TEPCO

Annual Report 2016

Year ended March 31, 2016

Tokyo Electric Power Company Holdings

Profile

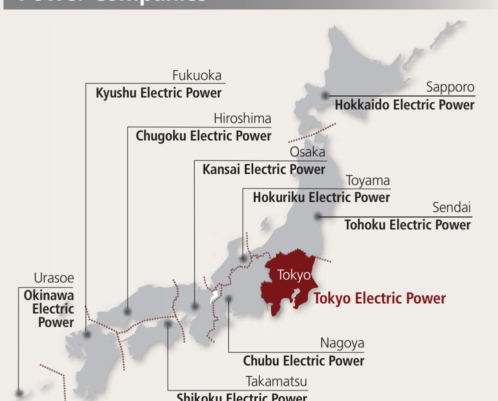
In April 2016, Tokyo Electric Power Company, Incorporated (TEPCO) transitioned to a Holding Company System, spinning off its three business divisions related to the fuel and thermal power generation business, general power transmission and distribution business and electricity retail business. This move resulted in the creation of three core operating companies—TEPCO Fuel & Power, Incorporated, TEPCO Power Grid, Incorporated and TEPCO Energy Partner, Incorporated—and the stockholding company Tokyo Electric Power Company Holdings, Incorporated (TEPCO Holdings) to handle administration. Staying at the forefront of the domestic electric power industry, TEPCO has thus completed an organizational transition aimed at optimizing its structure in anticipation of drastic changes in business regulations.

TEPCO, the precursor to TEPCO Holdings, was established in 1951 to supply electric power to the Tokyo metropolitan area, and for more than half a century it has continued to support Japan's social and economic development by providing high-quality services. However, the Tohoku-Chihou-Taiheiyou-Oki Earthquake, which struck on March 11, 2011, precipitated a serious accident at Fukushima Daiichi Nuclear Power Station. This event weakened TEPCO's financial standing and income structure considerably. Addressing the situation, TEPCO, along with the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF), formulated the Comprehensive Special Business Plan, under which a program of drastic streamlining, management reforms and other steps was executed. Simultaneously, TEPCO worked to strengthen its financial position through the issuance of preferred stocks totaling ¥1 trillion, with NDF as allottee. As a result of these actions, including such initiatives as exhaustive cost reductions, TEPCO was able to achieve a third consecutive year of profitability in the year ended March 31, 2016.

With the full liberalization of the electricity retail market being enforced in April 2016, the operating environment surrounding the TEPCO Group is undergoing substantial change. Against this backdrop, TEPCO Holdings has assumed full responsibility regarding the payment of compensation, the decommissioning of the nuclear reactors and the revitalization of Fukushima, while each of the Group's core operating companies is moving forward with strategies tailored to its own business needs. In these ways, the TEPCO Group will achieve the goal of simultaneously fulfilling the demands of "Responsibility" while realizing "Competitiveness" and thereby enhance its corporate value.

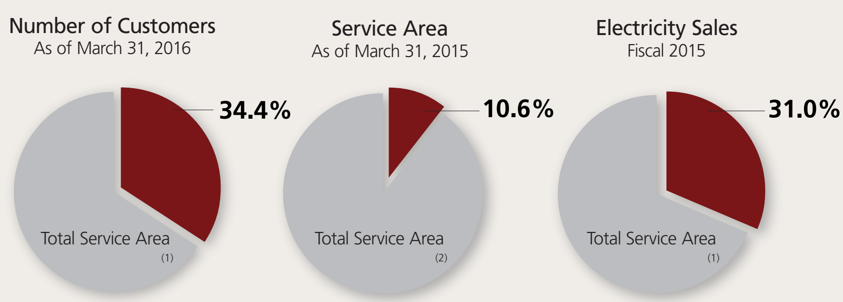
TEPCO Snapshot

Service Areas of Japan's Ten Electric Power Companies



As of March 31, 2016

TEPCO's Position in the Japanese Electric Power Industry



● TEPCO's Service Area ● Total Service Area (10 EPCOs)

Notes: 1. Source: The website of the Federation of Electric Power Companies of Japan
2. Source: *Handbook of Electric Power Industry* (2015 edition)

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Forward-Looking Statements

This annual report contains forward-looking statements regarding the Company's plans, outlook, strategies, and results for the future. All forward-looking statements are based on judgments derived from the information available to the Company at the time of publication.

Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this report. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's businesses; competitive pressures; related laws and regulations; product development programs; and changes in exchange rates.

To Our Shareholders and Investors

Having adopted a Holding Company System to simultaneously fulfill the demands of "Responsibility and Competitiveness," we are committed to revitalizing Fukushima, continuously creating new value and achieving success amid intensifying competition.

Seriously reflecting on the nuclear accident in March 2011, TEPCO has been rallying its Groupwide strengths to achieve reforms in all aspects of its operations, including nuclear power generation, in line with the Comprehensive Special Business Plan approved by the Japanese government. In doing so, sweeping efforts have been under way to ensure that employees' focus on maintaining safety never falters due to overconfidence or a lapse in vigilance.

In April 2016, TEPCO transitioned to a Holding Company System in conjunction with the full liberalization of the electricity retail market. Maintaining its position at the forefront of the domestic electric power industry, TEPCO adopted this corporate structure by spinning off its three core operating divisions to create TEPCO Fuel & Power, Incorporated, TEPCO Power Grid, Incorporated and TEPCO Energy Partner, Incorporated. With the stockholding company Tokyo Electric Power Company Holdings, Incorporated (TEPCO Holdings) handling administration, these operating companies are in charge of fuel and thermal power generation; general power transmission and distribution; and electricity retail operations, respectively.

The newly reborn TEPCO is poised to achieve sustainable growth and maximize its corporate value, with TEPCO Holdings, the three core operating companies and all other Group members working as one.

Moreover, as it aims to return to the bond market, TEPCO is striving to solidify its revenue base and further improve its financial standing. At the same time, TEPCO is determined to fulfill its mission to become the winner in market competition while revitalizing Fukushima.

Although there are a lot of challenges coming its way, the TEPCO Group will remain true to this mission. Under the new brand slogan "The Energy for Every Challenge," we will endeavor to maximize our business results. We sincerely ask for your understanding of and cooperation with our future efforts.

Naomi Hirose, President
Tokyo Electric Power Company Holdings, Incorporated

Reference: Corporate Structure Following the Transition to a Holding Company System

Holding Company

Tokyo Electric Power Company Holdings, Incorporated

TEPCO

Tokyo Electric Power Company Holdings

- Management of Group operations
- Compensation, decommission and revitalization promotion, etc.
- Hydroelectricity and new energy generation
- Nuclear power generation, etc.

Fuel & Thermal Power Generation Company

TEPCO Fuel & Power, Incorporated

TEPCO

TEPCO Fuel & Power

- Thermal power generation business (excluding operations located on remote islands)
- Fuel procurement and resource development businesses pertaining to thermal power generation, etc.

General Power Transmission and Distribution Company

TEPCO Power Grid, Incorporated

TEPCO Power Grid

- General power transmission and distribution business, etc.

Electricity Retail Company

TEPCO Energy Partner, Incorporated

TEPCO

TEPCO Energy Partner

- Retail electricity business, gas business, etc.

From left: Mr. Tomoaki Kobayakawa, President of TEPCO Energy Partner; Mr. Toshihiro Sano, President of TEPCO Fuel & Power; Mr. Naomi Hirose, President of Tokyo Electric Power Company Holdings; Mr. Toshiro Takebe, President of TEPCO Power Grid

Interviews with Group Company Presidents

Naomi Hirose, President Tokyo Electric Power Company Holdings, Incorporated

Q What is TEPCO Holdings' policy as the stockholding company?

A The transition to a Holding Company System enables us to more flexibly and swiftly adapt to changes in the operating environment. Under this structure, the stockholding company, the core operating companies and all other TEPCO Group members will rally their strengths to fulfill their responsibilities regarding the Fukushima nuclear power accident. In addition, we intend to execute even more drastic reforms aimed at ensuring that we will prevail amid the ever-intensifying market competition engulfing the energy industry. To this end, TEPCO Holdings will take the primary role in Fukushima-related compensation, decommissioning and revitalization operations while helping Group members realize greater operational efficiency and competitiveness through the formulation of business strategies and the optimal allocation of management resources.

Q Please tell us your future plans regarding Fukushima-related compensation and revitalization operations, two of the initiatives TEPCO Holdings is responsible for.

A To help restore those affected by the accident to normal daily life and restart their businesses in the shortest time possible, we will continue to work to accelerate the revitalization of Fukushima through the payment of compensation. We will also continue to provide follow-up services targeting non-claimants. Standing shoulder to shoulder with the people forced to leave their homes, we are committed to ensuring that every last person is compensated. Moreover, we will spare no effort to cooperate with the national and local governments as well as to participate in public-private initiatives to help reconstruct local industrial platforms. Helping realize the earliest possible revitalization of Fukushima is our foremost goal.

Q What future initiatives regarding the decommissioning of the Fukushima Daiichi Nuclear Power Station do you have planned?

A We have made progress in the implementation of contaminated water countermeasures. We are now shifting our focus to the removal of fuel—the most crucial process in decommissioning—and are presently conducting surveys to determine the status of the nuclear debris. As for the removal of fuels from spent fuel pool, such work as the removal of rubble and decontamination is continually under way as is the installation of fuel removal equipment. As for the removal of nuclear debris, we will conduct ongoing interior surveys of the reactor containment vessels while discussing the removal procedures to be adopted. We will also reinforce our operational foundation to best support this long-run decommissioning project by, for example, nurturing human resources and improving working environments, both of which are essential to ensuring smooth and safe operations.

Q Could you tell us about safety countermeasures undertaken at the Kashiwazaki-Kariwa Nuclear Power Station?

A The Nuclear Regulation Authority has been conducting an examination to assess the facility's status of compliance with regard to new regulatory standards. We are sincerely striving to fulfill requirements under these standards while further enhancing safety measures. In addition, we disclose the status of countermeasures undertaken at this facility via public relations activities and presentation meetings to which local residents are invited, with the Niigata Headquarters serving as a primary communications hub. The headquarters also spearheads overall nuclear power safety initiatives to ensure local people's peace of mind.

Q What is the Company's stance on shareholder returns?

A TEPCO Holdings believes that fulfilling the expectations of its shareholders and investors through business expansion and dividend payments is essential. It is my sincere regret, however, that we have had to continue the non-payment of dividends.

To rectify this situation, we will steadily implement the New Comprehensive Special Business Plan. If the progress of our management effort is acknowledged by the Nuclear Damage Compensation and Decommissioning Facilitation Corporation in the upcoming assessment scheduled for early 2020s, we will restart dividend payments or the retirement of treasury stock to reward our shareholders and investors.

We sincerely ask for their understanding of and cooperation with our operations.

Toshihiro Sano, President TEPCO Fuel & Power, Incorporated

We will become a world-leading thermal power generation facility operator while pursuing global expansion through new business creation.

Q As the head of an operating company specializing in fuel and thermal power generation business, the core of the electric power business, please share with us your vision of the future.

A Today, conditions in the market surrounding our thermal power generation business are getting ever more uncertain as competing power generation facilities come on line, renewable energy gains popularity, GHG emission regulations tighten, and, most recently, oil prices plummet. In this environment, TEPCO Fuel & Power is determined to compete with and prevail over utilities around the world. To this end, we are executing decisive operational reforms encompassing the entire value chain, from upstream investment and fuel procurement through power generation, thereby enhancing our corporate value.

Q In July 2016, JERA Co., Inc., a joint venture of TEPCO Fuel & Power and Chubu Electric Power Co., Inc., took over the two parent companies' upstream assets, including fuel procurement, as well as their overseas IPP businesses. What do you expect from JERA?

A We are witnessing considerable changes in the domestic and overseas energy industries. For example, the full liberalization of the electricity retail market in April 2016 has placed domestic utilities under ever increasing pressure to supply electricity and gas at internationally competitive rates. Meanwhile, oil prices have been fluctuating wildly since early 2016. Moreover, the adoption of the Paris Agreement at COP21 has prompted members of the international community to take concrete action in line with this new global warming countermeasure framework for 2020 and beyond. As an electric power company, we are acutely aware of our obligation to minimize GHG emissions.

Given these factors, we are looking to JERA to become a supplier of constant and stable energy with internationally superior cost competitiveness. JERA's success will redound positively on the corporate value of TEPCO Fuel & Power and Chubu Electric Power. Although JERA may face a difficult road as it simultaneously strives toward securing a stable electricity supply, superior economic efficiency and environment friendliness, I am confident that it is capable of overcoming all of these challenges.

Q What are your thoughts about the possible integration of the existing thermal power generation operations into JERA?

A To prevail in the increasingly competitive global energy market, we must optimize the management of our entire supply chain, which encompasses such upstream assets as fuel procurement operations to downstream assets like thermal power generation operations. I believe this is the best possible way to enhance our competitiveness. We will carefully assess the results of the alliance with Chubu Electric Power and then make our best effort to reach decision by spring 2017.

Q Exhaustive rationalization is now being implemented at your thermal power generation facilities. Can you tell us about any future initiatives?

A We have launched a "value up" project to become a world-leading operator of thermal power generation facilities and to promote our global expansion through new business creation. The project is also intended to double our productivity and expand the scope of our business operations. Furthermore, we will leverage insights and extra resources gained from our current operational reforms to boost such initiatives as power generation facility replacement in Japan and the development of new businesses targeting growth fields overseas. We will also strive to further reduce GHG emissions by enhancing the efficiency of our facilities. In these ways, we will simultaneously lower power generation costs, increase operational profitability and tighten compliance with environmental regulations.

Toshiro Takebe, President TEPCO Power Grid, Incorporated

Striving to achieve the most competitive wheeling cost in Japan, we will enhance customer convenience through the development of a more sophisticated transmission and distribution network.

Q What role do you think TEPCO Power Grid, Incorporated is expected to play in society as a transmission and distribution operator?

A With the nation's population declining and energy-saving technologies steadily advancing, domestic electricity demand will remain stagnant in the medium to long term. Accordingly, wheeling revenues are expected to decrease. What is more, despite the changing composition of energy sources due to such factors as the growing popularity of renewable energy, utilities are still required to maintain robust transmission and distribution networks that meet high stability and quality standards.

Accordingly, we acted quickly as a pioneer of reforms in the domestic electricity industry, unbundling our power generation and transmission assets when the full liberalization of the electricity retail market came into effect. We are now looking to simultaneously achieve lower wheeling costs and a stable electricity supply. At the same time, we are determined to expand our operations and secure greater profit. Given these factors, I believe TEPCO Power Grid needs to execute decisive reforms employing unconventional perspectives.

Q What concrete initiatives are you undertaking to accomplish these goals?

A We will carry out a quantitative evaluation of risk associated with aging facilities to secure a stable electricity supply and the safety of the general public. This initiative will help us maximize the cost-benefit performance of refurbishment and replacement work and improve the reliability of facilities over the long term. Our overarching goal is to maintain a highly reliable supply structure second to none in the world. We will also implement initiatives to improve overall operations, including back office functions, aiming to double productivity while establishing a nimbler labor-saving operating structure. Furthermore, we will adopt sophisticated and rationalized maintenance techniques employing IoT and other digitization technologies while pushing forward with cost reductions through the optimization of our value chain. In addition, efforts are now under way to introduce a next generation transmission and distribution control system. These are but a few examples of our efforts to strengthen our business foundation and to realize the most competitive wheeling costs in Japan.

Q Please give us some more details on your initiatives to develop transmission and distribution network.

A We will work to complete the installation of smart meters in every customer household or business base by fiscal 2020. Also, we will boost the capacity of our transmission lines in anticipation of growing demand for renewable energy. By doing so, we will secure a more robust platform that enables us to assist in popularizing clean energy. We will also reinforce transmission facilities connecting the Tokyo metropolitan area and the Chubu area as a part of initiatives to step up collaboration between regional electric power companies, which have until now been inhibited by a frequency gap between eastern and western Japan. In sum, we will establish a more sophisticated transmission and distribution network beyond the previous boundaries of our service areas, thereby improving customer convenience.

Q TEPCO Power Grid aims to return to the bond market in fiscal 2016. How is your initiative to help achieve this?

A Because of the crucial role it is playing in supplying stable electricity to the Tokyo metropolitan area, TEPCO Power Grid has been licensed to use the comprehensive cost method in accordance with electricity rate-related regulations. This allows TEPCO Power Grid to maintain a stable cash flow balance backed by wheeling revenues from sales to such electricity retailers as TEPCO Energy Partner, Incorporated.

We will engage in IR activities aimed at facilitating investors' understanding of the aforementioned business structure. Even though the specific conditions for bond issuance depend on our fund raising needs and as such remain a topic for discussion, we will determine the optimal issuance method based on the latest bond market environment.

Tomoaki Kobayakawa, President TEPCO Energy Partner, Incorporated

Vying to be a winner in a fiercely competitive market, we are transforming ourselves into a comprehensive provider of energy related-services.

Q TEPCO Energy Partner is at the frontlines of electricity retailing and will be significantly affected by the recent full liberalization and resulting changes in the business environment. What is your strategy for prevailing against the competition?

A Since the full liberalization, a number of companies have entered the electricity retail market—some of them from totally different industrial sectors—and they are now presenting themselves as our new rivals. We have positioned the Kanto area, which will soon plunge into a period of harsh competition, as a strategic market region from which we aim to earn considerable profit.

To this end, we are focusing all our resources on enhancing customer value. We are going beyond the scope of a conventional electricity retailer by proposing efficient energy solutions optimized to meet customer needs.

Q What does it mean to go beyond the scope of a conventional electricity retailer? Could you tell me what services are involved?

A By drawing on alliances with external partners, we will deliver a variety of products to customers nationwide, with the aim of becoming the preeminent provider of one-stop energy related-services.

For example, with an eye to the upcoming full liberalization of the utility gas retail market in April 2017, we will expand our gas sales through direct marketing and develop bundled services that include gas and electricity.

In addition to these two key offerings, we will enhance our lineup of newly introduced services, including the installation, operation and maintenance of energy related-facilities and provision of other comprehensive energy solutions. Moreover, we are looking into using technologies related to "big data" and the Internet of Things as well as our expertise in energy-saving solutions to elevate our position as a market frontrunner and innovator offering value-added services and capable of ensuring the safety, security and comfort of customers.

Q How will you expand your gas marketing operations?

A TEPCO Energy Partner sees its gas business as a potential growth driver. Accordingly, we intend to devote the management resources needed to increase both sales and profitability, thereby making the gas business a significant contributor to our corporate value. In anticipation of the full liberalization of the gas retail market, discussions are now under way to introduce various service plans, including for general household and other low-volume users. We also expect to be able to offer gas with an unadjusted calorific value to industrial complexes at reduced rates while introducing other wholesale plans targeting local marketing areas. In particular, we will target large-scale industrial customers, a customer group that has already benefited from partial market liberalization. In these ways, we will decisively take on the challenge of becoming the gas supplier of choice for customers in all market segments.

Q What challenges do you expect to face in connection with the expansion in the scope of services you offer?

A In addition to strengthening our sales capabilities, we must gain the trust of customers. To do so, we will nurture human resources who support our ability to provide the aforementioned services and our ongoing pursuit of new value creation. We are determined to transform ourselves from a mere electricity provider into a comprehensive provider of energy related-services; this is what will ensure that we prevail over the competition. As a TEPCO Group company that engages with individual consumers, we are also committed to fulfilling our responsibilities regarding the revitalization of Fukushima. Accordingly, we will take on and overcome whatever challenges that may come our way.

TEPCO Group Business Operations

Holdings Main business: Provision of common services to each core operating company and nuclear power generation

Initiatives Aimed at Revitalizing Fukushima

In June 2015, the Cabinet decided to accelerate initiatives aimed at revitalizing Fukushima, which has been devastated by the repercussions of the nuclear accident. In accordance with this decision, TEPCO Holdings strove to ensure the prompt provision of new compensation for every single eligible claim and that people affected by the accident can resume normal daily life and restart their businesses. Moreover, TEPCO Holdings continued to carry out follow-up services targeting non-claimants. In these ways, TEPCO Holdings has been making sure that every last person is compensated. Reflecting these efforts, compensation paid out as of March 31, 2016 totaled ¥6,043.8 billion.

Having established the Fukushima Revitalization Headquarters, a cumulative total of 237,000 employees were dispatched to engage in cleanup, weeding and other activities aimed at helping restore areas hit by the accident, while a cumulative total of 159,000 employees worked in collaboration with the national and local governments to decontaminate these areas etc. In sum, TEPCO Holdings has rallied all its strengths to help evacuees return to their homes and farmers and businesses to resume their operations at the earliest possible dates. In addition, TEPCO Holdings has been an active participant in public-private initiatives to assist local businesses with their efforts to reconstruct their operations.

In March 2016, the Company relocated its Fukushima Revitalization Headquarters from J Village to the Hamadori Power System Office which is within the evacuation zone (Futaba-gun, Tomioka-machi) with the aim of better positioning itself to be attentive to local needs and make greater contributions to local communities. TEPCO Holdings sincerely hopes that its ceaseless efforts to fulfill its responsibilities to help revitalize Fukushima will eventually lead to evacuees returning to their homes.

Cleaning the premises of a local shrine in preparation for the New Year worship

Decommissioning of Fukushima Daiichi Nuclear Power Station

Making significant progress in the implementation of contaminated water countermeasures, the Company completed the purification of heavily contaminated water in tanks, excluding the residual contaminated water at the bottom of the tanks. The removal of heavily contaminated water from trenches was also completed. Moreover, impermeable underground walls were installed alongside the shorelines and completely sealed. Meanwhile, the Company began installing impermeable walls (frozen soil walls) around the reactor buildings, initiating the injection of refrigerant to ensure that all underground water flows are stopped before encountering any structure. In these ways, TEPCO Holdings is striving to mitigate risk related to contaminated water.

Aiming to remove all fuel from the spent fuel pool and nuclear debris from the reactor containment vessels, the Company made steady progress in decommissioning-related work, dismounting ceiling panels from the Unit 1 building, removing larger rubble from the spent fuel pool of Unit 3 and conducting interior surveys of the reactor containment vessels. In addition, the Company implemented countermeasures to reduce radioactivity exposure within the premises of the power station. Thanks to these countermeasures, TEPCO Holdings was able to expand zones classified as not requiring full face masks, thereby reducing the physical burden on workers. In June 2015, the Company established a large restorative center and began serving meals inside this facility. In March 2016, a convenience store was opened in this facility. These are but a few examples of TEPCO Holdings' constant efforts to improve the working environment by paying close attention to the needs of frontline workers.

Impermeable walls on the shoreline were completely sealed in October 2015

Workers are served hot meals at a cafeteria in the large restorative center

Nuclear Power Safety

In line with the Nuclear Safety Reform Plan, TEPCO Holdings has implemented ongoing initiatives aimed at achieving world-leading quality and safety. Specifically, TEPCO Holdings stepped up safety countermeasures undertaken at its Kashiwazaki-Kariwa Nuclear Power Station, installing above-ground filtered vent equipment and strengthening the cooling functions of the spent fuel pool.

To raise their awareness of safety, TEPCO Holdings' senior management and leaders at the Nuclear Power Division underwent crisis management training. In April 2015, Nuclear Safety Oversight Office was reorganized and placed under the direct supervision of the president. This department is now better positioned to monitor and advise management as it addresses issues of nuclear power safety.

Although the aforementioned initiatives demonstrate steady progress, the Company confirmed the misconnection of cables installed under the floor of the central control room of the Kashiwazaki-Kariwa Nuclear Power Station and immediately announced this situation to the general public. The way TEPCO Holdings dealt with this situation was commended by the Nuclear Reform Monitoring Committee—an external advisory body consisting of specialists and experts from around the world—as a testament to the Company's improved vigilance; vigilance that ensured that it detected and disclosed a potential danger while implementing initiatives to achieve reforms in nuclear power operations. Nevertheless, further incident analysis undertaken to determine the root causes of this particular problem allowed the Company to identify some shortcomings in employees' technological skills in certain fields, a situation that should be addressed as soon as possible. Accordingly, TEPCO Holdings will strive to raise employees' safety awareness and technological capabilities.

A third-party committee investigation into the issue of information disclosure and public relations associated with the accident at the Fukushima Daiichi Nuclear Power Station confirmed that the true nature and extent of the accident was not fully disclosed on the order of the-then president of TEPCO, who, immediately after the accident, instructed employees to not use the term "meltdown." Reflecting on the inappropriateness of its information disclosure, TEPCO Holdings would like to extend its sincere and deepest apologies to the general public, especially residents of the area in the vicinity of the power station, for its failure to clearly communicate the facts about the accident. To prevent the recurrence of such failure, TEPCO Holdings has made the safety and security of communities in the vicinity of its power stations, and society as a whole, its utmost priority, no matter what may befall. Going forward, TEPCO Holdings will remain committed to communicating facts while implementing recurrence prevention initiatives, with all employees rallying their strengths to these ends.

