TEPCO

TEPCO Integrated Report 2026 Financial Section

Year ended March 31, 2026

Financial Highlights	2
Financial Review	3
Consolidated Financial Statements	18
Notes to Consolidated Financial Statements	24
Independent Auditor's Report	72

Tokyo Electric Power Company Holdings, Incorporated

Financial Highlights

Consolidated Financial Summary *1

(Million of yen) (Millions of US dollars)

FYs ended March 31:		2026/3	2025/3	2024/3	2023/3	2022/3	2021/3	2020/3	2019/3	2018/3	2017/3	2011/3	2010/3	2026/3
Operating revenue *2	¥	**6,328,574**	6,810,391	6,918,389	8,112,225	5,309,924	5,866,824	6,241,422	6,338,490	5,850,939	5,357,734	5,368,536	5,016,257	$ **39,578**
Operating income or loss		**337,689**	234,452	278,856	-228,969	46,230	143,460	211,841	312,257	288,470	258,680	399,624	284,443	**2,112**
Ordinary income or loss		**417,326**	254,443	425,525	-285,393	42,245	189,880	264,032	276,542	254,860	227,624	317,696	204,340	**2,610**
Extraordinary income or loss		**-811,703**	-55,703	-123,180	163,996	-29,852	1,384	-194,389	-18,206	73,825	-80,647	-1,077,685	10,725	**-5,076**
Net income or loss attributable to owners of the parent		**-454,263**	161,278	267,850	-123,631	2,916	180,896	50,703	232,414	318,077	132,810	-1,247,348	133,775	**-2,841**
Depreciation and amortization		**389,037**	367,517	358,207	341,145	419,203	412,039	422,495	541,805	561,257	564,276	702,185	759,391	**2,433**
Capital expenditures		**904,810**	867,481	765,142	637,720	566,056	608,857	524,462	639,725	602,710	568,626	676,746	640,885	**5,659**
Per share data (Yen):														
Net income or loss (basic)	¥	**-283.51**	100.67	167.18	-77.17	1.82	112.90	31.65	145.06	198.52	82.89	-846.64	99.18	**-2**
Net income (diluted) *3		**–**	32.68	54.27	–	0.58	36.39	10.12	46.96	64.32	26.79	–	99.18	**–**
Cash dividends		**–**	–	–	–	–	–	–	–	–	–	30.00	60.00	**–**
Net assets		**1,491.01**	1,722.28	1,567.47	1,307.87	1,361.73	1,326.49	1,185.98	1,179.25	1,030.67	838.45	972.28	1,828.08	**9**
FYs ended March 31 (as of March 31):														
Total net assets	¥	**3,418,351**	3,786,130	3,538,022	3,121,962	3,207,059	3,142,801	2,916,886	2,903,699	2,657,265	2,348,679	1,602,478	2,516,478	$ **21,378**
Equity *4		**3,389,645**	3,759,230	3,511,263	3,095,397	3,181,717	3,125,299	2,900,184	2,889,423	2,651,385	2,343,434	1,558,113	2,465,738	**21,199**
Total assets		**15,575,602**	14,986,993	14,595,480	13,563,085	12,838,398	12,093,155	11,957,846	12,757,467	12,591,823	12,277,600	14,790,353	13,203,987	**97,408**
Interest-bearing debt		**6,633,767**	6,509,722	6,300,571	5,756,429	5,440,245	4,889,099	4,914,931	5,890,793	6,022,970	6,004,978	9,024,110	7,523,952	**41,487**
Financial ratios and cash flow data:														
ROA (%) *5		**2.2**	1.6	2.0	-1.7	0.4	1.2	1.7	2.5	2.3	2.0	2.9	2.1	**–**
ROE (%) *6		**-12.7**	4.4	8.1	-3.9	0.1	6.0	1.8	8.4	12.7	5.9	-62.0	5.5	**–**
Equity ratio (%)		**21.8**	25.1	24.1	22.8	24.8	25.8	24.3	22.6	21.1	19.1	10.5	18.7	**–**
Net cash flow from operating activities	¥	**560,333**	361,249	673,017	-75,673	406,493	239,825	323,493	503,709	752,183	783,038	988,710	988,271	$ **3,504**
Net cash flow from investing activities		**-663,604**	-859,209	-698,790	-388,842	-559,791	-577,215	-508,253	-570,837	-520,593	-478,471	-791,957	-599,263	**-4,150**
Net cash flow from financing activities		**110,429**	194,169	541,499	319,984	560,596	-20,340	13,591	-117,698	12,538	-603,955	1,859,579	-495,091	**691**

*1 Amounts of less than one million yen have been omitted. All percentages have been rounded to the nearest unit.
Accounting standards pertaining to revenue awareness (corporate accounting standard #29, March 31, 2020) has been applied from the beginning of the term ending March 2022.
The International Financial Reporting Standards (IFRS) have been applied to JERA, an affiliated company, since the term ending March 2023. So the standards have been retroactively applied the data for the term ending March 2022.

*2 Starting from the term ending March 2024, we have implemented changes in the accounting processing for adjustment transactions. The data for the term ending March 2023 is also reflected after retrospective application.

*3 Net income per share after dilution by potential shares for the years ended March 31, 2011, March 31, 2023, and March 31, 2026 has not been presented because, although there were potential shares, the Company recognized a net loss per share.

*4 Equity = Total net assets – Stock acquisition rights – Non-controlling Interest

*5 ROA = Operating income / Average total assets

*6 ROE = Net income attributable to owners of parent / Average equity

Financial Review

Analysis of business performance from an owner's perspective

The following are the results from our analysis and examination of the business performance of the TEPCO Group as viewed from an owner's perspective.

Any references made to the future in this document are considered valid at the time it was written.

Business Performance

The business environment surrounding the TEPCO Group in the consolidated fiscal year under review remained challenging, with intensifying competition in the electricity retail business, coupled with rising investment and expenditure requirements in the nuclear power and transmission and distribution businesses in response to progress in GX and DX initiatives, as well as the impact of sustained price increases. Against this backdrop, and in order to uphold our responsibility toward Fukushima, the Group has mobilized its full resources to pursue rigorous management rationalization measures, including thorough cost reductions, disciplined investment selection, and the divestiture of assets.

With respect to the decommissioning of the Fukushima Daiichi Nuclear Power Station, the Group proceeded with design studies for large-scale fuel debris retrieval during the consolidated fiscal year under review, in accordance with the recommendations of the Sub-Committee for the Evaluation of Fuel Debris Retrieval Methods established by the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (hereinafter the "NDF"). As a result, the Group recorded an extraordinary loss on disaster of ¥913.8 billion, including costs for preparatory work associated with the retrieval operations.

Retail electricity sales volume for the TEPCO Group during the consolidated fiscal year under review decreased 8.1% YoY to 171.9 billion kWh, primarily due to the continued severe competitive environment in the extra high-voltage and high-voltage segments. Together with the wholesale electricity sales volume, the total electricity sales volume decreased 6.7% YoY to 213.2 billion kWh.

In regards to consolidated revenue and expense for the consolidated fiscal year under review, net sales (operating revenues) decreased 7.1% YoY to ¥6,328.5 billion, mainly due to a decline in electricity sales volume.

Despite this decline in electricity sales volume, ordinary income increased 64.0% YoY to ¥417.3 billion, due primarily to the Group's ongoing efforts to improve financial performance, in addition to an upturn in the effect of the lag in the fuel cost adjustment system.

Net loss attributable to owners of the parent came to ¥454.2 billion. This was mainly attributable to extraordinary losses of ¥996.6 billion, including the previously mentioned loss on disaster and compensation for nuclear power-related damages, despite extraordinary income of ¥184.9 billion, including gain on sale of shares of subsidiaries and associates and grants-in-aid from NDF.

The performance of each business segment (including inter-segment transactions) for the consolidated fiscal year under review was as follows:

Holdings

Net sales (operating revenues) increased 3.8% YoY to ¥826.8 billion due mainly to an increase in sales by subsidiaries.

Ordinary income increased by ¥179.6 billion YoY to ¥128.9 billion, mainly due to an increase in dividends received from core management companies and a decrease in nuclear power-related expenses.

Fuel & Power

Ordinary income increased 44.4% YoY to ¥83.3 billion, mainly because JERA, which is an equity-method affiliate, reported an improvement in the effect of the fuel cost adjustment price, while income also increased from overseas power generation and renewable energy businesses.

Power Grid

Net sales (operating revenues) decreased 2.2% YoY to ¥2,294.3 billion due mainly to a decrease in supply-demand adjustment sales.

On the other hand, ordinary income increased 48.8% YoY to ¥81.7 billion due mainly to a decrease in supply-demand adjustment market costs.

Energy Partner

Net sales (operating revenues) decreased 10.3% YoY to ¥4,989.6 billion due mainly to a decrease in the retail electricity sales volume.

In addition, ordinary income decreased 11.4% YoY to ¥254.9 billion due mainly to an increase in electricity procurement prices.

Renewable Power

Net sales (operating revenues) decreased 10.8% YoY to ¥189.2 billion due mainly to a decrease in wholesale electricity sales. Accordingly, ordinary income decreased 24.7% YoY to ¥40.3 billion.

Net Income Attributable to Owners of the Parent

TEPCO recorded ¥103.0 billion in gain on sale of shares of subsidiaries and associates and ¥81.8 billion in grants-in-aid from NDF as extraordinary income, while recording ¥913.8 billion in extraordinary loss on disaster and ¥82.7 billion in expenses for nuclear damage compensation as extraordinary losses. As a result, loss before income taxes in the fiscal year under review came to ¥394.3 billion. In addition, TEPCO recorded income taxes of ¥59.6 billion, income taxes-deferred of ¥0.5 billion, and net loss attributable to non-controlling interests of ¥0.3 billion. As a result, net loss attributable to owners of the parent for the fiscal year under review totaled ¥454.2 billion, which translates into ¥283.51 in net loss per share.

Fiscal Policy

Based on the Comprehensive Special Business Plan (certified in May 2012 by the cabinet minister in charge), TEPCO has received an investment of ¥1 trillion from the NDF and has requested financial institutions to provide additional credit and maintain existing credit lines through refinancing. With these cooperation and support of the NDF and financial institutions, the TEPCO Group improved its equity ratio and managed to return to the publicly-offered corporate bond market in March 2017. In FY2025, TEPCO Power Grid issued publicly offered bonds worth ¥290 billion, and TEPCO Renewable Power issued green bonds worth ¥20 billion. We shall continue to issue corporate bonds and make other efforts to restore TEPCO Group's ability to procure capital independently.

Funds raised through obtaining loans from financial institutions and issuing corporate bonds are allocated to investments in facilities required for the electric power business, loan repayments and redemption of corporate bonds. TEPCO's capital investment plan is as outlined in "Capital Expenditures," and plans for loan repayments and corporate bond redemption are as outlined in Note 4 "Redemption schedule for bonds," 2. Fair value of financial instruments, 35. Financial Instruments.

The TEPCO Group has adopted its in-house financial system to ensure greater efficiency in fund management.

Cash Flow

Cash and cash equivalents (hereinafter the "capital") on a consolidated basis as of the end of the fiscal year under review increased by ¥10.2 billion (1.1%) from a year earlier to ¥936.6 billion.

(Cash flow from operating activities)

Capital revenue from operating activities during the consolidated fiscal year under review increased 55.1% YoY to ¥560.3 billion due mainly to an increase in reserve for loss on disaster.

(Cash flow from investing activities)
Capital expenditure from investment activities during the consolidated fiscal year under review decreased 22.8% YoY to ¥663.6 billion due mainly to an increase in proceeds from long-term investments.
(Cash flow from financing activities)
Capital revenue from financing activities during the consolidated fiscal year under review decreased 43.1% YoY to ¥110.4 billion due mainly to lower revenue on short-term borrowings.

Capital Expenditures

Overview of capital investment
While capital investment has been limited to the minimum-required level to maintain a stable supply of electricity, capital investment for the consolidated fiscal year under review was ¥904,810 million as a result of decommissioning/contaminated water countermeasures implemented at the Fukushima Daiichi Nuclear Power Station. By segment, capital expenditures, including intercompany transactions, amounted to ¥355,868 million in the Holdings business segment; ¥0 million in the Fuel & Power business segment; ¥479,496 million in the Power Grid business segment; ¥39,160 million in the Energy Partner business segment; and ¥36,471 million in the Renewal Power business segment.

Assets, Liabilities and Net Assets

Assets as of the end of the consolidated fiscal year under review increased by ¥588.6 billion from a year earlier to ¥15,575.6 billion due mainly to an increase in non-current assets. Liabilities as of the end of the consolidated fiscal year under review increased by ¥956.3 billion from a year earlier to ¥12,157.2 billion due mainly to an increase in reserve for loss on disaster.
Net assets as of the end of the consolidated fiscal year under review decreased by ¥367.7 billion from a year earlier to ¥3,418.3 billion due mainly to net loss attributable to owners of the parent. As a result, equity ratio decreased 3.3 percentage points from the end of the previous consolidated fiscal year to 21.8%.

Dividend Policy

TEPCO recognizes sharing corporate profits with shareholders as one of its top-priority tasks. However, TEPCO has suspended its basic dividend policy in view of adverse factors such as an ongoing tough business environment since the Tohoku-Chihou-Taiheiyou-Oki Earthquake. A new basic policy is to be explored in line with future developments. TEPCO's Articles of Incorporation stipulate that an interim dividend may be paid by resolution of the Board of Directors. Until now, TEPCO has maintained a basic policy of paying both an interim and a fiscal year-end dividend of surplus. The interim dividend is disbursed by resolution of the Board of Directors, while the year-end dividend is disbursed by resolution of TEPCO's Annual General Meeting of Shareholders.
Looking at the business results for the fiscal year under review, despite lower sales resulting primarily from a decline in electricity sales volume, TEPCO managed to secure ordinary income due mainly to ongoing cost reduction efforts, in addition to an upturn in the effect of the lag in the fuel cost adjustment system. However, factors such as an extraordinary loss on disaster of ¥913.8 billion resulted in net loss attributable to owners of the parent of ¥454.2 billion. In light of these challenging business conditions, we have made a difficult decision to suspend the disbursement of dividends.
TEPCO plans to again suspend the disbursement of both interim and end-of-year dividends next fiscal year, given the on-going prospect of a harsh business climate.

Risk Factors

Of the risk factors affecting TEPCO Group's business and other operations, this section describes primary factors that may exert a significant impact on investor decisions. Factors that may not necessarily be applicable are also disclosed in keeping with TEPCO's stance of disclosing information actively to investors.

TEPCO has built a risk management system for which the President serves as General Manager and the Chief Risk Management Officer serves as Risk Manager, and in cooperation with the presidents of each core operating companies and the directors in charge of risk management, etc., they oversee the Group's risk management both in normal times and when risks manifest. The Directors and Executive Officers periodically and as needed, identify and evaluate the business risks associated with the Company and its Group. These risks are then reflected as appropriate onto the management plan for that fiscal year. Internal rules are also in place to ensure risk is managed appropriately for the entire Group.

Such risks are generally managed by the relevant department in the course of work execution in conformity with the internal rules. Risks that span multiple departments are reviewed by a cross-organizational committee, then managed appropriately.

The Risk Management Committee headed by the President manage risks that could have a significant impact, minimizing the impact that the risk poses on management by preventing the materialization of the risk and responding swiftly and accurately should the risk materialize. Employees also receive periodic training on relevant laws, internal rules, and manuals.

However, the operating environment surrounding the Company and its Group remains harsh and the Company's business operations may be significantly affected if the following risks materialize. Risks are listed in the order of importance determined by the magnitude of the potential impact on the business and likelihood of occurrence.

This section includes future-related matters. Their inclusion was determined based on conditions as of the date when this document was presented.

(1) Decommissioning of the Fukushima Daiichi Nuclear Power Station

Level of impact Very high
Occurrence possibility High

Potential risk

TEPCO is pushing forward with decommissioning work and with attention to safety at the Fukushima Daiichi Nuclear Power Station in accordance with the Mid-and-Long-Term Roadmap towards the Decommissioning of TEPCO HD's Fukushima Daiichi Nuclear Power Station (hereinafter the "Mid-and-Long-Term Roadmap"). However, it is possible that the decommissioning work will not progress as planned in the event of technically uncertain and unresolved issues related to nuclear fuel debris retrieval which has never been done before, and problems such as the physical contamination or leakage of contaminated water.

The ocean discharge of Advanced Liquid Processing System-treated water (hereinafter "ALPS-treated water") has started based on the government's basic policy, but the occurrence of problems such as equipment stoppages due to inspection failure, insufficient checking, and operational errors, insufficient information on ALPS-treated water monitoring results and equipment conditions, and dishonest responses to the compensation may cause difficulties in gaining the understanding of such community and society and continuing the work.

With regard to contaminated water, although multilayered measures such as groundwater inflow control are steadily advancing to reduce its occurrence, there is a possibility that the planned reduction in contaminated water generation will not be achieved due to factors like heavy rainfall.

If such decommissioning efforts do not proceed smoothly and the process is prolonged more than planned, business performance, fiscal condition and operations of the TEPCO Group may be affected.

Response measures

As this decommissioning challenge is unprecedented in the world, TEPCO has developed the “Mid-to-Long Term Decommissioning Action Plan” based on the Mid-and-Long-Term Roadmap, which is a major goal to be pursued, and also on new information and findings that are gradually obtained.

To “balance recovery with decommissioning” and “to fulfill our responsibility to Fukushima,” we will communicate the progress made in decommissioning work and future projections even more carefully and in an easy-to-understand manner to gain the understanding of the regional community and society.

TEPCO will continue to collect new information and knowledge one by one through trial nuclear fuel debris retrieval from Unit 2, etc., and flexibly revise the “Mid-to-Long Term Decommissioning Action Plan” based on the progress and problems in order to work in accordance with the plan toward the completion of decommissioning in 30 to 40 years while paying utmost attention to safety.

Considering the issues that have occurred thus far, we recognize that the Fukushima Daiichi Nuclear Power Station faces numerous unprecedented challenges in a harsh high-radiation environment. We are continuing to identify risks associated with each task, develop countermeasures, and implement activities accordingly. Furthermore, in light of incidents such as the interruption of trial fuel debris retrieval, TEPCO has taken measures as the implementing entity to confirm detailed procedures from the preparation stage of the work. We will also build a collaborative system at the on-site level under the keyword “One Team,” sharing the objectives of decommissioning with companies involved in the decommissioning process, including local businesses, and transcending the roles of employer and contractor to achieve these goals.

For the ocean discharge of ALPS-treated water, the Company will create a cross-departmental management structure internally and strive for; (1) ensuring the safety and quality of facility operation, (2) speedily obtaining monitoring results and disseminating that information in an accurate and easy-to-understand manner, (3) ensuring transparency through IAEA reviews, etc., (4) implementing reputational damage countermeasures, and providing suitable compensation should damages be incurred. Also, the Company will communicate these situations to the parties concerned and society at large in a timely manner, striving to build trust both domestically and internationally.

Furthermore, the Company will take multilayered measures to reduce the amount of contaminated water generated, including repairing the building’s roof and paving the inner side of land-side impermeable wall, and waterproofing some parts of the building.

(2) Stable Supply of Electric Power

Level of impact Very high
Occurrence possibility High

Potential risk

Large-scale disasters, accidents at facilities, sabotage, including terrorist acts and riots, problems in procuring fuel, and the outbreak of infectious disease may cause long-term and wide-spread power outages and hinder stable supply of electric power. These cases could affect the TEPCO Group’s business performance and financial condition, while damaging public trust and imposing negative impact on business operations.

Response measures

To address the supply capacity shortages (reserve margin shortages) at the planning stage, the government and the Organization for Cross-regional Coordination of Transmission Operators (OCCTO) are leading discussions on both supply-side and demand-side measures.

At present, mechanisms to secure additional supply capacity are being discussed as supply-side measures. If a supply capacity shortage arises before these mechanisms are established, the government may require general power transmission and distribution companies to lead an

open recruitment of kW. In such a scenario, the TEPCO Group will work together to maintain a stable supply and respond appropriately to these efforts.

In daily operations, TEPCO checks on the short-term supply and demand projections on a weekly basis, directs the operation of additional power supply sources, and directs the implementation of demand response at appropriate times based on wide-area reserve margin, while also disseminating information.

With the increasingly severe and widespread occurrence of natural disasters, TEPCO is reinforcing facilities based on damage assumptions made by the Central Disaster Prevention Council of the Cabinet Office and other organizations, with a focus on strengthening electric power resilience. From the perspective of preventing equipment accidents, efforts are being made to maintain a stable supply by replacing aging equipment systematically and efficiently.

To protect against terrorism, riots and other sabotage, TEPCO maintains close cooperation with related agencies from ordinary times. From the viewpoint of mitigating damage caused by equipment failure, TEPCO works to minimize the scope and duration of power outage by multiplexing facilities that connect multiple power grid systems. For early restoration of damaged facilities, TEPCO proactively utilizes digital technology, diversifies power supply methods by using storage batteries and electric vehicle as distributed power sources, secures restoration equipment and materials, develops a Group-wide disaster response system, conducts in-house drills assuming various hazards, and strengthens cooperation and collaboration with the Maritime and Ground Self-Defense Forces, the Japan Coast Guard, the government, municipalities, general power transmission and distribution companies, and other related parties.

With regard to fuel procurement, to also address fuel procurement risk stemming from increased global demand for LNG as a result of military tensions in the Middle East and other factors, JERA will endeavor to procure fuel as stably and flexibly as possible by strengthening the LNG portfolio, including new procurement of up to 5.5 million tons of U.S. LNG, as well as using fuel trading through JERA Global Markets to optimize LNG procurement, while TEPCO undertakes monitoring.

With regard to measures against infectious diseases, TEPCO reinforces basic infection control measures and utilizes telework and staggered work hours to ensure the health and safety of its employees, and takes necessary response appropriately by monitoring structural changes in the power industry associated with the spread of infectious diseases and changes in the business model based on social trends.

(3) Nuclear Power Generation and Nuclear Fuel Cycle

Level of impact Very high
Occurrence possibility High

Potential risk

The revision of Japan’s nuclear policy and the tightening of safety regulations by the Nuclear Regulation Authority may affect operations of the TEPCO Group’s nuclear power generation and nuclear fuel cycle businesses, as well as the Group’s business performance and financial condition.

Nuclear energy is described in the 7th Strategic Energy Plan as “essential to maximize the use of energy sources such as renewable energy and nuclear power that contribute to energy security and have high decarbonization effects.” It is an essential power source not only from the perspective of achieving carbon neutrality, but also from the perspective of providing a stable supply of low-cost electricity and strengthening resilience.

While maintaining the stable operation of Unit 6 at the Kashiwazaki-Kariwa Nuclear Power Station, which has resumed power transmission, TEPCO will steadily proceed with construction of facilities to respond to specific serious accidents and other incidents, prioritizing safety above all else, with the goal of ensuring the stable and continuous operation of the power station. If stable operation cannot be maintained, factors such as increased thermal fuel costs could impact the TEPCO Group’s business performance and financial condition.

