Financial Summary
3rd Quarter of FY2013

(April 1, 2013 – December 31, 2013)

January 30, 2014

Tohoku Electric Power Co., Inc.

Tohoku Electric Power

Contents

Financial Results

1. Summary of Financial 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)

Topics

1. Tohoku Electric Power Group Midterm Management Policy (FY2014-2018)
2. Current Situations and Outlook for Onagawa Nuclear Power Station
3. Current Situations and Outlook for Higashidori Nuclear Power Station

4-6. Results of an additional geological survey on the faults within the premises of the Higashidori nuclear power plant

3rd quarter of FY2013
Financial Results

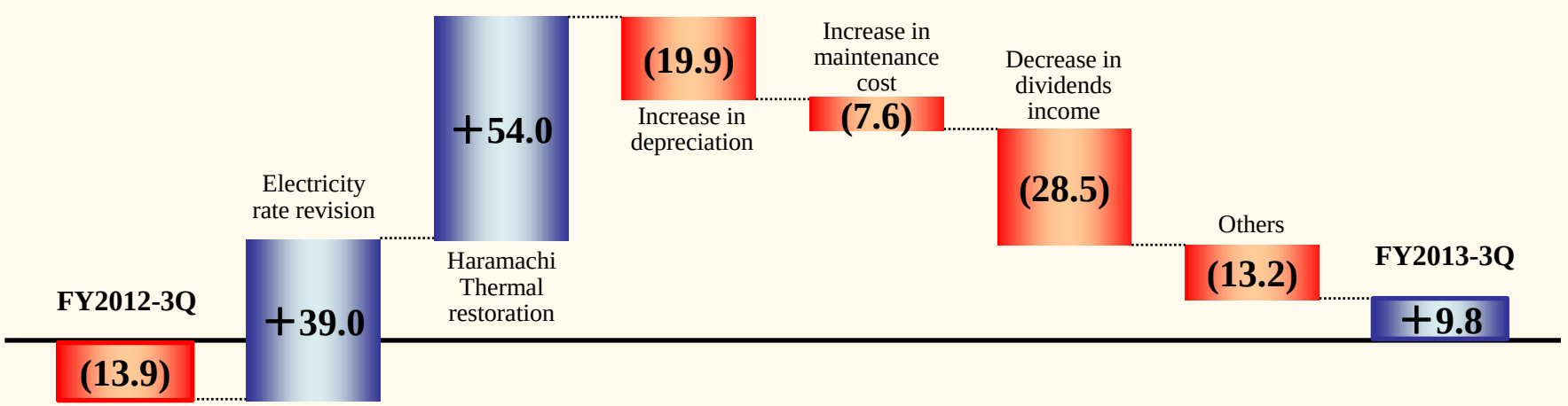
Tohoku Electric Power

Summary of Financial Results

(billions of yen)

		3rd quarter of FY2013 (A)	3rd quarter of FY2012 (B)	Comparison		Consolidated/Non-consolidated of 3rd quarter of FY2013	
				(A) - (B)	(A) / (B)	Comparison	Ratio
Consolidated	Operating Revenues	1,425.8	1,274.5	151.3	111.9%	133.4	1.10 times
	Operating Income (Loss)	38.9	(25.2)	64.1	—	(1.0)	0.97 times
	Ordinary Income (Loss)	9.4	(55.7)	65.2	—	(0.3)	0.96 times
	Net Income (Loss)	13.1	(56.1)	69.2	—	(2.9)	0.81 times
Non-Consolidated	Operating Revenues	1,292.4	1,140.4	152.0	113.3%		
	Operating Income (Loss)	39.9	(14.9)	54.8	—		
	Ordinary Income (Loss)	9.8	(13.9)	23.8	—		
	Net Income (Loss)	16.0	(14.3)	30.3	—		

■ Year-on-year comparison of non-consolidated ordinary income (increase of 23.8 billions of yen)



Electricity Sales

Electricity Sold **55,151 GWh**
Year-on-Year Compared **down** **610 GWh** **(- 1.1%)**

