

Overview of FY2017 2nd Quarter Financial Results (April 1 – September 30, 2017)

(Released on October 31, 2017)

Tokyo Electric Power Company Holdings, Inc.

Regarding Forward-Looking Statements

Certain statements in the following presentation regarding TEPCO Group's business operations may constitute "forward-looking statements." 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 TEPCO Group's actual results to differ materially from the forward-looking statements herein.

(Note)

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

< FY2017 2nd Quarter Financial Results >

- Ordinary revenue increased due to an increase in electricity sales revenue from a rise in fuel cost adjustments and others while electricity sales volume decreased.
- Ordinary expenses increased due to the rise of fuel prices and increase of purchasing solar power generation and others.
- Ordinary income achieved profits for the fifth consecutive year. However, the time-lag effect* caused by fuel cost adjustments, which made a positive contribution in FY2016 2nd Quarter, made a negative contribution in FY2017 2nd Quarter, and ordinary income decreased.
- Net income increased due to recording grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF).

*Difference between such revenue as may be adjusted if fuel prices were reflected immediately and the revenue from actual fuel cost adjustment.

< FY2017 Full-year Financial Forecasts >

- There is no revision from the projections released on July 28, 2017.

1. Consolidated Financial Results

(Unit: Billion Yen)

	FY2017 Apr-Sep (A)	FY2016 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	2,831.6	2,643.3	188.2	107.1
Operating Income	237.7	292.8	-55.0	81.2
Ordinary Income	215.9	274.2	-58.2	78.8
Extraordinary Income	128.6	36.4	92.1	-
Extraordinary Loss	110.2	168.5	-58.2	-
Net Income attributable to owners of parent	211.2	94.1	117.0	224.3

2. Electricity Sales Volume/ Key Factors Affecting Performance

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Electricity Sales Volume

(Unit: Billion kWh)

	FY2017 Apr-Sep (A)	FY2016 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Lighting	37.6	39.9	-2.3	94.2
Power	77.4	79.7	-2.2	97.2
Total	115.0	119.6	-4.5	96.2

* Excluding islands. Including nation-wide sales.

Key Factors Affecting Performance

	FY2017 Apr-Sep (A)	FY2016 Apr-Sep (B)	(A)-(B)
Foreign Exchange Rate (Interbank, yen/dollar)	111.1	105.2	5.9
Crude Oil Prices (All Japan CIF, dollar/barrel)	51.4	43.8	7.6
LNG Prices (All Japan CIF, dollar/barrel)	47.9	36.7	11.2

3. Ordinary Revenue (Consolidated)

(Unit: Billion Yen)

	FY2017 Apr-Sep (A)	FY2016 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
(Operating Revenue)	2,831.6	2,643.3	188.2	107.1
Electricity Sales Revenue	2,241.0	2,211.8	29.1	101.3
Lighting	928.9	937.4	-8.5	99.1
Power	1,312.1	1,274.4	37.6	103.0
Power Sold to Other Utilities and Suppliers	114.4	62.1	52.2	184.1
Other Revenue	384.7	315.2	69.4	122.0
(Written again) Grant under Act on Procurement of Renewable Electric Energy	189.1	159.8	29.2	118.3
(Written again) Transmission Revenue	102.6	66.7	35.8	153.7
Subsidiaries/ Affiliated Companies	114.2	87.8	26.4	130.1
Ordinary Revenue	2,854.4	2,677.1	177.3	106.6

- Decrease in electricity sales volume: - 91.0
- Rise in fuel cost adjustments: +105.0
- Renewable energy surcharge: +36.1

Total of TEPCO Holdings and three Core Operating Companies (TEPCO Fuel & Power, TEPCO Power Grid and TEPCO Energy Partner) (after intercompany elimination)

Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after intercompany elimination)

4. Ordinary Expenses (Consolidated)

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(Unit: Billion Yen)

	FY2017 Apr-Sep (A)	FY2016 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Personnel Expenses	163.9	169.8	-5.8	96.5
Fuel Expenses	609.2	496.2	112.9	122.8
Maintenance Expenses	135.3	149.1	-13.8	90.7
Depreciation	273.4	274.6	-1.2	99.6
Power Purchasing Costs	562.3	462.5	99.8	121.6
Interest Paid	33.5	39.7	-6.1	84.4
Taxes, etc.	154.7	153.4	1.3	100.9
Nuclear Back-end Costs	24.5	26.8	-2.3	91.4
Other Expenses	587.9	562.2	25.6	104.6
(Written again) Payment under Act on Procurement of Renewable Electric Energy	263.7	227.6	36.1	115.9
Subsidiaries/ Affiliated Companies	93.4	68.2	25.2	137.0
Ordinary Expenses	2,638.5	2,402.9	235.6	109.8
(Operating Income)	(237.7)	(292.8)	(-55.0)	81.2
Ordinary Income	215.9	274.2	-58.2	78.8

