



TEPCO

Integrated Report 2024



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Delivering a stable supply





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Develop the future of energy Deliver a comfortable life

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Tomoaki Kobayakawa

Director,
Representative Executive Officer,
President
Tokyo Electric Power Company Holdings, Inc.

Dear Stakeholders,

Just like last year's report, the TEPCO Integrated Report 2024 (hereinafter referred to as, "Integrated Report") has separate chapters that cover each of the four key management issues (materiality) identified to achieve the Group's Mission/Vision (p.18~67). The Integrated Report also reflects the TEPCO Group's business commitment to incorporating financial and non-financial information into our business strategies based on integrated thinking.

In light of the issuance of General Requirements for Disclosure of Sustainability-related Financial Information by the IFRS (IFRS S1 and S2) in June 2023, we revised our editing policy so that each of the four materiality chapters in the Integrated Report cover governance, strategies, risk management, and metrics/targets.

The Integrated Report also provides more detailed information on the following in order to address concerns elicited from stakeholders.

- Highly capital-efficient management (strengthening business management based on financial indicators such as ROIC, etc.)
- Compliance, cybersecurity, and governance of nuclear operation
- Efforts to enhance safety at the Kashiwazaki-Kariwa Nuclear Power Station
- Handling natural disasters & supplying the rapidly increasing demand for data centers, etc.

The Integrated Report was written upon coordination with, and repeated discussions between, oversight and executives. Principal non-financial information herein has been guaranteed by independent evaluation organizations. I declare that the Integrated Report has been written in good faith, and that all of the information contained herein is legitimate. The TEPCO Group will continue to value engagement with stakeholders.

TEPCO Integrated Report 2024

Report Period : April 2023~March 2024 (Some important information from outside this period has also been included)

Report Subjects : All 71 consolidated companies of the TEPCO Group (Some important information outside of this scope has also been included)

Publishing date : November 2024

Next planned date of publishing : November 2025

A note on future forecasts included in the report

Plans, strategies and performance forecasts included in this report are based upon information available to TEPCO at the time of publication. These forecasts/predictions contain various uncertainties, such as international affairs, domestic policies, social structural changes, and technological innovations affecting our group. It is possible that latent risks with the potential to reverse these forecasts/predictions may manifest. Therefore, we ask that you please be aware that the actual performance/business environment in the future may differ from what has been noted in this report.

Risk management mentioned in each chapter

"Risks" and "Opportunities" mentioned in the Integrated Report shall be defined as follows:

Risks: Phenomena that may impede the output/outcome of said business.

Opportunities: Phenomena that may lead to additional benefit in conjunction with the output/outcome of said business.

Referenced guidelines, etc.

IFRS International Integrated Reporting Framework

IFRS SASB Standards

GRI Standards

TCFD & TNFD Recommendations

Ministry of Economy, Trade and Industry Value Co-creation Guidance 2.0

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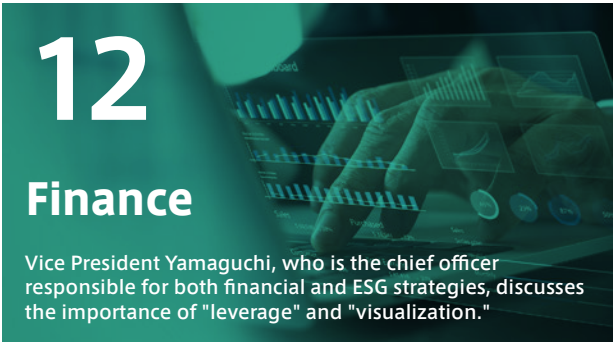
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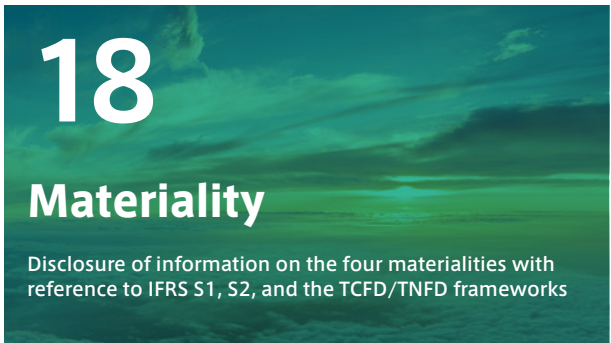
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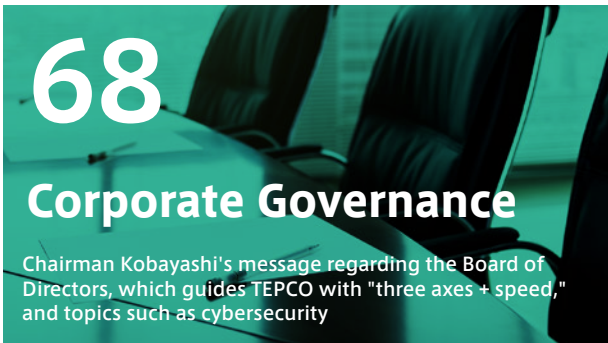
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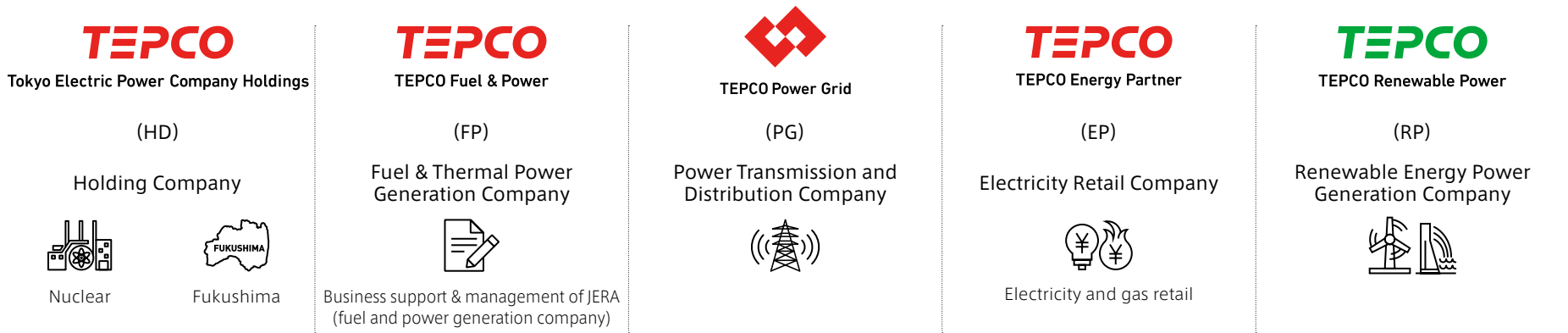
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In this report, Tokyo Electric Power Company Holdings, Inc. is referred to as TEPCO Holdings as needed.
The core operating companies refer to the four companies: TEPCO Fuel & Power, TEPCO Power Grid, TEPCO Energy Partner, and TEPCO Renewable Power.

Financial Capital

Electricity revenue and green finance

Electricity revenue

Approx. ¥4 trillion

Total green bond issuance

Approx. ¥120 billion

Social and Relationship Capital

Relationship with the local community

Communication regarding the Fukushima Daiichi Nuclear Power Station

Approx. 69,200 people (total)

Total number of people engaged in dialogue and those who visited from January 2021 to March 2024

Manufactured Capital

Widespread power transmission network that can meet high demand

Power transmission lines (circuit length)

40,999 km

Distribution lines (conductor length)

1,069,287 km

Natural Capital

Top domestic hydropower generation

Domestic hydropower plant capacity (RP consolidated)

Approx. 9.99 GW

Pumped-storage capacity

Approx. 7.6 GW

Conservation of Oze National Park

Oze National Park owned by the TEPCO Group

Approx. 16,000 ha

Benefit assessment of activities in Oze

¥46.78 billion

Human Capital

Employees working with a sense of mission and fulfillment

Number of Employees (consolidated)

38,121 people

Employee Well-being (HD・FP・PG・EP・RP)

6.78

the average from the 11-point (0-10) scale used in the employee awareness survey

Intellectual Capital

Business creation through R&D and business innovation through DX

Selection of

Noteworthy DX Companies 2024

DX promotion human resources

Approx. 5,200 people

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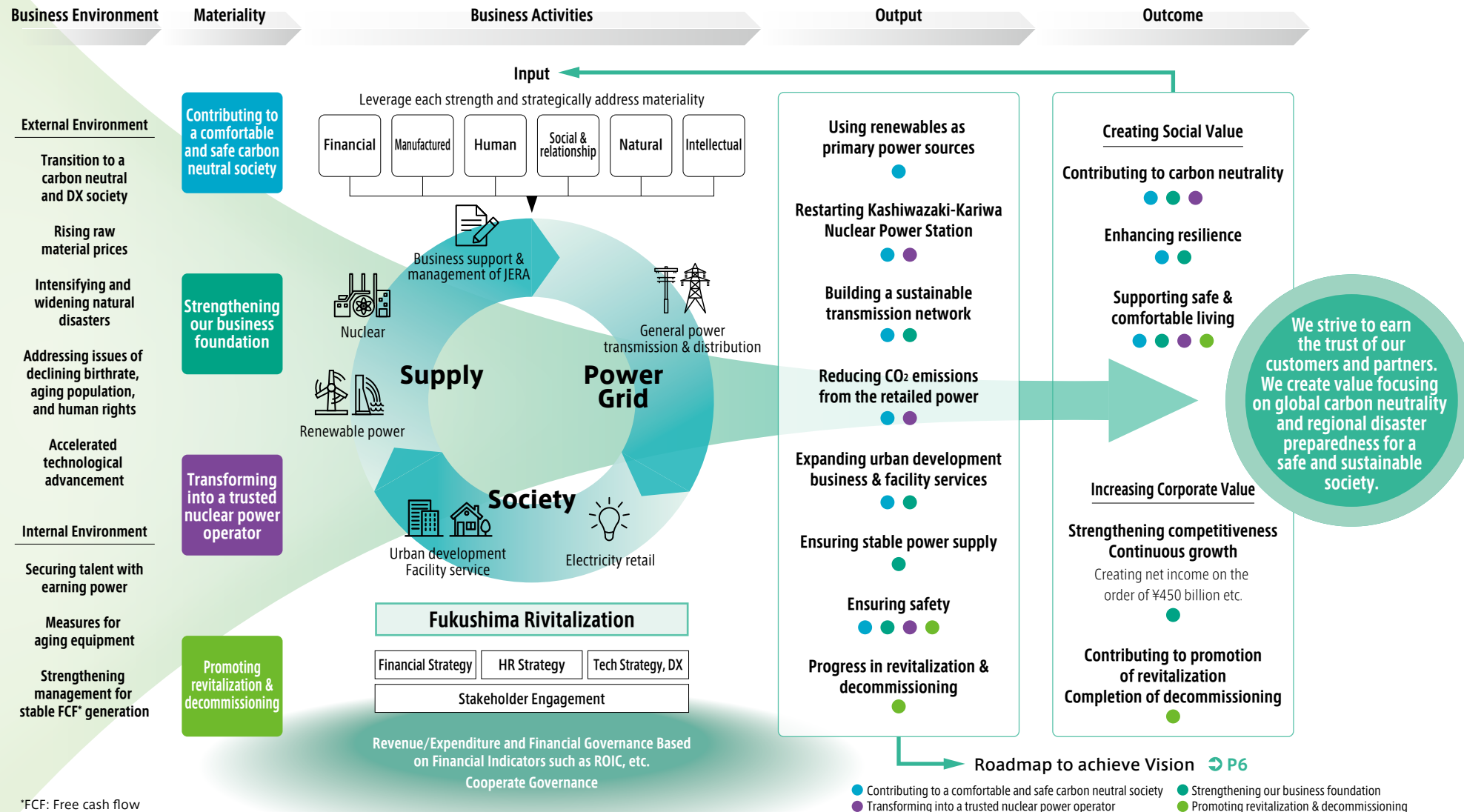
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Value Creation Process

TEPCO Group Mission
Develop the future of energy
Deliver a comfortable life



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Four Materialities

Every year, the TEPCO Group analyzes its business environment based on the state of domestic/international affairs and stakeholder engagement, etc., and identifies important risks and opportunities pertaining to its business. The importance of the identified risks and opportunities are assessed from two perspectives, social impact and financial impact, and they are audited/overseen by the Board of Directors as management issues.

Promoting revitalization & decommissioning

Promoting activities aimed at revitalization while moving safely and steadily forward with decommissioning with "regaining trust" as our number one priority.

Transforming into a trusted nuclear power operator

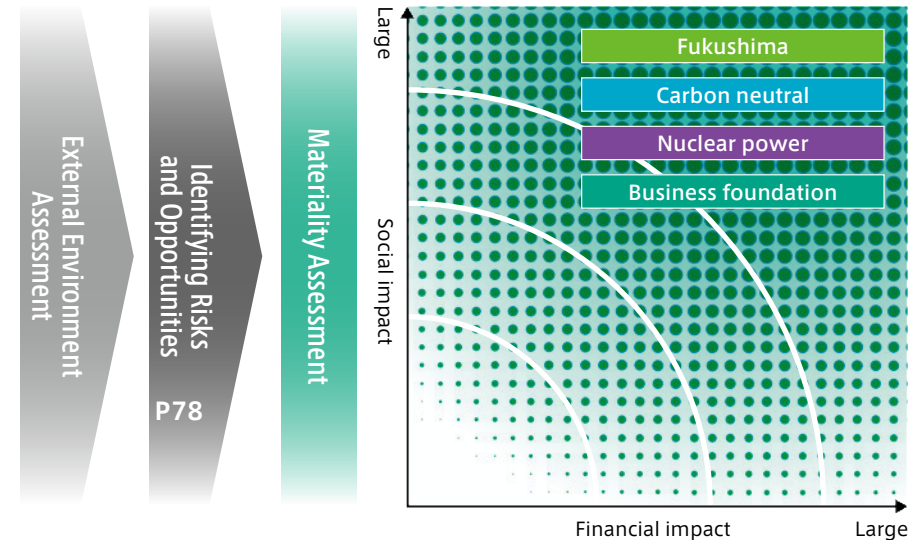
We are pursuing nuclear security and safety as we aim to be a nuclear power station that is trusted by the regional communities and society as a whole.

Contributing to a comfortable and safe carbon neutral society

We will create a sustainable society by developing our business while focusing on carbon neutrality and improving resilience.

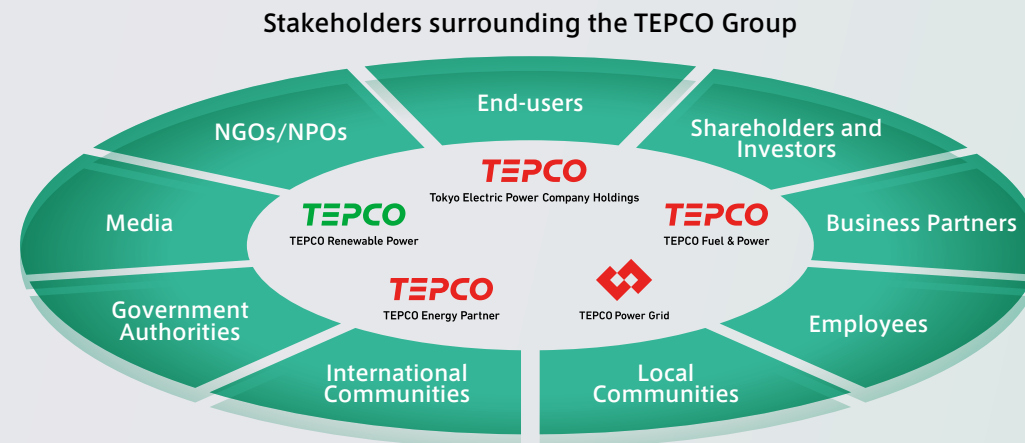
Strengthening our business foundation

In order to realize our Vision, we will steadily grow six forms of operating capital in order to create and refine our "strengths."



External Environment Assessment

In our business environment analysis, crucial for identifying materiality, we monitor international trends, domestic government policies, social structure changes, and technological innovations. We also evaluate social impacts from stakeholder engagement and incorporate these findings into our importance assessments. The TEPCO Group classifies stakeholders into nine categories, identifying the most relevant ones for each business activity based on their potential impact and benefits. The influence and engagement outcomes with each stakeholder are then integrated into our annual planning process.



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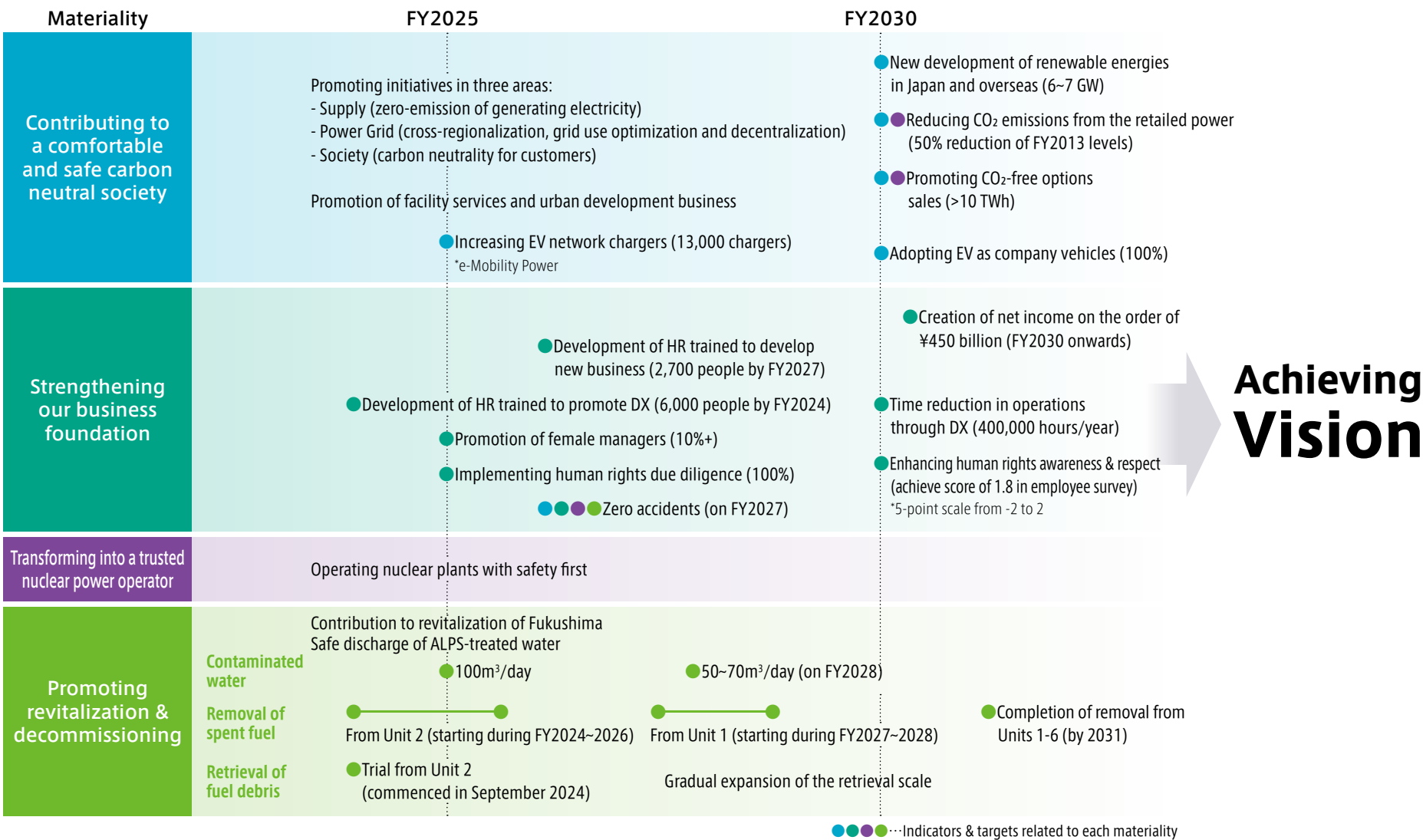
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Roadmap to Achieve Vision

The TEPCO Group has identified four materialities that are particularly important for realizing the Vision of the "TEPCO Group's Corporate Philosophy." Strategies have been formulated and indicators and targets have been set for individual key management issues aimed at resolving each materiality (Pages 18-67). In addition to evaluating and analyzing the performance of each indicator at the Board of Directors and other meetings, we flexibly review the capital input in response to changes in the external environment to enhance the achievement of each materiality and advance our efforts toward realizing the Vision.



Achieving Vision

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Materiality	Sub-materiality	Indicators/actions	Target fiscal year	Target	Achievements	
					FY2022	FY2023
Contributing to a comfortable and safe carbon neutral society ➡ P18	Using renewables as primary power sources	Net profit from our renewables power generation business	2030	On the order of ¥100 billion/year	¥37.0 billion	¥58.4 billion
		New development of renewables in Japan and overseas		6~7 GW	3.03GW (including facilities under development)	3.46 GW (including facilities under development)
	Business structure reforms that look forward to a carbon neutral society	Reducing CO ₂ emissions from the retailed power from FY2013 levels		50% reduction	53% reduction	44% reduction (see page 31 for details)
		CO ₂ -free options sales volume in the corporate sector		more than 10 TWh	6.3 TWh	10.3 TWh
		Urban development aiming for carbon neutrality and resilience; the number of Decarbonization Leading Areas		Expanding contracts for urban development	5 areas	7 areas
		Market development through multi-use storage battery solutions	2031	30% share of the storage battery market (based on contract earnings)	¥3.8 billion	¥10.1 billion
		Number of EV chargers; achievements of e-Mobility Power	2025	13,000 quick chargers	Approx. 7,900 quick chargers	Approx. 9,100 quick chargers
		EV100; adopting EVs for company vehicles	2030	100%	21%	27%
Strengthening our business foundation ➡ P34	Financial strategy	Consolidated profit after FY2030	2030 onwards	On the order of ¥450 billion	¥ -123.6 billion	¥267.8 billion
	Human resource strategy	Number of human resources deployed to solve key management issues	—	1,958 people	1,379 people	1,959 people
		Number of human resources trained to develop new business	2027	2,700 people	908 people	1,418 people
		Number of human resources trained to promote DX	2024	6,000 people (more than 20% of all employees)	Approx. 2,300 people	Approx. 5,200 people
		Percentage of female managers	2025	>10%	5.9%	6.0%
		Human rights due diligence implementation rate		100%	28.8%	31.8%
		Thorough safety measures and quality control	2027	Zero accidents	2 fatalities and 27 serious injuries	Zero fatalities and 25 serious injuries
	Technology strategy	Reduction work hours through DX	2030	400,000 hours/year	Newly set in FY2024	
Transforming into a trusted nuclear power operator ➡ P54	Pursuit of nuclear security and safety at nuclear power stations	Pursuing nuclear security through sustained corrective action	—	Operation of Kashiwazaki-Kariwa Nuclear Power Station that prioritizes safety	We implemented corrective action and cooperated with additional inspections.	The order prohibiting the transfer of fuel has been lifted. We continue our efforts to ensure improvement measures are not transient.
		Steady progress on safety measure renovations, enhancing safety levels			The first round of general inspections pertaining to incomplete safety measure renovations is finished.	The safety measure renovations and the first round of pre-use operator inspections prior to fuel charging have finished.
Promoting revitalization & decommissioning ➡ P60	Decommissioning, contaminated water, and treated water measures	Suppression of contaminated water generation	2028	50~70m ³ /day	90m ³ /day	80m ³ /day
		Steady implementation of initiatives for retrieving fuel debris and disposing of treated water	—	Gradual expansion of retrieving fuel debris	Internal investigation of the reactor containment vessel Preparations for trial retrieval at Unit 2	



Top Message ~Building trust~

Our most pressing issue is stabilizing revenue/expenditure and financial affairs

The Nuclear Damage Compensation Facilitation Corporation's "Review of TEPCO Management Reform Initiatives, etc.," which was completed in December 2023, commended, to a certain extent, initiatives to raise approximately ¥500 billion a year for compensation/decommissioning, but also stated that it is necessary to strengthen initiatives aimed at restarting the Kashiwazaki-Kariwa Nuclear Power Station and thoroughly manage revenue/expenditure fluctuation risks in order to ensure that these funds can be secured.

We have taken this guidance seriously, and in FY2024 we have been newly strengthening our mechanisms for managing revenue/expenditure and financial risks. Stabilizing revenue/expenditure and financial affairs will not only enable stable management of existing businesses, but also enable us to regularly secure capital needed for mid/long-term growth.

However, there are still issues that need to be addressed in regards to creating profits aimed at improving mid/long-term corporate value, which will contribute to raising funds for decontamination costs. Since the scale of investment required for growth is relatively large, we will leverage various means for procuring capital in order to do so in an independent and flexible manner while steadily promoting projects that support growth, and also leave the effective utilization

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of capital from other companies open as an option in addition to using equity capital.

Aiming to balance carbon neutrality with a stable supply

The impact of the situation in Ukraine on fuel procurement prices and the increase in the percentage of renewable energies used in Japan have caused power supply to become more unstable year-by-year. And, allowing this instability to have an impact on actual power supply would result in a not-so-good situation for customers.

In order to balance carbon neutrality with stable supply, it is important to build not only future network function that can carry electricity from remote regions to urban areas, but also secure "adjustment capability" in conjunction with the increase in the use of renewable energies. When it comes to "adjustment capability," one of the TEPCO Group's advantages is the amount of power assets it owns in the form of large-scale pumped-storage hydroelectric power stations. However, we cannot rely solely on this. We must also build next-generation networks that can leverage demand-side "adjustment capability," such as demand response, storage batteries, and the utilization of locally-produced/locally-consumed renewable energies. And, it is important to obtain understanding about reflecting these costs in electrical fees. By thinking of stable supply as something that is "built with the help of our customers", we can construct a new power system that is resilient and flexible.

In recent years, there has been an increased desire amongst regional communities to engage in initiatives to

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achieve carbon neutrality and strengthen preparedness/resilience, and we have met these demands through the promotion of “urban development projects.” By introducing facilities such as storage batteries and heat pumps, etc., and providing solutions such as area energy management systems, etc., we are creating more and more mechanisms through which to share the merits of reducing newly required social costs with our customers.

The accepted theory that “power demand will decrease” is changing

Power demand across the nation has leveled out, or even decreased, due to efforts to conserve energy and the dwindling population, but in the future, it is expected that power demand will increase as more data centers and semiconductor factories are newly constructed. Forecasted power demand for data centers within TEPCO Power Grid service area is high and we expect to see approximately 7GW of power contracts applied for in the Inzai area in Chiba Prefecture.

Handling this increase in power demand will help to maintain and develop Japan’s national strength and industry, and it is also important in terms of industrial policy.

Increasing construction of new substations will be necessary, but this will require a considerable amount of time and money, so the TEPCO Group has created a “welcome zone” in the North Kanto region, where renewable energy power sources are being developed, in order to entice data center construction and shorten construction periods while reducing costs. Going forward, we will suitably meet the great need for “stable” and “green” power.

Our mission is to completely fulfill our responsibilities to Fukushima

It’s been 13 years since the Fukushima Daiichi Nuclear Power Station Accident. Reflecting upon the Fukushima Daiichi Nuclear Power Station Accident and leveraging the lessons we have learned in order to completely fulfill our responsibilities to Fukushima, no matter what the conditions, is the foundation of the TEPCO Group and our mission. The decommissioning of Fukushima Daiichi is proceeding with the great help of our contractors, and revitalization in Fukushima is underway. Our job is to move forward with decommissioning while providing suitable compensation to those that continue to be affected by the accident, and responsibly engage in activities to promote revitalization in the region.

In order to promote revitalization in Fukushima and enable regional residents to return home with peace of mind, moving forward stably and steadily with decommissioning is more important than all else. In FY2024 we continued the safe ocean discharge of ALPS-treated water that began last year, and began the trial retrieval of fuel debris, which is an important step in the decommissioning process. This is a globally unprecedented and extremely difficult task, but we are moving forward one step at a time while prioritizing safety so as not to impact the surrounding environment, and retrieved debris will be analyzed in order to deliberate suitable methods for storage in the future. We are also steadily making improvements to the decommissioning work environment to better ensure the safety of workers.

We aim to proceed with decommissioning while taking more ownership

In October 2023, there was an incident that resulted in body contamination of workers due to exposure to waste liquid at the decommissioning site, and in February 2024, water containing radioactive substances was accidentally allowed to leak outside of a building. Furthermore, in August 2024, we caused more concern after having to suspend the trial retrieval of fuel debris from Unit 2. Going forward, I will lead the way in transcending the boundaries between TEPCO employees and contractors to build trust as we move forward with these tasks while prioritizing safety.

An average of approximately 1,000 TEPCO employees and approximately 5,000 contractors work at the decommissioning site on a daily basis and TEPCO is committed to seeing the decommissioning of Fukushima Daiichi through to the very end. However, these incidents have reminded us that as we look to achieve our long-term vision for the decommissioning site, TEPCO must take more ownership of the process and improve its ability to manage the site as the entity in charge of decommissioning.

Additionally, obtaining the understanding of regional residents and coordinating with contractors are indispensable. We need to continue to build the decommissioning industry in Fukushima and work as one with the region.

In May 2024, I visited Sellafield, a nuclear power station being decommissioned in the UK, and also the La Hague nuclear fuel reprocessing plant in France. Through these visits I felt the importance of obtaining cooperation

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from regional residents and owner's engineering. The residents of Sellafield that I met told me that, "our grandchildren are now working at the plant," and hearing them speak so proudly of the fact that decommissioning work was being passed down through the generations left a particularly lasting impression.

In order for TEPCO to manage decommissioning while taking more ownership, it should address each decommissioning task as optimally as possible. I want to coordinate with regional industry and rebuild our management process step-by-step upon considering how to improve decommissioning technology and develop regional industry.

Continuing to safely discharge ALPS-treated water

Since August 2023, we have been discharging ALPS-treated water in a scientifically safe manner and have been

breeding marine organisms in ALPS-treated water that has been diluted with seawater to make a comparison with marine organisms bred in normal seawater from a biodiversity perspective, and the results have shown that there is no significant difference between the organisms bred in the two environments.

Furthermore, we need to consider the impact that the discharge of treated water is having on industry. Since it is feared that the discharge will have an impact on the fishing and tourism industries, in particular, preventing reputational damage is of the most importance. IAEA Director General Grossi has said that, "the IAEA will be in Fukushima until the last drop of treated water has been safely discharged," and in September 2024, Grossi met with Prime Minister Kishida and they agreed on a policy to strengthen monitoring mechanisms based on the IAEA framework that China can participate in.

Meanwhile, TEPCO has continued to be transparent by disseminating data, and needs to proactively take steps

to prevent reputational damage as much as possible.

Since the start of the ocean discharge of ALPS-treated water, momentum to support domestically produced marine products has grown throughout the nation, and we are very grateful that this ring of support has expanded. As we continue the decommissioning process, we will continue to engage in various distribution promotion activities so that as many people as possible can enjoy the deliciousness and appeal of products from Fukushima and marine products from the entire country.

Prior to making the decision to discharge treated water, fishing industry officials had said that, "you'll get our understanding if we're still able to fish after decommissioning has been completed." I've taken this comment very seriously, and we are giving our all to make sure that happens.

Restarting the Kashiwazaki-Kariwa Nuclear Power Station is a necessity not just for TEPCO but for Japan as well

In June 2024, we completed the post-fuel charging integrity check of major facilities for The Kashiwazaki-Kariwa Nuclear Power Plant Unit 7. In light of the lessons learned from the 2011 Fukushima Daiichi Nuclear Power Station Accident, the safety of Kashiwazaki-Kariwa has been drastically improved based on the new regulatory requirements. For example, even if an accident resulting in core damage were to occur, cooling systems that utilize seawater could prevent discharges of radioactive substances into the atmosphere for at least approximately 10 days, and in the event that venting became necessary,



Sellafield Ltd.

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filter vent equipment would be used to reduce the amount of radioactive substances discharged into the atmosphere to less than 1/1,000.

The earthquake that occurred on the Noto Peninsula on New Year's Day 2024 has left local residents with many questions about safety. Since people have commented that explanations given by TEPCO in the past have been "insufficient" and "hard to understand," we believe it is important to address the concerns of regional residents, and give explanations in an easy-to-understand manner so that they understand that safety is being improved.

At the same time, the national government is also giving explanations to residents about evacuation plans to be implemented in times of compound disasters, such as when a nuclear power station accident occurs at the same time as a natural disaster. And, as the operator, TEPCO is making every effort to ensure the effectiveness of evacuation plans formulated by local governments.

Nuclear power not only improves the energy self-sufficiency rate of Japan, which has few natural resources, but also contributes to Japan's economy by reducing fossil fuel imports. Furthermore, as the need for low-carbon and stable electricity grows, zero-CO₂-based power sources will become even more valuable as we make adjustments to supply-demand.

The Kashiwazaki-Kariwa Nuclear Power Station is a power source that will contribute to achieving Japan's energy policies, and as such we aim to restart the plant as quickly as possible.

Solidifying the future foundation of our business through HR, DX, and Kaizen

The spirit of the TEPCO Group has been passed down through generations and is based upon our sense of duty and responsibility. We believe in being the "last person in the room" that never lets the power go out during times of emergency, and times of non-emergency, and that there is no one else who can take our place. As the ones in charge of providing a stable supply of power, we have displayed this spirit time again, and we are strengthening resource management and ensuring that we have sufficient human resources, in terms of both quality and quantity, so that we can continue to display this spirit even in the area of mid/long-term growth.

Furthermore, in order to address changes in our competitive environment caused by the further digitalization of society, we have changed our business model and positioned the development of capabilities that will enable us to handle digital transformation (DX) as an organization in our annual plan. We are increasing the number of human resources that are intimately familiar with DX in a planned manner by creating an environment in which to learn about the latest digital technologies, etc., and providing opportunities to employ them. What's important is not just being savvy about systems, but also continuing to think systematically upon understanding the inner workings of the duties that are to be digitalized. We need to cultivate human resources that can see the big picture.

Tokyo Electric Power Company Holdings, Inc. has a DX Project Office and also a Kaizen Promotion Office that play cross-departmental roles within the TEPCO Group. DX and

Kaizen initiatives not only directly improve work efficiency, but also lead to improvements in corporate value.

What is needed to build trust

We engage on a daily basis with various stakeholders such as investors, the people of Fukushima, our customers, the residents of the power station siting community, and our business partners, etc. We discuss different things with each of these groups, but one commonality is the "person-to-person connection," and "building trust" is indispensable for all these relationships. Trust cannot be built in a day, nor can it be built by sitting idle. Action is needed. It is important to directly engage with various stakeholders, and act upon continually thinking about how trust can be built and what can be done to meet the needs of stakeholders and find solutions to their problems. I and the rest of upper management directly talk to stakeholders in order to promote understanding about the decommissioning of the Fukushima Daiichi Nuclear Power Station and the restart of the Kashiwazaki-Kariwa Nuclear Power Station, and we are trying our best to listen carefully to their opinions.

I believe that through engagement we can find common objectives and goals with our customers and all other stakeholders, and build win-win relationships. And, listening carefully to the opinions of stakeholders and their comments has a positive impact on in-house decision-making which leads to more effective strategies and action.

Having the entire organization approach stakeholders in this way can be seen in corporate performance and leads to improvements in corporate value.

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CFO Message ~The keywords are “leverage” and “visualize”~

Operating cash flow needs to be improved before we can invest

During FY2023, in addition to the new introduction of a mechanism for reflecting market price fluctuations in electricity rates upon updating power source configuration and fuel prices with the latest values based on assumptions made when electricity rates were revised in 2012, the advantageous impact of the time lag inherent to the fuel cost adjustment system resulted in a net income of ¥267.8 billion. During FY2024, we have been able to control sales and adjustment conditions and the financial results for the first quarter have been stable and on par with previous years when excluding the impact from the aforementioned time lag.

We will continue to suppress the volatility of our electricity business balance by properly reflecting the latest sales trends and power adjustment trends in our fees. But on the flip side, this will lead to limited returns. Securing sufficient free cash flow while engaging in capital investment in order to support the stable supply of power and carbon neutrality-related growth investment is necessary, but the TEPCO Group has already invested in nuclear power and its transmission/distribution business, so free cash flow has to be improved quickly. Therefore, going forward, it is even more important that we keep positioning our electricity business as

our revenue base while we increase the added value provided to our customers through fee system valuation and the leveraging of facility services that help customers achieve carbon neutrality, etc., for example, and increase operating cash flow.

Leverage to increase the added value provided to our customers

Many have commented that the existing electric fee plans do not contain an option that suppresses the degree of price fluctuation, so in the revision of electric fees in April

2024, we decided to offer three types of electric fee plans that reflect the fluctuation of spot market prices in the Japan Electric Power Exchange with different percentages. We do not think pessimistically that “electricity is all about the price,” but rather seek to differentiate ourselves by providing value through our fee structure.

Moreover, it is necessary to provide further added value and increase the level of satisfaction of our customers while increasing operating cash flow. An ally we would like to enlist the help of in order to do this is the social trend of carbon neutrality. We have a habit of focusing on our own CO₂ emissions when seeking to

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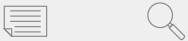
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make reductions, but the TEPCO Group is also looking at the CO₂ emissions of our customers. That is why we are providing facility services that enable regions and communities to be more energy efficient and contributing to CO₂ reductions throughout all society while engaging in bold initiatives led by TEPCO Energy Partner, Inc. that are based on strategies for increasing the profits of the TEPCO Group.

Furthermore, our nuclear power business plays a huge role in increasing operating cash flow. In addition to creating stable profits, our nuclear power business is important for achieving our FY2030 carbon-half target and also creating a carbon neutral society by 2050. We are currently making preparations for the restart of the Kashiwazaki-Kariwa Nuclear Power Station while prioritizing safety, and whereas we are not yet able to give specific details on when we expect to be able to restart the plant, the TEPCO Group still believes that it is a pillar of our operations.

Strengthening revenue/expenditure and financial governance

As we switch to a business model that utilizes leverage, we must strengthen revenue/expenditure and financial governance, and manage them accurately. We are currently in the deliberation stage, but we would like to establish an FP&A function that would set and monitor KPI for effectively measuring company performance and analyze the results in order to manage future business strategies and maximize resources. The FP&A manager would be an alter-ego of the CFO and we currently have a test program

underway with a temporary FP&A manager in the field. If we are able to create such a function, we will be able to visualize the activities of each department and the return impact path thereby allowing for easier management aimed at improving profitability and maximizing capital efficiency. Furthermore, the TEPCO Group's ability to grow will be easier to see thereby improving the credibility of the company and reliability as seen by investors.

The P/B Ratio improvement keyword is "Visualize"

Discussions pertaining to operations that bear in mind capital cost and stock price, which were instigated by the request from the Tokyo Stock Exchange, have definitely increased TEPCO upper management's awareness of market evaluations. TEPCO upper management has reaffirmed that when analyzing TEPCO's stock price anew, visualizing the expectations and concerns of investors, incorporating them into mid-long-term business strategies, and disclosing highly transparent information, are important for improving corporate value.

One of the things that our investors expect from us is to operate the company with awareness of capital efficiency. Currently, I am leading efforts to strengthen business operations based on financial indicators. By creating FP&A functions and data platforms, visualizing the attributes (scale and capital efficiency, etc.) of each field of business along with risk factors, such as fluctuations in revenue and expenditure, etc., and having upper management engage in monitoring, we can improve our ability to predict various conditions thereby

enabling us to manage operations with a heightened awareness of profitability and capital efficiency. Furthermore, by enabling each and every employee to see the relationship between their own duties and financial indicators, such as ROIC, etc., we will stimulate worker awareness of productivity and improve the productivity of the entire company.

By strengthening revenue/expenditure and financial governance in this manner while utilizing various means, such as the Integrated Report and IR materials, etc., to provide specific numbers and qualitative data, we shall enhance transparency.

Providing a "ruler" with which investors can measure climate-related issues and natural capital

As CFO and ESG Officer, I would like to engage with investors by providing them with a ruler (standard) with which they can measure ESG-related topics as is done with financial data. To achieve this, we will first enable ESG data for consolidated subsidiaries to be visualized in the same manner as financial data. After that, we shall link financial and ESG data such that ESG and performance will create a positive spiral, which is our final objective.

For climate-related issues, we already have a ruler in the form of CO₂ emissions, but it is important to improve the accuracy of this ruler. In regards to the amount of emissions from the TEPCO Group, we are aiming to improve the accuracy of Scope 3 recording on a consolidated basis that conforms to financial data disclosure and boundaries. Additionally, we would like

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to visualize the impact that the TEPCO Group's facility services and advancements in energy services, etc., have on reducing the emissions of our customers and society as a whole. If we can ascertain accurate reduction volumes, we will be able to formulate more detailed strategies for creating a carbon neutral society by 2050. Furthermore, internal carbon pricing (ICP) is being used on a trial basis for investment decisions. It has been difficult to get a feeling for setting prices at appropriate levels, and we are repeatedly running simulations for investment prospects under various conditions, but we are still in the initial phases of this initiative, so we will improve accuracy while closely watching conditions overseas and domestic policy trends.

In contrast, we believe it will be difficult to visualize the value of natural capital beyond its relevance to climate. This is because there are many obstacles to qualitatively assessing our entire business upon identifying all risks and opportunities and the manner in which we are dependent upon, and impact, nature. In 2024, we assessed the economic value of Oze, which the TEPCO Group has owned for many years, in accordance with guidelines from the Ministry of the Environment. According to this assessment, Oze has not only a monetary value that appears in financial statements as a fixed asset, but also a natural capital premium (positive external effect), thereby creating a total benefit of approximately ¥47 billion. Our estimate shows that this total benefit includes not only the benefits from carbon fixation, basin water storage and water purification, but also the benefits from nature experience events and environmental education events held in Oze. While

visualizing the value of our natural capital in this way we aim to refer to the TNFD framework and fully disclose data through shareholder engagement.

Improving the transparency of S (Society) and G (Governance)

To date we are focused on the disclosure of environmental (E) information, but going forward we need to further improve the transparency of data pertaining to society (S) and governance (G). While referencing IFRS sustainability disclosure standards and listening to the requests of investors, we shall engage in not only E, but also S and G initiatives and information disclosure. In order to strengthen ESG initiatives across the board, it is important that we accurately ascertain how our stakeholders are assessing these initiatives. Based on objective data that provides insight into how the TEPCO Group is assessed, such as ESG rating scores, etc., we shall identify issues and further strengthen our initiatives.

Increasing engagement with investors in Tokyo and throughout the nation

With interest rates rising during the first half of 2024 and the harsh exchange rate fluctuations, we speculate that it is difficult for investors to choose stocks to invest in due to the unclear future.

Since the 2011 disaster, it has been difficult for the TEPCO Group to issue corporate bonds, so since FY2015 we have been visiting corporate bond investors to directly hear about their needs and desires and recommended

the issuance of bonds in March 2017 based on this information. We continue to meet with investors, and since FY2017 we have made more than 1,600 visits in total. However, there are still investors throughout the country with whom we have yet to meet and also investors who we have not visited in a substantial amount of time. Therefore, going forward, we shall increase these visits in order to stay in closer communication. By doing this, we hope to better understand the situation of our investors and their assessment of the TEPCO Group.

We are also further leveraging green finance and deliberating transition finance, so we hope to hear what expectations our investors have for the TEPCO Group in regards to these matters.

Restoring share price is an imminent matter

We must apologize for not being able to provide dividends since stable dividends were expected prior to the disaster based on TEPCO's share price. Our first priority is to restore stock price so that we can provide return to our investors and shareholders, even if it is small. In order to restore stock price, we must become a company that is expected to grow in the future, and in order to do this we must set a clear path to turning profits on the order of ¥450 billion by FY2030 and onward. I feel that our current operating infrastructure is lagging far behind other companies. By strengthening revenue/expenditure and financial governance, we can quickly improve our operating infrastructure and formulate detailed mid/long-term business strategies. We ask for your continued understanding and support.

