Overview of the Fifth Comprehensive Special Business Plan

January 26, 2026 (Approval)

Tokyo Electric Power Company Holdings, Inc.

*This document is a summary of the Fifth Comprehensive Special Business Plan, under the responsibility of Tokyo Electric Power Company Holdings, Inc.

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Main text P3-P8

Background and approach of the basic policy

- TEPCO reforms are at a major crossroads due to changes in the business environment after the Fourth Comprehensive Special Business Plan, requiring TEPCO to refocus our efforts
- While maintaining the basic approach of the comprehensive business plan to date, we will address the three environmental changes: **progress of Fukushima Daiichi decommissioning**, **growing demand for Green Transformation (GX)/Digital Transformation (DX) and energy security and increased electricity demand**, and **deterioration in financial conditions**

Environmental changes after the Fourth Comprehensive Special Business Plan

Progress of Fukushima Daiichi decommissioning	• The preparation phase for large-scale fuel debris retrieval is estimated to be around 12-15 years under certain assumptions, which records a loss of 903 billion yen • For matters that require further confirmation in the future, field and design verification shall be advanced over the next 1 to 2 years to reassess feasibility • Phase 3 of the Mid-and-Long-Term Roadmap is uncharted territory, and is the most challenging phase in terms of technology, time and economics
Growing demand for GX/DX, etc. **Response to increased demand**	• The roles required of electric utilities are becoming increasingly sophisticated due to GX/DX, energy security and increased electricity demand • TEPCO, which is the largest electric utility in Japan, is expected to play a central role • Changes in the business environment needs to be captured as business opportunities to create new cash flows and enhance corporate value
Deterioration in financial conditions	• There is no solid financial foundation to handle both the Fukushima business and economic business even if KK restarts, due to deterioration of cash flow caused by rising prices at the grassroots level, in addition to intensifying competition in electricity retail and increase in nuclear power and transmission/distribution investment • As there has been no large-scale alliance since JERA, we are forced to scale back new investments aimed at growth
Basic approach of the Comprehensive Special Business Plan to date	• TEPCO's founding principle is full accountability of Fukushima; TEPCO itself shall implement compensation and decommissioning and secure the necessary funds and human resources • Fulfilling the responsibility of stable supply • Improvement of corporate value through alliance • Long-term involvement in the Fukushima business by the national government, early independence of economic business • The national government, Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF) and relevant stakeholders to provide support and cooperation as TEPCO "takes one step forward"
Approach of the basic policy	• The basic approach of the Comprehensive Special Business Plan to date has been directly linked to our reasons for existence and shall also be maintained in the Fifth Comprehensive Special Business Plan • All options shall be considered to address critical issues, based on the basic approach, which shall also be supported by NDF

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Main text P8-P11

Thorough implementation of long-term decommissioning

- It is necessary to safely and steadily advance difficult and complex work toward fuel debris retrieval which is the biggest challenge going forward
- **Fundamentally reform the decommissioning business with three pillars: management decision, capabilities and structure**, so that necessary management resources can be allocated upon making rational and independent decisions by the decommissioning entity with field-first approach

Reform of the decommissioning business	Management decision of "Fukushima first"	TEPCO	• Review the responsibilities and authority regarding planning and management resources between HD management and the decommissioning entity • Realize "proactive and bold management decisions to make the Fukushima business as secure as possible" through the review
		NDF	• Enhance governance regarding management and supervision (e.g., advice, guidance and supervision) as well as reserve funds, expenditure plans and human resources plans
	Improvement of capabilities to execute the decommissioning business		• Since thorough implementation of decommissioning requires owner capabilities and capabilities to build the regional relationship ("capabilities to execute the decommissioning business"), build a system to acquire and develop human resources to secure capabilities (including salary system, employee benefits, training environment, etc.) • Develop and operate a flexible hiring system that enables mid-career hiring of highly skilled professionals at Fukushima Daiichi D&D Engineering Company
	Development of structure	TEPCO	• Appropriately review the structure of nuclear-related organizations including Fukushima Daiichi, and shift to a structure where the decommissioning entity can play a leading role in management resources and management policies related to decommissioning • Develop and manage TEPCO's long-term strategies and processes, and develop an integrated collaborative framework of TEPCO and contractors
		NDF	• While appropriately mediating between the national government and TEPCO, reinforce the structure to appropriately manage and supervise decommissioning work
Basic stance toward the decommissioning business		TEPCO	• The decommissioning entity shall take the initiative in advancing efforts to safely and steadily complete decommissioning , while stably and continuously gaining the trust of the society and local community • In improving corporate value, the fundamental premise is for HD to provide maximum support for the efforts of the decommissioning entity
		NDF	• Appropriate governance in accordance with the NDF Act so that management and decommissioning operations are conducted in accordance with the basic stance
Balance between revitalization and decommissioning			• Deepening relationships with the local community through direct dialogue with local residents, collaboration with relevant institutions, and bi-directional communication • Contribution to creating a regional industrial and economic foundation through the decommissioning business • Promotion of distribution of agricultural, forestry and fishery products and expansion of its nonresident population, and continuation of various forms of human cooperation

Main text P11-P14

Stable supply compatible with GX/DX, energy security, etc., and improvement of financial conditions

- Play a central role in the industry to realize stable supply compatible with GX/DX, energy security etc., and ensure the long-term security of funding for fulfilling our responsibilities for Fukushima by capturing business opportunities and driving business growth
- Utilize asset-rotation-based investment to **advance business structure transformation in order to deliver the three social values of "prompt power-supply", "securing decarbonized power sources" and "pricing menus tailored to diverse needs"**

Stable supply compatible with GX, DX, etc.

