

Financial Summary

2nd Quarter of FY2010

November 4, 2010



Tohoku Electric Power Co., Inc.

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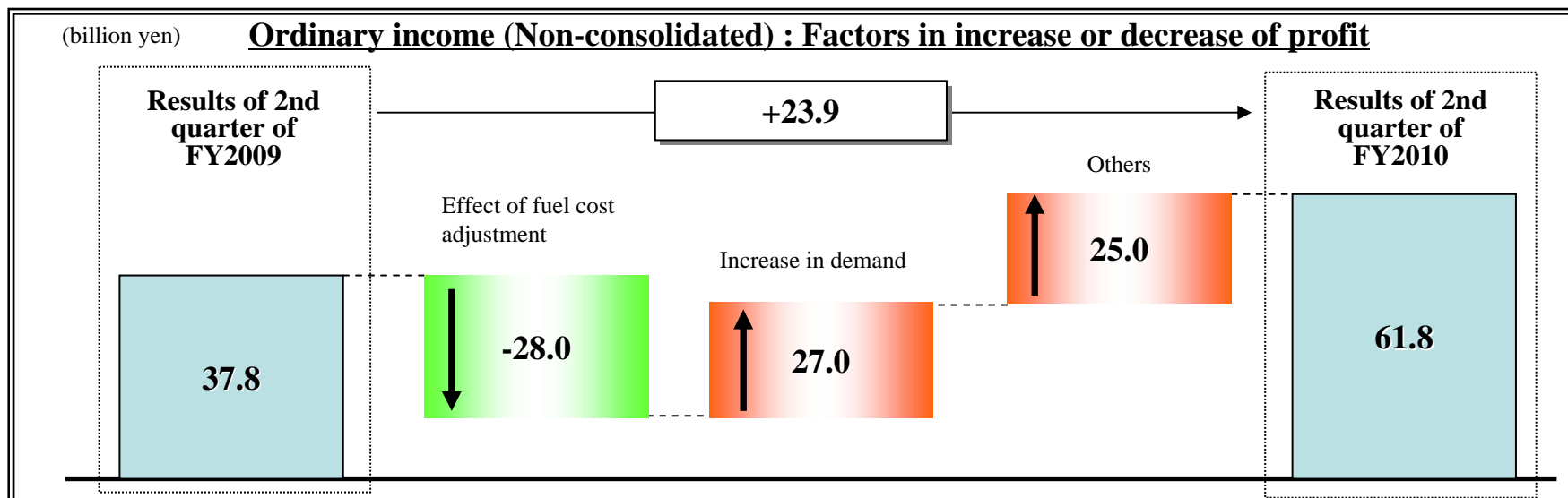
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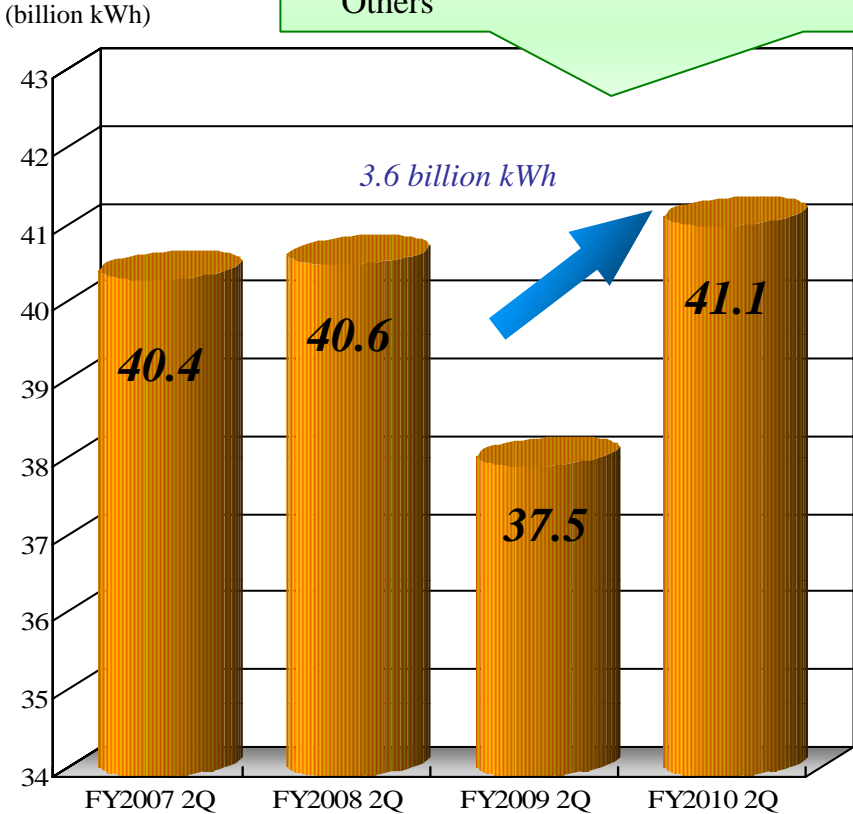
(billion yen)

