

# Overview of Financial Results for FY2019 2Q

October 28, 2019

Tokyo Electric Power Company Holdings, Incorporated

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## 【Highlights of Consolidated Financial Results for FY2019 2Q】

- Although electricity sales volume for TEPCO group companies decreased, operating revenue increased due to a rise in fuel cost adjustment.
- Ordinary income increased due to a gain incurred by fuel cost adjustment system time lag into income and continual cost reductions made by all Group companies.
- Ordinary income and net income showed a profit for seven consecutive years.
- The gain on change in equity as a result of the succession of the thermal power generation business to JERA, the loss in the decommissioning of Fukushima Daini Nuclear Power Station, and extraordinary loss on disaster of Typhoon #15 were appropriated as extraordinary income and loss.

# 1. Consolidated Financial Results

(Unit: Billion kWh)

	FY2019 Apr-Sep (A)	FY2018 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Electricity Sales Volume	111.8	116.1	-4.3	96.3

(Unit: Billion Yen)

	FY2019 Apr-Sep (A)	FY2018 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	3,175.6	3,055.5	120.0	103.9
Operating Income/Loss	196.6	219.6	-23.0	89.5
Ordinary Income/Loss	249.9	210.6	39.3	118.7
Extraordinary Income	367.2	-	367.2	-
Extraordinary Loss	166.4	84.6	81.8	-
Net Income attributable to owners of parent	420.6	89.6	330.9	469.0

## 2. Points of Each Company

### 【TEPCO Holdings】

- Ordinary income decreased due to factors including decreased wholesale power sales to TEPCO Energy Partner, etc.

### 【TEPCO Fuel & Power】

- Ordinary income increased due to factors including a gain incurred by fuel cost adjustment system time lag into income at JERA, which has succeeded the thermal power generation business, etc.

### 【TEPCO Power Grid】

- Although transmission revenue decreased, ordinary income increased due to factors including decreased maintenance expenses and depreciation.

### 【TEPCO Energy Partner】

- Ordinary income decreased due to intensified competition and counteraction from heat wave in last year, etc.

### 3. Overview of Each Company

(Unit: Billion Yen)

	FY2019 Apr-Sep (A)	FY2018 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	3,175.6	3,055.5	120.0	103.9
TEPCO Holdings	373.1	391.5	-18.3	95.3
TEPCO Fuel & Power	4.3	951.9	-947.5	0.5
TEPCO Power Grid	862.9	875.2	-12.2	98.6
TEPCO Energy Partner	2,900.8	2,855.9	44.9	101.6
Adjustments	-965.6	-2,018.9	1,053.3	-
Ordinary Income/Loss	249.9	210.6	39.3	118.7
TEPCO Holdings	162.3	173.4	-11.0	93.6
TEPCO Fuel & Power	58.4	5.2	53.2	-
TEPCO Power Grid	119.9	117.0	2.8	102.4
TEPCO Energy Partner	43.4	54.1	-10.7	80.1
Adjustments	-134.1	-139.3	5.1	-

# 4. Consolidated Extraordinary Income/Loss

(Unit: Billion Yen)

	FY2019 Apr-Sep (A)	FY2018 Apr-Sep (B)	Comparison (A)-(B)
<b>※1</b> Extraordinary Income	367.2	-	367.2
Grants-in-Aid from NDF	54.0	-	54.0
Gain on reversal of provision for loss on disaster	113.5	-	113.5
Gain on change in equity	199.7	-	199.7
<b>※2</b> Extraordinary Loss	166.4	84.6	81.8
Contingent Loss on Assets	0.0	-	0.0
Extraordinary Loss on Disaster	11.8	-	11.8
Expenses for Nuclear Damage Compensation	58.9	84.6	-25.7
Loss on Decommissioning Fukushima Daini NPS	95.6	-	95.6
<b>Extraordinary Income/Loss</b>	<b>200.7</b>	<b>-84.6</b>	<b>285.4</b>

## ※1 Overview of Extraordinary Income

### ◆ Grants-in-aid from NDF (New)

Change on the amount of grants-in-aid was requested on September 26, 2019.

