

FY2016 Financial Results

(April 1, 2016 – March 31, 2017)

Tokyo Electric Power Company Holdings, Inc.

Regarding Forward-Looking Statements

Certain statements in the following presentation regarding TEPCO Group's business operations may constitute "forward-looking statements." As such, these statements are not historical facts but rather predictions about the future, which inherently involve risks and uncertainties, and these risks and uncertainties could cause TEPCO Group's actual results to differ materially from the forward-looking statements herein.

(Note)

Please note that the following is an accurate and complete translation of the original Japanese version prepared for the convenience of our English-speaking investors. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Overview of FY2016 Financial Results

(Released on April 28, 2017)

< FY2016 Financial Results >

- Ordinary revenue decreased for the second consecutive year due to a decrease in the unit price of electricity resulting from fuel cost adjustments.
- Ordinary expenses decreased due to the fall of fuel prices and the continued extensive cost reduction efforts on TEPCO Group level, therefore ordinary income achieved profits for the fourth consecutive year.
- However, time-lag effect caused by fuel cost adjustments, which made positive contribution in FY2015, made negative contribution in FY2016, and ordinary income decreased for the first time in five years and net income decreased for the second consecutive year.

< Dividends >

- TEPCO decided not to pay out for fiscal 2016 year-end dividends.
- No interim and year-end dividends are planned for fiscal 2017.

1. Consolidated Financial Results

(Unit: Billion Yen)

	FY2016 (A)	FY2015 (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	5,357.7	6,069.9	-712.1	88.3
Operating Income	258.6	372.2	-113.5	69.5
Ordinary Income	227.6	325.9	-98.3	69.8
Extraordinary Income	330.6	773.0	-442.3	-
Extraordinary Loss	411.3	911.9	-500.6	-
Net Income attributable to owners of parent	132.8	140.7	-7.9	94.3

2. Electricity Sales Volume/ Key Factors Affecting Performance

Electricity Sales Volume

(Unit: Billion kWh)

	FY2016* (A)	FY2015 (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Lighting	86.4	89.4	-3.0	96.6
Power	155.1	157.7	-2.5	98.4
Total	241.5	247.1	-5.6	97.8

* Excluding islands. Including nation-wide sales.

Key Factors Affecting Performance

	FY2016 (A)	FY2015 (B)	(A)-(B)
Foreign Exchange Rate (Interbank, yen/dollar)	108.4	120.2	-11.8
Crude Oil Prices (All Japan CIF, dollar/barrel)	47.5	48.8	-1.3
LNG Prices (All Japan CIF, dollar/barrel)	40.2	50.2	-10.0

3. Ordinary Revenue (Consolidated)

(Unit: Billion Yen)

	FY2016 (A)	FY2015 (B)	Comparison		
			(A)-(B)	(A)/(B) (%)	
(Operating Revenue)	5,357.7	6,069.9	-712.1	88.3	<ul style="list-style-type: none"> Effect of fuel cost adjustments -772.0
Electricity Sales Revenue	4,426.2	5,237.0	-810.8	84.5	
Lighting	1,990.9	2,295.3	-304.4	86.7	Total of TEPCO Holdings and three Core Operating Companies (TEPCO Fuel & Power, TEPCO Power Grid and TEPCO Energy Partner) (after intercompany elimination)
Power	2,435.3	2,941.7	-506.3	82.8	
Power Sold to Other Utilities and Suppliers	164.5	182.2	-17.6	90.3	
Other Revenue	674.0	579.8	94.1	116.2	Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after intercompany elimination)
(Written again) Grant under Act on Procurement of Renewable Electric Energy	294.0	214.6	79.4	137.0	
Subsidiaries/ Affiliated Companies	155.1	141.8	13.2	109.4	
Ordinary Revenue	5,420.0	6,141.0	-721.0	88.3	

Effect of fuel cost adjustments -772.0

Total of TEPCO Holdings and three Core Operating Companies (TEPCO Fuel & Power, TEPCO Power Grid and TEPCO Energy Partner) (after intercompany elimination)

Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after intercompany elimination)



4. Ordinary Expenses (Consolidated)

	(Unit: Billion Yen)				
	FY2016 (A)	FY2015 (B)	Comparison		
			(A)-(B)	(A)/(B) (%)	
Personnel Expenses	332.9	369.3	-36.3	90.1	<ul style="list-style-type: none"> • Effect of price fluctuations of exchange rate, fuel prices (CIF) and others -440.0 • Decrease in thermal power generation -13.0
Fuel Expenses	1,162.4	1,615.4	-452.9	72.0	
Maintenance Expenses	319.9	389.9	-70.0	82.0	<ul style="list-style-type: none"> • Decrease in expenses for periodic inspection for thermal power plants and for maintaining the stabilization status at Fukushima Daiichi NPS, and others
Depreciation	551.3	603.7	-52.4	91.3	
Power Purchasing Costs	935.1	977.0	-41.9	95.7	
Interest Paid	75.7	87.2	-11.5	86.8	<ul style="list-style-type: none"> • Decrease of purchase from cooperative thermal power companies and others
Taxes, etc.	300.4	306.7	-6.2	98.0	
Nuclear Back-end Costs	49.0	62.4	-13.3	78.6	<ul style="list-style-type: none"> Total of TEPCO Holdings and three Core Operating Companies (after intercompany elimination)
Other Expenses	1,316.1	1,259.6	56.4	104.5	
(Written again) Payment under Act on Procurement of Renewable Electric Energy	472.0	331.2	140.8	142.5	<ul style="list-style-type: none"> Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after intercompany elimination)
Subsidiaries/ Affiliated Companies	149.1	143.4	5.7	104.0	
Ordinary Expenses	5,192.4	5,815.1	-622.7	89.3	
(Operating Income)	(258.6)	(372.2)	(-113.5)	69.5	
Ordinary Income	227.6	325.9	-98.3	69.8	

• Effect of price fluctuations of exchange rate, fuel prices (CIF) and others -440.0

• Decrease in thermal power generation -13.0

• Decrease in expenses for periodic inspection for thermal power plants and for maintaining the stabilization status at Fukushima Daiichi NPS, and others

• Decrease of purchase from cooperative thermal power companies and others

Total of TEPCO Holdings and three Core Operating Companies (after intercompany elimination)

Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after intercompany elimination)

5. Extraordinary Income/ Loss (Consolidated)

(Unit: Billion Yen)

	FY2016	FY2015	Comparison
Extraordinary Income	330.6	773.0	-442.3
Grants-in-aid from NDF*	294.2	699.7	-405.5
Gain on change in equity	36.4	12.2	24.2
Gain on revision of retirement benefit plan	–	61.0	-61.0
Extraordinary Loss	411.3	911.9	-500.6
Extraordinary loss on disaster	19.3	–	19.3
Expenses for Nuclear Damage Compensation	392.0	678.6	-286.6
Impairment loss related to establishment of competitive base	–	233.3	-233.3
Extraordinary Income/ Loss	-80.6	-138.9	58.2

<Extraordinary Income>

Grants-in-aid from NDF

- Application for financial support from NDF in December 2016

Gain on change in equity

- Effects of transfer of fuel business for thermal power generation and overseas thermal power generation business etc. to JERA

<Extraordinary Loss>

Extraordinary loss on disaster

- Increase in the estimated amount of expenses for decommissioning Fukushima Daiichi NPS etc.

Expenses for Nuclear Damage Compensation

- Increase in the estimated amount of compensation for opportunity losses on businesses and damage to reputation among other factors

* Nuclear Damage Compensation and Decommissioning Facilitation Corporation

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6. Consolidated Financial Position

- Total assets decreased 1,382.1 billion yen primarily due to contribution of reserve fund for reprocessing of irradiated nuclear fuel to Nuclear Reprocessing Organization of Japan.
- Total liabilities decreased 1,512.7 billion yen primarily due to reversal of provision for reprocessing of irradiated nuclear fuel.
- Equity ratio improved by 3.0 points.

Balance Sheets as of Mar. 31, 2016

Total Assets 13,659.7 billion yen	Liabilities 11,441.6 billion yen
	Net Assets 2,218.1 billion yen

Equity Ratio: 16.1%

Balance Sheets as of Mar. 31, 2017

Decrease in Liabilities
-1,512.7 billion yen

- Provision for Reprocessing of Irradiated Nuclear Fuel
 - 923.7 billion yen
- Interest-bearing Debt
 - 601.8 billion yen

Increase in Net Assets
+130.5 billion yen

- Record net income attributable to owners of parent
 +132.8 billion yen

Improved by 3.0 points

Total Assets 12,277.6 billion yen	Liabilities 9,928.9 billion yen

Decrease in Assets -1,382.1 billion yen
 • Reserve fund for reprocessing of irradiated nuclear fuel
 -894.5 billion yen
 • Cash and deposits
 -482.2 billion yen
 etc.

Equity Ratio: 19.1%

Supplemental Material

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FY2016 Financial Results

Detailed Information

Consolidated Statements of Income

(Unit: Billion Yen)

	FY2016 (A)	FY2015(B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenues	5,357.7	6,069.9	-712.1	88.3
Operating Expenses	5,099.0	5,697.6	-598.6	89.5
Operating Income	258.6	372.2	-113.5	69.5
Non-operating Revenues	62.2	71.1	-8.8	87.5
Investment Gain under the Equity Method	26.1	22.9	3.2	114.1
Non-operating Expenses	93.3	117.4	-24.0	79.5
Ordinary Income	227.6	325.9	-98.3	69.8
Reserve for preparation of depreciation of nuclear power construction	0.5	0.4	0.0	122.9
Extraordinary Income	330.6	773.0	-442.3	—
Extraordinary Loss	411.3	911.9	-500.6	—
Income Tax, etc.	13.3	44.3	-30.9	30.1
Net Income attributable to non-controlling interests	0.3	1.5	-1.1	20.5
Net Income attributable to owners of parent	132.8	140.7	-7.9	94.3

Breakdown of Consolidated Ordinary Revenues

(Unit: Billion Yen)

	FY2016 (A)	FY2015 (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Ordinary Revenues	5,420.0	6,141.0	-721.0	88.3
Operating Revenues	5,357.7	6,069.9	-712.1	88.3
Operating Revenues from Electric Power Business	5,100.7	5,791.3	-690.5	88.1
Electricity Sales Revenues	4,426.2	5,237.0	-810.8	84.5
Lighting	1,990.9	2,295.3	-304.4	86.7
Power	2,435.3	2,941.7	-506.3	82.8
Power Sold to Other Utilities	55.9	122.6	-66.7	45.6
Power Sold to Other Suppliers	108.6	59.5	49.0	182.3
Other Revenues	509.9	372.0	137.9	137.1
Operating Revenues from Incidental Business	81.4	105.6	-24.1	77.1
Non-operating Revenues	62.2	71.1	-8.8	87.5

(Note)

(Note) Total of TEPCO Holdings and three Core Operating Companies (after intercompany elimination)

Breakdown of Consolidated Ordinary Expenses

(Unit: Billion Yen)

	FY2016 (A)	FY2015 (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Ordinary Expenses	5,192.4	5,815.1	-622.7	89.3
Operating Expenses	5,099.0	5,697.6	-598.6	89.5
Operating Expenses for Electric Power Business	4,878.7	5,469.7	-590.9	89.2
Personnel	332.9	369.3	-36.3	90.1
Fuel	1,162.4	1,615.4	-452.9	72.0
Maintenance	319.9	389.9	-70.0	82.0
Depreciation	551.3	603.7	-52.4	91.3
Power Purchasing	935.1	977.0	-41.9	95.7
Taxes, etc.	300.4	306.7	-6.2	98.0
Nuclear Power Back-end	49.0	62.4	-13.3	78.6
Others	1,227.4	1,145.0	82.4	107.2
Operating Expenses for Incidental Business	71.8	86.4	-14.6	83.1
Non-operating Expenses	93.3	117.4	-24.0	79.5
Interest Paid	75.5	87.0	-11.4	86.8
Other Expenses	17.7	30.4	-12.6	58.4

(Note)

(Note) Total of TEPCO Holdings and three Core Operating Companies (after intercompany elimination)

Year-on-Year Comparison of Consolidated Ordinary Expenses - 1

Personnel expenses (¥369.3 billion to ¥332.9 billion) - ¥36.3 billion

Salary and benefits (¥258.3 billion to ¥254.5 billion) - ¥3.7 billion

Retirement benefits (¥43.3 billion to ¥14.5 billion) - ¥28.7 billion

Amortization of actuarial difference - ¥27.2 billion (¥20.4 billion to -¥6.7 billion)

<Amortization of Actuarial Difference>

(Unit: Billion Yen)

	Expenses / Provisions in Each Period			Amount Uncharged as of Mar. 31, 2017
	Expenses incurred	FY2015 Charged	FY2016 Charged	
FY2013	72.8	24.2	-	-
FY2014	-38.1	-12.7	-12.7	-
FY2015	26.6	8.8	8.8	8.8
FY2016	-8.9	-	-2.9	-5.9
Total		20.4	-6.7	2.9

Note: Actuarial gain and loss are amortized by the straight-line method over three years.

