

June 26, 2009

Formulation of “Vision 2020 of the Tohoku Electric Power Group - together with local communities”

Tohoku Electric Power Co., Inc. (hereinafter, “Tohoku EPCO”) has formulated a new long-term management policy, “Vision 2020 of the Tohoku Electric Power Group - together with local communities.”

Tohoku EPCO’s previous vision statement, “Seeking a new Tohoku Electric Power for change, innovation, and success (Vision 2010)” was formulated in March 2000, when deregulation of the retail power market began. In that document we presented our business development plan for coming out on top during a highly competitive period. Since then we have been working on enhancing our corporate value by focusing on profitability and capital efficiency.

However, with the progress in deregulation and structural reform, the economic and social landscape and the requirements of local communities have changed significantly since the formulation of Vision 2010. Furthermore, effects wrought by such changes as a declining population and the transition to a low-carbon society as well as increasingly fierce global competition for energy resources are expected to be felt in the future.

Against such a backdrop, the business environment in which Tohoku EPCO operates is projected to undergo great transformations such as changes in power demand, transformation of the electric power industry, cost increases due to stricter measures to combat global warming and social changes in the Tohoku region due to depopulation and a decreasing number of households.

“Vision 2020 of the Tohoku Electric Power Group - together with local communities” was formulated to give shape to our management policy for the coming decade as well as to serve as a compass for the future, providing direction for Tohoku EPCO’s continued growth and ensuring our future prosperity in concert with that of the local communities in which we operate and which we serve.

Based on the assumption that various changes will take place in our surrounding business conditions in the future and on the fact that we are rooted in the Tohoku region, this vision was developed with a focus on the principle that “Tohoku EPCO grows together with local communities,” which will serve

as the foundation from which we will promote our business.

In addition, Tohoku EPCO intends to direct its management in such a way as to create, in cooperation with local communities, unique value for those it serves, such as through the provision of various services to the Tohoku region and by supporting regional revitalization, in the midst of the expected transformation of the electric power industry.

In particular, we will focus our efforts and resources on maintaining safe nuclear power generation at the same time as promoting nuclear power development, improving the efficiency of regional energy use with a view to achieving a low-carbon society, and tapping new markets by responding to changes in demand and strengthening ties with the Tohoku region.

Tohoku EPCO will mobilize the creativity and intellectual capacity of each and every one of its members of staff and management across the Group and devote every effort to bringing this vision about.

Please see the attachment for an outline of “Vision 2020 of the Tohoku Electric Power Group - together with local communities.”

【Attachment】 Outline of “Vision 2020 of the Tohoku Electric Power Group - together with local communities”

Outline of “Vision 2020 of the Tohoku Electric Power Group - together with local communities”

- Tohoku EPCO, based on the fact that it is deeply rooted in the Tohoku region, has formulated a new vision that links its own development with the development of the region and provides a foundation for future growth based on the principle that Tohoku EPCO’s future prosperity is inextricably connected with that of the local communities in which it operates and which it serves.
- Various changes in our business environment such as market competition, demand changes and cost increases due to measures to combat global warming are expected in the future. However, despite such disruptions, Tohoku EPCO is committed to continuing to fulfill its mission of simultaneous achievement of stable supply, environmental compliance and economic efficiency, while balancing the responsibilities of maintaining the public interest as well as corporate profitability. To this end, Tohoku EPCO will take the initiative to adapt all aspects of its management to changing circumstances and ensure the continuing evolution of its business operations.
- To “move ahead in step with local communities and maintain its relevance as a regional player,” Tohoku EPCO will further strengthen the foundation upon which its business is based. In addition, Tohoku EPCO intends to direct its management in such a way as to create, in cooperation with local communities, unique value for those it serves, such as through the provision of various services to the Tohoku region and by supporting regional revitalization by drawing upon strong existing ties with the region.
- Constantly returning to “the first year of awareness reform for the quality assurance of our nuclear power stations,” Tohoku EPCO will continue its untiring pursuit of safety as a top priority, seeking an organizational culture in which safety is deeply engrained, a stable supply of energy and the promotion of efficient management.

