

# FY2017 1<sup>st</sup> Quarter Financial Results (April 1 – June 30, 2017)

Tokyo Electric Power Company Holdings, Inc.

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## **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 is 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 FY2017 1<sup>st</sup> Quarter Financial Results

(Released on July 28, 2017)

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## < FY2017 1<sup>st</sup> Quarter Financial Results >

- Although electricity sales revenue decreased due to a decrease in electricity sales volume, ordinary revenue increased due to an increase in grants under Act on Procurement of Renewable Electric Energy etc.
- Ordinary expenses increased due to the rise of fuel prices and increase of purchasing solar power generation.
- Ordinary income achieved profits for the fourth consecutive year. However, time-lag effect\* caused by fuel cost adjustments, which made a positive contribution in FY2016 1<sup>st</sup> Quarter, made a negative contribution in FY2017 1<sup>st</sup> Quarter, and ordinary income decreased.
- Net income increased due to recording grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF).

\*Difference between such revenue as may be adjusted if fuel prices were reflected immediately and the revenue from actual fuel cost adjustment.

## < FY2017 Full-year Financial Forecasts >

- There is no revision from the projections released on May 11, 2017.

# 1. Consolidated Financial Results

(Unit Billion Yen)

	FY2017 Apr-Jun (A)	FY2016 Apr-Jun (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	1,313.3	1,264.9	48.3	103.8
Operating Income	67.6	143.6	-75.9	47.1
Ordinary Income	55.6	136.7	-81.1	40.7
Extraordinary Income	128.6	-	128.6	-
Extraordinary Loss	36.0	119.9	-83.8	-
Net Income attributable to owners of parent	148.0	1.1	146.9	-

## 2. Electricity Sales Volume/ Key Factors Affecting Performance

### Electricity Sales Volume

(Unit: Billion kWh)

	FY2017 Apr-Jun (A)	FY2016 Apr-Jun (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Lighting	17.8	19.0	-1.1	94.1
Power	36.4	37.3	-0.9	97.6
Total	54.3	56.3	-2.0	96.4

\* Excluding islands. Including nation-wide sales.

### Key Factors Affecting Performance

	FY2017 Apr-Jun (A)	FY2016 Apr-Jun (B)	(A)-(B)
Foreign Exchange Rate (Interbank, yen/dollar)	111.1	108.1	3.0
Crude Oil Prices (All Japan CIF, dollar/barrel)	53.4	41.1	12.3
LNG Prices (All Japan CIF, dollar/barrel)	48.2	34.7	13.5

### 3. Ordinary Revenue (Consolidated)

(Unit: Billion Yen)

	FY2017 Apr-Jun (A)	FY2016 Apr-Jun (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
<b>(Operating Revenue)</b>	<b>1,313.3</b>	<b>1,264.9</b>	<b>48.3</b>	<b>103.8</b>
Electricity Sales Revenue	1,035.2	1,064.4	-29.2	97.3
Lighting	431.2	450.4	-19.1	95.8
Power	603.9	614.0	-10.0	98.4
Power Sold to Other Utilities and Suppliers	45.4	23.7	21.6	191.1
Other Revenue	198.6	155.6	43.0	127.7
(Written again) Grant under Act on Procurement of Renewable Electric Energy	103.2	82.8	20.3	124.6
(Written again) Transmission Revenue	44.6	26.1	18.4	170.6
Subsidiaries/ Affiliated Companies	46.4	44.0	2.4	105.6
Ordinary Revenue	1,325.8	1,287.8	37.9	102.9

- Decrease in electricity sales volume: - 40.0
- Effect of fuel cost adjustments: + 4.0
- Renewable energy surcharge: +19.8

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)

	FY2017 Apr-Jun (A)	FY2016 Apr-Jun (B)	(Unit: Billion Yen) Comparison		
			(A)-(B)	(A)/(B) (%)	
Personnel Expenses	85.4	88.3	-2.8	96.8	<ul style="list-style-type: none"> <li>• Effect of price fluctuations of exchange rate, fuel prices (CIF) and others: + 66.0</li> <li>• Decrease in thermal power generation: -17.0</li> </ul>
Fuel Expenses	277.0	227.8	49.1	121.6	
Maintenance Expenses	65.4	69.8	-4.4	93.7	<ul style="list-style-type: none"> <li>• Increase of purchase from solar power generation and others</li> </ul>
Depreciation	135.5	136.9	-1.3	99.0	
Power Purchasing Costs	277.1	222.4	54.6	124.6	Total of TEPCO Holdings and three Core Operating Companies (after intercompany elimination)
Interest Paid	17.1	20.4	-3.3	83.7	
Taxes, etc.	72.3	72.1	0.2	100.3	Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after intercompany elimination)
Nuclear Back-end Costs	12.2	13.3	-1.1	91.5	
Other Expenses	286.8	266.6	20.2	107.6	
(Written again) Payment under Act on Procurement of Renewable Electric Energy	120.4	100.6	19.8	119.7	
Subsidiaries/ Affiliated Companies	41.0	33.1	7.9	124.0	
Ordinary Expenses	1,270.2	1,151.1	119.0	110.3	
<b>(Operating Income)</b>	<b>(67.6)</b>	<b>(143.6)</b>	<b>(-75.9)</b>	<b>47.1</b>	
<b>Ordinary Income</b>	<b>55.6</b>	<b>136.7</b>	<b>-81.1</b>	<b>40.7</b>	

• Effect of price fluctuations of exchange rate, fuel prices (CIF) and others: + 66.0  
 • Decrease in thermal power generation: -17.0

• Increase of purchase from solar power generation 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)

	FY2017 Apr-Jun	FY2016 Apr-Jun	Comparison
<b>Extraordinary Income</b>	<b>128.6</b>	—	<b>128.6</b>
Grants-in-aid from NDF*	128.6	—	<b>128.6</b>
<b>Extraordinary Loss</b>	<b>36.0</b>	<b>119.9</b>	<b>-83.8</b>
Expenses for Nuclear Damage Compensation	36.0	119.9	<b>-83.8</b>
<b>Extraordinary Income/ Loss</b>	<b>92.5</b>	<b>-119.9</b>	<b>212.4</b>

\* Nuclear Damage Compensation and Decommissioning Facilitation Corporation

### <Extraordinary Income>

Grants-in-aid from NDF

- Application for financial support from NDF in May and June 2017

### <Extraordinary Loss>

Expenses for Nuclear Damage Compensation

- Increase in the estimated amount of compensation for damage to reputation etc., and other factors

## 6. Consolidated Financial Position

- Total assets decreased 220.6 billion yen primarily due to a decrease in cash and deposits.
- Total liabilities decreased 342.3 billion yen primarily due to a decrease in provision for nuclear damage compensation.
- Equity ratio improved by 1.3 points.

Balance Sheets as of Mar. 31, 2017

<b>Total Assets</b> 12,277.6 billion yen	<b>Liabilities</b> 9,928.9 billion yen
	<b>Net Assets</b> 2,348.6 billion yen

**Equity Ratio: 19.1%**

Balance Sheets as of Jun. 30, 2017

<b>Total Assets</b> 12,056.9 billion yen  <b>Decrease in Assets</b> -220.6 billion yen <ul style="list-style-type: none"> <li>• Cash and deposits -167.6 billion yen</li> </ul>	<b>Liabilities</b> 9,586.5 billion yen
	<b>Net Assets</b> 2,470.3 billion yen

**Equity Ratio: 20.4%**

**Decrease in Liabilities**  
-342.3 billion yen

- Provision for nuclear damage compensation  
- 108.7 billion yen

**Increase in Net Assets**

+121.7 billion yen

- Record net income attributable to owners of parent  
+148.0 billion yen

**Improved by 1.3 points**

## 7. FY2017 Full-Year Financial Forecasts

(Unit: Billion Yen)

	<b>FY2017 Projections</b> (released on Jul. 28, 2017)	<b>FY2017 Projections</b> (released on May 11, 2017)	<b>FY2016 Results</b>
Operating Revenue	5,750	5,750	5,357.7
Ordinary Income	200	200	227.6
Extraordinary Income/ Loss	98	98	-80.6
Net Income attributable to owners of parent	288	288	132.8

\* FY2017 Projections released on July 28 have no change from those released on May 11, 2017.

# 8. FY2017 Full-Year Financial Forecasts

## (Key Factors Affecting Performance/ Financial Impact)

### Key Factors Affecting Performance

	FY2017 Projections (released on Jul. 28, 2017)	FY2017 Projections (released on May 11, 2017)	FY2016 Results
Electricity Sales Volume (billion kWh)	235.2	234.9	241.5
Crude Oil Prices (All Japan CIF; dollars per barrel)	Approx. 54	Approx. 55	47.5
Foreign Exchange Rate (Interbank; yen per dollar)	Approx. 114	Approx. 115	108.4
Flow Rate (%)	Approx. 98	Approx. 100	94.2
Nuclear Power Plant Capacity Utilization Ratio (%)	—	—	—

### Financial Impact (Sensitivity)

(Unit: Billion Yen)

	FY2017 Projections (released on Jul. 28, 2017)	FY2017 Projections (released on May 11, 2017)	FY2016 Results
<Fuel Expenses>			
Crude Oil Prices (All Japan CIF; 1 dollar per barrel)	Approx. 16	Approx. 16	Approx. 17
Foreign Exchange Rate (Interbank; 1 yen per dollar)	Approx. 11	Approx. 11	Approx. 10
Nuclear Power Plant Capacity Utilization Ratio (1%)	—	—	—
<Interest Paid>			
Interest Rate 1% (Long-term / Short-term)	Approx. 28	Approx. 28	Approx. 21

# Supplemental Material

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# FY2017 1<sup>st</sup> Quarter Financial Results

## Detailed Information

# Consolidated Statements of Income

(Unit: Billion Yen)