Fuel expenses (¥1,615.4 billion to ¥1,162.4 billion) - ¥452.9 billion

Consumption volume **Approx. - ¥13.0 billion**

Decrease in thermal power generation **Approx. - ¥13.0 billion**

Price **Approx. - ¥440.0 billion**

Decrease due to fluctuations of foreign exchanges **Approx. - ¥118.0 billion**

Decrease due to fluctuations of CIF crude oil price, and others **Approx. - ¥322.0 billion**

Year-on-Year Comparison of Consolidated Ordinary Expenses - 2

Maintenance expenses (¥389.9 billion to ¥319.9 billion)

-¥70.0 billion

Generation facilities (¥168.0 billion to ¥118.8 billion)

- ¥49.1billion

Hydroelectric power (¥13.7 billion to ¥8.0 billion)

- ¥5.6 billion

Thermal power (¥80.3 billion to ¥66.8 billion)

- ¥13.4 billion

Nuclear power (¥73.8 billion to ¥43.7 billion)

- ¥30.0 billion

Renewable energy (¥0.1 billion to ¥0.2 billion)

+¥0.0 billion

Distribution facilities (¥217.4 billion to ¥197.5 billion)

- ¥19.8billion

Transmission (¥27.4 billion to ¥24.9 billion)

- ¥2.4 billion

Transformation (¥44.2 billion to ¥12.8 billion)

- ¥31.3 billion

Distribution (¥145.7 billion to ¥159.7 billion)

+¥14.0 billion

Others (¥4.5 billion to ¥3.4 billion)

- ¥1.0billion

Main Factors for Increase/ Decrease

Thermal: Decrease in expenses for repairs on turbine, boiler and electrical facilities, Decrease in expenses for periodic inspection due to decrease of the number of units which need to be inspected, and others

Nuclear: Decrease in expenses for maintaining the stabilization status at Fukushima Daiichi NPS, Decrease in expenses for inspection and repairs on nuclear power facilities, and others

Main Factors for Increase/ Decrease

Transformation: Decrease in estimated expenses for PCB treatment, and others

Distribution: Increase in expenses for replacement of conventional meters with smart meters, and others

Depreciation expenses (¥603.7 billion to ¥551.3 billion)

- ¥52.4 billion

Generation facilities (¥284.5 billion to ¥243.3 billion)

- ¥41.2 billion

Hydroelectric power (¥34.5 billion to ¥22.6 billion)

- ¥11.8 billion

Thermal power (¥170.6billion to ¥132.9 billion)

- ¥37.7 billion

Nuclear power (¥78.1 billion to ¥86.5 billion)

+¥8.3 billion

Renewable energy (¥1.1 billion to ¥1.2 billion)

+¥0.0 billion

Distribution facilities (¥309.9 billion to ¥298.7 billion)

- ¥11.2 billion

Transmission (¥148.0 billion to ¥139.1 billion)

- ¥8.9 billion

Transformation (¥54.8 billion to ¥54.1 billion)

- ¥0.7 billion

Distribution (¥107.0 billion to ¥105.5 billion)

- ¥1.5 billion

Others (¥9.2 billion to ¥9.2 billion)

-¥0.0 billion

<Depreciation Breakdown>

	FY2015	→	FY2016
Regular depreciation	¥582.3 billion		¥549.9 billion
Extraordinary depreciation	¥15.0 billion		-
Trial operations depreciation	¥6.3 billion		¥1.3 billion

Power purchasing costs (¥977.0 billion to ¥935.1 billion)

- ¥41.9 billion

Power purchased from other utilities (¥189.9 billion to ¥54.1 billion)

- ¥135.8 billion

Power purchased from other suppliers (¥787.0 billion to ¥880.9 billion)

+¥93.8 billion

Year-on-Year Comparison of Consolidated Ordinary Expenses - 3

Taxes and other public charges (¥306.7 billion to ¥300.4 billion)		- ¥6.2 billion
Enterprise tax (¥59.3 billion to ¥52.0 billion)		-¥7.3 billion
Charge for occupancy of roads (¥27.1 billion to ¥28.5 billion)		+¥1.4 billion
Nuclear power back-end costs (¥62.4 billion to ¥49.0 billion)		- ¥13.3 billion
Expenses for contribution of reprocessing of irradiated nuclear fuel (¥ - billion to ¥31.2 billion)		+¥31.2 billion
Expenses for reprocessing of irradiated nuclear fuel (¥36.7 billion to ¥ - billion)		- ¥36.7 billion
Expenses for preparation of reprocessing of irradiated nuclear fuel (¥2.8 billion to ¥ - billion)		- ¥2.8 billion
Decommissioning costs of nuclear power units (¥22.9 billion to ¥17.8 billion)		- ¥5.0 billion
*Revision of the Accounting Rule for the Electricity Business was enforced on October 1, 2016. Accordingly, account titles of "Expenses for reprocessing of irradiated nuclear fuel" and "Expenses for preparation of reprocessing of irradiated nuclear fuel" were abolished, and "Expenses for contribution of reprocessing of irradiated nuclear fuel" was newly-organized.		
Other expenses (¥1,145.0 billion to ¥1,227.4 billion)		+¥82.4 billion
Payment on Act of Renewable Electric Energy (¥331.2 billion to ¥472.0 billion)		+¥140.8 billion
Contribution to Nuclear Damage Liability Facilitation Fund (¥126.7 billion to ¥166.7 billion)	<u>Main Factors for Increase/ Decrease</u> Payment on Act of Renewable Electric Energy: Increase due to rise in the unit price of the renewable power promotion surcharge, and others Contribution to Nuclear Damage Liability Facilitation Fund: Increase in Special Contribution Commission expenses: Decrease in commission expenses for software development, and others Miscellaneous expenses: Decrease in expenses related to contributions for disposal site construction at Hitachinaka Thermal Power Station	+¥40.0 billion
Promotion expenses (¥4.6 billion to ¥10.9 billion)		+¥6.3 billion
Rental expenses (excluding charge for occupancy of roads) (¥100.9 billion to ¥98.8 billion)		-¥2.0 billion
Expenses for retirement of non-current assets (¥73.4 billion to ¥71.1 billion)		-¥2.3 billion
Supplies expenses (¥19.1 billion to ¥14.5 billion)		-¥4.6 billion
Commission expenses (¥303.2 billion to ¥260.6 billion)		-¥42.5 billion
Miscellaneous expenses (¥85.8 billion to ¥27.4 billion)		-¥58.4 billion
Incidental business operating expenses (¥86.4 billion to ¥71.8 billion)		- ¥14.6 billion
Gas supply business (¥78.1 billion to ¥66.6 billion)	<u>Main Factors for Increase/ Decrease</u> Gas supply business: Decrease due to LNG unit purchase price, and others	- ¥11.5 billion
Interest paid (¥87.0 billion to ¥75.5 billion)		
Decrease in average rate during the period (1.28% to 1.20%) [Total of four companies]		- ¥2.7 billion
Decrease in the amount of interest-bearing debt (¥6,599.3 billion to ¥6,010.0 billion) [Total of four companies]		- ¥8.6 billion
Other non-operating expenses (¥30.4 billion to ¥17.7 billion)		- ¥12.6 billion
Bond issuance cost (¥0.0 billion to ¥1.3 billion)		+¥1.3 billion
Others (¥30.4 billion to ¥16.3 billion)		- ¥14.0 billion

Increase/ Decrease of Consolidated Business Performance

- Year on Year Comparison

➤ Ordinary income decreased 98.3 billion yen to 227.6 billion yen.

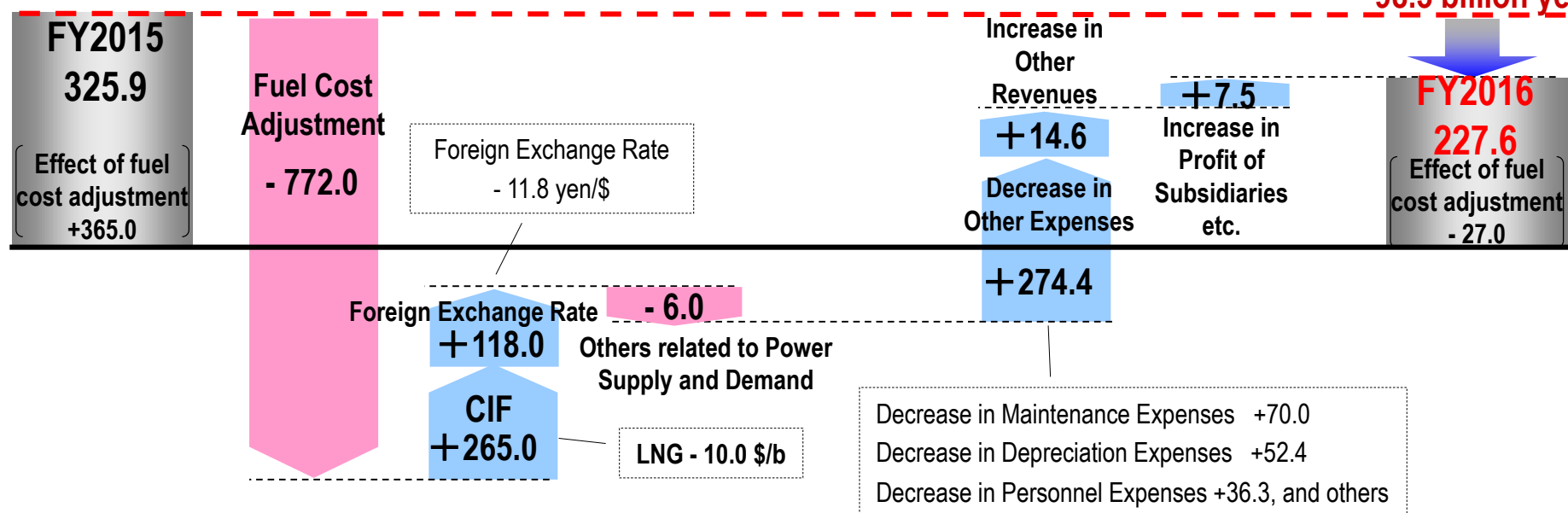
Ordinary Income

(Unit: Billion Yen)

Factors related to Power Supply and Demand
(including renewable energy)
- 394.9

Others
+296.6

Decrease in Profits
98.3 billion yen



➤ Net Income attributable to owners of parent decreased 7.9 billion yen to 132.8 billion yen

Ordinary Income/ Loss -98.3, Extraordinary Income/ Loss +58.2, Income Tax etc. +30.9 and others

Financial Impact of the Great East Japan Earthquake

(Unit: Billion Yen)

Item	FY 2010 to FY 2015	FY2016	Cumulative Amount
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◇ Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation

○ Grants-in-aid based on Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act	*1 6,357.1	294.2	*2 6,651.3
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Note: Journal Entry: Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation is debited on the balance sheet.

*1 Numbers above are those after deduction of a governmental indemnity of 188.9 billion yen, and Grants-in-aid corresponding to decontamination expenses of 1,112.4 billion yen respectively.

*2 Numbers above are those after deduction of a governmental indemnity of 188.9 billion yen, and Grants-in-aid corresponding to decontamination expenses of 1,526.0 billion yen respectively.

