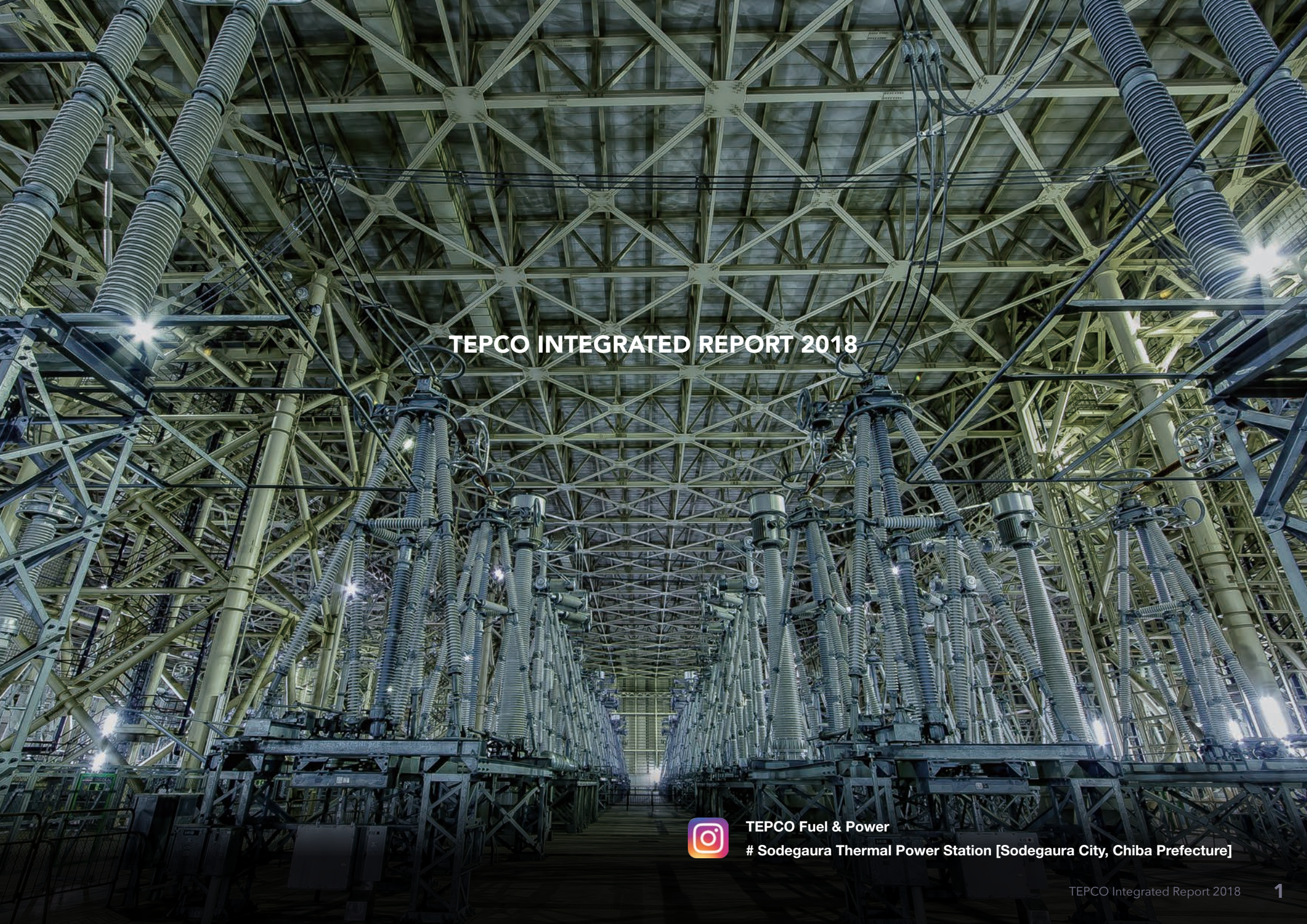
TEPCO

TEPCO Integrated Report 2018

TEPCO INTEGRATED REPORT 2018



TEPCO Fuel & Power
 # Sodegaura Thermal Power Station [Sodegaura City, Chiba Prefecture]

TEPCO INTEGRATED REPORT 2018

Tokyo Electric Power Company Holdings
Midono Dam [Matsumoto City, Nagano pref.]

TEPCO INTEGRATED REPORT 2018

Tokyo Electric Power Company Holdings
Oze National Park [Katashina Village, Gumma pref.] photo by Genta

The song of “Memories of Summer”
covered by Miyuu (Oze Music Ambassador, avex management Inc.)

TEPCO INTEGRATED REPORT 2018

Tokyo Electric Power Company Holdings
Fukushima Daiichi Nuclear Power Station
[Okuma Town & Futaba Town, Fukushima Pref.]

Introduction

Since the accident that occurred at the Fukushima Daiichi Nuclear Power Station in March 2011, the TEPCO Group has been developing a new business model in order to fulfill our responsibilities to Fukushima and also to remain successful in the energy market, which has become increasingly more competitive.

In recent years, society has come to hold companies more accountable for their actions and interest in ESG investment and the United Nation's Sustainable Development Goals (SDGs) have increased. The TEPCO Group has used integrated reports as a tool for promoting communication with stakeholders, such as investors and financial institutions, to convey to them how the Group plans to increase corporate value and contribute to the creation of social value over the long term.

In light of opinions and requests from those who read the previous integrated report released in 2017, this second report contains more detailed financial information based upon changes in the management environment as well as more developed content, such as our outlook for the energy industry in the year 2050.

This report was edited with full cooperation across the board from all TEPCO Group departments involved and we declare the content of it, as well as the editing process, to be fair and accurate.

September 2018

Director and Chairman
Tokyo Electric Power Company Holdings, Inc.
Takashi Kawamura

Representative Executive Officer and President
Tokyo Electric Power Company Holdings, Inc.
Tomoaki Kobayakawa

TEPCO Integrated Report 2018

Reporting period	: Fiscal year 2017 (April 2017 to March 2018) (The report also includes some important information that falls outside the reporting period.)
Scope	: 83 TEPCO Group companies (including Tokyo Electric Power Company Holdings)
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Forward-Looking Statements

This 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.

Referenced guidelines:

International Integrated Reporting Framework, International Integrated Reporting Council (IIRC)
"GRI Standard 2016" Global Sustainability Standards Board (GSSB)
Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation, Ministry of Economy, Trade and Industry

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Top Message

Tokyo Electric Power Company Holdings, Inc. Headquarters
TEPCO Power Grid, Inc. Headquarters (Chiyoda-ku, Tokyo)

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Message from President

TEPCO's Responsibility and Mission

Representative Executive Officer and President
Tokyo Electric Power Company Holdings, Inc.

Tomoaki Kobagakawa

It has been one year since I became president of Tokyo Electric Power Company Holdings, Inc. During this year, the TEPCO Group has come together to engage in initiatives to improve earning power in order to fulfill our responsibilities to Fukushima whilst remembering the three core pillars of our new business philosophy put forth upon reorganization: Open, Create, Fulfill. These initiatives have helped lay a strong foundation to achieve the objectives of our Revised Comprehensive Special Business Plan (the Third Plan).

Fulfilling our responsibilities to Fukushima, in particular, is the reason why TEPCO exists and during the last year I have spent almost 50 days visiting the local communities and directly speaking with residents. We will continue listening to the opinions of stakeholders through direct dialogue and take a leading and responsible role in helping Fukushima to recover, such as by engaging in initiatives to eliminate damage caused by harmful rumors.

As an energy provider, TEPCO will also continue to fulfill our mission to provide an inexpensive and stable supply of electricity while also striving to create new value to improve customer satisfaction.

* Revised Comprehensive Special Business Plan (the Third Plan): The result of a complete revision made in May 2017 of the Comprehensive Special Business Plan (May 2012) which was written after Fukushima Nuclear Accident by the Nuclear Damage Compensation and Decommissioning Facilitation Corporation and the Tokyo Electric Power Company, Inc. to serve as the core of TEPCO's operations and business.

Biography

Apr. 1988 : Joined the Tokyo Electric Power Company, Inc.
Dec. 2011 : General Manager, Marketing & Customer Relations Dept., Kanagawa Branch Office
Jul. 2013 : General Manager, Commercial Customer Energy Dept., Corporate Marketing & Sales Dept.
Jun. 2014 : General Manager, Corporate Marketing & Sales Dept., Customer Service Company
Jun. 2015 : Promoted to Managing Executive Officer and President of the Customer Service Company
Apr. 2016 : Representative Director and President of TEPCO Energy Partner, Inc.
Jun. 2017 : Representative Executive Officer and President, Tokyo Electric Power Company Holdings, Incorporated Inc.

Securing required funds

According to the TEPCO reform proposal made by the TEPCO Reform and 1F Problem Committee, which is a committee of experts formed by the Ministry of Economy, Trade and Industry, a total of approximately ¥22 trillion in funds is needed to address the Fukushima Nuclear Accident. And, of this amount TEPCO is responsible for securing approximately ¥16 trillion. In order to fulfill our responsibilities to Fukushima, we must not only provide compensation to the residents of Fukushima, help the area to recover, and move forward with decommissioning, but also leverage the capacity of every department in the TEPCO Group to stably increase revenue and secure the funds that are required even if it takes decades. During FY2017, we moved forward with fuel and thermal power initiatives that aim to complete a value chain through the merger of existing thermal power businesses in April 2019 (JERA) and the commercialization of O&M* services, and implemented power transmission and distribution demonstrations that simulate energy mixes. Our retail business has proceeded with initiatives to supply new value through cooperation with different industries and other companies and to establish sales platforms. Also the entire TEPCO Group has been making efforts to engage in Toyota-style Kaizen activities. These resulted in fifth consecutive year of ordinary income and increased revenues and income for the first time in three years and we predict that we will see increases in revenue and income in FY2018 as well.

* Operation & Maintenance

Funds required for Fukushima initiatives as put forth in the TEPCO Reform Proposal

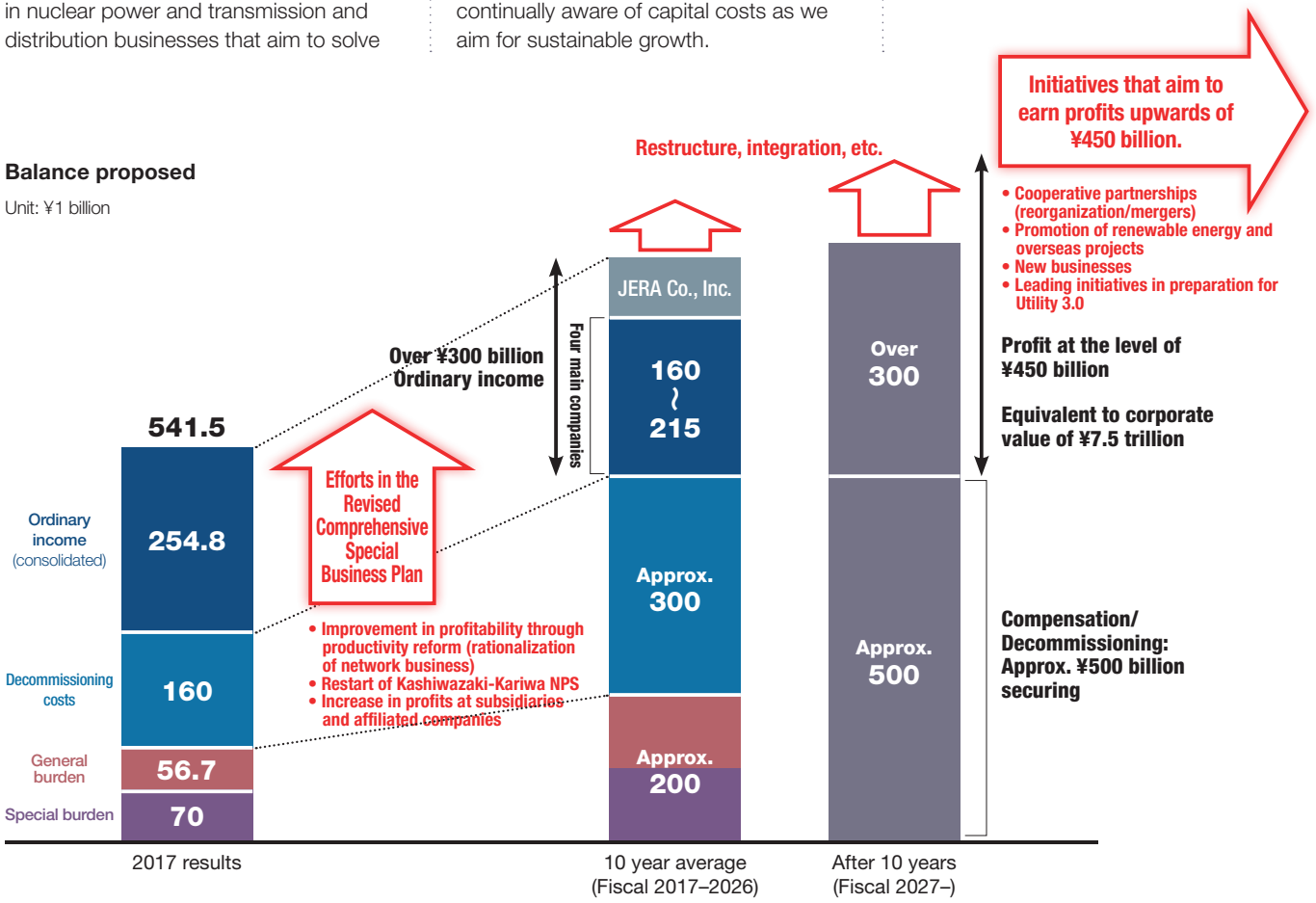
Created based upon the TEPCO Reform Proposal (from TEPCO Committee under the government)

Mid/long term business strategy

Even though we saw the fifth consecutive year of income last fiscal year, in order to fulfill our responsibilities to Fukushima we must increase our earning power in order to improve corporate value and sustainable profitability. In order to secure approximately ¥16 trillion funds, the Revised Comprehensive Special Business Plan calls for us to secure ¥500 billion per year as funds required for compensation and decommissioning, and improve corporate value 10 years from now to approximately ¥7.5 trillion in order to achieve profits of approximately ¥450 billion per year. In order to do this, we need to create approximately ¥300 billion of ordinary income on a consolidated basis within 10 years (FY2017 results: ¥254.8 billion) upon securing ¥500 billion per year for compensation and decommissioning. At current time, in addition to productivity reforms, such as internalizing and advancing Toyota-style Kaizen activities to propel initiatives, we anticipate the planned recommencement of operation of the Kashiwazaki-Kariwa Nuclear Power Station and an increase in profits from subsidiaries and affiliates, such as JERA, and are moving forward with initiatives to carry out these plans.

