

# FY2018 Financial Results

## (April 1, 2018 – March 31, 2019)

Tokyo Electric Power Company Holdings, Inc.

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tepcon

TEPCO

# Overview of FY2018 Financial Results

(Released on April 25, 2019)

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## **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.*

## < FY2018 Financial Results >

- Although electricity sales volume for TEPCO Group companies decreased as a result of intensified competition, operating revenue increased due to a rise in fuel cost adjustments.
- Ordinary income increased due to continual cost reductions made by all Group companies, regardless of a rise in fuel costs.
- Ordinary income and net income have shown a profit for six consecutive years.

## < Dividends >

- TEPCO has decided not to pay out fiscal 2018 year-end dividends.
- No interim and year-end dividends are planned for fiscal 2019.

# 1. Consolidated Financial Results

(Unit: Billion kWh)

	FY2018	FY2017	Comparison	
			(A)-(B)	(A)/(B) (%)
Electricity Sales Volume	230.3	240.3	-10.0	95.8

(Unit: Billion yen)

	FY2018 (A)	FY2017 (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	6,338.4	5,850.9	487.5	108.3
Operating Income/ Loss	312.2	288.4	23.7	108.2
Ordinary Income/ Loss	276.5	254.8	21.6	108.5
Extraordinary Income	159.8	381.9	-222.1	—
Extraordinary Loss	178.0	308.1	-130.1	—
Net Income attributable to owners of parent	232.4	318.0	-85.6	73.1

## 2. Key Points of Each Company

### < TEPCO Holdings >

- Ordinary income increased due to decreases in outsourcing expenses and increases in dividends received from the subsidiary companies.

### < TEPCO Fuel & Power >

- Ordinary income decreased due to increases in fuel costs caused by rising fuel prices, despite decreases in maintenance expenses resulting from cost reduction initiatives.

### < TEPCO Power Grid >

- Ordinary income increased due to increases in wholesale power sales to the electric power exchange and other areas, and decreases in outsourcing and maintenance expenses.

### < TEPCO Energy Partner >

- Ordinary income decreased due to decreases in electricity sales volume resulting from fierce competition.

### 3. Overview of Each Company

(Unit: Billion kWh, yen/dollar)

	FY2018	FY2017	Comparison
Area Demand	274.7	276.6	-1.9
Foreign Exchange Rate (TTM)	110.9	110.9	-

(Unit: Billion Yen)

	FY2018 (A)	FY2017 (B)	Comparison (A)-(B)	(A)/(B) (%)
<b>Operating Revenue</b>	6,338.4	5,850.9	487.5	108.3
TEPCO Holdings	950.1	957.7	-7.5	99.2
TEPCO Fuel & Power	2,033.6	1,828.4	205.1	111.2
TEPCO Power Grid	1,788.9	1,742.0	46.8	102.7
TEPCO Energy Partner	5,859.3	5,532.4	326.8	105.9
Adjustments	-4,293.5	-4,209.7	-83.7	-
<b>Ordinary Income /Loss</b>	276.5	254.8	-21.6	108.5
TEPCO Holdings	232.7	142.2	90.5	163.6
TEPCO Fuel & Power	3.5	51.9	-48.4	6.7
TEPCO Power Grid	113.9	79.0	34.9	144.2
TEPCO Energy Partner	72.7	115.9	-43.2	62.7
Adjustments	-146.4	-134.4	-12.0	-

• Decrease in management consultation fees and other factors -23.0

• Increase in wholesale power sales to TEPCO EP and others +171.9

• Increase in wholesale power sales to electric power exchange and others areas + 26.3

• Increase in fuel cost adjustments + 360.0

• Decrease in outsourcing expenses + 22.8  
 • Increase in dividends from subsidiary companies + 21.2  
 • Increase in revenue from decommissioning contribution + 14.0

• Increase in fuel costs -234.1  
 • Decrease in maintenance expenses +13.5

• Decrease in outsourcing and maintenance expenses + 29.5

• Decrease in electricity sales volume -10.0 billion kWh

## 4. Consolidated Extraordinary Income/ Loss

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(Unit: Billion yen)

