

FY2017 3rd Quarter Financial Results (April 1 – December 31, 2017)

Tokyo Electric Power Company Holdings, Inc.

Regarding Forward-Looking Statements

Certain statements in the following presentation regarding the 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.

Overview of FY2017 3rd Quarter Financial Results

(Released on January 30, 2018)

< FY2017 3rd Quarter Financial Results >

- Ordinary revenue increased due to an increase in electricity sales revenue caused by a rise in fuel cost adjustments, etc. even though electricity sales volume decreased.
- Ordinary expenses increased due to the rise of fuel prices and an increase in purchases from solar power generation, etc.
- Ordinary income and net income were in the black for the fifth consecutive year. However, the time-lag effect* caused by fuel cost adjustments, which made a positive contribution in FY2016Q3, contributed negatively to FY2017Q3, causing ordinary income and net income to decrease.

*Difference between revenue if fuel price fluctuations were reflected immediately and the revenue from actual fuel cost adjustments.

< FY2017 Full-year Financial Forecasts >

- There have been no revisions to the projections released on October 31, 2017.

1. Consolidated Financial Results

(Unit Billion Yen)

	FY2017 Apr-Dec (A)	FY2016 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	4,206.4	3,877.6	328.7	108.5
Operating Income	295.6	336.9	-41.2	87.8
Ordinary Income	274.2	306.1	-31.8	89.6
Extraordinary Income	128.6	330.6	-202.0	-
Extraordinary Loss	139.3	301.2	-161.8	-
Net Income attributable to owners of parent	225.6	308.2	-82.6	73.2

2. Electricity Sales Volume/ Key Factors Affecting Performance

Electricity Sales Volume

(Unit: Billion kWh)

	FY2017 Apr-Dec (A)	FY2016 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Lighting	56.6	59.9	-3.2	94.6
Power	113.5	117.2	-3.8	96.8
Total	170.1	177.1	-7.0	96.0

* Electricity Sales Volume by TEPCO Energy Partner including nation-wide sales.

Key Factors Affecting Performance

	FY2017 Apr-Dec (A)	FY2016 Apr-Dec (B)	(A)-(B)
Foreign Exchange Rate (Interbank, yen/dollar)	111.7	106.6	5.1
Crude Oil Prices (All Japan CIF, dollar/barrel)	53.9	44.9	9.0
LNG Prices (All Japan CIF, dollar/barrel)	47.2	38.6	8.6

3. Ordinary Revenue (Consolidated)

(Unit: Billion Yen)

	FY2017 Apr-Dec (A)	FY2016 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
(Operating Revenue)	4,206.4	3,877.6	328.7	108.5
Electricity Sales Revenue	3,320.7	3,235.3	85.4	102.6
Lighting	1,396.8	1,387.9	8.8	100.6
Power	1,923.8	1,847.3	76.5	104.1
Power Sold to Other Utilities and Suppliers	190.2	104.0	86.2	182.9
Other Revenue	550.0	450.3	99.6	122.1
(Reprinted) Grant under Act on Procurement of Renewable Electric Energy	254.7	216.2	38.5	117.8
(Reprinted) Transmission Revenue	158.8	106.7	52.1	148.8
Subsidiaries/ Affiliated Companies	180.2	135.5	44.7	133.0
Ordinary Revenue	4,241.2	3,925.2	315.9	108.0

- Decrease in electricity sales volume: - 141.0
- Rise in fuel cost adjustments: +205.0
- Renewable energy surcharge: +50.3

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

Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after eliminating offsets)

4. Ordinary Expenses (Consolidated)

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(Unit: Billion Yen)

