

# Tohoku Electric Power Co., Inc.

## Unaudited Interim Financial Report (*Chukan Kessan Tanshin*)

November 8, 2005

Information below is an English translation from the "Chukan Kessan Tanshin" (Unaudited interim financial release for the six months ended September 30, 2005), which has been filed with the Tokyo Stock Exchange, Inc. and Osaka Securities Exchange Co., Ltd. for public inspection.

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

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

### 1. Business Results for Consolidated Interim FY 2005 (Six months ended September 30, 2005)

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

	Operating revenues		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim FY 2005	795,778	1.7	66,252	(43.8)	38,490	(54.4)
Interim FY 2004	782,452	3.6	117,952	42.8	84,413	61.3
(Reference) FY 2004	1,611,461		163,950		104,345	

	Net income		Net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
Interim FY 2005	16,444	(62.4)	32.95	-
Interim FY 2004	43,756	37.0	87.62	-
(Reference) FY 2004	56,960		113.36	-

#### (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
Interim FY 2005	4,086,588	938,286	23.0	1,880.04
Interim FY 2004	4,135,718	929,604	22.5	1,861.57
(Reference) 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 period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Interim FY 2005	138,059	(87,625)	(46,740)	109,769
Interim FY 2004	193,027	(89,531)	(106,130)	115,603
(Reference) FY 2004	374,381	(188,863)	(197,679)	106,075

### 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
FY 2005	1,640,000	60,000	27,000

## INTERIM CONSOLIDATED BALANCE SHEETS (Unaudited)

Interim FY 2005 (As of September 30, 2005) and FY 2004 (As of March 31, 2005)

### Assets

(Millions of yen)

Item	Interim FY 2005 (As of Sep. 30, 2005)	(Reference) FY 2004 (As of March 31, 2005)	Increase (decrease)
<b>Fixed assets (property, plant and equipment):</b>	<b>3,770,819</b>	<b>3,820,078</b>	<b>(49,258)</b>
<b>Electric utility fixed assets:</b>	<b>2,498,904</b>	<b>2,567,389</b>	<b>(68,484)</b>
Hydro power plant	192,298	195,243	(2,944)
Thermal power plant	392,458	409,396	(16,937)
Nuclear power plant	263,222	280,675	(17,453)
Transmission plant	651,274	665,552	(14,277)
Transformation plant	274,590	281,064	(6,473)
Distribution plant	582,403	586,017	(3,613)
General plant	137,007	143,529	(6,521)
Other	5,647	5,910	(262)
<b>Other fixed assets</b>	<b>269,756</b>	<b>279,279</b>	<b>(9,523)</b>
<b>Construction work in progress</b>	<b>505,938</b>	<b>494,946</b>	<b>10,991</b>
<b>Nuclear fuel:</b>	<b>143,522</b>	<b>137,925</b>	<b>5,597</b>
Loaded nuclear fuel	41,000	41,433	(432)
Nuclear fuel under processing	102,522	96,492	6,030
<b>Investments in and advances to:</b>	<b>352,697</b>	<b>340,537</b>	<b>12,159</b>
Long-term investments	92,869	74,432	18,437
Deferred income taxes	166,741	167,921	(1,179)
Deferred income taxes on revaluation adjustments	1,446	1,459	(13)
Other	92,914	97,957	(5,042)
Allowance for uncollectibles	(1,275)	(1,233)	(42)
<b>Current assets:</b>	<b>315,634</b>	<b>302,288</b>	<b>13,346</b>
Cash and deposits	108,919	106,246	2,672
Trade notes receivable and amounts due from customers	107,262	114,711	(7,449)
Deferred income taxes	15,994	19,339	(3,344)
Other	84,391	63,217	21,173
Allowance for uncollectibles	(933)	(1,227)	294
<b>Deferred assets:</b>	<b>134</b>	<b>109</b>	<b>25</b>
Bond discount	134	109	25
<b>Total assets</b>	<b>4,086,588</b>	<b>4,122,476</b>	<b>(35,887)</b>

## Liabilities, minority interests and shareholders' equity

(Millions of yen)

