FY2016 3rd Quarter Financial Results (April 1 – December 31, 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 3rd Quarter Financial Results

(Released on January 31, 2017)

Key Points of FY2016 3rd Quarter Financial Results

< FY2016 3rd 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.
- 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 five years and net income decreased for the first time in two years.

< FY2016 Full-Year Financial Forecasts >

- Operating revenues is around 5,344 billion yen due to a decrease in the unit price of electricity resulting from fuel cost adjustments.
- Ordinary income is around 291 billion yen due to the fall of fuel prices and the continued extensive cost reduction efforts on TEPCO Group level.

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1. Consolidated Financial Results

(Unit: Billion Yen)

	FY2016 Apr-Dec (A)	FY2015 Apr-Dec (B)	Comparison (A)-(B)	Comparison (A)/(B) (%)
Operating Revenues	3,877.6	4,497.1	-619.4	86.2
Operating Income	336.9	463.1	-126.1	72.8
Ordinary Income	306.1	436.2	-130.1	70.2
Extraordinary Income	330.6	500.0	-169.3	-
Extraordinary Loss	301.2	550.4	-249.2	-
Net Income attributable to owners of parent	308.2	338.2	-30.0	91.1

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2. Electricity Sales Volume/ Key Factors Affecting Performance

Electricity Sales Volume

(Unit: Billion kWh)

	FY2016 Apr-Dec* (A)	FY2015 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Lighting	59.9	61.5	-1.6	97.4
Power	117.2	119.2	-1.9	98.4
Total	177.1	180.6	-3.5	98.1

* Excluding islands. Including nation-wide sales.

Key Factors Affecting Performance

	FY2016 Apr-Dec (A)	FY2015 Apr-Dec (B)	(A)-(B)
Foreign Exchange Rate (Interbank, yen/dollar)	106.6	121.7	-15.1
Crude Oil Prices (All Japan CIF, dollar/barrel)	44.9	54.6	-9.7
LNG Prices (All Japan CIF, dollar/barrel)	38.6	52.6	-14.0

3. Ordinary Revenues (Consolidated)

(Unit: Billion Yen)

	FY2016 Apr-Dec (A)	FY2015 Apr-Dec (B)	Comparison (A)-(B)	Comparison (A)/(B) (%)
(Operating Revenues)	3,877.6	4,497.1	-619.4	86.2
Electricity Sales Revenues	3,235.3	3,886.4	-651.1	83.2
Lighting	1,387.9	1,614.7	-226.7	86.0
Power	1,847.3	2,271.7	-424.4	81.3
Power Sold to Other Utilities and Suppliers	104.0	141.8	-37.8	73.3
Other Revenues	450.3	385.9	64.4	116.7
(Written again) Grant under Act on Procurement of Renewable Electric Energy	216.2	157.4	58.7	137.3
Subsidiaries / Affiliated Companies	135.5	137.3	-1.8	98.7
Ordinary Revenues	3,925.2	4,551.6	-626.3	86.2

- Effect of fuel cost adjustments -639.0

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-Dec (A)	FY2015 Apr-Dec (B)	Comparison (A)-(B)	Comparison (A)/(B) (%)
Personnel Expenses	252.0	266.8	-14.7	94.5
Fuel Expenses	788.2	1,244.3	-456.0	63.4
Maintenance Expenses	228.0	235.2	-7.2	96.9
Depreciation Expenses	409.9	440.2	-30.3	93.1
Power Purchasing Costs	676.5	731.4	-54.8	92.5
Interest Paid	58.3	66.0	-7.7	88.2
Taxes,etc.	227.1	241.0	-13.8	94.3
Nuclear Back-end Costs	37.5	43.1	-5.6	86.9
Other Expenses	841.8	745.5	96.3	112.9
(Written again) Payment under Act on Procurement of Renewable Electric Energy	342.6	237.6	104.9	144.2
Subsidiaries / Affiliated Companies	99.4	101.4	-2.0	98.0
Ordinary Expenses	3,619.1	4,115.3	-496.2	87.9
(Operating Income)	**(336.9)**	**(463.1)**	**(-126.1)**	**72.8**
Ordinary Income	**306.1**	**436.2**	**-130.1**	**70.2**

- Effect of price fluctuations of exchange rate, CIF and others -436.0
- Decrease in thermal power generation -20.0

- 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-Dec	FY2015 Apr-Dec	Comparison
Extraordinary Income	**330.6**	**500.0**	**-169.3**
Grants-in-aid from NDF*	294.2	426.7	**-132.5**
Gain on change in equity	36.4	12.2	**24.2**
Gain on revision of retirement benefit plan	-	61.0	**-61.0**
Extraordinary Loss	**301.2**	**550.4**	**-249.2**
Expenses for Nuclear Damage Compensation	301.2	550.4	**-249.2**
Extraordinary Income/ Loss	**29.4**	**-50.4**	**79.9**

<Extraordinary Income>
Grants-in-aid from NDF
- Financial support from NDF in December 2016

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

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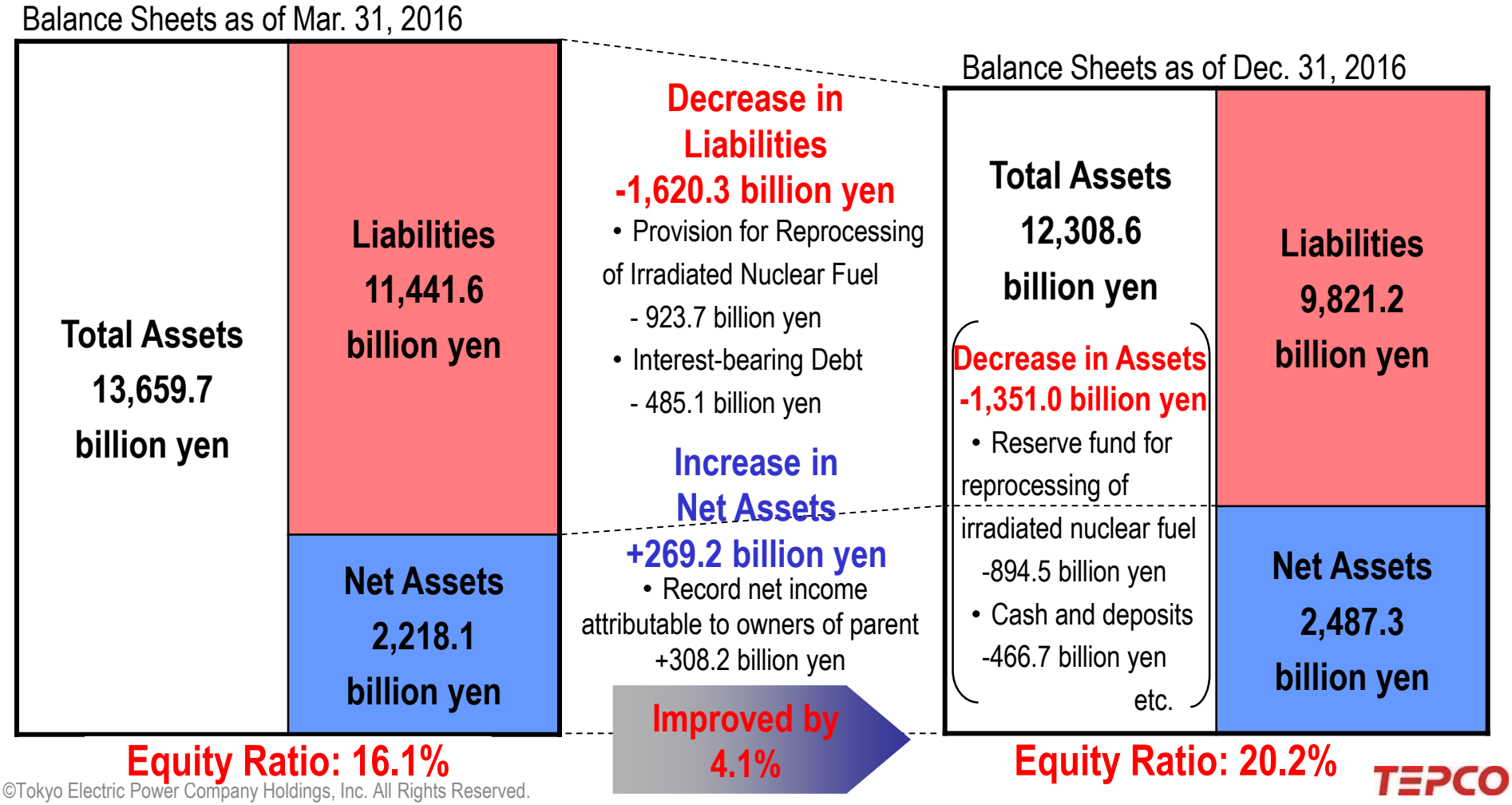
6. Consolidated Financial Position

- Total assets decreased 1,351.0 billion yen mainly due to contribution of reserve fund for reprocessing of irradiated nuclear fuel to Nuclear Reprocessing Organization of Japan.
- Total liabilities decreased 1,620.3 billion yen mainly due to reversal of provision for reprocessing of irradiated nuclear fuel.
- Equity ratio improved by 4.1%.



7. FY2016 Full-Year Financial Forecasts

FY2016 Full-Year Financial Forecasts

(Unit: Billion Yen)

	FY2016 Projection (A)	FY2015 Actual (B)	Comparison (A)-(B)
Operating Revenues	5,344	6069.9	-725
Operating Income	336 *	372.2	-36
Ordinary Income	291 *	325.9	-35

* Excluding Special Contribution (The amount of Special Contribution is determined following a decision by the NDF Management Committee based on the financial situation of TEPCO each fiscal year, and requires approval by the relevant Ministers.)

