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[II. Towards Growth and Development after the Breakthrough of the Crisis]

1. Efforts to Realize a Low-Carbon Society from Supply Side - Low-Carbonization of Energy Sources -

TEPCO will promote the best mixture of energy sources, based on the importance of nuclear power generation in every aspect of stability of electricity supply, economic efficiency, and environmental friendliness, and also promote the nuclear fuel cycle system steadily based on ensuring safety and improving quality.

To realize low-carbonization of energy sources, TEPCO will enhance measures such as steady nuclear development which plays a central role of “zero emission” energy sources, introduction of the thermal power generation whose efficiency is the highest level in the world, and more utilization of renewable energies.

(1) Nuclear Power Development Plans

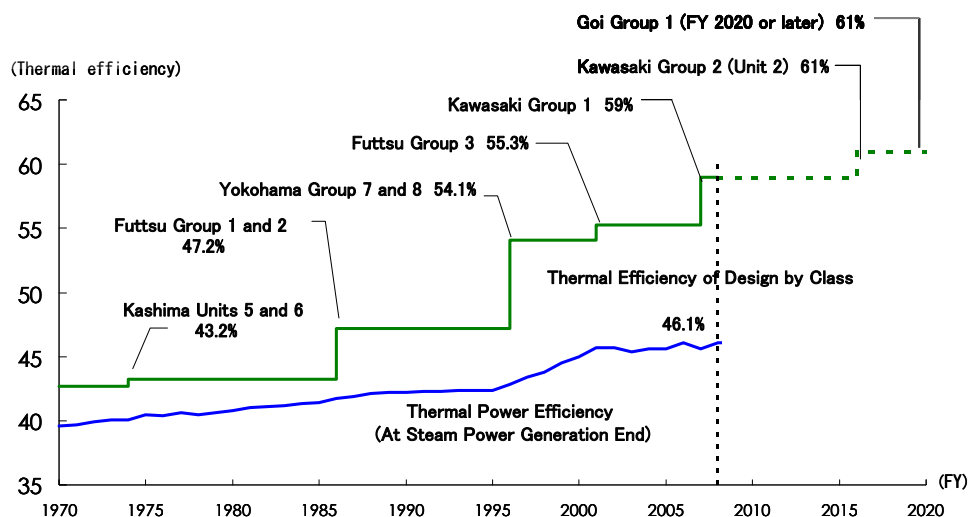
- Steadily promote establishment plans of the Higashidori Nuclear Power Station (Units 1 and 2) and expansion plans of the Fukushima Daiichi Nuclear Power Station (Units 7 and 8) with winning the understanding of local residents

(2) Introduction of World-Highest-Class Effective Thermal Power Generation

- Steadily promote new development plans of world-highest-class effective thermal power generation (MACC II*, 1,600°C-class combined cycle generation), realizing approx. 61% thermal efficiency, which is more sophisticated than 1,500°C-class combined cycle generation (MACC) MACC II will be introduced to Units 2 and 3 of the Kawasaki Thermal Power Station Group 2 and some units of the Goi Thermal Power Station.

