business environment

Opportunities

- Growing societal need for DX
- Rapid progress of digital technologies

Risks

- Loss of business opportunities due to failure to keep up to date with technological innovation

Strengths

- Technologies and expertise obtained through the energy business and providing IT services
- Customer base in the Tohoku and Niigata region

Issues

- Securing and training DX/IT human resources

Strategic courses of action and priorities

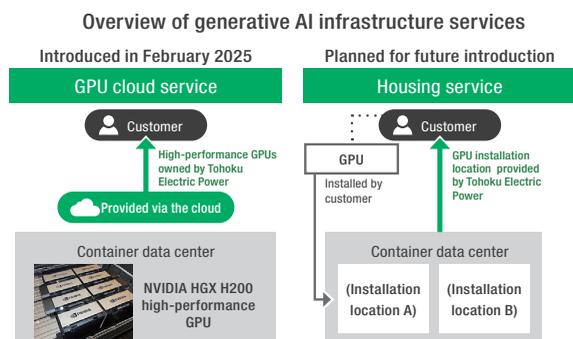
Developing attractive businesses based on recognition of the growing need for DX as an earnings opportunity

- Growing earnings by providing comprehensive solutions for community issues—for example, AI services to address labor shortages
- Regional deployment of results of DX initiatives in the Group
- Securing human resources with advanced DX/IT skills

Tackling the challenge of creating new value through AI and other services DX

In response to the rapid spread of generative AI, we are creating generative AI infrastructure services to help meet growing demand for the GPUs essential to AI development. We launched a GPU cloud service in February 2025, and we plan to introduce a housing service for customer GPUs before the end of the fiscal year. Based on a partnership with ExaWizards Inc., we began providing corporate AI services as a solution to issues such as labor shortfalls in the Tohoku and Niigata region.

We are also developing new services related to comprehensive solutions essential for customer DX promotion, including networks, cloud services, security, IoT, and other IT services. These services draw on technologies and expertise from Group energy businesses and IT services.



Taking on the Challenges of New Domains

Local forestry resource utilization (new business)

Yokote Yuzawa Forest Cycle Co., Ltd. was established in May 2024 to build a cyclical resource system within the community. Based on the principle of local production and local consumption, this business generates biomass power and supplies heat using local forestry resources while building a cyclical resource system through tree-planting and forestry activities.



Yokote Power Station (artist's conception of facility once completed)

Overseas Power Generation Business

Leveraging the power generation technologies and experience amassed in Japan, we have invested in the Rantau Dedap Geothermal Power Plant (Indonesia) and the Nghi Son 2 Coal-fired Power Station (Vietnam).

We will maintain our steady efforts to achieve the stable operation of these projects.



Rantau Dedap Geothermal Power Plant (Indonesia)

Projects in which we have invested and participate

	Rantau Dedap Geothermal Power Project	Nghi Son 2 Coal-fired Power Project
Country	Indonesia	Vietnam
Output (thousand kW)	98	1,200
Our share of output (thousand kW)	14.3	120
Operational commencement	December 2021	July 2022

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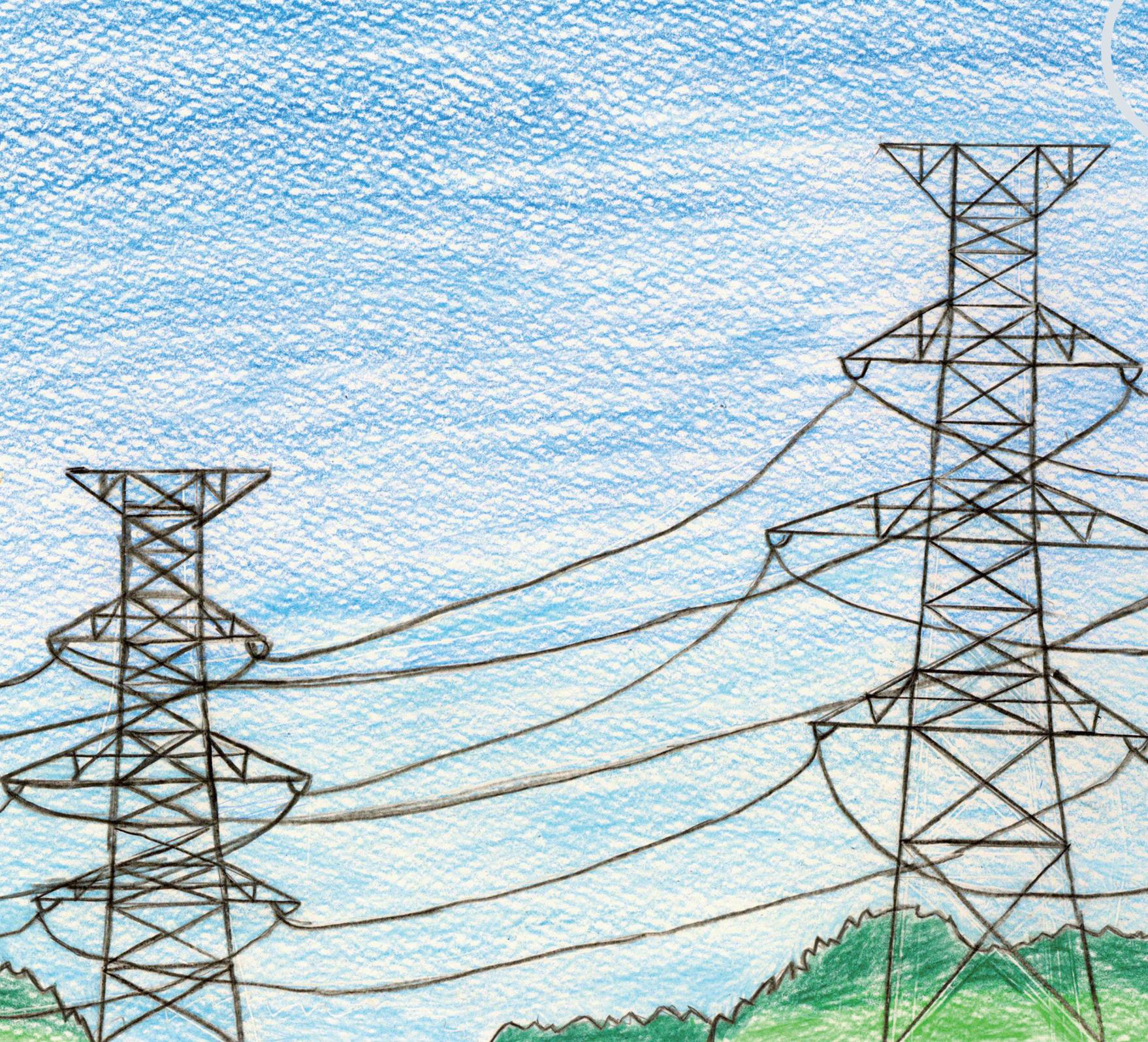
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Carbon Neutrality Strategy

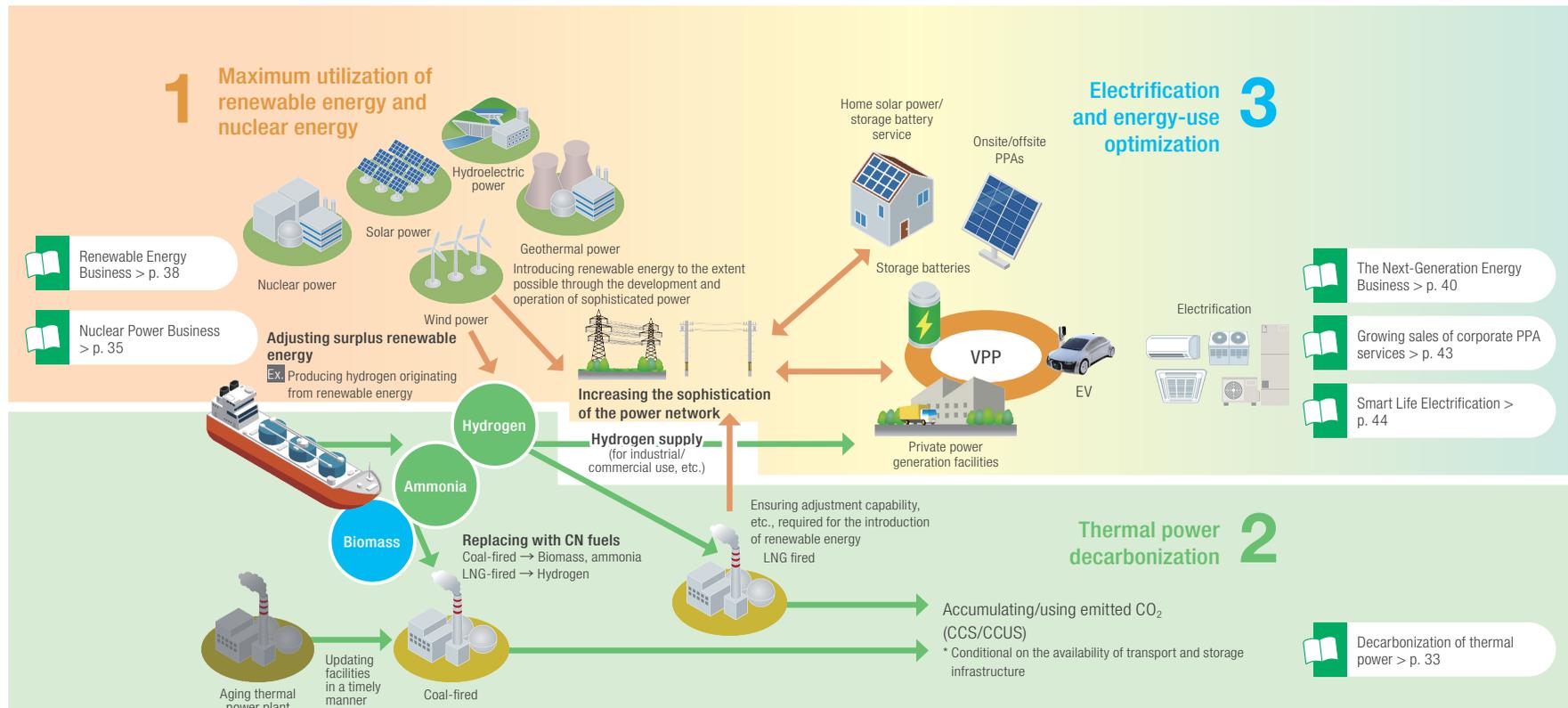
Case studies of carbon neutrality initiatives

To achieve carbon neutrality by 2050, the Tohoku Electric Power Group is striving to reduce CO₂ emissions based on three pillars: making the most of renewable energy and nuclear power, decarbonization of thermal power sources, and electrification and realization of a smart society. We have also set a CO₂ emissions target of halving CO₂ emissions by FY2030 vs. actual FY2013 levels.

In the area of renewable energy, we are moving ahead with work to develop 2,000 MW of new capacity early in the 2030s while maintaining and improving the capacity of existing sources. We are moving forward with grid improvements and enhancements and the development of next-generation networks to grow the use of renewables. In the area of nuclear power, while putting safety first at all times, we are making sustained and steady efforts to resume operation soon and to improve stability and utilization of facilities where operation has resumed.

To decarbonize thermal power, we are proceeding with studies and testing to use mixed burning with biomass and ammonia at coal-fired thermal power stations and to use hydrogen and other fuels at LNG thermal power stations. Additionally, we are evaluating the feasibility of carbon capture and storage (CCS) at thermal power stations.

To promote electrification and optimize energy use, in addition to proposing full electrification to enhance peace of mind and comfort, we are promoting smart life electrification combined with solar power, storage cells, home energy management systems (HEMSs), and other services for smart, comfortable electricity use. We are also deploying VPP technologies and corporate PPA and other distributed power generation services to grow the green business.



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Carbon Neutrality Strategy

CO₂ emissions reduction targets

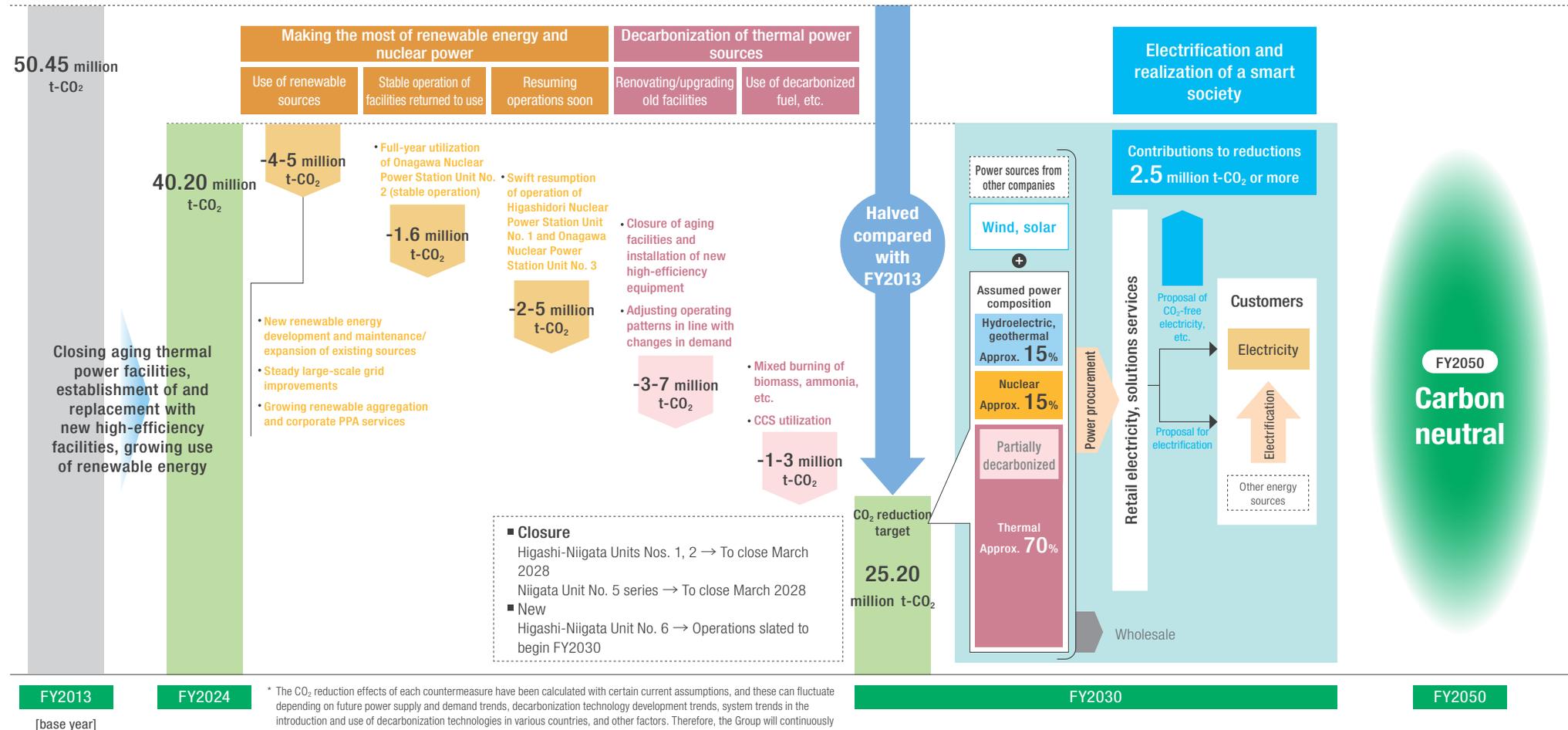
To achieve carbon neutrality by 2050, the Group has set the immediate target for FY2030 of halving CO₂ emissions vs. FY2013. We will monitor power demand and supply projections and the progress of decarbonization efforts and reflect these in our initiatives.

* CO₂ emissions from Group power generation businesses

In FY2024, despite the reductions achieved by resumed operation of Onagawa Nuclear Power Station Unit No. 2 and the closure of Akita Thermal Power Station Unit No. 4, total emissions remained largely unchanged year on year at 40.20 million t-CO₂ due to increased use of some coal-fired power stations.

Resumption of operation of Onagawa Nuclear Power Station Unit No. 2 resulted in reductions of 1.4 million t-CO₂.

CO₂ reduction measures towards 2030*



* The CO₂ reduction effects of each countermeasure have been calculated with certain current assumptions, and these can fluctuate depending on future power supply and demand trends, decarbonization technology development trends, system trends in the introduction and use of decarbonization technologies in various countries, and other factors. Therefore, the Group will continuously adjust its initiatives in light of progress and forecasts to increase the probability of achieving the targets.

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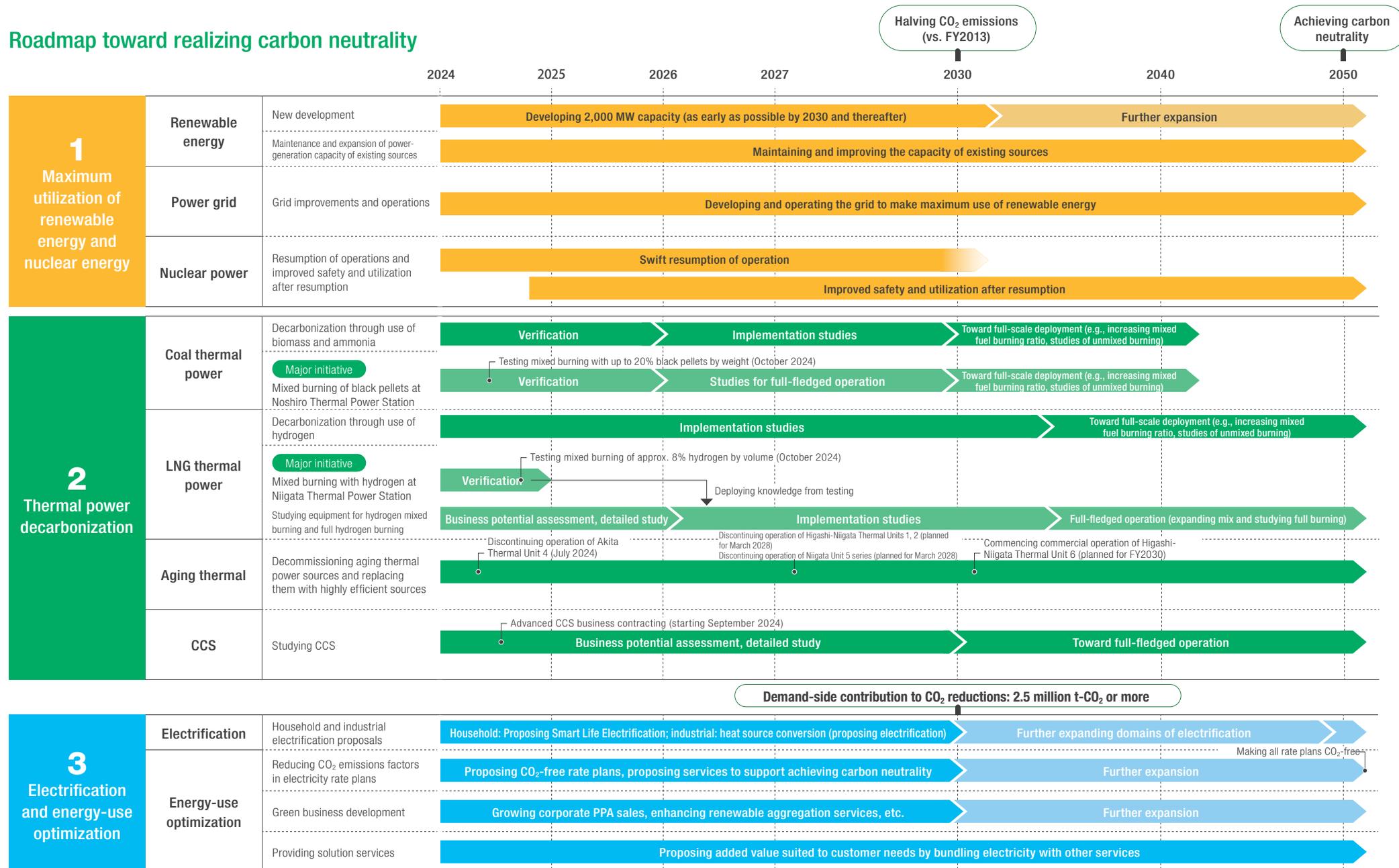
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Roadmap toward realizing carbon neutrality



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Climate Change Disclosure (TCFD)

Having long recognized climate change risks and opportunities as important management issues, we've moved forward with measures to reduce emissions of CO₂ and other greenhouse gases in terms of both supply and demand. Since announcing our support for the TCFD* recommendations in April 2019, in addition to continually enhancing information disclosure on climate change we believe

Governance

The Board of Directors enhances our responses to climate change and makes decisions on their incorporation into management strategy based on a recognition of the risks and opportunities posed by climate change, studies of various response measures, and monitoring and oversight of the state of progress toward our goals.

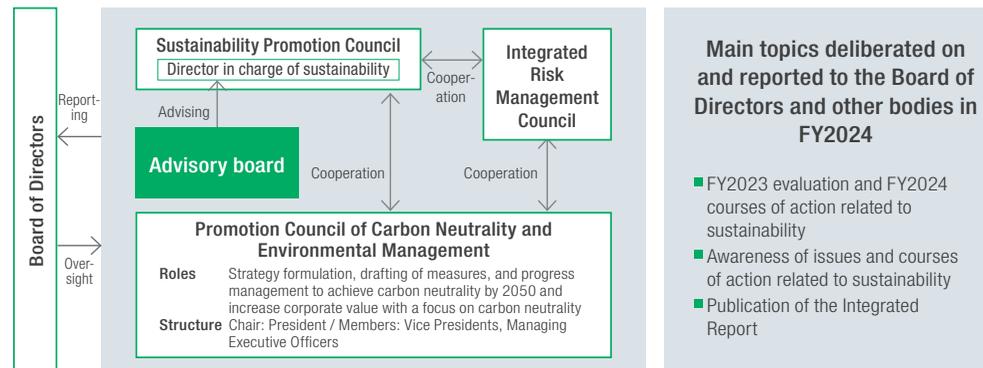
The President chairs the Promotion Council of Carbon Neutrality and the Sustainability Promotion Council.

The Promotion Council of Carbon Neutrality formulates strategies for achieving carbon neutrality by 2050 and oversees the drafting of related measures and management of their progress.

The Sustainability Promotion Council is responsible for overall coordination of efforts to address materiality topics. It monitors metrics and targets regarding the Group's materiality topic, "Taking on the challenge of carbon neutrality." Their progress is reported to the Board of Directors annually, via the Sustainability Promotion Council.

Remuneration of Directors (excluding Audit and Supervisory Committee members) consists of fixed pay, variable pay reflecting short-term financial results, and variable pay reflecting medium to long-term financial results. Variable pay reflecting short-term financial results is adjusted to reflect the results of ESG initiatives.

See > Policies and procedures for determining compensation for Directors > p. 78



it is important to reflect in our management strategies the risks and opportunities posed by climate change. In doing so, we also rely on engagement with various stakeholders, including institutional investors.

Risk management

Tohoku Electric Power integrates and lists the groupwide climate risks and opportunities identified by each business execution section and assessed with regard to financial impact. It then ascertains the priority of responding to each risk based on the projected financial impact. Climate-related risks with major impacts on management are discussed at the Integrated Risk Management Meeting, and the response status is reported to the Board of Directors for oversight twice annually, together with groupwide response policies.

See > Risk Management > p. 86

FY2024 Securities Report > Business and other risks > p. 27
https://www.tohoku-epco.co.jp/ir_n/report/security/pdf/2024_ho.pdf

Strategy

Scenario analysis

We perform ongoing scenario analyses to ascertain the financial impact of future climate change risks and opportunities. In our scenario analyses, we selected the risks and opportunities identified under the environmental management framework deemed likely to have an outsize impact on the Company's businesses and ascertained in particular which risks and opportunities are likely to grow within the scenarios envisioned.

We chose two scenarios: a 1.5°C scenario under which major changes are made to policy and behaviors throughout society as a whole to reduce greenhouse gas (GHG) emissions effectively to zero and limit the global temperature increase to no more than 1.5°C (the scenario of progress toward carbon neutrality by 2050), and a 4°C scenario under which the shift to a low carbon society fails to advance and countermeasures against climate change are not enhanced beyond current levels. Our scenario analysis reflects medium- to long-term timelines including the period starting in 2050.

To ensure business continuity under either scenario, we plan to continue analyzing climate change risks and opportunities, seeking to minimize management risks and swiftly reflecting opportunities in management strategies, to manage progress on climate resilience.

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1.5°C scenario

Temperature rises by less than 1.5°C since the Industrial Revolution thanks to aggressive action based on the Paris Agreement.

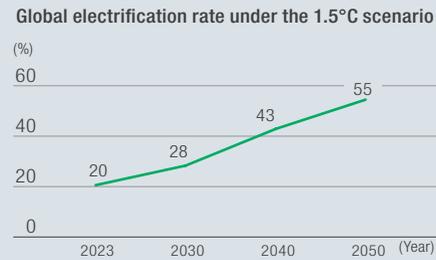
Reference scenarios | IEA WEO2024 (NZE Scenario), etc.

