

Financial Summary

2nd quarter of FY2011

October 28, 2011

 Tohoku Electric Power Co., Inc.

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2nd quarter of FY2011 Financial Results

(billions of yen)

		2nd quarter of FY2011 (A)	2nd quarter of FY2010 (B)	Comparison		Consolidated/Non- consolidated of 2nd quarter of FY2011	
				(A) - (B)	(A) / (B)	Comparison	Ratio
Consolidated	Operating Revenues	753.8	836.5	(82.7)	90.1%	81.8	1.12
	Operating (Loss) Income	(54.9)	86.0	(140.9)	-	8.6	-
	Ordinary (Loss) Income	(72.8)	68.4	(141.2)	-	6.1	-
	Net (Loss) Income	(108.2)	34.9	(143.2)	-	0.1	-
Non-Consolidated	Operating Revenues	671.9	768.2	(96.2)	87.5%		
	Operating (Loss) Income	(63.5)	79.0	(142.5)	-		
	Ordinary (Loss) Income	(79.0)	61.8	(140.8)	-		
	Net (Loss) Income	(108.4)	30.8	(139.2)	-		

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

**34,886 million kWh
down 6,210million kWh (-15.1%)**

(million kWh)

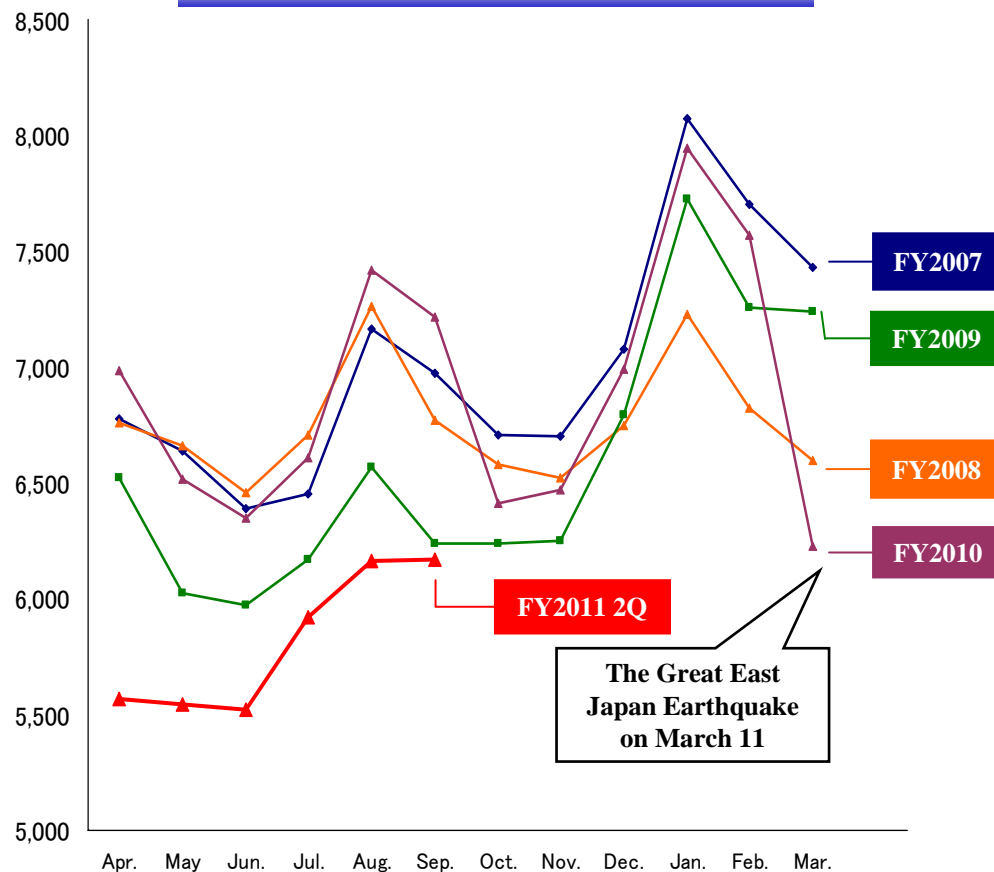
Segment	2nd quarter of FY2011 (A)	2nd quarter of FY2010 (B)	Comparison		
			(A) - (B)	(A) / (B)	
Regulated	Residential	10,785	12,169	(1,384)	88.6%
	Commercial	1,818	2,118	(300)	85.8%
	Sub-total	12,603	14,287	(1,684)	88.2%
Deregulated	22,283	26,809	(4,526)	83.1%	
Total	34,886	41,096	(6,210)	84.9%	