Installing iodine filters as part of above-ground filtered vent equipment of the Kashiwazaki-Kariwa Nuclear Power Station Unit 7

Dr. John Crofts, the head of the Nuclear Safety Oversight Office, giving a lecture on nuclear power safety at the Fukushima Daini Nuclear Power Station

Measures for Management Rationalization

Rallying Companywide strengths, TEPCO Holdings pushed forward exhaustive management rationalization efforts, including reductions in purchasing prices and procurement reforms. As a result, in fiscal 2015 the TEPCO Group achieved a significant ¥596.6 billion in cost reductions, an amount ¥239.8 billion greater than the initial target of ¥356.8 billion set forth in the New Comprehensive Special Business Plan. Stepping up the rationalization of its cost structure, TEPCO Holdings is endeavoring to boost the productivity at every organizational and business level by, for example, inviting the input of external specialists with extensive experience in improving production site management.

Fuel & Power Main business: Fuel and thermal power generation business

Progress in Comprehensive Alliance

Having agreed to form an alliance with Chubu Electric Power Co., Inc., TEPCO Fuel & Power is now working to develop a comprehensive collaborative structure involving TEPCO Fuel & Power and Chubu Electric Power and encompassing the entire supply chain, from upstream investment and fuel procurement to power generation. The two companies began by establishing the joint venture JERA CO., Inc. (hereinafter "JERA") in April 2015, and transferred their respective fuel transportation and fuel trading businesses to JERA in October 2015. Then, in July 2016, JERA took over other fuel related-businesses, including such upstream assets as fuel procurement operations, as well as overseas thermal IPP businesses and thermal power generation facility development and replacement operations that had been undertaken by Hitachinaka Generation Co., Inc.

Optimizing the fuel supply and utilization system by integrating fuel transportation businesses and improving transportation efficiency

Initiatives Aimed at Strengthening Our Competitiveness

TEPCO Fuel & Power initiated operations of second and third power generation turbines at its Kawasaki Thermal Power Station Group 2, both of which boast the world's top thermal efficiency. The Company also implemented facility improvements aimed at boosting the efficiency of the Yokohama Thermal Power Station Group 7 and 8. In these ways, the Company worked to reduce fuel costs and CO_2 emissions through the enhancement of thermal efficiency.

Striving to become a world leader in thermal power generation, TEPCO Fuel & Power launched a "value-up" project to carry out multi-faceted activities to achieve *kaizen*, or improvements, with external specialists serving as mentors. In addition, TEPCO Fuel & Power addressed such issues as minimizing the downtime necessary for periodic facility inspections, with the aim of boosting the overall productivity of power generation facility operations.


The Kawasaki Thermal Power Station Group 2 upgraded its second power generation turbine with the introduction of the MACC II,* bringing it online
* More Advanced Combined Cycle II

Power Grid Main business: General power transmission and distribution business

Ensuring a Stable Supply while Reducing Energy Wheeling Costs

In addition to ensuring a reliable power supply, TEPCO Power Grid has promoted exhaustive and ongoing cost reductions, with the aim of achieving a low wheeling rate comparable to those of world-leading utilities. Specifically, along with the steady refurbishment of aging facilities, TEPCO Power Grid has sought to streamline a range of its operations, including transformer replacement and circuit breaker inspection as well as such back office operations as land management. With external specialists giving advice, every department has engaged in a concerted effort aimed at boosting productivity.

Shortening time necessary for transformer replacement by reorganizing and streamlining work process

Adopting a More Sophisticated Network System

To achieve even higher operational efficiency, TEPCO Power Grid aims to promote the centralization of control systems used for grid operations, engineering work and power distribution. In April 2015, TEPCO Power Grid publicly solicited proposals for a next-generation system for the integrated monitoring and control of these operations and ensuring compliance with international standards. In March 2016, TEPCO Power Grid successfully entered a development agreement with a system vendor, launching a full-scale system development project aimed at boosting productivity and solidifying its IT platform.

Energy Partner Main business: Electricity retail business

Renewing New Electricity Rate Plans

In anticipation of the full liberalization of the electricity retail market, in January 2016 TEPCO Energy Partner announced eight new electricity rate plans, including a “premium plan” tailored to the needs of intensive electricity users, as well as those designed to accommodate diverse lifestyle and customer needs. Having begun accepting advance applications for these plans, TEPCO Energy Partner also implemented active marketing initiatives utilizing a variety of sales channels. As of March 31, 2016, TEPCO Energy Partner received more than 400,000 applications from customers from Kanto, Chubu and Kansai areas.

Declaring our commitment to becoming a pioneer in creating new value at the press conference where new electricity rate plans were announced

Forming Alliances with Companies in Other Sectors

Having formed alliances with about 40 companies in a wide range of fields, from cell phone carriers and online music distributors to gas companies and residential builders, TEPCO Energy Partner has adopted a new sales approach that utilizes the customer contacts of these alliance partners for nationwide electricity retail marketing. Moreover, TEPCO Energy Partner began selling bundled services with partners while co-developing electricity rate plans dedicated to customers of such partners. Looking ahead, TEPCO Energy Partner will proactively utilize and expand the scope of these alliances, thereby enhancing its sales capabilities and product competitiveness.

“Pepper,” a state-of-the-art robot produced by SoftBank Corp., our alliance partner, serves as a poster boy for TEPCO electricity-related services

Corporate Governance As of July 13, 2016

Fundamental Stance on Corporate Governance

We are working to develop organizational structures and policies for legal and ethical compliance, appropriate and prompt decision-making, efficient business practices, and effective auditing and supervisory functions.

To further improve the objectivity and transparency of our management, we have adopted the "Company with a Nominating Committee, etc." management structure, thereby stepping up our effort to secure solid corporate governance.

Moreover, having adopted a Holding Company System in April 2016, we are striving to enhance our corporate value through the optimal allocation of management resources and a robust corporate governance system encompassing the entire Group.

Corporate Governance Systems

(1) The Board of Directors and the Board of Executive Officers etc.

The Board of Directors comprises twelve Directors (consisting of eleven men and one woman), including five Outside Directors. To supervise business execution undertaken by Directors and Executive Officers, the Board of Directors generally meets once a month and holds additional special meetings as necessary to discuss and make decisions on important business execution and to receive reports from Executive Officers on the status of their business execution on both a regular and an as-needed basis. In addition, TEPCO Holdings has established the Nominating Committee, Audit Committee, and Compensation Committee in accordance with the stipulations concerning a "Company with a Nominating Committee, etc." as set forth in Japan's Companies Act.

Also, Executive Officers (consisting of fifteen men, including one foreign national) execute business operations in accordance with management policies formulated by the Board of Directors. To ensure appropriate and prompt decision making as well as efficient business operations, the Board of Executive Officers Meeting, which generally convenes on a weekly basis, and other formal bodies discuss significant corporate management matters, including matters to be referred to the Board of Directors. TEPCO Holdings has also set up cross-organizational committees aimed at assisting the decision making of the Board of Executive Officers.

In addition, TEPCO Holdings has appointed Corporate Officers who bear responsibility for specific businesses and execute operations accordingly.

(2) Nominating Committee

The Nominating Committee comprises seven Directors, including four Outside Directors, and meets at least once a year to determine the content of proposals with regard to the election and dismissal of Directors that are submitted to the Shareholders Meeting. Although not included in the items to be discussed by the Nominating Committee as set forth in the Companies Act, the committee also discusses matters concerning the selection and dismissal of Executive Officers and other management personnel.

(3) Audit Committee

The Audit Committee, comprising three Directors, including two Outside Directors, generally meets once a month and holds additional special meetings as necessary to audit the business execution of Directors and Executive Officers and to prepare audit reports.

To ensure the stringency of audits, members of the Audit Committee attend such important meetings as those of the Board of Directors and the Board of Executive Officers and receive reports from Directors and Executive Officers on the status of their business execution. In addition, the Audit Committee conducts on-site audits of the Headquarter and other major bases of operations to ascertain the status of business operations and assets. To support the Audit Committee, TEPCO Holdings has appointed Audit Committee Aides while establishing the Office of Audit Committee.

(4) Compensation Committee

The Compensation Committee consists of three Outside Directors and meets at least once a year to prescribe the policy on decisions on the content of the remuneration for individual Directors and Executive Officers as well as to determine the content of remuneration for individual Directors and Executive Officers.

Internal Control

At its April 2006 meeting, the Board of Directors established a set of guidelines for internal control systems under the theme "Developing a Framework to Ensure Appropriate Operations," and revised said guidelines at its March 2016 meeting. Based on these guidelines, TEPCO Holdings endeavors to establish, apply, and from time to time evaluate and improve internal control systems in order to ensure appropriate operations, including thorough compliance with laws and other regulations and more effective and efficient operations.

TEPCO Holdings also works to ensure the reliability of financial reporting by applying appropriate systems and performing evaluations that conform to "The System of Reporting the Internal Control over Financial Reporting" under the Financial Instruments and Exchange Act.

At the same time, TEPCO Holdings implements integrated risk management encompassing its Group operations. With each Group company reporting to and holding timely discussions with TEPCO Holdings concerning important business matters, TEPCO Holdings ensures that it remains apprised of management conditions at Group companies and is capable of sharing and solving Group management issues. Furthermore, TEPCO Holdings is working to establish an overarching framework of internal controls for the entire Group and supports Group companies' autonomous construction and operation of controls that ensure appropriate operations.

To confirm the status of various management activities, the Internal Audit Office has been set up to spearhead internal audits on both a regular and an as-needed basis. The results of the principal internal audits are reported to the Board of Executive Officers and other formal bodies, and, based on said results, measures are taken as needed.

Risk Management

Directors and Executive Officers identify and evaluate risk associated with the business activities of TEPCO Holdings and Group companies on both a regular and an as-needed basis and properly reflect such risk in the Business Management Plan formulated for each fiscal year.

Concerning risk that might seriously affect corporate management, the Risk Management Committee chaired by the Representative Executive Officer and President works to prevent such risk from materializing. If the risk does materialize, the committee quickly and appropriately deals with said risk in order to ensure the impact on corporate management is minimal.

In particular, TEPCO Holdings has established the "Nuclear Safety Oversight Office," a department handling risk associated with nuclear power generation under the direct control of the President. Drawing on the expertise of external specialists working with the department, the Nuclear Safety Oversight Office monitors the Company's initiatives to ensure the safety of nuclear power generation—providing advice as needed—and is directly involved in its decision making with regard to this matter. In these ways, TEPCO Holdings is striving to ensure the more stringent management of nuclear power-related risk.

Remuneration Paid to Officers and Accounting Auditors

In accordance with stipulations concerning a "Company with a Nominating Committee, etc" as set forth in the Companies Act, TEPCO Holdings established, at its Compensation Committee, its policy on decisions regarding the content of remuneration for individual Directors and Executive Officers as follows:

The main duties of our Directors and Executive Officers are 1) to ensure that the Company's responsibilities associated with the nuclear accident at the Fukushima Daiichi Nuclear Power Station are met; 2) to ensure the Company's operations are carried out at level of safety exceeding that of world-leading utilities; and 3) to minimize burdens on Japanese people through the maintenance of a stable electricity supply amid a competitive environment and in light of the pursuit of greater corporate value. Therefore, with regard to the determination of remuneration paid to Directors and Executive Officers, the committee adopted as basic policies the securing of excellent human resources who are strongly committed to executing these duties and are capable of taking the lead in carrying out business operations and corporate reforms aimed at simultaneously realizing both "responsibility" and "competitiveness." These policies also aim to clarify the burden of responsibility for success or failure and to enhance incentives for pursuing greater corporate performance and shareholder value.

In addition, remuneration systems for Directors and Executive Officers are differently designed, as the former takes on management supervision and the latter takes on business execution. Director remuneration is not paid to those who concurrently serve as a Director and an Executive Officer.

1) Remuneration paid to Directors

- Remuneration paid to Directors consists only of basic remuneration, which is determined taking into consideration whether he/she is a full time or part time Director, the committee to which he/she belongs and job description.

2) Remuneration paid to Executive Officers

- Remuneration paid to Executive Officers consists of basic remuneration and performance-based remuneration.

  Basic remuneration
  Determined based on his/her specific rank, whether he/she holds the right to represent the Company and his/her job description.

  Performance-based remuneration
  Determined based on the Company's operating results and his/ her individual achievements.

3) Amount of remuneration paid

- When determining the amount of remuneration to be paid to Directors and Executive Officers, TEPCO Holdings takes into consideration its management environment, the remuneration paid by other companies, and the current salaries of employees, with the aim of setting remuneration at levels commensurate with their abilities and responsibilities

Remuneration paid during fiscal 2015 to the Directors, Executive Officers, and Accounting Auditor who served TEPCO Holdings and its consolidated subsidiaries are as follows:

Remuneration for Directors and Executive Officers

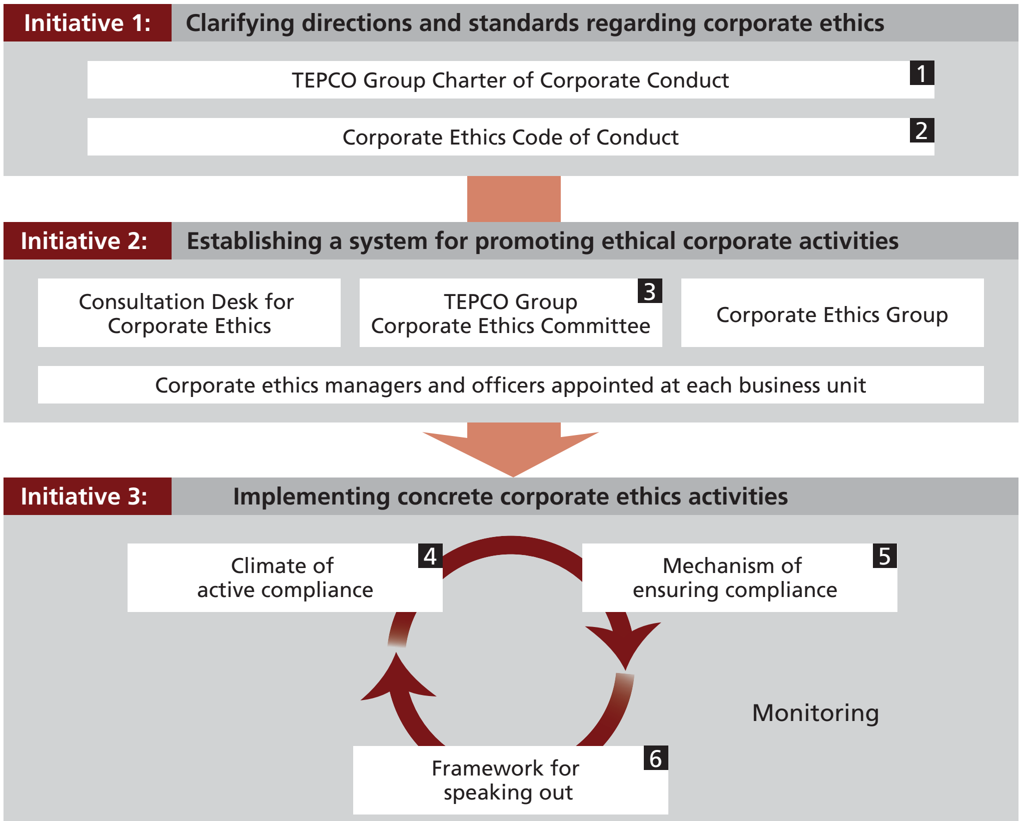
	(Millions of Yen)
Directors (8)	78
Executive Officers (20)	356

Remuneration for Accounting Auditor

	(Millions of Yen)
For auditing and certification services	219
Other services	26

Initiatives Aimed at Ensuring Compliance with Corporate Ethics

TEPCO's three key initiatives to ensure that its business operations are strictly in compliance with corporate ethics



1 TEPCO Group Charter of Corporate Conduct

A document that sets forth the TEPCO Group's philosophy regarding ideal corporate behavior and aimed at ensuring that it fulfills its responsibilities as a good corporate citizen

2 Corporate Ethics Code of Conduct

A set of ethical precepts intended to guide all actions taken by directors, officers and employees in fulfilling their corporate social responsibilities

3 TEPCO Group Corporate Ethics Committee

A committee charged with formulating corporate ethics compliance action policies for the TEPCO Group and spearheading inspections on and countermeasures against corporate ethics violation based on in-house rules

Chairman:	President
Vice chairman:	Managing executive officer
Members:	External specialists (one lawyer, two academic experts and one labor union leader)

4 Climate of active compliance

Implementing corporate ethics education and training to raise employee awareness while fostering a workplace environment that encourages open and interactive communication

5 Mechanism of ensuring compliance

Establishing and enforcing in-house rules aimed at ensuring that our business operations are in compliance with corporate ethics (e.g., the development of rules and manuals, the strict management of documents and records and the implementation of vigorous audits and inspections on business execution)

6 Framework for speaking out

Creating a framework that encourages every employee to spontaneously speak out about work-related issues and problems while allowing workplaces to tackle these issues and problems positively at the organizational level (enhancing internal communication to ensure that no one hides or suppresses knowledge of issues of concern)

Board of Directors and Executive Officers As of July 13, 2016

BOARD OF DIRECTORS (*External directors)

CHAIRMAN, NOMINATING COMMITTEE MEMBER, AUDIT COMMITTEE AND COMPENSATION COMMITTEE MEMBER

Fumio Sudo*

Apr. 2005	Representative Director and President of JFE Holdings, Inc.
Apr. 2010	Director of JFE Holdings, Inc.
June 2010	Advisor of JFE Holdings, Inc.
Apr. 2011	Chairman of the Board of Governors, Japan Broadcasting Corporation (until May 2012)
June 2012	Director of the Company
Apr. 2014	Chairman of the Board of Directors of the Company (Current)
July 2014	Honorary Advisor of JFE Holdings, Inc. (Current)

DIRECTOR AND NOMINATING COMMITTEE MEMBER

Naomi Hirose

Apr. 1976	Joined TEPCO
June 2008	Corporate Officer; General Manager, Kanagawa Branch Office
June 2010	Managing Director
Mar. 2011	Managing Director; Deputy General Manager, Fukushima Nuclear Influence Response Division
June 2012	Director, President
Sep. 2012	Director, President, Chief of the Nuclear Reform Special Task Force
Apr. 2013	Director, President, Chief of the Nuclear Reform Special Task Force, Director of Social Communication Office
May 2013	Director, President, Chief of the Nuclear Reform Special Task Force, Director of Social Communication Office, Chief of the New Growth Task Force
June 2013	Director, President, General Manager of the Management Restructuring Division, Chief of the Nuclear Reform Special Task Force, Director of Social Communication Office, Chief of the New Growth Task Force
Jan. 2014	Director, President, General Manager of the Management Restructuring Division, Chief of the Nuclear Reform Special Task Force, Chief of the New Growth Task Force
June 2014	Director, President, General Manager of Management & Planning Division, Chief of the Nuclear Reform Special Task Force, Chief of the New Growth Task Force
July 2015	Director, President, Chief of the Nuclear Reform Special Task Force, Chief of the New Growth Task Force
Apr. 2016	Director, President, Chief of the Nuclear Reform Special Task Force (Current)

DIRECTOR

Toshihiro Sano
(Representative Director and President, TEPCO Fuel & Power, Incorporated)

DIRECTOR

Takafumi Anegawa

DIRECTOR AND NOMINATING COMMITTEE MEMBER

Toshiro Takebe
(Representative Director and President, TEPCO Power Grid, Incorporated)

DIRECTOR

Tomoaki Kobayakawa
(Representative Director and President, TEPCO Energy Partner, Incorporated)

DIRECTOR AND NOMINATING COMMITTEE MEMBER

Keita Nishiyama
(Chief of the TEPCO-NDF Liaison Office, Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF))

DIRECTOR AND AUDIT COMMITTEE CHAIR

Yuji Masuda

DIRECTOR AND COMPENSATION COMMITTEE MEMBER

Yoshiaki Fujimori*
(Senior Advisor of LIXIL Group Corporation)

DIRECTOR, NOMINATING COMMITTEE CHAIR AND AUDIT COMMITTEE MEMBER

Masahiko Sudou*
(Attorney at Law, Former Justice of the Supreme Court)

DIRECTOR, NOMINATING COMMITTEE MEMBER AND COMPENSATION COMMITTEE CHAIR

Hideko Kunii*
(Deputy President of Shibaura Institute of Technology, Professor of Graduate School of Engineering Management at Shibaura Institute of Technology)

DIRECTOR AND NOMINATING COMMITTEE MEMBER

Yasuchika Hasegawa
(Chairman of the Board of Takeda Pharmaceutical Company Limited)

Executive Officers (**Serving concurrently as Director)

PRESIDENT

Naomi Hirose**
Chief of the Nuclear Reform Special Task Force (Management of all aspects of operations, Corporate Management & Planning Unit)

EXECUTIVE VICE PRESIDENTS

Hiroshi Yamaguchi
Chief Technology Officer in charge of safety management (Management of all aspects of operations, Engineering & Environment Strategy Unit, Renewable Power Company)

Yoshiyuki Ishizaki
Representative of Fukushima Revitalization Headquarters, General Manager of Fukushima Division, Deputy General Manager of Nuclear Power & Plant Siting Division (Management of all aspects of operations)

MANAGING EXECUTIVE OFFICERS

Takafumi Anegawa**
General Manager of Nuclear Power & Plant Siting Division, Deputy Chief and Secretary General of the Nuclear Reform Special Task Force

Motomi Iki
President of Business Solution Company

Naohiro Masuda
President of Fukushima Daiichi D & D Engineering Company, Chief Decommissioning Officer (CDO)

Koichi Kimura
Representative of Niigata Headquarters, General Manager of Niigata Division, Deputy General Manager of Nuclear Power & Plant Siting Division

Seiichi Fubasami
In charge of Management & Planning (Joint position), General Manager of Corporate Planning Office

Hiroshi Okamoto
General Manager of TEPCO Research Institute (Inter-regional Power Exchange Promotion Office)

John Crofts
Chief of Nuclear Safety Oversight, Head of Nuclear Safety Oversight Office

Noriaki Taketani
(Internal Audit Office, Inter-corporate Business Management Office, Accounting & Treasury Office)

Shinichiro Kengaku
Chief of the New Growth Task Force (Public Relations & Corporate Communication Unit)

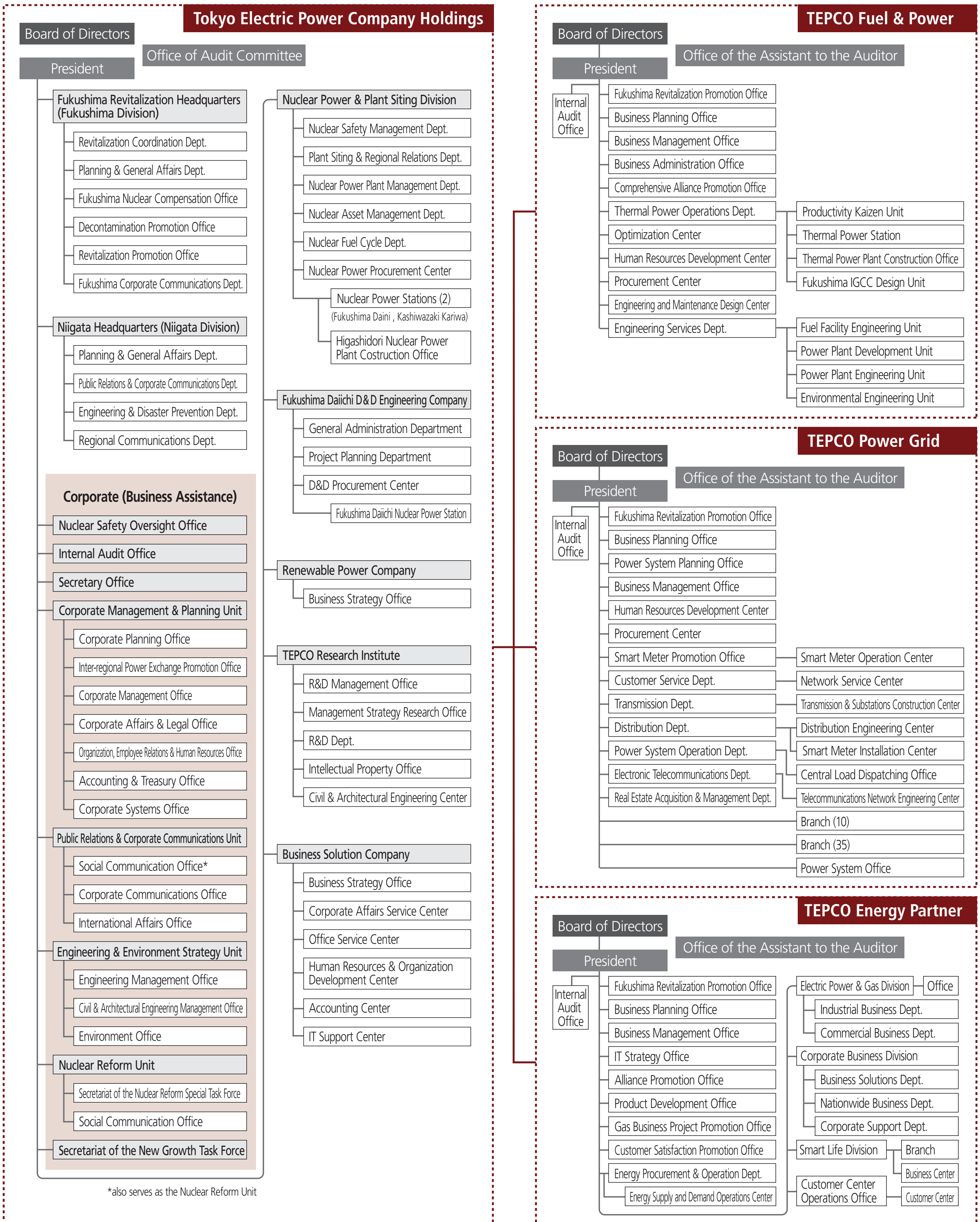
Mitsushi Saiki
Deputy General Manager of Fukushima Division, Deputy General Manager of Nuclear Power & Plant Siting Division (Secretary Office, Corporate Affairs & Legal Office, Employee Relations & Human Resources Office)

