

Tohoku Electric Power Co., Inc.

Unaudited Quarterly Financial Report (First Quarter FY 2006)

Information below is an English translation from the "Unaudited Quarterly Financial Report" for the three months ended June 30, 2006, which has been filed with the Tokyo Stock Exchange, Inc. and Osaka Securities Exchange Co., Ltd. for public inspection.

(Notes) 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 First Quarter Period in FY 2006 (Three months ended June 30, 2006)

(1) Progresses of Financial Results (Consolidated basis)

	Operating revenues		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Quarter FY 2006	402,037	6.6	45,314	36.4	34,271	66.8
First Quarter FY 2005	376,972	1.6	33,213	(44.8)	20,545	(57.4)
(Reference) FY 2005	1,660,045		99,848		51,042	

	Net income		Net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
First Quarter FY 2006	19,052	50.6	38.18	-
First Quarter FY 2005	12,654	(59.2)	25.35	-
(Reference) FY 2005	54,171		107.90	-

(Notes) Each result herein represents the total for the first quarter period.

Percentage figures represent changes as compared to the same period of the previous year.

Electric Power Sales

(Millions of kWh, %)

	First Quarter FY 2006 (A)	First Quarter FY 2005 (B)	(A) / (B)
Residential	5,740	5,620	102.1
Commercial and Industrial	13,495	12,997	103.8
Total	19,235	18,617	103.3

(Note) Commercial and Industrial included with deregulated segment.

(2) Changes in Financial Positions (Consolidated basis)

	Total assets	Net assets	Equity ratio to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First Quarter FY 2006 (As of June 30, 2006)	4,060,806	1,013,884	23.8	1,940.72
First Quarter FY 2005 (As of June 30, 2005)	4,071,861	929,070	22.8	1,861.43
(Reference) FY 2005 (As of March 31, 2006)	4,113,910	962,939	23.4	1,929.02

2. Adjustment to Business Results Forecast for Consolidated FY 2006 (Year ended March 31, 2007)

(1) Interim FY2006

	Operating revenues	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Previous forecast (A) (on May 10, 2006)	810,000	39,000	22,000
Adjusted forecast (B)	820,000	39,000	22,000
(B - A)	10,000	-	-
(A) / (B - A)	1.2 %	- %	- %
<i>(Reference)</i> <i>Interim FY2005</i>	<i>795,778</i>	<i>38,490</i>	<i>16,444</i>

(2) FY2006

	Operating revenues	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Previous forecast (A) (on May 10, 2006)	1,655,000	95,000	55,000
Adjusted forecast (B)	1,665,000	95,000	55,000
(B - A)	10,000	-	-
(A) / (B - A)	0.6 %	- %	- %
<i>(Reference)</i> <i>FY2005</i>	<i>1,660,045</i>	<i>51,042</i>	<i>54,171</i>

QUARTERLY CONSOLIDATED BALANCE SHEETS (Unaudited)

First Quarter FY 2006 (As of June 30, 2006) and FY 2005 (As of March 31, 2006)

Assets

(Millions of yen)

Item	First Quarter FY2006 (As of June 30, 2006)	FY2005 (As of March 31, 2006)	Increase (decrease)
Fixed assets (property, plant and equipment):	3,728,441	3,777,539	(49,098)
Electric utility fixed assets:	2,728,203	2,759,597	(31,394)
Hydro power plant	188,006	190,658	(2,651)
Thermal power plant	367,979	375,673	(7,693)
Nuclear power plant	544,771	562,894	(18,123)
Transmission plant	645,202	647,536	(2,333)
Transformation plant	271,022	268,425	2,597
Distribution plant	583,291	585,885	(2,593)
General plant	122,488	122,975	(486)
Other	5,440	5,550	(110)
Other fixed assets	275,731	276,777	(1,045)
Construction work in progress	196,265	190,476	5,788
Nuclear fuel:	139,497	141,003	(1,505)
Loaded nuclear fuel	38,655	39,809	(1,153)
Nuclear fuel under processing	100,841	101,194	(352)
Investments in and advances to:	388,742	409,683	(20,941)
Long-term investments	90,771	97,757	(6,985)
Fund for reprocessing costs of irradiated nuclear fuel	49,746	61,466	(11,719)
Deferred income taxes	154,802	156,418	(1,615)
Other	94,469	95,098	(629)
Allowance for uncollectibles	(1,047)	(1,056)	8
Current assets:	332,225	336,235	(4,009)
Cash and deposits	109,036	110,177	(1,140)
Trade notes receivable and amounts due from customers	109,943	124,126	(14,183)
Deferred income taxes	16,752	15,520	1,231
Other	97,284	87,576	9,707
Allowance for uncollectibles	(790)	(1,165)	375
Deferred assets:	139	135	4
Bond discount	139	135	4
Total assets	4,060,806	4,113,910	(53,104)