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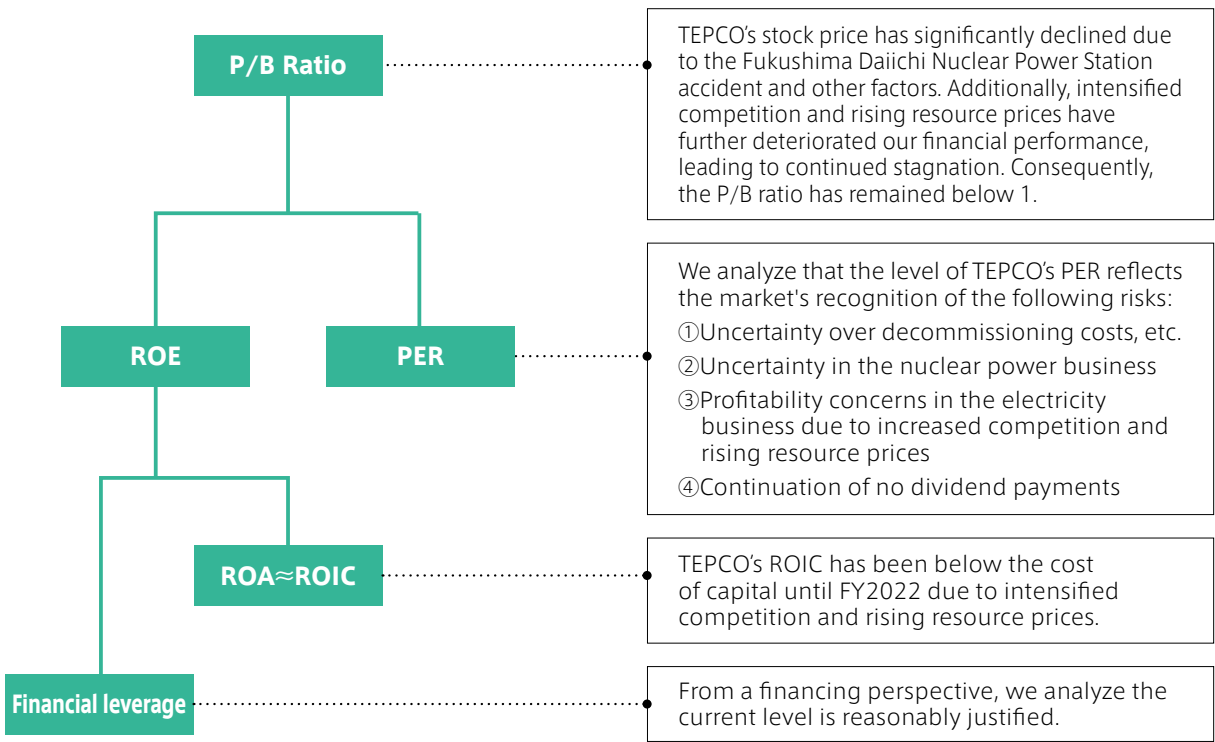
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In order to secure approx. ¥500 billion annually aimed at regaining public trust and fulfilling our responsibilities to Fukushima, while simultaneously enhancing corporate value, it is essential to maintain a business foundation that ensures stable supply and to increase our foresight regarding risks and opportunities, all while being mindful of market perspectives.

To this end, we will analyze the relationship between non-financial initiatives and ROIC, and strengthen our income and financial governance by leveraging financial indicators such as ROIC. We aim to manage our operations with a focus not only on profit but also on capital cost and capital efficiency, thereby actively engaging with our stakeholders.

Current Analysis



Strategy

Metrics & Targets

Securing Funds for Compensation and Decommissioning

Approx. ¥500 billion/year

[Result] FY2023: ¥557.7 billion

(Breakdown)

- Decommissioning Reserve Fund System: ¥260.1 billion
- Special Contributions: ¥230.0 billion
- General Contributions: ¥67.5 billion

FY2030 onwards

Consolidated net income on the order of ¥450 billion

[Result] FY2023: ¥267.8 billion

P/B Ratio · ROIC

FY	P/B Ratio	ROIC
2023	0.60	2.10
2022	0.36	-2.62

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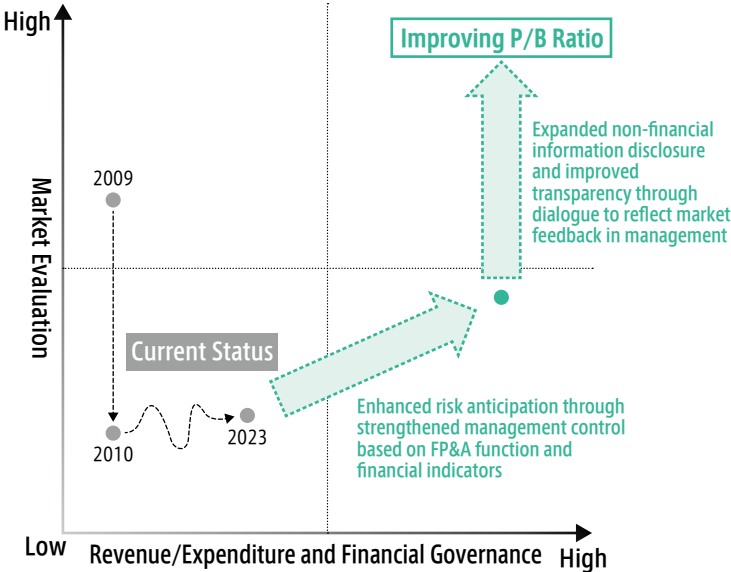
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Strengthening Revenue/Expenditure and Financial Governance

We are considering enhancing our management control by leveraging FP&A* functions and financial indicators such as ROIC. This will enable us to swiftly and accurately grasp the characteristics of each business segment, such as the engine of profit generation, and visualize risks and opportunities related to income fluctuations. By improving predictability, we can enhance the agility of our management. Furthermore, we can clarify the relationship between business activities and financial indicators, achieve profitability and capital efficiency, and promote a mindset of "earning" among employees.

By strengthening revenue/expenditure and financial governance, we aim to improve the quality of our management by enhancing transparency through expanded information disclosure and stakeholder engagement. This will allow us to incorporate market feedback into our decision-making process and ultimately enhance our market reputation.

*FP&A: Financial Planning & Analysis



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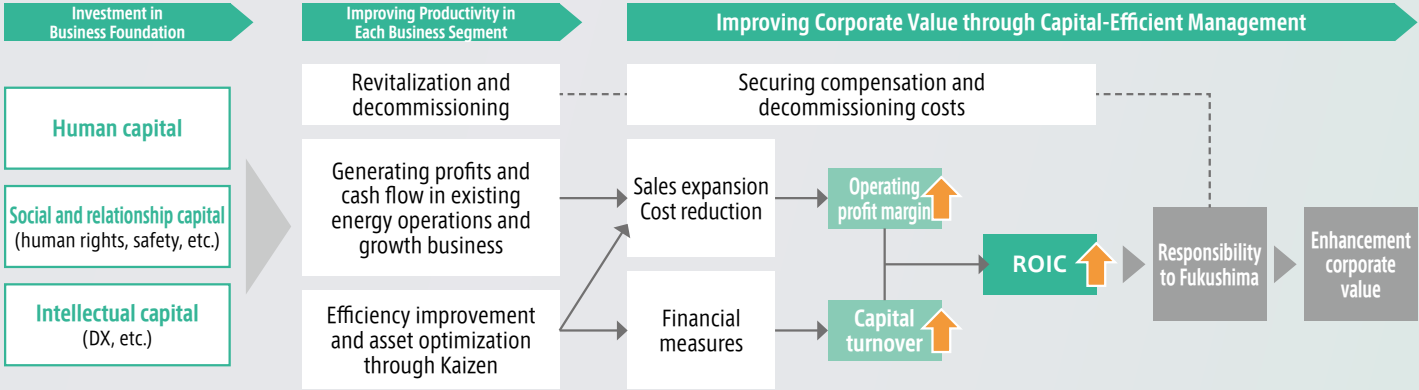
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Improving Capital Efficiency and Enhancing Corporate Value through Non-Financial Initiatives

We analyze the relationship between ROIC and non-financial initiatives along with financial aspects. Based on this, we discuss overall targets, specific goals, and measures at the board and executive levels, including handling costs related to compensation and decommissioning.



Special Feature: Supplying the Rapidly Increasing Demand for Data Centers

Data centers are critical infrastructure supporting the digitalization of society, but they consume a significant amount of electricity for data servers and equipment cooling. With the advancement of digitalization leading to the construction and expansion of data centers, we anticipate that electricity demand will continue to rise in the future.

Demand in
Tokyo Area *1

FY2023 Actuals

264 TWh

FY2023 Outlook*2

+18 TWh

In addition to enhancing our T&D facilities, we are also guiding the location of data centers by publishing and utilizing the "Welcome Zone Map," which indicates areas where supply is relatively quick and low-cost. TEPCO Group is committed to meeting the increasing electricity demand and ensuring a stable supply, while also contributing to carbon neutrality by providing 100% renewable energy to data centers.

Data Center Contract Applications in the Tokyo Area

FY2023 Cumulative*3

7,000 MW

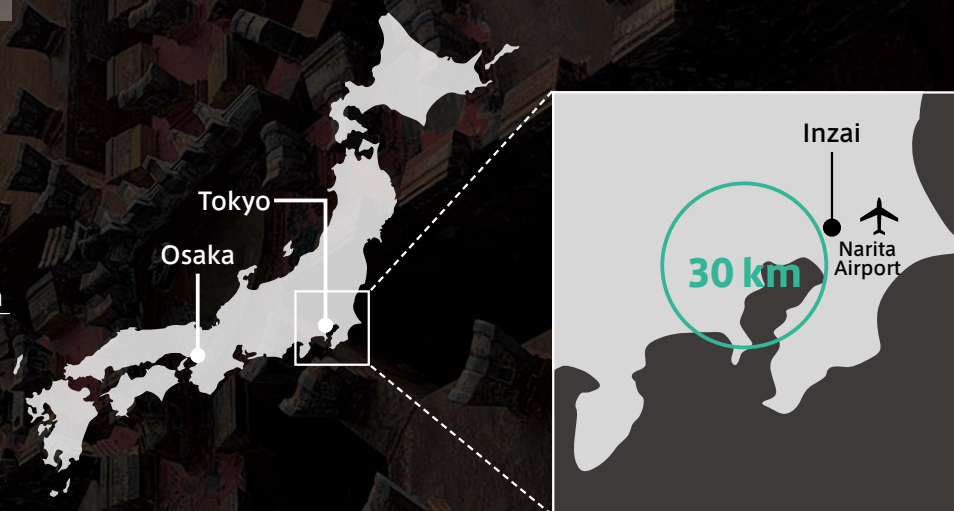
Equivalent to **4.3%**
of the total contracted power*4
in the Tokyo area

Key Business Opportunities

- **Increased revenue from electricity sales due to the rise in power generation and electricity sales volume**
- **Enhanced revenue from proposals for carbon-neutral solutions for data centers, such as renewable energy plans**

Characteristics of Data Center Locations

- When prioritizing system response time, the data center should be within 30 km of the data usage site
- Skilled professionals are needed for tasks like developing generative AI
 - ➔ Construction is concentrated within approximately 30 km of Tokyo



Operation of Chiba INZAI Substation

Inzai City in Chiba Prefecture is ideal for data centers due to its proximity to Tokyo and the Narita Airport, and its earthquake-resistant ground. To meet rising power demand, a new 275/66kV substation was built and began operation in June 2024.

The project included constructing the substation, excavating a 10 km underground tunnel, and installing transmission cables. With the help of 190,000 people and four shield machines, the project was completed in 4 years and 9 months, significantly shorter than the usual 8-year timeline.

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*1 Annual energy demand (at the point of use) *2 Based on the demand forecast in the 2024 Supply Plan *3 As of September 2023, including expected contracts *4 As of March 2024

Materiality

Contributing to a Comfortable and Safe Carbon Neutral Society

The TEPCO Group is committed to promoting initiatives in three areas: Supply (zero-emission power generation), Power Grid (cross-regionalization, grid use optimization and decentralization), and Society (carbon neutrality for customers), contributing to the realization of a sustainable society.

As the power system transitions towards small-scale decentralization, we are also expanding our "urban development" business to support municipalities facing challenges by leveraging three areas solutions from our group. These solutions include renewable energy procurement, enhanced regional energy efficiency and integrating energy management practices. ➡ **P32**

We have set indicators and actions for each major issue, such as offshore wind power projects and urban development projects. These are managed as items by the Board of Directors, and audits and supervision of plan progress are conducted.

Regarding information disclosure, we are progressing with organization according to the TCFD framework and aiming to apply the international sustainability-related financial information disclosure standards (IFRS S2) announced by the IFRS Foundation, which is responsible for setting international accounting standards, from the fiscal year 2026 onwards.



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Governance by the Board of Directors

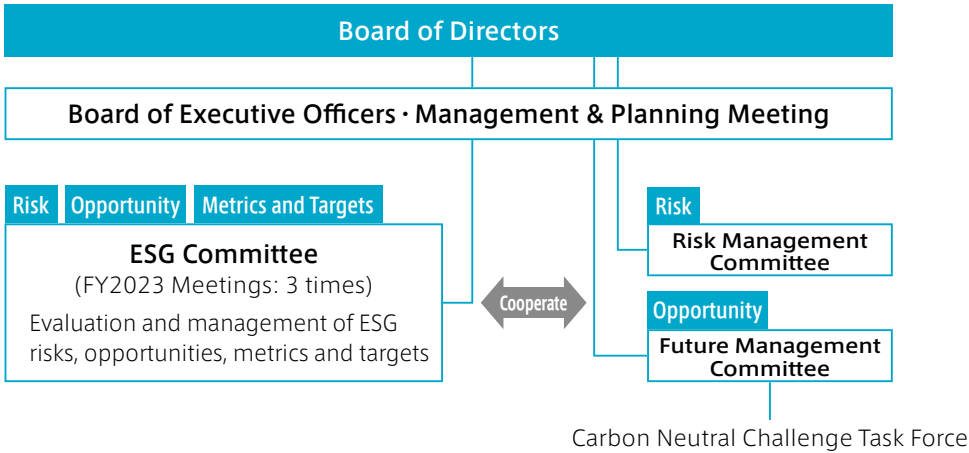
The Board of Directors discusses various ESG issues, including climate-related matters and carbon neutrality. Policies and mid/long-term strategies concerning sustainability are disclosed in documents such as the "Fourth Comprehensive Special Business Plan." When formulating annual plans, risks and opportunities related to climate, etc. identified by executive officers are considered and presented to the Board of Directors.

Additionally, the ESG Officer appointed by the Board of Directors reports the progress of sustainability-related activities quarterly, based on the Board's regulations, and the Board supervises these activities.

Monitoring through Internal Committees

The ESG Committee, chaired by the President, monitors the progress of ESG indicators and goals, including climate-related aspects, and discusses major climate-related themes, risks, and opportunities. Many members and observers of the ESG Committee also serve on the Risk Management Committee and the Future Management Committee, synchronizing discussions across these committees to evaluate and manage ESG risks and opportunities, including those related to climate. ➔ **Risks and Opportunities P78**

Governance Structure



Executive Remuneration Related to Climate Change

In calculating productivity-linked remuneration for executive officers, we set company performance and individual performance as indicators.

For all executive officers' productivity-linked remuneration, we have set CO₂ emission reduction as an indicator.

➔ **P76**

Skills for Supervising Climate Change

We define knowledge and experience related to addressing ESG issues, including climate change, as one of the core skills expected of directors.

➔ **P74·75**

Themes Discussed by Directors

- Examination of businesses aimed at achieving a carbon-neutral society
- Status of the offshore wind power business and response to future development projects
- Monitoring report on JERA Co., Inc.

Main Discussion Topics of the ESG Committee

- Process for formulating annual plans reflecting ESG perspectives
- Response to sustainability disclosure standards
- Scope 3 calculation process across the TEPCO Group
- Utilization status of carbon pricing

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Toward 2050

Assumptions for 2050 (all of Japan)



**Expansion of locally-produced/
locally-consumed energy**



Leveraging energy storage
(storage batteries/hydrogen)



Increase in power demand (FY 2019 levels)

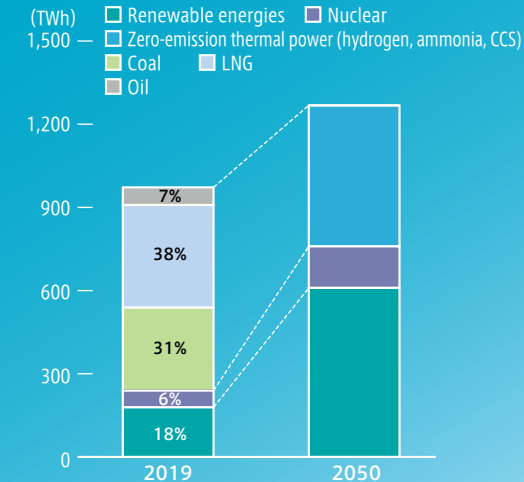
+30%



**Improvement in electrification rate
(FY 2019 levels)**

Approx. 1.7 times (26%→45%)

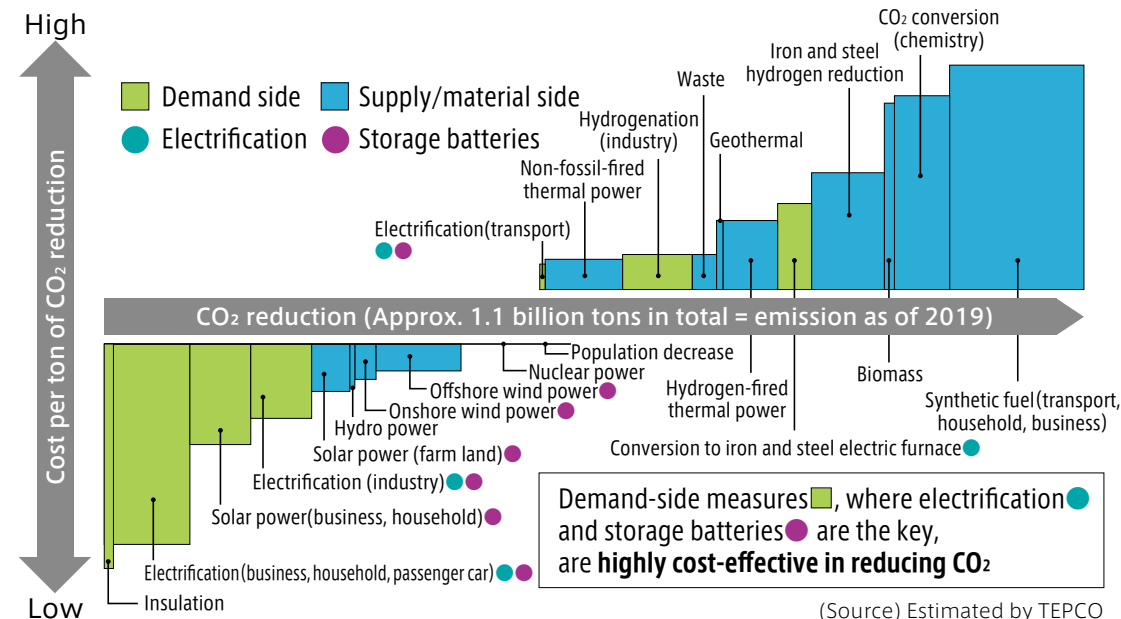
Trends in generated power volume (transmission end)



In order to achieve a carbon neutral society, it is necessary to examine the energy supply-demand structure to balance economic burden reduction and stable supply. Through our scenario analysis of temperature rises of approximately 1.5-2°C and 4°C, we found that "demand-side electrification" had superior cost-effectiveness in reducing CO₂ emissions in the scenario for achieving a carbon neutral society by 2050. Furthermore, with the increasing adoption of solar PV and storage batteries on the demand side, we can expect the expansion of private power generation, private consumption, and locally produced, locally consumed power. This brings the benefit of improving resilience to disasters, although there is a risk of power and supply mismatch due to the fluctuation in generated output from solar and wind power generation.

Considering the projected increase in electricity demand due to the growth of semiconductor manufacturing and data center needs, it is important to ensure stable supply by combining baseload power sources (hydro, nuclear, geothermal) with power sources for adjusting the supply-demand balance (zero-emission thermal). Additionally, leveraging energy storage capabilities (such as storage batteries, hydrogen) for "storing and using" energy on the demand side is crucial in balancing supply and demand.

Marginal Abatement Cost Curve (2050 Carbon Neutral Scenario)



(Note) We are analyzing scenarios based on assumptions reflecting the outlook as of fiscal year 2024 for future population dynamics, economic growth rates, social trends, technological innovation, etc.

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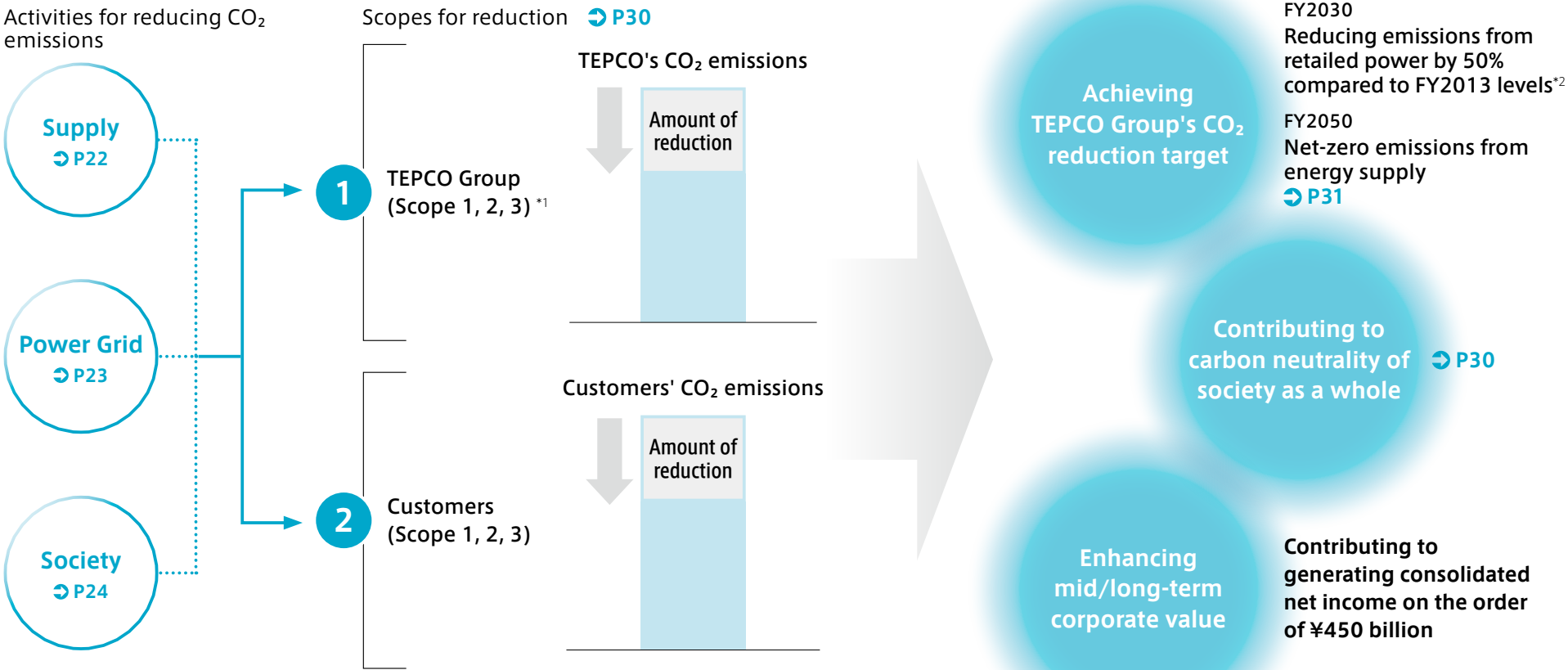
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Overview of Carbon Neutrality Strategy

Based on the social demand for carbon neutrality, the TEPCO Group will promote carbon neutral initiatives in the areas of "Supply," "Power Grid," and "Society" by strategically utilizing green finance and other means. We will work towards reducing both our group's and our customers' CO₂ emissions, aiming to achieve our CO₂ reduction target and generate income on the order of ¥450 billion.



*1 Scope 1: Direct emissions from fuel combustion Scope 2: Indirect emissions from consumed electricity, heat, and steam Scope 3: Emissions from the supply chain (upstream and downstream)

*2 Derived from sales of electricity for Scope 1, 2 and 3. Scope 1 and 2 compared to 2019.

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Strategy

Supply

In order to achieve carbon neutrality while maintaining a stable and affordable supply of electricity, we need to find a good balance between using renewables, for which output fluctuates greatly, and baseload power sources such as hydroelectric and nuclear power, etc. While keeping safety is our first priority, the TEPCO Group seeks to leverage nuclear power and zero-emission thermal through JERA as we strive to turn renewables into primary power sources.

Using Renewables as Primary Power Sources

TEPCO Renewable Power seeks to turn net profits on the order of ¥100 billion through its renewable energy business by FY2030, and as such is replacing domestic hydroelectric power stations, reducing power generation loss, and developing 6~7 GW of new power generation facilities in Japan and overseas. Even though business costs are increasing due to soaring material prices throughout the world, we are leveraging green finance to flexibly procure capital and developing these facilities while carefully watching economic efficiency and the impacts on the regional communities and the environment.

Overseas Renewables

In addition to investing in overseas hydroelectric power stations, we are accelerating our overseas projects by acquiring Flotation Energy, a UK company with know-how pertaining to offshore wind energy. Leveraging our technical expertise and know-how from domestic and international projects, we shall promote renewable energy projects in countries and regions with high potential for development.

Development Targets (by FY2030)

Hydropower: 2~3 GW
Offshore Wind Power: 2~3 GW

Achievements (As of the End of FY2023)

Hydropower: 0.34 GW (in operation)
0.2 GW (under development)
Offshore Wind Power: 2.49 GW (under development)

Domestic Offshore Wind Power

By building a good relationship with the residents of Saikai, Nagasaki Prefecture, selected for the offshore wind power project off the coast of Enoshima, we are conducting investigations, securing permits, and constructing facilities for a commencement of operation in August 2029. Leveraging our know-how from operating the fixed-bottom offshore wind facility off the coast of Choshi, Chiba Prefecture, and our experience as a selected operator, we aim to enhance cost competitiveness through cost reductions and improve non-price factor competitiveness for further development.

Development Target (by FY2030)

2~3 GW

Achievement (As of the End of FY2023)

0.42 GW (under development)

Domestic Hydroelectric Power

By investing approx. ¥100 billion in replacing aging hydroelectric power stations and engaging in Kaizen/DX initiatives, we aim to improve the reliability of our facilities and increase power generation. Furthermore, by promoting the local-production/local-consumption of energy, and signing corporate PPA's, etc., we are formulating sales policies that maximize the value of hydroelectric power generation as we aim to grow our current ¥30 billion plus net profit by 1.5~2 times by FY2030.

Power Generation Increase Target (by FY2030)

240 GWh/year (compared to FY2018)

Achievement (FY2023)

160 GWh/year

Operating nuclear power stations that prioritize safety

Nuclear Power

➡ P54

Reducing thermal power generation emissions to zero through support and oversight by JERA

Zero-Emission Thermal Power

➡ P104

Investing in Oyasu Geothermal Co., Ltd. and conducting various investigations aimed at developing geothermal power

Geothermal Power

Achievement (As of the End of FY2023)

15 MW (under development)

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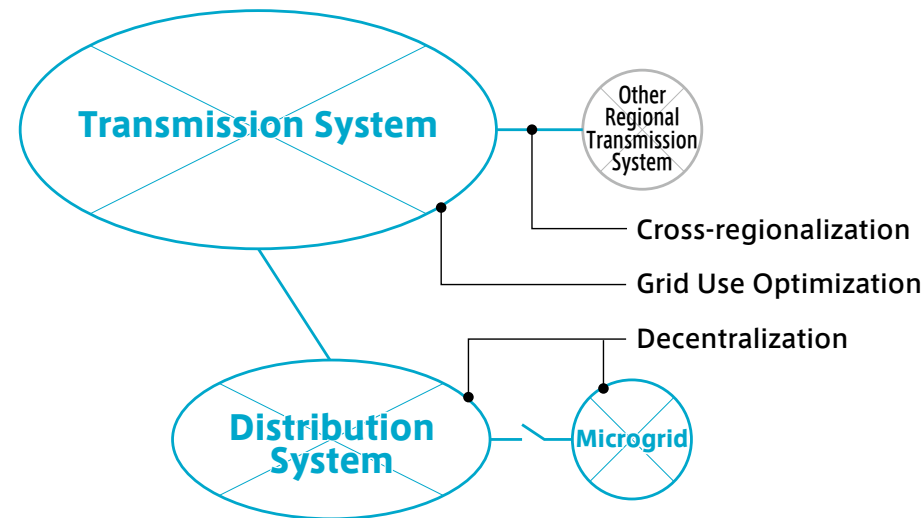
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Power Grid

To make renewable energy a primary power source despite its high variability, further enhancement of the power grid is essential. **TEPCO Group is committed to ensuring stable supply while promoting renewable energy introduction.**

Initiatives as a Transmission and Distribution System Operator



Cross-regionalization

Following the Organization for Cross-regional Coordination of Transmission Operators (OCCTO) master plan, we collaborate with other regional system operators to **enhance interconnection facilities^{*1}** and develop the **demand-supply control system^{*2}** for a nationwide merit order and promoting renewable energy as a primary power source while strengthening energy supply resilience.

Grid Use Optimization

To promote renewable energy, we are improving existing facility utilization through non-firm connections that auto-control output during grid congestion. By July 2024, **renewable energy connections in our area reached about 3.6 GW.**

Additionally, anticipating future renewable energy expansion, we are addressing aging infrastructure by optimally renewing, dismantling, and downsizing facilities as needed, thereby **resolving our own challenges.**

Decentralization

To **alleviate grid congestion and reduce renewable energy curtailment,** we are adjusting both demand and supply to **expand distributed energy resources like solar PV and storage batteries.** For example, we are working on a project to achieve 100% renewable energy supply on Haha Island^{*4}, with a demonstration planned for FY 2025. Applying these insights to other remote islands could help **reduce our Scope 1 emissions.**

^{*1} The capacity between Tokyo and Chubu will rise from 2.1 GW to 3 GW, and between Tokyo and Tohoku from 5.73 GW to 10.28 GW, starting operations in FY 2027

^{*2} Jointly developing with Transmission and Distribution IT & OT Systems LLC, funded by TSOs, with operations starting in FY 2029

^{*3} Cumulative contract applications for non-firm connections since January 2021

^{*4} Signed a tripartite agreement with Tokyo Metropolitan Government and Ogasawara Village in December 2018, aiming to supply Haha Island with 100% renewable energy for half of a year

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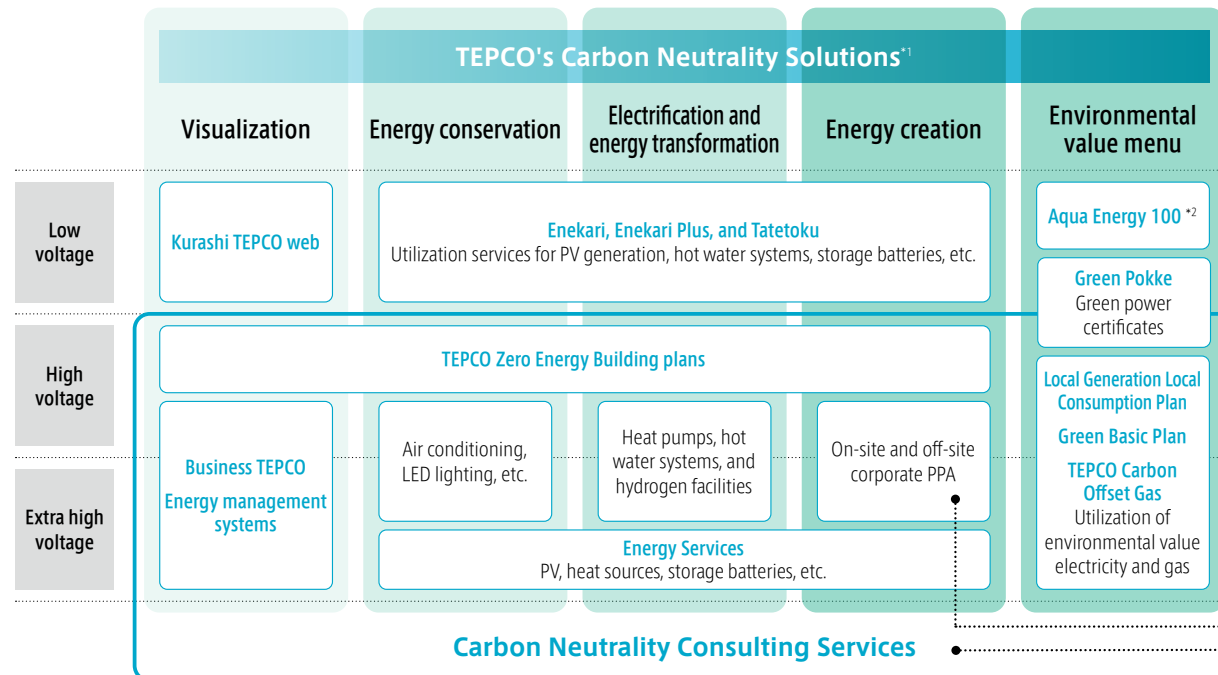
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To achieve a carbon neutral society, addressing the demand side through electrification and the promotion of decentralized energy resources is essential. As a trusted partner, **the TEPCO Group supports customers in realizing carbon neutrality** by leveraging our expertise in electricity retail and energy-related businesses. **We boldly challenge ourselves to create new business models and generate added value, including locally sourced and consumed facility services.**

Carbon Neutrality Solutions

We provide a wide range of services tailored to our customers' needs, offering a one-stop solution for their specific requirements.



^{*1} Selected services, including services under demonstration. ^{*2} New applications temporarily suspended since January 2023.

^{*3} Green hydrogen system being demonstrated in Yamanashi Prefecture.

Case 1 Benesse Style Care Co.,Ltd / Carbon Neutrality Consulting Services

Benesse Style Care has collaborated with the company to compile the "Carbon Neutral Plan Roadmap" in order to achieve the midterm objective of reducing CO₂ emissions by 50% compared to the fiscal year 2021. By 2024, we plan to introduce energy management systems to approximately 130 facilities.

Case 2 Off-Site Corporate PPA

We are promoting services that provide customers who are working towards carbon neutrality with electricity generated from renewable energy sources in remote areas, along with environmental value. These services have been adopted by many customers, including Toranomori Hills Mori Tower, Plena Makuhi, and the KANDA SQUARE.

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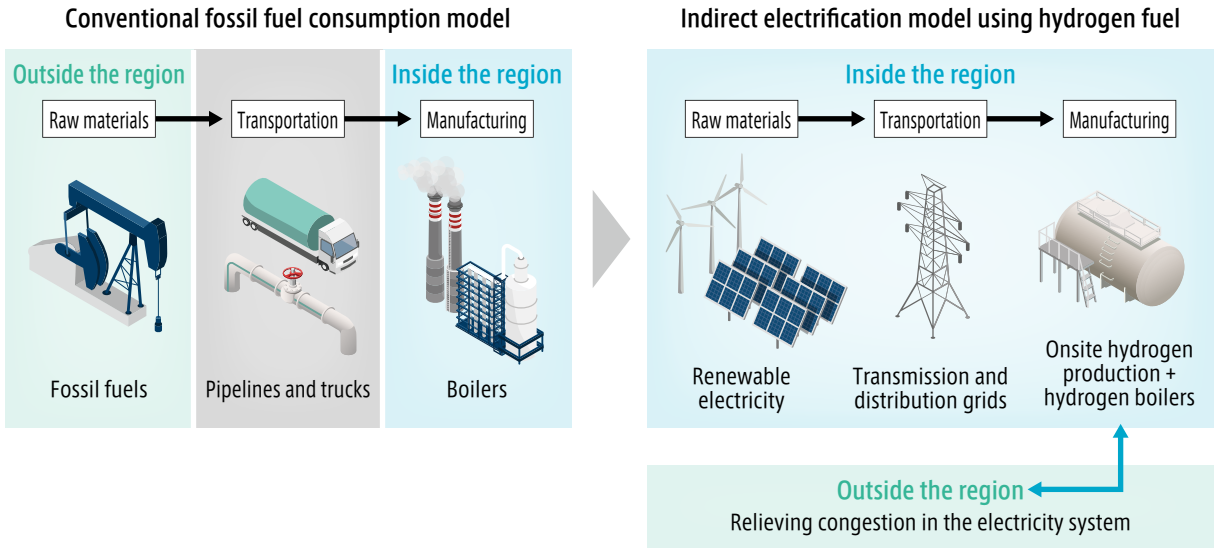
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The Approach to Hydrogen

Hydrogen is a key energy source for achieving a carbon-neutral society, with demand expected to significantly increase by 2050. Specifically, it is anticipated to replace existing fossil fuels in the sectors of "industrial heat and raw materials," "mobility," and "power generation." Through "Yamanashi Hydrogen Company (YHC)," established with Yamanashi Prefecture and Toray Industries, Inc., the TEPCO Group is engaging in a green hydrogen demonstration project using renewable energy. We are building a local production and consumption model that converts local renewable energy into hydrogen on customer premises. Additionally, the TEPCO Group is advancing technologies for power supply to hydrogen production plants, demand-supply control, EPC (Engineering, Procurement, and Construction), and O&M (Operation and Maintenance). Looking ahead to the future expansion of GX industrial locations and markets, the TEPCO Group will consider ways to contribute to the long-term production, procurement, and societal integration of hydrogen. As customer needs for CO₂ emission reduction grow, we are responding through electrification, energy efficiency, and energy creation, and will also incorporate hydrogen use to tackle carbon neutrality in hard-to-electrify areas.



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Annual target for hydrogen and others in Japan*

Current results (estimated)	Approx. 2 million tons
FY2040	Approx. 12 million tons

Source: Based on the METI's "Basic Hydrogen Strategy" and "Energy White Paper 2023"
*includes ammonia manufacturing.

Special Feature: Battery Storage Business

TEPCO Group's battery storage business has steadily grown over the years, acquiring extensive capabilities and ensuring high safety standards. Leveraging these strengths, we address challenges in the power grid, comply with regulations, and meet customer needs. Battery storage offers various benefits and is expected to play a crucial role as a new energy foundation in a carbon-neutral society. We see this as an opportunity and will continue to expand our business.

Key Uses of Batteries

		Users		
		Power Generation Companies	System Operators	Customers
Demand Optimization	Proper charging and discharging optimize demand, resulting in reduced electricity costs			○
Emergency Power Supply	Utilized during outages, enhancing the effectiveness of customers' Business Continuity Plans (BCP)			○
Maintaining Power Quality	Avoids voltage sags and maintains manufacturing quality for semiconductors and other sensitive processes			○
Maximizing Renewable Energy Utilization	Stores excess renewable energy generation to avoid output curtailment	○	○	○
Demand Response (DR)	Customers contract with resource aggregators to use battery storage as part of a Virtual Power Plant (VPP), selling adjustment capacity (upward/downward DR) to system operators for power supply-demand balancing		○	○
Grid Stabilization	Contributing to grid stability by trading battery storage functions (kW, kWh, ΔkW) in power markets (capacity market, wholesale electricity market, supply-demand adjustment market)	○	○	○

Market Size of Battery Storage (Japan, Cumulative)

In a carbon-neutral society where renewable energy becomes the main power source, battery storage is essential to avoid renewable energy output curtailment and provide adjustment and inertia to the power grid. By 2030, it is expected that industrial, commercial, and residential batteries connected on the customer side will increase fivefold, and grid-connected batteries will increase more than tenfold compared to current levels.

	FY2023 Estimated	FY2030 Outlook
Industrial, commercial and residential	Approx. 5 GWh	Approx. 24.2 GWh
Grid-connected	Approx. 1 GWh	Approx. 14.1 GWh~23.8 GWh

Based on materials from the 3rd Expert Working Group for GX Realization (November 2023)

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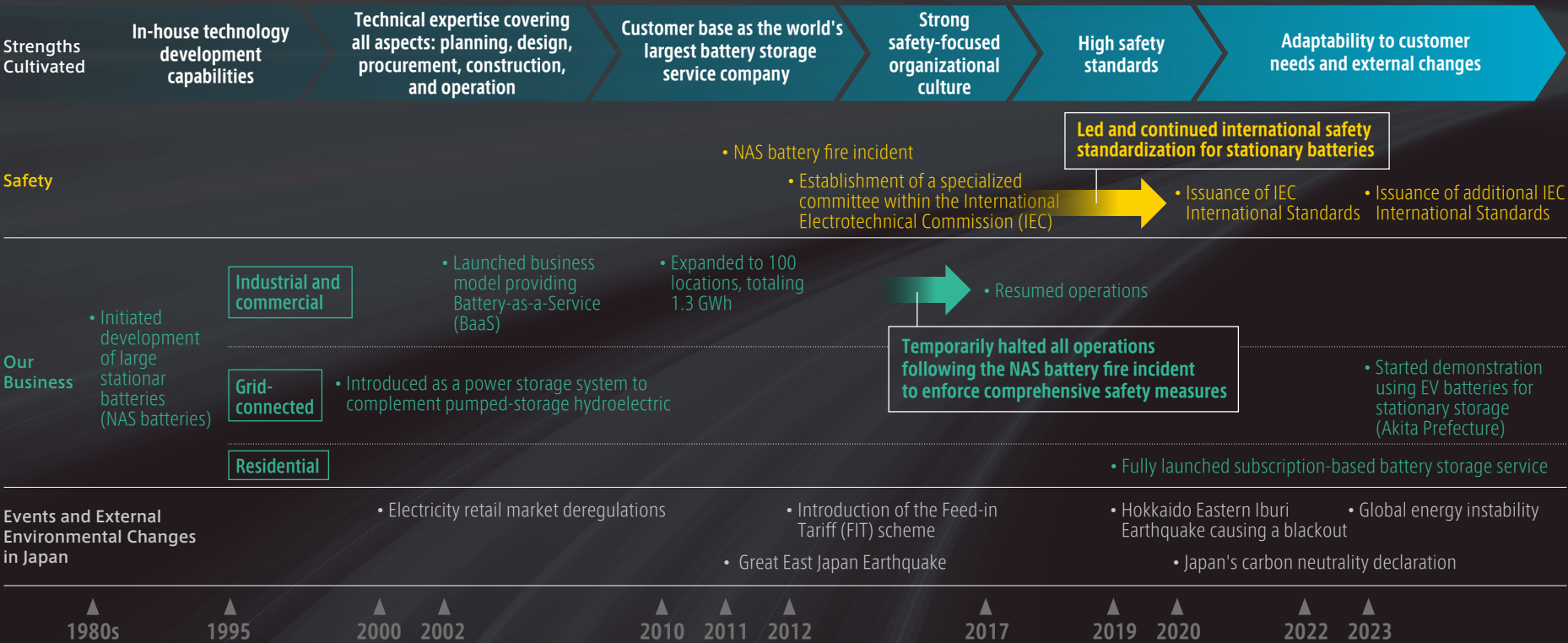
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History of the Battery Storage Business

TEPCO Group has expanded its business by flexibly adapting to external environmental changes and leveraging its strengths. Following the 2011 NAS battery fire, we led the international standardization of safety criteria, **enhancing global safety**. This **reflects our strong organizational focus on safety**. Our **technical expertise** honed through business operations, **proprietary safety standards** exceeding international benchmarks, and **strong service proposal capabilities** for customers based on over 20 years of experience in battery storage provide us with a competitive edge.



