

Overview of FY2021Q2 Financial Results

October 27, 2021

Tokyo Electric Power Company Holdings, Inc.

【 Main points of the FY2021Q2 financial results 】

- **Operating revenue decreased** due to decreases in retail power sales volume and fuel cost adjustments, and the application of new accounting standards.
- **Ordinary income/loss and quarterly net profit decreased** due to worsening of the impact for JERA from the time-lag inherent to the fuel cost adjustment system and decreases in retail power sales volume despite continual efforts on behalf of the entire Group to improve income and expenditure.

【 FY2021 performance forecast 】

- The previous forecast has been updated to reflect the worsening of the impact from the time-lag inherent to the fuel cost adjustment system.

1. Consolidated Financial Results Overview

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(Unit: Billion kWh)

	FY2021 Apr-Sep (A)	FY2020 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Total power sales volume	113.3	111.4	1.9	101.7
Retail power sales volume ※1	91.1	102.6	-11.5	88.8
Wholesale power sales volume ※2	22.2	8.8	13.4	252.3

(Unit: Billion Yen)

	FY2021 Apr-Sep (A)	FY2020 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	2,210.7	2,834.2	-623.4	78.0
Operating Income/Loss	97.0	181.3	-84.3	53.5
Ordinary Income/Loss	101.3	224.8	-123.4	45.1
Extraordinary Income/Loss	0	-67.7	67.7	-
Net Income Attributable to Owners of the Parent	88.6	148.6	-59.9	59.6

※1 Total of EP consolidated (EP/TCS/PinT) and PG (islands, etc.)

※2 Total (excluding indirect auctions) of EP consolidated (EP/TCS/PinT), PG (including inter-regional), and RP consolidated (RP/Tokyo Electric Generation)

TEPCO

<Reference> Income and Expenditure Statement

Area demand

(Unit: Billion kWh)

	FY2021 Apr-Sep	FY2020 Apr-Sep	Comparison	
			+/-	Ratio (%)
Area demand	130.0	131.3	-1.3	99.0

Exchange/CIF

	FY2021 Apr-Sep	FY2020 Apr-Sep	+/-
Exchange rate (Interbank)	109.8 JPY/USD	106.9 JPY/USD	+2.9 JPY/USD
Crude oil price (Japan CIF)	70.3 USD/Barrel	36.5 USD/Barrel	+33.8 USD/Barrel

2. Main Points about Core Companies

【 TEPCO Holdings (HD) 】

- Ordinary income **increased** due to an increase in dividends received from core companies.

【 TEPCO Fuel & Power (FP) 】

- Ordinary income **decreased** due to a worsening of the impact for JERA from the time-lag inherent to the fuel cost adjustment system.

【TEPCO Power Grid (PG)】

- Ordinary income **decreased** as a result of a decrease in consigned transmission revenue and an increase in facility-related costs.

【TEPCO Energy Partner (EP)】

- Ordinary income **decreased** due to a decrease in retail power sales volume caused by increased competition and the impact of daily temperatures.

【TEPCO Renewable Power (RP)】

- Ordinary income **decreased** due to an increase in fixed asset tax.

3. Core Company Overview

(Unit: Billion Yen)

	FY2021 Apr-Sep (A)	FY2020 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	2,210.7	2,834.2	-623.4	78.0
TEPCO Holdings	239.7	267.9	-28.1	89.5
TEPCO Fuel & Power	2.6	3.8	-1.2	66.8
TEPCO Power Grid	866.2	862.8	3.3	100.4
TEPCO Energy Partner	1,837.8	2,519.2	-681.4	73.0
TEPCO Renewable Power	82.8	80.1	2.7	103.4
Adjustments	-818.5	-899.8	81.3	-
Ordinary Income/Loss	101.3	224.8	-123.4	45.1
TEPCO Holdings	98.0	63.3	34.7	154.9
TEPCO Fuel & Power	7.3	45.3	-37.9	16.2
TEPCO Power Grid	106.6	123.8	-17.1	86.1
TEPCO Energy Partner	5.8	45.9	-40.0	12.7
TEPCO Renewable Power	35.0	36.7	-1.6	95.5
Adjustments	-151.5	-90.2	-61.3	-

4. Consolidated Extraordinary Income/Loss

(Unit: Billion Yen)

