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Questions and Answers at TEPCO Annual Outlook Investor Meeting along with Fiscal 2010 Management Plan

Q: Do you incorporate factors such as the spread of electric vehicles, all-electric housing and power conservation into your power demand outlook this time? If so, could you give us estimates of each factor's contribution?

A: We forecast our electricity sales volume will grow by annual average of 3 billion kWh or at compound annual growth rate of 1.0% between Fiscal 2008 and 2019. Expanding use of electric vehicles has not been incorporated so far while the spread of photovoltaic panels and power conservation trend are considered for the power demand outlook. Regarding possible impacts of electric vehicles on our future demand, we will consider as one thinks fit. Increase in the number of all-electric homes and sales volume expansion in industrial and commercial sectors are expected to help raise power demand by annual average of 1.1 billion kWh and 0.6 billion kWh, respectively. On the other hand, the spread of photovoltaic panels and power conservation will work negatively on our annual sales volume by approximately 0.1 billion kWh and 2.3 billion kWh, respectively.

Q: What are you seeing with regard to ongoing discussions on new environment policies?

A: First of all, we believe that an appropriate target for cutting in greenhouse gas emission should be discussed with careful consideration over reasonable responsibility and technical feasibility. That goes for each policy, too. It would be essential for the country to have open and comprehensive arguments with detailed ideas of cost effectiveness and cost allocation in each of new policies. We regard the main purpose of a new feed-in tariff system covering all electricity from renewable energy sources as promotion and utilization of renewable energy.

Therefore, it should be convincing that all of the power users in this country support the system equally.

Q: In which part of the CAPEX table on this presentation material are expenditures for carbon credits included?

A: Expenditures for carbon credits are included in the item “Nuclear fuel and others” on the table. However, we don’t disclose the number separately in order to avoid any influences on the carbon credit market hereafter.

Q: I understand restarted Units 6 and 7 at Kashiwazaki-Kariwa Nuclear Power Station will let TEPCO sooner or later increase its maintenance works, which have been postponed as emergency measures to overcome the crisis so far. Could you give me brief ideas regarding TEPCO’s future maintenance costs outlook?

A: It might be inevitable that our maintenance costs will be increasing and getting back to normal level because we have strictly controlled the costs since the earthquake. On the other hand, we are committed to further cost reductions as ever. Now we are planning the number of works for supply facilities to be as flat as possible among terms.

Q: Are you going to restore annual dividend from ¥60 to ¥70 per share once all the units at Kashiwazaki-Kariwa Nuclear Power Station get back to commercial operations?

A: As ever, we are determined to declare our annual dividend with careful considerations of various factors such as our payout ratio target of 30%, annual business performance and

financial structure based on constant nominal payment policy. We will consider dividend increase to ¥70 per share when our company could recover ordinary income levels of ¥350 billion on a non-consolidated basis and ¥400 billion on a consolidated basis.

Q: For dividend increase, should we expect electricity rate reduction at the same time?

A: Again, we will decide both our annual dividend and electricity rates with comprehensive considerations of our short and long term business environment. However, I don't believe a dividend increase is necessarily coincident with an electricity rate reduction.

Q: How do you see overseas business operations shaping up? How much are you going to get involved in each of overseas projects? What about your expected investment size?

A: I would say TEPCO is going to further facilitate our overseas business operations because we expect those one of the key drivers for our future growth. I personally think there would be more lucrative opportunities in Asia. We are currently extending discussions over our future involvement in overseas projects. TEPCO's future investment size for overseas business will be announced officially in the coming New Management Vision.

Q: I wonder what TEPCO's attitude to overseas nuclear power business is. I appreciate if you give us your basic ideas.

A: Risk management in overseas nuclear power business is so hard and complicated that we cannot sustain it out of governmental scheme. I believe thorough discussion about how to share each roll and risk among Government and companies including us is crucial for its

success. Currently Government and nuclear related companies are working together to study business opportunities.