

Developing Human Resources and Creating a Good Working Environment to Drive Growth

Building Career/Work-life Balance

Based on our belief that our employees drive the growth of the Company, we are strengthening our human resources and developing measures for fostering human resources. We believe that the growth of each employee significantly contributes to not only the Company but also to society through our businesses.

We are steadily securing human resources and enhancing their motivation and vitality.

As the environment surrounding the electric power industry is growing increasingly severe, in order for us to achieve further growth, we need to maintain a high level of motivation and vitality among our employees while fostering their originality and ingenuity.

From the viewpoint of securing the necessary human resources for stably supplying electric power and responding to medium- to long-term management challenges, we are further strengthening the Company by recruiting 500 new employees in FY 2009 and 378 new employees in FY 2010.

In addition to the introduction in FY 2005 of "appropriate career advancement, promotions, and pay raises", "fair assessments", "job satisfaction", and "diverse self-fulfillment" as the pillars of our HR/wage system, we continue to promote various measures to enhance the motivation and vitality of our employees.

On the other hand, we need to pass on the experiences each of our employees have accumulated in order to maintain the skills and knowledge necessary for managing our businesses.

At Tohoku Electric Power, by establishing our reemployment system for retired workers and proactively making practical use of the abilities of senior employees, we provide diverse employment opportunities to meet individual needs, and reemployed 66 persons in FY 2009. As of the end FY 2009, 193 reemployed persons are working at our Company.

■ Employment demographics

		FY2008		FY2009	
Number of personnel (PER)	Male	11,474	(93.4%)	11,633	(93.2%)
	Female	807	(6.6%)	851	(6.8%)
Number of management position (PER)	Male	4,922	(98.7%)	4,958	(98.7%)
	Female	66	(1.3%)	64	(1.3%)
Number of newly recruited personnel (PER)	Male	452	(87.9%)	436	(87.2%)
	Female	62	(12.1%)	64	(12.8%)
Average age (YR)	Male	40.6		40.5	
	Female	39.4		38.5	
Average length of work (YR)	Male	20.8		20.6	
	Female	18.5		17.7	
Number of senior persons recruited by the reemployment system (PER)		49	(37.2%)	66	(43.1%)

*The number shown in parenthesis for "senior persons recruited by the reemployment systems" is the percentage of persons hired through the system each fiscal year.

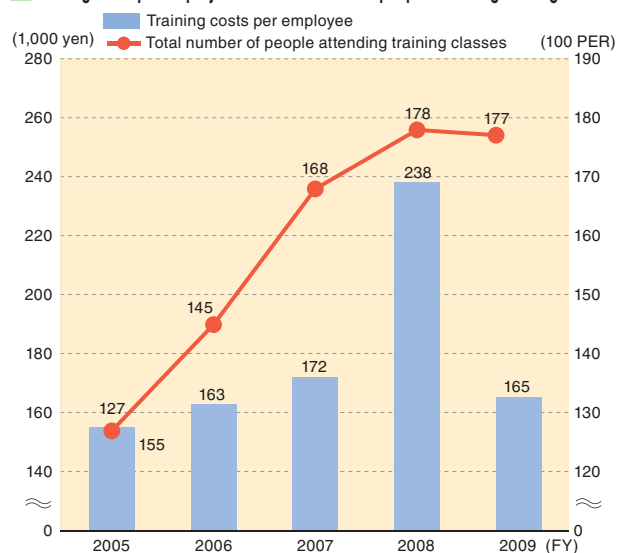
We are fostering "human resources that can adapt to future environmental changes" and supporting the development of their skills.

We have specified the direction of our business management as "training employees who will drive future growth" in Vision 2020. Accordingly, we will foster human resources that can think ahead and flexibly respond to anticipated environmental changes and human resources that can support "workplaces", which are the base for accurate business management, by accumulating and passing on the skills and knowledge obtained at front-line establishments.

In order to foster such human resources, we are promoting various skill development support measures that meet the diverse abilities and needs of each individual by cooperating organically among each other, based on the following 3 pillars: 1) self-development, 2) OJT (On the Job Training), and 3) Off-JT (Off the Job Training).

