

Overview of FY2018 1st Quarter Financial Results

(Released on July 30, 2018)

< FY2018 1st Quarter Financial Results >

- Although electricity sales volume from TEPCO group companies decreased, operating revenue and ordinary income increased due to an increase in transmission revenue from non-TEPCO group companies and continued group-wide cost reduction efforts and other measures.
- Ordinary income and net income showed a profit - the former for five, the latter for four consecutive years.

< FY2018 Full-year Financial Forecasts >

- There are no revisions to the projections released on April 26, 2018.

1. Consolidated Financial Results

(Unit: Billion kWh)

	FY2018 Apr-Jun (A)	FY2017 Apr-Jun (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Electricity Sales Volume	52.6	55.5	-2.9	94.8

(Unit: Billion yen)

	FY2018 Apr-Jun (A)	FY2017 Apr-Jun (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	1,354.0	1,313.3	40.6	103.1
Operating Income/ Loss	68.8	67.6	1.2	101.9
Ordinary Income/ Loss	67.3	55.6	11.7	121.1
Extraordinary Income	—	128.6	-128.6	—
Extraordinary Loss	46.6	36.0	10.6	—
Net Income attributable to owners of parent	16.4	148.0	-131.6	11.1

2. Key Points of Each Company

< TEPCO Holdings >

- Ordinary income increased due to an increase in dividend income and other areas.

< TEPCO Fuel & Power >

- Ordinary income increased due to a decrease in fixed costs from cost reduction efforts, increase in profit from subsidiaries, and other efforts.

< TEPCO Power Grid >

- Although transmission revenue decreased, ordinary income increased due to a decrease in outsourcing and maintenance expenses, etc.

< TEPCO Energy Partner >

- Ordinary income decreased due to a decline in electricity sales volume caused by intensifying competition.

3. Overview of Each Company

(Unit: Billion kWh, yen/dollar)

	FY2018 Apr-Jun	FY2017 Apr-Jun	Comparison
Area Demand	61.8	63.1	- 1.2
Foreign Exchange Rate (TTM)	109.1	111.1	- 2.0

(Unit: Billion Yen)

	FY2018 Apr-Jun (A)	FY2017 Apr-Jun (B)	Comparison (A)-(B)	Comparison (A)/(B) (%)
Operating Revenue	1,354.0	1,313.3	40.6	103.1%
TEPCO Holdings	194.1	202.1	-7.9	96.1%
TEPCO Fuel & Power	414.6	382.3	32.2	108.4%
TEPCO Power Grid	393.0	396.8	-3.7	99.1%
TEPCO Energy Partner	1,270.0	1,258.0	12.0	101.0%
Adjustments	-917.8	-925.9	8.0	-
Ordinary Income /Loss	67.3	55.6	11.7	121.1%
TEPCO Holdings	153.8	146.5	7.3	105.0%
TEPCO Fuel & Power	22.4	1.6	20.8	-
TEPCO Power Grid	38.7	22.1	16.6	174.9%
TEPCO Energy Partner	-8.3	10.4	-18.8	-
Adjustments	-139.4	-125.2	-14.2	-

• Decrease in transmission revenue -7.6

• Decrease in fixed costs +11.8
• Increase in profit from subsidiaries +7.1

• Decrease in outsourcing and maintenance expenses +19.5

• Decrease in electricity sales volume -2.9 billion kWh

4. Consolidated Extraordinary Income/ Loss

(Unit: Billion Yen)

	FY2018 Apr-Jun	FY2017 Apr-Jun	Comparison
Extraordinary Income/ Loss	-46.6	92.5	-139.2
Extraordinary Income	—	128.6	-128.6
Grants-in-aid from NDF*	—	128.6	-128.6
Extraordinary Loss	46.6	36.0	10.6
Expenses for Nuclear Damage Compensation	46.6	36.0	10.6

* 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., and other factors

5. Consolidated Financial Position

- Total assets decreased 381.8 billion yen primarily due to decreases in cash and deposits.
- Total liabilities decreased 388.2 billion yen primarily due to decreases in the amount of interest-bearing debt.
- Equity ratio improved by 0.7 points.

