

July 30, 2009

Financial Results for the First Quarter of Fiscal 2009

Tohoku Electric Power Co., Inc. (hereinafter, Tohoku EPCO), today registered a summary of its financial statements for the first quarter (from April 1, 2009 to June 30, 2009) on the Tokyo Stock Exchange's TDnet (Timely Disclosure Network).

【Consolidated operating revenues】

Due to the decrease in electric power sales, consolidated operating revenues were down by ¥18.8 billion (a 4.5 % decrease), to ¥399.5 billion, and ordinary revenue decreased by ¥19.6 billion (a 4.7% decrease), to ¥401.7 billion, compared to the first quarter of the previous fiscal year.

With respect to expenses, in the electric utility business, decreases in fuel costs and purchased power rates due to falling fuel prices resulted in ordinary expenses of ¥359.1 billion (a year-on-year decrease of ¥58.5 billion, or a 14.0% decrease).

As a result, consolidated ordinary income was ¥42.5 billion and consolidated net income was ¥28.1 billion for the first quarter ended June 30, 2009.

【Electric power sold by Tohoku EPCO】

The increase in electric power sales for all-electric housing was more than offset by the decrease in large-scale industrial demand, hit by the global economic downturn, which resulted in electric power sales of 18.5 billion kWh (a 6.8% decrease compared to the first quarter of the previous year), recording the first year-on-year decrease recorded for first-quarter results in seven years.

Tohoku Electric Power Co., Inc.

Summary of Quarterly Financial Statements (Unaudited)

(April 1, 2009 - June 30, 2009)

Information below is an English translation of the "Unaudited Quarterly Financial Release" for three months ended June 30, 2009, which has been filed with the Tokyo Stock Exchange, Inc. and Osaka Securities Exchange Co., Ltd. for public inspection.

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(Note) All monetary values are rounded down to the nearest units as indicated in each table.

1. Business Results for Consolidated First Quarter Period in FY 2009 (Three months ended June 30, 2009)

(1) Progresses of Financial Results

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3 months ended Jun. 30, 2009	399,500	(4.5)	52,668	328.6	42,532	—	28,172	713.9
3 months ended Jun. 30, 2008	418,372	—	12,288	—	3,594	—	3,461	—

	Net income per share	Diluted net income per share
	Yen	Yen
3 months ended Jun. 30, 2009	56.51	—
3 months ended Jun. 30, 2008	6.94	—

(Note) Percentage figures represent changes as compared to the same period of the previous year.

(2) Changes in Financial Positions

	Total assets	Net assets	Equity ratio to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Jun. 30, 2009	3,943,382	962,656	23.1	1,828.66
Mar. 31, 2009	4,019,321	948,291	22.3	1,798.50

2. Dividends

	Cash dividends per share				
	Jun. 30, 2009	Sep. 30, 2009	Dec. 31, 2009	Year-end	Annual total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2009	—	30.00	—	30.00	60.00
Year ending Mar. 31, 2010	—				
Year ending Mar. 31, 2010 (forecast)		30.00	—	30.00	60.00

3. Business Results Forecast for Consolidated FY 2009 (Year ending March 31, 2010)

	Operating revenues		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter of FY 2009	820,000	(7.1)	50,000	—	29,000	—	16,000	—	32.09
FY 2009	1,700,000	(7.8)	103,000	—	60,000	—	34,000	—	68.20

(Note) Percentage figures represent changes as compared to the same period of the previous year.

(Reference) Summary of Non-Consolidated Financial Statements

Business Results Forecast for Non-Consolidated FY 2009 (Year ending March 31, 2010)

	Operating revenues		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Second quarter of FY 2009	740,000	(8.1)	40,000	—	20,000	—	12,000	—	24.07
FY 2009	1,530,000	(8.1)	80,000	—	40,000	—	25,000	—	50.14

(Note) Percentage figures represent changes as compared to the same period of the previous year.

CONSOLIDATED BALANCE SHEETS (Unaudited)

First Quarter FY 2009 (As of June 30, 2009) and FY 2008 (As of March 31, 2009)

Assets		(Millions of yen)	
	Item	June 30, 2009	March 31, 2009
Fixed assets (property, plant and equipment):		3,576,486	3,588,986
Electric utility fixed assets:		2,478,848	2,519,178
	Hydro power plant	173,258	175,027
	Thermal power plant	329,889	339,861
	Nuclear power plant	384,150	396,939
	Transmission plant	622,083	628,504
	Transformation plant	249,422	252,488
	Distribution plant	604,591	608,188
	General plant	108,674	111,166
	Other	6,778	7,003
Other fixed assets		247,469	252,321
Construction work in progress		282,806	248,002
Nuclear fuel:		141,499	142,309
	Loaded nuclear fuel	28,582	26,949
	Nuclear fuel under processing	112,916	115,360
Investments in and advances to:		425,861	427,174
	Long-term investments	75,384	72,684
	Fund for reprocessing costs of irradiated nuclear fuel	102,637	105,445
	Deferred income taxes	153,513	154,231
	Other	95,804	96,292
	Allowance for uncollectibles	(1,477)	(1,479)
Current assets:		366,896	430,335
	Cash and deposits	101,796	112,952
	Trade notes receivable and amounts due from customers	111,141	140,553
	Inventories	72,709	84,311
	Deferred income taxes	22,556	38,643
	Other	59,630	54,936
	Allowance for uncollectibles	(936)	(1,063)
Total assets		3,943,382	4,019,321

Liabilities and net assets

(Millions of yen)