### ◆ Gain on reversal of provision for loss on disaster

Of the costs or losses recorded as a provision for loss on disaster, the amount for Fukushima Daini Nuclear Power Station was reverted due to the decision of decommissioning.

### ◆ Gain on change in equity

Equity income was realized as a result of JERA taking over certain business.

## ※2 Overview of Extraordinary Loss

### ◆ Contingent loss on assets (New)

Considered book value on loss of destroyed assets from Typhoon #15 was booked.

### ◆ Extraordinary loss on disaster (New)

Necessary expenses for repairing assets damaged by Typhoon #15 was booked.

### ◆ Expenses for nuclear damage compensation (Added)

Increase in the estimated amount of compensation for damages due to the restriction on shipping and damages due to reputation, etc.

### ◆ Losses on decommissioning Fukushima Daini

Losses were booked for equipment and nuclear fuel lost due to the decision of decommissioning.

## 5. Extraordinary Loss on Disaster and Contingent Loss on Assets by Typhoon

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- Repairing expenses for restoration on assets which was damaged by Typhoon #15, occurred on September 2019, were booked as extraordinary loss on disaster and contingent loss on assets.
- Damage caused by Typhoon #19, occurred on October 2019, was not booked to this term (April – September).

(Unit : Billion Yen)

Extraordinary loss on disaster	Amount reported	
Equipment for distribution	6.0	Mainly repairing expenses for restoration of damaged equipment and retirement expenses for removing
Equipment for transmission	0.1	
Expense on measures for emergency disaster	5.5	Primarily expense related to support from other electric companies
<b>T o t a l</b>	<b>11.8</b>	
Contingent loss on assets	Amount reported	
Contingent loss on assets	0	Book value on assets such as lost power poles (0.06 Billion Yen)

### (Reference) Situation of main damaged equipment

Equipment for distribution			Equipment for transmission
Power pole (Radix)	Distribution line (Span)	Transformer (Unit)	Pylon (Radix)
1,996	5,529	431	2

# 5. Consolidated Financial Position

- Total assets balance decreased by 564.1 billion yen primarily due to the transfer of thermal power generation facilities to JERA.
- Total Liabilities balance decreased by 961.6 billion yen primarily due to transfer of TEPCO Fuel & Power's loans to JERA.
- Total net assets balance increased by 397.5 billion yen primarily due to the appropriation of net income attributable to owners of parent.
- Equity ratio improved by 4.4 points.

Balance sheet as of March 31, 2019

<p><b>Total assets</b> 12,757.4 billion yen</p>	<p><b>Liabilities</b> 9,853.7 billion yen</p>
	<p><b>Net assets</b> 2,903.6 billion yen</p>

**Equity Ratio : 22.6%**

Balance sheet as of September 30, 2019

<p><b>Total assets</b> 12,193.2 billion yen</p> <p>(Decrease in assets) -564.1 billion yen</p> <ul style="list-style-type: none"> <li>▪ Transfer of thermal power generation facilities Δ-990.6 billion yen</li> <li>▪ Long term investment in affiliated companies +375.3 billion yen (Stock of JERA, etc.)</li> </ul>	<p><b>Liabilities</b> 8,892 billion yen</p>
	<p><b>Net assets</b> 3,301.2 billion yen</p>

**Equity Ratio : 27.0%**

**Decrease in liabilities**  
**-961.6 billion yen**

- Decrease in interest-bearing loans  
-660.4 billion yen  
(Primarily transfer of FP loans to JERA)

- Decrease in gain on provision for loss on disaster  
-103 billion yen  
(Primarily reversal related to decommissioning of Fukushima Daini)

**Increase in net assets**  
**+397.5 billion yen**

- Appropriation of net income attributable to owners of parent  
+420.6 billion yen

**Improved by**  
**4.4 points**

## Area Demand

(Unit: Billion kWh)

	FY2019 Apr-Sep (A)	FY2018 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B)(%)
Area Demand	134.5	137.8	-3.3	97.6