Key Factors Affecting Performance

	FY2016 Projection	FY2015 Actual
Electricity Sales Volume (billion kWh)	243.1	247.1
Crude Oil Prices (All Japan CIF; dollars per barrel)	Approx. 47	48.7
Foreign Exchange Rate (Interbank; yen per dollar)	Approx. 110	120.2
Flow Rate (%)	Approx. 95	102.3
Nuclear Power Plant Capacity Utilization Ratio (%)	-	-

Financial Impact (Sensitivity)

(Unit: Billion Yen)

	FY2016 Projection	FY2015 Actual
<Fuel Expenses>		
Crude Oil Prices (All Japan CIF; 1 dollar per barrel)	Approx. 17	Approx. 22.0
Foreign Exchange Rate (Interbank; 1 yen per dollar)	Approx. 9	Approx. 12.0
Nuclear Power Plant Capacity Utilization Ratio (1%)	-	-
<Interest Paid>		
Interest Rate 1% (Long-term / Short-term)	Approx. 21	Approx. 23.0

Supplemental Material

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FY2016 3rd Quarter Financial Results

Detailed Information

Consolidated Statements of Income

(Unit: Billion Yen)

	FY2016 Apr-Dec (A)	FY2015 Apr-Dec (B)	Comparison (A)-(B)	Comparison (A)/(B) (%)
Operating Revenues	3,877.6	4,497.1	-619.4	86.2
Operating Expenses	3,540.7	4,034.0	-493.3	87.8
Operating Income	**336.9**	**463.1**	**-126.1**	**72.8**
Non-operating Revenues	47.6	54.4	-6.8	87.5
Investment Gain under the Equity Method	24.5	27.9	-3.4	87.8
Non-operating Expenses	78.4	81.3	-2.8	96.4
Ordinary Income	**306.1**	**436.2**	**-130.1**	**70.2**
Reserve for preparation of depreciation of nuclear power construction	0.1	0.1	0.0	112.5
Extraordinary Income	330.6	500.0	-169.3	—
Extraordinary Loss	301.2	550.4	-249.2	—
Income Tax, etc.	26.9	45.9	-19.0	58.6
Net Income attributable to non-controlling interests	0.2	1.4	-1.2	14.7
Net Income attributable to owners of parent	**308.2**	**338.2**	**-30.0**	**91.1**

Breakdown of Consolidated Ordinary Revenues

(Unit: Billion Yen)

	FY2016 Apr-Dec (A)	FY2015 Apr-Dec (B)	Comparison (A)-(B)	Comparison (A)/(B) (%)
Ordinary Revenues	**3,925.2**	**4,551.6**	**-626.3**	**86.2**
Operating Revenues	**3,877.6**	**4,497.1**	**-619.4**	**86.2**
Operating Revenues from Electric Power Business	**3,706.2**	**4,296.5**	**-590.2**	**86.3**
Electricity Sales Revenues	3,235.3	3,886.4	-651.1	83.2
Lighting	1,387.9	1,614.7	-226.7	86.0
Power	1,847.3	2,271.7	-424.4	81.3
Power Sold to Other Utilities	36.3	95.0	-58.6	38.3
Power Sold to Other Suppliers	67.6	46.8	20.8	144.5
Other Revenues	366.8	268.1	98.7	136.8
Operating Revenues from Incidental Business	**54.6**	**75.9**	**-21.2**	**72.0**
Non-operating Revenues	**47.6**	**54.4**	**-6.8**	**87.5**

(Note)

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

Breakdown of Consolidated Ordinary Expenses

(Unit: Billion Yen)

	FY2016 Apr-Dec (A)	FY2015 Apr-Dec (B)	Comparison (A)-(B)	Comparison (A)/(B) (%)
Ordinary Expenses	**3,619.1**	**4,115.3**	**-496.2**	**87.9**
Operating Expenses	**3,540.7**	**4,034.0**	**-493.3**	**87.8**
Operating Expenses for Electric Power Business	**3,394.8**	**3,870.3**	**-475.5**	**87.7**
Personnel	252.0	266.8	-14.7	94.5
Fuel	788.2	1,244.3	-456.0	63.4
Maintenance	228.0	235.2	-7.2	96.9
Depreciation	409.9	440.2	-30.3	93.1
Power Purchasing	676.5	731.4	-54.8	92.5
Taxes, etc.	227.1	241.0	-13.8	94.3
Nuclear Power Back-end	37.5	43.1	-5.6	86.9
Others	775.2	668.1	107.1	116.0
Operating Expenses for Incidental Business	**46.4**	**62.8**	**-16.4**	**73.8**
Non-operating Expenses	**78.4**	**81.3**	**-2.8**	**96.4**
Interest Paid	58.2	65.9	-7.7	88.3
Other Expenses	20.2	15.3	4.8	131.6

(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 (¥266.8 billion to ¥252.0 billion) **- ¥14.7 billion**

Salary and benefits (¥190.1 billion to ¥190.9 billion) **+¥0.7 billion**

Retirement benefits (¥25.9 billion to ¥13.2 billion) **- ¥12.7 billion**

Amortization of actuarial difference - ¥11.5 billion (¥8.6 billion to - ¥2.8 billion)

<Amortization of Actuarial Difference>

(Unit: Billion Yen)

	Expenses incurred	Expenses / Provisions in Each Period				Amount Uncharged as of Dec. 31, 2016
		FY2015		FY2016		
		Charged	Of which charged in Apr-Dec	Charged	Of which charged in Apr-Dec	
FY2013	72.8	24.2	18.2	—	—	—
FY2014	-38.1	-12.7	-9.5	-12.7	-9.5	-3.1
FY2015	26.6	8.8	—	8.8	6.6	11.1
Total		20.4	8.6	-3.8	-2.8	7.9

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

Fuel expenses (¥1,244.3 billion to ¥788.2 billion) **- ¥456.0 billion**

Consumption volume **Approx. - ¥20.0 billion**

Decrease in thermal power generation Approx. - ¥20.0 billion

Price **Approx. - ¥436.0 billion**

Decrease due to fluctuations of foreign exchanges Approx. - ¥91.0 billion

Decrease due to fluctuations of CIF crude oil price, and others Approx. - ¥345.0 billion

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

Maintenance expenses (¥235.2 billion to ¥228.0 billion)		**-¥7.2 billion**
Generation facilities (¥99.0 billion to ¥75.8 billion)		**-¥23.1 billion**
Hydroelectric power (¥6.3 billion to ¥4.8 billion)	Main Factors for Increase/ Decrease	- ¥1.5 billion
Thermal power (¥57.0 billion to ¥44.8 billion)	Thermal: Decrease in expenses for repairs on boiler facilities, Decrease in expenses for periodic inspection due to decrease of the number of units which need to be inspected, and others	- ¥12.2 billion
Nuclear power (¥35.4 billion to ¥26.0 billion)		- ¥9.3 billion
Renewable energy (¥0.1 billion to ¥0.2 billion)	Nuclear: Decrease in expenses for maintaining the stabilization status at Fukushima Daiichi NPS, and others	+¥0.0 billion
Distribution facilities (¥134.0 billion to ¥150.0 billion)		**+¥15.9 billion**
Transmission (¥16.4 billion to ¥16.7 billion)	Main Factors for Increase/ Decrease	+¥0.3 billion
Transformation (¥10.4 billion to ¥9.5 billion)	Distribution: Increase in expenses for replacement of conventional meters with smart meters, and others	-¥0.9 billion
Distribution (¥107.1 billion to ¥123.6 billion)		+¥16.5 billion
Others (¥2.1 billion to ¥2.1 billion)		**-¥0.0 billion**

Depreciation expenses (¥440.2 billion to ¥409.9 billion)	**- ¥30.3 billion**
Generation facilities (¥201.8 billion to ¥179.9 billion)	**- ¥21.9 billion**
Hydroelectric power (¥25.8 billion to ¥16.9 billion)	- ¥8.8 billion
Thermal power (¥119.3 billion to ¥98.3 billion)	- ¥20.9 billion
Nuclear power (¥55.7 billion to ¥63.6 billion)	+¥7.8 billion
Renewable energy (¥0.8 billion to ¥0.9 billion)	+¥0.0 billion
Distribution facilities (¥231.7 billion to ¥223.0 billion)	**- ¥8.6 billion**
Transmission (¥110.6 billion to ¥104.3 billion)	- ¥6.3 billion
Transformation (¥41.0 billion to ¥40.2 billion)	- ¥0.8 billion
Distribution (¥79.9 billion to ¥78.5 billion)	- ¥1.4 billion
Others (¥6.7 billion to ¥6.9 billion)	**+¥0.2 billion**

<Depreciation Breakdown>

	FY2015 Apr-Dec	→	FY2016 Apr-Dec
Regular depreciation	¥428.3 billion		¥408.6 billion
Extraordinary depreciation	¥7.6 billion		-
Trial operations depreciation	¥4.3 billion		¥1.3 billion

Power purchasing costs (¥731.4 billion to ¥676.5 billion)	**- ¥54.8 billion**
Power purchased from other utilities (¥145.4 billion to ¥35.4 billion)	**- ¥109.9 billion**
Power purchased from other suppliers (¥586.0 billion to ¥641.1 billion)	**+¥55.0 billion**

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

Taxes and other public charges (¥241.0 billion to ¥227.1 billion)	**- ¥13.8 billion**
Enterprise tax (¥44.0 billion to ¥37.8 billion)	**-¥6.2 billion**
Charge for occupancy of roads (¥26.9 billion to ¥21.1 billion)	**- ¥5.7 billion**
Nuclear power back-end costs (¥43.1 billion to ¥37.5 billion)	**- ¥5.6 billion**
Expenses for contribution of reprocessing of irradiated nuclear fuel ('¥ - billion to ¥23.5 billion)	**+¥23.5 billion**
Expenses for reprocessing of irradiated nuclear fuel (¥27.8 billion to ¥ - billion)	**- ¥27.8 billion**
Expenses for preparation of reprocessing of irradiated nuclear fuel (¥2.1 billion to ¥ - billion)	**- ¥2.1 billion**
Decommissioning costs of nuclear power units (¥13.1 billion to ¥13.9 billion)	**+¥0.7 billion**

*Revision of the Accounting Rule for the Electricity Business was enforced on October 1, 2016. Accordingly, account titles of "Expenses for reprocessing of irradiated nuclear fuel" and "Expenses for preparation of reprocessing of irradiated nuclear fuel" were abolished, and "Expenses for contribution of reprocessing of irradiated nuclear fuel" was newly-organized.

