FY2016 2nd Quarter Financial Results (April 1 – September 30, 2016)

Tokyo Electric Power Company Holdings, Inc.

TEPCO

Regarding Forward-Looking Statements

Certain statements in the following presentation regarding TEPCO Group's business operations may constitute "forward-looking statements." 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 TEPCO Group's actual results to differ materially from the forward-looking statements herein.

(Note)
Please note that the following 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.

Overview of FY2016 2nd Quarter Financial Results

(Released on October 31, 2016)

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Key Points of FY2016 2nd Quarter Financial Results

< FY2016 2nd Quarter Financial Results >

- Ordinary revenues decreased for the second consecutive year due to a decrease in the unit price of electricity resulting from fuel cost adjustments and a decrease in electricity sales.
- Ordinary expenses decreased due to the fall of fuel prices and the continued extensive cost reduction efforts on TEPCO Group level, therefore ordinary income achieved profits for the fourth consecutive year.
- However, effect caused by fuel cost adjustments decreased compared to the previous year, and ordinary income decreased for the first time in four years.
- Although net income decreased substantially due to extraordinary loss for expenses for nuclear damage compensation, it achieved profits for the fourth consecutive year.

< FY2016 Full-Year Financial Forecasts >

- FY2016 full-year financial forecasts is to be determined, because the current situation makes it difficult to release an operation plan for Kashiwazaki-Kariwa Nuclear Power Station.

1. Consolidated Financial Results

(Unit: Billion Yen)

	FY2016 Apr-Sep(A)	FY2015 Apr-Sep(B)	Comparison (A)-(B)	Comparison (A)/(B) (%)
Operating Revenues	2,643.3	3,128.1	-484.8	84.5
Operating Income	292.8	385.0	-92.1	76.1
Ordinary Income	274.2	365.1	-90.8	75.1
Extraordinary Income	36.4	426.7	-390.3	-
Extraordinary Loss	168.5	465.2	-296.7	-
Net Income attributable to owners of parent	94.1	279.4	-185.3	33.7

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2. Electricity Sales Volume/ Key Factors Affecting Performance

Electricity Sales Volume

(Unit: Billion kWh)

	FY2016 Apr-Sep*(A)	FY2015 Apr-Sep(B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Lighting	39.9	41.7	-1.8	95.7
Power	79.7	82.0	-2.3	97.2
Total	119.6	123.6	-4.1	96.7

* Excluding islands. Including nation-wide sales.

Key Factors Affecting Performance

	FY2016 Apr-Sep(A)	FY2015 Apr-Sep(B)	(A)-(B)
Foreign Exchange Rate (Interbank, yen/dollar)	105.2	121.9	-16.7
Crude Oil Prices (All Japan CIF, dollar/barrel)	43.8	58.8	-15.0
LNG Prices (All Japan CIF, dollar/barrel)	36.7	53.2	-16.5

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3. Ordinary Revenues (Consolidated)

(Unit: Billion Yen)

	FY2016 Apr-Sep(A)	FY2015 Apr-Sep(B)	Comparison (A)-(B)	Comparison (A)/(B) (%)
(Operating Revenues)	**2,643.3**	**3,128.1**	**-484.8**	**84.5**
Electricity Sales Revenues	2,211.8	2,723.5	-511.6	81.2
Lighting	937.4	1,122.4	-184.9	83.5
Power	1,274.4	1,601.1	-326.6	79.6
Power Sold to Other Utilities and Suppliers	62.1	94.4	-32.2	65.8
Other Revenues	315.2	256.9	58.2	122.7
(Written again)Grant under Act on Procurement of Renewable Electric Energy	159.8	110.2	49.6	145.0
Subsidiaries / Affiliated Companies	87.8	88.8	-0.9	98.9
Ordinary Revenues	2,677.1	3,163.7	-486.5	84.6

- Effect of fuel cost adjustments -473.0
- Decrease in electricity sales -75.0

Total of TEPCO Holdings and three Core Operating Companies (TEPCO Fuel & Power, TEPCO Power Grid and TEPCO Energy Partner) (after intercompany elimination)

Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after intercompany elimination)

4. Ordinary Expenses (Consolidated)

(Unit: Billion Yen)

	FY2016 Apr-Sep(A)	FY2015 Apr-Sep(B)	Comparison (A)-(B)	Comparison (A)/(B) (%)
Personnel Expenses	169.8	178.5	-8.6	95.1
Fuel Expenses	496.2	851.9	-355.7	58.2
Maintenance Expenses	149.1	157.2	-8.1	94.8
Depreciation Expenses	274.6	298.2	-23.6	92.1
Power Purchasing Costs	462.5	503.3	-40.7	91.9
Interest Paid	39.7	44.3	-4.5	89.7
Taxes,etc.	153.4	173.1	-19.7	88.6
Nuclear Back-end Costs	26.8	28.7	-1.9	93.2
Other Expenses	562.2	500.9	61.3	112.2
(Written again)Payment under Act on Procurement of Renewable Electric Energy	227.6	157.9	69.6	144.1
Subsidiaries / Affiliated Companies	68.2	62.1	6.1	109.9
Ordinary Expenses	2,402.9	2,798.6	-395.7	85.9
(Operating Income)	**(292.8)**	**(385.0)**	**(-92.1)**	**76.1**
Ordinary Income	**274.2**	**365.1**	**-90.8**	**75.1**

- Effect of price fluctuations of exchange rate, CIF and others -332.0
- Decrease in thermal power generation -24.0

- Decrease of purchase from cooperative thermal power companies and others

Total of TEPCO Holdings and three Core Operating Companies (after intercompany elimination)

Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after intercompany elimination)

5. Extraordinary Income/ Loss (Consolidated)

(Unit: Billion Yen)

	FY2016 Apr-Sep	FY2015 Apr-Sep	Comparison
Extraordinary Income	**36.4**	**426.7**	**-390.3**
Gain on change in equity	36.4	–	**36.4**
Grants-in-aid from NDF*	-	426.7	**-426.7**
Extraordinary Loss	**168.5**	**465.2**	**-296.7**
Expenses for Nuclear Damage Compensation	168.5	465.2	**-296.7**
Extraordinary Income/ Loss	**-132.0**	**-38.4**	**-93.5**

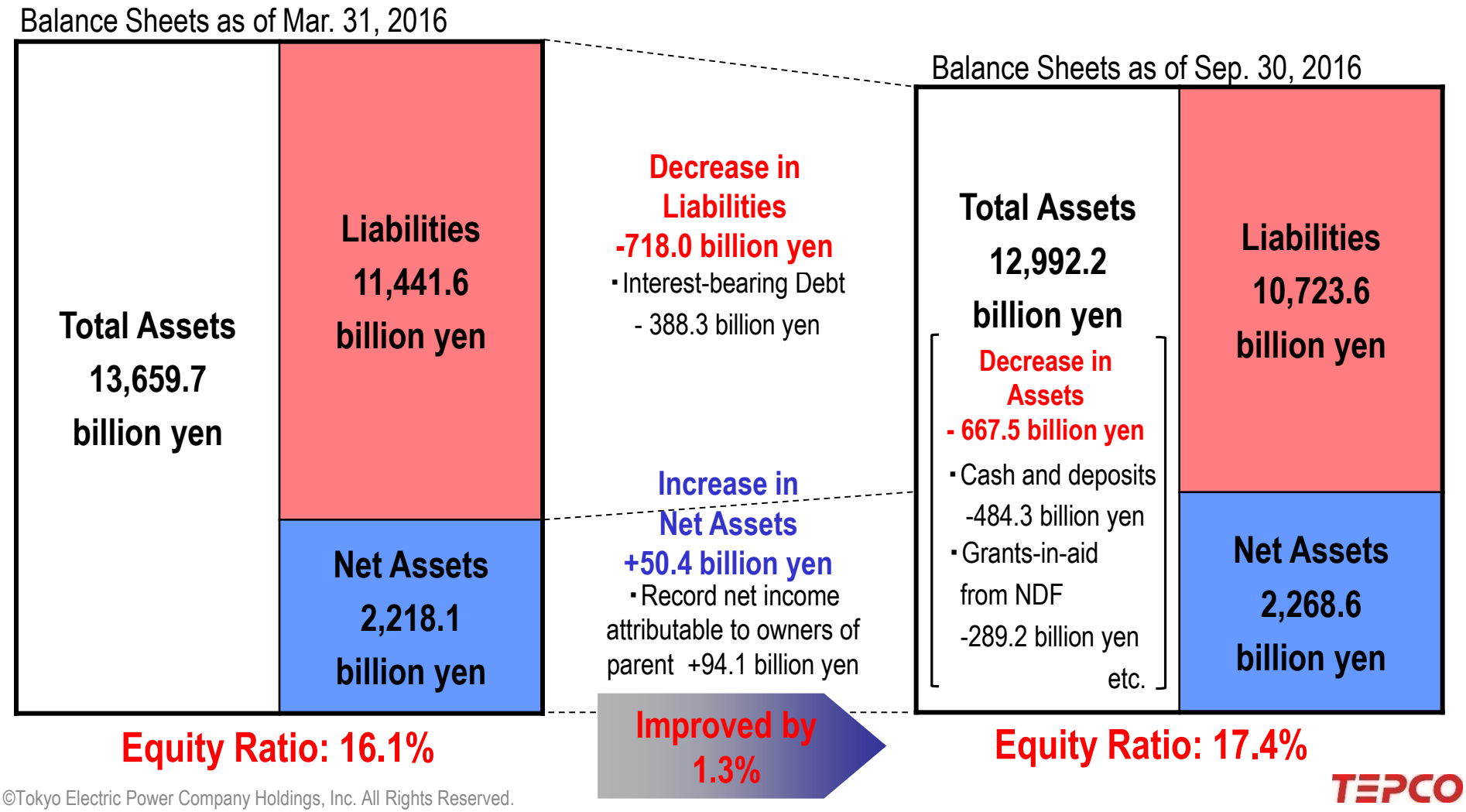
<Extraordinary Income>
Gain on change in equity
- Effects of transfer of fuel business for thermal power generation and overseas thermal power generation business etc. to JERA

<Extraordinary Loss>
Expenses for Nuclear Damage Compensation
- Increase in the estimated amount of compensation for opportunity losses on businesses and damage to reputation among other factors

* Nuclear Damage Compensation and Decommissioning Facilitation Corporation

6. Consolidated Financial Position

- Total assets decreased 667.5 billion yen mainly due to decline in cash and deposits.
- Total liabilities decreased 718.0 billion yen mainly due to decline in interest-bearing debt.
- Equity ratio improved by 1.3%.



