

# Overview of Financial Results for FY2019 1Q

July 31, 2019

Tokyo Electric Power Company Holdings, Incorporated

## Highlights of Consolidated Financial Results for FY2019 1Q

- 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 - the former for six, the latter for five consecutive years.
- The gain on change in equity as a result of the succession of the thermal power generation business to JERA and the loss in the decommissioning of Fukushima Daini as a result of the decision to decommission the Fukushima Daini Nuclear Power Station were appropriated as extraordinary income and loss.

# 1. Consolidated Financial Results

(Unit: Billion kWh)

	FY2019	FY2018	Comparison	
	April-June (A)	April-June (B)	(A)-(B)	(A)/(B) (%)
Electricity Sales Volume	52.2	52.6	-0.4	99.2

(Unit: Billion Yen)

	FY2019	FY2018	Comparison	
	April-June (A)	April-June (B)	(A)-(B)	(A)/(B) (%)
Operating Revenue	1,504.0	1,354.0	150.0	111.1
Operating Income/Loss	51.2	68.8	-17.6	74.4
Ordinary Income/Loss	98.5	67.3	31.2	146.3
Extraordinary Income	313.2	-	313.2	-
Extraordinary Loss	125.7	46.6	79.0	-
Net Income attributable to owners of parent	281.6	16.4	265.1	-

## 2. Points of Each Company

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### TEPCO Holdings

- Ordinary income increased due to decreases in costs through internalization of outsourcing business, etc.

### TEPCO Fuel & Power

- Ordinary income increased due to factors including an 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

- Ordinary income increased due to factors including increased transmission revenue and decreased maintenance expenses and depreciation.

### TEPCO Energy Partner

- Ordinary income decreased due to intensified competition, etc.

### 3. Overview of Each Company

(Unit: Billion Yen)

	FY2019	FY2018	Comparison	
	April-June (A)	April-June (B)	(A)-(B)	(A)/(B) (%)
Operating Revenue	1,504.0	1,354.0	150.0	111.1
TEPCO Holdings	188.0	194.1	-6.1	96.8
TEPCO Fuel & Power	2.1	414.6	-412.4	0.5
TEPCO Power Grid	412.3	393.0	19.2	104.9
TEPCO Energy Partner	1,379.0	1,270.0	109.0	108.6
Adjustments	-477.5	-917.8	440.3	-
Ordinary Income/Loss	98.5	67.3	31.2	146.3
TEPCO Holdings	156.4	153.8	2.5	101.7
TEPCO Fuel & Power	45.8	22.4	23.3	203.7
TEPCO Power Grid	42.6	38.7	3.8	109.9
TEPCO Energy Partner	-12.0	-8.3	-3.6	-
Adjustments	-134.2	-139.4	5.1	-

## 4. Consolidated Extraordinary Income/Loss

(Unit: Billion Yen)

	FY2019 April-June (A)	FY2018 April-June (B)	Comparison (A)-(B)
Extraordinary Income ※1	313.2	-	313.2
Gain on reversal of provision for loss on disaster	113.5	-	113.5
Gain on change in equity	199.7	-	199.7
Extraordinary Loss ※2	125.7	46.6	79.0
Expenses for Nuclear Damage Compensation	30.0	46.6	-16.6
Loss on Decommissioning Fukushima Daini NPS	95.6	-	95.6
Extraordinary Income/Loss	187.5	-46.6	234.2