With regard to the back-end business, including spent fuel reprocessing, disposal of radioactive

waste, and dismantling of nuclear power generation facilities, large capital spending and a long period of operation are required. To ensure that these steps are implemented properly and without delay, institutional measures have been taken. Specifically, a system has been established to contribute to the costs required for spent fuel reprocessing, radioactive waste disposal, and the dismantling of nuclear power generation facilities. Although such government measures have mitigated uncertainties related to the back-end business, factors that could affect the TEPCO Group's business results and financial condition include revision of the institutional measures, a higher estimate for future costs outside of these measures, operating conditions at JNFL's Rokkasho Reprocessing Plant and other facilities, and procedures for the decommissioning of the uranium enrichment plant at the same site.

Response measures

With regard to nuclear power generation, TEPCO has carefully and individually assessed the integrity of each piece of plant equipment of Unit 6 at the Kashiwazaki-Kariwa Nuclear Power Station, and resumed power transmission. We will continue to work to enhance the safety of the plants and implement improvements related to nuclear material protection. Additionally, we will provide thorough explanations of the plants' initiatives to the local community.

Furthermore, to foster an organizational culture and corporate identity that earns the trust of the local community and society, we will consider the phased relocation of the necessary head office functions for the Kashiwazaki-Kariwa Nuclear Power Station, together with organizational restructuring, incorporating the opinions of local residents into improvements in the safety and operation of the power station.

With regard to the back-end business, TEPCO will ease uncertainties by taking appropriate actions in accordance with national policies and related institutional measures, while closely monitoring future trends in policies and systems. TEPCO will also cooperate in the promotion of nuclear fuel cycle projects, including the Rokkasho Reprocessing Project and the uranium enrichment project.

With regard to the final disposal of high-level waste, TEPCO, as a waste generator with fundamental responsibilities, has established an information desk for inquiries as part of its efforts to actively promote understanding for the realization of geological disposal in cooperation with the government and the Nuclear Waste Management Organization (NUMO).

(4) Electricity Procurement Costs, Electricity Prices, and Electricity Sales Volume

Level of impact Very high
Occurrence possibility High

Potential risk

As sales prices are adjusted based on the "fuel cost adjustment system" and the "market price adjustment system," we hedge fluctuations in power procurement costs, thereby mitigating the impact of such fluctuations on TEPCO's financial results. However, TEPCO remains exposed to sharp fluctuations in fuel prices and market prices due to timing differences and discrepancies in sales and procurement volumes, and financial results could deteriorate in the event of significant fluctuations.

Specifically, given the recent escalation of tensions in the Middle East, fuel prices and market prices may fluctuate in the future, and TEPCO may be impacted by these fluctuations.

Also, electricity sales volume could be impacted by temperatures and the weather, economic and industrial activities, power savings, energy conservation and policies to realize carbon neutrality in addition to competition in the retail market. As a result of which, the TEPCO Group's business performance and financial condition could be affected.

Response measures

With regard to power source procurement costs and sales prices, the Company is working to minimize the impact of the aforementioned risks by introducing hedged trading using electricity

derivatives, and cost reduction through the expansion of procurement channels.

Also, in order to appropriately reflect the latest sales and power source procurement in electricity rates for extra high-voltage and high-voltage customers, the Company revised the calculation basis for the fuel cost adjustment and the market price adjustment. Regarding electricity sales volume, in response to the needs of customers who want rate plans that control price fluctuations, the Company has begun offering three types of electricity rate plans with different ratios of market price adjustments.

In addition, to mitigate the financial risks arising from significant fluctuations in electricity and fuel prices due to the escalating tensions in the Middle East, we are encouraging customers with existing extra high-voltage and high-voltage contracts to switch to different service plans and are working to eliminate the imbalance between sales and procurement.

The Company will work to reduce the burden on our customers, while also improving our Group's financial condition, by streamlining management thoroughly, providing services that meet customer needs and market conditions, and reducing the impact of higher wholesale rates on retail rates by incorporating power from restarted nuclear power stations in calculations for the new retail rates.

(5) Fossil Fuel Prices

Level of impact High to Very high
Occurrence possibility High

Potential risk

The prices for LNG, crude oil, coal and other fuels change according to factors that include international fuel market conditions and foreign exchange market trends, which could affect the TEPCO Group's business performance and financial condition. In particular, a global surge in fuel prices due to rising military tensions in the Middle East could affect the TEPCO Group's business performance and financial condition.

Response measures

At JERA, efforts are being made to respond to risks associated with fuel price fluctuations through price competitiveness that leverages a world-class procurement scale, a fuel portfolio with strong responsiveness to price fluctuation risks, and fuel trading and hedging in the futures market through JERA Global Markets.

(6) Changes in the Electricity Business Structure and Energy Policy

Level of impact High to Very high
Occurrence possibility Medium

Potential risk

The TEPCO Group's business performance and financial condition could be affected by changes in the policy environment in the course of its business, including structural changes in the electricity industry and other revisions of national energy policies as well as tighter environmental regulations related to global warming.

Response measures

TEPCO will comprehensively and proactively collect necessary information on energy policies, systems related to the electricity business, and trends in environmental regulations, and explain the TEPCO Group's approach through various forums in cooperation with relevant sections while taking necessary measures.

(7) Customer Services

Level of impact High to Very high
Occurrence possibility Medium to High

Potential risk

Customer service in violation of laws and regulations and other issues could significantly undermine customer satisfaction and public trust in the Group's services and affect the business performance, financial condition and smooth operations of the Group.

Response measures

To realize concrete strategies in the Comprehensive Special Business Plan, the TEPCO Group established a new Group Corporate Philosophy in July 2021. Based on this philosophy, the Group will build a new corporate culture that dares to innovate for customers, and strives to be a company that customers can continue to trust and choose.

At TEPCO Energy Partners, which carries out sales activities, in addition to providing practical training/education and maintaining scripts to improve customer services, the company utilizes "customer feedback" collected through sales calls and visits to improve operations.

The Sales Quality Management Committee, chaired by the President of TEPCO Energy Partners and including outside members such as lawyers and consumer interest group directors, as well as relevant officers and department heads as committee members, meets at least once every half year. This committee evaluates and confirms various initiatives aimed at preventing the recurrence of inappropriate incidents, the status of responses to amendments of related laws, and improvements to customer web procedures. These evaluations are conducted across the organization to enhance sales quality and are utilized to further improve business operations.

(8) Safety Assurance, Quality Control and Prevention of Environmental Pollution

Level of impact High to Very high
Occurrence possibility Medium to High

Potential risk

The TEPCO Group is making every effort to ensure safety assurance, quality control, prevention of environmental pollution, and information disclosure with an advanced level of transparency and reliability in all of its businesses, divisions, and offices. However, accident and casualties caused by human error and the breaching of laws and regulations / internal rules, large-scale environmental contamination, and inappropriate PR/information disclosure could also undermine the Group's social credibility, hampering smooth business operations.

Response measures

With the aim of fulfilling social responsibilities, the TEPCO Group has established the "TEPCO Group Charter of Corporate Conduct," based on which, placing the top priority on safety in all aspects of business activities, the TEPCO Group has developed rules and measures that are effective in field-based safety activities and compliance with laws and regulations, which are evaluated and improved on an ongoing basis.

In particular, the nuclear operation business is committed to continuous improvement based on guidance and advice from external experts, including the Kashiwazaki-Kariwa Nuclear Power Station Steering Committee, which was newly established to proactively incorporate external perspectives and insight. This is in addition to improving safety and quality based on an "actual place, actual thing" perspective by instructing managers to check and improve the status of field equipment and personnel on a regular basis.

In terms of quality control and environmental management, rules and manuals have been established to reinforce thorough compliance, the status of compliance is checked through internal audits, and necessary improvements are made as appropriate.

With regard to information disclosure, TEPCO works to ensure that necessary information is accurately and promptly conveyed to customers, local communities, and society at large.

(9) Corporate Ethics and Compliance

Level of impact High to Very high
Occurrence possibility Medium to High

Potential risk

The TEPCO Group works to firmly establish business operations that comply with corporate ethics. However, the violation of laws and regulations or other acts contrary to its corporate ethics could damage public trust in the Group and affect smooth business operations.

Particularly in the area of “human rights,” for which demand for companies to take action has grown in recent years, if human rights violations occur due to a lack of understanding on the part of employees of the Company and its Group companies, criticism toward the Company could affect smooth business operations.

In the nuclear operation, under the policy to foster safety culture and nuclear security culture among workers, training and dialogue activities are being promoted to clarify specific actions that each worker is required to take in real situations.

However, if such efforts prove insufficient, TEPCO Group’s social credibility could be undermined and smooth business operations may be negatively impacted.

Response measures

The “TEPCO Group Charter of Corporate Conduct” and the “Code of Conduct Related to the Corporate Ethics and Compliance Policies of the TEPCO Group” have been established to clarify TEPCO’s direction and specific actions to be followed by directors and employees. The TEPCO Group Corporate Ethics Committee, chaired by the President and composed of members including external experts, has been formed to deliberate and decide on various measures to firmly establish corporate ethics and receive guidance and advice on the status of implementation. A manager and staff members in charge of corporate ethics are assigned in each organization to ensure such measures are implemented by the TEPCO Group as a whole.

In addition, periodic awareness surveys are conducted to check the degree to compliance with corporate ethics, and the future action policy is determined based on the survey results. Furthermore, corporate ethics hotlines are set up within and outside TEPCO for use by the entire TEPCO Group with the aim of preventing violations of corporate ethics across the Group.

In promoting respect for human rights, the Company works on the basis of the TEPCO Group Human Rights Policy (August 2021), which complies with the United Nations Guiding Principles on Business and Human Rights. Specifically, the Company has established a human rights due diligence mechanism, provided education through e-learning and training, established a reporting desk open to all stakeholders as a grievance mechanism, and others, and proactively discloses information about the process and the results of our evaluation of the effectiveness of these activities.

In the nuclear operation, in response to the physical protection incident at the Kashiwazaki-Kariwa Nuclear Power Station, etc., we are engaging in power station operation based on the “Purpose of the Power Station,” which was created through active dialogue between the management and power station workers. By enhancing these activities in line with changes in the situation at the power station, we will enhance internal communication and employee motivation, and continue our efforts to create a power station that is trusted by local residents.

(10) Information Management and Security

Level of impact High to Very high
Occurrence possibility High

Potential risk

If cyber incidents, human error, and violation of internal rules were to disrupt power supplies or customer services, or if the Group's customer information or important business information were to be leaked, public trust in the TEPCO Group could be damaged and its business operations could be seriously affected.

Response measures

To deal with increasingly sophisticated and advanced cyber incidents, efforts are being made to strengthen cyber security by all possible means, including threat analysis based on nuclear business progress and geopolitical changes, defensive measures, constant monitoring, and response and recovery training.

For managing important information, the Company has established internal rules, and educates and enlightens employees about the impact of information leaks on customers and society, and at the same time, implements system measures, including appropriate access control of internal systems and restrictions on data export to external storage media.

(11) Procurement of materials and goods

Level of impact High to Very High
Occurrence possibility High

Potential risk

In addition to a disrupted supply chain caused by occurrence of large-scale disasters, rising international tensions, and the spread of infectious disease, etc., rising prices, labor shortages particularly in the construction industry, and increased third-party risks such as bankruptcies or withdrawals of domestic and overseas suppliers, as well as reduced supply of materials with high dependence on overseas sources could put upward pressure on procurement costs and strain procurement plans, affecting the TEPCO Group's business performance, financial condition, and smooth operation.

Specifically, delivery delays or production shutdowns caused by geopolitical issues—such as the recent tensions in the Middle East—could disrupt the stable supply of electricity.

Furthermore, due to amendments to the Construction Business Act and legislation relating to working practices and other matters, there are more stringent requirements for proper conduct in transactions related to construction work, subcontracting, and materials procurement, and for the TEPCO Group to act in good faith as a contracting entity. Any failure by the Group to adequately address these requirements could adversely affect its business operations.

In addition, if the TEPCO Group or any of its suppliers is found to be complicit in the destruction of the environment or in the infringement of human rights within the TEPCO supply chain, TEPCO's social credibility could be damaged, affecting business operations.

Response measures

To ensure the sustainability of the TEPCO Group's supply chain, the Company has instituted a supplier registration system that checks the suitability of the supplier beforehand and diversified its supplier base to increase competition and expand opportunities to collaborate with various suppliers, aiming for the coexistence and co-prosperity of the Group's entire supply chain as outlined in its Partnership Building Declaration. To address risks of material delivery delays and production shutdowns, in view of the recent escalation in international tensions, the Company is regularly gathering information on procurement risks from major suppliers, sending in orders early, using alternative products, managing inventories, adjusting schedules to avoid stockouts, and securing adequate spare parts. Additionally, in response to rising prices and labor shortages, we are working to reduce procurement costs by strategically planning the acquisition of materials and personnel in close collaboration with our suppliers, while also remaining committed to monitoring supplier trends and exploring alternative trading partners.

In light of developments concerning the Construction Business Act and legislation relating to

working practices and other matters, the TEPCO Group is striving to ensure stable business operations by improving ordering and procurement systems and engaging in appropriate consultation and dialogue with business partners.

Furthermore, in light of the growing interest in environmental problems and human rights issues as well as their importance, the Company is committed to realizing a sustainable society through its entire supply chain by checking the status of initiatives for environmental and human rights issues and building trust with suppliers through dialogue, under the “TEPCO Group Basic Procurement Policy” and “Sustainable Procurement Guideline.”

(12) Fluctuations in prices and interest rates

Level of impact High to Very High
Occurrence possibility High

Potential risk

The TEPCO Group owns numerous facilities necessary for domestic electricity operations, including generation, transmission, and distribution equipment. To systematically advance the construction and renewal of these facilities, substantial investment funds are required. In recent years, the amount of capital investment has exceeded depreciation and amortization.

To finance these necessary funds, we are procuring capital not only from our own resources but also through loans from financial institutions and the issuance of corporate bonds. As of March 31, 2026, the TEPCO Group’s interest-bearing debt balance amounted to ¥6,633.7 billion, equivalent to 43% of total assets.

Therefore, fluctuations in prices and interest rates may lead to variations in capital investment and interest payments, which could affect the Group’s performance and financial condition depending on future trends.

Response measures

Regarding capital investment, we will prioritize the stability of electricity supply as a fundamental principle, while conducting thorough investment assessment and management rationalization over the medium to long term, aiming to maximize profitability and capital efficiency.

Additionally, with regard to interest payments, we are making efforts to secure funding through the issuance of fixed-rate corporate bonds to reduce the risk of interest rate fluctuations.

(13) Initiatives Related to Climate Change

Level of impact High
Occurrence possibility Medium

Potential risk

Stricter climate change regulations and revisions to energy policies could increase electricity procurement costs in the retail electricity business, which could affect the TEPCO Group’s business performance.

Furthermore, changes in the electricity supply-and-demand structure—such as the expanding adoption of renewable energy in line with progress in GX and DX—may lead to increased costs for measures such as grid reinforcement, aimed at ensuring grid stability in the transmission and distribution business.

In addition, a slowdown in our ESG initiatives could lead to a deterioration in the Group’s reputation in the ESG investment market, which could affect the Group’s financing and stock price.

Response measures

Regarding stricter climate change regulations and revisions to energy policies, we will continuously and proactively monitor domestic and international regulatory trends. We will also explain the TEPCO Group’s approach through various forums in cooperation with relevant

sections while implementing necessary measures.

Furthermore, in response to the growing adoption of renewable energy and changes in the electricity supply-demand structure in line with progress in GX and DX, we will strive to improve grid stability by leveraging distributed power sources and customer-owned facilities, enhancing supply-demand balancing capabilities, and constructing next-generation networks. At the same time, we will systematically promote the development of infrastructure—including by proposing suitable sites—and endeavor to maintain a stable and affordable electricity supply.

Regarding ESG initiatives, we will accurately identify the opinions and concerns of our shareholders and investors through ongoing engagement. Based on this feedback, we will strengthen our ESG initiatives and enhance our disclosure of ESG information, striving to improve understanding of and trust in the Group's ESG initiatives.

In addition, we will systematically proceed with the necessary preparations, such as establishing appropriate systems and enhancing data management, in anticipation of the mandatory disclosure of sustainability information under the Financial Instruments and Exchange Act.

(14) Management Reform Based on Fifth Comprehensive Special Business Plan

Level of impact High
Occurrence possibility Medium to High

Potential risk

Under the Fifth Comprehensive Special Business Plan, the TEPCO Group is committed to ongoing management reforms in order to fulfill its responsibilities to Fukushima, with the aim of securing the funds needed for compensation and decommissioning, as well as improving corporate value.

Moving forward, the aims of our management reforms include successfully completing the unprecedented task of plant decommissioning, fulfilling our responsibility to ensure a stable supply of electricity to meet growing demand driven by initiatives such as GX and DX while pursuing business growth, improving our financial position through management rationalization and asset sales, and formalizing alliances to balance medium- to long-term decommissioning efforts with the improvement of corporate value. If these management reforms do not proceed as planned, this may affect the Group's business performance, financial condition, and business operations.

Response measures

In order to realize management reforms based on the Fifth Comprehensive Special Business Plan, action plans specifying responsible persons, deadlines, and objectives to be achieved have been prepared and will be put in motion. The progress of each action plan is monitored according to the level of importance, and the plans will be achieved through the PDCA cycle.

To ensure the successful implementation of our management rationalization plan, we will promptly verify the progress of improvement measures and implement appropriate monitoring measures to facilitate an agile recovery in response to changing risks.

Regarding our top-priority tasks—reforming our decommissioning projects and establishing alliances—we will swiftly proceed to establish the necessary systems to fulfill executive responsibilities and develop the optimal management structure for the future. Furthermore, regarding alliances, an internal committee led by outside directors will conduct detailed and specialized discussions on matters such as the scrutiny and evaluation of proposals from alliance partners, as well as related frameworks and mechanisms, to facilitate their realization.

We will thoroughly examine our response to these top-priority tasks and rigorously manage the process leading to management decisions, in close collaboration with the Nuclear Damage Compensation and Decommissioning Facilitation Corporation—with which we jointly formulated the Fifth Comprehensive Special Business Plan—and taking into account the ongoing deliberations regarding the implementation of management reforms by the Corporation's Management Committee.

(15) Acquisition of TEPCO Share by the Nuclear Damage Compensation and Decommissioning Facilitation Corporation

Level of impact High
Occurrence possibility Medium to High

Potential risk

On July 31, 2012, TEPCO issued preferred stocks (class A preferred stocks and class B preferred stocks; collectively, the “Preferred Stocks”) through private placement with the Nuclear Damage Compensation and Decommissioning Facilitation Corporation. Class A preferred stocks carry voting rights to be exercised at the General Meeting of Shareholders as well as the right to convert the shares into class B preferred stocks and common shares. Class B preferred stocks also carry the right to convert the shares into class A preferred stocks and common shares, although they do not carry voting rights unless otherwise provided for in laws and regulations.

Following the aforementioned acquisition of stocks, the NDF now holds a majority of TEPCO’s total voting rights. Consequently, the NDF’s exercise of its voting rights at the shareholder’s meeting, etc., may affect TEPCO’s business operations going forward.

In addition, TEPCO’s existing shares may become further diluted if NDF exercises the right to convert class B preferred stocks into class A preferred stocks and/or NDF exercises the right to convert the Preferred Stocks into common shares. In particular, if the right to convert into common shares is exercised, the dilution of the existing shares may result in a decline in the share price of the holding company TEPCO Holdings, and if NDF sells such common shares on the market, the share price of the holding company TEPCO Holdings may be further affected depending on the market environment at the time of sale.

Response measures

Placing the top priority on fulfilling its responsibilities to Fukushima, the TEPCO Group will continue to make its utmost integrated efforts to restore public trust and enhance its corporate value, including responding to recommendations from the Management Committee of the Nuclear Damage Compensation and Decommissioning Facilitation Corporation, while promoting management rationalization.

(16) Businesses Other than Electric Power

Level of impact High
Occurrence possibility High

Potential risk

The TEPCO Group operates other non-electric power businesses, including overseas businesses. Various issues, in addition to changes in the Group’s management condition, including rising international tensions, climate changes, changes in customer needs, changes in market conditions (surging prices, rising interest rates, trends of other companies, etc.), human rights violations in the supply chain, and threats to employees’ lives and health, etc. could cause actual results to differ from forecasts at the time of investment/financing, and may affect the Group’s business performance and financial condition.

Response measures

The Group strives to become more sensitive to twists and turns in political and economic conditions that may affect its business and employee safety, particularly increasing geopolitical risks, and to avoid and mitigate risks by gathering local information in cooperation with its overseas offices in a timely manner.

Projects are carefully selected to be implemented based on strict investment screening criteria, which include risk assessments of investment profitability due to factors such as rising construction costs and increasing interest rates. During the implementation of projects, the

profitability and risks are monitored on a quarterly basis and unprofitable businesses are closed or downsized to mitigate the risk of a deterioration in performance.

Objective Indicators for Determining Progress for Management Policies, Business Strategy and Management Goals

As described in the Fifth Comprehensive Special Business Plan, the TEPCO Group as a whole secures approximately ¥500 billion per year for compensation and decommissioning. In addition, the Group will secure positive free cash flows from FY2028 onward.