◆ Loss on Disaster

● Expenses and/ or losses for Fukushima Daiichi Nuclear Power Station Units 1 through 4	1,006.6	19.3	1,025.9
● Other expenses and/ or losses	387.2	-0.2	387.0
◆ Loss on Disaster Sub Total: (A)	1,393.8	19.1	1,412.9
◇ Gain on reversal of provision for loss on disaster (Extraordinary Income): (B) • Difference of the restoration cost caused by re-estimation due to decommissioning of Fukushima Daiichi Nuclear Power Station Units 5 and 6	32.0	—	32.0
Total: (A)-(B)	1,361.8	19.1	1,380.9

◆ Loss on Decommissioning of Fukushima Daiichi Nuclear Power Station Units 5 and 6

● Expenses and/ or losses for decommissioning of Fukushima Daiichi Nuclear Power Station Units 5 and 6	39.8	—	39.8
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◆ Expenses for Nuclear Damage Compensation

● Compensation for individual damages • Expenses for radiation inspection, Mental distress, Damages caused by voluntary evacuations, and Opportunity losses on salary of workers etc.	2,120.3	21.5	2,141.8
● Compensation for business damages • Opportunity losses on businesses, Damages due to the restriction on shipment, Damages due to groundless rumor, Package compensation and Indirect business damages etc.	2,563.1	284.4	2,847.5
● Other expenses • Damages due to decline in value of properties, Housing assurance damages, Decontamination costs and Contribution to the Fukushima Pref. Nuclear Accident Affected People and Child Health Fund etc.	2,975.0	499.7	3,474.8
● Amount of indemnity for nuclear accidents from the Government	-188.9	—	-188.9
● Grants-in-aid corresponding to decontamination expenses	-1,112.4	-413.6	-1,526.0
Total	6,357.1	392.0	6,749.1

Consolidated Balance Sheets

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	Mar. 31 2017 (A)	Mar. 31 2016 (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Total Assets	12,277.6	13,659.7	-1,382.1	89.9
Fixed Assets	10,293.8	11,321.2	-1,027.3	90.9
Current Assets	1,983.7	2,338.5	-354.8	84.8
Liabilities	9,928.9	11,441.6	-1,512.7	86.8
Long-term Liability	6,117.9	8,601.0	-2,483.0	71.1
Current Liability	3,804.3	2,834.5	969.8	134.2
Reserves for Preparation of the Depreciation of Nuclear Plants Construction	6.6	6.1	0.5	108.3
Net Assets	2,348.6	2,218.1	130.5	105.9
Shareholders' Equity	2,329.0	2,196.4	132.5	106.0
Accumulated other comprehensive income	14.3	-0.1	14.5	—
Non-controlling interests	5.2	21.8	-16.6	24.0

(Unit: Billion Yen) <Interest-bearing debt outstanding> (Unit: Billion Yen)

	Mar. 31 2017 (A)	Mar. 31 2016 (B)	(A)-(B)
Bonds	3,205.9	3,480.6	-274.7
Long-term Debt	1,938.8	2,632.9	-694.0
Short-term Debt	860.1	493.2	366.9
Total	6,004.9	6,606.8	-601.8

<Reference>

	FY2016 (A)	FY2015 (B)	(A)-(B)
ROA (%)	2.0	2.7	-0.7
ROE (%)	5.9	6.6	-0.7
EPS (Yen)	82.89	87.86	-4.97

ROA: Operating Income/ Average Total Assets

ROE: Net Income (attributable to owners of parent)/
Average Equity Capital

Consolidated Statements of Cash Flows

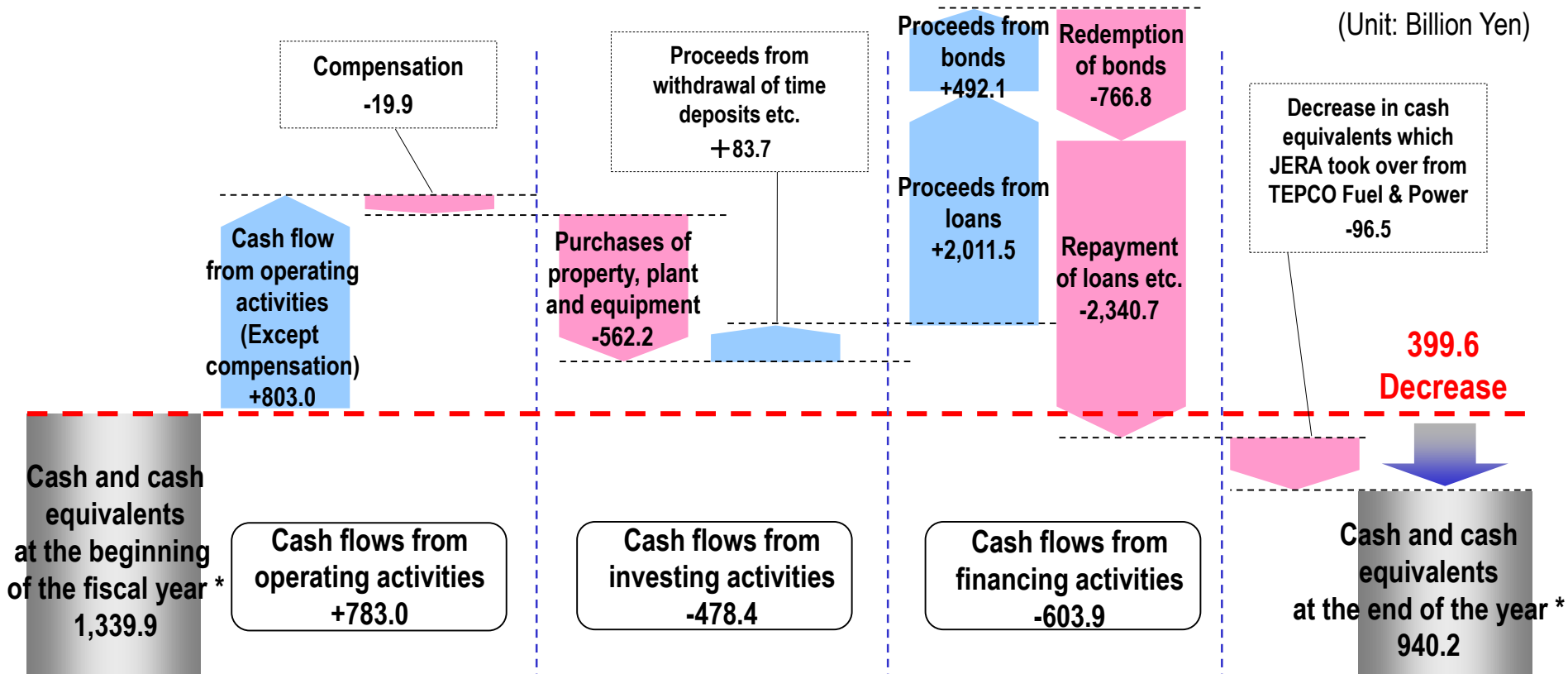
17

(Unit: Billion Yen)

	FY2016 (A)	FY2015 (B)	Comparison (A)-(B)
Cash flow from operating activities	783.0	1,077.5	-294.4
Income / loss before income taxes and minority interests	146.4	186.6	-40.1
Depreciation and amortization	564.2	621.9	-57.6
Interest expenses	75.5	87.0	-11.4
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	-294.2	-699.7	405.5
Expenses for nuclear damage compensation	392.0	678.6	-286.6
Decrease (increase) in notes and accounts receivable trade*	-26.1	58.2	-84.3
Increase (decrease) in notes and accounts payable trade**	-52.7	-61.0	8.2
Interest expenses paid	-62.6	-90.1	27.4
Payments for extraordinary loss on disaster due to the Great East Japan Earthquake	-29.9	-56.5	26.5
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation received	1,141.8	1,212.7	-70.9
Payments for nuclear damage compensation	-1,161.7	-1,250.4	88.6
Others	90.4	390.1	-299.7
Cash flows from investing activities	-478.4	-620.9	142.4
Purchases of property, plant and equipment	-562.2	-645.9	83.6
Payments into time deposits	-20.3	-161.8	141.5
Proceeds from withdrawal of time deposits	77.5	169.3	-91.7
Others	26.5	17.5	8.9
Cash flows from financing activities	-603.9	-394.3	-209.6
Proceeds from issuance of bonds	492.1	17.7	474.4
Redemption of bonds	-766.8	-438.1	-328.7
Repayment of long-term loans	-727.4	-319.7	-407.6
Proceeds from short-term loans	1,976.5	998.0	978.5
Repayment of short-term loans	-1,609.6	-682.0	-927.5
Others	31.2	29.8	1.4
Effect of exchange rate changes on cash and cash equivalents	-3.6	-0.8	-2.8
Net increase (decrease) in cash and cash equivalents**	-303.0	61.4	-364.5
Cash and cash equivalents at the beginning of the year	1,339.9	1,292.4	47.4
Decrease due to change in scope of consolidation	-96.5	-14.0	-82.5
Cash and cash equivalents at the end of the quarter	940.2	1,339.9	-399.6

* Minus denotes an increase. ** Minus denotes a decrease.

- Cash and cash equivalents as of March 31, 2017 decreased 399.6 billion yen to 940.2 billion yen.
 - Cash flow from operating activities increased 783.0 billion yen mainly due to income before income taxes and minority interests
 - Cash flow from investing activities decreased 478.4 billion yen mainly due to purchases of property, plant and equipment
 - Cash flow from financing activities decreased 603.9 billion yen mainly because payment of loans exceeded proceeds from loans
 - Moreover, cash and cash equivalents decreased 96.5 billion yen mainly due to decrease in cash equivalents which JERA took over from TEPCO Fuel & Power



* Including expenses for compensation
89.8 billion yen

* Including expenses for compensation
69.8 billion yen

Segment Information

(Unit Billion Yen)

	FY2016(A)	FY2015(B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenues	5,357.7	6,069.9	-712.1	88.3
Holdings	918.0	745.3	172.7	123.2
	68.1	54.3	13.7	125.3
Fuel & Power	1,634.9	2,452.1	-817.2	66.7
	27.1	57.5	-30.3	47.3
Power Grid	1,691.9	1,685.4	6.4	100.4
	293.8	181.3	112.5	162.1
Energy Partner	5,135.3	5,950.1	-814.8	86.3
	4,968.5	5,776.7	-808.1	86.0
Operating Income	227.6	325.9	-98.3	69.8
Holdings	-20.8	-72.1	51.2	—
Fuel & Power	53.2	276.6	-223.4	19.2
Power Grid	111.6	20.5	91.0	542.6
Energy Partner	74.7	100.7	-25.9	74.2

	FY2016(A)	FY2015(B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Assets	12,277.6	13,659.7	-1,382.1	89.9
Holdings	11,229.9	6,339.9	4,890.0	177.1
Fuel & Power	1,481.9	1,728.9	-247.0	85.7
Power Grid	4,492.8	5,083.2	-590.3	88.4
Energy Partner	1,002.5	556.7	445.7	180.1
Depreciation Expenses	564.2	621.9	-57.6	90.7
Holdings	119.0	122.9	-3.8	96.9
Fuel & Power	136.4	176.6	-40.2	77.2
Power Grid	308.0	320.0	-12.0	96.2
Energy Partner	2.3	2.8	-0.4	84.1
Capex	568.6	665.7	-97.1	85.4
Holdings	272.6	329.7	-57.0	82.7
Fuel & Power	67.7	121.0	-53.2	56.0
Power Grid	216.5	214.0	2.5	101.2
Energy Partner	13.3	0.9	12.4	1,371.5

Note1: The lower row in Operating Revenues section represents revenues from external customers.

Note2: We set four segments; "Holdings" "Fuel & Power" "Power Grid" and "Energy Partner," according to its business operations.

Note3: We changed calculation method of each segment's operating revenues and profit or loss. As for internal sales or transfer, we calculated using the price determined based on the market price and prime cost.

Note4: Segment information of FY2015 was calculated and released based on the aforementioned changes.

[Reference] Key Factors Affecting Performance and Financial Impact

Key Factors Affecting Performance

	FY2017 Full-year Projection	FY2016 Actual Performance	[Ref.] FY2015 Actual Performance
Electricity Sales Volume (billion kWh)	234.9	241.5	247.1
Crude Oil Prices (All Japan CIF; dollars per barrel)	-	47.5	48.8
Foreign Exchange Rate (Interbank; yen per dollar)	-	108.4	120.2
Flow Rate (%)	-	94.2	102.3
Nuclear Power Plant Capacity Utilization Ratio (%)	-	-	-

Financial Impact (Sensitivity)

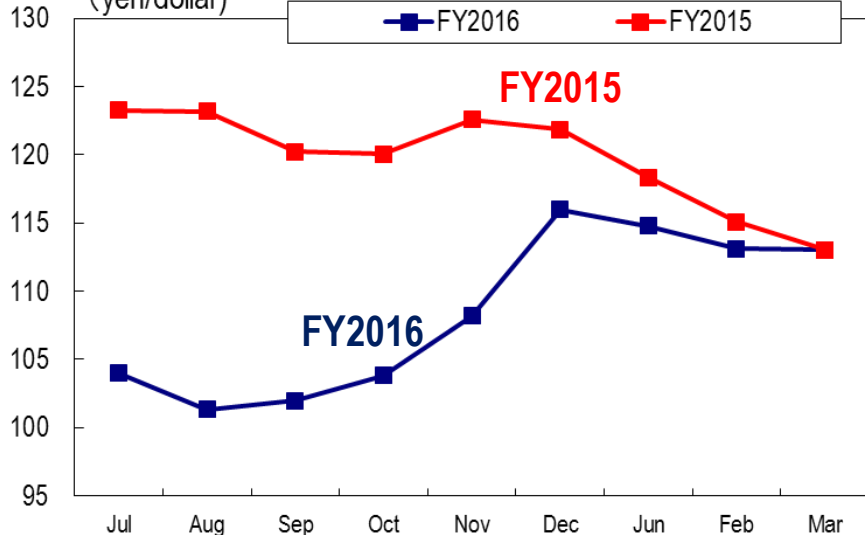
(Unit: Billion Yen)

	FY2017 Full-year Projection	FY2016 Actual Performance	[Ref.] FY2015 Actual Performance
Crude Oil Prices (All Japan CIF; 1 dollar per barrel)	-	Approx. 17	Approx. 22
Foreign Exchange Rate (Interbank; 1 yen per dollar)	-	Approx. 10	Approx. 12
Flow Rate (1%)	-	Approx. 1	Approx. 1
Nuclear Power Plant Capacity Utilization Ratio (1%)	-	-	-
Interest Rate (1%)	-	Approx. 21	Approx. 23

Note: Crude oil prices, foreign exchange rate, flow rate and nuclear power plant capacity utilization ratio of financial impact reflect the impact on annual fuel expenses. Interest rate reflects the incremental amount of interest.