Balance Sheets as of Mar. 31, 2018

<p>Total Assets 12,591.8 billion yen</p>	<p>Liabilities 9,934.5 billion yen</p>
<p>Net Assets 2,657.2 billion yen</p>	<p>Net Assets 2,657.2 billion yen</p>

Equity Ratio: 21.1%

Balance Sheets as of Jun. 30, 2018

<p>Total Assets 12,210.0 billion yen</p> <p>Decrease in Assets -381.8 billion yen</p> <ul style="list-style-type: none"> Cash and Deposits -371.3 billion yen 	<p>Liabilities 9,546.3 billion yen</p>
<p>Net Assets 2,663.6 billion yen</p>	<p>Net Assets 2,663.6 billion yen</p>

Equity Ratio: 21.8%

Decrease in Liabilities
- 388.2 billion yen

- Interest-bearing Debt
-161.8 billion yen

Increase in Net Assets
+6.4 billion yen

Improved by 0.7 points

6. FY2018 Full-Year Financial Forecasts

(Unit: Billion Yen)

	FY2018 Projections (released on Jul. 30, 2018)	FY2018 Projections (released on Apr. 26, 2018)	FY2017 Results
Operating Revenue	6,099	6,099	5,850.9
Ordinary Income/ Loss	285	285	254.8
Extraordinary Income/ Loss	—	—	73.8
Net Income attributable to owners of parent	252	252	318.0

* FY2018 Projections released on July 30, 2018 have no change from those released on April 26, 2018.

* 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.

Area Demand

(Unit: Billion kWh)

	FY2018 Apr-Jun (A)	FY2017 Apr-Jun (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Area Demand	61.8	63.1	-1.2	98.0

Foreign Exchange Rate / CIF

	FY2018 Apr-Jun (A)	FY2017 Apr-Jun (B)	(A)-(B)
Foreign Exchange Rate (Interbank, yen/dollar)	109.1	111.1	-2.0
Crude Oil Prices (All Japan CIF, dollar/barrel)	70.6	53.3	17.3
LNG Prices (All Japan CIF, dollar/barrel)	55.8	48.2	7.6

<Reference> Key Factors Affecting Performance (Financial Forecasts)

Key Factors Affecting Performance

	FY2018 Projections (released on Jul. 30, 2018)	FY2018 Projections (released on Apr. 26, 2018)
Electricity Sales Volume (Billion kWh)	232.4	233.4
Crude Oil Prices (All Japan CIF; dollars per barrel)	Approx. 74	Approx. 65
Foreign Exchange Rate (Interbank; yen per dollar)	Approx. 113	Approx. 115
Nuclear Power Plant Capacity Utilization Ratio (%)	—	—

Financial Impact (Sensitivity)

(Unit: Billion Yen)

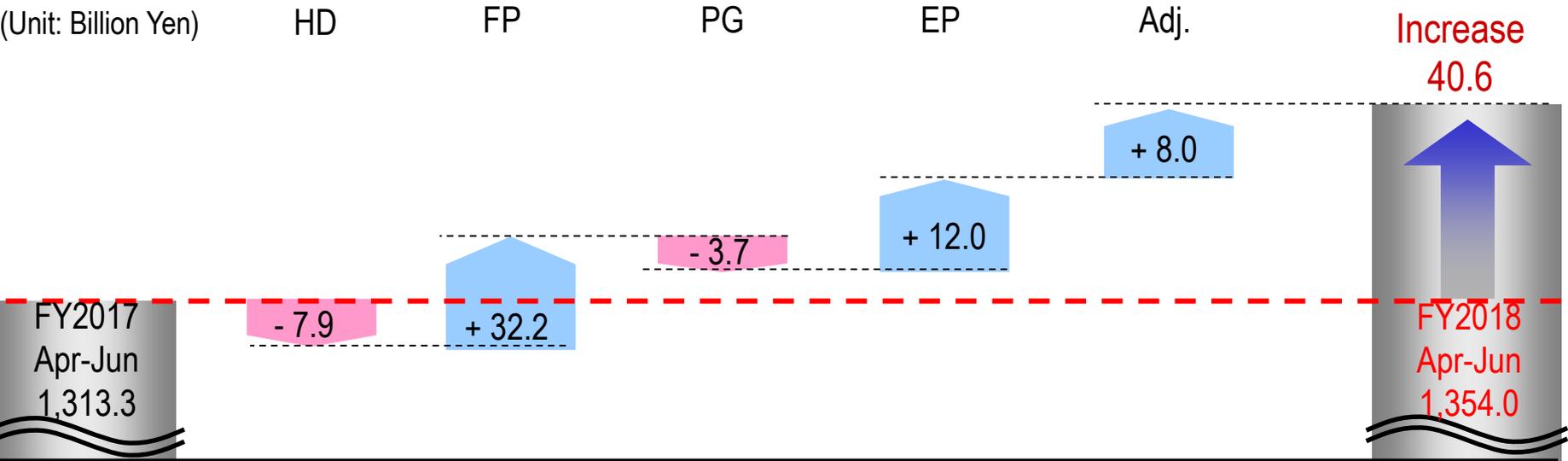
	FY2018 Projections (released on Jul. 30, 2018)	FY2018 Projections (released on Apr. 26, 2018)
<Fuel Expenses>		
Crude Oil Prices (All Japan CIF; 1 dollar per barrel)	Approx. 18	Approx. 18
Foreign Exchange Rate (Interbank; 1 yen per dollar)	Approx. 12	Approx. 12
Nuclear Power Plant Capacity Utilization Ratio (1%)	—	—
<Interest Paid>		
Interest Rate 1% (Long-term / Short-term)	Approx. 28	Approx. 28