Supplemental Material

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FY2016 2nd Quarter Financial Results

Detailed Information

Consolidated Statements of Income

(Unit: Billion Yen)

	FY2016 Apr-Sep (A)	FY2015 Apr-Sep (B)	Comparison (A)-(B)	Comparison (A)/(B) (%)
Operating Revenues	2,643.3	3,128.1	-484.8	84.5
Operating Expenses	2,350.5	2,743.1	-392.6	85.7
Operating Income	**292.8**	**385.0**	**-92.1**	**76.1**
Non-operating Revenues	33.7	35.5	-1.7	95.0
Investment Gain under the Equity Method	13.8	18.0	-4.1	76.8
Non-operating Expenses	52.3	55.4	-3.0	94.4
Ordinary Income	**274.2**	**365.1**	**-90.8**	**75.1**
(Reversal of or Provision for) Reserve for Preparation of the Depreciation of Nuclear Plants Construction	0.1	0.1	0.0	122.9
Extraordinary Income	36.4	426.7	-390.3	—
Extraordinary Loss	168.5	465.2	-296.7	—
Income Tax, etc.	47.6	45.9	1.7	103.7
Net Income attributable to non-controlling interests	0.1	1.0	-0.8	17.7
Net Income attributable to owners of parent	**94.1**	**279.4**	**-185.3**	**33.7**

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Breakdown of Consolidated Ordinary Revenues

(Unit: Billion Yen)

	FY2016 Apr-Sep (A)	FY2015 Apr-Sep (B)	Comparison (A)-(B)	Comparison (A)/(B) (%)
Ordinary Revenues	**2,677.1**	**3,163.7**	**-486.5**	**84.6**
Operating Revenues	**2,643.3**	**3,128.1**	**-484.8**	**84.5**
Operating Revenues from Electric Power Business	**2,530.2**	**3,000.2**	**-470.0**	**84.3**
Electricity Sales Revenues	2,211.8	2,723.5	-511.6	81.2
Lighting	937.4	1,122.4	-184.9	83.5
Power	1,274.4	1,601.1	-326.6	79.6
Power Sold to Other Utilities	22.0	63.4	-41.4	34.7
Power Sold to Other Suppliers	40.1	30.9	9.1	129.5
Other Revenues	256.1	182.2	73.8	140.5
Operating Revenues from Incidental Business	**34.4**	**49.7**	**-15.2**	**69.3**
Non-operating Revenues	**33.7**	**35.5**	**-1.7**	**95.0**

(Note)

(Note) Total of TEPCO Holdings and three Core Operating Companies (after intercompany elimination)

Breakdown of Consolidated Ordinary Expenses

(Unit: Billion Yen)

	FY2016 Apr-Sep (A)	FY2015 Apr-Sep (B)	Comparison (A)-(B)	Comparison (A)/(B) (%)
Ordinary Expenses	**2,402.9**	**2,798.6**	**-395.7**	**85.9**
Operating Expenses	**2,350.5**	**2,743.1**	**-392.6**	**85.7**
Operating Expenses for Electric Power Business	**2,255.1**	**2,640.3**	**-385.2**	**85.4**
Personnel	169.8	178.5	-8.6	95.1
Fuel	496.2	851.9	-355.7	58.2
Maintenance	149.1	157.2	-8.1	94.8
Depreciation	274.6	298.2	-23.6	92.1
Power Purchasing	462.5	503.3	-40.7	91.9
Taxes, etc.	153.4	173.1	-19.7	88.6
Nuclear Power Back-end	26.8	28.7	-1.9	93.2
Others	522.5	449.1	73.4	116.3
Operating Expenses for Incidental Business	**27.2**	**41.2**	**-14.0**	**66.0**
Non-operating Expenses	**52.3**	**55.4**	**-3.0**	**94.4**
Interest Paid	39.7	44.2	-4.5	89.8
Other Expenses	12.6	11.2	1.4	113.0

(Note)

(Note) Total of TEPCO Holdings and three Core Operating Companies (after intercompany elimination)

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Year-on-Year Comparison of Consolidated Ordinary Expenses - 1

Personnel expenses (¥178.5 billion to ¥169.8 billion) **- ¥8.6 billion**

Salary and benefits (¥127.3 billion to ¥127.8 billion) **+¥0.5 billion**

Retirement benefits (¥17.3 billion to ¥8.7 billion) **- ¥8.5 billion**

Amortization of actuarial difference - ¥7.6 billion (¥5.7 billion to - ¥1.9 billion)

<Amortization of Actuarial Difference>

(Unit: Billion Yen)

	Expenses incurred	Expenses / Provisions in Each Period				Amount Uncharged as of Sep. 30, 2016
		FY2015		FY2016		
		Charged	Of which charged in Apr-Sep	Charged	Of which charged in Apr-Sep	
FY2013	72.8	24.2	12.1	—	—	—
FY2014	-38.1	-12.7	-6.3	-12.7	-6.3	-6.3
FY2015	26.6	8.8	—	8.8	4.4	13.3
Total		20.4	5.7	-3.8	-1.9	6.9

Note: Actuarial gain and loss are amortized by the straight-line method over three years.

Fuel expenses (¥851.9 billion to ¥496.2 billion) **- ¥355.7 billion**

Consumption volume **Approx. - ¥24.0 billion**

Decrease in thermal power generation Approx. - ¥24.0 billion

Price **Approx. - ¥332.0 billion**

Decrease due to fluctuations of foreign exchanges Approx. - ¥67.0 billion

Decrease due to fluctuations of CIF crude oil price, and others Approx. - ¥265.0 billion

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Year-on-Year Comparison of Consolidated Ordinary Expenses - 2

Maintenance expenses (¥157.2 billion to ¥149.1 billion)		**-¥8.1 billion**
Generation facilities (¥71.3 billion to ¥46.1 billion)		**-¥25.2 billion**
Hydroelectric power (¥3.0 billion to ¥2.6 billion)		- ¥0.4 billion
Thermal power (¥43.1 billion to ¥29.3 billion)	Main Factors for Increase/ Decrease Thermal: Decrease in expenses for periodic inspection due to decrease of the number of units which need to be inspected, and others Nuclear: Decrease in expenses for maintaining the stabilization status at Fukushima Daiichi NPS, and others	- ¥13.7 billion
Nuclear power (¥25.0 billion to ¥13.9 billion)		- ¥11.0 billion
Renewable energy (¥0.1 billion to ¥0.1 billion)		+¥0.0 billion
Distribution facilities (¥84.3 billion to ¥101.6 billion)		**+¥17.2 billion**
Transmission (¥9.4 billion to ¥10.3 billion)	Main Factors for Increase/ Decrease Distribution: Increase in expenses for replacement of conventional meters with smart meters, and others	+¥0.9 billion
Transformation (¥6.3 billion to ¥6.0 billion)		-¥0.3 billion
Distribution (¥68.5 billion to ¥85.1 billion)		+¥16.6 billion
Others (¥1.5 billion to ¥1.4 billion)		**- ¥0.1billion**

Depreciation expenses (¥298.2 billion to ¥274.6 billion)	**- ¥23.6 billion**
Generation facilities (¥137.6 billion to ¥119.8 billion)	**- ¥17.8 billion**
Hydroelectric power (¥17.3 billion to ¥11.4 billion)	- ¥5.8 billion
Thermal power (¥82.2 billion to ¥65.7 billion)	- ¥16.4 billion
Nuclear power (¥37.6 billion to ¥42.0 billion)	+¥4.3 billion
Renewable energy (¥0.4 billion to ¥0.6 billion)	+¥0.1 billion
Distribution facilities (¥156.1 billion to ¥150.1 billion)	**- ¥5.9 billion**
Transmission (¥74.6 billion to ¥70.5 billion)	- ¥4.1 billion
Transformation (¥27.7 billion to ¥27.1 billion)	- ¥0.5 billion
Distribution (¥53.6 billion to ¥52.4 billion)	- ¥1.2 billion
Others (¥4.5 billion to ¥4.6 billion)	**+¥0.1 billion**

<Depreciation Breakdown>

	FY2015 Apr-Sep	→	FY2016 Apr-Sep
Regular depreciation	¥288.4 billion		¥273.4 billion
Extraordinary depreciation	¥7.9 billion		-
Trial operations depreciation	¥1.8 billion		¥1.2 billion

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Year-on-Year Comparison of Consolidated Ordinary Expenses - 3

Power purchasing costs (¥503.3 billion to ¥462.5 billion)		**- ¥40.7 billion**
Power purchased from other utilities (¥96.3 billion to ¥21.1 billion)		**- ¥75.2 billion**
Power purchased from other suppliers (¥406.9 billion to ¥441.3 billion)		**+¥34.4 billion**
Taxes and other public charges (¥173.1 billion to ¥153.4 billion)		**- ¥19.7 billion**
Charge for occupancy of roads (¥26.7 billion to ¥13.9 billion)		**-¥12.8 billion**
Enterprise tax (¥30.9 billion to ¥25.8 billion)		**- ¥5.0 billion**
Nuclear power back-end costs (¥28.7 billion to ¥26.8 billion)		**- ¥1.9 billion**
Expenses for reprocessing of spent nuclear fuel (¥18.5 billion to ¥16.0 billion)		**- ¥2.5 billion**
Decommissioning costs of nuclear power units (¥8.7 billion to ¥9.2 billion)		**+¥0.5 billion**
Other expenses (¥449.1 billion to ¥522.5 billion)		**+¥73.4 billion**
Payment on Act of Renewable Electric Energy (¥157.9 billion to ¥227.6 billion)	Main Factors for Increase/ Decrease Payment on Act of Renewable Electric Energy : Increase due to rise in the unit price of the renewable power promotion surcharge, and others	**+¥69.6 billion**
Promotion expenses (¥0.8 bllion to ¥7.6 billion)		**+¥6.7 billion**
Expenses for retirement of non-current assets (¥23.0 billion to ¥27.8 billion)		**+¥4.8 billion**
Rental expenses（excluding charge for occupancy of roads）(¥52.0 billion to ¥51.7 billion)		**-¥0.2 billion**
Commission expenses (¥122.8 billion to ¥119.5 billion)		**-¥3.2 billion**
Miscellaneous expenses (¥14.4 billion to ¥7.6 billion)		**-¥6.7 billion**
Contribution to Nuclear Damage Liability Facilitation Fund（¥28.3 billion to ¥28.3 billion）		**—**
Incidental business operating expenses (¥41.2 billion to ¥27.2 billion)		**- ¥14.0 billion**
Gas supply business (¥37.6 billion to ¥24.6 billion)	Main Factors for Increase/ Decrease Gas supply business: Decrease due to LNG unit purchase price, and others	**- ¥12.9 billion**
Interest paid (¥44.2 billion to ¥39.7 billion)		**- ¥4.5 billion**
Decrease in average rate during the period (1.30% to 1.24%) [Total of four companies]		**- ¥0.6billion**
Decrease in the amount of interest-bearing debt (¥6,890.7 billion to ¥6,219.0 billion) [Total of four companies]		**- ¥3.7billion**
Other non-operating expenses (¥11.2 billion to ¥12.6 billion)		**+¥1.4 billion**
Bond issuance cost (¥0.0 billion to ¥1.1 billion)	Main Factors for Increase/ Decrease Bond issuance cost: Increase due to issuance of ICB (Inter-company bond)	**+¥1.1 billion**