	FY2017 Apr-Jun (A)	FY2016 Apr-Jun (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	1,313.3	1,264.9	48.3	103.8
Operating Expenses	1,245.7	1,121.3	124.3	111.1
<b>Operating Income</b>	<b>67.6</b>	<b>143.6</b>	<b>-75.9</b>	<b>47.1</b>
Non-operating Revenue	12.5	22.9	-10.3	54.8
Investment Gain under the Equity Method	8.4	12.6	-4.1	66.8
Non-operating Expenses	24.5	29.7	-5.2	82.4
<b>Ordinary Income</b>	<b>55.6</b>	<b>136.7</b>	<b>-81.1</b>	<b>40.7</b>
Reserve for preparation of depreciation of nuclear power construction	0.0	0.0	-0.0	57.8
Extraordinary Income	128.6	—	128.6	—
Extraordinary Loss	36.0	119.9	-83.8	—
Income Tax, etc.	-0.0	15.4	-15.5	—
Net Income attributable to non-controlling interests	0.1	0.1	-0.0	86.7
<b>Net Income attributable to owners of parent</b>	<b>148.0</b>	<b>1.1</b>	<b>146.9</b>	<b>—</b>



# Breakdown of Consolidated Ordinary Revenue

	(Unit: Billion Yen)			
	FY2017 Apr-Jun (A)	FY2016 Apr-Jun (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
<b>Ordinary Revenue</b>	<b>1,325.8</b>	<b>1,287.8</b>	<b>37.9</b>	<b>102.9</b>
<b>Operating Revenue</b>	<b>1,313.3</b>	<b>1,264.9</b>	<b>48.3</b>	<b>103.8</b>
Operating Revenue from Electric Power Business	1,245.5	1,210.3	35.2	102.9
Electricity Sales Revenue	1,035.2	1,064.4	-29.2	97.3
Lighting	431.2	450.4	-19.1	95.8
Power	603.9	614.0	-10.0	98.4
Power Sold to Other Utilities	9.2	7.4	1.8	124.7
Power Sold to Other Suppliers	36.1	16.3	19.8	221.4
Other Revenue	164.8	122.0	42.7	135.0
Operating Revenue from Incidental Business	22.5	16.5	5.9	135.8
<b>Non-operating Revenue</b>	<b>12.5</b>	<b>22.9</b>	<b>-10.3</b>	<b>54.8</b>

(Note)

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

# Breakdown of Consolidated Ordinary Expenses

(Unit: Billion Yen)

	FY2017 Apr-Jun (A)	FY2016 Apr-Jun (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
<b>Ordinary Expenses</b>	<b>1,270.2</b>	<b>1,151.1</b>	<b>119.0</b>	<b>110.3</b>
<b>Operating Expenses</b>	<b>1,245.7</b>	<b>1,121.3</b>	<b>124.3</b>	<b>111.1</b>
<b>Operating Expenses for Electric Power Business</b>	<b>1,183.3</b>	<b>1,077.0</b>	<b>106.3</b>	<b>109.9</b>
Personnel	85.4	88.3	-2.8	96.8
Fuel	277.0	227.8	49.1	121.6
Maintenance	65.4	69.8	-4.4	93.7
Depreciation	135.5	136.9	-1.3	99.0
Power Purchasing	277.1	222.4	54.6	124.6
Taxes, etc.	72.3	72.1	0.2	100.3
Nuclear Power Back-end	12.2	13.3	-1.1	91.5
Others	258.1	246.0	12.1	104.9
<b>Operating Expenses for Incidental Business</b>	<b>21.2</b>	<b>11.2</b>	<b>9.9</b>	<b>188.6</b>
<b>Non-operating Expenses</b>	<b>24.5</b>	<b>29.7</b>	<b>-5.2</b>	<b>82.4</b>
Interest Paid	17.0	20.4	-3.3	83.5
Other Expenses	7.5	9.3	-1.8	80.1

(Note)

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

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

**Personnel expenses (¥88.3 billion to ¥85.4 billion) - ¥2.8 billion**

Salary and benefits (¥66.3 billion to ¥62.6 billion) - ¥3.6 billion

Retirement benefits (¥4.4 billion to ¥6.6 billion) +¥2.1 billion

Amortization of actuarial difference + ¥2.4 billion (- ¥0.9 billion to ¥1.4 billion)

## <Amortization of Actuarial Difference>

(Unit Billion Yen)

	Expenses incurred	Expenses / Provisions in Each Period				Amount Uncharged as of Jun. 30, 2017
		FY2016		FY2017		
		Charged	Of which charged in Apr-Jun	Charged	Of which charged in Apr-Jun	
FY2014	-38.1	-12.7	-3.1	—	—	—
FY2015	26.6	8.8	2.2	8.8	2.2	6.6
FY2016	-8.9	-2.9	—	-2.9	-0.7	-5.2
Total		-6.7	-0.9	-5.9	1.4	1.4

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

**Fuel expenses (¥227.8 billion to ¥277.0 billion) +¥49.1 billion**

Consumption volume Approx. - ¥17.0 billion

Decrease in thermal power generation Approx. - ¥17.0 billion

Price Approx. + ¥66.0 billion

Increase due to fluctuations of foreign exchanges Approx. + ¥8.0 billion

Increase due to fluctuations of CIF crude oil price, and others Approx. + ¥58.0 billion

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

## Maintenance expenses (¥69.8 billion to ¥65.4 billion) - ¥4.4 billion

Generation facilities (¥18.2 billion to ¥22.7 billion)		+¥4.5 billion
Hydroelectric power (¥1.1 billion to ¥1.7 billion)		+¥0.5 billion
Thermal power (¥10.9 billion to ¥14.4 billion)	<u>Main Factors for Increase/ Decrease</u> Thermal: Increase in expenses for repairs on turbine, and others	+¥3.5 billion
Nuclear power (¥6.0 billion to ¥6.6 billion)		+¥0.5 billion
Renewable energy (¥0.1 billion to ¥0.0 billion)		- ¥0.1 billion
Distribution facilities (¥51.0 billion to ¥42.0 billion)		- ¥8.9 billion
Transmission (¥4.2 billion to ¥3.3 billion)	<u>Main Factors for Increase/ Decrease</u> Distribution : Decrease in expenses for replacement of conventional meters with smart meters, Decrease in expenses for repair work of distribution line, and others	- ¥0.9 billion
Transformation (¥3.3 billion to ¥2.3 billion)		- ¥0.9 billion
Distribution (¥43.4 billion to ¥36.4 billion)		- ¥7.0 billion
Others (¥0.5 billion to ¥0.5 billion)		- ¥0.0 billion

## Depreciation expenses (¥136.9 billion to ¥135.5 billion) - ¥1.3 billion

Generation facilities (¥59.6 billion to ¥60.7 billion)		+¥1.0 billion
Hydroelectric power (¥5.7 billion to ¥5.5 billion)		- ¥0.1 billion
Thermal power (¥32.5 billion to ¥31.1 billion)		- ¥1.3 billion
Nuclear power (¥21.1 billion to ¥23.7 billion)		+¥2.5 billion
Renewable energy (¥0.3 billion to ¥0.2 billion)		- ¥0.0 billion
Distribution facilities (¥74.9 billion to ¥72.8 billion)		- ¥2.0 billion
Transmission (¥35.2 billion to ¥33.4 billion)		- ¥1.8 billion
Transformation (¥13.5 billion to ¥13.2 billion)		- ¥0.3 billion
Distribution (¥26.0 billion to ¥26.1 billion)		+¥0.0 billion
Others (¥2.3 billion to ¥1.9 billion)		- ¥0.3 billion

### <Depreciation Breakdown>

	FY2016 Apr-Jun	→	FY2017 Apr-Jun
Regular depreciation	¥135.4 billion		¥135.5 billion
Trial operations depreciation	¥1.4 billion		—

## Power purchasing costs (¥222.4 billion to ¥277.1 billion) +¥54.6 billion

Power purchased from other utilities (¥6.9 billion to ¥9.2 billion)	+¥2.3 billion
Power purchased from other suppliers (¥215.5 billion to ¥267.9 billion)	+¥52.3 billion

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

<b>Taxes and other public charges (¥72.1 billion to ¥72.3 billion)</b>		<b>+¥0.2 billion</b>
Enterprise tax (¥12.6 billion to ¥12.0 billion)		- ¥0.5 billion
Charge for occupancy of roads (¥6.8 billion to ¥7.2 billion)		+¥0.4 billion
<b>Nuclear power back-end costs (¥13.3 billion to ¥12.2 billion)</b>		<b>- ¥1.1 billion</b>
Expenses for contribution of reprocessing of irradiated nuclear fuel (¥ - billion to ¥7.6 billion)		+¥7.6 billion
Expenses for reprocessing of irradiated nuclear fuel (¥8.0 billion to ¥ - billion)		- ¥8.0 billion
Expenses for preparation of reprocessing of irradiated nuclear fuel (¥0.7 billion to ¥ - billion)		- ¥0.7 billion
Decommissioning costs of nuclear power units (¥4.6 billion to ¥4.6 billion)		- ¥0.0 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.		
<b>Other expenses (¥246.0 billion to ¥258.1 billion)</b>		<b>+¥12.1 billion</b>
Payment on Act of Renewable Electric Energy (¥100.6 billion to ¥120.4 billion)		+¥19.8 billion
Miscellaneous expenses (¥4.3 billion to ¥5.9 billion)	<u>Main Factors for Increase/ Decrease</u> Payment on Act of Renewable Electric Energy: Increase in renewable power promotion surcharge Commission expenses: Decrease in commission expenses for receiving claim for nuclear damage compensation, and others	+¥1.6 billion
Rental expenses (excluding charge for occupancy of roads) (¥28.0 billion to ¥27.1 billion)		-¥0.8 billion
Promotion expenses (¥6.0 billion to ¥1.4 billion)		-¥4.5 billion
Commission expenses (¥54.1 billion to ¥48.6 billion)		-¥5.5 billion
Contribution to Nuclear Damage Liability Facilitation Fund (¥14.1 billion to ¥14.1 billion)		—
<b>Incidental business operating expenses (¥11.2 billion to ¥21.2 billion)</b>		<b>+¥9.9 billion</b>
Gas supply business (¥9.8 billion to ¥19.9 billion)	<u>Main Factors for Increase/ Decrease</u> Gas supply business: Increase in costs of raw materials due to increase in LNG sales, and others	+¥10.1 billion
<b>Interest paid (¥20.4 billion to ¥17.0 billion)</b>		<b>- ¥3.3 billion</b>
Decrease in average rate during the period (1.26% to 1.14%) [Total of four companies]		- ¥1.1 billion
Decrease in the amount of interest-bearing debt (¥6,318.6 billion to ¥6,126.7 billion) [Total of four companies]		- ¥2.1 billion
<b>Other non-operating expenses (¥9.3 billion to ¥7.5 billion)</b>		<b>- ¥1.8 billion</b>
Bond issuance cost (¥1.1 billion to ¥0.1 billion)		- ¥0.9 billion

