

# Tohoku Electric Power Co., Inc.

## Summary of Quarterly Financial Statements (Unaudited)

(April 1, 2017 - December 31, 2017)

Information below is an English translation of the "Unaudited Quarterly Financial Release" for nine months ended December 31, 2017, 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 FY2017 (Nine months ended December 31, 2017)

#### (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, 2017	1,479,934	5.6	79,730	(23.8)	67,157	(18.2)	42,834	(19.7)
9 months ended Dec. 31, 2016	1,401,782	(7.9)	104,649	(26.0)	82,116	(30.3)	53,326	(32.6)

(Note) Comprehensive income (3Q FY2017: 58,065 million yen -16.4%, 3Q FY2016: 69,458 million yen -8.0%)  
 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, 2017	85.83	81.32
9 months ended Dec. 31, 2016	106.82	101.31

#### (2) Changes in Financial Positions

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
Dec. 31, 2017	4,119,601	792,802	17.7
Mar. 31, 2017	4,145,928	755,624	16.8

(Reference) Shareholders' Equity (December 31, 2017: 729,661 million yen, March 31, 2017: 694,680 million yen)

### 2. Dividend

	Cash dividend per share				
	1Q	2Q	3Q	Year-end	Annual total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2017	-	15.00	-	20.00	35.00
Year ending Mar. 31, 2018	-	20.00	-		
Year ending Mar. 31, 2018 (forecast)				20.00	40.00

(Note) Forecasts revision of dividend from the latest forecasts: None

### 3. Business Results Forecast for Consolidated FY2017 (Year ending March 31, 2018)

	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
FY2017	2,070,000	6.2	112,000	(14.1)	90,000	(14.0)	60,000	(14.2)	120.22

(Note) Forecast revision of consolidated results from the latest forecast: None  
 Percentage figures represent changes as compared to the same period of the previous year.

**(Reference) Business Results Forecast for Non-consolidated FY2017 (Year ending March 31, 2018)**

	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
FY2017	1,880,000	8.1	89,000	(11.1)	70,000	(13.0)	50,000	(16.5)	100.18

(Note) Forecast revision of non-consolidated results from latest forecast: None  
Percentage figures represent changes as compared to the same period of the previous year.

**QUARTERLY CONSOLIDATED BALANCE SHEETS (Unaudited)**

Third Quarter FY2017 (As of December 31, 2017) and FY2016 (As of March 31, 2017)

<b>Assets</b>	(Millions of yen)	
Item	December 31, 2017	March 31, 2017
Non-current assets:	3,483,335	3,475,412
Electric utility plant and equipment:	2,470,248	2,480,118
Hydroelectric power production facilities	180,287	174,905
Thermal power production facilities	360,532	379,748
Nuclear power production facilities	232,106	245,014
Transmission facilities	630,621	626,091
Transformation facilities	251,946	245,381
Distribution facilities	653,397	645,856
General facilities	112,197	111,966
Other electric utility plant and equipment	49,157	51,154
Other non-current assets	207,652	211,651
Construction in progress:	305,147	291,234
Construction and retirement in progress	305,147	291,234
Nuclear fuel:	159,074	149,201
Loaded nuclear fuel	34,729	34,729
Nuclear fuel in processing	124,344	114,471
Investments and other assets:	341,212	343,207
Long-term investments	115,958	113,134
Net defined benefit asset	2,690	2,723
Deferred tax assets	115,788	123,889
Other	107,135	105,165
Allowance for doubtful accounts	(360)	(1,706)
Current assets:	636,265	670,515
Cash and deposits	155,440	224,112
Notes and accounts receivable - trade	211,832	197,259
Inventories	78,488	62,911
Deferred tax assets	55,383	59,105
Other	135,557	127,575
Allowance for doubtful accounts	(435)	(450)
<b>Assets</b>	<b>4,119,601</b>	<b>4,145,928</b>

**Liabilities and net assets**

(Millions of yen)

