

TOKYO ELECTRIC POWER COMPANY

Meeting Transcript (Q&A Session)

Event Date/Time: April 1, 2013 / 03:30PM JST

Event Name: TEPCO Investor Meeting for FY2013 Business Operation Policy

Corporate Participants:

Naomi Hirose	President, Tokyo Electric Power Company, Inc.
Mamoru Muramatsu	Managing Executive Officer, Tokyo Electric Power Company, Inc.
Akira Takahashi	Managing Executive Officer, Tokyo Electric Power Company, Inc.
Toshihiro Sano	Managing Executive Officer, Tokyo Electric Power Company, Inc. President, Fuel & Power Company
Toshiro Takebe	Managing Executive Officer, Tokyo Electric Power Company, Inc. President, Power Grid Company
Takeshi Yamazaki	Managing Executive Officer, Tokyo Electric Power Company, Inc. President, Customer Service Company

Q&A Session

Q1: How does TEPCO achieve the target of a surplus for fiscal 2013 under severe situations such as increases in fuel costs due to yen depreciation in addition to the implementation of further cost reduction?

A1: With respect to cost reduction, we expect to reduce costs substantially in fiscal 2013 due to decreases in consumption volume of fuels such as oil by implementing front-loaded test operations of new thermal power stations and other measures. In addition, we will have various options such as construction rescheduling and other items to adapt to circumstances

Q2: How do you decide in-house transaction prices?

A2: Differences of revenues and expenses between three in-house companies of TEPCO are to be large by calculating revenues and expenses of the in-house companies in accordance with the Accounting Rules for Electricity Business and calculation procedures of wheeling charges. Therefore, we will review and revise transaction prices.

Q3: Could you please explain in detail about a strong foundation to ensure competitive ability following full deregulation in business operation policies of the Fuel & Power Company?

A3: We consider both points of decreases in consumption volume of fossil fuels and fuel unit cost reduction due to the importance of fuel cost reduction. With respect to consumption volume reduction, it is a key how to replace to high-efficiency thermal power generation facilities. With respect to decreases in a fuel unit price, it is a key to reduce a unit price of LNG that constitutes 70% of fuel consumption volume. We aim to reduce a LNG unit price based on the diversification of fuel price systems to introduce lean LNG of 10 million tons per year.

Q4: Which thermal power stations are able to implement a front-loaded supply plan?

A4: Front-loaded test operations are to be able to implement at the Hitachinaka Thermal Power Station Unit 2* and the Hirono Thermal Power Station Unit 6. We also expect front-loaded test operations to introduce a combined cycle power generation method into the Chiba Thermal Power Station Unit 3 and the Kashima Thermal Power Station Unit 7 that are to start operations in fiscal 2014.

* The Hitachinaka Thermal Power Station Unit 2 is to start test operations on April 4, 2013.

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(Note)

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