

FY2007 Summary Statement of Business

November 6, 2007

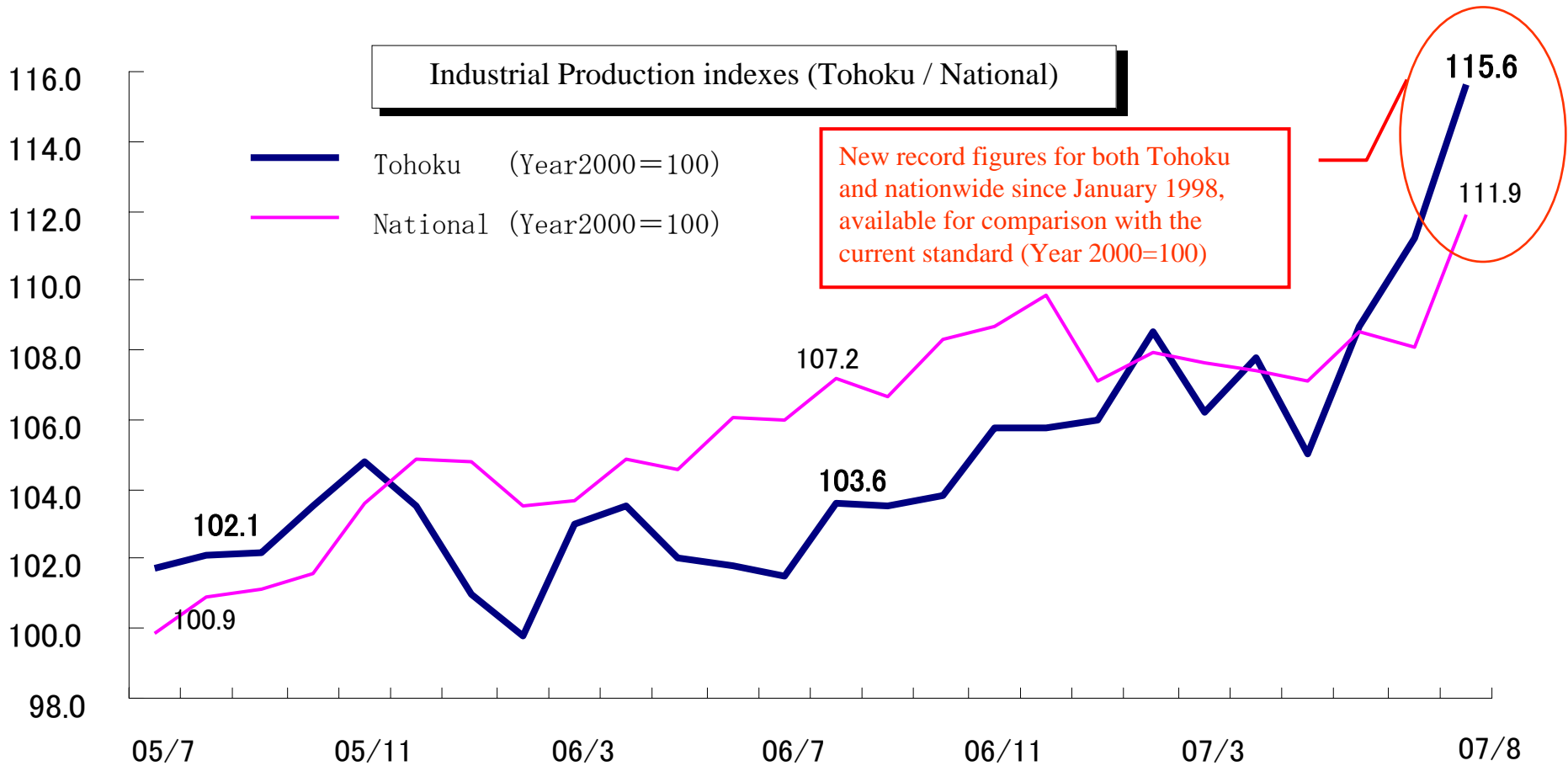
 Tohoku Electric Power Co., Inc.

