

Financial Summary

1st quarter of FY2011

July 29, 2011



Tohoku Electric Power Co., Inc.

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1st quarter of FY2011 Financial Results

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

- **On revenue side, ordinary revenues decreased by ¥46.3 billion, year-on-year, due to the decrease in revenues from electricity sales because of the Great East Japan Earthquake.**
- **With respect to expenses, despite the decrease in maintenance cost and decrease in purchased power expenses, ordinary expenses increased by ¥13.7 billion, year-on-year, due to the great increase in fuel expenses for thermal power caused by the shutdown of nuclear power stations.**
- **As a result, consolidated ordinary loss was ¥19.1 billion (a year-on-year decrease of ¥60.0 billion)**

(billions of yen)

		1st quarter of FY2011 (A)	1st quarter of FY2010 (B)	Comparison		Consolidated/Non-consolidated of 1st quarter of FY2011	
				(A) - (B)	(A) / (B)	Comparison	Ratio
Consolidated	Operating Revenues	347.2	393.8	(46.6)	88.2%	34.4	1.11times
	Operating (Loss) Income	(11.7)	49.3	(61.1)	-	3.5	-
	Ordinary (Loss) Income	(19.1)	40.9	(60.0)	-	2.0	-
	Net (Loss) Income	(16.6)	19.3	(35.9)	-	(0.0)	-
Non-Consolidated	Operating Revenues	312.7	365.5	(52.7)	85.6%		
	Operating (Loss) Income	(15.3)	47.6	(63.0)	-		
	Ordinary (Loss) Income	(21.1)	39.6	(60.7)	-		
	Net (Loss) Income	(16.6)	17.9	(34.5)	-		

**Electricity Sold
Year-on-Year Compared**

**16,632 million kWh
down 3,219million kWh (-16.2%)**

(million kWh)

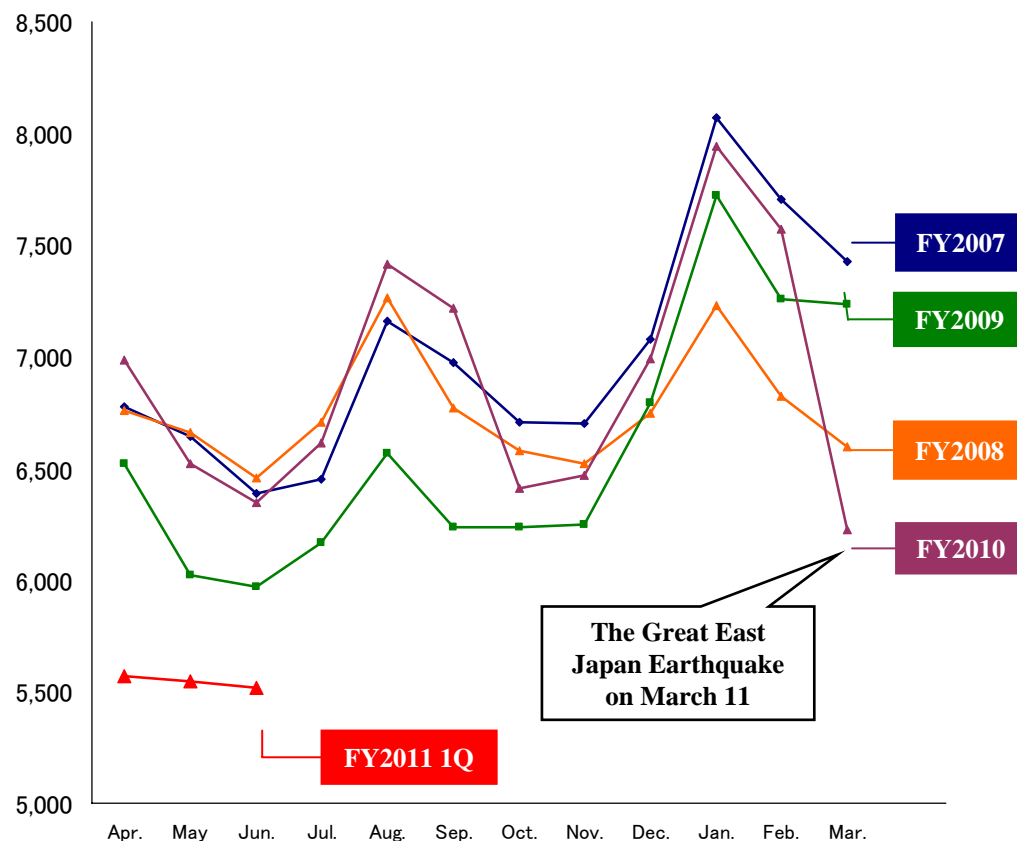
Segment	1st quarter of FY2011 (A)	1st quarter of FY2010 (B)	Comparison		
			(A) - (B)	(A) / (B)	
Regulated	Residential	5,548	6,259	(711)	88.6%
	Commercial	841	974	(133)	86.3%
	Sub-total	6,389	7,233	(844)	88.3%
Deregulated	10,243	12,618	(2,375)	81.2%	
Total	16,632	19,851	(3,219)	83.8%	