Tomomichi Seki
In charge of IoT (Corporate Systems Office)

EXECUTIVE OFFICER

Keita Nishiyama**
Assistant to Chairman, In charge of Management & Planning (Joint position)

Organization Chart As of July 1, 2016



Major Facilities As of March 31, 2016

Generation Facilities

Hydroelectric Power
(with a capacity of more than 500 MW)

Station Name	Location	Output (MW)	Type
Imaichi	Tochigi Pref.	1,050	Dam and conduit*
Shiobara	Tochigi Pref.	900	Dam and conduit*
Tambara	Gunma Pref.	1,200	Dam and conduit*
Kannagawa	Gunma Pref.	940	Dam and conduit*
Kazunogawa	Yamanashi Pref.	1,200	Dam and conduit*
Azumi	Nagano Pref.	623	Dam and conduit*
Shin-Takasegawa	Nagano Pref.	1,280	Dam and conduit*
Total hydroelectric power output (All facilities)		**9,858**	

*Pumped storage

Thermal Power
(with a capacity of more than 1,000 MW)

Station Name	Location	Output (MW)	Fuel
Ohi	Tokyo	1,050	Crude oil
Shinagawa	Tokyo	1,140	City gas
Yokosuka	Kanagawa Pref.	2,274	Heavy oil, crude oil, light oil and city gas
Kawasaki	Kanagawa Pref.	2,685	LNG
Yokohama	Kanagawa Pref.	3,379	LNG, heavy oil, crude oil and NGL
Minami-Yokohama	Kanagawa Pref.	1,150	LNG
Higashi-Ohgishima	Kanagawa Pref.	2,000	LNG
Chiba	Chiba Pref.	4,361	LNG
Goi	Chiba Pref.	1,886	LNG
Anegasaki	Chiba Pref.	3,600	LNG, heavy oil, crude oil, LPG and NGL
Sodegaura	Chiba Pref.	3,600	LNG
Futtsu	Chiba Pref.	5,040	LNG
Kashima	Ibaraki Pref.	5,660	Heavy oil, crude oil and city gas
Hitachinaka	Ibaraki Pref.	2,000	Coal
Hirono	Fukushima Pref.	4,400	Heavy oil, crude oil and coal
Total thermal power output (All facilities)		**44,225**	

Nuclear Power

Station Name	Location	Output (MW)	Reactor type
Fukushima Daini	Fukushima Pref.	4,400	BWR
Kashiwazaki-Kariwa	Niigata Pref.	8,212	BWR, ABWR
Total nuclear power output (All facilities)**		**12,612**	

** Due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake, which struck on March 11, 2011, the operations of all the units in Fukushima Daini and Kashiwazaki-Kariwa Nuclear Power Stations have been suspended.

Supply Facilities

Transmission Facilities
(with a capacity of more than 500 kV)

Line Name	Type	Voltage (kV)	Length (km)
Nishi-Gunma Trunk Line	Overhead	500***	167.99
Minami-Niigata Trunk Line	Overhead	500***	110.77
Minami-Iwaki Trunk Line	Overhead	500***	195.40
Fukushima Trunk Line	Overhead	500	181.64
Fukushima Higashi Trunk Line	Overhead	500	171.35
Shin-Toyosu Line	Underground	500	39.50

***Partially designed for 1,000 kV transmission

Substation Facilities

Substation Name	Location	Maximum Voltage (kV)	Output (Thousand kVA)
Shin-Noda	Chiba Pref.	500	8,020
Shin-Sakado	Saitama Pref.	500	6,900
Shin-Keiyo	Chiba Pref.	500	6,750
Boso	Chiba Pref.	500	6,690
Shin-Fuji	Shizuoka Pref.	500	6,650

Financial Section

Consolidated 11-Year Summary

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries

	2016	2015	2014	2013
Years ended March 31:				
Operating revenues	**¥ 6,069,928**	¥ 6,802,464	¥ 6,631,422	¥ 5,976,239
Operating income (loss)	**372,231**	316,534	191,379	(221,988)
Income (loss) before income taxes and minority interests	**186,607**	479,022	462,555	(653,022)
Net income (loss)	**140,783**	451,552	438,647	(685,292)
Depreciation and amortization	**621,953**	624,248	647,397	621,080
Capital expenditures	**665,735**	585,958	575,948	675,011
Per share of common stock (Yen and U.S. dollars):				
Net (loss) income (basic)	**¥ 87.86**	¥ 281.80	¥ 273.74	¥ (427.64)
Net income (diluted) (Note 3)	**28.52**	91.49	88.87	—
Cash dividends	**—**	—	—	—
Net assets	**746.59**	669.60	343.31	72.83
As of March 31:				
Total net assets (Note 4)	**¥ 2,218,139**	¥ 2,102,180	¥ 1,577,408	¥ 1,137,812
Equity (Note 5)	**2,196,275**	2,072,952	1,550,121	1,116,704
Total assets	**13,659,769**	14,212,677	14,801,106	14,989,130
Interest-bearing debt		7,013,275	7,629,720	7,924,819
Number of employees	**42,855**	43,330	45,744	48,757
Financial ratios and cash flow data:				
ROA (%) (Note 6)	**2.7**	2.2	1.3	(1.5)
ROE (%) (Note 7)	**6.6**	24.9	32.9	(72.0)
Equity ratio (%)	**16.1**	14.6	10.5	7.5
Net cash provided by (used in) operating activities	**¥ 1,077,508**	¥ 872,930	¥ 638,122	¥ 260,895
Net cash used in investing activities	**(620,900)**	(523,935)	(293,216)	(636,698)
Net cash (used in) provided by financing activities	**(394,300)**	(626,023)	(301,732)	632,583
Other data (Non-consolidated):				
Electricity sales (million kWh)				
Electricity sales for lighting	**89,421**	90,683	94,567	95,277
Electricity sales for power	**9,598**	9,865	10,516	10,890
Electricity sales to eligible customers	**148,057**	156,498	161,610	162,866
Total	**247,075**	257,046	266,692	269,033
Power generation capacity (thousand kW) (Note 8):				
Hydroelectric	**9,859**	9,857	9,456	9,453
Thermal	**44,279**	43,555	42,945	41,598
Nuclear	**12,612**	12,612	12,612	14,496
Renewable energy, etc.	**52**	33	33	34
Total	**66,802**	66,057	65,046	65,582
Nuclear power plant capacity utilization rate (%)	**0.0**	0.0	0.0	0.0

Notes: 1. All dollar amounts refer to U.S. currency. Yen amounts have been translated, solely for the convenience of the reader, at the rate of ¥112.62 to US$1.00 prevailing on March 31, 2016.
2. Amounts of less than one million yen have been omitted. All percentages have been rounded to the nearest unit.
3. For the year ended March 31, 2016, the item presented above as "net income" refers to "net income attributable to owners of the parent."
4. Net income per share after dilution by potential shares for the years ended March 31, 2006 to March 31, 2007 is omitted as there were no potential shares. Net income per share after dilution by potential shares for the years ended March 31, 2008, March 31, 2009 and March 31, 2012 is omitted as there were no potential shares and the Company recognized a net loss for these years. Net income per share after dilution by potential shares for the years ended March 31, 2011 and March 31, 2013 is omitted despite the existence of potential shares as the Company recognized a net loss for both years.
5. "Total net assets" is a new item presented to conform to revised Japanese accounting standards. The figure for the year ended March 31, 2006 has been restated to reflect this change.
6. Equity = Total net assets – Stock acquisition rights – Minority interests
7. ROA = Operating income/Average total assets
8. ROE = Net income/Average equity
9. TEPCO facilities only. "Renewable energy, etc." includes geothermal and wind power generation capacity. Prior to the year ended March 31, 2010, geothermal power generation capacity was included in thermal power generation capacity. Due to reclassification, it has been included in "Renewable energy, etc." from the year ended March 31, 2010. Prior years have not been restated.

Millions of yen, unless otherwise noted							Millions of U.S. dollars, unless otherwise noted (Note 1)
2012	2011	2010	2009	2008	2007	2006	2016
¥ 5,349,445	¥ 5,368,536	¥ 5,016,257	¥ 5,887,576	¥ 5,479,380	¥ 5,283,033	¥ 5,255,495	**$ 53,897**
(272,513)	399,624	284,443	66,935	136,404	550,911	576,277	**3,305**
(753,761)	(766,134)	223,482	(99,574)	(212,499)	496,022	473,832	**1,657**
(781,641)	(1,247,348)	133,775	(84,518)	(150,108)	298,154	310,388	**1,250**
686,555	702,185	759,391	757,093	772,460	751,625	824,041	**5,523**
750,011	676,746	640,885	695,981	664,295	574,687	623,726	**5,911**
¥ (487.76)	¥ (846.64)	¥ 99.18	¥ (62.65)	¥ (111.26)	¥ 220.96	¥ 229.76	**0.78**
—	—	99.18	—	—	—	—	**0.25**
—	30.00	60.00	60.00	65.00	70.00	60.00	**—**
491.22	972.28	1,828.08	1,763.32	1,967.03	2,248.34	2,059.52	**6.63**
¥ 812,476	¥ 1,602,478	¥ 2,516,478	¥ 2,419,477	¥ 2,695,455	¥ 3,073,778	¥ 2,815,424	**19,696**
787,177	1,558,113	2,465,738	2,378,581	2,653,762	3,033,537	2,779,720	**19,502**
15,536,456	14,790,353	13,203,987	13,559,309	13,679,055	13,521,387	13,594,117	**$121,291**
8,320,528	9,024,110	7,523,952	7,938,087	7,675,722	7,388,605	7,840,161	
52,046	52,970	52,452	52,506	52,319	52,584	51,560	**—**
(1.8)	2.9	2.1	0.5	1.0	4.1	4.2	**—**
(66.7)	(62.0)	5.5	(3.4)	(5.3)	10.3	11.8	**—**
5.1	10.5	18.7	17.5	19.4	22.4	20.4	**—**
¥ (2,891)	¥ 988,710	¥ 988,271	¥ 599,144	¥ 509,890	¥ 1,073,694	¥ 935,622	**$ 9,568**
(335,101)	(791,957)	(599,263)	(655,375)	(686,284)	(550,138)	(615,377)	**(5,514)**
(614,734)	1,859,579	(495,091)	194,419	188,237	(514,885)	(350,193)	**(3,501)**
95,797	103,422	96,089	96,059	97,600	93,207	95,186	
11,160	12,174	11,393	11,905	12,785	12,631	13,499	
161,273	177,790	172,686	180,992	187,012	181,784	179,969	
268,230	293,386	280,167	288,956	297,397	287,622	288,655	
8,982	8,981	8,987	8,986	8,985	8,993	8,993	
40,148	38,696	38,189	37,686	36,179	35,533	35,536	
17,308	17,308	17,308	17,308	17,308	17,308	17,308	
34	4	4	1	1	1	1	
66,472	64,988	64,487	63,981	62,473	61,835	61,837	
18.5	55.3	53.3	43.8	44.9	74.2	66.4	

A

Eligible customers are retail electric power customers included in the scope of liberalization. From March 2000, eligible customers were those in the high-voltage market with contracts to receive over 2,000 kW annually. From April 2004, eligible customers were those in the high-voltage market with contracts to receive over 500 kW annually. From April 2005, eligible customers were those in the high-voltage market with contracts to receive over 50 kW annually.

Financial Review

Analysis of Business Results for the Year Ended March 31, 2016

Business Results

In the fiscal year ended March 31, 2016, operating revenues decreased 10.8 percent year on year to ¥6,069.9 billion and operating income amounted to ¥372.2 billion, up 17.6 percent compared with the previous fiscal year.

Electricity sales edged down 3.9 percent from the previous fiscal year to 247.1 billion kWh due mainly to a decline in electricity sales to eligible customers and a fall in heating demand resulting from higher temperatures in winter. By demand type, electricity sales for lighting decreased 1.4 percent to 89.4 billion kWh, electricity sales for power decreased 2.7 percent to 9.6 billion kWh, and electricity sales to eligible customers decreased 5.4 percent to 148.1 billion kWh compared with the previous fiscal year.

On the revenue side, operating revenues decreased 10.8 percent from the previous fiscal year to ¥6,069.9 billion. This figure consists mainly of operating revenues in the electric power business totaling ¥5,237.0 billion, down 12.8 percent year on year due mainly to decreases in unit sales prices because of such factors as the effect of the fuel cost adjustment system. Among other contributors to revenue are proceeds from the sale of electricity to other power producers, including major regional electric power companies. Ordinary revenues decreased 10.4 percent year on year to ¥6,141.0 billion.

On the expense side, ordinary expenses decreased 12.5 percent year on year to ¥5,815.1 billion. This was attributable to a considerable decline in fuel expenses due to lower oil prices and the Company's ongoing, across-the-board efforts to reduce costs. These positive factors partially offset such negative factors as the suspension of all nuclear power stations and the depreciation of the yen.

Extraordinary income stood at ¥773.0 billion, and consisted mainly of grants-in-aid from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF) totaling ¥699.7 billion and gain on the revision of the retirement benefit scheme totaling ¥61.0 billion.

Extraordinary loss totaled ¥911.9 billion, due mainly to the payment of compensation for damage caused by the nuclear accident totaling ¥678.6 billion and a ¥233.3 billion impairment loss in relation to the development of a competitive business foundation in preparation for the full liberalization of the electricity retail market and a shift to a Holding Company System.

As a result, TEPCO recorded net income attributable to owners of the parent of ¥140.7 billion, down 68.8 percent compared with the previous fiscal year.

Segment Results

The Company's results by segment (including intersegment transactions) for the fiscal year ended March 31, 2016, is as presented below. In addition, TEPCO has changed its method of reporting with regard to the Power Grid and Corporate segments from the fiscal year under review.

Fuel & Power

Operating revenues decreased 29.1 percent year on year to ¥2,452.1 billion and operating income fell 10.7 percent to ¥333.9 billion compared with the previous fiscal year.

Power Grid

Operating revenues increased 11.7 percent year on year to ¥1,685.4 billion and operating income rose 52.8 percent to ¥146.1 billion compared with the previous fiscal year.

Customer Service

Operating revenues decreased 11.6 percent year on year to ¥5,950.1 billion and operating income declined 69.7 percent to ¥106.4 billion compared with the previous fiscal year.

Corporate

Operating revenues increased 70.3 percent year on year to ¥745.3 billion, while operating loss improved to ¥214.7 billion compared with an operating loss of ¥504.5 billion in the previous fiscal year.

Net Income Attributable to Owners of the Parent

Income before income taxes and minority interests in the fiscal year under review stood at ¥186.6 billion. The principle contributors to the posting of income before income taxes and minority interests included extraordinary income consisting mainly of grants-in-aid from the NDF totaling ¥699.7 billion, gain on the revision of the retirement benefit scheme totaling ¥61.0 billion and gain on equity share fluctuation totaling ¥12.2 billion. Negative factors affecting income before income taxes and minority interests included extraordinary loss consisting of compensation for damage caused by the nuclear accidents totaling ¥678.6 billion and a ¥233.3 billion impairment loss in relation to the development of a competitive business foundation in preparation for the full liberalization of the electricity retail market and a shift to a Holding Company System.

For the fiscal year under review, TEPCO recorded income taxes of ¥46.0 billion, income taxes—deferred of negative ¥1.7 billion, and profit attributable to non-controlling interests of ¥1.5 billion. As a result, net income attributable to owners of the parent for the fiscal year under review totaled ¥140.7 billion. Net income per share stood at ¥87.86.

Financial Policy

Due to the accident at the Fukushima Daiichi Nuclear Power Station caused by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, TEPCO's financial standing and income structure have been impaired. As a result, TEPCO recorded substantial expenses and losses as well as an increase in fuel costs accompanying the suspension of nuclear power generation. Accordingly, TEPCO's independent fund procurement capability has declined significantly.

Because of this, in accordance with the Comprehensive Special Business Plan approved by the minister in charge in May 2012, TEPCO received an investment from the NDF totaling ¥1 trillion. Moreover, upon a request submitted by TEPCO, correspondent financial institutions have maintained TEPCO's existing credit lines through refinancing while providing the Company with additional credit.

Having renewed the aforementioned plan under the New Comprehensive Special Business Plan and obtained ministerial approval of said plan in January 2014, TEPCO submitted similar credit line-related requests to correspondent financial institutions as it did in accordance with the previous plan, thus securing these institutions' cooperation.

As such, with the investments from the NDF and the supportive arrangements and cooperation of financial institutions, TEPCO is endeavoring to improve its financial indicators and ratings in a bid to return to the bond markets.

The TEPCO Group has adopted a group financial system to improve the fund raising efficiency of TEPCO Group members.

Cash Flow

Cash and cash equivalents at the end of the fiscal year under review increased 3.7 percent, or ¥47.4 billion from the previous fiscal year, to ¥1,339.9 billion.

Net cash provided by operating activities amounted to ¥1,077.5 billion, representing a year-on-year rise of 23.4 percent. This was mainly attributable to a decrease in thermal power fuel expenses.

Net cash used in investing activities increased 18.5 percent year on year to ¥620.9 billion due mainly to a rise in the acquisition of fixed assets.

Net cash used in financing activities decreased 37.0 percent year on year to ¥394.3 billion. This was mainly attributable to an increase in proceeds from short-term loans.

Capital Expenditures

During the fiscal year ended March 31, 2016, TEPCO maintained its capital expenditures at the minimum level required to maintain a stable electricity supply. However, due mainly to expenses associated with countermeasures implemented at Fukushima Daiichi Nuclear Power Station against contaminated water, consolidated capital expenditures stood at ¥665,735 million in the fiscal year under review. By segment, capital expenditures, including intercompany transactions, amounted to ¥121,032 million in the fuel & power business segment; ¥214,049 million in the power grid business segment; ¥976 million in the customer service business segment; and ¥329,700 million in the corporate business segment.

Assets, Liabilities and Net Assets

As of March 31, 2016, total assets decreased ¥552.9 billion year on year to ¥13,659.7 billion, reflecting decreases in fixed assets in the electric power business and receivables for grants-in-aid from the NDF.

Total liabilities decreased ¥668.8 billion from the previous fiscal year-end to ¥11,441.6 billion. This was mainly attributable to decreases in interest-bearing debt and reserve for nuclear damage compensation.

Net assets increased ¥115.9 billion from the previous fiscal year-end to ¥2,218.1 billion, due mainly to net income attributable to owners of the parent recorded for the fiscal year under review. Consequently, the equity ratio increased 1.5 percentage points year on year to 16.1 percent.

Dividend Policy

TEPCO recognizes sharing corporate profits with shareholders as one of its primary tasks. However, due to such adverse factors as an ongoing severe management environment since the Tohoku-Chihou-Taiheiyou-Oki Earthquake, TEPCO has suspended the application of its basic dividend policy. Currently, TEPCO's Articles of Incorporation stipulate that the interim dividend may be paid upon the determination of the Board of Directors. Until now, TEPCO has maintained a basic policy of paying both an interim and a fiscal year-end dividend. The interim dividend is determined by the Board of Directors, the fiscal year-end dividend at TEPCO's Annual General Meeting of Shareholders.

Looking at the business results for the fiscal year under review, operating revenues decreased in the electric power business due mainly to the effect of the fuel cost adjustment system, but the success of the Company's ongoing and exhaustive cost reduction efforts, along with a considerable decline in fuel expenses due to lower oil prices, helped secure ordinary income, allowing TEPCO to post net income attributable to owners of the parent for the fiscal year under review.

However, the management environment surrounding the Company is likely to remain harsh. Taking this into account, it was with sincere regret that TEPCO had to temporarily suspend the payment of both the interim and the year-end dividends. For the year ending March 31, 2017, TEPCO plans to again suspend the payment of the interim and year-end dividends, given the prospect of an ongoing severe management environment and its financial position.

Risk Factors

The following primary risk factors to which the TEPCO Group is subject may exert a significant influence on investor decisions. Issues that may not necessarily be relevant as risk factors are also presented below in keeping with TEPCO's vigorous efforts to disclose information to its investors.

The accident that occurred at the Fukushima Daiichi Nuclear Power Station in March 2011 as a result of the Tohoku-Chihou-Taiheiyou-Oki Earthquake and subsequent tsunami has caused widespread anxiety with regard to such issues as the dispersal of radioactive substances and disruption in the stable supply of electricity. Also, the accident led to a significant deterioration in the TEPCO Group's management conditions.

To address this adversity, the Company formulated the New Comprehensive Special Business Plan in tandem with the NDF and obtained the approval of said plan from the minister in charge in January 2014. In line with this plan, TEPCO has been rallying all its strengths to promote various management reform initiatives while placing the utmost priority on facilitating the smooth payment of compensation and decommissioning, with the cooperation of its shareholders, investors and other stakeholders.

In addition, TEPCO has adopted a Holding Company System to fulfill the demands of "Responsibility" and "Competitiveness." Committed to fulfilling its responsibilities regarding compensation, the revitalization of Fukushima and decommissioning, TEPCO is striving to prevail over harsh market competition and enhance the corporate value of the entire Group. Specifically, the three core operating companies, namely, TEPCO Fuel & Power, Incorporated (fuel and thermal power generation), TEPCO Power Grid, Incorporated (general power transmission and distribution) and TEPCO Energy Partner, Incorporated (electricity retail) are engaging in autonomous business management to maximize their competitiveness, while the stockholding company Tokyo Electric Power Company Holdings, Incorporated (TEPCO Holdings), is ensuring the optimal allocation of management resources based on solid corporate governance.

However, the operating environment surrounding the TEPCO Group remains harsh and the Company's business operations may be significantly affected if the following risks materialize.

The forward-looking statements included in the following represent estimates as of June 29, 2016.

(1) Accident at Fukushima Daiichi Nuclear Power Station

Putting the utmost emphasis on securing the safety of nuclear power generation, the Company is striving to push forward with decommissioning and other work at the Fukushima Daiichi Nuclear Power Station in accordance with the Mid-and-long-Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power (hereinafter the "Mid-and-long-Term Roadmap") and in cooperation with the government and relevant institutions.

However, the execution of such steps entails a number of challenges. Among these challenges are those associated with contaminated water, including disposing of and storing such water as well as the implementation of measures aimed at preventing underground water from entering the power station's structures. At the same time, the removal of nuclear debris involves technical difficulties that the Company has never before encountered. Because of these challenges, the implementation of these steps may not progress in accordance with the Mid-and-long-Term Roadmap. This could, in turn, impact the Group's business operations and performance as well as financial condition.

Furthermore, in view of the deterioration in the Group's fund procurement capability due to the lowering of its ratings following the nuclear accident, the Group's business performance, financial condition and operations may be affected.

(2) Stable Supply of Electric Power

Due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the operations of all generators at the Fukushima Daini and Kashiwazaki-Kariwa Nuclear Power Stations have been suspended. This, in turn, caused the TEPCO Group's electricity supply capability to deteriorate. In response, the Company is implementing measures aimed at securing stability on both the electricity supply and demand sides. However, natural disasters, accidents at facilities, sabotage, including terrorist acts, and problems in obtaining fuel are among the contingencies that could cause large-scale, extended power outages, which could render TEPCO unable to provide a stable supply of electric power. Such cases could negatively affect the TEPCO Group's business performance and financial condition, public trust and operations.

(3) Nuclear Power Generation and Nuclear Fuel Cycle

Based on the outcome of the nuclear accident at Fukushima, revisions are being made to Japan's national nuclear policy, while the Nuclear Regulation Authority has resolved to tighten safety regulations. TEPCO is obliged to incorporate countermeasures aimed at improving the safety of nuclear power generation pursuant to the abovementioned revisions. Also, the operations of the stockholding company TEPCO Holdings and its affiliates involving nuclear power generation and the nuclear fuel cycle might be affected by such revisions. These factors may, in turn, impact the Group's business performance and financial condition.

