

FY2006 Financial Highlights

May 8, 2007



Tohoku Electric Power Co., Inc.

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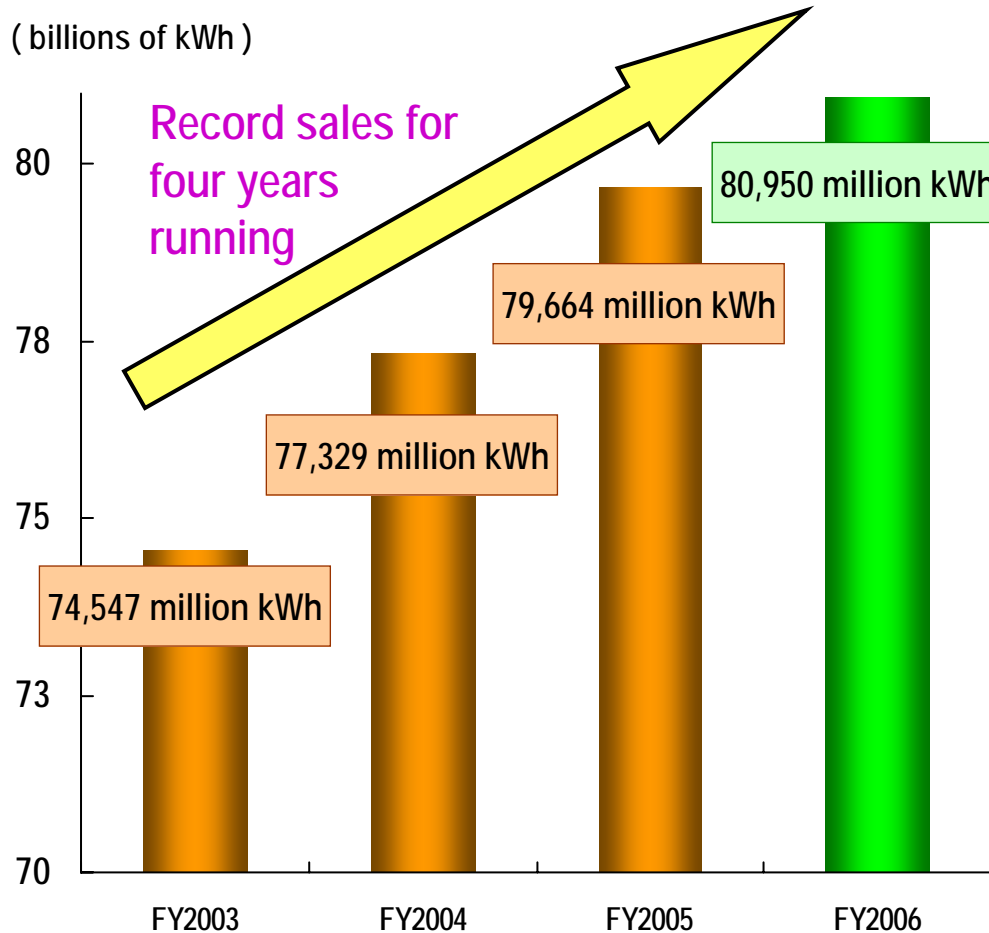
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Electricity Sold
Year-on-Year Compared

80,950 million kWh
Up 1,286 million kWh (+ 1.6%)

(billions of kWh)



(Millions of kWh)

Segment		FY2006 (A)	FY2007 (B)	Year-on- Year (A/B)
Regulated	Residential	24,291	24,355	99.7%
	Commercial	4,302	4,724	91.1%
	Sub-total	28,593	29,079	98.3%
Deregulated		52,357	50,585	103.5%
Total		80,950	79,664	101.6%

[Sub-segment]