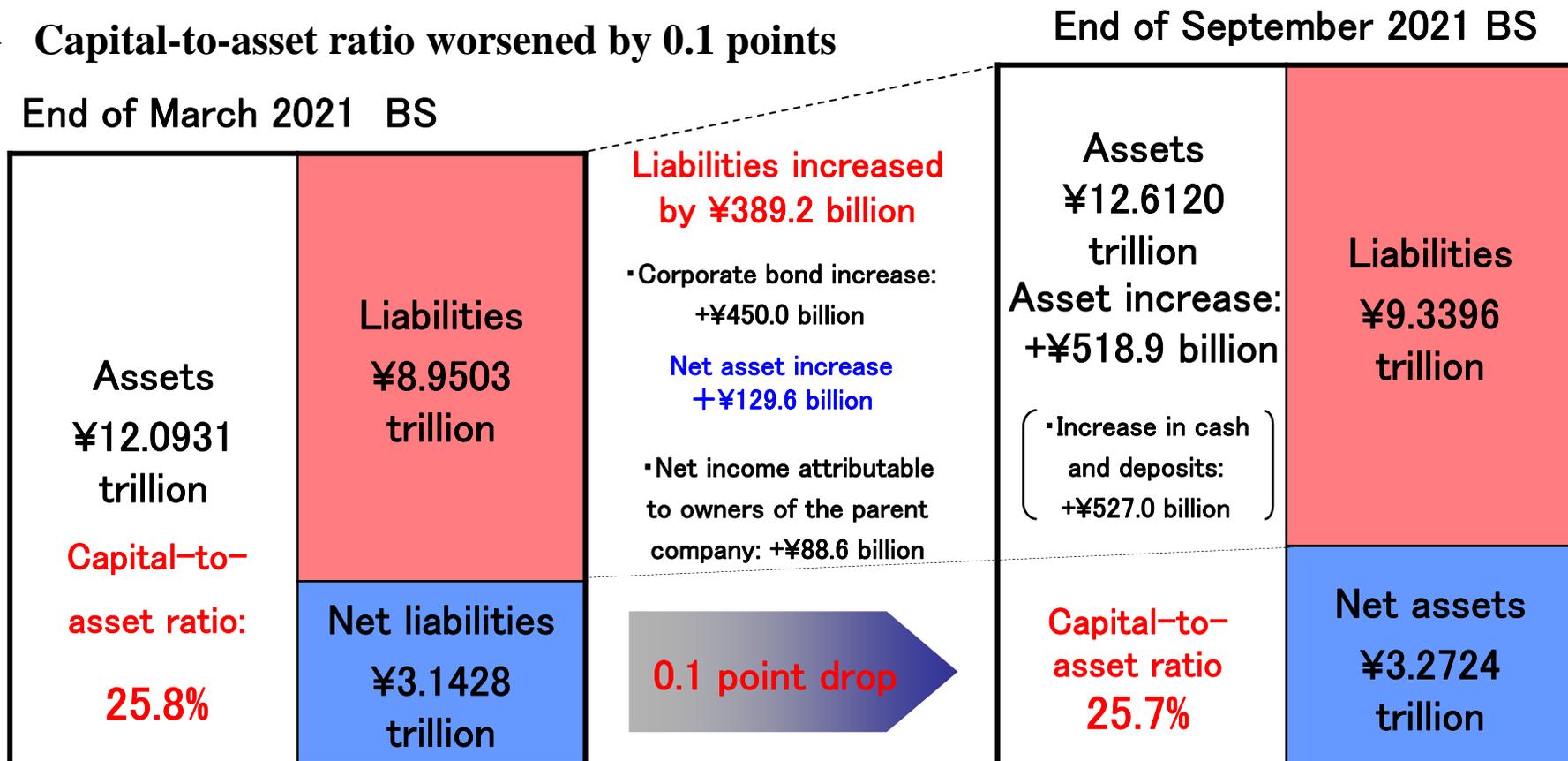
	FY2021 Apr-Sep	FY2020 Apr-Sep	Comparison
Extraordinary Income	29.8	–	29.8
Nuclear Damage Compensation and Decommissioning Facilitation Corporation Subsidies	※1 29.8	–	29.8
Extraordinary Loss	29.8	67.7	-37.8
Expenses for Nuclear Damage Compensation	※2 29.8	67.7	-37.8
Extraordinary Income/Loss	0	-67.7	67.7

※1 An application to change the amount of financial assistance was submitted on September 30, 2021

※2 Damage resulting from shipping restrictions and increases caused by extending the calculation period for reputational damage estimates, etc.

5. Consolidated Finances

- Gross assets increase by ¥518.9 billion due to increases in cash and deposits.
- Outstanding liabilities increased by ¥389.2 billion due to increases in corporate bonds.
- Net assets increased by ¥129.6 billion due to the appropriation of net income attributable to owners of the parent company.
- Capital-to-asset ratio worsened by 0.1 points



6. FY2021 Performance Forecast

- Our performance forecast has been revised as follows in conjunction with a worsening of the impact from the time-lag inherent to the fuel cost adjustment system caused by the increase in fuel prices.

(Unit: Billion kWh)

	FY2021 (New forecast)	FY2021 (Forecast announced on July 29, 2021)	Comparison
Operating Revenue	4,850	4,484	366
Operating Income/Loss	21	69	-48
Ordinary Income/Loss	-13	74	-87
Extraordinary Income / Loss	0	-	0
Net income attributable to owners of parent	-16	67	-83

※ ¥50 billion has been used as a general figure for special contribution since the actual figure has yet to be determined.

(Reference) FY2021 Performance Forecast (Major Points)