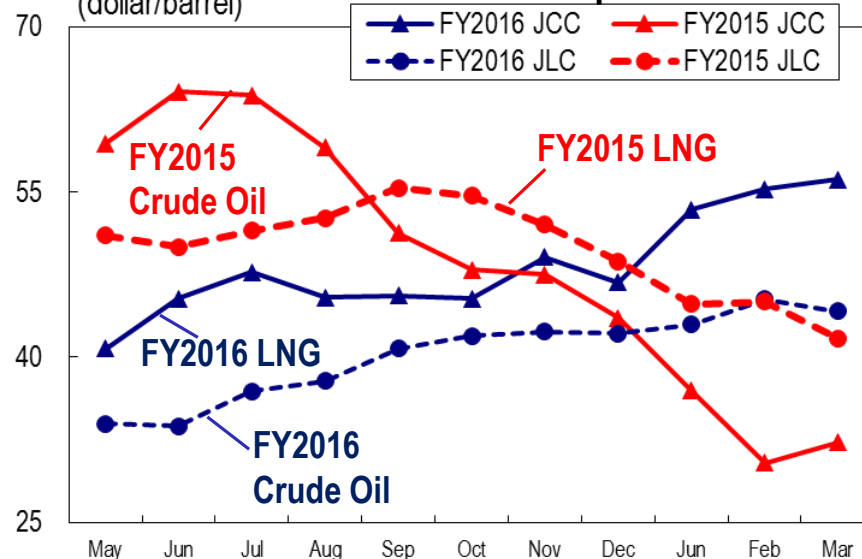
<Fluctuation of Foreign Exchange Rate>

(yen/dollar)



<Fluctuation of All Japan CIF>

(dollar/barrel)



[Reference] Seasonal Breakdown of Electricity Sales Volume and Total Power Generated

Electricity Sales Volume

Unit: Billion kWh

	FY2016						
	Apr-Sep	Oct-Dec	Jan	Feb	Mar	Jan-Mar	Full year
Lighting	39.90	19.98	9.36	8.99	8.16	26.50	86.38
Power	79.68	37.56	12.61	12.80	12.49	37.90	155.15
Total	119.58	57.55	21.97	21.79	20.64	64.40	241.52

Unit: Billion kWh

	FY2015							[Ref.] Year-on-year Comparison	
	Apr-Sep	Oct-Dec	Jan	Feb	Mar	Jan-Mar	Full year	Jan-Mar	Full year
Lighting	41.68	19.77	9.41	9.84	8.72	27.97	89.42	94.7%	96.6%
Power	81.97	37.22	12.61	13.17	12.69	38.47	157.65	98.5%	98.4%
Total	123.65	56.99	22.02	23.01	21.41	66.44	247.08	96.9%	97.8%

Total Power Generated

Unit: Billion kWh

	FY2016						
	Apr-Sep	Oct-Dec	Jan	Feb	Mar	Jan-Mar	Full year
Hydroelectric	5.71	2.11	0.78	0.69	0.74	2.21	10.03
Thermal	91.00	46.85	18.19	16.38	17.85	52.43	190.28
Nuclear	-	-	-	-	-	-	-
Renewable etc.	0.04	0.01	0.01	0.01	0.01	0.02	0.07
Total	96.75	48.98	18.98	17.08	18.60	54.65	200.38

Fuel Consumption Data

	FY2014 Actual	FY2015 Actual	FY2016 Actual
LNG (million tons)	23.49	21.55	21.06
Oil (million kl)	3.10	2.48	2.05
Coal (million tons)	7.53	8.34	8.14

Note: The oil data is total of crude oil and heavy oil, not including gas oil. The coal data is total of coal and biomass.

Fuel Procurement

Oil

Crude Oil (Unit: thousand kl)

	FY2014	FY2015	FY2016
Indonesia	473	464	49
Brunei	-	-	-
Vietnam	-	-	-
Australia	90	-	-
Sudan	20	41	-
Gabon	62	-	-
Chad	61	111	-
Other	0	0	0
Total imports	706	616	49

Heavy Oil (Unit: thousand kl)

	FY2014	FY2015	FY2016
Total imports	2,440	1,540	1,578

LNG

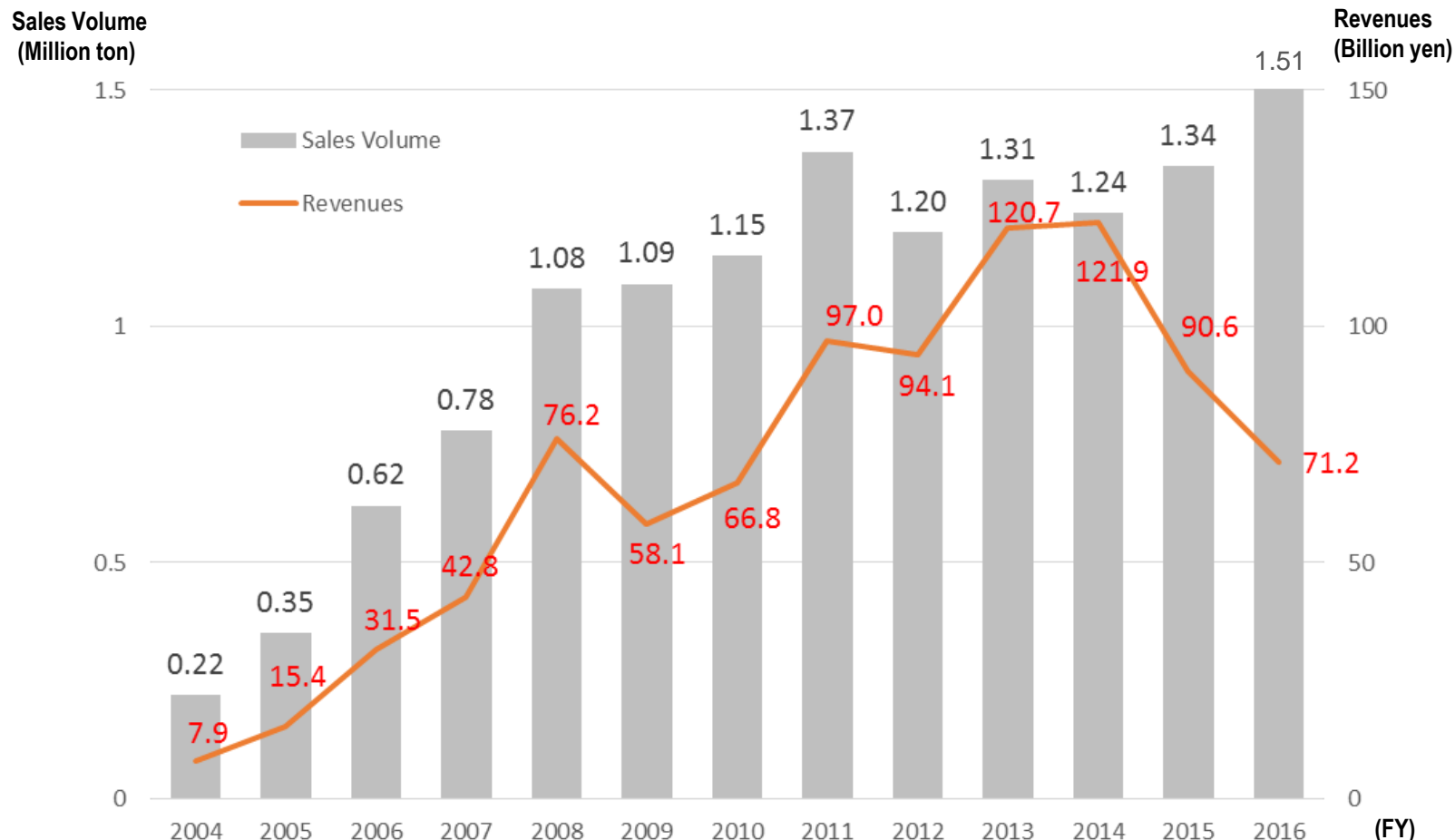
(Unit: thousand t)

	FY2014	FY2015	FY2016
Brunei	2,230	1,940	2,095
Das	4,972	4,986	4,683
Malaysia	2,750	3,220	3,086
Papua New Guinea	403	1,604	1,558
Australia	297	305	300
Qatar	1,142	1,156	1,275
Darwin	2,129	2,304	2,356
Qalhat	548	428	500
Sakhalin	2,262	2,010	1,491
Indonesia	-	-	57
Spot contract	8,023	4,934	4,965
Total imports	24,754	22,887	22,366

Coal

(Unit: thousand t)

	FY2014	FY2015	FY2016
Australia	5,903	6,745	5,667
Indonesia	1,458	1,402	1,920
Colombia	-	-	178
USA	38	191	136
Russia	-	210	-
Canada	55	-	-
Total imports	7,454	8,548	7,901



<FY2016 Actual Performance>

Revenues: Despite increased sales volume, decreased 19.3 billion yen to 71.2 billion yen mainly due to decreased LNG price.

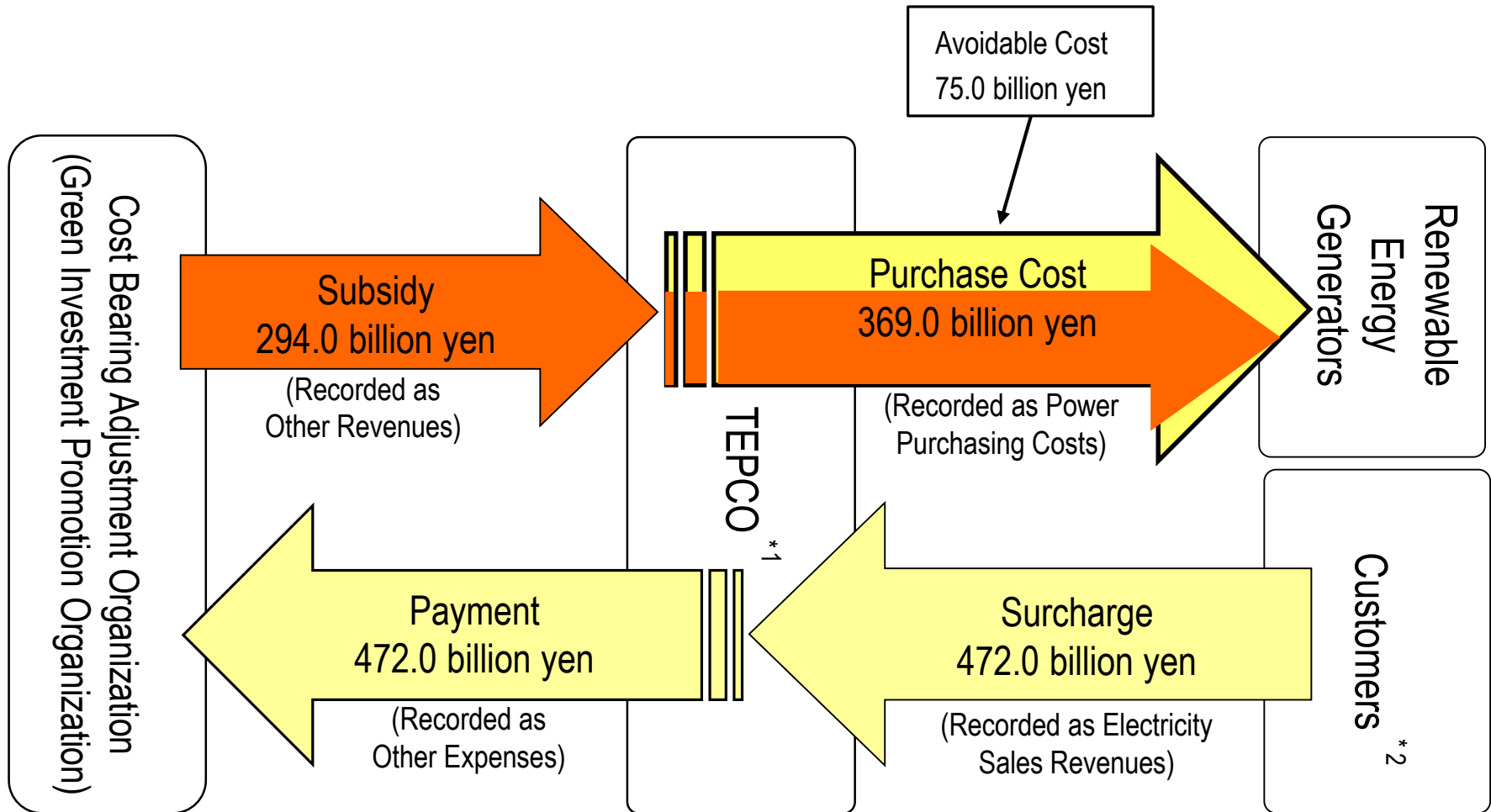
Operating expenses: Decreased 13.0 billion yen to 65.1 billion yen mainly due to decreased materials cost.