Other expenses (¥668.1 billion to ¥775.2 billion)	**+¥107.1 billion**
Payment on Act of Renewable Electric Energy (¥237.6 billion to ¥342.6 billion)	**+¥104.9 billion**
Promotion expenses (¥1.4 bllion to ¥8.7 billion)	**+¥7.2 billion**
Expenses for retirement of non-current assets (¥36.2 billion to ¥40.9 billion)	**+¥4.6 billion**
Rental expenses（excluding charge for occupancy of roads）(¥76.1 billion to ¥75.0 billion)	**-¥1.1 billion**
Commission expenses (¥176.6 billion to ¥175.2 billion)	**-¥1.3 billion**
Supplies expenses (¥13.5 billion to ¥10.9 billion)	**-¥2.5 billion**
Miscellaneous expenses (¥23.2 billion to ¥12.7 billion)	**-¥10.4 billion**
Contribution to Nuclear Damage Liability Facilitation Fund（¥42.5 billion to ¥42.5 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

Incidental business operating expenses (¥62.8 billion to ¥46.4 billion)	**- ¥16.4 billion**
Gas supply business (¥57.0 billion to ¥43.0 billion)	**- ¥13.9 billion**
Interest paid (¥65.9 billion to ¥58.2 billion)	**- ¥7.7 billion**
Decrease in average rate during the period (1.28% to 1.22%) [Total of four companies]	**- ¥1.5billion**
Decrease in the amount of interest-bearing debt (¥6,736.6 billion to ¥6,123.2 billion) [Total of four companies]	**- ¥6.0billion**
Other non-operating expenses (¥15.3 billion to ¥20.2 billion)	**+¥4.8 billion**
Bond issuance cost (¥0.0 billion to ¥1.1 billion)	**+¥1.1 billion**

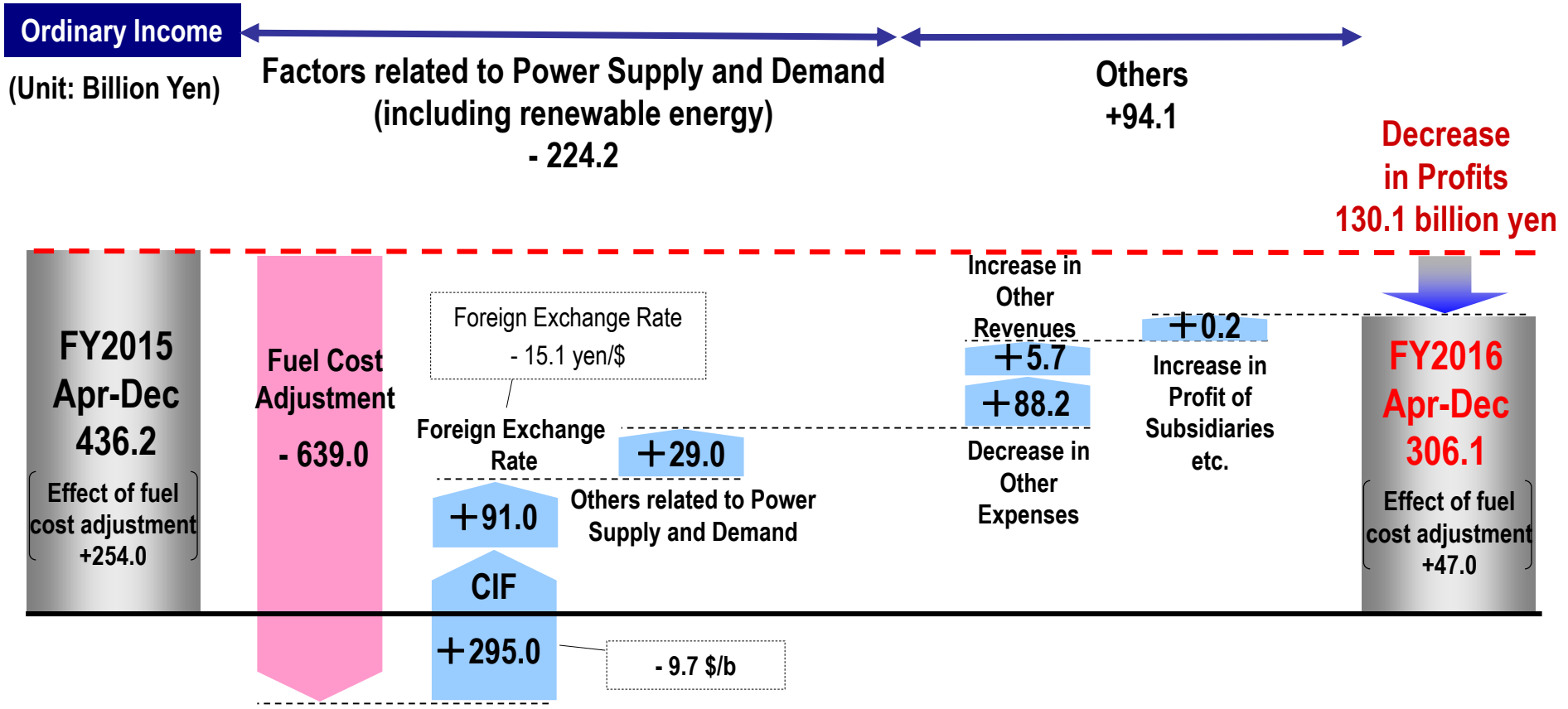
Main Factors for Increase/ Decrease
Gas supply business: Decrease due to LNG unit purchase price, and others

Main Factors for Increase/ Decrease
Bond issuance cost: Increase due to issuance of ICB (Inter-company bond)

Increase/ Decrease of Consolidated Business Performance

- Year on Year Comparison

➢Ordinary income decreased 130.1 billion yen to 306.1 billion yen.



➢ Net Income attributable to owners of parent decreased 30.0 billion yen to 308.2 billion yen

Ordinary Income/ Loss -130.1, Extraordinary Income/ Loss +79.9, Income Tax etc. +19.0 and others

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Financial Impact of the Great East Japan Earthquake

(Unit: Billion Yen)

Item	FY 2010 to FY 2015	FY2016 Apr-Dec	Cumulative Amount
◇Grants–in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation			
○Grants-in-aid based on Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act	*1 6,357.1	**294.2**	*2 6,651.3
◆Loss on Disaster			
●Expenses and/ or losses for Fukushima Daiichi Nuclear Power Station Units 1 through 4	1,006.6	7.7	1,014.4
●Other expenses and/ or losses	387.2	-0.2	386.9
◆Loss on Disaster Sub Total: (A)	1,393.8	7.4	1,401.3
◇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 Units 5 and 6	32.0	—	32.0
Total: (A)-(B)	1,361.8	**7.4**	1,369.3
◆Loss on Decommissioning of Fukushima Daiichi Nuclear Power Station Units 5 and 6			
●Expenses and/ or losses for decommissioning of Fukushima Daiichi Nuclear Power Station Units 5 and 6	39.8	—	39.8
◆Expenses for Nuclear Damage Compensation			
●Compensation for individual damages ・Expenses for radiation inspection, Mental distress, Damages caused by voluntary evacuations, and Opportunity losses on salary of workers etc.	2,120.3	17.1	2,137.4
●Compensation for business damages ・Opportunity losses on businesses, Damages due to the restriction on shipment, Damages due to groundless rumor, Package compensation and Indirect business damages etc.	2,563.1	224.8	2,787.9
●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 etc.	2,975.0	472.9	3,447.9
● Amount of indemnity for nuclear accidents from the Government	-188.9	—	-188.9
●Grants-in-aid corresponding to decontamination expenses	-1,112.4	-413.6	-1,526.0
Total	6,357.1	**301.2**	6,658.3

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.

*2 Numbers above are those after deduction of a governmental indemnity of 188.9 billion yen, and Grants-in-aid corresponding to decontamination expenses of 1,526.0 billion yen respectively.

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Consolidated Balance Sheets

(Unit: Billion Yen)

	Dec. 31 2016 (A)	Mar. 31 2016 (B)	Comparison (A)-(B)	Comparison (A)/(B) (%)
Total Assets	**12,308.6**	**13,659.7**	**-1,351.0**	**90.1**
Fixed Assets	10,310.4	11,321.2	-1,010.8	91.1
Current Assets	1,998.2	2,338.5	-340.2	85.4
Liabilities	**9,821.2**	**11,441.6**	**-1,620.3**	**85.8**
Long-term Liability	6,250.5	8,601.0	-2,350.4	72.7
Current Liability	3,564.4	2,834.5	729.9	125.8
Reserves for Preparation of the Depreciation of Nuclear Plants Construction	6.2	6.1	0.1	103.0
Net Assets	**2,487.3**	**2,218.1**	**269.2**	**112.1**
Shareholders' Equity	2,504.7	2,196.4	308.2	114.0
Accumulated other comprehensive income	-22.5	-0.1	-22.3	—
Non-controlling interests	5.1	21.8	-16.7	23.5

<Interest-bearing debt outstanding>

(Unit: Billion Yen)

	Dec. 31 2016 (A)	Mar. 31 2016 (B)	(A)-(B)
Bonds	3,239.5	3,480.6	-241.1
Long-term Debt	2,027.7	2,632.9	-605.1
Short-term Debt	854.4	493.2	361.2
Total	6,121.7	6,606.8	-485.1

<Reference>

	FY2016 Apr-Dec (A)	FY2015 Apr-Dec (B)	(A)-(B)
ROA (%)	2.6	3.3	-0.7
ROE (%)	13.2	15.1	-1.9
EPS (Yen)	192.39	211.12	-18.73

ROA: Operating Income/ Average Total Assets

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

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Segment Information

(Unit: Billion Yen)

	FY2016 Apr-Dec (A)	FY2015 Apr-Dec (B)	Comparison (A)-(B)	Comparison (A)/(B)	FY2016 Projection
Operating Revenues	3,877.6	4,497.1	-619.4	86.2	5,344.0
Holdings	688.6	537.2	151.4	128.2	925.0
	39.8	37.9	1.9	105.2	70.0
Fuel & Power	1,187.7	1,872.1	-684.3	63.4	1,620.0
	21.9	44.7	-22.8	49.0	27.0
Power Grid	1,222.5	1,217.7	4.7	100.4	1,669.0
	202.4	126.0	76.3	160.6	275.0
Energy Partner	3,746.3	4,417.8	-671.4	84.8	5,133.0
	3,613.4	4,288.3	-674.9	84.3	4,972.0
Ordinary Income	306.1	436.2	-130.1	70.2	291.0
Holdings	99.2	31.6	67.6	313.9	65.0
Fuel & Power	107.2	271.9	-164.7	39.4	41.0
Power Grid	59.9	64.7	-4.8	92.6	97.0
Energy Partner	38.7	67.8	-29.0	57.2	82.0
Adjustments	0.9	0.1	0.7	682.6	6.0

Note1: Ordinary Income does not include Special Contribution. (The amount of Special Contribution is determined following the decision made by the Management Committee of NDF based on financial situation of TEPCO each fiscal year and requires an approval by the Ministers in charge.)

