

July 27, 2012

## **Financial Results for the First Quarter of Fiscal 2012**

Tohoku Electric Power Co., Inc. (hereinafter, Tohoku EPCO), today registered a summary of its financial statements for the first quarter (from April 1, 2012 to June 30, 2012) on the Tokyo Stock Exchange's TDnet (Timely Disclosure Network).

### **【Consolidated financial results】**

Consolidated operating revenues were ¥407.6 billion (a year-on-year increase of ¥60.4 billion, or a 17.4 % increase), and ordinary revenue were ¥409.1 billion (a year-on-year increase of ¥58.2 billion, or a 16.6 % increase).

With respect to expenses, while effort of all our companies of our group to maximally drive down costs decreased repair, labor and overhead costs, boost in expense for fuel and purchased power increased by ¥51.9 billion or 14.0% from a year earlier to ¥421.9 billion.

As a result, consolidated ordinary loss was ¥12.8 billion (a year-on-year decrease of ¥6.3 billion), consolidated net loss was ¥12.0 billion (a year-on-year decrease of ¥4.6 billion)

### **【Electric power sold by Tohoku EPCO】**

Electric power sold totaled 18.3 billion kWh (a year-on-year a 9.8% increase) because of a reaction from a significant drop caused by the Great East Japan Earthquake last year.

# Tohoku Electric Power Co., Inc.

## Summary of Quarterly Financial Statements (Unaudited)

(April 1, 2012 - June 30, 2012)

Information below is an English translation of the "Unaudited Quarterly Financial Release" for three months ended June 30, 2012, 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 First Quarter Period in FY 2012 (Three months ended June 30, 2012)

#### (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, 2012	407,629	17.4	(342)	-	(12,805)	-	(12,015)	-
3 months ended Jun. 30, 2011	347,229	(11.8)	(11,798)	-	(19,134)	-	(16,691)	-

  

	Net income per share	Diluted net income per share
	Yen	Yen
3 months ended Jun. 30, 2012	(24.10)	-
3 months ended Jun. 30, 2011	(33.48)	-

(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	%
Jun. 30, 2012	4,053,378	613,268	14.1
Mar. 31, 2012	4,196,826	629,832	13.9

### 2. Dividends

	Cash dividends per share				
	1Q	2Q	3Q	Year-end	Annual total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2012	-	0.00	-	0.00	0.00
Year ending Mar. 31, 2013	-				
Year ending Mar. 31, 2013 (forecast)		-	-	-	-

### 3. Business Results Forecast for Consolidated FY 2012 (Year ending March 31, 2013)

Consolidated earnings estimates for the year ending March 31, 2013 have yet to be determined at this time, because it is difficult to reasonably assess the estimates. These estimates will be promptly disclosed as soon as they are determined.

**CONSOLIDATED BALANCE SHEETS (Unaudited)**

First Quarter FY 2012 (As of June 30, 2012) and FY 2011 (As of March 31, 2012)

**Assets**

(Millions of yen)

Item	June 30, 2012	March 31, 2012
Fixed assets (property, plant and equipment):	3,581,154	3,608,063
Electric utility fixed assets:	2,545,351	2,529,553
Hydro power plant	165,811	167,993
Thermal power plant	266,175	272,768
Nuclear power plant	351,571	360,350
Transmission plant	705,926	711,758
Transformation plant	245,068	247,717
Distribution plant	622,358	624,200
General plant	99,545	101,247
Other	88,895	43,516
Other fixed assets	229,616	232,582
Construction work in progress	186,137	217,107
Nuclear fuel:	145,435	153,167
Loaded nuclear fuel	34,729	34,729
Nuclear fuel under processing	110,705	118,437
Investments in and advances to:	474,614	475,652
Long-term investments	91,354	94,581
Fund for reprocessing costs of irradiated nuclear fuel	96,725	99,609
Deferred tax assets	180,841	174,748
Other	106,668	107,827
Allowance for doubtful accounts	(975)	(1,114)
Current assets:	472,223	588,762
Cash and deposits	102,986	141,669
Trade notes receivable and accounts receivable	129,564	152,283
Inventories	84,342	77,298
Deferred tax assets	66,666	71,525
Other	89,283	146,725
Allowance for doubtful accounts	(619)	(740)
Total assets	4,053,378	4,196,826