【 Sub Segment 】

Large Industrial	11,562	13,785	(2,223)	83.9%
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(million kWh)

Changes in Demand



Large Industrial Demand Year-on-year Compared

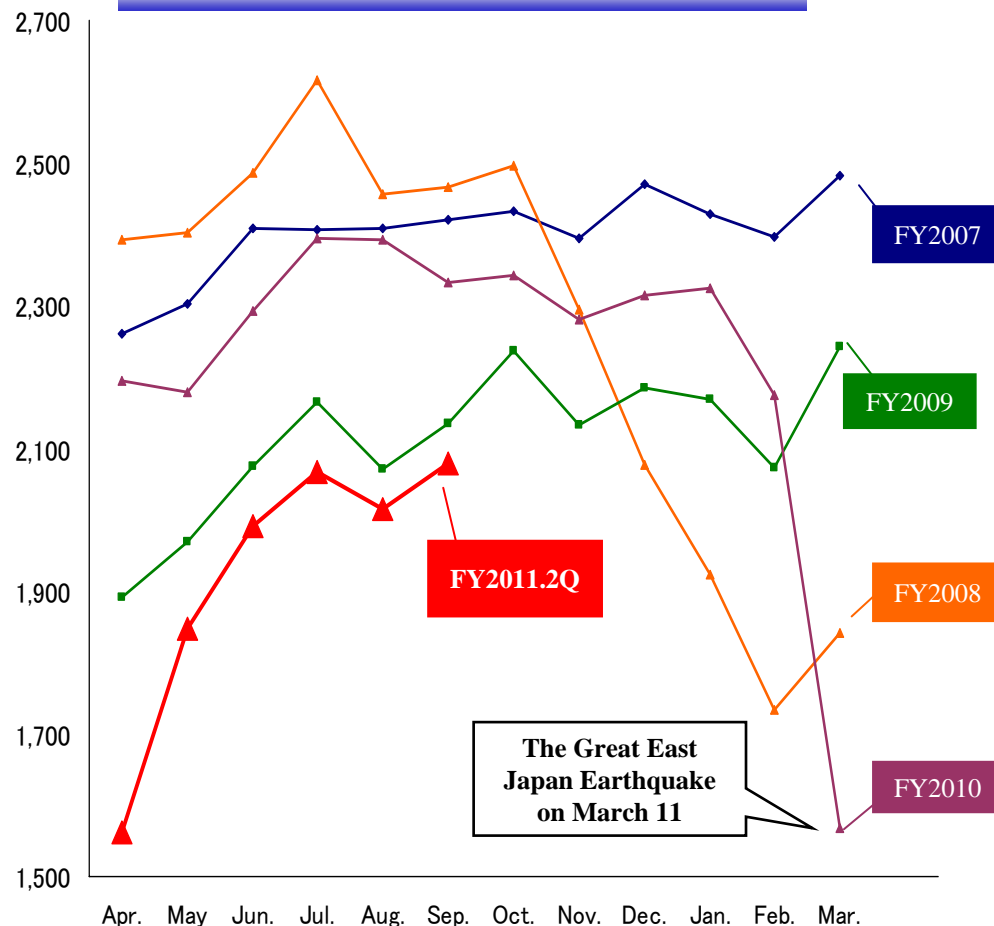
11,562 million kWh
down **2,223 million kWh (-16.1%)**

(million kWh)

