

May 12, 2011

### **Fiscal 2010 Financial Results and Fiscal 2011 Earning Estimates**

Tohoku Electric Power Co., Inc. (hereinafter, Tohoku EPCO), today registered a fiscal 2010 summary of its financial statements for the year ended March 31, 2011 on the Tokyo Stock Exchange's TDnet (Timely Disclosure Network).

#### **Fiscal 2010 Financial Results**

##### **Consolidated operating revenues**

Due to the increase in the electricity sold by Tohoku EPCO, consolidated operating revenues was ¥1,708.7 billion (a year-on-year increase of ¥45.3 billion, or a 2.7 % increase), and ordinary revenue was ¥1,716.9 billion (a year-on-year increase of ¥46.2 billion, or a 2.8% increase.)

With respect to expenses, despite the increase in fuel costs and amount of power purchased due to the increase in the electricity sales and rising fuel prices, due to the decrease in personnel expenses caused by the decline in retirement benefit costs and in interest expenses, ordinary expenses stood at ¥1,636.6 billion (a year-on-year increase of ¥9.2 billion, or a 0.6% increase) with a slight increase.

As a result, consolidated ordinary income was ¥80.2 billion (a year-on-year increase of ¥36.9 billion, or an 85.4% increase.)

However, the electric utility facilities such as thermal power plants were devastated by the Great East Japan Earthquake. The company posted extraordinary loss (casualty loss from a natural disaster) of ¥109.3 billion, including contingent loss on damaged facilities and restoration costs of damaged facilities. As a result, consolidated net loss was ¥33.7 billion.

##### **Electric power sold by Tohoku EPCO**

The electricity sales of the company were 82.7 billion kWh (a 4.7% increase year-on-year), which exceeded the previous year's result for the first time in three years since FY2007. This was primarily because of record heat wave in last summer, resulting higher demand for air-conditioning, and the increase in all-electric housing. In addition, there was a recovery movement of production in industrial demand, specifically for steel, non-ferrous metal, machinery and chemical.

### Fiscal 2010 earning estimates

As our thermal power plants located in the Pacific coast were seriously damaged by the Great East Japan Earthquake, we cannot rely on these plants as supply capacity in the immediate future. We have made every effort to rebuild these damaged facilities to secure electricity supply. At the moment, pace of recovery in electricity demand for the earthquake disaster construction is unclear. We intend to strive to precisely estimate electricity demand based on demand trends in the future. At this time, consolidated earnings estimates for the year ending March 31, 2012 have yet to be determined because it is difficult to assess the estimates reasonably. These estimates will be promptly disclosed as soon as they are determined.

### Dividend

Our basic dividend policy is to maintain a stable dividend payment. The final decision is made with all relevant factors comprehensively taken into account, including earnings for a given year and medium and long-term earnings prospects.

In FY2010, we reported sizable loss because we posted extraordinary loss due to the Great East Japan Earthquake. In addition, tougher financial conditions are expected to continue in the future because of decline in demand caused by the earthquake.

In view of these circumstances, we have decided to decrease the amount of year-end dividend from ¥30.00 per share to ¥20.00 per share.