

February 27, 2014

Notice concerning Revision of Earnings Forecasts and Revision of Year-End Dividend Forecast for the Fiscal Year Ending March 31, 2014

Tohoku Electric Power Co., Inc. (“the Company”) today disclosed a revision of its earnings forecast and a revision to its year-end dividend forecast for the fiscal year ending March 2014 (Fiscal 2013) to the Tokyo Stock Exchange.

With regard to the earnings forecast for the fiscal year ending March 2014 (Fiscal 2013), the Company revised upwards its forecast on operating revenues and ordinary income that was formerly announced on October 31, 2013, taking into account several factors, including the facts that (1) the Company plans to post an extraordinary gain on insurance proceeds and (2) the Company has improved its operational efficiency significantly.

In addition, the Company also revised its year-end dividend forecast for the fiscal year ending March 2014 (Fiscal 2013) in conjunction with the revision of earnings forecast this time, which so far had been left “undetermined.”

<< Earnings Forecast for the Fiscal Year Ending March 2014 (Fiscal 2013)>>

With regard to the earnings forecast for the fiscal year ending March 2014 (Fiscal 2013), since the amount of compensation from insurance was determined with respect to the damage to power generating/transforming equipment etc. caused by the Great East Japan Earthquake in March 2011 and the heavy rain in Niigata and Fukushima in July 2011, the Company plans to post an extraordinary gain on insurance proceeds. In addition, the Company expects to achieve further improvement in operating efficiency for repairs as well as a decrease in fuel costs, which has been brought about by increasing hydroelectric power generation and high efficiency thermal power generation.

Furthermore, since the subsidiaries also devoted themselves to thorough cost reduction and an improvement in revenues from the general public, the Company revised upwards its forecast of operating revenues and ordinary income.

The revised forecast of consolidated operating revenues is expected to be approximately ¥2,020 billion, up by 0.5 percentage points from the previous forecast.

The revised forecast of consolidated ordinary income is expected to be approximately ¥35 billion, up by 118.8 percentage points from the previous forecast, due to a further improvement in operating efficiency for repairs as well as a decrease in fuel costs, which has been brought about by increasing hydroelectric power generation and high efficiency thermal power generation.

Finally, the revised prospect of consolidated net income is expected to be approximately ¥30 billion, up by 100.0 percentage points from the previous forecast, due to the likelihood that the Company would post an extraordinary gain on insurance proceeds of ¥8.7 billion.

Revision of the Business Results Forecast for FY2013 (Apr. 1, 2013 – Mar. 31, 2014)

Consolidated		(Millions of yen)			
	Operating revenues	Operating income	Ordinary income	Net income	Net income per share
The Previous Forecast (A)	2,010,000	58,000	16,000	15,000	30.08
The Revised Forecast (B)	2,020,000	75,000	35,000	30,000	60.15
Difference (B – A)	10,000	17,000	19,000	15,000	
Changes (%)	0.5	29.3	118.8	100.0	
(Ref.) Actual performance in FY2012	1,792,666	(55,922)	(93,235)	(103,698)	(207.97) yen

Non-Consolidated		(Millions of yen)			
	Operating revenues	Operating income	Ordinary income	Net income	Net income per share
The Previous Forecast (A)	1,830,000	65,000	25,000	26,000	52.13
The Revised Forecast (B)	1,830,000	77,000	38,000	36,000	72.18
Difference (B – A)	-	12,000	13,000	10,000	
Changes (%)	-	18.5	52.0	38.5	
(Ref.) Actual performance in FY2012	1,591,938	(45,349)	(53,189)	(59,151)	(118.63) yen

< Major factors >

Items	The Revised Forecast for FY2013	The Previous Forecast for FY2013	(Reference) FY2012 actual
Electricity sales (TWh)	Approx. 77.2	Approx. 77.6	77.8
Crude oil CIF price (\$/bbl.)	Approx. 110	Approx. 109	113.9
Exchange rate (¥/\$)	Approx. 101	Approx. 99	83
Nuclear capacity factor (%)	0.0	0.0	0.0

< Sensitivity to major factors > (billions of yen)

Items	The Revised Forecast
Crude oil CIF price (per \$1/bbl.)	Approx. 3.8
Exchange rate (per ¥1/\$)	Approx. 5.4

<< Year-End Dividend Forecast for the Fiscal Year Ending March 2014 (Fiscal 2013)>>

The Company's basic dividend policy is to put emphasis on a steady and continuous return to its shareholders while comprehensively considering the operating results for each fiscal period and a mid- to long-term outlook on income and expenditure. However, the Company had regrettably refrained from paying dividends for over two years since Fiscal 2011, due to the huge net loss from the severe damage to facilities caused by the Great East Japan Earthquake and subsequent incidents.

Based on the outlook that a certain surplus would be achieved primarily due to the upward revision of expected operating results, the Company considers that now would be the time to resume paying the dividend. Accordingly, with regard to the year-end dividend which had been left “undetermined,” the Company has decided to pay a 5 yen year-end dividend per share in Fiscal 2013 through March 2014, comprehensively taking into account several factors, including the facts that (1) the Company raised electricity rates in September 2013; (2) it remains difficult to foresee a mid- to long-term outlook on income and expenditure partially attributable to the development for reoperation of nuclear power plants; and (3) the Company needs to improve its financial standing after suffering serious damage from the Great East Japan Earthquake in March 2011 and subsequent incidents.

Additionally, please note that the year-end dividend will be officially determined and implemented, subject to the approval of the 90th General Shareholders’ Meeting scheduled to be held in June 2014.

Revision of the Dividend Forecasts for FY2013 (the year ending March 31, 2014)

(yen)

	Cash dividends per share		
	1H	Year-end	Total
Previous forecast		(suspense)	(suspense)
Revised forecast		5.00	5.00
Actual in FY2013	0.00		
Actual in FY2012	0.00	0.00	0.00