

TRANSLATION

Please note that the following purports to be an accurate and complete translation of the original Japanese version prepared for the convenience of the Shareholders outside Japan. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

**Matters for Internet Disclosure
under Laws and Regulations
and the Articles of Incorporation**

**Notes to Consolidated Financial Statements
Notes to Non-Consolidated Financial Statements**

(From April 1, 2016 to March 31, 2017)

Tokyo Electric Power Company Holdings, Incorporated

“Notes to Consolidated Financial Statements” and “Notes to Non-Consolidated Financial Statements” are hereby provided to our shareholders in accordance with relevant laws and regulations and with Article 17 of the Articles of Incorporation.

Notes to Consolidated Financial Statements

From April 1, 2016
to March 31, 2017

Tokyo Electric Power Company Holdings, Incorporated (“TEPCO” or the “Company”)

[Notes, etc. regarding Important Matters Forming the Basis of Preparation of Consolidated Financial Statements]

1. Scope of Consolidation

Number of consolidated subsidiaries 34 companies

Major consolidated subsidiaries are as follows:

TEPCO Power Grid, Incorporated, TEPCO Fuel & Power, Incorporated, TEPCO Energy Partner, Incorporated, Toden Real Estate Co., Inc., The Tokyo Electric Generation Company, Incorporated, Japan Facility Solutions, Inc., TEPCO SYSTEMS CORPORATION, Tokyo Power Technology Ltd., Tepco Town Planning Co., Ltd., Tokyo Densetsu Service Co., Ltd., Fuel TEPCO Limited, Tokyo Electric Power Services Company, Limited, Tepco Customer Service Corporation Limited, TOKYO WATERFRONT RECYCLE POWER CO., LTD.

Tokyo Electric Power Company International B.V. and Tokyo Timor Sea Resources Inc. are excluded from the scope of consolidation due to the transfer of the existing fuel business (upstream investments and fuel procurement) and the existing overseas thermal power IPP business from TEPCO Fuel & Power, Incorporated to JERA Co., Inc.

2. Application of Equity Method

Number of affiliates accounted for under the equity method 14 companies

Affiliates accounted for under the equity method are as follows:

Soma Kyodo Power Company, Ltd., KASHIMA KYODO ELECTRIC POWER COMPANY, Kimitsu Cooperative Thermal Power Company, Inc., JOBAN JOINT POWER CO., LTD., KANDENKO CO., LTD., Eurus Energy Holdings Corporation, TAKAOKA TOKO CO., LTD., TOKYO TOSHI SERVICE COMPANY, Hitachi Systems Power Services, Ltd., AT TOKYO Corporation, Japan Nuclear Fuel Limited, The Japan Atomic Power Company, TOKYO ENERGY & SYSTEMS INC., JERA Co., Inc.

TeaM Energy Corporation, TEPDIA Generating B.V. and ITM Investment Company Limited are excluded from the scope of application of the equity method due to the transfer of the existing fuel business (upstream investments and fuel procurement) and the existing overseas thermal power IPP business from TEPCO Fuel & Power, Incorporated to JERA Co., Inc.

Affiliates which are not accounted for under the equity method (including JAPAN NUCLEAR SECURITY SYSTEM CO., LTD. and Nuclear Fuel Transport Company, Ltd.) have an insignificant effect, both individually and jointly, to the consolidated profit and the consolidated retained earnings and other indicators.

3. Accounting Policies

(1) Basis and method for valuation of significant assets

A. Long-term investments (Available-for-sale securities that are securities classified as other securities under Japanese GAAP)

Securities with readily determinable fair values are stated at fair value based on the market price, etc. on the balance sheet date (cost of securities sold is determined by the moving-average method), with unrealized gains or losses, net of applicable taxes, stated as a separate component of net assets.

Securities without readily determinable fair values are stated at cost determined by the moving-average method.

B. Inventories

Stated at cost determined by the average method (the book value may be written down to market value due to decline in the profitability).

(2) Depreciation and amortization method for significant depreciable and amortizable assets

Property, plant and equipment are depreciated by the declining-balance method.

Intangible fixed assets are amortized by the straight-line method.

Property, plant and equipment include the assets corresponding to asset retirement obligations related to the decommissioning measures for specified nuclear power units. The method of recording the related decommissioning costs is explained in “(6) Method of Recording Decommissioning Costs of Nuclear Power Units.”

(3) Provision of significant reserves

A. Reserve for loss on disaster

1) For the loss on the Niigataken Chuetsu-Oki Earthquake

In order to provide for the losses and expenses required for the restoration of assets damaged by the Niigataken Chuetsu-Oki Earthquake, reserve is made at an estimated amount at the end of the fiscal year.

2) For the loss on the Tohoku-Chihou-Taiheiyou-Oki Earthquake

In order to provide for the losses and expenses required for the restoration of assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, reserve is made at an estimated amount at the end of the fiscal year.

Major expenses and/or losses included in reserve for loss on disaster are recognized as follows.

a) Expenses and/or losses for settling the nuclear accident and preparing for decommissioning of the Fukushima Daiichi Nuclear Power Station

Following the “Step 2 Completion Report – Roadmap towards Settlement of the Accident at the Fukushima Daiichi Nuclear Power Station, TEPCO” (December 16, 2011) prepared by Government-TEPCO Integrated Response Office established by the Nuclear Emergency Response Headquarters of the Government, “Mid-and-long-Term Roadmap towards the Decommissioning of the Fukushima Daiichi Nuclear Power Units 1–4, TEPCO” (December 21, 2011, hereinafter “Mid-and-long Term Roadmap”) was prepared by Government and TEPCO’s Mid-to-Long Term Countermeasure Meeting established by Nuclear Emergency Response Headquarters of the Government (most recently revised on June 12, 2015). Regarding expenses and/or losses related to Mid-and-long Term Roadmap, the Company records estimated amounts based on specific target periods and contents of individual countermeasures, if it is possible to estimate the amounts in the normal way.

However, within expenses and/or losses related to Mid-and-long Term Roadmap, if the normal estimation is difficult because the specific contents of constructions, etc. cannot be estimated at this time, the Company records estimated amounts based on the historical amounts at an accident at overseas nuclear power plants.

b) Expenses for disposal of nuclear fuels in processing, within expenses and/or losses for decommissioning of the Fukushima Daiichi Nuclear Power Station Units 1 through 4

For disposal costs of nuclear fuels in processing which are not expected to be spent, the Company records the present value (discount rate 4.0%) of such costs.

Disposal costs for loaded fuels are included in other long-term liabilities.

- c) Expenses and/or losses for maintaining the status of “cold shutdown” at the Fukushima Daini Nuclear Power Station

Although the future treatment for the damaged Fukushima Daini Nuclear Power Station has not been determined yet, the Company records estimated amounts for expenses and/or losses for maintaining the status of “cold shutdown” based on the expenses and/or losses required for restoration of the Kashiwazaki-Kariwa Nuclear Power Station damaged by the Niigataken Chuetsu-Oki Earthquake.

Additional Information

- Breakdown of reserve for loss on disaster as of March 31, 2017

1) For the loss on the Niigataken Chuetsu-Oki Earthquake	¥ 15,009 million
2) For the loss on the Tohoku-Chihou-Taiheiyou-Oki Earthquake:	¥ 452,682 million
Of which:	
a) Expenses and/or losses for settling the nuclear accident and preparing for decommissioning of the Fukushima Daiichi Nuclear Power Station	¥ 330,653 million
b) Expenses for disposal of nuclear fuels in processing, within expenses and/or losses for decommissioning of the Fukushima Daiichi Nuclear Power Station Units 1 through 4	¥ 5,659 million
c) Expenses and/or losses for maintaining the status of “cold shutdown” at the Fukushima Daini Nuclear Power Station	¥ 115,583 million
d) Other	¥ 786 million
Total	¥ 467,692 million

- Estimates of expenses and/or losses related to Mid-and-long Term Roadmap within the expenses and/or losses for settling the nuclear accident and preparing for decommissioning , etc. of the Fukushima Daiichi Nuclear Power Station

Before nuclear power plants can be scrapped, nuclear fuels in the reactors must be removed, but the specific contents of the work will be decided after the status of inside of the reactors has been confirmed and also in consideration of the progress of necessary research and development activities. Accordingly, the Company records the amounts including fuel removal costs within the range of reasonable estimates possible at this moment for expenses and/or losses related to Mid-and-long Term Roadmap, although they might vary from now on.

