

# Tohoku Electric Power Co., Inc.

## Summary of Quarterly Financial Statements (Unaudited)

(April 1, 2008 - September 30, 2008)

Information below is an English translation of the "Unaudited Quarterly Financial Release" for six months ended September 30, 2008, which has been filed with the Tokyo Stock Exchange, Inc. and Osaka Securities Exchange Co., Ltd. for public inspection.

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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 Second Quarter Period in FY 2008 (Six months ended September 30, 2008)

#### (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	%
6 months ended Sep. 30, 2008	883,006	-	4,510	-	(14,225)	-	(8,274)	-
6 months ended Sep. 30, 2007	852,988	1.8	69,804	(15.4)	48,007	(22.0)	27,771	(19.7)
	Net income per share		Diluted net income per share					
	Yen		Yen					
6 months ended Sep. 30, 2008	(16.59)		—					
6 months ended Sep. 30, 2007	55.67		—					

(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
Sep. 30, 2008	4,022,832	990,282	23.4	1,884.69
Mar. 31, 2008	4,033,835	1,015,352	23.9	1,933.42

### 2. Dividends

	Cash dividends per share				
	Jun. 30, 2008	Sep. 30, 2008	Dec. 31, 2008	Year-end	Annual total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2008	-	30.00	-	30.00	60.00
Year ending Mar. 31, 2009	-	30.00			
Year ending Mar. 31, 2009 (forecast)			-	30.00	60.00

### 3. Business Results Forecast for Consolidated FY 2008 (Year ending March 31, 2009)

	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
FY 2008	1,910,000	6.0	(23,000)	-	(65,000)	-	(43,000)	-	(86.23)

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

(Reference) Summary of Non-Consolidated Financial Statements

Business Results Forecast for Non-Consolidated FY 2008 (Year ending March 31, 2009)

	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
FY 2008	1,720,000	7.8	(50,000)	-	(90,000)	-	(55,000)	-	(110.30)

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

## CONSOLIDATED BALANCE SHEETS (Unaudited)

Second Quarter FY 2008 (As of September 30, 2008) and FY 2007 (As of March 31, 2008)

Assets	(Millions of yen)	
Item	September 30, 2008	March 31, 2008
Fixed assets (property, plant and equipment):	3,603,261	3,634,639
Electric utility fixed assets:	2,548,900	2,612,144
Hydro power plant	175,975	180,852
Thermal power plant	350,397	359,072
Nuclear power plant	410,713	435,347
Transmission plant	630,764	639,936
Transformation plant	256,342	262,023
Distribution plant	607,393	612,788
General plant	111,288	115,819
Other	6,025	6,304
Other fixed assets	255,467	262,134
Construction work in progress	222,223	182,207
Nuclear fuel:	138,103	140,775
Loaded nuclear fuel	31,488	32,043
Nuclear fuel under processing	106,614	108,732
Investments in and advances to:	438,566	437,378
Long-term investments	78,966	79,582
Fund for reprocessing costs of irradiated nuclear fuel	102,572	106,016
Deferred income taxes	159,555	154,252
Other	98,955	98,719
Allowance for uncollectibles	(1,483)	(1,192)
Current assets:	419,571	399,195
Cash and deposits	104,767	121,081
Trade notes receivable and amounts due from customers	131,010	140,655
Inventories	103,757	69,378
Deferred income taxes	17,176	16,664
Other	64,487	53,348
Allowance for uncollectibles	(1,628)	(1,933)
Total assets	4,022,832	4,033,835

**Liabilities and net assets**

(Millions of yen)

