

FY2021Q3 Financial Results

January 31, 2022

Tokyo Electric Power Company Holdings, Inc.

【 Main points of the FY2021Q3 financial results 】

- **Operating revenue decreased** due to the application of new accounting standards.
- **Ordinary income/loss and quarterly net profit decreased** due to worsening of the impact for JERA from the time-lag inherent to the fuel cost adjustment system and decreases in retail power sales volume despite continual efforts on behalf of the entire Group to improve revenue and expenditure.

【 FY2021 performance forecast 】

- The previous forecast has been revised due to the posting of loss on the return of imbalance income and expenditure as extraordinary loss.

TEPCO

1. Consolidated Financial Results Overview

(Unit: Billion kWh)

	FY2021 Apr-Dec (A)	FY2020 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Total power sales volume	168.4	167.2	+1.2	100.7
Retail power sales volume ※1	134.6	150.3	-15.7	89.5
Wholesale power sales volume ※2	33.7	16.8	+16.9	200.3

(Unit: Billion Yen)

	FY2021 Apr-Dec (A)	FY2020 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	3,503.5	4,103.9	-600.3	85.4
Operating Income/Loss	88.0	152.7	-64.6	57.7
Ordinary Income/Loss	72.2	235.5	-163.3	30.7
Extraordinary Income/Loss	-52.8	-95.4	+42.6	-
Net Income Attributable to Owners of the Parent	9.8	130.4	-120.6	7.5

※1 Total of EP consolidated (EP/TCS/PinT) and PG (islands, etc.)

※2 Total (excluding indirect auctions) of EP consolidated (EP/TCS/PinT), PG (including inter-regional), and RP consolidated (RP/Tokyo Electric Generation)



Area demand

(Unit: Billion kWh)

	FY2021 Apr-Dec	FY2020 Apr-Dec	Comparison	
			+/-	Ratio (%)
Area demand	192.7	193.6	- 0.9	99.6

Exchange/CIF

	FY2021 Apr-Dec	FY2020 Apr-Dec	+/-
Exchange rate (Interbank)	111.1 JPY/USD	106.1 JPY/USD	+5.0 JPY/USD
Crude oil price (Japan CIF)	74.0 USD/Barrel	39.1 USD/Barrel	+34.9 USD/Barrel

※ The crude oil price for April–December 2021 is the most recently announced price (January 20)

2. Main Points about Core Companies

【 TEPCO Holdings (HD) 】

- Ordinary income **increased** due to an increase in dividends received from core companies.

【 TEPCO Fuel & Power (FP) 】

- Ordinary income **decreased** due to a worsening of the impact for JERA from the time-lag inherent to the fuel cost adjustment system.

【TEPCO Power Grid (PG)】

- Ordinary income **decreased** as a result of an increase in facility-related costs.

【TEPCO Energy Partner (EP)】

- Ordinary income **decreased** due to increased competition in the retail power sales market, and the impact of daily temperatures.

【TEPCO Renewable Power (RP)】

- Ordinary income **decreased** due to an increase in fixed asset tax.

3. Core Company Overview

(Unit: Billion Yen)

	FY2021 Apr-Dec (A)	FY2020 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	3,503.5	4,103.9	-600.3	85.4
TEPCO Holdings	365.4	364.7	+0.6	100.2
TEPCO Fuel & Power	3.8	5.8	-1.9	66.8
TEPCO Power Grid	1,336.1	1,292.4	+43.7	103.4
TEPCO Energy Partner	2,890.9	3,614.3	-723.3	80.0
TEPCO Renewable Power	117.2	109.9	+7.2	106.6
Adjustments	-1,210.2	-1,283.5	+73.3	-
Ordinary Income/Loss	72.2	235.5	-163.3	30.7
TEPCO Holdings	72.0	7.0	+64.9	-
TEPCO Fuel & Power	-9.3	83.4	-92.7	-
TEPCO Power Grid	163.5	183.6	-20.0	89.1
TEPCO Energy Partner	-42.3	7.9	-50.3	-
TEPCO Renewable Power	40.5	44.1	-3.6	91.8
Adjustments	-152.1	-90.6	-61.5	-

4. Consolidated Extraordinary Income/Loss

(Unit: Billion Yen)

	FY2021 Apr-Dec (A)	FY2020 Apr-Dec (B)	Comparison (A)-(B)
Extraordinary Income	29.8	-	+29.8
Nuclear Damage Compensation and Decommissioning Facilitation Corporation Subsidies	※1 29.8	-	+29.8
Extraordinary Loss	82.6	95.4	-12.7
Expenses for Nuclear Damage Compensation	※2 66.3	95.4	-29.1
Loss on return of imbalance income and expenditure	※3 16.3	-	+16.3
Extraordinary Income/Loss	-52.8	-95.4	+42.6