Note2: The lower row in Operating Revenues section represents revenues from external customers.

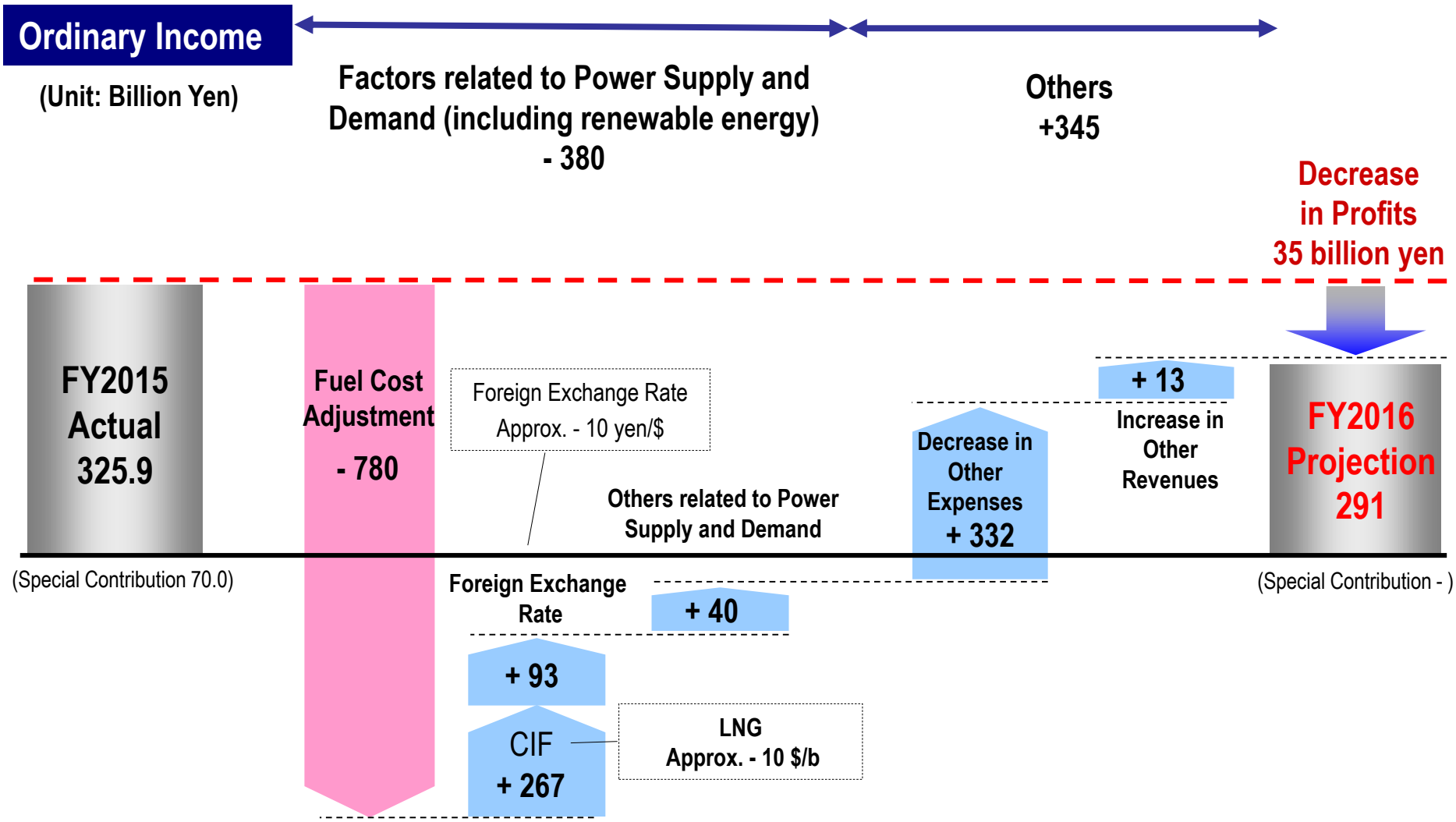
Note3: We set four segments; “Holdings” “Fuel & Power” “Power Grid” and “Energy Partner,” according to its business operations.

Note4: 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.

Note5: Segment information of FY2015 Apr-Dec was calculated and released based on the aforementioned changes.

TEPCO

FY2016 Full-Year Financial Forecasts (Comparison with the Previous Fiscal Year Results)



[Reference] Key Factors Affecting Performance and Financial Impact

Key Factors Affecting Performance

	FY2016 Apr-Dec	FY2016 Full-year Projection (As of Jan. 31)	FY2016 Full-year Projection (As of Oct. 31)	【Reference】FY2015 Actual Performance Apr-Dec	【Reference】FY2015 Actual Performance Full-Year
Electricity Sales Volume (billion kWh)	177.1	243.1	241.4	180.6	247.1
Crude Oil Prices (All Japan CIF; dollars per barrel)	44.9	Approx. 47	-	54.6	48.7
Foreign Exchange Rate (Interbank; yen per dollar)	106.6	Approx. 110	-	121.7	120.2
Flow Rate (%)	93.3	Approx. 95	-	102.2	102.3
Nuclear Power Plant Capacity Utilization Ratio (%)	-	-	-	-	-

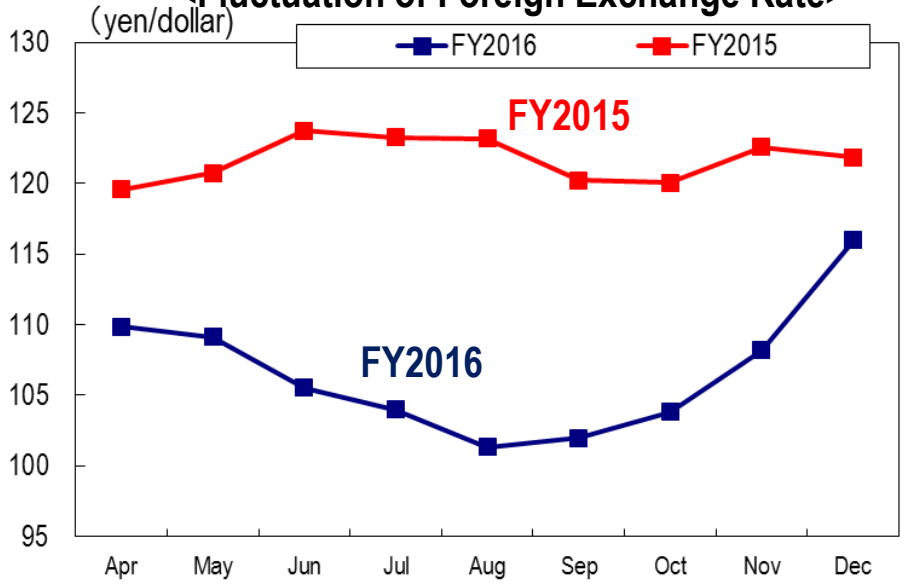
Financial Impact (Sensitivity)

(Unit: Billion Yen)

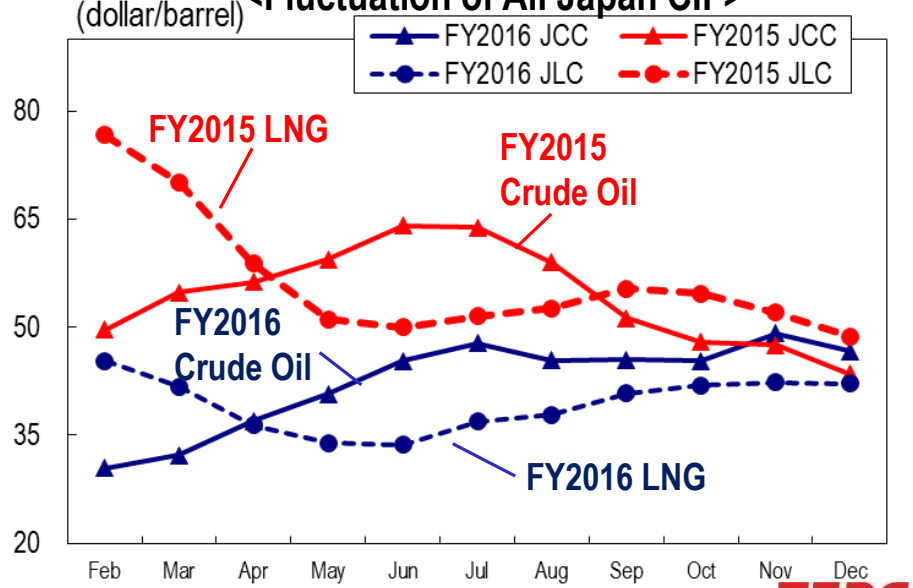
	FY2016 Full-Year Projection (As of Jan. 31)	FY2016 Full-Year Projection (As of Oct. 31)	【Reference】FY2015 Full-Year Actual Performance
Crude Oil Prices (All Japan CIF; 1 dollar per barrel)	Approx. 17	-	Approx. 22.0
Foreign Exchange Rate (Interbank; 1 yen per dollar)	Approx. 9	-	Approx. 12.0
Flow Rate (1%)	Approx. 1	-	Approx. 1.0
Nuclear Power Plant Capacity Utilization Ratio (1%)	-	-	-
Interest Rate (1%)	Approx. 21	-	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-Sep	Oct	Nov	Dec	Oct-Dec	Apr-Dec
Lighting	39.90	5.88	6.58	7.51	19.98	59.88
Power	79.68	12.83	12.26	12.47	37.56	117.24
Total	119.58	18.72	18.84	19.99	57.55	177.12