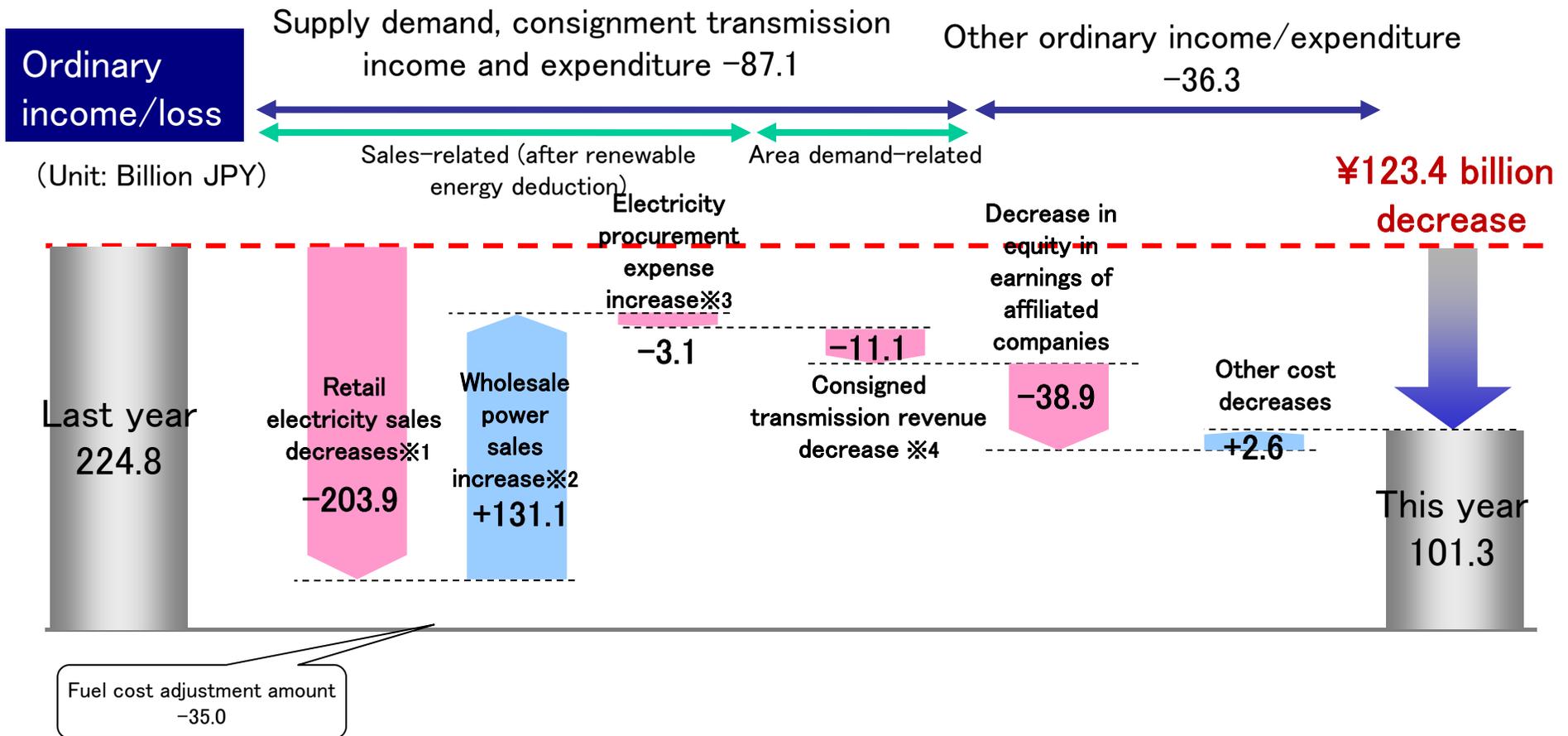
(Unit: Billion kWh)

	FY2021 (New forecast)	FY2021 (Forecast announced on July 29, 2021)	FY2020 (Actual Performance)
Total power sales volume	222.0	213.0	231.5
Retail power sales volume	183.9	186.9	204.7
Wholesale power sales v o l u m e	38.1	26.1	26.8
A r e a D e m a n d	266.3	267.3	266.3

	FY2021 (New forecast)	FY2021 (Forecast announced on July 29, 2021)	FY2020 (Actual Performance)
Exchange rate (Interbank)	Approx. 110 JPY/USD	Approx. 110 JPY/USD	106.1 JPY/USD
Crude oil price (Japan CIF)	Approx. 74 USD/Barrel	Approx. 62 USD/Barrel	43.4 USD/Barrel



(Reference) YoY comparison (Consolidated) ① ~Increases/Decreases~



※1 Retail power sales include the impact of consigned transmission expenses.

※2 Wholesale power sales exclude the impact of indirect auctions.

※3 Electricity procurement expenses exclude the impact of indirect auctions, and offset the revenue increase/decrease caused by an increase/decrease in deficit imbalance.

※4 Consigned transmission income includes transactions within the Group but excludes the impact of the deficit imbalance.

(Reference) Consolidated YoY Performance Comparison ② ~Figures~

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(Unit: Billion JPY)

	FY2021 Apr-Sep	FY2020 Apr-Sep	+/-
Ordinary Income	101.3	224.8	-123.4
Supply demand, consigned transmission income and expenditure	897.0	984.1	-87.1
Retail power sales ※1	1,017.9	1,221.9	-203.9
Wholesale power sales ※2	237.0	105.8	131.1
(-) Electricity procurement expense ※3	-1,039.1	-1,035.9	-3.1
Consigned transmission income ※4	681.2	692.3	-11.1
Other ordinary income/expenditure	-795.7	-759.3	-36.3
Increase in equity in earnings of affiliated companies	27.3	66.3	-38.9
(-) Depreciation costs	-201.5	-200.1	-1.4
(-) Facility costs	-125.0	-117.9	-7.0
Other ※5	-496.4	-507.5	11.1

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※4 Consigned transmission income includes transactions within the Group but excludes the impact of the deficit imbalance

