

FY2017 3rd Quarter Financial Results (April 1 – December 31, 2017)

Tokyo Electric Power Company Holdings, Inc.

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 3rd Quarter Financial Results

(Released on January 30, 2018)

< FY2017 3rd Quarter Financial Results >

- Ordinary revenue increased due to an increase in electricity sales revenue caused by a rise in fuel cost adjustments, etc. even though electricity sales volume decreased.
- Ordinary expenses increased due to the rise of fuel prices and an increase in purchases from solar power generation, etc.
- Ordinary income and net income were in the black for the fifth consecutive year. However, the time-lag effect* caused by fuel cost adjustments, which made a positive contribution in FY2016 Q3, contributed negatively to FY2017 Q3, causing ordinary income and net income to decrease.

*Difference between revenue if fuel price fluctuations were reflected immediately and the revenue from actual fuel cost adjustments.

< FY2017 Full-year Financial Forecasts >

- There have been no revisions to the projections released on October 31, 2017.

1. Consolidated Financial Results

(Unit Billion Yen)

	FY2017 Apr-Dec (A)	FY2016 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating Revenue	4,206.4	3,877.6	328.7	108.5
Operating Income	295.6	336.9	-41.2	87.8
Ordinary Income	274.2	306.1	-31.8	89.6
Extraordinary Income	128.6	330.6	-202.0	-
Extraordinary Loss	139.3	301.2	-161.8	-
Net Income attributable to owners of parent	225.6	308.2	-82.6	73.2

2. Electricity Sales Volume/ Key Factors Affecting Performance

Electricity Sales Volume

(Unit: Billion kWh)

	FY2017 Apr-Dec (A)	FY2016 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Lighting	56.6	59.9	-3.2	94.6
Power	113.5	117.2	-3.8	96.8
Total	170.1	177.1	-7.0	96.0

* Electricity Sales Volume by TEPCO Energy Partner including nation-wide sales.

Key Factors Affecting Performance

	FY2017 Apr-Dec (A)	FY2016 Apr-Dec (B)	(A)-(B)
Foreign Exchange Rate (Interbank, yen/dollar)	111.7	106.6	5.1
Crude Oil Prices (All Japan CIF, dollar/barrel)	53.9	44.9	9.0
LNG Prices (All Japan CIF, dollar/barrel)	47.2	38.6	8.6

3. Ordinary Revenue (Consolidated)

(Unit: Billion Yen)

	FY2017 Apr-Dec (A)	FY2016 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
(Operating Revenue)	4,206.4	3,877.6	328.7	108.5
Electricity Sales Revenue	3,320.7	3,235.3	85.4	102.6
Lighting	1,396.8	1,387.9	8.8	100.6
Power	1,923.8	1,847.3	76.5	104.1
Power Sold to Other Utilities and Suppliers	190.2	104.0	86.2	182.9
Other Revenue	550.0	450.3	99.6	122.1
(Reprinted) Grant under Act on Procurement of Renewable Electric Energy	254.7	216.2	38.5	117.8
(Reprinted) Transmission Revenue	158.8	106.7	52.1	148.8
Subsidiaries/ Affiliated Companies	180.2	135.5	44.7	133.0
Ordinary Revenue	4,241.2	3,925.2	315.9	108.0

- Decrease in electricity sales volume: - 141.0
- Rise in fuel cost adjustments: +205.0
- Renewable energy surcharge: +50.3

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

Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after eliminating offsets)

4. Ordinary Expenses (Consolidated)

	(Unit: Billion Yen)				
	FY2017 Apr-Dec (A)	FY2016 Apr-Dec (B)	Comparison		
			(A)-(B)	(A)/(B) (%)	
Personnel Expenses	245.7	252.0	-6.3	97.5	<ul style="list-style-type: none"> Effect of price fluctuations of exchange rate, fuel prices (CIF), etc.: + 175.0 Decrease in thermal power generation: - 30.0
Fuel Expenses	932.9	788.2	144.6	118.4	
Maintenance Expenses	208.7	228.0	-19.2	91.5	<ul style="list-style-type: none"> Increase of purchase from solar power generation, etc.
Depreciation	409.1	409.9	-0.7	99.8	
Power Purchasing Costs	810.0	676.5	133.4	119.7	<ul style="list-style-type: none"> Total of TEPCO Holdings and three Core Operating Companies (after eliminating offsets)
Interest Paid	48.6	58.3	-9.6	83.5	
Taxes, etc.	229.8	227.1	2.7	101.2	<ul style="list-style-type: none"> Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after eliminating offsets)
Nuclear Back-end Costs	36.7	37.5	-0.7	98.0	
Other Expenses	902.0	841.8	60.1	107.1	
(Reprinted) Payment under Act on Procurement of Renewable Electric Energy	392.9	342.6	50.3	114.7	
Subsidiaries/ Affiliated Companies	143.0	99.4	43.6	143.9	
Ordinary Expenses	3,966.9	3,619.1	347.8	109.6	
(Operating Income)	(295.6)	(336.9)	(-41.2)	87.8	
Ordinary Income	274.2	306.1	-31.8	89.6	

- Effect of price fluctuations of exchange rate, fuel prices (CIF), etc.: + 175.0
- Decrease in thermal power generation: - 30.0

- Increase of purchase from solar power generation, etc.

- Total of TEPCO Holdings and three Core Operating Companies (after eliminating offsets)

- Total of subsidiaries and affiliated companies excluding three Core Operating Companies (after eliminating offsets)

5. Extraordinary Income/ Loss (Consolidated)

(Unit: Billion Yen)

	FY2017 Apr-Dec	FY2016 Apr-Dec	Comparison
Extraordinary Income	128.6	330.6	-202.0
Grants-in-aid from NDF*	128.6	294.2	-165.6
Gain on change in equity	–	36.4	-36.4
Extraordinary Loss	139.3	301.2	-161.8
Expenses for Nuclear Damage Compensation	139.3	301.2	-161.8
Extraordinary Income/ Loss	-10.7	29.4	-40.2

* 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 153.0 billion yen primarily due to a decrease in grants-in-aid receivables from NDF.
- Total liabilities decreased 364.1 billion yen primarily due to a decrease in provision for nuclear damage compensation.
- Total net assets increased 211.1 billion yen primarily due to a record net income attributable to owners of parent.
- Equity ratio improved by 2.0 points.

Balance Sheets as of Mar. 31, 2017

Total Assets 12,277.6 billion yen	Liabilities 9,928.9 billion yen
	Net Assets 2,348.6 billion yen

Balance Sheets as of Dec. 31, 2017

Total Assets 12,124.5 billion yen	Liabilities 9,564.7 billion yen
Decrease in Assets -153.0 billion yen • Grants-in-aid receivables from NDF -172.0 billion yen	Net Assets 2,559.8 billion yen

Decrease in Liabilities
-364.1 billion yen

- Provision for nuclear damage compensation
-168.3 billion yen
- Accrued expenses
-103.9 billion yen

Increase in Net Assets

+211.1 billion yen
 • Record net income attributable to owners of parent
 +225.6 billion yen

Improved by 2.0 points

Equity Ratio: 19.1%

Equity Ratio: 21.1% **TEPCO**

7. FY2017 Full-Year Financial Forecasts

(Unit: Billion Yen)

	FY2017 Projections (released on Jan. 30, 2018)	FY2017 Projections (released on Oct. 31, 2017)	FY2016 Results
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 January 30, 2018 have no change from those released on October 31, 2017.

