

October 29, 2009

Financial Results up to the Second Quarter of Fiscal Year 2009

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

【Consolidated operating revenues】

Due to the decrease in the electricity sales because of the economic downturn, and the decrease of orders in other businesses, consolidated operating revenues were down by ¥78.7 billion (a 8.9 % decrease), to ¥804.2 billion, and ordinary revenue decreased by ¥80.5 billion (a 9.1% decrease), to ¥807.7 billion, compared to the same period of the previous fiscal year.

With respect to expenses, in the electric utility business, decreases in fuel costs and amount of power purchased due to falling fuel prices resulted in ordinary expenses of ¥766.3 billion (a year-on-year decrease of ¥136.2 billion, or a 15.1% decrease).

As a result, consolidated ordinary income was ¥41.4 billion and consolidated net income was ¥27.6 billion for the first through second quarters ended September 30, 2009.

【Electric power sold by Tohoku EPCO】

The electricity sales volume of the Company was 37.5 billion kWh, a 7.7% decrease year-on-year, falling below the previous year's result for the first time in eight years in the first through second quarters, in spite of the increase in all-electric housing. This was primarily because of reduction of output by changes in the economic situation. In addition, the demand for air-conditioning declined because the temperature of this summer was lower than that of the previous year.

Tohoku Electric Power Co., Inc.

Summary of Quarterly Financial Statements (Unaudited)

(April 1, 2009 - September 30, 2009)

Information below is an English translation of the "Unaudited Quarterly Financial Release" for six months ended September 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 Second Quarter Period in FY 2009 (Six months ended September 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	%
6 months ended Sep. 30, 2009	804,225	(8.9)	63,486	-	41,416	-	27,602	-
6 months ended Sep. 30, 2008	883,006	-	4,510	-	(14,225)	-	(8,274)	-

	Net income per share	Diluted net income per share
	Yen	Yen
6 months ended Sep. 30, 2009	55.36	-
6 months ended Sep. 30, 2008	(16.59)	-

(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
Sep. 30, 2009	3,940,953	960,993	23.1	1,824.65
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	-	30.00			
Year ending Mar. 31, 2010 (forecast)			-	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
FY 2009	1,670,000	(9.4)	89,000	-	46,000	-	26,000	-	52.15

(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
FY 2009	1,510,000	(9.3)	70,000	—	30,000	—	20,000	—	40.12

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

CONSOLIDATED BALANCE SHEETS (Unaudited)

Second Quarter FY 2009 (As of September 30, 2009) and FY 2008 (As of March 31, 2009)

Assets

(Millions of yen)

Item	September 30, 2009	March 31, 2009
Fixed assets (property, plant and equipment):	3,572,279	3,588,986
Electric utility fixed assets:	2,455,216	2,519,178
Hydro power plant	171,078	175,027
Thermal power plant	325,380	339,861
Nuclear power plant	375,887	396,939
Transmission plant	615,988	628,504
Transformation plant	246,768	252,488
Distribution plant	603,308	608,188
General plant	110,099	111,166
Other	6,704	7,003
Other fixed assets	246,115	252,321
Construction work in progress	299,672	248,002
Nuclear fuel:	145,119	142,309
Loaded nuclear fuel	29,541	26,949
Nuclear fuel under processing	115,578	115,360
Investments in and advances to:	426,155	427,174
Long-term investments	75,143	72,684
Fund for reprocessing costs of irradiated nuclear fuel	102,884	105,445
Deferred income taxes	155,065	154,231
Other	94,502	96,292
Allowance for uncollectibles	(1,440)	(1,479)
Current assets:	368,673	430,335
Cash and deposits	107,755	112,952
Trade notes receivable and amounts due from customers	106,771	140,553
Inventories	73,375	84,311
Deferred income taxes	22,052	38,643
Other	59,671	54,936
Allowance for uncollectibles	(951)	(1,063)
Total assets	3,940,953	4,019,321

Liabilities and net assets

(Millions of yen)