B. Reserve for compensation for nuclear power-related damages

In order to provide for expenses required for compensation payments for nuclear power-related damages concerning the accident of the Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company records estimated amounts at the end of the fiscal year.

The Company has recorded a reserve for compensation for nuclear power-related damages after deducting the receivables of compensation pursuant to the provision of the “Act on Contract for Indemnification of Nuclear Damage Compensation” (Act No. 148 of June 17, 1961) and the amount of grants-in-aid applied pursuant to the provision of the “Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act” (Act No. 94 of August 10, 2011) (hereinafter the “Grants-in-aid”) corresponding to the compensation liability owed by the Company to the state based on the “Act on Special Measures concerning the Handling of Environmental Pollution by Radioactive Materials Discharged by the Nuclear Power Plant Accident Accompanying the Earthquake that Occurred off the Pacific Coast of the Tohoku Region on March 11, 2011” (Act No. 110 of August 30, 2011), etc. (a

liability recognized on or after January 1, 2015, hereinafter the “Cost of Decontamination, etc.”) from the estimated compensation based on the “Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage Due to the Accident at the Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO” (August 5, 2011) and other state guidelines on compensation decided at the Committee for Adjustment of Compensation for Nuclear Damages Disputes, as well as the Company’s criteria for compensation taking the state guidelines in consideration, actual compensation claims and objective statistical data. The Company has recorded the estimated compensation amounts as far as reasonable estimation is possible at this moment, although it might vary from now on, depending on newly decided state guidelines on compensation, the formulation of the Company’s criteria for compensation, more accurate reference data and agreements with the victims in the future.

Additional Information

Receivables of ¥559,704 million on grants-in-aid corresponding to the cost of decontamination, etc. are not recorded as “Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation” and the estimated amount of the said receivables are not recorded as “Reserve for compensation for nuclear power-related damages” at the end of the fiscal year in accordance with the Ordinance on Accounting at Electric Utilities.

(4) Expenses for contribution of reprocessing of irradiated nuclear fuel

For costs required for reprocessing irradiated nuclear fuel and others, contributions specified in Article 4, Paragraph 1 of the “Act on Partial Amendment of the Act on Creation and Management of Trust Funds for Reprocessing of Spent Fuel in Nuclear Power Generation” (Act No. 40 of May 18, 2016) are recorded as expenses according to the amount of irradiated nuclear fuel incurred by the operation.

Of the estimated costs for reprocessing irradiated nuclear fuel accrued by March 31, 2005, for differences resulted from the accounting changes made in the fiscal year ended March 31, 2006 for recognition of the reserve, the Company is deemed to have fulfilled the responsibility for bearing the costs by paying these differences as contributions related to irradiated nuclear fuel in accordance with Article 4 of the Supplementary Provisions to the “Ministerial Ordinance on the Partial Amendment of the Ordinance on Accounting at Electric Utilities, Etc.” (Ordinance of the Ministry of Economy, Trade and Industry No. 94 of September 30, 2016), i.e., an annual expense of ¥30,560 million is recorded as expenses until the year ending March 31, 2020.

(5) Accounting for employee’s retirement benefits

In order to provide for payments of retirement benefits to employees, an asset or liability is established based on the projected benefit obligations and the plan assets estimated at the end of the fiscal year.

In determining the retirement benefit obligations, the straight-line basis is adopted as the attribution method of the expected retirement benefits to the period up to the end of the fiscal year.

The entire amount of past service cost is mainly recognized in profit or loss in the fiscal year during which it arises.

Actuarial gains and losses are mainly charged to income from the period in which it arises using the straight-line method over a defined period (three years) within the average remaining service period of the employees as occurred.

Unrecognized actuarial gains and losses and unrecognized past service cost, net of applicable taxes, are stated in “Remeasurements of defined benefit plans” in accumulated other comprehensive income of net assets.

(6) Method of Recording Decommissioning Costs of Nuclear Power Units

The Company applies Paragraph 8 of “Guidance on Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan (“ASBJ”) Guidance No. 21, March 25, 2011) to the decommissioning measures for specified nuclear power units stipulated by the “Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors” (Act No. 166 of June 10, 1957) and in accordance with the provisions of the “Ministerial Ordinance concerning Reserve for Decommissioning Costs of Nuclear Power Units” (Ordinance of Ministry of Economy, Trade and Industry), the total estimated decommissioning costs of nuclear power units are charged to income by allocating them over the units’ expected operational period plus expected safe storage period on a straight-line basis. The present value of the total estimated amount is recorded as asset retirement obligations.

Additional Information

- Estimated amount of decommissioning costs of the Fukushima Daiichi Nuclear Power Station Units 1 through 4:

The Company records the estimated amount as far as reasonable estimation is possible at this moment, although it might vary from now on, since it is difficult to identify the whole situations of the damages.

(7) Accounting for consumption taxes

The tax-exclusion method is applied for the consumption tax and the local consumption tax.

[Notes to Changes in Presentation]

1. “Long-term investments in subsidiaries and affiliates” are presented separately for this fiscal year due to the high materiality. Long-term investments in subsidiaries and affiliates for the previous fiscal year included in “Other” under investments and other were ¥610,468 million.
2. “Foreign exchange gains” under non-operating revenues, which were separately presented in the previous fiscal year (¥4,219 million for the this fiscal year), are included in “Other” under non-operating revenues in this fiscal year due to the lowered materiality.
3. “Gain on sales of fixed assets” is presented separately for this fiscal year due to the high materiality. Gain on sales of fixed assets for the previous fiscal year included in “Other” under non-operating revenues was ¥5,359 million.

[Notes to Consolidated Balance Sheet]

1. Assets Pledged as Collateral and Collateralized Debt

- (1) All of the Company’s property is pledged as general collateral for bonds and loans from the Development Bank of Japan Inc.

Bonds (including current portion)	¥ 3,115,987 million
Loans from the Development Bank of Japan Inc. (including current portion)	¥ 905,269 million

- (2) All of the property of TEPCO Power Grid, Incorporated is pledged as general collateral for bonds.

Bonds	¥ 90,000 million
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- (3) Pursuant to the Act on Compensation for Nuclear Damage (Act No. 147 of June 17, 1961), the Company has made a deposit as a measure of compensation for damages to be paid as the nuclear operator for cooling of nuclear reactors and treatment of accumulated water, etc. of the Fukushima Daiichi Nuclear Power Station.

Current assets

Other	¥	120,000 million
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- (4) Assets pledged as collateral for loans, etc. from financial institutions to certain consolidated subsidiaries and collateralized debt

Assets pledged as collateral

Fixed assets

Other facilities	¥	4,628 million
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Investments and other

Long-term investments	¥	516 million
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Total	¥	5,144 million
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Of the above, other facilities of ¥4,628 million are pledged on mortgages of the Factory Foundation.

Collateralized debt

Long-term liabilities

Long-term loans (including current portion)	¥	162 million
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Of the above, ¥162 million is related to mortgages of the Factory Foundation.

- (5) Assets pledged as collateral for loans, etc. from financial institutions to investees of certain consolidated subsidiaries

Assets pledged as collateral

Fixed assets

Investments and other

Long-term investments	¥	4 million
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Obligation of the consolidated subsidiaries is limited to the invested amounts even in case of default of any of the investees.