## Foreign Exchange Rates / CIF

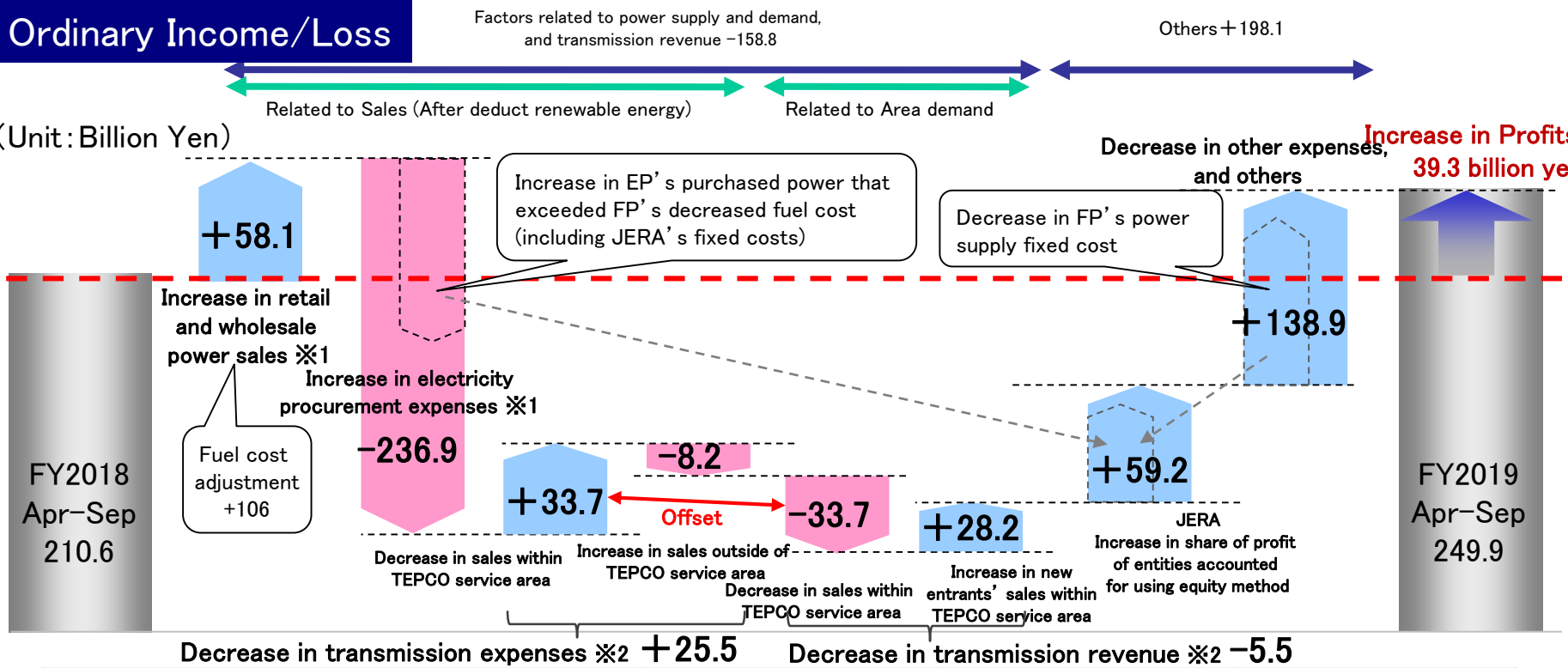
	FY2019 Apr-Sep (A)	FY2018 Apr-Sep (B)	(A)-(B)
Foreign exchange rates (interbank, yen/dollar)	108.6	110.3	-1.7
Crude oil prices (all Japan CIF, dollar/barrel)	68.9	73.8	-4.9



# Reference: Consolidated Ordinary Income/Loss (Year-on-Year Comparison)

## Ordinary Income/Loss

(Unit: Billion Yen)