		2nd quarter of FY2010 (A)	2nd quarter of FY2009 (B)	Comparison		Consolidated/Non-consolidated of 2nd quarter of FY2010	
				(A) - (B)	(A) / (B)	Comparison	Ratio
Consolidated	Operating Revenues	836.5	804.2	32.3	104.0%	68.3	1.09 times
	Operating Income	86.0	63.4	22.5	135.5%	6.9	1.09 times
	Ordinary Income	68.4	41.4	26.9	165.2%	6.5	1.11 times
	Net Income	34.9	27.6	7.3	126.8%	4.1	1.14 times
Non-Consolidated	Operating Revenues	768.2	734.9	33.3	104.5%		
	Operating Income	79.0	57.3	21.6	137.8%		
	Ordinary Income	61.8	37.8	23.9	163.3%		
	Net Income	30.8	26.5	4.2	116.0%		



Electricity Sold 41,096 million kWh
Year-on-Year Compared up 3,607 million kWh (+9.6%)
~ A record high electricity sold in the first half ~

Major Factors
 Effect of temperature 1.8 billion kWh
 Increasing industrial demand 1.3 billion kWh
 Others 0.5 billion kWh



Segment	2nd quarter of FY2010 (A)	2nd quarter of FY2009 (B)	Comparison		
			(A) - (B)	(A) / (B)	
Regulated	Residential	12,169	11,109	1,060	109.5%
	Commercial	2,118	1,920	198	110.4%
	Sub-total	14,287	13,029	1,258	109.7%
Deregulated	26,809	24,460	2,349	109.6%	
Total	41,096	37,489	3,607	109.6%	

【 Sub Segment 】

Large Industrial	13,785	12,306	1,479	112.0%
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(million kWh)

	2nd quarter of FY2010 (A)	2nd quarter of FY2009 (B)	Comparison	
			(A) - (B)	(A) / (B)
Own Generated power	35,096	34,819	277	100.8%
Hydro	4,634	4,032	602	114.9%
Thermal	18,124	22,073	(3,949)	82.1%
Nuclear	11,887	8,157	3,730	145.7%
Renewable	451	557	(106)	81.1%
Purchased Power	11,696	10,908	788	107.2%
Power Interchanges (Transmitted)	(10,386)	(10,630)	244	97.7%
Power Interchanges (Received)	7,976	5,631	2,345	141.6%
Used at Pumped Storage	(77)	(30)	(47)	254.8%
Total, Generated and Purchased	44,305	40,698	3,607	108.9%



		2nd quarter of FY2010 (A)	2nd quarter of FY2009 (B)	Comparison (A) - (B)
Major Factors	Crude Oil CIF Price (\$/bbl)	78.4	61.8	16.6
	Exchange Rate (¥/\$)	89	96	(7)
	Hydro Power Flow Rate (%)	103.0	83.5	19.5
	Nuclear Power Capacity Factor (%)	82.7	56.7	26.0

(billion yen)

		2nd quarter of FY2010 (A)	2nd quarter of FY2009 (B)	Comparison (A) - (B)
Sensitivity to Major Factors	Crude Oil CIF Price (per \$1/bbl)	0.8	1.0	(0.2)
	Exchange Rate (per ¥1/\$)	1.1	1.1	-
	Hydro Power Flow Rate (per 1%)	0.4	0.4	-
	Nuclear Power Capacity Factor (per 1%)	0.9	0.8	0.1



(billion yen)

