

February 4, 2013

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

Tokyo Electric Power Company Incorporated (TEPCO, TSE: 9501) announce that we recorded extraordinary incomes and losses for the third quarter of the fiscal year ending March 31, 2013 and revised the earnings forecasts released on October 31, 2012. The details are as follows. All the numbers below are on consolidated basis, unless otherwise noted.

### **1. Extraordinary Income**

#### **(1) Grants-in-aid from Nuclear Damage Compensation Facilitation Corporation**

As TEPCO requested financial assistance grounded on an article of Law concerning Formation of a Nuclear Damage Compensation Facilitation Corporation (Law No.94 approved on August 10, 2011), the company has recognized Grants-in-aid from Nuclear Damage Compensation Facilitation Corporation of 696.8 billion yen as an extraordinary income by the end of the third quarter.

#### **(2) Gain on sales of fixed assets**

TEPCO recognized gain on sales of fixed assets of 56.6 billion yen (46.0 billion yen on a non-consolidated basis) by the end of the third quarter. For your information, 27.5 billion yen (22.2 billion yen on a non-consolidated basis) out of the amount had been recorded by the end of the second quarter.

#### **(3) Gain on sales of securities and affiliate companies' stock**

TEPCO has recognized gain on sales of securities and affiliated companies' stock of 27.9 billion yen (41.7 billion yen as gain on sales of securities on a non-consolidated basis) by the end of the third quarter. (The amount of gain on sales of securities and affiliate companies' stock was 9.0 billion yen, and the amount of gain on sales of securities was 16.4 billion yen on a non-consolidated basis by the end of the second quarter.)

#### **(4) 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 by the end of the third quarter. (73.6 billion yen recognized by the end of the second quarter.)

### **2. Extraordinary Loss**

#### **(1) Extraordinary loss on natural disaster**

TEPCO has recognized expenses and losses for restoring damaged facilities caused by the Tohoku-Chihou-Taiheiyu-Oki Earthquake in the fiscal year of 25.2 billion yen. (25.2 billion yen on a non-consolidated basis.)

#### **(2) 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 a series of accidents at our Fukushima Nuclear Power Stations at 3,273.0 billion yen so far. By the end of the third

quarter, TEPCO has recognized the expenses for nuclear damage compensations of 3,153.0 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, 628.1 billion yen, the difference between the revised estimate and the fiscal 2011 estimate, was additionally recorded as the expenses for nuclear damage compensations by the end of the third quarter. (The amount of expenses for nuclear damage compensations was 235.8 billion yen by the end of the second 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)	6,025,000	(225,000)	(335,000)	(45,000)	(28.08)
The Revised Forecast (B)	6,010,000	(275,000)	(380,000)	(120,000)	(74.88)
Variance (B – A)	(15,000)	(50,000)	(45,000)	(75,000)	
Changes (%)	(0.2)	—	—	—	
(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)	5,825,000	(260,000)	(370,000)	(55,000)	(34.29)
The Revised Forecast (B)	5,805,000	(315,000)	(425,000)	(135,000)	(84.16)
Variance (B – A)	(20,000)	(55,000)	(55,000)	(80,000)	
Changes (%)	(0.3)	—	—	—	
(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 increases in fuel costs due to yen depreciation and other conditions. Please refer to the Appendix for the details.

**Projections for Fiscal Year 2012**

Operating revenues are expected to be approximately 6,010.0 billion yen on a consolidated basis (up 12.3% compared with the previous fiscal year) and approximately 5,805.0 billion yen on a non-consolidated basis (up 13.7% compared with the previous fiscal year), due to an increase in the price of electricity resulting from the fuel cost adjustments, an increase in electricity sales (up 1.0% compared with the previous fiscal year to 270.8 billion kWh), and the rate revision.

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., and due to expected depreciation of the yen.

As a result, ordinary income is expected to be approximately -380.0 billion yen (-425.0 billion yen on a non-consolidated basis).

We forecasted extraordinary income 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 Liability Facilitation Fund. At the same time, we recorded the nuclear damage compensation as extraordinary losses.

As a result, the net income for the year is estimated to be -120.0 billion yen (-135.0 billion yen on a non-consolidated basis).

**Major Factors Affecting FY2012 Earnings Performance**

	FY2012 Full-year Projection	
	New (As of Feb. 4)	Previous (As of Oct. 31)
Electricity Sales Volume	270.8 billion kWh (1.0% increase, YOY)	272.7 billion kWh (1.7% increase, YOY)
Crude Oil Price (All Japan CIF)	Approx. \$113/barrel	Approx. \$112/barrel
Foreign Exchange Rate (Interbank)	Approx. 81 yen/\$	Approx. 80 yen/\$
Nuclear Power Plant Capacity Utilization Ratio	-	-
Flow Rate	Approx. 93%	Approx. 98%

**Financial Impact (Sensitivity)**

(Unit: billion yen)

	FY2012 Full-year Projection	
	New (As of Feb. 4)	Previous (As of Oct. 31)
<Fuel Costs>		
- 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

## &lt;Reference&gt;

**Breakdown of Extraordinary Income (Non-consolidated)**

(Unit: Billions of yen)

Breakdown	Amount
Gain on the Grants-in-Aid from the Nuclear Damage Liability Facilitation Fund	696.8
Gain on Sales of Noncurrent Assets	46.0
Gain on Sales of Investment Securities	41.7
Gain on Revision of Retirement Pension Plan	73.6
Total	858.2

**Breakdown of Extraordinary Loss (Non-consolidated)**

(Unit: Billions of yen)

Breakdown	Amount
Extraordinary Loss on Disaster	25.2
Nuclear Damage Compensation	628.1
Total	653.3