



Financial Summary

2nd quarter of FY2008

Tohoku Electric Power Co., Inc.

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(Consolidated)

(100 millions of yen)

	2nd quarter of FY2008 (A)	2nd quarter of FY2007 (B)	Comparison	
			(A) - (B)	(A) / (B)
Operating Revenues	8,830	8,529	300	103.5%
Operating Income	45	698	(652)	6.5%
Ordinary Income	(142)	480	(622)	—
Net Income	(82)	277	(360)	—

(Non-consolidated)

(100 millions of yen)

	2nd quarter of FY2008 (C)	2nd quarter of FY2007 (D)	Comparison	
			(C) - (D)	(C) / (D)
Operating Revenues	8,048	7,640	408	105.3%
Operating Income	(60)	573	(634)	—
Ordinary Income	(232)	371	(604)	—
Net Income	(128)	235	(364)	—

(Consolidated/Non-consolidated Comparison, Ratio)

(100 millions of yen, times)

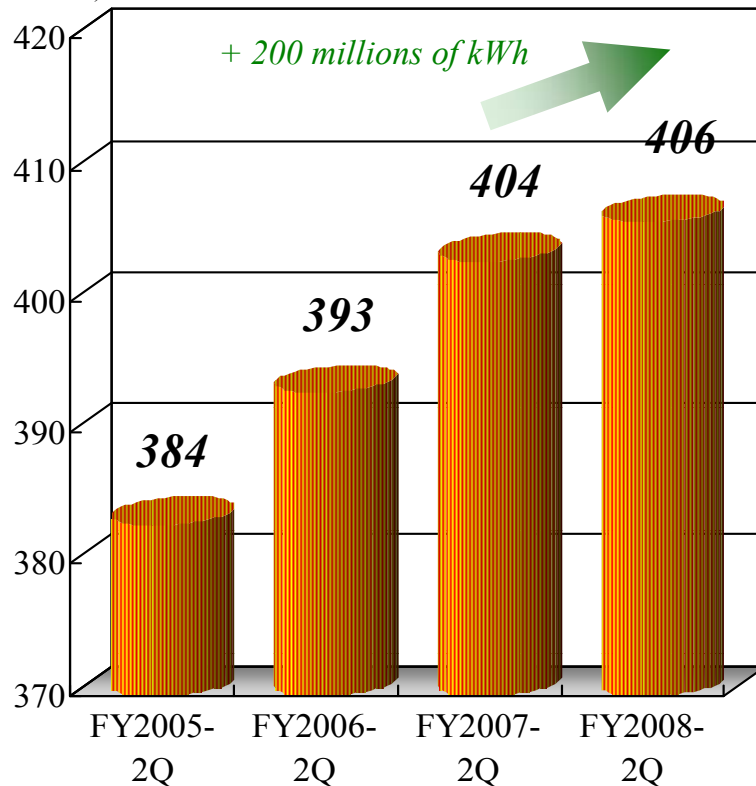
	2nd quarter of FY2008		2nd quarter of FY2007	
	(A) - (C)	(A) / (C)	(B) - (D)	(B) / (D)
Operating Revenues	781	1.10	889	1.12
Operating Income	105	—	124	1.22
Ordinary Income	90	—	108	1.29
Net Income	46	—	41	1.18

Electricity Sold **40,612 million kWh**
Year-on year Compared **up 224 million kWh (+0.6%)**

Major Factors

High operation and an increase in the number of newly built and expanded	+300 millions of kWh
Revived demand from private power generation	+200 millions of kWh
Expansion of all-electric housing	+200 millions of kWh
Effects of temperature etc.	(500) millions of kWh

(100 millions of kWh)



(millions of kWh)

Segment		2nd quarter of FY2008	Year-on-Year
Regulated	Residential	11,062	98.6%
	Commercial	1,999	96.2%
	Sub-total	13,061	98.2%
Deregulated		27,551	101.7%
Total		40,612	100.6%

