

FY2017 2nd Quarter Financial Results (April 1 – September 30, 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 FY2017 2nd Quarter Financial Results

(Released on October 31, 2017)

< FY2017 2nd Quarter Financial Results >

- Ordinary revenue increased due to an increase in electricity sales revenue from a rise in fuel cost adjustments and others while electricity sales volume decreased.
- Ordinary expenses increased due to the rise of fuel prices and increase of purchasing solar power generation and others.
- Ordinary income achieved profits for the fifth consecutive year. However, the time-lag effect* caused by fuel cost adjustments, which made a positive contribution in FY2016 2nd Quarter, made a negative contribution in FY2017 2nd Quarter, and ordinary income decreased.
- Net income increased due to recording grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF).

*Difference between such revenue as may be adjusted if fuel prices were reflected immediately and the revenue from actual fuel cost adjustment.

< FY2017 Full-year Financial Forecasts >

- There is no revision from the projections released on July 28, 2017.

1. Consolidated Financial Results

(Unit Billion Yen)

	FY2017	FY2016	Comparison	
	Apr-Sep (A)	Apr-Sep (B)	(A)-(B)	(A)/(B) (%)
Operating Revenue	2,831.6	2,643.3	188.2	107.1
Operating Income	237.7	292.8	-55.0	81.2
Ordinary Income	215.9	274.2	-58.2	78.8
Extraordinary Income	128.6	36.4	92.1	-
Extraordinary Loss	110.2	168.5	-58.2	-
Net Income attributable to owners of parent	211.2	94.1	117.0	224.3

2. Electricity Sales Volume/ Key Factors Affecting Performance

Electricity Sales Volume

(Unit: Billion kWh)

	FY2017 Apr-Sep (A)	FY2016 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Lighting	37.6	39.9	-2.3	94.2
Power	77.4	79.7	-2.2	97.2
Total	115.0	119.6	-4.5	96.2

* Excluding islands. Including nation-wide sales.

Key Factors Affecting Performance

	FY2017 Apr-Sep (A)	FY2016 Apr-Sep (B)	(A)-(B)
Foreign Exchange Rate (Interbank, yen/dollar)	111.1	105.2	5.9
Crude Oil Prices (All Japan CIF, dollar/barrel)	51.4	43.8	7.6
LNG Prices (All Japan CIF, dollar/barrel)	47.9	36.7	11.2

3. Ordinary Revenue (Consolidated)

(Unit: Billion Yen)

	FY2017 Apr-Sep (A)	FY2016 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
(Operating Revenue)	2,831.6	2,643.3	188.2	107.1
Electricity Sales Revenue	2,241.0	2,211.8	29.1	101.3
Lighting	928.9	937.4	-8.5	99.1
Power	1,312.1	1,274.4	37.6	103.0
Power Sold to Other Utilities and Suppliers	114.4	62.1	52.2	184.1
Other Revenue	384.7	315.2	69.4	122.0
(Written again) Grant under Act on Procurement of Renewable Electric Energy	189.1	159.8	29.2	118.3
(Written again) Transmission Revenue	102.6	66.7	35.8	153.7
Subsidiaries/ Affiliated Companies	114.2	87.8	26.4	130.1
Ordinary Revenue	2,854.4	2,677.1	177.3	106.6

- Decrease in electricity sales volume: - 91.0
- Rise in fuel cost adjustments: +105.0
- Renewable energy surcharge: +36.1

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)

	FY2017 Apr-Sep (A)	FY2016 Apr-Sep (B)	(Unit: Billion Yen) Comparison		
			(A)-(B)	(A)/(B) (%)	
Personnel Expenses	163.9	169.8	-5.8	96.5	<ul style="list-style-type: none"> • Effect of price fluctuations of exchange rate, fuel prices (CIF) and others: + 142.0 • Decrease in thermal power generation: - 29.0
Fuel Expenses	609.2	496.2	112.9	122.8	
Maintenance Expenses	135.3	149.1	-13.8	90.7	
Depreciation	273.4	274.6	-1.2	99.6	<ul style="list-style-type: none"> • Increase of purchase from solar power generation and others
Power Purchasing Costs	562.3	462.5	99.8	121.6	
Interest Paid	33.5	39.7	-6.1	84.4	Total of TEPCO Holdings and three Core Operating Companies (after intercompany elimination)
Taxes, etc.	154.7	153.4	1.3	100.9	
Nuclear Back-end Costs	24.5	26.8	-2.3	91.4	
Other Expenses	587.9	562.2	25.6	104.6	
(Written again) Payment under Act on Procurement of Renewable Electric Energy	263.7	227.6	36.1	115.9	
Subsidiaries/ Affiliated Companies	93.4	68.2	25.2	137.0	Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after intercompany elimination)
Ordinary Expenses	2,638.5	2,402.9	235.6	109.8	
(Operating Income)	(237.7)	(292.8)	(-55.0)	81.2	
Ordinary Income	215.9	274.2	-58.2	78.8	

5. Extraordinary Income/ Loss (Consolidated)

(Unit: Billion Yen)

	FY2017 Apr-Sep	FY2016 Apr-Sep	Comparison
Extraordinary Income	128.6	36.4	92.1
Grants-in-aid from NDF*	128.6	—	128.6
Gain on change in equity	—	36.4	-36.4
Extraordinary Loss	110.2	168.5	-58.2
Expenses for Nuclear Damage Compensation	110.2	168.5	-58.2
Extraordinary Income/ Loss	18.3	-132.0	150.4

* Nuclear Damage Compensation and Decommissioning Facilitation Corporation

<Extraordinary Income>

Grants-in-aid from NDF

- Application for financial support from NDF in May and June 2017

<Extraordinary Loss>

Expenses for Nuclear Damage Compensation

- Increase in the estimated amount of compensation for damage to reputation etc., and other factors

6. Consolidated Financial Position

- Total assets decreased 279.3 billion yen primarily due to a decrease in grants-in-aid receivable from NDF.
- Total liabilities decreased 468.9 billion yen primarily due to a decrease in provision for nuclear damage compensation.
- Total net assets increased 189.5 billion yen primarily due to a record net income attributable to owners of parent.
- Equity ratio improved by 2.0 points.

Balance Sheets as of Mar. 31, 2017

Total Assets 12,277.6 billion yen	Liabilities 9,928.9 billion yen
	Net Assets 2,348.6 billion yen

Equity Ratio: 19.1%

Balance Sheets as of Sep. 30, 2017

Total Assets 11,998.2 billion yen	Liabilities 9,460.0 billion yen
Decrease in Assets -279.3 billion yen	Net Assets 2,538.2 billion yen

Equity Ratio: 21.1% **TEPCO**

Decrease in Liabilities
-468.9 billion yen

- Provision for nuclear damage compensation
-121.1 billion yen
- Interest-bearing Debt
-120.6 billion yen

Increase in Net Assets
+189.5 billion yen

- Record net income attributable to owners of parent
+211.2 billion yen

Improved by 2.0 points

7. FY2017 Full-Year Financial Forecasts

(Unit: Billion Yen)

	FY2017 Projections (released on Oct. 31, 2017)	FY2017 Projections (released on Jul. 28, 2017)	FY2016 Results
Operating Revenue	5,750	5,750	5,357.7
Ordinary Income	200	200	227.6
Extraordinary Income/ Loss	98	98	-80.6
Net Income attributable to owners of parent	288	288	132.8

* FY2017 Projections released on October 31, 2017 have no change from those released on July 28, 2017.

8. FY2017 Full-Year Financial Forecasts

(Key Factors Affecting Performance/ Financial Impact)

Key Factors Affecting Performance

	FY2017 Projections (released on Oct. 31, 2017)	FY2017 Projections (released on Jul. 28, 2017)	FY2016 Results
Electricity Sales Volume (billion kWh)	233.2	235.2	241.5
Crude Oil Prices (All Japan CIF; dollars per barrel)	Approx. 53	Approx. 54	47.5
Foreign Exchange Rate (Interbank; yen per dollar)	Approx. 113	Approx. 114	108.4
Flow Rate (%)	Approx. 98	Approx. 98	94.2
Nuclear Power Plant Capacity Utilization Ratio (%)	—	—	—

Financial Impact (Sensitivity)

(Unit: Billion Yen)

	FY2017 Projections (released on Oct. 31, 2017)	FY2017 Projections (released on Jul. 28, 2017)	FY2016 Results
<Fuel Expenses>			
Crude Oil Prices (All Japan CIF; 1 dollar per barrel)	Approx. 16	Approx. 16	Approx. 17
Foreign Exchange Rate (Interbank; 1 yen per dollar)	Approx. 11	Approx. 11	Approx. 10
Nuclear Power Plant Capacity Utilization Ratio (1%)	—	—	—
<Interest Paid>			
Interest Rate 1% (Long-term / Short-term)	Approx. 28	Approx. 28	Approx. 21

Supplemental Material

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FY2017 2nd Quarter Financial Results

Detailed Information

Consolidated Statements of Income

(Unit: Billion Yen)

	FY2017	FY2016	Comparison	
	Apr-Sep (A)	Apr-Sep (B)	(A)-(B)	(A)/(B) (%)
Operating Revenue	2,831.6	2,643.3	188.2	107.1
Operating Expenses	2,593.9	2,350.5	243.3	110.4
Operating Income	237.7	292.8	-55.0	81.2
Non-operating Revenue	22.8	33.7	-10.9	67.6
Investment Gain under the Equity Method	16.9	13.8	3.0	122.4
Non-operating Expenses	44.6	52.3	-7.7	85.2
Ordinary Income	215.9	274.2	-58.2	78.8
Reserve for preparation of depreciation of nuclear power construction	0.1	0.1	-0.0	76.8
Extraordinary Income	128.6	36.4	92.1	—
Extraordinary Loss	110.2	168.5	-58.2	—
Income Tax, etc.	22.8	47.6	-24.8	47.8
Net Income attributable to non-controlling interests	0.1	0.1	-0.0	82.4
Net Income attributable to owners of parent	211.2	94.1	117.0	224.3

Breakdown of Consolidated Ordinary Revenue

(Unit: Billion Yen)

	FY2017	FY2016	Comparison	
	Apr-Sep (A)	Apr-Sep (B)	(A)-(B)	(A)/(B) (%)
Ordinary Revenue	2,854.4	2,677.1	177.3	106.6
Operating Revenue	2,831.6	2,643.3	188.2	107.1
Operating Revenue from Electric Power Business	2,677.5	2,530.2	147.3	105.8
Electricity Sales Revenue	2,241.0	2,211.8	29.1	101.3
Lighting	928.9	937.4	-8.5	99.1
Power	1,312.1	1,274.4	37.6	103.0
Power Sold to Other Utilities	25.7	22.0	3.6	116.6
Power Sold to Other Suppliers	88.7	40.1	48.6	221.1
Other Revenue	322.0	256.1	65.9	125.7
Operating Revenue from Incidental Business	48.3	34.4	13.8	140.3
Non-operating Revenue	22.8	33.7	-10.9	67.6

(Note)

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

Breakdown of Consolidated Ordinary Expenses

(Unit: Billion Yen)

	FY2017 Apr-Sep (A)	FY2016 Apr-Sep (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Ordinary Expenses	2,638.5	2,402.9	235.6	109.8
Operating Expenses	2,593.9	2,350.5	243.3	110.4
Operating Expenses for Electric Power Business	2,455.4	2,255.1	200.3	108.9
Personnel	163.9	169.8	-5.8	96.5
Fuel	609.2	496.2	112.9	122.8
Maintenance	135.3	149.1	-13.8	90.7
Depreciation	273.4	274.6	-1.2	99.6
Power Purchasing	562.3	462.5	99.8	121.6
Taxes, etc.	154.7	153.4	1.3	100.9
Nuclear Power Back-end	24.5	26.8	-2.3	91.4
Others	531.9	522.5	9.4	101.8
Operating Expenses for Incidental Business	45.0	27.2	17.7	165.3
Non-operating Expenses	44.6	52.3	-7.7	85.2
Interest Paid	33.5	39.7	-6.2	84.3
Other Expenses	11.1	12.6	-1.5	87.7

(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 (¥169.8 billion to ¥163.9 billion)

- ¥5.8 billion

Salary and benefits (¥127.8 billion to ¥120.4 billion)

- ¥7.4 billion

Retirement benefits (¥8.7 billion to ¥13.2 billion)

+¥4.4 billion

Amortization of actuarial difference + ¥4.8 billion (- ¥1.9 billion to ¥2.9 billion)

<Amortization of Actuarial Difference>

(Unit Billion Yen)

	Expenses incurred	Expenses / Provisions in Each Period				Amount Uncharged as of Sep. 30, 2017
		FY2016		FY2017		
		Charged	Of which charged in Apr-Sep	Charged	Of which charged in Apr-Sep	
FY2014	-38.1	-12.7	-6.3	—	—	—
FY2015	26.6	8.8	4.4	8.8	4.4	4.4
FY2016	-8.9	-2.9	—	-2.9	-1.4	-4.4
Total		-6.7	-1.9	5.9	2.9	-0.0

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

Fuel expenses (¥496.2 billion to ¥609.2 billion)

+¥112.9 billion

Consumption volume

Approx. - ¥29.0 billion

Decrease in thermal power generation

Approx. - ¥29.0 billion

Price

Approx. + ¥142.0 billion

Increase due to fluctuations of foreign exchanges

Approx. + ¥32.0 billion

Increase due to fluctuations of CIF crude oil price, and others

Approx. + ¥110.0 billion

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

Maintenance expenses (¥149.1 billion to ¥135.3 billion) - ¥13.8 billion

Generation facilities (¥46.1 billion to ¥50.6 billion)		+¥4.5 billion
Hydroelectric power (¥2.6 billion to ¥3.1 billion)		+¥0.5 billion
Thermal power (¥29.3 billion to ¥31.8 billion)	<u>Main Factors for Increase/ Decrease</u> Thermal: Increase in expenses for periodic inspection due to increase of the number of units which need to be inspected, and others	+¥2.4 billion
Nuclear power (¥13.9 billion to ¥15.5 billion)		+¥1.5 billion
Renewable energy (¥0.1 billion to ¥0.1 billion)		- ¥0.0 billion
Distribution facilities (¥101.6 billion to ¥83.3 billion)		- ¥18.2 billion
Transmission (¥10.3 billion to ¥7.6 billion)	<u>Main Factors for Increase/ Decrease</u> Distribution : Decrease in expenses for replacement of conventional meters with smart meters, Decrease in expenses for repair work of distribution line, and others	- ¥2.7 billion
Transformation (¥6.0 billion to ¥4.2 billion)		- ¥1.8 billion
Distribution (¥85.1 billion to ¥71.4 billion)		- ¥13.6 billion
Others (¥1.4 billion to ¥1.3 billion)		- ¥0.0 billion

Depreciation expenses (¥274.6 billion to ¥273.4 billion) - ¥1.2 billion

Generation facilities (¥119.8 billion to ¥123.0 billion)		+¥3.2 billion
Hydroelectric power (¥11.4 billion to ¥11.1 billion)		- ¥0.2 billion
Thermal power (¥65.7 billion to ¥63.2 billion)		- ¥2.5 billion
Nuclear power (¥42.0 billion to ¥48.1 billion)		+¥6.1 billion
Renewable energy (¥0.6 billion to ¥0.5 billion)		- ¥0.0 billion
Distribution facilities (¥150.1 billion to ¥146.4 billion)		- ¥3.7 billion
Transmission (¥70.5 billion to ¥67.2 billion)		- ¥3.3 billion
Transformation (¥27.1 billion to ¥26.5 billion)		- ¥0.5 billion
Distribution (¥52.4 billion to ¥52.6 billion)		+¥0.1 billion
Others (¥4.6 billion to ¥3.9 billion)		- ¥0.6 billion

<Depreciation Breakdown>

	FY2016 Apr-Sep	→	FY2017 Apr-Sep
Regular depreciation	¥273.4 billion		¥273.3 billion
Trial operations depreciation	¥1.2 billion		¥0.0 billion

Power purchasing costs (¥462.5 billion to ¥562.3 billion) +¥99.8 billion

Power purchased from other utilities (¥21.1 billion to ¥25.5 billion)	<u>Main Factors for Increase/ Decrease</u> Power purchased from other suppliers : Increase of purchasing solar power generation, and others	+¥4.4 billion
Power purchased from other suppliers (¥441.3 billion to ¥536.7 billion)		+¥95.3 billion

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

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Taxes and other public charges (¥153.4 billion to ¥154.7 billion)		+¥1.3 billion
Charge for occupancy of roads (¥13.9 billion to ¥14.2 billion)		+¥0.3 billion
Enterprise tax (¥25.8 billion to ¥26.1 billion)		+¥0.2 billion
Nuclear power back-end costs (¥26.8 billion to ¥24.5 billion)		- ¥2.3 billion
Expenses for contribution of reprocessing of irradiated nuclear fuel (¥ - billion to ¥15.2 billion)		+¥15.2 billion
Expenses for reprocessing of irradiated nuclear fuel (¥16.0 billion to ¥ - billion)		- ¥16.0 billion
Expenses for preparation of reprocessing of irradiated nuclear fuel (¥1.4 billion to ¥ - billion)		- ¥1.4 billion
Decommissioning costs of nuclear power units (¥9.2 billion to ¥9.2 billion)		- ¥0.0 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 (¥522.5 billion to ¥531.9 billion)		+¥9.4 billion
Payment on Act of Renewable Electric Energy (¥227.6 billion to ¥263.7 billion)		+¥36.1 billion
Miscellaneous expenses (¥7.6 billion to ¥11.2 billion)		+¥3.6 billion
Consumable expenses (¥7.7 billion to ¥5.5 billion)	Main Factors for Increase/ Decrease Payment on Act of Renewable Electric Energy: Increase in renewable power promotion surcharge Commission expenses: Decrease in commission expenses for receiving claim for nuclear damage compensation, Decrease in commission expenses for software, and others	- ¥2.1 billion
Rental expenses (excluding charge for occupancy of roads) (¥51.7 billion to ¥48.9 billion)		- ¥2.7 billion
Promotion expenses (¥7.6 billion to ¥3.1 billion)		- ¥4.5 billion
Commission expenses (¥119.5 billion to ¥96.3 billion)		- ¥23.2 billion
Contribution to Nuclear Damage Liability Facilitation Fund (¥28.3 billion to ¥28.3 billion)		—
Incidental business operating expenses (¥27.2 billion to ¥45.0 billion)		+¥17.7 billion
Gas supply business (¥24.6 billion to ¥42.4 billion)		+¥17.7 billion
Interest paid (¥39.7 billion to ¥33.5 billion)		- ¥6.2 billion
Decrease in average rate during the period (1.24% to 1.10%) [Total of four companies]		- ¥2.3 billion
Decrease in the amount of interest-bearing debt (¥6,219.0 billion to ¥5,891.4 billion) [Total of four companies]		- ¥3.8 billion
Other non-operating expenses (¥12.6 billion to ¥11.1 billion)		- ¥1.5 billion
Bond issuance cost (¥1.1 billion to ¥0.5 billion)		- ¥0.5 billion

Increase/ Decrease of Consolidated Business Performance

- Year on Year Comparison

➤ Ordinary income decreased 58.2 billion yen to 215.9 billion yen.