### ※1 Overview of Extraordinary Income

#### ◆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

#### ◆Expenses for nuclear damage compensation

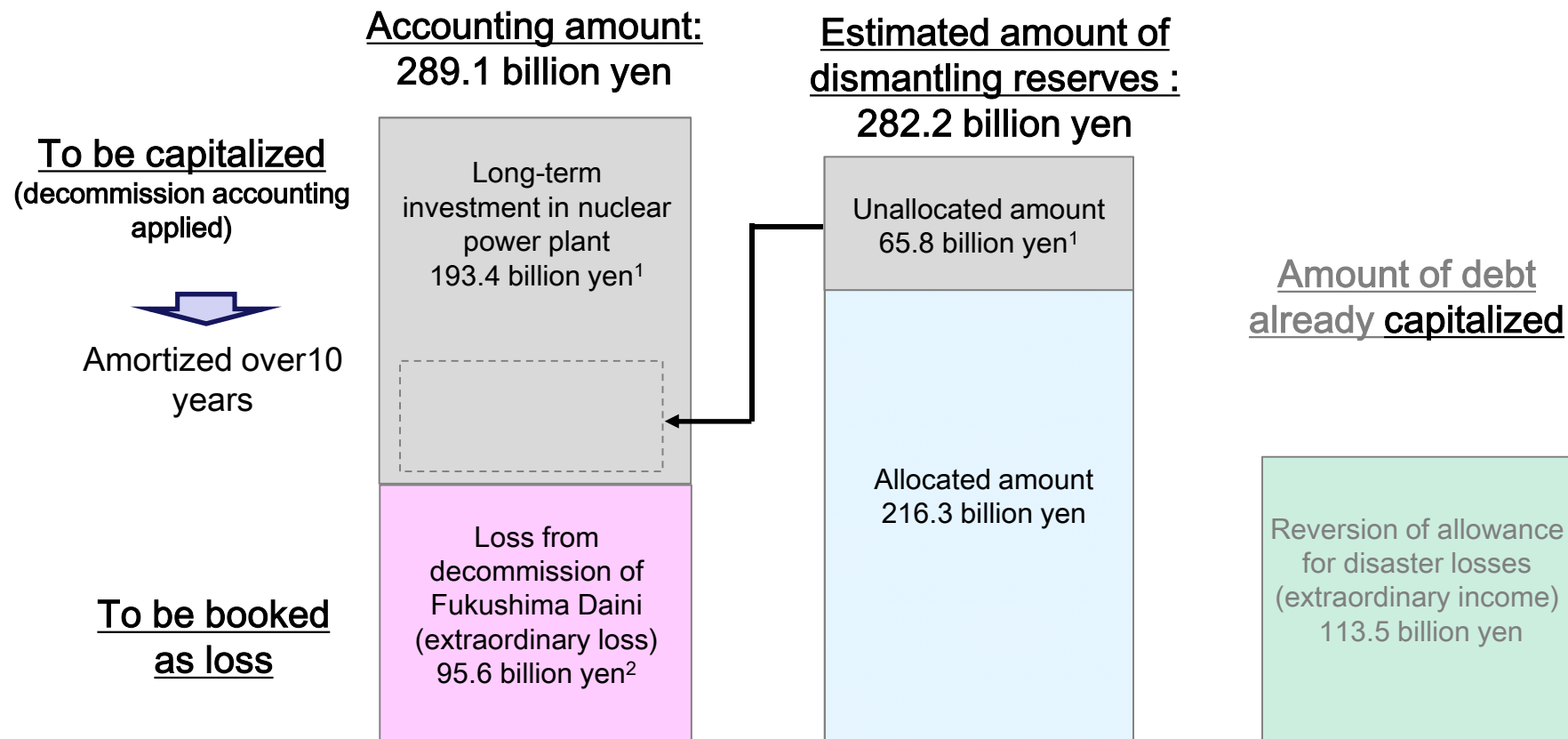
Increase in the estimated amount of compensation for damages due to the restriction on shipment and damages due to reputation, etc.

#### ◆Losses on decommissioning Fukushima Daini

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

## 5. Accounting Related to the Decommissioning of Fukushima Daini NPS

- Of the 289.1 billion yen to be accounted for in the face of the decision to decommission, 95.6 billion yen, the book value for the generating facility and nuclear fuel, will be recorded as together an extraordinary loss. The remaining 193.4 billion yen will be recognized as an asset and amortized over the next ten years under the decommissioning accounting rules.
- The remaining 113.5 billion yen that was recorded immediately after the Great East Japan Earthquake as a provision for loss on disaster was booked as extraordinary income.



