

Transition to a Holding Company System through Company Split

In April 2016, TEPCO will shift to a Holding Company System comprising a holding company and three operating subsidiaries, as announced in the New Comprehensive Special Business Plan approved by the government in January 2014.

【 Background and Objectives of the Transition to a Holding Company System 】

As demand for electric power decreases due to energy conservation efforts and the development of low-energy products, there are plans for the full liberalization of the electricity retail market in April 2016 and for the statutory separation of electricity transmission and distribution divisions in 2020. Japan's electric power market is witnessing a period of great change.

In this environment, for TEPCO to continue fulfilling its responsibilities associated with the Fukushima nuclear power accident and to maintain an inexpensive and stable supply of electric power, it is essential for each business division to apply the best business strategies that suit its characteristics and work to improve the corporate value of the overall TEPCO Group.

Given these circumstances, TEPCO has decided to transition to a Holding Company System with the aim of achieving both "responsibility and competitiveness." The transition is scheduled for April 2016 in concert with the introduction of the licensing system as the second step in electric power systems reform.

【 Strategies of Each Business Company 】

Fuel and Thermal Power Generation Business Company

Starting with a comprehensive alliance with Chubu Electric Power Co., Inc., this company will embark on a drastic rethinking of the business structures of the overall supply chain from upstream operations to power generation, and transform into an energy company that is dynamically spearheading business development around the world.

General Power Transmission and Distribution Business Company

While continuing to ensure a reliable power supply, this company will achieve the most competitive wheeling costs in Japan. And, while maintaining and improving the neutrality and impartiality of its business operations, this company will promote the improvement of its transmission and distribution network convenience, optimization of operations, and coordination with other electric power companies.

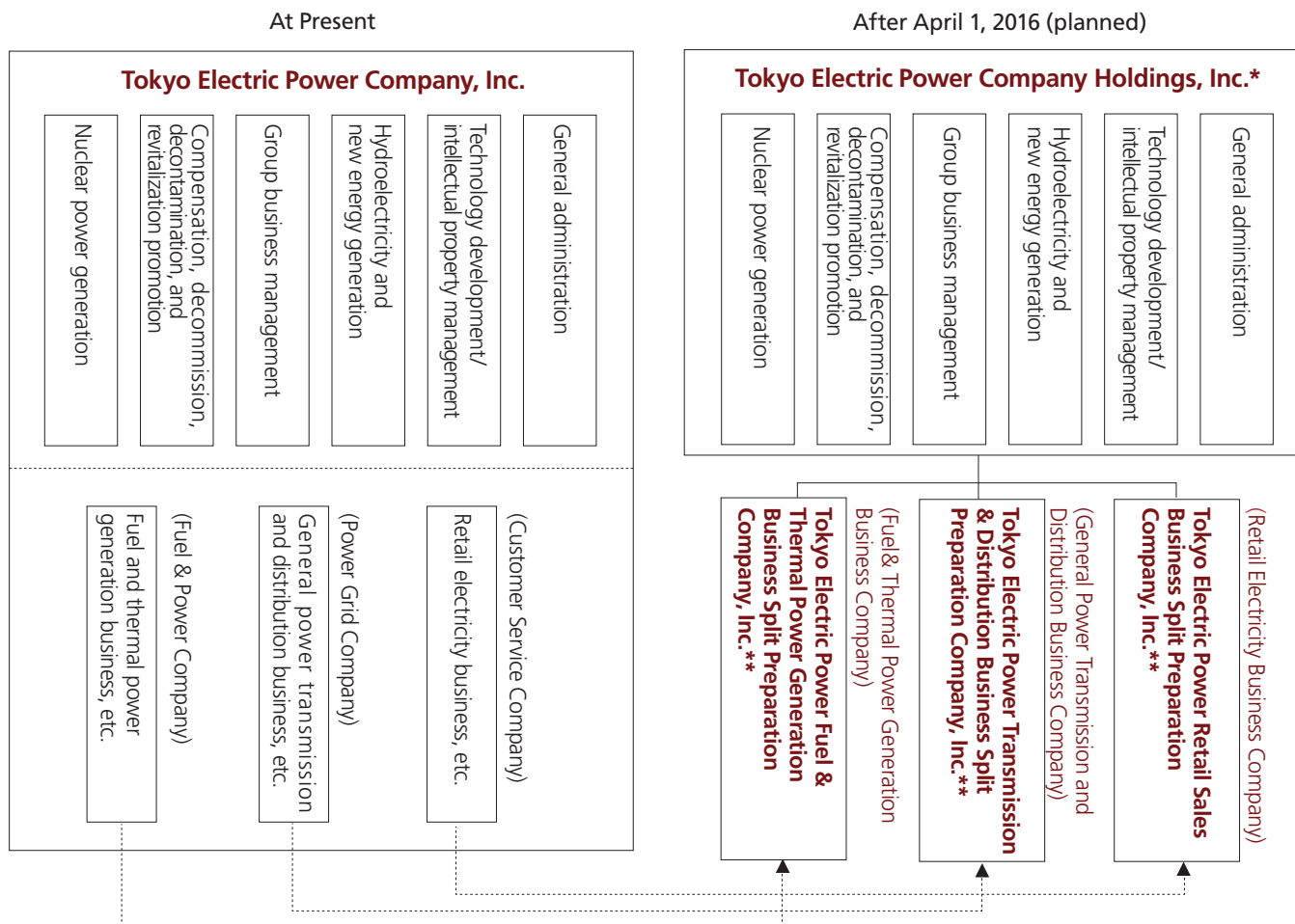
Retail Electricity Business Company

While leveraging alliances with other companies, this company will offer and provide Japanese customers with products and services, adopting the viewpoint of its customers and focusing on efficient energy consumption as well as one-stop power and gas services.

And the holding company will be responsible for dealing with compensation, decommissioning, decontamination, and promoting revitalization. By setting forth management strategies for the overall group and optimally distributing management resources, the holding company will work to enhance the efficiency of business operations and the Group's competitiveness.

Through the construction of this sort of business operation system, TEPCO will work to establish a more robust revenue base towards sustainable regeneration, fulfill the responsibilities of the overall TEPCO Group for the Fukushima nuclear accident, create resources for Fukushima's revitalization, and improve the corporate value of the entire Group.

Group Organization and Each Subsidiary's Business Operations



* Tokyo Electric Power Company, Inc. plans to change its trade name to Tokyo Electric Power Company Holdings, Inc. as of April 1, 2016.

** Each of the succeeding companies plans to change its trade name as of April 1, 2016.

Succeeding Company	Descriptions of Business Divisions Subject to Split
Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Inc. (Fuel & Thermal Power Generation Business Company)	<ul style="list-style-type: none"> • Thermal power generation business (excluding business on remote islands) • Fuel procurement, resource development, and steam supply businesses pertaining to thermal power generation • Investment business in the foregoing
Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Inc. (General Power Transmission & Distribution Business Company)	<ul style="list-style-type: none"> • General power transmission and distribution business • Real property lease business • Power generation business in remote islands
Tokyo Electric Power Retail Sales Business Split Preparation Company, Inc. (Retail Electricity Business Company)	<ul style="list-style-type: none"> • Retail electricity business • Gas business • Steam supply business (excluding business in connection with thermal power generation) • Energy equipment service business • Internet service business