

Financial Summary

1st quarter of FY2008

July 29, 2008



Tohoku Electric Power Co., Inc.

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I -1.Summary of 1st quarter of FY2008 Results

1
(Consolidated)

(100 millions of yen)

	1st quarter of FY2008 (A)	1st quarter of FY2007 (B)	Comparison	
			(A)-(B)	(A)/(B)
Operating Revenues	4,183	3,908	275	107.0%
Operating Income	122	366	(244)	33.5%
Ordinary Income	35	254	(218)	14.1%
Net Income	34	151	(117)	22.8%

(Non-consolidated)

(100 millions of yen)

	1st quarter of FY2008 (C)	1st quarter of FY2007 (D)	Comparison	
			(C)-(D)	(C)/(D)
Operating Revenues	3,845	3,643	201	105.5%
Operating Income	77	349	(271)	22.3%
Ordinary Income	4	250	(245)	1.8%
Net Income	20	157	(137)	13.3%

(Consolidated/Non-consolidated Comparison, Ratio)

(100 millions of yen, Times)

	1st quarter of FY2008		1st quarter of FY2007	
	(A)-(C)	(A)/(C)	(B)-(D)	(B)/(D)
Operating Revenues	338	1.09	264	1.07
Operating Income	45	1.58	17	1.05
Ordinary Income	31	7.77	4	1.02
Net Income	13	1.65	(6)	0.96

