

Consolidated Financial Statements

Tohoku Electric Power Company, Incorporated

*Year ended March 31, 2026
with Independent Auditor's Report*

Consolidated Financial Statements

① Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Non-current assets	4,256,261	4,473,289
Electric utility plant and equipment	Note 3, Note 4 3,068,873	Note 3, Note 4 3,074,850
Hydroelectric power production facilities	212,611	219,470
Thermal power production facilities	378,065	368,663
Nuclear power production facilities	664,666	635,695
Transmission facilities	568,731	561,177
Transformation facilities	270,699	273,496
Distribution facilities	777,897	806,862
General facilities	135,907	143,718
Other electric utility plant and equipment	60,293	65,765
Other non-current assets	Note 3, Note 4 193,164	Note 3, Note 4 204,034
Construction in progress	358,353	503,640
Construction and retirement in progress	293,662	437,062
Special account related to nuclear power decommissioning	19,614	16,016
Special account related to reprocessing of spent nuclear fuel	45,077	50,561
Nuclear fuel	143,896	141,730
Loaded nuclear fuel	31,935	29,132
Nuclear fuel in processing	111,960	112,597
Investments and other assets	491,973	549,033
Long-term investments	Note 8 139,581	Note 8 159,379
Retirement benefit asset	39,122	93,581
Deferred tax assets	122,361	93,310
Other	Note 5, Note 8 191,066	Note 5, Note 8 206,254
Allowance for doubtful accounts	(157)	(3,491)
Current assets	1,141,952	1,258,566
Cash and deposits	474,520	594,509
Notes and accounts receivable - trade	Note 1 221,095	Note 1 183,377
Short-term investments	76,970	66,189
Inventories	Note 6 78,861	Note 6 91,678
Other	291,002	323,264
Allowance for doubtful accounts	(498)	(452)
Total	5,398,213	5,731,856

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities and net assets		
Non-current liabilities	3,237,736	3,392,028
Bonds payable	Note 8 1,578,700	Note 8 1,611,695
Long-term borrowings	Note 8 1,353,339	Note 8 1,493,847
Contribution payable for nuclear reactor decommissioning	129,983	124,295
Reserve for restoration costs of natural disaster	2,929	3,343
Retirement benefit liability	122,924	106,951
Other	49,859	51,895
Current liabilities	1,151,667	1,204,096
Current portion of non-current liabilities	Note 8 417,322	Note 8 385,035
Notes and accounts payable - trade	202,718	180,418
Accrued taxes	42,566	49,661
Reserve for restoration costs of natural disaster	964	593
Other	Note 2 488,095	Note 2 588,387
Total liabilities	4,389,404	4,596,125
Shareholders' equity	948,013	1,013,075
Share capital	251,441	251,441
Capital surplus	23,306	23,286
Retained earnings	677,358	742,296
Treasury shares	(4,092)	(3,948)
Accumulated other comprehensive income	37,170	98,265
Valuation difference on available-for-sale securities	9,106	18,388
Deferred gains or losses on hedges	9,351	17,627
Revaluation reserve for land	Note 7 (890)	Note 7 (896)
Foreign currency translation adjustment	4,586	7,748
Remeasurements of defined benefit plans	15,016	55,397
Non-controlling interests	23,625	24,390
Total net assets	1,008,809	1,135,730
Total	5,398,213	5,731,856

② Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	For the fiscal year ended March 31, 2025		For the fiscal year ended March 31, 2026	
Operating revenue	Note 1	2,644,912	Note 1	2,372,420
Electric utility operating revenue		2,422,057		2,218,410
Other business operating revenue		222,854		154,010
Operating expenses	Note 2, Note 3, Note 4	2,364,580	Note 2, Note 3, Note 4	2,212,040
Electric utility operating expenses		2,171,587		2,058,072
Other business operating expenses		192,993		153,967
Operating profit		280,332		160,380
Non-operating income		10,746		12,331
Dividend income		866		880
Interest income		1,180		1,896
Gain on sale of goods		1,729		1,817
Share of profit of entities accounted for using equity method		5,054		4,634
Other		1,915		3,102
Non-operating expenses		34,353		46,304
Interest expenses		25,928		31,062
Other		8,424		15,241
Total ordinary revenue		2,655,659		2,384,752
Total ordinary expenses		2,398,934		2,258,345
Ordinary profit		256,725		126,407
Extraordinary losses		-		7,595
Loss on valuation of securities		-	Note 5	7,595
Profit before income taxes		256,725		118,811
Income taxes - current		33,544		26,416
Income taxes - deferred		38,404		6,473
Total income taxes		71,949		32,890
Profit		184,776		85,921
Profit attributable to non-controlling interests		1,968		946
Profit attributable to owners of parent		182,807		84,975

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	184,776	85,921
Other comprehensive income		
Valuation difference on available-for-sale securities	1,386	8,950
Deferred gains or losses on hedges	1,965	7,624
Foreign currency translation adjustment	(130)	3,162
Remeasurements of defined benefit plans, net of tax	(14,045)	39,583
Share of other comprehensive income of entities accounted for using equity method		1,886
Total other comprehensive income	Note 1 (9,990)	Note 1 61,206
Comprehensive income	174,786	147,128
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	172,977	146,076
Comprehensive income attributable to non-controlling interests	1,808	1,051

③ Consolidated Statement of Changes in Net Assets

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of period	251,441	23,291	509,385	(4,154)	779,963	7,598	7,153
Changes during period							
Change in ownership interest of parent due to transactions with non-controlling interests		15			15		
Dividends of surplus			(12,527)		(12,527)		
Profit attributable to owners of parent			182,807		182,807		
Purchase of treasury shares				(24)	(24)		
Disposal of treasury shares			(0)	85	85		
Reversal of revaluation reserve for land			(4)		(4)		
Change in scope of consolidation			(2,301)		(2,301)		
Net changes in items other than shareholders' equity						1,508	2,198
Total changes during period	-	15	167,972	61	168,049	1,508	2,198
Balance at end of period	251,441	23,306	677,358	(4,092)	948,013	9,106	9,351

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(937)	5,533	28,383	47,731	83,383	911,078
Changes during period						
Change in ownership interest of parent due to transactions with non-controlling interests						15
Dividends of surplus						(12,527)
Profit attributable to owners of parent						182,807
Purchase of treasury shares						(24)
Disposal of treasury shares						85
Reversal of revaluation reserve for land						(4)
Change in scope of consolidation						(2,301)

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Net changes in items other than shareholders' equity	46	(947)	(13,366)	(10,561)	(59,757)	(70,318)
Total changes during period	46	(947)	(13,366)	(10,561)	(59,757)	97,730
Balance at end of period	(890)	4,586	15,016	37,170	23,625	1,008,809

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges
Balance at beginning of period	251,441	23,306	677,358	(4,092)	948,013	9,106	9,351
Changes during period							
Change in ownership interest of parent due to transactions with non-controlling interests		(20)			(20)		
Dividends of surplus			(20,043)		(20,043)		
Profit attributable to owners of parent			84,975		84,975		
Purchase of treasury shares				(16)	(16)		
Disposal of treasury shares			(0)	161	160		
Reversal of revaluation reserve for land			6		6		
Net changes in items other than shareholders' equity						9,282	8,276
Total changes during period	-	(20)	64,937	144	65,061	9,282	8,276
Balance at end of period	251,441	23,286	742,296	(3,948)	1,013,075	18,388	17,627

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(890)	4,586	15,016	37,170	23,625	1,008,809
Changes during period						
Change in ownership interest of parent due to transactions with non-controlling interests						(20)
Dividends of surplus						(20,043)
Profit attributable to owners of parent						84,975
Purchase of treasury shares						(16)
Disposal of treasury shares						160
Reversal of revaluation reserve for land						6
Net changes in items other than shareholders' equity	(6)	3,162	40,380	61,094	764	61,859
Total changes during period	(6)	3,162	40,380	61,094	764	126,921

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at end of period	(896)	7,748	55,397	98,265	24,390	1,135,730

④ Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	256,725	118,811
Depreciation	205,540	225,866
Amortization of special account related to nuclear power decommissioning	3,597	3,597
Amortization of nuclear fuel	1,648	2,803
Loss on retirement of non-current assets	5,212	6,430
Increase (decrease) in retirement benefit liability	13,413	(15,972)
Increase (decrease) in remeasurements of defined benefit plans	(19,178)	55,709
Decrease (increase) in retirement benefit asset	(8,482)	(54,459)
Increase (decrease) in contribution payable for nuclear reactor decommissioning	135,671	(5,688)
Interest and dividend income	(2,047)	(2,777)
Interest expenses	25,928	31,062
Decrease (increase) in trade receivables	(315)	38,045
Decrease (increase) in inventories	8,974	(12,828)
Increase (decrease) in trade payables	2,647	(22,568)
Other, net	(143,199)	58,592
Subtotal	486,136	426,625
Interest and dividends received	3,018	5,182
Interest paid	(24,836)	(29,388)
Income taxes paid	(53,986)	(32,263)
Net cash provided by (used in) operating activities	410,330	370,156
Cash flows from investing activities		
Purchase of non-current assets	(394,076)	(395,373)
Investments and loan advances	(6,592)	(92,664)
Proceeds from divestments and collection of loans receivable	6,997	83,106
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	Note 2 (45,958)	-
Other, net	17,012	29,237
Net cash provided by (used in) investing activities	(422,617)	(375,694)
Cash flows from financing activities		
Proceeds from issuance of bonds	162,458	192,689
Redemption of bonds	(100,000)	(155,000)
Proceeds from long-term borrowings	223,893	352,998
Repayments of long-term borrowings	(225,097)	(248,473)
Proceeds from short-term borrowings	18,921	6,300
Repayments of short-term borrowings	(27,300)	(6,600)
Proceeds from issuance of commercial papers	35,000	-
Redemption of commercial papers	(35,000)	-
Dividends paid	(12,540)	(20,001)
Dividends paid to non-controlling interests	(1,415)	(258)
Other, net	(4,770)	(6,469)
Net cash provided by (used in) financing activities	34,148	115,185
Effect of exchange rate change on cash and cash equivalents	(85)	(189)
Net increase (decrease) in cash and cash equivalents	21,776	109,458
Cash and cash equivalents at beginning of period	529,354	551,131
Cash and cash equivalents at end of period	Note 1 551,131	Note 1 660,589

[Notes]

(Basis of Preparation)

The accompanying consolidated financial statements of Tohoku Electric Power Company, Incorporated ("the Company") and its consolidated subsidiaries (collectively, "the Group") have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan and are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

Certain reclassifications of previously reported amounts have been made to conform the consolidated financial statements for the year ended March 31, 2025 to the 2026 presentation. Such reclassifications had no effect on consolidated profit or net assets.

As permitted by the Financial Instruments and Exchange Law, amounts of less than one million yen have been rounded down to the nearest million yen. As a result, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sum of the individual amounts.

(Significant Accounting Policies for Preparation of Consolidated Financial Statements)

1. Disclosure of Scope of Consolidation

(1) Number of consolidated subsidiaries and names of principal consolidated subsidiaries

40 companies (All subsidiaries are included in the scope of consolidation of the Company)

Sakata Kyodo Power Company Ltd., Nihonkai LNG Co., Ltd., Tohoku Sustainable & Renewable Energy Co, Inc., CHOKAIMINAMI BIOMASS POWER Inc., Tohoku EPCO Frontier Co., Inc., Tohoku EPCO Energy Trading Company, Incorporated, Tohoku Natural Gas Co., Inc., Tohoku Energy Service Co., Inc., Tohoku Electric Power Network Co., Inc., TOHKnet Co., Inc., HNK Co., Inc., Tohoku Electric Power Engineering & Construction Co., Inc

(2) TDG Business Support K.K. was excluded from the scope of consolidation from this fiscal year because it was dissolved through an absorption-type merger with Tohoku Electric Power Transcosmos Management Partner Co., Inc. as the surviving company.

In addition, Imabetsu Wind Farm GK was dissolved as of March 31, 2026, and is currently undergoing liquidation procedures.

2. Disclosure about Application of Equity Method

(1) Number of equity-method associates and names of principal associates

16 companies

Soma Kyodo Power Company, Ltd., Joban Joint Power Co., Ltd., Arakawa Hydro-Electric Power Co.Ltd., Tokyu Power Supply Co., Ltd., YURTEC CORPORATION

(2) Fourteen associates to which the equity method is not applied are excluded from the scope of application of the equity method because their individual effects on consolidated net income and consolidated retained earnings are immaterial and their aggregate effect is also insignificant.

