

May 18, 2026

Tohoku Electric Power Co., Inc.

## Questions and Answers at FY2025 Financial Results Briefing

- Q1. As stated on Page 3 of the financial results presentation materials, the negative impact from "changes in market and sales environment" in the FY2025 financial results was 42.0 billion yen compared to the previous year. I understand that this item includes the impact of the capacity market, among other factors, but to what extent does it include the impact of competition? Although the FY2026 financial forecast remains undetermined, I would like to hear your views on what measures you plan to take to recover from the revenue decline caused by lost market share, to what extent you expect to recover, and your current sense of progress, since The President earlier touched on "revenue improvement by strengthening wholesale and retail sales" in the presentation about the "FY2026 Management Plan".
- A1. While we refrain from providing detailed answers regarding the numerical breakdown of "negative impact of 42.0 billion yen from changes in market and sales environment," please understand that, as you recognized, it includes a combination of factors such as the decline in capacity market unit prices per kW, as well as the impact of intensifying competition with other companies. Regarding the current state of our sales business, a certain number of customer departures occurred in FY2025 as well, and retail electricity sales volume decreased by approximately 2.7 billion kWh from the previous year. We have been working to win back departed customers and prevent existing customers from leaving, while also significantly strengthening our sales expansion outside our service area by allocating additional personnel. As a result, we believe that we are steadily seeing results. In this context, we have heard that some new entrant retailers have suspended new customer applications due to the Middle East situation, and we are closely monitoring how returning demand will develop going forward. Additionally, market prices have been rising from their previously low levels, and we view this situation as rather positive for our company. Regarding how we will respond going forward, we believe the key point in our retail procurement strategy is how to secure supply capacity at low cost. On the other hand, in terms of customer service, amid increasing uncertainty about the future, there is growing demand for various risk mitigation measures including price fixation. Our policy is to accurately capture these needs and implement diverse measures including market utilization and bilateral transactions, while optimizing supply and demand by leveraging our trading subsidiary. Speaking frankly about the current business environment, the situation is becoming very favorable for our company, and we believe we can further leverage our strengths going forward.
- Q2. I would like to ask about the operational outlook for Onagawa Unit 2. As stated on page 38 of the financial results presentation materials, Onagawa Unit 2 is currently undergoing periodic inspection and is scheduled to resume power generation from May of this year. Based on the recent discussions at the Nuclear Regulation Authority regarding the "review of the installation deadline for Specific Safety Facilities", I understand that continued operation until June 2027 is possible. The same page states that "the construction of Specific Safety Facility is expected to be completed in August 2028" and also notes that "connection work will take approximately 14 months." Fourteen months after June 2027, when the next periodic inspection is scheduled

to begin, would be around August 2028. Should we assume that operation during this period would be difficult to expect? There is also a statement that "a shutdown period considering this construction work will be necessary." Please explain, to the extent possible at this point, how long the shutdown period required from June 2027 until the completion of construction of the Specific Safety Facility will be.

- A2. As stated in the financial results presentation materials, the "review of the installation deadline for Specific Safety Facilities" has not yet been finalized. However, if the review is approved, we expect that, as you pointed out, Onagawa Unit 2 will be able to continue operation until around June 2027 after resuming operation in May of this year. Since the Specific Safety Facilities are expected to be completed in August 2028 and the connection work with the main facilities is expected to require approximately 14 months, working backwards, the unit will need to be shut down around June 2027.
- Q3. Based on the content on page 17 of the financial results presentation materials, I would like to hear the President's true intentions and aspirations regarding dividend policy. The first part of that page describes a "stable dividend targeting DOE of 2%", which is the conventional dividend policy focused on the balance sheet. However, the latter part also states that "considering that the consolidated equity ratio recovered to 19.4% at the end of FY2025, we will examine our future dividend policy." Reading the content straightforwardly, it could be interpreted that there may be a shift from the conventional balance sheet-focused policy to one that considers various factors including the business environment. Are you also considering a significant shift from the conventional dividend approach based on DOE? Or are you aiming to set a somewhat higher target while continuing to use DOE, taking into account that the balance sheet has reached a certain level and looking ahead to future earnings capacity? I would like to hear your thinking as President.
- A3. As I have repeatedly stated, our top priority is the early recovery of our impaired financial base, and we have explained our dividend policy from that perspective. As a financial target for FY2026, we have set the consolidated equity ratio at approximately 20%, and we first would like to steadily achieve this. At this point, we believe that figure is approaching nearly 20%. Additionally, our target for FY2030 is 25% or higher, and considering these points, we believe it is desirable to increase dividends accordingly while ensuring sufficient equity thickness. Against this background, we have adopted DOE, which allows dividends to increase in line with the recovery of our financial base, and set 2% as a target. However, we also consider it important to meet the expectations of our shareholders and how the capital market perceives this. Another important issue for our company is the accumulation of total assets and interest-bearing debt, so we are conducting multifaceted examination and discussion while also considering the perspective of how to allocate cash. Going forward, we will deepen our internal examination and aim to present our findings within this fiscal year. We cannot say at this point whether we will be able to present this at the same time as the announcement of this fiscal year's earnings forecast, but we would like to communicate this to the capital markets at an appropriate time. Raising the DOE level could be one option, but nothing has been decided at this point, and we are examining what dividend policy would be most desirable for our company while assuming various scenarios.
- Q4. The FY2026 earnings forecast is currently undetermined, but please explain your thinking on the financial targets for FY2026 as the target year. Among the three financial targets of consolidated ordinary income of

