

Meeting Transcript (Presentation)

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Event Name: TEPCO Investor Meeting for FY2012 Earnings Results

Corporate Participants:

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

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

It has been more than two years since accidents occurred at our Fukushima Daiichi Nuclear Power Station in 2011. I sincerely apologize that the accidents still cause anxiety and worry to our investors and shareholders as well as people in the areas around the power station. In March 2013, water-cooling operations of spent fuel pools suspended for hours due to power supply facilities failures at the Fukushima Daiichi Nuclear Power Station. In addition, in April 2013, contaminated water has been leaking from underground reservoirs. I apologize again for these serious troubles. In response to these recent troubles of the power station, we established the Emergency Response Headquarters for Reliability Improvement at the Fukushima Daiichi Nuclear Power Station. I myself take a leadership role as the Chief of the headquarters to seriously work on a restoration from and prevention of nuclear accidents.

First of all, I would like to explain about FY 2012 Earnings Results based on presentation materials distributed. Please look at page 2 of the presentation material.

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

I would like to cover key points of our performance here. First, I will cover operating revenues. Consolidated and non-consolidated operating revenues increased 11.7 percent year on year to 5,976.2 billion yen and 13.0 percent to 5,769.4 billion yen, respectively, due to increases in year-on-year unit electricity sales prices resulting from impact of the fuel cost adjustment system in addition to effects of rate revisions implemented in fiscal 2012.

Regarding expenses, consolidated and non-consolidated ordinary expenses increased 9.7 percent to 6,364.7 billion yen and 10.8 percent to 6,196.1 billion yen, respectively, due to increases in fuel costs with decreasing

in the amount of power generated by nuclear power plants and weakening the yen. Consequently, consolidated and non-consolidated ordinary income recorded losses of 326.9 billion yen and 377.6 billion yen, respectively.

For net income, TEPCO recorded net losses of 685.2 billion yen and 694.3 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 to review 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. Please go back to page 1. We are not able to make operation plans of the Kashiwazaki-Kariwa Nuclear Power Station, so it is difficult to estimate fiscal 2013 full-year performance outlook. We will promptly announce the outlook when it is possible to estimate financial information. Please move to the next page.

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

Please see the dark shaded area on the bottom right area of the upper table for electricity sales volume in fiscal 2012. Total electricity sales volume increased 0.3 percent year on year to 269.0 billion kWh due to a bounce-back from the record-low demand in fiscal 2011 after the Great East Japan Earthquake. Please see the light shaded area on the bottom right corner of the upper table for the new projection of fiscal 2013. Total electricity sales volume decreased 0.8 percent year on year to 267.0 billion kWh due to a bounce-back from effects of temperatures in fiscal 2012 although we see some signs of an economic recovery. Please refer to page 27 and 28 for detailed data regarding electric sales volume. Please see page 4 next.

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

Page 4 presents a comparison with results of the previous fiscal year. The total amount of positive factors for performance was approximately 750.0 billion yen mainly due to 6,214.0 billion yen increase in electric sales revenue. Main amounts of the factors were approximately 373.0 billion yen from raises of electricity rate and 160.0 billion yen from the fuel cost adjustment system.

On the other hand, the total amount of negative factors for performance was approximately 720.0 billion yen mainly due to 501.6 billion yen increase in fuel costs. Main amounts of the factors were approximately 226.0 billion yen increase in costs due to increased fuel consumption volume of thermal power generation plants led by decreases in the amount of power generated by nuclear power plants. In addition, regarding factors on the price side, increases in prices of fuels such as LNG and weakening the yen led to approximately 276.0 billion yen increase in costs. As a result, ordinary income increased by 30.6 billion yen on a non-consolidated basis. Our non-consolidated net income improved by 64.0 billion yen year on year. The amount of grants-in-aid from the Nuclear Damage Liability Facilitation Fund recorded as an extraordinary income in fiscal 2012 decreased. Meanwhile, extraordinary losses from natural disasters and expenses for nuclear damage compensations decreased in fiscal 2012. Please check and see related information later on. Page 5 shows fiscal 2012 business performance compared with the previous projections announced on February 4, 2013. Please refer to the page for the detailed information. Please move to page 6.