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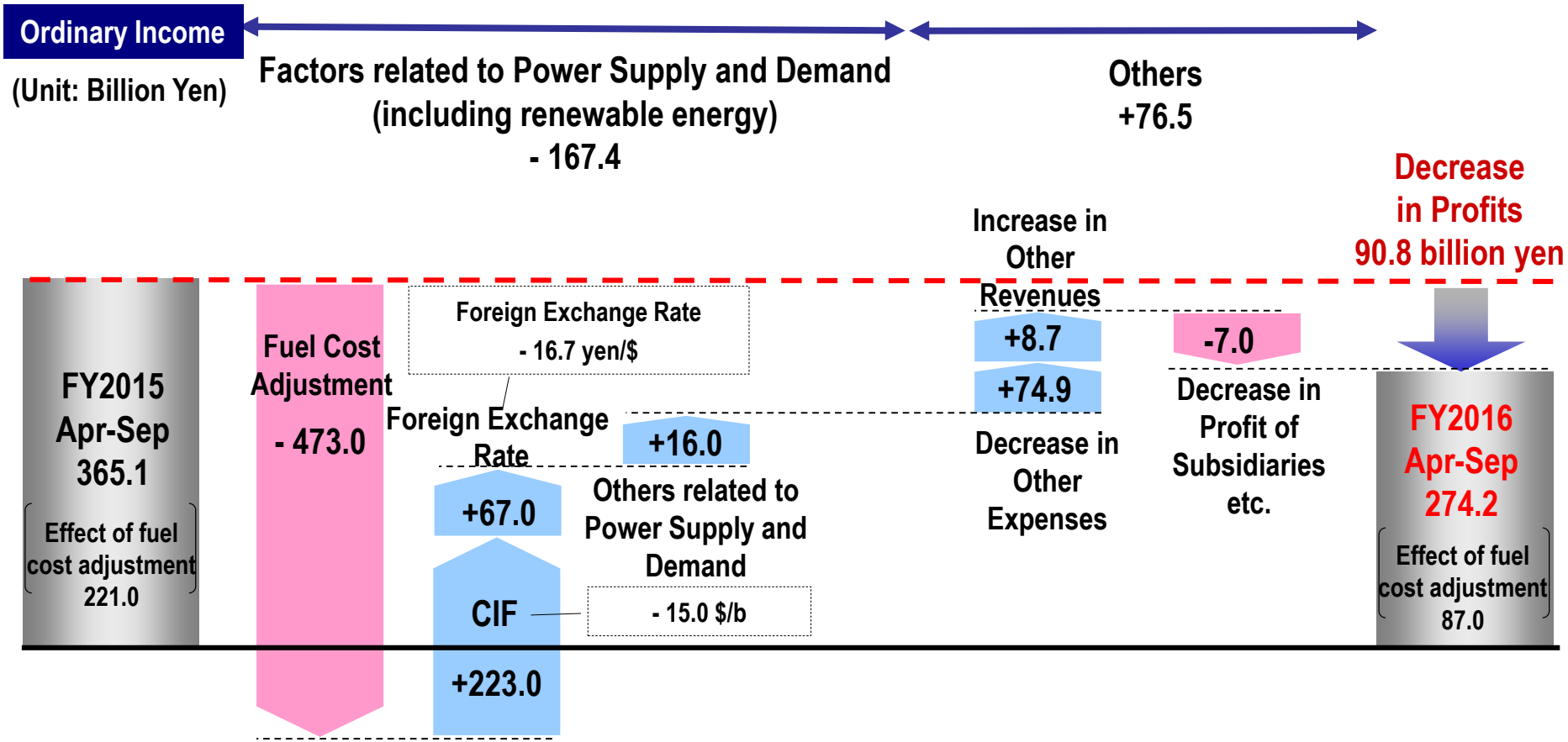
Increase/ Decrease of Consolidated Business Performance

- Year on Year Comparison

➢ Ordinary income decreased 90.8 billion yen to 274.2 billion yen.



➢ Net Income attributable to owners of parent decreased 185.3 billion yen to 94.1 billion yen

Ordinary Income/ Loss -90.8, Extraordinary Income/ Loss -93.5, Income Tax etc. +1.7, and others

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Financial Impact of the Great East Japan Earthquake [Extraordinary Income/ Loss]

Grants–in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation [Extraordinary Income] (Unit: Billion Yen)

Item	FY 2010 to FY2015	FY2016 Apr-Sep	Cumulative Amount
- Grants-in-aid based on Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act	*1 6,357.1	-	*1 6,357.1

Note: Journal Entry: Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation is debited on the balance sheet.

*1 Numbers above are those after deduction of a governmental indemnity of 188.9 billion yen, and Grants-in-aid corresponding to decontamination expenses of 1,112.4 billion yen respectively.

Loss on Disaster [Extraordinary Loss] and Gain on Reverasal of Provision for Loss on Disaster [Extraordinary Income] (Unit: Billion Yen)

- Expenses and/ or losses for Fukushima Daiichi Nuclear Power Station Units 1 through 4	992.7	-	992.7
- Other expenses and/ or losses	389.2	-	389.2
Loss on Disaster Sub Total（Extraordinary Loss): (A)	1,382.0	-	1,382.0
Gain on reversal of provision for loss on disaster (Extraordinary Income): (B) • Difference of the restoration cost caused by re-estimation due to decommissioning of Fukushima Daiichi Nuclear Power Station Unit 5 and 6	32.0	-	32.0
Total: (A)-(B)	1,349.9	-	*2 1,349.9

*2 Cumulative amount of restoration cost caused by the Great East Japan Earthquake is 1,367.3 billion yen (including 9.1 billion yen recorded as Non-operation Expenses for FY2014, 2.6 billion yen for FY2015 and 5.4 billion yen for Apr-Sep of FY2016)

Loss on Decommissioning of Fukushima Daiichi Nuclear Power Station Unit 5 and 6 [Extraordinary Loss] (Unit: Billion Yen)

- Expenses and/ or losses for decommissioning of Fukushima Daiichi Nuclear Power Station	39.8	-	39.8

Expenses for Nuclear Damage Compensation [Extraordinary Loss] (Unit: Billion Yen)

- Compensation for individual damages • Expenses for radiation inspection, Expenses for evacuation, Expenses for temporary return, Expenses for permanent return, Mental distress, Damages caused by voluntary evacuations, and Opportunity losses on salary of workers	2,120.3	13.0	2,133.4
- Compensation for business damages • Opportunity losses on businesses, Damages due to the restriction on shipment, Damages due to groundless rumor, and Indirect business damages	2,563.1	120.5	2,683.7
- Other expenses • Damages due to decline in value of properties, Housing assurance damages, Decontamination costs and Contribution to The Fukushima Pref. Nuclear Accident Affected People and Child Health Fund	2,975.0	34.8	3,009.8
- Amount of indemnity for nuclear accidents from Government	-188.9	-	-188.9
- Grants-in-aid corresponding to decontamination expenses	-1,112.4	-	-1,112.4
Total	6,357.1	**168.5**	6,525.6

Consolidated Balance Sheets

(Unit: Billion Yen)

	Sep. 30 2016 (A)	Mar. 31 2016 (B)	Comparison (A)-(B)	Comparison (A)/(B) (%)
Total Assets	**12,992.2**	**13,659.7**	**-667.5**	**95.1**
Fixed Assets	11,013.6	11,321.2	-307.5	97.3
Current Assets	1,978.5	2,338.5	-359.9	84.6
Liabilities	**10,723.6**	**11,441.6**	**-718.0**	**93.7**
Long-term Liability	7,319.6	8,601.0	-1,281.3	85.1
Current Liability	3,397.7	2,834.5	563.1	119.9
Reserves for Preparation of the Depreciation of Nuclear Plants Construction	6.2	6.1	0.1	102.2
Net Assets	**2,268.6**	**2,218.1**	**50.4**	**102.3**
Shareholders' Equity	2,290.6	2,196.4	94.1	104.3
Accumulated other comprehensive income	-27.1	-0.1	-26.9	—
Non-controlling interests	5.1	21.8	-16.7	23.5

<Interest-bearing debt outstanding>

(Unit: Billion Yen)

	Sep. 30 2016 (A)	Mar. 31 2016 (B)	(A)-(B)
Bonds	3,280.6	3,480.6	-200.0
Long-term Debt	2,399.7	2,632.9	-233.1
Short-term Debt	538.0	493.2	44.8
Total	6,218.4	6,606.8	-388.3

<Reference>

	FY2016 Apr-Sep (A)	FY2015 Apr-Sep (B)	(A)-(B)
ROA (%)	2.2	2.7	-0.5
ROE (%)	4.2	12.5	-8.3
EPS (Yen)	58.77	174.41	-115.64

ROA: Operating Income/ Average Total Assets

ROE: Net Income (attributable to owners of parent)/ Average Equity Capital

Consolidated Statements of Cash Flows

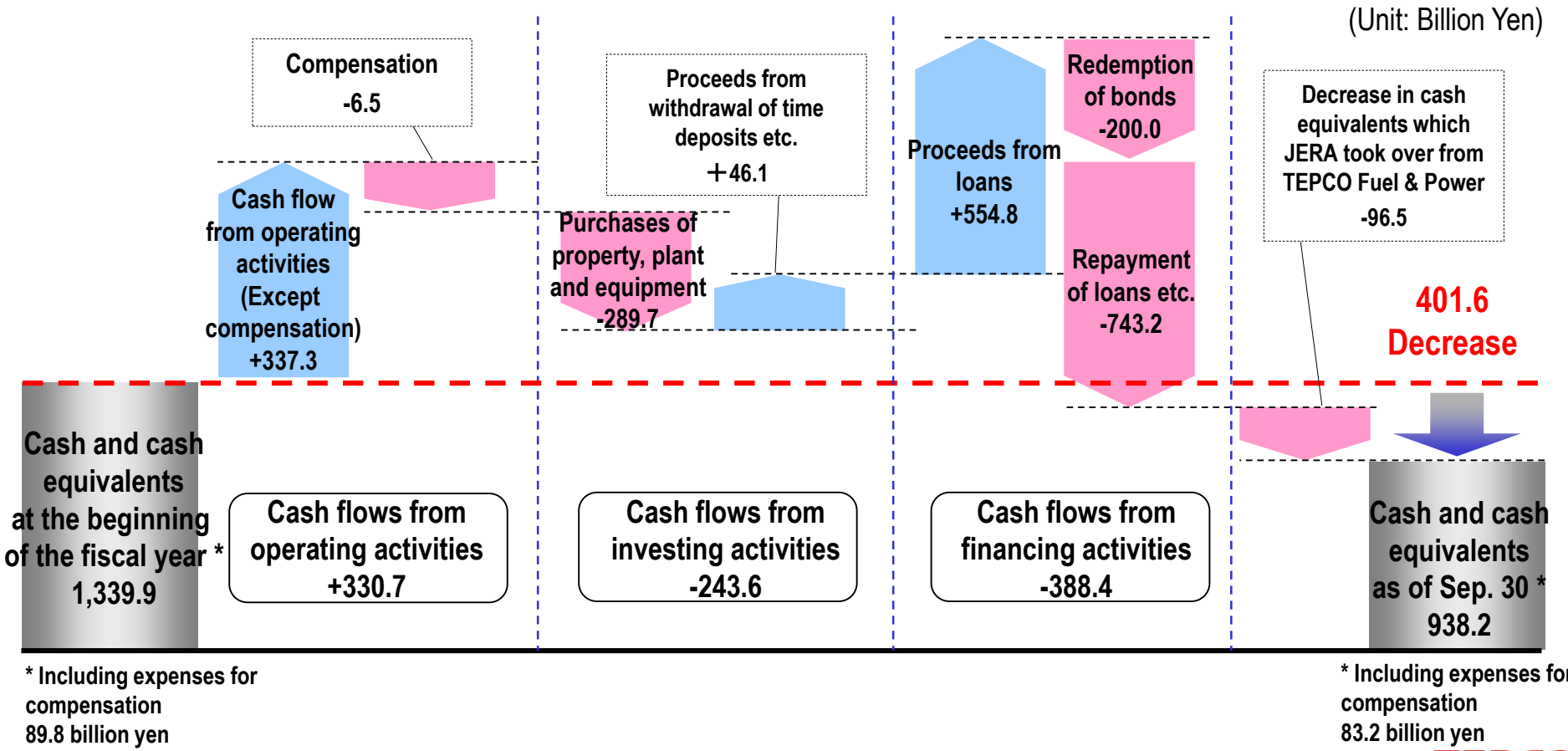
(Unit: Billion Yen)

