

# Financial Summary

## 1st quarter of FY2010

July 30, 2010

 Tohoku Electric Power Co., Inc.

# Contents

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1. Summary of 1st quarter of FY2010 Result
2. Electricity Sales
3. Large Industry Sector
4. Electricity Generated and Purchased, Major Factors
5. Comparison Statements of Revenue & Expense (Non-consolidated)
6. Balance Sheets (Non-consolidated)
7. Statements of Income, Balance Sheets (Consolidated)
8. Statements of Cash Flows (Consolidated)
9. Segment Information (Consolidated)
10. Projection

## <Reference>

1. Marketing Activities
2. Electricity Sales
3. Statements of Income
4. Balance Sheets, Equity Ratio, etc.

**Both on a consolidated basis and non-consolidated basis, revenues and income decreased**

- **On revenue side, in spite of the increase in electric power sales, ordinary revenues decreased by ¥4.5 billion, year-on-year, due to the decrease in revenues from electricity sales because of fuel cost adjustments and the decrease of construction sales in subsidiaries.**
- **With respect to expenses, despite the increase in fuel expenses, ordinary expenses decreased by ¥2.9 billion, year-on-year, due to the decreases in maintenance costs and depreciation expenses.**
- **Booking of extraordinary losses due to application of the accounting standard for asset retirement obligation and others.**

(billions of yen)

		1st quarter of FY2010 (A)	1st quarter of FY2009 (B)	Comparison		Consolidated/Non-consolidated of 1st quarter of FY2010	
				(A) - (B)	(A) / (B)	Comparison	Ratio
Consolidated	Operating Revenues	393.8	399.5	(5.6)	98.6%	28.3	1.08times
	Operating Income	49.3	52.6	(3.3)	93.7%	1.6	1.04times
	Ordinary Income	40.9	42.5	(1.5)	96.3%	1.3	1.03times
	Net Income	19.3	28.1	(8.8)	68.5%	1.3	1.08times
Non-Consolidated	Operating Revenues	365.5	369.3	(3.8)	99.0%		
	Operating Income	47.6	51.8	(4.1)	92.0%		
	Ordinary Income	39.6	42.6	(3.0)	92.9%		
	Net Income	17.9	28.3	(10.4)	63.2%		

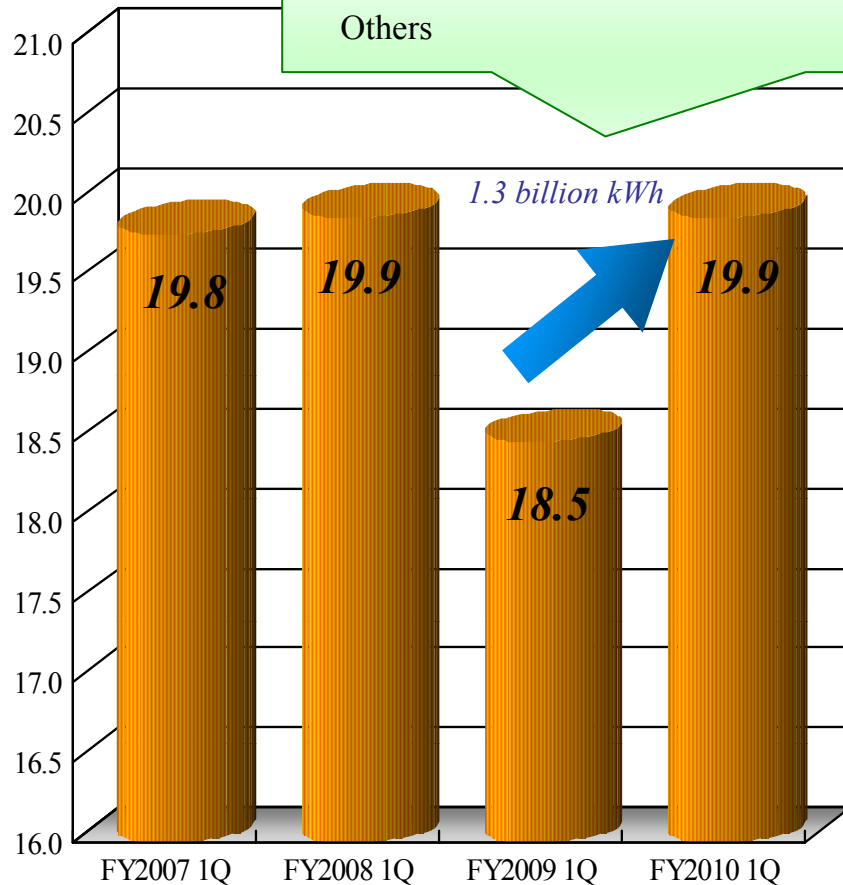
## Electricity Sold Year-on-Year Compared

