

Tokyo Electric Power Company Holdings, Inc.

May 15, 2020

Notice concerning Extraordinary Income and Loss and the Difference Between the Consolidated Earnings Forecast and Actual Performance

As to the financial results for consolidated the fiscal year ending March 31, 2020 released today, Tokyo Electric Power Company Holdings, Incorporated (hereinafter TEPCO HD) hereby makes a notice concerning extraordinary income and loss.

There was a difference between the consolidated earnings forecast for the full fiscal year ending in March 2020 as announced on March 30, 2020, and the actual performance announced today. Details are as described below.

1. Extraordinary Income

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

TEPCO HD applied for changes in grant amounts based on stipulations in the Nuclear Damage Compensation Facilitation Corporation Act (August 10, 2011, Act No. 94). As a result, it recognized 101.6 billion yen as grants-in-aid from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (In the third consolidated quarter, 54.0 billion yen was recorded as extraordinary income.).

(2) Gain on change in equity

Based on the merger agreement signed on June 8, 2017 with the Chubu Electric Power Co., Inc. on the integration of the existing thermal power generation businesses, the fuel receiving/storage/gas transmission business and the existing thermal power generation business was succeeded to JERA Co., Inc. on April 1, 2019. As a result, TEPCO HD has recognized a gain on change in equity of 199.7 billion yen (The same amount was also recognized in the third consolidated quarter.).

(3) Gain on reversal of provision for loss on disaster

The decommissioning of Fukushima Daini Nuclear Power Station Units 1-4 was determined. Of the costs or losses recorded as a provision for loss on disaster, TEPCO HD has recognized 113.5 billion yen as gain on reversal of provision for loss on disaster regarding work that will become unnecessary as a result of the decision to decommission (The same amount was also recognized in the third consolidated quarter.).

2. Extraordinary Loss

(1) Contingent property loss

TEPCO HD recorded 0.3 billion yen as the book value of property lost in Typhoon Faxai (15th typhoon of the season), Typhoon Hagibis (19th typhoon of the season), and Typhoon Bualoi (21st typhoon of the season), that hit Japan from September to October 2019 (In the third consolidated quarter, 0.3 billion yen was recorded as contingent property loss.).

(2) Extraordinary loss on disaster

① 15th, 19th, and 21st typhoons of the season

Also, as a result of Typhoon Faxai (15th typhoon of the season), Typhoon Hagibis (19th typhoon of the season), and Typhoon Bualoi (21st typhoon of the season), that hit Japan from September to

This English translation has been prepared with the intention of creating an accurate and complete reflection of the original Japanese version for the convenience of our English-speaking audience. However, if there are any discrepancies between the translation and the original, the latter shall prevail.

Tokyo Electric Power Company Holdings, Inc.

October 2019, TEPCO HD recorded 20.8 billion yen as extraordinary loss on disaster which includes repair expenses to recover assets damaged in the typhoons and loss on retirement of fixed assets(In the third consolidated quarter, 17.3 billion yen was recorded as extraordinary loss on disaster.).

② Financial impact of the great east Japan earthquake

Regarding costs and losses associated with recovering the assets damaged in the Great East Japan Earthquake, TEPCO HD recorded 374.0 billion yen of operational expenses for fuel debris retrieval preparation based on the Mid-and-Long Term Decommissioning Action Plan 2020 announced on March 27, 2020 as extraordinary loss on disaster. (In the third consolidated quarter, 10.1 billion yen was recorded as financial impact of the great east Japan earthquake.).

(3) 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 HD has updated the estimate of its nuclear damage compensations caused by the accident at Fukushima Nuclear Power Stations so far. Thus, 107.9 billion yen, the difference between the revised estimate and the fiscal 2018 estimate, was additionally recorded as the expenses for nuclear damage compensations by the end of the fiscal 2019(In the third consolidated quarter, 81.9 billion yen was recorded as expenses for nuclear damage compensation.).

(4) Losses on the decommissioning of Fukushima Daini

TEPCO HD recognized 95.6 billion yen as losses on the decommissioning of Fukushima Daini for the power generation facilities and nuclear fuel given the decision of decommissioning of the Fukushima Daini Nuclear Power Station Units 1-4(The same amount was also recognized in the third consolidated quarter.).

(5) Impairment loss

The carrying amount of fixed assets that were deemed unrecoverable based on an assessment of the profitability of the asset group according to the “Accounting Standard for Impairment of Fixed Assets” were written down to their recoverable amount. In light of this, TEPCO HD recorded 10.5 billion yen as impairment loss.

3. Difference between the consolidated earnings forecast and actual performance

Difference between the consolidated earnings forecast for the full fiscal year ending in March 2020 (April 1, 2019 – March 31, 2020) and the actual performance

(Unit: Million Yen)

	Operating Revenues	Operating Income/loss	Ordinary Income/loss	Net Income attributable to owners of parent	Earnings per share
Latest forecast (A)	6,199,000	217,000	270,000	79,000	49.16 yen
FY 2019(B)	6,241,422	211,841	264,032	50,703	31.65 yen
(B) – (A)	42,422	-5,158	-5,967	-28,296	
((B) – (A)) / (A) (%)	0.7	-2.4	-2.2	-35.8	
(Reference) FY 2018	6,338,490	312,257	276,542	232,414	145.06yen

This English translation has been prepared with the intention of creating an accurate and complete reflection of the original Japanese version for the convenience of our English-speaking audience. However, if there are any discrepancies between the translation and the original, the latter shall prevail.

Tokyo Electric Power Company Holdings, Inc.

○Reasons for the discrepancy

Net income attributable to owners of parent company was substantially below the latest forecast values due to the recording of extraordinary loss described in 2. among other factors.

(End of document)

Tokyo Electric Power Company Holdings, Inc.

<Reference>

Breakdown of Extraordinary Income (Consolidated)

(Unit: Billion Yen)

Breakdown	Amount
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	101.6
Gain on change in equity	199.7
Gain on reversal of provision for loss on disaster	113.5
Total	414.9

Breakdown of Extraordinary Loss (Consolidated)

(Unit: Billion Yen)

Breakdown	Amount
Contingent property loss	0.3
Extraordinary loss on disaster	394.9
Expenses for Nuclear Damage Compensations	107.9
Losses on the decommissioning of Fukushima Daini	95.6
Impairment loss	10.5
Total	609.3

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 19, 2020	Cumulative amount at the time of application on March 19, 2019	FY2019
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	(A) 7,294.8	(B) 7,193.1	(A) - (B) 101.6

(Unit: Billion yen)

	Cumulative amount as of March 31, 2020	Cumulative amount as of March 31, 2019	FY2019
Expenses for Nuclear Damage Compensations	(C) 7,294.9	(D) 7,187.0	(C) - (D) 107.9

Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation (unapplied amount as of the end of FY2019)	(C) - (A) 0.1
--	------------------

This English translation has been prepared with the intention of creating an accurate and complete reflection of the original Japanese version for the convenience of our English-speaking audience. However, if there are any discrepancies between the translation and the original, the latter shall prevail.