Contents

- 1 . Business Climate in Tohoku Region
- 2 . Northbound Expansion of Capital Spending
- 3 . Building Construction in Sendai Area
- 4 . Trend in Residential Demand
- 5 . Ensuring Secure and Stable Power Supply
- 6 . Status of Nuclear Power Generation
- 7 . Fuel Procurement
- 8 . Prospect for Free Cash Flow

Business Climate in Tohoku Region

Tohoku's economy is gradually but steadily recovering. Increasing capital investment, particularly in the manufacturing industry, and solid consumer spending has helped boost production in the region. Recently the production index in Tohoku has been exceeding the national level.



Northbound Expansion of Capital Spending

With large-scale investment increased in electric components, transportation machinery and so on, searches for office/plant sites are becoming active.

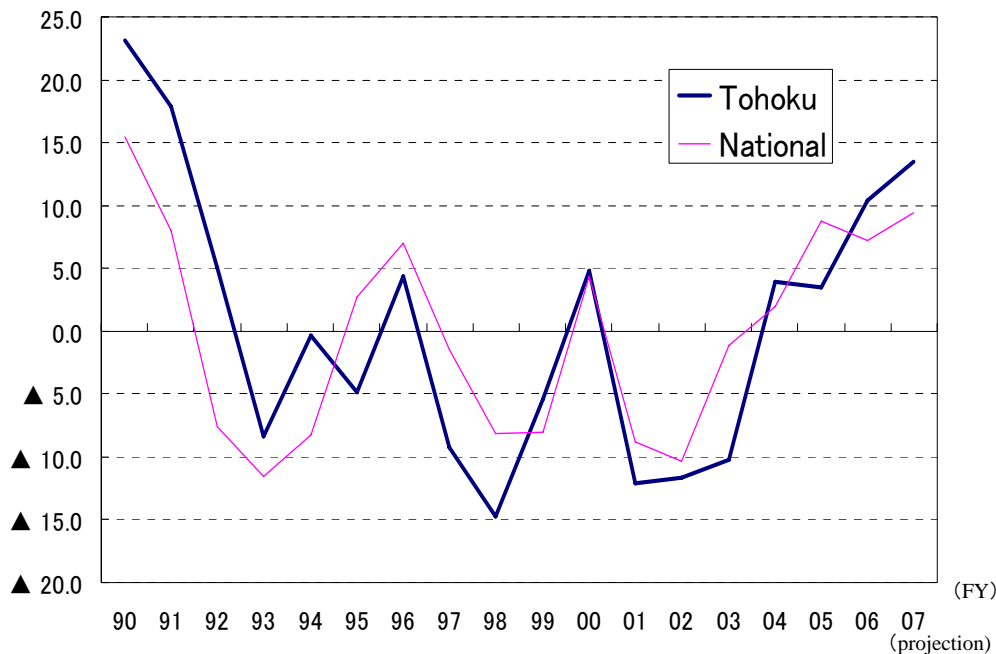


- Availability of large land plots
- Abundant workforce
- Development basic infrastructures (including transportation)

Year-on-year Comparison by Region(%)

Region	Comparison	
	FY2007/2006	FY2006/2005
Tohoku	13.5	10.4
Hokkaido	2.6	(1.0)
Northkanto & Koushinetsu	10.8	10.0
Metropolitan Tokyo Area	11.7	7.7
Hokuriku	16.5	(3.8)
Tokai	5.5	11.1
Kansai	20.6	(0.4)
Chugoku	9.8	7.5
Shikoku	11.2	15.0
Kyusyu	20.3	5.8
National	9.4	7.2

Year-on-Year Growth in Capital Spending (%)



Source: Development Bank of Japan (8/2 released)
"Capital Spending Survey for FY2007"