**19,851 million kWh**  
up **1,336 million kWh (+7.2%)**

### Major Factors

Increasing industrial demand	+ 0.8 billion kWh
Increase of account in Time-Specific Lightning	+ 0.2 billion kWh
Others	+ 0.3 billion kWh

(billion kWh)



(million kWh)

Segment		1st quarter of FY2010 (A)	1st quarter of FY2009 (B)	Comparison	
				(A) - (B)	(A) / (B)
Regulated	Residential	6,259	5,885	374	106.3%
	Commercial	974	947	27	102.9%
	Sub-total	7,233	6,832	401	105.9%
Deregulated		12,618	11,683	935	108.0%
Total		19,851	18,515	1,336	107.2%

### 【 Sub Segment 】

Large Industrial	6,665	5,934	731	112.3%
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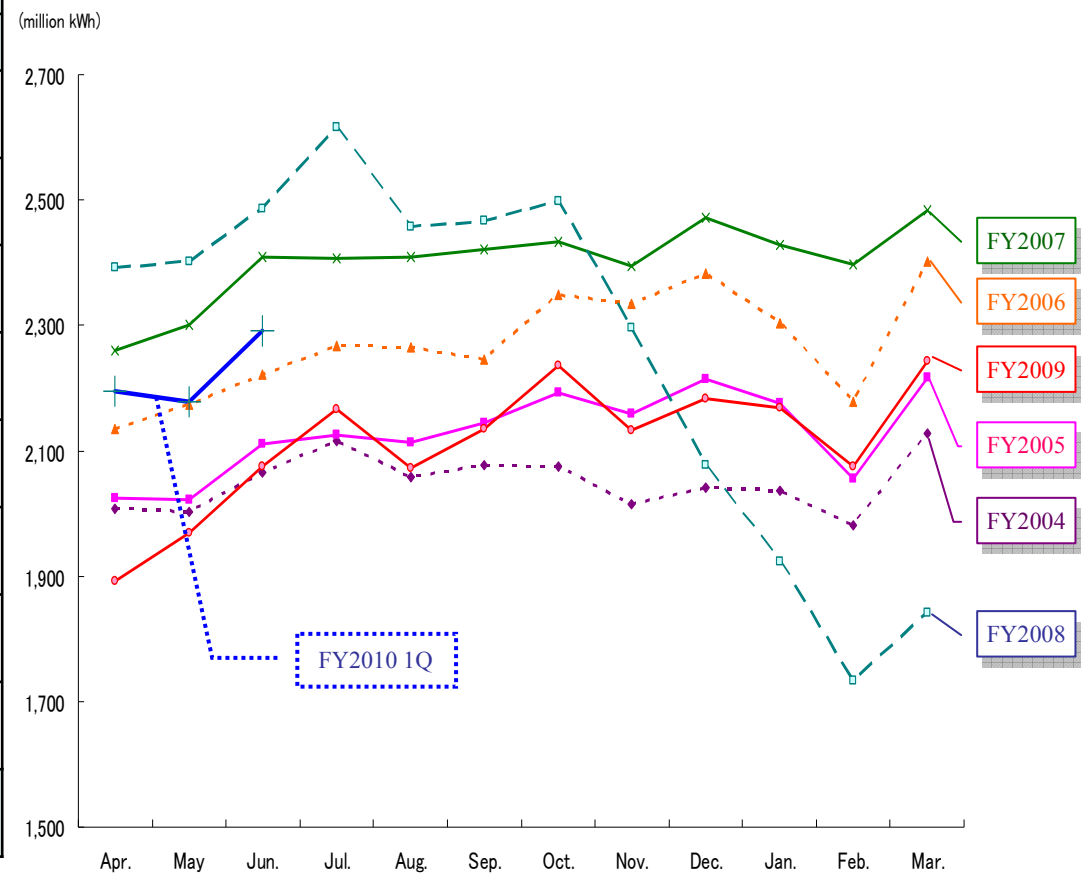
## Large Industrial Demand Year-on-year Comparison