As for nuclear power plants, the Company is striving to further reinforce safety countermeasures while promoting corporate reforms, in line with its strong determination to prevent severe accidents from occurring no matter what the precipitating incident may be.

In addition, the outlook remains uncertain about how long it will be before the resumption of operations at the Kashiwazaki-Kariwa Nuclear Power Station. Therefore, the TEPCO Group's business performance and financial condition might be affected if the abovementioned circumstances surrounding nuclear power generation remain the same.

Moreover, the nuclear power generation and nuclear fuel cycle themselves pose various risks, such as those associated with reprocessing irradiated nuclear fuel, disposing of radioactive waste and decommissioning nuclear power plants and other facilities, all of which require substantial capital investment and long periods of operation. Initiatives such as the introduction of a national system for handling back-end business have reduced these risks, but issues such as revisions of this system, an increase in provisions to reserves for costs not included in this system, operating conditions at the Rokkasho Reprocessing Plant and other facilities, and procedures for the decommissioning of the Rokkasho Uranium Enrichment Plant could affect the TEPCO Group's business performance and financial condition.

(4) Business and Environmental Regulations

The possible regulatory environment changes closely related to the TEPCO Group, such as changes in the structure of electric power business resulting from the revisions of national policy on energy and a tightening of regulations on global warming, could affect the TEPCO Group's business performance and financial condition. In addition, such issues as a decrease in the quality of electric power due to a substantial increase in renewable energy resulting from stricter environmental regulations could disrupt the smooth execution of Group operations.

(5) Electricity Sales Volume

The volume of sales in the electric power business directly reflects economic and industrial activities and is subject to the influence of the economic environment. Moreover, demand for air conditioning and heating is subject to the influence of the weather, particularly in the summer and the winter. In addition, such factors as intensifying competition due to the full liberalization of the electricity retail market that took effect in April 2016, the popularization of energy conservation measures and the advancement of energy-saving technologies may impact the sales of electricity. These issues could affect the TEPCO Group's business performance and financial condition.

(6) Customer Service

The TEPCO Group is working to enhance customer service. However, inappropriate responses to customers and other issues could affect such matters as customer satisfaction and public trust in the TEPCO Group, which could affect its business performance and financial condition as well as the smooth execution of operations.

(7) Financial Markets Conditions

The TEPCO Group holds domestic and foreign stock and bonds in its pension plan assets and other portfolios. Changes in the value of these holdings due to issues that may include conditions in stock and bond markets could affect the TEPCO Group's business performance and financial condition. Moreover, issues including future interest rate movements affect the TEPCO Group's interest payments.

(8) Fossil Fuel Prices

The prices for liquefied natural gas (LNG), crude oil, coal and other fuels for thermal power generation change according to factors that include conditions in international fuel markets and foreign exchange market movements, which could affect the TEPCO Group's business performance and financial condition. However, changes in fuel prices and foreign exchange markets are reflected in electricity rates through the fuel cost adjustment system, which reduces the impact on performance from fuel price fluctuations within a defined range.

(9) Securing Safety, Quality Control and Preventing Environmental Pollution

The TEPCO Group works to secure safety, control quality and prevent environmental pollution while focusing on maintaining highly transparent and reliable information disclosure. However, the smooth execution of operations could be affected if the public's trust in the Group is violated by such events as 1) the occurrence of an accident, fatality or large-scale emission of pollutants into the environment as the result of such causes as operational error or breach of laws or internal regulations or 2) a public relations failure on the part of the Group resulting in such an incident as inappropriate information disclosure.

(10) Corporate Ethics and Compliance

The TEPCO Group works to ensure compliance with corporate ethics during the execution of operations. However, the violation of laws and regulations or other acts contrary to the TEPCO Group's corporate ethics could damage public trust in the TEPCO Group and affect the smooth execution of Group operations.

(11) Information Management

The TEPCO Group maintains information important to its operations, including a large volume of customer information. The Group strictly administers information through means that include internal regulations and employee training. However, leaks of information could damage public trust in the TEPCO Group and affect the smooth execution of Group operations.

(12) Businesses Other than Electric Power

The TEPCO Group operates businesses other than electric power, including businesses overseas. Various issues, including changes in the Group's management condition, increasing competition with other participants in these businesses, stricter regulations, changes in economic conditions, including foreign exchange rates and international fuel markets, political uncertainty and natural disasters, could cause actual results to differ from forecasts at the time of investment and may affect the TEPCO Group' business performance and financial condition.

(13) Acquisition of TEPCO Share by the NDF

On July 31, 2012, TEPCO issued Preferred Stocks (Class A Preferred Stocks and Class B Preferred Stocks; collectively, the "Preferred Stocks") by third-party allotment, with the NDF as allottee. Class A Preferred Stocks entail voting rights at the General Meeting of Shareholders as well as put options with Class B Preferred Stocks and Common Shares as consideration. Class B Preferred Stocks also entail put options with Class A Preferred Stocks and Common Shares as consideration, although holders are not granted voting rights unless otherwise provided for in laws and regulations. Due to the aforementioned acquisition of stocks, the NDF holds a majority of the total voting rights of the Company. Consequently, the NDF's exercise of its voting rights at the shareholder's meeting, etc., might affect the Company's business operations going forward. In addition, further dilution of the Company's existing shares is possible if 1) put options on Class B Preferred Stocks are executed by the NDF to acquire Class A Preferred Stocks and/or 2) put options on the Preferred Stocks are executed by the NDF to acquire Common Shares. In particular, should the NDF execute the latter put options as stated in 2) above, such dilutions might result in a decline in the share price of TEPCO Holdings, the stockholding company of the Group. The share price could also be affected if the NDF were to sell Common Shares on the secondary market. Depending on the circumstances of the stock market at the time of such sale, the impact of the sale on TEPCO Holdings' share price might be significant.

Consolidated Balance Sheet

Tokyo Electric Power Company Holdings, Incorporated and Consolidated Subsidiaries
March 31, 2016

	Millions of yen		Millions of U.S. dollars (Note 3)
ASSETS	**March 31, 2016**	March 31, 2015	**March 31, 2016**
Property, plant and equipment	**¥ 30,686,313**	¥ 30,719,777	**$ 272,477**
Construction in progress	**847,499**	767,142	**7,525**
	31,533,813	31,486,919	**280,002**
Less:			
Contributions in aid of construction	**(397,957)**	(385,810)	**(3,533)**
Accumulated depreciation	**(23,205,100)**	(22,913,578)	**(206,048)**
	(23,603,058)	(23,299,388)	**(209,581)**
Property, plant and equipment, net (Notes 7, 12 and 19)	**7,930,755**	8,187,531	**70,421**
Nuclear fuel:			
Loaded nuclear fuel	**120,473**	123,390	**1,070**
Nuclear fuel in processing	**630,911**	659,515	**5,602**
	751,384	782,906	**6,672**
Investments and other:			
Long-term investments (Notes 8, 12 and 32)	**135,940**	141,439	**1,207**
Trust funds for reprocessing of irradiated nuclear fuel (Note 32)	**894,547**	961,910	**7,943**
Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation (Notes 15, 25 and 32)	**755,861**	926,079	**6,712**
Net defined benefit asset (Note 17)	**117,375**	121,232	**1,042**
Other (Note 18)	**735,342**	677,926	**6,529**
	2,639,068	2,828,588	**23,433**
Current assets:			
Cash (Notes 9, 12 and 32)	**1,423,672**	1,394,289	**12,641**
Notes and accounts receivable–customers (Note 32)	**488,109**	546,983	**4,334**
Inventories (Notes 6 and 12)	**194,453**	224,706	**1,727**
Other (Notes 9, 12 and 18)	**246,315**	252,621	**2,187**
	2,352,551	2,418,599	**20,889**
Less:			
Allowance for doubtful accounts	**(13,990)**	(4,947)	**(124)**
	2,338,560	2,413,652	**20,765**
Total assets	**¥ 13,659,769**	¥ 14,212,677	**$ 121,291**

See notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of yen March 31, 2016	March 31, 2015	Millions of U.S. dollars (Note 3) March 31, 2016
Long-term liabilities and reserves:			
Long-term debt (Notes 10, 12 and 32)	**¥ 4,818,704**	¥ 6,064,448	**$ 42,787**
Other long-term liabilities (Note 18)	**317,539**	234,702	**2,819**
Reserve for reprocessing of irradiated nuclear fuel (Note 13)	**997,215**	1,066,455	**8,855**
Reserve for loss on disaster (Note 14)	**475,892**	521,016	**4,226**
Reserve for nuclear damage compensation (Note 15)	**837,882**	1,061,572	**7,440**
Net defined benefit liability (Note 17)	**382,788**	428,390	**3,399**
Asset retirement obligations (Note 19)	**770,992**	741,190	**6,846**
	8,601,015	10,117,776	**76,372**
Current liabilities:			
Current portion of long-term debt (Notes 10, 12 and 32)	**1,294,910**	759,255	**11,498**
Short-term loans (Notes 10 and 32)	**493,237**	189,572	**4,380**
Trade notes and accounts payable (Note 32)	**241,640**	312,910	**2,146**
Accrued income taxes and other	**102,481**	123,638	**910**
Other (Notes 18, 19 and 32)	**702,242**	601,653	**6,235**
	2,834,511	1,987,028	**25,169**
Reserves under special laws:			
Reserve for preparation of the depreciation of nuclear power construction (Note 16)	**6,103**	5,692	**54**
	6,103	5,692	**54**
Total liabilities	**11,441,630**	12,110,497	**101,595**
Net assets:			
Shareholders' equity (Note 20):			
Common stock, without par value:			
Authorized — 35,000,000,000 shares in 2016 and 2015			
Issued —1,607,017,531 shares in 2016 and 2015	**900,975**	900,975	**8,000**
Preferred stock:			
Authorized — 5,500,000,000 shares in 2016 and 2015			
Issued — 1,940,000,000 shares in 2016 and 2015	**500,000**	500,000	**4,440**
Capital surplus	**743,125**	743,608	**6,599**
Retained earnings	**60,803**	(83,431)	**540**
Treasury stock, at cost:			
4,701,652 shares in 2016 and 4,643,066 shares in 2015	**(8,430)**	(8,393)	**(75)**
Total shareholders' equity	**2,196,473**	2,052,759	**19,504**
Accumulated other comprehensive income:			
Net unrealized holding gain on avaialble-for-sale securities	**3,618**	6,703	**32**
Net deferred loss on hedges	**(14,668)**	(15,724)	**(130)**
Land revaluation loss (Note 21)	**(2,510)**	(3,038)	**(22)**
Translation adjustments	**20,768**	30,287	**184**
Remeasurements of defined benefit plans	**(7,406)**	1,965	**(66)**
Total accumulated other comprehensive income	**(198)**	20,193	**(2)**
Noncontrolling interests	**21,864**	29,227	**194**
Total net assets	**2,218,139**	2,102,180	**19,696**
Total liabilities and net assets	**¥13,659,769**	¥14,212,677	**$121,291**

Consolidated Statement of Operations

Tokyo Electric Power Company Holdings, Incorporated and Consolidated Subsidiaries
Year ended March 31, 2016

	Millions of yen		Millions of U.S. dollars (Note 3)
	Year ended March 31, 2016	Year ended March 31, 2015	**Year ended March 31, 2016**
Operating revenues:			
Electricity	**¥5,791,368**	¥6,497,627	**$51,424**
Other	**278,560**	304,836	**2,473**
	6,069,928	6,802,464	**53,897**
Operating expenses (Notes 22, 23 and 24):			
Electricity	**5,463,460**	6,224,813	**48,512**
Other	**234,236**	261,116	**2,080**
	5,697,696	6,485,929	**50,592**
Operating income	**372,231**	316,534	**3,305**
Other income (expenses):			
Interest and dividend income	**24,358**	21,294	**216**
Interest expense	**(87,035)**	(99,089)	**(773)**
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation (Note 25)	**699,767**	868,535	**6,214**
Compensation for nuclear damages (Note 25)	**(678,661)**	(595,940)	**(6,026)**
Impairment loss (Note 27)	**(233,331)**	—	**(2,072)**
Equity in earnings of affiliates	**22,945**	15,112	**204**
Foreign exchange gain (loss)	**7,698**	(35,074)	**68**
Gain on sales of noncurrent assets (Note 26)	**—**	19,242	**—**
Gain on revision of retirement benefit plan	**61,091**	—	**543**
Gain on changes in equity interest	**12,214**	—	**108**
Loss related to interim storage project of spent fuel (Note 28)	**—**	(20,318)	**—**
Other, net	**(14,260)**	(10,763)	**(126)**
	(185,213)	162,999	**(1,644)**
Income before special items and income taxes	**187,018**	479,534	**1,661**
Special items:			
Provision for reserve for preparation of the depreciation of nuclear power construction (Note 16)	**(411)**	(511)	**(4)**
Income before income taxes	**186,607**	479,022	**1,657**
Income taxes (Note 18):			
Current	**46,042**	24,351	**409**
Deferred	**(1,725)**	(221)	**(15)**
	44,317	24,129	**394**
Net income	**142,290**	454,892	**1,263**
Net income attributable to noncontrolling interest	**1,506**	3,339	**13**
Net income attributable to owners of the parent	**¥ 140,783**	¥ 451,552	**$ 1,250**
Per share information:	Yen		U.S. dollars (Note 3)
Net assets (basic)	**¥746.59**	¥669.60	**$6.63**
Net income (basic)	**87.86**	281.80	**0.78**
Net income (diluted)	**28.52**	91.49	**0.25**
Cash dividends	**—**	—	**—**

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Tokyo Electric Power Company Holdings, Incorporated and Consolidated Subsidiaries
Year ended March 31, 2016

	Millions of yen		Millions of U.S. dollars (Note 3)
	Year ended March 31, 2016	Year ended March 31, 2015	**Year ended March 31, 2016**
Net income	**¥142,290**	¥454,892	**$1,263**
Other comprehensive income (Note 29)			
Net unrealized holding (losses) gains on available-for-sale securities	**(1,482)**	942	**(14)**
Net deferred gains on hedges	**64**	126	**1**
Translation adjustments	**(4,416)**	22,027	**(39)**
Remeasurements of defined benefit plans	**(7,814)**	40,233	**(69)**
Share of other comprehensive income of affiliates accounted for under the equity method	**(7,145)**	11,924	**(63)**
Total other comprehensive income	**(20,795)**	75,253	**(184)**
Comprehensive income	**¥121,494**	¥530,145	**$1,079**
Total comprehensive income attributable to:			
Owners of the parent	**¥120,043**	¥523,837	**$1,066**
Noncontrolling interests	**1,451**	6,308	**13**

See notes to consolidated financial statements.

Consolidated Statement of Changes in Net Assets

Tokyo Electric Power Company Holdings, Incorporated and Consolidated Subsidiaries
Year ended March 31, 2016

	Year ended March 31, 2016													
	Millions of yen													
	Shareholders' equity						Accumulated other comprehensive income							
	Common stock	Preferred stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on available-for-sale securities	Net deferred loss on hedges	Land revaluation loss	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at April 1, 2015	¥900,975	¥500,000	¥743,608	¥ (83,431)	¥ (8,393)	¥2,052,759	¥ 6,703	¥(15,724)	¥(3,038)	¥30,287	¥ 1,965	¥ 20,193	¥29,227	¥2,102,180
Cumulative effects of changes in accounting policies	—	—	—	¥ 3,799	—	¥ 3,799	—	—	—	—	—	—	—	¥ 3,799
Balance at April 1, 2015, as restated	¥900,975	¥500,000	¥743,608	¥ (79,632)	¥ (8,393)	¥2,056,558	¥ 6,703	¥(15,724)	¥(3,038)	¥30,287	¥ 1,965	¥ 20,193	¥29,227	¥2,105,979
Net income attributable to owners of the parent	—	—	—	140,783	—	140,783	—	—	—	—	—	—	—	140,783
Purchases of treasury stock	—	—	—	—	(31)	(31)	—	—	—	—	—	—	—	(31)
Sales of treasury stock	—	—	(2)	—	3	0	—	—	—	—	—	—	—	0
Change in ownership interests of the parent arising from transactions with non-controlling shareholders	—	—	(480)	—	—	(480)	—	—	—	—	—	—	—	(480)
Reversal of land revaluation loss	—	—	—	(347)	—	(347)	—	—	—	—	—	—	—	(347)
Other	—	—	—	—	(8)	(8)	—	—	—	—	—	—	—	(8)
Net changes in items other than shareholders' equity	—	—	—	—	—	—	(3,084)	1,056	528	(9,519)	(9,372)	(20,391)	(7,363)	(27,755)
Total changes	—	—	(483)	140,435	(36)	139,915	(3,084)	1,056	528	(9,519)	(9,372)	(20,391)	(7,363)	112,159
Balance at March 31, 2016	¥900,975	¥500,000	¥743,125	¥ 60,803	¥ (8,430)	¥2,196,473	¥ 3,618	¥(14,668)	¥(2,510)	¥20,768	¥(7,406)	¥ (198)	¥21,864	¥2,218,139

	Year ended March 31, 2015													
	Millions of yen													
	Shareholders' equity						Accumulated other comprehensive income							
	Common stock	Preferred stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on available-for-sale securities	Net deferred loss on hedges	Land revaluation loss	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at April 1, 2014	¥900,975	¥500,000	¥743,616	¥(534,085)	¥(8,381)	¥1,602,124	¥2,995	¥(13,356)	¥(3,295)	¥ 1,448	¥(39,795)	¥(52,003)	¥27,287	¥1,577,408
Cumulative effects of changes in accounting policies	—	—	—	¥ (986)	—	¥ (986)	—	—	—	—	—	—	—	¥ (986)
Balance at April 1, 2014, as restated	¥900,975	¥500,000	¥743,616	¥(535,071)	¥(8,381)	¥1,601,138	¥2,995	¥(13,356)	¥(3,295)	¥ 1,448	¥(39,795)	¥(52,003)	¥27,287	¥1,576,422
Net income attributable to owners of the parent	—	—	—	451,552	—	451,552	—	—	—	—	—	—	—	451,552
Purchases of treasury stock	—	—	—	—	(21)	(21)	—	—	—	—	—	—	—	(21)
Sales of treasury stock	—	—	(7)	—	9	1	—	—	—	—	—	—	—	1
Reversal of land revaluation loss	—	—	—	87	—	87	—	—	—	—	—	—	—	87
Other	—	—	—	—	(0)	(0)	—	—	—	—	—	—	—	(0)
Net changes in items other than shareholders' equity	—	—	—	—	—	—	3,708	(2,368)	256	28,838	41,761	72,196	1,940	74,137
Total changes	—	—	(7)	451,640	(12)	451,620	3,708	(2,368)	256	28,838	41,761	72,196	1,940	525,758
Balance at March 31, 2015	¥900,975	¥500,000	¥743,608	¥ (83,431)	¥(8,393)	¥2,052,759	¥6,703	¥(15,724)	¥(3,038)	¥30,287	¥ 1,965	¥ 20,193	¥29,227	¥2,102,180

	Year ended March 31, 2016													
	Millions of U.S. dollars (Note 3)													
	Shareholders' equity						Accumulated other comprehensive income							
	Common stock	Preferred stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on available-for-sale securities	Net deferred loss on hedges	Land revaluation loss	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Non-controlling interests	Total net assets
Balance at April 1, 2015	$8,000	$4,440	$6,603	$(741)	$(75)	$18,227	$ 59	$(139)	$(27)	$269	$17	$179	$260	$18,666
Cumulative effects of changes in accounting policies	—	—	—	34	—	34	—	—	—	—	—	—	—	34
Balance at April 1, 2015, as restated	8,000	4,440	6,603	(707)	(75)	18,261	59	(139)	(27)	269	17	179	260	18,700
Net income attributable to owners of the parent	—	—	—	1,250	—	1,250	—	—	—	—	—	—	—	1,250
Purchases of treasury stock	—	—	—	—	(0)	(0)	—	—	—	—	—	—	—	(0)
Sales of treasury stock	—	—	(0)	—	0	0	—	—	—	—	—	—	—	0
Change in ownership interests of the parent arising from transactions with non-controlling shareholders	—	—	(4)	—	—	(4)	—	—	—	—	—	—	—	(4)
Reversal of land revaluation loss	—	—	—	(3)	—	(3)	—	—	—	—	—	—	—	(3)
Other	—	—	—	—	(0)	(0)	—	—	—	—	—	—	—	(0)
Net changes in items other than shareholders' equity	—	—	—	—	—	—	(27)	9	5	(85)	(83)	(181)	(66)	(247)
Total changes	—	—	(4)	1,247	(0)	1,243	(27)	9	5	(85)	(83)	(181)	(66)	996
Balance at March 31, 2016	$8,000	$4,440	$6,599	$540	$(75)	$19,504	$ 32	$(130)	$(22)	$184	$(66)	$ (2)	$194	$19,696

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Tokyo Electric Power Company Holdings, Incorporated and Consolidated Subsidiaries
Year ended March 31, 2016

	Millions of yen		Millions of U.S. dollars (Note 3)
	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2016
Cash flows from operating activities			
Income before income taxes	**¥ 186,607**	¥ 479,022	**$ 1,657**
Depreciation and amortization	**621,953**	624,248	**5,523**
Loss related to interim storage project of spent fuel	**—**	20,318	**—**
Impairment loss	**233,331**	—	**2,072**
Decommissioning costs of nuclear power units	**22,914**	21,141	**204**
Loss on disposal of property, plant and equipment	**26,031**	27,737	**231**
Reversal of reserve for reprocessing of irradiated nuclear fuel provision	**(69,239)**	(55,971)	**(615)**
(Decrease) increase in reserve for loss on disaster	**(6,160)**	8,786	**(55)**
Net defined benefit liability	**(45,219)**	(19,360)	**(402)**
Interest and dividend income	**(24,358)**	(21,294)	**(216)**
Interest expense	**87,035**	99,089	**773**
Equity in earnings of affiliates	**(22,945)**	(15,112)	**(204)**
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	**(699,767)**	(868,535)	**(6,214)**
Compensation for nuclear damages	**678,661**	595,940	**6,026**
Gain on sales of noncurrent assets	**—**	(19,242)	**—**
Gain on changes in equity interest	**(12,214)**	—	**(108)**
Decrease in trust funds for reprocessing of irradiated nuclear fuel	**67,363**	55,005	**598**
Decrease (increase) in notes and accounts receivable	**58,216**	(18,464)	**517**
Decrease in notes and accounts payable	**(61,000)**	(32,960)	**(542)**
Other	**227,550**	223,486	**2,021**
	1,268,758	1,103,838	**11,266**
Interest and cash dividends received	**23,859**	31,435	**212**
Interest paid	**(90,109)**	(101,971)	**(800)**
Payments for loss on disaster due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake	**(56,533)**	(83,135)	**(502)**
Receipts of Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	**1,212,700**	1,044,300	**10,768**
Receipt of compensation based on the Contract for Indemnification of Nuclear Damage Compensation	**—**	68,926	**—**
Payments for nuclear damage compensation	**(1,250,440)**	(1,178,563)	**(11,103)**
Income taxes paid	**(30,725)**	(11,899)	**(273)**
Net cash provided by operating activities	**1,077,508**	872,930	**9,568**
Cash flows from investing activities			
Purchases of property, plant and equipment	**(645,935)**	(567,470)	**(5,736)**
Proceeds from sales of noncurrent assets	**7,256**	22,841	**64**
Contributions in aid of construction received	**11,430**	14,451	**101**
Increase in long-term investments	**(22,794)**	(49,371)	**(202)**
Proceeds from long-term investments	**20,960**	55,639	**186**
Payments into time deposits	**(161,824)**	(331,742)	**(1,437)**
Proceeds from withdrawal of time deposits	**169,331**	332,356	**1,504**
Other	**674**	(640)	**6**
Net cash used in investing activities	**(620,900)**	(523,935)	**(5,514)**
Cash flows from financing activities			
Proceeds from issuance of bonds	**17,714**	99,647	**157**
Redemptions of bonds	**(438,100)**	(446,400)	**(3,890)**
Proceeds from long-term loans	**38,950**	40,820	**346**
Repayments of long-term loans	**(319,757)**	(490,571)	**(2,839)**
Proceeds from short-term loans	**998,051**	282,727	**8,862**
Repayments of short-term loans	**(682,056)**	(103,677)	**(6,056)**
Other	**(9,103)**	(8,569)	**(81)**
Net cash used in by financing activities	**(394,300)**	(626,023)	**(3,501)**
Effect of exchange rate changes on cash and cash equivalents	**(827)**	5,458	**(7)**
Net increase (decrease) in cash and cash equivalents	**61,480**	(271,570)	**546**
Cash and cash equivalents at beginning of the year	**1,292,477**	1,564,047	**11,477**
Decrease in cash and cash equivalents resulting from change of scope of consolidation	**(14,047)**	—	**(125)**
Cash and cash equivalents at end of the year (Note 9)	**¥ 1,339,910**	¥ 1,292,477	**$11,898**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Tokyo Electric Power Company Holdings, Incorporated and Consolidated Subsidiaries
March 31, 2016

1 Description of Business

On May 1, 2015, Tokyo Electric Power Co., Ltd. ("TEPCO") resolved at the Board of Directors meeting that with April 1, 2016, in time with the introduction of a licensing system for electric power systems reform, it would transfer its fuel and thermal power generation business (excluding fuel transport business and fuel trading business), general power transmission and distribution business, and retail electricity business through company splits to the "Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated" ("TEPCO Fuel & Power Inc." as of April 1, 2016), "Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated" ("TEPCO Power Grid, Inc. as of April 1, 2016) and "Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated" ("TEPCO Energy Partner, Inc." as of April 1, 2016), respectively, in accordance with absorption-type split agreements with each of the succeeding companies concluded on May 1, 2015. These company splits were executed as planned on April 1, 2016 and on the same date, TEPCO's trade name was changed to "Tokyo Electric Power Company Holdings, Incorporated" (hereinafter the "Company"). The consolidated financial statement as of March 31, 2016 and for the year then ended are prepared under the name of Tokyo Electric Power Company Holdings, Incorporated.

