Financial Summary
3rd Quarter of FY2015
(April 1, 2015 – December 31, 2015)

January 28, 2016

Tohoku Electric Power Co., Inc.

Tohoku Electric Power

Contents

3rd Quarter of FY2015 Financial Results

Topics

References

Tohoku Electric Power

3rd Quarter of FY2015
Financial Results

Summary of Financial Results

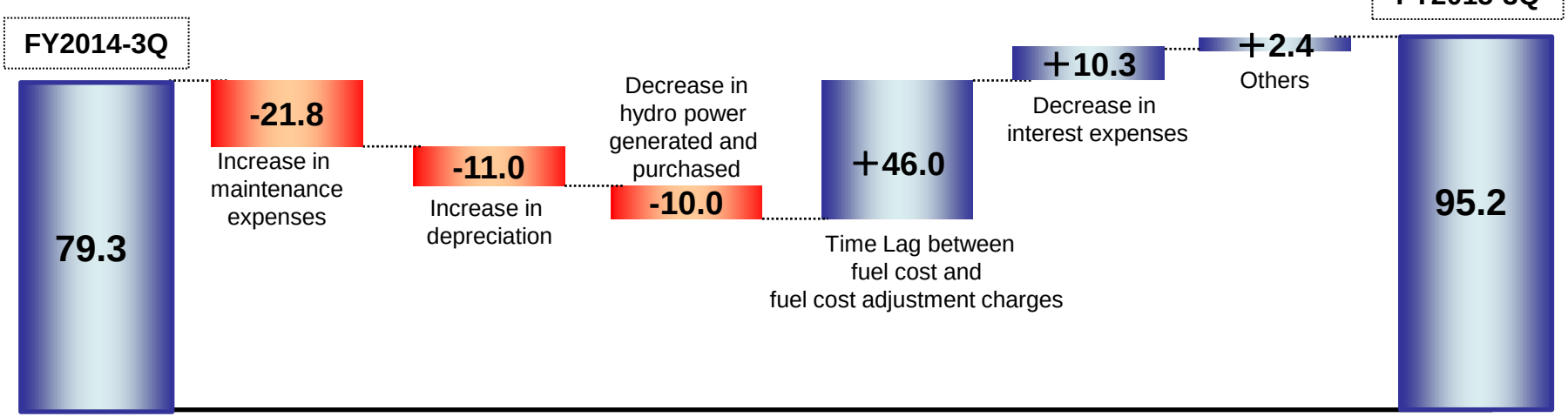
(billions of yen)

	Consolidated (A)			Non-consolidated (B)			(A) / (B) (times)	
	FY2015 3Q	FY2014 3Q	Change	FY2015 3Q	FY2014 3Q	Change	FY2015 3Q	FY2014 3Q
Operating Revenue	1,522.2	1,564.3	(42.1)	1,365.2	1,402.1	(36.9)	1.12	1.12
Operating Income	141.4	131.8	9.6	120.9	112.3	8.5	1.17	1.17
Ordinary Income	117.8	95.9	21.9	95.2	79.3	15.9	1.24	1.21
Net Income or Net Income Attributable to Owners of Parent	79.1	70.7	8.4	66.3	63.8	2.5	1.19	1.11

	Dec. 31, 2015	Mar. 31, 2015	Change	Dec. 31, 2015	Mar. 31, 2015	Change
Equity Ratio	16.2%	14.6%	1.6%	14.7%	13.0%	1.7%

Year-on-year Comparison of Non-consolidated Ordinary Income（increase of 15.9 Billion Yen)

(billions of yen)



Electricity Sales

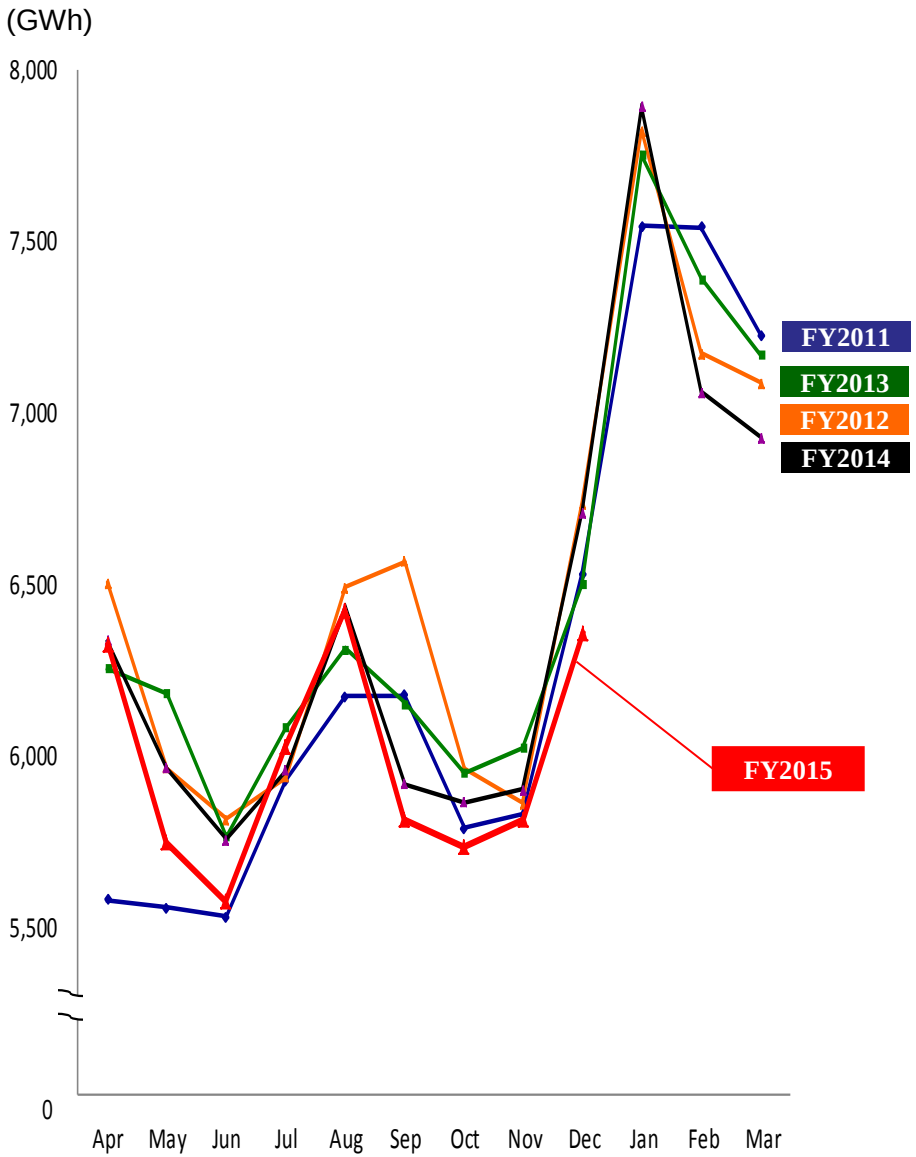
(GWh)

