

January 27, 2012

Financial Results for the Third Quarter of Fiscal 2011

Tohoku Electric Power Co., Inc. (hereinafter, Tohoku EPCO), today registered a summary of its financial statements for the first through the third quarters (from April 1, 2011 to December 31, 2011) on the Tokyo Stock Exchange's TDnet (Timely Disclosure Network).

【Consolidated operating revenues】

Consolidated operating revenues were ¥1,161.6 billion (a year-on-year decrease of ¥86.4 billion, or a 6.9 % decrease), and ordinary revenue were ¥1,167.5 billion (a year-on-year decrease of ¥87.4 billion, or a 7.0 % decrease) due to the decrease in electricity sales by Tohoku EPCO.

With respect to expenses, despite the decrease in maintenance cost, ordinary expenses stood at ¥1,301.4 billion (a year-on-year increase of ¥141.5 billion, or a 12.2 % increase) due to the great increase in fuel expenses for thermal power caused by the shutdown of nuclear power stations.

As a result, consolidated ordinary loss was ¥133.9 billion.(a year-on-year decrease of ¥228.9 billion)

And we also posted extraordinary loss of ¥90.6 billion, which consisted of contingent loss and restoration costs of facilities, due to the Great East Japan Earthquake and the heavy rainfall in Niigata and Fukushima. As a result, consolidated net loss was ¥167.7 billion.(a year-on-year decrease of ¥218.5 billion)

【Electric power sold by Tohoku EPCO】

Electric power sold totaled 53.0 billion kWh(a year-on-year a 13.1% decrease) because of the Great East Japan Earthquake, customers' cooperation for saving electricity and reaction from heat wave in last summer.

【Fiscal 2011 earning estimates】

Although earnings estimates for fiscal 2011 had not been determined because it was difficult to reasonably assess the earnings forecast due to uncertainty of both aspects of supply and demand resulted from the Great East Japan Earthquake, we have announced the earnings estimates based on the 3rd quarter earnings of FY2011, the current supply-demand situation, and trends in revenue and expenditure.

Consolidated operating revenues will be ¥1,630 billion (a year-on-year a 4.6% decrease). Because electricity sales will be decreased due to the Great East Japan Earthquake.

And maintenance and overhead costs will be decreased due to the measure of the thoroughgoing cost reduction by stopping or changing scheduled constructions and measures except restoration from the Great East Japan Earthquake. But fuel expenses for thermal power will be increased drastically caused by the shutdown of nuclear power stations and damaged power stations. As a result, consolidated ordinary loss will be ¥200 billion.

And consolidated net income loss will be ¥250 billion, adding extraordinary loss consisted of contingent loss and restoration costs for damaged facilities.

(Consolidated)

(billions of yen)

	Operating revenues	Operating income	Ordinary income	Net income
Fiscal 2011 earning Estimates	1,630.0	(170.0)	(200.0)	(250.0)
(Ref.)FY2010 Actual Results	1,708.7	114.6	80.2	(33.7)

(Non-Consolidated)

(billions of yen)

	Operating revenues	Operating income	Ordinary Income	Net income
Fiscal 2011 earning Estimates	1,450.0	(175.0)	(200.0)	(240.0)
(Ref.)FY2010 Actual Results	1,551.5	96.9	62.8	(33.1)

(Major Factors)

	Fiscal 2011 earning Estimates
Electric Power Sales (billion kWh)	Approx. 74.1
Crude Oil CIF Price (\$/bbl)	Approx. 112
Exchange Rate (¥/\$)	Approx. 79

【Dividend】

The year-end dividend in the 2011 fiscal year had not been determined for the past. And now fiscal 2011 earning estimates anticipate the largest ordinary loss and net loss since Tohoku EPCO was established. In view of the severe prospect, the year-end dividend in the 2011 fiscal year plans "non-dividend"

【Effort for cost reduction】

In view of the severe financial condition, we are making every effort to reduce cost today.