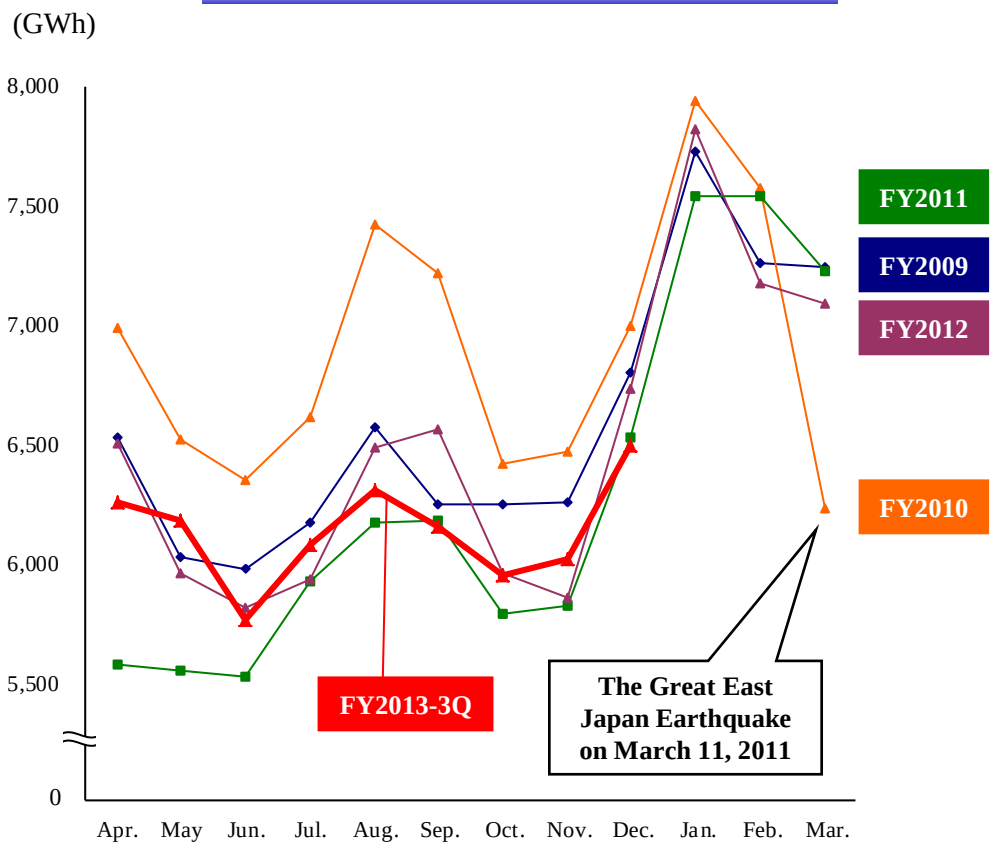
(GWh)

Segment		3rd quarter of FY2013 (A)	3rd quarter of FY2012 (B)	Comparison (A) – (B)	Comparison (A) / (B)
Regulated	Residential	16,478	16,859	(381)	97.7%
	Commercial	2,532	2,698	(166)	93.8%
	Sub-total	19,010	19,557	(547)	97.2%
Deregulated		36,141	36,204	(63)	99.8%
Total		55,151	55,761	(610)	98.9%

【 Sub Segment 】

Large Industry	18,719	18,810	(91)	99.5%

Changes in Demand (monthly)



