

Financial Summary

1st quarter of FY2012

July 27, 2012

 Tohoku Electric Power Co., Inc.

Contents

■ Financial Results ■

1. Summary of the 1st quarter of FY2012 Results
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. Segment Information (Consolidated)

■ Reference ■

9. Recovery Situation of Haramachi Thermal Power Station
10. Effort to Improve Safety of Nuclear Power Stations

**On consolidated basis, revenues increased and loss decreased.**

- On revenue side, operating revenues increased by ¥60.4 billion from a year earlier, and ordinary profit increased by ¥58.2 billion due to the increase in electricity sales.
- With respect to expenses, while effort of all our companies of our group to maximally drive down costs decreased repair, labor and overhead costs, boost in expense for fuel and purchased power increased by ¥51.9 billion from a year earlier.
- As a result, consolidated ordinary loss decreased by ¥6.3 billion to ¥12.8 billion compared with the year-earlier period.
- On non-consolidated basis, ordinary income increased by ¥34.0 billion from the year-earlier levels to ¥12.9 billion due to the increase in dividends income from consolidated subsidiaries.

(billions of yen)

		1st quarter of FY2012 (A)	1st quarter of FY2011 (B)	Comparison		Consolidated/Non-consolidated of 1st quarter of FY2012	
				(A) - (B)	(A) / (B)	Comparison	Ratio
Consolidated	Operating Revenues	407.6	347.2	60.4	117.4%	46.6	1.13 times
	Operating Loss	(0.3)	(11.7)	11.4	-	(2.9)	-
	Ordinary Loss	(12.8)	(19.1)	6.3	-	(25.7)	-
	Net Loss	(12.0)	(16.6)	4.6	-	(26.0)	-
Non-Consolidated	Operating Revenues	361.0	312.7	48.2	115.4%		
	Operating Income (Loss)	2.5	(15.3)	17.9	-		
	Ordinary Income (Loss)	12.9	(21.1)	34.0	-		
	Net Income (Loss)	14.0	(16.6)	30.6	-		

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

**18,257 million kWh
up 1,625 million kWh (+9.8%)**

(millions of kWh)

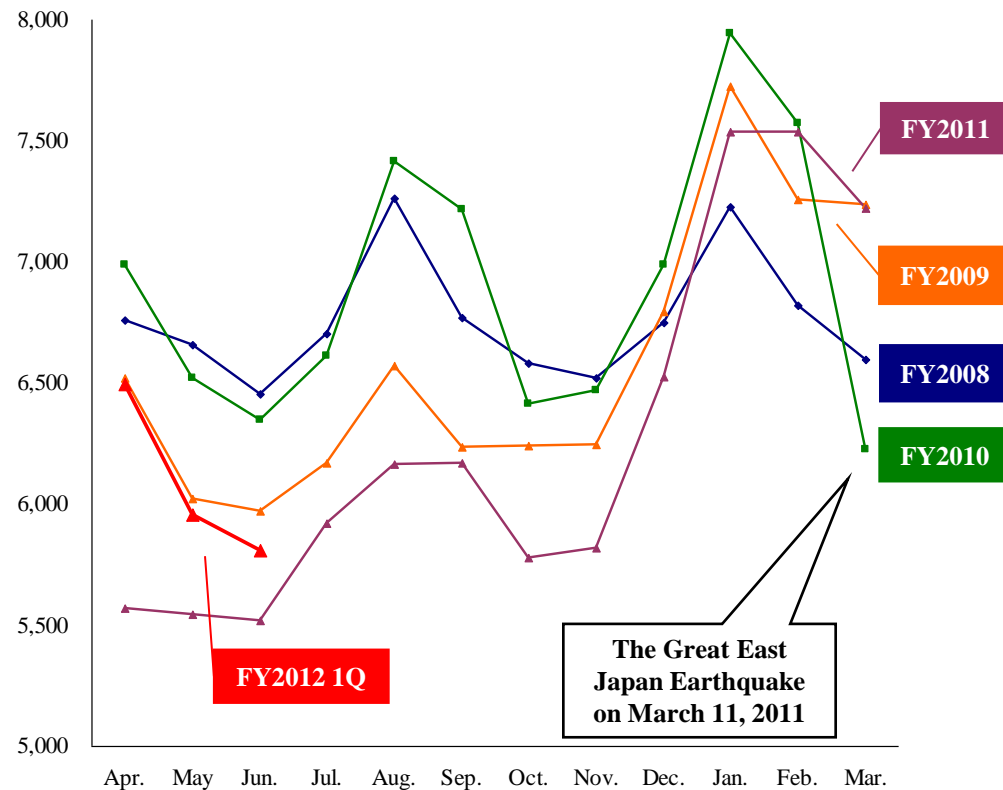
Segment	1st quarter of FY2012 (A)	1st quarter of FY2011 (B)	Comparison		
			(A) - (B)	(A) / (B)	
Regulated	Residential	5,689	5,548	141	102.5%
	Commercial	870	841	29	103.4%
	Sub-total	6,559	6,389	170	102.7%
Deregulated	11,698	10,243	1,455	114.2%	
Total	18,257	16,632	1,625	109.8%	

