

## Meeting Transcript (Q&A Session)

**Event Date/Time:** May 14, 2012 / 05:00PM JST

**Event Name:** TEPCO Investor Meeting for FY2011 Year-end Earnings Results

### Corporate Participants:

Toshio Nishizawa

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### Q&A Session

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Q1: I wonder TEPCO's overseas businesses including overseas Independent Power Producer operations and LNG upstream projects are going to be sold as part of streamlining measures?

A1: Our overseas IPP and upstream projects have generated appropriate profits every year and contributed to TEPCO's earnings. We do hope to maintain these businesses in our business portfolio and have agreed with the Nuclear Damage Compensation Facilitation Corporation (NDF) concerning this recognition. While Loy Yang A Project in Australia is going to be sold as we've announced recently, no other project is planned to be sold near future at this point.

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Q2: What do you think about risks for additional losses and expenses on decommissioning Fukushima Daiichi Units 1 through 4?

A2: It is likely that the losses and expenses will gradually increase as we can foresee incremental costs for decommissioning, reflecting progress in R&D on decommissioning processes. However, we do not know when and how much to be recorded in the future.

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Q3: How much do you expect an increase in sales revenues by a rate hike for the deregulated sector?

A3: At this point, we expect revenues will increase by approximately 295 billion yen for fiscal 2012, with a rate hike for the deregulated sector.

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Q4: Concerning the rate revision for the regulated sector, are there any additional steps in its governmental approval process, compared with the past examples?

A4: Usual steps in governmental rate revision approval include Special Auditing, Public Hearing and Diet Inquiry. In addition to these steps, at this time, the process newly require a joint proposal on the rate revision by METI and Consumer Affairs Ministers to "Meeting of National Ministers Concerned," and TEPCO's explanation in a Specialist Committee under Agency for Natural Resources and Energy.

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Q5: In the Comprehensive Special Business Plan, TEPCO is to ask financial institutions additional loans worth 1 trillion yen and to seek to come back to the corporate bond market by the middle of 2010s. What do you think interest rates would be for such financing?

A5: As we have just started negotiations for additional loans with financial institutions, terms and conditions including interest rates have yet undecided. Also, we cannot indicate clear interest rate targets on our future corporate bonds due to too much uncertainty on the future bond issuances at this point.

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Q6: Could you give us any ideas on electricity sales outlook for fiscal 2012?

A6: Fiscal 2012 electricity sales volume is expected to increase approximately 1.5% year on year. While residential and commercial uses are going to decrease, industrial use is expected to bounce back from last year's production plunge.

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*(Note)*

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