

# Tohoku Electric Power Co., Inc.

## Unaudited Financial Report (Kessan Tanshin)

May 11, 2005

Information below is an English translation from the "Kessan Tanshin" (Unaudited financial release for the year ended March 31, 2005), which has been filed with the Tokyo Stock Exchange, Inc. and Osaka Securities Exchange Co., Ltd. for public inspection.

### 1. Business Results for Consolidated FY 2004 (Year ended March 31, 2005)

#### (1) Progresses of Financial Results (Consolidated basis)

	Operating revenues		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2004	1,611,461	3.1	163,950	(8.4)	104,345	(5.5)
FY 2003	1,562,752	(2.0)	178,962	(10.5)	110,427	4.6

	Net income		Net income per share	Diluted net income per share	Net income / Shareholders' equity	Ordinary income / Total assets	Ordinary income / Operating revenues
	Millions of yen	%	Yen	Yen	%	%	%
FY 2004	56,960	11.5	113.36	-	6.3	2.5	6.5
FY 2003	51,079	(17.5)	101.44	-	6.0	2.7	7.1

#### (2) Changes in Financial Positions (Consolidated basis)

	Total assets	Shareholders' equity	Shareholders' equity ratio to total assets	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
FY 2004	4,122,476	929,771	22.6	1,861.97
FY 2003	4,095,444	870,852	21.3	1,743.22

#### (3) Situations of Cash Flows (Consolidated basis)

	Net cash provided by operating activities	Net cash used in investing activities	Net cash used in financing activities	Cash and cash equivalents at end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY 2004	374,381	(188,863)	(197,679)	106,075
FY 2003	336,415	(151,034)	(169,783)	95,079

### 2. Business Results Forecast for Consolidated FY 2005 (Year ended March 31, 2006)

	Operating revenues	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Interim FY 2005	780,000	52,000	31,000
FY 2005	1,620,000	115,000	72,000

## CONSOLIDATED BALANCE SHEETS (Unaudited)

(March 31, 2005 and 2004)

### Assets

(Millions of yen)

Item	FY 2004 (March 31, 2005)	FY 2003 (March 31, 2004)	Increase (decrease)
<b>Fixed assets (property, plant and equipment):</b>	<b>3,820,078</b>	<b>3,809,632</b>	<b>10,446</b>
<b>Electric utility fixed assets:</b>	<b>2,567,389</b>	<b>2,701,316</b>	<b>(133,927)</b>
Hydro power plant	195,243	199,135	(3,892)
Thermal power plant	409,396	434,593	(25,196)
Nuclear power plant	280,675	318,887	(38,212)
Transmission plant	665,552	683,526	(17,974)
Transformation plant	281,064	290,078	(9,014)
Distribution plant	586,017	607,760	(21,742)
General plant	143,529	161,013	(17,484)
Other	5,910	6,320	(410)
<b>Other fixed assets</b>	<b>279,279</b>	<b>200,290</b>	78,989
<b>Construction in progress</b>	<b>494,946</b>	<b>447,381</b>	47,564
<b>Nuclear fuel:</b>	<b>137,925</b>	<b>131,898</b>	6,027
Loaded nuclear fuel	41,433	-	41,433
Nuclear fuel under processing	96,492	-	96,492
Loaded nuclear fuel and nuclear fuel under processing	-	131,898	(131,898)
<b>Investments in and advances to:</b>	<b>340,537</b>	<b>328,744</b>	11,793
Long-term investments	74,432	73,186	1,245
Deferred income taxes	167,921	136,962	30,958
Deferred income taxes on revaluation adjustments	1,459	1,543	(83)
Other	97,957	118,423	(20,466)
Allowance for uncollectibles	(1,233)	(1,371)	138
<b>Current assets:</b>	<b>302,288</b>	<b>285,686</b>	<b>16,602</b>
Cash and deposits	106,246	87,083	19,163
Notes receivable and amounts due from customers	114,711	105,667	9,044
Deferred income taxes	19,339	12,481	6,858
Other	63,217	81,696	(18,478)
Allowance for uncollectibles	(1,227)	(1,241)	14
<b>Deferred assets:</b>	<b>109</b>	<b>125</b>	<b>(16)</b>
Bond discount	109	125	(16)
<b>Total assets</b>	<b>4,122,476</b>	<b>4,095,444</b>	<b>27,032</b>