Building Construction in Sendai Area

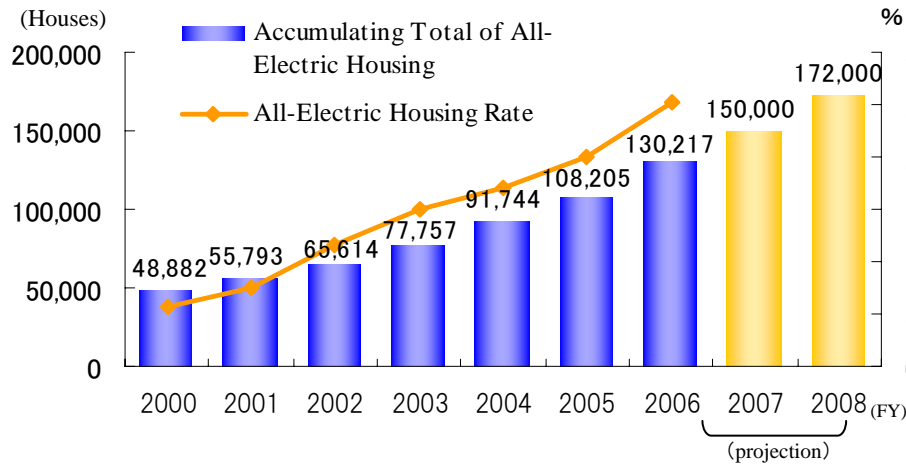
Commercial demand is expected to grow with a rush of construction of large buildings in the Sendai area.

Name of Building (* : tentative name)	Completion	Location	Size (Number of Floors)	Total Floor Area (m ²)
1. HANIX	Jan. 2007	Honcho, Aoba-ku	6F/B1	1,402.5
2. Minamimachi Center Building	Jan. 2007	Chuo, Aoba-ku	9F/B1	8,391.9
3. Sendai First Tower	Jun. 2007	Ichibancho, Aoba-ku	24F/B2	24,288.0
4. Hirose-dori SE Building	Dec. 2007	Nakakecho, Miyagino-ku	9F	12,592.8
5. Chuo 3-chome Building *	Dec. 2007	Chuo, Aoba-ku	6F	1,980.0
6. Sendai Kakyoin Project *	Mar. 2008	Kakyoin, Aoba-ku	14F	11,625.9
7. Imasu Sendai Higashiguchi Building	Mar. 2008	Shintera, Wakabayashi-ku	8F/B1	22,786.5
8. Aioisonpo Shinsendai Building	Apr. 2008	Kakyoin, Aoba-ku	14F	11,559.9
9. Kakyoin 1-chome Project *	Apr. 2008	Kakyoin, Aoba-ku	9F	1,980.0
10. Ekinia Aobadori Building *	May 2008	Chuo, Aoba-ku	9F/B1	6,052.2
11. Chuo 1-chome Redevelopment	Jun. 2008	Chuo, Aoba-ku	19F/B2	31,614.0
12. Kakyoin 1-chome Redevelopment West	Jun. 2008	Kakyoin, Aoba-ku	14F	11,559.9
13. Sendai Ichibancho 4-chome Building *	Jul. 2008	Ichibancho, Aoba-ku	14F/B1	25,452.9
14. Sendai Toho Building *	Aug. 2008	Chuo, Aoba-ku	13F/B1	13,200.0
15. Emuroad	Sep. 2008	Kokubuncho, Aoba-ku	7F/B1	2,929.0
16. Kakyoin 1-chome Redevelopment East	Oct. 2008	Kakyoin, Aoba-ku	29F	40,359.0
17. Sendai Honcho Project *	Dec. 2008	Honcho, Aoba-ku	18F	14,590.0
18. Toichi Center Building *	Feb. 2009	Ichibancho, Aoba-ku	8F/B1	9,982.5
19. Sendai Tsutsujigaoka Building	Jun. 2009	Tsutsujigaoka, Miyagino-ku	19F	30,465.6
20. Sendai Ichibancho Project *	2010	Ichibancho, Aoba-ku	37F/B1	66,000.0