Prompt and push-type power supply		• Structuring participation-type network by utilizing the Welcome Zone • Realizing rapid and optimum system development and system connection across a wide range • Early connection through construction coordination with other companies in response to labor shortage
	Strategic goal	World-class growth rate of data center (DC) demand in the Tokyo metropolitan area by FY2040
Securing decarbonized power sources Realizing carbon neutrality (CN)		• Steady promotion of restart of KK premised on understanding of the local community • Operator collaboration for stable nuclear operation in East Japan • Asset-rotation-based investment • Promotion of new development of renewable energy in Japan through co-creation • Enhancing regulating capacity by expanding grid storage batteries • Enhancing procurement of decarbonized power sources utilizing various means such as PPA and market transactions
	Strategic goal	FY2040: Secure decarbonized power sources for more than 60% of electricity delivered to customers FY2050: Challenge net-zero CO_2 emissions from energy supply
Pricing menus tailored to diverse needs such as stabilization	Electricity price	Further stabilize prices through the following: ・Diverse pricing plan ・PPA ・Trading utilizing financial techniques ・Economies of scale through balancing group expansion ・Provision of facility services
	Integrated energy	• Maximum stabilization of energy prices through diverse energy supplies such as gas
Improvement of financial conditions	Short- to mid-term	• Achieve positive FCF through fundamental management rationalization, including utilization of third-party knowledge, and asset sales and other initiatives • Structure a system and mechanism capable of agile response to changes in the business environment
	Mid- to long-term	・Secure growth investment funds through alliance ・Restore autonomous funding capabilities

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Main text P14-P16

Alliance

- **Call for proposals** for bold reforms through alliance to balance the Fukushima business and economic business
- **Structure a review framework to carefully examine and evaluate alliance proposals**, prior to calls for specific proposals with a deadline

Necessity of alliance and direction of response

- It is necessary to secure governance to balance decommissioning and improvement of corporate value
- In order to expand the revenue base for the economic business, it is necessary to acquire growth investment funds as well as technologies and capabilities that TEPCO does not own, promote active recruitment of external human resources, and transform the corporate culture
- Complementation through alliance is the most viable and effective option that leads to maximum utilization of our human capital

Basic understanding of the alliance's purposes	• Contribute to securing governance to balance decommissioning and improvement of corporate value • Provide funds and allocate human resources to the Fukushima business, and improve the likelihood of full repayment of public capital and funds to the national treasury • Expansion-oriented in leading the electricity business, etc., not about merely maintaining or diluting corporate value • Expansion-oriented also for business fields, etc., so as to take the lead in solving social issues • Withdrawal of alliance partners must be consistent with the full repayment of public capital and funds to the national treasury • Aim to achieve the strategic goal for FY2040
Approach on the mechanism of alliance	• Have flexibility in business operations and investment ratios within the scope consistent with the basic understanding • It is necessary to take measures for the consortium to earn market confidence and secure financial and managerial autonomy

Recruitment for alliance

- Recruit alliance partners who resonate with the TEPCO Group and can grow together
- Structure a review framework to carefully examine and evaluate alliance proposals as well as the alliance framework and mechanism

Required proposals	• Thoughts on the basic understanding of the alliance • Value-increasing plan to improve corporate value • Proposed measures to ensure governance for long-term business operation • Proposed measures to secure autonomy of the consortium

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Main text P16

System development for reform

- While both the Fukushima business and economic business face challenging circumstances, it is necessary to overcome difficult situations through fundamental reform and stable business operation that gains the trust of the society and local community
- In order to achieve fundamental reform, which is the most critical task, progress will be made in **developing a system to fulfill executive responsibilities and building an optimal management system**

Necessity of structure development

Fukushima business	• Reform and its structure development for the most challenging phase of fuel debris retrieval and the completion of decommissioning
Nuclear business	• Starting with stable operation of Kashiwazaki-Kariwa Nuclear Power station without betraying the trust of the society and local community
Economic business other than nuclear business	• Fulfilling the responsibilities for Fukushima, and further refining future business strategies and business plans to further expand corporate value in order to play a central role in achieving stable supply compatible with GX, DX, etc.
Alliance	• Realizing alliance to balance decommissioning and improvement of corporate value

Direction of structure development

- Develop a structure for the completion of decommissioning
- Develop an executive structure to responsibly manage the future operations of the nuclear business including stable operation of Kashiwazaki-Kariwa Nuclear Power Station
- Promptly pursue alliance to balance decommissioning and improvement of corporate value, under the Board of Directors, and develop a system to fulfill responsibilities as an executive