Operating Income: Recorded 61.0 billion yen.

*~FY2015: former TEPCO (Non-consolidated), FY2016~: TEPCO Energy Partner

[Reference] Feed-in Tariff Scheme for Renewable Energy (Purchase Cost Collection Flow)

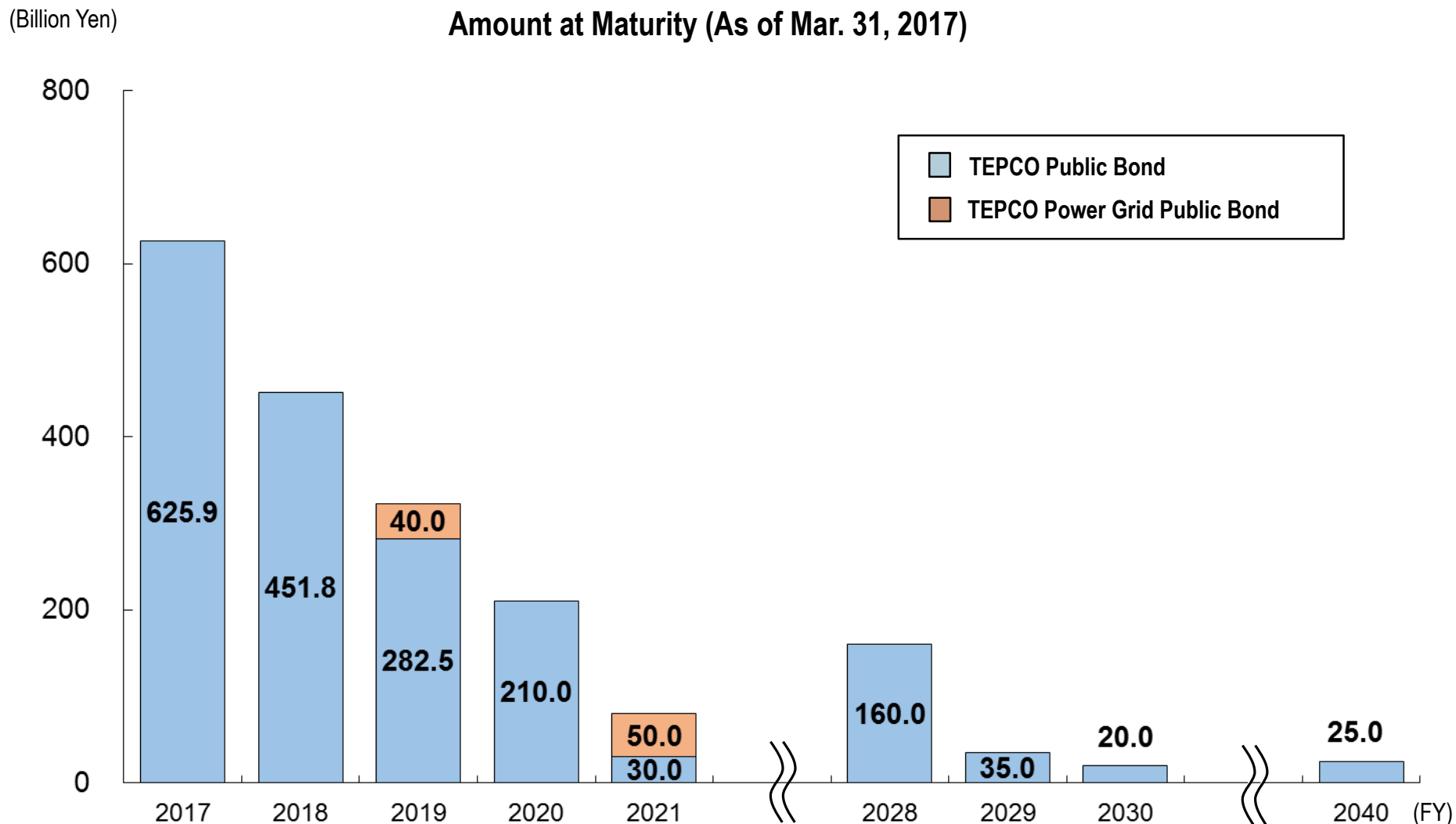
(FY 2016)



*1 TEPCO Power Grid, Incorporated (islands), TEPCO Energy Partner, Incorporated (excluding islands)

*2 Including TEPCO Group Companies

[Reference] Schedules for Public Bond Redemption

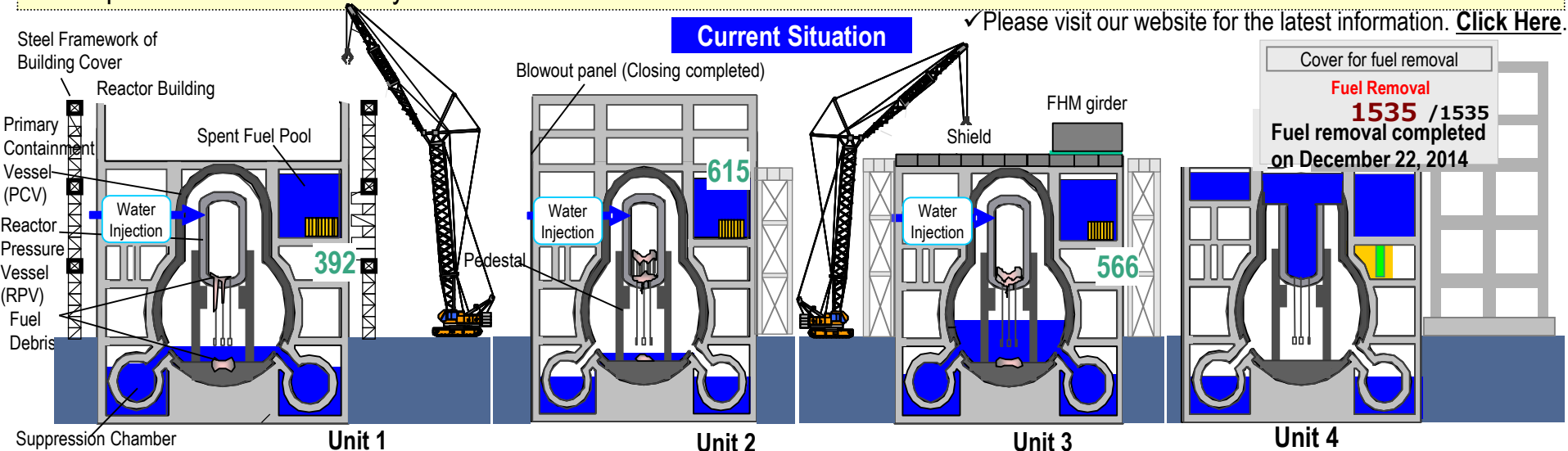


Note: The amount redeemed for fiscal 2016 totaled 366.8 billion yen.

The Current Status of Fukushima Daiichi Nuclear Power Stations and Future Initiatives

Current Situation and Status of Units 1 through 4

- At Units 1, 2 and 3, it was evaluated that the comprehensive cold shutdown condition had been maintained, judging from the temperatures of the reactors and spent fuel pools as well as the density of radioactive materials. To facilitate the removal of spent fuel, preparation works are underway.
- To formulate the removal of fuel debris, investigation of the inside of Reactor Pressure Vessel and Primary Containment Vessel was planned and is underway.



Reactor*	Temperature of the bottom of RPV: 16.8°C/ Temperature of the inside of PCV: 17.1°C	23.7°C / 23.5°C	20.1°C / 19.7°C	No Fuel
SFP*	29.8°C	31.9°C	31.5°C	No Fuel
Works towards removal of spent fuel and fuel debris	[Spent fuel removal] -The status of rubble under the fallen roof was investigated to collect data, which will then be used when considering rubble removal methods for the Unit 1 Reactor Building operating floor. The investigation collected useful information. [Fuel debris removal] -The status of fuel debris inside the PCV was inspected by a self-propelled investigation device injected into the Unit 1 PCV (March 18-22). The status of the PCV floor surface will continue to be examined based on the collected image and dose data.	[Spent fuel removal] - Construction was completed on the west side of the Reactor Building to install a gantry accessing the top floor of the Reactor Building. [Fuel debris removal] - The investigation inside the PCV was conducted (January 26- February 16). The status of the bottom of RPV was investigated using guide pipe with camera. Radiation dose and temperatures on Control Rod Drive (CRD) replacement rail were measured.	[Spent fuel removal] -Regarding installation progress of a cover for fuel removal, parts for the cover, etc. are being sequentially transported by ship and work is steadily underway. From March 1, installation of FHM girder, frame where fuel handling machine runs, started. -Although the process is under examination, the start of spent fuel removal is assumed to be the middle of FY2018. (Revision of the Mid-to-long Term Roadmap based on this change is undecided.)	[Spent fuel removal] - Fuel removal from the SFP was completed in December, 2014. *Temperature is as of April 24, 2017 (11:00 am).

Overview of the Mid-to-long Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Station - 1

- TEPCO, jointly with the national government, released “Mid-to-long Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Station Units 1 through 4” in December, 2011. Based on the continually-revised Roadmap, TEPCO, jointly with the national government, is advancing its efforts to maintain the units' stabilization and to decommission them in safe.
- In June 2015, the third revision was made.
- Decommissioning is expected to complete in 30 to 40 years from completion of Step2 (in December 2011), “Release of radioactive materials is under control and radiation doses are being significantly held down”.

< Main Points of the third revision >

1. Emphasize on risk reduction
2. Make target process (milestone) clear
3. Strengthen trusting relationship with local people and others by thorough disclosure of information
4. Further reduction of the workers' exposure dose level, and to strengthen the management of the workers' safety and health environment
5. Enhancement of the role of Nuclear Damage Compensation and Decommissioning Facilitation Corporation in the strategy of decommissioning technologies

< Target process of removal of fuel and fuel debris of each unit >

Removal of fuel from spent fuel pool

Start at Unit 1	FY2020
Start at Unit 2	FY2020
Start at Unit 3	FY2017

Removal of fuel debris

Decision on policy for each Unit	Around FY2017
Determination of methods for the first Unit	First half of FY2018
Start of the removal at the first Unit	The end of 2021

Overview of the Mid-to-long Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Station - 2

<Main target process of the Decommissioning>

Area	Previous efforts	Future efforts							
		Phase 2 (until commencement of fuel debris removal)					Phase 3 (until decommissioning completed)		
		~FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Completion of Phase 2 (December 2021)	
Contaminated water measures									
Eliminate	ALPS cleanup of contaminated water etc	Complete further reductions in effective dose along perimeter boundary down to 1mSv/year Commence preparations for determining long-term handling of ALPS treated water							
Isolate	Pump up groundwater via groundwater bypass etc	Complete freezing closure of impermeable land-side wall / complete facing of over 90% of planned area Curb inflow into buildings to less than 100m3/day							
Prevent leakage	Increase tanks etc	Store all water treated for high-level contamination in welded tanks							
Complete of Retained water processing	Surveys of retained water in buildings etc	Lower building water level / sever from recirculating cooling water line / clean up and remove retained water Halve the quantity of radioactive materials in retained water Complete treatment of water retained inside buildings							
Fuel removal	Removal completed at Unit 4 (Dec. 2014)						Determine methods for treating and storing the fuel removed		
Unit 1	Building cover dismantled etc						Remove large rubbles etc	Install cover etc	Remove fuel
Unit 2	Preparation work						Disassemble and renovate upper part of buildings	Determine scope of disassembly and renovation Select plan Plan (1) Install containers etc Plan (2) Install cover etc	Remove fuel
Unit 3	Remove large rubbles etc						Install cover etc	Remove fuel	
Fuel debris Removal	Determine removal policy						Finalize removal method for initial unit	Commence removal at initial unit	
	Ascertain status inside reactor containment vessel/ review methods for removing fuel debris etc						Remove fuel debris / review treatment and disposal methods etc		
Waste material measures									
Storage management	Store according to dose rate classification/ formulate storage management plan etc						Implement storage management in accord with storage Install volume reduction & treatment calciner Erect No.9 solid waste repository		
Processing / disposal	Ascertain properties and survey existing technology / R&D through ascertainment of properties of solid waste etc						Coordinate basic approach to treatment and disposal Conduct technical revision of treatment and disposal		

Source: Cabinet and other meetings concerning decommissioning and contaminated water countermeasures (June 12, 2015), partially revised

Contaminated Water Management

- In December 2013, the government's Nuclear Disaster Response Headquarters arranged a set of preventative and multi-tiered measures based on the three basic policies for addressing contaminated water issues.
- Towards conclusive closure of land-side frozen impermeable walls, which is one of the countermeasures for "Isolate water from contamination," frozen areas has been expanded.