# Increase/ Decrease of Consolidated Business Performance

- Year on Year Comparison

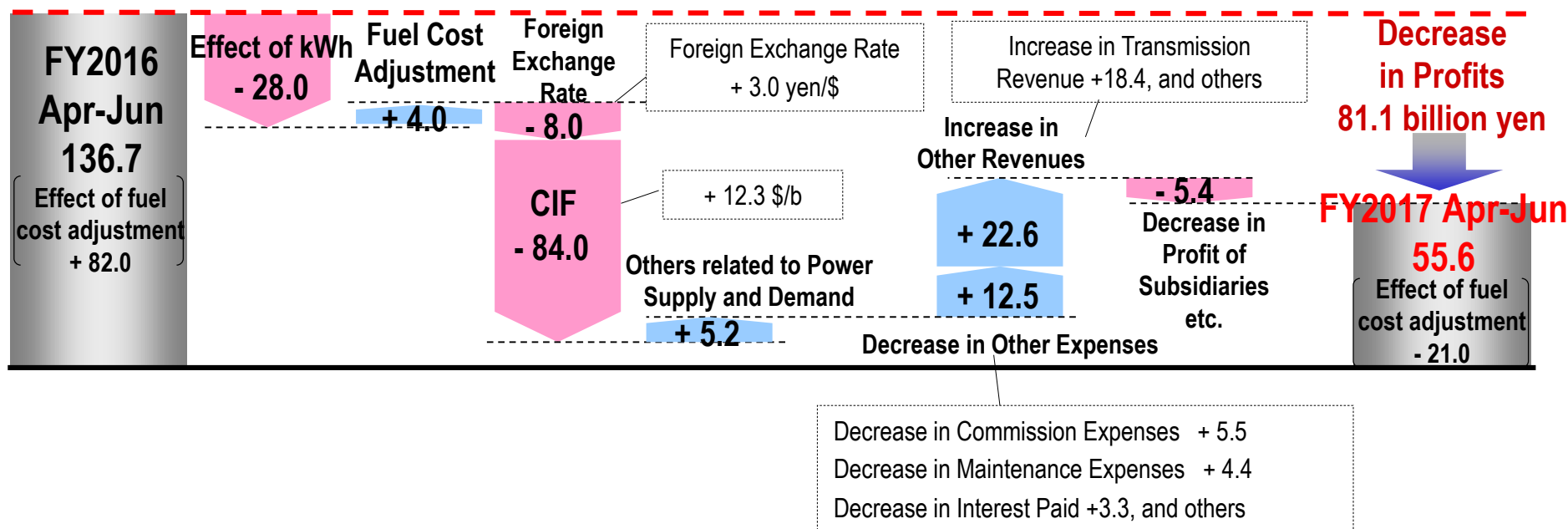
➤ Ordinary income decreased 81.1 billion yen to 55.6 billion yen.

## Ordinary Income

(Unit: Billion Yen)

Factors related to Power Supply and Demand  
(including renewable energy)  
- 110.8

Others  
+29.7



➤ Net Income attributable to owners of parent increased 146.9 billion yen to 148.0 billion yen

Ordinary Income/ Loss -81.1, Extraordinary Income/ Loss +212.4, Income Tax etc. +15.5 and others

# Financial Impact of the Great East Japan Earthquake

(Unit: Billion Yen)

Item	FY2010 to FY2016	FY2017 Apr-Jun	Cumulative Amount
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## ◇ 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 6,651.3	128.6	*2 6,780.0
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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 1,526.0 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 2,735.7 billion yen respectively.

## ◆ Loss on Disaster

● Expenses and/ or losses for Fukushima Daiichi Nuclear Power Station Units 1 through 4	1,025.9	-2.0	1,023.8
● Other expenses and/ or losses	387.0	-0.1	386.9
◆ Loss on Disaster Sub Total: (A)	1,412.9	-2.1	1,410.8
◇ 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)	1,380.9	-2.1	1,378.7

## ◆ 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
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## ◆ 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.	2,141.8	3.5	2,145.3
● 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.	2,847.5	35.4	2,882.9
● 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.	3,474.8	1,206.7	4,681.5
● Amount of indemnity for nuclear accidents from the Government	-188.9	—	-188.9
● Grants-in-aid corresponding to decontamination expenses	-1,526.0	-1,209.6	-2,735.7
Total	6,749.1	36.0	6,785.1

# Consolidated Balance Sheets

(Unit: Billion Yen)

	Jun. 30 2017 (A)	Mar. 31 2017 (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
<b>Total Assets</b>	<b>12,056.9</b>	<b>12,277.6</b>	<b>-220.6</b>	<b>98.2</b>
Fixed Assets	10,215.8	10,293.8	-78.0	99.2
Current Assets	1,841.1	1,983.7	-142.6	92.8
<b>Liabilities</b>	<b>9,586.5</b>	<b>9,928.9</b>	<b>-342.3</b>	<b>96.6</b>
Long-term Liability	5,701.7	6,117.9	-416.2	93.2
Current Liability	3,878.1	3,804.3	73.8	101.9
Reserves for Preparation of the Depreciation of Nuclear Plants Construction	6.6	6.6	0.0	100.7
<b>Net Assets</b>	<b>2,470.3</b>	<b>2,348.6</b>	<b>121.7</b>	<b>105.2</b>
Shareholders' Equity	2,474.2	2,329.0	145.1	106.2
Accumulated other comprehensive income	-9.1	14.3	-23.5	—
Non-controlling interests	5.3	5.2	0.0	101.8

## <Interest-bearing debt outstanding>

(Unit: Billion Yen)

	Jun. 30 2017 (A)	Mar. 31 2017 (B)	(A)-(B)
Bonds	3,028.1	3,205.9	-177.8
Long-term Debt	1,896.8	1,938.8	-41.9
Short-term Debt	1,195.1	860.1	335.0
Total	6,120.1	6,004.9	115.1

## <Reference>

	FY2017 Apr-Jun (A)	FY2016 Apr-Jun (B)	(A)-(B)
ROA(%)	0.6	1.1	-0.5
ROE(%)	6.2	0.1	6.1
EPS(Yen)	92.42	0.71	91.71

ROA: Operating Income / Average Total Assets

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



# Segment Information

(Unit: Billion Yen)

	FY2017	FY2016	Comparison	
	Apr-Jun (A)	Apr-Jun (B)	(A)-(B)	(A)/(B)
<b>Operating Revenue</b>	1,313.3	1,264.9	48.3	103.8
Holdings	202.1	231.1	-28.9	87.5
	11.4	15.5	-4.1	73.4
Fuel & Power	382.3	417.4	-35.0	91.6
	4.2	7.6	-3.3	56.3
Power Grid	396.8	368.7	28.0	107.6
	77.0	52.3	24.6	147.1
Energy Partner	1,258.0	1,205.8	52.1	104.3
	1,220.6	1,189.4	31.1	102.6
Adjustments	-925.9	-958.1	32.1	-
<b>Ordinary Income</b>	55.6	136.7	-81.1	40.7
Holdings	146.5	38.6	107.8	379.3
Fuel & Power	1.6	103.9	-102.2	1.6
Power Grid	22.1	15.7	6.4	140.8
Energy Partner	10.4	-22.0	32.5	-
Adjustments	-125.2	0.4	-125.6	-

Note1: The lower row in Operating Revenue section represents revenue from external customers.

Note2: We set four segments; "Holdings" "Fuel & Power" "Power Grid" and "Energy Partner," according to its business operations.

# [Reference] Key Factors Affecting Performance and Financial Impact

## Key Factors Affecting Performance

	FY2017			【Reference】 FY2016 Actual Performance	
	Apr-Jun Results	Full-year Projections		Apr-Jun	Full-year
		(As of Jul. 28)	(As of May 11)		
Electricity Sales Volume (billion kWh)	54.3	235.2	234.9	56.3	241.5
Crude Oil Prices (All Japan CIF; dollars per barrel)	53.4	Approx. 54	Approx. 55	41.1	47.5
Foreign Exchange Rate (Interbank; yen per dollar)	111.1	Approx. 114	Approx. 115	108.1	108.4
Flow Rate (%)	93.2	Approx. 98	Approx. 100	90.4	94.2
Nuclear Power Plant Capacity Utilization Ratio (%)	-	-	-	-	-

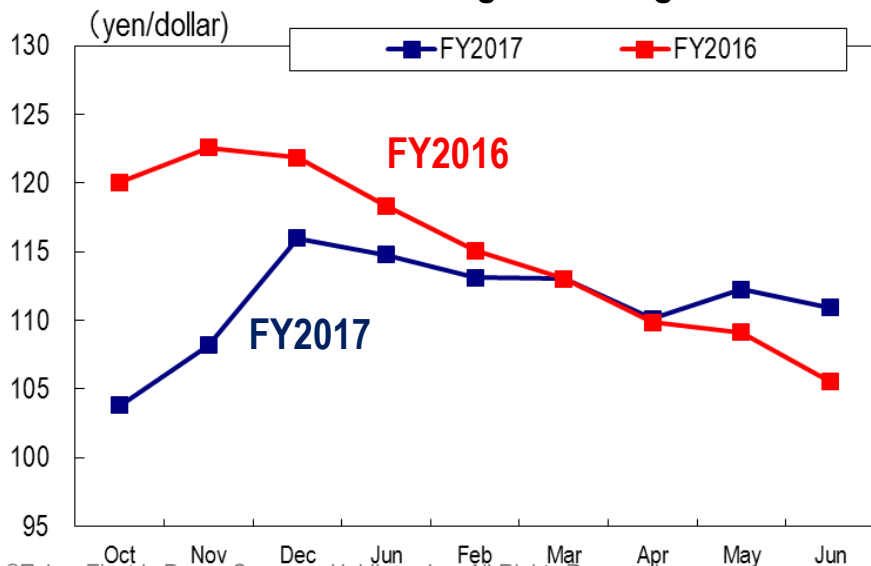
## Financial Impact (Sensitivity)

(Unit Billion Yen)