	2nd quarter of FY2011 (A)	2nd quarter of FY2010 (B)	Comparison	
			(A) - (B)	(A) / (B)
Food Products	726	856	(130)	84.7%
Paper/Pulp	384	508	(124)	75.6%
Chemicals	978	1,071	(93)	91.3%
Ceramics	304	365	(61)	83.4%
Steel	934	1,493	(559)	62.5%
Nonferrous Metals	1,635	1,968	(333)	83.1%
Machinery and Equipment Manufacturing	3,773	4,225	(452)	89.3%
Others	2,828	3,299	(471)	85.7%
Total	11,562	13,785	(2,223)	83.9%

(million kWh)

Changes in Large Industrial Demand



Electricity Generated and Purchased

(million kWh)

	2nd quarter of FY2011 (A)	2nd quarter of FY2010 (B)	Comparison	
			(A) - (B)	(A) / (B)
Own Generated power	26,540	35,096	(8,556)	75.6%
Hydro	4,239	4,634	(395)	91.5%
Thermal	21,828	18,124	3,704	120.4%
Nuclear	-	11,887	(11,887)	-
Renewable	473	451	22	104.9%
Purchased Power	8,449	11,696	(3,247)	72.2%
Power Interchanges (Transmitted)	(2,777)	(10,386)	7,609	26.7%
Power Interchanges (Received)	5,730	7,976	(2,246)	71.8%
Used at Pumped Storage	(185)	(77)	(108)	241.1%
Total, Generated and Purchased	37,757	44,305	(6,548)	85.2%

		2nd quarter of FY2011 (A)	2nd quarter of FY2010 (B)	Comparison (A) - (B)
Major Factors	Crude Oil CIF Price (\$/bbl)	113.9	78.4	35.5
	Exchange Rate (¥/\$)	80	89	(9)
	Hydro Power Flow Rate (%)	106.0	103.0	3.0
	Nuclear Power Capacity Factor (%)	0.0	82.7	(82.7)

(billions of yen)

		2nd quarter of FY2011 (A)	2nd quarter of FY2010 (B)	Comparison (A) - (B)
Sensitivity to Major Factors	Crude Oil CIF Price (per \$1/bbl)	1.3	0.8	0.5
	Exchange Rate (per ¥1/\$)	2.4	1.1	1.3
	Hydro Power Flow Rate (per 1%)	0.6	0.4	0.2
	Nuclear Power Capacity Factor (per 1%)	1.3	0.9	0.4

Comparison Statements of Revenue & Expense (Non-consolidated)

		2nd quarter of FY2011 (A)	2nd quarter of FY2010 (B)	Comparison		Items
				(A) - (B)	(A) / (B)	
Revenues	Residential	234.4	258.1	(23.7)	90.8%	
	Commercial	363.4	403.4	(39.9)	90.1%	
	Sub Total	597.9	661.6	(63.6)	90.4%	
	Sales of Power to Other Utilities	60.9	88.0	(27.0)	69.2%	Thermal power;(12.2), Nuclear power;(3.5)
	Other Revenues	18.4	21.5	(3.1)	85.6%	
	[Operating Revenues]	[671.9]	[768.2]	[(96.2)]	[87.5%]	
Total Revenues		677.3	771.2	(93.8)	87.8%	
Expenses	Personnel	83.9	81.3	2.6	103.2%	
	Fuel	210.3	126.2	84.1	166.6%	Effect of increase in electricity generated by thermal power; 56.4, Rise in crude oil CIF price;49.3, Appreciation of the yen;(21.6)
	Maintenance	60.3	92.4	(32.1)	65.2%	Thermal power; (13.6), Distribution; (12.5) Nuclear power; (3.2)
	Depreciation	106.3	106.6	(0.3)	99.7%	
	Power Purchased from other utilities	68.7	61.7	6.9	111.2%	
	Power Purchased from other companies	97.8	94.5	3.2	103.4%	
	Interest	19.0	19.7	(0.7)	96.3%	
	Taxes, etc.	36.7	41.6	(4.9)	88.1%	
	Nuclear Power Back-end Cost	3.8	13.0	(9.2)	29.4%	
	Other Expenses	69.4	71.9	(2.5)	96.5%	
	Total Expenses	756.4	709.4	46.9	106.6%	
[Operating (Loss) Income]		[(63.5)]	[79.0]	[(142.5)]	[-]	
Ordinary (Loss) Income		(79.0)	61.8	(140.8)	-	
Extraordinary Loss		89.7	9.7	79.9	919.3%	The Great East Japan Earthquake; 72.0, The heavy rainfall in Niigata and Fukushima; 17.6
Net (Loss) Income		(108.4)	30.8	(139.2)	-	