Anticipated risks and opportunities to Tohoku Electric Power

Anticipated risks under the 1.5°C scenario include transition risks such as enhanced restrictions on CO₂ emissions, increased costs due to adoption of carbon pricing, accelerating divestment from fossil fuels, and higher fundraising costs. Anticipated opportunities under this scenario include growing demand for electricity due to various factors, such as rising electrification rates and greater earnings opportunities as a result of enhanced competitive strengths of non-fossil-fuel power sources.



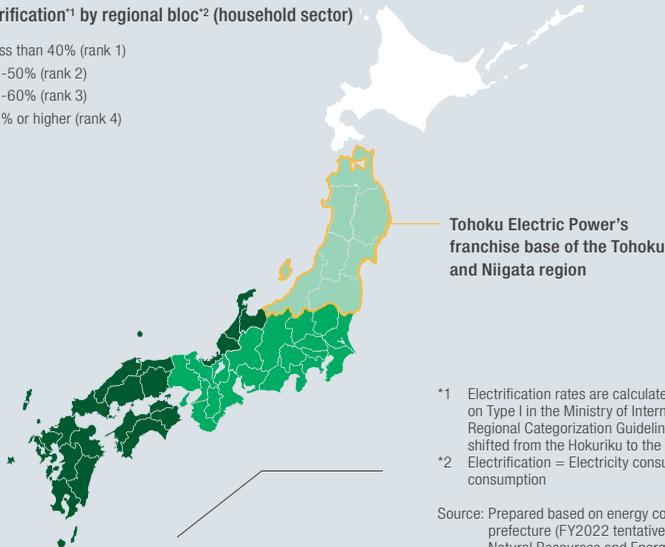
Source: Prepared based on IEA World Energy Outlook 2024



Source: Prepared based on IEA World Energy Outlook 2024

Electrification¹ by regional bloc² (household sector)

- Less than 40% (rank 1)
- 40-50% (rank 2)
- 50-60% (rank 3)
- 60% or higher (rank 4)



*1 Electrification rates are calculated using regional blocs based on Type I in the Ministry of Internal Affairs and Communications Regional Categorization Guidelines, with Niigata Prefecture only shifted from the Hokuriku to the Tohoku region.

*2 Electrification = Electricity consumption / final energy consumption

Source: Prepared based on energy consumption statistics by prefecture (FY2022 tentative figures) from the Agency for Natural Resources and Energy.

4°C scenario

Temperature at century's end is up 3.2–5.4°C from the Industrial Revolution due to failure to take additional countermeasures against climate change.

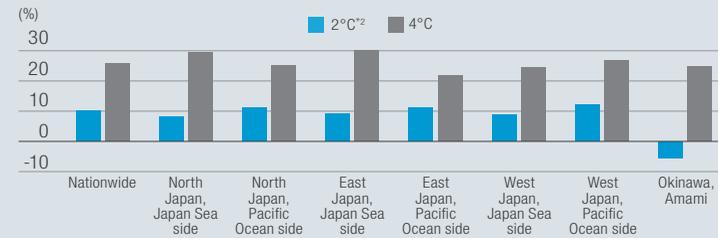
Reference scenarios | IPCC Sixth Assessment Report (SSP-8.5 Scenario), etc.

Tohoku Electric Power's anticipated risks and opportunities

Risks expected under the 4°C scenario include increasingly severe climate disasters and changes in precipitation patterns.

Increasingly severe climate disasters would also increase acute physical risks such as damage caused by heavy rainfall, while decreased snowfall could lead to the chronic physical risk of drought associated with lower water volumes from snow melt in the following year.

Future rate of increase in heavy precipitation*1 (4°C scenario)

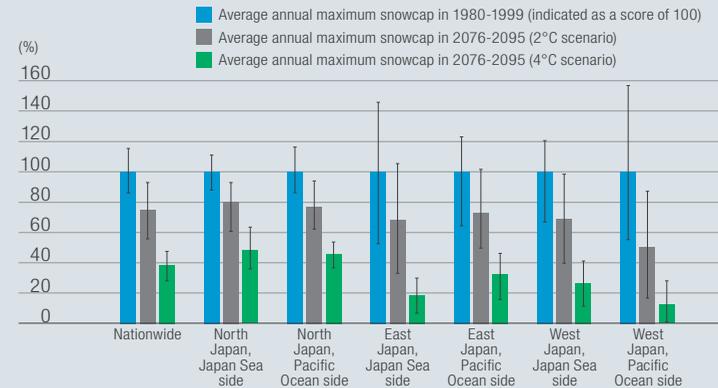


*1 This graph shows rates of increase in heavy precipitation in the future (2080–2100 annual average) under the 4°C scenario, based on current levels (1984–2004 annual average). Heavy precipitation refers to the top 5% average values of daily precipitation on days of precipitation during the year.

*2 The 2°C scenario refers to RCP2.6.

Source: Based on Ministry of the Environment and Japan Meteorological Agency projections of Japan's climate at the end of the 21st century

Future annual maximum snowcap



* Thin bars indicate breadth of fluctuation from year to year.

Source: Prepared based on Ministry of Education, Culture, Sports, Science and Technology / Japan Meteorological Agency, "Climate Change in Japan 2025: Report on Assessment of Observed/Projected Climate Change Relating to the Atmosphere, Land, and Oceans" (Detailed Edition, Fig. 6.2.8)

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We're improving our scenario analysis in stages, based on multiple climate change scenarios identified by the International Energy Agency (IEA), Intergovernmental Panel on Climate Change (IPCC), and other bodies. This scenario analysis is intended to consider impacts that may arise under certain assumptions and feasible responses, based on a long-term perspective. No guarantees are made regarding results.

Climate Change Disclosure (TCFD)

Results of analysis of transition risks and opportunities under the 1.5°C scenario and our response

Under the 1.5°C scenario, we anticipate risks such as decreased business opportunities and competitive strength for thermal power sources and lower profitability of existing business models based on thermal power, due to dramatic changes in social and economic environments to reduce GHG emissions.

We also expect growth in business opportunities and competitive strengths in non-fossil-fuel power sources such as renewables and nuclear. We see a need to connect such opportunities to profit generation by identifying customer needs.

We will strive to reduce risks and maximize business opportunities through taking appropriate

steps based on ascertaining the financial impacts of manifestation of anticipated risks and opportunities and updating them as appropriate.

Given these risks and opportunities, to achieve long-term carbon neutrality by 2050, the Tohoku Electric Power Group has set medium-term CO₂ emissions reduction targets for FY2030 and is striving to reduce CO₂ emissions based on three pillars: making the most of renewable energy and nuclear power; decarbonization of thermal power sources; and electrification and realization of a smart society.



See > Carbon Neutrality Strategy > p. 52

Category	Subcategory	Sub-subcategory	Risk/opportunity	Timing of impact	Financial impact
Politics (policies)	Enhanced restrictions on CO ₂ emissions	Increased costs due to adoption of carbon pricing, etc.	Transition risk	Short/medium/long term	Tens of billions of yen/year cost increase
		Increasing demand for electricity with growth in electrification	Opportunity	Medium/long term	Increase in sales on achievement of target increase in number of home full electrification contracts (from 880,000 to 1 million by FY2030) Approx. 8.4 billion yen/year ^{*1}
Economy (markets)	Changes in customer needs for electricity	Strengthening move away from electricity from thermal power sources	Transition risk	Medium/long term	Effect on sales of a 100 million kWh fluctuation in wholesale/retail electricity sales volume Approx. 2.5 billion yen/year ^{*2}
		Growing needs for non-fossil energy sources	Opportunity	Medium/long term	
		Lower utilization of thermal power due to progress of energy conservation and growth of distributed and renewable sources	Transition risk	Medium/long term	
	Changes in electricity demand-supply structures	Growing demand for electricity with growing social reliance of digital technologies	Opportunity	Medium/long term	Potential increase in electricity sales due to relocation of data centers to the Tohoku and Niigata region 50 billion yen/year or more (FY2050)
		Changing trends in fossil-fuel transactions	Challenge of stable, low-cost procurement of fuels due to divestment from fossil fuels	Transition risk	Medium/long term
Society (reputation)	Changing evaluations by stakeholders	Rising fundraising costs, falling stock prices reflecting various factors, such as whether thermal power is used and progress in reducing CO ₂ emissions	Transition risk	Short/medium/long term	Effect of a 1% fluctuation in interest rates Approx. 2 billion yen/year
	Progress of decarbonization of local communities	Growing customer need for distributed power sources, energy management, etc.	Opportunity	Medium/long term	Sales on achievement of targets for green energy services business and next-generation energy services business 20 billion yen or more (FY2030)
Technology	Promoting technological development combining digital transformation (DX) with green transformation (GX)	Lower profitability of existing business models, increase in new capital investment	Transition risk	Short/medium/long term	Large
		Growing new solutions services	Opportunity	Short/medium/long term	Large

Financial impact. Large: 10 billion yen/year or more; medium: 1-10 billion yen/year; small: less than 1 billion yen/year. Timing of impact. Short term: through FY2027; medium term: through FY2030; long term: through FY2050

*1 Calculated based on the Ministry of the Environment's FY2022 Household CO₂ Emissions Survey, assuming replacement of heat from kerosene, city gas, and LPG per household in the Tohoku region with electricity

*2 Calculated based on sales to external customers in the power generation and sales segment and retail and wholesale sales volumes in FY2024

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Climate Change Disclosure (TCFD)

Results of analysis of physical risks under the 4°C scenario and our response

Under the 4°C scenario, which envisions high levels of physical risks, we anticipate significant climate change impacts, increasingly severe climate disasters, and changing precipitation patterns in Japan.

Acute risks include greater damage to Group facilities and impediments to supply due to increasingly frequent and severe climate disasters. It will become increasingly important to enhance resilience. We anticipate the chronic risk of changes in precipitation patterns affecting hydroelectric power generation and other activities.

We will strive to increase power system resilience through being ready for frequent and severer climate disasters and enhancing the resilience and recoverability of facilities.

Category	Subcategory	Sub-subcategory	Risk/opportunity*	Financial impact
Acute	Increasingly severe climate disasters	Damage to Company facilities and supply impediments resulting from frequent occurrence of increasingly severe strong winds, torrential downpours, etc.	Short/medium/long term	FY2019 Extraordinary losses caused by typhoons in East Japan 6.1 billion yen
Chronic	Changes in precipitation patterns	Reduced hydroelectric power production capacity	Long term	Increase in costs due to a 1% decrease in the precipitation rate 1.3 billion yen

Our response

Increasing power system resilience

- Enhancing resilience of power sources and supply equipment (installation of bulkheads, elevating important equipment, dredging, etc.)
- Increasing recovery abilities (implementing disaster drills)

* Timing of impact. Short term: through FY2027; medium term: through FY2030; long term: through FY2050

Strategic investment

We plan approximately 300 billion yen through FY2030 in strategic investments to generate added value in response to changes in the electricity business.

Breakdown of strategic investments

- Renewable energy development: more than 100 billion yen
- Decarbonization of thermal power: approx. 100 billion yen
- New service development, DX infrastructure enhancement, etc.: tens of billions of yen

Metrics and targets

Quantitative climate targets and related progress

KPI	Target	FY2024 result	Notes
CO ₂ emissions from power generation business	Halving CO ₂ emissions by FY2030 vs. FY2013	40.20 million t-CO ₂	FY2023 result 40.36 million t-CO ₂
Renewable energy power development	At least 2,000 MW early in the 2030s	Cumulative total 850 MW	Cumulative total approx. 800 MW as of end of July 2024
Contribution to CO ₂ emissions reductions of electrification and optimization of energy use (contribution to reductions)	2.5 million t-CO ₂ or more by FY2030	—	New target to be established in FY2025

See > Materiality metrics and targets > p. 23

Promoting green/transition financing

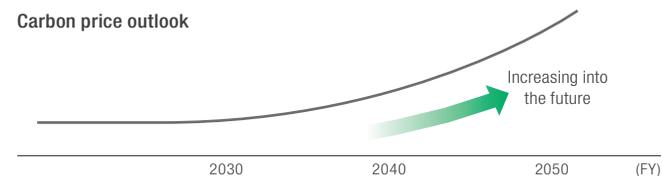
Our fundraising efforts include efforts to promote green/transition financing. Targeting carbon neutrality by 2050, we plan to continue pursuing optimal fundraising.

See > Promoting Green/Transition Financing > p. 30

Internal carbon pricing

We have set an internal carbon price to promote optimal facility development for carbon neutrality. We use this for various purposes, including evaluations of investments in the development of non-fossil energy sources and decarbonization of thermal power and assessments of power source operations.

The price level is set with consideration for various factors, including the potential for carbon pricing adoption based on the GX Promotion Act, and we expect it to rise gradually. The level will be revised as appropriate in response to factors such as system design specifics and changing customer attitudes regarding the value of decarbonization.



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Climate Change Disclosure (TCFD)

Scope 1, 2, and 3 greenhouse gas emissions

Scope 1 and Scope 2 greenhouse gas (GHG) emissions are calculated pursuant to the Japanese Act on Rationalization of Energy Use and Shift to Non fossil Energy and Act on Promotion of Global Warming Countermeasures.

Scope 3 GHG emissions are calculated based on the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain (Ver. 2.7).

(Unit: 10 thousand tons CO₂)

Item		FY2023 results	FY2024 results
Scope 1 (Direct GHG emissions by the business)		3376.0	3247.7*
Scope 2 (Indirect GHG emissions from use of electricity, heat, and steam supplied by other companies and due to transmission/distribution losses*) Note: Market-based method (upper figure) and location-based method (lower figure)		0.1	37.2*
Scope 3 (Indirect GHG emissions other than Scope 1 and 2)		1670.5	1597.6
Category 1	Purchased goods and services	93.7	98.2
Category 2	Capital goods	131.0	126.7
Category 3	Fuel- and energy-related activities	1373.4	1248.2*
Category 4	Upstream transportation and distribution	0.1	0.1
Category 5	Waste generated in operations	1.6	1.7
Category 6	Business travel	0.3	0.3
Category 7	Employee commuting	1.6	1.6
Category 11	Use of sold products	68.6	120.7*

Scope 1 emissions are direct emissions from GHG sources. Scope 2 emissions are indirect emissions from the generation of electricity, heat, and steam supplied by other companies. Scope 3 emissions are indirect emissions generated by business activities not included in Scope 1 and Scope 2 emissions.

Scope 1, Scope 2, and Scope 3 (Category 3 and Category 11) emissions have been assured by an external party.

★: The data has been assured by KPMG AZSA Sustainability Co., Ltd., an external party.

Calculation methods

Scope 1 and Scope 2 include, in addition to emissions generated by core Group companies Tohoku Electric Power and Tohoku Electric Power Network, those from a single consolidated subsidiary in the thermal power generation business.

* Since FY2024, emissions associated with transmission/distribution losses have been accounted for as Scope 3 in Category 3 instead of Scope 2. This is in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and the GHG Protocol Scope 2 Guidance.

Scope 3 emissions in Categories 1 (FY2024 actual figures only), 2, 6, and 7 are calculated for the consolidated Group. Actual figures for Scope 3 emissions in Category 1 for FY2023 are calculated for Tohoku Electric Power and Tohoku Electric Power Network. (Emissions for the consolidated Group were 921 thousand t-CO₂.)

Emissions intensities are derived from the Emissions Intensity Database for Calculation of Organizational Greenhouse Gas and Other Emissions through the Supply Chain (Ver. 3.5) and IDEA Ver. 2.3.

Scope 3 emissions in Categories 3, 4, and 5 are calculated for Tohoku Electric Power and Tohoku Electric Power Network.

Scope 3 emissions in Category 11 are calculated for the gas business in the consolidated Group, in addition to Tohoku Electric Power and Tohoku Electric Power Network.

Scope 3 emissions in Categories 8-10 and 12-15 are omitted from the calculations due to the nature of the Group's businesses or for other reasons.

- Category 1: (price data on products and services purchased) × (emissions intensity)
- Category 2: (facility construction costs) × (emissions intensity)
- Category 3: (volume of power supplied by other companies – transmission/distribution losses) × (actual figure/alternative CO₂ emissions factor) + (volume used by type of fuel) × (emissions intensity) + (volume of power supplied by other companies) × (emissions intensity for procurement of fuel)
- Category 4: (heat consumption by type of vehicle, vessel, etc.) × (emissions intensity)
- Category 5: (final industrial waste disposal) × (emissions intensity) + (industrial waste recycled) × (emissions intensity)
- Category 6: (number of employees) × (emissions intensity)
- Category 7: (number of employees by working pattern and urban category) × (number of business days) × (emissions intensity)
- Category 11: (total volume of fuel sold) × (emissions intensity)

Calculation methods were revised in FY2024 in accordance with the GHG Protocol.

GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials.

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Establishing a Society that Recycles Effectively

Our thinking on recycling

The Group has long sought to control industrial waste and increase recycling rates through reduction, reuse, and recycling (the “three Rs”).

Amid growing demand for products related to renewable energy and storage cells as society moves toward decarbonization, as well as the manifestation of risks such as interruptions to supplies of resources due to the increasingly unstable international situation, it is vital to transition to a society that recycles effectively.

In light of these conditions, the Group will contribute to such a society by recycling plastics and promoting efforts to reuse and recycle spent solar panels, volumes of which are expected to grow sharply in the years beyond 2030, focusing not just on our own wastes but also on wastes occurring in our communities as well.

Related materiality metrics and targets

Metric	Target/FY (scope)	FY2024 results
Industrial waste recycling rate	90% or higher/each year (G)	89.3%
Industrial waste recycling rate excluding coal ash	95% or higher/each year (TD & TN)	93.7%
Plastic waste generated	Wherever possible, choosing products that use fewer plastics or substitute materials/each year (TD, TN)	808.9t (Reposted) TN: 712.9t
Plastic waste recycling rate (including thermal recycling)	90%/each year (TD & TN)	83.5% (Reposted) TN:89.3%

See > Sustainability Data Book > Recycling-based Society > p. 22

Recycling initiatives

Waste plastics

We have set quantitative targets, etc. (materiality topics) pursuant to the Plastic Resource Circulation Act. To achieve this, in addition to maintaining current recycling initiatives we are also developing new recycling schemes, such as repelletization of used smart meters.

Everyday waste

Our basic approach is to continue current initiatives targeting waste recycled as part of existing reduction, reuse, and recycling activities.

Reuse and recycling of spent solar panels

Solar panel waste is expected to peak in Japan in 2030 and beyond. Since this affects us as well, we will participate in testing of reuse and recycling of spent solar panels through PV CYCLE JAPAN, to be ready for the future issue of large waste volumes from spent solar panels.

See > Reuse and recycling of spent solar panels > p. 39

Conserving Biodiversity

Our position on conserving biodiversity

One of our four environmental action principles calls for us to safeguard and coexist with the rich natural environment. Emphasizing the spirit of coexistence with nature that characterizes the Tohoku and Niigata region, we are advancing various business activities that reflect due consideration for the environment, including a sense of gratitude for the various blessings and benefits generated by biodiversity, and implement measures to avoid or minimize the impact of our business operations on biodiversity.

Related materiality metrics and targets

Metric	Target/FY (scope)	FY2024 results
—	Avoiding or minimizing the impact on biodiversity of business activities (TD, TN)	<ul style="list-style-type: none"> Maintaining existing environmental protections and rare plant and animal conservation initiatives Began disclosure based on TNFD recommendations. Obtained favorable evaluations from capital markets.

* Since FY2025, the scope of metrics and targets has been expanded to include the entire Group (G).

Consideration for biodiversity in the power generation and transmission businesses

Facility construction stage

When setting up power generation and transmission facilities, we implement environmental assessments in accordance with the Environmental Impact Assessment Act, environmental impact assessment ordinances, etc. and take necessary measures reflecting the opinions of experts and others.

Even when not required by laws or ordinances, depending on site conditions we conduct environmental assessments, flora and fauna surveys, and other activities on our own and take appropriate protective measures in construction, as necessary.

Business operation stage

After facilities come online, in addition to complying with environmental laws and regulations we strive to protect the environment through means such as periodic environmental measurements and monitoring of facility status and take measures as necessary.

See the Sustainability Data Book for specific initiatives.

See > Sustainability Data Book > Conserving Biodiversity > p. 17

Responding to the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD)

The Sustainability Data Book discloses of the relationships between natural capital, including biodiversity, based on the TNFD recommendations, and the power generation and transmission businesses of Tohoku Electric Power and Tohoku Electric Power Network, the geothermal power generation business of Tohoku Sustainable & Renewable Energy, and the biomass power generation business of Chokai-minami Biomass Power.

See > Sustainability Data Book > Disclosure Under the TNFD Recommendations > p. 11

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Human Resources Strategy

Message from the director in charge



Since its founding, the Tohoku Electric Power Group has supported society and industry by providing a stable supply of electricity based on the management philosophy of Prosper with Local Communities. At the root of these efforts lies the power of the Group's human resources. Based on our belief that people are invaluable assets, we strive side by side with employees to build an environment in which all employees can demonstrate their individual abilities to the fullest.

Amid low birth rates, an aging society, and increasing mobility of workers, workstyles and values are diversifying and the human resource strategies demanded of employers are changing dramatically. In light of these changes in the structure of society, we have identified creating workplaces in which diverse human resources can work with a sense of vitality as a materiality topic. We are enhancing measures to balance comfortable and rewarding work by improving personnel, wage, and benefits systems, adoption of flexible employment systems, and promoting health management.

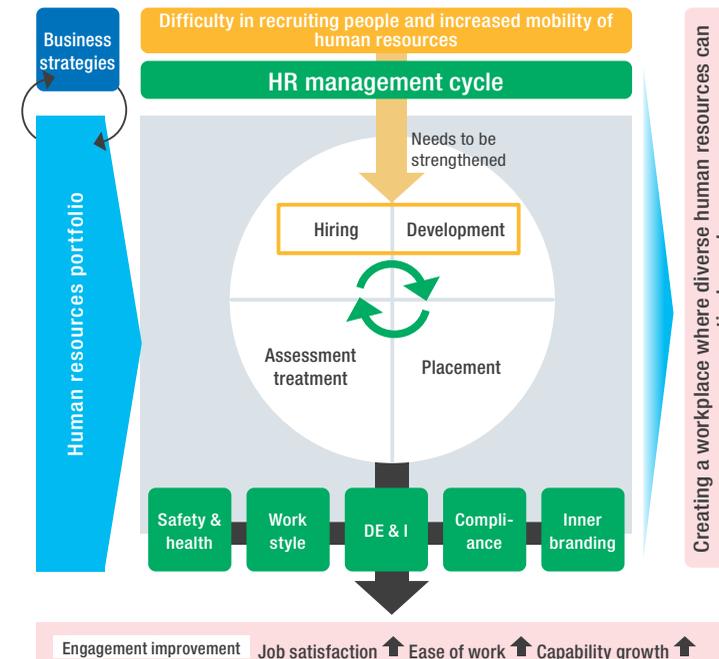
To support autonomous career building, we also support employees' active learning and growth through the T-next educational platform and programs to support external learning. Another of our focuses is improving employee engagement, and we are working to foster an organizational culture toward company where people want to work and remain over the long term, while listening to what employees have to say.

Based on initiatives like these, the Group has designed a human resource portfolio linked to its business strategies. By defining the skill types essential to future business development and by visualizing the numbers of personnel and skills for each type, we ascertain quantitative gaps between our current status and future goals. On this basis, we are effectively driving the human resource management cycle by securing personnel, improving

their skills, and assigning them strategically and making our HR strategy even more effective, thereby providing powerful human capital support for business development across the Group.

The three capabilities and mindsets—the power to support stable supplies, the power to take on the challenges of growth, and management abilities—are essential to the personal and organizational growth sought by the Group. To realize our vision and give concrete form to management strategies, human resources equipped with these traits must be well-positioned and lead our initiatives toward medium- to long-term growth, in addition to creating and growing profits in our businesses centered on electricity and energy.

Going forward, we will continue to promote initiative and reform in pursuit of a society where everybody can live in comfort, safety, and peace of mind, powered by human resources with strong ties to the local community and a sense of their mission to deliver stable supplies. As the director in charge of HR strategy, I will work side by side with employees to support their learning and the development of the abilities and mindsets needed to create value as we bring together the power of individuals to increase the total power of the organization and enterprise.



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Human Resources Strategy

HR portfolio for realizing the Medium- to Long-Term Vision

Our human resource portfolio divides the Group's business domains into fields and divides the human resources who can play active roles in these fields into 201 skill types, thereby giving visibility to the numbers of employees required and the skills needed.

These have been reorganized in line with the 11 business categories of Working Alongside Next^{PLUS} in FY2024. Based on an identification of the skill types needed to enhance competitive strengths, passing on the technologies and skills required to ensure a stable supply, growing business domains, and other initiatives, we are building the HR portfolio through training, hiring, and other measures reflecting the distinguishing features of each skill type.

In addition, by adopting a talent management system, we will quantitatively ascertain and analyze aspects such as the skills of individual employees and reflect them in our staffing plans, hiring plans, HR development, and placement.

