

Streamlining Policy

<p>1 . Sale of Property</p>	<ul style="list-style-type: none"> • We are seeking to secure more than 600 billion yen through the liquidation of these properties in a rapid manner. <p>[Real Estate Properties]</p> <ul style="list-style-type: none"> • We will sell off real estate properties owned by TEPCO and its related companies, excluding those properties needed for electric power supply. <ul style="list-style-type: none"> - We will close all recreation facilities (gymnasium, accommodation facilities, etc.) - We will consider selling off office buildings and PR facilities, etc. <p>[Marketable Securities and Domestic/International Projects]</p> <ul style="list-style-type: none"> • We are planning to sell off some of our marketable securities and domestic/international projects, excluding those securities and projects required for electric power supply.
<p>2 . Investment and Cost Reduction</p>	<ul style="list-style-type: none"> • We will achieve more than 500 billion cost reduction in FY2011. <p>[Investment]</p> <ul style="list-style-type: none"> • Investments will not be made unless required for electric power supply. <p>[Cost]</p> <ul style="list-style-type: none"> • We will control every cost. <ul style="list-style-type: none"> - Repair Cost: We will curtail repair costs to the extent that we can secure stable electricity supply, public safety, and compliance with law and regulations. (approximately 180 billion yen including depreciation) - Miscellaneous Cost : We will decrease system development, R&D, and training, and cancel sales events, etc. (approximately 170 billion yen) - Personnel Expenses : We will the reduce the directors remuneration (zero remuneration for representative executives, 60% reduction of total remuneration for managing directors, 40% reduction of total remuneration for executive officers) and employees salary and bonus (25% reduction of annual salary for managers, 20% reduction of annual salary for general employees). The total reduction amount will be approximately 54 billion yen. Further measures will also be considered. - The other cost reduction including fuel (approximately 100 billion yen)

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<p>3. Streamline of organization, group structure and human resources</p>	<ul style="list-style-type: none"> • We will reorganize the whole TEPCO Group by simplifying and implementing efficiency improvements to every operation as well as streamlining administrative and indirect functions of head offices. <p>[Internal Organization]</p> <ul style="list-style-type: none"> • Reorganization based on a review of the operation. <ul style="list-style-type: none"> - Changing of the “Marketing & Sales Division” into the “Customer Relations Division”, closing of the Center for Home Energy (June 2011) - Closing of the New Business Development Department (June 2011) - Further reorganization to be considered. <p>[Group Structure]</p> <ul style="list-style-type: none"> • Reducing businesses other than those needed for the electric power business. <p>[Human Resources]</p> <ul style="list-style-type: none"> • During the implementation of these measures, we will maintain a staff of approximately 5,000 people to assist with restoration efforts and respond to those who have been affected by the accident. • The status of these operations will be continually monitored with further downsizing to be implemented if deemed necessary. • Abandon recruitment for the FY 2012. <p>* We are planning to provide details concerning the streamlining of the organization, group structure and human resources by the end of this year.</p>
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