

TOKYO ELECTRIC POWER COMPANY

Meeting Transcript (Presentation)

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Event Name: FY2014 TEPCO Group Action Plan

Corporate Participants:

Naomi Hirose	President, Tokyo Electric Power Company, Inc.
Mamoru Muramatsu	Tokyo Electric Power Company, Inc., Managing Executive Officer
Katsuyuki Sumiyoshi	Tokyo Electric Power Company, Inc., Managing Executive Officer
Toshihiro Sano	Managing Executive Officer, Tokyo Electric Power Company, Inc. President, Fuel & Power Company
Toshiro Takebe	Managing Executive Officer, Tokyo Electric Power Company, Inc. President, Power Grid Company
Takeshi Yamazaki	Managing Executive Officer, Tokyo Electric Power Company, Inc. President, Customer Service Company

Presentation

Naomi Hirose President, Tokyo Electric Power Company, Inc.

<Introduction>

It has been three years since accident occurred at our Fukushima Daiichi Nuclear Power Station in 2011. We sincerely apologize that the accident still cause anxiety and worry to our investors and shareholders as well as people in the areas around the power station.

In our New Comprehensive Special Business Plan adopted in January 2014, we showed a comprehensive plan to fulfill our long term responsibilities in the Fukushima Nuclear accident. Needless to say, it is a plan we firmly undertake to achieve with people living in the surrounding areas and stakeholders such as Government, shareholders and financial institutions.

This “FY2014 TEPCO Group Action Plan” consists of 75 specific focal actions to be carried out over three years from fiscal 2014 to fiscal 2016 to ensure the achieving of goals listed in the New Comprehensive Special Business Plan, employing TEPCO Group’s every organization and resource.

Before explaining the Action Plan, I would like to tell my thought about “Evaluation of management regarding responsibility and competition” announced by the Nuclear Damage Liability Facilitation Fund (hereafter “the Fund”) on March 31, 2014. We have developed the Action Plan under certain prerequisite conditions of system design the Government make. For example, unless the laws are revised, we are not able to transition to a holding company system or to make inroad into the gas business. Also, as for compensations and revitalization of Fukushima, the role is not only for TEPCO but for Government. Mr. Harada, the chairman of the Fund told that they would take those assumptions into account when they conduct a management evaluation. Therefore, although the evaluation criteria remain unclear, I believe they would consider those assumptions and give the evaluation. TEPCO will establish a

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management platform to fulfill its long term responsibilities via the realization of the “Action Plan”, and through the efforts of a Group-wide operation, fulfill all its responsibilities to the people in Fukushima.

<Page 1 and 2 – Outline>

Mamoru Muramatsu Tokyo Electric Power Company, Inc., Managing Executive Officer

Please look at the presentation material, the position of the Action Plan is mentioned at page 1.

The Fund announced “Evaluation of management regarding responsibility and competition” on March 31, 2014. This is the specific criteria for the Fund to decide whether the “temporary public administration” would be terminated as of the end of FY2014. The point of evaluation is the achievement status of building management system to fulfill its long-term responsibilities in Fukushima Nuclear accident and implementing the reform towards new business model under competitive environment and make sure reinforcement of management platform.

This Action Plan was developed in conjunction with the items/standards of the evaluation of management, so the Fund will review the progress in nine targets shown at page 2 every year.

<Page 3 through 5 – Efforts Towards Fukushima Revitalization>

Page 3 shows the numerical targets and actions which we commit towards Fukushima Revitalization as whole TEPCO Group and department. TEPCO will ensure that every last person is compensated so that the people forced to leave their homes can begin new lives and business activities at the earliest possible opportunity and will provide intensive introductions of human and technological resources to facilitate early repatriation and will rebuild a living environment in which people can live with peace of mind. As departmental commitments, through reinforcement of the functions of the Fukushima Revitalization Headquarters, our aim is to achieve 100% take-up rate for compensation of individuals within 3 years, and to achieve 100% response rate to demands from national and local governments regarding decontamination and revitalization. Additionally, page5 shows that our work towards creation of lifestyle and industrial infrastructure by coordinating with national and local government revitalization plan such as the construction of the world’s most advanced coal-fired thermal power plant.

<Page 6 through 8 – Decommissioning of Fukushima Daiichi Nuclear Power Station>

Page 6 shows the action plan regarding decommissioning of Fukushima Daiichi Nuclear Power Station. We established “Fukushima Daiichi Decontamination & Decommissioning Engineering Company” to be led by Masuda CDO (Chief Decommissioning Officer) on April 1, 2014 for the purpose of clarifying the responsibilities allocation and focusing solely on handling of decommissioning and contaminated water. We also invited three executives from nuclear power manufacturers assigned to the Vice President so that we will undertake our tasks with the efforts of the entire nation. Specific countermeasures for contaminated water will be installation of impermeable wall both on the ocean side and land side as well as establishment of the total tank capacity of approx. 800,000 tons by the end of FY2014.

In addition, page 8 shows that we introduce more permanent facilities such as installing a new Central Monitoring Room in FY 2016, improve working conditions based on on-site needs and draw up a program for reinforcing human resource development for decommissioning work in FY2014.

<Page 9 through 11 – Nuclear Power Safety>

Please look at page 9, regarding nuclear power safety. We promote the “Nuclear Safety Reform Plan” formulated on March 2013. At the same time, President himself will go into the lead to conduct discussions designed to foster a safety culture through our entire organization and to enhance measures that will continually and comprehensively identify risks relating to nuclear power safety so as to achieve the world’s highest level of quality and safety. Moreover, we aim to complete the safety measures at the Kashiwazaki-Kariwa Nuclear Power Station by FY2016. We’ll make best effort to restore the trust in nuclear power industry.