8. FY2017 Full-Year Financial Forecasts

(Key Factors Affecting Performance/ Financial Impact)

Key Factors Affecting Performance

	FY2017 Projections (released on Jan. 30, 2018)	FY2017 Projections (released on Oct. 31, 2017)	FY2016 Results
Electricity Sales Volume (billion kWh)	233.8	233.2	241.5
Crude Oil Prices (All Japan CIF; dollars per barrel)	Approx. 57	Approx. 53	47.5
Foreign Exchange Rate (Interbank; yen per dollar)	Approx. 112	Approx. 113	108.4
Flow Rate (%)	Approx. 101	Approx. 98	94.2
Nuclear Power Plant Capacity Utilization Ratio (%)	—	—	—

Financial Impact (Sensitivity)

(Unit: Billion Yen)

	FY2017 Projections (released on Jan. 30, 2018)	FY2017 Projections (released on Oct. 31, 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 3rd Quarter Financial Results

Detailed Information

Consolidated Statements of Income

(Unit: Billion Yen)

	FY2017	FY2016	Comparison	
	Apr-Dec (A)	Apr-Dec (B)	(A)-(B)	(A)/(B) (%)
Operating Revenue	4,206.4	3,877.6	328.7	108.5
Operating Expenses	3,910.7	3,540.7	370.0	110.5
Operating Income	295.6	336.9	-41.2	87.8
Non-operating Revenue	34.8	47.6	-12.7	73.1
Investment Gain under the Equity Method	28.5	24.5	4.0	116.4
Non-operating Expenses	56.2	78.4	-22.2	71.7
Ordinary Income	274.2	306.1	-31.8	89.6
Reserve for Fluctuation in Water Levels	0.3	—	0.3	—
Reserve for preparation of depreciation of nuclear power construction	0.1	0.1	-0.0	87.0
Extraordinary Income	128.6	330.6	-202.0	—
Extraordinary Loss	139.3	301.2	-161.8	—
Income Tax, etc.	37.1	26.9	10.2	138.1
Net Income attributable to non-controlling interests	0.1	0.2	-0.0	62.9
Net Income attributable to owners of parent	225.6	308.2	-82.6	73.2

Breakdown of Consolidated Ordinary Revenue

(Unit: Billion Yen)

	FY2017 Apr-Dec (A)	FY2016 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Ordinary Revenue	4,241.2	3,925.2	315.9	108.0
Operating Revenue	4,206.4	3,877.6	328.7	108.5
Operating Revenue from Electric Power Business	3,967.9	3,706.2	261.6	107.1
Electricity Sales Revenue	3,320.7	3,235.3	85.4	102.6
Lighting	1,396.8	1,387.9	8.8	100.6
Power	1,923.8	1,847.3	76.5	104.1
Power Sold to Other Utilities	41.1	36.3	4.7	113.1
Power Sold to Other Suppliers	149.1	67.6	81.4	220.4
Other Revenue	456.8	366.8	90.0	124.5
Operating Revenue from Incidental Business	77.1	54.6	22.5	141.2
Non-operating Revenue	34.8	47.6	-12.7	73.1

(Note)

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

Breakdown of Consolidated Ordinary Expenses

(Unit: Billion Yen)

	FY2017 Apr-Dec (A)	FY2016 Apr-Dec (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Ordinary Expenses	3,966.9	3,619.1	347.8	109.6
Operating Expenses	3,910.7	3,540.7	370.0	110.5
Operating Expenses for Electric Power Business	3,694.6	3,394.8	299.8	108.8
Personnel	245.7	252.0	-6.3	97.5
Fuel	932.9	788.2	144.6	118.4
Maintenance	208.7	228.0	-19.2	91.5
Depreciation	409.1	409.9	-0.7	99.8
Power Purchasing	810.0	676.5	133.4	119.7
Taxes, etc.	229.8	227.1	2.7	101.2
Nuclear Power Back-end	36.7	37.5	-0.7	98.0
Others	821.4	775.2	46.1	106.0
Operating Expenses for Incidental Business	73.1	46.4	26.7	157.5
Non-operating Expenses	56.2	78.4	-22.2	71.7
Interest Paid	48.5	58.2	-9.6	83.4
Other Expenses	7.6	20.2	-12.5	37.8

(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 (¥252.0 billion to ¥245.7 billion)

- ¥6.3 billion

Salary and benefits (¥190.9 billion to ¥181.2 billion)

- ¥9.7 billion

Retirement benefits (¥13.2 billion to ¥19.8 billion)

+¥6.6 billion

Amortization of actuarial difference + ¥7.2 billion (- ¥2.8 billion to ¥4.4 billion)

<Amortization of Actuarial Difference>

(Unit Billion Yen)

	Expenses incurred	Expenses / Provisions in Each Period				Amount Uncharged as of Dec. 31, 2017
		FY2016		FY2017		
		Charged	Of which charged in Apr-Dec	Charged	Of which charged in Apr-Dec	
FY2014	-38.1	-12.7	-9.5	—	—	—
FY2015	26.6	8.8	6.6	8.8	6.6	2.2
FY2016	-8.9	-2.9	—	-2.9	-2.2	-3.7
Total		-6.7	-2.8	5.9	4.4	-1.5

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

Fuel expenses (¥788.2 billion to ¥932.9 billion)

+¥144.6 billion

Consumption volume

Approx. - ¥ 30.0 billion

Decrease in thermal power generation

Approx. - ¥ 30.0 billion

Price

Approx. +¥175.0 billion

Increase due to fluctuations of foreign exchanges

Approx. +¥42.0 billion

Increase due to fluctuations of CIF crude oil price, and others

Approx. +¥133.0 billion

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

Maintenance expenses (¥228.0 billion to ¥208.7 billion) - ¥19.2 billion

Generation facilities (¥75.8 billion to ¥79.2 billion)		+¥3.4 billion
Hydroelectric power (¥4.8 billion to ¥5.4 billion)		+¥0.6 billion
Thermal power (¥44.8 billion to ¥48.4 billion)	Main Factors for Increase/ Decrease Thermal: Increase in repair cost of turbine facilities, and others	+¥3.6 billion
Nuclear power (¥26.0 billion to ¥25.1 billion)		- ¥0.8 billion
Renewable energy (¥0.2 billion to ¥0.1 billion)		- ¥0.0 billion
Distribution facilities (¥150.0 billion to ¥127.5 billion)		- ¥22.4 billion
Transmission (¥16.7 billion to ¥12.5 billion)	Main Factors for Increase/ Decrease Distribution : Decrease in expenses for replacement of conventional meters with smart meters, Decrease in expenses for repair work of distribution line, and others	- ¥4.1 billion
Transformation (¥9.5 billion to ¥7.7 billion)		- ¥1.8 billion
Distribution (¥123.6 billion to ¥107.2 billion)		- ¥16.4 billion
Others (¥2.1 billion to ¥1.8 billion)		- ¥0.2 billion

Depreciation expenses (¥409.9 billion to ¥409.1 billion) - ¥0.7 billion

Generation facilities (¥179.9 billion to ¥185.3 billion)		+¥5.4 billion
Hydroelectric power (¥16.9 billion to ¥16.5 billion)		- ¥0.3 billion
Thermal power (¥98.3 billion to ¥95.2 billion)		- ¥3.1 billion
Nuclear power (¥63.6 billion to ¥72.7 billion)		+¥9.1 billion
Renewable energy (¥0.9 billion to ¥0.8 billion)		- ¥0.1 billion
Distribution facilities (¥223.0 billion to ¥217.9 billion)		- ¥5.1 billion
Transmission (¥104.3 billion to ¥99.6 billion)		- ¥4.6 billion
Transformation (¥40.2 billion to ¥39.3 billion)		- ¥0.8 billion
Distribution (¥78.5 billion to ¥78.8 billion)		+¥0.3 billion
Others (¥6.9 billion to ¥5.9 billion)		- ¥0.9 billion

<Depreciation Breakdown>

	FY2016 Apr-Dec	→	FY2017 Apr-Dec
Regular depreciation	¥408.6 billion		¥409.0 billion
Trial operations depreciation	¥1.3 billion		¥0.1 billion

Power purchasing costs (¥676.5 billion to ¥810.0 billion) +¥133.4 billion

Power purchased from other utilities (¥35.4 billion to ¥40.9 billion)	Main Factors for Increase/ Decrease Power purchased from other suppliers : Increase of purchasing solar power generation, and others	+¥5.4 billion
Power purchased from other suppliers (¥641.1 billion to ¥769.0 billion)		+¥127.9 billion

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

Taxes and other public charges (¥227.1 billion to ¥229.8 billion)		+¥2.7 billion
Property tax (¥84.1 billion to ¥84.6 billion)		+¥0.4 billion
Tax for promotion of power-resources development (¥74.7 billion to ¥75.5 billion)		+¥0.8 billion
Enterprise tax (¥37.8 billion to ¥38.9 billion)		+¥1.0 billion
Nuclear power back-end costs (¥37.5 billion to ¥36.7 billion)		- ¥0.7 billion
Expenses for contribution of reprocessing of irradiated nuclear fuel (¥23.5 billion to ¥22.9 billion)		- ¥0.6 billion
Decommissioning costs of nuclear power units (¥13.9 billion to ¥13.8 billion)		- ¥0.0 billion
Other expenses (¥775.2 billion to ¥821.4 billion)		+¥46.1 billion
Payment on Act of Renewable Electric Energy (¥342.6 billion to ¥392.9 billion)		+¥50.3 billion
Miscellaneous expenses (¥12.7 billion to ¥14.3 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, Decrease in commission expenses for software, and others	+¥1.5 billion
Rental expenses (excluding charge for occupancy of roads) (¥75.0 billion to ¥72.4 billion)		- ¥2.5 billion
Consumable expenses (¥10.9 billion to ¥8.0 billion)		- ¥2.9 billion
Promotion expenses (¥8.7 billion to ¥5.0 billion)		- ¥3.6 billion
Commission expenses (¥175.2 billion to ¥143.6 billion)		- ¥31.5 billion
Contribution to Nuclear Damage Liability Facilitation Fund (¥42.5 billion to ¥42.5 billion)		—
Incidental business operating expenses (¥46.4 billion to ¥73.1 billion)		+¥26.7 billion
Gas supply business (¥43.0 billion to ¥68.5 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	+¥25.5 billion
Interest paid (¥58.2 billion to ¥48.5 billion)		- ¥9.6 billion
Decrease in average rate during the period (1.22% to 1.07%) [Total of four companies]		- ¥4.0 billion
Decrease in the amount of interest-bearing debt (¥6,123.2 billion to ¥6,074.2 billion) [Total of four companies]		- ¥5.6 billion

