

Overview of FY2020 Q2 Financial Results

October 28, 2020

Tokyo Electric Power Company Holdings, Inc.

[Main points of the FY2020 Q2 financial results]

- **Operating revenue decreased** due to decreases in electricity sales volume resulting from increased competition for electricity sales and the impact of the Covid-19 pandemic.
- **Ordinary income/loss decreased** due to decreases in operating revenue despite continual efforts on behalf of the entire Group to cut costs.
- **Quarterly net profit decreased** due to a reactionary fall from the extraordinary profit posted last fiscal year.

1. Consolidated Financial Results Overview

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(Unit: Billion kWh)

	FY2020 Apr-Sep (A)	FY2019 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Electricity Sales Volume	102.5	111.8	-9.3	91.7

(Unit: Billion Yen)

	FY2020 Apr-Sep (A)	FY2019 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	2,834.2	3,175.6	-341.4	89.2
Operating Income/Loss	181.3	196.6	-15.2	92.3
Ordinary Income/Loss	224.8	249.9	-25.1	89.9
Extraordinary Income	-	367.2	-367.2	-
Extraordinary Loss	67.7	166.4	-98.7	-
Net Income Attributable to Owners of the Parent	148.6	420.6	-272.0	35.3

2. Main Points about Core Companies

[TEPCO Holdings (HD)]

- Ordinary income and loss **decreased** due to a decrease in received dividends from core companies and a decrease in wholesale power sales to TEPCO Energy Partner, Inc.

[TEPCO Fuel & Power (FP)]

- Although the impact of the time-lag inherent to the fuel cost adjustment system turned advantageous for JERA, ordinary income and loss **decreased** as a result of the worsening of the supply and demand balance.

[TEPCO Power Grid (PG)]

- Ordinary income and loss **increased** as a result of an increase in consigned transmission revenue caused by an increase in low-voltage demand despite a decrease in demand caused by the Covid-19 pandemic.

[TEPCO Energy Partner (EP)]

- Ordinary income and loss **increased** due to a decrease in the amount of power purchased from TEPCO HD despite the decrease in electricity sales volume caused by increased competition and the Covid-19 pandemic.

[TEPCO Renewable Power (RP)]

- Ordinary income and loss **increased** due to an increase in wholesale power sales to TEPCO Energy Partner, Inc.

3. Core Company Overview

(Unit: Billion Yen)

	FY2020 Apr-Sep (A)	FY2019 Apr-Sep (B)	Comparison		
			(A)-(B)	(A)/(B) (%)	
Operating Revenue	2,834.2	3,175.6	-341.4	89.2	
TEPCO Holdings	267.9	*	321.7	-53.7	83.3
TEPCO Fuel & Power	3.8		4.3	-0.4	89.2
TEPCO Power Grid	862.8		862.9	0.0	100.0
TEPCO Energy Partner	2,519.2		2,900.8	-381.6	86.8
TEPCO Renewable Power	80.1	*	59.8	20.3	134.0
Adjustments	-899.8	*	-974.0	74.1	-
Ordinary Income/Loss	224.8		249.9	-25.1	89.9
TEPCO Holdings	63.3	*	144.2	-80.9	43.9
TEPCO Fuel & Power	45.3		58.4	-13.1	77.5
TEPCO Power Grid	123.8		119.9	3.9	103.3
TEPCO Energy Partner	45.9		43.4	2.4	105.8
TEPCO Renewable Power	36.7	*	18.1	18.5	202.7
Adjustments	-90.2	*	-134.1	43.9	-

* To make a comparison with this quarter the figures for April through September of the previous year for HD and RP have been rearranged



4. Consolidated Extraordinary Income/Loss

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(Unit: Billion Yen)

	FY2020 Apr-Sep (A)	FY2019 Apr-Sep (B)	Comparison (A)-(B)
Extraordinary Income	-	*2 367.2	-367.2
Extraordinary Loss	67.7	166.4	-98.7
Expenses for Nuclear Damage Compensation	*1 67.7	58.9	8.7
Other	-	*3 107.5	-107.5
Extraordinary Income/Loss	-67.7	200.7	-268.5

*1 Increase in estimates of compensation needed to cover damage from harmful rumors and damages incurred as a result of orders to restrict shipping amounts