	FY2017 Apr-Dec (A)	FY2016 Apr-Dec (B)	Comparison		
			(A)-(B)	(A)/(B) (%)	
Personnel Expenses	245.7	252.0	-6.3	97.5	<ul style="list-style-type: none"> • Effect of price fluctuations of exchange rate, fuel prices (CIF), etc.: + 175.0 • Decrease in thermal power generation: - 30.0
Fuel Expenses	932.9	788.2	144.6	118.4	
Maintenance Expenses	208.7	228.0	-19.2	91.5	<ul style="list-style-type: none"> • Increase of purchase from solar power generation, etc.
Depreciation	409.1	409.9	-0.7	99.8	
Power Purchasing Costs	810.0	676.5	133.4	119.7	<p>Total of TEPCO Holdings and three Core Operating Companies (after eliminating offsets)</p>
Interest Paid	48.6	58.3	-9.6	83.5	
Taxes, etc.	229.8	227.1	2.7	101.2	<p>Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after eliminating offsets)</p>
Nuclear Back-end Costs	36.7	37.5	-0.7	98.0	
Other Expenses	902.0	841.8	60.1	107.1	
(Reprinted) Payment under Act on Procurement of Renewable Electric Energy	392.9	342.6	50.3	114.7	
Subsidiaries/ Affiliated Companies	143.0	99.4	43.6	143.9	
Ordinary Expenses	3,966.9	3,619.1	347.8	109.6	
(Operating Income)	(295.6)	(336.9)	(-41.2)	87.8	
Ordinary Income	274.2	306.1	-31.8	89.6	

5. Extraordinary Income/ Loss (Consolidated)

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(Unit: Billion Yen)

	FY2017 Apr-Dec	FY2016 Apr-Dec	Comparison
Extraordinary Income	128.6	330.6	-202.0
Grants-in-aid from NDF*	128.6	294.2	-165.6
Gain on change in equity	—	36.4	-36.4
Extraordinary Loss	139.3	301.2	-161.8
Expenses for Nuclear Damage Compensation	139.3	301.2	-161.8
Extraordinary Income/ Loss	-10.7	29.4	-40.2

* 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 153.0 billion yen primarily due to a decrease in grants-in-aid receivables from NDF.
- Total liabilities decreased 364.1 billion yen primarily due to a decrease in provision for nuclear damage compensation.
- Total net assets increased 211.1 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 Dec. 31, 2017

Total Assets 12,124.5 billion yen	Liabilities 9,564.7 billion yen
Decrease in Assets -153.0 billion yen <ul style="list-style-type: none"> • Grants-in-aid receivables from NDF -172.0 billion yen 	Net Assets 2,559.8 billion yen

Equity Ratio: 21.1%

Decrease in Liabilities
-364.1 billion yen

- Provision for nuclear damage compensation -168.3 billion yen
- Accrued expenses -103.9 billion yen

Increase in Net Assets

- +211.1 billion yen**
- Record net income attributable to owners of parent +225.6 billion yen

Improved by 2.0 points

7. FY2017 Full-Year Financial Forecasts

(Unit: Billion Yen)

	FY2017 Projections (released on Jan. 30, 2018)	FY2017 Projections (released on Oct. 31, 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 January 30, 2018 have no change from those released on October 31, 2017.

8. FY2017 Full-Year Financial Forecasts

(Key Factors Affecting Performance/ Financial Impact)

Key Factors Affecting Performance

	FY2017 Projections (released on Jan. 30, 2018)	FY2017 Projections (released on Oct. 31, 2017)	FY2016 Results
Electricity Sales Volume (billion kWh)	233.8	233.2	241.5
Crude Oil Prices (All Japan CIF; dollars per barrel)	Approx. 57	Approx. 53	47.5
Foreign Exchange Rate (Interbank; yen per dollar)	Approx. 112	Approx. 113	108.4
Flow Rate (%)	Approx. 101	Approx. 98	94.2
Nuclear Power Plant Capacity Utilization Ratio (%)	—	—	—

Financial Impact (Sensitivity)

(Unit: Billion Yen)

	FY2017 Projections (released on Jan. 30, 2018)	FY2017 Projections (released on Oct. 31, 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