TEPCO

# Integrated Report 2024

# Delivering a stable supply

# Develop the future of energy
# Deliver a comfortable life


**Tomoaki Kobayakawa**
Director,
Representative Executive Officer,
President
Tokyo Electric Power Company Holdings, Inc.


# Dear Stakeholders,

Just like last year's report, the TEPCO Integrated Report 2024 (hereinafter referred to as, "Integrated Report") has separate chapters that cover each of the four key management issues (materiality) identified to achieve the Group's Mission/Vision (p.18~67). The Integrated Report also reflects the TEPCO Group's business commitment to incorporating financial and non-financial information into our business strategies based on integrated thinking.

In light of the issuance of General Requirements for Disclosure of Sustainability-related Financial Information by the IFRS (IFRS S1 and S2) in June 2023, we revised our editing policy so that each of the four materiality chapters in the Integrated Report cover governance, strategies, risk management, and metrics/targets.

The Integrated Report also provides more detailed information on the following in order to address concerns elicited from stakeholders.

- Highly capital-efficient management (strengthening business management based on financial indicators such as ROIC, etc.)
- Compliance, cybersecurity, and governance of nuclear operation
- Efforts to enhance safety at the Kashiwazaki-Kariwa Nuclear Power Station
- Handling natural disasters & supplying the rapidly increasing demand for data centers, etc.

The Integrated Report was written upon coordination with, and repeated discussions between, oversight and executives. Principal non-financial information herein has been guaranteed by independent evaluation organizations. I declare that the Integrated Report has been written in good faith, and that all of the information contained herein is legitimate. The TEPCO Group will continue to value engagement with stakeholders.

## TEPCO Integrated Report 2024

**Report Period** : April 2023~March 2024 (Some important information from outside this period has also been included)
**Report Subjects** : All 71 consolidated companies of the TEPCO Group (Some important information outside of this scope has also been included)
**Publishing date** : November 2024
**Next planned date of publishing** : November 2025

### A note on future forecasts included in the report

Plans, strategies and performance forecasts included in this report are based upon information available to TEPCO at the time of publication. These forecasts/predictions contain various uncertainties, such as international affairs, domestic policies, social structural changes, and technological innovations affecting our group. It is possible that latent risks with the potential to reverse these forecasts/predictions may manifest. Therefore, we ask that you please be aware that the actual performance/business environment in the future may differ from what has been noted in this report.

### Risk management mentioned in each chapter

"Risks" and "Opportunities" mentioned in the Integrated Report shall be defined as follows:
Risks: Phenomena that may impede the output/outcome of said business.
Opportunities: Phenomena that may lead to additional benefit in conjunction with the output/outcome of said business.

### Referenced guidelines, etc.

IFRS International Integrated Reporting Framework
IFRS SASB Standards
GRI Standards
TCFD & TNFD Recommendations
Ministry of Economy, Trade and Industry Value Co-creation Guidance 2.0

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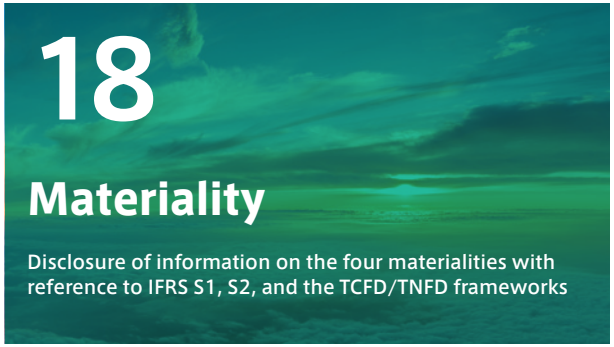


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# Who We Are

At a Glance P94

**Tokyo Electric Power Company Holdings**

(HD)

Holding Company

Nuclear

Fukushima

**TEPCO Fuel & Power**

(FP)

Fuel & Thermal Power Generation Company

Business support & management of JERA (fuel and power generation company)

**TEPCO Power Grid**

(PG)

Power Transmission and Distribution Company

**TEPCO Energy Partner**

(EP)

Electricity Retail Company

Electricity and gas retail

**TEPCO Renewable Power**

(RP)

Renewable Energy Power Generation Company

In this report, Tokyo Electric Power Company Holdings, Inc. is referred to as TEPCO Holdings as needed.
The core operating companies refer to the four companies: TEPCO Fuel & Power, TEPCO Power Grid, TEPCO Energy Partner, and TEPCO Renewable Power.

Financial Capital

## Electricity revenue and green finance

Electricity revenue

**Approx. ¥4 trillion**

Total green bond issuance

**Approx. ¥120 billion**

Manufactured Capital

## Widespread power transmission network that can meet high demand

Power transmission lines (circuit length)

**40,999 km**

Distribution lines (conductor length)

**1,069,287 km**

Human Capital

## Employees working with a sense of mission and fulfillment

Number of Employees (consolidated)

**38,121 people**

Employee Well-being (HD・FP・PG・EP・RP)

**6.78**

the average from the 11-point (0~10) scale used in the employee awareness survey

Social and Relationship Capital

## Relationship with the local community

Communication regarding the Fukushima Daiichi Nuclear Power Station

**Approx. 69,200 people (total)**

Total number of people engaged in dialogue and those who visited from January 2021 to March 2024

Natural Capital

## Top domestic hydropower generation

Domestic hydropower plant capacity (RP consolidated)

**Approx. 9.99 GW**

Pumped-storage

**Approx. 7.6 GW**

### Conservation of Oze National Park

Oze National Park owned by the TEPCO Group

**Approx. 16,000 ha**

Benefit assessment of activities in Oze

**¥46.78 billion**

Intellectual Capital

## Business creation through R&D and business innovation through DX

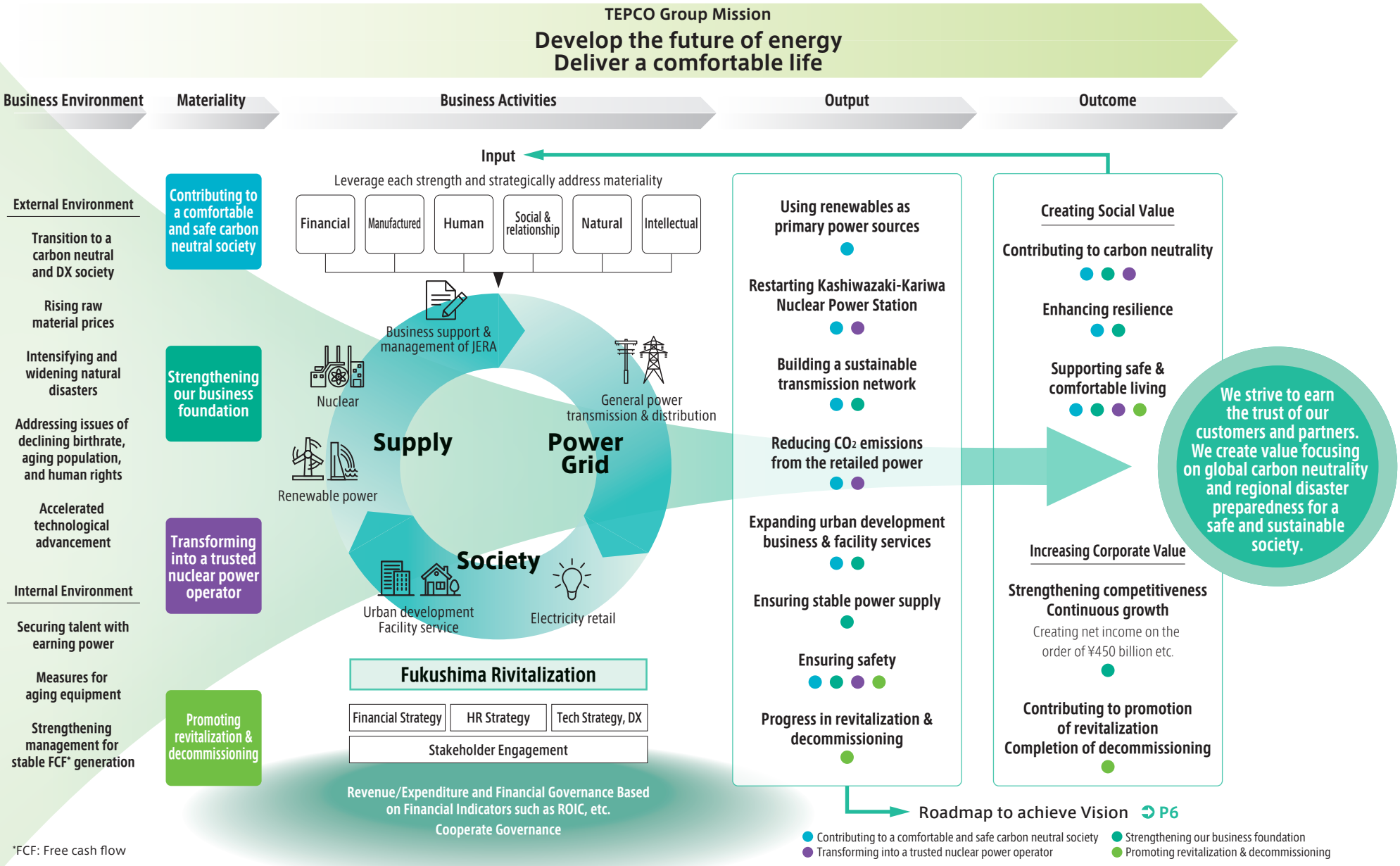
Selection of

**Noteworthy DX Companies 2024**

DX promotion human resources

**Approx. 5,200 people**

# Value Creation Process

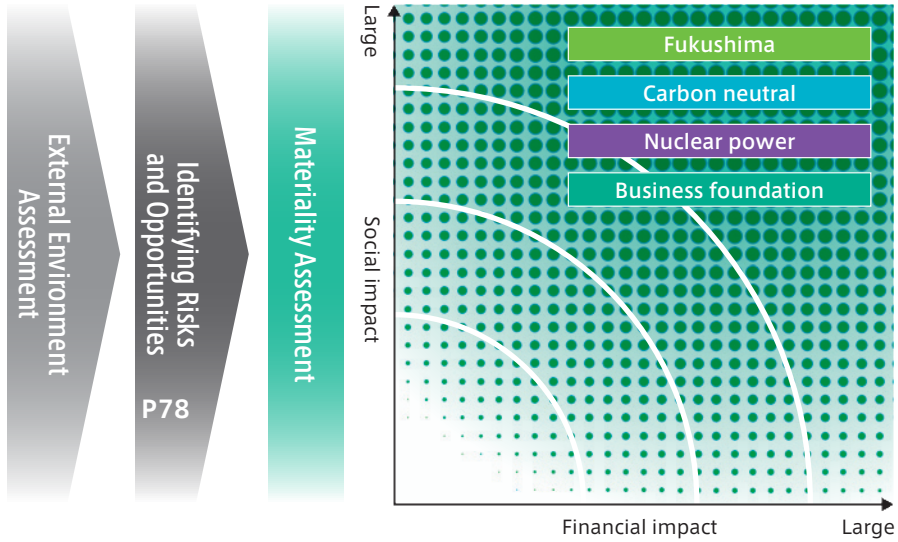



*FCF: Free cash flow

# Four Materialities

Every year, the TEPCO Group analyzes its business environment based on the state of domestic/international affairs and stakeholder engagement, etc., and identifies important risks and opportunities pertaining to its business.The importance of the identified risks and opportunities are assessed from two perspectives, social impact and financial impact, and they are audited/overseen by the Board of Directors as management issues.

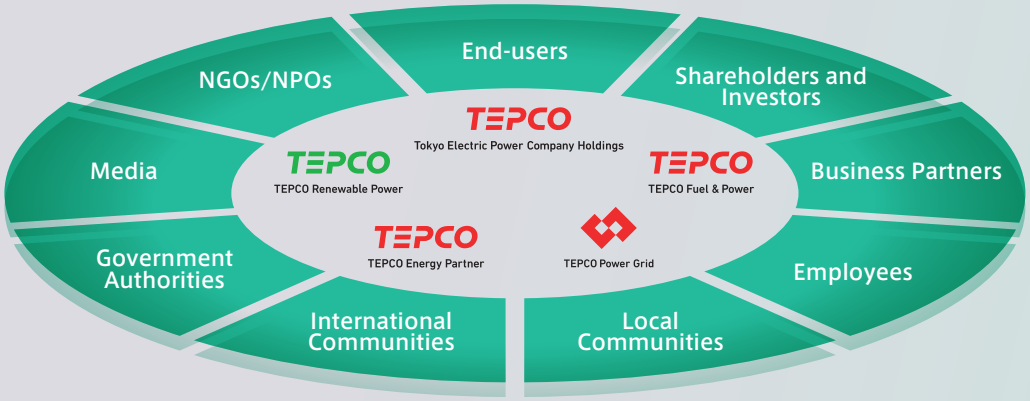
| | |
|---|---|
| Promoting revitalization & decommissioning | Promoting activities aimed at revitalization while moving safely and steadily forward with decommissioning with "regaining trust" as our number one priority. |
| Transforming into a trusted nuclear power operator | We are pursuing nuclear security and safety as we aim to be a nuclear power station that is trusted by the regional communities and society as a whole. |
| Contributing to a comfortable and safe carbon neutral society | We will create a sustainable society by developing our business while focusing on carbon neutrality and improving resilience. |
| Strengthening our business foundation | In order to realize our Vision, we will steadily grow six forms of operating capital in order to create and refine our "strengths." |




### External Environment Assessment

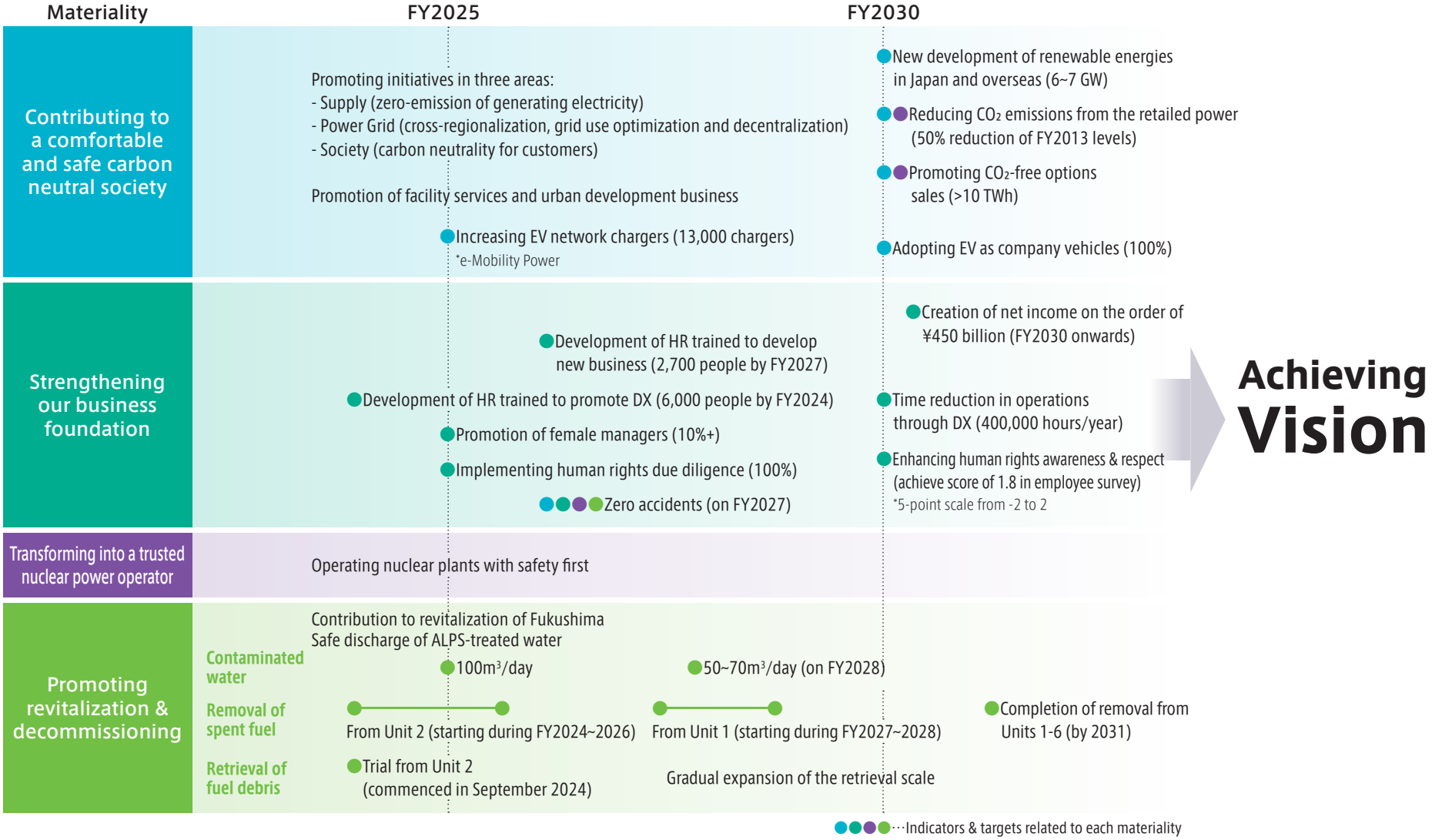
In our business environment analysis, crucial for identifying materiality, we monitor international trends, domestic government policies, social structure changes, and technological innovations. We also evaluate social impacts from stakeholder engagement and incorporate these findings into our importance assessments. The TEPCO Group classifies stakeholders into nine categories, identifying the most relevant ones for each business activity based on their potential impact and benefits. The influence and engagement outcomes with each stakeholder are then integrated into our annual planning process.

### Stakeholders surrounding the TEPCO Group



# Roadmap to Achieve Vision

The TEPCO Group has identified four materialities that are particularly important for realizing the Vision of the "TEPCO Group's Corporate Philosophy." Strategies have been formulated and indicators and targets have been set for individual key management issues aimed at resolving each materiality (Pages 18-67). In addition to evaluating and analyzing the performance of each indicator at the Board of Directors and other meetings, we flexibly review the capital input in response to changes in the external environment to enhance the achievement of each materiality and advance our efforts toward realizing the Vision.



| Materiality | Sub-materility | Indicators/actions | Target fiscal year | Target | Achievements | |
|---|---|---|---|---|---|---|
| | | | | | FY2022 | FY2023 |
| Contributing to a comfortable and safe carbon neutral society ➲ P18 | Using renewables as primary power sources | Net profit from our renewables power generation business | 2030 | On the order of ¥100 billion/year | ¥37.0 billion | ¥58.4 billion |
| | | New development of renewables in Japan and overseas | | 6~7 GW | 3.03GW (including facilities under development) | 3.46 GW (including facilities under development) |
| | Business structure reforms that look forward to a carbon neutral society | Reducing $CO_2$ emissions from the retailed power from FY2013 levels | | 50% reduction | 53% reduction | 44% reduction (see page 31 for details) |
| | | $CO_2$-free options sales volume in the corporate sector | | more than 10 TWh | 6.3 TWh | 10.3 TWh |
| | | Urban development aiming for carbon neutrality and resilience; the number of Decarbonization Leading Areas | | Expanding contracts for urban development | 5 areas | 7 areas |
| | | Market development through multi-use storage battery solutions | 2031 | 30% share of the storage battery market (based on contract earnings) | ¥3.8 billion | ¥10.1 billion |
| | | Number of EV chargers; achievements of e-Mobility Power | 2025 | 13,000 quick chargers | Approx. 7,900 quick chargers | Approx. 9,100 quick chargers |
| | | EV100; adopting EVs for company vehicles | 2030 | 100% | 21% | 27% |
| Strengthening our business foundation ➲ P34 | Financial strategy | Consolidated profit after FY2030 | 2030 onwards | On the order of ¥450 billion | ¥ -123.6 billion | ¥267.8 billion |
| | Human resource strategy | Number of human resources deployed to solve key management issues | — | 1,958 people | 1,379 people | 1,959 people |
| | | Number of human resources trained to develop new business | 2027 | 2,700 people | 908 people | 1,418 people |
| | | Number of human resources trained to promote DX | 2024 | 6,000 people (more than 20% of all employees) | Approx. 2,300 people | Approx. 5,200 people |
| | | Percentage of female managers | 2025 | >10% | 5.9% | 6.0% |
| | | Human rights due diligence implementation rate | | 100% | 28.8% | 31.8% |
| | | Thorough safety measures and quality control | 2027 | Zero accidents | 2 fatalities and 27 serious injuries | Zero fatalities and 25 serious injuries |
| | Technology strategy | Reduction work hours through DX | 2030 | 400,000 hours/year | Newly set in FY2024 | |
| Transforming into a trusted nuclear power operator ➲ P54 | Pursuit of nuclear security and safety at nuclear power stations | Pursuing nuclear security through sustained corrective action | — | Operation of Kashiwazaki-Kariwa Nuclear Power Station that prioritizes safety | We implemented corrective action and cooperated with additional inspections. | The order prohibiting the transfer of fuel has been lifted. We continue our efforts to ensure improvement measures are not transient. |
| | | Steady progress on safety measure renovations, enhancing safety levels | | | The first round of general inspections pertaining to incomplete safety measure renovations is finished. | The safety measure renovations and the first round of pre-use operator inspections prior to fuel charging have finished. |
| Promoting revitalization & decommissioning ➲ P60 | Decommissioning, contaminated water, and treated water measures | Suppression of contaminated water generation | 2028 | 50–70m³/day | 90m³/day | 80m³/day |
| | | Steady implementation of initiatives for retrieving fuel debris and disposing of treated water | — | Gradual expansion of retrieving fuel debris | Internal investigation of the reactor containment vessel<br>Preparations for trial retrieval at Unit 2 | |

# Top Message ～Building trust～

## Our most pressing issue is stabilizing revenue/expenditure and financial affairs

The Nuclear Damage Compensation Facilitation Corporation's "Review of TEPCO Management Reform Initiatives, etc.," which was completed in December 2023, commended, to a certain extent, initiatives to raise approximately ¥500 billion a year for compensation/decommissioning, but also stated that it is necessary to strengthen initiatives aimed at restarting the Kashiwazaki-Kariwa Nuclear Power Station and thoroughly manage revenue/expenditure fluctuation risks in order to ensure that these funds can be secured.

**Tomoaki Kobayakawa**
**Director,**
**Representative Executive Officer,**
**President**
**Tokyo Electric Power Company Holdings, Inc.**

We have taken this guidance seriously, and in FY2024 we have been newly strengthening our mechanisms for managing revenue/expenditure and financial risks. Stabilizing revenue/expenditure and financial affairs will not only enable stable management of existing businesses, but also enable us to regularly secure capital needed for mid/long-term growth.

However, there are still issues that need to be addressed in regards to creating profits aimed at improving mid/long-term corporate value, which will contribute to raising funds for decontamination costs. Since the scale of investment required for growth is relatively large, we will leverage various means for procuring capital in order to do so in an independent and flexible manner while steadily promoting projects that support growth, and also leave the effective utilization of capital from other companies open as an option in addition to using equity capital.

## Aiming to balance carbon neutrality with a stable supply

The impact of the situation in Ukraine on fuel procurement prices and the increase in the percentage of renewable energies used in Japan have caused power supply to become more unstable year-by-year. And, allowing this instability to have an impact on actual power supply would result in a not-so-good situation for customers.

In order to balance carbon neutrality with stable supply, it is important to build not only future network function that can carry electricity from remote regions to urban areas, but also secure "adjustment capability" in conjunction with the increase in the use of renewable energies. When it comes to "adjustment capability," one of the TEPCO Group's advantages is the amount of power assets it owns in the form of large-scale pumped-storage hydroelectric power stations. However, we cannot rely solely on this. We must also build next-generation networks that can leverage demand-side "adjustment capability," such as demand response, storage batteries, and the utilization of locally-produced/locally-consumed renewable energies. And, it is important to obtain understanding about reflecting these costs in electrical fees. By thinking of stable supply as something that is "built with the help of our customers", we can construct a new power system that is resilient and flexible.

In recent years, there has been an increased desire amongst regional communities to engage in initiatives to

achieve carbon neutrality and strengthen preparedness/resilience, and we have met these demands through the promotion of "urban development projects." By introducing facilities such as storage batteries and heat pumps, etc., and providing solutions such as area energy management systems, etc., we are creating more and more mechanisms through which to share the merits of reducing newly required social costs with our customers.

## The accepted theory that "power demand will decrease" is changing

Power demand across the nation has leveled out, or even decreased, due to efforts to conserve energy and the dwindling population, but in the future, it is expected that power demand will increase as more data centers and semiconductor factories are newly constructed. Forecasted power demand for data centers within TEPCO Power Grid service area is high and we expect to see approximately 7GW of power contracts applied for in the Inzai area in Chiba Prefecture.

Handling this increase in power demand will help to maintain and develop Japan's national strength and industry, and it is also important in terms of industrial policy.

Increasing construction of new substations will be necessary, but this will require a considerable amount of time and money, so the TEPCO Group has created a "welcome zone" in the North Kanto region, where renewable energy power sources are being developed, in order to entice data center construction and shorten construction periods while reducing costs. Going forward, we will suitably meet the great need for "stable" and "green" power.

## Our mission is to completely fulfill our responsibilities to Fukushima

It's been 13 years since the Fukushima Daiichi Nuclear Power Station Accident. Reflecting upon the Fukushima Daiichi Nuclear Power Station Accident and leveraging the lessons we have learned in order to completely fulfill our responsibilities to Fukushima, no matter what the conditions, is the foundation of the TEPCO Group and our mission. The decommissioning of Fukushima Daiichi is proceeding with the great help of our contractors, and revitalization in Fukushima is underway. Our job is to move forward with decommissioning while providing suitable compensation to those that continue to be affected by the accident, and responsibly engage in activities to promote revitalization in the region.

In order to promote revitalization in Fukushima and enable regional residents to return home with peace of mind, moving forward stably and steadily with decommissioning is more important than all else. In FY2024 we continued the safe ocean discharge of ALPS-treated water that began last year, and began the trial retrieval of fuel debris, which is an important step in the decommissioning process. This is a globally unprecedented and extremely difficult task, but we are moving forward one step at a time while prioritizing safety so as not to impact the surrounding environment, and retrieved debris will be analyzed in order to deliberate suitable methods for storage in the future. We are also steadily making improvements to the decommissioning work environment to better ensure the safety of workers.

## We aim to proceed with decommissioning while taking more ownership

In October 2023, there was an incident that resulted in body contamination of workers due to exposure to waste liquid at the decommissioning site, and in February 2024, water containing radioactive substances was accidentally allowed to leak outside of a building. Furthermore, in August 2024, we caused more concern after having to suspend the trial retrieval of fuel debris from Unit 2. Going forward, I will lead the way in transcending the boundaries between TEPCO employees and contractors to build trust as we move forward with these tasks while prioritizing safety.

An average of approximately 1,000 TEPCO employees and approximately 5,000 contractors work at the decommissioning site on a daily basis and TEPCO is committed to seeing the decommissioning of Fukushima Daiichi through to the very end. However, these incidents have reminded us that as we look to achieve our long-term vision for the decommissioning site, TEPCO must take more ownership of the process and improve its ability to manage the site as the entity in charge of decommissioning.

Additionally, obtaining the understanding of regional residents and coordinating with contractors are indispensable. We need to continue to build the decommissioning industry in Fukushima and work as one with the region.

In May 2024, I visited Sellafield, a nuclear power station being decommissioned in the UK, and also the La Hague nuclear fuel reprocessing plant in France. Through these visits I felt the importance of obtaining cooperation

from regional residents and owner's engineering. The residents of Sellafield that I met told me that, "our grandchildren are now working at the plant," and hearing them speak so proudly of the fact that decommissioning work was being passed down through the generations left a particularly lasting impression.

In order for TEPCO to manage decommissioning while taking more ownership, it should address each decommissioning task as optimally as possible. I want to coordinate with regional industry and rebuild our management process step-by-step upon considering how to improve decommissioning technology and develop regional industry.

## Continuing to safely discharge ALPS-treated water

Since August 2023, we have been discharging ALPS-treated water in a scientifically safe manner and have been breeding marine organisms in ALPS-treated water that has been diluted with seawater to make a comparison with marine organisms bred in normal seawater from a biodiversity perspective, and the results have shown that there is no significant difference between the organisms bred in the two environments.

Furthermore, we need to consider the impact that the discharge of treated water is having on industry. Since it is feared that the discharge will have an impact on the fishing and tourism industries, in particular, preventing reputational damage is of the most importance. IAEA Director General Grossi has said that, "the IAEA will be in Fukushima until the last drop of treated water has been safely discharged," and in September 2024, Grossi met with Prime Minister Kishida and they agreed on a policy to strengthen monitoring mechanisms based on the IAEA framework that China can participate in.

Meanwhile, TEPCO has continued to be transparent by disseminating data, and needs to proactively take steps to prevent reputational damage as much is possible.

Sellafield Ltd.

Since the start of the ocean discharge of ALPS-treated water, momentum to support domestically produced marine products has grown throughout the nation, and we are very grateful that this ring of support has expanded. As we continue the decommissioning process, we will continue to engage in various distribution promotion activities so that as many people as possible can enjoy the deliciousness and appeal of products from Fukushima and marine products from the entire country.

Prior to making the decision to discharge treated water, fishing industry officials had said that, "you'll get our understanding if we're still able to fish after decommissioning has been completed." I've taken this comment very seriously, and we are giving our all to make sure that happens.

## Restarting the Kashiwazaki-Kariwa Nuclear Power Station is a necessity not just for TEPCO but for Japan as well

In June 2024, we completed the post-fuel charging integrity check of major facilities for The Kashiwazaki-Kariwa Nuclear Power Plant Unit 7. In light of the lessons learned from the 2011 Fukushima Daiichi Nuclear Power Station Accident, the safety of Kashiwazaki-Kariwa has been drastically improved based on the new regulatory requirements. For example, even if an accident resulting in core damage were to occur, cooling systems that utilize seawater could prevent discharges of radioactive substances into the atmosphere for at least approximately 10 days, and in the event that venting became necessary,

filter vent equipment would be used to reduce the amount of radioactive substances discharged into the atmosphere to less than 1/1,000.

The earthquake that occurred on the Noto Peninsula on New Year's Day 2024 has left local residents with many questions about safety. Since people have commented that explanations given by TEPCO in the past have been "insufficient" and "hard to understand," we believe it is important to address the concerns of regional residents, and give explanations in an easy-to-understand manner so that they understand that safety is being improved.

At the same time, the national government is also giving explanations to residents about evacuation plans to be implemented in times of compound disasters, such as when a nuclear power station accident occurs at the same time as a natural disaster. And, as the operator, TEPCO is making every effort to ensure the effectiveness of evacuation plans formulated by local governments.

Nuclear power not only improves the energy self-sufficiency rate of Japan, which has few natural resources, but also contributes to Japan's economy by reducing fossil fuel imports. Furthermore, as the need for low-carbon and stable electricity grows, zero-$CO_2$-based power sources will become even more valuable as we make adjustments to supply-demand.

The Kashiwazaki-Kariwa Nuclear Power Station is a power source that will contribute to achieving Japan's energy policies, and as such we aim to restart the plant as quickly as possible.

## Solidifying the future foundation of our business through HR, DX, and Kaizen

The spirit of the TEPCO Group has been passed down through generations and is based upon our sense of duty and responsibility. We believe in being the "last person in the room" that never lets the power go out during times of emergency, and times of non-emergency, and that there is no one else who can take our place. As the ones in charge of providing a stable supply of power, we have displayed this spirit time again, and we are strengthening resource management and ensuring that we have sufficient human resources, in terms of both quality and quantity, so that we can continue to display this spirit even in the area of mid/long-term growth.

Furthermore, in order to address changes in our competitive environment caused by the further digitalization of society, we have changed our business model and positioned the development of capabilities that will enable us to handle digital transformation (DX) as an organization in our annual plan. We are increasing the number of human resources that are intimately familiar with DX in a planned manner by creating an environment in which to learn about the latest digital technologies, etc., and providing opportunities to employ them. What's important is not just being savvy about systems, but also continuing to think systematically upon understanding the inner workings of the duties that are to be digitalized. We need to cultivate human resources that can see the big picture.

Tokyo Electric Power Company Holdings, Inc. has a DX Project Office and also a Kaizen Promotion Office that play cross-departmental roles within the TEPCO Group. DX and Kaizen initiatives not only directly improve work efficiency, but also lead to improvements in corporate value.

## What is needed to build trust

We engage on a daily basis with various stakeholders such as investors, the people of Fukushima, our customers, the residents of the power station siting community, and our business partners, etc. We discuss different things with each of these groups, but one commonality is the "person-to-person connection," and "building trust" is indispensable for all these relationships. Trust cannot be built in a day, nor can it be built by sitting idle. Action is needed. It is important to directly engage with various stakeholders, and act upon continually thinking about how trust can be built and what can be done to meet the needs of stakeholders and find solutions to their problems. I and the rest of upper management directly talk to stakeholders in order to promote understanding about the decommissioning of the Fukushima Daiichi Nuclear Power Station and the restart of the Kashiwazaki-Kariwa Nuclear Power Station, and we are trying our best to listen carefully to their opinions.

I believe that through engagement we can find common objectives and goals with our customers and all other stakeholders, and build win-win relationships. And, listening carefully to the opinions of stakeholders and their comments has a positive impact on in-house decision-making which leads to more effective strategies and action.

Having the entire organization approach stakeholders in this way can be seen in corporate performance and leads to improvements in corporate value.

# CFO Message ~The keywords are "leverage" and "visualize"~

## Operating cash flow needs to be improved before we can invest

During FY2023, in addition to the new introduction of a mechanism for reflecting market price fluctuations in electricity rates upon updating power source configuration and fuel prices with the latest values based on assumptions made when electricity rates were revised in 2012, the advantageous impact of the time lag inherent to the fuel cost adjustment system resulted in a net income of ¥267.8 billion. During FY2024, we have been able to control sales and adjustment conditions and the financial results for the first quarter have been stable and on par with previous years when excluding the impact from the aforementioned time lag.

We will continue to suppress the volatility of our electricity business balance by properly reflecting the latest sales trends and power adjustment trends in our fees. But on the flip side, this will lead to limited returns. Securing sufficient free cash flow while engaging in capital investment in order to support the stable supply of power and carbon neutrality-related growth investment is necessary, but the TEPCO Group has already invested in nuclear power and its transmission/distribution business, so free cash flow has to be improved quickly. Therefore, going forward, it is even more important that we keep positioning our electricity business as our revenue base while we increase the added value provided to our customers through fee system valuation and the leveraging of facility services that help customers achieve carbon neutrality, etc., for example, and increase operating cash flow.

## Leverage to increase the added value provided to our customers

Many have commented that the existing electric fee plans do not contain an option that suppresses the degree of price fluctuation, so in the revision of electric fees in April 2024, we decided to offer three types of electric fee plans that reflect the fluctuation of spot market prices in the Japan Electric Power Exchange with different percentages. We do not think pessimistically that "electricity is all about the price," but rather seek to differentiate ourselves by providing value through our fee structure.

Moreover, it is necessary to provide further added value and increase the level of satisfaction of our customers while increasing operating cash flow. An ally we would like to enlist the help of in order to do this is the social trend of carbon neutrality. We have a habit of focusing on our own $CO_2$ emissions when seeking to

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make reductions, but the TEPCO Group is also looking at the $CO_2$ emissions of our customers. That is why we are providing facility services that enable regions and communities to be more energy efficient and contributing to $CO_2$ reductions throughout all society while engaging in bold initiatives led by TEPCO Energy Partner, Inc. that are based on strategies for increasing the profits of the TEPCO Group.

Furthermore, our nuclear power business plays a huge role in increasing operating cash flow. In addition to creating stable profits, our nuclear power business is important for achieving our FY2030 carbon-half target and also creating a carbon neutral society by 2050. We are currently making preparations for the restart of the Kashiwazaki-Kariwa Nuclear Power Station while prioritizing safety, and whereas we are not yet able to give specific details on when we expect to be able to restart the plant, the TEPCO Group still believes that it is a pillar of our operations.

## Strengthening revenue/expenditure and financial governance

As we switch to a business model that utilizes leverage, we must strengthen revenue/expenditure and financial governance, and manage them accurately. We are currently in the deliberation stage, but we would like to establish an FP&A function that would set and monitor KPI for effectively measuring company performance and analyze the results in order to manage future business strategies and maximize resources. The FP&A manager would be an alter-ego of the CFO and we currently have a test program underway with a temporary FP&A manager in the field. If we are able to create such a function, we will be able to visualize the activities of each department and the return impact path thereby allowing for easier management aimed at improving profitability and maximizing capital efficiency. Furthermore, the TEPCO Group's ability to grow will be easier to see thereby improving the credibility of the company and reliability as seen by investors.

## The P/B Ratio improvement keyword is "Visualize"

Discussions pertaining to operations that bear in mind capital cost and stock price, which were instigated by the request from the Tokyo Stock Exchange, have definitely increased TEPCO upper management's awareness of market evaluations. TEPCO upper management has reaffirmed that when analyzing TEPCO's stock price anew, visualizing the expectations and concerns of investors, incorporating them into mid-long-term business strategies, and disclosing highly transparent information, are important for improving corporate value.

One of the things that our investors expect from us is to operate the company with awareness of capital efficiency. Currently, I am leading efforts to strengthen business operations based on financial indicators. By creating FP&A functions and data platforms, visualizing the attributes (scale and capital efficiency, etc.) of each field of business along with risk factors, such as fluctuations in revenue and expenditure, etc., and having upper management engage in monitoring, we can improve our ability to predict various conditions thereby enabling us to manage operations with a heightened awareness of profitability and capital efficiency. Furthermore, by enabling each and every employee to see the relationship between their own duties and financial indicators, such as ROIC, etc., we will stimulate worker awareness of productivity and improve the productivity of the entire company.

By strengthening revenue/expenditure and financial governance in this manner while utilizing various means, such as the Integrated Report and IR materials, etc., to provide specific numbers and qualitative data, we shall enhance transparency.

## Providing a "ruler" with which investors can measure climate-related issues and natural capital

As CFO and ESG Officer, I would like to engage with investors by providing them with a ruler (standard) with which they can measure ESG-related topics as is done with financial data. To achieve this, we will first enable ESG data for consolidated subsidiaries to be visualized in the same manner as financial data. After that, we shall link financial and ESG data such that ESG and performance will create a positive spiral, which is our final objective.

For climate-related issues, we already have a ruler in the form of $CO_2$ emissions, but it is important to improve the accuracy of this ruler. In regards to the amount of emissions from the TEPCO Group, we are aiming to improve the accuracy of Scope 3 recording on a consolidated basis that conforms to financial data disclosure and boundaries. Additionally, we would like

to visualize the impact that the TEPCO Group's facility services and advancements in energy services, etc., have on reducing the emissions of our customers and society as a whole. If we can ascertain accurate reduction volumes, we will be able to formulate more detailed strategies for creating a carbon neutral society by 2050. Furthermore, internal carbon pricing (ICP) is being used on a trial basis for investment decisions. It has been difficult to get a feeling for setting prices at appropriate levels, and we are repeatedly running simulations for investment prospects under various conditions, but we are still in the initial phases of this initiative, so we will improve accuracy while closely watching conditions overseas and domestic policy trends.

In contrast, we believe it will be difficult to visualize the value of natural capital beyond its relevance to climate. This is because there are many obstacles to qualitatively assessing our entire business upon identifying all risks and opportunities and the manner in which we are dependent upon, and impact, nature. In 2024, we assessed the economic value of Oze, which the TEPCO Group has owned for many years, in accordance with guidelines from the Ministry of the Environment. According to this assessment, Oze has not only a monetary value that appears in financial statements as a fixed asset, but also a natural capital premium (positive external effect), thereby creating a total benefit of approximately ¥47 billion. Our estimate shows that this total benefit includes not only the benefits from carbon fixation, basin water storage and water purification, but also the benefits from nature experience events and environmental education events held in Oze. While visualizing the value of our natural capital in this way we aim to refer to the TNFD framework and fully disclose data through shareholder engagement.

## Improving the transparency of S (Society) and G (Governance)

To date we are focused on the disclosure of environmental (E) information, but going forward we need to further improve the transparency of data pertaining to society (S) and governance (G). While referencing IFRS sustainability disclosure standards and listening to the requests of investors, we shall engage in not only E, but also S and G initiatives and information disclosure. In order to strengthen ESG initiatives across the board, it is important that we accurately ascertain how our stakeholders are assessing these initiatives. Based on objective data that provides insight into how the TEPCO Group is assessed, such as ESG rating scores, etc., we shall identify issues and further strengthen our initiatives.

## Increasing engagement with investors in Tokyo and throughout the nation

With interest rates rising during the first half of 2024 and the harsh exchange rate fluctuations, we speculate that it is difficult for investors to choose stocks to invest in due to the unclear future.

Since the 2011 disaster, it has been difficult for the TEPCO Group to issue corporate bonds, so since FY2015 we have been visiting corporate bond investors to directly hear about their needs and desires and recommenced the issuance of bonds in March 2017 based on this information. We continue to meet with investors, and since FY2017 we have made more than 1,600 visits in total. However, there are still investors throughout the country with whom we have yet to meet and also investors who we have not visited in a substantial amount of time. Therefore, going forward, we shall increase these visits in order to stay in closer communication. By doing this, we hope to better understand the situation of our investors and their assessment of the TEPCO Group.

We are also further leveraging green finance and deliberating transition finance, so we hope to hear what expectations our investors have for the TEPCO Group in regards to these matters.

## Restoring share price is an imminent matter

We must apologize for not being able to provide dividends since stable dividends were expected prior to the disaster based on TEPCO's share price. Our first priority is to restore stock price so that we can provide return to our investors and shareholders, even if it is small. In order to restore stock price, we must become a company that is expected to grow in the future, and in order to do this we must set a clear path to turning profits on the order of ¥450 billion by FY2030 and onward. I feel that our current operating infrastructure is lagging far behind other companies. By strengthening revenue/expenditure and financial governance, we can quickly improve our operating infrastructure and formulate detailed mid/long-term business strategies. We ask for your continued understanding and support.

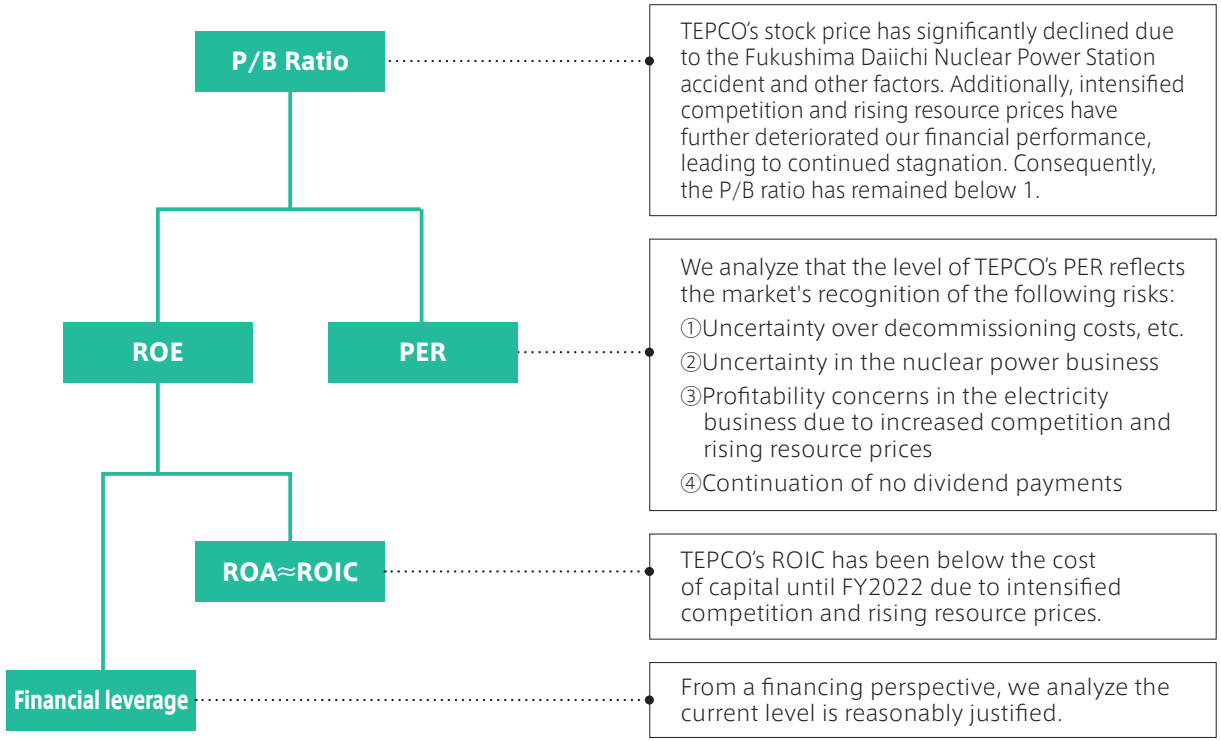
# Financial Strategy



In order to secure approx. ¥500 billion annually aimed at regaining public trust and fulfilling our responsibilities to Fukushima, while simultaneously enhancing corporate value, it is essential to maintain a business foundation that ensures stable supply and to increase our foresight regarding risks and opportunities, all while being mindful of market perspectives.

To this end, we will analyze the relationship between non-financial initiatives and ROIC, and strengthen our income and financial governance by leveraging financial indicators such as ROIC. We aim to manage our operations with a focus not only on profit but also on capital cost and capital efficiency, thereby actively engaging with our stakeholders.

### Current Analysis




**Securing Funds for Compensation and Decommissioning**

## Approx. ¥500 billion/year

**【Result】 FY2023: ¥557.7 billion**

(Breakdown)

- Decommissioning Reserve Fund System: ¥260.1 billion
- Special Contributions: ¥230.0 billion
- General Contributions: ¥67.5 billion

**FY2030 onwards**

## Consolidated net income on the order of ¥450 billion

**【Result】 FY2023: ¥267.8 billion**

**P/B Ratio・ROIC**

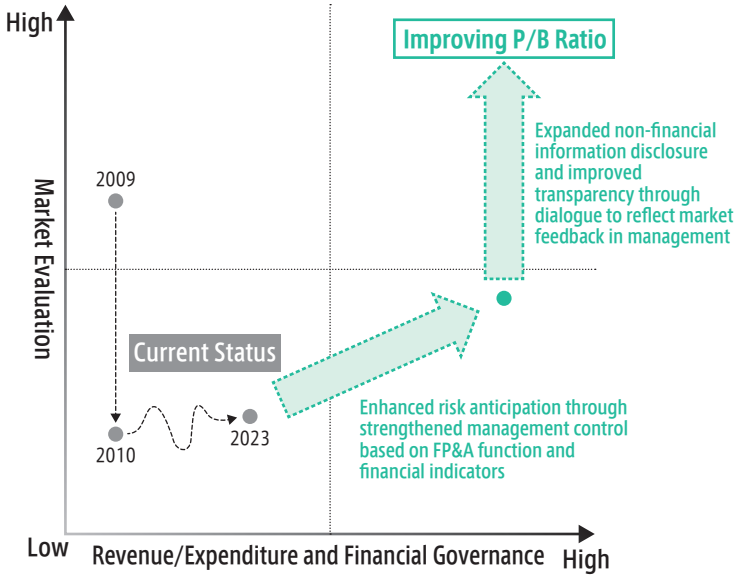
| FY | P/B Ratio | ROIC |
|---|---|---|
| 2023 | 0.60 | 2.10 |
| 2022 | 0.36 | −2.62 |

### Strengthening Revenue/Expenditure and Financial Governance

We are considering enhancing our management control by leveraging FP&A* functions and financial indicators such as ROIC. This will enable us to swiftly and accurately grasp the characteristics of each business segment, such as the engine of profit generation, and visualize risks and opportunities related to income fluctuations. By improving predictability, we can enhance the agility of our management. Furthermore, we can clarify the relationship between business activities and financial indicators, achieve profitability and capital efficiency, and promote a mindset of "earning" among employees.

