

# Fulfillment of Accountability / Accurate Information Disclosure

Even in a difficult business environment, we have returned to profitability again due to improvements in the overall management efficiency.

As for our consolidated revenues and expenses in FY 2009, heating demand increased due to increases in fully electrified houses and low temperatures in winter compared to the previous year, but electricity sales declined due to the effects of reduced production at large volume electric power customers caused by the economic slump and reductions in orders at our affiliated companies. As a result, sales (operating revenue) were JPY 1,663.3 billion, a decrease of JPY 179.8 billion from the previous year and ordinary revenue was JPY 1,670.6 billion, a decrease of JPY 180.9 billion from the previous year.

On the expense side, as a result of decrease in fuel expenses and purchased electricity due to the drop in fuel prices and efforts made to improve the overall management efficiency, ordinary expense was JPY 1,627.3 billion, a decrease of JPY 267.3 billion compared to the previous year.

As a result, our ordinary income was a profit of JPY 43.2 billion, an increase of JPY 86.4 billion compared to last year.

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.

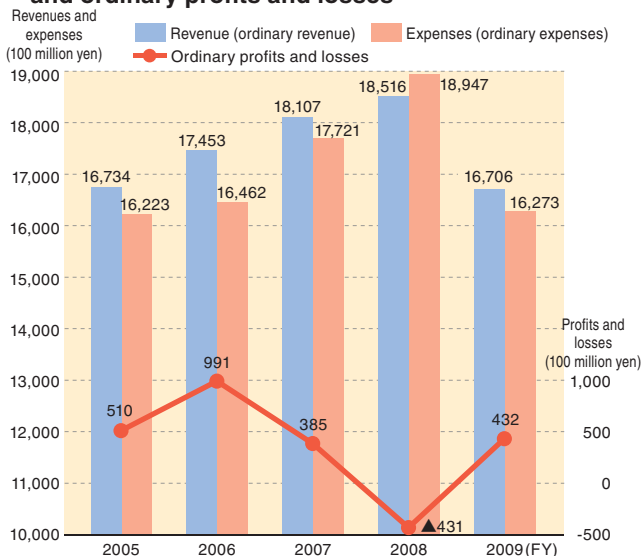
Despite the decrease in electricity sales due to the economic slump, based on the above basic policy and expectations of our shareholders, our FY 2009 year-end dividends were the same as the midterm dividends of JPY 30 per share, giving an annual dividend of JPY 60.

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.

## Electricity sales

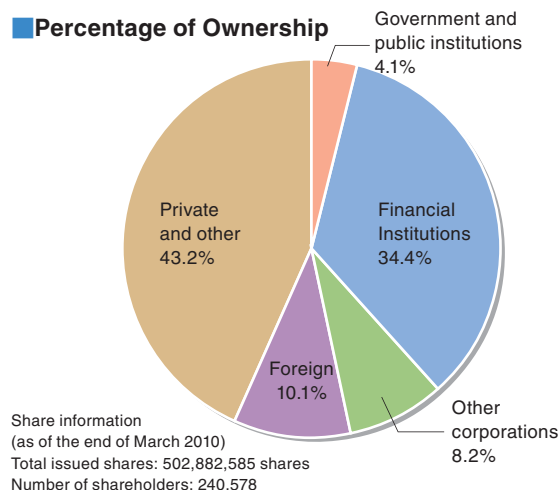
	FY 2008	FY 2009 (compared to previous year)
Lighting	24,679	25,036 ( 101.4)
Power	56,422	53,956 ( 95.6)
Total	81,101	78,992 ( 97.4)

## Trend of consolidated revenues, expenses, and ordinary profits and losses

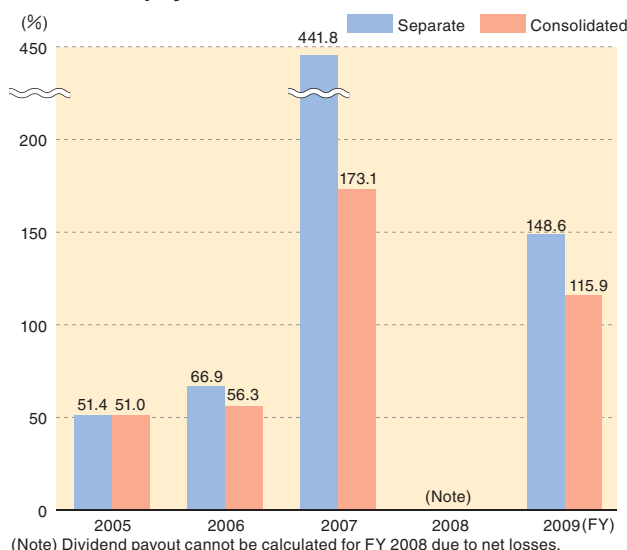


\* In FY 2009, 40 consolidated subsidiaries and 3 equity method affiliates were within the scope of consolidation.

## Percentage of Ownership



## Dividend payout



## Actively communicating with our shareholders and investors

We will proactively develop IR activities by focusing on two basic policies for IR activities: “receiving fair assessment from the capital markets” and “strengthening internal IR feedback”.

### ■ Main IR activity performance results (FY2009)

Activity content	Implementation date	The number of participants (participating companies)
Results briefings	May 08, November 06	107 persons
Business plan briefings	April 02	60 persons
Corporate investor visits	As needed	101 companies
Facilities tours	May, October	18 persons
Responding to other coverage	As needed	19 companies

### ■ Receiving fair assessment from capital market

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 business 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 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”.



Inspection tour of Kanose power station for analysts



Business plan briefing to institutional investors



Overseas IR activities

#### 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.