Ordinary Income

(Unit: Billion Yen)

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

Others + 79.9

- 138.2

Foreign Exchange Rate - 32.0

Foreign Exchange Rate + 5.9 yen/\$

Increase in Transmission Revenue + 35.8, and others

Decrease in Profits 58.2 billion yen

Fuel Cost Adjustment + 105.0

Effect of kWh Adjustment - 62.0

CIF - 132.0

+ 7.6 \$/b

Increase in Other Revenue + 40.1

+ 1.1

Others related to Power Supply and Demand - 17.0

Increase in Profit of Subsidiaries etc.

Decrease in Commission Expenses + 23.2

Decrease in Maintenance Expenses + 13.8, and others

FY2016 Apr-Sep 274.2

Effect of fuel cost adjustment + 87.0

FY2017 Apr-Sep 215.9

Effect of fuel cost adjustment - 14.0

➤ Net Income attributable to owners of parent increased 117.0 billion yen to 211.2 billion yen

Ordinary Income/ Loss -58.2, Extraordinary Income/ Loss +150.4, Income Tax etc. +24.8 and others

Financial Impact of the Great East Japan Earthquake

(Unit Billion Yen)

Item	FY2010 to FY2016	FY2017 Apr-Sep	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 6,651.3	128.6	*2 6,780.0
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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 1,526.0 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 2,735.7 billion yen respectively.

◆ Loss on Disaster

● Expenses and/ or losses for Fukushima Daiichi Nuclear Power Station Units 1 through 4	1,025.9	-1.2	1,024.6
● Other expenses and/ or losses	387.0	-0.0	386.9
◆ Loss on Disaster Sub Total: (A)	1,412.9	-1.3	1,411.6
◇ 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)	1,380.9	-1.3	1,379.6

◆ 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.	2,141.8	7.5	2,149.3
● 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.	2,847.5	74.5	2,922.0
● 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.	3,474.8	1,237.8	4,712.7
● Amount of indemnity for nuclear accidents from the Government	-188.9	—	-188.9
● Grants-in-aid corresponding to decontamination expenses	-1,526.0	-1,209.6	-2,735.7
Total	6,749.1	110.2	6,859.4

Consolidated Balance Sheets

(Unit: Billion Yen)

	Sep. 30 2017 (A)	Mar. 31 2017 (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Total Assets	11,998.2	12,277.6	-279.3	97.7
Fixed Assets	10,079.2	10,293.8	-214.5	97.9
Current Assets	1,918.9	1,983.7	-64.7	96.7
Liabilities	9,460.0	9,928.9	-468.9	95.3
Long-term Liability	5,671.6	6,117.9	-446.3	92.7
Current Liability	3,781.6	3,804.3	-22.6	99.4
Reserves for Preparation of the Depreciation of Nuclear Plants Construction	6.7	6.6	0.1	101.6
Net Assets	2,538.2	2,348.6	189.5	108.1
Shareholders' Equity	2,537.4	2,329.0	208.3	108.9
Accumulated other comprehensive income	-4.8	14.3	-19.1	—
Non-controlling interests	5.6	5.2	0.3	107.4

<Interest-bearing debt outstanding>

(Unit: Billion Yen)

	Sep. 30 2017 (A)	Mar. 31 2017 (B)	(A)-(B)
Bonds	2,373.3	3,205.9	-832.5
Long-term Debt	1,780.8	1,938.8	-157.9
Short-term Debt	1,730.0	860.1	869.9
Total	5,884.3	6,004.9	-120.6

<Reference>

	FY2017 Apr-Sep (A)	FY2016 Apr-Sep (B)	(A)-(B)
ROA(%)	2.0	2.2	-0.2
ROE(%)	8.7	4.2	4.5
EPS(Yen)	131.86	58.77	73.09

ROA: Operating Income / Average Total Assets

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

Consolidated Statements of Cash Flows

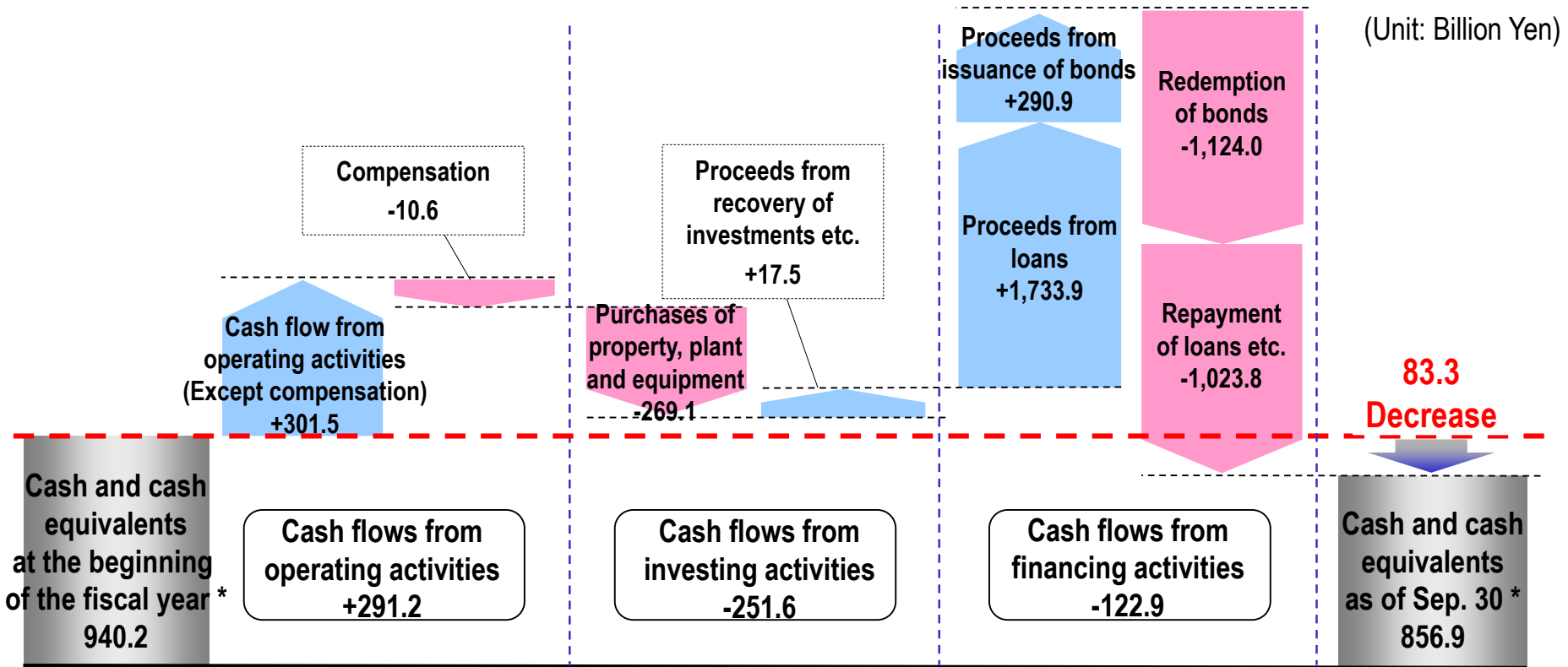
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(Unit: Billion Yen)

	FY2017 Apr-Sep (A)	FY2016 Apr-Sep(B)	Comparison (A)-(B)
Cash flow from operating activities	291.2	330.7	-39.5
Income / loss before income taxes and minority interests	234.2	142.0	92.1
Depreciation and amortization	278.8	282.5	-3.6
Interest expenses	33.5	39.7	-6.2
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	-128.6	—	-128.6
Expenses for nuclear damage compensation	110.2	168.5	-58.2
Decrease (increase) in notes and accounts receivable trade*	-93.4	-105.1	11.6
Increase (decrease) in notes and accounts payable trade**	-9.6	-80.2	70.6
Interest expenses paid	-33.7	-24.1	-9.5
Payments for extraordinary loss on disaster due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake	-10.6	-22.1	11.5
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation received	385.5	390.0	-4.5
Payments for nuclear damage compensation	-396.1	-396.5	0.3
Others	-78.9	-63.7	-15.1
Cash flows from investing activities	-251.6	-243.6	-7.9
Purchases of property, plant and equipment	-269.1	-289.7	20.5
Others	17.5	46.1	-28.5
Cash flows from financing activities	-122.9	-388.4	265.4
Proceeds from issuance of bonds	290.9	—	290.9
Redemption of bonds	-1,124.0	-200.0	-924.0
Repayment of long-term loans	-162.8	-249.1	86.3
Proceeds from short-term loans	1,729.1	537.2	1,191.8
Repayment of short-term loans	-859.1	-492.2	-366.9
Others	3.0	15.7	-12.7
Effect of exchange rate changes on cash and cash equivalents	-0.0	-3.8	3.8
Net increase (decrease) in cash and cash equivalents**	-83.3	-305.0	221.7
Cash and cash equivalents at the beginning of the year	940.2	1,339.9	-399.6
Decrease due to change in scope of consolidation	—	-96.5	96.5
Cash and cash equivalents at the end of the quarter	856.9	938.2	-81.3