- While pursuing future alliance, review and develop an optimal management system for both the Fukushima business and economic business
- Especially for the Fukushima business, promptly establish a structure that will continuously implement the reforms outlined in the basic policy such as management decision of “Fukushima First” and improvement of capabilities to execute the decommissioning business

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Main text P16-P19

Involvement of the national government and recovery of public capital and funds

- Regarding involvement of the national government and NDF, the policy of **"long-term involvement in the Fukushima business by the national government, and early independence of the economic business"** shall be maintained
- NDF shall seek early recovery of public capital and funds under the fundamental premise of minimizing the burden on the public

Involvement of the national government

- NDF shall continue to own more than half of voting rights of TEPCO HD and continue to dispatch NDF officials as currently implemented
- Future involvement shall be reviewed in collaboration with the national government, based on the outlook for decommissioning and progress of alliance
- If it is determined that management reforms have not progressed, the NDF shall evaluate the manner of exercising its rights, including conversion to common shares

Involvement in the Fukushima business	Compensation	・The national government and NDF shall confirm TEPCO's compensation measures and seek improvements as necessary
	Revitalization	• The national government and NDF shall monitor TEPCO's initiatives to dispel reputational damage of Fukushima Prefecture products and develop the industrial foundation • In discharging ALPS treated water into the sea, confirm initiatives regarding ensuring safety, enhancing information transmission and sales support of fisheries products as well as implementation of compensation, and seek improvements as necessary
	Decommissioning	• NDF shall provide stronger management and supervision. Regularly verify the projected balance and expenditure plan for the decommissioning reserve fund, as well as human resources plan • In a situation that may impede the execution of decommissioning, provide financial assistance upon going through the prescribed procedures in accordance with the NDF Act
Involvement in the economic business		• NDF shall exercise the legal and contractual authority vested in NDF (share subscription agreement including pre-approval authority for voting rights ownership and organizational restructuring activities), while ensuring consistency with the purpose and objectives of the NDF Act including repayment of public capital and funds to the national treasury • NDF shall endorse and implement prescribed measures only when the alliance is consistent with the purpose and basic understanding of the NDF Act