3. Disclosure of Accounting Policies

(1) Valuation standards and methods for significant assets

(i) Securities

a. Held-to-maturity debt securities

Amortized cost method

b. Available-for-sale securities

(a) Equity securities with readily determinable market values

Fair value method (All valuation gains or losses are treated as a component of net assets, with the cost of securities sold calculated according to the moving-average method.)

(b) Equity securities without market prices

Cost determined by the moving-average method

(ii) Derivatives

Fair value method

(iii) Inventories

Mainly stated at cost determined by the average method (the carrying value on the consolidated balance sheet is written down based on a decline in profitability).

(2) Depreciation method for significant depreciable assets

The straight-line method is mainly adopted for property, plant and equipment, and the straight-line method is adopted for intangible assets, with useful lives based on those specified in the Corporate Tax Act.

Software for internal use included in intangible assets is amortized by the straight-line method over the estimated useful life (five years).

(3) Standards for recognition of significant allowances

(i) Allowance for doubtful accounts

To provide for losses from uncollectible accounts receivable and other receivables, the estimated uncollectible amount is recorded based on the historical write-off rate for general receivables and based on individual assessment of collectability for specific receivables such as doubtful receivables.

(ii) Reserve for restoration costs of natural disaster

The estimated amount at the end of the current consolidated fiscal year is recorded to cover costs and losses required for restoration of assets damaged by the Great East Japan Earthquake, the East Japan Typhoon of 2019, the earthquake originating off the coast of Fukushima Prefecture in March 2022, and other disasters.

(4) Accounting method for retirement benefits

To provide for employees' retirement benefits, the Company records an amount based on the estimated retirement benefit obligation and value of pension plan assets at the end of the consolidated fiscal year.

(i) Method of attributing expected retirement benefits to periods of service

In calculating the retirement benefit obligation, the benefit formula basis is used as the method of attributing expected retirement benefits to periods up to the end of the current consolidated fiscal year.

(ii) Method of recognizing actuarial gains and losses and prior service cost

Actuarial gains and losses are principally amortized from the following consolidated fiscal year, using the straight-line method over a certain number of years (1 to 15 years) within the average remaining service period of employees, at the time of occurrence in each consolidated fiscal year. Prior service cost is primarily recognized in full in the period in which it is incurred.

(iii) Adoption of simplified method for small enterprises

Some consolidated subsidiaries apply the simplified method for calculating retirement benefit liability, retirement benefit asset, and retirement benefit expenses, whereby the retirement benefit obligation for

lump-sum retirement payment plans is the amount that would be required to be paid if employees voluntarily retired at the end of the fiscal year, and the retirement benefit obligation for corporate pension plans is the actuarial obligation based on the most recent pension actuarial calculations.

(5) Standards for recognition of significant revenue and expenses

The contents of the main performance obligations in the major businesses of the Group and the typical timing of satisfying these performance obligations (typical timing of recognizing revenue) are as follows.

For revenue from electricity sales and sales of power to other utilities and other companies, the Company has performance obligations to sell electricity mainly based on contracts with customers, general transmission and distribution utilities, and retail electricity providers, or based on trade executions on the exchange. For wheeling revenue, the Company has performance obligations to supply electricity (hereinafter referred to as "wheeling") to customers to whom retail electricity providers sell electricity, mainly based on contracts with those retail electricity providers.

For these electricity sales and wheeling, performance obligations are satisfied over time with each supply of electricity, and revenue is recognized based on the electricity volume determined by monthly meter readings or upon completion of delivery through transactions on the exchange.

However, for some contracts, in accordance with the provisions of the Electricity Business Accounting Rules (Ministry of International Trade and Industry Ordinance No. 57 of 1965), revenue is recognized based on the electricity volume determined by meter readings conducted on days other than the last day of each month, and revenue arising from the meter reading date in the closing month to the end of the consolidated fiscal year is recorded in the following consolidated fiscal year.

(6) Significant hedge accounting method

(i) Method of hedge accounting

Deferral hedge accounting is adopted. Allocation treatment is applied to currency swaps that meet the applicable requirements.

(ii) Hedging instruments and hedged items

a. Hedging instruments: Fuel price-related swaps, etc.

Hedged items: Certain planned transactions related to fuel purchases, etc.

b. Hedging instruments: Currency swaps

Hedged items: Foreign currency-denominated bonds payable

(iii) Hedging policy

Based on internal regulations relating to derivative transactions, the purpose is to hedge risks arising from fluctuations in fuel prices and exchange rates.

(iv) Method of evaluating hedge effectiveness

Hedge effectiveness is evaluated semiannually by comparing the cumulative changes in market prices or cash flows of hedged items with the cumulative changes in market prices or cash flows of hedging instruments. For hedges considered to be highly effective, the assessment of effectiveness is not performed.

(7) Amortization method and period for goodwill

Goodwill is amortized on a straight-line basis over a period of up to 20 years depending on the cause of occurrence.

However, some goodwill is amortized in full in the year of occurrence.

(8) Scope of funds in the consolidated statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, deposits that can be withdrawn on demand, and short-term investments with original maturities of three months or

less that are readily convertible to cash and subject to insignificant risk of changes in value.

(9) Other significant matters for preparation of consolidated financial statements

(i) Method of recording costs necessary for decommissioning of commercial nuclear power reactors

Costs necessary for decommissioning of commercial nuclear power reactors are recorded as decommissioning contribution expenses by paying to the Nuclear Reprocessing and Decommissioning facilitation Organization of Japan (hereinafter referred to as the "Organization") the amount of decommissioning contributions as stipulated in Article 11, Paragraph 2 of the Act on the Implementation of Reprocessing of Spent Fuel from Nuclear Power Generation and Promotion of Decommissioning (Act No. 48 of 2005).

Nuclear operators fulfill their cost-bearing responsibility by paying decommissioning contributions to the Organization each consolidated fiscal year, and the Organization bears the economic responsibility of securing, managing, and disbursing the funds required for decommissioning.

(ii) Amortization of contribution for facilitating nuclear reactor decommissioning and special account related to nuclear power decommissioning

A decommissioning accounting system has been established for the purpose of smooth implementation of decommissioning, and for reactors that have been decommissioned due to changes in energy policy, the remaining book value is recovered through the wheeling charge mechanism of general transmission and distribution utilities by applying this system.

The Company and Tokyo Electric Power Company Holdings, Incorporated have filed applications and obtained approval from the Minister of Economy, Trade and Industry for the book value of nuclear specified assets, the book value of special account related to nuclear power decommissioning (including amounts equivalent to nuclear facility decommissioning-related costs), and the required provision for decommissioning of nuclear power units (hereinafter referred to as "contribution for facilitating nuclear reactor decommissioning"), in accordance with Article 45-21-12 of the Electricity Business Act Enforcement Regulations (Ministry of International Trade and Industry Ordinance No. 77 of 1995) prior to the revision by the Ministerial Ordinance for Development of Related Ministerial Ordinances Associated with the Enforcement of the Act Partially Amending the Electricity Business Act to Establish an Electricity Supply System for Achieving a Decarbonized Society (Ministry of Economy, Trade and Industry Ordinance No. 21 of 2024; hereinafter referred to as the "Amended Ordinance").

In response to this, Tohoku Electric Power Network Co., Inc. has amended its wheeling supply terms and conditions based on Article 45-21-15 of the Electricity Business Act Enforcement Regulations (Ministry of International Trade and Industry Ordinance No. 77 of 1995), and is recovering contribution for facilitating nuclear reactor decommissioning. The contribution for facilitating nuclear reactor decommissioning paid to other power generators are recorded as equivalent to contribution for facilitating nuclear reactor decommissioning in accordance with the provisions of the Electricity Business Accounting Rules (Ministry of International Trade and Industry Ordinance No. 57 of 1965).

In addition, special account related to nuclear power decommissioning are amortized through amortization of special account related to nuclear power decommissioning in accordance with charge recovery, pursuant to Article 8 of the Supplementary Provisions of the Ministerial Ordinance Partially Amending the Electricity Business Act Enforcement Regulations (Ministry of Economy, Trade and Industry Ordinance No. 77 of 2017) and Article 9 of the Supplementary Provisions of the Amended Ordinance.

(iii) Method of recording contributions required for implementation of reprocessing of spent fuel

Costs required for implementation of reprocessing of spent fuel are recorded as expenses for contribution for reprocessing of spent nuclear fuel by paying to Nuclear Reprocessing and Decommissioning facilitation Organization of Japan (hereinafter referred to as the "Organization") amounts corresponding to the quantity of spent fuel generated through operation as contributions, based on Article 5, Paragraph 2 of the Act on

the Implementation of Reprocessing of Spent Fuel from Nuclear Power Generation and Promotion of Decommissioning (Act No. 48 of 2005; hereinafter referred to as the "Reprocessing Act").

The contributions paid to the Organization include contributions related to reprocessing-related processing of spent fuel pursuant to Article 2, Paragraph 4, Item 1 of the Reprocessing Act, which are recorded as special account related to reprocessing of spent nuclear fuel. With the payment of these contributions, the nuclear operator's cost-bearing responsibility is fulfilled, and the Organization will implement the reprocessing of spent fuel related to these contributions.

(iv) Application of group tax sharing system

The Company and some domestic consolidated subsidiaries apply the group tax sharing system.

(Significant Accounting Estimates)

Deferred tax assets

1 Amounts recorded in the consolidated financial statements for the current fiscal year

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Deferred tax assets	122,361	93,310

2 Information regarding the content of significant accounting estimates related to identified items

(1) Method of calculating amounts recorded in the consolidated financial statements for the current fiscal year

In recording deferred tax assets, the timing and amount of future taxable income are reasonably estimated based on the business plan founded on the "FY2026 Tohoku Electric Power Group Management Plan" approved by the Board of Directors on March 25, 2026, and amounts deemed recoverable are recorded.

(2) Key assumptions used in calculating amounts recorded in the consolidated financial statements for the current fiscal year

The business plan that forms the basis for future taxable income is affected by key assumptions involving management judgment.

The key assumptions in the business plan are primarily retail and wholesale electricity sales revenue.

In the retail segment, sales strategy initiatives are being pursued taking into account competitive conditions with other companies, and in the wholesale segment, on the premise of strengthening sales efforts, retail and wholesale electricity sales volumes and the resulting electricity sales revenue are estimated.

(3) Impact on the consolidated financial statements for the following fiscal year

Management considers the above assumptions to be reasonable; however, they may be affected by changes in uncertain future economic conditions, and if actual future taxable income differs from projections and assumptions, there may be a material effect on the recorded amount of deferred tax assets.

(New Accounting Standards not yet Applied)

- "Accounting Standard for Leases" (Accounting Standards Board of Japan Statement No. 34, September 13, 2024)

- "Implementation Guidance on Accounting Standard for Leases" (Accounting Standards Board of Japan Guidance No. 33, September 13, 2024)

and other amendments to related accounting standards, implementation guidance, practical guidelines, and transfer guidelines

1 Overview

This standard establishes the treatment for recognizing assets and liabilities for all leases by lessees, similar to international accounting standards.

2 Scheduled date of application

Application is scheduled from the beginning of the fiscal year ending March 2028.

3 Impact of application of these accounting standards

The impact is being evaluated at the time of preparation of these consolidated financial statements.

(Changes in Presentation)

Related to Consolidated Statement of Cash Flows

In the previous fiscal year, "Decrease (increase) in retirement benefit assets (() indicates increase)" which was included in "Other" under "Cash flows from operating activities" has been presented separately from the current fiscal year due to increased materiality, while "Increase (decrease) in asset retirement obligations (() indicates decrease)" and "Increase (decrease) in accounts receivable - other (() indicates increase)" which

were previously presented separately under "Cash flows from operating activities" are now included in "Other" from the current fiscal year due to decreased materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, in the consolidated statement of cash flows for the previous fiscal year, "Increase (decrease) in asset retirement obligations (() indicates decrease)" of (184,618 million yen), "Increase (decrease) in accounts receivable - other (() indicates increase)" of 11,199 million yen, and "Other" of 21,736 million yen, which were presented under "Cash flows from operating activities," have been reclassified to "Decrease (increase) in retirement benefit assets (() indicates increase)" of (8,482 million yen) and "Other" of (143,199 million yen).