Item	Interim FY 2005 (As of Sep. 30, 2005)	(Reference) FY 2004 (As of March 31, 2005)	Increase (decrease)
<b>Fixed liabilities:</b>	<b>2,472,305</b>	<b>2,449,874</b>	<b>22,430</b>
Bonds	1,180,221	1,128,221	52,000
Long-term debt	629,942	657,300	(27,358)
Accrued retirement benefits	263,213	259,551	3,661
Reserve for reprocessing costs of irradiated nuclear fuel	107,174	101,291	5,883
Reserve for decommissioning costs of nuclear power units	34,142	32,744	1,397
Deferred income taxes	569	897	(328)
Other	257,042	269,867	(12,824)
<b>Current liabilities:</b>	<b>613,860</b>	<b>684,608</b>	<b>(70,748)</b>
Short-term borrowings	57,165	46,039	11,126
Current portion of long-term debt	297,868	286,609	11,259
Trade notes and accounts payable	89,757	98,915	(9,158)
Accrued taxes	31,141	39,433	(8,292)
Other	137,927	213,611	(75,683)
<b>Reserve:</b>	<b>16,313</b>	<b>12,653</b>	<b>3,660</b>
Reserve for fluctuation in water levels	16,313	12,653	3,660
<b>Total liabilities</b>	<b>3,102,479</b>	<b>3,147,136</b>	<b>(44,657)</b>
<b>Minority interests in consolidated subsidiaries</b>	<b>45,823</b>	<b>45,567</b>	<b>255</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>652,937</b>	<b>649,329</b>	<b>3,607</b>
<b>Revaluation adjustments</b>	<b>(996)</b>	<b>(1,005)</b>	<b>9</b>
<b>Net unrealized holding gain on securities</b>	<b>15,085</b>	<b>9,844</b>	<b>5,241</b>
<b>Foreign currency translation adjustments</b>	<b>79</b>	<b>79</b>	<b>0</b>
<b>Treasury stock, at cost</b>	<b>(6,917)</b>	<b>(6,572)</b>	<b>(344)</b>
<b>Total shareholders' equity</b>	<b>938,286</b>	<b>929,771</b>	<b>8,514</b>
<b>Total liabilities, minority interests and shareholders' equity</b>	<b>4,086,588</b>	<b>4,122,476</b>	<b>(35,887)</b>

## INTERIM CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

Interim FY 2005 (Six months ended September 30, 2005) and Interim FY 2004 (Six months ended September 30, 2004)

<b>Expenses</b>				<b>Revenues</b>			
(Millions of yen)							
Item	Interim FY 2005 (Six months ended Sep. 30, 2005)	(Reference) Interim FY 2004 (Six months ended Sep. 30, 2004)	Increase (decrease)	Item	Interim FY 2005 (Six months ended Sep. 30, 2005)	(Reference) Interim FY 2004 (Six months ended Sep. 30, 2004)	Increase (decrease)
<b>Operating expenses:</b>	<b>729,526</b>	<b>664,500</b>	<b>65,026</b>	<b>Operating revenues:</b>	<b>795,778</b>	<b>782,452</b>	<b>13,326</b>
Electric power	662,626	601,453	61,172	Electric power	725,421	716,593	8,828
Other	66,900	63,046	3,853	Other	70,357	65,858	4,498
<b>Operating income</b>	<b>66,252</b>	<b>117,952</b>	<b>(51,699)</b>				
<b>Other expenses:</b>	<b>29,802</b>	<b>38,635</b>	<b>(8,833)</b>	<b>Other income:</b>	<b>2,040</b>	<b>5,096</b>	<b>(3,056)</b>
Interest expense	23,398	25,585	(2,186)	Dividends income	451	535	(84)
Equity in losses of affiliates	4,981	-	4,981	Interest income	60	14	46
Other	1,421	13,050	(11,628)	Gain from sales of fixed assets	217	167	49
				Amortization of consolidation adjustment accounts	-	927	(927)
				Equity in gains of affiliates	-	553	(553)
				Other	1,311	2,897	(1,586)
<b>Total amount of expenses</b>	<b>759,328</b>	<b>703,135</b>	<b>56,192</b>	<b>Total amount of revenues</b>	<b>797,819</b>	<b>787,549</b>	<b>10,270</b>
<b>Income before special item, income taxes and minority interests</b>	<b>38,490</b>	<b>84,413</b>	<b>(45,922)</b>				
<b>Special item: Provision for reserve for fluctuation in water levels:</b>	<b>3,660</b>	<b>808</b>	<b>2,851</b>				
Provision for reserve for fluctuation in water levels	3,660	808	2,851				
<b>Extraordinary losses:</b>	<b>2,503</b>	<b>10,539</b>	<b>(8,035)</b>				
Loss on discontinued operation of subsidiaries	2,503	-	2,503				
Loss on impairment of fixed assets	-	6,553	(6,553)				
Loss on discontinuance of power plant construction	-	3,985	(3,985)				
<b>Income before income taxes and minority interests</b>	<b>32,327</b>	<b>73,065</b>	<b>(40,738)</b>				
<b>Current income taxes</b>	<b>13,885</b>	<b>28,304</b>	<b>(14,419)</b>				
<b>Deferred income taxes</b>	<b>1,221</b>	<b>494</b>	<b>726</b>				
<b>Minority interests in earnings of consolidated subsidiaries</b>	<b>774</b>	<b>509</b>	<b>265</b>				
<b>Net income</b>	<b>16,444</b>	<b>43,756</b>	<b>(27,311)</b>				