Segment		FY2015/3Q (A)	FY2014/3Q (B)	Comparison (A) – (B)	Comparison (A) / (B)
Regulated	Residential	15,810	16,161	(351)	97.8%
Regulated	Commercial	2,437	2,521	(84)	96.6%
Regulated	Sub-total	18,246	18,682	(436)	97.7%
Deregulated		35,486	36,076	(590)	98.4%
Total		53,732	54,758	(1,026)	98.1%

【 Sub Segment 】

Large Industrial	18,463	18,747	(284)	98.5%

Changes in Electricity Sales (monthly)



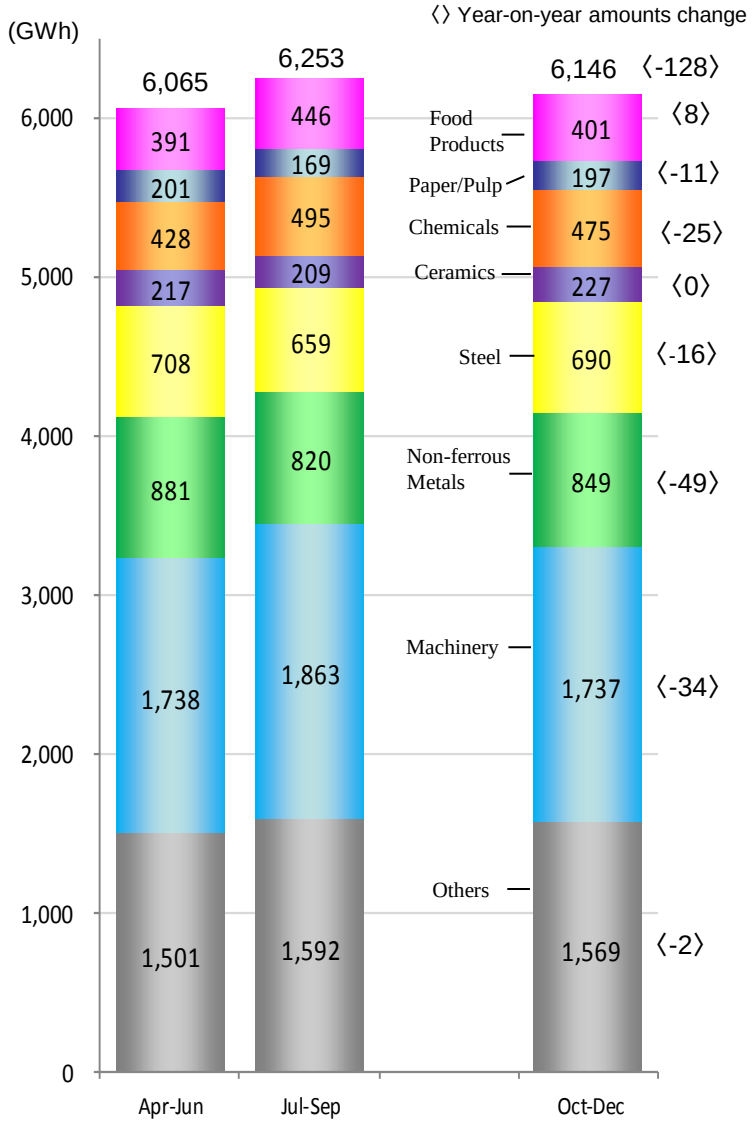
Large Industrial Sector

Y-o-Y Percentage Changes in Large Industrial Sales

(%)

	FY2014				FY2015		
	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Food Products	2.8	0.3	0.0	0.7	2.5	2.8	2.0
Paper/Pulp	(13.6)	(15.5)	7.4	2.3	7.4	1.6	(4.6)
Chemicals	(2.7)	11.7	11.2	(3.2)	(5.0)	(4.6)	(5.0)
Ceramics	1.7	3.4	(0.5)	(1.7)	0.1	(5.4)	0.1
Steel	(6.0)	(10.4)	(11.6)	(14.0)	(5.3)	(1.4)	(2.2)
Non-ferrous Metals	5.3	6.3	3.8	3.5	(1.5)	(4.9)	(5.6)
Machinery	1.7	0.2	0.8	0.8	(0.2)	(0.7)	(1.9)
Others	1.5	0.0	(1.3)	(1.3)	(1.2)	0.3	(0.1)
Total	0.3	0.2	(0.0)	(1.5)	(1.2)	(1.3)	(2.0)

Changes in Large Industrial Sales



Electricity Generated & Purchased and Major Factors

(GWh)

		FY2015/3Q (A)	FY2014/3Q (B)	Comparison	
				(A) - (B)	(A) / (B)
Electricity Generated and Purchased	Own Generated power	46,794	47,365	(571)	98.8%
	Hydro	5,897	6,260	(363)	94.2%
	Thermal	40,214	40,417	(203)	99.5%
	Nuclear	–	–	–	–
	Renewable	683	688	(5)	99.3%
	Purchased Power	17,566	18,349	(783)	95.7%
	Power Interchanges (Transmitted)	(10,963)	(10,577)	(386)	103.6%
	Power Interchanges (Received)	5,925	5,611	314	105.6%
	Used at Pumped Storage	(51)	(49)	(2)	102.0%
	Total, Generated and Purchased	59,271	60,699	(1,428)	97.6%
Major Factors	Crude Oil CIF Price ($/bbl.)	54.6	102.5	(47.9)	
	Exchange Rate (¥/$)	122	107	15	
	Hydro Power Flow Rate (%)	95.4	102.2	(6.8)	
	Nuclear Power Utilization Rate (%)	–	–	–	

Statements of Income (Non-consolidated)

(billions of yen)

		FY2015/3Q (A)	FY2014/3Q (B)	Comparison (A) - (B)	Comparison (A) / (B)	Major factors for change
Revenue	Residential	401.4	423.0	(21.5)	94.9%	Decrease in electricity sales, etc.
	Commercial	702.4	746.5	(44.1)	94.1%	
	Sub total	1,103.9	1,169.6	(65.6)	94.4%	
	Sales of power to other utilities	145.1	150.0	(4.9)	96.7%	
	Sales of power to other companies	16.3	10.3	6.0	158.0%	Increase in JEPX trading, etc.
	Grant under Act on Purchase of Renewable Energy Sourced Electricity	68.5	40.3	28.1	169.8%	Increase in power purchased from solar, etc.
	Other revenue	36.2	38.8	(2.6)	93.2%	
	[Operating Revenue]	[1,365.2]	[1,402.1]	[(36.9)]	[97.4%]	
	Total revenue	1,370.1	1,409.2	(39.0)	97.2%	
Expenses	Personnel	86.1	91.4	(5.2)	94.2%	
	Fuel	294.7	417.8	(123.0)	70.5%	Decrease in thermal fuel expense, etc.
	Maintenance	128.2	106.3	21.8	120.6%	Increase in maintenance expenses for distribution and thermal power facilities, etc.
	Depreciation	164.8	153.7	11.0	107.2%	Increase caused by Shin-Sendai No. 3-1 Series commencement of commercial operation, etc.
	Power purchased from other utilities	93.3	102.2	(8.8)	91.3%	
	Power purchased from other companies	222.3	208.4	13.8	106.7%	Increase in purchase volume for solar, etc.
	Interest	25.4	35.8	(10.3)	71.0%	Decrease in interest-bearing liabilities, etc.
	Taxes, etc.	60.4	61.7	(1.2)	97.9%	
	Nuclear power back-end cost	6.3	6.7	(0.4)	93.1%	
	Levy under Act on Purchase of Renewable Energy Sourced Electricity	67.3	32.6	34.6	206.1%	Price revision of renewable energy surcharge, etc.
	Other expenses	125.7	112.8	12.9	111.5%	Increase in expenses for retirement of non-current assets, etc.
	Total expenses	1,274.9	1,329.9	(55.0)	95.9%	
[Operating Income]		[120.9]	[112.3]	[8.5]	[107.6%]	
Ordinary Income		95.2	79.3	15.9	120.1%	
Extraordinary Income		-	14.2	(14.2)	-	Reactionary decrease in gain on revision of retirement benefit plan
Net Income		66.3	63.8	2.5	103.9%	