**6,665 million kWh**  
up **731 million kWh (+12.3%)**

(million kWh)

	1st quarter of FY2010 (A)	1st quarter of FY2009 (B)	Comparison	
			(A) - (B)	(A) / (B)
Food Products	387	383	4	101.0%
Paper/Pulp	264	230	34	114.6%
Chemicals	494	439	55	112.6%
Ceramics	187	166	21	112.7%
Steel	770	566	204	136.1%
Nonferrous Metals	985	843	142	116.8%
Machinery and Equipment Manufacturing	1,992	1,813	179	109.9%
Others	1,586	1,494	92	106.1%
<b>Total</b>	<b>6,665</b>	<b>5,934</b>	<b>731</b>	<b>112.3%</b>

### Changes in Large Industrial Demand



		1st quarter of FY2010 (A)	1st quarter of FY2009 (B)	Comparison	
				(A) - (B)	(A) / (B)
Electricity Generated and Purchased (millions of kWh)	Own Generated power	16,486	16,251	235	101.4%
	Hydro	2,634	2,308	326	114.1%
	Thermal	7,521	10,335	(2,814)	72.8%
	Nuclear	6,093	3,353	2,740	181.7%
	Renewable (*)	238	255	(17)	93.5%
	Purchased Power	6,017	5,401	616	111.4%
	Power Interchanges (Transmitted)	(5,030)	(4,731)	(299)	106.3%
	Power Interchanges (Received)	3,435	2,760	675	124.5%
	Used at Pumped Storage	(26)	(22)	(4)	119.8%
	Total, Generated and Purchased	20,882	19,659	1,223	106.2%
Major Factors	Crude Oil CIF Price (\$/bbl)	81.3	52.5	28.8	—
	Exchange Rate (¥/\$)	92	97	(5)	—
	Hydro Power Flow Rate (%)	104.5	84.4	20.1	—
	Nuclear Power Capacity Factor (%)	85.2	46.9	38.3	—

(\*) This includes the geothermal power generation which was included in the thermal power generation last year.

# Comparison Statements of Revenue & Expense (Non-consolidated)

(billions of yen)

		1st quarter of FY2010 (A)	1st quarter of FY2009 (B)	Comparison		Items	
				(A) - (B)	(A) / (B)		
Revenues	Residential	128.9	129.3	(0.4)	99.7%	Increase in Electric sales volume; 22.7 Electricity rate reduction; (25.4)	
	Commercial	184.2	186.5	(2.2)	98.8%		
	Sub Total	313.1	315.8	(2.6)	99.2%		
		Sales of Power to Other Utilities	41.7	47.7	(5.9)	87.5%	
		Other Revenues	12.7	7.9	4.7	159.3%	
		[Operating Revenues]	[365.5]	[369.3]	[(3.8)]	[99.0%]	
		Total Revenues	367.6	371.5	(3.9)	99.0%	
Expenses	Personnel	39.2	43.9	(4.7)	89.3%	Retirement Benefit; (5.8) [Amortization of actual difference; (2.7)]	
	Fuel	54.3	47.5	6.8	114.4%	Rise in crude oil CIF price etc.; 21.0 Effect of decrease in electricity generated by thermal power; (12.1) Appreciation of the yen; (2.0)	
	Maintenance	33.2	37.4	(4.2)	88.6%	Nuclear power; (2.2), Distribution; (1.7), Thermal power; (1.3)	
	Depreciation	53.6	54.9	(1.3)	97.6%	Nuclear power; (1.2), Transmission; (0.2)	
	Power Purchased from other utilities	29.0	26.5	2.5	109.4%		
	Power Purchased from other companies	46.7	49.1	(2.3)	95.2%	Joban Joint Power; (2.1), Sakata Kyodo Power; (1.4), Soma Kyodo Power; 1.2	
	Interest	9.8	10.6	(0.7)	93.0%		
	Taxes, etc.	20.2	19.9	0.2	101.4%		
	Nuclear Power Back-end Cost	6.5	4.6	1.9	141.9%		
	Other Expenses	35.0	33.9	1.0	103.0%		
		Total Expenses	328.0	328.8	(0.8)	99.7%	
	[Operating Income]	[47.6]	[51.8]	[(4.1)]	[92.0%]		
	Ordinary Income	39.6	42.6	(3.0)	92.9%		