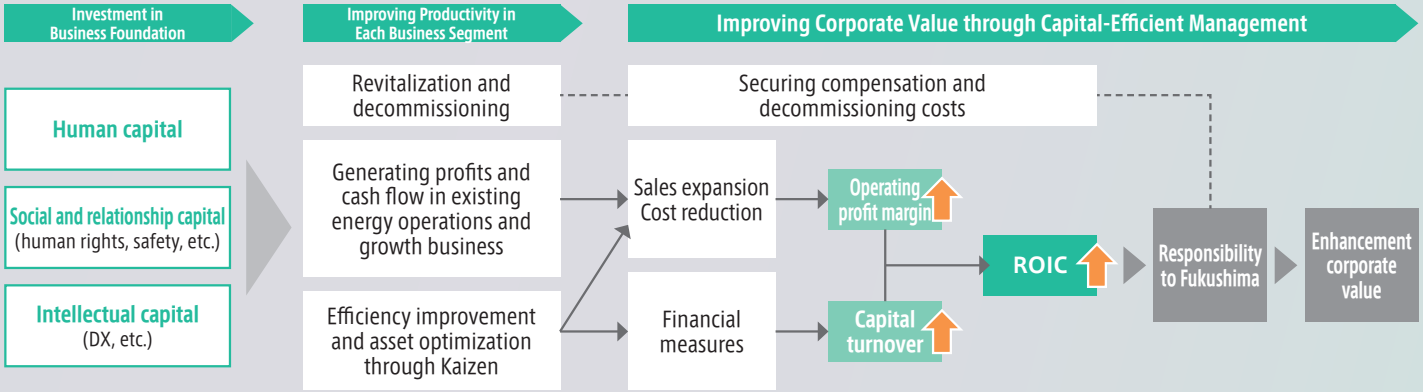
By strengthening revenue/expenditure and financial governance, we aim to improve the quality of our management by enhancing transparency through expanded information disclosure and stakeholder engagement. This will allow us to incorporate market feedback into our decision-making process and ultimately enhance our market reputation.

*FP&A: Financial Planning & Analysis




### Improving Capital Efficiency and Enhancing Corporate Value through Non-Financial Initiatives

We analyze the relationship between ROIC and non-financial initiatives along with financial aspects. Based on this, we discuss overall targets, specific goals, and measures at the board and executive levels, including handling costs related to compensation and decommissioning.



# Special Feature: Supplying the Rapidly Increasing Demand for Data Centers

Data centers are critical infrastructure supporting the digitalization of society, but they consume a significant amount of electricity for data servers and equipment cooling. With the advancement of digitalization leading to the construction and expansion of data centers, we anticipate that **electricity demand will continue to rise** in the future.

| Demand in Tokyo Area *1 | FY2023 Actuals | FY2033 Outlook*2 |
|---|---|---|
| | 264 TWh | +18 TWh |

In addition to enhancing our T&D facilities, we are also **guiding the location of data centers** by publishing and utilizing the "Welcome Zone Map," which indicates areas where supply is relatively quick and low-cost. TEPCO Group is committed to meeting the increasing electricity demand and ensuring a stable supply, while also **contributing to carbon neutrality** by providing 100% renewable energy to data centers.

### Data Center Contract Applications in the Tokyo Area

FY2033 Cumulative*3

**7,000 MW**

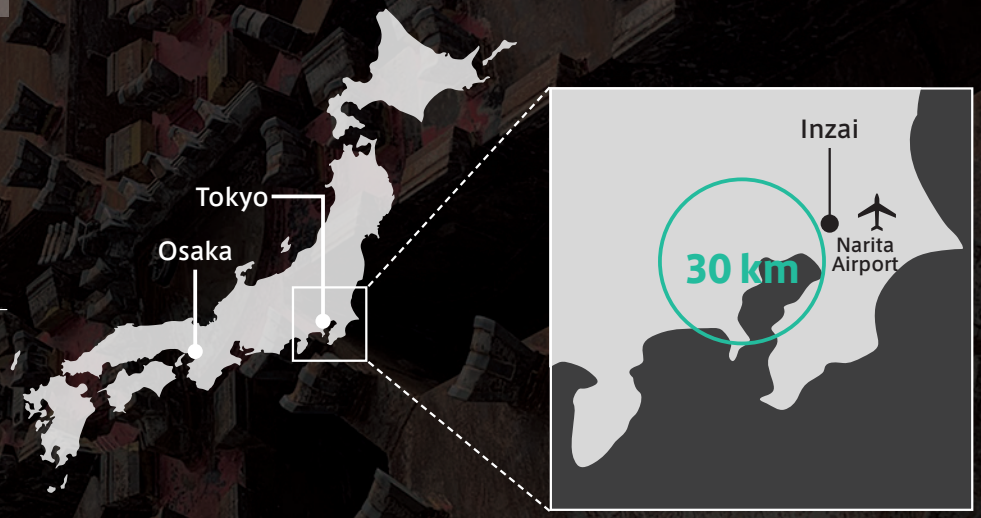
**Equivalent to 4.3%**
of the total contracted power*4 in the Tokyo area

### Key Business Opportunities

- **Increased revenue from electricity sales due to the rise in power generation and electricity sales volume**
- **Enhanced revenue from proposals for carbon-neutral solutions for data centers, such as renewable energy plans**

### Characteristics of Data Center Locations

- When prioritizing system response time, the data center should be within 30 km of the data usage site
- Skilled professionals are needed for tasks like developing generative AI
  ➡ Construction is **concentrated within approximately 30 km of Tokyo**




### Operation of Chiba INZAI Substation

Inzai City in Chiba Prefecture is ideal for data centers due to **its proximity to Tokyo and the Narita Airport,** and **its earthquake-resistant ground.** To **meet rising power demand, a new 275/66kV substation was built** and began operation in June 2024.

The project included constructing the substation, excavating a 10 km underground tunnel, and installing transmission cables. With the help of 190,000 people and four shield machines, **the project was completed in 4 years and 9 months, significantly shorter than the usual 8-year timeline.**

*1 Annual energy demand (at the point of use) *2 Based on the demand forecast in the 2024 Supply Plan *3 As of September 2023, including expected contracts *4 As of March 2024

# Contributing to a Comfortable and Safe Carbon Neutral Society

The TEPCO Group is committed to promoting initiatives in three areas:Supply (zero-emission power generation), Power Grid (cross-regionalization, grid use optimization and decentralization), and Society (carbon neutrality for customers), contributing to the realization of a sustainable society.

As the power system transitions towards small-scale decentralization, we are also expanding our "urban development" business to support municipalities facing challenges by leveraging three areas solutions from our group. These solutions include renewable energy procurement, enhanced regional energy efficiency and integrating energy management practices. ➲ P32

We have set indicators and actions for each major issue, such as offshore wind power projects and urban development projects. These are managed as items by the Board of Directors, and audits and supervision of plan progress are conducted.

Regarding information disclosure, we are progressing with organization according to the TCFD framework and aiming to apply the international sustainability-related financial information disclosure standards (IFRS S2) announced by the IFRS Foundation, which is responsible for setting international accounting standards, from the fiscal year 2026 onwards.


TEPCO TCFD REPORT 2023

# Governance

TCFD Governance TCFD Risk Management

### Governance by the Board of Directors

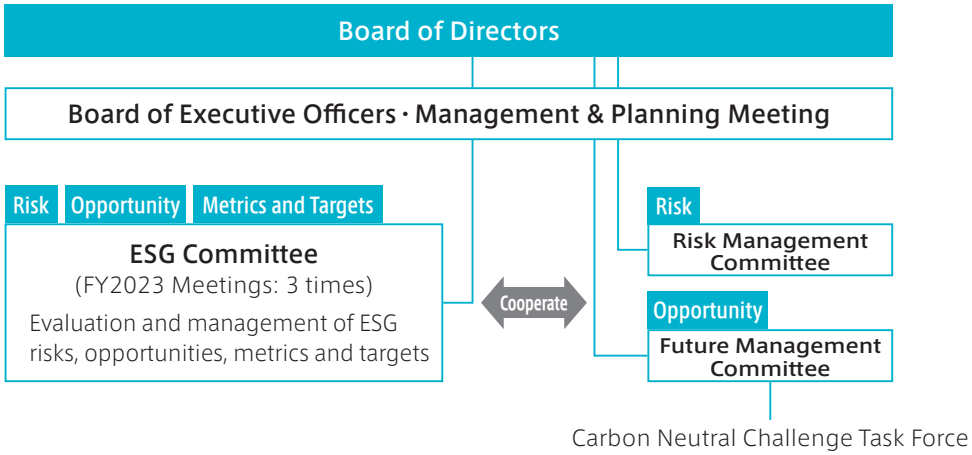
The Board of Directors discusses various ESG issues, including climate-related matters and carbon neutrality. Policies and mid/long-term strategies concerning sustainability are disclosed in documents such as the "Fourth Comprehensive Special Business Plan." When formulating annual plans, risks and opportunities related to climate, etc. identified by executive officers are considered and presented to the Board of Directors.

Additionally, the ESG Officer appointed by the Board of Directors reports the progress of sustainability-related activities quarterly, based on the Board's regulations, and the Board supervises these activities.

### Monitoring through Internal Committees

The ESG Committee, chaired by the President, monitors the progress of ESG indicators and goals, including climate-related aspects, and discusses major climate-related themes, risks, and opportunities. Many members and observers of the ESG Committee also serve on the Risk Management Committee and the Future Management Committee, synchronizing discussions across these committees to evaluate and manage ESG risks and opportunities, including those related to climate. ➲ Risks and Opportunities P78

### Governance Structure




### Executive Remuneration Related to Climate Change

In calculating productivity-linked remuneration for executive officers, we set company performance and individual performance as indicators.

For all executive officers' productivity-linked remuneration, we have set $CO_2$ emission reduction as an indicator.

➲ P76

### Skills for Supervising Climate Change

We define knowledge and experience related to addressing ESG issues, including climate change, as one of the core skills expected of directors.

➲ P74・75

### Themes Discussed by Directors

- Examination of businesses aimed at achieving a carbon-neutral society
- Status of the offshore wind power business and response to future development projects
- Monitoring report on JERA Co., Inc.

### Main Discussion Topics of the ESG Committee

- Process for formulating annual plans reflecting ESG perspectives
- Response to sustainability disclosure standards
- Scope 3 calculation process across the TEPCO Group
- Utilization status of carbon pricing

# Toward 2050

## Assumptions for 2050 (all of Japan)

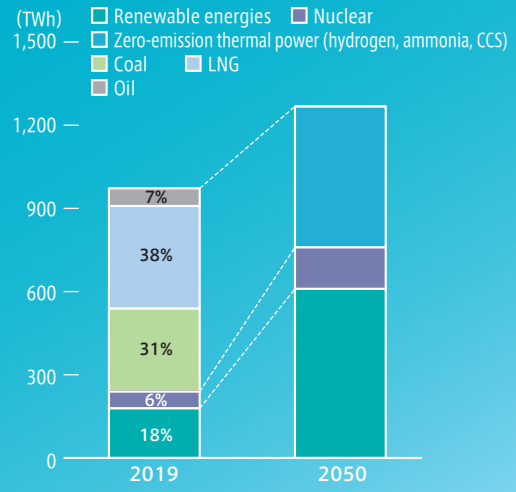
**Expansion of locally-produced/ locally-consumed energy**

**Leveraging energy storage**
(storage batteries/hydrogen)

**Increase in power demand (FY 2019 levels)**
**+30%**

**Improvement in electrification rate (FY 2019 levels)**
**Approx. 1.7 times** (26%→45%)

### Trends in generated power volume (transmission end)

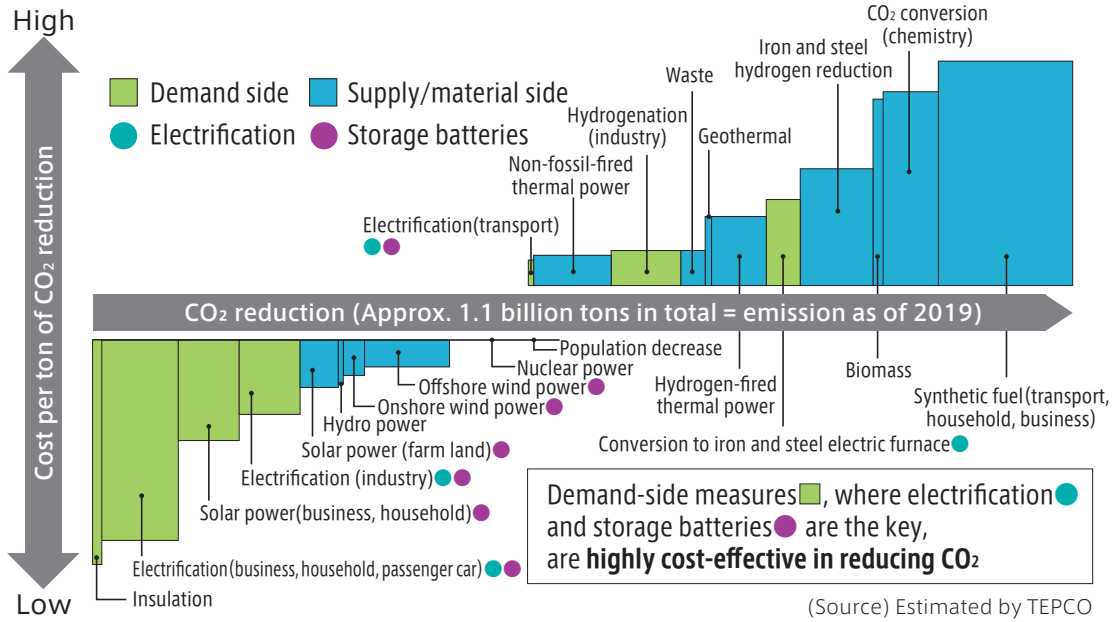





In order to achieve a carbon neutral society, it is necessary to examine the energy supply-demand structure to balance economic burden reduction and stable supply. Through our scenario analysis of temperature rises of approximately 1.5-2℃ and 4℃, we found that "demand-side electrification" had superior cost-effectiveness in reducing $CO_2$ emissions in the scenario for achieving a carbon neutral society by 2050. Furthermore, with the increasing adoption of solar PV and storage batteries on the demand side, we can expect the expansion of private power generation, private consumption, and locally produced, locally consumed power. This brings the benefit of improving resilience to disasters, although there is a risk of power and supply mismatch due to the fluctuation in generated output from solar and wind power generation.

Considering the projected increase in electricity demand due to the growth of semiconductor manufacturing and data center needs, it is important to ensure stable supply by combining baseload power sources (hydro, nuclear, geothermal) with power sources for adjusting the supply-demand balance (zero-emission thermal). Additionally, leveraging energy storage capabilities (such as storage batteries, hydrogen) for "storing and using" energy on the demand side is crucial in balancing supply and demand.

**Marginal Abatement Cost Curve** (2050 Carbon Neutral Scenario)



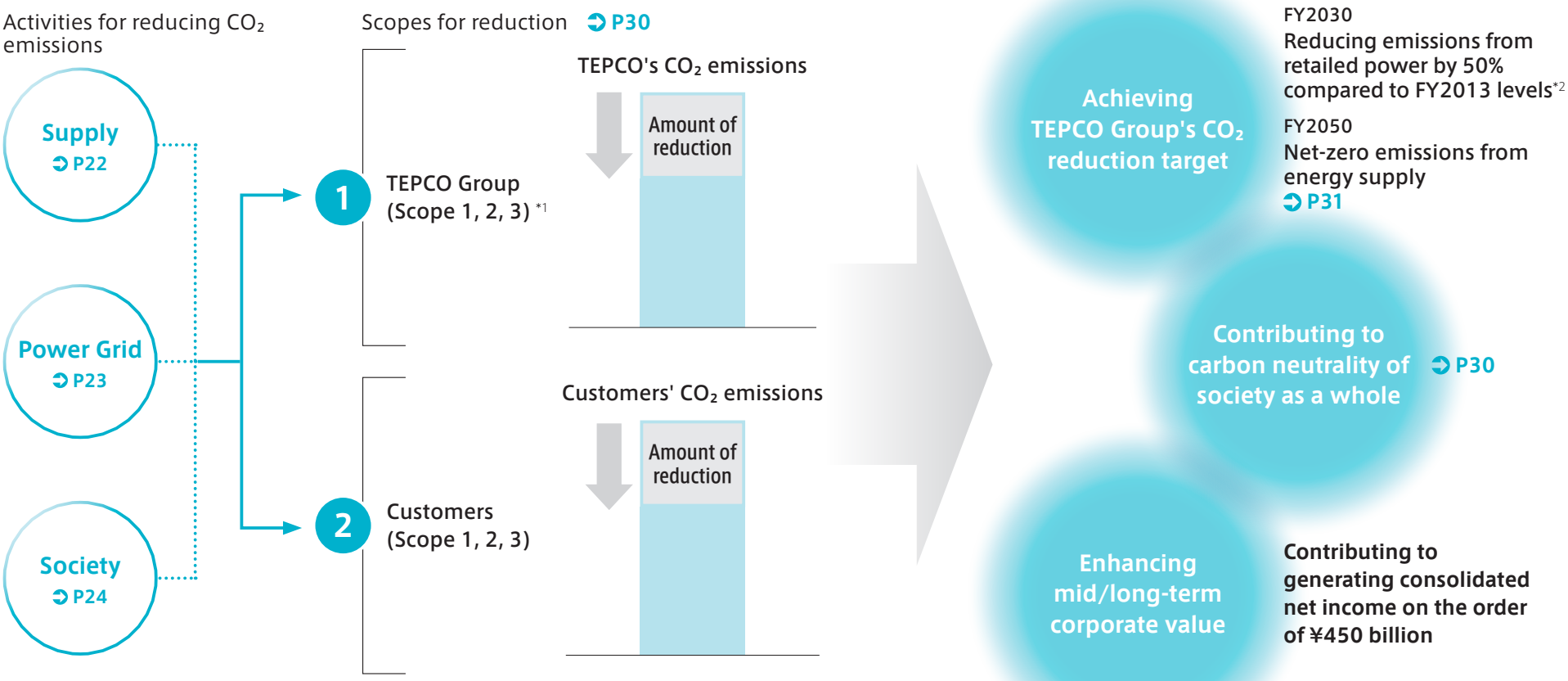

(Source) Estimated by TEPCO

(Note) We are analyzing scenarios based on assumptions reflecting the outlook as of fiscal year 2024 for future population dynamics, economic growth rates, social trends, technological innovation, etc.

TCFD Strategy

# Overview of Carbon Neutrality Strategy

Based on the social demand for carbon neutrality, the TEPCO Group will promote carbon neutral initiatives in the areas of "Supply," "Power Grid," and "Society" by strategically utilizing green finance and other means. We will work towards reducing both our group's and our customers' $CO_2$ emissions, aiming to achieve our $CO_2$ reduction target and generate income on the order of ¥450 billion.




*1 Scope 1: Direct emissions from fuel combustion Scope 2: Indirect emissions from consumed electricity, heat, and steam Scope 3: Emissions from the supply chain (upstream and downstream)
*2 Derived from sales of electricity for Scope 1, 2 and 3. Scope 1 and 2 compared to 2019.





# Supply

In order to achieve carbon neutrality while maintaining a stable and affordable supply of electricity, we need to find a good balance between using renewables, for which output fluctuates greatly, and baseload power sources such as hydroelectric and nuclear power, etc. **While keeping safety is our first priority, the TEPCO Group seeks to leverage nuclear power and zero-emission thermal through JERA as we strive to turn renewables into primary power sources.**

## Using Renewables as Primary Power Sources

TEPCO Renewable Power seeks to turn net profits on the order of ¥100 billion through its renewable energy business by FY2030, and as such is replacing domestic hydroelectric power stations, reducing power generation loss, and developing 6~7 GW of new power generation facilities in Japan and overseas. Even though business costs are increasing due to soaring material prices throughout the world, we are leveraging green finance to flexibly procure capital and developing these facilities while carefully watching economic efficiency and the impacts on the regional communities and the environment.

### Overseas Renewables

In addition to investing in overseas hydroelectric power stations, we are accelerating our overseas projects by acquiring Flotation Energy, a UK company with know-how pertaining to offshore wind energy. Leveraging our technical expertise and know-how from domestic and international projects, we shall promote renewable energy projects in countries and regions with high potential for development.

**Development Targets (by FY2030)**
Hydropower: 2~3 GW
Offshore Wind Power: 2~3 GW

**Achievements (As of the End of FY2023)**
Hydropower: 0.34 GW (in operation)
0.2 GW (under development)
Offshore Wind Power: 2.49 GW (under development)

### Domestic Offshore Wind Power

By building a good relationship with the residents of Saikai, Nagasaki Prefecture, selected for the offshore wind power project off the coast of Enoshima, we are conducting investigations, securing permits, and constructing facilities for a commencement of operation in August 2029. Leveraging our know-how from operating the fixed-bottom offshore wind facility off the coast of Choshi, Chiba Prefecture, and our experience as a selected operator, we aim to enhance cost competitiveness through cost reductions and improve non-price factor competitiveness for further development.

**Development Target (by FY2030)**
2~3 GW

**Achievement (As of the End of FY2023)**
0.42 GW (under development)

### Domestic Hydroelectric Power

By investing approx. ¥100 billion in replacing aging hydroelectric power stations and engaging in Kaizen/DX initiatives, we aim to improve the reliability of our facilities and increase power generation. Furthermore, by promoting the local-production/local-consumption of energy, and signing corporate PPA's, etc., we are formulating sales policies that maximize the value of hydroelectric power generation as we aim to grow our current ¥30 billion plus net profit by 1.5~2 times by FY2030.

**Power Generation Increase Target (by FY2030)**
240 GWh/year (compared to FY2018)

**Achievement (FY2023)**
160 GWh/year

Operating nuclear power stations that prioritize safety
**Nuclear Power**
➲ P54

Reducing thermal power generation emissions to zero through support and oversight by JERA
**Zero-Emission Thermal Power**
➲ P104

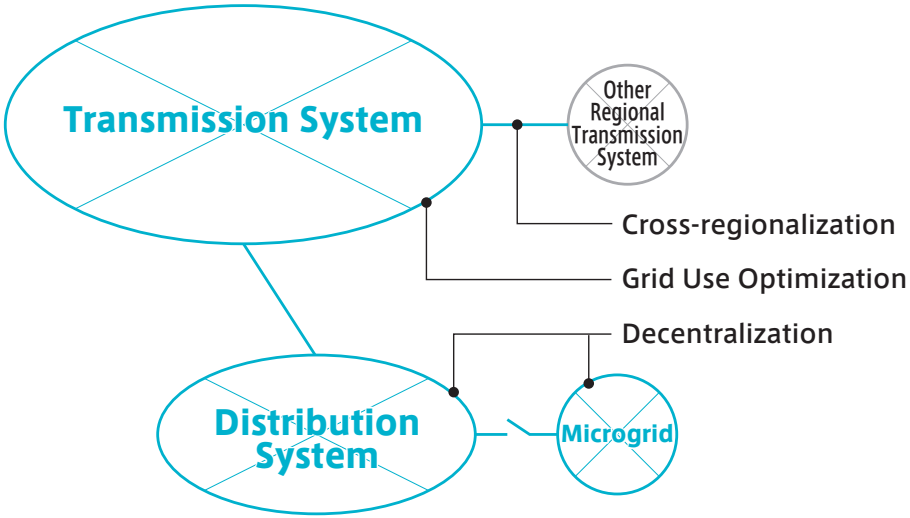
Investing in Oyasu Geothermal Co., Ltd. and conducting various investigations aimed at developing geothermal power
**Geothermal Power**

**Achievement (As of the End of FY2023)**
15 MW (under development)

# Power Grid

To make renewable energy a primary power source despite its high variability, further enhancement of the power grid is essential. **TEPCO Group is committed to ensuring stable supply while promoting renewable energy introduction.**

## Initiatives as a Transmission and Distribution System Operator




*1 The capacity between Tokyo and Chubu will rise from 2.1 GW to 3 GW, and between Tokyo and Tohoku from 5.73 GW to 10.28 GW, starting operations in FY 2027
*2 Jointly developing with Transmission and Distribution IT & OT Systems LLC, funded by TSOs, with operations starting in FY 2029
*3 Cumulative contract applications for non-firm connections since January 2021
*4 Signed a tripartite agreement with Tokyo Metropolitan Government and Ogasawara Village in December 2018, aiming to supply Haha Island with 100% renewable energy for half of a year

### Cross-regionalization

Following the Organization for Cross-regional Coordination of Transmission Operators (OCCTO) master plan, we collaborate with other regional system operators to enhance interconnection facilities*1 and develop the demand-supply control system*2 for a nationwide merit order and promoting renewable energy as a primary power source while strengthening energy supply resilience.

### Grid Use Optimization

To promote renewable energy, we are improving existing facility utilization through non-firm connections that auto-control output during grid congestion. By July 2024, renewable energy connections in our area reached about 3.6 GW.

Additionally, anticipating future renewable energy expansion, we are addressing aging infrastructure by optimally renewing, dismantling, and downsizing facilities as needed, thereby resolving our own challenges.

### Decentralization

To alleviate grid congestion and reduce renewable energy curtailment, we are adjusting both demand and supply to expand distributed energy resources like solar PV and storage batteries. For example, we are working on a project to achieve 100% renewable energy supply on Haha Island*4, with a demonstration planned for FY 2025. Applying these insights to other remote islands could help reduce our Scope 1 emissions.

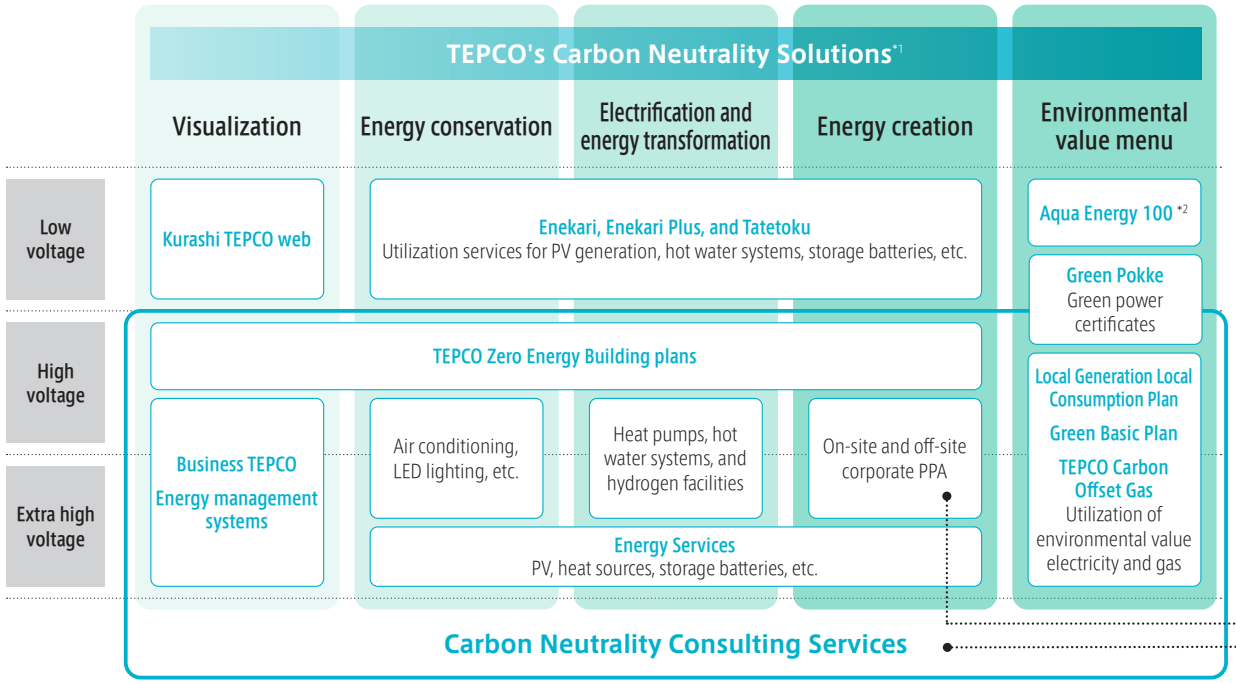
# Society



To achieve a carbon neutral society, addressing the demand side through electrification and the promotion of decentralized energy resources is essential. As a trusted partner, **the TEPCO Group supports customers in realizing carbon neutrality** by leveraging our expertise in electricity retail and energy-related businesses. **We boldly challenge ourselves to create new business models and generate added value, including locally sourced and consumed facility services.**

## Carbon Neutrality Solutions

We provide a wide range of services tailored to our customers' needs, offering a one-stop solution for their specific requirements.




*1 Selected services, including services under demonstration. *2 New applications temporarily suspended since January 2023.
*3 Green hydrogen system being demonstrated in Yamanashi Prefecture.

### Case 1 Benesse Style Care Co.,Ltd / Carbon Neutrality Consulting Services

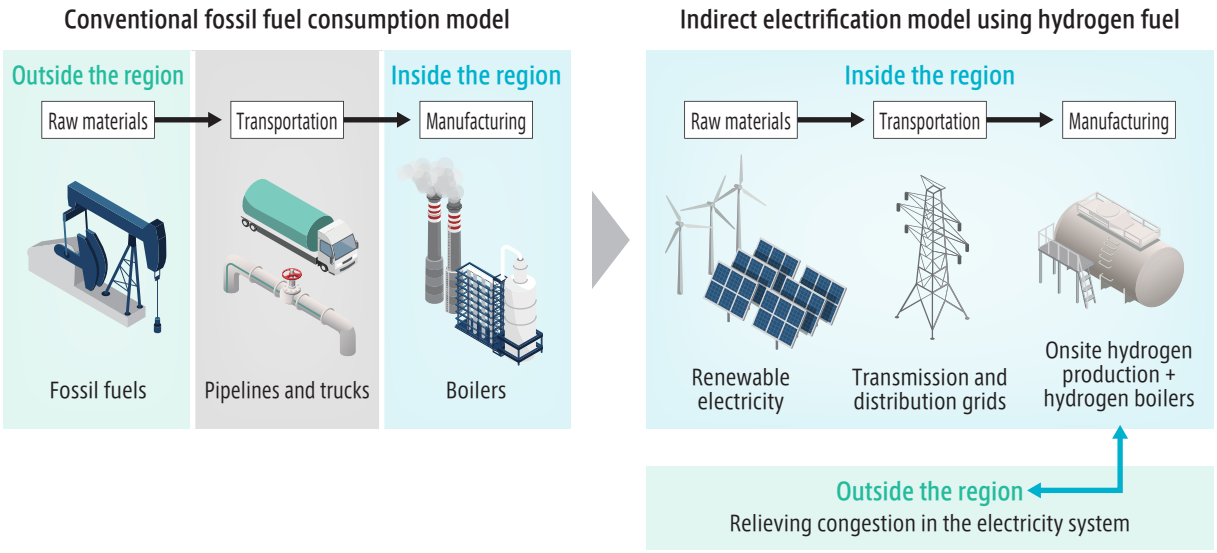
Benesse Style Care has collaborated with the company to compile the "Carbon Neutral Plan Roadmap" in order to achieve the midterm objective of reducing $CO_2$ emissions by 50% compared to the fiscal year 2021. By 2024, we plan to introduce energy management systems to approximately 130 facilities.

### Case 2 Off-Site Corporate PPA

We are promoting services that provide customers who are working towards carbon neutrality with electricity generated from renewable energy sources in remote areas, along with environmental value. These services have been adopted by many customers, including Toranomon Hills Mori Tower, Plena Makuhari, and the KANDA SQUARE.

## The Approach to Hydrogen

Hydrogen is a key energy source for achieving a carbon-neutral society, with demand expected to significantly increase by 2050. Specifically, it is anticipated to replace existing fossil fuels in the sectors of "industrial heat and raw materials," "mobility," and "power generation."
Through "Yamanashi Hydrogen Company (YHC)," established with Yamanashi Prefecture and Toray Industries, Inc., the TEPCO Group is engaging in a green hydrogen demonstration project using renewable energy. We are building a local production and consumption model that converts local renewable energy into hydrogen on customer premises. Additionally, the TEPCO Group is advancing technologies for power supply to hydrogen production plants, demand-supply control, EPC (Engineering, Procurement, and Construction), and O&M (Operation and Maintenance).
Looking ahead to the future expansion of GX industrial locations and markets, the TEPCO Group will consider ways to contribute to the long-term production, procurement, and societal integration of hydrogen. As customer needs for $CO_2$ emission reduction grow, we are responding through electrification, energy efficiency, and energy creation, and will also incorporate hydrogen use to tackle carbon neutrality in hard-to-electrify areas.




# Special Feature: Battery Storage Business

TEPCO Group's battery storage business has steadily grown over the years, **acquiring extensive capabilities and ensuring high safety standards.** Leveraging these strengths, we address challenges in the power grid, comply with regulations, and meet customer needs. **Battery storage offers various benefits and is expected to play a crucial role as a new energy foundation in a carbon-neutral society.** We see this as an opportunity and will continue to expand our business.

### Key Uses of Batteries

| | | Users | | |
|---|---|---|---|---|
| | | Power Generation Companies | System Operators | Customers |
| Demand Optimization | Proper charging and discharging optimize demand, resulting in reduced electricity costs | | | ○ |
| Emergency Power Supply | Utilized during outages, enhancing the effectiveness of customers' Business Continuity Plans (BCP) | | | ○ |
| Maintaining Power Quality | Avoids voltage sags and maintains manufacturing quality for semiconductors and other sensitive processes | | | ○ |
| Maximizing Renewable Energy Utilization | Stores excess renewable energy generation to avoid output curtailment | ○ | ○ | ○ |
| Demand Response (DR) | Customers contract with resource aggregators to use battery storage as part of a Virtual Power Plant (VPP), selling adjustment capacity (upward/downward DR) to system operators for power supply-demand balancing | | ○ | ○ |
| Grid Stabilization | Contributing to grid stability by trading battery storage functions (kW, kWh, ΔkW) in power markets (capacity market, wholesale electricity market, supply-demand adjustment market) | ○ | ○ | ○ |

### Market Size of Battery Storage (Japan, Cumulative)

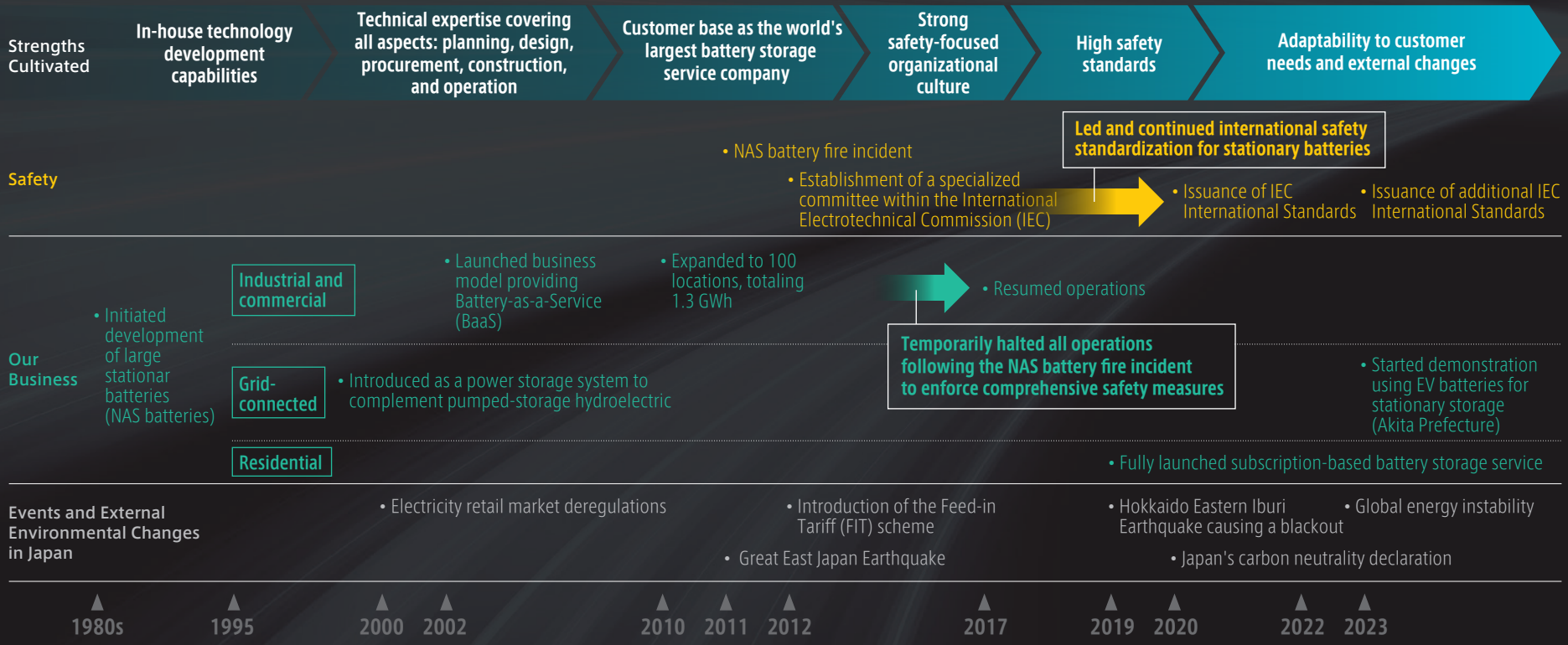
In a carbon-neutral society where renewable energy becomes the main power source, battery storage is essential to avoid renewable energy output curtailment and provide adjustment and inertia to the power grid. By 2030, it is expected that industrial, commercial, and residential batteries connected on the customer side will increase fivefold, and grid-connected batteries will increase more than tenfold compared to current levels.

| | FY2023 Estimated | FY2030 Outlook |
|---|---|---|
| Industrial, commercial and residential | **Approx. 5 GWh** | **Approx. 24.2 GWh** |
| Grid-connected | **Approx. 1 GWh** | **Approx. 14.1 GWh~23.8 GWh** |

Based on materials from the 3rd Expert Working Group for GX Realization (November 2023)

## History of the Battery Storage Business

TEPCO Group has expanded its business by flexibly adapting to external environmental changes and leveraging its strengths. Following the 2011 NAS battery fire, we led the international standardization of safety criteria, **enhancing global safety.** This **reflects our strong organizational focus on safety.** Our **technical expertise** honed through business operations, **proprietary safety standards** exceeding international benchmarks, and **strong service proposal capabilities** for customers based on over 20 years of experience in battery storage provide us with a competitive edge.



# Risk and Opportunity

The TEPCO Group has developed two scenarios based on multiple reference scenarios. By evaluating and analyzing potential risks through these scenario analyses, we aim to avoid or mitigate future losses while identifying new business opportunities. It is crucial to execute appropriate response strategies based on these analyses to enhance the resilience of our corporate organization.

| Scenario | Envisioned risks/ opportunities | | | Category | Envisioned details | Short-term*1 | | Medium-term*1 | | Long-term*1 | | Impact on our company*2 | Response strategies |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Possibility | Impact | Possibility | Impact | Possibility | Impact | | |
| Scenario 1 Approx. 1.5~2°C*3 | Transition | Risk | Policy and Legal | Society | Stricter climate regulations and revised energy policies have increased costs. | Possible | Small | **Very likely** | Small | **Very likely** | Small | 1% increase in non-fossil power procurement ratio due to stricter regulations, **costing approx. ¥1.2 billion per year.** | • Energy policy insights and recommendations<br>• Use of non-fossil power and internal carbon pricing |
| | | | Market | Society | Self-generation and local consumption of energy (e.g., solar, batteries) have reduced electricity sales. | Unlikely | Medium | **Very likely** | Medium | **Very likely** | Medium | **Decrease in electricity revenue by approx. ¥44.4 billion per year** if power demand reduces by 1%. | Business shift to facility services. |
| | | | Market | Society | The global trend to avoid fossil fuels has led to insufficient upstream development of fossil fuels, resulting in supply shortages and soaring prices of fossil fuels. | Possible | **Large** | **Very likely** | **Large** | **Very likely** | **Large** | Profit deterioration due to higher procurement costs from surging fuel and wholesale electricity prices. (Reference) FY2022: **¥261.7 billion annual profit decrease.** | Reducing power procurement costs via hedging and supplier diversification. |
| | | | Reputation | Supply | Heavy reliance on thermal power has created an image of being passive on climate change. | Possible | Small | Possible | Small | Possible | Small | **Additional cost of approx. ¥400 million per year** for economically irrational power procurement to improve reputation (e.g., replacing 100 GWh of spot market electricity with renewable energy). | Enhanced disclosure of climate-related information. |
| | | Opportunity | Energy Source | Supply | Increased revenue driven by the growing demand for non-fossil power sources. | Possible | **Large** | Possible | **Large** | Possible | **Large** | • Annual financial impact of operating one nuclear power plant: **approx. ¥100 billion improvement per year.**<br>• Projected net profit from renewable energy generation business: **approx. ¥100 billion per year (mid-term scale).** | • Nuclear power plant reactivation and procurement.<br>• Renewable energy development and procurement. |
| | | | Products and Service | Society | Electrification and consumer shift towards $CO_2$-free electricity, driven by carbon neutrality needs and global fossil fuel avoidance, have led to supply shortages and higher fossil fuel prices. | **Very likely** | Medium | **Very likely** | Medium | **Very likely** | Medium | • Increase in electricity revenue by **approx. ¥44.4 billion per year** if power demand increases by 1%.<br>• Increase in revenue from $CO_2$-free options sales. | • Development and procurement of renewable energy.<br>• Expansion of electricity pricing options. |
| | | | Resource efficiency | Society | Rising demand for storage batteries and electric vehicles due to large-scale renewable energy adoption. | **Very likely** | Small | **Very likely** | Medium | **Very likely** | Medium | • Increase in power demand due to vehicle electrification.<br>• Profit generation from EV-related businesses and battery storage businesses. | Expansion of EV-related and battery storage businesses. |
| | | | Market | Supply Power grid Society | Enhanced overseas revenue driven by rising carbon neutrality needs | **Very likely** | Medium | **Very likely** | Medium | **Very likely** | Medium | Revenue from overseas renewable energy generation projects: FY2023 performance **¥13.1 billion per year.** | Expansion of overseas power business. |
| Scenario 2 Approx. 4° C*4 | Physical | Risk | Acute | Supply Power grid | Damage to power facilities caused by large-scale natural disasters | Possible | Medium | Possible | Medium | **Very likely** | Medium | Damage costs from the typhoon in FY2019: **approx. ¥20.8 billion per year.** | • Reinforcement and renewal of power facilities.<br>• Provision for disaster losses.<br>• Enrollment in damage insurance. |
| | | Opportunity | Resilience | Society | Further increase in demand for preparedness due to fiercer natural disasters | Possible | Small | Possible | Small | Possible | Small | Profit from disaster-resilient urban development projects. | • Enhancing regional value long-term.<br>• Expanding disaster-resilient urban projects. |

*1 Short-term: FY2025, Mid-term: FY2030, Long-term: FY2050 impact periods. *2 Unless specified, impacts are for "short-term". *3 Reference: IEA WEO NZE, TEPCO Original, 6th Basic Energy Plan. *4 Reference: IEA WEO CPS Scenario.
Note 1: Climate change forecasts involve significant uncertainties, and future evaluations may vary due to external changes. Note 2: Physical risks on P29 are currently assessed as very minimal and not included in the table.

TCFD Strategy TCFD Risk Management

# Physical Risks

Physical risks from climate change include future changes in precipitation and intensified natural disasters. Avoiding and mitigating these impacts is crucial. TEPCO Group conducted scenario analysis on the risks to hydropower generation from changes in precipitation:

- Analyzed annual days of intake suspension for a run-of-river model plant*1 and estimated financial impact for 2090
- Analyzed annual precipitation for the catchment area of a reservoir-type model plant*2

The scenario analysis confirmed a reduction in power generation for run-of-river hydropower plants, indicating future risks to our group's business from changes in precipitation. We will continue to assess physical risks to inform future hydropower operations.

## Risks to Run-of-River Hydropower Plants*3

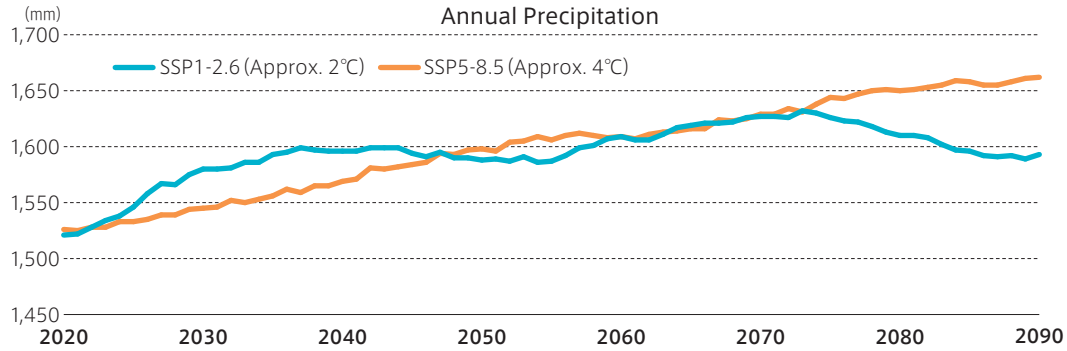
**Annual Days of Intake Suspension** (Excessive Precipitation)

| Year | Approx. 2℃ | Approx. 4℃ |
|---|---|---|
| 2020 | 31.4 | 31.6 |
| 2030 | 32.0 | 32.3 |
| 2050 | 32.5 | 33.7 |
| 2070 | 32.5 | 34.8 |
| 2090 | 32.4 | 36.0 |

**Financial Impact per Plant in Model Case**

| Financial Impact (FY 2020 levels) | 2090 | |
|---|---|---|
| | Approx. 2℃ | Approx. 4℃ |
| Power Generation (MWh) | -30 | -150 |
| Profit/Loss Due to Intake Suspension (¥10,000) | -26 | -114 |

## Opportunities for Reservoir-Type Hydropower Plants*4




In the analysis of reservoir-type hydropower plants, all scenarios indicated an increase in cumulative precipitation compared to the present.