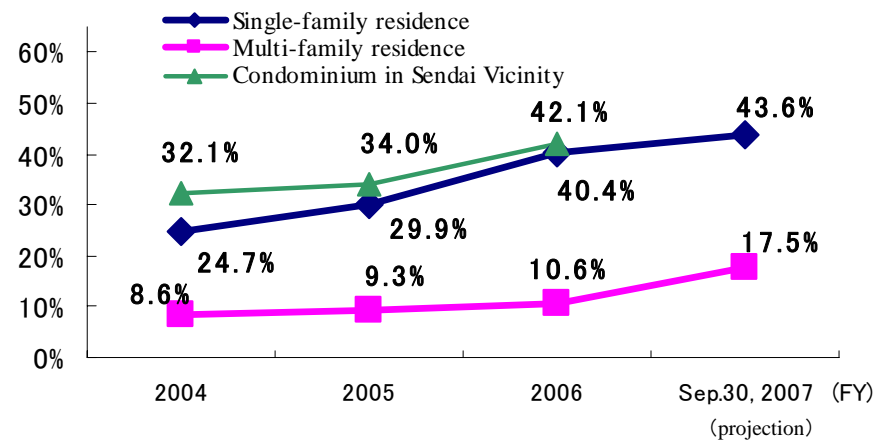
Trend in Residential Demand

Accumulated sales of all-electric housing exceeded 140,000 units in August 2007. We aim for further expansion of all- and semi-electric housing.

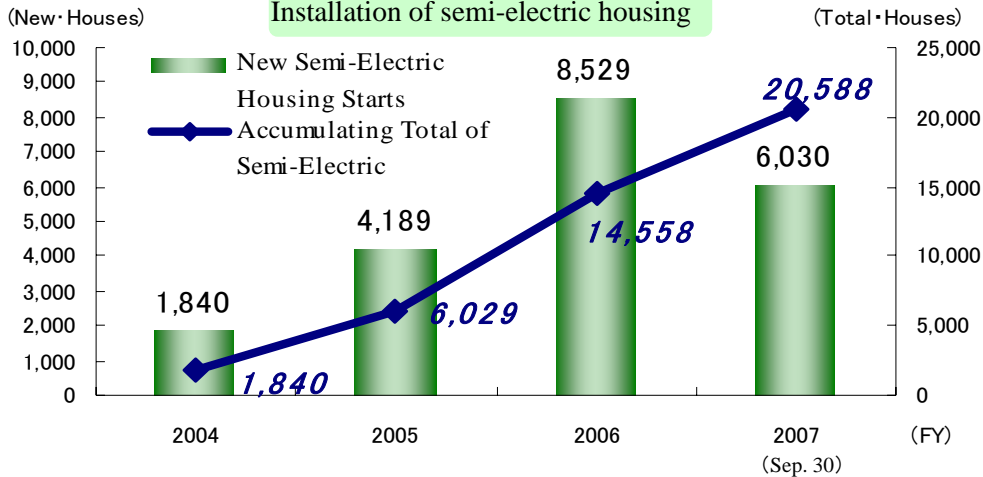
Cumulative total of all-electric housing and its rate in home starts



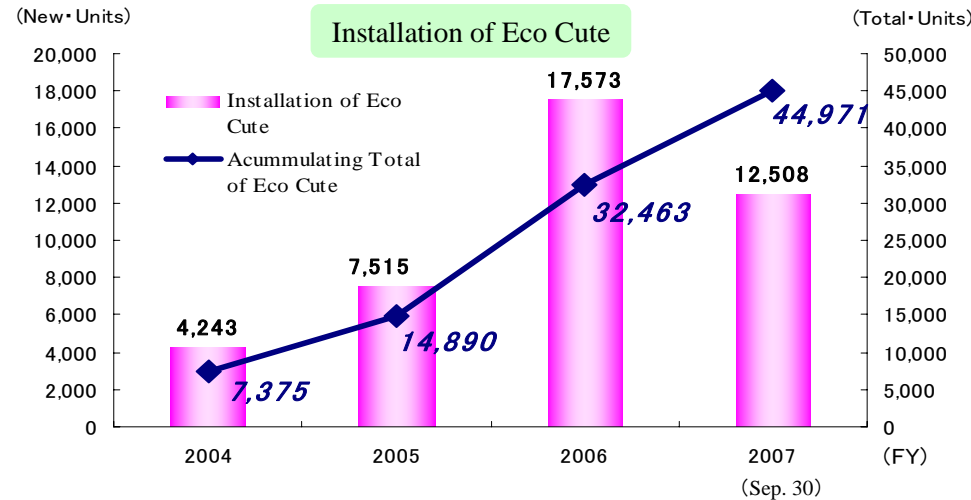
Rate of electric housing in home starts by residential type



