

Explanation of FY 2020 2nd Quarter Financial Results

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Corporate participants:

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Materials:

FY2020 2nd Quarter Financial Results

※Held Conference Call for Institutional Investor and Analysts

[Overview of FY2020 2nd Quarter Financial Results]

- First of all, please refer to Slide 1.
- This is a summary of the key points of this quarter's results. Operating revenue decreased due to a reduction in electricity sales by the TEPCO Group due to increased competition, the effects of COVID-19 and other factors.
- Ordinary income fell due to a reduction in operating revenue and other factors despite continued group-wide efforts to reduce costs. Quarterly net income decreased due to the reactionary fall in extraordinary income from the previous fiscal year and other factors.
- Slide 2 shows concrete figures of our consolidated performance.
- Operating revenue decreased to ¥2,834.2 billion, a decrease of 10.8% year-on-year, and ordinary income decreased by 10.1% to ¥224.8 billion year-on-year. Quarterly net results, incorporating extraordinary income and loss, came to the net profit of ¥148.6 billion.

[Key Points of Each Company]

- Slides 3 and 4 show business results by each company.
- Firstly, here is the business performance of TEPCO Holdings.
- Operating revenue fell by ¥53.7 billion to ¥267.9 billion on a year-on-year basis due to decreased wholesale electricity sales to TEPCO Energy Partners and other factors. Ordinary income fell by ¥80.9 billion to ¥63.3 billion due to a reduction in dividend income from the core operating companies and other factors.
- Secondly, here is the business performance of TEPCO Fuel & Power.

- Ordinary income decreased by ¥13.1 billion to ¥45.3 billion on a year-on-year basis, due to worsening performance in the generation business despite a positive turn in the effects of the time lag from the fuel cost adjustment system at JERA.
- Thirdly, here is the business performance of TEPCO Power Grid.
- Operating revenue was ¥862.8 billion, roughly on par with the same period of the previous fiscal year.
- Meanwhile, ordinary income increased by ¥3.9 billion to ¥123.8 billion due to an increase in transmission revenue caused by an increase in low-voltage demand.
- Fourthly, here is the business performance of TEPCO Energy Partner.
- Operating revenue decreased by ¥381.6 billion to ¥2,519.2 billion on a year-on-year basis due to a fall in electricity sales because of increased competition, the effects of COVID-19 and other factors.
- Meanwhile, ordinary income increased by ¥2.4 billion to ¥45.9 billion due to a decrease in the amount of electricity bought from TEPCO Holdings.
- Lastly, here is the business performance of TEPCO Renewable Power.
- Operating revenue increased by ¥20.3 billion to ¥80.1 billion on a year-on-year basis and ordinary income increased by ¥18.5 billion to ¥36.7 billion due to an increase in wholesale electricity sales to TEPCO Energy Partners and other factors.
- The slide regarding year-on-year consolidated and segment-specific figures are attached for your reference.

[Overview of Consolidated Extraordinary Income/Loss]

- Next, Slide 5 shows consolidated extraordinary income and loss.
- Nuclear damage compensation expenditures of ¥67.7 billion were recorded as extraordinary loss.
- As a result, the Group posted an extraordinary loss of ¥67.7 billion, a decline of ¥268.5 billion compared to the same quarter of last fiscal year when extraordinary income had been recorded.

[Overview of Consolidated Financial Position]

- Now, Slide 6 shows our consolidated financial position.
- The equity ratio improved 0.7 percentage points to 25.0% compared to the end of last financial year.
- This is a result of the increase in net assets driven by the current net income which continues

to be positive.

[FY2020 Full-Year Financial Forecasts]

- We are revising the Special Business Plan while closely monitoring the effects of COVID-19 on our businesses. The performance forecast for the March 2021 period will be announced together with the next revision of the Revised New Comprehensive Special Business Plan. We believe that the size and scope of the impact that market trends and COVID-19 may have on our businesses will need to be closely monitored and analyzed, and will be publishing our forecast when it is ready.

[Reference (Slide 7 Onwards), Supplemental Material (Slide 15 Onwards)]

- Slide 7 and later slides present reference and supplemental material.

End

Disclaimer:

In the meeting upon which this event transcript is based, Tokyo Electric Power Company Holdings, Inc. may make projections or other forward-looking statements regarding a variety of items. As such, these statements are not historical facts but rather predictions about the future, which inherently involve risks and uncertainties, and these risks and uncertainties could cause the company's actual results to differ materially from the forward-looking statements (performance projections) herein. Although the company may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

(Note)

Please note that the above is intended to be an accurate and complete translation of the original Japanese version, prepared for the convenience of our English-speaking investors. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.