

Meeting Transcript (Presentation)

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Event Name: TEPCO Investor Meeting for FY2011 Year-end Earnings Results

Corporate Participants:

Toshio Nishizawa

The Tokyo Electric Power Company, Inc. –President

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The Tokyo Electric Power Company, Inc. – Executive Vice President, Investor Relations

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The Tokyo Electric Power Company, Inc. – Managing Director, Investor Relations

Presentation

Toshio Nishizawa - *The Tokyo Electric Power Company, Inc. – President*

I am President Toshio Nishizawa. Thank you for joining our meeting today. First of all, once again I sincerely apologize a series of accidents occurred at our Fukushima Daiichi Nuclear Power Station causes anxiety and inconvenience to our investors and shareholders as well as people especially living in the surrounding area.

Today, I'm going to begin with the earnings results for fiscal year ending March 31, 2012 that TEPCO has just announced. After that, I will open a Q&A session. Let's get started. Please turn to Page 1.

<Page 1-2 – Key Points of FY2011 Earnings Results>

I would like to cover key points of our performance here. Please also refer to the table on page 2. First I will cover operating revenues. In the electric power business, consolidated and non-consolidated operating revenues decreased 0.4 percent year on year to 5,349.4 billion yen and 0.7 percent to 5,107.7 billion yen, respectively. The declines in revenues primarily reflected a significant drop in electricity sales volume.

Regarding expenses, a decrease in personnel and maintenance expenses was more than offset by substantially

TOKYO ELECTRIC POWER COMPANY

higher fuel expenses. As a result, consolidated and non-consolidated ordinary expenses increased 13.2 percent to 5,802.0 billion yen and 13.4 percent to 5,592.7 billion yen. Consequently, consolidated and non-consolidated ordinary incomes recorded losses of 400.4 billion yen and 408.3 billion yen, respectively.

For the full-year earnings, TEPCO recorded net losses of 781.6 billion yen and 758.4 billion yen on consolidated and non-consolidated basis, respectively. While gains on sales of marketable securities and fixed assets, and grants-in-aid from Nuclear Damage Compensation Facilitation Corporation were recorded as an extraordinary income during the period, the amount was more than offset by an extraordinary loss on disposal and restoration of fixed assets damaged by the Great East Japan Earthquake and on nuclear damage compensations, and loss on sales of securities. For your information, the numbers in the earnings results may differ from those appeared in the Comprehensive Special Business Plan released on May 9, because those in the plan were the best estimates at the time of preparation.

Next, I would like to show you the performance outlook for Fiscal 2012, which is based on assumptions appeared in the Comprehensive Special Business Plan. Fiscal 2012 consolidated and non-consolidated operating revenues are expected to increase 12.6 percent year on year to 6,025.0 billion yen and 14.4 percent to 5,845.0 billion yen, respectively. In the expenses side, further increase in fuel expenses is expected due to shutdown of all the nuclear power plants throughout the fiscal year. Consequently, our consolidated and non-consolidated ordinary losses are expected to be approximately 355 billion yen and 375 billion yen, respectively. Also, our consolidated and non-consolidated net losses are expected to be approximately 100 billion yen and 105 billion yen, respectively.

<Page 3 – FY2011 Electricity Sales Volume and Total Power Generated and Purchased>

Let me briefly comment for electricity sales volume in fiscal 2011. Please see the yellow-shaded area in the upper table. Total electricity sales volume decreased 8.6 percent year on year to 268.2 billion kWh. In addition to the customers' power-saving efforts, a significant drop in industrial production level severely affected by the earthquake resulted in the sales plunge. For fiscal 2012, we project our annual power sales volume will increase 1.5 percent to 272.3 billion kWh, reflecting expected business upturn. For detailed data of our sales volume will be provided on Pages 29 through 30. Please see them later.