Increase/ Decrease of Consolidated Business Performance

- Year on Year Comparison

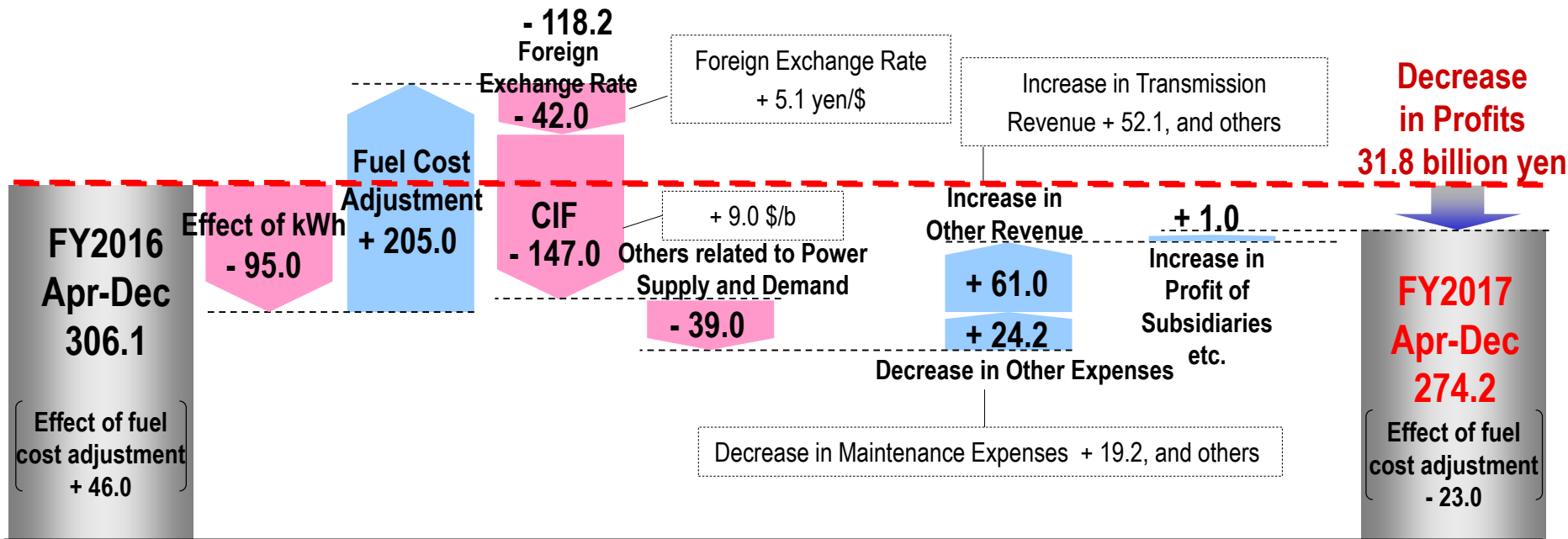
➤ Ordinary income decreased 31.8 billion yen to 274.2 billion yen.

Ordinary Income

(Unit: Billion Yen)

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

Others + 86.3



➤ Net Income attributable to owners of parent decreased 82.6 billion yen to 225.6 billion yen

Ordinary Income/ Loss -31.8, Extraordinary Income/ Loss -40.2, Income Tax etc. -10.2 and others

Financial Impact of the Great East Japan Earthquake

(Unit Billion Yen)

Item	FY2010 to FY2016	FY2017 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 6,651.3	128.6	*2 6,780.0

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	2.3	1,028.3
●Other expenses and/ or losses	387.0	-0.1	386.9
◆Loss on Disaster Sub Total: (A)	1,412.9	2.2	1,415.2
◇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	2.2	1,383.1

◆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	10.2	2,152.0
●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	102.2	2,949.7
●Other expenses · Damages due to decline in value of properties, Housing assurance damages, Decontamination costs and Contribution to the Fukushima Pref. Nuclear Accident Affected People and Child Health Fund etc.	3,474.8	1,236.6	4,711.4
● 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	139.3	6,888.5

Consolidated Balance Sheets

	(Unit: Billion Yen)				<Interest-bearing debt outstanding> (Unit: Billion Yen)			
	Dec. 31 2017 (A)	Mar. 31 2017 (B)	Comparison			Dec. 31 2017 (A)	Mar. 31 2017 (B)	(A)-(B)
			(A)-(B)	(A)/(B) (%)				
Total Assets	12,124.5	12,277.6	-153.0	98.8	Bonds	2,320.4	3,205.9	-885.4
Fixed Assets	9,978.5	10,293.8	-315.3	96.9	Long-term Debt	1,744.8	1,938.8	-193.9
Current Assets	2,146.0	1,983.7	162.2	108.2	Short-term Debt	2,001.0	860.1	1140.8
					Total	6,066.3	6,004.9	61.3
Liabilities	9,564.7	9,928.9	-364.1	96.3				
Long-term Liability	5,407.0	6,117.9	-710.9	88.4				
Current Liability	4,150.5	3,804.3	346.2	109.1				
Reserves for Fluctuation in Water Level	0.3	—	0.3	—				
Reserves for Preparation of the Depreciation of Nuclear Plants Construction	6.7	6.6	0.1	102.4				
Net Assets	2,559.8	2,348.6	211.1	109.0				
Shareholders' Equity	2,551.7	2,329.0	222.7	109.6				
Accumulated Other Comprehensive Income	2.1	14.3	-12.1	15.2				
Non-controlling Interests	5.8	5.2	0.5	111.1				

<Reference>			
	FY2017 Apr-Dec (A)	FY2016 Apr-Dec(B)	(A)-(B)
ROA(%)	2.4	2.6	-0.2
ROE(%)	9.2	13.2	-4.0
EPS(Yen)	140.83	192.39	-51.56

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-Dec (A)	Apr-Dec (B)	(A)-(B)	(A)/(B)
Operating Revenue	4,206.4	3,877.6	328.7	108.5
Holdings	612.2	688.6	-76.3	88.9
	37.9	39.8	-1.9	95.1
Fuel & Power	1,296.7	1,187.7	109.0	109.2
	13.7	21.9	-8.1	62.8
Power Grid	1,246.6	1,222.5	24.1	102.0
	266.1	202.4	63.7	131.5
Energy Partner	4,004.1	3,746.3	257.8	106.9
	3,888.5	3,613.4	275.1	107.6
Adjustments	-2,953.3	-2,967.5	14.2	—
Ordinary Income	274.2	306.1	-31.8	89.6
Holdings	155.0	99.2	55.7	156.2
Fuel & Power	44.9	107.2	-62.2	42.0
Power Grid	124.5	59.9	64.6	207.8
Energy Partner	75.8	38.7	37.0	195.6
Adjustments	-126.1	0.9	-127.0	—

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-Dec Results	Full-year Projections		Apr-Dec	Full-year
		(As of Jan. 30)	(As of Oct. 31)		
Electricity Sales Volume (billion kWh)	170.1	233.8	233.2	177.1	241.5
Crude Oil Prices (All Japan CIF; dollars per barrel)	53.9	Approx. 57	Approx. 53	44.9	47.5
Foreign Exchange Rate (Interbank; yen per dollar)	111.7	Approx. 112	Approx. 113	106.6	108.4
Flow Rate (%)	101.4	Approx. 101	Approx. 98	93.3	94.2
Nuclear Power Plant Capacity Utilization Ratio (%)	-	-	-	-	-

Financial Impact (Sensitivity)