## Liabilities, minority interests and shareholders' equity

(Millions of yen)

Item	FY 2004 (March 31, 2005)	FY 2003 (March 31, 2004)	Increase (decrease)
<b>Fixed liabilities:</b>	<b>2,449,874</b>	<b>2,615,868</b>	<b>(165,993)</b>
Bonds	1,128,221	1,204,500	(76,279)
Long-term loans	657,300	759,468	(102,168)
Accrued retirement benefits	259,551	242,585	16,966
Reserve for reprocessing irradiated nuclear fuel	101,291	92,822	8,468
Reserve for decommissioning nuclear power units	32,744	30,316	2,428
Deferred income taxes	897	703	194
Other	269,867	285,472	(15,604)
<b>Current liabilities:</b>	<b>684,608</b>	<b>561,023</b>	<b>123,585</b>
Current portion of fixed liabilities	286,609	189,337	97,271
Short-term borrowings	46,039	66,156	(20,116)
Notes and accounts payable	98,915	70,371	28,544
Accrued taxes	39,433	38,384	1,048
Deferred income taxes	-	1,384	(1,384)
Other	213,611	195,389	18,222
<b>Reserve:</b>	<b>12,653</b>	<b>10,441</b>	<b>2,212</b>
Reserve for fluctuation in water levels	12,653	10,441	2,212
<b>Total liabilities</b>	<b>3,147,136</b>	<b>3,187,332</b>	<b>(40,195)</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>45,567</b>	<b>37,259</b>	<b>8,308</b>
<b>Common stock</b>	<b>251,441</b>	<b>251,441</b>	<b>-</b>
<b>Capital surplus</b>	<b>26,655</b>	<b>26,655</b>	<b>-</b>
<b>Retained earnings</b>	<b>649,329</b>	<b>589,903</b>	<b>59,425</b>
<b>Revaluation adjustments</b>	<b>(1,005)</b>	<b>(1,064)</b>	<b>58</b>
<b>Net unrealized holding gain on securities</b>	<b>9,844</b>	<b>9,986</b>	<b>(142)</b>
<b>Foreign currency translation adjustments</b>	<b>79</b>	<b>-</b>	<b>79</b>
<b>Treasury stock, at cost</b>	<b>(6,572)</b>	<b>(6,070)</b>	<b>(502)</b>
<b>Total shareholders' equity</b>	<b>929,771</b>	<b>870,852</b>	<b>58,919</b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>4,122,476</b>	<b>4,095,444</b>	<b>27,032</b>

## CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(Years ended March 31, 2005 and 2004)

<b>Expenses</b>				<b>Revenues</b>			
(Millions of yen)							
Item	FY 2004 (Year ended March 31, 2005)	FY 2003 (Year ended March 31, 2004)	Increase (decrease)	Item	FY 2004 (Year ended March 31, 2005)	FY 2003 (Year ended March 31, 2004)	Increase (decrease)
<b>Operating expenses:</b>	<b>1,447,511</b>	<b>1,383,790</b>	<b>63,721</b>	<b>Operating revenues:</b>	<b>1,611,461</b>	<b>1,562,752</b>	<b>48,709</b>
Electric power	1,289,826	1,265,658	24,168	Electric power	1,444,726	1,438,675	6,051
Other	157,684	118,131	39,553	Other	166,735	124,077	42,657
<b>Operating income</b>	<b>163,950</b>	<b>178,962</b>	<b>(15,012)</b>				
<b>Other expenses:</b>	<b>70,984</b>	<b>75,227</b>	<b>(4,242)</b>	<b>Other revenues:</b>	<b>11,380</b>	<b>6,692</b>	<b>4,687</b>
Interest expense	52,813	69,823	(17,009)	Dividends received	611	465	146
Other	18,171	5,404	12,766	Interest received	25	228	(202)
				Gain from sales of fixed assets	330	335	(5)
				Amortization of consolidation adjustment accounts	1,862	1,480	382
				Other	8,548	4,182	4,366
<b>Total amount of expenses</b>	<b>1,518,496</b>	<b>1,459,017</b>	<b>59,479</b>	<b>Total amount of revenues</b>	<b>1,622,842</b>	<b>1,569,444</b>	<b>53,397</b>
<b>Income before special item, income taxes and minority interests</b>	<b>104,345</b>	<b>110,427</b>	<b>(6,081)</b>				
<b>Special item: Provision for (reversal of) reserve for fluctuation in water levels:</b>	<b>2,212</b>	<b>3,634</b>	<b>(1,422)</b>				
Provision for reserve for fluctuation in water levels	2,212	3,634	(1,422)				
<b>Extraordinary losses:</b>	<b>14,449</b>	<b>23,073</b>	<b>(8,623)</b>				
Extraordinary loss on disasters	3,451	-	3,451				
Loss on impairment of fixed assets	7,012	-	7,012				
Loss on discontinuance of power plant construction	3,985	23,073	(19,087)				
<b>Income before income taxes and minority interests</b>	<b>87,683</b>	<b>83,719</b>	<b>3,964</b>				
<b>Current income taxes</b>	<b>42,899</b>	<b>35,833</b>	<b>7,065</b>				
<b>Deferred income taxes</b>	<b>(14,956)</b>	<b>(4,554)</b>	<b>(10,401)</b>				
<b>Minority interests in earnings of consolidated subsidiaries</b>	<b>2,780</b>	<b>1,361</b>	<b>1,419</b>				
<b>Net income</b>	<b>56,960</b>	<b>51,079</b>	<b>5,880</b>				

## CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)

(Years ended March 31, 2004 and 2005)

(Millions of yen)

	Number of shares of common stock	Common stock	Capital surplus	Retained earnings	Revaluation adjustments	Net unrealized holding gain on securities	Foreign currency translation adjustments	Treasury stock, at cost
<b>Balance at March 31, 2003</b>	<b>502,882,585</b>	<b>251,441</b>	<b>26,497</b>	<b>564,168</b>	<b>(1,069)</b>	<b>1,877</b>	<b>-</b>	<b>(475)</b>
Bonuses to directors and corporate auditors				(211)				
Cash dividends paid				(25,127)				
Reversal of revaluation adjustments				(5)				
Surplus from sale of treasury stock			157					
Net income for the year ended March 31, 2004				51,079				
Net change during the year					5	8,108		(5,594)
<b>Balance at March 31, 2004</b>	<b>502,882,585</b>	<b>251,441</b>	<b>26,655</b>	<b>589,903</b>	<b>(1,064)</b>	<b>9,986</b>	<b>-</b>	<b>(6,070)</b>
Bonuses to directors and corporate auditors				(339)				
Cash dividends paid				(24,968)				
Decrease in retained earnings resulting from inclusion of consolidated subsidiaries				(1,730)				
Increase in retained earnings resulting from inclusion of consolidated subsidiaries				29,562				
Reversal of revaluation adjustments				(58)				
Net income for the year ended March 31, 2005				56,960				
Net change during the year					58	(142)	79	(502)
<b>Balance at March 31, 2005</b>	<b>502,882,585</b>	<b>251,441</b>	<b>26,655</b>	<b>649,329</b>	<b>(1,005)</b>	<b>9,844</b>	<b>79</b>	<b>(6,572)</b>

## CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(Years ended March 31, 2005 and 2004)

(Millions of yen)

