

Explanation of FY2020 Financial Results

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Materials:

FY2020 Financial Results

※Held Conference Call for Institutional Investor and Analysts

[Introduction]

- TEPCO would like to sincerely apologize for the great burden and inconvenience that the TEPCO Fukushima Daiichi Nuclear Power Station Accident is continuing to cause for the people of Fukushima, and society as a whole. We would also like to offer our apologies for the string of recent incidents that have caused concern and distrust of TEPCO's nuclear operations.
- Given the government's basic policy on the handling of ALPS treated water, TEPCO as the organization responsible for the ALPS treated water put together measures that it will implement to discharge water steadily, which was then announced on April 16, 2021.
- To fulfill our responsibility of recovery and decommissioning in the long term, we will take the initiative in implementing radical reform and appropriately handling the ALPS treated water with a sense of responsibility and determination as the principal agent of the accident.

[Overview of FY2020 Financial Result]

- First of all, please refer to Slide 1.

- Operating revenue decreased due to a decrease in fuel cost adjustments and a reduction in electricity sales volume due to increased competition, the effects of COVID-19 and other factors.
- Ordinary income decreased due to the decline in electricity sales volume despite continual cost reductions made by all Group companies.
- Net income increased due to the reactionary fall in extraordinary loss from the previous fiscal year and other factors.
- Also, we are not able to make a distribution for FY2020, and we also have no plans for interim or year-end dividends in FY2021.
- Slide 2 shows concrete figures of our consolidated performance.
- Operating revenue decreased to ¥5,866.8 billion, a decrease of 6.0% year-on-year, and ordinary income decreased by 28.1% to ¥189.8 billion year-on-year. However, net income, incorporating extraordinary income and loss, came to the net profit of ¥180.8 billion, an increase of ¥130.1 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.
- The company recorded operating revenue of ¥624.2 billion, down ¥117.5 billion year-on-year, due to factors including a decline in electricity wholesale to TEPCO Energy Partner.
- Ordinary income, in addition to this, fell by ¥130.7 billion to ¥7.9 billion at a loss due to a reduction in dividend income from the core operating companies and other factors. This loss is because of temporary effects due to the spin-off of TEPCO renewable power.
- Secondly, here is the business performance of TEPCO Fuel & Power.
- The company recorded ordinary income of ¥69.8 billion, up ¥5.1 billion year-on-year, due to positive performance in the generation business despite a negative 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.
- The company recorded operating revenue of ¥2,003.8 billion, up ¥244.0 billion year-on-year, due to factors including an increase in transmission revenue.
- Ordinary income grew ¥52.3 billion to ¥169.0 billion because of an increase in transmission revenue and

a decline in depreciation.

- Fourthly, here is the business performance of TEPCO Energy Partner.
- The company recorded operating revenue of ¥5,034.3 billion, down ¥608.5 billion year-on-year due to a fall in electricity sales volume because of increased competition, the effects of COVID-19 and other factors. .
- Ordinary income decreased by ¥53.5 billion to ¥6.4 billion because of the decline in electricity sales volume and other factors.
- Lastly, here is the business performance of TEPCO Renewable Power.
- Operating revenue increased by ¥22.1 billion to ¥143.4 billion on a year-on-year basis and ordinary income increased by ¥18.0 billion to ¥48.1 billion due to an increase in wholesale electricity sales to TEPCO Energy Partners and other factors.
- Slide 9 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.
- The company recorded extraordinary income of ¥142.1 billion as Grants-in-Aid from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF).
- The company recorded ¥140.7 billion of extraordinary losses as expenses for nuclear damage compensation.
- Overall, the company recorded the extraordinary income of ¥1.3 billion, an increase of ¥195.7 billion year-on-year, as compared with last fiscal year when a large amount of extraordinary loss had been recorded.

【Impact of the tightening of demand and supply on income and expenditures】

- Please see slide 6 on the impacts of the tightening of demand and supply this winter on income and expenditures.
- While the impacts were significant for each item, it offset each other for the Group as a whole, and the effects on TEPCO's consolidated income and expenditures were limited.
- First, we will look at the impact on TEPCO Power Grid. There was a positive impact of approximately ¥45.0 billion in terms of imbalances in shortages and excesses, and increase in power exchange, whereas

there was also a negative impact of approximately 35.0 billion as a result of increase in procurement costs, leading to a net approximately ¥10.0 billion increase.

- Impacts on other companies can be summarized as follows. There was a positive impact of approximately 55.0 billion as a result of an increase in volume of electricity sold, whereas there was also a negative impact of approximately ¥70.0 billion due to increases in procurement costs, resulting in a net approximately ¥15.0 billion decrease.
- As a result, the impact of consolidated income and expenditures was a decrease of around ¥5.0 billion yen.

[Overview of Consolidated Financial Position]

- Now, Slide 7 shows our consolidated financial position.
- The equity ratio improved 1.5 percentage points to 25.8% compared to the end of last financial year. This is a result of the increase in net assets driven by the current net income continuously.

[FY2021 Full-Year Financial Forecasts]

- Lastly, we would like to explain performance forecast for the period ending in March 2022.
- TEPCO Holdings is now working to revise the Revised Comprehensive Business Plan while we consult with the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF) and bear in mind the policy for responding to the series of incidents that have occurred at our nuclear power plants.
- Therefore, the performance forecast for the period ending in March 2022 has yet to be made and we will provide it when the Revised Comprehensive Business Plan is revised.

[Reference (Slide 8 Onwards), Supplemental Material (Slide 16 Onwards)]

- Slide 8 and later slides present reference and supplemental material.

End

Disclaimer:

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(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.