

Overview of FY2016 3rd Quarter Financial Results (April 1 – December 31, 2016)

(Released on January 31, 2017)

Tokyo Electric Power Company Holdings, Inc.

Regarding Forward-Looking Statements

Certain statements in the following presentation regarding TEPCO Group's business operations may constitute "forward-looking statements." 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 TEPCO Group's actual results to differ materially from the forward-looking statements herein.

(Note)

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

< FY2016 3rd Quarter Financial Results >

- Ordinary revenues decreased for the second consecutive year due to a decrease in the unit price of electricity resulting from fuel cost adjustments.
- Ordinary expenses decreased due to the fall of fuel prices and the continued extensive cost reduction efforts on TEPCO Group level, therefore ordinary income achieved profits for the fourth consecutive year.
- However, effect caused by fuel cost adjustments decreased compared to the previous year, and ordinary income decreased for the first time in five years and net income decreased for the first time in two years.

< FY2016 Full-Year Financial Forecasts >

- Operating revenues is around 5,344 billion yen due to a decrease in the unit price of electricity resulting from fuel cost adjustments.
- Ordinary income is around 291 billion yen due to the fall of fuel prices and the continued extensive cost reduction efforts on TEPCO Group level.

1. Consolidated Financial Results

(Unit: Billion Yen)

	FY2016 Apr-Dec (A)	FY2015 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenues	3,877.6	4,497.1	-619.4	86.2
Operating Income	336.9	463.1	-126.1	72.8
Ordinary Income	306.1	436.2	-130.1	70.2
Extraordinary Income	330.6	500.0	-169.3	-
Extraordinary Loss	301.2	550.4	-249.2	-
Net Income attributable to owners of parent	308.2	338.2	-30.0	91.1

2. Electricity Sales Volume/ Key Factors Affecting Performance

Electricity Sales Volume

(Unit: Billion kWh)

	FY2016 Apr-Dec* (A)	FY2015 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Lighting	59.9	61.5	-1.6	97.4
Power	117.2	119.2	-1.9	98.4
Total	177.1	180.6	-3.5	98.1

* Excluding islands. Including nation-wide sales.

Key Factors Affecting Performance

	FY2016 Apr-Dec (A)	FY2015 Apr-Dec (B)	(A)-(B)
Foreign Exchange Rate (Interbank, yen/dollar)	106.6	121.7	-15.1
Crude Oil Prices (All Japan CIF, dollar/barrel)	44.9	54.6	-9.7
LNG Prices (All Japan CIF, dollar/barrel)	38.6	52.6	-14.0

3. Ordinary Revenues (Consolidated)

	(Unit: Billion Yen)				
	FY2016 Apr-Dec (A)	FY2015 Apr-Dec (B)	Comparison		
			(A)-(B)	(A)/(B) (%)	
(Operating Revenues)	3,877.6	4,497.1	-619.4	86.2	<ul style="list-style-type: none"> • Effect of fuel cost adjustments -639.0
Electricity Sales Revenues	3,235.3	3,886.4	-651.1	83.2	
Lighting	1,387.9	1,614.7	-226.7	86.0	Total of TEPCO Holdings and three Core Operating Companies (TEPCO Fuel & Power, TEPCO Power Grid and TEPCO Energy Partner) (after intercompany elimination)
Power	1,847.3	2,271.7	-424.4	81.3	
Power Sold to Other Utilities and Suppliers	104.0	141.8	-37.8	73.3	
Other Revenues	450.3	385.9	64.4	116.7	
(Written again) Grant under Act on Procurement of Renewable Electric Energy	216.2	157.4	58.7	137.3	
Subsidiaries / Affiliated Companies	135.5	137.3	-1.8	98.7	Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after intercompany elimination)
Ordinary Revenues	3,925.2	4,551.6	-626.3	86.2	