Item	FY 2004 (Year ended March 31, 2005)	FY 2003 (Year ended March 31, 2004)	Increase (decrease)
<b>Operating activities:</b>			
Income before income taxes	87,683	83,719	3,964
Adjustments to reconcile income before income taxes to net cash provided by operating activities:			
Depreciation	267,868	252,145	15,723
Loss on impairment of fixed assets	7,012	-	7,012
Amortization of nuclear fuel	8,964	9,009	(45)
Loss on sales and disposal of property, plant and equipment	15,270	13,758	1,512
Loss on discontinuance of power plant construction	3,985	23,073	(19,087)
Provision for (reversal of) accrued retirement benefits	7,875	14,433	(6,557)
Provision for reserve for reprocessing of irradiated nuclear fuel	8,468	9,691	(1,222)
Provision for reserve for decommissioning of nuclear power units	2,428	1,417	1,010
Provision for (reversal of) reserve for fluctuation in water levels	2,212	3,634	(1,422)
Interest and dividend income	(637)	(693)	55
Interest expense	52,813	69,823	(17,009)
Changes in operating assets and liabilities:			
Amounts due from customers	(21,817)	(35,920)	14,102
Accounts payable	11,226	(7,317)	18,544
Other operating assets and liabilities	8,379	7,444	935
<b>Subtotal</b>	<b>461,734</b>	<b>444,219</b>	<b>17,515</b>
Interest and dividends received	639	686	(47)
Interest paid	(50,380)	(67,455)	17,075
Income taxes paid	(37,612)	(41,034)	3,421
<b>Net cash provided by operating activities</b>	<b>374,381</b>	<b>336,415</b>	<b>37,965</b>
<b>Investing activities:</b>			
Acquisition of property, plant and equipment	(216,293)	(202,800)	(13,492)
Contributions received in aid of construction	-	22,535	(22,535)
Payments for investments and advances	(1,931)	(27,793)	25,862
Proceeds from sales or collections of investments and advances	10,471	31,308	(20,836)
Change in other assets and liabilities	18,888	25,715	(6,827)
<b>Net cash used in investing activities</b>	<b>(188,863)</b>	<b>(151,034)</b>	<b>(37,829)</b>
<b>Financing activities:</b>			
Proceeds from issuance of bonds	39,879	139,503	(99,623)
Redemption of bonds	(65,509)	(179,700)	114,191
Proceeds from long-term loans	33,150	46,950	(13,800)
Repayment of long-term loans	(152,665)	(150,074)	(2,590)
Proceeds from short-term borrowings	154,557	429,668	(275,111)
Repayment of short-term borrowings	(174,793)	(491,121)	316,327
Proceeds from issuance of commercial paper	573,000	442,000	131,000
Redemption of commercial paper	(579,000)	(370,000)	(209,000)
Purchase of treasury stock	-	(10,780)	10,780
Cash dividends	(24,951)	(25,115)	163
Other	(1,346)	(1,111)	(234)
<b>Net cash used in financing activities</b>	<b>(197,679)</b>	<b>(169,783)</b>	<b>(27,896)</b>
<b>Effect of exchange rate changes on cash and equivalents</b>	<b>0</b>	<b>-</b>	<b>0</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(12,161)</b>	<b>15,598</b>	<b>(27,759)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>95,079</b>	<b>79,480</b>	<b>15,598</b>
<b>Increase in cash and cash equivalents upon inclusion of additional subsidiaries in consolidation</b>	<b>23,157</b>	<b>-</b>	<b>23,157</b>
<b>Cash and cash equivalents at end of the year</b>	<b>106,075</b>	<b>95,079</b>	<b>10,996</b>

# Summary of Non-Consolidated Financial Data (Unaudited)

## 1. Business Results for Non-Consolidated FY 2004 (Year ended March 31, 2005)

### (1) Progresses of Financial Results (Non-Consolidated basis)

	Operating revenues		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2004	1,455,336	0.5	145,009	(13.2)	86,877	(11.2)
FY 2003	1,447,607	(2.1)	167,068	(9.5)	97,818	4.6

	Net income		Net income per share	Diluted net income per share	Net income / Shareholders' equity	Ordinary income / Total assets	Ordinary income / Operating revenues
	Millions of yen	%	Yen	Yen	%	%	%
FY 2004	45,721	(4.9)	90.75	-	5.5	2.3	6.0
FY 2003	48,056	(19.5)	95.63	-	6.0	2.5	6.8

### (2) Dividend Status (Non-Consolidated basis)

	Cash dividends per share (Annual)			Total dividend (Annual)	Dividend payout ratio	Total dividend / Shareholders' equity
	Yen	Interim	Year end			
	Yen	Yen	Yen	Millions of yen	%	%
FY 2004	50.00	25.00	25.00	25,042	55.1	3.0
FY 2003	50.00	25.00	25.00	25,128	52.3	3.1