190.0 billion yen, consolidated equity ratio of approximately 20%, and consolidated ROIC of approximately 3.5%, I would particularly like to ask how we should view the consolidated ordinary income target.

- A4. Regarding the financial targets for FY2026, particularly the consolidated ordinary income target, neither I personally nor the company have given up on achieving 190.0 billion yen, and we would like to work hard to achieve this target. There are various points to consider, but first regarding the Middle East situation, we must consider not only changes in fuel procurement and market conditions, but also the impact of declining demand. Although we hardly use oil for power generation, I am reminded of how significant an impact the loss of oil can have on Japanese industry. Specifically, impacts are already appearing in a wide range of fields such as plastic products and paints, and while we cannot yet foresee how much the impact will expand including at production sites, we believe we need to carefully assess the impact on demand from reduced industrial operations and energy-saving measures by general customers. On the other hand, we are working hard to expand sales, and we believe the results will steadily materialize going forward. Also, as mentioned in the earlier question, discussions regarding Specific Safety Facilities have progressed further than before, so if that review is realized, we view it as a positive factor that Onagawa Unit 2 is expected to operate until around June 2027 after resuming operation in May of this year. Another issue we recognize is the profitability of the transmission and distribution business. Regarding how to improve the current profitability situation, which lags behind other electric power companies, it is institutionally possible to recover costs by reflecting them in the costs for the second regulatory period. However, since the review of ministerial ordinances is currently underway and the public comment period has ended, if promulgation and enforcement occur after a Cabinet decision, in-period adjustment may emerge as a possibility. As I have just explained, we believe there is still considerable room for profit upside as future positive factors, and by steadily implementing these initiatives, we aim to achieve our consolidated ordinary income target of 190.0 billion yen.
- Q5. You mentioned making strategic investments of approximately 300.0 billion yen by FY2030. Have you been able to steadily accumulate results so far?
- A5. We have accumulated approximately 80.0 billion yen in cumulative results through the end of FY2025, and in addition to new business development related to renewable energy, initiatives toward decarbonization of thermal power, such as the replacement of Higashi-Niigata Thermal Power Unit 6, are also progressing steadily.
- Q6. You explained that retail electricity sales volume is heading in a positive direction. Please explain the direction of future pricing policy. Currently, inflation is progressing, and some other electric power companies are implementing rate revisions and rebalancing. What kind of response is your company considering?
- A6. Regarding rates, I mentioned earlier about the in-period adjustment of wheeling charges on the Tohoku Electric Power Network side, but the impact of inflation and rising interest rates is also appearing in the rates on the holding company side. Given this situation, we are first pursuing efficiency improvements as a self-help effort, but if various costs increase in the future, we believe it will be necessary to consider taking action at some point. However, we recognize that it is currently difficult to simply discuss price increases with our corporate customers, as prices are rising further due to the impact of the Middle East situation and other factors. With these points in mind, we believe we will need to respond by skillfully combining measures that meet customer

needs and also benefit us, such as corporate PPAs, energy conservation, and solutions for greenhouse gas reduction. We are not currently considering revisions to standard rate menus for high-voltage and above, but we would like to carefully consider this while monitoring the timing. Additionally, we believe that revising regulated rates for low-voltage is quite a high hurdle, and we recognize that this is not something that can be achieved immediately. On the other hand, while this is not an immediate matter, the cost of GX-ETS will eventually emerge, and as for the Capacity Market, it is clear that the cost will ultimately be passed on to retail operators. The cost of Long-Term Decarbonization Power Source Auction will also be incorporated in the Capacity Market cost, so we would like to consider responses toward rate corrections while keeping these points in mind.