	FY2018	FY2017	Comparison
Extraordinary Income/ Loss	<b>-18.2</b>	<b>73.8</b>	<b>-92.0</b>
Extraordinary Income	<b>159.8</b>	<b>381.9</b>	<b>-222.1</b>
Grants-in-aid from NDF*	159.8	381.9	-222.1
Extraordinary Loss	<b>178.0</b>	<b>308.1</b>	<b>-130.1</b>
Extraordinary Loss on Disaster	26.9	21.3	5.6
Expenses for Nuclear Damage Compensation	151.0	286.8	-135.7

\* Nuclear Damage Compensation and Decommissioning Facilitation Corporation

<Extraordinary Income>

Grants-in-aid from NDF \*

• Application for financial support from NDF \* on 19<sup>th</sup> March 2019 to change amount of aid

<Extraordinary Loss>

Extraordinary Loss on Disaster

• Increase in the estimated amount of expenses for decommissioning Fukushima Daiichi NPS etc.

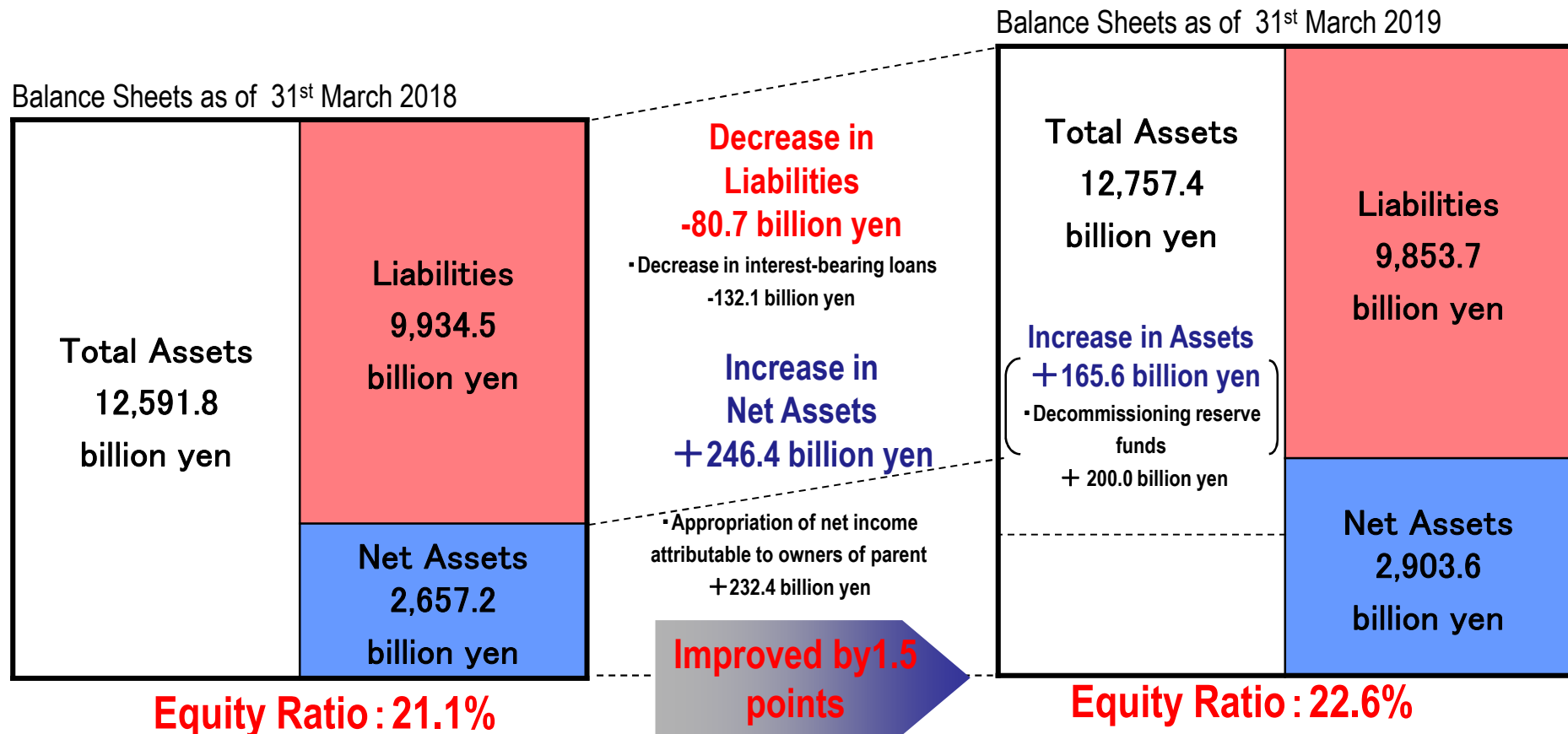
Expense for Nuclear Damage Compensation