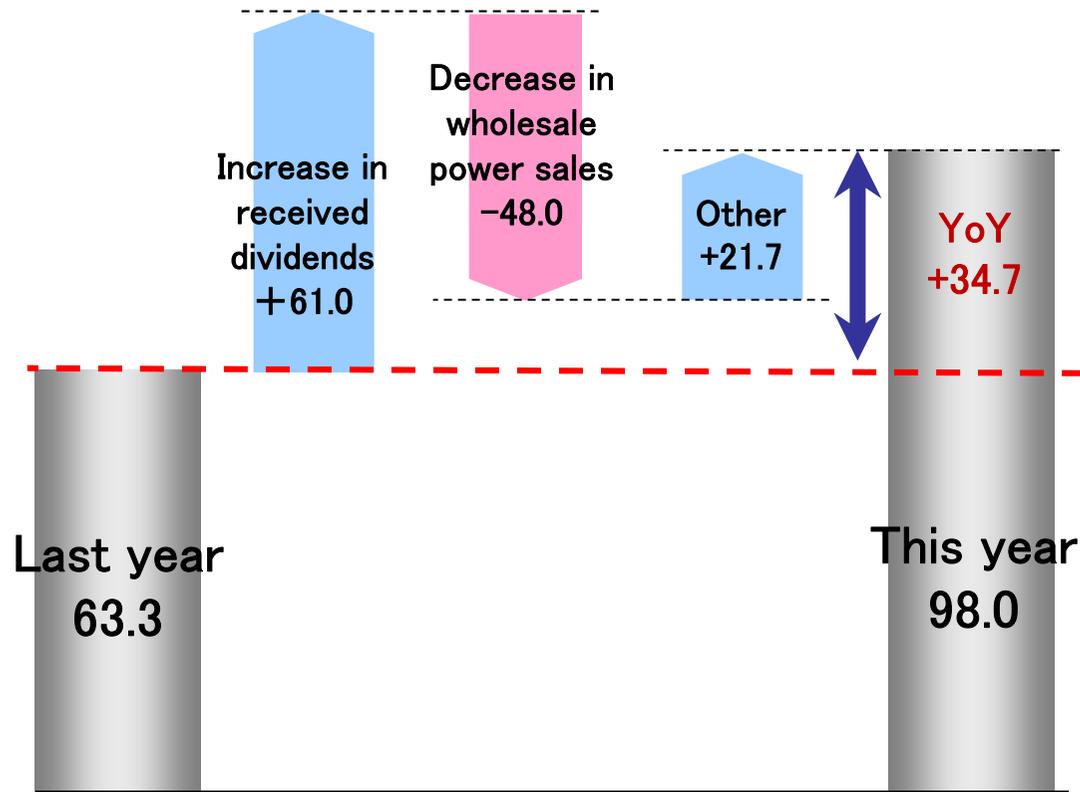
※5 Consists of primarily personnel costs, taxes and consignment costs.

TEPCO

(Reference) HD YoY comparison

Ordinary income/loss

(Unit: Billion JPY)



Income and expenditure structure

Income includes dividend income, decommissioning charge income, management support fees, and nuclear wholesale power sales, etc.

Ordinary income/loss

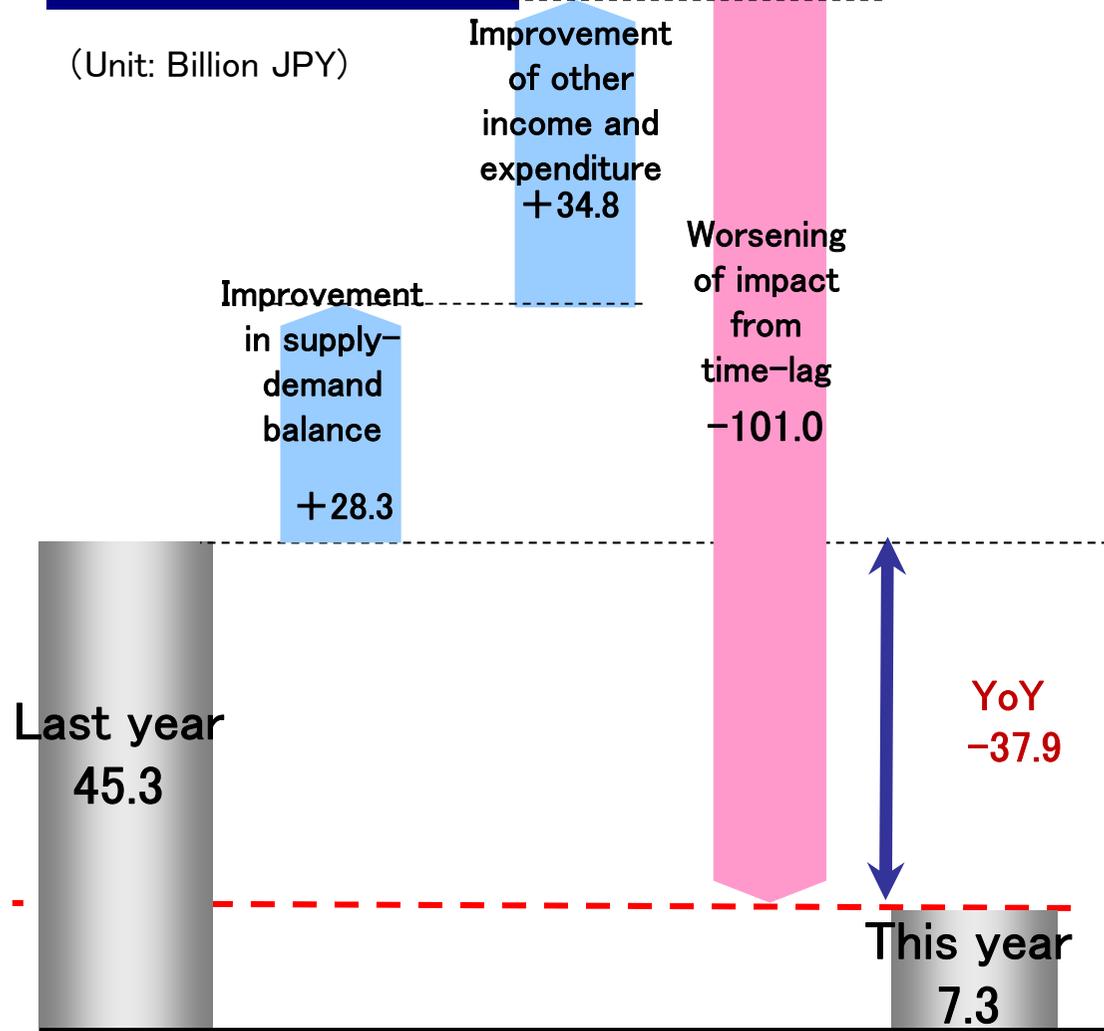
(Unit: Billion JPY)