*MACC: More Advanced Combined Cycle

< TEPCO's Thermal Power Efficiency (LHV) >

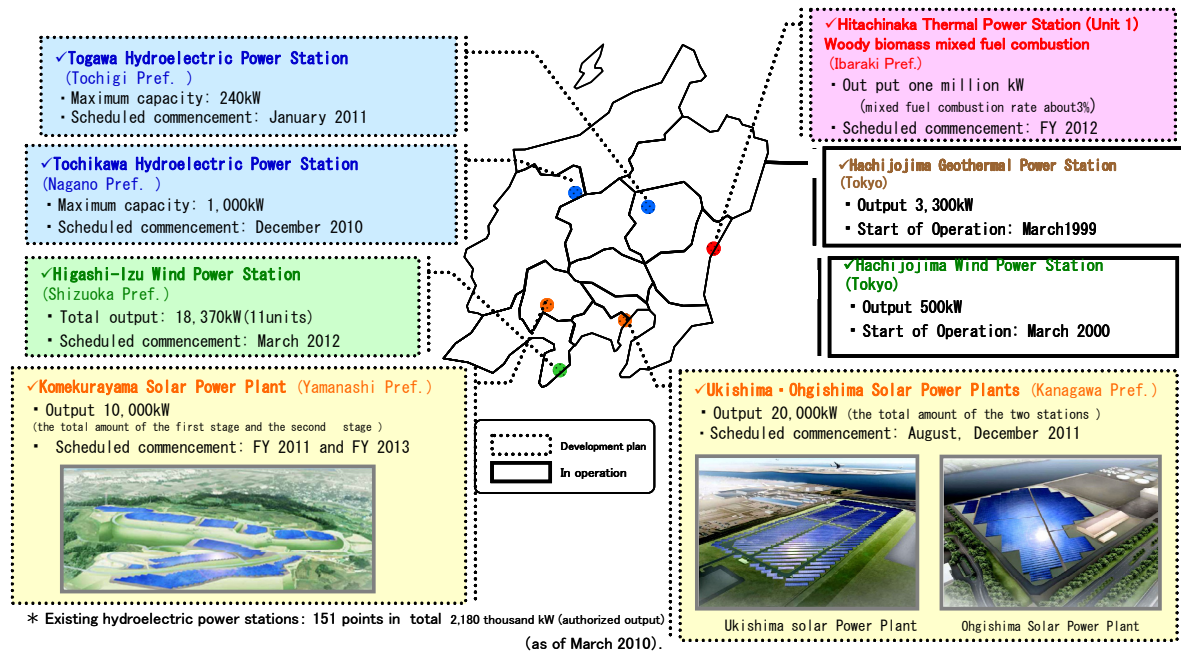


(Note) Lower heating values (LHV) were estimated from higher heating values (HHV), using the conversion coefficient from General Energy Statistics (Edition FY 2004).

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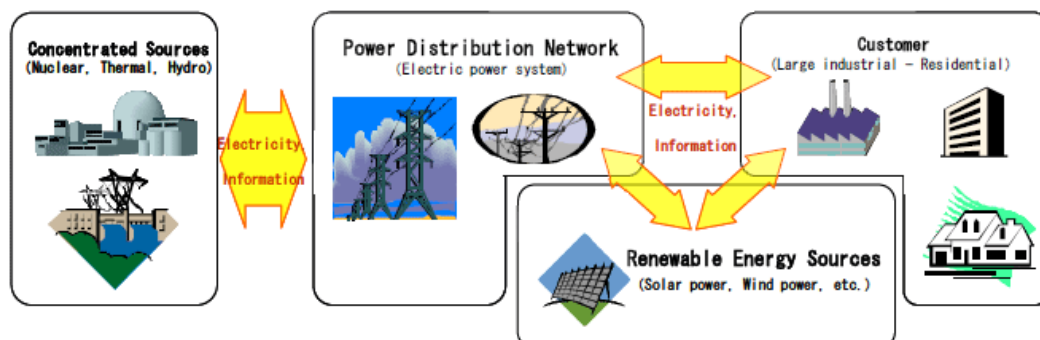
(3) Expanding the Utilization of Renewable Energies

- Contribute to expansion of renewable energy utilization through the activities for new Purchase System for Solar-Power-Generated Electricity and the efforts for disseminating the “Green Power Certification” system, in addition to the development of mega solar and wind power generation



(4) Efforts to Build the Smart Grid System

- Study in order to build the Smart Grid system from medium- and long-term perspectives, in addition to the verification test of a new-type electronic meter



* The concept of “Smart grid” generally involve the following three technical measures.

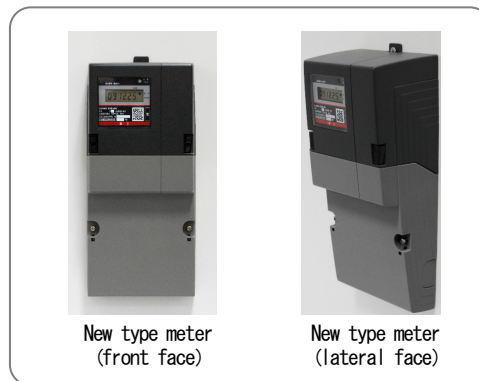
- Technical measures for expansion of bringing in the renewable energies power generation such as photovoltaic generation
- Measures for maintenance and improvement of electric quality
- Measures for implementation of efficient utilization and conservation of energy