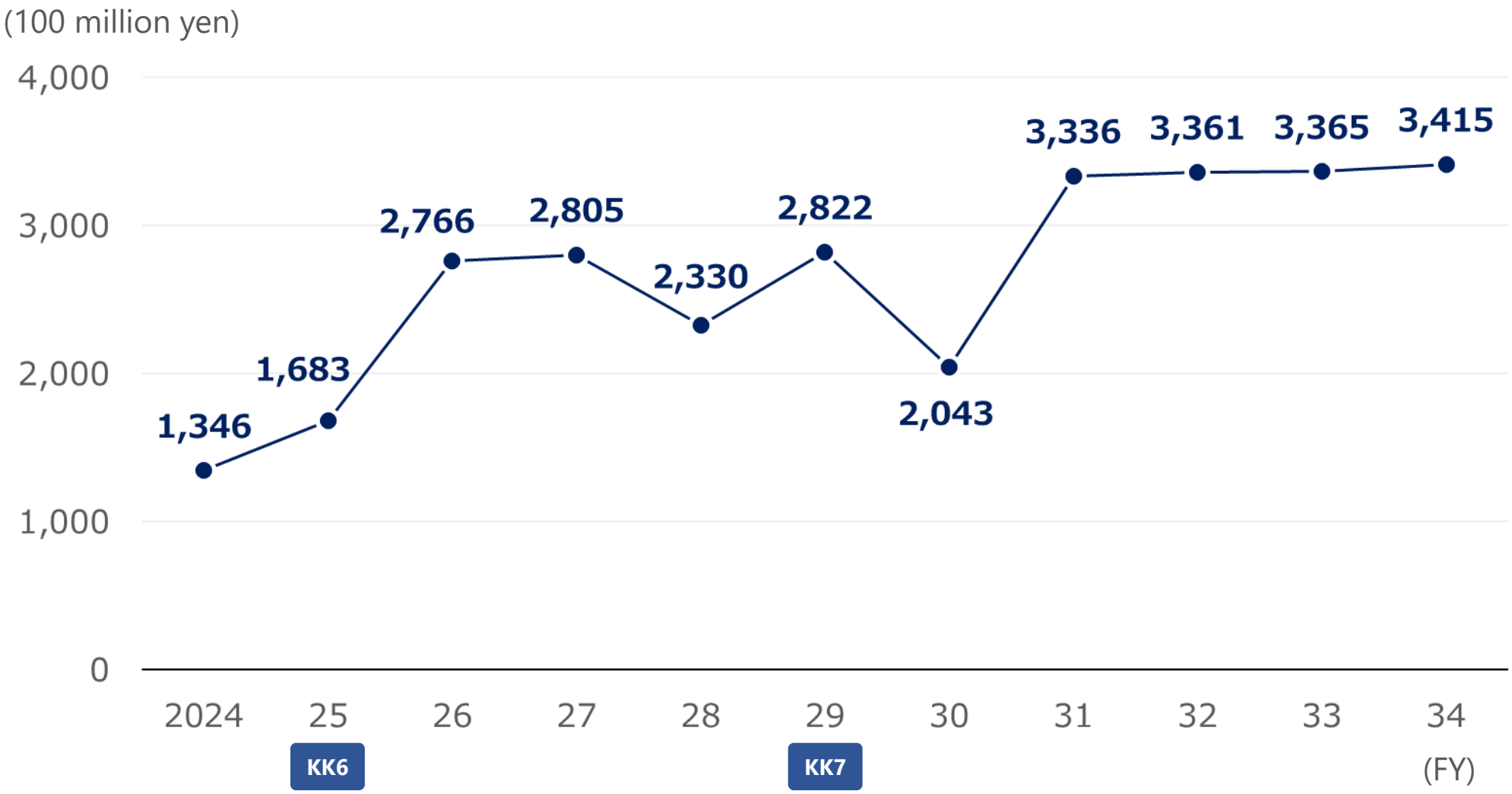
Recovery of public capital and funds

・TEPCO will continue to bear 200 billion yen per year for compensation and 300 billion yen per year for decommissioning

Special contribution	Seek "as much financial burden as possible", considering the balance between compensation and decontamination on the fundamental premise of securing decommissioning reserve fund
Decontamination costs	• While continuing to cover with proceeds from the sale of TEPCO HD shares held by NDF, in principle, without limiting methods solely to such sales, also consider selling shares and assets of the alliance business entity • If sufficient management reforms are implemented to improve corporate value in the future and the management reforms are deemed sufficient in light of the purpose and objectives of the Comprehensive Special Business Plan including recovery of public capital and funds, appropriately consider specific methods with full payment of decontamination costs as the fundamental premise

Main text P72-P75

Income and expenditure forecast (Ordinary income*1*2)



*1 Calculated by combining TEPCO HD, TEPCO FP, TEPCO PG, TEPCO EP and TEPCO RP (consolidated with 5 companies)
*2 Impact on income and expenditure when one reactor unit is operating is estimated at approximately 100 billion yen per year

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Compensation

Main text P21-P23

- **Reaffirm and thoroughly implement the "Three Pledges": "completion of every single payment", "speedy and precise compensation" and "respect for settlement proposals"; and promptly and appropriately provide compensation while carefully addressing each individual victim**
- In addition, in order to **develop a structure that can stably sustain prompt and highly-targeted compensation to every last person over the long term**, **systematize accumulated knowledge and know-how and secure and develop core human resources**

Key initiatives

[Completion of every single payment]

- Do not uniformly refuse requests solely on the grounds of the statute of limitations, but sincerely address the circumstances of the victims even after the statute of limitations has expired
- Payments are steadily progressing after starting additional compensation based on the fifth supplementary measures. Those who have not yet filed for compensation claims due to various circumstances are notified of the compensation claim via phone or direct mails.

[Speedy and precise compensation]

- Promptly and appropriately provide compensation by taking sincere and flexible actions with consideration for the feelings of the victims and continuing efforts that help reduce the burden of victims such as assisting with the compensation claim procedures including evidence organization
- If there is individual damage that is not specified in the interim guideline, carefully listen to and address individual circumstances
- Implement necessary and sufficient compensation to those who have suffered damages, under the policy of compensating for damages as long as they exist
- Sufficiently develop a structure and continuously review the work process, under the supervision of NDF
- Regarding the discharge of ALPS treated water into the sea, promptly and appropriately provide compensation if damages still occur even after expanding sales routes and implementing maximum measures, although compensation is provided for damages caused by import suspension measures imposed by foreign governments

[Respect for settlement proposals]

- Continue to respect the mediation proposals presented by the Nuclear Damage Claim Dispute Resolution Center

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Decommissioning

Main text P24-P33

- Establish a structure to ensure management decision of "Fukushima First" and improvement of capabilities to execute the decommissioning business as reforms of the decommissioning business outlined in the basic policy
- **The entire group shall pool its resources to raise funds to ensure sufficient and reliable reserves necessary for decommissioning, so as to appropriately address the funding requirements for decommissioning over a long term**. Funds recovered from the decommissioning reserve fund shall be spent in a thoroughly rational and efficient manner.

Key initiatives

[Development of implementation structure]

- Of capabilities to execute the decommissioning business, acquire and enhance owner capabilities, such as **strategy development and planning, technologies centering on design, project management, collaboration with contractors, and ensuring on-site safety**, and realize **transformation into an "owner's engineering operator"**. Also steadily promote securing human resources for decommissioning and the development of a research and development system.

