



TOHOKU ELECTRIC POWER CO., INC.

January 30, 2014

Financial Results for the Third Quarter of Fiscal 2013

Tohoku Electric Power Co., Inc. (the “Company”) today submitted a summary of its financial statements for the third quarter (from April 1, 2013 to December 31, 2013) on Tokyo Stock Exchange.

【Consolidated financial results】

Despite the decrease in electricity sales, revenue from electricity sales increased due to the effect of rate revision and fuel cost adjustment charges, and revenue from inter-company power sales increased. As a result, operating revenues were ¥1,425.8 billion (a year-on-year increase of ¥151.3 billion, or a 11.9% increase), and ordinary revenues were ¥1,433.0 billion (a year-on-year increase of ¥151.0 billion, or a 11.8% increase).

With respect to expenses, because of the increase in fuel cost and depreciation cost, ordinary expenses were ¥1,423.5 billion (a year-on-year increase of ¥85.7 billion, or a 6.4% increase).

Consequently, ordinary income was ¥9.4 billion, an increase of ¥65.2 billion over the same period of the previous fiscal year.

Since the Company booked an extraordinary gain of ¥16.2 billion in accordance with the revision of retirement benefit plan, net income was ¥13.1 billion, an increase of ¥69.2 billion over the same period of the previous fiscal year.

【Electric power sold by Tohoku EPCO】

While reconstruction demand increased, air conditioning demand decreased because of this summer's lower temperature than the previous year, so our electricity sales were 55.2 TWh, a 1.1% decrease from the year-earlier levels.

Tohoku Electric Power Co., Inc.

Summary of Quarterly Financial Statements (Unaudited)

(April 1, 2013 - December 31, 2013)

Information below is an English translation of the "Unaudited Quarterly Financial Release" for nine months ended December 31, 2013, 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 FY 2013 (Nine months ended December 31, 2013)

(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, 2013	1,425,863	11.9	38,945	-	9,480	-	13,108	-
9 months ended Dec. 31, 2012	1,274,557	9.7	(25,248)	-	(55,789)	-	(56,188)	-

	Net income per share	Diluted net income per share
	Yen	Yen
9 months ended Dec. 31, 2013	26.29	26.25
9 months ended Dec. 31, 2012	(112.69)	-

(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, 2013	4,154,003	537,783	12.1
Mar. 31, 2013	4,284,371	522,714	11.3

2. Dividends

	Cash dividends per share				
	1Q	2Q	3Q	Year-end	Annual total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2013	-	0.00	-	0.00	0.00
Year ending Mar. 31, 2014	-	0.00	-		
Year ending Mar. 31, 2014 (forecast)				-	-

(Note) Dividend forecasts for the year ending March 31, 2014 have yet to be determined at this time.

3. Business Results Forecast for Consolidated FY 2013 (Year ending March 31, 2014)

	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
FY2013	2,010,000	12.1	58,000	-	16,000	-	15,000	-	30.08

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

(Reference) Business Results Forecast for Non-Consolidated FY 2013 (Year ending March 31, 2014)

	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 2013	1,830,000	15.0	65,000	—	25,000	—	26,000	—	52.13

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

CONSOLIDATED BALANCE SHEETS (Unaudited)

Third Quarter FY 2013 (As of December 31, 2013) and FY 2012 (As of March 31, 2013)

Assets

(Millions of yen)

Item	December 31, 2013	March 31, 2013
Fixed assets (property, plant and equipment):	3,552,671	3,645,163
Electric utility fixed assets:	2,507,775	2,570,288
Hydro power plant	173,738	165,797
Thermal power plant	311,626	298,296
Nuclear power plant	304,896	347,208
Internal combustion power plant	73,067	81,597
Transmission plant	666,916	688,165
Transformation plant	241,314	244,150
Distribution plant	618,622	621,604
General plant	95,293	101,447
Other	22,298	22,019
Other fixed assets	213,477	221,233
Construction work in progress	185,549	189,377
Construction and retirement in progress	185,549	189,377
Nuclear fuel:	154,161	147,412
Loaded nuclear fuel	34,729	34,729
Nuclear fuel under processing	119,431	112,682
Investments in and advances to:	491,707	516,852
Long-term investments	99,762	100,204
Fund for reprocessing costs of irradiated nuclear fuel	85,926	92,334
Deferred tax assets	200,336	209,096
Other	106,225	115,980
Allowance for doubtful accounts	(544)	(763)
Current assets:	601,332	639,207
Cash and deposits	124,658	144,186
Trade notes receivable and accounts receivable	172,185	160,733
Inventories	90,705	77,461
Deferred tax assets	58,761	62,346
Other	155,787	195,264
Allowance for doubtful accounts	(765)	(784)
Total assets	4,154,003	4,284,371

