

TOKYO ELECTRIC POWER COMPANY

Meeting Transcript (Presentation)

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Event Name: TEPCO Investor Meeting for FY2012 Second Quarter Earnings Results

Corporate Participants:

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Tokyo Electric Power Company, Inc., Managing Executive Officer

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Tokyo Electric Power Company, Inc. – Managing Executive Officer

Presentation

Mamoru Muramatsu

Tokyo Electric Power Company, Inc., Managing Executive Officer

I am Managing Executive Officer, Mamoru Muramatsu. Thank you for joining our meeting today. First of all, once again I sincerely apologize series of accidents occurred at our Fukushima Daiichi Nuclear Power Station cause anxiety and inconvenience to our investors and shareholders as well as people especially living in Fukushima prefecture and the surrounding areas. I am going to begin with the second quarter earnings results for fiscal year ending March 31, 2013 just announced today. After that, I will open a Q&A session. Let's get started. Please turn to page 1.

<Page 1-2 – Key Points of FY 2012 Second Quarter Earnings Results>

I would like to cover key points of our performance here. Please also refer to the table on page 2. First, I will cover operating revenues. Consolidated and non-consolidated operating revenues increased 14.9 percent year on year to 2,875.9 billion yen and 16.0 percent to 2,772.3 billion yen, respectively, due to positive impact of fuel price adjustment system, unit electricity prices rise resulting from raise of electricity rate in a deregulated market after April 2012, and a bounce-back from power saving and effects of the Great East Japan Earthquake.

Regarding expenses, consolidated and non-consolidated ordinary expenses increased 15.9 percent to 3,077.1

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billion yen and 16.7 percent to 2,988.9 billion yen, respectively, due to increased volume of fuels for thermal power plants after shutting down all our nuclear power plants and the rise in the price of fuels such as LNG. Consequently, consolidated and non-consolidated ordinary income recorded losses of 166.2 billion yen and 189.3 billion yen, respectively.

For net income, TEPCO recorded net losses of 299.4 billion yen and 308.2 billion yen on consolidated and non-consolidated basis, respectively. While gains on sales of fixed assets and securities and gains on retirement benefit plan amendments due to reviews of retirement packages were recorded as an extraordinary income during the period, the amount was more than offset by an extraordinary loss on additional compensations by reviewing the estimated amount of nuclear damage compensations. In addition, ordinary income on a consolidated basis was in the red for the second consecutive year, and the amount of loss was the biggest in the first half of fiscal 2012. We remained in a critical situation.

We have revised up consolidated and non-consolidated earnings forecasts for fiscal 2012 from the previous forecasts to reflect streamlining efforts in the second quarter and further cost reduction in the future as a precondition. I will explain detailed information on page 7.

With regard to dividends, we have not revised our outlook from the previous period. We have decided to pay out no interim dividends and already declared no year-end dividends. I sincerely apologize to our shareholders for no dividend as well as significant share price declines. We truly appreciate understanding of our shareholders. Please go on to the next page.

<Page 3 – Electricity Sales Volume and Total Power Generated and Purchased>

Let me briefly comment for electricity sales volume in the first half of fiscal 2012. Total electricity sales volume increased 2.4 percent year on year to 133.4 billion kWh due to a bounce-back from the record-low demand last year after the Great East Japan Earthquake. Please see the shaded area in the upper table for the new projection of fiscal 2012. Total electricity sales volume increased 1.7 percent year on year to 272.7 billion kWh due to a bounce-back from power saving and effects of the Great East Japan Earthquake last year and the economic recovery with surging demand for restoration from the earthquake. For detailed data, our sales volume will be provided on pages 23 and 24. Please see them later. Next, please turn to page 4.

<Page 4 – Business Performance– Comparison with the first half of the previous fiscal year>

Page 4 presents a comparison with results of the first half of the previous fiscal year. The total amount of positive factors for performance was approximately 420.0 billion yen. Main amounts of the factors were approximately 194.0 billion yen for positive impact of fuel price adjustment system, approximately 123.0 billion yen for unit electricity prices rise resulting from raise of electricity rate in a deregulated market and approximately 54.0 billion yen for increase in operating revenues with increasing of electric sales volume.

On the other hand, the total amount of negative factors for performance was approximately 480.0 billion yen mainly due to increased volume of fuels for thermal power plants after shutting down all our nuclear power plants and increase in fuel expenses by rising in the price of fuels such as LNG. As a result, ordinary income decreased by 58.8 billion yen on a non-consolidated basis.

Our non-consolidated net income improved by 330.1 billion yen year on year, bouncing back from huge amount of expenses for nuclear damage compensation and extraordinary loss on natural disasters recorded in the previous fiscal year. Please go on to the next page.