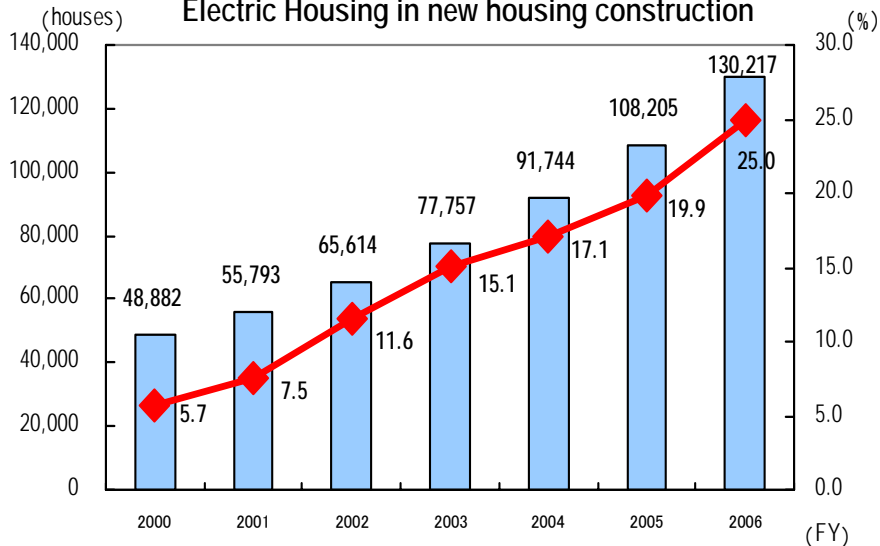
High-voltage Large industrial	27,256	25,556	106.7%
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	FY2004	FY2005	FY2006	Total
Electricity sales *1 (Plan : 1 billion kWh increase by FY2008)	Approx. 200 million kWh	Approx. 250 million kWh	Approx. 330 million kWh	Approx. 780 million kWh
All Electric Housing (houses)	13,987	16,461	22,012	52,460
IH cooking range (units) (in addition to All-Electric Housing)	16,136	23,618	34,989	74,743
Commercial IH cooking system	25,465kW	24,451kW	31,221kW	81,137kW
Load-leveling HVAC system *2	31,094kW	53,579kW	70,161kW	154,834kW

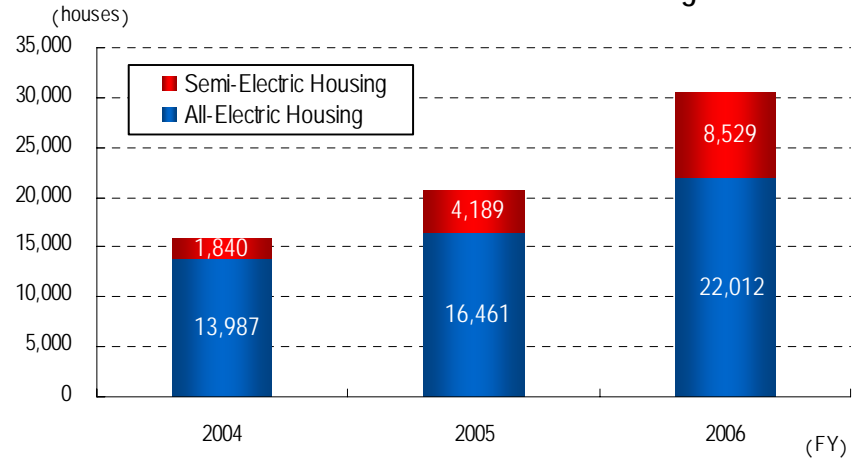
*1 : a full-year projection based on a calculation model

*2 : FY2007 business management plan basis

Accumulating total of All-Electric Housing and rate of All-Electric Housing in new housing construction

