

Overview of FY2019 3rd Quarter Financial Results

(Released on January 30, 2020)

(Note)

Please note that the following is 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.

< FY2019 3rd Quarter Financial Results >

- Although electricity sales volume for TEPCO group companies decreased, operating revenue increased due to a rise in fuel cost adjustment.
- Ordinary income increased due to a gain incurred by fuel cost adjustment system time lag into income and continual cost reductions made by all Group companies.
- Both Ordinary income and net income showed a profit for seven consecutive years.
- Extraordinary income appropriated as the gain on change in equity as a result of the succession of the thermal power generation business to JERA , and extraordinary loss appropriated as the loss in the decommissioning of Fukushima Daini as a result of the decision to decommission the Fukushima Daini Nuclear Power Station, and the loss on disaster of Typhoon from September to October.

1. Consolidated Financial Results

(Unit: Billion kWh)

| | FY2019 Apr-Dec (A) | FY2018 Apr-Dec (B) | Comparison | |
|--------------------------|-----------------------|-----------------------|------------|-------------|
| | | | (A)-(B) | (A)/(B) (%) |
| Electricity Sales Volume | 164.7 | 169.7 | -5.0 | 97.1 |

(Unit: Billion Yen)

| | FY2019 Apr-Dec (A) | FY2018 Apr-Dec (B) | Comparison | |
|--|-----------------------|-----------------------|------------|-------------|
| | | | (A)-(B) | (A)/(B) (%) |
| Operating Revenue | 4,637.9 | 4,553.2 | 84.7 | 101.9 |
| Operating Income/Loss | 247.1 | 260.4 | -13.3 | 94.9 |
| Ordinary Income/Loss | 309.9 | 245.1 | 64.8 | 126.5 |
| Extraordinary Income | 367.2 | - | 367.2 | - |
| Extraordinary Loss | 205.3 | 109.7 | 95.6 | - |
| Net Income attributable to owners of parent | 434.8 | 100.5 | 334.3 | 432.6 |

2. Points of Each Company

<TEPCO Holdings>

- Ordinary income decreased due to factors including decreased wholesale power sales to TEPCO Energy Partner, etc.

<TEPCO Fuel & Power>

- Ordinary income increased due to factors including a gain incurred by fuel cost adjustment system time lag into income at JERA, which has succeeded the thermal power generation business, etc.

<TEPCO Power Grid>

- Although transmission revenue decreased, ordinary income increased due to factors including decreased maintenance expenses and depreciation.

<TEPCO Energy Partner>

- Ordinary income decreased due to factors including decreased in the amount of power purchased from TEPCO Holdings.

3. Overview of Each Company

(Unit: Billion Yen)

| | FY2019 Apr-Dec (A) | FY2018 Apr-Dec (B) | Comparison | |
|----------------------|-----------------------|-----------------------|------------|-------------|
| | | | (A)-(B) | (A)/(B) (%) |
| Operating Revenue | 4,637.9 | 4,553.2 | 84.7 | 101.9 |
| TEPCO Holdings | 535.1 | 585.5 | -50.4 | 91.4 |
| TEPCO Fuel & Power | 6.5 | 1,454.2 | -1,447.6 | 0.4 |
| TEPCO Power Grid | 1,288.2 | 1,295.7 | -7.4 | 99.4 |
| TEPCO Energy Partner | 4,212.2 | 4,235.5 | -23.3 | 99.4 |
| Adjustments | -1,404.1 | -3,017.8 | 1,613.7 | - |
| Ordinary Income/Loss | 309.9 | 245.1 | 64.8 | 126.5 |
| TEPCO Holdings | 148.3 | 178.9 | -30.6 | 82.9 |
| TEPCO Fuel & Power | 62.3 | 3.4 | 58.8 | - |
| TEPCO Power Grid | 175.3 | 163.1 | 12.2 | 107.5 |
| TEPCO Energy Partner | 54.6 | 39.3 | 15.2 | 138.8 |
| Adjustments | -130.7 | -139.7 | 9.0 | - |