However, we also anticipate a potential decrease in the amount of water resources available for power generation due to increased evapotranspiration associated with future temperature rises, which could result in reduced power generation. Moving forward, we will refine our scenario analysis to account for the impacts of evapotranspiration and other factors.

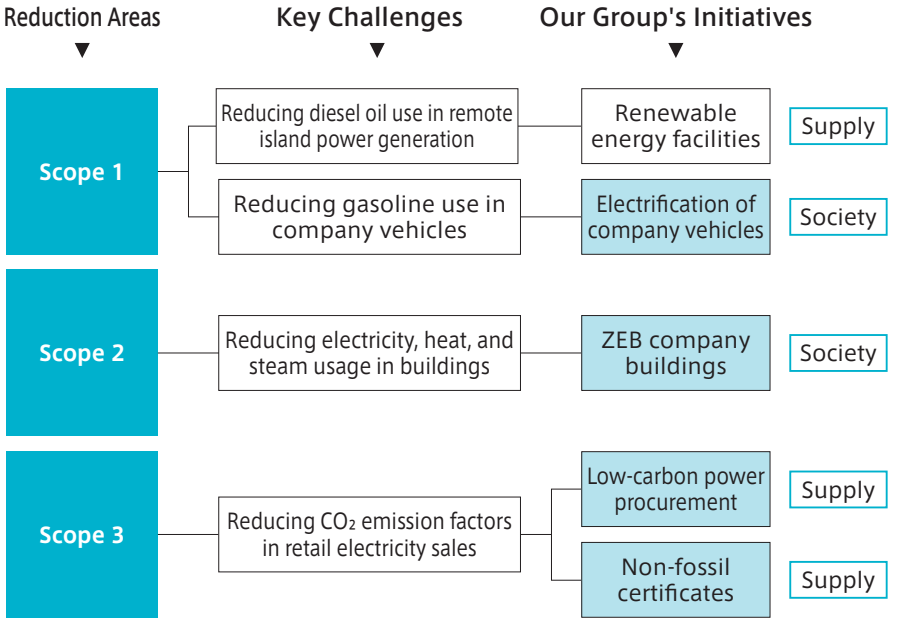
*1 Method of diverting river water directly into the power plant
*2 Method of using dam-stored water for power generation
*3 Using d4PDF 2° C and 4° C scenarios for future rainfall frequency analysis, and estimates based on the Power Generation Cost Verification Working Group's unit costs
*4 Using SSP 2° C and 4° C scenarios for time-series precipitation data analysis

TCFD Strategy TCFD Metrics & Targets

# TEPCO's Initiatives to Reduce Scope 1, 2 and 3 Emissions

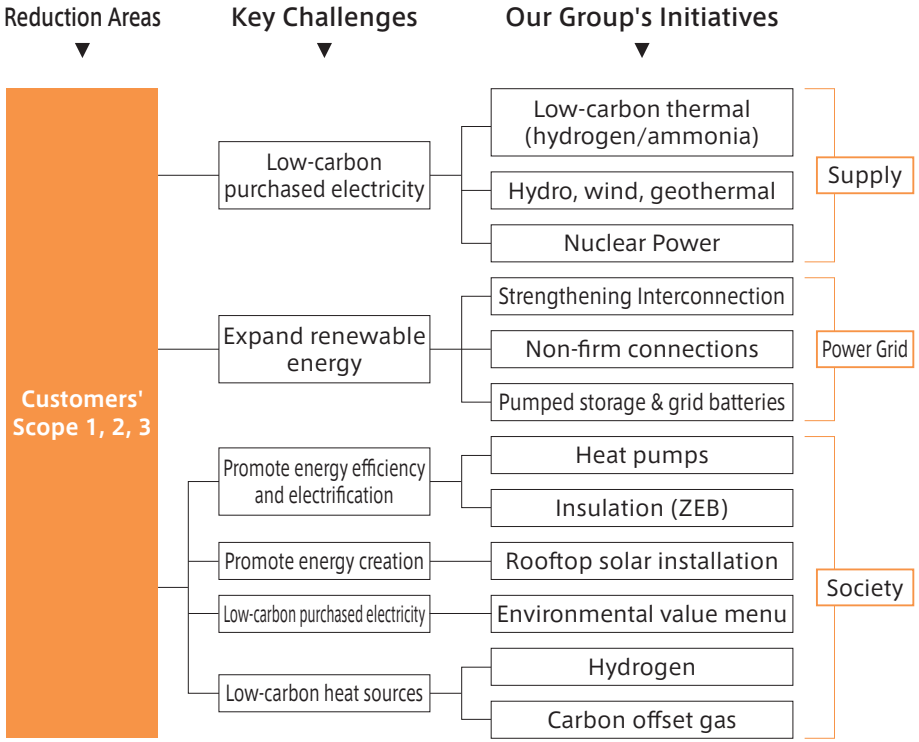
TEPCO Group has identified the challenges and specific initiatives for reducing $CO_2$ emissions for both our group and our customers. We have set $CO_2$ reduction targets for FY2030 and FY2050 and are actively working towards these goals. In addition to achieving our own $CO_2$ reduction targets, we are also implementing various measures to address our customers' increasing need for $CO_2$ reduction, thereby contributing to their efforts as well.

## TEPCO Group's $CO_2$ Reduction Initiatives




Transition plan for achieving TEPCO Group's $CO_2$ reduction targets is on P31

## Measures to Contribute to Customers' $CO_2$ Reduction



# Transition Plan

TCFD Strategy TCFD Metrics & Targets

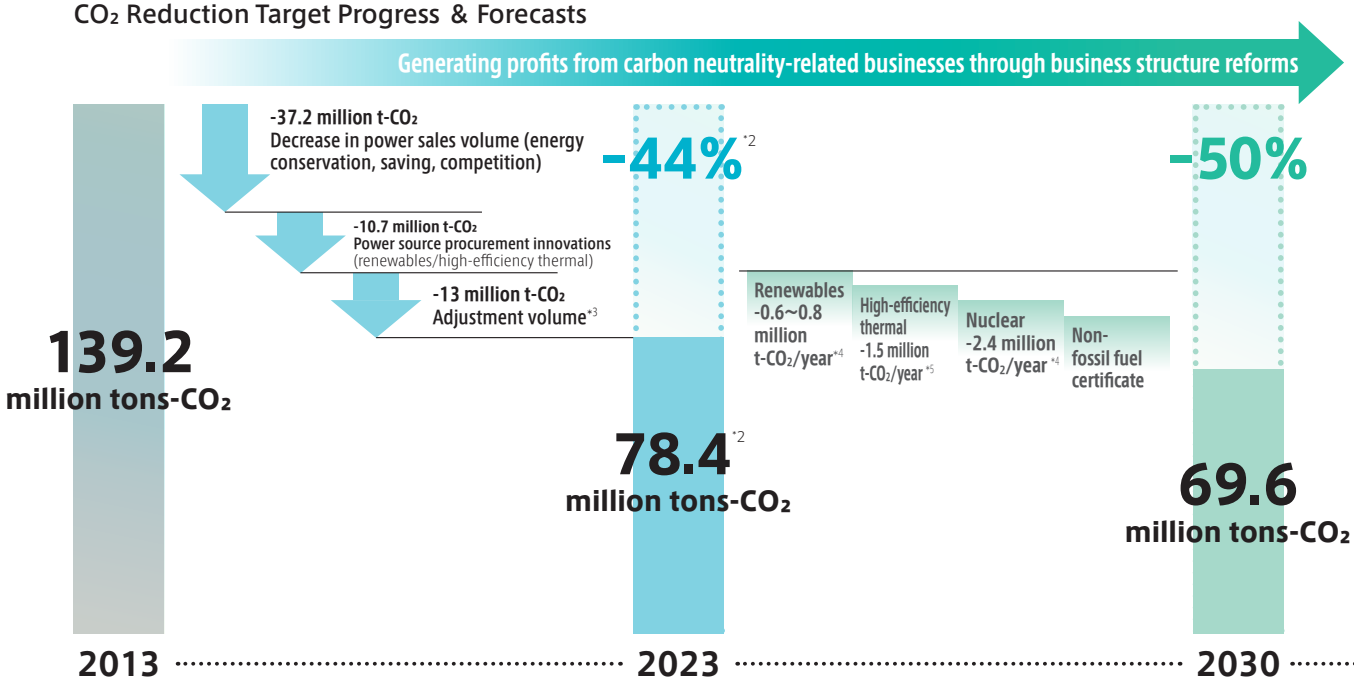
## Towards Achieving TEPCO Group's $CO_2$ Reduction Targets

In alignment with the Paris Agreement, TEPCO Group aims to reduce $CO_2$ emissions from retailed power by 50% by FY2030 (compared to FY2013 levels) and achieve net-zero $CO_2$ emissions from energy supply by 2050. We anticipate increased competition in the retail business, rising power demand from data centers, and the expansion of wholesale transactions by former general electric utilities and power producers. These factors are expected to increase volatility in power procurement. To address this, we are committed to stabilizing procurement costs and achieving our $CO_2$ reduction goals by building an optimal procurement portfolio that includes non-fossil fuel sources.

Additionally, national policies under consideration will significantly impact future power demand and the introduction of renewable energy sources. These policies are crucial to our business strategies, and we will review and adjust our plans accordingly.

*1 Regarding Scope 1 and 2, compared to FY2019

### $CO_2$ Reduction Target Progress & Forecasts




*2 Preliminary figures *3 Adjustments due to allocation of surplus non-fossil value under the fixed-price purchase system for renewables, and purchase of non-fossil certificates, etc.
*4 Per 1 GW (from FEPC's "Energy and the Environment 2023") *5 Annual $CO_2$ reduction amount when thermal efficiency of thermal power generation improves by 1%
Note: *3~5 are estimated $CO_2$ reduction effects from power generation. The reduction effect on $CO_2$ emissions from retailed power varies with procurement results.

## Progress in $CO_2$ Reduction Targets

**$CO_2$ emissions from retailed power (million t-$CO_2$)**

| FY2021 | FY2022 | FY2023 |
|---|---|---|
| **79.9 (-43%)** | **65.1 (-53%)** | **78.4 (-44%)** |
| <Reference> Electricity Retail Volume | | |
| 177.1 TWh | 173.1 TWh | 192.1 TWh |

The $CO_2$ emissions for FY2023 increased by approx. 20% compared to FY2022, primarily due to the impact of power procurement.

Contributing to a Comfortable and Safe Carbon Neutral Society

# Integrated Initiatives

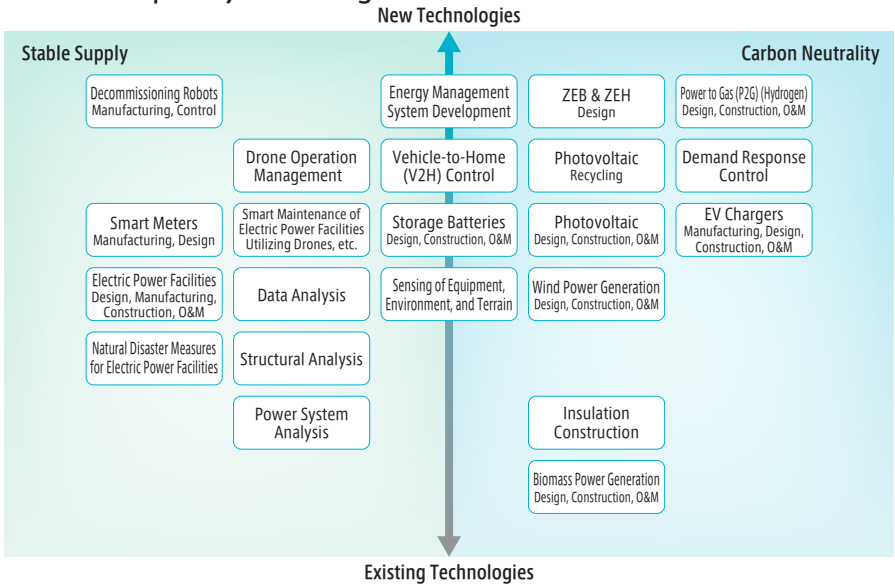
## We effectively integrate efforts in "Supply," "Power Grid," and "Society" to deliver value to our customers

The TEPCO Group provides a wide range of carbon-neutral services, including renewable energy, energy storage, energy management systems, and non-fossil fuel power options. These services are supported by our advanced proprietary technologies, a core strength of our group. By effectively integrating these diverse services, we offer optimal solutions tailored to each customer's needs, a distinctive feature of our group.

Additionally, the relationships we have built with local communities through years of experience play a crucial role in understanding regional characteristics and needs. This understanding enables us to deliver comprehensive solutions as part of our " urban development projects," addressing the needs of multiple customers and municipalities in the region.

Moving forward, we will continue to leverage our strengths to contribute to a carbon-neutral society through "point" solutions for individual customers and "holistic" solutions for entire regions.

### TEPCO Group's Key Technologies




**Key Group Companies with Strong Technological Capabilities**

Tokyo Power Technology, TEPSCO, TEPCO Systems, e-Mobility Power, Tosetsu Civil Engineering Consultant, Tokyo Electric Power Services, Energy Gateway, Japan Facility Solutions, Tokyo Electric Generation, Kandenko, Tokyo Energy & Systems, Takaoka Toko

## Harnessing TEPCO Group's Strengths to Solve Customer Issues through Urban Development Projects

In our urban development projects, which deliver services comprehensively, it is crucial to implement and operate optimal equipment, in addition to managing the balance of energy demand and supply within and outside the area by utilizing our expertise in the electric power business. Our group possesses knowledge across the entire value chain—design, procurement, construction, operation, and maintenance of the equipment we introduce. This breadth and depth of our group's business enable us to collaboratively provide integrated solutions to regional issues. Moving forward, we will continue to leverage the comprehensive strength of our group to solve regional challenges and expand our revenue.

| Customer Challenges | Concept of TEPCO Group's Solutions |
|---|---|
| Aiming to achieve carbon neutrality and enhance resilience in the area | • Aggregating of distributed energy resources such as **Solar PV**, achieving regional carbon neutrality through local production and consumption<br>• Balancing energy demand and supply within and between regions and enhancing resilience with energy storage systems (**batteries**, **EVs**, etc.) |
| Maximizing the use of generated renewable energy and increasing the ratio of renewable energy utilization | • Preventing surplus renewable energy supply by matching it with demand using energy storage systems (**batteries**, **EVs**, etc.) and **hydrogen production facilities** |
| Mitigating the volatility of electricity costs during tight supply-demand situations and surges in fossil fuel prices | • Shifting customer energy demand by introducing energy storage systems such as **batteries** and thermal storage equipment like **heat pumps**<br>• Maximizing energy efficiency and renewable energy self-consumption through comprehensive equipment services, from introduction to optimal operation of **Solar PV**, **batteries**, etc. |

**Examples of installed facilities/equipment**

### Key Urban Development Projects

#### Decarbonization Leading Areas

- Selected by the Ministry of the Environment as a framework to support advanced examples of regional decarbonization
- Participating as a business partner to provide comprehensive proposals tailored to the characteristics of each region

**A total of 7 projects**

#### Bus Company EV Charging Infrastructure

- Efficient charging schedules and maximizing renewable energy use with an energy management system
- Creating electricity demand by electrifying the transportation sector

#### (Tentative Name) Uchisaiwaicho 1-Chome District Development Project

- A flagship urban redevelopment project in Uchisaiwaicho, Chiyoda-ku, Tokyo, including the headquarters of TEPCO Holdings
- Aiming to enhance real estate value with carbon-neutral, disaster-resilient community development, including area-wide energy supply and perovskite solar cells

Materiality

# Strengthening Our Business Foundation

In a rapidly changing environment, it is crucial for a company to leverage its own and others' management capital (such as financial and human capital) and "strengths" as the business foundation, strategically selecting and deploying them for each business to accumulate immediate results. This approach increases each management capital. As these management capitals are interrelated, we believe that the synergistic strengthening of the business foundation will further enhance competitiveness.

With this philosophy, the TEPCO Group has set metrics and actions related to each management capital. These are managed as items on the Board of Directors' agenda, where the progress of plans is audited and supervised.

**Outlook until FY2030**

| | | |
|---|---|---|
| **Financial capital** | • Securing stable revenue from existing energy businesses<br>• Management control based on financial indicators like FP&A functions and ROIC<br>• Mid/long-term profit generation utilizing alliances and capital from other companies | ➲ P15 |
| **Manufactured capital** | • Maintaining and efficiently operating power facilities for stable supply<br>• Business development in new power markets (such as the capacity market)<br>• Business development of non-electricity products (gas, facility services) and data utilization | |
| **Human capital** | • Improving employee well-being and labor productivity<br>• Strategic securing, development, and placement of human resources<br>• Promoting diversity and inclusion | ➲ P36 |
| **Social & relationship capital** | • Enhancing resilience against natural disasters<br>• Fulfilling responsibilities for respecting human rights and preventing workplace accidents<br>• Collaboration with alliance partners and engagement with local communities<br>• Establishing cybersecurity | ➲ P36 |
| **Natural capital** | • Continuing nature conservation activities contributing to the "30by30"<br>• Enhancing disclosure related to BEES and responding to the TNFD framework | ➲ P50 |
| **Intellectual capital** | • Developing and implementing technology to achieve a carbon-neutral society and stable supply<br>• Revamping business processes through the promotion of DX | ➲ P52 |

# Special Features: Pursuing Safety and Security, and Investing All Capital for Stable Supply

## Comprehensive Response to Natural Disasters

In recent years, as the damage caused by typhoons and other disasters has intensified, **the TEPCO Group has strengthened its collaboration with national and local governments and has reviewed its disaster prevention systems and measures using the full force of the group.** Here, we introduce our response to a hypothetical "Typhoon X" that causes damage equivalent to that of Typhoons Faxai (No. 15) and Hagibis (No. 19) in 2019.

- HD Tokyo Electric Power Company Holdings
- RP TEPCO Renewable Power
- PG TEPCO Power Grid
- EP TEPCO Energy Partner

### Normal times

- ALL Improvements of various disaster prevention measures based on external situations and disaster response training and review of actual disasters
- RP Flood risk assessment for facilities and implementation of countermeasures
- PG Flood risk assessment for facilities and implementation of countermeasures

### From 3 days before

- ALL Consideration of establishing an emergency disaster response headquarters
- RP Collaboration with the MLIT to initiate dam water releases
- PG Damage prediction and emergency disaster response consideration using RAMP-T*

*RAMP-T: Typhoon wind speed prediction system

### Just before

- ALL Issuance of emergency measures
- RP Implementation of pre-storm measures against strong winds and flooding at power plants
- PG Implementation of pre-storm measures against strong winds and flooding at each facility
  Deployment of emergency disaster response personnel based on damage predictions
- EP Issuing warnings to customers

### Immediately after passage

- HD Coordination of emergency disaster response personnel across the Group and response to external requests
- RP Early resumption of operations of stopped power plants
- PG Damage assessment via patrols (including use of drones) and formulation of recovery plans
- EP Support for the TEPCO Power Grid Contact Center

### 48 hours later

- HD・PG Public announcement of recovery outlook (press releases, press conferences)
- RP Damage assessment and response planning for affected power plants
- PG Coordination with municipalities and the Self-Defense Forces for road planning and recovery activities
  Deployment of mobile generators to areas with difficult grid recovery
- EP Customer support

**Agreement & collaboration with partnership entities**

We have agreements with various municipalities, the Self-Defense Forces, telecommunications companies, large retailers, and others to ensure swift and smooth recovery activities through close collaboration during disasters.

**Recovery plan**

To avoid confusion caused by fluctuating predictions, we prioritize patrols to understand the situation and aim to announce the recovery plan within 48 hours.

# Human Capital, Social and Relationship Capital

## Initiatives for Human Capital Management and Respect for Human Rights

**Yoshihiko Shinobu**
Managing Executive Officer,
Chief Human Resources Officer
Tokyo Electric Power Company Holdings, Inc.

### Human capital-focused management for creating value that exceeds the expectations of our customers

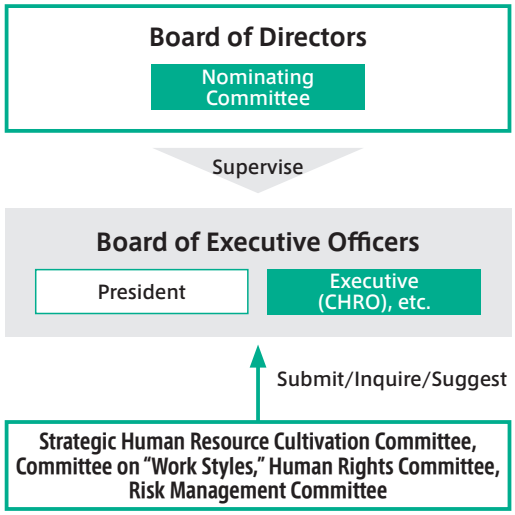
In order to fulfill our responsibilities to Fukushima even amidst our changing business environment, the TEPCO Group continues to provide a stable supply of power while moving forward with initiatives that aim to create a carbon neutral society. People are the foundation of these endeavors, and an irreplaceable asset, so we are proactively investing in human capital.

**We have formulated a human resource management policy that identifies five priority areas** and puts forth our HR-Vision, which is how we want our people and organization to be. **By executing this policy, we are helping each and every employee to embody our corporate philosophy and grow into professional human resources that can be active on the world stage.** By transcending their position and giving their all, employees will help to create a unified and free-speaking group of professionals that can create value that exceeds the expectations of each of our customers.

Furthermore, as society becomes more aware of human rights, **having each and every employee understand the importance of respecting human rights and acting accordingly will lead to the creation of an environment in which everyone can work safely and securely**, and ultimately, the ideal state that we aim to achieve.


**Governance** **Risk Management**

### Governance Structure




The Board of Directors appoints the Chief Human Resources Officer (CHRO) and oversees the progress of action plans and performance goals through monthly operational status reports.

**Report on discussions pertaining to human resources held at management meetings, etc. (FY2023 records)**

- Human resource and recruitment planning
- Mid-term human resource planning
- Skilled workforce planning
- Challenges and responses in resource management
- Selection and development of management leader candidates
- Initiatives for respecting human rights, etc.

## Human Resource Strategies

The TEPCO Group ensures a stable power supply through reliable operation of its existing electricity business while advancing business structure reforms aimed at achieving a carbon neutral society, including promoting facility service businesses utilizing distributed energy resources. To achieve this, it is essential to secure the human resources that support the electricity business and strategically manage resources to address key management issues such as digital transformation (DX) and business creation, thereby accelerating "ambidextrous management*."

Aligned with our business strategy, we have identified five priority areas in our human resource strategy to maximize the motivation and capabilities of each employee and the overall performance of the organization. To ensure the effectiveness of these initiatives, we have established "Employee Well-being" and "Human Capital ROI" as comprehensive KPIs, and we will visualize and monitor outcomes while continuously refining our human resource strategies.

*Ambidextrous Management: "Selection and Deepening of Existing Businesses" and "Expansion of New Businesses" Source: "The Ambidextrous Organization," by Charles A. O'Reilly and Michael L. Tushman

### Human Resource Strategies Linked to Management Strategies

| HR-Vision | Human Resource Management Policy | | |
|---|---|---|---|
| | Five Priority Areas | Key Measures | |
| **Ideal Human Resource Portfolio**<br>Sufficient human resource quality/quantity required for business | **Resource Management** | • Strategic securing, development, and deployment of human resource resources | ➲ P39 |
| **Human Resource Vision**<br>Maximize human resource willingness | **Human Resources for Accelerating Ambidextrous Management** | • Development of management leaders and revenue-generating human resources, etc.<br>• Using the talent management system to assign the appropriate human resources to the appropriate location | ➲ P40 |
| | **Diversity and Inclusion** | • Creating inclusive work spaces<br>• Ensuring diversity in management | ➲ P41 |
| **Organization Vision**<br>Maximizing organizational skills | **TEPCO Work Innovation** | • Expanding the variety of work styles<br>• Management reforms, task reforms | ➲ P42 |
| | **Core Strengthening** | • Initiatives to respect human rights<br>• Investment in health, organizational development (improving engagement) | ➲ P43 |

### Comprehensive KPI for Human Resource Strategies

**Employee Well-being**

FY2023 records: **6.78**
(YoY +0.09)

Calculated by taking the average from the 11-point (0~10) scale used in the employee awareness survey

**Human Capital ROI**

FY2023 records: **2.21**
(YoY +1.96)

$$\text{Human capital ROI} = \frac{\text{(Operating income + Depreciation)}}{\text{Personnel expenses}}$$

## Risks and Opportunities

From the perspective of human capital and respect for human rights, we have organized the external environmental changes that may impact the TEPCO Group and the corresponding measures. By comprehensively evaluating the possibility of occurrence, the impact if they occur, and the timeframe, we will incorporate these insights into our group's human capital management and human rights initiatives.

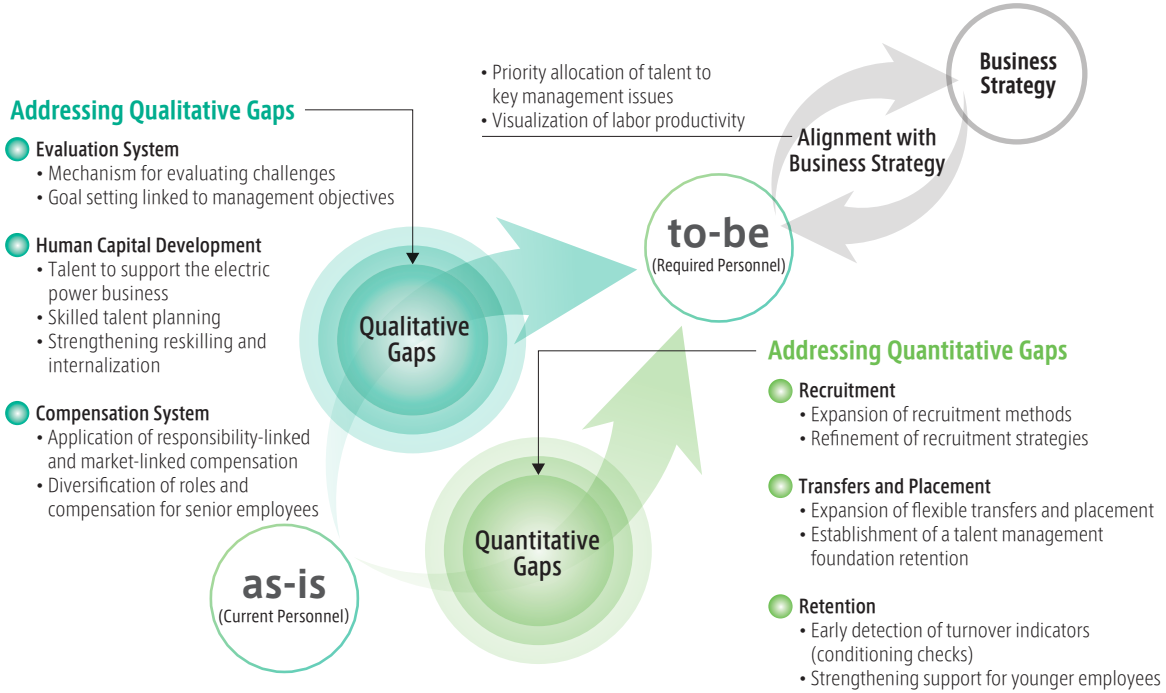
| Categories | R/O | External Environmental Changes | Envisioned Details | Possibility | Impact | Timeframe | Five Corresponding Priority Areas |
|---|---|---|---|---|---|---|---|
| Policy and Legal | Risk | Strengthening of labor laws and related regulations | Violations of domestic and international laws related to labor law, employment contracts, and human rights can result in fines and administrative penalties, leading to the loss of business opportunities. | Unlikely | **Large** | Short-term | TWI (Management Reform)<br>Core Strengthening<br>(Respect for Human Rights) |
| | Opportunity | | By enhancing employees' sense of ethics and integrity, fostering a healthy corporate culture, and gaining customer trust | Possible | **Large** | Medium-term | Core Strengthening<br>(Respect for Human Rights) |
| Technology | Risk | Further advancement of digital technologies | Failure to adapt to technological changes necessary for business operations can lead to skill gaps, resulting in a shortage of talent and loss of competitiveness. | Possible | **Large** | Medium-term | Human Resources for Accelerating Ambidextrous Management<br>(talent for business creation) |
| | Opportunity | | • Improving the efficiency of business processes and reducing costs, leading to increased productivity<br>• Utilizing AI and other technologies to analyze HR data for more strategic talent placement | Possible | Medium | Medium-term | Resource Management<br>(Securing talent) |
| | | | Creating an environment that allows for remote work, facilitating work-life balance, and preventing resignations due to childcare or caregiving responsibilities | **Very likely** | Medium | Short-term | TEPCO Work Innovation ]<br>(Workstyle reform) |
| Market/Service | Risk | Relative decline in the attractiveness of departments related to power | In addition to the decline in the number of students due to the decreasing birthrate, the reduction in students studying electrical, mechanical, and nuclear engineering makes it more difficult to recruit the desired talent. | **Very likely** | Medium | Short-term | Resource Management<br>(Securing talent) |
| | | Increased mobility in the labor market | The outflow of talented individuals and an imbalanced age structure of employees exceed expectations, hindering the transfer of technology and skills. | **Very likely** | **Large** | Short-term | Resource Management<br>(Securing talent) |
| | Opportunity | Embracing diverse values | Promoting diversity enriches corporate culture, incorporating diverse perspectives and ideas, and fostering innovation. | Possible | **Large** | Medium-term | Promoting Diversity and Inclusion |
| Reputation | Risk | Growing interest in preventing harassment | Neglecting harassment and employee health worsens stress and spreads negative information, losing customer trust. | Unlikely | **Large** | Short-term | TWI (Management Reform)<br>Core Strengthening<br>(Respect for Human Rights) |
| | | Growing interest in human rights in business | Human rights violations by business partners, including suppliers, can erode trust in our group. | Unlikely | **Large** | Medium-term | Core Strengthening<br>(Respect for Human Rights) |
| | Opportunity | Increasing social sensitivity to sustainability | Practicing human capital management and promoting human rights initiatives enhance brand value and Employee Well-being contributing to increased sales and talent acquisition. | **Very likely** | Medium | Medium-term | In all areas |

* Timeframe: Indicates occurrence in the short term: FY2025, medium term: FY2030, long term: FY2050.

## Resource Management

In the context of a rapidly changing business environment, effective resource management that strategically secures, develops, and allocates human capital is critical for operating our business with limited personnel. To secure talent, we are diversifying our recruitment methods by systematically hiring new graduates and mid-career professionals with immediate capabilities. Additionally, we are establishing attractive HR and compensation systems to ensure retention and high performance among younger employees, mid-level, and senior staff.

Simultaneously, we prioritize the allocation of essential personnel to key management issues and identify critical skill areas (such as DX, business creation, and international business) for long-term business strategy and structural transformation. By clarifying where and what skills will be needed in the future, we aim to systematically secure and develop the necessary talent in both quality and quantity, optimizing the alignment of work and personnel.




Strategy

**Internal Dual Job System (Career Challenge)**

To achieve timely team formation and increase opportunities for each employee to take on new challenges, thereby supporting autonomous career choices, we are promoting the Internal Dual Job System (Career Challenge). This initiative allows employees to experience work in areas of their interest while continuing their current responsibilities.

**Achievement: 4 projects, 9 people (FY2023)**

Regular duties: Promotion of Kaizen activities within the company

Career challenge: Oze SDGs inquiry-based learning tour

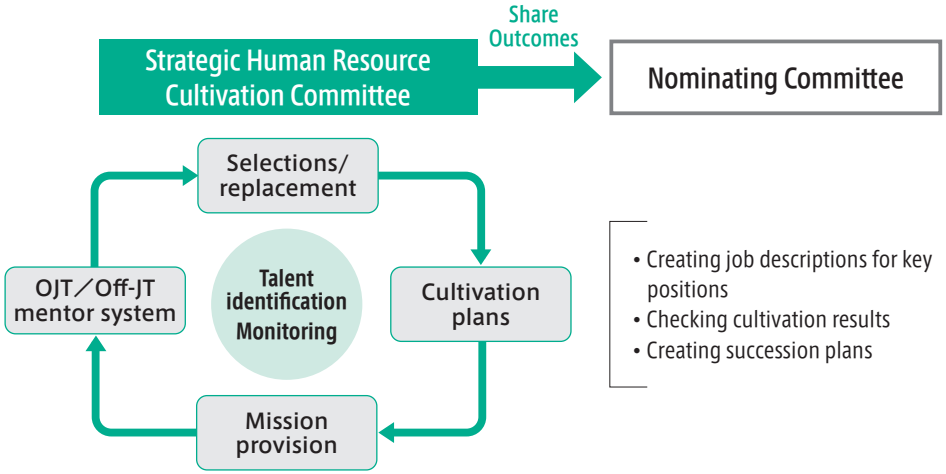
Oze SDGs Inquiry-Based Learning Tour

# Human Resources for Accelerating Ambidextrous Management

Adapting to changes in the surrounding environment, we are establishing a cycle aimed at developing management leaders who can drive business, electric power professionals who promote the succession of technical skills, and revenue-generating talent capable of creating new businesses. We provide opportunities for individuals to challenge themselves and make autonomous choices. Additionally, we centralize the management of talent information, including employees' skills and experiences, to achieve optimal talent placement through talent management.

## Succession Planning for Management Leaders

To ensure the stable and continuous emergence of management leaders, we have established a Strategic Human Resource Cultivation Committee aimed at selecting and nurturing potential leaders. The management team is directly involved in the development cycle and collaborates with the Nominating Committee to build a successor development system.

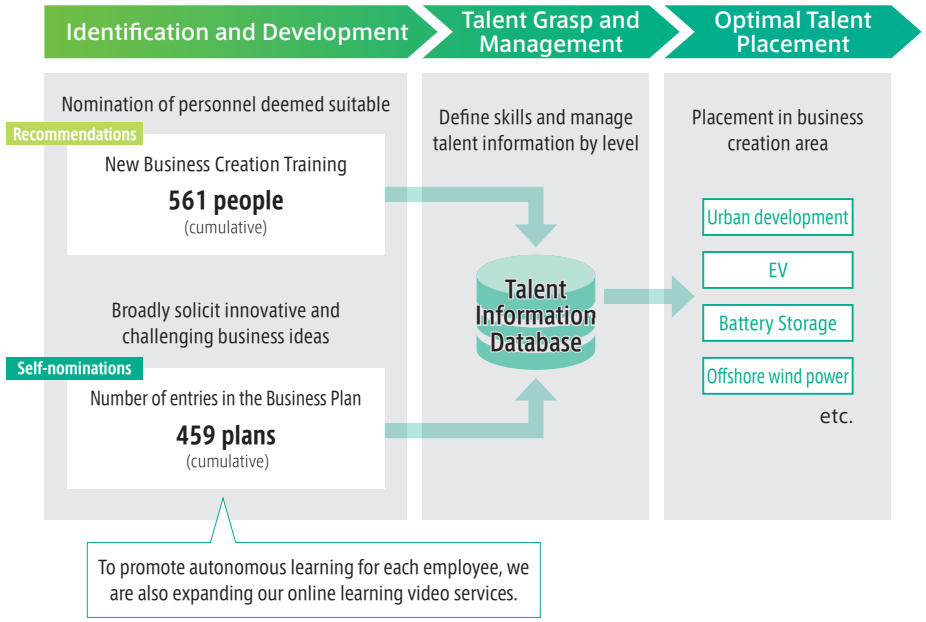



| | |
|---|---|
| **Strategic Human Resource Cultivation Committee Meetings** | |
| 【Total】 | 22 meetings (FY2023) |
| **Participants in next-generation leader cultivation training** | |
| 【Total】 | Advance management position program: 49 people<br>Management position program: 164 people<br>Regular position program: 306 people<br>(FY2023) |

## Developing Talent for New Business Creation

While adapting to market needs and competitive conditions, we identify suitable talent within the company to foster innovative ideas and strategies, turning new business ideas into reality. This is achieved through training, autonomous learning support, and on-the-job training (OJT). By defining skill levels (four levels), we can grasp and manage the talent information by level. Additionally, through mechanisms such as internal recruitment, we aim to connect this talent with practical placements in business creation areas.

**Target: 2,700 people by FY2027 Achievement: 1,418 people (FY2023)**



# Diversity & Inclusion

TEPCO's Diversity (Japanese only)

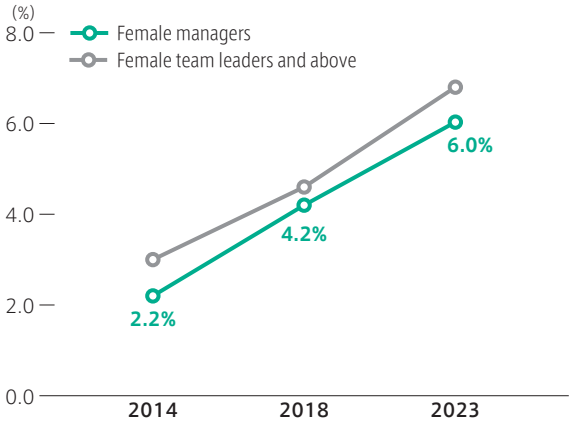
It is essential to create an environment where each employee respects each other's diversity and where everyone can work vibrantly, regardless of age, gender, nationality, or disability. To this end, we are promoting "Diversity & Inclusion" initiatives aimed at maximizing organizational performance by enabling employees to fully utilize their abilities and create new value.

## Creating an Environment Where Everyone Can Thrive

### Promoting Women's Participation

To increase the percentage of female managers, we are strengthening development efforts and expanding the pool of next-generation leader candidates. By the end of FY2023, the percentage of female managers reached 6.0%, and the percentage of leaders, including general staff, reached 6.8%, an increase of 3.8% over ten years. We are committed to creating an environment where the leadership brought by women's experiences and sensibilities can become a driving force for the growth of the TEPCO Group.

**Percentage of Female Managers and Leaders Including General Staff**

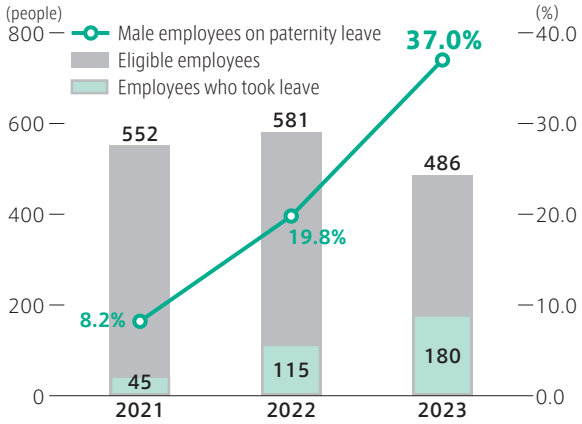



### Flexible Work Options That Don't Consider Childcare a Career Break

To further support the balance between work and childcare, we have revised our paternity leave system. As a result, the uptake rate has increased fourfold over three years, with 37% of eligible employees taking leave. By allowing flexible work options regardless of attributes, we are fostering an environment of ease and security, ensuring psychological safety.

**Paternity Leave Uptake Rate**

*Uptake rate including spouse's childbirth leave (5 days) is 87%




### Creating New Employment Opportunities

To promote diverse talent, we are creating new jobs and efficient workplaces that utilize individual experiences. In 2008, we established TEPCO Humming Works Co., Ltd. with the aim of providing a workplace environment where employees with disabilities can work energetically. As of the end of FY2023, the TEPCO Group's disability employment rate is 2.61%, meeting the legally mandated rate.

## TEPCO Work Innovation

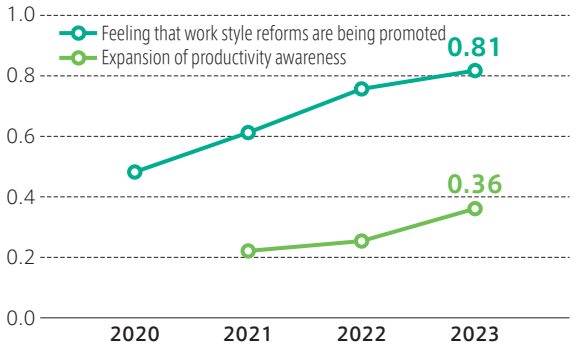
To achieve work-life balance and enhance the well-being of each employee, we are creating a comfortable working environment and implementing various initiatives to promote work style reforms.

Additionally, to foster employee growth and organizational vitality, we are focusing on each individual employee. We aim to maximize individual potential by enhancing management capabilities that support and engage with employees' achievements and growth.

### Initiatives to Promote Work Style Reforms

To balance work with household responsibilities, childcare, and caregiving, we have introduced initiatives such as "TEPCO Workcation," allowing remote work from anywhere, and an hourly paid leave system. Recently, we have also developed mechanisms for flexible working arrangements. For example, on-call duties previously required at the office for quick response to accidents can now be performed from home or other approved locations.

**Employee Awareness Survey**




Note: The average score from the employee awareness survey (on a 5-point scale from -2 to 2).

### Initiatives for Employee Growth and Organizational Vitality

To strengthen dialogue and support-oriented management capabilities, we are implementing initiatives such as "1-on-1 meeting" training, seminars by external speakers, and quarterly performance appraisal interviews. Additionally, we use 360-degree behavior observations to highlight role model managers' actions and share their practices within the company. This effort aims to elevate management capabilities across the organization. By deepening trust among employees, we enhance psychological safety and promote individual growth and organizational vitality.

## Core Strengthening; Enhancing Engagement

To enhance the vitality and productivity of both people and the organization, we believe improving employee engagement is crucial. Therefore, we have set "Employee Well-being" as a comprehensive KPI. This KPI consists of three key indicators: "job satisfaction," "Feeling of growth," and "work-life balance," which are measured through employee awareness surveys.

The results of these surveys are fed back to each workplace to help them understand their strengths and weaknesses. This understanding fosters the autonomous development of initiatives to improve engagement and promotes the horizontal sharing of best practices and know-how.

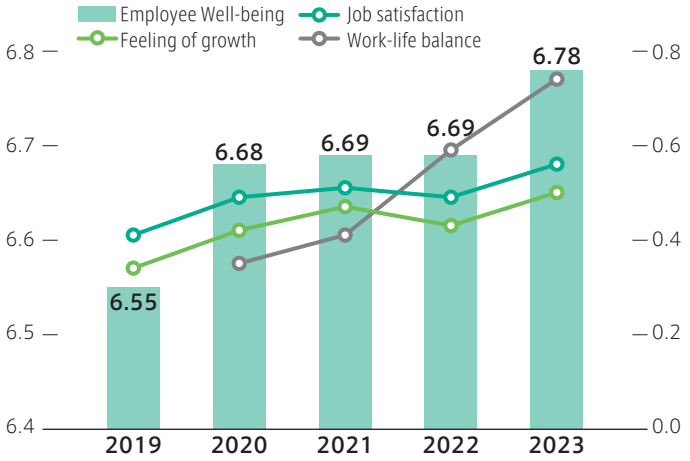
### Employee Well-being

All indicators have shown results exceeding those of the previous year, with "work-life balance" seeing significant improvement in recent years. We believe that the efforts through TEPCO Work Innovation, along with strengthened communication from management and the effectiveness of various human resource management initiatives, are reflected in these positive outcomes.

### Visualizing the Impact on Employee Well-being

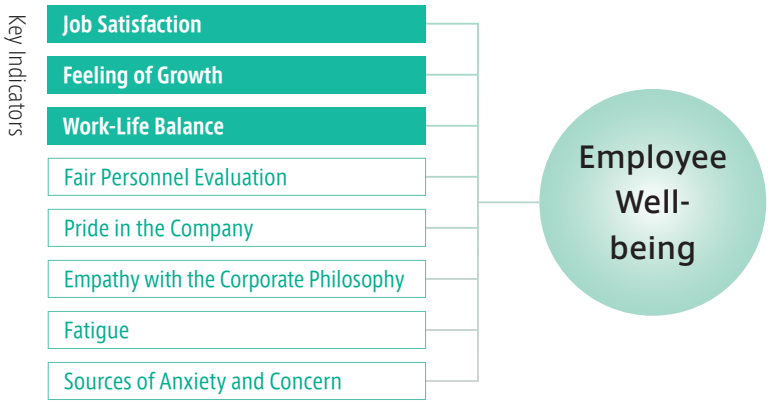
Through the analysis of employee awareness survey results, we visualize indicators significantly impacting employee well-being and their relationship with financial information. This helps verify if our HR initiatives enhance engagement and create value. Key indicators include "job satisfaction," "Feeling of growth," "work-life balance," "empathy with the corporate philosophy," and "pride in the company."

Notably, pride in supporting the stable supply of electricity and empathy with our vision of pioneering the future of energy are significant influencing factors. By using these analyses to enhance and improve our initiatives, we aim to accelerate "ambidextrous management" and achieve value creation.




Note: Engagement Score: Weighted average on a -2 to 2 scale
Employee Well-being Score: Weighted average on a 0 to 10 scale

### Key Indicators Impacting Employee Well-being




Note: The impact on Employee Well-being is analyzed using AI and machine learning models based on 43 indicators from the employee awareness survey.

## Core Strengthening; Human Rights

Efforts to Respect Human Rights

The TEPCO Group regards respect for human rights as fundamental to its business activities. We actively work to prevent and mitigate negative human rights impacts, ensuring that the rights of all stakeholders are respected. By paying close attention to changes in external environments, such as legal amendments in the regions where we operate, we enhance risk anticipation and management in global business. Stakeholder engagement is crucial for these initiatives. Aiming to be a trusted and consistently chosen corporate group, we promote human rights efforts in collaboration with both internal and external stakeholders.