Installation of semi-electric housing

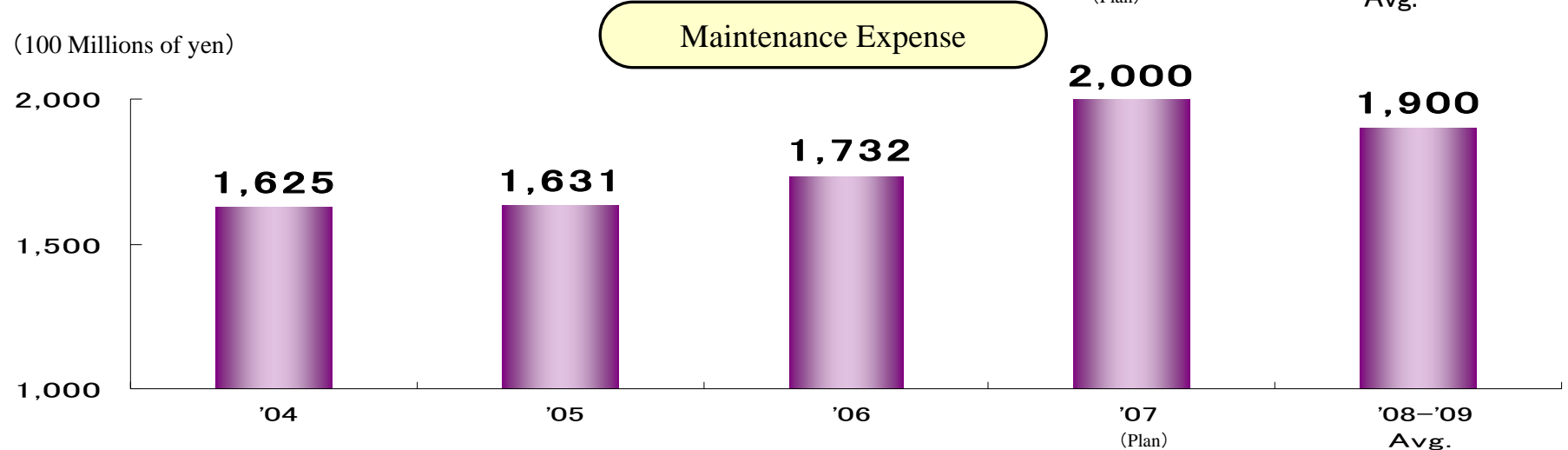
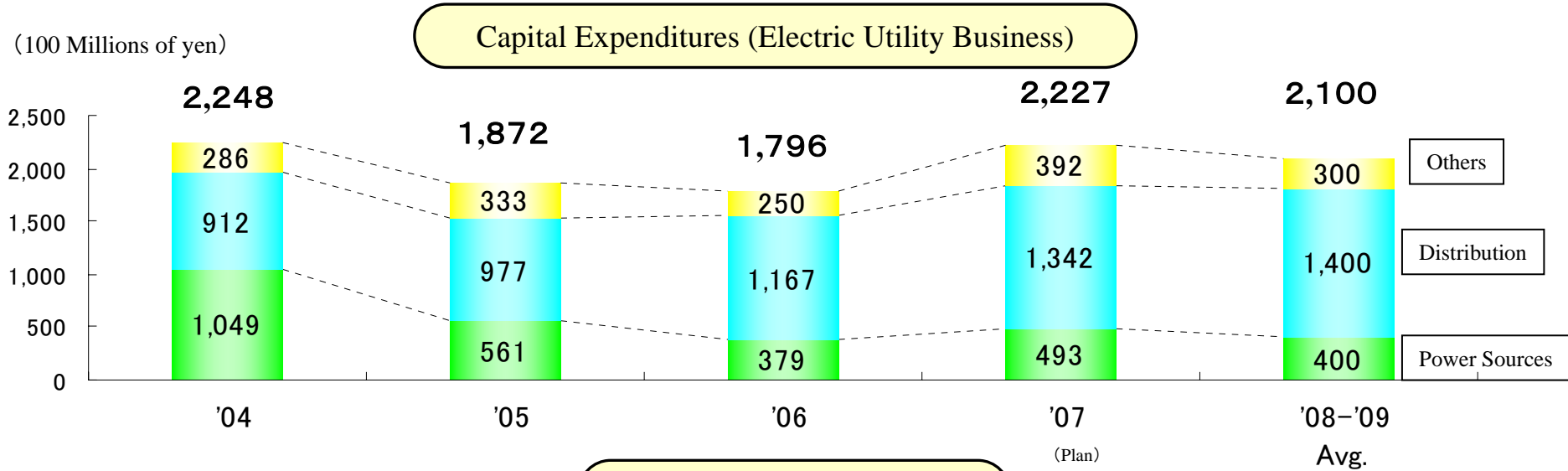