(billions of yen)

	Jun. 30, 2010 (A)	Mar. 31, 2010 (B)	Comparison (A) - (B)	Items
Total Assets	3,585.8	3,589.2	(3.3)	
Fixed Assets	3,397.1	3,384.9	12.1	Electric utility fixed assets; 24.4 Construction work in progress; (13.0)
Current Assets	188.6	204.2	(15.5)	Cash and Deposits; (10.6)
Liabilities	2,823.1	2,828.0	(4.8)	Fixed liabilities; 73.4 [Asset retirement obligations; 122.7, Reserve for decommissioning costs of nuclear power units; (58.1)] Current liabilities; (78.6)
Net Assets	762.7	761.2	1.4	
Interest-Bearing Liabilities	1,994.4	2,003.5	(9.0)	Loans; (23.0), CP; (16.0), Bonds; 30.0





(billions of yen)

	1st quarter of FY2010 (A)	1st quarter of FY2009 (B)	Comparison (A) - (B)	Items
Operating Revenues	393.8	399.5	(5.6)	Electric power; (4.4), Other; (1.1)
Operating Expenses	344.5	346.8	(2.2)	Electric power; (2.0), Other; (0.2)
Operating Income	49.3	52.6	(3.3)	
Ordinary Income	40.9	42.5	(1.5)	
Extraordinary Loss	9.1	—	9.1	Loss on adjustment for changes of accounting standard for asset retirement obligations; 6.5, Loss on valuation of securities; 2.5
Net Income	19.3	28.1	(8.8)	

(billions of yen)

	Jun. 30, 2010 (A)	Mar. 31, 2010 (B)	Comparison (A) - (B)	Items
Total Assets	3,915.9	3,918.5	(2.6)	
Fixed Assets	3,571.6	3,558.3	13.3	Electric utility fixed assets; 23.9 Construction work in progress; (6.9)
Current Assets	344.3	360.2	(15.9)	Trade notes receivable and amounts due from customers; (19.1)
Liabilities	2,970.8	2,974.6	(3.7)	
Net Assets	945.1	943.9	1.1	

Interest-Bearing Liabilities	2,039.9	2,048.8	(8.8)	Loans; (22.9), CP; (16.0), Bonds; 30.0
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(billions of yen)

	1st quarter of FY2010 (A)	1st quarter of FY2009 (B)	Comparison (A) - (B)	Items
Cash Flow from Operating Activities	70.3	73.1	(2.8)	
Cash Flow from Investing Activities	(51.7)	(67.0)	15.3	Acquisition of property, plant and equipment; 17.1
Cash Flow from Financing Activities	(23.3)	(12.4)	(10.9)	Commercial Paper; (20.0) [Proceeds; (85.0), Redemption; 65.0] Bonds; 10.0 [Redemption; 10.0]
Net Cash Flow	(4.8)	(6.4)	1.5	
Free Cash Flow	30.5	19.0	11.5	Cash flow from investing activities; 15.3 Cash flow from operating activities; (2.8)

Note; Our definition of the free cash flow

= (Cash flow from operating activities) + (Cash flow from investing activities) – (Interest and dividend income) – (Interest expense)

(billions of yen)

	1st quarter of FY2010 (A)	1st quarter of FY2009 (B)	Comparison (A) - (B)
Sales *	393.8	399.5	(5.6)
Electric Power Business	362.9	367.2	(4.2)
Construction Business	362.4	366.9	(4.4)
Gas Business	34.9	39.5	(4.5)
Information Processing Tele-Communication Business	11.0	15.8	(4.8)
Others	7.9	6.7	1.1
	5.6	4.6	1.0
	9.3	8.5	0.7
	3.6	3.6	0.0
	30.2	31.5	(1.3)
	11.0	8.4	2.5
Operating income (loss)	49.3	52.6	(3.3)
Electric Power Business	49.3	51.6	(2.2)
Construction Business	(3.3)	(2.6)	(0.6)
Gas Business	0.4	1.4	(1.0)
Information Processing Tele-Communication Business	1.3	0.7	0.6
Others	1.1	0.9	0.1

\* Lower is net sales to outside customers.