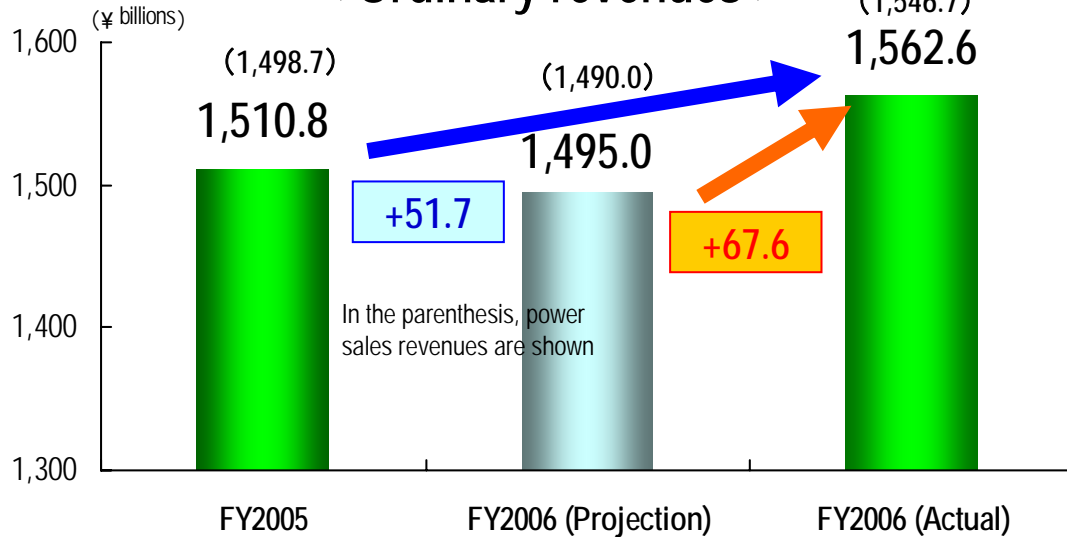


New All-Electric and Semi-Electric* Housing starts



* Semi-Electric Housing : a house using electricity for cooking and hot water supply. (except for space heating)

< Ordinary revenues >



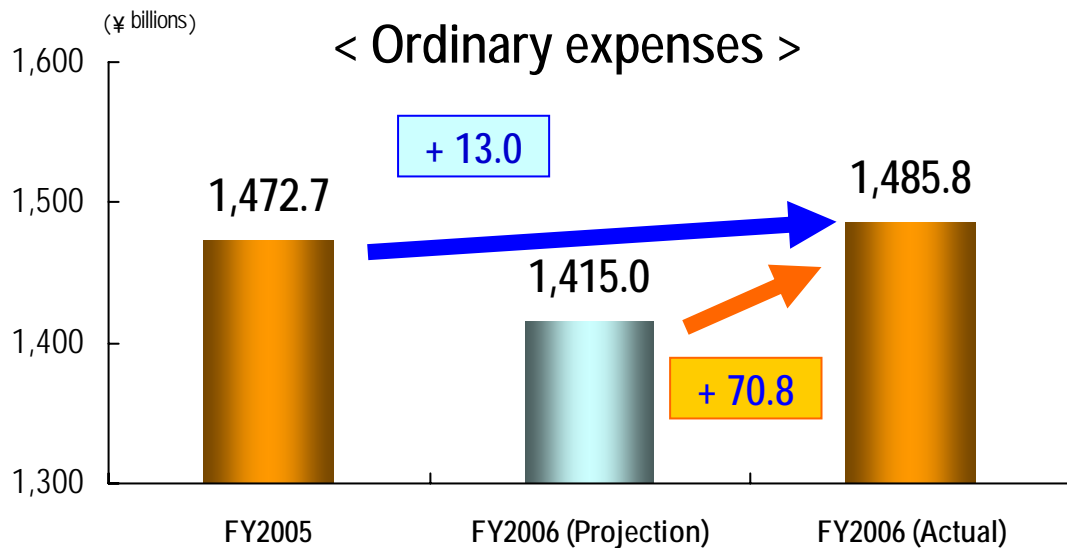
Ordinary revenues **¥1,562.6 billion**

Y-o-Y compared **+ ¥51.7 billion**
(+ 3.4%)

(Major factors)

Revenues from customers + ¥39.5 billion
Revenues from power
sold to other utilities + ¥7.4 billion