【 Sub Segment 】

Large Industrial	5,399	6,665	(1,266)	81.0%
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(million kWh)

Changes in Demand



Large Industrial Demand Year-on-year Compared

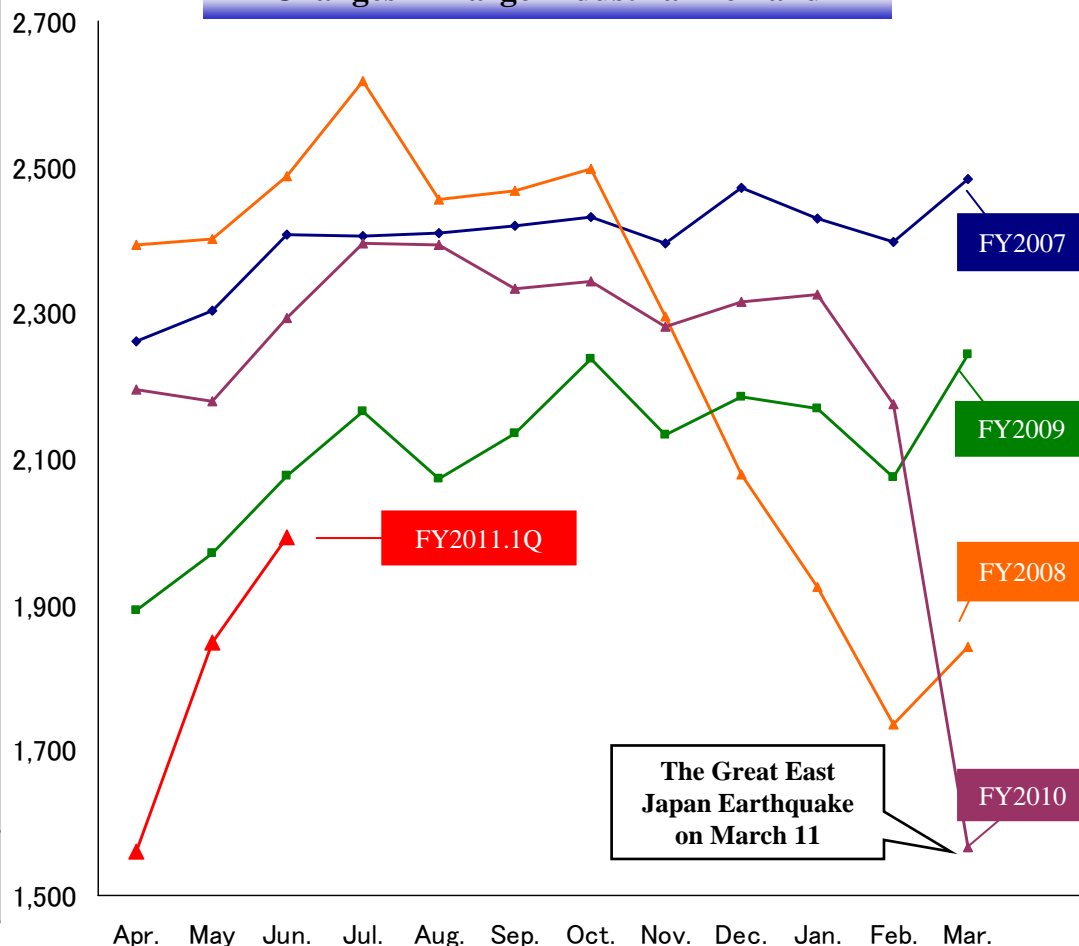
5,399 million kWh
down **1,266 million kWh (-19.0%)**

