

# Tohoku Electric Power Co., Inc.

## Unaudited Financial Report (Kessan Tanshin)

May 10, 2006

Information below is an English translation from the "Kessan Tanshin" (Unaudited financial release for the year ended March 31, 2006), which has been filed with the Tokyo Stock Exchange, Inc. and Osaka Securities Exchange Co., Ltd. for public inspection.

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

Original value for percentages are rounded off to the indicated numbers.

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

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

	Operating revenues		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2005	1,660,045	3.0	99,848	(39.1)	51,042	(51.1)
FY 2004	1,611,461	3.1	163,950	(8.4)	104,345	(5.5)

	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 2005	54,171	(4.9)	107.90	-	5.7	1.2	3.1
FY 2004	56,960	11.5	113.36	-	6.3	2.5	6.5

#### (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 2005	4,113,910	962,939	23.4	1,929.02
FY 2004	4,122,476	929,771	22.6	1,861.97

#### (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 2005	226,869	(229,754)	9,430	112,622
FY 2004	374,381	(188,863)	(197,679)	106,075

### 2. Business Results Forecast for Consolidated FY 2006 (Year ended March 31, 2007)

	Operating revenues	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Interim	810,000	39,000	22,000
FY 2006	1,655,000	95,000	55,000

## CONSOLIDATED BALANCE SHEETS (Unaudited)

(March 31, 2006 and 2005)

### Assets

(Millions of yen)

Item	FY 2005 (March 31, 2006)	FY 2004 (March 31, 2005)	Increase (decrease)
<b>Fixed assets (property, plant and equipment):</b>	<b>3,777,539</b>	<b>3,820,078</b>	<b>(42,538)</b>
<b>Electric utility fixed assets:</b>	<b>2,759,597</b>	<b>2,567,389</b>	<b>192,208</b>
Hydro power plant	190,658	195,243	(4,585)
Thermal power plant	375,673	409,396	(33,723)
Nuclear power plant	562,894	280,675	282,219
Transmission plant	647,536	665,552	(18,016)
Transformation plant	268,425	281,064	(12,638)
Distribution plant	585,885	586,017	(132)
General plant	122,975	143,529	(20,554)
Other	5,550	5,910	(360)
<b>Other fixed assets</b>	<b>276,777</b>	<b>279,279</b>	<b>(2,501)</b>
<b>Construction work in progress</b>	<b>190,476</b>	<b>494,946</b>	<b>(304,469)</b>
<b>Nuclear fuel:</b>	<b>141,003</b>	<b>137,925</b>	<b>3,077</b>
Loaded nuclear fuel	39,809	41,433	(1,624)
Nuclear fuel under processing	101,194	96,492	4,702
<b>Investments in and advances to:</b>	<b>409,683</b>	<b>340,537</b>	<b>69,145</b>
Long-term investments	97,757	74,432	23,324
Reserve funds for reprocessing costs of irradiated nuclear fuel	61,466	-	61,466
Deferred income taxes	156,418	167,921	(11,502)
Deferred income taxes on revaluation adjustments	-	1,459	(1,459)
Other	95,098	97,957	(2,858)
Allowance for uncollectibles	(1,056)	(1,233)	176
<b>Current assets:</b>	<b>336,235</b>	<b>302,288</b>	<b>33,946</b>
Cash and deposits	110,177	106,246	3,930
Trade notes receivable and amounts due from customers	124,126	114,711	9,414
Deferred income taxes	15,520	19,339	(3,818)
Other	87,576	63,217	24,358
Allowance for uncollectibles	(1,165)	(1,227)	61
<b>Deferred assets:</b>	<b>135</b>	<b>109</b>	<b>26</b>
Bond discount	135	109	26
<b>Total assets</b>	<b>4,113,910</b>	<b>4,122,476</b>	<b>(8,565)</b>

**Liabilities, minority interests and shareholders' equity**

(Millions of yen)