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Risk and Opportunity

The TEPCO Group has developed two scenarios based on multiple reference scenarios. By evaluating and analyzing potential risks through these scenario analyses, we aim to avoid or mitigate future losses while identifying new business opportunities. It is crucial to execute appropriate response strategies based on these analyses to enhance the resilience of our corporate organization.

Scenario	Envisioned risks/ opportunities		Category	Envisioned details	Short-term ^{*1}		Medium-term ^{*1}		Long-term ^{*1}		Impact on our company ^{*2}	Response strategies	
					Possibility	Impact	Possibility	Impact	Possibility	Impact			
Scenario 1 Approx. 1.5~2°C ^{*3}	Transition	Risk	Policy and Legal	Society	Stricter climate regulations and revised energy policies have increased costs.	Possible	Small	Very likely	Small	Very likely	Small	1% increase in non-fossil power procurement ratio due to stricter regulations, costing approx. ¥1.2 billion per year.	<ul style="list-style-type: none">Energy policy insights and recommendationsUse of non-fossil power and internal carbon pricing
			Market	Society	Self-generation and local consumption of energy (e.g., solar, batteries) have reduced electricity sales.	Unlikely	Medium	Very likely	Medium	Very likely	Medium	Decrease in electricity revenue by approx. ¥44.4 billion per year if power demand reduces by 1%.	Business shift to facility services.
			Market	Society	The global trend to avoid fossil fuels has led to insufficient upstream development of fossil fuels, resulting in supply shortages and soaring prices of fossil fuels.	Possible	Large	Very likely	Large	Very likely	Large	Profit deterioration due to higher procurement costs from surging fuel and wholesale electricity prices. (Reference) FY2022: ¥261.7 billion annual profit decrease.	Reducing power procurement costs via hedging and supplier diversification.
			Reputation	Supply	Heavy reliance on thermal power has created an image of being passive on climate change.	Possible	Small	Possible	Small	Possible	Small	Additional cost of approx. ¥400 million per year for economically irrational power procurement to improve reputation (e.g., replacing 100 GWh of spot market electricity with renewable energy).	Enhanced disclosure of climate-related information.
		Opportunity	Energy Source	Supply	Increased revenue driven by the growing demand for non-fossil power sources.	Possible	Large	Possible	Large	Possible	Large	<ul style="list-style-type: none">Annual financial impact of operating one nuclear power plant: approx. ¥100 billion improvement per year.Projected net profit from renewable energy generation business: approx. ¥100 billion per year (mid-term scale).	<ul style="list-style-type: none">Nuclear power plant reactivation and procurement.Renewable energy development and procurement.
			Products and Service	Society	Electrification and consumer shift towards CO ₂ -free electricity, driven by carbon neutrality needs and global fossil fuel avoidance, have led to supply shortages and higher fossil fuel prices.	Very likely	Medium	Very likely	Medium	Very likely	Medium	<ul style="list-style-type: none">Increase in electricity revenue by approx. ¥44.4 billion per year if power demand increases by 1%.Increase in revenue from CO₂-free options sales.	<ul style="list-style-type: none">Development and procurement of renewable energy.Expansion of electricity pricing options.
			Resource efficiency	Society	Rising demand for storage batteries and electric vehicles due to large-scale renewable energy adoption.	Very likely	Small	Very likely	Medium	Very likely	Medium	<ul style="list-style-type: none">Increase in power demand due to vehicle electrification.Profit generation from EV-related businesses and battery storage businesses.	Expansion of EV-related and battery storage businesses.
			Market	Supply Power grid Society	Enhanced overseas revenue driven by rising carbon neutrality needs	Very likely	Medium	Very likely	Medium	Very likely	Medium	Revenue from overseas renewable energy generation projects: FY2023 performance ¥13.1 billion per year.	Expansion of overseas power business.
Scenario 2 Approx. 4°C ^{*4}	Physical	Risk	Acute	Supply Power grid	Damage to power facilities caused by large-scale natural disasters	Possible	Medium	Possible	Medium	Very likely	Medium	Damage costs from the typhoon in FY2019: approx. ¥20.8 billion per year.	<ul style="list-style-type: none">Reinforcement and renewal of power facilities.Provision for disaster losses.Enrollment in damage insurance.
		Opportunity	Resilience	Society	Further increase in demand for preparedness due to fiercer natural disasters	Possible	Small	Possible	Small	Possible	Small	Profit from disaster-resilient urban development projects.	<ul style="list-style-type: none">Enhancing regional value long-term.Expanding disaster-resilient urban projects.

^{*1} Short-term: FY2025, Mid-term: FY2030, Long-term: FY2050 impact periods. ^{*2} Unless specified, impacts are for "short-term". ^{*3} Reference: IEA WEO NZE, TEPCO Original, 6th Basic Energy Plan. ^{*4} Reference: IEA WEO CPS Scenario. Note 1: Climate change forecasts involve significant uncertainties, and future evaluations may vary due to external changes. Note 2: Physical risks on P29 are currently assessed as very minimal and not included in the table.

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Physical Risks

Physical risks from climate change include future changes in precipitation and intensified natural disasters. Avoiding and mitigating these impacts is crucial. TEPCO Group conducted scenario analysis on the risks to hydropower generation from changes in precipitation:

- Analyzed annual days of intake suspension for a run-of-river model plant*1 and estimated financial impact for 2090
- Analyzed annual precipitation for the catchment area of a reservoir-type model plant*2

The scenario analysis confirmed a reduction in power generation for run-of-river hydropower plants, indicating future risks to our group's business from changes in precipitation. We will continue to assess physical risks to inform future hydropower operations.

Risks to Run-of-River Hydropower Plants*3

Annual Days of Intake Suspension (Excessive Precipitation)

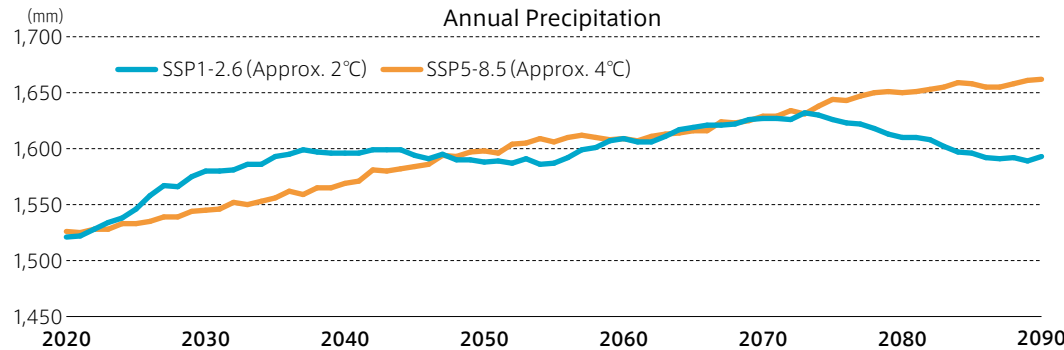
Year	Approx. 2°C	Approx. 4°C
2020	31.4	31.6
2030	32.0	32.3
2050	32.5	33.7
2070	32.5	34.8
2090	32.4	36.0

Financial Impact per Plant in Model Case

Financial Impact (FY 2020 levels)	2090	
	Approx. 2°C	Approx. 4°C
Power Generation (MWh)	-30	-150
Profit/Loss Due to Intake Suspension (¥10,000)	-26	-114

*1 Method of diverting river water directly into the power plant
*2 Method of using dam-stored water for power generation
*3 Using d4PDF 2° C and 4° C scenarios for future rainfall frequency analysis, and estimates based on the Power Generation Cost Verification Working Group's unit costs
*4 Using SSP 2° C and 4° C scenarios for time-series precipitation data analysis

Opportunities for Reservoir-Type Hydropower Plants*4



In the analysis of reservoir-type hydropower plants, all scenarios indicated an increase in cumulative precipitation compared to the present. However, we also anticipate a potential decrease in the amount of water resources available for power generation due to increased evapotranspiration associated with future temperature rises, which could result in reduced power generation. Moving forward, we will refine our scenario analysis to account for the impacts of evapotranspiration and other factors.

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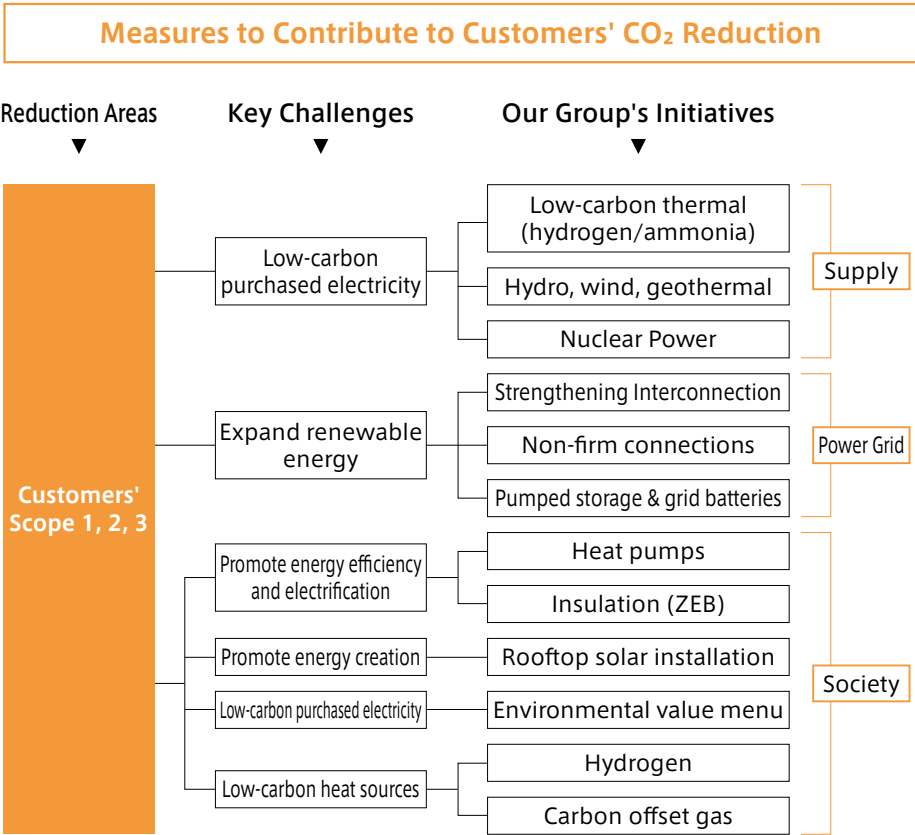
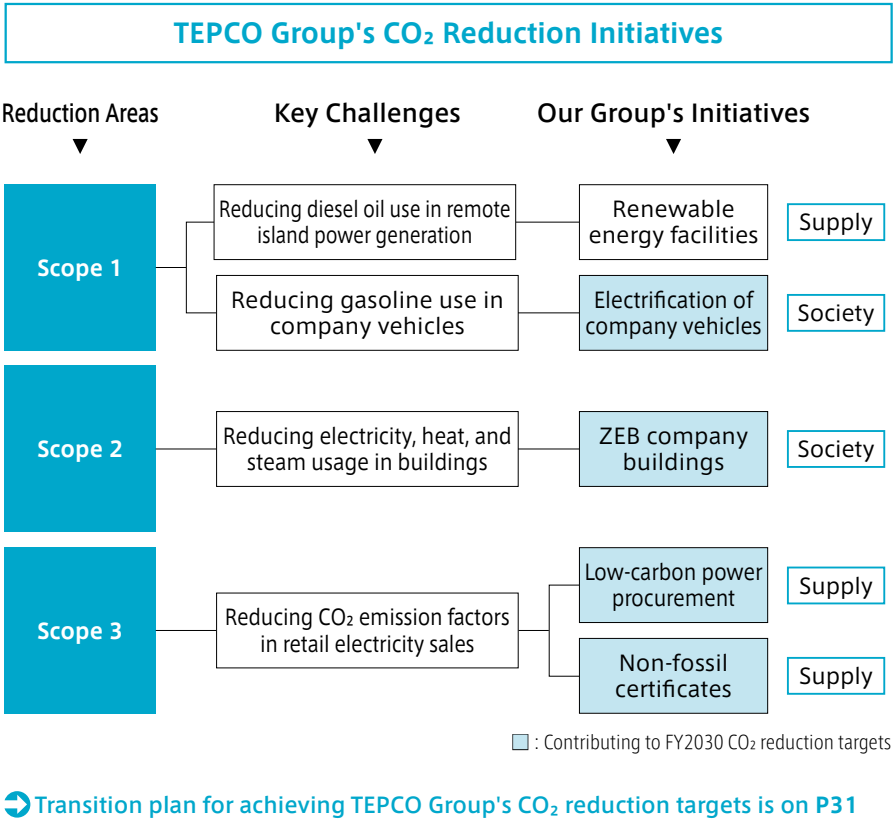
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TEPCO's Initiatives to Reduce Scope 1, 2 and 3 Emissions

TEPCO Group has identified the challenges and specific initiatives for reducing CO₂ emissions for both our group and our customers. We have set CO₂ reduction targets for FY2030 and FY2050 and are actively working towards these goals. In addition to achieving our own CO₂ reduction targets, we are also implementing various measures to address our customers' increasing need for CO₂ reduction, thereby contributing to their efforts as well.



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Transition Plan

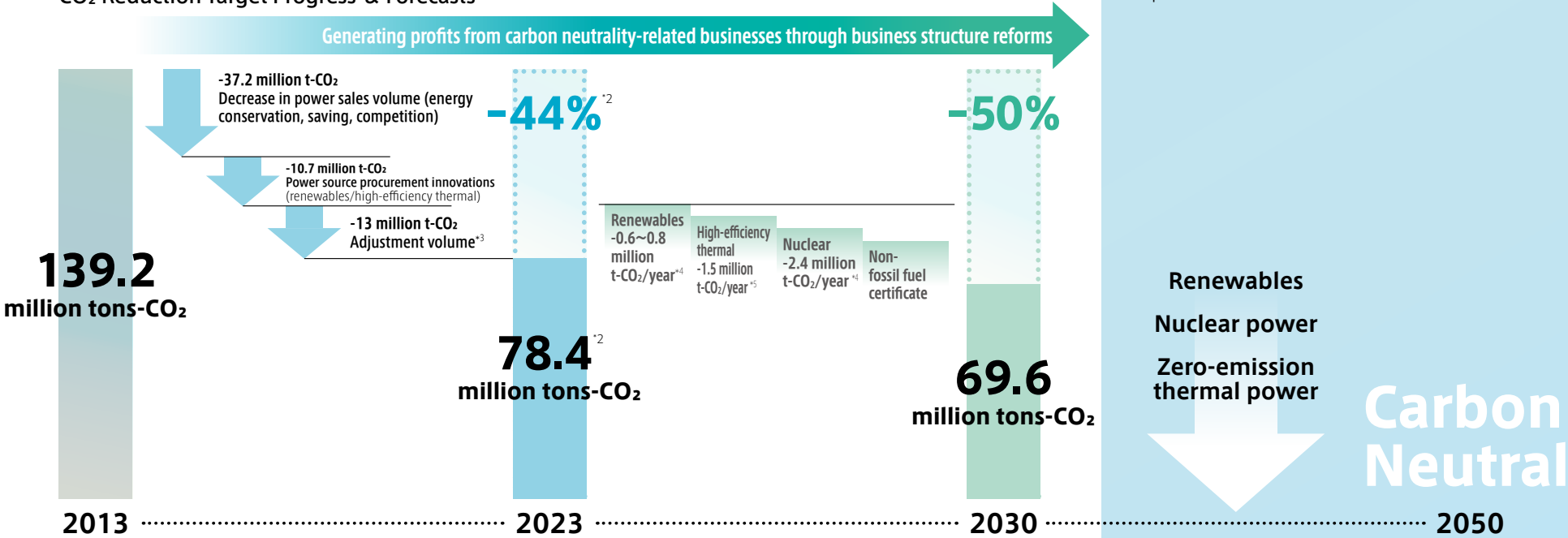
Towards Achieving TEPCO Group's CO2 Reduction Targets

In alignment with the Paris Agreement, TEPCO Group aims to reduce CO₂ emissions from retailed power by 50% by FY2030 (compared to FY2013 levels) and achieve net-zero CO₂ emissions from energy supply by 2050. We anticipate increased competition in the retail business, rising power demand from data centers, and the expansion of wholesale transactions by former general electric utilities and power producers. These factors are expected to increase volatility in power procurement. To address this, we are committed to stabilizing procurement costs and achieving our CO₂ reduction goals by building an optimal procurement portfolio that includes non-fossil fuel sources.

Additionally, national policies under consideration will significantly impact future power demand and the introduction of renewable energy sources. These policies are crucial to our business strategies, and we will review and adjust our plans accordingly.

*1 Regarding Scope 1 and 2, compared to FY2019

CO2 Reduction Target Progress & Forecasts



^{*2} Preliminary figures ^{*3} Adjustments due to allocation of surplus non-fossil value under the fixed-price purchase system for renewables, and purchase of non-fossil certificates, etc.
^{*4} Per 1 GW (from FEPC's "Energy and the Environment 2023") ^{*5} Annual CO₂ reduction amount when thermal efficiency of thermal power generation improves by 1%
Note: ^{*3}~^{*5} are estimated CO₂ reduction effects from power generation. The reduction effect on CO₂ emissions from retailed power varies with procurement results.

Progress in CO2 Reduction Targets

CO2 emissions from retailed power (million t-CO2)		
FY2021	FY2022	FY2023
79.9 (-43%)	65.1 (-53%)	78.4 (-44%)
<Reference> Electricity Retail Volume		
177.1 TWh	173.1 TWh	192.1 TWh

The CO₂ emissions for FY2023 increased by approx. 20% compared to FY2022, primarily due to the impact of power procurement.

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Integrated Initiatives

We effectively integrate efforts in "Supply," "Power Grid," and "Society" to deliver value to our customers

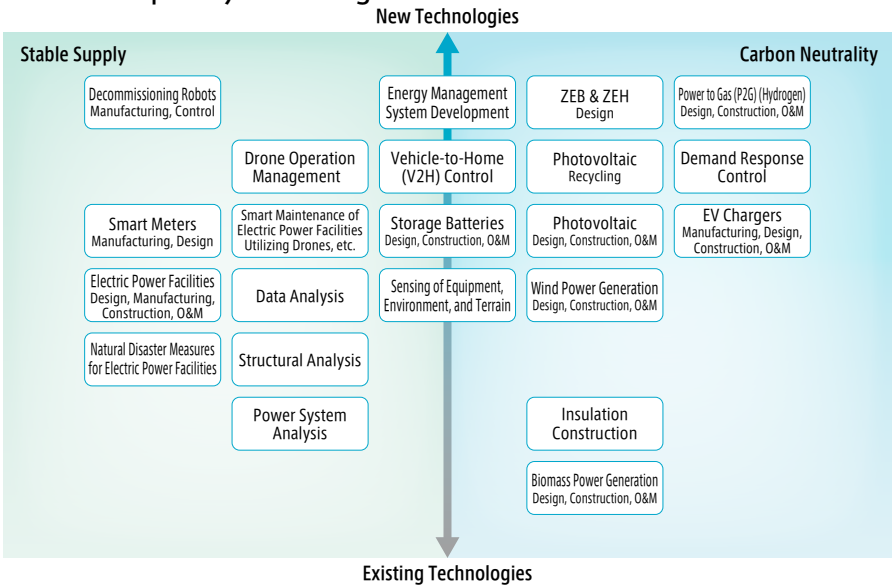


The TEPCO Group provides a wide range of carbon-neutral services, including renewable energy, energy storage, energy management systems, and non-fossil fuel power options. These services are supported by our advanced proprietary technologies, a core strength of our group. By effectively integrating these diverse services, we offer optimal solutions tailored to each customer's needs, a distinctive feature of our group.

Additionally, the relationships we have built with local communities through years of experience play a crucial role in understanding regional characteristics and needs. This understanding enables us to deliver comprehensive solutions as part of our "urban development projects," addressing the needs of multiple customers and municipalities in the region.

Moving forward, we will continue to leverage our strengths to contribute to a carbon-neutral society through "point" solutions for individual customers and "holistic" solutions for entire regions.

TEPCO Group's Key Technologies



Key Group Companies with Strong Technological Capabilities

Tokyo Power Technology, TEPCO, TEPCO Systems, e-Mobility Power, Tosetsu Civil Engineering Consultant, Tokyo Electric Power Services, Energy Gateway, Japan Facility Solutions, Tokyo Electric Generation, Kandenko, Tokyo Energy & Systems, Takaoka Toko

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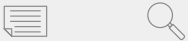
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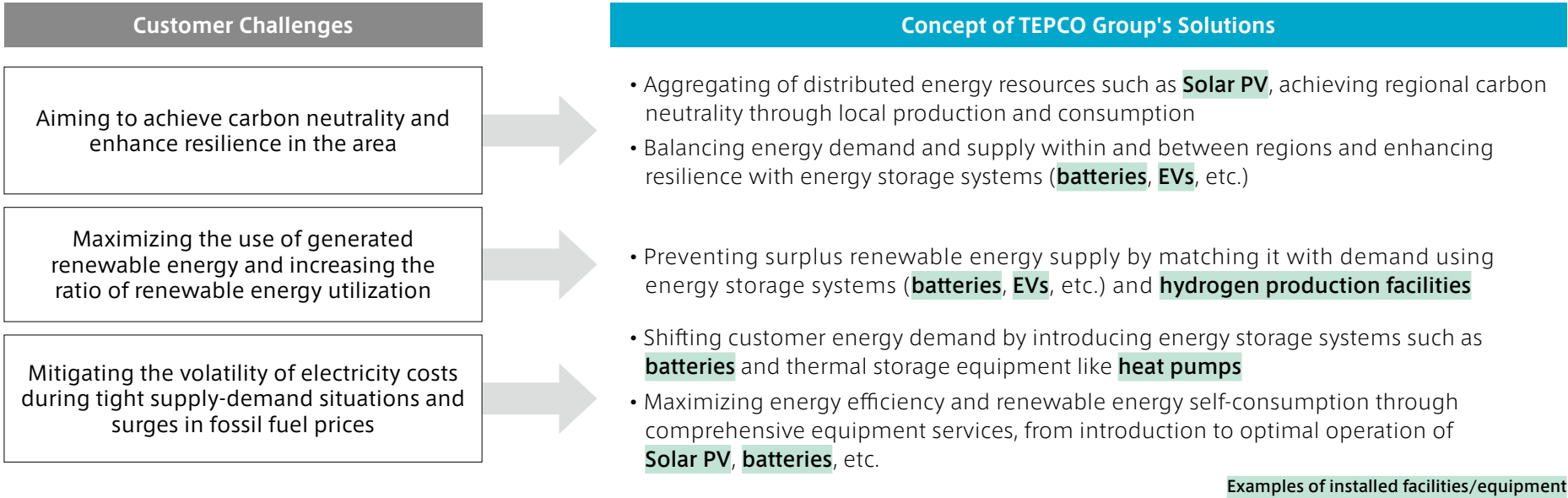
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Harnessing TEPCO Group's Strengths to Solve Customer Issues through Urban Development Projects

In our urban development projects, which deliver services comprehensively, it is crucial to implement and operate optimal equipment, in addition to managing the balance of energy demand and supply within and outside the area by utilizing our expertise in the electric power business. Our group possesses knowledge across the entire value chain—design, procurement, construction, operation, and maintenance of the equipment we introduce. This breadth and depth of our group's business enable us to collaboratively provide integrated solutions to regional issues. Moving forward, we will continue to leverage the comprehensive strength of our group to solve regional challenges and expand our revenue.



Key Urban Development Projects

Decarbonization Leading Areas

- Selected by the Ministry of the Environment as a framework to support advanced examples of regional decarbonization
- Participating as a business partner to provide comprehensive proposals tailored to the characteristics of each region

Bus Company EV Charging Infrastructure

- Efficient charging schedules and maximizing renewable energy use with an energy management system
- Creating electricity demand by electrifying the transportation sector

(Tentative Name) Uchisaiwaicho 1-Chome District Development Project

- A flagship urban redevelopment project in Uchisaiwaicho, Chiyoda-ku, Tokyo, including the headquarters of TEPCO Holdings
- Aiming to enhance real estate value with carbon-neutral, disaster-resilient community development, including area-wide energy supply and perovskite solar cells

A total of 7 projects

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In a rapidly changing environment, it is crucial for a company to leverage its own and others' management capital (such as financial and human capital) and "strengths" as the business foundation, strategically selecting and deploying them for each business to accumulate immediate results. This approach increases each management capital. As these management capitals are interrelated, we believe that the synergistic strengthening of the business foundation will further enhance competitiveness.

With this philosophy, the TEPCO Group has set metrics and actions related to each management capital. These are managed as items on the Board of Directors' agenda, where the progress of plans is audited and supervised.

Outlook until FY2030

Financial capital	<ul style="list-style-type: none"> • Securing stable revenue from existing energy businesses • Management control based on financial indicators like FP&A functions and ROIC • Mid/long-term profit generation utilizing alliances and capital from other companies 	➡ P15
Manufactured capital	<ul style="list-style-type: none"> • Maintaining and efficiently operating power facilities for stable supply • Business development in new power markets (such as the capacity market) • Business development of non-electricity products (gas, facility services) and data utilization 	
Human capital	<ul style="list-style-type: none"> • Improving employee well-being and labor productivity • Strategic securing, development, and placement of human resources • Promoting diversity and inclusion 	➡ P36
Social & relationship capital	<ul style="list-style-type: none"> • Enhancing resilience against natural disasters • Fulfilling responsibilities for respecting human rights and preventing workplace accidents • Collaboration with alliance partners and engagement with local communities • Establishing cybersecurity 	➡ P36
Natural capital	<ul style="list-style-type: none"> • Continuing nature conservation activities contributing to the "30by30" • Enhancing disclosure related to BEES and responding to the TNFD framework 	➡ P50
Intellectual capital	<ul style="list-style-type: none"> • Developing and implementing technology to achieve a carbon-neutral society and stable supply • Revamping business processes through the promotion of DX 	➡ P52

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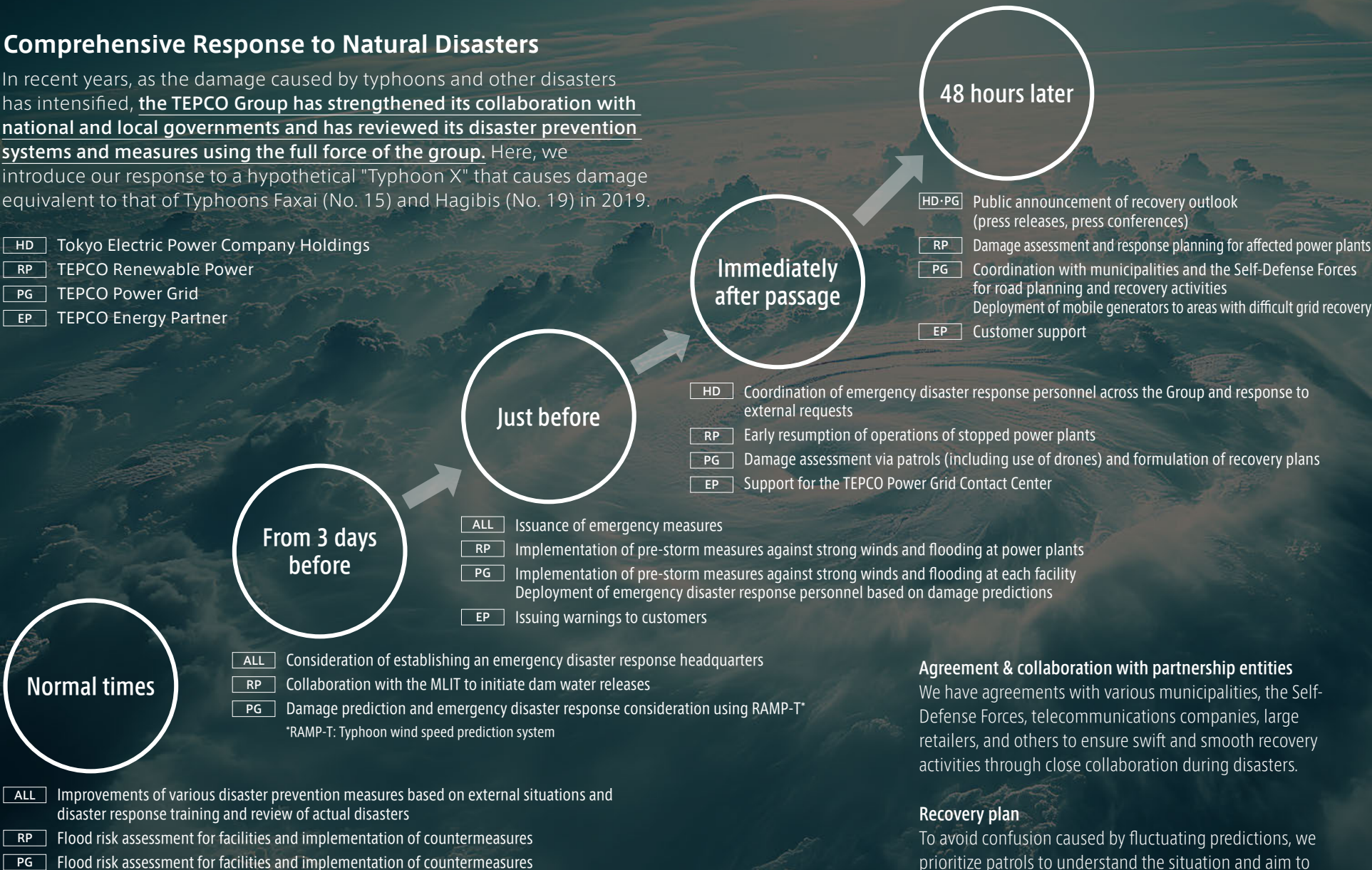
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Special Features: Pursuing Safety and Security, and Investing All Capital for Stable Supply

Comprehensive Response to Natural Disasters

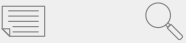
In recent years, as the damage caused by typhoons and other disasters has intensified, the TEPCO Group has strengthened its collaboration with national and local governments and has reviewed its disaster prevention systems and measures using the full force of the group. Here, we introduce our response to a hypothetical "Typhoon X" that causes damage equivalent to that of Typhoons Faxai (No. 15) and Hagibis (No. 19) in 2019.

- HD** Tokyo Electric Power Company Holdings
- RP** TEPCO Renewable Power
- PG** TEPCO Power Grid
- EP** TEPCO Energy Partner



Agreement & collaboration with partnership entities
We have agreements with various municipalities, the Self-Defense Forces, telecommunications companies, large retailers, and others to ensure swift and smooth recovery activities through close collaboration during disasters.

Recovery plan
To avoid confusion caused by fluctuating predictions, we prioritize patrols to understand the situation and aim to announce the recovery plan within 48 hours.



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Human Capital, Social and Relationship Capital

Initiatives for Human Capital Management and Respect for Human Rights



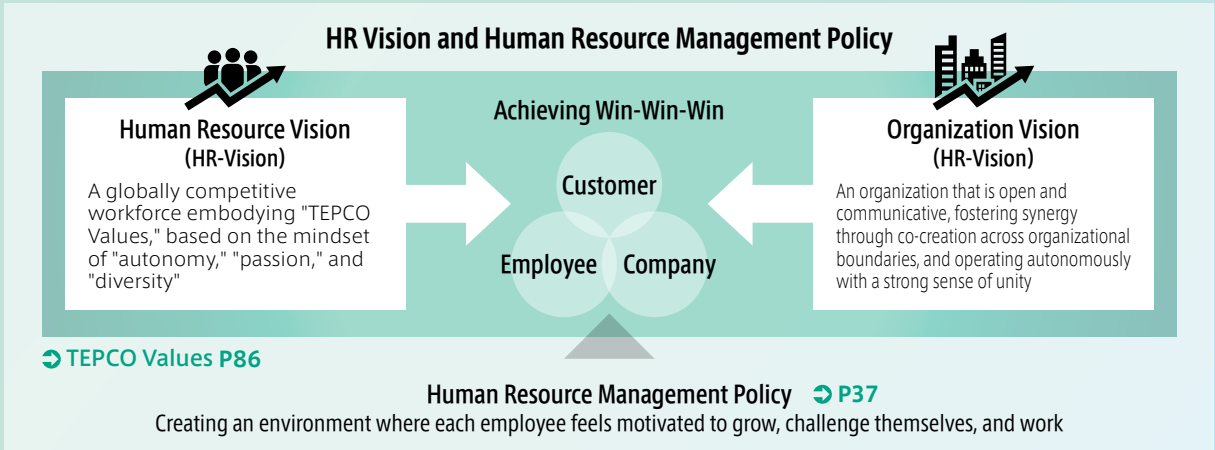
Yoshihiko Shinobu
Managing Executive Officer,
Chief Human Resources Officer
Tokyo Electric Power
Company Holdings, Inc.

Human capital-focused management for creating value that exceeds the expectations of our customers

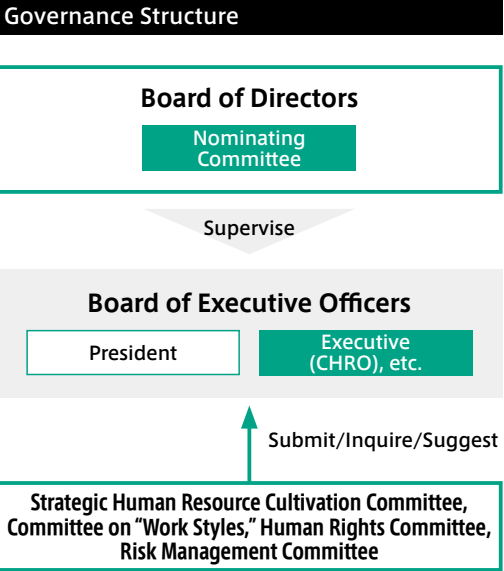
In order to fulfill our responsibilities to Fukushima even amidst our changing business environment, the TEPCO Group continues to provide a stable supply of power while moving forward with initiatives that aim to create a carbon neutral society. People are the foundation of these endeavors, and an irreplaceable asset, so we are proactively investing in human capital.

We have formulated a human resource management policy that identifies five priority areas and puts forth our HR-Vision, which is how we want our people and organization to be. By executing this policy, we are helping each and every employee to embody our corporate philosophy and grow into professional human resources that can be active on the world stage. By transcending their position and giving their all, employees will help to create a unified and free-speaking group of professionals that can create value that exceeds the expectations of each of our customers.

Furthermore, as society becomes more aware of human rights, having each and every employee understand the importance of respecting human rights and acting accordingly will lead to the creation of an environment in which everyone can work safely and securely, and ultimately, the ideal state that we aim to achieve.



Governance Risk Management



The Board of Directors appoints the Chief Human Resources Officer (CHRO) and oversees the progress of action plans and performance goals through monthly operational status reports.

Report on discussions pertaining to human resources held at management meetings, etc. (FY2023 records)

- Human resource and recruitment planning
- Mid-term human resource planning
- Skilled workforce planning
- Challenges and responses in resource management
- Selection and development of management leader candidates
- Initiatives for respecting human rights, etc.



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Human Resource Strategies

The TEPCO Group ensures a stable power supply through reliable operation of its existing electricity business while advancing business structure reforms aimed at achieving a carbon neutral society, including promoting facility service businesses utilizing distributed energy resources. To achieve this, it is essential to secure the human resources that support the electricity business and strategically manage resources to address key management issues such as digital transformation (DX) and business creation, thereby accelerating "ambidextrous management*."

Aligned with our business strategy, we have identified five priority areas in our human resource strategy to maximize the motivation and capabilities of each employee and the overall performance of the organization. To ensure the effectiveness of these initiatives, we have established "Employee Well-being" and "Human Capital ROI" as comprehensive KPIs, and we will visualize and monitor outcomes while continuously refining our human resource strategies.

*Ambidextrous Management: "Selection and Deepening of Existing Businesses" and "Expansion of New Businesses" Source: "The Ambidextrous Organization," by Charles A. O'Reilly and Michael L. Tushman

Human Resource Strategies Linked to Management Strategies

HR-Vision	Human Resource Management Policy	
	Five Priority Areas	Key Measures
Ideal Human Resource Portfolio Sufficient human resource quality/quantity required for business	Resource Management	• Strategic securing, development, and deployment of human resource resources ➡ P39
	Human Resources for Accelerating Ambidextrous Management	• Development of management leaders and revenue-generating human resources, etc. • Using the talent management system to assign the appropriate human resources to the appropriate location ➡ P40
Human Resource Vision Maximize human resource willingness	Diversity and Inclusion	• Creating inclusive work spaces • Ensuring diversity in management ➡ P41
	TEPCO Work Innovation	• Expanding the variety of work styles • Management reforms, task reforms ➡ P42
Organization Vision Maximizing organizational skills	Core Strengthening	• Initiatives to respect human rights • Investment in health, organizational development (improving engagement) ➡ P43

Comprehensive KPI for Human Resource Strategies

Employee Well-being

FY2023 records: **6.78**
(YoY +0.09)

Calculated by taking the average from the 11-point (0–10) scale used in the employee awareness survey

Human Capital ROI

FY2023 records: **2.21**
(YoY +1.96)

Human capital ROI =
$$\frac{(\text{Operating income} + \text{Depreciation})}{\text{Personnel expenses}}$$

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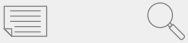
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Risks and Opportunities

From the perspective of human capital and respect for human rights, we have organized the external environmental changes that may impact the TEPCO Group and the corresponding measures. By comprehensively evaluating the possibility of occurrence, the impact if they occur, and the timeframe, we will incorporate these insights into our group's human capital management and human rights initiatives.

Categories	R/O	External Environmental Changes	Envisioned Details	Possibility	Impact	Timeframe	Five Corresponding Priority Areas
Policy and Legal	Risk	Strengthening of labor laws and related regulations	Violations of domestic and international laws related to labor law, employment contracts, and human rights can result in fines and administrative penalties, leading to the loss of business opportunities.	Unlikely	Large	Short-term	TWI(Management Reform) Core Strengthening (Respect for Human Rights)
	Opportunity		By enhancing employees' sense of ethics and integrity, fostering a healthy corporate culture, and gaining customer trust	Possible	Large	Medium-term	Core Strengthening (Respect for Human Rights)
Technology	Risk	Further advancement of digital technologies	Failure to adapt to technological changes necessary for business operations can lead to skill gaps, resulting in a shortage of talent and loss of competitiveness.	Possible	Large	Medium-term	Human Resources for Accelerating Ambidextrous Management (talent for business creation)
	Opportunity		<ul style="list-style-type: none">Improving the efficiency of business processes and reducing costs, leading to increased productivityUtilizing AI and other technologies to analyze HR data for more strategic talent placement	Possible	Medium	Medium-term	Resource Management (Securing talent)
				Creating an environment that allows for remote work, facilitating work-life balance, and preventing resignations due to childcare or caregiving responsibilities	Very likely	Medium	Short-term
Market/Service	Risk	Relative decline in the attractiveness of departments related to power	In addition to the decline in the number of students due to the decreasing birthrate, the reduction in students studying electrical, mechanical, and nuclear engineering makes it more difficult to recruit the desired talent.	Very likely	Medium	Short-term	Resource Management (Securing talent)
		Increased mobility in the labor market	The outflow of talented individuals and an imbalanced age structure of employees exceed expectations, hindering the transfer of technology and skills.	Very likely	Large	Short-term	Resource Management (Securing talent)
	Opportunity	Embracing diverse values	Promoting diversity enriches corporate culture, incorporating diverse perspectives and ideas, and fostering innovation.	Possible	Large	Medium-term	Promoting Diversity and Inclusion
Reputation	Risk	Growing interest in preventing harassment	Neglecting harassment and employee health worsens stress and spreads negative information, losing customer trust.	Unlikely	Large	Short-term	TWI(Management Reform) Core Strengthening (Respect for Human Rights)
		Growing interest in human rights in business	Human rights violations by business partners, including suppliers, can erode trust in our group.	Unlikely	Large	Medium-term	Core Strengthening (Respect for Human Rights)
	Opportunity	Increasing social sensitivity to sustainability	Practicing human capital management and promoting human rights initiatives enhance brand value and Employee Well-being contributing to increased sales and talent acquisition.	Very likely	Medium	Medium-term	In all areas

* Timeframe: Indicates occurrence in the short term: FY2025, medium term: FY2030, long term: FY2050.

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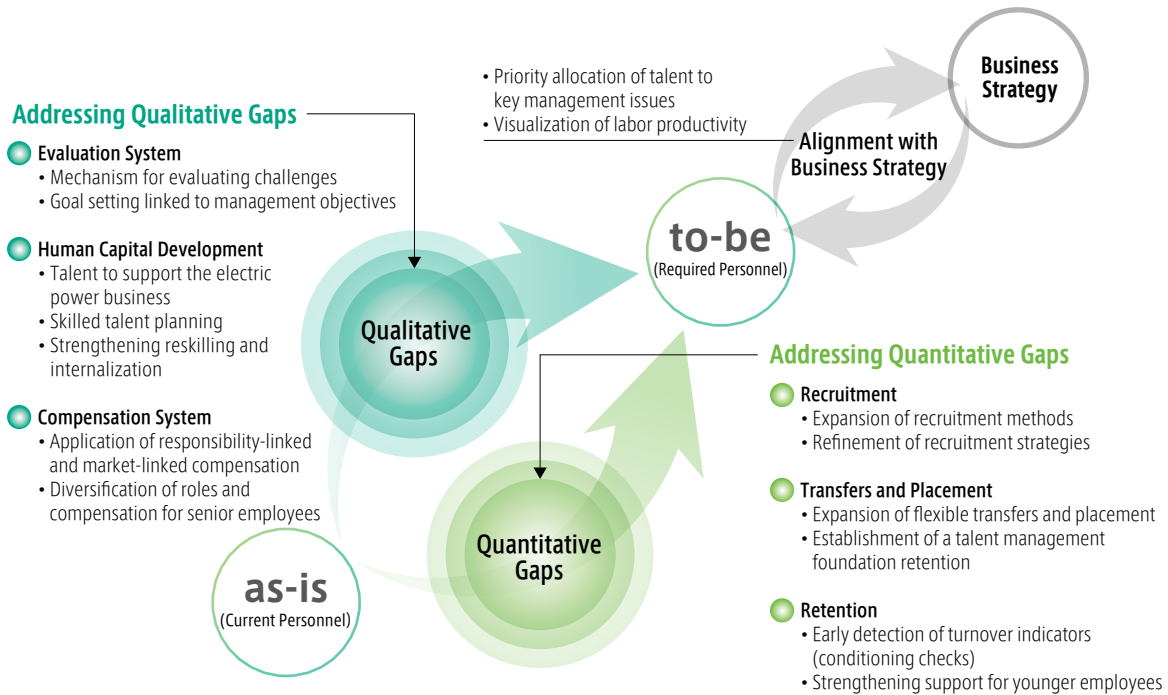
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Resource Management

In the context of a rapidly changing business environment, effective resource management that strategically secures, develops, and allocates human capital is critical for operating our business with limited personnel. To secure talent, we are diversifying our recruitment methods by systematically hiring new graduates and mid-career professionals with immediate capabilities. Additionally, we are establishing attractive HR and compensation systems to ensure retention and high performance among younger employees, mid-level, and senior staff.

Simultaneously, we prioritize the allocation of essential personnel to key management issues and identify critical skill areas (such as DX, business creation, and international business) for long-term business strategy and structural transformation. By clarifying where and what skills will be needed in the future, we aim to systematically secure and develop the necessary talent in both quality and quantity, optimizing the alignment of work and personnel.



Strategy

Internal Dual Job System (Career Challenge)

To achieve timely team formation and increase opportunities for each employee to take on new challenges, thereby supporting autonomous career choices, we are promoting the Internal Dual Job System (Career Challenge). This initiative allows employees to experience work in areas of their interest while continuing their current responsibilities.