Item	June 30, 2009	March 31, 2009
Fixed liabilities:	2,283,564	2,304,365
Bonds	1,240,556	1,210,550
Long-term debt	538,462	588,675
Accrued retirement benefits	194,752	187,612
Reserve for reprocessing costs of irradiated nuclear fuel	109,863	109,619
Pre-reserve for reprocessing costs of irradiated nuclear fuel	7,810	7,515
Reserve for decommissioning costs of nuclear power units	54,014	53,320
Deferred income taxes on revaluation adjustments	2,645	2,711
Other	135,458	144,360
Current liabilities:	691,902	758,808
Current portion of long-term debt	216,363	201,865
Short-term borrowings	58,060	55,660
Trade notes and accounts payable	88,354	141,716
Accrued taxes	16,052	20,799
Other	313,071	338,766
Reserve:	5,259	7,855
Reserve for fluctuation in water levels	5,259	7,855
Total liabilities	2,980,725	3,071,029
Shareholders' equity:	910,247	896,989
Common stock	251,441	251,441
Capital surplus	26,703	26,702
Retained earnings	640,402	627,120
Treasury stock, at cost	(8,299)	(8,275)
Valuation and translation adjustments:	1,465	(293)
Net unrealized holding gain on securities	2,422	780
Revaluation adjustments	(1,269)	(1,222)
Foreign currency translation adjustments	312	149
Minority interests in consolidated subsidiaries	50,943	51,595
Total net assets	962,656	948,291
Total liabilities and net assets	3,943,382	4,019,321

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

First Quarter FY 2009 (Three months ended June 30, 2009) and First Quarter FY 2008 (Three months ended June 30, 2008)

Item	(Millions of yen)	
	Three Months Ended June 30,	
	2009	2008
Operating revenues:	399,500	418,372
Electric power	366,927	383,261
Other	32,573	35,111
Operating expenses:	346,831	406,084
Electric power	314,910	371,192
Other	31,920	34,891
Operating income	52,668	12,288
Other income:	2,229	2,960
Dividends income	601	584
Interest income	476	483
Gain from sales of fixed assets	24	60
Other	1,127	1,831
Other expenses:	12,366	11,654
Interest expense	10,857	11,083
Other	1,508	571
Total amount of revenues	401,730	421,333
Total amount of expenses	359,197	417,738
Ordinary income	42,532	3,594
Special item:	(2,596)	(3,683)
Reversal of reserve for fluctuation in water levels	(2,596)	(3,683)
Income before income taxes and minority interests	45,128	7,278
Current income taxes	263	1,169
Deferred income taxes	16,893	2,343
Total amount of income taxes	17,156	3,513
Minority interests in (losses) earnings of consolidated subsidiaries	(201)	303
Net income	28,172	3,461

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

First Quarter FY 2009 (Three months ended June 30, 2009) and First Quarter FY 2008 (Three months ended June 30, 2008)

(Millions of yen)

Item	Three Months Ended June 30,	
	2009	2008
Operating activities:		
Income before income taxes and minority interests	45,128	7,278
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:		
Depreciation	60,728	64,128
Amortization of nuclear fuel	1,685	2,082
Loss on sales and disposal of property, plant and equipment	1,810	1,760
Provision for (Reversal of) accrued retirement benefits	7,139	(161)
Provision for (Reversal of) reserve for reprocessing costs of irradiated nuclear fuel	243	(451)
Provision for pre-reserve for reprocessing costs of irradiated nuclear fuel	295	311
Provision for reserve for decommissioning costs of nuclear power units	694	883
Reversal of reserve for fluctuation in water levels	(2,596)	(3,683)
Interest and dividend income	(1,078)	(1,068)
Interest expense	10,857	11,083
Changes in operating assets and liabilities:		
Amounts due from customers	21,490	10,175
Accounts payable	(53,694)	(31,327)
Other operating assets and liabilities	328	(23,187)
Subtotal	93,032	37,822
Interest and dividends received	1,062	1,055
Interest paid	(13,992)	(14,522)
Income taxes paid	(6,942)	(7,579)
Net cash provided by operating activities	73,160	16,776
Investing activities:		
Acquisition of property, plant and equipment	(65,779)	(51,289)
Payments for investments and advances	(8,518)	(2,187)
Proceeds from sales or collections of investments and advances	7,267	1,172
Changes in other assets and liabilities	(45)	(807)
Net cash used in investing activities	(67,076)	(53,111)
Financing activities:		
Proceeds from issuance of bonds	39,874	9,969
Redemption of bonds	(20,000)	(10,000)
Proceeds from long-term loans	–	400
Repayment of long-term loans	(24,427)	(31,633)
Proceeds from short-term borrowings	106,440	106,662
Repayment of short-term borrowings	(104,040)	(104,408)
Proceeds from issuance of commercial paper	179,000	219,000
Redemption of commercial paper	(175,000)	(152,000)
Cash dividends paid	(13,586)	(13,461)
Cash dividends paid to minority shareholders	(505)	(502)
Other	(242)	(195)
Net cash (used in) provided by financing activities	(12,487)	23,829
Effect of exchange rate changes on cash and cash equivalents	19	21
Net decrease in cash and cash equivalents	(6,384)	(12,483)
Cash and cash equivalents at beginning of the period	129,905	124,359
Decrease in cash and cash equivalents resulting from exclusion of subsidiary from consolidation	(22)	–
Cash and cash equivalents at end of the period	123,498	111,876

(Note)

This report 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.