

Overview of FY2018 2nd Quarter Financial Results

(Released on October 30, 2018)

< FY2018 2nd Quarter Financial Results >

- Although electricity sales volume from TEPCO group companies decreased due to a decline in electricity sales volume caused by intensifying competition, operating revenue increased due to an increase in fuel cost adjustments and transmission revenue from non-TEPCO group companies.
- Ordinary income decreased due to the rise of fuel price and other areas despite implementation of the group-wide cost reduction efforts.
- Ordinary income and net income are both in the black for six consecutive years.

< FY2018 Full-year Financial Forecasts >

- There are no revisions to the projections released on July 30, 2018.

1. Consolidated Financial Results

(Unit: Billion kWh)

	FY2018 Apr-Sep (A)	FY2017 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Electricity Sales Volume	116.1	118.1	-2.1	98.3

(Unit: Billion yen)

	FY2018 Apr-Sep (A)	FY2017 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	3,055.5	2,831.6	223.9	107.9
Operating Income/ Loss	219.6	237.7	-18.0	92.4
Ordinary Income/ Loss	210.6	215.9	-5.3	97.5
Extraordinary Income	—	128.6	-128.6	—
Extraordinary Loss	84.6	110.2	-25.5	—
Net Income attributable to owners of parent	89.6	211.2	-121.5	42.5

2. Key Points of Each Company

< TEPCO Holdings >

- Ordinary income increased due to an increase in dividend income and other areas.

< TEPCO Fuel & Power >

- Although fixed costs decreased from cost reduction efforts and other areas, ordinary income decreased due to an increase in fuel costs.

< TEPCO Power Grid >

- Ordinary income increased due to an increase in transmission revenue and a decrease in outsourcing and maintenance expenses, etc.

< TEPCO Energy Partner >

- Although electricity sales volume from outside service area of TEPCO Power Grid increased, ordinary income decreased due to a decline in electricity sales volume of TEPCO group caused by intensifying competition, etc.

3. Overview of Each Company

(Unit: Billion kWh, yen/dollar)

	FY2018 Apr-Sep	FY2017 Apr-Sep	Comparison
Area Demand	137.8	134.9	2.9
Foreign Exchange Rate (TTM)	110.3	111.1	- 0.8

(Unit: Billion yen)

	FY2018 Apr-Sep (A)	FY2017 Apr-Sep (B)	Comparison (A)-(B)	(A)/(B) (%)
Operating Revenue	3,055.5	2,831.6	223.9	107.9
TEPCO Holdings	391.5	409.1	-17.6	95.7
TEPCO Fuel & Power	951.9	827.5	124.4	115.0
TEPCO Power Grid	875.2	835.6	39.5	104.7
TEPCO Energy Partner	2,855.9	2,703.2	152.6	105.6
Adjustments	-2,018.9	-1,943.9	-75.0	-
Ordinary Income /Loss	210.6	215.9	-5.3	97.5
TEPCO Holdings	173.4	162.7	10.7	106.6
TEPCO Fuel & Power	5.2	7.7	-2.5	67.1
TEPCO Power Grid	117.0	81.6	35.4	143.4
TEPCO Energy Partner	54.1	90.3	-36.1	60.0
Adjustments	-139.3	-126.4	-12.8	-

• Decrease in other electricity revenue -11.6

• Increase in sold power to other suppliers + 111.3

• Increase in transmission revenue + 27.3

• Increase in fuel cost adjustments + 115.0

• Increase in dividend income + 14.5

• Increase in fuel costs -139.2

• Decrease in outsourcing and maintenance expenses + 15.3

• Decrease in electricity sales volume -2.1 billion kWh

4. Consolidated Extraordinary Income/ Loss

(Unit: Billion yen)

	FY2018 Apr-Sep	FY2017 Apr-Sep	Comparison
Extraordinary Income/ Loss	-84.6	18.3	-103.0
Extraordinary Income	—	128.6	-128.6
Grants-in-aid from NDF*	—	128.6	-128.6
Extraordinary Loss	84.6	110.2	-25.5
Expenses for Nuclear Damage Compensation	84.6	110.2	-25.5

* Nuclear Damage Compensation and Decommissioning Facilitation Corporation

<Extraordinary Loss>

Expenses for Nuclear Damage Compensation

- Increase in the estimated amount of compensation for damages due to the restriction on shipment and damages due to groundless rumor etc., and other factors

5. Consolidated Financial Position

- Total assets decreased 111.9 billion yen primarily due to decreases in grants-in-aid receivable from NDF.
- Total liabilities decreased 203.3 billion yen primarily due to decreases in current liabilities such as accounts payable-other.
- Total net assets increased 91.3 billion yen primarily due to a record net income attributable to owners of parent.
- Equity ratio improved by 0.9 points.

Balance Sheets as of Mar. 31, 2018

Total Assets 12,591.8 billion yen	Liabilities 9,934.5 billion yen
	Net Assets 2,657.2 billion yen

Equity Ratio: 21.1%

Balance Sheets as of Sep. 30, 2018

Total Assets 12,479.8 billion yen	Liabilities 9,731.2 billion yen
Net Assets 2,748.6 billion yen	

Equity Ratio: 22.0%

Decrease in Liabilities
- 203.3 billion yen

- decreases in current liabilities such as accounts payable-other -225.2 billion yen

Increase in Net Assets
+91.3 billion yen

- Record net income attributable to owners of parent +89.6 billion yen

Improved by 0.9 points

Decrease in Assets
-111.9 billion yen

- Grants-in-aid receivable from NDF -138.6 billion yen

6. FY2018 Full-Year Financial Forecasts

(Unit: Billion Yen)

	FY2018 Projections (released on Oct. 30, 2018)	FY2018 Projections (released on Jul. 30, 2018)	FY2017 Results
Operating Revenue	6,099	6,099	5,850.9
Ordinary Income/ Loss	285	285	254.8
Extraordinary Income/ Loss	—	—	73.8
Net Income attributable to owners of parent	252	252	318.0

* FY2018 Projections released on October 30, 2018 have no change from those released on July 30, 2018.

* Projections for Ordinary Income and Net Income attributable to owners of parent reflect a provisional special contribution of 50 billion yen to the NDF for compensation.

<Reference> Key Factors Affecting Performance (Results)

Area Demand

(Unit: Billion kWh)

	FY2018 Apr-Sep (A)	FY2017 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Area Demand	137.8	134.9	2.9	102.2

Foreign Exchange Rate / CIF

	FY2018 Apr-Sep (A)	FY2017 Apr-Sep (B)	(A)-(B)
Foreign Exchange Rate (Interbank, yen/dollar)	110.3	111.1	-0.8
Crude Oil Prices (All Japan CIF, dollar/barrel)	73.8	51.4	22.4
LNG Prices (All Japan CIF, dollar/barrel)	57.5	47.9	9.6

<Reference> Key Factors Affecting Performance (Financial Forecasts)

Key Factors Affecting Performance

	FY2018 Projections (released on Oct. 30, 2018)	FY2018 Projections (released on Jul. 30, 2018)
Electricity Sales Volume (Billion kWh)	232.3	232.4
Crude Oil Prices (All Japan CIF; dollars per barrel)	Approx. 77	Approx. 74
Foreign Exchange Rate (Interbank; yen per dollar)	Approx. 112	Approx. 113
Nuclear Power Plant Capacity Utilization Ratio (%)	—	—

Financial Impact (Sensitivity)

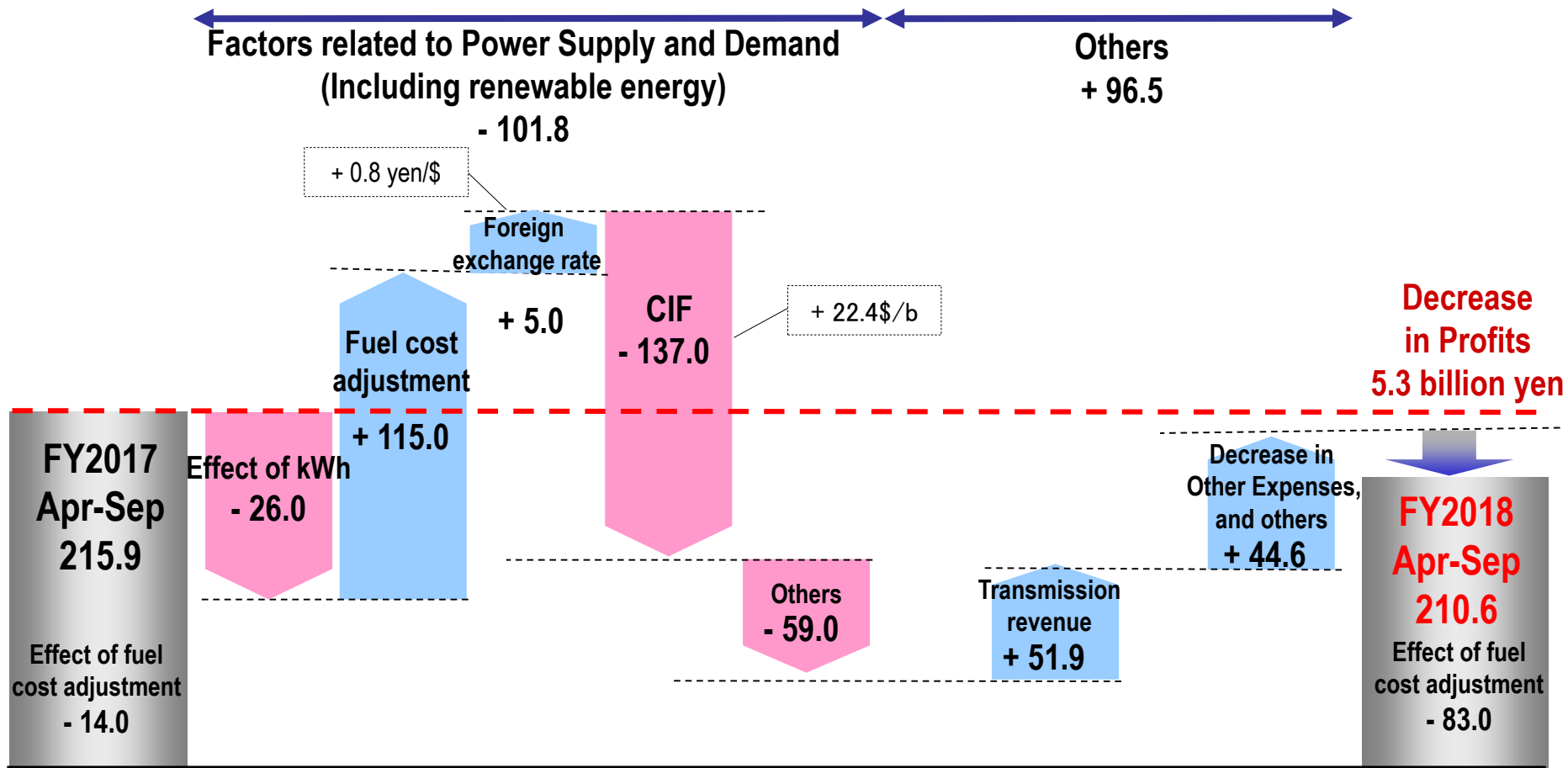
(Unit: Billion Yen)

	FY2018 Projections (released on Oct. 30, 2018)	FY2018 Projections (released on Jul. 30, 2018)
<Fuel Expenses>		
Crude Oil Prices (All Japan CIF; 1 dollar per barrel)	Approx. 18	Approx. 18
Foreign Exchange Rate (Interbank; 1 yen per dollar)	Approx. 12	Approx. 12
Nuclear Power Plant Capacity Utilization Ratio (1%)	—	—
<Interest Paid>		
Interest Rate 1% (Long-term / Short-term)	Approx. 28	Approx. 28

<Reference> Consolidated Ordinary Income/ Loss –Year on Year Comparison

Ordinary Income / Loss

(Unit: Billion Yen)



<Reference> Consolidated Ordinary Revenue

(Unit: Billion Yen)

	FY2018 Apr-Sep (A)	FY2017 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
(Operating Revenue)	3,055.5	2,831.6	223.9	107.9
Electricity Sales Revenue	2,350.2	2,292.2	58.0	102.5
Power Sold to Other Utilities and Suppliers	178.5	125.5	52.9	142.2
Other Revenue	478.1	388.0	90.1	123.2
(Reprinted) Grant under Act on Procurement of Renewable Electric Energy	219.0	192.4	26.6	113.9
(Reprinted) Transmission Revenue	154.5	102.6	51.9	150.6
Subsidiaries/ Affiliated Companies	75.9	48.6	27.3	156.2
Ordinary Revenue	3,083.0	2,854.4	228.5	108.0

<Reference> Consolidated Ordinary Expenses

(Unit: Billion Yen)

	FY2018 Apr-Sep (A)	FY2017 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Personnel Expenses	149.7	163.9	-14.2	91.3
Fuel Expenses	748.7	609.2	139.5	122.9
Maintenance Expenses	122.0	135.3	-13.3	90.2
Depreciation	264.0	273.4	-9.4	96.6
Power Purchasing Costs	679.0	604.4	74.6	112.4
Interest Paid	27.2	33.5	-6.3	81.0
Taxes, etc.	155.1	154.7	0.4	100.3
Nuclear Back-end Costs	33.2	24.5	8.7	135.8
Other Expenses	639.6	608.0	31.6	105.2
(Reprinted) Payment under Act on Procurement of Renewable Electric Energy	296.3	271.0	25.2	109.3
Subsidiaries/ Affiliated Companies	53.4	31.3	22.1	170.6
Ordinary Expenses	2,872.4	2,638.5	233.9	108.9
(Operating Income)	(219.6)	(237.7)	(-18.0)	92.4
Ordinary Income / Loss	210.6	215.9	-5.3	97.5