

FY2018 3rd Quarter Financial Results (April 1 – December 31, 2018)

Tokyo Electric Power Company Holdings, Inc.

< FY2018 3rd Quarter Financial Results >

- Although electricity sales volume from TEPCO group companies decreased due to intensifying competition, operating revenue increased due to factors such as increases in fuel cost adjustments and transmission revenue from non-TEPCO group companies.
- Ordinary income decreased due to rises in fuel expenses and other areas despite implementation of group-wide cost reduction efforts.
- Ordinary income and net income have both been in the black for six consecutive years.

< FY2018 Full-year Financial Forecasts >

(TEPCO revised the projections released on October 30, 2018)

- Operating revenue was revised to an increase due to factors such as increases in fuel cost adjustments and transmission revenue from non-TEPCO group companies.
- Ordinary income was revised to a decrease due to factors such as increases in fuel expenses and power purchasing costs.

1. Consolidated Financial Results

(Unit: Billion kWh)

	FY2018 Apr-Dec (A)	FY2017 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Electricity Sales Volume	169.7	175.1	-5.4	96.9

(Unit: Billion yen)

	FY2018 Apr-Dec (A)	FY2017 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	4,553.2	4,206.4	346.7	108.2
Operating Income/ Loss	260.4	295.6	-35.2	88.1
Ordinary Income/ Loss	245.1	274.2	-29.1	89.4
Extraordinary Income	—	128.6	-128.6	—
Extraordinary Loss	109.7	139.3	-29.6	—
Net Income attributable to owners of parent	100.5	225.6	-125.1	44.5

2. Key Points of Each Company

< TEPCO Holdings >

- Ordinary income increased due to increases 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 increases in fuel expenses.

< TEPCO Power Grid >

- Ordinary income increased due to increases in transmission revenue and decreases in outsourcing and interest expenses, etc.

< TEPCO Energy Partner >

- Ordinary income decreased due to such as decreases in electricity sales volume caused by intensifying competition.

3. Overview of Each Company

(Unit: Billion kWh, yen/dollar)

	FY2018 Apr-Dec	FY2017 Apr-Dec	Comparison
Area Demand	201.4	200.5	0.9
Foreign Exchange Rate (TTM)	111.2	111.7	- 0.5

(Unit: Billion yen)

	FY2018 Apr-Dec (A)	FY2017 Apr-Dec (B)	Comparison (A)-(B)	(A)/(B) (%)
Operating Revenue	4,553.2	4,206.4	346.7	108.2
TEPCO Holdings	585.5	612.2	-26.6	95.6
TEPCO Fuel & Power	1,454.2	1,296.7	157.4	112.1
TEPCO Power Grid	1,295.7	1,246.6	49.0	103.9
TEPCO Energy Partner	4,235.5	4,004.1	231.4	105.8
Adjustments	-3,017.8	-2,953.3	-64.5	-
Ordinary Income /Loss	245.1	274.2	-29.1	89.4
TEPCO Holdings	178.9	155.0	23.9	115.4
TEPCO Fuel & Power	3.4	44.9	-41.5	7.7
TEPCO Power Grid	163.1	124.5	38.5	131.0
TEPCO Energy Partner	39.3	75.8	-36.4	51.9
Adjustments	-139.7	-126.1	-13.6	-

• Decrease in other electricity revenue -17.6

• Increase in sold power to other suppliers + 137.1

• Increase in transmission revenue + 21.3

• Increase in fuel cost adjustments +212.0

• Increase in dividend income + 14.5

• Increase in fuel expenses -214.8

• Decrease in outsourcing and interest expenses + 22.9

• Decrease in electricity sales volume -5.4 billion kWh

4. Consolidated Extraordinary Income/ Loss

(Unit: Billion yen)

	FY2018 Apr-Dec	FY2017 Apr-Dec	Comparison
Extraordinary Income/ Loss	-109.7	-10.7	-99.0
Extraordinary Income	—	128.6	-128.6
Grants-in-aid from NDF*	—	128.6	-128.6
Extraordinary Loss	109.7	139.3	-29.6
Expenses for Nuclear Damage Compensation	109.7	139.3	-29.6

* 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., progress of compensation for the damages of housing assurance, and other factors

5. Consolidated Financial Position

- Total assets decreased 96.2 billion yen primarily due to decreases in grants-in-aid receivable from NDF.
- Total liabilities decreased 219.8 billion yen primarily due to decreases in accounts payable-other and accrued expenses.
- Total net assets increased 123.5 billion yen primarily due to a record net income attributable to owners of parent.
- Equity ratio improved by 1.0 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%

