Meeting Transcript (Questions and Answers Session)

Event Date/Time: April 30, 2010 / 04:40PM JST

Event Name: TEPCO Investor Meeting for FY2009 Year-end Earnings Results

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Q: TEPCO's non-consolidated maintenance expenses decreased for five consecutive years. Could you give me brief ideas regarding TEPCO's maintenance expenses outlook?

A: Our non-consolidated maintenance expenses dropped ¥7.3 billion year-on-year to ¥373.9 billion as a result of cost reduction. While we continue the cost reduction efforts, it might be inevitable that our maintenance expenses will be increasing approximately ¥60 billion this fiscal year. We are currently in need of maintenance works, which have been postponed as emergency measures to overcome the crisis in addition to various construction works for securing stable power supply and public safety. For mid-to-long term, TEPCO aims to control maintenance expenses as low as current level and as flat as possible throughout fiscal years with further cost reduction efforts.

Q: You mentioned in the presentation that TEPCO recognized carbon credit expenditures of ¥21.5 billion in Fiscal 2009. What is TEPCO's basic policy for carbon credits? How much will TEPCO spend for the credits?

A: Our primary approach to CO_2 emission intensity reduction is to further improve nuclear utilization and thermal efficiency. Therefore, we believe use of carbon credits should be complementary to the efforts. While we don't disclose its Fiscal 2010 outlook for carbon credit expenditures at this time in order to avoid any influences on the carbon credit market hereafter, the expenditures will be recognized as the need arises in line with "Law

Concerning the Promotion of the Measures to Cope with Global Warning". Anyway, TEPCO continues to make best efforts to achieve our voluntary target for global environment conservation, "average CO_2 emission intensity between Fiscal 2008 and 2012 to reduce by 20% compared with that in FY1990 level".

Q: It seems TEPCO's Fiscal 2010 non-consolidated net income is going to be 0. Could you give us any comments regarding the outlook?

A: Again, we don't take operations of Kashiwazaki-Kariwa Unit 1 through 5 out of 7 units into consideration for Fiscal 2010 earnings outlook. TEPCO is committed to making steady progress in restoration works for the units. While we project annual non-consolidated net income of 0 billion at this time, we work hard to finally post a gain by continuous efforts for sustainable cost reduction.

Q: Could you briefly update current status of Unit 1 and 5 at Kashiwazaki-Kariwa Nuclear Power Station? When do you expect restarts of the units?

A: We have already finished all of the inspection and evaluation works for each system at both units although we cannot announce when to restart them at this time. For your information, TEPCO asked local governments of Niigata Prefecture, Kashiwazaki City and Kariwa Village for their permission to restart operations of Unit 1 on April 16, 2010 since national authorities such as Nuclear and Industrial Safety Agency and Nuclear Safety Commission had confirmed no safety problems left on the unit for its restart.

Q: According to recent news reports, Japanese Government and some nuclear related firms including TEPCO are now in preparation for establishment of a new strategic joint venture for overseas nuclear power business. How is your company going to get involved in the move?

A: The new company's details such as internal organization and ownership issues are currently under discussion. As a leading nuclear power operator in Japan, TEPCO is committed to contributing to the new scheme by taking advantage of our knowledge and experiences in nuclear power plant management. TEPCO will promote the projects in careful consideration of business risks as well as future returns.