4. Consolidated Extraordinary Income/Loss

(Unit: Billion Yen)

| | FY2019 Apr-Dec (A) | FY2018 Apr-Dec (B) | Comparison (A)-(B) |
|--|-----------------------|-----------------------|-----------------------|
| ※1 Extraordinary Income | 367.2 | - | 367.2 |
| Grants-in-Aid from NDF ※3 | 54.0 | - | 54.0 |
| Gain on reversal of provision for loss on disaster | 113.5 | - | 113.5 |
| Gain on change in equity | 199.7 | - | 199.7 |
| ※2 Extraordinary Loss | 205.3 | 109.7 | 95.6 |
| Contingent Loss on Assets | 0.3 | - | 0.3 |
| Extraordinary Loss on Disaster | 27.4 | - | 27.4 |
| Expenses for Nuclear Damage Compensation | 81.9 | 109.7 | -27.8 |
| Loss on Decommissioning Fukushima Daini NPS | 95.6 | - | 95.6 |
| Extraordinary Income/Loss | 161.8 | -109.7 | 271.6 |

※3 Nuclear Damage Compensation and Decommissioning Facilitation Corporation

※1 Overview of Extraordinary Income

◆ Grants-in-aid from NDF (New)

Apply for changes in grant amounts based on stipulations on September 26, 2019.

◆ Gain on reversal of provision for loss on disaster

Of the costs or losses recorded as a provision for loss on disaster, the amount for Fukushima Daini Nuclear Power Station was reverted due to the decision of decommissioning.

◆ Gain on change in equity

Equity income was realized as a result of JERA taking over certain business.

※2 Overview of Extraordinary Loss

◆ Contingent property loss (Change)

Considered book value on loss of destroyed property from Typhoon #15, #19 and #21 was booked.

◆ Extraordinary loss on disaster (Change)

Increase in the estimated amount of repair expenses to recover assets damaged, or loss incurred, in the financial impact of the great east Japan Earthquake and considered repair expenses to recover assets damaged in the typhoons #15, #19 and #21 were booked.

◆ Expenses for nuclear damage compensation

Increase in the estimated amount of compensation for damages due to the restriction on shipping and damages due to reputation, etc.

◆ Losses on decommissioning Fukushima Daini

Losses were booked for equipment and nuclear fuel lost due to the decision of decommissioning.

5. Extraordinary Loss on Disaster and Contingent Property Loss

- Repairing expenses for restoration on assets which was damaged by Typhoon #15, #19 and #21 occurred from September to October were booked as extraordinary loss on disaster and contingent property loss.
- Main reason for increasing from last term(April-September) is the extended support from other electric companies in the wake of Typhoon #19 and #21, and the damage incurred by equipment for hydroelectric power stations.

(Unit : Billion Yen)

| | 2019 | | | |
|--|---------|---------|---------|---|
| | Apr-Dec | Apr-Sep | Oct-Dec | |
| Contingent loss on property | 3 | 0 | 2 | Book value on property such as lost power poles |
| Extraordinary loss on disaster | 274 | 118 | 156 | |
| Typhoon-related totals | 173 | 118 | 54 | |
| Equipment for distribution | 62 | 60 | 1 | Mainly repairing expenses for restoration of damaged equipment and retirement expenses for removing |
| Equipment for transmission | 2 | 1 | 1 | |
| Equipment for Hydroelectric power | 33 | - | 33 | |
| Expense on measures for emergency disaster | 74 | 55 | 18 | Primarily expense related to support from other electric companies |
| Financial Impact of the Great East Japan Earthquake related | 101 | ※ - | 101 | Increase in estimates since the end of FY2018 |

- ※The last term(FY2019 Apr-Sep) was booked on non-operating expenses

6. Consolidated Financial Position

- Total assets balance decreased by 711.0 billion yen primarily due to the transfer of thermal-power-generation facilities to JERA.
- Total liabilities balance decreased by 1,128.8 billion yen primarily due to the transfer of TEPCO Fuel & Power's loans to JERA.
- Total net assets balance increased by 417.8 billion yen primarily due to the appropriation of net income attributable to owners of parent.
- Equity ratio improved by 4.8 points.