We have also set for ourselves the challenging goal of achieving approximately ¥450 billion per year in profits after 10 years which will correspond to a corporate value of ¥7.5 trillion. The initiatives mentioned above are necessary for achieving this goal, and we will promote the further expansion of our business* both domestically and abroad, such as by engaging in reorganization and mergers in nuclear power and transmission and distribution businesses that aim to solve common issues faced by all parties involved, and developing our renewable energy business. Furthermore, we have been able to more accurately ascertain capital costs, which are said to suitably reflect corporate business risks, and are running the business while remaining continually aware of capital costs as we aim for sustainable growth.

* Another example is the project that leverages the total power of the Group to redevelop, or for urban development in, areas in which the TEPCO Group owns real estate. In October 2018, TEPCO HD created its CRE (Corporate Real Estate) Promotion Office.



* Multiple revenue/expenditure estimates have been calculated for the time when the Kashiwazaki-Kariwa NPS recommences operation and there are large differences in profit/expense forecasts for each case.

Key strategies for the future

Even though we are keeping up with changes and seeing results at current time, over the mid to long-term we will need to handle such issues as the shrinking domestic energy market, increased competition, energy independency and the world trend towards decarbonization. In light of these circumstances, TEPCO must look from two perspectives, initiatives by power suppliers, and global utility at the point of contact with customers. As an electric operator in Japan, which lacks natural resources, our basic mission is to provide electricity in a stable manner to supply economic activity and the lives of the people. Furthermore, TEPCO's basic approach to initiatives by power suppliers, is to deliberate and construct a power mix that considers economic feasibility and environmental friendliness. At the same time, it is also extremely important that we flexibly deliberate future power mixes in order to respond to changes in the times, such as decarbonization, and the demands of society.

In light of these environmental changes, TEPCO positions renewable energy, such as offshore wind power, as prime sources of energy for the future, and will proactively engage in the development of this technology both domestically and abroad while solving cost and technical issues. Furthermore, we will also move forward with the development of technology that can contribute to improving the heat efficiency and decarbonization of coal and LNG thermal, which are our current primary sources of power, and also strive to relentlessly improve the safety of nuclear power as the party responsible for the Fukushima Daiichi Nuclear Power Station Accident. One of the biggest steps in becoming a global utility company is to prepare for the world of Utility 3.0, which is highly likely to become a reality by the year 2050, and evolve into a business that leverages our strengths in the areas of power generation, distribution and retail such as by providing services that offer decarbonization value.

We will also extend our reach beyond our coverage area to other fields, other industries and countries abroad to develop and provide new services that always consider the customer and society, and construct value chains. Through these endeavors, we aim to become a world-leading global utility that can offer great convenience at low cost while merging infrastructure, such as water infrastructure, with accompanying services.

* A "utility" refers to those companies responsible for public utilities such as electricity, gas and water.
1.0: Era in which utilities supported economic growth with institutional backing in the form of Rate-of-return systems and regional monopolies.
2.0: Era in which efficiency through electricity system reforms is demanded
3.0: Era in which utilities are comprehensively responsible for social infrastructure

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Message from CFO

Complying with our Mid/Long Term Management Strategy

Representative Executive Officer, Executive Vice President and Chief Financial Officer (CFO)
Tokyo Electric Power Company Holdings, Inc.

Seiji Morijo

With forecasted decreases in domestic energy demand and the deregulation of entry into the gas retail market in April 2016, which followed deregulation of the electricity retail market, the management environment in which the TEPCO Group exists continues to be harsh with fierce competition that transcends industrial fields and geographic regions.

Furthermore, we are engaged in initiatives aimed at strengthening earning power based upon the Revised Comprehensive Special Business Plan so that we can secure the approximate ¥16 trillion that TEPCO must find a means to acquire to complete Fukushima initiatives as was declared in "TEPCO Reform Proposal."

In order to achieve this financial goal, we periodically monitor the revenue and expenditure of group companies and implement additional countermeasures if required. In addition, we are striving to optimally allocate management resources, such as by revising our investment portfolio in order to quickly detect changes in the business environment over the short, mid and long terms, and contribute to the future increase in the corporate value of the TEPCO Group.

■ Biography

Apr. 1986 : Joined Tokyo Electric Power Company
Jun. 2013 : Head of Administrative Office, Audit Committee
Apr. 2016 : Managing Director of TEPCO Fuel & Power, Inc.
Jun. 2017 : Director of Tokyo Electric Power Company Holdings, Inc.
President of TEPCO Fuel & Power, Inc.
Sep. 2018 : Executive Vice President and
CFO of Tokyo Electric Power Company Holdings, Inc.

FY2017 financial results and FY2018 forecasts

Electricity sales (consolidated) for the TEPCO Group during FY2017 decreased Year-on-Year (YoY) by 1.4% to 240.3 TWh due to the impact of the across-the-board liberalization of the electricity retail market. In regards to consolidated revenue for this consolidated financial year, operating revenues increased YoY by 9.2% to ¥5,850.9 billion as a result of the increase in the unit price of electricity charge revenue caused by the fuel cost adjustment system, and the total of ordinary revenues increased 8.8% to ¥5,899.5 billion. However, while total operating costs increased 8.7% YoY to ¥5,644.7 billion as a result of increasing in fuel costs and purchased electricity, ordinary income increased to ¥254.8 billion (YoY increase of ¥27.2 billion) thereby remaining in the black for the fifth consecutive year along with net income for this term. Since costs increased, we believe this to be the result of continued cost reductions made by all group companies and the increase in electricity charge revenue.

Equity ratio increased from 19.1% to 21.1% YoY and debt-to-equity ratio decreased from 2.56 to 2.27 YoY thereby showing that financial strength continues to improve.

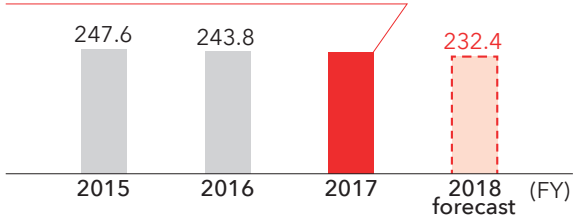
During FY2018, we forecast that operating revenues will increase 4.2% YoY to around ¥6,990 billion, and that ordinary income will increase 11.9% YoY to around ¥285 billion as a result of increased sales and reductions in costs, such as those associated with repairs, despite increasing in fuel expenses and purchased electricity.

Furthermore, although a new decommissioning reserve fund system was introduced in FY2018, a total of ¥391.3 billion (¥191.3 billion for decommissioning, and ¥200 billion of reserve funds for future fuel debris removal) of expenditure is planned. Additionally, the ¥126.7 billion appropriated as cost expenditure in FY2017 will be used to pay compensation expenses (special burden: ¥70 billion, general burden: ¥56.7 billion). So, in FY2018, we forecast approximately ¥520 billion of expenditure (cash out) from compensation and decommissioning funds will be needed, which is almost equal to the ¥500 billion noted in the Revised Comprehensive Special Business Plan as being required for compensation and decommissioning.

Consolidated results of the current term

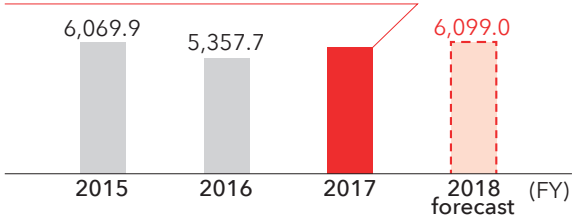
Electricity sales

240.3 TWh/YoY -1.4% ↘



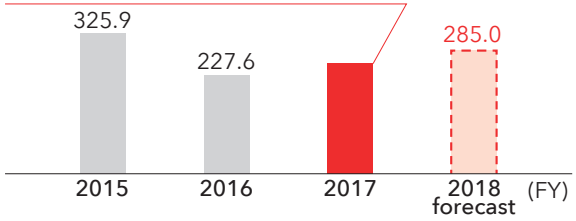
Operating revenues

¥5,850.9 billion/YoY +9.2% ↗



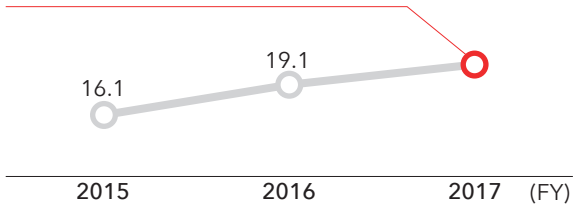
Ordinary income

¥254.8 billion/YoY +12.0% ↗



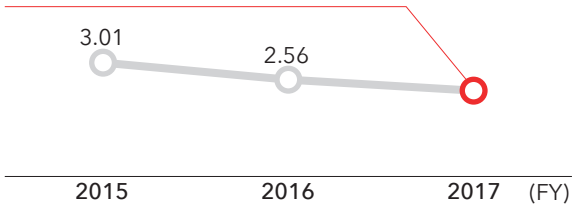
Equity ratio

21.1 %/YoY +2.0point ↗



Debt-to-equity ratio

2.27 times/YoY -0.29point ↘



* forecast for FY2018 announced on July 30, 2018

Financial/fund procurement plan

We must be able to procure the required amount of funds needed for company endeavors at low interest and at the required time while considering improvements to our financial strength, such as our equity ratio.

[Corporate Bonds] In March 2017, TEPCO Power Grid issued ¥90 billion worth of publicly offered corporate bonds for the first time after the disaster thereby marking the Group's return to the corporate bond market after a six and 1/2-year hiatus. And, in FY2017, it issued ¥400 billion worth of corporate bonds, the largest amount for any domestic company. Considering the facts that we must reduce our dependency on loans from financial institutions, which increased after the disaster, and also prepare for the redemption of large amounts of publicly offered corporate bonds after FY2018, we will continue to stay in close contact with domestic investors, and issue corporate bonds in a stable manner throughout the mid-to long-term.

[Loans] In order to secure the necessary funds, we continue to receive the cooperation of financial institutions in regards to continuing financing that began prior to the disaster, and beginning new financing.

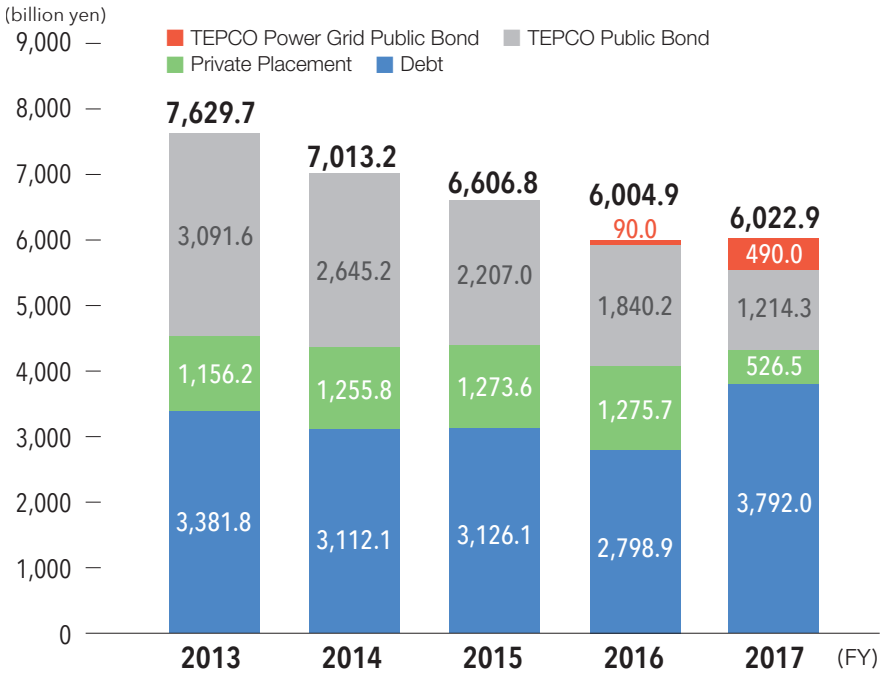
Policy on return to shareholders

TEPCO realizes that meeting the expectations of shareholders and investors by increasing corporate value and sharing dividends is of great importance. We will move steadily forward with the Revised Comprehensive Special Business Plan and secure profits over the long term.