	FY2016 Apr-Sep (A)	FY2015 Apr-Sep(B)	Comparison (A)-(B)
Cash flow from operating activities	330.7	808.4	-477.6
Income / loss before income taxes and minority interests	142.0	326.5	-184.4
Depreciation and amortization	282.5	308.0	-25.4
Interest expenses	39.7	44.2	-4.5
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	—	-426.7	426.7
Expenses for nuclear damage compensation	168.5	465.2	-296.7
Decrease (increase) in notes and accounts receivable trade*	-105.1	-13.2	-91.8
Increase (decrease) in notes and accounts payable trade**	-80.2	-47.2	-33.0
Interest expenses paid	-24.1	-46.4	22.2
Payments for extraordinary loss on disaster due to the Great East Japan Earthquake	-22.1	-23.6	1.4
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation received	390.0	814.8	-424.8
Payments for nuclear damage compensation	-396.5	-539.8	143.2
Others	-63.7	-53.3	-10.4
Cash flows from investing activities	-243.6	-278.0	34.4
Purchases of property, plant and equipment	-289.7	-303.3	13.5
Payments into time deposits	-19.2	-124.8	105.5
Proceeds from withdrawal of time deposits	76.5	146.1	-69.6
Others	-11.1	3.9	-15.0
Cash flows from financing activities	-388.4	-121.8	-266.5
Redemption of bonds	-200.0	-388.1	188.1
Repayment of long-term loans	-249.1	-51.0	-198.1
Proceeds from short-term loans	537.2	493.5	43.6
Repayment of short-term loans	-492.2	-188.4	-303.8
Others	15.7	12.1	3.6
Effect of exchange rate changes on cash and cash equivalents	-3.8	0.5	-4.3
Net increase (decrease) in cash and cash equivalents**	-305.0	408.9	-714.0
Cash and cash equivalents at the beginning of the year	1,339.9	1,292.4	47.4
Decrease due to change in scope of consolidation	-96.5	—	-96.5
Cash and cash equivalents at the end of the quarter	938.2	1,701.4	-763.2

* Minus denotes an increase. ** Minus denotes a decrease.

Overview of Consolidated Cash Flows - Year on Year Comparison

- Cash and cash equivalents as of September 30, 2016 decreased 401.6 billion yen to 938.2 billion yen.
  - Cash flow from operating activities increased 330.7 billion yen mainly due to income before income taxes and minority interests
  - Cash flow from investing activities decreased 243.6 billion yen mainly due to purchases of property, plant and equipment
  - Cash flow from financing activities decreased 388.4 billion yen mainly because payment of loans exceeded proceeds from loans
  - Moreover, cash and cash equivalents decreased 96.5 billion yen mainly due to decrease in cash equivalents which JERA took over from TEPCO Fuel & Power



* Including expenses for compensation
89.8 billion yen

* Including expenses for compensation
83.2 billion yen

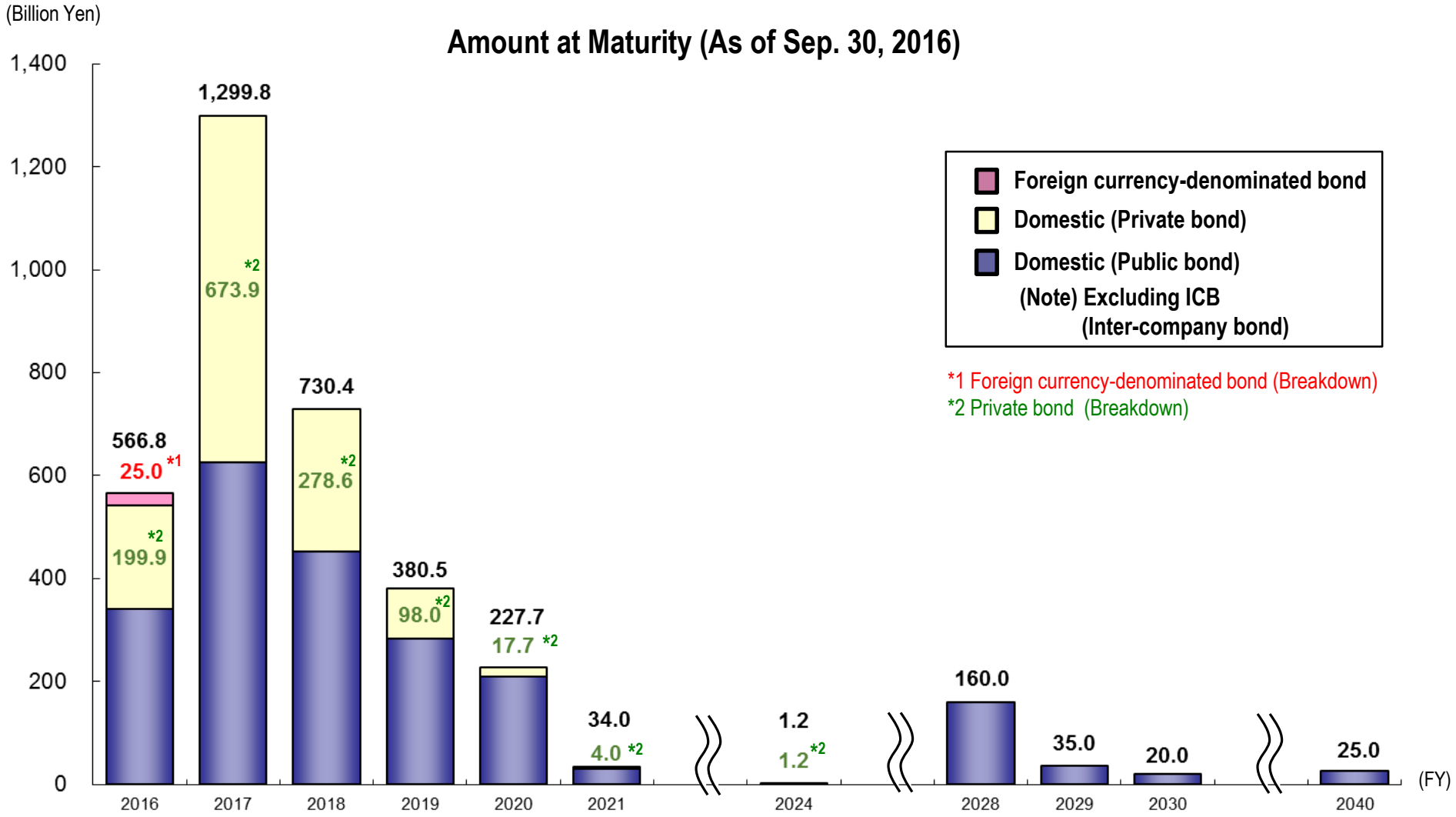
Segment Information

(Unit: Billion Yen)

	FY2016 Apr-Sep (A)	FY2015 Apr-Sep (B)	Comparison (A) - (B)	Comparison (A)/(B)
Operating Revenues	2,643.3	3,128.1	-484.8	84.5
Holdings	460.7	354.4	106.3	130.0
	27.8	20.5	7.3	135.9
Fuel & Power	812.3	1,320.3	-507.9	61.5
	15.8	31.7	-15.8	50.0
Power Grid	815.6	829.8	-14.2	98.3
	129.7	82.3	47.3	157.5
Energy Partner	2,562.8	3,084.3	-521.5	83.1
	2,469.8	2,993.5	-523.6	82.5
Operating Expenses	2,350.5	2,743.1	-392.6	85.7
Holdings	388.7	391.5	-2.7	99.3
Fuel & Power	694.5	1,071.7	-377.2	64.8
Power Grid	761.2	740.1	21.0	102.8
Energy Partner	2,514.7	3,000.9	-486.1	83.8
Operating Income	292.8	385.0	-92.1	76.1
Holdings	72.0	-37.0	109.0	—
Fuel & Power	117.8	248.6	-130.7	47.4
Power Grid	54.4	89.7	-35.2	60.7
Energy Partner	48.1	83.4	-35.3	57.6
Ordinary Income	274.2	365.1	-90.8	75.1
Holdings	69.5	14.9	54.6	465.4
Fuel & Power	122.5	221.1	-98.5	55.4
Power Grid	32.2	47.0	-14.8	68.5
Energy Partner	49.3	82.0	-32.6	60.2

Note1: The lower row in operating revenues section represents revenues from external customers.
Note2: We set four segments; “Holdings” “Fuel & Power” “Power Grid” and “Energy Partner,” according to its business operations.
Note3: We changed calculation method of each segment’s operating revenues and profit or loss. As for internal sales or transfer, we calculated using the price determined based on the market price and prime cost
Note4: Segment information of FY2015 Apr-Sep was calculated and released based on the aforementioned changes.

[Reference] Schedules for Corporate Bond Redemption



Note: The amount redeemed for Apr.-Sep. of fiscal 2016 totaled 200.0 billion yen.

[Reference] Key Factors Affecting Performance and Financial Impact

Key Factors Affecting Performance

	FY2016			【Reference】 FY2015 Actual Performance	
	Apr-Sep	Full-year Projection (As of Oct. 31)	Full-year Projection (As of Jul. 28)	Apr-Sep	Full-Year
Electricity Sales Volume (billion kWh)	119.6	241.4	240.2	123.6	247.1
Crude Oil Prices (All Japan CIF; dollars per barrel)	43.8	-	-	58.8	48.7
Foreign Exchange Rate (Interbank; yen per dollar)	105.2	-	-	121.9	120.2
Flow Rate (%)	89.1	-	-	101.3	102.3
Nuclear Power Plant Capacity Utilization Ratio (%)	-	-	-	-	-

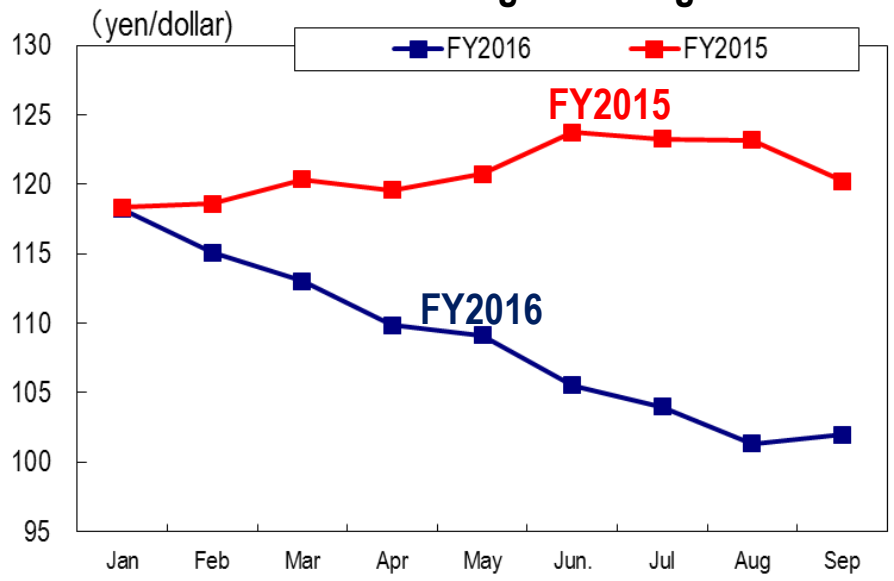
Financial Impact (Sensitivity)