(billions of yen)

	Sep. 30, 2011 (A)	Mar. 31, 2011 (B)	Comparison (A) - (B)	Items
Total Assets	3,693.6	3,700.8	(7.2)	
Fixed Assets	3,466.0	3,430.6	(35.3)	Transmission plant; 125.4 Construction work in progress; (139.0)
Current Assets	227.6	270.1	(42.5)	Cash and Deposits; (56.0)
Liabilities	3,116.0	3,003.7	112.3	Reserve for loss on disaster; 73.3
Net Assets	577.5	697.0	(119.5)	
Interest-Bearing Liabilities	2,113.5	2,010.2	103.2	Loans; 144.2, CP; 18.0, Bonds; (59.0)



(billions of yen)

Statements of Income		2nd quarter of FY2011 (A)	2nd quarter of FY2010 (B)	Comparison (A) - (B)	Items
Operating Revenues		753.8	836.5	(82.7)	Electric power; (96.0), Other; 13.2
Operating Expenses		808.7	750.5	58.1	Electric power; 46.5, Other; 11.6
Operating Income		(54.9)	86.0	(140.9)	
Ordinary Income		(72.8)	68.4	(141.2)	
Extraordinary Loss		90.4	9.8	80.6	The Great East Japan Earthquake; 72.8 The heavy rainfall in Niigata and Fukushima; 17.6
Net Income		(108.2)	34.9	(143.2)	

(billions of yen)

Balance Sheets		Sep. 30, 2011 (A)	Mar. 31, 2011 (B)	Comparison (A) - (B)	Items
Total Assets		4,027.8	4,028.8	(0.9)	
Fixed Assets		3,623.6	3,591.8	31.8	Transmission plant; 125.7 Construction work in progress; (129.2)
Current Assets		404.2	437.0	(32.8)	Cash and deposits; (62.1)
Liabilities		3,271.1	3,152.3	118.7	Reserve for loss on disaster; 70.9
Net Assets		756.7	876.4	(119.7)	
Interest-Bearing Liabilities		2,152.8	2,051.8	100.9	Loans; 141.9, CP; 18.0, Bonds; (59.0)

(billions of yen)

	2nd quarter of FY2011 (A)	2nd quarter of FY2010 (B)	Comparison (A) - (B)	Items
Cash Flow from Operating Activities	(26.0)	160.2	(186.3)	Loss (income) before income taxes and minority interests; (221.3) Reserve for loss on disaster; 70.9
Cash Flow from Investing Activities	(126.8)	(126.3)	(0.4)	
Cash Flow from Financing Activities	89.5	(21.2)	110.8	Loans; 178.9 [Repayment; 208.2, Proceeds; (29.3)] CP; 16.0 [Redemption; 108.0, Proceeds; (92.0)] Bonds; (88.8) [Redemption;(49.0), Proceeds; (39.8)]
Net Cash Flow	(63.4)	12.5	(75.9)	
Free Cash Flow	(135.9)	51.7	(187.6)	

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)

	2nd quarter of FY2011 (A)	2nd quarter of FY2010 (B)	Comparison (A) - (B)
	Sales * 1	753.8	836.5
Electric Power Business	667.2	763.3	(96.1)
	665.9	761.9	(96.0)
Construction Business	109.9	98.5	11.4
	48.4	34.4	13.9
Gas Business	18.1	15.4	2.7
	13.9	11.0	2.9
Information Processing, Tele- communication Business	22.1	19.2	2.8
	8.6	7.7	0.9
Others	55.2	63.1	(7.9)
	16.9	21.4	(4.5)
Operating (loss) income	(54.9)	86.0	(140.9)
Electric Power Business	(60.7)	81.4	(142.2)
Construction Business	0.9	(0.8)	1.8
Gas Business	0.7	0.7	0.0
Information Processing, Tele- communication Business	2.9	1.9	1.0
Others	1.0	2.1	(1.1)

* 1 Lower is net sales to outside customers.

