

Meeting Transcript (Q&A Session)

Event Date: October 31, 2014

Event Name: TEPCO Investor Meeting for FY2014 Second Quarter Earnings Results

Corporate Participants:

Katsuyuki Sumiyoshi Tokyo Electric Power Company, Inc., Managing Executive Officer
Motomi Iki Tokyo Electric Power Company, Inc., Managing Executive Officer

Q&A Session

Q1: What do you think of another tariff increase?

A1: The main reasons why the earning results of this second quarter of FY2014 recorded a profit are revenue increase from the fuel cost adjustment system as well as the outcome of our cost cutting efforts. In the “Productivity Doubling Committee”, we are thoroughly exploring any room left for cost reduction and productivity improvement. On the basis of findings of the Committee, we will decide about another tariff raise.

Q2: What policies do you have when considering cost reduction efforts in “Productivity Doubling Committee”?

A2: We have two perspectives as follows;

1. pursuing additional cost cuts of expenses for electricity power business set in the New Comprehensive Special Business Plan, and
2. analysis by which the cost reduction measures would not be temporary but sustainable.

We will compile a “Corporate Streamlining Report” as a final report by the end of this year.

Q3: Will you construct your own power stations outside the Kanto area upon commencement of nationwide power sales?

A3: When starting the nationwide power sales mentioned in the New Comprehensive Special Business Plan, we recognize that the power supply procurement is an important issue. For the time being, we will acquire adequate power supply from suppliers such as independent power generators.

Q4: What do you think about rights protection of existing bonds when shifting to a holding company system?

A4: As we described in the New Comprehensive Special Business Plan, we have a plan to protect the rights of existing bonds by operational subsidiaries issuing bonds to the holding company without bearing a joint obligation or joint guarantee. In this way the subsidiaries can manage their business with a high degree of freedom. However, the details are being discussed in the working group of Ministry of Economy, Trade and Industry. Therefore, it has not been decided yet at this moment.

In addition, it is also essential to consider whether we could raise funds without problems with a stable electricity supply and what its effect on the financial market would be.

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(Note)

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