### (3) Changes in Financial Positions (Non-Consolidated basis)

	Total assets	Shareholders' equity	Shareholders' equity ratio to total assets	Shareholders' equity per share
	Millions of yen	Millions of yen	%	Yen
FY 2004	3,757,983	839,452	22.3	1,670.95
FY 2003	3,814,323	820,494	21.5	1,632.33

## 2. Business Results Forecast for Non-Consolidated FY 2005 (Year ended March 31, 2006)

	Operating revenues	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Interim FY 2005	710,000	50,000	30,000
FY 2005	1,460,000	110,000	70,000

## NON-CONSOLIDATED BALANCE SHEETS (Unaudited)

(March 31, 2003 and 2004)

### Assets

(Millions of yen)

Item	FY 2004 (March 31, 2005)	FY 2003 (March 31, 2004)	Increase (decrease)
<b>Fixed assets (property, plant and equipment):</b>	<b>3,594,738</b>	<b>3,650,648</b>	<b>(55,909)</b>
<b>Electric utility fixed assets:</b>	<b>2,592,015</b>	<b>2,702,302</b>	<b>(110,286)</b>
Hydro power plant	168,730	175,276	(6,546)
Thermal power plant	375,188	409,852	(34,664)
Nuclear power plant	281,581	319,485	(37,903)
Internal combustion power plant	5,488	5,873	(384)
Transmission plant	683,327	697,658	(14,331)
Transformation plant	292,312	295,586	(3,273)
Distribution plant	635,484	634,739	745
General plant	149,400	163,327	(13,927)
Property leased to others	501	501	-
<b>Incidental business fixed assets</b>	<b>510</b>	<b>1,377</b>	<b>(866)</b>
<b>Other fixed assets</b>	<b>8,233</b>	<b>13,312</b>	<b>(5,079)</b>
<b>Construction in progress</b>	<b>490,973</b>	<b>444,765</b>	<b>46,207</b>
<b>Nuclear fuel:</b>	<b>137,925</b>	<b>131,898</b>	<b>6,027</b>
Loaded nuclear fuel	41,433	23,939	17,493
Nuclear fuel under processing	96,492	107,958	(11,466)
<b>Investments in and advances to:</b>	<b>365,079</b>	<b>356,991</b>	<b>8,087</b>
Long-term investments	64,348	67,639	(3,290)
Long-term investments in subsidiaries and affiliates	183,951	184,083	(132)
Long-term prepaid expenses	2,544	1,903	640
Deferred income taxes	114,326	103,492	10,833
Allowance for uncollectibles	(90)	(127)	36
<b>Current assets:</b>	<b>163,134</b>	<b>163,548</b>	<b>(413)</b>
Cash and deposits	37,006	36,497	509
Amounts due from customers	78,277	75,720	2,556
Trade receivables - accounts	3,562	5,228	(1,665)
Fuel and supplies	21,812	22,218	(405)
Prepaid expenses	45	16	28
Short-term credits to subsidiaries and affiliates	1,742	1,884	(142)
Deferred income taxes	9,747	9,235	512
Other current assets	11,344	13,142	(1,798)
Allowance for uncollectibles	(404)	(395)	(8)
<b>Deferred assets:</b>	<b>109</b>	<b>126</b>	<b>(17)</b>
Bond discount	109	126	(17)
<b>Total assets</b>	<b>3,757,983</b>	<b>3,814,323</b>	<b>(56,340)</b>



## Liabilities and shareholders' equity

(Millions of yen)