Achievement: 4 projects, 9 people (FY2023)



Regular duties: Promotion of Kaizen activities within the company



Career challenge: Oze SDGs inquiry-based learning tour

[Oze SDGs Inquiry-Based Learning Tour](#)

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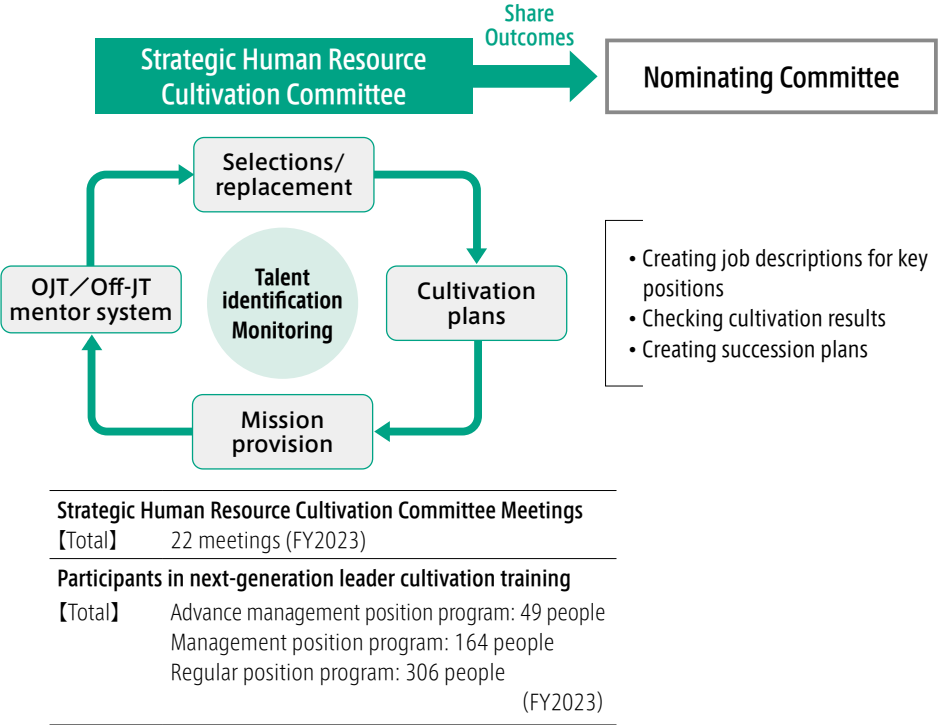
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Human Resources for Accelerating Ambidextrous Management

Adapting to changes in the surrounding environment, we are establishing a cycle aimed at developing management leaders who can drive business, electric power professionals who promote the succession of technical skills, and revenue-generating talent capable of creating new businesses. We provide opportunities for individuals to challenge themselves and make autonomous choices. Additionally, we centralize the management of talent information, including employees' skills and experiences, to achieve optimal talent placement through talent management.

Succession Planning for Management Leaders

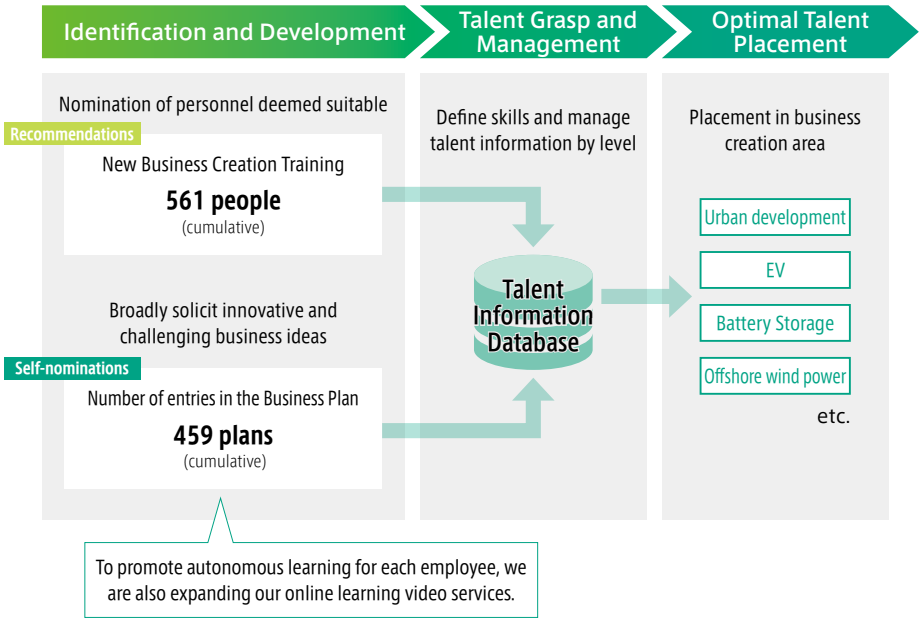
To ensure the stable and continuous emergence of management leaders, we have established a Strategic Human Resource Cultivation Committee aimed at selecting and nurturing potential leaders. The management team is directly involved in the development cycle and collaborates with the Nominating Committee to build a successor development system.



Developing Talent for New Business Creation

While adapting to market needs and competitive conditions, we identify suitable talent within the company to foster innovative ideas and strategies, turning new business ideas into reality. This is achieved through training, autonomous learning support, and on-the-job training (OJT). By defining skill levels (four levels), we can grasp and manage the talent information by level. Additionally, through mechanisms such as internal recruitment, we aim to connect this talent with practical placements in business creation areas.

Target: 2,700 people by FY2027 Achievement: 1,418 people (FY2023)



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Diversity & Inclusion

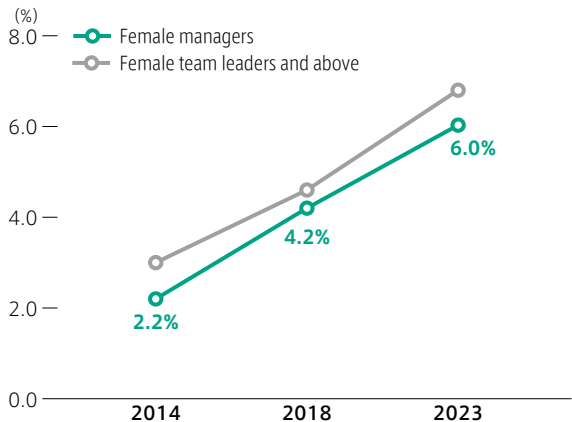
It is essential to create an environment where each employee respects each other's diversity and where everyone can work vibrantly, regardless of age, gender, nationality, or disability. To this end, we are promoting "Diversity & Inclusion" initiatives aimed at maximizing organizational performance by enabling employees to fully utilize their abilities and create new value.

Creating an Environment Where Everyone Can Thrive

Promoting Women's Participation

To increase the percentage of female managers, we are strengthening development efforts and expanding the pool of next-generation leader candidates. By the end of FY2023, the percentage of female managers reached 6.0%, and the percentage of leaders, including general staff, reached 6.8%, an increase of 3.8% over ten years. We are committed to creating an environment where the leadership brought by women's experiences and sensibilities can become a driving force for the growth of the TEPCO Group.

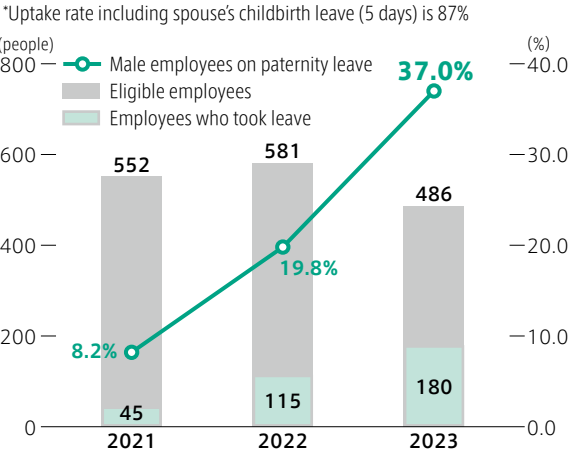
Percentage of Female Managers and Leaders Including General Staff



Flexible Work Options That Don't Consider Childcare a Career Break

To further support the balance between work and childcare, we have revised our paternity leave system. As a result, the uptake rate has increased fourfold over three years, with 37% of eligible employees taking leave. By allowing flexible work options regardless of attributes, we are fostering an environment of ease and security, ensuring psychological safety.

Paternity Leave Uptake Rate



[TEPCO's Diversity \(Japanese only\)](#)

Creating New Employment Opportunities

To promote diverse talent, we are creating new jobs and efficient workplaces that utilize individual experiences. In 2008, we established TEPCO Humming Works Co., Ltd. with the aim of providing a workplace environment where employees with disabilities can work energetically. As of the end of FY2023, the TEPCO Group's disability employment rate is 2.61%, meeting the legally mandated rate.



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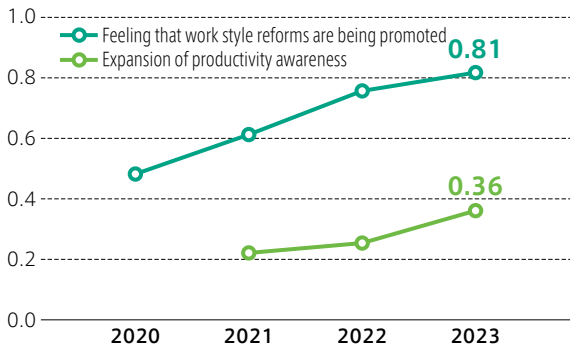
TEPCO Work Innovation

To achieve work-life balance and enhance the well-being of each employee, we are creating a comfortable working environment and implementing various initiatives to promote work style reforms. Additionally, to foster employee growth and organizational vitality, we are focusing on each individual employee. We aim to maximize individual potential by enhancing management capabilities that support and engage with employees' achievements and growth.

Initiatives to Promote Work Style Reforms

To balance work with household responsibilities, childcare, and caregiving, we have introduced initiatives such as "TEPCO Workcation," allowing remote work from anywhere, and an hourly paid leave system. Recently, we have also developed mechanisms for flexible working arrangements. For example, on-call duties previously required at the office for quick response to accidents can now be performed from home or other approved locations.

Employee Awareness Survey



Note: The average score from the employee awareness survey (on a 5-point scale from -2 to 2).

Initiatives for Employee Growth and Organizational Vitality

To strengthen dialogue and support-oriented management capabilities, we are implementing initiatives such as "1-on-1 meeting" training, seminars by external speakers, and quarterly performance appraisal interviews. Additionally, we use 360-degree behavior observations to highlight role model managers' actions and share their practices within the company. This effort aims to elevate management capabilities across the organization. By deepening trust among employees, we enhance psychological safety and promote individual growth and organizational vitality.



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Core Strengthening; Enhancing Engagement

To enhance the vitality and productivity of both people and the organization, we believe improving employee engagement is crucial. Therefore, we have set "Employee Well-being" as a comprehensive KPI. This KPI consists of three key indicators: "job satisfaction," "Feeling of growth," and "work-life balance," which are measured through employee awareness surveys.

The results of these surveys are fed back to each workplace to help them understand their strengths and weaknesses. This understanding fosters the autonomous development of initiatives to improve engagement and promotes the horizontal sharing of best practices and know-how.

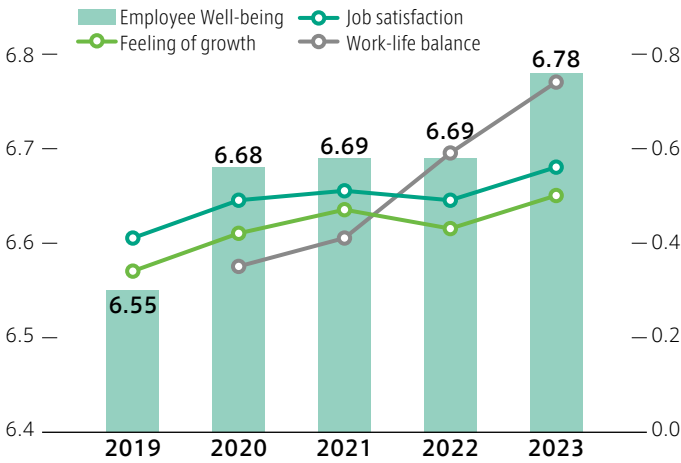
Employee Well-being

All indicators have shown results exceeding those of the previous year, with "work-life balance" seeing significant improvement in recent years. We believe that the efforts through TEPCO Work Innovation, along with strengthened communication from management and the effectiveness of various human resource management initiatives, are reflected in these positive outcomes.

Visualizing the Impact on Employee Well-being

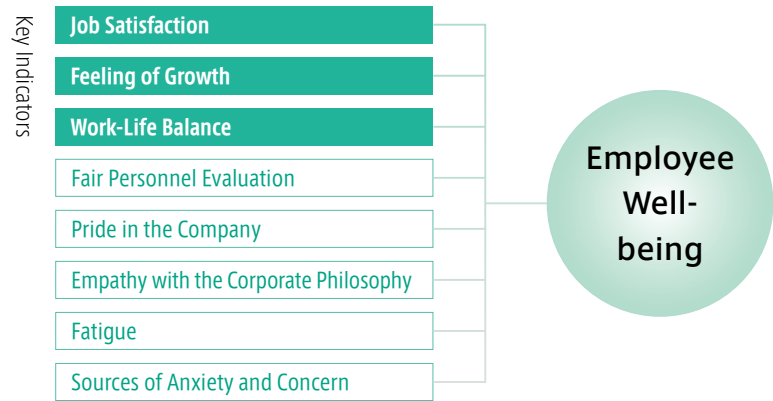
Through the analysis of employee awareness survey results, we visualize indicators significantly impacting employee well-being and their relationship with financial information. This helps verify if our HR initiatives enhance engagement and create value. Key indicators include "job satisfaction," "Feeling of growth," "work-life balance," "empathy with the corporate philosophy," and "pride in the company."

Notably, pride in supporting the stable supply of electricity and empathy with our vision of pioneering the future of energy are significant influencing factors. By using these analyses to enhance and improve our initiatives, we aim to accelerate "ambidextrous management" and achieve value creation.



Note: Engagement Score: Weighted average on a -2 to 2 scale
Employee Well-being Score: Weighted average on a 0 to 10 scale

Key Indicators Impacting Employee Well-being



Note: The impact on Employee Well-being is analyzed using AI and machine learning models based on 43 indicators from the employee awareness survey.

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Core Strengthening; Human Rights

Efforts to Respect Human Rights

The TEPCO Group regards respect for human rights as fundamental to its business activities. We actively work to prevent and mitigate negative human rights impacts, ensuring that the rights of all stakeholders are respected. By paying close attention to changes in external environments, such as legal amendments in the regions where we operate, we enhance risk anticipation and management in global business. Stakeholder engagement is crucial for these initiatives. Aiming to be a trusted and consistently chosen corporate group, we promote human rights efforts in collaboration with both internal and external stakeholders.

Governance

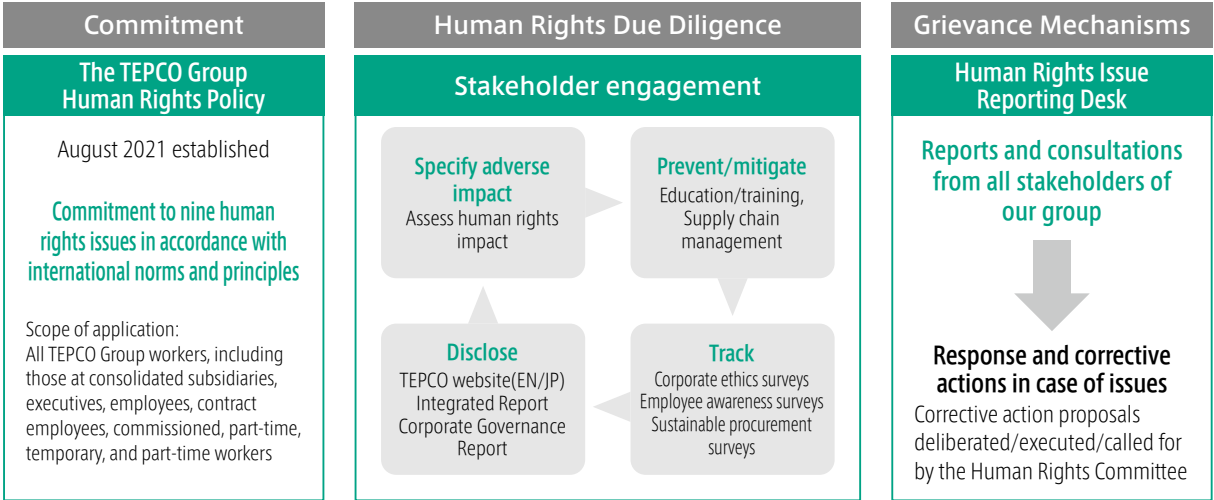
The Human Rights Committee, chaired by TEPCO Holdings' Chief Human Resources Officer (CHRO), leads the PDCA cycle for our human rights efforts. This involves planning, monitoring, and proposing risk mitigation measures. Regular reports to the Board of Directors ensure effective oversight and supervision of these initiatives.



Strategy: Initiatives Aligned with the United Nations' Guiding Principles on Business and Human Rights*1

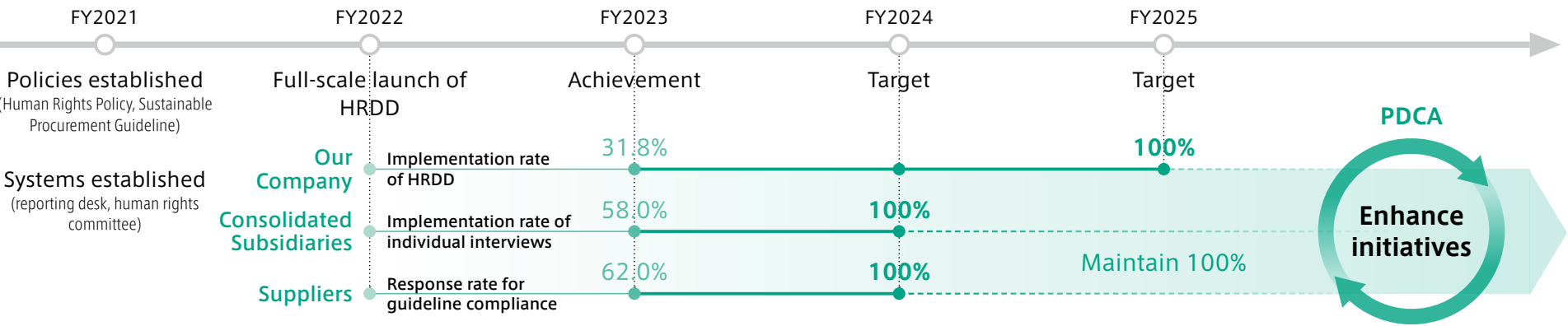
Our group has a commitment to the "TEPCO Group Human Rights Policy," conducting human rights due diligence (HRDD) and establishing grievance mechanisms. In HRDD, we prioritize the scope of "our company," "consolidated subsidiaries," and "suppliers." To enhance the effectiveness of these initiatives, employee understanding is essential. Therefore, our group provides training and has set a target for 2030*2 regarding employee comprehension of the human rights policy.

*1 The Guiding Principles on Business and Human Rights (Ruggie Principles) outline company initiatives for respecting human rights, such as commitment, HRDD, and grievance mechanisms.
*2 An employee awareness survey aims for a score of 1.8 or higher (on a -2 to 2 scale) for understanding and respecting human rights policy.



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Progress



Our Company*1

We are addressing common employee human rights issues*2 through education and system implementation. To tailor our approach to each business, we promote organizational-level HRDD. Using self-assessment results, we identify at-risk organizations and conduct interviews with external experts. These interviews help us identify human rights issues and develop preventive and corrective measures.

Currently, we are establishing a system enabling each organization to autonomously conduct HRDD.

*1 TEPCO Holdings and its core operating companies

*2 Harassment, working hours, personal information

Consolidated Subsidiaries

Major subsidiaries conduct annual self-assessments on internal system establishment, supplier communication, and usage of high-risk products like solar panels. Based on the assessment results, TEPCO Holdings conducts individual interviews to promote initiatives at each company.

In 2023, a guideline for human rights policy initiatives for subsidiaries was established. Each subsidiary develops plans in line with the guidelines, with TEPCO Holdings monitoring and supporting their achievement.

Suppliers

To achieve a sustainable society across the supply chain, we present the "Sustainable Procurement Guidelines" to suppliers, seeking their adherence and shared commitment. We have strengthened contracts by adding human rights compliance clauses. For supplier engagement, we conduct comprehensive surveys on social responsibility policies and ESG initiatives. During feedback, we provide training materials on environmental and human rights issues and comparative data to support suppliers in enhancing their efforts.

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Metrics and Targets

To enhance "Employee Well-being" and "Human Capital ROI," we will establish key KPIs focusing on our HR-Vision and five priority areas, assessing outcomes and progress while updating metrics and targets as necessary. Additionally, we will set and monitor KPIs related to risks such as voluntary turnover rates and the number of employees working long hours.

Comprehensive KPI	HR-Vision		Five Priority Areas	Primary indicators	Target	Achievements (FY2023)
Employee Well-being 6.78 ^{*1} (YoY+0.09)	Ideal Human Resource Portfolio		Resource Management	Securing Human Resources (New Graduate Recruitment)	FY2023 : 100% fulfillment of planned numbers	109%
	HR Vacancy fill rate for key management issues	fill rate 100%		Securing Immediate Contributors (Career Recruitment)	FY2023 : 100% fulfillment of planned numbers	115%
Human Capital ROI (Operating income + Depreciation) Personnel expenses 2.21 (YoY+1.96)	Human Resource Vision		HR for Accelerating Ambidextrous Management	Development of Management Leaders	Management leader candidates: 500 people Mission provision rate: 100%	510 people 87%
	Job Satisfaction	0.56 ^{*2} (YoY+0.07)		Number of Business Creation Talents Generated	FY2027 : 2,700 people	1,418 people (Cumulative)
	Feeling of Growth	0.50 ^{*2} (YoY+0.07)	Diversity and Inclusion	Ratio of Female Managers	FY2025 : 10%	6.0%
	Work-Life Balance	0.74 ^{*2} (YoY+0.15)		Feeling that Diversity is Being Promoted	Increase over last fiscal year	YoY +0.24 (0.89 ^{*2})
	Annual Total Work Hours/Person	1,946 ^{*3} (YoY+11)	TEPCO Work Innovation	Feeling that Work Style Reforms are Being Promoted	Increase over last fiscal year	YoY +0.06 (0.81 ^{*2})
	Organization Vision			Expansion of Productivity Awareness	Increase over last fiscal year	YoY +0.11 (0.36 ^{*2})
	Putting the Corporate Philosophy into Practice	1.18 ^{*2} (YoY+0.05)	Core Strengthening	Feeling that Health Measures are Being Promoted	Increase over last fiscal year	YoY +0.11 (0.75 ^{*2})
Value-Creating Climate	0.58 ^{*2} (YoY+0.13)	HRDD Implementation Rate		FY2025 : 100%	31.8%	
Mental Safety	1.13 ^{*2} (YoY+0.07)					

Risk KPI (from FY2023)

Voluntary Turnover Rate 1.2% (Previous Year: 1.0%)	Number of Employees Working Long Hours^{*4} 250 people (Previous Year: 191 people)	High-Stress Rate from Stress Checks 11.9% (Previous Year: 11.8%)	Number of Long-Term Absentees Due to Non-Work-Related Injuries or Illnesses^{*5} 215 people (Previous Year: 202 people)	Number of Disciplinary Cases among Consultations to the Human Rights Office 3 (out of 136)
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^{*1} Weighted average on a 0 to 10 scale ^{*2} Weighted average on a -2 to 2 scale ^{*3} Excluding management; company-wide average ^{*4} Number of individuals who recorded over 100 hours of overtime and holiday work in a month during the fiscal year

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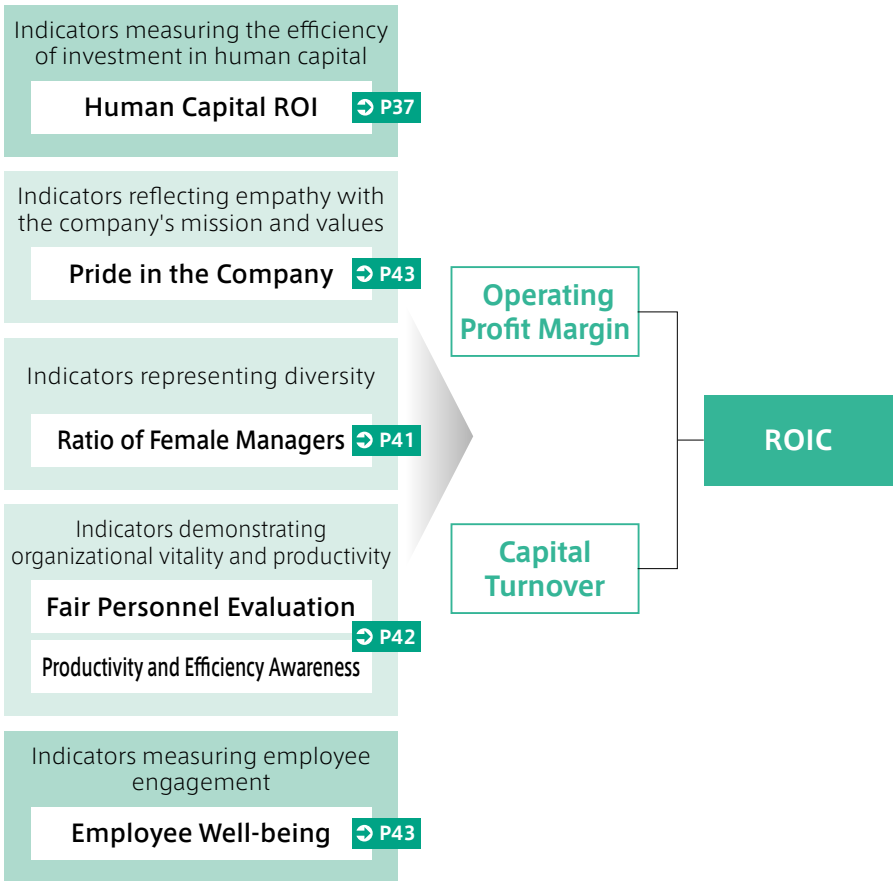
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Analysis of the Impact of Human Capital Indicators on Financial Metrics

To elucidate how our human capital initiatives contribute to improving corporate value, we conducted an analysis using AI and machine learning models to assess the impact of human capital-related indicators on ROIC. The analysis suggests that the effectiveness of various measures and improvements in employee engagement may enhance corporate growth and profitability over the mid/long-term. Moving forward, we will continuously examine the relationship between financial and non-financial metrics, using these insights to enhance our initiatives and strategically invest in human capital.

<Indicators with High Impact on ROIC>



Verification Results

- Indicators with a high impact on ROIC were identified as "Human Capital ROI," which shows the efficiency of investment in human capital, "Productivity and Efficiency Awareness," "Pride in the Company," "Ratio of Female Managers," "Fair Personnel Evaluation," and "Employee Well-being."
- Among these, "Human Capital ROI" had the highest impact on ROIC, reaffirming that investment in human capital is significantly related to the creation of earning power and that setting "Human Capital ROI" as a KPI contributes to improving ROIC.
- Furthermore, it was suggested that employees' sense of "Pride in the Company" and "Employee Well-being" could enhance individual productivity, efficiency, service quality, and customer satisfaction, thereby boosting profitability.
- By advancing initiatives related to the "Ratio of Female Managers" and "Fair Personnel Evaluation," it was suggested that properly evaluating and treating employees, along with appropriate resource management, could similarly enhance creativity, efficiency, and profitability.

Target Data

Subjects : 83 companies, primarily energy companies, that are advanced in human capital management*

Variables : ① Financial: ROIC (Return on Invested Capital)
② Non-Financial: Human capital-related indicators and associated non-financial indicators

Target Years : 2019-2023

Analysis
Collaboration : Sustainable Lab Inc.  Sustainable Lab

For this analysis, we used the dataset from the non-financial data platform "TERRAST" provided by Sustainable Lab Inc.
*Including our group companies

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Occupational Health and Safety



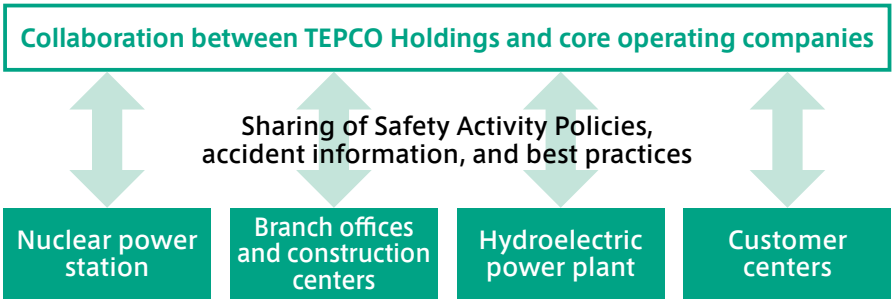
Yasunori Fushimi
Managing Executive
Officer
Tokyo Electric Power
Company Holdings, Inc.

Fostering a safety-first culture of thoughtful and proactive action

The TEPCO Group regards the unwavering pursuit of safety in all operations as our most vital business foundation, acknowledging the endless nature of this quest. We are committed to enhancing safety daily alongside our colleagues. Our labor environment is undergoing significant changes, such as a decline in experienced workers and challenges in transferring technical skills. To navigate these challenges and strengthen our business foundation, it is crucial to strictly adhere to safety-first rules and cultivate a culture where employees can think and act autonomously. To build this culture and ensure a safe working environment, I will actively visit worksites, raise safety awareness, and take actions to protect my safety and that of my colleagues, always under the guiding principle that safety is paramount.

Strategy for Promoting Safety Activities

For our safety activities, we have established clear responsibilities, authorities, and procedures through manuals covering daily safety management, occupational accident investigations, countermeasures, and safety education. Using the PDCA cycle, we closely collaborate with onsite teams for effective safety practices. Daily operations involve risk assessments at each process and the horizontal sharing of best practices. In the event of a severe occupational accident, we promptly share information and thoroughly investigate root causes to prevent recurrence. This includes implementing recurrence prevention measures and improving and sharing existing rules. These activities are conducted collaboratively across the TEPCO Group in both normal and emergency situations.



Governance Strategy Risk Management

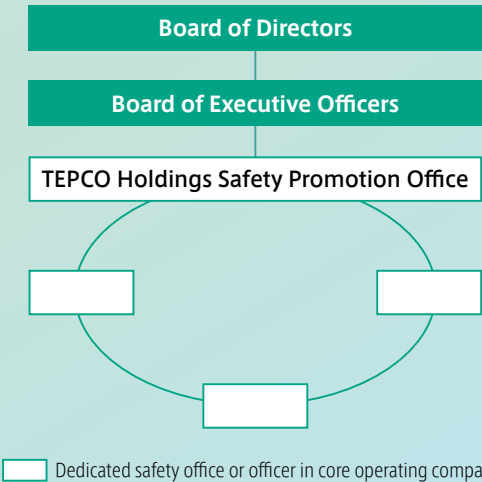
Safety Policy

Safety Above All Else

1. **Lead by Example:** Leaders will act to foster a safety-first culture.
2. **Communication:** Deepen communication with partner companies to share safety awareness.
3. **Learn from Past:** Leverage past accidents' lessons for prevention.
4. **Enhance Safety Skills:** Improve risk identification and mitigation capabilities.
5. **Integrate Safety:** Embed safety in all tasks, continuously improving through PDCA.

Governance Structure

At TEPCO Holdings and its core operating companies, dedicated organizations and personnel have been established to promote coordinated safety activities.



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Safety Activity Plan

Our analysis of past safety activities has reaffirmed the importance of not only direct risk mitigation but also strengthening the trust-based relationships with our partners, which serve as the "foundation" for achieving zero accidents. In our 2024 safety plan, we aim to establish a "visible relationship" with on-site workers and foster open communication between clients and contractors. By increasing the frequency of site visits by us, as the clients, and improving communication with our partners, we will reinforce our trust-based foundation and diligently work towards preventing accidents.

Initiatives for Protective Measures at the Fukushima Daiichi Nuclear Power Station

In fiscal year 2023, incidents at Fukushima Daiichi Nuclear Power Station posed risks such as worker contamination and water leaks. In response, approximately 1,000 work risks were reassessed, and around 680 protective measures were reviewed.

Risks and Opportunities

From an occupational health and safety perspective, we organized TEPCO Group's response strategies to external environmental changes influencing business strategy. We will continue to implement effective measures with a long-term view.

Categories	R/O	External Environmental Changes	Envisioned Details	Possibility	Impact	Timeframe	Response Strategy
Technology	Opportunity	Further dissemination of digital technology	· AI advancements enable efficient creation of safety measures from past accidents, improving safety and reducing countermeasure costs. · Digitizing veteran skills enables real-time support for younger workers, aiding know-how accumulation and early empowerment as valuable assets.	Possible	Medium	Medium-term	Combine existing in-house know-how with AI technology for practical application
Market/Service	Risk	Advancement of globalization	The increase in a multinational workforce due to the hiring of global talent can lead to workplace accidents caused by cultural differences and communication gaps.	Very likely	Medium	Medium-term	Strengthen initiatives related to the multinational workforce domestically
	Risk	Labor market fluidity	Employee health deterioration, widely publicized, can reduce our group's market attractiveness, complicating talent acquisition.	Unlikely	Large	Medium-term	Promotion of investment for health

* Timeframe: Indicates occurrence in the short term: FY2025, medium term: FY2030, long term: FY2050.

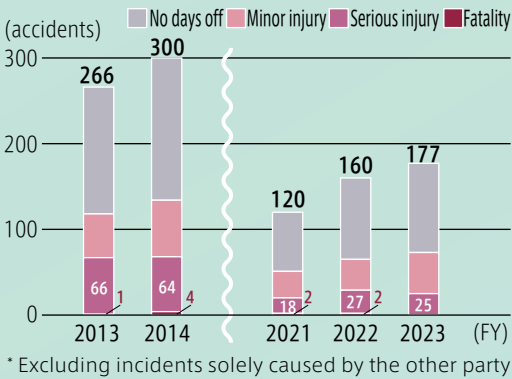
Risk Management Metrics & Targets

Targets

TEPCO Group
FY2027 Zero accidents

From fatal work accidents, we've developed detailed procedures for responsibilities and legal compliance. Additionally, we've collaborated with external agencies to enhance safety activity efficiency based on real field conditions.

Results



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Natural capital

Pursuing Harmony between Business Activities and Biodiversity Conservation

The business activities of the TEPCO Group, responsible for energy supply, **heavily depend on and impact natural capital** through the installation and operation of extensive related facilities. Since its establishment, our group has conducted business with consideration for the natural environment and biodiversity. Moving forward, we will enhance information disclosure to meet stakeholder expectations and, through business operations based on the "TEPCO Group Biodiversity Policy" (enacted in April 2024), contribute to achieving the global 30by30 target.



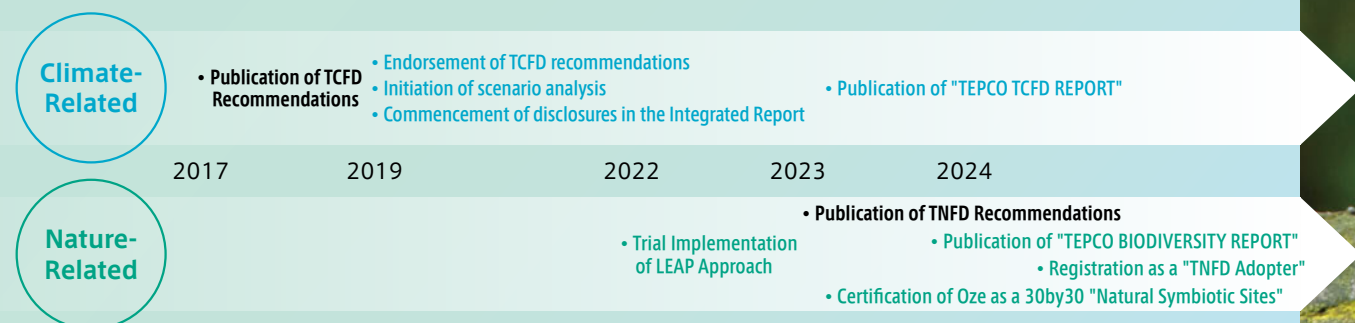
[TEPCO BIODIVERSITY REPORT 2024](#)

Enhancement of Information Disclosure

The significance of nature-related information disclosure under the TNFD framework, similar to the TCFD for climate data, lies in **providing material information to capital providers for better decision-making and enhancing organizational resilience to climate and nature-related risks**. Moving forward, our group will examine the dependencies and impacts of our business on natural capital and thoroughly analyze associated risks and opportunities. We will reassess and evaluate the targets of the LEAP approach, initially implemented on a trial basis, and integrate the insights into our business strategies. By registering as a "TNFD Adopter," we aim to improve our disclosures and continually disclose the "TNFD Global Disclosure Indicators" for comparability.

[TNFD Global Disclosure Indicators P99](#)

TCFD×TNFD



Post-2025

Enhancement of information disclosure related to organizational resilience to climate and nature-related risks

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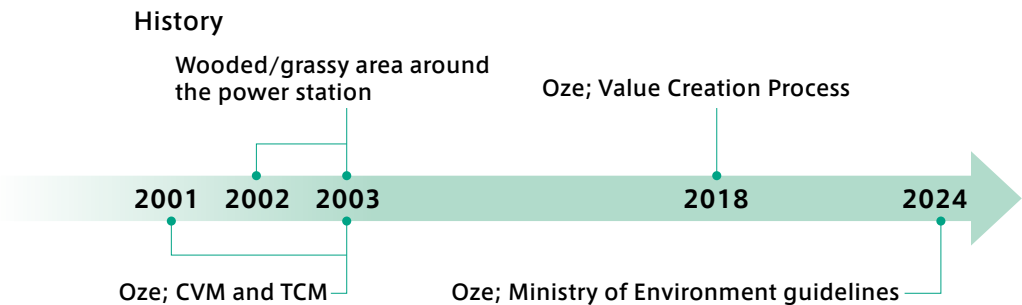
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Economic Value Assessment of Natural Capital

The TEPCO Group has evaluated the balance between environmental conservation and economic efficiency. Moving forward, we will reassess past initiatives, introduce new methods, and improve information disclosure based on TNFD financial indicators.



30by30*1 : OECM*2 Registration

The 16,334 hectares of Oze (including Ozegahara, Oze Marsh, and Oze Tokura Forest), conserved by our group for years, were recognized as a "Natural Symbiotic Sites" in 2023. In 2024, 512 hectares outside the national park were registered in the international OECM database. Our group is dedicated to contributing to the 30by30 goal by including both protected areas and OECMs.



*1 30by30: Aiming to halt and restore biodiversity loss by 2030, this goal seeks to effectively conserve over 30% of land and sea as healthy ecosystems by 2030.
*2 OECM (Other Effective area-based Conservation Measures) : To achieve "30by30," not only expand national parks but also register biodiversity-conserved lands by communities, companies, and organizations in international databases to promote preservation.

Economic Value Assessment of Oze Initiatives (2024)

Based on the "Trial Manual for Valuing and Calculating Ecosystem Services in Corporate Biodiversity Conservation Activities" (Ministry of the Environment, 2019), we conducted a benefit evaluation of our group's initiatives in Oze, including land management and nature conservation efforts.

[Trial guidelines \(Ministry of the Environment\)](#)

Total
¥46.78 billion/year

Total Activity Benefit of the Same Scale of Activities

- Past 60 years: ¥11.6 trillion
- Future 100 years: ¥1.1 trillion

Estimate using the social discount rate (4%) for public works evaluation in the Ministry of the Environment guidelines

Value of the Fruits of Nature (Ecological Services)

Lumber supply	Watershed/water storage	Carbon fixing	Water purification	Soil erosion prevention
Water volume adjustment	Landslide prevention	Flood prevention	Recreation	

- **Nationally: ¥3.81 billion/year**
- **Local residents: ¥39.21 billion/year**
- **Event participants: ¥203,000/year**

Value of Other Activities

Biodiversity conservation function
Related events

- **Nationally: ¥3.75 billion/year**
- **Local residents: ¥9.29 million/year**
- **Event participants: ¥294,000/year**

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Intellectual Capital

Strengthening Intellectual Capital Supports Sustainable Growth

For the TEPCO Group to swiftly respond to external changes such as technological innovation and internal changes like talent shortages, it is essential to strengthen intellectual capital, an intangible asset. Intellectual capital forms the foundation for building competitive advantages and supporting sustainable growth. Recognizing this, our group is committed to enhancing intellectual capital through technological development and implementation.

Technology Strategy

In alignment with our business strategy, our group has formulated a technology strategy centered around three pillars: "Stable Power Supply," "Carbon Neutrality," and the "Digital Technologies" that support both. We have identified seven key technology areas, as of 2024, to focus on mid/long-term and set development goals regarding these areas to advance our technological initiatives.

TEPCO Research Institute, with its experts in energy-related fields, plays a central role. These specialists significantly contribute to stable power supply and driving new business creation through the implementation of CO₂ reduction technologies such as innovative renewable energy, electrification, and hydrogen P2G.

Key Technology Areas		Goals	Year
Key Goals	Electrification of energy demand	Development of V2H (Vehicle-to-Home) systems compatible with both AC and DC	2024
		Development of energy management systems supporting electric buses and regional energy	2030
	Zero emissions in power generation	Evaluation of power performance and installation methods for perovskite solar cells	2028
		Cost reduction and increased domestic production of Floating Axis Wind Turbines via offshore demonstration	2030s

Intellectual Property Strategy Including the Promotion of International Standardization

Our group promotes an open-close strategy for intellectual property, wherein we keep critical competitive areas as proprietary know-how while opening other areas through patent licensing and other means. As part of our open strategy, we aim to expand the market by improving reliability and reducing costs through standardization. To internationalize Japanese power technology, we lead the establishment of international standards through collaboration among industry, government, and academia.

Strategy

Metrics & Targets

Governance Structure



On the executive side, under the leadership of the CIO (Chief Information Officer), we are advancing our initiatives by enhancing collaboration with external partners.



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Digital Transformation (DX)

TEPCO Group is advancing DX initiatives to ensure stable power supply and achieve carbon neutrality. We are enhancing existing businesses and creating new business models with various stakeholders. As a result, TEPCO Holdings was the only power company named a "Noteworthy DX Companies 2024" in May 2024.

To strengthen group-wide governance, we established the DX Business Transformation Committee, led by our President. This committee formulates company-wide policies, organizes cross-functional DX projects, and fosters an environment for business transformation, accelerating DX efforts across the entire group.

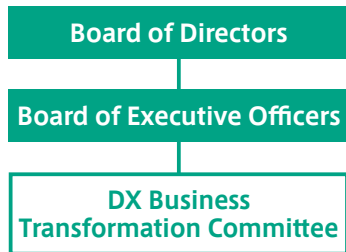
DX Project: Smart Maintenance of Hydroelectric and Wind Power Plants Using Drones

Traditionally, power plant maintenance required significant labor and time. We are utilizing drones for remote monitoring and control of aerial and underwater facilities, improving inspection efficiency, reducing labor, shortening facility downtime, and significantly decreasing generation curtailment.