Installation of Eco Cute



Ensuring Secure and Stable Power Supply

Spending plans For FY2008 and 2009 will be reviewed based on measures for supply capacity enhancement and earthquake resistance improvement at nuclear power plants.

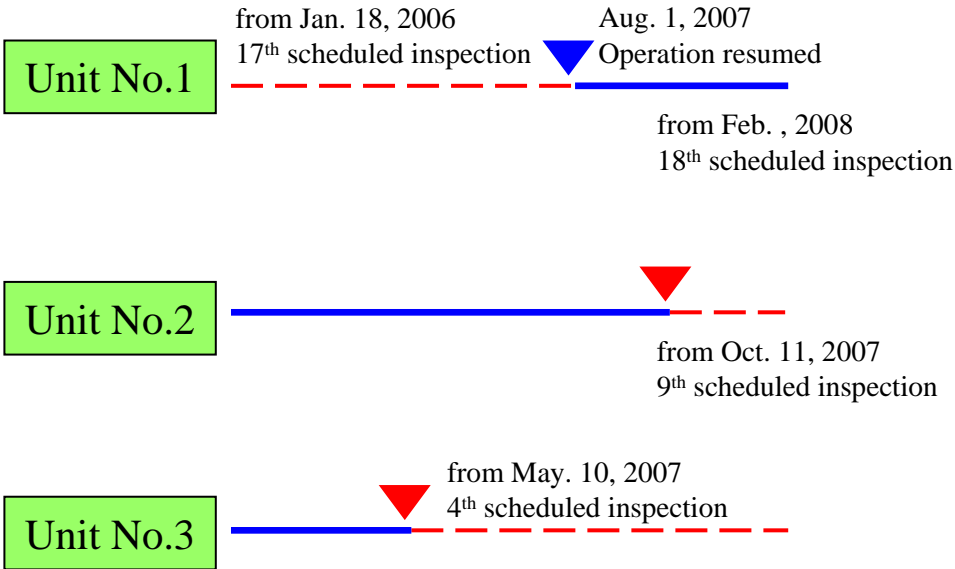


Status of Nuclear Power Generation

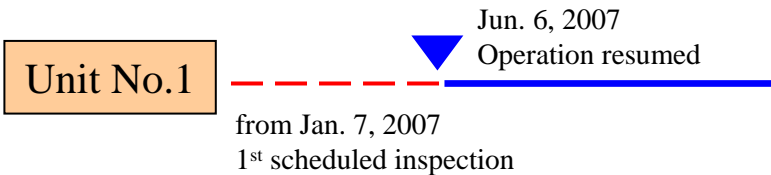
Plant Operation

Future Prospects

1. Onagawa Nuclear Power Station

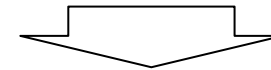


2. Higashidori Nuclear Power Station



1. Revision of Inspections System

National government is studying revision with a view to launching in April 2008. (13 months, 18 months and 24 months)



Preparation is underway in Tohoku EPCO with reference to the information available at present.

