

## **Meeting Transcript (Questions and Answers Session)**

**Event Date/Time: October 29, 2010 / 05:00PM JST**

**Event Name: TEPCO Investor Meeting for FY2010 2<sup>nd</sup> Quarter Earnings Results**

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Q: In my understanding, TEPCO has committed to future growth with new management vision “2020 Vision” and the public offering. I would like TEPCO Management to briefly explain its basic stance to existing shareholders at this time. Do you think your explanation over the recent decisions has been enough and convincing to the existing shareholders?

A: First of all, I would like to emphasize that we never distinguish between new and existing shareholders. We once again sincerely ask our shareholders and investors to understand that TEPCO decided to raise its capital via public offering in response to ongoing cash needs for active investments. We are now switching our management stance from defensive to offensive to realize our sustainable future growth as we mentioned on 2020 Vision. Whenever I read over the 2020 Vision, I strongly feel the significance of my responsibility as TEPCO’s representative director and make a fresh determination for our commitment. To meet high expectations of our shareholders and investors, we are committed to steadily achieving the targets and then appropriately return the fruits to shareholders and investors.

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Q: OK, TEPCO raised capital for its future growth. On the other hand, TEPCO’s current business environment is still very challenging. Under these difficult conditions, how long are you going to realize enough growth to meet shareholders’ high expectations?

A: “Investment toward a low-carbon society” will greatly contribute to TEPCO’s sustainable future growth with reducing a large amount of operating expenses. Particularly, planned Higashidori Nuclear Power Station Unit 1 and Kawasaki Thermal Power Station Unit 2-1, both mentioned on prospectus of the public offering, are expected to reduce the expenses by tens of billions of yen compared with those of conventional oil-fired thermal power plant. Regarding

growth opportunity investments, we are eager to produce actual and excellent results without delay through making solid progress in lucrative projects such as the Wheatstone LNG Project in Australia and South Texas Project in the United States, both coming to final agreement shortly.

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Q: I believe companies choosing public offering like TEPCO are more responsible to shareholders and investors for their actions. In that sense, it would be quite natural that shareholders and investors should request you to commit a targeting level of ROE (return on equity). Can TEPCO management commit a future ROE level at this time? And how much?

A: Needless to say, we had an idea that both targeting ROA (return on asset) and ROE should be revealed as our numerical targets in 2020 Vision. However, we finally picked an ROA only as a profitability ratio in 2020 Vision since it would be easier to understand if we have just 3 ratios of ROA as a target on profitability, Cash flow from operating activities as one on cash creation capability, and debt-to-equity ratio as one on financial soundness. While we do not show any ROE targets as a result, we are convinced to be always conscious of ROE to check our efficiency of using shareholders equity.

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Q: After the offering deal, you should be aware you are getting more and more accountable to shareholders and investors for TEPCO's business management. We expect TEPCO's Investor Relations function to be further improved from now on. How will TEPCO's management commit to IR activities?

A: We are certainly determined to demonstrate accountability to our shareholders and investors toward our sustainable growth committed in 2020 Vision and the public offering prospectus. We continue to sincerely listen to the voices of the shareholders and investors so that we will be able to better work for IR activities.

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*(Note)*

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