## INTERIM CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (Unaudited)

Interim FY 2005 (Six months ended September 30, 2005) and FY 2004 (Year ended March 31, 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				(12,478)				
Reversal of revaluation adjustments				(9)	9			
Net income for the six months ended September 30, 2005				16,444				
Net change during the period						5,241	0	(344)
<b>Balance at September 30, 2005</b>	<b>502,882,585</b>	<b>251,441</b>	<b>26,655</b>	<b>652,937</b>	<b>(996)</b>	<b>15,085</b>	<b>79</b>	<b>(6,917)</b>

## INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

Interim FY 2005 (Six months ended September 30, 2005) and Interim FY 2004 (Six months ended September 30, 2004)

(Millions of yen)

Item	Interim FY 2005 (Six months ended Sep. 30, 2005)	<i>(Reference)</i> Interim FY 2004 <i>(Six months ended Sep. 30, 2004)</i>	<i>Increase (decrease)</i>
<b>Operating activities:</b>			
Income before income taxes	32,327	73,065	<i>(40,738)</i>
Adjustments to reconcile income before income taxes to net cash provided by operating activities:			
Depreciation	14,590	124,277	16,313
Loss on impairment of fixed assets	-	6,553	<i>(6,553)</i>
Amortization of nuclear fuel	4,138	4,780	<i>(642)</i>
Loss on sales and disposal of property, plant and equipment	5,489	3,806	1,682
Loss on discontinuance of power plant construction	-	3,985	<i>(3,985)</i>
Provision for accrued retirement benefits	3,661	22	3,639
Provision for reserve for reprocessing of irradiated nuclear fuel	5,883	4,394	1,489
Provision for reserve for decommissioning of nuclear power units	1,397	1,404	<i>(7)</i>
Provision for reserve for fluctuation in water levels	3,660	808	2,851
Interest and dividend income	<i>(511)</i>	<i>(550)</i>	38
Interest expense	23,398	25,585	<i>(2,186)</i>
Changes in operating assets and liabilities:			
Amounts due from customers	<i>(5,377)</i>	7,139	<i>(12,517)</i>
Accounts payable	<i>(9,079)</i>	<i>(11,543)</i>	2,463
Other operating assets and liabilities	<i>(22,420)</i>	<i>(8,612)</i>	<i>(13,807)</i>
<b>Subtotal</b>	<b>183,157</b>	<b>235,117</b>	<b><i>(51,959)</i></b>
Interest and dividends received	511	551	<i>(40)</i>
Interest paid	<i>(21,774)</i>	<i>(24,144)</i>	2,370
Income taxes paid	<i>(23,835)</i>	<i>(18,496)</i>	<i>(5,339)</i>
<b>Net cash provided by operating activities</b>	<b>138,059</b>	<b>193,027</b>	<b><i>(54,968)</i></b>
<b>Investing activities:</b>			
Acquisition of property, plant and equipment	<i>(88,708)</i>	<i>(97,937)</i>	9,228
Payments for investments and advances	<i>(7,683)</i>	<i>(782)</i>	<i>(6,900)</i>
Proceeds from sales or collections of investments and advances	160	323	<i>(163)</i>
Change in other assets and liabilities	8,605	8,864	<i>(258)</i>
<b>Net cash used in investing activities</b>	<b><i>(87,625)</i></b>	<b><i>(89,531)</i></b>	<b>1,905</b>
<b>Financing activities:</b>			
Proceeds from issuance of bonds	79,723	29,911	49,812
Redemption of bonds	<i>(20,000)</i>	<i>(30,759)</i>	10,759
Proceeds from long-term loans	31,200	18,900	12,300
Repayment of long-term loans	<i>(63,624)</i>	<i>(55,210)</i>	<i>(8,413)</i>
Proceeds from short-term borrowings	175,038	82,051	92,986
Repayment of short-term borrowings	<i>(163,911)</i>	<i>(109,915)</i>	<i>(53,996)</i>
Proceeds from issuance of commercial paper	226,000	320,000	<i>(94,000)</i>
Redemption of commercial paper	<i>(298,000)</i>	<i>(348,000)</i>	50,000
Cash dividends	<i>(12,453)</i>	<i>(12,464)</i>	11
Other	<i>(712)</i>	<i>(643)</i>	<i>(68)</i>
<b>Net cash used in financing activities</b>	<b><i>(46,740)</i></b>	<b><i>(106,130)</i></b>	<b>59,389</b>
<b>Effect of exchange rate changes on cash and equivalents</b>	<b>0</b>	<b>0</b>	<b><i>(0)</i></b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>3,693</b>	<b><i>(2,632)</i></b>	<b>6,326</b>
<b>Cash and cash equivalents at beginning of the period</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><i>(23,157)</i></b>
<b>Cash and cash equivalents at end of the period</b>	<b>109,769</b>	<b>115,603</b>	<b><i>(5,834)</i></b>