Unit: Billion kWh

	FY2015						[Ref.] Year-on-year Comparison	
	Apr-Sep	Oct	Nov	Dec	Oct-Dec	Apr-Dec	Oct-Dec	Apr-Dec
Lighting	41.68	6.14	6.25	7.38	19.77	61.45	101.1%	97.4%
Power	81.97	12.62	12.19	12.41	37.22	119.19	100.9%	98.4%
Total	123.65	18.76	18.44	19.79	56.99	180.64	101.0%	98.1%

Total Power Generated

Unit: Billion kWh

	FY2016					
	Apr-Sep	Oct	Nov	Dec	Oct-Dec	Apr-Dec
Hydroelectric	5.71	0.77	0.66	0.69	2.11	7.83
Thermal	91.00	13.99	15.73	17.12	46.85	137.85
Nuclear	-	-	-	-	-	-
Renewable etc.	0.04	0.01	0.00	0.00	0.01	0.05
Total	96.75	14.77	16.39	17.82	48.98	145.72

TEPCO

[Reference] Fuel Consumption

Fuel Consumption Data

	FY2013 Actual	FY2014 Actual	FY2015 Actual	FY2016 Apr-Dec	【Reference】 FY2015 Apr-Dec
LNG(million tons)	23.78	23.49	21.55	14.97	15.92
Oil (million kl)	6.82	3.10	2.48	1.58	1.64
Coal (million tons)	7.76	7.53	8.34	6.24	6.06

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

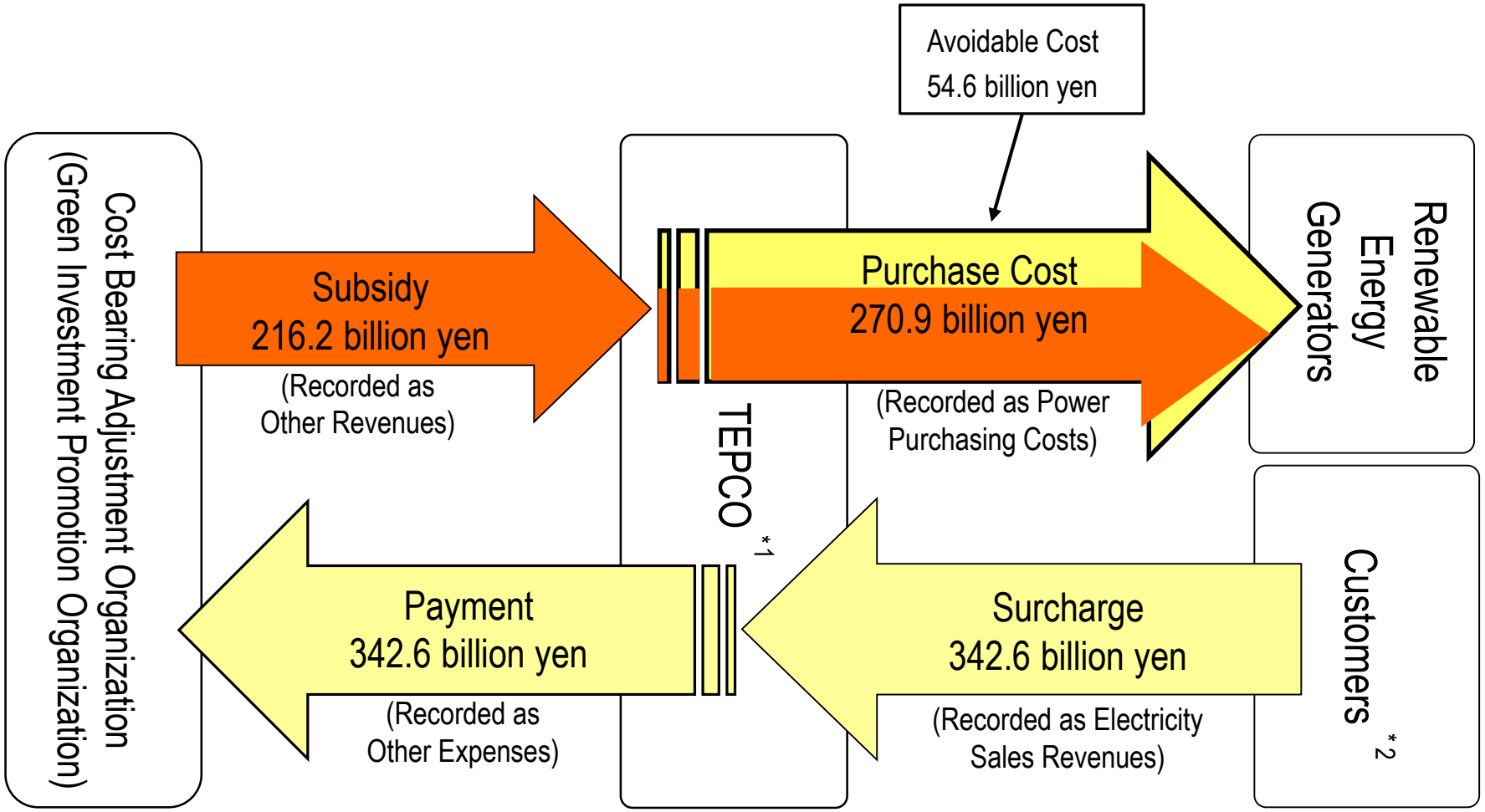
Coal

(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

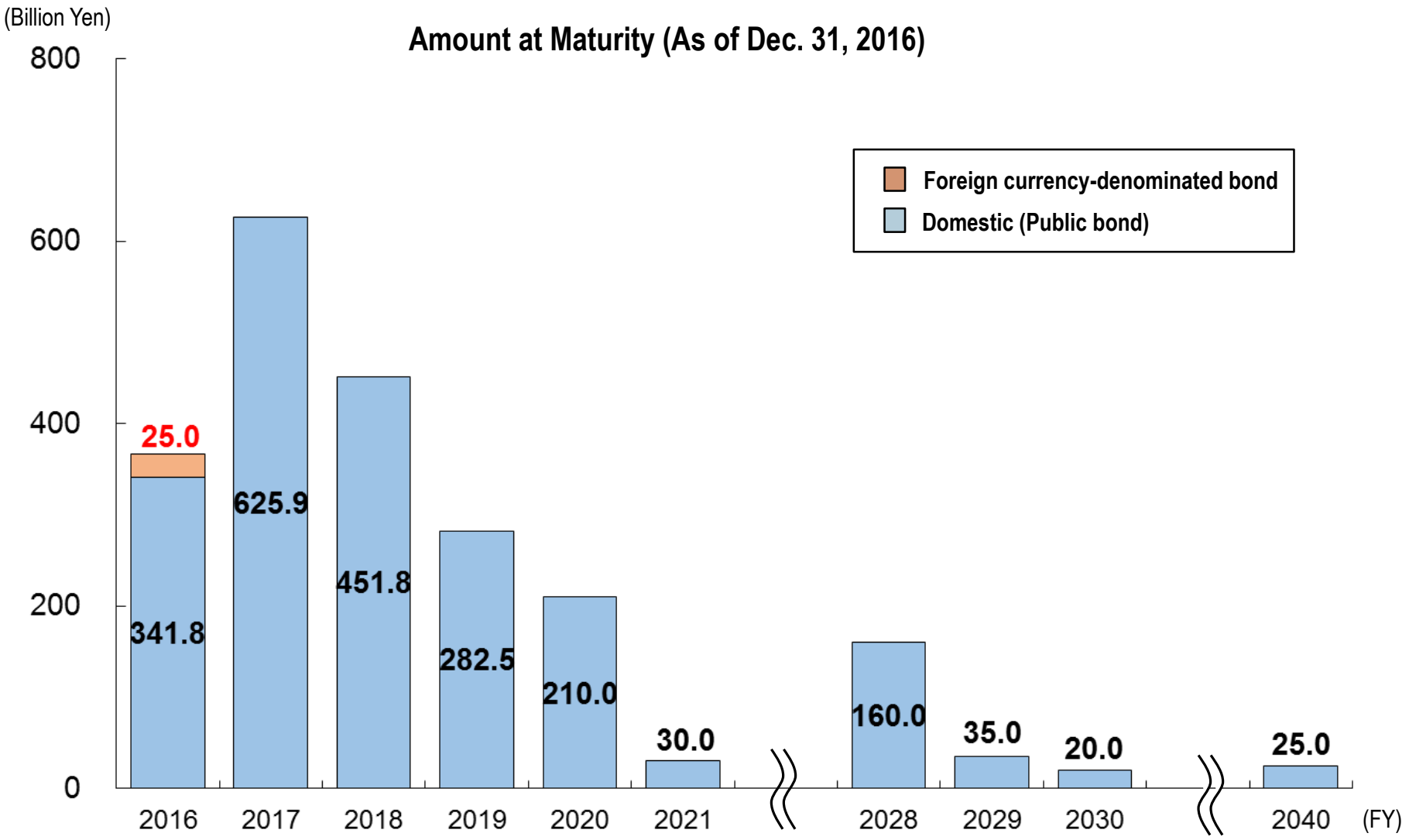
[Reference] Feed-in Tariff Scheme for Renewable Energy (Purchase Cost Collection Flow)

(FY 2016 Apr-Dec)



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

[Reference] Schedules for Public Bond Redemption



Note: The amount redeemed for Apr.-Dec. of fiscal 2016 totaled 241.8 billion yen.

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, preparation works are underway.
- To formulate the removal of fuel debris, investigation of the inside of Reactor Pressure Vessel and Primary Containment Vessel was planned and is underway.