• Increase in the estimated amount of compensation for damages due to the restriction on shipment and damages due to reputation etc., progress of compensation for the damages of housing assurance, and other factors



## 5. Consolidated Financial Position

- Total assets balance increased by 165.6 billion yen due to increases in decommissioning reserve funds.
- Total liabilities balance decreased by 80.7 billion yen due to decreases in interest-bearing loans.
- Total Net assets balance increased by 246.4 billion yen due to the appropriation of net income attributable to owners of parent.
- Equity ratio improved by 1.5 points



## <Reference> Key Factors Affecting Performance (Results)

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### Area Demand

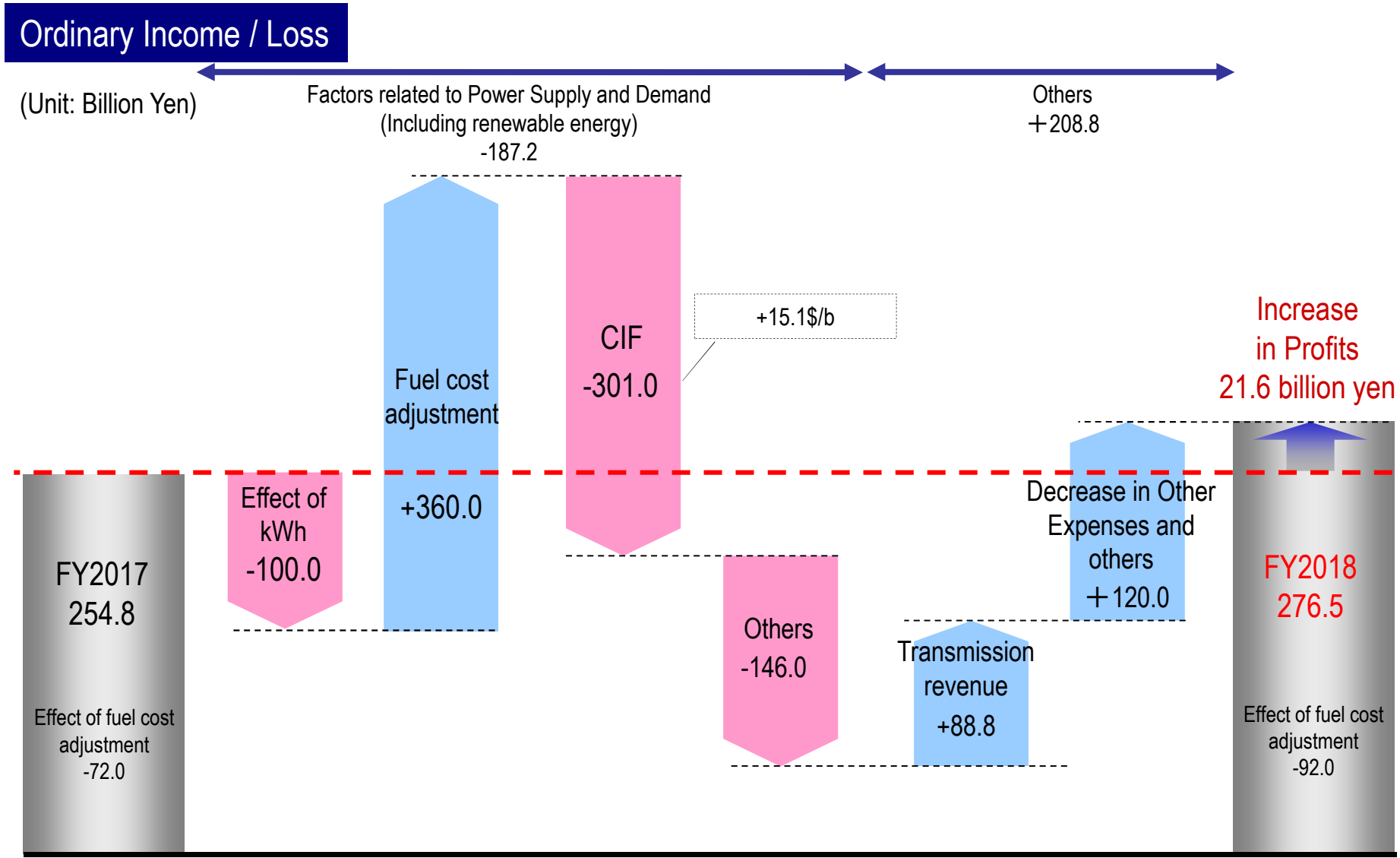
(Unit: Billion kWh)

	FY2018 (A)	FY2017 (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Area Demand	274.7	276.6	-1.9	99.3

### Foreign Exchange Rate / CIF

	FY2018 (A)	FY2017 (B)	(A)-(B)
Foreign Exchange Rate (Interbank, yen/dollar)	110.9	110.9	-
Crude Oil Prices (All Japan CIF, dollar/barrel)	72.1	57.0	15.1
LNG Prices (All Japan CIF, dollar/barrel)	60.7	48.7	12.0

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



## <Reference> Consolidated Ordinary Revenue

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(Unit: Billion Yen)

	FY2018 (A)	FY2017 (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
<b>(Operating Revenue)</b>	<b>6,338.4</b>	<b>5,850.9</b>	<b>487.5</b>	<b>108.3</b>
Electricity Sales Revenue	4,794.6	4,690.8	103.7	102.2
Power Sold to Other Utilities and Suppliers	476.8	265.1	211.6	179.8
Other Revenue	946.1	780.6	165.5	121.2
(Reprinted) Grant under Act on Procurement of Renewable Electric Energy	377.2	345.6	31.5	109.1
(Reprinted) Transmission Revenue	324.8	235.9	88.8	137.7
Subsidiaries/ Affiliated Companies	158.9	162.8	-3.9	97.6
Ordinary Revenue	6,376.6	5,899.5	477.0	108.1

# <Reference> Consolidated Ordinary Expenses

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(Unit: Billion Yen)

	FY2018 (A)	FY2017 (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Personnel Expenses	300.6	324.5	-23.8	92.6
Fuel Expenses	1,574.1	1,339.4	234.6	117.5
Maintenance Expenses	268.2	318.7	-50.4	84.2
Depreciation	528.9	550.2	-21.3	96.1
Power Purchasing Costs	1,420.6	1,154.3	266.3	123.1
Interest Paid	56.0	63.3	-7.3	88.5
Taxes, etc.	304.3	304.8	-0.5	99.8
Nuclear Back-end Costs	73.7	47.4	26.2	155.4
Other Expenses	1,453.1	1,432.8	20.3	101.4
(Reprinted) Payment under Act on Procurement of Renewable Electric Energy	592.0	558.8	33.1	105.9
Subsidiaries/ Affiliated Companies	120.0	108.9	11.1	110.2
Ordinary Expenses	6,100.0	5,644.7	455.3	108.1
<b>(Operating Income)</b>	<b>(312.2)</b>	<b>(288.4)</b>	<b>(23.7)</b>	<b>108.2</b>
<b>Ordinary Income / Loss</b>	<b>276.5</b>	<b>254.8</b>	<b>(21.6)</b>	<b>108.5</b>