2. Accumulated Depreciation of Property, Plant and Equipment ¥23,275,909 million

3. Guarantee Liabilities, etc.

(1) Guarantee liabilities

A. Guarantees of loans from financial institutions to the following companies		
Japan Nuclear Fuel Limited	¥	88,313 million
JERA Darwin LNG Pty Ltd	¥	956 million
TeaM Energy Corporation	¥	7,520 million
SKZ-U LLP	¥	664 million
B. Guarantee of bonds issued by Japan Nuclear Fuel Limited	¥	2,742 million
C. Guarantee of performance of ITM O&M Company Limited of the operation and maintenance contract with Arabian Power Company Private Joint Stock Company	¥	673 million
D. Guarantee of performance of TeaM Sual Corporation of the power sales contract with National Power Corporation	¥	1,682 million
E. Guarantee of performance of KEPCO Ilijan Corporation of the power sales contract with National Power Corporation	¥	1,211 million
F. Guarantee of performance of PT IPM Operations and Maintenance Indonesia of the operation and maintenance contract with P.T. Paiton Energy	¥	750 million
G. Guarantee of performance of the electricity supply contract of Hitachinaka Generation Co., Inc.	¥	945 million
H. Guarantee of loans from financial institutions to employees under a housing financing system, etc.	¥	162,810 million
Total	¥	268,270 million

(2) Contingent liabilities

Contingent liabilities related to nuclear damage compensation

Regarding nuclear damages caused by a series of accidents at the Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, with seriously recognizing the Company's position as a causing party, the Company is implementing the compensation from the viewpoint of speedy implementation of compensation for the nuclear victims with Government support under the Act on Compensation for Nuclear Damage (Act No. 147 of June 17, 1961). The Company has recorded a reserve for compensation for nuclear power-related damages as of the end of the fiscal year regarding the amounts possible to make reasonable estimates based on the "Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage Due to the Accident at the Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO" (August 5, 2011, hereinafter the "Interim Guidelines") and other state guidelines on compensation decided at the Committee for Adjustment of Compensation for Nuclear Damages Disputes, as well as the Company's criteria for compensation taking the state guidelines in consideration, actual compensation claims and objective statistical data, but does not record any reserve for indirect damages and losses and/or damages on certain tangible assets for which reasonable estimation is not possible using the Interim Guidelines and currently available data, etc. Furthermore, treatment of wastes and decontamination measures have proceeded under the national fiscal measures based on the "Act on Special Measures concerning the Handling of Environmental Pollution by Radioactive Materials Discharged by the Nuclear Power Plant Accident Accompanying the Earthquake that Occurred off the Pacific Coast of the Tohoku Region on March 11, 2011" (Act No. 110 of August 30, 2011). Costs for these measures have been estimated within a reasonably determinable range based on past experience in acceptance of claims, available data and others. However, the Company cannot estimate the amount of compensation reasonably for costs that are under discussion between the Company and the national government with regard to the

appropriate sharing of the costs, under the current circumstances that specific measures are not identifiable.

4. Reserve pursuant to the Provisions of Laws and Regulations other than the Companies Act
Reserve for preparation of the depreciation of nuclear power construction

Pursuant to Article 27-3 and Article 27-29 of the Electricity Business Act, the Company records a reserve for preparation of the depreciation of nuclear power construction based on the “Ministerial Ordinance concerning Reserve for Preparation of Depreciation of Nuclear Power Construction” (Ordinance of the Ministry of Economy, Trade and Industry) in order to average the burden of depreciation recognized immediately after the start of operations of the nuclear power stations.

[Notes to Consolidated Statement of Changes in Net Assets]

Class and Total Number of Shares Issued as of March 31, 2017

Common stock	1,607,017,531 shares
Preferred stock - Class A	1,600,000,000 shares
Preferred stock - Class B	340,000,000 shares

[Notes to Financial Instruments]

1. Matters concerning Status of Financial Instruments

Since the debt rating of the Company was downgraded due to the accidents at the Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyu-Oki Earthquake, the Company’s fund raising capability has deteriorated. However, the Company tries to raise funds to meet its capital investments required for the electric power business by borrowing from financial institutions, issuance of bonds, etc.

The Company only uses short-term deposits to manage funds.

Investment securities consist mainly of equity securities. Fair values of listed equity securities are monitored on a quarterly basis.

Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation (carrying amount ¥531,974 million) is a receivable of funds on grants-in-aid stipulated in Article 41, Paragraph 1, Item 1 of the “Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act” (Act No. 94 of August 10, 2011). The fair value of this receivable is not presented because this fund will be paid from the Corporation for the necessary amount to implement compensation for nuclear damages caused by the accidents at the Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyu-Oki Earthquake and it is based on the amounts required for compensation.

Notes and accounts receivable are exposed to the credit risk of customers. In compliance with internal policies, the Company and certain consolidated subsidiaries monitor due dates and outstanding balances by individual customer, and follow up on collection of receivables that become past due.

Interest-bearing debt includes loans and bonds that are exposed to interest rate fluctuation risk. The Company hedges this risk by utilizing interest rate swaps for certain loans.

2. Matters concerning Fair Value of Financial Instruments

The carrying amount of financial instruments in the consolidated balance sheet as of March 31, 2017, their fair value and the difference are as shown below.

(millions of yen)

	Carrying amount (*1)	Fair value (*1)	Difference
(1) Investment securities (*2)			
Available-for-sale securities	4,131	4,131	—
(2) Cash on hand and in banks	941,383	941,383	—
(3) Notes and accounts receivable - trade	512,680	512,680	—
(4) Bonds (*3)	(3,205,987)	(3,277,973)	(71,986)
(5) Long-term loans (*3)	(1,938,839)	(1,965,612)	(26,772)
(6) Short-term loans	(860,152)	(860,152)	—
(7) Notes and accounts payable - trade	(181,137)	(181,137)	—
(8) Accrued taxes	(192,070)	(192,070)	—

(*1) Figures shown in parentheses represent liabilities.

(*2) Investment securities are included in “Long-term investments” in the consolidated balance sheet.

(*3) Bonds and long-term loans include “Current portion of long-term debt” in the consolidated balance sheet.

(Note 1) Methods for estimating fair value of financial instruments

(1) Investment securities

The fair value of equity securities is determined by their market price on an exchange.

(2) Cash on hand and in banks and (3) Notes and accounts receivable - trade

Since these items are settled in a short period of time and their fair value approximates their carrying value, the relevant fair value is determined at carrying value.

(4) Bonds

For the fair value of bonds with floating interest rates, those interest rates are updated to reflect the market interest rate within a short period of time. Since their fair value approximates their carrying value, the relevant fair value is determined at carrying value. For the fair value of bonds with fixed interest rates, for which market prices are available, the fair value is based on their market prices. The fair value of bonds with no market price is estimated based on the present value of principal and interest discounted using the interest rate to be applied for a similar bond.

(5) Long-term loans

For the fair value of long-term loans with floating interest rates, those interest rates are updated to reflect the market interest rate within a short period of time. Since their fair value approximates their carrying value, the relevant fair value is determined at carrying value. For the fair value of long-term loans with fixed interest rates, the total amount of principal and interest of relevant long-term loans, grouped by certain period, is discounted to the present value using the interest rate to be applied for a similar loan. For those subject to the special hedge accounting treatment of interest rate swaps, the present value is determined using the swap rate that is deemed as their interest rate.

(6) Short-term loans, (7) Notes and accounts payable - trade and (8) Accrued taxes

Since these items are settled in a short period of time and their fair value approximates their carrying value, the relevant fair value is determined at carrying value.

(Note 2) Unlisted equity securities (carrying amount ¥27,615 million) are not included in “(1) Investment securities - Available-for-sale securities,” as it is extremely difficult to determine their fair value since there is no market price.

[Notes to Per Share Information]

1. Net Assets per Share 838.45 yen
- (Note) Net assets per share are calculated based on total net assets less payment of preferred stock by the Nuclear Damage Compensation and Decommissioning Facilitation Corporation. The basis of calculation is as follows.
- (Basis of calculation)
- | | |
|---|---------------------------|
| Total net assets on the consolidated balance sheet | ¥2,348,679 million |
| Amounts to be deducted from net assets | ¥1,005,244 million |
| Of which payment of preferred stock | ¥1,000,000 million |
| Of which non-controlling interests | ¥5,244 million |
| Net assets as of March 31, 2017 attributable to common stock | ¥1,343,434 million |
| Number of shares of common stock as of March 31, 2017
which was used to calculate net assets per share | 1,602,285 thousand shares |
2. Basic Earnings per Share 82.89 yen

[Other Notes]

1. The consolidated financial statements are prepared in conformity with the “Ordinance on Accounting of Companies” (Ordinance of the Ministry of Justice No. 13 of 2006) and according to the “Ordinance on Accounting at Electric Utilities” (Ordinance of the Ministry of Economy, Trade and Industry No. 57 of 1965).

2. Compensation for Nuclear Power-related Damages and Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation

Regarding nuclear damages caused by a series of accidents at the Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, with seriously recognizing the Company’s position as a causing party, the Company is implementing the compensation from the viewpoint of speedy implementation of compensation for the nuclear victims with Government support under the Act on Compensation for Nuclear Damage (Act No. 147 of June 17, 1961).