Consolidated Balance Sheet

Tokyo Electric Power Company Holdings, Incorporated and Consolidated Subsidiaries
March 31, 2026

	Millions of yen		Millions of U.S. dollars (Note 7)
ASSETS	March 31, 2026	March 31, 2025	March 31, 2026
Property, plant and equipment:			
Property, plant and equipment	¥26,717,552	¥26,254,100	$167,089
Facilities in progress (Note 8):			
Construction in progress and retirement in progress	1,788,867	1,560,207	11,187
Suspense account for decommissioning related nuclear power facilities	86,994	106,442	544
Special account related to reprocessing of spent nuclear fuel	419,233	374,807	2,622
	2,295,095	2,041,457	14,353
	29,012,648	28,295,558	181,442
Less:			
Contributions in aid of construction	483,348	462,041	3,023
Accumulated depreciation	19,939,561	19,701,590	124,700
	20,422,910	20,163,631	127,723
Property, plant and equipment, net (Notes 2 and 8)	8,589,737	8,131,926	53,719
Nuclear fuel (Note 2) :			
Loaded nuclear fuel	82,039	81,604	513
Nuclear fuel in processing	443,372	453,572	2,773
	525,412	535,177	3,286
Investments and other assets:			
Long-term investments (Notes 15 and 32)	165,931	167,789	1,038
Long-term investments in subsidiaries and associates (Notes 10 and 15)	2,000,875	1,886,374	12,513
Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation (Notes 27 and 36)	513,265	525,412	3,210
Reserve fund for nuclear reactor decommissioning (Notes 2 and 36)	748,465	712,208	4,681
Net defined benefit asset (Notes 2 and 20)	282,484	237,858	1,767
Other	399,632	326,647	2,499
	4,110,656	3,856,290	25,708
Current assets :			
Cash and deposits (Notes 13, 15 and 32)	937,227	936,335	5,861
Notes and accounts receivable–trade and contract assets (Notes 11 and 32)	591,944	666,097	3,702
Inventories (Note 12)	160,464	138,926	1,004
Other (Note 15)	671,874	739,219	4,202
	2,361,510	2,480,579	14,769
Less:			
Allowance for doubtful accounts	(11,713)	(16,979)	(74)
	2,349,796	2,463,599	14,695
Total assets	¥15,575,602	¥14,986,993	$97,408

See notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of yen		Millions of U.S. dollars (Note 7)
	March 31, 2026	March 31, 2025	March 31, 2026
Non-current liabilities and reserves:			
Long-term debt (Notes 14, 15, 18 and 32)	¥3,420,928	¥3,300,398	$21,394
Other long-term liabilities	587,220	575,424	3,672
Contribution payable for nuclear reactor decommissioning	621,662	607,465	3,888
Provision for preparation of removal of reactor cores in the specified nuclear power facilities (Notes 2 and 25)	250,034	29,112	1,564
Provision for removal of reactor cores in the specified nuclear power facilities (Note 2)	180,976	163,034	1,132
Reserve for loss on disaster (Notes 2 and 25)	1,249,823	604,230	7,816
Reserve for nuclear damage compensation (Note 25)	520,447	532,205	3,255
Net defined benefit liability (Notes 2 and 20)	251,642	273,525	1,574
Asset retirement obligations (Note 21)	390,349	373,982	2,441
	7,473,085	6,459,378	46,736
Current liabilities:			
Current portion of long-term debt (Notes 14, 15, 18 and 32)	286,483	341,453	1,792
Short-term loans (Notes 14, 18 and 32)	2,926,354	2,867,871	18,301
Notes and accounts payable-trade (Note 32)	409,986	485,008	2,564
Accrued taxes	99,611	104,698	623
Other (Note 16)	961,728	942,452	6,014
	4,684,165	4,741,484	29,294
Total liabilities	12,157,251	11,200,862	76,030
Net assets:			
Shareholders' equity (Note 22):			
Common stock, without par value:			
Authorized — 35,000,000,000 shares in 2026 and 2025			
Issued —1,607,017,531 shares in 2026 and 2025	900,975	900,975	5,635
Preferred stock:			
Authorized — 5,500,000,000 shares in 2026 and 2025			
Issued —1,940,000,000 shares in 2026 and 2025	500,000	500,000	3,127
Capital surplus	756,566	756,316	4,731
Retained earnings	815,922	1,270,136	5,102
Treasury stock, at cost:			
4,315,484 shares in 2026 and 4,941,929 shares in 2025	(8,190)	(8,538)	(51)
Total shareholders' equity	2,965,273	3,418,890	18,544
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	22,236	24,729	139
Deferred gains or losses on hedges	52,917	34,591	331
Land revaluation loss (Note 19)	(2,305)	(3,012)	(14)
Foreign currency translation adjustments	299,694	227,007	1,874
Remeasurements of defined benefit plans	51,828	57,023	324
Total accumulated other comprehensive income	424,371	340,339	2,654
Non-controlling interests	28,706	26,900	180
Total net assets	3,418,351	3,786,130	21,378
Total liabilities and net assets	¥15,575,602	¥14,986,993	$97,408

See notes to consolidated financial statements.

Consolidated Statement of Income

Tokyo Electric Power Company Holdings, Incorporated and Consolidated Subsidiaries
Fiscal Year ended March 31, 2026

	Millions of yen		Millions of U.S. dollars (Note 7)
	Fiscal Year ended March 31, 2026	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026
Operating revenues (Note 23):			
Electricity	¥5,735,316	¥6,217,659	$35,868
Other	593,258	592,732	3,710
	6,328,574	6,810,391	39,578
Operating expenses (Notes 24, 25 and 26):			
Electricity	5,443,101	6,025,889	34,041
Other	547,782	550,049	3,425
	5,990,884	6,575,938	37,466
Operating income	337,689	234,452	2,112
Other income (expenses):			
Interest and dividend income	6,386	3,657	40
Interest expense	(92,583)	(69,621)	(579)
Extraordinary loss on disaster (Notes 25 and 28)	(913,893)	(62,681)	(5,715)
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation (Note 27)	81,863	87,307	512
Expenses for nuclear damage compensation (Notes 25 and 27)	(82,772)	(80,328)	(518)
Gain on sale of shares of subsidiaries and associates	103,099	—	645
Share of profit of entities accounted for using the equity method	138,377	100,228	865
Other, net	27,455	(14,273)	172
	(732,067)	(35,711)	(4,578)
Income (loss) before special items and income taxes	(394,377)	198,741	(2,466)
Special items:			
Reversal of reserve for preparation of the depreciation of nuclear power construction (credit)	—	—	—
	—	—	—
Income (loss) before income taxes	(394,377)	198,741	(2,466)
Income taxes (Note 29):			
Current	59,697	35,809	373
Deferred	587	1,084	4
	60,284	36,894	377
Net income (loss)	(454,662)	161,846	(2,843)
Net income (loss) attributable to non-controlling interests	(398)	568	(2)
Net income (loss) attributable to owners of the parent	(¥454,263)	¥161,278	($2,841)
Per share information (Note 37):	Yen		U.S. dollars (Note 7)
Net assets (basic)	¥1,491.01	¥1,722.28	$9.32
Net income (loss) (basic)	(283.51)	100.67	(1.77)
Net income (diluted)	-	32.68	-
Cash dividends	-	-	-

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Tokyo Electric Power Company Holdings, Incorporated and Consolidated Subsidiaries
Fiscal Year ended March 31, 2026

	Millions of yen		Millions of U.S. dollars (Note 7)
	Fiscal Year ended March 31, 2026	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026
Net income (loss)	(¥454,662)	¥161,846	($2,843)
Other comprehensive income (Note 30)			
Valuation difference on available-for-sale securities	1,794	(804)	11
Deferred gains or losses on hedges	11,801	305	74
Foreign currency translation adjustments	7,342	5,344	46
Remeasurements of defined benefit plans	(6,504)	34,241	(41)
Share of other comprehensive income of entities accounted for using the equity method	68,889	47,706	431
Total other comprehensive income	83,323	86,794	521
Comprehensive income	(¥371,338)	¥248,641	($2,322)
Total comprehensive income attributable to:			
Owners of the parent	(¥370,939)	¥248,074	($2,320)
Non-controlling interests	(398)	566	(2)

See notes to consolidated financial statements.

Consolidated Statement of Changes in Net Assets

Tokyo Electric Power Company Holdings, Incorporated and Consolidated Subsidiaries

Fiscal Year ended March 31, 2026

	Fiscal Year ended March 31, 2026													
	Millions of yen													
	Shareholders' equity						Accumulated other comprehensive income							
	Common stock	Preferred stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Land revaluation loss	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive	Non-controlling interests	Total net assets
Balance at April 1, 2025	**¥900,975**	**¥500,000**	**¥756,316**	**¥1,270,136**	**¥(8,538)**	**¥3,418,890**	**¥24,729**	**¥34,591**	**¥(3,012)**	**¥227,007**	**¥57,023**	**¥340,339**	**¥26,900**	**¥3,786,130**
Net loss attributable to owners of the parent	—	—	—	(454,263)	—	(454,263)	—	—	—	—	—	—	—	(454,263)
Purchases of treasury stock	—	—	—	—	(13)	(13)	—	—	—	—	—	—	—	(13)
Disposal of treasury shares	—	—	143	—	1	145	—	—	—	—	—	—	—	145
Change in ownership interest of parent due to transactions with non-controlling shareholders	—	—	106	—	—	106	—	—	—	—	—	—	—	106
Reversal of land revaluation loss	—	—	—	50	—	50	—	—	—	—	—	—	—	50
Other	—	—	—	—	359	359	—	—	—	—	—	—	—	359
Net changes in items other than shareholders' equity	—	—	—	—	—	—	(2,492)	18,325	707	72,686	(5,195)	84,031	1,805	85,837
Total changes	—	—	249	(454,213)	347	(453,616)	(2,492)	18,325	707	72,686	(5,195)	84,031	1,805	(367,779)
Balance at March 31, 2026	**¥900,975**	**¥500,000**	**¥756,566**	**¥815,922**	**¥(8,190)**	**¥2,965,273**	**¥22,236**	**¥52,917**	**¥(2,305)**	**¥299,694**	**¥51,828**	**¥424,371**	**¥28,706**	**¥3,418,351**

	Fiscal Year ended March 31, 2025													
	Millions of yen													
	Shareholders' equity						Accumulated other comprehensive income							
	Common stock	Preferred stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Land revaluation loss	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive	Non-controlling interests	Total net assets
Balance at April 1, 2024	**¥900,975**	**¥500,000**	**¥756,317**	**¥1,108,857**	**¥(8,516)**	**¥3,257,632**	**¥27,319**	**¥39,840**	**¥(2,926)**	**¥169,573**	**¥19,824**	**¥253,630**	**¥26,759**	**¥3,538,022**
Net income attributable to owners of the parent	—	—	—	161,278	—	161,278	—	—	—	—	—	—	—	161,278
Purchases of treasury stock	—	—	—	—	(21)	(21)	—	—	—	—	—	—	—	(21)
Disposal of treasury shares	—	—	(0)	—	1	0	—	—	—	—	—	—	—	0
Change in ownership interest of parent due to transactions with non-controlling shareholders	—	—	0	—	—	0	—	—	—	—	—	—	—	0
Reversal of land revaluation loss	—	—	—	0	—	0	—	—	—	—	—	—	—	0
Other	—	—	—	—	(1)	(1)	—	—	—	—	—	—	—	(1)
Net changes in items other than shareholders' equity	—	—	—	—	—	—	(2,589)	(5,248)	(85)	57,434	37,199	86,709	141	86,851
Total changes	—	—	(0)	161,279	(21)	161,257	(2,589)	(5,248)	(85)	57,434	37,199	86,709	141	248,108
Balance at March 31, 2025	**¥900,975**	**¥500,000**	**¥756,316**	**¥1,270,136**	**¥(8,538)**	**¥3,418,890**	**¥24,729**	**¥34,591**	**¥(3,012)**	**¥227,007**	**¥57,023**	**¥340,339**	**¥26,900**	**¥3,786,130**

	Fiscal Year ended March 31, 2026													
	Millions of U.S. dollars (Note 7)													
	Shareholders' equity						Accumulated other comprehensive income							
	Common stock	Preferred stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Land revaluation loss	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive	Non-controlling interests	Total net assets
Balance at April 1, 2025	**$5,635**	**$3,127**	**$4,730**	**$7,942**	**$(53)**	**$21,381**	**$155**	**$216**	**$(19)**	**$1,419**	**$357**	**$2,128**	**$169**	**$23,678**
Net loss attributable to owners of the parent	—	—	—	(2,841)	—	(2,841)	—	—	—	—	—	—	—	(2,841)
Purchases of treasury stock	—	—	—	—	(0)	(0)	—	—	—	—	—	—	—	(0)
Disposal of treasury shares	—	—	1	—	0	1	—	—	—	—	—	—	—	1
Change in ownership interest of parent due to transactions with non-controlling shareholders	—	—	0	—	—	0	—	—	—	—	—	—	—	0
Reversal of land revaluation loss	—	—	—	1	—	1	—	—	—	—	—	—	—	1
Other	—	—	—	—	2	2	—	—	—	—	—	—	—	2
Net changes in items other than shareholders' equity	—	—	—	—	—	—	(16)	115	5	455	(33)	526	11	537
Total changes	—	—	1	(2,840)	2	(2,837)	(16)	115	5	455	(33)	526	11	(2,300)
Balance at March 31, 2026	**$5,635**	**$3,127**	**$4,731**	**$5,102**	**$(51)**	**$18,544**	**$139**	**$331**	**$(14)**	**$1,874**	**$324**	**$2,654**	**$180**	**$21,378**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Tokyo Electric Power Company Holdings, Incorporated and Consolidated Subsidiaries
Fiscal Year ended March 31, 2026

	Millions of yen		Millions of U.S. dollars (Note 7)
	Fiscal Year ended March 31, 2026	Fiscal Year ended March 31, 2025	Fiscal Year ended March 31, 2026
Cash flows from operating activities			
Income (loss) before income taxes	(¥394,377)	¥198,741	($2,466)
Depreciation and amortization	389,037	367,517	2,433
Loss on disposal of property, plant and equipment	23,812	27,542	149
Increase in provision for preparation of removal of reactor cores in specified nuclear power facilities	249,952	29,112	1,563
Increase in reserve for loss on disaster	660,395	33,218	4,130
Decrease in net defined benefit liability	(21,883)	(35,650)	(137)
Increase in reserve fund for nuclear reactor decommissioning	(36,257)	(39,035)	(227)
Interest and dividend income	(6,386)	(3,657)	(40)
Interest expense	92,583	69,621	579
Share of loss (profit) of entities accounted for using the equity method	(138,377)	(100,228)	(865)
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	(81,863)	(87,307)	(512)
Expenses for nuclear damage compensation	82,772	80,328	518
Gain on sale of shares of subsidiaries and associates	(103,099)	—	(645)
Decrease (increase) in trade receivables	74,166	(30,434)	464
Increase (decrease) in trade payables	(74,125)	96,145	(464)
Other	(37,648)	(123,574)	(235)
	678,700	482,339	4,245
Interest and cash dividends received	41,347	10,976	259
Interest paid	(89,432)	(67,508)	(559)
Payments for loss on disaster due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake	(29,788)	(21,478)	(186)
Receipts of Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	137,100	263,700	857
Payments for nuclear damage compensation	(138,593)	(291,713)	(867)
Income taxes refund (paid)	(38,999)	(15,067)	(244)
Net cash provided by operating activities	560,333	361,249	3,505
Cash flows from investing activities			
Purchases of property, plant and equipment	(909,007)	(833,323)	(5,685)
Contributions in aid of construction received	60,018	16,023	375
Increase in long-term investments	(16,347)	(38,516)	(102)
Proceeds from long-term investments	168,860	6,970	1,056
Other	32,872	(10,362)	205
Net cash used in investing activities	(663,604)	(859,209)	(4,151)
Cash flows from financing activities			
Proceeds from issuance of bonds	309,137	471,331	1,933
Redemptions of bonds	(304,000)	(487,498)	(1,901)
Proceeds from long-term loans	34,939	15,317	219
Repayments of long-term loans	(12,324)	(28,196)	(77)
Proceeds from short-term loans	5,205,883	5,492,674	32,557
Repayments of short-term loans	(5,147,411)	(5,261,051)	(32,191)
Proceeds from issuance of commercial papers	528,000	255,000	3,302
Redemptions of commercial papers	(491,000)	(250,000)	(3,071)
Other	(12,793)	(13,408)	(80)
Net cash provided by financing activities	110,429	194,169	691
Effect of exchange rate changes on cash and cash equivalents	3,062	1,690	19
Net increase (decrease) in cash and cash equivalents	10,221	(302,101)	64
Cash and cash equivalents at beginning of the year	926,455	1,235,128	5,794
Decrease in cash and cash equivalents resulting from change in scope of consolidation	—	(6,572)	—
Cash and cash equivalents at end of the year (Note 13)	¥936,676	¥926,455	$5,858

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Tokyo Electric Power Company Holdings, Incorporated and Consolidated Subsidiaries
March 31, 2026

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The accompanying consolidated financial statements of “Tokyo Electric Power Company Holdings, Incorporated” (hereinafter, the “Company”) and its consolidated subsidiaries (collectively, the “Group”) have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan and are prepared on the basis of accounting principles generally accepted in Japan, which differ in certain respects from the application and disclosure requirements of the International Financial Reporting Standards.

As permitted by the Financial Instruments and Exchange Law, amounts of less than one million yen have been omitted. Consequently, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sums of the individual amounts.

Certain amounts in the prior year’s comparative financial information have been reclassified to conform to the current year’s presentation.

(b) Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and all companies which it controls directly or indirectly. (Subsidiaries: 63 in 2026 and 66 in 2025. Affiliates accounted for using the equity method: 50 in 2026 and 46 in 2025.) Companies over which the Company or the Group exercises significant influence in terms of their operating and financial policies have been included in the consolidated financial statements using the equity method of accounting. All significant intercompany balances and transactions have been eliminated in consolidation.

The financial statements of overseas consolidated subsidiaries and affiliates are prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles, with adjustments for the certain items required by accounting principles generally accepted in Japan.

(c) Investments

Securities are classified into three categories according to holding intent as follows: i) trading securities, which are held for the purpose of earning capital gains in the short-term; ii) held-to-maturity securities, which the Group intends to hold until maturity; and iii) available-for-sale securities, which are not classified as either of the other two categories. The Group has no securities categorized as trading securities or held-to-maturity securities. Available-for-sale securities other than those which do not have a market price are stated at fair value. Unrealized gains or losses, net of the applicable taxes, are reported under accumulated other comprehensive income as a separate component of net assets. Realized gain or loss on sales of these securities is calculated based on the moving-average cost.

Equity securities, etc. which do not have a market price are stated at the moving-average cost.

(d) Inventories

Inventories are stated at the lower of cost, determined principally by the average method, or a net selling value.

(e) Derivatives

Derivatives are stated at the fair value.

(f) Depreciation and Amortization

Depreciation of property, plant and equipment is calculated by the straight-line method based on the estimated useful lives of the respective assets. Amortization of intangible fixed assets is calculated by the straight-line method. Useful lives are the same as those stipulated in the Corporation Tax Act.

(g) Allowance for Doubtful Accounts and Reserves

(1) Allowance for Doubtful Accounts

The Group provides an allowance for doubtful accounts based on the historical ratio of actual credit losses to total receivables for the general receivables and the amount of uncollectible receivables estimated on an individual basis for the specified doubtful receivables.

(2) Reserve for Loss on Disaster

For the Niigataken Chuetsu-Oki Earthquake

The Company provides reserve for loss on disaster for the restoration of assets damaged by the Niigataken Chuetsu-Oki Earthquake.

For the Tohoku-Chihou-Taiheiyou-Oki Earthquake

The Company provides reserve for loss on disaster for the restoration of assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake.

Major expenses and/or losses included in reserve for loss on disaster are recognized as follows:

a. Expenses and/or losses for settlement of the accident and the decommissioning of Fukushima Daiichi Nuclear Power Station

"Mid-and-Long-Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Station, Tokyo Electric Power Company, Incorporated" (December 21, 2011; hereinafter the "Mid-and-Long-Term Roadmap") was prepared by Government and TEPCO's Mid-to-Long-Term Countermeasure Meeting established by Nuclear Emergency Response Headquarters of the Government (finally revised on December 27, 2019).

The Company prepared "Mid-and-Long-Term Decommissioning Implementation Plan 2026" (revised on March 26, 2026) as a specific plan to achieve main target processes and goals of the Mid-and-Long-Term Roadmap.

Regarding expenses and/or losses related to Mid-and-Long-Term Roadmap, the Company records estimated amounts (excluding expenses required for removal of reactor cores in the plan concerning withdrawal of reserve for decommissioning reactors applied for authorization pursuant to the paragraph 2 of Article 55-9 of the NDF Act) based on specific target periods and contents of individual countermeasures, if it is possible to estimate the amounts in the normal way. The details of expenses required for removal of reactor cores, etc. are stated in Note 1(g) (3) "Provision for Preparation of Removal of Reactor Cores in the Specified Nuclear Power Facilities and Provision for Removal of Reactor Cores in the Specified Nuclear Power Facilities."

If the normal estimation is difficult, the Company records estimated amounts based on the historical amounts of an accident at overseas nuclear power stations.

Regarding estimation of expenses and /or losses, after classifying those which are possible to estimate the amounts in the normal way and those which are difficult to estimate, the details of each estimation method and uncertainties included in the estimation are stated in "(1) Reserve for expenses and/or losses for settlement of the accident and the decommissioning of Fukushima Daiichi Nuclear Power Station" under Note 2. SIGNIFICANT ACCOUNTING ESTIMATES.

b. Expenses for disposal of nuclear fuels in processing within expenses and/or losses for scrapping of Fukushima Daiichi Nuclear Power Station Units 1 through 4

As for the processing costs of nuclear fuels in processing which are not expected to be used in the future, the Company records an estimated amount based on contracts, etc. for those for which detailed works, etc. are scheduled, and an amount equivalent to the present value (discount rate: 4.0%) of the future processing cost expected to be required for those for which detailed works are under consideration.

Processing costs for loaded fuels are included in "Other long-term liabilities".

For the Fukushimaken-Oki Earthquake Occurred in February 2021

The Company provides reserve for loss on disaster for the restoration of assets damaged by the Fukushimaken-Oki earthquake which occurred in February 2021.

(Additional information)
Reserve for loss on disaster at March 31, 2026 and 2025 consists of the following:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Loss on the Niigataken Chuetsu-Oki Earthquake	¥4,821	¥4,844	$30
Loss on the Tohoku-Chihou-Taiheiyou-Oki Earthquake:	1,245,001	599,270	7,786
a. Expenses and/or losses for settlement of the accident and the decommissioning of Fukushima Daiichi Nuclear Power Station	1,236,897	592,764	7,735
b. Expenses for disposal of nuclear fuels in processing within expenses and/or losses for scrapping Fukushima Daiichi Nuclear Power Station Units 1 through 4	7,484	5,878	47
c. Other	619	628	4
Costs required for restoration of assets damaged by the Fukushimaken-Oki Earthquake which occurred in February 2021	115	257	1
Total	¥1,249,938	¥604,373	$7,817

(3) Provision for Preparation of Removal of Reactor Cores in the Specified Nuclear Power Facilities and Provision for Removal of Reactor Cores in the Specified Nuclear Power Facilities

In order to provide for expenses/losses required for the restoration of assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company has recorded expenses required for removal of reactor cores out of the amount prescribed in the plan concerning withdrawal of reserve fund for nuclear reactor decommissioning applied for authorization pursuant to the paragraph 2 of Article 55-9 of the NDF Act. The authorized amount out of the amount applied has been recorded as provision for removal of reactor cores in the specified nuclear power facilities and the other unauthorized amount applied has been recorded as provision for preparation of removal of reactor cores in the specified nuclear power facilities.
The details of uncertainties concerning estimation of expenses/losses are stated in “(1). Reserve for expenses and/or losses for settlement of the accident and the decommissioning of Fukushima Daiichi Nuclear Power Station” under Note 2. SIGNIFICANT ACCOUNTING ESTIMATES.

(Additional information)
Reserve fund for nuclear reactor decommissioning
The Company has recorded a reserve fund for nuclear reactor decommissioning at the amount funded after receiving a notice from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (hereinafter the “NDF”) pursuant to the paragraph 1 of Article 55-3 of the NDF Act. The fund is implemented to the Corporation pursuant to the provision of the NDF Act from the year ended March 31, 2019 in order to secure appropriate and steady implementation of decommissioning nuclear reactors by the authorized operators for decommissioning reactors. The relationship between the said reserve fund, fund scheme design and related reserve is stated in “(1) Reserve for expenses and/or losses for settlement of the accident and the decommissioning of Fukushima Daiichi Nuclear Power Station” under Note 2. SIGNIFICANT ACCOUNTING ESTIMATES.