【Sub Segment】

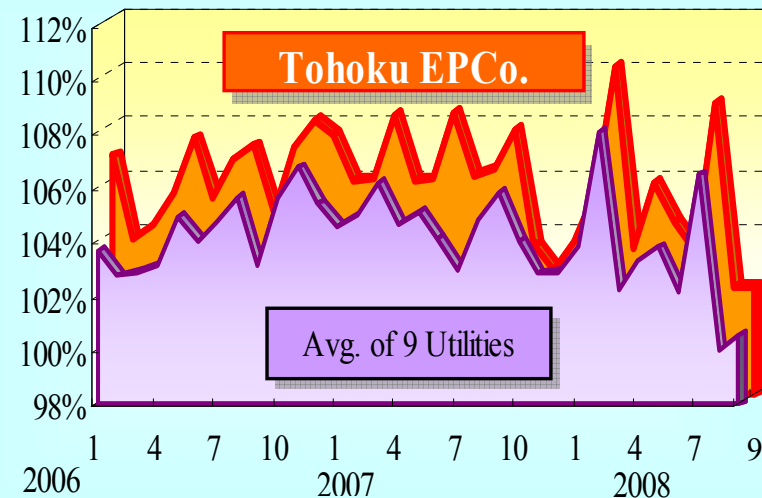
Large Industrial	14,821	104.3%
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Electricity Sold **14,821 million kWh**
Year-on year Compared **up 616 million kWh (+4.3%)**
~ strong production mainly of non-ferrous metals ~

(millions of kWh)

2nd quarter of FY2008	Volume	Year-on-year	
		Volume	Percentage
Food Products	820	1	100.1
Paper/Pulp	679	76	112.5
Chemicals	1,159	111	110.6
Ceramics	412	2	100.5
Steel	1,557	(43)	97.3
Nonferrous Metals	2,013	325	119.2
Machinery and Equipment Manufacturing	4,799	107	102.3
Others	3,382	37	101.1
Total	14,821	616	104.3

Year-on-Year Comparison of Large Industrial Demand (Monthly)



Compared with Avg. of 9 Utilities, Tohoku EPCO. has been keeping a high level growth.
 From Dec. 2004, showing continued growth for the 46th consecutive month.

(Electricity Generated and Purchased)

(millions of kWh, %)

	2nd quarter of FY2008 (A)	2nd quarter of FY2007 (B)	Comparison	
			(A) – (B)	(A) / (B)
Own Generated power	37,423	37,937	(514)	98.6
Hydro	4,391	4,663	(272)	94.2
Thermal	23,679	23,966	(287)	98.8
Nuclear	9,353	9,308	45	100.5
Purchased Power	11,805	11,467	338	102.9
Power Interchanges (Net)	(4,862)	(5,143)	281	94.5
Used at Pumped Storage	(82)	(122)	40	66.7
Total, Generated and Purchased	44,284	44,139	145	100.3

(Major Factors)

	2nd quarter of FY2008 (A)	2nd quarter of FY2007 (B)	Comparison
			(A) – (B)
Crude Oil CIF Price (\$/bbl)	119.7	67.8	51.9
Exchange Rate (¥/\$)	106	119	(13)
Hydro Power Flow Rate (%)	93.6	97.4	(3.8)
Nuclear Power Capacity Factor (%)	65.0	64.7	0.3

Comparison Statements of Revenue & Expense (Non-consolidated)

(100 millions of yen)

		2nd quarter of FY2008 (A)	2nd quarter of FY2007 (B)	Comparison (A) – (B)	Items
Revenues	Residential	2,462	2,392	69	
	Commercial	4,350	4,024	326	
	Sub Total	6,812	6,417	395	Fuel cost adjustment amounts; 347
	Sales of Power to Other Utilities	1,074	1,112	(38)	Decrease in electric sales volume
	Other Revenues	214	141	72	
	[Operating Revenues]	[8,048]	[7,640]	[408]	
	Total Revenues	8,101	7,672	429	
Expenses	Personnel	763	725	38	Retirement benefits; 34 (Amortization of actual difference; 66)
	Fuel	2,220	1,559	661	Rise in crude oil CIF price; 965, Appreciation of the yen; (234), Others; (70)
	Maintenance	959	911	48	Thermal power; 42, Distribution; 39, Nuclear power; (35)
	Depreciation	1,139	1,166	(27)	Nuclear power; (40) [Higashidori; (25)], Distribution; 27
	Purchased Power	1,714	1,392	322	Other utilities; 59, Other companies; 262
	Interest	216	226	(9)	
	Taxes, etc.	429	435	(5)	
	Nuclear Power back-end Cost	121	107	13	Reprocessing costs of irradiated nuclear fuel; 8
	Other Expenses	769	776	(7)	
	Total Expenses	8,334	7,300	1,033	
[Operating Income/Loss]		[(60)]	[573]	[(634)]	
Ordinary Income/Loss		(232)	371	(604)	