	FY2018 Apr-Sep (A)	FY2019 Apr-Sep (B)	(A)-(B)
Factors related to power supply and demand, and transmission revenue	1,136	977.2	-158.8
Retail and wholesale power sales	2,232.5	2,290.7	+58.1
(-) Electricity procurement expenses	-1,208.7	-1,445.7	-236.9
(-) Transmission expenses	-584.3	-558.8	+25.5
Transmission revenue	696.6	691.1	-5.5
Others	-925.4	-727.2	+198.1

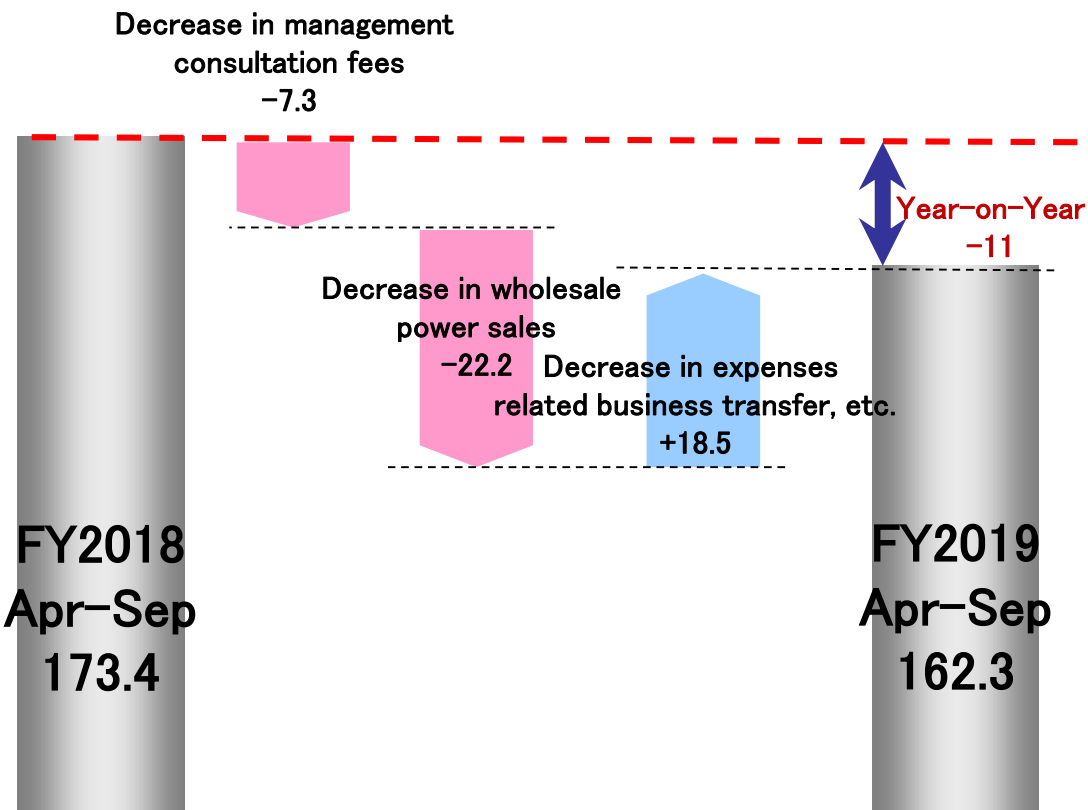
※1 Expenses of retail and wholesale power sales include the effectiveness of indirect auction.  
 ※2 Transmission expenses and transmission revenue exclude effectiveness of imbalance income/expense.



# Reference: Year-on-Year Comparisons for TEPCO Holdings

## Ordinary Income/Loss

(Unit: Billion Yen)



## Profit structure

Profit is dividend income, decommissioning charges profit, management consultation fees, electricity sales fees, wholesale power sales of hydro and nuclear power, etc.