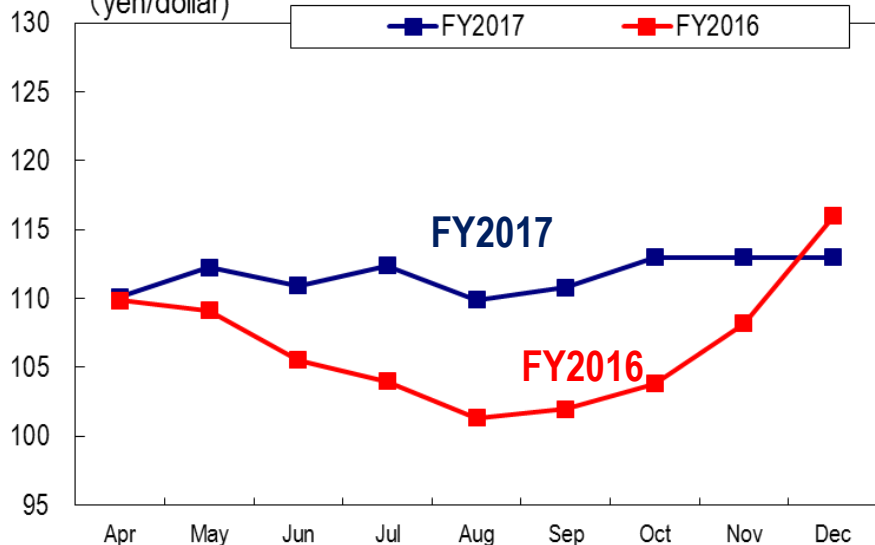
(Unit Billion Yen)

	FY2017		【Reference】 FY2016 Full-year Actual Performance
	Full-year Projections		
	(As of Jan. 30)	(As of Oct. 31)	
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.

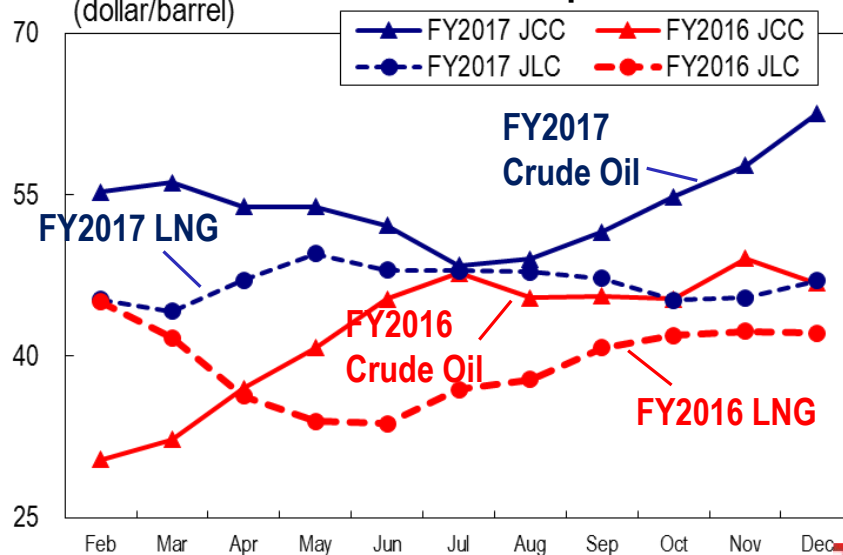
<Fluctuation of Foreign Exchange Rate>

(yen/dollar)



<Fluctuation of All Japan CIF>

(dollar/barrel)



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

Electricity Sales Volume

Unit: Billion kWh

FY2017

	Apr-Sep	Oct	Nov	Dec	Oct-Dec	Apr-Dec
Lighting	37.60	5.39	6.34	7.32	19.05	56.65
Power	77.45	12.19	11.70	12.13	36.02	113.46
Total	115.05	17.57	18.04	19.45	55.07	170.11

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

[Ref.] Year-on-year Comparison

	Oct-Dec	Apr-Dec
Lighting	95.3%	94.6%
Power	95.9%	96.8%
Total	95.7%	96.0%

Total Power Generated

Unit: Billion kWh

FY2017

	Apr-Sep	Oct	Nov	Dec	Oct-Dec	Apr-Dec
Hydroelectric	6.78	1.01	0.92	0.88	2.81	9.59
Thermal	85.65	14.20	14.70	18.00	46.90	132.54
Nuclear	-	-	-	-	-	-
Renewable etc.	0.03	0.01	0.01	0.01	0.02	0.05
Total	92.46	15.21	15.62	18.89	49.72	142.18

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

[Ref.] Year-on-year Comparison

	Oct-Dec	Apr-Dec
Hydroelectric	132.8%	122.5%
Thermal	100.1%	96.2%
Nuclear	-	-
Renewable etc.	114.9%	100.2%
Total	101.5%	97.6%

[Reference] Fuel Consumption

Fuel Consumption Data

	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Apr-Dec	【Reference】 FY2016 Apr-Dec
LNG (million tons)	23.49	21.55	21.06	14.89	14.97
Oil (million kl)	3.10	2.48	2.05	0.43	1.58
Coal (million tons)	7.53	8.34	8.14	6.45	6.24

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
Total imports	706	616	49

Heavy Oil (Unit: thousand kl)

	FY2014	FY2015	FY2016
Total imports	2,440	1,540	1,578

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
Total imports	24,754	22,887	22,366

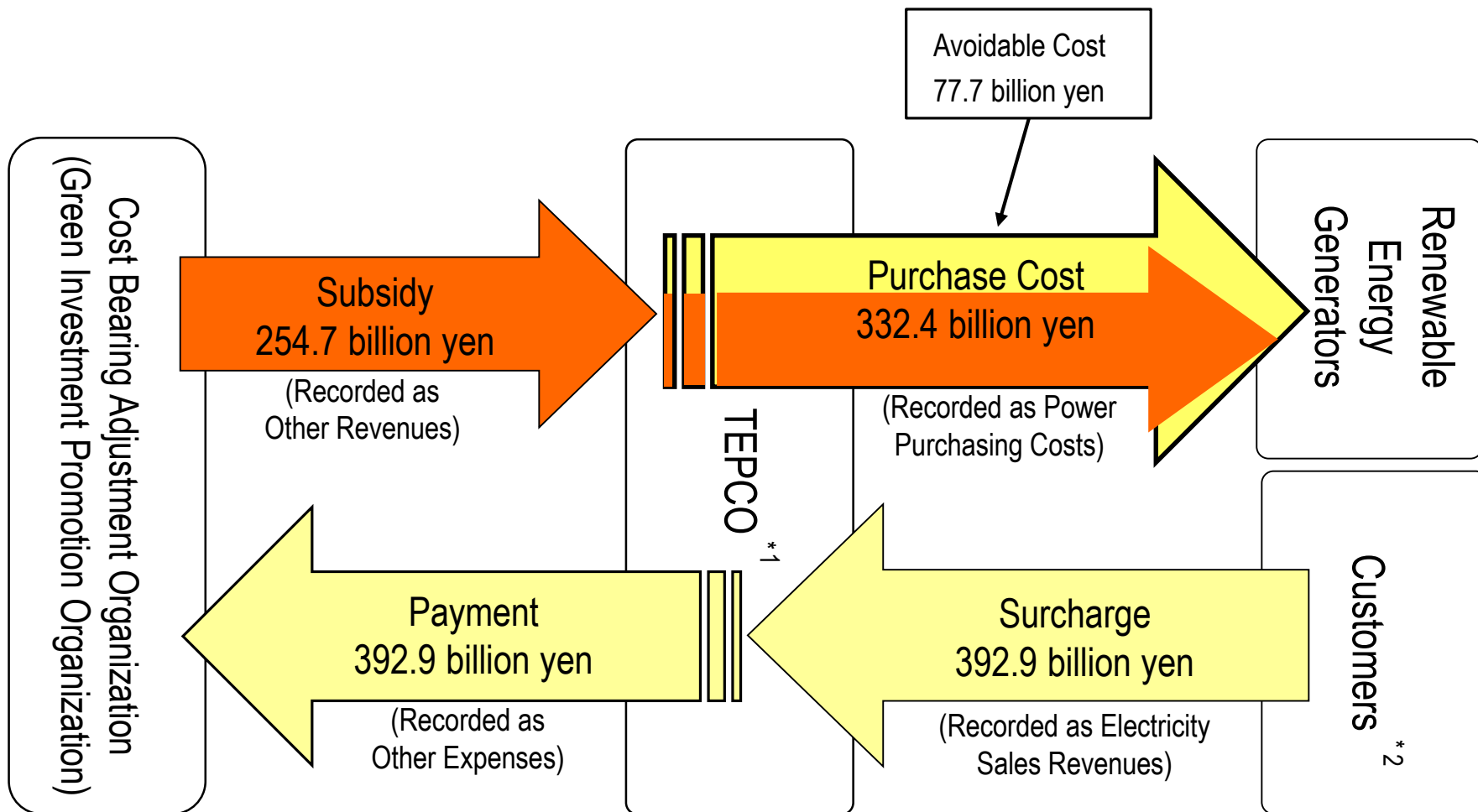
Coal

(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	-	-
Total imports	7,454	8,548	7,901