Note 1:

- Reprocessing contribution costs: Contributions that must be paid to the Nuclear Reprocessing Organization of Japan for reprocessing spent fuel, etc.
- Fuel dismantling cost: The cost of making non-irradiated nuclear fuel manufactured for Fukushima Daini NPS available for other reactors
- Unallocated amount of reserves for dismantling: Calculated as the total estimate, based on Article 1 (4) of Ministerial Ordinance on Nuclear Power Facility Dissolution Reserve, minus the amount of provision that had been allocated as of the end of the period (relevant amount is accounted for as "Nuclear Power Plant Facility" as legally required).

Note 2: Book value of power-generation facilities and nuclear fuel

# 6. Consolidated Financial Position

- Total assets balance decreased by 950.5 billion yen primarily due to the transfer of steam-power-generation facilities to JERA.
- Total liabilities balance decreased by 1,227 billion yen primarily due to transfer of TEPCO Fuel & Power's loans to JERA.
- Total net assets balance increased by 276.5 billion yen primarily due to the appropriation of net income attributable to owners of parent.
- Equity ratio improved by 4.2 points.

Balance sheet as of March 31, 2019

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

**Equity Ratio: 22.6%**

Balance sheet as of June 30, 2019

<b>Total Assets</b> 11,806.9 billion yen (Decrease in Assets -950.5 billion yen)	<b>Liabilities</b> 8,626.7 billion yen
• Transfer of steam-power-generation facilities - 990.6 billion yen	<b>Net Assets</b> 3,180.2 billion yen

**Equity Ratio: 26.8%**

- Decrease in liabilities -1,227 billion yen**
  - Decrease in interest-bearing loans -977.2 billion yen (Primarily transfer of FP loans to JERA)
- Increase in net assets + 276.5 billion yen**
  - Appropriation of net income attributable to owners of parent + 281.6 billion yen

Improved by 4.2 points

# Reference: Key Factors Affecting Performance (Results)

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## Area Demand

(Unit: Billion kWh)

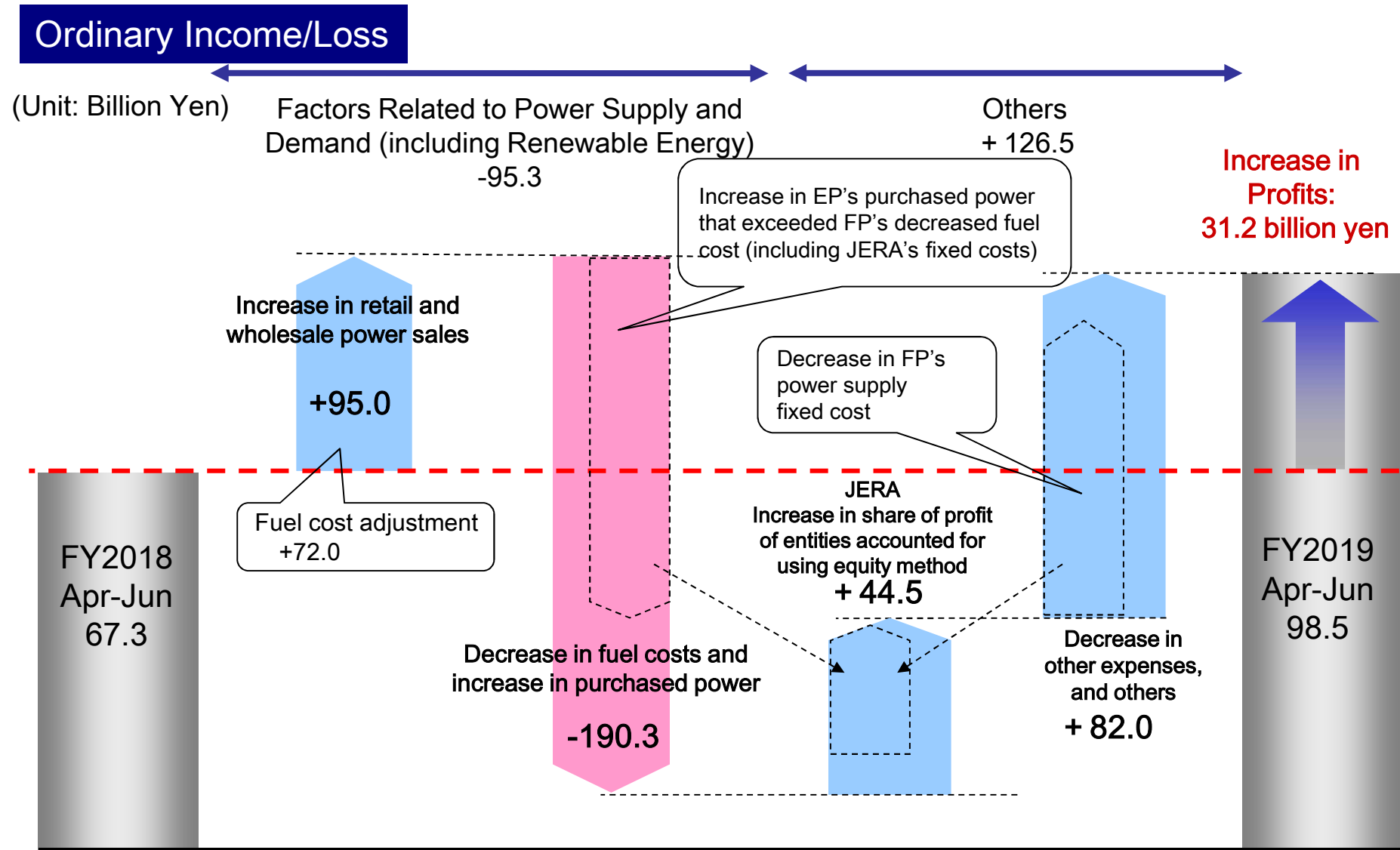
	FY2019 Apr-Jun (A)	FY2018 Apr-Jun (B)	Comparison	
			(A)–(B)	(A)/(B) (%)
Area Demand	62.3	61.8	0.4	100.7