**Liabilities and net assets**

(Millions of yen)

Item	June 30, 2012	March 31, 2012
Fixed liabilities:	2,672,504	2,676,778
Bonds	1,148,725	1,123,721
Long-term debt	927,955	952,622
Accrued retirement benefits	228,302	228,734
Reserve for reprocessing costs of irradiated nuclear fuel	101,717	103,535
Pre-reserve for reprocessing costs of irradiated nuclear fuel	13,135	13,005
Reserve for loss on disaster	45,948	45,948
Asset retirement obligations	129,157	128,419
Deferred tax liabilities on revaluation adjustments for land	1,784	1,852
Other	75,778	78,939
Current liabilities:	767,605	890,214
Current portion of long-term debt	221,889	253,606
Short-term borrowings	83,715	111,980
Trade notes and accounts payable	117,906	169,836
Accrued income taxes	14,946	26,145
Reserve for loss on disaster	40,866	44,717
Other	288,281	283,927
<b>Total liabilities</b>	<b>3,440,109</b>	<b>3,566,993</b>
Shareholders' equity:	575,463	587,570
Common stock	251,441	251,441
Capital surplus	26,685	26,685
Retained earnings	305,646	317,751
Treasury stock, at cost	(8,308)	(8,308)
Accumulated other comprehensive income:	(5,022)	(2,660)
Net unrealized holding loss on securities	(1,416)	(704)
Net deferred hedge loss	(1,059)	-
Revaluation adjustments for land	(1,210)	(1,300)
Foreign currency translation adjustments	(1,335)	(655)
Subscription rights to shares	448	448
Minority interests in consolidated subsidiaries	42,378	44,474
<b>Total net assets</b>	<b>613,268</b>	<b>629,832</b>
<b>Total liabilities and net assets</b>	<b>4,053,378</b>	<b>4,196,826</b>

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

First Quarter FY 2012 (Three months ended June 30, 2012) and First Quarter FY 2011 (Three months ended June 30, 2011)

Item	(Millions of yen)	
	Three Months Ended June 30,	
	2012	2011
Operating revenues:	407,629	347,229
Electric power	357,832	309,905
Other	49,796	37,324
Operating expenses:	407,971	359,027
Electric power	356,052	323,373
Other	51,919	35,653
Operating loss	(342)	(11,798)
Other income:	1,487	3,635
Dividends income	292	423
Interest income	449	478
Gain from sales of fixed assets	100	1
Equity in earnings of affiliates	-	1,337
Other	645	1,394
Other expenses:	13,950	10,971
Interest expense	10,166	9,562
Other	3,783	1,408
Total amount of revenues	409,116	350,864
Total amount of expenses	421,922	369,998
Ordinary loss	(12,805)	(19,134)
Special item:	-	1,235
Provision for reserve for fluctuation in water levels	-	1,235
Extraordinary loss:	-	1,782
Loss on valuation of securities	-	1,782
Loss before income taxes and minority interests	(12,805)	(22,152)
Current income taxes	1,138	1,134
Deferred income taxes	(430)	(6,932)
Total amount of income taxes	708	(5,797)
Loss before minority interests	(13,513)	(16,355)
Minority interests in (loss) earnings of consolidated subsidiaries	(1,497)	335
Net loss	(12,015)	(16,691)

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

First Quarter FY 2012 (Three months ended June 30, 2012) and First Quarter FY 2011 (Three months ended June 30, 2011)

Item	(Millions of yen)	
	Three Months Ended June 30,	
	2012	2011
Loss before minority interests	(13,513)	(16,355)
Other comprehensive income:		
Valuation difference on available-for-sale securities	(733)	(83)
Net deferred hedge loss	(1,059)	-
Foreign currency translation adjustment	(680)	(14)
Share of other comprehensive income of associates accounted for using equity method	(0)	(0)
Total other comprehensive income	(2,473)	(98)
Comprehensive income:	(15,987)	(16,453)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(14,467)	(16,767)
Comprehensive income attributable to minority interests	(1,519)	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.

Tohoku Electric Power Co., Inc. hereby disclaim any responsibility or liability in relation to consequences resulting from decisions made by investors.