Balance Sheet as of March 31, 2019

| | |
|--|--|
| Total Assets 12,757.4 billion yen | Liabilities 9,853.7 billion yen |
| | Net Assets 2,903.6 billion yen |

Equity Ratio: 22.6%

Decrease in liabilities
-1,128.8 billion yen

- Decrease in interest-bearing loans
 -841.2 billion yen
 (Primarily transfer of FP's loans to JERA)
- Decrease in gain on provision for loss on disaster
 -95.5 billion yen
 (Primarily reversal related to decommissioning of Fukushima Daini)

Increase in net assets
+ 417.8 billion yen

- Appropriation of net income attributable to owners of parent
 + 434.8 billion yen

Improved by
4.8 points

Balance Sheet as of December 31, 2019

| | |
|---|--|
| Total Assets 12,046.4 billion yen (Decrease in Assets -711.0 billion yen) | Liabilities 8,724.8 billion yen |
| (Transfer of thermal-power-generation facilities - 990.6 billion yen) (Long term investment in affiliated companies +388.2 billion yen (Stock of JERA, etc.)) | Net Assets 3,321.5 billion yen |

Equity Ratio: 27.4%

Area Demand

(Unit: Billion kWh)

| | FY2019 Apr-Dec (A) | FY2018 Apr-Dec (B) | Comparison | |
|-------------|-----------------------|-----------------------|------------|-------------|
| | | | (A)-(B) | (A)/(B) (%) |
| Area Demand | 198.6 | 201.4 | -2.8 | 98.6 |