<Reference> Consolidated Ordinary Income/ Loss

- Year on Year Comparison of Each Company

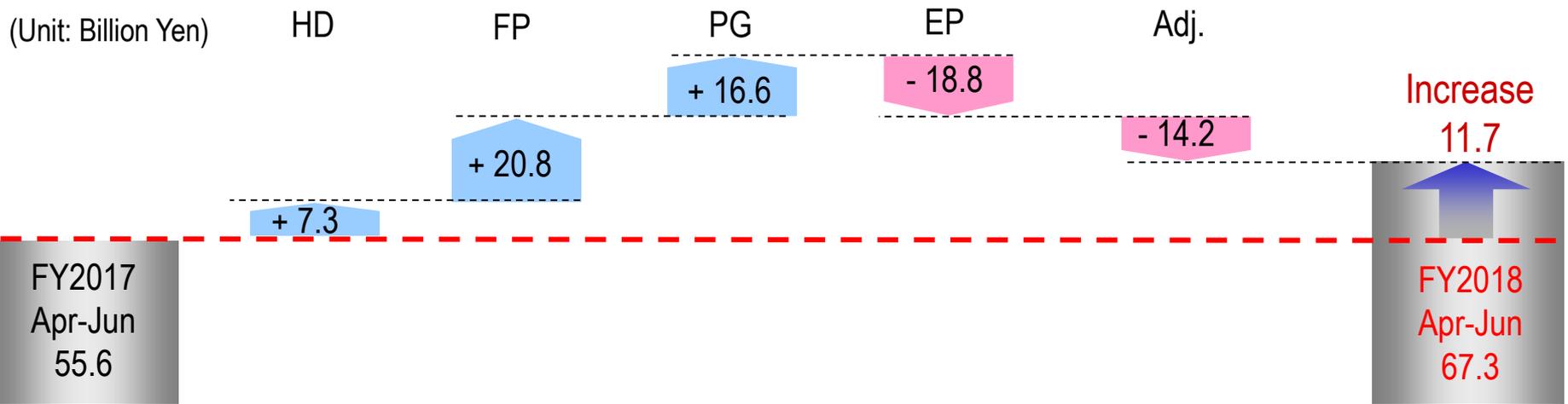
Ordinary Revenue

(Unit: Billion Yen)



Ordinary Income / Loss

(Unit: Billion Yen)



<Reference> Consolidated Ordinary Revenue

(Unit: Billion Yen)

	FY2018 Apr-Jun (A)	FY2017 Apr-Jun (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
(Operating Revenue)	1,354.0	1,313.3	40.6	103.1
Electricity Sales Revenue	1,040.3	1,055.4	-15.1	98.6
Power Sold to Other Utilities and Suppliers	64.4	47.9	16.4	134.3
Other Revenue	229.3	200.0	29.3	114.7
(Reprinted) Grant under Act on Procurement of Renewable Electric Energy	114.8	104.6	10.2	109.8
(Reprinted) Transmission Revenue	62.5	44.6	17.8	140.1
Subsidiaries/ Affiliated Companies	38.3	22.3	16.0	171.8
Ordinary Revenue	1,372.5	1,325.8	46.6	103.5

<Reference> Consolidated Ordinary Expenses

(Unit: Billion Yen)

	FY2018 Apr-Jun (A)	FY2017 Apr-Jun (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Personnel Expenses	79.3	85.4	-6.1	92.8
Fuel Expenses	302.5	277.0	25.5	109.2
Maintenance Expenses	55.4	65.4	-9.9	84.8
Depreciation	130.7	135.5	-4.7	96.5
Power Purchasing Costs	318.0	297.6	20.4	106.9
Interest Paid	13.8	17.1	-3.3	80.7
Taxes, etc.	70.5	72.3	-1.8	97.5
Nuclear Back-end Costs	16.6	12.2	4.3	135.7
Other Expenses	291.3	290.1	1.1	100.4
(Reprinted) Payment under Act on Procurement of Renewable Electric Energy	131.5	123.3	8.1	106.6
Subsidiaries/ Affiliated Companies	26.5	17.3	9.2	153.1
Ordinary Expenses	1,305.1	1,270.2	34.8	102.7
(Operating Income)	(68.8)	(67.6)	(1.2)	101.9
Ordinary Income / Loss	67.3	55.6	(11.7)	121.1

<Reference> Consolidated Ordinary Income/ Loss –Year on Year Comparison

Ordinary Income / Loss

(Unit: Billion Yen)