**Projection for FY2010 remains unchanged from previous release in Apr. 2010.**

(billions of yen)

		Projection for FY2010 in Apr.2010		Result of FY2009		Comparison	
		2nd quarter of FY2010 (A)	FY2010 (B)	2nd quarter of FY2009 (C)	FY2009 (D)	(A) – (C)	(B) – (D)
Consolidated	Operating Revenues	800.0	1,690.0	804.2	1,663.3	(4.2)	26.6
	Operating Income	49.0	83.0	63.4	89.2	(14.4)	(6.2)
	Ordinary Income	31.0	46.0	41.4	43.2	(10.4)	2.7
	Net Income	13.0	19.0	27.6	25.8	(14.6)	(6.8)
Non-consolidated	Operating Revenues	730.0	1,530.0	734.9	1,507.5	(4.9)	22.4
	Operating Income	42.0	66.0	57.3	73.5	(15.3)	(7.5)
	Ordinary Income	25.0	30.0	37.8	27.7	(12.8)	2.2
	Net Income	10.0	13.0	26.5	20.1	(16.5)	(7.1)

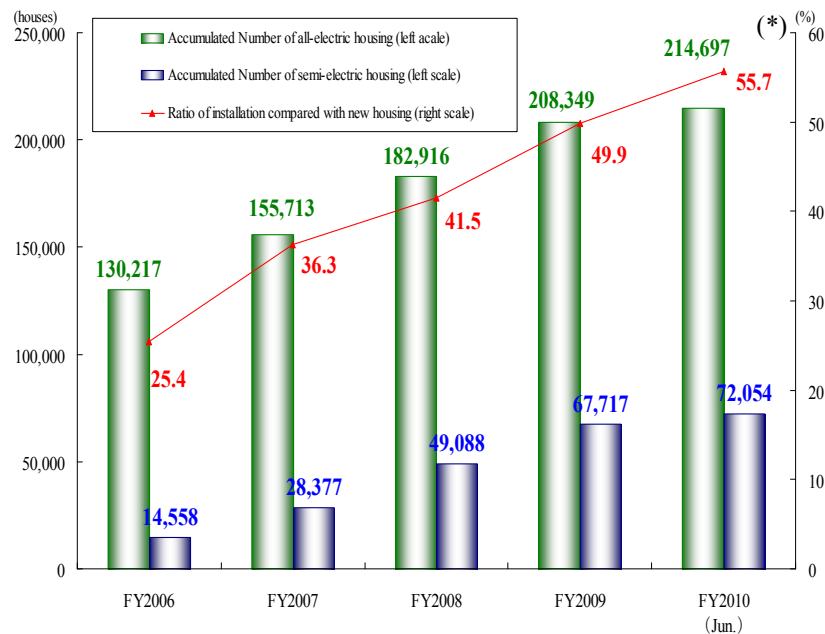
# (Ref. No.1) Marketing Activities

○Due to the characteristics of the Tohoku region, where approx. 70% of domestic energy use is for hot water supply and heating, we recommend “EcoCute” to consumers for hot water supply, and “Heat Pump heating” for heating, with an aim to reduce carbon dioxide emission. This is our effort to spread the use of high-efficiency equipment that offers advanced environment-friendliness and energy conservation.

○As a result of such efforts, the total number of residences that installed such products as of June 2010 was 214,697 for all-electric household systems, 72,054 for semi-electric household systems \*, and 142,639 for EcoCute.

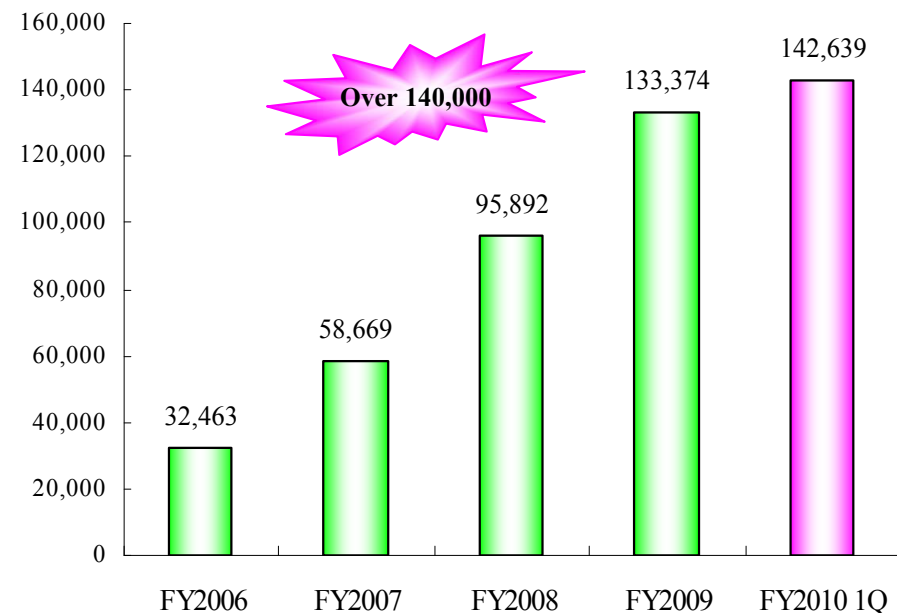
\*Semi-electric household systems refer to those in which electric appliances are used in the kitchen and for hot water, excluding heating.