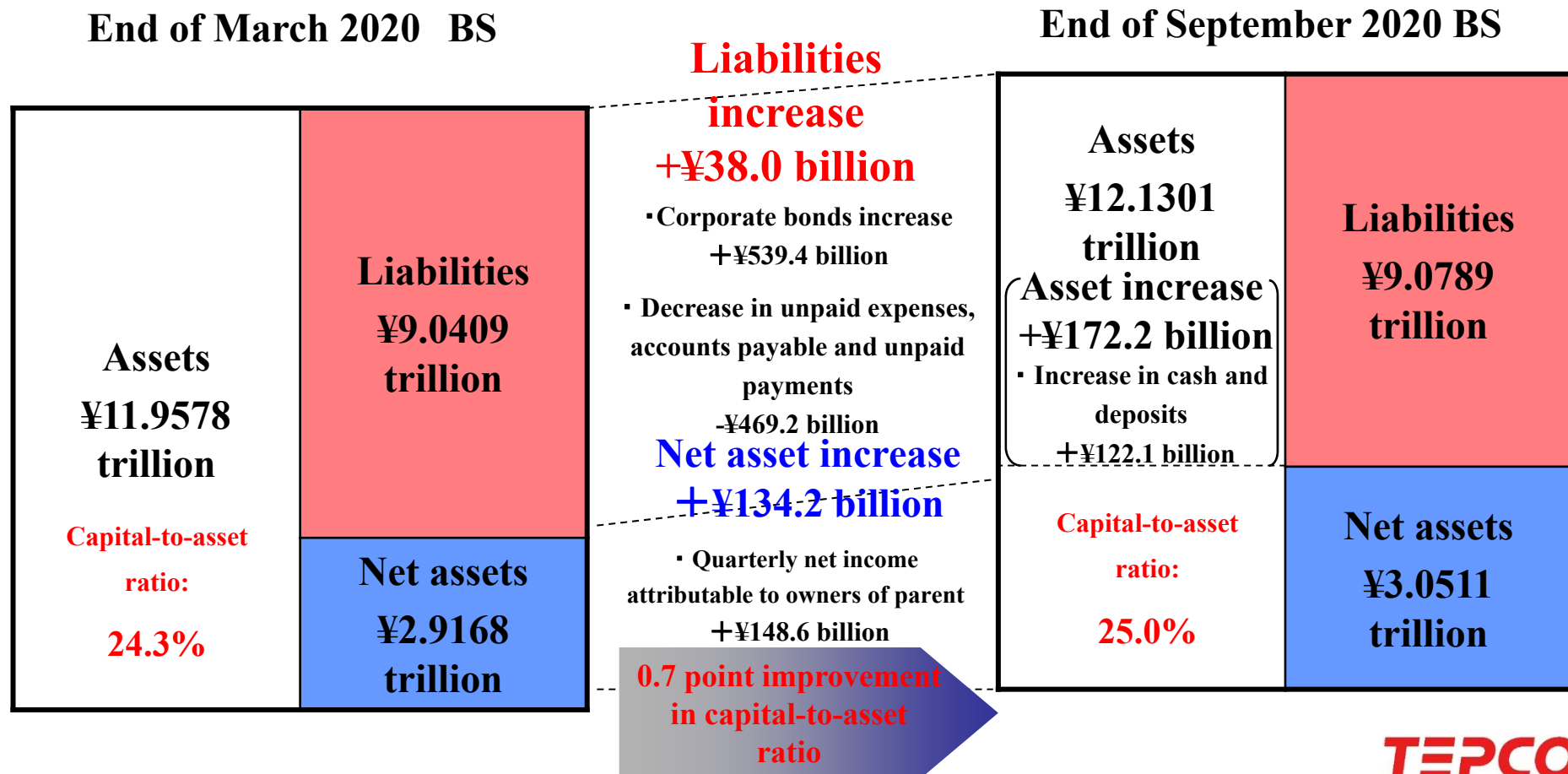
*2 Variable profit from owned shares, disaster loss allowance reimbursement, grants from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation

*3 Fukushima Daini decommissioning loss, special disaster loss, accidental asset loss

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5. Consolidated Finances

- Gross assets increased to ¥172.2 billion as a result of an increase in cash and deposits.
- Outstanding liabilities increased to ¥38.0 billion due to an increase in corporate bonds.
- Net assets increased by ¥134.2 billion as a result of posting net quarterly income attributable to owners of parent
- Capital-to-asset ratio improved 0.7 points