(4) Reserve for Nuclear Damage Compensation

For the fiscal year ended March 31, 2026

a. Method of recording reserve for damage compensation and decontamination

In order to provide for compensation payments for nuclear damages concerning the accident of Fukushima Daiichi Nuclear Power station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company has recorded a reserve for nuclear damage compensation in the estimated damage compensation amounts at March 31, 2026. The Company estimates the damage compensation based on the government compensation criteria to be decided by the Committee for Adjustment of Compensation for Nuclear Damage Disputes, including the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage (hereinafter the “Interim Guidelines”), the Act on Special Measures Concerning the Handling of Environment Pollution by Radioactive Materials and the Company’s compensation criteria considering these guidelines and the actual compensation claim amounts and objective statistical data.
The Company records the estimated amount as far as reasonable estimation is possible at this

moment, although the estimated compensation amounts might vary depending on the government decisions on guidelines regarding new compensation, establishment of the Company's compensation criteria, accuracy of reference data and agreements with the victims in the future.

b. Offset presentation of reserve for decontamination

Regarding compensation payments for decontamination of nuclear damages, the Company presents reserve for nuclear damage compensation offsetting with receivables on Grants-in-aid receivable from NDF at March 31, 2026 pursuant to the Electricity Utility Accounting Regulations. Specifically, ¥188,926 million (US$1,182 million) of the amount received as compensation pursuant to the Act on Contract for Indemnification of Nuclear Damage Compensation and receivables of ¥1,557,983 million (US$9,743 million) of the amount which was submitted as an application for financial support based on the provision of the NDF Act corresponding to the Company's compensation liability to the government, which was recognized as a liability on and after January 1, 2015, based on the Act on Special Measures Concerning the Handling of Environment Pollution by Radioactive Materials are deducted from the Grants-in-aid receivable from NDF and reserve for nuclear damage compensation at March 31, 2026 in accordance with the Electricity Utility Accounting Regulations.

For the fiscal year ended March 31, 2025

a. Method of recording reserve for damage compensation and decontamination

In order to provide for compensation payments for nuclear damages concerning the accident of Fukushima Daiichi Nuclear Power station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company has recorded a reserve for nuclear damage compensation in the estimated damage compensation amounts at March 31, 2025. The Company estimates the damage compensation based on the government compensation criteria to be decided by the Committee for Adjustment of Compensation for Nuclear Damage Disputes, including the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage (hereinafter the "Interim Guidelines"), the Act on Special Measures Concerning the Handling of Environment Pollution by Radioactive Materials and the Company's compensation criteria considering these guidelines and the actual compensation claim amounts and objective statistical data.

The Company records the estimated amount as far as reasonable estimation is possible at this moment, although the estimated compensation amounts might vary depending on the government decisions on guidelines regarding new compensation, establishment of the Company's compensation criteria, accuracy of reference data and agreements with the victims in the future.

b. Offset presentation of reserve for decontamination

Regarding compensation payments for decontamination of nuclear damages, the Company presents reserve for nuclear damage compensation offsetting with receivables on Grants-in-aid receivable from NDF at March 31, 2025 pursuant to the Electricity Utility Accounting Regulations. Specifically, ¥188,926 million of the amount received as compensation pursuant to the Act on Contract for Indemnification of Nuclear Damage Compensation and receivables of ¥1,522,193 million of the amount which was submitted as an application for financial support based on the provision of the NDF Act corresponding to the Company's compensation liability to the government, which was recognized as a liability on and after January 1, 2015, based on the Act on Special Measures Concerning the Handling of Environment Pollution by Radioactive Materials are deducted from the Grants-in-aid receivable from NDF and reserve for nuclear damage compensation at March 31, 2025 in accordance with the Electricity Utility Accounting Regulations.

(h) Accounting for Employees' Retirement Benefits

The Group records liability for employees' retirement benefits principally based on the projected benefit obligation and the fair value of the pension plan assets at the balance sheet date.

The projected benefit obligation is attributed to periods on a straight-line basis.

Prior service costs are mainly charged to income when incurred.

Actuarial gains or losses are mainly amortized by the straight-line method over a defined period (three years) within the employees' average remaining service period, commencing in the fiscal year in which the gains or losses are incurred.

Actuarial gains and losses and prior service costs that are yet to be recognized in profit or loss are recognized in remeasurements of defined benefit plans under accumulated other comprehensive income within the net assets section, after adjusting for tax effects.

(i) Accounting for Significant Revenue

Operating revenues from electricity business:

Operating revenues from electricity business consist of electric light charges, electricity charges, electricity charges sold to other companies, wheeling service income, etc.

(1) Electric light charges/electricity charges

Electric light charges/electricity charges refer to electric charges which TEPCO Energy Partner Inc., a principal electricity retail business company of the Group, sold to the customers of general households, offices, factories, etc.

According to the type of electric appliances used by the customers and transmission systems, the charges are categorized into electric light charges or electricity charges.

The electricity charges and other supply conditions related to the supply of electricity to customers are defined in the various electricity supply and demand contracts, and the performance obligation is to supply electricity in accordance with such contracts.

Supply of electricity in accordance with the contracts, etc. is principally performed over a contract period of one year and as the performance obligation to supply electricity is satisfied, revenue is recognized over the period. Specifically, the use of electricity is identified by inspection or measurement implemented usually once every month and revenue is recognized at that point. Inspection or measurement is periodically implemented for approximately twenty days per month by region since the number of contracts is large and monthly electricity charge is determined using a rate provided by the electricity supply and demand contracts based on the use identified.

In addition, TEPCO Energy Partner, Inc. is subject to the transitional measure charge system on part of electricity charge pursuant to the Electricity Business Act, and the Electricity Utility Accounting Regulations is applied during the period of application of such charge system. The Electricity Utility Accounting Regulations provide that revenue on electric light charge/electricity charge shall be recognized at the amount determined by the completed survey based on the inspection or measurement.

Consequently, the electricity charge on the uninspected use from the previous inspection as of the balance sheet date is not recognized as revenue.

(2) Electricity charge sold to other companies

Electricity charge sold to other companies is the sum of electricity and non-fossil fuel energy value sold through the Japan Electric Power Exchange (hereinafter the “Exchange”) and electric charges sold to electricity retail business operators, general transmission and distribution business operators and power generation operators (hereinafter the “Electricity retail business operators”).

With respect to the electricity and non-fossil fuel energy value trading associated with the following day trading, intraday trading, forward trading, etc. sold through the Exchange, the determination method of the unit price and other trading conditions are defined in the trading rules provided by the Exchange. The performance obligation is to supply electricity and deliver non-fossil fuel energy value pursuant to such rules.

Regarding various transactions at the Exchange, contract, delivery, and settlement are executed according to the trading rules provided by the Exchange. With respect to forward transactions of weekly type, monthly type and yearly type categorized by delivery terms of various transactions, revenue is recognized over time, and with respect to the following day trading, intraday trading and non-fossil fuel energy trading, revenue is recognized at that point of time.

Charges of electricity sold to the Electricity retail business operators and other conditions are defined in the contracts with each counterpart, and the performance obligation is to supply electricity to the Electricity retail business operators based on such contracts.

Supply of electricity is principally implemented over a contract period of one year and revenue is recognized every month over time as the performance obligation to supply electricity is satisfied.

(3) Wheeling service income

Wheeling service income refers to the utilization charge of transmission and distribution related facilities owned by TEPCO Power Grid, Inc., a company of the Group, and electricity supply charge associated with adjustment of electricity charges implemented by TEPCO Power Grid, Inc.

The utilization charge of transmission and distribution related facilities refers to the charges when the Electricity retail business operators and contractors of other general transmission and distribution business operators utilize the transmission and distribution related facilities.

Electricity supply charge associated with adjustment of electricity charges is related to the power generation adjustment supply contract with power generation contractors and demand restraint adjustment supply contract with demand restraint contractors and refers to the charges in case of supplying deficiency of power generation and demand restraint.

Charges and other conditions in case that the Electricity retail business operators and other general transmission and distribution business operators utilize transmission and distribution related facilities, and in case of supplying electricity to power generation contractors and demand restraint contractors are defined in the wheeling service provisions, and the performance obligation is to allow the utilization of the transmission and distribution related facilities and to supply adjusted electricity.

Regarding utilization of transmission and distribution related facilities and supply of adjusted electricity, they are principally implemented over a contract period of one year and revenue is recognized every month over time as the performance obligation of utilization of transmission and distribution related facilities and supply adjustment of electricity is satisfied.

Operating revenues from other business:

Operating revenues from other business refer to operating revenues from gas supply business. Operating revenues from gas supply business, etc.

Operating revenues from gas supply business refer to gas charges which TEPCO Energy Partner Inc., a principal electricity retail business company of the Group, sold to the customers of general households, offices, factories, etc.

The gas charges and other supply conditions related to the supply of gas to customers are defined in the various gas supply and demand contracts and main contract charge tables, and the performance obligation is to supply gas in accordance with such contracts.

Supply of gas in accordance with the contracts, etc. is principally performed over a contract period of one year, and as the performance obligation to supply gas is satisfied, revenue is recognized over the period. Specifically, the use of gas is identified by inspection implemented usually once every month and revenue is recognized at that point. Inspection is periodically implemented for approximately twenty days per month by region since the number of contracts is large and monthly gas charge is determined using a rate provided by the gas supply and demand contracts and principal contract charge tables based on the identified use of gas.

However, estimated accrued revenue from gas charges on the uninspected use from the previous inspection date as of the balance sheet date is recognized.

(j) Derivatives and Hedging Activities

Derivatives are stated at fair values with any changes in unrealized gains or losses charged or credited to income, except for those that meet the criteria for deferral hedge accounting under which unrealized gains or losses is deferred as a component of net assets.

Interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not measured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expenses or income.

Liabilities that are denominated in foreign currencies and hedged by derivative instruments are translated at their respective contract rates.

(k) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash in banks which can be withdrawn at any time and short-term investments with a maturity of three months or less when purchased which can easily be converted to cash and are subject to little risk of change in value.

(l) Method of Recording Contribution Costs Concerning Reprocessing of Irradiated Nuclear Fuel

The costs required to implement the reprocessing of irradiated nuclear fuel are recorded by booking the contribution stipulated in paragraph 2 of Article 5 of the “Revision of Spent Fuel Reprocessing Fund Act” by Article 3 of the “GX Decarbonization Electricity Act” as expenses in proportion to the amount of irradiated nuclear fuel generated from operation. The cost burden responsibility is fulfilled by paying the contribution to the Nuclear Reprocessing and Decommissioning facilitation Organization of Japan, which will implement reprocessing.

In addition, contribution costs related to reprocessing of irradiated nuclear fuel is recorded in “Facilities in progress” on the consolidated balance sheet.

(m) Method of Recording Costs Required for the Decommissioning of Commercial Power Reactors

For costs required for the decommissioning of commercial power reactors, contribution for nuclear reactor decommissioning stipulated in paragraph 2 of Article 11 of the Revision of Spent Fuel Reprocessing Fund Act as amended by Article 3 of the GX Decarbonization Electricity Act is recorded as expenses for contribution for nuclear reactor decommissioning.

The Company is deemed to have fulfilled the responsibility for bearing the costs as a nuclear operator by paying the contributions to the Nuclear Reprocessing and Decommissioning facilitation Organization of Japan, and the organization shall be financially responsible for securing, managing and paying the funds required for decommissioning of power reactors.

In addition, Fukushima Daiichi Nuclear Power Station is designated as a specified nuclear power station under paragraph 1 of Article 64-2 of the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors and is out of the scope of “decommissioned nuclear reactors” stipulated in paragraph 5 of Article 2 of the Revision of Spent Fuel Reprocessing Act.

(Additional information)

• Method of recording decommissioning costs of Fukushima Daiichi Nuclear Power Station

Costs related to the decommissioning of Fukushima Daiichi Nuclear Power Station are estimated in accordance with the Ministerial Ordinance Concerning Reserve for Decommissioning Costs of Nuclear Power Units (hereinafter referred to as the “Old Ordinance on Reserve for Decommissioning Costs”) before the enforcement of the Ordinance Amending GX Decarbonization Electricity Act, and the total estimated amount is recorded as asset retirement obligations.

The Group records the estimated amounts as far as the reasonable estimation is possible, although they might vary from now on, since it is difficult to identify the whole situation of the damages to Fukushima Daiichi Nuclear Power Station Units 1 through 4.

Regarding decommissioning costs of Fukushima Daiichi Nuclear Power Station, the relationship between the said costs and asset retirement obligations and other reserves is stated in “(1) Reserve for expenses and/or losses for settlement of the accident and the decommissioning of Fukushima Daiichi Nuclear Power Station” under Note 2. SIGNIFICANT ACCOUNTING ESTIMATES.

(n) Depreciation of Suspense Account for Decommissioning Related Nuclear Power Facilities and Burden Money for Facilitating Nuclear Reactor Decommissioning

For the purpose of facilitating nuclear reactor decommissioning, the accounting system for decommissioning was introduced and nuclear reactors decommissioned following changes in energy policies and safety rules, etc. will be subject to the application of the system for its residual book value and recovered through the system of the wheeling service charges of general power transmission and distribution operators.

Depreciation of suspense account for decommissioning related nuclear power facilities

Pursuant to the resolution of the Board of Directors’ meeting held on July 31, 2019, the Company determined decommissioning of Fukushima Daini Nuclear Power Station Units 1 through 4 and on the same date submitted the application for the approval of suspense account for decommissioning related nuclear power facilities to the Minister of Economy, Trade and Industry based on the provision of the Electricity Utility Accounting Regulations and the application was approved on August 19, 2019.

In addition, with the enforcement of the GX Decarbonization Electricity Act and Ordinance Amending GX Decarbonization Electricity Act on April 1, 2024, the Ministerial Ordinance Concerning Reserve for Decommissioning Costs of Nuclear Power Units was repealed, and the Electricity Utility Accounting Regulations were revised.

Accordingly, the Company records the amounts corresponding to contribution costs concerning reprocessing of irradiated nuclear fuel and costs required for decommissioning the fuel and the amounts of reserve for decommissioning costs of nuclear power units after the deduction of the amount accumulated up to the fiscal year prior to the enforcement of the Ordinance Amending GX Decarbonization Electricity Act in suspense account for decommissioning related nuclear power facilities in suspense account for decommissioning related nuclear power facilities.

Suspense account for decommissioning related nuclear power facilities is depreciated according to the payments of general power transmission and distribution operators based on Article 8 of the

supplementary provisions of Ordinance of Ministry for making a revision of the Ordinance for Enforcement of the Electricity Business Act and Article 9 of the supplementary provisions of the Ordinance Amending GX Decarbonization Electricity Act.

Burden money for facilitating nuclear reactor decommissioning

In accordance with the provision of Article 45-21-16 of the Ordinance for Enforcement of the Electricity Business Act, the Company submitted the application for approval of burden money for facilitating nuclear reactor decommissioning to the Minister of Economy, Trade and Industry regarding the provisioning amounts of suspense account for decommissioning related nuclear power facilities and reserve for decommissioning costs of nuclear power units and it was approved on July 22, 2020. TEPCO Power Grid, Inc. and Tohoku Electric Power Network Co., Inc. changed the Wheeling Service provisions effective October 1, 2020 in accordance with the provision of Article 45-21-15 of the Ordinance for Enforcement of the Electricity Business Act and collection of burden money for facilitating nuclear reactor decommissioning and payments to the Company were implemented.

Burden money for facilitating nuclear reactor decommissioning paid by general power transmission and distribution operators is recorded as revenue from burden money for facilitating nuclear reactor decommissioning based on the Electricity Utility Accounting Regulations.

(o) Income Taxes

Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities, and are measured using the enacted tax rates and laws expected to be in effect when the differences are expected to be recovered or settled.

(p) Foreign Currency Translation

The revenue and expenses of overseas consolidated subsidiaries are translated into yen at the average exchange rates prevailing during the fiscal year.

The assets and liabilities of overseas consolidated subsidiaries, except for the components of net assets, are translated into yen at the rates of exchange in effect at the respective balance sheet date.

Certain components of equity (net assets) are translated at their historical exchange rates. Translation differences arising from the translation of the financial statements of overseas consolidated subsidiaries are presented as foreign currency translation adjustments in net assets.

Current and non-current accounts denominated in foreign currency are translated into yen at the exchange rates prevailing as of the fiscal year-end, and the resulting gain or loss is credited or charged to income for the fiscal year.

2. SIGNIFICANT ACCOUNTING ESTIMATES

(1) Reserve for expenses and/or losses for settlement of the accident and the decommissioning of Fukushima Daiichi Nuclear Power Station

a. Amounts recorded in the consolidated financial statements for the years ended March 31, 2026 and 2025:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Reserve for loss on disaster	¥1,236,897	¥592,764	$7,735
Provision for preparation of removal of reactor cores in the specified nuclear power facilities	250,034	29,112	1,564
Provision for removal of reactor cores in the specified nuclear power facilities	180,976	163,034	1,132

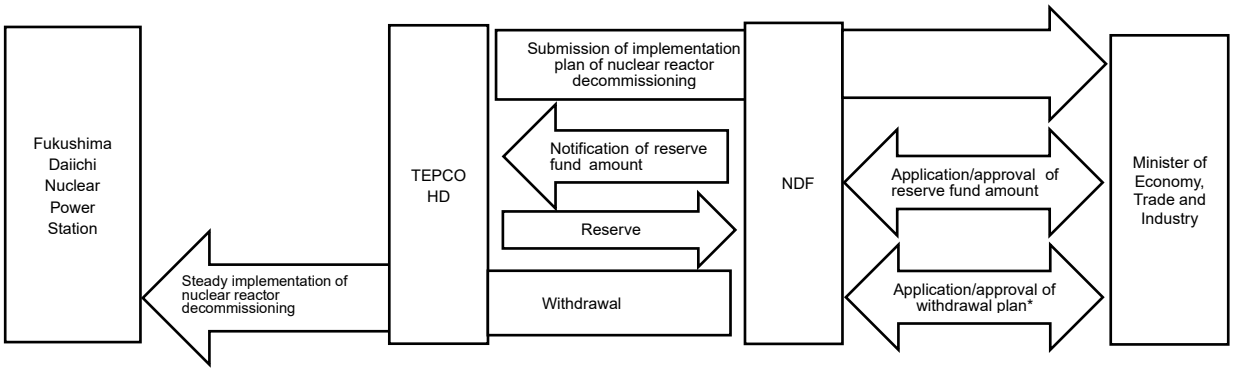
b. Other information useful for the users of the consolidated financial statements to understand the contents of accounting estimates:

Calculation method of the amount recorded in the consolidated financial statements for the fiscal year ended March 31, 2026

i) Assumption of estimates related to decommissioning of reactors

The Company implements reserve fund for decommissioning nuclear reactors regarding the amount designated by NDF and designs the withdrawal plan jointly with NDF for necessary fund required assuming nuclear reactor decommissioning works.

After the plan was approved by the Minister of Economy, Trade and Industry, the Company recovers reserve fund for nuclear reactor decommissioning, which is spent for actual decommissioning works. Reserve for expenses or losses arising from decommissioning works is recorded in the consolidated balance sheet as three accounts of “Reserve for loss on disaster,” “Provision for preparation of removal of reactor cores in the specified nuclear power facilities” and “Provision for removal of reactor cores in the specified nuclear power facilities.”



* Joint preparation by NDF and TEPCO HD

Relationships of “Reserve for loss on disaster,” “Provision for preparation of removal of reactor cores in the specified nuclear power facilities*” and “Provision for removal of reactor cores in the specified nuclear power facilities”

Subject of reserve	Status of withdrawal plan	Name of reserve
Expenses required for removal of nuclear reactor cores out of the amount prescribed in the withdrawal plan	Before approval by the Minister	Provision for preparation of removal of reactor cores in the specified nuclear power facilities
	After approval by the Minister	Provision for removal of reactor cores in the specified nuclear power facilities
Other		Reserve for loss on disaster

ii) Method of accounting estimates

・Reserve for loss on disaster

Methods of recording main expenses or losses included in reserve for loss on disaster are as follows:

I Expenses and/or losses for settlement of the accident and the decommissioning of Fukushima Daiichi Nuclear Power Station

Based on the history stated in Note 1. (g) (2) “Reserve for loss on disaster,” for the expenses and/or losses which are possible to estimate in the normal way, the estimated amount based on the specific target period and individual measures (excluding expenses required for removal of nuclear reactor cores in the withdrawal plan of reserve fund for nuclear reactor decommissioning applied for approval on the paragraph 2 of Article 55-9 of the NDF Act) is recorded. On the other hand, expenses and/or losses, which are difficult to estimate in the normal way since the specific contents of future works cannot be assumed, are recorded based on the estimated amount based on the historical amounts of an accident at overseas nuclear power stations.

II Expenses for disposal of nuclear fuels in processing out of expenses and/or losses for scrapping Fukushima Daiichi Nuclear Power Station Units 1 through 4

The method is stated in Note 1.(g) (2) “Reserve for loss on disaster.”

・Provision for preparation of removal of reactor cores in the specified nuclear power facilities and Provision for removal of reactor cores in the specified nuclear power facilities

The method is stated in Note 1. (g) (3) “Provision for Preparation of Removal of Reactor Cores in the Specified Nuclear Power Facilities and Provision for Removal of Reactor Cores in the Specified Nuclear Power Facilities.”

Concerning estimated amounts of decommissioning costs of Fukushima Daiichi Nuclear Power Station, costs for recovery into normal status are recorded as “Reserve for loss on disaster,” “Provision for preparation of removal of reactor cores in the specified nuclear power facilities” and “Provision for removal of reactor cores in the specified nuclear power facilities” and decommissioning costs as normal reactors are recorded as asset retirement obligations. While the former involves the following uncertainties, the latter is estimated according to the Old Ordinance on Reserve for Decommissioning Costs.

Main assumptions used for calculation of the amount recorded in the consolidated financial statements for the fiscal year ended March 31, 2026

Main assumptions and their related uncertainties included in reserve for loss on disaster, provision for preparation of removal of reactor cores in the specified nuclear power facilities and provision for removal of reactor cores in the specified nuclear power facilities are as follows:

i) Items to which standard estimation process is applied:

“Mid-and-Long-Term Decommissioning Implementation Plan” issued on March 26, 2026 presented main work process of decommissioning reactors. Related expenses are estimated based on the Plan at March 31, 2026.

Decommissioning of Fukushima Daiichi Nuclear Power Station is unprecedented attempt and involves uncertainties itself. Conceptual study is developing for the recent three years and specific construction and works are easy to plan, but on the other hand, for the further years, many assumptions need to be studied specifically from now, and among others, concerning debris retrieval, lots of assumptions shall be placed in estimating the amounts for long-term construction and works, since equipment for retrieving debris in earnest is in the nearly conceptual stage. In the current estimation, assumptions are based on the status of national study that is currently proceeded and past working contents whose implementation contents are similar, assumptions placed on the premise of estimates may possibly require future review, depending on the future progress of study, grasping site situations in more details and acquisition of new technical knowledge based on step-by-step approach. In such cases, new works and changes in working methods assumed, review of the scope of works, changes in labor unit cost may arise and accordingly, estimates on decommissioning costs might change.

ii) Items to which standard estimation process is not applied:

Concerning expenses and/or losses where normal estimation is difficult since specific construction details cannot be assumed at this moment, the estimated amount based on the actual costs incurred at the accident of Nuclear Power Units of Three Mile Island (hereinafter the “TMI”), which is a similar case, is recorded.