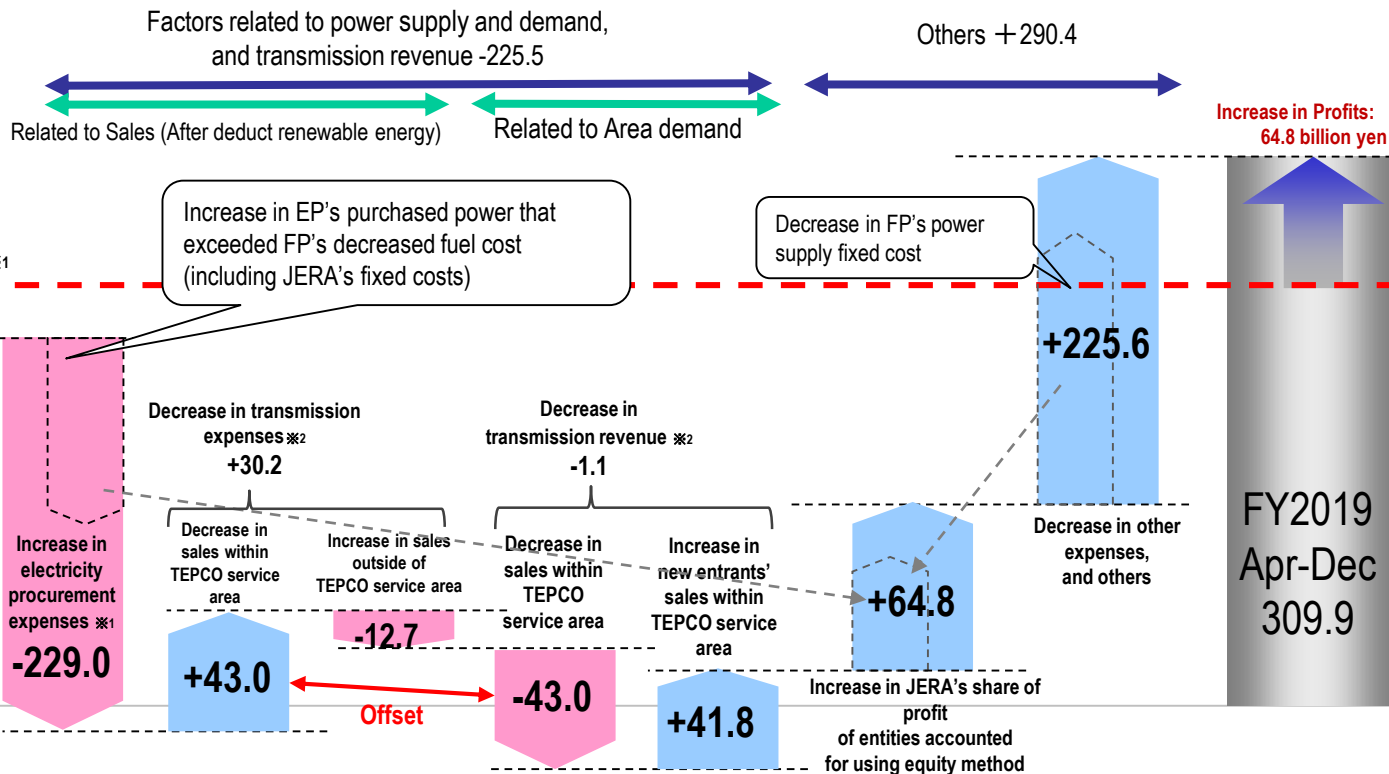
Foreign Exchange Rates / CIF

| | FY2019 Apr-Dec (A) | FY2018 Apr-Dec (B) | (A)-(B) |
|--|-----------------------|-----------------------|---------|
| Foreign Exchange Rate (Interbank, yen/dollar) | 108.7 | 111.2 | -2.5 |
| Crude Oil Prices (All Japan CIF, dollar/barrel) | 67.8 | 75.1 | -7.3 |

<Reference> Consolidated Ordinary Income/Loss (Year-on-Year Comparison)

Ordinary Income/loss

(Units: Billion Yen)



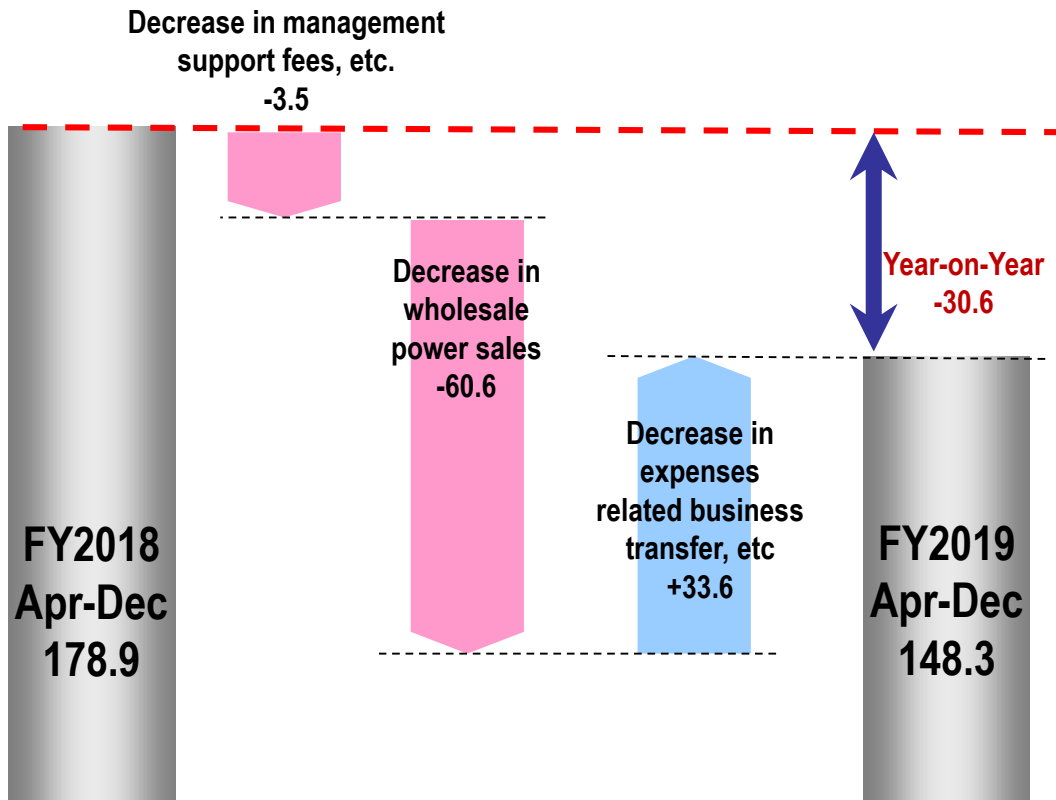
| | FY2018 Apr-Dec (A) | FY2019 Apr-Dec (B) | (B)-(A) |
|--|--------------------|--------------------|---------|
| Factors related to power supply and demand, and transmission revenue | 1,642.8 | 1,417.2 | -225.5 |
| Retail and wholesale power sales | 3,356.6 | 3,330.9 | -25.6 |
| (-) Electricity procurement expenses | -1,883.0 | -2,112.0 | -229.0 |
| (-) Transmission expenses | -858.5 | -828.2 | +30.2 |
| Transmission revenue | 1,027.8 | 1,026.6 | -1.1 |
| Others | -1,397.7 | -1,107.2 | +290.4 |

※1 Expenses of retail and wholesale power sales include the effectiveness of indirect auction.

