

# To Our Shareholders and Investors



Fumio Sudo, Chairman



Naomi Hirose, President

First of all, we would like to express our deepest apologies to our shareholders and investors as well as those in the areas around the power stations and, indeed, all of society for anxiety brought about by the accident at Fukushima Daiichi Nuclear Power Station. It is our sincere regret that the accident has troubled such a many people for more than three years despite our uttermost efforts to stabilize the situations.

## **Our Responsibilities regarding the Revitalization of Fukushima**

In line with the Comprehensive Special Business Plan approved by the national government, TEPCO has been pushing forward with the paying out of compensation and decommissioning of nuclear reactors, rallying all management resources groupwide to fulfill its responsibilities regarding the revitalization of Fukushima. Although the problems of contaminated water derived from the decommissioning process have caused particular concerns for the general public, we are taking various steps to keep the groundwater from infiltrating the sources of contamination, such as building a groundwater bypass, while initiating the construction of an “impermeable wall using the frozen soil method” and installing additional contaminated water storage tanks. With the cooperation of the government and other related institutions, we are striving to resolve these problems by the end of fiscal 2014.

## **Achieving Both “Responsibility” and “Competitiveness”**

While persisting with the payment of compensation, decommissioning and securing the stability of the electricity supply, we are striving to generate resources necessary to assist with the revitalization of Fukushima. To this end, we recognize that it is crucial for us to be prepared for market competition following the upcoming full liberalization of the electric power industry. With this in mind, TEPCO will shift to a Holding Company System in fiscal 2016 in anticipation of Electricity System Reform with the aim of adopting a corporate form that enables it to implement management strategies optimized to the characteristics of each busi-

ness operation. Moreover, plans call for expanding our businesses by taking a bold approach involving the unprecedented establishment of comprehensive business alliances. This will entail a shift from conventional management approaches and business models and allow us to build an operating platform capable of helping us fulfill our responsibilities over the long term.

## **Creating New Value**

Along with undertaking the abovementioned initiatives, we recognize that it is essential that we build a corporate structure in which every employee, every business unit and every company is subject to fair evaluation based on clearly defined parameters regarding work targets, roles and responsibilities. At the same time, each should be exposed to internal and external competition that will push the development of business acumen. Therefore, we will facilitate drastic changes in employees’ mindsets in step with our efforts aimed at reforming business models. In these ways, we will pursue the creation of new value, with all Group companies working as one to gain the confidence of our shareholders and investors.

We express our deepest apologies for the continued non-payment of dividends and sincerely ask for your understanding of and cooperation with our future efforts.

Fumio Sudo, Chairman

Naomi Hirose, President