This estimation is determined using the actual costs of disposal at TMI, price increase rate during the period from the time of accident at TMI until the time of accident at Fukushima Daiichi Nuclear Power Station, foreign exchange rate, etc. and considering the number of fuel removal plant, etc. For this purpose, type, scope and volume of works required for decommissioning reactors are based on assumptions that they are proportionate to the number of power generator, etc. However, the estimates assumed may differ from the type, scope and volume of actual works, since there are differences of situations between TMI and Fukushima Daiichi

Nuclear Power Station, such as the volume of fuel debris, degree of difficulty due to the different location in the nuclear reactors. Furthermore, as to extremely limited and long-term works of decommissioning accident reactors, even if the type, scope and volume of works are constant, estimates on decommissioning costs might change due to the changes in price level, status of innovation, etc.

Effects on the consolidated financial statements for the following year

According to the above conditions, uncertainties exist regardless of making best estimates for each assumption where normal estimation is possible and difficult and depending on the future changes in circumstances, financial position and operating results might be significantly affected for the following fiscal year.

(2) Net defined benefit liability and asset

a. Amounts recorded in the consolidated financial statements for the years ended March 31, 2026 and 2025:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Net defined benefit liability	¥251,642	¥273,525	$1,574
Net defined benefit assets	282,484	237,858	1,767

b. Other information useful for the users of the consolidated financial statements to understand the contents of accounting estimates:

Calculation method of the amount recorded in the consolidated financial statements for the fiscal year ended March 31, 2026

Accounting estimation method:

It is noted in (h) under Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

Discount rate used in calculation of retirement benefit obligation is determined based on mainly yield of corporate bonds rated AA at the end of the fiscal year (Benchmark interest rate), which is 3.0% for the fiscal year ended March 31, 2026. In addition, long-term expected rate of return of pension assets is determined based on management policy and portfolio of pension assets held and historical management performances and it is mainly 2.5% for the fiscal year ended March 31, 2026.

Main assumptions used for calculation of the amount recorded in the consolidated financial statements for the fiscal year ended March 31, 2026

Retirement benefit obligation and expenses of employees are estimated based on the reasonable assumptions on discount rate, severance rate, mortality rate, long-term expected rate of return of pension assets, pension actuarial base rate, etc., but difference from actual results and changes in assumptions might give effects on retirement benefit obligation and expenses in future.

Retirement benefit obligation would vary if the discount rate is changed due to the change in benchmark interest rate, but if the retirement benefit obligation is not expected to change more than 10%, it will not be changed due to materiality.

Fair value of equity and debt securities held as pension assets will fluctuate depending on the movement of the financial market.

Effects on the consolidated financial statements for the following year

Due to the above notes, uncertainties exist regardless of making best estimates, and future changes in circumstances might give significant effects on financial position and operating results for the following fiscal year.

Based on accounting policies, actuarial variance is amortized principally over three years using a straight-line method form the fiscal year when it is incurred. The effects are as follows:

	Effects on retirement benefit obligation	Effects on retirement benefit expenses (per year)
Per discount rate of 0.1%	Approx. ¥5,300 million (US$33 million)	Approx. ¥1,700 million (US$11 million)
Per variance of 1.0% of expected rate of return of pension assets	Approx. ¥5,700 million (US$36 million)	Approx. ¥1,900 million (US$12 million)

3. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

- Accounting Standard for Leases (ASBJ Statement No. 34, September 13, 2024)
- Implementation Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

In addition, relevant revised Accounting Standards, Implementation Guidance, Practical Solutions, and Transferred Guidance have not been applied.

(1) Overview

These accounting standards and implementation guidance establish the treatment of all leases by lessees, including the recognition of assets and liabilities for all leases by lessees, similar to international accounting standards.

(2) Scheduled application date

The Company plans to apply these accounting standards from the beginning of the year ending March 31, 2028.

(3) Impact of the application of these accounting standards

The Company is currently evaluating the financial impact of the application of the Accounting Standard for Leases and others on its consolidated financial statements.

4. CHANGES IN PRESENTATION

"Increase in net defined benefit asset" (¥(44,625) million (US$(279) million) in the year ended March 31, 2026) and "Increase (decrease) in accrued expenses" (¥(25,638) million (US$(160) million) in the year ended March 31, 2026), which were stated as separate categories in "Cash flows from operating activities" in the year ended March 31, 2025, are included in "Other" in the year ended March 31, 2026 due to its decreased financial importance. In order to reflect this change in the current year's presentation, the consolidated statement of cash flows for the fiscal year ended March 31, 2025 have been reclassified.

As a result, ¥(51,499) million recorded in "Increase in net defined benefit asset" and ¥(152,188) million recorded in "Increase (decrease) in accrued expenses" in "Cash flows from operating activities" in the consolidated statement of cash flows in the year ended March 31, 2025 have been reclassified into "Other."

5. CHANGES IN ACCOUNTING ESTIMATES

Changes in estimates of expenses and/or losses for settlement of the accident and the decommissioning of Fukushima Daiichi Nuclear Power Station

The Company changed the estimates of expenses and/or losses on disaster for the restoration of assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, as the approach to preparatory work for fuel debris retrieval, which can now be demonstrated with a degree of technical justification, was set forth following the establishment of the fuel debris retrieval method based on the discussions on the preparation process held at the NDF Sub-Committee for the Evaluation of Fuel Debris Retrieval Methods on July 23, 2025.

As a result, the Company recorded an extraordinary loss on disaster of ¥903,000 million (US$5,647 million), including estimated additional costs for preparatory work associated with the retrieval operations in the current fiscal year, increasing loss before income taxes by the same amount.

6. ADDITIONAL INFORMATION

Fixed Assets Necessary for Decommissioning Reactors and Fixed Assets Requiring Maintenance after Having Discontinued Operation of Reactors

The outstanding balance of fixed assets necessary for decommissioning reactors and fixed assets requiring maintenance after having discontinued operation of reactors as of March 31, 2026 and 2025 was ¥541,628 million (US$3,387 million) and ¥542,175 million, respectively.

7. U.S. DOLLAR AMOUNTS

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥159.90 = US$1.00, the approximate rate of exchange in effect on March 31, 2026, has been used. The inclusion of such amounts is not intended to imply that yen have been or could be readily converted, realized, or settled in U.S. dollars at that or any other rate.

8. PROPERTY, PLANT AND EQUIPMENT, NET

The major classifications of property, plant and equipment, net at March 31, 2026 and 2025 were as follows:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Hydroelectric power production facilities	¥413,513	¥405,120	$2,586
Nuclear power production facilities	896,664	880,389	5,608
Transmission facilities	1,476,438	1,435,832	9,233
Transformation facilities	676,680	659,002	4,232
Distribution facilities	2,245,836	2,182,610	14,045
Other electricity-related property, plant and equipment	179,717	134,743	1,124
Other property, plant and equipment	405,792	392,768	2,538
Facilities in progress	2,295,095	2,041,457	14,353
	¥8,589,737	¥8,131,926	$53,719

Assets corresponding to asset retirement obligations related to the decommissioning of specified nuclear power generating facilities are included in property, plant and equipment (Note 21. ASSET RETIREMENT OBLIGATIONS).

In addition, deferred income from receipts of contribution in aid of construction costs is directly deducted from the carrying amounts of property, plant and equipment in the amounts of ¥483,348 million (US$3,023 million) and ¥462,041 million as of March 31, 2026 and 2025, respectively.

9. INVESTMENT SECURITIES

At March 31, 2026 and 2025, available-for-sale securities whose market prices were available were as follows:

	Millions of yen						Millions of U.S. dollars		
	2026			2025			2026		
	Carrying amount	Acquisition costs	Unrealized holding gains (losses)	Carrying amount	Acquisition costs	Unrealized holding gains (losses)	Carrying amount	Acquisition costs	Unrealized holding gains (losses)
Unrealized holding gains:									
Stocks, bonds and other	¥13,198	¥6,724	¥6,474	¥13,879	¥8,056	¥5,822	$82	$42	$40
Unrealized holding losses:									
Stocks, bonds and other	—	—	—	1	1	(0)	—	—	–
Total	¥13,198	¥6,724	¥6,474	¥13,880	¥8,058	¥5,822	$82	$42	$40

10. LONG-TERM INVESTMENTS IN ASSOCIATES

Shares and capital investments in associates (of which investments in joint ventures) were as follows:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Shares and capital investments	¥1,973,887	¥1,858,234	$12,345
(Of which investments in joint ventures)	(1,497,600)	(1,352,778)	(9,366)

11. NOTES AND ACCOUNTS RECEIVABLE – TRADE AND CONTRACT ASSETS

Receivables and contract assets arising from contracts with customers included in notes and accounts receivable – trade and contract assets were as follows:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Notes receivable – trade	¥17	¥166	$0
Accounts receivable - trade	578,104	648,001	3,615
Contract assets	10,631	15,319	66

12. INVENTORIES

Details of inventories were as follows:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Merchandise and finished products	¥21,820	¥13,518	$136
Work in process	22,853	26,556	143
Raw materials and stores	115,790	98,850	725
Total inventories	¥160,464	¥138,926	$1,004

13. CASH AND DEPOSITS

A reconciliation of the difference between cash and deposits stated in the consolidated balance sheets as of March 31, 2026 and 2025 and cash and cash equivalents for the purpose of the statement of cash flows for the years ended March 31, 2026 and 2025 is as follows:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Cash and deposits	¥937,227	¥936,335	$5,861
Time deposits with maturities of more than three months	(551)	(9,880)	(3)
Cash and cash equivalents	¥936,676	¥926,455	$5,858

14. SHORT-TERM LOANS and LONG-TERM DEBT

Short-term loans are unsecured. The weighted-average interest rates of short-term loans were approximately 1.959% and 1.460% for the years ended March 31, 2026 and 2025, respectively.

At March 31, 2026 and 2025, short-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Loans from banks and other sources	¥2,926,354	¥2,867,871	$18,301
Commercial paper	62,000	25,000	388
Total	¥2,988,354	¥2,892,871	$18,689

The annual interest rates applicable to the Group’s domestic straight bonds at March 31, 2026 and 2025 ranged from 0.400% to 3.381% and from 0.180% to 2.838%, respectively. The interest rates applicable to long-term debt (except for the current portion) at March 31, 2026 and 2025 averaged

approximately 1.972% and 1.640%, respectively.

At March 31, 2026 and 2025, long-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Corporate bonds due from 2024 through 2045	¥3,541,000	¥3,535,000	$22,145
Loans from banks, insurance companies and other sources	104,412	81,851	653
	3,645,412	3,616,851	22,798
Less: Current portion	(224,483)	(316,453)	(1,404)
	¥3,420,928	¥3,300,398	$21,394

Corporate bonds as of March 31, 2026 and 2025 were as follows:

	Issue date	Interest rate (%)	Maturity date	Millions of yen 2026	Millions of yen 2025	Millions of U.S. dollars 2026
(Issuer: the Company)						
Secured domestic straight bonds	Sep. 29, 2008-Jul. 29, 2010	1.958-2.401	Sep. 29, 2028-May 28, 2040	¥ 240,000	¥ 240,000	$ 1,501
(Issuer: TEPCO Power Grid, Inc.)						
Secured domestic straight bonds	Aug. 31, 2017-Jan. 23, 2025	0.400-2.838	Apr. 17, 2026-Jan. 23, 2045	2,861,000 (210,000)	3,165,000 (304,000)	17,892 (1,313)
(Issuer: TEPCO Power Grid, Inc.)						
Unsecured domestic straight bonds	May. 28 2025-Oct. 9, 2025	1.760-3.381	Oct. 9, 2029-Oct. 9, 2040	290,000	-	1,814
(Issuer: TEPCO Renewable Power, Inc.)						
Unsecured domestic straight bonds, Green Bonds	Mar. 10, 2022-Feb. 27, 2026	0.500-2.676	Mar. 10, 2027-Feb. 28, 2034	150,000 (10,000)	130,000	938 (63)
Total	—	—	—	¥ 3,541,000 (220,000)	¥ 3,535,000 (304,000)	$ 22,145 (1,376)

Notes:

1. Figures indicated in parentheses ( ) indicate the amounts to be redeemed within one year.
2. Regarding the redemption schedule, see Note 32. FINANCIAL INSTRUMENTS.

15. PLEDGED ASSETS AND SECURED LIABILITIES

The Company's entire property was subject to certain statutory preferential rights as security for loans from the Development Bank of Japan that amounted to ¥2,174 million (US$14 million) and ¥6,737 million and for bonds that amounted to ¥240,000 million (US$1,501 million) and ¥240,000 million including current portion at March 31, 2026 and 2025, respectively.

Pursuant to the Nuclear Damage Compensation Act, the Company has made a deposit of ¥120,000 million (US$750 million) as a measure of compensation for damages to be paid as the operator for cooling of nuclear reactors and treatment of accumulated water of Fukushima Daiichi Nuclear Power Station.

The entire property of TEPCO Power Grid, Incorporated was provided as security for bonds that amounted to ¥2,861,000 million (US$17,892 million) and ¥3,165,000 million at March 31, 2026 and 2025, respectively.

Assets pledged as collateral and secured liabilities due to participation in overseas operations for certain consolidated subsidiaries at March 31, 2026 and 2025, respectively, were as follows:

	Millions of yen 2026	Millions of yen 2025	Millions of U.S. dollars 2026
Investments and other:			
Long-term investments	¥3	¥3	$0
Long-term investments in affiliates	4,896	4,739	31
Current assets			
Cash and deposits	83	80	1
	¥4,983	¥4,823	$32

Long-term investments totaling ¥35,657 million (US$223 million) and ¥35,387 million were pledged as collateral for long-term loans from financial institutions to investees of certain consolidated subsidiaries as of March 31, 2026 and 2025, respectively. In case of default of the investees, the burden of the consolidated subsidiaries is limited to the concerned amount of investments.

16. CONTRACT LIABILITIES INCLUDED IN OTHER CURRENT LIABILITIES

Contract liabilities included in other current liabilities amounted to ¥17,054 million (US$107 million) and ¥14,510 million as of March 31, 2026 and 2025, respectively.

17. CONTINGENT LIABILITIES

(1) Guarantee obligations

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
a. Guarantee obligations on the borrowings of the following companies from financial institutions			
Japan Nuclear Fuel Limited	¥106,000	¥73,489	$663
Oyasu Geothermal Co., Ltd.	347	324	2
Transmission and Distribution IT & OT Systems LLC	4,578	4,659	29
b. Guarantee obligations related to option agreements or exclusive negotiation agreements for seabed lease rights for affiliates, Green Volt Offshore Windfarm Ltd. and Cenos Offshore Windfarm Ltd.	5,083	4,634	32
c. Guarantee obligations for deferred consideration, contingent consideration, and related expenses in connection with the acquisition of NorthConnect Ltd.by Cenos Offshore Windfarm Ltd, an affiliate.	2,467	-	15
d. Guarantee obligation related to the services agreement for geotechnical investigation by Green Volt Offshore Windfarm Ltd, an affiliate.	845	-	5
e. Guarantee obligations related to the contracts for the manufacture of subsea cable etc., and for the procurement, fabrication and transportation of materials for extra-high-voltage power receiving and transforming facilities by Mirai Enoshima G.K., an affiliate.	883	-	6
f. Guarantee for contractual obligations with customers regarding energy-saving equipment lease transactions of Tohoku Electric Power Co., Inc.	50	-	0
g. Guarantee obligations on the borrowings of employees' own house financing system from financial institutions	50,372	59,608	315
Total	¥170,629	¥142,716	$1,067

(2) Contingent Liabilities related to Nuclear Damage Compensation

Since the ocean discharge of ALPS-treated water began, damage has been incurred due to measures taken by foreign governments to suspend imports, etc. However, mainly because the full extent of the damage has not yet been confirmed, the Company has not been able to reasonably estimate the amount of compensation for damages as of March 31, 2026 and 2025, respectively, except for the amount that could be reasonably estimated based on available data such as actual claims for compensation.

Treatment of wastes and decontamination measures have been proceeding under the national fiscal measures based on the Act on Special Measures Concerning the Handling of Environment Pollution by Radioactive Materials. Of the costs related to the measures, the Company has not been able to reasonably estimate the amount under discussion with the government regarding the cost burden, as concrete measures for the treatment of waste are not yet determined as of March 31, 2026 and 2025, respectively.

Regarding such nuclear damage compensation, NDF shall provide necessary financial support to the nuclear power operators who applied for financial support, in accordance with the NDF Act.

18. FINANCIAL COVENANTS

At March 31, 2026

Long-term debt of ¥10,242 million (US$64 million) and short-term loans of ¥2,037,274 million (US$12,741 million) are all subject to financial covenants related to the financial position and operating results of the Company and the Group.

At March 31, 2025

Long-term debt of ¥10,054 million and short-term loans of ¥1,996,820 million are all subject to financial covenants related to the financial position and operating results of the Company and the Group.

19. LAND REVALUATION LOSS

Land revaluation loss represents the amount corresponding to the Company's share of the revaluation differences resulting from revaluation of land used for business made by certain affiliates accounted for using the equity method in accordance with the "Act on Revaluation of Land".

20. EMPLOYEES' RETIREMENT BENEFITS

The Company and certain consolidated subsidiaries have defined benefit plans, including a defined benefit corporate pension plan and lump-sum payment plans, and, also defined contribution pension plans. The Company has defined benefit corporate pension plan, defined contribution pension plan and lump-sum payment plan.

Defined Benefit Plans

(1) The changes in projected benefit obligations for the years ended March 31, 2026 and 2025 were as follows:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Beginning balance of projected benefit obligations	¥634,332	¥726,714	$3,967
Service cost	16,522	20,045	103
Interest cost	12,334	7,015	77
Actuarial gain and loss	(54,106)	(79,899)	(338)
Retirement benefit paid	(36,968)	(39,570)	(231)
Prior service costs	—	608	—
Other (Note 2 below)	(295)	(581)	(2)
Ending balance of projected benefit obligations	¥571,818	¥634,332	$3,576

(Notes):
1. For certain retirement benefit plans, a simplified method is applied in determining projected benefit obligations.
2. Other represents a decrease due to change in scope of consolidation, etc.

(2) The changes in plan assets for the years ended March 31, 2026 and 2025 were as follows:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Beginning balance of plan assets	¥598,666	¥603,291	$3,744
Expected return on plan assets	14,628	14,740	92
Actuarial gain and loss	(630)	(9,028)	(4)
Contribution from the employer	4,667	4,914	29
Retirement benefit paid	(15,135)	(15,735)	(95)
Other (Note 2 below)	465	484	3
Ending balance of plan assets	¥602,660	¥598,666	$3,769

(Notes):
1. Above amounts include plan assets of retirement benefit plans to which a simplified method is applied.
2. Other represents an increase due to employees' contribution, etc.

(3) Reconciliation between the ending balances of projected benefit obligations and plan assets and net defined benefit liability and net defined benefit asset recorded in the consolidated balance sheet

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Funded projected benefit obligations	¥320,816	¥359,798	$2,006
Plan assets	(602,660)	(598,666)	(3,769)
	(281,844)	(238,868)	(1,763)
Unfunded projected benefit obligations	251,002	274,534	1,570
Net liability recorded in the consolidated balance sheet	(30,841)	35,666	(193)
Net defined benefit liability	251,642	273,525	1,574
Net defined benefit asset	(282,484)	(237,858)	(1,767)
Net liability recorded in the consolidated balance sheet	¥(30,841)	¥35,666	$(193)

(4) The components of retirement benefit expenses for the years ended March 31, 2026 and 2025 were as follows:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Service cost (Notes 1 and 2 below)	¥16,026	¥19,537	$100
Interest cost	12,334	7,015	77
Expected return on plan assets	(14,628)	(14,740)	(91)
Amortization of actuarial loss	(53,823)	(28,981)	(337)
Prior service costs	—	608	—
Retirement benefit expenses on defined benefit plans	¥(40,090)	¥(16,560)	$(251)

(Notes):
1. Service cost includes retirement expenses of the retirement benefit plans to which a simplified method is applied.
2. The amount excluded employees' contribution.

(5) Remeasurements of defined benefit plans on other comprehensive income
The components of remeasurements of defined benefit plans (before income taxes and income tax effects) on other comprehensive income were as follows:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Prior service costs	¥—	¥34	$—
Actuarial gain and loss	(52)	41,854	(0)
Total	¥(52)	¥41,888	$(0)

(6) Remeasurements of defined benefit plans on accumulated other comprehensive income
The components of remeasurements of defined benefit plans (before income taxes and income tax effects) on accumulated other comprehensive income were as follows:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Unrecognized actuarial gain and loss	¥59,788	59,841	$374

(7) Plan assets
a. Plan assets, by major category, as a percentage of total plan assets, consisted of the following:

	2026	2025
Debt securities	50%	52%
Life insurance general account	37%	38%
Equity securities	11%	8%
Other	2%	2%
Total	100%	100%

b. Method of determining the long-term expected rate of return on plan assets
The expected return on assets has been estimated based on the anticipated allocation to each class and the expected long-term returns on assets held in each category.

(8) Assumptions used for actuarial calculation

	2026	2025
Discount rate	Mainly 3.0%	Mainly 2.0%
Long-term expected rate of return	Mainly 2.5%	Mainly 2.5%
Expected rate of salary increase	Mainly 7.1%	Mainly 6.9%

Defined Contribution Plans
The amount of the required contribution to the defined contribution plans of the Company and consolidated subsidiaries was ¥3,247 million (US$20 million) and ¥3,333 million for the years ended March 31, 2026 and 2025, respectively.

21. ASSET RETIREMENT OBLIGATIONS

The Company recorded asset retirement obligations in the accompanying consolidated financial statements for the decommissioning of commercial power reactors as prescribed in the “Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors.” However, as stated in (m) “Method of Recording Costs Required for the Decommissioning of Commercial Power Reactors” under “Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,” the Company is deemed to have fulfilled the responsibility for bearing the costs as a nuclear operator by paying the contribution for nuclear reactor decommissioning to the Nuclear Reprocessing and Decommissioning facilitation Organization of Japan, and the organization shall be financially responsible for securing, managing and paying the funds required for decommissioning of power reactors, so only decommissioning costs as normal reactors for Fukushima Daiichi Nuclear Power Station, which is out of the scope of “decommissioned nuclear reactors” stipulated in paragraph 5 of Article 2 of the Revision of Spent Fuel Reprocessing Act, are recorded as asset retirement obligations

In computing the amount of asset retirement obligations, the Company mainly uses a method that estimates decommissioning costs based on the type and quantity of waste generated by decommissioning, taking into consideration changes in the price level, etc., in accordance with the Old Ordinance on Reserve for Decommissioning Costs. Since the operation period has ended, no discount calculation is performed.

The changes in asset retirement obligations for the years ended March 31, 2026 and 2025 were as follows:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Balance at beginning of year	¥374,454	¥1,086,555	$2,342
Net changes during the year	16,524	(712,100)	103
Balance at end of year	¥390,979	¥374,454	$2,445

22. SHAREHOLDERS' EQUITY

The Corporation Law of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than capital reserve) and retained earnings (other than legal reserve) be transferred to the capital reserve or the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of common stock. The capital reserve amounted to ¥743,555 million (US$4,650 million) at March 31, 2026 and 2025 and the legal reserve amounted to ¥169,108 million (US$1,058 million) at March 31, 2026 and 2025. Moreover, neither the capital reserve nor the legal reserve is available for the payment of dividends, but distributions of capital surplus can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met.