## Summary of Non-Consolidated Interim Financial Data (Unaudited)

### 1. Business Results for Non-Consolidated Interim FY 2005 (Six months ended September 30, 2005)

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

	Operating revenues		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Interim FY 2005	728,634	0.9	56,368	(48.5)	34,761	(54.2)
Interim FY 2004	722,157	1.9	109,555	44.5	75,907	61.3
(Reference) FY 2004	1,455,336		145,009		86,877	

	Net income		Net income per share
	Millions of yen	%	Yen
Interim FY 2005	19,497	(51.6)	39.06
Interim FY 2004	40,291	34.5	80.17
(Reference) FY 2004	45,721		90.75

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

	Cash dividends per share (Interim)	Cash dividends per share (Year total)
	Yen	Yen
Interim FY 2005	25.00	-
Interim FY 2004	25.00	-
(Reference) FY 2004	-	50.00

#### (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
Interim FY 2005	3,720,465	842,280	22.6	1,687.58
Interim FY 2004	3,761,073	847,375	22.5	1,686.27
(Reference) FY 2004	3,757,983	839,452	22.3	1,670.95

### 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
FY 2005	1,480,000	55,000	30,000

## INTERIM NON-CONSOLIDATED BALANCE SHEETS (Unaudited)

Interim FY 2005 (As of September 30, 2005) and FY 2004 (As of March 31, 2005)

### Assets

(Millions of yen)

Item	Interim FY 2005 (As of Sep. 30, 2005)	(Reference) FY 2004 (As of March 31, 2005)	Increase (decrease)
<b>Fixed assets (property, plant and equipment):</b>	<b>3,540,524</b>	<b>3,594,738</b>	<b>(54,214)</b>
<b>Electric utility fixed assets:</b>	<b>2,521,952</b>	<b>2,592,015</b>	<b>(70,063)</b>
Hydro power plant	163,585	168,730	(5,144)
Thermal power plant	360,216	375,188	(14,971)
Nuclear power plant	264,063	281,581	(17,518)
Internal combustion power plant	5,220	5,488	(268)
Transmission plant	668,533	683,327	(14,793)
Transformation plant	285,554	292,312	(6,758)
Distribution plant	631,708	635,484	(3,776)
General plant	142,567	149,400	(6,832)
Property leased to others	501	501	-
<b>Incidental business fixed assets</b>	<b>905</b>	<b>510</b>	<b>394</b>
<b>Other fixed assets</b>	<b>8,697</b>	<b>8,233</b>	<b>463</b>
<b>Construction work in progress</b>	<b>499,478</b>	<b>490,973</b>	<b>8,505</b>
<b>Nuclear fuel:</b>	<b>143,522</b>	<b>137,925</b>	<b>5,597</b>
Loaded nuclear fuel	41,000	41,433	(432)
Nuclear fuel under processing	102,522	96,492	6,030
<b>Investments in and advances to:</b>	<b>365,967</b>	<b>365,079</b>	<b>888</b>
Long-term investments	81,801	64,348	17,452
Long-term investments in subsidiaries and affiliates	167,703	183,951	(16,247)
Long-term prepaid expenses	2,515	2,544	(28)
Deferred income taxes	114,024	114,326	(301)
Allowance for uncollectibles	(77)	(90)	13
<b>Current assets:</b>	<b>179,806</b>	<b>163,134</b>	<b>16,671</b>
Cash and deposits	45,490	37,006	8,483
Amounts due from customers	76,685	78,277	(1,591)
Trade notes receivables	1,875	3,562	(1,687)
Fuel and supplies	31,432	21,812	9,619
Prepaid expenses	3,644	45	3,599
Short-term credits to subsidiaries and affiliates	1,653	1,742	(88)
Deferred income taxes	9,965	9,747	218
Other current assets	9,453	11,344	(1,890)
Allowance for uncollectibles	(394)	(404)	10
<b>Deferred assets:</b>	<b>134</b>	<b>109</b>	<b>25</b>
Bond discount	134	109	25
<b>Total assets</b>	<b>3,720,465</b>	<b>3,757,983</b>	<b>(37,517)</b>