(Additional information)

Performance-based Stock Compensation Plan

The Company has introduced a "Performance-based Stock Compensation Plan" (hereinafter referred to as "the Plan") for the purpose of more clearly linking the compensation of Directors (excluding Outside Directors and Audit and Supervisory Committee Members; hereinafter referred to as "Directors") and Executive Officers (hereinafter collectively referred to as "Directors, etc." including Directors; the same applies in this section) with the Company's business performance and stock value, enabling Directors, etc. to share corporate value with shareholders, and enhancing their motivation to contribute to medium- to long-term business performance improvement and corporate value enhancement.

(1) Overview of the transaction

The Plan adopts a structure called Board Incentive Plan (BIP) Trust (hereinafter referred to as "the Trust"), whereby the Company's shares are acquired through the Trust using the compensation for Directors, etc. contributed by the Company as the source of funds, and the Company's shares and cash equivalent to the proceeds from the sale of the Company's shares are delivered and paid to Directors, etc. according to their positions and the degree of achievement of performance targets.

The accounting treatment for the Plan is in accordance with "Practical Solution on Transactions of Delivering the Company's Own Stock to Employees etc. through Trusts" (Practical Issues Task Force No. 30, March 26, 2015).

(2) the Company's shares remaining in the Trust

The Company's shares remaining in the Trust are recorded as treasury shares in net assets at the book value in the Trust (excluding incidental expenses). The book value of such treasury shares at the end of the current fiscal year was 756 million yen (920 million yen at the end of the previous fiscal year), and the number of shares was 763,914 shares (929,340 shares at the end of the previous fiscal year).

(Consolidated Balance Sheet)

1 Balances of receivables and contract assets arising from contracts with customers among notes and accounts receivable-trade (Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Notes receivable-trade	438	337
Accounts receivable-trade	219,609	182,535
Contract assets	1,048	504

(Note) Consumption taxes, etc., are included in notes receivable-trade. Accounts receivable-trade include consumption taxes, etc., and the "Renewable Energy Surcharge" based on the Feed-in Tariff system for renewable energy.

2 Balance of contract liabilities in other current liabilities (Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Contract liabilities	3	2,793

3 Contributions in aid of construction, which were deducted from the cost of non-current assets (cumulative) (Millions of yen)

	As of March 31, 2025	As of March 31, 2026
	347,698	353,588

4 Accumulated depreciation of property, plant and equipment (Millions of yen)

	As of March 31, 2025	As of March 31, 2026
	7,303,241	7,393,902

5 Investments in associates (Millions of yen)

	As of March 31, 2025	As of March 31, 2026
	179,028	185,944

6 Breakdown of Inventories (Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Merchandise and finished products	8,468	6,654
Work in process	4,379	5,814
Raw materials and supplies	66,013	79,209
Total	78,861	91,678

7 Land revaluation

Certain equity method associates have revalued business-use land based on the Land Revaluation Law (Law No. 34, promulgated March 31, 1998). Accordingly, the Company's share of the revaluation difference (net of the corresponding tax amount) is recorded as "Revaluation reserve for land" in net assets.

Method of revaluation

The revaluation was calculated by making reasonable adjustments to "the value calculated by the method determined and announced by the Commissioner of the National Tax Agency for calculating the value of land that forms the basis for computing the taxable value of land value tax as prescribed in Article 16 of the Land Value Tax Law," as specified in Article 2, Item 4 of the Enforcement Order of the Land Revaluation Law (Cabinet Order No. 119, promulgated March 31, 1998).

Date of revaluation

March 31, 2002

Difference between the fair value at the end of the fiscal year and the book value of land after revaluation
(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
	1,273	570

8 Collateral assets and secured liabilities

(1) All of the Company's assets are pledged as general collateral for bonds payable and borrowings from the Development Bank of Japan Inc.

(Including amounts to be redeemed or repaid within one year.) (Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Bonds payable	1,453,700	1,298,700
Borrowings from Development Bank of Japan Inc.	133,537	96,443

(2) Pledged as collateral for borrowings of companies in which the Company and certain consolidated subsidiaries have invested. (Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Long-term investments	560	1,248
Long-term Investments in subsidiaries and associates	6,282	7,889

9 Contingent liabilities

(1) Guarantee obligations for bonds payable and borrowings (Millions of yen)

	As of March 31, 2025	As of March 31, 2026
The Japan Atomic Power Company	58,772	69,269
Japan Nuclear Fuel Limited	51,070	51,018
Oga-Katagami-Akita Offshore Green Energy LLC	10,272	17,875
Tsugaru Offshore Energy GK	2,770	4,115
GK Happo-Noshiro Offshore Wind Power	2,718	3,325
Transmission and Distribution IT & OT Systems LLC	1,476	1,479
Nghi Son 2 Power Limited Liability Company	1,171	1,348
Akita Offshore Wind Corporation	355	325
Total	128,606	148,757

(2) Guarantee obligations for performance of transactions, etc. (Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Oga-Katagami-Akita Offshore Green Energy LLC	19,200	26,778
Nghi Son 2 Power Limited Liability Company	1,505	1,608
JRE Shin-Sakata Wind Power LLC	960	864
PT. Supreme Energy Rantau Dedap	62	61
Total	21,730	29,314

(Consolidated Statement of Income)

1 Revenue from contracts with customers

Under the "Electricity and Gas Price Support Program" implemented based on the "Comprehensive Economic Measures for Public Safety and Security and Sustainable Growth," the "Emergency Response Package in Response to U.S. Tariff Measures," and the "Comprehensive Economic Measures for Achieving a 'Strong Economy,'" discounts on electricity and gas charges are provided at unit discount rates determined by the government, and revenue from subsidies received as the source of such discounts is included in operating revenue as revenue other than revenue from contracts with customers in the amount of 45,460 million yen.

In addition to such subsidies, operating revenue includes 167 million yen in revenue based on "Accounting Standard for Financial Instruments" (Accounting Standards Board of Japan Statement No. 10, July 4, 2019) as revenue other than revenue from contracts with customers.

Information on disaggregated revenue from contracts with customers is as stated in (Segment Information, etc.).

2 Retirement benefit expenses and provision for allowances (Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Retirement benefit expenses	2,350	1,385

3 Breakdown of operating expenses

Fiscal year ended March 31, 2025

Breakdown of electric utility operating expenses

(Millions of yen)

Category	Electric utility operating expenses	Total selling, general and administrative expenses included in electric utility operating expenses
Personnel Expenses	130,061	55,447
Fuel Costs	612,053	—
Repair Expenses	204,244	5,400
Outsourcing expenses	55,742	24,915
Depreciation	184,153	21,863
Expenses of Purchased Power	736,010	—
Taxes and public dues	91,024	2,506
Other	158,296	58,042
Total	2,171,587	168,175

Fiscal year ended March 31, 2026

Breakdown of electric utility operating expenses

(Millions of yen)

Category	Electric utility operating expenses	Total selling, general and administrative expenses included in electric utility operating expenses
Personnel Expenses	132,152	55,753
Fuel Costs	495,546	—
Repair Expenses	202,534	5,357
Outsourcing expenses	63,876	30,369
Depreciation	204,014	21,332
Expenses of	652,217	—

Purchased Power		
Taxes and public dues	95,876	2,331
Other	211,856	93,582
Total	2,058,072	208,727

4 Total research and development costs (Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
R&D costs included in general and administrative expenses and manufacturing costs	7,613	7,747

5 Details of extraordinary losses

Fiscal year ended March 31, 2025

Not applicable.

Fiscal year ended March 31, 2026

Due to impairment of shares in subsidiaries and other factors, a loss on valuation of securities of 7,595 million yen was recorded as extraordinary losses.

(Consolidated Statement of Comprehensive Income)

1 Reclassification adjustments and income taxes and tax effect related to other comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Valuation difference on available-for-sale securities:		
Amount recorded during the fiscal year	2,104	12,359
Reclassification adjustments	13	(35)
Before income taxes and tax effect adjustments	2,118	12,324
Income taxes and tax effect amounts	(731)	(3,373)
Valuation difference on available-for-sale securities	1,386	8,950
Deferred gains or losses on hedges:		
Amount recorded during the fiscal year	1,321	14,235
Assets at cost adjustments	1,561	(3,534)
Before income taxes and tax effect adjustments	2,882	10,701
Income taxes and tax effect amounts	(916)	(3,077)
Deferred gains or losses on hedges	1,965	7,624
Foreign Currency Translation Adjustment:		
Amount recorded during the fiscal year	(77)	3,162
Reclassification adjustments	(53)	—

Foreign Adjustment	Currency	Translation	(130)	3,162
<hr/>				
Remeasurements of defined benefit plans, net of tax:				
Amount recorded during the fiscal year			(10,790)	62,841
Reclassification adjustments			(8,460)	(7,131)
<hr/>				
Before income taxes and tax effect adjustments			(19,250)	55,709
Income taxes and tax effect amounts			5,204	(16,126)
<hr/>				
Remeasurements of defined benefit plans, net of tax			(14,045)	39,583
<hr/>				
Share of other comprehensive income of entities accounted for using equity method:				
Amount recorded during the fiscal year			869	2,073
Reclassification adjustments			(36)	(187)
<hr/>				
Share of other comprehensive income of entities accounted for using equity method			833	1,886
<hr/>				
Total other comprehensive income			(9,990)	61,206
<hr/>				

(Consolidated Statement of Changes in Net Assets)

Fiscal year ended March 31, 2025

1 Matters concerning type and total number of shares issued and type and number of treasury shares

(Shares)

	As of April 1, 2024	Increase	Decrease	As of March 31, 2025
Shares issued				
Common Stock	502,882,585	-	-	502,882,585
Total	502,882,585	-	-	502,882,585
Treasury Shares				
Common Stock	2,791,392	18,871	87,959	2,722,304
Total	2,791,392	18,871	87,959	2,722,304

(Note) The number of treasury shares at the end of the current consolidated fiscal year includes 929,340 shares of the Company held by the trust account related to the Trust.

(Summary of reasons for changes)

The breakdown of the increase in the number of treasury shares is as follows.

Increase due to purchase requests for shares less than one unit (100 shares): 18,871 shares

The breakdown of the decrease in the number of treasury shares is as follows.

Decrease due to additional purchase requests for shares less than one unit (100 shares): 131 shares

Decrease due to disposal of the Company's shares by the Trust : 87,828 shares

2 Matters concerning share subscription rights

Not applicable.

3 Matters concerning dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Shareholders' Meeting on June 26, 2024	Common Stock	5,011	10.00	March 31, 2024	June 27, 2024
Board of Directors on October 31, 2024	Common Stock	7,516	15.00	September 30, 2024	November 29, 2024

(Note) 1 The total amount of dividends resolved at the Annual General Shareholders' Meeting on June 26, 2024 includes dividends of 10 million yen on the Company's shares held by the trust account related to the Trust.

2 The total amount of dividends resolved by the Board of Directors on October 31, 2024 includes dividends of 13 million yen on the Company's shares held by the trust account related to the Trust.

(2) Dividends for which the record date belongs to the current consolidated fiscal year and for which the effective date of distribution falls in the following consolidated fiscal year

Resolution	Type of shares	Source of dividends	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Shareholders' Meeting on June 26, 2025	Common Stock	Retained Earnings	10,021	20.00	March 31, 2025	June 27, 2025

(Note) The total amount of dividends resolved at the Annual General Shareholders' Meeting on June 26, 2025 includes dividends of 18 million yen on the Company's shares held by the trust account related to the Trust.

Fiscal year ended March 31, 2026

1 Matters concerning type and total number of shares issued and type and number of treasury shares
(Shares)

	As of April 1, 2025	Increase	Decrease	As of March 31, 2026
Shares issued				
Common Stock	502,882,585	-	-	502,882,585
Total	502,882,585	-	-	502,882,585
Treasury Shares				
Common Stock	2,722,304	15,090	165,666	2,571,728
Total	2,722,304	15,090	165,666	2,571,728

(Note) The number of treasury shares at the end of the current consolidated fiscal year includes 763,914 shares of the Company held by the trust account related to the Trust.

(Summary of reasons for changes)

The breakdown of the increase in the number of treasury shares is as follows.

Increase due to purchase requests for shares less than one unit (100shares) : 15,090 shares

The breakdown of the decrease in the number of treasury shares is as follows.

Decrease due to additional purchase requests for shares less than one unit (100 shares) : 240 shares

Decrease due to disposal of the Company's shares by the Trust : 165,426 shares

2 Matters concerning share subscription rights

Not applicable.

