

Tohoku Electric Power Co., Inc.

Summary of Quarterly Financial Statements (Unaudited)

(April 1, 2016 - December 31, 2016)

Information below is an English translation of the "Unaudited Quarterly Financial Release" for nine months ended December 31, 2016, which has been filed with the Tokyo Stock Exchange, Inc. 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 Third Quarter Period in FY2016 (Nine months ended December 31, 2016)

(1) Progresses of Financial Results

	Operating revenue		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
9 months ended Dec. 31, 2016	1,401,782	(7.9)	104,649	(26.0)	82,116	(30.3)	53,326	(32.6)
9 months ended Dec. 31, 2015	1,522,237	(2.7)	141,495	7.3	117,834	22.9	79,114	11.9

(Note) Comprehensive income (3Q FY2016: 69,458 million yen -8.0%, 3Q FY2015: 75,504 million yen -4.7%)

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

	Net income per share (basic)	Net income per share (diluted)
	Yen	Yen
9 months ended Dec. 31, 2016	106.82	101.31
9 months ended Dec. 31, 2015	158.53	157.44

(2) Changes in Financial Positions

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
Dec. 31, 2016	4,067,809	738,074	16.7
Mar. 31, 2016	4,152,436	684,393	15.2

(Reference) Shareholders' Equity (December 31, 2016: 679,752 million yen, March 31, 2016: 629,637 million yen)

2. Dividends

	Cash dividends per share				
	1Q	2Q	3Q	Year-end	Annual total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2016	-	10.00	-	15.00	25.00
Year ending Mar. 31, 2017	-	15.00	-		
Year ending Mar. 31, 2017 (forecast)				20.00	35.00

(Note) Forecasts revision of dividends from the latest forecasts: Forecasts have been revised.

3. Business Results Forecast for Consolidated FY2016 (Year ending March 31, 2017)

	Operating revenue		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share (basic)
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY2016	1,920,000	(8.4)	132,000	(30.4)	105,000	(31.2)	70,000	(28.1)	140.22

(Note) Forecasts revision of consolidated results from the latest forecasts: Forecasts have been revised.

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

(Reference) Business Results Forecast for Non-consolidated FY2016 (Year ending March 31, 2017)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY2016	1,730,000	(7.4)	105,000	(33.0)	83,000	(30.8)	60,000	(24.9)	120.19

(Note) Forecasts revision of non-consolidated results from latest forecasts: Forecasts have been revised.
Percentage figures represent changes as compared to the same period of the previous year.

QUARTERLY CONSOLIDATED BALANCE SHEETS (Unaudited)

Third Quarter FY2016 (As of December 31, 2016) and FY2015 (As of March 31, 2016)

Assets	(Millions of yen)	
Item	December 31, 2016	March 31, 2016
Non-current assets:	3,431,007	3,502,722
Electric utility plant and equipment:	2,481,341	2,489,604
Hydroelectric power production facilities	173,592	171,468
Thermal power production facilities	389,959	375,576
Nuclear power production facilities	245,698	266,109
Transmission facilities	629,888	639,074
Transformation facilities	245,114	242,528
Distribution facilities	638,901	635,332
General facilities	106,153	103,151
Other electric utility plant and equipment	52,033	56,364
Other non-current assets	208,758	212,888
Construction in progress:	252,433	247,138
Construction and retirement in progress	252,433	247,138
Nuclear fuel:	145,970	144,621
Loaded nuclear fuel	34,729	34,729
Nuclear fuel in processing	111,240	109,891
Investments and other assets:	342,503	408,470
Long-term investments	114,791	93,556
Reserve fund for reprocessing of irradiated nuclear fuel	-	69,340
Net defined benefit asset	1,905	2,179
Deferred tax assets	123,394	139,396
Other	104,366	104,582
Allowance for doubtful accounts	(1,955)	(585)
Current assets:	636,802	649,713
Cash and deposits	167,246	218,114
Notes and accounts receivable - trade	198,096	204,042
Inventories	73,693	68,747
Deferred tax assets	61,301	61,501
Other	137,023	99,312
Allowance for doubtful accounts	(560)	(2,004)
Assets	4,067,809	4,152,436