## Foreign Exchange Rates / CIF

	FY2019 Apr-Jun (A)	FY2018 Apr-Jun (B)	(A)–(B)
Foreign exchange rates (interbank, yen/dollar)	109.9	109.1	0.8
Crude oil prices (all Japan CIF, dollar/barrel)	71.5	70.6	0.9



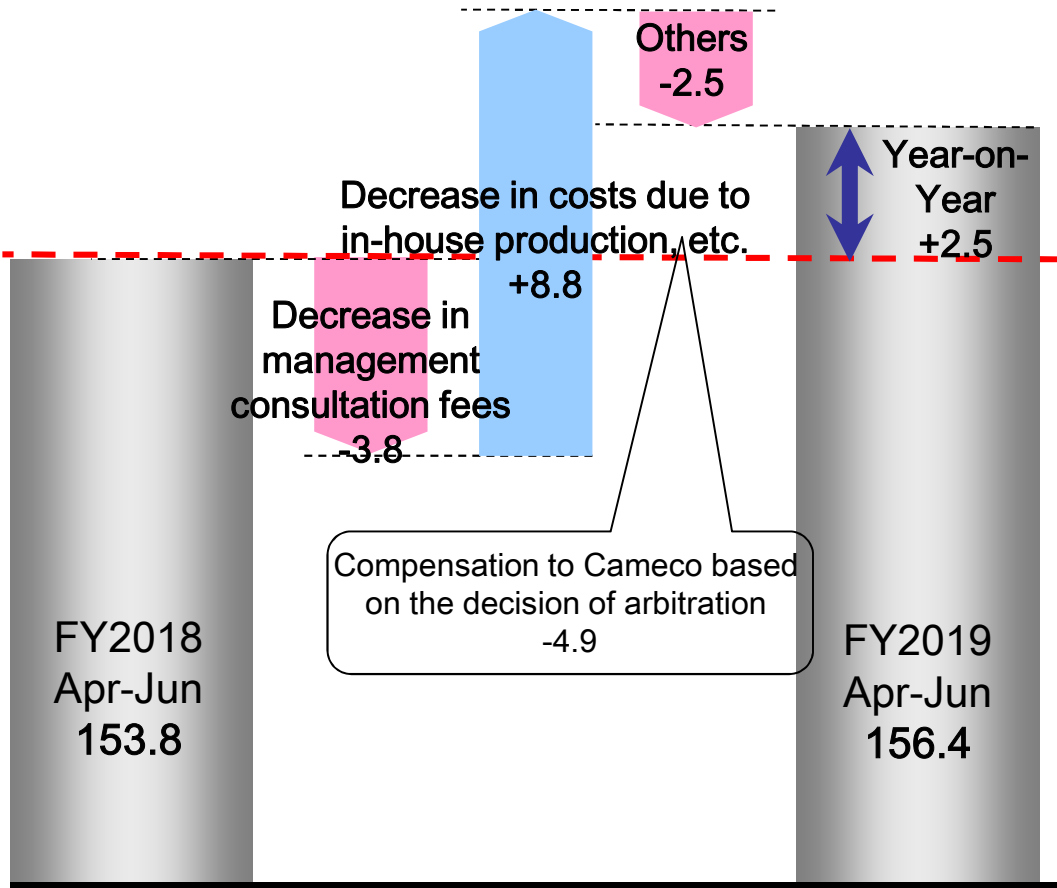
# Reference: Consolidated Ordinary Income/Loss (Year-on-Year Comparison)