	FY2020	FY2021	+/-
Apr-Jun	79.5	126.7	+47.1
Apr-Sep	63.3	98.0	+34.7
Apr-Dec	7.0		
Apr-Mar	-7.9		

(Reference) FP YoY comparison

Ordinary income/loss

(Unit: Billion JPY)



Income and expenditure structure

Primary income is equity in earnings of affiliated companies, such as JERA's supply/demand balance.

(Unit: Billion JPY)

Impact of time lag (JERA share impact)

	FY2020	FY2021	+/-
Apr-Sep	+56.0	-45.0	-101.0

Ordinary income/loss

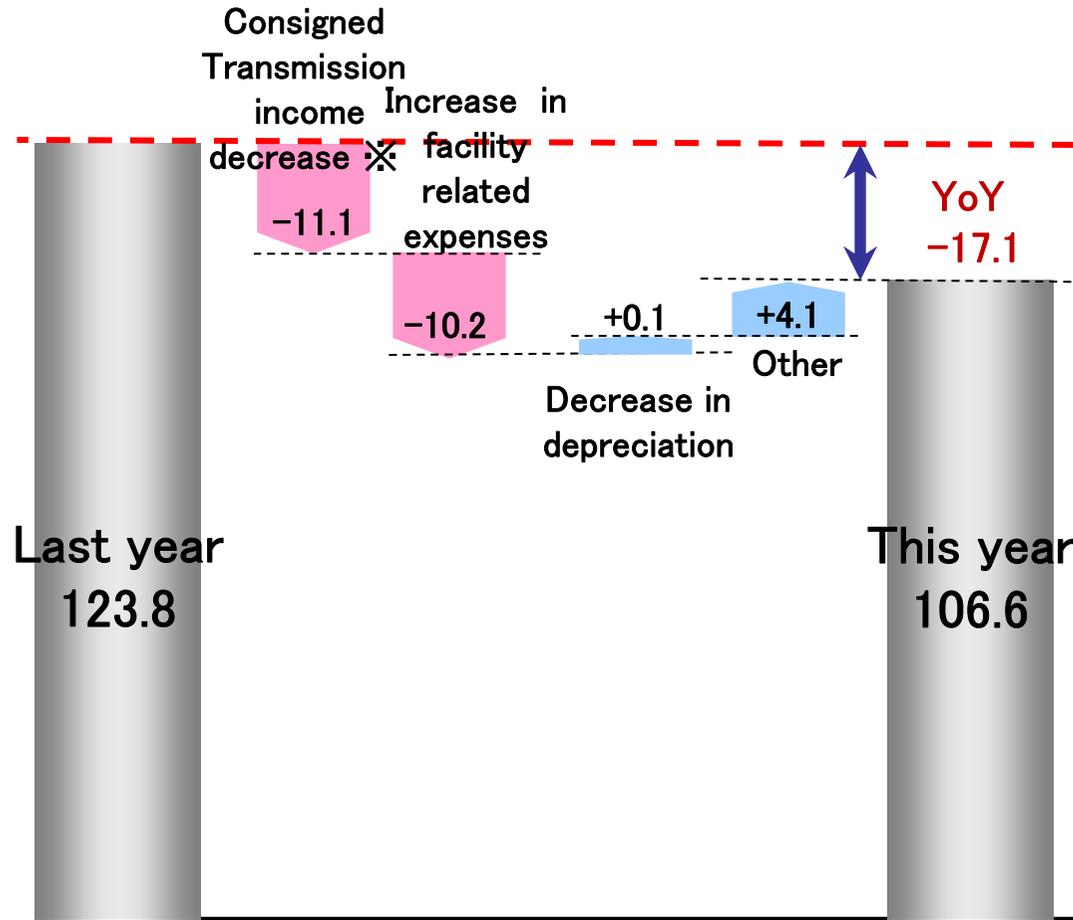
(Unit: Billion JPY)

	FY2020	FY2021	+/-
Apr-Jun	9.2	30.1	+20.8
Apr-Sep	45.3	7.3	-37.9
Apr-Dec	83.4		
Apr-Mar	69.8		

(Reference) PG YoY comparison

Ordinary income/loss

(Unit: Billion JPY)



Income and expenditure structure

Revenue is primarily from consigned transmission income and fluctuates with area demand. Costs are primarily maintenance costs for transmission and distribution equipment, and depreciation costs

Area demand

(Unit: Billion kWh)