<Page 4-5 – FY2011 Business Performance– Comparison with Previous Fiscal Year Results>

Page 4 presents a comparison with results of the previous fiscal year. The positive impact in comparison with a year earlier totaled approximately 320 billion yen, contributed by a decrease in personnel and maintenance expenses under thorough streamlining measures. On the other hand, the negative impact on the year-on-year comparison mounted up to approximately 1 trillion yen, mainly due to a big sales plunge and substantially higher fuel expenses caused by nuclear shutdown. As a result, non-consolidated ordinary income decreased by 679.4 billion yen year on year.

Our non-consolidated net income improved by 500.1 billion yen year on year, bouncing back from huge amount of extraordinary loss on natural disaster recorded in the previous fiscal year. Analysis on the variances between actual results and the previous projection is also prepared in this material Page 5. Please come back to those details later at your convenience.

<Page 6 – FY2011 Business Performance– Financial Impact of March 11 Earthquake>

This slide illustrates a breakdown of the earthquake-related extraordinary income and losses recorded by the end of fiscal 2011.

Regarding extraordinary losses from natural disaster, we revised downward by 14.4 billion yen to 297.4 billion yen this time from the end of the third quarter, reflecting receiving insurance on damages of our facilities such as thermal power stations and transmission facilities. In addition, a loss of 2,524.9 billion was recorded as expenses for nuclear damage compensation, increased 880.4 billion yen from 1,644.5 billion yen recorded by the third quarter.

For the extraordinary income, grants-in-aid from the Nuclear Damage Compensation Facilitation Corporation totaled 2,426.2 billion yen, increased 845.9 billion yen from the end of the third quarter. In addition, TEPCO recognized gain on sales of marketable securities of 50.0 billion yen and gain on sales of fixed assets of 41.1 billion yen as extraordinary income in fiscal 2011. For your information, there is a variance of 98.6 billion yen between the amount recognized as grants-in-aid from the Nuclear Damage Compensation Facilitation Corporation and that recognized as expenses for nuclear damage compensation in fiscal 2011. TEPCO is going to apply for the grants-in-aid from the Corporation of the amount in fiscal 2012 and accordingly the

amount will be recorded as extraordinary income in fiscal 2012.

<Page 7-8 – FY2012 Business Performance Outlook >

You can see figures of the key factors for our fiscal 2012 business performance projections on Page 7 and an analysis on variance between the projections and fiscal 2011 actual performance on Page 8. To estimate fiscal 2012 full-year earnings performance, we project our fiscal 2012 power sales volume at 272.3 billion kWh this time. Also, we project an all Japan CIF crude oil price, a popular benchmark of various fuel prices in Japan and a USD/JPY exchange rate at approximately USD110/b and approximately 80 yen per dollar, respectively. We forecast our fiscal 2012 full-year nuclear power plant capacity utilization ratio would be zero percent. For the details of the performance comparison analysis, please go back later at your convenience. Please go on to the next slide.

<Page 9 – TEPCO's Dividend Policy>

I want to walk through Page 9 for explanation on our dividend outlook and basic dividend policy. I sincerely regret to say TEPCO have declared no interim or year-end dividend for fiscal 2011 due to continuing extremely severe business environment after the Great East Japan Earthquake. We also forecast no interim or year-end dividend for fiscal 2012.

TEPCO recognizes sharing the company's earnings to shareholders is one of the most important management issues. However, TEPCO has decided to withdraw its basic payout policy, considering current extremely severe business environment and performance. Our basic dividend policy is to be revised with careful consideration of our business circumstances and performance in the future. I once again sincerely apologize to our shareholders for no dividend as well as significant share price declines. We truly appreciate understanding of our shareholders.

<Page 10 – Fuel Consumption and Procurement>

In this page, you can see the recent actual fuel consumption results and outlook. Mainly due to the shutdown of our nuclear plants at Fukushima Daiichi and Daini Nuclear Power Station after the earthquake, the amount of LNG consumed in fiscal 2011 reached record-breaking 22.88 million tons. For fiscal 2012 outlook, LNG

and oil consumption will further grow up to approximately 23.27 million tons and 11.98 million kiloliters, respectively. Please look at the details later.

