

January 28, 2011

Financial Results up to the Third Quarter of Fiscal 2010

Tohoku Electric Power Co., Inc. (hereinafter, Tohoku EPCO), today registered a summary of its financial statements for the first through the third quarters (from April 1, 2010 to December 31, 2010) on the Tokyo Stock Exchange's TDnet (Timely Disclosure Network).

【Consolidated operating revenues】

Due to the increase in electricity sold by Tohoku EPCO, consolidated operating revenues was ¥1,248.0 billion (a year-on-year increase of ¥53.6 billion, or a 4.5 % increase), and ordinary revenue was ¥1,254.9 billion (a year-on-year increase of ¥55.4 billion, or a 4.6 % increase.)

With respect to expenses, despite the increase in electricity sold by the Company, ordinary expenses stood at ¥1,159.9 billion (a decrease of ¥1.9 billion over the same period of the previous fiscal year, or a 0.2 % decrease) because of slight increase in fuel expenses due to higher operating rates of nuclear power stations, decrease in personnel expenses due to decline in retirement benefit and decrease in interest expenses.

As a result, consolidated ordinary income was ¥95.0 billion (a year-on-year increase of ¥57.3 billion, or a 152.1 % increase) and consolidated net income was ¥50.7 billion (a year-on-year increase of ¥25.4 billion, or a 100.3 % increase).

【Electric power sold by Tohoku EPCO】

The electricity sales of the Company were 61.0 billion kWh (a 7.4% increase year-on-year). This was primarily because of record heat wave in last summer, resulting higher demand for air-conditioning, and the increase in all-electric housings. In addition, there was a recovery movement of production in industrial demand and significant rebound from the decrease in output in the same period of previous year, specifically for steel, non-ferrous metal, machinery and chemical.

Tohoku Electric Power Co., Inc.

Summary of Quarterly Financial Statements (Unaudited)

(April 1, 2010 - December 31, 2010)

Information below is an English translation of the "Unaudited Quarterly Financial Release" for nine months ended December 31, 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 Third Quarter Period in FY 2010 (Nine months ended December 31, 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	%
9 months ended Dec. 31, 2010	1,248,071	4.5	120,771	74.8	95,019	152.1	50,799	100.3
9 months ended Dec. 31, 2009	1,194,392	(9.6)	69,090	-	37,687	-	25,356	-
	Net income per share		Diluted net income per share					
	Yen		Yen					
9 months ended Dec. 31, 2010	101.90		101.88					
9 months ended Dec. 31, 2009	50.86		-					

(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
Dec. 31, 2010	3,966,390	961,960	23.0	1,827.38
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	-	30.00			
Year ending Mar. 31, 2011 (forecast)			-	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
FY 2010	1,710,000	2.8	112,000	25.5	76,000	75.5	36,000	39.5	72.21

(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
FY 2010	1,550,000	2.8	95,000	29.2	60,000	116.5	30,000	49.0	60.18

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

CONSOLIDATED BALANCE SHEETS (Unaudited)

Third Quarter FY 2010 (As of December 31, 2010) and FY 2009 (As of March 31, 2010)

Assets		(Millions of yen)	
	Item	December 31, 2010	March 31, 2010
Fixed assets (property, plant and equipment):		3,584,303	3,558,344
Electric utility fixed assets:		2,444,443	2,429,981
	Hydro power plant	165,219	169,709
	Thermal power plant	304,779	295,685
	Nuclear power plant	393,246	360,676
	Transmission plant	597,198	610,626
	Transformation plant	245,511	245,746
	Distribution plant	609,077	611,457
	General plant	101,595	106,416
	Other	27,814	29,662
Other fixed assets		234,820	245,496
Construction work in progress		294,395	305,041
Nuclear fuel:		153,213	145,230
	Loaded nuclear fuel	25,192	28,811
	Nuclear fuel under processing	128,021	116,418
Investments in and advances to:		457,430	432,594
	Long-term investments	92,003	75,245
	Fund for reprocessing costs of irradiated nuclear fuel	103,444	106,425
	Deferred tax assets	160,540	157,201
	Other	102,344	94,863
	Allowance for doubtful accounts	(902)	(1,142)
Current assets:		382,087	360,229
	Cash and deposits	115,417	106,652
	Trade notes receivable and accounts receivable	118,834	123,523
	Inventories	73,697	57,543
	Deferred tax assets	15,717	20,892
	Other	59,375	52,615
	Allowance for doubtful accounts	(955)	(997)
Total assets		3,966,390	3,918,574

Liabilities and net assets

(Millions of yen)