<Reference> Income and Expenditure Statement

Area demand

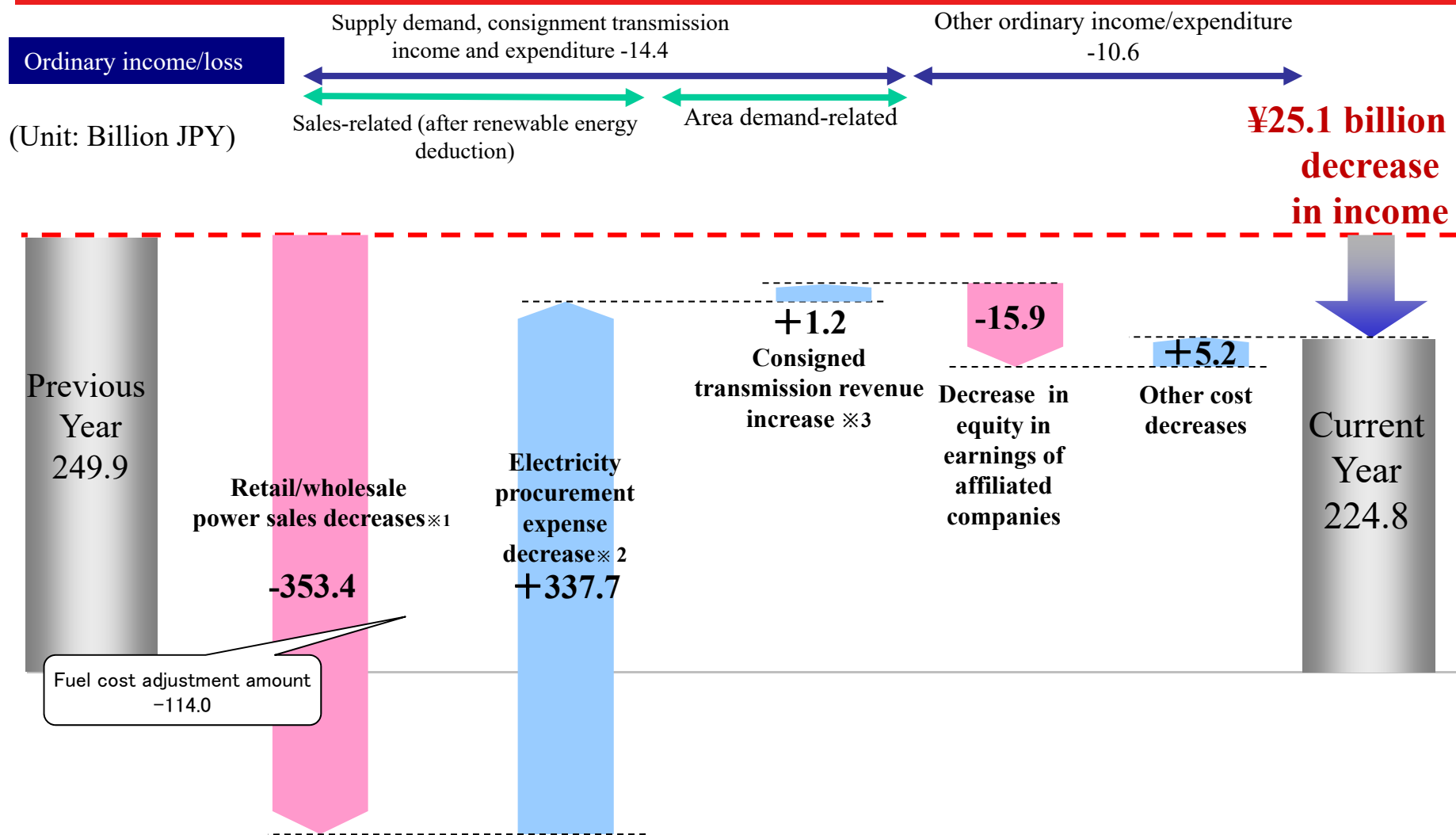
(Unit: Billion kWh)

	FY2020 Apr-Sep	FY2019 Apr-Sep	Comparison	
			+/-	Ratio (%)
Area demand	131.3	134.5	-3.2	97.7