Enhancing hiring and development

Through human resource portfolios linked to business strategy, Tohoku Electric Power and Tohoku Electric Power Network are seeking to strengthen hiring and development.

In the hiring of new graduates, in addition to deepening understanding of our businesses and corporate culture through company briefings, workplace tours, work experience, and other activities, we help potential new hires imagine their career development after they join the Company. We are also focusing on recruiting midcareer professionals to secure human resources able to support a stable supply of electricity and those capable of playing immediate roles based on specialized skills in digital transformation (DX) and new businesses. We also hire through our alumni network.

In HR development, we are promoting autonomous learning to allow employees to design their careers. We provide internal and external video learning options via the T-next educational platform, allowing employees to learn when and where they like. Employees can also use programs to support learning and earn official qualifications at universities and graduate schools and through distance learning. We are building environments that support employee growth—in which diverse human resources can acquire diverse skills and realize their career plans on their own initiative.

Employees receive feedback on job results and discuss future career plans at regular one-on-one meetings with their superiors. These are intended to enable all employees to demonstrate their individual abilities to the fullest. In addition, we have established an internal recruitment program to support autonomous career development and demonstration of abilities. This enables employees to choose themselves to take on new challenges in their careers and helps to place the right people in the right positions.

 See > Sustainability Data Book > Human Resource Management Cycle > p. 52

Balancing comfortable and rewarding work

As Japan's population continues shrinking and aging with low birth rates and worker mobility increases, workstyles and values are diversifying. It is growing increasingly important to maintain environments in which employees can continue to work in sound mental and physical health.

Based on the idea that health and safety come first, Tohoku Electric Power and Tohoku Electric Power Network are striving to ensure comprehensive workplace safety. They are also working to create healthy workplaces in which all employees can work in good health and with a sense of vitality. Toward this end, they promote health management through mental and physical health improvement initiatives based on a joint health programs undertaken with their health insurance societies.

Various workplace programs are established to help employees balance work and personal life, including programs that support their own treatment and care for children and other family members, as well as measures to implement efficient workstyles in which employees can make the most of ICT and other tools.

In FY2024, we revised personnel and wage systems and advanced systematic support to enable diverse human resources to demonstrate their abilities to the fullest, regardless of age, gender, or other attributes, and to enable them to feel job satisfaction and continue to thrive in their careers.

 See > Sustainability Data Book > Safety > p. 35

 See > Sustainability Data Book > Human Resource Management Cycle, Work-life Balance, Health Management > p. 52

Inspiring innovation through the activities of diverse human resources

To meet diversifying customer needs, we must make the most of a workforce composed of employees characterized by diverse backgrounds, perspectives, ideas, and experiences, working with a sense of health and vitality. We believe diversity, equity, and inclusion (DE&I) lead to innovation.

Specifically, based on the idea that the mobility of human resources provides benefits, we are drawing on midcareer hiring and alumni networks to advance business creation, digital transformation (DX) promotion, and solutions efforts. We are striving to create new value and boost profits by generating innovations through joint efforts among human resources whose experience and knowledge are drawn from different industries and occupations.

As part of our DE&I initiatives, we also support a work/life balance and career-building through improvements to employment systems and training intended to promote careers for women. We are also considering and implementing measures in other areas, including building internal and external networks, strengthening awareness of various related issues among management and in the workplace, and establishing career hotlines, with a focus on the perspectives of women employees. In FY2024, we introduced new career training intended to strengthen the self-efficacy of women employees and to foster career motivation.

We will continue to raise corporate value by promoting DE&I measures and by broadening opportunities for human resources with diverse experience and values to thrive, regardless of attributes such as gender and age, thereby contributing to reliable business growth.

 See > Sustainability Data Book > Diversity, Equity, and Inclusion > p. 57

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Human Resources Strategy

Establishing a deeper understanding of the management philosophy and management policy and promoting this philosophy and policy in the corporate culture

Efforts to promote understanding and penetration of Working Alongside Next⁺PLUS

Having identified activities like tiered training and management visits to frontline sites as opportunities to ensure that each and every employee thoroughly understands our management philosophy and management policy, we are setting up opportunities for regular briefings and promoting mutual communication to achieve this understanding.

In particular, since its formulation in April 2024, we have sought to instill a deeper understanding of Working Alongside Next⁺PLUS, which describes our management directions for the future. Examples include online briefings, explanatory articles published in in-house bulletins, and site visits by the secretariat. As for the FY2025 Group Management Plan, we posted explanatory materials for employees to the in-house portal.

Putting our slogan Strength to Work Alongside into practice

To ensure that each employee can play a vital role in exemplifying the message implicit in the slogan Strength to Work Alongside in everyday tasks and working alongside our customers and communities, we undertake Groupwide measures like the following:

- Using e-learning tools to learn about the concepts behind the Strength to Work Alongside vision, along with original videos intended to inspire autonomous action
- Publishing a series of interviews in in-house bulletins intended to deepen management and employee understanding of Strength to Work Alongside



Work Alongside interviews in in-house bulletins

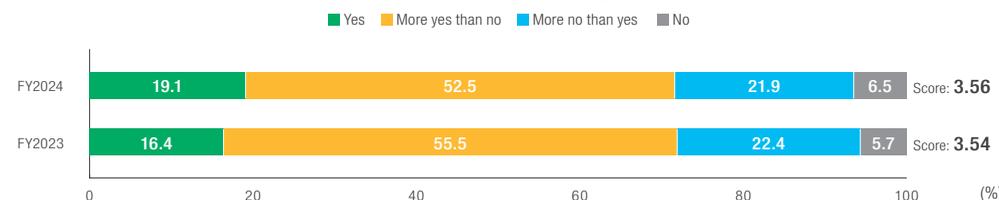
Employee engagement

Tohoku Electric Power and Tohoku Electric Power Network are working to improve employee engagement with respect to the three elements of motivation, comfortable work, and skills growth, thereby enabling each employee to experience rewarding work while performing at their best.

Since FY2023, we have conducted employee engagement surveys to evaluate employee awareness and ascertain related issues to improve engagement. These surveys ask employees about topics related to engagement and other organization-wide topics. Responses have been gathered from more than 90% of our employees. We track answers to the question “Would you recommend the Company to someone you know as a great place to work?” and evaluate the results to generate an engagement score. The engagement score in the FY2024 employee engagement survey was 3.56 points out of possible five points. This is up from 3.54 points in the previous year.

Analytical findings are reported to and discussed by the Committee on Human Capital Strategy and provided as feedback to workplaces for use in organizational reforms and other initiatives. In this way, we are formulating and improving Groupwide measures to strengthen human capital.

Would you recommend the Company to someone you know as a great place to work?



See > Sustainability Data Book > Employee Engagement > p. 65

TOPICS

In July 2025, Tohoku Electric Power earned Platinum Kurumin certification, while Tohoku Electric Power Network earned standard Kurumin certification. Such certification attests to their status as companies that actively support childrearing employees.

Tohoku Electric Power earned Kurumin certification in May 2008 and has since formulated and updated its general employer action plan under the Act on Advancement of Measures to Support Raising Next-Generation Children. The Platinum Kurumin certification recognizes its continuing efforts to build environments in which employees can balance work and childrearing with peace of mind.

In FY2024, we updated the Manual for Employees Raising Children, a guidebook for managers who have parenting subordinates, enhancing content related to men’s participation in housework and childcare. We also held diversity management training to strengthen awareness among managers. Through these measures, we sought to make it easier to achieve a balance between work and family life. In particular, we promoted efforts to encourage male employees to take childcare leave. When the general employer action plan for the sixth period (April 1, 2020 – March 31, 2025) was formulated, virtually no male employees took childcare leave. Since then, the percentage has grown to 52.8% at Tohoku Electric Power and 42.9% at Tohoku Electric Power Network, thanks to active encouragement by managers, the development of structures for support by colleagues, and other measures. The average number of days of leave taken for both Tohoku Electric Power and Tohoku Electric Power Network has also increased sharply, to 82 days. When time off for childcare is combined with childcare leave, the rates increase to 104.6%* at Tohoku Electric Power and 98.7% at Tohoku Electric Power Network.

Starting in FY2025, based on the target of having all eligible male employees take childcare leave and time off for childcare as called for in our general employer action plans under the Act on the Promoting Women’s Active Engagement in Professional Life and the Act on Advancement of Measures to Support Raising Next-Generation Children, we will continue to promote measures to encourage male employees to take childcare leave. Additionally, we will enhance efforts to support career building and increase rates of those taking annual paid vacation among female employees who are currently parenting to secure working environments in which all can thrive, regardless of gender.

* The rate exceeds 100% because some employees took childcare leave during the fiscal year whose spouses gave birth prior to the fiscal year.

See > Partnerships, External Evaluations, Etc. > p. 91

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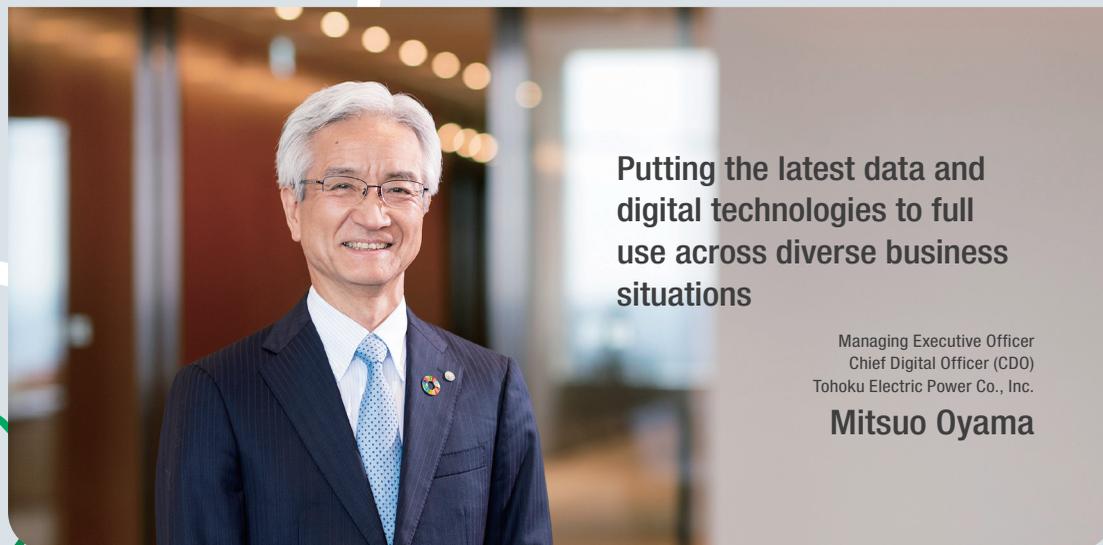
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Digital Transformation (DX) Strategy

Message from the CDO



Putting the latest data and digital technologies to full use across diverse business situations

Managing Executive Officer
Chief Digital Officer (CDO)
Tohoku Electric Power Co., Inc.

Mitsuo Oyama

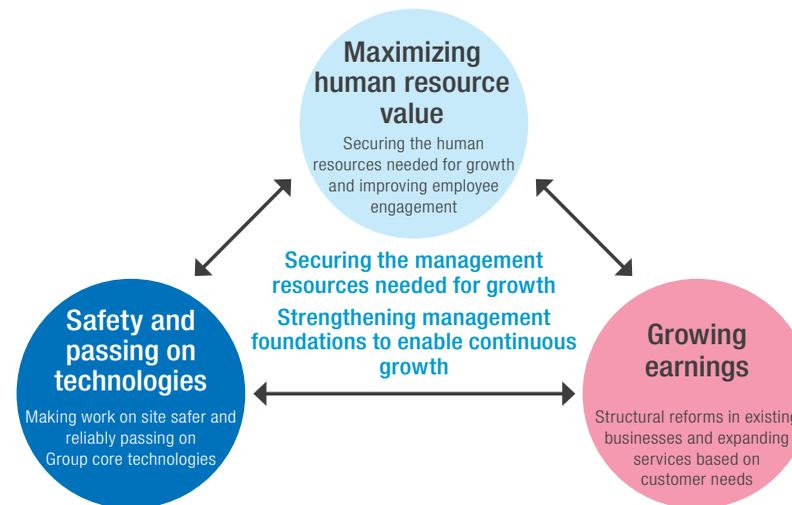
The Tohoku Electric Power Group is accelerating its digital transformation (DX) initiatives. The Group has implemented more than 120 proof-of-concept (PoC) projects, 86 of which have been implemented or are planned for implementation in business operations, including automated transcription and text search apps using generative AI. Together with effects of business system reforms and other results, our initiatives have brought an impact of 2.1 billion yen/year on revenues/expenditures and improved productivity by 1.43 million hours (equivalent to 736 employees) per year.

To achieve the Group's ideal vision for the 2030s in the Medium- to Long-Term Vision, it will be essential to achieve a swift recovery in the financial base, build a virtuous cycle of profit, investment, and growth, and strengthen the management base to support business development. This means we will need to put DX to even greater use in business and process reforms.

From this perspective, the Group has identified Putting the latest data and digital technologies to full use across diverse business situations as the guiding star for Group DX initiatives. In particular, it is focusing on applying DX to maximize human resource value, ensure safety, pass on technologies, and grow earnings. Seeing the growing need for DX in solutions to the shrinking workforce and other social challenges, we will seek to deploy attractive services as DX and IT businesses. In addition to strategic investments in areas like developing new services related to generative AI and strengthening our DX and IT foundations, we plan to make steady progress on DX human resource development.

As CDO, I will strive to contribute to the community through sustainable growth and new value achieved by improving productivity and safety. Additionally, I will promote diversity by leading Groupwide business model reforms based on AI and data utilization.

Tohoku Electric Power Group DX priority initiatives



Maximizing human resource value

- Promoting automation through business process decluttering and reforms
- Using generative AI to advance business operations

Safety and passing on technologies

- In addition to targeting conversion to unmanned business processes, using data from previous accidents and other cases to prevent worksite/workplace accidents
- Creating database based on the experience and knowledge of veteran staff and passing on technologies to the next generation

Growing earnings

- Promoting more advanced facility management and operations through asset management and other measures
- Providing services based on customer needs through data enhancement and knowledge accumulation
- Growing earnings through DX and IT businesses based on society's needs for DX

Related > DX & IT Business > p. 50

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Maximizing human resource value: Business process innovation achieved using AI

Shifting toward strategic businesses by improving productivity and precision through the decluttering and automation of business processes, we are designing and implementing new business processes based on various new technologies, including AI and smart devices (e.g., drones and sensors).



Document search app screen



Automated transcription app screen

In particular, using generative AI, we have developed in-house apps and launched their use in business operations, including document searches that generate answers from shared internal standards and automatic transcriptions of minutes from voice recordings.

In the future, in addition to reflecting user feedback and deploying apps able to generate answers by referring to restricted access documents, we will develop even more effective tools, such as tools for verifying the suitability of new technologies as solutions to business issues.

See > Efficiency improvement using new technologies > p. 48

Safety and passing on technologies: Using occupational accident case studies and AI to improve safety

In addition to designing new business processes and targeting conversion to unmanned processes, we are using accumulated data to further improve safety and pass on technologies to future generations.

To promote data utilization, while developing systems to collect core data, we are expanding the use of disaster-prevention AI to identify similar cases from past worksite/workplace accidents, with the aim of eliminating repeated accidents. Additionally, we are converting implicit skills to explicit know-how and knowledge and putting this to use in training and to formulate effective work instructions.



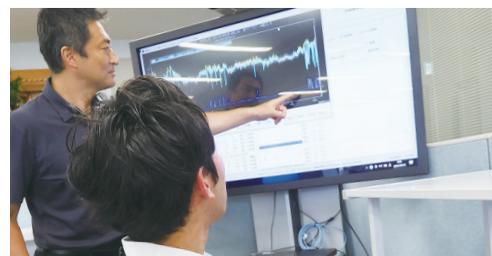
Using accident prevention AI to check for similar cases in a pre-work safety check

See > Sustainability Data Book > Safety > p. 35

Growing earnings: Product and service development using know-how

We seek to improve customer experience (CX) by enhancing data and accumulating knowledge and providing customer-centered services in a timely manner.

We also build on and share case studies of business advancement and efficiency improvements across the Group, putting the resulting know-how to use in product and service development.



ASYOMI Yori Sou Abnormality Monitoring Service

See > Advances in the operation of thermal power sources > p. 32

DX human resource development based on growth and reforms

We began using our own DX HR certification program in FY2023. As of March 2025, 1,662 employees had been certified (18 Groupwide DX promotion personnel, 21 advanced data analysts, 352 section DX promotion personnel, and 1,271 DX-literate personnel). We are also making progress on HR assignments to harness these skills.

In the runup to FY2030, we will target a rate of at least 30% of all human resources within the Group playing leading roles in DX, while ensuring all Group employees have basic digital skills. We will maintain efforts to achieve Groupwide business growth and reforms in response to changing business conditions.

DX-leading human resources	Roles in demand	Targets through FY2025	FY2030 target
Groupwide DX promotion personnel	Driving Groupwide DX embodying corporate reforms	20	At least 30% Groupwide
Advanced data analysts	Driving DX using advanced knowledge of data analysis	50	
Section DX promotion personnel	Driving DX in individual sections based on section DX strategies	350	
DX-literate personnel	Working in DX based on basic understanding of digital technologies and data	2,000	

See > Sustainability Data Book > Human Resource Management Cycle > Training digital transformation (DX) human resources > p. 54

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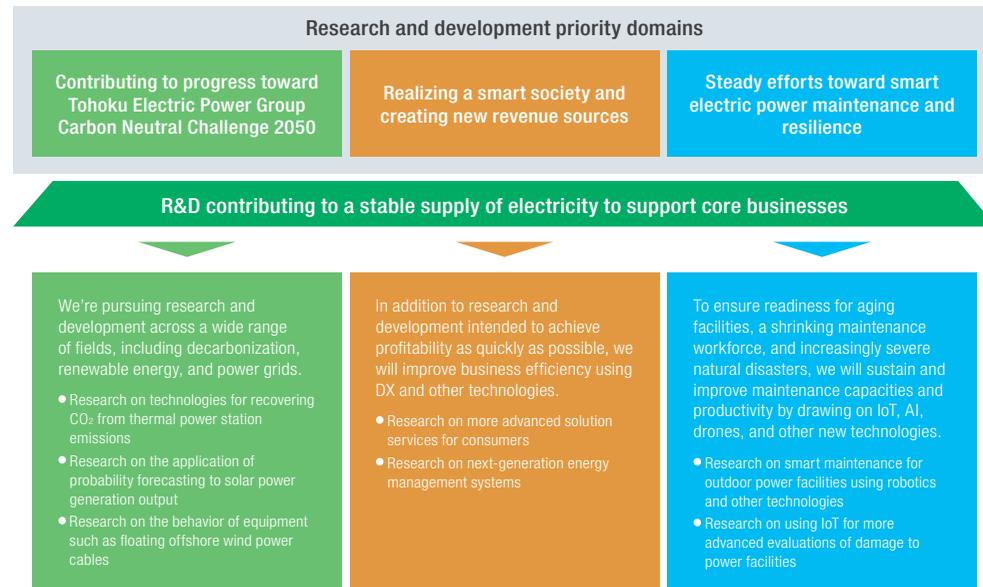
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R&D

Vision and R&D initiatives

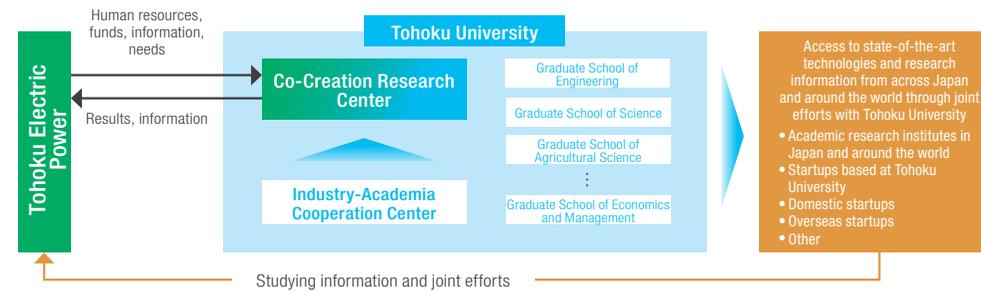
The Tohoku Electric Power Group is working toward Group growth by promoting research and development to contribute to innovations in society and thorough enhancement of our competitive strengths.

Under these initiatives, together with careful selection of the details of research and development projects based on profitability and future potential we have identified the three priority domains in which we will focus in particular: research and development to contribute to promoting the Tohoku Electric Power Group's Carbon Neutral Challenge 2050, realizing a smart society and creating new revenue sources, and steady efforts toward smart electric power maintenance and resilience.



Promoting R&D together with Tohoku University (see upper right)

In 2021, we opened the Co-Creation Research Center with Tohoku University to serve as a base for joint R&D efforts. Since then, joint research on fields such as materials engineering has generated results. To achieve further growth and enhance competitive strengths, in the second phase of the project (2025–2028), we plan to make the most of research results and human resources in cooperative efforts on topics such as carbon neutrality and digital transformation (DX).



Intellectual property

Policy, KPIs, and goals

The Tohoku Electric Power Group Code of Conduct calls for treating intellectual property rights belonging to others with all due respect and for protecting and utilizing the Group's own intellectual property rights.

Target	Metric
Promoting strategic IP activities	Number of cases of utilizing the IP landscape
Protecting intellectual property rights	Number of patents held Number of utility models, designs, and trademarks registered
Zero infringements on others' rights in our industrial property rights	Number of infringements on others' rights

Initiatives and results

- ▶ We have set up a hotline for issues related to the handling of industrial property (IP) rights staffed by a dedicated group in the Research and Development Center to oversee activities involving patent applications and maintaining and managing IP rights.
- ▶ To make use of IP based on business strategies, we will provide consultations related to invention and undertake reviews to identify potential infringements at the initial stages of projects and commercialization and to analyze, through IP landscape reviews, trends affecting IP and technologies. This will provide support for and strengthen awareness regarding competitiveness and risk avoidance.
- ▶ We will implement training and education on topics like introductions to and seminars on IP-related operations and practice to promote efficient research and development efforts and to secure and make effective use of IP.

See > Materiality metrics and targets > p. 23

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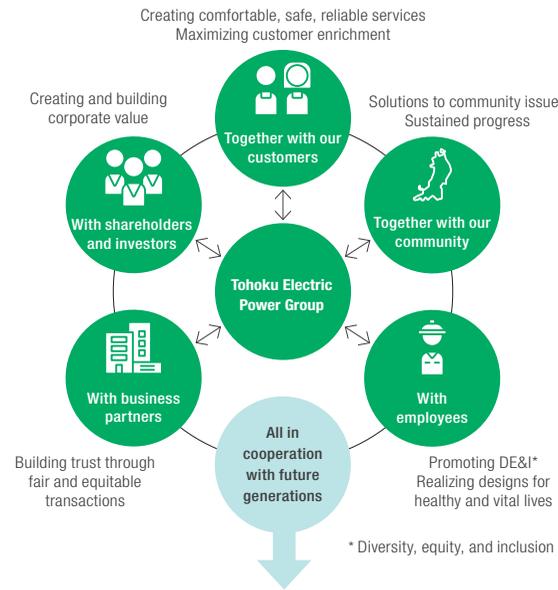
The Tohoku Electric Power Group recognizes our customers, communities, shareholders and investors, business partners, and employees as important stakeholders. In addition to enhancing relations of trust through mutual communication, we reflect stakeholders' viewpoints and requests in our business activities. We will also support society through business activities centered on electric

power and energy, co-create social value and corporate value with stakeholders, including future generations, and contribute to medium- to long-term gains in corporate value and the continual progress of society as a whole.

Communication with stakeholders

Major communication opportunities	Related pages, etc.
Customers <ul style="list-style-type: none"> Receiving various applications, viewpoints, and inquiries at customer centers Everyday sales activities such as proposing energy solution services Communicating useful information for saving energy on the website Timely communication of information on power failures, etc. 	Sustainability Data Book > Communicating with Customers and Communities > p. 48
Community <ul style="list-style-type: none"> Community activities in the vicinity of business sites Social contribution activities Support for increasing community vitality Promoting international cooperation and exchange activities Communication with residents in the vicinities of power stations (visits to all households) Tours of power stations and other sites, and visiting classes Opinion surveys, etc. 	Nuclear power stations > p. 35 Co-creating value with the community > p. 68 Sustainability Data Book > Communicating with Customers and Communities > p. 48
Shareholders and investors <ul style="list-style-type: none"> General meetings of shareholders Briefings for investors Visits with institutional investors Facility tours Business reports Website for shareholders and investors, etc. 	Engagement with Shareholders and Investors > p. 69 Sustainability Meeting Between Directors and Investors > p. 80
Business partners <ul style="list-style-type: none"> Providing fair and open transaction opportunities in various ways, including the disclosure of basic procurement policies Everyday procurement activities Presenting letters of thanks for outstanding examples Business partner surveys Dialogue with business partners, etc. Training sessions and safety patrols Sustainability surveys, etc. 	Sustainability Data Book > Supply Chain Management > p. 31 Sustainability Data Book > Safety p. 35
Employees <ul style="list-style-type: none"> Site visits by management Regular dialogue with superiors Intranet, in-house bulletins Discussions with labor unions Consultation hotlines, various employee surveys, etc. 	Human Resources Strategy > p. 61 Sustainability Data Book > Human Resource Management Cycle, Employee Engagement, Sound Labor-Management Relationship > p. 52

Value co-created with stakeholders



Contributing to the ongoing accumulation of and continual growth in social and relationship capital, the source of value creation, by building positive relationships and co-creating value with stakeholders

Building social and relationship capital

Relationships of trust between the Group and stakeholders; networks; brands; etc.