Specifically, we defined "strengthening the management capabilities of the management personnel who play a central role in business management and fostering human resources", "systematically fostering human resources that can respond to management challenges by providing leadership and thinking ahead", and "steadily passing on the skills and knowledge, which support the ensuring of safety and stable power supply" as our priority challenges and we are making efforts to enhance the measures for training each and every employee.

■ Training costs per employee and total number of people attending training classes



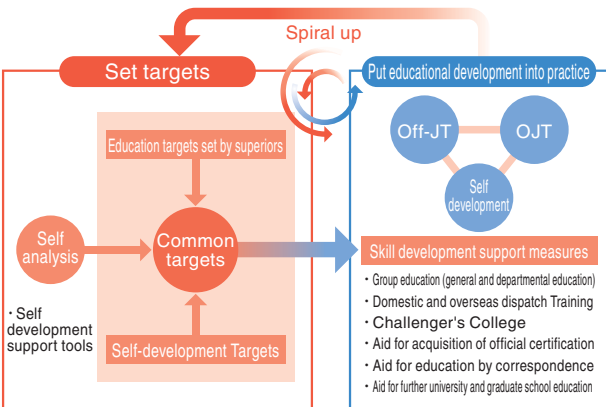
* The "training cost per employee" in FY 2008 includes the update costs for training facilities.

We are systematically fostering human resources by using the PDCA cycle at workplaces.

Our employees use the “skill development map” as a guide for determining the timing and level of skills they need to acquire to set their own goals for developing the skills they want to acquire. Next, education targets set by superiors is reconciled with the employees’ own targets, and a learning menu/timeline is formulated to achieve these targets.

By making practical use of these self-development programs, employees can brush-up their strengths and supplement their weaknesses. Employees develop their skills by using the PDCA cycle; they check how far they have improved their skills and then review their skill development schedule again.

Basic flow of human resources development



Conducting education and training to aim for further improve of technical skills

To train our employees so that they can accurately operate power systems that are becoming increasingly sophisticated and complex, we conduct accident recovery drills by using a simulator and thereby aim to develop system operators in a short term and pass on the associated skills.



Power feed simulator

Furthermore, we hold the “Transmission Engineering Department General Skill Training Workshop” that brings together the work parties of the Transmission Engineering Department of each branch office in one room. In this workshop, the employees check the skills they have acquired through daily training and carrying out on-the-job tasks by participating in practical training and exchanging views after conducting tasks, in order to help each other to further develop their skills.



Transmission Engineering Departmental General Skills Training Workshop

In addition, to further improve our employees’ skills and their capability to respond to large-scale disasters and accident recovery situations, we hold the “Interbranch Skills Competition” at the General Education and Training Center every year. Since FY 2009, we also hold the “Interbranch Skills Competition for Design and Command”. Furthermore, in FY 2009, a joint emergency disaster drill was conducted in the 4 prefectures of Aomori, Iwate, Akita, and Miyagi, the 3 prefectures of Fukushima, Yamagata, and Niigata, and the prefectures of Akita and Yamagata along the coast of the Japan Sea in order to mutually confirm their initial schemes in the event of an emergency disaster, promptly and accurately communicate information, and improve their facility recovery capabilities.



Distribution Engineering Department Inter-branch Skills Competition

By continuing to implement these kinds of skills training going forward, we will strive to enhance our technical skills through continuing education among relevant technical personnel and securely pass on our technical skills to our new recruits.

Tohoku Electric Power Group as a whole promoting development of human resources for the next generation

We are making efforts to implement measures for managing human resources within our corporate group in order to promote corporate group management.

As part of these measures, we have been holding the "Tohoku Electric Power Human Resource Seminar" since FY 2006 to develop core human resources capable of becoming the driving force for business reform in the corporate group. In FY 2009, 22 mid-career employees from 17 companies within the corporate group participated in a training of 14 days conducted over 5 months.

In the first half of the training, we focused on strengthening problem solving and leadership skills essential for promoting business reform. Then, in the latter half, the participants specified "common challenges within the corporate group" by themselves based on their awareness gained from their individual business experiences, studied further in each group, and summarized the results in solutions and action plans. Each group presented their action plans at the "research report seminar" and actively exchanged their opinions with other participants.

In addition, we are implementing measures such as personnel exchanges including the transfer to other corporate groups for enhancing the capability to spot and solve problems and training human resources who are capable of managing business challenges and joint implementation of various training programs and competitions.