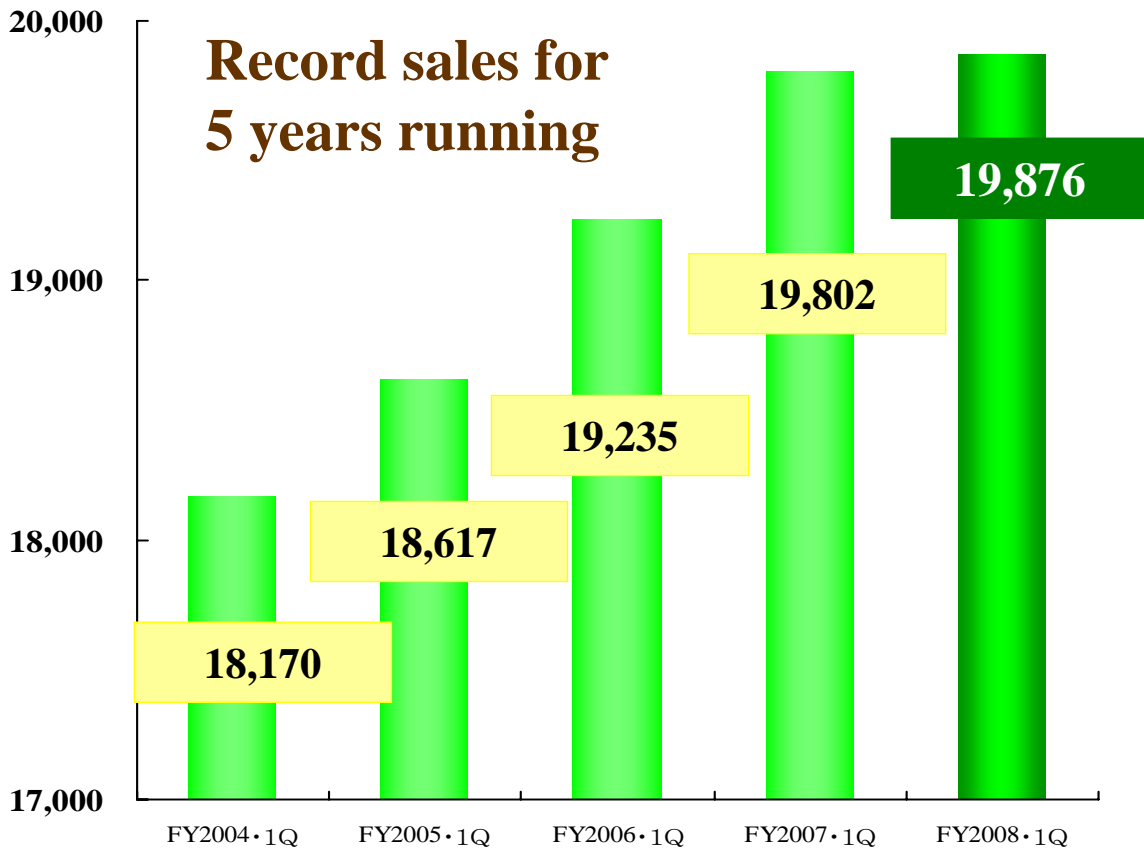
I -2. Electricity Sales

(Non-consolidated)

Electricity Sold **19,876 million kWh**
Year-on-year Compared Up 74 million kWh (+0.4%)

Despite a heating demand decrease due to warmer spring, sales have grown by strong production of large industrial customers, especially nonferrous metals.

(millions of kWh)



(millions of kWh)

Segment		1st quarter of FY2008	Year-on-Year
Regulated	Residential	5,697	98.2%
	Commercial	944	95.1%
	Sub-total	6,641	97.8%
Deregulated		13,235	101.7%
Total		19,876	100.4%

[Sub Segment]

Large Industrial	7,281	104.5%
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I -3. Electricity Generated and Purchased, Major Factors

(Electricity Generated and Purchased)

(Millions of kWh)

	1st quarter of FY2008 (A)	1st quarter of FY2007 (B)	Comparison	
			(A)-(B)	(A)/(B)
Own Generated Power	17,443	18,091	(648)	96.4%
Hydro	2,474	2,560	(86)	96.7%
Thermal	11,281	11,591	(310)	97.3%
Nuclear	3,688	3,940	(252)	93.6%
Purchased Power	5,813	5,553	260	104.7%
Power Interchages (Net)	(1,890)	(2,351)	461	80.4%
Used at Pumped Storage	(45)	(81)	36	55.5%
Total, Generated and Purchased	21,321	21,212	109	100.5%

(Major Factors)

	1st quarter of FY2008 (A)	1st quarter of FY2007 (B)	Comparison (A)-(B)
Crude Oil CIF Price (\$/bbl) ※	109.7	64.6	45.1
Exchange Rate (¥/\$)	105	121	(16)
Hydro Power Flow Rate (%)	93.0	91.2	1.8
Nuclear Power Capacity Factor (%)	51.6	55.1	(3.5)

※Crude Oil CIF Price is Preliminary report in Jun. 2008

I -4. Comparison Statements of Revenue & Expense

(100 millions of yen)

		1st quarter of FY2008 (A)	1st quarter of FY2007 (B)	Comparison		Items
				(A)-(B)	(A)/(B)	
Revenues	Residential	1,243	1,221	21	101.8%	Fuel Cost Adjustment Amounts; 163
	Commercial and Industrial	2,023	1,891	131	106.9%	
	Sub Total	3,266	3,113	153	104.9%	
	Other Revenues	615	548	66	112.1%	Gas Business; 7 etc.
	(Operating Revenues)	3,845	3,643	201	105.5%	
	Total Revenues	3,882	3,662	219	106.0%	
Expenses	Personnel	367	336	30	109.0%	Retirement Benefit; 30
	Fuel	994	708	286	140.4%	Thermal; 288
	Maintenance	394	364	30	108.4%	Thermal; 70, Distribution; 20, Nuclear; (58)
	Depreciation	573	595	(22)	96.3%	Nuclear; (20)
	Purchased Power	799	664	134	120.2%	Other Utilities; 10, Other Companies; 123
	Interest	107	112	(4)	95.7%	
	Nuclear Power back-end costs	52	50	2	104.6%	
	Other Expenses	587	579	8	101.4%	
	Total Expenses	3,877	3,412	465	113.6%	
Operating Income		77	349	(271)	22.3%	
Ordinary Income		4	250	(245)	1.8%	
Reversal of Reserve for Fluctuation in Water Levels		(36)	(23)	(13)	155.1%	
Income before Income Taxes		41	273	(232)	15.1%	
Current Income Taxes		-	116	(116)	-	
Deferred Income Taxes		20	-	20	-	
Net Income		20	157	(137)	13.3%	