[Outlook for expenses necessary for decommissioning]

- Since the work details and process for fuel debris retrieval preparation have become specific, 903 billion yen in disaster loss reserves is additionally recorded as expenses for the newly projected retrieval preparatory work
- Based on this, the estimated cost for the entire decommissioning, which has already been incurred or are expected to be incurred, is expected to reach approx. 5.4 trillion yen, but if engineering work related to fuel debris retrieval progresses further in the future, the outlook for investment for retrieval equipment and cost for retrieval work will become clear accordingly

[Balance between revitalization and decommissioning]

- Have direct dialogue with local residents, proactively collaborate with relevant institutions and **implement bi-directional communication** to listen sincerely to concerns and questions**, thereby carefully communicating accurate information in an easy-to-understand manner**
- Based on **"promises to the people of Fukushima regarding balance between revitalization and decommissioning", contribute to creating a regional industrial and economic foundation through the decommissioning business**, in addition to expanding participation of local companies, providing career advancement support and creating new industries in the local region
- We will firmly anchor our Fukushima business as a trinity with **Fukushima Daiichi, Fukushima Daini and the Fukushima Revitalization Headquarters**, and **deepen the review on the way of the organization including integration and restructuring**, so that revitalization and decommissioning can be advanced while closely coordinating each initiative

Revitalization

Main text P34-P37

- To restore businesses and lifestyles and promote self-reliance, continue to **cooperate with the Fukushima Sousou Revitalization Public-Private Team**, and continue to **promote distribution to revitalize agriculture, forestry and fisheries and dispel reputational damage**
- **Enhance participation in initiatives based on the concept of Fukushima Innovation Coast**, and continue to promote initiatives that genuinely benefit the local community such as **development of industrial foundation centering on the decommissioning business**
- Continue **initiatives to support people's return home after evacuation orders are lifted** and cooperate to the fullest extent possible toward **revitalization of the Difficult-to-Return Zones**

Key initiatives

[Initiatives to restore businesses and lifestyles and prompt self-reliance]

- Contribute to the rebuilding of businesses and livelihood and recovery and vitalization of community functions with initiatives such as operator support, restart of farming activities, expanding seafood distribution channels, regional community development and industrial development support, through joint efforts with the Fukushima Sousou Revitalization Public-Private Team
- Secure distribution channels and improve the brand value to promote distribution of Fukushima Prefecture products, in order to dispel reputational damage
- Implement measures against reputational damage related to discharge of ALPS treated water into the sea, including support the development of sales channels and stimulating domestic and international demand
- To revitalize agriculture, forestry and fisheries, continue the development of an industrial foundation for agriculture, forestry and fisheries and cooperation in ensuring safety and security of agricultural products produced in the Hamadori region, and promote collaboration and coexistence with the local community
- Communicate facts of the accident and progress of the decommissioning business in an accurate and timely manner to dispel reputational damage, and expand the nonresident population through initiatives that create opportunities of on-site visits, promote understanding of decommissioning and advance local benefits

[Cooperation in concept of Fukushima Innovation Coast]

- Promote initiatives that genuinely benefit the local community, such as enhancing TEPCO's involvement, restarting business and creating jobs for the development of industrial foundation centering on the decommissioning, and promotion of proactive procurement from operators within Fukushima Prefecture
- Cooperate to expand the adoption of renewable energy in Fukushima Prefecture by creating local employment through IGCC and transmitting power to Fukushima

[Initiatives to support people's return home after evacuation orders are lifted]

- Contribute to solving issues in response to local requests through revitalization promotion activities, such as weeding, indoor cleaning and tidying, to prepare the environment people return to
- Continue human and technical cooperation to promote decontamination and interim storage facility development implemented by the national government

[Efforts for revitalization of the Difficult-to-Return Zones]

- Continue to provide human and technical cooperation in initiatives to develop specific reconstruction and revitalization base areas and specific living areas for returnees

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Main text P38-P40

Initiatives for "prompt and push-type power supply"

- **In order to respond to customer needs for early power supply**, promote **partner-participation infrastructure development** and **push-type infrastructure development** aiming for rapid and optimum system development and connection. Refine S+3E while fulfilling our responsibility for stable supply.
- In addition, to reliably capture digital demand, we will **provide services that thoroughly align with customer needs**, such as acquisition of suitable land and establishment of optimum power receiving and transforming facilities, through **collaboration with the entire TEPCO Group and relevant operators**

Initiatives and advancement in existing fields

[Transmission and distribution business (consignment business, etc.)]

- Aim to establish a next-generation network designed to **utilize distributed power sources and customer facilities to the fullest extent and optimally adjust regional supply and demand**
- In response to increase in renewable energy and demand, aim for **partner-participation infrastructure development, which will provide operators with suitable site proposals utilizing the Welcome Zone Map and substation construction space**, and **push-type infrastructure development, which promotes optimum infrastructure development in a planned manner**
- In order to contribute to regional economic and social development and realize push-type power supply while increasing area demand, **promote regional management by proposing solutions upon understanding issues and strategies of local governments and companies**

Direction for expanding the scope

[Transmission and distribution business (non-consignment business)]

- **Establish partner-participation infrastructure development know-how and an asset-light business model** that provides EPC and O&M for such facilities, and **expand initiatives for early supply outside the TEPCO service area**

[DC-related business]

- Aim to shift the business model from provision of services tailored to individual needs by core operating companies to **provision of a total solution through collaboration by the entire TEPCO Group and relevant operators**
- Enhance added value across the entire DC development value chain by strengthening capabilities early on, such as collaboration with operators with expertise in acquiring suitable land and manufacturers and contractors for optimum power receiving equipment construction, thereby enabling **appropriate and prompt provision of value demanded by DC operators** and solidifying the capture of new digital demand in the Tokyo metropolitan area

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Main text P40-P43

Initiatives for "securing decarbonized power sources and realizing carbon neutrality"①

- Increase revenue by improving equipment reliability and accumulating power increase measures through **planned repairs and replacement of hydropower generation**, and expand renewable energy by advancing the **development of offshore wind power generation and geothermal generation**
- In **fuel/thermal power business**, aim for **steady transition to a decarbonized society** through the combination of three businesses, **"LNG, renewable energy and hydrogen/ammonia"**, by JERA

Initiatives and advancement in existing fields

[Hydropower business]

- **Promote planned repairs and replacement to secure hydropower generation as a long-term, stable power source**, and **sustainably increase revenue by steadily accumulating power increase** through data-driven Kaizen activities and innovation from the field perspective
- Aim to **realize "smart power station"** defined as a "power station that connects facilities, humans and work with data and generates maximum value" for the transformation of business foundation

[Offshore wind power business]

- Steadily advance the **development of the embedded-type system**, and examine and implement an **asset-rotation-based business model that balances acquisition of development capabilities and capital efficiency maximization**
- Take initiatives aimed at acquiring development knowledge and experience for the **social implementation of floating-type system**, and promote the development of a model with high technological superiority and foster its competitiveness

[Geothermal business]

- Promote the **accumulation of construction technologies and operation know-how by participating in geothermal development** at Oyasu Geothermal Co., Ltd. in which we have invested
- **Jointly explore the introduction of new technologies with other companies**, and take initiatives to **increase the number of geothermal sites in the mid to long-term** while utilizing government support programs

[Fuel/thermal power business]

- Combine the three businesses of **"LNG, renewable energy and hydrogen/ammonia"** through the activities of JERA, and aim to simultaneously achieve **"supply at economically appropriate prices and transition to a decarbonized society, while maintaining stability"**
- In addition to collaborating with JERA to utilize TEPCO's customer base for the retail business and strengthen gas retail sales, **develop an LCF (Low Carbon Fuel) value chain** and contribute to adding high value to the entire industry

Main text P43-P44

Initiatives for "securing decarbonized power sources and realizing carbon neutrality"②

- To expand supply of decarbonized power sources, **expand solar power generation, which has a short development lead time**, while prioritizing **coexistence with local communities**, in addition to **initiatives in existing business areas such as hydropower and offshore wind power**, and contribute to the **decarbonization of adjustment capacity through investment in grid storage batteries and hydrogen business**

Direction for expanding the scope

- Advance **replacement and new development of power sources in existing business areas such as hydropower and offshore wind power**, and also expand initiatives for the following businesses

[Solar power business]

- With the **fundamental premise of coexistence with local communities**, aim to **create opportunities to develop new power sources** while controlling investment risks despite significant financial constraints on investment in new power sources
- Bases are developed where the TEPCO Group constructs and operates power stations on land provided by local governments, and **initiatives are taken to secure power sources through the provision of various menus including corporate PPA**. Business shall be further expanded by utilizing such initiatives

[Grid storage battery business]

- Accumulate know-how including procurement areas by advancing collaborations with operators which we are currently working on, and **establish a framework for an asset-rotation-based business model to contribute to securing adjustment capacity**

[Hydrogen business (green hydrogen production and use of heat sources)]

- **Accumulate know-how of a value chain across manufacturing, transportation and demand through demonstration by Yamanashi Hydrogen Company, Inc.**, while monitoring demand trends with an eye toward **utilization of production facilities as a system balancing function and congestion relief function in local grids**, following pumped-storage power generation and storage batteries, in addition to **on-site production of green hydrogen**

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Initiatives for the "provision of pricing menus tailored to diverse needs such as stabilization"

- While providing pricing menus tailored to diverse customer needs such as stabilization, **enhance procurement and pricing strategies and sales strategies** to maintain the cash flow, and improve capabilities to respond to revenue fluctuation risks due to changes in quantity and price
- **Pursue revenue opportunities for the demand-supply management and trading business** through expansion of demand-supply management services and utilization of financial methods, etc.
- Aim for further provision of options for stable energy supply by **proposing facility services in a set** for customers. In addition, generate synergy across retail, supply-demand management and facility services and aim for further stabilization of electricity rates, by **aggregating the supply capacity and adjustment capacity generated by customer facilities** and **utilizing them in the demand-supply management and trading business**.