By improving profitability through productivity reforms and moving forward with strategic investments, we shall secure the funds required for compensation and decommissioning thereby increasing future cash flow that will be the source of funds for shareholder returns.

At current time it is difficult to say how we shall enable shareholder returns, but at the end of FY2019 the Nuclear Damage Compensation and Decommissioning Facilitation Corporation plans to deliberate how the national government should be involved and methods for recovering public capital. Based on this, TEPCO shall in turn deliberate shareholder returns based upon our profits/liabilities. However, first and foremost, we shall move forward with each initiative in order to steadily improve our earning power so as to enable shareholder returns as quickly as possible.

The interest-bearing debt balance



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Corporate Governance

Tokyo Electric Power Company Holdings, Inc. Headquarters (Chiyoda-ku, Tokyo)

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Message from Chairman

Future Outlook for the Energy Industry

Director and Chairman
Tokyo Electric Power Company Holdings, Inc.

Takeshi Kunibe

Tokyo Electric Power Company Holdings has adopted the "Company with Nomination Committee, etc." management structure that separates supervision and execution in an effort to strengthen corporate governance. Our Board of Directors, which is comprised of people of different genders, backgrounds, and specialties, supervises decisions about important management issues and the executing departments under the president. Looking back at the approximate one year since I took office, I believe that the Board of Directors and executing departments have been able to communicate well and deal with management issues with a suitable degree of tension.

The Board of Directors will continue to support the quick and bold decision-making of executing departments and supervise their actions thereby enabling continual improvement in corporate value and fulfillment of TEPCO's mission as we also strive to increase future cash flow in order to provide the returns expected of our shareholders and investors.

As we gaze at Japan's energy industry 20 to 30 years down the road, I hope that all 42,000 people in the TEPCO Group will continue down our path to one of the world's leading companies in the energy industry.

Biography

Apr. 1962 : Joined Hitachi, Ltd.
Jun. 1992 : General Manager of Hitachi Works
Jun. 1997 : Executive Managing Director and the Group Executive of Power Group
Apr. 1999 : Executive Vice President and Representative Director
Apr. 2009 : Representative Executive Officer, Chairman, President and Director
May. 2010 : Representative Executive Officer, Chairman and Director
Apr. 2011 : Chairman of the Board
Jun. 2014 : Chairman Emeritus (to June 2016)
Jun. 2017 : Chairman of the Board, Tokyo Electric Power Company Holdings, Inc.

Issues to be addressed now in consideration of the long-term

At TEPCO, the Board of Directors and the Future Management Committee* are leading discussions about "Key Managed Issues," which are issues that need to be addressed now in consideration of the long-term. Due to the characteristics of our business, which is supplying basic energy, these future issues contain many aspects related to sustainability, which can also be categorized as ESG (Environment, Social and Governance) issues.

The first issue to address is our optimal power configuration for the future. With the future spread of dispersed power grids based on renewable energy, small household storage batteries and electric vehicles, micro-grids will appear in many regions. TEPCO must take a leading role in deliberating issues such as to what extent the use of renewable energies can be allowed in consideration of the operation of electricity systems, the role of nuclear power generation in a carbon-free society and the future of fossil fuel power sources, such as thermal power generation, and in particular coal thermal, without leaving these issues up to the government to decide.

The next issue to address is the future of our business in the coming age of Utility3.0*. We are now in the age of Utility2.0, and going forward we must change from a company that merely sells electricity to a company that provides services that enable electricity to be leveraged for a more comfortable lifestyle. To this end, we continue to discuss comprehensive energy services that are based upon the electricity business.

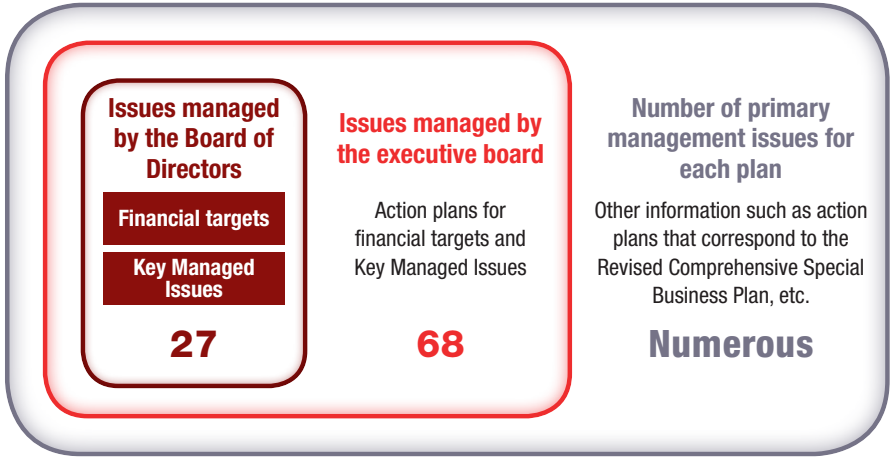
We must also secure revenue sources over the long-term. The fuel and thermal power divisions (which will be active both domestically and internationally) that will be formed in the spring of 2019 as result of the complete merger with JERA; the recommencement of operation of nuclear power stations in Japan; new businesses such as gas, and those related to electric vehicles and big data; and renewable energy businesses being developed both domestically and internationally, such as offshore wind power generation and hydroelectric power, etc., will be sources of revenue in addition to our current businesses and will, in other words, be the sources of sustainable growth.

The last issue to address is human assets. A company grows by strategies, and people make these strategies. Therefore, the long-term growth strategy of the company is, in other words, the cultivation of human assets. With continually changing social and labor market conditions, and the changing business environment of the TEPCO Group, we continue to formulate measures for leveraging the abilities of our human assets, which are the core of our company, to the maximum extent possible, and rooting these measures as corporate culture.

Examples of Key Managed Issues

- Ensuring profits stipulated in the Revised Comprehensive Special Business Plan
- Plans for handling thermal power sources (including coal thermal)
- Expanding business through new projects, such as the promotion of overseas projects
- Strategically securing and training human resources in order to create earning power
- Enhancing risk management and disaster preparedness in preparation for the 2020 athletic games in and around Tokyo
- Contributing to recovery in Fukushima by being involved in urban development and engaging in initiatives to eliminate harmful rumors
- Implementing safety measures and handling inspections in preparation for the recommencement of operation of the Kashiwazaki-Kariwa Nuclear Power Station
- Creating scenarios for contaminated water countermeasures, the commencement of spent fuel removal and fuel debris removal in preparation for the decommissioning of the Fukushima Daiichi Nuclear Power Station
- Increasing profits through technical development

"Managed Issue" system diagram



* Future Management Committee
- Established in July 2017 in order to discuss key issues related to creating new value in the distant future
- Headed by the Chairman of the Board of Directors and the permanent board members

TEPCO Group businesses and SDGs

The businesses of the TEPCO Group, which provide basic energy, are greatly affected by society and we take our responsibility to society and our social mission very seriously.

It is for this reason that the long-term issues the TEPCO Group must address in its business strategy are indispensable for solving future social issues to the point where if we make a mistake in our direction, the TEPCO Group would have no future at all. In other words, contributing to solving social issues through our actions as an energy provider will improve the corporate value of the TEPCO Group and enable sustainable growth.

We are engaged in initiatives to solve problems that will be relevant 20 or 30 years down the road not just in Japan, but in the entire world. Within the 17 fields of Sustainable Development Goals (SDGs) adopted by the United Nations in 2015, there are targets that we can contribute to achieving through our business activities.

Based upon the issues discussed by the Board of Directors and the Future Management Committee, the entire TEPCO Group will improve corporate value and create social value through business strategies in which we systematically engage.

SUSTAINABLE DEVELOPMENT GOALS
17 GOALS TO TRANSFORM OUR WORLD

Examples of TEPCO Group initiatives that contribute to achieving SDGs

7 AFFORDABLE AND CLEAN ENERGY

- Making thermal power highly efficient: Proactive introduction of cutting-edge, highly efficient facilities such as IGCC (Integrated coal Gasification Combined Cycle) and USC (Ultra Super Critical)
- Increase in the percentage of non-fossil fuel power sources: Turning renewable energy sources, such as offshore wind, into primary sources of power
- Offering of zero CO_2 electricity rate plans

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

- Development of new social infrastructure services that leverage new technology and owned facilities
- Promoting open innovation through the TEPCO CUUSOO website
- Advancing smart meter systems

11 SUSTAINABLE CITIES AND COMMUNITIES

- Contributing to the creation and enhancement of infrastructure in preparation for the the 2020 athletic games in and around Tokyo
- Creation of mid/long-term business strategies that focus on the highly probable future scenario that Utility 3.0 will become a reality

Directors responsible for governance (as of September, 2018)

Attendance for meetings
Board of Directors: 15/15 (100%)
Nominating Committee: 5/5 (100%)
Audit Committee: 10/10 (100%)
Compensation Committee: 5/5 (100%)

Takashi Kawamura

A: Chairman (Outside Director), independent director
B: Nominating Committee Chairman, Audit Committee Member, Compensation Committee Member
C: Outside Director of Mizuho Financial Group, Inc.

D: Having served as the President and Chairman of the Board of Hitachi, Ltd., he has broad experience and insight relating to corporate management, as well as deep insight relating to management reform through business restructuring etc., and the energy business.

Board of Directors: 19/19 (100%)
Nominating Committee: 8/8 (100%)
Audit Committee: 1/2 (50%)
Compensation Committee: 8/8 (100%)

Hideko Kunii

A: Outside Director, independent director
B: Nominating Committee Member, Compensation Committee Chairman
C: Guest Professor of Graduate School of Engineering Management, Shibaura Institute of Technology, Outside Director of HONDA MOTOR CO., LTD., Outside Director of Mitsubishi Chemical Holdings Corporation

D: Having served as Chairperson of Ricoh IT Solutions Co., Ltd., she has extensive experience and insight relating to corporate management, along with deep insight relating to promoting diversity including the active participation of women.

Board of Directors: 13/15 (87%)
Nominating Committee: 4/5 (80%)
Compensation Committee: 5/5 (100%)

Shoei Utsuda

A: Outside Director, independent director
B: Nominating Committee Member, Compensation Committee Member
C: Counselor of MITSUI & CO., LTD., Outside Director of Isetan Mitsukoshi Holdings Ltd., Governor of Japan Broadcasting Corporation

D: Having served as the President and Chairperson of the Board of MITSUI & CO., LTD., he has abundant experience in international business, along with broad insight into the current state of energy both in Japan and overseas.

Board of Directors: 15/15 (100%)
Audit Committee: 10/10 (100%)

Hideo Takaura

A: Outside Director, independent director
B: Audit Committee Chairman
C: Japanese Certified Public Account, Outside Director of HONDA MOTOR CO., LTD.

D: Having served as Chief Executive Officer of PricewaterhouseCoopers Aarata as a Japanese Certified Public Accountant, he has extensive experience and insight, primarily in the fields of auditing and accounting, alongwith diverse experience in corporate auditing by having served as Outside Corporate Auditor.

Board of Directors: 15/15 (100%)
Audit Committee: 8/10 (80%)

Junji Annen

A: Outside Director, independent director
B: Audit Committee Member
C: Professor of Chuo Law School, Attorney at Law, Outside Director of MATSUI SECURITIES CO., LTD.

D: As a university professor and as an attorney at law, he has deep insight, primarily in the field of law, along with broad experience in corporate management from serving as an Outside Director.

Board of Directors: 13/15 (87%)
Nominating Committee: 4/5 (80%)

Kazuhiko Toyama

A: Outside Director, independent director
B: Nominating Committee Member
C: Representative Director and CEO of Industrial Growth Platform, Inc.; Outside Director of Panasonic Corporation

D: Having served as the President of Corporate Directions, Inc., and CEO of Industrial Growth Platform, Inc., etc., he has extensive experience and insight relating to corporate business restructuring, as well as thorough familiarity with corporate governance.

Board of Directors: 19/19 (100%)
Nominating Committee: 5/5 (100%)

Tomoaki Kobayakawa

A: Director, Representative Executive Officer, President, Chief of the Nuclear Reform Special Task Force
B: Nominating Committee Member

D: Having served as President of TEPCO HD, he has broad experience, insight, etc. in all aspects of the electricity business.

* Attendance figures for Board of Directors meetings, etc., are for FY2017
* Hideko Kunii served as a member of the Audit Committee from April 1 through June 23, 2017

A: Position, responsibility B: Committee C: Major concurrent positions D: Reason for appointment

Attendance for meetings
Board of Directors: 15/15 (100%)

Seiji Moriya

A: Director, Representative Executive Officer, Executive Vice President, Chief Financial Officer, Representative Director and President of TEPCO Fuel & Power, Inc.

D: Involved in the management of TEPCO and the TEPCO Group, he has broad experience, insight, etc. mainly relating to fuel and thermal power generation business.

Board of Directors: 15/15 (100%)
Nominating Committee: 5/5 (100%)

Yoshinori Kaneko

A: Director, Representative Director and President of TEPCO Power Grid, Inc.
B: Nominating Committee Member
C: Outside Director of TAKAOKA TOKO CO., LTD.

D: Involved in the management of TEPCO and the TEPCO Group, he has broad experience, insight, etc. mainly relating to the power transmission and distribution business.