<Page 6 – Extraordinary Income and Loss>

This page illustrates a breakdown of the earthquake-related extraordinary income and losses recorded by the end of fiscal 2012. I will start extraordinary loss first. Please see the second shaded column from the top. Loss on natural disasters increased by 15.0 billion yen to 40.2 billion yen from the fiscal 2012 third quarter earnings results. Expenses for nuclear damage compensation were 1,161.9 billion yen, increased by 533.8 billion yen from 628.1 billion yen of the fiscal 2012 third quarter earnings results. In addition, we also recorded loss on contractual agreements to nuclear fuel fabrication of 15.5 billion yen as an extraordinary loss not shown in this table.

With respect to an extraordinary income in the top table, the amount of grants-in-aid from Nuclear Damage Liability Facilitation Fund was 696.8 billion yen, the same amount as the fiscal 2012 third quarter earnings results. Furthermore, there is no information in the table, but we recorded gains on sales of fixed assets of 79.3 billion yen, gains on sales of securities of 42.5 billion yen and gains on retirement benefit plan amendments of 73.6 billion yen as extraordinary incomes. We will request financial assistances including 563.8 billion yen, the difference between the accumulated amount of grants-in-aid receivable in extraordinary incomes and the accumulated amount of expenses for nuclear damage compensations. Please move to the next page.

<Page 7 – FY 2013 Business Performance Outlook >

As mentioned first in this presentation, we have not decided fiscal 2013 full-year business performance outlook. Therefore, we have not estimated financial impacts of the fiscal 2013 full-year projection. Please move to the next page.

<Page 8 – Dividend Policy>

We regret to announce that we paid out no interim and year-end dividends for fiscal 2012 due to difficult financial positions. In addition, we plan no interim and year-end dividends for fiscal 2013. Again, we deeply apologize for dividends in addition to a sharp decline in our stock price. Please go on to the next page.

<Pages 9 – Fuel Consumption and Procurement>

This slide explains about fuel consumption data and projection. LNG consumption volume for fiscal 2012 achieved 23.71 million tons, the largest number in the past, mainly due to decreases in the amount of power generated by nuclear power plants. We are not able to make operation plans of the Kashiwazaki-Kariwa Nuclear Power Station. So, we currently can not announce projections of fuel consumption volume for fiscal 2013. Please go on to the next page.

<Pages 10 – Implementation of the Streamlining Policy>

This page illustrates progresses of streamlining policies based on our Comprehensive Special Business plan.

TOKYO ELECTRIC POWER COMPANY

With respect to cost reduction, TEPCO, subsidiaries and affiliated companies achieved the targets of fiscal 2012. In addition, TEPCO, subsidiaries and affiliated companies achieved the targets of asset disposal for fiscal 2012. We continue to work on the policies in fiscal 2013. Please move to the next page

<Pages 11 – Introduction of In-House Company System>

As we announced in the fiscal business operation policy on April 1, 2013, we introduced in-house company system and established three in-house companies. We also introduced management accounting system by organization unit of each company and the corporate and now consider disclosing actual results of management accounting with referring to segment information in an Annual Securities Report and a Quarterly Report in and after the first quarter of fiscal 2013. Please move to page 12.

<Pages 12 and 13 – Efforts towards Nuclear Reform>

This page explains about overview of Fukushima Nuclear Accident and Nuclear Safety Reform Plan. TEPCO will promptly announce quarterly progress reports of specific measures stated in the plan and share them within the company to review the progress.

The following pages illustrate detailed information on fiscal 2012 earnings results and the current status and future initiatives of the Fukushima Daiichi Nuclear Power Station and the Kashiwazaki-Kariwa Nuclear Power Station. Please refer to these pages later.

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.