Balance Sheets (Non-consolidated)

(billions of yen)

	Dec. 31, 2015 (A)	Mar. 31, 2015 (B)	Comparison (A) - (B)	Major factors for change
Total Assets	3,788.8	3,850.3	(61.4)	
Non-current Assets	3,339.5	3,382.1	(42.6)	
Current Assets	449.2	468.1	(18.8)	Short-term investments : (16.5) Short-term receivables from subsidiaries and associates: (13.9) Supplies: (10.6)
Liabilities	3,231.0	3,349.9	(118.8)	Short-term debt to subsidiaries and affiliates : (17.6) Provision for retirement benefits: (17.3)
Net Assets	557.7	500.3	57.3	Retained earnings : 56.0

Interest-Bearing Liabilities	2,459.0	2,529.3	(70.3)	Loans: (28.8) Bonds : (27.4) CP: (14.0)

Statements of Income & Balance Sheets (Consolidated)

(billions of yen)

Statements of Income	FY2015/3Q (A)	FY2014/3Q (B)	Comparison (A) - (B)	Major factors for change
Operating Revenue	1,522.2	1,564.3	(42.1)	Electric Power : (34.5)
Operating Expenses	1,380.7	1,432.5	(51.7)	Electric Power : (42.4)
Operating Income	141.4	131.8	9.6	
Ordinary Income	117.8	95.9	21.9	
Extraordinary Income	—	14.2	(14.2)	Reactionary decrease in gain on revision of retirement benefit plan
Net Income Attributable to Owners of Parent	79.1	70.7	8.4	

(billions of yen)

Balance Sheets	Dec. 31, 2015 (A)	Mar. 31, 2015 (B)	Comparison (A) - (B)	Major factors for change
Total Assets	4,099.2	4,131.2	(31.9)	
Non-current Assets	3,469.9	3,497.2	(27.2)	
Current Assets	629.3	633.9	(4.6)	
Liabilities	3,383.1	3,480.0	(96.8)	Accrued taxes: (15.6), Notes and accounts payable – trade : (11.5)
Net Assets	716.1	651.2	64.8	Retained earnings : 68.8
Interest-Bearing Liabilities	2,491.5	2,561.9	(70.4)	Loans: (28.9) , Bonds : (27.4), CP: (14.0)

Segment Information (Consolidated)

(billions of yen)

	FY2015/3Q (A)	FY2014/3Q (B)	Comparison (A) - (B)
Operating Revenue	1,522.2	1,564.3	(42.1)
Electric Power Business	1,356.6 [1,354.6]	1,391.2 [1,389.2]	(34.6) [(34.5)]
Construction Business	192.9 [95.9]	188.8 [102.7]	4.1 [(6.7)]
Gas Business	28.7 [23.6]	33.2 [28.2]	(4.5) [(4.5)]
Information Processing, Tele-communication Business	30.0 [15.3]	28.3 [15.3]	1.6 [0.0]
Others	106.8 [32.4]	87.6 [28.7]	19.1 [3.6]

[ ] : Operating revenue from external customers

(billions of yen)

	FY2015/3Q (A)	FY2014/3Q (B)	Comparison (A) - (B)
Segment Income [Operating Income]	141.4	131.8	9.6
Electric Power Business	120.9	114.0	6.8
Construction Business	8.2	5.6	2.6
Gas Business	1.3	1.0	0.3
Information Processing, Tele-communication Business	4.8	4.9	(0.0)
Others	5.4	3.8	1.5

Financial Forecast and Premise of Forecast for FY2015

- We revised our forecast of operating revenue and other incomes for FY2015 announced on October 28, 2015, according to the latest conditions of supply and demand, etc.
- Our consolidated ordinary income will increase to 140 billion yen, due to a time lag between fuel costs and fuel cost adjustment charges caused by a drop in crude oil CIF price.

Financial Forecast for FY2015

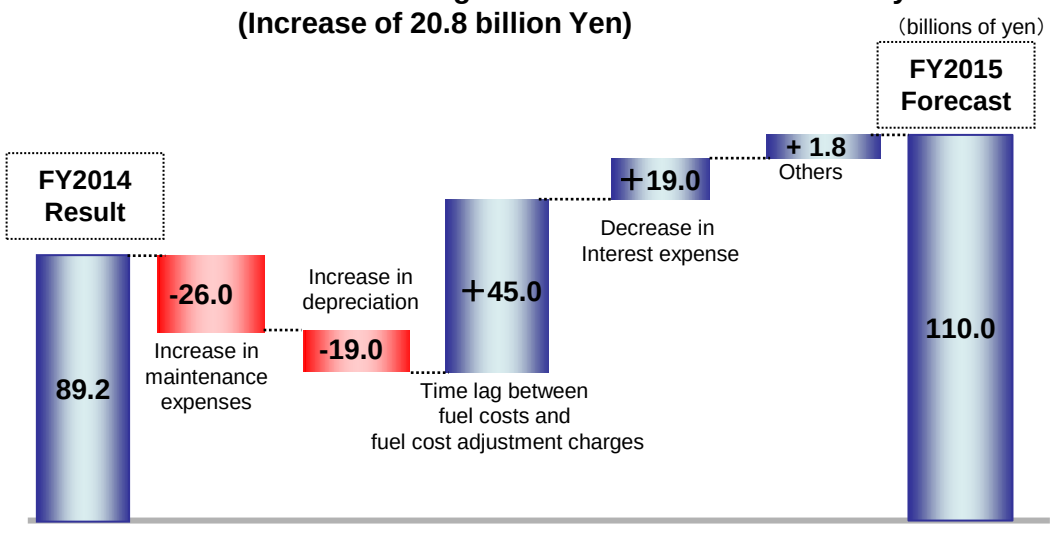
(billions of yen)

	Consolidated				Non-consolidated			
	FY2015 Forecast (new) (A)	FY2015 Forecast (previous) (B)	Changes (A-B)	FY2014 Result	FY2015 Forecast (new) (A)	FY2015 Forecast (previous) (B)	Changes (A-B)	FY2014 Result
Operating Revenue	2,080.0	2,110.0	(30.0)	2,182.0	1,870.0	1,900.0	(30.0)	1,951.6
Operating Income	174.0	148.0	26.0	169.7	147.0	126.0	21.0	140.5
Ordinary Income	140.0	115.0	25.0	116.6	110.0	90.0	20.0	89.2
Net Income or Net Income Attributable to Owners of Parent	88.0	75.0	13.0	76.4	73.0	63.0	10.0	62.4

