

Meeting Transcript (Presentation)

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Corporate Participants:

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Presentation

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

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

Today, I'm going to begin with the outlines and main points of the Comprehensive Special Business Plan, prepared with the Nuclear Damage Compensation Facilitation Corporation and just approved yesterday by the ministers in charge. After that, I will open a Q&A session. Let's get started. Please turn to Page 3 on the distributed material.

<Page 3 to 6 – The Guiding Principles of This Plan>

Our basic ideas on designing this plan are covered from Page 3 to 6. We strongly recognize that Japanese government, a nucleus of Japanese national nuclear energy policy and TEPCO, the owner and operator of the crippled Fukushima Daiichi Nuclear Power Station jointly have huge responsibilities for a series of difficult

tasks to overcome. With a strong resolution to make a comeback to reliable and healthy company from zero-basis, TEPCO is determined to discharge our duty, accomplishing "nuclear damage compensation, nuclear plants decommissioning and stable power supply," in order to regain public trust and confidence. On behalf of TEPCO management, I would like to sincerely ask our valued shareholders, investors and financial institutions understanding and cooperation.

<Page 8 to 11 – The Road towards Restoration>

In this section, you can see the details of our three major directions under the plan: "fulfilling our responsibilities," "promoting culture of openness" and "reforming energy services in step with customers and societal expectations." A roadmap for the reformation appears on Page 10. The plans will be further discussed and implemented by the rising generation of TEPCO's young and mainstay staff. Next, Page 11, please.

This slide covers basic approaches of NDF and TEPCO towards energy policy revisions currently discussed by the national government. NDF is to ask the government to prepare a business environment which will facilitate TEPCO's managerial reform under this plan. TEPCO will ask the government to clarify future nuclear energy in this country and to consider additional measures on decommissioning and damage compensation costs, including revising shares of the costs between TEPCO and the government. Please move to Page 13.

<Page 13 to 21 – Nuclear Damage Compensation>

Page 13 to 21 present overviews of measures and estimated costs for decommissioning of Fukushima Daiichi Units 1 through 4 and nuclear damage compensation. Page 17 illustrates an explanation of the necessary amount of nuclear damage compensation at this point. For your information, it is still difficult to rationally estimate whole compensation amount at this point, as some of the damages such as business operational damages and opportunity losses due to groundless rumors have not ended and can be hardly projected. For the details, please come back later. Please go on to Page 23.

<Page 22 to 66 – TEPCO's Business Operation Plan>

✓ Page 23 – Principle Business Philosophy

From Page 23, details of TEPCO's business operation plan are presented. Under the 3 basic directions mentioned in the beginning of this presentation, we are committed to better information disclosure, more transparent corporate governance, organizational reform and procurement reform as well as discharging our duty, accomplishing "nuclear damage compensation, nuclear plants decommissioning and stable power supply." At the same time, TEPCO will strive to improve its energy services from customers' points of view to meet their various needs. From now on, I would like to walk through key points of the following 6 measures. Next, Page 26, please.

✓ Page 24 to 42 – Management Streamlining Measures

(1) Thorough Cost Reductions

First, I would like to cover "thorough cost reductions" as a key streamlining measure. The table on this page illustrates a whole picture of next 10-year cost reduction plans. In this Comprehensive Special Business Plan, we are revising the amount of next 10-year cost reductions upward by 656.5 billion yen to 3,365.0 billion yen from that on the previous special business plan. Please come back later for the details shown on from Page 27 to 35. Now, move on Page 36.

(2) Reevaluating Future Facility Investment Plans

Pages 36 and 37 present revised next 10-year capital investment plans. Although one of our primary duties, "stable power supply" never changes, we additionally include brand-new plans such as introduction of a bidding system for constructing and/or replacing plants in this business plan. The amount of reductions in next 10-year capital expenditures totals 934.9 billion yen, compared with those appeared on the previous business plan. Please go to Page 39.

(3) Asset Sales

Third measure of the streamlining is "asset sales." The details of concrete measures, amount of assets sold and its outlook appear on each page between 39 and 44. As you can see on Page 39, we aim to dispose assets such as real estate, marketable securities and subsidiaries and affiliated businesses worth 707.4 billion yen by the end of fiscal 2013. Out of the amount, the assets worth more than 400 billion yen have been sold by the end of fiscal 2011. Next, go to Page 45, please.

✓ Page 45 to 49 – Business Reform

In this section, you can see three of TEPCO's upcoming business reforms: "stabilizing economical fuel supply & optimizing efficiency of thermal power supplies through alliance," "increasing neutrality and transparency of the transmission and distribution department" and "developing power retail business." Particularly on Page 45, we show some of the future strategic business operations such as "raising efficiency of thermal power generation," "strategic business development to stabilize economical fuel procurement" and "utilization of facility operation know-how in emerging nations, etc." For further details, please come back at your convenience. Please move to Page 50.

✓ Page 50 to 53 – A New Mindset

This section illustrates the directions of mindset reform to be reborn as "new TEPCO" and 3 concrete measures to be implemented. The basic idea here is that all of the executives and employees should share recognition that looking back on our past flaws and implementing reforms are indispensable to our company's future. And then, we will introduce a variety of organizational and personnel reforms such as "company with committee" management structure, "in-house company system" and new motivating personnel system. Next, Page 54, please.

✓ Page 54 to 64 – Strengthening Our Financial Standing

In this section, I'd like to explain our concrete measures to regain our financial health and future outlook.