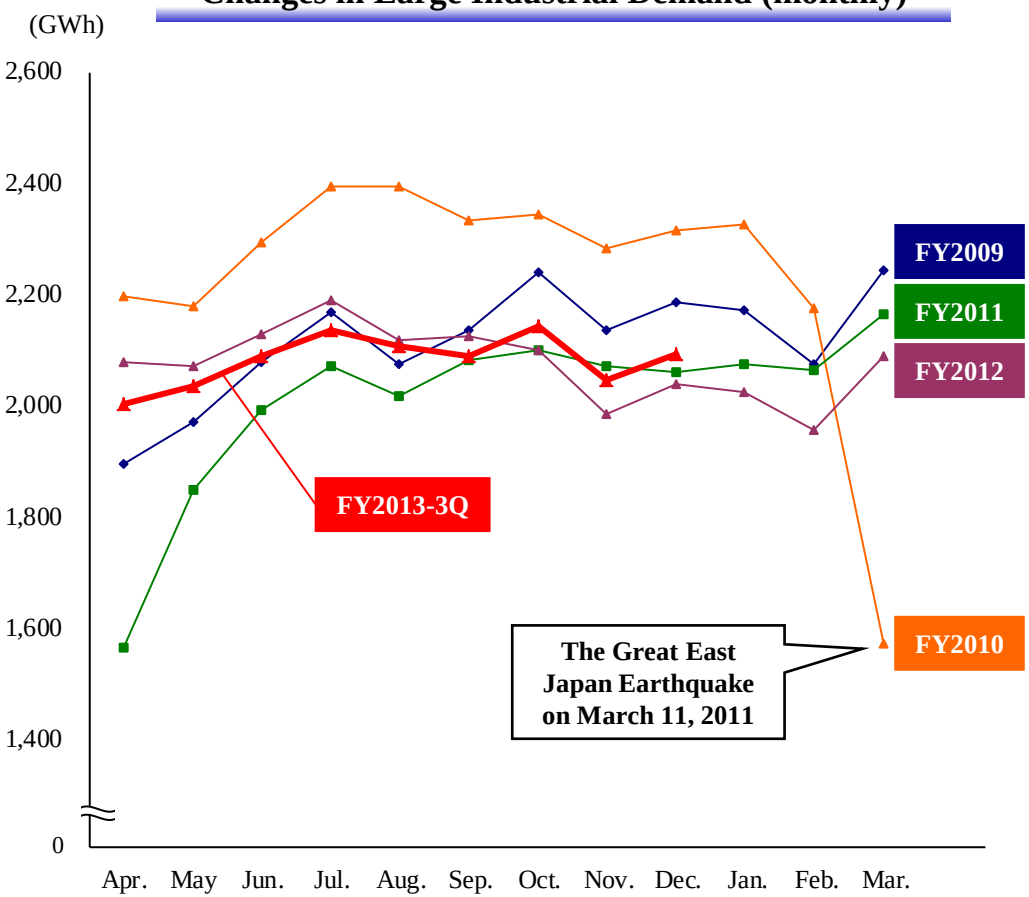
Large Industry Sector

Large Industrial Demand **18,719 GWh**
Year-on-Year Compared **down 91 GWh (- 0.5%)**

(GWh)

	3rd quarter of FY2013 (A)	3rd quarter of FY2012 (B)	Comparison	
			(A) – (B)	(A) / (B)
Food Products	1,196	1,164	32	102.8%
Paper/Pulp	606	612	(6)	99.0%
Chemicals	1,378	1,423	(45)	96.9%
Ceramics	656	623	33	105.2%
Steel	2,339	2,227	112	105.1%
Nonferrous Metals	2,527	2,706	(179)	93.4%
Machinery and Equipment Manufacturing	5,343	5,463	(120)	97.8%
Others	4,674	4,592	82	101.8%
Total	18,719	18,810	(91)	99.5%

Changes in Large Industrial Demand (monthly)



Electricity Generated and Purchased, Major Factors

(GWh)

		3rd quarter of FY2013 (A)	3rd quarter of FY2012 (B)	Comparison (A) - (B)	Comparison (A) / (B)
Electricity Generated and Purchased	Own Generated power	49,287	42,216	7,071	116.8%
	Hydro	5,800	4,640	1,160	125.0%
	Thermal	42,838	36,861	5,977	116.2%
	Nuclear	—	—	—	—
	Renewable	649	715	(66)	90.8%
	Purchased Power	17,981	19,606	(1,625)	91.7%
	Power Interchanges (Transmitted)	(11,691)	(5,905)	(5,786)	198.0%
	Power Interchanges (Received)	5,686	5,653	33	100.6%
	Used at Pumped Storage	(26)	(62)	36	42.3%
	Total, Generated and Purchased	61,237	61,508	(271)	99.6%
Major Factors	Crude Oil CIF Price ($/bbl.)	109.5	114.0	(4.5)	
	Exchange Rate (¥/$)	99	80	19	
	Hydro Power Flow Rate (%)	106.8	87.6	19.2	
	Nuclear Power Capacity Factor (%)	—	—	—	