【Major Factors】	FY2015 Forecast (new)	FY2015 Forecast (previous)	FY2014 Result
Electricity Sales (TWh)	Approx. 75.5	Approx. 77.1	76.6
Crude Oil CIF ($/bbl.)	Approx. 51	Approx. 60	90.4
FX Rate（¥/$）	Approx. 121	Approx. 121	110

【Sensitivity Analyses】	FY2015 Forecast (new)
Crude Oil CIF Price (per $1/bbl.)	Approx. 4.6 billion yen
FX Rate (per ¥1/$)	Approx. 2.9 billion yen

Reference: Factors for Change in Non-consolidated Ordinary Income (Increase of 20.8 billion Yen)



Dividend Forecast for FY2015

- The Company's basic dividend policy is to distribute stable dividends determined by taking into full consideration our business performance of the relevant fiscal year and our medium to long-term financial prospects.

- Comprehensively deliberating facts such as above mentioned basic dividend policy and the recovery of the Company's financial condition which was badly affected by the Great East Japan Earthquake and subsequent incidents, the Company has decided to pay a 15 yen year-end dividend per share for FY2015.

Dividend Per Share

	Interim	Year-end	Annual
FY2015 (forecast)	10 yen	15 yen	25 yen
FY2014	5 yen	10 yen	15 yen

Topics

New Company Slogan

- In October 2015, to show our management principles in the era of electricity liberalization, we have established and released our new company slogan.

New Company Slogan

より、そう、ちから。

‘yori, sou, chikara’

What only Tohoku EPCO can do

‘yorisou’ as ‘be aligned with customer needs’

- We offer new service and rate plans suitable for customers’ lifestyles.
- We carefully listen to customers’ voices to improve our service.

‘yorisou’ as ‘work alongside the communities’

- We work alongside the communities struggling to recover from the earthquake disaster.
- We provide stable electricity essential to local business activities.
- We work alongside the communities to improve their vitality.

New Financial Target

Our new financial target: **Equity Ratio (consolidated) of 25% or more in FY2020**

(Our goal for the future: Equity Ratio (consolidated) of 30%)

Three Pillars for Growth

- I. Deployment of revenue expansion measures
- II. Balanced power source portfolio & enhancement of cost competitiveness
- III. Contribution to communities' reconstruction and revitalization

Building business structure to deploy strategic priorities

Accomplishment of strategic priorities

Accumulation of profits

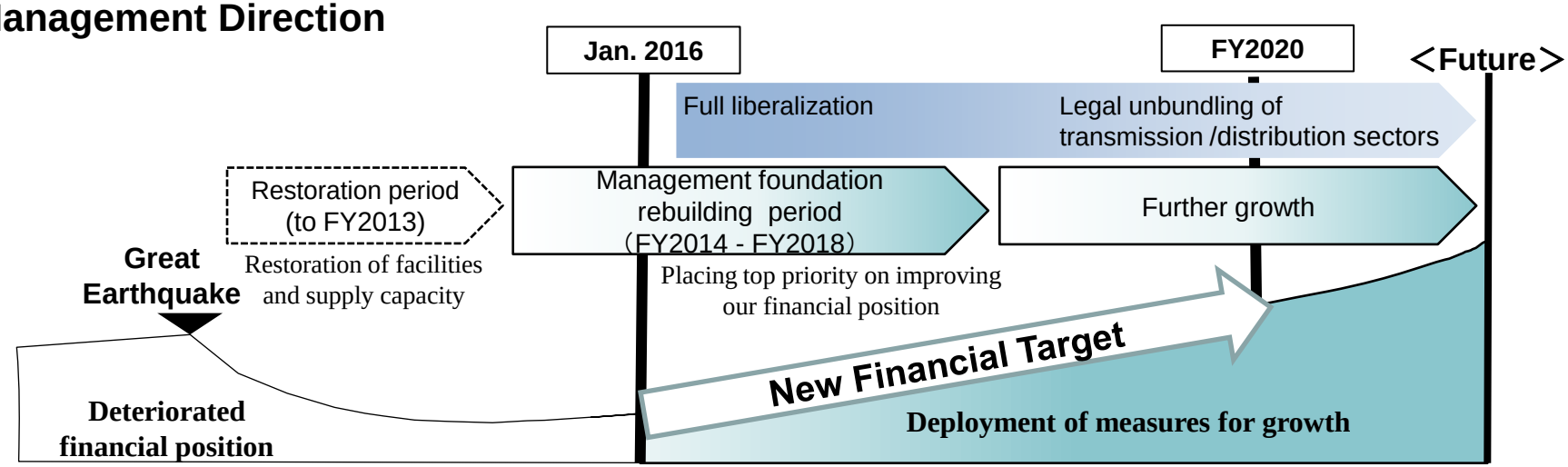
Enhancing our corporate value

Goal for the future:
Equity Ratio
(consolidated)
30%

≪Financial Target≫

Equity Ratio
(consolidated)
25% or more
【FY2020】

Management Direction



Three Pillars for Growth (1/3)

I. Deployment of Revenue Expansion Measures

＜Inside the Tohoku Region＞

We will offer customer-oriented service to satisfy customer needs.

- We will offer new rate plans suitable for customers' lifestyles, open our website (Yorisou e Net) for the convenience of our customers, and launch customer loyalty program (Yorisou e Point).
- We will propose various solutions utilizing heat pump devices that facilitate energy saving and cost reduction, as well as, we will enhance customer service, including new service and new rate plans utilizing energy management system and smart meters.
- We will deploy various measures to make Tohoku EPCO as a power company of customer's first choice.

＜Outside the Tohoku Region＞

We will increase profits with expansion of our footprint beyond our home turf, such as alliances.

- Through Synargia Power Co., Ltd. established with Tokyo Gas, we will make the maximum use of our advantages of competitive power sources and of sales channel to sell electricity to high-voltage and extra-high-voltage customers in the Kanto area centered on northern Kanto.
- We will utilize lessons learned from new business activities to create new rate plans and develop customer service within our franchise areas.
- We will explore new ways to increase our profits, including wholesale power trading, energy trading and wholesale power supply.

Three Pillars for Growth (2/3)

II. Balanced Power Source Portfolio & Enhancement of Cost Competitiveness

【Resumption of Nuclear Power Stations and Optimal Energy Mix】

We will pursue company-wide efforts toward resumption of our nuclear power plants.

- Prompt action to the new regulatory standard and commitment to elevate the safety measures for both facilities and operations.
- In addition to further enhancement of our emergency response for nuclear power disaster reduction in liaison with national and local governments, cultivating a better understanding by way of appropriate disclosure and close dialogue.

We will further enhance our cost competitiveness through pursuing strategic power source portfolio and diversifying fuel procurement.

- Development of cost-competitive, highly-efficient thermal power generation facilities, such as Shin-Sendai No.3 Series, Noshiro Unit 3 and Joestu Unit 1.
- Reduction of fuel procurement cost through diversified, flexible, and efficient LNG procurement.