The Company has recorded compensation for nuclear power-related damages of ¥392,006 million, which is the difference between the estimated amount for the previous year and that of this year which is ¥6,749,153 million after deducting ¥188,926 million of receipt of compensation pursuant to the provision of the “Act on Contract for Indemnification of Nuclear Damage Compensation” (Act No. 148 of June 17, 1961) and ¥1,526,096 million of grants-in-aid applied pursuant to the provision of the “Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act” (Act No. 94 of August 10, 2011; hereinafter the “Act on Corporation”) (hereinafter the “Grants-in-aid”) corresponding to the compensation liability owed by the Company to the state based on the “Act on Special Measures concerning the Handling of Environmental Pollution by Radioactive Materials Discharged by the Nuclear Power Plant Accident Accompanying the Earthquake that Occurred off the Pacific Coast of the Tohoku Region on March 11, 2011” (Act No. 110 of August 30, 2011), etc. (a liability recognized on or after January 1, 2015, hereinafter the “Cost of Decontamination, etc.”) from ¥8,464,177 million of the estimated compensation based on the “Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage Due to the Accident at the Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO” (August 5, 2011) and other state guidelines on compensation decided at the Committee for Adjustment of Compensation for Nuclear Damages Disputes, as well as the Company’s criteria for compensation taking the state guidelines in consideration, actual compensation claims and objective statistical data.

The Company has recorded the estimated compensation amounts as far as reasonable estimation is possible at this moment, although they might vary from now on, depending on newly decided state guidelines on compensation, the formulation of the Company’s criteria for compensation, more accurate reference data and agreements with the victims in the future.

On the other hand, for the purpose of speedy and appropriate implementation of compensation, Nuclear Damage Compensation and Decommissioning Facilitation Corporation (hereinafter the “Corporation”) will provide necessary financial assistance to an applying nuclear operator based on the Act on Corporation.

It is necessary for the Company to receive necessary financial aid from the Corporation in order to execute prompt and appropriate compensation, since the compensation for nuclear damages is the estimated amount to be presented as the payment from the Company, although it should be agreed upon by the nuclear victims. Accordingly, based on the provision of Article 43, Paragraph 1 of the Act on Corporation, the Company submits an application for financial support of the compensation for nuclear damages as the estimated amount for the required compensation amount as of the application date for financial support. On December 27, 2016, the Company submitted an application for a change of the amount of financial support to ¥8,366,405 million, which was the estimated amount as of that date, and recorded ¥294,234 million as Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation for the fiscal year ended March 31, 2017. This amount is calculated as the difference between ¥6,651,381 million, which is the balance after deducting ¥188,926 million of receipt of compensation and ¥1,526,096 million of Grants-in-aid corresponding to the Cost of Decontamination, etc. from the aforesaid estimated amount as of December 27, 2016, and the amount applied on March 18, 2016.

In receiving the financial assistance, the recipient shall pay a special contribution defined by the Corporation pursuant to the provision of Article 52, Paragraph 1 of the Act on Corporation, but the Company has not recorded such an amount, except for that notified from the Corporation as applicable to the fiscal year, since the amount is determined by resolution of the steering committee of the Corporation every fiscal year in light of the Company’s status of revenue and expense and requires the approval of the minister in charge.

3. Revision of the Ordinance on Accounting at Electric Utilities in line with the enforcement of the “Act on Partial Amendment of the Act on Creation and Management of Trust Funds for Reprocessing of Spent Fuel in Nuclear Power Generation”

On October 1, 2016, the “Act on Partial Amendment of the Act on Creation and Management of Trust Funds for Reprocessing of Spent Fuel in Nuclear Power Generation” (Act No. 40 of May 18, 2016; hereinafter the “Amendment Act”) and the “Ministerial Ordinance on the Partial Amendment of the Ordinance on Accounting at Electric Utilities, Etc.” (Ordinance of the Ministry of Economy, Trade and Industry No. 94 of September 30, 2016; hereinafter the “Amendment Ordinance”) went into effect, and the Ordinance on Accounting at Electric Utilities was revised.

For costs required for reprocessing irradiated nuclear fuel and others, previously reserve was made at the present value of such costs calculated according to the amount of irradiated nuclear fuel incurred by operating nuclear power plants. However, on and after the date of enforcement, contributions specified in Article 4, Paragraph 1 of the Amendment Act are recorded as expenses for contribution of reprocessing of irradiated nuclear fuel, according to the amount of irradiated nuclear fuel incurred by the operation.

In addition, with the enforcement of the Amendment Act, for costs required for reprocessing irradiated nuclear fuel in nuclear power generation, a nuclear operator is deemed to have fulfilled the responsibility for bearing the costs by paying contributions to the Nuclear Reprocessing Organization of Japan (hereinafter the “Organization”), and the Organization conducts reprocessing and other treatments.

In line with the enforcement of the Amendment Ordinance, trust funds for reprocessing of irradiated nuclear fuel of ¥838,864 million were offset by reserve for reprocessing of irradiated nuclear fuel, and reserve for reprocessing of irradiated nuclear fuel of ¥15,727 million and reserve for preparation of the reprocessing of irradiated nuclear fuel of ¥74,959 million were reversed. At the same time, of reserve for preparation of the reprocessing of irradiated nuclear fuel, ¥65,010 million was transferred to other long-term liabilities. In addition to this, ¥30,477 million was transferred to other long-term liabilities.

Of irradiated nuclear fuel used in calculation of reserve for reprocessing of irradiated nuclear fuel prior to the enforcement of the Amendment Act, the balance of estimated differences related to the present value of such costs calculated according to the amount of irradiated nuclear fuel that was reported to the Minister of Economy, Trade and Industry as such fuel with a specific reprocessing plan of ¥464,269 million as of March 31, 2016 is not recognized due to the enforcement of the Amendment Act.

4. Financial Covenants

Financial covenants on the financial position and operating results of the Company and its Group companies are attached to the Company's bonds of ¥401,882 million, current portion of long-term debt of ¥895,669 million and short-term loans of ¥579,995 million.

5. Fixed Assets Necessary for Scrapping Reactors and Fixed Assets Requiring Maintenances Even after Having Discontinued Operation of Reactors

The carrying value of the fixed assets necessary for scrapping reactors and fixed assets requiring maintenances even after having discontinued operation of reactors is ¥366,807 million.

6. Transactions under Common Control

On April 1, 2016, the Company transferred its fuel and thermal power generation business (excluding fuel transport business and fuel trading business), general power transmission and distribution business, and retail electricity business through company splits to TEPCO Fuel & Power, Incorporated (name changed from Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated as of April 1, 2016), TEPCO Power Grid, Incorporated (name changed from Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated as of April 1, 2016), and TEPCO Energy Partner, Incorporated (name changed from Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated as of April 1, 2016),” respectively. In this way, the Company introduced a holding company system and changed its trade name to Tokyo Electric Power Company Holdings, Incorporated.

(1) Overview of the transactions

1) Name and description of business involved in the transactions

Fuel and thermal power generation business (excluding fuel transport business and fuel trading business), general power transmission and distribution business, retail electricity business, etc.

2) Date of business combination

April 1, 2016

3) Legal form of business combination

Absorption-type splits in which the Company is the splitting company, and the Company's wholly owned subsidiaries TEPCO Fuel & Power, Incorporated (name changed from Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated as of April 1, 2016), TEPCO Power Grid, Incorporated (name changed from Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated as of April 1, 2016), and TEPCO Energy Partner, Incorporated (name changed from Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated as of April 1, 2016) are the succeeding companies

4) Company name after business combination

Tokyo Electric Power Company Holdings, Incorporated

5) Overview of the transactions including the purpose

The Company transferred the businesses through absorption-type splits to the succeeding companies and made the transition to a holding company system in order to respond flexibly

and swiftly to the new business environment after the full liberalization of the electricity retail market.

(2) Overview of implemented accounting treatments

The above transactions were treated as transactions under common control in accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, September 13, 2013).

7. Formation of jointly-controlled entity

The board of directors of TEPCO Fuel & Power, Incorporated (hereinafter “TEPCO Fuel & Power”), the Company’s wholly owned subsidiary, resolved at its meeting held on May 23, 2016 to transfer the existing fuel business (upstream investments and fuel procurement), the existing overseas thermal power IPP business, and thermal power plant replacement and new construction business conducted by Hitachinaka Generation Co., Inc. (hereinafter, collectively the “Transferring Businesses”) to JERA Co., Inc. (hereinafter “JERA”) by means of company split (hereinafter, this company split is referred to as the “Absorption-type Split”), and TEPCO Fuel & Power entered into an absorption-type split agreement with JERA on the same day. Under this agreement, the Company transferred the Transferring Businesses to JERA on July 1, 2016.