<Page 12 through 15 – Corporate Divisional Strategy>

Next, I would like to explain corporate divisional strategy. Please look at page 12. The goal of the Corporate Division is enhancement of the management platform to fulfill our “responsibilities” in the long term and to maximize our corporate value under the “competitive” environment. Its departmental commitment is to ensure an ordinary profit in the region of 130 billion yen in FY2016 through the enhancement of management platform to take end-to-end responsibility for Fukushima Nuclear accident. Main measures include reducing costs by an accumulated -1.3 trillion yen over 3 years through increasing our competitive procurement rate to 60% by the end of FY2015 and cutting investment by an accumulated -410 billion yen over 3 years. As a result, we will acquire ratings and improvements in financial indicators, such as improving its equity ratio to 16% by the end of FY2016, that will allow return to the bond market and thereby lead to a resumption of funding.

On the other hand, with the goal of organizational restructure and the distribution of functions and authority, we start to formulate the plan to introduce the holding company structure.

Specifically, please see the press release material of “Change of Company Organization”. We will implement the change of company organization for the purpose of clarifying the responsibilities allocation of management and planning aiming the end of June 2014. The branch offices and thermal power business offices will be abolished and the new “Branch Office” will be set on July 2015. Additionally, the “Niigata Branch Office” will be established to strengthen regional response at Niigata Prefecture. The period of establishment is undecided, although we will set up “Administrator of Niigata Branch Office Establishment” aiming the end of June this year for smooth preparation.

Besides, as for personnel reform, we will offer voluntary retirement as of June 30, 2014 to around 1,000 staff mainly aged 50 or older, mandate retirements for veteran managers and assign them to Fukushima and review the employment conditions, etc.

< Submission of our electricity supply plan for fiscal 2014 >

Lastly, we submitted our electricity supply plan for fiscal 2014 on March 28, 2014. Due to

unclearness of conditions of nuclear power plant operation and other situation, the supply capacity outlook for fiscal 2014 remains pending same as the electricity supply plan for fiscal 2013.

<Page 16 through 18 – Fuel & Power Company Growth Strategy>

Toshihiro Sano Managing Executive Officer, Tokyo Electric Power Company, Inc.
President, Fuel & Power Company

Please see at page 16. Fuel & Power Company is creating assets to use in the revitalization of Fukushima as well as delivering a stable supply of low-cost electricity and fuel to customers. By maximizing our utilization of comprehensive alliance throughout the entire supply chain implementing strategic fuel cost reductions, we are transforming ourselves into an energy business that is spreading its dynamism around the world.

For the three years from FY2014 to FY2016,

- we will use the inclusive alliance business entities which will establish by March 2015 to tender through an invitation for thermal power bids and to commence joint fuel procurement,
- we are beginning the installation of additional LNG tanks at Futtsu to expand the adoption of lean LNG as well as working to bring down the LNG unit price by amending the price in existing LNG agreements, and
- we will realize the reduction of fuel consumption volume through beginning of sales of highly economical and high-efficiency LNG thermal power and an accelerated start to power generation as well as upgrading of existing combined-cycle facilities.
- In addition to these improvements in competitiveness through the entire supply chain, we will establish a trading company to deal with the volatility of fuel and power price and to broaden our operations in line with the fuel deregulation of electricity retailing.

<Page 19 through 21 – Power Grid Company Neutrality and Investment Strategy>

Toshiro Takebe Managing Executive Officer, Tokyo Electric Power Company, Inc.
President, Power Grid Company

Our targets are

- reducing energy wheeling costs while also providing stable supply
- more advanced environment for network use
- expanding the scope of business using technological expertise

First, while committing to further reducing the 5-year totals for the 2012-2016 period by -300 billion yen in investment and by -150 billion yen in costs compared to the previous Comprehensive Special Business Plan, we will resolutely implement the infrastructure measure necessary to assure stable supply including renewing the aged equipments.

Second, we promote broad-ranging operations in electricity system towards more advanced environment for network use. For example, we will contribute to providing a location and

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preparing for the establishment of the Organization for Nationwide Coordination of Transmission Operators and will strengthen of East-West interconnection infrastructure.

We will also promote positive disclosure of information relating to our business management, installation of 10 million smart meters by the end of FY 2016, expansion of hydroelectric power station output as a response to increase of renewable energy, and so on.

Third, expansion of the operating area, we will increase business sales outside Group enterprise to more than 59 billion yen in the 3 years from FY2014 to FY2016.

And we will begin preparing to investigate the feasibility of operations that encompass not only consulting business, but also export of infrastructure and participating in electricity overseas transmission and distribution businesses in the future.

<Page 22 through 24 – Growth Strategy for Customer Service Company>

Takeshi Yamazaki Managing Executive Officer, Tokyo Electric Power Company, Inc.
President, Customer Service Company

The Customer Service Company will focus on following three points.

First, we will focus on commencement and expansion of nationwide power sales. We will quickly set up a business structure such as alliances with other companies and commence sales as soon as possible. By beginning gas sales and offering optimum proposal in combination with electricity and gas, we aim to gain larger number of customers.

Second, we will focus on establishment of open platform via Website. Through an “Electricity Housekeeping Book”, we will prepare the contents that will be of use to customers with the aim of increasing membership. In addition, we will provide new services that are useful to business and livelihoods by using alliances.

Third, we will focus on introducing “future rate menu” such as demand response menu which provides users benefits through power-saving behavior by smart meters proceeded to install. We will finalize specific menu lineup by FY2014.

In addition to above, we will implement cost reduction measures such as competitive power supply procurement so that many customers will choose TEPCO.

<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.