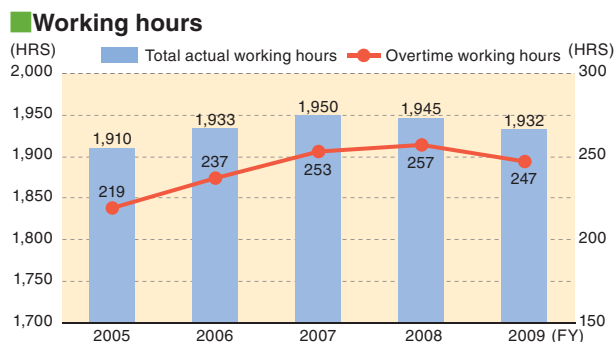
We are aiming to further promote group management as a unified corporate group by improving and enhancing the measures for developing energy service professionals.

Striving to properly manage our working hours

At Tohoku Electric Power, we are striving to properly manage our working hours from the viewpoint of improving job quality and bringing out the motivation and vitality of our employees.

Specifically, we are developing the "proper management of working hours campaign" for the purpose of improving the awareness and behavior of employees, implementing training specializing in labor affairs to improve the labor management and communication skills of management personnel, and allocating appropriate manpower that matches the workload.

Through these activities, overtime hours decreased in FY 2009 compared to FY 2008 and the total number of working hours is on a decreasing trend since the peak in FY 2007. In FY 2010, we will implement measures to reduce overtime labor and enhance leave privileges.



Interview

The development of skills through training programs with mid-career employees of the corporate group with various values became a valuable asset.

— Please tell me why you participated in the "Human Resource Seminar".

Chihiro: I was interested in the seminar because I read about it in the company newsletter and heard about it from my colleagues. Last year, after I was transferred from the customer service office to the Head Office, I became more conscious of my role in the company and I wanted to improve my leadership skills. This was the main reason. I wanted to take a leading role as a liaison between the workplaces and Head Office.

— What was your impression when you participated in the seminar?

Chihiro: In the group studies, I encountered many occasions to discuss how to develop solutions in a better way while understanding our own roles and having our own opinions as well as taking into consideration what other people intend to say. Through these occasions, I learned the importance of listening to others by placing myself in their positions. In addition, learning various leadership styles helped me to rediscover my role as a leader.

— Based on your experience in the seminar, please tell us your goals for the future as a member of the Tohoku Electric Power corporate group.

Chihiro: I am more aware of a sense of unity in the corporate group through the seminar. I would like to contribute to developing electric power businesses and the local communities through the routine of daily operations in order to establish partnerships and thereby enhance the overall strength of the corporate group.



Participant of the Tohoku Electric Power Human Resource Seminar
Tohoku Yochi Co., Inc.
Power Generation Land Group Sub Leader
Yuichi Chihiro

Adopting various systems for the realization of Work-life balance

At Tohoku Electric Power, we think it is important for our individual employees to realize a work-life balance in order for them to successfully engage in their work in a fit state of mind and body, therefore, we have been proactively introducing measures for this reason.

In specific terms, we have introduced a childcare leave system (for children up to 2 years of age) and a care leave system (up to a maximum of 2 years) that allows a leave entitlement above the periods required by the Family and Medical Leave Act, and we have also introduced a childcare-support working hours system and a care support working hours system that allows for a reduction in working hours by up to a maximum of 2 hours to fit in with lifestyles.

Support systems to realize work-life balance and the number of users (PER)

		FY 2006	FY 2007	FY 2008	FY 2009
Childcare support systems	Childcare leave system	33	27	31	29
	Childcare-support working hours system	134	135	127	129
	Partner maternity leave system	422	433	400	341
	Child-rearing holiday system	11	12	6	7
Care Support leave system	Care leave system	4	0	0	1
	Care-support working hours system	0	2	2	2
	Family care leave system	93	109	95	118
Staggered working hours system for employees living away from their families		128	120	198	205
Volunteer leave system		24	23	15	17
Personal leave systems		4	2	2	3

In addition, we have introduced a staggered working hour system that enables employees living away from their families to change the working hours before and after holidays so that they can spend more time with their families.

Furthermore, in order to support our employees achieve their personal goals, we have established a "volunteer leave system" that can be taken to participate in social welfare activities, social service activities, and community activities and a "personal leave system" that can be taken for self-education such as gaining qualifications and to participate in social contribution activities.