【 Major Consolidated Subsidiaries 】* 2

(billions of yen)

	2nd quarter of FY2011		Year-on-year	
	Sales	Operating income (loss)	Sales	Operating income (loss)
Electric Power Business				
Tousei Kougyo Co., Inc.	1.5	0.2	(0.1)	(0.0)
Sakata Kyodo Power Co., Ltd.	20.3	1.5	4.8	(0.1)
Construction Business				
Yurtec Corp.	81.6	2.2	18.5	3.8
Tohoku Electric Engineering & Construction Co., Inc.	21.1	(1.2)	(7.8)	(2.2)
Gas Business				
Nihonkai LNG Co., Ltd.	6.6	0.4	(0.5)	(0.1)
Information Processing, Telecommunication Business				
Tohoku Intelligent Telecommunication Co., Inc.	11.3	2.2	0.2	0.1
Tohoku Information Systems Co., Inc.	11.1	0.6	2.7	0.8
Others				
Kitanihon Electric cable Co., Ltd.	13.9	0.2	(0.2)	0.0

* 2 Before elimination of inter-companies transaction

■ Extraordinary loss **¥90.4 billion**

- Due to the Great East Japan Earthquake (Additional) ¥ 72.8 billion
- Due to the heavy rainfall in Niigata and Fukushima ¥ 17.6 billion

【The Great East Japan Earthquake】

(billions of yen)


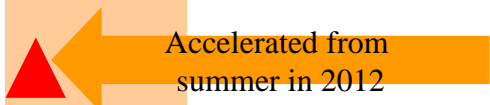

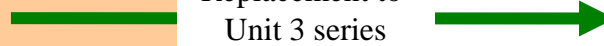

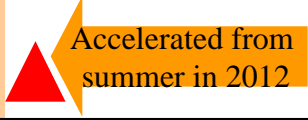










Tohoku Electric Power	72.0
Generating Facilities	67.3
Supply Facilities	4.6
Consolidated Subsidiaries	0.7
Consolidated Total	72.8

【The heavy rainfall in Niigata and Fukushima】

(billions of yen)

Tohoku Electric Power	17.6
Generating Facilities	15.6
Supply Facilities	2.0
Consolidated Subsidiaries	-
Consolidated Total	17.6

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

	Unit	Output・Fuel	Resumption of operation			
			Recent Schedule	2011	2012	2013
Shin-Sendai Station	No.1	350MW・Heavy oil	In Dec. 2011			
	No.2	600MW・Gas	Decommission in Oct. 2011			
Sendai Station	No.4	446MW・Gas	In Mar. 2012			
Haramachi Station	No.1	1,000MW・Coal	By summer in 2013			
	No.2	1,000MW・Coal	By summer in 2013			
Soma Kyodo Power (Shinchi Station)	No.1	1,000MW・Coal ※	In Jan. 2012 (Partly)			
	No.2	1,000MW・Coal ※	In Dec. 2011 (Partly)			
Joban Joint Power (Nakoso Station)	No.6	175MW・Heavy Oil ※	By summer in 2012			
	No.7	250MW・Coal ※	In Dec. 2011			

※Half of power is made available to Tohoku Electric Power Company.

For this winter

Tohoku EPCO. will launch the replacement project of Shin-Sendai Power Station in line with the plan made before the Earthquake. It will commence operation for unit for half of the designed output in July 2016 and July 2017, respectively. And Tohoku EPCO. will construct LNG base as originally planned.

Summary of the project

【 Old equipment 】

	Output	Fuel	Schedule of Decommission
Unit 1	350MW	Heavy oil	At the end of FY2015
Unit 2	600MW	Gas	In Oct. 2011

* There is a possibility that the schedule is changed depending on the situation of supply and demand.