Exchange/CIF

	FY2020 Apr-Sep	FY2019 Apr-Sep	+/-
Exchange rate (Interbank)	106.9 JPY/USD	108.6 JPY/USD	-1.7 JPY/USD
Crude oil price (Japan CIF)	36.5 USD/Barrel	68.9 USD/Barrel	-32.4 USD/Barrel

〈Reference〉 Consolidated YoY Performance Comparison (1) ~Increases/Decreases~



※1 Retail/wholesale power sales include the impact of indirect auctions and the impact of consigned transmission expenses (excluding imbalances) have been deducted

※2 Electricity procurement expenses include the impact of indirect auctions

※3 Consigned transmission income excludes the impact of income/expenditure imbalances but includes transactions within the Group



〈Reference〉 Consolidated YoY Performance Comparison (2) ~Figures~

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(Unit: Billion JPY)

	FY2020 Apr-Sep	FY2019 Apr-Sep	+/-
Ordinary Income	224.8	249.9	-25.1
Supply demand, consignment transmission income and expenditure	962.7	977.2	-14.4
(-) Retail/wholesale power sales	1,378.3	1,731.8	-353.4
(-) Electricity procurement expense	-1,108.0	-1,445.7	+337.7
(-) Consigned transmission income ※	692.3	691.1	+1.2
Other ordinary income/expenditure	-737.9	-727.2	-10.6
(-) Increase in equity in earnings of affiliated companies	66.3	82.2	-15.9
(-) Depreciation costs	-199.6	-204.0	+4.4
(-) Facility costs	-117.6	-113.1	-4.4
(-) Other	-487.0	-492.2	+5.2

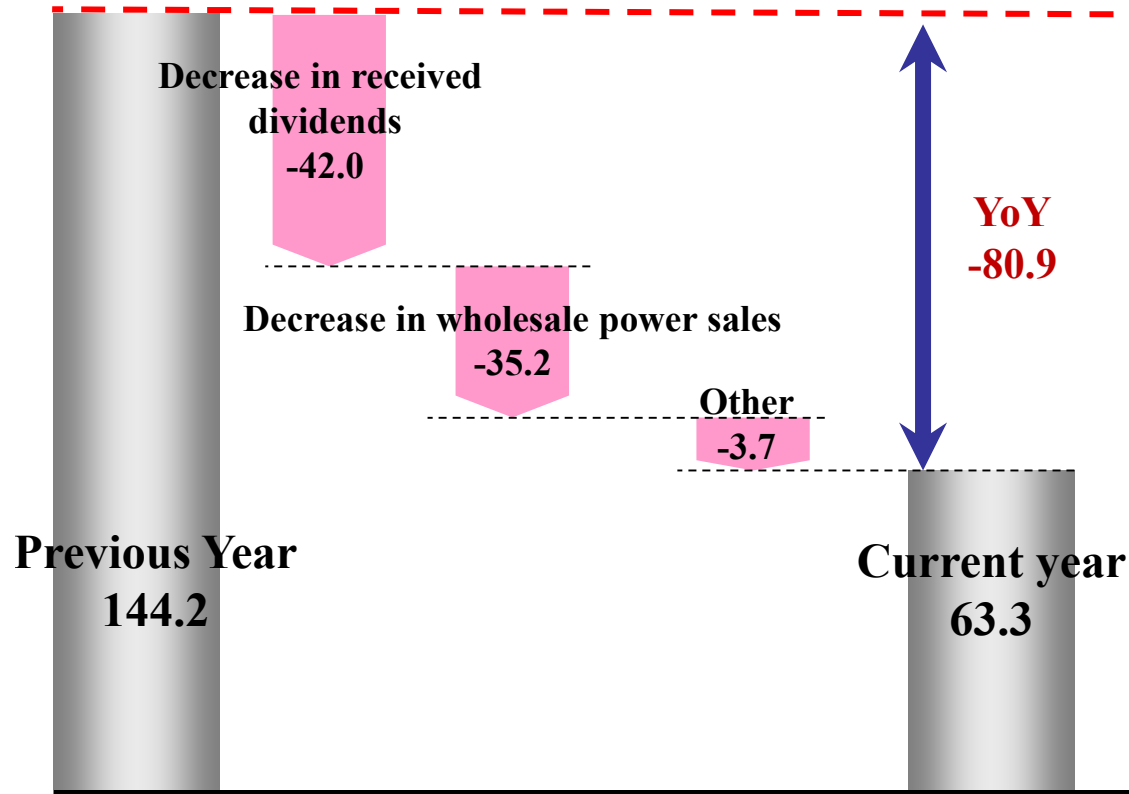
※ Consigned transmission income excludes the impact of income/expenditure imbalances but includes transactions within the Group

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<Reference> HD YoY comparison

Ordinary income/loss

(Unit: Billion JPY)



Income and expenditure structure

Income includes dividend income, decommissioning charge income, management support fees, and nuclear wholesale power sales, etc.