(million kWh)

	1st quarter of FY2011 (A)	1st quarter of FY2010 (B)	Comparison	
			(A) - (B)	(A) / (B)
Food Products	338	387	(49)	87.3%
Paper/Pulp	199	264	(65)	75.7%
Chemicals	461	494	(33)	93.1%
Ceramics	150	187	(37)	80.1%
Steel	384	770	(386)	49.9%
Nonferrous Metals	739	985	(246)	75.0%
Machinery and Equipment Manufacturing	1,781	1,992	(211)	89.4%
Others	1,347	1,586	(239)	85.0%
Total	5,399	6,665	(1,266)	81.0%

(million kWh)

Changes in Large Industrial Demand



		1st quarter of FY2011 (A)	1st quarter of FY2010 (B)	Comparison	
				(A) - (B)	(A) / (B)
Electricity Generated and Purchased (millions of kWh)	Own Generated power	12,643	16,486	(3,843)	76.7%
	Hydro	2,818	2,634	184	107.0%
	Thermal	9,607	7,521	2,086	127.7%
	Nuclear	—	6,093	(6,093)	—
	Renewable	218	238	(20)	91.9%
	Purchased Power	3,537	6,017	(2,480)	58.8%
	Power Interchanges (Transmitted)	(943)	(5,030)	4,087	18.8%
	Power Interchanges (Received)	2,615	3,435	(820)	76.1%
	Used at Pumped Storage	(95)	(26)	(69)	364.2%
	Total, Generated and Purchased	17,757	20,882	(3,125)	85.0%
Major Factors	Crude Oil CIF Price (\$/bbl)	115.0	81.3	33.7	
	Exchange Rate (¥/\$)	82	92	(10)	
	Hydro Power Flow Rate (%)	109.7	104.5	5.2	
	Nuclear Power Capacity Factor (%)	0.0	85.2	(85.2)	

Comparison Statements of Revenue & Expense (Non-consolidated)

		1st quarter of FY2011 (A)	1st quarter of FY2010 (B)	Comparison		Items	
				(A) - (B)	(A) / (B)		
Revenues	Residential	116.0	128.9	(12.8)	90.1%	Decrease in Electric sales volume; (50.7) Rise in electricity rate; 17.6	
	Commercial	164.0	184.2	(20.2)	89.0%		
	Sub Total	280.1	313.1	(33.0)	89.4%		
		Sales of Power to Other Utilities	26.1	41.7	(15.6)	62.6%	Thermal power;(4.5), Nuclear power;(2.0)
		Other Revenues	10.7	12.7	(1.9)	84.5%	Miscellaneous revenues from electric utility business;(3.8)
		[Operating Revenues]	[312.7]	[365.5]	[(52.7)]	[85.6%]	
		Total Revenues	317.0	367.6	(50.6)	86.2%	
Expenses		Personnel	40.9	39.2	1.6	104.3%	Retirement Benefit; 0.6
		Fuel	86.6	54.3	32.3	159.4%	Rise in crude oil CIF price; 24.7 Effect of increase in electricity generated by thermal power; 15.6, Appreciation of the yen; (8.0)
		Maintenance	25.5	33.2	(7.6)	77.0%	Distribution; (7.5)
		Depreciation	52.3	53.6	(1.2)	97.6%	Thermal power; (1.0), Nuclear power; (1.0) Transmission; 0.8
		Power Purchased from other utilities	25.0	29.0	(4.0)	86.2%	Nuclear power;(1.1)
		Power Purchased from other companies	40.9	46.7	(5.8)	87.6%	Soma Kyodo Power; (6.9)
		Interest	9.3	9.8	(0.4)	95.1%	
		Taxes, etc.	18.6	20.2	(1.6)	92.0%	
		Nuclear Power Back-end Cost	3.7	6.5	(2.7)	57.5%	
		Other Expenses	34.7	35.0	(0.2)	99.4%	
		Total Expenses	338.1	328.0	10.1	103.1%	
	[Operating (Loss) Income]	[(15.3)]	[47.6]	[(63.0)]	[-]		
	Ordinary (Loss) Income	(21.1)	39.6	(60.7)	-		
	Extraordinary Loss	1.7	9.0	(7.2)	19.6%	Loss on adjustment for changes of accounting for asset retirement obligations;(6.4) Loss on valuation of securities;(0.8)	
	Net (Loss) Income	(16.6)	17.9	(34.5)	-		