【 Construction project 】

Output	980MW (490MW × 2)
Generation system	Combined-cycle power generation system
Thermal Efficiency	Approx. 59%
Fuel	Gas
Schedule	Start of construction : Nov. 2011 Start of operation : Jul. 2016(half) Jul. 2017(half)

Summary of LNG base construction

- Start of construction : Jan. 2012
- Start of operation : Jul. 2016
- Construction place : In Shin-Sendai Thermal Power Station
- Size of LNG tank : 160,000 kl × 2 tanks
- Transportation of LNG : Transported from overseas by large tanker, landed at Port of Sendai

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



Entrance hall in turbine building

In March 2011

In September 2011

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



Fuel pump chamber

In March 2011

In September 2011

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



Around the boiler fan of Unit 1

In March 2011

In August 2011

Current Reconstruct Conditions of the Companies in Our Service Area

Sector	Customer	Current Condition
Food Products	Asahi Breweries	<ul style="list-style-type: none"> • (Fukushima Plant) First brewing in this autumn. First shipment in Nov.
	Kirin Brewery	<ul style="list-style-type: none"> • (Sendai plant) First brewing on Sep. 26. First shipment in Nov.
Paper/Pulp	Nippon Paper Industries	<ul style="list-style-type: none"> • (Ishinomaki mills) Incinerating wood rubble as fuel, in-house power generation commenced operation. The Company has been recovered production since Sep. until the half of next fiscal year little by little. The coal ship arrived on Sep. 10 for the first time after the Earthquake.
	Mitsubishi Paper Mills	<ul style="list-style-type: none"> • (Hachinohe mill) The operating status became 90% at the end of Sep. The production capacity became 62,000-ton per month.
Ceramics	Taiheiyo Cement	<ul style="list-style-type: none"> • In Ofunato plant, operation will be restored in Nov.
Steel	Nippon Steel	<ul style="list-style-type: none"> • At Kamaishi Works, port facilities (equipment for landing coal, conveyor for coal carriage) were restored operation on Sep. 9. Preparing coal transportation system stabilized generating facilities.
	JFE Bars & Shapes	<ul style="list-style-type: none"> • Some plants (steelmaking, bar steel and wire rod) were already restored operation. • Operation of all products will be recovered at the level before the Earthquake in Oct.
Nonferrous metals	M. Setek	<ul style="list-style-type: none"> • Operation has been restored partly since Jul. It will become fully in Dec.

Current Conditions at Onagawa and Higashidori Nuclear Power Stations

- All units of Onagawa Station are in cold shutdown condition, and facilities have been checked and restored to the normal operation status.
- The Earthquake caused no damage to Higashidori Station.

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).
 - We have been systematically conducting mid- and long-term measures to ensure further safety.
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.
Our efforts above were evaluated by the government as 'appropriate'. (on June 18)

