

Meeting Transcript (Q&A Session)

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Event Name: TEPCO Investor Meeting for Comprehensive Special Business Plan

Corporate Participants:

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Q&A Session

Q1: Is it likely that decommissioning costs for Fukushima Daiichi Nuclear Power Station Units 1 through 4 will further increase in the future?

A1: Decommissioning Costs estimates reflect rational and foreseeable portion of those based on our knowledge and technology at each moment. Thus, we are aware the possibility of an increase in decommissioning estimates in the future.

Q2: Please show us current status of Kashiwazaki-Kariwa Nuclear Power Station. Also, could you give me any idea when to restart operations at the Station?

A2: TEPCO has been making best efforts for explanation to the Technical Committee of Niigata Prefecture and communication with heads of local governments. We have reported ongoing situations at Fukushima Daiichi to them in a timely and appropriate manner. We are committed to continuing faithful explanation to the committee and making best efforts to ask their understanding.

Q3: What do you think TEPCO's future power source composition look like?

A3: Regarding thermal power plant development in Fiscal 2019 and later, we will primarily utilize Independent Power Producer (IPP) scheme to avoid huge capital investment and to introduce competitive process in power development. Considering stability and economy of corresponding fuel procurement, we at this point believe coal-fired thermal would be our likeliest choice. It is convincing that introducing more coal-fired thermal units will help enhance stability and economy of the company's power source portfolio, even though coal-fired is less environmentally-friendly. At TEPCO, power generated by coal-thermal currently accounts for less than 10% of total.

Q4: In what case do you think voting rights owned by the Nuclear Damage Compensation Facilitation Corporation could increase beyond two thirds of total?

A4: For example, our management reforms progress just at a snail's pace would be the case.

Q5: How are power supply contract negotiations with customers in the deregulated sector going? Some deregulated customers are said to be strongly opposing the rate hike.

A5: Since the announcement of the rate revision for the deregulated sector in January, we have been explaining its details to our customers in various ways and have obtained consent on the rate hike from 70% of the customers so far. We truly appreciate their understanding. For the rest, 30% of the customers, we continue to devotedly deal with contract negotiations and ask their understanding with thorough and faithful explanation.

Q6: I guess additional capital investment will be needed in the near future for maintaining stable power network as the new feed-in tariff system applied for all kinds of renewable energy begins shortly. I wonder whether expected investments for maintaining stable power network are included in CAPEX appeared on this comprehensive plan.

A6: After discussions with NDF, we agreed that capital investments for so-called smart meters and grid automation should be considered in the plan. We will appropriately invest in power grid stabilization in preparation for mass introduction of renewable energy.

Q7: Please give us your basic ideas on sales of TEPCO's assets?

A7: Regarding our asset sales policy in this plan, in principle assets not used for electric power business are to be sold.

Q8: In the ten-year earnings projection appeared on the plan, when are you planning to restart the issuance of the corporate bonds as before?

A8: After surviving extremely difficult three years with support of our valued stakeholders, we are eager to restart corporate bond issuance in the capital markets in mid 2010s and after by some means or other.

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(Note)

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