Expected Effects

Time Required approx. **96% reduction**

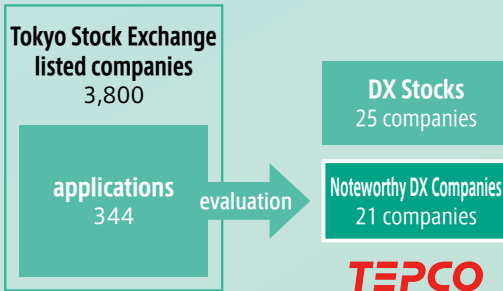
Shorten the time from issue occurrence to investigation initiation for certain facilities from over 2 days to under 2 hours



Small underwater drones utilized for hydroelectric power plant maintenance

Governance Strategy Metrics & Targets

DX Stocks 2024 and Noteworthy DX Companies 2024



Based on 2024 selection results

The Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Information-technology Promotion Agency evaluate and recognize companies that are creating new value through DX initiatives.

Simultaneous Achievement of GX and DX: MESH^{*1} Concept

The MESH Concept aims to enhance overall societal productivity and promote autonomous behavioral changes in power consumption. This is achieved by guiding next-generation industries to locate near decarbonized power sources and leveraging Watt Bit Integration based on time- and location-specific price signals. TEPCO Power Grid's Vice President, Dr. Okamoto, introduced this concept at the GX2040 Leaders Panel^{*2}, attended by the Prime Minister.

^{*1} MESH: Machine-learning Energy System Holistic

^{*2} A panel for gathering expert opinions to formulate the "GX2040 Vision," Japan's mid/long-term decarbonization roadmap

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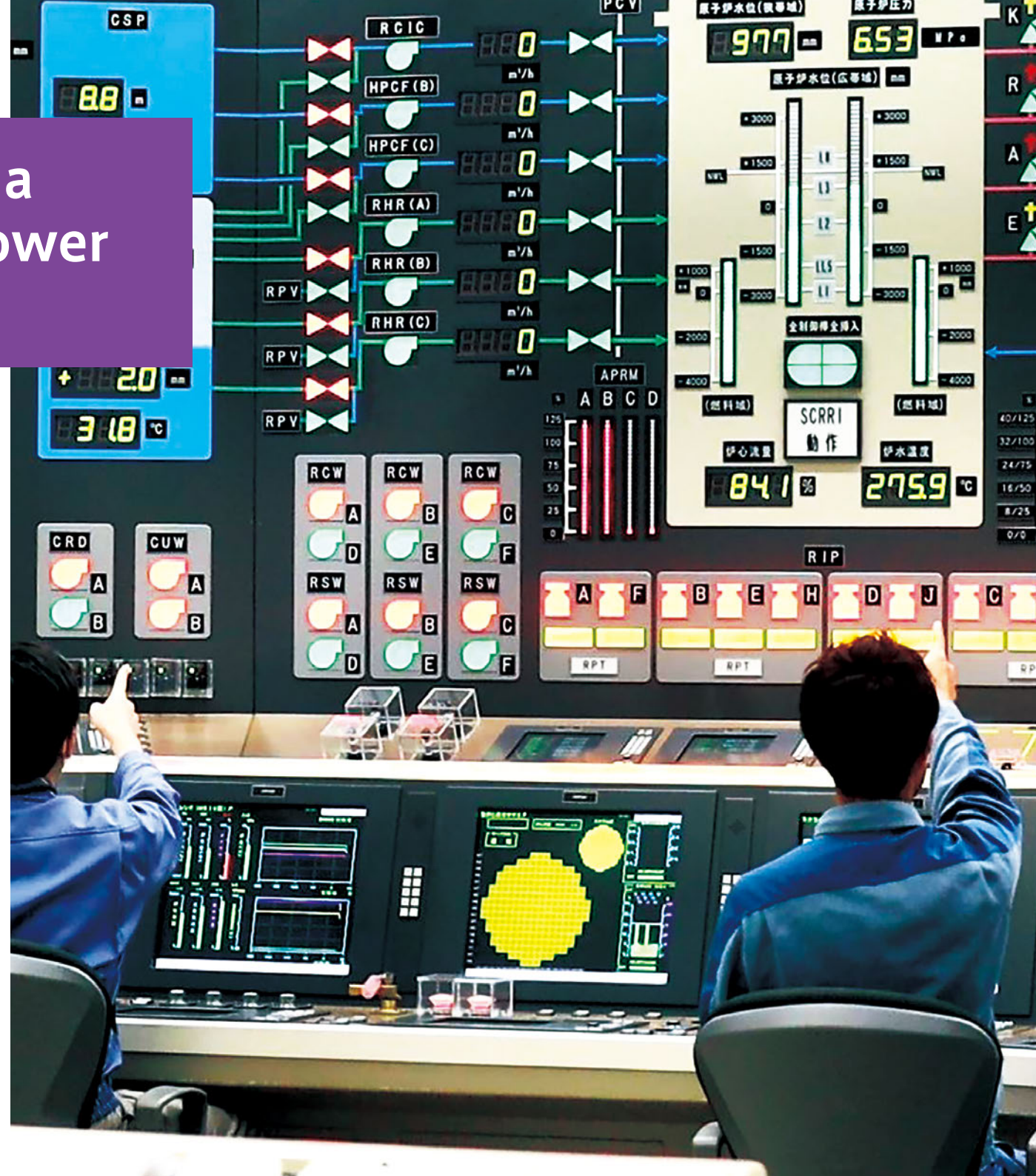
Transforming into a Trusted Nuclear Power Operator

Tokyo Electric Power Company Holdings was prohibited from moving fuel due to incidents related to nuclear physical protection. This order was lifted in December 2023. We continue corrective actions to ensure lasting improvements.

At Kashiwazaki-Kariwa Nuclear Power Plant Unit 7, we completed safety measures based on the Fukushima Daiichi accident and new regulatory standards, confirming the integrity of the power generation system for reactor startup.

As the company responsible for the Fukushima Daiichi accident, we are enhancing our emergency response capabilities through comprehensive drills without disclosing scenarios in advance and through providing individual training. We also conduct regular training with scenarios stricter than the Fukushima Daiichi accident and improve operational skills at other nuclear and thermal power plants with similar equipment.

By sharing these efforts with local communities and the public, and addressing their inquiries, we aim to become a trusted power plant operator.



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Takeyuki Inagaki
Managing Executive Officer,
Superintendent of
Kashiwazaki-Kariwa
Nuclear Power Station,
In charge of Nuclear
Reform
Tokyo Electric Power
Company Holdings, Inc.

Creating a vision for the power station and implementing further nuclear reforms

In order to achieve power station operation that prioritizes safety, at the Kashiwazaki-Kariwa Nuclear Power Station we have created a “purpose” for the power station that serves as a pillar of determination for everyone that works at the station, and we are engaged in various initiatives to promote it. At Unit 7, now that we have completed safety measure renovations and post-fuel charging integrity checks, we have completed the technical preparations for startup of the reactor.

However, we believe that the reactor should be started up only after obtaining the understanding of regional residents so we are leveraging various forms of media, and also opportunities to directly engage with regional community, to give careful and detailed explanations of this process.

Our vision for the power station is an ongoing process that this is surely not the end of. As a site superintendent, I will push each and every worker at the plant to be more aware of how we can make the power station a better place and to continually make improvements.

Safety Measures

In response to the Fukushima Daiichi accident and new regulations, we have implemented safety measures at Kashiwazaki-Kariwa Nuclear Power Plant. We strengthened facilities and diversified power supply and cooling functions to prevent accidents and core damage. Additionally, we have measures to delay and reduce radioactive material release if core damage occurs.

About 10 days
↓
≤ 1/1,000

In a core-damaging accident, our seawater cooling system can delay radioactive discharge for at least **about 10 days**.

If the discharge of radioactive materials becomes unavoidable, our filtered vent system can reduce particulate radioactive substances (such as radioactive cesium) to **less than 1/1,000**.

Strategy

Vision for Kashiwazaki-Kariwa Nuclear Power Station

The “Purpose” of the Kashiwazaki-Kariwa Nuclear Power Station

- 1. To be a power station that loves, and is loved by, the region
- 2. To be a lively and welcoming power station at which everyone is proud to work
- 3. To be a power station that is chosen by our customers

This “purpose” was formulated through discussions and input from power station staff and employees of partner companies.

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Efforts to Enhance Safety at the Kashiwazaki-Kariwa Nuclear Power Station

At the Kashiwazaki-Kariwa Nuclear Power Station, we are working to enhance the safety of the reactor as we move towards restarting operations. This includes confirming the integrity of the facilities and conducting emergency drills.



Operations

We conduct monthly "nuclear disaster prevention drills" that simulate various events such as earthquakes and tsunamis. These include blind drills, where scenarios are not disclosed in advance, to improve adaptability and decision-making skills. Considering that about 30% of our operators lack prior operational experience, we have conducted multiple training sessions at thermal power plants and the BWR Operation Training Center to prepare for stable operations.

Collaboration with National and Local Governments

Based on the nuclear disaster prevention cooperation agreement signed with Niigata Prefecture in 2020, we will provide maximum support to enhance the effectiveness of evacuation plans. This includes verifying and testing the cooperation framework. In the event of natural disasters like earthquakes and tsunamis, we plan to open the headquarters and the service hall at the power station to the local community.

Security

We have been improving security at the Kashiwazaki-Kariwa Nuclear Power Station from both equipment and operational perspectives. The report from the International Atomic Energy Agency (IAEA) Expert Mission concluded that most of the 36 items in the Corrective Action Plan related to the unauthorized ID card use incident and partial failure of nuclear physical protection equipment have been completed. It also stated that measures requiring more time and resources are being implemented as planned, addressing the root causes. The plant's management has been highly praised for their efforts to improve nuclear security culture. Effective communication and mutual trust among all personnel, including partner companies, are essential for better plant operations. We will activate internal and external communication to achieve a trusted power plant operation.



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Toshihiko Fukuda

Director,
Executive Vice President,
General Manager of
Nuclear Power & Plant
Siting Division,
Deputy Chief and
Secretary General of the
Nuclear Reform Special
Task Force
Tokyo Electric Power
Company Holdings, Inc.

Strategy

Nuclear Power Generation

At the Kashiwazaki-Kariwa Nuclear Power Plant, we are steadily progressing with the steps for the restart of Unit 7, while also advancing safety measures and necessary processes for severe accident response facilities for Unit 6.

While striving to restore trust at Kashiwazaki-Kariwa, we will also proceed with necessary peripheral development, geological surveys, and design considerations based on new regulatory standards to resume construction at the Higashidori Nuclear Power Station, a crucial site for TEPCO Holdings' nuclear business for generations to come.

Leading nuclear reforms so that the nuclear power industry is trusted into the future

In Japan it is predicted that we will see an increase in power demand due to the new construction and expansion of data centers in conjunction with the increased digitalization of industry and society. So, we have great expectations for nuclear power because of the stable supply of power it provides, its economic efficiency, and the CO₂ emission reductions it enables. Furthermore, at the UNFCCC Conference of the Parties (COP26), a declaration was made to expand the use of nuclear power throughout the world by 2050, thereby showing the large role that nuclear power generation is expected to play internationally.

To meet societal expectations and become a trusted nuclear power operator, the Kashiwazaki-Kariwa Nuclear Power Station and the Head Office are united in safety improvement initiatives and awareness reforms. As head of the Nuclear Power Division, I will continue to lead nuclear reforms and leverage the continual monitoring results of committees comprised of external experts, such as the Nuclear Reform Monitoring Committee, to solidify trust in the nuclear power industry.

Nuclear Fuel Cycle

From the perspective of energy security, maximizing the efficient use of domestically available resources and reducing the volume and toxicity of high-level radioactive waste, we believe the nuclear fuel cycle holds significant importance. We will promote the nuclear fuel cycle in accordance with national policy. We will continue to fully cooperate with Japan Nuclear Fuel Limited and support Recyclable-Fuel Storage Company which commenced operations in FY2024.

Strategy

Metrics & Targets

Metrics & Targets

Financial Improvement from Operating One Nuclear Reactor (annual generation: 10TWh)

Approx. ¥100 billion per reactor

*1 Estimated based on recent fuel prices and certain assumptions

Annual CO₂ Reduction from Kashiwazaki-Kariwa Nuclear Power Plant Unit 7 (1,356 MW)

Approx. 3.3 million t-CO₂

*2 Estimated based on the "Energy and Environment 2023" report by the Federation of Electric Power Companies of Japan

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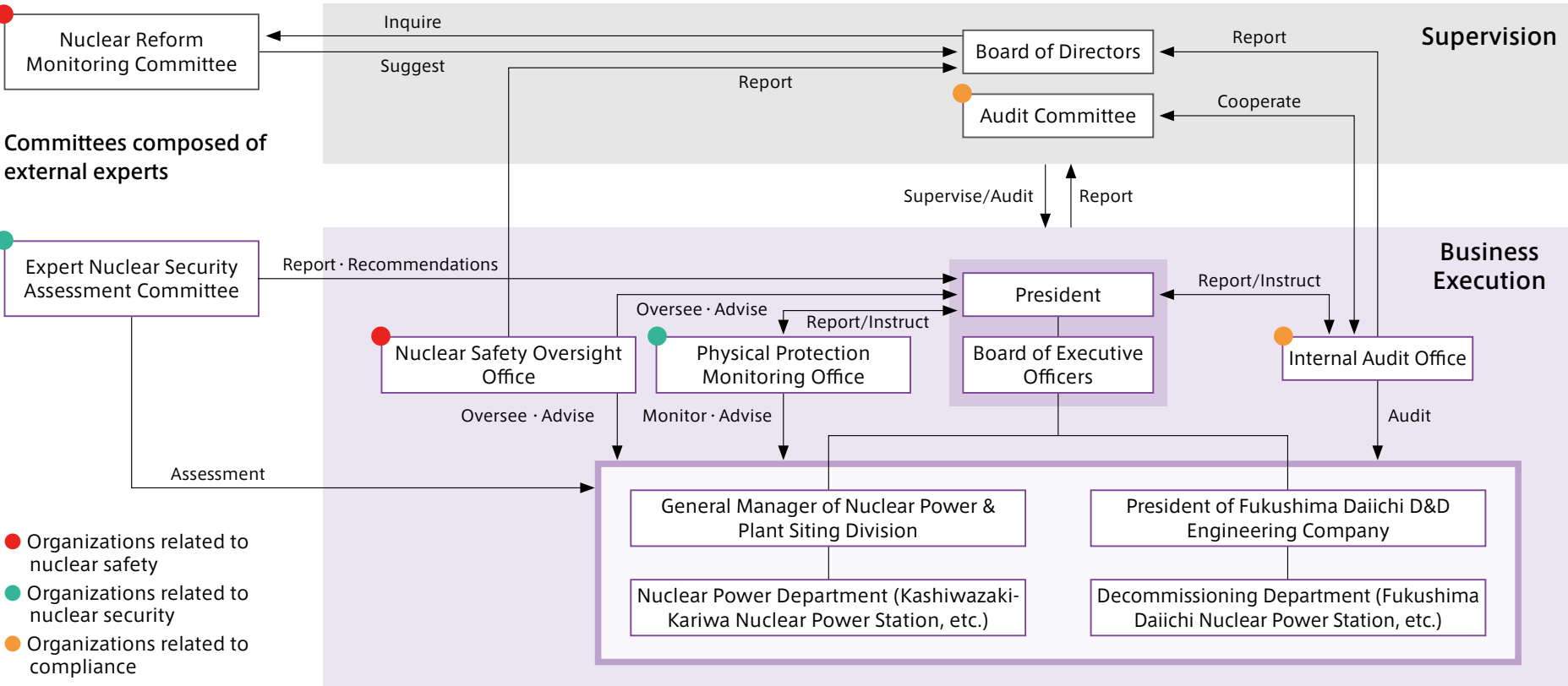
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Governance of Nuclear Operations

TEPCO Holdings has codified in the safety regulations of the Kashiwazaki-Kariwa Nuclear Power Station that under the President's responsibility, signs of safety and quality deterioration are promptly and appropriately addressed by monitoring the awareness and actions of our company and partner companies. In addition to supervision and audits by the Board of Directors and the Audit Committee, and internal audits by the Internal Audit Office, the Nuclear Safety Oversight Office, an independent organization from the Nuclear and Decommissioning Units, conducts monitoring. Additionally, to strengthen monitoring of nuclear physical protection, we have established the Physical Protection Monitoring Office directly under the President. Furthermore, the Nuclear Reform Monitoring Committee, an advisory body to the Board of Directors composed of domestic and international experts, supervises and monitors our nuclear operations from an external perspective. Utilizing the functions of each organization, we will further enhance the safety and security of the Nuclear and Decommissioning Units.

Efforts by Each Organization P59



* In addition to the organizations mentioned above, we have established "Assessment Committee for Improvement Measures regarding Nuclear Physical Protection at the Kashiwazaki-Kariwa Nuclear Power Station" with the aim of obtaining objective assessments of our ongoing efforts to ensure that our improvement measures are not temporary.

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Nuclear Reform Monitoring Committee

The Nuclear Reform Monitoring Committee is an advisory body to TEPCO Holdings' Board of Directors, comprising domestic and international experts. It supervises and monitors TEPCO's nuclear reform efforts from an external perspective to ensure effective implementation.

Committee Members

- Dr. Dale Klein, Chairman (Former Chairman of the U.S. Nuclear Regulatory Commission)
- Mr. Masafumi Sakurai, Member
- Dr. Mariko Nishizawa, Member
- Dr. Charles Casto, Member
- Mr. Yoshimitsu Kobayashi, Member (Chairman of TEPCO's Board)
- Mr. Shoichiro Onishi, Member (TEPCO Director)

Discussions at the Committee

At the committee meeting held in February 2024, reports and discussions covered TEPCO's nuclear safety reform efforts, the preparation status for the restart of the Kashiwazaki-Kariwa, and the progress of decommissioning at the Fukushima Daiichi.

Key Opinions

- The efforts to build a safety culture are progressing well, but consideration should be given to maintaining it. The safety culture should not be person-dependent to remain sustainable.
- At both Fukushima Daiichi and Kashiwazaki-Kariwa, things often do not progress as expected. Even when Kashiwazaki-Kariwa restarts, there will inevitably be equipment that does not function as planned. It is crucial to have a communication program and to engage in early communication both internally and externally.

Expert Nuclear Security Assessment Committee

From the perspective of external nuclear security experts, the committee evaluates our nuclear security efforts biannually and reports its findings and recommendations to the President.

Evaluation Contents

1. Status of the "Corrective Action Plan" initiatives
2. Efforts to foster a nuclear security culture
3. Performance evaluation of physical protection measures

Nuclear Safety Oversight Office (NSOO)

As an independent entity from safety-related organizations, the NSOO provides specialized knowledge to assist and advise the President in monitoring, directly influencing decision-making, and improving nuclear safety management. It also reports directly to the Board of Directors as necessary.

Observation, Analysis, and Evaluation

We regularly conduct interviews and field observations with our company and partner companies to identify issues, including signs of safety and quality deterioration. Based on these observations, we evaluate the nuclear safety performance at each power plant.

Reporting and Advising

The performance evaluation results are regularly reported to the President and executive officers. We also continuously support the nuclear division in addressing identified issues.

Physical Protection Monitoring Office

The Physical Protection Monitoring Office is an organization directly under the President, independently monitoring nuclear physical protection efforts from the nuclear division. The office monitors employees and partner companies, providing regular reports to the President. If signs of safety or quality deterioration in nuclear physical protection awareness or actions are observed, the office reports them promptly, and the President issues corrective instructions to the nuclear division. The office continues to monitor the division's response, supporting continuous improvement in nuclear security through autonomous improvements by the division.

Monitoring Methods for Nuclear Physical Protection Awareness and Actions

- Fixed-point observation
- Meeting observation
- Accompanying patrols
- Interviews and document reviews
- Annual surveys

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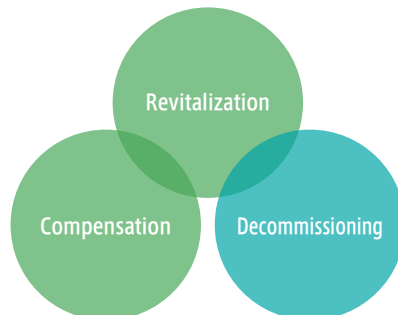
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Promoting Revitalization and Decommissioning

Fulfilling our responsibility to Fukushima is the TEPCO Group's greatest mission. The reflection and lessons learned from the Fukushima Daiichi Nuclear Power Plant Accident are the foundation of our current management principles. We vow never to let such an accident happen again and will continue to take every action necessary to promote revitalization and bring the accident to a conclusion.

While providing quickly suitable compensation, we will continue to listen to and consult with municipalities and regional residents, and persist in our efforts towards revitalization, including environmental restoration and promoting the distribution of agricultural and marine products.

Regarding decommissioning, in addition to continuing ocean discharge of ALPS-treated water, we will proceed with the crucial task of trial retrieval of fuel debris.



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Compensation and Revitalization



Nobuhide Akimoto
Managing Executive Officer,
Fukushima Revitalization
Headquarters
Representative
Tokyo Electric Power
Company Holdings, Inc.

Never forgetting the suffering of those affected, we will continue to fulfill our responsibility to Fukushima.

It has been over 13 years since the Fukushima Daiichi Nuclear Power Plant Accident, and we deeply apologize for causing great inconvenience and concern to the residents around the plant, the people of Fukushima Prefecture, and society at large.

In 2023, the ocean discharge of ALPS-treated water began. As the entity responsible for the decommissioning, we have been addressing this with a sense of duty and determination by disseminating information, promoting the consumption of domestically produced seafood, and advancing compensation efforts. Additionally, we have arranged an organization for compensation in light of the fifth addendum of the midterm plan. We will continue to respond diligently.

As the decommissioning process intensifies with tasks such as trial retrieval of fuel debris, we are committed to providing clear and comprehensible information. We will also promote the participation of local businesses in decommissioning work and procurement.

Being at the forefront of revitalization efforts, we will accurately capture the voices of the local community and the changing needs in urban development. I will lead these efforts, with the entire group united in initiatives that benefit the community.



Iitate Mirai Power Plant
Our subsidiary, Iitate Bio Partners Co., Ltd., constructed the Iitate Mirai Power Plant (a wood biomass power plant) to utilize thinned wood and bark from Fukushima Prefecture. The plant began operations in September 2024. We have taken thorough measures against radioactive substances, contributing to the regeneration of Fukushima's forests and the promotion of the forestry industry.

Stakeholder Engagement

Compensation

[Total payments]
As of the end of FY2023

Approx. ¥11.2 trillion

**Environmental restoration
Revitalization promotion activities**

[Work person-days]
FY2022

Approx. 58,600 person-days (cumulative)

FY2023

Approx. 49,700 person-days (cumulative)

[Number of work cases]
FY2022

Approx. 6,400 cases

FY2023

Approx. 5,600 cases

Promoting distribution products

[Promotion events for Fukushima]
FY2022

Approx. 11,700 days (cumulative)

FY2023

Approx. 15,500 days (cumulative)

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Environmental Restoration & Revitalization Promotion Activities

We are contributing to the reconstruction of businesses and livelihoods, and the recovery and revitalization of urban functions by national and local governments. Additionally, we are providing human and technical support for the improvement of return environments, living conditions, and environmental restoration.

In FY2023, with the reclassification of COVID-19 to Category 5, there was an increase in the number of events held in various regions. Consequently, the number of activities related to event cooperation and support for the resumption of farming in areas where evacuation orders were lifted also increased.

Key points of revitalization promotion activities

1. Implementing initiatives that lead to true regional revitalization according to the recovery status of each area
2. Completing responses to regional requests through revitalization promotion activities by all employees
3. Continuing risk communication regarding decommissioning progress and the discharge of ALPS-treated water
4. Implementing awareness-raising measures within TEPCO to fulfill responsibility to Fukushima



Risk communication activity

Promoting Distribution Products

The initiative to provide opportunities for people in the Tokyo metropolitan area and other regions to experience products from Fukushima and its neighboring areas began in February 2018 and marks its seventh year this year.

Promotional fairs for Fukushima products in retail stores and restaurants have expanded to nationwide and internationally.

Following the ocean discharge of ALPS-treated water, we extended our efforts to include domestic seafood products such as scallops affected by import bans from certain countries and regions. We are working to develop new sales channels and increase consumption through proposals and promotional events.

We will continue to collaborate with the government and stakeholders, advancing activities as a unified group.



Koichi Festival in Shimbashi

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Decommissioning



Akira Ono
Executive Vice President,
President of Fukushima
Daiichi D&D Engineering
Company,
Chief Decommissioning
and Contaminated Water
Management Officer
Tokyo Electric Power
Company Holdings, Inc.

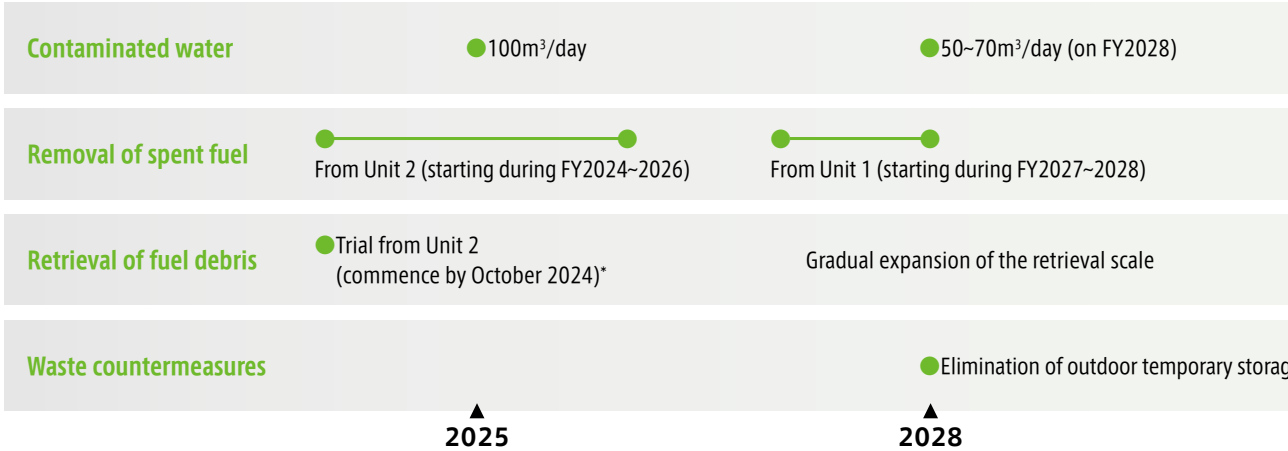
Based on the Mid/Long-Term Decommissioning Action Plan, we will carry out the decommissioning process with safe operations.

It has been over 13 years since the accident at our nuclear power plant. During this time, the decommissioning of the Fukushima Daiichi Nuclear Power Plant has progressed with the guidance of the government and other stakeholders, and with the support and cooperation of many individuals.

We commenced the ocean discharge of ALPS-treated water on August 24, 2023. We have confirmed that the discharges meet the planned discharge standards, and marine monitoring shows that levels remain within the anticipated range.

In 2024, we began the trial retrieval of fuel debris from Unit 2 on September 10. We are committed to taking thorough measures and prioritizing safety as we proceed. To support future fuel debris retrieval, we plan to analyze the characteristics of the fuel debris at an off-site analysis facility. Initially, to promptly understand the characteristics of the fuel debris, we conducted debris sampling using a telescopic device, which has been used in previous internal investigations. We will continue to make adjustments to improve the safety and operability of robotic arms for internal investigations and debris sampling.

Mid/Long-Term Decommissioning Action Plan 2024



Strategy Metrics & Targets

Metrics & Targets

Contaminated water
Reduction to approx.
100m³/day by FY2025
⇒ **Approx. 80m³/day on FY2023**

*Achieved ahead of schedule

Retrieval of fuel debris (FY2024)
[Unit2] Commencement of trial retrieval
[Unit3] Initiation of detailed conceptual considerations

Prevention of non-conformities (FY2024)
Zero incidents and human errors affecting people (occupational accidents), the environment (releases, leaks, off-site radiation increase), and radiation (overexposure, internal intake, body contamination)

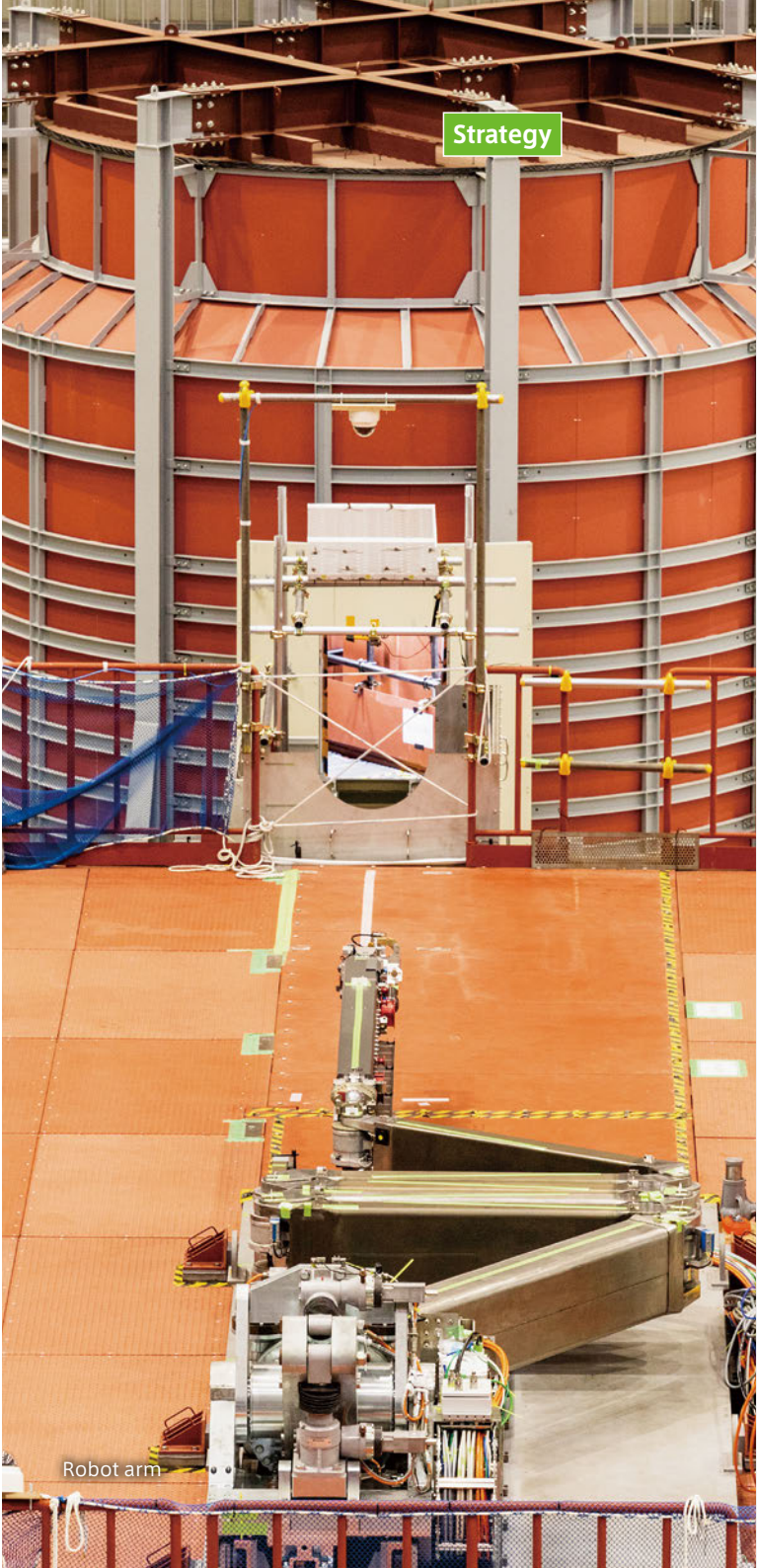
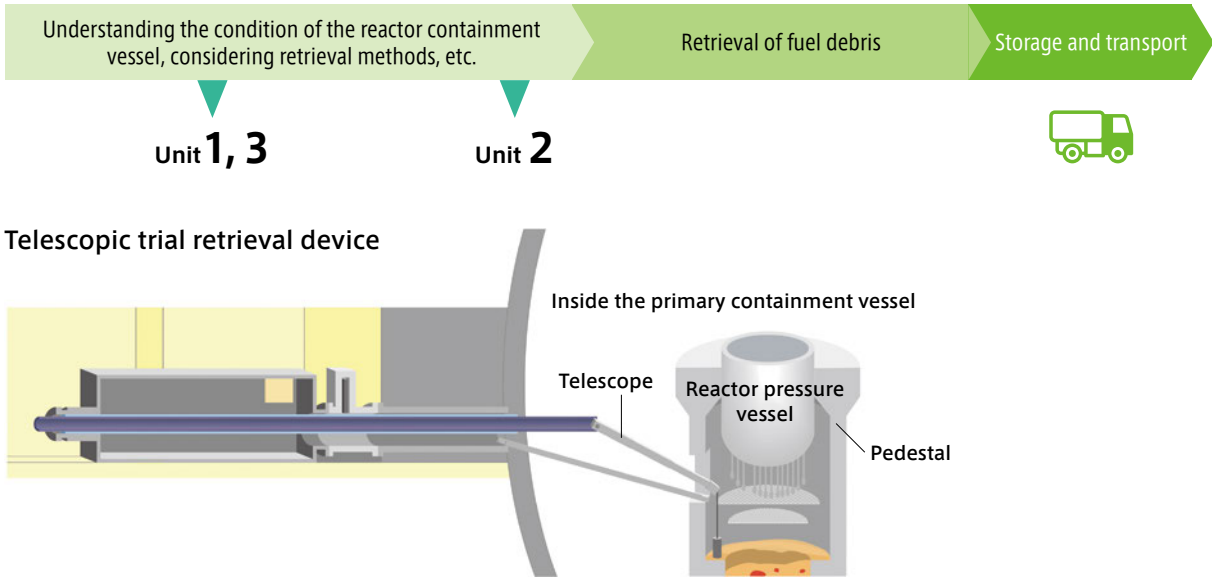
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Trial Retrieval of Fuel Debris

Currently, TEPCO is conducting internal investigations of the reactor containment vessel using remote-operated robots. Given the relatively low radiation levels at the site and the early accessibility to the interior of the reactor containment vessel, Unit 2 has been designated as the initial unit for fuel debris retrieval.

In Unit 2, we plan to advance the trial retrieval by inserting a device through the penetration hole of the reactor containment vessel, removing obstacles inside the containment vessel as we proceed. The device will initially use a "telescopic (extendable)" type and then transition to an "arm-type" device for ongoing operations. The trial retrieval for Unit 2 commenced on September 10.

The trial retrieval of fuel debris is an unprecedented and highly challenging task on a global scale and will be critically important for future decommissioning work. Given that this work involves operations under high radiation levels, we will prioritize safety and proceed diligently.



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ALPS-treated Water Measures

Regarding the ocean discharge of ALPS-treated water, TEPCO plans to utilize the 30-40 year period required for decommissioning effectively, without releasing large amounts at once, and taking advantage of tritium's half-life.

In FY2023, we carried out four releases, discharging approximately 31,145 m³ of treated water as planned. For FY2024, we plan to conduct seven releases, discharging approximately 54,000 m³.

In July 2024, the IAEA published a report from their second review mission since the start of ocean discharges, stating, "The IAEA Task Force did not identify anything that is inconsistent with the requirements in the relevant international safety standards. Therefore, the IAEA can reaffirm the fundamental conclusions of its safety review as outlined in the 4 July 2023 Comprehensive Report."

We will continue the safe discharge of ALPS-treated water (effectively utilizing the period until decommissioning is complete) and secure the necessary space for decommissioning work. Additionally, we will maintain a high level of transparency in providing information, such as the monitoring results after the ocean discharge.

Status of marine area monitoring

Radioactive substances (excluding Tritium);

The concentration of the radioactive substance Cesium-137, a key radionuclide for observing environmental changes, remains within the past observed fluctuation range of seawater monitoring across Japan.

Tritium;

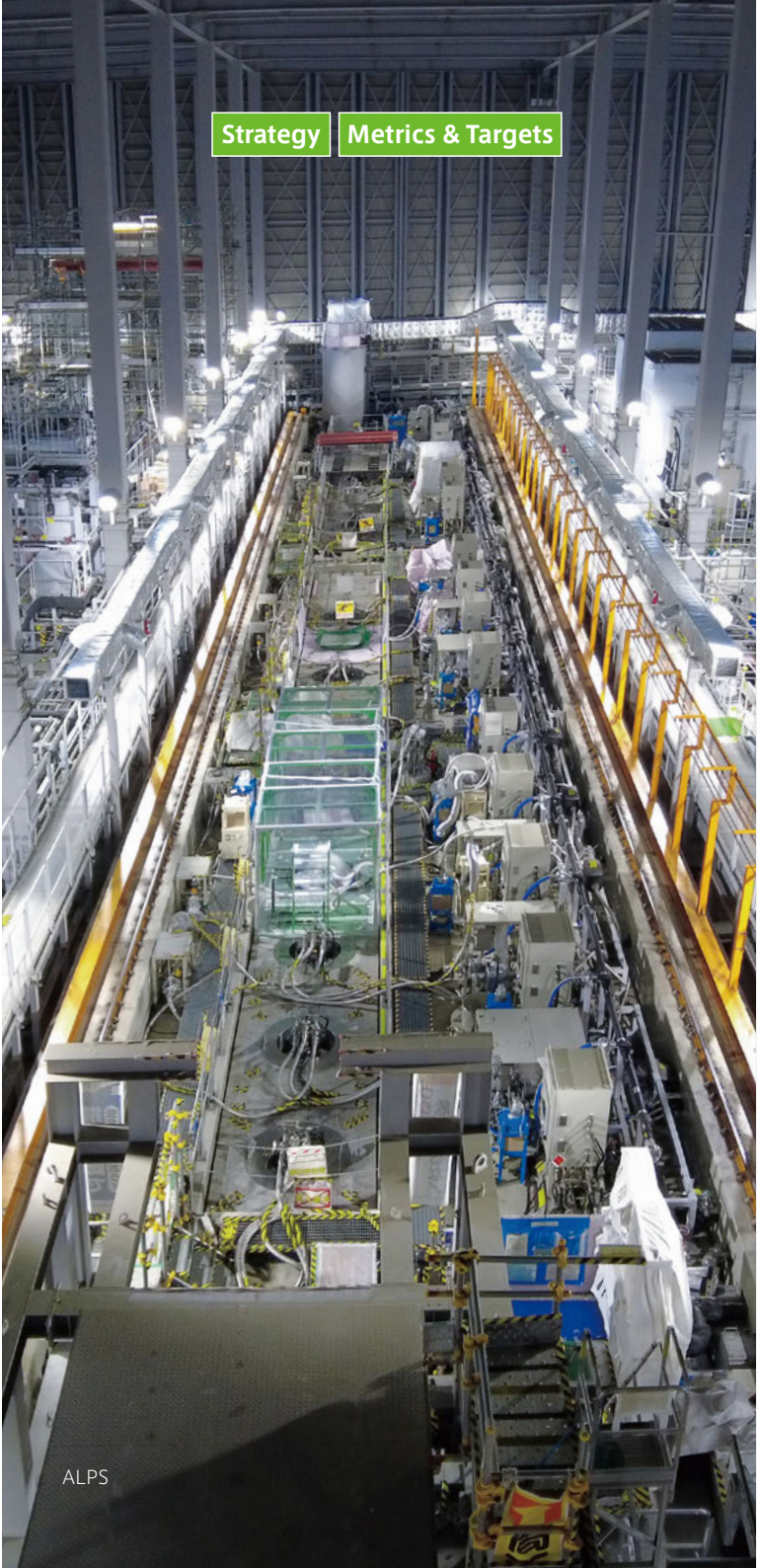
It has been confirmed that at all 10 locations within 3 km of the power station and 4 locations within a 10 km square area in front of the power station, the concentrations are below the following:

- WHO Drinking Water Guidelines: 10,000 Bq/L
- The Government's upper limit for tritium concentration in ocean discharge: 1,500 Bq/L
- Our operational threshold for halting discharge: 700 Bq/L

[Treated Water Portal Site](#)

Status of marine life cultivation;

For both flounder and abalone, no mass mortality or abnormalities have been observed in either the "normal seawater" series or the "ALPS-treated water diluted with seawater" series.



Strategy Metrics & Targets

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Information Dissemination & Communication

Data concerning the discharge of the ALPS-treated water is updated in real-time and published on our company's website, the "Treated Water Portal Site." The analysis of radioactive substances is also conducted by external organizations such as the Japan Atomic Energy Agency (IAEA) using the same samples, confirming that the discharges are safely carried out as planned.

The "Treated Water Portal Site" has been expanded to include Chinese (Simplified/Traditional Taiwan/Traditional Hong Kong) and Korean versions, in addition to the English version. Information on the operational status of facilities and monitoring results, which are of particular interest overseas, is updated almost simultaneously with the Japanese version and also published on the official website of IAEA.

Furthermore, we believe it is important to engage in direct dialogue to hear and respond to the concerns and interests of our stakeholders.



Communication through dialogue

Engaged in dialogue with us (January 2021 - March 2024);

Approx. 25,500 people (cumulative)

Visited the Fukushima Daiichi (January 2021 - March 2024);

Approx. 43,700 people (cumulative)

Local Industry Creation

Based on the "Promise to the People of Fukushima for the Coexistence of Revitalization and Decommissioning" (March 2020), we are working to create matchmaking opportunities* between prime contractors and local companies to encourage more active and planned participation of local companies in the decommissioning business.

*Matchmaking achievements: approx. 1,050 cases (as of the end of March 2024)

In October 2022, as part of the accumulation of the decommissioning industry in the Hamadori region, we established "Tousou Mirai Technology Co. Ltd." and "TOUSOU MIRAI MANUFACTURING, INC".

We will continue to work towards the accumulation of the decommissioning industry in the Hamadori region, closely collaborating with the local community to contribute to the region's economy, employment, and human resource development.



Image of the completed factory of TOUSOU MIRAI MANUFACTURING, INC

Overview of the new company

Company name (location)	Partners	Activities
Tousou Mirai Technology Co. Ltd.(Okuma Town)	IHI Corporation	Fuel debris retrieval systems/equipment basic design, R&D
TOUSOU MIRAI MANUFACTURING, INC (Naraha Town)	Kanadevia Corporation*	Spent fuel cask, debris storage container, etc. manufacturing

*Name change from "Hitachi Zosen Corporation" effective October 1, 2024

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Current Status of Each Unit

Unit 1



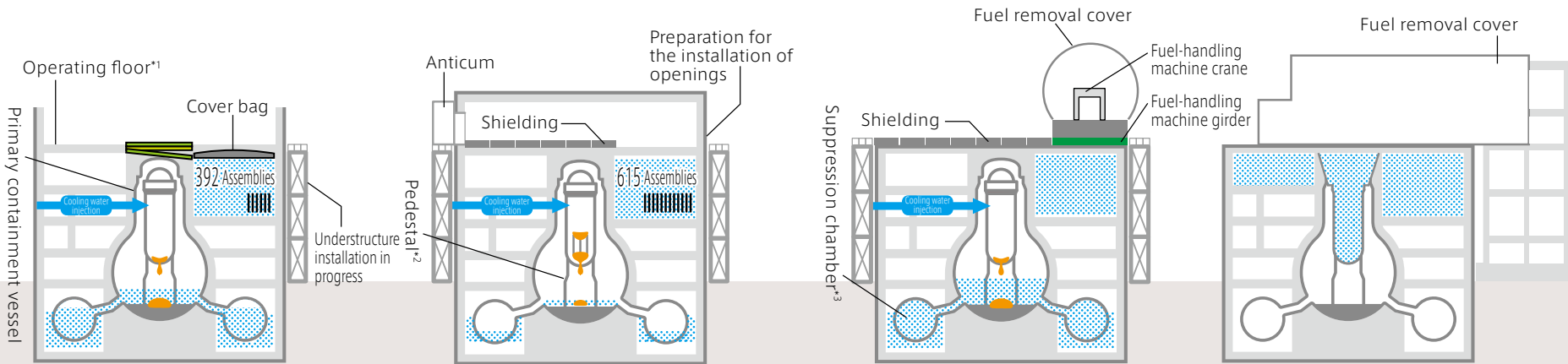
Unit 2



Unit 3



Unit 4



Spent fuel To suppress dust dispersion during the removal of debris, a large cover will be installed (to be completed around summer 2025).