		2nd quarter of FY2010 (A)	2nd quarter of FY2009 (B)	Comparison		Items
				(A) - (B)	(A) / (B)	
Revenues	Residential	258.1	242.8	15.3	106.3%	Increase in electric sales volume; 60.2 Electricity rate reduction; (25.7)
	Commercial	403.4	384.2	19.1	105.0%	
	Sub Total	661.6	627.1	34.4	105.5%	
	Sales of Power to Other Utilities	88.0	95.8	(7.7)	91.9%	Thermal power; (6.9)
	Other Revenues	21.5	15.1	6.3	141.9%	
	[Operating Revenues]	[768.2]	[734.9]	[33.3]	[104.5%]	
Total Revenues		771.2	738.1	33.0	104.5%	
Expenses	Personnel	81.3	90.6	(9.2)	89.8%	Retirement Benefit; (11.6)
	Fuel	126.2	117.3	8.8	107.6%	Rise in crude oil CIF price etc.; 14.8 Appreciation of the yen; (7.7)
	Maintenance	92.4	90.0	2.3	102.7%	Thermal power and Renewable power; 3.2
	Depreciation	106.6	108.8	(2.1)	98.0%	Nuclear power; (2.3)
	Power Purchased from other utilities	61.7	54.7	7.0	112.9%	Nuclear power; 4.3
	Power Purchased from other companies	94.5	96.4	(1.9)	98.0%	Joban Joint Power; (2.6)
	Interest	19.7	21.3	(1.5)	92.6%	
	Taxes, etc.	41.6	40.3	1.3	103.3%	
	Nuclear Power Back-end Cost	13.0	9.9	3.1	131.4%	Decommissioning costs of nuclear power units; 1.1
	Other Expenses	71.9	70.6	1.2	101.8%	
Total Expenses		709.4	700.3	9.1	101.3%	
[Operating Income]		[79.0]	[57.3]	[21.6]	[137.8%]	
Ordinary Income		61.8	37.8	23.9	163.3%	
Extraordinary loss		9.7	-	9.7	-	Loss on adjustment for changes of accounting standard for asset retirement obligations; 6.4 Loss on valuation of securities; 3.2
Net income		30.8	26.5	4.2	116.0%	

(billion yen)

	Sep. 30, 2010 (A)	Mar. 31, 2010 (B)	Comparison (A) - (B)	Items
Total Assets	3,626.9	3,589.2	37.6	
Fixed Assets	3,411.0	3,384.9	26.1	Electric utility fixed assets; 32.4 Long-term investments; 16.6 Construction work in progress; (25.9)
Current Assets	215.8	204.2	11.5	Fuel and supplies; 4.8 Accounts receivable; 2.7
Liabilities	2,851.7	2,828.0	23.7	Asset retirement obligations; 123.4 Reserve for decommissioning costs of nuclear power units; (58.1)
Net Assets	775.1	761.2	13.9	
Interest-Bearing Liabilities	2,001.1	2,003.5	(2.3)	Loans; (34.3) Bonds; 30.0



(billion yen)

Statements of Income

	2nd quarter of FY2010 (A)	2nd quarter of FY2009 (B)	Comparison (A) - (B)	Items
Operating Revenues	836.5	804.2	32.3	Electric power; 32.1
Operating Expenses	750.5	740.7	9.8	Electric power; 9.0
Operating Income	86.0	63.4	22.5	
Ordinary Income	68.4	41.4	26.9	
Extraordinary loss	9.8	-	9.8	Loss on adjustment for changes of accounting standard for asset retirement obligations; 6.5 Loss on valuation of securities; 3.3
Net Income	34.9	27.6	7.3	

(billion yen)

Balance Sheets

	Sep. 30, 2010 (A)	Mar. 31, 2010 (B)	Comparison (A) - (B)	Items
Total Assets	3,961.9	3,918.5	43.4	
Fixed Assets	3,578.9	3,558.3	20.5	Electric utility fixed assets; 31.3 Construction work in progress; (21.6)
Current Assets	383.0	360.2	22.8	Inventories; 9.0
Liabilities	3,001.1	2,974.6	26.5	Asset retirement obligations; 123.6 Reserve for decommissioning costs of nuclear power units; (58.1)
Net Assets	960.8	943.9	16.8	

Interest-Bearing Liabilities	2,043.9	2,048.8	(4.9)	Loans; (36.9), Bonds; 30.0
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(billion yen)

	2nd quarter of FY2010 (A)	2nd quarter of FY2009 (B)	Comparison (A) - (B)	Items
Cash Flow from Operating Activities	160.2	167.7	(7.5)	Accrued retirement benefits; (10.9)
Cash Flow from Investing Activities	(126.3)	(132.0)	5.6	Acquisition of property, plant and equipment; 24.4 Payments for investments and advances; (17.3)
Cash Flow from Financing Activities	(21.2)	(36.4)	15.1	Bonds; 30.0 [Redemption; 50.0, Proceeds; (20.0)] Loans; (13.6) [Repayment; (19.5), Proceeds; 5.9]
Net Cash Flow	12.5	(0.7)	13.3	
Free Cash Flow	51.7	54.6	(2.9)	