I -5. Balance Sheets

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(Non-consolidated)

(100 millions of yen)

	Jun. 30, 2008 (A)	Mar. 31, 2008 (B)	Comparison (A)-(B)	Items
Total Assets	36,388	36,759	(370)	
Fixed Assets	34,238	34,401	(163)	
Electric Utility Fixed Assets	26,088	26,446	(357)	Thermal Power Plant; (51), Nuclear Power Plant; (149)
Incidental Business Fixed Assets	35	37	(1)	
Other Fixed Assets	87	87	-	
Construction in Progress	1,956	1,777	178	Kitakami Trunk Line, etc.
Nuclear Fuel	1,409	1,407	1	
Investments and Other Assets	4,660	4,644	15	
Current Assets	2,150	2,357	(206)	
Liabilities	28,044	28,307	(263)	Long-term Loans; (214), Bonds; (99)
Net Assets	8,344	8,451	(106)	

(100 millions of yen)

Interest-Bearing Liabilities	20,544	20,155	389	Commercial Paper; 670
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I -6.Statements of Income, Balance Sheets

(Consolidated)

(P/L)

(100 millions of yen)

	1st quarter of FY2008 (A)	1st quarter of FY2007 (B)	Comparison (A)-(B)
Operating Revenues	4,183	3,908	275
Operating Expenses	4,060	3,541	519
Operating Income	122	366	(244)
Ordinary Income	35	254	(218)
Net Income	34	151	(117)

(B/S)

(100 millions of yen)

	Jun. 30, 2008 (A)	Mar. 31, 2008 (B)	Comparison (A)-(B)
Total Assets	39,937	40,338	(401)
Fixed Assets	36,205	36,346	(141)
Current Assets	3,731	3,991	(260)
Liabilities	29,882	30,184	(302)
Net Assets	10,054	10,153	(98)

(100 millions of yen)

Interest-Bearing Liabilities	21,199	20,819	380
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I -7.Statements of Cash Flows

(Consolidated)

(100 millions of yen)

	1st quarter of FY2008 (A)	1st quarter of FY2007 (B)	Comparison (A)-(B)	Items
Cash Flow from Operating Activities	167	431	(264)	Increase in accounts payable (224)
Cash Flow from Investing Activities	(531)	(545)	14	
Cash Flow from Financing Activities	238	(102)	340	Issuance of bonds (299) Issuance of commercial paper 780
Net Cash Flow	(124)	(215)	90	
Free Cash Flow	(228)	23	(252)	

Note;Our definition of the free cash flow

= (Cash flow from operating activities) + (Cash flow from investing activities) - (Interest and dividend income) - (Interest expense)

I -8.Segment Information

(Consolidated)

(100 millions of yen)

		1st quarter of FY2008 (A)	1st quarter of FY2007 (B)	Comparison (A)-(B)
Sales	Electric Utility Business	3,824	3,630	194
	Construction Business	428	348	80
	Gas Business	76	61	15
	Information Processing Tele-Communication Business	85	89	(4)
	Others	327	314	13
	Elimination of Inter-Segment Transaction and Corporate	(559)	(536)	(23)
	Consolidated Total	4,183	3,908	275
(Sub Segment) Net Sales to Outside Customers	Electric Utility Business	3,832	3,626	205
	Construction Business	175	111	63
	Gas Business	46	25	20
	Information Processing Tele-Communication Business	33	37	(3)
	Others	95	106	(10)
	Elimination of Inter-Segment Transaction and Corporate	-	-	-
	Consolidated Total	4,183	3,908	275
Operating Income	Electric Utility Business	94	363	(268)
	Construction Business	(9)	(33)	23
	Gas Business	(1)	5	(7)
	Information Processing Tele-Communication Business	8	11	(2)
	Others	12	14	(2)
	Elimination of Inter-Segment Transaction and Corporate	18	5	12
	Consolidated Total	122	366	(244)