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

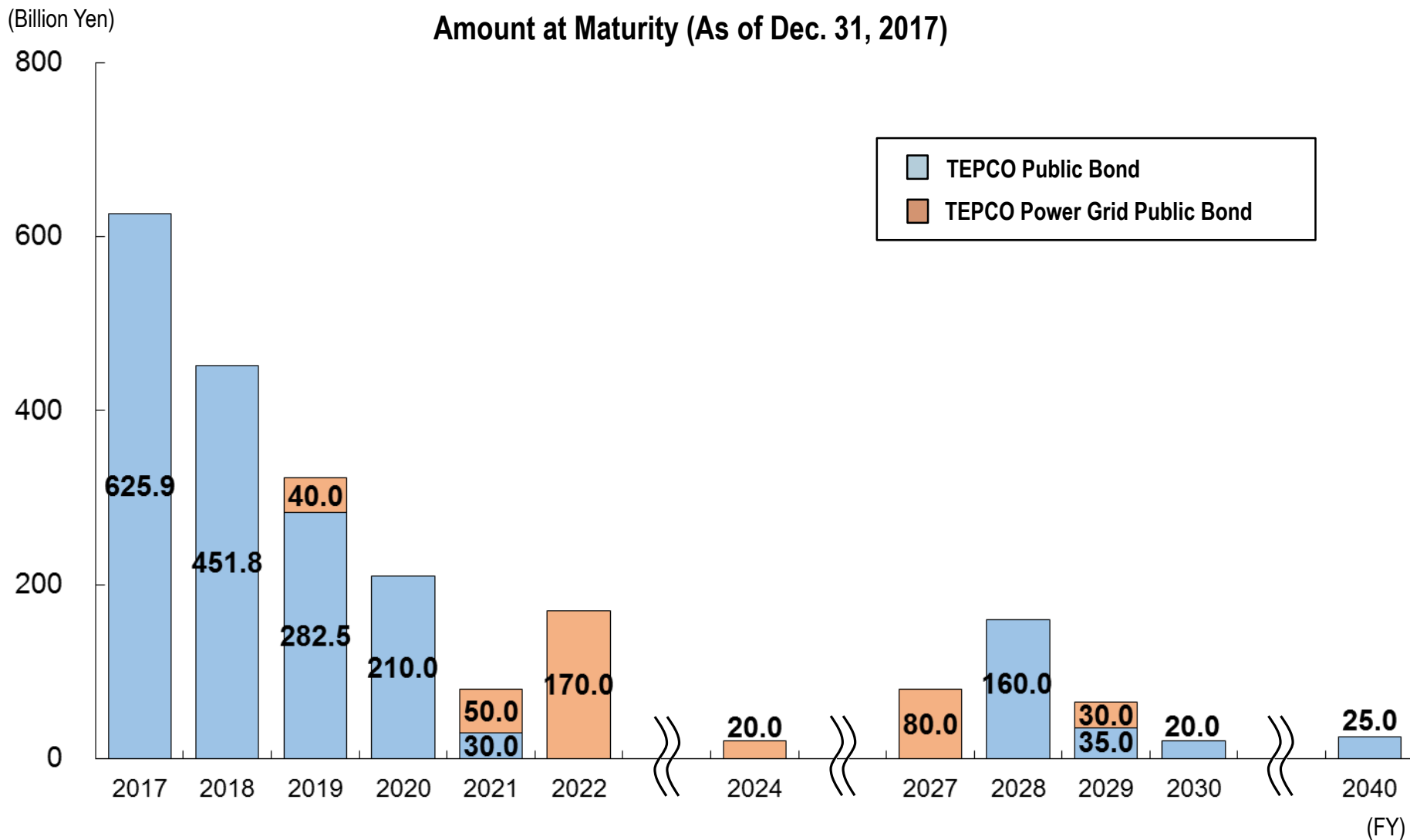
(FY 2017 Apr.- Dec.)



*1 TEPCO Power Grid, TEPCO Energy Partner

*2 Including TEPCO Group Companies

[Reference] Schedules for Public Bond Redemption



Note: The amount redeemed for Apr.- Dec. of fiscal 2017 totaled 483.3 billion yen.

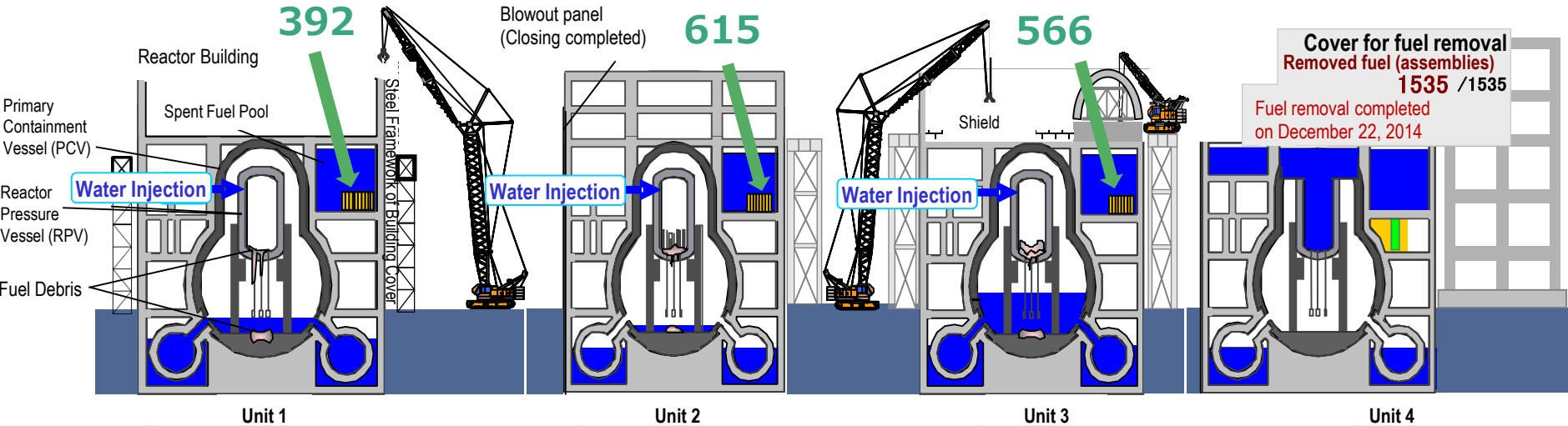
The Current Status of Fukushima Daiichi Nuclear Power Station and Future Initiatives

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 Primary Containment Vessel was planned and is underway.

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Current Situation



	Unit 1	Unit 2	Unit 3	Unit 4
Works towards removal of spent fuel and fuel debris	<p>[Spent fuel removal]</p> <ul style="list-style-type: none"> - Installation of windbreak fences to reduce dust scattering during rubble removal from the operating floor was completed in December 2017. - Rubble removal will start once preparation is completed. <p>[Fuel debris removal]</p> <ul style="list-style-type: none"> - 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. 	<p>[Spent fuel removal]</p> <ul style="list-style-type: none"> - Rubble on the Reactor Building roof, outer peripheral coping, etc. are being removed. - Removal of the roof protection layer (roof blocks, etc.) by unmanned work using remote-controlled heavy machines started in January 2018. <p>[Fuel debris removal]</p> <ul style="list-style-type: none"> - The internal investigation of PCV completed in January 2018, found that some fuel assembly components have fallen to the bottom of the pedestal and the entire bottom of the pedestal was found to be covered with sandy and clay-like deposits. 	<p>[Spent fuel removal]</p> <ul style="list-style-type: none"> - Work is underway to install a dome roof for fuel removal. <p>[Fuel debris removal]</p> <ul style="list-style-type: none"> - An investigation conducted of the pedestal interior in July 2017 found what appears to be solidified molten material, grating and other items that had fallen down, and sediment deposits. - From May to September 2017, measurements were taken using cosmic ray-derived muon particles. An evaluation found that some fuel debris may be present in the lower part of the RPV. 	<p>[Spent fuel removal]</p> <ul style="list-style-type: none"> - Fuel removal from the SFP was completed in December, 2014.

● The revised version of the Mid-and-Long-Term Roadmap is available [here \(TEPCO website\)](#).