## Liabilities and shareholders' equity

(Millions of yen)

Item	Interim FY 2005 (As of Sep. 30, 2005)	(Reference) FY 2004 (As of March 31, 2005)	Increase (decrease)
<b>Fixed liabilities:</b>	<b>2,329,306</b>	<b>2,294,529</b>	<b>34,777</b>
Bonds	1,180,521	1,128,921	51,600
Long-term debt	545,863	561,130	(15,266)
Long-term accrued liabilities	3,893	4,691	(797)
Accrued retirement benefits	217,135	214,095	3,040
Reserve for reprocessing costs of irradiated nuclear fuel	107,174	101,291	5,883
Reserve for decommissioning costs of nuclear power units	34,142	32,744	1,397
Other fixed liabilities	240,576	251,655	(11,079)
<b>Current liabilities:</b>	<b>532,656</b>	<b>611,435</b>	<b>(78,778)</b>
Short-term borrowings	54,440	43,720	10,720
Current portion of long-term debt	267,362	254,217	13,144
Commercial paper	20,000	92,000	(72,000)
Trade notes	50,714	52,699	(1,985)
Accounts payable	43,079	48,700	(5,620)
Accrued expenses	38,295	39,944	(1,648)
Accrued taxes	26,490	32,130	(5,640)
Deposits received	1,436	978	457
Short-term debt to subsidiaries and affiliates	27,579	44,251	(16,671)
Advances received	3,255	2,642	613
Reserve for exhibiting at EXPO 2005 AICHI	-	147	(147)
Other current liabilities	2	3	(0)
<b>Reserve:</b>	<b>16,221</b>	<b>12,566</b>	<b>3,654</b>
Reserve for fluctuation in water levels	16,221	12,566	3,654
<b>Total liabilities</b>	<b>2,878,185</b>	<b>2,918,530</b>	<b>(40,345)</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>494,212</b>	<b>491,208</b>	<b>3,004</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	84,803	101,781	(16,977)
<b>Net unrealized holding gain on securities</b>	<b>14,072</b>	<b>8,325</b>	<b>5,747</b>
<b>Treasury stock, at cost</b>	<b>(6,963)</b>	<b>(1,041)</b>	<b>(5,922)</b>
<b>Total shareholders' equity</b>	<b>842,280</b>	<b>839,452</b>	<b>2,828</b>
<b>Total liabilities and shareholders' equity</b>	<b>3,720,465</b>	<b>3,757,983</b>	<b>(37,517)</b>

**INTERIM NON-CONSOLIDATED STATEMENTS OF INCOME (Unaudited)**

Interim FY 2005 (Six months ended September 30, 2005) and Interim FY 2004 (Six months ended September 30, 2004)

**Expenses**
**Revenues**

(Millions of yen)