< Ordinary expenses >



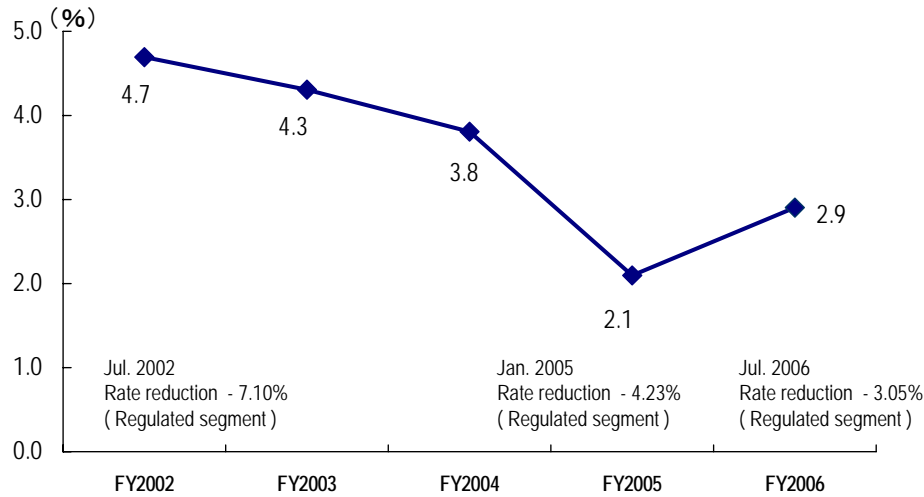
Ordinary expenses **¥1,485.8 billion**

Y-o-Y compared **+ ¥13.0 billion**
(+ 0.9%)

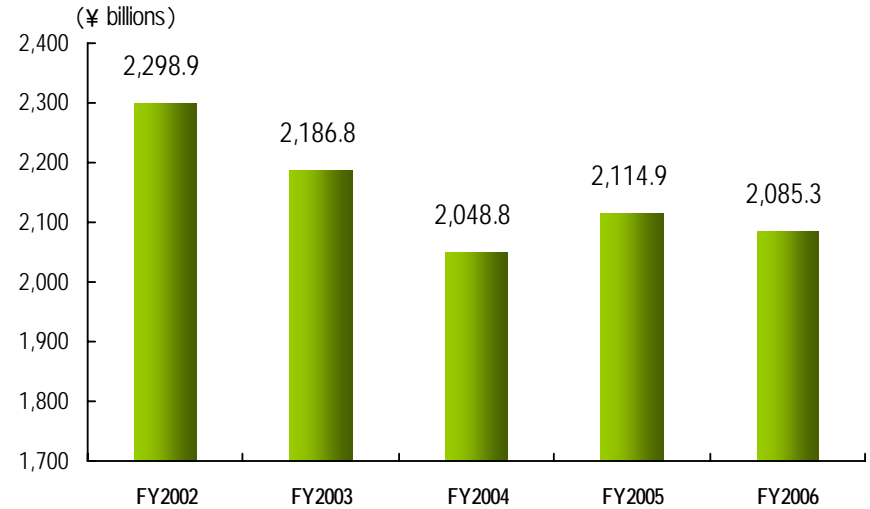
(Major factors)

Personnel expenses - ¥31.8 billion
Fuel + ¥17.6 billion
Purchased power + ¥16.8 billion
Maintenance + ¥10.1 billion