Balance Sheets (Non-consolidated)

(100 millions of yen)

	Sep. 30, 2008 (A)	Mar. 31, 2008 (B)	Comparison (A) – (B)	Items
Total Assets	36,690	36,759	(68)	
Fixed Assets	34,131	34,401	(270)	
Electric Utility Fixed Assets	25,828	26,446	(618)	Nuclear power plant; (248)
Incidental Business Fixed Assets	33	37	(4)	
Other Fixed Assets	88	87	0	
Construction in Progress	2,148	1,777	370	Kitakami / Towada Trunk Line; 266
Nuclear Fuel	1,381	1,407	(26)	
Investments and Other Assets	4,651	4,644	7	
Current Assets	2,559	2,357	201	Inventories; 248
Liabilities	28,526	28,307	218	Interest-Bearing Liabilities; 601 Contribution to construction of plant; (157)
Net Assets	8,163	8,451	(287)	
Interest-Bearing Liabilities	20,756	20,155	601	Bonds; 300, Commercial paper; 280



(100 millions of yen)

	2nd quarter of FY2008 (A)	2nd quarter of FY2007 (B)	Comparison (A) – (B)	Items
Operating Revenues	8,830	8,529	300	Electric power; 397 Other; (97)
Operating Expenses	8,784	7,831	953	Electric power; 1,045 Other; (92)
Operating Income	45	698	(652)	
Ordinary Income	(142)	480	(622)	
Net Income	(82)	277	(360)	

(100 millions of yen)

	Sep. 30, 2008 (A)	Mar. 31, 2008 (B)	Comparison (A) – (B)	Items
Total Assets	40,228	40,338	(110)	
Fixed Assets	36,032	36,346	(313)	Electric utility fixed assets; (632) Construction work in progress; 400
Current Assets	4,195	3,991	203	Inventories; 343
Liabilities	30,325	30,184	140	
Net Assets	9,902	10,153	(250)	

Interest-Bearing Liabilities	21,377	20,819	557	Bonds; 300 Commercial paper; 280
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(100 millions of yen)

	2nd quarter of FY2008 (A)	2nd quarter of FY2007 (B)	Comparison (A) – (B)	Items
Cash Flow from Operating Activities	840	1,307	(466)	Loss before income taxes and minority interests; (597) Amounts due from customers; 173
Cash Flow from Investing Activities	(1,258)	(1,022)	(235)	Acquisition of property, plant and equipment; (241)
Cash Flow from Financing Activities	396	(195)	592	Bonds; (100) [Proceeds; 299, Redemption; (400)] Long-term loans; 361 [Proceeds; 193, Repayment; 167] Commercial paper; 350 [Proceeds; 920, Redemption; (570)]
Net Cash Flow	(20)	88	(109)	
Free Cash Flow	(227)	480	(707)	

Note; Our definition of the free cash flow

$$=(\text{Cash flow from operating activities}) + (\text{Cash flow from investing activities}) - (\text{Interest and dividend income}) - (\text{Interest expense})$$

(100 millions of yen)

【 Major Consolidated Subsidiaries 】

(100 millions of yen)