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

- Cash and cash equivalents as of September 30, 2017 decreased 83.3 billion yen to 856.9 billion yen.
 - Cash flow from operating activities increased 291.2 billion yen mainly due to income before income taxes and minority interests
 - Cash flow from investing activities decreased 251.6 billion yen mainly due to purchases of property, plant and equipment
 - Cash flow from financing activities decreased 122.9 billion yen mainly because redemption of bonds and repayment of loans exceeded proceeds from issuance of bonds and those from loans



* Including expenses for compensation 69.8 billion yen

* Including expenses for compensation 59.1 billion yen

Segment Information

	(Unit: Billion Yen)			
	FY2017	FY2016	Comparison	
	Apr-Sep (A)	Apr-Sep (B)	(A)-(B)	(A)/(B)
Operating Revenue	2,831.6	2,643.3	188.2	107.1
Holdings	409.1	460.7	-51.5	88.8
	25.2	27.8	-2.6	90.4
Fuel & Power	827.5	812.3	15.1	101.9
	8.7	15.8	-7.1	54.9
Power Grid	835.6	815.6	19.9	102.4
	173.5	129.7	43.8	133.8
Energy Partner	2,703.2	2,562.8	140.3	105.5
	2,624.1	2,469.8	154.2	106.2
Adjustments	-1,943.9	-2,008.3	64.4	-
Ordinary Income	215.9	274.2	-58.2	78.8
Holdings	162.7	69.5	93.1	233.9
Fuel & Power	7.7	122.5	-114.7	6.4
Power Grid	81.6	32.2	49.3	253.1
Energy Partner	90.3	49.3	40.9	183.0
Adjustments	-126.4	0.5	-127.0	-

Note1: The lower row in Operating Revenue section represents revenue from external customers.

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

[Reference] Key Factors Affecting Performance and Financial Impact

Key Factors Affecting Performance

	FY2017			【Reference】 FY2016 Actual Performance	
	Apr-Sep Results	Full-year Projections		Apr-Sep	Full-year
		(As of Oct. 31)	(As of Jul. 28)		
Electricity Sales Volume (billion kWh)	115.0	233.2	235.2	119.6	241.5
Crude Oil Prices (All Japan CIF; dollars per barrel)	51.4	Approx. 53	Approx. 54	43.8	47.5
Foreign Exchange Rate (Interbank; yen per dollar)	111.1	Approx. 113	Approx. 114	105.2	108.4
Flow Rate (%)	95.6	Approx. 98	Approx. 98	89.1	94.2
Nuclear Power Plant Capacity Utilization Ratio (%)	-	-	-	-	-

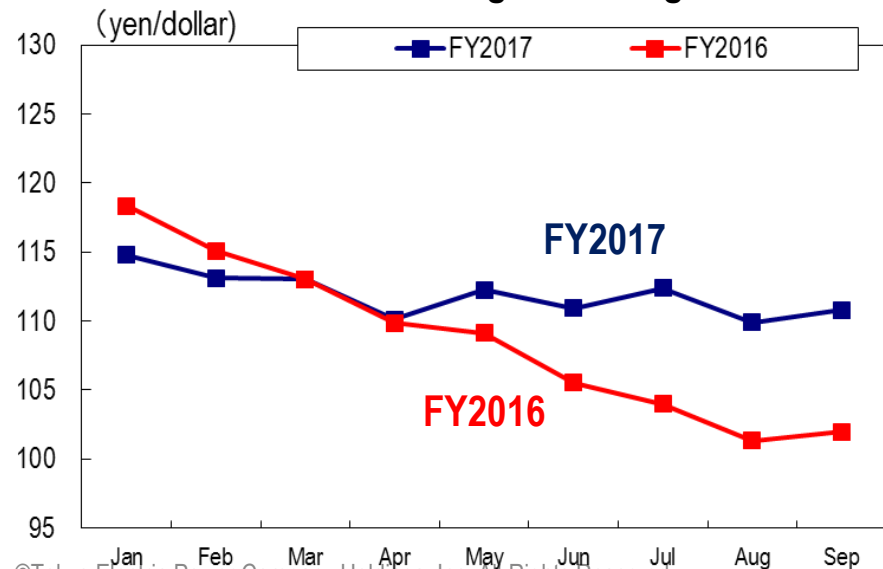
Financial Impact (Sensitivity)

(Unit: Billion Yen)

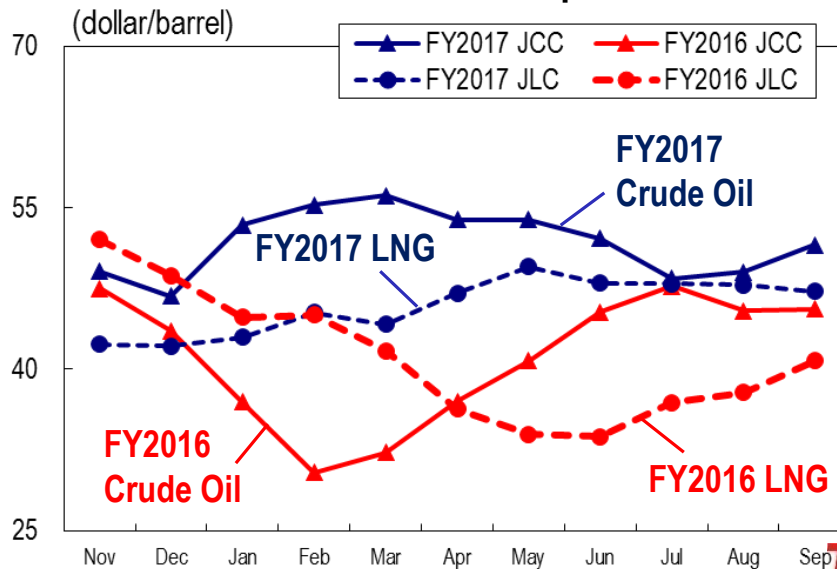
	FY2017			【Reference】 FY2016 Actual Performance	
	(As of Oct. 31)	Full-year Projections		Apr-Sep	Full-year
		(As of Jul. 28)	(As of Jul. 28)		
Crude Oil Prices (All Japan CIF; 1 dollar per barrel)	Approx. 16	Approx. 16	Approx. 17		
Foreign Exchange Rate (Interbank; 1 yen per dollar)	Approx. 11	Approx. 11	Approx. 10		
Flow Rate (1%)	Approx. 1	Approx. 1	Approx. 1		
Nuclear Power Plant Capacity Utilization Ratio (1%)	-	-	-		
Interest Rate (1%)	Approx. 28	Approx. 28	Approx. 21		

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>



<Fluctuation of All Japan CIF>



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

Electricity Sales Volume

Unit: Billion kWh

FY2017

	Apr-Jun	Jul	Aug	Sep	Jul-Sep	Apr-Sep
Lighting	17.83	6.41	6.97	6.39	19.76	37.60
Power	36.43	13.77	13.98	13.27	41.02	77.45
Total	54.27	20.18	20.95	19.65	60.78	115.05

FY2016

[Ref.] Year-on-year Comparison

	Apr-Jun	Jul	Aug	Sep	Jul-Sep	Apr-Sep	Jul-Sep	Apr-Sep
Lighting	18.95	6.16	7.27	7.51	20.95	39.90	94.4%	94.2%
Power	37.33	13.86	14.29	14.20	42.35	79.68	96.8%	97.2%
Total	56.28	20.02	21.56	21.71	63.30	119.58	96.0%	96.2%

Total Power Generated

Unit: Billion kWh

FY2017

	Apr-Jun	Jul	Aug	Sep	Jul-Sep	Apr-Sep
Hydroelectric	3.25	1.20	1.24	1.10	3.53	6.78
Thermal	39.47	16.69	15.79	13.70	46.18	85.65
Nuclear	0.00	0.00	0.00	0.00	0.00	0.00
Renewable etc.	0.02	0.01	0.01	0.01	0.02	0.03
Total	42.73	17.90	17.03	14.80	49.73	92.46

FY2016

[Ref.] Year-on-year Comparison

	Apr-Jun	Jul	Aug	Sep	Jul-Sep	Apr-Sep	Jul-Sep	Apr-Sep
Hydroelectric	2.82	0.86	0.93	1.11	2.90	5.71	122.0%	118.7%
Thermal	42.53	16.01	17.07	15.38	48.46	91.00	95.3%	94.1%
Nuclear	0.00	0.00	0.00	0.00	0.00	0.00	-	-
Renewable etc.	0.02	0.01	0.01	0.01	0.02	0.04	98.1%	94.2%
Total	45.37	16.88	18.01	16.49	51.38	96.75	96.8%	95.6%

[Reference] Fuel Consumption

Fuel Consumption Data

	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Apr-Sep	【Reference】 FY2016 Apr-Sep
LNG (million tons)	23.49	21.55	21.06	9.57	9.97
Oil (million kl)	3.10	2.48	2.05	0.33	1.06
Coal (million tons)	7.53	8.34	8.14	4.19	4.03

