

July 30, 2010

Financial Results for the First Quarter of Fiscal 2010

Tohoku Electric Power Co., Inc. (hereinafter, Tohoku EPCO), today registered a summary of its financial statements for the first quarter (from April 1, 2010 to June 30, 2010) on the Tokyo Stock Exchange's TDnet (Timely Disclosure Network).

【Consolidated operating revenues】

In spite of the increase in electric power sales by Tohoku EPCO, consolidated operating revenues were down by ¥5.6 billion (a 1.4 % decrease) to ¥393.8 billion, and ordinary revenue decreased by ¥4.5 billion (a 1.1% decrease) to ¥397.2 billion compared to the first quarter of the previous fiscal year, due to the decrease in revenues from electricity sales because of fuel cost adjustments and the decrease of construction sales in subsidiaries.

With respect to expenses, despite the increase in fuel expenses, ordinary expenses stood at 356.2 billion yen (a decrease of 2.9 billion yen over the first quarter of the previous fiscal year, or a 0.8 % decrease) due to the decreases in maintenance costs and depreciation expenses.

As a result, consolidated ordinary income was ¥40.9 billion (a year-on-year decrease of 1.5 billion yen, or a 3.7 % decrease).

Net income fell 31.5% (a fall of 8.8 billion yen) to 19.3 billion yen compared to the first quarter of the previous fiscal year, due to an extraordinary loss on adjustment for changes of accounting standard for asset retirement obligations.

【Electric power sold by Tohoku EPCO】

The electricity sales volume of the Company was 19.9 billion kWh (a 7.2% increase year-on-year). This was primarily because of the increase of All-electric housings, and temperature effect since early spring, resulting in a higher demand for heating and air-conditioning. In addition, there was a recovery movement of production in industrial demand continuously.

Tohoku Electric Power Co., Inc.

Summary of Quarterly Financial Statements (Unaudited)

(April 1, 2010 - June 30, 2010)

Information below is an English translation of the "Unaudited Quarterly Financial Release" for three months ended June 30, 2010, 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 2010 (Three months ended June 30, 2010)

(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, 2010	393,897	(1.4)	49,364	(6.3)	40,952	(3.7)	19,303	(31.5)
3 months ended Jun. 30, 2009	399,500	(4.5)	52,668	328.6	42,532	-	28,172	713.9
	Net income per share		Diluted net income per share					
	Yen		Yen					
3 months ended Jun. 30, 2010	38.72		-					
3 months ended Jun. 30, 2009	56.51		-					

(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, 2010	3,915,971	945,167	22.9	1,794.93
Mar. 31, 2010	3,918,574	943,973	22.8	1,790.38

2. Dividends

	Cash dividends per share				
	Jun. 30, 2010	Sep. 30, 2010	Dec. 31, 2010	Year-end	Annual total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2010	-	30.00	-	30.00	60.00
Year ending Mar. 31, 2011	-				
Year ending Mar. 31, 2011 (forecast)		30.00	-	30.00	60.00

3. Business Results Forecast for Consolidated FY 2010 (Year ending March 31, 2011)

	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 2010	800,000	(0.5)	49,000	(22.8)	31,000	(25.2)	13,000	(52.9)	26.08
FY 2010	1,690,000	1.6	83,000	(7.0)	46,000	6.2	19,000	(26.4)	38.11

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

(Reference)

Business Results Forecast for Non-Consolidated FY 2010 (Year ending March 31, 2011)

	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 2010	730,000	(0.7)	42,000	(26.8)	25,000	(34.0)	10,000	(62.3)	20.06
FY 2010	1,530,000	1.5	66,000	(10.2)	30,000	8.3	13,000	(35.4)	26.08

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

CONSOLIDATED BALANCE SHEETS (Unaudited)

First Quarter FY 2010 (As of June 30, 2010) and FY 2009 (As of March 31, 2010)

Assets	(Millions of yen)	
Item	June 30, 2010	March 31, 2010
Fixed assets (property, plant and equipment):	3,571,668	3,558,344
Electric utility fixed assets:	2,453,969	2,429,981
Hydro power plant	167,376	169,709
Thermal power plant	286,934	295,685
Nuclear power plant	405,647	360,676
Transmission plant	602,168	610,626
Transformation plant	248,880	245,746
Distribution plant	610,364	611,457
General plant	103,671	106,416
Other	28,925	29,662
Other fixed assets	240,362	245,496
Construction work in progress	298,105	305,041
Nuclear fuel:	150,548	145,230
Loaded nuclear fuel	27,345	28,811
Nuclear fuel under processing	123,203	116,418
Investments in and advances to:	428,681	432,594
Long-term investments	69,991	75,245
Fund for reprocessing costs of irradiated nuclear fuel	103,403	106,425
Deferred tax assets	160,644	157,201
Other	95,721	94,863
Allowance for doubtful accounts	(1,077)	(1,142)
Current assets:	344,303	360,229
Cash and deposits	97,271	106,652
Trade notes receivable and accounts receivable	104,413	123,523
Inventories	71,576	57,543
Deferred tax assets	14,967	20,892
Other	56,758	52,615
Allowance for doubtful accounts	(684)	(997)
Total assets	3,915,971	3,918,574

Liabilities and net assets

(Millions of yen)

