

To Our Shareholders and Investors



Kazuhiko Shimokobe,
Chairman



Naomi Hirose,
President

First of all, we would like to express our deepest apologies to our shareholders and investors as well as the people in the surrounding areas and, indeed, all of society for the trouble and anxiety brought about by the series of accidents at Fukushima Daiichi Nuclear Power Station in 2011.

Even now, over a year after the accidents at the nuclear power station, a number of people are still forced to live as refugees. The large scope of the disaster area and the time needed for reconstruction are evidence of the unprecedented scale of this crisis, the first case of a severe nuclear accident in Japan.

Amid these conditions, we are facing a number of challenging tasks. TEPCO is striving to provide compensation to those afflicted by the accident with courtesy and in an empathetic manner, while decommissioning Fukushima Daiichi Nuclear Power Station, a task that is expected to be a long struggle. Of course, we are working to secure a stable electricity supply for customers during the current suspension of our nuclear power generation. Drawing on every possible measure and resource, we will endeavor to overcome these challenges and ask for the continued support and cooperation of numerous related parties, such as Japanese national and local governments.

On the other hand, TEPCO's financial position and profit structure has been deteriorating in the aftermath of the accidents. Without implementing fundamental measures to improve these factors, it will be difficult for us to meet our obligations to compensate sufferers and complete the decommissioning of Fukushima Daiichi Nuclear Power Station. Addressing these issues, TEPCO formulated the Comprehensive Special Business Plan—which focuses on our tasks and countermeasures, such as drastic streamlining, management reforms and other steps—jointly with the Nuclear Damage Liability Facilitation Fund (NDF). Also, to

strengthen its financial position, TEPCO has decided to issue preferred shares by third party allotment, with NDF as allottee. We express our deepest apologies for the relative dilution of our common shares. This will be a further strain that we ask our shareholders to bear, in addition to the continuous non-payment of dividends.

Given these circumstances, TEPCO has changed its management structure to that of a company with committees, with the aim of improving management objectivity and transparency. We also renovated the board of directors, establishing a management structure where the majority of the board members are outside directors. Under the new management structure, and with the determination to start again from scratch, TEPCO is strongly committed to drastically streamlining management and maximizing its efforts to regain the trust of people throughout society by fulfilling its compensation obligations and completing the decommissioning while securing a stable electricity supply.

We sincerely ask our shareholders and investors for their understanding amid these extremely severe circumstances and request their continued support for and cooperation with our future efforts.

A handwritten signature in black ink that reads "K. Shimokobe". The signature is written in a cursive, flowing style.

Kazuhiko Shimokobe, *Chairman*

A handwritten signature in black ink that reads "Naomi Hirose". The signature is written in a cursive, flowing style.

Naomi Hirose, *President*