The "Work-life Balance Labor and Management Committee" set up in FY 2008 to realize work-life balance discusses measures to "shorten total working hours" and "create an environment in which employees can work with a sense of security".

Also, since we achieved all the goals set up in the "General Business Owner Action Plan" based on the Act for Measures to Support the Development of the Next Generation, we were certified as a company supporting the growth of the next generation by the Miyagi Labor Department in FY 2008. In FY 2010, we will continue to implement various measures to further promote the creation of a working environment that enables employees to work and raise children at the same time.



Approval mark (Popularly called "Kurumin")

I n t e r v i e w

I was able to spend more time with my family because of my colleagues' understanding and support for the childcare leave.

— Please tell us why you decided to use the childcare leave system.

Furutate: Initially, my wife was expecting to give birth to our second child (daughter) after returning to her parents' house. But the obstetrician was far from their house and her parents were quite old, so I wanted my wife to give birth at the clinic near our house where she would feel safer. I discussed this with my wife and decided to take an 8-week childcare leave to take care of housework and the children.

— How did you apply for the system?

Furutate: First, I told my supervisor that I was thinking of applying for the system and discussed the period of the leave and my replacement. Since I was the first male worker to use this system at this customer service office, to be honest, I was a little worried. However, my supervisor and colleagues understood my conditions and with their support, I was able to use the system without any trouble.

— Please tell us your impression of this system after using it.

Furutate: Every day was full of new discoveries while I was busy doing housework that I was not used to. It was a very precious time for me. When I returned to the office, thanks to everybody's support, it was an easy transition to get back to work. I truly appreciate their support and understanding. I think this system is very useful for employees who want to balance their family life and work.



General Affairs Section,
Morioka Customer Service Office
Susumu Furutate

Developing Human Resources and Creating a Good Working Environment to Drive Growth

Safety / Hygiene / Health Management

Under the fundamental principles of human dignity, we are promoting safety, hygiene, and health management based on the belief that "improvement of the safety and health of our employees, who are the foundation for continuously creating enterprise value, is our top priority". Every fiscal year, we set up a "slogan" and "important matters to be implemented company-wide" for safety, hygiene, and health management and carry out specific activities by promoting good communication between our management, safety and health management staff, and employees under the cooperation between our Head Office, branch offices, and front-line establishments and strong leadership of general managers of offices and establishments.

We are striving to improve safety management aiming at "eradication of industrial accidents"

In order to reduce industrial accidents, we have introduced the "Occupational Health & Safety Management System", which is an international standard methodology for safety and health management, and we are striving to autonomously and continuously improve safety management.

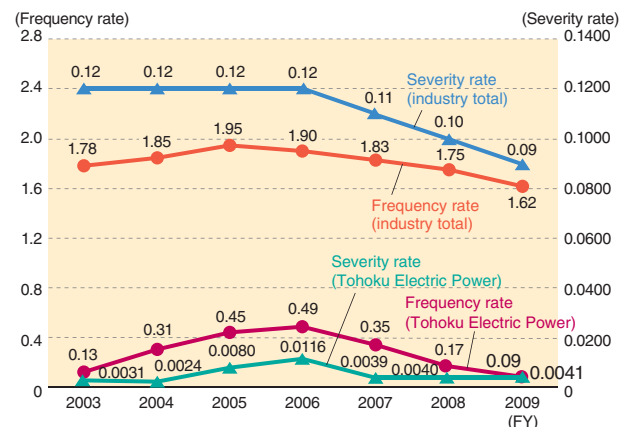
Specifically, each establishment conducts independent management according to the "Plan", "Do", "Check", and "Action" cycle and reduces and eliminates latent risks and harmful factors in advance in order to prevent industrial accidents. In addition, we pass on the know-how on safety and health management by ensuring documentation and procedural arrangement to carry on effective and continuous management.

In addition, through our management system support (system monitoring), we are improving the caliber of our Company-wide safety and health management while

verifying the status of our engagement in safety and health management at each of our offices and establishments.

If an industrial accident occurs, we investigate the root cause by looking into the background factors and plan effective recurrence prevention measures while sharing them in the company to prevent the recurrence of similar accidents.

