

Outline of the Fourth Comprehensive Special Business Plan

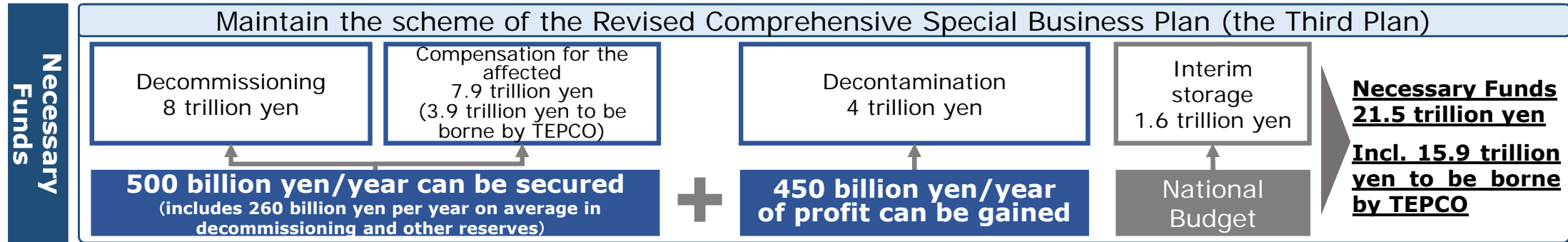
(Application for Authorization)

※This document is an outline of the Fourth Comprehensive Special Business Plan, summarized under the responsibility of Tokyo Electric Power Company Holdings, Inc.

※This document is translated under the responsibility of Tokyo Electric Power Company Holdings, Inc. solely for reference purposes. Should there be any discrepancies between the English translation and the Japanese original, the latter shall prevail.

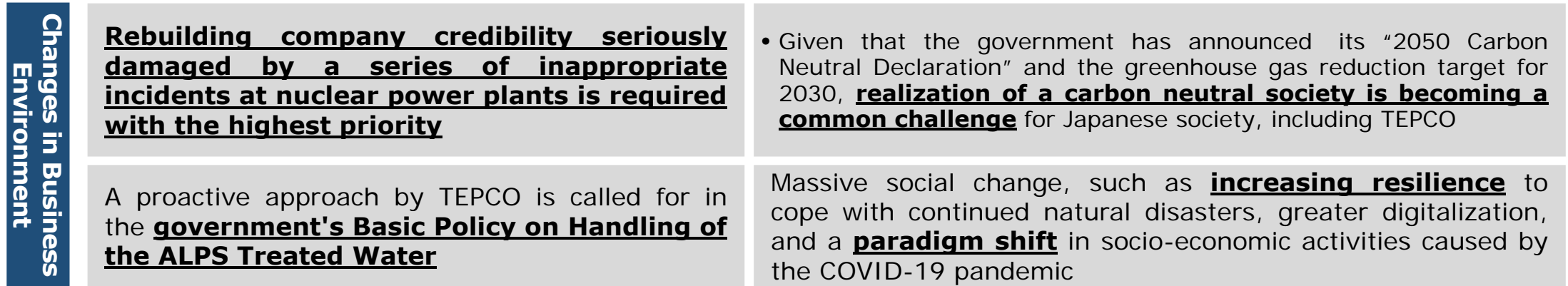
1. Basic Policy of the Fourth Plan

- TEPCO's overarching mission is **to fulfill its responsibilities for Fukushima**. In order to raise the necessary funds amid a changing business environment, **TEPCO has been conducting "Drastic Management Reforms" as a consolidated group**.



*the Necessary Funds are calculated based on "Recommendations on the reform of Tokyo Electric Power Company Group"

*approx. 10 trillion yen out of the 13.5 trillion yen necessary for compensation for the affected, decontamination and interim storage has already been funded (the compensation amount we can estimate at this stage is approx. 12.3 trillion yen)



The Fourth Plan particularly strengthens efforts to fulfill responsibilities for Fukushima and establish autonomous management

Fulfill responsibilities for Fukushima

Rebuild societal trust

Strive for Carbon Neutrality

Supply stable power/Disaster prevention

2. Rebuilding societal trust (Nuclear Business)

Loss of trust in TEPCO

- TEPCO caused a great deal of concern to the local people and society due to a series of inappropriate incidents at the Kashiwazaki-Kariwa Nuclear Power Station, and trust in TEPCO was greatly damaged.

Right direction toward drastic reform

- We will implement drastic company reform not only at power plant sites but also addressing the very nature of TEPCO's organization.
- We will devote resources without hesitation to strengthen our capabilities at power plant sites that relate to nuclear security etc.
- We will proceed with a concrete examination of reform plans (below) rooted in a cause analysis for the series of inappropriate incidents, and efforts such as the establishment of a governance model that supports this work.
- 1. Integrated operation of the head office and sites, 2. Introduction of systems and structures to complete the project, 3. Expansion of resources for drastic strengthening of nuclear material protection and improvement of quality, 4. Review of personnel allocation and rotation, and utilization of external experts, 5. Improvement of on-site operations and working environment.
- We will proactively accept outside recommendations and viewpoints through specialized directions, such as on matters related to the improvement of safety culture and nuclear security from the "Independent Review Committee on Nuclear Material Protection" and matters related to management reform from the "Nuclear Reform Monitoring Committee".