Tohoku Electric Power

Comparison Statements of Revenue & Expense (Non-consolidated)

(billions of yen)

		3rd quarter of FY2013 (A)	3rd quarter of FY2012 (B)	Comparison (A) - (B)	Comparison (A) / (B)	Increase/Decrease
Revenues	Residential	396.0	379.8	16.1	104.3%	Rise in electricity rate: 70.3 Surcharge on renewable energy: 11.0 Decrease in electric sales volume: (10.6)
	Commercial	657.5	602.9	54.5	109.0%	
	Sub total	1,053.5	982.8	70.7	107.2%	
	Sales of power to other utilities	164.1	118.1	46.0	138.9%	Thermal power interchange: 30.0
	Sales of power to other companies	19.9	3.9	15.9	498.9%	
	Other revenues	60.2	71.8	(11.5)	83.9%	Dividends income: (28.5), Grants on the act of renewable energy: 18.4
	[Operating revenues]	[1,292.4]	[1,140.4]	[152.0]	[113.3%]	
	Total revenues	1,297.9	1,176.8	121.0	110.3%	
Expenses	Personnel	103.6	108.2	(4.6)	95.7%	
	Fuel	408.1	386.4	21.7	105.6%	Exchange gain: 76.0, Drop in CIF: (29.7) Increase in the proportion of coal fuel: (24.6)
	Maintenance	82.2	74.5	7.6	110.3%	Thermal power: 2.3, Nuclear power: 2.0
	Depreciation	176.4	156.4	19.9	112.7%	Thermal power: 22.7, Nuclear power: (1.5)
	Power purchased from other utilities	95.5	81.2	14.3	117.6%	
	Power purchased from other companies	201.9	192.9	9.0	104.7%	Photovoltaic power: 6.7, Wind power: 6.3
	Interest	32.0	30.0	1.9	106.5%	
	Taxes, etc.	60.8	59.4	1.4	102.5%	
	Nuclear power back-end cost	5.1	4.1	0.9	123.6%	
	Other expenses	122.0	97.2	24.7	125.4%	Payment on the act of renewable energy: 10.8 Contribution to the Fund of Nuclear Damage Liability Facilitation: 8.0
	Total expenses	1,288.0	1,190.8	97.2	108.2%	
[Operating income (loss)]		[39.9]	[(14.9)]	[54.8]	[—]	
Ordinary income (loss)		9.8	(13.9)	23.8	—	
Extraordinary gain		16.2	—	16.2	—	Gain on revision of retirement benefit plan: 16.2
Extraordinary loss		—	13.5	(13.5)	—	Loss on disaster: (13.5)
Net income (loss)		16.0	(14.3)	30.3	—	

Balance Sheets (Non-consolidated)

(billions of yen)

	Dec. 31, 2013 (A)	Mar. 31, 2013 (B)	Comparison (A) - (B)	Increase/Decrease
Total Assets	3,878.5	3,996.5	(117.9)	
Fixed Assets	3,439.1	3,529.5	(90.4)	
Current Assets	439.4	466.9	(27.5)	
Liabilities	3,440.4	3,577.1	(136.6)	Reserve for loss on disaster: (40.4) Accrued retirement benefits: (35.2)
Net Assets	438.0	419.3	18.6	

Interest-Bearing Liabilities	2,651.5	2,631.3	20.1	Bonds: 20.0 CP: 20.0 Loans: (19.8)

Statements of Income, Balance Sheets (Consolidated)

(billions of yen)

Statements of Income	3rd quarter of FY2013 (A)	3rd quarter of FY2012 (B)	Comparison (A) - (B)	Increase/Decrease
Operating Revenues	1,425.8	1,274.5	151.3	Electric power: 150.6, Other: 0.6
Operating Expenses	1,386.9	1,299.8	87.1	Electric power: 92.0, Other: (4.9)
Operating Income (Loss)	38.9	(25.2)	64.1	
Ordinary Income (Loss)	9.4	(55.7)	65.2	
Extraordinary Gain	16.2	—	16.2	Gain on revision of retirement benefit plan: 16.2
Extraordinary Loss	—	13.5	(13.5)	Loss on disaster: (13.5)
Net Income (Loss)	13.1	(56.1)	69.2	