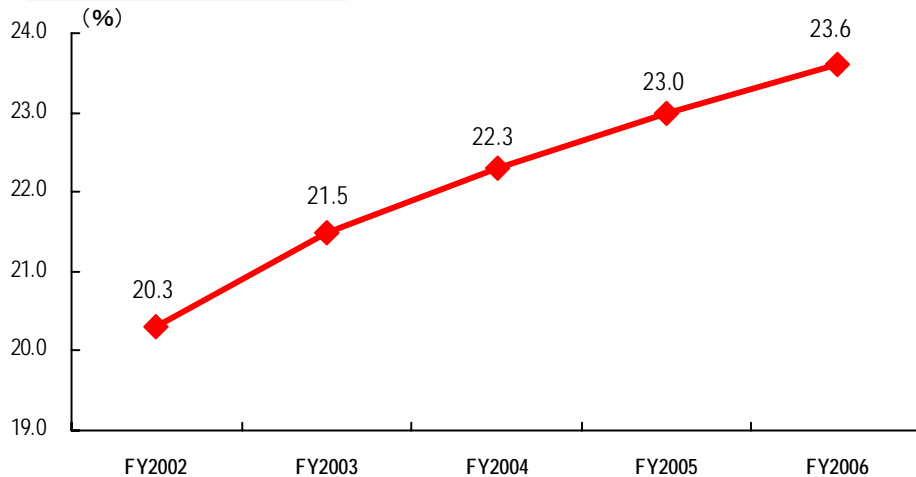
ROA



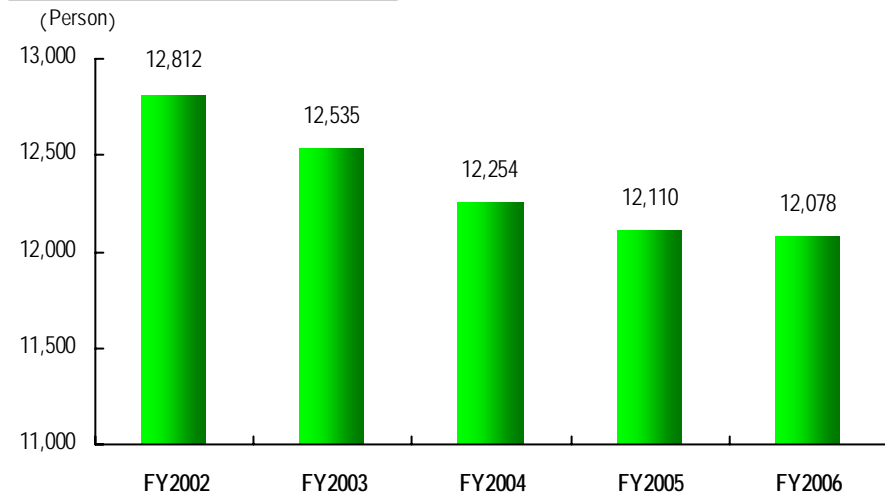
Interest bearing liabilities



Equity ratio



Number of employees



Electricity sales 82,500 million kWh (+1.9%)

Deregulated segment 53,500 million kWh (+2.1%)

Business investment remains very active.

Major activities to expand sales

Residential

- Advancing electric housing among existing homes in addition to new homes
- Expanding a network of shops cooperating in electric housing promotion
- Promoting semi-electric homes that install IH cooking units and/or hot water supply systems
- Marketing activity Eco Cute (an energy-saving hot water supply system) among others

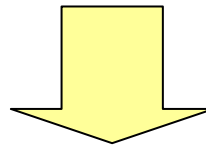
Commercial / Industrial

- IH cooking system
 - ⇒ Enhancing marketing activities in the eating-out and home meal replacement industries taking advantage of the successes in school lunch service facilities and others
- Air-conditioning system
 - ⇒ Increasing promotion effort vigorously leveraging the system specifically designed for cold climate areas

Ⅱ -2. Projection of Earnings

(Billions of yen)

	FY2007 Projection (A)	FY2006 Actual (B)	Up / Down (A) - (B)	Y-o-Y (A) / (B)
Operating revenues	1,540	1,546.7	- 6.7	99.6 %
Operating income	120	108.3	+ 11.6	110.8 %
Ordinary income	80	76.7	+ 3.2	104.2 %
Net income	50	44.7	+ 5.2	111.7 %

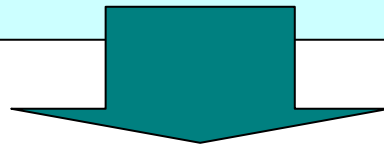


revenues down, income up

Principle

With maintaining stable payment as the basic policy, we decide dividends by taking into comprehensive consideration factors such as medium- to long-term financial prospects and evaluation of results against management goals.

- Not reduce dividends as long as possible based on a poor financial result in a single year
- Recognize shareholders' desire for stable dividend flow from their utilities portfolio
- Factors to affect returns to shareholders include capacity factors at nuclear power plants, the liberalization in the power market, reduction in electricity rates with competition and environmental measures.



Dividends

- The dividend at the end of fiscal 2006 is 30 yen per share, the same as the interim dividend.
- The annual dividend for fiscal 2006 is 60 yen per share, five yen up from the previous fiscal year

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 assumes or projected status of the company.

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