Ordinary income/loss

(Unit: Billion JPY)

	FY2019	FY2020	+/-
Apr-Jun	※ 148.2	79.5	-68.7
Apr-Sep	※ 144.2	63.3	-80.9
Apr-Dec	148.3		
Apr-Mar	152.9		

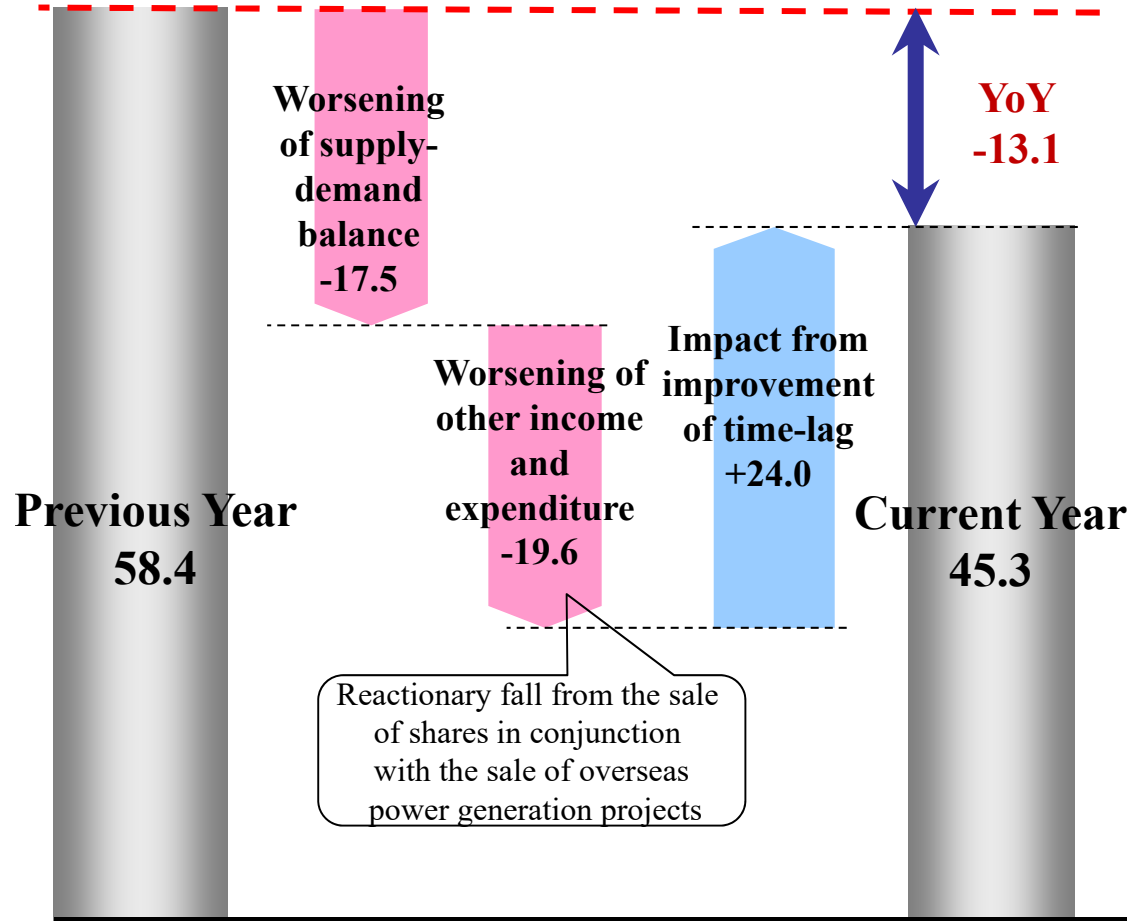
※ Numbers for April through June FY2019 and April through September have been rearranged for TEPCO HD and RP to provide a comparison with the previous year



<Reference> FP YoY comparison

Ordinary income/loss

(Unit: Billion JPY)



Income and expenditure structure

Primary income is from JERA's equity in earnings of affiliated companies.