## Flow Rate

	FY2018	FY2019	Comparison
Apr-Sep	98.2%	98.1%	-0.1%

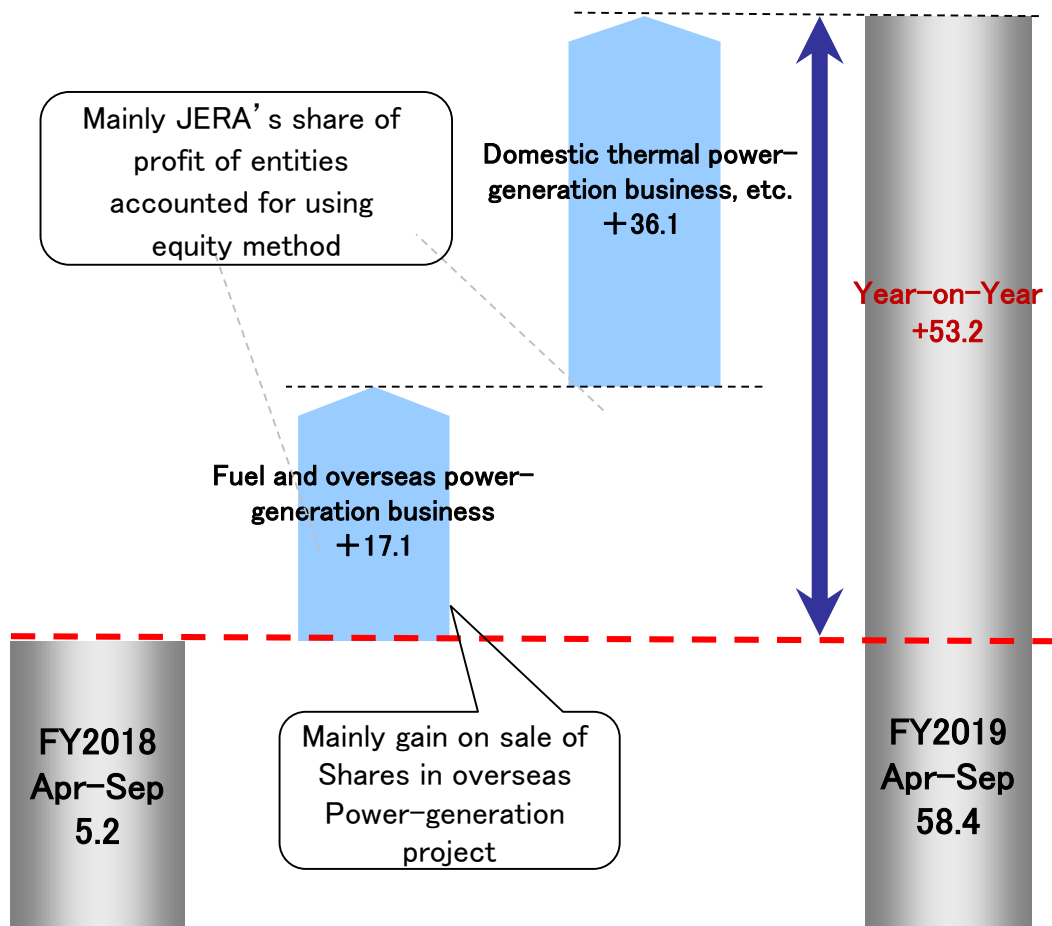
## Ordinary Income

(Unit: Billion Yen)

	FY2018	FY2019	Comparison
Apr-Jun	153.8	156.4	+2.5
Apr-Sep	173.4	162.3	-11
Apr-Dec	178.9		
Apr-Mar	232.7		

## Ordinary Income/Loss

(Unit: Billion Yen)



## Profit structure

Main profit is JERA's share of profit of entities accounted for using equity method. Power-generation business was transferred to JERA on April 1, 2019.