<Page 5 – FY2011 Business Performance– Financial Impact of March 11 Earthquake>

This page illustrates a breakdown of the earthquake-related extraordinary income and losses recorded by the end of the first half of fiscal 2012. With respect to extraordinary income, grants-in-aid from Nuclear Damage Liability Facilitation Fund were not recorded in the first half of fiscal 2012. With respect to extraordinary loss, the cumulative amount of expenses for nuclear damage compensations was 2,760.7 billion yen including 235.8 billion yen of losses and/or damages on tangible assets in evacuation zones for the first half of fiscal 2012. Please go on to the next page.

<Page 6-8 – FY 2012 Business Performance Outlook >

You can see figures of the key factors for our fiscal 2012 business performance projections on page 6, analyses on variance between the projections on page 7 and fiscal 2011 actual performance on page 8. To estimate fiscal 2012 full-year earnings performance, we project our fiscal 2012 power sales volume at 272.7 billion kWh this time. We also project an all Japan CIF crude oil price, a popular benchmark of various fuel

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prices in Japan and a USD/JPY exchange rate at approximately USD112/b and approximately 80 yen per dollar, respectively. We forecast our fiscal 2012 full-year nuclear power plant capacity utilization ratio would be zero percent. Please go on to page 7. You can see figures of comparison with the outlook of the previous fiscal year announced on August 1, 2012.

We forecast that consolidated and non-consolidated operating revenues will increase approximately 50.0 billion yen and 30.0 billion yen, respectively, due to projections of increase in other operating revenues such as aids of Act on Special Measures Concerning Procurement of Renewable Electric Energy by Operators of Electric Utilities and electricity sales volume to other utilities/suppliers.

In addition to increase in operating revenues as I mentioned now, we forecast that consolidated and non-consolidated ordinary income will approximately 90.0 billion yen and 75.0 billion yen, respectively, for upturns. We will further implement cost reduction such as reduction in maintenance expenses by conducting equipment inspections to minimize maintenance areas. With respect to net income, in addition to upturns of ordinary income, we expect that consolidated and non-consolidated net income will increase approximately 115.0 billion yen and 100.0 billion yen due to streamlining efforts such as sales of assets in the second quarter. The page 8 illustrates fiscal 2012 business performance outlook comparing with the previous fiscal year results. Please go on to the next page.

<Page 9 – Fuel Consumption and Procurement>

In this page, you can see the recent actual fuel consumption results and outlook. For fiscal 2012 outlook, LNG consumption will further grow up to approximately 23.95 million tons. Please go on to the next page.

<Pages 10 – Implementation of the Streamlining Policy>

This page illustrates streamlining policies based on our Comprehensive Special Business plan. We expect to achieve the original plan of cost reduction for fiscal 2012. With regard to asset disposal, we go ahead with the sales of real estates, securities, subsidiaries and affiliated companies. In addition to actual results for the first half of fiscal 2012, we sold a part of shares of AT TOKYO Corporation that is our subsidiary on October 31, 2012 and will sell Toshin Building in this fiscal year. Please go on to page 11.

<Pages 11– Framework for the Nuclear Reform>

This page illustrates our framework for the nuclear reform established on September 11, 2012 based on profound remorse for accidents at Fukushima Nuclear Power Stations and strong determination to prevent severe accidents under any circumstances. We advance operation of nuclear power plant with the world's highest level of safety and technology and reform of management, organization and corporate culture of the entire TEPCO under the new three organizations, Nuclear Reform Monitoring Committee, Investigation/Verification Project Team and Nuclear Reform Special Task Force. We transmit findings, information and lessons that we study from investigations and verifications in Japan and overseas.

The following pages illustrate detailed information on fiscal 2012 second quarter earnings results, the current status of Fukushima Daiichi Nuclear Power Stations and future initiatives, and the current status of Kashiwazaki-Kariwa Nuclear Power Station and future initiatives.

Please refer to page 18, you can see increase in shareholders' equity in the balance sheet. We allocated issuance of preferred shares of 1,000.0 billion yen to Nuclear Damage Liability Facilitation Fund as an allocation of new shares to a third party on July 31, 2012. We faithfully implement Comprehensive Special Business Plan based on increase in capital for nuclear damage compensations, nuclear plants decommissioning and stable power supply.

As I explained today, we face difficulties in our financial conditions. The entire TEPCO continue to implement further cost reduction and management rationalization beyond traditional ideas. I would like to sincerely ask your understanding and support.

<End of Presentation>

Disclaimer:

In the meeting upon which this event transcript is based, Tokyo Electric Power Company may make projections or other forward-looking statements regarding a variety of items. 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 the company's actual results to differ materially from the forward-looking statements (performance projections) herein. Although the company may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

(Note)

Please note that the above to be 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.