Board of Directors: 15/15 (100%)

Toshihiro Kawasaki

A: Director, Representative Director and President of TEPCO Energy Partner, Inc.

D: Involved in the management of TEPCO and the TEPCO Group, he has broad experience, insight, etc. mainly relating to retail electricity business.

Board of Directors: 13/15 (87%)

Shigenori Makino

A: Director, Managing Executive Officer, General Manager of Nuclear Power & Plant Siting Division, Deputy Chief and Secretary General of the Nuclear Reform Special Task Force

D: Having served as the Chief of the Nuclear Education and Training Center of TEPCO, etc., he he has broad experience, insight, etc. mainly relating to the nuclear power generation business.

New Appointment

Ryuichi Yamashita

A: Director, Executive Officer, Assistant to Chairman, Assistant to President, In charge of management & planning (joint position)
B: Nominating Committee Member
C: Deputy Chief of the TEPCO-NDF Liaison Office, Nuclear Damage Compensation and Decommissioning Facilitation Corporation

D: Having held important posts at METI and the Nuclear DamageCompensation and Decommissioning Facilitation Corporation etc., he has extensive experience, insight, etc.

Board of Directors: 15/15 (100%)
Audit Committee: 10/10 (100%)

Noriaki Taketani

A: Director
B: Audit Committee Member
C: Outside Auditor of TAKAOKA TOKO CO., LTD., Outside Director of TOKYO ENERGY & SYSTEMS INC.

D: Involved in the management of TEPCO and the TEPCO Group, he has broad experience, insight, etc. mainly relating to finance and accounting.

In April 2018, 11 directors (including outside directors) visited Fukushima Daiichi

* Attendance figures for Board of Directors meetings, etc., are for FY2017

A: Position, responsibility B: Committee C: Major concurrent positions D: Reason for appointment

Fukushima

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Cherry blossoms in Fukushima Daiichi NPS

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Sites in Hama-dori, Fukushima

Number of employees (as of the end of FY 2017)

<Tokyo Electric Power Company Holdings>

- Fukushima Headquarters 2,697
- Fukushima Daiichi Decontamination & Decommissioning Engineering Company 1,262
  (Fukushima Daiichi NPS) 896
- Fukushima Daini NPS 450
- Inawashiro Office 81

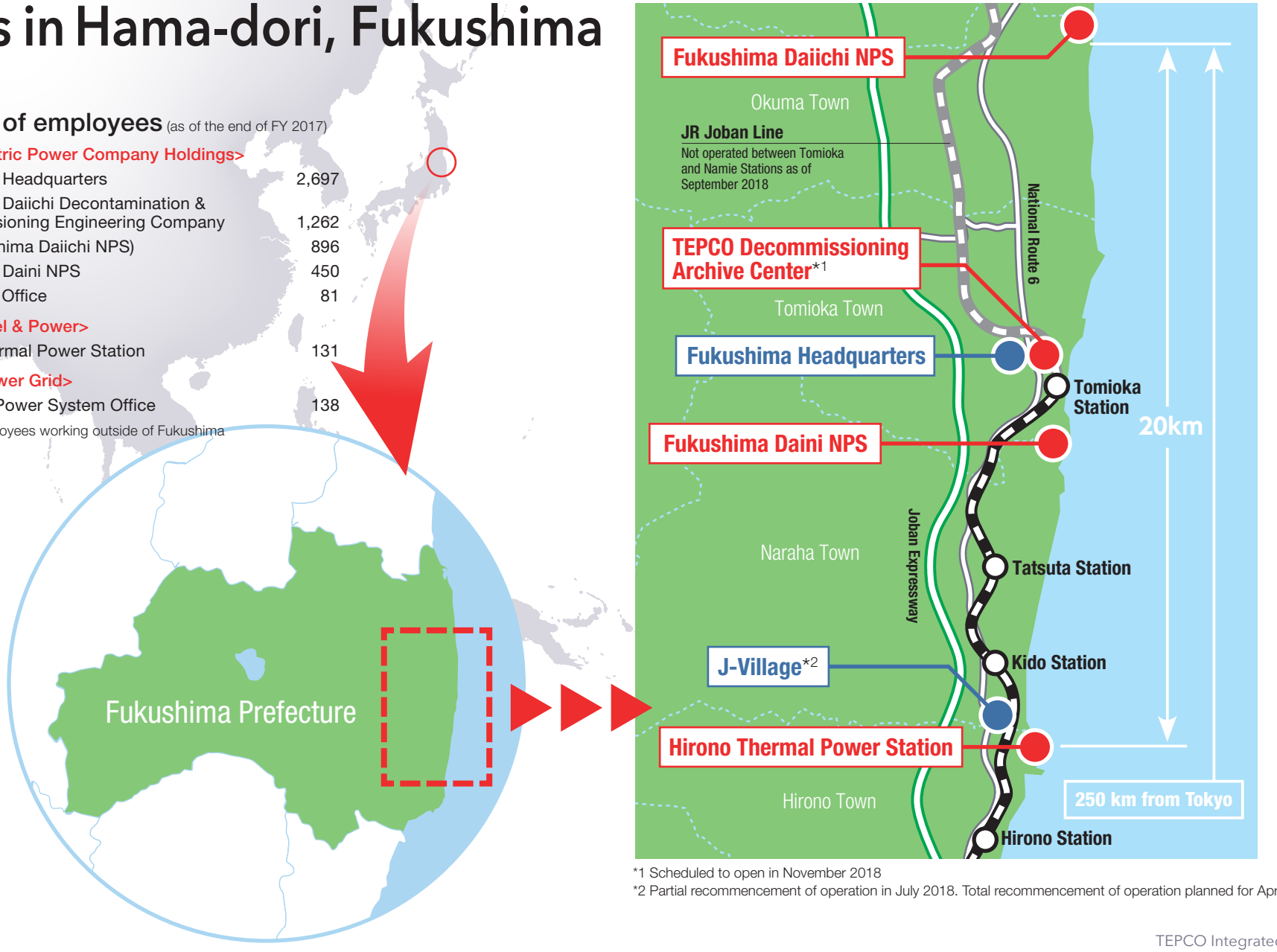
<TEPCO Fuel & Power>

- Hirono Thermal Power Station 131

<TEPCO Power Grid>

- Hamadori Power System Office 138

* Including employees working outside of Fukushima



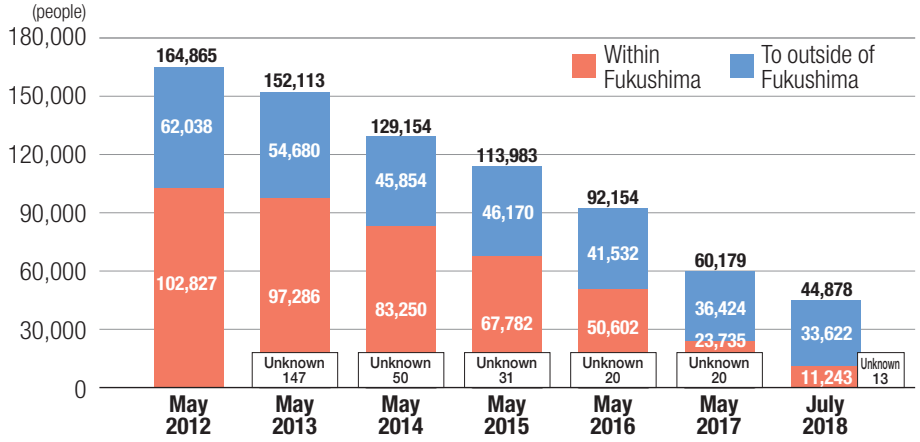
*1 Scheduled to open in November 2018
*2 Partial recommencement of operation in July 2018. Total recommencement of operation planned for April 2019.

Impact of the Fukushima Nuclear Accident

We would like to express our sincere apologies to all those affected for the inconvenience and concern.

Change in the number of evacuees

(Prepared based on [Path to the Restoration of Fukushima] issued by Fukushima Prefecture and other documents)

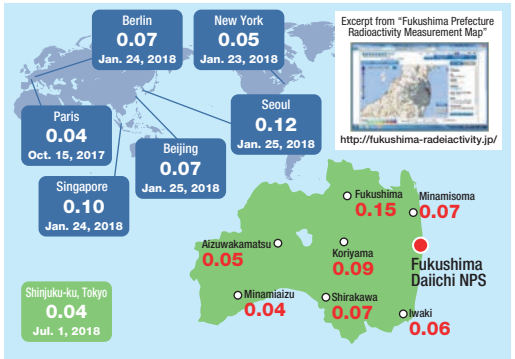


Change in the radiation level

(Prepared based on [Path to the Restoration of Fukushima] issued by Fukushima Prefecture)

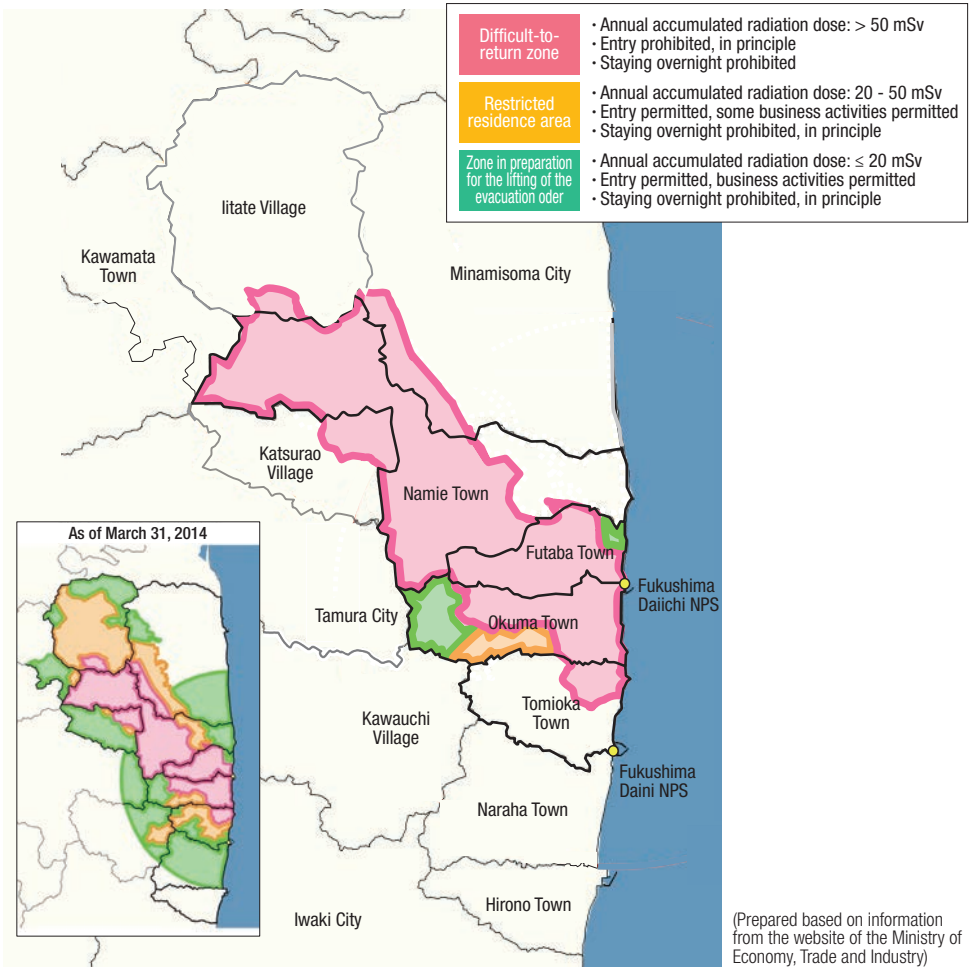
Unit: μSv/hours

	Fukushima City	Aizuwakamatsu City	Iwaki City
Non-emergency time before the Earthquake	0.04	0.04 ~0.05	0.05 ~0.06
2011.4	2.74	0.24	0.66
2012.3	0.63	0.10	0.17
2013.3	0.46	0.07	0.09
2018.7	0.15	0.05	0.06



Area categories where evacuation orders were issued

(as of September 2018)



(Prepared based on information from the website of the Ministry of Economy, Trade and Industry)

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Revitalization

Representative, Fukushima Revitalization Headquarters
Tokyo Electric Power Company Holdings, Inc.

Makoto Okura

On the front lines of recovery

I would like to express my deepest apologies for the great inconvenience that the Fukushima Nuclear Accident had caused on not only the local communities and residents of Fukushima Prefecture, but also society as a whole.

Over seven years have passed since the Fukushima Nuclear Accident and with the lifting of evacuation orders in some regions we are starting to see signs of recovery. However, with many still forced to live life as evacuees and the ill-effects of harmful rumors despite the progress that has been made with recovery, I am fully aware of the magnitude of the impact that this accident had.

It has been a little over one year since I came to Fukushima as the head of the Fukushima Revitalization Headquarters. During this time, I have been able to engage in direct dialogue with members of the community and see with my own eyes the conditions that prevail. These experiences have had a profound impact on me, and it is with all my strength that I approach each day with the aim of fulfilling the mission of TEPCO and my own personal role in that mission.

We must not forget the pain felt by all those affected by this disaster, and we must continue to fulfill our responsibility to Fukushima. In order to do this, we are taking a leading role with the aim of accelerating recovery efforts.

The TEPCO Group will continue to strengthen our roots in the community and stand on the front lines hand-in-hand with all those engaged in recovery efforts in Fukushima.