1. Basic Approach toward Revision

- (1) Maintain approach that prioritizes safety and emphasizes risk reduction
- (2) Optimize overall decommissioning so new revelations about field conditions which come to light as the decommissioning work progresses are taken into account
- (3) Emphasize and further enhance communication with the community and society

2. Key Revision Points

(1) Fuel debris removal

NDF compared and reviewed several removal methods, as well as drafted and announced technical recommendations which was submitted to the government at the end of August



Based on the recommendations, a fuel debris removal policy was decided on

- Shift to atmospheric and cross-dyke methods, and move ahead on lower PCV work
- Proceed step-by-step (starting small, advancing in phases)

(2) Fuel removal from pools

Based on work progress, newly required work was clarified from the standpoint of ensuring safety



Proceed with work prudently by addressing field conditions as they are identified as well as implementing measures to thoroughly ensure safety while adding additional measures as necessary. Optimize overall decommissioning work and make improvements that keep pace with the environment around buildings.

(3) Contaminated water countermeasures

Preventive and multilayered countermeasures have been advanced, including sub-drains, sea-side impermeable walls, frozen-soil walls, etc. and the quantity of water flowing into buildings has been significantly reduced



Appropriately maintain and manage preventive and multilayered countermeasures, and reliably implement such measures. Thoroughly integrate operation of the frozen-soil wall and sub-drains, and reduce quantity of contaminated water generated. Steadfastly maintain the current policy for handling liquid waste.

(4) Waste countermeasures

At the end of August, the NDF drafted and announced technical recommendations which was submitted to the government regarding the “basic approach”



Based on recommendations, consolidate the “basic approach.”

- Thoroughly ensure safety (containment and isolation)
- Along with ascertaining properties and conditions, select methods for advanced processing

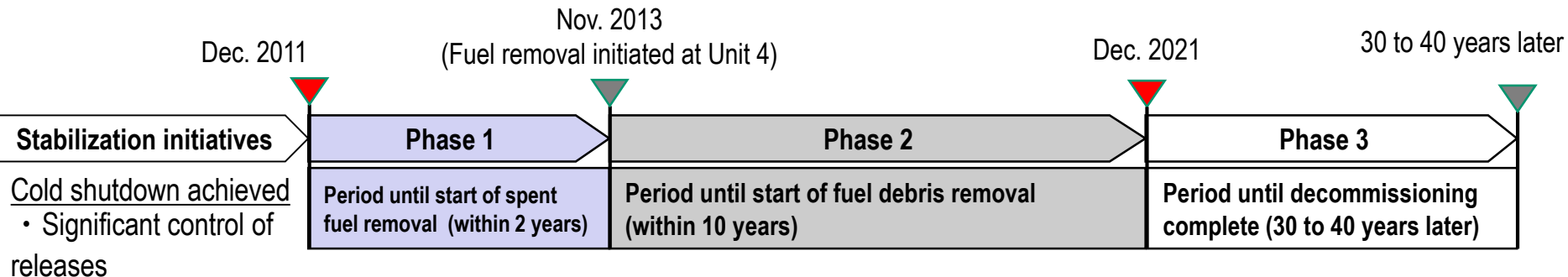
(5) Communication

As people return home and areas are rehabilitated, more conscientious information transmission and communication is necessary



Further strengthen communication. In addition to meticulous transmission of information, enhance interactive communication.

Maintain Overall Framework of Decommissioning Schedule



Milestones indicate progress on countermeasures in an easy-to-understand manner

Contaminated water countermeasures	Hold quantity of contaminated water generated to 150 m ³ /day	End of 2020
	Store all water cleaned through treatment systems, etc. in welded tanks	FY 2018
Stagnant water treatment	① Cut off all throughholes between Units 1 and 2 as well as Units 3 and 4	End of 2018
	② Reduce quantity of radioactive materials in stagnant water inside of buildings to 1/10 the level it was at the end of FY2014	FY 2018
	③ Complete treatment of stagnant water inside buildings	End of 2020
Fuel removal	① Start retrieving fuel at Unit 1	Goal of FY 2023
	② Start retrieving fuel at Unit 2	Goal of FY 2023
	③ Start retrieving fuel at Unit 3	Around mid-FY2018
Fuel debris removal	① Finalize method for retrieving fuel debris for first unit	FY 2019
	② Start retrieving fuel debris at first unit	End of 2021
Waste countermeasures	Treatment and disposal policy, and technical prospects pertaining to such safety	Around FY 2021

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.
- With respect to the land-side impermeable wall which is one of the measures to "isolate water from contamination sources," freezing all sections started in August 2017.

<Main countermeasures>

Eliminate contamination sources

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

Isolate water from contamination

- Pump up groundwater by groundwater bypass
- Pump up groundwater near buildings
- Land-side frozen impermeable walls
- Waterproof pavement

Prevent leakage of contaminated water

- Enhance soil by adding sodium silicate
- Sea-side impermeable walls
- Increase the number of (welded-joint) tanks

Treatment of stagnant water in buildings

- In December 2017, water removal from the Unit 1-3 condensers was completed. The amount of radioactive materials in stagnant water was reduced by approx. 20%.

< 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 23, 2018, 3:00pm, the total volume of groundwater discharged is 485,225t).

Land-side frozen impermeable walls

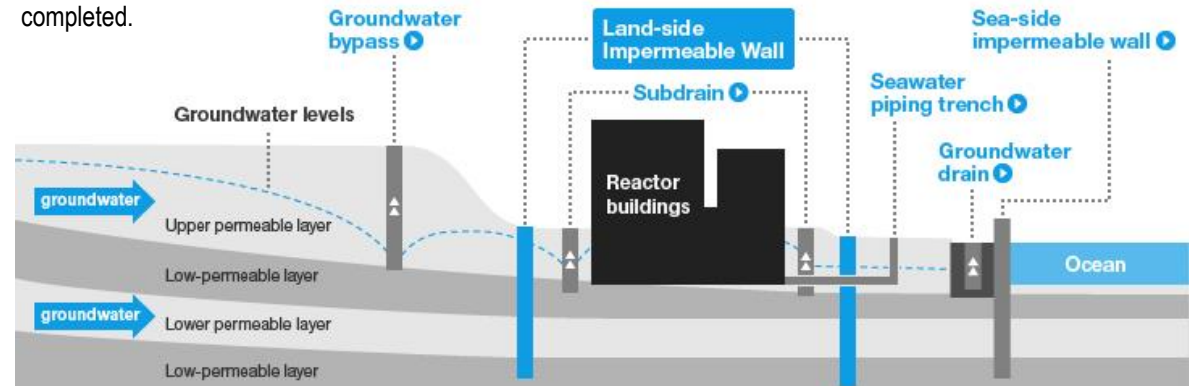
- The amount of groundwater flowing into buildings, etc. has been reduced due to an effect of the land-side impermeable walls, enhancement of the subdrains and others. Though temporarily increased due to the influence of typhoons in October, the amount returned to the same level before the typhoons within a shorter period than the previous year.
- On December 18, 2017, the pumped up volume in the bank area was reduced to the lowest level ever recorded (64m³/day).
- The effects of freezing will continue to be checked by monitoring underground temperatures, water levels, quantity of water pumped out and other conditions.

Sea-side impermeable walls

➢ On October 26, 2015, the seaside impermeable walls were completed to be closed.

Removal of contaminated water in trenches

➢ On December 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.

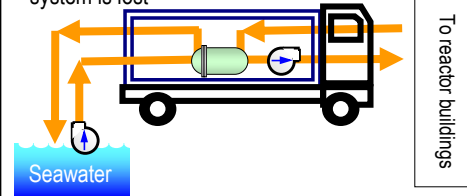
I. Installation of flooding embankment [banks]

- 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

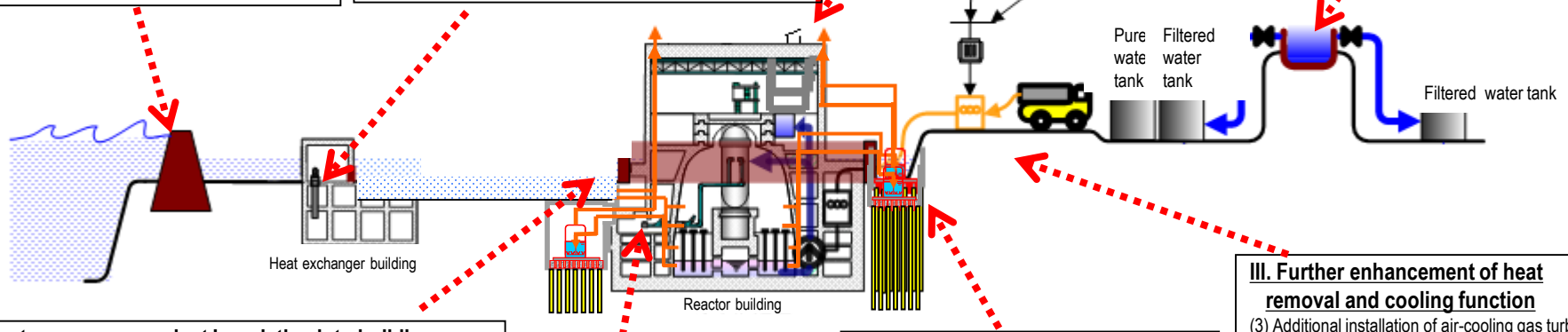


III. Further enhancement of heat removal and cooling function

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

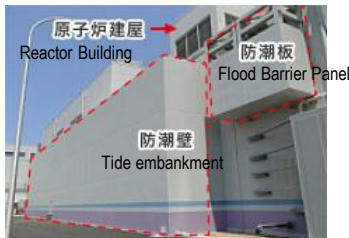
III. Further enhancement of heat removal and cooling function