(billions of yen)

Balance Sheets	Dec 31, 2013 (A)	Mar. 31, 2013 (B)	Comparison (A) - (B)	Increase/Decrease
Total Assets	4,154.0	4,284.3	(130.3)	
Fixed Assets	3,552.6	3,645.1	(92.4)	
Current Assets	601.3	639.2	(37.8)	
Liabilities	3,616.2	3,761.6	(145.4)	Reserve for loss on disaster: (40.4) Accrued retirement benefits: (35.3)
Net Assets	537.7	522.7	15.0	
Interest-Bearing Liabilities	2,700.9	2,714.5	(13.5)	Loans: (53.5), Bonds: 20.0, CP: 20.0

Segment Information (Consolidated)

(billions of yen)

	3rd quarter of FY2013 (A)	3rd quarter of FY2012 (B)	Comparison (A) - (B)
Operating Revenues	1,425.8	1,274.5	151.3
Electric Power Business	1,283.2 [1,281.2]	1,132.2 [1,130.6]	151.0 [150.6]
Construction Business	153.4 [80.3]	145.8 [76.1]	7.5 [4.2]
Gas Business	29.4 [24.5]	28.3 [23.3]	1.0 [1.1]
Information Processing, Tele-communication Business	24.4 [14.0]	25.8 [13.9]	(1.3) [0.0]
Others	82.8 [25.6]	80.0 [30.5]	2.8 [(4.8)]

[ ] : Operating revenues from external customers

(billions of yen)

	3rd quarter of FY2013 (A)	3rd quarter of FY2012 (B)	Comparison (A) - (B)
Segment Income (Loss) [Operating Income (Loss)]	38.9	(25.2)	64.1
Electric Power Business	41.7	(14.9)	56.6
Construction Business	(7.0)	(10.0)	2.9
Gas Business	0.7	1.1	(0.4)
Information Processing, Tele-communication Business	2.0	1.0	1.0
Others	(1.5)	(4.1)	2.6

Topics

Tohoku Electric Power Group
Midterm Management Policy (FY2014–2018)

Financial target

To achieve the equity ratio of 15% or more by the end of FY2018

Vision of business development

- We regard the next five years as "the period of rebuilding our management foundation". Specifically, we will normalize our management framework and make preparations for future growth.
- We will give top priority to improving the financial condition of the Group through cost structure reform and profit increase by offering new value so that we can enhance our capability to cope with major changes in the business environment and business risks (e.g. reform of the electric power system).
- In a full-scale competitive environment, we aim to be a company group which is chosen by customers and grows with local community.

Main measures

To outpace the competition and become a company chosen by customers

- Offering new value to cope with full liberalization of the retail market
- Restarting nuclear power plants and achieving an optimal power generation mix
- Improving financial strength through cost structure reform with no sacred cows
- Actively developing business while seeking growth opportunities

To work on corporate reform

- Securing/training diverse human resources and achieving a vibrant corporate culture
- Building an organization that appropriately deals with environmental changes

To contribute to reconstruction/development of local communities

- Ensuring safety and a stable supply of electricity
- Operating the business from the viewpoint of contributing to local communities
- Promoting environmental management and ensuring compliance with corporate ethics and law

Current Situations and Outlook for Onagawa Nuclear Power Station

■ **Current situation**

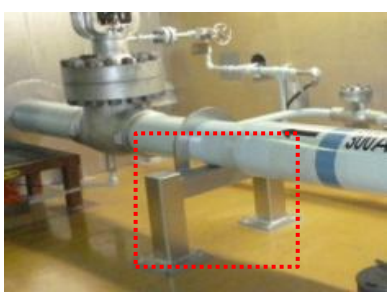
- On December 27, 2013, we submitted the application for examination as to compliance of Unit 2 with new regulatory standards.
- Based on a valuation under stringent conditions and new findings from 3.11 quake and 4.7 aftershock, we reviewed the design basis ground motion (Ss) from 580 gals to 1,000 gals.
- To improve safety at the nuclear power station, construction work on safety measures is underway. Main construction work is as follows:
  - Raising tide embankments (approx. 17m → approx. 29m above the sea level) ⇒ To be completed in March 2016
  - Establishing filtered containment venting system ⇒ To be completed by the end of fiscal 2015
  - Providing an additional margin of earthquake-proof safety ⇒ Checking the necessity for additional measures according to reviewed Ss
  - Establishing important anti-seismic building ⇒ To be completed by the end of fiscal 2016