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

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 and short term contract	8,023	4,934	4,965
Total imports	24,754	22,887	22,366

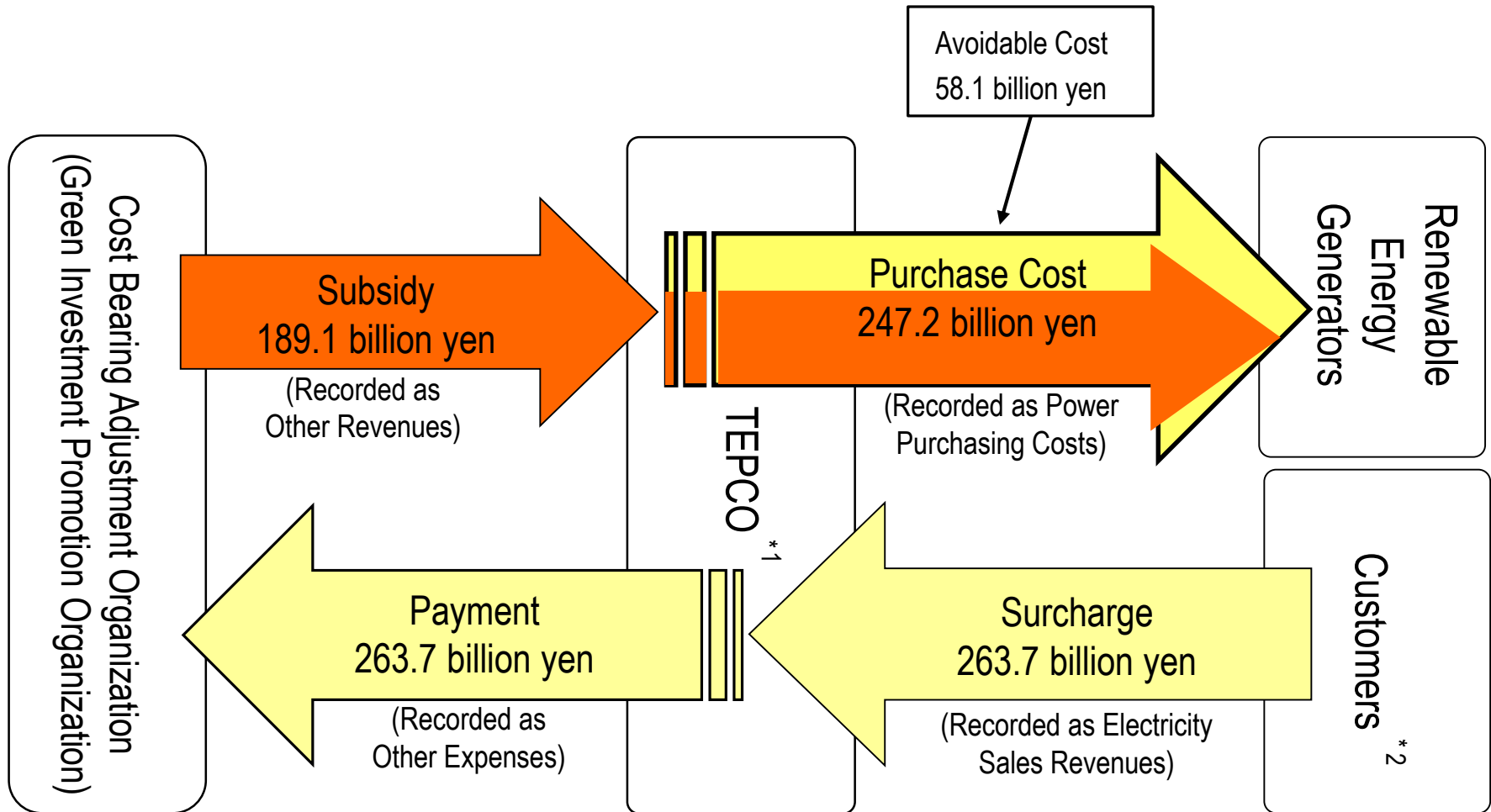
Coal

(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

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

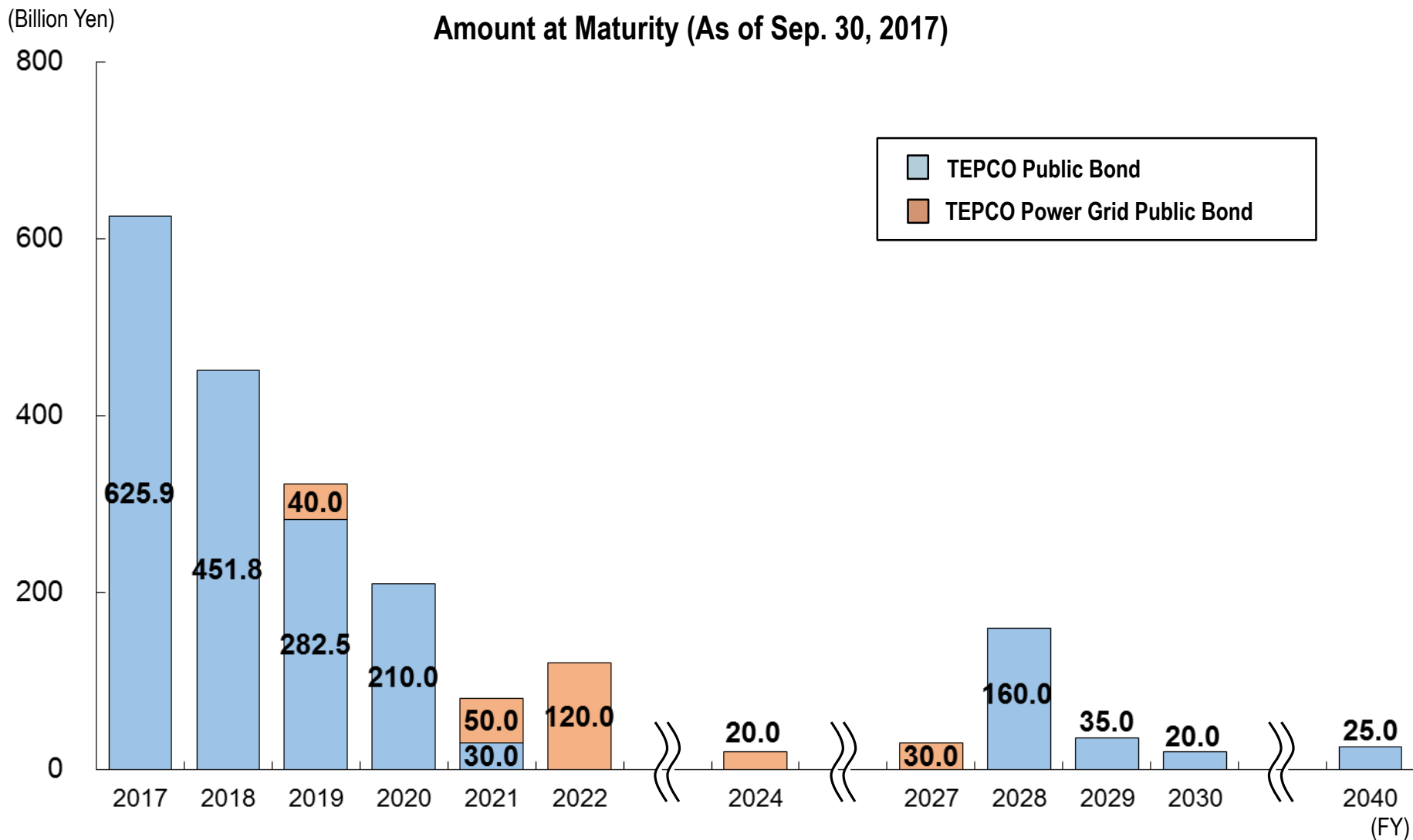
(FY 2017 Apr.- Sep.)



*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 Apr.- Sep. of fiscal 2017 totaled 385.1 billion yen.

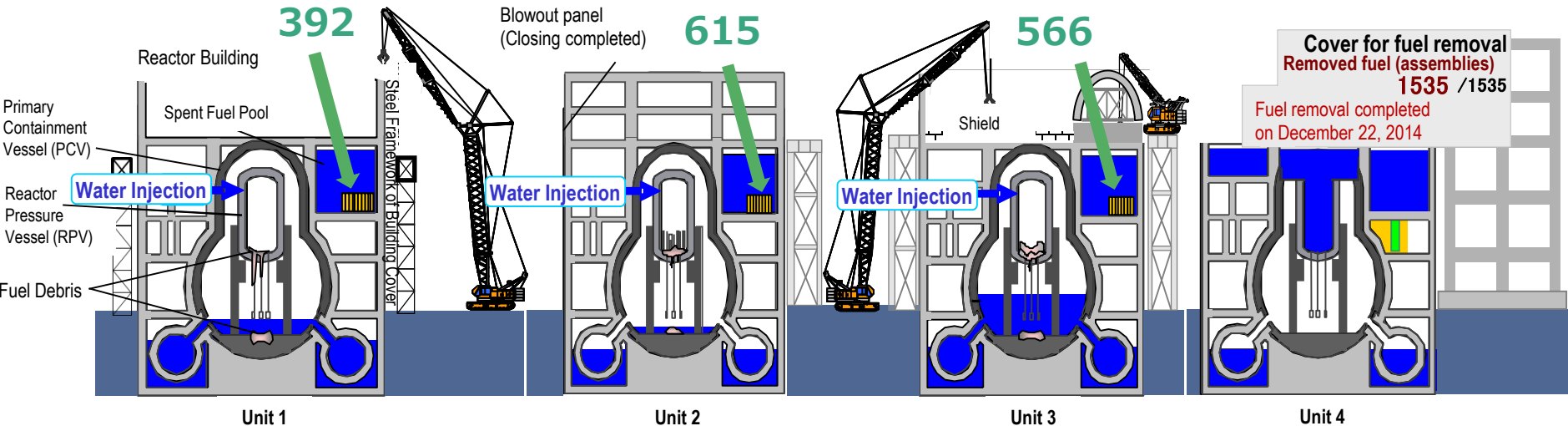
The Current Status of Fukushima Daiichi Nuclear Power Station and Future Initiatives

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 Primary Containment Vessel was planned and is underway.

Current Situation

✓ Please visit our website for the latest information. [Click Here.](#)



	Unit 1	Unit 2	Unit 3	Unit 4
Reactor*	Temperature of the bottom of RPV: 23.5°C/ Temperature of the inside of PCV:23.7°C	27.8°C / 30.1°C	29.2°C / 29.1°C	No Fuel
SFP*	22.9°C	22.1°C	24.6°C	No Fuel
Works towards removal of spent fuel and fuel debris	[Spent fuel removal] - Installation of posts and beams to install windbreak fence was completed on October 26, 2017. Installation of windbreak fence is scheduled to start at the end of October 2017. [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 in March 2017. The status of the PCV floor surface will continue to be examined based on the collected image and dose data.	[Spent fuel removal] - In November 2015, the decision was made to fully dismantle the upper part of the building. - In October 2017, work began on preparing for removing the protective layer (roof blocks, sand layer, etc.) over the roof, which has been a source of contamination from the reactor building rooftop. [Fuel debris removal] - The investigation inside the PCV was conducted from January to February 2017, which found deformed and falling off grating inside the pedestal as well as many sediment deposits.	[Spent fuel removal] - Work is underway to install a dome roof for fuel removal. [Fuel debris removal] - An investigation conducted of the pedestal interior in July 2017 found what appears to be solidified molten material, grating and other items that had fallen down, and sediment deposits. - From May to September 2017, measurements were taken using cosmic ray-derived muon particles. An evaluation found that some fuel debris may be present in the lower part of the RPV.	[Spent fuel removal] - Fuel removal from the SFP was completed in December, 2014. *Temperature is as of October 26, 2017 (5:00 am).

● The revised version of the Mid-and-Long-Term Roadmap is available [here \(TEPCO website\)](#).

1. Basic Approach toward Revision

- (1) Maintain approach that prioritizes safety and emphasizes risk reduction
- (2) Optimize overall decommissioning so new revelations about field conditions which come to light as the decommissioning work progresses are taken into account
- (3) Emphasize and further enhance communication with the community and society

2. Key Revision Points

(1) Fuel debris removal

NDF compared and reviewed several removal methods, as well as drafted and announced technical recommendations which was submitted to the government at the end of August



Based on the recommendations, a fuel debris removal policy was decided on

- Shift to atmospheric and cross-dyke methods, and move ahead on lower PCV work
- Proceed step-by-step (starting small, advancing in phases)

(2) Fuel removal from pools

Based on work progress, newly required work was clarified from the standpoint of ensuring safety



Proceed with work prudently by addressing field conditions as they are identified as well as implementing measures to thoroughly ensure safety while adding additional measures as necessary. Optimize overall decommissioning work and make improvements that keep pace with the environment around buildings.

(3) Contaminated water countermeasures

Preventive and multilayered countermeasures have been advanced, including sub-drains, sea-side impermeable walls, frozen-soil walls, etc. and the quantity of water flowing into buildings has been significantly reduced



Appropriately maintain and manage preventive and multilayered countermeasures, and reliably implement such measures. Thoroughly integrate operation of the frozen-soil wall and sub-drains, and reduce quantity of contaminated water generated. Steadfastly maintain the current policy for handling liquid waste.

(4) Waste countermeasures

At the end of August, the NDF drafted and announced technical recommendations which was submitted to the government regarding the “basic approach”



Based on recommendations, consolidate the “basic approach.”

- Thoroughly ensure safety (containment and isolation)
- Along with ascertaining properties and conditions, select methods for advanced processing

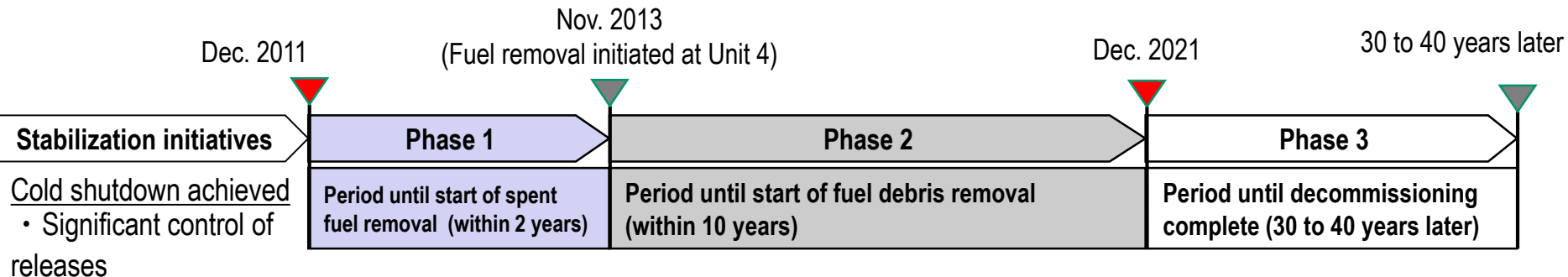
(5) Communication

As people return home and areas are rehabilitated, more conscientious information transmission and communication is necessary



Further strengthen communication. In addition to meticulous transmission of information, enhance interactive communication.

Maintain Overall Framework of Decommissioning Schedule



Milestones indicate progress on countermeasures in an easy-to-understand manner

Contaminated water countermeasures	Hold quantity of contaminated water generated to 150 m ³ /day	End of 2020
	Store all water cleaned through treatment systems, etc. in welded tanks	FY 2018
Stagnant water treatment	① Cut off all throughholes between Units 1 and 2 as well as Units 3 and 4	End of 2018
	② Reduce quantity of radioactive materials in stagnant water inside of buildings to 1/10 the level it was at the end of FY2014	FY 2018
	③ Complete treatment of stagnant water inside buildings	End of 2020
Fuel removal	① Start retrieving fuel at Unit 1	Goal of FY 2023
	② Start retrieving fuel at Unit 2	Goal of FY 2023
	③ Start retrieving fuel at Unit 3	Around mid-FY2018
Fuel debris removal	① Finalize method for retrieving fuel debris for first unit	FY 2019
	② Start retrieving fuel debris at first unit	End of 2021
Waste countermeasures	Treatment and disposal policy, and technical prospects pertaining to such safety	Around FY 2021

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.
- With respect to the land-side impermeable wall which is one of the measures to "isolate water from contamination sources," freezing was initiated on August 22, 2017 to close the one remaining area, and the temperature has already fallen 0°C in some areas.

<Main countermeasures>

Eliminate contamination sources

- Multi-nuclide removal equipment, etc.
- Remove contaminated water from the trench

Isolate water from contamination

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

Prevent leakage of contaminated water

- Enhance soil by adding sodium silicate
- Sea-side impermeable walls
- Increase the number of (welded-joint) tanks

Treatment of stagnant water in buildings

- As of June 2017, the removal of stagnant water has reduced radioactive materials in stagnant water within the buildings to half what they were level in 2014

< 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 October 24, 2017, 3:00pm, the total volume of groundwater discharged is 432,018t).

Land-side frozen impermeable walls

➤ In August 2017, freezing was initiated to close the remaining area, and the temperature has already fallen below 0° C in some areas. Water level differences between inside and outside of impermeable walls were expanded.

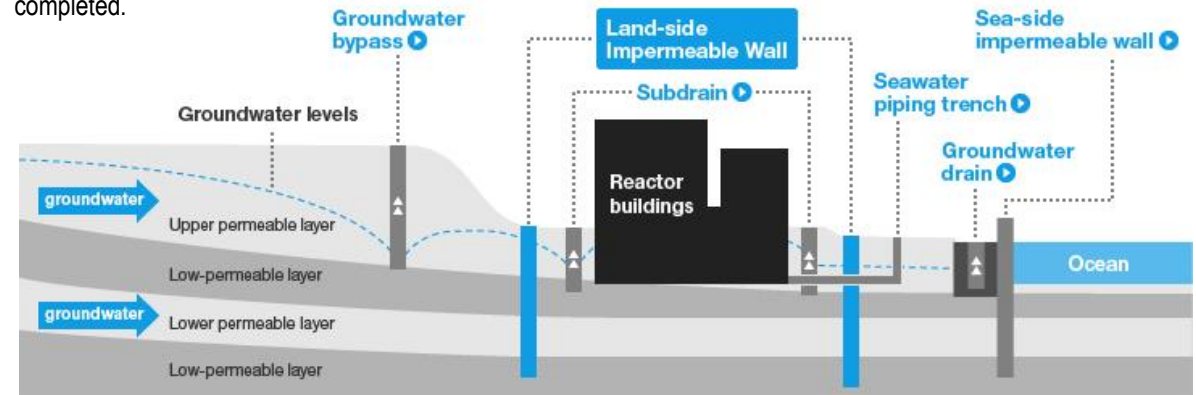
➤ The effects of freezing will continue to be checked by monitoring underground temperatures, water levels, quantity of water pumped out and other conditions.

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.

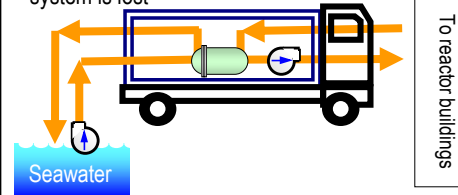
I. Installation of flooding embankment [banks]

- 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

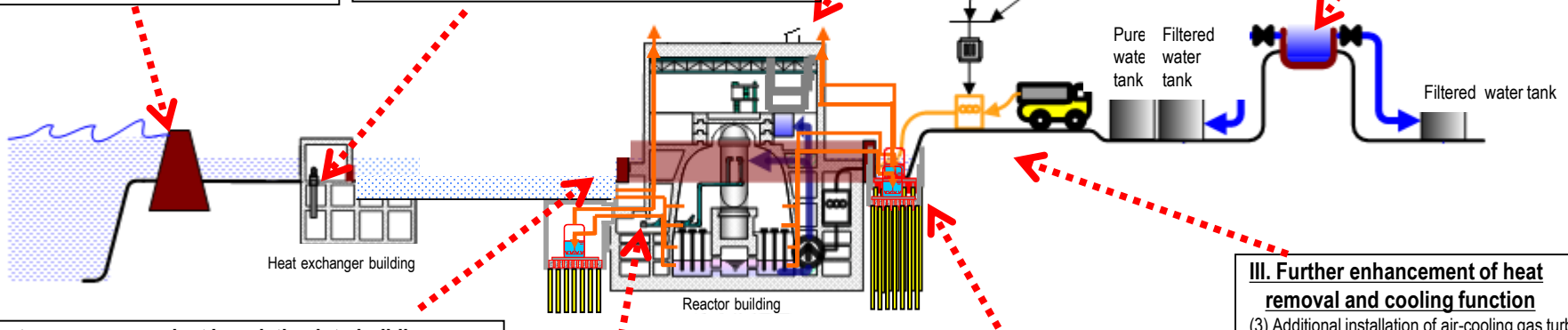


III. Further enhancement of heat removal and cooling function

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

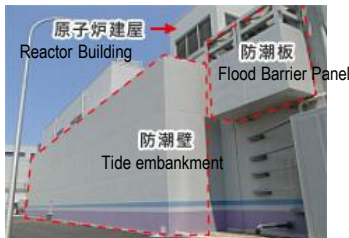
III. Further enhancement of heat removal and cooling function

- (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



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]

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As of October 12, 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*1	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*1	-				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	Under consideration	Under consideration	Under consideration	Under consideration	Under consideration	Completed	Completed

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

Latest Review Status

- On September 27, 2013, an application was presented requesting verification of compliance with new regulatory requirements for Units 6 and 7.
- After the compliance verification application was presented, amended applications for revision of the reactor installation license, which reflect changes sought as discussed review meetings held, were submitted to the Nuclear Regulation Authority (NRA) on June 16, August 15 and September 1, in 2017.
- "Draft permission report" on application for revision of the reactor installation license was presented at the meeting of the NRA on October 4, 2017.
 - Currently, the Secretariat of the NRA is seeking public comments on the draft permission report.

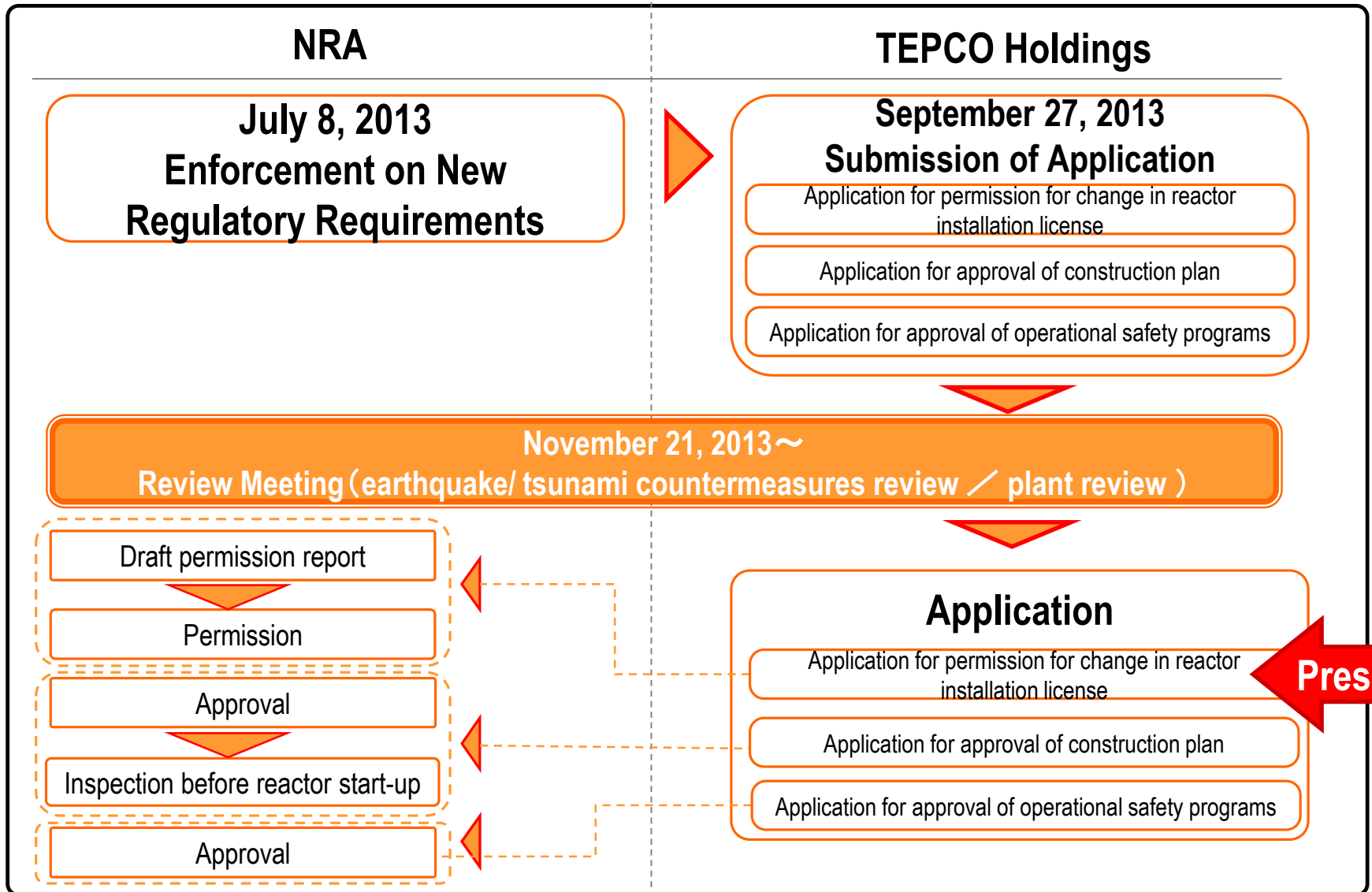
Extended Outlook through Installation License

(Shortest previous case was three months from the amended application until permit issued)

- Solicitation of public comments (submission period: Oct. 5 to Nov. 3)
 - ⇒ Amended documents based on comments are resubmitted
 - ⇒ Permit issued
- Because this is the first BWR unit, it is likely that the Secretariat of the Nuclear Regulatory Authority will require time to respond to the public comments

Compliance Review under the New Regulatory Requirements - 2

<Review Process>



Other Initiatives

<Cost reduction>

- In addition to the cost reductions that has been made under the New Comprehensive Special Business Plan (TEPCO *1 : ¥4.8 trillion/10 years), TEPCO will execute, under the Revised New Comprehensive Special Business Plan, unprecedented and recurrent streamlining of operations that includes “kaizen-centered doubling of productivity” and “use of digitalized technologies for bold technological and operational innovation” to be sure to achieve ¥1 trillion in even deeper cost reductions of over 10 years.
- Our entire group is working together toward achieving the FY2017 cost reduction targets of ¥702.1 billion at TEPCO and ¥61.9 billion at our subsidiaries and affiliates so as to achieve the goals set under the Revised New Comprehensive Special Business Plan.

<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.

<Streamlining Policy (Cost Reduction)*2>

	FY2016 Actual	FY2017	
		Plan *3	Projections
TEPCO*1	767.3 billion yen	702.1 billion yen	—
Subsidiaries & Affiliated Companies	66.6 billion yen	61.9 billion yen	—

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

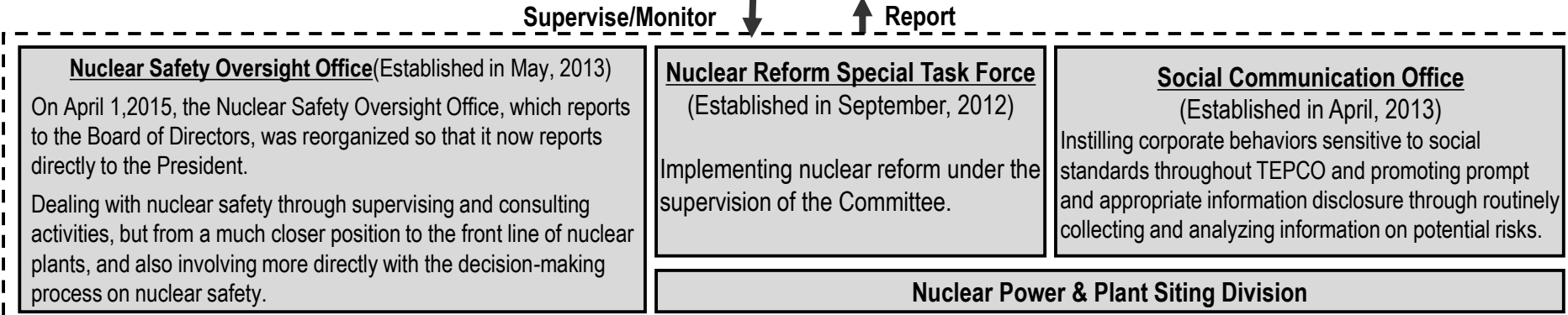
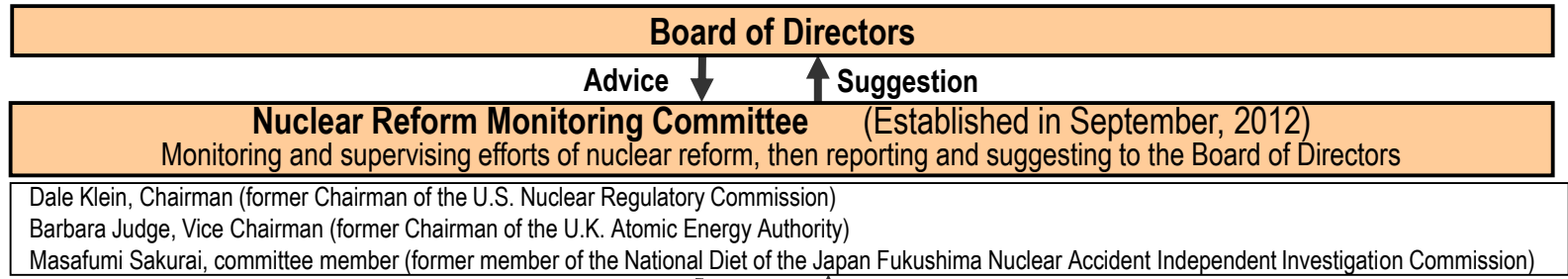
*2 Cost reductions given in the table were calculated using the pre-earthquake plan as the basis (same as the New Comprehensive Special Business Plan).

*3 FY2017 targets reflect deep cost reductions to be achieved through kaizen, technological and operational innovation and other efforts in addition to the New Comprehensive Special Business Plan.

- Framework for Nuclear Reform

- Since April 2013, TEPCO has advanced the Nuclear Safety Reform Plan so that it may realize its 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, which approved the Reform Plan, on a regular basis. At the Nuclear Reform Monitoring Committee meeting held on January 30, 2017, the Committee pointed out, as a result of the committee’s review of TEPCO’s self-assessment of the Reform Plan, that alignment of the activities for the organization as a whole and the lack of developed internal communication required for that is a weakness.
- Under the new management, the Reform Plan is steadily implemented on the basis of the initiatives proposed by the Committee.

<Framework for Nuclear Reform>



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 (as of October 1, 2017, Naoto Moroo, a managing director at the same company, succeeded the post) 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. In addition, we have been implementing initiatives to strengthen the governance for the organization as a whole.
- In the course of dealing with the main anti-earthquake building problem, coordination between Head Office Nuclear Power Division personnel, who are dedicated to handling inspections at Kashiwazaki-Kariwa NPS, and the communications division is being strengthened. Since July, Head Office Nuclear Power Division management has been participating in initiatives aimed at directly addressing the uneasiness that the siting community harbors toward nuclear power generation and TEPCO, such as visits to Kashiwazaki City and Kariwa Village, and explanations given at communications booths located at various places within Niigata Prefecture

Countermeasures	Recent Principal Activities ([Resource] Nuclear Safety Reform Plan Progress Report released on August 4, 2017)
Strengthening the Governance	<ul style="list-style-type: none"> -A management model has been created to enable each department and individual to understand the overall goal and each other's roles, and to engage in their duties with a common understanding. -The ideal behavior (basic behavior) of individuals and positions according to the business field have been compiled as pamphlets which have been delivered to all employees in the nuclear power division. -In order to revitalize communication between departments and eliminate our "top-down mentality," internal communication teams made up of primarily younger employees have been created.
Reform from Top Management	<ul style="list-style-type: none"> -The new executive officers were assigned to training aimed to increase their knowledge of nuclear safety.
Enhancement of Oversight and Support for Management	<ul style="list-style-type: none"> -The Nuclear Safety Oversight Office has observed emergency response framework training and pointed out that there is room for improvement of governance from structural aspects, such as setting priorities for work, and to all departments, the chain of responsibility, and management methods. -Five overseas experts have been invited to be on the newly created Nuclear Safety Advisory Board that was established in order to learn from exceptional nuclear operators overseas and provide advice and guidance to Nuclear Power Division management in regards to department management and management in general.
Enhancement of Ability to Propose Defense-in-Depth	<ul style="list-style-type: none"> -Overseas experts are being invited to serve as lecturers at study sessions on operation experience, and giving guidance about on-site observation thereby enabling us to learn about approaches and methods considered standard in the rest of the world and develop our skills to improve nuclear safety.
Enhancement of Risk Communication Activities	<ul style="list-style-type: none"> -A leading authority on corporate communication was invited to give a lecture to corporate communication staff and risk communicators. -On April 1, the first issue of "Hairo-Michi", an info-magazine intended to tell the siting community about the progress of decommissioning at Fukushima Daiichi and introduce them to the people involved in decommissioning, was released (approximately 10,000 copies).
Enhancement of the Emergency Response Capability of Power Stations and the Head Office	<ul style="list-style-type: none"> -Initiatives aimed at improving in-house technological capability during emergencies, such as generator replacement and the operation of heavy equipment, continue, and at the Fukushima Daini NPS, the third technical skill competition (commenced in FY2015) was held.
Development of Personnel for Enhancing Nuclear Safety	<ul style="list-style-type: none"> -The Nuclear Human Resources Training Center has adopted the Systematic Approach to Training, which is recognized internationally as a best practice, and is providing training programs in the fields of operations, maintenance, radiation&chemical control and fuel management.

<TEPCO Holdings>

August 25, 2017: Decision rendered on setting up a new organization, the Earning Capacity Creation Unit, to improve earning capacity and increase corporate value

September 7, 2017: IoT watch service, which uses taxis, was initiated together with Japan Taxi Co., Ltd. and otta Co., Ltd.

<TEPCO Fuel & Power>

August 10, 2017: Efficiency enhanced of the 7th axis of Group 2 at Futtsu Thermal Power Station, and Group 2 rated output was increased

September 15, 2017: Efficiency enhanced of the 4th axis of Group 1 at Futtsu Thermal Power Station (replacement of gas turbine and other components completed in the aim of reducing fuel costs and CO2 emissions)

September 19, 2017: Development of Eco farm project in the aim of expanding business areas (utilizes power generation business know-how and assets to cultivate strawberries year-round)

September 28, 2017: Decision rendered on establishment of a new company, Ogishima City Gas Supply Co., Ltd., with JXTG Nippon Oil & Energy Corporation and Osaka Gas Co., Ltd. to produce and supply city gas in the Ogishima district of Kawasaki city

<TEPCO Power Grid>

October 11, 2017: Joint verification tests commenced with Daito Trust Construction Co., Ltd. for smart rental housing utilizing an indoor IoT platform

<TEPCO Energy Partner>

- August 3, 2017: A new company, Tokyo Energy Alliance Co., Inc., established with Nippon Gas Co., Ltd. to provide a city gas business platform
- August 7, 2017: Service constructed with Sony Mobile Communications Inc. that utilizes IoT for the smart home sector
- August 9, 2017: TEPCO Hometech Co., Inc., a residential energy-savings company, established with EPCO, Ltd. to provide comprehensive energy-saving services for residences
- August 31, 2017: Area expanded in which city gas is to be sold to households (expansion into Tochigi, Gunma, Ibaraki, Saitama and Chiba prefectures)
- September 14, 2017: Sales initiated of TEPCO Green+Gas, a gas rate plan for business customers (Japan's first low CO2 city gas rate plan making use of green heat production certificates)
- September 19, 2017: Joint venture, TEPCOi-Frontiers Co., Ltd., established with ICMG Co., Ltd. to specialize in planning and development of new products and services ranging from their discovery to commercialization
- September 21, 2017: Joint venture, LIXIL TEPCO Smart Partners Co., Ltd., established with LIXIL Corporation to promote dissemination of environmentally-friendly ZEH
- October 2, 2017: Energy-saving analysis services stated to be provided to business customers with multiple stores (realizing total energy management using IoT technology and data analysis)

TEPCO

The Energy for Every Challenge