Item	FY 2005 (March 31, 2006)	FY 2004 (March 31, 2005)	Increase (decrease)
<b>Fixed liabilities:</b>	<b>2,426,584</b>	<b>2,449,874</b>	<b>(23,290)</b>
Bonds	1,200,221	1,128,221	72,000
Long-term debt	622,024	657,300	(35,276)
Accrued retirement benefits	217,502	259,551	(42,048)
Reserve for reprocessing costs of irradiated nuclear fuel	105,973	101,291	4,682
Reserve for decommissioning costs of nuclear power units	36,151	32,744	3,406
Deferred income taxes	-	897	(897)
Deferred income taxes on revaluation adjustments	3,007	-	3,007
Other	241,703	269,867	(28,164)
<b>Current liabilities:</b>	<b>663,134</b>	<b>684,608</b>	<b>(21,474)</b>
Short-term borrowings	55,922	46,039	9,883
Current portion of Long-term debt	239,709	286,609	(46,900)
Trade notes and accounts payable	112,929	98,915	14,013
Accrued taxes	25,604	39,433	(13,828)
Other	228,968	213,611	15,357
<b>Reserve:</b>	<b>14,986</b>	<b>12,653</b>	<b>2,332</b>
Reserve for fluctuation in water levels	14,986	12,653	2,332
<b>Total liabilities</b>	<b>3,104,704</b>	<b>3,147,136</b>	<b>(42,432)</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>46,266</b>	<b>45,567</b>	<b>699</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>678,359</b>	<b>649,329</b>	<b>29,030</b>
<b>Revaluation adjustments</b>	<b>(1,043)</b>	<b>(1,005)</b>	<b>(37)</b>
<b>Net unrealized holding gain on securities</b>	<b>14,503</b>	<b>9,844</b>	<b>4,659</b>
<b>Foreign currency translation adjustments</b>	<b>80</b>	<b>79</b>	<b>1</b>
<b>Treasury stock, at cost</b>	<b>(7,058)</b>	<b>(6,572)</b>	<b>(485)</b>
<b>Total shareholders' equity</b>	<b>962,939</b>	<b>929,771</b>	<b>33,167</b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>4,113,910</b>	<b>4,122,476</b>	<b>(8,565)</b>

## CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(Years ended March 31, 2006 and 2005)

<b>Expenses</b>				<b>Revenues</b>			
				(Millions of yen)			
Item	FY 2005 (Year ended March 31, 2006)	FY 2004 (Year ended March 31, 2005)	Increase (decrease)	Item	FY 2005 (Year ended March 31, 2006)	FY 2004 (Year ended March 31, 2005)	Increase (decrease)
<b>Operating expenses:</b>	<b>1,560,197</b>	<b>1,447,511</b>	<b>112,685</b>	<b>Operating revenues:</b>	<b>1,660,045</b>	<b>1,611,461</b>	<b>48,583</b>
Electric power	1,402,196	1,289,826	112,370	Electric power	1,491,698	1,444,726	46,972
Other	158,000	157,684	315	Other	168,347	166,735	1,611
<b>Operating income</b>	<b>99,848</b>	<b>163,950</b>	<b>(64,101)</b>				
<b>Other expenses:</b>	<b>62,161</b>	<b>70,984</b>	<b>(8,822)</b>	<b>Other income:</b>	<b>13,355</b>	<b>11,380</b>	<b>1,975</b>
Interest expense	47,101	52,813	(5,712)	Dividends income	593	611	(17)
Other	15,060	18,171	(3,110)	Interest income	303	25	277
				Gain from sales of fixed assets	519	330	188
				Amortization of consolidation adjustment accounts	-	1,862	(1,862)
				Other	11,939	8,548	3,390
<b>Total amount of expenses</b>	<b>1,622,359</b>	<b>1,518,496</b>	<b>103,862</b>	<b>Total amount of revenues</b>	<b>1,673,401</b>	<b>1,622,842</b>	<b>50,559</b>
<b>Income before special item, income taxes and minority interests</b>	<b>51,042</b>	<b>104,345</b>	<b>(53,303)</b>				
<b>Special item: Provision for reserve for fluctuation in water levels</b>	<b>2,332</b>	<b>2,212</b>	<b>120</b>				
<b>Extraordinary losses:</b>	<b>2,970</b>	<b>14,449</b>	<b>(11,479)</b>	<b>Extraordinary income:</b>	<b>47,782</b>	<b>-</b>	<b>47,782</b>
Loss on discontinued operation of subsidiary	2,970	-	2,970	Gain on reversal of prior service liability of retirement benefit obligation	47,782	-	47,782
Extraordinary loss on disasters	-	3,451	(3,451)				
Impairment loss on fixed assets	-	7,012	(7,012)				
Loss on discontinuance of power plant construction	-	3,985	(3,985)				
<b>Income before income taxes and minority interests</b>	<b>93,521</b>	<b>87,683</b>	<b>5,837</b>				
<b>Current income taxes</b>	<b>23,053</b>	<b>42,899</b>	<b>(19,845)</b>				
<b>Deferred income taxes</b>	<b>13,514</b>	<b>(14,956)</b>	<b>28,470</b>				
<b>Minority interests in earnings of consolidated subsidiaries</b>	<b>2,781</b>	<b>2,780</b>	<b>1</b>				
<b>Net income</b>	<b>54,171</b>	<b>56,960</b>	<b>(2,788)</b>				

## CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)

(Years ended March 31, 2006 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, 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)				
Increase in retained earnings resulting from inclusion of consolidated subsidiaries				29,562				
Decrease in retained earnings resulting from inclusion of consolidated subsidiaries				(1,730)				
Reversal of revaluation adjustments				(58)	58			
Net income for the year ended March 31, 2005				56,960				
Net change during the year						(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>
Bonuses to directors and corporate auditors				(349)				
Cash dividends paid				(24,954)				
Reversal of revaluation adjustments				162	(37)			
Net income for the year ended March 31, 2006				54,171				
Net change during the year						4,659	1	(485)
<b>Balance at March 31, 2006</b>	<b>502,882,585</b>	<b>251,441</b>	<b>26,655</b>	<b>678,359</b>	<b>(1,043)</b>	<b>14,503</b>	<b>80</b>	<b>(7,058)</b>

## CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

(Years ended March 31, 2006 and 2005)

(Millions of yen)

Item	FY 2005 (Year ended March 31, 2006)	FY 2004 (Year ended March 31, 2005)	Increase (decrease)
<b>Operating activities:</b>			
Income before income taxes	93,521	87,683	5,837
Adjustments to reconcile income before income taxes to net cash provided by operating activities:			
Depreciation	277,831	267,868	9,963
Loss on impairment of fixed assets	-	7,012	(7,012)
Amortization of nuclear fuel	7,459	8,964	(1,504)
Loss on sales and disposal of property, plant and equipment	16,020	15,270	749
Loss on discontinuance of power plant construction	-	3,985	(3,985)
Provision for (reversal of) accrued retirement benefits	(42,048)	7,875	(49,924)
Provision for reserve for reprocessing of irradiated nuclear fuel	4,682	8,468	(3,785)
Provision for reserve for decommissioning of nuclear power units	3,406	2,428	977
Provision for reserve for fluctuation in water levels	2,332	2,212	120
Interest and dividend income	(897)	(637)	(259)
Interest expense	47,101	52,813	(5,712)
Reserve funds for reprocessing costs of irradiated nuclear fuel	(61,466)	-	(61,466)
Changes in operating assets and liabilities:			
Amounts due from customers	(48,140)	(21,817)	(26,322)
Accounts payable	14,043	11,226	2,816
Other operating assets and liabilities	(8,184)	8,379	(16,564)
<b>Subtotal</b>	<b>305,663</b>	<b>461,734</b>	<b>(156,071)</b>
Interest and dividends received	895	639	256
Interest paid	(43,190)	(50,380)	7,189
Income taxes paid	(36,498)	(37,612)	1,113
<b>Net cash provided by operating activities</b>	<b>226,869</b>	<b>374,381</b>	<b>(147,511)</b>
<b>Investing activities:</b>			
Acquisition of property, plant and equipment	(239,794)	(216,293)	(23,501)
Payments for investments and advances	(10,498)	(1,931)	(8,566)
Proceeds from sales or collections of investments and advances	9,695	10,471	(776)
Change in other assets and liabilities	10,842	18,888	(8,045)
<b>Net cash used in investing activities</b>	<b>(229,754)</b>	<b>(188,863)</b>	<b>(40,890)</b>
<b>Financing activities:</b>			
Proceeds from issuance of bonds	139,543	39,879	99,663
Redemption of bonds	(99,000)	(65,509)	(33,491)
Proceeds from long-term loans	95,690	33,150	62,540
Repayment of long-term loans	(149,676)	(152,665)	2,989
Proceeds from short-term borrowings	316,539	154,557	161,982
Repayment of short-term borrowings	(306,656)	(174,793)	(131,862)
Proceeds from issuance of commercial paper	465,000	573,000	(108,000)
Redemption of commercial paper	(426,000)	(579,000)	153,000
Cash dividends	(24,934)	(24,951)	17
Other	(1,076)	(1,346)	270
<b>Net cash used in financing activities</b>	<b>9,430</b>	<b>(197,679)</b>	<b>207,109</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,546</b>	<b>(12,161)</b>	<b>18,707</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>106,075</b>	<b>95,079</b>	<b>10,996</b>
<b>Increase in cash and cash equivalents upon inclusion of additional subsidiaries in consolidation</b>	<b>-</b>	<b>23,157</b>	<b>(23,157)</b>
<b>Cash and cash equivalents at end of the year</b>	<b>112,622</b>	<b>106,075</b>	<b>6,546</b>

# Summary of Non-Consolidated Financial Data (Unaudited)

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

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

	Operating revenues		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY 2005	1,498,759	3.0	77,940	(46.3)	38,098	(56.1)
FY 2004	1,455,336	0.5	145,009	(13.2)	86,877	(11.2)

	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 2005	53,542	17.1	107.08	-	6.3	1.0	2.5
FY 2004	45,721	(4.9)	90.75	-	5.5	2.3	6.0

### (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			
FY 2005	55.00	25.00	30.00	27,449	51.4	3.2
FY 2004	50.00	25.00	25.00	25,042	55.1	3.0

### (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 2005	3,759,173	862,977	23.0	1,729.05
FY 2004	3,757,983	839,452	22.3	1,670.95

## 2. Business Results Forecast for Non-Consolidated FY 2006 (Year ended March 31, 2007)

	Operating revenues	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Interim	740,000	35,000	20,000
FY 2006	1,490,000	80,000	50,000

## NON-CONSOLIDATED BALANCE SHEETS (Unaudited)

(March 31, 2006 and 2005)

### Assets

(Millions of yen)

Item	FY 2005 (March 31, 2006)	FY 2004 (March 31, 2005)	Increase (decrease)
<b>Fixed assets (property, plant and equipment):</b>	<b>3,558,047</b>	<b>3,594,738</b>	<b>(36,691)</b>
<b>Electric utility fixed assets:</b>	<b>2,785,374</b>	<b>2,592,015</b>	<b>193,358</b>
Hydro power plant	162,691	168,730	(6,038)
Thermal power plant	344,455	375,188	(30,732)
Nuclear power plant	563,720	281,581	282,138
Internal combustion power plant	5,125	5,488	(363)
Transmission plant	664,995	683,327	(18,331)
Transformation plant	279,289	292,312	(13,023)
Distribution plant	635,913	635,484	429
General plant	128,680	149,400	(20,720)
Property leased to others	501	501	-
<b>Incidental business fixed assets</b>	<b>561</b>	<b>510</b>	<b>50</b>
<b>Other fixed assets</b>	<b>8,497</b>	<b>8,233</b>	<b>263</b>
<b>Construction work in progress:</b>	<b>187,886</b>	<b>490,973</b>	<b>(303,086)</b>
Construction work in progress	184,098	485,999	(301,900)
Suspense account for disposal	3,787	4,974	(1,186)
<b>Nuclear fuel:</b>	<b>141,003</b>	<b>137,925</b>	<b>3,077</b>
Loaded nuclear fuel	39,809	41,433	(1,624)
Nuclear fuel under processing	101,194	96,492	4,702
<b>Investments in and advances to:</b>	<b>434,723</b>	<b>365,079</b>	<b>69,644</b>
Long-term investments	85,613	64,348	21,264
Long-term investments in subsidiaries and affiliates	183,043	183,951	(907)
Reserve funds for reprocessing costs of irradiated nuclear fuel	61,466	-	61,466
Long-term prepaid expenses	3,214	2,544	669
Deferred income taxes	101,453	114,326	(12,872)
Allowance for uncollectibles	(66)	(90)	24
<b>Current assets:</b>	<b>200,990</b>	<b>163,134</b>	<b>37,855</b>
Cash and deposits	55,890	37,006	18,883
Amounts due from customers	77,085	78,277	(1,192)
Trade notes receivables	11,313	3,562	7,750
Fuel and supplies	28,528	21,812	6,715
Prepaid expenses	350	45	304
Short-term credits to subsidiaries and affiliates	2,011	1,742	269
Deferred income taxes	9,850	9,747	103
Other current assets	16,369	11,344	5,024
Allowance for uncollectibles	(408)	(404)	(3)
<b>Deferred assets:</b>	<b>135</b>	<b>109</b>	<b>26</b>
Bond discount	135	109	26
<b>Total assets</b>	<b>3,759,173</b>	<b>3,757,983</b>	<b>1,190</b>



## Liabilities and shareholders' equity

(Millions of yen)

Item	FY 2005 (March 31, 2006)	FY 2004 (March 31, 2005)	Increase (decrease)
<b>Fixed liabilities:</b>	<b>2,296,297</b>	<b>2,294,529</b>	<b>1,768</b>
Bonds	1,200,521	1,128,921	71,600
Long-term debt	549,482	561,130	(11,648)
Long-term accrued liabilities	3,881	4,691	(809)
Long-term debt to subsidiaries and affiliates	4	-	4
Accrued retirement benefits	173,274	214,095	(40,820)
Reserve for reprocessing irradiated nuclear fuel	105,973	101,291	4,682
Reserve for decommissioning costs of nuclear power units	36,151	32,744	3,406
Other fixed liabilities	227,008	251,655	(24,647)
<b>Current liabilities:</b>	<b>584,998</b>	<b>611,435</b>	<b>(26,436)</b>
Short-term borrowings	54,440	43,720	10,720
Current portion of long-term debt	214,497	254,217	(39,720)
Commercial paper	131,000	92,000	39,000
Trade notes	59,353	52,699	6,653
Accounts payable	16,373	48,700	(32,326)
Accrued expenses	43,901	39,944	3,957
Accrued taxes	18,626	32,130	(13,504)
Deposits received	1,269	978	290
Short-term debt to subsidiaries and affiliates	42,933	44,251	(1,317)
Advances received	2,600	2,642	(41)
Reserve for exhibiting at EXPO 2005 in Aichi	-	147	(147)
Other current liabilities	2	3	(0)
<b>Reserve:</b>	<b>14,900</b>	<b>12,566</b>	<b>2,333</b>
Reserve for fluctuation in water levels	14,900	12,566	2,333
<b>Total liabilities</b>	<b>2,896,196</b>	<b>2,918,530</b>	<b>(22,334)</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>515,778</b>	<b>491,208</b>	<b>24,570</b>
Reserve for loss on overseas investments	8	26	(17)
Retained earnings appropriated for reserve for cost fluctuation adjustments	103,000	103,000	-
Retained earnings appropriated for general purpose	306,400	286,400	20,000
Unappropriated retained earnings for the period	106,370	101,781	4,588
<b>Net unrealized holding gain on securities</b>	<b>13,343</b>	<b>8,325</b>	<b>5,017</b>
<b>Treasury stock, at cost</b>	<b>(7,104)</b>	<b>(1,041)</b>	<b>(6,063)</b>
<b>Total shareholders' equity</b>	<b>862,977</b>	<b>839,452</b>	<b>23,525</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,759,173</b>	<b>3,757,983</b>	<b>1,190</b>

## NON-CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

(Years ended March 31, 2006 and 2005)

### Expenses

### Revenues

(Millions of yen)

Item	FY 2005 (Year ended March 31, 2006)	FY 2004 (Year ended March 31, 2005)	Increase (decrease)	Item	FY 2005 (Year ended March 31, 2006)	FY 2004 (Year ended March 31, 2005)	Increase (decrease)
<b>Operating expenses:</b>	<b>1,420,819</b>	<b>1,310,326</b>	<b>110,492</b>	<b>Operating revenues:</b>	<b>1,498,759</b>	<b>1,455,336</b>	<b>43,423</b>
<b>Operating expenses for electric utility business:</b>	<b>1,416,180</b>	<b>1,302,158</b>	<b>114,022</b>	<b>Electric power operating revenues:</b>	<b>1,493,770</b>	<b>1,446,648</b>	<b>47,121</b>
Expense for hydro power generation	34,010	35,764	(1,754)	Revenue from residential customers	516,801	510,253	6,547
Expense for thermal power generation	405,817	367,741	38,076	Revenue from commercial and industrial customers	750,482	732,917	17,564
Expense for nuclear power generation	151,494	121,058	30,436	Revenue from power sold to other utilities	213,046	190,468	22,577
Expense for internal combustion power generation	6,140	5,197	943	Revenue from power sold to other companies	100	2	97
Expense for power purchased from other utilities	103,555	73,842	29,712	Revenue from wheeling	639	3,444	(2,805)
Expense for power purchased from other companies	173,482	159,599	13,883	Revenue from wheeling adjustment among utilities	2,913	-	2,913
Transmission expense	80,631	72,928	7,703	Miscellaneous revenues from electric utility business	9,700	9,475	225
Transformation expense	56,152	56,468	(315)	Revenue from property leased to others	86	86	-
Distribution expense	169,723	163,269	6,454				
Selling expense	53,232	53,345	(112)				
Expense for property leased to others	8	8	-				
General administration expense	134,142	145,108	(10,966)				
Electric power development promotion tax	31,911	32,913	(1,001)				
Enterprise tax	16,042	15,967	74				
Transfer to electric expenses	(165)	(1,053)	887				
<b>Incidental business expenses:</b>	<b>4,638</b>	<b>8,167</b>	<b>(3,529)</b>	<b>Incidental business revenues:</b>	<b>4,989</b>	<b>8,687</b>	<b>(3,698)</b>
Gas supply business expense	3,922	7,359	(3,437)	Gas supply business revenue	4,005	7,543	(3,537)
Heat supply business expense	568	527	40	Heat supply business revenue	478	459	19
Other business expenses	146	280	(133)	Other business revenue	504	684	(180)
<b>Operating income</b>	<b>77,940</b>	<b>145,009</b>	<b>(67,069)</b>				
<b>Other expenses:</b>	<b>51,938</b>	<b>66,933</b>	<b>(14,995)</b>	<b>Other income:</b>	<b>12,096</b>	<b>8,801</b>	<b>3,295</b>
<b>Financing expenses:</b>	<b>44,967</b>	<b>50,161</b>	<b>(5,194)</b>	<b>Financing income:</b>	<b>1,263</b>	<b>1,286</b>	<b>(23)</b>
Interest expense	44,468	49,997	(5,529)	Dividends income	1,184	1,278	(94)
Amortization of bond issuance costs	476	146	330	Interest income	78	8	70
Amortization of bond discount	21	17	4				
<b>Other expenses:</b>	<b>6,970</b>	<b>16,771</b>	<b>(9,801)</b>	<b>Other income:</b>	<b>10,833</b>	<b>7,514</b>	<b>3,318</b>
Loss on disposal of fixed assets	816	508	307	Gain from sales of fixed assets	385	310	75
Miscellaneous losses	6,154	16,263	(10,108)	Miscellaneous income	10,448	7,204	3,243
<b>Total amount of expenses</b>	<b>1,472,757</b>	<b>1,377,259</b>	<b>95,497</b>	<b>Total amount of revenues</b>	<b>1,510,855</b>	<b>1,464,137</b>	<b>46,718</b>
<b>Income before special item and income taxes</b>	<b>38,098</b>	<b>86,877</b>	<b>(48,778)</b>				
<b>Provision for reserve for fluctuation in water levels</b>	<b>2,333</b>	<b>2,204</b>	<b>129</b>				
<b>Extraordinary losses:</b>	<b>-</b>	<b>13,593</b>	<b>(13,593)</b>	<b>Extraordinary income:</b>	<b>47,782</b>	<b>-</b>	<b>47,782</b>
Extraordinary loss on disasters	-	3,451	(3,451)	Gain on reversal of prior service liability of retirement benefit obligation	47,782	-	47,782
Loss on impairment of fixed assets	-	6,156	(6,156)				
Loss on discontinuance of power plant construction	-	3,985	(3,985)				
<b>Income before income taxes</b>	<b>83,547</b>	<b>71,079</b>	<b>12,468</b>				
<b>Current income taxes</b>	<b>15,945</b>	<b>36,132</b>	<b>(20,187)</b>				
<b>Deferred income taxes</b>	<b>14,060</b>	<b>(10,775)</b>	<b>24,836</b>				
<b>Net income</b>	<b>53,542</b>	<b>45,721</b>	<b>7,820</b>				
<b>Retained earnings brought forward from the preceding fiscal year</b>	<b>69,200</b>	<b>68,622</b>	<b>577</b>				
<b>Accumulated deficit succeeded from the merged consolidated subsidiary</b>	<b>3,894</b>	<b>-</b>	<b>3,894</b>				
<b>Interim cash dividends paid</b>	<b>12,477</b>	<b>12,562</b>	<b>(85)</b>				
<b>Unappropriated retained earnings for the period</b>	<b>106,370</b>	<b>101,781</b>	<b>4,588</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.

Tohoku Electric Power Co., Inc. hereby disclaim any responsibility or liability in relation to consequences resulting from decisions made by investors.