- Number of contracts **6.85 million**
- Trust in the Group* **70.1%**
- Cumulative number of groups to date supported and assisted through efforts to support and strengthen community vitality **94**
- Number of disaster cooperation agreements concluded with local governments (concluded with all local governments in the Tohoku and Niigata region) **264**
- Number of registered business partners **1,356**

* From results of Stakeholder Survey on Corporate Activities of the Tohoku Electric Power Group (June–July 2025)

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Co-creating value with the community

Message from the director in charge



We will build a future for the Tohoku and Niigata region through initiatives to co-create value with the community.

Director & Managing Executive Officer
In Charge of Regional Issues
Tohoku Electric Power Co., Inc.
Yuji Sasaki

A wide range of issues and their effects are emerging in the Tohoku and Niigata region, where the Group's businesses are centered. These issues include shrinking populations, low birth rates, an aging society, deindustrialization, and increasingly severe natural disasters. These issues directly pertain to the sustainability of the local community.

Taking on these community issues lies at the essence of the Group's slogan, Yori, Sou, Chikara ("The Strength to Work Alongside"). As a Group that, by operating a wide range of facilities, has established relationships with numerous customers and business partners, including members of our community, we must regard changes in that community as important themes.

For the future of the region and the Group, we must continue to consider what we should and can do to make progress alongside the region and to take on the challenges of new possibilities.

The Group is focusing on the three areas of carbon neutrality, digital transformation (DX), and human resources. These are also the pillars identified for strengthening its management base. Ambitious human resources with high aspirations and capable of tackling the challenges posed by reform will be essential to continuing to enrich the region through solutions based on digital technologies and carbon neutrality initiatives. Based on this idea, the Group has launched a program to co-create value with social entrepreneurs and other partners to help establish the foundations for attracting and developing the next generation of growth-oriented leaders, both internally and from outside the Group. We will address each regional issue by integrating insights from outside experts with the Group's knowledge and expertise and the region's resources and potential.

The Group has supported the region through community activities, support for childrearing, and other

initiatives for many years. Our participation in these activities deepens connections to the community, builds visible ties, and provides a true sense for what it means to be a member of the community. The resulting motivation to contribute to the Tohoku and Niigata region is a cornerstone of our business activities as a Group that moves forward in step with the community.

Each of these initiatives involves enriching the region and contributing to its continued growth. As the director in charge of regional issues, I will further accelerate initiatives to move closer to the co-creation of value with the community by drawing on networks established with regional community. The goal is to strengthen the Group's corporate value by building a sustainable future for the Tohoku and Niigata region while passing on our history and linking it to new progress.



Working with diverse stakeholders from industry, academy, government, and finance to support people to find solutions to community issues and to create social value



Participating as a member of the community in planting and harvesting rice fields as part of rice field art activities together with local businesses and residents

Our resolve as a member of the Chiiki Omoibito program to build the Tohoku and Niigata region's future

Countless Tohoku Electric Power Group employees fulfill their daily duties while keeping in mind the desire to work on behalf of the community. This generates a strong commitment to join with the community in taking on its challenges, both in thoughts and action. Based on this concept, this program to think alongside the community was established in June 2025. The Chiiki Omoibito ("people who care about the community") program encourages thinking and acting together on behalf of the community's future. We believe what the community needs now is a platform for people both inside and outside the Group who care about the community, a platform for connecting to and supporting one another. In partnership with social entrepreneurs, we will take on the challenge of building a community that attracts and nurtures people.



Members of the Tohoku Electric Power General Affairs and Community Co-Creations Division Team

See > Sustainability Data Book > Communicating with Customers and Communities > p. 48

Community Co-Creation Program
<https://chiikikyoso.tohoku-epco.co.jp/>

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Engagement with Shareholders and Investors

To promote constructive dialogue with shareholders and investors, we provide opportunities to enhance dialogue beyond the general meeting of shareholders through organic joint efforts with various sections, centered on the Chief Finance Officer (CFO) and the director in charge of IR, in addition to the President. These measures are intended to provide a better understanding of our initiatives and to enhance management.

Dialogue with shareholders and investors creates valuable opportunities for the Company to gain insights. In addition to the timely reporting and sharing of such insights with Company Directors and management, we draw on what we learn to consider various improvements and reflect them in various measures. In this way, we implement, improve, and strengthen various initiatives while striving to establish a virtuous cycle of dialogue and feedback.



FY2024 briefing on financial results

Major IR activities

2024 activities

Activity	Main participants	Times
Briefings on financial results/Small meetings		5
Meetings with overseas institutional investors	Representative Director & President	51
Meetings with domestic institutional investors	Representative Director & Executive Vice President	11
Sustainability meetings	Chief Finance Officer (CFO)	1
Other	Managing Executive Officer in charge of IR	1
Company briefings for individual investors	Outside Directors	3
Facility tours		5
ESG dialogue, etc.	Secretariat	30
Individual IR meetings (concerning financial results and medium-term plans)	(Corporate Strategy Division, etc.)	126
Total		233

Main themes and content of dialogue (FY2024)

Subject	Main themes and content
Management, financial strategies	<ul style="list-style-type: none"> Medium- to Long-Term Vision, future management directions Progress on financial targets, future financial strategies, fundraising concepts Policies on shareholder returns (reasons for targeting DOE of 2%) Efforts to realize an approach to management keenly aware of capital costs and share price
Sales, demand	<ul style="list-style-type: none"> Future regional demand and electric power sales outlook Understanding of rate and sales strategies and the current competitive environment
Nuclear power	<ul style="list-style-type: none"> Progress on resuming operations at Unit No. 2 at the Onagawa Nuclear Power Station Benefits of resuming operations at Unit No. 2 at the Onagawa Nuclear Power Station (improved earnings) Future outlook and timetable for resumption of nuclear power operations
Other	<ul style="list-style-type: none"> Profitability of power transmission and distribution business, scale of future capital investments Carbon neutrality strategy (progress, future outlook) Matters concerning energy policies and electricity business system

Forming a virtuous cycle of dialogue and feedback



Enhancing dialogue with capital markets through IR activities

In FY2025, we will continue to promote enhanced dialogue with capital markets through IR activities, thereby meeting the expectations of shareholders and investors while pursuing profits and growth within each business and striving to achieve new financial targets.

See > Message from the CFO/Financial Strategies > p. 27

Toward management keenly aware of capital costs and share prices

Ideal	Courses of action	Targets, KPIs, etc.
Continual growth and medium- to long-term gains in corporate value	Increasing ROE ROIC <ul style="list-style-type: none"> Building on and increasing profits Improving return on capital (to a level in excess of capital costs) 	FY2026 <ul style="list-style-type: none"> Consolidated ordinary income: 190 billion yen Consolidated ROIC: approx. 3.5% FY2030 <ul style="list-style-type: none"> Consolidated ordinary income: 200 billion yen or more Consolidated ROIC: 3.5% or higher
	Financial constitution <ul style="list-style-type: none"> Swiftly improving the financial constitution Securing financial soundness Realizing an optimal capital structure 	FY2026 <ul style="list-style-type: none"> Consolidated equity capital ratio: approx. 20% FY2030 <ul style="list-style-type: none"> Consolidated equity capital ratio: 25% or higher
PBR of more than 1	Expectations of capital markets <ul style="list-style-type: none"> Maintaining stable dividends Enhancing explanation and communication to capital markets concerning dividend policies 	<ul style="list-style-type: none"> Stable dividends targeting DOE of 2% (For the time being, we will target dividends on equity [DOE] of 2% while judging the overall situation, with consideration for the balance with recovering the financial foundations)
	Increasing PER <ul style="list-style-type: none"> Building and strengthening trust regarding medium- to long-term growth potential and profitability Enhancing dialogue with the capital markets through IR activities 	<ul style="list-style-type: none"> Dialogue between Company directors and capital market participants Dialogue and visits with domestic and overseas institutional investors Dialogue with overseas institutional investors (in person, remote) Dialogue and information-sharing with individual investors Various external evaluations, scores, and survey results

FY2024 financial briefing materials
https://www.tohoku-epco.co.jp/ir_n/report/co_explanation/pdf/2024_kessan.pdf#page=36

Examples of measures in FY2024 based on opinions and requests for IR activities

1. Growing number of opportunities for dialogue with management

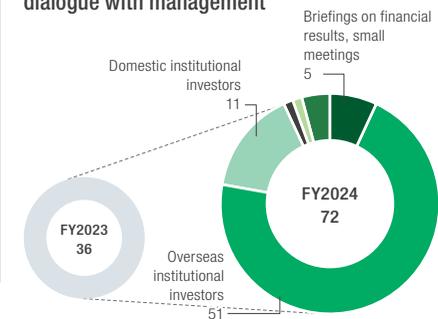
In response to urgent requests for face-to-face IR activities with management, the number of dialogue sessions by the President and other members of the management team in FY2023 increased sharply from 36 to 72.

2. Dialogue with Outside Directors

Many participants requested opportunities to engage in dialogue with Outside Directors. In response, in December 2024, we held the first Tohoku Electric Power Group Sustainability Meeting. Outside Director Uehara and then-Vice-President Ishiyama engaged in dialogue with 27 participants in person and online.

See > Sustainability Meeting Between Directors and Investors > p. 80

Trends in number of opportunities for dialogue with management



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Message from the Chairman of the Board

On my appointment as Chairperson

I was appointed Chairperson in April 2025. In FY2024, we made steady progress on efforts to achieve the goals of Working Alongside Next⁺PLUS under the Medium- to Long-Term Vision. Examples include the resumption of commercial operations at Unit No. 2 at the Onagawa Nuclear Power Station and efforts to achieve recover from the damage to our financial base.

At the same time, various factors resulted in dramatic change and growing uncertainty in the business environment, including rising geopolitical risks in the Middle East, Ukraine, and elsewhere, US President Trump's tariff policy and enhanced environmental regulations targeting carbon neutrality, a shortage of labor spurred by shrinking populations, low birth rates, and aging, and progress with AI and other digital technologies.

To realize medium- to long-term growth, it is becoming increasingly important to engage in multifaceted discussions that reflect diverse perspectives and to take appropriate risks based on the resulting understanding. As Chairperson, I will manage the Board of Directors to strengthen the dynamism, soundness, and transparency of Group management.

Enhancing the governance structure and pursuing efficacy

Last year, the Board devoted considerable time to the deployment of measures designed to achieve the goals of the Medium- to Long-Term Vision, reviews of the management planning system and Group management, sustainability initiatives, and related topics.

We also pursued efforts to enhance Board discussions by establishing opportunities to deepen the understanding of our businesses by Outside Directors, including adequate prior briefings and the exchange of information, colloquia and study sessions, and tours of frontline business sites and dialogue with employees.

We engage in business across a broad range of fields. This means we must address diverse topics, including the competition generated by the liberalization of the power business; achieving a portfolio of power sources that balances high economic performance with low environmental impact; the resumption of operations at nuclear power stations; and efforts to strengthen corporate value over the medium to long term.

Last April, we adopted a Board structure consisting of seven internal Directors who are highly knowledgeable of the power business and seven Outside Directors who offer keen insights and extensive experience. We will continue to target appropriate decision-making and management oversight based on free and constructive debate among internal and outside Directors. Likewise, we will enhance our monitoring of progress toward goals, the risks facing each business, and other such issues. We will discuss management directions, thereby adapting in a timely manner to the changing business environment.

To make the Board even more effective, we will share important topics and clarify response policies through annual surveys and the exchanges of opinion with Outside Directors. This year, in response to the results of evaluations of the Board's efficacy, we will enhance discussions of medium- to long-term themes and of the policies for responding to risks that pose significant potential to



Representative Director & Chairman of the Board

Kojiro Higuchi

generate disruptions and involve multiple sections.

Message for stakeholders as we pursue sustainable growth

Since its founding, the Tohoku Electric Power Group has worked to achieve progress together with the Tohoku and Niigata region in line with the Management Philosophy, Prosper with Local Communities, based on a fundamental belief: The prosperity of the Tohoku region is essential to our own growth. These values remain unchanged going forward as we seek to become a group that grows in line with sustainable social progress by realizing the ideal vision for the future called for in the Medium- to Long-Term Vision while directly confronting the region's challenges.

We will meet stakeholder expectations by giving due consideration to stakeholder communications and reflecting their voices in management. We ask for your continuing support and guidance for the Group.

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Corporate Governance Structure

Basic concepts of corporate governance

The Tohoku Electric Power Board of Directors establishes basic corporate governance policies to clarify our basic corporate governance concepts and related practical initiatives.

Under our management philosophy of Prosper with Local Community and the Tohoku Electric Power Group's Medium- to Long-Term Vision, we seek to grow in step with sustained progress within society by helping to establish a smart society in various ways: providing services centered on power and energy, working alongside customers and communities, and engaging in sustained dialogue with stakeholders.

To ensure appropriate management consistent with this course, the Company continues to strengthen corporate governance by ensuring compliance, promoting fair, honest, and transparent business administration, and enhancing internal controls and risk management.

The Company sees strengthening and improving corporate governance as one of its priority management issues. Based on this perspective, the Company will advance initiatives to ensure sustained growth and enhanced corporate value on a medium- and long-term basis to meet the expectations of its stakeholders. Company initiatives will include activities that make management more flexible, sound, and transparent.

1 Guarantee of shareholder rights and equitable standing

The Company handles all matters based on laws and regulations, thereby guaranteeing shareholder rights and equality in real terms. At the same time, the Company advances efforts to prepare conditions that permit shareholders to exercise their rights, with due regard for minority and foreign shareholders.

2 Appropriate joint efforts with stakeholders beyond shareholders

Based on safety, consideration for the environment, and compliance, we emphasize activities based on two-way communication with a diverse array of stakeholders. The Company targets sustained growth and medium- to long-term growth in corporate value.

3 Appropriate information disclosure and transparency

(1) In addition to the appropriate disclosure of information pursuant to laws and regulations, we engage in the timely disclosure of accurate and highly useful information through our website and various other media, in addition to press conferences and, as necessary, briefings, held by the representative director.

- (2) We disclose financial, non-financial, and other information through fair, detailed, and simple methods, in accordance with the Companies Act, the Financial Instruments and Exchange Act, and other laws and regulations, as well as our own Disclosure Policy and other policies.
- (3) To the extent feasible, we also strive to disclose this information in English.

 Corporate Governance
<https://www.tohoku-epco.co.jp/ir/policy/governance/index.html>

4 Responsibilities of the Board of Directors

- (1) The roles and responsibilities of the Board of Directors include measures to achieve the sustained growth of the Company and increasing corporate value over the medium to long term while soliciting diverse neutral and objective opinions from independent outside Directors, in light of the duties entrusted to them by shareholders and associated accountability and responsibilities. The Board of Directors also strives to foster a culture that encourages free and constructive debate and exchange of opinions and welcomes issues raised by outside Directors.
- (2) In addition to its important role as a Company supervisory body, the Audit and Supervisory Committee serves as a statutory independent body charged with auditing the discharge of management responsibilities on behalf of shareholders by the Representative Director and other Executive Directors. By fulfilling these responsibilities, it contributes to a sound corporate governance structure commensurate with society's trust in the Company and promotes sound, sustained growth and medium- to long-term value creation.

 See > Internal Control and Corporate Governance Diagram >
p. 74

5 Shareholder dialogue

To further sustained growth and medium- to long-term growth in corporate value, the Company establishes opportunities for dialogue with shareholders beyond the General Meetings of Shareholders, while Directors and other members of top management strive to explain clearly in management policies and elsewhere matters such as the Company business environment and initiatives. The ultimate goal is to ensure understanding, and to promote constructive dialogue with shareholders.

 See > Engagement with Shareholders and Investors
> p. 69

 See > Sustainability Meeting Between Directors
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Changes in corporate governance systems



	April 2005 to March 2018	April 2018 to the present
Governance system	<ul style="list-style-type: none"> Company with an audit and supervisory board 	<ul style="list-style-type: none"> June 2018 <ul style="list-style-type: none"> Changes in status to company with an audit and supervisory committee
Committee	<ul style="list-style-type: none"> January 2017 <ul style="list-style-type: none"> Establishing the voluntary Nomination and Compensation Advisory Committee (consisting of two members from the Company and two additional members from outside the Company) 	<ul style="list-style-type: none"> June 2018 <ul style="list-style-type: none"> Increase in the number of Nomination and Compensation Advisory Committee members from outside the Company (to change the numbers of members from the Company and those from outside the Company to two and four, respectively) January 2020 <ul style="list-style-type: none"> Outside Director chosen as Chair of the Nomination and Compensation Advisory Committee June 2024 <ul style="list-style-type: none"> Increase in the number of Nomination and Compensation Advisory Committee members from outside the Company (to change the numbers of members from the Company and those from outside the Company to two and five, respectively) June 2025 <ul style="list-style-type: none"> Change in the number of Nomination and Compensation Advisory Committee members (changing the numbers of members from the Company and those from outside the Company to two and four, respectively)
Chairman of the Board of Directors	<ul style="list-style-type: none"> Representative Director & Chairman of the Board 	<ul style="list-style-type: none"> Representative Director & Chairman of the Board
Separation of supervision and execution	<ul style="list-style-type: none"> June 2005 <ul style="list-style-type: none"> Introducing the Executive Officer system Decrease in the number of Directors specified in the Articles of Incorporation from 25 or fewer to 18 or fewer 	<ul style="list-style-type: none"> April 2018 <ul style="list-style-type: none"> Establishing Executive Officers with titles June 2018 <ul style="list-style-type: none"> Delegation of a portion of the Board of Directors' authorities to Directors April 2020 <ul style="list-style-type: none"> Expanding the authority delegated by the Board of Directors to Directors
Nomination of Directors	<ul style="list-style-type: none"> June 2007 <ul style="list-style-type: none"> Reducing the term of office for Directors from two years to one year November 2015 <ul style="list-style-type: none"> Establishing criteria for judging the independence of outside Directors Establishing policies for nominating Directors 	<ul style="list-style-type: none"> November 2020 <ul style="list-style-type: none"> Clearly defining the abilities and qualities demanded of Directors September 2021 <ul style="list-style-type: none"> Formulation of skills matrix
Compensation for Directors	<ul style="list-style-type: none"> June 2007 <ul style="list-style-type: none"> Abolishing Retirement Benefits for Directors June 2010 <ul style="list-style-type: none"> Introducing the system of stock options for stock-based compensation November 2015 <ul style="list-style-type: none"> Establishing policies for determining compensation for Directors 	<ul style="list-style-type: none"> June 2020 <ul style="list-style-type: none"> Adopting stock-based compensation program linked to business performance Stock option compensation program abolished June 2024 <ul style="list-style-type: none"> Reflecting ESG factors in compensation linked to short-term business performance
Assessment of the Board of Directors' effectiveness	<ul style="list-style-type: none"> February 2016 <ul style="list-style-type: none"> Start of the assessment of the Board of Directors' effectiveness (using a questionnaire survey) 	
Basic policies regarding corporate governance	<ul style="list-style-type: none"> November 2015 <ul style="list-style-type: none"> Establishment 	<ul style="list-style-type: none"> March 2020 <ul style="list-style-type: none"> Basic Policy on Corporate Governance established
Outside Directors (Figures in [] are the ratios of outside Directors to total number of Directors.)	<ul style="list-style-type: none"> From June 2013: 1 outside Director [6%] From June 2016: 2 outside Directors [13%] 	<ul style="list-style-type: none"> From June 2018: 6 outside Directors [35%] From June 2019: 6 outside Directors [35%] Since June 2020: 6 outside Directors [40%] Since June 2021: 7 outside Directors [44%] Since June 2022: 7 outside Directors [44%] Since April 2023: 7 outside Directors [47%] Since April 2025: 7 outside Directors [50%]
Outside Statutory Auditors Audit and Supervisory Committee members	<ul style="list-style-type: none"> 3 (outside Statutory Auditors) 	<ul style="list-style-type: none"> 3 (outside Audit and Supervisory Committee members)

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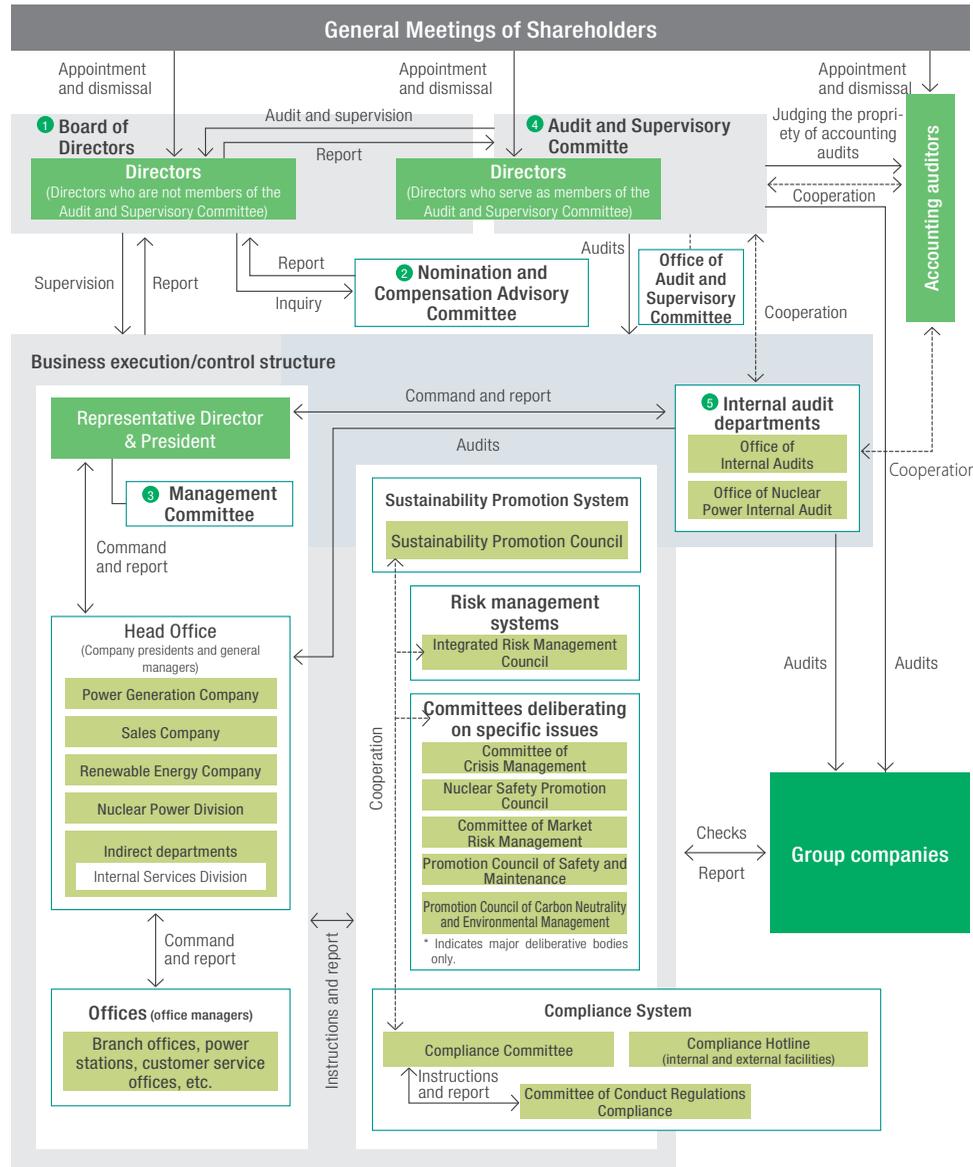
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Internal Control and Corporate Governance Diagram (Tohoku Electric Power)



1 Board of Directors

The Board of Directors consists of 14 Directors, including seven independent outside Directors unimpeded by potential conflicts of interest that may arise with general shareholders.

In principle, the Board meets once a month to decide on important matters related to management and matters essential for Company operations. The Directors also report on the status of business execution to the meetings of the Board of Directors and monitor these reports and business implementation carried out by other Directors. The Board of Directors delegates certain important decisions on business execution to the Directors through a system whereby the Representative Director & President, Representative Directors & Executive Vice Presidents, and Managing Executive Officers (collectively referred to as “Executive Officers with titles”) take charge of business execution.

The Board strives to ensure efficient business execution and appropriate business administration while maintaining a balance of knowledge, experience, and abilities across the Board, with consideration for diversity, including gender and international background, within its membership.