Under “the conference for the further increase in efficiency” directed by the President, we are stopping or changing scheduled constructions and measures except for the post-earthquake restoration cost. And we will achieve approx. ¥90 billion cost reduction in all. Breakdown of the cost reduction is as below.

- Maintenance: approx. ¥61 billion
- Overhead costs: approx. ¥29 billion

We will make efforts to recover damaged facilities as soon as possible, and reduce costs for early stabilization of the current account balance with our group companies.

Tohoku Electric Power Co., Inc.

Summary of Quarterly Financial Statements (Unaudited)

(April 1, 2011 - December 31, 2011)

Information below is an English translation of the "Unaudited Quarterly Financial Release" for nine months ended December 31, 2011, 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)

1-7-1 Honcho, Aoba-ku, Sendai, Miyagi, Japan (URL : <http://www.tohoku-epco.co.jp>)

Representative : Makoto Kaiwa, President

Tel : +81-22-225-2111

(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 FY 2011(Nine months ended December 31, 2011)

(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	%
9 months ended Dec. 31, 2011	1,161,600	(6.9)	(106,234)	-	(133,901)	-	(167,716)	-
9 months ended Dec. 31, 2010	1,248,071	4.5	120,771	74.8	95,019	152.1	50,799	100.3
	Net income per share		Diluted net income per share					
	Yen		Yen					
9 months ended Dec. 31, 2011	(336.41)		-					
9 months ended Dec. 31, 2010	101.90		101.88					

(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
	Millions of yen	Millions of yen	%
Dec. 31, 2011	4,053,522	697,465	16.0
Mar. 31, 2011	4,028,861	876,488	20.5

2. Dividends

	Cash dividends per share				
	1Q	2Q	3Q	Year-end	Annual total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2011	-	30.00	-	20.00	50.00
Year ending Mar. 31, 2012	-	0.00	-		
Year ending Mar. 31, 2012 (forecast)				0.00	0.00

3. Business Results Forecast for Consolidated FY 2011(Year ending March 31, 2012)

	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 2011	1,630,000	(4.6)	(170,000)	-	(200,000)	-	(250,000)	-	(501.45)

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

(Reference)

Business Results Forecast for Non-Consolidated FY 2011 (Year ending March 31, 2012)

	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 2011	1,450,000	(6.5)	(175,000)	-	(200,000)	-	(240,000)	-	(481.39)

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

CONSOLIDATED BALANCE SHEETS (Unaudited)

Third Quarter FY 2011 (As of December 31, 2011) and FY 2010 (As of March 31, 2011)

Assets	(Millions of yen)	
Item	December 31, 2011	March 31, 2011
Fixed assets (property, plant and equipment):	3,635,599	3,591,804
Electric utility fixed assets:	2,542,776	2,424,229
Hydro power plant	168,107	166,553
Thermal power plant	277,178	289,240
Nuclear power plant	364,128	384,096
Transmission plant	719,978	597,955
Transformation plant	249,873	243,377
Distribution plant	619,221	612,482
General plant	103,845	103,268
Other	40,443	27,254
Other fixed assets	229,344	234,374
Construction work in progress	192,044	308,642
Nuclear fuel:	153,170	152,325
Loaded nuclear fuel	34,729	27,746
Nuclear fuel under processing	118,440	124,579
Investments in and advances to:	518,262	472,232
Long-term investments	92,276	96,644
Fund for reprocessing costs of irradiated nuclear fuel	99,248	106,506
Deferred tax assets	224,464	166,209
Other	103,157	103,836
Allowance for doubtful accounts	(883)	(965)
Current assets:	417,923	437,056
Cash and deposits	104,757	168,632
Trade notes receivable and accounts receivable	136,921	118,681
Inventories	87,865	72,719
Deferred tax assets	32,939	25,991
Other	56,255	51,924
Allowance for doubtful accounts	(816)	(892)
Total assets	4,053,522	4,028,861

Liabilities and net assets

(Millions of yen)