3 Matters concerning dividends

(1) Dividends paid

Resolution	Type of shares	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Shareholders' Meeting on June 26, 2025	Common Stock	10,021	20.00	March 31, 2025	June 27, 2025
Board of Directors on October 30, 2025	Common Stock	10,021	20.00	September 30, 2025	November 28, 2025

(Note) 1 The total amount of dividends resolved at the Annual General Shareholders' Meeting on June 26, 2025 includes dividends of 18 million yen on the Company's shares held by the trust account related to the Trust.

2 The total amount of dividends resolved by the Board of Directors on October 30, 2025 includes dividends of 15 million yen on the Company's shares held by the trust account related to the Trust.

(2) Dividends for which the record date belongs to the current consolidated fiscal year and for which the effective date of distribution falls in the following consolidated fiscal year

Resolution	Type of shares	Source of dividends	Total amount of dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
Annual General Shareholders' Meeting on June 25, 2026 (Scheduled)	Common Stock	Retained Earnings	10,021	20.00	March 31, 2026	June 26, 2026

(Note) The total amount of dividends to be resolved at the Annual General Shareholders' Meeting on June 25, 2026 (scheduled) includes dividends of 15 million yen on the Company's shares held by the trust account related to the Trust.

(Consolidated statement of cash flows)

1 Reconciliation of ending balance of cash and cash equivalents with account balances per balance sheet
(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Cash and deposits	474,520	594,509
Time deposits with maturities exceeding three months	(350)	(100)
Other current assets (short-term investments with maturities within three months)	76,960	66,180
Cash and cash equivalents	551,131	660,589

2 Major breakdown of assets and liabilities of companies that are no longer consolidated subsidiaries due to sale of shares

Fiscal year ended March 31, 2025

The breakdown of assets and liabilities at the time of sale, as well as the sale price of shares and payments from the sale (net), as Yurtec Corporation and its 16 subsidiaries are no longer consolidated subsidiaries due to the sale of shares, are as follows.

	(Millions of yen)
Non-current assets	76,340
Current assets	140,907
Non-current liabilities	(26,370)
Current liabilities	(58,012)
Purchase of treasury shares through tender offer	4,510
Accumulated other comprehensive income	(1,024)
Non-controlling interests	(60,315)
Investment account after disposal	(48,361)
Unrealized gains and losses, etc.	(24,823)
Goodwill	2,839
Retained earnings deconsolidation	(2,301)
Other	1,282
Loss on sale of shares	(210)
Sale price of shares	4,460
Cash and cash equivalents	(50,419)
Less: Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(45,958)

Fiscal year ended March 31, 2026

Not applicable.

(Financial Instruments)

1 Matters concerning the status of financial instruments

(1) Policy for financial instruments

The Group raises funds primarily for capital expenditures and working capital for the electric power business through the issuance of bonds payable and bank borrowings. Derivative transactions are primarily used for foreign exchange contracts and fuel price swaps to reduce the risk of fuel price fluctuations, electricity futures transactions to suppress fluctuations in electricity trading prices, and currency swaps to reduce foreign exchange risk on foreign currency-denominated bonds payable. The Group does not engage in speculative transactions.

(2) Types of financial instruments and related risk, and risk management

Securities and investment securities are mainly shares of business partners and held-to-maturity debt securities, and are exposed to the risk of market price fluctuations, but the Group periodically reviews the fair values and the financial condition of issuers.

Notes and accounts receivable-trade which primarily consist of operating receivables such as lighting and electricity charges are exposed to customer credit risk. Regarding this risk, in accordance with the specific retail supply terms and conditions, the Group manages due dates and balances for each customer, and strives to identify and mitigate collection concerns at an early stage.

Bonds payable and long-term borrowings payable are primarily used to procure funds for capital investment and redemption. As the majority of these are procured at fixed interest rates, the impact of interest rate fluctuations on business performance is limited. In addition, foreign currency-denominated bonds are exposed to foreign exchange risk, but this risk is reduced by utilizing currency swap contracts.

Payment terms of notes and accounts payable-trade are generally less than one year.

Derivative transactions are exposed to credit risk of counterparties, but to mitigate this risk, transactions are conducted in accordance with internal regulations that specify transaction authority and limits, and only highly creditworthy financial institutions are selected as counterparties. Information regarding hedging instruments, hedged items, hedging policies, and methods for assessing hedge effectiveness related to hedge accounting is described in "(Significant Accounting Policies for Preparation of Consolidated Financial Statements) 3. Disclosure of Accounting Policies (6) Significant hedge accounting methods."

(3) Supplementary explanation of the estimated fair value of financial instruments

The fair value of financial instruments is based on certain assumptions, and may differ if alternative assumptions are used. The contract amounts of derivative transactions in "(Derivatives)" do not necessarily indicate the market risk associated with derivative transactions. In addition, fair value and valuation gains or losses are valuations reasonably estimated based on market indicators at the time of valuation and do not represent actual amounts to be received or paid in the future.

2. Matters concerning the fair value of financial instruments

As of March 31, 2025

The carrying amounts, fair values, and differences as of March 31, 2025 are as follows. Cash and items settled in the short term whose fair value approximates carrying amount are omitted.

(Millions of yen)

	Carrying amount	Fair Value	Difference
Total assets			
(1) Marketable and investment securities (*1)	77,039	64,476	(12,563)
Total liabilities			
(2) Bonds payable (*2)	1,733,700	1,638,501	(95,198)
(3) Long-term borrowings (*2)	1,601,812	1,558,341	(43,471)
Derivative transactions (*3)	23,528	23,528	-

(*1) (1) Marketable and investment securities include held-to-maturity debt securities (including those scheduled for redemption within one year), listed shares of associates accounted for using the equity method, and available-for-sale securities.

(*2) (2) Bonds payable and (3) Long-term borrowings include those scheduled for redemption or repayment within one year.

(*3) The value of assets and liabilities arising from derivatives is shown at net value.

(*4) Unlisted equity securities and investments in partnerships such as civil law partnerships, silent partnerships, and investment limited partnerships are not included in (1) Marketable and investment securities. The carrying amounts of these financial instruments are as follows.

(Millions of yen)

Category	As of March 31, 2025
Unlisted equity securities	177,306
Investments in civil law partnerships, silent partnerships, and investment limited partnerships	14,012

As of March 31, 2026

The carrying amounts, fair values, and differences as of March 31, 2026 are as follows. Cash and items settled in the short term whose fair value approximates carrying amount are omitted.

(Millions of yen)

	Carrying amount	Fair Value	Difference
Total assets			
(1) Marketable and investment securities (*1)	93,128	101,198	8,069
Total liabilities			
(2) Bonds payable (*2)	1,771,695	1,624,266	(147,428)
(3) Long-term borrowings (*2)	1,706,337	1,627,963	(78,374)
Derivative transactions (*3)	(17,382)	(17,382)	-

(*1) (1) Marketable and investment securities include held-to-maturity debt securities (including those scheduled for redemption within one year), listed shares of associates accounted for using the equity method, and available-for-sale securities.

(*2) (2) Bonds payable and (3) Long-term borrowings include those scheduled for redemption or repayment within one year.

(*3) The value of assets and liabilities arising from derivatives is shown at net value.

(*4) Unlisted equity securities and investments in partnerships such as civil law partnerships, silent partnerships, and investment limited partnerships are not included in (1) Marketable and investment

securities. The carrying amounts of these financial instruments are as follows.

(Millions of yen)

Category	As of March 31, 2026
Unlisted equity securities	181,723
Investments in civil law partnerships, silent partnerships, and investment limited partnerships	13,566

(Note 1) Maturity schedule of monetary receivables and securities with maturities

As of March 31, 2025

(Millions of yen)

	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Marketable and investment securities				
Held-to-maturity debt securities				
Local government bonds	17	-	-	-
Negotiable certificate of deposit	2,460	-	-	-
Available-for-sale securities with maturities				
Negotiable certificate of deposit	74,500	-	-	-
Cash and deposits	474,520	-	-	-
Notes and accounts receivable-trade	221,095	-	-	-
Total	772,593	-	-	-

As of March 31, 2026

(Millions of yen)

	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	Over 10 years
Marketable and investment securities				
Held-to-maturity debt securities				
Government bonds	-	-	1,000	-
Negotiable certificate of deposit	680	-	-	-
Available-for-sale securities with maturities				
Negotiable certificate of deposit	65,500	-	-	-
Cash and deposits	594,509	-	-	-
Notes and accounts receivable-trade	183,377	-	-	-
Total	844,066	-	1,000	-

(Note 2) Redemption and repayment schedule for bonds payable and long-term borrowings

As of March 31, 2025

(Millions of yen)

	Within 1 year	Over 1 years Within 2 years	Over 2 years Within 3 years	Over 3 years Within 4 years	Over 4 years Within 5 years	Over 5 years
Bonds payable	155,000	160,000	170,000	97,000	132,000	1,019,700
Long-term borrowings	248,473	212,487	191,212	218,092	205,542	526,004
Total	403,473	372,487	361,212	315,092	337,542	1,545,704

As of March 31, 2026

(Millions of yen)

	Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years	Over 5 years
Bonds payable	160,000	170,000	112,000	132,000	186,495	1,011,200
Long-term borrowings	212,490	191,447	223,402	205,900	178,572	694,523
Total	372,490	361,447	335,402	337,900	365,067	1,705,723

3. Matters concerning the breakdown of fair value of financial instruments by level

The fair value of financial instruments is classified into the following three levels according to the observability and significance of inputs used in fair value measurement.

Level 1 fair value: Fair value calculated using quoted prices in active markets for identical assets or liabilities

Level 2 fair value: Fair value calculated using observable inputs other than Level 1 inputs

Level 3 fair value: Fair value calculated using unobservable inputs

When multiple inputs that have a significant effect on fair value measurement are used, the fair value is classified at the lowest priority level among the levels to which those inputs belong.

(1) Financial instruments recorded at fair value on the consolidated balance sheet

As of March 31, 2025

(Millions of yen)

Category	Fair Value			
	Level 1	Level 2	Level 3	Total
Marketable and investment securities				
Available-for-sale securities	18,481	-	-	18,481
Total assets	18,481	-	-	18,481
Derivative transactions (*)				
Currency-related	-	13,030	-	13,030
Commodity-related	-	10,497	-	10,497
Total derivative transactions	-	23,528	-	23,528

(*) The value of assets and liabilities arising from derivatives is shown at net value.

As of March 31, 2026

(Millions of yen)

Category	Fair Value			
	Level 1	Level 2	Level 3	Total
Marketable and investment securities				
Available-for-sale securities	30,876	-	-	30,876
Total assets	30,876	-	-	30,876
Derivative transactions (*)				
Currency-related	-	27,022	-	27,022
Commodity-related	-	(44,405)	-	(44,405)
Total derivative transactions	-	(17,382)	-	(17,382)

(*) The value of assets and liabilities arising from derivatives is shown at net value.

(2) Financial instruments other than those recorded at fair value on the consolidated balance sheet

As of March 31, 2025

(Millions of yen)

Category	Fair Value			
	Level 1	Level 2	Level 3	Total
Marketable and investment securities				
Held-to-maturity debt securities				
Local government bonds	-	16	-	16
Shares of associates	45,977	-	-	45,977
Total assets	45,977	16	-	45,994
Bonds payable	-	1,638,501	-	1,638,501
Long-term borrowings	-	1,558,341	-	1,558,341
Total liabilities	-	3,196,842	-	3,196,842

As of March 31, 2026

(Millions of yen)

Category	Fair Value			
	Level 1	Level 2	Level 3	Total
Marketable and investment securities				
Held-to-maturity debt securities				
Government bonds	-	935	-	935
Shares of associates	69,386	-	-	69,386
Total assets	69,386	935	-	70,322
Bonds payable	-	1,624,266	-	1,624,266
Long-term borrowings	-	1,627,963	-	1,627,963
Total liabilities	-	3,252,229	-	3,252,229

(Note) Explanation of valuation techniques and inputs used in fair value measurement

Marketable and investment securities

Listed stocks are valued using quoted prices. Since listed stocks are traded in active markets, their fair value is classified as Level 1 fair value. Government bonds are valued using prices provided by financial institutions, and their fair value is classified as Level 2 fair value.

Derivative transactions

Currency-related transactions and commodity-related transactions are calculated using quoted prices in active markets. These are classified as Level 2 fair value. Currency swaps accounted for by the allocation method are treated as a single unit with the hedged bonds payable, and therefore their fair value is included in the fair value of the bonds payable.

Bonds payable

For bonds payable issued by the Company, the fair value is calculated using the over-the-counter reference statistics for public and corporate bonds payable as inputs. Some bonds payable are accounted for by the allocation method for currency swaps, and their fair value is determined by discounting the total amount of principal and interest treated as a single unit with the currency swap at the interest rate that would be applied if similar bonds payable were issued. These are classified as Level 2 fair value.

Long-term borrowings

The fair value of borrowings at fixed interest rates is calculated by, among other methods, discounting the total amount of principal and interest at an interest rate calculated based on the Company's bonds payable. The fair value of borrowings at variable interest rates is considered to be approximately equal to the carrying amount since they reflect market interest rates in a short period of time, and therefore the carrying amount is used. These are classified as Level 2 fair value.

(Securities)

1. Held-to-maturity debt securities

As of March 31, 2025

(Millions of yen)

Category	Carrying amount	Fair Value	Net income
(Securities whose fair value exceeds their carrying value)			
Government and local government bonds	-	-	-
Other	-	-	-
(Securities whose fair value does not exceed their carrying value)			
Government and local government bonds	17	16	(0)
Other	2,460	2,460	-
Total	2,477	2,476	(0)

As of March 31, 2026

(Millions of yen)

Category	Carrying amount	Fair Value	Net income
(Securities whose fair value exceeds their carrying value)			
Government and local government bonds	-	-	-
Other	-	-	-
(Securities whose fair value does not exceed their carrying value)			
Government and local government bonds	986	935	(50)
Other	680	680	-
Total	1,666	1,615	(50)

2 Available-for-sale securities

As of March 31, 2025

(Millions of yen)

Category	Carrying amount	Acquisition cost	Net income
(Securities whose carrying value exceeds their acquisition cost)			
Equity securities	18,481	7,816	10,665
(Securities whose acquisition cost exceeds their carrying value)			
Equity securities	-	-	-
Other	74,500	74,500	-
Total	92,981	82,316	10,665

As of March 31, 2026

(Millions of yen)

Category	Carrying amount	Acquisition cost	Net income
(Securities whose carrying value exceeds their acquisition cost)			
Equity securities	30,876	7,713	23,162
(Securities whose acquisition cost exceeds their carrying value)			
Equity securities	-	-	-
Other	65,500	65,500	-
Total	96,376	73,213	23,162

3 Securities for which impairment losses were recognized

Fiscal year ended March 31, 2025

Not applicable.

Fiscal year ended March 31, 2026

Impairment losses of 7,564 million yen were recognized on securities (Shares of associates:6,469 million yen; investments in associates: 1,092 million yen; and other securities (shares): 2 million yen).

(Derivatives)

1 Derivative financial instruments for which hedge accounting is not applied

(1) Currency-related transactions

As of March 31, 2025

(Millions of yen)

Category	Type of transaction	Contract amounts, etc.	Maturing after one year	Fair Value	Unrealized gains and losses
Non-market transactions	Forward exchange contracts Long position in U.S. dollars	115,940	-	(643)	(643)
	Forward exchange contracts Short position in U.S. dollars	98,209	-	959	959
	Forward exchange contracts Short position in Euros	1,620	-	(0)	(0)

As of March 31, 2026

(Millions of yen)

Category	Type of transaction	Contract amounts, etc.	Maturing after one year	Fair Value	Unrealized gains and losses
Non-market transactions	Forward exchange contracts Long position in U.S. dollars	125,950	-	4,682	4,682
	Forward exchange contracts Short position in U.S. dollars	90,191	-	(800)	(800)
	Forward exchange contracts Short position in Euros	1,834	-	(11)	(11)

(2) Commodity-related transactions

As of March 31, 2025

(Millions of yen)

Category	Type of transaction	Contract amounts, etc.	Of which, over 1 year	Fair Value	Unrealized gains and losses
Market transactions	Commodity futures Pay fixed, receive floating	42,434	2,609	(2,464)	(2,464)
	Commodity futures Pay floating, receive fixed	43,081	3,351	2,058	2,058
	Commodity options Short position	540	-	7	7
	Commodity forwards Long position	39,494	-	43	43
	Commodity forwards Short position	43,610	-	60	60
Non-market transactions	Commodity forwards Long position	16,524	-	(1,272)	(1,272)
	Commodity forwards Short position	42,608	-	2,710	2,710
	Commodity swap transactions Pay fixed, receive floating	79,307	-	1,850	1,850
	Commodity swap transactions Pay floating, receive fixed	93,617	-	7,787	7,787

As of March 31, 2026

(Millions of yen)

Category	Type of transaction	Contract amounts, etc.	Of which, over 1 year	Fair Value	Unrealized gains and losses
Market transactions	Commodity futures Pay fixed, receive floating	154,236	8,425	42,372	42,372
	Commodity futures Pay floating, receive fixed	130,120	2,500	(36,778)	(36,778)
	Commodity options Short position	4,504	-	(2,214)	(2,214)
	Commodity forwards Short position	919	-	(532)	(532)
Non-market transactions	Commodity forwards Long position	38,236	-	29,109	29,109
	Commodity forwards Short position	76,549	-	(58,038)	(58,038)
	Commodity swap transactions Pay fixed, receive floating	41,149	-	733	733
	Commodity swap transactions Pay floating, receive fixed	77,363	4,330	(19,040)	(19,040)

2 Derivative transactions for which hedge accounting is applied

(1) Currency-related transactions

As of March 31, 2025

(Millions of yen)

Hedge accounting method	Type of transaction	Main hedged items	Contract amount	Maturing after 1 year	Fair Value
Principle method	Forward exchange contracts Long position in U.S. dollars	Fuel purchase funds	174,788	98,862	12,714

As of March 31, 2026

(Millions of yen)

Hedge accounting method	Type of transaction	Main hedged items	Contract amount	Maturing after 1 year	Fair Value
Principle method	Forward exchange contracts Long position in U.S. dollars	Fuel purchase funds	176,827	100,724	23,151
Allocation method for currency swaps	Currency swap transactions Pay Japanese yen, receive U.S. dollars	Bonds payable	77,995	77,995	(*)

(*) Currency swaps accounted for using the translation method are accounted for together with the hedged bonds payable, and therefore their fair value is included in the fair value of the relevant bonds payable.

(2) Commodity-related transactions

As of March 31, 2025

(Millions of yen)

Hedge accounting method	Type of transaction	Main hedged items	Contract amount	Maturing after 1 year	Fair Value
Principle method	Commodity swap transactions Pay fixed, receive floating	Fuel	782	-	(283)

As of March 31, 2026

(Millions of yen)

Hedge accounting method	Type of transaction	Main hedged items	Contract amount	Maturing after 1 year	Fair Value
Principle method	Commodity swap transactions Pay fixed, receive floating	Raw materials	244	-	(17)

(Retirement Benefits)

1 Overview of retirement benefit plans adopted

The Company and certain consolidated subsidiaries have adopted funded and unfunded defined benefit plans and defined contribution plans to provide retirement benefits for employees.

Certain consolidated subsidiaries calculate retirement benefit liability, retirement benefit asset, and retirement benefit expenses for their defined benefit pension plans and lump-sum retirement payment plans using the simplified method.

2 Defined benefit plans (excluding plans to which the simplified method is applied)

(1) Reconciliation of beginning and ending balances of retirement benefit obligations

	(Millions of yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Balance as of beginning of the period	421,806	388,351
Service cost	10,838	6,787
Interest cost	5,401	5,227
Actuarial gains and losses	(225)	(52,136)
Retirement benefits paid	(22,257)	(22,214)
Prior service cost arising during the year	1,965	-
Decrease resulting from changes in scope of consolidation	(29,383)	-
Other	207	(7)
Balance as of the end of the period	388,351	326,008

(2) Reconciliation of beginning and ending balances of plan assets

	(Millions of yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Balance as of beginning of the period	337,077	309,601
Expected return on plan assets	9,963	9,276
Actuarial gains and losses	(10,790)	10,811
Contributions by the companies	5,251	791
Retirement benefits paid	(13,495)	(12,837)
Decrease resulting from changes in scope of consolidation	(18,608)	-
Other	203	(25)
Balance as of end of the period	309,601	317,616

(3) Reconciliation of ending balances of retirement benefit obligations and plan assets to retirement benefit liability and asset recognized in the consolidated balance sheet

	(Millions of yen)	
	As of March 31, 2025	As of March 31, 2026
Retirement benefit obligations for funded plans	270,543	224,185
Pension assets	(309,601)	(317,616)
	(39,057)	(93,430)
Retirement benefit obligations for unfunded plans	117,807	101,822
Net liability and asset recognized in the consolidated balance sheet	78,750	8,391
Retirement benefit liability	117,807	101,822
Retirement benefit asset	(39,057)	(93,430)
Net liability and asset recognized in the consolidated balance sheet	78,750	8,391

(4) Retirement benefit expenses and breakdown

	(Millions of yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Service cost	10,838	6,787
Interest cost	5,401	5,227
Expected return on plan assets	(9,963)	(9,276)
Amortization of actuarial gains and losses	(8,609)	(7,236)
Amortization of prior service cost	1,962	(1)
Other	(70)	(112)
Retirement benefit expenses for defined benefit plans	(441)	(4,612)

(5) Remeasurements of defined benefit plans, net of tax

The breakdown of items recorded in remeasurements of defined benefit plans, net of tax (before deducting income taxes and tax effects) is as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Prior service cost	(2)	(1)
Actuarial gains and losses	(19,247)	55,711
Total	(19,250)	55,709

(6) Remeasurements of defined benefit plans

The breakdown of items recorded in remeasurements of defined benefit plans (before deducting income taxes and tax effects) is as follows.

	(Millions of yen)	
	As of March 31, 2025	As of March 31, 2026
Unrecognized prior service cost	(1)	-
Unrecognized actuarial gains and losses	(18,945)	(74,657)
Total	(18,947)	(74,657)

(7) Matters related to plan assets

① Main breakdown of plan assets

The ratio of each main category to total plan assets is as follows.

	As of March 31, 2025	As of March 31, 2026
Bonds	44%	45%
General accounts of life insurance companies	16%	16%

Stocks	20%	18%
Other	20%	21%
Total	100%	100%

② Method for determining expected long-term rate of return on plan assets

The expected return on plan assets is estimated based on the current and anticipated allocation of plan assets, and expected rates of long-term return on various assets in each category.

(8) Matters related to actuarial assumptions used in the calculation

Principal actuarial assumptions used in the calculation

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Discount rates	0.271~1.83%	0.8~3.0%
Expected long-term rate of return on plan assets	0.0~3.2%	0.0~4.72%

3 Defined benefit plans to which the simplified method is applied

(1) Reconciliation of beginning and ending balances of net retirement benefit liability and asset for plans to which the simplified method is applied

	(Millions of yen)	
	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Balance as of beginning of the period of net retirement benefit liability and asset	5,249	5,051
Retirement benefit expenses	945	830
Retirement benefits paid	(728)	(811)
Contributions to the plans	(82)	(92)
Decrease resulting from changes in scope of consolidation	(332)	-
Balance as of end of the period of net retirement benefit liability and asset	5,051	4,978

(2) Reconciliation of ending balances of retirement benefit obligations and plan assets to retirement benefit liability and asset recognized in the consolidated balance sheet

	(Millions of yen)	
	As of March 31, 2025	As of March 31, 2026
Retirement benefit obligations for funded plans	1,893	1,921
Pension assets	(1,951)	(2,067)
	(58)	(145)
Retirement benefit obligations for unfunded plans	5,109	5,123
Net liability and asset recognized in the consolidated balance sheet	5,051	4,978
Retirement benefit liability	5,116	5,128
Retirement benefit asset	(64)	(150)
Net liability and asset recognized in the consolidated balance sheet	5,051	4,978

(3) Retirement benefit expenses

Retirement benefit expenses calculated using the simplified method	Previous fiscal year: 945 million yen	Current fiscal year: 830 million yen
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4 Defined contribution plans

The required contributions to the defined contribution plans of the Company and its consolidated subsidiaries were 1,846 million yen for the previous fiscal year and 5,167 million yen for the current fiscal year.

(Tax Effect Accounting)

1 Significant components of deferred tax assets and liabilities

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Deferred tax assets		
Contribution payable for nuclear reactor decommissioning	38,966	37,383
Defined benefit liability	34,961	30,356
Deferred revenue	16,176	15,380
Elimination of unrealized gain	6,970	8,582
Asset retirement obligations	2,359	2,213
Tax loss carryforwards (Note2)	31,129	6,464
Other	102,482	126,699
Subtotal	233,046	227,080
Valuation allowance for tax loss carryforwards (Note 2)	(268)	(738)
Valuation allowance for total future deductible temporary differences, etc.	(54,044)	(56,304)
Valuation allowance (Note 1)	(54,312)	(57,043)
Total of deferred tax assets	178,733	170,037
Deferred tax liabilities		
Provision for decommissioning of nuclear power units	(29,456)	(28,472)
Special account related to nuclear decommissioning	(5,607)	(4,606)
Valuation difference on available-for-sale securities	(2,740)	(6,170)
Other	(18,569)	(37,478)
Total of deferred tax liabilities	(56,372)	(76,727)
Net deferred tax assets	122,361	93,310

(Note) 1 Valuation allowance increased by 2,730 million yen. The main component of this increase was consolidated subsidiary Tohoku Electric Power Network Co., Inc.

This increase was mainly due to the additional recognition of 1,911 million yen in valuation allowance related to amortization of easement rights at the consolidated subsidiary Tohoku Electric Power Network Co., Inc.

2 Tax loss carryforwards and related deferred tax assets by expiration period

As of March 31, 2025	(Millions of yen)						
	Within 1 year	Over 1 year Within 2 years	Over 2 years Within 3 years	Over 3 years Within 4 years	Over 4 years Within 5 years	Over 5 years	Total
Tax loss carryforwards (a)	0	0	-	0	0	31,129	31,129
Valuation allowance	-	-	-	-	-	(268)	(268)
Deferred tax assets	0	0	-	0	0	30,860	(b) 30,861

(a) Tax loss carryforwards are amounts multiplied by the statutory effective tax rate.

- (b) Deferred tax assets of 30,861 million yen have been recorded for tax loss carryforwards of 31,129 million yen (amount multiplied by the statutory effective tax rate). No valuation allowance has been recognized for these deferred tax assets of 30,861 million yen as they were determined to be recoverable based on projected future taxable income.

As of March 31, 2026

Disclosure has been omitted due to immateriality.

(Changes in Presentation)

In the previous consolidated fiscal year, "Assets corresponding to asset retirement obligations" which had been separately presented under deferred tax liabilities, became less significant

In the previous fiscal year, "Assets corresponding to asset retirement obligations" was presented separately under deferred tax liabilities. Due to decreased materiality, it has been included in "Other" from the current fiscal year. To reflect this change in the method of presentation, the notes for the previous consolidated fiscal year have been reclassified.

As a result, "Assets corresponding to asset retirement obligations" of (90) million yen and "Other" of (18,478) million yen in deferred tax liabilities for the previous fiscal year have been reclassified to "Other" of (18,569) million yen.

2 Reconciliation between the statutory effective tax rate and the effective income tax rate after application of tax effect accounting, and the major components of the differences

For the fiscal years ended March 31, 2025 and March 31, 2026, the difference between the statutory effective tax rate and the effective income tax rate after application of tax effect accounting was less than 5% of the statutory effective tax rate; therefore, the disclosure has been omitted.

3 Accounting treatment for corporate tax and local corporate tax or tax effect accounting related thereto

The Company and certain domestic consolidated subsidiaries apply the group tax sharing system and perform accounting treatment for corporate tax and local corporate tax or tax effect accounting related thereto, as well as disclosures, in accordance with "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" (ASBJ PITF No. 42, August 12, 2021).

(Revenue Recognition)

1 Disaggregation of revenue from contracts with customers

Information on disaggregation of revenue from contracts with customers is as described in (Segment Information, etc.).

2 Basic information for understanding revenue from contracts with customers

Basic information for understanding revenue is as described in "(Significant Accounting Policies for Preparation of Consolidated Financial Statements) 3 Disclosure of Accounting Policies (5) Standard of recognition of significant revenue and expenses."

3 Information on the relationship between satisfaction of performance obligations under contracts with customers and cash flows arising from those contracts, and the amount and timing of revenue expected to be recognized in subsequent fiscal years from contracts with customers existing at the end of the current fiscal year

(1) Contract assets and contract liabilities balances, etc.

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Receivables from contracts with customers (beginning balance)	243,049	220,047

Receivables from contracts with customers (ending balance)	220,047	182,872
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Information on contract assets and contract liabilities has been omitted as the balances are immaterial and no significant changes have occurred.

Additionally, information on revenue recognized in the current fiscal year from performance obligations satisfied (or partially satisfied) in prior periods has been omitted due to immateriality.

Receivables from contracts with customers include consumption tax and the "Renewable Energy Surcharge" based on the Feed-in Tariff system for renewable energy.

(2) Transaction price allocated to remaining performance obligations

Unsatisfied (or partially unsatisfied) performance obligations amounted to 340,325 million yen at the end of the previous fiscal year. These mainly relate to electricity sales in the Power Generation and Sales segment, and revenue is expected to be recognized within approximately four years.

Unsatisfied (or partially unsatisfied) performance obligations amounted to 493,936 million yen at the end of the current fiscal year. These mainly relate to electricity sales in the Power Generation and Sales segment, and revenue is expected to be recognized within approximately four years.

This does not include performance obligations under contracts for which the initially expected contract period is one year or less, or contracts in which a fixed amount is billed based on the services provided.

(Note) The total transaction price expected to be recognized as revenue at the end of the current fiscal year does not include income that can be obtained through the Long-term Decarbonized Power Source Auction. Income from the Long-term Decarbonized Power Source Auction is the contracted capacity reserve contract amount less approximately 90% of revenue obtained from the wholesale market, non-fossil market, etc. during the same period as a refund amount. Since the refund amount fluctuates based on future market prices, it is difficult to estimate the portion for which it is highly probable that a significant revenue reversal will not occur when the uncertainty regarding the variable consideration is subsequently resolved, and therefore this is not included in the notes.

(Segment Information, etc.)

[Segment Information]

1 Overview of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Company's management is being performed in order to decide how resources are allocated among the Group and to assess performance.

The Group operates as an energy service corporate group centered on electricity and energy, aiming to maximize customer prosperity, with two reportable segments: "Power Generation and Sales" and "Network."

[Power Generation and Sales]

- Stable supply of electricity through thermal, nuclear, and renewable energy sources, provision of services utilizing renewable energy, retail electricity sales, and provision of solution services
- Corporate and indirect functions

[Network]

- Provision of neutral and fair transmission and distribution services

(Matters concerning changes in reportable segments, etc.)

In "Working Alongside next^{PLUS}," which was presented as the future business development in the medium-to-long-term vision, the Company will develop businesses centered on electricity and energy, and will pursue autonomous revenue and growth on a business-unit basis while conducting integrated management with group companies that have high affinity with each business.

Accordingly, from the current fiscal year, the method of classifying business segments has been changed to "Power Generation and Sales," "Network," "Comprehensive Facility Engineering," "Real Estate," "DX/IT," and "Other," and the affiliated companies classified into each segment have been reviewed.

Segment information for the previous fiscal year has been prepared based on the revised classification.

2 Methods of measurement for the amounts of sales, profit or loss, assets and other items for each reportable segment

The accounting policies of each reportable segment are consistent with those disclosed in "(Significant Accounting Policies for Preparation of Consolidated Financial Statements)." Profit or loss of reportable segments is based on ordinary income (loss). Intersegment sales are based on arm's length transaction prices.

3 Disclosure of sales, profit (loss), asset, liability, and other items for each reportable segment and disaggregation of revenue

Fiscal year ended March 31, 2025

(Millions of yen)

	Reportable Segment			Other (Note) 1	Total	Reconciling items (Note) 2	Amount in consolidated financial statements (Note) 3
	Power Generation and Sales	Network	Total				
Net sales							
Revenue from electricity sales	1,491,625	7,618	1,499,244	-	1,499,244	-	1,499,244
Sales of power to other utilities and other companies	410,788	282,820	693,608	-	693,608	-	693,608
Wheeling revenue	-	118,815	118,815	-	118,815	-	118,815
Other (Note) 4	158,713	66,138	224,852	108,392	333,245	-	333,245
Net sales from external customers	2,061,127	475,392	2,536,520	108,392	2,644,912	-	2,644,912
Net Intersegment sales or transfers	140,387	470,443	610,830	166,300	777,131	(777,131)	-
Total	2,201,514	945,836	3,147,350	274,693	3,422,044	(777,131)	2,644,912
Segment profit	245,178	20,335	265,513	21,036	286,549	(29,824)	256,725
Segment assets	4,448,503	2,382,330	6,830,834	332,287	7,163,121	(1,764,907)	5,398,213
Other items							
Depreciation and amortization (including amortization of nuclear fuel)	98,245	95,852	194,098	16,369	210,467	(3,279)	207,188
Interest income	10,946	41	10,988	224	11,212	(10,031)	1,180
Interest expenses	25,944	9,913	35,858	180	36,039	(10,110)	25,928
Share of profit of entities accounted for using equity method	2,308	-	2,308	3,507	5,816	(762)	5,054
Increase in property, plant and equipment, and intangible assets	170,101	186,727	356,829	25,948	382,778	(5,872)	376,905

(Note) 1 Other includes Comprehensive Facility Engineering, Real Estate, DX/IT, and other businesses.

2 Adjustments are as follows.

- (1) The adjustment of (29,824) million yen for segment profit is due to elimination of intersegment transactions.
- (2) The adjustment of (1,764,907) million yen for segment assets includes elimination of intersegment transactions of (1,758,866) million yen.
- (3) The adjustment of (3,279) million yen for depreciation is due to elimination of intersegment transactions.
- (4) The adjustment of (10,031) million yen for interest income is due to elimination of intersegment transactions.
- (5) The adjustment of (10,110) million yen for interest expenses is due to the elimination of intersegment transactions.
- (6) The adjustment of (762) million yen in share of profit of entities accounted for using equity method is due to the elimination of intersegment transactions.
- (7) The adjustment of (5,872) million yen in increase in property, plant and equipment, and

intangible assets is due to the elimination of intersegment transactions.

3 Segment profit is adjusted to ordinary profit on the consolidated statement of income.

4 Under the "Electricity and Gas Price Surge Mitigation Program," "Emergency Support for Overcoming Extreme Heat," and "Electricity and Gas Bill Burden Reduction Support Program" implemented based on the "Comprehensive Economic Measures for Completely Overcoming Deflation" and "Comprehensive Economic Measures to Foster the Safety and Security of Citizens and Sustained Growth," discounts on electricity and gas rates are provided at unit prices set by the government, and revenue from subsidies received as the source of these discounts is included as revenue other than revenue from contracts with customers, with 59,598 million yen in "Other" of the Power Generation and Sales segment and 379 million yen in "Other" of the Network segment, respectively.

In addition to these subsidies, "Other" of the Power Generation and Sales segment includes 19,044 million yen in revenue based on the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019) as revenue other than revenue from contracts with customers.

Fiscal year ended March 31, 2026

(Millions of yen)

	Reportable Segment			Other (Note) 1	Total	Reconciling items (Note) 2	Amount in consolidated financial statements (Note) 3
	Power Generation and Sales	Network	Total				
Net sales							
Revenue from electricity sales	1,364,000	6,857	1,370,857	-	1,370,857	-	1,370,857
Sales of power to other utilities and other companies	368,027	270,001	638,029	-	638,029	-	638,029
Wheeling revenue	-	131,561	131,561	-	131,561	-	131,561
Other (Note) 4	111,410	68,283	179,693	52,279	231,973	-	231,973
Net sales from external customers	1,843,438	476,702	2,320,141	52,279	2,372,420	-	2,372,420
Net Intersegment sales or transfers	138,275	444,614	582,889	129,321	712,211	(712,211)	-
Total	1,981,714	921,317	2,903,031	181,601	3,084,632	(712,211)	2,372,420
Segment profit (loss)	126,604	(1,078)	125,526	15,948	141,475	(15,068)	126,407
Segment assets	4,747,586	2,537,318	7,284,904	343,434	7,628,339	(1,896,482)	5,731,856
Other items							
Depreciation (including amortization of nuclear fuel)	113,293	101,158	214,451	15,814	230,265	(1,596)	228,669
Interest income	16,280	168	16,449	73	16,523	(14,626)	1,896
Interest expenses	31,195	14,260	45,456	314	45,771	(14,708)	31,062
Share of profit of entities accounted for using equity method	2,114	-	2,114	3,480	5,594	(960)	4,634
Increase in property, plant and equipment, and intangible assets	184,629	215,852	400,482	20,781	421,263	(4,132)	417,131

(Note) 1 Other includes Comprehensive Facility Engineering, Real Estate, DX/IT, and other businesses.