Rebuilding societal trust

- Under the new system, if a situation that further damages trust occurs, we will carry out drastic reforms with a sense of urgency that our work will directly affect our nuclear power business and TEPCO's survival as a company. TEPCO will demonstrate how it is an organization remade by its actions and achievements.
- We place efforts to rebuild trust as the highest priority in the Fourth Plan, and aim to restart nuclear power generation on the premise of improving safety and operational quality, and by gaining understanding from the local community and society.
- We will undertake our business ever mindful of the fact that TEPCO Group's every activity directly results in our gaining/losing societal trust.

3. ALPS Treated Water/Balance between Revitalization and Decommissioning

ALPS Treated Water

- In response to the basic policy regarding the disposal of ALPS treated water decided by the government, **TEPCO complies with the basic national policy as the implementing body, and voluntarily works to ensure safety and thoroughly implement measures to avoid adverse impacts on reputation.**
- Measures regarding the disposal of ALPS treated water:
 1. **Ensuring the safety of the public, the surrounding environment, and agriculture, forestry and fishery products**
 2. **Expansion and strengthening of monitoring**
 3. **Prevention of leakage from tanks**
 4. **Through mutual communication, dispel domestic and international concerns, provide polite and easy-to-understand information to gain local understanding and ensure peace of mind, and minimize the impact of rumors**
 5. **In addition, if reputational damage occurs, compensation will be promptly and appropriately provided**
- We will **reflect the guidance and advice of experts** such as the IAEA, and **listen to the opinions** of parties concerned. In parallel with this, we will strengthen our organizational structure **and proceed with preparations so that we can start releasing into the sea in about two years.**

Balance between Revitalization and Decommissioning

- In order to gain understanding and provide peace of mind with regard to decommissioning work, we listen to local concerns and doubts and **carry out two-way communication** to deliver accurate information in an easy-to-understand manner.
- In order to carry out decommissioning for a long period of time, **it is vital to have the trust of the region and the continuous cooperation of companies, centered on those in local communities.**
- We **established an organization under the direct control of the president** to help expand the participation of local companies in the decommissioning work. **Per the decommissioning industry agglomeration scenario** announced this May, aiming for medium- to long-term decommissioning industry agglomeration in Fukushima, **both safe and steady decommissioning and expanded participation of local companies in the decommissioning work are compatible aims.**

4-1. Carbon Neutrality Targets and Business Initiatives <1>

Target	<ul style="list-style-type: none"> ● <u>CO2 emissions from electricity sales – 50% reduction in FY 2030 from FY 2013</u> 	
	<ul style="list-style-type: none"> ● <u>CO2 emissions from energy supply – Carbon neutral in 2050</u> 	
	<ul style="list-style-type: none"> ● <u>Development of zero-emission power sources and Electrification</u> 	
Business Initiatives	Investment	<ul style="list-style-type: none"> ● <u>Carbon neutrality-related investments – up to 3 trillion JPY by FY 2030</u>
	Renewables	<ul style="list-style-type: none"> ● <u>Renewable plant development up to FY 2030, mainly composed of offshore wind, with a total of around 6-7GW domestically and internationally, aiming to position renewable energy as the “main power supply” with an annual 100 billion JPY net profit from renewable business.</u> ● <u>Financial and technological business foundations, underpinned by collaborations with other parties, in order to invest aggressively in renewable businesses after FY 2023.</u>
	Fuel and Thermal Power	<ul style="list-style-type: none"> ● <u>By 2030, all coal power plants of low thermal efficiency rate will be shut down by JERA</u> ● Pilot project will be launched for co-combustion of ammonia and coal at a high efficiency coal power plant. Co-combustion plant will start business operations by 2030 and, <u>in the 2040s, we will strive to replace current power plants with ammonia-only-based power plants.</u> ● <u>We will strive to introduce hydrogen and fossil fuel co-combustion plants, with business operations to start in the 2030s. Looking to 2050, we aim to realize zero-emission thermal power plants with a gradual increase in combustion rate.</u>

4-2. Carbon Neutrality Targets and Business Initiatives <2>

Business Initiatives

Transmission and Distribution

- To achieve swift, massive penetration of renewable energy, **"non-firm" connections, which do not require the repowering of transmission capacity, will be introduced gradually into some local networks after the year 2021.** And transmission congestion management protocols will be installed in each trunk network system considering their economic and/or environmental merits.
- **Soon after the enactment of the Distribution Business License system in FY 2022, TEPCO will enter the distribution business of controlling distributed resources and electricity demand spread across a wide area. TEPCO will also facilitate the localization of distribution networks through collaborations and partnerships with other business entities from outside the electricity industry.**