Item	December 31, 2010	March 31, 2010
Fixed liabilities:	2,238,241	2,232,668
Bonds	1,163,696	1,192,578
Long-term debt	504,301	525,416
Accrued retirement benefits	219,531	215,662
Reserve for reprocessing costs of irradiated nuclear fuel	110,531	110,478
Pre-reserve for reprocessing costs of irradiated nuclear fuel	12,193	9,939
Reserve for decommissioning costs of nuclear power units	-	58,171
Asset retirement obligations	124,308	-
Deferred tax liabilities	9	-
Deferred tax liabilities on revaluation adjustments for land	2,311	2,528
Other	101,357	117,892
Current liabilities:	764,492	740,437
Current portion of long-term debt	277,042	257,628
Short-term borrowings	57,842	54,710
Trade notes and accounts payable	94,893	98,386
Accrued income taxes	47,654	26,131
Other	287,059	303,581
Reserve:	1,696	1,495
Reserve for fluctuation in water levels	1,696	1,495
Total liabilities	3,004,430	2,974,601
Shareholders' equity:	913,904	892,924
Common stock	251,441	251,441
Capital surplus	26,702	26,702
Retained earnings	644,121	623,116
Treasury stock, at cost	(8,360)	(8,335)
Valuation and translation adjustments and other:	(2,890)	(334)
Net unrealized holding gain on securities	(973)	953
Revaluation adjustments for land	(1,410)	(1,292)
Foreign currency translation adjustments	(506)	4
Subscription rights to shares	265	-
Minority interests in consolidated subsidiaries	50,680	51,382
Total net assets	961,960	943,973
Total liabilities and net assets	3,966,390	3,918,574

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

Third Quarter FY 2010 (Nine months ended December 31, 2010) and Third Quarter FY 2009 (Nine months ended December 31, 2009)

Item	(Millions of yen)	
	Nine Months Ended December 31,	
	2010	2009
Operating revenues:	1,248,071	1,194,392
Electric power	1,133,701	1,084,587
Other	114,369	109,804
Operating expenses:	1,127,299	1,125,302
Electric power	1,018,221	1,019,853
Other	109,078	105,448
Operating income	120,771	69,090
Other income:	6,871	5,144
Dividends income	849	888
Interest income	1,497	1,472
Gain from sales of fixed assets	47	87
Equity in earnings of affiliates	1,482	-
Other	2,995	2,695
Other expenses:	32,623	36,546
Interest expense	29,948	32,322
Other	2,674	4,224
Total amount of revenues	1,254,942	1,199,536
Total amount of expenses	1,159,923	1,161,848
Ordinary income	95,019	37,687
Special item:	225	(7,832)
Provision for (Reversal of) reserve for fluctuation in water levels	225	(7,832)
Extraordinary loss:	9,853	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	6,554	-
Loss on valuation of securities	3,299	-
Income before income taxes and minority interests	84,940	45,519
Current income taxes	30,049	3,921
Deferred income taxes	4,035	16,110
Total amount of income taxes	34,084	20,031
Income before minority interests	50,855	-
Minority interests in earnings of consolidated subsidiaries	55	131
Net income	50,799	25,356

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

Third Quarter FY 2010 (Nine months ended December 31, 2010) and Third Quarter FY 2009 (Nine months ended December 31, 2009)

Item	(Millions of yen)	
	Nine Months Ended December 31, 2010	2009
Operating activities:		
Income before income taxes and minority interests	84,940	45,519
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:		
Depreciation	176,795	180,713
Decommissioning costs of nuclear power units	4,284	-
Amortization of nuclear fuel	8,769	6,912
Loss on sales and disposal of property, plant and equipment	4,834	8,334
Loss on adjustment for changes of accounting standard for asset retirement obligations	6,554	-
Provision for accrued retirement benefits	3,863	21,782
Provision for reserve for reprocessing costs of irradiated nuclear fuel	52	764
Provision for pre-reserve for reprocessing costs of irradiated nuclear fuel	2,254	1,532
Provision for reserve for decommissioning costs of nuclear power units	-	3,097
Provision for (Reversal of) reserve for fluctuation in water levels	201	(7,832)
Interest and dividend income	(2,346)	(2,361)
Interest expense	29,948	32,322
Changes in operating assets and liabilities:		
Accounts receivable	(16,461)	7,083
Accounts payable	(3,386)	(51,314)
Other operating assets and liabilities	(40,237)	(2,166)
Subtotal	260,067	244,388
Interest and dividends received	2,317	2,343
Interest paid	(31,989)	(34,280)
Income taxes paid	(8,365)	(8,481)
Net cash provided by operating activities	222,030	203,969
Investing activities:		
Acquisition of property, plant and equipment	(153,388)	(210,534)
Payments for investments and advances	(36,759)	(14,459)
Proceeds from sales or collections of investments and advances	6,544	10,806
Changes in other assets and liabilities	18,113	55,915
Net cash used in investing activities	(165,489)	(158,271)
Financing activities:		
Proceeds from issuance of bonds	79,748	119,632
Redemption of bonds	(60,000)	(90,000)
Proceeds from long-term loans	47,700	30,183
Repayment of long-term loans	(95,408)	(67,508)
Proceeds from short-term borrowings	236,900	226,430
Repayment of short-term borrowings	(233,800)	(225,130)
Proceeds from issuance of commercial paper	283,000	372,000
Redemption of commercial paper	(283,000)	(394,000)
Cash dividends paid	(28,452)	(28,438)
Cash dividends to minority shareholders	(710)	(793)
Other	(1,196)	(856)
Net cash used in financing activities	(55,219)	(58,480)
Effect of exchange rate changes on cash and cash equivalents	(79)	6
Net increase (decrease) in cash and cash equivalents	1,240	(12,776)
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	124,562	117,106

(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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