Item	September 30, 2009	March 31, 2009
Fixed liabilities:	2,306,687	2,304,365
Bonds	1,260,563	1,210,550
Long-term debt	538,423	588,675
Accrued retirement benefits	201,215	187,612
Reserve for reprocessing costs of irradiated nuclear fuel	110,138	109,619
Pre-reserve for reprocessing costs of irradiated nuclear fuel	8,360	7,515
Reserve for decommissioning costs of nuclear power units	55,091	53,320
Deferred income taxes on revaluation adjustments	2,607	2,711
Other	130,287	144,360
Current liabilities:	670,956	758,808
Current portion of long-term debt	176,635	201,865
Short-term borrowings	55,960	55,660
Trade notes and accounts payable	90,696	141,716
Accrued taxes	21,270	20,799
Other	326,393	338,766
Reserve:	2,315	7,855
Reserve for fluctuation in water levels	2,315	7,855
Total liabilities	2,979,959	3,071,029
Shareholders' equity:	909,642	896,989
Common stock	251,441	251,441
Capital surplus	26,703	26,702
Retained earnings	639,813	627,120
Treasury stock, at cost	(8,315)	(8,275)
Valuation and translation adjustments:	55	(293)
Net unrealized holding gain on securities	1,090	780
Revaluation adjustments	(1,236)	(1,222)
Foreign currency translation adjustments	202	149
Minority interests in consolidated subsidiaries	51,295	51,595
Total net assets	960,993	948,291
Total liabilities and net assets	3,940,953	4,019,321

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

Second Quarter FY 2009 (Six months ended September 30, 2009) and Second Quarter FY 2008 (Six months ended September 30, 2008)

Item	(Millions of yen)	
	Six Months Ended September 30,	
	2009	2008
Operating revenues:	804,225	883,006
Electric power	729,855	799,486
Other	74,370	83,520
Operating expenses:	740,738	878,496
Electric power	669,493	798,855
Other	71,245	79,641
Operating income	63,486	4,510
Other income:	3,519	5,317
Dividends income	607	603
Interest income	1,005	1,172
Gain from sales of fixed assets	44	180
Other	1,862	3,361
Other expenses:	25,590	24,053
Interest expense	21,756	22,237
Other	3,833	1,816
Total amount of revenues	807,745	888,324
Total amount of expenses	766,329	902,549
Ordinary income (loss)	41,416	(14,225)
Special item:	(5,540)	(5,028)
Reversal of reserve for fluctuation in water levels	(5,540)	(5,028)
Income (loss) before income taxes and minority interests	46,956	(9,196)
Current income taxes	2,630	3,521
Deferred income taxes	16,518	(5,328)
Total amount of income taxes	19,149	(1,806)
Minority interests in earnings of consolidated subsidiaries	204	884
Net income (loss)	27,602	(8,274)

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

Second Quarter FY 2009 (Six months ended September 30, 2009) and Second Quarter FY 2008 (Six months ended September 30, 2008)

(Millions of yen)

Item	Six Months Ended September 30,	
	2009	2008
Operating activities:		
Income (loss) before income taxes and minority interests	46,956	(9,196)
Adjustments to reconcile income (loss) before income taxes and minority interests to net cash provided by operating activities:		
Depreciation	120,462	127,583
Amortization of nuclear fuel	4,093	5,041
Loss on sales and disposal of property, plant and equipment	4,015	4,505
Provision for (Reversal of) accrued retirement benefits	13,602	(586)
Provision for reserve for reprocessing costs of irradiated nuclear fuel	518	152
Provision for pre-reserve for reprocessing costs of irradiated nuclear fuel	845	985
Provision for reserve for decommissioning costs of nuclear power units	1,770	2,124
Reversal of reserve for fluctuation in water levels	(5,540)	(5,028)
Interest and dividend income	(1,613)	(1,776)
Interest expense	21,756	22,237
Changes in operating assets and liabilities:		
Amounts due from customers	18,775	(7,989)
Accounts payable	(51,091)	(10,032)
Other operating assets and liabilities	19,040	(17,267)
Subtotal	193,593	110,753
Interest and dividends received	1,619	1,784
Interest paid	(20,545)	(20,733)
Income taxes paid	(6,901)	(7,705)
Net cash provided by operating activities	167,766	84,099
Investing activities:		
Acquisition of property, plant and equipment	(128,357)	(124,310)
Payments for investments and advances	(11,508)	(3,736)
Proceeds from sales or collections of investments and advances	8,395	2,274
Changes in other assets and liabilities	(613)	(36)
Net cash used in investing activities	(132,082)	(125,808)
Financing activities:		
Proceeds from issuance of bonds	59,808	69,825
Redemption of bonds	(60,000)	(40,000)
Proceeds from long-term loans	14,880	45,617
Repayment of long-term loans	(38,433)	(46,979)
Proceeds from short-term borrowings	175,780	175,697
Repayment of short-term borrowings	(175,480)	(176,540)
Proceeds from issuance of commercial paper	282,000	358,000
Redemption of commercial paper	(279,000)	(330,000)
Cash dividends paid	(14,929)	(14,939)
Cash dividends paid to minority shareholders	(503)	(507)
Other	(549)	(499)
Net cash (used in) provided by financing activities	(36,427)	39,673
Effect of exchange rate changes on cash and cash equivalents	5	(29)
Net decrease in cash and cash equivalents	(738)	(2,065)
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	129,144	122,293

(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.