Liabilities, minority interests and shareholders' equity

(Millions of yen)

Item	First Quarter FY2006 (As of June 30, 2006)	FY2005 (As of March 31, 2006)	Increase (decrease)
Fixed liabilities:	2,456,615	2,426,584	30,030
Bonds	1,260,221	1,200,221	60,000
Long-term debt	611,877	622,024	(10,147)
Accrued retirement benefits	216,522	217,502	(980)
Reserve for reprocessing costs of irradiated nuclear fuel	106,194	105,973	221
Reserve for decommissioning costs of nuclear power units	37,082	36,151	930
Deferred income taxes on revaluation adjustments	2,966	3,007	(41)
Other	221,750	241,703	(19,952)
Current liabilities:	573,328	663,134	(89,806)
Short-term borrowings	61,575	55,922	5,653
Current portion of Long-term debt	239,844	239,709	134
Trade notes and accounts payable	95,153	112,929	(17,775)
Accrued taxes	28,652	25,604	3,048
Other	148,101	228,968	(80,867)
Reserve:	16,978	14,986	1,992
Reserve for fluctuation in water levels	16,978	14,986	1,992
Total liabilities	3,046,922	3,104,704	(57,782)
Minority interests in consolidated subsidiaries	-	46,266	(46,266)
Common stock	-	251,441	(251,441)
Capital surplus	-	26,655	(26,655)
Retained earnings	-	678,359	(678,359)
Revaluation adjustments	-	(1,043)	1,043
Net unrealized holding gain on securities	-	14,503	(14,503)
Foreign currency translation adjustments	-	80	(80)
Treasury stock, at cost	-	(7,058)	7,058
Total shareholders' equity	-	962,939	(962,939)
Total liabilities, minority interests and shareholders' equity	-	4,113,910	(4,113,910)

Net assets

(Millions of yen)

Item	First Quarter FY2006 (As of June 30, 2006)	FY2005 (As of March 31, 2006)	Increase (decrease)
Shareholders' equity:	953,133	-	953,133
Common stock	251,441	-	251,441
Capital surplus	26,655	-	26,655
Retained earnings	682,153	-	682,153
Treasury stock, at cost	(7,116)	-	(7,116)
Valuation and translation adjustment, etc.:	15,281	-	15,281
Net unrealized holding gain on securities	12,441	-	12,441
Net deferred hedge profit	3,830	-	3,830
Revaluation adjustments	(1,072)	-	(1,072)
Foreign currency translation adjustments	81	-	81
Minority interests in consolidated subsidiaries	45,469	-	45,469
Total net assets	1,013,884	-	1,013,884
Total liabilities and net assets	4,060,806	-	4,060,806

QUARTERLY CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

First Quarter FY 2006 (Three months ended June 30, 2006) and First Quarter FY 2005 (Three months ended June 30, 2005)

(Millions of yen)