The changes in the number of outstanding shares and treasury stock during the years ended March 31, 2026 and 2025 were as follows:

	Number of shares (in thousands)			
	April 1, 2025	Increase	Decrease	March 31, 2026
Outstanding shares issued:				
Common stock	1,607,017	—	—	1,607,017
Preferred stock—Class A	1,600,000	—	—	1,600,000
Preferred stock—Class B	340,000	—	—	340,000
Total	3,547,017	—	—	3,547,017
Treasury stock:				
Common stock	4,941	23	649	4,315

Note: An increase in common stock of treasury stock of 23 thousand shares is due to purchases of shares less than one unit. A decrease in common stock of treasury stock of 649 thousand shares is due to a decrease of 367 thousand shares resulting from the sale of the Company's shares by an affiliate accounted for using the equity method, and a decrease of 281 thousand shares in the Company's ownership of its own shares associated with a decline in the equity interest ratio of an affiliate accounted for using the equity method, etc.

	Number of shares (in thousands)			
	April 1, 2024	Increase	Decrease	March 31, 2025
Outstanding shares issued:				
Common stock	1,607,017	—	—	1,607,017
Preferred stock—Class A	1,600,000	—	—	1,600,000
Preferred stock—Class B	340,000	—	—	340,000
Total	3,547,017	—	—	3,547,017
Treasury stock:				
Common stock	4,909	33	1	4,941

Note: An increase in common stock of treasury stock of 33 thousand shares is due to purchases of shares less than one unit and a decrease of 1 thousand shares is due to sale of shares less than one unit.

23. REVENUE FROM CONTRACTS WITH CUSTOMERS

Operating revenue is not divided into revenue from contracts with customers and revenue from other sources. Revenue from contracts with customers is presented in Note 35. SEGMENT INFORMATION.

24. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

The amount of selling, general and administrative expenses (before netting) included in the electric power business operating expenses (¥5,443,101 million (US$34,041 million) after netting and offset amount of ¥(64,411) million (US$(403) million) for the fiscal year ended March 31, 2026 and ¥6,025,889 million after netting and offset amount of ¥(59,930) million for the fiscal year ended March 31, 2025) was ¥363,869 million (US$2,276 million) (¥378,341 million in 2025). Major components and amounts are shown below:

Since netting of transactions between consolidated companies in the electric power business is conducted for the total of electric power business operating expenses, the amount before netting is presented.

* The offset amount represents the amount excluding the netting of transactions between the Company and its core management companies. The selling, general and administrative expenses (before netting) represent the amount excluding transactions between the Company and its core management companies.

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Salaries and allowances	¥90,552	¥87,916	$566
Employees' retirement benefits	(38,495)	(14,924)	(241)
Consignment expenses	155,267	148,986	971
Miscellaneous expenses	47,244	43,097	295

(Changes in presentation)

"Bad debt expenses" (¥(726) million (US$(5) million) for the fiscal year ended March 31, 2026), which was presented as a major component for the fiscal year ended March 31, 2025, is no longer presented as such due to its decreased financial importance. "Bad debt expenses" for the fiscal year ended March 31, 2025 amounted to ¥5,603 million.

25. PROVISION FOR RESERVES

Provision for reserves charged to net income during the years ended March 31, 2026 and 2025 were as follows:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Provision for preparation of removal of reactor cores in the specified nuclear power facilities	¥250,034	¥29,112	$1,564
Provision for removal of reactor cores in the specified nuclear power facilities	29,112	11,277	182
Reserve for loss on disaster	664,121	33,868	4,153
Reserve for nuclear damage compensation	82,772	80,328	518

26. RESEARCH AND DEVELOPMENT COSTS

Research and development costs included in operating expenses for the years ended March 31, 2026 and 2025 totaled ¥20,840 million (US$130 million) and ¥20,325 million, respectively.

27. EXPENSES FOR NUCLEAR DAMAGE COMPENSATION AND GRANTS-IN-AID FROM NDF

For the fiscal year ended March 31, 2026

(1) Expenses for nuclear damage compensation

a. Compensation for nuclear damages

Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company has been implementing compensation in accordance with the Nuclear Damage Compensation Act and recorded expenses for nuclear damage compensation at the amount of the difference between the estimated amount at March 31, 2026 and the estimated amount at March 31, 2025.

b. Grants-in-aid from NDF

The Company submitted an application to NDF for a change of the amount of financial support to the estimated amount of compensation after deducting the amount of compensation measures based on the provision of the paragraph 1 of Article 43 of the NDF Act as of March 13, 2026, and recorded the difference between the estimated amount of compensation above and the amount which was submitted as an application for financing the compensation on March 3, 2025 as the grants-in-aid from NDF.

(2) Decontamination

¥78,880 million (US$493 million) of the amount which was submitted as an application for financial support based on the provision of the NDF Act corresponding to the Company's compensation liability to the government, which was recognized as a liability on and after January 1, 2015 based on the Act on Special Measures Concerning the Handling of Environment Pollution by Radioactive Materials, is deducted from expenses for nuclear damage compensation and the grants-in-aid from NDF at the end of the fiscal year in accordance with the Electricity Utility Accounting Regulations.

(Additional information)

Method to record special contribution to NDF

In receiving the financial assistance, the recipient shall pay special contribution defined by NDF based on the provision of the paragraph 1 of Article 52 of the NDF Act, but the Company has not recorded such amount, except for the amount applicable to the year ended March 31, 2026 notified from NDF, since the amount will be determined by the resolution of the steering committee of NDF for every fiscal year in light of the Company's operating results and also requires the approval of the minister in charge.

For the fiscal year ended March 31, 2025

(1) Expenses for nuclear damage compensation

a. Compensation for nuclear damages

Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company has been implementing compensation in accordance with the Nuclear Damage Compensation Act and recorded expenses for nuclear damage compensation at the amount of the difference between the estimated amount at March 31, 2025 and the estimated amount at March 31, 2024.

b. Grants-in-aid from NDF

The Company submitted an application to NDF for a change of the amount of financial support to the estimated amount of compensation after deducting the amount of compensation measures based on the provision of the paragraph 1 of Article 43 of the NDF Act as of March 3, 2025, and recorded the difference between the estimated amount of compensation above and the amount which was submitted as an application for financing the compensation on March 15, 2024 as the grants-in-aid from NDF.

(2) Decontamination

¥89,439 million of the amount which was submitted as an application for financial support based on the provision of the NDF Act corresponding to the Company's compensation liability to the government, which was recognized as a liability on and after January 1, 2015 based on the Act on Special Measures Concerning the Handling of Environment Pollution by Radioactive

Materials, is deducted from expenses for nuclear damage compensation and the grants-in-aid from NDF at the end of the fiscal year in accordance with the Electricity Utility Accounting Regulations.

(Additional information)
Method to record special contribution to NDF
In receiving the financial assistance, the recipient shall pay special contribution defined by NDF based on the provision of the paragraph 1 of Article 52 of the NDF Act, but the Company has not recorded such amount, except for the amount applicable to the year ended March 31, 2025 notified from NDF, since the amount will be determined by the resolution of the steering committee of NDF for every fiscal year in light of the Company's operating results and also requires the approval of the minister in charge.

28. EXTRAORDINARY LOSS ON DISASTER

For the fiscal year ended March 31, 2026
The Company recorded ¥913,893 million (US$5,715 million) as extraordinary loss on disaster in connection with the cost or loss incurred for the recovery of assets affected by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, such as operation costs related to preparation for fuel debris retrieval operations, based on the background and other factors stated in "Changes in estimates of expenses and/or losses for settlement of the accident and the decommissioning of Fukushima Daiichi Nuclear Power Station" as described in Note 5. CHANGES IN ACCOUNTING ESTIMATES.

As a specific plan to achieve the key targets and processes identified in the Mid-and-Long-Term Roadmap prepared by Government and TEPCO's Mid-to-Long-Term Countermeasure Meeting established by the government's Nuclear Emergency Response Headquarters (last revised on December 27, 2019), the Company developed the "Mid-and-Long-Term Decommissioning Implementation Plan 2026" (which was revised on March 26, 2026).

The Company has recorded estimates of the costs or losses related to the above where normal estimation is possible based on specific target periods and the details of individual measures.

While costs or losses related to the Mid-and-Long-Term Roadmap including the figures recorded based on the actual amounts incurred in overseas nuclear facility accidents could fluctuate in the future, the Company has recorded their estimates where it is possible to make reasonable estimates as of March 31, 2026.

For the fiscal year ended March 31, 2025
The Company recorded ¥62,681 million as extraordinary loss on disaster in connection with the cost or loss incurred for the recovery of assets affected by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, such as operation costs related to preparation for fuel debris retrieval operations.

As a specific plan to achieve the key targets and processes identified in the Mid-and-Long-Term Roadmap prepared by Government and TEPCO's Mid-to-Long-Term Countermeasure Meeting established by the government's Nuclear Emergency Response Headquarters (last revised on December 27, 2019), the Company developed the "Mid-and-Long-Term Decommissioning Implementation Plan 2025" (which was revised on March 27, 2025).

The Company has recorded estimates of the costs or losses related to the above where normal estimation is possible based on specific target periods and the details of individual measures.

While costs or losses related to the Mid-and-Long-Term Roadmap including the figures recorded based on the actual amounts incurred in overseas nuclear facility accidents could fluctuate in the future, the Company has recorded their estimates where it is possible to make reasonable estimates as of March 31, 2025.

29. INCOME TAXES

The significant components of deferred tax assets and liabilities as of March 31, 2026 and 2025 were as follows:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Deferred tax assets:			
Reserve for loss on disaster	¥361,649	¥174,887	$2,261
Contribution payable for nuclear reactor decommissioning	181,780	183,713	1,136
Reserve for nuclear damage compensation	150,565	153,967	942
Asset retirement obligations	113,340	108,550	709
Impairment losses	90,609	98,354	567
Net defined benefit liability	79,758	85,649	499
Amortization of easement on transmission line	75,995	75,949	475
Other	406,154	365,964	2,540
Subtotal	1,459,852	1,247,036	9,129
Valuation allowance on deductible temporary differences in future (Note)	(989,326)	(782,403)	(6,187)
Total deferred tax assets	470,526	464,632	2,942
Deferred tax liabilities:			
Grants-in-aid receivable from NDF	(148,487)	(152,001)	(929)
Reserve for decommissioning of nuclear power units	(133,365)	(137,833)	(834)
Provision for Removal of Rea Cores in the Specified Nucl Power Facilities	(52,356)	(47,165)	(327)
Other	(138,649)	(117,238)	(867)
Total deferred tax liabilities	(472,859)	(454,239)	(2,957)
Net deferred tax assets	¥(2,333)	¥10,392	$(15)

Note:

Valuation allowance increased by ¥206,922 million (US$1,294 million). This is mainly due to an increase of ¥186,772 million (US$1,168 million) in the deductible temporary differences related to Reserve for loss on disaster at the Company.

(Changes in presentation)
“Amortization of easement on transmission line”, which was included in “Other” under deferred tax assets in the fiscal year ended March 31, 2025, is separately presented in the fiscal year ended March 31, 2026, due to its increased financial importance. To reflect this change in presentation, the notes for the fiscal year ended March 31, 2025 have been reclassified.

As a result, ¥75,949 million included in “Other” under deferred tax assets for the fiscal year ended March 31, 2025 has been reclassified as “Amortization of easement on transmission line”.

“Tax loss carryforwards” under deferred tax assets, which was separately presented in the fiscal year ended March 31, 2025, is included in ”Other" due to its monetary insignificance. To reflect this change in presentation, the notes for the fiscal year ended March 31, 2025 have been reclassified.

As a result, “Tax loss carryforwards” of ¥117,690 million under deferred tax assets for the fiscal year ended March 31, 2025 has been reclassified as “Other”.

(Additional information)
Accounting treatment of corporate income tax and local income taxes and treatment of tax effect accounting related thereto

The Company and certain domestic consolidated subsidiaries have adopted the group tax sharing system, and account for and disclose corporate income tax, local income taxes and tax effect accounting related to such taxes according to the treatment of accounting and disclosure in case of applying the group tax sharing system.

A reconciliation between the effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of income for the fiscal year ended March 31, 2025 was as follows:

	2025
Effective statutory tax rate	28.0 %
(Adjustments)	
Gain on equity method investments	(14.1)
Change in valuation allowance	2.2
Tax effect on retained earnings	1.5
Tax credit for R&D expenses	(1.3)
Tax rate difference between parent and subsidiaries	0.9
Other	1.4
Actual effective tax rate	18.6 %

A reconciliation for the fiscal year ended March 31, 2026 is not presented because the Company recorded a loss before income taxes.

30. OTHER COMPREHENSIVE INCOME
The components of other comprehensive income for the years ended March 31, 2026 and 2025 are as follows:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Valuation difference on available–for-sale securities:			
Gain incurred during the year	¥ 6,994	¥(427)	$44
Reclassification adjustment to net income	(4,490)	(339)	(28)
Amount before income taxes and income tax effect	2,503	(767)	16
Income taxes and income tax effect	(708)	(36)	(5)
Valuation difference on available-for-sale securities	1,794	(804)	11
Deferred gains or losses on hedges:			
Gain incurred during the year	16,611	423	104
Reclassification adjustment to net income	—	—	—
Amount before income taxes and income tax effect	16,611	423	104
Income taxes and income tax effect	(4,809)	(118)	(30)

Deferred gains or losses on hedges	11,801	305	74
Foreign currency translation adjustments:			
Amount incurred during the year	7,621	5,344	48
Reclassification adjustment to net income	(278)	—	(2)
Amount before income taxes and income tax effect	7,342	5,344	46
Income taxes and income tax effect	—	—	—
Foreign currency translation adjustments	7,342	5,344	46
Remeasurements of defined benefit plans：			
Gain (loss) incurred during the year	36,060	46,849	226
Reclassification adjustment to net income	(36,113)	(4,960)	(226)
Amount before income taxes and income tax effect	(52)	41,888	(0)
Income taxes and income tax effect	(6,451)	(7,647)	(41)
Remeasurements of defined benefit plans	(6,504)	34,241	(41)
Share of other comprehensive income of entities accounted for using the equity method:			
Gain incurred during the year	105,074	74,649	657
Reclassification adjustment to net income	(36,185)	(26,942)	(226)
Share of other comprehensive income of entities accounted for using the equity method	68,889	47,706	431
Total other comprehensive income	¥83,323	¥86,794	$521

31. LEASES

(1) As Lessee

Future minimum lease payments subsequent to March 31, 2026 and 2025 for operating leases are summarized as follows:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Within one year	¥122	¥89	$1
Later than one year	593	642	3
Total	¥715	¥732	$4

(2) As Lessor

Unearned lease payments

Future minimum lease payments subsequent to March 31, 2026 and 2025 for operating leases are summarized as follows:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Within one year	¥1,328	¥846	$8
Later than one year	8,820	7,756	55
Total	¥10,148	¥8,602	$63

32. FINANCIAL INSTRUMENTS

1. Status of financial instruments

(1) Policy regarding financial instruments

The Company tries to raise its fund to ensure its capital investments required for electric power business by borrowing from financial institutions, issuance of bonds.

The Company only uses short-term deposits to manage funds.

The Company and certain consolidated subsidiaries comply with internal policies in using derivatives solely to hedge risk, never for trading or speculation.

(2) Details of financial instruments, associated risk and risk management

Investment securities consist mainly of equity securities and are exposed to market price fluctuation risk. The Company and certain consolidated subsidiaries review the fair values of listed equity securities on a quarterly basis.

Grants-in-aid receivable from NDF carrying amount of ¥513,265 million (US$3,210 million) (¥525,412 million in 2025) is grants-in-aid receivable of NDF stipulated in the paragraph 1-1 of Article 41 of the NDF Act. The fair value of this receivable is not presented because this fund will be paid from the “NDF” for the necessary amount to implement compensation for nuclear damages caused by the accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake and it is determined based on the amounts required for compensation.

Notes and accounts receivable-trade and contract assets are exposed to the credit risk of customers. In compliance with internal policies, the Company and certain consolidated subsidiaries monitor due dates and outstanding balances by individual customer, and press for collection of receivables that become past due.

Interest-bearing debt includes loans that are exposed to interest rate fluctuation risk. The Company hedges this risk by utilizing interest rate swaps for certain loans.

Almost all notes payable-trade and accounts payable-trade have payment due dates within a year.

Bonds, loans, and notes payable-trade and accounts payable-trade expose the Company to liquidity risk in that the Company and certain consolidated subsidiaries may not be able to meet their obligations on scheduled due dates. The Company and certain consolidated subsidiaries prepare and update their cash flow projections on a timely basis to manage this liquidity risk.

The Company and certain consolidated subsidiaries use derivatives, including interest rate swaps to hedge the risk of interest rate fluctuations associated with loans, as well as electricity futures and commodity swaps to hedge the risk of price fluctuations in fuel and electricity markets. The Company and certain consolidated subsidiaries have departments that conduct and manage such transactions in compliance with internal policies.

The Company and certain consolidated subsidiaries are also exposed to credit risk in the event of nonperformance by the counterparties to these derivatives positions, but consider the risk of any such loss to be minimal because they enter into derivative transactions only with counterparties that have high credit ratings. Information on hedge accounting is disclosed in the "Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (j) Derivatives and Hedging Activities."

(3) Supplementary explanation of items related to the fair value of financial instruments

Measurement of the fair value incorporates variable factors and such fair value might fluctuate if they used different assumptions. In addition, the contractual amounts of the derivatives are not necessarily indicative of the actual market risk involved in relevant derivatives.

2. Fair value of financial instruments

The carrying amount, their fair value and unrealized loss of financial instruments in the consolidated balance sheets as of March 31, 2026 and 2025 are as follows:

As of March 31, 2026

		Millions of yen		
		2026		
		Carrying amount*2	Fair value*2	Difference
(1)	Investment securities*3, *4, *5	¥13,198	¥13,198	¥—
(2)	Bonds*6	(3,541,000)	(3,279,295)	261,704
(3)	Derivative transactions*7	28,425	28,425	—

		Millions of U.S. dollars		
		2026		
		Carrying amount*2	Fair value*2	Difference
(1)	Investment securities*3, *4, *5	$83	$83	$—
(2)	Bonds*6	(22,145)	(20,508)	1,637
(3)	Derivative transactions*7	178	178	—

*1. Cash and deposits, notes and accounts receivable – trade and contract assets, short-term loans and notes and accounts payable-trade are omitted because of their short maturities.

*2. Figures shown in parentheses represent liabilities.

*3. Investment securities are included in “Long-term investments” in the accompanying consolidated balance sheets.

*4. Equity securities, etc. which do not have a market price are not included in “Investment securities.” The carrying amounts of such financial instruments in the accompanying consolidated balance sheet are as follows:

As of March 31, 2026	Millions of yen	Millions of U.S. dollars
Unlisted equity securities	¥51,382	$321
Other	4,730	30
Total	¥56,112	$351

*5. Investments in partnerships and so on are not included in “(1) Investment securities” if the Company’s equity in them is presented as a net amount on the consolidated balance sheet. The amount recognized on the consolidated balance sheet for such financial instruments is ¥52 million (US$0 million).

*6. “Current portion of long-term debt” in the accompanying consolidated balance sheet is included.

*7. Net receivables and payables arising from derivative transactions are presented on a net basis.

As of March 31, 2025

		Millions of yen		
		2025		
		Carrying amount*2	Fair value*2	Difference
(1)	Investment securities*3, *4, *5	¥13,880	¥13,880	¥—
(2)	Bonds*6	(3,535,000)	(3,383,303)	151,696
(3)	Derivative transactions*7	453	453	—

*1. Cash and deposits, notes and accounts receivable – trade and contract assets, short-term loans and notes and accounts payable-trade are omitted because of their short maturities.

*2. Figures shown in parentheses represent liabilities.

*3. Investment securities are included in “Long-term investments” in the accompanying consolidated balance sheets.

*4. Equity securities, etc. which do not have a market price are not included in “Investment securities.” The carrying amounts of such financial instruments in the accompanying consolidated balance sheet are as follows:

As of March 31, 2025	Millions of yen
Unlisted equity securities	¥50,385
Other	5,119
Total	¥55,505

*5. Investments in partnerships and so on are not included in “(1) Investment securities” if the Company’s equity in them is presented as a net amount on the consolidated balance sheet. The amount recognized on the consolidated balance sheet for such financial instruments is ¥65 million.

*6. “Current portion of long-term debt” in the accompanying consolidated balance sheet is included.
*7. Net receivables and payables arising from derivative transactions are presented on a net basis.

(Note 1) Redemption schedule for monetary instruments and debt securities with maturity dates subsequent to each fiscal closing date is as follows:

	Millions of yen			
	2026			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Investment securities:				
Available-for-sale securities with maturity				
Bonds				
Public bonds	¥—	¥—	¥—	¥ —
Corporate bonds	—	—	—	—
Other	—	—	—	—
Other	—	—	—	—
Cash and deposits[*1]	937,227	—	—	—
Notes and accounts receivable-trade and contract assets	591,944	—	—	—
Total	¥1,529,171	¥—	¥—	¥ —

*1. Portion due in 1 year or less includes cash.

	Millions of yen			
	2025			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Investment securities:				
Available-for-sale securities with maturity				
Bonds				
Public bonds	¥—	¥—	¥—	¥ —
Corporate bonds	—	—	—	—
Other	—	—	—	—
Other	—	—	—	—
Cash and deposits[*1]	936,335	—	—	—
Notes and accounts receivable-trade and contract assets	666,097	—	—	—
Total	¥1,602,433	¥—	¥—	¥ —

*1. Portion due in 1 year or less includes cash.

	Millions of U.S. dollars			
	2026			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Investment securities				
Available-for-sale securities with maturity				
Bonds				
Public bonds	$—	$—	$—	$—
Corporate bonds	—	—	—	—
Other	—	—	—	—
Other	—	—	—	—
Cash and deposits [*1]	5,861	—	—	—
Notes and accounts receivable-trade and contract assets	3,702	—	—	—
Total	$9,563	$—	$—	$—

*1. Portion due in 1 year or less includes cash.

(Note 2) Redemption schedule for bonds, long-term loans and other interest-bearing liabilities subsequent to each fiscal closing date is as follows:

Millions of yen

	2026					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Bonds	¥220,000	¥359,000	¥376,000	¥365,000	¥350,000	¥1,871,000
Long-term loans	4,483	24,171	29,292	465	44,306	1,692
Short-term loans	2,926,354	–	–	–	–	–
Commercial papers	62,000	–	–	–	–	–
Total	¥3,212,838	¥383,171	¥405,292	¥365,465	¥394,306	¥1,872,692

Millions of yen

	2025					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Bonds	¥304,000	¥220,000	¥359,000	¥376,000	¥315,000	¥1,961,000
Long-term loans	12,453	4,388	16,927	28,362	102	19,617
Short-term loans	2,867,871	–	–	–	–	–
Commercial papers	25,000	–	–	–	–	–
Total	¥3,209,324	¥224,388	¥375,927	¥404,362	¥315,102	¥1,980,617

Millions of U.S. dollars

	2026					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Bonds	$1,376	$2,245	$2,351	$2,283	$2,189	$11,701
Long-term loans	28	151	183	3	277	11
Short-term loans	18,301	–	–	–	–	–
Commercial papers	388	–	–	–	–	–
Total	$20,093	$2,396	$2,534	$2,286	$2,466	$11,712

3. Fair value information by level within the fair value hierarchy

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of inputs used to measure fair value.
Level 1 fair value: Fair value measured using (unadjusted) quoted prices in active markets for identical assets or liabilities
Level 2 fair value: Fair value measured using directly or indirectly observable inputs other than Level 1 inputs.
Level 3 fair value: Fair value measured using significant unobservable inputs.