Item	FY 2004 (March 31, 2005)	FY 2003 (March 31, 2004)	Increase (decrease)
<b>Fixed liabilities:</b>	<b>2,294,529</b>	<b>2,479,814</b>	<b>(185,285)</b>
Bonds	1,128,921	1,210,000	(81,079)
Long-term loans	561,130	670,402	(109,271)
Long-term accrued liabilities	4,691	67	4,623
Long-term debt to subsidiaries and affiliates	-	4	(4)
Accrued retirement benefits	214,095	205,391	8,703
Reserve for reprocessing irradiated nuclear fuel	101,291	92,822	8,468
Reserve for decommissioning nuclear power units	32,744	30,316	2,428
Reserve for exhibiting at EXPO 2005 AICHI	-	98	(98)
Other fixed liabilities	251,655	270,711	(19,055)
<b>Current liabilities:</b>	<b>611,435</b>	<b>503,652</b>	<b>107,782</b>
Current portion of fixed liabilities	254,217	166,471	87,745
Short-term borrowings	43,720	63,620	(19,900)
Commercial paper	92,000	98,000	(6,000)
Trade payables - accounts	52,699	35,758	16,941
Accounts payable	48,700	22,134	26,565
Accrued expenses	39,944	38,799	1,144
Accrued taxes	32,130	35,286	(3,155)
Deposits received	978	828	150
Short-term debt to subsidiaries and affiliates	44,251	39,785	4,465
Advances received	2,642	2,965	(323)
Reserve for exhibiting at EXPO 2005 AICHI	147	-	147
Other current liabilities	3	1	1
<b>Reserve:</b>	<b>12,566</b>	<b>10,362</b>	<b>2,204</b>
Reserve for fluctuation in water levels	12,566	10,362	2,204
<b>Total liabilities</b>	<b>2,918,530</b>	<b>2,993,828</b>	<b>(75,297)</b>
<b>Common stock</b>	<b>251,441</b>	<b>251,441</b>	<b>-</b>
<b>Capital surplus</b>	<b>26,657</b>	<b>26,657</b>	<b>-</b>
<b>Legal reserve</b>	<b>62,860</b>	<b>62,860</b>	<b>-</b>
<b>Retained earnings:</b>	<b>491,208</b>	<b>470,733</b>	<b>20,474</b>
Reserve for loss on overseas investments	26	27	(1)
Retained earnings appropriated for reserve for cost fluctuation adjustments	103,000	103,000	-
Retained earnings appropriated for general purpose	286,400	264,400	22,000
Unappropriated retained earnings for the period	101,781	103,305	(1,523)
<b>Net unrealized holding gain on securities</b>	<b>8,325</b>	<b>9,340</b>	<b>(1,014)</b>
<b>Treasury stock, at cost</b>	<b>(1,041)</b>	<b>(538)</b>	<b>(502)</b>
<b>Total shareholders' equity</b>	<b>839,452</b>	<b>820,494</b>	<b>18,957</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,757,983</b>	<b>3,814,323</b>	<b>(56,340)</b>