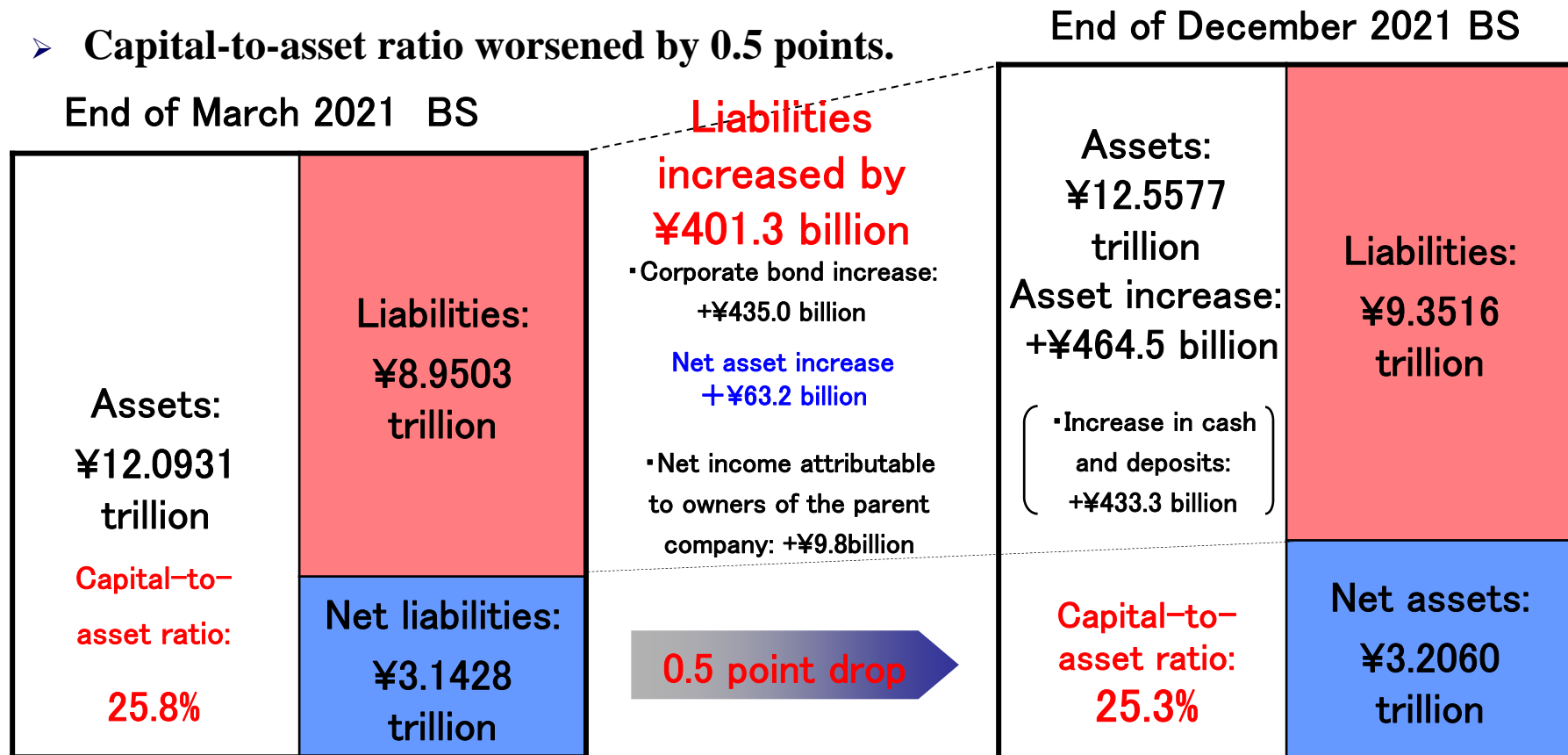
※1 An application to change the amount of financial assistance was submitted on September 30, 2021

※2 Damage resulting from shipping restrictions and increases caused by extending the calculation period for reputational damage estimates, etc.

※3 An adjustment will be made by subtracting part of the imbalance income and expenditure seen in January 2021, which was caused by the tight supply-demand situation experienced during the winter of FY2020, from consigned transmission fees after April 2022.

5. Consolidated Finances

- Gross assets increased by ¥464.5 billion due to increases in cash and deposits.
- Outstanding liabilities increased by ¥401.3 billion due to increases in corporate bonds.
- Net assets increased by ¥63.2 billion due to the appropriation of net income attributable to owners of the parent company.
- Capital-to-asset ratio worsened by 0.5 points.



6. FY2021 Performance Forecast

- Our performance forecast has been revised as follows due to the posting of the loss on the return of imbalance income and expenditure as extraordinary loss.

(Unit: Billion kWh)

	FY2021 (New forecast)	FY2021 (Forecast announced on October 27, 2021)	Comparison	FY2020 (Actual performance)
Operating Revenue	5,051	4,850	+ 201	5,868.8
Operating Income / Loss	19	21	- 2	143.4
Ordinary Income/Loss	- 16	- 13	- 3	189.8
Extraordinary Income / Loss	- 16.3	0	- 16.3	1.3
Net income attributable to owners of parent	- 41	- 16	- 25	180.8

※ ¥50 billion has been used as a general figure for special contribution since the actual figure has yet to be determined.

(Reference) FY2021 Performance Forecast (Major Points)

