

July 30, 2015

## **Financial Results for the First Quarter of Fiscal 2015**

Tohoku Electric Power Co., Inc. (hereinafter, Tohoku EPCO), today submitted a summary of its financial statements for the first quarter (from April 1, 2015 to June 30, 2015) to the Tokyo Stock Exchange.

### **【Consolidated Financial Results】**

In terms of revenue, an increase in grant under Act on Purchase of Renewable Energy Sourced Electricity based on “Feed-In-Tariff scheme for renewable energy” and a growth in sales of subsidiary’s construction work increased consolidated operating revenue to ¥509.8 billion (a year-on-year increase of ¥11.1 billion, or a 2.2 % increase) and ordinary revenue to ¥512.0 billion (a year-on-year increase of ¥11.2 billion, or a 2.2 % increase), despite a decrease in electric power sold and other factors lowered the electricity sales.

As for expenses, even with an increase in maintenance expenses which are necessary to maintain a stable power supply, a significant drop in fuel costs due to a fall in fuel prices and our thorough streamlining efforts decreased consolidated ordinary expenses to ¥440.8 billion (a year-on-year decrease of ¥3.1 billion , or a 0.7 % decrease).

Consequently, consolidated ordinary income was ¥71.2 billion, an increase of ¥14.3 billion (or a 25.3 % increase) year-on-year.

Profit attributable to owners of parent was ¥48.5 billion, an increase of ¥10.8 billion (or a 28.6 % increase) year-on-year.

### **【Electricity Sales】**

While there was continuous post-quake reconstruction, a decrease in heating demand due to a warm spring as well as our customers’ power saving efforts lowered the electricity sales to 17.6TWh, a 2.3 % decrease year-on-year.

### **【Financial Forecast for FY2015】**

Consolidated operating revenue forecast remains unchanged from the estimate on April 30, 2015.

Consolidated income estimates have yet to be determined at this time, because it is difficult to

reasonably assess the expenses due to uncertainty over its supply capacity. When reasonable assessment can be made, estimates will be promptly disclosed.

**【Dividend】**

Tohoku EPCO has not yet determined a forecast for interim dividend and year-end dividend for fiscal 2015, because it is difficult to reasonably assess its financial forecast.

# Tohoku Electric Power Co., Inc.

## Summary of Quarterly Financial Statements (Unaudited)

(April 1, 2015 - June 30, 2015)

Information below is an English translation of the "Unaudited Quarterly Financial Release" for three months ended June 30, 2015, which has been filed with the Tokyo Stock Exchange, Inc. 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 : Hiroya Harada, 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 First Quarter Period in FY2015 (Three months ended June 30, 2015)

#### (1) Progresses of Financial Results

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
3 months ended Jun. 30, 2015	509,837	2.2	78,376	18.2	71,230	25.3	48,518	28.6
3 months ended Jun. 30, 2014	498,649	15.3	66,288	-	56,834	-	37,713	779.6

  

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
3 months ended Jun. 30, 2015	97.26	97.10
3 months ended Jun. 30, 2014	75.62	75.51

(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-to-asset ratio
	Millions of yen	Millions of yen	%
Jun. 30, 2015	4,052,522	695,481	15.9
Mar. 31, 2015	4,131,217	651,216	14.6

### 2. Dividends

	Cash dividends per share				
	1Q	2Q	3Q	Year-end	Annual total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 31, 2015	-	5.00	-	10.00	15.00
Year ending Mar. 31, 2016	-				
Year ending Mar. 31, 2016 (forecast)		-	-	-	-

(Note) Dividend forecasts for the year ending March 31, 2016 have yet to be determined at this time.

### 3. Business Results Forecast for Consolidated FY2015 (Year ending March 31, 2016)

	Operating revenue		Operating income		Ordinary income		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
FY2015	2,100,000	(3.8)	-	-	-	-	-	-	-

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

Consolidated earnings estimates for the year ending March 31, 2016 have yet to be determined at this time, in view of the difficulty of rationally estimating the expenses since our supply capacity forecast remains unclear.

These estimates will be promptly disclosed as soon as we can reasonably assess the estimates of income.

**(Reference) Business Results Forecast for Non-Consolidated FY2015 (Year ending March 31, 2016)**

	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
FY2015	1,900,000	(2.6)	-	-	-	-	-	-	-

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

Non-Consolidated earnings estimates for the year ending March 31, 2016 have yet to be determined at this time, in view of the difficulty of rationally estimating the expenses since our supply capacity forecast remains unclear.

These estimates will be promptly disclosed as soon as we can reasonably assess the estimates of income.