- Q7. To confirm, is it correct to understand that at this point, you recognize that "the time is not yet ripe (for rate revisions)," and that you will make comprehensive judgments after considering various cost increase factors in the future?
- A7. We believe this is not something that can be done repeatedly, and we think we will need to respond while monitoring the timing after confirming the overall picture to some extent.
- Q8. Please provide a detailed explanation of the "market valuation impact" in the FY2025 financial results. We understand that market price fluctuations have contributed to this becoming quite a large amount, but were there any different movements from before, such as larger positions in power forward transactions? Also, should the capital markets be prepared for the possibility that similar-scale market valuation impacts may occur if market price fluctuations are large in the future?
- A8. Regarding the "market valuation impact" in the FY2025 financial results, we have made timely disclosures and I believe you have already seen them, but after our trading subsidiary conducted various transactions for power sales in FY2026, market prices surged sharply due to rapid changes in the Middle East situation. This increased the market valuation impact at the end of FY2025, resulting in a significant effect on profit and loss. While the trading subsidiary itself is generating profit on a net basis, in consolidated accounting, intra-group transactions between our company and the trading subsidiary, which is our 100% subsidiary, need to be eliminated in consolidation. Therefore, the trading subsidiary's revenue is eliminated, and only the loss portion is recorded, resulting in a large market valuation impact on a consolidated basis. A similar event occurred in FY2024 as well, but since market prices did not fluctuate as sharply as this time and the impact amount was minor, we did not provide a separate explanation. Under accounting rules, market valuations must be recorded in financial statements quarterly, so if similar events occur in the future, they will be treated in the same manner. We recognize that depending on future market conditions, there is a possibility of large fluctuations like this occurring.
- Q9. I understand the "Image of Retail Electricity Sales Volume Recovery" shown on page 30 of the financial results presentation materials to be a very ambitious goal of "increasing sales volume to pre-liberalization levels." This would require increasing electricity sales volume by nearly 30% compared to the previous year, but is this a realistic target in the first place? If this is truly to be achieved, what timeframe are you considering? Or, was

this set with a rough feeling of "wanting to return to around this level," or was it set based on the thinking that "given our current procurement capabilities and power sources, the appropriate sales volume is at this level"? Please explain in more detail.

A9. As a rough image, we recognize that currently about 22% of demand in our service area has been taken by new entrant retailers, and customer attrition has progressed considerably. Given this situation, we created this image diagram with the intention of recovering sales volume both inside and outside our service area to pre-liberalization levels. Since profit margins have decreased, it is difficult to return to previous profit levels simply by increasing sales volume, so we position improving unit price per customer as an important measure, and we intend to work on building profits from both sales volume and unit price perspectives. As I explained earlier, we currently have favorable tailwinds, so we would like to work hard to further increase electricity sales volume by strengthening our sales activities. Please understand that the intent is simply that "we aim to recover to previous levels including both inside and outside our service area."

Q10. Regarding your earlier statement that "we have not given up on consolidated ordinary income of 190.0 billion yen for FY2026," is it correct to understand that "we can achieve 190.0 billion yen including the 56.5 billion yen reversal gain from market valuation impact"?

A10. Regarding the "market valuation impact," since a fairly large valuation loss occurred in FY2025, the same amount will be recorded as a "reversal gain" this fiscal year. However, this is the situation at the beginning of the fiscal year, and when considering the full year, depending on market conditions at each fiscal period end, losses could similarly occur, so we believe we need to carefully assess the situation. Fundamentally, we recognize that the "market valuation impact" can be considered a "temporary timing difference" and should be excluded from profit levels, similar to the time-lag impact of the fuel cost adjustment system. On the other hand, since there are many uncertain factors regarding future market trends, we would like to make final judgments while closely monitoring these points.