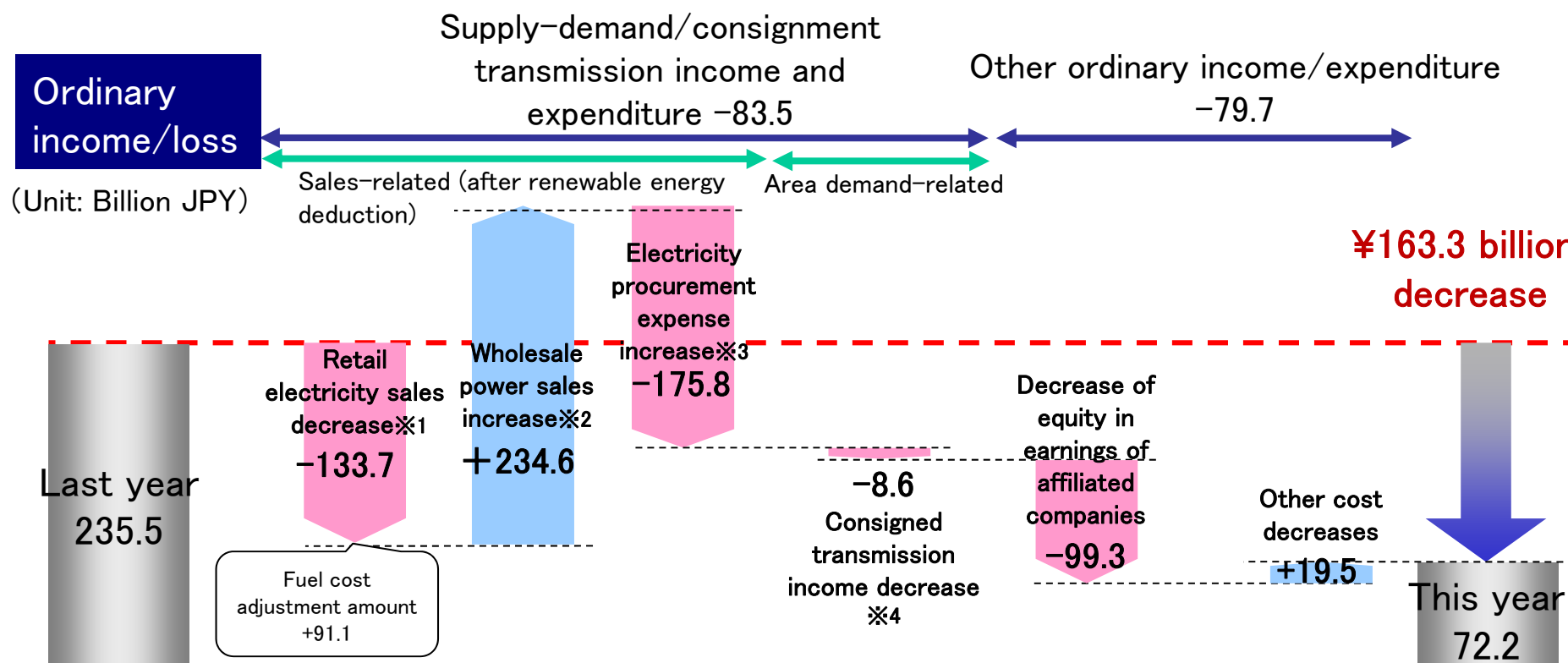
(Unit: Billion kWh)

	FY2021 (New forecast)	FY2021 (Forecast announced on October 27, 2021)	FY2020 (Actual performance)
Total power sales volume	227.5	222.0	231.5
Retail power sales volume	183.9	183.9	204.7
Wholesale power sales volume	43.6	38.1	26.8
A r e a D e m a n d	266.9	266.3	266.3

	FY2021 (New forecast)	FY2021 (Forecast announced on October 27, 2021)	FY2020 (Actual performance)
Exchange rate (Interbank)	Approx. 112 JPY/USD	Approx. 110 JPY/USD	106.1 JPY/USD
Crude oil price (Japan CIF)	Approx. 75 USD/Barrel	Approx. 74 USD/Barrel	43.4 USD/Barrel

(Reference) YoY comparison (Consolidated) ① ~Increases/Decreases~

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※1 Retail power sales include the impact of consigned transmission expenses.

※2 Wholesale power sales exclude the impact of indirect auctions.

※3 Electricity procurement expense excludes the impact of indirect auctions, and offsets the revenue increase/decrease caused by an increase/decrease in deficit imbalance.

※4 Consigned transmission income includes transactions within the Group but excludes the impact of the deficit imbalance.

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(Reference) Consolidated YoY Performance Comparison ② ~Figures~

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(Unit: Billion JPY)

	FY2021 Apr-Dec	FY2020 Apr-Dec	+/-
Ordinary Income	72.2	235.5	- 163.3
Supply demand, consigned transmission income and expenditure	1,272.8	1,356.4	- 83.5
(-) Retail power sales ※1	1,559.1	1,692.8	- 133.7
(-) Wholesale power sales ※2	426.5	191.8	+234.6
(-) Electricity procurement expense ※3	- 1,730.1	- 1,554.3	- 175.8
(-) Consigned transmission income ※4	1,017.3	1,026.0	- 8.6
Other ordinary income/expenditure	-1,200.5	- 1,120.8	- 79.7
(-) Equity in earnings of affiliated companies	18.7	118.0	- 99.3
(-) Depreciation costs	- 301.5	- 298.5	- 3.0
(-) Facility costs	- 188.0	- 181.3	- 6.6
(-) Other ※5	- 729.6	- 758.9	+29.2

※1 Retail power sales include the impact of consigned transmission expenses.

※2 Wholesale power sales exclude the impact of indirect auctions.

※3 Electricity procurement expense excludes the impact of indirect auctions, and offsets the revenue increase/decrease caused by an increase/decrease in deficit imbalance.

※4 Consigned transmission income includes transactions within the Group but excludes the impact of the deficit imbalance.