If multiple inputs are used that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the level of the lowest level input that is significant to the entire measurement.

(1) Financial instruments measured at fair value in the consolidated balance sheet:

	Millions of yen			
	Fair value			
March 31, 2026	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Equity securities	¥13,198	¥—	¥—	¥13,198
Total assets	¥13,198	¥—	¥—	¥13,198
Derivative transactions*1	¥—	¥28,425	¥—	¥28,425

*1. Net receivables and payables arising from derivative transactions are presented on a net basis.

	Millions of yen			
	Fair value			
March 31, 2025	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Equity securities	¥13,880	¥—	¥—	¥13,880
Total assets	¥13,880	¥—	¥—	¥13,880
Derivative transactions*1	¥—	¥453	¥—	¥453

*1. Net receivables and payables arising from derivative transactions are presented on a net basis.

	Millions of U.S. dollars			
	Fair value			
March 31, 2026	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities				
Equity securities	$83	$—	$—	$83
Total assets	$83	$—	$—	$83
Derivative transactions*1	$—	$178	$—	$178

*1. Net receivables and payables arising from derivative transactions are presented on a net basis.

(2) Financial instruments other than those measured at fair value in the consolidated balance sheet:

	Millions of yen			
	Fair value			
March 31, 2026	Level 1	Level 2	Level 3	Total
Corporate bonds	¥—	¥3,279,295	¥—	¥3,279,295
Total liabilities	¥—	¥3,279,295	¥—	¥3,279,295

	Millions of yen			
	Fair value			
March 31, 2025	Level 1	Level 2	Level 3	Total
Corporate bonds	¥—	¥3,383,303	¥—	¥3,383,303
Total liabilities	¥—	¥3,383,303	¥—	¥3,383,303

	Millions of U.S. dollars			
	Fair value			
March 31, 2026	Level 1	Level 2	Level 3	Total
Corporate bonds	$—	$20,508	$—	$20,508
Total liabilities	$—	$20,508	$—	$20,508

Note: A description of the valuation technique(s) and inputs used in the fair value measurements

Investment securities
Listed equity securities are valued using quoted prices. As listed equity securities are traded in active markets, their fair value is classified as Level 1.

Bonds
The fair value of bonds, whose reference bond trading statistics published by the Japan Securities Dealers Association are available, is measured using the applicable reference bond trading statistics and if reference bond trading statistics are not available, the fair value is measured using the present value of the sum of the principal and interest discounted at the interest rate applicable if the similar bonds were issued and classified as Level 2.

Derivatives transactions
The fair value of derivatives is measured based on the prices and other information provided by counterparties, etc., and classified as Level 2.

33. DERIVATIVES

Derivatives to which hedge accounting is not applied

Commodity-related

	Millions of yen			
	2026			
	Notional amount	Maturing after 1 year	Fair value	Valuation gains and losses
Market transactions				
Electricity futures	¥20,778	¥—	¥760	¥760
Transactions other than market transactions				
Commodity swaps	¥18,088	¥—	¥10,695	¥10,695

	Millions of yen			
	2025			
	Notional amount	Maturing after 1 year	Fair value	Valuation gains and losses
Market transactions				
Electricity futures	¥1,822	¥—	¥128	¥128
Transactions other than market transactions				
Commodity swaps	¥2,012	¥—	¥(2)	¥(2)

	Millions of U.S. dollars			
	2026			
	Notional amount	Maturing after 1 year	Fair value	Valuation gains and losses
Market transactions				
Electricity futures	$130	$—	$5	$5
Transactions other than market transactions				
Commodity swaps	$113	$—	$67	$67

Derivatives to which hedge accounting is applied

Interest rate-related

	Millions of yen			
	2026			
	Hedged item	Notional amount	Maturing after 1 year	Fair value
Special treatment of interest rate swaps				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		¥24,168	¥24,168	*
Total		¥24,168	¥24,168	¥—

	Millions of yen			
	2025			
	Hedged item	Notional amount	Maturing after 1 year	Fair value
Special treatment of interest rate swaps				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		¥24,168	¥24,168	*

Total	¥24,168	¥24,168	¥—

	Millions of U.S. dollars		
	2026		
	Hedged item	Notional amount	Maturing after 1 year	Fair value
Special treatment of interest rate swaps				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		$151	$151	*
Total		$151	$151	$—

* Interest rate swaps that qualify for special treatment are accounted for as a single unit with the hedged long-term loans and therefore are not included in the carrying value and fair value of derivative transactions in Note 32. FINANCIAL INSTRUMENTS.

Commodity-related

	Millions of yen			
	2026			
	Hedged item	Notional amount	Maturing after 1 year	Fair value
Principle-based method				
Commodity swaps	Payables for electricity purchases			
Payable fixed rate/receivable floating rate		¥35,408	¥—	¥16,967
Total		¥35,408	¥—	¥16,967

	Millions of yen			
	2025			
	Hedged item	Notional amount	Maturing after 1 year	Fair value
Principle-based method				
Commodity swaps	Payables for electricity purchases			
Payable fixed rate/receivable floating rate		¥16,246	¥—	¥327
Total		¥16,246	¥—	¥327

	Millions of U.S. dollars			
	2026			
	Hedged item	Notional amount	Maturing after 1 year	Fair value
Principle-based method				
Interest rate swaps	Payables for electricity purchases			
Payable fixed rate/receivable floating rate		$221	$—	$106
Total		$221	$—	$106

34. REVENUE RECOGNITION

a. Disaggregation of revenue from contracts with customers
Disaggregation of revenue from contracts with customers is as described in Note 35. SEGMENT INFORMATION.

b. Useful information in understanding revenue from contracts with customers
Operating revenues from electricity business:
Operating revenues from electricity business consist of electric light charges, electricity charges, electricity charges sold to other companies, wheeling service income, etc.

(1) Electric light charges/electricity charges

Electric light charges/electricity charges refer to electric charges which TEPCO Energy Partner Inc., a principal electricity retail business company of the Group, sold to the customers of general households, offices, factories, etc.

According to the type of electric appliances used by the customers and transmission systems, the charges are categorized into electric light charges or electricity charges.

The electricity charges and other supply conditions related to the supply of electricity to customers are defined in the various electricity supply and demand contracts, and the performance obligation is to supply electricity in accordance with such contracts.

Supply of electricity in accordance with the contracts, etc. is principally performed over a contract period of one year and as the performance obligation to supply electricity is satisfied, revenue is recognized over the period. Specifically, the use of electricity is identified by inspection or measurement implemented usually once every month and revenue is recognized at that point.

Inspection or measurement is periodically implemented for approximately twenty days per month, by region since the number of contracts is large and monthly electricity charge is determined using a rate provided by the electricity supply and demand contracts based on the use identified.

Electricity charges are principally received by the thirtieth day from the following day of inspection or measurement.

In addition, TEPCO Energy Partner, Inc. is subject to the transitional measure charge system on part of electricity charge pursuant to the Electricity Business Act, and the Electricity Utility Accounting Regulations is applied during the period of application of such charge system. The Electricity Utility Accounting Regulations provide that revenue on electric light charge/electricity charge shall be recognized at the amount determined by the completed survey based on the inspection or measurement.

Consequently, the electricity charge on the uninspected use from the previous inspection as of the balance sheet date is not recognized as revenue.

Furthermore, the dues for promoting power generation of renewable energy are not included in the transaction price in revenue recognition since they are equivalent to the amount collected on behalf of third parties.

(2) Electricity charge sold to other companies

Electricity charge sold to other companies is the sum of electricity and non-fossil fuel energy value sold through the Japan Electric Power Exchange (hereinafter the “Exchange”) and electric charges sold to electricity retail business operators, general transmission and distribution business operators and power generation operators (hereinafter the “Electricity retail business operators”).

With respect to the electricity and non-fossil fuel energy value trading associated with the following day trading, intraday trading, forward trading, etc. sold through the Exchange, the determination method of the unit price and other trading conditions are defined in the trading rules provided by the Exchange. The performance obligation is to supply electricity and deliver non-fossil fuel energy value pursuant to such rules.

Regarding various transactions at the Exchange, contract, delivery and settlement are executed according to the trading rules provided by the Exchange. With respect to forward transactions of weekly type, monthly type and yearly type categorized by delivery terms of various transactions, revenue is recognized over time, and with respect to the following day trading, intraday trading and non-fossil fuel energy trading, revenue is recognized at that point of time.

Charges of electricity and non-fossil energy value are principally received on the second financial institution business day from the date when the payment obligation based on the contract incurred.

Charges of electricity sold to the Electricity retail business operators and other conditions are defined in the contracts with each counterpart, and the performance obligation is to supply electricity to the Electricity retail business operators based on such contracts.

Supply of electricity is principally implemented over a contract period of one year and revenue is recognized every month over time as the performance obligation to supply electricity is satisfied.

Electricity charges are principally received by the following month end after determination of the supply quantity.

(3) Wheeling service income

Wheeling service income refers to the utilization charge of transmission and distribution related facilities owned by TEPCO Power Grid, Inc., a company of the Group, and electricity supply

charge associated with adjustment of electricity charges implemented by TEPCO Power Grid, Inc.

The utilization charge of transmission and distribution related facilities refers to the charges when the Electricity retail business operators and contractors of other general transmission and distribution business operators utilize the transmission and distribution related facilities.

Electricity supply charge associated with adjustment of electricity charges is related to the power generation adjustment supply contract with power generation contractors and demand restraint adjustment supply contract with demand restraint contractors and refers to the charges in case of supplying deficiency of power generation and demand restraint.

Charges and other conditions in case that the Electricity retail business operators and other general transmission and distribution business operators utilize transmission and distribution related facilities, and in case of supplying electricity to power generation contractors and demand restraint contractors are defined in the wheeling service provisions, and the performance obligation is to allow the utilization of the transmission and distribution related facilities and to supply adjusted electricity.

Regarding utilization of transmission and distribution related facilities and supply of adjusted electricity, they are principally implemented over a contract period of one year and revenue is recognized over time as the performance obligation of utilization of transmission and distribution related facilities and supply adjustment of electricity is satisfied. Specifically, utilization of transmission and distribution related facilities and adjusted supply quantity of electricity are identified by inspection or measurement implemented usually every one month and revenue is recognized at that point. Inspection or measurement is periodically implemented for approximately twenty days per month by region since the number of contracts is large and monthly electricity charge is determined using a rate provided by the wheeling service contracts based on the use identified.

In addition, TEPCO Power Grid, Inc. is subject to the Electricity Utility Accounting Regulations based on the Electricity Business Act. The Electricity Utility Accounting Regulations provide that wheeling service income shall be recognized at the amount determined by the completed survey based on the inspection or measurement. Electricity charges are principally received by the thirtieth day from the following day of the payment obligation incurred after the use was determined by inspection or measurement.

Operating revenues from other business:

Operating revenues from other business refer to operating revenues from gas supply business, etc.

Operating revenues from gas supply business

Operating revenues from gas supply business refer to gas charges which TEPCO Energy Partner Inc., a principal electricity retail business company of the Group, sold to the customers of general households, offices, factories, etc.

The gas charges and other supply conditions related to the supply of gas to customers are defined in the various gas supply and demand contracts and main contract charge tables, and the performance obligation is to supply gas in accordance with such contracts.

Supply of gas in accordance with the contracts, etc. is principally performed over a contract period of one year, and as the performance obligation to supply of gas is satisfied, revenue is recognized over the period. Specifically, the use of gas is identified by inspection implemented usually once every month and revenue is recognized at that point. Inspection is periodically implemented for approximately twenty days per month by region since the number of contracts is large and monthly gas charge is determined using a rate provided by the gas supply and demand contracts and principal contract charge tables based on the identified use of gas.

Gas charges are principally received by the thirtieth day from the following day after inspection.

However, estimated accrued revenue from gas charges on the uninspected use from the latest inspection date as of the balance sheet date is recognized.

c. Reconciliation of satisfaction of performance obligations within contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue arising from customers existing at the end of the reporting period expected to be recognized in and after the following reporting period

(1) Balance of contract assets and contract liabilities, etc.

	Millions of yen		Millions of U.S. dollars
	April 1, 2025	March 31, 2026	March 31, 2026
Receivables from contracts with customers	¥648,168	¥578,121	$3,616
Contract assets	15,319	10,631	66
Contract liabilities	14,510	17,054	107

The balance of contract liabilities as of April 1, 2025 was mostly recognized as revenue for the fiscal year ended March 31, 2026 and the amount carried forward is immaterial. The amount of revenue recognized in the year ended March 31, 2026 from performance obligations that were satisfied in previous periods is also immaterial.

	Millions of yen	
	April 1, 2024	March 31, 2025
Receivables from contracts with customers	¥620,115	¥648,168
Contract assets	11,396	15,319
Contract liabilities	9,929	14,510

The balance of contract liabilities as of April 1, 2024 was mostly recognized as revenue for the fiscal year ended March 31, 2025 and the amount carried forward is immaterial. The amount of revenue recognized in the year ended March 31, 2025 from performance obligations that were satisfied in previous periods is also immaterial.

(2) Transaction price allocated to the remaining performance obligations

The total transaction price allocated to the remaining performance obligations are as follows:

	Millions of yen		Millions of U.S. dollars
	March 31, 2026	March 31, 2025	March 31, 2026
Total transaction price allocated to the remaining performance obligations that were not satisfied	¥691,508	¥521,738	$4,324
Expected timing of satisfaction of performance obligations			
Within one year	65,627	57,769	410
Over one year within three years	215,706	139,206	1,349
Over three years	410,174	324,762	2,565

The Company has applied the practical expedient to the notes on transaction prices allocated to the remaining performance obligations, and does not include transaction prices related to the remaining performance obligations with an original expected duration of one year or less and remaining performance obligations on which revenue is recognized in the amount the Company holds the contractual right to bill the fixed amount based on the hours of services provided.

(Note) At the end of the fiscal year ended March 31, 2026, the total transaction price expected to be recognized as revenue does not include revenue that may be obtained from the Long-term Decarbonization Power Source Auction. Revenue from the Long-term Decarbonization Power Source Auction is determined by deducting approximately 90% of the revenues obtained from the wholesale and non-fossil fuel markets, etc., during the same period as a refund from the contracted capacity agreement amount; however, because the refund amount fluctuates depending on future market prices, making it difficult to estimate the portion for which it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved, such revenue is not included in the scope of the notes.

35. SEGMENT INFORMATION

1. Summary of reportable segments

The Company's reportable segments consist of five segments that are "Holdings," "Fuel & Power," "Power Grid," "Energy Partner" and "Renewable Power."

Major business of each reportable segment is as follows:

"Holdings":

Supporting management, efficiently providing services common to key operating companies*, and nuclear power generation *Key operating companies: TEPCO Fuel & Power, Inc., TEPCO Power Grid, Inc., TEPCO Energy Partner, Inc., TEPCO Renewable Power, Inc.

"Fuel & Power":

Sales of electricity generated by thermal power stations, procurement of fuel, development of thermal power stations and investment in fuel businesses

"Power Grid":

Wheeling of electricity by transmission lines, substations and distribution lines, construction and maintenance of transmission/distribution lines and telecommunication equipment, research, acquisition and maintenance of land and buildings for facilities

"Energy Partner":

Proposal of optimum total solution models that meet customer needs, high-standard customer services and inexpensive power purchase

"Renewable Power"

Sales of electricity generated by renewable energy power stations, maintenance management of equipment, new development and investment of renewable energy power in Japan and abroad

2. Methods of measurement for the amounts of sales, profit (loss), assets and other items for each reportable segment

Accounting policies of each reportable segment are consistent with those disclosed in Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. Segment profit (loss) of the reportable segment is the figure based on ordinary income (loss), which consists of operating income (loss) and certain other income/ expenses. Certain other income/expenses mainly include interest and dividend income, interest expense, share of profit (loss) of entities accounted for using the equity method.

3. Information about sales, profit (loss), assets and other items is as follows:

	Millions of yen							
	2026							
	Reportable segment					Total	Adjustments (Note 1)	Consolidated (Note 2)
	Holdings	Fuel & Power	Power Grid	Energy Partner	Renewable Power			
Sales:								
Sales to third parties	¥212,728	¥3,701	¥1,225,637	¥4,834,964	¥51,542	¥6,328,574	¥—	¥6,328,574
Inter-segment sales and transfers	614,125	—	1,068,731	154,701	137,675	1,975,234	(1,975,234)	—
Total	826,853	3,701	2,294,368	4,989,666	189,218	8,303,808	(1,975,234)	6,328,574
Disaggregation of revenue (Note 3)								
Revenue from contracts with customers	¥826,853	¥3,701	¥2,294,019	¥4,857,594	¥189,218	¥8,171,387		
Electricity	610,990	3,701	2,184,518	4,499,108	184,833	7,483,151		
Gas supply	—	—	—	281,833	—	281,833		
Other	215,862	—	109,501	76,653	4,385	406,402		
Revenue from sources other than contracts with customers	—	—	348	132,072	—	132,421		
Total	826,853	3,701	2,294,368	4,989,666	189,218	8,303,808	(1,975,234)	6,328,574
Segment profit (loss)	¥128,967	¥83,349	¥81,716	¥254,959	¥40,399	¥589,393	¥(172,067)	¥417,326
Segment assets	¥9,758,688	¥1,642,002	¥7,404,013	¥2,321,531	¥795,269	¥21,921,505	¥(6,345,902)	¥15,575,602
Other items:								
Depreciation and amortization	¥104,181	¥20	¥250,836	¥17,033	¥18,212	¥390,284	¥(1,247)	¥389,037
Dividend income	176,436	—	14	469	—	176,921	(176,070)	850
Interest income	21,185	1,758	17,250	11,828	2,223	54,246	(48,709)	5,536
Interest expense	54,231	—	70,670	12,898	3,492	141,293	(48,709)	92,583
Share of profit (loss) of entities accounted for using the equity method	7,624	97,734	30,174	1,390	1,023	137,948	429	138,377
Investments in entities accounted for using the equity method	268,705	1,488,403	172,701	14,004	19,440	1,963,256	1,624	1,964,880
Increase in tangible and intangible fixed assets (Note 4)	355,868	—	479,496	39,160	36,471	910,996	(6,185)	904,810

	Millions of yen							
	2025							
	Reportable segment					Total	Adjustments (Note 1)	Consolidated (Note 2)
	Holdings	Fuel & Power	Power Grid	Energy Partner	Renewable Power			
Sales:								
Sales to third parties	¥135,077	¥3,781	¥1,210,133	¥5,372,599	¥88,798	¥6,810,391	¥—	¥6,810,391
Inter-segment sales and transfers	661,147	—	1,135,089	187,262	123,397	2,106,896	(2,106,896)	—
Total	796,224	3,781	2,345,223	5,559,862	212,196	8,917,288	(2,106,896)	6,810,391
Disaggregation of revenue (Note 3)								
Revenue from contracts with customers	¥796,224	¥3,781	¥2,344,472	¥5,379,011	¥212,196	¥8,735,686		
Electricity	615,402	3,781	2,236,780	4,996,195	208,265	8,060,425		
Gas supply	—	—	—	304,021	—	304,021		
Other	180,822	—	107,691	78,794	3,931	371,239		
Revenue from sources other than contracts with customers	—	—	751	180,850	—	181,601		
Total	796,224	3,781	2,345,223	5,559,862	212,196	8,917,288	(2,106,896)	6,810,391
Segment profit (loss)	¥(50,713)	¥57,734	¥54,918	¥287,920	¥53,620	¥403,481	¥(149,037)	¥254,443
Segment assets	¥9,509,789	¥1,488,333	¥7,259,695	¥2,325,563	¥763,405	¥21,346,787	¥(6,359,793)	¥14,986,993
Other items:								
Depreciation and amortization	¥95,982	¥20	¥237,825	¥17,174	¥17,616	¥368,618	¥(1,101)	¥367,517
Dividend income	141,307	—	12	411	—	141,730	(141,028)	701
Interest income	16,024	1,205	13,595	8,870	1,457	41,154	(38,198)	2,955
Interest expense	41,139	—	54,522	9,739	2,417	107,819	(38,198)	69,621
Share of profit (loss) of entities accounted for using the equity method	8,044	74,884	16,555	1,366	(369)	100,482	(254)	100,228
Investments in entities accounted for using the equity method	267,396	1,345,827	203,992	14,327	18,797	1,850,341	422	1,850,763
Increase in tangible and intangible fixed assets (Note 4)	345,551	—	460,235	30,344	36,976	873,106	(5,625)	867,481

	Millions of U.S. dollars							
	2026							
	Reportable segment					Total	Adjustments (Note 1)	Consolidated (Note 2)
	Holdings	Fuel & Power	Power Grid	Energy Partner	Renewable Power			
Sales:								
Sales to third parties	$1,330	$23	$7,665	$30,238	$322	$39,578	$—	$39,578
Inter-segment sales and transfers	3,841	—	6,684	967	861	12,353	(12,353)	—
Total	5,171	23	14,349	31,205	1,183	51,931	(12,353)	39,578
Disaggregation of revenue (Note 3)								
Revenue from contracts with customers	$5,171	$23	$14,347	$30,379	$1,183	$51,103		
Electricity	3,821	23	13,662	28,137	1,156	46,799		
Gas supply	—	—	—	1,763	—	1,763		
Other	1,350	—	685	479	27	2,541		
Revenue from sources other than contracts with customers	—	—	2	826	—	828		
Total	5,171	23	14,349	31,205	1,183	51,931	(12,353)	39,578
Segment profit (loss)	$807	$521	$511	$1,594	$253	$3,686	$(1,076)	$2,610
Segment assets	$61,030	$10,269	$46,304	$14,518	$4,974	$137,095	$(39,687)	$97,408
Other items:								
Depreciation and amortization	$652	$0	$1,568	$107	$114	$2,441	$(8)	$2,433
Dividend income	1,103	—	0	3	—	1,106	(1,101)	5
Interest income	133	11	108	74	14	340	(305)	35
Interest expense	339	—	442	81	22	884	(305)	579
Share of profit (loss) of entities accounted for using the equity method	48	611	189	9	6	863	2	865
Investments in entities accounted for using the equity method	1,680	9,308	1,080	88	122	12,278	10	12,288
Increase in tangible and intangible fixed assets (Note 4)	2,226	—	2,999	245	228	5,698	(39)	5,659

Notes:

1. ”Adjustments” of “Segment profit (loss) ” in the amount of ¥(172,067) million (US$(1,076) million) and ¥(149,037) million includes inter-segment elimination of dividend in an amount of ¥(176,070) million (US$(1,101) million) and ¥(141,028) million for the years ended March 31, 2026 and 2025, respectively.
   “Adjustments” of “Segment assets” in the amount of ¥(6,345,902) million (US$(39,687) million) and ¥(6,359,793) million includes ¥(4,042,090) million (US$(25,279) million) and ¥(4,047,143) million of claims and obligations offsetting due to inter-segment transactions and ¥(2,190,703) million (US$(13,700) million) and ¥(2,190,703) million investment and capital offsetting at March 31, 2026 and 2025, respectively.
   “Adjustments” of “Depreciation” in the amount of ¥(1,247) million (US$(8) million) and ¥(1,101) million refers to inter-segment elimination for the years ended March 31, 2026 and 2025, respectively.
   “Adjustments” of “Increase in tangible and intangible fixed assets” in an amount of ¥(6,185) million (US$(39) million) and ¥(5,625) million refers to inter-segment elimination for the years ended March 31, 2026 and 2025, respectively.