Q11. In response to the earlier question about rates, it was stated to the effect that the revisions to standard rate menus cannot be done repeatedly and are not easy. I would like to ask if you have the same view regarding fuel cost adjustments. As you know, I understand that TEPCO Energy Partner and Chubu Electric Power Miraiz have made rate revisions to their standard menus to shorten the fuel cost adjustment period as much as possible to minimize fuel adjustment time lag, but is your company also considering efforts to reduce this time difference? Please explain your thinking, including whether you would like to implement this if possible.

A11. We recognize as an issue that the time-lag impact of the fuel cost adjustment system has a very significant effect on periodic profit and loss. At our company, we have implemented a revision of the calculation period for the "market price adjustment" portion of electricity rates for high-voltage and above. With this revision, we are now able to reflect market price fluctuations relatively early, approximately one month later, and we believe we can quickly reflect market price changes. We also had various internal discussions regarding the "fuel price adjustment" portion, but given that when the fuel cost adjustment system was first introduced, a three-month average was adopted to smooth out the impact of fluctuations and ensure rate stability, and that we must also consider the notification period for customers, we concluded that it would be difficult to make revisions at this

time and decided to postpone it. Regarding the future, since there are many uncertain aspects, we recognize that we will need to consider this after assessing the degree of impact, and we are not in a position to clearly state whether or not we will implement this at this time. We naturally have awareness of this issue, but please understand that given this background, we only revised the "market price adjustment" portion starting from April of this year.

Q12. Looking at the FY2025 financial results, I get the impression that your transmission and distribution business is in a very difficult situation compared to other electric power companies. When considering the remaining years of the first regulatory period of the revenue cap system, should we understand that your transmission and distribution business will improve compared to other electric power companies? Or should we expect that this situation will not be resolved in FY2026 or FY2027 and will carry over to the second regulatory period? If there are any visible points regarding the profit levels for the latter two years of the first regulatory period at this time, please explain.

A12. In the FY2025 financial results of general transmission and distribution operators, only Tohoku Electric Power Network is in the red, and I personally have a very strong awareness of this problem. Tohoku Electric Power Network is also advancing various initiatives including efficiency improvements, but we recognize that there are institutional issues, such as problems with the supply-demand adjustment market itself and the fact that the way costs were incorporated into the revenue cap for the first regulatory period does not match the actual situation. As a challenge specific to our group, the amount of renewable energy introduction has increased significantly, and the reality is that securing the associated balancing capacity requires substantial costs. Given this situation, whether to implement in-period adjustments is a matter to be decided by Tohoku Electric Power Network, so the final judgment will be left to that company. As the person responsible for the management of our corporate group, I believe that if there is a possibility, we need to choose the option of in-period adjustment without waiting until the second regulatory period.

Q13. I would like to ask about governance of the transmission and distribution business. How enthusiastically is the transmission and distribution side working toward securing a business return rate of 1.5%? In other words, the question is whether the company is seriously aiming to secure the 1.5%, or whether it is taking a stance of "if we just wait until the second regulatory period, things will work out" or "free cash flow may be negative, but we won't go bankrupt because external funding will come in automatically." Additionally, there was a comment earlier that "ultimately, this will be left to the judgment and decision of the transmission and distribution side," but how is the ROIC target (1.5%) for the transmission and distribution business being handled by the Board of Directors? Under the current rules, it appears that you are not in a position to strongly demand that the transmission and distribution side achieve the 1.5% target, but I believe this may be problematic from a governance perspective. Let me ask again: does the transmission and distribution side have a strong commitment to achieving the 1.5% target, or is it prioritizing stable supply and proceeding with business in a natural manner? How does management perceive this?

A13. I understand this as a question from the perspective of group governance. Regarding executive compensation, since performance-linked components are incorporated, the performance-linked portion for Tohoku Electric

Power Network is also applied based on the financial results of the transmission and distribution business. Therefore, since executives feel the impact of reduced compensation if performance does not improve, I understand that the executives of Tohoku Electric Power Network also have a strong awareness that they must generate profits. Additionally, due to behavioral regulations, we cannot discuss specific matters regarding the transmission and distribution business from the holding company side, but when considering the interests of the entire group, there are naturally expectations for the transmission and distribution business, so we communicate that "we would like you to accumulate profits with this approach in order to achieve financial targets for the entire group." We engage with Tohoku Electric Power Network from the perspective of achieving overall profit targets and management plans, exercising governance. In addition, we believe that attracting electricity demand to the Tohoku area, including data centers, will increase wheeling revenues and lead to profit expansion for the transmission and distribution business, and we are calling for efforts to be made from the perspective of "expanding area demand" at both management and operational levels.