**QUARTERLY CONSOLIDATED BALANCE SHEET (Unaudited)**

First Quarter FY2015 (As of June 30, 2015) and FY2014 (As of March 31, 2015)

**Assets**

(Millions of yen)

Item	June 30, 2015	March 31, 2015
Non-current assets (property, plant and equipment):	3,482,833	3,497,225
Electric utility plant and equipment:	2,425,773	2,451,990
Hydroelectric power production facilities	171,791	174,017
Thermal power production facilities	322,158	326,889
Nuclear power production facilities	261,969	270,149
Transmission facilities	649,383	648,714
Transformation facilities	239,674	247,394
Distribution facilities	625,465	625,693
General facilities	95,336	97,847
Other electric utility plant and equipment	59,993	61,283
Other non-current assets	210,196	212,402
Construction in progress	281,473	267,504
Construction and retirement in progress	281,473	267,504
Nuclear fuel:	140,833	139,336
Loaded nuclear fuel	34,729	34,729
Nuclear fuel in processing	106,103	104,607
Investments and other assets:	424,556	425,991
Long-term investments	103,171	97,496
Reserve fund for reprocessing of irradiated nuclear fuel	74,902	77,802
Net defined benefit asset	7,353	6,344
Deferred tax assets	135,531	140,794
Other	104,197	104,154
Allowance for doubtful accounts	(599)	(601)
Current assets:	569,689	633,991
Cash and deposits	124,983	115,170
Notes and accounts receivable - trade	181,803	193,817
Inventories	76,194	76,732
Deferred tax assets	55,565	64,547
Other	131,720	184,402
Allowance for doubtful accounts	(577)	(678)
<b>Total</b>	<b>4,052,522</b>	<b>4,131,217</b>

**Liabilities and net assets**

(Millions of yen)

Item	June 30, 2015	March 31, 2015
Non-current liabilities:	2,576,983	2,611,028
Bonds payable	749,690	749,688
Long-term loans payable	1,408,338	1,433,444
Provision for reprocessing of irradiated nuclear fuel	79,712	81,823
Provision for preparation of reprocessing of irradiated nuclear fuel	14,775	14,629
Reserve for restoration costs of natural disaster	4,631	4,631
Net defined benefit liability	140,065	141,340
Asset retirement obligations	112,105	111,465
Deferred tax liabilities for land revaluation	1,519	1,530
Other	66,145	72,475
Current liabilities:	780,057	868,971
Current portion of non-current liabilities	312,214	336,175
Short-term loans payable	34,670	35,370
Notes and accounts payable - trade	126,261	149,435
Accrued taxes	27,075	47,099
Reserve for restoration costs of natural disaster	1,520	1,764
Other	278,315	299,127
<b>Total liabilities</b>	<b>3,357,041</b>	<b>3,480,000</b>
Shareholders' equity:	617,752	574,235
Capital stock	251,441	251,441
Capital surplus	26,667	26,678
Retained earnings	347,339	303,803
Treasury shares	(7,695)	(7,687)
Accumulated other comprehensive income:	27,625	27,564
Valuation difference on available-for-sale securities	10,808	8,193
Deferred losses on hedges	(2,000)	(2,077)
Revaluation reserve for land	(1,157)	(1,150)
Foreign currency translation adjustment	1,013	690
Remeasurements of defined benefit plans	18,961	21,908
Subscription rights to shares	809	809
Non-controlling interests	49,293	48,606
<b>Total net assets</b>	<b>695,481</b>	<b>651,216</b>
<b>Total</b>	<b>4,052,522</b>	<b>4,131,217</b>

# **QUARTERLY CONSOLIDATED STATEMENT OF INCOME (Unaudited)**

First Quarter FY2015 (Three months ended June 30, 2015) and First Quarter FY2014 (Three months ended June 30, 2014)

Item	(Millions of yen)	
	Three months ended June 30,	
	2015	2014
Operating revenue:	509,837	498,649
Electric utility operating revenue	455,385	452,812
Other business operating revenue	54,451	45,837
Operating expenses:	431,461	432,361
Electric utility operating expenses	381,063	388,020
Other business operating expenses	50,398	44,341
Operating income	78,376	66,288
Non-operating income:	2,200	2,166
Dividend income	354	486
Interest income	492	518
Share of profit of entities accounted for using equity method	93	-
Other	1,259	1,161
Non-operating expenses	9,346	11,619
Interest expenses	7,986	10,162
Other	1,359	1,456
Total ordinary revenue	512,038	500,816
Total ordinary expenses	440,807	443,981
Ordinary income	71,230	56,834
Provision or reversal of reserve for fluctuation in water levels:	-	484
Provision of reserve for fluctuation in water levels	-	484
Income before income taxes	71,230	56,350
Income taxes - current	7,145	3,724
Income taxes - deferred	14,374	14,703
Total income taxes	21,519	18,428
Profit	49,711	37,922
Profit attributable to non-controlling interests	1,192	209
Profit attributable to owners of parent	48,518	37,713

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

First Quarter FY2015 (Three months ended June 30, 2015) and First Quarter FY2014 (Three months ended June 30, 2014)

Item	(Millions of yen)	
	Three months ended June 30,	
	2015	2014
Profit	49,711	37,922
Other comprehensive income:		
Valuation difference on available-for-sale securities	2,664	1,242
Deferred gains or losses on hedges	77	(566)
Foreign currency translation adjustment	322	(120)
Remeasurements of defined benefit plans, net of tax	(2,930)	(1,702)
Share of other comprehensive income of entities accounted for using equity method	2	0
Total other comprehensive income	137	(1,146)
Comprehensive income	49,848	36,775
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	48,586	36,496
Comprehensive income attributable to non-controlling interests	1,262	279



**(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.