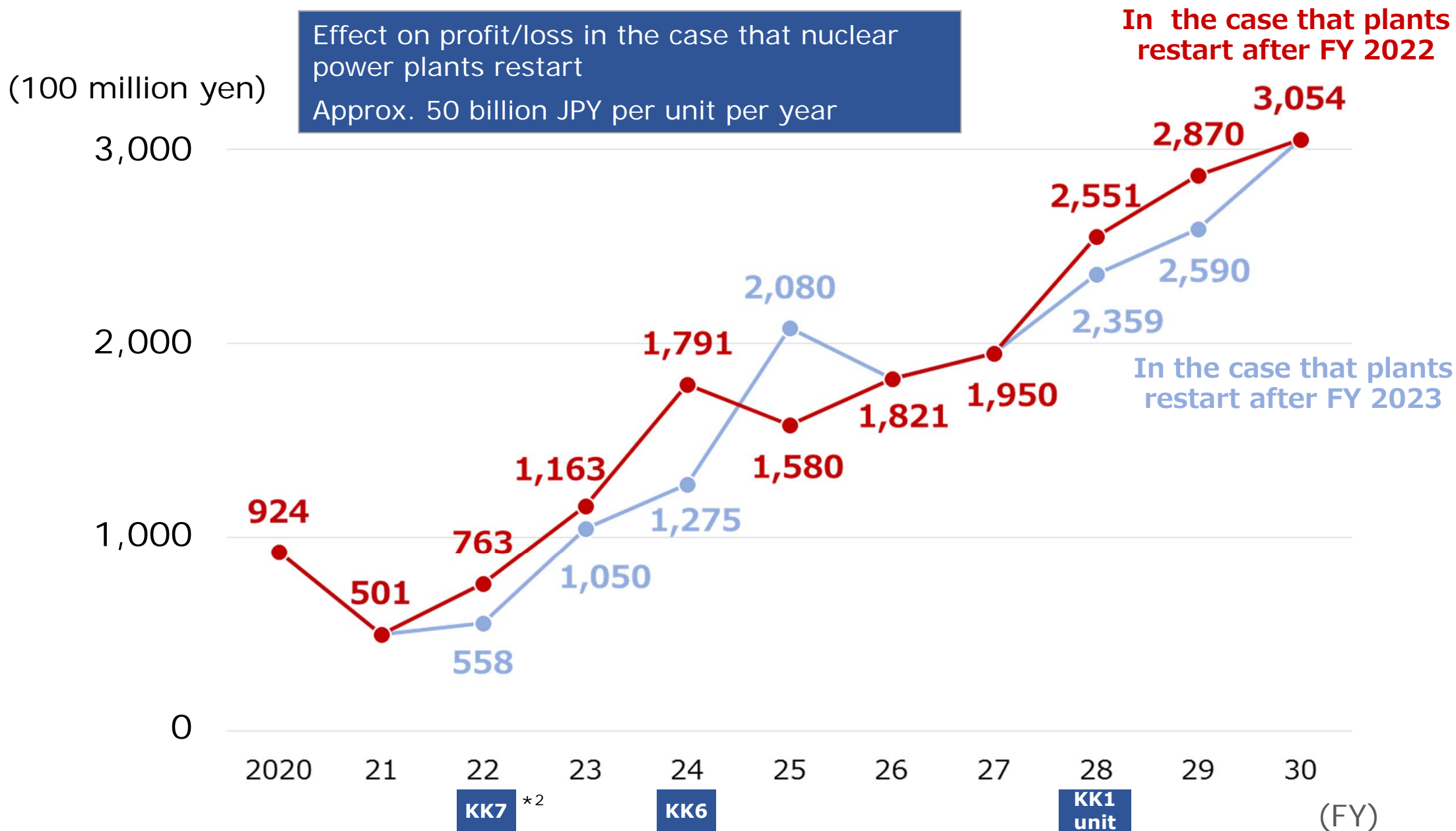
Electrification Promotion

- With regard to the establishment of a charging network by e-Mobility Power, TEPCO aims to **be profitable in and after FY 2023, operate 13,000 outlets by FY 2025 (doubling the present number), and, by FY 2030, contract with over 1 million clients (10 times the present number of client accounts).**
- TEPCO will provide a "100% renewable" electricity supply option, and **will supply all electricity tariffs carbon-free by FY 2050 (by FY 2030, TEPCO will supply more than 5GWh in carbon-free tariffs to commercial sector clients).**
- TEPCO **intends to secure more electrification contracts with domestic customers (from FY 2021 to FY 2030, additional sales electricity of over 9.7TWh and over 820,000 additional customer accounts).**
- TEPCO will **launch a Battery Service Business in FY 2021 that provides clients with a total service, from installation of batteries to operation and maintenance.**

Corporate

- TEPCO will **organize a "Carbon neutrality challenge Task Force" team** in an overarching form that straddles group activities, and accelerate its carbon neutrality-related efforts.