(Unit: Billion JPY)

Impact of time lag (JERA share impact)

	FY2019	FY2020	+/-
Apr-Sep	+32.0	+56.0	+24.0

Ordinary income/loss

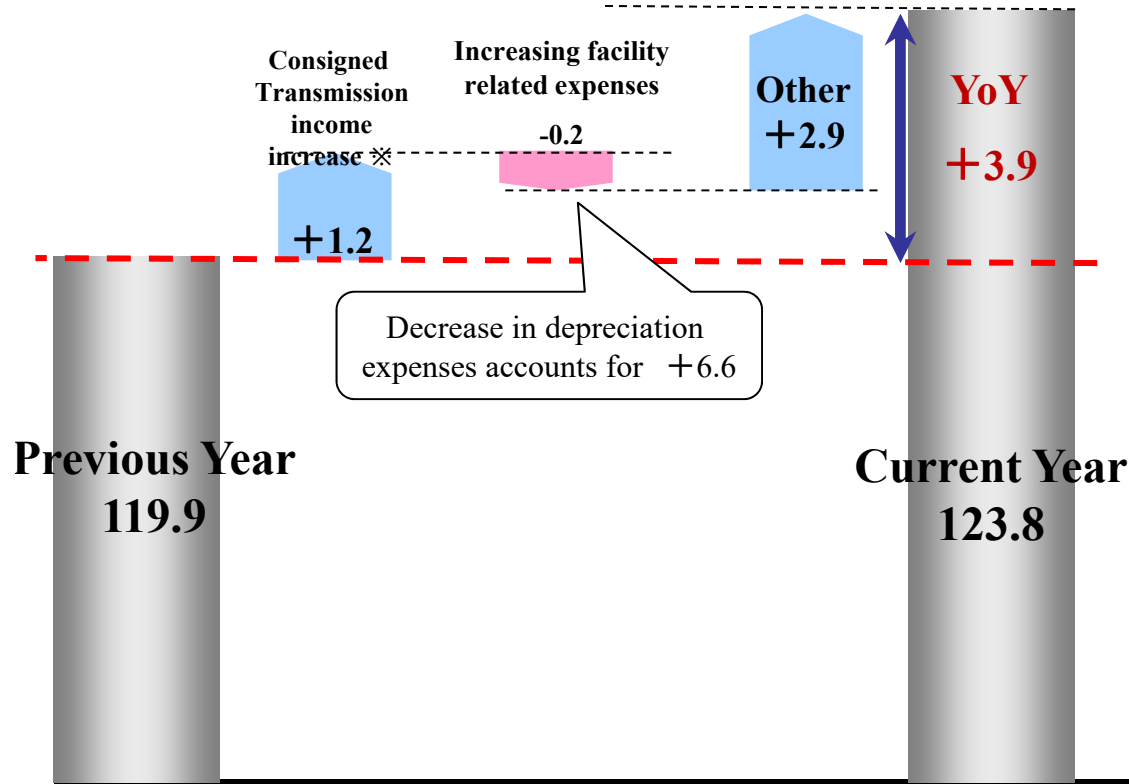
(Unit: Billion JPY)

	FY2019	FY2020	+/-
Apr-Jun	45.8	9.2	-36.5
Apr-Sep	58.4	45.3	-13.1
Apr-Dec	62.3		
Apr-Mar	64.7		

<Reference> PG YoY comparison

Ordinary income/loss

(Unit: Billion JPY)



Income and expenditure structure

Revenue is primarily from consigned transmission income and fluctuates with area demand.
 Costs are primarily maintenance costs for transmission and distribution equipment, and depreciation costs

Area demand

(Unit: Billion kWh)

	FY2019	FY2020	+/-
Apr-Sep	134.5	131.3	-3.2

Ordinary income/loss

(Unit: Billion JPY)