<Main countermeasures>

1. Eliminate contamination sources

- Multi-nuclide removal equipment (ALPS)
- Remove contaminated water in the trenches

2. Isolate water from contamination

- Pump up groundwater for bypassing
- Pump up groundwater near buildings
- Land-side frozen impermeable walls
- Waterproof pavement

3. Prevent leakage of contaminated water

- Sea-side impermeable walls
- Increase tanks (welded-joint tanks)
- Reduction of scale of the contaminated water circulation loop

< Major Progress >

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Subdrain Operation

➢ Groundwater pumped up through wells near reactor building (Subdrain system) are discharged after purification by dedicated facilities and quality test. (As of April 23, 2017, 3:00pm, the total volume of groundwater discharged is 313,534t).

Land-side frozen impermeable walls

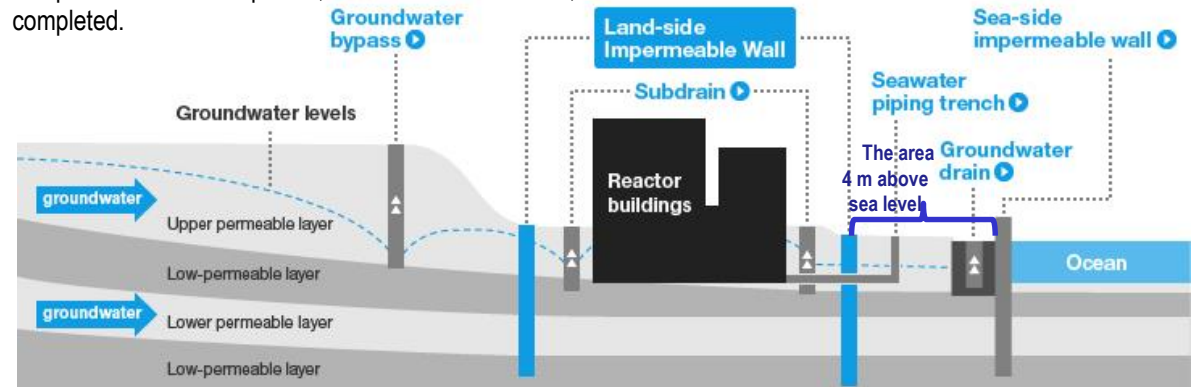
➢ Regarding 7 unfrozen sections at the mountain side, freezing started in two sections from December 3, 2016, and four sections from March 3, 2017, except for one unfrozen section. Regarding the sea side, groundwater levels and its volumes pumped at the area 4 m above sea level have been monitored to evaluate the effect of the closure. Groundwater volume pumped from the area 4 m above sea level was minimized to 85 m³/day on March 6 (as of March 30). Inflows of groundwater and rainwater into the buildings have been decreased by groundwater bypass, subdrain, land-side impermeable wall etc. to about 120 m³/day (average in March 2017) from about 400 m³/day before implementing countermeasures.

Sea-side impermeable walls

➢ On Oct. 26, 2015, the seaside impermeable walls was completed to be closed.

Removal of contaminated water in trenches

➢ On Dec. 21, 2015, the removal of contaminated water in seawater piping trench of Unit 4 and filling up of trench were completed. As a consequence, the removal of about 10,000t of contaminated water in trenches of Unit 2-4 was completed.



The Current Status of Kashiwazaki-Kariwa Nuclear Power Station and Future Initiatives

Main Measures to Secure Safety – 1 [Outline]

◆ We promote the following measures to secure further safety after the Great East Japan Earthquake.

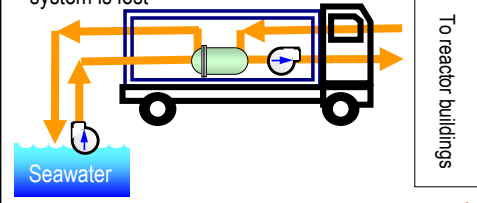
I. Installation of flooding embankment [banks]

- Install flooding embankment (banks) to prevent Tsunami from invading the site and to protect light oil tanks, buildings and other facilities in the power station



III. Further enhancement of heat removal and cooling function

- (5) Installation of alternative submerged pumps and seawater heat exchanging system
- Install alternative submerged pumps and other equipments to continue to operate residual heat removal system even if cooling function of sea water system is lost

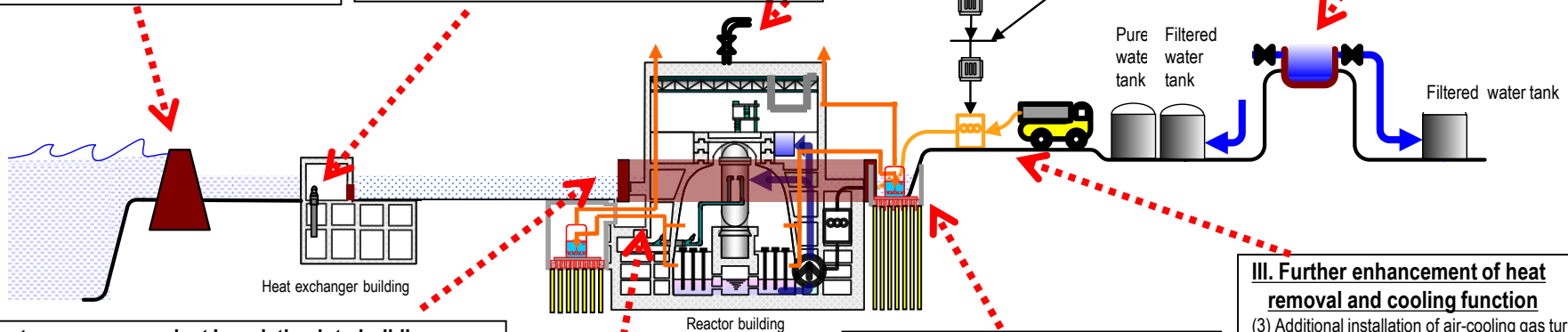


III. Further enhancement of heat removal and cooling function

- (8) Installation of top venting on reactor buildings
- Install top venting system to prevent hydrogen from piling up in a reactor buildings

III. Further enhancement of heat removal and cooling function

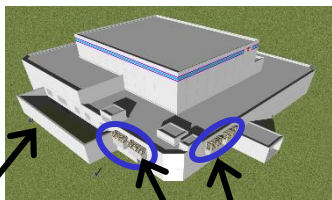
- (1) Installation of water source
- Install a freshwater reservoir in the power station to secure stable supply of coolant water for reactors and spent fuel pools



II. Countermeasures against inundation into buildings

- (1) Installation of tide embankments (flood barrier panel included)
- Install tide embankments around reactor buildings containing critical equipments in order to prevent Tsunami from damaging power facilities and emergency diesel generators and to secure safety of the power plant

(Image of tide embankment and flood barrier panel)



Tide embankment

Flood barrier panel

II. Countermeasures against inundation into buildings

- (2) Installation of water tight doors
- Install water tight doors at reactor buildings and turbine buildings to protect equipments from water

III. Further enhancement of heat removal and cooling function

- (12) Installation of warehouses for emergency on high ground
- Install a warehouse for equipments and materials for emergency in case of Tsunami

III. Further enhancement of heat removal and cooling function

- (7) Installation of filtered vent
- Control of radioactive pollution emitted upon containment vessel venting
- Installation of underground filtered vent for backfitting

III. Further enhancement of heat removal and cooling function

- (11) Additional environment monitoring equipments and monitoring cars
- Prepare additional monitoring cars to continuously measure radiation dose at the site

III. Further enhancement of heat removal and cooling function

- (3) Additional installation of air-cooling gas turbine power generation cars
- Install large capacity gas turbine power generation cars to supply electricity to residual heat removal system in case of outage of all AC power
- (4) Installation of high voltage power distribution board for emergency and permanent cables for reactor buildings
- Install high voltage power distribution board for emergency and permanent cables for reactor buildings to secure power supply in case of station black out (losing all AC power), and to secure stable supply of power to residual heat removal system

Main Measures to Secure Safety - 2 [Implementation Status]

As of April 25, 2017

Item	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
I . Installation of flooding embankment [banks]	Completed				Completed		
II . Countermeasures against inundation into buildings							
(1) Installation of tide embankments (flood barrier panel included)	Completed	Completed	Completed	Completed	All closed under 15 meters above sea level		
(2) Installation of water tight doors on reactor buildings, etc.	Completed	Under consideration	Under construction	Under consideration	Completed	Completed	Completed
(3) Countermeasures against inundation into heat exchanger buildings	Completed	Completed	Completed	Completed	Completed	—	
(4) Installation of tide barriers for switching stations*1	Completed						
(5) Reliability improvement of inundation countermeasures (countermeasures against flooding inside buildings)	Under construction	Under consideration	Under construction	Under consideration	Under construction	Under construction	Under construction
III . Further enhancement of heat removal and cooling function							
(1) Installation of water source	Completed						
(2) Installation of storage water barrier	Completed	Under consideration	Under consideration	Under consideration	Completed	Completed	Completed
(3) Additional installation of air-cooling gas turbine power generation cars	Completed					Under construction	
(4)-1 Installation of high voltage power distribution board for emergency	Completed						
(4)-2 Installation of permanent cables for reactor buildings	Completed	Completed	Completed	Completed	Completed	Completed	Completed
(5) Installation of alternative submerged pumps and seawater heat exchanging system	Completed	Completed	Completed	Completed	Completed	Completed	Completed
(6) Installation of alternative high pressure water injection system	Under construction	Under consideration	Under consideration	Under consideration	Under construction	Under construction	Under construction
(7) Installation of aboveground filter vent	Under construction	Under consideration	Under consideration	Under consideration	Under construction	Termination of performance test*2	Termination of performance test*2
(8) Installation of top venting on reactor buildings	Completed	Completed	Completed	Completed	Completed	Completed	Completed
(9) Installation of hydrogen treatment system in reactor buildings	Completed	Under consideration	Under consideration	Under consideration	Completed	Completed	Completed
(10) Installation of facilities to fill water up to the top of containment vessels	Completed	Under consideration	Under consideration	Under consideration	Completed	Completed	Completed
(11) Additional environment monitoring equipment and monitoring cars	Completed						
(12) Installation of warehouses for emergency on high ground*1	Completed						
(13) Improvement of earthquake resistance of pure water tanks on the Ominato side	—				Completed		
(14) Installation of large-capacity water cannons, etc.	Completed						
(15) Multiplexing and reinforcing access roads	Completed					Under construction	
(16) Environmental improvement of the seismic isolated building	Under construction						
(17) Reinforcement of the bases of transmission towers*1 and earthquake resistance of the switchboards*1	Completed						
(18) Installation of tsunami monitoring cameras	Under construction				Completed		
(19) Installation of Corium Shield*1	Under consideration	Under consideration	Under consideration	Under consideration	Under consideration	Under construction	Completed

