

# Tohoku Electric Power Co., Inc.

## Summary of Quarterly Financial Statements (Unaudited)

(April 1, 2007 - June 30, 2007)

Information below is an English translation of the "Unaudited Quarterly Financial Release" for three months ended June 30, 2007, which has been filed with the Tokyo Stock Exchange, Inc. and Osaka Securities Exchange Co., Ltd. for public inspection.

Tohoku Electric Power Co., Inc. (Code : 9506)

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(Note) All monetary values are rounded down to the nearest units as indicated in each table.

### 1. Business Results for Consolidated First Quarter Period in FY 2007 (Three months ended June 30, 2007)

#### (1) Progresses of Financial Results

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3 months ended Jun. 30, 2007	390,835	(2.8)	36,693	(19.0)	25,473	(25.7)	15,189	(20.3)
3 months ended Jun. 30, 2006	402,037	6.6	45,314	36.4	34,271	66.8	19,052	50.6
Year ended Mar. 31, 2007	1,728,296	-	133,935	-	99,121	-	53,173	-

	Net income per share	Diluted net income per share
	Yen	Yen
3 months ended Jun. 30, 2007	30.45	—
3 months ended Jun. 30, 2006	38.18	—
Year ended Mar. 31, 2007	106.57	—

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

#### (2) Changes in Financial Positions

	Total assets	Net assets	Equity ratio to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Jun. 30, 2007	4,023,661	1,033,631	24.5	1,975.11
Jun. 30, 2006	4,060,806	1,013,884	23.8	1,940.72
Mar. 31, 2007	4,069,331	1,032,681	24.2	1,971.69

### 2. Business Results Forecast for Consolidated FY 2007 (Year ending March 31, 2008)

	Operating revenues		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim	815,000	(2.7)	80,000	(3.1)	65,000	5.6	42,000	21.4	84.19
FY 2007	1,715,000	(0.8)	140,000	4.5	100,000	0.9	63,000	18.5	126.29

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

(Reference) Summary of Non-Consolidated Financial Statements

1. Business Results for Non-Consolidated First Quarter Period in FY 2007 (Three months ended June 30, 2007)

(1) Progresses of Financial Results

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3 months ended Jun. 30, 2007	364,378	(2.8)	34,907	(21.8)	25,026	(27.9)	15,794	(20.9)
3 months ended Jun. 30, 2006	374,963	5.9	44,619	47.1	34,720	117.9	19,964	122.4
Year ended Mar. 31, 2007	1,546,745	-	108,311	-	76,762	-	44,780	-

  

	Net income per share	Diluted net income per share
	Yen	Yen
3 months ended Jun. 30, 2007	31.66	—
3 months ended Jun. 30, 2006	40.01	—
Year ended Mar. 31, 2007	89.75	—

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

(2) Changes in Financial Positions

	Total assets	Net assets	Equity ratio to total assets	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Jun. 30, 2007	3,666,503	876,474	23.9	1,757.00
Jun. 30, 2006	3,704,985	869,666	23.5	1,742.72
Mar. 31, 2007	3,709,377	874,540	23.6	1,753.01

2. Business Results Forecast for Non-Consolidated FY 2007 (Year ending March 31, 2008)

	Operating revenues		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim	740,000	(3.4)	70,000	(5.3)	55,000	3.8	35,000	10.6	70.16
FY 2007	1,540,000	(0.4)	120,000	10.8	80,000	4.2	50,000	11.7	100.23

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

## QUARTERLY CONSOLIDATED BALANCE SHEETS (Unaudited)

First Quarter FY 2007 (As of June 30, 2007) and FY 2006 (As of March 31, 2007)