Item	December 31, 2011	March 31, 2011
Fixed liabilities:	2,378,332	2,317,977
Bonds	1,063,717	1,183,701
Long-term debt	686,232	551,834
Accrued retirement benefits	226,999	221,074
Reserve for reprocessing costs of irradiated nuclear fuel	104,938	110,441
Pre-reserve for reprocessing costs of irradiated nuclear fuel	12,880	12,505
Reserve for loss on disaster	69,611	13,427
Asset retirement obligations	127,568	125,411
Deferred tax liabilities on revaluation adjustments for land	1,936	2,283
Other	84,446	97,298
Current liabilities:	977,724	834,090
Current portion of long-term debt	229,863	228,098
Short-term borrowings	123,330	55,090
Trade notes and accounts payable	142,495	131,788
Accrued income taxes	15,214	19,988
Reserve for loss on disaster	93,745	88,546
Other	373,076	310,578
Reserve:	-	304
Reserve for fluctuation in water levels	-	304
Total liabilities	3,356,056	3,152,372
Shareholders' equity:	651,820	829,407
Common stock	251,441	251,441
Capital surplus	26,686	26,701
Retained earnings	381,999	559,633
Treasury stock, at cost	(8,306)	(8,369)
Accumulated other comprehensive income:	(4,523)	(2,078)
Net unrealized holding loss on securities	(1,901)	(516)
Revaluation adjustments for land	(1,351)	(1,430)
Foreign currency translation adjustments	(1,271)	(131)
Subscription rights to shares	448	265
Minority interests in consolidated subsidiaries	49,720	48,893
Total net assets	697,465	876,488
Total liabilities and net assets	4,053,522	4,028,861

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

Third Quarter FY 2011 (Nine months ended December 31, 2011) and Third Quarter FY 2010 (Nine months ended December 31, 2010)

Item	(Millions of yen)	
	Nine Months Ended December 31,	
	2011	2010
Operating revenues:	1,161,600	1,248,071
Electric power	1,021,005	1,133,701
Other	140,595	114,369
Operating expenses:	1,267,834	1,127,299
Electric power	1,133,766	1,018,221
Other	134,068	109,078
Operating (loss) income	(106,234)	120,771
Other income:	5,937	6,871
Dividends income	743	849
Interest income	1,491	1,497
Gain from sales of fixed assets	257	47
Equity in earnings of affiliates	-	1,482
Other	3,445	2,995
Other expenses:	33,605	32,623
Interest expense	29,007	29,948
Other	4,598	2,674
Total amount of revenues	1,167,538	1,254,942
Total amount of expenses	1,301,440	1,159,923
Ordinary (loss) income	(133,901)	95,019
Special item:	(304)	225
(Reversal of) Provision for reserve for fluctuation in water levels	(304)	225
Extraordinary loss:	90,608	9,853
Contingent loss	750	-
Loss of disaster	89,858	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	6,554
Loss on valuation of securities	-	3,299
(Loss) income before income taxes and minority interests	(224,205)	84,940
Current income taxes	6,913	30,049
Deferred income taxes	(64,877)	4,035
Total amount of income taxes	(57,963)	34,084
(Loss) income before minority interests	(166,242)	50,855
Minority interests in earnings of consolidated subsidiaries	1,474	55
Net (loss) income	(167,716)	50,799

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

Third Quarter FY 2011 (Nine months ended December 31, 2011) and Third Quarter FY 2010 (Nine months ended December 31, 2010)

Item	(Millions of yen)	
	Nine Months Ended December 31,	
	2011	2010
(Loss) income before minority interests	(166,242)	50,855
Other comprehensive income:		
Valuation difference on available-for-sale securities	(1,419)	(1,962)
Revaluation adjustments for land	273	-
Foreign currency translation adjustment	(1,139)	(510)
Share of other comprehensive income of associates accounted for using equity method	(1)	(1)
Total other comprehensive income	(2,287)	(2,473)
Comprehensive income:	(168,529)	48,381
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(169,995)	48,362
Comprehensive income attributable to minority interests	1,465	19

(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.