Q14. Since the company's disclosures are centered on retail-related data, discussions inevitably focus on retail pricing policies, market share, and expansion outside the region, but I would also like to ask about profits from the power generation business. Assuming non-discriminatory treatment between internal and external parties, I believe it is appropriate to cover increases in fixed costs such as personnel expenses and maintenance costs on the generation side through bilateral contracts and wholesale prices such as JEPX. Since the breakdown between retail and generation has consistently been undisclosed, we cannot verify this from outside, but is the generation side able to appropriately raise wholesale prices? Or is the situation such that "due to the asymmetric regulation issue of marginal cost bidding, you cannot make a profit based on JEPX"? Please share your understanding of the profitability of the power generation business.

A14. Regarding wholesale prices, we set them with necessary costs factored in, and I understand that profits are sufficiently considered and reflected in prices. Furthermore, based on commitments to non-discriminatory wholesale transactions, the generation side treats both our own retail operations and new entrant retailers fairly, conducting wholesale bidding where the retail side responds to bids to procure power sources and supply capacity.

Q15. Based on the response (to Q14), regardless of whether it leads to margin expansion, is it correct to understand that while the generation side is able to recover increases in fixed costs due to inflation, the company's challenge is that the retail business is struggling significantly?

A15. To explain in more detail, the wholesale bid prices set by the generation side include various costs, such as power sources that are not in operation. On the retail side, under these premises, in addition to procurement from our own generation, we utilize the market and bilateral transactions for purchases, selling electricity to customers at levels that can secure profits. At the same time, it is extremely important to appropriately hedge risks to mitigate fuel price fluctuations, and our company is responding by effectively utilizing our trading subsidiary.

Q16. I would like to confirm the outlook for investments and free cash flow in fiscal 2026. The cash allocation for

fiscal 2025 is shown on page 43 of the financial results presentation materials. Focusing on the cash outflow portion, investing cash flow is 375.6 billion yen, with strategic investments of approximately 58 billion yen included within that amount. Based on this, please tell us as much as possible about the outlook for investing cash flow in fiscal 2026. Additionally, despite Onagawa Unit 2 being in operation, free cash flow for fiscal 2025 was negative 5.5 billion yen. Could it have been possible to improve the financial structure by narrowing down strategic investments, such as abandoning renewable energy development, and turn free cash flow even slightly positive? Please explain the initiatives to make free cash flow positive.

A16. The financial results presentation materials show the actual figures for fiscal 2025, and we are projecting capital expenditures at approximately the same level for this fiscal year as well. Currently, construction of Specific Safety Facilities for Onagawa Unit 2 is underway, and in terms of transmission and distribution, in addition to the second interconnection line construction between Tohoku and Tokyo, grid reinforcement work for renewable energy connections is also progressing in the northern Tohoku area, making this a period when many investments are overlapping. Including renewable energy development, we currently view this as a "period of investment." We expect investment amounts to peak out eventually, and after that, we believe it will become possible to anticipate positive free cash flow. Although difficult conditions will continue for the time being, we intend to give full consideration to investment efficiency in order to achieve the ROIC levels set as financial targets. We also consider how to balance operating cash flow and interest-bearing debt to be an important point, and our policy is to carefully select investments while firmly maintaining financial discipline. Regarding strategic investments, implementation decisions are made on a case-by-case basis involving senior management. This fiscal year, fully recognizing that the free cash flow outlook is very challenging, a considerable number of various investment proposals and requests from business divisions are being held by the CFO. For such projects, we will reassess whether to proceed once the probability of implementation and the likelihood of financial projections have increased, and we intend to continue carefully selecting investments while incorporating these approaches as needed.

Q17. On page 10 of the financial results presentation materials under "Transmission and Distribution Segment Conditions," there is a description of a significant negative impact from supply-demand balancing costs. Can countermeasures be taken against this negative impact on a single year basis, such as this fiscal year? If this is a structural issue arising from Tohoku area being suitable for renewable energy, is it possible to recover through in-period adjustments in the first regulatory period, or to reduce the negative impact in the second regulatory period?