Assets	(Millions of yen)		
Item	June 30, 2007	March 31, 2007	Increase (Decrease)
Fixed assets (property, plant and equipment):	3,688,627	3,713,452	(24,825)
Electric utility fixed assets:	2,679,449	2,692,084	(12,634)
Hydro power plant	184,024	183,869	154
Thermal power plant	385,716	395,333	(9,616)
Nuclear power plant	478,514	494,597	(16,082)
Transmission plant	643,901	642,388	1,512
Transformation plant	270,167	261,624	8,542
Distribution plant	592,484	587,335	5,148
General plant	118,919	121,691	(2,771)
Other	5,721	5,243	477
Other fixed assets	266,167	272,199	(6,032)
Construction work in progress	162,920	161,162	1,758
Nuclear fuel:	141,126	141,511	(385)
Loaded nuclear fuel	34,928	37,234	(2,305)
Nuclear fuel under processing	106,197	104,277	1,919
Investments in and advances to:	438,964	446,494	(7,530)
Long-term investments	87,959	90,879	(2,920)
Fund for reprocessing costs of irradiated nuclear fuel	101,476	104,522	(3,045)
Deferred income taxes	154,292	155,473	(1,181)
Other	96,428	96,762	(334)
Allowance for uncollectibles	(1,192)	(1,144)	(48)
Current assets:	335,033	355,879	(20,845)
Cash and deposits	94,983	115,939	(20,956)
Trade notes receivable and amounts due from customers	115,437	129,494	(14,057)
Inventories	73,334	60,326	13,008
Deferred income taxes	17,464	16,642	821
Other	34,628	34,456	172
Allowance for uncollectibles	(814)	(980)	166
Total assets	4,023,661	4,069,331	(45,670)

**Liabilities and net assets**

(Millions of yen)

Item	June 30, 2007	March 31, 2007	Increase (Decrease)
<b>Fixed liabilities:</b>	<b>2,338,964</b>	<b>2,329,115</b>	<b>9,848</b>
Bonds	1,200,505	1,170,517	29,988
Long-term debt	592,308	600,362	(8,054)
Accrued retirement benefits	200,407	204,599	(4,191)
Reserve for reprocessing costs of irradiated nuclear fuel	113,459	113,269	189
Pre-reserve for reprocessing costs of irradiated nuclear fuel	3,533	3,126	406
Reserve for decommissioning costs of nuclear power units	39,170	38,426	744
Deferred income taxes	438	424	14
Deferred income taxes on revaluation adjustments	2,853	2,921	(68)
Other	186,287	195,467	(9,179)
<b>Current liabilities:</b>	<b>634,177</b>	<b>688,272</b>	<b>(54,094)</b>
Current portion of long-term debt	284,587	292,357	(7,770)
Short-term borrowings	57,938	55,985	1,953
Trade notes and accounts payable	108,038	116,526	(8,487)
Accrued taxes	28,289	47,820	(19,531)
Other	155,323	175,581	(20,258)
<b>Reserve:</b>	<b>16,888</b>	<b>19,262</b>	<b>(2,374)</b>
Reserve for fluctuation in water levels	16,888	19,262	(2,374)
<b>Total liabilities</b>	<b>2,990,029</b>	<b>3,036,650</b>	<b>(46,620)</b>
<b>Shareholders' equity:</b>	<b>972,114</b>	<b>971,930</b>	<b>183</b>
Common stock	251,441	251,441	-
Capital surplus	26,678	26,678	-
Retained earnings	701,580	701,309	271
Treasury stock, at cost	(7,586)	(7,498)	(87)
<b>Valuation and translation adjustments:</b>	<b>13,164</b>	<b>11,703</b>	<b>1,460</b>
Net unrealized holding gain on securities	13,111	11,827	1,284
Revaluation adjustments	(1,122)	(1,074)	(48)
Foreign currency translation adjustments	1,175	950	225
<b>Minority interests in consolidated subsidiaries</b>	<b>48,352</b>	<b>49,046</b>	<b>(694)</b>
<b>Total net assets</b>	<b>1,033,631</b>	<b>1,032,681</b>	<b>950</b>
<b>Total liabilities and net assets</b>	<b>4,023,661</b>	<b>4,069,331</b>	<b>(45,670)</b>

## QUARTERLY CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

First Quarter FY 2007 (Three months ended June 30, 2007) and First Quarter FY 2006 (Three months ended June 30, 2006)

(Millions of yen)

Item	Three Months Ended June 30,		Increase (Decrease)
	2007	2006	
Operating revenues:	390,835	402,037	(11,202)
Electric power	362,695	373,609	(10,913)
Other	28,139	28,428	(288)
Operating expenses:	354,142	356,722	(2,580)
Electric power	325,738	328,420	(2,681)
Other	28,403	28,302	100
Operating income	36,693	45,314	(8,621)
Other income:	1,938	1,509	428
Dividends income	523	470	53
Interest income	451	181	269
Gain from sales of fixed assets	278	109	168
Other	684	747	(63)
Other expenses:	13,157	12,552	605
Interest expense	11,621	11,617	4
Other	1,536	935	601
Total amount of revenues	392,773	403,547	(10,773)
Total amount of expenses	367,300	369,275	(1,975)
Ordinary income	25,473	34,271	(8,798)
Special items:			
Provision for (reversal of) reserve for fluctuation in water levels	(2,374)	1,992	(4,367)
Income before income taxes and minority interests	27,848	32,279	(4,430)
Current income taxes	12,078	12,839	(760)
Deferred income taxes	813	539	273
Minority interests in losses of consolidated subsidiaries	233	152	81
Net income	15,189	19,052	(3,862)