(Unit: billion yen)

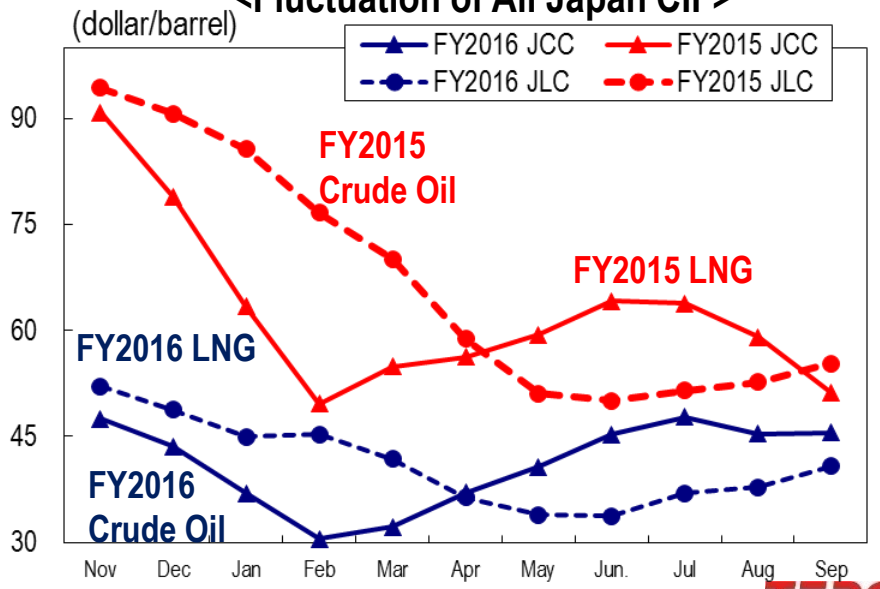
	FY2016 Full-Year Projection (As of Oct. 31)	FY2016 Full-Year Projection (As of Jul. 28)	【Reference】 FY2015 Full-Year Actual Performance
Crude Oil Prices (All Japan CIF; 1 dollar per barrel)	-	-	Approx.22.0
Foreign Exchange Rate (Interbank; 1 yen per dollar)	-	-	Approx.12.0
Flow Rate (1%)	-	-	Approx.1.0
Nuclear Power Plant Capacity Utilization Ratio (1%)	-	-	-
Interest Rate (1%)	-	-	Approx.23.0

Note: Crude oil prices, foreign exchange rate, flow rate and nuclear power plant capacity utilization ratio of financial impact reflect the impact on annual fuel expenses. Interest rate reflects the incremental amount of interest.

<Fluctuation of Foreign Exchange Rate>



<Fluctuation of All Japan CIF>



[Reference] Seasonal Breakdown of Electricity Sales Volume and Total Power Generated

Electricity Sales Volume

Unit: Billion kWh

	FY2016					
	Apr-Jun	Jul	Aug	Sep	Jul-Sep	Apr-Sep
Lighting	18.95	6.16	7.27	7.51	20.95	39.90
Power	37.33	13.86	14.29	14.20	42.35	79.68
Total	56.28	20.02	21.56	21.71	63.30	119.58

Unit: Billion kWh

	FY2015						[Ref.] Year-on-year Comparison	
	Apr-Jun	Jul	Aug	Sep	Jul-Sep	Apr-Sep	Jul-Sep	Apr-Sep
Lighting	19.67	6.35	8.74	6.92	22.01	41.68	95.2%	95.7%
Power	38.95	14.11	15.17	13.74	43.02	81.97	98.4%	97.2%
Total	58.62	20.46	23.91	20.65	65.03	123.65	97.3%	96.7%

Total Power Generated

Unit: Billion kWh

	FY2016					
	Apr-Jun	Jul	Aug	Sep	Jul-Sep	Apr-Sep
Hydroelectric	2.82	0.86	0.93	1.11	2.90	5.71
Thermal	42.53	16.01	17.07	15.38	48.46	91.00
Nuclear	0.00	0.00	0.00	0.00	0.00	0.00
Renewable etc.	0.02	0.01	0.01	0.01	0.02	0.04
Total	45.37	16.88	18.01	16.49	51.38	96.75

TEPCO

[Reference] Fuel Consumption

Fuel Consumption Data

	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Apr-Sep	【Reference】 FY2015 Apr-Sep
LNG(million tons)	23.78	23.49	21.55	9.97	10.70
Oil (million kl)	6.82	3.10	2.48	1.06	1.16
Coal (million tons)	7.76	7.53	8.34	4.03	4.01

Note: The oil data is total of crude oil and heavy oil, not including gas oil.The coal data is total of coal and biomass.

Fuel Procurement

Oil

Crude Oil (Unit: thousand kl)

	FY2013	FY2014	FY2015
Indonesia	924	473	464
Brunei	—	—	—
Vietnam	—	—	—
Australia	179	90	—
Sudan	193	20	41
Gabon	286	62	—
Chad	190	61	111
Other	10	0	0
Total imports	1,782	706	616

Heavy Oil (Unit: thousand kl)

	FY2013	FY2014	FY2015
Total imports	4,750	2,440	1,540

LNG

(Unit: thousand t)

	FY2013	FY2014	FY2015
Brunei	2,230	2,230	1,940
Das	4,684	4,972	4,986
Malaysia	3,675	2,750	3,220
Papua New Guinea	—	403	1,604
Australia	289	297	305
Qatar	1,234	1,142	1,156
Darwin	2,629	2,129	2,304
Qalhat	768	548	428
Sakhalin	2,452	2,262	2,010
Spot and short-term contract	7,291	8,023	4,934
Total imports	25,252	24,754	22,887

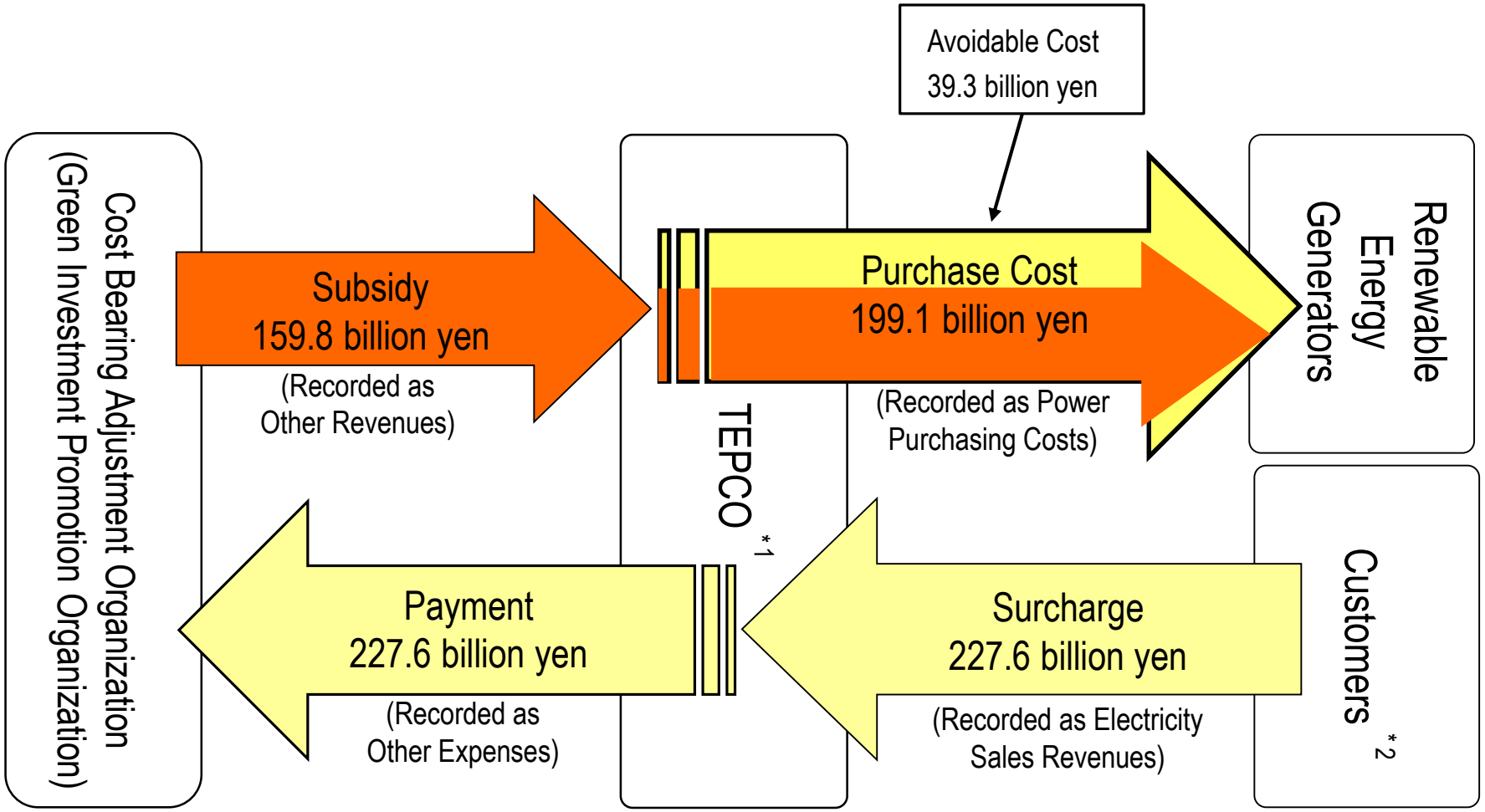
Coal

(Unit: thousand t)

	FY2013	FY2014	FY2015
Australia	6,801	5,903	6,745
USA	145	38	191
Canada	—	55	—
Indonesia	830	1,458	1,402
Russia	—	—	210
Total imports	7,776	7,454	8,548

[Reference] Feed-in Tariff Scheme for Renewable Energy (Purchase Cost Collection Flow)

(FY 2016 Apr-Sep)



*1 TEPCO Power Grid, Incorporated (islands), TEPCO Energy Partner, Incorporated (excluding islands)
*2 Including TEPCO Group Companies

The Current Status of Fukushima Daiichi Nuclear Power Stations and Future Initiatives

Current Situation and Status of Units 1 through 4

- At Units 1, 2 and 3, it was evaluated that the comprehensive cold shutdown condition had been maintained, judging from the temperatures of the reactors and spent fuel pools as well as the density of radioactive materials. To facilitate the removal of spent fuel, works to remove large rubble, decontaminate and install shields inside the reactor building are underway.
- To formulate fuel debris removal plan, the condition inside the Primary Containment Vessel are under investigation using robots, elementary particle derived from cosmic radiation and others.