In parallel with the conclusion of the agreement for the Absorption-type Split, JERA also entered into an absorption-type split agreement separately with Chubu Electric Power Co., Inc. (hereinafter “Chubu Electric Power”) and concurrently took over Chubu Electric Power’s existing fuel business (upstream investments and fuel procurement) and the existing overseas power generation and energy infrastructure business, and thermal power plant replacement and new construction business conducted by Hitachinaka Generation Co., Inc.

(1) Overview of the transactions

1) Name and description of business involved in the transactions

Existing fuel business (upstream investments and fuel procurement), existing overseas thermal power IPP business, and thermal power plant replacement and new construction business conducted by Hitachinaka Generation Co., Inc.

2) Date of business combination

July 1, 2016

3) Legal form of business combination

Absorption-type split in which TEPCO Fuel & Power is the splitting company, and JERA is the succeeding company

4) Company name after business combination

JERA Co., Inc.

5) Other matters concerning overview of the transactions

On February 9, 2015, the Company and Chubu Electric Power agreed on implementation of a comprehensive alliance and entered into a joint venture agreement to jointly establish a new company which will integrate and implement both companies’ fuel-related businesses, such as fuel procurement, upstream investments, fuel transportation and fuel trading, as well as new development and replacement businesses for domestic and overseas power plants. In addition, on December 22, 2015, the Company concluded an associated agreement that sets forth conditions and procedures for the integration of the existing fuel business (upstream investments and fuel procurement) and the existing overseas power generation and energy infrastructure business of the two companies and the thermal power plant replacement and new construction business conducted by Hitachinaka Generation Co., Inc. into JERA (hereinafter the “Associated Agreement”). Based on these agreements, it was decided to transfer the Transferring Businesses to JERA, which was established on April 30, 2015.

6) Reason for determining that this business combination is the formation of a jointly-controlled entity

In the formation of this jointly-controlled entity, the Company and Chubu Electric Power entered into the joint venture agreement and the Associated Agreement where the two companies jointly control JERA, and all the consideration paid in the business combination is shares with voting rights. In addition, there is no specific fact that indicates other controlling relationships. Therefore, the Company has determined that this business combination is the formation of a jointly-controlled entity.

(2) Overview of implemented accounting treatments

The above transactions were treated as the formation of a jointly-controlled entity in accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, September 13, 2013).

Notes to Non-Consolidated Financial Statements

From April 1, 2016
to March 31, 2017

Tokyo Electric Power Company Holdings, Incorporated (“TEPCO” or the “Company”)

[Note to Matters regarding Significant Accounting Policies]

1. Basis and Method for Valuation of Assets

- (1) Available-for-sale securities (securities classified as other securities under Japanese GAAP) included in long-term investments

Securities with readily determinable fair values are stated at fair value based on the market price, etc. on the balance sheet date (cost of securities sold is determined by the moving-average method), with unrealized gains or losses, net of applicable taxes, stated as a separate component of net assets.

Securities without readily determinable fair values are stated at cost determined by the moving-average method.

- (2) Securities included in long-term investments in subsidiaries and affiliates

Stated at cost determined by the moving-average method.

- (3) Inventories

Stated primarily at cost determined by the moving-average method (the book value may be written down to market value due to decline in the profitability).

2. Depreciation and Amortization Method for Fixed Assets

Property, plant and equipment are depreciated by the declining-balance method.

Intangible fixed assets are amortized by the straight-line method.

Property, plant and equipment include the assets corresponding to asset retirement obligations related to the decommissioning measures for specified nuclear power units. The method of recording the related decommissioning costs is explained in “5. Method of Recording Decommissioning Costs of Nuclear Power Units.”

3. Provision of Reserves

- (1) Accrued pension and severance costs

In order to provide for payments of retirement benefits to employees, an asset or liability is established based on the projected benefit obligations and the plan assets estimated at the end of the fiscal year.

In determining the retirement benefit obligations, the straight-line basis is adopted as the attribution method of expected retirement benefits to the period up to the end of the fiscal year.

The entire amount of past service cost is mainly recognized in profit or loss in the fiscal year during which it arises.

Actuarial gains and losses are charged to income from the period in which it arises using the straight-line method over a defined period (three years) within the average remaining service period of the employees as occurred.

(2) Reserve for loss on disaster

A. For the loss on the Niigataken Chuetsu-Oki Earthquake

In order to provide for the losses and expenses required for the restoration of assets damaged by the Niigataken Chuetsu-Oki Earthquake, reserve is made at an estimated amount at the end of the fiscal year.

B. For the loss on the Tohoku-Chihou-Taiheiyou-Oki Earthquake

In order to provide for the losses and expenses required for the restoration of assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, reserve is made at an estimated amount at the end of the fiscal year.

Major expenses and/or losses included in reserve for loss on disaster are recognized as follows.

1) Expenses and/or losses for settling the nuclear accident and preparing for decommissioning of the Fukushima Daiichi Nuclear Power Station

Following the “Step 2 Completion Report – Roadmap towards Settlement of the Accident at the Fukushima Daiichi Nuclear Power Station, TEPCO” (December 16, 2011) prepared by Government-TEPCO Integrated Response Office established by the Nuclear Emergency Response Headquarters of the Government, “Mid-and-long-Term Roadmap towards the Decommissioning of the Fukushima Daiichi Nuclear Power Units 1-4, TEPCO” (December 21, 2011, hereinafter “Mid-and-long Term Roadmap”) was prepared by Government and TEPCO’s Mid-to-Long Term Countermeasure Meeting established by Nuclear Emergency Response Headquarters of the Government (most recently revised on June 12, 2015). Regarding expenses and/or losses related to Mid-and-long Term Roadmap, the Company records estimated amounts based on specific target periods and contents of individual countermeasures, if it is possible to estimate the amounts in the normal way.

However, within expenses and/or losses related to Mid-and-long Term Roadmap, if the normal estimation is difficult because the specific contents of constructions, etc. cannot be estimated at this time, the Company records estimated amounts based on the historical amounts at an accident at overseas nuclear power plants.

2) Expenses for disposal of nuclear fuels in processing, within expenses and/or losses for decommissioning of the Fukushima Daiichi Nuclear Power Station Units 1 through 4

For disposal costs of nuclear fuels in processing which are not expected to be used, the Company records the present value (discount rate 4.0%) of such costs.

Disposal costs for loaded fuels are included in “Miscellaneous long-term liabilities.”

3) Expenses and/or losses for maintaining the status of “cold shutdown” at the Fukushima Daini Nuclear Power Station

Although the future treatment for the damaged Fukushima Daini Nuclear Power Station has not been determined yet, the Company records estimated amounts for expenses and/or losses for maintaining the status of “cold shutdown” based on the expenses and/or losses required for restoration of the Kashiwazaki-Kariwa Nuclear Power Station damaged by the Niigataken Chuetsu-Oki Earthquake.

Additional Information

• Breakdown of reserve for loss on disaster as of March 31, 2017

A. For the loss on the Niigataken Chuetsu-Oki Earthquake	¥ 15,009 million
B. For the loss on the Tohoku-Chihou-Taiheiyou-Oki Earthquake:	¥ 451,954 million

Of which:

1) Expenses and/or losses for settling the nuclear accident and preparing for decommissioning of the Fukushima Daiichi Nuclear Power Station	¥ 330,653 million
2) Expenses for disposal of nuclear fuels in processing, within expenses and/or losses for decommissioning of the Fukushima Daiichi Nuclear Power Station Units 1 through 4	¥ 5,659 million
3) Expenses and/or losses for maintaining the status of “cold shutdown” at the Fukushima Daini Nuclear Power Station	¥ 115,583 million
4) Other	¥ 58 million
Total	¥ 466,964 million

- Estimates of expenses and/or losses related to Mid-and-long Term Roadmap within the expenses and/or losses for settling the nuclear accident and preparing for decommissioning, etc. of the Fukushima Daiichi Nuclear Power Station

Before nuclear power plants can be scrapped, nuclear fuels in the reactors must be removed, but the specific contents of the work will be decided after the status of inside of the reactors has been confirmed and also in consideration of the progress of necessary research and development activities. Accordingly, the Company records the amounts including fuel removal costs within the range of reasonable estimates possible at this moment for expenses and/or losses related to Mid-and-long Term Roadmap, although they might vary from now on.

