

Meeting Transcript (Presentation)

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Event Name: TEPCO Investor Meeting for Fiscal 2013 Business Operation Policy

Corporate Participants:

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| Naomi Hirose | President, Tokyo Electric Power Company, Inc. |
| Mamoru Muramatsu | Managing Executive Officer, Tokyo Electric Power Company, Inc. |
| Akira Takahashi | Managing Executive Officer, Tokyo Electric Power Company, Inc. |
| Toshihiro Sano | Managing Executive Officer, Tokyo Electric Power Company, Inc. President, Fuel & Power Company |
| Toshiro Takebe | Managing Executive Officer, Tokyo Electric Power Company, Inc. President, Power Grid Company |
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Presentation

Naomi Hirose President, Tokyo Electric Power Company, Inc.

It has been more than two years since accidents occurred at our Fukushima Daiichi Nuclear Power Station in 2011. I sincerely apologize that the accidents still cause anxiety and worry to our investors and shareholders as well as people living in the surrounding areas of the station. On March 18, 2013, water-cooling operations of spent fuel pools stopped for hours due to power supply facilities failures at the Fukushima Daiichi Nuclear Power Station. I apologize again that the trouble caused the anxiety and worry to you. We will appropriately implement facility measures for safety improvement.

First of all, I would like to explain about main measures of Fiscal 2013 Business Operation Policy based on this presentation material.

P1 Introduction

On November 7, 2012, TEPCO announced Management Policy towards Restoration and Intensive Reform Implementation Action Plan to fulfill all of our responsibilities for the nuclear power accident occurred at the Fukushima Daiichi Nuclear Power Station and realize the world's highest standards of safety while achieving a stable power supply in a competitive environment. The plan includes 71 action plans including measures towards the revitalization of Fukushima. TEPCO has already established the Fukushima Revitalization Headquarters and the Nuclear Safety Reform Plan. In addition, we introduce in-house company system as one of the pillar of reform system today to further accelerate company reform.

Today, we announce Fiscal 2013 Business Operation Policy that the TEPCO group must intensively implement measures in fiscal 2013 and fiscal 2014.

P2 Intensive measure 1 – Measures towards the revitalization of Fukushima

Fiscal 2013 Business Operation Policy consists of four intensive measures. The first measure is measures towards the revitalization of Fukushima.

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We will intensify our commitment to Fukushima in order to fulfill our responsibilities for the Fukushima Nuclear Accident and thoroughly implement initiatives for the revitalization of Fukushima. The Fukushima Revitalization Headquarters will play a central role to reinforce coordination of activities towards the revitalization of Fukushima including compensation, decontamination, revitalization promotion, and public relations. In addition, it aims to make decisions and implement our commitment in Fukushima promptly. On March 29, 2013, we started compensation procedures for land, buildings and household articles, which are foundational to restoring lost livelihoods. We will thoroughly implement swift compensation payouts with courtesy and compassion.

P3 Intensive measure 2 – Nuclear safety measures

The second intensive measure is nuclear safety measures. TEPCO will implement decommissioning measures according to the Mid-and-Long Term Roadmap to achieve the decommissioning of units 1-4 of the Fukushima Daiichi Nuclear Power Station to ease present anxiety amongst the people of Fukushima. Especially, we aim to achieve the full operation of multi-nuclide removal equipment (ALPS) in the first half of fiscal 2013 to improve the safety of contaminated water storage. In addition, we expect that spent fuel removal at the unit 4 can be started in November 2013, one month earlier than planned, and aim to complete by December 2014, more than one year earlier than planned. Furthermore, under the oversight of the Nuclear Reform Monitoring Committee comprised of experts from Japan and abroad, we will implement the Nuclear Safety Reform Plan to be an organization which has a high level of safety awareness, technological capability, and the ability to maintain open dialogue with society, and will disclose status of these activities in progress reports released each quarter.

With respect to tsunami construction work of the Kashiwazaki-Kariwa Nuclear Power Station, the power station has already completed emergency measures such as ensuring emergency power supply. Currently, we implement safety measure such as seawalls construction work and building flooding prevention work to further enhance safety.