Item	September 30, 2008	March 31, 2008
<b>Fixed liabilities:</b>	2,281,823	2,274,354
Bonds	1,170,537	1,160,524
Long-term debt	595,670	588,530
Accrued retirement benefits	187,897	188,484
Reserve for reprocessing costs of irradiated nuclear fuel	109,622	109,470
Pre-reserve for reprocessing costs of irradiated nuclear fuel	6,577	5,591
Reserve for decommissioning costs of nuclear power units	51,131	49,007
Deferred income taxes	109	110
Deferred income taxes on revaluation adjustments	2,735	2,748
Other	157,540	169,885
<b>Current liabilities:</b>	742,706	731,079
Current portion of long-term debt	229,409	218,669
Short-term borrowings	55,305	56,148
Trade notes and accounts payable	154,589	164,650
Accrued taxes	15,982	25,362
Other	287,420	266,248
<b>Reserve:</b>	8,020	13,049
Reserve for fluctuation in water levels	8,020	13,049
<b>Total liabilities</b>	<b>3,032,550</b>	<b>3,018,483</b>
<b>Shareholders' equity:</b>	935,581	958,990
Common stock	251,441	251,441
Capital surplus	26,691	26,678
Retained earnings	665,569	688,795
Treasury stock, at cost	(8,121)	(7,925)
<b>Valuation and translation adjustments:</b>	4,203	5,241
Net unrealized holding gain on securities	4,710	5,477
Revaluation adjustments	(1,205)	(1,196)
Foreign currency translation adjustments	698	961
<b>Minority interests in consolidated subsidiaries</b>	<b>50,497</b>	<b>51,120</b>
<b>Total net assets</b>	<b>990,282</b>	<b>1,015,352</b>
<b>Total liabilities and net assets</b>	<b>4,022,832</b>	<b>4,033,835</b>

## CONSOLIDATED STATEMENT OF INCOME (Unaudited)

Second Quarter FY 2008 (Six months ended September 30, 2008)

	(Millions of yen)
Item	Six Months Ended September 30, 2008
Operating revenues:	883,006
Electric power	799,486
Other	83,520
Operating expenses:	878,496
Electric power	798,855
Other	79,641
Operating income	4,510
Other income:	5,317
Dividends income	603
Interest income	1,172
Gain from sales of fixed assets	180
Other	3,361
Other expenses:	24,053
Interest expense	22,237
Other	1,816
Total amount of revenues	888,324
Total amount of expenses	902,549
Ordinary loss	(14,225)
Special item:	(5,028)
Reversal of reserve for fluctuation in water levels	(5,028)
Loss before income taxes and minority interests	(9,196)
Current income taxes	3,521
Deferred income taxes	(5,328)
Minority interests in earnings of consolidated subsidiaries	884
Net loss	(8,274)

## CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)

Second Quarter FY 2008 (six months ended September 30, 2008)

	(Millions of yen)
Item	Six Months Ended September 30, 2008
<b>Operating activities:</b>	
Loss before income taxes and minority interests	(9,196)
Adjustments to reconcile loss before income taxes and minority interests to net cash provided by operating activities:	
Depreciation	127,583
Amortization of nuclear fuel	5,041
Loss on sales and disposal of property, plant and equipment	4,505
Reversal of accrued retirement benefits	(586)
Provision for reserve for reprocessing costs of irradiated nuclear fuel	152
Provision for pre-reserve for reprocessing costs of irradiated nuclear fuel	985
Provision for reserve for decommissioning costs of nuclear power units	2,124
Reversal of reserve for fluctuation in water levels	(5,028)
Interest and dividend income	(1,776)
Interest expense	22,237
Changes in operating assets and liabilities:	
Amounts due from customers	(7,989)
Accounts payable	(10,032)
Other operating assets and liabilities	(17,267)
<b>Subtotal</b>	<b>110,753</b>
Interest and dividends received	1,784
Interest paid	(20,733)
Income taxes paid	(7,705)
<b>Net cash provided by operating activities</b>	<b>84,099</b>
<b>Investing activities:</b>	
Acquisition of property, plant and equipment	(124,310)
Payments for investments and advances	(3,736)
Proceeds from sales or collections of investments and advances	2,274
Changes in other assets and liabilities	(36)
<b>Net cash used in investing activities</b>	<b>(125,808)</b>
<b>Financing activities:</b>	
Proceeds from issuance of bonds	69,825
Redemption of bonds	(40,000)
Proceeds from long-term loans	45,617
Repayment of long-term loans	(46,979)
Proceeds from short-term borrowings	175,697
Repayment of short-term borrowings	(176,540)
Proceeds from issuance of commercial paper	358,000
Redemption of commercial paper	(330,000)
Cash dividends	(14,939)
Cash dividends to minority shareholders	(507)
Other	(499)
<b>Net cash provided by financing activities</b>	<b>39,673</b>
Effect of exchange rate changes on cash and cash equivalents	(29)
Net decrease in cash and cash equivalents	(2,065)
Cash and cash equivalents at beginning of the period	124,359
Cash and cash equivalents at end of the period	122,293