Note; Our definition of the free cash flow

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

(billion yen)

	2nd quarter of FY2010 (A)	2nd quarter of FY2009 (B)	Comparison (A) - (B)
Sales * 1	836.5	804.2	32.3
Electric Power Business	763.3	731.1	32.2
Construction Business	98.5	100.8	(2.3)
Gas Business	15.4	13.1	2.3
Information Processing, Telecommunication Business	19.2	18.0	1.1
Others	63.1	63.6	(0.4)
Operating income / loss	86.0	63.4	22.5
Electric Power Business	81.4	58.0	23.4
Construction Business	(0.8)	(0.8)	(0.0)
Gas Business	0.7	2.0	(1.3)
Information Processing, Telecommunication Business	1.9	1.1	0.7
Others	2.1	2.3	(0.2)

* 1 Lower is net sales to outside customers.

【 Major Consolidated Subsidiaries 】* 2

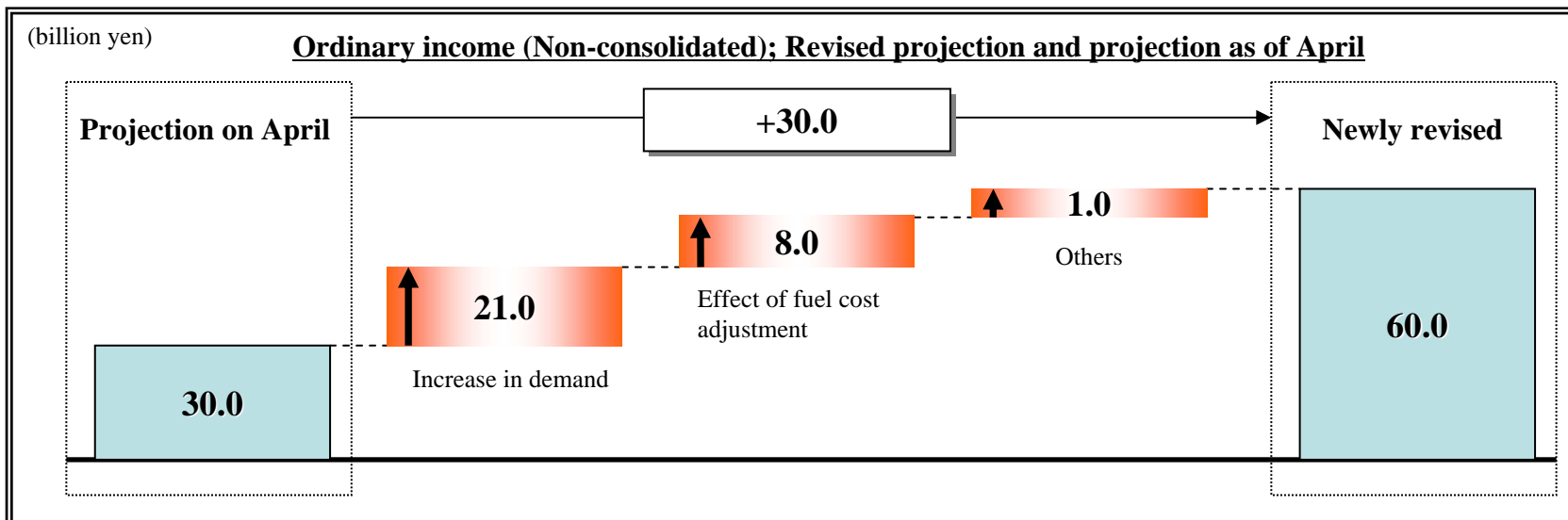
(billion yen)

	2nd quarter of FY2010		Year-on-year	
	Sales	Operating income / loss	Sales	Operating income / loss
Electric Power Business				
Tousei Kougyo Co., Inc.	1.6	0.3	(0.0)	(0.0)
Sakata Kyodo Power Co., Ltd.	15.4	1.6	(1.2)	0.7
Construction Business				
Yurtec Corp.	63.1	(1.6)	(2.4)	(0.0)
Tohoku Electric Engineering & Construction Co., Inc.	29.0	0.9	(1.8)	(0.6)
Gas Business				
Nihonkai LNG Co., Ltd.	7.1	0.6	(0.0)	(0.1)
Information Processing, Telecommunication Business				
Tohoku Intelligent Telecommunication Co., Inc.	11.1	2.0	0.5	0.6
Tohoku Information Systems Co., Inc.	8.4	(0.1)	0.6	0.1
Others				
Kitanihon Electric cable Co., Ltd.	14.1	0.2	(1.3)	(0.0)