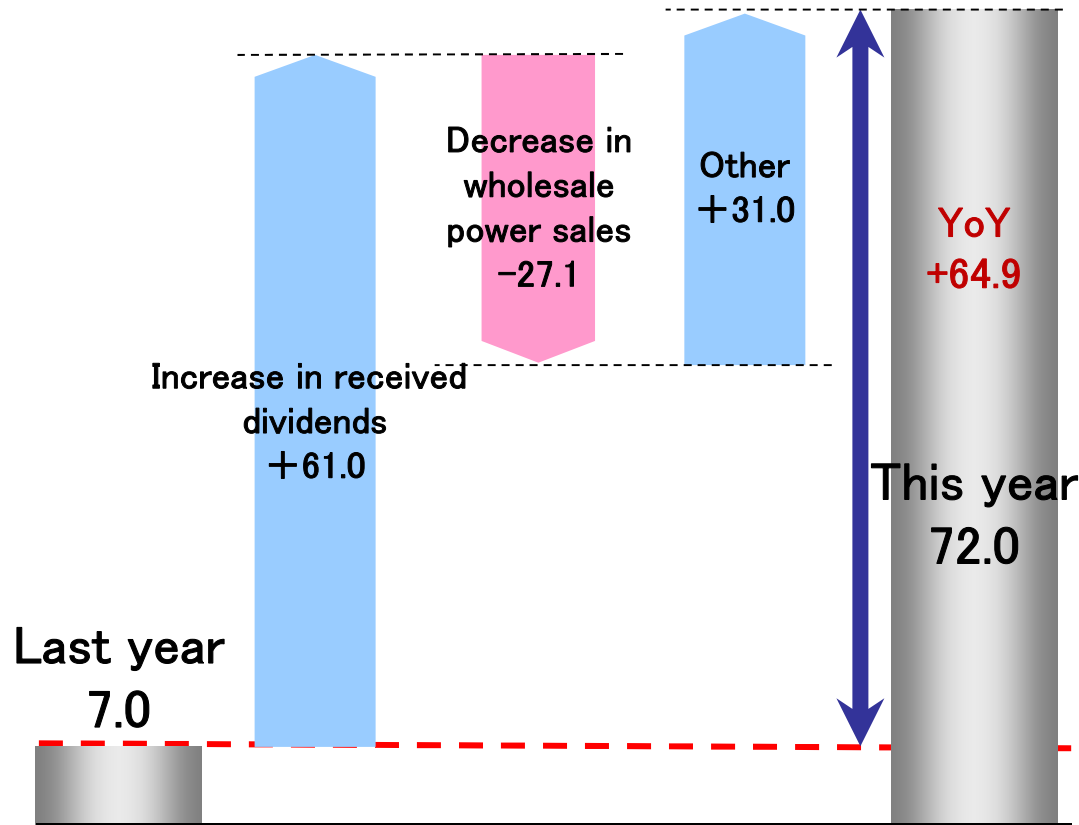
※5 Consists of primarily personnel costs, taxes and consignment costs.

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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

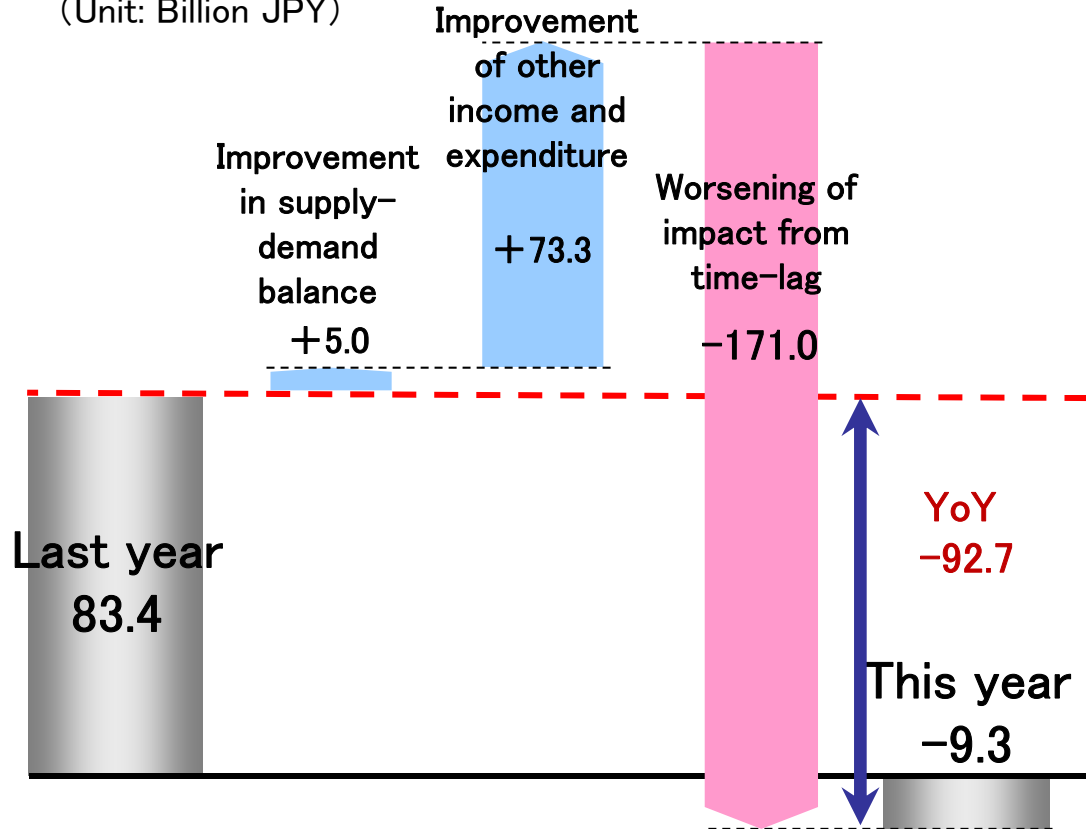
(Unit: Billion JPY)

	FY2020	FY2021	+/-
Apr-Jun	79.5	126.7	+ 47.1
Apr-Sep	63.3	98.0	+ 34.7
Apr-Dec	7.0	72.0	+ 64.9
Apr-Mar	-7.9		

(Reference) FP YoY comparison

Ordinary income/loss

(Unit: Billion JPY)



Income and expenditure structure

Primary income is equity in earnings of affiliated companies, such as from JERA's supply/demand balance, etc.