**(Reference) CONSOLIDATED STATEMENT OF INCOME (Unaudited)**

Second Quarter FY 2007 (Six months ended September 30, 2007)

	(Millions of yen)
Item	Six Months Ended September 30, 2007
Operating revenues:	852,988
Electric power	759,695
Other	93,293
Operating expenses:	783,184
Electric power	694,257
Other	88,927
Operating income	69,804
Other income:	3,731
Dividends income	532
Interest income	1,109
Gain from sales of fixed assets	381
Other	1,707
Other expenses:	25,527
Interest expense	23,268
Other	2,259
Total amount of revenues	856,719
Total amount of expenses	808,712
Ordinary income	48,007
Special item:	(2,548)
Reversal of reserve for fluctuation in water levels	(2,548)
Income before income taxes and minority interests	50,555
Current income taxes	17,762
Deferred income taxes	4,070
Minority interests in earnings of consolidated subsidiaries	952
Net income	27,771

**(Reference) CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)**

Second Quarter FY 2007 (six months ended September 30, 2007)

	(Millions of yen)
Item	Six Months Ended September 30, 2007
<b>Operating activities:</b>	
Income before income taxes and minority interests	50,555
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:	
Depreciation	132,377
Amortization of nuclear fuel	5,341
Loss on sales and disposal of property, plant and equipment	6,701
Reversal of accrued retirement benefits	(9,423)
Reversal of reserve for reprocessing costs of irradiated nuclear fuel	(4,797)
Provision for pre-reserve for reprocessing costs of irradiated nuclear fuel	1,160
Provision for reserve for decommissioning costs of nuclear power units	1,755
Reversal of reserve for fluctuation in water levels	(2,548)
Interest and dividend income	(1,642)
Interest expense	23,268
Decrease in fund for reprocessing costs of irradiated nuclear fuel	2,858
Changes in operating assets and liabilities:	
Amounts due from customers	(25,339)
Inventories	(16,896)
Accounts payable	(2,198)
Other operating assets and liabilities	12,212
<b>Subtotal</b>	<b>173,384</b>
Interest and dividends received	1,511
Interest paid	(21,050)
Income taxes paid	(23,129)
<b>Net cash provided by operating activities</b>	<b>130,716</b>
<b>Investing activities:</b>	
Acquisition of property, plant and equipment	(100,145)
Payments for investments and advances	(5,624)
Proceeds from sales or collections of investments and advances	659
Changes in other assets and liabilities	2,866
<b>Net cash used in investing activities</b>	<b>(102,243)</b>
<b>Financing activities:</b>	
Proceeds from issuance of bonds	39,871
Redemption of bonds	-
Proceeds from long-term loans	26,264
Repayment of long-term loans	(63,732)
Proceeds from short-term borrowings	172,091
Repayment of short-term borrowings	(171,384)
Proceeds from issuance of commercial paper	266,000
Redemption of commercial paper	(273,000)
Cash dividends	(14,939)
Cash dividends to minority shareholders	(508)
Other	(252)
<b>Net cash used in financing activities</b>	<b>(19,591)</b>
Effect of exchange rate changes on cash and cash equivalents	5
Net increase in cash and cash equivalents	8,887
Cash and cash equivalents at beginning of the period	119,073
Increase in cash and cash equivalents upon inclusion of additional subsidiaries in consolidation	-
<b>Cash and cash equivalents at end of the period</b>	<b>127,960</b>



**(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.

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