

## Meeting Transcript (Q&A Session)

Event Date: July 29, 2016

Event Name: TEPCO Holdings Investor Meeting for FY 2016 1<sup>st</sup> Quarter Financial Results

### Corporate Participants:

Naomi Hirose Tokyo Electric Power Company Holdings, Inc., President

Seiichi Fubasami Tokyo Electric Power Company Holdings, Inc., Managing Executive Officer

Noriaki Taketani Tokyo Electric Power Company Holdings, Inc., Managing Executive Officer

### Q&A Session

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[“Management policy under a rapidly changing environment” (announced on July 28)]

Q: What type of scheme is being considered specifically for the support by the government related to the promotion of Fukushima Daiichi Nuclear Power Station reactor decommissioning?

A: Nothing has been concretely decided as of now, since discussions are yet to be done with the government. Reactor decommissioning will naturally be initiated by TEPCO Holdings but the details regarding bearing of expenses have not been finalized. As per the Mid-and-long-Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Units 1-4, the method of fuel debris extraction is planned to be finalized in the first half of FY2018 and framework for bearing of expenses will need to be discussed in advance.

[Intermediate review by the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (announced on May 27)]

Q: The FY2015 intermediate review of “Management Evaluation related to Responsibilities and Competition” by the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF) pointed out about the importance of radical improvement in balance of payments and rating of corporate bonds. How is this being taken?

A: Since there are 8 months remaining until the management evaluation scheduled to be executed at the end of FY2016, we will continue to make steady efforts so that we will be able to receive a conclusive evaluation by NDF.

Regarding issuing of bonds for the second half of this fiscal year, we plan to organize the fundamentals so as to receive high evaluation from investors, and proceed to understand how much capital is required and examine the timing of issuing the bonds.

[Impact of full liberalization of power retailing on the balance of payments]

Q: What will be the extent of impact of full liberalization of power retailing on the balance of payments?

A: After the start of full liberalization, there are approximately 760,000 switching contracts till the end of June. Though there are divided opinions about whether this number is large or small, we feel that the impact on the balance of payments is limited for the first quarter. However, since only a few months have passed since the start of full liberalization and other companies are also

devising low rate menus, etc., TEPCO Energy Partner, Incorporated will also implement necessary countermeasures.

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