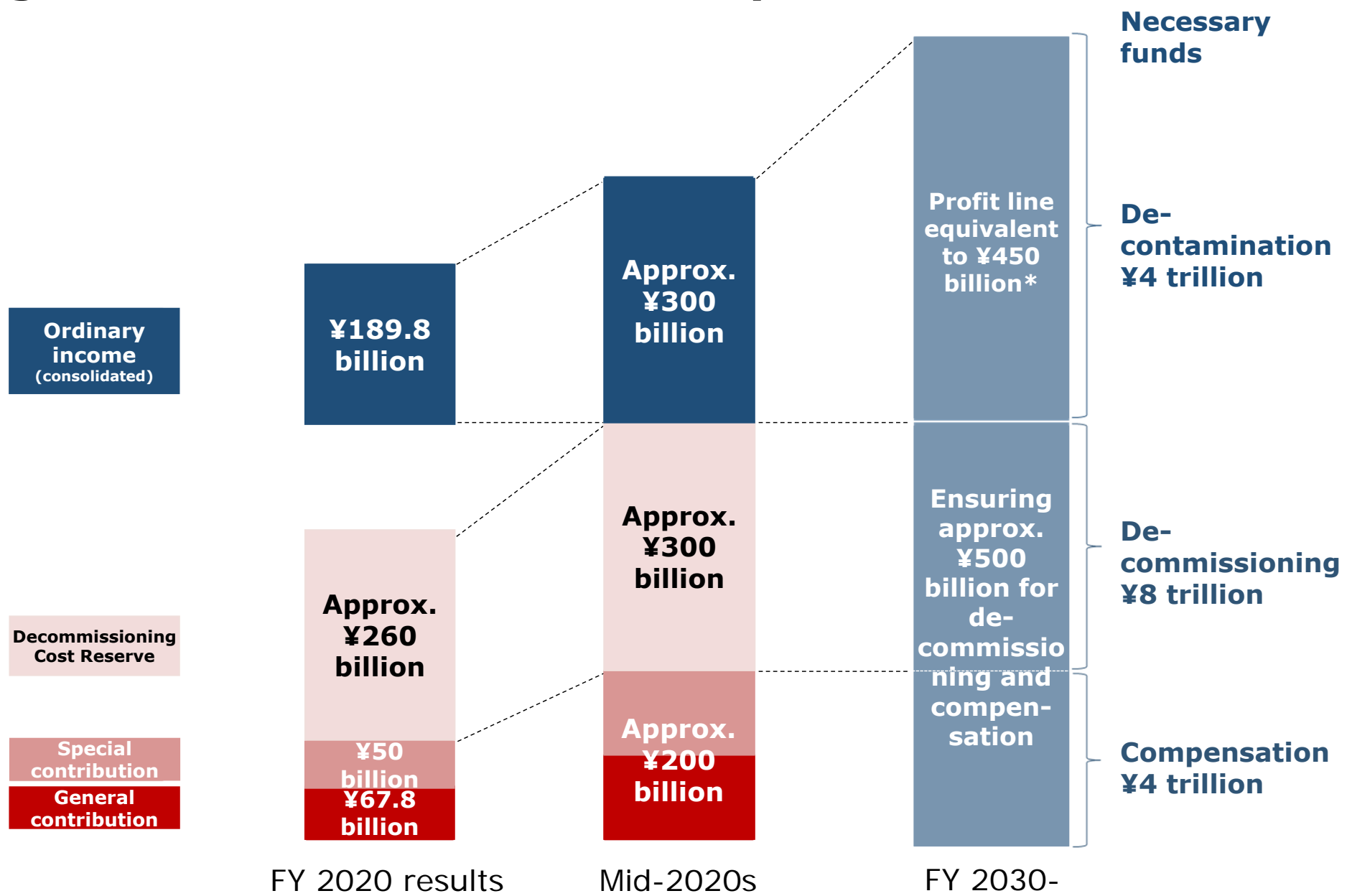
Income and expenditure forecast (Ordinary income*¹)



*¹ Consolidated with 5 Companies (TEPCO HD, TEPCO FP, TEPCO PG, TEPCO EP and TEPCO RP)

*² In the case that plants restart after FY 2022

Income and expenditure forecast (Long-term consolidated net income)



*The target for "Profit line equivalent to ¥450 billion" is composed of the consolidated net income for the year.



(Reference)

Progress of the Revised Comprehensive Special Business Plan (the Third Plan)

Fukushima Business		Economic Business	
Compensation	<ul style="list-style-type: none"> ● Paid out about 7 trillion yen in compensation for the affected 	Securing funds for compensation and decommissioning	<ul style="list-style-type: none"> ● Generated approximately 400-500 billion yen per year for compensation and decommissioning in the four years (FY 2017-2020) following the formulation of the new general plan ● Generated a total of about 1.3 trillion yen in decommissioning and other reserves through rationalization in the power transmission and distribution business during the four-year period from FY 2017 to FY 2020. The balance of the decommissioning and other reserves is expected to reach about 600 billion yen at the end of FY 2021
Decommissioning the Fukushima Daiichi and Fukushima Daini Nuclear Power Stations	<ul style="list-style-type: none"> ● Made steady progress in priority actions to improve radiation risk at the site during the formulation of the new general plan, reduced the amount of contaminated water generated to about 150 m3/day, completed treatment of stagnant water in the building in December 2020, completed removal of fuels from the Unit 3 spent fuel pool in February 2021, etc. ● Formulated the "Mid-and-Long-Term Decommissioning Action Plan 2020" as a plan to materialize the Mid-and-Long Term Roadmap in March 2020. Revised this plan in March 2021 as the "Mid-and-Long-Term Decommissioning Action Plan 2021" based on the progress of decommissioning work in FY 2020 		Efforts to realize profits equivalent to decontamination costs
	<ul style="list-style-type: none"> ● Decided to decommission the Fukushima Daini Nuclear Power Station after considering a wide range of issues in terms of securing human resources, safely decommissioning the power station, and the impact on overall management 		

Fukushima Business (General remarks)

Business Environment

- **Incidents that undermined local trust occurred**, such as a seismometer failure during an earthquake in Fukushima in Feb. 2021, issues in the dissemination of information on the lowering of the water level in the PCV, etc.
- For ALPS treated water discharge into the sea, **appropriate responses as the entity implementing the disposal of the ALPS treated water and control of the impact of rumors are required** in line with the government's basic policy.