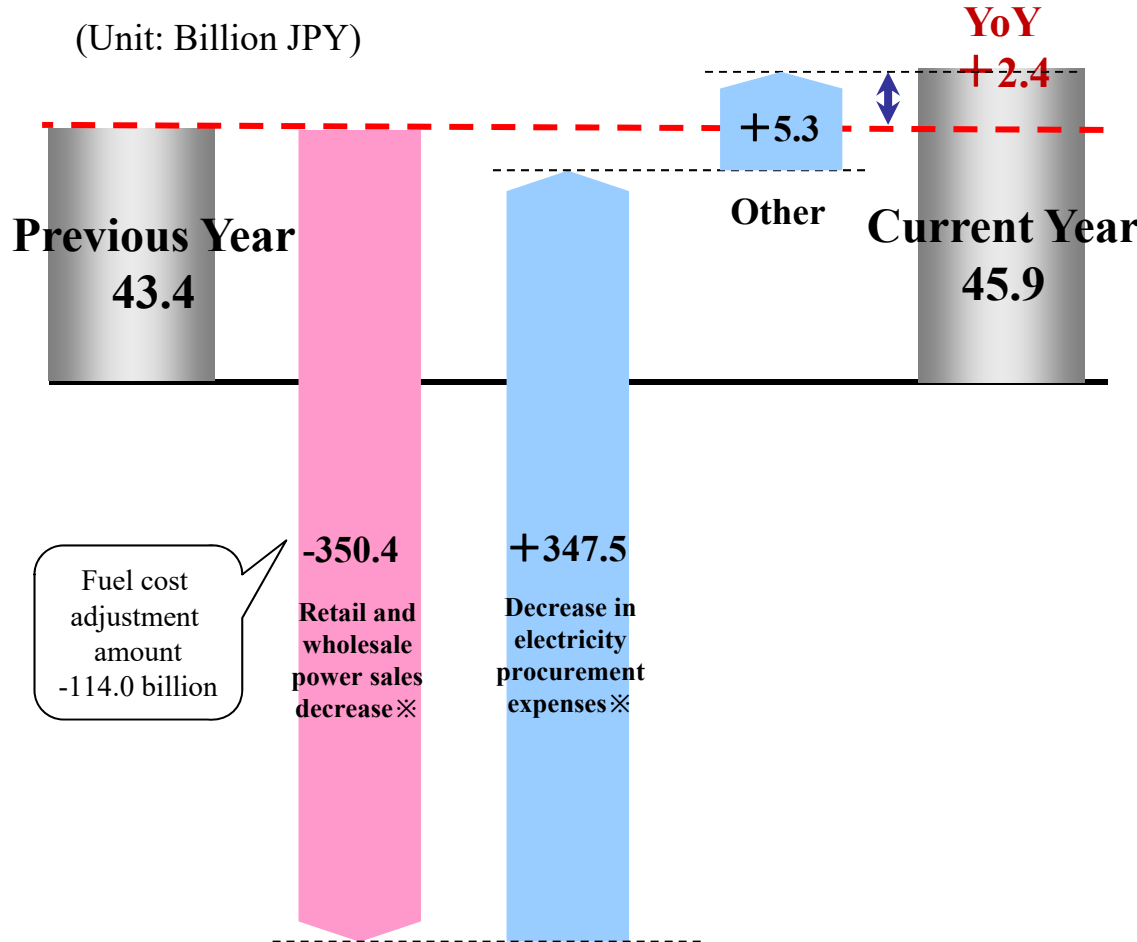
	FY2019	FY2020	+/-
Apr-Jun	42.6	40.7	-1.8
Apr-Sep	119.9	123.8	+3.9
Apr-Dec	175.3		
Apr-Mar	116.6		

※ Consigned transmission income excludes impact from imbalanced revenue and expenditure

<Reference> EP YoY comparison

Ordinary income/loss

(Unit: Billion JPY)



Income and expenditure structure

Revenue is primarily from electricity charges and fluctuates with power sales volume. Costs are primarily purchased power fees and connected supply consigned transmission costs.