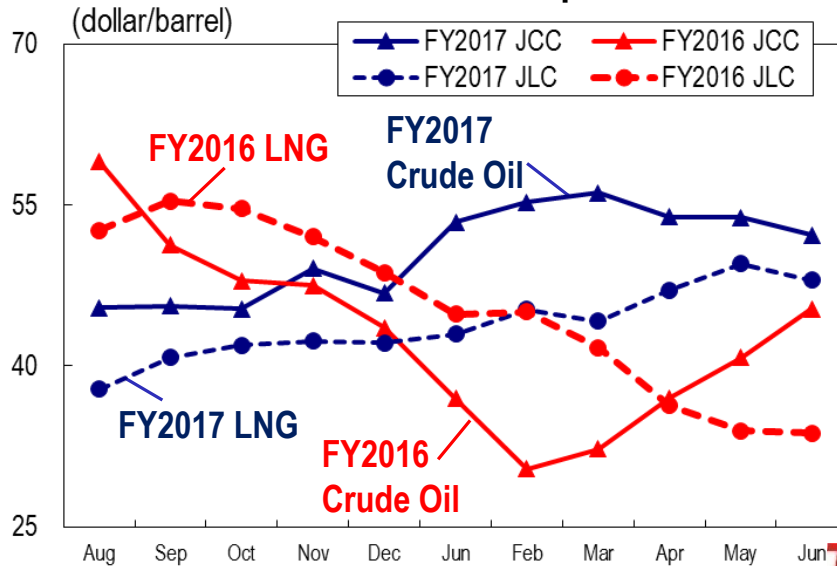
	FY2017		【Reference】 FY2016 Full-year Actual Performance
	Full-year Projections		
	(As of Jul. 28)	(As of May 11)	
Crude Oil Prices (All Japan CIF; 1 dollar per barrel)	Approx. 16	Approx. 16	Approx. 17
Foreign Exchange Rate (Interbank; 1 yen per dollar)	Approx. 11	Approx. 11	Approx. 10
Flow Rate (1%)	Approx. 1	Approx. 1	Approx. 1
Nuclear Power Plant Capacity Utilization Ratio (1%)	-	-	-
Interest Rate (1%)	Approx. 28	Approx. 28	Approx. 21

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

	FY2017				
	Apr	May	Jun	Apr-Jun	
Lighting	7.17	5.75	4.91	17.83	
Power	12.12	11.80	12.51	36.43	
<b>Total</b>	<b>19.29</b>	<b>17.55</b>	<b>17.42</b>	<b>54.27</b>	
	FY2016				[Ref.]Year-on-year Comparison (Apr-Jun)
	Apr	May	Jun	Apr-Jun	
Lighting	7.27	6.12	5.56	18.95	94.1%
Power	12.22	11.72	13.39	37.33	97.6%
<b>Total</b>	<b>19.48</b>	<b>17.84</b>	<b>18.96</b>	<b>56.28</b>	<b>96.4%</b>

## Total Power Generated

Unit: Billion kWh

	FY2017				
	Apr	May	Jun	Apr-Jun	
Hydroelectric	1.02	1.20	1.03	3.25	
Thermal	13.64	12.69	13.15	39.47	
Nuclear	0.00	0.00	0.00	0.00	
Renewable etc.	0.01	0.00	0.01	0.02	
<b>Total</b>	<b>14.67</b>	<b>13.89</b>	<b>14.18</b>	<b>42.73</b>	
	FY2016				[Ref.]Year-on-year Comparison (Apr-Jun)
	Apr	May	Jun	Apr-Jun	
Hydroelectric	1.00	1.00	0.82	2.82	115.3%
Thermal	13.87	13.72	14.95	42.53	92.8%
Nuclear	0.00	0.00	0.00	0.00	–
Renewable etc.	0.01	0.01	0.01	0.02	89.9%
<b>Total</b>	<b>14.87</b>	<b>14.73</b>	<b>15.77</b>	<b>45.37</b>	<b>94.2%</b>

# [Reference] Fuel Consumption

## Fuel Consumption Data

	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Apr-Jun	【Reference】 FY2016 Apr-Jun
<b>LNG</b> (million tons)	23.49	21.55	21.06	4.20	4.66
<b>Oil</b> (million kl)	3.10	2.48	2.05	0.13	0.51
<b>Coal</b> (million tons)	7.53	8.34	8.14	2.14	1.82

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

## Fuel Procurement

### Oil

**Crude Oil** (Unit:thousand kl)

	FY2014	FY2015	FY2016
Indonesia	473	464	49
Brunei	-	-	-
Vietnam	-	-	-
Australia	90	-	-
Sudan	20	41	-
Gabon	62	-	-
Chad	61	111	-
Other	0	0	0
<b>Total imports</b>	<b>706</b>	<b>616</b>	<b>49</b>

**Heavy Oil** (Unit:thousand kl)

	FY2014	FY2015	FY2016
<b>Total imports</b>	<b>2,440</b>	<b>1,540</b>	<b>1,578</b>

### LNG

(Unit:thousand t)

	FY2014	FY2015	FY2016
Brunei	2,230	1,940	2,095
Das	4,972	4,986	4,683
Malaysia	2,750	3,220	3,086
Papua New Guinea	403	1,604	1,558
Australia	297	305	300
Qatar	1,142	1,156	1,275
Darwin	2,129	2,304	2,356
Qalhat	548	428	500
Sakhalin	2,262	2,010	1,491
Indonesia	-	-	57
Spot and short term contract	8,023	4,934	4,965
<b>Total imports</b>	<b>24,754</b>	<b>22,887</b>	<b>22,366</b>

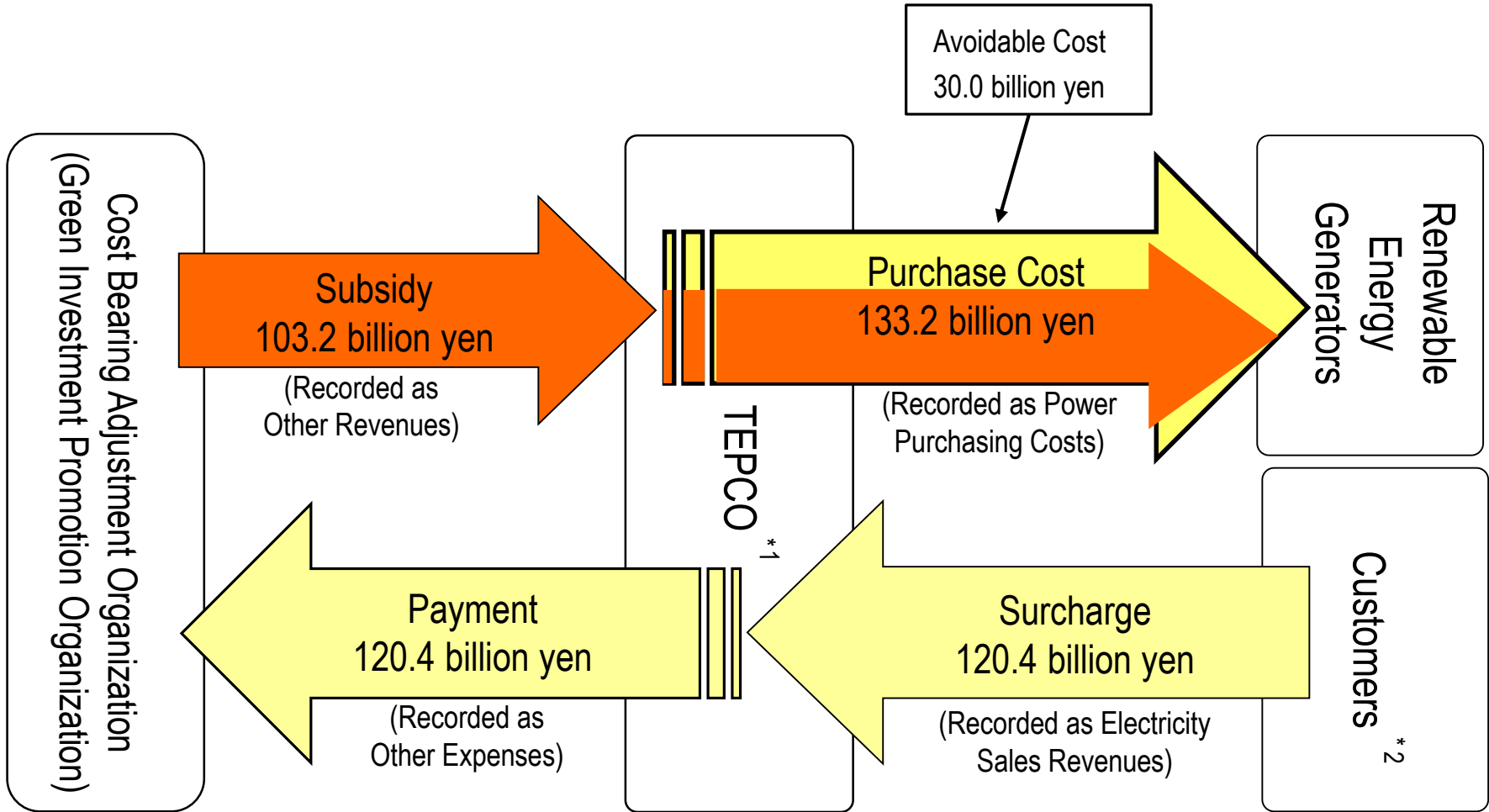
### Coal

(Unit:thousand t)

	FY2014	FY2015	FY2016
Australia	5,903	6,745	5,667
Indonesia	1,458	1,402	1,920
Colombia	-	-	178
USA	38	191	136
Russia	-	210	-
Canada	55	-	-
<b>Total imports</b>	<b>7,454</b>	<b>8,548</b>	<b>7,901</b>