P4 Intensive measure 3 – Thorough cost reduction and management to ensure survival

The third intensive measure is thorough cost reduction and management to ensure survival. We aim to drastically reduce all costs such as fuel costs and repair costs and will conduct a fundamental review of the procurement structure and practices by utilizing external experts such as the Procurement Committee that was established in November 2012 to achieve an additional 100 billion yen in additional cost reductions for two years, fiscal 2013 and fiscal 2014, from the reduction target in the Comprehensive Special Business Plan (ten-year average 336.5 billion yen). In addition, we will introduce management accounting via each newly established in-house company and corporate organizational unit and voluntarily implement cost reduction under the three competitive mechanisms of outside of TEPCO, between in-house companies, and within the in-house companies.

P5 Intensive measure 4 – Management reforms via the introduction of the in-house company system

The fourth measure is management reforms via the introduction of the in-house company system.

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As we announced on March 19, 2013, we establish three in-house companies, Fuel & Power Company, Power Grid Company, and Customer Service Company today. Presidents who lead each in-house company will implement autonomous business administration and promote inter-company competition and the formation of external alliances for increase in competitiveness and future growth. Organizations other than the three in-house companies, referred to as a Corporate, shall support management and efficiently provide common services to exercise its total capability as a group. Ahead of electric system reform in the future, we consider a holding company system to be introduced in the future. Later on, each President will explain about business operation policy of each in-house company.

As I said before, Fukushima's revitalization is our starting point. TEPCO's all employees and executives are again united in the Fiscal 2013 Business Operation Policy to directly work on compensation, decommissioning, decontamination, stable electric power supply, and further management streamlining.

Submission of our electricity supply plan for fiscal 2013

Lastly, we submitted our electricity supply plan for fiscal 2013 on March 28, 2013. Please refer to the handout for the plan. Due to unclearness of conditions of nuclear power plant operation and other unclear situations, the supply capacity outlook for fiscal 2013 remains pending same as the electricity supply plan for fiscal 2012.

P6 In-house company policy 1 – Fuel & Power Company

Toshihiro Sano Managing Executive Officer, Tokyo Electric Power Company, Inc.
President, Fuel & Power Company

Fuel & Power Company's business field includes sales of electricity generated by thermal power, fuel procurements, development of thermal power generation and investments in fuel business. While providing customers stable and low cost power, we aim to maximize profit and company value through cutting costs and expanding sales. In fiscal 2013 and fiscal 2014, we will make all efforts to build a strong foundation to ensure competitive ability following full deregulation by balancing drastic cost reductions and providing stable electricity.

Please check the handout regarding implementation of drastic cost reduction of fuel costs and fixed costs for specific action plans. In order to maximize operation of cheap fuel-fired thermal power stations, we will shorten construction schedules for thermal power facilities under construction to push forward the commencement of commissioning of the power stations and periodic inspection schedules of existing thermal power stations. In addition, we aim to reduce costs that are mostly spent as original cost for power generation by increasing the introduction of high economical fuels. Furthermore, with respect to equipment aspects, we will further implement cost reduction by utilizing our accumulated know-how for equipment inspections and repairs.

Now, I would like to explain about replacement with coal-fired or high-efficiency LNG-fired thermal power plants, reduction of fuel costs focusing on LNG. We will replace aging power stations with coal-fired or high-efficiency LNG-fired thermal power plants to implement fuel cost reduction centering on LNG. As a result, we will be able to build a strong foundation to ensure competitive ability. Especially for LNG, we will decide on new suppliers to annually procure about two million tons of lean

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LNG to expand the significant introduction of lean LNG. Regarding equipment aspects, we will start additional construction of LNG tanks which are necessary to achieve expanded introduction of lean LNG.

Please see the third paragraph, examine/execute investments in overseas projects and fuel businesses. We pursue business growth by expanding business fields and actively prepare for new investments in overseas business and fuel business.

We will energetically implement these measures to survive against severe competition. At the same time, we aim to grow as an in-house company to stably supply low-cost electricity to our customers.