[This figure is drawn up on the basis of the fifth conference of “Study Group on Low Carbon Power Supply System” documents No.8]

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< Commence the Verification Test of a New-Type Electronic Meter >

- Commence the verification test of a multifunctional new-type electronic meter in some areas of Tokyo in the second half of FY 2010
- Verify the new functions such as telecommunication, etc., and improvement of customer service quality and effectiveness of business operation



2. Approaches to Realize a Low-Carbon Society from Demand Side - Promoting “Totally Electrified Houses” Leading to a Low-Carbon Society -

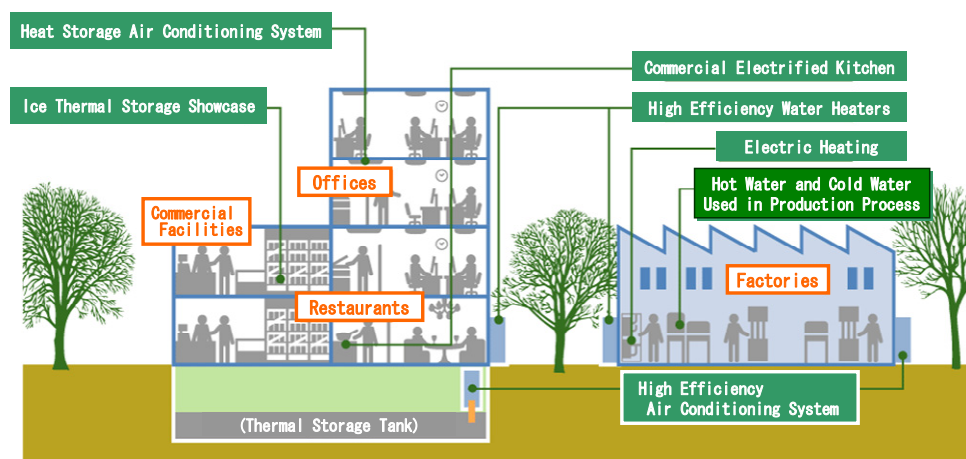
In order to contribute to realizing a low-carbon society, TEPCO is aiming at a larger share of electrification in all areas, through promoting sales activities under correct understanding of customers' needs and strategic product developments.

<“Totally-Electrified Houses” with Practical Use of Renewable Energies>

- Promote “Totally-Electrified Houses” which are equipped with heat pumps such as “Eco-Cute” utilizing air heat as one of renewable energies the air, and convenient appliances
- In order for customers considering installation of a photovoltaic generation system to get interests in “Totally-Electrified Houses”, appeal the affinity of those two and promote cooperation with photovoltaic cell manufacturers

<Total Energy Solution through Electrified Systems>

- In all the scenes of offices, commercial facilities, factories and so on, propose the most appropriate electrified systems utilizing the latest heat-pump and IH technologies which meet customers' needs such as energy conservation and CO₂ reduction



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3. Development of New Business and Overseas Business

Reviewing profitability and risk and utilizing skills and know-how obtained through its domestic electric power business, we will study and promote overseas energy infrastructure business and consulting business, etc. including nuclear generation.

(1) Investment Participation in Overseas Power Projects and Consulting Business Development

- Develop overseas IPP business projects in 6 countries (8 projects), and also develop wind power generation projects around the world (Japan, South Korea, U.S.A. and Europe) through Eurus Energy Holdings Corporation (affiliated company) [Equity generation output of projects in operation; approx. 3.49 million kW]
- As for consulting business, we have developed 386 projects in 60 countries so far. [As of December 2009; total order volumes: 13.6 billion yen / by region, three quarters of it occupy Asian countries.]
- Conduct basic research and planning which contribute to power supply in developing countries, and, on the other hand, accept orders directly from power companies etc. and implement our advanced technical assistance in developed countries, based on skills obtained through domestic business

(2) Engagement in LNG Value Chains

- Aims to improve its procurement capability by developing businesses into the entire LNG value chain, while the demand of economical and environment-friendly LNG is globally increasing