## NON-CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(Years ended March 31, 2005 and 2004)

<b>Expenses</b>				<b>Revenues</b>			
Item	FY 2004 (Year ended March 31, 2005)	FY 2003 (Year ended March 31, 2004)	Increase (decrease)	Item	FY 2004 (Year ended March 31, 2005)	FY 2003 (Year ended March 31, 2004)	Increase (decrease)
<b>Operating expenses:</b>	<b>1,310,326</b>	<b>1,280,539</b>	<b>29,786</b>	<b>Operating revenues:</b>	<b>1,455,336</b>	<b>1,447,607</b>	<b>7,728</b>
<b>Operating expenses for electric utility business:</b>	<b>1,302,158</b>	<b>1,272,695</b>	<b>29,462</b>	<b>Electric power operating revenues:</b>	<b>1,446,648</b>	<b>1,439,698</b>	<b>6,949</b>
Expense for hydro power generation	35,764	35,486	277	Revenue from residential customers	510,253	498,357	11,896
Expense for thermal power generation	367,741	372,580	(4,839)	Revenue from commercial and industrial customers	732,917	717,223	15,694
Expense for nuclear power generation	121,058	107,751	13,306	Revenue from power sold to other utilities	190,468	209,966	(19,498)
Expense for internal combustion power generation	5,197	4,962	235	Revenue from power sold to other companies	2	0	2
Expense for power purchased from other utilities	73,842	55,486	18,355	Revenue from wheeling	3,444	3,685	(241)
Expense for power purchased from other companies	159,599	156,159	3,439	Miscellaneous revenues from electric utility business	9,475	10,378	(903)
Transmission expense	72,928	73,920	(992)	Revenue from property leased to others	86	86	-
Transformation expense	56,468	56,976	(508)				
Distribution expense	163,269	157,656	5,612				
Selling expense	53,345	51,377	1,967				
Expense for property leased to others	8	8	0				
General administration expense	145,108	151,911	(6,803)				
Electric power development promotion tax	32,913	32,450	463				
Enterprise tax	15,967	16,198	(230)				
Transfer to electric expenses	(1,053)	(232)	(821)				
<b>Incidental business expenses:</b>	<b>8,167</b>	<b>7,843</b>	<b>324</b>	<b>Incidental business revenues:</b>	<b>8,687</b>	<b>7,909</b>	<b>778</b>
Gas supply business expense	7,359	6,994	365	Gas supply business revenue	7,543	7,175	368
Heat supply business expense	527	652	(124)	Heat supply business revenue	459	436	22
Other business expenses	280	197	83	Other business revenue	684	296	388
<b>Operating income</b>	<b>145,009</b>	<b>167,068</b>	<b>(22,058)</b>				
<b>Other expenses:</b>	<b>66,933</b>	<b>71,286</b>	<b>(4,352)</b>	<b>Other revenues:</b>	<b>8,801</b>	<b>2,035</b>	<b>6,765</b>
<b>Financing expenses:</b>	<b>50,161</b>	<b>67,547</b>	<b>(17,386)</b>	<b>Financing revenues:</b>	<b>1,286</b>	<b>1,225</b>	<b>61</b>
Interest expense	49,997	67,036	(17,039)	Dividends received	1,278	1,018	260
Amortization of bond issuance costs	146	494	(348)	Interest received	8	207	(199)
Amortization of bond discount	17	16	0				
<b>Other expenses:</b>	<b>16,771</b>	<b>3,738</b>	<b>13,033</b>	<b>Other revenues:</b>	<b>7,514</b>	<b>809</b>	<b>6,704</b>
Loss on disposal of fixed assets	508	226	282	Gain from sales of fixed assets	310	136	173
Miscellaneous losses	16,263	3,511	12,751	Miscellaneous revenues	7,204	673	6,531
<b>Total amount of expenses</b>	<b>1,377,259</b>	<b>1,351,825</b>	<b>25,434</b>	<b>Total amount of revenues</b>	<b>1,464,137</b>	<b>1,449,643</b>	<b>14,493</b>
<b>Income before special item and income taxes</b>	<b>86,877</b>	<b>97,818</b>	<b>(10,940)</b>				
<b>Provision for (reversal of) reserve for fluctuation in water levels:</b>	<b>2,204</b>	<b>3,631</b>	<b>(1,426)</b>				
Provision for reserve for fluctuation in water levels	2,204	3,631	(1,426)				
<b>Extraordinary losses:</b>	<b>13,593</b>	<b>23,073</b>	<b>(9,479)</b>				
Extraordinary loss on disasters	3,451	-	3,451				
Loss on impairment of fixed assets	6,156	-	6,156				
Loss on discontinuance of power plant construction	3,985	23,073	(19,087)				
<b>Income before income taxes</b>	<b>71,079</b>	<b>71,113</b>	<b>(34)</b>				
<b>Current income taxes</b>	<b>36,132</b>	<b>32,768</b>	<b>3,364</b>				
<b>Deferred income taxes</b>	<b>(10,775)</b>	<b>(9,712)</b>	<b>(1,063)</b>				
<b>Net income</b>	<b>45,721</b>	<b>48,056</b>	<b>(2,335)</b>				
<b>Retained earnings brought forward from the preceding fiscal year</b>	<b>68,622</b>	<b>67,812</b>	<b>809</b>				
<b>Interim cash dividends paid</b>	<b>12,562</b>	<b>12,564</b>	<b>(1)</b>				
<b>Unappropriated retained earnings for the period</b>	<b>101,781</b>	<b>103,305</b>	<b>(1,523)</b>				

**(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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