Current Situation

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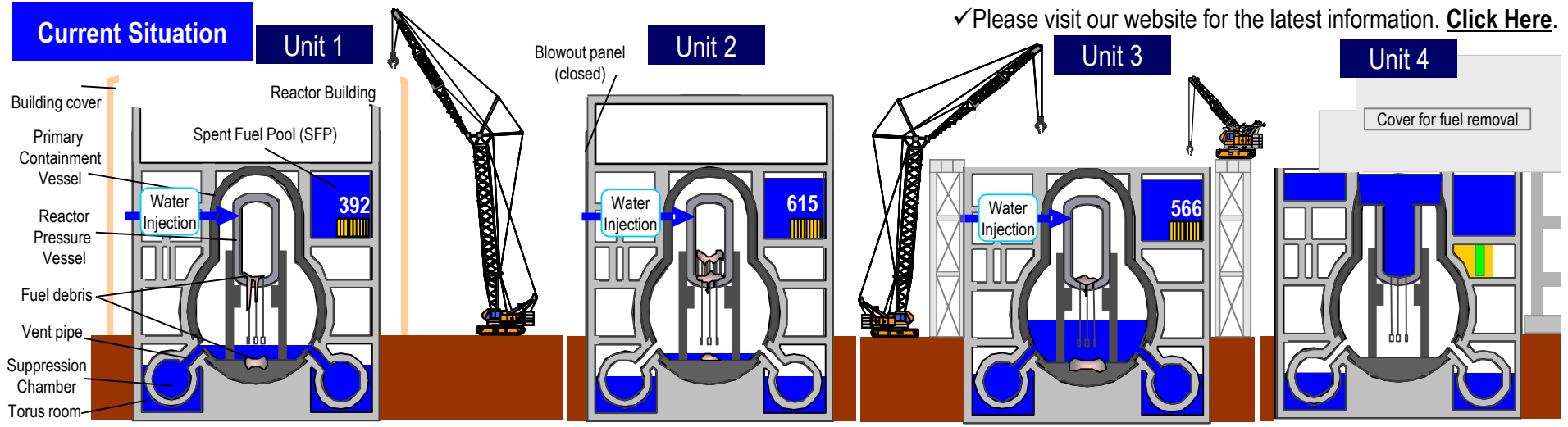


Reactor*	**Temperature of the bottom of RPV: 24.7℃/ Temperature of the inside of PCV:25.1℃**	**28.3℃／30.9℃**	**28.7℃／28.4℃**	No Fuel
SFP*	**20.8℃**	**18.2℃**	**28.5℃**	No Fuel
Works towards removal of spent fuel and fuel debris	[Spent fuel removal] - To remove the rubble on the Reactor Building (R/B) top floor, dismantling of wall panels started on September 13. Eight panels out of eighteen panels have been dismantled as of October 7.	[Spent fuel removal] - Maintaing yard around the building has been underway. [Fuel debris removal] - High density matter at the bottom of the reactor core (estimated to be fuel debris) was found by the investigation using muons, which are derived from cosmic radiation.	[Spent fuel removal] - To improve work environment, removal of rubble and decontamination has been completed. Installation of shields has been underway.	[Spent fuel removal] - Fuel removal from the SFP was completed in December, 2014.

*Temperature is as of October 24, 2016 (11:00 am).

Overview of the Mid-to-long Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Station - 1

- TEPCO, jointly with the national government, released “Mid-to-long Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Station Units 1 through 4” in December, 2011. Based on the continually-revised Roadmap, TEPCO, jointly with the national government, is advancing its efforts to maintain the units' stabilization and to decommission them in safe.
- In June 2015, the third revision was made.
- Decommissioning is expected to complete in 30 to 40 years from completion of Step2 (in December 2011), “Release of radioactive materials is under control and radiation doses are being significantly held down”.

< Main Points of the third revision >

1. Emphasize on risk reduction
2. Make target process (milestone) clear
3. Strengthen trusting relationship with local people and others by thorough disclosure of information
4. Further reduction of the workers’ exposure dose level, and to strengthen the management of the workers’ safety and health environment
5. Enhancement of the role of Nuclear Damage Compensation and Decommissioning Facilitation Corporation in the strategy of decommissioning technologies

< Target process of removal of fuel and fuel debris of each unit >

Removal of fuel from spent fuel pool

Start at Unit 1	FY2020
Start at Unit 2	FY2020
Start at Unit 3	FY2017

Removal of fuel debris

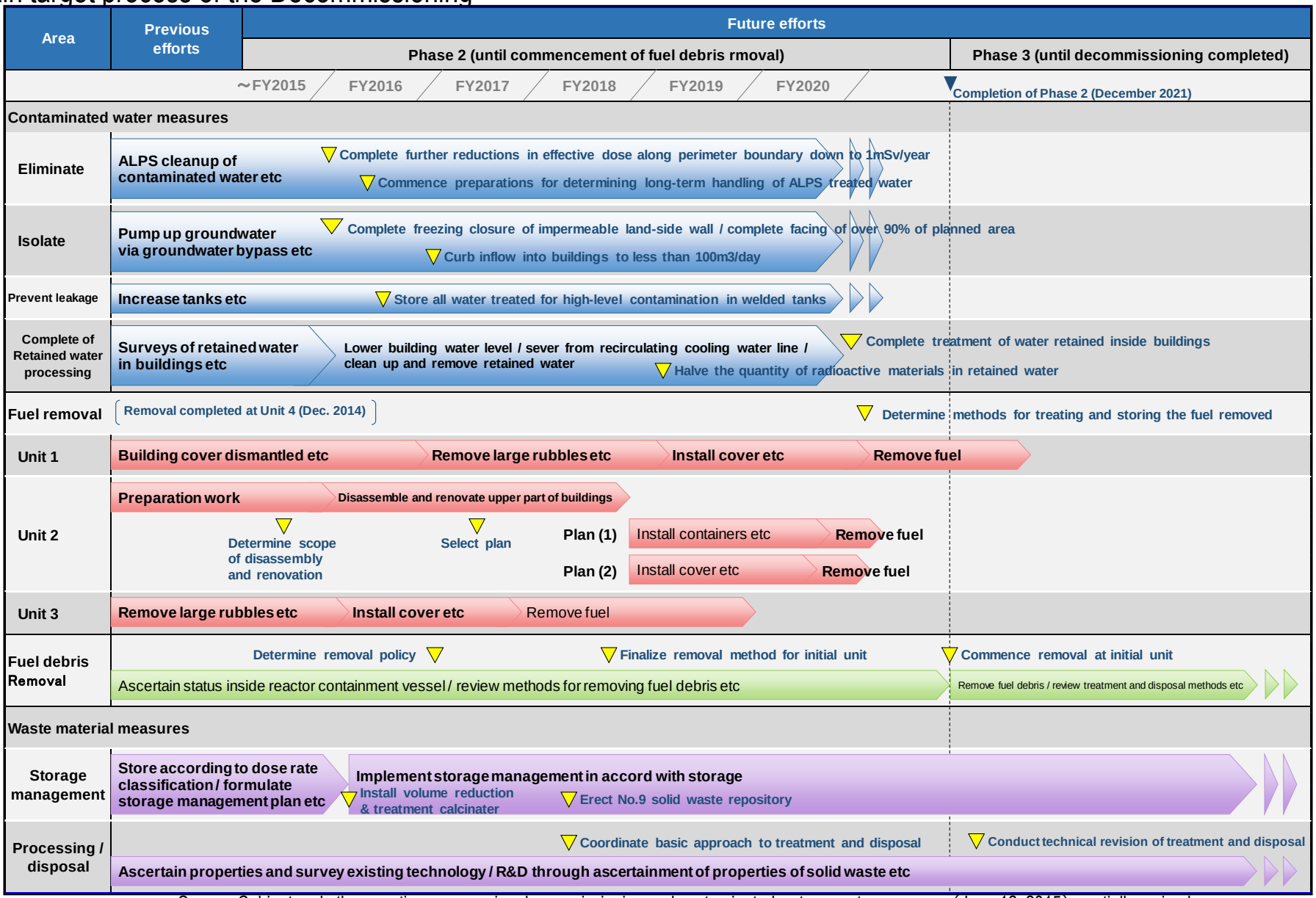
Decision on policy for each Unit	2 years after revising the roadmap in June 2015
Determination of methods for the first Unit	First half of FY2018
Start of the removal at the first Unit	The end of 2021

Source: Cabinet and other meetings concerning decommissioning and contaminated water countermeasures（June 12, 2015）

TEPCO

Overview of the Mid-to-long Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Station - 2

<Main target process of the Decommissioning>



Source: Cabinet and other meetings concerning decommissioning and contaminated water countermeasures (June 12, 2015), partially revised

Contaminated Water Management

- In December 2013, the government's Nuclear Disaster Response Headquarters arranged a set of preventative and multi-tiered measures based on the three basic policies for addressing contaminated water issues.
- The countermeasures for "Isolate water from contamination" and "Prevent leakage of contaminated water" including subdrain operation were significantly proceeded. TEPCO will continue to decrease the risk of "increase" and "leakage" of contaminated water.

<Main countermeasures>

1. Eliminate contamination sources

- Multi-nuclide removal equipment (ALPS)
- Remove contaminated water in the trenches

2. Isolate water from contamination

- Pump up groundwater for bypassing
- Pump up groundwater near buildings
- Land-side frozen impermeable walls
- Waterproof pavement

3. Prevent leakage of contaminated water

- Soil improvement by sodium silicate
- Sea-side impermeable walls
- Increase tanks (welded-joint tanks)

< Major Progress>

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Subdrain Operation

➢Groundwater pumped up through wells near reactor building(Subdrain system) are discharged after purification by dedicated facilities and quality test.(As of October 23, 2016, 3:00pm, the total volume of groundwater discharged is 210,146t) .

Land-side frozen impermeable walls

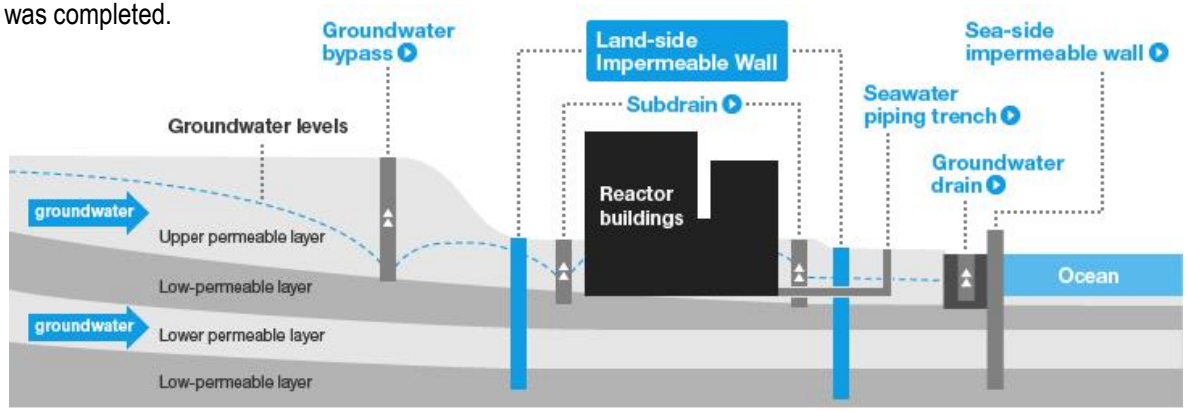
➢Freezing started on March 31, 2016 for the whole of the sea side and a portion of the mountain side. Regarding the sea side, almost all of observation points under the groundwater level except unfrozen parts under the seawater piping trench declined to 0℃ or lower by the end of September. Regarding the mountain side, groundwater inflow into buildings from the mountain side will be decreased by closing a part of unfrozen parts (about 2 parts).

Sea-side impermeable walls

➢On Oct. 26, 2015, the seaside impermeable walls was completed to be closed.