※2 Transmission expenses and transmission revenue exclude effectiveness of imbalance income/expense.

Ordinary Income/Loss

(Unit: Billion Yen)



Profit Structure

Profit is dividend income, decommissioning charges profit, management consultation fees, wholesale power sales of hydro and nuclear power, etc.

Flow Rate

| | FY2018 | FY2019 | Comparison |
|---------|--------|--------|------------|
| Apr-Dec | 98.2% | 104.4% | +6.2% |

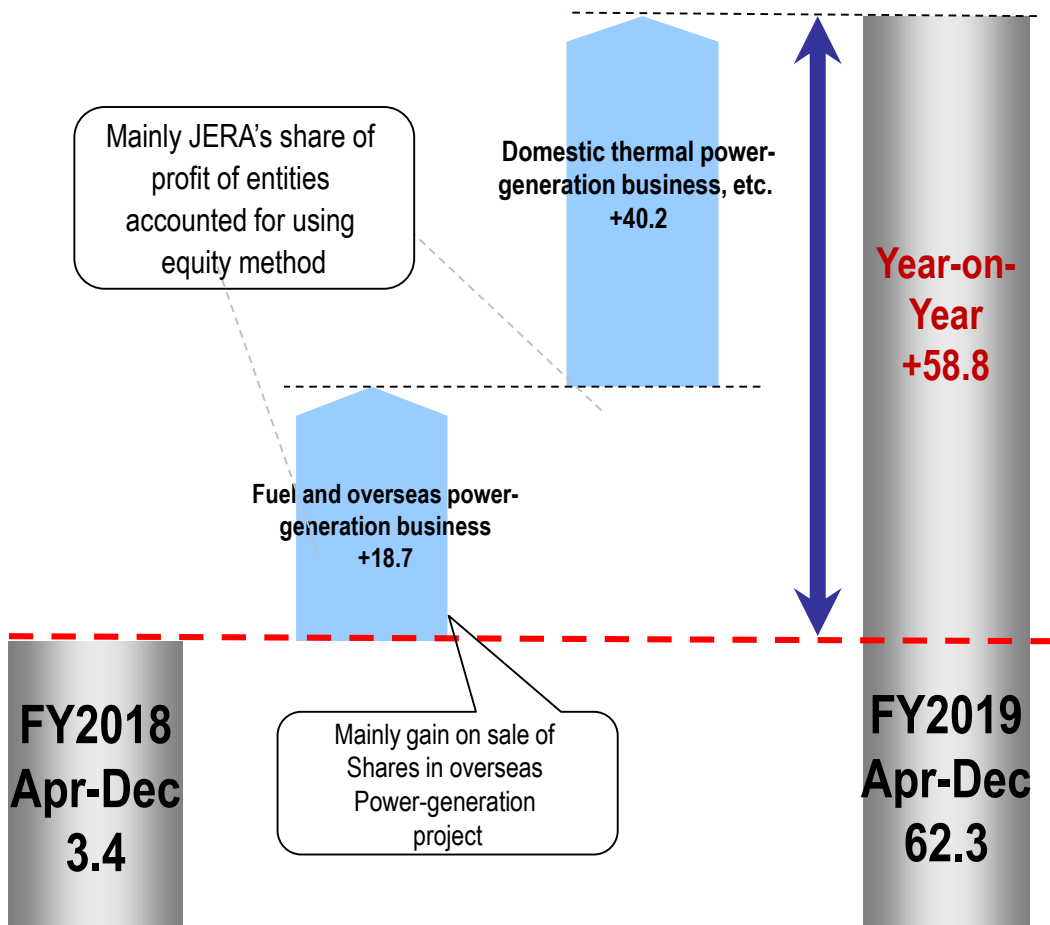
Ordinary Income

(Units: Billion Yen)

| | FY2018 | FY2019 | Comparison |
|---------|--------|--------|------------|
| Apr-Jun | 153.8 | 156.4 | +2.5 |
| Apr-Sep | 173.4 | 162.3 | -11.0 |
| Apr-Dec | 178.9 | 148.3 | -30.6 |
| Apr-Mar | 232.7 | | |

Ordinary Income/Loss

(Unit: Billion Yen)



Profit Structure

Main profit is JERA's share of profit of entities accounted for using equity method.
Power-generation business was transferred to JERA on April 1, 2019.