Item	June 30, 2010	March 31, 2010
Fixed liabilities:	2,305,146	2,232,668
Bonds	1,202,584	1,192,578
Long-term debt	527,077	525,416
Accrued retirement benefits	217,558	215,662
Reserve for reprocessing costs of irradiated nuclear fuel	110,501	110,478
Pre-reserve for reprocessing costs of irradiated nuclear fuel	10,743	9,939
Reserve for decommissioning costs of nuclear power units	-	58,171
Asset retirement obligations	122,903	-
Deferred tax liabilities	17	-
Deferred tax liabilities on revaluation adjustments for land	2,332	2,528
Other	111,426	117,892
Current liabilities:	663,856	740,437
Current portion of long-term debt	250,173	257,628
Short-term borrowings	56,760	54,710
Trade notes and accounts payable	86,532	98,386
Accrued income taxes	24,327	26,131
Other	246,063	303,581
Reserve:	1,800	1,495
Reserve for fluctuation in water levels	1,800	1,495
Total liabilities	2,970,803	2,974,601
Shareholders' equity:	897,368	892,924
Common stock	251,441	251,441
Capital surplus	26,702	26,702
Retained earnings	627,565	623,116
Treasury stock, at cost	(8,341)	(8,335)
Valuation and translation adjustments and other:	(2,513)	(334)
Net unrealized holding gain on securities	(615)	953
Revaluation adjustments for land	(1,395)	(1,292)
Foreign currency translation adjustments	(502)	4
Minority interests in consolidated subsidiaries	50,312	51,382
Total net assets	945,167	943,973
Total liabilities and net assets	3,915,971	3,918,574

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

First Quarter FY 2010 (Three months ended June 30, 2010) and First Quarter FY 2009 (Three months ended June 30, 2009)

Item	(Millions of yen)	
	Three Months Ended June 30,	
	2010	2009
Operating revenues:	393,897	399,500
Electric power	362,440	366,927
Other	31,457	32,573
Operating expenses:	344,533	346,831
Electric power	312,834	314,910
Other	31,698	31,920
Operating income	49,364	52,668
Other income:	3,331	2,229
Dividends income	557	601
Interest income	465	476
Gain from sales of fixed assets	13	24
Equity in earnings of affiliates	1,143	-
Other	1,152	1,127
Other expenses:	11,743	12,366
Interest expense	10,065	10,857
Other	1,678	1,508
Total amount of revenues	397,229	401,730
Total amount of expenses	356,276	359,197
Ordinary income	40,952	42,532
Special item:	330	(2,596)
Provision for (reversal of) reserve for fluctuation in water levels	330	(2,596)
Extraordinary loss:	9,143	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	6,554	-
Loss on valuation of securities	2,589	-
Income before income taxes and minority interests	31,478	45,128
Current income taxes	7,902	263
Deferred income taxes	4,798	16,893
Total amount of income taxes	12,700	17,156
Income before minority interests	18,777	-
Minority interests in losses of consolidated subsidiaries	(525)	(201)
Net income	19,303	28,172

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

First Quarter FY 2010 (Three months ended June 30, 2010) and First Quarter FY 2009 (Three months ended June 30, 2009)

Item	(Millions of yen)	
	Three Months Ended June 30, 2010	2009
Operating activities:		
Income before income taxes and minority interests	31,478	45,128
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:		
Depreciation	59,298	60,728
Decommissioning costs of nuclear power units	1,477	-
Amortization of nuclear fuel	3,117	1,685
Loss on sales and disposal of property, plant and equipment	851	1,810
Loss on adjustment for changes of accounting standard for asset retirement obligations	6,554	-
Provision for accrued retirement benefits	1,896	7,139
Provision for reserve for reprocessing costs of irradiated nuclear fuel	22	243
Provision for pre-reserve for reprocessing costs of irradiated nuclear fuel	804	295
Provision for reserve for decommissioning costs of nuclear power units	-	694
Provision for (reversal of) reserve for fluctuation in water levels	305	(2,596)
Interest and dividend income	(1,022)	(1,078)
Interest expense	10,065	10,857
Changes in operating assets and liabilities:		
Accounts receivable	12,573	21,490
Accounts payable	(11,743)	(53,694)
Other operating assets and liabilities	(28,154)	328
Subtotal	87,525	93,032
Interest and dividends received	993	1,062
Interest paid	(12,981)	(13,992)
Income taxes paid	(5,226)	(6,942)
Net cash provided by operating activities	70,312	73,160
Investing activities:		
Acquisition of property, plant and equipment	(48,664)	(65,779)
Payments for investments and advances	(4,261)	(8,518)
Proceeds from sales or collections of investments and advances	3,557	7,267
Changes in other assets and liabilities	(2,348)	(45)
Net cash used in investing activities	(51,715)	(67,076)
Financing activities:		
Proceeds from issuance of bonds	39,874	39,874
Redemption of bonds	(10,000)	(20,000)
Proceeds from long-term loans	25,400	-
Repayment of long-term loans	(50,332)	(24,427)
Proceeds from short-term borrowings	102,170	106,440
Repayment of short-term borrowings	(100,120)	(104,040)
Proceeds from issuance of commercial paper	94,000	179,000
Redemption of commercial paper	(110,000)	(175,000)
Cash dividends	(13,515)	(13,586)
Cash dividends to minority shareholders	(491)	(505)
Other	(377)	(242)
Net cash used in financing activities	(23,392)	(12,487)
Effect of exchange rate changes on cash and cash equivalents	(73)	19
Net decrease in cash and cash equivalents	(4,868)	(6,384)
Cash and cash equivalents at beginning of the period	123,321	129,905
Decrease in cash and cash equivalents resulting from exclusion of subsidiary from consolidation	-	(22)
Cash and cash equivalents at end of the period	118,452	123,498

(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.

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