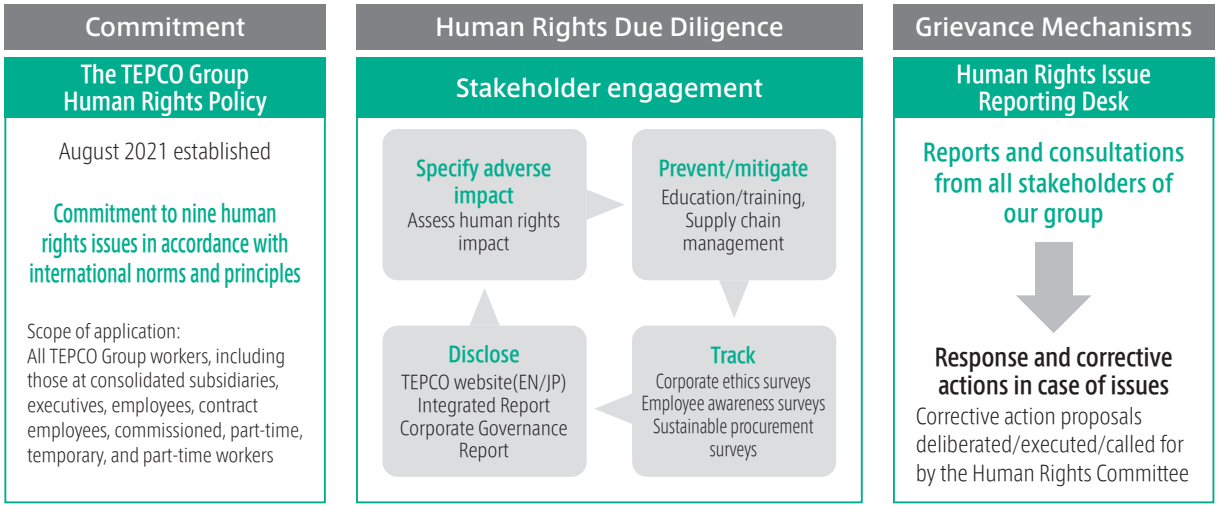
### Governance

The Human Rights Committee, chaired by TEPCO Holdings' Chief Human Resources Officer (CHRO), leads the PDCA cycle for our human rights efforts. This involves planning, monitoring, and proposing risk mitigation measures. Regular reports to the Board of Directors ensure effective oversight and supervision of these initiatives.

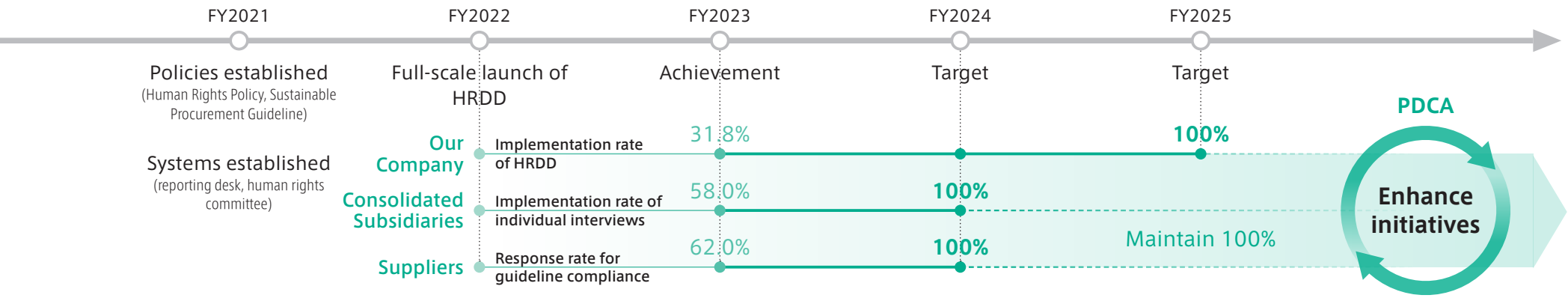

### Strategy: Initiatives Aligned with the United Nations' Guiding Principles on Business and Human Rights*1

Our group has a commitment to the "TEPCO Group Human Rights Policy," conducting human rights due diligence (HRDD) and establishing grievance mechanisms. In HRDD, we prioritize the scope of "our company," "consolidated subsidiaries," and "suppliers." To enhance the effectiveness of these initiatives, employee understanding is essential. Therefore, our group provides training and has set a target for 2030*2 regarding employee comprehension of the human rights policy.

*1 The Guiding Principles on Business and Human Rights (Ruggie Principles) outline company initiatives for respecting human rights, such as commitment, HRDD, and grievance mechanisms.
*2 An employee awareness survey aims for a score of 1.8 or higher (on a -2 to 2 scale) for understanding and respecting human rights policy.



## Progress




### Our Company*1

We are addressing common employee human rights issues*2 through education and system implementation. To tailor our approach to each business, we promote organizational-level HRDD. Using self-assessment results, we identify at-risk organizations and conduct interviews with external experts. These interviews help us identity human rights issues and develop preventive and corrective measures.

Currently, we are establishing a system enabling each organization to autonomously conduct HRDD.

*1 TEPCO Holdings and its core operating companies
*2 Harassment, working hours, personal information

### Consolidated Subsidiaries

Major subsidiaries conduct annual self-assessments on internal system establishment, supplier communication, and usage of high-risk products like solar panels. Based on the assessment results, TEPCO Holdings conducts individual interviews to promote initiatives at each company.

In 2023, a guideline for human rights policy initiatives for subsidiaries was established. Each subsidiary develops plans in line with the guidelines, with TEPCO Holdings monitoring and supporting their achievement.

### Suppliers

To achieve a sustainable society across the supply chain, we present the "Sustainable Procurement Guidelines" to suppliers, seeking their adherence and shared commitment. We have strengthened contracts by adding human rights compliance clauses. For supplier engagement, we conduct comprehensive surveys on social responsibility policies and ESG initiatives. During feedback, we provide training materials on environmental and human rights issues and comparative data to support suppliers in enhancing their efforts.

## Metrics and Targets

To enhance "Employee Well-being" and "Human Capital ROI," we will establish key KPIs focusing on our HR-Vision and five priority areas, assessing outcomes and progress while updating metrics and targets as necessary. Additionally, we will set and monitor KPIs related to risks such as voluntary turnover rates and the number of employees working long hours.

### Comprehensive KPI

**Employee Well-being**

**6.78**[*1]
(YoY+0.09)

**Human Capital ROI**

(Operating income + Depreciation) / Personnel expenses

**2.21**
(YoY+1.96)

### HR-Vision

**Ideal Human Resource Portfolio**

| | |
|---|---|
| HR Vacancy fill rate for key management issues | fill rate **100%** |

**Human Resource Vision**

| | | |
|---|---|---|
| Job Satisfaction | **0.56**[*2] | (YoY+0.07) |
| Feeling of Growth | **0.50**[*2] | (YoY+0.07) |
| Work-Life Balance | **0.74**[*2] | (YoY+0.15) |
| Annual Total Work Hours/Person | **1,946**[*3] | (YoY+11) |

**Organization Vision**

| | | |
|---|---|---|
| Putting the Corporate Philosophy into Practice | **1.18**[*2] | (YoY+0.05) |
| Value-Creating Climate | **0.58**[*2] | (YoY+0.13) |
| Mental Safety | **1.13**[*2] | (YoY+0.07) |

| Five Priority Areas | Primary indicators | Target | Achievements (FY2023) |
|---|---|---|---|
| Resource Management | Securing Human Resources (New Graduate Recruitment) | FY2023 : 100% fulfillment of planned numbers | **109%** |
| | Securing Immediate Contributors (Career Recruitment) | FY2023 : 100% fulfillment of planned numbers | **115%** |
| HR for Accelerating Ambidextrous Management | Development of Management Leaders | Management leader candidates: 500 people<br>Mission provision rate: 100% | **510 people**<br>**87%** |
| | Number of Business Creation Talents Generated | FY2027 : 2,700 people | **1,418 people**<br>(Cumulative) |
| Diversity and Inclusion | Ratio of Female Managers | FY2025 : 10% | **6.0%** |
| | Feeling that Diversity is Being Promoted | Increase over last fiscal year | **YoY +0.24**<br>(0.89[*2]) |
| TEPCO Work Innovation | Feeling that Work Style Reforms are Being Promoted | Increase over last fiscal year | **YoY +0.06**<br>(0.81[*2]) |
| | Expansion of Productivity Awareness | Increase over last fiscal year | **YoY +0.11**<br>(0.36[*2]) |
| Core Strengthening | Feeling that Health Measures are Being Promoted | Increase over last fiscal year | **YoY +0.11**<br>(0.75[*2]) |
| | HRDD Implementation Rate | FY2025 : 100% | **31.8%** |

**Risk KPI (from FY2023)**

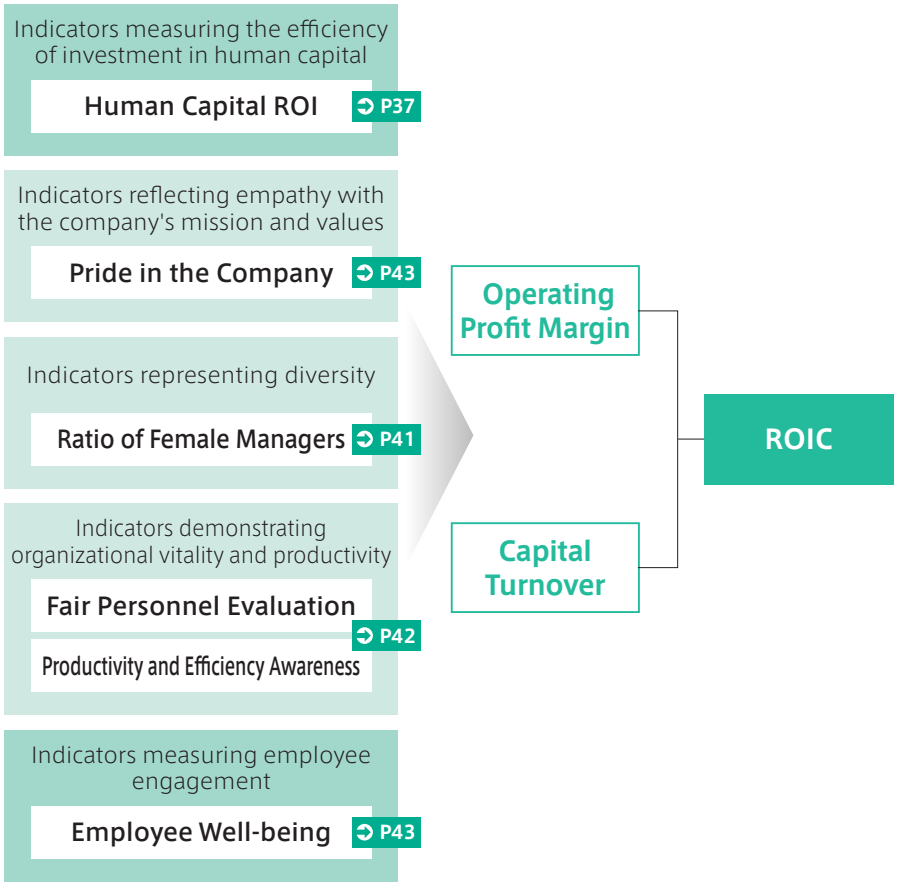
| Voluntary Turnover Rate | Number of Employees Working Long Hours[*4] | High-Stress Rate from Stress Checks | Number of Long-Term Absentees Due to Non-Work-Related Injuries or Illnesses[*5] | Number of Disciplinary Cases among Consultations to the Human Rights Office |
|---|---|---|---|---|
| **1.2%** | **250 people** | **11.9%** | **215 people** | **3** |
| (Previous Year: 1.0%) | (Previous Year: 191 people) | (Previous Year: 11.8%) | (Previous Year: 202 people) | (out of 136) |

*1 Weighted average on a 0 to 10 scale *2 Weighted average on a -2 to 2 scale *3 Excluding management; company-wide average *4 Number of individuals who recorded over 100 hours of overtime and holiday work in a month during the fiscal year

## Analysis of the Impact of Human Capital Indicators on Financial Metrics

To elucidate how our human capital initiatives contribute to improving corporate value, we conducted an analysis using AI and machine learning models to assess the impact of human capital-related indicators on ROIC. The analysis suggests that the effectiveness of various measures and improvements in employee engagement may enhance corporate growth and profitability over the mid/long-term. Moving forward, we will continuously examine the relationship between financial and non-financial metrics, using these insights to enhance our initiatives and strategically invest in human capital.

<Indicators with High Impact on ROIC>




### Verification Results

- Indicators with a high impact on ROIC were identified as "Human Capital ROI," which shows the efficiency of investment in human capital, "Productivity and Efficiency Awareness," "Pride in the Company," "Ratio of Female Managers," "Fair Personnel Evaluation," and "Employee Well-being."
- Among these, "Human Capital ROI" had the highest impact on ROIC, reaffirming that investment in human capital is significantly related to the creation of earning power and that setting "Human Capital ROI" as a KPI contributes to improving ROIC.
- Furthermore, it was suggested that employees' sense of "Pride in the Company" and "Employee Well-being" could enhance individual productivity, efficiency, service quality, and customer satisfaction, thereby boosting profitability.
- By advancing initiatives related to the "Ratio of Female Managers" and "Fair Personnel Evaluation," it was suggested that properly evaluating and treating employees, along with appropriate resource management, could similarly enhance creativity, efficiency, and profitability.

### Target Data

Subjects : 83 companies, primarily energy companies, that are advanced in human capital management*
Variables : ① Financial: ROIC (Return on Invested Capital)
② Non-Financial: Human capital-related indicators and associated non-financial indicators
Target Years : 2019-2023
Analysis Collaboration : Sustainable Lab Inc.

For this analysis, we used the dataset from the non-financial data platform "TERRAST" provided by Sustainable Lab Inc.
*Including our group companies

Governance | Strategy | Risk Management

# Occupational Health and Safety

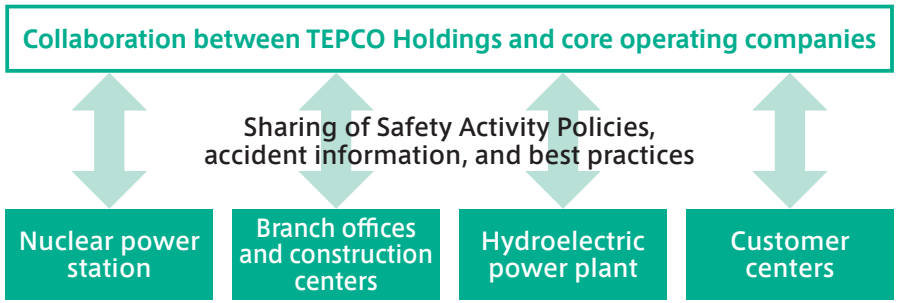
**Yasunori Fushimi**
Managing Executive Officer
Tokyo Electric Power Company Holdings, Inc.

## Fostering a safety-first culture of thoughtful and proactive action

The TEPCO Group regards the unwavering pursuit of safety in all operations as our most vital business foundation, acknowledging the endless nature of this quest. We are committed to enhancing safety daily alongside our colleagues. Our labor environment is undergoing significant changes, such as a decline in experienced workers and challenges in transferring technical skills. To navigate these challenges and strengthen our business foundation, it is crucial to strictly adhere to safety-first rules and cultivate a culture where employees can think and act autonomously. To build this culture and ensure a safe working environment, I will actively visit worksites, raise safety awareness, and take actions to protect my safety and that of my colleagues, always under the guiding principle that safety is paramount.

### Strategy for Promoting Safety Activities

For our safety activities, we have established clear responsibilities, authorities, and procedures through manuals covering daily safety management, occupational accident investigations, countermeasures, and safety education. Using the PDCA cycle, we closely collaborate with onsite teams for effective safety practices. Daily operations involve risk assessments at each process and the horizontal sharing of best practices. In the event of a severe occupational accident, we promptly share information and thoroughly investigate root causes to prevent recurrence. This includes implementing recurrence prevention measures and improving and sharing existing rules. These activities are conducted collaboratively across the TEPCO Group in both normal and emergency situations.




### Safety Policy

## Safety Above All Else

1. **Lead by Example:** Leaders will act to foster a safety-first culture.
2. **Communication:** Deepen communication with partner companies to share safety awareness.
3. **Learn from Past:** Leverage past accidents' lessons for prevention.
4. **Enhance Safety Skills:** Improve risk identification and mitigation capabilities.
5. **Integrate Safety:** Embed safety in all tasks, continuously improving through PDCA.

### Governance Structure

At TEPCO Holdings and its core operating companies, dedicated organizations and personnel have been established to promote coordinated safety activities.

### Safety Activity Plan

Our analysis of past safety activities has reaffirmed the importance of not only direct risk mitigation but also strengthening the trust-based relationships with our partners, which serve as the "foundation" for achieving zero accidents. In our 2024 safety plan, we aim to establish a "visible relationship" with on-site workers and foster open communication between clients and contractors. By increasing the frequency of site visits by us, as the clients, and improving communication with our partners, we will reinforce our trust-based foundation and diligently work towards preventing accidents.

### Initiatives for Protective Measures at the Fukushima Daiichi Nuclear Power Station

In fiscal year 2023, incidents at Fukushima Daiichi Nuclear Power Station posed risks such as worker contamination and water leaks. In response, approximately 1,000 work risks were reassessed, and around 680 protective measures were reviewed.

### Risks and Opportunities

From an occupational health and safety perspective, we organized TEPCO Group's response strategies to external environmental changes influencing business strategy. We will continue to implement effective measures with a long-term view.

| Categories | R/O | External Environmental Changes | Envisioned Details | Possibility | Impact | Timeframe | Response Strategy |
|---|---|---|---|---|---|---|---|
| Technology | Opportunity | Further dissemination of digital technology | · AI advancements enable efficient creation of safety measures from past accidents, improving safety and reducing countermeasure costs.<br>· Digitizing veteran skills enables real-time support for younger workers, aiding know-how accumulation and early empowerment as valuable assets. | Possible | Medium | Medium-term | Combine existing in-house know-how with AI technology for practical application |
| Market/ Service | Risk | Advancement of globalization | The increase in a multinational workforce due to the hiring of global talent can lead to workplace accidents caused by cultural differences and communication gaps. | **Very likely** | Medium | Medium-term | Strengthen initiatives related to the multinational workforce domestically |
| | Risk | Labor market fluidity | Employee health deterioration, widely publicized, can reduce our group's market attractiveness, complicating talent acquisition. | Unlikely | **Large** | Medium-term | Promotion of investment for health |

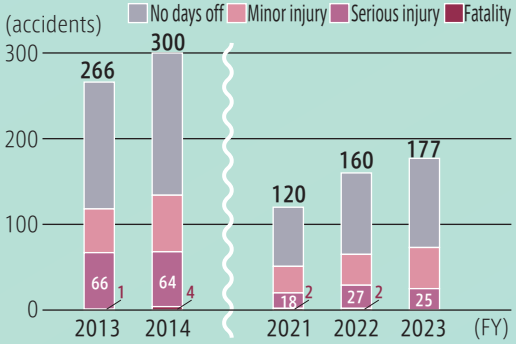
* Timeframe: Indicates occurrence in the short term: FY2025, medium term: FY2030, long term: FY2050.

**Targets**

## TEPCO Group
## FY2027 Zero accidents

From fatal work accidents, we've developed detailed procedures for responsibilities and legal compliance. Additionally, we've collaborated with external agencies to enhance safety activity efficiency based on real field conditions.

**Results**




* Excluding incidents solely caused by the other party

# Natural capital

## Pursuing Harmony between Business Activities and Biodiversity Conservation

The business activities of the TEPCO Group, responsible for energy supply, **heavily depend on and impact natural capital** through the installation and operation of extensive related facilities. Since its establishment, our group has conducted business with consideration for the natural environment and biodiversity. Moving forward, we will enhance information disclosure to meet stakeholder expectations and, through business operations based on the "TEPCO Group Biodiversity Policy" (enacted in April 2024), contribute to achieving the global 30by30 target.


TEPCO BIODIVERSITY REPORT 2024

### Enhancement of Information Disclosure

The significance of nature-related information disclosure under the TNFD framework, similar to the TCFD for climate data, lies in **providing material information to capital providers for better decision-making and enhancing organizational resilience to climate and nature-related risks.** Moving forward, our group will examine the dependencies and impacts of our business on natural capital and thoroughly analyze associated risks and opportunities. We will reassess and evaluate the targets of the LEAP approach, initially implemented on a trial basis, and integrate the insights into our business strategies. By registering as a "TNFD Adopter," we aim to improve our disclosures and continually disclose the "TNFD Global Disclosure Indicators" for comparability.

TNFD Global Disclosure Indicators P99

### TCFD×TNFD

**Climate-Related**

- **Publication of TCFD Recommendations** (2017)
- Endorsement of TCFD recommendations (2019)
- Initiation of scenario analysis (2019)
- Commencement of disclosures in the Integrated Report (2019)
- Publication of "TEPCO TCFD REPORT" (2022)

**Nature-Related**

- Trial Implementation of LEAP Approach (2022)
- **Publication of TNFD Recommendations** (2023)
- Publication of "TEPCO BIODIVERSITY REPORT" (2023)
- Registration as a "TNFD Adopter" (2023)
- Certification of Oze as a 30by30 "Natural Symbiotic Sites" (2024)

Strategy

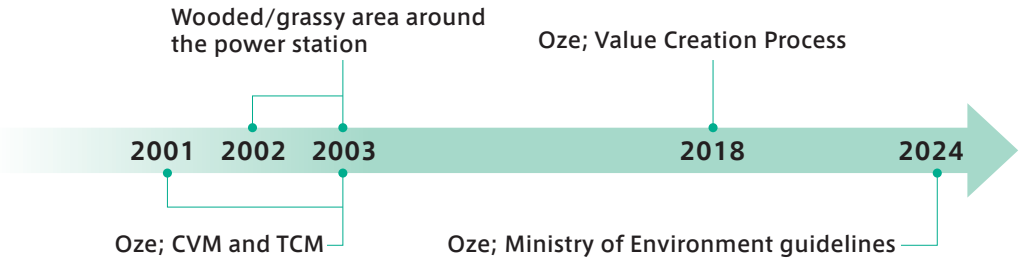
Post-2025

**Enhancement of information disclosure related to organizational resilience to climate and nature-related risks**

### Economic Value Assessment of Natural Capital

The TEPCO Group has evaluated the balance between environmental conservation and economic efficiency. Moving forward, we will reassess past initiatives, introduce new methods, and improve information disclosure based on TNFD financial indicators.

### History




### 30by30*1 : OECM*2 Registration

The 16,334 hectares of Oze (including Ozegahara, Oze Marsh, and Oze Tokura Forest), conserved by our group for years, were recognized as a " Natural Symbiotic Sites" in 2023. In 2024, 512 hectares outside the national park were registered in the international OECM database. Our group is dedicated to contributing to the 30by30 goal by including both protected areas and OECMs.


*1 30by30: Aiming to halt and restore biodiversity loss by 2030, this goal seeks to effectively conserve over 30% of land and sea as healthy ecosystems by 2030.
*2 OECM (Other Effective area-based Conservation Measures) : To achieve "30by30," not only expand national parks but also register biodiversity-conserved lands by communities, companies, and organizations in international databases to promote preservation.

### Economic Value Assessment of Oze Initiatives (2024)

Based on the "Trial Manual for Valuing and Calculating Ecosystem Services in Corporate Biodiversity Conservation Activities" (Ministry of the Environment, 2019), we conducted a benefit evaluation of our group's initiatives in Oze, including land management and nature conservation efforts.

Trial guidelines (Ministry of the Environment)

#### Total

**¥46.78 billion/year**

#### Total Activity Benefit of the Same Scale of Activities

- Past 60 years: **¥11.6 trillion**
- Future 100 years: **¥1.1 trillion**

Estimate using the social discount rate (4%) for public works evaluation in the Ministry of the Environment guidelines

#### Value of the Fruits of Nature (Ecological Services)

| | | | | |
|---|---|---|---|---|
| Lumber supply | Watershed/water storage | Carbon fixing | Water purification | Soil erosion prevention |
| Water volume adjustment | Landslide prevention | Flood prevention | Recreation | |

- **Nationally: ¥3.81 billion/year**
- **Local residents: ¥39.21 billion/year**
- **Event participants: ¥203,000/year**

#### Value of Other Activities

| |
|---|
| Biodiversity conservation function |
| Related events |

- **Nationally: ¥3.75 billion/year**
- **Local residents: ¥9.29 million/year**
- **Event participants: ¥294,000/year**

# Intellectual Capital

## Strengthening Intellectual Capital Supports Sustainable Growth

For the TEPCO Group to **swiftly respond to external changes** such as technological innovation **and internal changes** like talent shortages, **it is essential to strengthen intellectual capital, an intangible asset.** Intellectual capital forms the foundation for building competitive advantages and supporting sustainable growth. Recognizing this, our group is committed to enhancing intellectual capital through technological development and implementation.

### Technology Strategy

In alignment with our business strategy, our group has formulated a technology strategy centered around three pillars: **"Stable Power Supply," "Carbon Neutrality,"** and the **"Digital Technologies"** that support both. We have identified seven key technology areas, as of 2024, to focus on mid/long-term and set development goals regarding these areas to advance our technological initiatives.

TEPCO Research Institute, with its experts in energy-related fields, plays a central role. These specialists significantly contribute to stable power supply and **driving new business creation through the implementation** of $CO_2$ reduction technologies such as innovative renewable energy, electrification, and hydrogen P2G.

Key Goals

| Key Technology Areas | Goals | Year |
|---|---|---|
| Electrification of energy demand | Development of V2H (Vehicle-to-Home) systems compatible with both AC and DC | 2024 |
| | Development of energy management systems supporting electric buses and regional energy | 2030 |
| Zero emissions in power generation | Evaluation of power performance and installation methods for perovskite solar cells | 2028 |
| | Cost reduction and increased domestic production of Floating Axis Wind Turbines via offshore demonstration | 2030s |

### Intellectual Property Strategy Including the Promotion of International Standardization

Our group promotes **an open-close strategy** for intellectual property, wherein we keep critical competitive areas as proprietary know-how while opening other areas through patent licensing and other means. As part of our open strategy, we aim to expand the market by improving reliability and reducing costs through standardization. **To internationalize Japanese power** technology, we lead the establishment of international standards through collaboration among industry, government, and academia.

**Strategy** | **Metrics & Targets**

**Governance Structure**


On the executive side, under the leadership of the CIO (Chief Information Officer), we are advancing our initiatives by enhancing collaboration with external partners.

## Digital Transformation (DX)

TEPCO Group is advancing DX initiatives to ensure stable power supply and achieve carbon neutrality. We are enhancing existing businesses and creating new business models with various stakeholders. As a result, TEPCO Holdings was the only power company named a "Noteworthy DX Companies 2024" in May 2024.

To strengthen group-wide governance, we established the DX Business Transformation Committee, led by our President. This committee formulates company-wide policies, organizes cross-functional DX projects, and fosters an environment for business transformation, accelerating DX efforts across the entire group.

DX注目企業2024
Digital Transformation

Board of Directors

Board of Executive Officers

DX Business Transformation Committee

### DX Project: Smart Maintenance of Hydroelectric and Wind Power Plants Using Drones

Traditionally, power plant maintenance required significant labor and time. We are utilizing drones for remote monitoring and control of aerial and underwater facilities, improving inspection efficiency, reducing labor, shortening facility downtime, and significantly decreasing generation curtailment.

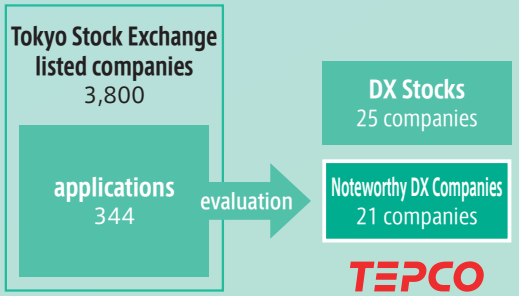
**Expected Effects**

**Time Required approx. 96% reduction**

Shorten the time from issue occurrence to investigation initiation for certain facilities from over 2 days to under 2 hours

Small underwater drones utilized for hydroelectric power plant maintenance

### DX Stocks 2024 and Noteworthy DX Companies 2024




Based on 2024 selection results

The Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Information-technology Promotion Agency evaluate and recognize companies that are creating new value through DX initiatives.

### Simultaneous Achievement of GX and DX: MESH*1 Concept

The MESH Concept aims to enhance overall societal productivity and promote autonomous behavioral changes in power consumption. This is achieved by guiding next-generation industries to locate near decarbonized power sources and leveraging Watt Bit Integration based on time- and location-specific price signals. TEPCO Power Grid's Vice President, Dr. Okamoto, introduced this concept at the GX2040 Leaders Panel*2, attended by the Prime Minister.

*1 MESH: Machine-learning Energy System Holistic
*2 A panel for gathering expert opinions to formulate the "GX2040 Vision," Japan's mid/long-term decarbonization roadmap

Materiality

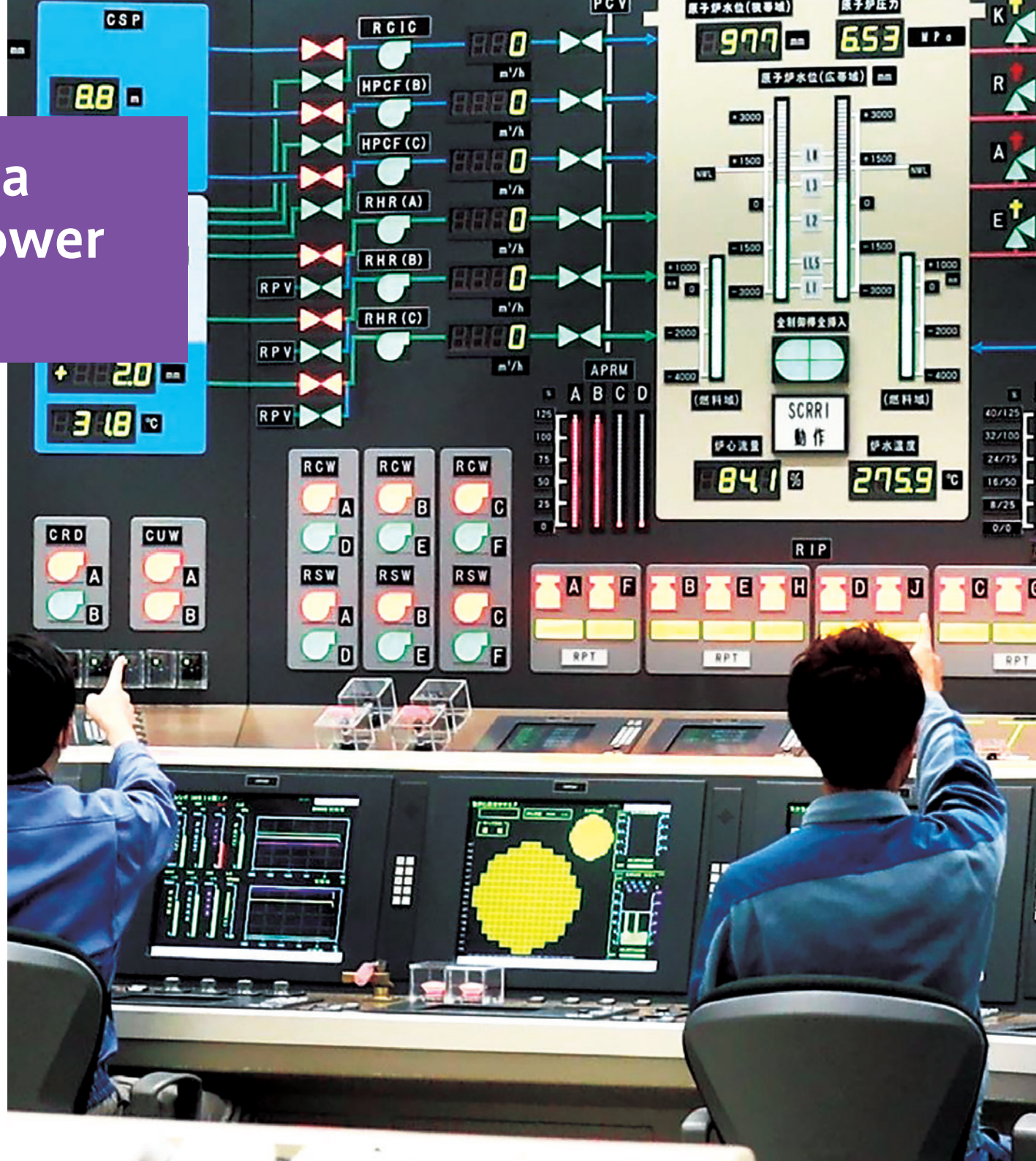
# Transforming into a Trusted Nuclear Power Operator

Tokyo Electric Power Company Holdings was prohibited from moving fuel due to incidents related to nuclear physical protection. This order was lifted in December 2023. We continue corrective actions to ensure lasting improvements.

At Kashiwazaki-Kariwa Nuclear Power Plant Unit 7, we completed safety measures based on the Fukushima Daiichi accident and new regulatory standards, confirming the integrity of the power generation system for reactor startup.

As the company responsible for the Fukushima Daiichi accident, we are enhancing our emergency response capabilities through comprehensive drills without disclosing scenarios in advance and through providing individual training. We also conduct regular training with scenarios stricter than the Fukushima Daiichi accident and improve operational skills at other nuclear and thermal power plants with similar equipment.

By sharing these efforts with local communities and the public, and addressing their inquiries, we aim to become a trusted power plant operator.



**Takeyuki Inagaki**

Managing Executive Officer,
Superintendent of Kashiwazaki-Kariwa Nuclear Power Station,
In charge of Nuclear Reform
Tokyo Electric Power Company Holdings, Inc.

## Creating a vision for the power station and implementing further nuclear reforms

In order to achieve power station operation that prioritizes safety, at the Kashiwazaki-Kariwa Nuclear Power Station we have created a "purpose" for the power station that serves as a pillar of determination for everyone that works at the station, and we are engaged in various initiatives to promote it. At Unit 7, now that we have completed safety measure renovations and post-fuel charging integrity checks, we have completed the technical preparations for startup of the reactor.

However, we believe that the reactor should be started up only after obtaining the understanding of regional residents so we are leveraging various forms of media, and also opportunities to directly engage with regional community, to give careful and detailed explanations of this process.

Our vision for the power station is an ongoing process that this is surely not the end of. As a site superintendent, I will push each and every worker at the plant to be more aware of how we can make the power station a better place and to continually make improvements.

## Safety Measures

In response to the Fukushima Daiichi accident and new regulations, we have implemented safety measures at Kashiwazaki-Kariwa Nuclear Power Plant. We strengthened facilities and diversified power supply and cooling functions to prevent accidents and core damage. Additionally, we have measures to delay and reduce radioactive material release if core damage occurs.

**About 10 days**

In a core-damaging accident, our seawater cooling system can delay radioactive discharge for at least **about 10 days.**

**≤1/1,000**

If the discharge of radioactive materials becomes unavoidable, our filtered vent system can reduce particulate radioactive substances (such as radioactive cesium) to **less than 1/1,000.**

### Vision for Kashiwazaki-Kariwa Nuclear Power Station

**The "Purpose" of the Kashiwazaki-Kariwa Nuclear Power Station**

1. To be a power station that loves, and is loved by, the region
2. To be a lively and welcoming power station at which everyone is proud to work
3. To be a power station that is chosen by our customers

This "purpose" was formulated through discussions and input from power station staff and employees of partner companies.

## Efforts to Enhance Safety at the Kashiwazaki-Kariwa Nuclear Power Station

At the Kashiwazaki-Kariwa Nuclear Power Station, we are working to enhance the safety of the reactor as we move towards restarting operations. This includes confirming the integrity of the facilities and conducting emergency drills.

### Operations

We conduct monthly "nuclear disaster prevention drills" that simulate various events such as earthquakes and tsunamis. These include blind drills, where scenarios are not disclosed in advance, to improve adaptability and decision-making skills. Considering that about 30% of our operators lack prior operational experience, we have conducted multiple training sessions at thermal power plants and the BWR Operation Training Center to prepare for stable operations.

### Collaboration with National and Local Governments

Based on the nuclear disaster prevention cooperation agreement signed with Niigata Prefecture in 2020, we will provide maximum support to enhance the effectiveness of evacuation plans. This includes verifying and testing the cooperation framework. In the event of natural disasters like earthquakes and tsunamis, we plan to open the headquarters and the service hall at the power station to the local community.

### Security

We have been improving security at the Kashiwazaki-Kariwa Nuclear Power Station from both equipment and operational perspectives. The report from the International Atomic Energy Agency (IAEA) Expert Mission concluded that most of the 36 items in the Corrective Action Plan related to the unauthorized ID card use incident and partial failure of nuclear physical protection equipment have been completed. It also stated that measures requiring more time and resources are being implemented as planned, addressing the root causes. The plant's management has been highly praised for their efforts to improve nuclear security culture. Effective communication and mutual trust among all personnel, including partner companies, are essential for better plant operations. We will activate internal and external communication to achieve a trusted power plant operation.

**Toshihiko Fukuda**

Director,
Executive Vice President,
General Manager of
Nuclear Power & Plant
Siting Division,
Deputy Chief and
Secretary General of the
Nuclear Reform Special
Task Force
Tokyo Electric Power
Company Holdings, Inc.

## Leading nuclear reforms so that the nuclear power industry is trusted into the future

In Japan it is predicted that we will see an increase in power demand due to the new construction and expansion of data centers in conjunction with the increased digitalization of industry and society. So, we have great expectations for nuclear power because of the stable supply of power it provides, its economic efficiency, and the $CO_2$ emission reductions it enables. Furthermore, at the UNFCCC Conference of the Parties (COP26), a declaration was made to expand the use of nuclear power throughout the world by 2050, thereby showing the large role that nuclear power generation is expected to play internationally.

To meet societal expectations and become a trusted nuclear power operator, the Kashiwazaki-Kariwa Nuclear Power Station and the Head Office are united in safety improvement initiatives and awareness reforms. As head of the Nuclear Power Division, I will continue to lead nuclear reforms and leverage the continual monitoring results of committees comprised of external experts, such as the Nuclear Reform Monitoring Committee, to solidify trust in the nuclear power industry.

## Strategy

### Nuclear Power Generation

At the Kashiwazaki-Kariwa Nuclear Power Plant, we are steadily progressing with the steps for the restart of Unit 7, while also advancing safety measures and necessary processes for severe accident response facilities for Unit 6.

While striving to restore trust at Kashiwazaki-Kariwa, we will also proceed with necessary peripheral development, geological surveys, and design considerations based on new regulatory standards to resume construction at the Higashidori Nuclear Power Station, a crucial site for TEPCO Holdings' nuclear business for generations to come.

### Nuclear Fuel Cycle

From the perspective of energy security, maximizing the efficient use of domestically available resources and reducing the volume and toxicity of high-level radioactive waste, we believe the nuclear fuel cycle holds significant importance. We will promote the nuclear fuel cycle in accordance with national policy. We will continue to fully cooperate with Japan Nuclear Fuel Limited and support Recyclable-Fuel Storage Company which commenced operations in FY2024.

## Metrics & Targets

**Financial Improvement from Operating One Nuclear Reactor (annual generation: 10TWh)**

**Approx. ¥100 billion per reactor**

*1 Estimated based on recent fuel prices and certain assumptions

**Annual $CO_2$ Reduction from Kashiwazaki-Kariwa Nuclear Power Plant Unit 7 (1,356 MW)**

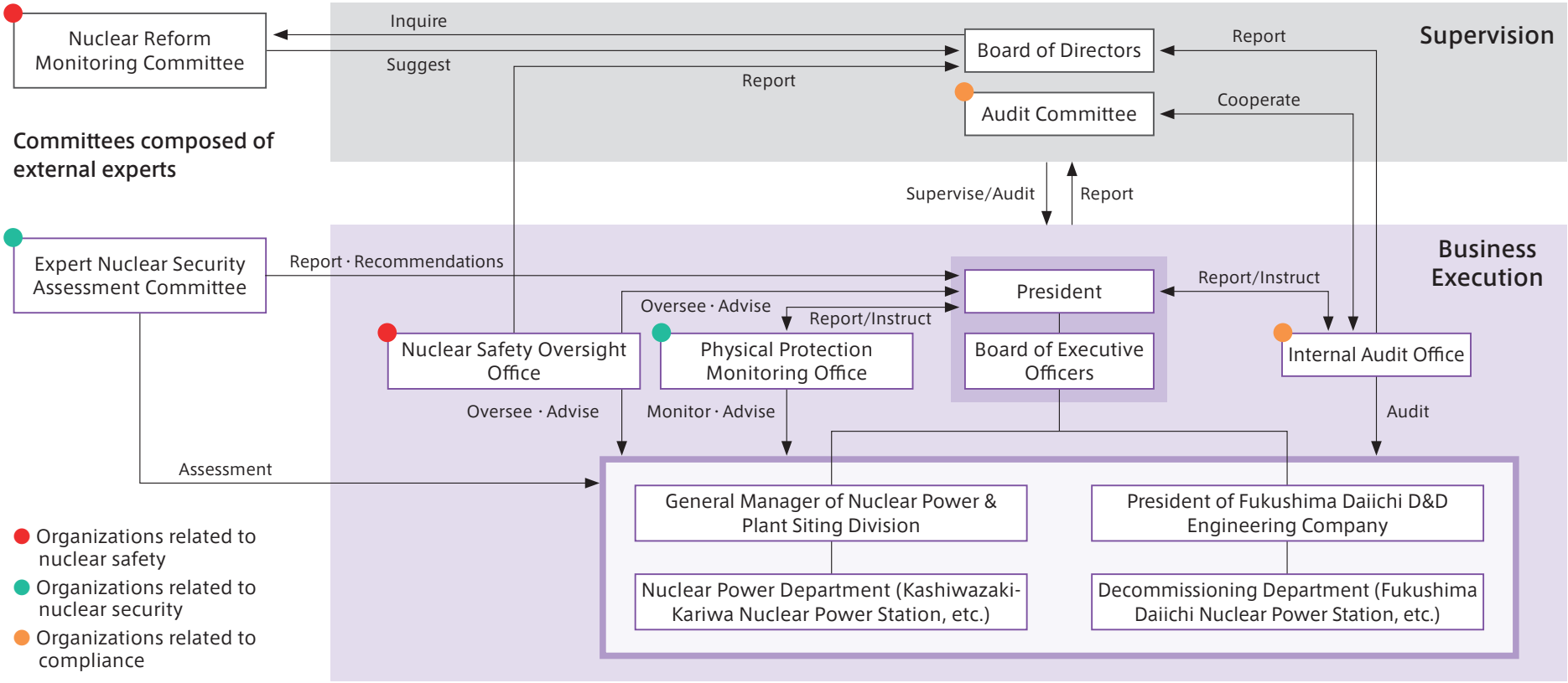
**Approx. 3.3 million t-$CO_2$**

*2 Estimated based on the "Energy and Environment 2023" report by the Federation of Electric Power Companies of Japan

## Governance of Nuclear Operations

TEPCO Holdings has codified in the safety regulations of the Kashiwazaki-Kariwa Nuclear Power Station that under the President's responsibility, signs of safety and quality deterioration are promptly and appropriately addressed by monitoring the awareness and actions of our company and partner companies. In addition to supervision and audits by the Board of Directors and the Audit Committee, and internal audits by the Internal Audit Office, the Nuclear Safety Oversight Office, an independent organization from the Nuclear and Decommissioning Units, conducts monitoring. Additionally, to strengthen monitoring of nuclear physical protection, we have established the Physical Protection Monitoring Office directly under the President. Furthermore, the Nuclear Reform Monitoring Committee, an advisory body to the Board of Directors composed of domestic and international experts, supervises and monitors our nuclear operations from an external perspective. Utilizing the functions of each organization, we will further enhance the safety and security of the Nuclear and Decommissioning Units.

➲ Efforts by Each Organization P59




* In addition to the organizations mentioned above, we have established "Assessment Committee for Improvement Measures regarding Nuclear Physical Protection at the Kashiwazaki-Kariwa Nuclear Power Station" with the aim of obtaining objective assessments of our ongoing efforts to ensure that our improvement measures are not temporary.

## Nuclear Reform Monitoring Committee

The Nuclear Reform Monitoring Committee is an advisory body to TEPCO Holdings' Board of Directors, comprising domestic and international experts. It supervises and monitors TEPCO's nuclear reform efforts from an external perspective to ensure effective implementation.

### Committee Members

- Dr. Dale Klein, Chairman (Former Chairman of the U.S. Nuclear Regulatory Commission)
- Mr. Masafumi Sakurai, Member
- Dr. Mariko Nishizawa, Member
- Dr. Charles Casto, Member
- Mr. Yoshimitsu Kobayashi, Member (Chairman of TEPCO's Board)
- Mr. Shoichiro Onishi, Member (TEPCO Director)

**Discussions at the Committee**

At the committee meeting held in February 2024, reports and discussions covered TEPCO's nuclear safety reform efforts, the preparation status for the restart of the Kashiwazaki-Kariwa, and the progress of decommissioning at the Fukushima Daiichi.

**Key Opinions**

- The efforts to build a safety culture are progressing well, but consideration should be given to maintaining it. The safety culture should not be person-dependent to remain sustainable.
- At both Fukushima Daiichi and Kashiwazaki-Kariwa, things often do not progress as expected. Even when Kashiwazaki-Kariwa restarts, there will inevitably be equipment that does not function as planned. It is crucial to have a communication program and to engage in early communication both internally and externally.

## Expert Nuclear Security Assessment Committee

From the perspective of external nuclear security experts, the committee evaluates our nuclear security efforts biannually and reports its findings and recommendations to the President.

### Evaluation Contents

1. Status of the "Corrective Action Plan" initiatives
2. Efforts to foster a nuclear security culture
3. Performance evaluation of physical protection measures

## Nuclear Safety Oversight Office (NSOO)

As an independent entity from safety-related organizations, the NSOO provides specialized knowledge to assist and advise the President in monitoring, directly influencing decision-making, and improving nuclear safety management. It also reports directly to the Board of Directors as necessary.

### Observation, Analysis, and Evaluation

We regularly conduct interviews and field observations with our company and partner companies to identify issues, including signs of safety and quality deterioration. Based on these observations, we evaluate the nuclear safety performance at each power plant.

### Reporting and Advising

The performance evaluation results are regularly reported to the President and executive officers. We also continuously support the nuclear division in addressing identified issues.

## Physical Protection Monitoring Office

The Physical Protection Monitoring Office is an organization directly under the President, independently monitoring nuclear physical protection efforts from the nuclear division. The office monitors employees and partner companies, providing regular reports to the President. If signs of safety or quality deterioration in nuclear physical protection awareness or actions are observed, the office reports them promptly, and the President issues corrective instructions to the nuclear division. The office continues to monitor the division's response, supporting continuous improvement in nuclear security through autonomous improvements by the division.

### Monitoring Methods for Nuclear Physical Protection Awareness and Actions

- Fixed-point observation
- Meeting observation
- Accompanying patrols
- Interviews and document reviews
- Annual surveys

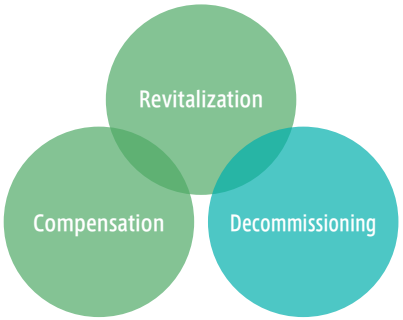
Materiality

# Promoting Revitalization and Decommissioning

Fulfilling our responsibility to Fukushima is the TEPCO Group's greatest mission. The reflection and lessons learned from the Fukushima Daiichi Nuclear Power Plant Accident are the foundation of our current management principles. We vow never to let such an accident happen again and will continue to take every action necessary to promote revitalization and bring the accident to a conclusion.

