

## Explanation of FY2021 Financial Results

**Date:** Monday, May 9, 2022

### **Corporate participants:**

Tomoaki Kobayakawa, Representative Executive President,  
Tokyo Electric Power Company Holdings, Inc.

Hiroyuki Yamaguchi, Representative Executive Vice President,  
Tokyo Electric Power Company Holdings, Inc.

Daisuke Sakai, Managing Executive Officer, Tokyo Electric Power Company Holdings, Inc.

### **Materials:**

FY2021 Financial Results

※Held Conference Call for Institutional Investor and Analysts

[Overview of FY2021 Financial Result]

- First of all, please refer to Slide 1.
- Operating revenue decreased due mainly to the application of new accounting standards.
- Ordinary income fell due mainly to a negative turn in the effect of the time-lag from the fuel cost adjustment system at JERA and decreases in retail electricity sales volume despite continued group-wide efforts to improve profitability.
- Net income fell due mainly to the record of loss on return of imbalance income and expenditure and extraordinary loss on disaster.
- Also, we regret to inform that we are not able to make year-end distribution for FY2021, and we also have no plans for interim or year-end dividends in FY2022.
- With regard to the performance forecast for FY2022, it has yet to be made because the outlook for the natural resource prices and the electricity sales volume is uncertain due mainly to the situation of Ukraine and we are not able to show the concrete performance forecast at the current time.
  
- Slide 2 shows concrete figures of our consolidated performance.
- Operating revenue decreased to ¥5,309.9 billion, a decrease of 9.5% year-on-year, and ordinary income

decreased by 76.3% to ¥44.9 billion. Net income, incorporating extraordinary income and loss, came to the net profit of ¥5.6 billion, a decrease of ¥175.2 billion.

[Key Points of Each Company]

- Slides 4 and 5 show business results by each company.
- Firstly, here is the business performance of TEPCO Holdings.
- The company recorded operating revenue of ¥620.0 billion, down ¥4.1 billion year-on-year, about the same level as last fiscal year.
- Ordinary income increased by ¥80.9 billion to ¥73.0 billion year-on-year due mainly to an increase in dividend income from the core operating companies.
  
- Secondly, here is the business performance of TEPCO Fuel & Power.
- The company recorded ordinary income of ¥9.6 billion, down ¥60.1 billion year-on-year, due mainly to a negative turn in the effects of the time lag from the fuel cost adjustment system despite an increase in the profit from affiliated company at JERA.
  
- Thirdly, here is the business performance of TEPCO Power Grid.
- The company recorded operating revenue of ¥1,962.3 billion, down ¥41.5 billion year-on-year, due to factors including the application of new accounting standards.
- Ordinary income decreased by ¥50.6 billion to ¥118.3 billion year-on-year, because of an increase in the facility costs, etc.
  
- Fourthly, here is the business performance of TEPCO Energy Partner.
- The company recorded operating revenue of ¥4,360.6 billion, down ¥673.7 billion year-on-year due mainly to the application of new accounting standard, a decrease in retail electricity sales volume because of increasing competition, and the effect of temperature.
- Ordinary income decreased by ¥72.9 billion year-on-year to loss of ¥66.4 billion because of the decline in retail electricity sales volume due mainly to increased competition and increases in procurement costs because of the surge in price of natural resources.

- Lastly, here is the business performance of TEPCO Renewable Power.
- Operating revenue increased by ¥9.6 billion year-on-year to ¥153.1 billion due mainly to an increase in wholesale electricity sales volume.
- Ordinary income decreased by ¥2.1 billion to ¥45.9 billion due mainly to an increase in property tax.
- Slide 8 onwards show year-on-year segment-specific figures for your reference.
- Also, slide 5 previously showed the increases and the decreases of consolidated performance through “Power supply and demand, and transmission revenue” and “Others” separately. However, this was pointed out that it was difficult to understand relevance with the performance of each segment. As a result, the slide was changed from this time to be able to recognize the increases and the decreases of the performance for each segment mainly.

[The Difference between the Consolidated Earnings Forecast for the Full Fiscal Year and Actual Performance]

- With regard to the main difference between the consolidated earnings forecast as announced on January 31 of this year and the actual performance, operating revenue was higher than the previous forecast due mainly to increases in the fuel cost adjustment price and the total power sales volume. Also, ordinary income was higher than the previous forecasts due mainly to an increase in the performance regarding JERA, a decrease in special contribution to the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF), and a smaller-than-expected impact of intensifying competition.
- Despite the recording of extraordinary loss on disaster for expenses incurred to repair assets damaged during the earthquake that occurred on March 16, 2022 in Fukushima Prefecture, net income was higher than the previous forecast as the extraordinary loss was more than offset by the positive impact of ordinary income.

[Overview of Consolidated Extraordinary Income/Loss]

- Next, slide 6 shows consolidated extraordinary income and loss.
- Extraordinary income of ¥116.6 billion was recorded as Grants-in-Aid from the NDF while extraordinary loss of ¥117.7 billion as expenses for nuclear damage compensation, extraordinary loss of ¥15.8 billion as

loss on return of imbalance income and expenditure, and extraordinary loss of ¥12.8 billion as extraordinary loss on disaster were recorded.

- As a result, extraordinary income and loss was recorded loss of ¥29.8 billion, down ¥31.2 billion year-on-year.

[Overview of Consolidated Financial Position]

- Now, slide 7 shows our consolidated financial position.
- The equity ratio worsed by 0.9 percentage points to 24.9% from the end of last fiscal year. This is a result of increases in liabilities due mainly to an increase in bond issue and short-term debt despite an increase in the balance of net assets because of an increases in other comprehensive income and other factors.

[Conclusion]

- Lastly, as we explained at the start, the performance forecast for FY2022 has yet to be made. We will continue to work on discontinuous management reform while coming together as a group.

[Reference (Slide 8 Onwards), Supplemental Material (Slide 15 Onwards)]

- Slide 8 and later slides present reference and supplemental material.

End

Disclaimer:

In the meeting upon which this event transcript is based, Tokyo Electric Power Company Holdings, Inc. may make projections or other forward-looking statements regarding a variety of items. As such, these statements are not historical facts but rather predictions about the future, which inherently involve risks and uncertainties, and these risks and uncertainties could cause the company's actual results to differ materially from the forward-looking statements (performance projections) herein. Although the company may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

(Note)

Please note that the above is intended to be an accurate and complete translation of the original Japanese version, prepared for the convenience of our English-speaking investors. In the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.