

April 28, 2009

Fiscal 2008 Financial Results and Fiscal 2009 Business Forecast

Tohoku Electric Power Co., Inc. (hereinafter, Tohoku EPCO), today registered a fiscal 2008 summary of its financial statements for the year ended March 31, 2009 on the Tokyo Stock Exchange's TDnet (Timely Disclosure Network).

Fiscal 2008 Financial Results

Consolidated operating revenues

While electric power sold by Tohoku EPCO declined on a year-on-year basis, electric light and power rates increased due to fuel cost adjustments, which resulted in operating revenues of 1,843.2 billion yen (an increase of 40.6 billion yen over the last fiscal year, or a 2.3% increase) and ordinary revenues of 1,851.6 billion yen (an increase of 40.9 billion yen over the last fiscal year, or a 2.3% increase).

With respect to expenses, in the electric utility business the decrease in depreciation compared to the last fiscal year was offset by increases in fuel expenses and purchased power rates caused by a steep rise in fuel prices. Ordinary expenses stood at 1,894.7 billion yen (an increase of 122.5 billion yen over the last year, or a 6.9 % increase).

As a result, the consolidated ordinary loss was 43.1 billion yen and the consolidated net loss was 31.7 billion yen.

Electric power sold by Tohoku EPCO

Large-scale industrial demand recorded a huge drop, affected by a decline in production due to rapid worsening of the global economy and sudden appreciation of the yen, and a warmer early spring and winter than last year, as well as a cooler summer that caused a decrease in the demand for air conditioning. Hence, electric power sales were recorded at 81.1 billion kWh (a year-on-year decrease of 3.5%), which was the first year-on-year decrease in seven years.

Fiscal 2009 business forecast

Due to fuel cost adjustments for electric light and power rates, operating revenues are anticipated to decline to about 840 billion yen (a year-on-year decrease of 4.9%) for the mid-term consolidated financial period and to about 1,720 billion yen (a year-on-year decrease of 6.7%) for the consolidated financial year ending March 31, 2010.

A large year-on-year decline is expected in expenses due to decreasing fuel costs and purchased power

rates, thanks to declining fuel prices, as well as decreasing maintenance expenses.

As a result, ordinary income is forecasted at around 29 billion yen for the mid-term consolidated fiscal year and 60 billion yen for the fiscal year ending March 31, 2010.