(billions of yen)

	Jun. 30, 2011 (A)	Mar. 31, 2011 (B)	Comparison (A) - (B)	Items
Total Assets	3,667.5	3,700.8	(33.3)	
Fixed Assets	3,412.5	3,430.6	(18.0)	Construction work in progress; (159.4) Transmission plant; 135.5
Current Assets	254.9	270.1	(15.2)	Cash and Deposits; (12.7)
Liabilities	2,997.1	3,003.7	(6.6)	
Net Assets	670.4	697.0	(26.6)	
Interest-Bearing Liabilities	2,084.2	2,010.2	74.0	Loans; 96.0, CP; 8.0, Bonds; (30.0)



(billions of yen)

	1st quarter of FY2011 (A)	1st quarter of FY2010 (B)	Comparison (A) - (B)	Items
Operating Revenues	347.2	393.8	(46.6)	Electric power; (52.5), Other; 5.8
Operating Expenses	359.0	344.5	14.4	Electric power; 10.5, Other; 3.9
Operating Income	(11.7)	49.3	(61.1)	
Ordinary Income	(19.1)	40.9	(60.0)	
Extraordinary Loss	1.7	9.1	(7.3)	Loss on adjustment for changes of accounting standard for asset retirement obligations; (6.5), Loss on valuation of securities; (0.8)
Net Income	(16.6)	19.3	(35.9)	

(billions of yen)

	Jun. 30, 2011 (A)	Mar. 31, 2011 (B)	Comparison (A) - (B)	Items
Total Assets	4,004.9	4,028.8	(23.9)	
Fixed Assets	3,577.2	3,591.8	(14.5)	Construction work in progress; (154.6) Transmission plant; 135.6
Current Assets	427.6	437.0	(9.3)	Cash and deposits; (13.3)
Liabilities	3,155.3	3,152.3	3.0	
Net Assets	849.5	876.4	(26.9)	
Interest-Bearing Liabilities	2,126.9	2,051.8	75.0	Loans; 97.0, CP; 8.0, Bonds; (30.0)

(billions of yen)

	1st quarter of FY2011 (A)	1st quarter of FY2010 (B)	Comparison (A) - (B)
Sales *	347.2	393.8	(46.6)
Electric Power Business	310.3	362.9	(52.6)
Construction Business	309.9	362.4	(52.5)
Gas Business	43.2	34.9	8.2
Information Processing Tele-Communication Business	18.3	11.0	7.3
Others	8.6	7.9	0.7
	6.5	5.6	0.8
	10.8	9.3	1.5
	4.3	3.6	0.6
	27.6	30.2	(2.6)
	8.0	11.0	(2.9)
Operating (loss) income	(11.7)	49.3	(61.1)
Electric Power Business	(14.1)	49.3	(63.5)
Construction Business	(1.2)	(3.3)	2.1
Gas Business	0.5	0.4	0.1
Information Processing Tele-Communication Business	1.7	1.3	0.4
Others	0.9	1.1	(0.1)

* Lower is net sales to outside customers.