Accumulated Number and Ratio of All-electric Housing, and Accumulated Number of Semi-electric Housing



\*The introduction rate of all-electric housing of FY2010(Jun.) is the figure as of May 31, 2010.

Accumulated Number of EcoCute



## (Ref. No.2) Electricity Sales

(millions of kWh)

	1st quarter of FY2006	1st quarter of FY2007	1st quarter of FY2008	1st quarter of FY2009	1st quarter of FY2010
Regulated Segment	6,782	6,792	6,641	6,832	7,233
Residential	5,740	5,800	5,697	5,885	6,259
Commercial	1,042	992	944	947	974
Deregulated Segment	12,453	13,010	13,235	11,683	12,618
Total	19,235	19,802	19,876	18,515	19,851

[Sub-segment]

(millions of kWh)

Large Industrial	6,530	6,970	7,281	5,934	6,665
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# (Ref. No.3) Statements of Income

(billions of yen)

		1st quarter of FY2006	1st quarter of FY2007	1st quarter of FY2008	1st quarter of FY2009	1st quarter of FY2010
Operating Revenues	Consolidated	402.0	390.8	418.3	399.5	393.8
	Non-consolidated	374.9	364.3	384.5	369.3	365.5
Operating Income	Consolidated	45.3	36.6	12.2	52.6	49.3
	Non-consolidated	44.6	34.9	7.7	51.8	47.6
Ordinary Income	Consolidated	34.2	25.4	3.5	42.5	40.9
	Non-consolidated	34.7	25.0	0.4	42.6	39.6
Net Income	Consolidated	19.0	15.1	3.4	28.1	19.3
	Non-consolidated	19.9	15.7	2.0	28.3	17.9
ROA (%)	Consolidated	1.1	0.9	0.3	1.3	1.3
	Non-consolidated	1.2	0.9	0.2	1.4	1.3
FCF	Consolidated	N/A	2.3	(22.8)	19.0	30.5

 Tohoku Electric Power (Ref. No.4) Balance Sheets, Equity Ratio, etc.

(billions of yen)

		Mar. 31, 2007	Mar. 31, 2008	Mar. 31, 2009	Mar. 31, 2010	Jun. 30, 2010
Total Assets	Consolidated	4,069.3	4,033.8	4,019.3	3,918.5	3,915.9
	Non-consolidated	3,709.3	3,675.9	3,681.1	3,589.2	3,585.8
Liabilities	Consolidated	3,036.6	3,018.4	3,071.0	2,974.6	2,970.8
	Non-consolidated	2,834.8	2,830.7	2,910.1	2,828.0	2,823.1
Net Assets	Consolidated	1,032.6	1,015.3	948.2	943.9	945.1
	Non-consolidated	874.5	845.1	770.9	761.2	762.7
Equity Ratio (%)	Consolidated	24.2	23.9	22.3	22.8	22.9
	Non-consolidated	23.6	23.0	20.9	21.2	21.3
Interest-Bearing Liabilities	Consolidated	2,163.3	2,081.9	2,123.2	2,048.8	2,039.9
	Non-consolidated	2,085.3	2,015.5	2,067.9	2,003.5	1,994.4



(Note)

This presentation solely constitutes reference material for the purpose of providing the readers with relevant information to evaluate our company.

The information contains forward-looking statements based on assumptions and projections about the future with regard to our company. As such, the readers are kindly asked to refrain from making judgment by depending solely on this information.

The forward-looking statements inherently involve a degree of risks and uncertainties. Consequently, these risks and uncertainties could cause the actual results and performance to differ from the assumed or projected status of the company.

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