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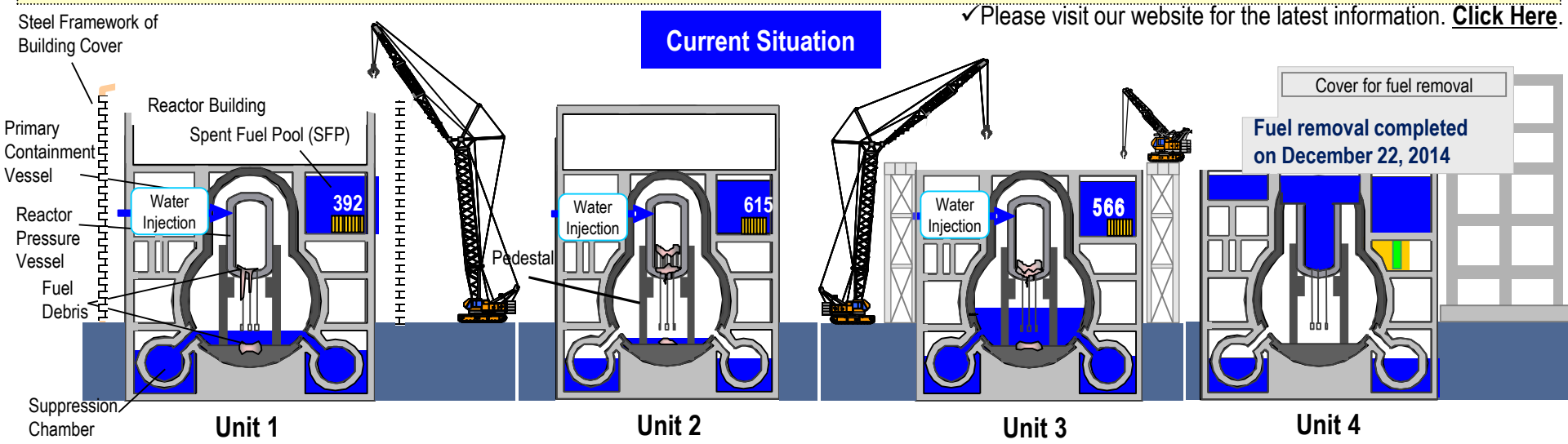
Current Situation



	Unit 1	Unit 2	Unit 3	Unit 4
Reactor*	**Temperature of the bottom of RPV: 14.4℃/ Temperature of the inside of PCV:14.9℃**	**15.8℃／17.7℃**	**16.7℃／16.6℃**	No Fuel
SFP*	**17.8℃**	**19.2℃**	**18.5℃**	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 in September 2016. All of eighteen panels were dismantled in November. Investigation and preparation works have been underway to remove debris.	[Spent fuel removal] - Construction is underway on the west side of the Reactor Building to install a gantry accessing the top floor of the Reactor Building. [Fuel debris removal] - The investigation has been conducted through inserting a camera at the pipe penetration to check rail condition where the self-traveling equipment runs since January 2017. Investigation inside the pedestal will be conducted in February.	[Spent fuel removal] - The installation of shields was completed in December 2016 as a measure to reduce the dose on the Reactor Building top floor. - Installation of the cover for fuel removal started in January 2017. - Although the process is under examination, the start of spent fuel removal is assumed to be the middle of FY2018 . (Revision of the Mid-to-long Term Roadmap (Page 26-27) based on this change is undecided.)	[Spent fuel removal] - Fuel removal from the SFP was completed in December, 2014.

*Temperature is as of January 25, 2017 (11:00 am). (Temperature of SFP at Unit 1 is as of January 24 (5:00am).)

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

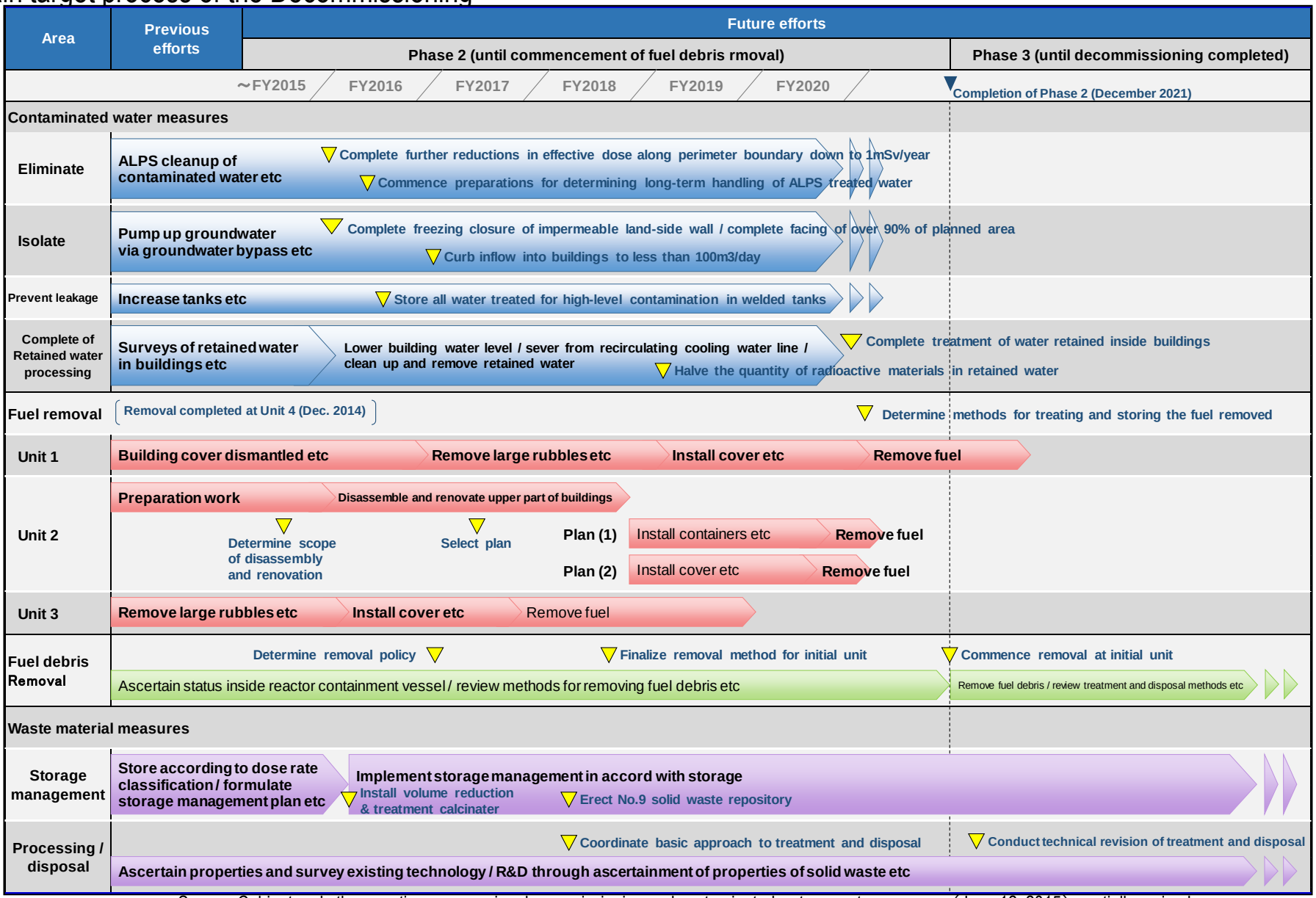
Removal of fuel debris

Decision on policy for each Unit	Around FY2017
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）

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.
- Towards conclusive closure of land-side frozen impermeable walls, which is one of the countermeasures for "Isolate water from contamination," frozen areas has been expanded.

<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

- Sea-side impermeable walls
- Increase tanks (welded-joint tanks)
- Reduction of scale of the contaminated water circulation loop

< 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 January 24, 2017, 3:00pm, the total volume of groundwater discharged is 265,031t) .

Land-side frozen impermeable walls

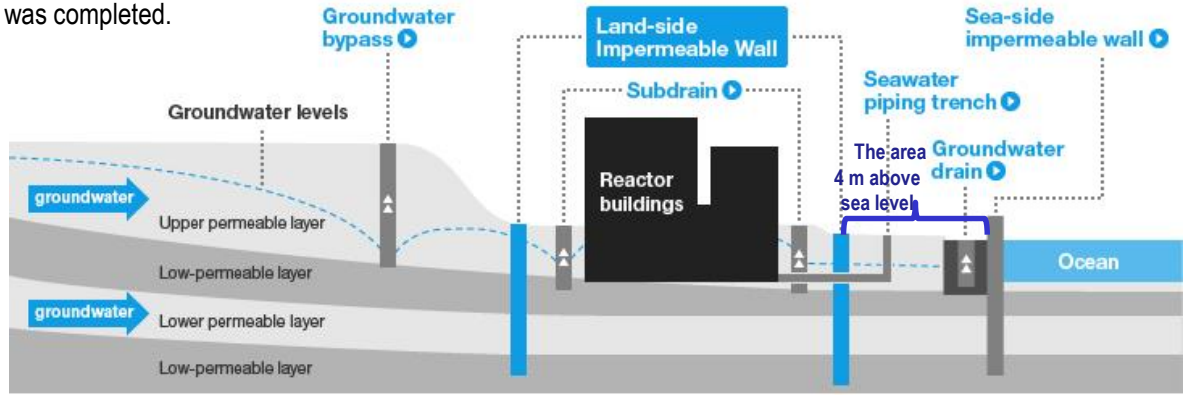
➢Regarding the mountain side, closure of two of seven unfrozen sections started on December 3, 2016, and the temperature is gradually decreasing. Regarding the sea side, groundwater levels and its volumes pumped at the area 4 m above sea level have been monitored to evaluate the effect of the closure. The water level declined to that before heavy rainfall in August and September. Effects of the land-side impermeable walls and other measures have been identified such as a record-low groundwater volume pumped at the area 4 m above sea level and lower increase after rainfall.

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.