**The Great East Japan Earthquake
(Current Situation and our efforts)**

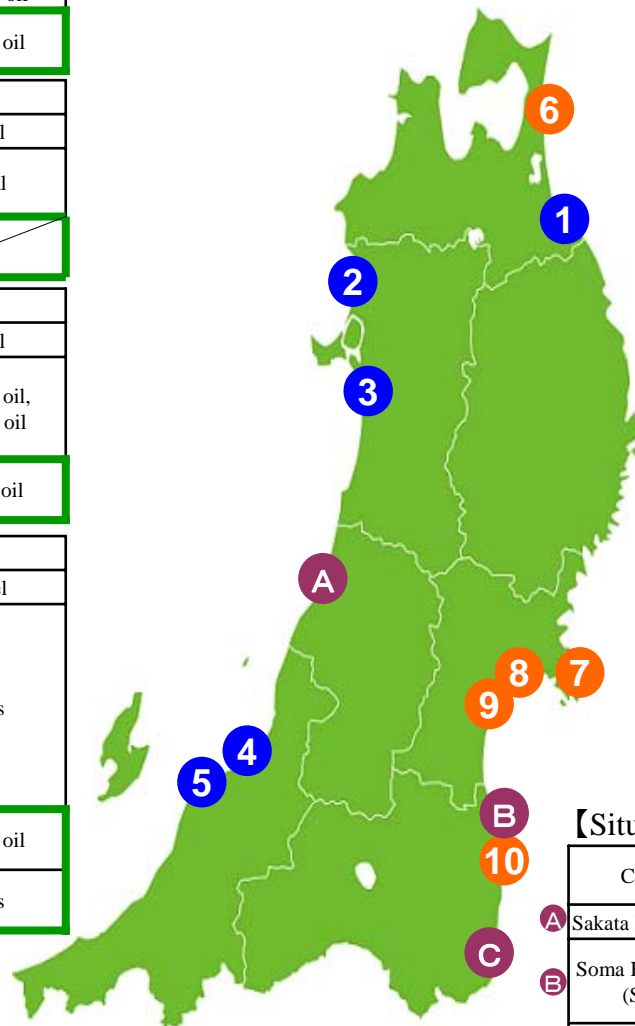
① Hachinohe Thermal (Hachinohe, Aomori)			
Situation	Unit	Output	Fuel
In Operation	No.3	250,000kW	Heavy oil, Crude oil
Expected Operation in Jul.2012	Gas turbine	274,000kW	Light oil

② Noshiro Thermal (Noshiro, Akita)			
Situation	Unit	Output	Fuel
In Operation	No.1	600,000kW	Coal
In Operation	No.2	600,000kW	
Expected Operation in Jan.2012	Na-S battery	80,000kW	

③ Akita Thermal (Akita, Akita)			
Situation	Unit	Output	Fuel
In Operation	No.2	350,000kW	Heavy oil, Crude oil
In Operation	No.3	350,000kW	
In Operation	No.4	600,000kW	
Expected Operation in Jul.2012	Gas turbine	333,000kW	Light oil

④ Higashi-Niigata Thermal (Seiro, Niigata)			
Situation	Unit	Output	Fuel
In Operation	No.1	600,000kW	Gas
In Operation	No.2	600,000kW	
In Operation	No.3 series	1,210,000kW	
In Operation	No.4 series	1,700,000kW	
In Operation	Minato No.1	350,000kW	
In Operation	Minato No.2	350,000kW	
Expected Operation in Aug.2011	Gas turbine	25,000kW or so × 2	Light oil
Expected Operation in Jul.2012	Gas turbine	339,000kW	Gas

⑤ Niigata Thermal (Niigata, Niigata)			
Situation	Unit	Output	Fuel
In Operation	No.4	250,000kW	Gas
Expected Operation in Jul.2011	No.5 series	109,000kW	Gas
Expected Operation in Jan.2012	Gas turbine	34,000kW	



⑥ Higashidori Nuclear (Higashidori, Aomori)		
Situation	Unit	Output
Under regular inspection	No.1	1,100,000kW

⑦ Onagawa Nuclear (Onagawa and Ishinomaki, Miyagi)		
Situation	Unit	Output
Automatically Shut down	No.1	524,000kW
Under regular inspection	No.2	825,000kW
Automatically Shut down	No.3	825,000kW

⑧ Sendai Thermal (Shichigahama, Miyagi)			
Situation	Unit	Output	Fuel
Shut down	No.4	446,000kW	Gas

⑨ Shin-Sendai Thermal (Sendai, Miyagi)			
Situation	Unit	Output	Fuel
Shut down	No.1	350,000kW	Heavy Oil
Shut down	No.2	600,000kW	Gas