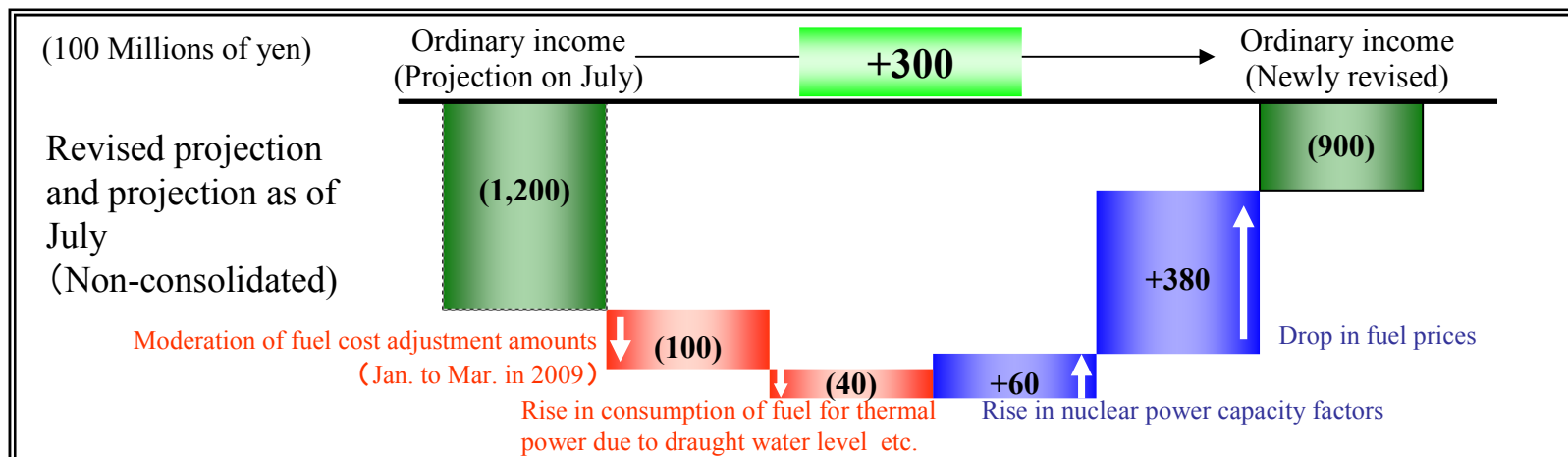
	2nd quarter of FY2008 (A)	2nd quarter of FY2007 (B)	Comparison (A) – (B)
Sales ※1	8,830	8,529	300
Electric Power Business	8,004	7,610	394
	7,994	7,596	397
Construction Business	1,067	1,192	(124)
	427	567	(139)
Gas Business	160	135	25
	100	67	33
Information Processing Tele- Communication Business	181	181	(0)
	75	77	(1)
Others	708	652	55
	231	220	10
Operating income / loss	45	698	(652)
Electric Power Business	(32)	599	(631)
Construction Business	20	27	(7)
Gas Business	(1)	12	(13)
Information Processing Tele- Communication Business	12	18	(5)
Others	24	31	(6)

	2nd quarter of FY2008		Year-on-year	
	Sales	Operating income / loss	Sales	Operating income / loss
Electric Power Business				
Tousei Kougyo Co., Inc.	16	3	(0)	(0)
Sakata Kyodo Power Co., Ltd.	194	14	50	2
Construction Business				
Yurtec Corp.	729	6	(96)	6
Tohoku Electric Engineering & Construction Co., Inc.	258	13	(32)	(15)
Gas Business				
Nihonkai LNG Co., Ltd.	94	8	(4)	(7)
Information Processing Tele- Communication Business				
Tohoku Intelligent Telecommunication Co., Inc.	104	14	(3)	(3)
Tohoku Information Systems Co., Inc.	78	(2)	2	(2)
Others				
Kitanihon Electric cable Co., Ltd.	224	5	23	(4)

※1 Lower is net sales to outside customers.