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- The number of employees engaged in decontamination-related activities

303,000employees

(Total between January 2013 and July 2018)

Decontamination, interim storage, etc.

- The number of employees engaged in revitalization promotion activities

430,000employees

(Total between January 2013 and July 2018)

Cleaning, weeding, snow removal, helping those who temporarily return to their home, etc.

J-Village reopened in July 2018 (Naraha Town)

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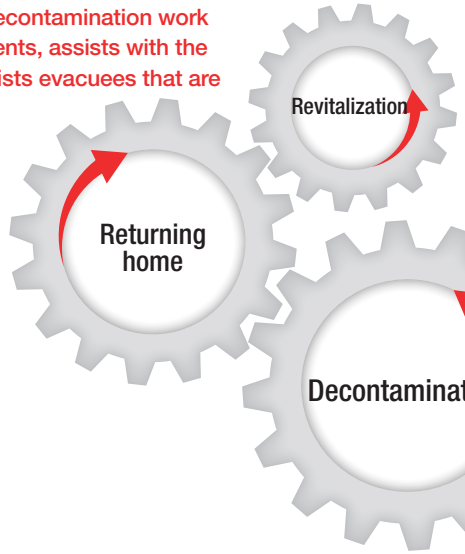
Decontamination/Recovery Promotion Initiatives

In order to enable people still forced to live as evacuees to return to their homes as quickly as possible, TEPCO dispatches employees and provides technical support to help with decontamination work headed up by the local and national governments, assists with the cleanup of the insides of homes, and also assists evacuees that are allowed to return home temporarily.

Measures to deal with radioactive substances are implemented by the national and local governments based upon law such as the Act on Special Measures concerning the Handling of Pollution by Radioactive Materials.

As the party responsible for the accident, TEPCO is doing all it can in cooperation with the national and local governments to enable residents to return to their homes as quickly as possible.



Recovery promotion activities by employees

Air dose rate measurement (J-Village)

Cleaning of schools

Cleaning of houses

Visits to areas where evacuation orders have been lifted

Reopening and rebirth of J-Village

Since J-Village had been constructed in 1997 as Japan's first national soccer training center, It has been visited annually by approximately 500,000 people and a total of approximately 6.8 million people, which had been used by the world's top athletes including the Japanese and Argentinian national soccer teams.

However, since the Fukushima Nuclear Accident, TEPCO had been borrowing the center for use as a staging base for the government, TEPCO and contractors had engaged in activities to bring the accident under control and promote recovery. Therefore, during this time J-Village had been forced to remain closed.

Thereafter, as one of its responsibilities to help Fukushima recovery, TEPCO proceeded to return the facility to its original condition based upon the Fukushima Prefecture "New J-Village Restoration and Repair Plan" and in July 2018, J-Village, which is a symbol of Fukushima's recovery, has been reopened. The TEPCO Group continues to assist J-Village since its reopening and will cooperate to ensure that the facility contributes to the region.

In April 2019, a new station on the JR Joban Line will open as the closest station to J-Village.

The Northfield area will be reopened and a grand opening will be held. In conjunction with the reopening of J-Village, the people of Fukushima Prefecture received a message from Sir Robert "Bobby" Charlton, the English former footballer who named J-Village.

The message said, "the strength to never give up that has been shown by the staff of J-Village, and Fukushima Prefecture and its people, has touched the hearts of the entire world, and you should all be proud."

Soccer practice on the new fields

The stadium when it was being used as a base of operations

The stadium as it is today

Passing down to the next generation

TEPCO Decommissioning Archive Center

In order to convey to the local residents living around the nuclear power station, the people of Fukushima Prefecture and the rest of society domestic and worldwide, the truth about the Fukushima Nuclear Accident and the current status of decommissioning, TEPCO will be opening the TEPCO Decommissioning Archive Center in Tomioka Town, Fukushima Prefecture at the end of November 2018. One of TEPCO's responsibilities is to preserve the memory and record of the Fukushima Nuclear Accident so as to pass down the regrets and lessons learned from it to people both within and outside of the company in order to ensure that such an accident never happens again. Furthermore, TEPCO believes that enabling the massive, long-term decommissioning project to be visualized and conveying the progress in an easy-to-understand manner is vital for gathering wisdom from both within and outside of Japan, and continuing to persevere. Through cooperation with the surrounding region and other related facilities, such as the archive that Fukushima Prefecture plans to open in Futaba Town in 2020, TEPCO will pass down information about the Fukushima Nuclear Accident to future generations and strive to give peace of mind to all of those engaged in recovery efforts.

Concept drawing of the completed TEPCO Decommissioning Archive Center

Training for all employees

By sharing the facts of the Accident and the lessons learned from it, TEPCO should build unwavering safety culture and ensure that the determination to fulfill its responsibilities whilst transcending generations is passed on. In order to do this, all employees systematically learn about the history of events since the Accident while aiming to be able to talk about the facts and lessons learned in their own words and promising to fulfill its responsibilities to Fukushima. This training gets employees to talk to one another and declare their intent of action.

Pictures from training

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Actions that boost recovery

Fukushima Distribution Promotion Office

It has been more than seven years since the Accident, and during this time the efforts of a great many people have resulted in a drastic reduction in radiation air dose rates in Fukushima Prefecture. And, TEPCO is starting to see bright glimpses of recovery, such as the fact that since 2015, none of the rice produced in Fukushima Prefecture has failed inspections that test the rice for excessive concentrations of radioactive substances. However, damage from harmful rumors continues because accurate information is not being sufficiently conveyed to distributors and consumers. TEPCO sees this as a serious problem, and in order to engage in initiatives aimed at eliminating damage caused by harmful rumors it has taken more initiative and responsibility than ever before and formulated/announced our Action Plan to Eliminate Damage Caused by Harmful Rumors. Fukushima Products Promotion Office has been newly created to serve as the focal point for carrying out this action plan. The office aims to pioneer sales routes by holding Fukushima Prefecture product sales events in primarily the metropolitan area and striving to increase product value while also conveying correct information about the appeal and safety of Fukushima Prefecture products in order to expand distribution further.

Fukushima Prefecture sales events

Conveying information overseas

It is extremely important to convey information overseas about recovery initiatives and the progress of recovery. Using the latest information, TEPCO proactively conveys the fact that recovery in Fukushima is steadily progressing to overseas stakeholders. And, these efforts shall help to prevent harmful rumors and the Accident from being forgotten throughout international society. Since 2016, TEPCO's executives have been giving lectures overseas about recovery and engage in dialogue with the regional community and experts. Going forward, various forms of media will be leveraged to disclose information while also continuing to engage in initiatives to convey information through direct dialogue.

Lectures and dialogues engaged in by TEPCO executives from 2016 through August 2018

Season	Country	City	Objectives	Parties that have traveled abroad
Nov. 2016	UK	West Cambria	Dialogue with local residents	Vice President (former)
Nov. 2016	Ukraine	Chernobyl, Kiev	Dialogue with local residents and former nuclear power workers	Vice President (former)
May. 2017	U.S.A	Boston	Lecture at Harvard University	Executive Advisor (former)
May. 2017	U.S.A	New York, Trycity	Dialogue with local residents	Executive Advisor (former)
Oct. 2017	U.S.A	Washington, DC	Lecture at the American Nuclear Society	Executive Advisor (former)
Nov. 2017	UK	London	Presentation at Japan Society	Executive Advisor (former)
Nov. 2017	UK	West Cambria	Dialogue with local residents	Executive Advisor (former)
Mar. 2018	South Korea	Seoul	Lecture at Hanyang University	Deputy Chairman
Aug. 2018	Taiwan	Taipei	Lecture at events sponsored by the Chung-Hwa Nuclear Society	Deputy Chairman

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Decommissioning

Chief Decommissioning Officer
President of Fukushima Daiichi Decontamination and Decommissioning Engineering Company
Tokyo Electric Power Company Holdings, Inc.

Akira Ono

Decommissioning Fukushima Daiichi is our responsibility and we are giving it our all

A precondition for recovery in Fukushima is the decommissioning of Fukushima Daiichi, and our mission is to reduce risks associated with the plant as quickly as possible by moving forward with the decommissioning process in a safe, steady and quick manner. After the disaster Fukushima Daiichi received much cooperation from parties both within and outside of the company in terms of both technical support and actual manpower, and as a result the conditions have greatly improved and we are no longer in a state of crisis. This has enabled us to look further down the road and formulate strategic steps for decommissioning.

Going forward we will be removing spent fuel and fuel debris at Fukushima Daiichi, tasks that are the core of the decommissioning process. Investigations and research have provided us with various types of information about the conditions inside reactors. However, there still remain many locations where radiation levels are quite high, such as inside the reactor buildings, and the work environment continues to be extremely harsh. The information we have obtained about conditions inside the reactor and fuel debris is still limited, and there are many issues to address, but with the help of experts from both within and outside of Japan we will cut a new path and meet these challenges head-on. The decommissioning process will take 30 to 40 years. We will continue to improve the work environment and proactively engage in research and development on new types of robots and remotely operated equipment. And, with your cooperation and understanding, we will move forward safely, steadily and quickly with the lengthy decommissioning process.

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Number of workers

4,300 *1

(as of July 2018)

Number of visitors attending for inspection and observation

12,500 /year *2

(FY2017)

Radiation dose of workers (mean value)

0.28 mSv /month *3

(as of June 2018)

Regular uniform area

96%

Time required for decommissioning

30 to 40 years

Published radiation data

100,000 pieces/year

*1 Immediately after the disaster: about 3,200 people; At peak: about 7,400 people; rate of employment of local people: about 55%.
*2 Of the about 10,000 visitors, those from outside Japan account for about 10%.
*3 Relevant laws and regulations stipulate that the effective radiation dose limits per radiation worker are 100 mSv for five years and 50 mSv for one year.

Fukushima Daiichi NPS (As of September 2018)

History of the Fukushima Daiichi since the Accident

It has been seven years since the Fukushima Daiichi Nuclear Power Station accident. During this time various initiatives have been implemented on-site and decommissioning is steadily progressing.

The following is a chronology of the major events that have happened at the Fukushima Daiichi.

Work Environment

March 11, 2011

Great East Japan Earthquake and Tsunami

A magnitude 9.0 mega earthquake occurred. Approximately 50minutes after the earthquake a tsunami 15m in height, much higher than the seawall, hit the power station.

May 2013

An entry/exit management facility is put into use

The donning and removing of protective equipment, which had been done at J-Village located approximately 20km away, is now done at this on-site facility at Fukushima Daiichi.

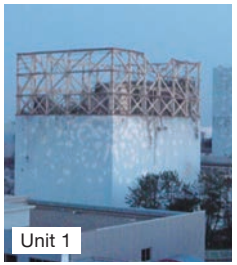
May 2015

Completion of a large rest area

The facility includes a cafeteria and a convenience store (March 2016)

Work Conditions

March 2011 Hydrogen explosions at Units 1, 3 and 4



The high temperature fuel in Units 1 and 3 that could not be cooled after the tsunami caused a total power loss reacted with steam thereby producing large amounts of hydrogen, and hydrogen explosions occurred in the reactor buildings of Units 1, 3 and 4. (A hydrogen explosion did not occur at Unit 2) Hydrogen from Unit 3 flowed into the Unit 4 reactor building causing it to explode.

December 2014

Completion of fuel removal from Unit 4

Work to remove the fuel from the spent fuel pool and transfer it to the common pool began in November 2013. As of December 2014, all 1,533 fuel assemblies had been moved.

May 2015

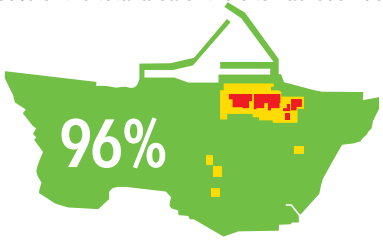
With some exceptions, all the highly concentrated contaminated water in tanks had been purified.

October 2016

Completion of a new main administration building

The new main administration building has been equipped with an emergency response center with the aim of not only improving the efficiency of decommissioning but also our emergency response.

As a result of such measures as the removal of rubble from the site, the decontamination of contaminated soil and ground paving, etc., since November 2011 the Green Zone in which normal work uniforms can be worn has gradually expanded. As of January 2015, 65% of the total area of the site had been designated a Green Zone, and by May 2018 this percentage had risen to 96%.



"Red Zone" equipment

- Full face masks
- Two layers of protective clothing, or water proof clothing on top of protective clothing
- Work boots (Dedicated for Red Zone use)
- Helmet (Dedicated for Red Zone use)
- Cotton gloves
- Two layers of rubber gloves

"Green Zone" equipment

- Disposable dust mask
- Normal work uniform
- Work boots (Dedicated for Green Zone use)
- Helmet (Dedicated for Green Zone use)
- Cotton gloves
- Rubber or cotton work gloves

February 2018

Completion of the Unit 3 fuel removal cover

In order to install a crane and prevent radioactive substances from dispersing, a cover had been constructed for removing the fuel from the spent fuel pool.

January 2018

Deposits thought to be fuel debris had been seen inside the Unit 2 primary containment vessel.

During the internal investigations of the Unit 1~3 primary containment vessels, deposits thought to be fuel debris were seen in Unit 2.

October 2015

Completion of sea side impermeable wall

In April 2012, construction began in order to stop ground water from flowing from the Unit 1~4 area into the port and prevent ocean contamination. The sea side impermeable wall was completed in October 2015.