While providing quickly suitable compensation, we will continue to listen to and consult with municipalities and regional residents, and persist in our efforts towards revitalization, including environmental restoration and promoting the distribution of agricultural and marine products.

Regarding decommissioning, in addition to continuing ocean discharge of ALPS-treated water, we will proceed with the crucial task of trial retrieval of fuel debris.




# Compensation and Revitalization

**Nobuhide Akimoto**
Managing Executive Officer,
Fukushima Revitalization Headquarters
Representative
Tokyo Electric Power Company Holdings, Inc.

## Never forgetting the suffering of those affected, we will continue to fulfill our responsibility to Fukushima.

It has been over 13 years since the Fukushima Daiichi Nuclear Power Plant Accident, and we deeply apologize for causing great inconvenience and concern to the residents around the plant, the people of Fukushima Prefecture, and society at large.

In 2023, the ocean discharge of ALPS-treated water began. As the entity responsible for the decommissioning, we have been addressing this with a sense of duty and determination by disseminating information, promoting the consumption of domestically produced seafood, and advancing compensation efforts. Additionally, we have arranged an organization for compensation in light of the fifth addendum of the midterm plan. We will continue to respond diligently.

As the decommissioning process intensifies with tasks such as trial retrieval of fuel debris, we are committed to providing clear and comprehensible information. We will also promote the participation of local businesses in decommissioning work and procurement.

Being at the forefront of revitalization efforts, we will accurately capture the voices of the local community and the changing needs in urban development. I will lead these efforts, with the entire group united in initiatives that benefit the community.

**Iitate Mirai Power Plant**
Our subsidiary, Iitate Bio Partners Co., Ltd., constructed the Iitate Mirai Power Plant (a wood biomass power plant) to utilize thinned wood and bark from Fukushima Prefecture. The plant began operations in September 2024. We have taken thorough measures against radioactive substances, contributing to the regeneration of Fukushima's forests and the promotion of the forestry industry.



### Compensation

[Total payments]
As of the end of FY2023
**Approx. ¥11.2 trillion**

### Environmental restoration Revitalization promotion activities

[Work person-days]
FY2022
**Approx. 58,600 person-days (cumulative)**
FY2023
**Approx. 49,700 person-days (cumulative)**

[Number of work cases]
FY2022
**Approx. 6,400 cases**
FY2023
**Approx. 5,600 cases**

### Promoting distribution products

[Promotion events for Fukushima]
FY2022
**Approx. 11,700 days (cumulative)**
FY2023
**Approx. 15,500 days (cumulative)**

## Environmental Restoration & Revitalization Promotion Activities

We are contributing to the reconstruction of businesses and livelihoods, and the recovery and revitalization of urban functions by national and local governments. Additionally, we are providing human and technical support for the improvement of return environments, living conditions, and environmental restoration.

In FY2023, with the reclassification of COVID-19 to Category 5, there was an increase in the number of events held in various regions. Consequently, the number of activities related to event cooperation and support for the resumption of farming in areas where evacuation orders were lifted also increased.

**Key points of revitalization promotion activities**

1. **Implementing initiatives that lead to true regional revitalization according to the recovery status of each area**
2. **Completing responses to regional requests through revitalization promotion activities by all employees**
3. **Continuing risk communication regarding decommissioning progress and the discharge of ALPS-treated water**
4. **Implementing awareness-raising measures within TEPCO to fulfill responsibility to Fukushima**


Risk communication activity

## Promoting Distribution Products

The initiative to provide opportunities for people in the Tokyo metropolitan area and other regions to experience products from Fukushima and its neighboring areas began in February 2018 and marks its seventh year this year.

Promotional fairs for Fukushima products in retail stores and restaurants have expanded to nationwide and internationally.

Following the ocean discharge of ALPS-treated water, we extended our efforts to include domestic seafood products such as scallops affected by import bans from certain countries and regions. We are working to develop new sales channels and increase consumption through proposals and promotional events.

We will continue to collaborate with the government and stakeholders, advancing activities as a unified group.

Koichi Festival in Shimbashi

# Decommissioning



**Akira Ono**

Executive Vice President,
President of Fukushima Daiichi D&D Engineering Company,
Chief Decommissioning and Contaminated Water Management Officer
Tokyo Electric Power Company Holdings, Inc.

## Based on the Mid/Long-Term Decommissioning Action Plan, we will carry out the decommissioning process with safe operations.

It has been over 13 years since the accident at our nuclear power plant. During this time, the decommissioning of the Fukushima Daiichi Nuclear Power Plant has progressed with the guidance of the government and other stakeholders, and with the support and cooperation of many individuals.

We commenced the ocean discharge of ALPS-treated water on August 24, 2023. We have confirmed that the discharges meet the planned discharge standards, and marine monitoring shows that levels remain within the anticipated range.

In 2024, we began the trial retrieval of fuel debris from Unit 2 on September 10. We are committed to taking thorough measures and prioritizing safety as we proceed. To support future fuel debris retrieval, we plan to analyze the characteristics of the fuel debris at an off-site analysis facility. Initially, to promptly understand the characteristics of the fuel debris, we conducted debris sampling using a telescopic device, which has been used in previous internal investigations. We will continue to make adjustments to improve the safety and operability of robotic arms for internal investigations and debris sampling.

### Mid/Long-Term Decommissioning Action Plan 2024

| | 2025 | 2028 | 2031 |
|---|---|---|---|
| Contaminated water | ●100m³/day | ●50~70m³/day (on FY2028) | |
| Removal of spent fuel | From Unit 2 (starting during FY2024~2026) | From Unit 1 (starting during FY2027~2028) | ●Completion of removal from Units 1-6 (by 2031) |
| Retrieval of fuel debris | ●Trial from Unit 2 (commence by October 2024)* | Gradual expansion of the retrieval scale | |
| Waste countermeasures | | ●Elimination of outdoor temporary storage (on FY2028) | |

* Commenced in September 2024

## Metrics & Targets

**Contaminated water**

**Reduction to approx. 100m³/day by FY2025**

**⇒ Approx. 80m³/day on FY2023**

*Achieved ahead of schedule

**Retrieval of fuel debris** (FY2024)
[Unit2] Commencement of trial retrieval
[Unit3] Initiation of detailed conceptual considerations

**Prevention of non-conformities** (FY2024)
Zero incidents and human errors affecting people (occupational accidents), the environment (releases, leaks, off-site radiation increase), and radiation (overexposure, internal intake, body contamination)

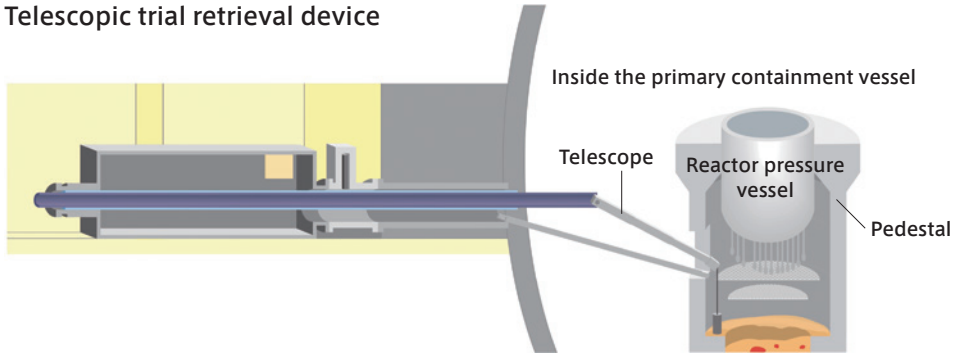
## Trial Retrieval of Fuel Debris

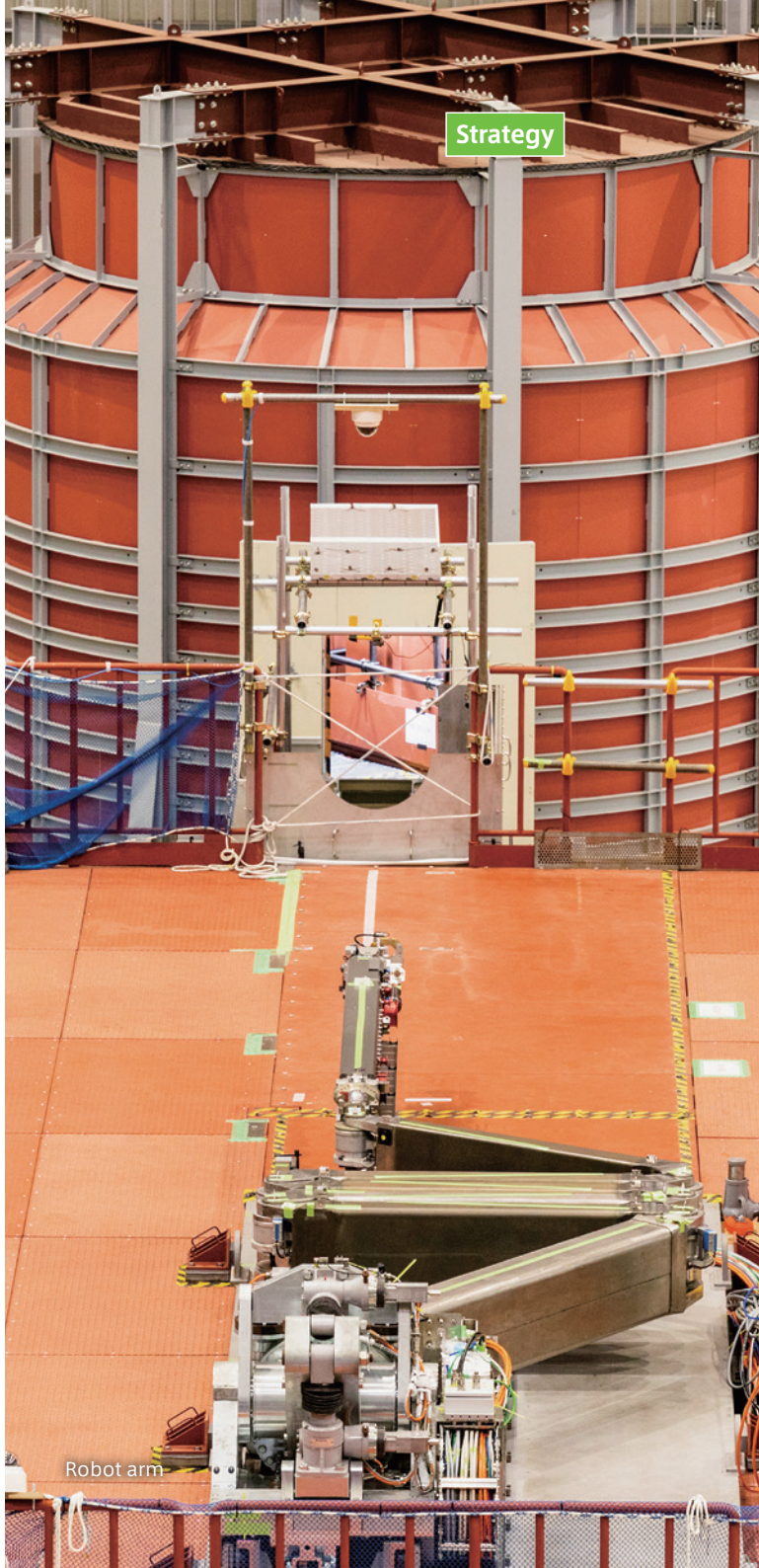
Currently, TEPCO is conducting internal investigations of the reactor containment vessel using remote-operated robots. Given the relatively low radiation levels at the site and the early accessibility to the interior of the reactor containment vessel, Unit 2 has been designated as the initial unit for fuel debris retrieval.

In Unit 2, we plan to advance the trial retrieval by inserting a device through the penetration hole of the reactor containment vessel, removing obstacles inside the containment vessel as we proceed. The device will initially use a "telescopic (extendable)" type and then transition to an "arm-type" device for ongoing operations. The trial retrieval for Unit 2 commenced on September 10.

The trial retrieval of fuel debris is an unprecedented and highly challenging task on a global scale and will be critically important for future decommissioning work. Given that this work involves operations under high radiation levels, we will prioritize safety and proceed diligently.


### Telescopic trial retrieval device



## ALPS-treated Water Measures

Regarding the ocean discharge of ALPS-treated water, TEPCO plans to utilize the 30-40 year period required for decommissioning effectively, without releasing large amounts at once, and taking advantage of tritium's half-life.

In FY2023, we carried out four releases, discharging approximately 31,145 m³ of treated water as planned. For FY2024, we plan to conduct seven releases, discharging approximately 54,000 m³.

In July 2024, the IAEA published a report from their second review mission since the start of ocean discharges, stating, "The IAEA Task Force did not identify anything that is inconsistent with the requirements in the relevant international safety standards. Therefore, the IAEA can reaffirm the fundamental conclusions of its safety review as outlined in the 4 July 2023 Comprehensive Report."

We will continue the safe discharge of ALPS-treated water (effectively utilizing the period until decommissioning is complete) and secure the necessary space for decommissioning work. Additionally, we will maintain a high level of transparency in providing information, such as the monitoring results after the ocean discharge.

### Status of marine area monitoring

**Radioactive substances (excluding Tritium);**

The concentration of the radioactive substance Cesium-137, a key radionuclide for observing environmental changes, remains within the past observed fluctuation range of seawater monitoring across Japan.

**Tritium;**

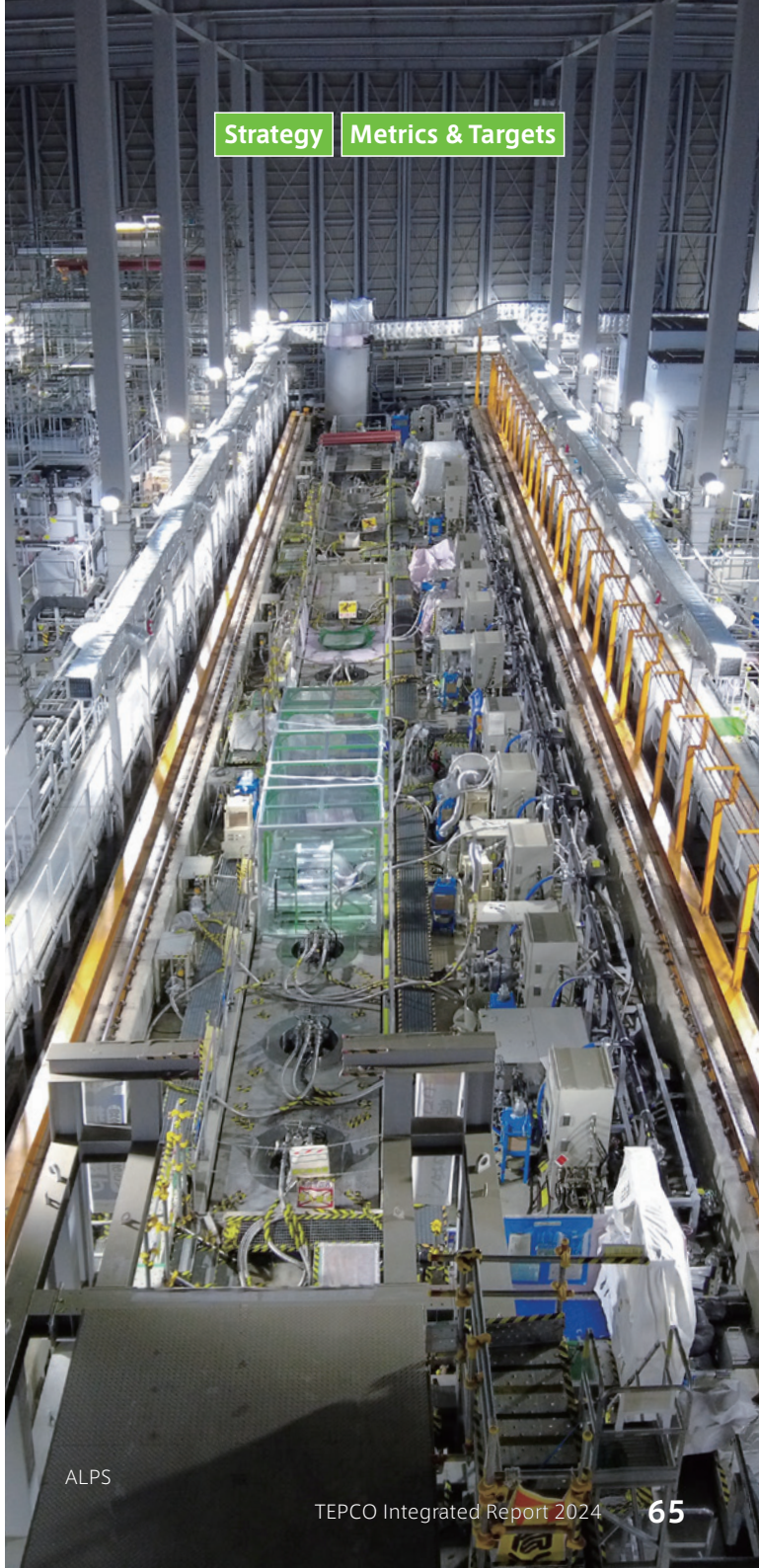
It has been confirmed that at all 10 locations within 3 km of the power station and 4 locations within a 10 km square area in front of the power station, the concentrations are below the following:

- WHO Drinking Water Guidelines: 10,000 Bq/L
- The Government's upper limit for tritium concentration in ocean discharge: 1,500 Bq/L
- Our operational threshold for halting discharge: 700 Bq/L

Treated Water Portal Site

**Status of marine life cultivation;**

For both flounder and abalone, no mass mortality or abnormalities have been observed in either the "normal seawater" series or the "ALPS-treated water diluted with seawater" series.



ALPS

## Information Dissemination & Communication

Data concerning the discharge of the ALPS-treated water is updated in real-time and published on our company's website, the "Treated Water Portal Site." The analysis of radioactive substances is also conducted by external organizations such as the Japan Atomic Energy Agency (JAEA) using the same samples, confirming that the discharges are safely carried out as planned.

The "Treated Water Portal Site" has been expanded to include Chinese (Simplified/Traditional Taiwan/Traditional Hong Kong) and Korean versions, in addition to the English version. Information on the operational status of facilities and monitoring results, which are of particular interest overseas, is updated almost simultaneously with the Japanese version and also published on the official website of IAEA.

Furthermore, we believe it is important to engage in direct dialogue to hear and respond to the concerns and interests of our stakeholders.


### Communication through dialogue

**Engaged in dialogue with us (January 2021 - March 2024);**

**Approx. 25,500 people (cumulative)**

**Visited the Fukushima Daiichi (January 2021 - March 2024);**

**Approx. 43,700 people (cumulative)**

## Local Industry Creation

Based on the "Promise to the People of Fukushima for the Coexistence of Revitalization and Decommissioning" (March 2020), we are working to create matchmaking opportunities* between prime contractors and local companies to encourage more active and planned participation of local companies in the decommissioning business.

*Matchmaking achievements: approx. 1,050 cases (as of the end of March 2024)

In October 2022, as part of the accumulation of the decommissioning industry in the Hamadori region, we established "Tousou Mirai Technology Co. Ltd." and "TOUSOU MIRAI MANUFACTURING, INC".

We will continue to work towards the accumulation of the decommissioning industry in the Hamadori region, closely collaborating with the local community to contribute to the region's economy, employment, and human resource development.

Image of the completed factory of TOUSOU MIRAI MANUFACTURING, INC

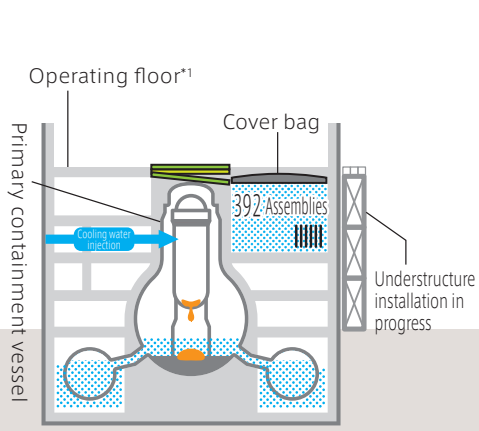
### Overview of the new company

| Company name (location) | Partners | Activities |
|---|---|---|
| Tousou Mirai Technology Co. Ltd.(Okuma Town) | IHI Corporation | Fuel debris retrieval systems/equipment basic design, R&D |
| TOUSOU MIRAI MANUFACTURING, INC (Naraha Town) | Kanadevia Corporation* | Spent fuel cask, debris storage container, etc. manufacturing |

*Name change from "Hitachi Zosen Corporation" effective October 1, 2024

## Current Status of Each Unit

### Unit 1



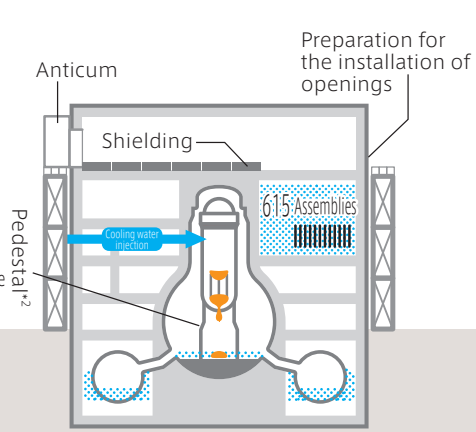

**Spent fuel**

To suppress dust dispersion during the removal of debris, a large cover will be installed (to be completed around summer 2025).

**Fuel debris**

There is almost no fuel in the pressure vessel. Most of it has melted and fallen into the containment vessel. Internal investigations of the containment vessel are in progress. Retrieval will begin during FY2027-2028.

### Unit 2




**Spent fuel**

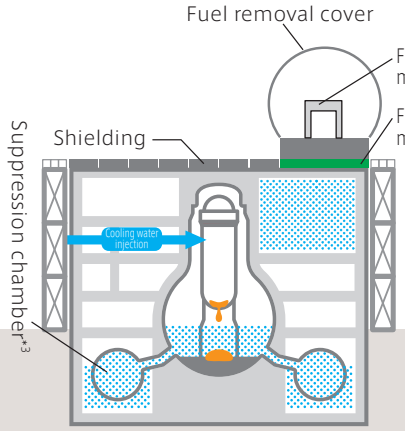
Preparation work is underway for the installation of scaffolding, removal of debris, and installation of fuel handling equipment. Fuel removal will begin during FY2024-2026.

**Fuel debris**

Most of the fuel remains at the bottom of the pressure vessel. There is a small amount in the containment vessel. Trial retrieval commenced in September 2024.

Details on P64

### Unit 3



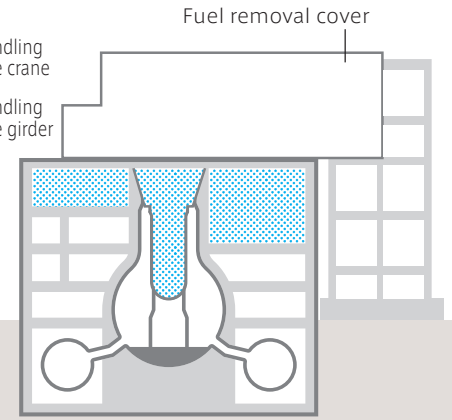

**Spent fuel**

Fuel removal was completed in February 2021. The removal of high-radiation equipment such as spent control rods is currently in progress.

**Fuel debris**

There is little fuel in the pressure vessel. A certain amount exists in the containment vessel. Internal investigations of the containment vessel are in progress.

### Unit 4

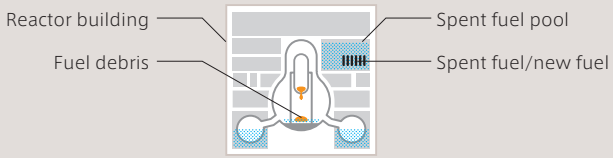



**Spent fuel**

Fuel removal was completed in December 2014. The removal of high-radiation equipment such as spent control rods will begin in the second half of FY2024.

**Fuel debris**

—




*1 Operating floor: Upper most floor of the reactor building
*2 Pedestal: Foundation that supports the reactor. Constructed by filling a cylindrical steel shell with concrete
*3 Suppression chamber: Part of the primary containment vessel that holds water

# Corporate Governance

To advance our business activities aimed at creating social value and increasing corporate value, effective governance and a systematic risk management system are essential.

Improving governance effectiveness requires a well-composed Board of Directors, Nominating Committee, Audit Committee, and Compensation Committee. This includes fostering robust discussions between the execution side and the supervisory side and continuously improving governance through board effectiveness evaluations. Additionally, a risk management system capable of addressing various risks, including compliance and cyber risks, is imperative in a changing business environment.

TEPCO Holdings has adopted the Company with Nominating Committee, etc. management structure, which separates execution and supervision to fully leverage supervisory functions. We are enhancing corporate governance by establishing a robust structure and a group-wide risk management system led by the Risk Management Committee, chaired by the President.

# Chairman Message

## ~Supporting the continual growth TEPCO while remaining aware of three axes and speed~

### We must further accelerate discussions from a mid/long-term perspective

It's been three years since I was appointed Chairman of the Board of Directors and during this time, I have provided supervise to executives through my positions as Chairman of the Board and the Chairman of the Nominating Committee, while also serving as an outside director. At the same time, I have also participated in management in a way not often seen, such as attending, and voicing my opinions at, executive meetings.

In addition to completely fulfilling its responsibilities to Fukushima, which is a given, TEPCO also has the important mission/responsibility as an energy operator of providing a stable source of power and contributing to the creation of a carbon neutral society.

What I've learned over the past three years, is that in order for TEPCO, which bears these responsibilities, to continue to grow, it first needs to steadily address current management issues (defensive management). After this is done it should focus on initiatives for producing mid/long-term profits and improving corporate value (offensive management).

When I look back at the discussions that the Board of Directors had during FY2023 from this perspective, I see that we were forced to spend a lot of time discussing "defensive management" due to the mountain of current management issues, such as addressing decommissioning and nuclear power business issues, strengthening cyber security, and improving revenue and expenditure. In contrast, we were not able to create sufficient opportunities to discuss topics pertaining to "offensive management," such as engaging in urban development projects and battery storage projects to create a carbon neutral society. Going forward, we need to accelerate these discussions that look to the mid to long-term.

There are three axes that I have remained aware of on a daily basis when managing other companies that I believe are vital for TEPCO at this moment.

**Yoshimitsu Kobayashi**
**Chairman**
**Tokyo Electric Power Company Holdings, Inc.**

## Making sure each executive officer is aware of three axes

I view corporate management as having three axes: earning potential, technology, and sustainability. A company should not only pursue profits, but also pioneer a new future through the development of technology and contribute to the sustainable growth of society, and as such, I believe the value of a company is the sum of these three axes.

Let's look first at sustainability. The harsh environmental changes that we've seen on a global scale in recent years, and in particular, climate change, which is caused by an increase in greenhouse gases, are important issues that will determine the fate of the human race.

We are currently discussing how to create a carbon neutral society, and in Japan, the role that TEPCO plays as a relatively large producer of $CO_2$ emissions is important. It needs to engage in initiatives that balance demand with supply, such as providing locally-produced/locally-consumed facility services that leverage solar PV power generation and storage batteries, etc. on the power demand side, and providing nuclear power and renewable energies on the supply side, in order to lead the entirety of Japan through an energy transition.

In particular, ensuring a stable supply of power, which is the most important mission of an energy operator, is greatly impacted by developments in technology.

Personally, I believe one of the largest issues facing the nation and companies is how to address the rapid technological developments we've seen in recent years. For example, artificial intelligence (AI) has already become deeply rooted in our daily lives, and now there is talk of artificial general intelligence (AGI) that has the general ability to handle multiple tasks, and even artificial super intelligence (ASI) that can self-evolve to find solutions to unknown tasks and complicated problems.

These technological developments will require a large amount of power, and it is expected that Japan will see an even larger increase in power demand with the new construction and expansion of data centers and semiconductor factories. For an energy operator, providing a stable and affordable supply of power is indispensable for improving national strength and maintaining/developing industry, and as such, TEPCO's responsibilities will be larger than ever before.

In order for a company to fulfill its social mission/responsibilities, it must pursue profits, survive as a company, and continually grow. In March 2023, the Tokyo Stock Exchange requested that all listed companies, "Action to Implement Management that is Conscious of Cost of Capital and Stock Price" so companies need to improve "earning potential" more than ever before.

In order to create annual net income on the order of ¥450 billion amidst this harsh business environment as put forth in the Fourth Comprehensive Special Business Plan, TEPCO is increasing revenue from sales and expanding business to focus on carbon neutrality and preparedness.

The Board of Directors is calling on each executive officer to steadily address current management issues and deepen discussions about the mid/long-term growth of the entire Group while remaining aware of these three axes.

## Outside directors provide a bridge between stakeholders and management

The corporate governance code calls for the construction of a highly effective and transparent management structure by increasing the number of outside directors. Personally, I have served as an outside director for many companies and I believe the role of an outside director is to not only provide supervision of management, but also act as a bridge between stakeholders and management while maintaining a social perspective.

As a company with Nominating Committee, etc., TEPCO has clearly separated supervision from execution and has constructed a highly effective and transparent management structure.

The current Board of Directors is comprised of 13 members with varied backgrounds, six of which are outside directors, and some have even served as internal directors in other industries. In FY2023, the Board of Directors and the Audit Committee met frequently, 19 and 20 times, respectively, and were able to speak freely with executives each time.

There are, however, issues to address such as achieving the percentage of female directors put forth by the government and incorporating global viewpoints, so how to expand diversity is an issue that I would like to continue to examine.

Every year, a survey is distributed to all directors in order to assess the effectiveness of the Board of Directors, and third-party agencies assess the Board every three years, all of which, I believe, contributes to improving our effectiveness.

## All three statutory committees are working vigorously

The Nominating Committee meets with many members of management, such as CEO and core operating company Presidents, etc., to discuss succession plans. It also coordinates with executives to cultivate the next generation of management leaders.

The Compensation Committee has set "$CO_2$ emission reductions" as a non-financial indicator for productivity-linked remuneration for all executives in order to contribute to the creation of a carbon neutral society and is discussing a remuneration system that can qualitatively assess the performance of each officer based on changes in the business environment, etc.

The Chairman of the Audit Committee is a director with experience serving as a Chief Risk Officer (CRO) and is comprised of outside directors such as a certified public accountant and an attorney, etc., which enables it to engage in meticulous monitoring. Furthermore, in order to improve the effectiveness of monitoring, committee members regularly visit offices to observe facilities and exchange opinions with employees. They visited 11 times during FY2023. It is important to see the condition of facilities and learn how employees think about and approach their jobs, and then continually discuss the things they have noticed within the committee.

## Doing our best for all stakeholders

In addition to its responsibilities to Fukushima, TEPCO has many other important missions/responsibilities pertaining to maintaining a stable supply of power and enabling the continued growth of society. In order to fulfill these responsibilities, the Board of Directors supports the continual growth of the entire Group while remaining aware of the three axes.

It is also indispensable to build trust with the people that make up the base of our operations. Additionally, and in particular, acting speedily is an important element for expanding our area of business and improving corporate value over the mid/long-term. That is why I personally remain aware of "building trust" and "speed" while also remaining aware of how "speed bears confidence."

TEPCO will view its business through the eyes of society and its customers and act quickly in order to gain trust while as Chairman of the Board of Directors, I will do my best for all stakeholders.

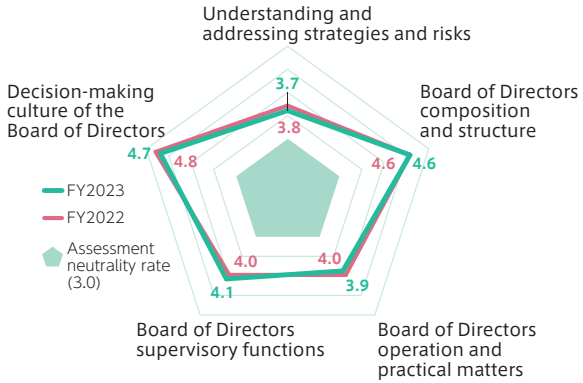
# Evaluation of Board Effectiveness

TEPCO Holdings strives to enhance the effectiveness of its Board of Directors through active discussions leveraging the diverse experience and broad insights of outside directors, including corporate executives, a certified public accountant, attorneys, and academics. Each year, we conduct an effectiveness evaluation as a means of quantitatively monitoring effectiveness and identifying issues and improvements for further enhancement.

### Evaluation Method

The secretariat conducted a survey on the effectiveness of the Board, targeting all 13 directors. The results were analyzed and evaluated, and the findings were discussed by the Board.

### Evaluation Score (comparison with last fiscal year)




The average score was 4.2 (down 0.1 from the previous year), significantly above the neutral benchmark of 3.0, indicating that effectiveness is maintained.

### Initiatives to Address Identified Issues

| | |
|---|---|
| Issues Identified in the FY2022 Evaluation | Among the five evaluation items, the score for "Understanding and addressing strategies and risks" was relatively low. Feedback indicated that discussions on mid/long-term strategies and related matters were insufficient. |
| Initiatives for FY2023 | The Board has ensured regular opportunities for discussions on mid/long-term business strategies, taking into account changes in market conditions. |
| Issues Identified in the FY2023 Evaluation | Amid changing business environments, including expectations for achieving carbon neutrality, feedback indicated a desire for more in-depth discussions on mid/long-term strategies and management conditions. |
| Policy for Initiatives in FY2024 | To formulate a new comprehensive business plan, we will increase discussions on mid/long-term strategies considering business environment changes. Additionally, we will continue to ensure opportunities for site inspections and timely risk information. |

# The Board of Directors and the Statutory Committees

TEPCO Holdings is committed to ensuring compliance with laws and corporate ethics, making swift decisions, executing operations efficiently, and strengthening audit and supervisory functions. To enhance management's objectivity and transparency, TEPCO Holdings has adopted the Company with Nominating Committee, etc. management structure and is dedicated to improving corporate governance.

## Board of Directors

Meetings (FY2023)

19 times

Number of Directors

6 / 13 directors

* Outside
* as of July, 2024

**Percentage of Outside Directors: 46%**

**Main Discussion Topics** (FY2023)

- Key management issues managed by the Board
- Reports on the status of each committee
- Compliance with the corporate governance code
- JERA Co., Inc. monitoring report
- Corrective action report on physical protection
- Cybersecurity status and measures
- Next-generation smart meter system plan

## Nominating Committee

Meetings (FY2023)

6 times

Number of Directors

4 / 6 directors

* Outside
* as of July, 2024

**Main Discussion Topics** (FY2023)

- Executive personnel changes

## Compensation Committee

Meetings (FY2023)

6 times

Number of Directors

4 / 4 directors

* Outside
* as of July, 2024

**Main Discussion Topics** (FY2023)

- Productivity-linked remuneration for each executive officer in FY2023
- Executive remuneration design for FY2024

## Audit Committee

Meetings (FY2023)

20 times

Number of Directors

4 / 5 directors

* Outside
* as of July, 2024

Number of Inspections (FY2023)

11 times

**Main Discussion Topics** (FY2023)

- Audit plans and reports
- Meetings with executive officers

**Strengthened Audit Themes**

- Improvement in earning power
- Enhanced risk management
- Human resources strategy (Development and retention)

**Main Inspection Sites**

- Kashiwazaki-Kariwa Nuclear Power Station
- Fukushima Daiichi and Daini
- Fukushima Nuclear Compensation Office
- TEPCO Energy Partner Customer Center
- Pumped-storage power station
- TEPCO Research Institute
- JERA Co., Inc. thermal power station

# Directors

Outside Outside Director | Ind. Independent directors: Independent directors as stipulated by Tokyo Stock Exchange, Inc. TEPCO Holdings has registered its independent directors with Tokyo Stock Exchange, Inc.

N Nominating | A Audit | C Compensation | ★: Chair

## Yoshimitsu Kobayashi

Outside Ind.

## Shigeo Ohyagi

Outside Ind.

## Shoichiro Onishi

Outside Ind.

## Asa Shinkawa

Outside Ind.

## Junko Okawa

Outside Ind.

## Takashi Nagata

Outside Ind.

| | Yoshimitsu Kobayashi | Shigeo Ohyagi | Shoichiro Onishi | Asa Shinkawa | Junko Okawa | Takashi Nagata |
|---|---|---|---|---|---|---|
| Position | Chairman of the Board | | | | | |
| | N★ A | N C★ | N A | N C | A C | A C |
| | 3-year tenure | 4-year tenure | 4-year tenure | 3-year tenure | 1-year tenure | 1-year tenure |
| Corporate | ● | ● | ● | | ● | ● |
| Energy | ● | | | ● | | ● |
| Technology | ● | | | | | ● |
| Finance and Accounting | | | | | | ● |
| Legal Affairs | | | ● | ● | | |
| ESG | ● | ● | | | ● | |
| International Management | ● | ● | | | | |
| Sales and Marketing | | ● | | | ● | |
| Important Concurrently-Held Positions | Outside Director of Mizuho Financial Group, Inc. | Outside Audit & Supervisory Board Member of Asahi Group Holdings, Ltd. | Representative Director, President and Executive Officer of Frontier Management Inc.<br>Representative Director and President of Frontier Capital Inc.<br>Representative Director of FCD Partners Inc.<br>Attorney at Law | Partner of Nishimura & Asahi (Gaikokuho Kyodo Jigyo)<br>Outside Director of Nintendo Co., Ltd. | Outside Director of KDDI CORPORATION<br>Outside Director of Asahi Broadcasting Group Holdings, Ltd. | Japanese Certified Public Accountant |

Tomoaki Kobayakawa

Hiroyuki Yamaguchi

Daisuke Sakai

Chikara Kojima

Toshihiko Fukuda

Shigehiro Yoshino

Seiji Moriya

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Position** | President<br>N<br>8-year tenure | Representative Executive Vice President<br>2-year tenure | Representative Executive Vice President<br>1-year tenure | Executive Vice President<br>2-year tenure | Executive Vice President<br>2-year tenure | Executive Officer<br>N<br>3-year tenure | <br>A★<br>7-year tenure |
| **Corporate** | ● | | ● | | | | ● |
| **Energy** | ● | ● | ● | | ● | ● | ● |
| **Technology** | ● | | ● | | ● | | |
| **Finance and Accounting** | | ● | | ● | | | ● |
| **Legal Affairs** | | | | | | | |
| **ESG** | | ● | | | | | ● |
| **International Management** | | | | ● | | | |
| **Sales and Marketing** | ● | | | ● | | | |
| **Primary Roles & Background** | Chief of the Nuclear Reform Special Task Force<br>(until June 2017) President, TEPCO Energy Partner, Inc. | Chief Financial Officer<br>ESG Officer | In charge of Management and Planning (Joint position)<br>President, TEPCO Fuel & Power, Inc.<br>Outside Director, JERA Co., Inc. | Chief Innovation Officer<br>In charge of Business Restructuring and Alliances<br>(until Nov. 2019) General Manager, Group CEO Office, Urban Development Group of Mitsubishi Corporation | General Manager of Nuclear Power & Plant Siting Division<br>Deputy Chief and Secretary General of the Nuclear Reform Special Task Force | Assistant to the Chairman<br>Assistant to the President<br>In charge of Management and Planning (Joint position)<br>Chief of the TEPCO-NDF Liaison Office, NDF | (until Mar. 2022) President, TEPCO Fuel & Power, Inc. |

# Remuneration System

TEPCO Holdings has established a fundamental policy for determining the remuneration of individual directors and executive officers. This policy focuses on securing talented personnel capable of leading business operations and corporate reforms that balance "responsibility and competition," clarifying accountability and performance, and enhancing incentives for improving business performance and shareholder value. Remuneration is set by a Compensation Committee composed solely of outside directors, in line with the Companies Act.

Remuneration structures are separate for directors and executive officers, recognizing their different roles. Officers serving as both only receive remuneration as executive officers.

### Remuneration Structure for Directors

Remuneration consists solely of a basic remuneration, determined by whether the director is full-time or part-time, their committee memberships, and their duties.

### Remuneration Structure for Executive Officers

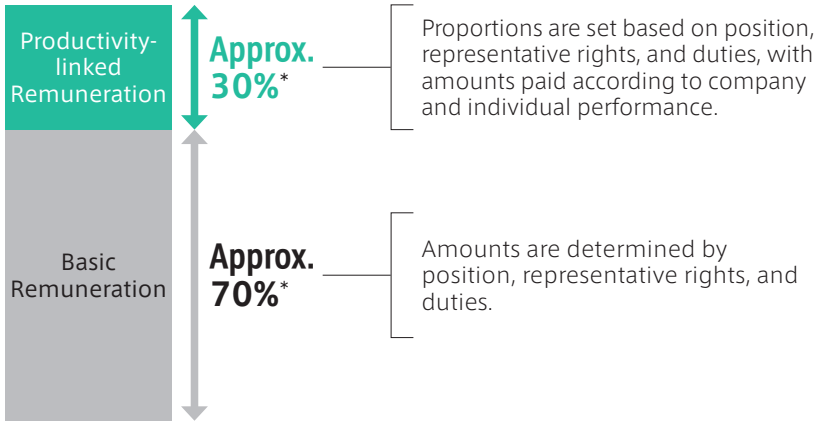
Remuneration includes a basic remuneration and productivity-linked remuneration, determined by the Compensation Committee as shown in the table below. Levels are set considering our business environment, other companies' compensation, employee treatment standards, and the abilities and responsibilities required of our officers.

### Total Remuneration (FY2023)

| | | | Total Remuneration, etc. (Millions of yen) | Number of officers eligible (people) |
|---|---|---|---|---|
| Directors (excluding Outside Directors) | | | 25 | 1 |
| Executive Officers | | | 582 | 16 |
| | Breakdown | Basic : 399 | | |
| | | Productivity-linked : 182 | | |
| Outside Directors | | | 87 | 8 |

As we do not provide remuneration to directors who also serve as executive officers in their capacity as directors, the number of directors mentioned above does not include those who concurrently serve as executive officers.

### Illustration of the Remuneration Structure for Executive Officers

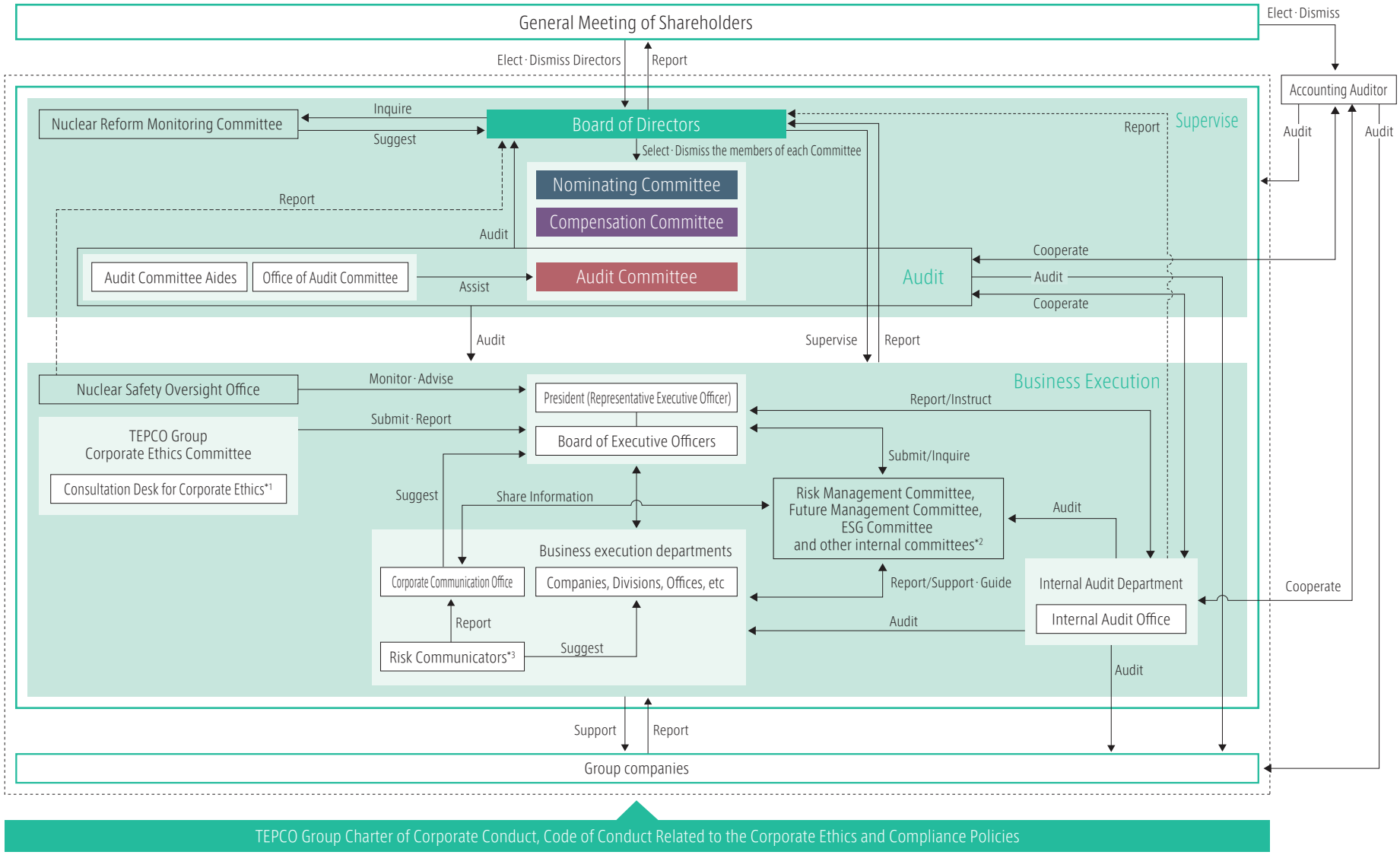



### Productivity-linked Remuneration Indicators

| | | |
|---|---|---|
| Results of the Company | Calculation based on an achievement rate ranging from 0% to 300% applied to the standard amount | |
| | Financial | Consolidated ordinary income (Before deduction of special contributions under the Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act) |
| | Non-Financial | $CO_2$ emission reductions |
| Individual performance | Calculation based on the standard amount multiplied by the achievement rate (0% to 300%) or the Compensation Committee's assessment | |
| | Setting of KPIs and other metrics for each respective department | |

*The ratio of productivity-linked remuneration to basic remuneration is calculated from the breakdown of the "Total Remuneration (FY2023)."

# Corporate Governance Structure (as of July, 2024)




*1 This desk is available for the use of persons related to the work of TEPCO group such as the staff and TEPCO group companies. *2 Investment Management Committee, etc. *3 Experts in risk communication

# Risks and Opportunities

The TEPCO Group incorporates the identification and measures for risks stemming from external environmental changes such as international circumstances, domestic policies, social structural changes, and technological innovations, as well as internal environmental changes such as compliance, safety, and the utilization of diverse human resources when setting annual goals and formulating plans (identification + evaluation). Additionally, by routinely applying the PDCA cycle, we manage "risks" and "opportunities" in an integrated manner (monitoring).

## Identification

When formulating annual plans, each company and department identifies events that could hinder the plans as "risks" and specifies countermeasures. Additionally, "opportunities" are identified through discussions in major internal committees such as the Future Management Committee and the ESG Committee, as well as by each company and department.

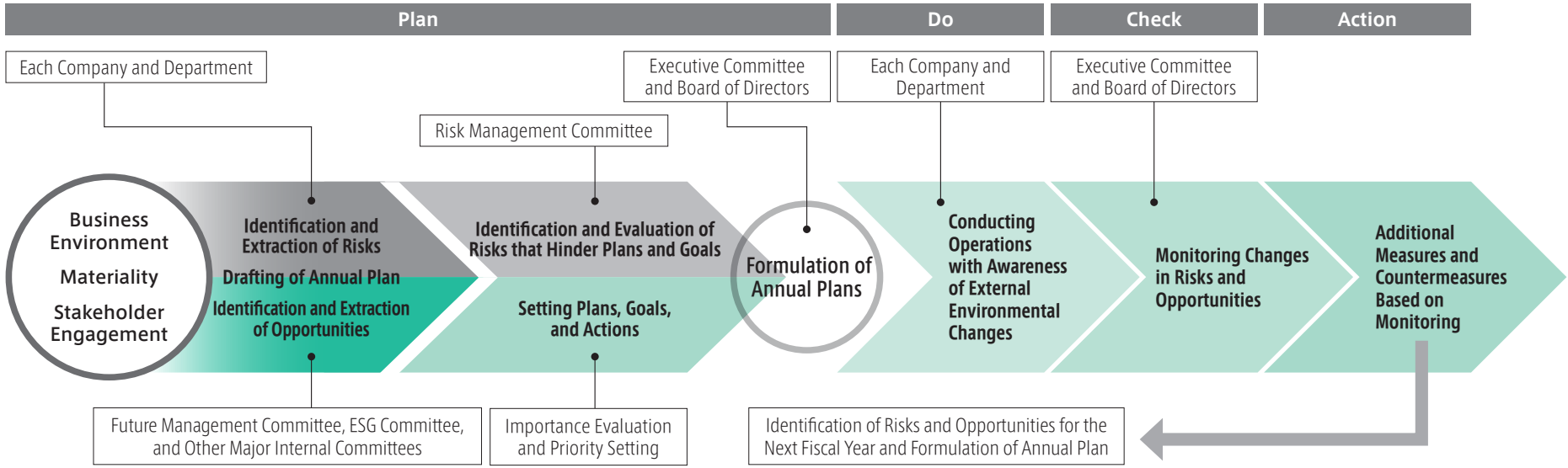
## Evaluation

Each company and department evaluates the importance and priority of identified "opportunities," incorporating them into the annual plan. Simultaneously, they assess risks that could hinder achievement (P79). The Risk Management Committee comprehensively evaluates these risks, and countermeasures are considered and included in the annual plan. These plans, which integrate "risks" and "opportunities," are submitted to the Board of Directors and regularly monitored.

## Monitoring

The progress of the annual plans for each company and department is reported to the President on a monthly and quarterly basis, and also to the Board of Directors. For plans showing delays, the CRO evaluates the causes, including from the perspective of "risks," and verifies the status of countermeasures. If necessary, the CRO recommends additional countermeasures to avoid "opportunity loss."

Governance Structure of Each Committee



## Risk Evaluation

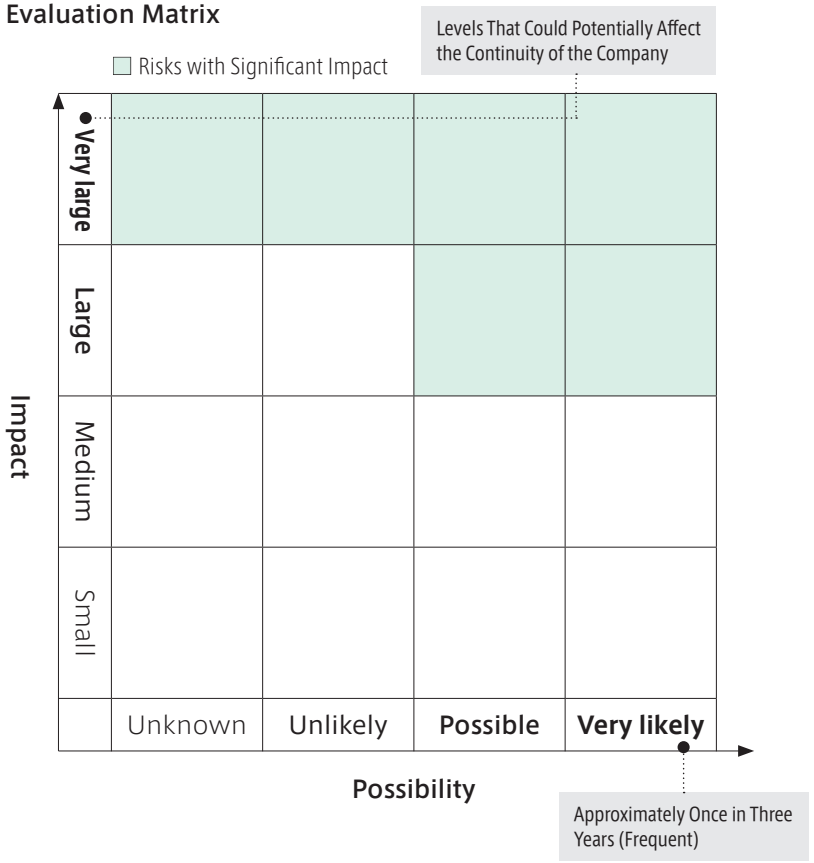
Risks related to the TEPCO Group's business are evaluated based on the perspectives of "Impact" and "Possibility." The evaluation methodology is periodically reviewed in response to changes in internal and external environments. The following business areas subject to risk evaluation include matters related to the future, but these assessments are based on our judgment as of March 2024.

### Business Risk

Details of Business Risk

| Importance | Business Areas Subject to Risk Evaluation | Impact | Possibility |
|---|---|---|---|
| 1 | Decommissioning of the Fukushima Daiichi Nuclear Power Station | Very large | Very likely |
| 2 | Stable supply of electricity | Very large | Very likely |
| 3 | Nuclear power generation/nuclear fuel cycle | Very large | Very likely |
| 4 | Electricity sales volume/sales price/power source procurement costs | Very large | Very likely |
| 5 | Customer services | Large-Very large | Very likely |
| 6 | Thermal power generation fuel prices | Large-Very large | Very likely |
| 7 | Changes in the electricity business structure and energy policy | Large-Very large | Possible |
| 8 | Securing safety, quality control, and preventing environmental pollution | Large-Very large | Possible-Very likely |
| 9 | Corporate ethics and compliance | Large-Very large | Possible-Very likely |
| 10 | Information management/security | Large-Very large | Very likely |
| 11 | Procurement of materials and goods | Large | Very likely |
| 12 | Initiatives related to climate change, etc | Large | Possible |
| 13 | Financial market conditions | Large | Very likely |
| 14 | Management reform initiatives based on The Fourth Comprehensive Special Business Plan | Large | Possible-Very likely |
| 15 | Acquisition of TEPCO shares by the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF) | Large | Possible-Very likely |
| 16 | Businesses other than the electric power | Large | Possible |

### Risk Evaluation Matrix



# Compliance

"TEPCO Group Charter of Corporate Conduct" outlines our social responsibilities, and the "Code of Conduct Related to the Corporate Ethics and Compliance Policies of the TEPCO Group" specifies the obligations of executives and employees. Compliance and other risk-related issues are handled by specialized committees, including the Risk Management Committee, Corporate Ethics Committee, and Human Rights Committee. When risks arise, we investigate causes and implement preventive measures through the following two management lines.

## Compliance Promotion Initiatives

### Training for Executives and Employees

Annual e-learning on corporate ethics and risk management is provided to all employees. Additionally, training on anti-bribery regulations for foreign public officials is given to relevant executives and employees.

### Corporate Ethics Awareness Survey

An annual survey is conducted to assess employee awareness of corporate ethics and evaluate initiatives. Results are monitored by TEPCO Group Corporate Ethics Committee and the Board of Directors.

### Internal Communication of Case Studies and Risk Information

We provide our employees with monthly updates on risk and compliance cases from other companies, as well as risk information related to changes in the business environment.

## When Compliance Risks Materialize in the Workplace

The risk manager of the affected workplace reports to the Risk Management Committee Secretariat and relevant executives, including the Chairman of the Board.

The Risk Management Committee reviews and addresses the materialized risk.

The affected workplace, in coordination with the Committee Secretariat, continuously monitors from root cause investigation to regular progress checks and implementation of recurrence prevention measures.

## When Compliance Risks are Confirmed through Internal Reporting

Employees, group companies, business partners, and contractors can internally report compliance risks to the Consultation Desk for Corporate Ethics, ensuring the confidentiality and anonymity of the whistleblower.

TEPCO Group Corporate Ethics Committee Secretariat verifies and investigates the reported cases, bringing all cases to the Corporate Ethics Committee for review.

The Committee deliberates on the investigation, response process, outcomes, and the status of responses provided to the inquirers. Depending on the content, coordination is made with the Risk Management Committee Secretariat, the Executive Committee, and the Board.

# Cybersecurity

Cybersecurity is a key management issue, and progress on security measures and responses to threats is reported quarterly to the Board. Under our cybersecurity policy, dedicated organizations led by the Chief Information Security Officer (CISO*1) have been established within TEPCO Holdings and each core business company to build a security management system. We focus on improving capabilities based on international frameworks like the NIST*2 Cyber Security Framework (CSF) and the National Initiative for Cybersecurity Education (NICE). To counter sophisticated cyber incidents, we enhance cybersecurity through threat analysis based on the progress of our nuclear business and geopolitical changes, defense measures, continuous monitoring, response training, and employee reporting channels. Additionally, to promote DX and ICT securely, we develop rules that keep pace with advancing technologies, including guidelines for cloud usage and generative AI.

## Cybersecurity Policy

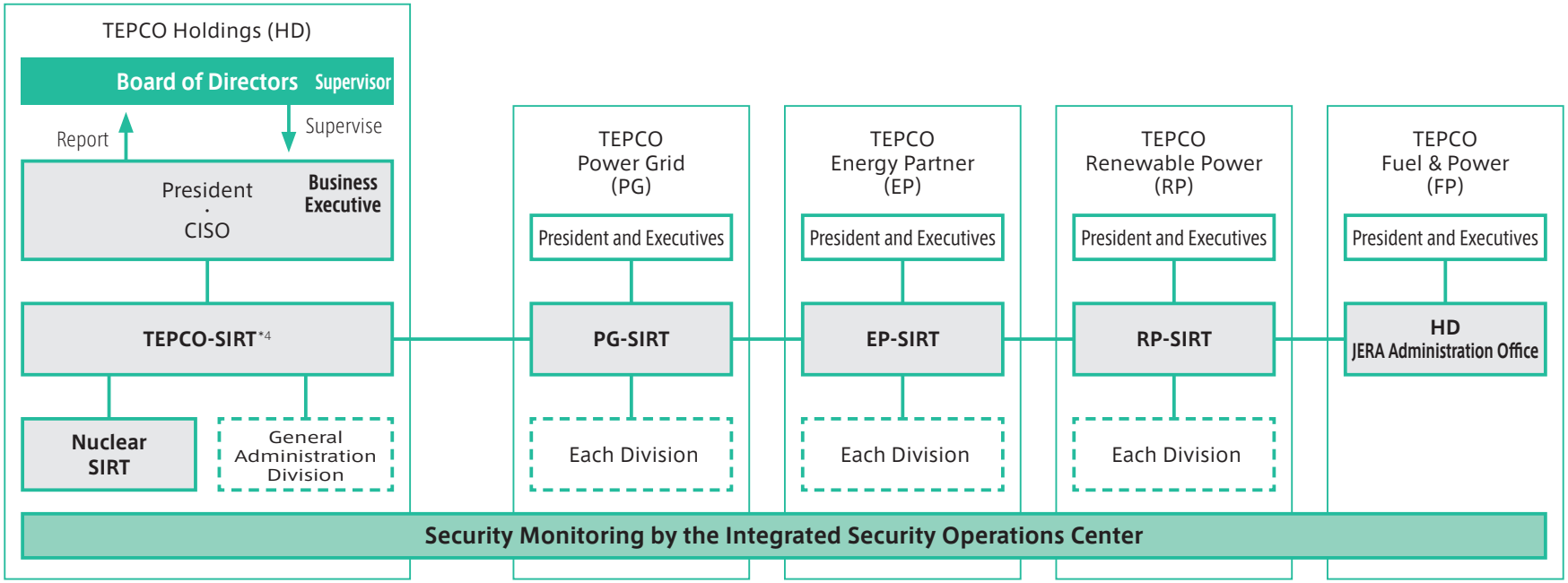
- We implement measures based on three fundamental principles.

**Strengthening defense** | **Early detection of intrusions** | **Rapid isolation and removal**

## Security Education

- We train many personnel to obtain advanced international security certifications, such as CISSP*3, to ensure expertise within our dedicated team.
- We enhance employees' security capabilities through e-learning, targeted email training, and regular case studies on cyber incidents.

## Governance Structure




*1 CISO:Chief Information Security Officer *2 NIST:National Institute of Standards and Technology
*3 CISSP:Certified Information Systems Security Professional *4 SIRT:Security Incident Response Team

# Our Business

**Renewable Energy Power Generation**

## TEPCO Renewable Power, Inc.

**Masashi Nagasawa**

President
TEPCO Renewable Power, Inc.

### Increasing the certainty of improving earning potential and achieving carbon neutrality through our renewable energy business

Our renewable energy power generation business is the ace in the hole for further increasing the profits of the TEPCO Group and achieving carbon neutrality by 2050. In FY2023, we placed the winning bid for a domestic offshore wind power project that has been in the preparatory stage since before the creation of TEPCO Renewable Power, thereby further advancing our renewable energy business. While continuing to replace domestic hydroelectric power stations and reduce generation loss, we shall develop wind power both in Japan and overseas, and renewable energies overseas as we aim to produce net profits of ¥100 billion by FY2030 and create a carbon neutral society.

### Foundation of Our Strategy

**Renewables × DX**

As part of the DX of hydroelectric power stations, data acquired through patrols and inspections has been continuously obtained by using IoT and sensors thereby enabling us to quickly detect signs of abnormalities. We are also developing robots that can inspect water channels in an effort to reduce downtimes. DX will help us to increase power generation, thereby contributing to increased profits and carbon neutrality.

**Green Finance**

In order to accelerate investment in domestic and overseas renewable energy projects, we must take advantage of green financing most commonly represented by green bonds. While ascertaining the needs of the finance market, we will use various financing methods to secure needed capital and invest.

**Transmission and Distribution**

## TEPCO Power Grid, Inc.

**Yoshinori Kaneko**

President, Chief Executive Officer
TEPCO Power Grid, Inc.

### Fulfilling our social mission of stable supply while expanding business areas

We aim to balance carbon neutrality and resilience with stable and affordable power supply. In FY2023, we established a new company for joint data center development and began operating a subsea transmission facility in the UK. Leveraging the technology and know-how gained from these projects, we will continue to expand our business areas. Utilizing our group's human resources, facilities, and energy data, and forming alliances with businesses across various industries, we will provide new value to communities and society.

### Foundation of Our Strategy

**Power Facilities × DX**

We joined the Digital Lifeline National Comprehensive Development Realization Conference to support a digital society and strengthen business foundations. We are developing drone routes using transmission networks to streamline facilities inspections and expand applications, including logistics automation.

**Collaboration with Other Companies**

We are fostering partnerships for sustainable operations and supply chain co-existence. Through our agreement with Tokyo Gas Network and NTT East Japan, we aim to address infrastructure-related social issues collaboratively, transcending business and human resource barriers, while also creating value by solving regional challenges.

**Energy Retail**

## TEPCO Energy Partner, Inc.

### Momoko Nagasaki

President
TEPCO Energy Partner, Inc.

### Contributing to a carbon neutral society through power and facility services

Through the provision of power services and facility services, we contribute to our customers' "business development" and "safe and comfortable living." In fiscal year 2023, we grew revenue by expanding our renewables menu and facility services, including signing numerous off-site corporate PPAs. We will continue to enhance agility on both supply and demand sides, contribute to customers' energy conservation and cost savings, and aim to expand profits through power and facility services, thereby realizing a carbon neutral society.

### Foundation of Our Strategy

**Customer Service × DX**

Enhancing UX is crucial for the DX of customer services. Our customer center provides inquiry and procedure services utilizing AI technologies such as chatbots. We are committed to flexibly integrating new technologies, streamlining customer pathways, improving efficiency, and enhancing customer satisfaction.

**Human Resource Development in Facility Service Business**

In addition to our power retail business, we aim to expand our revenue base through facility services. We will secure and develop professional human resources capable of providing comprehensive energy services for utility facilities, addressing customer needs in carbon neutrality, disaster prevention, and price fluctuation mitigation.

**Fuel/Thermal Power**

## TEPCO Fuel & Power, Inc.

### Daisuke Sakai

President
TEPCO Fuel & Power, Inc.

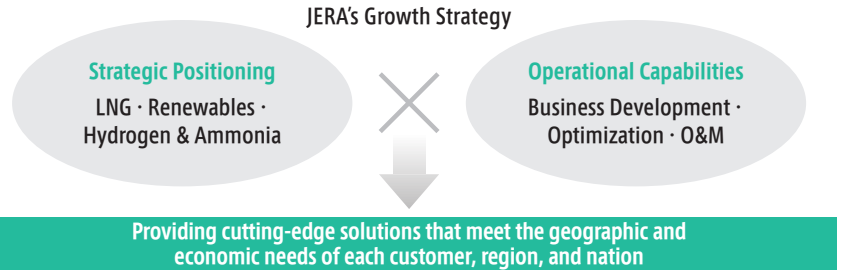
### Providing support and supervise to JERA in order to improve the corporate value of both JERA and the TEPCO Group

According to JERA's growth strategy to realize its 2035 vision, which was announced in May 2024, JERA will invest a total of ¥5 trillion in the strategic business areas of LNG, renewables, and hydrogen & ammonia, as it aims for a revenue target of ¥350 billion of consolidated net income. During a fuel ammonia conversion demonstration conducted at the Hekinan Thermal Power Station in April 2024, it achieved 20% conversion. Accelerating new initiatives like this test the effectiveness of governance. As a shareholder, we aim to improve the corporate value of both JERA and the TEPCO Group.

### Foundation of Our Strategy

**Monitoring at the Management Level**

As a shareholder, we support and supervise JERA through high-quality communication with upper management for autonomous management and continuous corporate value improvement. Additionally, regular monitoring by upper management, including the Board of Directors of TEPCO Holdings, identifies JERA's management issues, risks, opportunities, and countermeasures to ensure predictability.



# Overseas Business

**Chikara Kojima**

Director,
Executive Vice President,
Chief Innovation Officer
Tokyo Electric Power
Company Holdings, Inc.

## Capturing revenue and overseas growth through international business

For the TEPCO Group, international business is a strategic effort that leverages domestic technological expertise to capture revenue and global market growth. In fiscal year 2023, we expanded into facility services in the Asia-Pacific region, including rooftop solar power through our partnership with LOGOS, alongside our renewable energy and transmission/distribution businesses. International business provides valuable experience and skill development, hard to obtain in domestic projects, where new power facility constructions are limited.

We proactively send young employees to overseas offices and international financial institutions, nurturing a workforce with robust expertise in project management, finance, law, commerce, and technology, as well as strong negotiation skills. These international talents are crucial for our group's growth in both global and new domestic ventures.

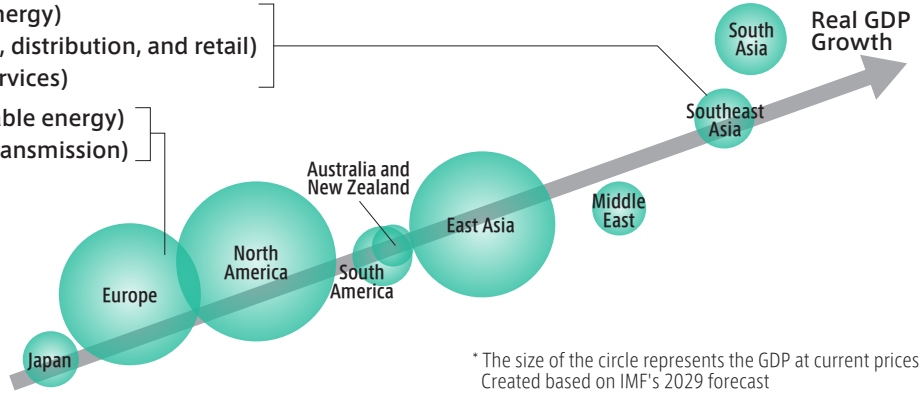
When selecting projects, we meticulously evaluate geopolitical risks and project-specific characteristics, setting hurdle rates to ensure adequate returns and manageable risks. Our financing strategy includes forming alliances with other companies and utilizing various external capital sources, including project finance, to allocate funds to growth areas and effectively diversify risks.

### Growth Outlook of the Global Market

#### Main Projects Participated in by Our Group

KEL, VNPD (renewable energy)
DCGE (renewable energy, distribution, and retail)
LOGOS-TEPCO (facility services)

Flotation Energy (renewable energy)
NeuConnect, OFTO-TK (transmission)



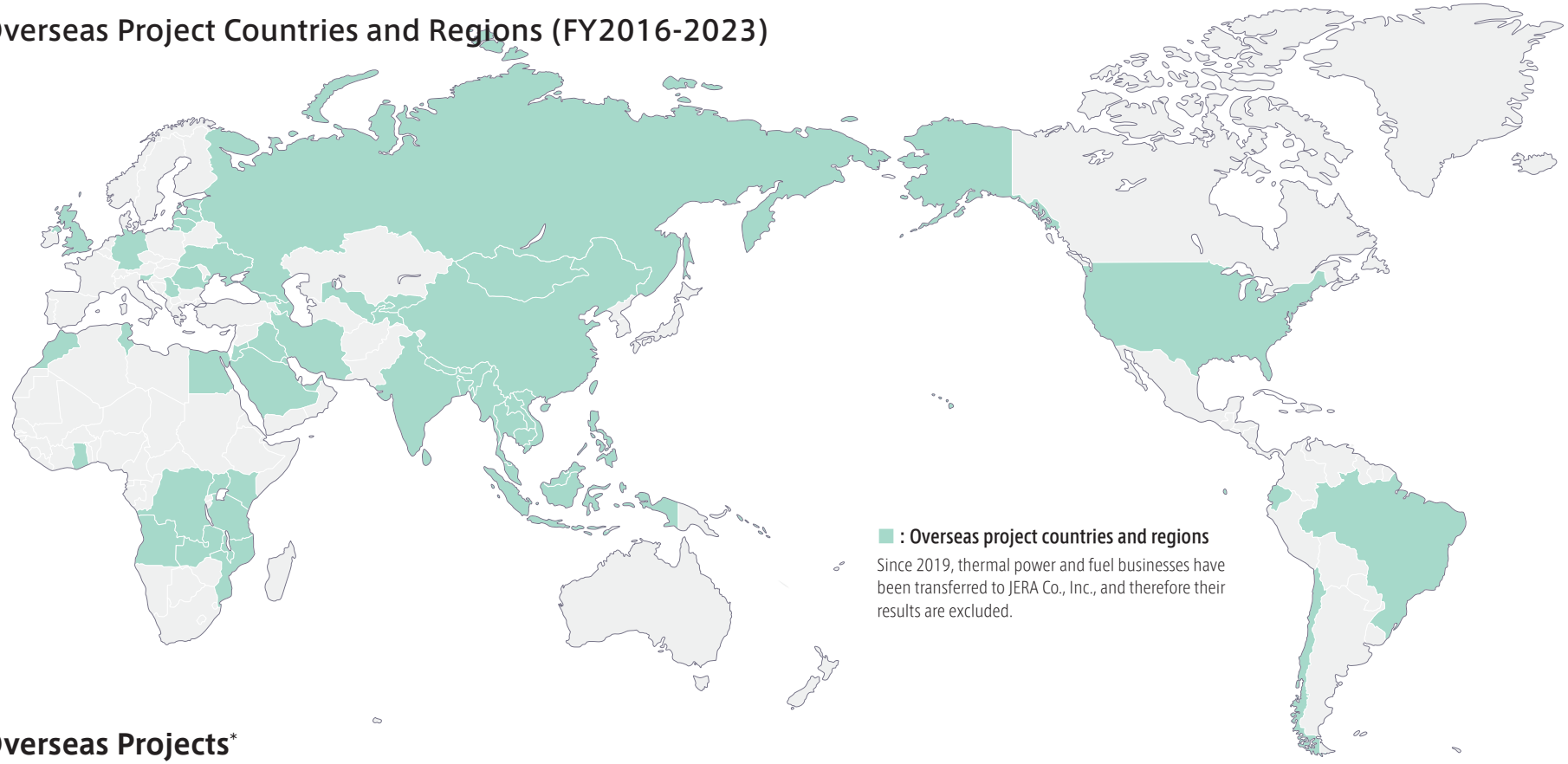

* The size of the circle represents the GDP at current prices
Created based on IMF's 2029 forecast

### Enhancing Corporate Value through Our Technological Expertise

**LOGOS-TEPCO (Singapore)**
Applying domestic "Kaizen" know-how to rooftop solar power projects with local EPC contractors, with the aim of contributing to cost reductions in processes from design to construction.

**DCGE (Vietnam)**
Dispatching skilled technicians to analyze outage causes and implement measures, enhancing DEEP C Industrial Zones' supply reliability and attracting new customers.

## Overseas Project Countries and Regions (FY2016-2023)




## Overseas Projects*

**Sales** (FY2023)

**¥13.1 billion**

**Countries and Regions** (FY2016-2023)

**58**

* Includes power generation, transmission and distribution, consulting, and energy-related projects

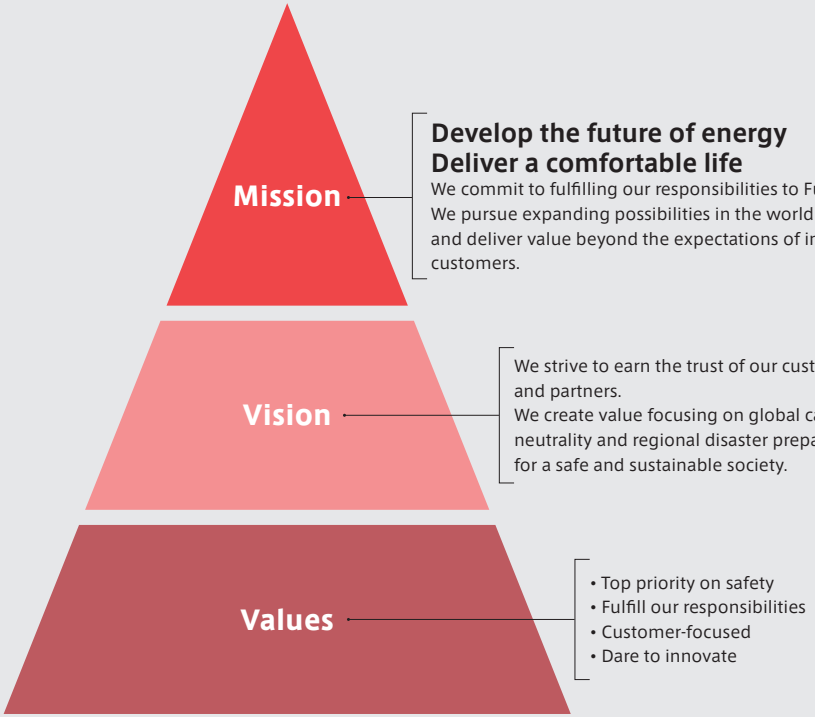
### Floating Offshore Wind Power Projects (Green Volt, CENOS)

In March 2023, Flotation Energy, a company primarily engaged in offshore wind power projects in the UK, won exclusive seabed leasing rights to develop floating offshore wind power facilities at two locations off the coast of Scotland. Development work toward their construction is ongoing. There are no examples of floating offshore wind farms with numerous large turbines like these projects anywhere in the world. The valuable insights gained from this development will contribute to the growth of our group.

Photograph for illustrative purposes only: Kincardine Floating Wind Farm
Source: Cobra Group/Principle Power

# Data Section

## TEPCO Group's Corporate Philosophy




**Our Mission is to give all stakeholders,**
including regional residents, our customers, and business partners, "a comfortable life" not just by providing a stable source of electricity and gas, but also by providing value that exceeds each individual's expectations through our efforts to "Develop the future of energy". This is also our "Purpose" as an energy provider.

**Our Vision looks five to ten years into the future.**
The TEPCO Group's business is built upon the trust of our stakeholders. In order to create a safe and sustainable society, we will engage in initiatives to create new value from carbon neutrality and disaster prevention as we aim to become a corporate group that continues to be trusted and chosen by the people.

**Our Values are the standards of conduct for achieving our Mission and Vision of which each and every employee have to remain constantly aware.**
The principles of conduct indispensable to the TEPCO Group are "top priority on safety" and "fulfill our responsibilities." We will grow as a company along with our employees by continuing to put the "customer-focused" and implementing "dare to innovate".

## Consolidated Subsidiaries

as of March 31, 2024

**Tokyo Electric Power Company Holdings, Inc.**
- TEPCO Fuel & Power, Incorporated
- TEPCO Power Grid, Incorporated
- TEPCO Energy Partner, Incorporated
- TEPCO Renewable Power, Incorporated
- TODEN REAL ESTATE Co., Inc.
- Tokyo Power Technology Ltd.
- Tokyo Electric Power Services Company, Limited (TEPSCO)
- TEPCO SYSTEMS CORPORATION
- TEPCO RESOURCES INC.
- TEPCO HUMMING WORK CO., LTD.
- Toso Real Estate Management Co., Ltd
- Tepco Partners Co.,Ltd
- TEPCO Ventures, Inc.
- TEPCO Fintech, Inc.
- TEPCO Global Energy Pte. Ltd.
- Tokyo Electric Power Timeless Capital, Inc.
- Recyclable-Fuel Storage Company
- ATEMA KOGEN RESORT INC.
- Tousou Mirai Technology Co. Ltd.
- TOUSOU MIRAI MANUFACTURING, INC
- e-Mobility Power Co.,Inc.
- Iitate Bio Partners Company Limited
- TOSETSU CIVIL ENGINEERING CONSULTANT INC.
- TEPCO Innovation and Investments US, Inc.
- TEPSCO Vietnam
- Tokyo Electric Power Timeless Capital 1, ILP
- Tokyo Electric Power Timeless Capital 2, ILP
- Tokyo Electric Power Timeless Capital 3, ILP
- TF Uchisaiwaicho TMK
- TOKYO RECORDS MANAGEMENT CO., INC

**TEPCO Power Grid, Inc.**
- Tokyo Densetsu Service Co., Ltd.
- Tepco Town Planning Corporation Limited
- Tokyo Land Management Corporation
- Tepco Solution Advance Co., Ltd.
- TEPCO Power Grid UK Limited
- Agile Energy X, Inc.
- TEPCO LOGISTICS CO., LTD.
- Energy gateway Co., Ltd.
- TEPCO OPTICAL NETWORK ENGINEERING INC.
- FI1 Limited

**TEPCO Energy Partner, Inc.**
- Tepco Customer Service Corporation Limited
- FAMILYNET JAPAN CORPORATION
- JAPAN FACILITY SOLUTIONS, INC
- TEPCO Frontier Partners, LLC.
- Morigasaki Energy Service Co.,
- PinT
- Houseplus Corporation, Inc.
- Japan Natural Energy Company Limited
- TEPCO HomeTech, Inc.
- TEPCO Energy Partner International (Thailand) Co.,Ltd.
- NF Power Service Co.,Ltd
- HFP Test Center, LLC.

**TEPCO Renewable Power, Inc.**
- TEPCO Renewable Power Singapore Pte. Ltd.
- Flotation Energy Ltd
- The Tokyo Electric Generation Co.,Ltd.
- Flotation Energy Taiwan Ltd
- Blackwater Offshore Wind Holdco Limited
- Blackwater OWL Offshore Wind Farm Limited
- Flotation Energy Pty Ltd
- Flotation Energy (Japan) Co. Ltd.
- Greystones Offshore Wind Holdco Limited
- Greystones OWL Offshore Wind Farm Limited
- White Cross Offshore Wind Holdco Ltd
- White Cross Offshore Windfarm Ltd
- Sea Dragon Holdco Ltd
- Flotation Energy Sea Dragon Pty Ltd
- Sea Dragon Offshore Wind Pty Ltd
- Taiwan Offshore Wind Ltd
- Tsuru Biomass Power Generation LLC.

# Financial Highlights

## Consolidated Financial Summary *1

(Million of yen) (Millions of US dollars)

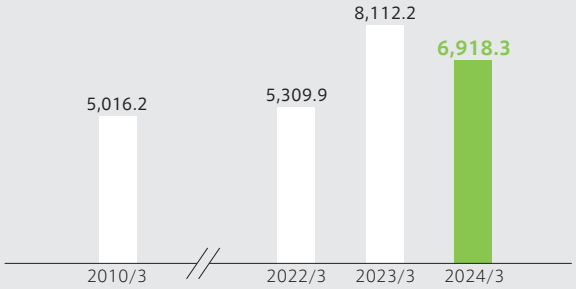
| FYs ended March 31: | 2024/3 | 2023/3 | 2022/3 | 2021/3 | 2020/3 | 2019/3 | 2018/3 | 2017/3 | 2016/3 | 2015/3 | 2011/3 | 2010/3 | 2024/3 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Operating revenue *2 | **¥ 6,918,389** | ¥ 8,112,225 | 5,309,924 | 5,866,824 | 6,241,422 | 6,338,490 | 5,850,939 | 5,357,734 | 6,069,928 | 6,802,464 | 5,368,536 | 5,016,257 | **$ 45,717** |
| Operating income or loss | **278,856** | -228,969 | 46,230 | 143,460 | 211,841 | 312,257 | 288,470 | 258,680 | 372,231 | 316,534 | 399,624 | 284,443 | **1,843** |
| Ordinary income or loss | **425,525** | -285,393 | 42,245 | 189,880 | 264,032 | 276,542 | 254,860 | 227,624 | 325,938 | 208,015 | 317,696 | 204,340 | **2,812** |
| Extraordinary income or loss | **-123,180** | 163,996 | -29,852 | 1,384 | -194,389 | -18,206 | 73,825 | -80,647 | -138,920 | 271,518 | -1,077,685 | 10,725 | **-814** |
| Net income or loss attributable to owners of the parent | **267,850** | -123,631 | 2,916 | 180,896 | 50,703 | 232,414 | 318,077 | 132,810 | 140,783 | 451,552 | -1,247,348 | 133,775 | **1,770** |
| Depreciation and amortization | **358,207** | 341,145 | 419,203 | 412,039 | 422,495 | 541,805 | 561,257 | 564,276 | 621,953 | 624,248 | 702,185 | 759,391 | **2,367** |
| Capital expenditures | **765,142** | 637,720 | 566,056 | 608,857 | 524,462 | 639,725 | 602,710 | 568,626 | 665,735 | 585,958 | 676,746 | 640,885 | **5,056** |
| **Per share data** (Yen): | | | | | | | | | | | | | |
| Net income or loss (basic) | **¥ 167.18** | ¥ -77.17 | 1.82 | 112.90 | 31.65 | 145.06 | 198.52 | 82.89 | 87.86 | 281.8 | -846.64 | 99.18 | **$ 1.10** |
| Net income (diluted) *3 | **54.27** | – | 0.58 | 36.39 | 10.12 | 46.96 | 64.32 | 26.79 | 28.52 | 91.49 | – | 99.18 | **0.36** |
| Cash dividends | **–** | – | – | – | – | – | – | – | – | – | 30.00 | 60.00 | **–** |
| Net assets | **1,567.47** | 1,307.87 | 1,361.73 | 1,326.49 | 1,185.98 | 1,179.25 | 1,030.67 | 838.45 | 746.59 | 669.60 | 972.28 | 1,828.08 | **10.36** |
| **FYs ended March 31** (as of March 31): | | | | | | | | | | | | | |
| Total net assets | **¥ 3,538,022** | ¥ 3,121,962 | 3,207,059 | 3,142,801 | 2,916,886 | 2,903,699 | 2,657,265 | 2,348,679 | 2,218,139 | 2,102,180 | 1,602,478 | 2,516,478 | **$ 23,380** |
| Equity *4 | **3,511,263** | 3,095,397 | 3,181,717 | 3,125,299 | 2,900,184 | 2,889,423 | 2,651,385 | 2,343,434 | 2,196,275 | 2,072,952 | 1,558,113 | 2,465,738 | **23,203** |
| Total assets | **14,595,480** | 13,563,085 | 12,838,398 | 12,093,155 | 11,957,846 | 12,757,467 | 12,591,823 | 12,277,600 | 13,659,769 | 14,212,677 | 14,790,353 | 13,203,987 | **96,448** |
| Interest-bearing debt | **6,300,571** | 5,756,429 | 5,440,245 | 4,889,099 | 4,914,931 | 5,890,793 | 6,022,970 | 6,004,978 | 6,606,852 | 7,013,275 | 9,024,110 | 7,523,952 | **41,635** |
| **Financial ratios and cash flow data:** | | | | | | | | | | | | | |
| ROA (%) *5 | **2.0** | -1.7 | 0.4 | 1.2 | 1.7 | 2.5 | 2.3 | 2.0 | 2.7 | 2.2 | 2.9 | 2.1 | **–** |
| ROE (%) *6 | **8.1** | -3.9 | 0.1 | 6.0 | 1.8 | 8.4 | 12.7 | 5.9 | 6.6 | 24.9 | -62.0 | 5.5 | **–** |
| Equity ratio (%) | **24.1** | 22.8 | 24.8 | 25.8 | 24.3 | 22.6 | 21.1 | 19.1 | 16.1 | 14.6 | 10.5 | 18.7 | **–** |
| Net cash flow from operating activities | **¥ 673,017** | ¥ -75,673 | 406,493 | 239,825 | 323,493 | 503,709 | 752,183 | 783,038 | 1,077,508 | 872,930 | 988,710 | 988,271 | **$ 4,447** |
| Net cash flow from investing activities | **-698,790** | -388,842 | -559,791 | -577,215 | -508,253 | -570,837 | -520,593 | -478,471 | -620,900 | -523,935 | -791,957 | -599,263 | **-4,618** |
| Net cash flow from financing activities | **541,499** | 319,984 | 560,596 | -20,340 | 13,591 | -117,698 | 12,538 | -603,955 | -394,300 | -626,023 | 1,859,579 | -495,091 | **3,578** |

1. Amounts of less than one million yen have been omitted. All percentages have been rounded to the nearest unit.
   Accounting standards pertaining to revenue awareness (corporate accounting standard #29, March 31, 2020) has been applied from the beginning of the term ending March 2022.
   The International Financial Reporting Standards (IFRS) have been applied to JERA, an affiliated company, since the term ending March 2023. So the standards have been retroactively applied the data for the term ending March 2022.
2. Starting from the term ending March 2024, we have implemented changes in the accounting processing for adjustment transactions. The data for the term ending March 2023 is also reflected after retrospective application.
3. Net income per share after dilution by potential shares for the years ended March 31, 2011 and March 31, 2023 have been omitted as the Company recognized a Net loss per share although there were potential shares.
4. Equity = Total net assets – Stock acquisition rights – Minority interests
5. ROA = Operating income / Average total assets
6. ROE = Net income attributable to owners of parent / Average equity

Presentations Back Number

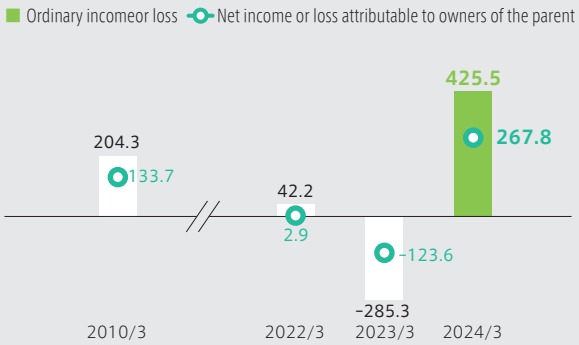
# Financial Information from Prior to the Great East Japan Earthquake and Tsunami, and for the last Three Years*1

## Operating revenues (billion yen)*2



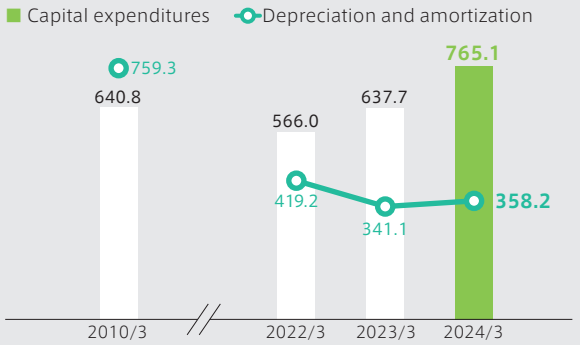

- The revenue for the term ending March 2024 decreased due to a decline in fuel and market prices, which led to reduced sales in the segments of PG and EP.

## Ordinary income & net income attributable to owners of the parent (billion yen)



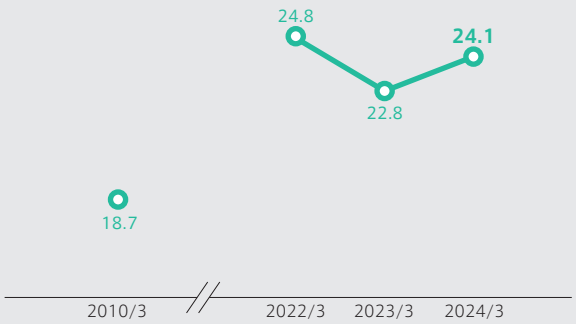

- The ordinary income and net income for the term ending March 2024 increased primarily due to the favorable impact of the timing differences in the fuel cost adjustment system.

## Capital expenditures & depreciation and amortization (billion yen)




- Capital expenditures for the term ending March 2024 was limited to the minimum necessary to maintain stable electricity supply, while also addressing decommissioning and contaminated water management at the Fukushima Daiichi, totaling ¥765.1 billion.
- Depreciation and amortization increased to ¥358.2 billion due to higher costs associated with nuclear power facilities, transmission facilities, and operational equipment, etc.

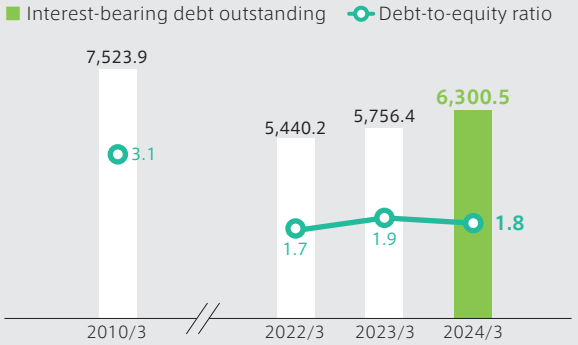
## Equity ratio (%)




- The equity ratio, which had declined to 5.1% in the term ending March 2012 due to deteriorating financial performance, has risen to 24.1% as of the end of the term ending March 2024, thanks to reduced interest-bearing debt and ongoing group-wide cost-cutting efforts.

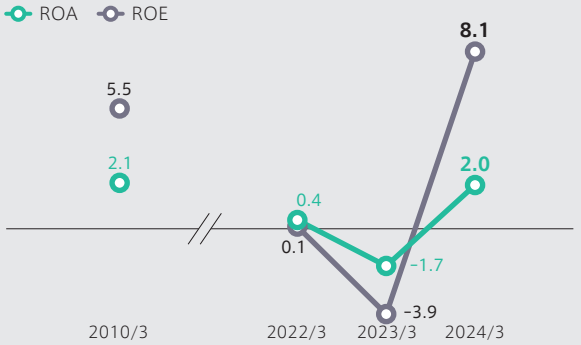
Equity ratio = (Net assets – Stock acquisition rights – Minority interests)/Total assets

## Interest-bearing debt outstanding (billion yen) & debt-to-equity ratio




- Interest-bearing debt increased to ¥9 trillion by the end of the term ending March 2011 due to a weakened financial position but has since decreased through bond redemptions. By the end of the term ending March 2024, it increased to ¥6.3 trillion due to new bond issuances and short-term borrowings.
- The D/E ratio, which was 10.6 in the term ending March 2012, decreased to 1.8, returning to pre-earthquake levels due to reduced interest-bearing debt.

## ROA & ROE (%)




- ROA and ROE declined after the Great East Japan Earthquake but recovered due to rate revisions in the term ending March 2013 and cost-cutting measures.
- By the term ending March 2024, ROA rose to 2.0 and ROE to 8.1, with operating profit and net income attributable to owners of the parent.

ROA: Operating income / Average total assets
ROE: Net income attributable to owners of parent / Average equity

*1 The International Financial Reporting Standards (IFRS) have been applied to JERA, an affiliated company, since the term ending March 2023. So the standards have been retroactively applied the data for the term ending March 2022.
*2 Starting from the term ending March 2024, we have implemented changes in the accounting processing for adjustment transactions. The data for the term ending March 2023 is also reflected after retrospective application.