- Stringent inspection by government on the basis of detailed technology evaluation
- Ensuring safety and gaining understanding of local communities

2. Seismic Safety Evaluation

◇As a voluntary response, we confirmed that there was no influence on maintaining the functions of facilities critical to safety at nuclear plants, based on the data observed at the Kashiwazaki nuclear power station. (Released in September 2007)

◇Our implementation plan was resubmitted in August 2007 in light of the Niigata-Chuetsu Earthquake.

Evaluation results will be released as follows:

- Onagawa No.1 Unit – December 2008
- Onagawa No.2 and 3 Units – August 2009
- Higashidori No.1 Unit – September 2008

Fuel Procurement

On the foundation of stable procurement, we develop the fuel acquisition pursuing economic efficiency and flexibility.

Addressing rising fuel prices and tight supply-demand balance

1. Oil

- While diversifying procurement sources, introduce crude oil from Sakhalin of a short-distance source and imported heavy oil
- Introduce special vessels responding to a tight supply of inland vessels

2. Coal

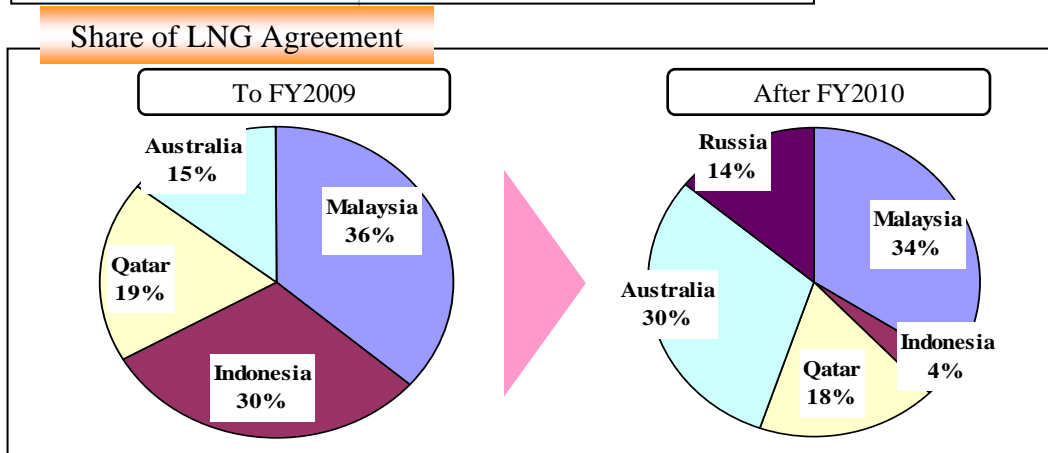
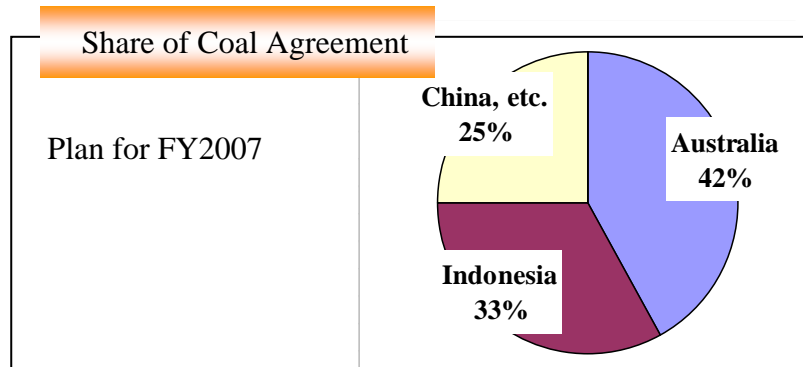
- Diversify supply countries and coal loading ports
- Use special vessels and carriers for particular routes
- Use services of Posco Terminal Co., Inc., South Korea

3. LNG

- Diversify procurement sources including Sakhalin II
- Flexible procurement taking advantage of master agreement
- Mutual cooperation agreement with South Korea Gas Corporation related to LNG purchase