Frequency rate and severity rate



Frequency rate : Number of persons with lost-work time injuries per million working hours
Severity rate : Number of work-days lost per 1,000 working hours

Basic policy for safety, hygiene, and health management

FY 2010 Slogan

"Practice on a daily basis: managing your own safety and health"

[Important matters to be implemented company-wide]

I Important matters to be implemented company wide

1. Promote the PDCA cycle that realizes effective and continuous safety and health management and establish a foundation for improving service quality
2. Proactively carry out activities of the Safety & Health Council, support the safety and health management staff so that they can take further initiatives, and improve the safety and health education system and curriculum
3. Enhance and strengthen safety and health management activities in cooperation with each of the corporate group companies

II Important matters to be implemented affecting safety management

1. Carry out activities in cooperation with departments in charge of facilities, prime contractor companies, etc., to reduce repetitive disasters that may lead to serious disasters
2. Improve and enhance guidance for driving four-wheel vehicles to ensure safe driving at offices and establishments
3. Evaluate and review disaster management methods taking account of the severity and new publicizing methods of disaster information

III Important matters to be implemented affecting hygiene and health management

1. Maintain and improve workplace environments according to the results of periodic sanitation patrols
2. Evaluate the "2nd implementation period" of passive smoke inhalation prevention measures and review and implement specific measures for the "3rd implementation period"
3. Carry out activities for improving self-care for the promotion of mental and physical health and early detection of diseases
4. Promote line care by giving accurate advice and guidance to employees and proactively listening to them
5. Promote support and guidance for physical and mental health of workplaces and individual employees by industrial physicians and health workers
6. Improve cooperation with corporate health insurance societies to generate a synergistic effect of specific health guidance and THP

IV Important matters to be implemented related to the new influenza (highly-virulent)

11. Establish an understanding on specific measures related to action plans against the new influenza

Promotion of “creating a workplace” with safety and health

We are making efforts to maintain and improve workplace environments based on the results of sanitation patrols and workplace environment measurements by industrial physicians and hygiene managers, so that our employees can work healthily and safely.

With regard to our anti-smoking measures, we completed the passive smoking countermeasures by FY 2006 by limiting smoking to specific areas. In the three years until FY 2009, we continued other measures such as reducing the number of smokers by reducing the number of smoking areas on the basis of prohibiting smoking in all buildings. After FY 2010, we will engage in reducing the smoking rate by continuing to provide seminars and counseling sessions on quitting smoking.

Assisting each person in “creating health” of mind and body

At Tohoku Electric Power, in order to improve the level of health management, we are proactively engaged in measures

against lifestyle-related diseases and mental health measures on the basis of individual guidance offered by our industrial physicians and health workers based on the two pillars of “line management” and “self-management”.

We are steadily advancing continuous improvements for maintaining the health of each of our employees by thoroughly running our general PDCA cycles.

■ Mental health measures

We are making efforts for the prevention and early detection of diseases to ensure the mental health of our employees based on the four mental healthcare measures of “self-care”, “line care”, “staff care”, and “external care” in accordance with the “Guidelines for Maintaining and Promoting the Mental Health of Workers” set by the Ministry of Health, Labor and Welfare.

Specifically, we are continuously implementing measures such as seminars to acquire communication skills and learn about the importance of sleep, “Active Listening Training” to foster communication through initiatives taken by management personnel, seminars to teach young employees including new recruits how to become aware of and handle stress by themselves, and counseling sessions for workers who have changed their working environment due to transfers.

Furthermore, we are striving to promote more effective mental healthcare, which includes counseling services by outside specialist organizations.

I n t e r v i e w

I work together with the health management staff to support our employees' physical and mental health which is the foundation of a fulfilling life.

— You are an industrial physician at the Tohoku Electric Power Head Office. Please tell us your current job responsibilities.

Mochizuki: There are 70 industrial physicians, including myself, working at Tohoku Electric Power. We give individual guidance on “exercise, nutrition, cutting down alcohol, and quitting smoking” based on the results of health examinations, individual counseling sessions for employees working many hours of overtime and their supervisors, and other daily health counseling sessions. Besides the industrial physicians, there are 14 mental health management doctors, 2 radiation control doctors, 13 counselors, and 51 health workers. These staff are working together to support our employees' mental and physical health.

— What is your impression of the health management of our employees?