I -9.Financial Data of Major Consolidated Subsidiaries

(Millions of yen)

	Seat	Equity Ownership (%)	1st quarter of FY2008			
			Paid-in Capital	Total Assets	Operating Revenues	Ordinary Income
1.Electric Power Business						
Tousei Kougyo Co., Inc.	Sendai, Miyagi	100.0	5,270	22,003	884	181
Sakata Kyodo Power Co., Ltd.	Sakata, Yamagata	100.0	25,500	32,837	9,451	799
Tohoku Natural Energy Development Co., Ltd.	Sendai, Miyagi	74.7	300	1,170	53	(2)
2.Construction Business						
Yurtec Corp.	Sendai, Miyagi	47.9	7,803	144,650	30,700	(767)
Tohoku Electric Engineering & Construction Co., Inc.	Sendai, Miyagi	100.0	1,000	58,060	9,208	345
3.Gas Business						
Nihonkai LNG Co., Ltd.	Kitakanbara-gun, Niigata	42.3	12,000	57,196	4,452	146
4.Information Processing Tele-Communication Business						
Tohoku Intelligent Telecommunication Co., Inc.	Sendai, Miyagi	100.0	10,000	51,027	5,181	1,199
Tohoku Information Systems Co., Inc.	Sendai, Miyagi	100.0	96	11,746	3,461	(301)
5.Others						
Kitanihon Electric Cable Co., Ltd.	Sendai, Miyagi	60.7	135	23,009	10,785	334

II -1.Projection

(Consolidated)

(100 millions of yen)

	Projection(A)		Results(B)		Comparison (A)-(B)	
	2nd quarter of FY2008	FY2008	2nd quarter of FY2007	FY2007	2nd quarter	Fiscal Year
Operating Revenues	9,000	19,300	8,529	18,026	471	1,274
Operating Income	30	(530)	698	804	(668)	(1,334)
Ordinary Income	(180)	(950)	480	385	(660)	(1,335)
Net Income	(100)	(630)	277	172	(377)	(802)

(Non-consolidated)

(100 millions of yen)

	Projection(A)		Results(B)		Comparison (A)-(B)	
	2nd quarter of FY2008	FY2008	2nd quarter of FY2007	FY2007	2nd quarter	Fiscal Year
Operating Revenues	8,100	17,400	7,640	15,959	459	1,440
Operating Income	(100)	(800)	573	536	(673)	(1,336)
Ordinary Income	(300)	(1,200)	371	141	(671)	(1,341)
Net Income	(150)	(750)	235	67	(385)	(817)

Ⅱ -2.Major Factors, Sensitivity to Major Factors

(Non-consolidated)

(Major Factors)

(100 millions of yen)

	Projection(A)		Results (B)		Comparison (A)-(B)	
	2nd quarter of FY2008	FY2008	2nd quarter of FY2007	FY2007	2nd quarter	Fiscal Year
Electric Power Sales (100 millions of kWh)	406	841	404	841	2	-
Residential	112	249	112	251	-	(2)
Commercial and Industrial	294	592	292	590	2	2
Crude Oil CIF Price (\$/bbl)	120.0	125.0	67.8	78.7	52.2	46.3
Exchange Rate (¥/\$)	106	106	119	114	(13)	(8)
Hydro Power Flow Rate (%)	96.0	97.0	97.4	95.1	(1.4)	1.9
Nuclear Power Capacity Factor (%)	64.0	68.0	64.7	66.3	(0.7)	1.7

(Sensitivity to Major Factors)

(100 millions of yen)

	Projection(A)		Results (B)	
	2nd quarter of FY2008	FY2008	2nd quarter of FY2007	FY2007
Crude Oil CIF Price (per \$1/bbl)	15	33	11	33
Exchange Rate (per ¥1/\$)	20	50	11	27
Hydro Power Flow Rate (per 1%)	12	24	4	8
Nuclear Power Capacity Factor (per 1%)	24	53	8	19