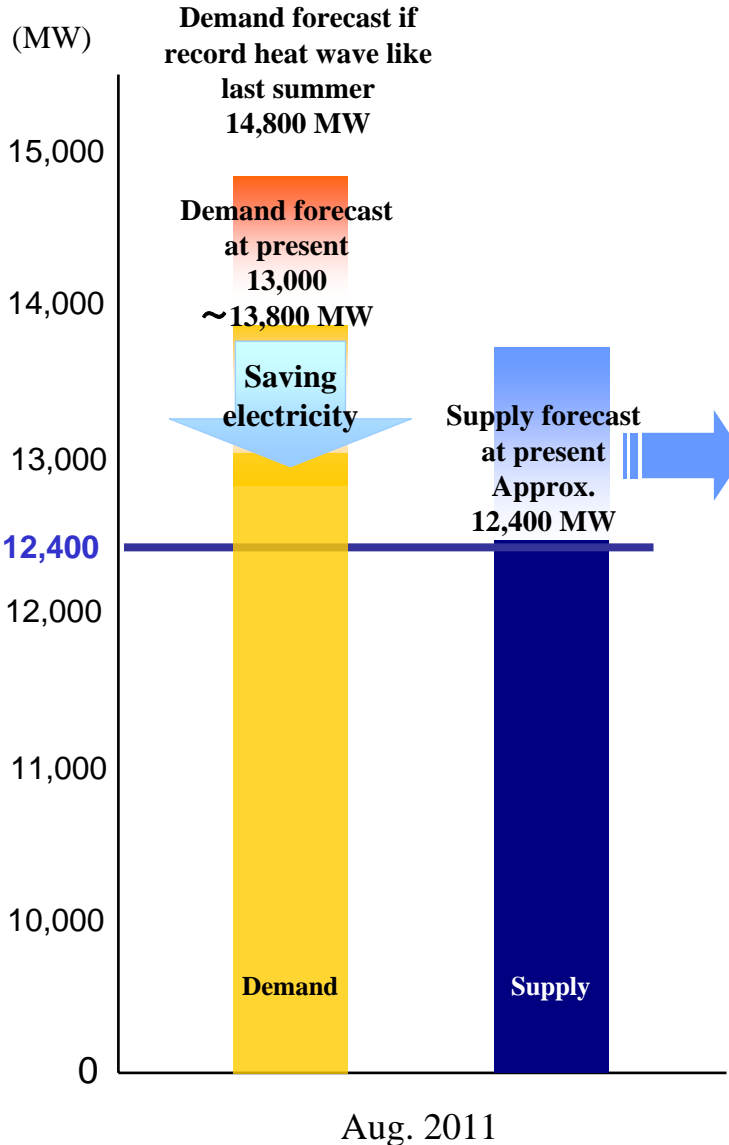
⑩ Haramachi Thermal (Minamisoma, Fukushima)			
Situation	Unit	Output	Fuel
Shut down	No.1	1,000,000kW	Coal
Shut down	No.2	1,000,000kW	

【Situation of Joint power stations】

Company	Situation	Power purchased	Fuel	Notes
A Sakata Kyodo Power	In operation	700,000kW	Coal	Resumption of operation is expected in the shortest possible time
B Soma Kyodo Power (Shinchi)	Shut down	1,000,000kW		
C Joban Joint Power* (Nakoso)	Resumption of operation of unit 8 and 9	812,500kW		

*Resumption of operation of unit 7(125,000kW power purchased) is expected at the end of FY2011 and unit 6 is under long-term suspension of operation

Forecast of Supply and Demand this Summer Action Being Taken to Assure the Power Supply



Assuring medium- to long-term power supply

- Resumption in the shortest possible time of Sendai Thermal Power Station and Shin-sendai Thermal Power Station that were damaged by the earthquake.
- Assistance provided for the resumption in the shortest possible time of power generator Unit 1 and 2 at the Shinchi Power Station of Soma Kyodo Power Co., Ltd. (1,000 MW of power made available to Tohoku Electric Power)
- Installing Na-S battery for next winter and gas turbines for next summer