Mochizuki: This does not apply only to the employees of Tohoku Electric Power, but the items requiring guidance in the periodic health examination are mostly lifestyle-related diseases such as hyperlipidemia, diabetes, and hyperpiesia.

To deal with this problem, we cooperate with corporate health insurance societies to implement specific medical examinations and give specific healthcare guidance for those who are over 40 years old and are affected by the metabolic syndrome. In addition, for those under 40 years old, we focus on individual guidance by the health management staff to make them aware of “preventive measures” even when they are still relatively healthy.

I feel that the employees of Tohoku Electric Power tend to work too hard and forget to take care of their own health. As an industrial physician, I would like to help them “balance their work and health”.

— Please give a message to our employees.

Mochizuki: Physical and mental health is the foundation of a fulfilling life. It is important that every one of us pay attention to our own health. If you have any concerns about your health, please feel free to talk to me and our health management staff.



Industrial physician (Tohoku Electric Power Head Office)
Ruriko Mochizuki

Developing Human Resources and Creating a Good Working Environment to Drive Growth

Utilizing Diverse Human Resources and Enhancing Human Rights Awareness

It is essential for our employees who carry out the electric power operations to work with a sense of mission and pride in order for us to be chosen by customers and trusted by the local communities. Therefore, we believe that it is necessary to establish an appropriate environment and create workplaces where individual employees feel comfortable working in.

In the Tohoku Electric Power Action Guidelines, we are proclaiming that we will "respect individuals", "prohibit discrimination based on gender and other grounds", and "create an open and energetic corporate culture as well as an organizational culture encouraging improvements" and we are making efforts to thoroughly enforce these values.

Antidiscrimination rules in the Tohoku Electric Power Action Guidelines

We do not discriminate against our employees according to their gender, age, race, ideology, belief, religion, physical disability, place of birth, nationality, etc. Furthermore, we do not permit violent or threatening behavior, abusive language, sexual harassment, or other similar conduct in the workplace.

Striving to create a corporate culture flourishing with diverse human resources regardless of gender

At Tohoku Electric Power, the staffing and deployment of human resources is based on an individual's capability and suitability regardless of gender. We hire employees based on their motivation and skills without restrictions of gender in all our professional job listings.

In addition, job allocation, hiring, transfer, promotion, career advancement, and education are conducted fairly without gender bias, and we are implementing these

according to the spirit of the Act on Securing, etc. of Equal Opportunity and Treatment between Men and Women in Employment and Basic Act for Gender-Equal Society.

In FY 2009, based on Vision 2020, we held the "Shine Up Forum" for female management staff (28 staff members) to think and discuss about the awareness, actions, and measures required for female workers to work more actively based on their own perspectives as part of the activities to promote the development of a workplace environment where employees can maximize their own abilities.

We will study the opinions and requests from female employees and review and implement measures necessary for them to work actively.



Shine Up Forum

Interview

**Starting with what I can do and passing on the experience and knowledge.
The forum was a great opportunity to think about my role as a manager.**

— Please tell us your impression of the "Shine Up Forum".

Igarashi: In the forum, female management staff members discussed what they usually have on their minds about matters such as the current challenges for female employees to fully exercise their abilities and the direction for overcoming the challenges. There were many common concerns such as how to handle subordinates and younger employees and how to balance work and family. It was very helpful to listen to the opinions of other staff members who are in the same position as I am.

— How are you leveraging what you have learned at your workplace?

Igarashi: I felt pressured when I become manager. An outside speaker mentioned in a lecture that "it is important for women to start with what you can do to be lively and attractive". This made me re-acknowledge the importance of continuing to do what I can do rather than worrying. Putting this into practice leads to trust from others and my own confidence. I rely on this idea in my work and management.

— Please give advice to your junior colleagues and tell us your plan in the future.

Igarashi: There are many difficult tasks but understanding such tasks will lead to satisfaction. Instead of worrying about the difficulties, it is important to try finding a part you can enjoy, and then proactively engage in the job. In that sense, I would like to be a role model for other female employees and pass on my experience and knowledge.