	FY2020	FY2021	+/-
Apr-Sep	131.3	130.0	-1.3

Ordinary income/loss

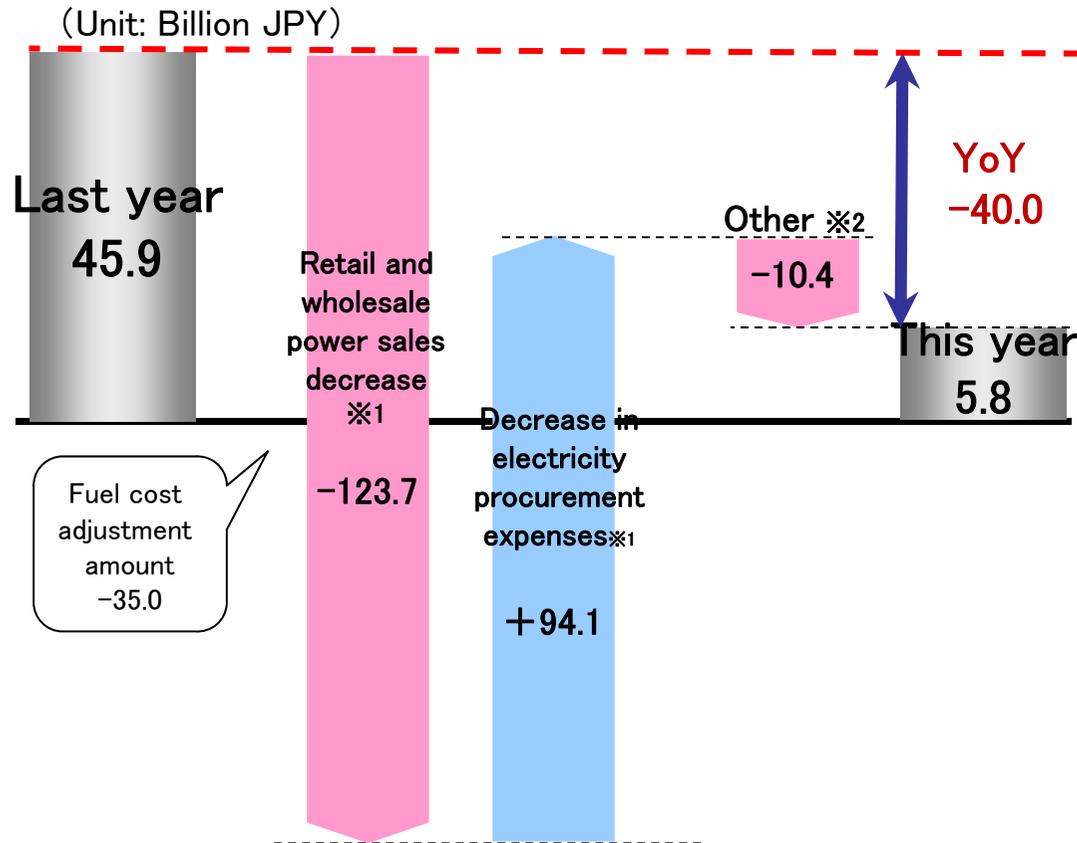
(Unit: Billion JPY)

	FY2020	FY2021	+/-
Apr-Jun	40.7	34.6	-6.0
Apr-Sep	123.8	106.6	-17.1
Apr-Dec	183.6		
Apr-Mar	169.0		

※ Consigned transmission income excludes the impact of imbalance earnings/expenditures.

(Reference) EP YoY comparison

Ordinary income/loss



※1 Retail and wholesale power sales, and electricity procurement expenses both exclude the impact from indirect auctions. The impact of consigned transmission costs has been included in retail and wholesale power sales after deducting the imbalance, and the impact of the imbalance has been included in electricity procurement costs.

※2 Includes the impact of correcting consolidated result discrepancies related to the appropriation of renewable energy subsidy estimates made for the last year.

Income and expenditure structure

Revenue is primarily from electricity charges and fluctuates with power sales volume. Costs are primarily purchased power fees and connected supply consigned transmission costs.

Retail power sales volume (EP consolidated) (Unit: Billion kWh)

	FY2020	FY2021	+/-
Apr-Sep	102.5	91.0	-11.5

Gas contracts (EP alone)

End of Mar 2021	End of Sep 2021
Approx. 1.24 million	Approx. 1.27 million

Ordinary income/loss

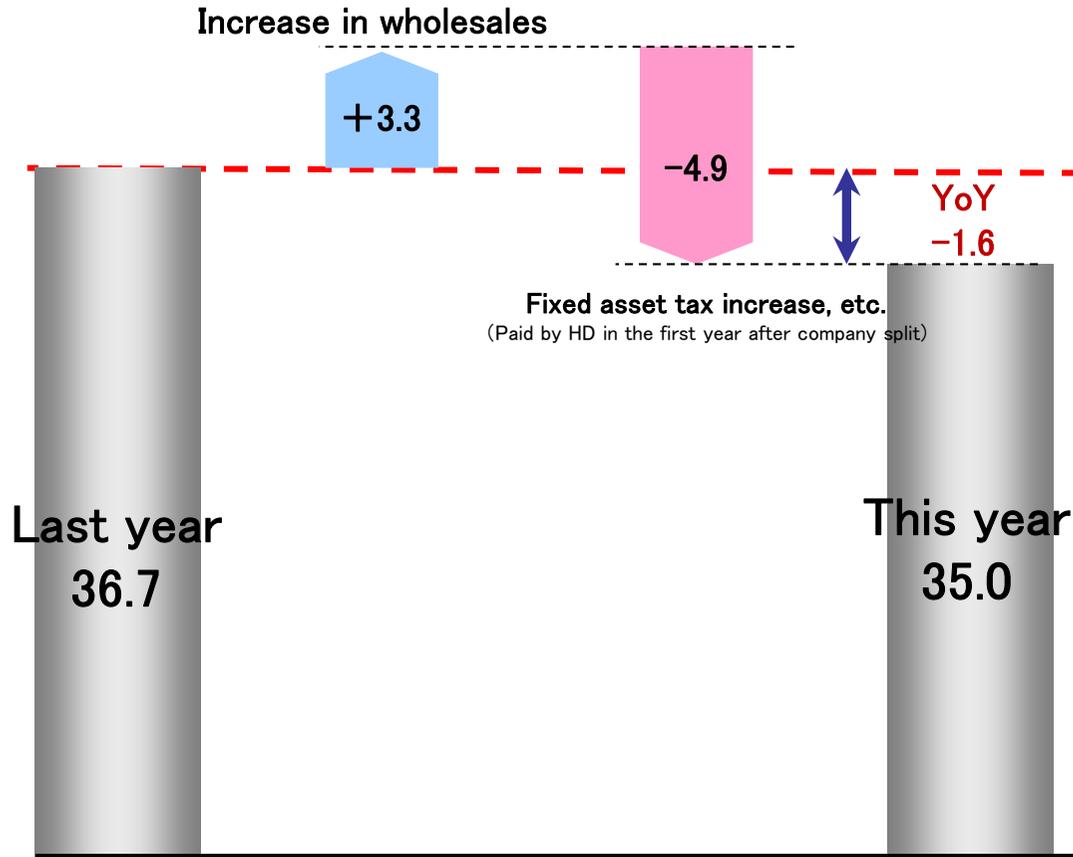
(Unit: Billion JPY)