Preparation work is underway for the installation of scaffolding, removal of debris, and installation of fuel handling equipment. Fuel removal will begin during FY2024-2026.

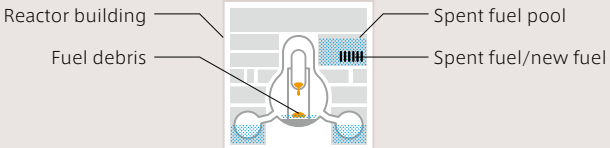
Fuel removal was completed in February 2021. The removal of high-radiation equipment such as spent control rods is currently in progress.

Fuel removal was completed in December 2014. The removal of high-radiation equipment such as spent control rods will begin in the second half of FY2024.

Fuel debris There is almost no fuel in the pressure vessel. Most of it has melted and fallen into the containment vessel. Internal investigations of the containment vessel are in progress. Retrieval will begin during FY2027-2028.

Most of the fuel remains at the bottom of the pressure vessel. There is a small amount in the containment vessel. Trial retrieval commenced in September 2024.

There is little fuel in the pressure vessel. A certain amount exists in the containment vessel. Internal investigations of the containment vessel are in progress.



^{*1} Operating floor: Upper most floor of the reactor building
^{*2} Pedestal: Foundation that supports the reactor. Constructed by filling a cylindrical steel shell with concrete
^{*3} Suppression chamber: Part of the primary containment vessel that holds water

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Corporate Governance

To advance our business activities aimed at creating social value and increasing corporate value, effective governance and a systematic risk management system are essential.

Improving governance effectiveness requires a well-composed Board of Directors, Nominating Committee, Audit Committee, and Compensation Committee. This includes fostering robust discussions between the execution side and the supervisory side and continuously improving governance through board effectiveness evaluations. Additionally, a risk management system capable of addressing various risks, including compliance and cyber risks, is imperative in a changing business environment.

TEPCO Holdings has adopted the Company with Nominating Committee, etc. management structure, which separates execution and supervision to fully leverage supervisory functions. We are enhancing corporate governance by establishing a robust structure and a group-wide risk management system led by the Risk Management Committee, chaired by the President.

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Chairman Message

~Supporting the continual growth TEPCO while remaining aware of three axes and speed~

We must further accelerate discussions from a mid/long-term perspective

It's been three years since I was appointed Chairman of the Board of Directors and during this time, I have provided supervise to executives through my positions as Chairman of the Board and the Chairman of the Nominating Committee, while also serving as an outside director. At the same time, I have also participated in management in a way not often seen, such as attending, and voicing my opinions at, executive meetings.

In addition to completely fulfilling its responsibilities to Fukushima, which is a given, TEPCO also has the important mission/responsibility as an energy operator of providing a stable source of power and contributing to the creation of a carbon neutral society.

What I've learned over the past three years, is that in order for TEPCO, which bears these responsibilities, to continue to grow, it first needs to steadily address current management issues (defensive management). After this is done it should focus on initiatives for producing mid/long-term profits and improving corporate value (offensive management).

When I look back at the discussions that the Board of Directors had during FY2023 from this perspective, I see that we were forced to spend a lot of time discussing "defensive management" due to the mountain of current management issues, such as addressing decommissioning and nuclear power business issues, strengthening cyber security, and improving revenue and expenditure. In contrast, we were not able to create sufficient opportunities

to discuss topics pertaining to "offensive management," such as engaging in urban development projects and battery storage projects to create a carbon neutral society. Going forward, we need to accelerate these discussions that look to the mid to long-term.

There are three axes that I have remained aware of on a daily basis when managing other companies that I believe are vital for TEPCO at this moment.

Yoshimitsu Kobayashi

Chairman

Tokyo Electric Power Company Holdings, Inc.



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Making sure each executive officer is aware of three axes

I view corporate management as having three axes: earning potential, technology, and sustainability. A company should not only pursue profits, but also pioneer a new future through the development of technology and contribute to the sustainable growth of society, and as such, I believe the value of a company is the sum of these three axes.

Let's look first at sustainability. The harsh environmental changes that we've seen on a global scale in recent years, and in particular, climate change, which is caused by an increase in greenhouse gases, are important issues that will determine the fate of the human race.

We are currently discussing how to create a carbon neutral society, and in Japan, the role that TEPCO plays as a relatively large producer of CO₂ emissions is important. It needs to engage in initiatives that balance demand with supply, such as providing locally-produced/locally-consumed facility services that leverage solar PV power generation and storage batteries, etc. on the power demand side, and providing nuclear power and renewable energies on the supply side, in order to lead the entirety of Japan through an energy transition.

In particular, ensuring a stable supply of power, which is the most important mission of an energy operator, is greatly impacted by developments in technology.

Personally, I believe one of the largest issues facing the nation and companies is how to address the rapid technological developments we've seen in recent years. For example, artificial intelligence (AI) has already

become deeply rooted in our daily lives, and now there is talk of artificial general intelligence (AGI) that has the general ability to handle multiple tasks, and even artificial super intelligence (ASI) that can self-evolve to find solutions to unknown tasks and complicated problems.

These technological developments will require a large amount of power, and it is expected that Japan will see an even larger increase in power demand with the new construction and expansion of data centers and semiconductor factories. For an energy operator, providing a stable and affordable supply of power is indispensable for improving national strength and maintaining/developing industry, and as such, TEPCO's responsibilities will be larger than ever before.

In order for a company to fulfill its social mission/responsibilities, it must pursue profits, survive as a company, and continually grow. In March 2023, the Tokyo Stock Exchange requested that all listed companies, "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" so companies need to improve "earning potential" more than ever before.

In order to create annual net income on the order of ¥450 billion amidst this harsh business environment as put forth in the Fourth Comprehensive Special Business Plan, TEPCO is increasing revenue from sales and expanding business to focus on carbon neutrality and preparedness.

The Board of Directors is calling on each executive officer to steadily address current management issues and deepen discussions about the mid/long-term growth of the entire Group while remaining aware of these three axes.

Outside directors provide a bridge between stakeholders and management

The corporate governance code calls for the construction of a highly effective and transparent management structure by increasing the number of outside directors. Personally, I have served as an outside director for many companies and I believe the role of an outside director is to not only provide supervision of management, but also act as a bridge between stakeholders and management while maintaining a social perspective.

As a company with Nominating Committee, etc., TEPCO has clearly separated supervision from execution and has constructed a highly effective and transparent management structure.

The current Board of Directors is comprised of 13 members with varied backgrounds, six of which are outside directors, and some have even served as internal directors in other industries. In FY2023, the Board of Directors and the Audit Committee met frequently, 19 and 20 times, respectively, and were able to speak freely with executives each time.

There are, however, issues to address such as achieving the percentage of female directors put forth by the government and incorporating global viewpoints, so how to expand diversity is an issue that I would like to continue to examine.

Every year, a survey is distributed to all directors in order to assess the effectiveness of the Board of Directors, and third-party agencies assess the Board every three years, all of which, I believe, contributes to improving our effectiveness.

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All three statutory committees are working vigorously

The Nominating Committee meets with many members of management, such as CEO and core operating company Presidents, etc., to discuss succession plans. It also coordinates with executives to cultivate the next generation of management leaders.

The Compensation Committee has set “CO₂ emission reductions” as a non-financial indicator for productivity-linked remuneration for all executives in order to contribute to the creation of a carbon neutral society and is discussing a remuneration system that can qualitatively assess the performance of each officer based on changes in the business environment, etc.

The Chairman of the Audit Committee is a director with experience serving as a Chief Risk Officer (CRO) and is comprised of outside directors such as a certified public accountant and an attorney, etc., which enables it to engage in meticulous monitoring. Furthermore, in order to improve the effectiveness of monitoring, committee members regularly visit offices to observe facilities and exchange opinions with employees. They visited 11 times during FY2023. It is important to see the condition of facilities and learn how employees think about and approach their jobs, and then continually discuss the things they have noticed within the committee.

Doing our best for all stakeholders

In addition to its responsibilities to Fukushima, TEPCO has many other important missions/responsibilities pertaining to maintaining a stable supply of power and enabling the continued growth of society. In order to fulfill these responsibilities, the Board of Directors supports the continual growth of the entire Group while remaining aware of the three axes.

It is also indispensable to build trust with the people that make up the base of our operations. Additionally, and in particular, acting speedily is an important element for expanding our area of business and improving corporate value over the mid/long-term. That is why I personally remain aware of “building trust” and “speed” while also remaining aware of how “speed bears confidence.”

TEPCO will view its business through the eyes of society and its customers and act quickly in order to gain trust while as Chairman of the Board of Directors, I will do my best for all stakeholders.



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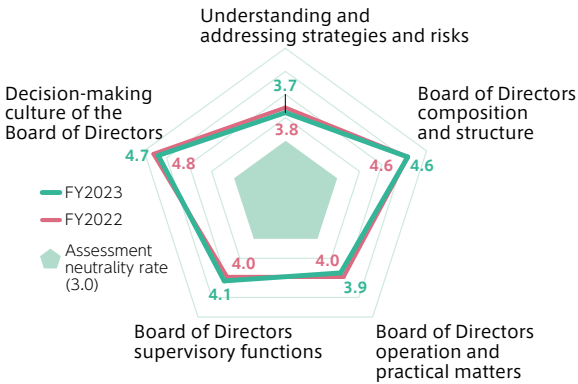
Evaluation of Board Effectiveness

TEPCO Holdings strives to enhance the effectiveness of its Board of Directors through active discussions leveraging the diverse experience and broad insights of outside directors, including corporate executives, a certified public accountant, attorneys, and academics. Each year, we conduct an effectiveness evaluation as a means of quantitatively monitoring effectiveness and identifying issues and improvements for further enhancement.

Evaluation Method

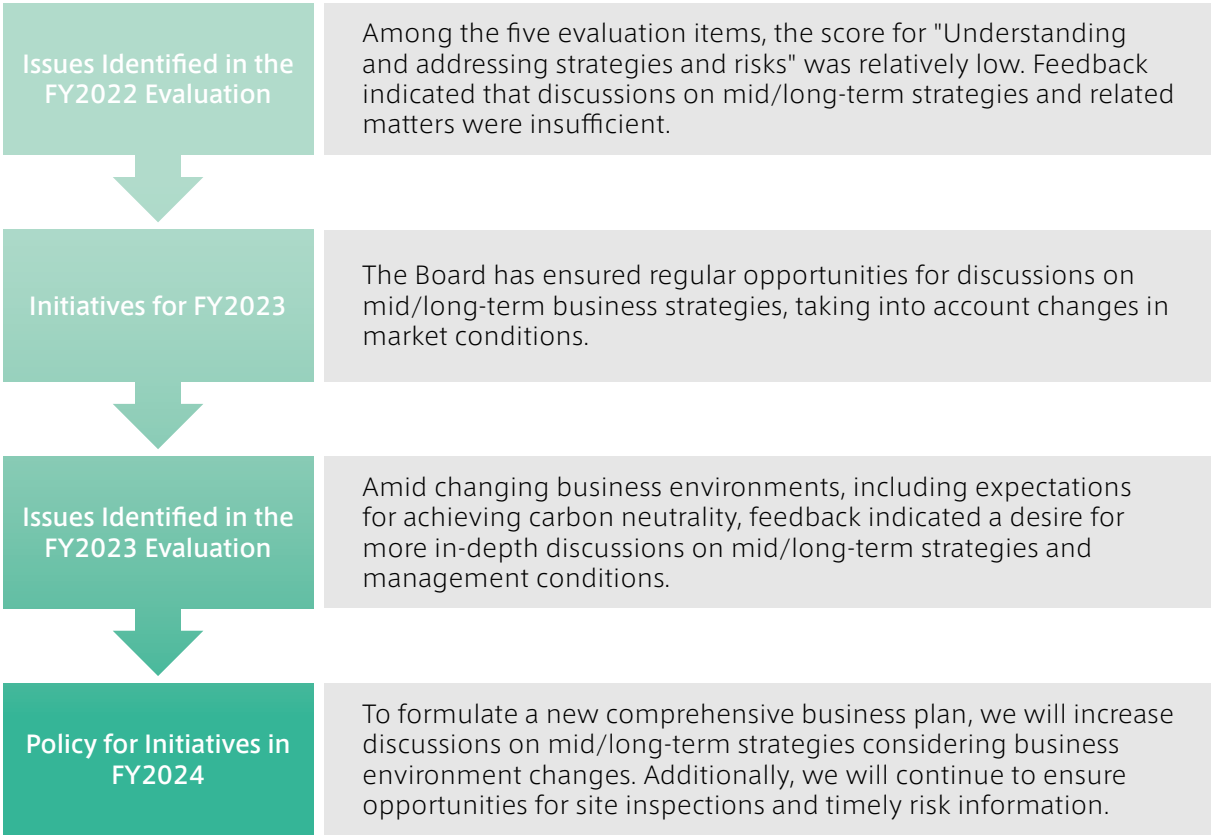
The secretariat conducted a survey on the effectiveness of the Board, targeting all 13 directors. The results were analyzed and evaluated, and the findings were discussed by the Board.

Evaluation Score (comparison with last fiscal year)



The average score was 4.2 (down 0.1 from the previous year), significantly above the neutral benchmark of 3.0, indicating that effectiveness is maintained.

Initiatives to Address Identified Issues



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The Board of Directors and the Statutory Committees

TEPCO Holdings is committed to ensuring compliance with laws and corporate ethics, making swift decisions, executing operations efficiently, and strengthening audit and supervisory functions. To enhance management's objectivity and transparency, TEPCO Holdings has adopted the Company with Nominating Committee, etc. management structure and is dedicated to improving corporate governance.

Board of Directors

Meetings (FY2023)

19 times

Number of Directors

6

13

directors

* Outside

* as of July, 2024

Percentage of Outside Directors: 46%

Main Discussion Topics (FY2023)

- Key management issues managed by the Board
- Reports on the status of each committee
- Compliance with the corporate governance code
- JERA Co., Inc. monitoring report
- Corrective action report on physical protection
- Cybersecurity status and measures
- Next-generation smart meter system plan

Nominating Committee

Meetings (FY2023)

6 times

Number of Directors

4

6

directors

* Outside

* as of July, 2024

Main Discussion Topics (FY2023)

- Executive personnel changes

Compensation Committee

Meetings (FY2023)

6 times

Number of Directors

4

4

directors

* Outside

* as of July, 2024

Main Discussion Topics (FY2023)

- Productivity-linked remuneration for each executive officer in FY2023
- Executive remuneration design for FY2024

Audit Committee

Meetings (FY2023)

20 times

Number of Directors

4

5

directors

* Outside

* as of July, 2024

Number of Inspections (FY2023)

11 times

Main Discussion Topics (FY2023)

- Audit plans and reports
- Meetings with executive officers

Strengthened Audit Themes

- Improvement in earning power
- Enhanced risk management
- Human resources strategy (Development and retention)

Main Inspection Sites

- Kashiwazaki-Kariwa Nuclear Power Station
- Fukushima Daiichi and Daini
- Fukushima Nuclear Compensation Office
- TEPCO Energy Partner Customer Center
- Pumped-storage power station
- TEPCO Research Institute
- JERA Co., Inc. thermal power station

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Directors


Outside Outside Director Ind. Independent directors: Independent directors as stipulated by Tokyo Stock Exchange, Inc. TEPCO Holdings has registered its independent directors with Tokyo Stock Exchange, Inc.

N Nominating A Audit C Compensation ★: Chair




Yoshimitsu Kobayashi

Outside Ind.




Shigeo Ohyagi

Outside Ind.



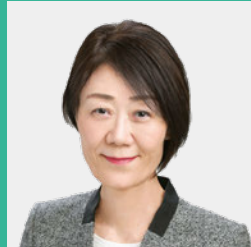
Shoichiro Onishi

Outside Ind.




Asa Shinkawa

Outside Ind.



Junko Okawa

Outside Ind.



Takashi Nagata

Outside Ind.

Position	Chairman of the Board					
	<div>N★ A</div>	<div>N C★</div>	<div>N A</div>	<div>N C</div>	<div>A C</div>	<div>A C</div>
	3-year tenure	4-year tenure	4-year tenure	3-year tenure	1-year tenure	1-year tenure
Corporate	●	●	●		●	●
Energy	●			●		●
Technology	●					●
Finance and Accounting						●
Legal Affairs			●	●		
ESG	●	●			●	
International Management	●	●				
Sales and Marketing		●			●	

Important Concurrently-Held Positions

Outside Director of Mizuho Financial Group, Inc.

Outside Audit & Supervisory Board Member of Asahi Group Holdings, Ltd.

Representative Director, President and Executive Officer of Frontier Management Inc.
Representative Director and President of Frontier Capital Inc.
Representative Director of FCD Partners Inc.
Attorney at Law

Partner of Nishimura & Asahi (Gaikokuho Kyodo Jigyo)
Outside Director of Nintendo Co., Ltd.

Outside Director of KDDI CORPORATION
Outside Director of Asahi Broadcasting Group Holdings, Ltd.

Japanese Certified Public Accountant

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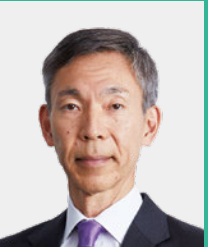
Tomoaki Kobayakawa




Hiroyuki Yamaguchi




Daisuke Sakai




Chikara Kojima



Toshihiko Fukuda



Shigehiro Yoshino



Seiji Moriya

Position	President	Representative Executive Vice President	Representative Executive Vice President	Executive Vice President	Executive Vice President	Executive Officer	
	N					N	A★
	8-year tenure	2-year tenure	1-year tenure	2-year tenure	2-year tenure	3-year tenure	7-year tenure
Corporate	●		●				●
Energy	●	●	●		●	●	●
Technology	●		●		●		
Finance and Accounting		●		●			●
Legal Affairs							
ESG		●					●
International Management				●			
Sales and Marketing	●			●			
Primary Roles & Background	Chief of the Nuclear Reform Special Task Force (until June 2017) President, TEPCO Energy Partner, Inc.	Chief Financial Officer ESG Officer	In charge of Management and Planning (Joint position) President, TEPCO Fuel & Power, Inc. Outside Director, JERA Co., Inc.	Chief Innovation Officer In charge of Business Restructuring and Alliances (until Nov. 2019) General Manager, Group CEO Office, Urban Development Group of Mitsubishi Corporation	General Manager of Nuclear Power & Plant Siting Division Deputy Chief and Secretary General of the Nuclear Reform Special Task Force	Assistant to the Chairman Assistant to the President In charge of Management and Planning (Joint position) Chief of the TEPCO-NDF Liaison Office, NDF	(until Mar. 2022) President, TEPCO Fuel & Power, Inc.

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Remuneration System

TEPCO Holdings has established a fundamental policy for determining the remuneration of individual directors and executive officers. This policy focuses on securing talented personnel capable of leading business operations and corporate reforms that balance "responsibility and competition," clarifying accountability and performance, and enhancing incentives for improving business performance and shareholder value. Remuneration is set by a Compensation Committee composed solely of outside directors, in line with the Companies Act.

Remuneration structures are separate for directors and executive officers, recognizing their different roles. Officers serving as both only receive remuneration as executive officers.

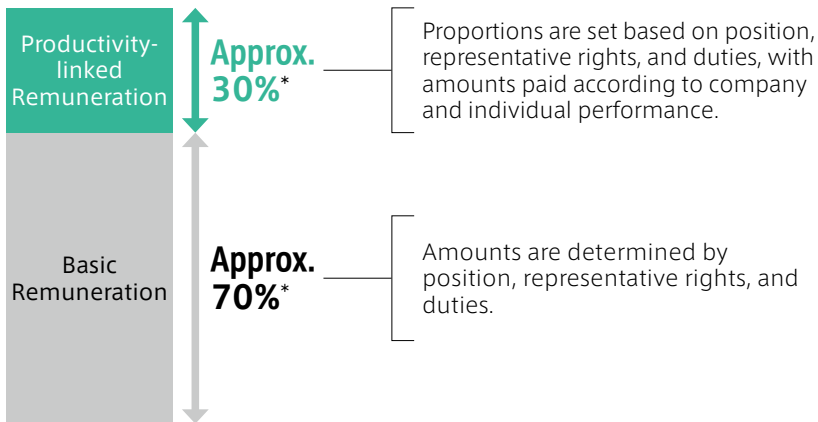
Remuneration Structure for Directors

Remuneration consists solely of a basic remuneration, determined by whether the director is full-time or part-time, their committee memberships, and their duties.

Remuneration Structure for Executive Officers

Remuneration includes a basic remuneration and productivity-linked remuneration, determined by the Compensation Committee as shown in the table below. Levels are set considering our business environment, other companies' compensation, employee treatment standards, and the abilities and responsibilities required of our officers.

Illustration of the Remuneration Structure for Executive Officers



*The ratio of productivity-linked remuneration to basic remuneration is calculated from the breakdown of the "Total Remuneration (FY2023)."

Total Remuneration (FY2023)

	Total Remuneration, etc. (Millions of yen)	Number of officers eligible (people)
Directors (excluding Outside Directors)	25	1
Executive Officers	582	16
	Basic : 399	
	Productivity-linked : 182	
Outside Directors	87	8

As we do not provide remuneration to directors who also serve as executive officers in their capacity as directors, the number of directors mentioned above does not include those who concurrently serve as executive officers.

Productivity-linked Remuneration Indicators

Results of the Company	Calculation based on an achievement rate ranging from 0% to 300% applied to the standard amount	
	Financial	Consolidated ordinary income (Before deduction of special contributions under the Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act)
	Non-Financial	CO ₂ emission reductions
Individual performance	Calculation based on the standard amount multiplied by the achievement rate (0% to 300%) or the Compensation Committee's assessment	
	Setting of KPIs and other metrics for each respective department	



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Risks and Opportunities

The TEPCO Group incorporates the identification and measures for risks stemming from external environmental changes such as international circumstances, domestic policies, social structural changes, and technological innovations, as well as internal environmental changes such as compliance, safety, and the utilization of diverse human resources when setting annual goals and formulating plans (identification + evaluation). Additionally, by routinely applying the PDCA cycle, we manage "risks" and "opportunities" in an integrated manner (monitoring).

Identification

When formulating annual plans, each company and department identifies events that could hinder the plans as "risks" and specifies countermeasures. Additionally, "opportunities" are identified through discussions in major internal committees such as the Future Management Committee and the ESG Committee, as well as by each company and department.

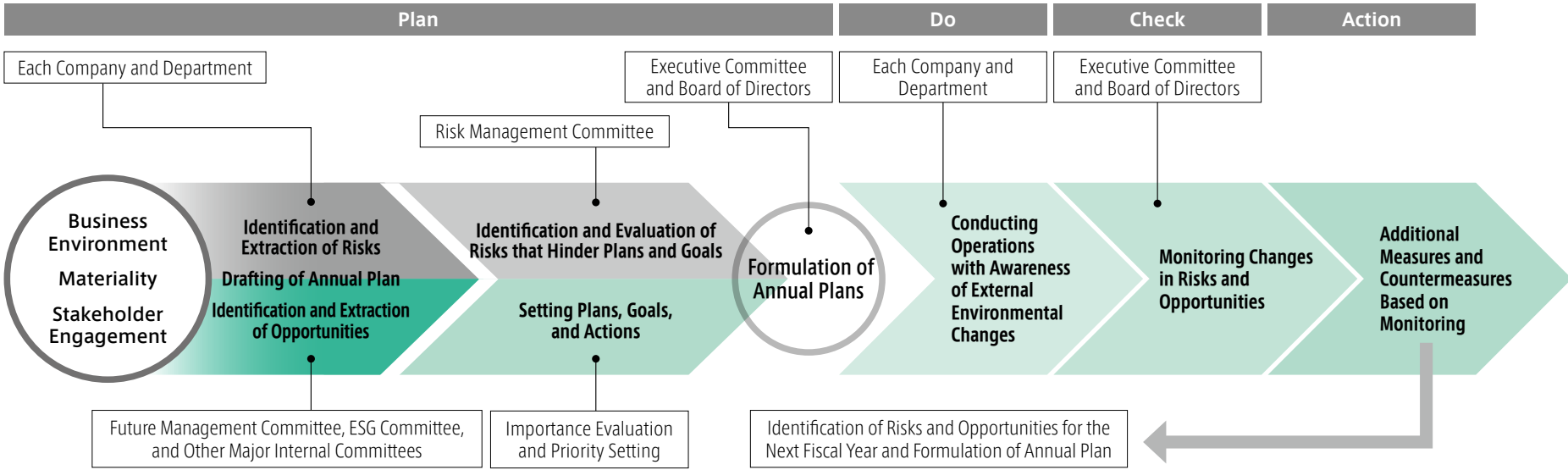
Evaluation

Each company and department evaluates the importance and priority of identified "opportunities," incorporating them into the annual plan. Simultaneously, they assess risks that could hinder achievement (P79). The Risk Management Committee comprehensively evaluates these risks, and countermeasures are considered and included in the annual plan. These plans, which integrate "risks" and "opportunities," are submitted to the Board of Directors and regularly monitored.

Monitoring

The progress of the annual plans for each company and department is reported to the President on a monthly and quarterly basis, and also to the Board of Directors. For plans showing delays, the CRO evaluates the causes, including from the perspective of "risks," and verifies the status of countermeasures. If necessary, the CRO recommends additional countermeasures to avoid "opportunity loss."

[Governance Structure of Each Committee](#)



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Risk Evaluation

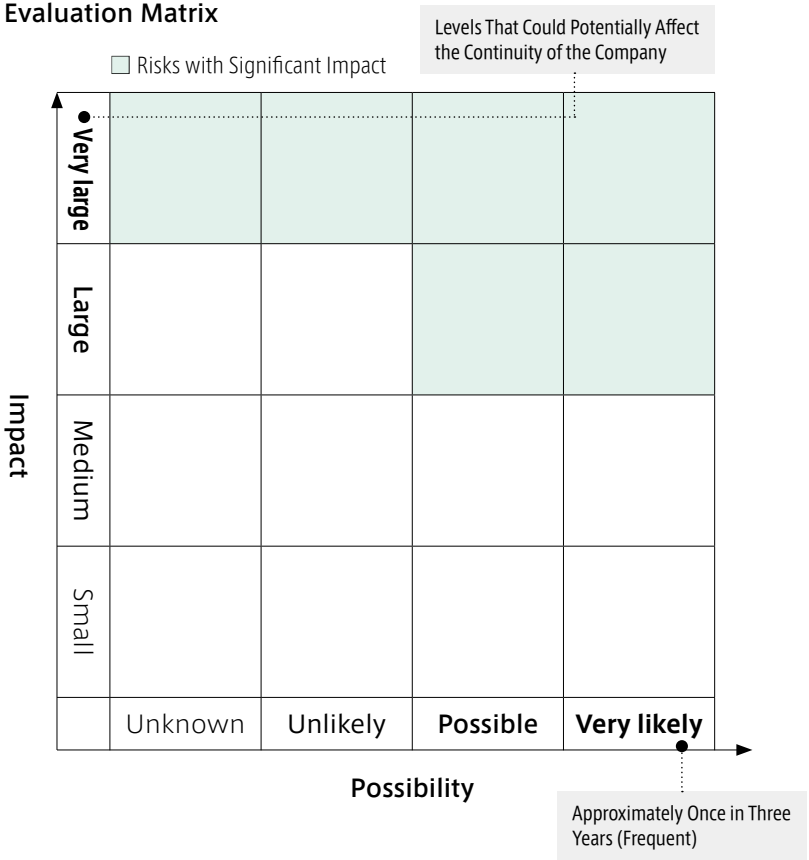
Risks related to the TEPCO Group's business are evaluated based on the perspectives of "Impact" and "Possibility." The evaluation methodology is periodically reviewed in response to changes in internal and external environments. The following business areas subject to risk evaluation include matters related to the future, but these assessments are based on our judgment as of March 2024.

Business Risk

 [Details of Business Risk](#)

Importance	Business Areas Subject to Risk Evaluation	Impact	Possibility
1	Decommissioning of the Fukushima Daiichi Nuclear Power Station	Very large	Very likely
2	Stable supply of electricity	Very large	Very likely
3	Nuclear power generation/nuclear fuel cycle	Very large	Very likely
4	Electricity sales volume/sales price/power source procurement costs	Very large	Very likely
5	Customer services	Large-Very large	Very likely
6	Thermal power generation fuel prices	Large-Very large	Very likely
7	Changes in the electricity business structure and energy policy	Large-Very large	Possible
8	Securing safety, quality control, and preventing environmental pollution	Large-Very large	Possible-Very likely
9	Corporate ethics and compliance	Large-Very large	Possible-Very likely
10	Information management/security	Large-Very large	Very likely
11	Procurement of materials and goods	Large	Very likely
12	Initiatives related to climate change, etc	Large	Possible
13	Financial market conditions	Large	Very likely
14	Management reform initiatives based on The Fourth Comprehensive Special Business Plan	Large	Possible-Very likely
15	Acquisition of TEPCO shares by the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF)	Large	Possible-Very likely
16	Businesses other than the electric power	Large	Possible

Risk Evaluation Matrix



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Compliance

"TEPCO Group Charter of Corporate Conduct" outlines our social responsibilities, and the "Code of Conduct Related to the Corporate Ethics and Compliance Policies of the TEPCO Group" specifies the obligations of executives and employees. Compliance and other risk-related issues are handled by specialized committees, including the Risk Management Committee, Corporate Ethics Committee, and Human Rights Committee. When risks arise, we investigate causes and implement preventive measures through the following two management lines.

Compliance Promotion Initiatives

Training for Executives and Employees

Annual e-learning on corporate ethics and risk management is provided to all employees. Additionally, training on anti-bribery regulations for foreign public officials is given to relevant executives and employees.

Corporate Ethics Awareness Survey

An annual survey is conducted to assess employee awareness of corporate ethics and evaluate initiatives. Results are monitored by TEPCO Group Corporate Ethics Committee and the Board of Directors.

Internal Communication of Case Studies and Risk Information

We provide our employees with monthly updates on risk and compliance cases from other companies, as well as risk information related to changes in the business environment.

When Compliance Risks Materialize in the Workplace



When Compliance Risks are Confirmed through Internal Reporting



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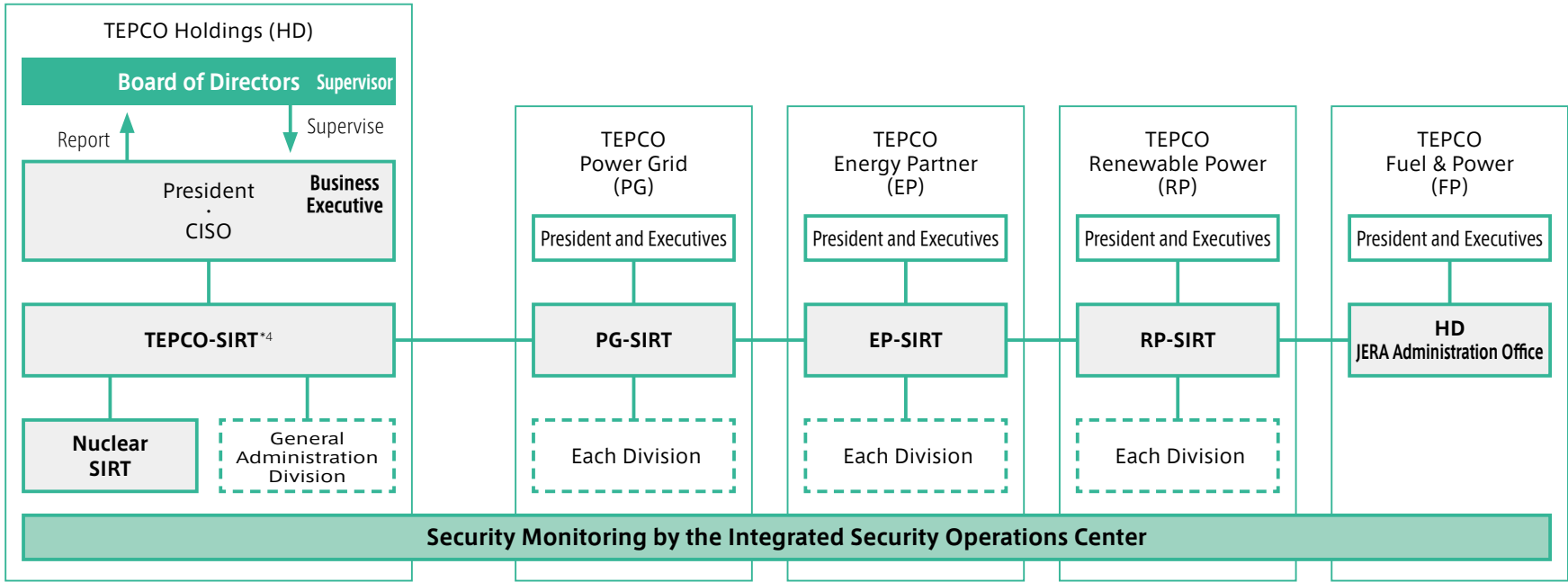
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Cybersecurity

Cybersecurity is a key management issue, and progress on security measures and responses to threats is reported quarterly to the Board. Under our cybersecurity policy, dedicated organizations led by the Chief Information Security Officer (CISO*¹) have been established within TEPCO Holdings and each core business company to build a security management system. We focus on improving capabilities based on international frameworks like the NIST*² Cyber Security Framework (CSF) and the National Initiative for Cybersecurity Education (NICE). To counter sophisticated cyber incidents, we enhance cybersecurity through threat analysis based on the progress of our nuclear business and geopolitical changes, defense measures, continuous monitoring, response training, and employee reporting channels. Additionally, to promote DX and ICT securely, we develop rules that keep pace with advancing technologies, including guidelines for cloud usage and generative AI.

Governance Structure



*1 CISO:Chief Information Security Officer *2 NIST:National Institute of Standards and Technology
*3 CISSP:Certified Information Systems Security Professional *4 SIRT:Security Incident Response Team

Cybersecurity Policy

- We implement measures based on three fundamental principles.

Strengthening defense

Early detection of intrusions

Rapid isolation and removal

Security Education

- We train many personnel to obtain advanced international security certifications, such as CISSP*³, to ensure expertise within our dedicated team.
- We enhance employees' security capabilities through e-learning, targeted email training, and regular case studies on cyber incidents.

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Our Business

Renewable Energy Power Generation TEPCO Renewable Power, Inc.



Masashi Nagasawa
President
TEPCO Renewable
Power, Inc.

Increasing the certainty of improving earning potential and achieving carbon neutrality through our renewable energy business

Our renewable energy power generation business is the ace in the hole for further increasing the profits of the TEPCO Group and achieving carbon neutrality by 2050. In FY2023, we placed the winning bid for a domestic offshore wind power project that has been in the preparatory stage since before the creation of TEPCO Renewable Power, thereby further advancing our renewable energy business. While continuing to replace domestic hydroelectric power stations and reduce generation loss, we shall develop wind power both in Japan and overseas, and renewable energies overseas as we aim to produce net profits of ¥100 billion by FY2030 and create a carbon neutral society.

Transmission and Distribution TEPCO Power Grid, Inc.



Yoshinori Kaneko
President, Chief
Executive Officer
TEPCO Power Grid, Inc.

Fulfilling our social mission of stable supply while expanding business areas

We aim to balance carbon neutrality and resilience with stable and affordable power supply. In FY2023, we established a new company for joint data center development and began operating a subsea transmission facility in the UK. Leveraging the technology and know-how gained from these projects, we will continue to expand our business areas. Utilizing our group's human resources, facilities, and energy data, and forming alliances with businesses across various industries, we will provide new value to communities and society.

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Foundation of Our Strategy

Renewables × DX

As part of the DX of hydroelectric power stations, data acquired through patrols and inspections has been continuously obtained by using IoT and sensors thereby enabling us to quickly detect signs of abnormalities. We are also developing robots that can inspect water channels in an effort to reduce downtimes. DX will help us to increase power generation, thereby contributing to increased profits and carbon neutrality.



Green Finance

In order to accelerate investment in domestic and overseas renewable energy projects, we must take advantage of green financing most commonly represented by green bonds. While ascertaining the needs of the finance market, we will use various financing methods to secure needed capital and invest.



Foundation of Our Strategy

Power Facilities × DX

We joined the Digital Lifeline National Comprehensive Development Realization Conference to support a digital society and strengthen business foundations. We are developing drone routes using transmission networks to streamline facilities inspections and expand applications, including logistics automation.



Collaboration with Other Companies

We are fostering partnerships for sustainable operations and supply chain co-existence. Through our agreement with Tokyo Gas Network and NTT East Japan, we aim to address infrastructure-related social issues collaboratively, transcending business and human resource barriers, while also creating value by solving regional challenges.



Energy Retail
TEPCO Energy Partner, Inc.



Momoko Nagasaki
President
TEPCO Energy Partner, Inc.

Contributing to a carbon neutral society through power and facility services

Through the provision of power services and facility services, we contribute to our customers' "business development" and "safe and comfortable living." In fiscal year 2023, we grew revenue by expanding our renewables menu and facility services, including signing numerous off-site corporate PPAs. We will continue to enhance agility on both supply and demand sides, contribute to customers' energy conservation and cost savings, and aim to expand profits through power and facility services, thereby realizing a carbon neutral society.

Fuel/Thermal Power
TEPCO Fuel & Power, Inc.



Daisuke Sakai
President
TEPCO Fuel & Power, Inc.

Providing support and supervise to JERA in order to improve the corporate value of both JERA and the TEPCO Group

According to JERA's growth strategy to realize its 2035 vision, which was announced in May 2024, JERA will invest a total of ¥5 trillion in the strategic business areas of LNG, renewables, and hydrogen & ammonia, as it aims for a revenue target of ¥350 billion of consolidated net income. During a fuel ammonia conversion demonstration conducted at the Hekinan Thermal Power Station in April 2024, it achieved 20% conversion. Accelerating new initiatives like this test the effectiveness of governance. As a shareholder, we aim to improve the corporate value of both JERA and the TEPCO Group.

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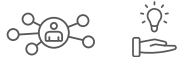
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Foundation of Our Strategy

Customer Service × DX

Enhancing UX is crucial for the DX of customer services. Our customer center provides inquiry and procedure services utilizing AI technologies such as chatbots. We are committed to flexibly integrating new technologies, streamlining customer pathways, improving efficiency, and enhancing customer satisfaction.



Human Resource Development in Facility Service Business

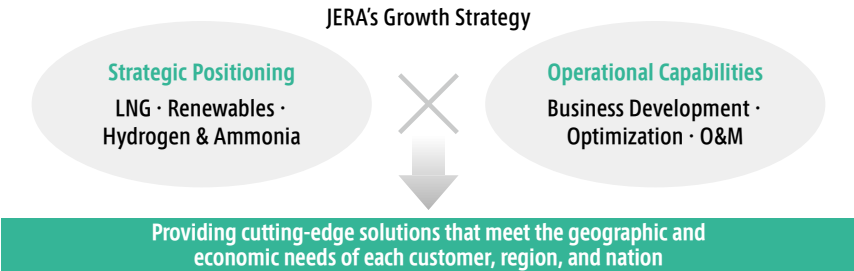
In addition to our power retail business, we aim to expand our revenue base through facility services. We will secure and develop professional human resources capable of providing comprehensive energy services for utility facilities, addressing customer needs in carbon neutrality, disaster prevention, and price fluctuation mitigation.



Foundation of Our Strategy

Monitoring at the Management Level

As a shareholder, we support and supervise JERA through high-quality communication with upper management for autonomous management and continuous corporate value improvement. Additionally, regular monitoring by upper management, including the Board of Directors of TEPCO Holdings, identifies JERA's management issues, risks, opportunities, and countermeasures to ensure predictability.



Overseas Business



Chikara Kojima

Director,
Executive Vice President,
Chief Innovation Officer
Tokyo Electric Power
Company Holdings, Inc.

Capturing revenue and overseas growth through international business

For the TEPCO Group, international business is a strategic effort that leverages domestic technological expertise to capture revenue and global market growth. In fiscal year 2023, we expanded into facility services in the Asia-Pacific region, including rooftop solar power through our partnership with LOGOS, alongside our renewable energy and transmission/distribution businesses. International business provides valuable experience and skill development, hard to obtain in domestic projects, where new power facility constructions are limited.

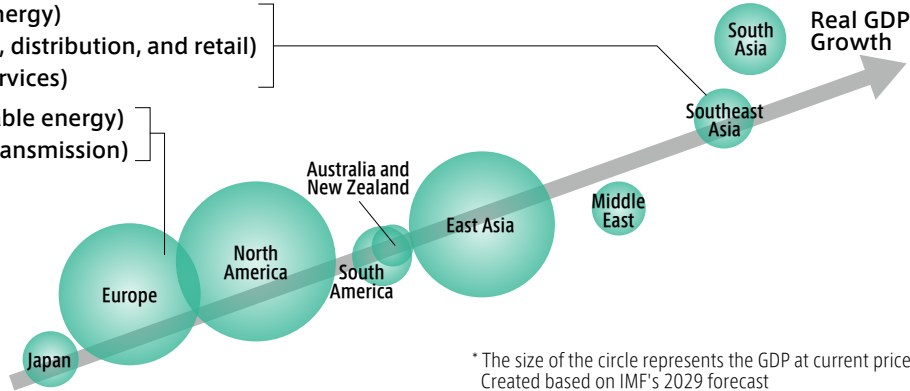
We proactively send young employees to overseas offices and international financial institutions, nurturing a workforce with robust expertise in project management, finance, law, commerce, and technology, as well as strong negotiation skills. These international talents are crucial for our group's growth in both global and new domestic ventures.

When selecting projects, we meticulously evaluate geopolitical risks and project-specific characteristics, setting hurdle rates to ensure adequate returns and manageable risks. Our financing strategy includes forming alliances with other companies and utilizing various external capital sources, including project finance, to allocate funds to growth areas and effectively diversify risks.

Growth Outlook of the Global Market

Main Projects Participated in by Our Group

- KEL, VNPD (renewable energy)
- DCGE (renewable energy, distribution, and retail)
- LOGOS-TEPCO (facility services)
- Flotation Energy (renewable energy)
- NeuConnect, OFTO-TK (transmission)



Enhancing Corporate Value through Our Technological Expertise



LOGOS-TEPCO (Singapore)

Applying domestic "Kaizen" know-how to rooftop solar power projects with local EPC contractors, with the aim of contributing to cost reductions in processes from design to construction.



DCGE (Vietnam)

Dispatching skilled technicians to analyze outage causes and implement measures, enhancing DEEP C Industrial Zones' supply reliability and attracting new customers.