Electricity sales volume

(Unit: Billion kWh)

	FY2019	FY2020	+/-
Apr-Sep	111.8	102.5	-9.3

Gas contracts (EP alone)

End of Mar 2020	End of Sep 2020
Approx. 1.13 million	Approx. 1.18 million

Ordinary income/loss

(Unit: Billion JPY)

	FY2019	FY2020	+/-
Apr-Jun	-12.0	11.2	+23.2
Apr-Sep	43.4	45.9	+2.4
Apr-Dec	54.6		
Apr-Mar	60.0		

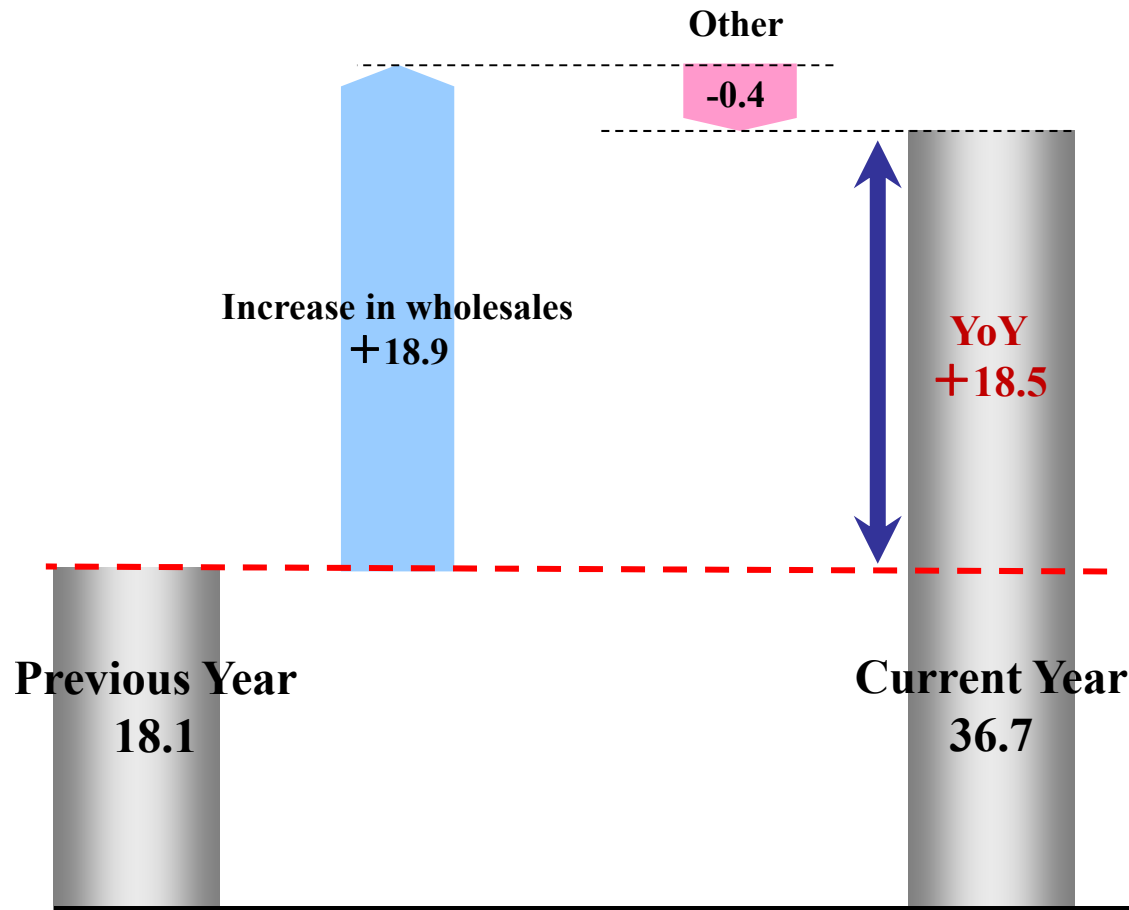
※ Retail and wholesale power sales, and electricity procurement expenses both include the impact from indirect auctions. The impact of imbalance on consign transmission costs has been added to the electricity procurement costs after deducting the impact excluding the imbalance from retail and wholesale power sales.



<Reference> RP YoY Comparison

Ordinary income/loss

(Unit: Billion JPY)



Income and expenditure structure

Most income comes from the wholesale of hydroelectric and new energies. Costs are primarily from depreciation and maintenance.

Flow rate

(Unit: %)

	FY2019	FY2020	+/-
Apr-Sep	98.1	103.3	+5.2

Ordinary income/loss

(Unit: Billion JPY)

	FY2019	FY2020	+/-
Apr-Jun	※ 8.1	17.8	+9.6
Apr-Sep	※ 18.1	36.7	+18.5
Apr-Dec	-	-	-
Apr-Mar	-	-	-

※ Numbers for April through June FY2019 and April through September have been rearranged for TEPCO HD and RP to provide a comparison with the previous year