March 2016

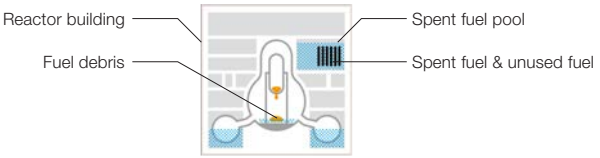
Commencement of freezing of land side impermeable wall

In order to reduce the amount of groundwater flowing into the reactor buildings and control increases in contaminated water, preparations to construct a land side impermeable wall that would cut off groundwater by freezing the soil began in November 2013. Freezing of the soil commenced in March 2016.

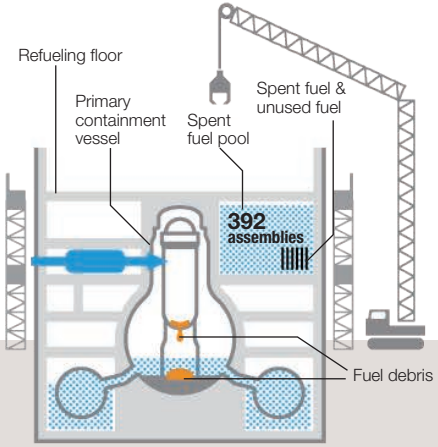
Conditions at the Fukushima Daiichi

(as of September, 2018)

Fuel and fuel debris removal conditions

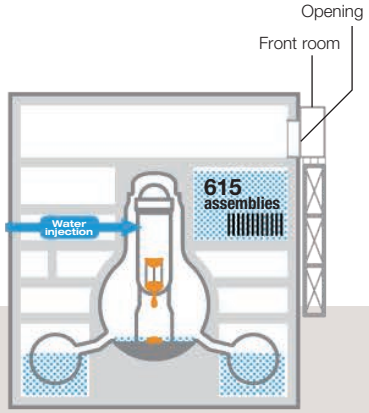


Unit:1



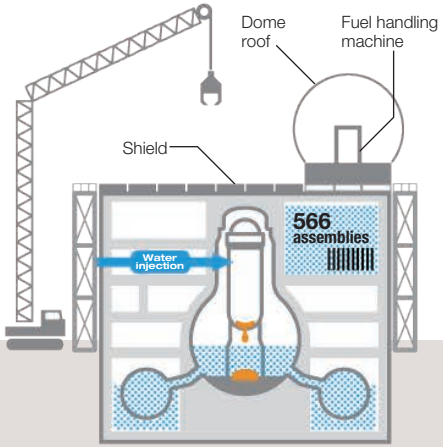
Rubble is being removed from the operating floor in preparation for the removal of fuel from the spent fuel pool. Furthermore, in preparation for fuel debris removal, additional primary containment vessel internal investigations and analysis are being conducted.

Unit:2



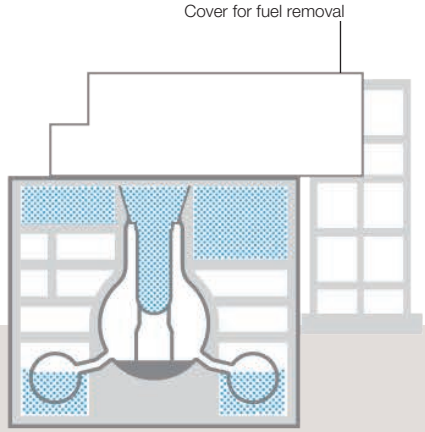
An opening had been made in the west wall of the reactor building in preparation for the removal of fuel from the spent fuel pool. Investigations of the operating floor have begun. Also, in preparation for fuel debris removal, additional primary containment vessel internal investigations and analysis are being conducted.

Unit:3



The installation of equipment for removing fuel from the spent fuel pool, such as the fuel handling machine, had been completed. And, whether or not additional primary containment vessel internal investigations are required in preparation for fuel debris removal is being deliberated.

Unit:4



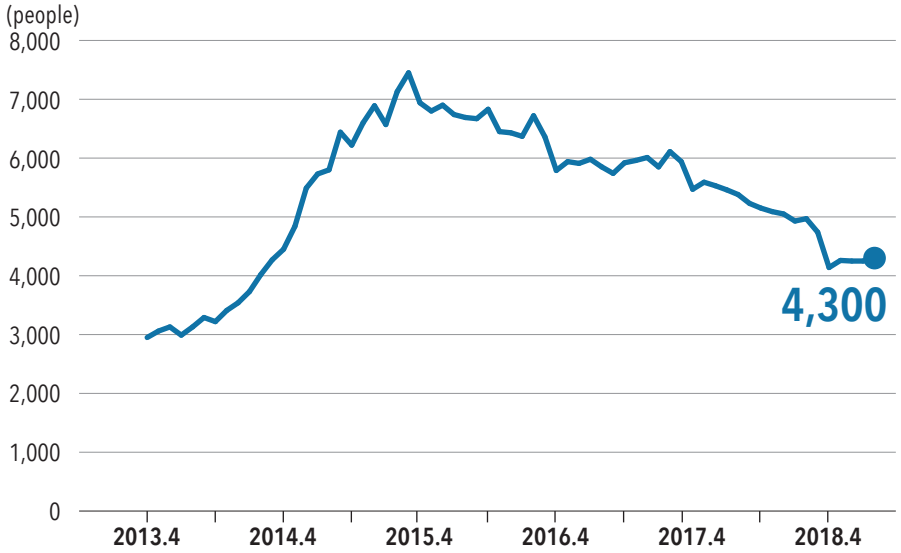
The removal of fuel from the spent fuel pool was completed in December 2014 thereby eliminating risks associated with the nuclear fuel.

Work environment conditions

Number of workers

As of July 2018, approximately 4,300 workers (contractors and TEPCO employees) engage in work at the power station daily. As of June, approximately 60% of these people have been hired from within Fukushima prefecture.

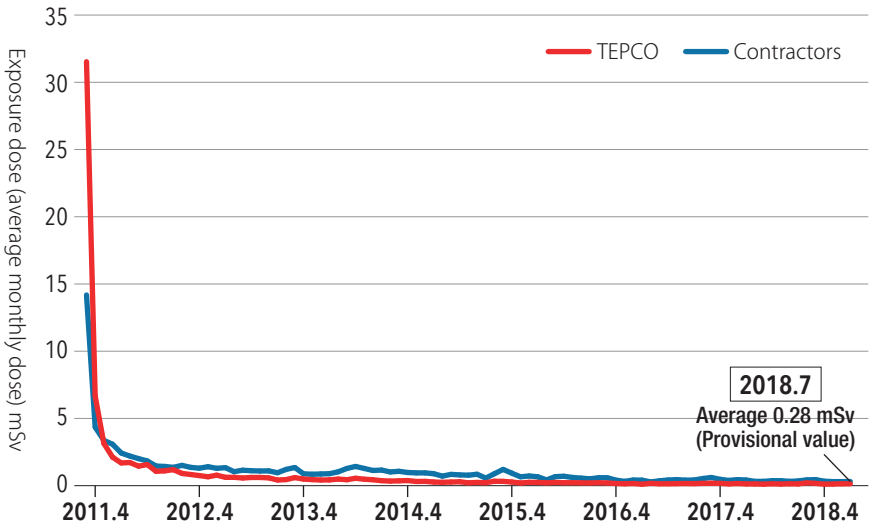
Trends in the average number of workers engaged in work on weekdays (actual tallies)



Exposure management conditions

Since FY2015, the average monthly dose of workers has remained steady at below 1mSv, and situation where the exposure doses of most workers are far below dose limits has been maintained.
(Legal dose limit: 50mSv/year or 100mSv/ 5years)

Trends in individual exposure doses per month for workers (average monthly dose)



Contaminated water countermeasures

Preventative and multilayered contaminated water countermeasures have been implemented based upon the three basic policies.

Policy 1 Remove contamination sources

a. Purify contaminated water using ALPS, etc.

b. Remove contaminated water from trenches (underground tunnels used for pipes, etc.)

Policy 2 Isolating groundwater away from the contamination sources

c. Pumping up of groundwater using the groundwater bypass

d. Pumping up water from wells (sub-drains) around buildings

e. Construct an impermeable wall on the land side by freezing soil

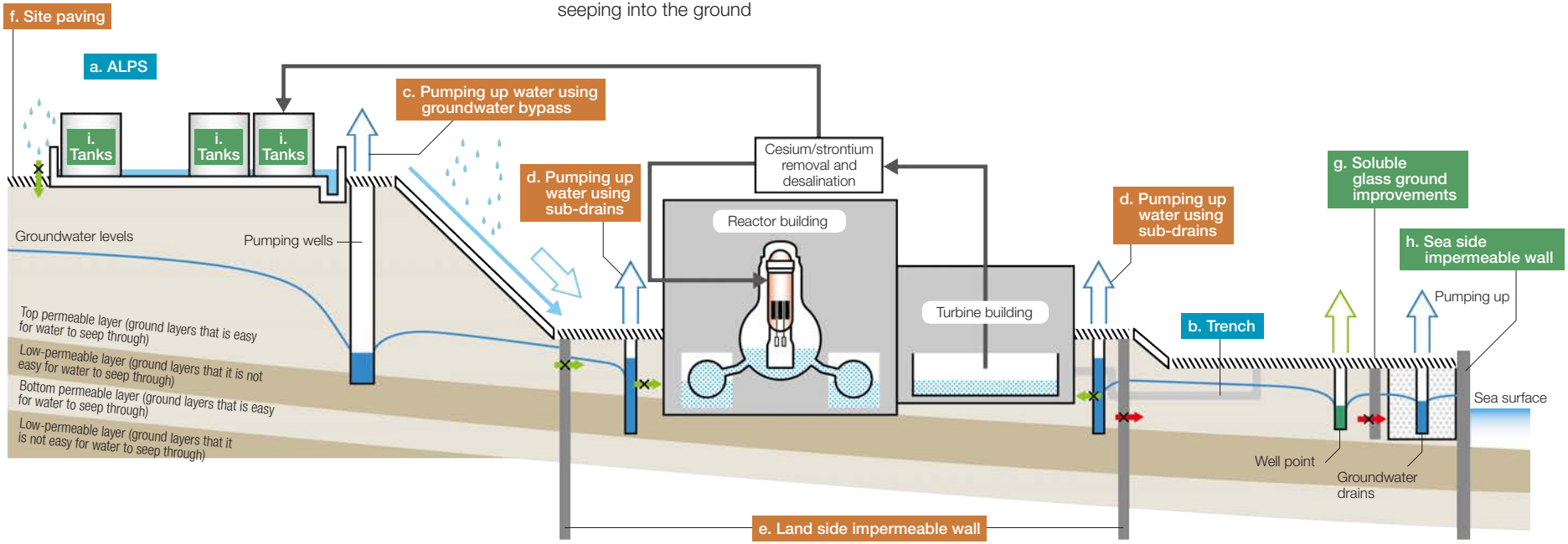
f. Pave the sites to prevent rainwater from seeping into the ground

Policy 3 Prevent contaminated water from leaking

g. Use soluble glass to make ground improvements

h. Build an impermeable wall on the sea side

i. Install additional tanks (replace tanks with welded tanks, etc.)



Water countermeasures and treatment of water that has accumulated in buildings are being engaged in in a planned manner based upon set deadlines.

Policy 1 Remove contamination sources

Additional effective doses at site borders has been reduced to 1mSv/year.

Target deadline: FY2015
Achievement status: Achieved (March 2016)

Commencement of preparations aimed at deciding on how water treated with ALPS is to be handled over the long term

Target deadline: First half of FY2016
Achievement status: Achieved (September 2016)

<Primary countermeasures>

- Operation of ALPS and the tank storage/ management of treated water

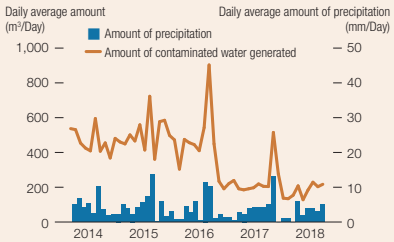
Policy 2 Isolating groundwater away from the contamination sources

Decrease the amount of contaminated water generated to approximately 150m³/day

Target deadline: During 2020
Achievement status: Achieved during the dry season (December 2017)

<Primary countermeasures>

- Trenches have been filled in and drainage channels have been equipped with backflow prevention valves in preparation for large rainfall, such as during typhoons
- Water treatment equipment, such as sub-drains, etc., has been enhanced



Trends in the amount of contaminated water generated

Policy 3 Prevent contaminated water from leaking

Store all water that has been purified with purification equipment in welded tanks

Target deadline: FY2018

<Primary countermeasures>

- Replacing tanks

Flange tanks

Welded tanks

Treating accumulated water

Cutoff connections between Units 1 and 2, and Units 3 and 4

Target deadline: FY2018

Reduce the amount of radioactive substances in water that has accumulated in buildings to approximately 1/10 what was at the end of FY2014

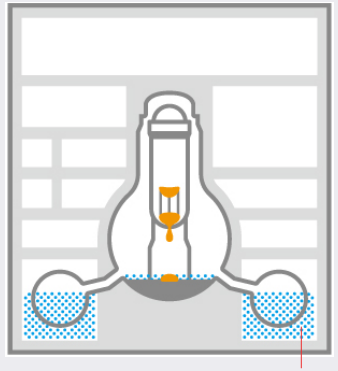
Target deadline: FY2018

Complete treatment of accumulative water buildings

Target deadline: During 2020

<Primary countermeasures>

- Remove radioactive substances from accumulated water in buildings
- Reduce the amount of accumulated water being stored



<Water treated with ALPS>

Water treated with ALPS is currently being stored in tanks, but going forward, TEPCO must not only think about scientific and technical aspects, but also fully consider putting society at ease and promoting recovery in Fukushima. It is TEPCO's understanding that the government will stipulate a direction in which to head based upon discussions held by government committees and based on that decision, TEPCO will handle the situation appropriately and carefully while respecting the opinions of stakeholders, such as the local community.