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

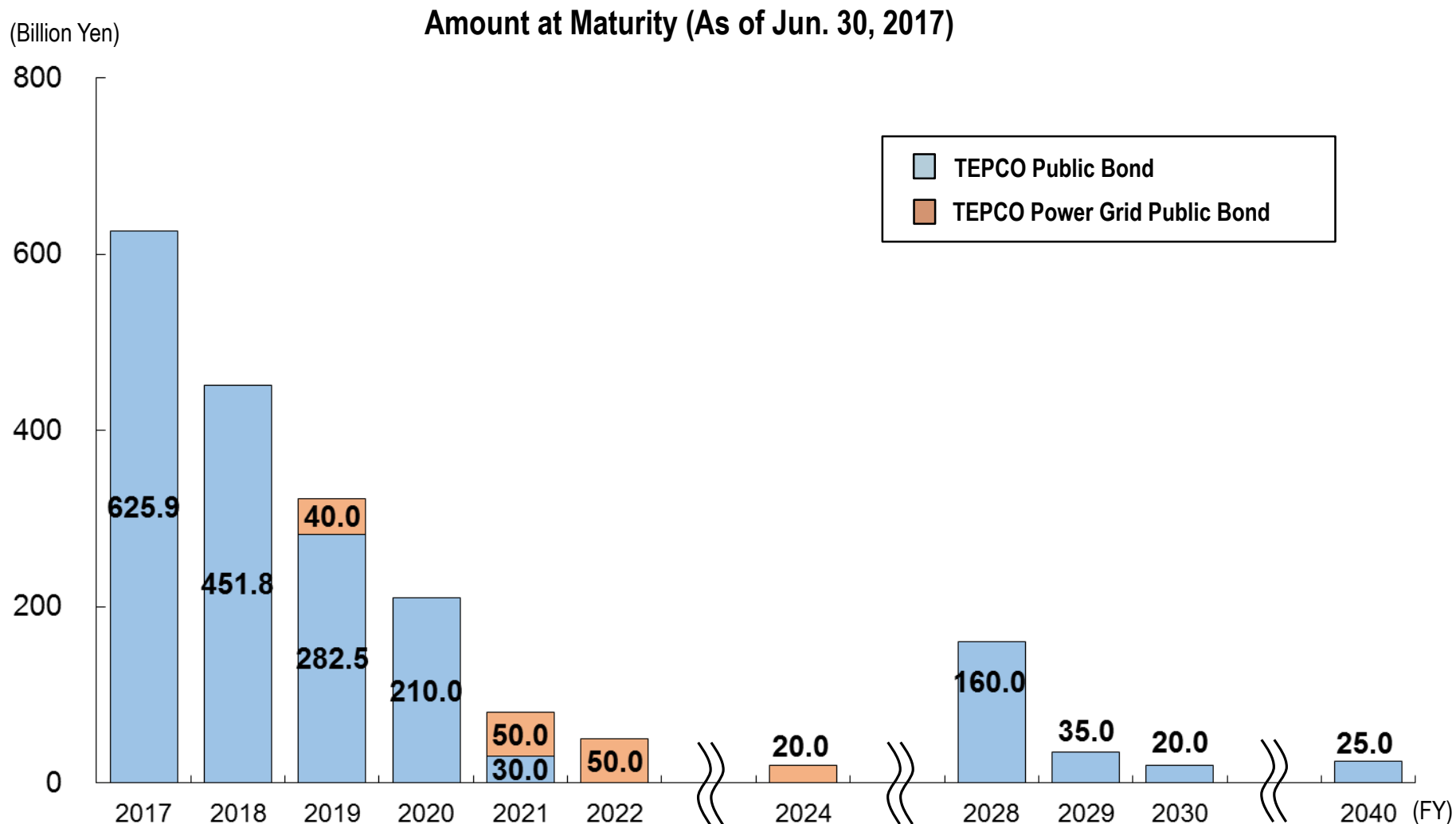
(FY 2017 Apr.- Jun.)



\*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.- Jun. of fiscal 2017 totaled 50.0 billion yen.

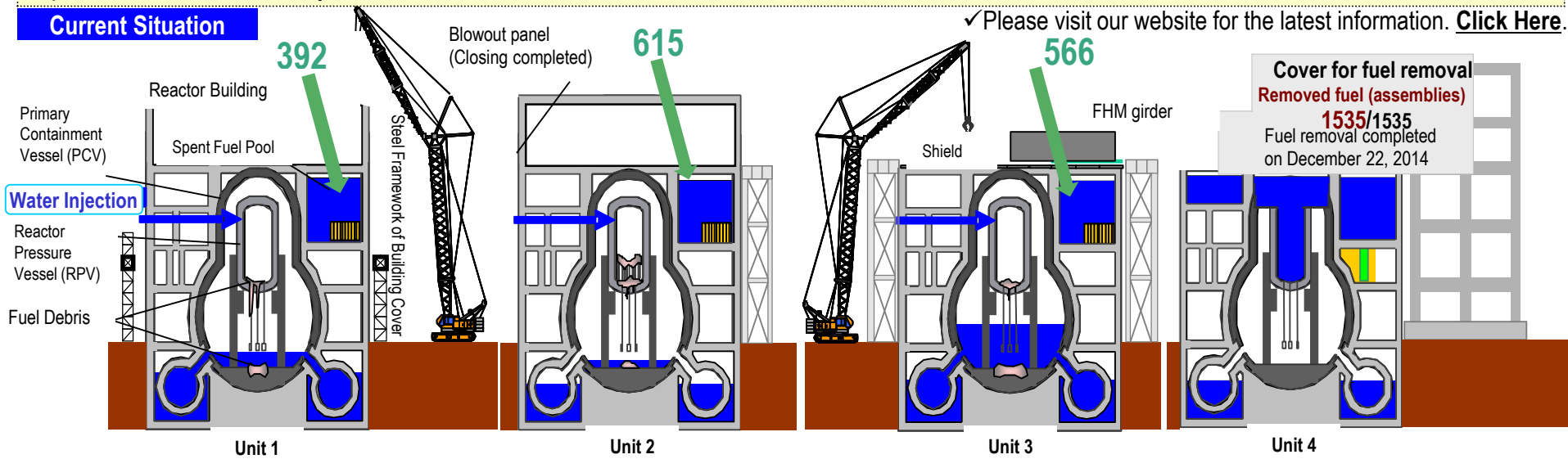
# The Current Status of Fukushima Daiichi Nuclear Power Station and Future Initiatives

# 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.

## Current Situation

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Reactor*	Temperature of the bottom of RPV: 25.8°C/ Temperature of the inside of PCV:26.0°C	32.1°C / 32.3°C	29.4°C / 29.4°C	No Fuel
SFP*	35.8°C	31.0°C	30.7°C	No Fuel
Works towards removal of spent fuel and fuel debris	[Spent fuel removal] -The status of debris under the fallen roof was investigated to collect data, which will then be used when considering debris removal methods for the Unit 1 Reactor Building operating floor. Removal of pillars and beams of the building cover was completed. Modification of them will follow. [Fuel debris removal] -The status of fuel debris inside the PCV was inspected by a self-propelled investigation device injected into the Unit 1 PCV in March 2017. The status of the PCV floor surface will continue to be examined based on the collected image and dose data.	[Spent fuel removal] - Construction was completed 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 inside the PCV was conducted from January to February 2017. The status of the bottom of RPV was investigated using guide pipe with camera. Radiation dose and temperatures on Control Rod Drive (CRD) replacement rail were measured.	[Spent fuel removal] - The investigation inside the PCV was conducted using a remotely operated underwater vehicle around late July 2017. TEPCO confirmed likely melted materials that are consolidated and some fallen substances inside the pedestal. - 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 based on this change is undecided.)	[Spent fuel removal] - Fuel removal from the SFP was completed in December, 2014.  *Temperature is as of July 24, 2017 (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	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

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

<Main target process of the Decommissioning>

Area	Previous efforts	Future efforts							
		Phase 2 (until commencement of fuel debris removal)					Phase 3 (until decommissioning completed)		
		~FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Completion of Phase 2 (December 2021)	
<b>Contaminated water measures</b>									
Eliminate	ALPS cleanup of contaminated water etc	Complete further reductions in effective dose along perimeter boundary down to 1mSv/year Commence preparations for determining long-term handling of ALPS treated water							
Isolate	Pump up groundwater via groundwater bypass etc	Complete freezing closure of impermeable land-side wall / complete facing of over 90% of planned area Curb inflow into buildings to less than 100m3/day							
Prevent leakage	Increase tanks etc	Store all water treated for high-level contamination in welded tanks							
Complete of Retained water processing	Surveys of retained water in buildings etc	Lower building water level / sever from recirculating cooling water line / clean up and remove retained water Halve the quantity of radioactive materials in retained water Complete treatment of water retained inside buildings							
Fuel removal	Removal completed at Unit 4 (Dec. 2014)						Determine methods for treating and storing the fuel removed		
Unit 1	Building cover dismantled etc						Remove large rubbles etc	Install cover etc	Remove fuel
Unit 2	Preparation work						Disassemble and renovate upper part of buildings	Determine scope of disassembly and renovation Select plan Plan (1) Install containers etc Plan (2) Install cover etc	Remove fuel
Unit 3	Remove large rubbles etc						Install cover etc	Remove fuel	
Fuel debris Removal	Determine removal policy						Finalize removal method for initial unit	Commence removal at initial unit	
	Ascertain status inside reactor containment vessel/ review methods for removing fuel debris etc						Remove fuel debris / review treatment and disposal methods etc		
<b>Waste material measures</b>									
Storage management	Store according to dose rate classification/ formulate storage management plan etc						Implement storage management in accord with storage Install volume reduction & treatment calciner Erect No.9 solid waste repository		
Processing / disposal	Ascertain properties and survey existing technology / R&D through ascertainment of properties of solid waste etc						Coordinate basic approach to treatment and disposal Conduct technical revision of treatment and disposal		

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.
- Based on the result of evaluation of the effect of closure of the land-side impermeable walls, that is one of the measures to "Isolate water from contamination," an application for change in the implementation plan to completely close the land-side impermeable walls was submitted on June 26.

## <Main countermeasures>

### 1. Eliminate contamination sources

- Multi-nuclide removal equipment, etc.
- Remove contaminated water from the trench

### 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

- Enhance soil by adding sodium silicate
- Sea-side impermeable walls
- Increase the number of (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 July 23, 2017, 3:00pm, the total volume of groundwater discharged is 369,981t).