Liabilities and net assets

(Millions of yen)

Item	December 31, 2016	March 31, 2016
Non-current liabilities:	2,508,229	2,599,296
Bonds payable	800,298	760,469
Long-term loans payable	1,325,402	1,356,192
Provision for reprocessing of irradiated nuclear fuel	-	73,362
Provision for preparation of reprocessing of irradiated nuclear fuel	-	15,214
Reserve for restoration costs of natural disaster	5,052	5,245
Net defined benefit liability	185,064	191,027
Asset retirement obligations	119,636	118,233
Deferred tax liabilities for land revaluation	1,427	1,436
Other	71,346	78,114
Current liabilities:	821,506	868,746
Current portion of non-current liabilities	311,127	328,231
Short-term loans payable	1,650	34,274
Notes and accounts payable - trade	138,286	155,775
Accrued taxes	18,086	39,455
Reserve for restoration costs of natural disaster	191	440
Other	352,163	310,569
Liabilities	3,329,735	3,468,042
Shareholders' equity:	700,160	661,733
Capital stock	251,441	251,441
Capital surplus	26,553	26,536
Retained earnings	429,113	390,843
Treasury shares	(6,946)	(7,087)
Accumulated other comprehensive income:	(20,408)	(32,096)
Valuation difference on available-for-sale securities	7,907	3,979
Deferred losses on hedges	(1,293)	(2,754)
Revaluation reserve for land	(1,110)	(1,128)
Foreign currency translation adjustments	331	561
Remeasurements of defined benefit plans	(26,243)	(32,753)
Subscription rights to shares	879	736
Non-controlling interests	57,442	54,019
Net assets	738,074	684,393
Liabilities and net assets	4,067,809	4,152,436

QUARTERLY CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

Third Quarter FY2016 (Nine months ended December 31, 2016) and Third Quarter FY2015 (Nine months ended December 31, 2015)

Item	(Millions of yen)	
	Nine months ended December 31,	
	2016	2015
Operating revenue:	1,401,782	1,522,237
Electric utility operating revenue	1,243,328	1,354,684
Other business operating revenue	158,454	167,553
Operating expenses:	1,297,133	1,380,741
Electric utility operating expenses	1,153,688	1,227,426
Other business operating expenses	143,444	153,314
Operating income	104,649	141,495
Non-operating income:	3,375	8,131
Dividend income	607	639
Interest income	766	1,434
Share of profit of entities accounted for using equity method	-	2,259
Other	2,002	3,797
Non-operating expenses:	25,908	31,792
Interest expenses	18,719	25,893
Share of loss of entities accounted for using equity method	402	-
Other	6,786	5,899
Ordinary revenue	1,405,158	1,530,368
Ordinary expenses	1,323,041	1,412,534
Ordinary income	82,116	117,834
Income before income taxes	82,116	117,834
Income taxes - current	12,846	15,065
Income taxes - deferred	11,722	19,406
Income taxes	24,568	34,472
Net income	57,547	83,362
Net income attributable to non-controlling interests	4,221	4,248
Net income attributable to owners of parent	53,326	79,114

QUARTERLY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

Third Quarter FY2016 (Nine months ended December 31, 2016) and Third Quarter FY2015 (Nine months ended December 31, 2015)

Item	(Millions of yen)	
	Nine months ended December 31,	
	2016	2015
Net income	57,547	83,362
Other comprehensive income:		
Valuation difference on available-for-sale securities	4,002	1,054
Deferred gains or losses on hedges	1,460	(184)
Foreign currency translation adjustments	(230)	59
Remeasurements of defined benefit plans	6,675	(8,790)
Share of other comprehensive income of entities accounted for using equity method	2	1
Other comprehensive income	11,910	(7,858)
Comprehensive income	69,458	75,504
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	64,995	71,190
Comprehensive income attributable to non-controlling interests	4,463	4,313

(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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