Communicating information on decommissioning

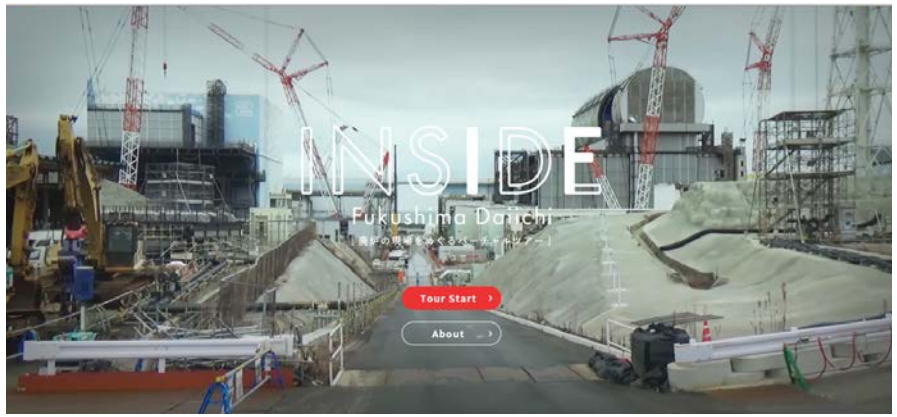
All radiation analysis data and dose rate measurements taken at the Fukushima Daiichi have been posted on the TEPCO website since August 2015. Approximately 100,000 pieces of data are posted to the website annually. TEPCO also uses various mediums to convey information about the decommissioning process and is engaged in initiatives to deepen understanding about decommissioning by providing tours of Fukushima Daiichi.

INSIDE FUKUSHIMA DAIICHI ~A virtual tour of the decommissioning site~

In order to enable as many people as possible to learn what it is like on the site of decommissioning, TEPCO has developed web content that utilizes vivid video to enable users to virtually visit the site of decommissioning and see the reactor buildings, contaminated water treatment equipment and other equipment being used for decommissioning. This content won the Best Campaign Award at Code Awards 2018*.

*A continuation of the Mobile Advertisements Awards sponsored by D2C, Inc. This year was the fifth time the awards have been held.

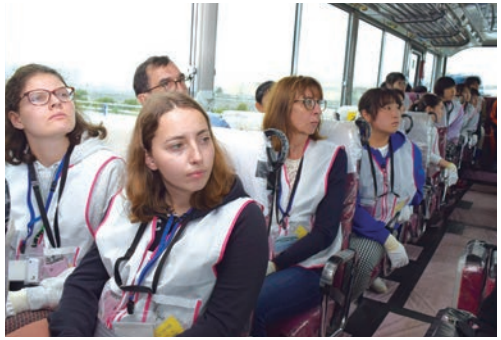
http://www.codeaward.jp



WEB INSIDE FUKUSHIMA DAIICHI ~A virtual tour of the decommissioning site~
http://www.tepco.co.jp/insidefukushimadaiichi/index-j.html

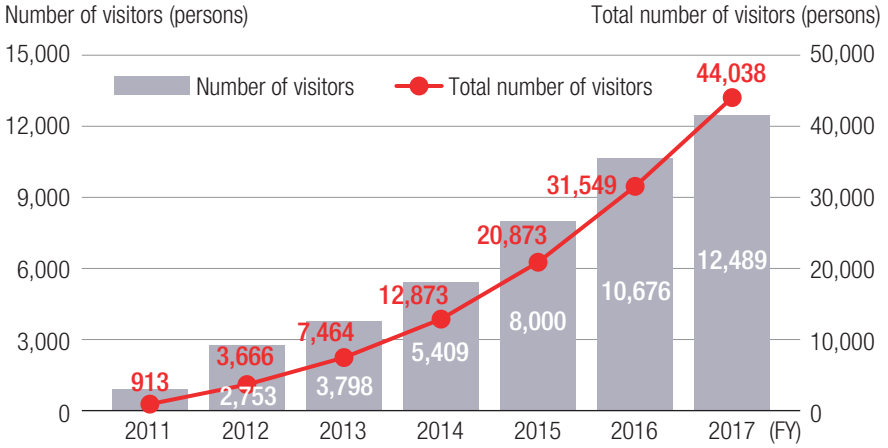
Information on tours of the Fukushima Daiichi

TEPCO is striving to deepen understanding about the decommissioning process by having visitors see with their own eyes the progress at the power station. In FY2017, 12,500 people visited the site, bringing the grand total for the number of visitors to the site since FY2011 to 44,000. Approximately 10% of these visitors were from overseas. TEPCO aims to increase the number of visitors so that approximately 20,000 people are visiting annually by FY2020.



Participants in the International High School Radiation Protection Workshop (August 2018)

Trends in the number of visitors to the Fukushima Daiichi



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Energy Service

Night view of Tokyo

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The energy industry in the year 2050
~Game-changing Utility 3.0~

The TEPCO Group is currently facing a revolution in the energy industry unlike anything that has ever been seen before. In addition to the fierce competition brought upon by shrinking of the domestic energy market and expansion of the scope of deregulation, advancements in smart-appliances, the quick increase in decentralized power sources that leverage renewable energy such as solar and wind power, the spread of electric vehicles and storage batteries, advancements in IoT, and the utilization of artificial intelligence and block chain technology could all potentially be huge game changers in the power industry. In order to change this period of revolution into an opportunity, we must accurately forecast how environmental changes will impact the industry over the mid/long term, and appropriately adjust our business portfolio to fit the new age that is coming. Cooperation in the form of alliances, partnerships, and open innovation is a vital means of achieving this.

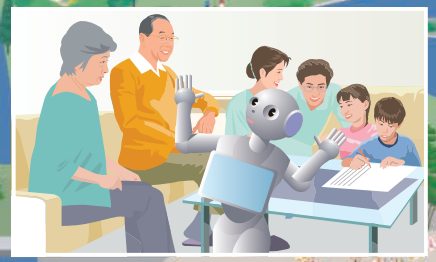
In order to foster high corporate value in the world of Utility 3.0 and fulfill our responsibilities to Fukushima, the TEPCO Group will proactively cooperate with other businesses and other fields while optimizing our business portfolio.

Representative Executive Officer
Executive Vice President
Tokyo Electric Power Company Holdings, Inc.

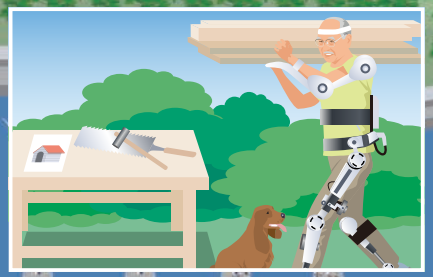
Seiichi Fubasami

Drone distribution

Family robots



Using technology to assist us in our daily lives (power assisted suits)



Submersible drones

<Our concept of a city in the year 2050>

"Safe, secure, autonomous and fun." Technology enables people to live independently, and engage in urban development that leverages the traditions and personalities of each region.

1. Regional structure where compact cities are connected by network
- Centralized residential areas with advanced services connected by automated network for transportation, distribution and information.

2. Large-scale power generation & transmission / distribution facilities located in the suburbs
- Stable supply of electricity can be realized by them even after increase in decentralized power sources. The area above power transmission lines is used as a drone highway for distribution.

3. Advancements in smart-home technology
- Homes generate electricity through solor power that is stored in storage batteries such as electric vehicles. Any left-over energy is sold on the market.
- Appliances are connected via the Internet (IoT). Equipped with AI, each appliance can automatically select the most energy efficient means of power.

4. Utilizing infrastructure in times of disaster
- When a disaster occurs, existing infrastructure, such as security cameras, drones and big data, is used for public use. Estimates about the location of the cause of the disaster, recovery status and evacuation status, etc., are continually monitored to provide residents with information in multiple languages.
  ⇒ Existing infrastructure is leveraged by all, including the TEPCO Group

Moving towards Utility 3.0 triggered by the “5-D’s”

Utility 3.0 is the predicted future state of the energy industry as seen based on various social changes and technological innovation. TEPCO believes that the “5-D’s” (the decreasing population, decarbonization, decentralization, deregulation and digitalization) driving social change in Japan present us with an opportunity to evolve so as to be prepared for the age of Utility 3.0 where not only existing energy operators, but also new operators that have digital technology, such as IoT, etc., will cooperate to provide comprehensive social infrastructure. And, it is time to take advantage of this opportunity. For example, on the energy supply side, power sources are becoming more dispersed and technology for storing energy, such as storage batteries, is spreading. At the same time, on the energy consumption side, electricity retail service is expected to be included in the various services offered by various operators in conjunction with advancements in electrification. With these changes to social structure, TEPCO believes that energy system, lifeline and digital platforms will need to be integrated.

<5-D’s in Japan>

Decreasing population

- 2050 50% decrease in populations in over 60% of regions (depopulation)
- 2065 Population in Japan: 88 million people

Decarbonization

- Paris Accord (25% CO_2 reduction by 2030)
- Cabinet Decision (80% CO_2 reduction by 2050) *2013 levels

Decentralization

- Decentralized power sources, such as solar and wind power, and the spread of energy-storage technology, such as electric vehicles and heat pump water heaters

Deregulation

- Electricity system reforms, gas system reforms

Digitalization

- Business of providing “things” ⇒ Business of providing “services” through things

Utility 1.0 The birth and quick development of the electricity industry

The age when utilities supported economic growth with institutional backing in the form of Rate-of-return systems and regional monopolies

Utility 2.0 Competition in the power generation and retail market caused by deregulation

We are now at the age where efficiency is demanded through electricity system reforms

Decentralization, Decarbonization, Decreasing population, Digitalization

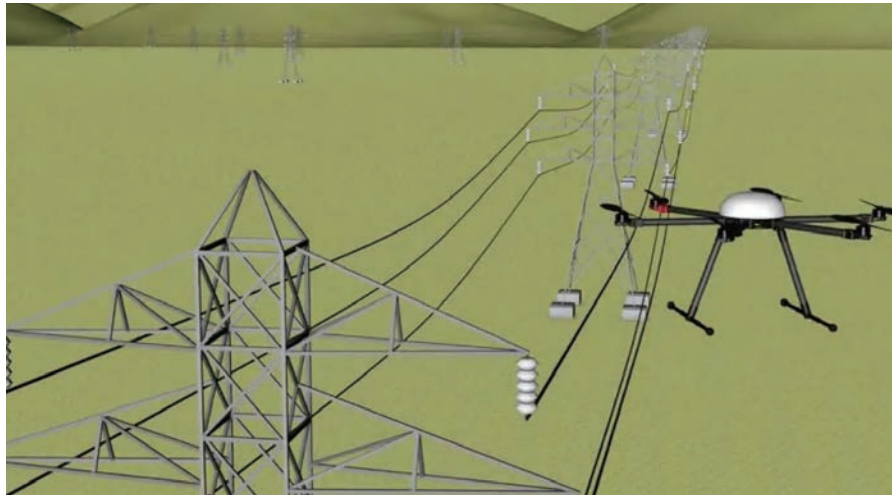
Utility 3.0 Cooperation and mergers with other businesses/other fields

The age where utilities are comprehensively responsible for social infrastructure

* Utility: Refers to public utilities, such as electricity, gas and water

Embarking on the age of Utility 3.0

The TEPCO Group sees these changes to the social environment brought upon by the “5-D’s” as new business opportunities. In order to continue to support the industrial activities and lives of the people, TEPCO is formulating mid/long term business strategies that are based on the high probability that Utility 3.0 will be a reality in the future. In July 2018, TEPCO has established the joint venture TNcross Corp. with NTT Corp. thereby combining the electricity control technology of the TEPCO Group with the information communication technology (ICT) of NTT. Through this cooperation TEPCO is moving forward with concrete plans, demonstrations and projects with the aims of promoting energy conservation and decarbonization, and giving birth to new businesses that will contribute to social demands, such as an energy supply system that is highly resistant to disasters. In the same month, TEPCO has established TEPCO Ventures Inc. for the purpose of creating various innovative projects that will make the world of Utility 3.0 a reality. Furthermore, in the same month TEPCO has begun jointly examining drone-based distribution that leverages a “drone highway” in cooperation with Zenrin Co., Ltd. and Rakuten Inc., and have been successful with demonstration tests. It is in this way that TEPCO has been already starting to develop new businesses in preparation for the coming of Utility 3.0.