Removal of contaminated water in trenches

➢On Dec. 21,2015, the removal of contaminated water in seawater piping trench of Unit 4 and filing up of trench were completed. As a consequence, the removal of about 10,000t of contaminated water in trenches of Unit 2-4 was completed.



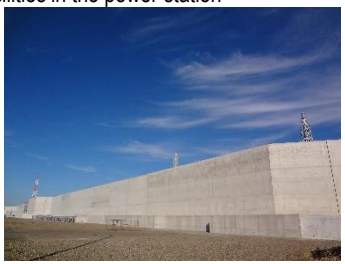
The Current Status of Kashiwazaki-Kariwa Nuclear Power Station and Future Initiatives

Main Measures to Secure Safety – 1 [Outline]

◆ We promote the following measures to secure further safety after the Great East Japan Earthquake.

I. Installation of flooding embankment [banks]

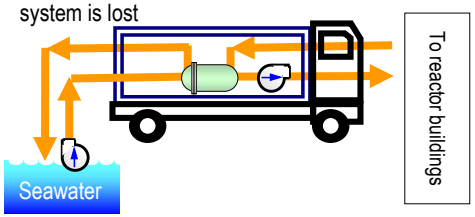
- Install flooding embankment (banks) to prevent Tsunami from invading the site and to protect light oil tanks, buildings and other facilities in the power station



III. Further enhancement of heat removal and cooling function

(5) Installation of alternative submerged pumps and seawater heat exchanging system

- Install alternative submerged pumps and other equipments to continue to operate residual heat removal system even if cooling function of sea water system is lost



III. Further enhancement of heat removal and cooling function

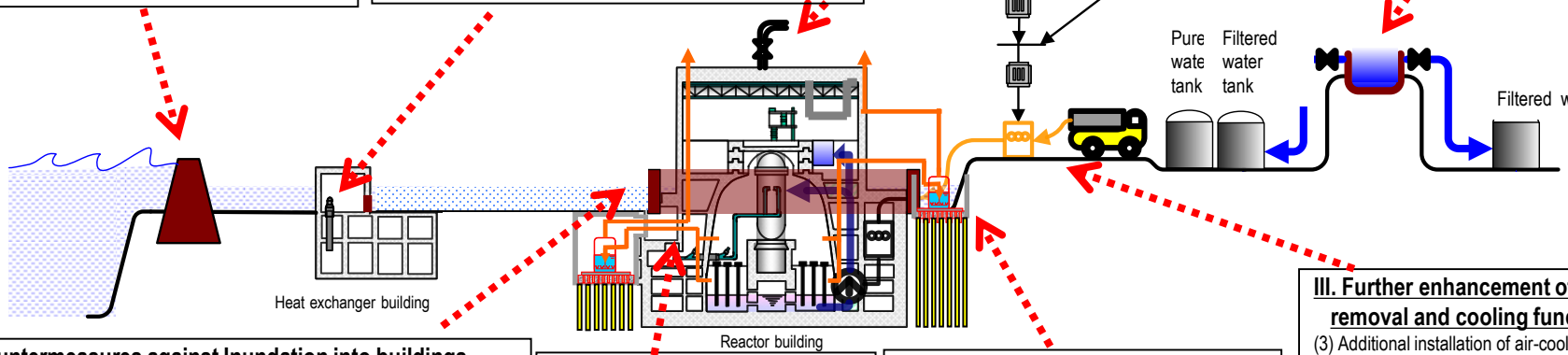
(8) Installation of top venting on reactor buildings

- Install top venting system to prevent hydrogen from piling up in a reactor buildings

III. Further enhancement of heat removal and cooling function

(1)Installation of water source

- Install a freshwater reservoir in the power station to secure stable supply of coolant water for reactors and spent fuel pools

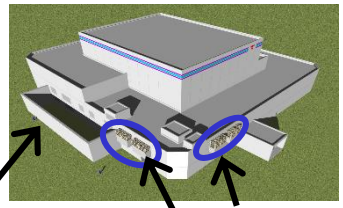


II. Countermeasures against Inundation into buildings

(1) Installation of tide embankments (flood barrier panel included)

- Install tide embankments around reactor buildings containing critical equipments in order to prevent Tsunami from damaging power facilities and emergency diesel generators and to secure safety of the power plant

(Image of tide embankment and flood barrier panel)



II. Countermeasures against Inundation into buildings

(2) Installation of water tight doors

- Install water tight doors at reactor buildings and turbine buildings to protect equipments from water

III. Further enhancement of heat removal and cooling function

(12) Installation of warehouses for emergency on high ground

- Install a warehouse for equipments and materials for emergency in case of Tsunami

III. Further enhancement of heat removal and cooling function

(7) Installation of filtered vent

- Control of radioactive pollution emitted upon containment vessel venting
- Installation of underground filtered vent for backfitting

III. Further enhancement of heat removal and cooling function

(11) Additional environment monitoring equipments and monitoring cars

- Prepare additional monitoring cars to continuously measure radiation dose at the site

III. Further enhancement of heat removal and cooling function

(3) Additional installation of air-cooling gas turbine power generation cars

- Install large capacity gas turbine power generation cars to supply electricity to residual heat removal system in case of outage of all AC power

(4) Installation of high voltage power distribution board for emergency and permanent cables for reactor buildings

- Install high voltage power distribution board for emergency and permanent cables for reactor buildings to secure power supply in case of station black out (losing all AC power), and to secure stable supply of power to residual heat removal system

Main Measures to Secure Safety - 2 [Implementation Status]

As of Oct. 26, 2016

Item	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
Ⅰ. Installation of flooding embankment [banks]	Completed				Completed		
Ⅱ. Countermeasures against inundation into buildings							
(1) Installation of tide embankments (flood barrier panel included)	Completed	Completed	Completed	Completed	All closed under 15 meters above sea level		
(2) Installation of water tight doors on reactor buildings, etc.	Completed	Under consideration	Under construction	Under consideration	Completed	Completed	Completed
(3) Countermeasures against inundation into heat exchanger buildings	Completed	Completed	Completed	Completed	Completed	–	
(4) Installation of tide barriers for switching stations*1	Completed						
(5) Reliability improvement of inundation countermeasures (countermeasures against flooding inside buildings)	Under construction	Under consideration	Under construction	Under consideration	Under construction	Under construction	Under construction
Ⅲ. Further enhancement of heat removal and cooling function							
(1) Installation of water source	Completed						
(2) Installation of storage water barrier	Completed	Under consideration	Under consideration	Under consideration	Completed	Completed	Completed
(3) Additional installation of air-cooling gas turbine power generation cars	Completed						
(4)-1 Installation of high voltage power distribution board for emergency	Completed						
(4)-2 Installation of permanent cables for reactor buildings	Completed	Completed	Completed	Completed	Completed	Completed	Completed
(5) Installation of alternative submerged pumps and seawater heat exchanging system	Completed	Completed	Completed	Completed	Completed	Completed	Completed
(6) Installation of alternative high pressure water injection system	Under construction	Under consideration	Under consideration	Under consideration	Under construction	Under construction	Under construction
(7) Installation of aboveground filter vent	Under construction	Under consideration	Under consideration	Under consideration	Under construction	Termination of performance test*2	Termination of performance test*2
(8) Installation of top venting on reactor buildings	Completed	Completed	Completed	Completed	Completed	Completed	Completed
(9) Installation of hydrogen treatment system in reactor buildings	Completed	Under consideration	Under consideration	Under consideration	Completed	Completed	Completed
(10) Installation of facilities to fill water up to the top of containment vessels	Completed	Under consideration	Under consideration	Under consideration	Completed	Completed	Completed
(11) Additional environment monitoring equipment and monitoring cars	Completed						
(12) Installation of warehouses for emergency on high ground*1	Completed						
(13) Improvement of earthquake resistance of pure water tanks on the Ominato side	–				Completed		
(14) Installation of large-capacity water cannons, etc.	Completed						
(15) Multiplexing and reinforcing access roads	Completed						
(16) Environmental improvement of the seismic isolated building	Under construction						
(17) Reinforcement of the bases of transmission towers*1 and earthquake resistance of the switchboards*1	Completed						
(18) Installation of tsunami monitoring cameras	Under construction				Completed		
(19) Installation of Coriumu Shield*1	Under consideration	Under consideration	Under consideration	Under consideration	Under consideration	Under construction	Completed

*1 TEPCO's voluntary safety measures *2 Peripheral works are ongoing

Compliance Review under the New Regulatory Requirements – 1

- In November 2013, the Nuclear Regulation Authority (NRA) started reviews for Kashiwazaki-Kariwa Nuclear Power Station Units 6 and 7 as to their compliance under the New Regulatory Requirements.
- At present, regarding plant examination, the method of seismic design/tsunami-resistant design and the installation of emergency response facility at Unit 5 reactor building are under examination.

<Review Status regarding Earthquake/Tsunami Countermeasures Examination>

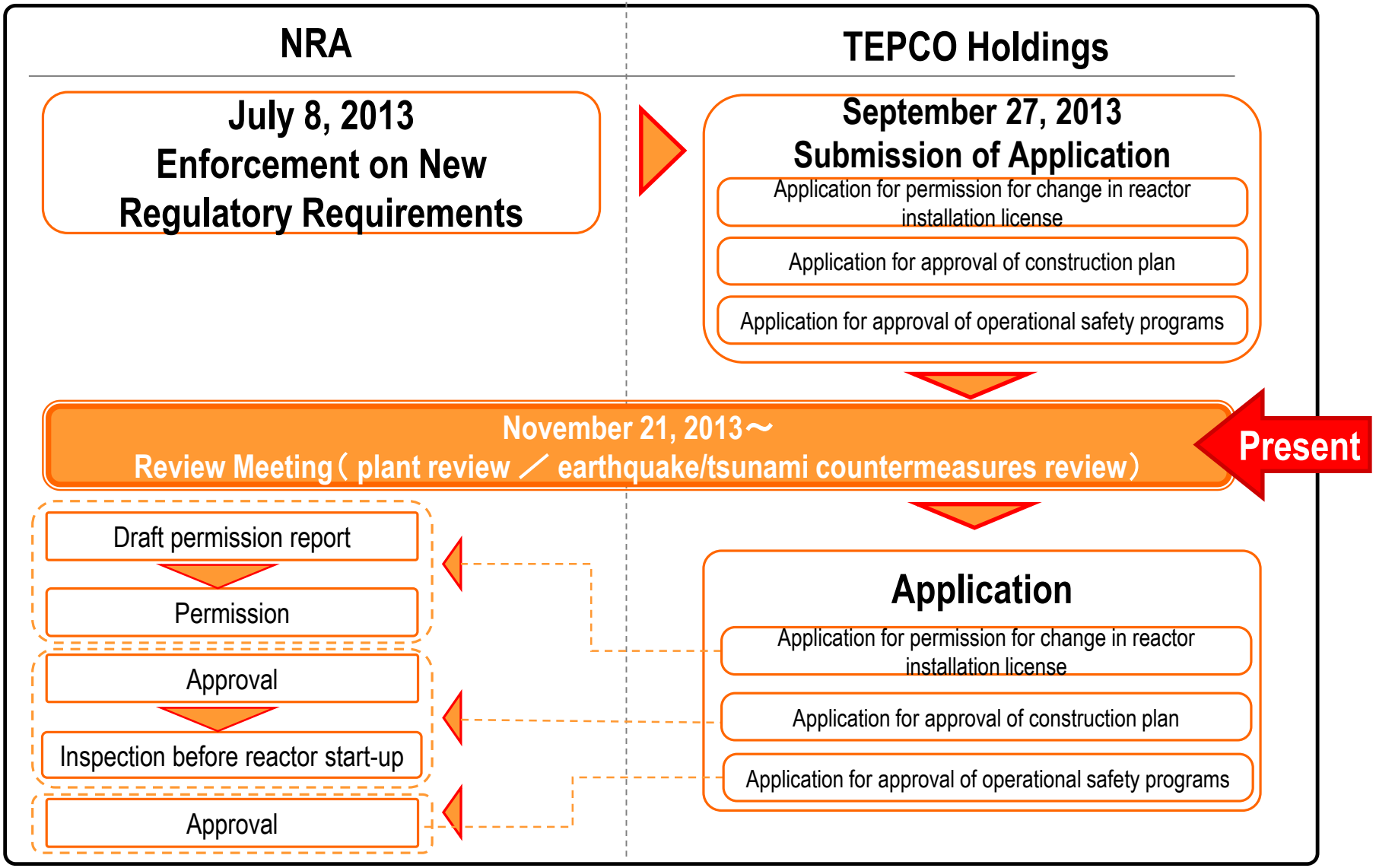
- As to the design basis seismic ground motion and tsunami assessment, activity of the faults found beneath the power station site and its vicinity, stability of the foundations and side slopes of reactor buildings etc. and the impact assessment of volcanic activity, the NRA approved the documents regarding the reviews, that TEPCO submitted to NRA.
- 30 review meetings and 89 interviews regarding earthquake/tsunami countermeasure examinations had been conducted as of October 26, 2016.