(3) Reserve for compensation for nuclear power-related damages

In order to provide for expenses required for compensation payments for nuclear power-related damages concerning the accident of the Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Okai Earthquake, the Company records estimated amounts at the end of the fiscal year.

The Company has recorded a reserve for compensation for nuclear power-related damages after deducting the receivables of compensation pursuant to the provision of the “Act on Contract for Indemnification of Nuclear Damage Compensation” (Act No. 148 of June 17, 1961) and the amount of grants-in-aid applied pursuant to the provision of the “Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act” (Act No. 94 of August 10, 2011) (hereinafter the “Grants-in-aid”) corresponding to the compensation liability owed by the Company to the state based on the “Act on Special Measures concerning the Handling of Environmental Pollution by Radioactive Materials Discharged by the Nuclear Power Plant Accident Accompanying the Earthquake that Occurred off the Pacific Coast of the Tohoku Region on March 11, 2011” (Act No. 110 of August 30, 2011), etc. (a liability recognized on or after January 1, 2015, hereinafter the “Cost of Decontamination, etc.”) from the estimated compensation based on the “Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage Due to the Accident at the Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO” (August 5, 2011) and other state guidelines on compensation decided at the Committee for Adjustment of Compensation for Nuclear Damages Disputes, as well as the Company’s criteria for compensation taking the state guidelines in consideration, actual compensation claims and objective statistical data.

The Company has recorded the estimated compensation amounts as far as reasonable estimation is possible at this moment, although it might vary from now on, depending on newly decided state guidelines on compensation, the formulation of the Company’s criteria for compensation, more accurate reference data and agreements with the victims in the future.

Additional Information

Receivables of ¥559,704 million on grants-in-aid corresponding to the cost of decontamination, etc. are not recorded as “Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation” and the estimated amount of the said receivables are not recorded as “Reserve for compensation for nuclear power-related damages” at the end of the fiscal year in accordance with the Ordinance on Accounting at Electric Utilities.

4. Method of Recording Expenses for Contribution of Reprocessing of Irradiated Nuclear Fuel

For costs required for reprocessing irradiated nuclear fuel and others, contributions specified in Article 4, Paragraph 1 of the “Act on Partial Amendment of the Act on Creation and Management of Trust Funds for Reprocessing of Spent Fuel in Nuclear Power Generation” (Act No. 40 of May 18, 2016) are recorded as expenses according to the amount of irradiated nuclear fuel incurred by the operation.

Of the estimated costs for reprocessing irradiated nuclear fuel accrued by March 31, 2005, for differences resulted from the accounting changes made in the fiscal year ended March 31, 2006 for recognition of the reserve, the Company is deemed to have fulfilled the responsibility for bearing the costs by paying these differences as contributions related to irradiated nuclear fuel in accordance with Article 4 of the Supplementary Provisions to the “Ministerial Ordinance on the Partial Amendment of the Ordinance on Accounting at Electric Utilities, Etc.” (Ordinance of the Ministry of Economy, Trade and Industry No. 94 of September 30, 2016), i.e., an annual expense of ¥30,560 million is recorded as expenses until the year ending March 31, 2020.

5. Method of Recording Decommissioning Costs of Nuclear Power Units

The Company applies Paragraph 8 of “Guidance on Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan (“ASBJ”) Guidance No. 21, March 25, 2011) to the decommissioning measures for specified nuclear power units stipulated by the “Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors” (Act No. 166 of June 10, 1957) and in accordance with the provisions of the “Ministerial Ordinance concerning Reserve for Decommissioning Costs of Nuclear Power Units” (Ordinance of Ministry of Economy, Trade and Industry), the total estimated decommissioning costs of nuclear power units are charged to income by allocating them over the units’ expected operational period plus expected safe storage period on a straight-line basis. The present value of the total estimated amount is recorded as asset retirement obligations.

Additional Information

- Estimated amount of decommissioning costs of the Fukushima Daiichi Nuclear Power Station Units 1 through 4:

The Company records the estimated amount as far as reasonable estimation is possible at this moment, although it might vary from now on, since it is difficult to identify the whole situations of the damages.

6. Accounting for Retirement Benefits

Accounting method for unrecognized actuarial gains and losses for retirement benefits is different from that applied in preparing the consolidated financial statements.

7. Accounting for Consumption Taxes

The tax-exclusion method is applied for the consumption tax and the local consumption tax.

[Notes to Non-consolidated Balance Sheet]

1. Assets Pledged as Collateral and Collateralized Debt

- (1) All of the Company's property is pledged as general collateral for bonds and loans from the Development Bank of Japan Inc.

Bonds (including current portion) ¥ 3,115,987 million

Loans from the Development Bank of Japan Inc.
(including current portion) ¥ 905,269 million

- (2) Pursuant to the Act on Compensation for Nuclear Damage (Act No. 147 of June 17, 1961), the Company has made a deposit as a measure of compensation for damages to be paid as the nuclear operator for cooling of nuclear reactors and treatment of accumulated water, etc. of the Fukushima Daiichi Nuclear Power Station.

Miscellaneous current assets ¥ 120,000 million

2. Accumulated Depreciation of Property, Plant and Equipment ¥6,024,344 million

3. Guarantee Liabilities, etc.

(1) Guarantee liabilities

A. Guarantees of loans from financial institutions to the following companies

Japan Nuclear Fuel Limited ¥ 88,313 million

Morigasaki Energy Service Co. ¥ 26 million

JERA Darwin LNG Pty Ltd ¥ 956 million

Recyclable-Fuel Storage Company ¥ 2,467 million

TeaM Energy Corporation ¥ 7,520 million

SKZ-U LLP ¥ 664 million

B. Guarantee of bonds issued by Japan Nuclear Fuel Limited ¥ 2,742 million

C. Guarantee of performance of ITM O&M Company Limited of the operation and maintenance contract with Arabian Power Company Private Joint Stock Company ¥ 673 million

D. Guarantee of performance of TeaM Sual Corporation of the power sales contract with National Power Corporation ¥ 1,682 million

E. Guarantee of performance of KEPCO Ilijan Corporation of the power sales contract with National Power Corporation ¥ 1,211 million

F. Guarantee of performance of PT IPM Operations and Maintenance Indonesia of the operation and maintenance contract with P.T. Paiton Energy ¥ 750 million

G. Guarantee of loans from financial institutions to employees under a housing financing system, etc. ¥ 160,116 million

Of this guarantee, ¥123,832 million is guarantee for which there are joint and several guarantors other than the Company.

Total ¥ 267,124 million

(2) Contingent liabilities

Contingent liabilities related to nuclear damage compensation

Regarding nuclear damages caused by a series of accidents at the Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Okai Earthquake, with seriously recognizing the Company's position as a causing party, the Company is implementing the compensation from the viewpoint of speedy implementation of compensation for the nuclear

victims with Government support under the Act on Compensation for Nuclear Damage (Act No. 147 of June 17, 1961). The Company has recorded a reserve for compensation for nuclear power-related damages as of the end of the fiscal year regarding the amounts possible to make reasonable estimates based on the “Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage Due to the Accident at the Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO” (August 5, 2011, hereinafter the “Interim Guidelines”) and other state guidelines on compensation decided at the Committee for Adjustment of Compensation for Nuclear Damages Disputes, as well as the Company’s criteria for compensation taking the state guidelines in consideration, actual compensation claims and objective statistical data, but does not record any reserve for indirect damages and losses and/or damages on certain tangible assets for which reasonable estimation is not possible using the Interim Guidelines and currently available data, etc. Furthermore, treatment of wastes and decontamination measures have proceeded under the national fiscal measures based on the “Act on Special Measures concerning the Handling of Environmental Pollution by Radioactive Materials Discharged by the Nuclear Power Plant Accident Accompanying the Earthquake that Occurred off the Pacific Coast of the Tohoku Region on March 11, 2011” (Act No. 110 of August 30, 2011). Costs for these measures have been estimated within a reasonably determinable range based on past experience in acceptance of claims, available data and others. However, the Company cannot estimate the amount of compensation reasonably for costs that are under discussion between the Company and the national government with regard to the appropriate sharing of the costs, under the current circumstances that specific measures are not identifiable.

