

TOKYO ELECTRIC POWER COMPANY

Meeting Transcript (Presentation)

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Corporate Participants:

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Presentation

Naomi Hirose Tokyo Electric Power Company, Inc., President

It has been more than three years since accident occurred at our Fukushima Daiichi Nuclear Power Station in 2011. We sincerely apologize that the accident still cause anxiety and worry to our investors and shareholders as well as people in the areas around the power station.

In this material, we would like to explain earnings results for the fiscal year ending March 31, 2014 (fiscal 2013) that TEPCO has just announced. First of all, I would like to cover summary of our earnings results with the chart on slide 2.

<Slide 1 and 2 – Key Points of FY2013 Earnings Results>

First, I will cover operating revenues. Consolidated and non-consolidated operating revenues increased 11.0 percent year on year to 6,631.4 billion yen and 11.8 percent to 6,449.8 billion yen, respectively, mainly due to an increase in the unit electricity sales price resulting from electricity rate revision implemented in 2012 and the fuel cost adjustments.

Regarding expenses, consolidated and non-consolidated ordinary expenses were held down and resulted in only 3.6 percent increase to 6,593.4 billion yen and 4.0 percent increase to 6,446.8 billion yen, respectively, mainly due to extensive cost reduction effort targeting all of TEPCO such as urgent postponement of maintenance works, although there was an increased fuel costs at the highest level in the past caused by factors such as the large depreciation of the yen as well as increased fuel usage at the thermal power stations because of the suspension of all nuclear power stations. Consequently, consolidated and non-consolidated ordinary incomes recorded profits of 101.4 billion yen and 43.2 billion yen, respectively.

For net income, while extraordinary loss in disaster and expense for nuclear damage compensation were recorded, TEPCO also recorded extraordinary incomes from grants-in-aid from Nuclear Damage Liability Facilitation Fund and gain on sales of fixed assets. As a result,

TOKYO ELECTRIC POWER COMPANY

TEPCO recorded net income of 438.6 billion yen and 398.9 billion yen on consolidated and non-consolidated basis, respectively. As was the case with the third quarter of fiscal 2013, this is mainly due to the difference of the timing between recording of the expense for nuclear damage compensation and that of corresponding grants-in-aid from Nuclear Damage Liability Facilitation Fund. A part of expenses for nuclear damage compensation was recorded in fiscal 2012, while the corresponding amount of grants-in-aid was recorded in fiscal 2013.

Please return to slide 1. We are not able to estimate fiscal 2014 full-year earnings forecasts, because it is difficult to announce operation plans of Kashiwazaki-Kariwa Nuclear Power Station under suspension. We will promptly announce the outlook including operating revenue, ordinary income and net income when it is possible to estimate the financial information. Please go on to slide 3.

<Slide 3 – FY2013 Electricity Sales Volume, Total Power Generated and Purchased>

This slide shows electricity sales volume and total power generated and purchased. Please look at the total electricity sales volume in the flame shaded with dark color. Total electricity sales volume decreased 0.9 percent year on year to 266.7 billion kWh. This is mainly due to decline in the use of heating with the effect of the temperature in early spring being higher than previous year.

As to the fiscal 2014 full-year electricity sales volume outlook, please see the flame shaded with pale color on the right side. Electricity sales volume in fiscal 2014 is expected to increase 0.7 percent year on year to 268.6 billion yen kWh, mainly due to a bounce-back from effects of temperature in fiscal 2013 although we see some signs of an economic recovery.

Detailed data of electricity sales volume is provided on slide 28 and 29. Please go on to slide 4.

<Slide 4 and 5 – FY2013 – Comparison with the Previous Fiscal Year Results and the Previous Projections>

Slide 4 presents comparisons with results of fiscal 2012 on a non-consolidated basis. Please see at the left part of the chart of “Factors behind variance between results of FY2013 and FY2012 (Non-consolidated)”. The positive impact in comparison with fiscal 2012 mounted up approximately 765.0 billion yen, mainly resulted from 544.2 billion yen increase in electricity sales revenue with the effect of rate increase implemented in 2012 (approx.243.0 billion yen) and fuel cost adjustments (approx. 286.0 billion yen). Also, maintenance expense drastically decreased 85.1 billion yen as a result of urgent postponement of maintenance works to the utmost extent taking safety and stable power supply into account in addition to continuation of extensive cost reduction.

Next, on the right side of the chart, the negative impact on the year-on-year comparison totaled approximately 345.0 billion yen. This is resulted from

1. 126.7 billion yen increase in fuel expenses,
2. 80.0 billion yen increase in expense for purchased power due to increase amount of power received from other utility’s coal generated thermal power plant, which was

restored from damage caused by the earthquake, and

3. 88.7 billion yen increase in other expenses mainly due to an increase of general contribution paid for Nuclear Damage Liability Facilitation Fund by 17.9 billion yen to 56.7 billion yen and the special contribution of 50.0 billion yen which was recorded for the first time.

Please see a balloon on the right side for major factors behind the increase of fuel expense.