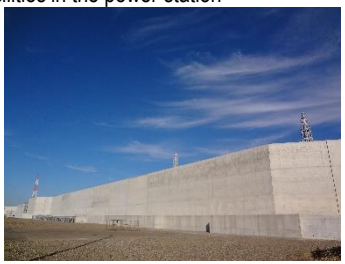
The Current Status of Kashiwazaki-Kariwa Nuclear Power Station and Future Initiatives

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]

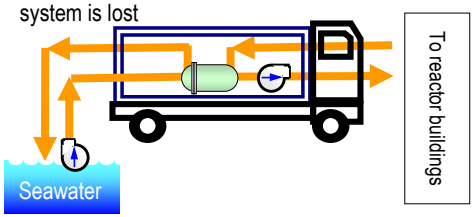
- Install flooding embankment (banks) to prevent Tsunami from invading the site and to protect light oil tanks, buildings and other facilities in the power station



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

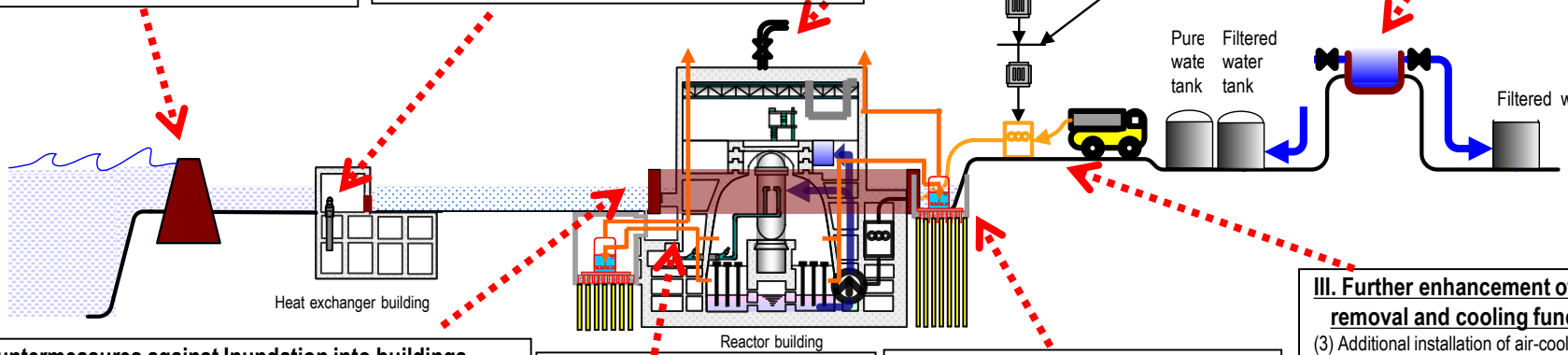
(8) Installation of top venting on reactor buildings

- 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

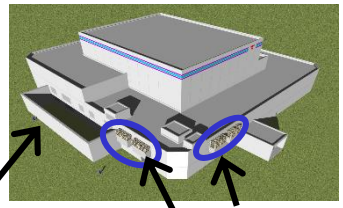


II. Countermeasures against Inundation into buildings

(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 Jan 26, 2017

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.
- 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 Plant Examination>

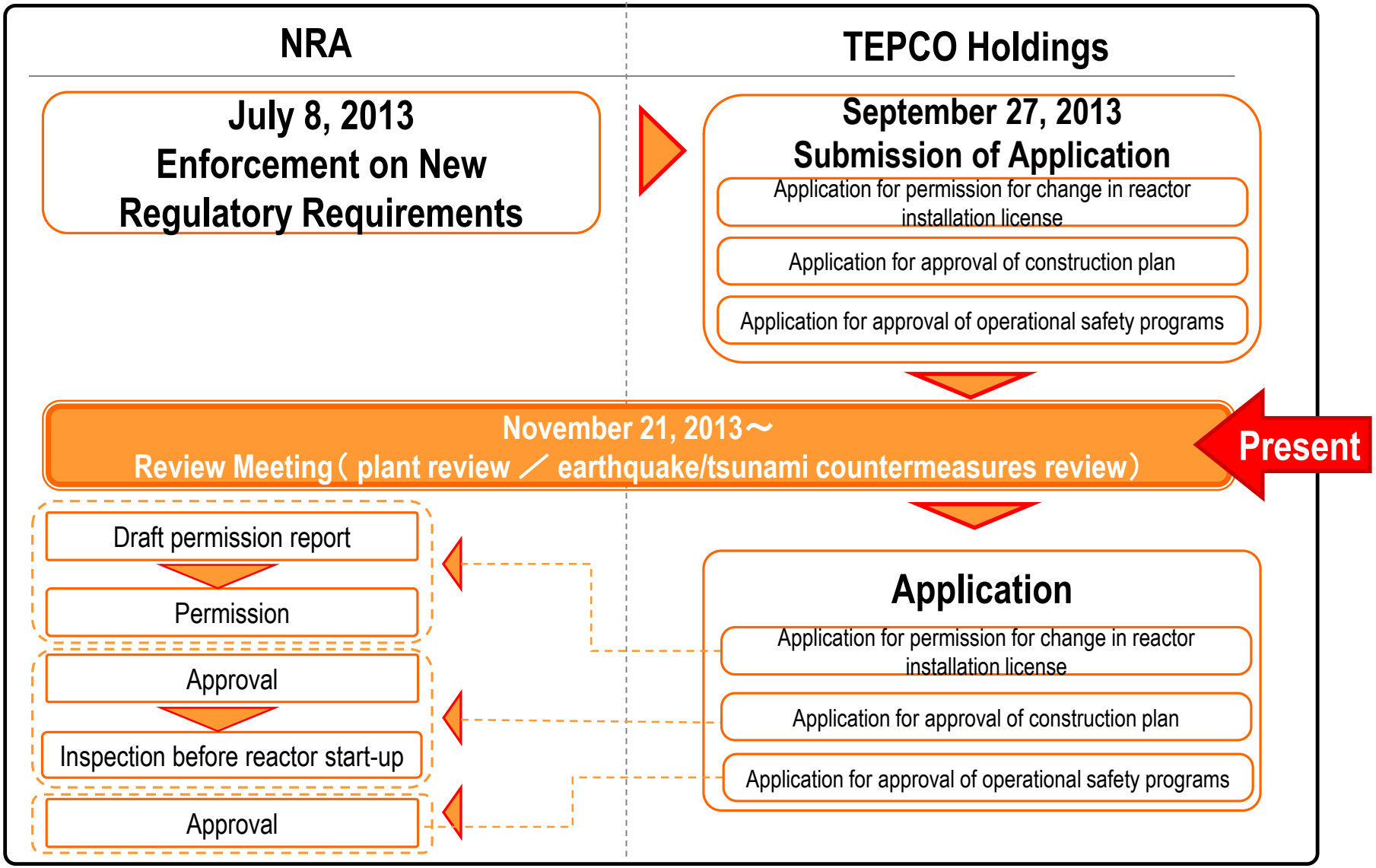
- At present, the method of seismic design/ tsunami-resistant design and the installation of emergency response facility at Unit 5 reactor building (design of function and facilities, operation policy, assessment of radiation exposure etc.) are under examination.
- 95 review meetings and 505 interviews regarding plant examinations had been held as of January 25, 2017.

<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.
- At present, TEPCO explains the changes related to emergency response facility which has been under discussion at the plant examination.
- 32 review meetings and 94 interviews regarding earthquake/ tsunami countermeasure examinations had been conducted as of January 25, 2017.

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 reduction 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. These targets are expected to be achieved. Maximum efforts will continue to be made to implement further cost reduction.
- 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	Projections
TEPCO*	4,821.5 billion yen to be reduced over ten years (including additional cost reduction 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	725.3 billion yen
Subsidiaries & Affiliated Companies	351.7 billion yen to be reduced over ten years (including additional cost reduction from the previous Comprehensive Special Business Plan of 108.5 billion yen)	34.3 billion yen	60.6 billion yen	34.3 billion yen	61.2 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.
- We implemented a self-assessment of the Nuclear Safety Reform Plan. Whereas reforms are moving forward, such as increased awareness of nuclear safety, there still needs to be further improvement in regards to governance enhancement and human asset cultivation if we are to achieve the world’s highest level of safety. Moving forward we shall make sure nuclear power leaders are proactively improving the governance as we enhance our technical and management skills through training mainly at Nuclear Human Resource Development Center.

Countermeasures	Recent Principal Activities ([Resource] Nuclear Safety Reform Plan Progress Report released on Nov. 2, 2016)
Reform instigated by Top Management	・Commencement of the “Management Model Project,” a nuclear management reform project ・In light of the problems with the reporting and notification of core meltdowns, the sharing of information concerning important issues between employees and departments is being enhanced
Enhancing Oversight of and Support for Management	・Oversight and assessment by the Nuclear Safety Oversight Office (Reforms are steadily progressing. However, since we have yet to achieve the world’s highest level of nuclear safety, we still needs to continue to identify problems and make further improvements)
Enhancing the Ability to Make Defense-in-Depth Proposals	・The Sixth Safety Improvement Proposal Skill Enhancement Competition was held in order to revitalize activities to voluntarily improve safety (A record-high 286 submissions made) ・Mechanisms for managing information that is useful for improving nuclear safety in a unified manner and enhancing the improvement implementation process is being constructed (Performance improvement coordinators have been assigned to each department in the power stations in order to promote improvements)
Enhancing Risk Communication Activities	・Examination of the effectiveness of public communications (public communications/ siting community related managers) during an emergency response (The process to disclose information on core meltdowns was confirmed) ・Information disclosure and communication activities regarding safety measures at Kashiwazaki-Kariwa and the decommissioning of Fukushima Daiichi are proactively being developed
Enhancing the Emergency Response Capabilities of Power Stations and the Head Office	・Comprehensive training based on more demanding scenarios in which multiple units are damaged by the earthquake and the plant is on the brink of a core meltdown, which is the most serious accident that could happen at Kashiwazaki-Kariwa, was held. ・Training on getting supplies from the head office to power stations (Training using helicopter etc.)
Training Personnel in order to Improve Nuclear Safety	・The reconstruction of education and training programs has begun at the Nuclear Human Resource Development Center (Reconstruction is underway in each field, such as operation and maintenance, etc., based on the results of benchmarking with overseas operators) ・Training in improving in-house technical skill so as to prevent severe accidents

Main Efforts to Increase Corporate Value

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

<TEPCO Holdings>

Nov. 4, 2016 Agreement regarding P2G (Power to Gas) system development and demonstration project towards achieving hydrogen energy society with carbon-neutral was concluded. (Yamanashi Prefecture, Toray Industries, Inc. and TAKAOKA TOKO CO., LTD.)