### Land-side frozen impermeable walls

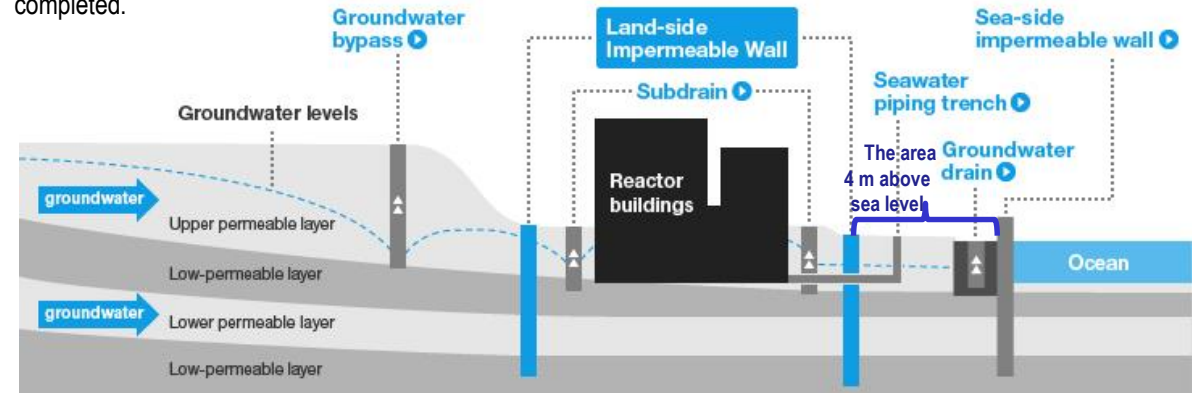
➢ Regarding 7 unfrozen sections at the mountain side, freezing started in two sections from December 3, 2016, and four sections from March 3, 2017, except for one unfrozen section. Variation in the groundwater level when the remaining single unfrozen section would be closed was evaluated. As the latest status of building inflow, pumped-up water volume and groundwater levels showed the effects of measures to improve the subdrain reliability and closure of the land-side impermeable walls, water levels was expected to be stably manageable after the complete closure.

### 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 filling 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.

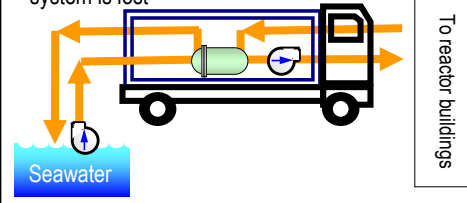
## I. Installation of flooding embankment [banks]

- 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

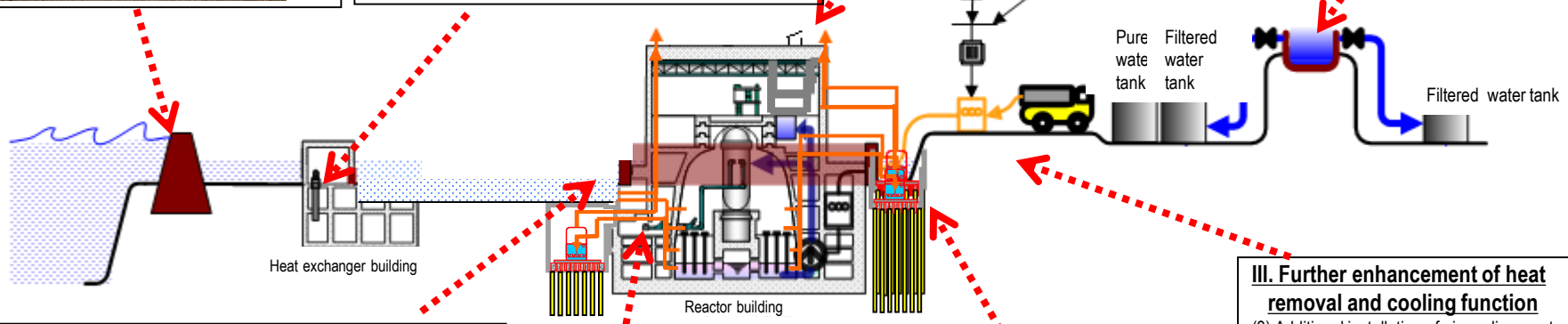


## III. Further enhancement of heat removal and cooling function

- (8) Installation of top venting on reactor buildings
- Install top venting system to prevent hydrogen from piling up in a reactor buildings

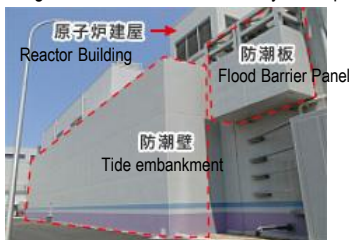
## III. Further enhancement of heat removal and cooling function

- (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



## 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 July 13, 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					Under construction	
(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*1	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*1	-				Completed		
(14) Installation of large-capacity water cannons, etc.	Completed						
(15) Multiplexing and reinforcing access roads	Completed					Under construction	
(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 Corium Shield	Under consideration	Under consideration	Under consideration	Under consideration	Under consideration	Completed	Completed

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

## Latest Review Status

- On September 27, 2013, an application was presented requesting verification of compliance with new regulatory requirements for Units 6 and 7.
- After the compliance verification application was presented, an amended application for revision of the reactor installation license, which reflects changes sought in the review meetings held, was submitted to the Nuclear Regulation Authority on June 16, 2017.
  - Currently, the Secretariat of the Nuclear Regulatory Authority is discussing the amended application that was submitted.

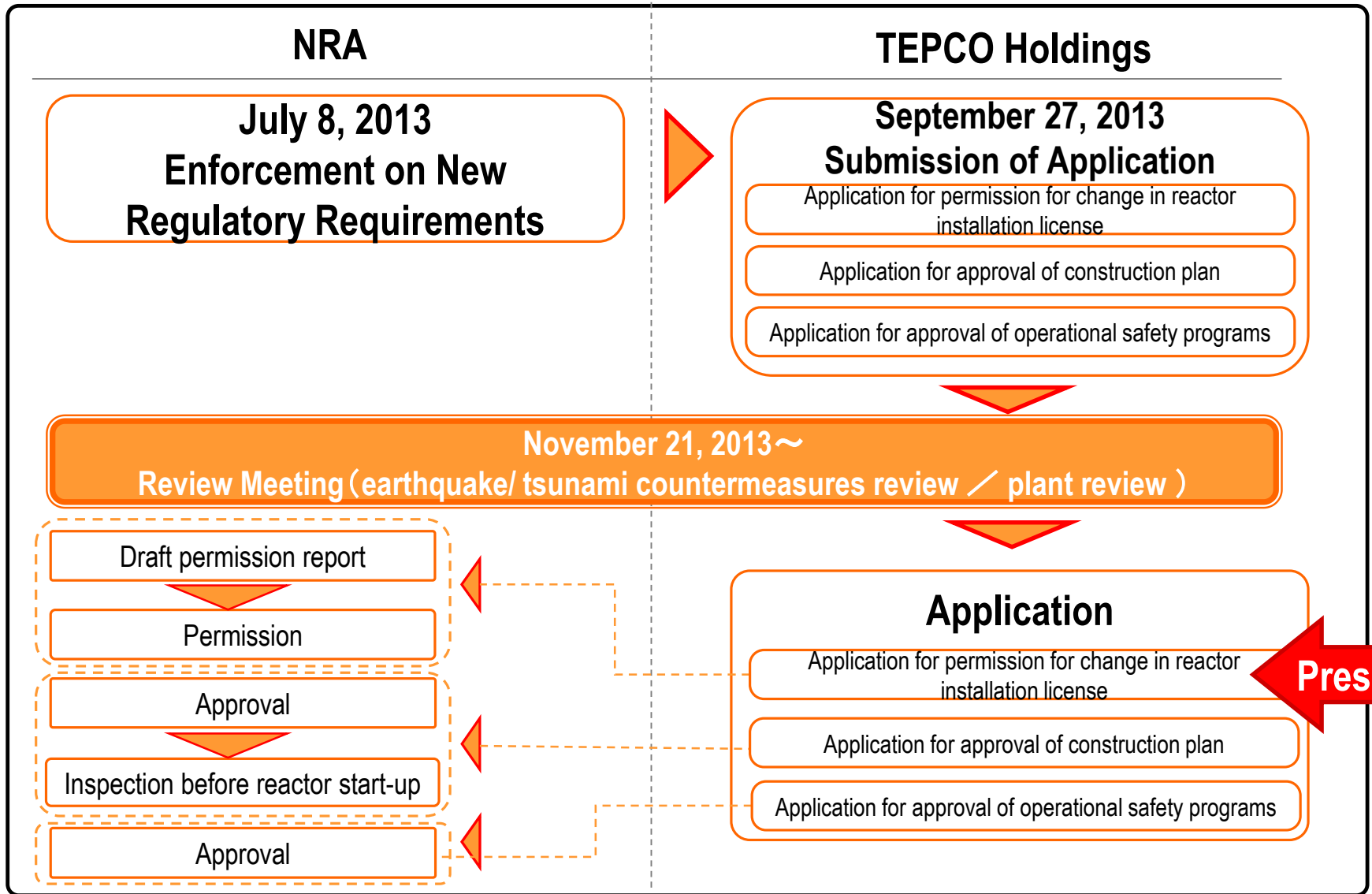
## Extended Outlook through Installation License

(Shortest previous case was three months from the amended application until permit issued)

- Secretariat of the Nuclear Regulatory Authority prepares review documents
  - ⇒ Public comments solicited (1 month)
  - ⇒ Amended documents based on comments are resubmitted
  - ⇒ Permit issued
- Because this is the first BWR unit, it is likely that the Secretariat of the Nuclear Regulatory Authority will require time to respond to the public comments

# Compliance Review under the New Regulatory Requirements - 2

## <Review Process>





# Other Initiatives

# Implementation of the Streamlining Policy

## <Cost reduction>

- In addition to the cost reductions that has been made under the New Comprehensive Special Business Plan (TEPCO \*1 : ¥4.8 trillion/10 years), TEPCO will execute, under the Revised New Comprehensive Special Business Plan, unprecedented and recurrent streamlining of operations that includes “kaizen-centered doubling of productivity” and “use of digitalized technologies for bold technological and operational innovation” to be sure to achieve ¥1 trillion in even deeper cost reductions of over 10 years.
- Our entire group is working together toward achieving the FY2017 cost reduction targets of ¥702.1 billion at TEPCO and ¥61.9 billion at our subsidiaries and affiliates so as to achieve the goals set under the Revised New Comprehensive Special Business Plan.