(100 millions of yen)

		Projection for FY2008		Results of FY2007 (C)	Comparison	
		On Oct. 2008 (A)	On Jul. 2008 (B)		(A) – (B)	(A) – (C)
Consolidated	Operating Revenues	19,100	19,300	18,026	(200)	1,073
	Operating Income	(230)	(530)	804	300	(1,034)
	Ordinary Income	(650)	(950)	385	300	(1,035)
	Net Income	(430)	(630)	172	200	(602)
Non-consolidated	Operating Revenues	17,200	17,400	15,959	(200)	1,240
	Operating Income	(500)	(800)	536	300	(1,036)
	Ordinary Income	(900)	(1,200)	141	300	(1,041)
	Net Income	(550)	(750)	67	200	(617)





(Major Factors)

	Projection for FY2008		Results of FY2007	Comparison	
	On Oct. 2008 (A)	On Jul. 2008 (B)		(A) – (B)	(A) – (C)
Electric Power Sales (100 millions of kWh)	841	841	841	—	—
Residential	247	249	251	(2)	(4)
Commercial and Industrial	594	592	590	2	4
Crude Oil CIF Price (\$/bbl)	110.0	125.0	78.7	(15.0)	31.3
Exchange Rate (¥/\$)	106	106	114	0	(8)
Hydro Power Flow Rate (%)	96.0	97.0	95.1	(1.0)	0.9
Nuclear Power Capacity Factor (%)	69.0	68.0	66.3	1.0	2.7

(Sensitivity to Major Factors)

(100 millions of yen)

	Projection for FY2008		Results of FY2007	Comparison	
	On Oct. 2008 (A)	On Jul. 2008 (B)		(A) – (B)	(A) – (C)
Crude Oil CIF Price (per \$1/bbl)	32	33	33	(1)	(1)
Exchange Rate (per ¥1/\$)	41	50	27	(9)	14
Hydro Power Flow Rate (per 1%)	20	24	8	(4)	12
Nuclear Power Capacity Factor (per 1%)	48	53	19	(5)	29

[Aomori Pref.]

① Canon Precision Inc. [Hirosaki City]
<Toner>
Aug. 2008 Operation

[Iwate Pref.]

② Space Energy Corp. [Kitakami City]
<Solar wafers>
Jan. 2009 Operation

③ Iwate Toshiba Electronics Co., Ltd.
[Kitakami City] <Semiconductor>
2010 in Spring Operation

[Akita Pref.]

④ TDK-MCC Corp. [Yurihonjo City]
<Semiconductor>
Jun. 2008 Operation

[Miyagi Pref.]

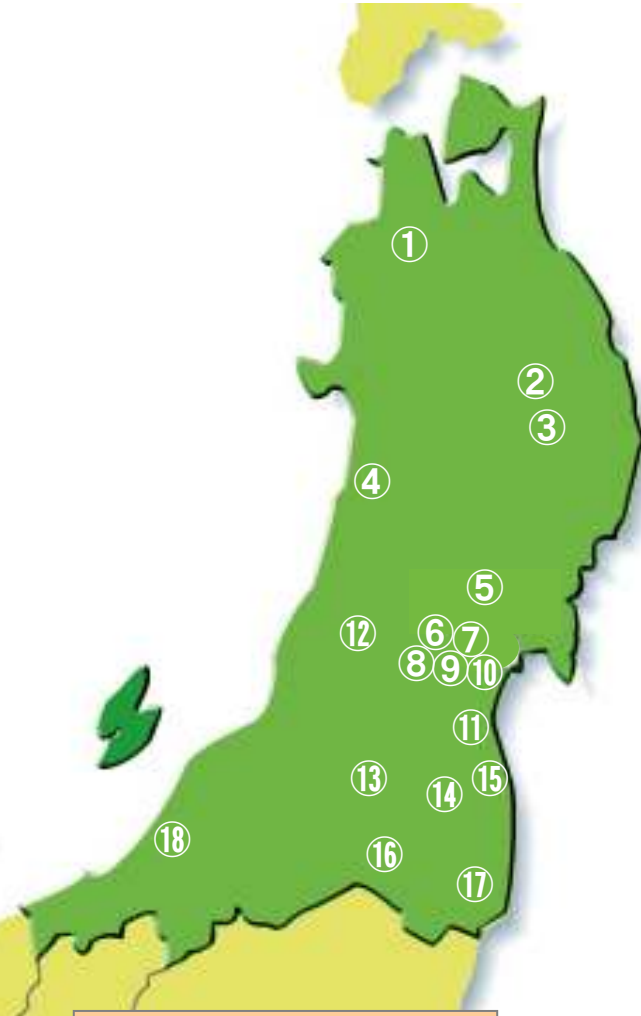
⑤ Sandvik [Kurihara City]
<Metal cutting tools>
Jul. 2009 Operation