- (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 January 10, 2018

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

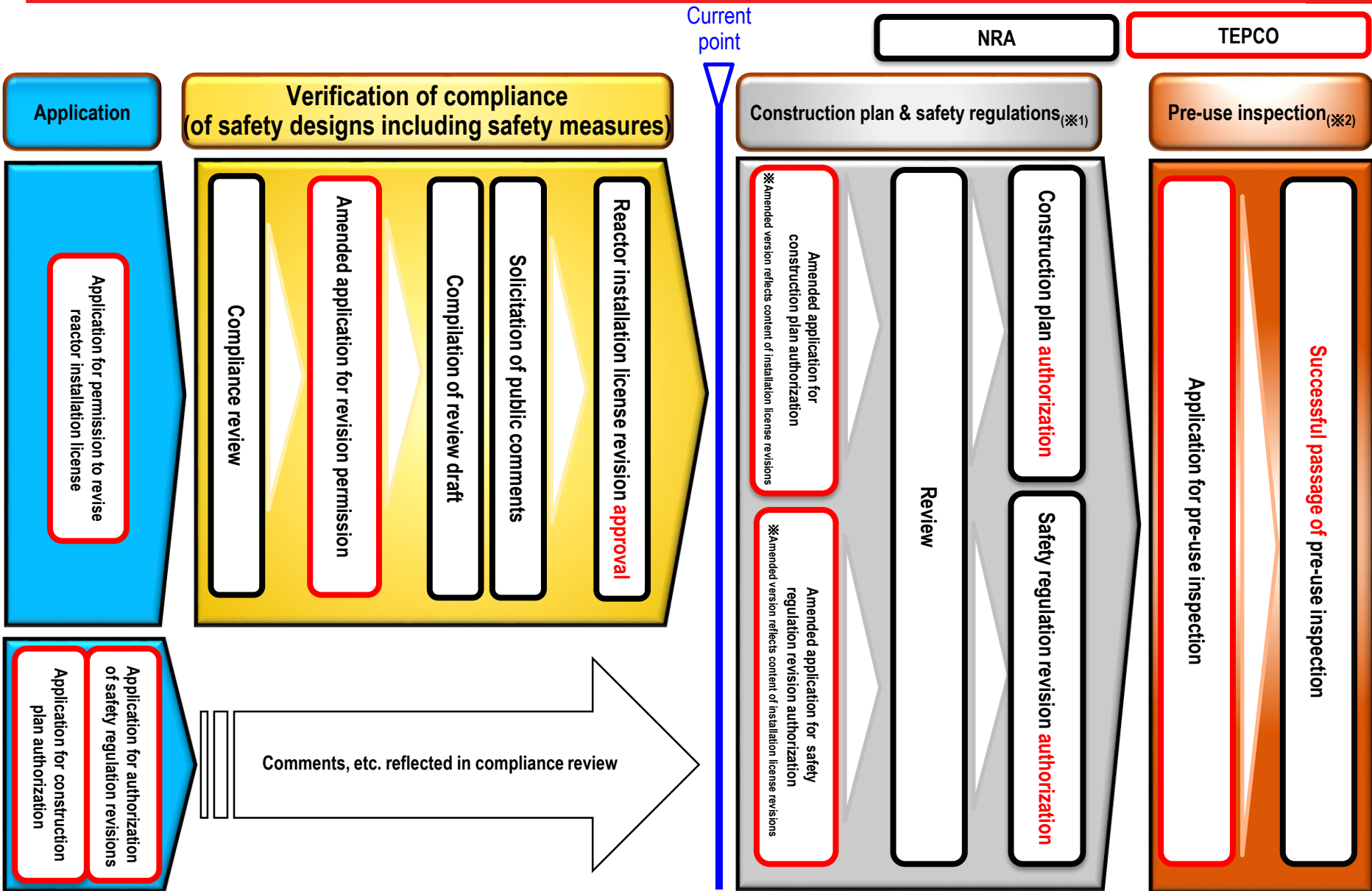
Latest Review Status

- 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, amended applications for revision of the reactor installation license, which reflect changes sought as discussed review meetings held, were submitted to the Nuclear Regulation Authority (NRA) on June 16, August 15, September 1 and December 18, in 2017.
- On December 27, 2017, the NRA approved TEPCO's application for revision of its reactor installation license.

Upcoming Reviews

- TEPCO will submit amended applications for authorization of a construction plan and safety regulation revisions based upon the results of the examination which approved revision of the reactor installation license. (Currently, the timing of these filings is pending.)

Key License/Permit Steps in Enforcement of New Regulatory Requirements



※1: Basic matters for safety of a nuclear power plant are stated, which an operator must observe.

※2: Inspection conducted by the central government to verify that construction has been carried out in the manner determined by the construction plan.

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.

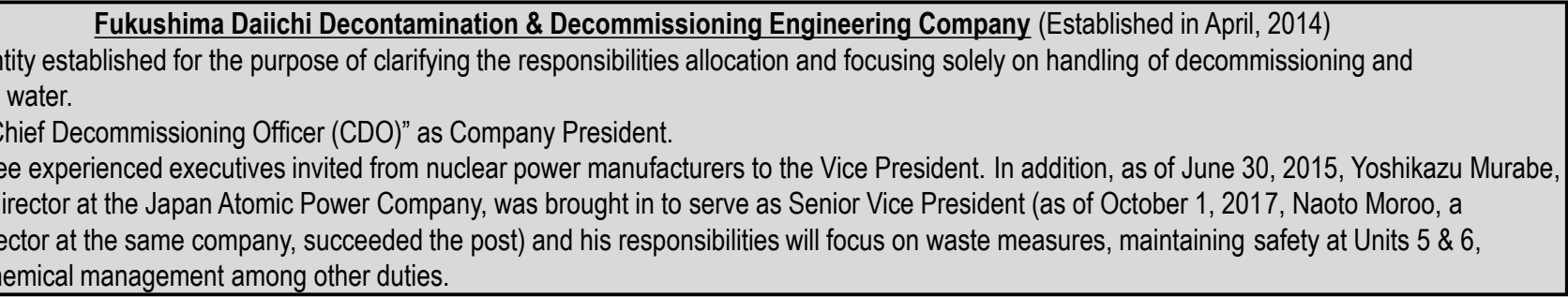
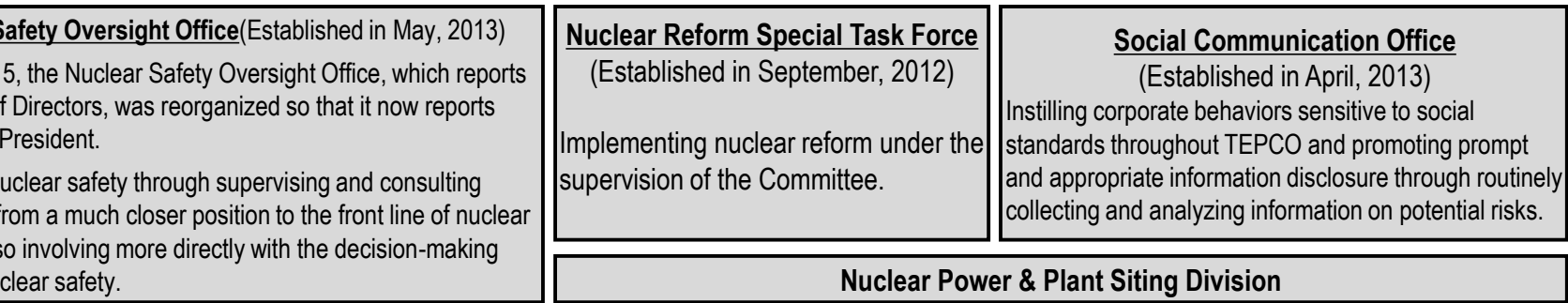
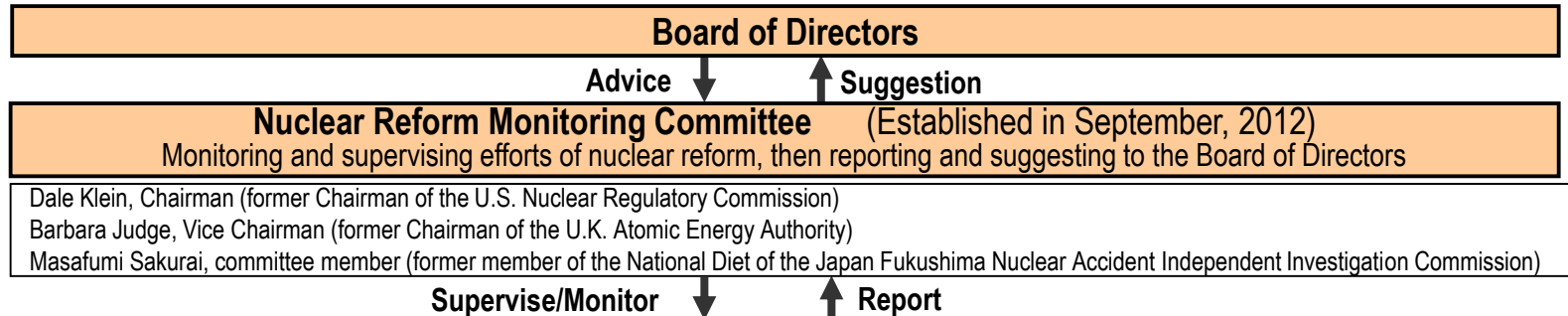
*2 Cost reductions given in the table were calculated using the pre-earthquake plan as the basis (same as the New Comprehensive Special Business Plan).