Initiatives and advancement in existing fields

[Retail business]

- In procurement, aim to **develop an optimum power source procurement portfolio pursuing balance between cost and risks of procurement**. In formulating pricing strategies, **promptly incorporate diverse customer needs into pricing menus** and **flexibly adjust the power source procurement portfolio in response to fluctuations in sales volume due to competition**.
- Study and determine **strategies for each customer to secure sales volume** and **measures to reduce operational costs such as sales expenses and management expenses**, based on data analysis and other factors, and implement them as early as possible

[Fuel/thermal power business]

- Aim to contribute to the stabilization of prices by maintaining stable supply by continuing to leverage fuel portfolio optimization and trading functions and by controlling the impact of fluctuations in the fuel market through appropriate risk hedging

[Demand-supply management and trading business]

- **Utilize demand-supply management services, such as wholesale distribution leveraging economies of scale and the formation of balancing groups, and price hedging by financial techniques**, and **pursue potential revenue opportunities as a business** by enhancing knowledge and know-how of market transactions including financial techniques and combining physical transactions and financial transactions

[Facility service business]

- Visualize electricity usage and adjustment capacity of customer facilities upon **supporting the introduction of services for customer facilities** through facility sales and construction utilizing sales know-how and technical capabilities of the TEPCO Group, and develop and propose control models that enable optimum operation, thereby **creating and providing adjustment capacity as a tradable resource in the market**
- In addition, **collaborate with community development and carbon neutrality measures of the local government** to promote widespread adoption of distributed power sources in the local region

Nuclear business

Main text P47-P54

- In order to fulfill our **responsibilities for stable power supply in East Japan**, steadily advance **restart of Kashiwazaki-Kariwa Nuclear Power Station** with safety first, while continuing initiatives to restore **trust from the local community and people of the society**
- Consider consistent initiatives throughout the nuclear life cycle and the **promotion of sustainable use of nuclear power**, through **restart of construction of Higashidori Nuclear Power Station, promotion of the nuclear fuel cycle business and decommissioning of Fukushima Daini Nuclear Power Station**
- Take initiatives to improve sustainability of business **including collaboration with other companies for stable nuclear operation in East Japan**, and contribute to **securing decarbonized power sources and realizing carbon neutrality**

Key initiatives

Kashiwazaki-Kariwa Nuclear Power Station

- We have been working on **nuclear reform with utmost priority on restoring trust**
  ①Integrated operation of Head Office and sites, ②Introduction of structures and systems for project completion, ③ Fundamental enhancement of physical protection, ④Personnel restructuring and utilization of external experts, ⑤Improving vitality in the field and improving workplace environment
- Response category for nuclear regulatory inspections was restored in December 2023. **Fuel loading in April 2024 at Unit 7 and in June 2025 at Unit 6**.**In June 2025**, it was determined to **concentrate on startup preparations for Unit 6**. **In October 2025, deliberations of decommissioning of Units 1 and 2 were announced.**
- Advance **initiatives to promote understanding among prefectural residents, such as enhancing safety and security, regional contribution for regional economic revitalization (contribution of funds to the prefecture, etc.), and enhancement of governance by the KK management committee**

Higashidori Nuclear Power Station

- Aim for **restart of construction** as it is an important development site
- **Deepen initiatives toward sustainable community development** such as Higashidori Head Office

Nuclear fuel cycle

- Steadily advance businesses, such as **RFS, plutonium-thermal plan, reprocessing and MOX plant**, with enhanced collaboration with other operators

Fukushima Daini Nuclear Power Station

- **Steadily advance decommissioning** with safety first
- Deepen review of **organizational structures including integration and reorganization of Fukushima Daiichi D&D Engineering Company and Fukushima Revitalization Headquarters**

Mid to long-term initiatives

- **Review of structure**: Review of organizational restructuring, resources management of the nuclear business, collaboration with companies, reorganization of external committees
- **Initiatives to improve sustainability**: Improvement of productivity through strict cost management, collaboration with other companies in maintaining the supply chain
- **Development of business environment**: Exploration of utilization of new scheme, necessity of institutional measures such as improving predictability of investment and cost recovery and providing financial support

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Measures for management rationalization

Main text P55-P61

- Goals of the former Comprehensive Special Business Plan have exceeded the target[*1] through continuous rationalization efforts
- As measures to respond to the changing business environment and challenging financial conditions, **aim for maximum rationalization through initiatives such as review of all projects utilizing third-party expertise**, in addition to conventional Kaizen-based initiatives

Management efficiency

Reviewed matter

[HD・EP・RP]

- **Review all projects** regarding necessity and timeliness, existence of alternative measures and associated additional costs, cost-effectiveness, etc.
- Plan to achieve further reduction in unit costs through the introduction of **third-party evaluations** and external benchmark comparisons

[PG] *Voluntarily review maximum rationalization upon ensuring independence and autonomy of management, on the fundamental premise of maintaining stable supply including compliance with laws

- **Review all projects by utilizing third-party expertise**, prioritize investments based on risk assessment and incorporate rationalization measures, and incorporate cost reductions for indirect expenses based on external benchmarks, etc.