* 2 Before elimination of inter-companies transaction

(billion yen)

		Projection for FY2010		Results of FY2009 (C)	Comparison	
		On Oct. 2010 (A)	On Apr. 2010 (B)		(A) – (B)	(A) – (C)
Consolidated	Operating Revenues	1,710.0	1,690.0	1,663.3	20.0	46.6
	Operating Income	112.0	83.0	89.2	29.0	22.7
	Ordinary Income	76.0	46.0	43.2	30.0	32.7
	Net Income	36.0	19.0	25.8	17.0	10.1
Non-consolidated	Operating Revenues	1,550.0	1,530.0	1,507.5	20.0	42.4
	Operating Income	95.0	66.0	73.5	29.0	21.4
	Ordinary Income	60.0	30.0	27.7	30.0	32.2
	Net Income	30.0	13.0	20.1	17.0	9.8



Projection (Non-consolidated) - Major Factors, Sensitivity to Major Factors-

		Projection for FY2010		Results of FY2009 (C)	Comparison	
		On Oct. 2010 (A)	On Apr. 2010 (B)		(A) – (B)	(A) – (C)
Major Factors	Electric Power Sales (billion kWh)	82.5	79.4	79.0	3.1	3.5
	Residential	26.0	24.9	25.0	1.1	1.0
	Commercial and Industrial	56.5	54.5	54.0	2.0	2.5
	Crude Oil CIF Price (\$/bbl)	79	85	69.4	(6)	9.6
	Exchange Rate (¥/\$)	87	90	93	(3)	(6)
	Hydro Power Flow Rate (%)	102	100	90.3	2	11.7
	Nuclear Power Capacity Factor (%)	75	74	71.1	1	3.9

(billion yen)

		Projection for FY2010		Results of FY2009 (C)	Comparison	
		On Oct. 2010 (A)	On Apr. 2010 (B)		(A) – (B)	(A) – (C)
Sensitivity to Major Factors	Crude Oil CIF Price (per \$1/bbl)	2.0	2.2	2.2	(0.2)	(0.2)
	Exchange Rate (per ¥1/\$)	2.7	2.9	2.3	(0.2)	0.4
	Hydro Power Flow Rate (per 1%)	0.8	0.9	0.7	(0.1)	0.1
	Nuclear Power Capacity Factor (per 1%)	1.7	1.9	1.6	(0.2)	0.1

Reference

Large Industrial Demand Year-on-year Comparison

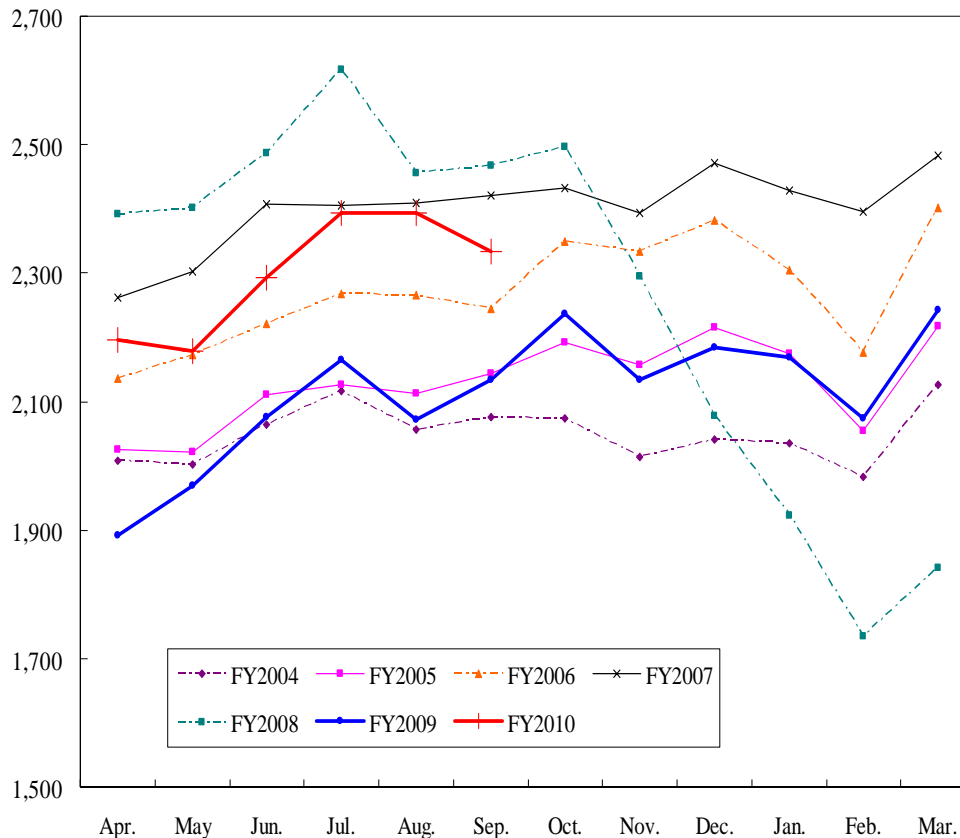
13,785 million kWh
up 1,479 million kWh (+12.0%)