	FY2020	FY2021	+/-
Apr-Jun	11.2	-37.4	-48.7
Apr-Sep	45.9	5.8	-40.0
Apr-Dec	7.9		
Apr-Mar	6.4		

(Reference) RP YoY Comparison

Ordinary income/loss

(Unit: Billion JPY)



Income and expenditure structure

Most income comes from the wholesale of hydroelectric and new energies.
Costs are primarily from depreciation and maintenance.

Flow rate

(Unit: %)

	FY2020	FY2021	+/-
Apr-Sep	104.0	104.1	+0.1

Ordinary income/loss

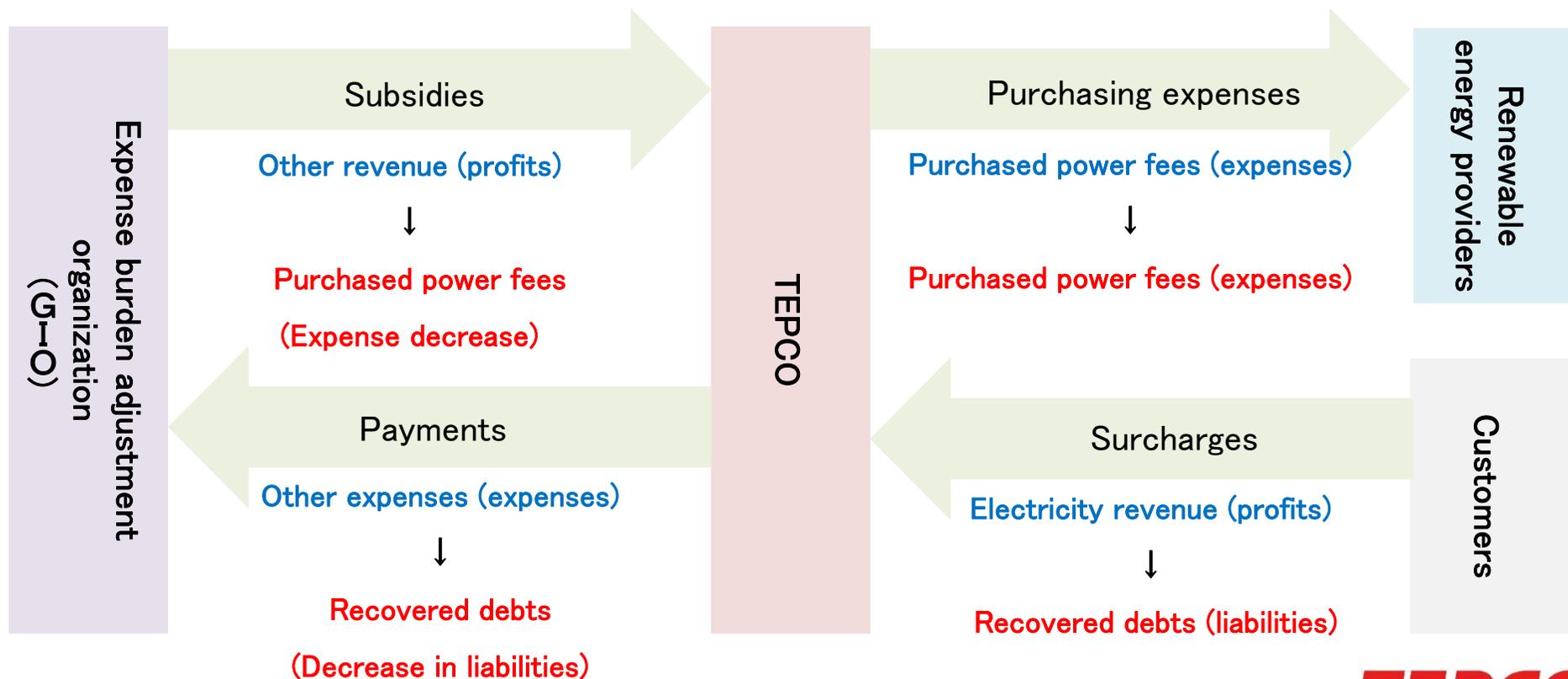
(Unit: Billion JPY)

	FY2020	FY2021	+/-
Apr-Jun	17.8	16.1	-1.6
Apr-Sep	36.7	35.0	-1.6
Apr-Dec	44.1		
Apr-Mar	48.1		