<Pages 11-12 – Mid-to-long Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Station Units 1 through 4>

From Page 11 through 12, you can see the outline of "Mid-to-long Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Station Units 1 through 4." We are committed to continuous efforts for maintaining current stable situations and taking enough measures to decommission the damaged plants at Fukushima Daiichi with safety first approach. Please allow me to skip the details. Next, please go on to the next page.

<Pages 13 – Implementation of the Streamlining Policy on Comprehensive Special Business Plan>

This page illustrates a summary of streamlining policy and concrete measures shown on the Comprehensive Special Business Plan released on May 9. Our streamlining policy consists of three items; "Cost Reduction," "CAPEX Reduction" and "Asset Disposal," and in every item we have further examined additional measures after the Temporary Special Business Plan. Please come back to this page later for the details.

<Pages 14-15 – Electricity Tariff Revision for Regulated Sector>

I would like to briefly explain the electricity tariff revision for the regulated sector here. Please look at Page 14 and 15. These pages present the background, outline and assumptions of the tariff revision for the regulated sector officially applied to Minister of Economy, Trade and Industry on May 11. Page 14 illustrates factors of cost increases behind the electricity tariff hike. Cost reductions of 278.5 billion yen will be more than offset by a spike of fuel expenses and power purchasing costs. 3-year average total costs will be up to 5,723.1 billion yen, while expected annual revenues calculated with the current rates would be as much as 5,046.8 billion yen. Those will result in annual income shortage of 676.3 billion yen.

To get rid of such a structural deficit, TEPCO officially asked METI an approval on electricity rate revision for regulated sector on condition that our streamlining measures continue to be thoroughly implemented. TEPCO will ask to start the price hike on regulated sector of 10.28% in average from July 1, 2012. For your

information, price increase rate for deregulated sector will be adjusted to 16.39% after an approval of the rate revision. For more details, please come back here later at your convenience.

You can refer to the following pages for detailed information and data regarding the fiscal 2011 earnings, current detailed situations at Fukushima Daiichi and Daini Nuclear Power Stations, and current status and future initiatives at Kashiwazaki-Kariwa Nuclear Power Station. Please refer to these pages later at your convenience. That concludes my presentation. Thank you for your attention.

<End of Presentation>

Closing Address from Toshio Nishizawa *The Tokyo Electric Power Company, Inc. – President*

Before we close this meeting, I would like to say a few of my words on this occasion. I would like to once again express my deepest gratitude to our shareholders, equity analysts and other market participants. I truly appreciate your supports since I assumed Managing Director in charge of Investor Relations four years ago.

Since I assumed TEPCO President last summer, I have devoted myself to a lot of challenging tasks. I, however, regret most of those such as nuclear plants decommissioning, nuclear damage compensation, stable power supply and thorough streamlining still remain to be solved without delay. There is no time to lose.

While continuing striving for progress in such tasks until my resignation this summer, I believe TEPCO with brand-new management will be making best efforts to achieve its duty and regain public trust and confidence, with a strong determination to make a comeback to reliable and healthy company from zero-basis. On behalf of TEPCO management, I would like to sincerely ask our shareholders understanding and support for new President Hirose. Thank you again for your continued support.

<End of Meeting>

Disclaimer:

In the meeting upon which this event transcript is based, Tokyo Electric Power Company may make projections or other forward-looking statements regarding a variety of items. As such, these statements are not historical facts but rather predictions about the future, which inherently involve risks and uncertainties, and these risks and uncertainties could cause the company's actual results to differ materially from the forward-looking statements (performance projections) herein. Although the company may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

(Note)

Please note that the above to be an accurate and complete translation of the original Japanese version prepared for the convenience of our English-speaking investors. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail.