

Overview of FY2016 2nd Quarter Financial Results (April 1 – September 30, 2016)

(Released on October 31, 2016)

Tokyo Electric Power Company Holdings, Inc.

(Note)

Please note that the following to be 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.

Key Points of FY2016 2nd Quarter Financial Results

< FY2016 2nd Quarter Financial Results >

- Ordinary revenues decreased for the second consecutive year due to a decrease in the unit price of electricity resulting from fuel cost adjustments and a decrease in electricity sales.
- Ordinary expenses decreased due to the fall of fuel prices and the continued extensive cost reduction efforts on TEPCO Group level, therefore ordinary income achieved profits for the fourth consecutive year.
- However, effect caused by fuel cost adjustments decreased compared to the previous year, and ordinary income decreased for the first time in four years.
- Although net income decreased substantially due to extraordinary loss for expenses for nuclear damage compensation, it achieved profits for the fourth consecutive year.

< FY2016 Full-Year Financial Forecasts >

- FY2016 full-year financial forecasts is to be determined, because the current situation makes it difficult to release an operation plan for Kashiwazaki-Kariwa Nuclear Power Station.

1. Consolidated Financial Results

(Unit: Billion Yen)

	FY2016 Apr-Sep(A)	FY2015 Apr-Sep(B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenues	2,643.3	3,128.1	-484.8	84.5
Operating Income	292.8	385.0	-92.1	76.1
Ordinary Income	274.2	365.1	-90.8	75.1
Extraordinary Income	36.4	426.7	-390.3	-
Extraordinary Loss	168.5	465.2	-296.7	-
Net Income attributable to owners of parent	94.1	279.4	-185.3	33.7

2. Electricity Sales Volume/ Key Factors Affecting Performance

Electricity Sales Volume

(Unit: Billion kWh)

	FY2016 Apr-Sep*(A)	FY2015 Apr-Sep(B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Lighting	39.9	41.7	-1.8	95.7
Power	79.7	82.0	-2.3	97.2
Total	119.6	123.6	-4.1	96.7

* Excluding islands. Including nation-wide sales.

Key Factors Affecting Performance

	FY2016 Apr-Sep(A)	FY2015 Apr-Sep(B)	(A)-(B)
Foreign Exchange Rate (Interbank, yen/dollar)	105.2	121.9	-16.7
Crude Oil Prices (All Japan CIF, dollar/barrel)	43.8	58.8	-15.0
LNG Prices (All Japan CIF, dollar/barrel)	36.7	53.2	-16.5

3. Ordinary Revenues (Consolidated)

	FY2016 Apr-Sep(A)	FY2015 Apr-Sep(B)	(Unit: Billion Yen) Comparison	
			(A)-(B)	(A)/(B) (%)
(Operating Revenues)	2,643.3	3,128.1	-484.8	84.5
Electricity Sales Revenues	2,211.8	2,723.5	-511.6	81.2
Lighting	937.4	1,122.4	-184.9	83.5
Power	1,274.4	1,601.1	-326.6	79.6
Power Sold to Other Utilities and Suppliers	62.1	94.4	-32.2	65.8
Other Revenues	315.2	256.9	58.2	122.7
(Written again) Grant under Act on Procurement of Renewable Electric Energy	159.8	110.2	49.6	145.0
Subsidiaries / Affiliated Companies	87.8	88.8	-0.9	98.9
Ordinary Revenues	2,677.1	3,163.7	-486.5	84.6

- Effect of fuel cost adjustments -473.0
- Decrease in electricity sales -75.0

Total of TEPCO Holdings and three Core Operating Companies (TEPCO Fuel & Power, TEPCO Power Grid and TEPCO Energy Partner) (after intercompany elimination)

Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after intercompany elimination)

4. Ordinary Expenses (Consolidated)

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	FY2016 Apr-Sep(A)	FY2015 Apr-Sep(B)	(Unit: Billion Yen) Comparison	
			(A)-(B)	(A)/(B) (%)
Personnel Expenses	169.8	178.5	-8.6	95.1
Fuel Expenses	496.2	851.9	-355.7	58.2
Maintenance Expenses	149.1	157.2	-8.1	94.8
Depreciation Expenses	274.6	298.2	-23.6	92.1
Power Purchasing Costs	462.5	503.3	-40.7	91.9
Interest Paid	39.7	44.3	-4.5	89.7
Taxes, etc.	153.4	173.1	-19.7	88.6
Nuclear Back-end Costs	26.8	28.7	-1.9	93.2
Other Expenses	562.2	500.9	61.3	112.2
(Written again) Payment under Act on Procurement of Renewable Electric Energy	227.6	157.9	69.6	144.1
Subsidiaries / Affiliated Companies	68.2	62.1	6.1	109.9
Ordinary Expenses	2,402.9	2,798.6	-395.7	85.9
(Operating Income)	(292.8)	(385.0)	(-92.1)	76.1
Ordinary Income	274.2	365.1	-90.8	75.1

- Effect of price fluctuations of exchange rate, CIF and others -332.0
- Decrease in thermal power generation -24.0

- Decrease of purchase from cooperative thermal power companies and others

Total of TEPCO Holdings and three Core Operating Companies (after intercompany elimination)

Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after intercompany elimination)

5. Extraordinary Income/ Loss (Consolidated)

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(Unit: Billion Yen)

	FY2016 Apr-Sep	FY2015 Apr-Sep	Comparison
Extraordinary Income	36.4	426.7	-390.3
Gain on change in equity	36.4	—	36.4
Grants-in-aid from NDF*	-	426.7	-426.7
Extraordinary Loss	168.5	465.2	-296.7
Expenses for Nuclear Damage Compensation	168.5	465.2	-296.7
Extraordinary Income/ Loss	-132.0	-38.4	-93.5

<Extraordinary Income>

Gain on change in equity

- Effects of transfer of fuel business for thermal power generation and overseas thermal power generation business etc. to JERA

<Extraordinary Loss>

Expenses for Nuclear Damage Compensation

- Increase in the estimated amount of compensation for opportunity losses on businesses and damage to reputation among other factors

* Nuclear Damage Compensation and Decommissioning Facilitation Corporation
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6. Consolidated Financial Position

- Total assets decreased 667.5 billion yen mainly due to decline in cash and deposits.
- Total liabilities decreased 718.0 billion yen mainly due to decline in interest-bearing debt.
- Equity ratio improved by 1.3%.

Balance Sheets as of Mar. 31, 2016