【Acceleration of Procurement Reform of Material and Service】

We will reduce procurement costs and increase competitive biddings under the guidance of our internal Procurement Reform Committee.

Three Pillars for Growth (3/3)

III. Contribution to Communities' Reconstruction and Revitalization

【Supporting Communities' Reconstruction and Revitalization Primarily through Energy Services 】

We will actively advance the installation of renewable energy facilities in Tohoku.

- Increasing renewable energy facilities which take advantage of Tohoku's geographical characteristics, by utilizing our large-scale storage battery system verification projects, etc.
- Effective utilization of renewable energy affluent in the Tohoku region by Tohoku Natural Energy Development Co., Ltd. , a Tohoku EPCO company.

We will play active roles in municipalities' revitalization plans and smart community promotion projects.

- Participation in smart community promotion projects, which are important initiatives for reconstruction of Ishinomaki, Aizuwakamatsu and Ohira, from master-planning to facility construction.
- Cooperation to local governments, including nuclear power disaster hit communities, on the expansion of installing renewable energy facilities.
- Organization of next-generation support activities called "After-School Open Space" and town development assistance system called "Lively Seminar for Town Development".

【Our Contribution to Local Communities in a New Age】

We will support projects and local revitalization to improve the vitality of our communities.

Building Business Structure to Deploy Strategic Priorities

- We improve our business from the standpoint of customers, cultivate human resources who take new approaches, and create a corporate climate in which ambitious spirit of diverse employees including females can be leveraged.
- We will secure neutrality of transmission/distribution sector required and enhance our market competitiveness through close collaboration between sales and power generation sectors.

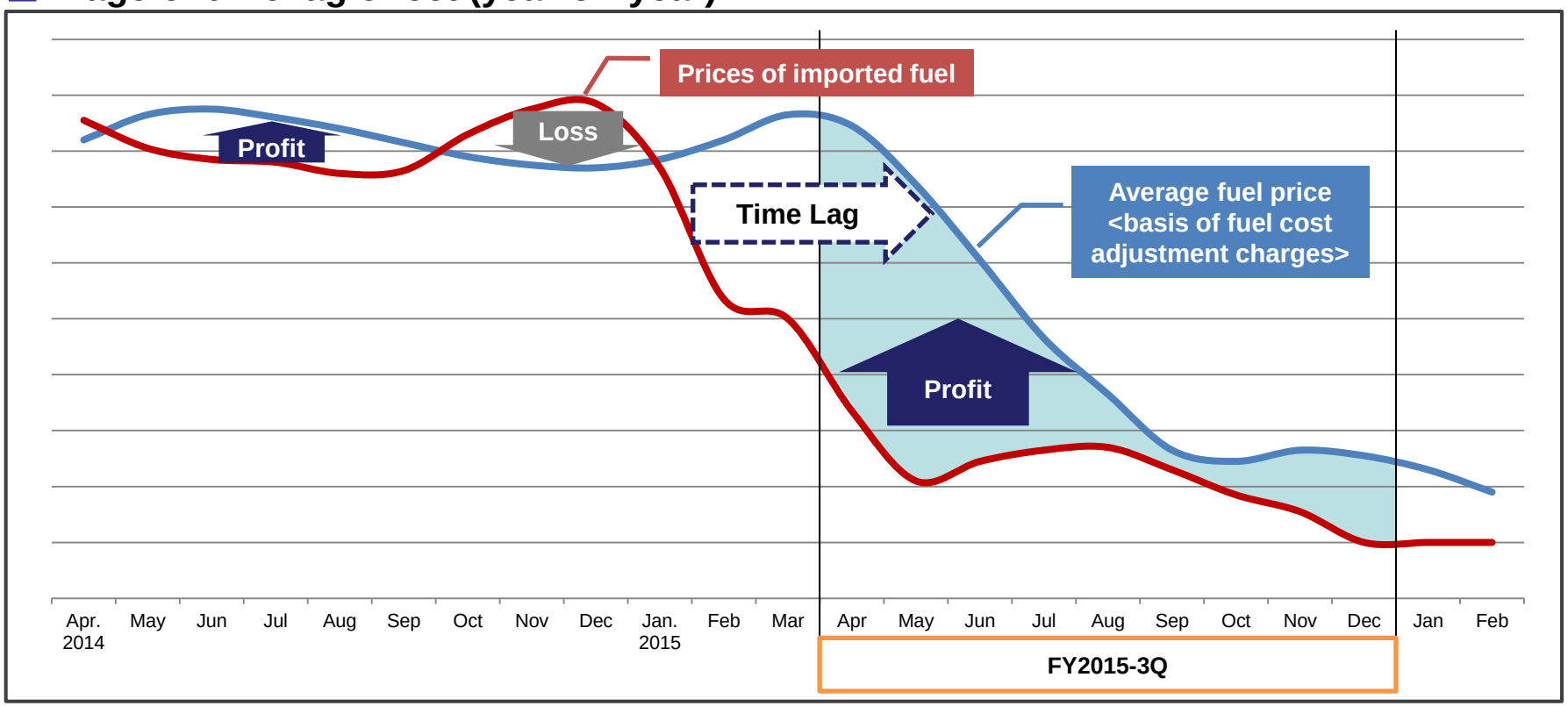
References

Image of Time Lag Effect - revenue & expense -

Time lag between Fuel Costs and Fuel Cost Adjustment Charges

- "Fuel cost adjustment system" is a system designed to automatically adjust monthly electricity fee on the basis of average fuel prices actually recorded for three months. This rate shall be applied to electricity fee after a delay of two months.
- Fluctuation in fuel prices causes time lag between when we pay fuel costs and when we receive fuel cost adjustment charges, resulting in temporary increase or decrease in profits.
- As for the third quarter of FY2015, the sharp decline in fuel prices continued from last fiscal year drastically lowered fuel costs; moreover, the fuel cost adjustment system creates time lag and hampers showing accurate revenue from electricity sales, temporarily boosting profits by approximately 46 billion yen.

Image of time lag effect (year-on-year)



New Rate Plans

- We will offer three rate plans to satisfy customers needs from April 2016.
- In replying to customers' inquiries, we will carefully consider their lifestyles and offer them optimal plans.
- We are now accepting applications for new rate plans announced on January 15.

New rate plans starting from April 2016

Rate plans	Yorisou Plus Time & Seasons	Yorisou Plus Night 12	Yorisou Plus Nights & Holidays
Concept	'Just the right plan' for customers who live in all-electric houses with heat pump devices	'Just the right plan' for customers who use electricity mainly during night hours, such as working couple households	'Just the right plan' for single-alone customers who use electricity mainly during night hours and on weekends
Targets	Newly-built/existing houses using heat pump electrification	Customers who work weekdays, often go out on weekends, and use electricity mainly during night-time	Live-alone customers who come home late on weekdays, and use electricity mainly during night-time and on holidays
Details	A rate plan with granular seasonal (winter, summer, other seasons) and time-of-use rates enables economically use of heat pump heating.	A rate plan with extended night hours from 9 p.m. to 9 a.m. enables economically use of electricity from night till morning.	A rate plan with inexpensive rates during holidays, weekends and nighttime hours.

Customer Loyalty Program

- We will launch a customer loyalty program called 'Yorisou e Point' from April 2016.
- Customers can receive up to 1,200 points per year (the first year for the web registration) through various actions.
- Accumulated reward points are expected to be exchanged for e-money, gift tickets, specialties of our service areas (Tohoku and Niigata), and donation to help reconstruct and revitalize our home region.

Yorisou e Point can be exchanged for:

E-money

Convenience stores, online shopping, etc.

Gift tickets

Department stores and convenience stores in Japan

よりそうeポイント

'Yorisou e Point'

Specialties of our franchise region

Selected specialties from Tohoku and Niigata

Donation to support reconstruction and local revitalization

Our Nuclear Power Stations Update

Current Status

Safety Measures	Aims	Time of Completion	
		Onagawa	Higashidori
Filtered Containment Vent	To release the gas in the container through the filter to the air to prevent containment failure and to curb the discharge of radioactive material into the environment in case the pressure in the reactor container increases.	April 2017	April 2017
Super Seawall	To prevent flooding to the premises in case conceivable maximum tsunami hits. ■ Conceivable tsunami height・・・Onagawa: 23.1m (upgrading to O.P. approximately 29m), Higashidori: 10.1m (The seawall with the height of T.P. approximately 16m has been installed.)	April 2017	Completed May 2013
Seismic Isolated Building	To improve command function. The building is to use for on-site emergency headquarters in the event of large-scale nuclear disaster.	April 2017	April 2017
Reinforcement Work	To secure sufficient seismic safety margins against a conceivable maximum earthquake (basic earthquake ground motion), construction work has been conducting, such as adding supports to or strengthening piping and conduit. ■ Upgraded basic earthquake ground motion・・・Onagawa: 580gals ⇒ 1,000gals Higashidori: 450gals ⇒ 600gals	April 2017	April 2017

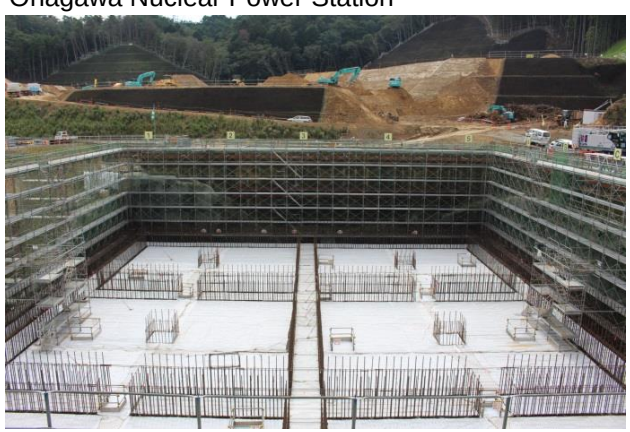
Countermeasure Work

【Super Seawall】

Onagawa Nuclear Power Station

【Fresh Water Storage Tank*】

Onagawa Nuclear Power Station



*In addition to existing water source, including condensate storage tanks, fresh water storage tanks (10,000m^3) are being installed to secure cooling water needed to control major accidents.

Higashidori Nuclear Power Station Update

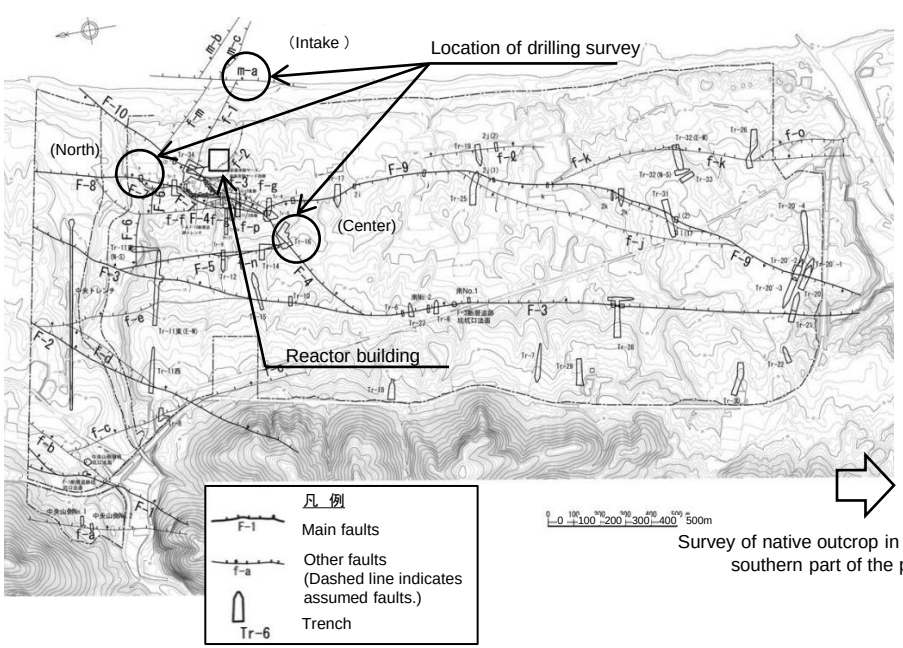
Faults under Higashidori Nuclear Power Station

- Nuclear Regulation Authority Experts Meeting (‘Experts Meeting’) held on March 25, 2015, submitted ‘Evaluation of Fracture Zones at the Higashidori Nuclear Power Station’ (‘Evaluation Statement’) to the Nuclear Regulatory Commission (NRA), resuming examinations as to compliance with new regulation standards. Evaluation Statement has judged some faults “are faults that will be active in the future.”
- Following the consensus stated above, hearings for examinations as to compliance with new regulation standards were resumed from June 2015. The first examination concerning faults in the premises started on November 27, 2015.
- We, based on accumulated huge amount of data, are convinced that faults in the premises have not been active since at least the Quaternary Late Pleistocene (120,000 to 130,000 years ago); consequently, we judge that Quaternary deformation is not tectonic relating to fault activities. We are now conducting additional survey for part of faults under the premises and will respond to the future examinations making use of this result.

Outline of additional survey

I. We will conduct drilling survey to collect a sampling from the crush zone under the premises.
II. We will collect a sampling outside the premises from the crush zone to survey the native outcrop.

