

# Tokyo Electric Power Company Holdings, Inc.

April 28, 2016

## **Notice concerning Extraordinary Income and Loss, and the Difference of Actual Performance between the fiscal year ending March 31, 2016 and the fiscal year ending March 31, 2015.**

As to the earnings results for the fiscal year ending March 31, 2016 released today, Tokyo Electric Power Company Holdings, Incorporated (TEPCO) hereby makes a notice concerning extraordinary income and loss, and the difference of actual performance between the fiscal year ending March 31, 2016 and the fiscal year ending March 31, 2015. The details are as follows.

### 1. Extraordinary Income and Loss

#### (1) Extraordinary Income

##### ① Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation

As TEPCO requested change of the amount of financial assistance under the article of Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act (Act No. 94 of August 10, 2011), the company has recognized Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation of 699.7 billion yen as an extraordinary income. (The amount of Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation was 426.7 billion yen by the end of the third quarter of fiscal 2015.)

##### ② Gain on revision of retirement benefit plan

TEPCO has recognized gain on revision of retirement benefit plan of 61.0 billion yen due to review of employment system for advanced ages. (The amount of gain on revision of retirement benefit plan was 61.0 billion yen by the end of the third quarter of fiscal 2015.)

##### ③ Gain on change in equity

TEPCO has recognized gain on change in equity of 12.2 billion yen due to having JERA Co., Inc. succeed fuel transportation and fuel trading business on October 1, 2015 in accordance with the Joint Venture Agreement with Chubu Electric Power Co., Inc. regarding the comprehensive alliance, signed on February 9, 2015. (The same amount had been recorded by the end of the third quarter of fiscal 2015.)

#### (2) Extraordinary Loss

##### ① Expenses for nuclear damage compensations

Based on the Governmental compensation guidelines such as the “Interim Guidelines for the Scope of Nuclear Damage due to the Accident at Fukushima Daiichi and Daini Power Stations” adopted by the Dispute Reconciliation Committee for Nuclear Damage Compensation, TEPCO has updated the estimate of its nuclear damage compensations caused by the accident at Fukushima Nuclear Power Stations as 7,658.5 billion yen so far. By the end of fiscal 2015, TEPCO has recognized the expenses for nuclear damage compensations of 6,357.1 billion yen, deducting the amount of the Governmental indemnity paid to the company according to the Act on Contracts for Indemnification of Nuclear Damage (Act No. 148 of June

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17, 1961) of 188.9 billion yen and grants-in-aid corresponding to that of decontamination expenses of 1,112.4 billion yen from the estimate. Thus, 678.6 billion yen, the difference between the revised estimate and the fiscal 2014 estimate, was additionally recorded as the expenses for nuclear damage compensations by the end of the fiscal 2015. (The amount of expenses for nuclear damage compensations was 550.4 billion yen by the end of the third quarter of fiscal 2015.)

## ② Impairment loss

TEPCO conducted a review of our business plans based on the increasing competition coming with the deregulation of all the retail sectors and also the company's transition to a holding company system, as well as with reference to contractual conditions and other factors affecting transactions between group companies after the company was split based on the business plan. Then we have, in accordance with the "Accounting Standards on Write-Downs of Fixed Assets" etc., reviewed the profit-generating capacity of each asset group, and in the case of fixed assets where future recovery of investment is deemed improbable, the book value of the asset has been written down to the recoverable value, resulting in the recording of an extraordinarily loss following a write down of 233.3 billion yen.

## 2. Difference of Actual Performance between the fiscal year ending March 31, 2016 and the fiscal year ending March 31, 2015

### (1) The fiscal year ending March 31, 2016

Consolidated Earnings Results (April 1, 2015 through March 31, 2016)

(Unit: Million Yen)

	Operating Revenues	Operating Income	Ordinary Income	Net Income attributable to owners of parent	Earnings per share
FY 2014 (A)	6,802,464	316,534	208,015	451,552	281.80 yen
FY 2015 (B)	6,069,928	372,231	325,938	140,783	87.86 yen
(B) - (A)	-732,536	55,696	117,923	-310,768	
(A) / (B)-(A) (%)	-10.8	17.6	56.7	-68.8	

### (2) The fiscal year ending March 31, 2016

Non-Consolidated Earnings Results (April 1, 2015 through March 31, 2016)

(Unit: Million Yen)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Earnings per share
FY 2014 (A)	6,633,706	278,910	167,362	427,013	266.23 yen
FY 2015 (B)	5,896,978	340,744	327,503	143,637	89.55 yen
(B) - (A)	-736,727	61,834	160,140	-283,376	
(A) / (B)-(A) (%)	-11.1	22.2	95.7	-66.4	

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## (3) The reason of the difference

Consolidated and non-consolidated operating revenues are below the FY 2014 result, mainly due to a decline in the unit electricity sales price resulting from the fuel cost adjustments. As a result of the extensive cost reduction efforts for all of TEPCO as well as greatly decreased fuel costs due to the low price of crude oil etc., consolidated and non-consolidated operating income and ordinary income exceed the FY 2014 result. Due to extraordinary income and loss mentioned above, net income (net income attributable to owners of parent) is substantially below the FY 2014 result.

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&lt;Reference&gt;

**Breakdown of Extraordinary Income (Consolidated)**

(Unit: Billion Yen)

Breakdown	Amount
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	699.7
Gain on revision of retirement benefit plan	61.0
Gain on change in equity	12.2
Total	773.0

**Breakdown of Extraordinary Loss (Consolidated)**

(Unit: Billion Yen)

Breakdown	Amount
Expenses for nuclear damage compensations	678.6
Impairment loss	233.3
Total	911.9

**Status of Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation and Expenses for Nuclear Damage Compensations**

(Unit: Billion Yen)

	Cumulative amount at the time of application on March 18, 2016	Cumulative amount at the time of application on March 26, 2015	FY2015
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	(A) 6,357.1	(B) 5,657.3	(A) - (B) 699.7

(Unit: Billion Yen)

	Cumulative amount as of March 31, 2016	Cumulative amount as of March 31, 2015	FY2015
Expenses for nuclear damage compensations	(C) 6,357.1	(D) 5,678.4	(C) - (D) 678.6

(Unit: Billion Yen)

Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation (unapplied amount as of the end of FY2015)	(C) - (A) -
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