Item	December 31, 2017	March 31, 2017
<b>Non-current liabilities:</b>	<b>2,402,859</b>	<b>2,547,870</b>
Bonds payable	810,206	800,240
Long-term loans payable	1,222,070	1,368,116
Reserve for restoration costs of natural disaster	5,034	5,034
Net defined benefit liability	179,124	185,287
Asset retirement obligations	121,455	119,410
Deferred tax liabilities for land revaluation	1,412	1,426
Other	63,555	68,353
<b>Current liabilities:</b>	<b>923,099</b>	<b>842,433</b>
Current portion of non-current liabilities	368,849	262,665
Notes and accounts payable - trade	117,527	131,688
Accrued taxes	29,631	24,235
Other advances	245,870	239,789
Reserve for restoration costs of natural disaster	290	376
Other	160,929	183,677
<b>Reserve:</b>	<b>839</b>	<b>-</b>
Reserve for fluctuation in water levels	839	-
<b>Liabilities</b>	<b>3,326,798</b>	<b>3,390,303</b>
<b>Shareholders' equity:</b>	<b>739,217</b>	<b>716,226</b>
Capital stock	251,441	251,441
Capital surplus	26,534	26,558
Retained earnings	468,337	445,547
Treasury shares	(7,095)	(7,320)
<b>Accumulated other comprehensive income:</b>	<b>(9,555)</b>	<b>(21,546)</b>
Valuation difference on available-for-sale securities	8,983	6,462
Deferred losses on hedges	(1,220)	(1,883)
Revaluation reserve for land	(955)	(940)
Foreign currency translation adjustments	898	186
Remeasurements of defined benefit plans	(17,261)	(25,371)
Subscription rights to shares	957	879
Non-controlling interests	62,183	60,064
<b>Net assets</b>	<b>792,802</b>	<b>755,624</b>
<b>Liabilities and net assets</b>	<b>4,119,601</b>	<b>4,145,928</b>

**QUARTERLY CONSOLIDATED STATEMENTS OF INCOME (Unaudited)**

Third Quarter FY2017 (Nine months ended December 31, 2017) and Third Quarter FY2016 (Nine months ended December 31, 2016)

Item	(Millions of yen)	
	Nine months ended December 31,	
	2017	2016
Operating revenue:	1,479,934	1,401,782
Electric utility operating revenue	1,331,006	1,243,328
Other business operating revenue	148,928	158,454
Operating expenses:	1,400,204	1,297,133
Electric utility operating expenses	1,262,614	1,153,688
Other business operating expenses	137,590	143,444
Operating income	79,730	104,649
Non-operating income:	5,707	3,375
Dividend income	713	607
Interest income	192	766
Share of profit of entities accounted for using equity method	1,705	-
Other	3,095	2,002
Non-operating expenses:	18,280	25,908
Interest expenses	16,506	18,719
Share of loss of entities accounted for using equity method	-	402
Other	1,774	6,786
Ordinary revenue	1,485,642	1,405,158
Ordinary expenses	1,418,485	1,323,041
Ordinary income	67,157	82,116
Provision or reversal of reserve for fluctuation in water levels:	839	-
Provision of reserve for fluctuation in water levels	839	-
Income before income taxes	66,317	82,116
Income taxes - current	12,968	12,846
Income taxes - deferred	7,521	11,722
Income taxes	20,490	24,568
Net income	45,827	57,547
Net income attributable to non-controlling interests	2,992	4,221
Net income attributable to owners of parent	42,834	53,326

**QUARTERLY CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)**

Third Quarter FY2017 (Nine months ended December 31, 2017) and Third Quarter FY2016 (Nine months ended December 31, 2016)

Item	(Millions of yen)	
	Nine months ended December 31,	
	2017	2016
Net income	45,827	57,547
Other comprehensive income:		
Valuation difference on available-for-sale securities	2,590	4,002
Deferred gains or losses on hedges	662	1,460
Foreign currency translation adjustments	711	(230)
Remeasurements of defined benefit plans	8,272	6,675
Share of other comprehensive income of entities accounted for using equity method	0	2
Other comprehensive income	12,238	11,910
Comprehensive income	58,065	69,458
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	54,839	64,995
Comprehensive income attributable to non-controlling interests	3,225	4,463

**(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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