(million kWh)

	2nd quarter of FY2010 (A)	2nd quarter of FY2009 (B)	Comparison	
			(A) - (B)	(A) / (B)
Food Products	856	820	36	104.5%
Paper/Pulp	508	474	34	107.2%
Chemicals	1,071	957	114	111.8%
Ceramics	365	322	43	113.3%
Steel	1,493	1,154	339	129.4%
Nonferrous Metals	1,968	1,588	380	123.9%
Machinery and Equipment Manufacturing	4,225	3,889	336	108.6%
Others	3,299	3,102	197	106.4%
Total	13,785	12,306	1,479	112.0%

Changes in Large Industrial Demand

(million kWh)



Personnel Expenses - ¥ 9.2 billion

(billion yen)

	2nd quarter of FY2010 (A)	2nd quarter of FY2009 (B)	Comparison (A) - (B)
Personnel Expenses (Total)	81.3	90.6	(9.2)

Retirement benefit - ¥ 11.6 billion (¥ 21.0 billion to ¥ 9.4 billion)
Amortization of actuarial difference - ¥ 5.4 billion (¥ 11.0 billion to ¥ 5.5 billion)
<Amortization of actuarial difference >

(billion yen)

Recorded Year	Recorded amount	Amortization amount			
		FY2009	FY2010	FY2011	FY2012
FY2006	1.8	0.6	-	-	-
FY2007	29.6	9.8	9.8	-	-
FY2008	34.5	11.5	11.5	11.5	-
FY2009	(31.0)	-	(10.3)	(10.3)	(10.3)
Total		22.0	11.0	1.1	(10.3)

Fuel Expenses + ¥ 8.8 billion

(billion yen)

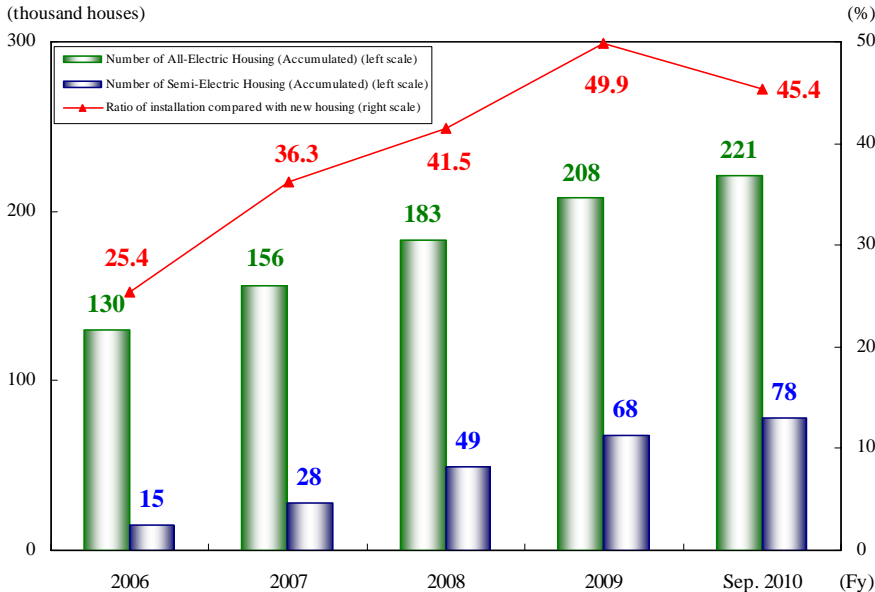
	2nd quarter of FY2010 (A)	2nd quarter of FY2009 (B)	Comparison (A) - (B)
Fuel Expenses (Total)	126.2	117.3	8.8

Coal (thousand tons)	3,198	4,090	(892)
Heavy oil and Crude oil (thousand kl)	241	240	1
LNG (thousand tons)	1,131	1,390	(259)

- Tohoku EPCO creates energy demand centered on all-electrical systems based on heat pumps as part of its efforts on the demand side to realize a low-carbon society and also improve profitability.
- For household use, 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.
- In the corporate sector, we also consider the regional characteristics regarding air conditioning and hot-water supply, and aggressively make proposals on heat pumps to customers. Regarding kitchens, our focused marketing of electric kitchen systems has resulted in a steady increase in the number of units introduced, since the system can respond to hygiene issues such as temperature and humidity control.

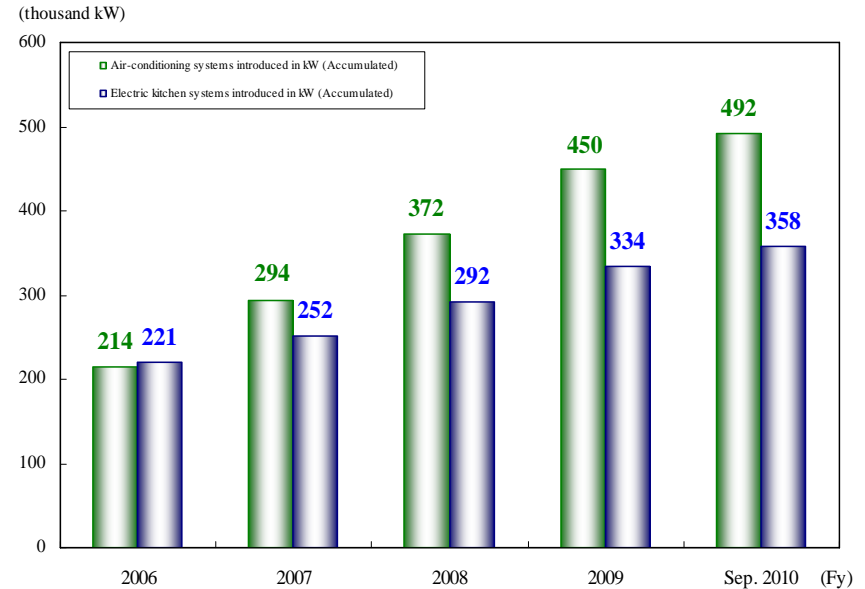
For household use

◇ Actual number of All-Electric and Semi-Electric Housing (Accumulated)



For corporate use

◇ Actual numbers of commercial air-conditioning / electric kitchen systems introduced (Accumulated)

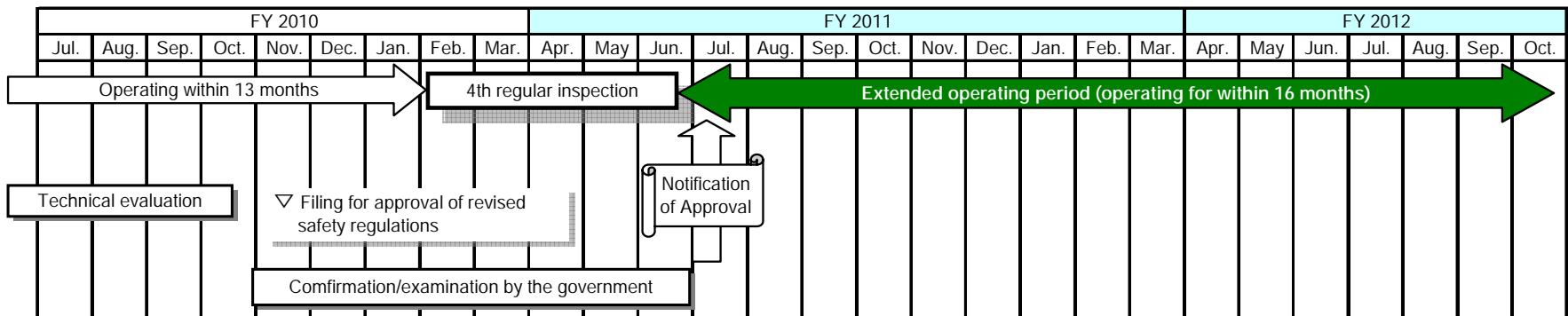


- With the new inspection system that took effect in January 2009, Tohoku EPCO plans to extend the operation period of Higashidori Unit 1 following completion of the 4th regular inspection (scheduled to start in February and end in June 2011) from the conventional duration of within 13 months to a new term of within 16 months.
This change is slated to be filed for approval with the national government at the beginning of November.
- The increase in capacity factors expected due to longer operation periods is estimated at about 3% for Higashidori Unit 1, and about 0.7% for the entire nuclear power generation of Tohoku EPCO.
About 0.2 million tons of CO₂ emissions reduction are expected on a yearly basis.
 - * Positive effects on capacity factors and CO₂ emissions reductions are based on an estimation assuming a regular inspection period of 100 days and an operation period of 16 months (extended from the current 13 months).
Actual records of capacity factors for each fiscal year will not improve as they are.

Details of the filing for extension of operation period

- Regarding technical evaluations of equipment relevant to extended operation periods, it shall be confirmed that there will be no problems if inspection and test intervals are extended to 26 months.
Revised safety regulations based on the details of such evaluations will be filed with the government.
- While an operation period of within 18 months* is possible, priority is placed on accumulation of operation experience concerning safety and stability and plan to file for approval of revised safety regulations for a within-16-month operation, since this is the first case of an operation-period extension.
 - * An operation period is limited to 18 months for the first 5 years after introduction of a new system.

Schedule of the operation period extension of Higashidori Unit 1



Electricity Sales

(million kWh)

	2nd quarter of FY2006	2nd quarter of FY2007	2nd quarter of FY2008	2nd quarter of FY2009	2nd quarter of FY2010
Regulated Segment	13,408	13,296	13,061	13,029	14,287
Residential	11,208	11,218	11,062	11,109	12,169
Commercial	2,200	2,078	1,999	1,920	2,118
Deregulated Segment	25,939	27,092	27,551	24,460	26,809
Total	39,347	40,388	40,612	37,489	41,096

[Sub-segment]

(million kWh)

Large Industrial	13,308	14,205	14,821	12,306	13,785
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Statements of Income

(billion yen)

		2nd quarter of FY2006	2nd quarter of FY2007	2nd quarter of FY2008	2nd quarter of FY2009	2nd quarter of FY2010
Operating Revenues	Consolidated	837.9	852.9	883.0	804.2	836.5
	Non- consolidated	765.8	764.0	804.8	734.9	768.2
Operating Income (Loss)	Consolidated	82.5	69.8	4.5	63.4	86.0
	Non- consolidated	73.9	57.3	(6.0)	57.3	79.0
Ordinary Income (Loss)	Consolidated	61.5	48.0	(14.2)	41.4	68.4
	Non- consolidated	52.9	37.1	(23.2)	37.8	61.8
Net Income (Loss)	Consolidated	34.6	27.7	(8.2)	27.6	34.9
	Non- consolidated	31.6	23.5	(12.8)	26.5	30.8
ROE (%)	Consolidated	3.5	2.8	(0.9)	3.1	3.9
	Non- consolidated	3.6	2.7	(1.6)	3.4	4.0
FCF	Consolidated	96.6	48.0	(22.7)	54.6	51.7

(billion yen)

		Mar. 31, 2007	Mar. 31, 2008	Mar. 31, 2009	Mar. 31, 2010	Sep. 30, 2010
Total Assets	Consolidated	4,069.3	4,033.8	4,019.3	3,918.5	3,961.9
	Non-consolidated	3,709.3	3,675.9	3,681.1	3,589.2	3,626.9
Liabilities	Consolidated	3,036.6	3,018.4	3,071.0	2,974.6	3,001.1
	Non-consolidated	2,834.8	2,830.7	2,910.1	2,828.0	2,851.7
Net Assets	Consolidated	1,032.6	1,015.3	948.2	943.9	960.8
	Non-consolidated	874.5	845.1	770.9	761.2	775.1
Equity Ratio (%)	Consolidated	24.2	23.9	22.3	22.8	23.0
	Non-consolidated	23.6	23.0	20.9	21.2	21.4
Interest-Bearing Liabilities	Consolidated	2,163.3	2,081.9	2,123.2	2,048.8	2,043.9
	Non-consolidated	2,085.3	2,015.5	2,067.9	2,003.5	2,001.1

(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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