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

## Ordinary Income/Loss

(Billion Yen)



### Profit Structure

Profit is dividend income, decommissioning charges profit, management consultation fees, electricity sales fees, etc.

### Flow Rate

FY2019 Apr-June
90.8%

### Ordinary Income

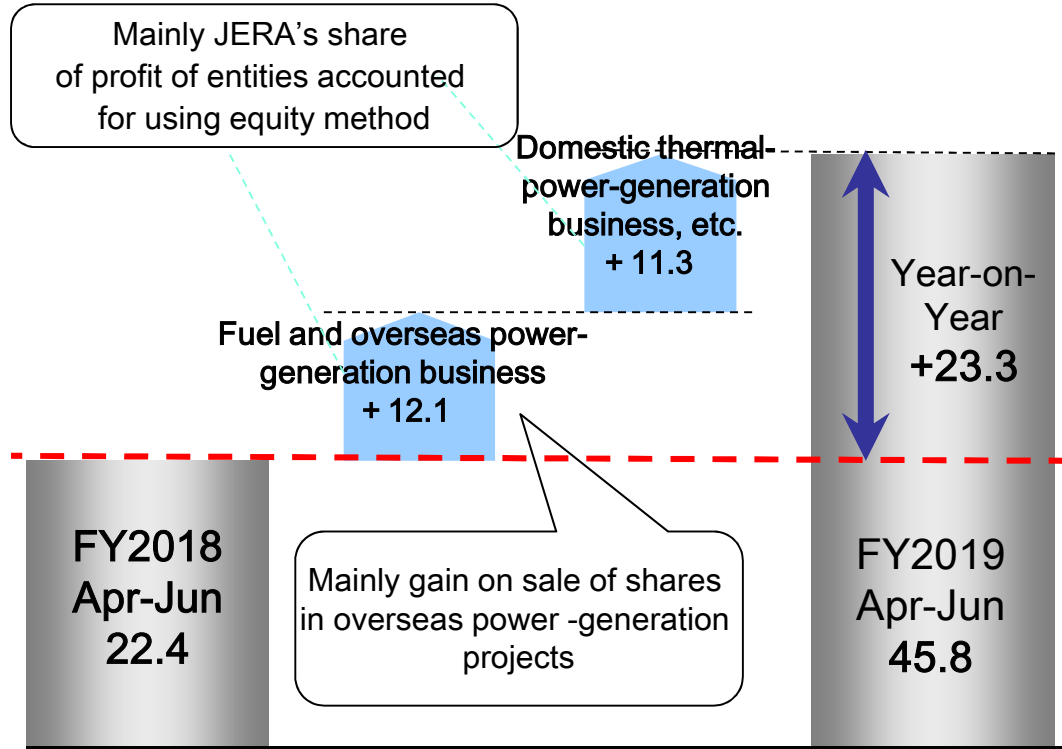
(Unit: Billion Yen)

	FY2018	FY2019
Apr-Jun	153.8	156.4
Apr-Sep	173.4	
Apr-Dec	178.9	
Apr-Mar	232.7	

# Reference: Year-on-Year Comparison for TEPCO Fuel & Power

## Ordinary Income/Loss

(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.