(Reference) Application of new accounting standards

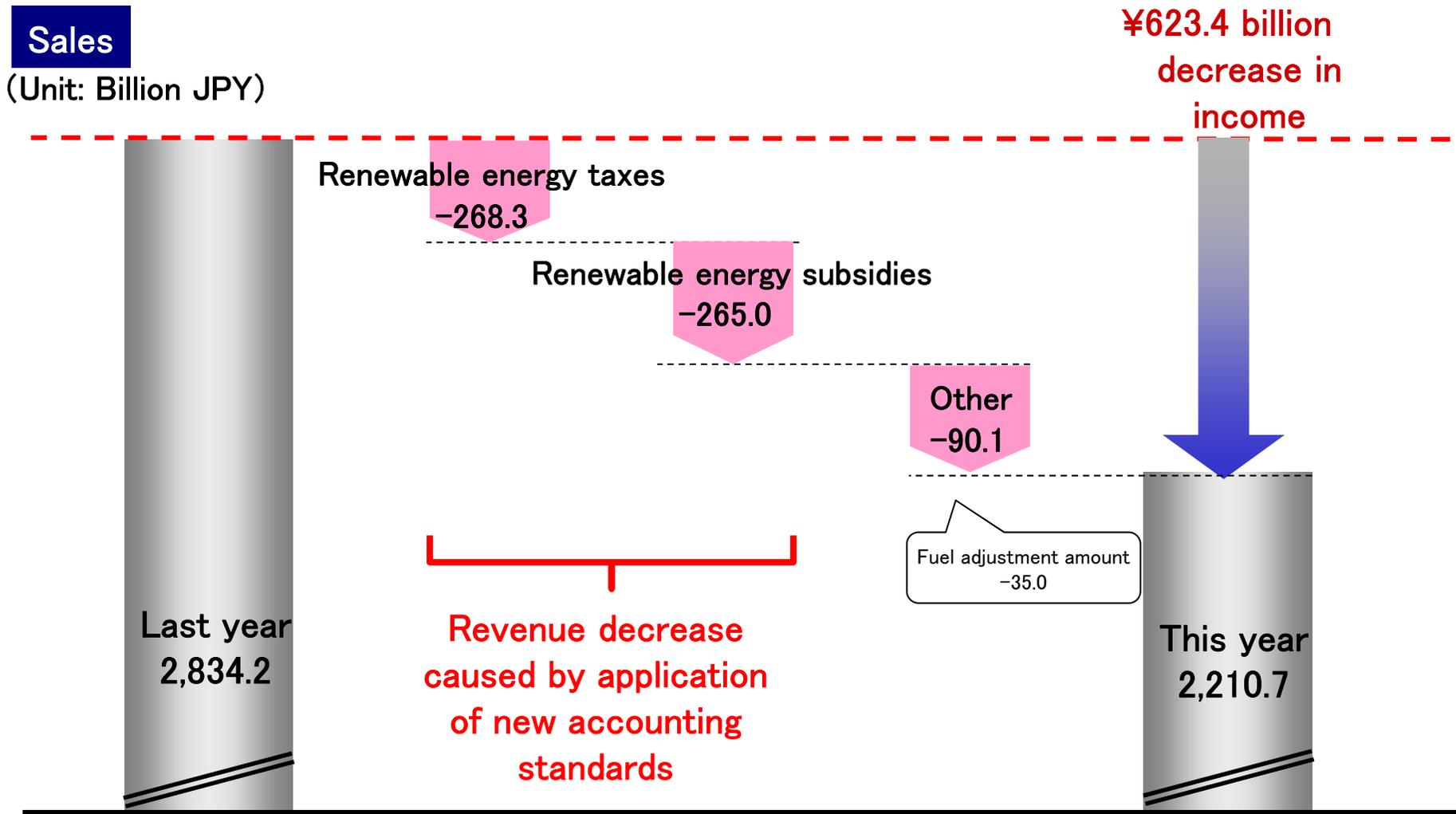
- “Accounting standards for revenue recognition” went into effect in FY2021 and some transactions that were posted as revenue (sales) must now be listed in a different category (changes were also made to what can be posted as expenses so there was no impact on revenue and expenditure).
- Surcharges and payments are posted as increases/decreases in recovered debts (liabilities) since they are paid to the GIO.
- Subsidies are posted as decreases in expenses due to revision of the electric operators accounting rules in accordance with the new accounting standards.

< Diagram of the feed-in tariff system for renewable energies >
 Blue: Accounting category until FY2020
 Red: Accounting category as of FY2021



(Reference) Factors causing fluctuation in consolidated sales ~Impact of the application of new accounting standards~

- Sales decreased by ¥533.3 billion as a result of application of new accounting standards.
(No impact on income and expenditure since costs will also decrease)



(Reference) FY2021 Performance Forecast (Core company overview)

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(Unit: Billion JPY)

	FY2021 (Performance forecast)	FY 2021 (Forecast announced on July 29, 2021)	+/-
R e v e n u e	4,850	4,484	366
TEPCO Holdings	620	635	- 15
TEPCO Fuel & Power	5	5	-
TEPCO Power Grid	1,787	1,760	27
TEPCO Energy Partner	4,040	3,685	355
TEPCO Renewable Power	151	154	- 3
A d j u s t m e n t s	- 1,753	- 1,755	2
Ordinary income/loss	- 13	74	-87
TEPCO Holdings	41	75	- 34
TEPCO Fuel & Power	- 22	24	- 46
TEPCO Power Grid	116	108	8
TEPCO Energy Partner	- 35	8	- 43
TEPCO Renewable Power	40	40	-
A d j u s t m e n t s	- 153	- 181	28