2 Adjustments are as follows.

- (1) The adjustment of (15,068) million yen in segment profit (loss) is due to the elimination of intersegment transactions.
- (2) The adjustment of (1,896,482) million yen for segment assets includes elimination of intersegment transactions of (1,875,595) million yen.
- (3) The adjustment of (1,596) million yen for depreciation is due to elimination of intersegment transactions.
- (4) The adjustment of (14,626) million yen for interest income is due to elimination of intersegment transactions.
- (5) The adjustment of (14,708) million yen in interest expenses is due to the elimination of intersegment transactions.
- (6) The adjustment of (960) million yen in share of profit of entities accounted for using equity method is due to the elimination of intersegment transactions.
- (7) The adjustment of (4,132) million yen in increase in property, plant and equipment, and intangible assets is due to the elimination of intersegment transactions.

3 Segment profit (loss) is adjusted to ordinary profit on the consolidated statement of income.

4 Under the "Electricity and Gas Rate Burden Reduction Support Project" implemented based on the "Comprehensive Economic Measures for Public Safety and Sustainable Growth," "Emergency Response Package for the U.S. Tariff Measures," and "Comprehensive Economic Measures to Build a "Strong Japanese Economy," discounts on electricity and gas rates are provided at unit prices set by the government, and revenue from subsidies received as the source of these discounts is included as revenue other than revenue from contracts with customers, with 45,188 million yen in "Other" of the Power Generation and Sales segment and 271 million yen in "Other" of the Network segment, respectively.

In addition to these subsidies, "Other" of the Power Generation and Sales segment includes 167 million yen in revenue based on the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019) as revenue other than revenue from contracts with customers.

[Related Information]

Previous consolidated fiscal year (From April 1, 2024 to March 31, 2025)

1 Information by product and service

This information has been omitted as similar information is disclosed in segment information.

2 Information by geographic area

(1) Operating revenue

This information has been omitted as operating revenue classified as sales to external customers in Japan exceed 90% of operating revenue on the consolidated statement of income.

(2) Property, plant and equipment

This information has been omitted as the amount of property, plant and equipment located in Japan exceeds 90% of property, plant and equipment on the consolidated balance sheet.

3 Information by major customer

Not applicable as there is no customer accounting for 10% or more of operating revenue on the consolidated statement of income.

Current consolidated fiscal year (From April 1, 2025 to March 31, 2026)

1 Information by product and service

This information has been omitted as similar information is disclosed in segment information.

2 Information by geographic area

(1) Operating revenue

This information has been omitted as operating revenue classified as sales to external customers in Japan exceed 90% of operating revenue on the consolidated statement of income.

(2) Property, plant and equipment

This information has been omitted as the amount of property, plant and equipment located in Japan exceeds 90% of property, plant and equipment on the consolidated balance sheet.

3 Information by major customer

Not applicable as there is no customer accounting for 10% or more of operating revenue on the consolidated statement of income.

[Information on impairment loss on non-current assets by reportable segment]

Fiscal year ended March 31, 2025

This information has been omitted due to its lack of materiality.

Fiscal year ended March 31, 2026

This information has been omitted due to its lack of materiality.

[Information on amortization of goodwill and unamortized balance by reportable segment]

Fiscal year ended March 31, 2025

This information has been omitted due to its lack of materiality.

Fiscal year ended March 31, 2026

This information has been omitted due to its lack of materiality.

[Information on gain on negative goodwill by reportable segment]

Fiscal year ended March 31, 2025

Not applicable.

Fiscal year ended March 31, 2026

Not applicable.

[Related Party Information]

Fiscal year ended March 31, 2025

Not applicable.

Fiscal year ended March 31, 2026

Not applicable.

(Per Share Information)

(Yen)

Item	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net assets per share	1,969.74	2,221.30
Profit per share	365.50	169.85

(Note 1) Diluted profit per share is not disclosed because there are no potential shares.

2 The basis for calculation is as follows:

(1) Net assets per share

Item	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Total net assets	1,008,809 million yen	1,135,730 million yen
Amount deducted from total net assets	23,625 million yen	24,390 million yen
(Of which non-controlling interests)	(23,625 million yen)	(24,390 million yen)
Net assets attributable to common stock at the end of the period	985,183 million yen	1,111,340 million yen
Number of shares of common stock at the end of the period used in calculating net assets per share	500,160 thousand shares	500,310 thousand shares

(2) Profit per share

Item	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit per share		
Profit attributable to owners of parent	182,807 million yen	84,975 million yen
Amounts not attributable to common stock	-	-
Profit attributable to owners of parent related to common stock	182,807 million yen	84,975 million yen
Average number of shares of common stock outstanding during the period	500,150 thousand shares	500,286 thousand shares

(Note 1) In calculating net assets per share, shares of the Company held by the trust account related to the Trust are included in the number of treasury shares deducted from the total number of shares issued at the end of the period. The number of treasury shares held by the trust account was 929 thousand shares in the previous fiscal year and 764 thousand shares in the current fiscal year.

2 In calculating profit per share, shares of the Company held by the trust account related to the Trust are included in treasury shares deducted in calculating the average number of shares outstanding during the period. The average number of treasury shares held by the trust account during the period was 948 thousand shares in the previous fiscal year and 796 thousand shares in the current fiscal year.

⑤ [Annexed consolidated detailed schedules]

[Annexed consolidated detailed schedule of corporate bonds]

Company Name	Description	Issue Date	Balance at Beginning of Period (Millions of yen)	Balance at End of Period (Millions of yen)	Interest rate (%)	Collateral	Maturity period
Tohoku Electric Power	478th Series Bonds	2015.2.26	10,000	10,000	1.265	General security	2030.2.25
"	480th Series Bonds	2015.4.27	10,000	10,000	1.049	"	2030.4.25
"	481st Series Bonds	2015.7.23	20,000	-	0.803	"	2025.7.25
"	482nd Series Bonds	2016.2.25	20,000	-	0.400	"	2026.2.25
"	483rd Series Bonds (Note 1)	2016.5.24	20,000	20,000 (20,000)	0.300	"	2026.5.25
"	484th Series Bonds	2016.5.24	20,000	20,000	0.758	"	2036.5.23
"	485th Series Bonds (Note 1)	2016.7.14	20,000	20,000 (20,000)	0.250	"	2026.7.24
"	486th Series Bonds	2016.7.14	10,000	10,000	0.485	"	2036.7.25
"	488th Series Bonds (Note 1)	2016.10.20	20,000	20,000 (20,000)	0.290	"	2026.10.23
"	491st Series Bonds (Note 1)	2017.2.28	10,000	10,000 (10,000)	0.420	"	2027.2.25
"	492nd Series Bonds	2017.4.20	20,000	20,000	0.405	"	2027.4.23
"	493rd Series Bonds	2017.4.20	10,000	10,000	0.856	"	2037.4.24
"	494th Series Bonds	2017.6.8	20,000	20,000	0.425	"	2027.6.25
"	496th Series Bonds	2017.9.7	20,000	20,000	0.355	"	2027.9.24
"	497th Series Bonds	2017.9.7	10,000	10,000	0.807	"	2037.9.25
"	499th Series Bonds	2017.11.27	20,000	20,000	0.405	"	2027.11.25
"	501st Series Bonds	2018.6.7	20,000	20,000	0.385	"	2028.6.23
"	502nd Series Bonds	2018.6.7	10,000	10,000	0.749	"	2038.5.25
"	505th Series Bonds	2018.11.29	20,000	20,000	0.420	"	2028.11.24
"	507th Series Bonds	2019.2.28	10,000	10,000	0.763	"	2039.2.25
"	508th Series Bonds	2019.4.10	40,000	40,000	0.465	"	2029.4.25
"	510th Series Bonds	2019.5.29	20,000	20,000	0.620	"	2035.5.25
"	512nd Series Bonds (Note 1)	2019.9.4	30,000	30,000 (30,000)	0.220	"	2026.9.25
"	513rd Series Bonds	2019.10.17	40,000	40,000	0.310	"	2029.10.25
"	514th Series Bonds	2019.10.17	20,000	20,000	0.560	"	2039.9.22
"	515th Series Bonds	2019.11.27	10,000	-	0.190	"	2025.11.25
"	517th Series Bonds	2020.2.27	5,000	5,000	0.310	"	2030.2.25

Company Name	Description	Issue Date	Balance at Beginning of Period (Millions of yen)	Balance at End of Period (Millions of yen)	Interest rate (%)	Collateral	Maturity period
Tohoku Electric Power	518th Series Bonds	2020.4.16	10,000	10,000	0.380	General security	2030.4.25
"	519th Series Bonds	2020.4.16	10,000	10,000	0.580	"	2040.4.25
"	521st Series Bonds	2020.5.27	50,000	50,000	0.450	"	2030.5.24
"	522nd Series Bonds	2020.6.9	45,000	-	0.160	"	2025.6.25
"	523rd Series Bonds	2020.6.10	10,000	10,000	0.610	"	2036.6.25
"	524th Series Bonds	2020.9.16	10,000	10,000	0.320	"	2030.9.25
"	525th Series Bonds	2020.10.13	10,000	10,000	0.220	"	2027.10.25
"	526th Series Bonds	2020.10.13	10,000	10,000	0.600	"	2039.10.25
"	527th Series Bonds	2021.2.24	20,000	20,000	0.320	"	2031.2.25
"	528th Series Bonds	2021.2.24	10,000	10,000	0.870	"	2050.2.25
"	529th Series Bonds (Note 1)	2021.4.13	20,000	20,000 (20,000)	0.070	"	2026.4.24
"	530th Series Bonds	2021.4.13	30,000	30,000	0.330	"	2031.4.25
"	531st Series Bonds	2021.5.26	30,000	30,000	0.310	"	2031.5.23
"	532nd Series Bonds	2021.5.26	10,000	10,000	0.610	"	2041.5.24
"	533rd Series Bonds	2021.5.26	10,000	10,000	0.880	"	2051.5.25
"	534th Series Bonds	2021.6.15	15,000	15,000	0.510	"	2038.6.25
"	535th Series Bonds	2021.7.21	30,000	30,000	0.200	"	2028.7.25
"	536th Series Bonds	2021.9.15	30,000	30,000	0.290	"	2031.9.25
"	537th Series Bonds	2021.10.12	10,000	10,000	0.380	"	2035.10.25
"	538th Series Bonds	2021.11.24	20,000	20,000	0.330	"	2031.11.25
"	539th Series Bonds	2021.11.24	10,000	10,000	0.630	"	2041.11.25
"	540th Series Bonds (Note 1)	2022.1.20	15,000	15,000 (15,000)	0.190	"	2027.1.25
"	541st Series Bonds	2022.1.20	20,000	20,000	0.350	"	2032.1.23
"	542nd Series Bonds	2022.4.12	30,000	-	0.140	"	2025.4.25
"	543rd Series Bonds	2022.4.12	40,000	40,000	0.340	"	2027.4.23
"	544th Series Bonds	2022.4.12	40,000	40,000	0.574	"	2032.4.23
"	545th Series Bonds	2022.6.2	20,000	20,000	0.400	"	2027.6.25
"	546th Series Bonds	2022.6.2	10,000	10,000	0.634	"	2032.6.25
"	547th Series Bonds	2022.6.15	13,300	13,300	0.500	"	2029.6.25

Company Name	Description	Issue Date	Balance at Beginning of Period (Millions of yen)	Balance at End of Period (Millions of yen)	Interest rate (%)	Collateral	Maturity period
Tohoku Electric Power	548th Series Bonds	2022.6.15	5,000	5,000	1.150	General security	2047.6.25
"	1st Series Unsecured Bonds with Interest Payment Deferral and Early Redemption Clauses (Without General Security, with Subordination Agreement)	2022.9.15	133,000	133,000	1.545 (Note) 2	Unsecured	2057.9.14 (Note) 6
"	2nd Series Unsecured Bonds with Interest Payment Deferral and Early Redemption Clauses (Without General Security, with Subordination Agreement)	2022.9.15	26,000	26,000	1.754 (Note) 3	"	2059.9.12 (Note) 7
"	3rd Series Unsecured Bonds with Interest Payment Deferral and Early Redemption Clauses (Without General Security, with Subordination Agreement)	2022.9.15	82,000	82,000	2.099 (Note) 4	"	2062.9.15 (Note) 8
"	4th Series Unsecured Bonds with Interest Payment Deferral and Early Redemption Clauses (Without General Security, with Subordination Agreement)	2022.9.15	39,000	39,000	2.521 (Note) 5	"	2067.9.15 (Note) 9
"	549th Series Bonds	2022.10.13	8,500	8,500	0.840	General security	2030.10.25
"	550th Series Bonds	2022.10.13	5,900	5,900	1.300	"	2042.10.24
"	551st Series Bonds	2022.11.22	30,000	-	0.440	"	2025.11.25
"	552nd Series Bonds	2022.12.13	27,000	27,000	0.864	"	2028.12.25
"	553rd Series Bonds	2023.1.20	23,700	23,700	1.060	"	2029.10.25
"	554th Series Bonds	2023.1.20	7,300	7,300	1.650	"	2043.1.23
"	555th Series Bonds	2023.3.9	10,000	10,000	1.280	"	2033.3.25
"	556th Series Bonds	2023.3.9	5,000	5,000	1.640	"	2043.3.25
"	557th Series Bonds	2023.4.13	20,000	20,000	1.140	"	2033.4.25