Ⅱ -3. Projection Revised (April/Current)

12

(100 millions of yen)

		Newly revised (A)		Projection in April (B)		Comparison (A)-(B)	
		2nd quarter of FY2008	FY2008	2nd quarter of FY2007	FY2007	2nd quarter	Fiscal Year
Operating Revenues	Consolidated	9,000	19,300	8,900	18,600	100	700
	Non-consolidated	8,100	17,400	8,000	16,700	100	700
Operating Income	Consolidated	30	(530)	430	820	(400)	(1,350)
	Non-consolidated	(100)	(800)	300	550	(400)	(1,350)
Ordinary Income	Consolidated	(180)	(950)	220	400	(400)	(1,350)
	Non-consolidated	(300)	(1,200)	100	150	(400)	(1,350)
Net Income	Consolidated	(100)	(630)	100	200	(200)	(830)
	Non-consolidated	(150)	(750)	50	80	(200)	(830)

(100 millions of yen)

Ordinary income (Projection in April)

150

▪ High fuel prices	(900)
▪ Absence of fuel cost adjustments (form Oct. to Dem.)	(180)
▪ Increased thermal power generation due to drought	(100)
▪ Reduced nuclear power capacity factor	(240)
▪ Others	70

Ordinary income (Newly revised)

(1,200)

Revised projection and
projection as of April
(Non-consolidated)

(Ref. 1) Electricity Sales

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(Millions of kWh)

	1st quarter of FY2004	1st quarter of FY2005	1st quarter of FY2006	1st quarter of FY2007	1st quarter of FY2008
Excluding Deregulated Segment	11,023	6,677	6,782	6,792	6,641
Residential	5,428	5,620	5,740	5,800	5,697
Commercial and Industrial	5,595	1,057	1,042	992	944
Deregulated Segment ※	7,147	11,940	12,453	13,010	13,235
Total	18,170	18,617	19,235	19,802	19,876

[Sub-segment]

Large Industrial	6,075	6,158	6,530	6,970	7,281
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※Deregulated segment is constituted by customers who use a supply system with a contracted demand of 500kW or above in FY2004, and 50kW or above after FY2005

(Ref. 2) Statements of Income

(100 millions of yen)

		1st quarter of FY2004	1st quarter of FY2005	1st quarter of FY2006	1st quarter of FY2007	1st quarter of FY2008
Operating Revenues	Consolidated	3,710	3,769	4,020	3,908	4,183
	Non-consolidated	3,493	3,541	3,749	3,643	3,845
Operating Income	Consolidated	601	332	453	366	122
	Non-consolidated	582	303	446	349	77
Ordinary Income	Consolidated	481	205	342	254	35
	Non-consolidated	472	159	347	250	4
Net Income	Consolidated	310	126	190	151	34
	Non-consolidated	305	89	199	157	20

(Ref. 3) Balance Sheets, Equity Ratio, etc.

(100 millions of yen)

		Jun. 30, 2004	Jun. 30, 2005	Jun. 30, 2006	Jun. 30, 2007	Jun. 30, 2008
Assets	Consolidated	41,620	40,718	40,608	40,236	39,937
	Non-consolidated	-	37,028	37,049	36,665	36,388
Liabilities	Consolidated	32,007	30,978	30,469	29,900	29,882
	Non-consolidated	-	28,724	28,353	27,900	28,044
※ Net Assets	Consolidated	9,185	9,290	10,138	10,336	10,054
	Non-consolidated	-	8,304	8,696	8,764	8,344
Equity Ratio (%)	Consolidated	22.1	22.8	23.8	24.5	23.9
	Non-consolidated	-	22.4	23.5	23.9	22.9
Interest-Bearing Liabilities	Consolidated	23,131	21,781	21,855	21,669	21,199
	Non-consolidated	21,661	20,628	20,911	20,921	20,544

※ Up to FY2005 "Shareholders' Equity"

(Note)

This presentation 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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