"Shine Up Forum"
Participants
Manager of Customer Center,
Tendo Customer Service Office
Junko Igarashi

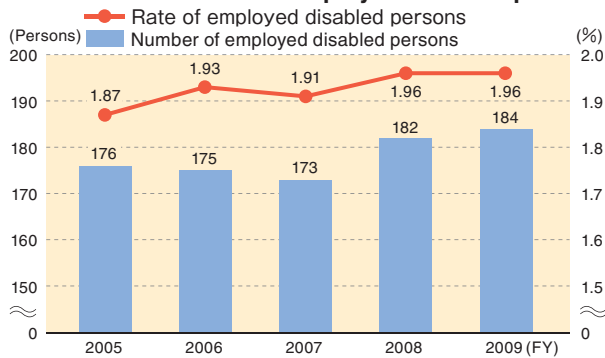
Organizing our work environment for employees with disabilities

In cooperation with organizations such as schools, we are systematically recruiting persons with physical disabilities to widen their scope of activities and enable them to proactively participate in society.

In FY 2009, our disabled person employment rate exceeded the employment rate stipulated by law and we remain committed to the continuous employment of disabled persons going forward.

In addition, we are striving to organize a workplace environment in which disabled people can work safely and in peace of mind by stationing vocational and lifestyle counselors for the disabled above the legal requirement at our offices and establishments and creating barrier-free workplaces.

Numbers and rates of employed disabled persons



Improving human rights awareness and prevention of harassment

At Tohoku Electric Power, we have been providing various human rights education programs to foster awareness of human rights and promote understanding on human rights issues since FY 1998. In FY 2009, 4,671 employees participated in human rights education programs.

As part of these programs, during the human rights week in December, we held a human rights lecture on "the reality of power harassment and countermeasures" as an opportunity for each management staff member to deepen their understanding of power harassment and look back on his or her own actions.

A total of 1,982 employees participated in the human rights lectures including those held at the branch offices.

For consultation on harassment, we have set up inquiry counters at the Head Offices and each of the Branch Offices, and through dedicated toll free numbers, dedicated email addresses, etc., we are accepting inquiries. We also set up external inquiry counters to make consultation easier.

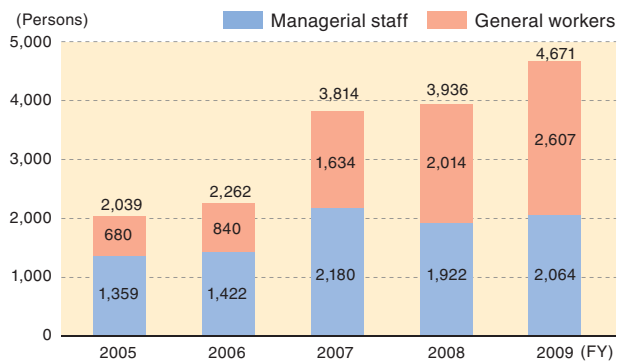
We make know of the inquiry counters through posts on

the intranet as well as company booklet "Handbook for a Comfortable Workplace" to all employees, including dispatched workers and temporary staff members.

At the inquiry counters, with the protection of privacy of the consulter as a prerequisite, while respecting the person's own will, we confirm the factual relationships in accordance with the inquiry, and take steps towards resolving the issue.

We will engage in improving the awareness of human rights and preventing harassment as well as promote the creation of a working environment in which everyone can work comfortably.

Numbers of persons attending human rights education



Contributing to the growth of the business by building a healthy labor-management relationship

All staff members, excluding those who represent the Company's interests, join Company's labor union. There is a "Productivity Collective Contract" between the labor union and the Company, which stipulates that the employees and employers strive to increase productivity which was concluded ahead of other companies in 1956.

At each of our offices and establishments, we have set up "Productivity Councils" which consist of the same number of committee members elected from the Company and the union, and conduct discussions to develop the business of our Company and enable its efficient management, such as operation conduct plans and improvement of operational management, etc.

Also, for the purpose of securing health and safety, we have set up the "Safety and Health Council" and the "Labor Management Committee of Radiational Control" and are conducting discussions towards realizing a vibrant and healthy workplace that is free from disaster and diseases.

In addition to these, we have set up the "Labor Management Committee for Work-life Balance" to discuss measures for achieving an appropriate work-life balance, the "Health and Welfare Committee" to discuss welfare management and cultural and physical education, and the "Labor Management Committee for Operating Corporate Ethics Consulting Services" to contribute to the deepening of understanding between employees and employers and develop our business.