【 Sub Segment 】

Large Industry	6,271	5,399	872	116.1%
----------------	-------	-------	-----	--------

Changes in Demand

(millions of kWh)



Large Industrial Demand Year-on-year Compared

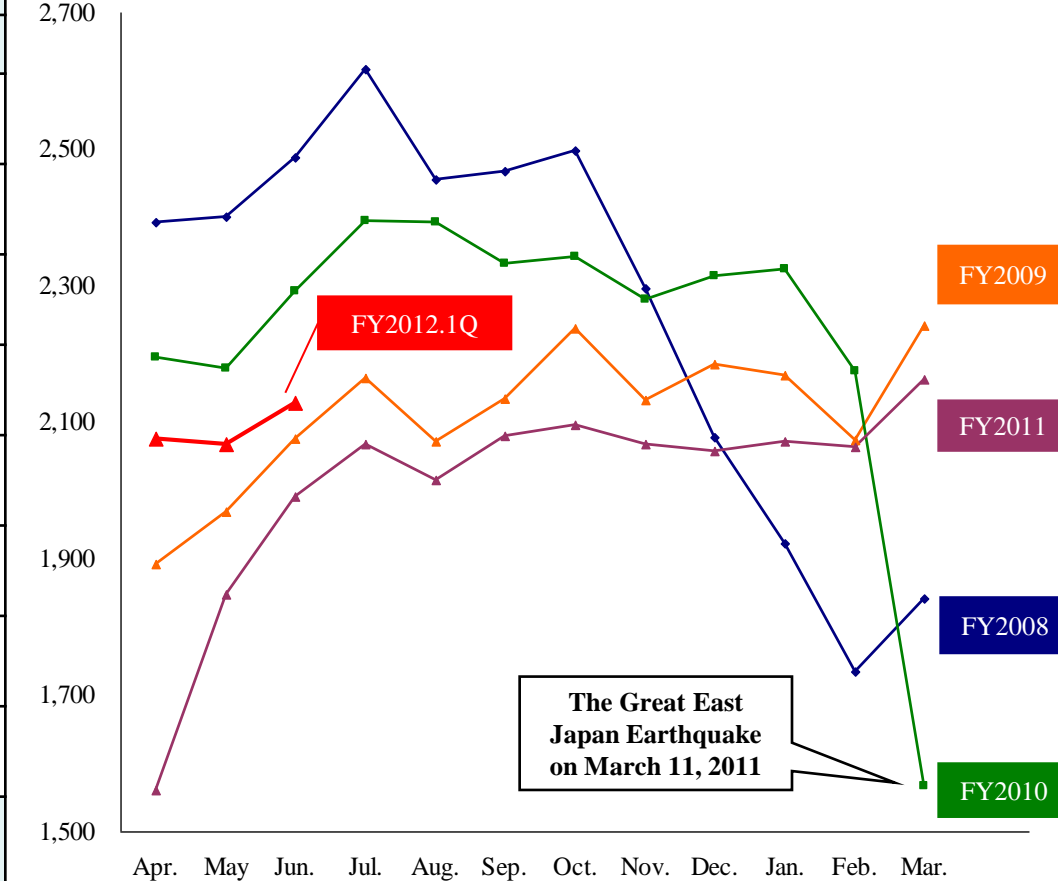
6,271 million kWh
up **872 million kWh (+16.1%)**

(millions of kWh)

	1st quarter of FY2012 (A)	1st quarter of FY2011 (B)	Comparison	
			(A) - (B)	(A) / (B)
Food Products	359	338	21	106.2%
Paper/Pulp	220	199	21	110.2%
Chemicals	464	461	3	100.8%
Ceramics	196	150	46	130.8%
Steel	752	384	368	195.8%
Nonferrous Metals	1,011	739	272	137.0%
Machinery and Equipment Manufacturing	1,794	1,781	13	100.7%
Others	1,475	1,347	128	109.3%
Total	6,271	5,399	872	116.1%

Changes in Large Industrial Demand

(millions of kWh)



		1st quarter of FY2012 (A)	1st quarter of FY2011 (B)	Comparison	
				(A) - (B)	(A) / (B)
Electricity Generated and Purchased (millions of kWh)	Own Generated power	12,811	12,643	168	101.3%
	Hydro	2,165	2,818	(653)	76.8%
	Thermal	10,389	9,607	782	108.2%
	Nuclear	—	—	—	—
	Renewable	257	218	39	117.4%
	Purchased Power	6,363	3,537	2,826	180.0%
	Power Interchanges (Transmitted)	(1,699)	(943)	(756)	180.1%
	Power Interchanges (Received)	1,794	2,615	(821)	68.6%
	Used at Pumped Storage	(8)	(95)	87	8.9%
	Total, Generated and Purchased	19,261	17,757	1,504	108.5%
Major Factors	Crude Oil CIF Price (\$/bbl)	122.6	115.0	7.6	
	Exchange Rate (¥/\$)	80	82	(2)	
	Hydro Power Flow Rate (%)	106.9	109.7	(2.8)	
	Nuclear Power Capacity Factor (%)	0.0	0.0	0.0	

Comparison Statements of Revenue & Expense (Non-consolidated)

(billions of yen)

		1st quarter of FY2012 (A)	1st quarter of FY2011 (B)	Comparison		Items	
				(A) - (B)	(A) / (B)		
Revenues	Residential	125.0	116.0	9.0	107.8%	Increase in electric sales volume; 27.3 Rise in electricity rate; 7.3	
	Commercial	189.6	164.0	25.5	115.6%		
	Sub Total	314.7	280.1	34.6	112.4%		
		Sales of Power to Other Utilities	35.3	26.1	9.1	135.0%	
		Other Revenues	33.3	10.7	22.6	311.0%	Dividends income; 18.5
		[Operating Revenues]	[361.0]	[312.7]	[48.2]	[115.4%]	
		Total Revenues	383.4	317.0	66.4	121.0%	
Expenses		Personnel	34.6	40.9	(6.3)	84.6%	Retirement allowance; (2.0) Miscellaneous allowance; (1.9)
		Fuel	111.9	86.6	25.3	129.2%	Increase in electricity generated; 21.5, Rise in CIF; 6.0 Appreciation of the yen; (2.2)
		Maintenance	22.7	25.5	(2.8)	88.7%	Thermal Power; (2.6)
		Depreciation	51.6	52.3	(0.7)	98.6%	
		Power Purchased from Other utilities	24.5	25.0	(0.5)	98.0%	
		Power Purchased from Other companies	62.9	40.9	22.0	153.9%	Soma Kyodo Power; 8.5, Private power generation; 6.4, Joban Joint Power; 5.7
		Interest	9.9	9.3	0.5	106.3%	
		Taxes, etc.	19.7	18.6	1.1	106.0%	Electric power development promotion tax; 0.6
		Nuclear Power Back-end Cost	1.3	3.7	(2.3)	36.8%	Reprocessing costs of irradiated nuclear fuel; (2.1)
		Other Expenses	30.9	34.7	(3.8)	88.9%	Expenses for commission; (2.7)
		Total Expenses	370.5	338.1	32.3	109.6%	
	[Operating Income (Loss)]	[2.5]	[(15.3)]	[17.9]	[—]		
	Ordinary Income (Loss)	12.9	(21.1)	34.0	—		
	Extraordinary Loss	—	1.7	(1.7)	—	Loss on valuation of securities; (1.7)	
	Net Income (Loss)	14.0	(16.6)	30.6	—		

Balance Sheets (Non-consolidated)

(billions of yen)

	Jun. 30, 2012 (A)	Mar. 31, 2012 (B)	Comparison (A) - (B)	Items
Total Assets	3,741.8	3,875.0	(133.1)	
Fixed Assets	3,451.1	3,478.3	(27.1)	Construction work in progress; (36.7) Nuclear power plant; (8.8) Processing nuclear fuel; (7.7) Internal combustion power plant; 44.5
Current Assets	290.7	396.7	(106.0)	Short-term investments; (77.0) Cash and deposits; (27.3)
Liabilities	3,252.6	3,398.1	(145.4)	
Net Assets	489.2	476.9	12.3	
Interest-Bearing Liabilities	2,368.4	2,396.8	(28.4)	Loans; (59.4), Bonds; (15.0), CP; 46.0

(billions of yen)

	1st quarter of FY2012 (A)	1st quarter of FY2011 (B)	Comparison (A) - (B)	Items
Operating Revenues	407.6	347.2	60.4	Electric power; 47.9, Other; 12.4
Operating Expenses	407.9	359.0	48.9	Electric power; 32.6, Other; 16.2
Operating Loss	(0.3)	(11.7)	11.4	
Ordinary Loss	(12.8)	(19.1)	6.3	
Extraordinary Loss	—	1.7	(1.7)	Loss on valuation of securities; (1.7)
Net Loss	(12.0)	(16.6)	4.6	

(billions of yen)

	Jun. 30, 2012 (A)	Mar. 31, 2012 (B)	Comparison (A) - (B)	Items
Total Assets	4,053.3	4,196.8	(143.4)	
Fixed Assets	3,581.1	3,608.0	(26.9)	Construction work in progress; (30.9)
Current Assets	472.2	588.7	(116.5)	Short-term investments; (53.5) Cash and deposits; (38.6)
Liabilities	3,440.1	3,566.9	(126.8)	
Net Assets	613.2	629.8	(16.5)	

Interest-Bearing Liabilities	2,434.2	2,446.9	(12.7)	Loans; (43.7), Bonds; (15.0), CP; 46.0
------------------------------	---------	---------	----------	--

Segment Information (Consolidated)

(billions of yen)

	1st quarter of FY2012 (A)	1st quarter of FY2011 (B)	Comparison (A) - (B)
Sales	407.6	347.2	60.4
Electric Power Business	358.3 [357.8]	310.3 [309.9]	48.0 [47.9]
Construction Business	45.3 [25.3]	43.2 [18.3]	2.1 [6.9]
Gas Business	10.4 [8.9]	8.6 [6.5]	1.7 [2.4]
Information Processing, Tele-communication Business	8.2 [4.5]	10.8 [4.3]	(2.6) [0.1]
Others	26.1 [11.0]	27.6 [8.0]	(1.4) [2.9]

* [] = Net sales to outside customers.

(billions of yen)

	1st quarter of FY2012 (A)	1st quarter of FY2011 (B)	Comparison (A) - (B)
Operating Loss	(0.3)	(11.7)	11.4
Electric Power Business	3.3	(14.1)	17.4
Construction Business	(4.1)	(1.2)	(2.9)
Gas Business	0.4	0.5	(0.0)
Information Processing, Tele-communication Business	0.6	1.7	(1.1)
Others	(1.4)	0.9	(2.4)


Recovery Situation of Haramachi Thermal Power Station

- The restoration work of the substructure is mostly completed. Currently, 4,500 workers (1,000 added from the initial plan) are engaged in main equipment reconstruction work.
- Installation of the starting transformer was finished and receiving electricity from transmission lines has started since June 28, 2012. Trial run of equipment after being repaired will be started.
- We have been making every effort to resume operation as early as possible aiming at restarting power generation by trial run before FY2012 ends.

【 Construction process 】

Contents	FY 2012	FY 2013
Equipment production	▼ Installation of the starting transformer	
Check and repair	<div style="background-color: #0070c0; width: 100%; height: 15px; margin-bottom: 5px;"></div> <div style="background-color: #000080; width: 100%; height: 15px;"></div>	
Installation, adjustment and trial run	▼ Receiving electricity from transmission lines has started since June 28.	
Others	▼ Removal of the coal carrier stranded in the port has started (by Nov.)	

Aiming at restarting power generation by trial run within FY2012





Restoration of the electric precipitator at Unit 1



Restoration of the electric precipitator at Unit 2



Restoration of the coal conveyer

■ Onagawa Nuclear Power Station

In addition to conducting equipment inspection and reconstruction efforts after the earthquake, we have been analyzing and evaluating the earthquake motion observed on March 11 in detail. Along with implementing measures against emergency and severe accident, we are reinforcing support for piping and conduit tube at Unit 2 based on seismic safety evaluation and our experience of construction work to improve seismic safety margins.

■ Higashidori Nuclear Power Station

Damaged facilities from the earthquake have not been confirmed so far. The result of the first round "stress tests" is under review by the government. We are engaged in improvement of safety measures. As concerns 'evaluation for activity of faults in the premises', based on the nation's deliberation, we have been conducting additional geological investigation in the premises and neighboring areas from July 10, 2012, to make our geological valuation clearer.

< Safety Measures >

Sea wall at Onagawa.

It has 17meters high from sea level and 600meters width.



Added 3meters

Tide barrier around the seawater pump of Unit 2 at Onagawa



Vent of the reactor building of Higashidori to releases hydrogen in the building promptly in case of emergency.



(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.

Tohoku Electric Power Co., Inc. hereby disclaim any responsibility or liability in relation to consequences resulting from decisions made by investors.