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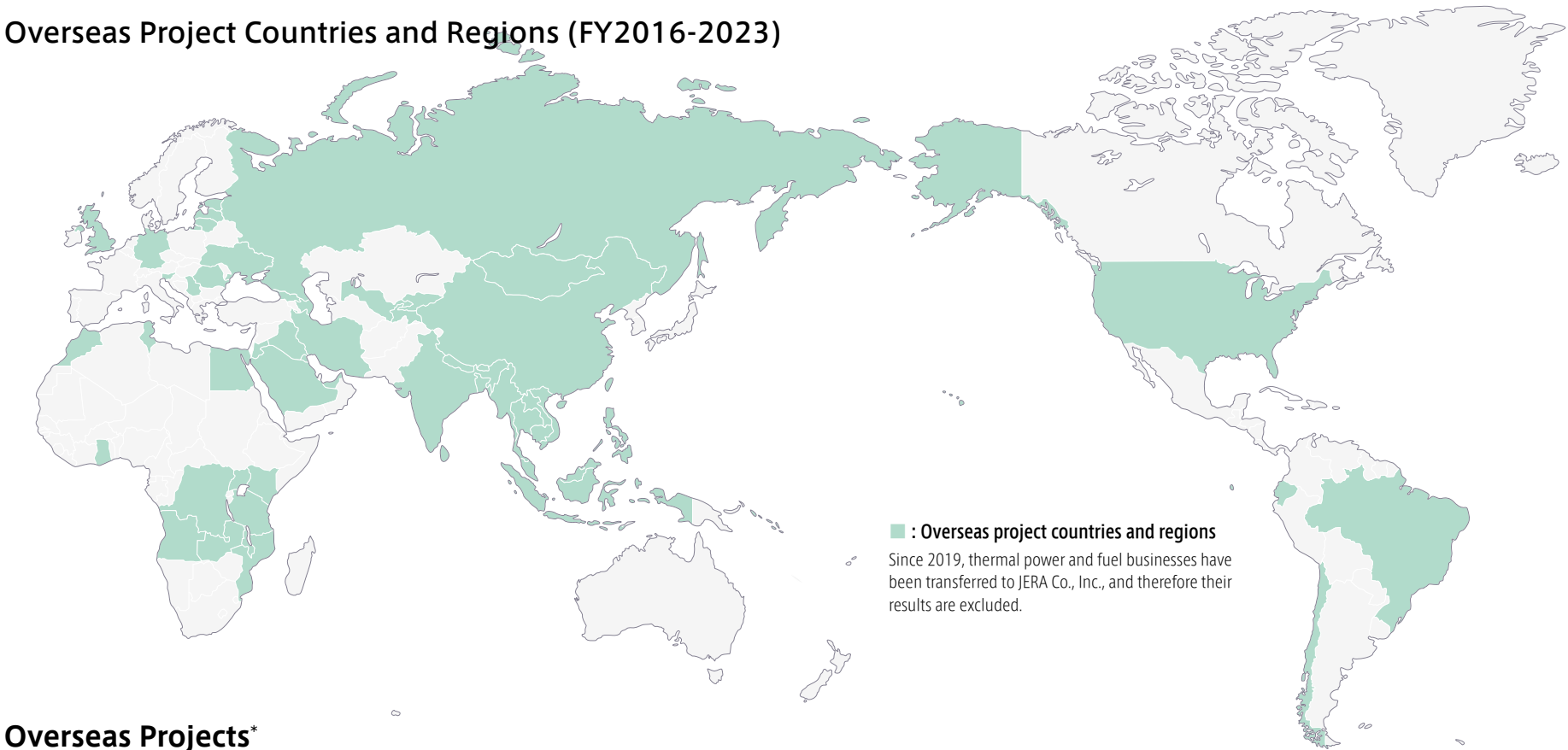
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Overseas Project Countries and Regions (FY2016-2023)



Overseas Projects*

Sales (FY2023)

¥13.1 billion

Countries and Regions (FY2016-2023)

58

* Includes power generation, transmission and distribution, consulting, and energy-related projects

Floating Offshore Wind Power Projects (Green Volt, CENOS)

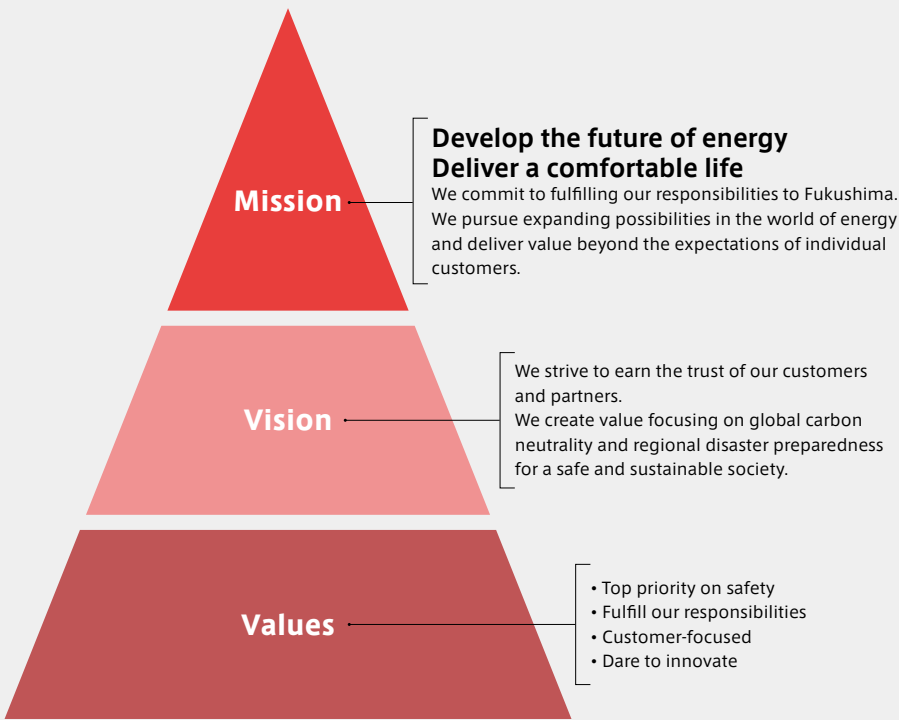
In March 2023, Flotation Energy, a company primarily engaged in offshore wind power projects in the UK, won exclusive seabed leasing rights to develop floating offshore wind power facilities at two locations off the coast of Scotland. Development work toward their construction is ongoing. There are no examples of floating offshore wind farms with numerous large turbines like these projects anywhere in the world. The valuable insights gained from this development will contribute to the growth of our group.



Photograph for illustrative purposes only: Kincardine Floating Wind Farm
Source: Cobra Group/Principle Power

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TEPCO Group's Corporate Philosophy



Our Mission is to give all stakeholders, including regional residents, our customers, and business partners, “a comfortable life” not just by providing a stable source of electricity and gas, but also by providing value that exceeds each individual’s expectations through our efforts to “Develop the future of energy”. This is also our “Purpose” as an energy provider.

Our Vision looks five to ten years into the future.
The TEPCO Group’s business is built upon the trust of our stakeholders. In order to create a safe and sustainable society, we will engage in initiatives to create new value from carbon neutrality and disaster prevention as we aim to become a corporate group that continues to be trusted and chosen by the people.

Our Values are the standards of conduct for achieving our Mission and Vision of which each and every employee have to remain constantly aware.
The principles of conduct indispensable to the TEPCO Group are “top priority on safety” and “fulfill our responsibilities.” We will grow as a company along with our employees by continuing to put the “customer-focused” and implementing “dare to innovate”.

Consolidated Subsidiaries

as of March 31, 2024

Tokyo Electric Power Company Holdings, Inc. TEPCO Fuel & Power, Incorporated TEPCO Power Grid, Incorporated TEPCO Energy Partner, Incorporated TEPCO Renewable Power, Incorporated TODEN REAL ESTATE Co., Inc. Tokyo Power Technology Ltd. Tokyo Electric Power Services Company, Limited (TEPSCO) TEPCO SYSTEMS CORPORATION TEPCO RESOURCES INC. TEPCO HUMMING WORK CO., LTD. Toso Real Estate Management Co., Ltd Tepco Partners Co.,Ltd TEPCO Ventures, Inc. TEPCO Fintech, Inc. TEPCO Global Energy Pte. Ltd. Tokyo Electric Power Timeless Capital, Inc. Recyclable-Fuel Storage Company ATEMA KOGEN RESORT INC. Tousou Mirai Technology Co. Ltd. TOUSOU MIRAI MANUFACTURING, INC e-Mobility Power Co.,Inc. Iitate Bio Partners Company Limited TOSETSU CIVIL ENGINEERING CONSULTANT INC. TEPCO Innovation and Investments US, Inc. TEPSCO Vietnam Tokyo Electric Power Timeless Capital 1, ILP Tokyo Electric Power Timeless Capital 2, ILP Tokyo Electric Power Timeless Capital 3, ILP TF Uchisaiwaicho TMK TOKYO RECORDS MANAGEMENT CO., INC	TEPCO Power Grid, Inc. Tokyo Densetsu Service Co., Ltd. Tepco Town Planning Corporation Limited Tokyo Land Management Corporation Tepco Solution Advance Co., Ltd. TEPCO Power Grid UK Limited Agile Energy X, Inc. TEPCO LOGISTICS CO., LTD. Energy gateway Co., Ltd. TEPCO OPTICAL NETWORK ENGINEERING INC. FI1 Limited TEPCO Energy Partner, Inc. Tepco Customer Service Corporation Limited FAMILYNET JAPAN CORPORATION JAPAN FACILITY SOLUTIONS, INC TEPCO Frontier Partners, LLC. Morigasaki Energy Service Co., PinT Houseplus Corporation, Inc. Japan Natural Energy Company Limited TEPCO HomeTech, Inc. TEPCO Energy Partner International (Thailand) Co.,Ltd. NF Power Service Co.,Ltd HFP Test Center, LLC. TEPCO Renewable Power, Inc. TEPCO Renewable Power Singapore Pte. Ltd. Flotation Energy Ltd The Tokyo Electric Generation Co.,Ltd. Flotation Energy Taiwan Ltd Blackwater Offshore Wind Holdco Limited Blackwater OWL Offshore Wind Farm Limited Flotation Energy Pty Ltd Flotation Energy (Japan) Co. Ltd. Greystones Offshore Wind Holdco Limited Greystones OWL Offshore Wind Farm Limited White Cross Offshore Wind Holdco Ltd White Cross Offshore Windfarm Ltd Sea Dragon Holdco Ltd Flotation Energy Sea Dragon Pty Ltd Sea Dragon Offshore Wind Pty Ltd Taiwan Offshore Wind Ltd Tsuru Biomass Power Generation LLC.
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Financial Highlights

Consolidated Financial Summary *1

	(Million of yen)										(Millions of US dollars)		
	2024/3	2023/3	2022/3	2021/3	2020/3	2019/3	2018/3	2017/3	2016/3	2015/3	2011/3	2010/3	2024/3
FYs ended March 31:													
Operating revenue *2	¥ 6,918,389	¥ 8,112,225	5,309,924	5,866,824	6,241,422	6,338,490	5,850,939	5,357,734	6,069,928	6,802,464	5,368,536	5,016,257	\$ 45,717
Operating income or loss	278,856	-228,969	46,230	143,460	211,841	312,257	288,470	258,680	372,231	316,534	399,624	284,443	1,843
Ordinary income or loss	425,525	-285,393	42,245	189,880	264,032	276,542	254,860	227,624	325,938	208,015	317,696	204,340	2,812
Extraordinary income or loss	-123,180	163,996	-29,852	1,384	-194,389	-18,206	73,825	-80,647	-138,920	271,518	-1,077,685	10,725	-814
Net income or loss attributable to owners of the parent	267,850	-123,631	2,916	180,896	50,703	232,414	318,077	132,810	140,783	451,552	-1,247,348	133,775	1,770
Depreciation and amortization	358,207	341,145	419,203	412,039	422,495	541,805	561,257	564,276	621,953	624,248	702,185	759,391	2,367
Capital expenditures	765,142	637,720	566,056	608,857	524,462	639,725	602,710	568,626	665,735	585,958	676,746	640,885	5,056
Per share data (Yen):													
Net income or loss (basic)	¥ 167.18	¥ -77.17	1.82	112.90	31.65	145.06	198.52	82.89	87.86	281.8	-846.64	99.18	\$ 1.10
Net income (diluted) *3	54.27	—	0.58	36.39	10.12	46.96	64.32	26.79	28.52	91.49	—	99.18	0.36
Cash dividends	—	—	—	—	—	—	—	—	—	—	30.00	60.00	—
Net assets	1,567.47	1,307.87	1,361.73	1,326.49	1,185.98	1,179.25	1,030.67	838.45	746.59	669.60	972.28	1,828.08	10.36
FYs ended March 31 (as of March 31):													
Total net assets	¥ 3,538,022	¥ 3,121,962	3,207,059	3,142,801	2,916,886	2,903,699	2,657,265	2,348,679	2,218,139	2,102,180	1,602,478	2,516,478	\$ 23,380
Equity *4	3,511,263	3,095,397	3,181,717	3,125,299	2,900,184	2,889,423	2,651,385	2,343,434	2,196,275	2,072,952	1,558,113	2,465,738	23,203
Total assets	14,595,480	13,563,085	12,838,398	12,093,155	11,957,846	12,757,467	12,591,823	12,277,600	13,659,769	14,212,677	14,790,353	13,203,987	96,448
Interest-bearing debt	6,300,571	5,756,429	5,440,245	4,889,099	4,914,931	5,890,793	6,022,970	6,004,978	6,606,852	7,013,275	9,024,110	7,523,952	41,635
Financial ratios and cash flow data:													
ROA (%) *5	2.0	-1.7	0.4	1.2	1.7	2.5	2.3	2.0	2.7	2.2	2.9	2.1	—
ROE (%) *6	8.1	-3.9	0.1	6.0	1.8	8.4	12.7	5.9	6.6	24.9	-62.0	5.5	—
Equity ratio (%)	24.1	22.8	24.8	25.8	24.3	22.6	21.1	19.1	16.1	14.6	10.5	18.7	—
Net cash flow from operating activities	¥ 673,017	¥ -75,673	406,493	239,825	323,493	503,709	752,183	783,038	1,077,508	872,930	988,710	988,271	\$ 4,447
Net cash flow from investing activities	-698,790	-388,842	-559,791	-577,215	-508,253	-570,837	-520,593	-478,471	-620,900	-523,935	-791,957	-599,263	-4,618
Net cash flow from financing activities	541,499	319,984	560,596	-20,340	13,591	-117,698	12,538	-603,955	-394,300	-626,023	1,859,579	-495,091	3,578

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 and March 31, 2023 have been omitted as the Company recognized a Net loss per share although there were potential shares.

4. Equity = Total net assets – Stock acquisition rights – Minority interests

5. ROA = Operating income / Average total assets

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

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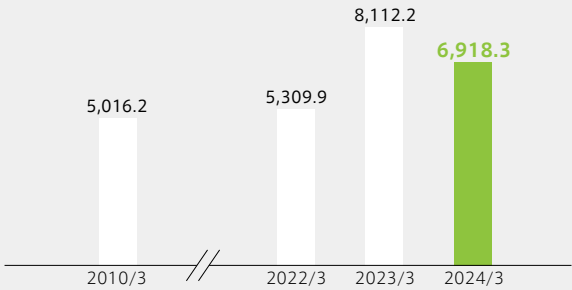
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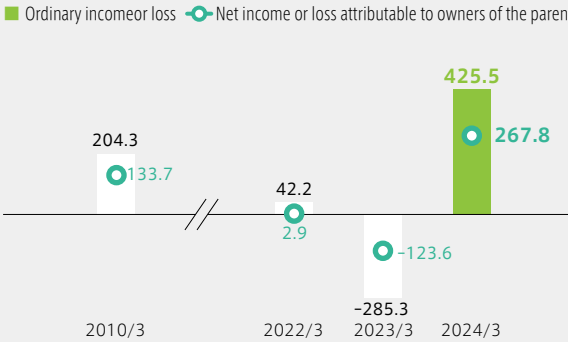
Financial Information from Prior to the Great East Japan Earthquake and Tsunami, and for the last Three Years*1

Operating revenues (billion yen)*2



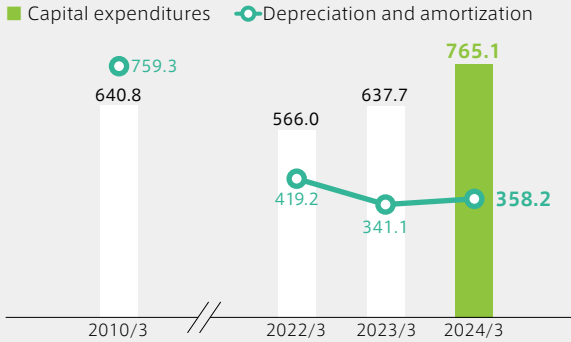
· The revenue for the term ending March 2024 decreased due to a decline in fuel and market prices, which led to reduced sales in the segments of PG and EP.

Ordinary income & net income attributable to owners of the parent (billion yen)



· The ordinary income and net income for the term ending March 2024 increased primarily due to the favorable impact of the timing differences in the fuel cost adjustment system.

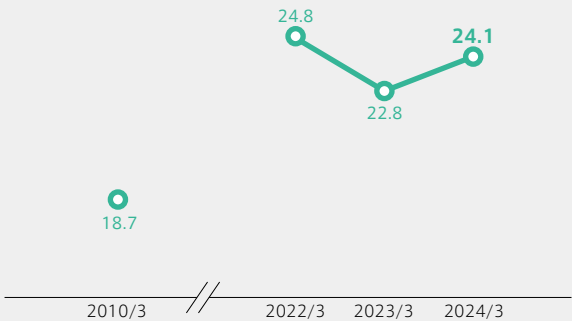
Capital expenditures & depreciation and amortization (billion yen)



· Capital expenditures for the term ending March 2024 was limited to the minimum necessary to maintain stable electricity supply, while also addressing decommissioning and contaminated water management at the Fukushima Daiichi, totaling ¥765.1 billion.

· Depreciation and amortization increased to ¥358.2 billion due to higher costs associated with nuclear power facilities, transmission facilities, and operational equipment, etc.

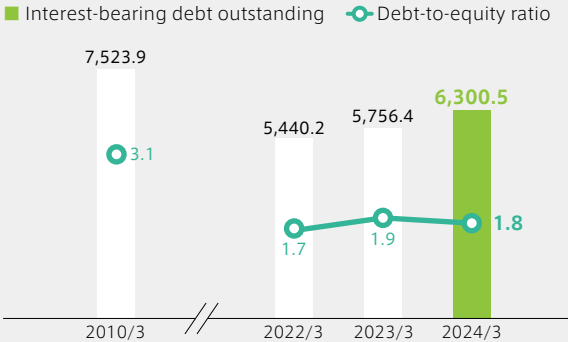
Equity ratio (%)



· The equity ratio, which had declined to 5.1% in the term ending March 2012 due to deteriorating financial performance, has risen to 24.1% as of the end of the term ending March 2024, thanks to reduced interest-bearing debt and ongoing group-wide cost-cutting efforts.

Equity ratio = (Net assets – Stock acquisition rights – Minority interests)/Total assets

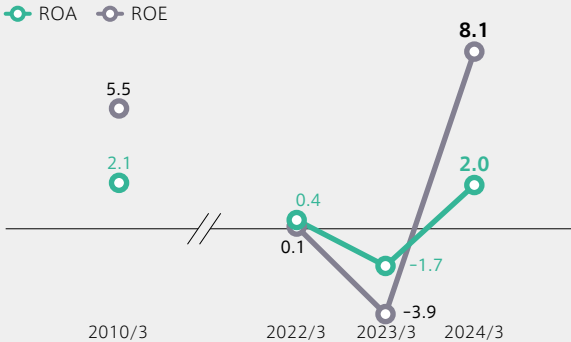
Interest-bearing debt outstanding (billion yen) & debt-to-equity ratio



· Interest-bearing debt increased to ¥9 trillion by the end of the term ending March 2011 due to a weakened financial position but has since decreased through bond redemptions. By the end of the term ending March 2024, it increased to ¥6.3 trillion due to new bond issuances and short-term borrowings.

· The D/E ratio, which was 10.6 in the term ending March 2012, decreased to 1.8, returning to pre-earthquake levels due to reduced interest-bearing debt.

ROA & ROE (%)



· ROA and ROE declined after the Great East Japan Earthquake but recovered due to rate revisions in the term ending March 2013 and cost-cutting measures.

· By the term ending March 2024, ROA rose to 2.0 and ROE to 8.1, with operating profit and net income attributable to owners of the parent.

ROA: Operating income / Average total assets
ROE: Net income attributable to owners of parent / Average equity

*1 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.

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Consolidated Balance Sheet

	(Millions of yen)		(Millions of US dollars)
FYs ended March 31:	2024/3	2023/3	2024/3
ASSETS			
Property, plant and equipment:	¥ 25,870,375	¥ 25,577,604	\$ 170,953
Facilities in progress:			
Construction in progress and retirement in progress	1,456,980	1,290,175	9,628
Suspense account for decommissioning related nuclear power facilities	89,693	102,458	593
Special account related to reprocessing of spent nuclear fuel	330,382	285,957	2,183
	1,877,056	1,678,591	12,404
	27,747,432	27,256,196	183,357
Less:			
Contributions in aid of construction	445,508	427,936	2,944
Accumulated depreciation	19,514,513	19,333,127	128,953
	19,960,022	19,761,064	131,897
Property, plant and equipment, net	7,787,409	7,495,132	51,460
Nuclear fuel:			
Loaded nuclear fuel	81,133	81,103	536
Nuclear fuel in processing	498,233	496,521	3,292
	579,366	577,624	3,828
Investments and other assets:			
Long-term investments	136,614	129,765	903
Long-term investments in subsidiaries and associates	1,728,705	1,411,335	11,424
Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	603,532	864,921	3,988
Reserve fund for nuclear reactor decommissioning	673,173	637,804	4,448
Net defined benefit asset	186,359	142,545	1,231
Other	277,339	227,721	1,833
	3,605,725	3,414,093	23,827
Current assets:			
Cash and deposits	1,242,542	717,908	8,211
Notes and accounts receivable-trade and contract assets	636,302	715,306	4,205
Inventories	121,615	109,793	804
Other	636,408	555,247	4,205
	2,636,869	2,098,255	17,425
Less:			
Allowance for doubtful accounts	-13,890	-22,019	-92
	2,622,978	2,076,235	17,333
Total assets	¥ 14,595,480	¥ 13,563,085	\$ 96,448

	(Millions of yen)		(Millions of US dollars)
FYs ended March 31:	2024/3	2023/3	2024/3
LIABILITIES AND NET ASSETS			
Long-term liabilities and reserves:	¥ 3,131,406	¥ 2,980,281	\$ 20,693
Other long-term liabilities	461,133	391,406	3,047
Provision for preparation of removal of reactor cores in the specified nuclear power facilities	11,277	9,168	75
Provision for removal of reactor cores in the specified nuclear power facilities	160,572	158,783	1,061
Reserve for loss on disaster	582,837	500,623	3,851
Reserve for nuclear damage compensation	642,910	869,133	4,248
Net defined benefit liability	309,783	318,875	2,047
Asset retirement obligations	1,086,530	1,055,749	7,180
	6,386,451	6,284,022	42,202
Current liabilities:			
Current portion of long-term debt	532,949	593,036	3,522
Short-term loans	2,636,216	2,183,111	17,420
Notes and accounts payable-trade	388,920	575,778	2,570
Accrued taxes	90,079	47,678	595
Other	1,022,841	757,496	6,759
	4,671,006	4,157,101	30,866
Total liabilities	11,057,458	10,441,123	73,068
Net assets:			
Shareholders' equity:			
Common stock, without par value:			
Authorized — 35,000,000,000 shares in 2024 and 2023			
Issued — 1,607,017,531 shares in 2024 and 2023	900,975	900,975	5,954
Preferred stock:			
Authorized — 5,500,000,000 shares in 2024 and 2023			
Issued — 1,940,000,000 shares in 2024 and 2023	500,000	500,000	3,304
Capital surplus	756,317	756,221	4,998
Retained earnings	1,108,857	840,869	7,327
Treasury stock, at cost:			
4,909,838 shares in 2024 and 4,870,608 shares in 2023	-8,516	-8,492	-56
Total shareholders' equity	3,257,632	2,989,573	21,527
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	27,319	10,162	180
Deferred gains or losses on hedges	39,840	23,598	263
Land revaluation loss	-2,926	-2,789	-19
Foreign currency translation adjustments	169,573	88,319	1,121
Remeasurements of defined benefit plans	19,824	-13,466	131
Total accumulated other comprehensive income	253,630	105,823	1,676
Non-controlling interests	26,759	26,565	177
Total net assets	3,538,022	3,121,962	23,380
Total liabilities and net assets	¥ 14,595,480	¥ 13,563,085	\$ 96,448

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Consolidated Statement of Income

	(Millions of yen)		(Millions of US dollars)
FYs ended March 31:	2024/3	2023/3	2024/3
Operating revenues: *			
Electricity	¥ 6,329,614	¥ 7,445,641	\$ 41,826
Other	588,774	666,584	3,891
	6,918,389	8,112,225	45,717
Operating expenses: *			
Electricity	6,092,378	7,717,520	40,259
Other	547,154	623,675	3,615
	6,639,532	8,341,195	43,874
Operating income or loss	278,856	-228,969	1,843
Other income or expenses:			
Interest and dividend income	1,567	949	10
Interest expense	-57,959	-48,282	-383
Extraordinary loss on disaster	-110,963	-22,214	-733
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	138,900	507,491	918
Compensation for nuclear damages	-151,117	-507,350	-999
Share of profit of entities accounted for using the equity method	202,181	—	1,336
Share of loss of entities accounted for using equity method	—	-1,142	—
Gain on sales of noncurrent assets	—	62,739	—
Gain on sale of shares of subsidiaries and associates	—	123,331	—
Other, net	878	-7,947	6
	23,489	107,573	155
Income or loss before special items and income taxes	302,345	-121,396	1,998
Special items:			
Reversal of reserve for preparation of the depreciation of nuclear power construction (credit)	—	9,485	—
	—	9,485	—
Income or loss before income taxes	302,345	-111,911	1,998
Income taxes:			
Current	34,938	8,710	231
Deferred	-2,200	2,408	-15
	32,737	11,118	216
Net income or loss	269,607	-123,029	1,782
Net income or loss attributable to non-controlling interests	1,757	601	12
Net income or loss attributable to owners of the parent	¥ 267,850	¥ -123,631	\$ 1,770
Per share information:	Yen		U.S. dollars
Net assets (basic)	¥ 1,567.47	¥ 1,307.87	\$ 10.36
Net income or loss (basic)	167.18	-77.17	1.10
Net income (diluted)	54.27	—	0.36
Cash dividends	—	—	—

Consolidated Statement of Comprehensive Income

	(Millions of yen)		(Millions of US dollars)
FYs ended March 31:	2024/3	2023/3	2024/3
Net income or loss	¥ 269,607	¥ -123,029	\$ 1,782
Other comprehensive income:			
Valuation difference on available-for-sale securities	2,457	-80	16
Foreign currency translation adjustments	5,729	2,990	38
Remeasurements of defined benefit plans	30,702	-21,697	203
Share of other comprehensive income of entities accounted for using the equity method	109,052	56,108	721
Total other comprehensive income	147,942	37,320	978
Comprehensive income or loss	¥ 417,549	¥ -85,709	\$ 2,760
Total comprehensive income attributable to:			
Owners of the parent	¥ 415,793	¥ -86,308	\$ 2,748
Non-controlling interests	1,756	599	12

* 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.

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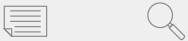
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Consolidated Statement of Changes in Net Assets

	Year ended March 31, 2024														
	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 income	Stock acquisition rights	Non-controlling interests	Total net assets
Balance at April 1, 2023	¥900,975	¥500,000	¥756,221	¥840,869	¥-8,492	¥2,989,573	¥10,162	¥23,598	¥-2,789	¥88,319	¥-13,466	¥105,823	¥-	¥26,565	¥3,121,962
Net income attributable to owners of the parent	—	—	—	267,850	—	267,850	—	—	—	—	—	—	—	—	267,850
Purchases of treasury stock	—	—	—	—	-20	-20	—	—	—	—	—	—	—	—	-20
Sales of treasury stock	—	—	-1	—	1	0	—	—	—	—	—	—	—	—	0
Change in ownership interest of parent due to transactions with non-controlling shareholders	—	—	97	—	—	97	—	—	—	—	—	—	—	—	97
Reversal of land revaluation loss	—	—	—	137	—	137	—	—	—	—	—	—	—	—	137
Other	—	—	—	—	-5	-5	—	—	—	—	—	—	—	—	-5
Net changes in items other than shareholders' equity	—	—	—	—	—	—	17,157	16,241	-137	81,253	33,290	147,806	—	194	148,000
Total changes	—	—	95	267,987	-23	268,059	17,157	16,241	-137	81,253	33,290	147,806	—	194	416,059
Balance at March 31, 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

	Year ended March 31, 2023														
	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 income	Stock acquisition rights	Non-controlling interests	Total net assets
Balance at April 1, 2022	¥900,975	¥500,000	¥756,222	¥964,209	¥-8,483	¥3,112,924	¥14,059	¥26,646	¥-2,497	¥23,865	¥6,718	¥68,792	¥10	¥25,330	¥3,207,059
Net income attributable to owners of the parent	—	—	—	-123,631	—	-123,631	—	—	—	—	—	—	—	—	-123,631
Purchases of treasury stock	—	—	—	—	-12	-12	—	—	—	—	—	—	—	—	-12
Sales of treasury stock	—	—	-1	—	1	0	—	—	—	—	—	—	—	—	0
Change in ownership interest of parent due to transactions with non-controlling shareholders	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reversal of land revaluation loss	—	—	—	292	—	292	—	—	—	—	—	—	—	—	292
Other	—	—	—	—	0	0	—	—	—	—	—	—	—	—	0
Net changes in items other than shareholders' equity	—	—	—	—	—	—	-3,897	-3,048	-292	64,453	-20,184	37,030	-10	1,234	38,254
Total changes	—	—	-1	-123,339	-9	-123,350	-3,897	-3,048	-292	64,453	-20,184	37,030	-10	1,234	-85,096
Balance at March 31, 2023	¥900,975	¥500,000	¥756,221	¥840,869	¥-8,492	¥2,989,573	¥10,162	¥23,598	¥-2,789	¥88,319	¥-13,466	¥105,823	¥-	¥26,565	¥3,121,962

	Year ended March 31, 2024														
	Millions of U.S. dollars														
	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 income	Stock acquisition rights	Non-controlling interests	Total net assets
Balance at April 1, 2023	\$5,954	\$3,304	\$4,997	\$5,556	\$-56	\$19,755	\$67	\$156	\$-18	\$584	\$-89	\$700	\$-	\$175	\$20,630
Net income attributable to owners of the parent	—	—	—	1,770	—	1,770	—	—	—	—	—	—	—	—	1,770
Purchases of treasury stock	—	—	—	—	-0	-0	—	—	—	—	—	—	—	—	-0
Sales of treasury stock	—	—	-0	—	0	0	—	—	—	—	—	—	—	—	0
Change in ownership interest of parent due to transactions with non-controlling shareholders	—	—	1	—	—	1	—	—	—	—	—	—	—	—	1
Reversal of land revaluation loss	—	—	—	1	—	1	—	—	—	—	—	—	—	—	1
Other	—	—	—	—	-0	-0	—	—	—	—	—	—	—	—	-0
Net changes in items other than shareholders' equity	—	—	—	—	—	—	113	107	-1	537	220	976	—	2	978
Total changes	—	—	1	1,771	-0	1,772	113	107	-1	537	220	976	—	2	2,750
Balance at March 31, 2024	\$5,954	\$3,304	\$4,998	\$7,327	\$-56	\$21,527	\$180	\$263	\$-19	\$1,121	\$131	\$1,676	\$-	\$177	\$23,380

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Consolidated Statement of Cash Flows

	(Millions of yen)		(Millions of US dollars)
FYs ended March 31:	2024/3	2023/3	2024/3
Cash flows from operating activities			
Income or loss before income taxes	¥ 302,345	¥-111,911	\$ 1,998
Depreciation and amortization	358,207	341,145	2,367
Decommissioning costs of nuclear power units	43,589	41,341	288
Loss on disposal of property, plant and equipment	27,308	24,194	180
Increase in provision for preparation of removal of reactor cores in specified nuclear power facilities	11,277	9,168	75
Increase in reserve for loss on disaster	99,748	12,767	659
Decrease in net defined benefit liability	-9,092	-4,639	-60
Increase in reserve fund for nuclear reactor decommissioning	-35,368	-52,290	-234
Interest and dividend income	-1,567	-949	-10
Interest expense	57,959	48,282	383
Share of profit or loss of entities accounted for using the equity method	-202,181	1,142	-1,336
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	-138,900	-507,491	-918
Compensation for nuclear damages	151,117	507,350	999
Gain on sale of noncurrent assets	—	-62,739	—
Gain on sale of shares of subsidiaries and associates	—	-123,331	—
Change in trade receivables	78,805	-119,387	521
Change in trade payables	-186,975	114,956	-1,236
Change in accrued expenses	260,262	-30,593	1,720
Other	-104,949	-133,981	-694
	711,584	-46,964	4,702
Interest and cash dividends received	5,435	25,415	36
Interest paid	-56,337	-46,967	-372
Payments for loss on disaster due to the Tohoku-Chihou-Taiheiyou-Okai Earthquake	-20,402	-16,848	-135
Receipts of Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	556,300	310,000	3,676
Payments for nuclear damage compensation	-542,213	-305,149	-3,583
Income taxes paid	18,651	4,840	123
Net cash flow from operating activities	673,017	-75,673	4,447

	(Millions of yen)		(Millions of US dollars)
FYs ended March 31:	2024/3	2023/3	2024/3
Cash flows from investing activities			
Purchases of property, plant and equipment	-704,838	-631,143	-4,658
Contributions in aid of construction received	19,305	24,591	128
Increase in long-term investments	-18,694	-17,555	-124
Proceeds from long-term investments	9,045	195,442	60
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	-18,501	—
Other	-3,608	58,324	-24
Net cash flow from investing activities	-698,790	-388,842	-4,618
Cash flows from financing activities			
Proceeds from issuance of bonds	662,606	774,506	4,379
Redemptions of bonds	-513,835	-475,835	-3,395
Proceeds from long-term loans	894	5,138	6
Repayments of long-term loans	-57,102	-23,765	-377
Proceeds from short-term loans	5,706,174	4,379,165	37,706
Repayments of short-term loans	-5,253,133	-4,366,662	-34,713
Proceeds from issuance of commercial papers	90,000	42,000	594
Redemptions of commercial papers	-92,000	-20,000	-608
Other	-2,104	5,437	-14
Net cash flow from financing activities	541,499	319,984	3,578
Effect of exchange rate changes on cash and cash equivalents	2,045	62	14
Net change in cash and cash equivalents	517,771	-144,468	3,421
Cash and cash equivalents at beginning of the year	717,357	861,825	4,741
Cash and cash equivalents at end of the year	¥ 1,235,128	¥ 717,357	\$ 8,162

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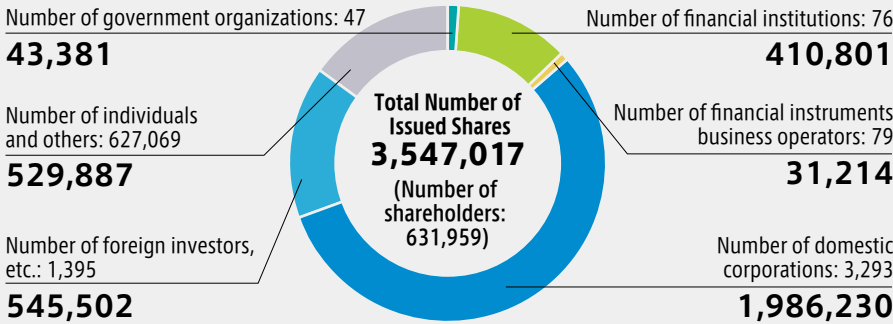
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Stock Information (as of March 31, 2024)

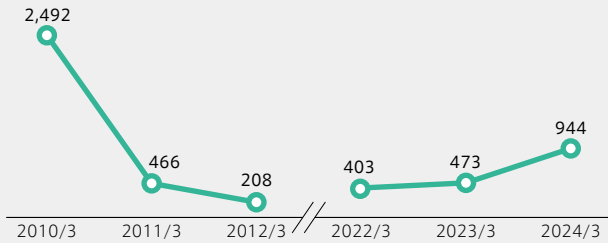
Basic Stock Information

Securities identification code	9501
Stock listings	Tokyo Stock Exchange, Prime Market
Total number of shares authorized to be issued	14,100,000,000
Total number of issued shares	Common shares 1,607,017,531 Class A preferred shares 1,600,000,000 Class B preferred shares 340,000,000 Total 3,547,017,531
Minimum units	Common shares 100 Class A preferred shares 100 Class B preferred shares 10
Fiscal year	April 1 to March 31 of the following year
General meeting of shareholders	June

Breakdown of Shareholders (Thousands of shares)



Stock Prices Before the Great East Japan Earthquake and Over the Past Three Years (Monthly Closing Prices, Yen)



Means of public notice	Electronic public notice posted on TEPCO's website*1
Handling of shares	Shareholder registry administrator Mitsubishi UFJ Trust and Banking Corporation Contact: Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation Tel: 0120-232-711 (toll-free number in Japan) Postal address: Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation PO Box 29, Shin-Tokyo Post Office, Tokyo 137-8081, Japan

*1 In the event that an electronic public notice cannot be posted due to an unavoidable reason such as an accident, the notice will be announced in the Nihon Keizai Shimbun published in Tokyo.

Major Shareholders (Top 10 Shareholders)

Name of Shareholder	Number of Shares Held (Thousands of shares)	Investment Ratio (%)
Nuclear Damage Compensation and Decommissioning Facilitation Corporation	1,940,000	54.75
The Master Trust Bank of Japan, Ltd. (Trust Account)	214,448	6.05
Custody Bank of Japan, Ltd. (Trust Account)	80,390	2.27
TEPCO Employees Shareholding Association	50,664	1.43
Tokyo Metropolitan Government	42,676	1.20
THE BANK OF NEW YORK MELLON 140044	39,527	1.12
Sumitomo Mitsui Banking Corporation	35,927	1.01
STATE STREET BANK WEST CLIENT - TREATY 505234	30,670	0.87
NIPPON LIFE INSURANCE COMPANY	26,400	0.75
JP MORGAN CHASE BANK 385781	21,367	0.60

*2 Investment ratio is calculated excluding treasury stock (3,342,511 common shares).

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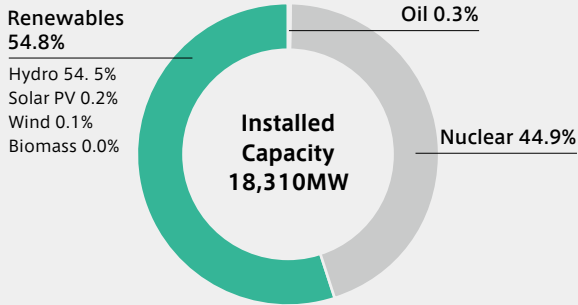
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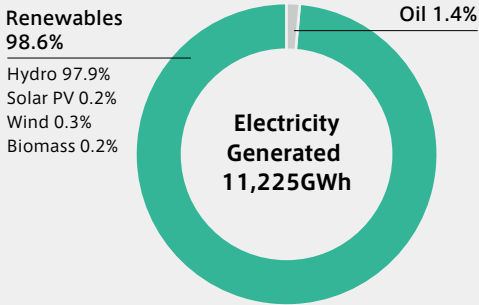
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At a Glance (FY2023 Results)

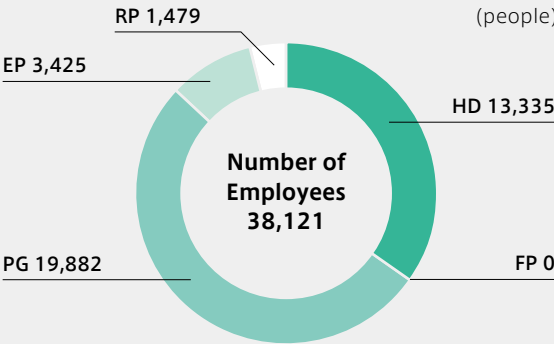
Installed Capacity by Energy Source (consolidated)



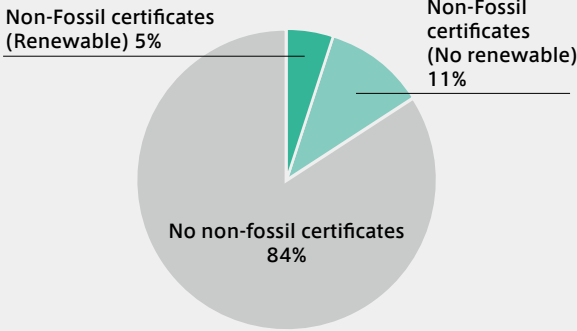
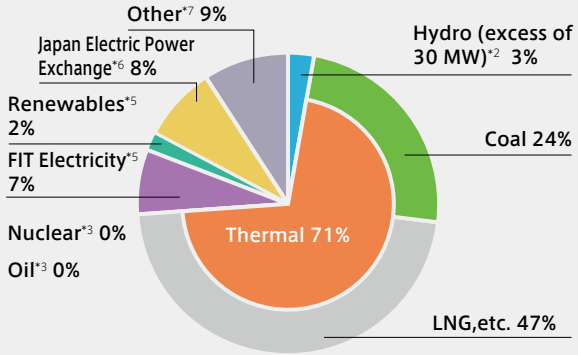
Net Energy Production by Energy Source (transmission end · consolidated)



Employees (consolidated)



Power Portfolio*1 and The Usage Status of Non-Fossil Certificates*8 Delivered to Customers by TEPCO Energy Partner



TEPCO Energy Partner's CO2 Emissions Intensity

CO₂ emissions intensity (adjusted emissions intensity) was 0.408kg-CO₂/kWh

Value reported to the government in accordance with Act on Promotion of Global Warming Countermeasures

[The Emissions Intensity for Each Electricity Tariff Menu \(Japanese only\)](#)

*1 TEPCO Energy Partner sells the 100% renewable energy menu and the substantially 100% renewable energy menu to some customers. The power source composition and usage status of non-fossil certificates for other menus are indicated.

*2 The portion of hydroelectric power exceeding 30MW that does not utilize non-fossil certificates is considered as electricity with the same CO₂ emissions as the national average, including thermal power generation, without the value of renewable energy or zero-emission electricity source.

*3 Less than 0.5% and has therefore been rounded to 0%.

*4 A portion of the cost for TEPCO Energy Partner to procure FIT electricity is covered by the Renewable Energy Promotion Charge collected from all electricity users, including customers other than our own. Among this electricity, the portion that does not utilize non-fossil certificates is considered as electricity with the same CO₂ emissions as the national average of electricity, including thermal power generation, without the value of renewable energy or zero-emission electricity source.

*5 It is electricity generated from Solar PV, wind, hydropower (less than 30MW), and biomass using non-fossil certificates designated as renewable energy.

*6 The electricity procured from Japan Electric Power Exchange includes hydropower, thermal power, nuclear power, FIT electricity, and renewable energy, among others.

*7 It includes electricity sourced from other companies where the specific power plant cannot be identified.

*8 The usage status of non-fossil certificates (FY2023) allocates non-fossil certificates for electricity generated from January 2023 to December 2023.

*The total of the composition ratio may not reach 100% due to rounding, and the total of the breakdown may differ.

