

Press Release

FOR IMMEDIATE RELEASE

Toshiba Corporation
Tohoku Electric Power Co., Inc.
Ishinomaki City
October 9, 2013

Ishinomaki City to Introduce Community Energy Management System with Toshiba and Tohoku EPCO, towards Establishing Smart Community

*-- Selected for METI's FY2013 Subsidy for Projects
Promoting the Introduction of Smart Communities --*

Toshiba Corporation and Tohoku Electric Power Co., Inc. today announced that their joint plan to construct key elements of a smart community system in Ishinomaki City, Miyagi prefecture, has been selected for funding under the Ministry of Economy, Trade and Industry of Japan (METI)'s "FY2013 Subsidy for Projects Promoting the Introduction of Smart Communities".

Ishinomaki is a fishing community and tourist destination on the coast of Miyagi in Japan's Tohoku region. The city, which had an estimated population of over 160,000 people in 2010, lies along Ishinomaki Bay and was devastated by the March 2011 Tohoku earthquake. A series of tsunami over 10 meters high swept through the city and traveled over 5km inland, leveling structures as they went and inundating over 13% of the city's 555 square kilometers. Today, under Mayor Hiroshi Kameyama, Ishinomaki continues to promote reconstruction under a recovery master plan unveiled this year.

Working with Ishinomaki, Toshiba and Tohoku Electric Power carried out a feasibility study for a "Smart Community Promotion Project" in 2012, now included in the city's recovery plan as an essential project. The project aims to realize "low carbon, eco-friendly town" that makes full use of renewable energy sources and a "safe, secure town with access to lighting and information," even during disasters. At the heart of the project is a Community Energy Management System (CEMS) for managing electric power demand and supply that will be installed selected model sites in Ishinomaki.

The overall CEMS will integrate two component systems that will work in cooperation with one another. Toshiba will provide overall project management and install a system

that uses information from the demand side to manage power demand, while Tohoku Electric Power will deploy a system that stabilizes power supply from dispersed renewable power sources across the power grid. The CEMS will be operated jointly by companies. Ishinomaki will coordinate with related recovery projects, and promote renewable energy and public information campaign on the CEMS.

The first phase of the project, which will start in October and continue through to March next year, will realize energy visualization in Ishinomaki's disaster management centers.

Toshiba Corporation

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Ishinomaki City Hall

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About Toshiba

Toshiba is a world-leading diversified manufacturer, solutions provider and marketer of advanced electronic and electrical products and systems. Toshiba Group brings innovation and imagination to a wide range of businesses: digital products, including LCD TVs, notebook PCs, retail solutions and MFPs; electronic devices, including semiconductors, storage products and materials; industrial and social infrastructure systems, including power generation systems, smart community solutions, medical systems and escalators & elevators; and home appliances.

Toshiba was founded in 1875, and today operates a global network of more than 590 consolidated companies, with 206,000 employees worldwide and annual sales surpassing 5.8 trillion yen (US\$61 billion). Visit Toshiba's web site at www.toshiba.co.jp/index.htm.

About Tohoku Electric Power

Tohoku Electric Power headquartered in Sendai, Japan, is one of the nation's largest utilities, with approx. 17 gigawatts of owned capacity, delivering electricity to over 7 million customers across seven prefectures including Niigata in the northeastern part of Japan. Tohoku Electric Power Co., Inc. (TSE:9506) reported consolidated operating revenues of approx. 1.8 trillion yen for the fiscal year ended March 31, 2013. For more information, please see <http://www.tohoku-epco.co.jp/index-e.htm>.

Tohoku EPCO's Commitment to Support Smart Community Projects

Smart Communities are expected to play a leading role in revitalizing local communities, and mindful of the very idea, we, Tohoku EPCO, believe that our commitment in supporting such projects will be helpful for the dissemination of renewable energy as well as our keeping pace with changes of the energy utilization and the supply in local communities.

Taking each region's needs and characteristics into consideration, we will cooperate and support Smart Community Projects including *Ishinomaki*, so that the new energy infrastructure will truly be useful for local communities into the future.

<Smart Community Projects that Tohoku EPCO Supports other than *Ishinomaki*>

Projects	<i>Aizu Wakamatsu</i> Area Smart Community Promotion Project	"Smart community" project based around the F-Grid
Applicants	Fujitsu Limited, <i>Aizu Wakamatsu</i> City Hall, Tohoku EPCO	<i>Ohira</i> Village, Toyota Motor Corporation, Toyota Motor East Japan, Inc.
Concept	i) Developing the Energy Control Center that will enable the utilization of renewable energy, striving to ensure power resources during emergencies by employing electronic vehicles, and promoting the local production for local consumption of energy utilizing biomass resources. *Refer to our "Press Release" dated May 1, 2013.	i) Controlling and optimizing both energy (electricity and heat) generated in the Smart Community and electricity purchased from Tohoku EPCO, energy is effectively supplied to the industrial park. ii) In an emergency, Tohoku EPCO purchases electricity generated in the Smart Community, and supplies that electricity to <i>Ohira</i> Village Hall and surroundings served as an emergency center through distribution lines. * The grant of subsidy in fiscal 2013 was decided.
Role of Tohoku EPCO	i) Setting up the Energy Control Center that will promote the utilization of renewable energy, visualizing power usage, providing demand response services and others in collaboration with Fujitsu Limited serving as project manager.	i) Member of F-Grid <i>Ohira</i> , Miyagi Limited Liability Partnership (LLP) ii) Technical cooperation to implement power supply in an emergency
Progress	i) The system of the Energy Control Center is being developed for launching services in October, 2014. ii) The grant of subsidy in fiscal 2013 for deployment of mega solar power system technology has been decided. iii) Electric vehicles and battery chargers for ensuring and maintaining the functionality of disaster-prevention facilities have been introduced.	i) Power and heat supply to LLP members has been started in sequence since April 2013. ii) Electric vehicles and battery chargers as countermeasures against disaster have been introduced in sequence since March 2013.