## QUARTERLY NON-CONSOLIDATED BALANCE SHEETS (Unaudited)

First Quarter FY 2007 (As of June 30, 2007) and FY 2006 (As of March 31, 2007)

Assets	(Millions of yen)		
Item	June 30, 2007	March 31, 2007	Increase (Decrease)
Fixed assets (property, plant and equipment):	3,481,000	3,506,275	(25,274)
Electric utility fixed assets:	2,710,751	2,723,111	(12,360)
Hydro power plant	157,888	157,385	502
Thermal power plant	356,173	364,945	(8,772)
Nuclear power plant	481,174	497,358	(16,184)
Internal combustion power plant	5,300	4,820	480
Transmission plant	661,348	660,128	1,220
Transformation plant	280,463	272,172	8,290
Distribution plant	643,217	638,177	5,039
General plant	124,683	127,620	(2,936)
Property leased to others	501	501	-
Incidental business fixed assets	4,165	4,317	(151)
Other fixed assets	8,487	8,517	(29)
Construction work in progress:	151,897	157,769	(5,871)
Construction work in progress	147,575	154,902	(7,326)
Suspense account for disposal	4,322	2,867	1,454
Nuclear fuel:	141,126	141,511	(385)
Loaded nuclear fuel	34,928	37,234	(2,305)
Nuclear fuel under processing	106,197	104,277	1,919
Investments in and advances to:	464,572	471,048	(6,475)
Long-term investments	74,702	77,730	(3,027)
Long-term investments in subsidiaries and affiliates	183,942	183,531	410
Fund for reprocessing costs of irradiated nuclear fuel	101,476	104,522	(3,045)
Long-term prepaid expenses	3,390	3,491	(100)
Deferred income taxes	101,208	101,879	(670)
Allowance for uncollectibles	(148)	(107)	(41)
Current assets:	185,502	203,102	(17,599)
Cash and deposits	31,064	55,003	(23,938)
Amounts due from customers	78,385	78,758	(372)
Trade notes receivables	2,536	3,417	(881)
Fuel and supplies	39,871	35,257	4,614
Prepaid expenses	840	374	466
Short-term credits to subsidiaries and affiliates	2,791	1,408	1,382
Deferred income taxes	11,727	11,727	-
Other current assets	18,689	17,565	1,123
Allowance for uncollectibles	(405)	(410)	5
<b>Total assets</b>	<b>3,666,503</b>	<b>3,709,377</b>	<b>(42,874)</b>

**Liabilities and net assets**

(Millions of yen)

Item	June 30, 2007	March 31, 2007	Increase (Decrease)
<b>Fixed liabilities:</b>	2,227,482	2,212,902	14,580
Bonds	1,200,805	1,170,817	29,988
Long-term debt	538,626	542,874	(4,248)
Long-term accrued liabilities	2,304	3,078	(773)
Accrued retirement benefits	156,721	160,561	(3,839)
Reserve for reprocessing costs of irradiated nuclear fuel	113,459	113,269	189
Pre-reserve for reprocessing costs of irradiated nuclear fuel	3,533	3,126	406
Reserve for decommissioning costs of nuclear power units	39,170	38,426	744
Other fixed liabilities	172,860	180,746	(7,885)
<b>Current liabilities:</b>	545,738	602,758	(57,019)
Current portion of long-term debt	266,165	272,287	(6,122)
Short-term borrowings	54,440	54,440	-
Commercial paper	68,000	82,000	(14,000)
Trade notes	57,580	57,659	(78)
Accounts payable	15,659	16,900	(1,241)
Accrued expenses	29,240	40,074	(10,834)
Accrued taxes	25,784	39,696	(13,911)
Deposits received	5,778	1,296	4,482
Short-term debt to subsidiaries and affiliates	18,906	35,059	(16,152)
Advances received	3,956	3,018	937
Reserve for bonuses to directors	-	97	(97)
Other current liabilities	226	229	(2)
<b>Reserve:</b>	16,807	19,176	(2,368)
Reserve for fluctuation in water levels	16,807	19,176	(2,368)
<b>Total liabilities</b>	<b>2,790,028</b>	<b>2,834,837</b>	<b>(44,808)</b>
<b>Shareholders' equity:</b>	864,639	863,899	740
Common stock	251,441	251,441	-
Capital surplus	26,657	26,657	-
Legal reserve	62,860	62,860	-
Retained earnings:	531,349	530,521	827
Reserve for cost fluctuation adjustments	103,000	103,000	-
Reserve for depreciation of Higashi Niigata Thermal Power Station Unit 4-2 Series	10,000	10,000	-
Retained earnings appropriated for general purpose	332,400	306,400	26,000
Retained earnings carried forward	85,949	111,121	(25,172)
Treasury stock, at cost	(7,668)	(7,580)	(87)
<b>Valuation and translation adjustments:</b>	11,834	10,640	1,193
Net unrealized holding gain on securities	11,834	10,640	1,193
<b>Total net assets</b>	<b>876,474</b>	<b>874,540</b>	<b>1,934</b>
<b>Total liabilities and net assets</b>	<b>3,666,503</b>	<b>3,709,377</b>	<b>(42,874)</b>

## QUARTERLY NON-CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

First Quarter FY 2007 (Three months ended June 30, 2007) and First Quarter FY 2006 (Three months ended June 30, 2006)

(Millions of yen)

Item	Three Months Ended June 30,		Increase (Decrease)
	2007	2006	
Operating revenues:	364,378	374,963	(10,585)
Electric power operating revenues:	363,051	373,970	(10,919)
Revenue from residential customers	122,196	125,252	(3,056)
Revenue from commercial and industrial customers	189,169	188,986	182
Revenue from power sold to other utilities	48,362	56,731	(8,368)
Revenue from power sold to other companies	136	116	20
Revenue from wheeling	269	175	93
Revenue from wheeling adjustment among utilities	453	760	(307)
Miscellaneous revenues from electric utility business	2,442	1,926	515
Revenue from property leased to others	21	21	-
Incidental business revenues:	1,327	993	333
Gas supply business revenue	1,190	858	332
Heat supply business revenue	136	134	1
Operating expenses:	329,470	330,344	(873)
Operating expenses for electric utility business:	328,057	329,402	(1,345)
Expense for hydro power generation	6,264	6,280	(16)
Expense for thermal power generation	95,227	90,581	4,646
Expense for nuclear power generation	37,650	39,818	(2,167)
Expense for internal combustion power generation	1,530	1,421	109
Expense for power purchased from other utilities	24,879	27,083	(2,203)
Expense for power purchased from other companies	41,590	42,378	(788)
Transmission expense	18,580	18,462	118
Transformation expense	12,398	12,416	(18)
Distribution expense	42,506	41,091	1,414
Selling expense	13,092	13,132	(39)
Expense for property leased to others	1	1	(0)
General administration expense	23,009	25,052	(2,042)
Electric power development promotion tax	7,435	7,704	(268)
Enterprise tax	3,932	4,027	(94)
Transferred cost of electricity for construction	(42)	(48)	6
Incidental business expenses:	1,413	941	471
Gas supply business expense	1,276	806	469
Heat supply business expense	137	135	2
Operating income	34,907	44,619	(9,711)



(Millions of yen)

Item	Three Months Ended June 30,		Increase (Decrease)
	2007	2006	
Other income:	1,883	1,586	296
Financing income:	1,366	1,064	302
Dividends income	938	890	48
Interest income	428	173	254
Other income:	516	522	(6)
Gain from sales of fixed assets	55	69	(13)
Miscellaneous income	460	453	7
Other expenses:	11,764	11,486	278
Financing expenses:	11,401	11,388	12
Interest expense	11,277	11,184	92
Amortization of bond issuance costs	-	198	(198)
Amortization of bond discount	-	5	(5)
Bond issuance costs	124	-	124
Other expenses:	363	97	265
Loss on sales of fixed assets	67	37	29
Miscellaneous losses	295	60	235
Total amount of revenues	366,261	376,550	(10,289)
Total amount of expenses	341,235	341,830	(595)
Ordinary income	25,026	34,720	(9,693)
Special items:			
Provision for (reversal of) reserve for fluctuation in water levels	(2,368)	1,993	(4,362)
Income before income taxes	27,394	32,726	(5,331)
Current income taxes	11,600	12,761	(1,161)
Net income	15,794	19,964	(4,170)

**(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.