## <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.

## <Streamlining Policy (Cost Reduction)\*2>

	FY2016 Actual	FY2017	
		Plan *3	Projections
TEPCO*1	767.3 billion yen	702.1 billion yen	—
Subsidiaries & Affiliated Companies	66.6 billion yen	61.9 billion yen	—

\*1 TEPCO means Tokyo Electric Power Company Holdings, Inc., TEPCO Fuel & Power, Inc., TEPCO Power Grid, Inc. and TEPCO Energy Partner, Inc.

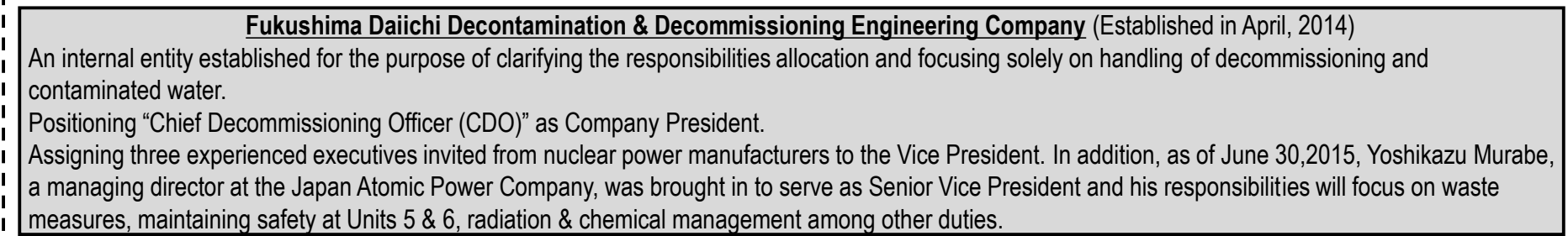
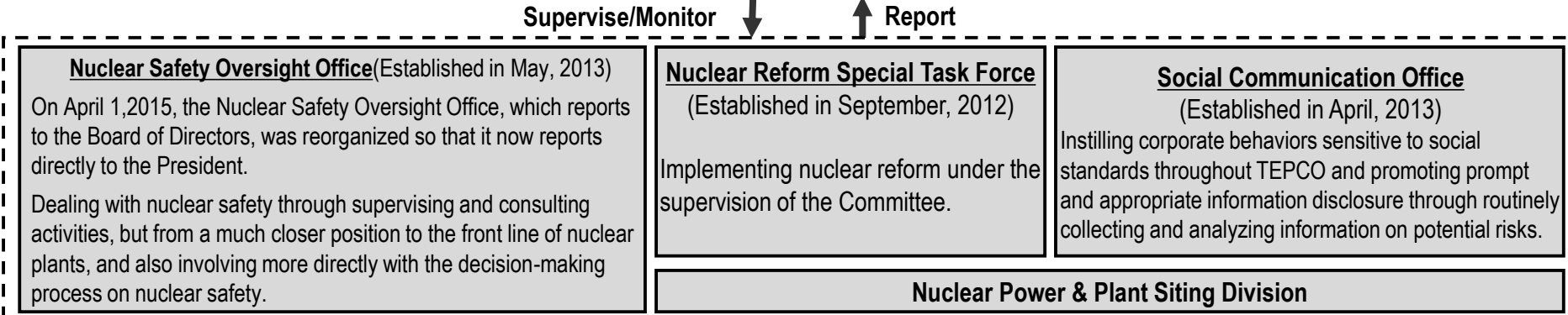
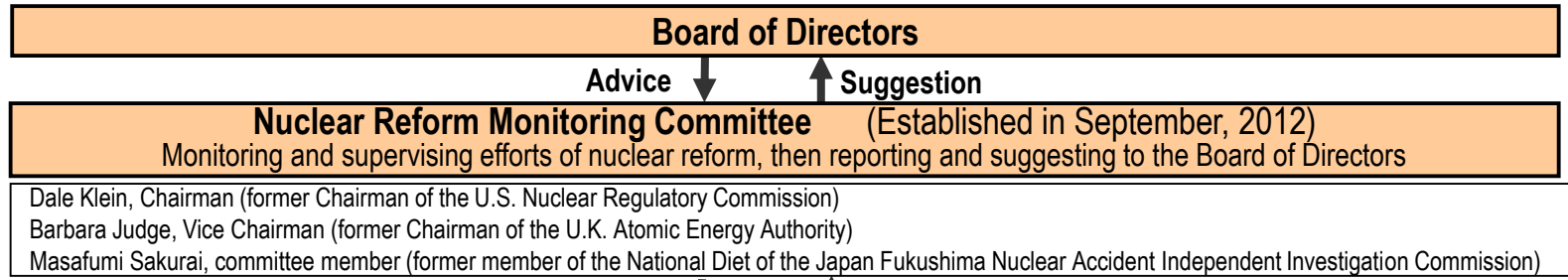
\*2 Cost reductions given in the table were calculated using the pre-earthquake plan as the basis (same as the New Comprehensive Special Business Plan).

\*3 FY2017 targets reflect deep cost reductions to be achieved through kaizen, technological and operational innovation and other efforts in addition to the New Comprehensive Special Business Plan.

## - Framework for Nuclear Reform

- Since April 2013, TEPCO has advanced the Nuclear Safety Reform Plan so that it may realize its 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, which approved the Reform Plan, on a regular basis. At the Nuclear Reform Monitoring Committee meeting held on January 30, 2017, the Committee pointed out, as a result of the committee’s review of TEPCO’s self-assessment of the Reform Plan, that alignment of the activities for the organization as a whole and the lack of developed internal communication required for that is a weakness.
- The Reform Plan is steadily implemented on the basis of the initiatives proposed by the Committee.

### <Framework for Nuclear Reform>



# 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 have been implementing initiatives to strengthen the governance for the organization as a whole which was recognized as a “weakness” as a result of the self-assessment.
- Insufficient handling by TEPCO of New Regulatory Requirement compliance reviews at the Kashiwazaki-Kariwa Nuclear Power Station has resulted in a breakdown of trust with society as a whole. TEPCO will ensure that countermeasures are carried out in order to improve the awareness of employees in the Nuclear Power Division and continually confirm that its actions prioritize the local community and consider the perspective of society, while at the same time proactively identifying new issues and engaging in undying efforts to make improvements.

Countermeasures	Recent Principal Activities ([Resource] Nuclear Safety Reform Plan Progress Report released on May. 10, 2017)
Strengthening the Governance	<ul style="list-style-type: none"> <li>• Clearly state an ideal vision of how individuals should interact with the organization thereby enabling them to engage in their duties while having a common understanding of the final objective and each other's roles.</li> </ul>
Reform from Top Management	<ul style="list-style-type: none"> <li>• Initiatives to repeatedly reflect upon the Fukushima Nuclear Accident (Direct dialogue with the General Manager of the Nuclear Power and Plant Siting Division, lectures by those people that actually handled the accident, group discussions, etc.)</li> <li>• Communicating with contractors (Representatives of head office management are visiting power station contractors to exchange opinions.)</li> </ul>
Enhancement of Oversight and Support for Management	<ul style="list-style-type: none"> <li>• Monitoring and assessment by the Nuclear Safety Oversight Office (The Nuclear Safety Oversight Office is focusing on improving risk awareness and introducing basic actions.)</li> <li>• Enhancing management observation (MO) (Employees engaging in MO participated in a lecture by overseas experts.)</li> </ul>
Enhancement of Ability to Propose Defense-in-Depth	<ul style="list-style-type: none"> <li>• 10 of the 286 submissions for the sixth competition to improve the ability to make safety proposals, which is held to revitalize activities to voluntarily improve safety, were selected as excellent proposals.</li> <li>• Important operating experience (OE) study sessions are being held at the Head Office and power stations in order to understand overviews of severe accidents and the lessons learned from the accidents.</li> </ul>
Enhancement of Risk Communication Activities	<ul style="list-style-type: none"> <li>• Promote the disclosure of information and benchmarking concerning safety measures at the Kashiwazaki-Kariwa NPS and the decommissioning of the Fukushima Daiichi NPS. (Field visit to Fukushima Daiichi NPS by members of the Football Association of Japan etc., a “TEPCO Newsletter” is being included in newspapers to convey the efforts of the Niigata Headquarters, the Fukushima-West Cumbria Study, which was started to enable Sellafeld Ltd. in the UK and TEPCO to learn from each other about reactor decommissioning, continues.)</li> </ul>
Enhancement of the Emergency Response Capability of Power Stations and the Head Office	<ul style="list-style-type: none"> <li>• Training was held on earthquake-induced simultaneous disasters at the Fukushima Daiichi NPS, Fukushima Daini NPS and Head Office. The effectiveness of mechanisms that enable the Head Office to ascertain and share information on the impact of radiation, and reflect this information in countermeasures, was examined.</li> <li>• Training on transferring operations to the Unit 5 TSC at Kashiwazaki-Kariwa was held.</li> </ul>
Development of Personnel for Enhancing Nuclear Safety	<ul style="list-style-type: none"> <li>• Preparations are underway to establish a Nuclear Engineering Center for enhancing the technological capability of the organization, and in particular engineering fields.</li> <li>• Training was held to reaffirm the roles and mission of middle management (General Managers/Group Managers class) and accelerate nuclear safety reforms.</li> </ul>

## <TEPCO Holdings>

May 17, 2017: Launch of “neighborhood watch using IoT technology” in Tokyo’s Shibuya ward (in cooperation with the local government, the program aims to provide a safe and secure living environment for senior citizens and children)

July 10, 2017: Launch of a direct electric power trading platform together with Innogy, a German energy company (electricity trading business is launched in Germany using cutting-edge information technology)

## <TEPCO Fuel & Power>

June 5, 2017: Greater efficiency achieved at Futtsu Thermal Power Station Group 1 Unit 1 (work completed on replacing the gas turbine and other equipment to reduce fuel costs and CO2 emissions)

June 8, 2017: Joint-venture agreement concluded with Chubu Electric Power Co., Inc. on integration existing thermal power generation businesses

June 22, 2017: Hitachinaka Thermal Power Station began to generate power through combustion of mixed fuel using woody biomass fuel (renewable energy introduced to reduce CO2 emissions and fossil fuel consumption)

July 13, 2017: Joint construction and effectiveness confirmed of high-precision detection model for coal-fired thermal power plants (cooperative partnership to optimize power plant operation with Mitsubishi Hitachi Power Systems, Ltd.)