(1) Request to financial institutions

First, we sincerely ask our financial institutions to maintain every existing credit line until we are eligible to issue corporate bonds independently. In addition, we will ask our main lenders to provide further credit up to 1 trillion yen via provision of new loans, short-term commitment lines and refinancing of the portions repaid to the lenders in fiscal 2011. We truly appreciate understanding and cooperation by the financial institutions. Please go on to Page 55.

(2) The Fund's Capital Injection

Second, we ask NDF to acquire our shares in order to reinforce our financial basis so that we are able to make an early return to the publicly-offered corporate bond market where we can raise enough money to cover expenses for damage compensation, decommissioning and stable power supply. The total amount to be paid in will be approximately 1 trillion yen. NDF will, at the time of subscription, acquire voting rights exceeding one half of all voting rights through class shares with voting rights, and will also subscribe to convertible non-voting class shares that will enable NDF to obtain additional voting rights, meaning that NDF will

potentially hold more than two-thirds of all voting rights. We will announce its detailed design once fixed. Either at the stage NDF determines that the completion of TEPCO's intensive management reform is foreseen with a certain level of confidence, or that TEPCO is autonomously raising funds in the publicly-offered bond market, NDF will convert a part of its class shares with voting rights into convertible non-voting class shares or take other measures, thereby reducing its ration of voting rights held to under one half of all voting rights. After that, NDF will recover the full amount of its investment at an early stage through phased disposal of the shares. In addition to this capital injection by NDF, TEPCO aims to secure sufficient incomes and financial stability with thorough streamlining measures and strategic and efficient business operations. With such measures, TEPCO will be able to start paying special contributions back to NDF as well as accumulating retained earnings in an appropriate manner. Please move to Page 56.

(3) Requests to Our Shareholders

Third, we would sincerely ask our shareholders to understand our current management situations and to cooperate with us to turn around. We are truly sorry for an expected dilution on shares outstanding, in addition to a steep drop in share prices and suspended dividends so far. Now we are committed to calling for our shareholders' cooperation to approve related resolutions at the coming Ordinary General Meeting of Shareholders required for the capital injection.

(4) Supply-Demand & Income/Expenditure Projections

Finally, I would like to explain power supply and demand outlook, electricity rate revision and earnings performance outlook at this point.

i) Page 57 illustrates power supply and demand outlook and our countermeasures for power shortage. While none of our nuclear power plants will be in operations throughout this summer, we expect to have a proper reserve margin via the installation of temporary generation units and expansion of existing load adjustment contracts with large-scale power users. Next, Page 58, please.

ii) Next, I would like to cover electricity rate revision. In addition to electricity rate hike for the deregulated sector which we have already announced its details, TEPCO is planning to ask Ministry of Economy, Trade and Industry an approval on electricity rate hike for the regulated sector on condition that our streamlining measures continue to be thoroughly implemented. Page 59 presents factors of cost increases behind the electricity rate revision. Cost reductions of 278.5 billion yen will be more than offset by a spike of fuel expenses and power purchasing costs. 3-year average total costs will be up to 5,723.1 billion yen, while expected annual revenues calculated with the current rates would be as much as 5,046.8 billion yen. Those will result in annual income shortage of 676.3 billion yen. To get rid of such a structural deficit, TEPCO officially asked METI an approval on electricity rate revision for regulated sector. TEPCO will ask to start the

price hike on regulated sector of 10.28% in average from July 1, 2012. For your information, price increase rate for deregulated sector will be adjusted to 16.39% after an approval of the rate revision. For more details, please come back here later at your convenience. Go on to Page 64, please.

iii) This page illustrates full-year earnings performance outlook from FY2011 to FY2014. In this fiscal year, even operating income is going to be in red mainly due to a sharp increase in fuel expenses. However, our earnings performance is expected to gradually improve, provided rate revision is approved and units at Kashiwazaki-Kariwa Nuclear Power Station is back to operations. Please note numbers on this page may differ from those in actual results to be announced later. Next, Page 65 please.

✓ Page 65 – Clarifying Management Responsibilities

As part of clarification of management responsibilities on the nuclear accidents, the former President Shimizu and Executive Vice President in charge of nuclear power affairs Muto resigned in last June. The clarification measures included directors' remuneration paybacks or decreases. To further make the management responsibilities clear at the time of implementing the Comprehensive Special Business Plan, all the current directors and auditors will resign at the Ordinary General Meeting of Shareholders to be held in coming June and most of them will not be reappointed. In addition, remuneration cut for incumbent directors and corporate officers is to be kept until this June and the resigning directors and auditors will forgo their eligible retirement remuneration. Move to Page 66, please.

✓ Page 66 – Ensuring Implementation of the Special Business Plan

Finally, I would like to briefly explain the company's governance after the Ordinary General Meeting of Shareholders in June. Under new management, TEPCO will promote a series of management and operation reforms along with the Comprehensive Special Business Plan. NDF will be in charge of supervising TEPCO's reform and monitoring progress in streamlining. For details on "Asset & Budget Valuation," "Financial Aid" and "The Fund's Present Financial Situation," please come back later.

With a strong determination to make a comeback to reliable and healthy company from zero-basis, TEPCO is committed to achieving thorough streamlining and our duty, accomplishing "nuclear damage compensation, nuclear plants decommissioning and stable power supply," in order to regain public trust and confidence. On behalf of TEPCO management, I would like to sincerely ask our shareholders understanding and support. That concludes my presentation. Thank you for your attention.

<End of Presentation>

Disclaimer:

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

(Note)

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