Achievements and future initiatives

- **Approx. 300 billion yen in investment and cost-saving effects** are anticipated in FY2025-2034 according to re-review utilizing third-party expertise

[HD・EP・RP]

- Increase capabilities to detect signs of fluctuation risks by utilizing knowledge obtained in the review process, and aim to **realize advanced monitoring**

[PG]

- **Develop an autonomous budget management and execution structure** by detecting signs of fluctuation risks early on
- **Generate stable profit and CF and strengthen financial foundation through investment optimization** due to participation-type infrastructure development and incorporation of latest technology and knowledge

Asset sale

Stock

- For assets expecting **sales effect above a certain scale** and **feasibility of early sale**, proceed with the sale after **re-examining the necessary ownership ratio** from the perspective of whether it impedes the execution of the electricity business

Real estate

- Identify **sale candidates expected to maximize value** among locations where the electricity business has been discontinued (including planned discontinuation), and work toward **achieving an early sale**

Rationalization targets

[Management efficiency] Cost reduction by approximately 3.1 trillion yen[*2]
[Asset sale] Securing 200 billion yen in funding within three years

*1 Cost reduction: 8 trillion yen (cumulative total for FY2012-2024, compared to pre-disaster plans), asset sale: 1.1 trillion yen (cumulative total for FY2011-2024)
*2 Cumulative total for FY2025-2034, compared to pre-disaster plans (after adjusting for price effects)

Business foundations

Main text P62-P71

- **initiatives of corporate culture reform, human resources management and DX strategies**, **further deepen the initiatives** beyond the Fourth Comprehensive Special Business Plan through the implementation of new initiatives to adapt to changes in the business environment
- **Enhance governance operations by HD (Corporate) for group business operations**, for the time being, based on issues such as reduced information flow and collaboration after the company split-up, and **restructure and enhance** business operations, such as studying measures to **re-evaluate the mechanism and functions** of business operations, to achieve sustainable cash flow stabilization and growth strategies

Further deepening

Corporate culture reform]

- Promote group-wide **initiatives as "one team" (building trust and collaboration beyond positions and organizations)** in sharing the thoughts of management with employees and enhancing inner communication, to implement actions and improve organizational capabilities based on value standards such as safety first
- Promote **initiatives as "one team" including local companies and contractors** in ensuring safety and sharing technologies and know-how
- Promote initiatives necessary to **maintain and foster our foundational commitment to "Fukushima"** (field training in Fukushima, etc.)

[Human resources management]

- Identify human resources needs to promote initiatives for increasing sophistication and diversity of human resources and securing of sufficient numbers, such as **securing external human resources with high expertise, agile optimal allocation aligned with the business strategy, and expanding the recruitment pool through cross-industry collaboration**
- Collaborate with HD-CHRO and top executives of each business unit, and promote **consistent** HR measures **within the group** in an agile manner

[DX strategies]

- Utilize **scenarios of external DX environment changes** in growth strategies upon continuously reviewing them. **Visualize necessary capabilities** such as digital technology, **develop a DX strategy that bridges gaps**, and promote initiatives to foster innovation based on them.
- **Achieve AI transformation in all businesses based on growth strategies by the early 2030s**, based on digital transformation and data-driven approaches, and aim to achieve innovative scale and speed in providing value as well as cost reductions

Restructuring

[Group business operations]

- **HD (Corporate) shall accordingly check the achievement status of plans of each business unit** for the time being, and the system shall be changed so that each business unit independently responds to changes in circumstances (e.g. strictly selecting cases based on risk assessment, measures for efficiency improvement and revenue expansion)
- **Re-evaluate from business operation mechanism to various functions, awareness and organizational culture**, and advance study and implementation of measures for issues, with **three perspectives, "development and implementation of mid-to long-term value creation stories", "prompt decision-making" and "maximization of group power"**, to achieve sustainable cash flow stabilization and growth strategies

Measures for clarifying management responsibilities and cooperation sought from relevant parties

Measures for clarifying management responsibilities	● In 2012, TEPCO transitioned to a company with a committee governance structure to separate oversight and execution, thereby clarifying management responsibilities ● In 2016, the holding company system was adopted to build a structure that clarifies management responsibilities of the holding company and core operating companies ● Executive officers (including directors of core companies) are selected in the nomination committee consisting of a majority of external directors ● Young members and women are appointed to key positions, intended to be expanded to management, middle management and subsidiary executives ● Future structure development of HD aims to continuously and consistently fulfil responsibilities for Fukushima in the mid to long term in view of the next generation
Cooperation sought from financial institutions	● Maintaining credit through refinancing ● Additional credit extension and refinancing (including refinancing after FY2026 of additional credit extended in FY2023) and setting of short-term credit lines ● Financing for TEPCO HD and its core operating companies* ● Agreement on efforts to restructure the TEPCO Group's business portfolio* ● New credit for strategic rationalization of management, growth strategies for the core operating companies, funding requirements for decarbonization, and short-term funding fluctuations*, etc. *Under conditions that there are no impediment to the performance of obligations
Cooperation sought from shareholders	● Continued non-dividend policy ● Approval of further dilution of common shares traded in the capital market resulting from conversion and sale of preferred stocks owned by NDF to common shares

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