July 26, 2017: Greater efficiency achieved at Yokohama Thermal Power Station Group 7 Unit 3 (work completed on replacing the gas turbine and other equipment to reduce fuel costs and CO2 emissions)

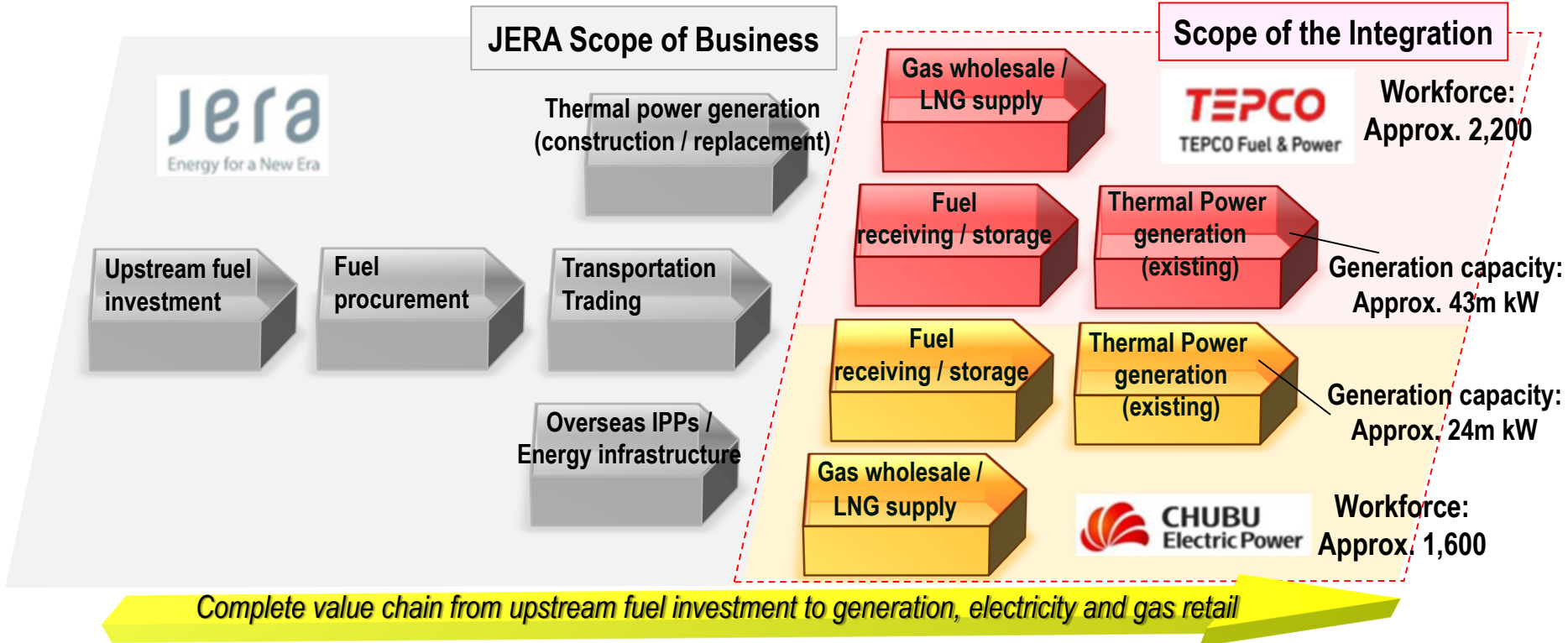
## <TEPCO Power Grid>

- May 23, 2017: Joint planning and development begun on information distribution and other projects using ground power distribution equipment with TEPCO Town Planning Co., Ltd., Panasonic Corporation, and Panasonic System Solutions Japan Co., Ltd.
- May 23, 2017: Joint verification testing begun with Dai Nippon Printing Co., Ltd. and Asahi Shimbun on “Ueno Vision,” a digital signage service utilizing ground power distribution equipment (June 2017-)
- June 20, 2017: Joint verification testing begun with Daiwa Living Management Co., Ltd. on construction of an IoT energy management system for realization of a comfortable living environment in rental housing (August 2017-)
- June 20, 2017: Basic agreement signed with Informetis Co., Ltd. on a business alliance for realizing services utilizing an IoT platform to collect, store and process internal accommodation unit data
- July 3, 2017: Establishment of TEPCO IEC, Inc. (aim is to export infrastructure systems)
- July 6, 2017: Joint verification begun with Tokyo Electric Power Company Holdings, Inc. and Via Science, Inc., a venture company in the United States using AI to analyze big data, on predicting deterioration of transmission equipment
- July 14, 2017: Verification project begun on common infrastructure systems aimed at the construction of virtual power plants with Kansai Electric Power Company, Inc.
- July 18, 2017: SITE LOCATOR service commenced with JTOWER, Inc. aimed at expanding transmission tower leasing

## <TEPCO Energy Partner>

- May 8, 2017: “Seikatsu Kaketsuke Service (24-hour household emergency support service)” and “Household Equipment and Appliance Repair Service,” offering greater peace of mind every day, are launched
- May 9, 2017 : “Toku-Toku Gas Plan,” a city gas rate plan for households, began accepting subscription applications
- May 30, 2017: Large-scale social experiment begun to encourage energy-saving behavior among users of household appliances and automobiles (July 2017-) (Deloitte Tohmatsu Consulting Co., Ltd., Central Research Institute of Electric Power Industry (CRIEPI) and Toppan Printing Co., Ltd.)
- June 1, 2017: Sales commenced of “Aqua Energy 100 (first rate plan for households delivering hydroelectric power)”
- July 6, 2017 : Agreement concluded with Fuji City, JFE Engineering Corporation, Shizuoka Gas Co., Ltd. and Tess Engineering Co., Ltd. to draft a business plan for realizing a “regional electricity business utilizing the infrastructure for Gakunan Railway Line”

✓ On June 8, 2017, TEPCO Fuel & Power, Inc., and Chubu Electric Power Co., Inc. concluded a joint-venture agreement with the aim of integrating their fuel receiving/storage and gas transportation businesses, and existing thermal power generation businesses in Japan into JERA Co., Inc. With the aim of integrating during the 1<sup>st</sup> half of FY2019, the companies will move forward with discussions and all required procedures in the spirit of fairness and equality.

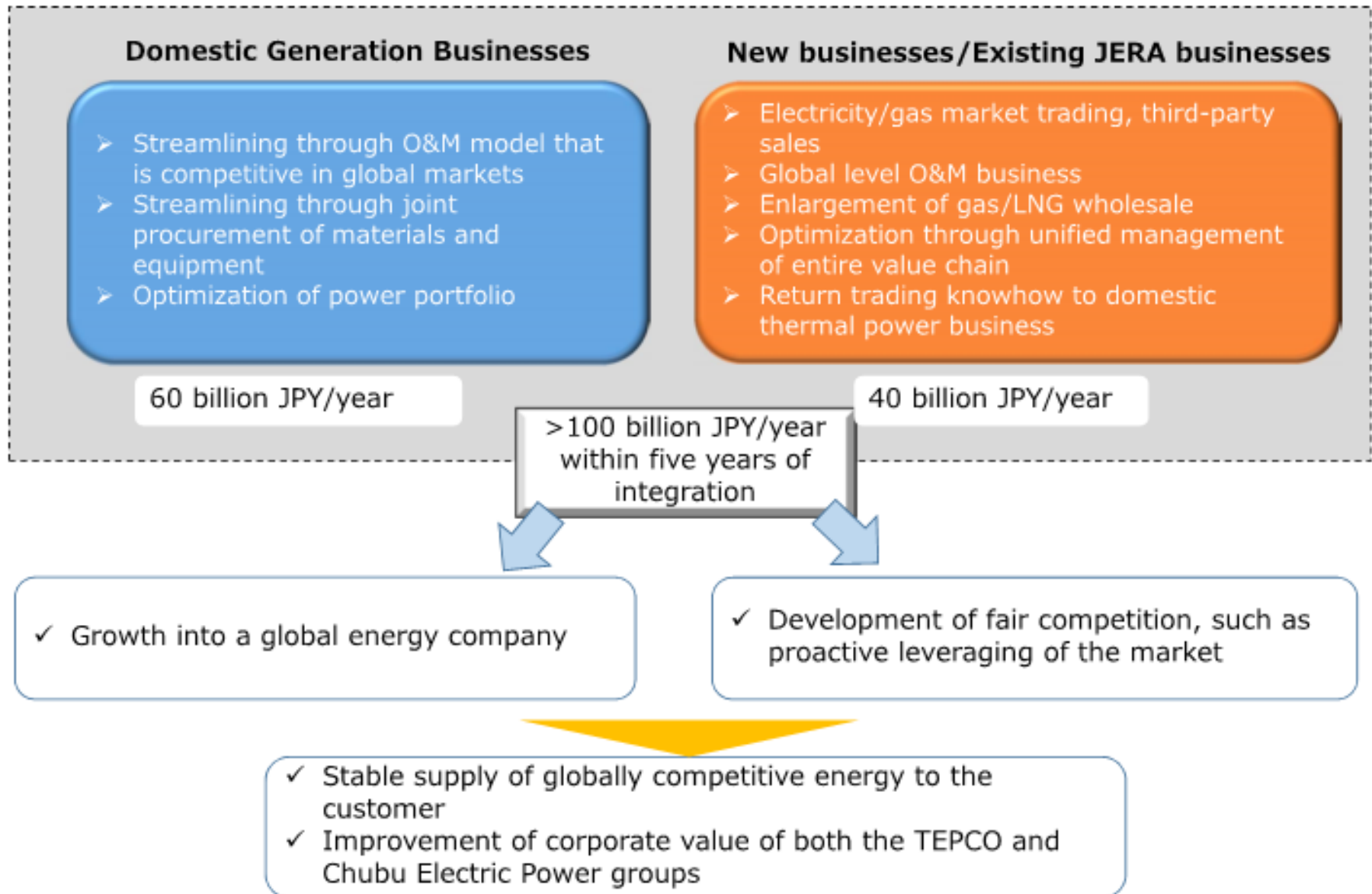


Improvement in investment yield through new investment and asset recombination (M&A)

Improvement in investment yield through proactive energy market leveraging and trading business

Cost reduction and profit increase through competitive O&M

Profit creation through the entire chain





**TEPCO**

***The Energy for Every Challenge***