Outline

- In order to steadily proceed with important processes such as fuel debris and treated water etc., it is **extremely important to rebuild trust. It is necessary for the TEPCO Group to work together to resolve these issues by accurately grasping the concerns of the local community and society, and through repeated dialogue.**
- **With regard to the disposal of ALPS treated water, we will implement a proactive approach to ensure safety and to avoid adverse impacts on reputation. We will establish an organization inside the power station specializing in ALPS treated water countermeasures,** which will take measures such as: 1) Ensuring the safety of the public, the surrounding environment, and agricultural, forest and fishery products, 2) Expansion and strengthening of monitoring system, 3) Prevention of leakage from the tanks, 4) Appropriate reflection of guidance and advice from the IAEA and other reviewers.
We will also listen to the opinions of all the parties involved, so that we may establish polite and easy-to-understand communication. **Even with the abovementioned measures, if any reputational damage occurs, we will implement prompt and appropriate compensation.**

Compensation

- Provide compensation to every last person
- Prompt and highly-targeted compensation
- Respect for the mediation proposals

Decommissioning

- Implementation of decommissioning work based on the Mid-and-Long-Term Decommissioning Action Plan
- Transformation to 'owner's engineering operator' for decommissioning
- Promotion of the plan for disposal of ALPS treated water

Balance between Revitalization and Decommissioning

- Two-way communication
- Expanded participation of local companies
- Organization for 'balanced revitalization and decommissioning'

Revitalization

- Initiatives to restore businesses and lifestyles and prompt self-reliance
- Cooperation for industrial infrastructure development
- Initiatives to support people's return home after evacuation orders are lifted
- Efforts for revitalization of the 'difficult-to-return' zones

Compensation/Decommissioning

- TEPCO Group continues to carry out thorough implementation of the **'Three Pledges'**, and **implement prompt and proper compensation for those affected, to the last person.**
- **The unprecedented challenge of removing debris, which is technically very difficult and includes significant uncertainties, will begin in earnest. TEPCO Group will transform to an 'owner's engineering operator' to carry out the decommissioning with safety as top priority.**
- **For ALPS treated water, we will fully respect the government's basic policy and take the initiative in dealing with this issue.**

Compensation

- **Provide compensation to every last person**
 - Stand by those who were affected and complete the compensation.
 - We do not refuse people uniformly if the effects have been mitigated with time, but continue to address matters sincerely.
- **Prompt and highly-targeted compensation**
 - Steady implementation of compensation for agriculture, forestry, fisheries, commercial and industrial sectors for lost sales and reputational damage.
 - Continue to speed up procedures for public compensation.
 - Address individual circumstances more carefully.
 - Efforts to ensure safety, countermeasures to avoid adverse impacts on reputation, compensation for reputational damage regarding the disposal of treated water, and, in the case of receiving a request for reputational damage, address matters thoroughly, and respond quickly and appropriately.
- **Respect for the mediation proposals**
 - Continued respect for the mediation proposals from the Nuclear Damage Compensation Dispute Resolution Center.

Decommissioning

- **Implementation of safe, steady, systematic and rational decommissioning work based on the Mid-and-Long-Term Decommissioning Action Plan**
 - Per this plan, implement each task in a way that promotes optimization of the whole decommissioning process.
 - Sea discharge of ALPS treated water to begin in about 2 years.
 - For the engineering of equipment needed for discharge operations and the implementation of individual processes, listen carefully to the opinions of stakeholders, and reflect appropriately the reviews of the IAEA etc. before and after the disposal.
- **Transformation to 'owner's engineering operator' for decommissioning**
 - In the implementation of the first-of-its-kind challenge of fuel debris removal, as the owner, TEPCO Group carries out engineering work for preliminary verification of design validity and thorough evaluation of on-site applicability at the design stage.
- **Completion of decommissioning based on Decommissioning Cost Reserve system**

Balance between Revitalization and Decommissioning; Revitalization Work

- **Aiming for 'balance between revitalization and decommissioning'** through long-term decommissioning work (Fukushima Daiichi and Fukushima Daini).
- **Via collaborative work with the national government, TEPCO Group contributes to the revitalization of the affected areas and cooperates with the national and local governments as much as possible.**

Main Initiatives

Balance between Revitalization and Decommissioning

- **Communication**
 - A public relations body will be established directly under the chief decommissioning and contaminated water treatment officer.
 - In order to gain the trust and cooperation of the local people, we utilize various tools and disseminate easy-to-understand information through mutual dialogue.
 - With every step in the ALPS treated water's sea release, we will communicate thoroughly with stakeholders, in order to avoid or minimize any reputational damage.
- **Expanded participation of local companies**
 - We believe that that the participation of local companies in the decommissioning work contributes to revitalization. We hold briefing sessions on medium to long-term procurement prospects for the decommissioning work and matching events for local companies.
- **Organization for 'balanced revitalization and decommissioning'**
 - On 27th May, we released, among other information, the Medium to Long-Term Scenario for the Decommissioning Industry, with the establishment of a project office to involve local companies and to create jobs related to decommissioning.
 - We have created specialized departments to work on coexistence with the local community in order to create an environment where local companies can easily participate.

Revitalization Work

- **Initiatives to restore businesses and lifestyles and prompt self-reliance**
 - Human resource and financial contributions to the 'Fukushima Sousou Revitalization Public-Private Team'.
- **Cooperation for industrial infrastructure development**
 - Participation to materialize the concept of 'Fukushima Innovation Coast'.
- **Initiatives to support people's return home after evacuation orders are lifted**
 - Cleaning work to improve local environment, radiation monitoring and cooperation in safety patrols.
- **Efforts for revitalization of the 'difficult-to-return' zones**
 - Human resource and technical cooperation for 'developing specified revitalization bases'.

Economic Business (General remarks)

- **A series of incidents at nuclear power plants has greatly damaged the vital trust of society.**
- Impact of struggling retail business due to intensified competition following liberalization and the spread of COVID-19.
- **Challenges in supplying stable power,** such as intensifying and widespread natural disasters, and **tight power supply-demand balance.**
- **Global carbon neutrality-related trends and rising carbon neutrality momentum in Japan.**

- **Rebuilding societal trust is a top priority,** and in responding to a series of incidents, we will identify organizational problems, analyze the causes, take drastic measures, and achieve results one by one.
- Furthermore, in order to continue to provide a "low-priced and stable electricity supply," **we will shift to a new value-providing business model centered on "carbon neutrality" and "disaster prevention," and be reborn as "a customer value creation company".**

Carbon neutrality efforts

- **Set goals of "CO2 emissions from electricity sales – 50% reduction in FY 2030 from FY 2013" and "CO2 emissions from energy supply – Carbon neutral in 2050".**
- **Business initiatives in both the development of zero-emission power sources and the promotion of energy demand electrification.**

Disaster prevention/ Stable supply

- **Work on strengthening resilience and in new services to secure stable supply even in the face of intensifying and widespread natural disasters and changes in the power supply portfolio to move toward carbon neutrality.**

Promotion of regional management and DX

- **Maximize the value provided to customers** through business activities from the perspective of regional management
- Incorporating digital technology, etc., and optimizing this to meet customer needs.
- Expanding the scope of business to town development and lifestyle/ housing fields.

Reconstruction of the business portfolio

- Promotion of reorganization and integration to improve corporate value
- Rebuilding business models, such as the withdrawal from and scaling back of unprofitable businesses.
- **Expand business scope and profit opportunities by combining new and existing business areas** (mobility and lifestyle/ housing fields, etc.)

Retail business

- In addition to **recovering the trust lost through inappropriate business actions, stop the decline of profit by FY 2022** by placing areas that resonate with customers - **"safety," "carbon neutrality," "energy saving," and "labor saving"** - **at the center of the value we provide.**
- Secure **consolidated revenues of over 2.6 trillion yen from electricity business, and, in and after FY 2023, ancillary business revenues of over 300 billion yen and ordinary profit of over 10 billion yen in areas such as gas sales and value-added services.**

Corporate sector

- Aid customer's business continuity in the event of disasters or accidents through disaster prevention-enhancing energy services utilizing the full range of utility facilities.
 - Contribute to the shift to "carbon neutrality" through environmental added-value tariffs and electrification in the transportation sector and industrial processes.
- ⇒ **Aim for CO₂-free tariff sales of over 5 billion kWh by FY 2030, and achieve a 100% sales rate by FY 2050.**

Home sector

- Provide a 'sense of security' in people's lives through the 'Kaketsuke (emergency) service', whereby we will repair faults in electricity, gas, and water supply equipment at a low price, and provide follow-up services.
 - Propose installation of solar and storage batteries, and electrification in houses for increased disaster preparedness.
- ⇒ **Aim to increase the amount of electricity supplied by over 9.7 billion kWh, and the number of new electrification contracts by over 820,000 between FY 2021 and FY 2030.**

Medium to Long-Term

- **Transform the structure of the retail business and** earn revenue through **proposals based on useful, accurate and appropriate information for customers.**
- **By FY 2030, achieve a non-fossil-based power supply procurement ratio of over 44%, and reduce CO₂ emissions from electricity sales by 50% compared to FY 2013.**

Organizational ability

- **To recover the trust lost through inappropriate business actions, with a team under the direct control of EP's CEO, implement measures to prevent recurrence, such as utilizing independent lawyers and detecting inappropriate business activities via sound analysis technology.**
- Strengthen capacity to develop products and services that exceed the expectations of customers and augment sales force.

Rate design/Procurement

- Launch services to improve convenience in customers' lives and businesses, such as subscription services for electrification equipment and so on.
 - Achieve power source procurement at the same level as market prices by FY 2024, and build a competitive power portfolio.
- ⇒ **Aim to become a leading company providing power procurement and demand coordination functions.**

Transmission and Distribution business

- **Establish a global top-level business foundation** through 'non-consecutive' management optimization, and **raise approximately 120 billion yen per year on average to preferentially and steadily allocate capital to decommissioning.**
- **To meet social needs such as "Carbon neutrality", "Digitalization", "Decentralization", "Disaster prevention" and "Resilience", adapt to and take the lead in societal changes and achieve permanent growth** by creating new value in T&D networks and expanding business domains.

Main Initiatives

Enhancement of T&D business foundations

- As an infrastructure business, **make our T&D network more resilient,** with the aggressive utilization of digital technology and alliances with other utilities/business operators.
- Swiftly illustrate the future T&D business model, and to achieve the vision, promote **targeted and efficient upgrading of/innovation in aging T&D facilities.**
- Improve the operation rate by gradually expanding the amount of non-firm connections to the local grid.

Creation of new network value

- **Strive to create new value by collaborating with various partners** to solve business issues such as "Carbon neutrality", "Electrification" and "Resiliency of local communities".

Expansion of business domains

- **Establish a platform by utilizing management resources** ("human resources", "facilities", "data")
 - **Create new value** in the business by undertaking projects related to the power distribution field **while addressing issues in each region.**
- > Achieve **90 billion yen of revenue and 15.5 billion yen of operating profit from non-T&D businesses** by FY 2023.

Medium to Long-Term

- Establish a position as a global top-level T&D business operator, and pursue further growth through investment in T&D businesses in other Japanese utilities' areas and other countries.

Nuclear business

- **Zero-emission power plants are a vital resource in achieving carbon neutrality.** Nuclear power plants are **one such source that does not emit greenhouse gases during operation.** The decentralization of sites leads to a more resilient power supply, and **the Kashiwazaki-Kariwa Nuclear Power Station is considered a key power source that will help provide a stable power supply in the event of a disaster in the Tokyo metropolitan area.**
- **To maintain the nuclear business, demonstrate how TEPCO is an organization remade by its actions and achievements by identifying the root causes of a series of cases and implementing drastic company reform. Following this, make efforts to realize the restart of Kashiwazaki-Kariwa nuclear power station, for which rebuilding societal trust from local communities and society is the essential precondition.**
- **Also implement safe and steady decommissioning of Fukushima Daini nuclear power station, restart the construction of Higashidori nuclear power station, and engage in the nuclear fuel cycle business.**

Efforts to rebuild societal trust

- **Do our utmost to clarify the root causes** of a series of inappropriate cases at Kashiwazaki-Kariwa nuclear power station and **implement drastic company reform.**
- In analyzing the causes, set up firm corporate governance to support the following goals:
 - (1) Conduct collaborative operations by headquarters and sites.**
 - (2) Establish new systems/structures to fulfill our missions.**
 - (3) Enhance resources and improve quality to strengthen drastically the protection of nuclear material**
 - (4) Utilize outside experts and revise human resource development systems.**
 - (5) Improve work environment and revitalize the power plant sites.**

Kashiwazaki-Kariwa nuclear power station

- **An important power source in terms of supplying inexpensive/stable power, carbon neutrality, and resilience .**
- In addition to complying with facility regulatory standards, **set "basic manners to follow as a nuclear business company",** keeping our promises regarding the seven items and other issues which include handling information on severe risks, **and implement these measures with certainty into the future.**
- **Drive efforts for co-existence/co-creation in line with Niigata-headquarters Action Plan** to gain the trust of society and communities (e.g. cooperation based on disaster-prevention agreements).

Higashidori nuclear power station

- **An important power source to develop in order to support people's lives** over the long term.
- Make our best effort to rebuild societal trust, then aim to restart the construction.
- Achieve sustainable communities together with residents.

Cooperation with other companies

- **Aim to achieve the world's highest level of safe and efficient operations** by establishing a business structure beyond the boundaries between power utilities and manufacturers.
- To build collaborative businesses, **implement studies and discussions with potential partners based on the situation and characteristics of local communities, and an improvement of the business environment surrounding nuclear power generation.**

Nuclear Fuel Cycle

- Drive the fuel cycle business, and pave the way to realizing interim storage for spent nuclear fuel and recycling

Fukushima Daini nuclear power station

- Steadily proceed in line with the decommissioning plan for all units whilst prioritizing safety.

Fuel/Thermal Power business etc.

- **Swift realization of JERA's integrated synergies (more than 100 billion yen per year in FY 2023)**, and aim for a **consolidated net income of 200 billion yen by FY 2025**
- JERA has set a "JERA Zero Emissions 2050" goal, striving for net-zero CO2 emissions from domestic and overseas businesses by 2050

Initiatives by FP

- **Strengthen the quality of support and supervision** regarding JERA's business planning involvement and monitoring through communication as a shareholder and an analysis of JERA's business portfolio and its core-competencies

Initiatives by JERA for the present

- **Strengthen cost competitiveness, and promote the creation of new sources of income in Japan and abroad**
- Stop all inefficient coal-fired power plants and start full-scale operation of ammonia co-combustion to achieve zero-emission thermal power by 2030
- Promote overseas IPP and renewable energy business

Initiatives by JERA for the Medium to Long-Term

- Increase ammonia co-combustion rate to 20% by the 2030s and expand to all JERA's coal-fired power plants. Strive for replacement with ammonia only by the 2040s
- Start full-scale operation of hydrogen co-combustion in the 2030s, and aim to increase the co-combustion ratio by 2050
- Participated in the establishment of an entire supply chain for ammonia and other green fuels; expanding the business area

Renewable business

- TEPCO RP, which was spun off as a separate renewable energy company, promotes swift and steady development with well-defined roles and responsibilities
- Aiming for **net income of about 30 billion yen in FY 2023, and 100 billion yen per year by FY 2030**

Main Initiatives

Strengthening the foundations of domestic hydropower business

- **Increase the amount of power generated by domestic hydroelectric power plants** by reducing losses through the use of repowering, the "Kaizen" process improvement system, and digital technologies

Full-scale development of overseas hydropower business

- **Promote business development in collaboration with exceptional local businesses, etc., and quickly achieve development results** utilizing our technological capabilities in design, construction and O&M, gained from our domestic hydropower business

Launch of offshore wind power business

- **Swiftly acquire know-how and promote development of offshore wind power business in Japan and overseas through joint development of Choshi wind farm with European operators**
- **By gaining experience in not only seabed-mounted, but also floating offshore wind, we will establish offshore business foundations for the medium to long-term.**

Strengthening foundations for DX, organizational structure, financing, etc.

- Reform business processes through digital technologies, such as improvements in reservoir operations through sophisticated climate forecasting technology (i.e. simultaneous achievement of both disaster prevention/mitigation and energy efficiency)
- Strengthen the financial and technical business foundations, securing and cultivating talented human resources, issuing green bonds and engaging in collaboration with other parties

Medium to Long-Term

- Consider **energy resource diversity in areas such as geothermal** to expand our renewable business.

New Business Development

- In order to maximize long-term profit and improve corporate value, TEPCO has **expanded its business domain into new areas where we can provide new value.**
- Considering our competitive advantages and market growth potential, we are focusing on the areas of **“Electrification, including mobility”, “Data and communications” and “Overseas business”**, in addition to “Renewable power”.

Main Initiatives

Electrification, including mobility

- Promote Zero-emission Vehicles by securing suitable locations for charging stations and electrification of fleet vehicles
 - Expand the battery business market through commercialization of battery business by utilizing storage batteries for EV in FY 2021
 - **To realize an electrified society, expand the business scope to town development, lifestyle and residential fields**
- ⇒ **Increase and strengthen profit opportunities by expanding business fields based on our experience in electrification business, such as mobility and battery businesses**

Data and communications

- We have already started data center business projects in several locations
 - Discussions on data sharing business, including in the area of communications stations, are under way with communications companies, related national agencies and partner companies
 - Develop useful services for customers in both everyday and emergency circumstances by utilizing resources such as our partnership with Grid Data Bank Lab. LLP
- ⇒ **Aim for profit of approximately 70 billion yen through data center business, and approximately 40 billion yen through communication stations sharing business by FY 2026**

Overseas Business

- Larger-scale overseas projects will be promoted, mainly by major subsidiaries, mitigating risks by utilizing our business experience in Vietnam, the UK and Hawaii
- > **Invest in overseas transmission and distribution projects by the early 2020s**

Other business development and investment field

- An investment-dedicated team, with members composed of outside and internal personnel, has been formed as a stepping stone for portfolio reform in order to improve the group companies' organizational strength for investment activities and create short-term profit through investment practices

Business Foundations

Business Environment

- The business environment requires sincere actions that earn the trust of society and the satisfaction of customers.
- In order to improve the profitability and corporate value of the TEPCO Group as a whole, it is necessary to **shift to corporate activities that “provide value to customers” and establish a mindset of “strive to do what’s best for customers, and do not fear change.”**



General remarks

- All employees will act with a constant awareness that the trust of society is the starting point for all business activities.
- Establishing a new corporate culture through the penetration of the new management policy, “Develop the future of energy. Deliver a comfortable life.”
- In addition to inculcation of the management policy, we will **strengthen business foundations such as development of organizational structure/functions, DX promotion, finance, etc., to achieve greater profitability and corporate value.**

Practical remarks

Human Resources

- HR development as a business driver and deployment of internal/external HR through “selection and enhancement of existing business” and “expansion of new business”
- Promoting TWI* for transformation of work methods in the post-COVID-19 world * TEPCO Work Innovation
- Strengthening of ethics education and workplace development by middle management in order to become a group of trusted company

Reinforce DX/IT Systems

- Reforming existing business processes
- Understanding diverse customer needs and providing a satisfying customer experience
- Improving business continuity capabilities to cope with intensified disasters

Financial Resources

- Improve fund efficiency by replacing businesses, assets, etc. and leveraging external financing through the market
- Leveraging project finance and sustainable finance

Cooperation sought from financial institutions and shareholders, and relationship with the Government

- Seeking cooperation from financial institutions and shareholders in the below areas.
- NDF will consider the Japanese government's involvement in about 3 years.

Cooperation sought from Financial institutions

- Maintaining credit through refinancing
- Implementation of additional financing and approval of short-term credit lines
- Financing for TEPCO HD and major subsidiaries*
- Agreement on efforts to restructure the TEPCO Group's business portfolio*
- New credit for strategic rationalization of management and subsidiary growth strategies*

*Under conditions whereby repayment will not be affected

Cooperation sought from Shareholders

- Continued non-dividend policy
(Future dividend policy will be discussed in consideration of the financial situation, and TEPCO Group's historical payments and future outlook regarding compensation and decommissioning, in tandem with the method of collection for public funds.)
- Conversion of preferred stocks owned by NDF to common shares, and accompanying dilution of common shares traded in the capital market

Government Involvement

- NDF continues to monitor the progress of TEPCO's management reforms, and will consider the Japanese government's involvement in about 3 years