*1 TEPCO's voluntary safety measures *2 Peripheral works are ongoing

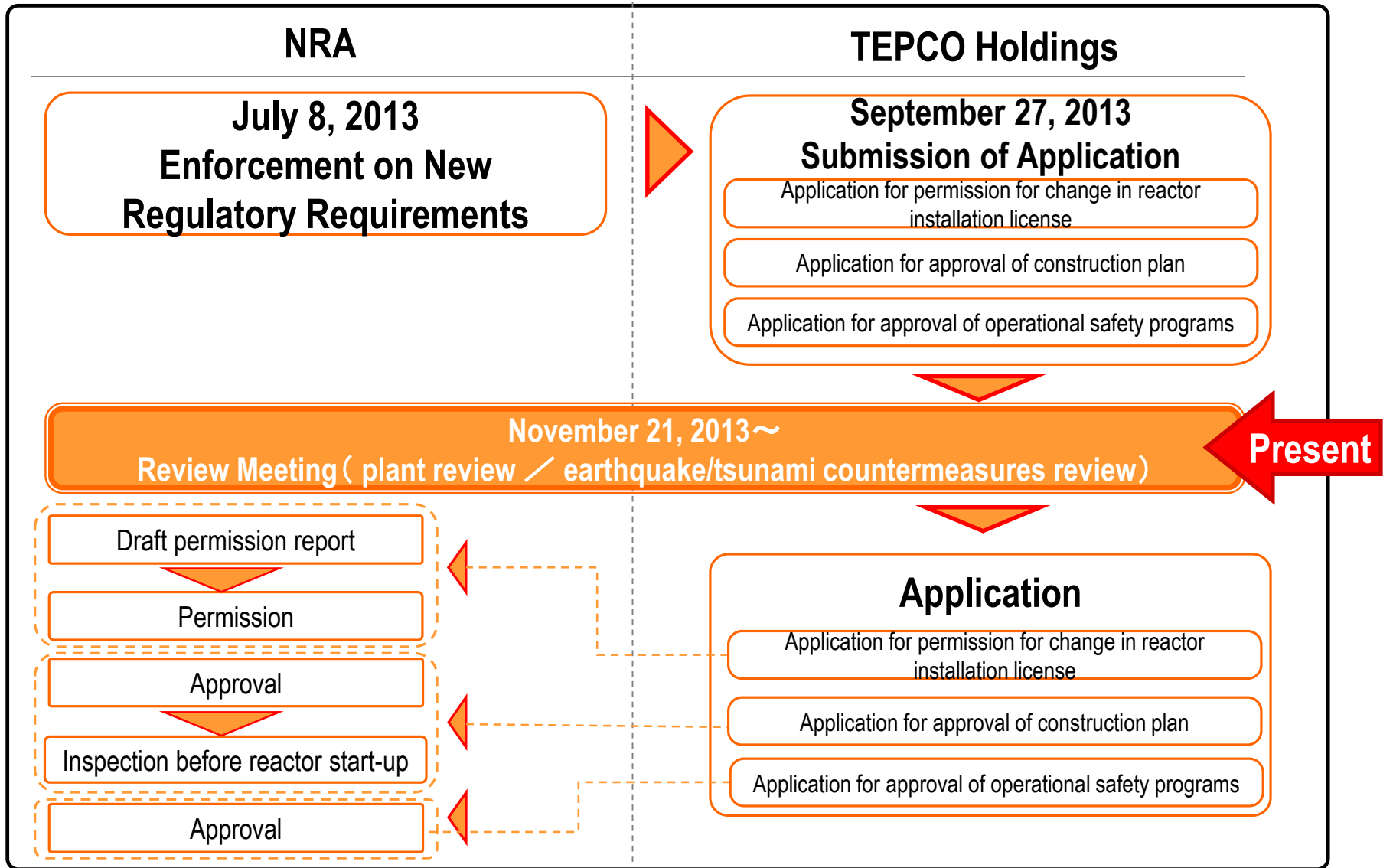
- As the Nuclear Regulation Authority (NRA) implemented the new regulatory standards in July 2013, TEPCO filed an application for review of compliance of our Units 6 and 7 with the new standards in September of the same year. From November 2013, (1) review on earthquakes and tsunamis, and (2) review on power plants have been carried out separately.
- Discussions on the major points of both (1) and (2) were completed and we have put our efforts into extraction of the possible points to be discussed and improvement of reliability of our materials to be reviewed.

<Latest situation of review process>

- At the review meeting on February 14, 2017, we could not properly explain that our seismic isolated building has sufficient seismic resistance against the Niigataken Chuetsu-oki Earthquake and that the past seismic analysis on the seismic isolated building is valid. Consequently, the NRA became highly doubtful about the seismic resistance of the building and the reliability of our explanations.
- We have strived to find background factors, including the problems described above, commonly seen in our response to the NRA's review process, to improve our internal system in coping with the review process, and to employ preferable approaches of other electric power companies in the review process. Also, we have accelerated our nuclear safety reform including reinforcement of organizational governance.
- At present, following the direction for our company to fully check our materials to be reviewed at NRA's extraordinary meeting on February 28, 2017, we have exerted our efforts to extract the possible points to be discussed and to improve the reliability of our materials to be reviewed.
- Moreover, we provided the Governor of Niigata prefecture with the report on seismic resistance of the seismic isolated building in Kashiwazaki-Kariwa Nuclear Power Station on April 19, 2017.
- Also, 110 sessions of review meetings and 564 sessions of interviews have been held for review on power plants. 32 sessions of review meetings and 104 sessions of interviews have been held for review on earthquakes and tsunamis (as of April 25).

Compliance Review under the New Regulatory Requirements - 2

<Review Process>



Other Initiatives

<Cost reduction>

- In the New Comprehensive Special Business Plan, TEPCO* and its subsidiaries & affiliated companies will implement further cost reduction of 1,419.4 billion yen and 108.5 billion yen, respectively from the previous Comprehensive Special Business Plan, and raise the target amount of ten years to 4,821.5 billion yen and 351.7 billion yen, respectively.
- FY2016 results of TEPCO and its subsidiaries & affiliated companies were 767.3 billion yen and 66.6 billion yen, respectively, and targets were achieved.
- The Productivity Doubling Committee works to accelerate activities for doubling TEPCO's productivity by focusing around the Productivity Doubling Projects directed by Mr. Uchikawa, Special Advisor of TEPCO, who was a former managing director at TOYOTA.

<Asset disposal>

- Accumulated grand total of FY2011 to FY2013 regarding disposal of real estate, securities and subsidiaries & affiliated companies, which was the target set in the previous Comprehensive Special Business Plan, was achieved. Maximum efforts will continue to be made aiming most efficient business operation on the basis of growth strategies from the New Comprehensive Special Business Plan.

<Streamlining Policy of New Comprehensive Special Business Plan (cost reduction)>

	Plan from FY2013 to FY2022	FY2015		FY2016	
		Plan	Outcomes	Plan	Outcomes
TEPCO*	4,821.5 billion yen to be reduced over ten years (including additional cost reduction from the previous Comprehensive Special Business Plan of 1,419.4 billion yen)	356.8 billion yen	596.6 billion yen	358.9 billion yen	767.3 billion yen
Subsidiaries & Affiliated Companies	351.7 billion yen to be reduced over ten years (including additional cost reduction from the previous Comprehensive Special Business Plan of 108.5 billion yen)	34.3 billion yen	60.6 billion yen	34.3 billion yen	66.6 billion yen

*After April 2016, TEPCO means Tokyo Electric Power Company Holdings, Inc., TEPCO Fuel & Power, Inc., TEPCO Power Grid, Inc. and TEPCO Energy Partner, Inc.

- Framework for Nuclear Reform

- Since April 2013, TEPCO has advanced the Nuclear Safety Reform Plan so that we may realize our determination that “the Fukushima nuclear accident will never be forgotten and we will be a nuclear operator which continues to create unparalleled safety and increase the level of that safety to be greater today than yesterday and still greater tomorrow than today”
- TEPCO reports the state of progress of the Reform Plan to the Nuclear Reform Monitoring Committee, approved The “Reassessment of Fukushima Nuclear Accident and Nuclear Safety Reform Plan”, on a regular basis. The Reform Plan is steadily implemented on the basis of the initiatives proposed by the Committee.

<Framework for Nuclear Reform>

Board of Directors

Advice ↓ ↑ Suggestion

Nuclear Reform Monitoring Committee (Established in September, 2012)
Monitoring and supervising efforts of nuclear reform, then reporting and suggesting to the Board of Directors

Dale Klein, Chairman (former Chairman of the U.S. Nuclear Regulatory Commission)
Barbara Judge, Vice Chairman (former Chairman of the U.K. Atomic Energy Authority)
Masafumi Sakurai, committee member (former member of the National Diet of the Japan Fukushima Nuclear Accident Independent Investigation Commission)
Fumio Sudo, committee member (Chairman of Tokyo Electric Power Company Holdings, Inc.)

Supervise/Monitor ↓ ↑ Report

Nuclear Safety Oversight Office (Established in May, 2013)

On April 1, 2015, the Nuclear Safety Oversight Office, which reports to the Board of Directors, was reorganized so that it now reports directly to the President.

Dealing with nuclear safety through supervising and consulting activities, but from a much closer position to the front line of nuclear plants, and also involving more directly with the decision-making process on nuclear safety

Nuclear Reform Special Task Force

(Established in September, 2012)

Implementing nuclear reform under the supervision of the Committee

Social Communication Office

(Established in April, 2013)

Instilling corporate behaviors sensitive to social standards throughout TEPCO and promoting prompt and appropriate information disclosure through routinely collecting and analyzing information on potential risks

Nuclear Power & Plant Siting Division

Fukushima Daiichi Decontamination & Decommissioning Engineering Company (Established in April, 2014)

An internal entity established for the purpose of clarifying the responsibilities allocation and focusing solely on handling of decommissioning and contaminated water

Positioning “Chief Decommissioning Officer (CDO)” as Company President

Assigning three experienced executives invited from nuclear power manufacturers to the Vice President. In addition, as of June 30, 2015, Yoshikazu Murabe, a managing director at the Japan Atomic Power Company, was brought in to serve as Senior Vice President and his responsibilities will focus on waste measures, maintaining safety at Units 5 & 6, radiation & chemical management among other duties.

Efforts towards Nuclear Reform – 2

- Report on Status of the Nuclear Safety Reform Plan

- The Nuclear Safety Reform Plan consists of 6 measures that compensate for the lack of “safety awareness”, “technological capability” and “dialogue-promoting capability” which are the underlying contributors for accidents and aim for improving them.
- We implemented a self-assessment of the Nuclear Safety Reform Plan. It revealed the need to enhance organizational governance and human resource cultivation.
- In response to these findings, we are sharing information on basic plans and priorities and quickly implementing necessary reforms, and a management model is being established and developed as a governance enhancement measure to promote follow-ups by management.

Countermeasures	Recent Principal Activities ([Resource] Nuclear Safety Reform Plan Progress Report released on Feb. 10, 2017)
Reform instigated by Top Management	<ul style="list-style-type: none"> • Interviews and site observation were implemented at Fukushima Daiichi to assess the state of nuclear safety culture. Based on assessment findings, improvements will be made by conforming the status of implementation of management observation (site observation by managers) and the degree of permeation of fundamentals.
Enhancing Oversight of and Support for Management	<ul style="list-style-type: none"> • Oversight and assessment by the Nuclear Safety Oversight Office (Emergency response ability was improved greatly. The Nuclear Safety Oversight Office is focusing on further identifying risk and creating advance plans.)
Enhancing the Ability to Make Defense-in-Depth Proposals	<ul style="list-style-type: none"> • The Sixth Safety Improvement Proposal Skill Enhancement Competition was held in order to revitalize activities to voluntarily improve safety and 14 proposals were selected as “best proposal” candidates. • To utilize operating experience (OE) from both inside and outside of Japan, a JOC criticality accident study sessions were held to give an overview of important problems and understand the lessons to be learned from the accident (at Fukushima Daiichi/ Daiichi, Kashiwazaki-Kariwa, Head Office).
Enhancing Risk Communication Activities	<ul style="list-style-type: none"> • Information disclosure and communication activities regarding the decommissioning of Fukushima Daiichi and safety measures at Kashiwazaki-Kariwa are proactively being developed (Site tour and opinion exchange session for high school students in Fukushima City held for the first time since the Fukushima Nuclear Accident. The Economist published an article on Kashiwazaki-Kariwa and NHK World aired an interview with the President of the Fukushima Daiichi Decontamination and Decommissioning Engineering Company.
Enhancing the Emergency Response Capabilities of Power Stations and the Head Office	<ul style="list-style-type: none"> • General training was held a total of nine times FY2016 Q3 at the three power stations. Out of these training sessions, joint training with the Head Office was held once with Fukushima Daiichi and once with Fukushima Daiichi. The “objective setting committee” employed at Kashiwazaki-Kariwa has been introduced at Fukushima Daiichi and Daiichi. But setting short-term goals and sharing priorities all parties can act as one when responding to a disaster.
Training Personnel in order to Improve Nuclear Safety	<ul style="list-style-type: none"> • The Nuclear Personnel Training Center has become the focal point for implementing systematic training to provide the world’ highest level of technical and management skill. • Trainings to improve in-house technical capability have been held in order to prevent small issues from becoming severe accidents. A skill competition between the three power stations in order to make workers aware of their level of skill was held in FY2016 3Q.