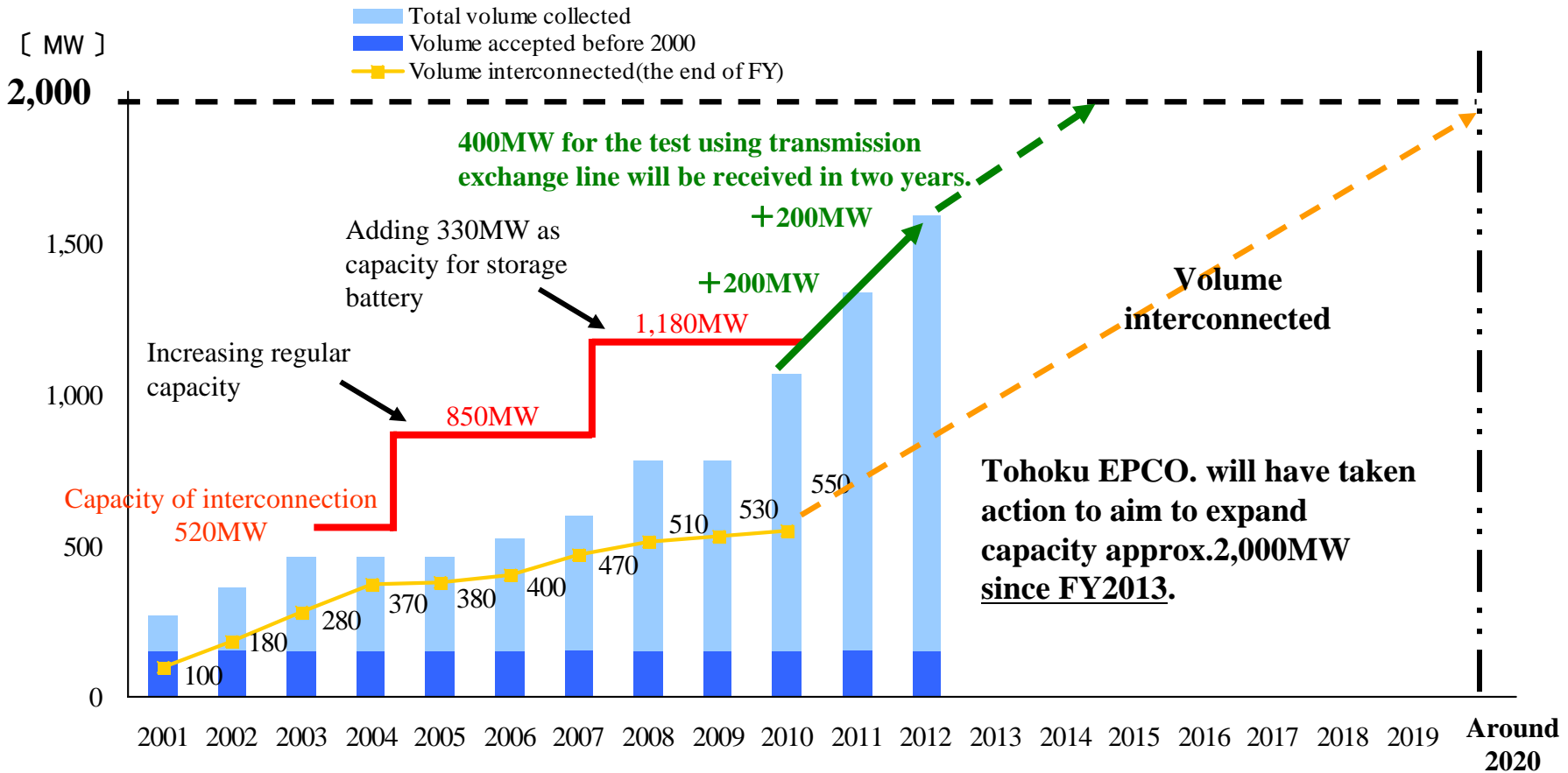
Situation of Stress Test

- We are implementing 'stress test' according to the government instructions (issued on July 22).
Onagawa Station : We began second-level assessment on October 27.

Higashidori Station: We are checking first-level assessment now and also began second-level assessment on October 27.

Action Being Taken to Expand Renewable Energy (Wind Power Generation)

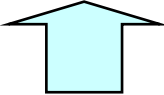
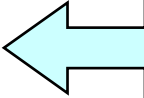
Tohoku EPCO. aims to expand the capacity of wind power interconnection up to approx. 2,000MW around FY2020, collecting actual data, assessing the effect of use for transmission exchange line and output regulation.



Tohoku EPCO. strives for early stabilization of the current account balance for the reconstruction of Tohoku region. We will make efforts to recover the damaged facilities as soon as possible and reduce costs.

The early stabilization of the current account balance

The recovery of electricity demand from the Earthquake



The early recovery of damaged power plants

The implementation of safety measures at nuclear power stations

Cost reduction with group companies

Action in FY2011
The expected amounts of reduction compared to the level before the Earthquake is as below.

- Maintenance; approx. ¥55 billion*
- Overhead costs; approx.¥15 billion*
- Capital expenditure; ¥60 billion*

*Except the expenses for recovery from the Earthquake

Action being taken to expand renewable energy, Creating new energy demand

(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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