4. Ordinary Expenses (Consolidated)

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	FY2016 Apr-Dec (A)	FY2015 Apr-Dec (B)	(Unit: Billion Yen) Comparison		
			(A)-(B)	(A)/(B) (%)	
Personnel Expenses	252.0	266.8	-14.7	94.5	<ul style="list-style-type: none"> Effect of price fluctuations of exchange rate, CIF and others -436.0 Decrease in thermal power generation -20.0
Fuel Expenses	788.2	1,244.3	-456.0	63.4	
Maintenance Expenses	228.0	235.2	-7.2	96.9	<ul style="list-style-type: none"> Decrease of purchase from cooperative thermal power companies and others
Depreciation Expenses	409.9	440.2	-30.3	93.1	
Power Purchasing Costs	676.5	731.4	-54.8	92.5	Total of TEPCO Holdings and three Core Operating Companies (after intercompany elimination)
Interest Paid	58.3	66.0	-7.7	88.2	
Taxes, etc.	227.1	241.0	-13.8	94.3	Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after intercompany elimination)
Nuclear Back-end Costs	37.5	43.1	-5.6	86.9	
Other Expenses	841.8	745.5	96.3	112.9	
(Written again) Payment under Act on Procurement of Renewable Electric Energy	342.6	237.6	104.9	144.2	
Subsidiaries / Affiliated Companies	99.4	101.4	-2.0	98.0	
Ordinary Expenses	3,619.1	4,115.3	-496.2	87.9	
(Operating Income)	(336.9)	(463.1)	(-126.1)	72.8	
Ordinary Income	306.1	436.2	-130.1	70.2	

5. Extraordinary Income/ Loss (Consolidated)

(Unit: Billion Yen)

	FY2016 Apr-Dec	FY2015 Apr-Dec	Comparison
Extraordinary Income	330.6	500.0	-169.3
Grants-in-aid from NDF*	294.2	426.7	-132.5
Gain on change in equity	36.4	12.2	24.2
Gain on revision of retirement benefit plan	-	61.0	-61.0
Extraordinary Loss	301.2	550.4	-249.2
Expenses for Nuclear Damage Compensation	301.2	550.4	-249.2
Extraordinary Income/ Loss	29.4	-50.4	79.9

<Extraordinary Income>

Grants-in-aid from NDF

- Financial support from NDF in December 2016

Gain on change in equity

- Effects of transfer of fuel business for thermal power generation and overseas thermal power generation business etc. to JERA