Item	Interim FY 2005 (Six months ended Sep. 30, 2005)	(Reference) Interim FY 2004 (Six months ended Sep. 30, 2004)	Increase (decrease)	Item	Interim FY 2005 (Six months ended Sep. 30, 2005)	(Reference) Interim FY 2004 (Six months ended Sep. 30, 2004)	Increase (decrease)
<b>Operating expenses:</b>	<b>672,266</b>	<b>612,601</b>	<b>59,665</b>	<b>Operating revenues:</b>	<b>728,634</b>	<b>722,157</b>	<b>6,477</b>
<b>Operating expenses for electric utility business:</b>	<b>670,609</b>	<b>608,422</b>	<b>62,186</b>	<b>Electric power operating revenues:</b>	<b>726,726</b>	<b>717,762</b>	<b>8,963</b>
Expense for hydro power generation	14,199	15,158	(959)	Revenue from residential customers	235,844	238,017	(2,172)
Expense for thermal power generation	184,393	171,475	12,918	Revenue from commercial and industrial customers	369,201	370,316	(1,114)
Expense for nuclear power generation	73,497	43,136	30,361	Revenue from power sold to other utilities	115,362	102,890	12,471
Expense for internal combustion power generation	2,769	2,456	313	Revenue from power sold to other companies	73	1	72
Expense for power purchased from other utilities	49,175	36,407	12,768	Revenue from wheeling	307	1,726	(1,419)
Expense for power purchased from other companies	83,698	77,719	5,979	Revenue from wheeling adjustment among utilities	1,334	-	1,334
Transmission expense	37,428	35,388	2,039	Miscellaneous revenues from electric utility business	4,557	4,767	(209)
Transformation expense	27,434	27,665	(231)	Revenue from property leased to others	43	43	-
Distribution expense	83,329	80,698	2,630				
Selling expense	26,413	25,804	608				
Expense for property leased to others	4	4	-				
General administration expense	65,112	68,583	(3,471)				
Electric power development promotion tax	15,368	16,034	(666)				
Enterprise tax	7,851	7,974	(122)				
Transfer to electric expenses	(67)	(85)	18				
<b>Incidental business expenses:</b>	<b>1,657</b>	<b>4,178</b>	<b>(2,521)</b>	<b>Incidental business revenues:</b>	<b>1,908</b>	<b>4,394</b>	<b>(2,485)</b>
Gas supply business expense	1,241	3,798	(2,556)	Gas supply business revenue	1,156	3,844	(2,688)
Heat supply business expense	276	256	20	Heat supply business revenue	247	254	(7)
Other business expenses	138	123	14	Other business revenue	504	294	209
<b>Operating income</b>	<b>56,368</b>	<b>109,555</b>	<b>(53,187)</b>				
<b>Other expenses:</b>	<b>23,291</b>	<b>36,990</b>	<b>(13,699)</b>	<b>Other income:</b>	<b>1,684</b>	<b>3,341</b>	<b>(1,657)</b>
<b>Financing expenses:</b>	<b>22,540</b>	<b>24,204</b>	<b>(1,663)</b>	<b>Financing income:</b>	<b>885</b>	<b>956</b>	<b>(70)</b>
Interest expense	22,259	24,088	(1,828)	Dividends income	874	952	(78)
Amortization of bond issuance costs	271	108	163	Interest income	11	3	7
Amortization of bond discount	9	8	1				
<b>Other expenses:</b>	<b>750</b>	<b>12,785</b>	<b>(12,035)</b>	<b>Other income:</b>	<b>798</b>	<b>2,385</b>	<b>(1,586)</b>
Loss on disposal of fixed assets	445	75	369	Gain from sales of fixed assets	152	162	(9)
Miscellaneous losses	304	12,709	(12,404)	Miscellaneous income	645	2,222	(1,576)
<b>Total amount of expenses</b>	<b>695,557</b>	<b>649,591</b>	<b>45,965</b>	<b>Total amount of revenues</b>	<b>730,319</b>	<b>725,499</b>	<b>4,820</b>
<b>Income before special item and income taxes</b>	<b>34,761</b>	<b>75,907</b>	<b>(41,145)</b>				
<b>Special item:</b>							
<b>Provision for reserve for fluctuation in water levels:</b>	<b>3,654</b>	<b>804</b>	<b>2,850</b>				
Provision for reserve for fluctuation in water levels	3,654	804	2,850				
<b>Extraordinary losses:</b>	<b>-</b>	<b>9,993</b>	<b>(9,993)</b>				
Loss on impairment of fixed assets	-	6,007	(6,007)				
Loss on discontinuance of power plant construction	-	3,985	(3,985)				
<b>Income before income taxes</b>	<b>31,106</b>	<b>65,109</b>	<b>(34,003)</b>				
<b>Current income taxes</b>	<b>10,564</b>	<b>25,761</b>	<b>(15,197)</b>				
<b>Deferred income taxes</b>	<b>1,044</b>	<b>(942)</b>	<b>1,986</b>				
<b>Net income</b>	<b>19,497</b>	<b>40,291</b>	<b>(20,793)</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>Unappropriated retained earnings for the period</b>	<b>84,803</b>	<b>108,913</b>	<b>(24,109)</b>				

**(Note)**

The 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.