## Consolidated Balance Sheet

| | (Millions of yen) | | (Millions of US dollars) |
|---|---|---|---|
| **FYs ended March 31:** | **2024/3** | 2023/3 | **2024/3** |
| ASSETS | | | |
| **Property, plant and equipment:** | **¥ 25,870,375** | ¥ 25,577,604 | **$ 170,953** |
| Facilities in progress: | | | |
| Construction in progress and retirement in progress | **1,456,980** | 1,290,175 | **9,628** |
| Suspense account for decommissioning related nuclear power facilities | **89,693** | 102,458 | **593** |
| Special account related to reprocessing of spent nuclear fuel | **330,382** | 285,957 | **2,183** |
| | **1,877,056** | 1,678,591 | **12,404** |
| | **27,747,432** | 27,256,196 | **183,357** |
| Less: | | | |
| Contributions in aid of construction | **445,508** | 427,936 | **2,944** |
| Accumulated depreciation | **19,514,513** | 19,333,127 | **128,953** |
| | **19,960,022** | 19,761,064 | **131,897** |
| Property, plant and equipment, net | **7,787,409** | 7,495,132 | **51,460** |
| **Nuclear fuel:** | | | |
| Loaded nuclear fuel | **81,133** | 81,103 | **536** |
| Nuclear fuel in processing | **498,233** | 496,521 | **3,292** |
| | **579,366** | 577,624 | **3,828** |
| **Investments and other assets:** | | | |
| Long-term investments | **136,614** | 129,765 | **903** |
| Long-term investments in subsidiaries and associates | **1,728,705** | 1,411,335 | **11,424** |
| Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation | **603,532** | 864,921 | **3,988** |
| Reserve fund for nuclear reactor decommissioning | **673,173** | 637,804 | **4,448** |
| Net defined benefit asset | **186,359** | 142,545 | **1,231** |
| Other | **277,339** | 227,721 | **1,833** |
| | **3,605,725** | 3,414,093 | **23,827** |
| **Current assets:** | | | |
| Cash and deposits | **1,242,542** | 717,908 | **8,211** |
| Notes and accounts receivable–trade and contract assets | **636,302** | 715,306 | **4,205** |
| Inventories | **121,615** | 109,793 | **804** |
| Other | **636,408** | 555,247 | **4,205** |
| | **2,636,869** | 2,098,255 | **17,425** |
| Less: | | | |
| Allowance for doubtful accounts | **-13,890** | -22,019 | **-92** |
| | **2,622,978** | 2,076,235 | **17,333** |
| **Total assets** | **¥ 14,595,480** | ¥ 13,563,085 | **$ 96,448** |

| | (Millions of yen) | | (Millions of US dollars) |
|---|---|---|---|
| **FYs ended March 31:** | **2024/3** | 2023/3 | **2024/3** |
| LIABILITIES AND NET ASSETS | | | |
| **Long-term liabilities and reserves:** | **¥ 3,131,406** | ¥ 2,980,281 | **$ 20,693** |
| Other long-term liabilities | **461,133** | 391,406 | **3,047** |
| Provision for preparation of removal of reactor cores in the specified nuclear power facilities | **11,277** | 9,168 | **75** |
| Provision for removal of reactor cores in the specified nuclear power facilities | **160,572** | 158,783 | **1,061** |
| Reserve for loss on disaster | **582,837** | 500,623 | **3,851** |
| Reserve for nuclear damage compensation | **642,910** | 869,133 | **4,248** |
| Net defined benefit liability | **309,783** | 318,875 | **2,047** |
| Asset retirement obligations | **1,086,530** | 1,055,749 | **7,180** |
| | **6,386,451** | 6,284,022 | **42,202** |
| **Current liabilities:** | | | |
| Current portion of long-term debt | **532,949** | 593,036 | **3,522** |
| Short-term loans | **2,636,216** | 2,183,111 | **17,420** |
| Notes and accounts payable-trade | **388,920** | 575,778 | **2,570** |
| Accrued taxes | **90,079** | 47,678 | **595** |
| Other | **1,022,841** | 757,496 | **6,759** |
| | **4,671,006** | 4,157,101 | **30,866** |
| **Total liabilities** | **11,057,458** | 10,441,123 | **73,068** |
| **Net assets:** | | | |
| **Shareholders' equity:** | | | |
| Common stock, without par value: | | | |
| Authorized — 35,000,000,000 shares in 2024 and 2023 | | | |
| Issued —1,607,017,531 shares in 2024 and 2023 | **900,975** | 900,975 | **5,954** |
| Preferred stock: | | | |
| Authorized — 5,500,000,000 shares in 2024 and 2023 | | | |
| Issued —1,940,000,000 shares in 2024 and 2023 | **500,000** | 500,000 | **3,304** |
| Capital surplus | **756,317** | 756,221 | **4,998** |
| Retained earnings | **1,108,857** | 840,869 | **7,327** |
| Treasury stock, at cost: | | | |
| 4,909,838 shares in 2024 and 4,870,608 shares in 2023 | **-8,516** | -8,492 | **-56** |
| **Total shareholders' equity** | **3,257,632** | 2,989,573 | **21,527** |
| **Accumulated other comprehensive income:** | | | |
| Valuation difference on available-for-sale securities | **27,319** | 10,162 | **180** |
| Deferred gains or losses on hedges | **39,840** | 23,598 | **263** |
| Land revaluation loss | **-2,926** | -2,789 | **-19** |
| Foreign currency translation adjustments | **169,573** | 88,319 | **1,121** |
| Remeasurements of defined benefit plans | **19,824** | -13,466 | **131** |
| **Total accumulated other comprehensive income** | **253,630** | 105,823 | **1,676** |
| **Non-controlling interests** | **26,759** | 26,565 | **177** |
| **Total net assets** | **3,538,022** | 3,121,962 | **23,380** |
| **Total liabilities and net assets** | **¥ 14,595,480** | ¥ 13,563,085 | **$ 96,448** |

## Consolidated Statement of Income

| | (Millions of yen) | | (Millions of US dollars) |
|---|---|---|---|
| **FYs ended March 31:** | **2024/3** | 2023/3 | **2024/3** |
| **Operating revenues:** * | | | |
| Electricity | **¥ 6,329,614** | ¥ 7,445,641 | **$ 41,826** |
| Other | **588,774** | 666,584 | **3,891** |
| | **6,918,389** | 8,112,225 | **45,717** |
| **Operating expenses:** * | | | |
| Electricity | **6,092,378** | 7,717,520 | **40,259** |
| Other | **547,154** | 623,675 | **3,615** |
| | **6,639,532** | 8,341,195 | **43,874** |
| **Operating income or loss** | **278,856** | -228,969 | **1,843** |
| **Other income or expenses:** | | | |
| Interest and dividend income | **1,567** | 949 | **10** |
| Interest expense | **-57,959** | -48,282 | **-383** |
| Extraordinary loss on disaster | **-110,963** | -22,214 | **-733** |
| Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation | **138,900** | 507,491 | **918** |
| Compensation for nuclear damages | **-151,117** | -507,350 | **-999** |
| Share of profit of entities accounted for using the equity method | **202,181** | — | **1,336** |
| Share of loss of entities accounted for using equity method | **—** | -1,142 | **—** |
| Gain on sales of noncurrent assets | **—** | 62,739 | **—** |
| Gain on sale of shares of subsidiaries and associates | **—** | 123,331 | **—** |
| Other, net | **878** | -7,947 | **6** |
| | **23,489** | 107,573 | **155** |
| **Income or loss before special items and income taxes** | **302,345** | -121,396 | **1,998** |
| **Special items:** | | | |
| Reversal of reserve for preparation of the depreciation of nuclear power construction (credit) | **—** | 9,485 | **—** |
| | **—** | 9,485 | **—** |
| **Income or loss before income taxes** | **302,345** | -111,911 | **1,998** |
| **Income taxes:** | | | |
| Current | **34,938** | 8,710 | **231** |
| Deferred | **-2,200** | 2,408 | **-15** |
| | **32,737** | 11,118 | **216** |
| **Net income or loss** | **269,607** | -123,029 | **1,782** |
| **Net income or loss attributable to non-controlling interests** | **1,757** | 601 | **12** |
| **Net income or loss attributable to owners of the parent** | **¥ 267,850** | ¥ -123,631 | **$ 1,770** |

| **Per share information:** | Yen | | U.S. dollars |
|---|---|---|---|
| Net assets (basic) | **¥ 1,567.47** | ¥ 1,307.87 | **$ 10.36** |
| Net income or loss (basic) | **167.18** | -77.17 | **1.10** |
| Net income (diluted) | **54.27** | — | **0.36** |
| Cash dividends | **—** | — | **—** |

## Consolidated Statement of Comprehensive Income

| | (Millions of yen) | | (Millions of US dollars) |
|---|---|---|---|
| **FYs ended March 31:** | **2024/3** | 2023/3 | **2024/3** |
| **Net income or loss** | **¥ 269,607** | ¥ -123,029 | **$ 1,782** |
| **Other comprehensive income:** | | | |
| Valuation difference on available-for-sale securities | **2,457** | -80 | **16** |
| Foreign currency translation adjustments | **5,729** | 2,990 | **38** |
| Remeasurements of defined benefit plans | **30,702** | -21,697 | **203** |
| Share of other comprehensive income of entities accounted for using the equity method | **109,052** | 56,108 | **721** |
| Total other comprehensive income | **147,942** | 37,320 | **978** |
| **Comprehensive income or loss** | **¥ 417,549** | ¥ -85,709 | **$ 2,760** |
| **Total comprehensive income attributable to:** | | | |
| Owners of the parent | **¥ 415,793** | ¥ -86,308 | **$ 2,748** |
| Non-controlling interests | **1,756** | 599 | **12** |

* Starting from the term ending March 2024, we have implemented changes in the accounting processing for adjustment transactions. The data for the term ending March 2023 is also reflected after retrospective application.

## Consolidated Statement of Changes in Net Assets

**Year ended March 31, 2024**

Millions of yen

| | Shareholders' equity | | | | | | Accumulated other comprehensive income | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Common stock | Preferred stock | Capital surplus | Retained earnings | Treasury stock, at cost | Total shareholders' equity | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Land revaluation loss | Foreign currency translation adjustments | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | Stock acquisition rights | Non-controlling interests | Total net assets |
| **Balance at April 1, 2023** | **¥900,975** | **¥500,000** | **¥756,221** | **¥840,869** | **¥-8,492** | **¥2,989,573** | **¥10,162** | **¥23,598** | **¥-2,789** | **¥88,319** | **¥-13,466** | **¥105,823** | **¥–** | **¥26,565** | **¥3,121,962** |
| Net income attributable to owners of the parent | – | – | – | 267,850 | – | 267,850 | – | – | – | – | – | – | – | – | 267,850 |
| Purchases of treasury stock | – | – | – | – | -20 | -20 | – | – | – | – | – | – | – | – | -20 |
| Sales of treasury stock | – | – | -1 | – | 1 | 0 | – | – | – | – | – | – | – | – | 0 |
| Change in ownership interest of parent due to transactions with non-controlling shareholders | – | – | 97 | – | – | 97 | – | – | – | – | – | – | – | – | 97 |
| Reversal of land revaluation loss | – | – | – | 137 | – | 137 | – | – | – | – | – | – | – | – | 137 |
| Other | – | – | – | – | -5 | -5 | – | – | – | – | – | – | – | – | -5 |
| Net changes in items other than shareholders' equity | – | – | – | – | – | – | 17,157 | 16,241 | -137 | 81,253 | 33,290 | 147,806 | – | 194 | 148,000 |
| Total changes | – | – | 95 | 267,987 | -23 | 268,059 | 17,157 | 16,241 | -137 | 81,253 | 33,290 | 147,806 | – | 194 | 416,059 |
| **Balance at March 31, 2024** | **¥900,975** | **¥500,000** | **¥756,317** | **¥1,108,857** | **¥-8,516** | **¥3,257,632** | **¥27,319** | **¥39,840** | **¥-2,926** | **¥169,573** | **¥19,824** | **¥253,630** | **¥–** | **¥26,759** | **¥3,538,022** |

**Year ended March 31, 2023**

Millions of yen

| | Shareholders' equity | | | | | | Accumulated other comprehensive income | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Common stock | Preferred stock | Capital surplus | Retained earnings | Treasury stock, at cost | Total shareholders' equity | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Land revaluation loss | Foreign currency translation adjustments | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | Stock acquisition rights | Non-controlling interests | Total net assets |
| **Balance at April 1, 2022** | **¥900,975** | **¥500,000** | **¥756,222** | **¥964,209** | **¥-8,483** | **¥3,112,924** | **¥14,059** | **¥26,646** | **¥-2,497** | **¥23,865** | **¥6,718** | **¥68,792** | **¥10** | **¥25,330** | **¥3,207,059** |
| Net income attributable to owners of the parent | – | – | – | -123,631 | – | -123,631 | – | – | – | – | – | – | – | – | -123,631 |
| Purchases of treasury stock | – | – | – | – | -12 | -12 | – | – | – | – | – | – | – | – | -12 |
| Sales of treasury stock | – | – | -1 | – | 1 | 0 | – | – | – | – | – | – | – | – | 0 |
| Change in ownership interest of parent due to transactions with non-controlling shareholders | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – |
| Reversal of land revaluation loss | – | – | – | 292 | – | 292 | – | – | – | – | – | – | – | – | 292 |
| Other | – | – | – | – | 0 | 0 | – | – | – | – | – | – | – | – | 0 |
| Net changes in items other than shareholders' equity | – | – | – | – | – | – | -3,897 | -3,048 | -292 | 64,453 | -20,184 | 37,030 | -10 | 1,234 | 38,254 |
| Total changes | – | – | -1 | -123,339 | -9 | -123,350 | -3,897 | -3,048 | -292 | 64,453 | -20,184 | 37,030 | -10 | 1,234 | -85,096 |
| **Balance at March 31, 2023** | **¥900,975** | **¥500,000** | **¥756,221** | **¥840,869** | **¥-8,492** | **¥2,989,573** | **¥10,162** | **¥23,598** | **¥-2,789** | **¥88,319** | **¥-13,466** | **¥105,823** | **¥–** | **¥26,565** | **¥3,121,962** |

**Year ended March 31, 2024**

Millions of U.S. dollars

| | Shareholders' equity | | | | | | Accumulated other comprehensive income | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Common stock | Preferred stock | Capital surplus | Retained earnings | Treasury stock, at cost | Total shareholders' equity | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Land revaluation loss | Foreign currency translation adjustments | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | Stock acquisition rights | Non-controlling interests | Total net assets |
| **Balance at April 1, 2023** | **$5,954** | **$3,304** | **$4,997** | **$5,556** | **$-56** | **$19,755** | **$67** | **$156** | **$-18** | **$584** | **$-89** | **$700** | **$–** | **$175** | **$20,630** |
| Net income attributable to owners of the parent | – | – | – | 1,770 | – | 1,770 | – | – | – | – | – | – | – | – | 1,770 |
| Purchases of treasury stock | – | – | – | – | -0 | -0 | – | – | – | – | – | – | – | – | -0 |
| Sales of treasury stock | – | – | -0 | – | 0 | 0 | – | – | – | – | – | – | – | – | 0 |
| Change in ownership interest of parent due to transactions with non-controlling shareholders | – | – | 1 | – | – | 1 | – | – | – | – | – | – | – | – | 1 |
| Reversal of land revaluation loss | – | – | – | 1 | – | 1 | – | – | – | – | – | – | – | – | 1 |
| Other | – | – | – | – | -0 | -0 | – | – | – | – | – | – | – | – | -0 |
| Net changes in items other than shareholders' equity | – | – | – | – | – | – | 113 | 107 | -1 | 537 | 220 | 976 | – | 2 | 978 |
| Total changes | – | – | 1 | 1,771 | -0 | 1,772 | 113 | 107 | -1 | 537 | 220 | 976 | – | 2 | 2,750 |
| **Balance at March 31, 2024** | **$5,954** | **$3,304** | **$4,998** | **$7,327** | **$-56** | **$21,527** | **$180** | **$263** | **$-19** | **$1,121** | **$131** | **$1,676** | **$–** | **$177** | **$23,380** |

## Consolidated Statement of Cash Flows

| | (Millions of yen) | | (Millions of US dollars) |
|---|---|---|---|
| **FYs ended March 31:** | **2024/3** | 2023/3 | **2024/3** |
| **Cash flows from operating activities** | | | |
| Income or loss before income taxes | **¥ 302,345** | ¥-111,911 | **$ 1,998** |
| Depreciation and amortization | **358,207** | 341,145 | **2,367** |
| Decommissioning costs of nuclear power units | **43,589** | 41,341 | **288** |
| Loss on disposal of property, plant and equipment | **27,308** | 24,194 | **180** |
| Increase in provision for preparation of removal of reactor cores in specified nuclear power facilities | **11,277** | 9,168 | **75** |
| Increase in reserve for loss on disaster | **99,748** | 12,767 | **659** |
| Decrease in net defined benefit liability | **-9,092** | -4,639 | **-60** |
| Increase in reserve fund for nuclear reactor decommissioning | **-35,368** | -52,290 | **-234** |
| Interest and dividend income | **-1,567** | -949 | **-10** |
| Interest expense | **57,959** | 48,282 | **383** |
| Share of profit or loss of entities accounted for using the equity method | **-202,181** | 1,142 | **-1,336** |
| Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation | **-138,900** | -507,491 | **-918** |
| Compensation for nuclear damages | **151,117** | 507,350 | **999** |
| Gain on sale of noncurrent assets | **—** | -62,739 | **—** |
| Gain on sale of shares of subsidiaries and associates | **—** | -123,331 | **—** |
| Change in trade receivables | **78,805** | -119,387 | **521** |
| Change in trade payables | **-186,975** | 114,956 | **-1,236** |
| Change in accrued expenses | **260,262** | -30,593 | **1,720** |
| Other | **-104,949** | -133,981 | **-694** |
| | **711,584** | -46,964 | **4,702** |
| Interest and cash dividends received | **5,435** | 25,415 | **36** |
| Interest paid | **-56,337** | -46,967 | **-372** |
| Payments for loss on disaster due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake | **-20,402** | -16,848 | **-135** |
| Receipts of Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation | **556,300** | 310,000 | **3,676** |
| Payments for nuclear damage compensation | **-542,213** | -305,149 | **-3,583** |
| Income taxes paid | **18,651** | 4,840 | **123** |
| **Net cash flow from operating activities** | **673,017** | -75,673 | **4,447** |

| | (Millions of yen) | | (Millions of US dollars) |
|---|---|---|---|
| **FYs ended March 31:** | **2024/3** | 2023/3 | **2024/3** |
| **Cash flows from investing activities** | | | |
| Purchases of property, plant and equipment | **-704,838** | -631,143 | **-4,658** |
| Contributions in aid of construction received | **19,305** | 24,591 | **128** |
| Increase in long-term investments | **-18,694** | -17,555 | **-124** |
| Proceeds from long-term investments | **9,045** | 195,442 | **60** |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | **—** | -18,501 | **—** |
| Other | **-3,608** | 58,324 | **-24** |
| **Net cash flow from investing activities** | **-698,790** | -388,842 | **-4,618** |
| **Cash flows from financing activities** | | | |
| Proceeds from issuance of bonds | **662,606** | 774,506 | **4,379** |
| Redemptions of bonds | **-513,835** | -475,835 | **-3,395** |
| Proceeds from long-term loans | **894** | 5,138 | **6** |
| Repayments of long-term loans | **-57,102** | -23,765 | **-377** |
| Proceeds from short-term loans | **5,706,174** | 4,379,165 | **37,706** |
| Repayments of short-term loans | **-5,253,133** | -4,366,662 | **-34,713** |
| Proceeds from issuance of commercial papers | **90,000** | 42,000 | **594** |
| Redemptions of commercial papers | **-92,000** | -20,000 | **-608** |
| Other | **-2,104** | 5,437 | **-14** |
| **Net cash flow from financing activities** | **541,499** | 319,984 | **3,578** |
| **Effect of exchange rate changes on cash and cash equivalents** | **2,045** | 62 | **14** |
| **Net change in cash and cash equivalents** | **517,771** | -144,468 | **3,421** |
| **Cash and cash equivalents at beginning of the year** | **717,357** | 861,825 | **4,741** |
| **Cash and cash equivalents at end of the year** | **¥ 1,235,128** | ¥ 717,357 | **$ 8,162** |

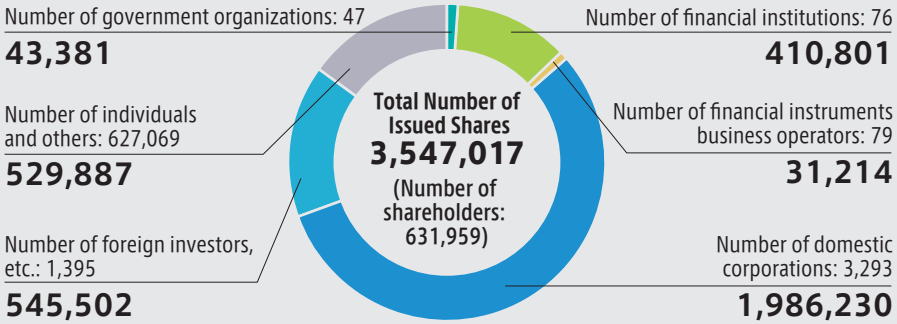
# Stock Information (as of March 31, 2024)

## Basic Stock Information

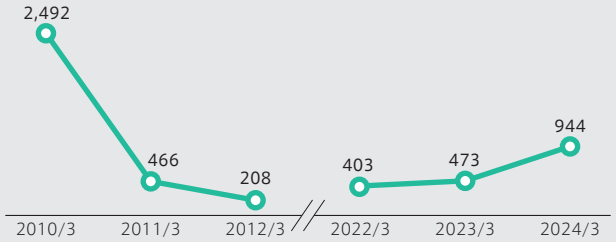
| | |
|---|---|
| **Securities identification code** | 9501 |
| **Stock listings** | Tokyo Stock Exchange, Prime Market |
| **Total number of shares authorized to be issued** | 14,100,000,000 |
| **Total number of issued shares** | Common shares 1,607,017,531<br>Class A preferred shares 1,600,000,000<br>Class B preferred shares 340,000,000<br>Total 3,547,017,531 |
| **Minimum units** | Common shares 100<br>Class A preferred shares 100<br>Class B preferred shares 10 |
| **Fiscal year** | April 1 to March 31 of the following year |
| **General meeting of shareholders** | June |
| **Means of public notice** | Electronic public notice posted on TEPCO's website*1 |
| **Handling of shares** | Shareholder registry administrator<br>Mitsubishi UFJ Trust and Banking Corporation<br>Contact:<br>Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation<br>Tel: 0120-232-711 (toll-free number in Japan)<br>Postal address:<br>Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation<br>PO Box 29, Shin-Tokyo Post Office,<br>Tokyo 137-8081, Japan |

*1 In the event that an electronic public notice cannot be posted due to an unavoidable reason such as an accident, the notice will be announced in the Nihon Keizai Shimbun published in Tokyo.

## Breakdown of Shareholders (Thousands of shares)




## Stock Prices Before the Great East Japan Earthquake and Over the Past Three Years (Monthly Closing Prices, Yen)



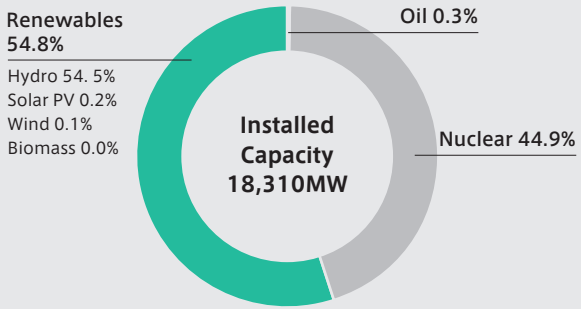

## Major Shareholders (Top 10 Shareholders)

| Name of Shareholder | Number of Shares Held (Thousands of shares) | Investment Ratio (%) |
|---|---|---|
| Nuclear Damage Compensation and Decommissioning Facilitation Corporation | 1,940,000 | 54.75 |
| The Master Trust Bank of Japan, Ltd. (Trust Account) | 214,448 | 6.05 |
| Custody Bank of Japan, Ltd. (Trust Account) | 80,390 | 2.27 |
| TEPCO Employees Shareholding Association | 50,664 | 1.43 |
| Tokyo Metropolitan Government | 42,676 | 1.20 |
| THE BANK OF NEW YORK MELLON 140044 | 39,527 | 1.12 |
| Sumitomo Mitsui Banking Corporation | 35,927 | 1.01 |
| STATE STREET BANK WEST CLIENT - TREATY 505234 | 30,670 | 0.87 |
| NIPPON LIFE INSURANCE COMPANY | 26,400 | 0.75 |
| JP MORGAN CHASE BANK 385781 | 21,367 | 0.60 |

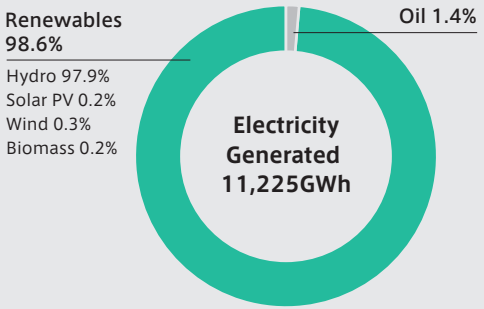
*2 Investment ratio is calculated excluding treasury stock (3,342,511 common shares).

# At a Glance (FY2023 Results)

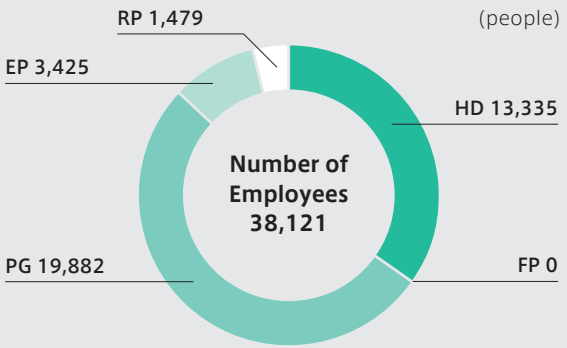
## Installed Capacity by Energy Source (consolidated)



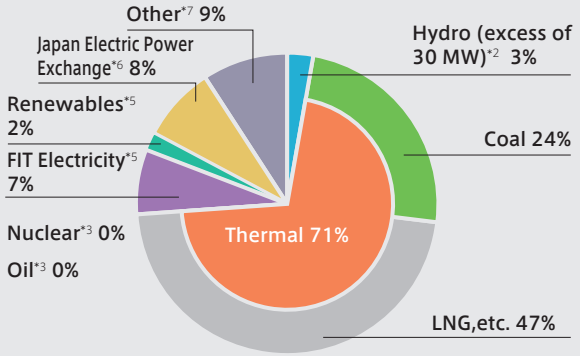

## Net Energy Production by Energy Source (transmission end · consolidated)

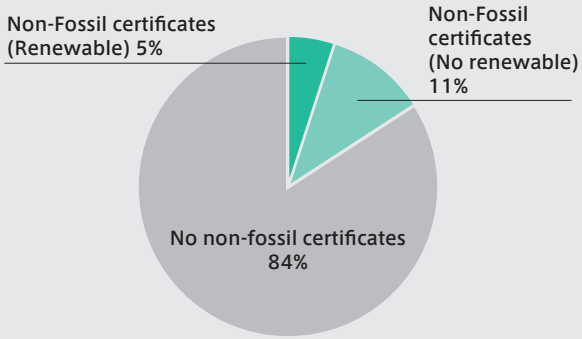



## Employees (consolidated)




## Power Portfolio*1 and The Usage Status of Non-Fossil Certificates*8 Delivered to Customers by TEPCO Energy Partner




## TEPCO Energy Partner's $CO_2$ Emissions Intensity

**$CO_2$ emissions intensity (adjusted emissions intensity) was 0.408kg-$CO_2$/kWh**

Value reported to the government in accordance with Act on Promotion of Global Warming Countermeasures

The Emissions Intensity for Each Electricity Tariff Menu (Japanese only)

*1 TEPCO Energy Partner sells the 100% renewable energy menu and the substantially 100% renewable energy menu to some customers. The power source composition and usage status of non-fossil certificates for other menus are indicated.
*2 The portion of hydroelectric power exceeding 30MW that does not utilize non-fossil certificates is considered as electricity with the same $CO_2$ emissions as the national average, including thermal power generation, without the value of renewable energy or zero-emission electricity source.
*3 Less than 0.5% and has therefore been rounded to 0%.
*4 A portion of the cost for TEPCO Energy Partner to procure FIT electricity is covered by the Renewable Energy Promotion Charge collected from all electricity users, including customers other than our own. Among this electricity, the portion that does not utilize non-fossil certificates is considered as electricity with the same $CO_2$ emissions as the national average of electricity, including thermal power generation, without the value of renewable energy or zero-emission electricity source.
*5 It is electricity generated from Solar PV, wind, hydropower (less than 30MW), and biomass using non-fossil certificates designated as renewable energy.
*6 The electricity procured from Japan Electric Power Exchange includes hydropower, thermal power, nuclear power, FIT electricity, and renewable energy, among others.
*7 It includes electricity sourced from other companies where the specific power plant cannot be identified.
*8 The usage status of non-fossil certificates (FY2023) allocates non-fossil certificates for electricity generated from January 2023 to December 2023.
* The total of the composition ratio may not reach 100% due to rounding, and the total of the breakdown may differ.

# ESG Data

ESG Data SASB INDEX

## Environment

### Environmental Data

#### 1. TEPCO Holdings and core operating companies

**(TEPCO Holdings, TEPCO Fuel & Power, TEPCO Power Grid, TEPCO Energy Partner, and TEPCO Renewable Power)**

**Key figures**

| | UM | FY2021 | FY2022 | **FY2023** | GRI |
|---|---|---|---|---|---|
| **Installed capacity by energy source** (*1) | | | | | |
| Total net electricity generation capacity | MW | 18,200 | 18,122 | 18,116 | |
| Thermal net capacity | MW | 58 | 58 | 58 | |
| Coal | MW | 0 | 0 | 0 | |
| LNG | MW | 0 | 0 | 0 | |
| Oil | MW | 58 | 58 | 58 | |
| Nuclear net capacity | MW | 8,212 | 8,212 | 8,212 | |
| Renewable net capacity | MW | 9,930 | 9,852 | 9,845 | |
| Hydroelectric (*2) | MW | 9,879 | 9,801 | 9,794 | |
| Solar | MW | 30 | 30 | 30 | |
| Wind | MW | 21 | 21 | 21 | |
| Geothermal | MW | 0 | 0 | 0 | |
| Biomass and cogeneration | MW | 0 | 0 | 0 | |
| **Net energy production by energy source** (*1) | | | | | |
| Total net electricity production | GWh | 13,106 | 11,706 | 10,507 | |
| Thermal net production | GWh | 157 | 156 | 155 | |
| Coal | GWh | 0 | 0 | 0 | |
| LNG | GWh | 0 | 0 | 0 | |
| Oil | GWh | 157 | 156 | 155 | |
| Nuclear net production | GWh | 0 | 0 | 0 | |
| Renewable net production | GWh | 12,948 | 11,550 | 10,353 | |
| Hydroelectric (*2) | GWh | 12,882 | 11,489 | 10,296 | |
| Solar | GWh | 29 | 24 | 22 | |
| Wind | GWh | 37 | 36 | 35 | |
| Geothermal | GWh | 0 | 0 | 0 | |
| Biomass and cogeneration | GWh | 0 | 0 | 0 | |
| **Efficiency** | | | | | |
| Thermal power plant | % | - | - | - | |
| **Development** | | | | | |
| Development of renewable power generation facilities | MW | 192 | 326 | 325 | |
| **Availability** | | | | | |
| Nuclear power plant | % | 0 | 0 | 0 | |

| | UM | FY2021 | FY2022 | **FY2023** | GRI |
|---|---|---|---|---|---|
| **Network** | | | | | |
| Electricity network | | | | | |
| Total transmission network | km | 40,966 | 41,037 | 40,999 | |
| - of which aerial line | km | 28,453 | 28,480 | 28,410 | |
| - of which underground cable | km | 12,513 | 12,557 | 12,589 | |
| Total distribution network | km | 383,415 | 384,544 | 385,624 | |
| - of which aerial line | km | 344,208 | 345,095 | 345,883 | |
| - of which underground cable | km | 39,207 | 39,449 | 39,741 | |
| Transmission and distribution loss | | | | | |
| Extra high voltage (*3) | % | 1.3 | 1.3 | 1.3 | |
| High voltage (*3) | % | 3.9 | 3.7 | 3.7 | |
| Low voltage (*3) | % | 6.6 | 6.9 | 6.9 | |
| Average | % | 4.5 | 3.8 | 4.7 | |
| Supply reliability | | | | | |
| System Average Interruption Duration Index (SAIDI) | hour | 0.12 | 0.08 | 0.08 | |
| Interruption time (min.) / year (min.) | % | 0.001 | 0.001 | 0.001 | |
| Smart meter | | | | | |
| Number of installations (*4) | 10k units | 2,840 | 2,840 | 2,840 | |
| Installation rate (*4) | % | 100 | 100 | 100 | |
| **Sales** | | | | | |
| Electricity volumes (*5) | GWh | 177,118 | 173,089 | 192,125 | |
| $CO_2$ related electricty sales | | | | | |
| Adjusted emissions intensity (*6) | kg-$CO_2$/kWh | 0.451 | 0.376 | 0.408 | |
| Basic emissions intensity | kg-$CO_2$/kWh | 0.457 | 0.457 | 0.475 | |
| Adjusted emissions (*7) | kt$CO_2$ | 79,900 | 65,100 | 78,400 | |
| Basic emissions | kt$CO_2$ | 80,900 | 79,100 | 91,300 | |
| Gas volumes (*8) | km³ | 1,230,253 | 1,378,263 | 1,284,810 | |
| Adjusted emissions intensity (*9) | t-$CO_2$/km³ | - | - | 2.05 | 305-4 |
| Basic emissions intensity | t-$CO_2$/km³ | - | - | 2.05 | |
| Adjusted emissions (*9) | kt-$CO_2$ | - | - | 2,634 | |
| Basic emissions | kt-$CO_2$ | - | - | 2,634 | |
| Leakege rate (Transportation) | % | 0 | 0 | 0 | |
| Leakege rate (Distribution) | % | 0 | 0 | 0 | |
| Leakege rate (Strage) | % | 0 | 0 | 0 | |
| **Environmental compliance** | | | | | |
| Total monetary value of significant fines | mil. JPY | 0 | 0 | 0 | 2-27 |
| Total number of non-monetary sanctions | no. | 0 | 0 | 0 | |
| **Significant spill** | | | | | |
| Total number of significant spill | no. | 0 | 0 | 0 | |

## Emissions

| | UM | FY2021 | FY2022 | **FY2023** | GRI |
|---|---|---|---|---|---|
| **Direct greenhouse gas emissions (Scope 1)** (*10) | | | | | |
| **Total direct emissions (Scope 1)** (*11) | $ktCO_2eq$ | 192 | ★193 | 194 | |
| $CO_2$ emissions from electricity production and other activities | $ktCO_2$ | 118 | 119 | 121 | |
| $CO_2$ emissions from vehicles (gasoline and diesel) | $ktCO_2$ | 7 | 6 | 6 | |
| Total other $CO_2eq$ emissions | $ktCO_2eq$ | 67 | 68 | 67 | |
| $N_2O$ | $ktCO_2eq$ | 1 | 1 | 1 | |
| HFCs (*12) | $ktCO_2eq$ | 3 | 6 | 3 | |
| $SF_6$ (*12) | $ktCO_2eq$ | 63 | 61 | 63 | |
| Other emissions volume | | | | | 305-1 |
| $N_2O$ | t | 3 | 3 | 3 | |
| $SF_6$ (*12) | t | 2.8 | 2.7 | 2.7 | |
| $SF_6$ recovery rate | | | | | |
| In equipment inspections | % | 99 | >99.5 | >99.5 | |
| In equipment removal | % | 99 | 99 | >99.5 | |
| Fluorocarbon emissions | | | | | |
| Leaked volumes based on the Act on Rational Use and Appropriate Management of Fluorocarbon | $ktCO_2eq$ | 6 | 9 | 5 | |
| **Indirect greenhouse gas emissions (Scope 2)** (*13) | | | | | |
| Total of Scope2,market based (*14) | $ktCO_2eq$ | 5,753 | ★4,917 | 5,918 | |
| Total of Scope2,location based (*15) | $ktCO_2eq$ | 5,744 | ★4,896 | 5,961 | |
| In offices, hydroelectric and thermalelectric plants | | | | | |
| Related to energy purchased from the grid (Scope 2, location based) (*14) | $ktCO_2eq$ | 465 | 490 | 427 | 305-2 |
| Related to energy purchased from the grid (Scope 2, market based) (*15) | $ktCO_2eq$ | 456 | 469 | 470 | |
| Related to technical losses from distribution and transmission network (*16) | $ktCO_2eq$ | 5,288 | 4,427 | 5,491 | |
| **Other indirect greenhouse gas emissions (Scope 3, per GHG protcol)** (*17) | | | | | |
| Total of Scope 3 | $ktCO_2eq$ | 101,946 | 106,073 | 115,451 | |
| Category 1 Purchased goods and services (*18) | $ktCO_2eq$ | 1,670 | 2,688 | 3,432 | |
| Category 2 Capital goods | $ktCO_2eq$ | 1,758 | 1,988 | 2,279 | |
| Category 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2) (*19) | $ktCO_2eq$ | 91,342 | ★94,174 | 101,903 | |
| Category 4 Upstream transportation and distribution (*20) | $ktCO_2eq$ | 0 | 0 | 21 | |
| Category 5 Waste generated in operations | $ktCO_2eq$ | 3 | 4 | 4 | |
| Category 6 Business travel | $ktCO_2eq$ | 4 | 4 | 4 | |
| Category 7 Employee commuting | $ktCO_2eq$ | 10 | 10 | 9 | 302-2 |
| Category 8 Upstream leased assets | $ktCO_2eq$ | 0 | 0 | 0 | 305-3 |
| Other (upstream) | $ktCO_2eq$ | 0 | 0 | 0 | |
| Category 9 Downstream transportation and distribution | $ktCO_2eq$ | 0 | 0 | 0 | |
| Category 10 Processing of sold products | $ktCO_2eq$ | 0 | 0 | 0 | |
| Category 11 Use of sold products (*21) | $ktCO_2eq$ | 7,159 | ★7,206 | 7,800 | |
| Category 12 End-of-life treatment of sold products | $ktCO_2eq$ | 0 | 0 | 0 | |
| Category 13 Downstream leased assets | $ktCO_2eq$ | 0 | 0 | 0 | |
| Category 14 Franchises | $ktCO_2eq$ | 0 | 0 | 0 | |
| Category 15 Investments | $ktCO_2eq$ | 0 | 0 | 0 | |
| Other (downstream) | $ktCO_2eq$ | 0 | 0 | 0 | |

| | UM | FY2021 | FY2022 | **FY2023** | GRI |
|---|---|---|---|---|---|
| **Scope 1 and 2** | | | | | |
| Market based | $ktCO_2eq$ | 5,945 | 5,110 | 6,113 | |
| Location based | $ktCO_2eq$ | 5,936 | 5,089 | 6,156 | |
| **Scope 1, 2 and 3** | | | | | |
| Market based | $ktCO_2eq$ | 107,891 | 111,183 | 121,564 | |
| Location based | $ktCO_2eq$ | 107,882 | 111,162 | 121,607 | |
| **Other atmospheric emission** | | | | | |
| $NO_x$ emissions | kt | 2 | 2 | 2 | |
| $SO_x$ emissions | kt | 0.2 | 0.2 | 0.2 | 305-7 |
| Dust emissions | kt | 0.03 | 0.04 | 0.03 | |
| Direct mercury emissions | kt | 0 | 0 | 0 | |
| Volatile organic compounds (VOC) emissions (*22) | kt | 0 | 0 | 0 | |

## Energy

| | UM | FY2021 | FY2022 | **FY2023** | GRI |
|---|---|---|---|---|---|
| **Energy comsumption** | | | | | |
| Total (*23) | GJ | 12,283,582 | 12,585,020 | 11,101,860 | |
| Electricity production and other activities | GJ | 1,705,628 | 1,723,232 | 1,715,312 | 302-1 |
| Vehicles (gasoline and diesel) | GJ | 96,981 | 94,634 | 92,839 | 302-4 |
| Electricity, heat and steam (in offices, hydroelectric and thermal electric plants) (*23) | GJ | 10,480,973 | 10,767,154 | 9,293,709 | |
| **Energy consumption intensity in buildings** | | | | | |
| Per total floor space of office (headquarters, branch offices, etc.) (*23) | $MJ/m^2$ | 1,336 | 1,316 | 1,172 | 302-3 |
| **Costs** | | | | | |
| Total costs of energy consumption | mil. JPY | 3,914 | 4,198 | 5,294 | |
| **Renewable energy (in-house power generation)** | | | | | |
| Installed buildings | kW | 15 | 14 | 14 | |
| Installed capacity | kW | 303 | 301 | 312 | |
| Net energy production | MWh | 225 | 223 | 251 | |

## Raw materials

| | UM | FY2021 | FY2022 | **FY2023** | GRI |
|---|---|---|---|---|---|
| **Fuel consumption** | | | | | |
| **from non-renewable sources** | | | | | |
| Coal | kt | <1 | <1 | <1 | |
| Heavy oil, crude oil, etc. | ML | 43 | 44 | 44 | |
| Gas (LNG, LPG) | kt | <1 | <1 | <1 | 301-1 |
| City Gas | mil $m^3$ | <1 | <1 | <1 | |
| Fuel for nuclear power plants | t | 0 | 0 | 0 | |
| **from renewable sources** | | | | | |
| Biomass | kt | 0 | 0 | 0 | |

### Water

| | UM | FY2021 | FY2022 | **FY2023** | GRI |
|---|---|---|---|---|---|
| **Water withdrawal in "water stressed" areas** | | | | | |
| **Total** | km³ | 0 | 0 | 0 | |
| **Water withdrawal by source** | | | | | |
| Total withdrawal from scarce sources | km³ | 49,463,282 | 47,263,796 | 37,129,334 | 303-3 |
| Surface water (wetlands, lakes, rivers) | km³ | 49,462,537 | 47,263,067 | 37,128,590 | |
| Ground water (from wells) | km³ | 27 | 24 | 31 | |
| Water from municipal water supplies | km³ | 719 | 705 | 714 | |
| **Water withdrawal by uses** | | | | | |
| Total | km³ | 49,463,282 | 47,263,796 | 37,129,334 | |
| River water for hydroelectric plants | km³ | 49,462,389 | 47,262,577 | 37,128,052 | 303-3 |
| Industrial water | km³ | 73 | 384 | 422 | |
| Municipal water | km³ | 794 | 811 | 831 | |
| Groundwater | km³ | 27 | 24 | 31 | |
| **Water intensity for electricity generation activities** | | | | | |
| Total | km³/MWh | 5.7 | 5.5 | 5.2 | 303-4 |
| **Water discharge by destination** | | | | | |
| Total | km³ | 49,463,282 | 47,263,796 | 37,129,331 | |
| Surface water (wetlands, lakes, rivers) | km³ | 49,462,389 | 47,262,577 | 37,128,057 | 303-4 |
| Groundwater | km³ | 0 | 0 | 0 | |
| Sea (in industrial treatment plants) | km³ | 335 | 668 | 715 | |
| Third party water (municipal treatment plants) | km³ | 558 | 551 | 559 | |
| **Freshwater consumption** | | | | | |
| Total | km³ | <1 | <1 | 3 | 303-5 |
| **Water treatment** | | | | | |
| Volume of waste water treatment in power plants | km³ | - | - | - | |
| COD emissions from power plants | t | - | - | - | 303-5 |
| Annual accumulated ALPS treated water discharge volume | km³ | - | - | 31 | |
| **Business Impacts of Water Related Incidents** | mil. JPY | - | - | 0 | |

### Waste

| | UM | FY2021 | FY2022 | **FY2023** | GRI |
|---|---|---|---|---|---|
| **Industrial waste by disposal method** | | | | | |
| Total generated | kt | 148 | 140 | 156 | 306-3 |
| Recycled volume | kt | 148 | 140 | 156 | 306-4 |
| Landfill treatment volume | kt | 0.486 | 0.055 | 0.093 | 306-5 |
| Recycling rate | % | 99.6 | 99.9 | 99.9 | |
| **Hazardous waste** | | | | | |
| Waste volume containing PCB | kt | 27 | 18 | 21 | |
| Insulating oil (inadvertently contaminated) | ML | 4 | 4 | 6 | |
| Pole-mounted transformers | 10k units | 5 | 3 | 3 | |
| **Management of remaining PCB equipments** | | | | | |
| Pole-mounted transformers | 10k units | 8 | 6 | 3 | |
| **Ash management** | | | | | |
| Total generated | kt | 0 | 0 | 0 | |
| Recycled volume | kt | 0 | 0 | 0 | |
| Landfill treatment volume | kt | 0 | 0 | 0 | |
| Recycling rate | % | - | - | - | |

### Other

| | UM | FY2021 | FY2022 | **FY2023** | GRI |
|---|---|---|---|---|---|
| **Electric vehicle** | | | | | |
| Number of EV or PHEV | no. | 656 | 720 | 915 | |
| Rate of EV or PHEV fleets | % | 18 | 21 | 27 | |
| **Green procurement** | | | | | |
| Green procurement rate in office supplies (monetary value based) | % | 99.9 | 99.9 | >99.9 | |
| **Paper bought for printers/ photocopiers** | | | | | |
| Number of sheets (equivalent A4 sheets) | mil A4eq | 170 | 171 | 171 | |
| Weight | t | 678 | 681 | 684 | |

## 2. TEPCO Holdings and all of consolidated subsidiary companies

### Key figures

| | UM | FY2021 | FY2022 | **FY2023** | GRI |
|---|---|---|---|---|---|
| **Installed capacity by energy source** | | | | | |
| Total net electricity generation capacity | MW | 18,354 | 18,269 | 18,310 | |
| Thermal net capacity | MW | 58 | 58 | 58 | |
| Coal | MW | 0 | 0 | 0 | |
| LNG | MW | 0 | 0 | 0 | |
| Oil | MW | 58 | 58 | 58 | |
| Nuclear net capacity | MW | 8,212 | 8,212 | 8,212 | |
| Renewable net capacity | MW | 10,084 | 9,998 | 10,039 | |
| Hydroelectric (*2) | MW | 10,021 | 9,945 | 9,985 | |
| Solar | MW | 39 | 30 | 30 | |
| Wind | MW | 21 | 21 | 21 | |
| Geothermal | MW | 0 | 0 | 0 | |
| Biomass and cogeneration | MW | 3 | 3 | 3 | |
| **Net energy production by energy source** | | | | | |
| Total net electricity production | GWh | 13,698 | 12,248 | 11,225 | |
| Thermal net production | GWh | 157 | 156 | 155 | |
| Coal | GWh | 0 | 0 | 0 | |
| LNG | GWh | 0 | 0 | 0 | |
| Oil | GWh | 157 | 156 | 155 | |
| Nuclear net production | GWh | 0 | 0 | 0 | |
| Renewable net production | GWh | 13,541 | 12,092 | 11,070 | |
| Hydroelectric (*2) | GWh | 13,458 | 12,016 | 10,992 | |
| Solar | GWh | 31 | 25 | 22 | |
| Wind | GWh | 37 | 36 | 35 | |
| Geothermal | GWh | 0 | 0 | 0 | |
| Biomass and cogeneration | GWh | 16 | 16 | 21 | |
| **Sales** | | | | | |
| Electricity volumes (*24) | GWh | 233,812 | 242,784 | 228,745 | |
| **Environmental compliance** | | | | | 2-27 |
| Total number of non-monetary sanctions | no. | 0 | 0 | 0 | |
| **Significant spill** | | | | | |
| Total number of significant spill | no. | 0 | 0 | 0 | |
| **ISO 14001** | | | | | |
| Certificated offices | no. | 19 | 20 | 21 | |

## Emissions

| | UM | FY2021 | FY2022 | **FY2023** | GRI |
|---|---|---|---|---|---|
| **Direct greenhouse gas emissions (Scope 1)** | | | | | |
| Total direct emissions (Scope 1) | $ktCO_2eq$ | 203 | 205 | 211 | |
| $CO_2$ emissions from electricity production and other activities | $ktCO_2$ | 123 | 125 | 132 | 305-1 |
| $CO_2$ emissions from vehicles (gasoline and diesel) | $ktCO_2$ | 11 | 10 | 9 | |
| Total other $CO_2eq$ emissions | $ktCO_2eq$ | 69 | 69 | 69 | |
| **Indirect greenhouse gas emissions (Scope 2)** | | | | | |
| Total of Scope2,market based | $ktCO_2eq$ | 5,777 | 4,934 | 5,937 | |
| Total of Scope2,location based | $ktCO_2eq$ | 5,773 | 4,913 | 5,981 | |
| Civil uses, hydroelectric and thermal electric plants | | | | | 305-2 |
| Related to energy purchased from the grid (Scope 2, market based) | $ktCO_2eq$ | 489 | 507 | 446 | |
| Related to energy purchased from the grid (Scope 2, location based) | $ktCO_2eq$ | 485 | 485 | 490 | |
| Related to technical losses from distribution and transmission network | $ktCO_2eq$ | 5,288 | 4,427 | 5,491 | |
| **Scope 1 and 2** | | | | | |
| Market based | $ktCO_2eq$ | 5,980 | 5,139 | 6,148 | |
| Location based | $ktCO_2eq$ | 5,976 | 5,118 | 6,192 | |
| **Other indirect greenhouse gas emissions (Scope 3, per GHG protcol)** | | | | | |
| **Total of Scope 3** (*25) | $ktCO_2eq$ | - | 106,401 | 116,330 | |
| Category 1 Purchased goods and services | $ktCO_2eq$ | - | - | 3,895 | |
| Category 2 Capital goods | $ktCO_2eq$ | - | - | 2,533 | |
| Category 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2) | $ktCO_2eq$ | - | - | 102,045 | |
| Category 4 Upstream transportation and distribution | $ktCO_2eq$ | - | - | 26 | |
| Category 5 Waste generated in operations | $ktCO_2eq$ | - | - | 6 | |
| Category 6 Business travel | $ktCO_2eq$ | - | - | 5 | |
| Category 7 Employee commuting | $ktCO_2eq$ | - | - | 13 | 302-2 |
| Category 8 Upstream leased assets | $ktCO_2eq$ | - | - | 1 | 305-3 |
| Other (upstream) | | - | - | 0 | |
| Category 9 Downstream transportation and distribution | $ktCO_2eq$ | - | - | 0 | |
| Category 10 Processing of sold products | $ktCO_2eq$ | - | - | 0 | |
| Category 11 Use of sold products | $ktCO_2eq$ | - | - | 7,801 | |
| Category 12 End-of-life treatment of sold products | $ktCO_2eq$ | - | - | 0 | |
| Category 13 Downstream leased assets | $ktCO_2eq$ | - | - | 5 | |
| Category 14 Franchises | $ktCO_2eq$ | - | - | 0 | |
| Category 15 Investments | $ktCO_2eq$ | - | - | 0 | |
| Other (downstream) | $ktCO_2eq$ | - | - | 0 | |

## Energy

| | UM | FY2021 | FY2022 | **FY2023** | GRI |
|---|---|---|---|---|---|
| **Energy consumption** | | | | | |
| Total | GJ | 13,122,744 | 13,135,128 | 11,753,498 | |
| Electricity production and other activities | GJ | 1,787,910 | 1,823,146 | 1,926,817 | 302-1 |
| Vehicles (gasoline and diesel) | GJ | 155,338 | 158,534 | 142,014 | 302-4 |
| Electricity, heat and steam (civil uses, hydroelectric and thermal electric plants) | GJ | 11,179,495 | 11,153,448 | 9,684,667 | |

## Water

| | UM | FY2021 | FY2022 | **FY2023** | GRI |
|---|---|---|---|---|---|
| **Water withdrawal by uses** | | | | | |
| Total | $km^3$ | 52,787,101 | 50,621,370 | 41,352,728 | |
| River water for hydroelectric plants | $km^3$ | 52,786,057 | 50,619,971 | 41,351,172 | 303-3 |
| Industrial water for thermal electric plants | $km^3$ | 73 | 384 | 422 | |
| Municipal water | $km^3$ | 944 | 991 | 1,104 | |
| Groundwater | $km^3$ | 27 | 25 | 31 | |

## Waste

| | UM | FY2021 | FY2022 | **FY2023** | GRI |
|---|---|---|---|---|---|
| **Industrial waste by disposal method** | | | | | |
| Total generated | kt | 212 | 152 | 171 | 306-3 |
| Recycled volume | kt | 212 | 152 | 171 | 306-4 |
| Landfill treatment volume | kt | <1 | <1 | <1 | 306-5 |
| Recycling rate | % | 99.6 | 99.7 | 99.7 | |

## Other

| | UM | FY2021 | FY2022 | **FY2023** | GRI |
|---|---|---|---|---|---|
| **Electric vehicle** | | | | | |
| Number of EV or PHEV | no. | 690 | 754 | 938 | |
| **Green procurement** | | | | | |
| Green procurement rate in office supplies (monetary value based) | % | 95.3 | 94.8 | 85.9 | |
| **Paper bought for printers/ photocopiers** | | | | | |
| Number of sheets (equivalent A4 sheets) | mil A4eq | 247 | 249 | 219 | |
| Weight | t | 985 | 993 | 876 | |

· The figures indicated with ★ are subject to third-party assurance by KPMG AZSA Sustainability Co., Ltd. in the "TEPCO Environmentl Data2024."
· Totals may not be exact due to significant digits or rounding.
· The values are for the fiscal year (from 1 April to 31 March) or as of the end of the fiscal year (31 March) unless otherwise specified.