(Unit: Billion Yen)

## Timing impact (JERA equity impact)

	FY2019
Apr-Sep	+32

## Ordinary Income

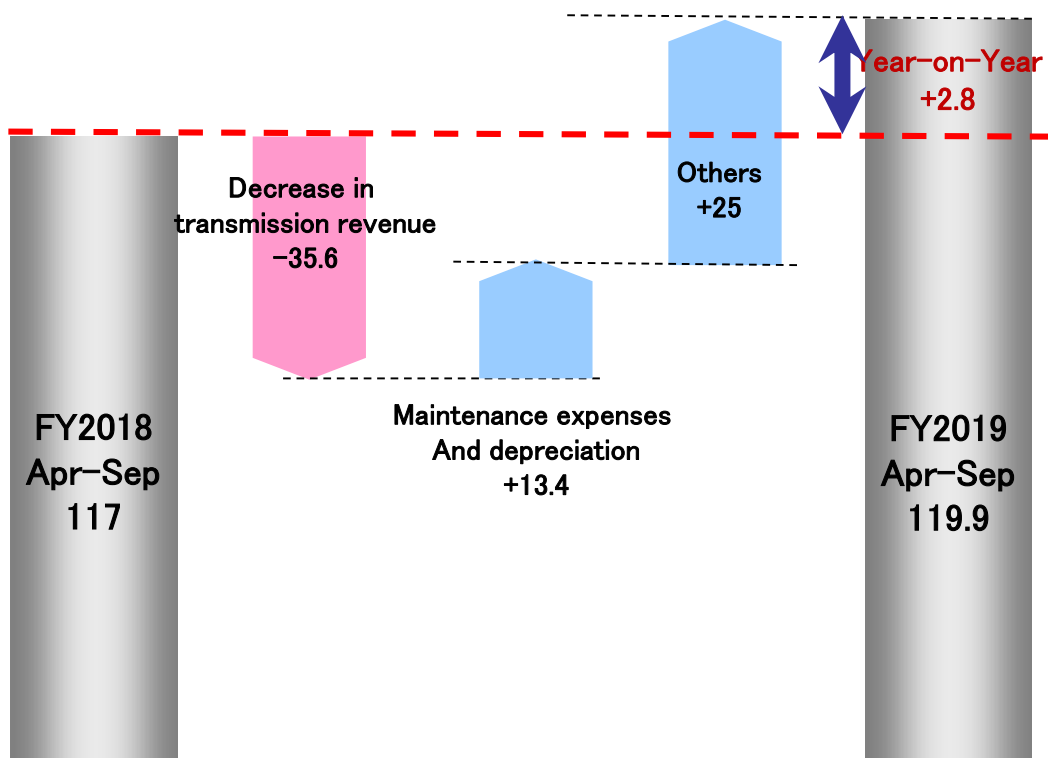
(Unit: Billion Yen)

	FY2018	FY2019	Comparison
Apr-Jun	22.4	45.8	+23.3
Apr-Sep	5.2	58.4	+53.2
Apr-Dec	3.4		
Apr-Mar	3.5		

# Reference: Year-on-Year Comparisons for TEPCO Power Grid

## Ordinary Income/Loss

(Unit : Billion Yen)



## Profit Structure

Operating revenue is mainly transmission revenue, and this is fluctuated by area demand. Expenses is mainly for repairs and depreciation of transmission and distribution facilities.

## Area Demand

(Unit: Billion kWh)

	FY2018	FY2019	Comparison
Apr-Sep	137.8	134.5	-3.3

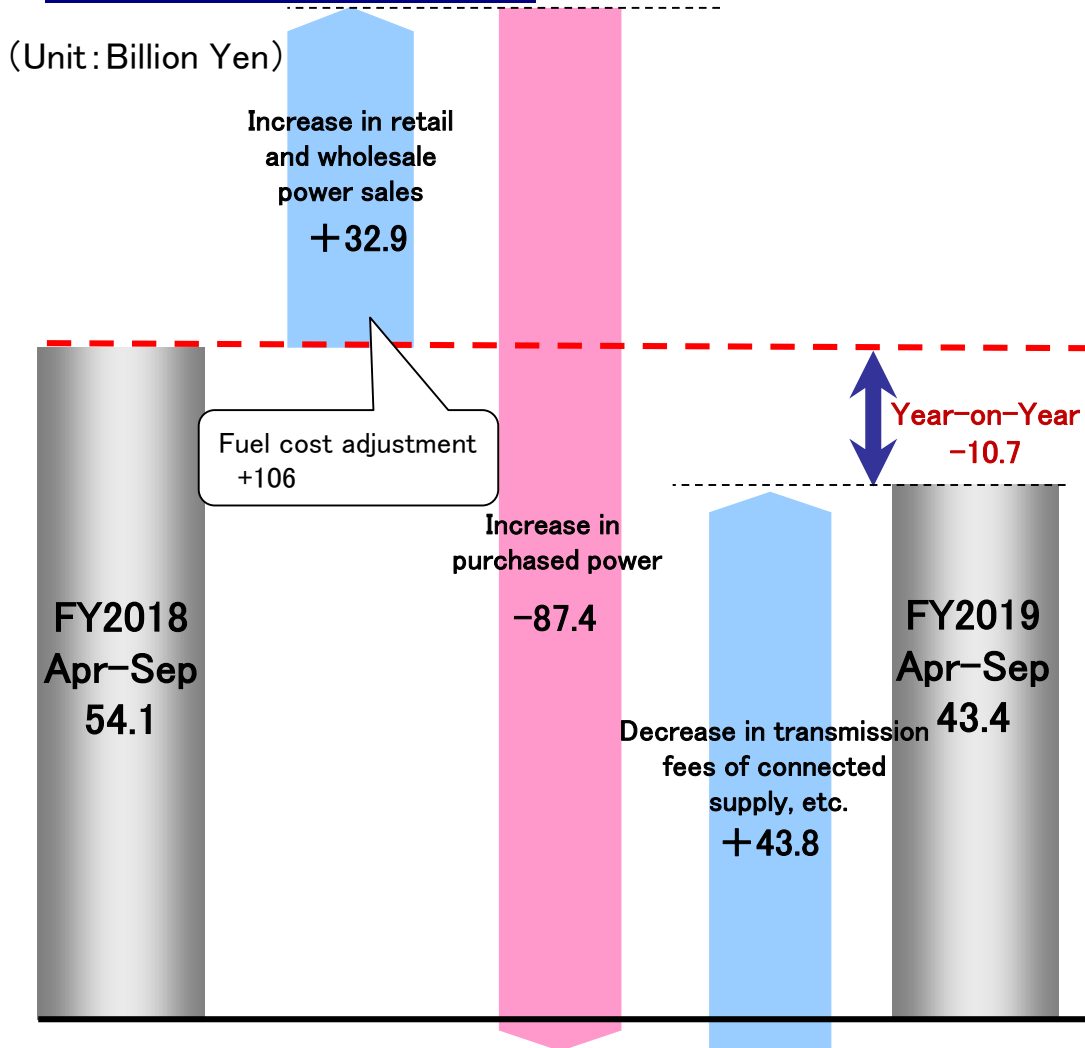
## Ordinary Income

(Unit: Billion Yen)

	FY2018	FY2019	Comparison
Apr-Jun	38.7	42.6	+3.8
Apr-Sep	117	119.9	+2.8
Apr-Dec	163.1		
Apr-Mar	113.9		

# Reference: Year-on-Year Comparisons for TEPCO Energy Partner

## Ordinary Income/Loss



## Profit Structure

Operating revenue is mainly electricity sales revenue, and this is fluctuated by electricity sales volume. Expenses are mainly power purchasing costs and transmission fees of connected supply.

## Electricity Sales Volume (Unit: Billion kWh)

	FY2018	FY2019	Comparison
Apr-Sep	116.1	111.8	-4.3

## Gas (including Nichi gas, TEA)

As of March 31, 2019	As of September 30, 2019
Approx. 1.25 million cases	Approx. 1.66 million cases

## Ordinary Income (Unit: Billion Yen)

	FY2018	FY2019	Comparison
Apr-Jun	-8.3	-12	-3.6
Apr-Sep	54.1	43.4	-10.7
Apr-Dec	39.3		
Apr-Mar	72.7		