(Unit: Billion Yen)

Timing Impact (JERA equity impact)

| | FY2019 |
|---------|--------|
| Apr-Dec | +37.0 |

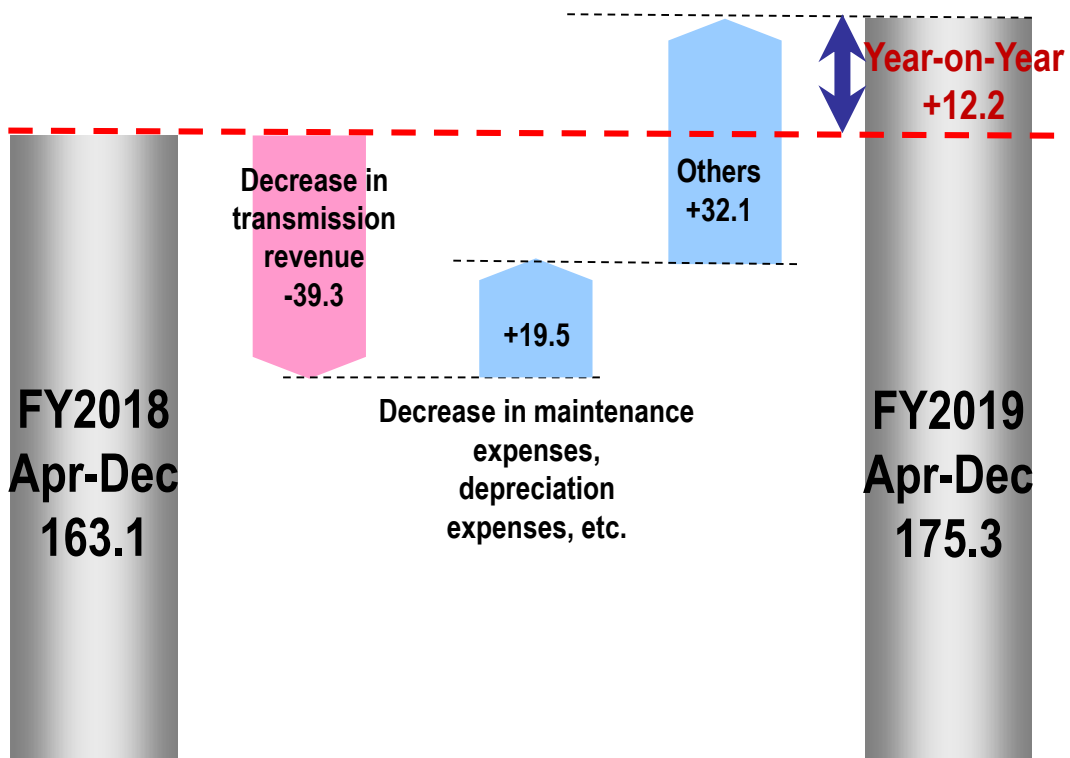
Ordinary Income

(Unit: Billion Yen)

| | FY2018 | FY2019 | Comparison |
|---------|--------|--------|------------|
| Apr-Jun | 22.4 | 45.8 | +23.3 |
| Apr-Sep | 5.2 | 58.4 | +53.2 |
| Apr-Dec | 3.4 | 62.3 | +58.8 |
| Apr-Mar | 3.5 | | |

Ordinary Income/Loss

(Unit: Billion Yen)



Profit Structure

Operating revenue is mainly transmission revenue, and this is fluctuated by area demand.
Expenses is mainly for repairs and depreciation of transmission and distribution facilities.