2 Nomination and Compensation Advisory Committee

The Company has established a Nomination and Compensation Advisory Committee, which fulfills the functions of both a voluntary committee equivalent in function to a nomination committee and a voluntary committee equivalent in function to a compensation committee. To ensure the objectivity, timeliness, and transparency of nomination and compensation, the organization of this body is based on a majority of its membership consisting of independent outside Directors and an independent outside Director serving as its chairperson. It deliberates and advises on consultation received from the Board of Directors regarding nomination and compensation of Directors and other executives.

The Committee's current membership consists of two inside directors (Representative Director & Chairman of the Board Kojiro Higuchi and Representative Director & President Kazuhiro Ishiyama) and five independent outside Directors (Directors Mikito Nagai, Keiko Uehara, Shuji Ito, and Michikazu Mukoyama who do not sit on the Audit and Supervisory Committee).

3 Management Committee

Consisting of Executive Officers with titles, the Management Committee meets weekly to discuss overall business administration policies and plans and the execution of important business based on basic management policies set by the Board of Directors.

The Management Committee also promotes the development of effective, efficient business processes through an in-house company system, in which the Power Generation Company, Sales Company, Renewable Energy Company, and the Nuclear Power Division independently explore autonomous business expansion.

4 Audit and Supervisory Committee

To ensure objectivity and neutrality in management supervision functions, three of the four members of the Audit and Supervisory Committee are outside members. One full-time member of the Committee is appointed to carry out, on a daily basis, activities such as attending important meetings of the Executive Committee and other bodies, inquiring with business execution sections concerning the state of business execution, inspecting sites, and joint efforts with internal audit sections, thereby

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making auditing and supervisory functions more effective. In addition to meeting monthly, the Audit and Supervisory Committee meets at other times when necessary to deliberate and report on matters relevant to its functions as an auditing and supervisory body.

In addition to attending meetings of the Board of Directors, the Executive Committee, and other important meetings, the full-time member also inquires with business execution sections concerning the state of business execution, reviews important documents, inspects the state of business and finances at business sites, and otherwise strives to ensure that auditing of matters such as the performance of Directors' duties and the maintenance and operation of internal control systems is fully addressed. He or she also strives to improve audit results by attending discussions with the Representative Director and engaging in the periodic exchange of viewpoints with the internal audit sections and the accounting auditors, as well as enhancing cooperation with the statutory auditors of affiliate companies. In particular, in the area of enhancing cooperation with internal audit sections and accounting auditors, tripartite auditing meetings are held among the full-time member, the Director with responsibility for internal auditing, and the accounting auditors. By providing information obtained through auditing activities and other activities, the full-time member helps ensure full and effective cooperation with outside members.

The outside members of the Audit and Supervisory Committee attend discussions of the Board of Directors and Representative Directors, asking questions and presenting views based on a wide range of perspectives and drawing on their wealth of personal experience, as well as touring facilities to inspect the state of operations.

In addition to the assignment of specially appointed auditing officers responsible for assisting in the duties of the Audit and Supervisory Committee, the Audit and Supervisory Committee Office functions as an organization charged with supporting the Committee in its duties.

5 Internal audit departments

At the Company, the Office of Internal Audits conducts internal audits on businesses from various perspectives, including the effectiveness and appropriateness of organizations and management systems, the economy and efficiency of business administration, and the effectiveness and efficiency of facility preservation activities. The Office of Nuclear Power Internal Audit performs internal audits associated with safety guarantees and reliability enhancements for nuclear power generation within the Company. These internal audit departments perform internal audits through interviews with the individuals concerned at the Company, its subsidiaries, and principal affiliates, documentary research, and on-site confirmation. The internal audit departments report their internal audit findings to the Representative Director & President, the Management Committee, the Board of Directors, and the Audit and Supervisory Committee. In addition, the departments urge the divisions concerned to resolve problems and issues that require improvement or correction. The departments also seek to raise the effectiveness of internal audits in cooperation with the Audit and Supervisory Committee and accounting auditors, through means such as semiannual joint audit meetings among the three parties of the Director in charge of internal auditing, full-time Audit and Supervisory Committee members, and accounting auditors, in addition to quarterly reporting to the Audit and Supervisory Committee on the results of internal auditing. The internal audit departments are independent from the respective

executive bodies. The Office of Internal Audits and the Office of Nuclear Power Internal Audit fall under the direct control of the Representative Director & President.

Activities of the Board of Directors and other bodies

The Board engaged in various deliberations in FY2024, centered on revisions of the Tohoku Electric Power Group medium-term planning structure and of Group management based on Working Alongside Next^{PLUS}.

Activities of the Board of Directors and other bodies in FY2024

System	Membership (as of the end of June 2025)	Meetings held in FY2024	Attendance rate of all directors
Board of Directors	14 (including seven outside directors)	11	99.4%
Nomination and Compensation Advisory Committee	6 (including four outside directors and one outside Audit and Supervisory Committee member)	7	100%
Audit and Supervisory Committee	4 (including three outside Audit and Supervisory Committee members)	13	100%

Main subjects of deliberations by the Board in FY2024

- Revision of the Tohoku Electric Power Group medium-term planning structure
- Revision of Group management based on Working Alongside Next^{PLUS}
- FY2025 Tohoku Electric Power Group Medium-Term Plan
- Courses of action for future sustainability initiatives
- Results of activities to establish internal controls systems
- Matters delegated by the Board to individual directors

Support systems for outside directors

Efforts to enhance the oversight function of outside directors in FY2024 included the following initiatives.

- 1 Holding Board roundtable discussions in which inside and outside directors could exchange viewpoints freely at the stage of formulating policies, etc. on important management topics (five held in total)
- 2 Holding joint study meetings for outside directors regarding basic knowledge, backgrounds, and other information essential to deliberations on management topics, etc. (seven held in total)
- 3 Holding site tours and employee dialogue events to deepen understanding of business activities and details (nine held in total)
- 4 Holding prior lectures on individual board agenda items to encourage understanding of the agenda and Company businesses
- 5 Providing the details of key viewpoints and questions in the Management Committee concerning Board agenda items
- 6 Sharing with all internal and outside officers the views of outside directors expressed in prior lectures on individual board agenda items
- 7 Timely weekly provision of information on the industry and from within the Group by email (approx. 370 times/year)



A tour of the Noshiro Thermal Power Station by outside directors

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Efficacy assessment

The Company undertakes a questionnaire survey of Directors to assess the Board of Directors' effectiveness and reports the findings of the survey to the Board of Directors annually. Based on the survey findings, the Board of Directors shares its understanding of the existing conditions and opinions for bettering the conditions and the like, assesses the effectiveness of the Board of Directors as a whole, and confirms initiatives for improving the Board's effectiveness, among other things.

■ Survey topics

The survey questions are grouped into the following main categories. Directors are asked to choose one of five answers for each question. A space is provided in each category for freeform comments.

- | | |
|--|--|
| I. Number of members and composition of the Board of Directors | V. Status of roundtable discussions, joint colloquia, etc. and support structures for Directors and members of the Audit and Supervisory Committee |
| II. Scope of matters submitted to the Board of Directors | VI. Operation of the Nomination and Compensation Advisory Committee |
| III. Decision-making and oversight at the Board of Directors | VII. Priority initiatives for FY2024 |
| IV. Operation of the Board of Directors, etc. | VIII. Other |

■ FY2024 initiatives

In FY2024, we sought to increase the efficacy of the Board of Directors via the following initiatives:

- 1 Discussions in the Board on future Group management based on the business development policies of Working Alongside Next^{PLUS} (reorganization to a business operation structure integrated with affiliate companies), following exchange of opinions in colloquia with directors, to enhance deliberations on Groupwide internal controls
- 2 For more effective business risk management, enhancing risk-sharing and discussions reflecting the importance of management topics and other considerations, in addition to comprehensive risk management reports to the Board submitted twice annually

In addition to the above initiatives, efforts are underway to deepen the understanding of outside Directors of the Company's current conditions and related management topics. These efforts include the regular and routine provision of internal and industry-related information, as well as information on how customers, shareholders, investors, and our communities evaluate us, in addition to facility tours and study meetings to present and discuss management topics and related matters.

■ Overview of results of evaluation

The results of the survey carried out in February 2025 showed improvements from the two previous surveys in terms of overall average scores, as well as strong results in all evaluation categories.

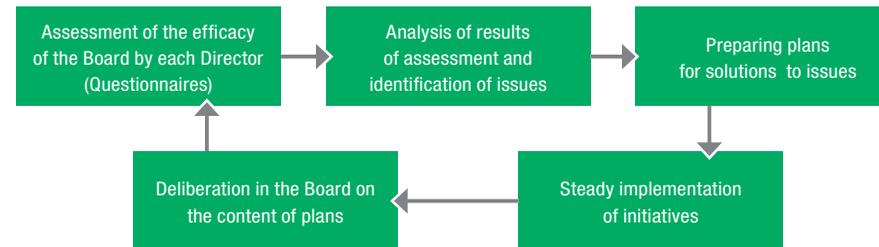
Referring to the results of exchange of opinions among all outside Directors in March 2025, after totaling the results of this survey, deliberations in a May 2025 Board of Directors meeting confirmed that the Board had demonstrated satisfactory efficacy in FY2024.

At the same time, to increase efficacy even more they recognized the need for initiatives on the following matters:

- 1 For more effective business risk management, in FY2025, establishing opportunities for discussions with the executive side to explore policies in response to labor shortages, a prominent risk with significant operational repercussions and impacting multiple sections
- 2 Against a backdrop of changing management environments, in FY2025, establishing opportunities for effective discussion (director colloquia and study sessions) of priority themes, including sales, digital transformation (DX), and human resources

The Company Board of Directors will continue to strive to maintain and improve the efficacy of the Board of Directors on these and other points, thereby ensuring appropriate management oversight by the Board and to realize sustained growth in corporate value.

Process of assessing the efficacy of the Board



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Nomination and Compensation

Policies and procedures for appointing and dismissing executive team members and nominating candidates for Directors by the Board of Directors

The Company seeks to administer businesses to reshape their value alongside local communities by adapting to anticipated changes in the management environment and engaging in sustained dialogue with stakeholders, thereby maintaining the role of Tohoku Electric Power Group a group of companies that grow alongside and provide essential functions within communities. The Company has adopted the following policies and procedures for nominating and dismissing Directors to administer its businesses appropriately.

Policies

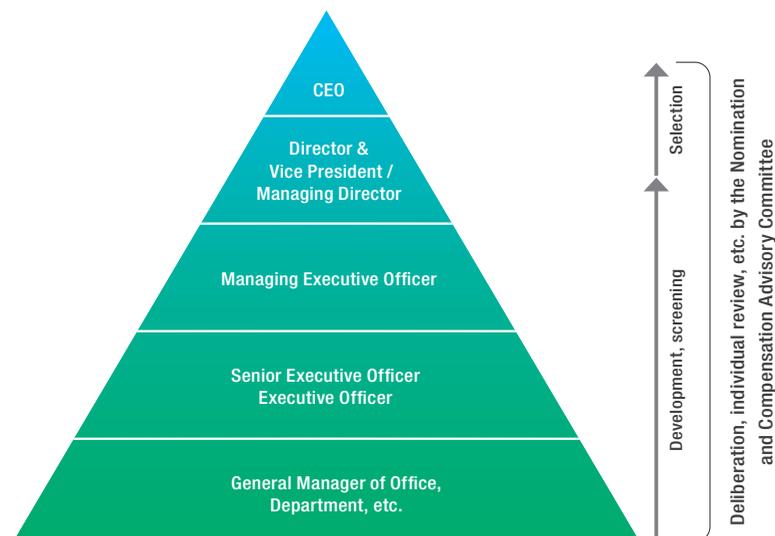
- The Board of Directors shall have members whose numbers are necessary and appropriate for building effective management systems in a company active in the electricity business and for monitoring substantive discussions and business execution. The Board of Directors shall consist of an appropriate number of members, totaling 18 or fewer, as specified in the Articles of Incorporation.
- In selecting and dismissing Directors, the Nomination and Compensation Advisory Committee, whose membership has a majority of independent outside Directors including its chairperson, shall convene discussions to secure the objectivity, timeliness, and transparency of their selection and dismissal.
- Candidates for internal Directors (excluding candidates for Directors serving as members of the Audit and Supervisory Committee) are chosen from individuals with a wealth of experience in each field, based on a consideration of a sound balance of specialties, technical expertise and business experience in particular in the electric power industry, which involves high specialization and a broad range of business domains, knowledge concerning the electricity business in general, and new business fields, among others, thereby helping to achieve the Tohoku Electric Power Group's Medium- to Long-Term Vision. The desired traits are:
 - The imagination needed to envision a forward-looking vision and creative business models and to lead the organization
 - The decisiveness needed to take personal responsibility for decision-making based on knowledge, experience, and principles
 - The tenacity needed to achieve goals without giving up, tackling challenges boldly, while bringing together wisdom and resources from inside and outside the organization
 - The sensitivity needed to identify business opportunities without overlooking signs indicating risk
 - The character needed to combine a strong sense of mission with lofty ethics as leaders of a business serving the public interest
- Candidates for outside Directors (excluding candidates serving as members of the Audit and Supervisory Committee) shall be selected by evaluating whether candidates can work to realize proper decisionmaking and management supervision by the Board of Directors, based on practical experience grounded in corporate management and other factors and insights into social, economic, and other trends.
- Candidates for Directors serving as members of the Audit and Supervisory Committee shall be selected by evaluating whether the candidates can apply their respective experience and insights to the proper execution of their duties as Audit and Supervisory Committee members and to the audit and supervision of job execution by Directors. Candidates for outside Directors serving as members of the Audit and Supervisory Committee shall be selected by evaluating whether the candidates can perform audits and supervision from an objective and neutral perspective.
- Whether candidates for outside Directors are independent or not shall be judged on the basis of the Independence Criteria for Outside Directors set by the Company

Procedures

- Based on the above policies, the Board of Directors formulates a proposal for the election of Directors. To enable more objective, timely, and transparent decision-making, the Nomination and Compensation Advisory Committee deliberates on the proposal. A decision is made by the Board of Directors. For candidates for Directors serving as members of the Audit and Supervisory Committee, the consent of that Committee is obtained before submission to the Board of Directors. The Audit and Supervisory Committee may also present opinions on candidate Directors (not including candidates for Directors serving as members of the Audit and Supervisory Committee) and submit them to the General Meeting of Shareholders.

CEO (President) succession plan

- 1 Recognizing the importance of a succession plan for the Chief Executive Officer (President) for reasons related to the Group's sustained growth and medium- to long-term growth in corporate value, the Board of Directors takes a systematic approach to developing and screening successors to the position with adequate investments of time and resources.
- 2 The Chief Executive Officer (President) is screened specifically for the capabilities and traits required for the post and selected through deliberations by the Nomination and Compensation Advisory Committee, whose members include a majority of independent outside Directors, including the chair.
- 3 To develop successors to the position of Chief Executive Officer (President), we select future management candidates at each job level and subject them to various training programs, including lectures by experienced outside managers and training to maintain and improve the awareness and knowledge needed by top management. Efforts to train human resources as potential future candidates for the position of Chief Executive Officer (President) are made at each job level. In addition to reviews by independent Outside Directors, we strive to ensure objective and transparent screening from a wide range of perspectives, including assessments by outside agencies.



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Policies and procedures for determining compensation for Directors

Policies and procedures for determining compensation for Directors (excluding Directors serving as members of the Audit and Supervisory Committee) are as follows:

Policies

To help achieve the Tohoku Electric Power Group's Medium- to Long-Term Vision "Working alongside next," decisions on the remuneration of Directors (not including Directors serving as members of the Audit and Supervisory Committee) are made in accordance with the following policy, intended to strengthen motivation among Directors to improve business performance and contribute to gains in corporate value over the medium to long term, by clarifying the relationship between remuneration and business performance and stock prices.

- The remuneration structure consists of fixed remuneration, remuneration linked to short-term performance, and remuneration linked to medium-/long-term performance. Remuneration amounts are determined for each position based on a consideration of Company business results, the business environment, and other factors, while also referring to remuneration at other publicly traded firms.
- To incentivize improved business results, the percentages of total compensation accounted for by fixed remuneration, remuneration linked to short-term performance, and remuneration linked to medium-/long-term performance are set to roughly 70%, 10%, and 20%, respectively, at the time the goals are achieved.
- Fixed remuneration is paid monthly as monetary remuneration in annual amounts determined so as not to exceed the total approved by the General Meeting of Shareholders.
- Remuneration linked to short-term performance is paid as annual remuneration that varies with the degree to which business performance objectives are achieved, so as not to exceed the total approved by the General Meeting of Shareholders.
- Remuneration linked to medium-/long-term performance is paid by awarding one share of Company common stock per point based on the total points earned annually during the time of service, at the time of retirement or resignation through an investment-trust-based remuneration system. This, too, is not to exceed the total approved by the General Meeting of Shareholders. Points are awarded as fixed points and variable performance-linked points awarded in accordance with the extent to which business performance objectives are achieved. If a recipient becomes ineligible to receive this remuneration, for example by having committed any of the acts prohibited under the Rules on Issue of Shares, and such fact has been discovered prior to the date of finalization of beneficiary rights, then the shares of common stock will not be issued. If the violation has been discovered after the date of finalization of beneficiary rights, then the Company may demand return of the amount corresponding to the remuneration paid.
- The indicator used in the portion corresponding to variable performance-linked points in remuneration linked to short-term and medium-/long-term performance is the financial target of consolidated ordinary income identified in Working Alongside Next^{PLUS}, under the Tohoku Electric Power Group's Medium- to Long-Term Vision, excluding time lag effects of the fuel-cost adjustment system, adjustments for actuarial differences on retirement benefits, and the impact of Tohoku Electric Power Network's tertiary reserve. Performance-linked remuneration linked to short-term performance also reflects the results of ESG initiatives. Amounts paid and other matters vary with progress toward the achievement of this target and other factors, within the range 0–125%. The target figure in the fiscal year under review was 190.0 billion yen in consolidated ordinary income; the actual figure in the year was 228.1 billion yen.
- Remuneration of outside Directors, whose perspectives are independent of business execution, consists of fixed remuneration only.
- Allotments for the respective Directors shall be decided in accordance with the sizes of the roles assigned to the respective title holders, the details of deskwork and duties assigned to the respective Directors and their respective scopes of responsibility.

Procedures

- Overseeing the business as a whole, the President makes decisions regarding the amounts paid to each individual and related matters based on a resolution of the Board of Directors delegating full authority to him or her. The scope of this authority involves decisions on matters such as amounts paid to each individual within the extent of the total payment amounts and other amounts for Directors (excluding Directors serving as members of the Audit and Supervisory Committee), as specified in advance through deliberation by the Nomination and Compensation Advisory Committee.
- To ensure objectivity and transparency, the resolution on delegation of authority to the President is made following deliberations by the Nomination and Compensation Advisory Committee, whose members include multiple independent outside Directors, including the chair. In the fiscal year under review, the resolution on delegation of authority was passed in the June 26, 2024, meeting of the Board of Directors. The actual amounts paid are reported to the Nomination and Compensation Advisory Committee. Since that committee exercises effective oversight, the Board has determined that the details of such amounts are in accordance with the above policy.

Policies and procedures for determining compensation for Directors serving as members of the Audit and Supervisory Committee are as follows:

- Remuneration for Directors serving as members of the Audit and Supervisory Committee, whose positions are independent of business execution, consists of fixed remuneration only, paid monthly so as not to exceed the total approved by the General Meeting of Shareholders. The amount paid to each Director is determined through negotiation among the Directors serving as members of the Audit and Supervisory Committee.

Compensation for Directors, etc.

	Monetary remuneration				Nonmonetary remuneration	
	Fixed remuneration		Remuneration linked to short-term performance		Remuneration linked to medium-/long-term performance	
	Number of compensation recipients	Amount paid (millions of yen)	Number of compensation recipients	Amount paid (millions of yen)	Number of compensation recipients	Amount paid (millions of yen)
Directors (excluding Directors serving on the Audit and Supervisory Committee)	12	326	7	39	7	71
Members of the Audit and Supervisory Committee	4	73	—	—	—	—

(Notes) 1. As of March 31, 2025, there were 11 Directors (including four outside Directors), excluding those serving as members of the Audit and Supervisory Committee. The Company has four additional Directors serving as members of the Audit and Supervisory Committee, including three outside Directors. Compensation for the Directors specified above includes compensation for one Director not serving as a member of the Audit and Supervisory Committee who stepped down at the end of the 100th Ordinary General Meeting of Shareholders held June 26, 2024.
 2. The total compensation paid to the eight outside Directors above was 84 million yen, all paid as fixed remuneration.
 3. The Company has issued a total of 31,505 shares of stock as payment for execution of duties to one Director (excluding Directors serving as members of the Audit and Supervisory Committee) who resigned on March 31, 2024. This was paid under the stock-based compensation program linked to business performance.
 4. Remuneration limits approved by the General Meeting of Shareholders are outlined below.

Fixed remuneration, remuneration linked to short-term performance

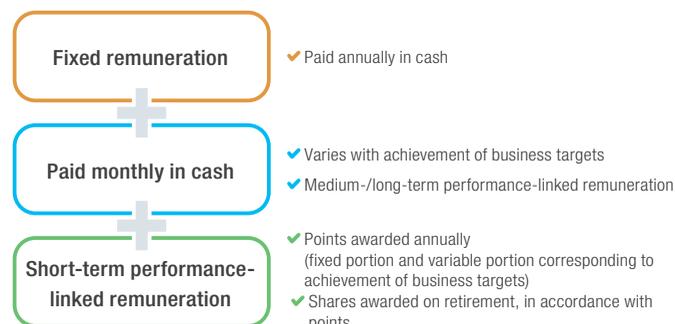
Directors (excluding Directors serving as members of the Audit and Supervisory Committee)	Up to 516 million yen/year (including up to 60 million yen/year for outside Directors)	Directors serving as members of the Audit and Supervisory Committee	Up to 12 million yen/month
(Based on resolution passed at the 96th Ordinary General Meeting of Shareholders held June 25, 2020. The resolution affects 11 Directors.)		(Based on resolution passed at the 94th Ordinary General Meeting of Shareholders held June 27, 2018. The resolution affects four Directors.)	

Remuneration linked to medium-/long-term performance

Directors excluding outside Directors (excluding Directors serving on the Audit and Supervisory Committee)	Under the investment-trust-based remuneration system, Company stock and monetary amounts equivalent to the convertible value of Company stock are issued/granted at the time of resignation. The trust contribution amount per three fiscal years is not to exceed 540 million yen in total; the total number of points awarded to Directors per fiscal year is not to exceed 400 thousand points (equivalent to 400 thousand shares of stock).
(Based on resolution passed at the 96th Ordinary General Meeting of Shareholders held June 25, 2020. The resolution affects eight Directors.)	

Compensation structure for internal Directors*

* Not including Directors serving as members of the Audit and Supervisory Committee



Indicator used in performance-linked remuneration

- The indicator used is the financial target of consolidated ordinary income (excluding various factors, including time lag effects of the fuel-cost adjustment system, an external variable factor) identified in Working Alongside Next^{PLUS}
- Short-term performance-linked remuneration reflects results of ESG initiatives.
- Amounts vary with the extent of achievement of targets, within the range 0–125%.

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Director (Independent Outside Director)
Chairperson, Nomination and
Compensation Advisory Committee

Mikito Nagai

Initiatives of the Committee

Our Nomination and Compensation Advisory Committee was established in FY2016. The committee met seven times in FY2024. The committee is composed of four independent outside Directors constituting the majority, including myself as chair, and two internal Directors.

In terms of nomination, the Committee has sought to develop the next generation of management through management training and other activities intended to improve the five capabilities and traits required for candidate Directors: imagination, decisiveness, tenacity, sensitivity, and integrity. Regarding the position of CEO in particular, discussions among internal and outside Director members of the Committee led to a shared vision of the personal traits and other characteristics required for the post and the selection of the best possible candidate through screening for specific capabilities and traits.

In the reshuffling of officers that occurred this April, the individual judged to be best suited to serve as successor to the President was selected based on various factors, including results of individual review through the Board of Directors, a colloquium of directors, and other activities. To choose members of the Board, we use a skills matrix to form a well-balanced composition in terms of knowledge, experience, and skills while considering diversity and other factors. In the reshuffling of directors in June of this year, the best candidates were chosen for each of the available posts of Outside Director (one) and Outside Audit and Supervisory Committee member (one). The Committee will continue to perform screenings and evaluations to develop the next generation of management.

As for compensation, based on the goal of achieving the financial targets of Working Alongside Next+PLUS, which describes our management directions for the future under the Tohoku Electric Power Group’s Medium- to Long- Term Vision, we discussed the indicators used in compensation programs linked to business performance as well as evaluations reflecting ESG elements. We share an understanding of the need for continuing discussions of forms of officer compensation that reflect social conditions.

The steady pursuit of initiatives concerning nomination and compensation programs has the goal of making the Group’s governance still more effective. In addition, by sharing information with Directors who are not Committee members through summaries of Committee discussions and related topics reported to the Board, we will strive, while paying close attention to the objectivity, timeliness, and transparency of nomination and compensation, to encourage a stronger understanding of our nomination, compensation, and other systems.