P7 In-house company policy 2 – Power Grid Company

Toshiro Takebe Managing Executive Officer, Tokyo Electric Power Company, Inc.
President, Power Grid Company

TEPCO integrated divisions of transmission, distribution, electronic telecommunication, networking, and real estate acquisition and management into a new in-house company and started as the Power Grid Company.

Our in-house company sets three business operation policies. The first policy is to apply investment and repair cost reduction measures in a stepwise manner to achieve wheeling costs that are one of the lowest in the industry while also maintaining top class system reliability in the industry. We will continue conventional cost reduction measures for all areas of supply, demand, system operations, maintenance, equipment specifications, construction methods and worker productivity. In addition, we will further improve long-term maintenance and degradation management of facilities based on the latest knowledge not to impair the stability of electric supply, safety and quality due to cost reduction in the least.

With respect to the second policy, neutrality and fairness of network utilization, ensuring transparency of business operations, improving service quality, we fairly deal with Power Producers and Suppliers (PPS) and other in-house companies to secure the neutrality of wheeling operation. In addition, as a wheeling company, we aim to strengthen our services such as speeding up of business operation related to information services and grid connection services for customers and power generation operators. Furthermore, we will join discussions about the establishment of the wide area transmission organization.

The third policy, building system and environment for network utilization to respond to a massive introduction of renewable energy, and revenue expansion through technological capabilities, focuses on introducing smart meters. In fiscal 2013, we plan to finish bidding for meter equipments, system and communication equipments. After that, we aim to introduce 1.9 million units in fiscal 2014 and 3.0 million per year in and after fiscal 2015. In addition, we will take measures for power voltage and develop controlling system to greatly increase the introduction of renewable energy and strengthen power interchange on a nationwide level. Furthermore, regarding region interconnection lines, we will start constructing AC/DC converters and DC power transmission lines between Chubu and Tokyo. An engineering center will be established to unify necessary internal grid technology for these tasks.

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Meanwhile, we announced the establishment of a new company together with Hitachi, Ltd. on April 1, 2013. We pursue to increase revenues of oversea businesses and group business operations by taking the style of the joint business venture.

P8 In-house company policy 3 – Customer Service Company

Takeshi Yamazaki Managing Executive Officer, Tokyo Electric Power Company, Inc.
President, Customer Service Company

I am appointed as the President of Customer Service Company. I was the former President of Houseplus Corporation, Inc., a group company of TEPCO. I do not have experience in sales field but will do my best to lead the company.

I will explain our intensive measures for fiscal 2013 and fiscal 2014 as business operation policies to win the competition under the future full liberalization.

The first intensive measure is to provide total solutions to contribute to a smart society and enhance new service offerings. We aim to create new electric power demand by utilizing solution know-how accumulated in the past and proposing solutions that meet customer needs with external partners. We also will work harmoniously with group companies to expand our services from electric power business to peripheral businesses, such as air conditioning and hot-water supply system constructions, energy-saving consultation and other services to meet fulfillment demands. In addition, we will work on three business tasks for our customers including general households based on their requests and opinions. At first, in order to offer new electricity rate menus, we now consider new menus that customers can contrive ways to use electric power depending on their lifestyle effortlessly. We will announce the menus as soon as it becomes available. And second, regarding the announcement of green electricity rate menus, we will specifically decide the menus to supply green electricity, such as photovoltaic power and wind power, with high environment value in fiscal 2013 and plan to launch the menus from fiscal 2014. And third, we will accelerate the development of attractive service menus for the full liberalization in the near future.

The second intensive measure is initiatives to reduce electricity rates. We currently accept proposals of thermal power generation facilities of 2,600 MW as the volume of purchased power from fiscal 2019 to fiscal 2021 based on the Comprehensive Special Business Plan. In addition to this, we will make a bidding plan of the facilities for strengthening price competitiveness, considering the replacement of aging thermal power generation facilities.

Finally, with respect to our business base that is not stated in the handout, Customer Service Company keeps supporting local communities and customers as before. We respond to applications and questions correctly and speedy when our customers start the use of electric power and pay for our services. We hope that our customers comfortably and conveniently use electric power services offering by the TEPCO group. We aim to realize continuous business growth without damaging this business base even if promoting the improvement of business operation efficiency.

<End of Presentation>

Disclaimer:

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(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.