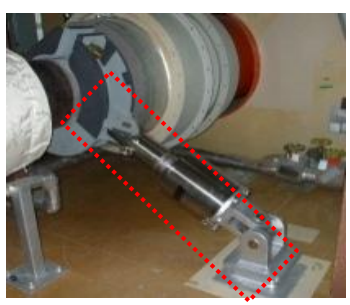
■ **Outlook**

- We continue the construction work on safety measures towards the restart of the station in April 2016 or later.
- As for Unit 3, we will also apply for an examination as to compliance with new regulatory standards as soon as preparations are completed.

●Example of earthquake-proof measures

Addition of support and member strengthening for protecting pipe and electric conduit etc. from quake

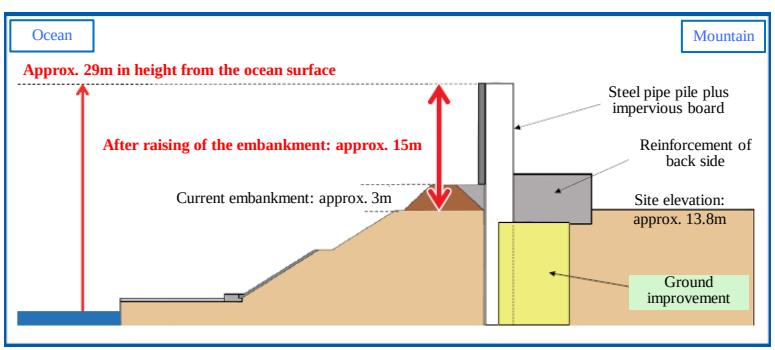




Basic structure of tide embankment

■Structure: steel pipe pile, vertical wall (approx. 680m) and wall of cement improved soil (approx. 120m)
■Height: approx. 15m (O.P. plus approx. 29m)
■Length: approx. 800m

Note: O.P. means Onagawa construction base level (T. P. minus 0.74m)



Current Situations and Outlook for Higashidori Nuclear Power Station

■ **Current situation**

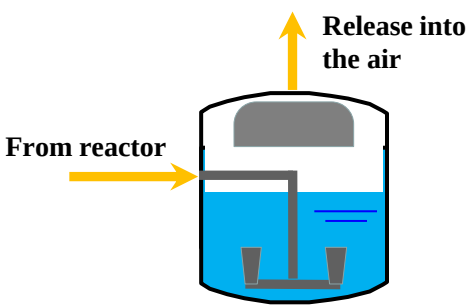
- On January 17, 2014, we submitted the report according to the results of an additional geological survey to Nuclear Regulation Authority. The report shows that the faults within the premises are not faults that are likely to become active in the future.
  *For the results of the additional geological survey, see the following pages.
- To improve safety at the nuclear power station, construction work on safety measures is underway. Main construction work is as follows:
  - Establishing filtered containment venting system ⇒ To be completed in March 2015
  - Establishing important anti-seismic building ⇒ To be completed in March 2016
- Based on new findings from 3.11 quake and 4.7 aftershock, we decided to review the design basis ground motion (Ss) from 450 gals to around 600 gals.

■ **Outlook**

- We continue the preparation for application for an examination as to compliance with new regulatory standards and the construction work on safety measures towards the restart of the station in July 2015.
- We will apply for an examination as to compliance with new regulatory standards as soon as preparations are completed.

●Filtered containment venting system

Curbing radiological release to one-thousandth or less of direct release, in case of severe accident



Filter equipment

●Important anti-seismic building

Installation of anti-seismic building for reliability improvement of emergency headquarters

Rendering

●Enhanced training

Training session in severe accident under the bad conditions such as winter season or nighttime

Training in electricity securement in winter

Results of an additional geological survey on the faults within the premises of the Higashidori nuclear power plant

◆Overview of the evaluation report (draft) prepared by the panel of experts

Issues

1) Fault activity within the premises of the power plant

Fault activity within the premises cannot be denied due to the following characteristics.