Item	First Quarter FY2006 <small>(Three months ended June 30, 2006)</small>	First Quarter FY2005 <small>(Three months ended June 30, 2005)</small>	Increase <small>(decrease)</small>
Operating revenues:	402,037	376,972	25,065
Electric power	373,609	352,742	20,866
Other	28,428	24,229	4,198
Operating expenses:	356,722	343,758	12,964
Electric power	328,420	319,731	8,689
Other	28,302	24,027	4,275
Operating income	45,314	33,213	12,100
Other income:	1,509	1,315	193
Dividends income	470	440	29
Interest income	181	6	174
Gain from sales of fixed assets	109	136	(27)
Other	747	731	16
Other Expense:	12,552	13,983	(1,431)
Interest expense	11,617	11,677	(60)
Equity in losses of affiliates	-	1,521	(1,521)
Other	935	784	150
Total amount of revenues	403,547	378,287	25,259
Total amount of expenses	369,275	357,741	11,533
Income before special item, income taxes and minority interests	34,271	20,545	13,726
Special item:	1,992	1,390	602
Provision for reserve for fluctuation in water levels	1,992	1,390	602
Income before income taxes and minority interests	32,279	19,155	13,123
Current income taxes	12,839	6,071	6,767
Deferred income taxes	539	468	71
Minority interests in losses of consolidated subsidiaries	152	39	112
Net income	19,052	12,654	6,397

Summary of Non-Consolidated Financial Data (Unaudited)

1. Business Results for First Quarter Period in FY 2006 (Three months ended June 30, 2006)

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

	Operating revenues		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
First Quarter FY 2006	374,963	5.9	44,619	47.1	34,720	117.9
First Quarter FY 2005	354,108	1.4	30,336	(48.0)	15,931	(66.3)
(Reference) FY 2005	1,498,759		77,940		38,098	

	Net income		Net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
First Quarter FY 2006	19,964	122.4	40.01	-
First Quarter FY 2005	8,976	(70.6)	17.98	-
(Reference) FY 2005	53,542		107.08	-

(Notes) Each result herein represents the total for the first quarter period.

Percentage figures represent changes as compared to the same period of the previous year.

(2) Changes in Financial Positions (Non-Consolidated basis)

	Total assets	Net assets	Equity ratio to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
First Quarter FY 2006 (As of June 30, 2006)	3,704,985	869,666	23.5	1,742.72
First Quarter FY 2005 (As of June 30, 2005)	3,702,848	830,426	22.4	1,663.69
(Reference) FY 2005 (As of March 31, 2006)	3,759,173	862,977	23.0	1,729.05

2. Adjustment to Business Results Forecast for Non-Consolidated FY 2006 (Year ended March 31, 2007)

(1) Interim FY2006

	Operating revenues	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Previous forecast (A) (on May 10, 2006)	740,000	35,000	20,000
Adjusted forecast (B)	750,000	35,000	20,000
(B - A)	10,000	-	-
(A) / (B - A)	1.4 %	- %	- %
(Reference) Interim FY2005	728,634	34,761	19,497

(2) FY2006

	Operating revenues	Ordinary income	Net income
	Millions of yen	Millions of yen	Millions of yen
Previous forecast (A) (on May 10, 2006)	1,490,000	80,000	50,000
Adjusted forecast (B)	1,500,000	80,000	50,000
(B - A)	10,000	-	-
(A) / (B - A)	0.7 %	- %	- %
(Reference) FY2005	1,498,759	38,098	53,542

QUARTERLY NON-CONSOLIDATED BALANCE SHEETS (Unaudited)

First Quarter FY 2006 (As of June 30, 2006) and FY 2005 (As of March 31, 2006)

Assets

(Millions of yen)

Item	First Quarter FY2006 (As of June 30, 2006)	FY2005 (As of March 31, 2006)	Increase (decrease)
Fixed assets (property, plant and equipment):	3,509,044	3,558,047	(49,002)
Electric utility fixed assets:	2,753,454	2,785,374	(31,919)
Hydro power plant	160,338	162,691	(2,352)
Thermal power plant	336,415	344,455	(8,040)
Nuclear power plant	545,568	563,720	(18,151)
Internal combustion power plant	5,012	5,125	(112)
Transmission plant	662,418	664,995	(2,576)
Transformation plant	281,632	279,289	2,343
Distribution plant	633,170	635,913	(2,743)
General plant	128,395	128,680	(285)
Property leased to others	501	501	-
Incidental business fixed assets	539	561	(22)
Other fixed assets	8,590	8,497	92
Construction work in progress:	191,932	187,886	4,045
Construction work in progress	188,576	184,098	4,477
Suspense account for disposal	3,356	3,787	(431)
Nuclear fuel:	139,497	141,003	(1,505)
Loaded nuclear fuel	38,655	39,809	(1,153)
Nuclear fuel under processing	100,841	101,194	(352)
Investments in and advances to:	415,031	434,723	(19,692)
Long-term investments	78,724	85,613	(6,888)
Long-term investments in subsidiaries and affiliates	183,222	183,043	179
Fund for reprocessing costs of irradiated nuclear fuel	49,746	61,466	(11,719)
Long-term prepaid expenses	3,000	3,214	(213)
Deferred income taxes	100,412	101,453	(1,040)
Allowance for uncollectibles	(76)	(66)	(9)
Current assets:	195,801	200,990	(5,189)
Cash and deposits	50,648	55,890	(5,241)
Amounts due from customers	79,456	77,085	2,370
Trade notes receivables	1,755	11,313	(9,558)
Fuel and supplies	36,069	28,528	7,540
Prepaid expenses	1,181	350	831
Short-term credits to subsidiaries and affiliates	2,403	2,011	392
Deferred income taxes	9,850	9,850	-
Other current assets	14,840	16,369	(1,528)
Allowance for uncollectibles	(404)	(408)	3
Deferred assets:	139	135	4
Bond discount	139	135	4
Total assets	3,704,985	3,759,173	(54,187)

Liabilities and shareholders' equity

(Millions of yen)

Item	First Quarter FY2006 (As of June 30, 2006)	FY2005 (As of March 31, 2006)	Increase (decrease)
Fixed liabilities:	2,331,383	2,296,297	35,086
Bonds	1,260,521	1,200,521	60,000
Long-term debt	544,250	549,482	(5,231)
Long-term accrued liabilities	3,098	3,881	(783)
Long-term debt to subsidiaries and affiliates	4	4	-
Accrued retirement benefits	172,118	173,274	(1,156)
Reserve for reprocessing costs of irradiated nuclear fuel	106,194	105,973	221
Reserve for decommissioning costs of nuclear power units	37,082	36,151	930
Other fixed liabilities	208,114	227,008	(18,894)
Current liabilities:	487,041	584,998	(97,956)
Short-term borrowings	54,440	54,440	-
Current portion of long-term debt	215,503	214,497	1,005
Commercial paper	55,000	131,000	(76,000)
Trade notes	54,865	59,353	(4,487)
Accounts payable	26,254	16,373	9,880
Accrued expenses	25,018	43,901	(18,882)
Accrued taxes	26,431	18,626	7,804
Deposits received	4,916	1,269	3,647
Short-term debt to subsidiaries and affiliates	20,958	42,933	(21,974)
Advances received	3,648	2,600	1,047
Other current liabilities	5	2	2
Reserve:	16,894	14,900	1,993
Reserve for fluctuation in water levels	16,894	14,900	1,993
Total liabilities	2,835,319	2,896,196	(60,876)
Common stock	-	251,441	(251,441)
Capital surplus	-	26,657	(26,657)
Legal reserve	-	62,860	(62,860)
Retained earnings:	-	515,778	(515,778)
Reserve for loss on overseas investments	-	8	(8)
Retained earnings appropriated for reserve for cost fluctuation adjustments	-	103,000	(103,000)
Retained earnings appropriated for general purpose	-	306,400	(306,400)
Unappropriated retained earnings for the period	-	106,370	(106,370)
Net unrealized holding gain on securities	-	13,343	(13,343)
Treasury stock, at cost	-	(7,104)	7,104
Total shareholders' equity	-	862,977	(862,977)
Total liabilities and shareholders' equity	-	3,759,173	(3,759,173)

Net assets

(Millions of yen)

Item	First Quarter FY2006 (As of June 30, 2006)	FY2005 (As of March 31, 2006)	Increase (decrease)
Shareholders' equity:	854,471	-	854,471
Common stock	251,441	-	251,441
Capital surplus	26,657	-	26,657
Legal reserve	62,860	-	62,860
Retained earnings:	520,674	-	520,674
Reserve for loss on overseas investments	8	-	8
Retained earnings appropriated for reserve for cost fluctuation adjustments	103,000	-	103,000
Reserve for depreciation of Higashi Niigata Thermal Power Station Unit 4-2 Series	22,000	-	22,000
Retained earnings appropriated for general purpose	306,400	-	306,400
Retained earnings carried forward	89,266	-	89,266
Treasury stock, at cost	(7,163)	-	(7,163)
Valuation and translation adjustment, etc.:	15,195	-	15,195
Net unrealized holding gain on securities	11,364	-	11,364
Net deferred hedge profit	3,830	-	3,830
Total net assets	869,666	-	869,666
Total liabilities and net assets	3,704,985	-	3,704,985

QUARTERLY NON-CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

First Quarter FY 2006 (Three months ended June 30, 2006) and First Quarter FY 2005 (Three months ended June 30, 2005)

(Millions of yen)

Item	First Quarter FY2006 <small>(Three months ended June 30, 2006)</small>	First Quarter FY2005 <small>(Three months ended June 30, 2005)</small>	Increase <small>(decrease)</small>
Operating revenues:	374,963	354,108	20,855
Electric power operating revenues:	373,970	353,127	20,843
Revenue from residential customers	125,252	118,296	6,956
Revenue from commercial and industrial customers	188,986	172,458	16,527
Revenue from power sold to other utilities	56,731	59,827	(3,096)
Revenue from power sold to other companies	116	46	69
Revenue from wheeling	175	151	23
Revenue from wheeling adjustment among utilities	760	458	301
Miscellaneous revenues from electric utility business	1,926	1,866	60
Revenue from property leased to others	21	21	-
Incidental business revenues:	993	981	11
Gas supply business revenue	858	641	216
Heat supply business revenue	134	97	37
Other business revenue	-	242	(242)
Operating expenses:	330,344	323,771	6,572
Operating expenses for electric utility business:	329,402	322,951	6,450
Expense for hydro power generation	6,280	6,518	(237)
Expense for thermal power generation	90,581	85,447	5,133
Expense for nuclear power generation	39,818	38,983	834
Expense for internal combustion power generation	1,421	1,329	92
Expense for power purchased from other utilities	27,083	23,223	3,859
Expense for power purchased from other companies	42,378	39,005	3,372
Transmission expense	18,462	17,267	1,194
Transformation expense	12,416	14,074	(1,657)
Distribution expense	41,091	39,930	1,161
Selling expense	13,132	12,649	482
Expense for property leased to others	1	0	1
General administration expense	25,052	33,227	(8,175)
Electric power development promotion tax	7,704	7,457	246
Enterprise tax	4,027	3,860	166
Transfer to electric expenses	(48)	(24)	(23)
Incidental business expenses:	941	820	121
Gas supply business expense	806	637	169
Heat supply business expense	135	124	11
Other business expenses	-	58	(58)
Operating income	44,619	30,336	14,283

(Millions of yen)

Item	First Quarter FY2006 (Three months ended June 30, 2006)	First Quarter FY2005 (Three months ended June 30, 2005)	Increase (decrease)
Other income:	1,586	1,294	292
Financing income:	1,064	865	198
Dividends income	890	865	25
Interest income	173	0	173
Other income:	522	428	94
Gain from sales of fixed assets	69	81	(12)
Miscellaneous income	453	347	106
Other expenses:	11,486	15,699	(4,212)
Financing expenses:	11,388	11,266	122
Interest expense	11,184	11,090	94
Amortization of bond issuance costs	198	171	26
Amortization of bond discount	5	4	1
Other expenses:	97	4,433	(4,335)
Loss on disposal of fixed assets	37	384	(347)
Miscellaneous losses	60	4,048	(3,988)
Total amount of revenues	376,550	355,402	21,148
Total amount of expenses	341,830	339,471	2,359
Income before special item and income taxes	34,720	15,931	18,788
Special item:	1,993	1,392	600
Provision for reserve for fluctuation in water levels	1,993	1,392	600
Income before income taxes	32,726	14,538	18,187
Current income taxes	12,761	5,562	7,199
Net income	19,964	8,976	10,988

(Note)

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 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.