Decrease in Liabilities
- 219.8 billion yen

- decreases in accounts payable-other and accrued expenses -222.7 billion yen

Increase in Net Assets
+123.5 billion yen

- Record net income attributable to owners of parent +100.5 billion yen

Improved by 1.0 points

Balance Sheets as of Dec. 31, 2018

Total Assets 12,495.5 billion yen	Liabilities 9,714.7 billion yen
Decrease in Assets -96.2 billion yen	Net Assets 2,780.8 billion yen

Equity Ratio: 22.1%

6. FY2018 Full-Year Financial Forecasts

- Operating revenue was revised to approximately 6,328 billion yen, increasing by 229 billion yen as compared with projections released on October 30, 2018, primarily due to increases in fuel cost adjustments and transmission revenue from non-TEPCO group companies.
- Ordinary income was revised to approximately 250 billion yen, decreasing by 35 billion yen as compared with projections released on October 30, 2018, primarily due to increases in fuel expenses and power purchasing costs.
- Net income was revised to approximately 227 billion yen, decreasing by 25 billion yen.

(Unit: Billion Yen)

	FY2018 Projections (released on Jan. 30, 2019)	FY2018 Projections (released on Oct. 30, 2018)	FY2017 Results
Operating Revenue	6,328	6,099	5,850.9
Ordinary Income/ Loss	250	285	254.8
Extraordinary Income/ Loss	—	—	73.8
Net Income attributable to owners of parent	227	252	318.0

* 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-Dec (A)	FY2017 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Area Demand	201.4	200.5	0.9	100.5

Foreign Exchange Rate / CIF

	FY2018 Apr-Dec (A)	FY2017 Apr-Dec (B)	(A)-(B)
Foreign Exchange Rate (Interbank, yen/dollar)	111.2	111.7	-0.5
Crude Oil Prices (All Japan CIF, dollar/barrel)	75.1	53.9	21.2
LNG Prices (All Japan CIF, dollar/barrel)	59.6	47.2	12.4

<Reference> Key Factors Affecting Performance (Financial Forecasts)

Key Factors Affecting Performance

	FY2018 Projections (released on Jan. 30, 2019)	FY2018 Projections (released on Oct. 30, 2018)
Electricity Sales Volume (Billion kWh)	231.7	232.3
Crude Oil Prices (All Japan CIF; dollars per barrel)	Approx. 72	Approx. 77
Foreign Exchange Rate (Interbank; yen per dollar)	Approx. 111	Approx. 112
Nuclear Power Plant Capacity Utilization Ratio (%)	—	—

Financial Impact (Sensitivity)

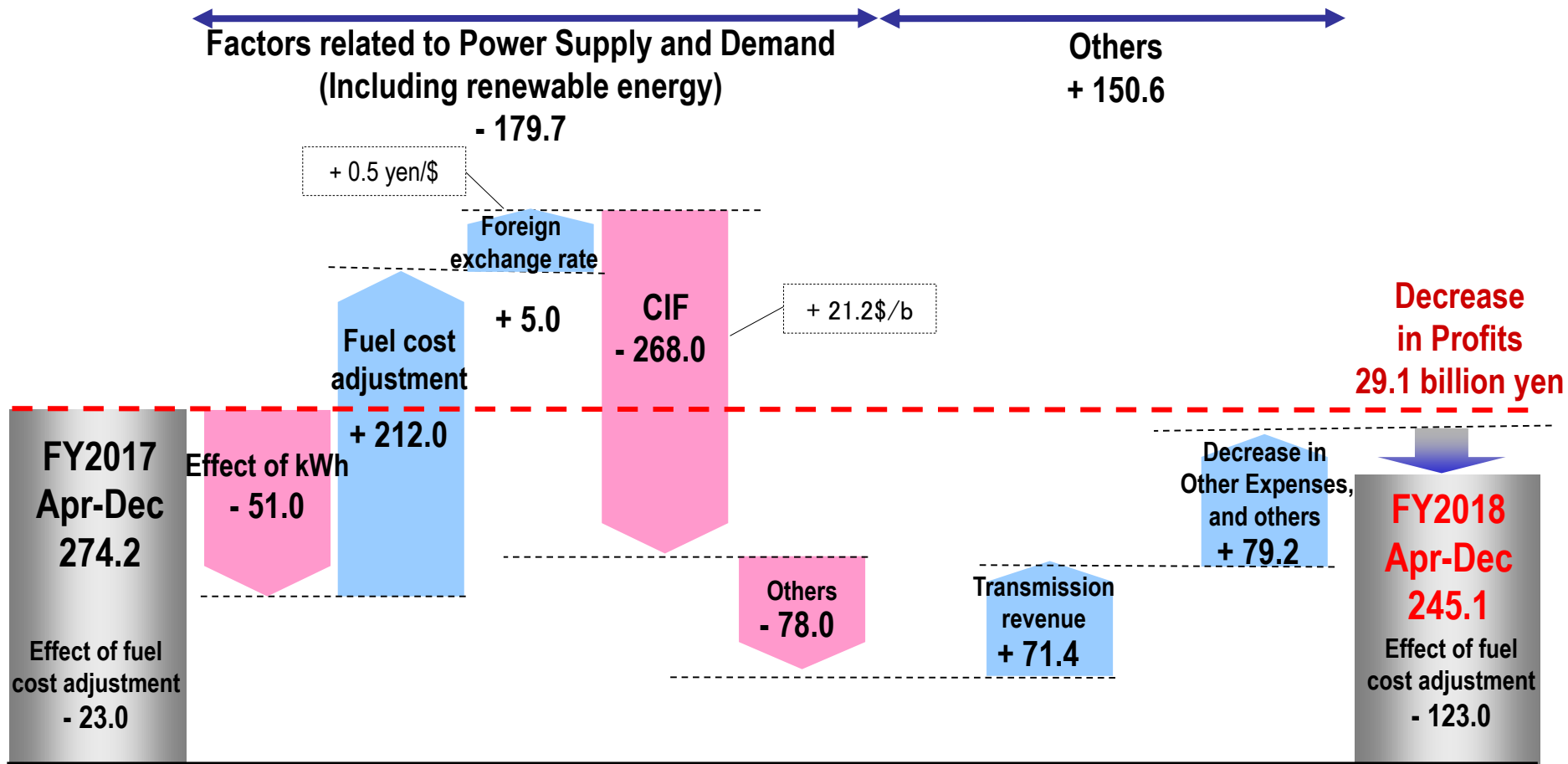
(Unit: Billion Yen)

	FY2018 Projections (released on Jan. 30, 2019)	FY2018 Projections (released on Oct. 30, 2018)
<Fuel Expenses>		
Crude Oil Prices (All Japan CIF; 1 dollar per barrel)	Approx. 19	Approx. 18
Foreign Exchange Rate (Interbank; 1 yen per dollar)	Approx. 14	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-Dec (A)	FY2017 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
(Operating Revenue)	4,553.2	4,206.4	346.7	108.2
Electricity Sales Revenue	3,470.6	3,402.3	68.3	102.0
Power Sold to Other Utilities and Suppliers	320.5	178.8	141.6	179.2
Other Revenue	684.3	555.5	128.7	123.2
(Reprinted) Grant under Act on Procurement of Renewable Electric Energy	293.4	260.3	33.0	112.7
(Reprinted) Transmission Revenue	230.3	158.8	71.4	145.0
Subsidiaries/ Affiliated Companies	116.5	104.4	12.0	111.6
Ordinary Revenue	4,592.1	4,241.2	350.8	108.3

<Reference> Consolidated Ordinary Expenses

(Unit: Billion Yen)

	FY2018 Apr-Dec (A)	FY2017 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Personnel Expenses	225.5	245.7	-20.1	91.8
Fuel Expenses	1,148.2	932.9	215.3	123.1
Maintenance Expenses	185.4	208.7	-23.2	88.9
Depreciation	394.5	409.1	-14.6	96.4
Power Purchasing Costs	1,028.2	850.5	177.6	120.9
Interest Paid	40.1	48.6	-8.4	82.6
Taxes, etc.	229.2	229.8	-0.6	99.7
Nuclear Back-end Costs	49.9	36.7	13.1	135.8
Other Expenses	961.3	934.1	27.1	102.9
(Reprinted) Payment under Act on Procurement of Renewable Electric Energy	434.5	404.7	29.8	107.4
Subsidiaries/ Affiliated Companies	84.3	70.3	13.9	119.9
Ordinary Expenses	4,347.0	3,966.9	380.0	109.6
(Operating Income)	(260.4)	(295.6)	(-35.2)	88.1
Ordinary Income / Loss	245.1	274.2	-29.1	89.4