2 Summary of Significant Accounting Policies

(a) Basis of Preparation

The accompanying consolidated financial statements of the Company and its consolidated subsidiaries (collectively, the "Companies" or "Group") have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan and are prepared on the basis of accounting principles generally accepted in Japan, which differ in certain respects from the application and disclosure requirements of the International Financial Reporting Standards.

As permitted by the Financial Instruments and Exchange Law, amounts of less than one million yen have been omitted. Consequently, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sums of the individual amounts.

Certain amounts in the prior year's comparative financial information have been reclassified to conform to the current year's presentation.

(b) Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and all companies which it controls directly or indirectly. Companies over which the Company or the Companies exercise significant influence in terms of their operating and financial policies have been included in the consolidated financial statements using equity method of accounting. All significant intercompany balances and transactions have been eliminated in consolidation.

The financial statements of overseas consolidated subsidiaries and affiliates are prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles, with adjustments for the certain items required by Japanese generally accepted accounting principles as applicable.

The differences arising from the cost of the Companies' investments in subsidiaries and affiliates in excess of the interest in their net assets at fair value are amortized over a period of five years.

Investments in other affiliates, not significant in amount, are carried at cost. The Company writes down these investments if it deems that impairment of their value is irrecoverable.

(c) Nuclear Fuel and Amortization

Nuclear fuel is stated at cost less amortization. The amortization of loaded nuclear fuel is computed based on the quantity of energy produced in the generation of electricity.

(d) Investments

Securities are classified into three categories according to holding intent as follows: i) trading securities, which are held for the purpose of earning capital gains in the short-term; ii) held-to-maturity securities, which the Companies intend to hold until maturity; and iii) available-for-sale securities, which are not classified as either of the other two categories. The Companies have no securities categorized as trading securities or held-to-maturity securities. Available-for-sale securities are stated at fair value if available, or at cost determined by the moving-average method. Unrealized gains or losses, net of the applicable taxes, are reported under accumulated other comprehensive income as a separate component of net assets. Realized gain or loss on sales of these securities is calculated based on the moving-average cost.

(e) Inventories

Inventories are stated at the lower of cost, determined principally by the average method, or a net selling value.

(f) Depreciation and Amortization

Depreciation of property, plant and equipment is computed by the declining-balance method based on the estimated useful lives of the respective assets. Amortization of intangible fixed assets is computed by the straight-line method. Easements for transmission line rights-of-way acquired on or after April 1, 2005 are depreciated over 36 years, the same number of years used for the useful life of the transmission lines. Other easements are depreciated over their average remaining useful lives.

Property, plant and equipment include removal costs corresponding to asset retirement obligations related to the decommissioning measures for specified nuclear power plants. The method of recording the related decommissioning costs is explained in Note 2 (i).

(g) Allowance for Doubtful Accounts

The Companies provide an allowance for doubtful accounts based on the historical ratio of actual credit losses to total receivables and the amount of uncollectible receivables estimated on an individual basis.

(h) Accounting for Employees' Retirement Benefits

The Companies record liability for employees' retirement benefits principally based on the projected benefit obligation and the fair value of the pension plan assets at the balance sheet date.

The projected benefit obligation is attributed to periods on a straight-line basis.

Past service costs are mainly charged to income when incurred.

Actuarial gains or losses are mainly amortized by the straight-line method over a defined period (three years) within the employees' average remaining service period, commencing on the fiscal year following the fiscal year in which the gains or losses are incurred.

Actuarial gains and losses and past service costs that are yet to be recognized in profit or loss are recognized in remeasurements of defined benefit plans under accumulated other comprehensive income within the net assets section, after adjusting for tax effects.

(i) Decommissioning Costs of Nuclear Power Units

The Company applies paragraph 8 of Accounting Standards Board of Japan (hereinafter "ASBJ") Guidance No. 21, "Guidance on Accounting Standard for Asset Retirement Obligations" (issued on March 25, 2011) to the decommissioning measures for specified nuclear power plants stipulated by the "Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors" (effective on June 10, 1957; Act No. 166 of 1957) and records the decommissioning costs of nuclear power units by allocating the total estimated decommissioning costs of nuclear power units in accordance with the "Ministerial Ordinance concerning Reserve for Decommissioning Costs of Nuclear Power Units" (Ordinance of Ministry of Economy, Trade and Industry) over the expected operational period plus expected safe storage period on a straight-line basis. The present value of total estimated amount of obligations is recorded as an asset retirement obligation.

(Additional information)

Estimated amounts of decommissioning costs of Fukushima Daiichi Nuclear Power Station Units 1 through 4:

The Company records the amounts within the range of reasonable estimates based on the currently available information, although they might vary from now on, since it is difficult to identify the whole situations of the damages.

(j) Income Taxes

Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities, and are measured using the enacted tax rates and laws expected to be in effect when the differences are expected to be recovered or settled.

(k) Foreign Currency Translation

The revenue and expenses of overseas consolidated subsidiaries are translated into yen at the average exchange rates prevailing during the fiscal year.

The assets and liabilities of overseas consolidated subsidiaries, except for the components of net assets, are translated into yen at the rates of exchange in effect at the respective balance sheet date. Certain components of equity (net assets) are translated at their historical exchange rates. Translation differences arising from the translation of the financial statements of overseas consolidated subsidiaries are presented as translation adjustments in net assets.

Current and non-current accounts denominated in foreign currency are translated into yen at the exchange rates prevailing as of the fiscal year-end, and the resulting gain or loss is credited or charged to income for the fiscal year.

(l) Derivatives and Hedging Activities

Derivatives are stated at fair values with any changes in unrealized gains or losses charged or credited to income, except for those that meet the criteria for deferral hedge accounting under which unrealized gains or losses is deferred as an asset or a liability.

Liabilities that are denominated in foreign currencies and hedged by derivative instruments are translated at their respective contract rates.

(m) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, cash in banks which can be withdrawn at any time and short-term investments with a maturity of three months or less when purchased which can easily be converted to cash and are subject to little risk of change in value.

3 U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥112.62 = US$1.00, the approximate rate of exchange in effect on March 31, 2016, has been used. The inclusion of such amounts is not intended to imply that yen have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

4 Accounting Change

Application of Accounting Standard for Business Combinations, etc.

Effective March 31, 2016, the Company has applied the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013), the "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013), the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013), etc. As a result, in cases where the parent company continues to have control, differences arising from changes in holdings or equity-method subsidiaries are now recorded in capital surplus, and the method of recording acquisition-related costs was changed to one in which they are recognized as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after the beginning of the fiscal year ended March 31, 2016, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the provisional accounting treatment is reflected in the consolidated financial statements for the fiscal year to which the date of business combination belongs. In addition, the presentation method for "profit" and other related items was changed, and the presentation of "minority interests" was changed to "non-controlling interests."

In the consolidated statement of cash flows for the year ended March 31, 2016, cash flows from acquisition of shares of subsidiaries with no changes in the scope of consolidation are included in "Cash flows from financing activities."

Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided for in paragraph 58-2 (4) of the Accounting Standard for Business Combinations, paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements and paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. The Company is applying the said standard, etc. prospectively from the beginning of the fiscal year ended March 31, 2016.

The impact of this change on the consolidated financial statements is immaterial.

5

Additional Information

Fixed Assets Necessary for Scrapping Reactors and Fixed Assets Requiring Maintenances after Having Discontinued Operation of Reactors

The outstanding balance of fixed assets necessary for scrapping reactors and fixed assets requiring maintenances after having discontinued operation of reactors as of March 31, 2016 and 2015 was ¥285,849 million (US$2,538 million) and ¥198,843 million, respectively.

Transactions under Common Control

(1) Overview of the transactions

On April 1, 2016, the Company transferred its fuel and thermal power generation business (excluding fuel transport business and fuel trading business), general power transmission and distribution business, and retail electricity business through company splits to TEPCO Fuel & Power, Incorporated (name changed from Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated as of April I, 2016), TEPCO Power Grid, Incorporated (name changed from Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated as of April I, 2016), and TEPCO Energy Partner, Incorporated (name changed from Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated as of April 1, 2016)," respectively. In this way, the Company introduced a holding company system and changed its trade name to Tokyo Electric Power Company Holdings, Incorporated.

(2) Overview of implemented accounting treatments

The above transactions were treated as transactions under common control in accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No.21, September 13, 2013) and other applicable standards.

The amounts of assets and liabilities transferred through company splits are as follows:

(As of April 1, 2016)

1) Unconsolidated assets and liabilities to be transferred in Splits to TEPCO Fuel & Power, Incorporated

Assets		Liabilities	
Item	Amount	Item	Amount
Non-current Assets	¥1,441,116 million (US$12,796 million)	Non-current Liabilities	¥74,020 million ($657 million)
Current Assets	¥207,738 million (US$1,845 million)	Current Liabilities	¥181,493 million ($1,612 million)
Total	¥1,648,854 million (US$14,641 million)	Total	¥255,513 million ($2,269 million)

2) Unconsolidated assets and liabilities to be transferred in Splits to TEPCO Power Grid, Incorporated

Assets		Liabilities	
Item	Amount	Item	Amount
Non-current Assets	¥4,903,793 million (US$43,543 million)	Non-current Liabilities	¥364,911 million ($3,240 million)
Current Assets	¥374,235 million (US$3,323 million)	Current Liabilities	¥179,482 million ($1,594 million)
Total	¥5,278,028 million (US$46,866 million)	Total	¥544,393 million (US$4,834 million)

3) Unconsolidated assets and liabilities to be transferred in Splits to TEPCO Energy Partner, Incorporated

Assets		Liabilities	
Item	Amount	Item	Amount
Non-current Assets	¥81,656 million (US$725 million)	Non-current Liabilities	¥47,291 million (US$420 million)
Current Assets	¥554,102 million (US$4,920 million)	Current Liabilities	¥173,896 million (US$1,544 million)
Total	¥635,758 million (US$5,645 million)	Total	¥221,187 million (US$1,964 million)

6 Inventories

Details of inventories were as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	2016
Merchandise and finished products	**¥ 2,677**	¥ 4,436	**$ 24**
Work in process	**17,886**	15,036	**159**
Raw materials and stores	**173,889**	205,233	**1,544**
Total inventories	**¥194,453**	¥224,706	**$1,727**

7 Property, Plant and Equipment, Net

The major classifications of property, plant and equipment, net at March 31, 2016 and 2015 were as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	2016
Hydroelectric power production facilities	**¥ 441,666**	¥ 619,404	**$ 3,922**
Thermal power production facilities	**1,080,724**	1,178,894	**9,596**
Nuclear power production facilities	**722,445**	644,958	**6,415**
Transmission facilities	**1,760,121**	1,825,179	**15,629**
Transformation facilities	**696,101**	716,116	**6,181**
Distribution facilities	**2,019,249**	2,039,927	**17,929**
Other electricity-related property, plant and equipment	**150,248**	142,627	**1,334**
Other property, plant and equipment	**221,731**	253,282	**1,969**
Construction in progress	**838,467**	767,142	**7,445**
	¥7,930,755	¥8,187,531	**$70,420**

Assets corresponding to asset retirement obligations related to the decommissioning of specified nuclear power generating facilities are included in property, plant and equipment (Note 19).

8 Investment Securities

At March 31, 2016 and 2015, available-for-sale securities for which market prices were available were as follows:

	Millions of yen						Millions of U.S. dollars		
	2016			2015			2016		
	Carrying amount	Acquisition costs	Unrealized holding gains (losses)	Carrying amount	Acquisition costs	Unrealized holding gains (losses)	Carrying amount	Acquisition costs	Unrealized holding gains (losses)
Unrealized holding gains:									
Stocks, bonds and other	**¥ 195**	**¥ 152**	**¥ 43**	¥ 304	¥ 252	¥ 51	**$ 1**	**$ 1**	**$ 0**
Unrealized holding losses:									
Stocks, bonds and other	**3,439**	**5,833**	**(2,393)**	4,529	5,881	(1,351)	**31**	**52**	**(21)**
Total	**¥3,635**	**¥5,986**	**¥(2,350)**	¥4,833	¥6,134	¥(1,300)	**$32**	**$53**	**$(21)**

9

Supplemental Cash Flow Information

A reconciliation of the difference between cash stated in the consolidated balance sheets as of March 31, 2016 and 2015 and cash and cash equivalents for the purpose of the statement of cash flows for the years ended March 31, 2016 and 2015 is as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Cash	**¥1,423,672**	¥1,394,289	**$12,642**
Time deposits with maturities of more than three months	**(83,762)**	(101,811)	**(744)**
Cash and cash equivalents	**¥1,339,910**	¥1,292,477	**$11,898**

10

Short-Term Loans and Long-Term Debt

Short-term loans are unsecured. The weighted-average interest rates of short-term loans were approximately 0.704% and 0.785% for the years ended March 31, 2016 and 2015, respectively.

At March 31, 2016 and 2015, short-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Loans from banks and other sources	**¥493,237**	¥189,572	**$4,380**

The annual interest rates applicable to the Company's domestic straight bonds at March 31, 2016 and 2015 ranged from 0.643% to 4.10% and the annual interest rate applicable to the Company's foreign straight bond at March 31, 2016 and 2015 was 2.125%. The interest rates applicable to long-term debt (except for the current portion) at March 31, 2016 and 2015 averaged approximately 0.965% and 0.984%, respectively.

At March 31, 2016 and 2015, long-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Domestic straight bonds due from 2015 through 2040	**¥ 3,455,609**	¥3,875,987	**$ 30,684**
Foreign straight bond due in 2017	**25,084**	25,122	**222**
Loans from banks, insurance companies and other sources	**2,632,921**	2,922,594	**23,379**
	6,113,615	6,823,703	**54,285**
Less: Current portion	**(1,294,910)**	(759,255)	**(11,498)**
	¥ 4,818,704	¥6,064,448	**$ 42,787**

Financial covenants:

At March 31, 2016

Financial covenants on the financial position and operating results of the Company and its Group are attached to corporate bonds of ¥1,073,615 million (US$9,533 million), long-term debt of ¥21,764 million (US $193 million), current portion of long-term debt of ¥499,994 million (US$4,440 million) and short-term loans of ¥279,995 million (US$2,486 million) of the Company as of March 31, 2016.

At March 31, 2015

Financial covenants on the financial position and operating results of the Company and its Group are attached to corporate bonds of ¥1,255,887 million and long-term debt of ¥321,764 million of the Company as of March 31, 2015.

11 Leases

(a) As Lessee:

Future minimum lease payments subsequent to March 31, 2016 and 2015 for operating leases are summarized as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Within one year	**¥ 662**	¥1,827	**$ 6**
Later than one year	**1,076**	1,017	**9**
Total	**¥1,738**	¥2,845	**$15**

(b) As Lessor:

Future minimum lease income subsequent to March 31, 2016 and 2015 for operating leases is summarized as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Within one year	**¥33**	¥330	**$0**
Later than one year	**47**	470	**1**
Total	**¥81**	¥800	**$1**

12 Pledged Assets

The Company's entire property was subject to certain statutory preferential rights as security for loans from the Development Bank of Japan that amounted to ¥913,269 million (US$8,109 million) and ¥753,269 million, and for bonds that amounted to ¥3,480,693 million (US$30,907 million) and ¥3,901,109 million at March 31, 2016 and 2015, respectively.

Pursuant to the Nuclear Damage Compensation Act (June 17, 1961; Act No. 147 of 1961), the Company has made a deposit of ¥120,000 million (US$1,066 million) as a measure of compensation for damages to be paid as the operator for cooling of nuclear reactors and treatment of accumulated water of Fukushima Daiichi Nuclear Power Station.

Some of the Company's long-term loan agreements give the lenders the right, upon request, to have any proposed appropriation of retained earnings submitted to them for prior approval before submission to the shareholders. None of the lenders has ever exercised this right.

Assets pledged as collateral for certain consolidated subsidiaries' long-term debt of ¥205 million (US$2 million) at March 31, 2016 and long-term debt of ¥10,543 million at March 31, 2015 were as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Property, plant and equipment, net:			
Other	**¥4,494**	¥15,871	**$40**
Investments and other:			
Long-term investments	**520**	376	**5**
Cash	**3**	11,176	**0**
Inventories	**—**	405	**—**
	¥5,018	¥27,830	**$45**

Long-term investments totaling ¥57,163 million (US$508 million) and ¥60,126 million were pledged as collateral for long-term loans from financial institutions to investees of certain consolidated subsidiaries as of March 31, 2016 and 2015.

13

Reserve for Reprocessing of Irradiated Nuclear Fuel

The reserve is stated at the present value of the costs that are estimated to be incurred in reprocessing irradiated nuclear fuel generated in proportion to the corresponding combustion of nuclear fuel. Discount rates of 0.6% and 1.5% have been used for the reserve for reprocessing irradiated nuclear fuel with a definite reprocessing plan at March 31, 2016 and 2015, respectively.

In the year ended March 31, 2006, the accounting standards that Japanese electric utility companies used to provide the reserve for the estimated liability related to past generation costs up to March 31, 2005 were changed. As a result, since the year ended March 31, 2006 past generation costs are being recognized over 15 years as an annual operating expense of ¥30,560 million (US$271 million).

Also, under the accounting rules applicable to electric utility companies in Japan, unrecognized actuarial losses of ¥464,269 million (US$4,122 million) and ¥345,611 million at March 31, 2016 and 2015, respectively, is charged to income as an operating expense. These expenses are charged to income from the following fiscal year throughout the period in which irradiated nuclear fuel with a definite reprocessing plan is produced.

Reserve for preparation for reprocessing of irradiated nuclear fuel, which is included in reserve for reprocessing of irradiated nuclear fuel, is stated at the present value of the costs that are estimated to be required for reprocessing irradiated nuclear fuel without concrete reprocessing plans using the discount rate of 4.0%. Such amount includes processing costs for loaded nuclear fuel at the time of decommissioning Fukushima Daiichi Nuclear Power Station.

14

Reserve for Loss on Disaster

For the Niigataken Chuetsu-Oki Earthquake

The Company provides the reserve for loss on disaster for the restoration of assets damaged by the Niigataken Chuetsu-Oki Earthquake.

For the Tohoku-Chihou-Taiheiyou-Oki Earthquake

The Company provides a reserve for loss on disaster for the restoration of assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake.

Major expenses and/or losses included in reserve for loss on disaster are recognized as follows:

a. Expenses and /or losses for settlement of the accident and the decommissioning of Fukushima Daiichi Nuclear Power Station

Responding to "Step 2 Completion Report- Roadmap towards Settlement of the Accident at Fukushima Daiichi Nuclear Power Station, TEPCO" (December 16, 2011) prepared by Government-TEPCO Integrated Response Office established by the Nuclear Emergency Response Headquarters of the Government, "Mid-and-long-Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Units 1-4, TEPCO" (December 21, 2011, currently "Mid-and-long-Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Station, TEPCO") (hereinafter "Mid-and-long Term Roadmap") was prepared by Government and TEPCO's Mid-to-Long Term Countermeasure Meeting established by Nuclear Emergency Response Headquarters of the Government (finally revised on June 12, 2015). Regarding expenses and/or losses related to Mid-and-long Term Roadmap, the Company records estimated amounts based on specific target periods and contents of individual countermeasures, if it is possible to estimate the amounts in the normal way.

However, within expenses and/or losses related to Mid-and-long Term Roadmap, if the normal estimation is difficult because the concrete contents of constructions cannot be estimated at this time, the Company records estimated amounts based on the historical amounts at an accident at overseas nuclear power plants.

b. Expenses for disposal of nuclear fuels in processing within expenses and/or losses for scrapping of Fukushima Daiichi Nuclear Power Station Units 1 through 4

The Company records estimated amounts for processing costs of nuclear fuels in processing which are not expected to be spent, in accordance with the accounting guideline for "Reserve for reprocessing of irradiated nuclear fuel".

Processing costs for loaded fuels are included in "Reserve for reprocessing of irradiated nuclear fuel".

c. Expenses and/or losses for maintaining the safe "cold shutdown condition" and others of reactors at Fukushima Daini Nuclear Power Station

Although the future treatment for the damaged Fukushima Daini Nuclear Power Station has not been decided yet, the Company records estimated amounts for expenses and/or losses for maintaining the safe "cold shutdown condition" and others of reactors based on the expenses and/or losses required for restoration of the Kashiwazaki-Kariwa Nuclear Power Station damaged by the Niigataken-Chuetsu-Oki Earthquake.

d. Expenses and/or losses for restoring damaged thermal power plants

In order to provide for expenses and/or losses required for restoration of damaged thermal power plants, the Company records estimated amounts at March 31, 2016 and 2015.

(Additional information)

Reserve for loss on disaster at March 31, 2016 and 2015 consists of the following:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Loss on the Niigataken Chuetsu-Oki Earthquake	**¥ 15,040**	¥ 24,078	**$ 134**
Loss on the Tohoku-Chihou-Taiheiyou-Oki Earthquake:	**460,851**	496,938	**4,092**
a. Expenses and/or losses for settlement of the Accident and the Decommissioning of Fukushima Daiichi Nuclear Power Station	**337,413**	370,128	**2,996**
b. Expenses for disposal of nuclear fuels in processing among expenses and/or losses for scrapping Fukushima Daiichi Nuclear Power Station Units 1 through 4	**5,441**	5,232	**48**
c. Expenses and/or losses for maintaining the safe "cold shutdown condition" and others of reactors at Fukushima Daini Nuclear Power Station	**116,017**	117,504	**1,030**
d. Expenses and/or losses for restoring damaged thermal power plants	**541**	2,610	**5**
e. Other	**1,437**	1,462	**13**
Total	**¥475,892**	¥521,016	**$4,226**

Estimates of expenses and/or losses related to Mid-and-long Term Roadmap towards Settlement and the Decommissioning of Fukushima Daiichi Nuclear Power Station:

Before nuclear power plants can be scrapped, nuclear fuels in the reactors must be removed, but the concrete working conditions will be decided after the stable cooling conditions have been established and the status of inside of the reactors has been confirmed and also in consideration of the progress of necessary research and development activities. Accordingly, the Company records the amounts including fuel removal costs within the range of reasonable estimates based on the currently available information for expenses and/or losses related to Mid-and- long Term Roadmap, although they might vary from now on.

15 Reserve for Nuclear Damage Compensation

For the year ended March 31, 2016

In order to provide for compensation payments for nuclear damages concerning the accident of Fukushima Daiichi Nuclear Power station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company records estimated amounts at March 31, 2016.

The Company has recorded a reserve for nuclear damage compensation in the amounts after deducting the amount of receipt of compensation pursuant to the provision of the Act on Contract for Indemnification of Nuclear Damage Compensation (effective on June 17, 1961; Act No. 148 of 1961) and the amount which was submitted an application for based on the provision of "Act on the Nuclear Damage Compensation and Decommissioning Facilitation Corporation" (effective on August 10, 2011; Act No. 94 of 2011) corresponding to the Company's compensation liability to the government, which was recognized as a liability on and after January 1, 2015 (the "Decontamination Costs") based on the "Act on Special Measures concerning the Handling of pollution by Radioactive Materials Released by the Accident of Nuclear Power Plant damaged by Tohoku-Chihou-Taiheiyou-Oki Earthquake on March 11, 2011" (effective on August 30, 2011; Act No. 110 of 2011) from the estimated damage compensation based on the government compensation criteria to be decided by the Committee for Adjustment of Compensation for Nuclear Damage Disputes, including "the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" (hereinafter the "Interim Guidelines") on August 5, 2011 and the Company's compensation criteria considering these guidelines and the actual compensation claim amounts and objective statistical data.

The Company records the estimated amount as far as reasonable estimation is possible at this moment, although the estimated compensation amounts might vary depending on the government decisions on guidelines regarding new compensation, establishment of the Company's compensation criteria, accuracy of reference data and agreements with the victims in the future.