<Review Status regarding Plant Examination>

- The discussion on seismic response analysis of buildings, which TEPCO presented, has been settled. At present, the method of seismic design/tsunami-resistant design and the installation of emergency response facility at Unit 5 reactor building are under examination.
- 85 review meetings and 465 interviews regarding plant examinations had been held as of October 26, 2016.

Compliance Review under the New Regulatory Requirements - 2

＜Review Process＞



Other Initiatives

Implementation of the Streamlining Policy

<Cost reduction>
- In the New Comprehensive Special Business Plan, TEPCO* and its subsidiaries & affiliated companies will implement further cost cuts of 1,419.4 billion yen and 108.5 billion yen, respectively from the previous Comprehensive Special Business Plan, and raise the target amount of ten years to 4,821.5 billion yen and 351.7 billion yen, respectively.
- The targets of TEPCO and its subsidiaries & affiliated companies for FY2016 are 358.9 billion yen and 34.3 billion yen, respectively. The prospect of achieving these targets will be determined around the end of 2016.
- The Productivity Doubling Committee works to accelerate activities for doubling TEPCO's productivity by focusing around the Productivity Doubling Projects directed by Mr. Uchikawa, Special Advisor of TEPCO, who was a former managing director at Toyota.

<Asset disposal>
- Accumulated grand total of FY2011 to FY2013 regarding disposal of real estate, securities and subsidiaries & affiliated companies, which was the target set in the previous Comprehensive Special Business Plan, was achieved. Maximum efforts will continue to be made aiming most efficient business operation on the basis of growth strategies from the New Comprehensive Special Business Plan.

<Streamlining Policy of New Comprehensive Special Business Plan (cost reduction)>

	Plan from FY2013 to FY2022	FY2015		FY2016	
		Plan	Outcomes	Plan	Outcomes
TEPCO*	4,821.5 billion yen to be reduced over ten years (including additional cost cuts from the previous Comprehensive Special Business Plan of 1,419.4 billion yen)	356.8 billion yen	596.6 billion yen	358.9 billion yen	—
Subsidiaries & Affiliated Companies	351.7 billion yen to be reduced over ten years (including additional cost cuts from the previous Comprehensive Special Business Plan of 108.5 billion yen)	34.3 billion yen	60.6 billion yen	34.3 billion yen	—

*After April 2016, TEPCO means Tokyo Electric Power Company Holdings, Inc., TEPCO Fuel & Power, Inc., TEPCO Power Grid, Inc. and TEPCO Energy Partner, Inc.

Efforts towards Nuclear Reform - 1
- Framework for Nuclear Reform

- Since April 2013, TEPCO has advanced the Nuclear Safety Reform Plan so that we may realize our determination that "the Fukushima nuclear accident will never be forgotten and we will be a nuclear operator which continues to create unparalleled safety and increase the level of that safety to be greater today than yesterday and still greater tomorrow than today"
- TEPCO reports the state of progress of the Reform Plan to the Nuclear Reform Monitoring Committee, approved The "Reassessment of Fukushima Nuclear Accident and Nuclear Safety Reform Plan", on a regular basis. The Reform Plan is steadily implemented on the basis of the initiatives proposed by the Committee.

<Framework for Nuclear Reform>

Board of Directors

Advice ↓ ↑ **Suggestion**

Nuclear Reform Monitoring Committee (Established in September, 2012)
Monitoring and supervising efforts of nuclear reform, then reporting and suggesting to the Board of Directors

Dale Klein, Chairman (former Chairman of the U.S. Nuclear Regulatory Commission)
Barbara Judge, Vice Chairman (former Chairman of the U.K. Atomic Energy Authority)　　Kenichi Ohmae, committee member
Masafumi Sakurai, committee member (former member of the National Diet of the Japan Fukushima Nuclear Accident Independent Investigation Commission)
Fumio Sudo, committee member (Chairman of Tokyo Electric Power Company Holdings, Inc.)

Supervise/Monitor ↓ ↑ **Report**

Nuclear Safety Oversight Office(Established in May, 2013)

On April 1,2015, the Nuclear Safety Oversight Office, which reports to the Board of Directors, was reorganized so that it now reports directly to the President.

Dealing with nuclear safety through supervising and consulting activities, but from a much closer position to the front line of nuclear plants, and also involving more directly with the decision-making process on nuclear safety

Nuclear Reform Special Task Force
(Established in September, 2012)

Implementing nuclear reform under the supervision of the Committee

Social Communication Office
(Established in April, 2013)

Instilling corporate behaviors sensitive to social standards throughout TEPCO and promoting prompt and appropriate information disclosure through routinely collecting and analyzing information on potential risks

Nuclear Power & Plant Siting Division

Fukushima Daiichi Decontamination & Decommissioning Engineering Company (Established in April, 2014)

An internal entity established for the purpose of clarifying the responsibilities allocation and focusing solely on handling of decommissioning and contaminated water

Positioning "Chief Decommissioning Officer (CDO)" as Company President

Assigning three experienced executives invited from nuclear power manufacturers to the Vice President. In addition, as of June 30,2015, Yoshikazu Murabe, a managing director at the Japan Atomic Power Company, was brought in to serve as Senior Vice President and his responsibilities will focus on waste measures, maintaining safety at Units 5 & 6, radiation & chemical management among other duties.

Efforts towards Nuclear Reform – 2
- Report on Status of the Nuclear Safety Reform Plan

- The Nuclear Safety Reform Plan consists of 6 measures that compensate for the lack of “safety awareness”, “technological capability” and “dialogue-promoting capability” which are the underlying contributors for accidents and aim for improving them.
- Three years have been passed since the Nuclear Safety Reform started. We implemented a self-assessment to determine how close we are to achieving the desired effects of Nuclear Safety Reform Plan and reported it to Nuclear Reform Monitoring Committee on Sep. 2. (http://www.tepco.co.jp/en/press/corp-com/release/2016/1321252_7763.html)

Measures	Recent Principal Activities ([Resource] Nuclear Safety Reform Plan Progress Report released on Aug 2, 2016)
Reform from Top Management	・In order to promote nuclear safety reforms, the General Manager of the Nuclear Power and Plant Siting Division has strengthened activities to enhance understanding about expectations and the reasons behind them. ・As part of activities to make nuclear safety culture more widespread, the officers in charge of safety at contractor head offices gather for nuclear safety information meetings.
Enhancement of Oversight and Support for Management	・The Nuclear Safety Oversight Office (NSOO) has confirmed the progress on several good practices as well as the issues needed to further the commitment of management from the aspects of behavior toward nuclear safety, and encouraged improvement of these issues by nuclear leaders. ・The pace at which the NSOO is setting new recommendations and the pace at which these recommendations are being completed are almost in line. There are still issues including the deficiency of communication between power station and the head office whose improvement needs to be accelerated and followed.
Enhancement of Ability to Propose Defense-in-Depth	・The Second Safety Improvement Proposal Competition of 2015 has selected 11 outstanding proposals out of 220 entries. ・CAP (Corrective Action Program) activities have been initiated to good practices, third-party review results and other information besides non-conformance data incorporated to progressively make improvements.
Enhancement of Risk Communication	・Together with Sellafield Ltd., meetings of the Fukushima-West Cumbria Study have been held monthly to learn about each other’s experiences. ・In response to the request by educators in Fukushima Prefecture, Mr. Ishizaki, Representative of Fukushima Revitalization Headquarters and Mr. Masuda, President of Fukushima Daiichi D&D Engineering Company gave a briefing and exchanged views with students on the progress of decommissioning at Fukushima Daiichi, compensation, decontamination and support for recovery, at a high school in Fukushima Prefecture.
Enhancement of Emergency Response Capabilities of Power Stations and the Head Office	・Comprehensive and individual drills continue to be conducted to maintain and improve emergency response capabilities. ・In the wake of issues related to the reporting of core meltdowns, drills are conducted on responding to more rigorous scenarios as well as requests from external entities.
Development of Human Resources to enhance Nuclear Safety	・A Nuclear Human Resources Development Center, which oversees the training of Nuclear Power Division personnel, was established at Fukushima Daini NPS, and a preparatory organization had been formed on July 1 (total staff of approximately 70 personnel). ・Education and training programs have been reorganized so that systematic education and training are to be provided.

Alliances with Other Companies to Increase Corporate Value

✓ Main efforts made by TEPCO Holdings and its core operating companies are as follows. (Press releases)

<TEPCO Holdings>

Oct. 3, 2016 Investment in United Wind, Inc., a United States venture company that develops a customer solutions business utilizing small wind power

Oct. 20, 2016 Companies set up to construct and run world's most advanced coal-fired thermal power plants in Fukushima for contributing to Fukushima revitalization (Mitsubishi Corporation etc.)

<TEPCO Fuel & Power>

Sep. 26, 2016 Basic agreement regarding joint development and introduction of IoT in thermal power generation (GE Power)

Sep. 29, 2016 Basic agreement regarding business alliance toward improving efficiency in thermal power plants inside and outside the country (Mitsubishi Hitachi Power Systems, Ltd.)

<TEPCO Power Grid>

Aug. 1, 2016 Commencement of demonstration project of resource aggregation business through building virtual power plants (NEC Corporation etc.)

Oct. 7, 2016 Commencement of “House cleaning service with advice on saving electricity and cleaning of outlet” (KAJITAKU Co., Ltd.)

<TEPCO Energy Partner>

Aug. 22, 2016 Commencement of demonstration project of public power supply service (espot service) (Sony Business Solutions Corporation, Kandenko)

Aug. 23, 2016 Basic agreement regarding commencement of a study of alliance for developing and offering service utilizing IoT in Smart Home (Sony Mobile Communications Inc.)

* ( ) : Alliance Companies

TEPCO

The Energy for Every Challenge