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1. TEPCO Holdings and core operating companies

(TEPCO Holdings, TEPCO Fuel & Power, TEPCO Power Grid, TEPCO Energy Partner, and TEPCO Renewable Power)

Key figures

	UM	FY2021	FY2022	FY2023	GRI
Installed capacity by energy source (*1)					
Total net electricity generation capacity	MW	18,200	18,122	18,116	
Thermal net capacity	MW	58	58	58	
Coal	MW	0	0	0	
LNG	MW	0	0	0	
Oil	MW	58	58	58	
Nuclear net capacity	MW	8,212	8,212	8,212	
Renewable net capacity	MW	9,930	9,852	9,845	
Hydroelectric (*2)	MW	9,879	9,801	9,794	
Solar	MW	30	30	30	
Wind	MW	21	21	21	
Geothermal	MW	0	0	0	
Biomass and cogeneration	MW	0	0	0	
Net energy production by energy source (*1)					
Total net electricity production	GWh	13,106	11,706	10,507	
Thermal net production	GWh	157	156	155	
Coal	GWh	0	0	0	
LNG	GWh	0	0	0	
Oil	GWh	157	156	155	
Nuclear net production	GWh	0	0	0	
Renewable net production	GWh	12,948	11,550	10,353	
Hydroelectric (*2)	GWh	12,882	11,489	10,296	
Solar	GWh	29	24	22	
Wind	GWh	37	36	35	
Geothermal	GWh	0	0	0	
Biomass and cogeneration	GWh	0	0	0	
Efficiency					
Thermal power plant	%	-	-	-	
Development					
Development of renewable power generation facilities	MW	192	326	325	
Availability					
Nuclear power plant	%	0	0	0	

	UM	FY2021	FY2022	FY2023	GRI
Network					
Electricity network					
Total transmission network	km	40,966	41,037	40,999	
- of which aerial line	km	28,453	28,480	28,410	
- of which underground cable	km	12,513	12,557	12,589	
Total distribution network	km	383,415	384,544	385,624	
- of which aerial line	km	344,208	345,095	345,883	
- of which underground cable	km	39,207	39,449	39,741	
Transmission and distribution loss					
Extra high voltage (*3)	%	1.3	1.3	1.3	
High voltage (*3)	%	3.9	3.7	3.7	
Low voltage (*3)	%	6.6	6.9	6.9	
Average	%	4.5	3.8	4.7	
Supply reliability					
System Average Interruption Duration Index (SAIDI)	hour	0.12	0.08	0.08	
Interruption time (min.) / year (min.)	%	0.001	0.001	0.001	
Smart meter					
Number of installations (*4)	10k units	2,840	2,840	2,840	
Installation rate (*4)	%	100	100	100	
Sales					
Electricity volumes (*5)	GWh	177,118	173,089	192,125	
CO ₂ related electricity sales					
Adjusted emissions intensity (*6)	kg-CO ₂ /kWh	0.451	0.376	0.408	
Basic emissions intensity	kg-CO ₂ /kWh	0.457	0.457	0.475	
Adjusted emissions (*7)	ktCO ₂	79,900	65,100	78,400	
Basic emissions	ktCO ₂	80,900	79,100	91,300	
Gas volumes (*8)	km ³	1,230,253	1,378,263	1,284,810	
Adjusted emissions intensity (*9)	t-CO ₂ /km ³	-	-	2.05	305-4
Basic emissions intensity	t-CO ₂ /km ³	-	-	2.05	
Adjusted emissions (*9)	kt-CO ₂	-	-	2,634	
Basic emissions	kt-CO ₂	-	-	2,634	
Leakage rate (Transportation)	%	0	0	0	
Leakage rate (Distribution)	%	0	0	0	
Leakage rate (Strage)	%	0	0	0	
Environmental compliance					
Total monetary value of significant fines	mil. JPY	0	0	0	2-27
Total number of non-monetary sanctions	no.	0	0	0	
Significant spill					
Total number of significant spill	no.	0	0	0	

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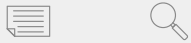
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Emissions

	UM	FY2021	FY2022	FY2023	GRI
Direct greenhouse gas emissions (Scope 1) (*10)					
Total direct emissions (Scope 1) (*11)	ktCO ₂ eq	192	★193	194	
CO ₂ emissions from electricity production and other activities	ktCO ₂	118	119	121	
CO ₂ emissions from vehicles (gasoline and diesel)	ktCO ₂	7	6	6	
Total other CO ₂ eq emissions	ktCO ₂ eq	67	68	67	
N ₂ O	ktCO ₂ eq	1	1	1	
HFCs (*12)	ktCO ₂ eq	3	6	3	
SF ₆ (*12)	ktCO ₂ eq	63	61	63	
Other emissions volume					305-1
N ₂ O	t	3	3	3	
SF ₆ (*12)	t	2.8	2.7	2.7	
SF ₆ recovery rate					
In equipment inspections	%	99	>99.5	>99.5	
In equipment removal	%	99	99	>99.5	
Fluorocarbon emissions					
Leaked volumes based on the Act on Rational Use and Appropriate Management of Fluorocarbon	ktCO ₂ eq	6	9	5	
Indirect greenhouse gas emissions (Scope 2) (*13)					
Total of Scope2,market based (*14)	ktCO ₂ eq	5,753	★4,917	5,918	
Total of Scope2,location based (*15)	ktCO ₂ eq	5,744	★4,896	5,961	
In offices, hydroelectric and thermalelectric plants					
Related to energy purchased from the grid (Scope 2, location based) (*14)	ktCO ₂ eq	465	490	427	305-2
Related to energy purchased from the grid (Scope 2, market based) (*15)	ktCO ₂ eq	456	469	470	
Related to technical losses from distribution and transmission network (*16)	ktCO ₂ eq	5,288	4,427	5,491	
Other indirect greenhouse gas emissions (Scope 3, per GHG protocol) (*17)					
Total of Scope 3	ktCO ₂ eq	101,946	106,073	115,451	
Category 1 Purchased goods and services (*18)	ktCO ₂ eq	1,670	2,688	3,432	
Category 2 Capital goods	ktCO ₂ eq	1,758	1,988	2,279	
Category 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2) (*19)	ktCO ₂ eq	91,342	★94,174	101,903	
Category 4 Upstream transportation and distribution (*20)	ktCO ₂ eq	0	0	21	
Category 5 Waste generated in operations	ktCO ₂ eq	3	4	4	
Category 6 Business travel	ktCO ₂ eq	4	4	4	
Category 7 Employee commuting	ktCO ₂ eq	10	10	9	
Category 8 Upstream leased assets	ktCO ₂ eq	0	0	0	302-2
Other (upstream)	ktCO ₂ eq	0	0	0	305-3
Category 9 Downstream transportation and distribution	ktCO ₂ eq	0	0	0	
Category 10 Processing of sold products	ktCO ₂ eq	0	0	0	
Category 11 Use of sold products (*21)	ktCO ₂ eq	7,159	★7,206	7,800	
Category 12 End-of-life treatment of sold products	ktCO ₂ eq	0	0	0	
Category 13 Downstream leased assets	ktCO ₂ eq	0	0	0	
Category 14 Franchises	ktCO ₂ eq	0	0	0	
Category 15 Investments	ktCO ₂ eq	0	0	0	
Other (downstream)	ktCO ₂ eq	0	0	0	

	UM	FY2021	FY2022	FY2023	GRI
Scope 1 and 2					
Market based	ktCO ₂ eq	5,945	5,110	6,113	
Location based	ktCO ₂ eq	5,936	5,089	6,156	
Scope 1, 2 and 3					
Market based	ktCO ₂ eq	107,891	111,183	121,564	
Location based	ktCO ₂ eq	107,882	111,162	121,607	
Other atmospheric emission					
NO _x emissions	kt	2	2	2	305-7
SO _x emissions	kt	0.2	0.2	0.2	
Dust emissions	kt	0.03	0.04	0.03	
Direct mercury emissions	kt	0	0	0	
Volatile organic compounds (VOC) emissions (*22)	kt	0	0	0	

Energy

	UM	FY2021	FY2022	FY2023	GRI
Energy consumption					
Total (*23)	GJ	12,283,582	12,585,020	11,101,860	
Electricity production and other activities	GJ	1,705,628	1,723,232	1,715,312	302-1
Vehicles (gasoline and diesel)	GJ	96,981	94,634	92,839	302-4
Electricity, heat and steam (in offices, hydroelectric and thermal electric plants) (*23)	GJ	10,480,973	10,767,154	9,293,709	
Energy consumption intensity in buildings					
Per total floor space of office (headquarters, branch offices, etc.) (*23)	MJ/m ²	1,336	1,316	1,172	302-3
Costs					
Total costs of energy consumption	mil. JPY	3,914	4,198	5,294	
Renewable energy (in-house power generation)					
Installed buildings	kW	15	14	14	
Installed capacity	kW	303	301	312	
Net energy production	MWh	225	223	251	

Raw materials

	UM	FY2021	FY2022	FY2023	GRI
Fuel consumption					
from non-renewable sources					
Coal	kt	<1	<1	<1	301-1
Heavy oil, crude oil, etc.	ML	43	44	44	
Gas (LNG, LPG)	kt	<1	<1	<1	
City Gas	mil m ³	<1	<1	<1	
Fuel for nuclear power plants	t	0	0	0	
from renewable sources					
Biomass	kt	0	0	0	

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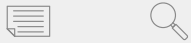
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Water

	UM	FY2021	FY2022	FY2023	GRI
Water withdrawal in "water stressed" areas					
Total	km³	0	0	0	
Water withdrawal by source					303-3
Total withdrawal from scarce sources	km³	49,463,282	47,263,796	37,129,334	
Surface water (wetlands, lakes, rivers)	km³	49,462,537	47,263,067	37,128,590	
Ground water (from wells)	km³	27	24	31	
Water from municipal water supplies	km³	719	705	714	
Water withdrawal by uses					303-3
Total	km³	49,463,282	47,263,796	37,129,334	
River water for hydroelectric plants	km³	49,462,389	47,262,577	37,128,052	
Industrial water	km³	73	384	422	
Municipal water	km³	794	811	831	
Groundwater	km³	27	24	31	
Water intensity for electricity generation activities					303-4
Total	km³/MWh	5.7	5.5	5.2	
Water discharge by destination					303-4
Total	km³	49,463,282	47,263,796	37,129,331	
Surface water (wetlands, lakes, rivers)	km³	49,462,389	47,262,577	37,128,057	
Groundwater	km³	0	0	0	
Sea (in industrial treatment plants)	km³	335	668	715	
Third party water (municipal treatment plants)	km³	558	551	559	
Freshwater consumption					303-5
Total	km³	<1	<1	3	
Water treatment					303-5
Volume of waste water treatment in power plants	km³	-	-	-	
COD emissions from power plants	t	-	-	-	
Annual accumulated ALPS treated water discharge volume	km³	-	-	31	
Business Impacts of Water Related Incidents	mil. JPY	-	-	0	

Waste

	UM	FY2021	FY2022	FY2023	GRI
Industrial waste by disposal method					
Total generated	kt	148	140	156	306-3
Recycled volume	kt	148	140	156	306-4
Landfill treatment volume	kt	0.486	0.055	0.093	306-5
Recycling rate	%	99.6	99.9	99.9	
Hazardous waste					
Waste volume containing PCB	kt	27	18	21	
Insulating oil (inadvertently contaminated)	ML	4	4	6	
Pole-mounted transformers	10k units	5	3	3	
Management of remaining PCB equipments					
Pole-mounted transformers	10k units	8	6	3	
Ash management					
Total generated	kt	0	0	0	
Recycled volume	kt	0	0	0	
Landfill treatment volume	kt	0	0	0	
Recycling rate	%	-	-	-	

Other

	UM	FY2021	FY2022	FY2023	GRI
Electric vehicle					
Number of EV or PHEV	no.	656	720	915	
Rate of EV or PHEV fleets	%	18	21	27	
Green procurement					
Green procurement rate in office supplies (monetary value based)	%	99.9	99.9	>99.9	
Paper bought for printers/ photocopiers					
Number of sheets (equivalent A4 sheets)	mil A4eq	170	171	171	
Weight	t	678	681	684	

2. TEPCO Holdings and all of consolidated subsidiary companies

Key figures

	UM	FY2021	FY2022	FY2023	GRI
Installed capacity by energy source					
Total net electricity generation capacity	MW	18,354	18,269	18,310	
Thermal net capacity	MW	58	58	58	
Coal	MW	0	0	0	
LNG	MW	0	0	0	
Oil	MW	58	58	58	
Nuclear net capacity	MW	8,212	8,212	8,212	
Renewable net capacity	MW	10,084	9,998	10,039	
Hydroelectric (*2)	MW	10,021	9,945	9,985	
Solar	MW	39	30	30	
Wind	MW	21	21	21	
Geothermal	MW	0	0	0	
Biomass and cogeneration	MW	3	3	3	
Net energy production by energy source					
Total net electricity production	GWh	13,698	12,248	11,225	
Thermal net production	GWh	157	156	155	
Coal	GWh	0	0	0	
LNG	GWh	0	0	0	
Oil	GWh	157	156	155	
Nuclear net production	GWh	0	0	0	
Renewable net production	GWh	13,541	12,092	11,070	
Hydroelectric (*2)	GWh	13,458	12,016	10,992	
Solar	GWh	31	25	22	
Wind	GWh	37	36	35	
Geothermal	GWh	0	0	0	
Biomass and cogeneration	GWh	16	16	21	
Sales					
Electricity volumes (*24)	GWh	233,812	242,784	228,745	
Environmental compliance					2-27
Total number of non-monetary sanctions	no.	0	0	0	
Significant spill					
Total number of significant spill	no.	0	0	0	
ISO 14001					
Certificated offices	no.	19	20	21	

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TNFD Global Disclosure Indicators

No.	Driver of nature change	Indicator	Metric		Unit	FY2021	FY2022	FY2023		
	Climate change	GHG emissions (*1)	Scope 1		ktCO ₂ -eq	203	205	211		
			Scope 2 (location based)		ktCO ₂ -eq	5,773	4,913	5,981		
			Scope 3		ktCO ₂ -eq	—	106,401	116,330		
C1.0	Land/freshwater/ocean-use change	Total spatial footprint	Total surface area controlled/managed by the organisation, where the organisation has control (*1)		km ²	263,299	263,550	262,369		
			Total rehabilitated/restored area (*2)		km ²	163,340	163,340	163,340		
C2.0	Pollution/pollution removal	Pollutants released to soil split by type (*3)			t	0	0	0		
C2.1	Pollution/pollution removal	Wastewater discharged	Volume of water discharged	Total	km ³	49,463,282	47,263,796	37,129,331		
				Freshwater	km ³	49,462,947	47,263,128	37,128,616		
				Other	km ³	335	668	715		
			Temperature of water discharged (nuclear power) (*4)		°C	N/A	N/A	N/A		
C2.2	Pollution/pollution removal	Waste generation and disposal	Weight of waste generated	hazardous waste	kt	27	18	21		
				nonhazardous waste (*5)		kt	121	122	135	
			Weight of waste disposed	hazardous waste	Incinerated (*6)	kt	—	—	—	
						Landfill (*7)	kt	0	0	0
						Other disposal methods (*6)	kt	27	18	21
				nonhazardous waste	Incinerated (*6)	kt	—	—	—	
						Landfill	kt	<1	<1	<1
						Other disposal methods (*6)	kt	121	122	135
			Weight of waste diverted from landfill	hazardous waste	Reused	kt	0	0	0	
					Recycled	kt	27	18	21	
					Other recovery operations	kt	0	0	0	
				nonhazardous waste	Reused	kt	<1	<1	<1	
					Recycled (*5)	kt	121	122	135	
					Other recovery operations	kt	0	0	0	
C2.4	Pollution/pollution removal	Non-GHG air pollutants	Non-GHG air pollutants by type	Particulate matter (PM2.5 and/or PM10) (*8)	kt	<0.1	<0.1	<0.1		
				Nitrogen oxides (NO ₂ , NO and NO ₃)	kt	2	2	2		
				Volatile organic compounds (VOC or NMVOC); (*9)	kt	0	0	0		
				Sulphur oxides (SO ₂ , SO, SO ₃ and SOX)	kt	<1	<1	<1		
				Ammonia (NH ₃)	kt	0	0	0		
C3.0	Resource use/replenishment	Water withdrawal and consumption from areas of water scarcity (*9)	Water withdrawal (including identification of water source)		m ³	N/A	N/A	N/A		
			Water consumption (including identification of water source)		m ³	N/A	N/A	N/A		
			Nuclear	Water usage for processing, cooling and consumption in powerplants, including use of water in ash handling	m ³	N/A	N/A	N/A		
C3.1		Quantity of high-risk natural commodities sourced from land/ocean/freshwater	Coal	kt	<1	<1	<1			
			Oil	ML	43	44	44			
			LNG and LPG	kt	<1	<1	<1			
			City gas	mil m ³	<1	<1	<1			
A3.0		Water withdrawal and consumption	Water withdrawal	km ³	49,463,282	47,263,796	37,129,334			
			Water consumption	km ³	<1	<1	3			

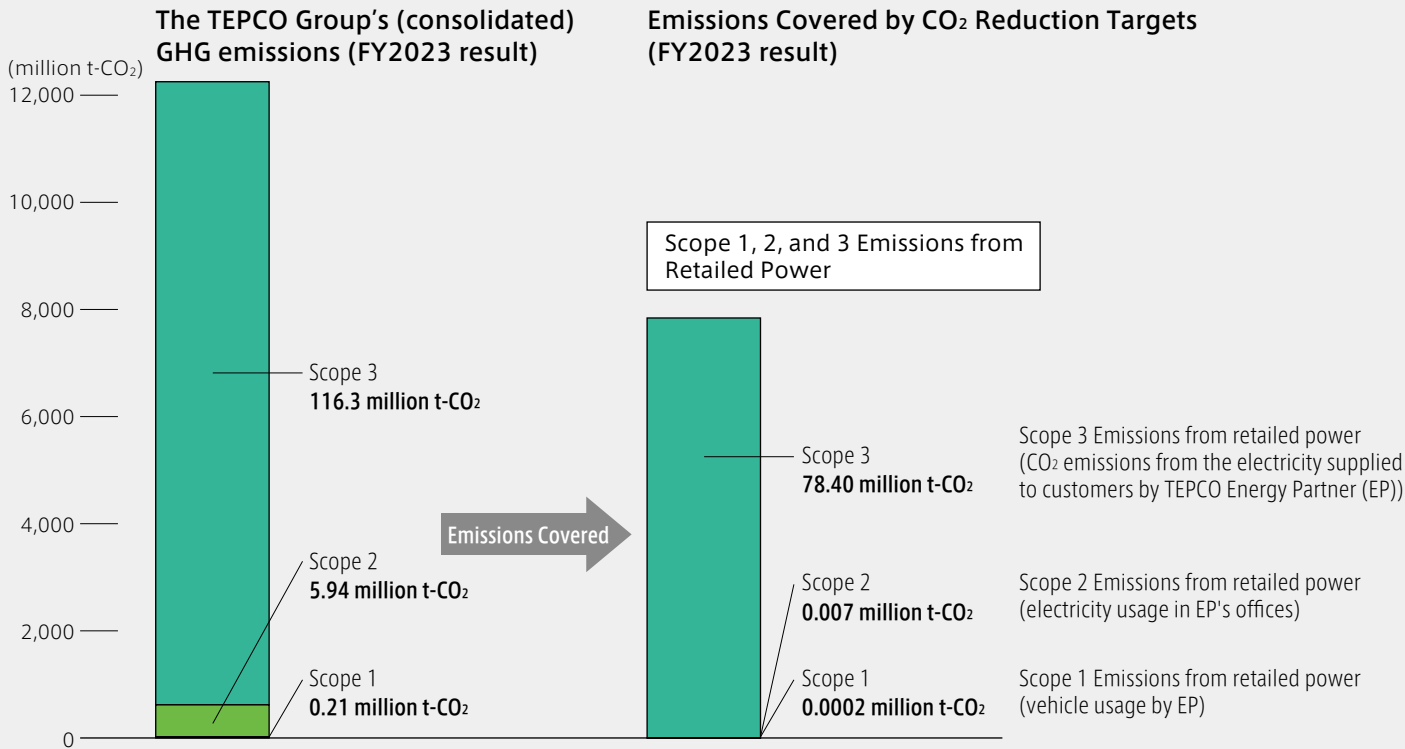
Unless otherwise noted the data in the table are the values for the five companies of the TEPCO Group (Tokyo Electric Power Holdings, Inc., TEPCO Fuel & Power, Inc., TEPCO Power Grid, Inc., TEPCO Energy Partner, Inc., TEPCO Renewable Power, Inc.)

*1 TEPCO Group (consolidated) data
*2 Notes the area of Oze that is owned by the TEPCO Group
*3 The TEPCO Group is primarily engaged in the electricity business and businesses that it is directly engaged in have low correlation to pesticides or plastic contamination which are indicated as pollutants by this indicator.
*4 "Not applicable" since nuclear power stations were not in operation
*5 Includes amount treated as valuables
*6 The data in the " Other disposal methods " row shows the amount recycled including thermal recyclables
*7 "0" is noted for harmful waste because it is not buried without being subjected to interim treatment, such as incineration, due to the nature of the substances.
*8 Soot and dust present in the exhaust from power stations in island regions have been noted (calculated value)
*9 VOC as noted in Atmospheric Pollution Prevention Act emission standards are not emitted
*10 "Not applicable" since power station, etc. facilities are not being constructed in areas of water scarcity

The Relationship between the TEPCO Group's Greenhouse Gas (GHG) Emissions and CO₂ Reduction Targets (FY2030)

Scope 3 emissions (116.33 million t-CO₂) account for approximately 95% of the TEPCO Group's GHG emissions in FY2023 (122.48 million t-CO₂). The TEPCO Group's reduction targets include Scope 1 and Scope 2 emissions, which are the Group's direct and indirect emissions, as well as Scope 3 emissions, which are emissions from our supply chain. Our target is to reduce CO₂ emissions originating from retailed power, which account for the majority of our GHG emissions, by 50% of FY2013 levels by FY2030. This target is a net reduction goal.

Scope 1: Direct emissions from our combustion of fuel
Scope 2: Indirect emissions from consumed electricity as well as heat/steam
Scope 3: Supply chain (upstream/downstream) emissions



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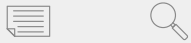
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1. TEPCO Holdings and core operating companies
(TEPCO Holdings, TEPCO Fuel & Power, TEPCO Power Grid, TEPCO Energy Partner, and TEPCO Renewable Power)

(1) Employee-Related Indicators

	Category		UM	Performance			GRI Standard
				FY2021	FY2022	FY2023	
1	Number of employees(*1)	Total	People	27,898	27,585	27,369	2-7 405-1
		Males		24,244	23,937	23,686	
		Females		3,654	3,648	3,683	
2	Average age	Total	Age	45.5	45.6	45.7	405-1
		Males		45.8	45.9	46.0	
		Females		43.5	43.7	43.8	
3	Average number of years on the job	Total	Years	24.6	24.5	24.4	-
		Males		24.9	24.9	24.8	
		Females		22.6	22.4	22.4	
4	Separation rate	Total	%	6.1	4.9	5.2	401-1
		Males		6.3	5.0	5.3	
		Females		4.4	4.2	4.2	
5	Voluntary turnover rate	Total	%	1.1	1.0	1.2	401-1
		Males		1.1	1.0	1.2	
		Females		1.0	1.0	1.2	
6	Management promotions	Fastest promotion	Age	35	37	37	405-1
		Number of females	People	273	279	279	
		Percentage of females	%	5.80	5.98	6.06	
7	Disability employment	Employment rate	%	2.22	2.20	2.20	405-1
8	Number of newly hired employees	Total	People	568	518	611	401-1
		Males		459	432	508	
		Females		109	86	103	
9	Number of career hired employees (highly skilled human resources)	Total	People	155	199	237	401-1
		Males		139	162	193	
		Females		16	37	44	
10	Mid-career recruitment ratio of hired employees	Total	%	21.4	27.8	27.9	-
		Males		23.2	27.3	27.5	
		Females		12.8	30.1	29.9	
11	Number of employees using nursing care leave	Total	People	8	6	4	-
		Males		4	4	4	
		Females		4	2	0	
12	Percentage of employees using child rearing leave	Total	%	23.9	29.7	44.9	401-3
		Males		8.2	19.8	37.0	
		Females		93.6	89.6	89.5	

	Category		UM	Performance			GRI Standard
				FY2021	FY2022	FY2023	
13	Average number of days taken for paternity leave by men		Days	-	-	67.0	401-3
14	Paternity leave utilization rate by men (*2)		%	83.8	77.3	70.2	401-3
15	Return-to-work rate from childcare leave	Total	%	99.0	99.2	99.3	401-3
		Males		100	100	100	
		Females		98.7	98.6	98.3	
16	Average age of board members (*3)		Age	56.4	56.8	57.6	-
17	Ratio of unionized employees		%	100	100	100	2-7
18	Human capital ROI		-	1.64	0.25	2.21	-
19	Total annual hours worked per person (*4)		total hours	1,919	1,935	1,946	-
20	Human rights due diligence implementation rate		%	-	28.8	31.8	-
21	Number of employees working long hours (*5)		People	318	191	250	-
22	High-Stress rate from stress checks		%	11.4	11.8	11.9	-
23	Number of long-term absentees due to non-work-related injuries or illnesses		People	138	202	215	-
24	Number of disciplinary cases among consultations to the human rights office		Cases	2	0	3	-

(2) Health and Safety-Related Indicators(*8)

	Category		UM	Performance			GRI Standard
				FY2021	FY2022	FY2023	
1	Lost time injury frequency rate (LTIFR)	employees(*6)	-	0.08	★0.20	0.26	403-9
		contractor/consignors		0.46	0.62	0.60	
2	Lost time injury severity rate (LTISR)(employees)(*7)		-	0.01	0.01	0.02	403-9
3	Number of injured employees	Total	People	5	11	18	403-9
		Males		5	8	13	
		Females		0	3	5	
4	Number of injured contractor/consignors		People	42	49	54	403-9
5	Number of fatalities (employees)	Total	People	0	★0	0	403-9
		Males		0	0	0	
		Females		0	0	0	
6	Number of fatalities (contractor/consignors)	Total	People	2	★2	0	403-9
		Males		2	2	0	
		Females		0	0	0	

(3) Human Resource Cultivation and Training-Related Indicators

	Category		UM	Performance			GRI Standard
				FY2021	FY2022	FY2023	
1	Employee training expenses (common training for all companies etc.		Million yen	360	381	378	404-1
2	Number of employee training hours (common training for all companies etc.)		Cumulative hours	107,879	105,900	111,437	404-1

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(4) Diversity Indicators

Diversity Indicators

FY2023	HD	PG	EP	RP	Total
Percentage of female managers	5.7%	5.3%	11.6%	2.8%	6.0%
Percentage of female employees	12.1%	11.7%	29.7%	6.7%	13.4%
Percentage of females in hired new graduates	14.3%	15.8%	30.8%	10.9%	16.9%
Number of employees (people)	7,739	15,670	2,759	1,201	27,369

Gender Pay Gap Indicators

FY2023	HD	PG	EP	RP	Total
Total workers	84.7%	79.8%	82.1%	79.7%	82.5%
Full-time employees	83.2%	80.5%	80.7%	77.1%	81.8%
Management position	97.5%	97.8%	95.7%	102.2%	97.6%
Non-managerial position	95.8%	90.9%	90.5%	85.1%	92.6%
Part-time workers/ temporary workers	83.4%	65.5%	87.2%	80.4%	70.4%

(5) Metrics Related to Employee Engagement (*9)

	Category	UM	Performance			GRI Standard
			FY2021	FY2022	FY2023	
1	Employee Well-being(*10)	-	6.69	6.69	6.78	-
2	Job Satisfaction	-	0.51	0.49	0.56	-
3	Feeling of growth	-	0.47	0.43	0.50	-
4	Work-life balance	-	0.41	0.59	0.74	-
5	Putting the corporate philosophy into practice	-	1.09	1.13	1.18	-
6	Value-Creating climate	-	0.49	0.45	0.58	-
7	Mental safety	-	-	1.06	1.13	-
8	Feeling that diversity is being promoted	-	0.64	0.65	0.89	-
9	Feeling that work style reforms are being promoted	-	0.61	0.75	0.81	-
10	Expansion of productivity awareness	-	0.22	0.25	0.36	-
11	Feeling that health measures are being promoted	-	-	0.64	0.75	-

2. TEPCO Holdings and all of consolidated subsidiary companies

(1) Employee-Related Indicators

	Category		UM	Performance			GRI Standard
				FY2021	FY2022	FY2023	
1	Number of employees(*1)	Total	People	37,936	38,027	38,121	2-7 405-1
		Males		32,317	32,278	32,181	
		Females		5,619	5,749	5,940	
2	Average age	Total	Age	45.7	45.9	45.8	405-1
		Males		46.1	46.3	46.4	
		Females		43.0	43.1	43.0	
3	Average number of years on the job	Total	Years	22.3	22.1	21.8	-
		Males		22.8	22.6	22.4	
		Females		19.2	18.9	18.5	

	Category		UM	Performance			GRI Standard
				FY2021	FY2022	FY2023	
4	Separation rate	Total	%	6.0	5.2	5.5	401-1
		Males		6.3	5.3	5.6	
		Females		4.8	4.4	4.8	
5	Voluntary turnover rate	Total	%	-	-	1.6	401-1
		Males		-	-	1.6	
		Females		-	-	2.0	
6	Management promotions	Fastest promotion	Age	35	32	32	405-1
		Number of females	People	349	360	368	
		Percentage of females	%	5.50	5.53	5.96	
7	Disability employment	Employment rate	%	2.58	2.54	2.61	405-1
8	Number of newly hired employees	Total	People	853	801	928	401-1
		Males		654	622	722	
		Females		199	179	206	
9	Number of career hired employees (highly skilled human resources)	Total	People	527	613	690	401-1
		Males		386	443	506	
		Females		141	170	184	
10	Number of employees using nursing care leave	Total	People	10	12	15	-
		Males		6	6	10	
		Females		4	6	5	
11	Percentage of employees using child rearing leave	Total	%	27.7	34.7	50.2	401-3
		Males		9.3	22.2	39.5	
		Females		99.4	97.8	94.4	
12	Rate of returning from childcare leave	Total	%	99.2	99.0	98.0	401-3
		Males		100	100	100	
		Females		98.9	98.3	94.7	
13	Average age of executives(*3)	Age		56.0	54.8	56.6	-
14	Ratio of employees in unions	%		99.8	99.6	99.4	2-7

(2) Human Resource Cultivation and Training-Related Indicators

	Category		UM	Performance			GRI Standard
				FY2021	FY2022	FY2023	
1	Employee training costs (common company-wide training, etc.)		Million yen	-	-	920	404-1
2	Employee training hours (common company-wide training, etc.)		Cumulative hours	-	-	290,329	404-1

* The figures indicated with ★ are subject to third-party assurance by KPMG AZSA Sustainability Co., Ltd. in the "ESG Data 2024 - Social Data."

*1 Including secondment / dispatch

*2 leave systems established to support employees in childcare

*3 Excluding outside directors and part-time employees

*4 Excluding managers / average for all employees

*5 Number of employees who worked a total of 100 hours or more of overtime and holiday work in a month during the fiscal year

*6 The frequency rate is the number of lost-time injury cases per million total working hours (excluding non-lost-time injuries). Lost-time injury frequency rate = (number of lost-time injury cases ÷ total working hours during the accounting period) × 1,000,000

The calculation includes regular employees, temporary staff, and seconded employees of the TEPCO Group.

*7 The LTIFR is the number of lost-time injuries per million hours worked, calculated using the formula:

LTIFR=(Number of lost-time injuries) / (Total hours worked in accounting period)x 1,000,000

Number of persons dead or seriously injured in occupational incidents / total working hours × 1,000,000

*8 (2)3-6 excludes non-lost-time injuries and includes injuries for which only the other side is at fault.

*9 (5) The items 2 through 11 are the average score from the employee awareness survey (on a 5-point scale from -2 to 2).

*10 The average from the 11-point (0-10) scale used in the employee awareness survey.

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Governance

Governance Data

TEPCO Holdings

	UM	FY2021	FY2022	FY2023
Structure of the Board of Directors				
Number of directors	people	13	13	13
Number of employee representatives on the Board of Directors	people	0	0	0
Classified Board system	—	one-tier system	one-tier system	one-tier system
Number of auditors	people	0	0	0
Corporate officer system	—	Applicable	Applicable	Applicable
Number of directors also corporate officers	people	0	0	0
Ratio of directors also corporate officers	%	0	0	0
Independency of the Board of Directors				
Number of outside directors	people	6	6	6
Ratio of outside directors	%	46.15	46.15	46.15
Number of independent directors	people	5	5	5
Ratio of independent directors	%	38.46	38.46	38.46
CEO duality	—	N/A	N/A	N/A
Independent chairperson	—	Applicable	Applicable	Applicable
Independent lead director	—	Applicable	Applicable	Applicable
Presiding director	—	N/A	N/A	N/A
Former CEO or director with the same qualifications	—	N/A	N/A	N/A
Diversity of the Board of Directors				
Number of female directors	people	2	2	2
Ratio of female directors	%	15.38	15.38	15.38
Female CEO (or person with equal qualifications)	—	N/A	N/A	N/A
Female chairpersons (or person with equal qualifications)	—	N/A	N/A	N/A
Number of executives, management executives, corporate officers	people	58	58	57
Internally promoted CEOs (or person with equal qualifications)	—	Applicable	Applicable	Applicable
Number of outside executives	people	6	6	6
Number of female executives	people	4	4	5
Ratio of female executives	%	6.90	6.90	8.77
Age of youngest director	age	53	53	54
Age of oldest director	age	75	76	77
Range of ages of directors	age	22	23	23
Average age of directors	age	63.15	62.39	63.38
Upper age limit for directors	—	N/A	N/A	N/A
Term of office of directors (years)	years	1	1	1
Term of office of executive directors	years	1	1	1

	UM	FY2021	FY2022	FY2023
Board of Directors				
Number of meetings	times	18	19	19
Attendance ratio of meetings	%	100	100	99
Attendance ratio of independent directors	%	100	100	99
Directors with a Board of Directors attendance rate of less than 75%	people	0	0	0
Nominating Committee				
Number of members	people	6	6	6
Number of independent directors	people	3	3	3
Ratio of independent directors	%	50	50	50
Independent chairperson	—	Applicable	Applicable	Applicable
Number of outside directors	people	4	4	4
Number of meetings	times	9	4	6
Attendance ratio of meetings	%	100	100	100
Audit Committee				
Number of members	people	5	5	5
Number of independent directors	people	4	4	4
Ratio of independent directors	%	80	80	80
Independent chairperson	—	Applicable	Applicable	N/A
Number of outside directors	people	4	4	4
Number of meeting	times	21	21	20
Attendance ratio of meetings	%	100	100	100
Compensation Committee				
Number of members	people	4	4	4
Number of independent directors	people	4	4	3
Ratio of independent directors	%	100	100	75
Independent chairperson	—	Applicable	Applicable	Applicable
Number of outside directors	people	4	4	4
Number of meeting	times	10	7	6
Attendance ratio of meetings	%	100	100	100
Outside compensation advisor nominations	—	N/A	N/A	N/A
Board of Directors/Executive Board Activities				
ESG/Sustainability Committee	—	Applicable	Applicable	Applicable
Executive Director (in charge of ESG)	—	Applicable	Applicable	Applicable
ESG-related executive compensation	—	Applicable	Applicable	Applicable
ESG-related director compensation	—	N/A	N/A	N/A

	UM	FY2021	FY2022	FY2023
Shareholders' Rights				
Poison pill provision	—	N/A	N/A	N/A
Blank check preferred stock authorization	—	N/A	N/A	N/A
Dual class unequal voting rights	—	N/A	N/A	N/A
Compensation				
Directors				
Number of people paid	people	9	7	9
Total amount of compensation	mil. yen	98	104	112
Executive officers				
Number of people paid	people	17	17	16
Total amount of compensation	mil. yen	384	474	582

* When disclosing corporate ESG information, items for which there have been many requests for disclosure from assessment institutions are selected.

* The number of executives includes board members, executive officers, executive directors, special auditing directors, fellows, and directors.

* Information on the number and age of directors is valid as of July 1, 2022, July 1, 2023 and July 2, 2024.

* TEPCO's board of directors is comprised of six members, Mr. Kobayashi, Mr. Ohyagi, Mr. Onishi, Ms. Shinkawa, Ms. Okawa, and Mr. Nagata (as of July 1, 2024).

All members have registered as independent officers with the Tokyo Stock Exchange.

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Support and Supervision of JERA's Climate Change Initiatives

JERA Co., Inc. (an equity-method affiliate) is a crucial part of TEPCO Group's supply chain in achieving the Carbon Neutral Declaration. By steadily implementing the plans outlined in "JERA Zero CO₂ Emissions 2050," our group, as a shareholder, provides appropriate support and supervision to ensure the continuous enhancement of JERA's corporate value. [➡ JERA Zero CO₂ Emissions 2050 Roadmap P105](#)

In this section, based on actual inquiries from our shareholders and investors, we present particularly high-interest information in a Q&A format.

Please explain the relationship between JERA and TEPCO's carbon-neutral strategies.

Our group's carbon-neutral strategy is based on scenario analyses that take into account national policies and technological advancements. Similarly, JERA's "JERA Zero CO₂ Emissions 2050" plan is formulated in alignment with national policies.

Our group's target for FY2030 is based on CO₂ emissions derived from the electricity we retail. Therefore, the CO₂ emissions from the electricity that our group purchases from suppliers, including JERA, and retails to customers are included in this target. The CO₂ emissions from the electricity our group purchases from JERA are classified as Scope 1 for JERA and Scope 3 for our group.

We monitor the implementation status and, in order to achieve our group's CO₂ targets, enhance the effectiveness of our group's carbon-neutral strategy through measures such as diversification of power sources. As a shareholder, we support and supervise JERA's strategy.

[➡ Governance as a shareholder P83](#)

Will the co-firing of hydrogen and ammonia at JERA's thermal power plants be successful? What steps will be taken if there are issues?

JERA is engaged in technology development and practical demonstrations for the utilization of hydrogen and ammonia. The plan is to gradually introduce these power generation with the aim of early implementation, and it is currently proceeding as scheduled.

If issues arise, the importance of batteries and other flexibility solutions for renewable energy expansion will increase. The "JERA Zero CO₂ Emissions 2050" plan also focuses on developing renewables, particularly offshore wind power, and utilizing batteries.

Does the introduction of hydrogen and ammonia incur significant costs?

The main costs for co-firing hydrogen and ammonia are for equipment modifications (burners, gas turbines, tanks) and fuel procurement.

The Japanese government is developing support systems for the domestic introduction of hydrogen and ammonia, and JERA plans to utilize these. Additionally, JERA is working with major domestic and international companies to establish supply chains to reduce procurement costs.

Won't JERA's thermal power plants become stranded assets that will eventually have a fatal impact on operations?

JERA is formulating plans for the development of new power sources and the ownership of existing ones, based on multiple scenarios related to future power market environments, including risk cases where business opportunities for thermal power sources may shrink. This approach ensures strategic flexibility and resilience.

Considering future power demand and price competitiveness, JERA aims to maximize benefits while avoiding the development and ownership of unprofitable thermal power sources (stranded assets) by replacing aging facilities with state-of-the-art, high-efficiency ones.

Please explain the differentiation in renewables strategies between JERA and TEPCO Renewable Power.

JERA is building a "glocal system" for global and local business development. TEPCO Renewable Power has expertise in domestic hydropower and offshore wind power research. Their strengths in business domains differ, and to capture high-potential development regions, each entity will autonomously advance its business operations.

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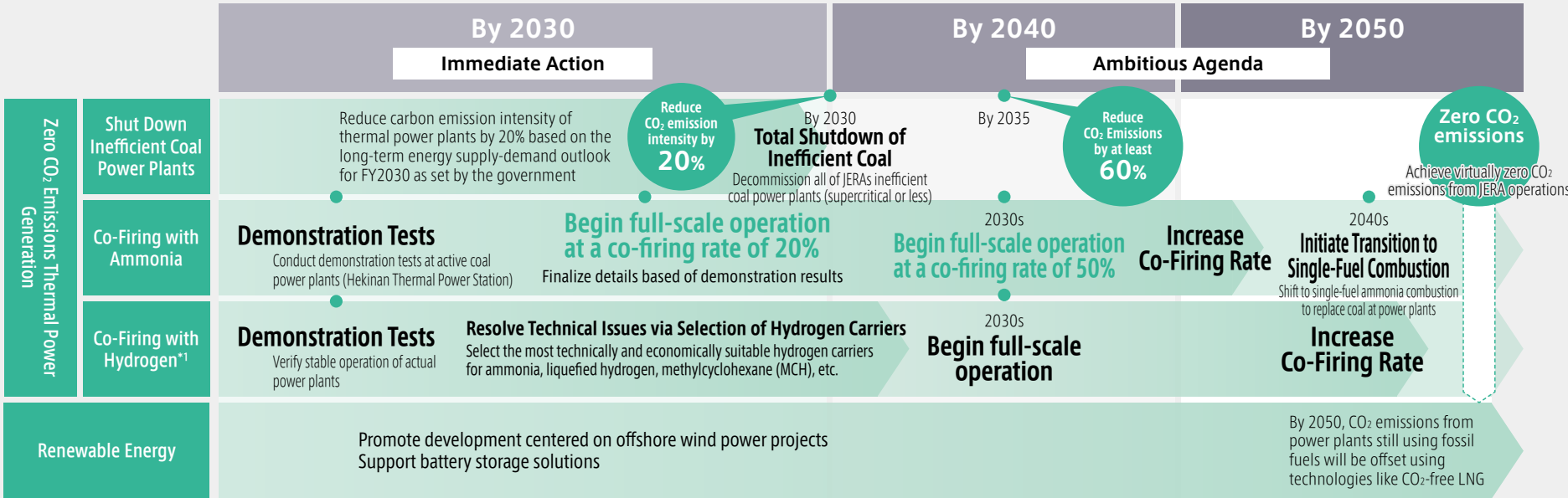
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JERA Zero CO₂ Emissions 2050 Roadmap

[JERA Zero CO₂ Emissions 2050](#)

JERA Co., Inc. is dedicated to providing cutting-edge solutions to global energy issues. JERA aims to achieve zero CO₂ emissions for its operations worldwide by 2050, contributing to a sustainable society. JERA is proactively developing decarbonization technologies while ensuring economic viability.



This roadmap will evolve incrementally, adapt to changes in government policy and other relevant conditions, and be revised as needed. ^{*1} We are also considering the use of CO₂-free LNG.

Growth Strategy for Realizing JERA's 2035 Vision (Announced May 2024)

JERA has identified three strategic business domains to address global energy issues: "LNG," "Renewables," and "Hydrogen & Ammonia." The organization is divided into functional segments: "Business Development," "Optimization," and "O&M," forming independent expert groups globally. These groups collaborate across locations and functions to create synergies.

The expert groups integrate these business domains globally to provide cutting-edge solutions tailored to the geographic and economic characteristics of each region. This unique approach differentiates JERA from other energy companies worldwide.

[JERA Growth Strategy to Realize the 2035 Vision](#)

Progress on the Roadmap

At Hekinan Thermal Power Station, JERA began the world's first demonstration test of fuel ammonia conversion^{*2} on a large-scale commercial coal-fired power plant on April 1, 2024, achieving a 20% conversion rate by April 10. Emissions results were favorable: NO_x remained the same or lower, NO₂ was undetected, and SO_x reduced by about 20%. JERA aims to establish ammonia conversion technology for thermal power generation by March 2025, following a detailed evaluation of the impact on the boiler and equipment.

^{*2} NEDO "Carbon Recycling and Next-Generation Thermal Power Generation Technology Development / Ammonia Co-Firing Thermal Power Generation Technology Research and Demonstration Project" (Project by JERA/IHI)

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ESG Rating by External Parties

FY2024 External Ratings

Rating agencies	Rating
CDP*	Climate change A-
S&P Global (CSA)	50
FTSE Russell	3.6
Bloomberg (ESG disclosure scores)	67.09

*FY2023 results

External Evaluation Indicators

Selected as ESG index employed by the GPIF



FTSE Blossom
Japan Sector
Relative Index

[Details](#)

Morningstar Japan ex-REIT Gender Diversity Tilt Index

Recognition as a DX promotion company



DX注目企業2024
Digital Transformation

Recognized as a company working to create new value through DX

Certification in human capital & diversity



"Kurumin" in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children



"L-boshi" in accordance with the Act on the Promotion of Women's Active Engagement in Professional Life



Human Capital Management Gold Quality 2023



Gold certification in PRIDE Index 2023

"TEPCO Integrated Report 2024" editors



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