■ Power interchange from Tokyo Electric Power Company based on “Supply-demand measures in summer time” established by the government **MAX 1,400 MW**

Action being taken to assure power supply

- Resumption of operation of Minato unit 1 at Higashi-Niigata Power Station (350 MW output)
- Resumption of operation of unit 8 and unit 9 generators at the Nakoso power station of Joban Joint Power (with 300 MW × 2 of power made available to Tohoku Electric Power)
- Start of commercial operation of unit 5 series power generators at Niigata Thermal Power Station(109 MW output) is expected in July
- Purchase of interchanged power from Electric Powers
- Purchase of surplus power generated by private power generators
- Installing portable gas turbines (in Higashi-Niigata Power Station, 25 MW outputs or so × 2)

Current Conditions at Onagawa and Higashidori Nuclear Power Stations

■ All units at both stations are **in cold shutdown condition**, and there are no problems concerning about the data of exhaust stack monitors and radioactive monitors of each section.

Emergency Safety Measures based on Consequences of the Accident at TEPCO's¹ Fukushima Daiichi and Daini Nuclear Power Plants

■ We have already implemented six emergency safety measures based on the government instructions (issued on March 30): deployment of high-voltage power supply vehicle and fire engines, and securing venting etc..

■ We have been systematically conducting mid- and long-term measures to ensure further safety: 'deployment of high-capacity power unit, power generator for emergencies, portable pumps and alternate emergency seawater pumps', 'securing materials and machinery for cleaning and drying motors for emergency seawater pumps and backup motors for seawater pumps', 'improvement of water-tightness of doors in buildings', and 'installation of coastal levees and walls'.

Our efforts above were evaluated by the government as 'appropriate'. (Higashidori on May 6, Onagawa on June 1)

1: Tokyo Electric Power Company

Measures against Severe Accidents based on Lessons learned from the Disaster at TEPCO's Fukushima Daiichi Nuclear Power Plants

■ We worked out 'measures against severe accidents' in line with the government instructions (issued on June 7), and has been systematically implementing the measures: 'securing work environment in the main control room', 'securing of communication channels during an emergency', 'securing materials and machinery, such as high radiation protective garments, and creating a support system for radiation control', 'measures against hydrogen explosion', and 'deployment of heavy equipment to clear rubble'.

We reported these measures to the government on June 14, and we were inspected at Onagawa on June 15 and at Higashidori on June 16.