⑥ Central Motor Co., Ltd. [Ohira Village]
<Automobile>
2010 Operation

⑦ Toyota Boshoku Corp. [Ohira Village]
<Car interior>
2010 Operation

⑧ Toyota Motor Tohoku Corp.
[Taiwa Town] <Car engine>
Late in 2010 Operation

⑨ Panasonic EV Energy Co., Ltd.
[Taiwa Town] <Car battery>
Early in 2010 Operation



⑩ Tokyo Electron AT Ltd.
[Taiwa Town] <Semiconductor>
Apr. 2010 Operation

⑪ Tohoku Ricoh Co., Ltd.
[Shibata Town] <Toner>
Mar. 2010 Operation

[Yamagata Pref.]

⑫ Towa Pharmaceutical Co., Ltd.
[Kaminoyama City]
<Pharmaceuticals>
Mar. 2012 Operation

[Fukushima Pref.]

⑬ Aizu Olympus Corp.
[Aizuwakamatsu City] <Endoscope>
Dec. 2010 Operation

⑭ Denso Higashinihon Corp.
[Tamura City] <Car air conditioner>
Jan. 2010 Operation

⑮ IHI Corp. [Souma City]
<Aircraft engine>
Sep. 2008 Operation

⑯ Shin-Etsu handotai Co., Ltd.
[Nishigo Village] <Semiconductor>
Schedule undecided

⑰ Space Energy Co. [Iwaki City]
<Solar wafers>
Oct. 2009 Operation

[Niigata Pref.]

⑱ Inpex Corp. [Joetsu City]
<LNG base>
2014 Operation

※These data are based on news release.

 ...New  ...Extension



Tohoku Electric Power Company (Tohoku EPCo.), Tokyo Gas Co., Ltd., and Japan Petroleum Exploration Co., Ltd. filed applications for examination of their qualifications with the City of Sendai regarding privatization of the City of Sendai's gas business, which was approved on October 6.

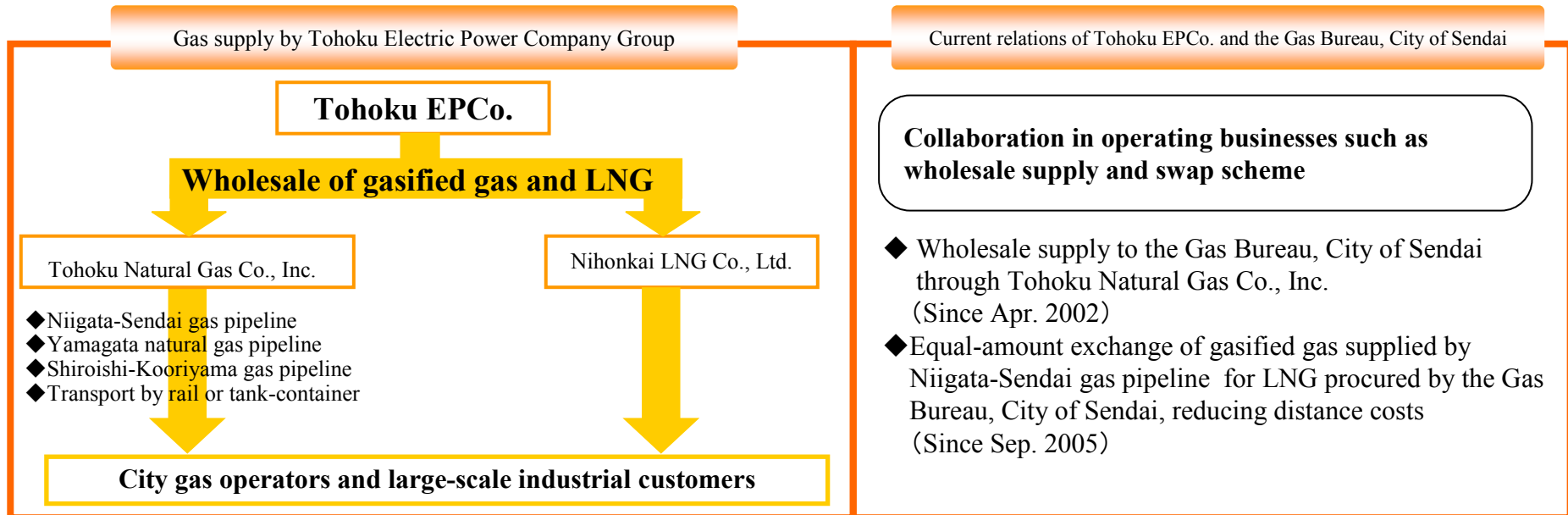
Upon detailed investigations, including examination of business content and evaluation of profitability, the business potential of the said gas operations will be assessed to determine our response to these proposals.