1. On consumption volume side, as I've already mentioned, there was approximately 52.0 billion yen decrease in expense as the result of increase of purchased power from other utility's coal generated thermal power plant.
2. Also, on price side, there was approximately 304.0 billion yen decrease in expense as the result of decline in CIF crude oil price (All Japan CIF crude oil price: \$113.89/barrel to \$ 110.00/barrel), and large shift of fuel from oil to coal with the effect of trial operation of two coal generated thermal power stations, which were Unit 2 of Hitachinaka Thermal Power Station and Unit 6 of Hirono Thermal Power Station, commenced in April 2013 (commercial operation commenced in December 2013).
3. There was approximately 483.0 billion yen increase due to sharp depreciation of the yen, weakened by more than 17 yen on year-on-year basis (¥82.92=1\$ to ¥100.17=1\$).

As a result, fuel expense reached a record high for the three years in a row.

For your information, as to personnel expense, we also continued thorough cost reduction measures such as postponement of recruiting any new graduates. The main reason for 10.0 billion yen increase was to review of allowance for employee retirement benefit resulting from falling interest rates. According to above results, non-consolidated ordinary income improved 420.9 billion yen in comparison with fiscal 2012.

Slide 5 shows fiscal 2013 business performance compared with the previous projections announced on January 31, 2013. Please move to slide 6.

<Slide 6 – Extraordinary Income/Loss>

This slide illustrates a breakdown of the earthquake-related extraordinary income and losses recorded on non-consolidated basis.

First, for the extraordinary income, in the top table, the amount of grants-in-aid from Nuclear Damage Liability Facilitation Fund was the same amount as the fiscal 2013 third quarter earnings results. Next, in the second table from the top, please see the upper shaded part. Extraordinary loss on disaster was 26.7 billion yen mainly due to increase in expense for installation of storage tanks and expense for preventing the spread of marine contamination. The amount of loss on decommissioning of Fukushima Daiichi Nuclear Power Station Unit 5 and 6 was not changed from the end of the third quarter of fiscal 2013. Shown at the bottom of the chart is the expense for nuclear damage compensations of 1,395.6 billion yen, and cumulative amount reached 5,082.5 billion yen. This is mainly due to,

1. the amount of compensation were recalculated on a basis of the fourth Supplemental Interim Guideline released in December 2013, and
2. the calculation periods for damages due to shipping restriction order and groundless

rumor were extended.

Though it is not illustrated in the chart, we recorded gain on sales of securities of 18.5 billion yen and gain on sales of fixed assets such as main buildings of Ginza Service Center and TEPCO Hospital of 101.9 billion yen as extraordinary incomes. Please go on to slide 7.

<Slide 7 – FY2013 Business Performance Outlook– Key Factors Affecting Performance and Financial Impact>

We have not decided fiscal 2014 full-year business performance outlook. Therefore, we have not estimated financial impacts of the fiscal 2014 full-year projection. Please move to the slide 8.

<Slide 8 – Dividend Policy and Dividend Outlook>

I will explain dividend policy. We regret to announce that we paid out no interim and year-end dividends for fiscal 2013 due to severe management environment. In addition, we plan no interim and year-end dividends for fiscal 2014. Again, we deeply apologize for dividends in addition to a sharp decline in our stock price. Please go on to the next slide.

<Slide 9 – Fuel Consumption Results and Outlook>

This slide explains about the recent actual thermal fuel consumption results and outlook. Compared with the results of previous year, the amounts of consumption of coal and LNG have increased while those of oil have decreased. This is due to increase of operation of coal and LNG generated thermal power plants for their economic efficiency. As I mentioned earlier, large increase in coal consumption was resulted from operations commencement of Unit 2 of Hitachinaka Thermal Power Station and Unit 6 of Hirono Thermal Power Station. We are not able to make operation plans of the nuclear power stations, so we can not announce projections of fuel consumption volume for fiscal 2014. Please move to the next slide.

<Slides 10 – Implementation of the Streamlining policy>

This slide shows targets and progress status of cost reduction and asset disposal that are pillar of our streaming policies. As for cost reduction, TEPCO, its subsidiaries and affiliated companies implement the efforts together and achieved the annual target in fiscal 2013 which was set in New Comprehensive Special Business Plan. Regarding asset disposal, we have been selling real estates, securities, subsidiaries and affiliated companies and achieved the target in three years' total during the period of fiscal 2011 to fiscal 2013, which was set in Comprehensive Special Business Plan. We will continue our maximum efforts aiming most efficient business operation on the basis of growth strategies from the New Comprehensive Special Business Plan.

<After slide 11>

The following slides introduce our efforts towards Nuclear Reform, implementation of bids on thermal power generation facilities, efforts for installation of smart meters, detailed information

TOKYO ELECTRIC POWER COMPANY

in fiscal 2013 earnings results, the current status and the countermeasures for contaminated water and decommissioning of Fukushima Nuclear Power Station, and the current status and main measures to secure safety of Kashiwazaki-Kaiwa Nuclear Power Station, etc.

On a final note, TEPCO as well as its subsidiaries and affiliated companies and its business partners implemented the efforts for thorough management rationalization and further cost reduction together for the fiscal 2013. As a result, we managed to register net profit for the first time in three years, although the environment involving us remains severe. The TEPCO group will continue cost reduction and achieve the targets set in the “TEPCO Group Action Plan” announced on March 31, 2014 so that the TEPCO Group will establish business foundation to fulfill its responsibility toward Fukushima in the long term.

I would like to sincerely ask your understanding and support.

<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.