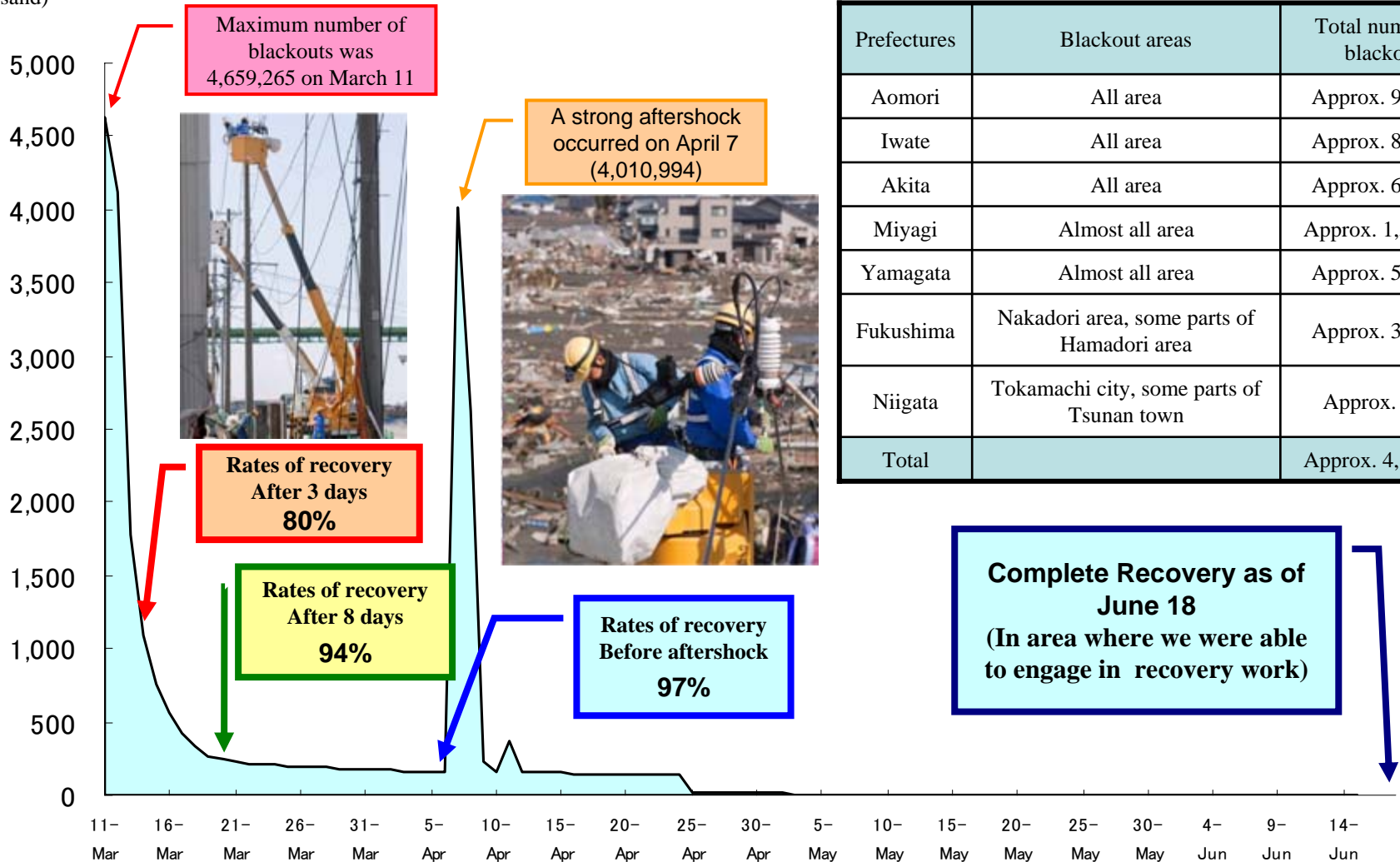
Stress Test

■ We intend to implement 'stress test' according to the government instructions (issued on July 22).

We are going to conduct assessments including 'earthquake', 'tsunami', 'loss of all AC sources' and 'loss of ultimate heat sink'.

A total of 4,659,265 homes blacked out on March 11,2011 → **Complete Recovery as of June 18,2011**
 (In areas where we were able to engage in recovery work)

Number of blackouts (thousand)



Total number of blackout

Prefectures	Blackout areas	Total number of blackouts
Aomori	All area	Approx. 920,000
Iwate	All area	Approx. 820,000
Akita	All area	Approx. 670,000
Miyagi	Almost all area	Approx. 1,550,000
Yamagata	Almost all area	Approx. 530,000
Fukushima	Nakadori area, some parts of Hamadori area	Approx. 380,000
Niigata	Tokamachi city, some parts of Tsunan town	Approx. 1,000
Total		Approx. 4,860,000

Sendai Thermal Power Station (located in Shichigahama-town, Miyagi Pref.)



Entrance hall in turbine building

Photographed on March 31



Entrance hall in turbine building

Photographed on July 21

Shin-Sendai Thermal Power Station (located in Sendai-city, Miyagi Pref.)



Fuel and water piping
Photographed on March 16

Fuel and water piping
Photographed on June 3

Shin-Sendai Thermal Power Station (located in Sendai-city, Miyagi Pref.)



Exterior of boiler
Photographed on March 16

Exterior of boiler
Photographed on June 3

Haramachi Thermal Power Station (located in Minamisoma-city, Fukushima Pref.)



Ash handling equipment
Photographed on March 17

Ash handling equipment
Photographed on July 8

Haramachi Thermal Power Station (located in Minamisoma-city, Fukushima Pref.)



**Service building
Photographed on March 18**

**Service building
Photographed on July 11**

Tagajo Substation (located in Sendai-city, Miyagi Pref.)



Photographed on March 18



Photographed on June 14

Transmission facilities (transmission line tower) (located in Otsuchi-town, Iwate Pref.)



Photographed on March 12



Photographed on July 19

(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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