Into the future

Uncertainty continues to grow alongside what sometimes seem to be moment to moment changes in the commercial electricity environment. To adapt swiftly and appropriately to the changing business environment, under appropriate and effective governance, the Board of Directors must help strengthen business performance and bolster corporate value over the medium to long term in keeping with the directions outlined in Working Alongside Next+PLUS and based on the Tohoku Electric Power Group’s Medium- to Long-Term Vision. Accordingly, the Committee will discuss ways to enhance succession planning to develop the next-generation of highly specialized, diverse management capable of adapting to a challenging domestic and international business environment and forms of compensation systems to provide adequate incentives to achieve continuing growth.

Based on their practical experience in business management and other areas and their advanced knowledge of social, economic, and other trends, as well as insights from outside perspectives, Committee members will continue to strive to contribute to sustained growth by identifying optimal solutions for the Group through repeated multifaceted discussions of key matters.

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Sustainability Meeting Between Directors and Investors



In December 2024, a sustainability meeting was held to enhance constructive dialogue and engagement with investors. The meeting was attended by then-Vice President Ishiyama (the Director in charge of sustainability) and Director Uehara (an independent Outside Director) and by 27 institutional investors and analysts.

This first-of-its-kind meeting was held in hybrid form, both in person and online. Participants discussed initiatives centered on carbon neutrality and human capital.

We remain committed to enhancing dialogue with capital markets.

Q Tell us about the capital allocation for your strategic investment of approximately 300 billion yen through FY2030.

Ishiyama We plan to invest around 100 billion yen to decarbonize thermal power; more than 100 billion yen in renewable energy development; and tens of billions of yen in various areas, including the digital transformation (DX) and the development of new services. We're also considering making use of national support measures and programs like long-term decarbonization power source auctions in our fundraising. We plan to consider these together with practical measures to resume nuclear power operations and decarbonize thermal power.

Q Your Carbon Neutral Challenge 2050 calls for promoting electrification and optimizing energy use. What are your targets on the retail side?

Ishiyama We're announcing CO₂ emissions and setting targets on the power generation side in line with the Japanese government's green transformation (GX) measures. At the same time, we've received requests from corporate customers related to RE100 and other initiatives. We're also working to reduce CO₂ emissions on the retail side. We offer rate plans and services to meet customer needs related to climate change. We would like to consider setting targets for contributions to emissions reductions through such measures.*



Independent Outside Director
Keiko Uehara

Q What are your thoughts as an Outside Director on CO₂ emissions reductions?

Uehara I would like to see greater reductions in the share of thermal power in the power source portfolio in FY2030. This poses difficulties due to the challenges in advancing aggressive capital investment on a financial base weakened by disasters like the Great East Japan Earthquake and the earthquake centered off the Fukushima Prefecture coast. It's also vital to consider returns to stakeholders amid considerable liabilities. I offer candid opinions on moving closer to carbon neutrality while reflecting the views of various stakeholders in the Board of Directors.

Q How do you monitor progress on human resource strategies as an Outside Director? We hope you do not refrain from sharp criticisms if they would result in a more vital organization.

Uehara People with similar academic backgrounds and from similar environments will see things in similar ways. While this does not apply to women alone, women who play roles as homemakers, as mothers, and on the job will have, the more roles they play, broader perspectives.

A broad perspective is essential to service proposals and business improvements. In addition to the percentage of women managers and the male-female wage differential, the perspectives of young people are also important in terms of diversity. That's why I look to see whether young people are being promoted in personnel transfers. On this point, I have seen some bold personnel transfers. Efforts to vitalize the organization are improving gradually. I would like to see more women promoted to managerial posts.



Then-Representative Director & Executive Vice President
Tohoku Electric Power
Kazuhiro Ishiyama

Q What do you think of Tohoku Electric Power's stakeholder engagement?

Uehara The understanding among general consumers of the electric power business goes no deeper than the surface. I think not just the Tohoku Electric Power Group, but the entire industry, should focus more on efforts to help them understand the industry more broadly, including Japan's low level of energy self-sufficiency and how electricity is delivered.

Q What are your expectations for this dialogue with stakeholders?

Ishiyama IR activities are important for getting people to understand our initiatives. Also, our perspectives don't necessarily align with those of investors. I would like to learn on what points we are falling short or failing to see things the way society does, as well as points on which we are doing well. I would like us to continue to create opportunities for the frank exchange of opinions—for valuable opportunities to deepen mutual understanding.

Some comments from participants

- It's satisfying to hear comments from an Outside Director that reflect an awareness of the stock markets.
- The comments from the Outside Director included personal remarks. While they seemed somewhat mild this time, I'd like to hear their views as a representative of minority shareholders.
- You seem to be a company proactive about communication with the capital markets. I hope you continue these efforts.

* In April 2025, following a sustained internal study of targets for CO₂ emissions reductions, we set the target of reducing CO₂ emissions by 2.5 million t-CO₂ or more by FY2030. To achieve this target, we will promote electrification and optimize energy use.

See > Materiality metrics and targets > p. 23

See > Green Energy Services Business/Retail Electricity Business/Solution Services Business > p. 42

See > Carbon Neutrality Strategy > p. 52

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Directors (as of July 2025)



Representative Director & Chairman of the Board
Kojiro Higuchi

Attendance at the Board of Directors
11/11 (100%)

April 1981 | Joined the Company
June 2011 | General Manager of Haramachi Thermal Power Station
June 2013 | Executive Officer and General Manager of the Thermal Power Department of the Thermal & Nuclear Power Division
June 2016 | Managing Director, Deputy General Manager of the Thermal & Nuclear Power Division
April 2018 | Director & Managing Executive Officer, Deputy President of the Power Generation and Sales Company, and Deputy General Manager of the Nuclear Power Division
June 2019 | Representative Director & Executive Vice President in charge of CSR and Compliance Promotion, and Deputy General Manager of the Nuclear Power Division
April 2020 | Representative Director & President
April 2025 | Representative Director & Chairman of the Board (to date)



Representative Director & President
Kazuhiro Ishiyama

Attendance at the Board of Directors
11/11 (100%)

April 1985 | Joined the Company
June 2016 | General Manager of the Environmental Affairs Department
April 2018 | General Manager of the Corporate Planning Department
June 2018 | Executive Officer and General Manager of the Corporate Planning Department
June 2019 | Managing Executive Officer and General Manager of the Corporate Planning Department
July 2020 | Managing Executive Officer in charge of Corporate Administration and General Manager of the Corporate Strategy Division
June 2021 | Director & Managing Executive Officer in charge of Corporate Administration, and General Manager of the Corporate Strategy Division
April 2022 | Representative Director & Executive Vice President in charge of Corporate Administration, Investor Relations, and Sustainability
April 2024 | Representative Director & Executive Vice President in charge of Corporate Administration and Sustainability
April 2025 | Representative Director & President (to date)



Representative Director & Executive Vice President
Satoshi Isagoda

Attendance at the Board of Directors
11/11 (100%)

April 1984 | Joined the Company
June 2016 | Executive Officer and General Manager of the Human Capital Department
June 2017 | Executive Officer and General Manager of Iwate Branch Office
June 2019 | Managing Executive Officer, Deputy General Manager of the Internal Services Division, and Deputy General Manager of the Nuclear Power Division
April 2022 | Managing Executive Officer, General Manager of the Internal Services Division, and Deputy General Manager of the Nuclear Power Division
June 2022 | Director & Managing Executive Officer, General Manager of the Internal Services Division, and Deputy General Manager of the Nuclear Power Division
April 2023 | Representative Director & Executive Vice President, General Manager of the Internal Services Division, Chief Financial Officer (CFO), and Deputy General Manager of the Nuclear Power Division
April 2025 | Representative Director & Executive Vice President, Chief Financial Officer (CFO), Chief Information Security Officer (CISO), and Deputy General Manager of the Nuclear Power Division (to date)



Representative Director & Executive Vice President
Sadao Kanazawa

Attendance at the Board of Directors
11/11 (100%)

April 1983 | Joined the Company
June 2018 | Executive Officer and General Manager of the Nuclear Power Department of the Nuclear Power Division
April 2021 | Managing Executive Officer, Deputy General Manager of the Nuclear Power Division and General Manager of the Nuclear Power Department of the Nuclear Power Division
April 2023 | Managing Executive Officer, General Manager of the Nuclear Power Division, and QMS Supervising Manager
June 2023 | Director & Managing Executive Officer, General Manager of the Nuclear Power Division, and QMS Supervising Manager
April 2025 | Representative Director & Executive Vice President in charge of Nuclear Power Plant Siting (to date)



Representative Director & Executive Vice President
Hiroki Nikaido

Attendance at the Board of Directors
—/— (—%)

April 1984 | Joined the Company
June 2018 | Executive Officer and General Manager of the General Affairs Department of the Internal Services Division
April 2020 | Executive Officer and General Manager of Fukushima Branch Office
April 2022 | Senior Executive Officer and General Manager of Tokyo Branch Office
April 2025 | Executive Vice President in charge of Sustainability, Compliance Promotion, and Crisis Management, Compliance and Check Conduct Regulations Manager
June 2025 | Representative Director & Executive Vice President, Executive Vice President in charge of Sustainability, Compliance Promotion, and Crisis Management, Compliance and Check Conduct Regulations Manager (to date)



Director & Managing Executive Officer
Yuji Sasaki

Attendance at the Board of Directors
9/9 (100%)

April 1983 | Joined the Company
June 2016 | Executive Officer and General Manager of the Group Business Department
June 2017 | Executive Officer and General Manager of Tokyo Branch Office
April 2020 | Senior Executive Officer and General Manager of Tokyo Branch Office
April 2021 | Managing Executive Officer in charge of Corporate Administration, Deputy General Manager of the Nuclear Power Division, and General Supervisor of Branch Offices
April 2022 | Managing Executive Officer in charge of Corporate Administration, President of the Renewable Energy Company, Deputy General Manager of the Nuclear Power Division, and General Supervisor of Branch Offices
June 2024 | Director & Managing Executive Officer in charge of Corporate Administration, President of the Renewable Energy Company, Deputy General Manager of the Nuclear Power Division, and General Supervisor of Branch Offices
April 2025 | Director & Managing Executive Officer, President of the Renewable Energy Company, Deputy General Manager of the Nuclear Power Division, and General Supervisor of Branch Offices, in charge of Regional Issues (to date)

* Actual attendance is shown for FY2024. Hiroki Nikaido took office on June 25, 2024.
* Attendance for Yuji Sasaki is for meetings of the Board held since June 26, 2024.

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Director (Outside Director)
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Mikito Nagai

Attendance at the Board of Directors
11/11 (100%)

April 2011 Deputy President, Mizuho Corporate Bank, Ltd. (current Mizuho Bank, Ltd.)
April 2013 Executive Director, Mizuho Corporate Bank, Ltd. (resigned April 2013)
May 2013 Executive Vice President and Executive Officer, Nippon Steel Kowa Real Estate (current Nippon Steel Kowa Real Estate Co., Ltd.)
June 2013 Executive Vice President, Nippon Steel Kowa Real Estate
June 2014 President and CEO, Nippon Steel Kowa Real Estate
April 2019 Director and Senior Advisor, Nippon Steel Kowa Real Estate Co., Ltd.
June 2019 Senior Advisor, Nippon Steel Kowa Real Estate Co., Ltd. (resigned June 2021)
June 2019 Outside Director and Audit and Supervisory Committee Member, OKASAN SECURITIES GROUP INC. (resigned June 2024)
June 2020 Outside Board Member, Nippon Suisan Kaisha, Ltd. (current Nissui Corporation) (resigned June 2024)
June 2021 Director, Tohoku Electric Power Co., Inc. (to date)
August 2021 Outside Director, OHBA CO., LTD. (to date)
July 2024 Outside Director and Audit and Supervisory Committee Member, Okasan Securities Co., Ltd. (to date)
March 2025 Outside Director (Audit Supervisory Committee Member), AUCNET INC. (to date)



Director (Outside Director)
(Independent Director)

Keiko Uehara

Attendance at the Board of Directors
11/11 (100%)

April 2009 Senior Managing Director, Daiwa Securities Group Inc. (resigned March 2011)
April 2011 Senior Executive Managing Director, Daiwa Securities Business Center Co. Ltd. (resigned March 2020)
June 2018 Outside Director, Marusan Securities Co., Ltd. (to date)
June 2022 Director, Tohoku Electric Power Co., Inc. (to date)



Director (Outside Director)
(Independent Director)

Shuji Ito

Attendance at the Board of Directors
9/9 (100%)

June 2006 Director, Executive Managing Officer, CMO, and the Controller of the Marketing Group, Calbee, Inc. and COO of the Jagarico Company
June 2008 Director, Executive Managing Officer, CMO, and the Controller of the Marketing Group, Calbee, Inc.
June 2009 President & COO, Representative Director, Calbee, Inc.
June 2018 President & CEO, Representative Director, Calbee, Inc.
April 2023 Director, Calbee, Inc.
June 2023 Advisor, Calbee, Inc.
June 2024 Director, Tohoku Electric Power Co., Inc. (to date)
April 2025 Senior Advisor, Calbee, Inc. (to date)
June 2025 Outside Director, Yamaha Corporation (to date)



Director (Outside Director)
(Independent Director)

Michikazu Mukoyama

Attendance at the Board of Directors
—/— (—%)

June 2016 Senior Executive Officer in Charge of Reconstruction Planning Department, Technology Planning Department, and Facilities Department, East Japan Railway Company
June 2018 Senior Executive Officer in Charge of Indian High-Speed Railway, East Japan Railway Company
June 2020 Resigned from the position of Senior Executive Officer, East Japan Railway Company
June 2020 President and Representative Director, JR East Environment Access Co., Ltd.
June 2024 Chairman of the Board of Directors, JR East Environment Access Co., Ltd. (to date)
June 2025 Director, Tohoku Electric Power Co., Inc. (to date)



Director/Audit and Supervisory Committee Member

Katsuaki Fujikura

Attendance at the Board of Directors
11/11 (100%)
Attendance at the Audit and S
upervisory Committee
13/13 (100%)

April 1982 Joined the Company
June 2015 Executive Officer and General Manager of the Fuels Department of the Thermal & Nuclear Power Division
April 2018 Executive Officer and General Manager of the Fuels Department of the Power Generation and Sales Company
June 2018 Audit and Supervisory Executive Officer under treatment equivalent to Executive Officer
April 2020 Senior Executive Officer and General Manager of Niigata Branch Office
April 2022 Senior Executive Officer
June 2022 Director and Audit and Supervisory Committee Member (to date)



Director/Audit and Supervisory Committee Member (Outside Director)
(Independent Director)

Kazuo Kobayashi

Attendance at the Board of Directors
11/11 (100%)
Attendance at the Audit and S
upervisory Committee
13/13 (100%)

March 2012 Director and Senior Managing Executive Officer, Nippon Life Insurance Company
June 2015 Outside Audit & Supervisory Board Member, The Hyakujushi Bank, Ltd.
March 2016 Representative Director and Executive Vice President, Nippon Life Insurance Company
June 2017 Outside Director serving as Audit and Supervisory Committee Member, The Hyakujushi Bank, Ltd. (resigned June 2016)
March 2019 Director and Senior Manager (Auditing Department), Nippon Life Insurance Compa
June 2019 Audit and Supervisory Board Member (part-time), Nissay Information Technology Ltd. (resigned June 2023)
June 2019 Audit and Supervisory Board Member (part-time), HANASAKU LIFE INSURANC Co., Ltd. (resigned June 2023)
June 2019 Corporate Auditor (part-time), Nissay Asset Management Corporation (resigned June 2023)
July 2019 Senior Audit and Supervisory Board Member (full-time), Nippon Life Insurance Company
June 2020 Director and Audit and Supervisory Committee Member, Tohoku Electric Power Co Inc. (to date)
July 2022 Director and Audit and Supervisory Committee Member (full-time), Nippon Life Insurance Company
July 2023 Advisor, Nippon Life Insurance Company (to date)



Director/Audit and Supervisory Committee Member (Outside Director)
(Independent Director)

Akiko Ide

Attendance at the Board of Directors
11/11 (100%)
Attendance at the Audit and S
upervisory Committee
13/13 (100%)

June 2006 Executive Officer and General Manager of Social Environment Promotion Department, NTT DoCoMo, Inc. (current NTT DOCOMO, INC.)
July 2008 Executive Officer and Executive General Manager of Chugoku Regional Office, NTT DoCoMo, Inc.
June 2012 Executive Officer and General Manager of Information Security Department, NTT DoCoMo, Inc.
May 2013 Representative Director and CEO, Radish Boya Co., Ltd. (current Oisix ra daichi Inc.) (resigned May 2014)
June 2013 Executive Officer in charge of Commerce Business Planning, NTT DoCoMo, Inc. (resigned June 2014)
June 2014 Audit & Supervisory Board Member, NIPPON TELEGRAPH AND TELEPHONE CORPORATION (resigned June 2020)
August 2018 Audit & Supervisory Board Member, NTT, Inc. (current NTT DATA, Inc.) (resigned June 2020)
June 2020 Outside Director, SUMITOMO CORPORATION (to date)
June 2021 Director and Audit and Supervisory Committee Member, Tohoku Electric Power Co., Inc. (to date)



Director/Audit and Supervisory Committee Member (Outside Director)
(Independent Director)

Keiko Murata

Attendance at the Board of Directors
—/— (—%)
Attendance at the Audit and S
upervisory Committee
—/— (—%)

August 2005 Director for Overseas Economies, Directorate General for Economic Research, Cabinet Office
August 2006 Director for International Affairs, Secretariat of the Science Council of Japan, Cabinet Office
July 2008 Professor, Graduate School of Social Science, Tokyo Metropolitan University
May 2015 Advisor to the President, Tokyo Metropolitan University
July 2017 Trustee, Nippon Life Insurance Company (to date)
April 2018 Professor, Graduate School of Management, Tokyo Metropolitan University
March 2020 Outside Director, Kuraray Co., Ltd. (to date)
April 2022 Professor Emeritus, Tokyo Metropolitan University, (to date)
April 2022 Professor, Graduate School of Economics, Ritssho University (to date)
June 2025 Director and Audit and Supervisory Committee Member, Tohoku Electric Power Co., Inc. (to date)

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* Actual attendance is shown for FY2024. Mchikazu Mukoyama and Keiko Murata took office on June 26, 2025.

* The independence of independent Directors is judged based on the standards for independence established by the financial instruments exchange on which Company shares are listed.

* Attendance for Shuji Ito is for meetings of the Board held since June 26, 2024.

Directors

Areas of specific expectations for skills individual Directors have (skills matrix)

Our outlook on areas of expectations for individual Directors

The seven items below have been identified as skills essential to Company Directors in general and skills essential for future strategic implementation to realize “Working alongside next,” the Tohoku Electric Power Group’s Medium- to Long-Term Vision:

● Chair ○ Member | ● Male ○ Female

	Name	Title	Nomination and Compensation Advisory Committee member?	Gender	Areas of particular expectations ^{*1}						
					Planning and management	Technology ^{*2}	Finance and accounting	Legal and risk management	Business development and marketing	Social communication ^{*3}	Personnel and human resource development
Directors (excluding Audit and Supervisory Committee)	Kojiro Higuchi	Representative Director & Chairman of the Board	○	●	●	●		●			
	Kazuhiro Ishiyama	Representative Director & President	○	●	●	●		●			
	Satoshi Isagoda			●	●			●			●
	Sadao Kanazawa	Representative Director & Executive Vice President		●		●				●	
	Hiroki Nikaido			●				●		●	
	Yuji Sasaki	Director & Managing Executive Officer		●					●	●	
	Mikito Nagai		●	●	●			●			
	Keiko Uehara	Director (Outside Director)	○	○				●		●	●
	Shuji Ito		○	●				●		●	
	Michikazu Mukoyama		○	●	●			●			
Directors serving as members of the Audit and Supervisory Committee	Katsuaki Fujikura	Director & Audit and Supervisory Committee Member		●				●		●	
	Kazuo Kobayashi	Director & Audit and Supervisory Committee Member (Outside Director)		●	●			●			
	Akiko Ide		○	●				●		●	
	Keiko Murata		○				●		●		●

*1 The above list describes the top three areas of particular expectations based on the skills possessed by individual Directors. It does not indicate all areas of specialization and experience of each Director.

*2 Technology refers to capabilities related to electricity, machinery, and other technologies in general, including environmental knowledge, to contribute to carbon neutrality.

*3 Social communication refers to capabilities related to communication with local communities and other stakeholders.

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Director (Outside Director)
(Independent Director)

Keiko Uehara

In FY2024, operations at Unit No. 2 at the Onagawa Nuclear Power Station resumed smoothly. This was a new source of relief in the area of stable supplies of electricity. Still, profits declined due to reduced time-lag gains and other factors. Once again, we felt keenly the challenges of continually increasing profits under the conditions of increasingly severe competition. Right now, the Group's efforts to move toward the goals of Working Alongside Next+PLUS are at the "hop" stage of the hop, step, jump sequence regarding efforts to improve earnings and Group strengths. I'm glad to see that new services and cooperation across different domains are emerging. At the same time, the declining performance of electricity sales is a cause for concern. I'd like to see you take on the challenges related to sales strategies more aggressively and creatively. From this fiscal year on, you're advancing to the "step" and then "jump" phases; the time is coming when your ability to balance strategic investments in sustained growth and investment in stable supply, as the new management structure under President Ishiyama's leadership, will be tested, as will the capacity to continue working toward recovery in the financial base. As an Outside Director, I'd like to contribute to this growth through discussions to make the right choices for Tohoku Electric Power and for the region. From the perspective of business continuity, I'd like to support your efforts to achieve ongoing productivity improvements through digital transformation (DX) as well as urgent initiatives toward solutions to the increasingly pressing challenge of finding the human resources essential to maintaining stable supplies.



Director (Outside Director)
(Independent Director)

Shuji Ito

In FY2024, commercial operations at Unit No. 2 at the Onagawa Nuclear Power Station resumed after a lull of 14 years. Additionally, the facility was authorized to operate through 2035. This resolves a serious challenge. Important points going forward will include acceleration of the new Working Alongside Next+PLUS initiatives to realize the Medium- to Long-Term Vision at each business site in the 11 business categories and five domains and to make steady progress toward solutions in its field with a sense of urgency.

With the new management structure under the strong leadership of new President Ishiyama, I hope you are making progress in streamlining and decentralizing the business organization Groupwide while head office sections steadily shift to providing powerful support for those working in each business field. I look forward to seeing the resolution of the priority topic of recovery the financial base and the medium- to long-term topic of realizing a virtuous cycle of profit, investment, and growth. While the business environment of the future will involve numerous risks related to various factors, including inflation, rising interest rates, intense competition, and labor shortages, building such a virtuous cycle is the only way to withstand such risks. As an Outside Director, I plan to help boost corporate value by promoting solutions to the Group's medium- to long-term challenges while checking on actual progresses and conditions at each workplace.



Director (Outside Director)
(Independent Director)

Michikazu Mukoyama

I took office as a Director this year.

To date, I have worked entirely in the rail industry, with Japan National Railways, then JR East. I've worked mainly in maintenance on tunnels, bridges, and other civil engineering infrastructures, and on the seismic retrofitting of high-speed rail lines and other disaster-prevention work.

While infrastructure maintenance is labor-intensive and tends to draw no attention, it plays an extremely important role in supporting public confidence in disaster prevention. I would like to see public infrastructure evolve to be more sustainable by using the power of technology to improve productivity while preserving the valuable on-site skills and knowledge that make this work possible.

It may be possible at times to replace an entire production line at a factory with a new one. But large-scale infrastructure lifelines need to be renovated (evolved to the next generation) step by step while continuing to provide daily services.

The rail industry is similar to the electric power industry in that it relies on networks to provide stable services to large numbers of users. I believe I can put my past experiences to use in contributing to your future.

It's said that the true test of life always lies before us.

Keeping this in mind, I plan to do all I can to help realize the Medium- to Long-Term Vision based on technology, putting my 40 years' experience to use on behalf of the Tohoku Electric Power Group's future.

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Director/Audit and Supervisory
Committee Member (Outside Director)
(Independent Director)

Kazuo Kobayashi

Five years have passed since I was appointed an Outside Director/Audit and Supervisory Committee Member in 2020. At the end of last year, Unit No. 2 at the Onagawa Nuclear Power Station resumed commercial operation for the first time in the 14 years since the Great East Japan Earthquake, contributing to stable supplies of electricity and improving the Company's bottom line. At the same time, as the domestic and international situation becomes increasingly challenging and uncertain, in pursuit of our Management Philosophy Prosper with Local Communities, you have formulated Working Alongside Next^{PLUS} to describe future management efforts under the Medium- to Long-Term Vision. Additionally, you have made steady progress in business development to deliver added value to your customers based on electricity and energy. Appropriate governance centered on the Board of Directors plays an important role in guiding Group management.

While the Board engages in open and frank discussions about increasing management added value, the Audit and Supervisory Committee strives to verify and communicate information about the Group's business foundations in various areas, including risk management and internal controls.

In April of this year, you adopted a new management structure under a new Chairman and president. All Group officers and employees are working to do business under this new structure. I will continue to do my best on behalf of the Group as an Outside Director and as an Audit and Supervisory Committee Member.



Director/Audit and Supervisory
Committee Member (Outside Director)
(Independent Director)

Akiko Ide

With the resumption of commercial operations at Unit No. 2 at the Onagawa Nuclear Power Station and with progress on the development and use of renewable energy, FY2024 was a year of significant advances in contributing to stable supplies of electricity and carbon neutrality.

In FY2025, amid expectations for a dramatically changing business environment, the Company revised its management planning structure from the previous system of three-year plans to annual plans. Under the leadership of new President Ishiyama, I expect the Group to swiftly and flexibly adapt to the changing business environment and make steady progress toward the ideal vision for the future described in Working Alongside Next^{PLUS}. As a member of the Board of Directors, I would like to closely monitor progress on these efforts.

With the rise of generative AI, demand for power and telecommunications infrastructure is growing rapidly. The role played by the Company will be critical. Through joint efforts with various partners, we hope you will contribute to promoting digital transformation (DX) in the region to support efficiency improvements and new business creation at regional firms.

I will continue to do my best as an Outside Director to contribute to the Medium- to Long-Term Vision's goal of helping to establish a smart society through businesses centered on electricity and energy.



Director/Audit and Supervisory
Committee Member (Outside Director)
(Independent Director)

Keiko Murata

I was appointed an Outside Director/Audit and Supervisory Committee Member in June 2025. Before, I worked in the public sector and international agencies, drafting and planning economic policies and pursuing research on the Japanese and global economy as the basis for such policies. I have taught and studied the contemporary Japanese economy at several universities while supporting a gender-neutral society and those with disabilities as assistant dean and head of the diversity promotion office at my previous university.

While the power and energy business encompasses key infrastructures that support lives and industry, it faces complex risks and challenges due to dramatic changes in domestic and international circumstances. In that light, the Tohoku Electric Power Group deserves praise for its clear disclosure of its management strategies and new financial targets reflecting current circumstances through the Medium- to Long-Term Vision and Working Alongside Next^{PLUS}, formulated last year.

Since taking office, I've gained a clear true sense for how the Group is working steadily toward coprosperity with the community while deploying strategic management with an eye toward the future, based on safety and reliability. I see my role as making the most of my past experiences to offer opinions and oversight from an independent, external point of view. I plan to help bolster corporate value by participating in the Board's ongoing deliberations.

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Risk management initiatives

In addition to establishing an Integrated Risk Management Policy, the Company periodically reviews business and financial risks to identify, analyze, and evaluate risks and to study and implement responses.

Particularly for factors that pose major risks to Company businesses, the integrated risk management departments cooperate with various committees and other organizations in accordance with risk characteristics, based on monitoring and risk management by the Integrated Risk Management Council. Business execution departments such as in-house companies and divisions also identify and evaluate risks periodically and incorporate responses and other measures into their annual business plans to deploy risk management activities specific to their own organizations.

Integrated Risk Management Council

The Integrated Risk Management Council is a joint council with Tohoku Electric Power Network chaired by the President of Tohoku Electric Power. Its membership consists of all directors of both companies. Its purpose is to promote the Company's integrated risk management activities and to deliberate on and explore our response to key business risks in the Group from a management perspective while taking care to handle information in compliance with applicable laws and regulations.

Specifically, it meets twice annually to evaluate the state of management of important business risks and to provide guidance and advice on the deployment of risk management activities while striving to enhance risk management activities based on the feedback provided to individual business execution sections and related deliberative bodies. It also reports periodically to the Board of Directors and other parties on the state of risk management and makes improvements in risk management systems as needed. Furthermore, it undergoes monitoring by the Office of Internal Audits on the maintenance and operation of risk management systems and pursues improvements based on the results.



See > Sustainability Data Book > Risk Management > p. 67

Important management risks

Risk type	Anticipated risks	Related pages
Disaster, facility risks	Effects of natural disasters and facility failures	Financial report p. 28 Sustainability Data Book p. 45
	Risks associated with climate change (increasingly severe natural disasters)	Financial report p. 29 Sustainability Data Book p. 45
Regulatory risks	Effects of factors such as changes to systems related to the electricity business	Financial report p. 28
	Effects of factors such as changes to systems related to nuclear power	Financial report p. 28
	Effects of changing costs of nuclear power backend operations, etc.	Financial report p. 28
	Risks associated with climate change (transition to a decarbonized society)	Financial report p. 29
Market risks	Effects of fluctuations in demand and selling prices	Financial report p. 29
	Effects of fluctuations in fuel prices and rates on electricity purchases	Financial report p. 29
	Effects of fluctuations in interest rates	Financial report p. 29
	Effects of fluctuations in retirement benefit costs and obligations	Financial report p. 29
Operational risks, other risks	Effects of information leaks	Financial report p. 30 Sustainability Data Book p. 73
	Effects of compliance violations	Financial report p. 30 Sustainability Data Book p. 69
	Effects of emerging infectious diseases	Financial report p. 30 Sustainability Data Book p. 45
	Risks outside the electricity business	Financial report p. 30

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Responses to major risks

Crisis management

We identify and assess risks, take preventive measures, and conduct drills as risk assessment and risk management activities in normal times, working closely within the Group.

In an emergency, together with immediately taking necessary emergency measures we respond swiftly by taking various actions to minimize damage, in cooperation with related parties.

If an emergency involves a crisis that requires immediate judgment and decisions by top management, we set up an emergency task force chaired by the president of the company where the incident occurred, or an officer appointed by the president, to respond.

Tohoku Electric Power and Tohoku Electric Power Network set up an emergency task force in the event of an incident such as a natural disaster or damage to a nuclear power facility.

 See > Sustainability Data Book > Risk Management > p. 67

 See > Sustainability Data Book > Public Safety and a Reliable Supply of Power > p. 45

Policy engagement

To contribute to building better energy policies and electricity business systems from the perspectives of stable energy supplies and achieving a decarbonized society, we communicate our views as a responsible business operator through public comment and other means.

We participate in domestic and international initiatives in areas such as the environment and human rights. We work with other firms to realize a sustainable society.

 See > Partnerships, External Evaluations, Etc. > p. 91

Market risks

The Market Risk Management Committee manages market risks in business activities, such as fluctuations in fuel prices or wholesale electricity trading prices, and studies and implements the use of hedge transactions, among other responses.

Investment and finance risks

To make timely and appropriate decisions on investment in and financing of renewable energy businesses and other initiatives toward further growth, we have established a specialized office to advise on and guide investment and finance.

Information security

In response to various risks, including risks posed by increasingly advanced and sophisticated

cyberattacks, we take technological measures based on the latest knowledge to fight against computer viruses and unauthorized access.

We maintain an information security promotion structure through which we cooperate with Group companies to prevent security incidents and minimize the harm that actual incidents may cause.

 See > Sustainability Data Book > Information Security > p. 73

Thorough compliance

Considering compliance to be the foundation on which all business activities are based, we have established measures for thorough compliance in the Tohoku Electric Power Group Code of Conduct.

We have established a Compliance Committee chaired by the President to run through the plan-do-check-act (PDCA) cycle of deploying Groupwide activities, verifying and confirming whether Company initiatives are adequate in light of current social conditions and other considerations, and making improvements as necessary.

Respect for human rights

We implement human rights due diligence, administer internal training, and operate relief hotlines, among other efforts, in line with the Tohoku Electric Power Group Human Rights Policy. Intended to prevent and mitigate risks, these activities are monitored by the Sustainability Promotion Committee.

Human rights due diligence at the Company, Group companies, and suppliers is undertaken regularly with steadily expanding scope. As a new initiative, in FY2024, we surveyed fuel suppliers and confirmed there were no signs of risks.

 See > Sustainability Data Book > Respect for Human Rights > p. 27

Yori, Sou Hotline (internal whistleblowing hotline and remediation mechanism)

We have established the Yori, Sou Hotline with both internal and external contact points to respond appropriately to issues concerning matters such as compliance and harassment.

This hotline accepts consultations (including anonymous consultations) from people working in the Group (officers, employees, contractors, temporary personnel, and personnel from placement agencies) as well as Group business partners.

Hotline staff are trained to provide the necessary skills. In addition, pursuant to the Whistleblower Protection Act, the privacy of whistleblowers is rigorously protected. Whistleblowers are also protected from any disadvantageous treatment attributable to reaching out to the hotline to ensure potential whistleblowers are not silenced by fear of repercussions.

 See > Sustainability Data Book > Compliance > p. 69

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Enhancement of Group governance

The Board of Directors has established a basic policy on a structure to secure appropriate business operations and a structure to secure appropriate business operations at subsidiaries and other Group companies, under which we're striving to enhance governance at subsidiaries and other members of the Group.

Business administration structure

We established Group Governance Rules and Group Governance Standards and demand prior consultations and reports from subsidiaries and affiliates concerning important matters while providing appropriate guidance and advice.

Alongside ensuring a thorough understanding of the Tohoku Electric Power Group's Medium- to Long-Term Vision and other policies through means such as periodic corporate group management meetings, we're studying and implementing measures to improve efficiency and productivity on a continual basis.

Compliance

We established the Tohoku Electric Power Group Liaison Council on Compliance Promotion to promote compliance smoothly and steadily and to strengthen related activities throughout the Group through means such as sharing information, improving knowledge, and improving skills through enhanced joint efforts among the Company and Group companies.

Group companies formulate and implement codes of conduct based on the Tohoku Electric Power Group Sustainability Policy and the Tohoku Electric Power Group Code of Conduct.

Structure for management of risks of losses

In accordance with the Group Governance Rules and Group Governance Standards, we demand prior consultations and reports from subsidiaries and affiliates with regard to significant risks while providing appropriate guidance and advice.

We have also established the Risk Management Response Manual and the Tohoku Electric Power Group Emergency Communication Rules, through which we have set up a structure for risk management and emergency response.

Any legal violations or other such incidents identified at a Group company in consultations with the Yori, Sou Hotline are duly reported to the Board of Directors and the Committee of Corporate Ethics and Compliance, then appropriately addressed.

The meaning of having a publicly traded affiliate and policies related to ensuring the efficacy of its governance structure

The Tohoku Electric Power Group includes one publicly traded affiliate, Yurtec Corporation. Among the business categories identified in Working Alongside Next⁺PLUS, Yurtec Corporation plays important roles in power transmission and distribution and general equipment engineering.

Yurtec Corporation increases corporate value Groupwide by leveraging its name recognition as a publicly traded company to secure highly specialized human resources and improving its competitive strengths and profitability in each business through business management subject to strict monitoring in the stock market.

To ensure the autonomous nature of its management as a publicly traded company, the company is assumed to make independent decisions. We specify no specific matters requiring consultation other than those that must conform with the Tohoku Electric Power Group's groupwide policies.

To ensure the propriety of business operations, we continue to monitor the company to ascertain its status in a timely and appropriate manner. We provide support as needed.

With the risk of conflicts of interest between general shareholders of Tohoku Electric Power and Yurtec Corporation in mind, we have adopted a policy of maintaining management independence. To ensure Yurtec makes independent decisions as a publicly traded affiliate, we encourage it to establish an effective governance structure that makes effective use of independent outside directors. This policy ensures independent decision-making on nomination and remuneration, based on a nomination and remuneration committee in which membership consists primarily of independent outside directors.

Yurtec Corporation's Advisory Committee on Transactions between Group Companies reviews potential material conflicts of interest and irregular transactions with Tohoku Electric Power and its wholly owned subsidiaries, thereby strengthening protections for minority interests.

Supply chain management

We consider the environmental and human rights issues throughout the supply chain. We check on matters such as manifestation of human rights or environmental risks at materials and fuel suppliers.

See > Sustainability Data Book > Supply Chain Management > p. 31

See > Sustainability Data Book > Respect for Human Rights > p. 27

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Financial Information

Financial data for most recent 11 years (consolidated)

(FY)

(billion yen)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Business results	Operating revenue*	2,182.0	2,095.5	1,949.5	2,071.3	2,244.3	2,246.3	2,286.8	2,104.4	3,007.2	2,817.8	2,644.9
	Electric utility operating revenue	1,932.2	1,853.2	1,727.2	1,854.3	2,012.7	2,022.2	2,067.0	1,840.3	2,716.9	2,531.7	2,422.0
	Other business operating revenue	249.7	242.3	222.3	216.9	231.6	224.1	219.7	264.1	290.2	286.0	222.8
	Operating expenses	2,012.3	1,905.8	1,819.1	1,963.7	2,160.6	2,130.0	2,198.8	2,133.1	3,187.2	2,495.5	2,364.5
	Electric utility operating expenses	1,782.0	1,686.3	1,618.7	1,763.7	1,943.0	1,916.4	1,995.6	1,888.5	2,906.9	2,228.6	2,171.5
	Other business operating expenses	230.2	219.4	200.4	199.9	217.6	213.5	203.2	244.6	280.3	266.9	192.9
	Operating income	169.7	189.7	130.4	107.6	83.6	116.3	87.9	(28.7)	(180.0)	322.2	280.3
	Ordinary income	116.6	152.6	104.7	88.4	65.7	99.9	67.5	(49.2)	(199.2)	291.9	256.7
Net income attributable to owners of parent	76.4	97.3	69.9	47.2	46.4	63.0	29.3	(108.3)	(127.5)	226.1	182.8	
Cash flow	Cash flows from operating activities	374.2	371.8	278.1	324.0	262.8	371.5	217.6	97.1	(93.7)	450.1	410.3
	Cash flows from investing activities	(247.7)	(250.5)	(256.3)	(273.9)	(250.5)	(310.6)	(254.9)	(322.1)	(275.7)	(333.5)	(422.6)
	Cash flows from financing activities	(211.2)	(104.1)	(55.9)	(36.2)	(69.3)	6.7	(5.7)	293.2	598.4	(96.0)	34.1
	Capital investments	263.5	319.8	300.9	303.4	293.6	344.7	309.0	3.1	325.0	397.0	383.9
	Depreciation	221.2	242.3	226.0	222.0	215.6	227.0	228.7	182.4	193.4	191.5	205.5
Financial standing	Total assets	4,131.2	4,152.4	4,145.9	4,222.1	4,258.6	4,323.0	4,471.0	4,725.6	5,211.9	5,388.7	5,398.2
	Property, plant, and equipment	3,497.2	3,502.7	3,475.4	3,557.4	3,620.9	3,679.0	3,731.3	3,809.1	4,005.1	4,186.3	4,256.2
	Current assets	633.9	649.7	670.5	664.6	637.6	644.0	739.7	916.5	1,206.7	1,202.3	1,141.9
	Net assets	651.2	684.3	755.6	798.7	833.7	864.1	901.5	778.9	631.0	911.0	1,008.8
Interest-bearing debt	2,561.9	2,471.3	2,435.5	2,424.4	2,381.1	2,412.6	2,433.2	2,760.3	3,375.6	3,290.9	3,336.9	
Main indicators	Consolidated cash income	376.2	368.2	357.5	345.3	317.4	321.9	302.3	257.3	136.6	420.3	470.5
	Equity ratio (%)	14.6	15.2	16.8	17.3	17.9	18.3	18.5	14.8	10.5	15.4	18.3
	Free cash flow	126.4	121.3	21.8	50.1	12.2	60.8	(37.3)	(224.9)	(369.5)	116.6	(12.2)
	Return on assets (ROA) (%)	4.1	4.6	3.1	2.6	2.0	2.7	2.0	(0.6)	(3.6)	6.1	5.2
	Return on equity (ROE) (%)	13.6	15.8	10.6	6.6	6.2	8.1	3.6	(14.2)	(20.4)	32.8	20.2
Return on invested capital (ROIC) (%)	3.7	4.4	3.0	2.5	1.9	2.6	2.0	(0.6)	(3.5)	5.8	4.8	
Per-share information	Payout ratio (%)	9.8	12.8	25.0	42.3	43.0	31.7	68.0	-	-	3.3	9.6
	Dividend yield (%)	1.10	1.72	2.32	2.81	2.83	3.84	3.83	4.92	0.00	1.25	3.39
	Net earnings per share (EPS) (yen)	153.35	195.01	140.10	94.61	93.12	126.32	58.81	(216.84)	(255.14)	452.13	365.50
	Book value per share (BPS) (yen)	1,206.38	1,261.40	1,392.24	1,463.42	1,526.66	1,584.30	1,654.46	1,399.90	1,097.95	1,655.09	1,969.74

* The Accounting Standard for Revenue Recognition has been applied since FY2021.

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Participation in initiatives

UN Global Compact signatory
(Tohoku Electric Power)



Participation in the GX League (Ministry of Economy, Trade and Industry)
(Tohoku Electric Power)



Participation in Challenge Zero (Keidanren)
(Tohoku Electric Power)



Support for the Keidanren Initiative for Biodiversity Conservation
(Tohoku Electric Power)



Participation in Plastics Smart (Ministry of the Environment)
(Tohoku Electric Power)



Participation in 30 by 30 Alliance (Ministry of the Environment)
(Tohoku Ryokka Kankyochozen)



Participation in the Challenge Initiatives for 30% of Executives to be Women by 2030 (Keidanren)
(Tohoku Electric Power)



External evaluations

CDP evaluation
(Tohoku Electric Power)

Our scores in 2024: B for climate change and B for water security
Supplier engagement evaluation: Supplier Engagement Leader



Platinum Kurumin certification
(Tohoku Electric Power)

Kurumin certification
(Tohoku Electric Power Network)



2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program (White 500)
(Tohoku Electric Power and Tohoku Electric Power Network)



Eruboshi certification
(Tohoku Electric Power)



Sports Yell Company certification
(Tohoku Electric Power and Tohoku Electric Power Network)



DX Certification
(Tohoku Electric Power and Toinx)



Inclusion in ESG indices

FTSE Blossom Japan Sector Relative Index



MSCI Japan ESG Select Leaders Index
MSCI Japan Stock ESG Select Leaders Index

2025 CONSTITUENT MSCIジャパン ESGセレクト・リーダーズ指数

2025 CONSTITUENT MSCI日本株 ESGセレクト・リーダーズ指数

Sompo Sustainability Index



JPX Nikkei Index Human Capital 100



* FTSE Russell (a registered trademark of FTSE International Limited and Frank Russell Company) hereby certifies that Tohoku Electric Power has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE Blossom Japan Sector Relative Index. The FTSE Blossom Japan Sector Relative Index is widely used to create and evaluate sustainable investment funds and other financial products.

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Disclosure topics and accounting metrics

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Environment					
Greenhouse Gas Emissions and Energy Resource Planning	(1) Gross global Scope 1 emissions (2) Gross global Scope 1 emissions, percentage covered under emissions limiting regulations (3) Gross global Scope 1 emissions, percentage covered under emissions reporting regulations	Quantitative	t-CO ₂ -%	IF-EU-110a.1	(1) 32,477,000 t-CO ₂ (2) 0% (because Japan lacks regulated markets) (3) 100%
	Greenhouse gas (GHG) emissions associated with power delivery	Quantitative	t-CO ₂	IF-EU-110a.2	24,430,000 t-CO ₂ (29,610,000 t-CO ₂) * Figure in parentheses represents base CO ₂ emissions not reflecting adjustments, etc. under the feed-in tariff (FIT) program for renewables.
	Long-term and short-term strategy or plans to manage Scope 1 emissions, emissions reduction targets, and analysis of performance against these targets	Discussion and Analysis	—	IF-EU-110a.3	In March 2021, in the Tohoku Electric Power Group Carbon Neutral Challenge 2050, we summarized our long-term course of action to achieve carbon neutrality by 2050. We have also set a CO ₂ emissions target of halving CO ₂ emissions by FY2030 vs. actual FY2013 levels. Under the Tohoku Electric Power Group Carbon Neutral Challenge 2050, the Group will accelerate CO ₂ emissions reductions, primarily by making the most of renewable energy and nuclear power and promoting electrification and optimal energy use, in addition to decarbonizing its thermal power sources. Specifically, we will seek to swiftly achieve and expand 2,000 MW in renewable power generating capacity, based primarily on wind power, to make effective use of the wealth of renewable energy sources in the Tohoku and Niigata region. We will also enhance the power network and make progress in aspects such as the use of storage cells and hydrogen in preparation for growing use of renewables. We will help reduce CO ₂ emissions by our customers and communities by promoting electrification and optimal energy use. Our Scope 1 emissions were 31.069 million t-CO ₂ in FY2022, 33.76 million t-CO ₂ in FY2023, and 32.477 million t-CO ₂ in FY2024. We plan to maintain this course through the measures specified above to achieve these goals.
Air Quality	Atmospheric emissions of the following pollutants: (1) NOx (excluding N ₂ O) (2) SOx (3) Particulate matter (PM10) (4) Lead (Pb) (5) Mercury (Hg) Percentage of each in or near densely populated areas	Quantitative	t-%	IF-EU-120a.1	(1) 12,586.7 t, 100% (2) 5,615.8 t, 100% (3) Not disclosed (4) Not disclosed (5) Not disclosed * Although particulate matter, lead, and mercury are treated as part of the normal flow of powerplant operations, figures for these pollutants are undisclosed because their atmospheric emissions are not analyzed.
Water Management	(1) Total water withdrawn (2) Total water consumed Percentage of each in regions with High or Extremely High Baseline Water Stress	Quantitative	1000 m ³ -%	IF-EU-140a.1	(1) 19,769,000 m ³ , 0% (2) 356,000 m ³ , 0% * Water intake in Group production processes and water consumption by offices
	Number of incidents of noncompliance associated with water quantity and/or quality permits, standards, and regulations	Quantitative	Number	IF-EU-140a.2	0
	Water management risks and strategies and measures to mitigate such risks	Discussion and Analysis	—	IF-EU-140a.3	In use of river water and other water sources, we strive to manage water resources in various ways, including compliance with water intake volumes permitted under laws and regulations. Measures to confirm water stress in the Tohoku and Niigata region using the WRI Aqueduct Water Risk Atlas tool to identify water risks resulted in a "low-medium" assessment at maximum. As such, the expected frequency of water-related risks, including drought, is low.
Coal Ash Management	Amount of coal combustion residuals (CCR) generated, percentage recycled	Quantitative	t-%	IF-EU-150a.1	808,000 t, 85.1%
	Total number of coal combustion residual (CCR) impoundments broken down by (EPA) hazard potential classification and structural integrity assessment	Quantitative	Number	IF-EU-150a.2	Five sites

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Disclosure topic	Accounting metrics	Category	Unit	Code	FY2024 results
Social capital					
Energy Affordability	Average retail electric rate (per kWh) for: (1) residential (2) commercial (3) industrial customers	Quantitative	Yen	IF-EU-240a.1	(1) Residential: 27.90 yen (2) Commercial: 28.75 yen (3) Industrial: 26.83 yen * Including consumption tax and fuel cost adjustments; not including levies intended to encourage use of renewables; including electricity and gas rate support
	Number of residential customer electric disconnections for nonpayment Percentage reconnected within 30 days	Quantitative	Number, Percentage (%)	IF-EU-240a.3	(1) Number of residential customer electric disconnections for nonpayment a. Disconnections under specific retail supply agreements: Not disclosed (not disclosed since numbers are not totaled) b. Cancellations of demand and supply contracts based on low voltage electricity standard agreements: FY2024: 18,263 (2) Percentage reconnected within 30 days Not disclosed (not disclosed since numbers are not totaled)
	Discussion of the impact of external factors on affordability of electricity, including economic conditions within the territory served	Discussion and Analysis	—	IF-EU-240a.4	Japan's Electricity Business Act stipulates the following: "A General Electricity Utility shall not refuse to provide power transmission in its service area without due cause." In general, all applications for electricity service in the Tohoku Electric Power Network service area are automatically fulfilled. We believe consumers should have equal opportunity to obtain affordable energy services. Factors affecting electricity rates include government levies intended to encourage use of renewables, fuel-cost adjustments on thermal power, and prices on the wholesale electricity market.
Human capital					
Employee Occupational Safety and Health	(1) Total recordable incident rate (TRIR: incidents/200,000 hours worked) (2) Fatality rate (incidents) (3) Near-miss frequency rate (NMFR: incidents/200,000 hours worked)	Quantitative	%	IF-EU-320a.1	(1) 0.04% (employees of Tohoku Electric Power and Tohoku Electric Power Network) (2) 0 (employees of Tohoku Electric Power and Tohoku Electric Power Network) (3) Not disclosed (not disclosed because we have no calculation made on a groupwide basis)
Business-model innovation					
End-Use Efficiency and Demand	Percentage of electric load served by smart grid technology	Quantitative	%	IF-EU-420a.2	Penetration of smart meters at end of FY2024: 100%
	Customer electricity savings from efficiency measures in each market	Quantitative	MWh	IF-EU-420a.3	We propose solutions to the various challenges facing our customers, centered on energy. Specific examples include joint development with the manufacturer of Heat Edge air chillers, which offer improved capacity during times of harsh cold and better energy efficiency; provision of exEMS services with demand control functions to visualize electricity usage; and home solar power services provided through one-stop services ranging from adoption through maintenance, with no need for initial investment. Other activities include the development of equipment and services that help conserve energy and reduce CO ₂ emissions. We have also launched a demand-response (DR) service to lower customer utility costs and improve electricity supply and demand. Numerous customers currently participate. We disclose the following quantitative data in place of customer electricity savings: ○ Number of energy solutions proposed (FY2024): 1,140 ○ Number of views of the Shou-ene Life service providing information on energy conservation (FY2024): 139,111 viewers • https://www.tohoku-epco.co.jp/dprivate/sl-denka/saving/ • https://www.tohoku-epco.co.jp/dprivate/sl-denka/saving/dr/ ○ Number of entries to the DP services: 180,000 for low-voltage, 28,000 for high-voltage and extra high-voltage