Area Demand

(Unit: Billion kWh)

| | FY2018 | FY2019 | Comparison |
|---------|--------|--------|------------|
| Apr-Dec | 201.4 | 198.6 | -2.8 |

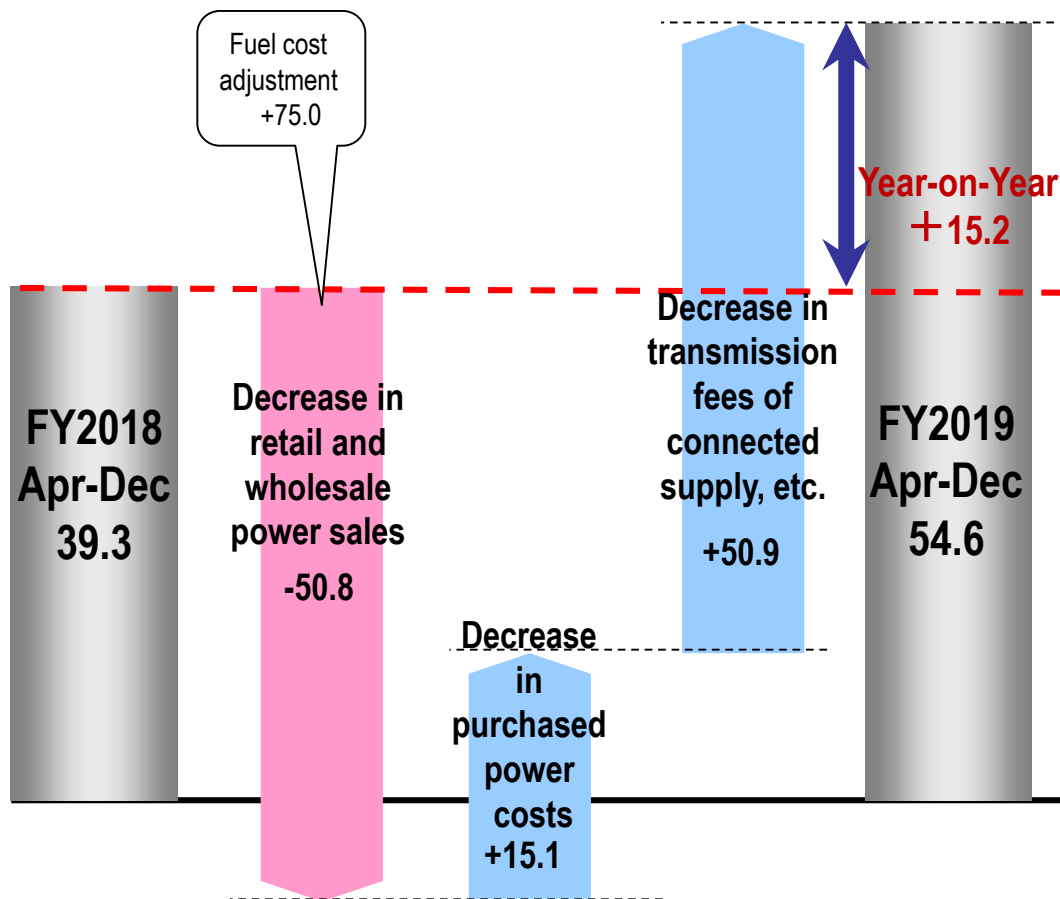
Ordinary Income

(Units: Billion Yen)

| | FY2018 | FY2019 | Comparison |
|---------|--------|--------|------------|
| Apr-Jun | 38.7 | 42.6 | +3.8 |
| Apr-Sep | 117.0 | 119.9 | +2.8 |
| Apr-Dec | 163.1 | 175.3 | +12.2 |
| Apr-Mar | 113.9 | | |

Ordinary Income/loss

(Units: Billion Yen)



Profit Structure

Operating revenue is mainly electricity sales revenue, and this is fluctuated by electricity sales volume. Expenses are mainly power purchasing costs and transmission fees of connected supply.

Electricity Sales Volume

(Unit: Billion kWh)

| | FY2018 | FY2019 | Comparison |
|---------|--------|--------|------------|
| Apr-Dec | 169.7 | 164.7 | -5.0 |

Gas (including Nichi gas, TEA)

| As of March 31, 2019 | As of December 31, 2019 |
|----------------------------|----------------------------|
| Approx. 1.25 million cases | Approx. 1.89 million cases |

Ordinary Income

(Units: Billion Yen)

| | FY2018 | FY2019 | Comparison |
|---------|--------|--------|------------|
| Apr-Jun | -8.3 | -12.0 | -3.6 |
| Apr-Sep | 54.1 | 43.4 | -10.7 |
| Apr-Dec | 39.3 | 54.6 | +15.2 |
| Apr-Mar | 72.7 | | |