(Additional information)
Receivables of ¥769,724 million (US$6,835 million) on grants-in-aid corresponding to the cost of decontaminations, etc. are not recorded as "Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation" and the estimated amount of the receivables are not recorded as "Reserve for compensation for nuclear power-related damages" at the end of the fiscal year in accordance with the Ordinance on Accounting at Electric Utilities.

<u>For the year ended March 31, 2015</u>
In order to provide for compensation payments for nuclear damages concerning the accident of Fukushima Daiichi Nuclear Power station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company records estimated amounts at March 31, 2015.

The Company has recorded a reserve for nuclear damage compensation in the amounts after deducting the amount of receipt of compensation pursuant to the provision of the Act on Contract for Indemnification of Nuclear Damage Compensation (effective on June 17, 1961; Act No. 148 of 1961) and the amount which was submitted an application for based on the provision of "Act on the Nuclear Damage Compensation and Decommissioning Facilitation Corporation" (effective on August 10, 2011; Act No. 94 of 2011) (the "Corporation Act") corresponding to the Company's compensation liability to the government, which was recognized as a liability on and after January 1, 2015 (the "Decontamination Costs") based on the "Act on Special Measures concerning the Handling of pollution by Radioactive Materials Released by the Accident of Nuclear Power Plant damaged by Tohoku-Chihou-Taiheiyou-Oki Earthquake on March 11, 2011" (effective on August 30, 2011; Act No. 110 of 2011) from the estimated damage compensation based on the government compensation criteria to be decided by the Committee for Adjustment of Compensation for Nuclear Damage Disputes, including "the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" (hereinafter the "Interim Guidelines") on August 5, 2011 and the Company's compensation criteria considering these guidelines and the actual compensation claim amounts and objective statistical data.

The Company records the estimated amount as far as reasonable estimation is possible at this moment, although the estimated compensation amounts might vary depending on the government decisions on guidelines regarding new compensation, establishment of the Company's compensation criteria, accuracy of reference data and agreements with the victims in the future.

(Additional information)
On March 31, 2015, the "Ministerial Ordinance to Revise a Part of Accounting Rules for Electricity Industry" was enforced and Accounting Rule for Electricity Industry was amended, so that grants-in-aid receivable corresponding to decontamination costs shall be deducted from the estimated amount of reserve for nuclear damage compensation, not being included in grants-in-aid receivable from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation at the time of submitting an application for financial support.

Consequently, after the enforcement date, the Company has not included grants-in-aid in an amount of ¥278,908 million corresponding to decontamination costs which the Company submitted an application for financial support based on the "Corporation Act" on March 26, 2015. The change is not retrospectively applied pursuant to the rule of the Ministerial Ordinance. The effects of this change were to decrease grants-in-aid receivable from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation and reserve for nuclear damage compensation as of March 31, 2015 by ¥278,908 million, respectively, although there was no effect on operating income and income before income taxes for the fiscal year ended March 31, 2015.

16 Reserve for Preparation of the Depreciation of Nuclear Power Construction

The Electricity Utilities Industry Law requires the Company to provide for preparation of the depreciation of nuclear power construction to average the burden of depreciation recognized immediately after the start of operations of the nuclear power stations.

17 Employees' Retirement Benefits

The Company and certain consolidated subsidiaries have defined benefit plans, including a defined benefit corporate pension plan and lump-sum payment plans, and also defined contribution pension plans. The Company has defined benefit corporate pension plan, defined contribution pension plan and lump-sum payment plan.

Defined Benefit Plans

(1) The changes in projected benefit obligations for the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Beginning balance of projected benefit obligations	**¥901,090**	¥931,683	**$8,001**
Cumulative effects of changes in accounting policies	**—**	(1,288)	**—**
Restated balance	**901,090**	930,395	**8,001**
Service cost	**28,108**	29,846	**250**
Interest cost	**9,025**	9,334	**80**
Actuarial gains and losses	**9,230**	(3,086)	**82**
Past service cost	**(61,846)**	34	**(549)**
Retirement benefits paid	**(48,609)**	(63,726)	**(432)**
Other (Note 2 below)	**(558)**	(1,706)	**(5)**
Ending balance of projected benefit obligations	**¥836,440**	¥901,090	**$7,427**

Notes:
1. For certain retirement benefit plans, a simplified method is applied in determining projected benefit obligations.
2. Other represents a decrease due to a transfer to defined contribution pension plans.

(2) The changes in plan assets for the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	2016
Beginning balance of plan assets	¥593,931	¥562,788	$5,274
Expected return on plan assets	14,573	13,778	129
Actuarial gains and loss	(21,160)	36,082	(188)
Contribution from the employer	6,236	6,643	55
Retirement benefits paid	(23,130)	(24,512)	(205)
Other (Note 2 below)	575	(849)	5
Ending balance of plan assets	¥571,027	¥593,931	$5,070

Notes:
1. Above amounts include plan assets of retirement benefit plans to which a simplified method is applied.
2. Other represents an increase due to employees' contribution and a decrease due to a transfer to defined contribution pension plans.

(3) Reconciliation between the ending balances of projected benefit obligations and plan assets and net defined benefit liability and net defined benefit asset recorded in the consolidated balance sheet

	Millions of yen		Millions of U.S. dollars
	2016	2015	2016
Funded projected benefit obligations	¥ 456,624	¥ 474,202	$ 4,054
Plan assets	(571,027)	(593,931)	(5,070)
	(114,403)	(119,729)	(1,016)
Unfunded projected benefit obligations	379,816	426,887	3,373
Net liability (asset) recorded in the consolidated balance sheet	265,412	307,158	2,357
Net defined benefit liability	382,788	428,390	3,399
Net defined benefit asset	(117,375)	(121,232)	(1,042)
Net liability (asset) recorded in the consolidated balance sheet	¥ 265,412	¥ 307,158	$ 2,357

(4) The components of retirement benefit expenses for the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	2016
Service cost (Notes 1 and 2 below)	¥ 27,427	¥ 29,195	$ 243
Interest cost	9,025	9,334	80
Expected return on plan assets	(14,573)	(13,778)	(129)
Amortization of actuarial gains and losses	21,807	1,363	194
Amortization of past service costs	(61,179)	(90)	(543)
Other (Note 3 below)	25	374	0
Retirement benefit expenses on defined benefit plans	¥(17,468)	¥ 26,397	$(155)

Notes:
1. Service cost includes retirement expenses of the retirement benefit plans to which a simplified method is applied.
2. The amount excluded employees' contribution.
3. Other includes early additional severance payments.

(5) Remeasurements of defined benefit plans on other comprehensive income

The components of remeasurements of defined benefit plans (before tax effects) on other comprehensive income were as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Past service costs	**¥ 666**	¥ (147)	**$ 6**
Actuarial gains and losses	**(8,583)**	40,514	**(76)**
Total	**¥(7,916)**	¥40,367	**$(70)**

(6) Remeasurements of defined benefit plans on accumulated other comprehensive income

The components of remeasurements of defined benefit plans (before tax effects) on accumulated other comprehensive income were as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Unrecognized past service costs	**¥ 721**	¥ 54	**$ 6**
Unrecognized actuarial gains and losses	**(6,880)**	1,702	**(61)**
Total	**¥(6,159)**	¥1,757	**$(55)**

(7) Plan assets

a. Plan assets consisted of the following:

	2016	2015
Life insurance general account	49%	43%
Equity securities	19%	32%
Debt securities	26%	22%
Other	6%	3%
Total	100%	100%

b. Method of determining the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined considering allocation of plan assets which are expected currently and in the future and the long-term expected rates of return which are currently and in the future from various components of plan assets.

(8) Assumptions used for actuarial calculation

	2016	2015
Discount rate	Mainly 1.0%	Mainly 1.0%
Long-term expected rate of return	Mainly 2.5%	Mainly 2.5%
Expected rate of salary increase	Mainly 6.2%	Mainly 6.7%

Defined Contribution Plans

The amount of the required contribution to the defined contribution plans of the Company and consolidated subsidiaries was ¥4,390 million (US$39 million) and ¥4,450 million for the years ended March 31, 2016 and 2015, respectively.

18 Income Taxes

The significant components of deferred tax assets and liabilities as of March 31, 2016 and 2015 were as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	2016
Deferred tax assets:			
Reserve for nuclear damage compensation	¥ 236,478	¥ 306,263	$ 2,100
Depreciation and amortization	174,052	106,546	1,545
Reserve for loss on disaster	133,280	150,353	1,183
Asset retirement obligations	132,575	132,874	1,177
Net defined benefit liability	109,299	123,559	970
Amortization of easement on transmission line	53,570	50,280	476
Other	292,196	333,945	2,595
	1,131,454	1,203,822	10,046
Valuation allowance	(852,780)	(873,729)	(7,572)
Total deferred tax assets	278,674	330,093	2,474
Deferred tax liabilities:			
Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	(213,455)	(267,173)	(1,895)
Other	(61,461)	(60,243)	(546)
Total deferred tax liabilities	(274,916)	(327,417)	(2,441)
Net deferred tax assets	¥ 3,757	¥ 2,675	$ 33

Deferred tax assets and liabilities included in "Investments and other-other", "Current assets-other", "Other long-term liabilities" and "Current liabilities-other" were as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	2016
Investments and other-other	¥ 9,275	¥10,219	$ 82
Current assets-other	757	709	7
Other long-term liabilities	(6,266)	(8,177)	(56)
Current liabilities-other	(9)	(75)	(0)

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of income for the years ended March 31, 2016 and 2015 was as follows:

	2016	2015
Normal effective statutory tax rate	28.9%	30.8%
Gain on equity method investment	(3.5)	(1.0)
Change in valuation allowance	2.0	(25.3)
Gain on change in equity	(1.9)	—
Other	(1.6)	0.6
Actual effective tax rate	23.7%	5.0%

Adjustments of deferred tax assets and liabilities due to a change in the corporate income tax rate:

"Partial amendments to Income Tax Act, etc." (Act No. 15, 2016) and "Partial Amendment of the Local Tax Act." (Act No.13, 2016) were enacted at the Diet on March 29, 2016, and the corporate income tax rates were reduced from the fiscal year beginning on or after April 1, 2016. As a result, the statutory tax rate to be used in computing deferred tax assets and liabilities was reduced from 28.9% to 28.2% for the temporary differences estimated to be recovered or settled in the fiscal years beginning on April 1, 2016 and 2017 and 28.0% for the temporary differences estimated to be recovered or settled from the fiscal year beginning on April 1, 2018.

The effects of this rate change are immaterial.

19 Asset Retirement Obligations

The Company recorded asset retirement obligations in the accompanying consolidated financial statements for the decommissioning of specified nuclear power plant facilities as prescribed in the "Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors" (effective on June 10, 1957; Law No.166 of 1957). The corresponding removal costs are accounted for in accordance with the paragraph 8 of ASBJ Guidance No. 21 and total estimated amounts of decommissioning costs of nuclear power units are charged to income over the estimated operating periods of the power generating facilities, plus expected safe storage periods on a straight-line basis based on the provisions of the "Ministerial Ordinance Concerning Reserve for Decommissioning Costs of Nuclear Power Units" (Ordinance of Ministry of Economy, Trade and Industry).

In computing the amount of asset retirement obligations, the Company uses the remaining years deducting the years since the start of operations from the estimated operating period of the generating facilities, plus expected safe storage period, for each specified nuclear power unit as the expected terms until expenditure and applies a discount rate of 2.3%.

The changes in asset retirement obligations for the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Balance at beginning of year	**¥741,336**	¥714,434	**$6,583**
Net changes during the year	**29,865**	26,902	**265**
Balance at end of year	**¥771,202**	¥741,336	**$6,848**

20 Shareholders' Equity

The Corporation Law of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than capital reserve) and retained earnings (other than legal reserve) be transferred to the capital reserve or the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of common stock. The capital reserve amounted to ¥743,555 million (US$6,602 million) at March 31, 2016 and 2015 and the legal reserve amounted to ¥169,108 million (US$1,502 million) at March 31, 2016 and 2015. Moreover, neither the capital reserve nor the legal reserve is available for the payment of dividends, but distributions of capital surplus can be made at anytime by resolution of the shareholders or by the Board of Directors if certain conditions are met.

The changes in the number of outstanding shares and treasury stock during the years ended March 31, 2016 and 2015 were as follows:

	Number of shares (in thousands)			
	April 1, 2015	Increase	Decrease	March 31, 2016
Outstanding shares issued:				
Common stock	**1,607,017**	**—**	**—**	**1,607,017**
Preferred stock—Class A	**1,600,000**	**—**	**—**	**1,600,000**
Preferred stock—Class B	**340,000**	**—**	**—**	**340,000**
Total	**3,547,017**	**—**	**—**	**3,547,017**
Treasury stock:				
Common stock	**4,643**	**59**	**1**	**4,701**

Notes: An increase in common stock of treasury stock of 59 thousand shares is due to purchases of shares less than one unit and a decrease of 1 thousand shares is due to additional purchase requisition.

	Number of shares (in thousands)			
	April 1, 2014	Increase	Decrease	March 31, 2015
Outstanding shares issued:				
Common stock	1,607,017	—	—	1,607,017
Preferred stock–Class A	1,600,000	—	—	1,600,000
Preferred stock–Class B	340,000	—	—	340,000
Total	3,547,017	—	—	3,547,017
Treasury stock:				
Common stock	4,596	51	3	4,643

Notes:
An increase in common stock of treasury stock of 51 thousand shares is due to purchases of shares less than one unit and a decrease of 3 thousand shares is due to additional purchase requisition.

21 Land Revaluation Loss

Land revaluation loss represents the amount corresponding to the Company's share of the revaluation differences resulting from revaluation of land used for business made by certain affiliates accounted for using the equity method in accordance with "Act on Revaluation of Land" (Act No. 34 issued on March 31, 1998).

22 Research and Development Costs

Research and development costs included in operating expenses for the years ended March 31, 2016 and 2015 totaled ¥20,327 million (US$180 million) and ¥16,654 million, respectively.

23 Selling, General and Administrative Expenses

The main components of selling, general and administrative expenses in the electric power business operating expenses for the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Salaries and allowances	**¥92,956**	¥94,990	**$825**
Employees' retirement benefits	**43,326**	27,270	**385**
Consignment expenses	**95,892**	80,097	**851**

24 Provisions for Reserves

Provisions for reserves charged to net income during the years ended March 31, 2016 and 2015 were as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Reserve for reprocessing of irradiated nuclear fuel	**¥ 39,488**	¥ 48,925	**$ 351**
Reserve for loss on disaster	**2,896**	9,480	**26**
Reserve for nuclear damage compensation	**678,661**	595,940	**6,026**

25 Compensation for Nuclear Damages and Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation

For the year ended March 31, 2016

Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, while sincerely recognizing the Company's position as a causing party, the Company has been implementing compensation to the nuclear victims with Government support in accordance with the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No.147 of 1961).

Consequently, the Company has recorded compensation for nuclear damages for the year ended March 31, 2016, amounting to ¥678,661 million (US$6,026 million), which is the difference between the estimated amount at March 31, 2015 and ¥6,357,146 million (US$56,448 million) after deducting ¥188,926 million (US$1,678 million) of receipt of compensation pursuant to the provision of the Act on Contract for Indemnification of Nuclear Damage Compensation (effective on June 17, 1961; Act No. 148 of 1961) and ¥1,112,439 million (US$9,878 million) of the amount which was submitted an application for based on the provision of "Act on the Nuclear Damage Compensation and Decommissioning Facilitation Corporation" (effective on August 10, 2011; Act No. 94 of 2011) (the "Corporation Act") corresponding to the Company's compensation liability to the government, which was recognized as a liability on and after January 1, 2015 (the "Decontamination Costs"), based on the "Act on Special Measures concerning the Handling of pollution by Radioactive Materials Released by the Accident of Nuclear Power Plant damaged by Tohoku-Chihou-Taiheiyou-Oki Earthquake on March 11, 2011" (effective on August 30, 2011; Act No. 110 of 2011) from the estimated damage compensation amounting to ¥7,658,513 million (US$68,003 million) based on the government compensation criteria to be decided by the Committee for Adjustment of Compensation for Nuclear Damage Disputes, including "the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" (hereinafter the "Interim Guidelines") on August 5, 2011 and the Company's compensation criteria considering these guidelines and the actual compensation claim amounts and objective statistical data.

The Company has recorded its estimated amount as far as reasonable estimation is possible at this moment, although the estimated compensation amounts might vary depending on the government decisions on guidelines regarding new compensation, establishment of the Company's compensation criteria, the extent of accuracy of reference data and agreements with the victims from now on.

On the other hand, for the purpose of speedy and appropriate implementation of compensation, the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (the "Corporation") which was newly established based on the "Corporation Act" will provide necessary financial assistance to a nuclear operator.

It is necessary for the Company to receive necessary financial aid from the "Corporation" in order to execute prompt and appropriate compensation, since the compensation for nuclear damages is the estimated amount to be presented as the payment from the Company, although it should be agreed by the nuclear victims. Accordingly, the Company submitted an application for financial support of the compensation for nuclear damages as of the application date for financial support as the estimated amount for the required compensation amount based on paragraph 1 of the Article 43 of the "Corporation Act". The Company submitted an application to the "Corporation" for a change of the amount of financial support to ¥7,658,513 million (US$68,003 million), which is the estimated amount of compensation as of March 18, 2016 and recorded ¥699,767 million (US$6,214 million) as grants-in-aid from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation", which is the difference between ¥6,357,146 million (US$56,448 million) deducting ¥188,926 million

(US$1,678 million) of receipt of compensation and from the above amount and ¥1,112,439 million (US$9,878 million) of grants-in-aid corresponding to decontamination costs and the amount which was submitted as an application for financing the compensation on March 26, 2015.

In receiving the financial assistance, the recipient shall pay special contribution defined by the "Corporation" based on the provision of paragraph 1 of the Article 52 of the "Corporation Act", but the Company has not recorded such amount, except for the amount applicable to the year ended March 31, 2016 notified from the "Corporation", since the amount will be determined by the resolution of the steering committee of the "Corporation" for every fiscal year in light of the Company's operating results and also require the approval of the minister in charge.

For the year ended March 31, 2015

Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, while sincerely recognizing the Company's position as a causing party, the Company has been implementing compensation to the nuclear victims with Government support in accordance with the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No.147 of 1961).

Consequently, the Company has recorded compensation for nuclear damages for the year ended March 31, 2015, amounting to ¥595,940 million, which is the difference between the estimated amount at March 31, 2014 and ¥5,678,485 million after deducting ¥188,926 million of receipt of compensation pursuant to the provision of the Act on Contract for Indemnification of Nuclear Damage Compensation (effective on June 17, 1961; Act No. 148 of 1961) and ¥278,908 million of the amount which was submitted an application for based on the provision of "Act on the Nuclear Damage Compensation and Decommissioning Facilitation Corporation" (effective on August 10, 2011; Act No. 94 of 2011) (the "Corporation Act") corresponding to the Company's compensation liability to the government, which was recognized as a liability on and after January 1, 2015 (the "Decontamination Costs"), based on the "Act on Special Measures concerning the Handling of pollution by Radioactive Materials Released by the Accident of Nuclear Power Plant damaged by Tohoku-Chihou-Taiheiyou-Oki Earthquake on March 11, 2011" (effective on August 30, 2011; Act No. 110 of 2011) from the estimated damage compensation amounting to ¥6,146,320 million based on the government compensation criteria to be decided by the Committee for Adjustment of Compensation for Nuclear Damage Disputes, including "the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" (hereinafter the "Interim Guidelines") on August 5, 2011 and the Company's compensation criteria considering these guidelines and the actual compensation claim amounts and objective statistical data.

The Company has recorded its estimated amount as far as reasonable estimation is possible at this moment, although the estimated compensation amounts might vary depending on the government decisions on guidelines regarding new compensation, establishment of the Company's compensation criteria, the extent of accuracy of reference data and agreements with the victims from now on.

On the other hand, for the purpose of speedy and appropriate implementation of compensation, the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (the "Corporation") which was newly established based on the "Corporation Act" will provide necessary financial assistance to a nuclear operator.

It is necessary for the Company to receive necessary financial aid from the "Corporation" in order to execute prompt and appropriate compensation, since the compensation for nuclear damages is the estimated amount to be presented as the payment from the Company, although it should be agreed by the nuclear victims. Accordingly, the Company submitted an application for financial support of the compensation for nuclear damages as of the application date for financial support as the estimated amount for the required compensation amount based on paragraph 1 of the Article 43 of the "Corporation Act". The Company submitted an application to the "Corporation" for a change of the amount of financial support to ¥6,125,214 million, which is the estimated amount of compensation as of March 26, 2015 and recorded ¥868,535 million as grants-in-aid from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation", which is the difference between ¥5,657,379 million deducting ¥188,926 million of receipt of compensation from the above amount and ¥278,908 million of grants-in-aid corresponding to decontamination costs and ¥4,788,844 million, which was submitted as an application for financing the compensation on December 27, 2013.

In receiving the financial assistance, the recipient shall pay special contribution defined by the "Corporation" based on the provision of paragraph 1 of the Article 52 of the "Corporation Act", but the Company has not recorded such amount, except for the amount applicable to the year ended March 31, 2015 notified from the "Corporation", since the amount will be determined by the resolution of the steering committee of the "Corporation" for every fiscal year in light of the Company's operating results and also require the approval of the minister in charge.

26 Gain on Sales of Noncurrent Assets

Major components of gain on sales of noncurrent assets are as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Land	**¥—**	¥16,609	**$—**
Buildings	**—**	2,241	**—**
Other	**—**	391	**—**
Total	**¥—**	¥19,242	**$—**

27 Impairment Loss

For the year ended March 31, 2016

(1) Method of asset grouping

A. Fixed assets used for electricity utilities businesses

Fixed assets used for electricity utilities businesses are grouped based on the Company's business operation system after transition to the holding company system and power purchase agreement, etc. as follows:

After transition to the holding company system through	Type of electricity utilities businesses (fixed assets)	Grouping unit
Tokyo Electric Power Company Holdings, Incorporated (Splitting company)	Nuclear, hydroelectric, and new energy power generation businesses	By power station/type of power generation
	Electricity utilities businesses other than those in the above	Mainly by in-house company
TEPCO Fuel & Power, Incorporated (Succeeding company)	Fuel and thermal power generation business	Mainly by power generation unit
TEPCO Power Grid, Incorporated (Succeeding company)	General power transmission and distribution business	Overall electricity utilities business fixed assets
TEPCO Energy Partner, Incorporated (Succeeding company)	Retail electricity business	Overall electricity utilities business fixed assets

B. Fixed assets used for incidental businesses

Fixed assets used for incidental businesses are grouped as one asset group by business and location in principle.

C. Fixed assets other than those listed in the above Items A and B

These fixed assets are grouped by respective asset in principle.

(Additional Information)

• Changes to the method of asset grouping

With respect to the method of asset grouping, Item A "Fixed assets used for electricity utilities businesses" have been grouped as one asset group in principle since all of these assets were generating cash flows in a unified manner from the stages of power generation to sales.

However, after transition to the holding company system along with the introduction of a licensing system for electric power systems reform, the fuel and thermal power generation business, the general power transmission and distribution business and the retail electricity business were transferred to the succeeding companies, respectively. In addition to such a change to the business structure, new power purchase agreement have been concluded based on the revised business plan following the change. As a result, units of cash flow generation changed. Therefore, the Company determined to amend the method of asset grouping effective from this fiscal year, which caused a decrease of ¥232,470 million (US$2,064 million) in income before income taxes.

With respect to Item B "Fixed assets used for incidental businesses" and Item C "Fixed assets other than those listed in the above Items A and B," there is no change to the method of asset grouping.

(2) Amounts of impairment loss and recognized assets/asset groups

A. Fixed assets used for electricity utilities: ¥232,470 million (US$2,064 million)

Assets	Location	Class	Impairment loss
Fixed assets for hydroelectric power generation business*1	Gunma, Nagano	Land, buildings, structures, machinery, etc.	¥187,629 million (US$1,666 million)
Fixed assets for thermal power generation business*2	Tokyo, Kanagawa, Chiba, Ibaraki, Fukushima	Land, buildings, structures, machinery, etc.	¥44,841 million (US$398 million)

*1 Due to the long-term planned shutdown of the Azumi Hydroelectric Power Station Units 4 and 6, the Yagisawa Hydroelectric Power Station Unit 2 and the Kannagawa Hydroelectric Power Station starting from April 2016, the carrying values of these power stations were decreased to their respective recoverable values, and impairment losses were recorded. The impairment loss from the Kannagawa Hydroelectric Power Station is as follows:

Assets	Location	Class	Impairment loss
Kannagawa Hydroelectric Power Station	Uenomura, Tano, Gunma Prefecture, Minamiaikimura, Minamisaku, Nagano	Land, buildings, structures, machinery, etc.	¥186,871 million (US$1,659 million)

*2 Due to the long-term planned shutdown of the Goi Thermal Power Station Units 1-6, the Yokohama Thermal Power Station Units 5 and 6, the Ohi Thermal Power Station Units 1-3, and the Hirono Thermal Power Station Unit 1 starting from April 2016, as well as the long-term planned shutdown of the Yokosuka Thermal Power Station, the kashima Thermal Power Station Units 1-4 and some of thermal power stations which have already been shutdown, the carrying values of these power stations were decreased to their respective recoverable values, and impairment losses were recorded.

