

May 12, 2011

Notice Regarding Difference between Earnings Estimates and Results for FY2010, Recording Extraordinary Loss due to the Great East Japan Earthquake and Distribution of Dividend (Year-end Dividend) from Surplus

Tohoku Electric Power Co., Inc. has announced that there is a difference between the earnings estimates which were released on October 29, 2010 and the actual business results for FY2010, as a result of recording extraordinary loss (casualty loss from a natural disaster) due to the Great East Japan Earthquake occurred on March 11, 2011.

Concerning about year-end dividends for FY2010, we have announced that the Board of Directors resolved today to place a proposal regarding the amount of the year-end dividend on the agenda of Ordinary General Meeting of Shareholders to be held on June 29, 2011.

1. Difference between Earning Estimates and Results for FY2010

(Consolidated)

(Millions of yen)

	Operating Revenues	Operating income	Ordinary income	Net income	Net income per share (yen)
The Previous Estimates (A)	1,710,000	112,000	76,000	36,000	72.21
Results (B)	1,708,732	114,644	80,287	(33,707)	(67.61)
Difference (B – A)	(1,268)	2,644	4,287	(69,707)	
Changes (%)	(0.1)	2.4	5.6	-	
(Ref.) FY2009 Actual Results	1,663,387	89,256	43,298	25,805	51.76

(Non-Consolidated)

(Millions of yen)

	Operating revenues	Operating income	Ordinary Income	Net income	Net income per share (yen)
The Previous Estimates (A)	1,550,000	95,000	60,000	30,000	60.18
Results (B)	1,551,547	96,920	62,856	(33,136)	(66.47)
Difference (B – A)	1,547	1,920	2,856	(63,136)	
Changes (%)	0.1	2.0	4.8	-	
(Ref.) FY2009 Actual Results	1,507,573	73,501	27,711	20,135	40.39

2. Reasons for the Difference and the Revision

Due to the Great East Japan Earthquake occurred on March 11, 2011, centering several thermal power plants located in the Pacific coast, our facilities were seriously damaged. We posted extraordinary loss (casualty loss from the earthquake such as contingent loss and restoration costs for damaged facilities), so there is a difference between the earnings estimates previously released and the actual business results for FY2010.

3. The amount of extraordinary loss due to the Great East Japan Earthquake

	Consolidated	Non-consolidated
Contingent loss on fixed and inventory assets	25,929 million yen	23,245 million yen
Restoration costs for damaged facilities	83,382 million yen	76,266 million yen
Total	109,312 million yen	99,511 million yen

4. Details of Dividend

	Amount to be proposed as Year-end dividend for FY2010	Most recent dividend forecast (released on April 30, 2010)	Year-end dividend paid for FY2009
Record date	March 31, 2011	March 31, 2011	March 31, 2010
Dividend per share	20.00 yen	30.00 yen	30.00 yen
Total amount of dividends	9,970 million yen	-	14,956 million yen
Effective date	June 30, 2011	-	June 30, 2010
Source of dividends	Retained earnings	-	Retained earnings

5. Reasons for revision of dividends

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.