

Fulfillment of Accountability / Accurate Information Disclosure

Tough results for FY 2008 in face of economic downturn

As for the FY 2008 consolidated statements of income, in terms of revenue, electricity sales decreased owing to the significant decline in demand for large lots of electric power due to the decline in production affected by the sudden deterioration of the world economy as well as the rise of the yen, in addition to the decline in cooling and heating demands because of higher temperatures in early spring and fall compared to the previous year as well as low temperature transition in the summer. On the other hand, lighting and electricity rates increased as a result of fuel cost adjustments, and sales (operating revenues) were JPY 1,843.2 billion, an increase of JPY 40.6 billion compared to last year, while ordinary revenues were JPY 1,851.6 billion, an increase of JPY 40.9 billion compared to last year. In terms of expenses, despite the reduction in depreciation, ordinary expenses were JPY 1,894.7 billion, an increase of JPY 122.5 billion compared to last year, because of increases in fuel costs and purchase electricity rates due to increase in fuel prices.

As a result, our ordinary income was a loss of JPY 43.1 billion, a decrease of JPY 81.6 billion compared to last year.

Electricity sales (million kWh, %)

	FY 2007	FY 2008 (compared to previous year)
Lighting	25,073	24,679 (98.4)
Power	58,999	56,422 (95.6)
Total	84,072	81,101 (96.5)

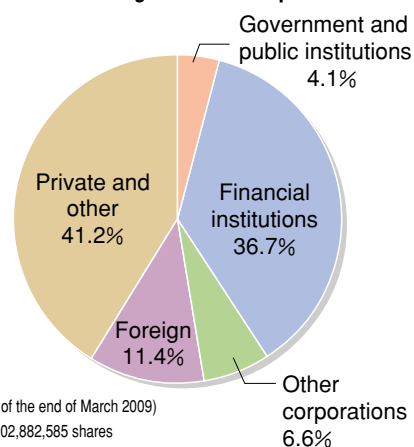
Conducting appropriate shareholder return while improving enterprise value

When paying out dividends, our basic policy is based on securing stable dividends whereby the decision is made by comprehensively considering the achievements of that fiscal year, our medium to long-term anticipated balance of payments, and the achievement status of our business targets.

Despite significant losses in our current term net income, based on this policy and the expectations of our shareholders, our FY 2008 year-end dividend was the same as the midterm dividend of JPY 30 per share, giving an annual dividend of JPY 60.

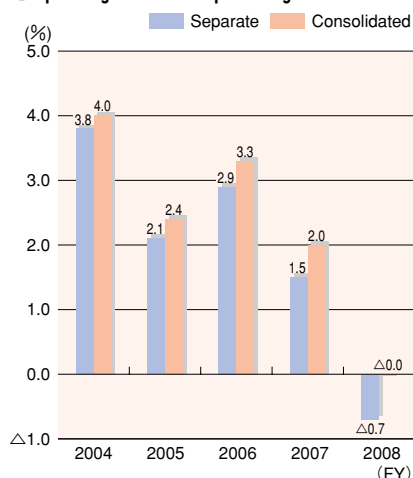
Regarding our internal reserve fund, we will utilize it to reinforce our business infrastructure in ways such as improving our capital investment funds and balance sheet and aim to increase our enterprise value.

Percentage of Ownership

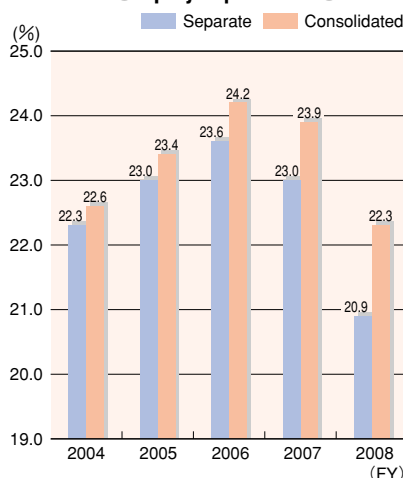


Share information (as of the end of March 2009)
Total issued shares: 502,882,585 shares
Number of shareholders: 237,086

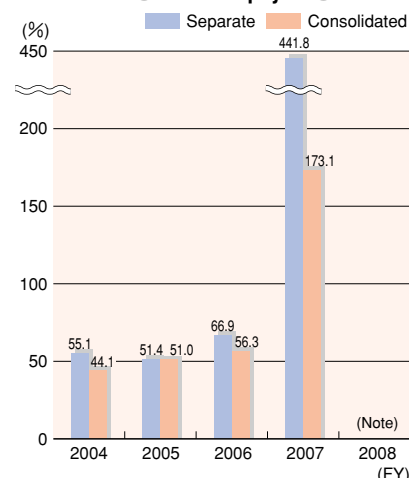
Operating income as a percentage of total assets



Equity capital ratio



Dividend payout



(Note) Dividend payout cannot be calculated for FY 2008 due to net losses.

Actively communicating with our shareholders and investors

At Tohoku Electric Power, we will be proactively developing IR activities by focusing on two basic policies of IR activities: “Aiming for Tohoku Electric Power to receive fair assessment” and “Strengthening internal IR feedback”.

● Main IR activity performance results (FY2008) ●

Activity content	Implementation date	The number of participants (participating companies)
Results briefings	May 08, November 06	130 persons
Business plan briefings	April 02	68 persons
Corporate investor visits	As needed	111 companies
Facilities tours	July, September	24 persons
Responding to other coverage	As needed	16 companies

Aiming for Tohoku Electric Power to receive fair assessment

Activities for asking for understanding of our management policy and various measures centered on our efforts for development the Tohoku region

At Tohoku Electric Power, we are conducting promotion of understanding of our Company’s management from a long-term standpoint by holding company information sessions at which our management layer directly explain the policy of planning and approaches about the status of our accounting situation, medium term management plan, electricity supply plan.

In addition, in order to boost the number of our private shareholders, in cooperation with securities companies, we hold “Company information session for Private Investors” to have more people understand our Company’s operations and made opportunities for



Business plan briefing to institutional investors



Inspection tour of Onagawa nuclear power station for analysts

communication between our management layer and private investors. On the one hand, we visit domestic and oversea institutional investors to raise our profile in the capital markets and to get them deepen their understanding our operations centered on our efforts to develop the Tohoku region.

Furthermore, we have appealed our Company’s faithful and steadily operations by conducting facilities tours which invited analysts and fund managers to our facilities such as power stations, the forefront of “operation for stable supply given the top priority on security”.

Continuous implementation of disclosure improvement measures

We improve our disclosures considering the investors’ interests, such as early release of financial materials and Company information session materials through the internet and enhancing contents.

Continuously review rating companies to maintain appropriate ratings

We maintain an appropriate rating by not only explaining financial related figures, but also by proactively appealing that the Tohoku region, which is the revenue base of our Company, has highly economic and cultural development possibilities such as a place for companies which are seeking new location.

Strengthening internal IR feedback

While we are proactively sharing information about capital-market-related people’s interests in our Company and electricity industry internally, we are strengthening our internal cooperative structure by commoditizing the purpose and contents of IR activities internally through opportunities such as in-company trainings.