<Extraordinary Loss>

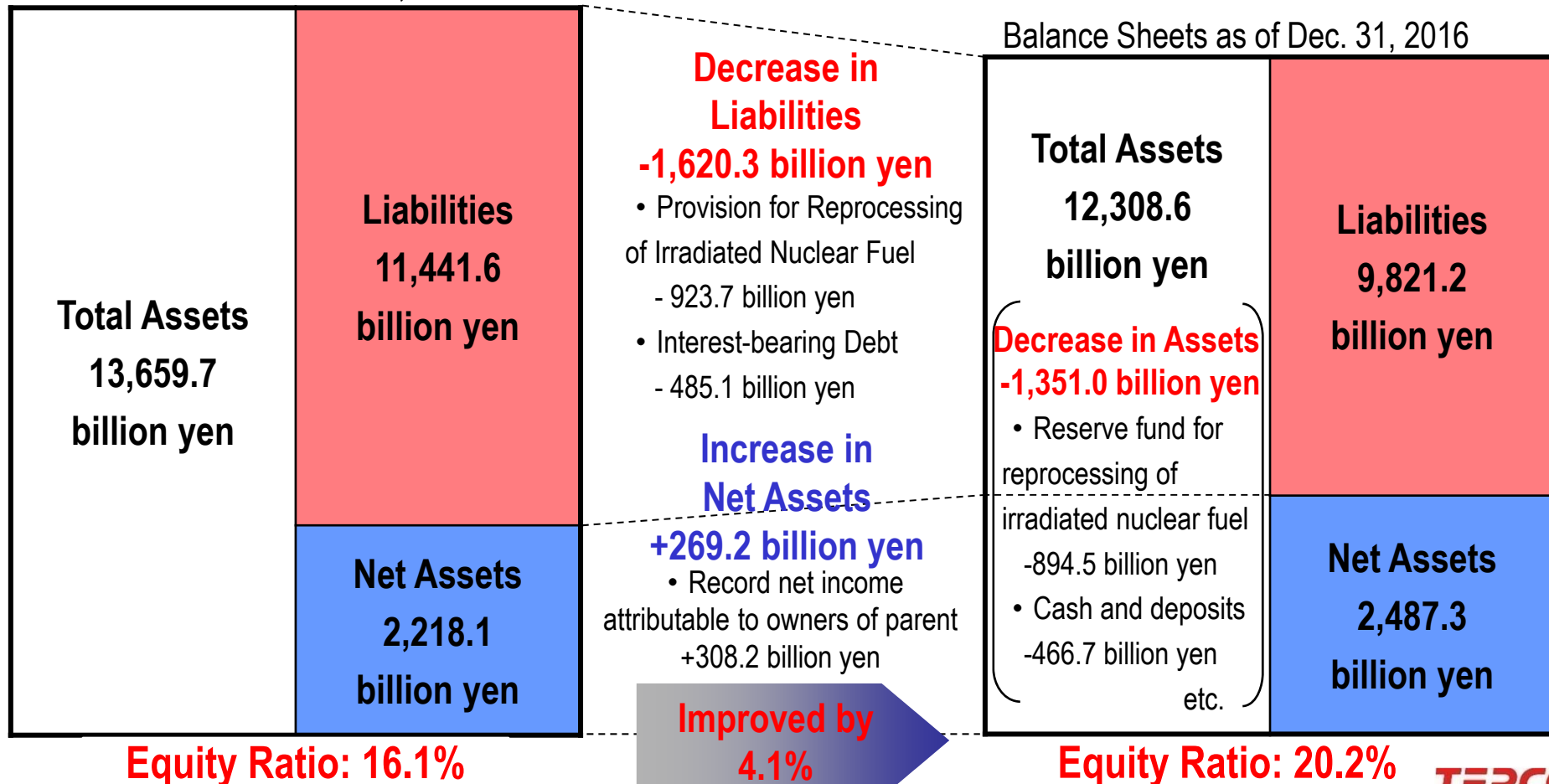
Expenses for Nuclear Damage Compensation

- Increase in the estimated amount of compensation for opportunity losses on businesses and damage to reputation among other factors

6. Consolidated Financial Position

- Total assets decreased 1,351.0 billion yen mainly due to contribution of reserve fund for reprocessing of irradiated nuclear fuel to Nuclear Reprocessing Organization of Japan.
- Total liabilities decreased 1,620.3 billion yen mainly due to reversal of provision for reprocessing of irradiated nuclear fuel.
- Equity ratio improved by 4.1%.

Balance Sheets as of Mar. 31, 2016



7. FY2016 Full-Year Financial Forecasts

FY2016 Full-Year Financial Forecasts

(Unit: Billion Yen)

	FY2016 Projection (A)	FY2015 Actual (B)	Comparison (A)-(B)
Operating Revenues	5,344	6069.9	-725
Operating Income	336 *	372.2	-36
Ordinary Income	291 *	325.9	-35

* Excluding Special Contribution (The amount of Special Contribution is determined following a decision by the NDF Management Committee based on the financial situation of TEPCO each fiscal year, and requires approval by the relevant Ministers.)

Key Factors Affecting Performance

	FY2016 Projection	FY2015 Actual
Electricity Sales Volume (billion kWh)	243.1	247.1
Crude Oil Prices (All Japan CIF; dollars per barrel)	Approx. 47	48.7
Foreign Exchange Rate (Interbank; yen per dollar)	Approx. 110	120.2
Flow Rate (%)	Approx. 95	102.3
Nuclear Power Plant Capacity Utilization Ratio (%)	-	-

Financial Impact (Sensitivity)

(Unit: Billion Yen)

	FY2016 Projection	FY2015 Actual
<Fuel Expenses>		
Crude Oil Prices (All Japan CIF; 1 dollar per barrel)	Approx. 17	Approx. 22.0
Foreign Exchange Rate (Interbank; 1 yen per dollar)	Approx. 9	Approx. 12.0
Nuclear Power Plant Capacity Utilization Ratio (1%)	-	-
<Interest Paid>		
Interest Rate 1% (Long-term / Short-term)	Approx. 21	Approx. 23.0