Dec. 13, 2016 Comprehensive strategic alliance was made with OSIsoft in the area of IoT. TEPCO Holdings became the first electric utility in Japan to enter into such an agreement with OSIsoft. OSIsoft (U.S.A.) is a world-leading company that provides operation information management.

<TEPCO Fuel & Power>

Dec. 26, 2016 Enhancement of efficiency at Yokohama Thermal Power Station Unit 7-4. Completion of replacement of gas turbines etc. to reduce fuel costs and CO2 emissions.

<TEPCO Power Grid>

Nov. 7, 2016 Commencement of demonstration project regarding IoT platform development to gather, accumulate and process information on home electricity usage etc. (Hitachi, Ltd. and Panasonic Corporation)

<TEPCO Energy Partner>

Nov. 2, 2016 Official announcement about commencement of new incentive program “e-charge point” targeted at customers who have a electric vehicle from February 2017 (planned) (TOYOTA MOTOR CORPORATION, NISSAN MOTOR CO.,LTD., BMW Japan Corp., Volkswagen Group Japan Co., Ltd. and Mitsubishi Motors Corporation)

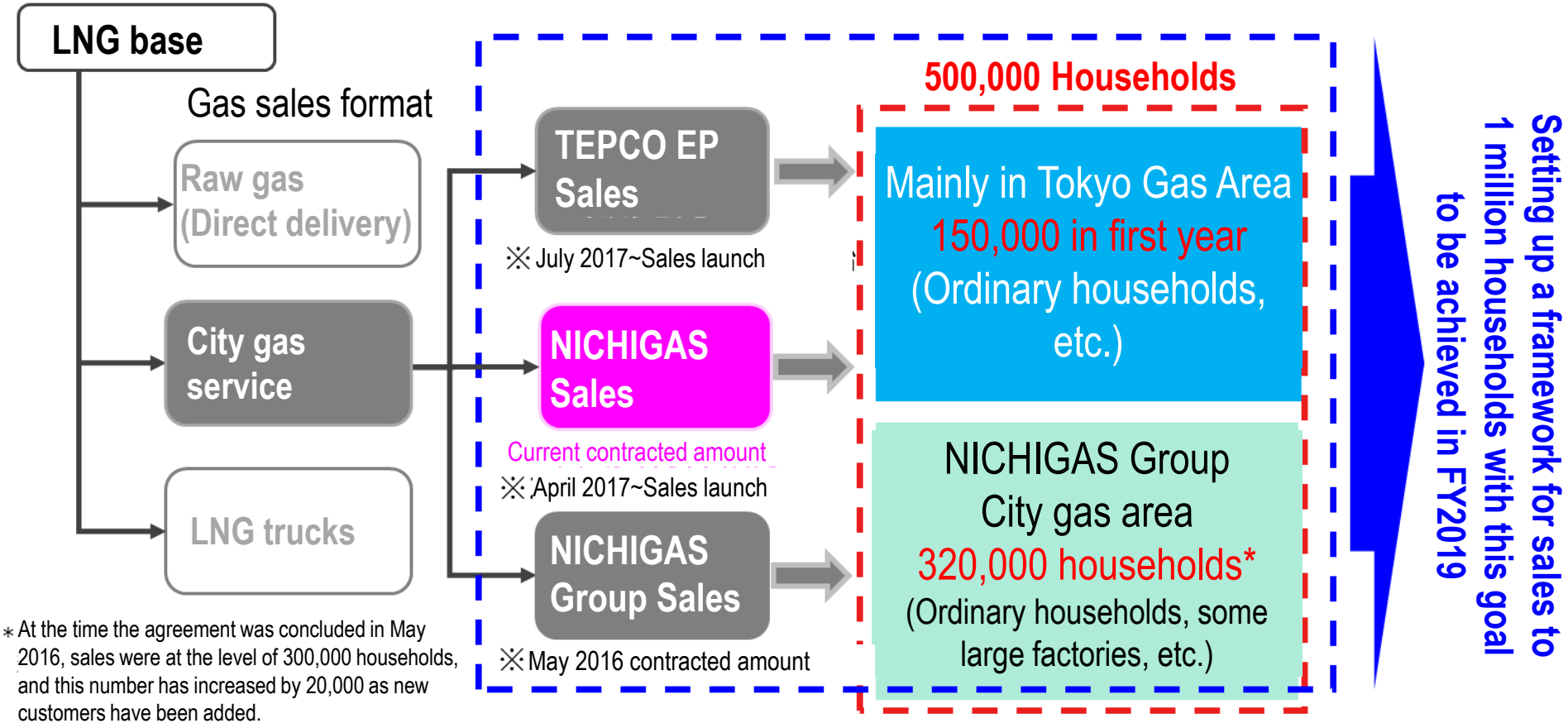
Dec. 26, 2016 Towards full liberalization of gas market beginning in April 2017, TEPCO Energy Partner and NIPPON GAS CO., LTD. concluded a basic agreement for TEPCO Energy Partner to wholesale city gas to NIPPON GAS CO., LTD. which will be sold mainly to households.

Note: Alliance companies’ name is written in parentheses.

TEPCO

[Reference] Entry into Household City Gas Retail Business

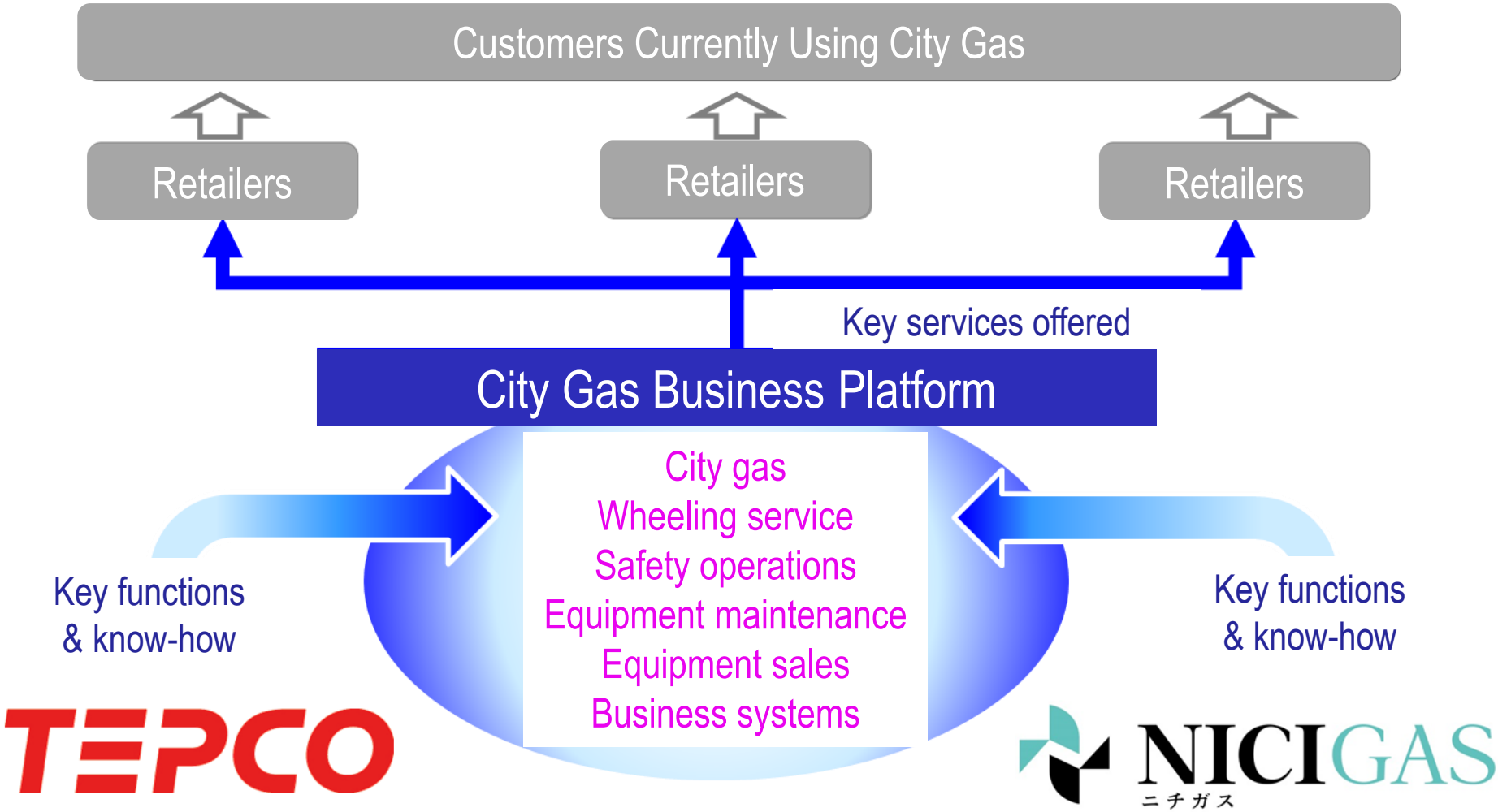
- ✓ On December 26, 2016, TEPCO Energy Partner, Inc. (“TEPCO EP”) and NIPPON GAS CO., LTD. (“NICHIGAS”) concluded a basic agreement for TEPCO EP to wholesale city gas (13A) to NICHIGAS which will be sold mainly to households beginning in April 2017.
- ✓ With this agreement, both companies are aiming to increase sales to the level of 500,000 households in the initial year when the city gas market is fully liberalized. NICHIGAS will begin sales in April 2017 and TEPCO EP the following July.



＊At the time the agreement was concluded in May 2016, sales were at the level of 300,000 households, and this number has increased by 20,000 as new customers have been added.

[Reference] Relationship between TEPCO EP and NICHIGAS

- ✓ TEPCO EP and NICHIGAS will set up a platform that merges their respective functions and know-how necessary for gas sales.
- ✓ This will provide a stable supply of gas and services to retailers newly entering the gas retail market.



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