

October 31, 2012

Notice concerning Extraordinary Income and Loss and Revision of the Earnings Forecasts

As to the earnings results for the first half of the fiscal year ending March 31, 2013 released today, Tokyo Electric Power Company Incorporated (TEPCO, TSE: 9501) hereby makes a notice concerning extraordinary income and loss and revision of the earnings forecasts. The details are as follows. All the numbers below are on consolidated basis, unless otherwise noted.

1. Extraordinary Income

(1) Gain on sales of fixed assets

TEPCO has recognized gain on sales of fixed assets of 27.5 billion yen (22.2 billion yen on a non-consolidated basis) in the first half.

(2) Gain on sales of securities and affiliate companies' stock

TEPCO has recognized gain on sales of securities and affiliated companies' stock of 9.0 billion yen (16.4 billion yen as gain on sales of securities on a non-consolidated basis) in the first half. (The amount of gain on sales of securities and affiliate companies' stock was 6.2 billion yen, and the amount of gain on sales of securities was 11.8 billion yen on a non-consolidated basis in the first quarter.)

(3) Gain on retirement benefit plan amendments

TEPCO has recognized gain on retirement benefit plan amendments of 73.6 billion yen (73.6 billion yen on a non-consolidated basis) due to reviews of retirement packages in the first half.

2. Extraordinary Loss

Expenses for nuclear damage compensations

Based on the Governmental compensation guidelines such as "Interim Guidelines for Judgment on the Scope of Nuclear Damage" resolved by Government's Nuclear Damages Indemnification Adjustment Committee, TEPCO has updated the estimate of its nuclear damage compensations caused by series of accidents at our Fukushima Nuclear Power Stations at 2,880.7 billion yen so far. By the end of the first half, TEPCO has recognized the expenses for nuclear damage compensations of 2,760.7 billion yen, deducting the amount of the Governmental indemnity paid to the company according to Law concerning Indemnity Agreement for Nuclear Damage Compensation (Law No.148 approved on June 17, 1961) of 120.0 billion yen from the estimate. Thus, 235.8 billion yen, the difference between the revised estimate and the fiscal 2011 estimate, was additionally recorded as the expenses for nuclear damage compensations in the first half. (The amount of expenses for nuclear damage compensations was 161.0 billion yen in the first quarter.)

3. Revision of the Earnings Forecasts

(1) Consolidated basis

(Unit: million yen, unless otherwise noted)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Net Income per Share (yen)
The Previous Forecast (A)	5,975,000	(305,000)	(425,000)	(160,000)	(99.85)
The Revised Forecast (B)	6,025,000	(225,000)	(335,000)	(45,000)	(28.08)
Variance (B – A)	50,000	80,000	90,000	115,000	
Changes (%)	0.8	—	—	—	
(Reference) FY2011 Actual	5,349,445	(272,513)	(400,405)	(781,641)	(487.76)

(2) Non-consolidated basis

(Unit: million yen, unless otherwise noted)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Net Income per Share (yen)
The Previous Forecast (A)	5,795,000	(335,000)	(445,000)	(155,000)	(96.63)
The Revised Forecast (B)	5,825,000	(260,000)	(370,000)	(55,000)	(34.29)
Variance (B – A)	30,000	75,000	75,000	100,000	
Changes (%)	0.5	—	—	—	
(Reference) FY2011 Actual	5,107,778	(319,176)	(408,359)	(758,423)	(472.81)

(3) The Reasons for the Revision

We have revised the full-year earnings forecasts to reflect streamlining efforts such as sales of assets in the second quarter and further cost reduction in the future as a precondition. Please refer to Appendix for the details.

Projections for Fiscal Year 2012

Operating Revenues are expected to be approximately 6,025.0 billion yen on a consolidated basis (up 12.6% compared with the previous fiscal year) and approximately 5,825.0 billion yen on a non-consolidated basis (up 14.0% compared with the previous fiscal year), considering that the electricity rate raise has been approved and an expected increase in electricity sales (up 1.7% compared with the previous fiscal year to 272.7 billion kWh).

As for the expenses connected to electricity business operations, fuel costs are expected to increase due to a decrease in power supply from nuclear power stations, etc.

As a result, Ordinary Income is expected to be approximately -335.0 billion yen (-370.0 billion yen on a non-consolidated basis).

We forecasted Extraordinary Income of 545.0 billion yen on a non-consolidated basis due to the revision of the retirement pension plan, the gains on sales of property, plant and equipment, and the grants-in-aid from the nuclear damage compensation facilitation corporation. At the same time, we recorded approximately 235.0 million yen in nuclear damage compensation as Extraordinary Losses.

As a result, the net income for the year is estimated to be -45.0 billion yen (-55.0 billion yen on a non-consolidated basis).

Major Factors Affecting FY2012 Earnings Performance

	FY2012 Full-year Projection	
	New (As of Oct. 31)	Previous (As of Aug. 1)
Electricity Sales Volume	272.7 billion kWh [1.7% increase, YOY]	272.3 billion kWh [1.5% increase, YOY]
Crude Oil Price (All Japan CIF)	Approx. \$112/barrel	Approx. \$110/barrel
Foreign Exchange Rate (Interbank)	Approx. 80 yen/\$	Approx. 80 yen/\$
Nuclear Power Plant Capacity Utilization Ratio	-	-
Flow Rate	Approx. 98%	Approx. 100%

Financial Impact (Sensitivity)

(Unit: billion yen)

	FY2012 Full-year Projection	
	New (As of Oct. 31)	Previous (As of Aug. 1)
<Fuel Expenses>		
➤ Crude Oil Price (All Japan CIF; \$1/barrel)	Approx. 22.0	Approx. 22.0
➤ Foreign Exchange Rate (Interbank; 1 yen/\$)	Approx. 33.0	Approx. 33.0
➤ Nuclear Power Plant Capacity Utilization Ratio (1%)	-	-
<Interest Paid>		
➤ Interest Rate (1%)	Approx. 26.0	Approx. 26.0

<Reference>

Breakdown of Extraordinary Income (Non-consolidated)

Breakdown	Amount
Gain on sales of fixed assets	22.2 billion yen
Gain on sales of securities	16.4 billion yen
Gain on retirement benefit plan amendments	73.6 billion yen
Total	112.3 billion yen

Breakdown of Extraordinary Loss (Non-consolidated)

Breakdown	Amount
Loss on nuclear damage compensations	235.8 billion yen
Total	235.8 billion yen