• Effect of price fluctuations of exchange rate, fuel prices (CIF) and others: + 142.0
• Decrease in thermal power generation: - 29.0

• Increase of purchase from solar power generation and others

Total of TEPCO Holdings and three Core Operating Companies (after intercompany elimination)

Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after intercompany elimination)

5. Extraordinary Income/ Loss (Consolidated)

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(Unit: Billion Yen)

	FY2017 Apr-Sep	FY2016 Apr-Sep	Comparison
Extraordinary Income	128.6	36.4	92.1
Grants-in-aid from NDF*	128.6	—	128.6
Gain on change in equity	—	36.4	-36.4
Extraordinary Loss	110.2	168.5	-58.2
Expenses for Nuclear Damage Compensation	110.2	168.5	-58.2
Extraordinary Income/ Loss	18.3	-132.0	150.4

* Nuclear Damage Compensation and Decommissioning Facilitation Corporation

<Extraordinary Income>

Grants-in-aid from NDF

- Application for financial support from NDF in May and June 2017

<Extraordinary Loss>

Expenses for Nuclear Damage Compensation

- Increase in the estimated amount of compensation for damage to reputation etc., and other factors

6. Consolidated Financial Position

- Total assets decreased 279.3 billion yen primarily due to a decrease in grants-in-aid receivable from NDF.
- Total liabilities decreased 468.9 billion yen primarily due to a decrease in provision for nuclear damage compensation.
- Total net assets increased 189.5 billion yen primarily due to a record net income attributable to owners of parent.
- Equity ratio improved by 2.0 points.

Balance Sheets as of Mar. 31, 2017

Total Assets 12,277.6 billion yen	Liabilities 9,928.9 billion yen
	Net Assets 2,348.6 billion yen

Equity Ratio: 19.1%

Balance Sheets as of Sep. 30, 2017

Total Assets 11,998.2 billion yen	Liabilities 9,460.0 billion yen
Decrease in Assets -279.3 billion yen	Net Assets 2,538.2 billion yen
<ul style="list-style-type: none"> • Grants-in-aid receivable from NDF -95.8 billion yen • Cash and deposits -81.1 billion yen 	

Equity Ratio: 21.1%

Decrease in Liabilities
-468.9 billion yen

- Provision for nuclear damage compensation -121.1 billion yen
- Interest-bearing Debt -120.6 billion yen

Increase in Net Assets

- +189.5 billion yen**
- Record net income attributable to owners of parent +211.2 billion yen

Improved by 2.0 points

7. FY2017 Full-Year Financial Forecasts

(Unit: Billion Yen)

	FY2017 Projections (released on Oct. 31, 2017)	FY2017 Projections (released on Jul. 28, 2017)	FY2016 Results
Operating Revenue	5,750	5,750	5,357.7
Ordinary Income	200	200	227.6
Extraordinary Income/ Loss	98	98	-80.6
Net Income attributable to owners of parent	288	288	132.8

* FY2017 Projections released on October 31, 2017 have no change from those released on July 28, 2017.

8. FY2017 Full-Year Financial Forecasts

(Key Factors Affecting Performance/ Financial Impact)

Key Factors Affecting Performance

	FY2017 Projections (released on Oct. 31, 2017)	FY2017 Projections (released on Jul. 28, 2017)	FY2016 Results
Electricity Sales Volume (billion kWh)	233.2	235.2	241.5
Crude Oil Prices (All Japan CIF; dollars per barrel)	Approx. 53	Approx. 54	47.5
Foreign Exchange Rate (Interbank; yen per dollar)	Approx. 113	Approx. 114	108.4
Flow Rate (%)	Approx. 98	Approx. 98	94.2
Nuclear Power Plant Capacity Utilization Ratio (%)	—	—	—

Financial Impact (Sensitivity)

(Unit: Billion Yen)

	FY2017 Projections (released on Oct. 31, 2017)	FY2017 Projections (released on Jul. 28, 2017)	FY2016 Results
<Fuel Expenses>			
Crude Oil Prices (All Japan CIF; 1 dollar per barrel)	Approx. 16	Approx. 16	Approx. 17
Foreign Exchange Rate (Interbank; 1 yen per dollar)	Approx. 11	Approx. 11	Approx. 10
Nuclear Power Plant Capacity Utilization Ratio (1%)	—	—	—
<Interest Paid>			
Interest Rate 1% (Long-term / Short-term)	Approx. 28	Approx. 28	Approx. 21