4. Monetary Receivables and Payables to Subsidiaries and Affiliates

Long-term monetary receivables	Short-term monetary receivables
¥4,686,074 million	¥337,708 million
Long-term monetary payables	Short-term monetary payables
¥417,528 million	¥464,074 million

5. Reserve pursuant to the Provisions of Laws and Regulations Other than the Companies Act

Reserve for preparation of the depreciation of nuclear power construction

Pursuant to Article 27-3 and Article 27-29 of the Electricity Business Act, the Company records a reserve for preparation of the depreciation of nuclear power construction based on the “Ministerial Ordinance concerning Reserve for Preparation of the Depreciation of Nuclear Power Construction” (Ordinance of the Ministry of Economy, Trade and Industry) in order to average the burden of depreciation recognized immediately after the start of operations of the nuclear power stations.

[Notes to Non-consolidated Statement of Income]

Transactions with Subsidiaries and Affiliates

Operating transactions	
Expenses	¥ 179,767 million
Revenues	¥ 793,037 million
Non-operating transactions	¥ 72,542 million

[Notes to Non-consolidated Statement of Changes in Net Assets]

Number of Treasury Shares as of March 31, 2017	3,159,827 shares
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[Notes to Income Taxes]

Major causes for accrual of deferred tax assets are reserve for compensation for nuclear power-related damages, reserve for loss on disaster and asset retirement obligations. Major causes for accrual of deferred tax liabilities are grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation.

Deferred tax assets and liabilities are not presented in the balance sheet because a valuation allowance is credited in an amount equal to the net deferred tax assets after offsetting expected reversal of taxable and deductible temporary differences.

[Notes to Fixed Assets used under Lease]

In addition to the fixed assets recorded on the balance sheet, a part of nuclear power units are used under finance leases that do not transfer ownership of the leased assets.

[Notes to Related Party Transactions]

1. Major Shareholders

Category	Name	Description of business or occupation	Ownership (owned) percentage of voting rights, etc.	Relationship	Transactions	Transaction amounts (million yen)	Account	Fiscal year-end balance (million yen)
Major shareholder	Nuclear Damage Compensation and Decommissioning Facilitation Corporation	Receiving contributions, extending grants-in-aid, consultation and other incidental businesses pursuant to the Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act	50.1% directly (owned)	Receipt of Grants-in-aid and payment of contribution pursuant to the Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act	Receipt of Grants-in-aid (Note 1)	1,141,800	Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	531,974
					Payment of contribution (Note 2)	166,740	Accrued expenses	166,740

The terms and conditions and policies for their determination

(Note 1) Receipt of Grants-in-aid is financial aid given under the provision of Article 41, Paragraph 1 of the Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act.

(Note 2) Payment of contribution is made under the provisions of Article 38, Paragraph 1 of the Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act and Article 52, Paragraph 1 of the same act.

2. Subsidiaries

Category	Name	Description of business or occupation	Ownership (owned) percentage of voting rights, etc.	Relationship	Transactions	Transaction amounts (million yen)	Account	Fiscal year-end balance (million yen)
Subsidiary	TEPCO Fuel & Power, Incorporated	Fuel and thermal power generation businesses, etc.	100.0% directly (own)	Borrowing and lending of funds Interlocking directorate	Bond subscription (Note 1)	1,322,806	Long-term investments in subsidiaries and affiliates	773,632
					Lending of funds (Note 2)	310,924	Long-term investments in subsidiaries and affiliates	86,588
							Short-term due from subsidiaries and affiliates	55,907
					Receipt of deposit of funds (Note 3)	–	Short-term due to subsidiaries and affiliates	119,644

The terms and conditions and policies for their determination

(Note 1) Bond subscription is subscription of ICB (Inter Company Bond) issued by TEPCO Fuel & Power, Incorporated for which the interest rate has been determined on equal terms with bonds, etc. issued by the Company.

(Note 2) Lending of funds is financing to TEPCO Fuel & Power, Incorporated under ICL (Inter Company Loan) for which the interest rate has been determined on equal terms with the Company's loans.

(Note 3) Receipt of deposit of funds is related to CMS (cash management system) and the interest rate has been reasonably determined in view of market rates. Since the transaction is conducted repetitively, disclosure of the transaction amount is omitted.

Category	Name	Description of business or occupation	Ownership (owned) percentage of voting rights, etc.	Relationship	Transactions	Transaction amounts (million yen)	Account	Fiscal year-end balance (million yen)
Subsidiary	TEPCO Power Grid, Incorporated	General power transmission and distribution business, etc.	100.0% directly (own)	Borrowing and lending of funds Debt guarantee received Interlocking directorate	Bond subscription (Note 1)	4,215,815	Long-term investments in subsidiaries and affiliates	3,015,150
					Receipt of bond interest (Note 2)	51,629	Short-term due from subsidiaries and affiliates	9,801
					Lending of funds (Note 3)	877,834	Long-term investments in subsidiaries and affiliates	362,774
							Short-term due from subsidiaries and affiliates	128,023
					Receipt of deposit of funds (Note 4)	–	Short-term due to subsidiaries and affiliates	104,025
					Debt guarantee received (Note 5)	900,000	–	–

The terms and conditions and policies for their determination

- (Note 1) Bond subscription is subscription of ICB (Inter Company Bond) issued by TEPCO Power Grid, Incorporated for which the interest rate has been determined on equal terms with bonds, etc. issued by the Company.
- (Note 2) Receipt of bond interest is related to ICB issued by TEPCO Power Grid, Incorporated.
- (Note 3) Lending of funds is financing to TEPCO Power Grid, Incorporated under ICL (Inter Company Loan) for which the interest rate has been determined on equal terms with the Company's loans.
- (Note 4) Receipt of deposit of funds is related to CMS (cash management system) and the interest rate has been reasonably determined in view of market rates. Since the transaction is conducted repetitively, disclosure of the transaction amount is omitted.
- (Note 5) Debt guarantee received is receipt of debt guarantee from TEPCO Power Grid, Incorporated on the Company's loans, etc. The Company has paid guarantee fees taking into account the credit standing.

Category	Name	Description of business or occupation	Ownership (owned) percentage of voting rights, etc.	Relationship	Transactions	Transaction amounts (million yen)	Account	Fiscal year-end balance (million yen)
Subsidiary	TEPCO Energy Partner, Incorporated	Retail electricity business, etc.	100.0% directly (own)	Sale of electricity Borrowing and lending of funds Interlocking directorate	Sale of electricity (Note 1)	569,879	Accounts receivable - trade	28,499
					Bond subscription (Note 2)	395,002	Long-term investments in subsidiaries and affiliates	231,012
					Lending of funds (Note 3)	92,005	Long-term investments in subsidiaries and affiliates	25,379
							Short-term due from subsidiaries and affiliates	16,604
					Borrowing of funds (Note 4)	400,000	Long-term due to subsidiaries and affiliates	400,000
					Receipt of deposit of funds (Note 5)	—	Short-term due to subsidiaries and affiliates	102,262

The terms and conditions and policies for their determination

(Note 1) The sales price has been determined in light of power generating costs. For power plants to which the feed-in tariff scheme is applied, procurement prices under the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities have been applied.

(Note 2) Bond subscription is subscription of ICB (Inter Company Bond) issued by TEPCO Energy Partner, Incorporated for which the interest rate has been determined on equal terms with bonds, etc. issued by the Company.

(Note 3) Lending of funds is financing to TEPCO Energy Partner, Incorporated under ICL (Inter Company Loan) for which the interest rate has been determined on equal terms with the Company's loans.

(Note 4) For borrowing of funds, the interest rate has been reasonably determined in view of market rates.

(Note 5) Receipt of deposit of funds is related to CMS (cash management system) and the interest rate has been reasonably determined in view of market rates. Since the transaction is conducted repetitively, disclosure of the transaction amount is omitted.

[Notes to Per Share Information]

1. Net Assets per Share 475.60 yen

(Note) Net assets per share are calculated based on total net assets less payment of preferred stock by the Nuclear Damage Compensation and Decommissioning Facilitation Corporation. The basis of calculation is as follows.