- Traces of fault activity attributed to horizontal displacement (strike-slip fault activity)
- Tectonic relief that indicates fault activity
- Presence of displacements/deformations in the Quaternary strata that cover the faults (Quaternary deformations) etc.

2) Evaluation of the fault near the location of the nuclear reactor building

Safety should be determined based on survey results.

3) Factors that contributed to the Quaternary deformations

It is not reasonable to conclude that the Quaternary deformations were caused primarily by swelling of the bedrock etc.
(The deformations were caused by active faults.)

◆In-house evaluation (including opinions from external experts)

Individual evaluation

There are no grounds to show fault activity within the premises after the late Quaternary period (the Pleistocene epoch) (for about the past 120,000–130,000 years), as follows:

- There are no traces of strike-slip fault activity.
- There are no faults that are linked with the area considered as tectonic relief.
- The characteristics of the Quaternary deformations do not show a relationship with fault activity etc.

Notably, **the fault near the nuclear reactor** was formed at least before the Neogene period (Pliocene epoch) (about 2.6 million years ago or earlier). **No activity has been observed since the late Quaternary period (the Pleistocene epoch).**

The Quaternary deformations are attributed to volume expansion affected by (i) swelling of clay minerals in the areas where the bedrock has deteriorated and (ii) swelling caused by weathering.
(This is more rational than other causes.)

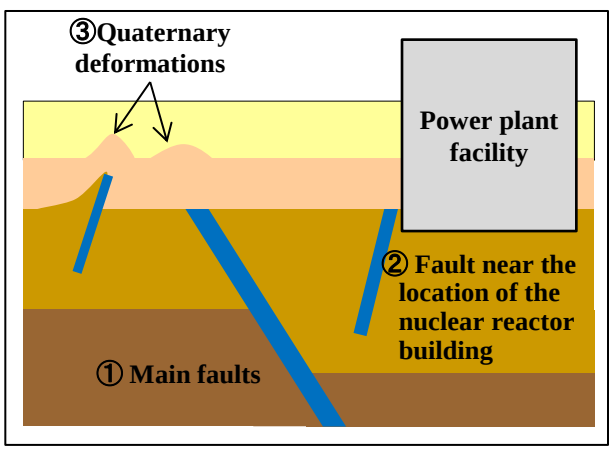
Overall evaluation

Surveys/evaluations were conducted based on the issues described in the evaluation report (draft) prepared by the panel of experts, while taking into account new findings. No grounds were confirmed to show activity of the faults within the premises after the late Quaternary period (the Pleistocene epoch).
Based on the results of the additional geological survey, **the evaluation showed that the faults within the premises are not "faults that are likely to become active in the future" as defined in the new regulatory requirements. This conclusion was supported by external experts (including experts in geology).**

Results of an additional geological survey on the faults within the premises of the Higashidori nuclear power plant (Reference 1)

Faults and Quaternary deformations

Some of faults within the premises of the Higashidori nuclear power plant are characterized by displacements/deformations in the Quaternary stratum (Quaternary deformations) that cover the faults. A review of the fault activity was carried out. In the safety screening that was conducted when we applied for permission to construct the nuclear reactor, the Japanese government's evaluation was that the faults are not active.



Process of an additional geological survey and evaluation

Opinions from external experts

(Additional geological survey)

A lot of data obtained from boring and trench surveys, etc. was evaluated.

Reasonable explanation

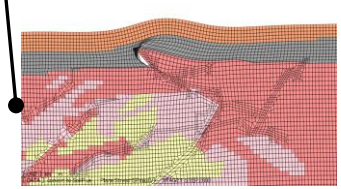
(Conclusion)

The faults within the premises are not active.

Survey on the horizontal drilling surface
The points just above the faults and surrounding areas were closely inspected. No traces of strike-slip fault activity were confirmed.

Boring survey and core cross section
It was confirmed that the protrusions in the terrain are not attributed to strike-slip fault activity.

Trench survey on the area considered as a tectonic relief
It was confirmed that there are no faults corresponding to the terrain.