"	558th Series Bonds	2023.5.25	20,000	20,000	1.600	"	2045.5.25
"	559th Series Bonds (Note 1)	2023.6.23	15,000	15,000 (15,000)	0.32	"	2026.6.25
"	560th Series Bonds	2023.7.12	20,000	20,000	0.870	"	2033.7.25
"	561st Series Bonds	2023.7.12	10,000	10,000	1.750	"	2053.7.25
"	562nd Series Bonds (Note 1)	2023.12.22	10,000	10,000 (10,000)	0.43	"	2026.12.25
"	563rd Series Bonds	2024.4.10	30,000	30,000	1.161	"	2034.4.25
"	564th Series Bonds	2024.4.10	13,000	13,000	2.100	"	2054.4.24
"	565th Series Bonds	2024.6.21	10,000	10,000	0.75	"	2027.6.25
"	566th Series Bonds	2024.7.10	20,000	20,000	1.605	"	2034.7.25
"	567th Series Bonds	2024.8.15	10,000	10,000	1.392	"	2034.8.25
"	568th Series Bonds	2024.10.10	20,000	20,000	1.061	"	2031.10.24
"	569th Series Bonds	2024.11.28	30,000	30,000	1.442	"	2033.11.25
"	570th Series Bonds	2024.12.20	10,000	10,000	0.90	"	2027.12.24
"	571st Series Bonds	2025.2.14	20,000	20,000	1.711	"	2035.2.22
"	572nd Series Bonds	2025.4.10	-	20,000	1.826	Unsecured	2035.4.25
"	573rd Series Bonds	2025.5.22	-	20,000	2.095	"	2035.5.25
"	574th Series Bonds	2025.5.22	-	10,000	1.855	"	2033.5.25
"	575th Series Bonds	2025.6.20	-	15,000	1.17	"	2028.6.23
"	576th Series Bonds	2025.7.10	-	20,000	2.057	"	2035.7.25
"	577th Series Bonds	2025.7.10	-	10,000	1.619	"	2032.6.25
"	578th Series Bonds	2026.1.22	-	10,000	2.648	"	2036.1.25
"	Tohoku Electric Power 4th Series U.S. Dollar- Denominated Bonds (Note) 10	2026.3.4	-	77,995 [500,000 Thousands of U.S. dollars]	4.324	"	2031.3.4
"	579th Series Bonds	2026.3.19	-	10,000	2.681	"	2036.3.25
Total		—	1,733,700	1,771,695 (160,000)	—	—	—

(Note) 1 The figures in parentheses in the lower row of the "Balance at End of Period" column represent the amounts scheduled for redemption within one year.

2 Fixed interest rates from the day following September 15, 2022 to September 15, 2027; floating interest rate from the day following September 15, 2027 onwards (interest rate step-up occurs on the day after September 15, 2027).

3 Fixed interest rates from the day following September 15, 2022 to September 15, 2029; floating interest rate from the day following September 15, 2029 onwards (interest rate step-up occurs on the day after September 15, 2029).

4 Fixed interest rates from the day following September 15, 2022 to September 15, 2032; floating interest rate from the day following September 15, 2032 onwards (interest rate step-up occurs on

- the day after September 15, 2032).
- 5 Fixed interest rates from the day following September 15, 2022 to September 15, 2037; floating interest rate from the day following September 15, 2037 onwards (interest rate step-up occurs on the day after September 15, 2037).
 - 6 Early redemption is possible at the Company's discretion on each interest payment date on or after September 15, 2027.
 - 7 Early redemption is possible at the Company's discretion on each interest payment date on or after September 15, 2029.
 - 8 Early redemption is possible at the Company's discretion on each interest payment date on or after September 15, 2032.
 - 9 Early redemption is possible at the Company's discretion on each interest payment date on or after September 15, 2037.
 - 10 Regarding the redemption amount and interest expenses, a currency swap agreement was concluded at the time of issuance, and the yen amounts have been fixed.
 - 11 Redemption schedule within five years after the consolidated closing date is as follows:

(Millions of yen)

Within 1 year	Over 1 year within 2 years	Over 2 years within 3 years	Over 3 years within 4 years	Over 4 years within 5 years
160,000	170,000	112,000	132,000	186,495

[Annexed consolidated detailed schedule of borrowings]

Category	Balance at beginning of period (Millions of yen)	Balance at End of Period (Millions of yen)	Average interest rate (%)	Repayment deadline
Long-term borrowings (excluding those scheduled for repayment within one year)	1,353,339	1,493,847	1.121	2027.4.13~ 2048.3.27
Lease liabilities (excluding those scheduled for repayment within one year)	20,574	25,288	-	2027.11.30~ 2043.3.15
Current portion of long-term borrowings	248,473	212,490	0.795	—
Current portion of lease liabilities	4,580	5,285	-	—
Short-term borrowings	1,450	1,150	0.738	—
Other interest-bearing debt Commercial papers (Due within one year)	-	-	-	—
Total	1,628,417	1,738,060	—	—

(Note) 1 "Average interest rate" is the weighted average interest rate applied to the year-end balance of borrowings.

2 The "Average interest rate" for lease obligations is not stated because lease obligations are recorded on the consolidated balance sheet at amounts before deducting interest equivalents included in the total lease payments.

3 Repayment schedule within five years after the consolidated closing date for long-term borrowings and lease obligations (excluding those scheduled for repayment within one year) is as follows:

(Millions of yen)

Category	Over 1 year to 2 years	Over 2 years to 3 years	Over 3 years to 4 years	Over 4 years to 5 years
Long-term borrowings	191,447	223,402	205,900	178,572
Lease liabilities	4,576	3,895	3,522	2,811

[Schedule of Asset Retirement Obligations]

The schedule has been omitted because the amount of asset retirement obligations at the beginning and end of the current consolidated fiscal year is not more than 1% of the combined total of liabilities and net assets at the beginning and end of the current consolidated fiscal year.

(2) [Other]

Semi-annual information for the current consolidated fiscal year

		First quarter cumulative consolidated period	Interim consolidated accounting period	Third quarter cumulative consolidated period	Current fiscal year
Net sales	(Millions of yen)	535,380	1,168,956	1,727,228	2,372,420
Interim (quarterly) (current period) profit before income taxes	(Millions of yen)	57,514	125,684	163,693	118,811

Interim (quarterly) (current period) profit attributable to owners of parent	(Millions of yen)	37,725	87,656	115,720	84,975
Interim (quarterly) (current period) profit per share	(Yen)	75.42	175.22	231.31	169.85

		First Quarter Consolidated accounting period	Second quarter Consolidated accounting period	Third quarter Consolidated accounting period	Fourth quarter Consolidated accounting period
Quarterly profit per share or quarterly loss per share	(Yen)	75.42	99.80	56.09	(61.45)

(Note) Review of financial information for the first quarter cumulative consolidated period and third quarter cumulative consolidated period: None

Independent Auditor's Report

The Board of Directors
Tohoku Electric Power Company, Incorporated

The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Tohoku Electric Power Company, Incorporated and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2026, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.



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Recoverability of deferred tax assets

Description of Key Audit Matter

Tohoku Electric Power Company, Incorporated and its subsidiaries (the “Group”) recorded deferred tax assets of ¥93,310 million on the consolidated balance sheet at the end of the fiscal year ended March 31, 2026 and, as described in Notes to Consolidated Financial Statements (Tax Effect Accounting), the amount of these deferred tax assets before being offset against deferred tax liabilities was ¥170,037 million. Of this amount, the Group recorded deferred tax assets on tax loss carryforwards of ¥5,725 million (before being offset against deferred tax liabilities), the majority of which are attributable to Tohoku Electric Power Company, Incorporated.

In terms of financial results for the consolidated fiscal year ended March 31, 2026, operating revenue decreased by 10.3% compared to the previous consolidated fiscal year. This was primarily attributable to a decline in retail electricity sales, reflecting customer contract switching amid intensified competition, despite an increase in wholesale electricity sales, including bilateral wholesale transactions. Ordinary profit also decreased by 50.8% to ¥126,407 million. Although earnings improved resulting from the restart of Onagawa Nuclear Power Station Unit 2, this was offset by a decline in earnings resulting from changes in market and sales conditions, an increase in supply and demand adjustment costs in the transmission and distribution business, and the impact of the market valuations of forward electricity transactions associated with the deterioration of the situation in the Middle East.

The Group is undertaking initiatives that target business development for revenue increase, strategic investment contributes to growth, and strengthening of sustainable management base. This is being pursued amid a highly uncertain and rapidly changing environment driven by intensified retail competition due to declining electricity market prices, increases in fixed costs resulting from inflation, rising interest expenses associated with higher interest rates, and the impact of the situation in the Middle East.

In light of these circumstances, for the company classification related to tax effect accounting, the Group continues to determine the recoverability of deferred tax assets on deductible temporary differences and tax loss carryforwards based on an estimate of taxable income within a period in which taxable income can be reasonably estimated in the future (approximately five years) despite significant tax losses in the past.

As described in Notes to Consolidated Financial Statements (Significant Accounting Estimates), the Group’s estimate of taxable income on the basis of future profitability is based on the management plan approved by the board of directors, and the significant assumptions underlying the business plan are as follows:

The electricity sales volume for both retail and wholesale, as well as the electricity sales rates based on these volumes, are estimated under the assumption that the Group will advance its sales strategy initiatives in retail electricity sales, considering the competitive landscape with other companies and the implementation of measures to strengthen sales in wholesale electricity as well.

These assumptions involve uncertainty such as the feasibility of sales plans amidst changes in market conditions, and require management to exercise judgment.



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Accordingly, we have determined that recoverability of the deferred tax assets is a key audit matter.

Auditor's Response

We mainly performed the following audit procedures in considering the recoverability of deferred tax assets:

- We considered the scheduling of the reversal of deductible temporary differences and tax loss carryforwards and the factors which gave rise to tax loss carryforwards, and assessed the balances of deductible temporary differences and tax loss carryforwards as of the end of the fiscal year ended March 31, 2026.
- To evaluate the Group's estimate of future taxable income, we obtained an understanding of the process for formulating future management plans and considered future business plans that serve as the basis for the estimate. In considering future business plans, we considered the consistency of such plans with the management plan approved by the board of directors.
- We compared business plans formulated in prior years to actual results to evaluate the effectiveness of the estimation process that management uses in formulating business plans.
- Regarding the significant assumptions used by management in future business plans, we evaluated the medium-term impact of the Group's outlook on retail and wholesale electricity sales rates on taxable income, and performed the following procedures.

Outlook on retail and wholesale electricity sales rates

- We discussed with management whether the Group's underlying measures are reasonable and feasible.
- We considered whether the Group's competitive environment and sales and pricing strategies are reflected in future plans for electricity sales volumes and selling prices.
- We performed sensitivity analysis for electricity sales volume as well as profit and taxable income and considered management's assessment of the uncertainty of estimates included in future business plans.

Other Information

Other information comprises the information included in disclosure documents that contain audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon.

We have concluded that other information does not exist. Accordingly, we have not performed any work related to other information.



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Responsibilities of Management, the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.



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- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Fee-related Information

The fees for the audits of the financial statements of Tohoku Electric Power Company, Incorporated and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2026 are 226 million yen and 78 million yen, respectively.



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Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

June 23, 2026

Takahiro Yamazaki

Designated Engagement Partner
Certified Public Accountant

Katsutoshi Okura

Designated Engagement Partner
Certified Public Accountant

Mikio Shimizu

Designated Engagement Partner
Certified Public Accountant