## Timing impact (JERA equity impact)

**FY2019 Apr-June**  
 +22.0 billion yen

## Ordinary Income

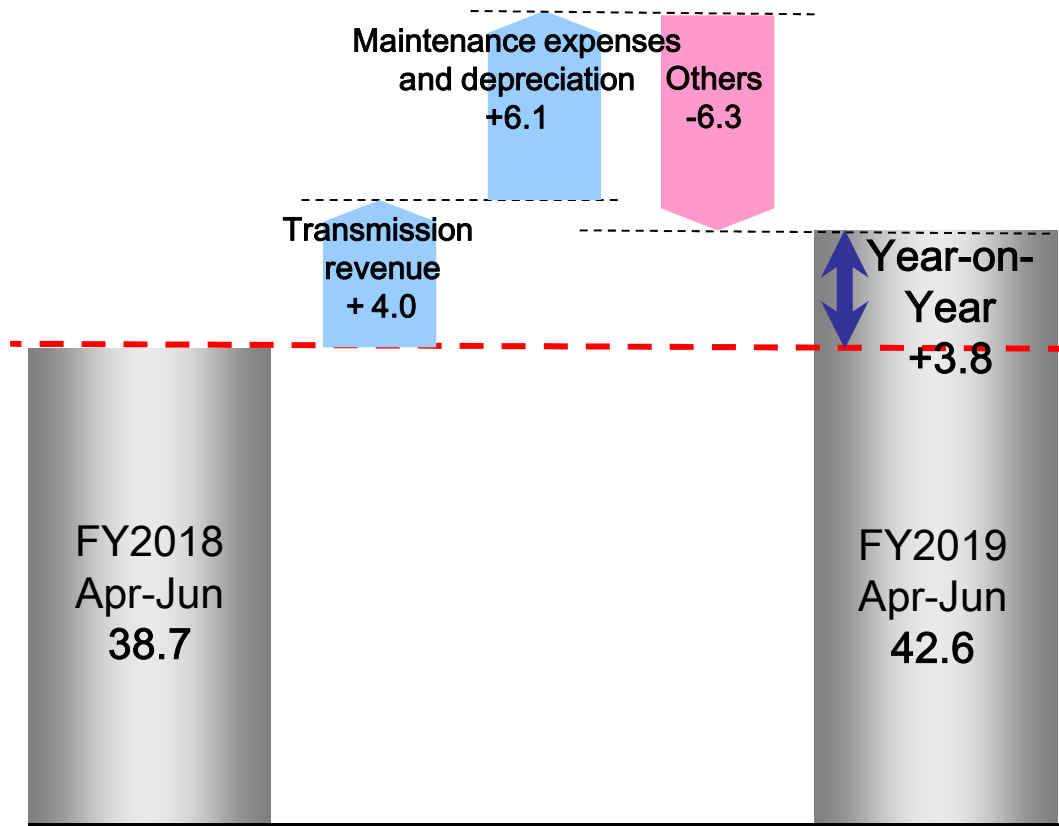
(Unit: Billion Yen)