(Basis of calculation)

Total net assets on the balance sheet	¥1,762,793 million
Amounts to be deducted from net assets	¥1,000,000 million
Of which payment of preferred stock	¥1,000,000 million
Net assets as of March 31, 2017 attributable to common stock	¥ 762,793 million
Number of shares of common stock as of March 31, 2017	
which was used to calculate net assets per share	1,603,857 thousand shares

2. Net Loss per Share 25.00 yen

[Other Notes]

1. Compensation for Nuclear Power-related Damages and Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation

Regarding nuclear damages caused by a series of accidents at the Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, with seriously recognizing the Company's position as a causing party, the Company is implementing the compensation from the viewpoint of speedy implementation of compensation for the nuclear victims with Government support under the Act on Compensation for Nuclear Damage (Act No. 147 of June 17, 1961).

The Company has recorded compensation for nuclear power-related damages of ¥392,006 million, which is the difference between the estimated amount for the previous year and that of this year which is ¥6,749,153 million after deducting ¥188,926 million of receipt of compensation pursuant to the provision of the "Act on Contract for Indemnification of Nuclear Damage Compensation" (Act No. 148 of June 17, 1961) and ¥1,526,096 million of grants-in-aid applied pursuant to the provision of the "Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act" (Act No. 94 of August 10, 2011; hereinafter the "Act on Corporation") (hereinafter the "Grants-in-aid") corresponding to the compensation liability owed by the Company to the state based on the "Act on Special Measures concerning the Handling of Environmental Pollution by Radioactive Materials Discharged by the Nuclear Power Plant Accident Accompanying the Earthquake that Occurred off the Pacific Coast of the Tohoku Region on March 11, 2011" (Act No. 110 of August 30, 2011), etc. (a liability recognized on or after January 1, 2015, hereinafter the "Cost of Decontamination, etc.") from ¥8,464,177 million of the estimated compensation based on the "Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage Due to the Accident at the Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO" (August 5, 2011) and other state guidelines on compensation decided at the Committee for Adjustment of Compensation for Nuclear Damages Disputes, as well as the Company's criteria for compensation taking the state guidelines in consideration, actual compensation claims and objective statistical data.

The Company has recorded the estimated compensation amounts as far as reasonable estimation is possible at this moment, although they might vary from now on, depending on newly decided state guidelines on compensation, the formulation of the Company's criteria for compensation, more accurate reference data and agreements with the victims in the future.

On the other hand, for the purpose of speedy and appropriate implementation of compensation, Nuclear Damage Compensation and Decommissioning Facilitation Corporation (hereinafter the "Corporation") will provide necessary financial assistance to an applying nuclear operator based on the Act on Corporation.

It is necessary for the Company to receive necessary financial aid from the Corporation in order to execute prompt and appropriate compensation, since the compensation for nuclear damages is the estimated amount to be presented as the payment from the Company, although it should be agreed upon by the nuclear victims. Accordingly, based on the provision of Article 43, Paragraph 1 of the Act on Corporation, the Company submits an application for financial support of the compensation for nuclear damages as the estimated amount for the required compensation amount as of the application date for financial support. On December 27, 2016, the Company submitted an application for a change of the amount of financial support to ¥8,366,405 million, which was the estimated amount as of that date, and recorded ¥294,234 million as Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation for the fiscal year ended March 31, 2017. This amount is calculated as the difference between ¥6,651,381 million, which is the balance after deducting ¥188,926 million of receipt of compensation and ¥1,526,096 million of Grants-in-aid corresponding to the Cost of Decontamination, etc. from the aforesaid estimated amount as of December 27, 2016, and the amount applied on March 18, 2016.

In receiving the financial assistance, the recipient shall pay a special contribution defined by the Corporation pursuant to the provision of Article 52, Paragraph 1 of the Act on Corporation, but the Company has not recorded such an amount, except for that notified from the Corporation as

applicable to the fiscal year, since the amount is determined by resolution of the steering committee of the Corporation every fiscal year in light of the Company's status of revenue and expense and requires the approval of the minister in charge.

2. Revision of the Ordinance on Accounting at Electric Utilities in line with the enforcement of the "Act on Partial Amendment of the Act on Creation and Management of Trust Funds for Reprocessing of Spent Fuel in Nuclear Power Generation"

On October 1, 2016, the "Act on Partial Amendment of the Act on Creation and Management of Trust Funds for Reprocessing of Spent Fuel in Nuclear Power Generation" (Act No. 40 of May 18, 2016; hereinafter the "Amendment Act") and the "Ministerial Ordinance on the Partial Amendment of the Ordinance on Accounting at Electric Utilities, Etc." (Ordinance of the Ministry of Economy, Trade and Industry No. 94 of September 30, 2016; hereinafter the "Amendment Ordinance") went into effect, and the Ordinance on Accounting at Electric Utilities was revised.

For costs required for reprocessing irradiated nuclear fuel and others, previously reserve was made at the present value of such costs calculated according to the amount of irradiated nuclear fuel incurred by operating nuclear power plants. However, on and after the date of enforcement, contributions specified in Article 4, Paragraph 1 of the Amendment Act are recorded as expenses for contribution of reprocessing of irradiated nuclear fuel, according to the amount of irradiated nuclear fuel incurred by the operation.

In addition, with the enforcement of the Amendment Act, for costs required for reprocessing irradiated nuclear fuel in nuclear power generation, a nuclear operator is deemed to have fulfilled the responsibility for bearing the costs by paying contributions to the Nuclear Reprocessing Organization of Japan (hereinafter the "Organization"), and the Organization conducts reprocessing and other treatments.

In line with the enforcement of the Amendment Ordinance, trust funds for reprocessing of irradiated nuclear fuel of ¥838,864 million were offset by reserve for reprocessing of irradiated nuclear fuel, and reserve for reprocessing of irradiated nuclear fuel of ¥15,727 million and reserve for preparation of the reprocessing of irradiated nuclear fuel of ¥74,959 million were reversed. At the same time, of reserve for preparation of the reprocessing of irradiated nuclear fuel, ¥65,010 million was transferred to miscellaneous long-term liabilities. In addition to this, ¥30,477 million was transferred to miscellaneous long-term liabilities.

Of irradiated nuclear fuel used in calculation of reserve for reprocessing of irradiated nuclear fuel prior to the enforcement of the Amendment Act, the balance of estimated differences related to the present value of such costs calculated according to the amount of irradiated nuclear fuel that was reported to the Minister of Economy, Trade and Industry as such fuel with a specific reprocessing plan of ¥464,269 million as of March 31, 2016 is not recognized due to the enforcement of the Amendment Act.

3. Financial Covenants

Financial covenants on the financial position and operating results of the Company and its Group companies are attached to the Company's bonds of ¥401,882 million, current portion of long-term debt of ¥895,669 million and short-term loans of ¥579,995 million.

4. Fixed Assets Necessary for Scrapping Reactors and Fixed Assets Requiring Maintenances Even after Having Discontinued Operation of Reactors

The carrying value of the fixed assets necessary for scrapping reactors and fixed assets requiring maintenances even after having discontinued operation of reactors is ¥366,807 million.

5. Transactions under Common Control

On April 1, 2016, the Company transferred its fuel and thermal power generation business (excluding fuel transport business and fuel trading business), general power transmission and

distribution business, and retail electricity business through company splits to TEPCO Fuel & Power, Incorporated (name changed from Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated as of April 1, 2016), TEPCO Power Grid, Incorporated (name changed from Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated as of April 1, 2016), and TEPCO Energy Partner, Incorporated (name changed from Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated as of April 1, 2016),” respectively. In this way, the Company introduced a holding company system and changed its trade name to Tokyo Electric Power Company Holdings, Incorporated.

(1) Overview of the transactions

1) Name and description of business involved in the transactions

Fuel and thermal power generation business (excluding fuel transport business and fuel trading business), general power transmission and distribution business, retail electricity business, etc.

2) Date of business combination

April 1, 2016

3) Legal form of business combination

Absorption-type splits in which the Company is the splitting company, and the Company’s wholly owned subsidiaries TEPCO Fuel & Power, Incorporated (name changed from Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated as of April 1, 2016), TEPCO Power Grid, Incorporated (name changed from Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated as of April 1, 2016), and TEPCO Energy Partner, Incorporated (name changed from Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated as of April 1, 2016) are the succeeding companies

4) Company name after business combination

Tokyo Electric Power Company Holdings, Incorporated

5) Overview of the transactions including the purpose

The Company transferred the businesses through absorption-type splits to the succeeding companies and made the transition to a holding company system in order to respond flexibly and swiftly to the new business environment after the full liberalization of the electricity retail market.

(2) Overview of implemented accounting treatments

The above transactions were treated as transactions under common control in accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, September 13, 2013).