2. Segment profit (loss) is reconciled with ordinary income (loss) in the consolidated financial statements.

3. For the fiscal year ended March 31,2026, electricity and gas prices are discounted based on the discounted unit price prescribed by the Japanese government under a project to ease the burden of electricity and gas rates, which is implemented as part of the government's comprehensive economic measures for people's peace of mind and safety and sustainable growth, emergency response package against U.S. tariff measures, and comprehensive economic measures to realize a "strong economy." To provide this discount, the Company has received the subsidy of ¥132,421 million (US$828 million) from the government, which is recorded in "Revenue from sources other than contracts with customers." The subsidy consists of ¥348 million (US$2 million) for Power Grid and ¥132,072 million (US$826 million) for Energy Partner.
   Other than the subsidy, the value of revenue arising from sources other than contracts with customers is immaterial and is therefore not recorded separately from revenue from contracts with customers.

   For the fiscal year ended March 31,2025, electricity and gas prices are discounted based on the discounted unit price prescribed by the Japanese government under an operation to mitigate sudden fluctuation in electricity and gas prices and an urgent support to survive in a heat wave, which is implemented as part of the government's comprehensive economic measures to completely break free from deflation and a project to ease the burden of electricity and gas rates, which is implemented as part of the government's comprehensive economic measures for people's peace of mind and safety and sustainable growth. To provide this discount, the Company has received the subsidy of ¥181,601 million from the government, which is recorded in "Revenue from sources other than contracts with customers." The subsidy consists of ¥751 million for Power Grid and ¥180,850 million for Energy Partner.
   Other than the subsidy, the value of revenue arising from sources other than contracts with customers is immaterial and is therefore not recorded separately from revenue from contracts with customers.

4. "Increase in tangible and intangible fixed assets" does not include the amount recorded in assets corresponding to asset retirement obligations.

Information about impairment loss on tangible fixed assets by reportable segment has been omitted for the years ended March 31, 2026 and 2025, since there was no materiality.

Information about amortization and unamortized ending balance of goodwill by reportable segment has been omitted for the years ended March 31, 2026 and 2025, since there was no materiality.

Information about gain on negative goodwill by reportable segment has been omitted, since such information was not applicable for the years ended March 31, 2026 and 2025.

36. RELATED PARTY TRANSACTIONS

Related party transactions with a main shareholder and an affiliate are as follows:

Type	Main shareholder	
Name	NDF	
Location	Toranomon, Minato-ku, Tokyo	
Capital	¥14,000 million (US$88 million)	
Business	*1	
Ownership	Directly owned 50.08% (50.09% as of March 31, 2025)	
Relationship	*2	
Transaction:	Year ended March 31, 2026	Year ended March 31, 2025
Receipt of grant-in-aid (Note 1)	¥137,100 million (US$857 million)	¥263,700 million
Payment of contribution (Note 2)	¥107,550 million (US$673 million)	¥137,550 million
Reserve for decommissioning Reactors (Note 3)	¥262,073 million (US$1,639 million)	¥260,183 million
Ending balance:	At March 31, 2026	At March 31, 2025
Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning	¥513,265 million (US$3,210 million)	¥525,412 million
Accrued expenses	¥107,550 million (US$673 million)	¥137,550 million
Reserve fund for nuclear reactor decommissioning	¥748,465 million (US$4,681 million)	¥712,208 million

*1 Receipt of burden money based on the NDF Act, financial support, consultation and management of reserve fund for nuclear reactor decommissioning

*2 Receipt of financial support based on the NDF Act, payment of contribution and reserve fund for nuclear reactor decommissioning

(Note 1) Receipt of grants-in-aid is financial support based on the provision of the paragraph 1 of Article 41 of the NDF Act.

(Note 2) Payment of a contribution is based on the provision of the paragraph 1 of Article 38 and the paragraph 1 of Article 52 of the NDF Act.

(Note 3) Reserve for decommissioning reactors is based on the provision of the paragraph 1 of Article 55-3 of the NDF Act.

Type	Affiliate	
Name	JERA Co., Inc.	
Location	Chuou-ku, Tokyo	
Capital	¥100,000 million (US$625 million)	
Business	Electricity, gas, procurement of fuel	
Ownership	Indirectly owned 50%	
Relationship	Purchase of electricity and gas, Combination of offices as directors	
Transaction:	Year ended March 31, 2026	Year ended March 31, 2025
Purchase of electricity and gas (Note 1)	¥2,183,261 million (US$13,654 million)	¥2,243,192 million
Ending balance:	At March 31, 2026	At March 31, 2025
Current payables to affiliates	¥202,329 million (US$1,265 million)	¥186,325 million

Type	Affiliate	
Name	Kandenko Co., Ltd.	
Location	Minato-ku, Tokyo	
Capital	¥10,264 million (US$64 million)	
Business	Construction	
Ownership	Indirectly owned 35.34%	
Relationship	Outsourcing of electrical construction works	
Transaction:	Year ended March 31, 2026	Year ended March 31, 2025
Sale of securities (Note 2)		
Proceeds from sale	¥28,865 million (US$181 million)	—
Gain on sale	¥10,882 million (US$68 million)	—

Type	Affiliate
Name	The Japan Atomic Power Company
Location	Taito-ku, Tokyo
Capital	¥120,000 million (US$750 million)
Business	Nuclear Power
Ownership	Directly owned 28.23%, indirectly owned 0.07%
Relationship	Purchase of electricity, Combination of offices as directors

Transaction:	Year ended March 31, 2026	Year ended March 31, 2025
Advance payment for electricity received (Note 3)	¥67,754 million (US$424 million)	—
Ending balance:	At March 31, 2026	At March 31, 2025
Long-term prepaid expenses	¥275,803 million (US$1,725 million)	—

(Note 1) The transaction price is determined through negotiation considering the market trend.

(Note 2) The sale of shares was conducted through the Tokyo Stock Exchange's Off-auction Own-share Repurchase Trading System (ToSTNeT-3) at a price of 5,563 yen (US$35) per share.

(Note 3) The advance payment is made for a portion of the charges for electricity to be received.

Summary of consolidated financial information of JERA Co., Inc., an important affiliate of the Company, for the years ended March 31, 2026 and 2025 is as follows:

	JERA Co., Inc.		
	Millions of yen		Millions of U.S. dollars
	March 31, 2026	March 31, 2025	March 31, 2026
Total current assets	¥4,316,097	¥3,045,655	$26,992
Total non-current assets	5,681,820	5,544,093	35,534
Total current liabilities	3,246,629	1,937,528	20,304
Total non-current liabilities	3,482,156	3,658,948	21,777
Total shareholders' equity	3,269,132	2,993,271	20,445
Revenue	3,050,014	3,355,916	19,075
Profit before tax	291,621	278,152	1,824
Profit attributable to owners of parent	193,515	183,912	1,210

37. PER SHARE INFORMATION

Per share information at March 31, 2026 and 2025 and for the years then ended is as follows:

	Yen		U.S. dollar
	2026	2025	2026
Net assets per share	¥1,491.01	¥1,722.28	$9.32
Net income (loss) per share	(283.51)	100.67	(1.77)
Diluted net income per share	—	32.68	—

Notes:

1. Diluted net income per share for the fiscal year ended March 31, 2026 is not stated despite the presence of dilutive shares because a net loss per share is recorded.
2. Net assets per share is calculated based on the following information:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Net assets	¥3,418,351	¥3,786,130	$21,378
Amounts to be deducted from net assets	1,028,706	1,026,900	6,434
(Of which payment of preferred stock)	(1,000,000)	(1,000,000)	(6,254)
(Of which Non-controlling interests)	(28,706)	(26,900)	(180)
Net assets at March 31 attributable to common stock	¥2,389,645	¥2,759,230	$14,944

	Number of shares (in thousands)	
	2026	2025
Number of shares of common stock at March 31 which was used to compute net assets per share	1,602,702	1,602,075

3. Net income (loss) per share was calculated based on the following information:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Net income (loss) attributable to owners of the parent	¥(454,263)	¥161,278	$(2,841)
Net income not attributable to common stock shareholders	—	—	—
Net income (loss) attributable to common stockholders of the parent	¥(454,263)	¥161,278	$(2,841)

	Number of shares (in thousands)	
	2026	2025
Average number of shares of common stock outstanding during the year	1,602,276	1,602,090

4. Diluted net income per share is calculated based on the following information:

	Millions of yen		Millions of U.S. dollars
	2026	2025	2026
Adjustments to net income attributable to owners of the parent	¥ —	¥ —	$ —

	Number of shares (in thousands)	
	2026	2025
Increase in common stock	-	3,333,333
(Of which preferred stock-Class A)	(-)	(1,066,666)
(Of which preferred stock-Class B)	(-)	(2,266,666)
Potential shares which were not included in computing net income per share after dilution of potential shares since they have no dilutive effect	Preferred stock－Class A (Number of issued shares: 1,600,000 thousand shares) Preferred stock－Class B (Number of issued shares: 340,000 thousand shares)	—

Wordings of Acts, Regulations and others used in the notes to the consolidated financial statements	Full descriptions of the wordings of Acts, Regulations and Others
Implementation Guidance on Determining Consolidation Scope	Guidance on Determining a Subsidiary and an Affiliate (ASBJ Guidance No. 22 issued on March 25, 2011)
The Corporation Tax Act	The Corporation Tax Act (effective on March 31, 1965; Act No. 34 of 1965)
The NDF Act	The Act on the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (Act No. 94 on August 10, 2011)
The Interim Guidelines	The Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO (August 5, 2011)
The Act on Special Measures Concerning the Handling of Environment Pollution by Radioactive Materials	The Act on Special Measures Concerning the Handling of Environment Pollution by Radioactive Materials Discharged by the Nuclear Power Station Accident Associated with the Tohoku District - Off the Pacific Ocean Earthquake That Occurred on March 11, 2011(effective on August 30, 2011; Act No. 110 of 2011)
Electricity Utility Accounting Regulations	Electricity Utility Accounting Regulations (Ordinance No. 57 of the Ministry of International Trade and Industry, 1965)
The Act on Contract for Indemnification of Nuclear Damage Compensation	The Act on Contract for Indemnification of Nuclear Damage Compensation (Act No.148, June 17, 1961)
The Electricity Business Act	The Electricity Business Act (Act No.170 of 1964)
GX Decarbonization Electricity Act	Act for Partial Revision of the Electricity Business Act and Other Acts for Establishing Electricity Supply Systems for Realizing a Decarbonized Society (Act No. 44, 2023)
Revision of Spent Fuel Reprocessing Act	Act on Reprocessing of Spent Fuel in Nuclear Power Generation, etc., and Promotion of Decommissioning of Power Reactor (Act No. 48, 2005)
The Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors	The Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors (effective on June 10, 1957; Act No.166 of 1957)
Ordinance Amending GX Decarbonization Electricity Act	Ministerial Ordinance on Arrangement of Relevant Ministerial Ordinances, etc., Incidental to Enforcement of the Act for Partial Revision of the Electricity Business Act and Other Acts for Establishing Electricity Supply Systems for Realizing a Decarbonized Society (Ordinance of the Ministry of Economy, Trade and Industry No. 21, 2024)
The Ministerial Ordinance Concerning Reserve for Decommissioning Costs of Nuclear Power Units	The Ministerial Ordinance Concerning Reserve for Decommissioning Costs of Nuclear Power Units (Ordinance No. 30 of 1989 of Ministry of International Trade and Industry)
The Ordinance of Ministry for making a revision of the Ordinance for Enforcement of the Electricity Business Act	The Ordinance of Ministry for making a revision of the Ordinance for Enforcement of the Electricity Business Act（Ordinance No. 77 of 2017 of Ministry of Economy, Trade and Industry）
The Ordinance for Enforcement of the Electricity Business Act	The Ordinance for Enforcement of the Electricity Business Act (Ordinance No. 77 of 1995 of Ministry of International Trade and Industry)
Accounting Standard for Leases	“Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024)
Implementation Guidance on Accounting Standard for Leases	“Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024)
The Nuclear Damage Compensation Act	The Nuclear Damage Compensation Act (effective on June 17, 1961; Act No. 147 of 1961)
Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System	Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System (PITF No. 42 issued on August 12, 2021)

(For Translation Purposes Only)

・This report is a translation of the independent auditor's report (Japanese) issued for the securities report (Japanese), Yukashoken-Houkokusho, based on the Financial Instruments and Exchange Act of Japan.
・The integrated report does not include the consolidated supplementary schedules and the Management's Report on Internal Control Over Financial Reporting for the consolidated financial statements.
・Descriptions regarding "Other Information" and "Fee-related Information" do not relate to the integrated report, but to the securities report (Japanese), Yukashoken-Houkokusho.

Independent Auditor's Report

June 24, 2026

The Board of Directors
Tokyo Electric Power Company Holdings, Incorporated

Ernst & Young ShinNihon LLC
Tokyo, Japan

Designated Engagement Partner Certified Public Accountant	Atsushi Kasuga
Designated Engagement Partner Certified Public Accountant	Masayasu Iida
Designated Engagement Partner Certified Public Accountant	Kazuyuki Maekawa

<The Audit of the Consolidated Financial Statements>
Opinion

Pursuant to Article 193-2, Section 1 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying consolidated financial statements of Tokyo Electric Power Company Holdings, Incorporated (the Company) and its consolidated subsidiaries (collectively, the Group) included in "Financial Information" for the fiscal year from April 1, 2025 to March 31, 2026, which comprise the consolidated balance sheet, the consolidated statements of income, comprehensive income, changes in net assets, and cash flows, significant accounting policies, other related notes, and the consolidated supplemental schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to Notes 1(m) (Additional information) and 17 to the consolidated financial statements, which describe the matters below. Our opinion is not qualified in respect of those matters.

(1) As explained in Note 17 to the accompanying consolidated financial statements, since the ocean discharge of ALPS-treated water began, damage has been incurred due to measures taken by foreign governments to suspend imports, etc. However, mainly because the full extent of the damage has not yet been confirmed, the Company has not been able to reasonably estimate the amount of compensation for damages as of March 31, 2026, except for the amount that could be reasonably estimated based on available data such as actual claims for compensation.

In addition, treatment of wastes and decontamination measures have been proceeding under the national fiscal measures based on "The Act on Special Measures Concerning the Handling of Environment Pollution by Radioactive Materials Discharged by the Nuclear Power Station Accident Associated with the Tohoku District - Off the Pacific Ocean Earthquake That Occurred on March 11, 2011" (effective on August 30, 2011; Act No. 110 of 2011). A reasonable estimation of concerning costs, the allocation of which is being discussed with the government, is not possible under the current circumstances, as concrete measures for the treatment of waste are not yet identifiable. Regarding such costs, Nuclear Damage Compensation and Decommissioning Facilitation Corporation shall provide necessary financial support based on "The Act on the Nuclear Damage Compensation and Decommissioning Facilitation Corporation" (effective on August 10, 2011; Act No. 94 of 2011) to the nuclear power operators who applied for financial support concerning compensation for nuclear damages.

(2) As explained in Note 1(m) (Additional information) to the accompanying consolidated financial statements, the Company records the amounts of costs necessary for the implementation of the decommissioning of Fukushima Daiichi Nuclear Power Station Units 1 through 4 within the range of reasonable estimates based on the currently available information, although they might vary from now on, since it is difficult to identify the whole situations of the damages.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Reserve for expenses and/or losses for settlement of the accident and the decommissioning of Fukushima Daiichi Nuclear Power Station	
Description of Key Audit Matter	**Auditor's Response**
As described in Note 1 "Summary of Significant Accounting Policies," and Note 2 "Significant Accounting Estimates," the Company recorded a reserve for loss on disaster of ¥1,236,897 million as well as a provision for preparation of removal of reactor cores in the specified nuclear power facilities of ¥250,034 million and a provision for removal of reactor cores in the specified nuclear power facilities of ¥180,976 million as estimated reserves for expenses and/or losses for settlement of the accident and the decommissioning of Fukushima Daiichi Nuclear Power Station. In addition, these estimates were based on the "Mid-and-Long-Term Roadmap towards the Decommissioning of TEPCO's Fukushima Daiichi Nuclear Power Station" (the Mid-and-Long-Term Roadmap) and "Mid-and-Long-Term Decommissioning Implementation Plan 2026." Although the estimates of expenses and/or losses, in line with the Mid-and-Long-Term Roadmap and estimated decommissioning costs recorded based on actual amounts of costs incurred in response to overseas nuclear power station accidents, might vary in the future given that the decommissioning of the Fukushima Daiichi Nuclear Power Station is an unprecedented undertaking, the Company records the estimated amounts within a range of reasonable estimates based on currently available information as follows. As described in Note 5. "Changes in Accounting Estimates," the Company changed the estimates of expenses and/or losses related to the resolution of the accident at the Fukushima Daiichi Nuclear Power Station and its decommissioning, as the approach to preparatory work for fuel debris retrieval, which can now be demonstrated with a degree of technical justification, was set forth following the establishment of the fuel debris retrieval method based on the discussions on the preparation process held at the NDF Sub-Committee for the Evaluation of Fuel Debris Retrieval Methods. As a result, the Company recorded an extraordinary loss on disaster of ¥903,000 million, including estimated additional costs for preparatory work	We primarily performed the following audit procedures to address the key audit matter. (1) Evaluation of internal controls ・We obtained an understanding of internal controls related to the estimation process of the reserve for loss on disaster, provision for preparation of removal of reactor cores in the specified nuclear power facilities, and provision for removal of reactor cores in the specified nuclear power facilities and evaluated the design, implementation, and operating effectiveness of these internal controls. (2) Evaluation of items to which standard estimation process is applied ・In order to assess the completeness of the reserve for loss on disaster, we discussed the progress of the Mid-and-Long-Term Roadmap, status of concrete measures, propriety of estimates based on these measures, and fluctuation risk with management and external institutions. In addition, we evaluated the consistency of the scope within which such reserve is recorded by comparing a detailed progress schedule of the "Mid-and-Long-Term Decommissioning Implementation Plan 2026" with materials related to the calculation of the reserve. ・To evaluate estimates of costs to be incurred for specific measures, we obtained the contracts or budgets of selected samples based on a predetermined quantitative threshold. ・To evaluate the estimation process for loss on disaster, we compared previous estimates with actual amounts or the latest available estimates. ・To evaluate the amounts recorded for the provision for preparation of removal of reactor cores in the specified nuclear power facilities and the provision for removal of reactor cores in the specified nuclear power facilities, we compared the amounts of the provisions with the withdrawal plan for the reserve fund for decommissioning nuclear reactors. ・To evaluate the timeliness of the change in accounting estimates, we discussed with

associated with the retrieval operations in the current fiscal year. (1) Items to which standard estimation process is applied: The Company disclosed the details of its primary work process for decommissioning reactors in the "Mid-and-Long-Term Decommissioning Implementation Plan 2026" issued on March 26, 2026. Based on the plan, related expenses are estimated as of the current fiscal year end. However, going forward, many specific considerations will be made about the necessary measures. Hence, the latest estimates of expenses and/or losses depend on management's judgment and assumptions since such estimates involve key assumptions based on the status of ongoing research by the national government and other institutions as well as specifications used for similar work already carried out in the past. (2) Items to which standard estimation process is not applied For expenses and/or losses to which the standard estimation process is not applied because the specific construction details cannot currently be ascertained, the estimated amounts are recorded based on actual amounts of costs incurred in response to overseas nuclear power station accidents. The latest estimates are based on the key assumption that the type, scope, and volume of work required for decommissioning reactors is proportionate to the number of power generators. Furthermore, the estimate is reliant on management's judgment and involves uncertainties. Therefore, based on the above, we determined that the reserve for expenses and/or losses for settlement of the accident and the decommissioning of Fukushima Daiichi Nuclear Power Station is a key audit matter since it requires management to exercise significant judgment and is material.	management and external institutions the details covered in the proceedings of the NDF Sub-Committee for the Evaluation of Fuel Debris Retrieval Methods that enabled the Company to make a new estimation. (3) Evaluation of items to which standard estimation process is not applied ・To evaluate the propriety of estimates based on concrete measures and the necessity of revising key assumptions, we discussed the latest status of such concrete measures for the removal of nuclear fuel debris with management and external institutions.

Other Information

The other information comprises the information included in Yukashoken-Houkokusho but does not include the consolidated financial statements, the non-consolidated financial statements and our audit report thereon. Management is responsible for preparation and disclosure of the other information. The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Management's and the Audit Committee's Responsibilities for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the duties of executive officers and directors in designing and operating the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion from an independent standpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce them to an acceptable level.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

<Internal control audit>
Opinion

Pursuant to Article 193-2, Section 2 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying Management's Report on Internal Control Over Financial Reporting for the consolidated financial statements as at March 31, 2026 of Tokyo Electric Power Company Holdings, Incorporated. ("Management's Report").

In our opinion, Management's Report referred to above, which represents that the internal control over financial reporting as at March 31, 2026 of Tokyo Electric Power Company Holdings, Incorporated is effective, presents fairly, in all material respects, the result of management's assessment of internal control over financial reporting in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our internal control audit in accordance with auditing standards on internal control over financial reporting generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Internal Control section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's and the Audit Committee's Responsibilities for Management's Report

Management is responsible for designing and operating internal control over financial reporting, and for the preparation and fair presentation of Management's Report in accordance with standards for assessment of internal control over financial reporting generally accepted in Japan.

The Audit Committee is responsible for monitoring and verifying the design and operation of internal control over financial reporting.

Internal control over financial reporting may not prevent or detect misstatements.

Auditor's Responsibilities for the Audit of Internal Control

Our objectives are to obtain reasonable assurance about whether Management's Report is free from material misstatement, and to issue an auditor's report that includes our opinion from an independent standpoint.

As part of an audit in accordance with auditing standards on internal control generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Perform audit procedures to obtain audit evidence relating to the result of management's assessment of internal control over financial reporting in Management's Report. The design and performance of audit procedures for internal control audits is based on our judgement in consideration of the materiality of the effect on the reliability of financial reporting.
- Consider the overall presentation of Management's Report with regards to the scope, procedures, and result of the assessment of internal control over financial reporting including descriptions by management.
- Plan and perform the internal control audit to obtain sufficient appropriate audit evidence regarding the result of management's assessment of internal control over financial reporting in Management's Report. We are responsible for the direction, supervision, and review of the audit of Management's Report. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the internal control audit, the results of the internal control audit, any significant deficiencies in internal control that we identify, and the results of corrective measures for such significant deficiencies.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of internal control in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce them to an acceptable level.

Fee-related Information

The fees for the audits of the financial statements of the Company and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2026 are presented in “(3) Status of Audit” of “Corporate Governance” section included in “Information about Reporting Company.”

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.