Survey	Targets	Location of faults
Drilling survey	F-4 fault	Center
	F-8 fault F-10 fault	North
	m-a fault	Intake
Survey of native outcrop	F-1 fault F-2 fault	West
	F-9 fault	Center



Distribution of faults and additional survey

Drilling survey

Drilling core

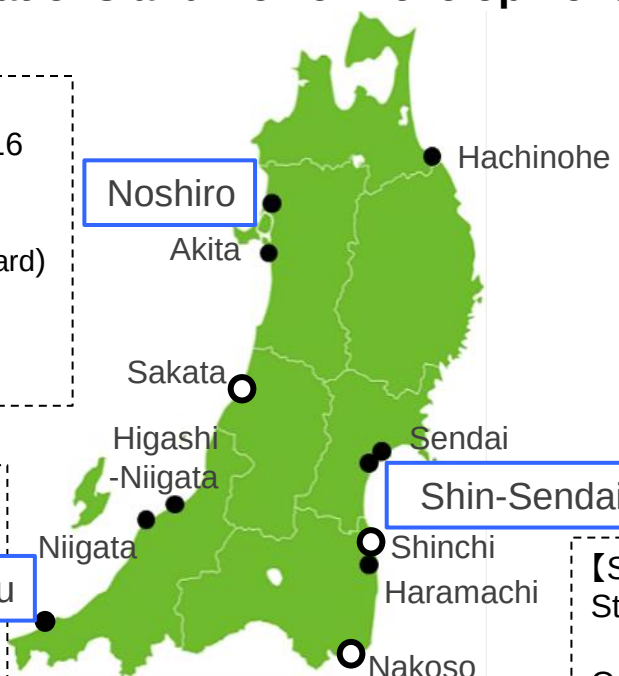
Competitiveness Enhancement of Our Thermal Power Plants

Development of Highly-Efficient Thermal Power Plants

- Shin-Sendai No.3-1 series started its commercial operation in December 2015. No.3-2 series, being under construction, are planned to commence commercial operation in July 2016.
- As for Noshiro Unit 3, construction has been started from January 2016 in order to commence commercial operation in June 2020.

Major Thermal Power Stations and Power Development Plan

【Noshiro Unit 3】
Construction started in Jan. 2016
Output: 600 MW
Thermal Efficiency: 44.8%
(lower heating value standard)
Fuel: Coal
Start of operation: Jun. 2020
(scheduled)



【Joetsu Unit 1】
Construction will start in May 2019
Output: 572 MW
Thermal Efficiency:
60.0% or more (under design)
(lower heating value standard)
Fuel: LNG
Start of operation: Jun. 2023
(scheduled)

【Shin-Sendai Thermal Power Station】

【Shin-Sendai No.3 Series】
Status: No.3-1 is in commercial operation
No.3-2 is under construction
Output: 980 MW
Thermal Efficiency: 60.0% or more
(lower heating value standard)
Fuel: LNG
Start of operation:
No.3-1 Dec. 2015 [490 MW]
No.3-2 Jul. 2016 (scheduled) [490 MW]

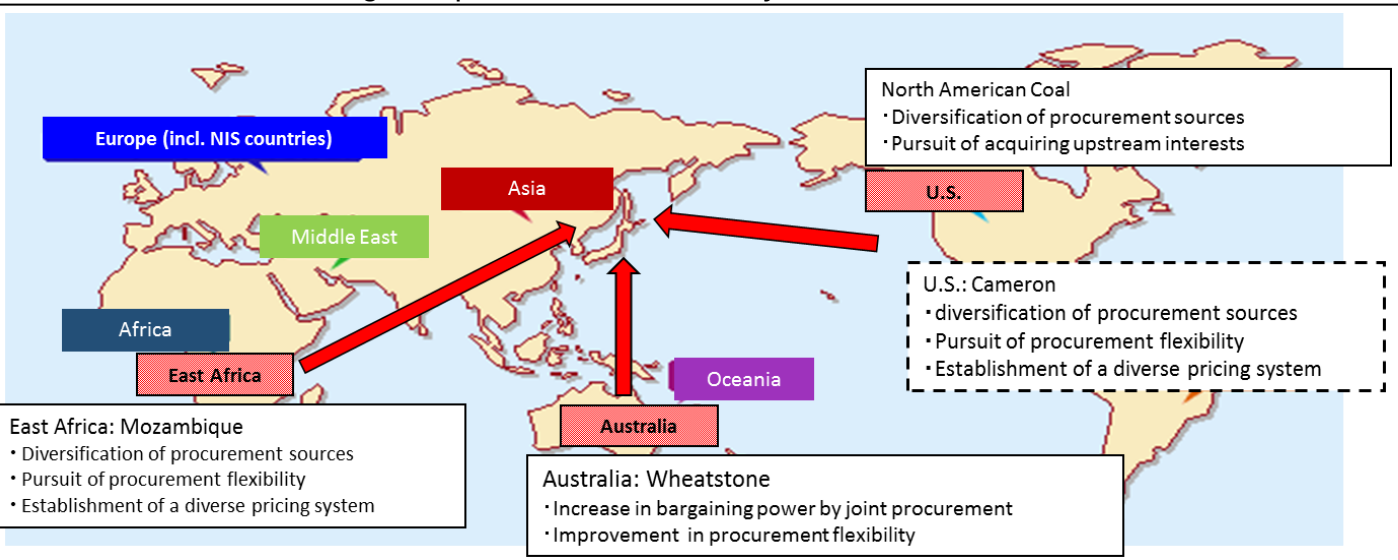
Pursuit of Efficient Fuel Procurement

Conclusion of Long Term Sale/Purchase Agreement concerning US Cameron Project

- We concluded a long term sale and purchase agreement with Engie (previously known as GDF Suez) in October 2015 to purchase LNG from the U.S. Cameron Project, and we plan to purchase approximately 270,000 tons per year for two decades from 2018. The purchase price is pegged to Henry Hub Natural Gas Spot Price.
- The above agreement enables us to change destinations due to supply/demand adjustments and to resell purchased LNG to third parties in accordance with the market trend based on an agreement between two companies.
- We also concluded Heads of Agreement concerning long term sale and purchase with Diamond Gas International Pte. Ltd. in April 2014 (supply start in 2022) to purchase LNG from the U.S. Cameron Project.

Other Projects

- In October 2015, we have concluded Heads of Agreement concerning long term natural gas sale and purchase for Joetsu Unit 1 with Chubu Electric Power Co., Inc.. We plan to purchase approximately 300,000 tons (converted to LNG) of natural gas per year for two decades from June 2023.
- As for jointly purchase LNG from the Wheatstone Project in Australia, we have concluded an agreement with Tokyo Electric Power Co., Inc. and the seller in October 2013 with the aim of improving flexible and efficient LNG procurement (supply starts in FY2017).
- We have been proactively considering procuring LNG from Mozambique, East Africa, getting involved in new coal project in North America, and increasing acceptance of economically efficient sub bituminous coal.