	FY2018	FY2019
Apr-Jun	22.4	45.8
Apr-Sep	5.2	
Apr-Dec	3.4	
Apr-Mar	3.5	

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

## Ordinary Income/Loss

(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
Apr-Jun	61.8	62.3

## Ordinary Income

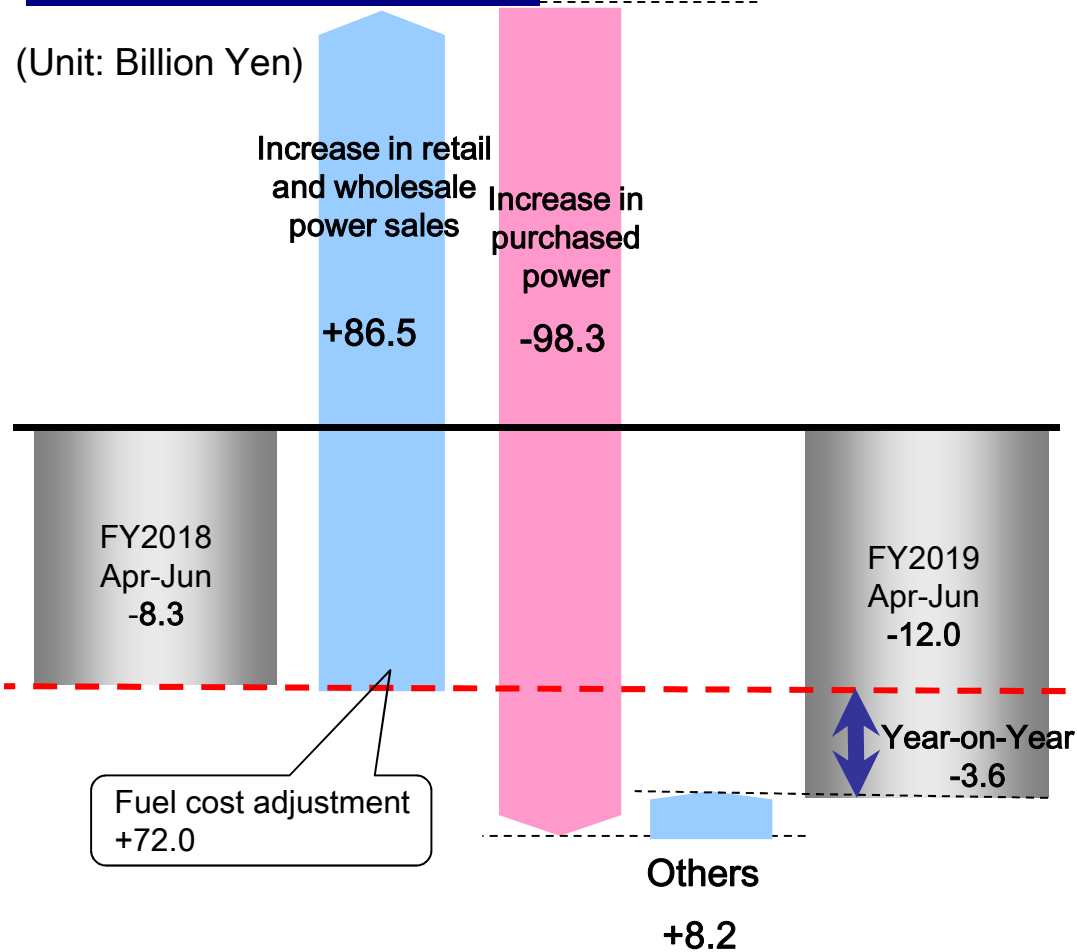
(Unit: Billion Yen)

	FY2018	FY2019
Apr-Jun	38.7	42.6
Apr-Sep	117.0	
Apr-Dec	163.1	
Apr-Mar	113.9	

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

## Ordinary Income/Loss

(Unit: Billion Yen)



## Profit Structure

Operating revenue is mainly electricity sales revenue, and this is fluctuated by electricity sales volume. Expenses is mainly power purchasing costs.

## Electricity Sales Volume

(Unit: Billion kWh)

	FY2018	FY2019
Apr-Jun	52.6	52.2

## Gas (including Nichi gas, TEA)

As of March 31, 2019	As of June 30, 2019
Approx. 1.25 million cases	Approx. 1.46 million cases

## Ordinary Income

(Unit: Billion Yen)

	FY2018	FY2019
Apr-Jun	-8.3	-12.0
Apr-Sep	54.1	
Apr-Dec	39.3	
Apr-Mar	72.7	