Objectives of participation

- ◆ An opportunity to grow as a comprehensive energy service company
- ◆ Contribution to improved energy security through stable procurement and supply as a local energy operator

Future schedule

- ◆ Closing date for proposals --- Feb. 2, 2009
- ◆ Determination of the business successor --- By the end of Mar. 2009
- ◆ Signing of the contract --- By May 29, 2009
- ◆ Transfer of the business --- Apr. 1, 2010



(millions of kWh)

	2nd quarter of FY2004	2nd quarter of FY2005	2nd quarter of FY2006	2nd quarter of FY2007	2nd quarter of FY2008
Regulated Segment	22,988	13,380	13,408	13,296	13,061
Residential	10,858	11,112	11,208	11,218	11,062
Commercial	12,130	2,268	2,200	2,078	1,999
Deregulated Segment (※)	14,687	24,987	25,939	27,092	27,551
Total	37,675	38,367	39,347	40,388	40,612

※ 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

[Sub-segment]

(millions of kWh)

Large Industrial	12,323	12,542	13,308	14,205	14,821
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(100 millions of yen)

		2nd quarter of FY2004	2nd quarter of FY2005	2nd quarter of FY2006	2nd quarter of FY2007	2nd quarter of FY2008
Operating Revenues	Consolidated	7,824	7,957	8,379	8,529	8,830
	Non-consolidated	7,221	7,286	7,658	7,640	8,048
Operating Income	Consolidated	1,179	662	825	698	45
	Non-consolidated	1,095	563	739	573	(60)
Ordinary Income	Consolidated	844	384	615	480	(142)
	Non-consolidated	759	347	529	371	(232)
Net Income	Consolidated	437	164	346	277	(82)
	Non-consolidated	402	194	316	235	(128)
ROE (%)	Consolidated	4.9	1.8	3.5	2.8	(0.9)
	Non-consolidated	4.8	2.3	3.6	2.7	(1.6)
FCF	Consolidated	1,270	716	966	480	(227)

(100 millions of yen)

		Mar. 31, 2005	Mar. 31, 2006	Mar. 31, 2007	Mar. 31, 2008	Sep. 30, 2008
Total Assets	Consolidated	41,224	41,139	40,693	40,338	40,228
	Non-consolidated	37,579	37,591	37,093	36,759	36,690
Liabilities	Consolidated	31,471	31,047	30,366	30,184	30,325
	Non-consolidated	29,185	28,961	28,348	28,307	28,526
Net Assets (※)	Consolidated	9,297	9,629	10,326	10,153	9,902
	Non-consolidated	8,394	8,629	8,745	8,451	8,163
Equity Ratio (%)	Consolidated	22.6	23.4	24.2	23.9	23.4
	Non-consolidated	22.3	23.0	23.6	23.0	22.2
Interest-Bearing Liabilities	Consolidated	21,688	22,047	21,633	20,819	21,377
	Non-consolidated	20,488	21,149	20,853	20,155	20,756

※ 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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