

## Explanation of FY 2020 3rd Quarter Financial Results

Date: Wednesday, February 10, 2021 at 17:00 (No Briefing Held)

### [Overview of FY2020 3rd Quarter Financial Results]

- First of all, please refer to slide 1.
- This is 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 pandemic 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 same period in the previous fiscal year.
- Slide 2 shows concrete figures of our consolidated performance.
- Operating revenue decreased to ¥4,103.9 billion, a decrease of 11.5% year-on-year, and ordinary income decreased by 24.0% to ¥235.5 billion year-on-year. Quarterly net results, incorporating extraordinary income and loss, came to the net profit of ¥130.4 billion, a decrease of 70% year-on-year.

### [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 ¥88.8 billion to ¥364.7 billion on a year-on-year basis due to decreased wholesale electricity sales to TEPCO Energy Partners and other factors. Ordinary income fell by ¥114.1 billion to ¥7.0 billion due to the above-mentioned reasons and 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 was ¥83.4 billion, up ¥21.0 billion on a year-on-year basis due to a positive turn in the effect of time lag in the fuel cost adjustment system and the generation business at JERA.
- Thirdly, here is the business performance of TEPCO Power Grid.
- Operating revenue was ¥1,292.4 billion, roughly on par with the same period of the previous fiscal year.
- Ordinary income increased by ¥8.2 billion to ¥183.6 billion due to a decline in depreciation costs despite wheeling income decreased because of the effect of COVID-19 pandemic.

- Fourthly, here is the business performance of TEPCO Energy Partner.
- Operating revenue decreased by ¥597.8 billion to ¥3,614.3 billion on a year-on-year basis due to a fall in electricity sales because of increased competition, the effects of COVID-19 pandemic and other factors.
- Ordinary income decreased by ¥7.9 billion to ¥46.6 billion due to a decrease in the operating revenue.
- Lastly, here is the business performance of TEPCO Renewable Power.
- Operating revenue increased by ¥15.6 billion to ¥109.9 billion on a year-on-year basis and ordinary income increased by ¥16.9 billion to ¥44.1 billion due to an increase in wholesale electricity sales to TEPCO Energy Partners.
- Slide 7 onwards show year-on-year consolidated and segment-specific figures for your reference.

#### [Overview of Consolidated Extraordinary Income/Loss]

- Next, slide 5 shows consolidated extraordinary income and loss.
- Nuclear damage compensation expenditures of ¥27.7 billion were additionally recorded from second quarter, and the total amount of ¥95.4 billion was recorded as extraordinary loss.
- As a result, the Group posted an extraordinary loss of ¥95.4 billion, a decline of ¥257.3 billion compared to the same quarter last year when extraordinary income had been recorded.

#### [Overview of Consolidated Financial Position]

- Now, slide 6 shows our consolidated financial position.
- The equity ratio improved 0.9 percentage points to 25.2% compared to the end of last financial year.
- This is due to the increase in net assets thanks to the continued positive net income for the quarter and other factors.

#### [FY2020 Full-Year Financial Forecasts]

- Finally, we believe that the size and scope of the impact that COVID-19 pandemic and the nationwide tight supply-demand in this winter may have on our businesses will need to be more closely monitored and analyzed. The performance forecast for the March 2021 period will be announced together with the next revision of the Revised New Comprehensive Special Business Plan 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:

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(Note)

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