B. Fixed assets used for incidental businesses: ¥10 million (US$0 million)

C. Fixed assets other than those listed in the above items A and B: ¥850 million (US$8 million)

Total: ¥233,331 million (US$2,072 million)

(3) Reason for the recognition of impairment loss

Since the full recovery of investments has become difficult due to the conditions of future operation plans based on the business plan and the status of power purchase agreement executed, the carrying values of some power stations were decreased to their respective recoverable values, and the decreased portions were recorded as impairment losses.

(4) Calculation of recoverable values

A recoverable value is measured based on a value in use or a net selling value. A value in use is the value of calculated future cash flows discounted by using the Company's cost of capital. A net selling value is reasonably calculated using the estimated selling price, etc. If the sale, etc. of an asset is difficult, the value will be set at ¥0.

28 Loss Related to Interim Storage Project of Spent Fuel

For the year ended March 31, 2015

Regarding contracts for interim storage of irradiated nuclear fuel generated at nuclear power stations, a loss is recorded associated with the decision to cancel a purchase of certain storage containers.

29 Other Comprehensive Income

The components of other comprehensive income for the years ended March 31, 2016 and 2015 are as follows:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Net unrealized holding loss on securities:			
(Loss) gain incurred during the year	**¥ (1,053)**	¥ 973	**$ (9)**
Reclassification adjustment to net income	**(3)**	(30)	**(0)**
Amount before tax effect	**(1,056)**	943	**(9)**
Tax effect	**(426)**	(0)	**(4)**
Net unrealized holding loss on securities	**(1,482)**	942	**(13)**
Net deferred loss on hedges:			
Gain (loss) incurred during the year	**64**	(11)	**0**
Reclassification adjustment to net income	**—**	137	**—**
Amount before tax effect	**64**	126	**0**
Tax effect	**—**	—	**—**
Net deferred loss on hedges	**64**	126	**0**
Translation adjustments:			
Amount incurred during the year	**(4,416)**	22,027	**(39)**
Reclassification adjustment to net income	**—**	—	**—**
Amount before tax effect	**(4,416)**	22,027	**(39)**
Tax effect	**—**	—	**—**
Translation adjustments	**(4,416)**	22,027	**(39)**
Remeasurements of defined benefit plans:			
(Loss) gain incurred during the year	**(19,163)**	26,010	**(170)**
Reclassification adjustment to net income	**11,247**	14,356	**100**
Amount before tax effect	**(7,916)**	40,367	**(70)**
Tax effect	**102**	(134)	**1**
Remeasurements of defined benefit plans	**(7,814)**	40,233	**(69)**
Share of other comprehensive income in associates accounted for using the equity method:			
(Loss) gain incurred during the year	**(11,847)**	6,915	**(105)**
Reclassification adjustment to net income	**4,701**	5,008	**41**
Share of other comprehensive income in associates accounted for using the equity method	**(7,145)**	11,924	**(64)**
Total other comprehensive income	**¥(20,795)**	¥75,253	**$(185)**

30 Related Party Transactions

The Company issued preferred stock to be subscribed by the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (the "Corporation"), which is a major shareholder, who directly owns 50.1% ownership of the Company, of ¥1,000,000 million in the year ended March 31, 2013. The Company also received grants-in-aid from the "Corporation" of ¥1,212,700 million (US$10,768 million) and ¥1,044,300 million in the years ended March 31, 2016 and 2015, respectively and the Company recorded "Grants-in-aid receivable from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation under "Investments and Other" of ¥755,861 million (US$6,712 million) and ¥926,079 million at March 31, 2016 and 2015, respectively.

31 Contingent Liabilities

Contingent liabilities totaled ¥302,199 million (US$2,683 million) and ¥348,322 million, of which ¥124,990 million (US$1,110 million) and ¥154,701 million were in the form of co-guarantees or commitments to give co-guarantees if requested for the loans, bonds or other commitments of other companies at March 31, 2016 and 2015, respectively.

In addition, ¥177,209 million (US$1,573 million) and ¥193,621 million consisted of guarantees given in connection with housing loans made to employees of the Companies at March 31, 2016 and 2015, respectively.

Contingent Liabilities related to Nuclear Damage Compensation
At March 31, 2016 and 2015
Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, with sincerely recognizing the Company's position as a causing party, the Company has been implementing the compensation from the viewpoints of speedy implementation of compensation for the nuclear victims with Government supports under the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No.147 of 1961). The Company has recorded a reserve for nuclear damage compensation regarding the amounts possible to make reasonable estimates based on the government compensation criteria to be decided by the Committee for Adjustment of Compensation for Nuclear Damage Disputes, including "the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" (hereinafter the "Interim Guidelines") on August 5, 2011 and the Company's compensation criteria considering these guidelines, as well as the actual compensation claim amounts and objective statistical data, but does not record any reserve for indirect damages and losses and/or damages on tangible assets for which reasonable estimation is not possible using the "Interim Guidelines" and currently available data.

Furthermore, treatment of wastes and decontamination measures have been proceeded under the national fiscal measures based on the "Act on Special Measures concerning the Handling of pollution by Radioactive Materials Released by the Accident of Nuclear Power Plant damaged by Tohoku-Chihou-Taiheiyou-Oki Earthquake on March 11, 2011" (effective on August 30, 2011; Act No. 110 of 2011). However, regarding the amounts to be billed or claimed to the Company for the costs required for treatment of wastes and decontamination, the Company has not recorded any reserve for the amount of compensation, except for certain amounts, since reasonable estimation is not possible under the current circumstances that concrete measures are not identifiable.

32 Financial Instruments

1. Status of financial instruments

(1) Policy regarding financial instruments

Since the debt rating of the Company was downgraded due to the accidents at Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company's fund raising capability has been deteriorated. However, the Company tries to raise its fund to ensure its capital investments required for electric power business by borrowing from financial institutions, issuance of bonds.

The Company only uses short-term deposits to manage funds.

The Company and certain consolidated subsidiaries comply with internal policies in using derivatives solely to hedge risk, never for trading or speculation.

(2) Details of financial instruments, associated risk and risk management

Investment securities consist mainly of equity securities and are exposed to market price fluctuation risk. The Company and certain consolidated subsidiaries review the fair values of securities on a quarterly basis.

Trust funds for the reprocessing of irradiated nuclear fuel are funds contributed under the Law on Creation and Management of Trust Funds for Reprocessing of Spent Fuel at Nuclear Power Stations to properly reprocess the irradiated nuclear fuel incurred by operating specified commercial power reactors.

Grants-in-aid receivable from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (the "Corporation" with the carrying amount of ¥755,861 million (US $6,712 million) is a grants-in-aid receivable of the "Corporation" stipulated in the Clause 41, Article 1-1 of the Corporation Act (effective on August 10, 2011; Act No. 94 of 2011). The fair value of this receivable is not presented because this fund will be paid from the "Corporation" for the necessary amount to implement compensation for nuclear damages caused by the accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake and it is determined based on the amounts required for compensation.

Notes and accounts receivable are exposed to the credit risk of customers. In compliance with internal policies, the Company and certain consolidated subsidiaries monitor due dates and outstanding balances by individual customer, and press for collection of receivables that become past due.

Interest-bearing debt includes loans and bonds that are exposed to interest rate fluctuation risk. The Company hedges this risk by utilizing interest rate swaps for certain loans. Foreign bonds are exposed to foreign currency exchange risk, which the Company hedges by utilizing currency swaps when issuing bonds.

Almost all trade notes and accounts payable have payment due dates within a year.

Bonds, loans, and trade notes and accounts payable expose the Company to liquidity risk in that the Company and certain consolidated subsidiaries may not be able to meet their obligations on scheduled due dates. The Company and certain consolidated subsidiaries prepare and update their cash flow projections on a timely basis to manage this liquidity risk.

The Company and certain consolidated subsidiaries use derivatives, including currency swaps, to hedge the risk of exchange rate fluctuations associated with bonds denominated in foreign currencies and interest rate swaps to hedge the risk of interest rate fluctuations associated with loans. The Company and certain consolidated subsidiaries have departments that conduct and manage such transactions in compliance with internal policies.

The Company and certain consolidated subsidiaries are also exposed to credit risk in the event of nonperformance by the counterparties to these derivatives positions, but consider the risk of any such loss to be minimal because they enter into derivative transactions only with financial institutions and companies that have high credit ratings. Information on hedge accounting is disclosed in the last section of this note.

(3) Supplementary explanation of items related to the fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, the fair value is determined based on reasonable estimates. Estimates of fair value contain uncertainties because they employ variable factors and assumptions. In addition, the contractual amounts of the derivatives are not necessarily indicative of the actual market risk involved in relevant derivatives.

2. Fair value of financial instruments

The carrying amount of financial instruments in the consolidated balance sheets as of March 31, 2016 and 2015, their fair value and unrealized loss are as shown below. Items for which fair value is not readily determinable are not included in the following table (see Note 2).

	Millions of yen		
	2016		
	Carrying amount*1	Fair value*1	Difference
(1) Investment securities*2	**¥ 3,635**	**¥ 3,635**	**¥ —**
(2) Trust funds for the reprocessing of irradiated nuclear fuel	**894,547**	**894,547**	**—**
(3) Cash	**1,423,672**	**1,423,672**	**—**
(4) Notes and accounts receivable-customers	**488,109**	**488,109**	**—**
(5) Bonds*3	**(3,480,693)**	**(3,572,169)**	**(91,476)**
(6) Long-term loans*3	**(2,632,921)**	**(2,662,749)**	**(29,828)**
(7) Short-term loans	**(493,237)**	**(493,237)**	**—**
(8) Trade notes and accounts payable	**(241,640)**	**(241,640)**	**—**
(9) Derivatives*4	**(4)**	**(4)**	**—**

	Millions of yen		
	2015		
	Carrying amount*1	Fair value*1	Difference
(1) Investment securities*2	¥ 4,833	¥ 4,833	¥ —
(2) Trust funds for the reprocessing of irradiated nuclear fuel	961,910	961,910	—
(3) Cash	1,394,289	1,394,289	—
(4) Notes and accounts receivable-customers	546,983	546,983	—
(5) Bonds*3	(3,901,109)	(3,927,491)	(26,382)
(6) Long-term loans*3	(2,922,594)	(2,919,519)	3,075
(7) Short-term loans	(189,572)	(189,572)	—
(8) Trade notes and accounts payable	(312,910)	(312,910)	—
(9) Derivatives*4	(68)	(68)	—

	Millions of U.S. dollars		
	2016		
	Carrying amount*1	Fair value*1	Difference
(1) Investment securities*2	**$ 32**	**$ 32**	**$ —**
(2) Trust funds for the reprocessing of irradiated nuclear fuel	**7,943**	**7,943**	**—**
(3) Cash	**12,641**	**12,641**	**—**
(4) Notes and accounts receivable-customers	**4,334**	**4,334**	**—**
(5) Bonds*3	**(30,907)**	**(31,719)**	**(812)**
(6) Long-term loans*3	**(23,379)**	**(23,644)**	**(265)**
(7) Short-term loans	**(4,380)**	**(4,380)**	**—**
(8) Trade notes and accounts payable	**(2,146)**	**(2,146)**	**—**
(9) Derivatives*4	**(0)**	**(0)**	**—**

*1. Figures shown in parentheses represent liabilities.
*2. Investment securities are included in "Long-term investments" in the accompanying consolidated balance sheets.
*3. Bonds and long-term loans include "Current portion of long-term debt" in the accompanying consolidated balance sheets.
*4. The value of assets and liabilities arising from derivatives is shown at net value.

(Note 1) Investment securities, derivatives and methods for estimating fair value of financial instruments

(1) Investment securities
The fair value of equity securities is determined by their market price. For further information on investment securities by holding intent, see Note 8.

(2) Trust funds for the reprocessing of irradiated nuclear fuel
Trust funds for the reprocessing of irradiated nuclear fuel are funds contributed under the Law on Creation and Management of Trust Funds for the Reprocessing of Spent Fuel at Nuclear Power Stations to properly reprocess the irradiated nuclear fuel produced by operating specified commercial power reactors.

To obtain a refund of its contribution, the Company has to follow the scheme approved by the Minister of Economy, Trade and Industry for refunds of trust funds for the reprocessing of irradiated nuclear fuel. Since the carrying value is based on the present value of the projected refunds in the future under the scheme at March 31, 2016 and 2015, respectively, the fair value is determined as the relevant carrying values.

(3) Cash and (4) Notes and accounts receivable-customers
Since these items are settled in a short period of time and their fair value approximates their carrying value, the relevant fair value is determined as carrying value.

(5) Bonds
For the fair value of bonds issued by the Company with floating interest rates, those interest rates are updated to reflect the market interest rate within a short period of time. Since their fair value approximates their carrying value, the relevant fair value is determined as carrying value. For the fair value of bonds with fixed interest rates, the fair value is based on their market prices. The fair value of bonds hedged by forward exchange contracts, to which the assignment method of hedge accounting is applied, is estimated based on the present value of principal and interest discounted using the interest rate for a bond with equivalent maturity and credit rating.

The fair value of bonds without market prices is determined by discounting the total amount of principal and interest using the interest rate to be applied in the similar conditions.

(6) Long-term loans
For the fair value of long-term loans payable with floating interest rates, those interest rates are updated to reflect the market interest rate within a short period of time. Since their fair value approximates their carrying value, the relevant fair value is determined as carrying value.

For the fair value of long-term loans payable with fixed interest rates, the total amount of principal and interest of relevant long-term loans, grouped by the remaining loan period, is discounted using the incremental borrowing rate to be applied in the similar conditions. For those subject to the special hedge accounting treatment of interest rate swaps, the present value is determined using the swap rate that is deemed as their interest rate.

(7) Short-term loans, and (8) Trade notes and accounts payable
Since these items are settled in a short period of time and their fair value approximates their carrying value, the relevant fair value is determined at carrying value.

(9) Derivatives
See derivative transactions related tables below.

(Note 2) Financial instruments for which fair value is not readily determinable:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
	Carrying amount	Carrying amount	Carrying amount
Unlisted equity securities	**¥33,058**	¥31,676	**$294**
Other	**13,992**	11,976	**124**
Total	**¥47,050**	¥43,652	**$418**

These financial instruments are not included in "Investment securities" because no quoted market price is available and their fair value is not readily determinable.

(Note 3) Redemption schedule for monetary instruments and debt securities with maturity dates subsequent to each fiscal closing date is as follows:

	Millions of yen			
	2016			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Investment securities:				
Available-for-sale securities with maturity				
Bonds				
Public bonds	¥ —	¥83	¥—	¥—
Corporate bonds	—	—	—	—
Other	—	—	—	—
Other	—	—	—	—
Trust funds for the reprocessing of irradiated nuclear fuel*1	108,677	—	—	—
Cash*2	1,423,672	—	—	—
Notes and accounts receivable-customers	488,109	—	—	—
Total	¥2,020,460	¥83	¥—	¥—

	Millions of U.S. dollars			
	2016			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Investment securities:				
Available-for-sale securities with maturity				
Bonds				
Public bonds	$ —	$1	$—	$—
Corporate bonds	—	—	—	—
Other	—	—	—	—
Other	—	—	—	—
Trust funds for the reprocessing of irradiated nuclear fuel*1	965	—	—	—
Cash*2	12,642	—	—	—
Notes and accounts receivable-customers	4,334	—	—	—
Total	$17,941	$1	$—	$—

*1. The Company does not disclose information on the portion of trust funds for the reprocessing of irradiated nuclear fuel that are due after one year or more (¥785,869 million (US$6,978 million)) because of contractual obligations and the risk of disadvantage.
*2. Portion due in 1 year or less includes cash.

(Note 4) Redemption schedule for bonds, long-term loans and other interest bearing liabilities subsequent to March 31, 2016 is as follows:

	Millions of yen					
	2016					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Bonds	¥ 566,878	¥1,299,811	¥ 730,472	¥380,560	¥227,722	¥275,250
Long-term loans	728,031	227,342	410,125	482,154	561,198	224,068
Short-term loans	493,237	—	—	—	—	—
Total	¥1,788,147	¥1,527,153	¥1,140,597	¥862,714	¥788,920	¥499,318

	Millions of U.S. dollars					
	2016					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Bonds	**$ 5,034**	**$11,541**	**$ 6,486**	**$3,379**	**$2,022**	**$2,444**
Long-term loans	**6,464**	**2,019**	**3,642**	**4,281**	**4,983**	**1,990**
Short-term loans	**4,380**	**—**	**—**	**—**	**—**	**—**
Total	**$15,878**	**$13,560**	**$10,128**	**$7,660**	**$7,005**	**$4,434**

Derivatives to which hedge accounting is applied

(1) Currency-related

	Millions of yen			
	2016			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Allocation treatment on foreign exchange forward contracts				
Currency swap transactions	**Bonds**			
Payable JPY/receivable CHF		**¥25,050**	**—**	***1**
Total		**¥25,050**	**—**	**¥—**

	Millions of yen			
	2015			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Allocation treatment on foreign exchange forward contracts				
Currency swap transactions	Bonds			
Payable JPY/receivable CHF		¥25,050	¥25,050	*1
Total		¥25,050	¥25,050	¥—

	Millions of U.S. dollars			
	2016			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Allocation treatment on foreign exchange forward contracts				
Currency swap transactions	**Bonds**			
Payable JPY/receivable CHF		**$222**	**—**	***1**
Total		**$222**	**—**	**$—**

*1. Bonds hedged by foreign exchange forward contracts are translated using the forward exchange contract rates and accordingly, such foreign exchange forward contracts are not included in carrying value and fair value in the list of 2 "Fair value of financial instruments."

(2) Interest rate-related

	Millions of yen			
	2016			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Basic treatment				
Interest rate swaps	**Long-term loans**			
Payable fixed rate/receivable floating rate		**¥ 360**	**¥ —**	**¥(4)*1**
Special treatment of interest rate swaps				
Interest rate swaps	**Long-term loans**			
Payable fixed rate/receivable floating rate		**32,060**	**31,620**	***2**
Total		**¥32,420**	**¥31,620**	**¥(4)**

	Millions of yen			
	2015			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Basic treatment				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		¥3,097	¥360	¥(68)*1
Special treatment of interest rate swaps				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		42,670	32,060	*2
Total		¥45,767	¥32,420	¥(68)

	Millions of U.S. dollars			
	2016			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Basic treatment				
Interest rate swaps	**Long-term loans**			
Payable fixed rate/receivable floating rate		**$ 3**	**$ —**	**$(0)*1**
Special treatment of interest rate swaps				
Interest rate swaps	**Long-term loans**			
Payable fixed rate/receivable floating rate		**285**	**281**	***2**
Total		**$288**	**$281**	**$(0)**

*1. Fair value for those contracts is based on prices disclosed by relevant financial institutions.

*2. Interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not measured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expenses or income and accordingly, such interest rate swaps are not included in carrying value and fair value in the list of 2 "Fair value of financial instruments."

33 Segment Information

1. Summary of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation for their performances by the Board of Executive Officers is performed to decide how resources are allocated among the Group.

Effective April 1, 2013, the Company introduced the in-house company system in accordance with the power system reform to be implemented for the purpose of fostering independent decision-making in each business sector while realizing increased profits and enhanced competition. In the in-house company system, a "Fuel & Power Company", "Power Grid Company" and "Customer Service Company" have been established and a "Corporate" division separate from the other three companies mentioned above will enable us to exert the collective strengths of the Group. In addition, in order to meet the transfer to Holding Company System on and after April 1, 2016, the Company is implementing business and operational management which will enable the Company to correspond flexibly and appropriately to the new business environments after full liberalization of electricity retail business market under the management control system mainly composed of companies.

Under the new system, the Company's reportable segments consist of four segments that are "Fuel & Power," "Power Grid," "Customer Service," and "Corporate."

Major business of each reportable segment is as follows:

"Fuel & Power":

Sales of electricity generated by thermal power stations, procurement of fuel, development of thermal power stations and investment in fuel businesses

"Power Grid":

Wheeling of electricity by transmission lines, substations and distribution lines, construction and maintenance of transmission/distribution lines and telecommunication equipment, research, acquisition and maintenance of land and buildings for facilities

"Customer Service":

Proposal of optimum total solution models that meet customer needs, high-standard customer services and inexpensive power purchase

"Corporate":

Supporting management, efficiently providing services common to all companies, sales of electricity generated by hydroelectric power stations and nuclear power generation.

2. Methods of measurement for the amounts of sales, profit (loss), assets and other items for each reportable segment

Accounting policies of each reportable segment are consistent with those disclosed in Note 2, "Summary of Significant Accounting Policies". Segment profit of the reportable segment is the figure based on operating income. Inter-segment sales and transfers are based on the internal transaction price established based on the costs in principle.

3. Information about sales, profit (loss), assets and other items is as follows:

	Millions of yen						
	2016						
	Reportable segment				Total	Adjustments (Note 1)	Consolidated (Note 2)
	Fuel & Power	Power Grid	Customer Service	Corporate			
Sales:							
Sales to third parties	¥ 57,526	¥ 181,334	¥5,776,718	¥ 54,349	¥ 6,069,928	¥ —	¥ 6,069,928
Inter-segment sales and transfers	2,394,663	1,504,114	173,476	691,021	4,763,275	(4,763,275)	—
Total	2,452,189	1,685,448	5,950,195	745,370	10,833,203	(4,763,275)	6,069,928
Segment profit (loss)	¥ 333,944	¥ 146,127	¥ 106,418	¥ (214,735)	¥ 371,754	¥ 476	¥ 372,231
Segment assets	¥1,728,966	¥5,083,210	¥ 556,795	¥6,339,951	¥13,708,923	¥ (49,153)	¥13,659,769
Other items:							
Depreciation	¥ 176,684	¥ 320,020	¥ 2,821	¥ 122,936	¥ 622,462	¥ (508)	¥ 621,953
Increase in tangible and intangible fixed assets (Note 3)	121,032	214,049	976	329,700	665,759	(23)	665,735

	Millions of yen						
	2015						
	Reportable segment				Total	Adjustments (Note 1)	Consolidated (Note 2)
	Fuel & Power	Power Grid	Customer Service	Corporate			
Sales:							
Sales to third parties	¥ 110,590	¥ 120,810	¥6,523,501	¥ 47,562	¥ 6,802,464	¥ —	¥ 6,802,464
Inter-segment sales and transfers	3,347,837	1,387,969	207,760	390,223	5,333,790	(5,333,790)	—
Total	3,458,427	1,508,780	6,731,261	437,786	12,136,255	(5,333,790)	6,802,464
Segment profit (loss)	¥ 373,760	¥ 95,625	¥ 350,859	¥ (504,567)	¥ 315,678	¥ 856	¥ 316,534
Segment assets	¥1,862,650	¥5,024,974	¥ 553,017	¥6,843,714	¥14,284,357	¥ (71,679)	¥14,212,677
Other items:							
Depreciation	¥ 168,063	¥ 323,172	¥ 2,760	¥ 130,888	¥ 624,884	¥ (636)	¥ 624,248
Increase in tangible and intangible fixed assets (Note 3)	84,651	200,964	1,117	300,960	587,693	(1,735)	585,958

	Millions of U.S. dollars						
	2016						
	Reportable segment				Total	Adjustments (Note 1)	Consolidated (Note 2)
	Fuel & Power	Power Grid	Customer Service	Corporate			
Sales:							
Sales to third parties	$ 511	$ 1,610	$51,294	$ 482	$ 53,897	$ —	$ 53,897
Inter-segment sales and transfers	21,263	13,356	1,540	6,136	42,295	(42,295)	—
Total	21,774	14,966	52,834	6,618	96,192	(42,295)	53,897
Segment profit (loss)	$ 2,965	$ 1,298	$ 945	$ (1,907)	$ 3,301	$ 4	$ 3,305
Segment assets	$15,352	$45,136	$ 4,944	$56,295	$121,727	$ (436)	$121,291
Other items:							
Depreciation	$ 1,569	$ 2,842	$ 25	$ 1,091	$ 5,527	$ (4)	$ 5,523
Increase in tangible and intangible fixed assets (Note 3)	1,075	1,900	9	2,927	5,911	(0)	5,911

Notes:
1. "Adjustments" of "Segment profit" in an amount of ¥476 million (US$4 million) and ¥856 million includes ¥476 million (US$4 million) and ¥854 million of inter-segment elimination for the years ended March 31, 2016 and 2015, respectively.
   "Adjustments" of "Segment assets" in an amount of ¥ (49,153) million (US$ (436) million) and ¥ (71,619) million includes ¥ (48,410) million (US$ (430) million) and ¥ (70,953) million of inter-segment elimination at March 31, 2016 and 2015, respectively.
   "Adjustments" of "Depreciation" in an amount of ¥ (508) million (US$ (5) million) and ¥ (636) million refers to inter-segment elimination for the years ended March 31, 2016 and 2015, respectively.
   "Adjustments" of "Increase in tangible and intangible fixed assets" in an amount of ¥ (23) million (US$ (0) million) and ¥ (1,735) million refers to inter-segment elimination for the years ended March 31, 2016 and 2015, respectively.
2. Segment profit (loss) is reconciled with operating income in the consolidated financial statements.
3. "Increase in tangible and intangible fixed assets" does not include the amount recorded in assets corresponding to asset retirement obligations.