<TEPCO Holdings>

- February 13, 2017 Develop and sell high efficient heat pump air heater, “Neppu-ton,” with Mitsubishi Heavy Industries Thermal Systems, Ltd., the Kansai Electric Power Company, and Chubu Electric Power Company.
- February 14, 2017 Hold an “EV Utilization Idea Contest” which rents electric vehicles for up to three years for free of charge.
- February 15, 2017 Start a joint research with RIKEN for sophisticated operation of hydroelectric dams.
- March 1, 2017 Provide financing for a U.S. venture capital fund, “Energy Impact Fund,” which puts main focus on power and energy fields.
- March 7, 2017 Conclude an agreement with Chubu Electric Power Company and Hokuriku Electric Power Company on mutual technical cooperation for nuclear safety improvement.
- March 15, 2017 Establish a company to construct and operate transmission networks for realization of the Fukushima Plan for a New Energy Society with Fukushima Electric Power and the Toho Bank.
- March 24, 2017 Reach an agreement with BLUE INNOVATION Co., Ltd. and TEPCO SYSTEMS CORPORATION on joint development of “drone flight support systems” which automatically check electricity systems and equipment.
- March 29, 2017 Reach a basic alliance agreement with ZENRIN CO., LTD. on infrastructure development for safe drone flight, in order to create a society which effectively uses drones.
- April 4, 2017 Provide financing for a U.K. venture company, “Moixa,” which conducts battery solutions business for general household customers.

<TEPCO Fuel & Power>

- February 28, 2017 Conclude a basic agreement with JFE Engineering Corporation on a joint business in the fields of renewable energy and infrastructure service for local governments, etc.
- March 17, 2017 Improve the efficiency of Unit 5, Group 2 of Futtsu Thermal Power Station (replacement of gas turbines and others is completed for reduction of fuel cost and CO2 emissions).
- March 28, 2017 Conclude a basic agreement with Chubu Electric Power Company concerning integration of existing thermal power generation business.
- March 31, 2017 Remove Units 3 to 8 of Yokosuka Thermal Power Station and gas turbine Units 1 and 2 (it is planned to replace with most advanced, highly efficient generation equipment by JERA).

<TEPCO Power Grid>

- April 5, 2017 Reach a business alliance agreement with TOSHIBA CORPORATION, McAfee, Inc., NTT DATA Corporation, TAKAOKA TOKO CO., LTD., and NIPPON KOEI CO., LTD. to undertake power system monitoring & control systems and peripheral technology business in other countries.
- April 13, 2017 Start demonstration tests of a power grid which simulates a possible energy mix in 2030 with New Energy and Industrial Technology Development Organization, Tokyo Electric Power Company Holdings, Inc., and TAKAOKA TOKO CO., LTD.

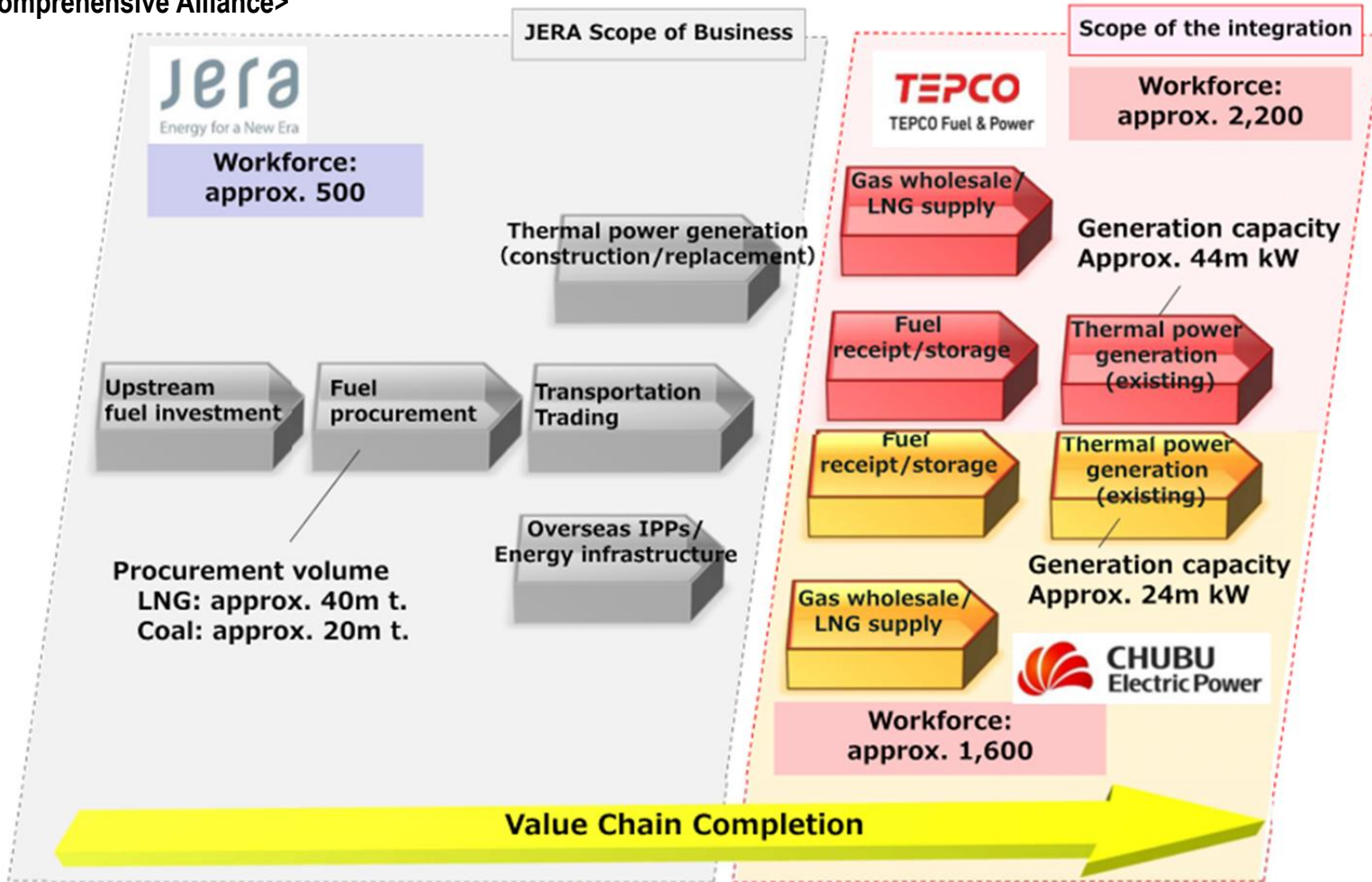
<TEPCO Energy Partner>

- March 2, 2017 Create a rate plan for corporate customers, “Aqua Premium” (Japan’s first rate plan to sell the power from hydroelectric power generation with no CO2 emissions).
- March 21, 2017 Reach a basic agreement with EPCO, Ltd. to form a business alliance in energy-saving renovation business and to start consideration of creating a joint venture company.
- April 11, 2017 Start operation of battery energy services in Subaru Kenkyu Center with SUBARU CORPORATION and Japan Facility Solutions, Inc.
- April 27, 2017 Reach an agreement with Tokyo Electric Power Company Holdings, Inc., Japan Facility Solutions, Inc. and SUMITOMO CORPORATION to introduce Japan’s first energy service for BCP countermeasure “Premium Grid Service” utilizing electric power network.

Conclusion of Basic Agreement on Integration of Existing Thermal Power Generation Businesses

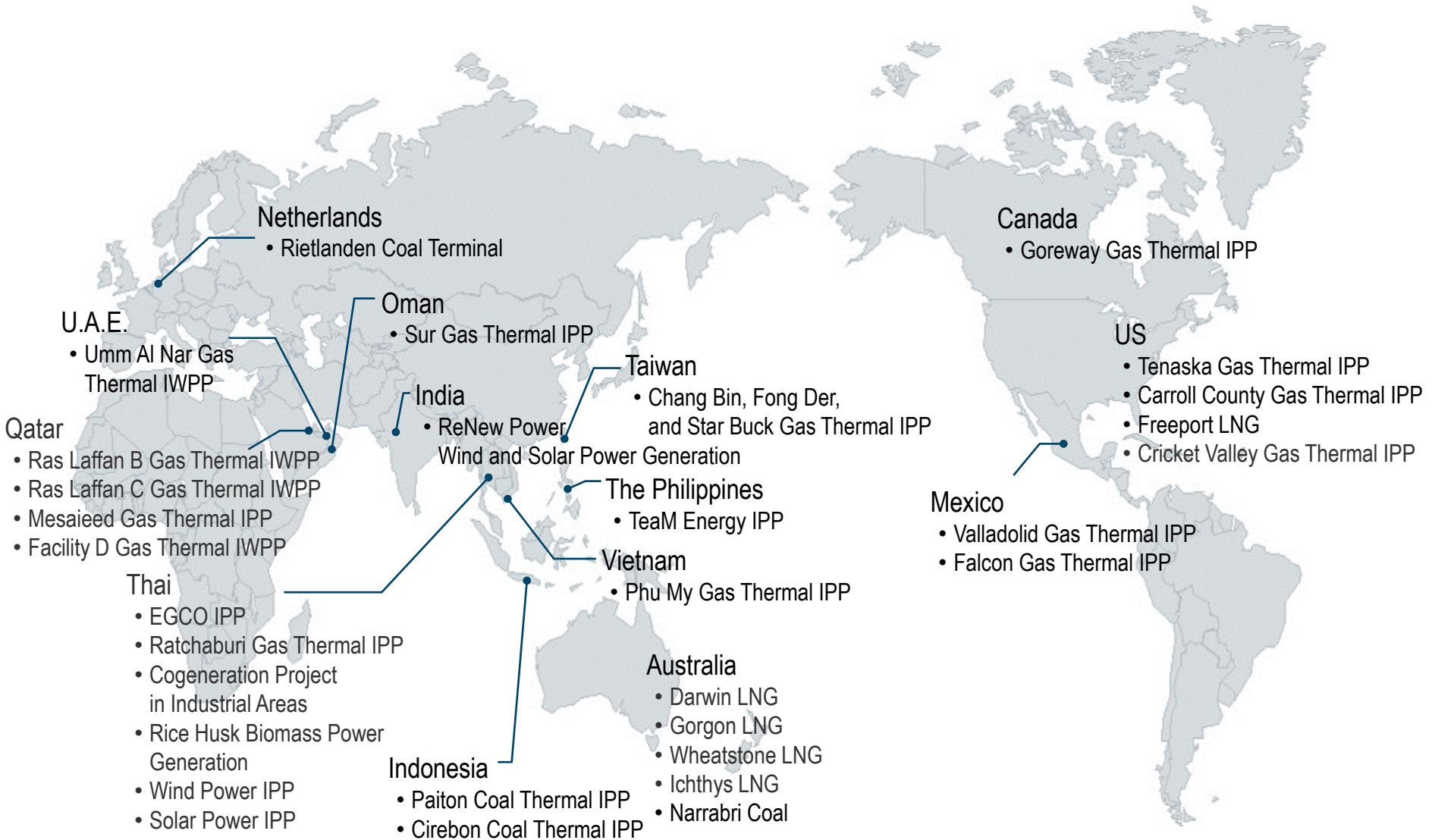
- ✓ On March 28, 2017, TEPCO Fuel & Power, Inc. ("TEPCO Fuel & Power"), and Chubu Electric Power Co., Inc. ("Chubu Electric") concluded a basic agreement with the aim of integrating their fuel receipt/ storage and gas transportation businesses, and existing thermal power generation business ("the integration") into JERA Co., Inc., in relation to their comprehensive alliance covering the fuel and thermal power generation business. TEPCO Fuel & Power and Chubu Electric aim to conclude a joint-venture agreement concerning the integration in the first half of FY 2017.

< Scope of Comprehensive Alliance >



[Reference] Overseas IPP and Fuel Projects of JERA Group

(As of the end of April, 2017)



TEPCO

The Energy for Every Challenge