

# To Our Shareholders and Investors



Fumio Sudo, Chairman



Naomi Hirose, President

It is our sincere regret that more than four years later the accident at the Fukushima Daiichi Nuclear Power Station continues to trouble so many people, including our shareholders and investors as well as the residents of areas in the vicinity of the power station. Going forward, we will make the utmost efforts to stabilize the situation while maintaining compassion in our heart for the plight of the people of Fukushima.

## Our Responsibilities regarding the Revitalization of Fukushima

In line with the Comprehensive Special Business Plan approved by the Japanese government, TEPCO has been pushing forward with the paying out of compensation and decommissioning of nuclear reactors. In doing so, the Company has worked in close cooperation with the government while rallying all management resources groupwide to fulfill its responsibilities regarding the revitalization of Fukushima. In particular, to deal with the problem of contaminated water, we introduced a multi-layered approach—including the use of ALPS multi-nuclide removal equipment—for the purification of the heavily contaminated water derived from the decommissioning process that is the particular focus of public anxiety. Thanks to these efforts, we were able to complete the purification treatment of all of the heavily contaminated water by May 2015, except for a small residual amount at the bottom of the storage tanks.

Moreover, we finished the removal of all fuel from the spent fuel pool of Unit 4 of the Fukushima Daiichi Nuclear Power Station in December 2014 and have been conducting surveys inside the reactor containment vessels with an eye to removing fuel debris, thereby making steady progress toward decommissioning.

## Achieving Both “Accountability” and “Competitiveness”

While persisting with the payment of compensation, decommissioning and securing the stability of the electricity supply, we are striving to secure the funds necessary to the revitalization of Fukushima. In addition, we recognize that it is crucial for us to be prepared for market competition following the full liberalization of the electricity retail market scheduled for April 2016. With this in mind, in concert with said liberalization TEPCO will shift to a Holding Company System earlier than other utilities propose to do so, as it aims to adopt the corporate form that best enables it to implement management strategies optimized to the characteristics of each business operation.

To further enhance our competitiveness, we formed a comprehensive alliance with Chubu Electric Power Co., Inc., promoting business collaboration encompassing the entire supply chain, from upstream investment and fuel procurement through power generation. Going forward, we intend to utilize alliances with diverse businesses other than utilities, thereby creating synergies to strengthen our operations in the retail market. These are a few examples of our ongoing efforts to build an operating platform capable of helping us fulfill our responsibilities over the long term.

## Enhancing Our Corporate Vale

TEPCO believes that if it wants the aforementioned initiatives to yield greater profits, it is important to enhance the fairness and transparency of management. Specifically, we recognize that complying with Japan’s Corporate Governance Code, which came into effect in June 2015, constitutes a vital component of our business foundation. In line with this recognition, we will implement various corporate reforms to enhance productivity while pursuing forward-looking initiatives aimed at constantly creating new value, with all Group companies working as one to gain the confidence of our shareholders and investors.

Although it is with sincere regret that TEPCO had to continue the non-payment of dividends for fiscal 2015 we sincerely ask for shareholders’ understanding of and cooperation with our future efforts.

Fumio Sudo, Chairman

Naomi Hirose, President