A17. In the fiscal 2025 financial results, we recorded "supply-demand balancing costs" as negative 8.6 billion yen, but this does not mean we are not taking any action; we are implementing various countermeasures. First, regarding institutional responses in the Balancing Market, since a larger procurement volume increases the balancing cost, we are working to reduce procurement volumes from the perspective of optimization. This is an issue for all general transmission and distribution operators, so it is a measure that the government is also studying, and our company is responding to this initiative. Additionally, as an internal response within our group, since there are few pumped-storage power sources that can be expected as balancing capacity in the Tohoku area, we are entering into negotiated contracts for its efficient utilization and working to reduce

procurement volumes. In this way, we are continuously advancing initiatives that can be addressed within our group, but as a fundamental issue, we recognize that early adjustment is necessary because a significant gap is emerging between what was originally incorporated into the revenue cap plan and actual results. As a group, we would like to proceed in a direction of proactively addressing in-period adjustments, but ultimately, we believe this will be a matter for Tohoku Electric Power Network to decide.

Q18. I would like to ask about the construction of next-generation networks. I understand that the capacity will approximately double up due to the second interconnection line construction between Tohoku and Tokyo, but is the construction progressing as planned toward the scheduled start of operations in November 2027? Also, when the interconnection line capacity doubles, will there be enough impact to change your wholesale strategy or retail strategy? Or should it be understood that this is being implemented for the significance described on page 25 of the financial results presentation materials rather than from such a perspective?

A18. We are currently proceeding with construction for both the "Tohoku-Tokyo Interconnection Line" and the "Power Connection Project Recruitment Process in the Northern Tohoku Area." First, when the second interconnection line between Tohoku and Tokyo is completed, transmission capacity toward Tokyo will double from approximately 5 GW to approximately 10 GW. We believe this will bring two benefits to our entire group. The first is a benefit for the transmission and distribution side: being able to transmit renewable energy from the Tohoku area to the Tokyo metropolitan area will reduce the burden of supply-demand balancing, including output curtailment. The second is a benefit for the retail and generation sides: the increased transmission capacity toward Tokyo will make it easier to advance various initiatives when conducting sales activities outside our region. In this way, we believe that strengthening the transmission system will bring positive effects not only to Tohoku Electric Power Network but to the entire group. At this stage, construction of the Tohoku-Tokyo interconnection line is progressing as planned.

Q19. Various fuel prices are rising due to the situation in the Middle East, but is there any impact on your fuel procurement strategy? Are you considering diversifying procurement sources or revising contract formats, or have you already addressed these issues adequately and believe there is no particular need for review?

A19. Currently, with fuel prices including coal on an upward trend, our company is implementing various measures to procure fuel as inexpensively as possible. For LNG, there are three contract types: long-term contracts, short-term contracts, and spot transactions. Since spot market prices have risen considerably, we are taking measures such as securing long-term contract volumes first to procure fuel for the following year earlier. Additionally, since short-term contracts still offer better value compared to spot transactions, we are utilizing these to proceed with efficient procurement. Furthermore, our company has an office in Singapore, where we have established a system to exchange information with various parties. This enables us to obtain firsthand information early and make timely procurements when good sources become available. Regarding coal, although procurement sources are somewhat established, we are diversifying procurement regions to include not only Australia but also South Africa and North America. Additionally, rather than simply entering into long-term contracts, we are striving to control costs by employing various methods, such as staggering contract start dates and reducing contract volumes per agreement.

Q20. TEPCO Holdings' alliance strategy has been in the news, but what are your thoughts on more proactive partnerships or alliances with other electric power companies or other enterprises, not limited to TEPCO?

A20. Regarding alliances, we have a history of pursuing various collaborations with TEPCO Holdings, including joint development of cross-regional large-scale power sources. Therefore, we believe it is necessary to carefully consider these matters, including from the perspective of whether they would benefit our company. Eventually, we will evaluate from various perspectives, and if significance and benefits for our company are recognized as a result, we expect to proceed with consideration. However, since this point is not clear at present, we are at the stage of closely monitoring the situation. We are hearing various reports, and while it remains in the realm of speculation, depending on how the other party approaches collaboration, we have concerns that various impacts could arise, including on the transmission and distribution business and retail business. We are monitoring the situation with interest.