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Disclosure topic	Accounting metrics	Category	Unit	Code	FY2024 results
Leadership, governance					
Nuclear Safety and Emergency Management	Total number of nuclear power units, broken down by US Nuclear Regulatory Commission (NRC) Action Matrix Column	Quantitative	Number	IF-EU-540a.1	4 units (breakdown: 3 units at the Onagawa Nuclear Power Station*, 1 unit at the Higashidori Nuclear Power Station) * Unit No. 1 at the Onagawa Nuclear Power Station is in the process of decommissioning and is currently not operational.
	Description of efforts to manage nuclear safety and emergency preparedness	Discussion and Analysis	—	IF-EU-540a.2	Quality policies for nuclear safety (excerpt) We have a duty to enhance nuclear safety and reduce risks based on the keen safety awareness inherited from our predecessors and the many lessons gained from the Great East Japan Earthquake and other disasters. For this objective, each employee has resolved to gain the understanding and trust of society by demonstrating a strong sense of responsibility, contributing to the safety culture, and continually conducting PDCA activities, based on the formulated policies set forth below. 1. Put safety first at all times. 2. Comply with laws, regulations, and rules. 3. Establish a habit of constant review. 4. Enhance information sharing. 5. Take a proactive approach to improvements. See the following link for more on our quality policies for nuclear safety: https://www.tohoku-epco.co.jp/electr/genshi/safety/quality/index.html
Grid Resiliency	Number of incidents of noncompliance with physical and/or cybersecurity standards or regulations	Quantitative	Number	IF-EU-550a.1	Physical risk incidents: 1 Cybersecurity incidents: not disclosed (in light of risks posed by such disclosure)
	(1) System Average Interruption Duration Index (SAIDI) including major event days (2) System Average Interruption Frequency Index (SAIFI) including major event days (3) Customer Average Interruption Duration Index (CAIDI) including major event days	Quantitative	Minutes, Number	IF-EU-550a.2	(1) 16 minutes (including interruptions for work purposes) (2) 0.11 times (including interruptions for work purposes) (3) 143 minutes (including interruptions for work purposes)

Activity Metrics	Category	Unit	Code	FY2024 results
Number of: (1) residential, (2) commercial, and (3) industrial customers served	Quantitative	Number	IF-EU-000.A	(1) 6.19 million (total for electric lighting) Total of (2) and (3): 660,000 (total for electricity)
Total electricity delivered to: (1) residential customers, (2) commercial customers, (3) industrial customers, (4) all other retail customers, and (5) wholesale customers	Quantitative	MWh	IF-EU-000.B	(1) 19,662,000 MWh (total for electric lighting) Total of (2), (3), and (4): 41,212,000 MWh (total for electricity) (5) 17,123,000 MWh
Length of transmission and distribution lines	Quantitative	km	IF-EU-000.C	Transmission lines (circuit length) Aerial: 24,463 km Underground: 826 km Distribution lines (route length) Aerial: 146,151 km Underground: 3,942 km
Total electricity generated, percentage by major energy source, percentage in regulated markets	Quantitative	MWh, %	IF-EU-000.D	Total electricity generated: 55,366,192 MWh (volume at transmission destination) Includes: 12.3% from hydroelectric power 83.3% from thermal power 4.1% from nuclear power 0.3% from renewables Percentage in regulated markets: Not applicable (because Japan lacks regulated markets)
Total wholesale electricity purchased	Quantitative	MWh	IF-EU-000.E	Left undisclosed for reasons involving competition

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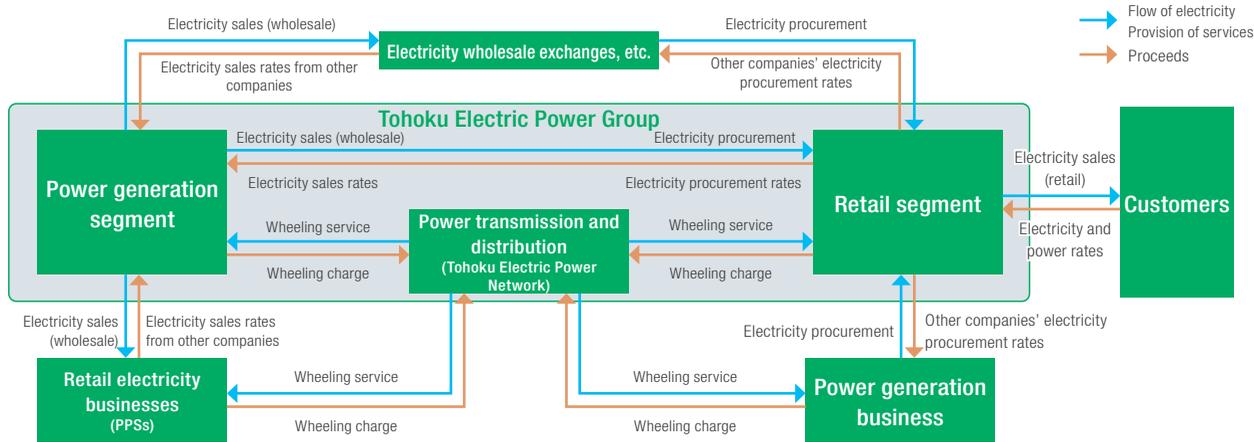
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Electric Power Business Systems and Glossary

Overview of the electric power business

Under the power system reforms, the electricity business has migrated to a system of licensing. Tohoku Electric Power handles the power generation and retail electricity businesses, while Tohoku Electric Power Network handles the power transmission and distribution business. Among other business commitments, the power generation business is committed to the nondiscriminatory wholesale of electricity to internal and external buyers. The power transmission and distribution business is committed to neutrality.

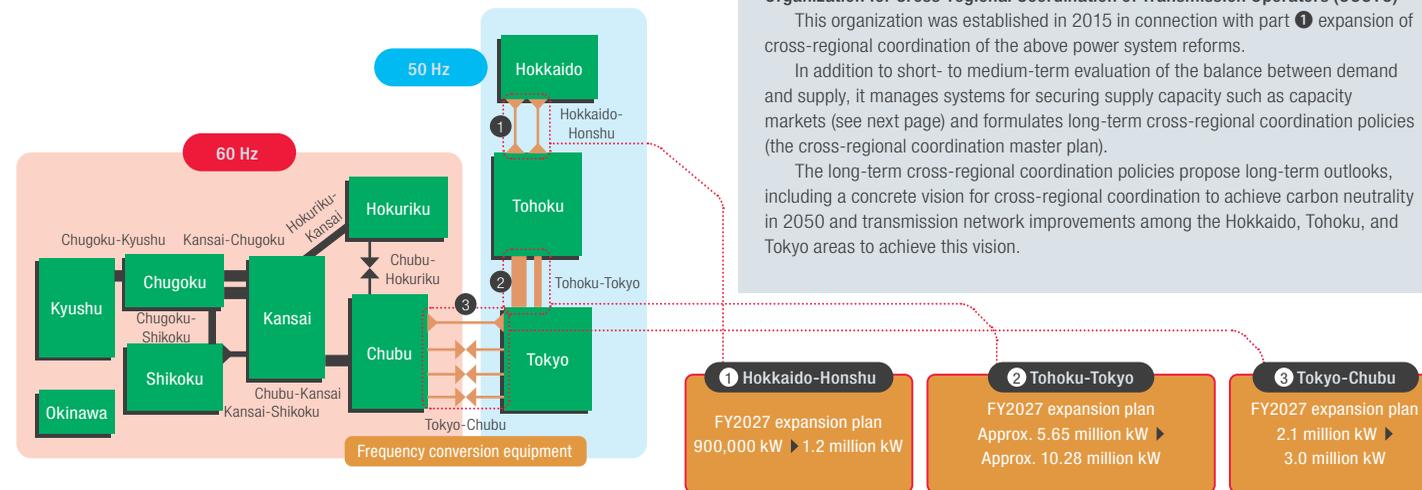


* Contracting rates in the power transmission business are calculated under the revenue cap system and approved by the Japanese government.

Power grid

Electric power frequencies differ between eastern and western Japan. Power is transmitted across the border through frequency conversion equipment. East Japan is divided into three areas: Hokkaido, Tohoku, and Tokyo.

While these areas are connected by power lines, capacity is limited. In some cases, the electricity market is divided by area. For this reason, construction is underway to expand connection capacity under the Organization for Cross-regional Coordination of Transmission Operators' cross-regional coordination plans.



* Estimate at the time of improvement plan preparations; operating capacity is expected to expand with various factors, including the state of power source operation and progress on other grid improvements.

Related terminology

Power system reforms (fifth systemic reforms)

These reforms were implemented in stages from 2015 through 2020 based on ① expansion of cross-regional coordination, ② full liberalization of retail sales and power generation, and ③ the achievement of neutrality in power transmission and distribution through legal separation. The result is a licensing system for each of the businesses of power generation, transmission and distribution, and retail sales, requiring the previous general power companies to spin off their power transmission businesses.

Nondiscriminatory wholesale sales

To ensure continuous competition and to prevent improper internal subsidies between the power generation and retail sales sections of the previous general power companies, the power generation sections of the previous general power companies are required to sell electricity wholesale under identical (nondiscriminatory) conditions to their own (internal) retail sections and (external) PPSs.

Revenue cap system

Each general power transmission and distribution company is required to formulate a business plan identifying the targets to be achieved during a certain regulatory period—the first period being the five years from FY2023 through FY2027—based on Japanese government guidelines and to obtain government approval of its revenue forecasts estimated based on necessary costs and other factors. Contracted rates are set based on this process. The system allows ex-post adjustments in response to external costs and other factors not expected at the time of application.

Organization for Cross-regional Coordination of Transmission Operators (OCCTO)

This organization was established in 2015 in connection with part ① expansion of cross-regional coordination of the above power system reforms.

In addition to short- to medium-term evaluation of the balance between demand and supply, it manages systems for securing supply capacity such as capacity markets (see next page) and formulates long-term cross-regional coordination policies (the cross-regional coordination master plan).

The long-term cross-regional coordination policies propose long-term outlooks, including a concrete vision for cross-regional coordination to achieve carbon neutrality in 2050 and transmission network improvements among the Hokkaido, Tohoku, and Tokyo areas to achieve this vision.

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Electricity markets

Markets have been established in the main categories of electric power (kWh), adjustment (Δ kW), capacity (kW), and non-fossil fuel value. The future adoption of synchronized markets for simultaneous trading in kWh and Δ kW is under consideration.

Systems are in place to promote the adoption of feed-in tariff (FIT) and feed-in premium (FIP) programs for renewable energy. Related costs are borne by all users of electricity in accordance with their use as surcharges to promote renewable power generation.

Wholesale power markets	These markets trade in electricity (kWh). Wholesale power markets include spot markets for delivery of electricity the next day and base-load markets to request the systematic supply of electricity from base-load power sources (e.g., coal-fired thermal and nuclear power) operated by major firms. Power is procured mainly by retail electricity businesses.
Demand-supply adjustment markets	These markets trade in the adjustment capacity (Δ kW) needed for frequency control and demand-supply balance adjustments. General transmission and distribution operators procure adjustment capacities from power generation operators and others.
Capacity markets	These markets trade in capacity (kW). The market manager (OCCTO) procures capacities, mainly from power generation operators. The costs are borne by individual participants, including retail electricity businesses and general power transmission and distribution operators, as capacity contributions.
Non-fossil fuel value trading markets	These markets trade in the environmental value associated with electricity generated from non-fossil fuel sources. They include renewable value markets in which users trade directly and non-fossil certificate markets in which mainly retail electricity business operators trade.

Policy trends to achieve carbon neutrality

Carbon pricing

The GX Promotion Act mandates an emissions trading system from FY2026. Businesses that emit more CO₂ than their allotted emissions credits must purchase additional emissions credits. Plans call for introduction of fossil-fuel surcharges in FY2028 and auctions for power generation business operators in FY2033.

Long-term decarbonization power source auctions

Capacity markets auction long-term decarbonization power sources to secure long-term supply capacity, targeting new investment (e.g., new construction, replacement) of decarbonization power sources like hydrogen, ammonia, nuclear power, and renewable energy. When a contract is concluded, the capacity contract amount based on the contracted price is paid over the system application period (20 years in principle).

Systems related to the nuclear power business

The resumption of operations at a nuclear power station is subject to review of conformity to new regulatory standards and conditional on safety construction based on the standards. A system has been established for payment of compensation for damages due to nuclear power in the event of accidents. However, nuclear power business operators are subject to unlimited no-fault liability.

Back-end businesses involved in various activities, including the processing and disposal of spent nuclear fuel face business uncertainties over the very long term. Systemic measures like the ones shown in the chart are in place to secure funding for their costs.

Details	Systemic measures, etc.
Costs required for spent nuclear fuel reprocessing, etc.	Contributions are made to the Nuclear Reprocessing and Decommissioning Facilitation Organization based on the volume of spent fuel generated from the operation of a nuclear power station.
Costs related to the final disposal of specified radioactive waste arising after spent fuel reprocessing	Contributions are made to the Nuclear Waste Management Organization (NUMO) based on the volume of specified radioactive waste generated from operation of a nuclear power station.
Costs required for demolition of a nuclear power facility	Decommissioning contributions are made to the Nuclear Reprocessing and Decommissioning Facilitation Organization to cover the costs of nuclear power station decommissioning work. Costs required for the Company's discontinuation measures are paid from the Organization every year.

Related terminology

Feed-in tariff (FIT) system

This system requires power companies to purchase electricity generated from renewables at predetermined (fixed) prices. The main buyers are general power transmission and distribution business operators. The electricity purchased is sold on the wholesale electricity markets or between business operators.

Feed-in premium (FIP) system

This system adds a premium (subsidy) to the sale price of renewable electricity. While revenues can increase by generating more power when market prices are high, a balance between planned and actual values must be achieved. For this reason, the aggregation business is expected to develop for the comprehensive management of supply and demand in combinations of small-scale renewable energy sources and storage cell or other systems and related market trading on customers' behalf.

Planned simultaneous balancing scheme

This is a system whereby power generation business operators and retail electricity business operators operate in accordance with power generation and demand plan values in 30-minute increments submitted in advance. A general power transmission and distribution business operator coordinates imbalances between planned and actual values. The costs thereof are settled later as imbalance charges.

Priority power supply rules

Rules for controls to maintain a balance between supply and demand when power generation exceeds demand in a given area. Controls are implemented in the following order. Power generation business operators are not compensated for output controls based on the priority power supply rules.

- ① Thermal (oil, gas, coal) output controls, use of pumping up and storage cells
- ② Biomass output controls
- ③ Transmission to other areas through connecting lines
- ④ Solar and wind power output controls
- ⑤ Long-term fixed power sources (hydroelectric, nuclear, geothermal) output controls

Nuclear power damages compensation liability system

This system is based on the Act on Contract for Indemnification of Nuclear Damage Compensation for relief to those harmed by nuclear power accidents. Nuclear power business operators are subject to unlimited no-fault liability. In the event that compensation from damages due to nuclear power exceeds the liability measures amount (120 billion yen), the nuclear power business operator can receive assistance as needed from the Japanese government.

Compensation support from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation

The Nuclear Damage Compensation and Decommissioning Facilitation Corporation was established to provide support in various areas, including the payment of compensation for damages caused by nuclear power. It accumulates reserves for compensation for damages. It receives two types of contributions: general contributions paid by all nuclear power business operators and special contributions paid by authorized operators (nuclear power business operators whose special business plans have been authorized). We pay general contributions to this organization annually.

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Independent Practitioner's Limited Assurance Report

To the Representative Director & President of Tohoku Electric Power Co., Inc.

Conclusion

We have performed a limited assurance engagement on whether selected environmental performance indicators (the "subject matter information" or the "SMI") presented in Tohoku Electric Power Co., Inc.'s (the "Company") Tohoku Electric Power Group Integrated Report 2025 (the "Report") for the year ended March 31, 2025 have been prepared in accordance with the criteria (the "Criteria"), which are established by the Company and are explained in the Report. The SMI subject to the assurance engagement is indicated in the Report with the symbol "★".

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Company's SMI for the year ended March 31, 2025 is not prepared, in all material respects, in accordance with the Criteria.

Basis for Conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the "Our responsibilities" section of our report.

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA).

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, issued by the IAASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other information

Our conclusion on the SMI does not extend to any other information that accompanies or contains the SMI (hereafter referred to as "other information"). We have read the other information but have not performed any procedures with respect to the other information.

Responsibilities for the SMI

Management of the Company are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation of the SMI that is free from material misstatement, whether due to fraud or error;
- selecting or developing suitable criteria for preparing the SMI and appropriately referring to or describing the criteria used; and
- preparing the SMI in accordance with the Criteria.

Inherent limitations in preparing the SMI

As described in the Report, GHG emissions quantification is subject to uncertainty when measuring activity data, determining emission factors, and considering scientific uncertainty inherent in the Global Warming Potentials. Hence, the selection by management of a different but acceptable measurement method, activity data, emission factors, and relevant assumptions or parameters could have resulted in materially different amounts being reported.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the SMI is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Management of the Company.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional skepticism throughout the engagement. We designed and performed our procedures to obtain evidence about the SMI that is sufficient and appropriate to provide a basis for our conclusion. Our procedures selected depended on our understanding of the SMI and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise. In carrying out our engagement, the procedures we performed primarily consisted of:

- assessing the suitability of the criteria applied to prepare the SMI;
- conducting interviews with the relevant personnel of the Company to obtain an understanding of the key processes, relevant systems and controls in place over the preparation of the SMI;
- performing analytical procedures including trend analysis;
- identifying and assessing the risks of material misstatements;
- performing a site visit at the Joetsu Thermal Power Station of the Company which was determined through our risk assessment procedures;
- performing, on a sample basis, recalculation of amounts presented as part of the SMI;
- performing other evidence gathering procedures for selected samples; and
- evaluating whether the SMI was presented in accordance with the Criteria.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

/s/ Kazuhiko Saito

Kazuhiko Saito, Engagement Partner

KPMG AZSA Sustainability Co., Ltd.

Tokyo Office, Japan

November 7, 2025

Notes to the Reader of Assurance Report:

This is a copy of the Assurance Report and the original copies are kept separately by the Company and KPMG AZSA Sustainability Co., Ltd.

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Business Overview

Company Name

Tohoku Electric Power Co., Inc.

Head Office

1-7-1 Honcho, Aoba-ku, Sendai, Miyagi
980-8550, Japan

Date established

May 1, 1951

Capital

251.4 billion yen

Total Assets (as of the end of March 2025)

4,661.8 billion yen (consolidated: 5,398.2 billion yen)

Operating revenue (for FY2024)

2,104.9 billion yen (consolidated: 2,644.9 billion yen)

Ordinary income (for FY2024)

226.8 billion yen (consolidated: 256.7 billion yen)

Representatives (as of April 1, 2025)

Kojiro Higuchi, Representative Director & Chairman of the Board
Kazuhiro Ishiyama, Representative Director & President

Number of Shareholders (as of the end of March 2025)

174,767

Service Areas

Aomori Prefecture, Iwate Prefecture, Akita Prefecture,
Miyagi Prefecture, Yamagata Prefecture, Fukushima
Prefecture, Niigata Prefecture and other areas

Number of Employees (as of the end of March 2025)

4,661 (consolidated: 18,378)

Electricity Sales (for FY2024)

Lighting: 19,662 GWh
Power: 41,212 GWh
Retail total: 60,874 GWh
Wholesale: 17,123 GWh
Total: 77,996 GWh

Total Number of Shares (as of the end of March 2025)

Total Number of Issuable Shares

1,000,000,000 shares

Total Number of Issued Shares

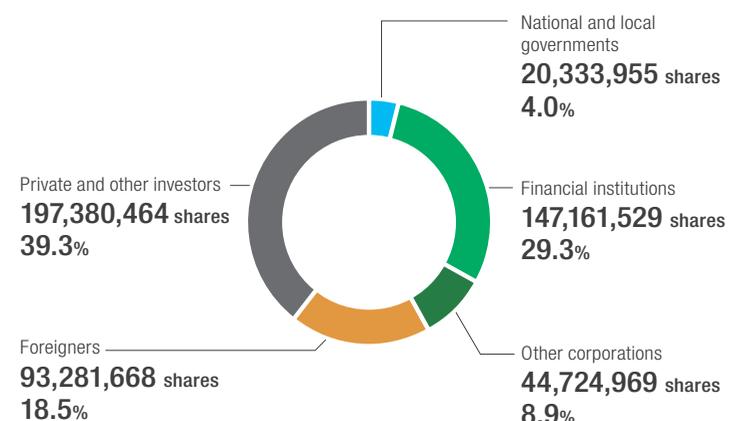
502,882,585 shares

Major Shareholders (as of the end of March 2025)

Name	Investment status	
	Number of shares owned (thousand)	Ratio of shares owned to the total number of issued shares (%)
The Master Trust Bank of Japan, Ltd. (trust account)	72,660	14.50
Custody Bank of Japan, Ltd. (trust account)	36,415	7.27
Tohoku Electric Power Employee Shareholding Association	17,117	3.42
Nippon Life Insurance Company	9,609	1.92
STATE STREET BANK AND TRUST COMPANY 505001	7,228	1.44
JP MORGAN CHASE BANK 385781	6,655	1.33
JPMorgan Securities Co., Ltd.	6,507	1.30
The 77 Bank, Ltd.	6,468	1.29
STATE STREET BANK WEST CLIENT - TREATY 505234	5,546	1.11
UBS AG LONDON A/C IPB SEGREGATED CLIENT ACCOUNT	5,294	1.06
Total	173,499	34.64

Distribution of Shares by Type of Shareholders

(as of the end of March 2025)



* Due to rounding, the sum of individual figures may not equal the total.
* Electricity sales are for Tohoku Electric Power only. They exclude the transmission and distribution business. Retail sales include power for business use. Wholesale sales include special accommodations.

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Members of the Tohoku Electric Power Group

(70 companies as of July 1, 2025)



Tohoku Electric Power Co., Inc.

Tohoku Electric Power Network Co., Inc.



Thermal power

- Tohoku EPCO Energy Trading Co., Inc.
- Sakata Kyodo Power Company Ltd.
- Tohoku Port Service Co., Inc.
- Nihonkai LNG Co., Ltd.
- Joban Joint Power Co., Ltd.
- Soma Kyodo Power Company, Ltd.



Renewable energy

- Tohoku Sustainable & Renewable Energy Co., Inc.
- Tohoku Electric Power Renewable Energy Services Co., Inc.
- TDRI G. K.
- Chokai Minami Biomass Power Co., Ltd.
- Hakkoda Wind Power Company Inc.
- Shiroishi-Kosugo Wind Power G.K.
- Takko-Oguni Wind Power G.K.
- Wind Farm Noheji G.K.
- Nakatombetsu Wind Farm G.K.
- Imabetsu Wind Farm G.K.

19 other companies



Next-generation energy services

- Bando Chikudensho Ichigou G.K.



Retail electricity

- Tohoku EPCO Frontier Co., Ltd.
- Tohoku EPCO Solar e Charge Co., Inc.
- Tohoku EPCO E life Partners Co., Ltd.
- Tohoku Natural Gas Co., Inc.
- Tokyu Power Supply Co., Ltd.



Solution service

- Tohoku Energy Service Co., Inc.



Power transmission/distribution

- Tohoku Power Transmission and Distribution Service Co., Inc.
- Kitanihon Electric Cable Co., Ltd.
- Tohoku Electric Meter Industry Co., Inc.
- Tohoku Air Service, Inc.
- Tsuken Electric Ind Co., Ltd.
- Kitanihon Densen Service Co., Ltd.



Comprehensive engineering

- Yurtec Corporation
- Tohoku Electric Power Engineering & Construction Co., Inc.
- Tohoku Ryokka Kankyochozen
- Aqua Power Tohoku Co., Ltd.
- Tohatsu Hydro Engineering Co., Inc.



Real estate

- HNK Co., Inc.
- Eltas Tohoku Inc.



DX & IT

- TOHKnet Co., Inc.
- Toinx Co., Ltd.



Other

- Tohoku Development Consultant Co., Ltd.
- Higashi Nihon Techno Survey Corporation
- Tohoku Electric Power Transcosmos Management Partner Co., Inc.
- Tohoku-Electric Power Friendly Partners Co., Inc.
- Yokote Yuzawa Forest Cycle Co., Ltd.
- Tohoku Power Investment Company

5 other companies

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