4. Changes in reportable segments and other

(Change in reportable segments)

The Company transferred thermal and new energy power generation business which had previously been segmented as "Power Grid" to "Corporate" effective the fiscal year ended March 31, 2016 pursuant to reorganization for the system arrangements toward electric power system reforms.

The segment information for the year ended March 31, 2015 has been restated to conform to the reportable segmentation changed in the fiscal year ended March 31, 2016.

(Changes in in-house transfer prices)

Inter-segment sales and transfers are based on the internal transaction price established based on the cost in principle. The Company has been reviewing transportation service costs on and after April 1, 2016 since the application for authorization of transportation service provisions was submitted on July 31, 2015 (authorized on December 18, 2015). The Company has changed in-house transfer prices from April 1, 2015 in order to reflect these impacts in sales and segment profit (loss) of the reportable segment as early as possible and to perform more proper management corresponding to the holding company system to become effective on April 1, 2016.

As a result, compared to the amounts under the previous method, reportable segment profit of "Fuel & Power" increased by ¥20,191 million (US$179 million), that of "Power Grid" decreased by ¥49,536 million (US$440 million) and that of "Customer Service" increased by ¥6,004 million (US$53 million) and reportable segment loss of "Corporate" decreased by ¥23,339 million (US$207 million) for the year ended March 31, 2016.

Information about impairment loss on tangible fixed assets by reportable segment:

For the year ended March 31, 2016

	Millions of yen						
	2016						
	Reportable segment				Total	Adjustments	Consolidated
	Fuel & Power	Power Grid	Customer Service	Corporate			
Impairment loss	**¥44,878**	**¥387**	**¥219**	**¥187,846**	**¥233,331**	**¥—**	**¥233,331**

	Millions of U.S. dollars						
	2016						
	Reportable segment				Total	Adjustments	Consolidated
	Fuel & Power	Power Grid	Customer Service	Corporate			
Impairment loss	**$399**	**$3**	**$2**	**$1,668**	**$2,072**	**$—**	**$2,072**

(Note) Information about impairment loss on tangible fixed assets by reportable segment for the year ended March 31, 2015 has been omitted, since there is no materiality.
Information about amortization and unamortized ending balance by reportable segment for the years ended March 31, 2016 and 2015 has been omitted, since there is no materiality.
Information about gain on negative goodwill by reportable segment for the years ended March 31, 2016 and 2015 has been omitted, since there is no materiality.

34 Per Share Information

Per share information at March 31, 2016 and 2015 and for the years then ended is as follows:

	Yen		U.S. dollars
	2016	2015	**2016**
Net assets per share	**¥746.59**	¥669.60	**$6.63**
Net income per share	**87.86**	281.80	**0.78**
Diluted net income per share	**28.52**	91.49	**0.25**

Notes:
1. Net assets per share is computed based on the following information:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Net assets	**¥ 2,218,139**	¥ 2,102,180	**$19,696**
Amounts to be deducted from net assets	**1,021,864**	1,029,227	**9,074**
(Of which payment of preferred stock)	**(1,000,000)**	(1,000,000)	**(8,880)**
(Of which Non-controlling interests)	**(21,864)**	(29,227)	**(194)**
Net assets at March 31 attributable to common stock	**1,196,275**	1,072,952	**10,622**

	Number of shares (in thousands)	
	2016	2015
Number of shares of common stock at March 31 which was used to compute net assets per share	**1,602,315**	1,602,373

2. Net income per share is computed based on the following information:

	Millions of yen		Millions of U.S. dollars
	2016	2015	**2016**
Net income attributable to owners of the parent	**¥140,783**	¥451,552	**$1,250**
Net income not attributable to common stock shareholders	**—**	—	**—**
Net income attributable to owners of the parent of common stock	**140,783**	451,552	**1,250**

	Number of shares (in thousands)	
	2016	2015
Average number of shares of common stock outstanding during the year	**1,602,347**	1,602,396

3. Diluted net income per share is computed based on the following information:

	Millions of yen	
	2016	2015
Adjustments to net income attributable to owners of the parent	**—**	—

	Number of shares (in thousands)	
	2016	2015
Increase in common stock	**3,333,333**	3,333,333
(Of which preferred stock-Class A)	**(1,066,666)**	(1,066,666)
(Of which preferred stock-Class B)	**(2,266,666)**	(2,266,666)
Potential shares which were not included in computing net income per share after dilution of potential shares since they have no dilutive effect	*1	—

*1. Convertible bonds with stock subscription rights issued by Kandenko, which is an affiliate accounted for by the equity method Common stock 17,256 thousand shares

35 Subsequent Events

TEPCO Fuel & Power, Incorporated (hereinafter "TEPCO Fuel & Power"), which is a wholly owned subsidiary of the Company, resolved at the Board of Directors meeting held on May 23, 2016 that it would transfer existing fuel business (upstream/procurement), existing overseas power generation / energy infrastructure business and replacement of the thermal power station and new business (hereinafter called the "Business") to be conducted by Hitachinaka Generation Co., Inc. to JERA Co., Inc. (hereinafter "JERA") through company split (hereinafter the "Split") and concluded an absorption-type split agreement with JERA.

This business integration will be accounted for as a formation of a joint venture in accordance with "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, September 13, 2013) and "Guidance on Accounting Standards for Business Combinations and Business Divestitures" (ASBJ Guidance No. 10, September 13, 2013).

JERA also concluded another absorption-type split agreement with Chubu Electric Power Co., Inc. (hereinafter "Chubu Electric) at the same time as the conclusion of the split agreement.

(1) Purpose of Split

On February 9, 2015, the Company and Chubu Electric agreed on implementation of a comprehensive alliance and entered into a joint venture agreement to jointly establish a new company which will integrate and implement the fuel related businesses, such as fuel procurement, upstream investments, fuel transportation and fuel trading, as well as new development and replace businesses for domestic and overseas power plants. Based on the agreement, it is decided to transfer the Business from TEPCO Fuel & Power to JERA which is a joint venture established on April 30, 2015.

In forming this joint venture, the Company concluded a joint venture agreement regarding this joint venture with Chubu Electric and all of the consideration paid for the business combination was shares with voting rights. In addition, any definite fact representing other control relationship does not exist.

(2) Overview of Split

A. Schedule of Split

Board of directors meeting approving absorption-type company split agreement (TEPCO Fuel & Power)	May 23, 2016
Board of directors meeting approving absorption-type company split agreement (JERA)	May 23, 2016
Execution of absorption-type company split agreement	May 23, 2016
Shareholders meeting approving absorption-type company split agreement (JERA)	June 24, 2016
Effective date of absorption-type split	July 1, 2016 (Planned)

(Note) The Split is carried out without the approval of a general shareholders meeting of the Company because it corresponds to a simplified company split as stipulated in the Companies Act, Article 784, Paragraph 2.

B. Method of Split

The Split will be an absorption-type company split in which TEPCO Fuel & Power is the splitting company, and JERA is the succeeding company.

C. Particulars of allotment in Split

In the Split, the succeeding company JERA will issue 452,000 shares of common stock and all of those shares will be allotted and delivered to TEPCO Fuel & Power.

D. Handling of splitting company's new share subscription rights and bonds with new share subscription right

TEPCO Fuel & Power has not issued new share subscription rights or bonds with new share subscription rights.

E. Change in stated capital through Split

There will be no change to the stated capital of TEPCO Fuel & Power.

F. Rights and duties assumed by the succeeding company

In accordance with an absorption-type company split agreement executed with TEPCO Fuel & Power dated May 23, 2016, on the effective date of the Split, JERA will assume rights and duties held and borne in relation to the Business.

JERA will not assume any obligations through the Split.

G. Prospects for performance of obligations

It is expected that TEPCO Fuel & Power and JERA will still have assets in excess of liabilities after the Split, and presently we do not envision the occurrence of any events that would cause an impediment to the performance of obligations arising after the Split, and for these reasons, we judge there would be no problems with respect to the prospects for TEPCO Fuel & Power and JERA to perform their obligations after the Split.

(3) Overview of business divisions subject to Split by TEPCO Fuel & Power

A. Business description of divisions subject to Split

Existing fuel business (upstream/procurement), existing overseas power generation /energy infrastructure business and replacement of the thermal power station and new business to be conducted by Hitachinaka Generation Co., Inc.

B. Operational results of divisions subject to Split (the fiscal year ended March 2016)

No sales were recorded for the year ended March 31, 2016 by TEPCO Fuel & Power, since the Business was transferred from the Company to TEPCO Fuel & Power (former Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated) on April 1, 2016.

For reference, net sales posted by the Company in relation to the business were ¥21.1 billion (US$187 million).

C. Items and amounts of unconsolidated assets and liabilities to be transferred in Split (as of July 1, 2016 as planned)

Assets		Liabilities	
Item	Amount	Item	Amount
Current Assets	¥23 million (US$0)	Current Liabilities	¥933 million (US$8 million)
Non-current Assets	¥109,422 million (US$972 million)	Non-current Liabilities	— (—)
Total	¥109,445 million (US$972 million)	Total	¥933 million (US$8 million)

Note: Above figures represent the amounts planned as of July 1, 2016, and accordingly, actual amounts to be transferred may vary from these amounts.

(4) Status of the splitting company after Split (as of July 1, 2016 as planned)

	Splitting Company
(1) Trade Name	TEPCO Fuel & Power, Incorporated
(2) Address	1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo, Japan
(3) Title and Name of Representative	President, Mr. Toshihiro Sano
(4) Business Description	Electricity utilities business, etc
(5) Stated Capital	¥30,000 million (US$266 million)
(6) End of Fiscal Year	March 31

(5) Status of the succeeding company after Split (as of July 1, 2016 as planned)

	Succeeding Company
(1) Trade Name	JERA Co., Inc.
(2) Address	7-1, Nihonbashi 2-chome, Chuo-ku, Tokyo, Japan
(3) Title and Name of Representative	President Mr. Yuji Kakimi
(4) Business Description	Fuel business and domestic and overseas power generation businesses, etc
(5) Stated Capital	¥5,000 million(US$44 million)
(6) End of Fiscal Year	March 31

Independent Auditor's Report

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The Board of Directors
Tokyo Electric Power Company Holdings, Incorporated

We have audited the accompanying consolidated financial statements of Tokyo Electric Power Company Holdings, Incorporated (former name: Tokyo Electric Power Company, Incorporated) (the "Company") and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2016, and the consolidated statements of operations, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tokyo Electric Power Company Holdings, Incorporated (former name: Tokyo Electric Power Company, Incorporated) and its consolidated subsidiaries as at March 31, 2016, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following:

(1) As explained in Note 25 to the accompanying consolidated financial statements, regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company has been implementing compensation to the nuclear victims with Government support in accordance with the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No. 147 of 1961).

Consequently, the Company has recorded compensation for nuclear damages for the year ended March 31, 2016, amounting to ¥678,661 million (US$6,026 million), which is the difference between the estimated amount at March 31, 2015 and ¥6,357,146 million (US$56,448 million) after deducting ¥188,926 million (US$1,678 million) of receipt of compensation pursuant to the provision of the Act on Contract for Indemnification of Nuclear Damage Compensation (effective on June 17, 1961; Act No. 148 of 1961) and ¥1,112,439 million (US$9,878 million) of the amount which was submitted an application for based on the provision of "Act on the Nuclear Damage Compensation and Decommissioning Facilitation Corporation" (effective on August 10, 2011; Act No. 94 of 2011) (the "Corporation Act") corresponding to the Company's compensation liability to the government, which was recognized as a liability on and after January 1, 2015 (the "Decontamination Costs"), based on the "Act on Special Measures concerning the Handling of pollution by Radioactive Materials Released by the Accident of Nuclear Power Plant damaged by Tohoku-Chihou-Taiheiyou-Oki Earthquake on March 11, 2011" (effective on August 30, 2011; Act No. 110 of 2011) from the estimated damage compensation amounting to ¥7,658,513 million (US$68,003 million) based on the government compensation criteria to be decided by the Committee for Adjustment of Compensation for Nuclear Damage Disputes, including "the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" (hereinafter the "Interim Guidelines") on August 5, 2011 and the Company's compensation criteria considering these guidelines and the actual compensation claim amounts and objective statistical data.

The Company has recorded its estimated amount as far as reasonable estimation is possible at this moment, although the estimated compensation amounts might vary depending on the government decisions on guidelines regarding new compensation, establishment of the Company's compensation criteria, the extent of accuracy of reference data and agreements with the victims from now on.

On the other hand, for the purpose of speedy and appropriate implementation of compensation, the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (the "Corporation") which was newly established based on the "Corporation Act" will provide necessary financial assistance to a nuclear operator.

Building a better working world

The Company submitted an application for financial support of the compensation for nuclear damages as of the application date for financial support as the estimated amount for the required compensation amount based on paragraph 1 of the Article 43 of the "Corporation Act". The Company submitted an application to the "Corporation" for a change of the amount of financial support to ¥7,658,513 million (US$68,003million), which is the estimated amount of compensation as of March 18, 2016 and recorded ¥699,767 million (US$6,214 million) as grants-in-aid from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation , which is the difference between ¥6,357,146 million (US$56,448 million) deducting ¥188,926 million (US$1,678 million) of receipt of compensation from the above amount and ¥1,112,439 million (US$9,878 million) of grants-in-aid corresponding to decontamination costs and the amount which was submitted as an application for financing the compensation on March 26, 2015.

In receiving the financial assistance, the recipient shall pay special contribution defined by the Corporation based on the provision of paragraph 1 of the Article 52 of the "Corporation Act", but the Company has not recorded such amount, except for the amount applicable to the year ended March 31, 2016 notified from the "Corporation", since the amount will be determined by the resolution of the steering committee of the "Corporation" for every fiscal year in light of the Company's operating results and also require the approval of the minister in charge.

(2) As explained in Note 31 to the accompanying consolidated financial statements, regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company has been implementing the compensation from the viewpoints of speedy implementation of compensation for the nuclear victims with Government supports under the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No. 147 of 1961). The Company has recorded a reserve for nuclear damage compensation regarding the amounts possible to make reasonable estimates based on the government compensation criteria to be decided by the Committee for Adjustment of Compensation for Nuclear Damage Disputes, including "the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" (hereinafter the "Interim Guidelines") on August 5, 2011 and the Company's compensation criteria considering these guidelines, as well as the actual compensation claim amounts and objective statistical data, but does not record any reserve for indirect damages and losses and/or damages on tangible assets for which reasonable estimation is not possible using the "Interim Guidelines" and currently available data. Furthermore, treatment of wastes and decontamination measures have been proceeded under the national fiscal measures based on the "Act on Special Measures concerning the Handling of pollution by Radioactive Materials Released by the Accident of Nuclear Power Plant damaged by Tohoku-Chihou-Taiheiyou-Oki Earthquake on March 11, 2011" (effective on August 30, 2011; Act No. 110 of 2011). However, regarding the amounts to be billed or claimed to the Company for the costs required for treatment of wastes and decontamination, the Company has not recorded any reserve for the amount of compensation, except for certain amounts, since reasonable estimation is not possible under the current circumstances that concrete measures are not identifiable.

(3) As explained in Note 14 to the accompanying consolidated financial statements, before nuclear power plants can be scrapped, nuclear fuels in the reactors must be removed, but the concrete working conditions will be decided after the stable cooling conditions have been established and the status of inside of the reactors has been confirmed and also in consideration of the progress of necessary research and development activities. Accordingly, the Company records the amounts including fuel removal costs within the range of reasonable estimates based on the currently available information for expenses and/or losses related to Mid-and- long Term Roadmap, although they might vary from now on.

(4) As explained in Note 2(i) to the accompanying consolidated financial statements, the Company records the amounts of decommissioning costs of Fukushima Daiichi Nuclear Power Station Units 1 through 4 within the range of reasonable estimates based on the currently available information, although they might vary from now on, since it is difficult to identify the whole situations of the damages.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 3.

June 28, 2016

Ernst & Young ShinNihon LLC

Major Subsidiaries and Affiliated Companies As of March 31, 2016

Major Consolidated Subsidiaries

Company Name	Capital (Millions of yen)	Ratio of voting rights (%)	Principal Business
Fuel & Power			
Fuel TEPCO Limited	40	100.0	Sales and marine transportation of crude oil and heavy oil, disaster prevention and security of thermal power plants, LNG import agency, etc.
TOKYO WATERFRONT RECYCLE POWER CO., LTD	100	96.6 (1.1)*	Power generation through gasification melting methods, etc., as part of the Tokyo Super Eco Town Project
Tokyo Timor Sea Resources Inc. (U.S.A.)	39 million US$	66.7	Stockholding company for Tokyo Timor Sea Resources (Australia) Inc.
Power Grid			
The Tokyo Electric Generation Company, Incorporated	2,500	100.0	Generation and wholesale of electricity
Tokyo Densetsu Service Co., Ltd.	50	100.0	Patrolling, inspection and repair of transmission and transformation facilities
Tepco Town Planning Co., Ltd.	100	100.0	Construction and maintenance of power distribution facilities, sales and management of utility pole advertisements, consulting and process designing of underground facilities and city development
Customer Services			
Tepco Customer Service Corporation Limited	10	100.0	New electric power retail business, indoor wiring investigation, sales-related operations (calculation of electric bill and revenue management etc.)
Japan Facility Solutions, Inc.	490	100.0	Energy-saving consulting services with a guarantee of effectiveness
Corporate			
Toden Real Estate Co., Inc.	3,020	100.0	Leasing and management of offices and corporate housing
Tokyo Power Technology Ltd.	100	100.0	Construction, operation and maintenance of power generation and other facilities, environmental countermeasure and energy businesses, operations related to the protection of the natural environment of the Oze area
Tokyo Electric Power Services Company, Limited	40	100.0	Design and supervision of construction and civil engineering projects, including those related to electric facilities
TEPCO SYSTEMS CORPORATION	350	100.0	Computer system development and maintenance
Tokyo Electric Power Company International B.V.	240 million Euro	100.0	Investment in overseas businesses

Affiliated Companies Accounted for under the Equity Method

Company Name	Capital (Millions of yen)	Ratio of voting rights (%)	Principal Business
Fuel & Power			
Kimitsu Cooperative Thermal Power Company, Inc.	8,500	50.0	Thermal power generation and wholesale of electricity
KASHIMA KYODO ELECTRIC POWER COMPANY	22,000	50.0	Thermal power generation and wholesale of electricity
Soma Kyodo Power Company, Ltd.	112,800	50.0	Thermal power generation and wholesale of electricity
JOBAN JOINT POWER CO., LTD.	56,000	49.1	Thermal power generation and wholesale of electricity
JERA Co., Inc.	5,000	50.0 (50.0)*	Fuel transportation and trading businesses
Customer Service			
TOKYO TOSHI SERVICE COMPANY	400	33.4	Operation, maintenance and management of heat supply facilities
Corporate			
KANDENKO CO., LTD.	10,264	47.8 (1.2)*	Construction and maintenance of power generation, transmission, transformation and distribution facilities as well as communication facilities, electrical work and instrumentation of thermal and nuclear power plants, installation of internal phone lines and air conditioning systems
Eurus Energy Holdings Corporation	18,199	40.0	Wind and solar energy projects in Japan and abroad
TAKAOKA TOKO HOLDINGS CO., LTD.	8,000	35.3	Manufacture and installation of transmission, transformation and distribution equipment, replacement of supply meters, and electrical work for buildings and structures
Hitachi Systems Power Services, Ltd.	100	33.4	Systems development, maintenance and operation, etc.
AT TOKYO Corporation	13,378	33.3	Data center service
Japan Nuclear Fuel Limited	400,000	28.6	Reprocessing of spent nuclear fuel
The Japan Atomic Power Company	120,000	28.3 (0.1)*	Supply of electricity from nuclear power
TOKYO ENERGY & SYSTEMS INC.	2,881	27.3 (0.0)*	Construction and maintenance of power generation, substation and other related facilities and design and construction of information and telecommunication facilities
TeaM Energy Corporation	12 million US$	50.0 (50.0)*	IPP business in the Philippines
TEPDIA Generating B.V.	18 thousand Euro	50.0 (50.0)*	Investment in IPP business in Thailand
ITM Investment Company Limited	16 thousand US$	50.0 (50.0)*	Investment in Umm Al Nar power generation and water desalination project

*Note: Figures presented in parentheses are the indirect ownership ratio within the ratio of voting rights

Corporate Information As of March 31, 2016

Trade Name
Tokyo Electric Power Company Holdings, Incorporated
(Previously Tokyo Electric Power Company, Incorporated)

*Note: On April 1, 2016, the Company changed its name to that presented above upon obtaining the approval of its 91st Annual General Meeting of Shareholders held on June 25, 2015.

Headquarter
1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku,
Tokyo 100-8560, Japan
Phone: +81-3-6373-1111

Established
May 1, 1951

Fiscal Year-End
March 31

Paid-in Capital
¥1,400,975,722,050

Number of Employees
33,550 (Non-consolidated)

Overseas Offices

Washington Office
2121 K Street, N.W., Suite 910 Washington, D.C. 20037, U.S.A.
Tel: +1-202-457-0790

London Office
4th Floor Marlborough Court 14-18 Holborn, London, EC1N 2LE
Phone: +44-20-7405-5299

Beijing Office
Unit 4, Level 8, Tower E3, Oriental Plaza,
No. 1 East Chang An Avenue, Dong Cheng District,
Beijing 100738, China
Phone: +86-10-8518-7771

Total Number of Issued Shares
3,547,017,531

Breakdown:		
	Common Shares	1,607,017,531
	Class A Preferred Shares	1,600,000,000
	Class B Preferred Shares	340,000,000

Number of Shareholders
749,648

Shareholders' Meeting
June

Stock Listings
Tokyo Stock Exchange (Code: 9501)

Accounting Auditor
Ernst & Young ShinNihon LLC

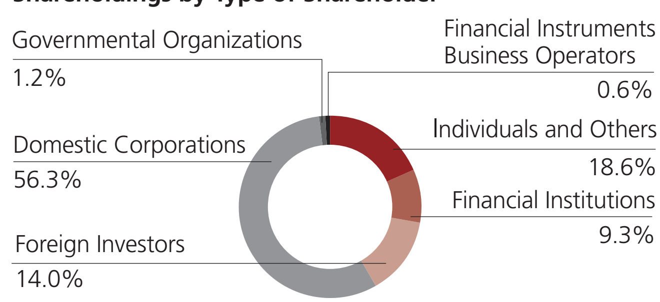
Shareholder Registry Administrator
Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan

Major Shareholders

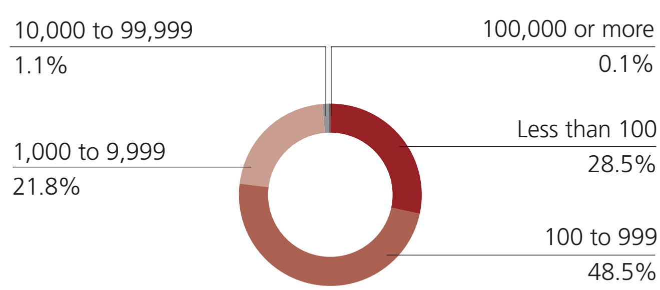
Name	Number of Shares Held (Thousands)
Nuclear Damage Compensation and Decommissioning Facilitation Corporation	1,940,000
Employees Shareholding Association	47,046
The Master Trust Bank of Japan, Ltd. (Trust Account)	44,947
Tokyo Metropolitan Government	42,676
Sumitomo Mitsui Banking Corporation	35,927
Japan Trustee Services Bank, Ltd. (Trust Account)	34,963
NSIP CLIENT SECURITIES	26,959
Nippon Life Insurance Company	26,400
Mizuho Bank, Ltd.	23,791
STATE STREET BANK WEST CLIENT-TREATY 505234	21,601

Breakdown of Shareholders

Shareholdings by Type of Shareholder



Shareholders by Number of Shares Held



For more detailed information, please contact:
Tokyo Electric Power Company Holdings, Incorporated
Shareholder & Investor Relations Group, Corporate Affairs & Legal Office
Finance Planning Group, Accounting & Treasury Office
1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo 100-8560, Japan
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TEPCO Investor Relations Website
http://www.tepco.co.jp/en/corpinfo/ir/top-e.html

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