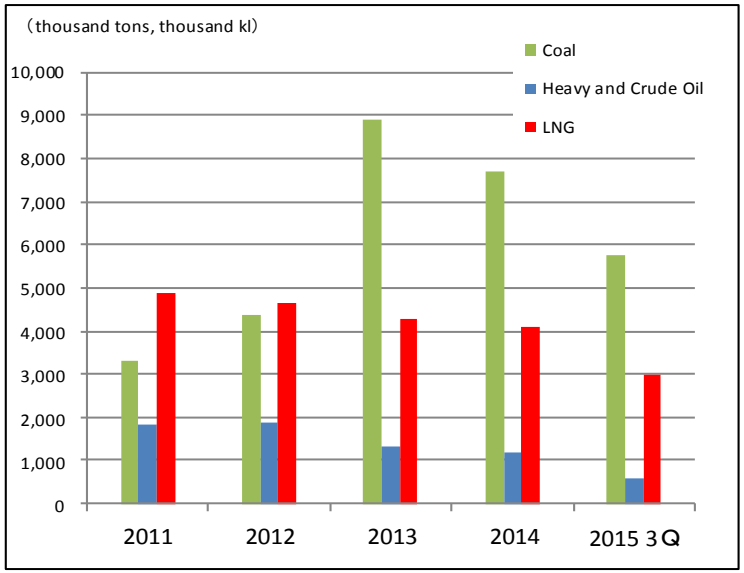


Fuel Consumption

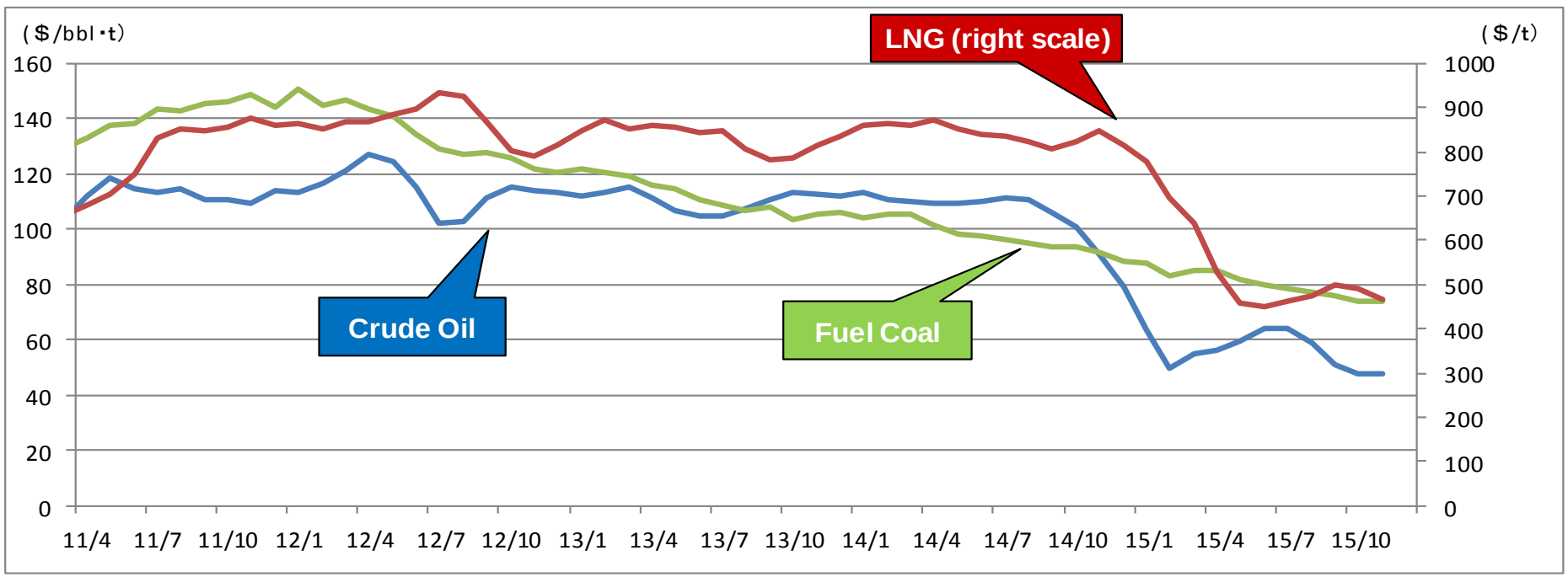
Fuel Consumption

(thousand tons, thousand kl)

	FY2011	FY2012	FY2013	FY2014	FY2015 3Q
Coal	3,310	4,380	8,900	7,710	5,780
Heavy and Crude Oil	1,860	1,880	1,320	1,200	570
LNG	4,890	4,660	4,280	4,080	3,000

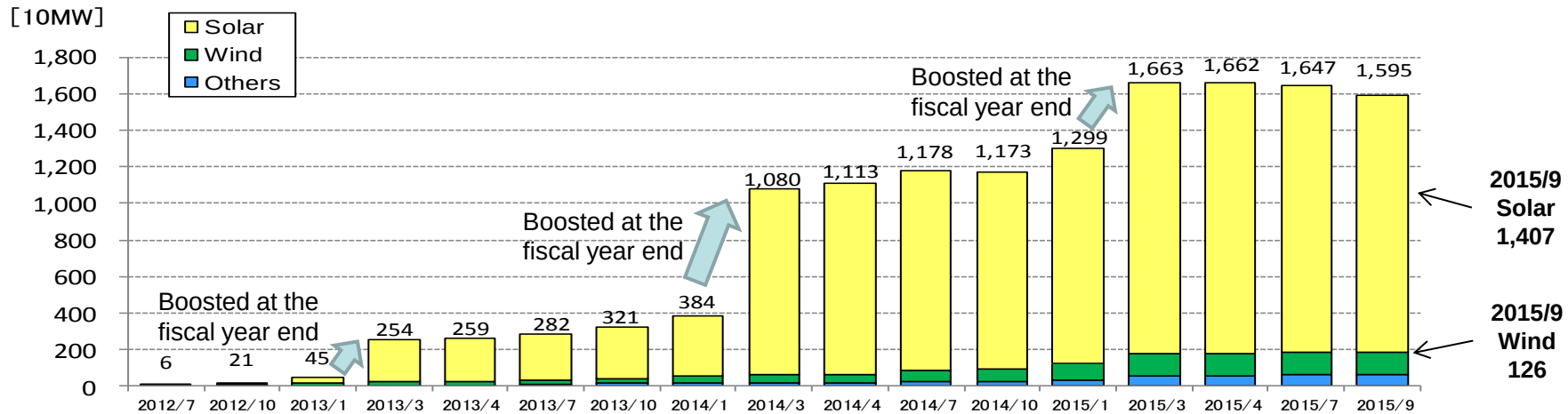


[Reference] Historical Prices of CIF Crude Oil, Fuel Coal and LNG



Response to Renewables Connection Applications

Total capacity of approved FIT projects in Tohoku area



Solar and Wind power generations connected to Tohoku EPCO's grid and estimated grid access volumes (as of Dec. 31, 2015)

	Connected (A)		Will be connected under old rule (B)		Will be connected under designated rule (C)		(A)+(B)+(C)	
	Projects	MW	Projects	MW	Projects	MW	Projects	MW
Solar	159,663	2,281	1,312	3,714	705	2,074	161,680	8,069

	Connected (A)		Will be connected (B)		(A)+(B)	
	Projects	MW	Projects	MW	Projects	MW
Wind	133	703	114	1,100	247	1,803

※Totals may not equal the sum of individual figures due to rounding

Designation as a specified electric utility for wind power under Feed-in Tariffs

- On December 16, 2015, we have been designated as a specified electric utility for wind power grid connection under FIT, because there is a possibility that grid connection applications will exceed our acceptable capacity for wind power in FY2016. (On December 22, 2014, we were already designated as a specified electric utility in relation to solar power grid connection.)
- If grid connection application surpasses 2,510MW, appliers should consent to curtail their output with no compensation for over 720 hours a year.
- Wind power generation with less than 20kW output was exempt from output curtailment, but this exception will not be applied to new grid connection application.

(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.