*1 Source: "Surveys and Statistics of Electricity (the Agency for Natural Resources and Energy)"
*2 Including pumped-storage power generation
*3 The transmission and distribution loss rate by voltage is the transmission and distribution loss rate by voltage stated in the wheeling supply agreement announced at the beginning of the fiscal year.
*4 The installation has been completed in all households except for some places where replacement work is difficult in FY2020.
*5 Excluding wholesale electricity
*6 Adjusted emissions intensity is the value after adjustment of feed-in tariff scheme for renewable energy based on the Act on Promotion of Global Warming Countermeasures.
*7 Adjusted emissions is the value after adjustment of feed-in tariff scheme for renewable energy based on the Act on Promotion of Global Warming Countermeasures.
*8 Excluding wholesale gas
*9 $CO_2$ emissions intensity and $CO_2$ emissions are calculated and published from FY2023 results in accordance with the revision of the Act on Promotion of Global Warming Countermeasures and other related laws and regulations.
Adjusted emissions intensity is the value after adjustments of domestic and overseas certified emission reductions based on the Act on Promotion of Global Warming Countermeasures. Adjusted emissions is the value after adjustments of domestic and overseas certified emission reductions based on the Act on Promotion of Global Warming Countermeasures.
*10 Emissions of greenhouse gases released directly into the atmosphere from emission sources within organizational boundaries.
Calculated, in principle, with the emission factors specified in the GHG emissions accounting, reporting, and disclosure system administered by Japan's Ministry of the Environment, based on the Act on the Rational Use of Energy and the Law Concerning the Promotion of the Measures to Cope with Global Warming.
*11 Emissions due to the fluorocarbon emissions are not included in total direct emissions (Scope 1).
*12 The value for calendar year (from January 1 to December 31)
*13 Emissions due to the use of electricity, heat and steam supplied by others.
*14 "Market based" emissions are emissions which are calculated based on the emissions factor of each electricity retail company.
Calculated by using the adjusted emissions factor for each electricity retail company and the emissions factor of heat and steam specified in the Act on Promotion of Global Warming Countermeasures.
*15 "Location based" emissions reflect the average emissions factor of grids.
*16 Transmission and distribution losses are calculated by multiplying the electricity TEPCO Power Grid transmitted by the transmission and distribution loss rate.
Emissions associated with transmission and distribution losses are calculated by multiplying transmission and distribution losses by the emissions factor for power transmission and distribution operators.
*17 Indirect greenhouse gas emissions from business
Approach to calculation
We follow major guidelines have been published:
"Corporate Value Chain (Scope 3) Accounting and Reporting Standard(GHG protocol)"
"Green Value Chain Platform (Japanese Ministry of the Environment website, which provides Scope 3 emissions calculation methods and models)"
*18 From FY2022 results, the scope of aggregation has been expanded to include all purchased products and services.
*19 Emissions due to the extraction, production and transportation of fuel resources for power generation:
Calculated by multiplying amount of electricity procured with the emissions coefficient specified in the emissions coefficients database for the calculation of GHG emissions throughout the supply chain available from Japan's Ministry of the Environment.
Emissions from energy consumption outside the TEPCO Group related to electricity sales:
Calculated by multiplying the electricity purchased from outside the TEPCO Group by the emissions factor of the TEPCO Group company that sells electricity and that for power transmission and distribution operators.
*20 From FY2023 results, calculated by multiplying transportation volume or transportation charges by the emissions factor.
*21 Emissions associated with the use of city gas we sell:
Calculated by multiplying the city gas sold (in calorific value) by the emissions factor specified in the GHG emissions accounting, reporting, and disclosure system administered by Japan's Ministry of the Environment.
*22 VOC emissions based on the emission standards of the Air Pollution Control Act, which is a regulatory law of Japan, are zero.
*23 Until FY2022 results, calculated using 9.97 (GJ/thousand kWh) as the primary energy equivalent of electricity. From FY2023 results, calculated using 8.64 (GJ/thousand kWh) as the primary energy equivalent of electricity.
*24 Figures for FY2020 and earlier show retail electricity. And the total of retail electricity and wholesale electricity is shown since FY2021.
*25 The scope of data has been expanded to include all consolidated subsidiaries since FY2022 results, and from FY2023, the results has been announced by category.

### TNFD Global Disclosure Indicators

| No. | Driver of nature change | Indicator | Metric | | | Unit | FY2021 | FY2022 | **FY2023** |
|---|---|---|---|---|---|---|---|---|---|
| | Climate change | GHG emissions (*1) | Scope 1 | | | $ktCO_2$-eq | 203 | 205 | 211 |
| | | | Scope 2 (location based) | | | $ktCO_2$-eq | 5,773 | 4,913 | 5,981 |
| | | | Scope 3 | | | $ktCO_2$-eq | — | 106,401 | 116,330 |
| C1.0 | Land/freshwater/ocean-use change | Total spatial footprint | Total surface area controlled/managed by the organisation, where the organisation has control (*1) | | | $km^2$ | 263,299 | 263,550 | 262,369 |
| | | | Total rehabilitated/restored area (*2) | | | $km^2$ | 163,340 | 163,340 | 163,340 |
| C2.0 | Pollution/pollution removal | Pollutants released to soil split by type (*3) | | | | t | 0 | 0 | 0 |
| C2.1 | Pollution/pollution removal | Wastewater discharged | Volume of water discharged | Total | | $km^3$ | 49,463,282 | 47,263,796 | 37,129,331 |
| | | | | Freshwater | | $km^3$ | 49,462,947 | 47,263,128 | 37,128,616 |
| | | | | Other | | $km^3$ | 335 | 668 | 715 |
| | | | Temperature of water discharged (nuclear power) (*4) | | | ℃ | N/A | N/A | N/A |
| C2.2 | Pollution/pollution removal | Waste generation and disposal | Weight of waste generated | hazardous waste | | kt | 27 | 18 | 21 |
| | | | | nonhazardous waste (*5) | | kt | 121 | 122 | 135 |
| | | | Weight of waste disposed | hazardous waste | Incinerated (*6) | kt | — | — | — |
| | | | | | Landfill (*7) | kt | 0 | 0 | 0 |
| | | | | | Other disposal methods (*6) | kt | 27 | 18 | 21 |
| | | | | nonhazardous waste | Incinerated (*6) | kt | — | — | — |
| | | | | | Landfill | kt | <1 | <1 | <1 |
| | | | | | Other disposal methods (*6) | kt | 121 | 122 | 135 |
| | | | Weight of waste diverted from landfill | hazardous waste | Reused | kt | 0 | 0 | 0 |
| | | | | | Recycled | kt | 27 | 18 | 21 |
| | | | | | Other recovery operations | kt | 0 | 0 | 0 |
| | | | | nonhazardous waste | Reused | kt | <1 | <1 | <1 |
| | | | | | Recycled (*5) | kt | 121 | 122 | 135 |
| | | | | | Other recovery operations | kt | 0 | 0 | 0 |
| C2.4 | Pollution/pollution removal | Non-GHG air pollutants | Non-GHG air pollutants by type | Particulate matter (PM2.5 and/or PM10) (*8) | | kt | <0.1 | <0.1 | <0.1 |
| | | | | Nitrogen oxides ($NO_2$, NO and $NO_3$) | | kt | 2 | 2 | 2 |
| | | | | Volatile organic compounds (VOC or NMVOC); (*9) | | kt | 0 | 0 | 0 |
| | | | | Sulphur oxides ($SO_2$, SO, $SO_3$ and SOX) | | kt | <1 | <1 | <1 |
| | | | | Ammonia ($NH_3$) | | kt | 0 | 0 | 0 |
| C3.0 | Resource use/replenishment | Water withdrawal and consumption from areas of water scarcity (*9) | Water withdrawal (including identification of water source) | | | $m^3$ | N/A | N/A | N/A |
| | | | Water consumption (including identification of water source) | | | $m^3$ | N/A | N/A | N/A |
| | | | Nuclear | Water usage for processing, cooling and consumption in powerplants, including use of water in ash handling | | $m^3$ | N/A | N/A | N/A |
| C3.1 | | Quantity of high-risk natural commodities sourced from land/ocean/freshwater | | Coal | | kt | <1 | <1 | <1 |
| | | | | Oil | | ML | 43 | 44 | 44 |
| | | | | LNG and LPG | | kt | <1 | <1 | <1 |
| | | | | City gas | | mil $m^3$ | <1 | <1 | <1 |
| A3.0 | | Water withdrawal and consumption | Water withdrawal | | | $km^3$ | 49,463,282 | 47,263,796 | 37,129,334 |
| | | | Water consumption | | | $km^3$ | <1 | <1 | 3 |

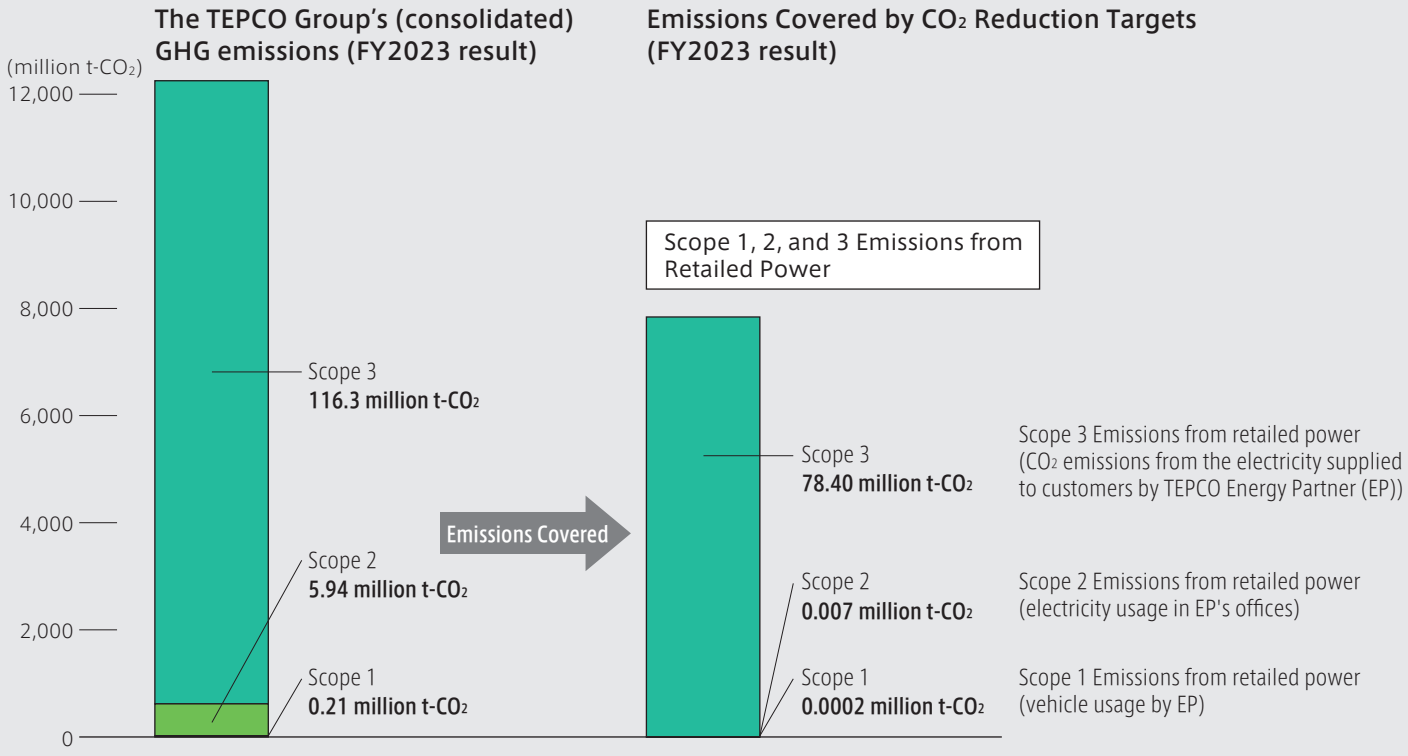
Unless otherwise noted the data in the table are the values for the five companies of the TEPCO Group (Tokyo Electric Power Holdings, Inc., TEPCO Fuel & Power, Inc., TEPCO Power Grid, Inc., TEPCO Energy Partner, Inc., TEPCO Renewable Power, Inc.)

*1 TEPCO Group (consolidated) data
*2 Notes the area of Oze that is owned by the TEPCO Group
*3 The TEPCO Group is primarily engaged in the electricity business and businesses that it is directly engaged in have low correlation to pesticides or plastic contamination which are indicated as pollutants by this indicator.
*4 "Not applicable" since nuclear power stations were not in operation
*5 Includes amount treated as valuables
*6 The data in the " Other disposal methods " row shows the amount recycled including thermal recyclables
*7 "0" is noted for harmful waste because it is not buried without being subjected to interim treatment, such as incineration, due to the nature of the substances.
*8 Soot and dust present in the exhaust from power stations in island regions have been noted (calculated value)
*9 VOC as noted in Atmospheric Pollution Prevention Act emission standards are not emitted
*10 "Not applicable" since power station, etc. facilities are not being constructed in areas of water scarcity

## The Relationship between the TEPCO Group's Greenhouse Gas (GHG) Emissions and $CO_2$ Reduction Targets (FY2030)

Scope 3 emissions (116.33 million t-$CO_2$) account for approximately 95% of the TEPCO Group's GHG emissions in FY2023 (122.48 million t-$CO_2$). The TEPCO Group's reduction targets include Scope 1 and Scope 2 emissions, which are the Group's direct and indirect emissions, as well as Scope 3 emissions, which are emissions from our supply chain. Our target is to reduce $CO_2$ emissions originating from retailed power, which account for the majority of our GHG emissions, by 50% of FY2013 levels by FY2030. This target is a net reduction goal.

Scope 1: Direct emissions from our combustion of fuel
Scope 2: Indirect emissions from consumed electricity as well as heat/steam
Scope 3: Supply chain (upstream/downstream) emissions



# Social

## Social Data

### 1. TEPCO Holdings and core operating companies

**(TEPCO Holdings, TEPCO Fuel & Power, TEPCO Power Grid, TEPCO Energy Partner, and TEPCO Renewable Power)**

#### (1) Employee-Related Indicators

| | Category | | UM | Performance | | | GRI Standard |
|---|---|---|---|---|---|---|---|
| | | | | FY2021 | FY2022 | **FY2023** | |
| 1 | Number of employees (*1) | Total | People | 27,898 | 27,585 | 27,369 | 2-7<br>405-1 |
| | | Males | | 24,244 | 23,937 | 23,686 | |
| | | Females | | 3,654 | 3,648 | 3,683 | |
| 2 | Average age | Total | Age | 45.5 | 45.6 | 45.7 | 405-1 |
| | | Males | | 45.8 | 45.9 | 46.0 | |
| | | Females | | 43.5 | 43.7 | 43.8 | |
| 3 | Average number of years on the job | Total | Years | 24.6 | 24.5 | 24.4 | - |
| | | Males | | 24.9 | 24.9 | 24.8 | |
| | | Females | | 22.6 | 22.4 | 22.4 | |
| 4 | Separation rate | Total | % | 6.1 | 4.9 | 5.2 | 401-1 |
| | | Males | | 6.3 | 5.0 | 5.3 | |
| | | Females | | 4.4 | 4.2 | 4.2 | |
| 5 | Voluntary turnover rate | Total | % | 1.1 | 1.0 | 1.2 | 401-1 |
| | | Males | | 1.1 | 1.0 | 1.2 | |
| | | Females | | 1.0 | 1.0 | 1.2 | |
| 6 | Management promotions | Fastest promotion | Age | 35 | 37 | 37 | 405-1 |
| | | Number of females | People | 273 | 279 | 279 | |
| | | Percentage of females | % | 5.80 | 5.98 | 6.06 | |
| 7 | Disability employment | Employment rate | % | 2.22 | 2.20 | 2.20 | 405-1 |
| 8 | Number of newly hired employees | Total | People | 568 | 518 | 611 | 401-1 |
| | | Males | | 459 | 432 | 508 | |
| | | Females | | 109 | 86 | 103 | |
| 9 | Number of career hired employees (highly skilled human resources) | Total | People | 155 | 199 | 237 | 401-1 |
| | | Males | | 139 | 162 | 193 | |
| | | Females | | 16 | 37 | 44 | |
| 10 | Mid-career recruitment ratio of hired employees | Total | % | 21.4 | 27.8 | 27.9 | - |
| | | Males | | 23.2 | 27.3 | 27.5 | |
| | | Females | | 12.8 | 30.1 | 29.9 | |
| 11 | Number of employees using nursing care leave | Total | People | 8 | 6 | 4 | - |
| | | Males | | 4 | 4 | 4 | |
| | | Females | | 4 | 2 | 0 | |
| 12 | Percentage of employees using child rearing leave | Total | % | 23.9 | 29.7 | 44.9 | 401-3 |
| | | Males | | 8.2 | 19.8 | 37.0 | |
| | | Females | | 93.6 | 89.6 | 89.5 | |

| | Category | | UM | Performance | | | GRI Standard |
|---|---|---|---|---|---|---|---|
| | | | | FY2021 | FY2022 | **FY2023** | |
| 13 | Average number of days taken for paternity leave by men | | Days | - | - | 67.0 | 401-3 |
| 14 | Paternity leave utilization rate by men (*2) | | % | 83.8 | 77.3 | 70.2 | 401-3 |
| 15 | Return-to-work rate from childcare leave | Total | % | 99.0 | 99.2 | 99.3 | 401-3 |
| | | Males | | 100 | 100 | 100 | |
| | | Females | | 98.7 | 98.6 | 98.3 | |
| 16 | Average age of board members (*3) | | Age | 56.4 | 56.8 | 57.6 | - |
| 17 | Ratio of unionized employees | | % | 100 | 100 | 100 | 2-7 |
| 18 | Human capital ROI | | - | 1.64 | 0.25 | 2.21 | - |
| 19 | Total annual hours worked per person (*4) | | total hours | 1,919 | 1,935 | 1,946 | - |
| 20 | Human rights due diligence implementation rate | | % | - | 28.8 | 31.8 | - |
| 21 | Number of employees working long hours (*5) | | People | 318 | 191 | 250 | - |
| 22 | High-Stress rate from stress checks | | % | 11.4 | 11.8 | 11.9 | - |
| 23 | Number of long-term absentees due to non-work-related injuries or illnesses | | People | 138 | 202 | 215 | - |
| 24 | Number of disciplinary cases among consultations to the human rights office | | Cases | 2 | 0 | 3 | - |

#### (2) Health and Safety-Related Indicators (*8)

| | Category | | UM | Performance | | | GRI Standard |
|---|---|---|---|---|---|---|---|
| | | | | FY2021 | FY2022 | **FY2023** | |
| 1 | Lost time injury frequency rate (LTIFR) | employees (*6) | - | 0.08 | ★0.20 | 0.26 | 403-9 |
| | | contractor/consignors | | 0.46 | 0.62 | 0.60 | |
| 2 | Lost time injury severity rate (LTISR)(employees)(*7) | | - | 0.01 | 0.01 | 0.02 | 403-9 |
| 3 | Number of injured employees | Total | People | 5 | 11 | 18 | 403-9 |
| | | Males | | 5 | 8 | 13 | |
| | | Females | | 0 | 3 | 5 | |
| 4 | Number of injured contractor/consignors | | People | 42 | 49 | 54 | 403-9 |
| 5 | Number of fatalities (employees) | Total | People | 0 | ★0 | 0 | 403-9 |
| | | Males | | 0 | 0 | 0 | |
| | | Females | | 0 | 0 | 0 | |
| 6 | Number of fatalities (contractor/ consignors) | Total | People | 2 | ★2 | 0 | 403-9 |
| | | Males | | 2 | 2 | 0 | |
| | | Females | | 0 | 0 | 0 | |

#### (3) Human Resource Cultivation and Training-Related Indicators

| | Category | UM | Performance | | | GRI Standard |
|---|---|---|---|---|---|---|
| | | | FY2021 | FY2022 | **FY2023** | |
| 1 | Employee training expenses (common training for all companies etc. | Million yen | 360 | 381 | 378 | 404-1 |
| 2 | Number of employee training hours (common training for all companies etc.) | Cumulative hours | 107,879 | 105,900 | 111,437 | 404-1 |

### (4) Diversity Indicators

**Diversity Indicators**

| FY2023 | HD | PG | EP | RP | Total |
|---|---|---|---|---|---|
| Percentage of female managers | 5.7% | 5.3% | 11.6% | 2.8% | 6.0% |
| Percentage of female employees | 12.1% | 11.7% | 29.7% | 6.7% | 13.4% |
| Percentage of females in hired new graduates | 14.3% | 15.8% | 30.8% | 10.9% | 16.9% |
| Number of employees (people) | 7,739 | 15,670 | 2,759 | 1,201 | 27,369 |

**Gender Pay Gap Indicators**

| FY2023 | | HD | PG | EP | RP | Total |
|---|---|---|---|---|---|---|
| Total workers | | 84.7% | 79.8% | 82.1% | 79.7% | 82.5% |
| Full-time employees | | 83.2% | 80.5% | 80.7% | 77.1% | 81.8% |
| | Management position | 97.5% | 97.8% | 95.7% | 102.2% | 97.6% |
| | Non-managerial position | 95.8% | 90.9% | 90.5% | 85.1% | 92.6% |
| Part-time workers/ temporary workers | | 83.4% | 65.5% | 87.2% | 80.4% | 70.4% |

### (5) Metrics Related to Employee Engagement (*9)

| | Category | UM | Performance | | | GRI Standard |
|---|---|---|---|---|---|---|
| | | | FY2021 | FY2022 | **FY2023** | |
| 1 | Employee Well-being(*10) | – | 6.69 | 6.69 | 6.78 | – |
| 2 | Job Satisfaction | – | 0.51 | 0.49 | 0.56 | – |
| 3 | Feeling of growth | – | 0.47 | 0.43 | 0.50 | – |
| 4 | Work-life balance | – | 0.41 | 0.59 | 0.74 | – |
| 5 | Putting the corporate philosophy into practice | – | 1.09 | 1.13 | 1.18 | – |
| 6 | Value-Creating climate | – | 0.49 | 0.45 | 0.58 | – |
| 7 | Mental safety | – | – | 1.06 | 1.13 | – |
| 8 | Feeling that diversity is being promoted | – | 0.64 | 0.65 | 0.89 | – |
| 9 | Feeling that work style reforms are being promoted | – | 0.61 | 0.75 | 0.81 | – |
| 10 | Expansion of productivity awareness | – | 0.22 | 0.25 | 0.36 | – |
| 11 | Feeling that health measures are being promoted | – | – | 0.64 | 0.75 | – |

## 2 . TEPCO Holdings and all of consolidated subsidiary companies

### (1) Employee-Related Indicators

| | Category | | UM | Performance | | | GRI Standard |
|---|---|---|---|---|---|---|---|
| | | | | FY2021 | FY2022 | **FY2023** | |
| 1 | Number of employees (*1) | Total | People | 37,936 | 38,027 | 38,121 | 2-7<br>405-1 |
| | | Males | | 32,317 | 32,278 | 32,181 | |
| | | Females | | 5,619 | 5,749 | 5,940 | |
| 2 | Average age | Total | Age | 45.7 | 45.9 | 45.8 | 405-1 |
| | | Males | | 46.1 | 46.3 | 46.4 | |
| | | Females | | 43.0 | 43.1 | 43.0 | |
| 3 | Average number of years on the job | Total | Years | 22.3 | 22.1 | 21.8 | – |
| | | Males | | 22.8 | 22.6 | 22.4 | |
| | | Females | | 19.2 | 18.9 | 18.5 | |
| 4 | Separation rate | Total | % | 6.0 | 5.2 | 5.5 | 401-1 |
| | | Males | | 6.3 | 5.3 | 5.6 | |
| | | Females | | 4.8 | 4.4 | 4.8 | |
| 5 | Voluntary turnover rate | Total | % | – | – | 1.6 | 401-1 |
| | | Males | | – | – | 1.6 | |
| | | Females | | – | – | 2.0 | |
| 6 | Management promotions | Fastest promotion | Age | 35 | 32 | 32 | 405-1 |
| | | Number of females | People | 349 | 360 | 368 | |
| | | Percentage of females | % | 5.50 | 5.53 | 5.96 | |
| 7 | Disability employment | Employment rate | % | 2.58 | 2.54 | 2.61 | 405-1 |
| 8 | Number of newly hired employees | Total | People | 853 | 801 | 928 | 401-1 |
| | | Males | | 654 | 622 | 722 | |
| | | Females | | 199 | 179 | 206 | |
| 9 | Number of career hired employees (highly skilled human resources) | Total | People | 527 | 613 | 690 | 401-1 |
| | | Males | | 386 | 443 | 506 | |
| | | Females | | 141 | 170 | 184 | |
| 10 | Number of employees using nursing care leave | Total | People | 10 | 12 | 15 | – |
| | | Males | | 6 | 6 | 10 | |
| | | Females | | 4 | 6 | 5 | |
| 11 | Percentage of employees using child rearing leave | Total | % | 27.7 | 34.7 | 50.2 | 401-3 |
| | | Males | | 9.3 | 22.2 | 39.5 | |
| | | Females | | 99.4 | 97.8 | 94.4 | |
| 12 | Rate of returning from childcare leave | Total | % | 99.2 | 99.0 | 98.0 | 401-3 |
| | | Males | | 100 | 100 | 100 | |
| | | Females | | 98.9 | 98.3 | 94.7 | |
| 13 | Average age of executives (*3) | | Age | 56.0 | 54.8 | 56.6 | - |
| 14 | Ratio of employees in unions | | % | 99.8 | 99.6 | 99.4 | 2-7 |

### (2) Human Resource Cultivation and Training-Related Indicators

| | Category | UM | Performance | | | GRI Standard |
|---|---|---|---|---|---|---|
| | | | FY2021 | FY2022 | **FY2023** | |
| 1 | Employee training costs (common company-wide training, etc.) | Million yen | – | – | 920 | 404-1 |
| 2 | Employee training hours (common company-wide training, etc.) | Cumulative hours | – | – | 290,329 | 404-1 |

· The figures indicated with ★ are subject to third-party assurance by KPMG AZSA Sustainability Co., Ltd. in the "TEPCO Social Data2024."

*1 Including secondment / dispatch

*2 leave systems established to support employees in childcare

*3 Excluding outside directors and part-time employees

*4 Excluding managers / average for all employees

*5 Number of employees who worked a total of 100 hours or more of overtime and holiday work in a month during the fiscal year

*6 The frequency rate is the number of lost-time injury cases per million total working hours (excluding non-lost-time injuries). Lost-time injury frequency rate = (number of lost-time injury cases ÷ total working hours during the accounting period) × 1,000,000
The calculation includes regular employees, temporary staff, and seconded employees of the TEPCO Group.

*7 The LTIFR is the number of lost-time injuries per million hours worked, calculated using the formula:
LTIFR=(Number of lost-time injuries) / (Total hours worked in accounting period)x 1,000,000
Number of persons dead or seriously injured in occupational incidents / total working hours × 1,000,000

*8 (2)3~6 excludes non-lost-time injuries and includes injuries for which only the other side is at fault.

*9 (5) The items 2 through 11 are the average score from the employee awareness survey (on a 5-point scale from -2 to 2).

*10 The average from the 11-point (0~10) scale used in the employee awareness survey.

# Governance

Corporate Governance Report

## Governance Data

### TEPCO Holdings

| | UM | FY2021 | FY2022 | FY2023 |
|---|---|---|---|---|
| **Structure of the Board of Directors** | | | | |
| Number of directors | people | 13 | 13 | 13 |
| Number of employee representatives on the Board of Directors | people | 0 | 0 | 0 |
| Classified Board system | — | one-tier system | one-tier system | one-tier system |
| Number of auditors | people | 0 | 0 | 0 |
| Corporate officer system | — | Applicable | Applicable | Applicable |
| Number of directors also corporate officers | people | 0 | 0 | 0 |
| Ratio of directors also corporate officers | % | 0 | 0 | 0 |
| **Independency of the Board of Directors** | | | | |
| Number of outside directors | people | 6 | 6 | 6 |
| Ratio of outside directors | % | 46.15 | 46.15 | 46.15 |
| Number of independent directors | people | 5 | 5 | 5 |
| Ratio of independent directors | % | 38.46 | 38.46 | 38.46 |
| CEO duality | — | N/A | N/A | N/A |
| Independent chairperson | — | Applicable | Applicable | Applicable |
| Independent lead director | — | Applicable | Applicable | Applicable |
| Presiding director | — | N/A | N/A | N/A |
| Former CEO or director with the same qualifications | — | N/A | N/A | N/A |
| **Diversity of the Board of Directors** | | | | |
| Number of female directors | people | 2 | 2 | 2 |
| Ratio of female directors | % | 15.38 | 15.38 | 15.38 |
| Female CEO (or person with equal qualifications) | — | N/A | N/A | N/A |
| Female chairpersons (or person with equal qualifications) | — | N/A | N/A | N/A |
| Number of executives, management executives, corporate officers | people | 58 | 58 | 57 |
| Internally promoted CEOs (or person with equal qualifications) | — | Applicable | Applicable | Applicable |
| Number of outside executives | people | 6 | 6 | 6 |
| Number of female executives | people | 4 | 4 | 5 |
| Ratio of female executives | % | 6.90 | 6.90 | 8.77 |
| Age of youngest director | age | 53 | 53 | 54 |
| Age of oldest director | age | 75 | 76 | 77 |
| Range of ages of directors | age | 22 | 23 | 23 |
| Average age of directors | age | 63.15 | 62.39 | 63.38 |
| Upper age limit for directors | — | N/A | N/A | N/A |
| Term of office of directors (years) | years | 1 | 1 | 1 |
| Term of office of executive directors | years | 1 | 1 | 1 |

| | UM | FY2021 | FY2022 | FY2023 |
|---|---|---|---|---|
| **Board of Directors** | | | | |
| Number of meetings | times | 18 | 19 | 19 |
| Attendance ratio of meetings | % | 100 | 100 | 99 |
| Attendance ratio of independent directors | % | 100 | 100 | 99 |
| Directors with a Board of Directors attendance rate of less than 75% | people | 0 | 0 | 0 |
| **Nominating Committee** | | | | |
| Number of members | people | 6 | 6 | 6 |
| Number of independent directors | people | 3 | 3 | 3 |
| Ratio of independent directors | % | 50 | 50 | 50 |
| Independent chairperson | — | Applicable | Applicable | Applicable |
| Number of outside directors | people | 4 | 4 | 4 |
| Number of meetings | times | 9 | 4 | 6 |
| Attendance ratio of meetings | % | 100 | 100 | 100 |
| **Audit Committee** | | | | |
| Number of members | people | 5 | 5 | 5 |
| Number of independent directors | people | 4 | 4 | 4 |
| Ratio of independent directors | % | 80 | 80 | 80 |
| Independent chairperson | — | Applicable | Applicable | N/A |
| Number of outside directors | people | 4 | 4 | 4 |
| Number of meeting | times | 21 | 21 | 20 |
| Attendance ratio of meetings | % | 100 | 100 | 100 |
| **Compensation Committee** | | | | |
| Number of members | people | 4 | 4 | 4 |
| Number of independent directors | people | 4 | 4 | 3 |
| Ratio of independent directors | % | 100 | 100 | 75 |
| Independent chairperson | — | Applicable | Applicable | Applicable |
| Number of outside directors | people | 4 | 4 | 4 |
| Number of meeting | times | 10 | 7 | 6 |
| Attendance ratio of meetings | % | 100 | 100 | 100 |
| Outside compensation advisor nominations | — | N/A | N/A | N/A |
| **Board of Directors/Executive Board Activities** | | | | |
| ESG/Sustainability Committee | — | Applicable | Applicable | Applicable |
| Executive Director (in charge of ESG) | — | Applicable | Applicable | Applicable |
| ESG-related executive compensation | — | Applicable | Applicable | Applicable |
| ESG-related director compensation | — | N/A | N/A | N/A |

| | UM | FY2021 | FY2022 | FY2023 |
|---|---|---|---|---|
| **Shareholders' Rights** | | | | |
| Poison pill provision | — | N/A | N/A | N/A |
| Blank check preferred stock authorization | — | N/A | N/A | N/A |
| Dual class unequal voting rights | — | N/A | N/A | N/A |
| **Compensation** | | | | |
| **Directors** | | | | |
| Number of people paid | people | 9 | 7 | 9 |
| Total amount of compensation | mil. yen | 98 | 104 | 112 |
| **Executive officers** | | | | |
| Number of people paid | people | 17 | 17 | 16 |
| Total amount of compensation | mil. yen | 384 | 474 | 582 |

* When disclosing corporate ESG information, items for which there have been many requests for disclosure from assessment institutions are selected.
* The number of executives includes board members, executive officers, executive directors, special auditing directors, fellows, and directors.
* Information on the number and age of directors is valid as of July 1, 2022, July 1, 2023 and July 2, 2024.
* TEPCO's board of directors is comprised of six members, Mr. Kobayashi, Mr. Ohyagi, Mr. Onishi, Ms. Shinkawa, Ms. Okawa, and Mr. Nagata (as of July 1, 2024).
All members have registered as independent officers with the Tokyo Stock Exchange.

# Support and Supervision of JERA's Climate Change Initiatives

JERA Co., Inc. (an equity-method affiliate) is a crucial part of TEPCO Group's supply chain in achieving the Carbon Neutral Declaration. By steadily implementing the plans outlined in "JERA Zero $CO_2$ Emissions 2050," our group, as a shareholder, provides appropriate support and supervision to ensure the continuous enhancement of JERA's corporate value. JERA Zero $CO_2$ Emissions 2050 Roadmap **P105**

In this section, based on actual inquiries from our shareholders and investors, we present particularly high-interest information in a Q&A format.

## Please explain the relationship between JERA and TEPCO's carbon-neutral strategies.

Our group's carbon-neutral strategy is based on scenario analyses that take into account national policies and technological advancements. Similarly, JERA's "JERA Zero $CO_2$ Emissions 2050" plan is formulated in alignment with national policies.

Our group's target for FY2030 is based on $CO_2$ emissions derived from the electricity we retail. Therefore, the $CO_2$ emissions from the electricity that our group purchases from suppliers, including JERA, and retails to customers are included in this target. The $CO_2$ emissions from the electricity our group purchases from JERA are classified as Scope 1 for JERA and Scope 3 for our group.

We monitor the implementation status and, in order to achieve our group's $CO_2$ targets, enhance the effectiveness of our group's carbon-neutral strategy through measures such as diversification of power sources. As a shareholder, we support and supervise JERA's strategy.

Governance as a shareholder **P83**

## Will the co-firing of hydrogen and ammonia at JERA's thermal power plants be successful? What steps will be taken if there are issues?

JERA is engaged in technology development and practical demonstrations for the utilization of hydrogen and ammonia. The plan is to gradually introduce these power generation with the aim of early implementation, and it is currently proceeding as scheduled.

If issues arise, the importance of batteries and other flexibility solutions for renewable energy expansion will increase. The "JERA Zero $CO_2$ Emissions 2050" plan also focuses on developing renewables, particularly offshore wind power, and utilizing batteries.

## Does the introduction of hydrogen and ammonia incur significant costs?

The main costs for co-firing hydrogen and ammonia are for equipment modifications (burners, gas turbines, tanks) and fuel procurement.

The Japanese government is developing support systems for the domestic introduction of hydrogen and ammonia, and JERA plans to utilize these. Additionally, JERA is working with major domestic and international companies to establish supply chains to reduce procurement costs.

## Won't JERA's thermal power plants become stranded assets that will eventually have a fatal impact on operations?

JERA is formulating plans for the development of new power sources and the ownership of existing ones, based on multiple scenarios related to future power market environments, including risk cases where business opportunities for thermal power sources may shrink. This approach ensures strategic flexibility and resilience.

Considering future power demand and price competitiveness, JERA aims to maximize benefits while avoiding the development and ownership of unprofitable thermal power sources (stranded assets) by replacing aging facilities with state-of-the-art, high-efficiency ones.

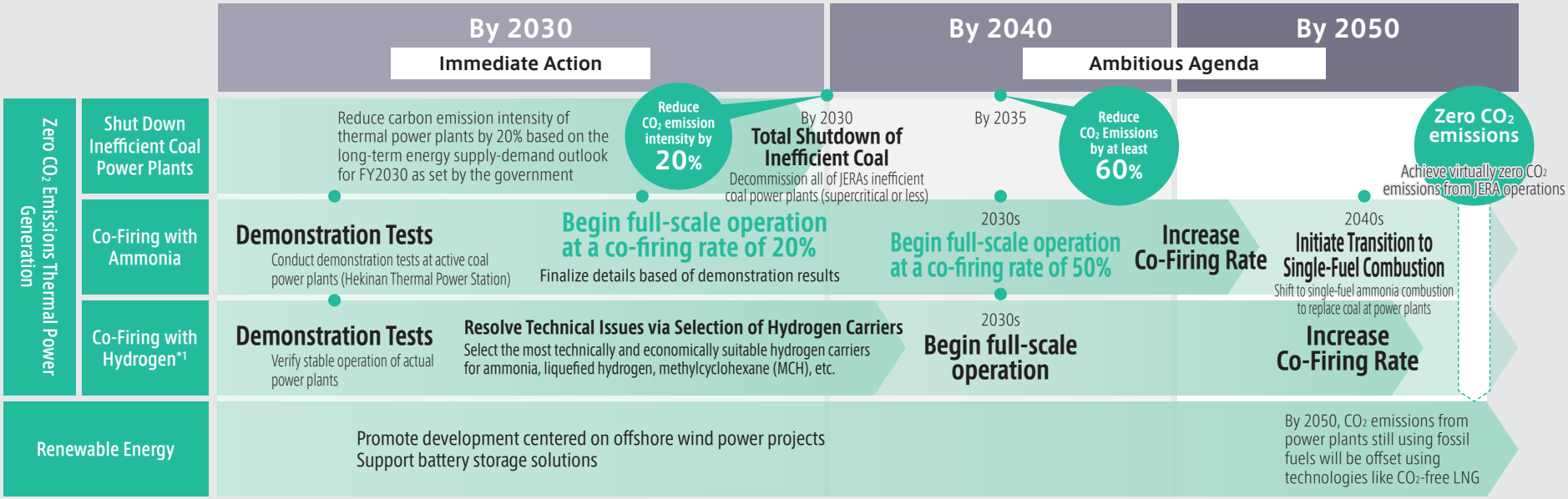
## Please explain the differentiation in renewables strategies between JERA and TEPCO Renewable Power.

JERA is building a "glocal system" for global and local business development. TEPCO Renewable Power has expertise in domestic hydropower and offshore wind power research. Their strengths in business domains differ, and to capture high-potential development regions, each entity will autonomously advance its business operations.

# JERA Zero $CO_2$ Emissions 2050 Roadmap

JERA Zero $CO_2$ Emissions 2050

JERA Co., Inc. is dedicated to providing cutting-edge solutions to global energy issues. JERA aims to achieve zero $CO_2$ emissions for its operations worldwide by 2050, contributing to a sustainable society. JERA is proactively developing decarbonization technologies while ensuring economic viability.




This roadmap will evolve incrementally, adapt to changes in government policy and other relevant conditions, and be revised as needed. *1 We are also considering the use of $CO_2$-free LNG.

## Growth Strategy for Realizing JERA's 2035 Vision (Announced May 2024)

JERA has identified three strategic business domains to address global energy issues: "LNG," "Renewables," and "Hydrogen & Ammonia." The organization is divided into functional segments: "Business Development," "Optimization," and "O&M," forming independent expert groups globally. These groups collaborate across locations and functions to create synergies.

The expert groups integrate these business domains globally to provide cutting-edge solutions tailored to the geographic and economic characteristics of each region. This unique approach differentiates JERA from other energy companies worldwide.

JERA Growth Strategy to Realize the 2035 Vision

## Progress on the Roadmap

At Hekinan Thermal Power Station, JERA began the world's first demonstration test of fuel ammonia conversion*2 on a large-scale commercial coal-fired power plant on April 1, 2024, achieving a 20% conversion rate by April 10. Emissions results were favorable: NOx remained the same or lower, $NO_2$ was undetected, and SOx reduced by about 20%. JERA aims to establish ammonia conversion technology for thermal power generation by March 2025, following a detailed evaluation of the impact on the boiler and equipment.

*2 NEDO "Carbon Recycling and Next-Generation Thermal Power Generation Technology Development / Ammonia Co-Firing Thermal Power Generation Technology Research and Demonstration Project" (Project by JERA/IHI)

# ESG Rating by External Parties

## FY2024 External Ratings

| Rating agencies | Rating |
|---|---|
| CDP* | Climate change A− |
| S&P Global (CSA) | 50 |
| FTSE Russell | 3.6 |
| Bloomberg (ESG disclosure scores) | 67.09 |

*FY2023 results

## External Evaluation Indicators

Selected as ESG index employed by the GPIF

S&P/JPX Carbon Efficient Index

FTSE Blossom Japan Sector Relative Index

Details

Morningstar Japan ex-REIT Gender Diversity Tilt Index

Recognition as a DX promotion company

DX注目企業2024 Digital Transformation

Recognized as a company working to create new value through DX

Certification in human capital & diversity

"Kurumin" in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children

"L-boshi" in accordance with the Act on the Promotion of Women's Active Engagement in Professional Life

人的資本経営品質 2023

Human Capital Management Gold Quality 2023

work with Pride Gold 2023

Gold certification in PRIDE Index 2023

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