Impact of time lag (JERA share impact)

(Unit: Billion JPY)

	FY2020	FY2021	+/-
Apr-Dec	+ 66.0	-105.0	-171.0

Ordinary income/loss

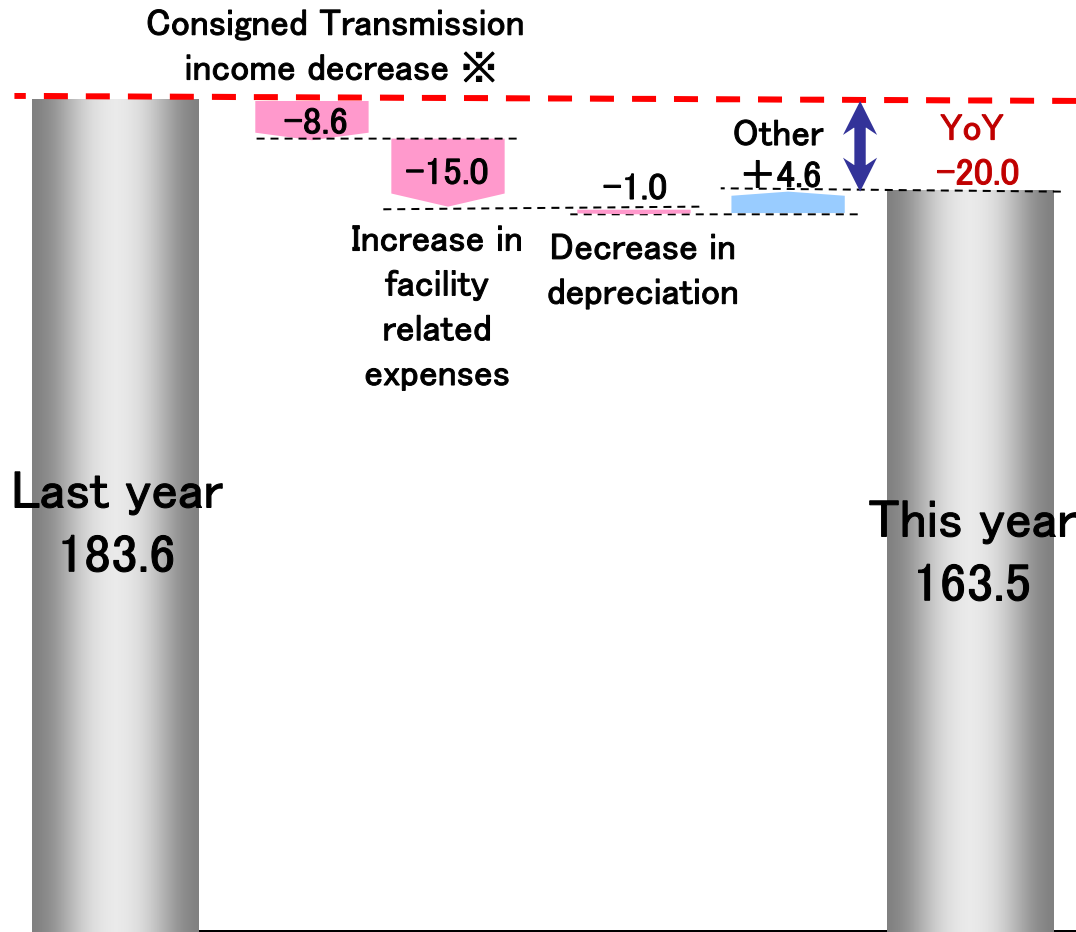
(Unit: Billion JPY)

	FY2020	FY2021	+/-
Apr-Jun	9.2	30.1	+ 20.8
Apr-Sep	45.3	7.3	-37.9
Apr-Dec	83.4	-9.3	-92.7
Apr-Mar	69.8		

(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)

	FY2020	FY2021	+/-
Apr-Dec	193.6	192.7	-0.9

Ordinary income/loss

(Unit: Billion JPY)

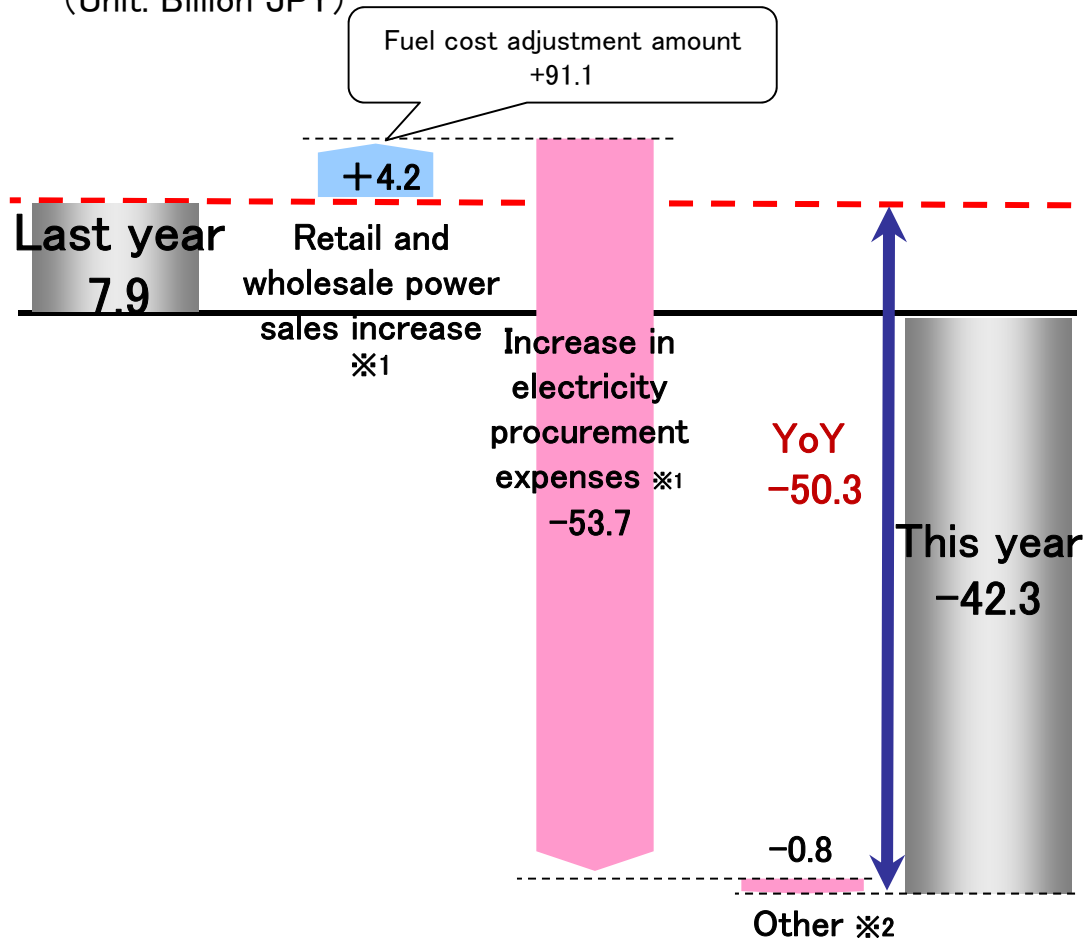
	FY2020	FY2021	+/-
Apr-Jun	40.7	34.6	-6.0
Apr-Sep	123.8	106.6	-17.1
Apr-Dec	183.6	163.5	-20.0
Apr-Mar	169.0		

※ Consigned transmission income excludes the impact of imbalance income 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.

Retail power sales volume

(EP consolidated)

(Unit: Billion kWh)

	FY2020	FY2021	+/-
Apr-Dec	150.2	134.5	-15.7

Gas contracts (EP alone)

End of Mar 2021	End of Dec 2021
Approx. 1.24 million	Approx. 1.28 million

Ordinary income/loss

(Unit: Billion JPY)

	FY2020	FY2021	+/-
Apr-Jun	11.2	-37.4	-48.7
Apr-Sep	45.9	5.8	-40.0
Apr-Dec	7.9	-42.3	-50.3
Apr-Mar	6.4		

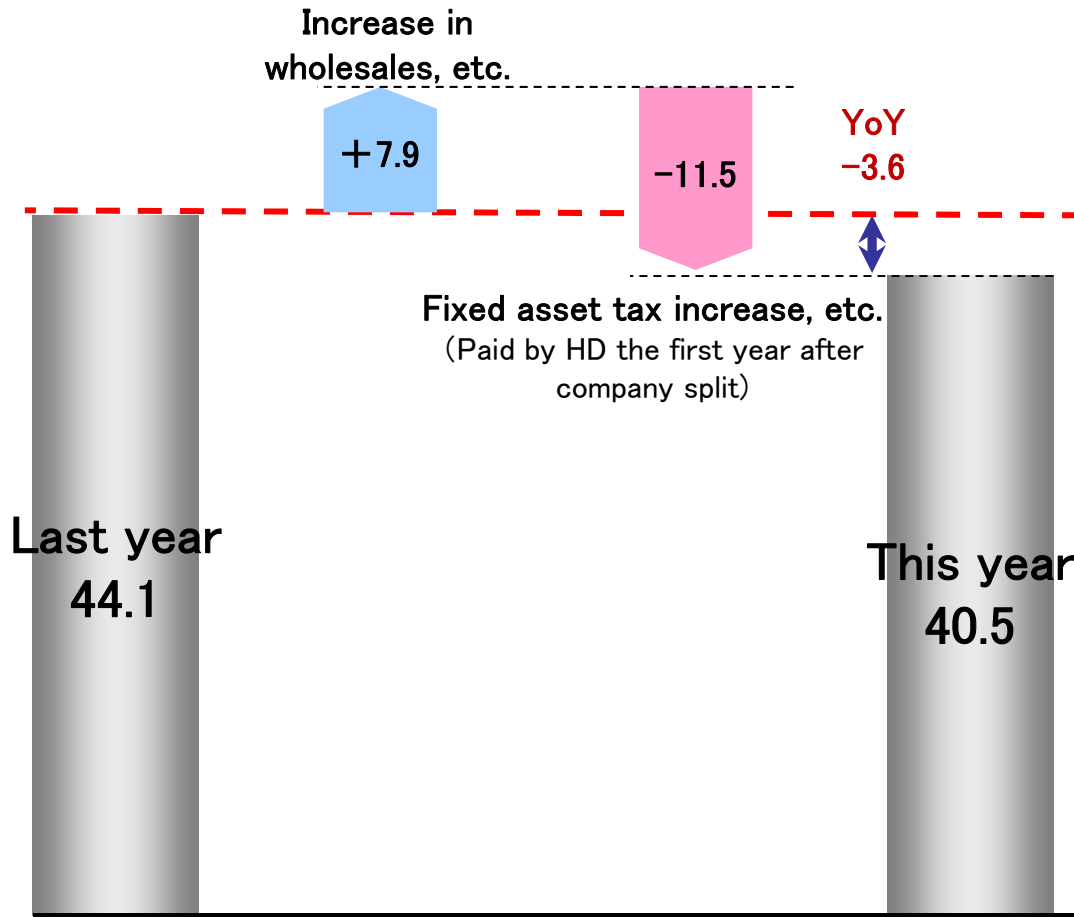
※1 Retail and wholesale power sales, and electricity procurement expenses both exclude the impact from indirect auctions. The impact of consigned transmission costs has been included in retail and wholesale power sales after deducting the imbalance, and the impact of the imbalance has been included in electricity procurement costs.

※2 Includes the impact of correcting consolidated result discrepancies related to the appropriation of renewable energy subsidy estimates made during the previous term.

(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: %)

	FY2020	FY2021	+/-
Apr-Dec	100.0	98.9	-1.1

Ordinary income/loss

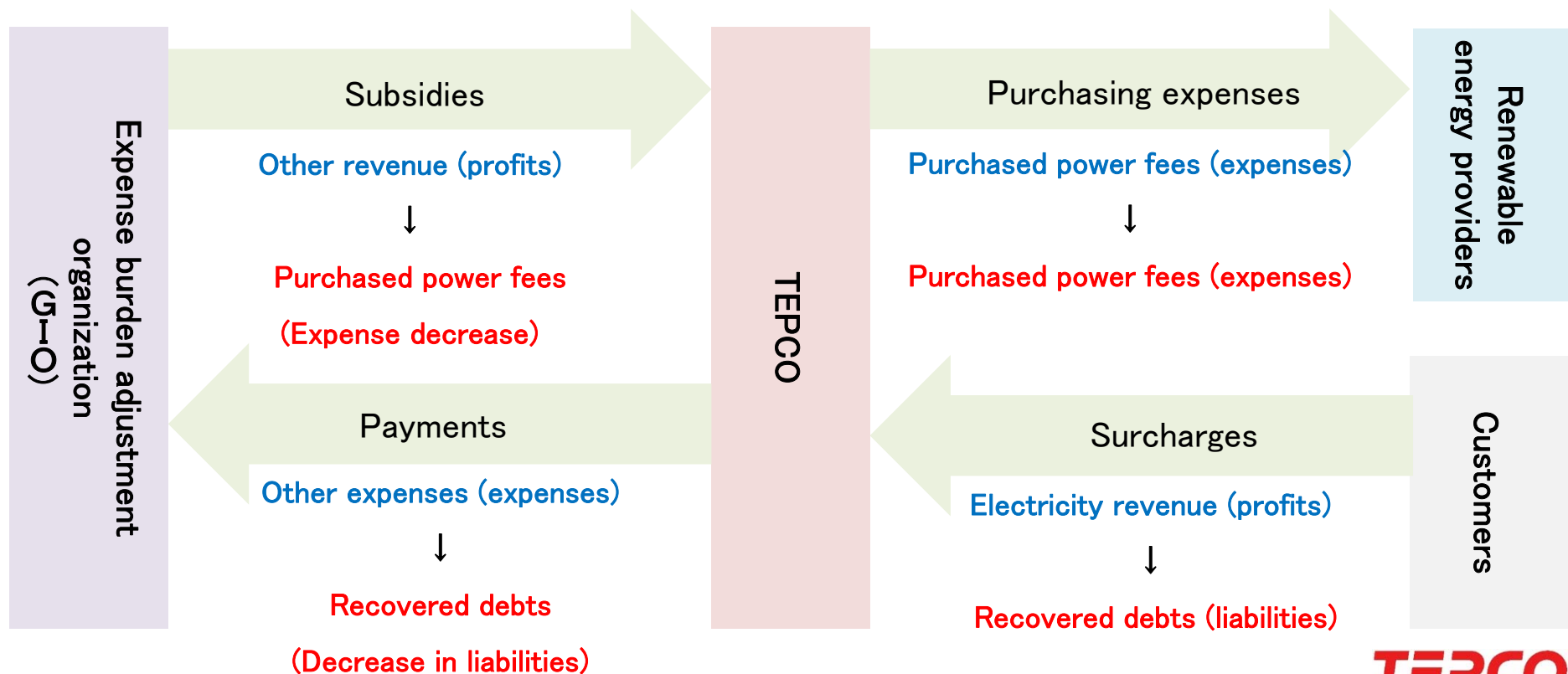
(Unit: Billion JPY)

	FY2020	FY2021	+/-
Apr-Jun	17.8	16.1	-1.6
Apr-Sep	36.7	35.0	-1.6
Apr-Dec	44.1	40.5	-3.6
Apr-Mar	48.1		

(Reference) Application of new accounting standards

- “Accounting standards for revenue recognition” went into effect in FY2021 and some transactions that were posted as revenue (sales) must now be listed in a different category (changes were also made to what can be posted as expenses so there was no impact on revenue and expenditure).
- Surcharges and payments are posted as increases/decreases in recovered debts (liabilities) since they are paid to the GIO.
- Subsidies are posted as decreases in expenses due to revision of the electric operators accounting rules in accordance with the new accounting standards.

< Diagram of the feed-in tariff system for renewable energies > [Blue: Accounting category until FY2020](#)
[Red: Accounting category as of FY2021](#)



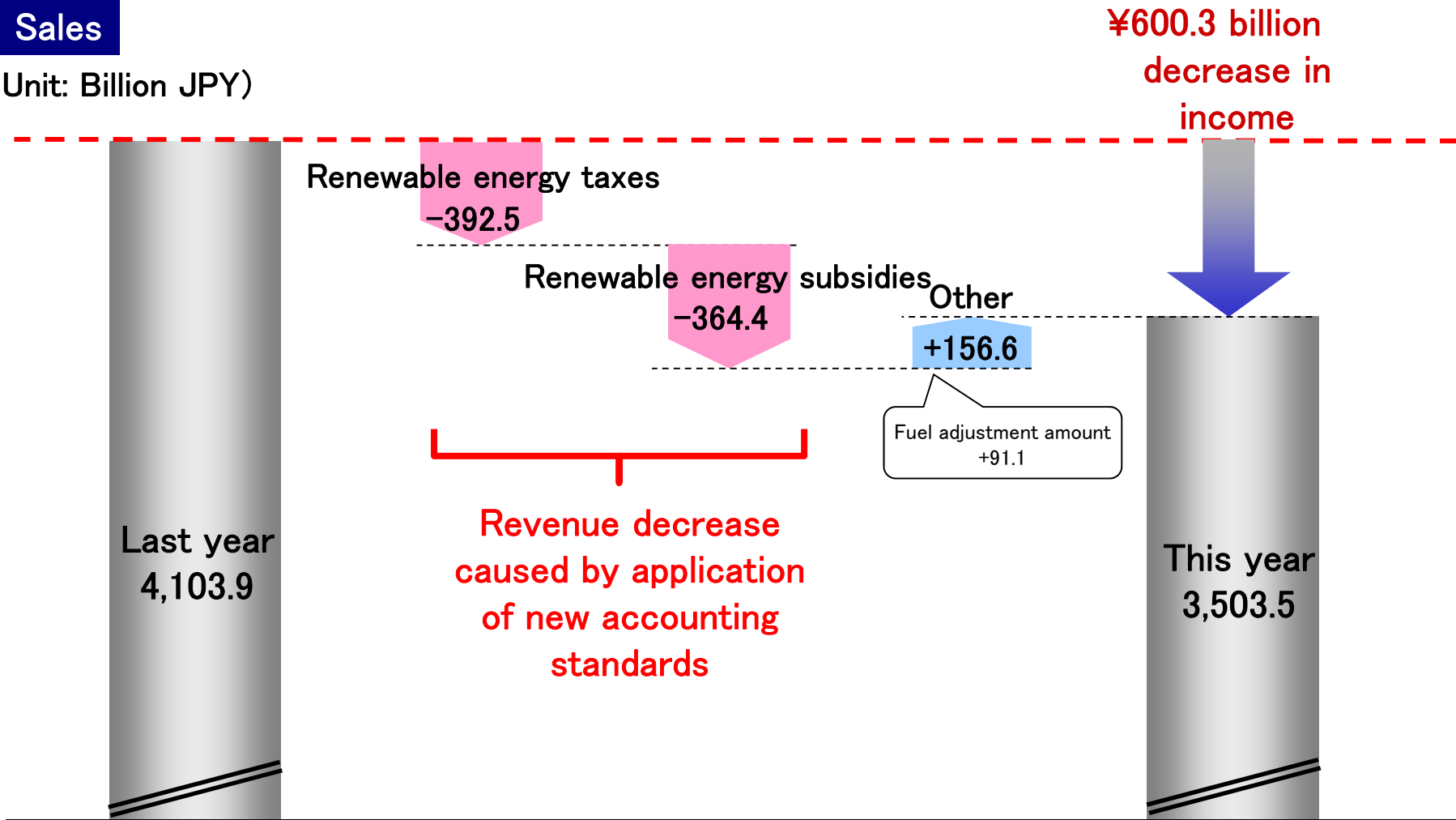
(Reference) Factors causing fluctuation in consolidated sales

~Impact of the application of new accounting standards~

- Sales decreased by ¥756.9 billion as a result of application of new accounting standards (No impact on income and expenditure since costs will also decrease)

Sales

(Unit: Billion JPY)



(Reference) FY2021 Performance Forecast (Core company overview)

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(Unit: Billion JPY)

	FY2021 (Performance forecast)	FY 2021 (Forecast announced on October 27, 2021)	+/-	FY 2020 (Actual performance)
R e v e n u e	5,051	4,850	+ 201	5,866.8
T E P C O H o l d i n g s	625	620	+ 5	624.2
T E P C O F u e l & P o w e r	5	5	—	8.7
T E P C O P o w e r G r i d	1,840	1,787	+ 53	2,003.8
T E P C O E n e r g y P a r t n e r	4,186	4,040	+ 146	5,034.3
T E P C O R e n e w a b l e P o w e r	152	151	+ 1	143.4
A d j u s t m e n t s	- 1,757	- 1,753	- 4	- 1,947.9
Ordinary income/loss	- 16	- 13	- 3	189.8
T E P C O H o l d i n g s	54	41	+ 13	- 7.9
T E P C O F u e l & P o w e r	- 22	- 22	—	69.8
T E P C O P o w e r G r i d	130	116	+ 14	169.0
T E P C O E n e r g y P a r t n e r	- 73	- 35	- 38	6.4
T E P C O R e n e w a b l e P o w e r	41	40	+ 1	48.1
A d j u s t m e n t s	- 146	- 153	+ 7	- 95.6