Liabilities and net assets

(Millions of yen)

Item	December 31, 2013	March 31, 2013
Fixed liabilities:	2,868,454	2,918,413
Bonds	1,107,456	1,083,736
Long-term debt	1,274,148	1,273,185
Accrued retirement benefits	188,280	223,582
Reserve for reprocessing costs of irradiated nuclear fuel	90,853	96,283
Pre-reserve for reprocessing costs of irradiated nuclear fuel	13,931	13,525
Reserve for loss on disaster	7,879	22,915
Asset retirement obligations	114,596	133,031
Deferred tax liabilities on revaluation adjustments for land	1,699	1,710
Other	69,608	70,442
Current liabilities:	747,765	843,243
Current portion of long-term debt	238,121	270,322
Short-term borrowings	75,875	102,515
Trade notes and accounts payable	162,558	161,342
Accrued income taxes	22,214	16,251
Reserve for loss on disaster	8,939	34,400
Other	240,056	258,410
Total liabilities	3,616,220	3,761,656
Shareholders' equity:	497,103	483,913
Common stock	251,441	251,441
Capital surplus	26,678	26,678
Retained earnings	226,927	213,922
Treasury stock, at cost	(7,944)	(8,129)
Accumulated other comprehensive income:	3,509	(246)
Net unrealized holding gain on securities	4,455	2,931
Deferred loss on hedges	(1,050)	(1,999)
Revaluation adjustments for land	(1,255)	(1,246)
Foreign currency translation adjustments	1,360	68
Subscription rights to shares	670	488
Minority interests in consolidated subsidiaries	36,500	38,558
Total net assets	537,783	522,714
Total liabilities and net assets	4,154,003	4,284,371

CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

Third Quarter FY 2013 (Nine months ended December 31, 2013) and Third Quarter FY 2012 (Nine months ended December 31, 2012)

Item	(Millions of yen)	
	Nine months ended December 31,	
	2013	2012
Operating revenues:	1,425,863	1,274,557
Electric power	1,281,241	1,130,602
Other	144,621	143,955
Operating expenses:	1,386,918	1,299,805
Electric power	1,241,936	1,149,879
Other	144,981	149,925
Operating income (loss)	38,945	(25,248)
Other revenues:	7,144	7,410
Dividends income	828	763
Interest income	1,657	1,401
Gain from sales of fixed assets	153	329
Equity in earnings of affiliates	1,821	-
Other	2,683	4,916
Other expenses:	36,608	37,951
Interest expense	32,464	30,649
Other	4,144	7,302
Total amount of revenues	1,433,007	1,281,968
Total amount of expenses	1,423,527	1,337,757
Ordinary income (loss)	9,480	(55,789)
Extraordinary gain:	16,220	-
Gain on revision of retirement benefit plan	16,220	-
Extraordinary loss:	-	13,586
Loss on disaster	-	13,586
Income (loss) before income taxes and minority interests	25,701	(69,376)
Current income taxes	2,796	2,019
Deferred income taxes	11,197	(11,550)
Total amount of income taxes	13,993	(9,531)
Income (loss) before minority interests	11,707	(59,845)
Minority interests in loss of consolidated subsidiaries	(1,401)	(3,657)
Net income (loss)	13,108	(56,188)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

Third Quarter FY 2013 (Nine months ended December 31, 2013) and Third Quarter FY 2012 (Nine months ended December 31, 2012)

Item	(Millions of yen)	
	Nine months ended December 31,	
	2013	2012
Income (loss) before minority interests	11,707	(59,845)
Other comprehensive income:		
Net unrealised holding gain on securities	1,553	846
Deferred gain (loss) on hedges	949	(1,280)
Foreign currency translation adjustments	1,292	343
Share of other comprehensive income of affiliates accounted for using equity method	1	1
Total other comprehensive income	3,796	(90)
Comprehensive income	15,504	(59,935)
Total comprehensive income attributable to:		
Shareholders	16,874	(56,273)
Minority interests	(1,370)	(3,662)

(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.