4. Nuclear Fuel

- Conclude mid- and long-term contracts with multiple suppliers



Investment in upstream interests for long-term and stable procurement

1. Participation in the uranium project

- New development and production project of a uranium mine in Kazakhstan
- Full production capacity of 5,000 tons scheduled by 2014
- Acquired the right to purchase up to 100 tons per year (Around 20% of requirement)

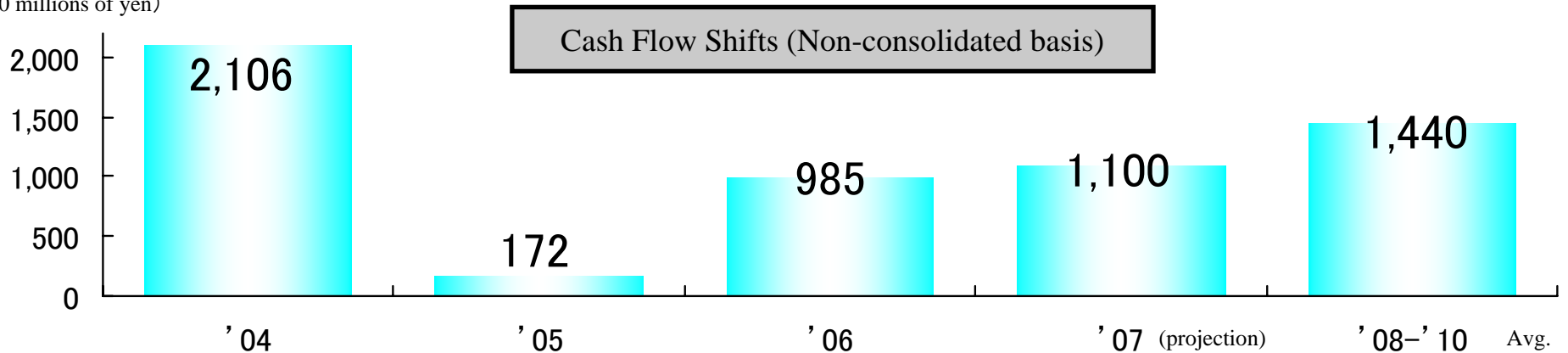
2. Measure ahead

To ensure long-term and stable procurement of fossil fuels, we aim to strengthen strategic relations with suppliers and realize advanced fuel procurement, built on new investments in upstream interests.

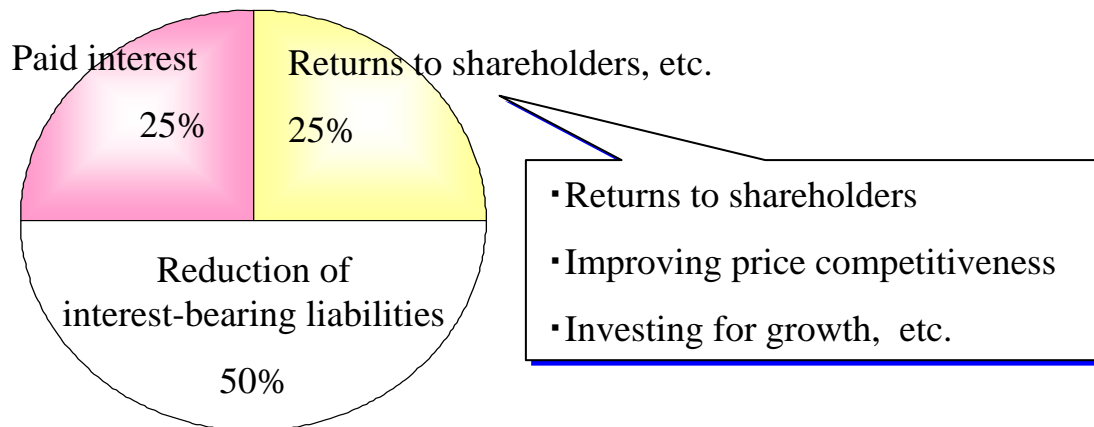
Prospect for Free Cash Flow

While maintaining dividend amounts at a current level as far as possible, we will review the distribution ratios according to business condition.

(100 millions of yen)



Accumulated Cash Flows FY2008 to FY2010 ⇒ approx. 430 billion yen



(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.

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