*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.”
- The Mid-and-Long-Term Roadmap for decommissioning Fukushima Daiichi NPS was revised in September 2017 and permission received to revise the reactor installation license for Kashiwazaki-Kariwa NPS Units 6 & 7. TEPCO will now reassess its plans to take into account items pointed out and suggested by the Nuclear Reform Monitoring Committee and faithfully implement these items.

<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. In addition, we have been implementing initiatives to strengthen the governance for the organization as a whole.
- In order to bolster the “alignment of vectors throughout the entire organization” in regard to reform and improvement activities, which has also been suggested by the Nuclear Reform Monitoring Committee concerning the status of TEPCO’s efforts to reform nuclear safety, TEPCO is working to have its personnel adopt management models that will serve as common standards for these activities.

Countermeasures	Recent Principal Activities ([Resource] Nuclear Safety Reform Plan Progress Report released on November 1, 2017)
Strengthening the Governance	- At Fukushima Daiichi, the enhancement of internal communication and personal development have been integrated in holding “lectures to learn about experiences in decommissioning” in a forum-type setting, which are based on talks by employees who have been involved in the process and other materials providing lessons and knowledge gained in past projects and work.
Reform from Top Management	- Materials describing the link between contractors’ products and nuclear safety have been used in conducting a dialogue with contractors supplying products used in construction projects for safety measures at Kashiwazaki-Kariwa NPS.
Enhancement of Oversight and Support for Management	- The Nuclear Safety Advisory Board, on which five overseas experts sit, commenced its activities at Kashiwazaki-Kariwa NPS and Fukushima Daini NPS. The board will provide guidance and advice to nuclear power leaders on conducting sound training for emergency responders, utilizing human performance tools with contractors, considering mitigation measures in keeping with the magnitude of risk, as well as other issues. - The Nuclear Safety Oversight Office has stressed the need to further strengthen preparations of procedures, training and other aspects of emergency responses as well as verifying the effectiveness of countermeasures in all improvement activities.
Enhancement of Ability to Propose Defense-in-Depth	- TEPCO has proceeded to systematically collect and analyze operational experience data available in Japan and around the world, and hold intensive study sessions about particularly important operational experience information (major accidents, etc. that have occurred both inside or outside Japan).
Enhancement of Risk Communication Activities	- As part of TEPCO’s measures to address shortcomings in its response to examinations evaluating the compatibility of Kashiwazaki-Kariwa NPS Units 6 & 7 with new regulatory requirements, managers in the Head Office’s Nuclear Power Division have been participating in public hearings in Niigata Prefecture so that they may become directly aware of the apprehension that people in the communities feel about nuclear power generation and TEPCO. - Risk communicators have served as instructors in the newly commenced workshops where case studies about issues that TEPCO has faced regarding information disclosure and communication are used as teaching materials to change the way personnel think in the Head Office’s Nuclear Power Division, Niigata Headquarters and Kashiwazaki-Kariwa NPS.
Enhancement of the Emergency Response Capability of Power Stations and the Head Office	- Training was conducted for the first time using the Unit 5 emergency response headquarters, which is being prepared at Kashiwazaki-Kariwa NPS, to verify that the procedures necessary for an accident response are able to be appropriately implemented.
Development of Personnel for Enhancing Nuclear Safety	- Training has been conducted for newly appointed group managers to imbue in them management’s expectations and the way in which they should exercise leadership. - The results of activities conducted by Kashiwazaki-Kariwa NPS system engineers in monitoring systems were presented at a technical meeting of the Japan Society of Maintenology where participants assessed these efforts as leading to a reduction in risks.

<TEPCO Holdings>

- December 8, 2017: TEPCO Holdings joined a battery storage project for electric utility systems in the United States with TEPCO Power Grid (TEPCO Holdings is the first Japanese electric utility to join PJM, a regional transmission network operator in the United States that has an advanced frequency regulation market).
- December 13, 2017: Verification tests were begun on a virtual power plant utilizing electric automobiles in preparation for establishment of effective EV charge and discharge controls with NISSAN MOTOR CO., LTD.
- December 25, 2017: TEPCO Holdings, NEDO, Yokogawa Electric Corporation and The Japan Research Institute, Limited launched a verification project for saving energy by introducing an energy management system in China's Guangdong Province (verification of the feasibility of system-collaboration advanced demand response).
- January 15, 2018: TEPCO Holdings, Saudi Electric Company, Nissan Middle East and TAKAOKA TOKO CO., LTD. are to test the feasibility of electric cars in Saudi Arabia (to consider the commercialization of electric cars in a severe high temperature environment).
- January 17, 2018: Promotion of reforms in the way personnel work within the TEPCO Group (creation of human resources with the "capability to earn" as well as improvement in employee vitality will be promoted through intensification and evolution of the way in which personnel work).

<TEPCO Fuel & Power>

- December 12, 2017: Efficiency enhanced of the 2nd axis of Group 8 at Yokohama Thermal Power Station (completion of efficiency enhancements for all axes of Groups 7 and 8 will reduce fuel costs by approximately ¥8 billion and CO2 emissions by approximately 240,000 tons each year).
- December 26, 2017: Efficiency enhanced of the 2nd axis of Group 1 at Futtsu Thermal Power Station (replacement of gas turbine and other components completed in the aim of reducing fuel costs and CO2 emissions).

<TEPCO Power Grid>

- November 9, 2017: TEPCO Power Grid and Tecnos Data Science Engineering, Inc. initiated joint development of an overhead power line diagnostic system, which uses AI with the aim of achieving more advanced abnormality detection as well as significant increases in efficiency and cost reductions.
- November 29, 2017: Alliance created with Global Engineering Co., Ltd. to realize an aggregation business.
- December 21, 2017: TEPCO Holdings, TEPCO Power Grid, Tokyo Electric Power Services Co., Ltd., Nippon Koei Co., Ltd. and IIEP Co., Ltd. are to implement a project for drafting the Kingdom of Bhutan's 2040 Electricity Master Plan.
- January 4, 2018: Verification tests begun with Hokkaido Electric Power Company aimed at expanding the adoption of wind power generation.

<TEPCO Energy Partner>

- November 8, 2017: New Amazon Alexa-compatible function added to TEPCO Smart Home's "Secure-Even-When-Away Plan" (further enhancing convenience through voice notifications for families whose lifestyle puts them away from home)
- November 16, 2017: TEPCO Energy Partner and Tochigi Public Enterprise Bureau created "Tochigi Furusato Electricity," which offers a menu of rates for locally produced and consumed electricity delivered from Tochigi Prefecture-operated hydroelectric power plants.
- January 10, 2018: TEPCO Energy Partner began signing up customers for its "Toku-Toku Gas Floor Heating Plan," which offers the two benefits of discounts and repair services.
- January 25, 2018: Conclusion of the "E-KIZUNA Project Agreement" for Construction of Low-Carbon Towns with Uninterrupted Electricity Supply with Saitama City

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