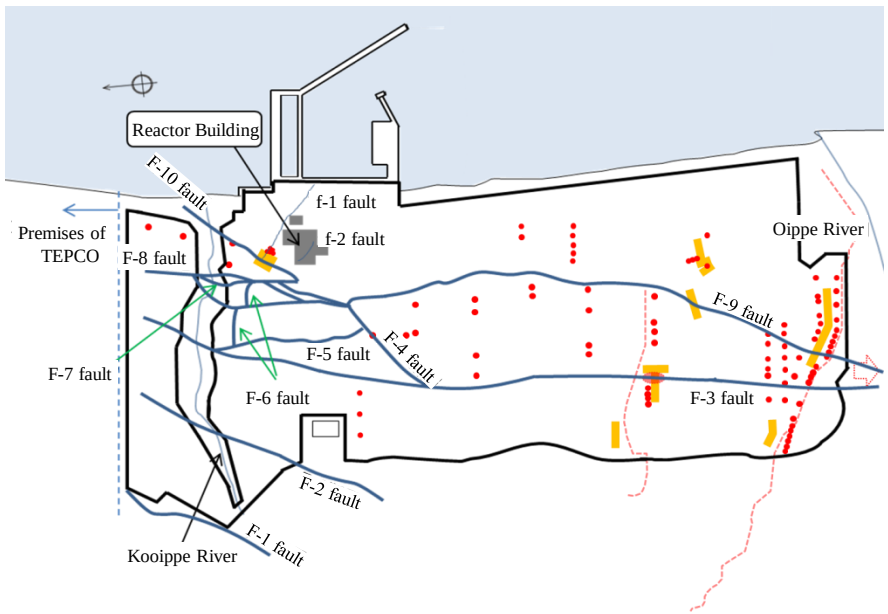
Numerical analysis of Quaternary deformation
The Quaternary deformations (attributed to the volume expansion in the areas where the bedrock has deteriorated) were reproduced in simulation.

External experts (e.g. geology and topography) from whom a written opinion regarding the results of the additional geological survey was obtained

CHIGIRA, Masahiro (Professor, Kyoto University)
KANAORI, Yuji (Professor, Yamaguchi University)
OKUMURA, Koji (Professor, Hiroshima University)
TOKUYAMA, Akira (former president of Fuji Tokoha University; Professor Emeritus, Hyogo University of Teacher Education)
TOODA, Shinji (Professor, Tohoku University)
YAMAZAKI, Haruo (Professor, Tokyo Metropolitan University)
YANAGIDA, Makoto (Lecturer, Komazawa University; Director, Hanshin Consultants, Co., Ltd.)
(listed in alphabetical order)

Results of an additional geological survey on the faults within the premises of the Higashidori nuclear power plant (Reference 2)

Location of faults within the premises and additional survey



【Legend】

- Boring survey
- Trench survey
- Horizontal excavated survey
- Geophysical exploration
- Geological ground survey

Typical geological survey method

Trench and boring surveys etc., are conducted to investigate the underground geological features and faults.
In the case of building a nuclear power plant, boring surveys cover up to hundreds of meters in depth, while trench surveys cover up to 100 m or more in length and 10 m or more in depth.

< Trench surveys >

The topsoil and bedrock are excavated to directly observe geological features and faults.

Survey points within the premises of the Higashidori nuclear power plant

70 in total
(including 9 points subject to the additional geological survey)

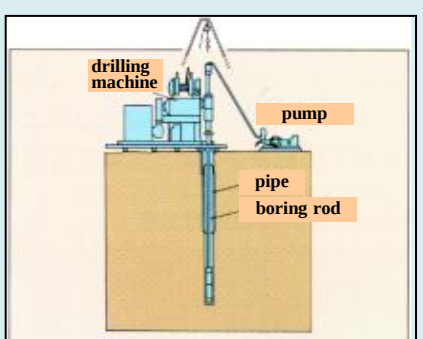
< Boring surveys >

Underground rocks etc. are continuously taken out as cylindrical cores for observation and analysis.

Survey length within the premises of the Higashidori nuclear power plant

About 53,000 m in total length
(including 13,000 m subject to the additional geological survey)

Example of core sample
Diameter: about 7–9 cm
Length: cut into 1 m pieces



(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.