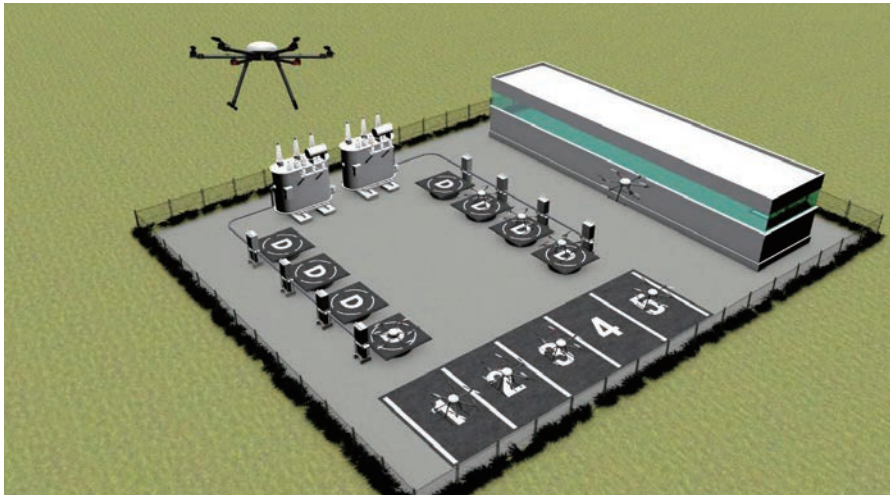


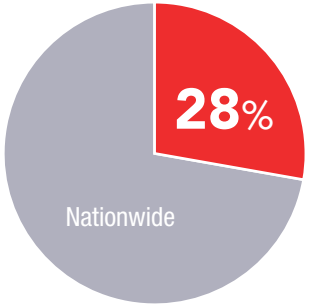
Image of drone highway

TEPCO Group business scale

The TEPCO Group provides electricity mainly in the Kanto region, including the capital city, Tokyo, to support daily life and industry. In April 2016, the total deregulation of retail electricity sales has been started. TEPCO's electricity sales account for about 30% of the nation's electricity consumption by volume.

Position of TEPCO in Japan

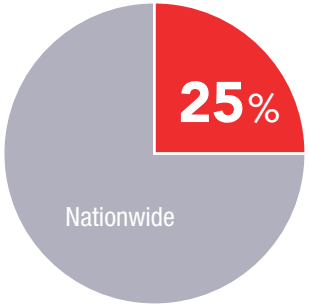
Electricity sales



(FY 2017)

* Includes specific power supplies.
Does not include the amount of self-consumption.

Electricity generation facilities



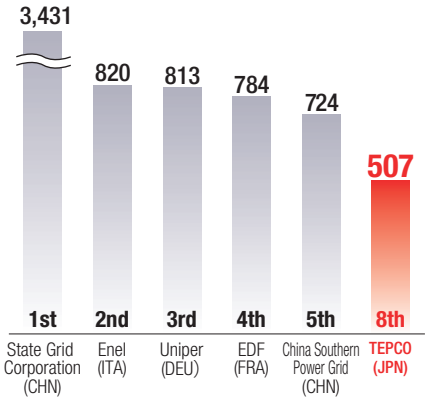
(as of the end of FY 2017)

* Applies to the Utility power generation equipment.

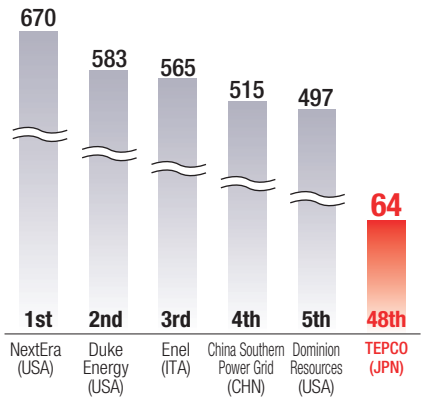
Position of TEPCO in the world

(Source: Bloomberg New Energy Finance)

Sales (unit: $100 million)

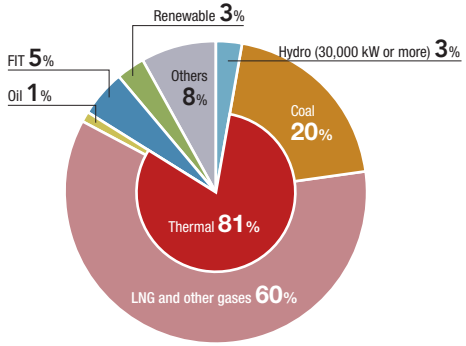


Market capitalization (unit: $100 million)



Composition of Electricity Sources

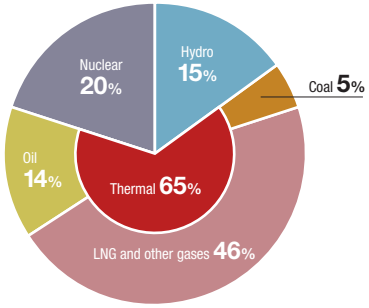
Breakdown of sold electricity by energy (based on kWh)



(FY 2017 results)

* Including electricity received from other companies

Electricity generation facilities (based on kW)

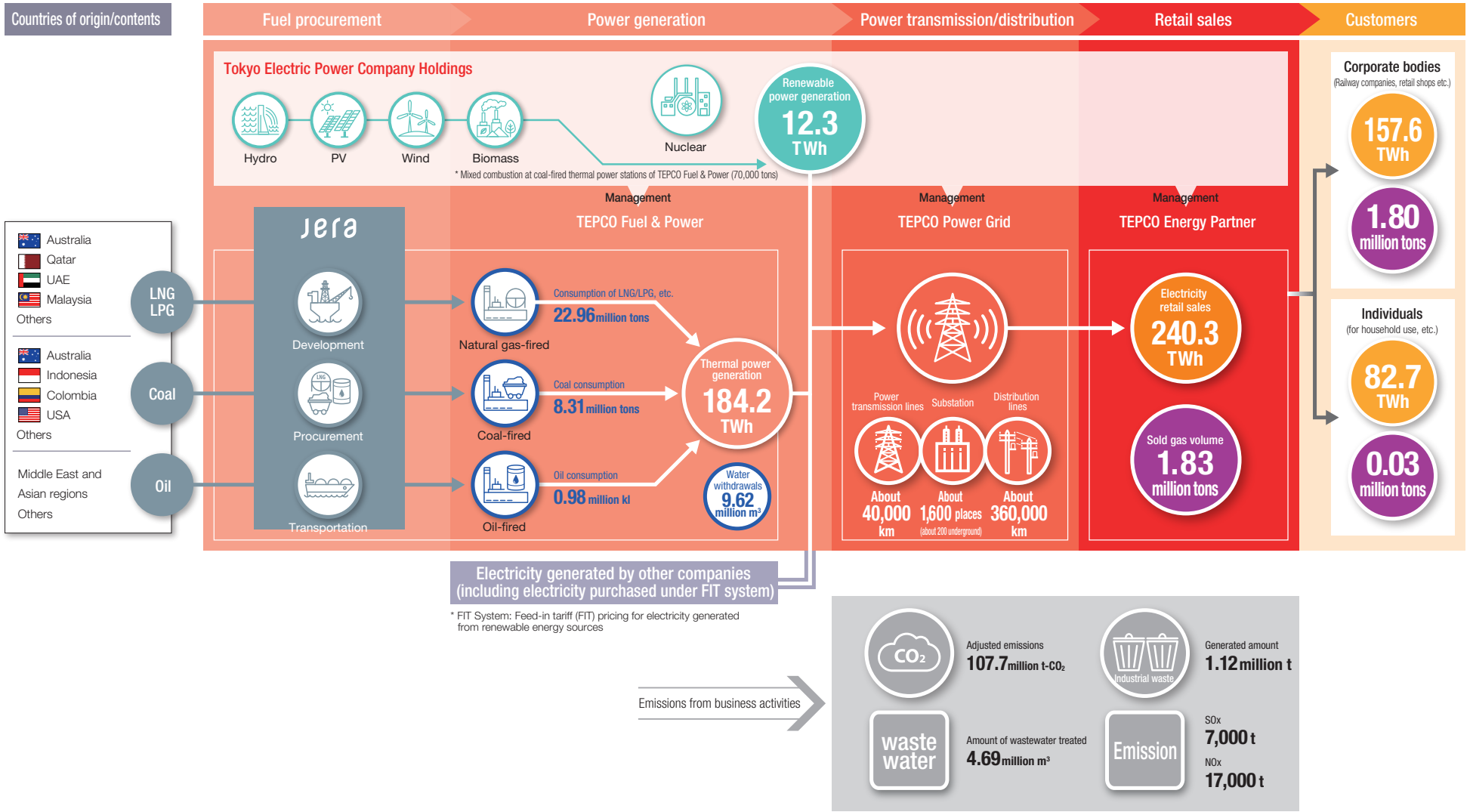


(as of the end of FY 2017)

* Totaled based on equipment owned by TEPCO HD, TEPCO Fuel & Power and TEPCO Power Grid

TEPCO Group system

(All figures are for FY 2017.)



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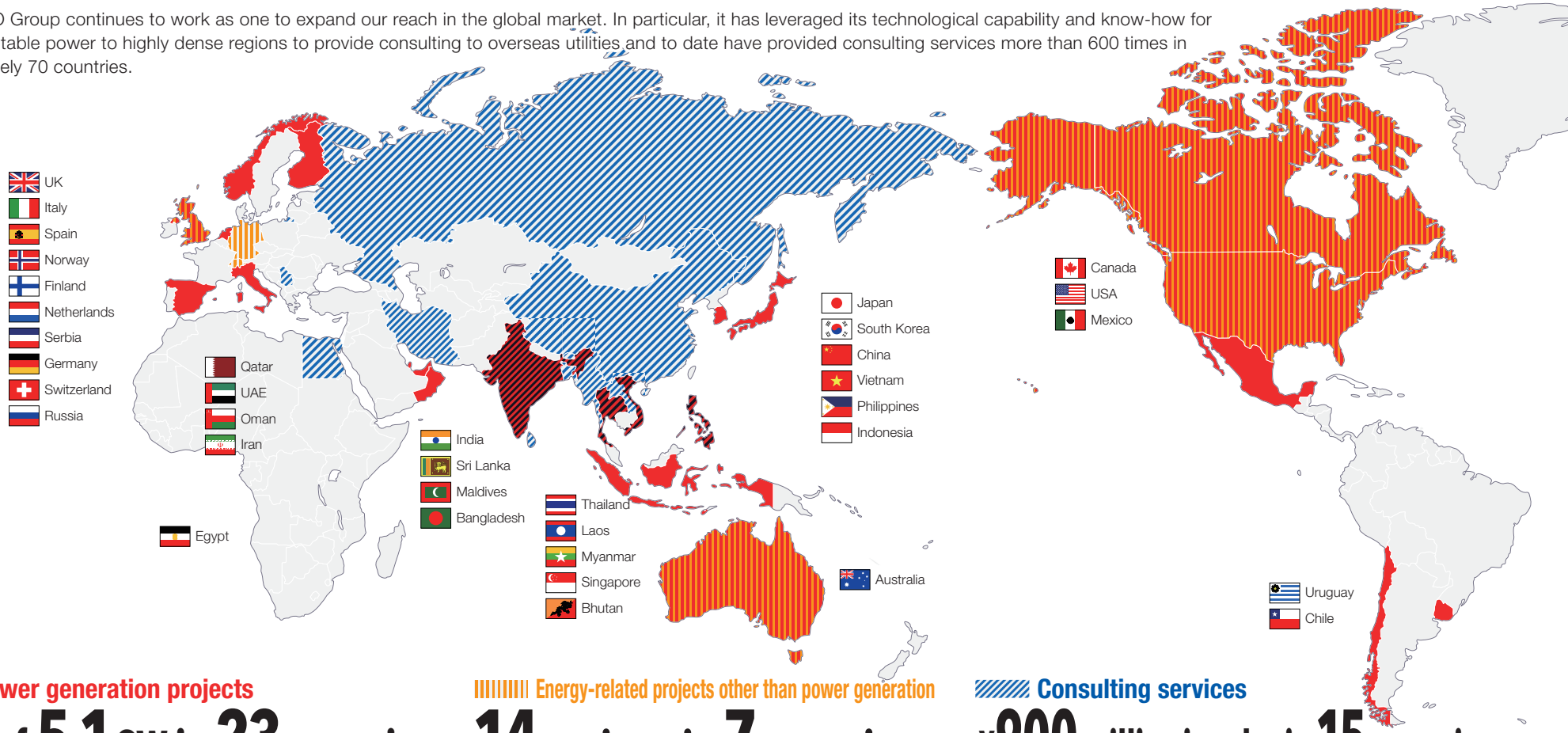
Developing global enterprises

The TEPCO Group continues to work as one to expand our reach in the global market. In particular, it has leveraged its technological capability and know-how for supplying stable power to highly dense regions to provide consulting to overseas utilities and to date have provided consulting services more than 600 times in approximately 70 countries.



Power generation projects

Total of 5.1 GW in 23 countries
(as of the end of FY 2017)

Australia, Canada, Chile, Finland, India, Indonesia, Italy, Japan, Mexico, Netherlands, Norway, Oman, Philippines, Qatar, Singapore, South Korea, Spain, Thailand, UAE, UK, Uruguay, USA, Vietnam

Energy-related projects other than power generation

14 projects in 7 countries
(as of the end of FY 2017)

Australia, Canada, Germany, Singapore, Switzerland, UK, USA

(Includes venture companies, venture capital funds, venture accelerators, and local holding companies)

Consulting services

¥900 million in sales in 15 countries
(FY 2017)

Bangladesh, Bhutan, China, Egypt, India, Iran, Laos, Myanmar, Philippines, Russia, Serbia, Singapore, Sri Lanka, Thailand, Vietnam

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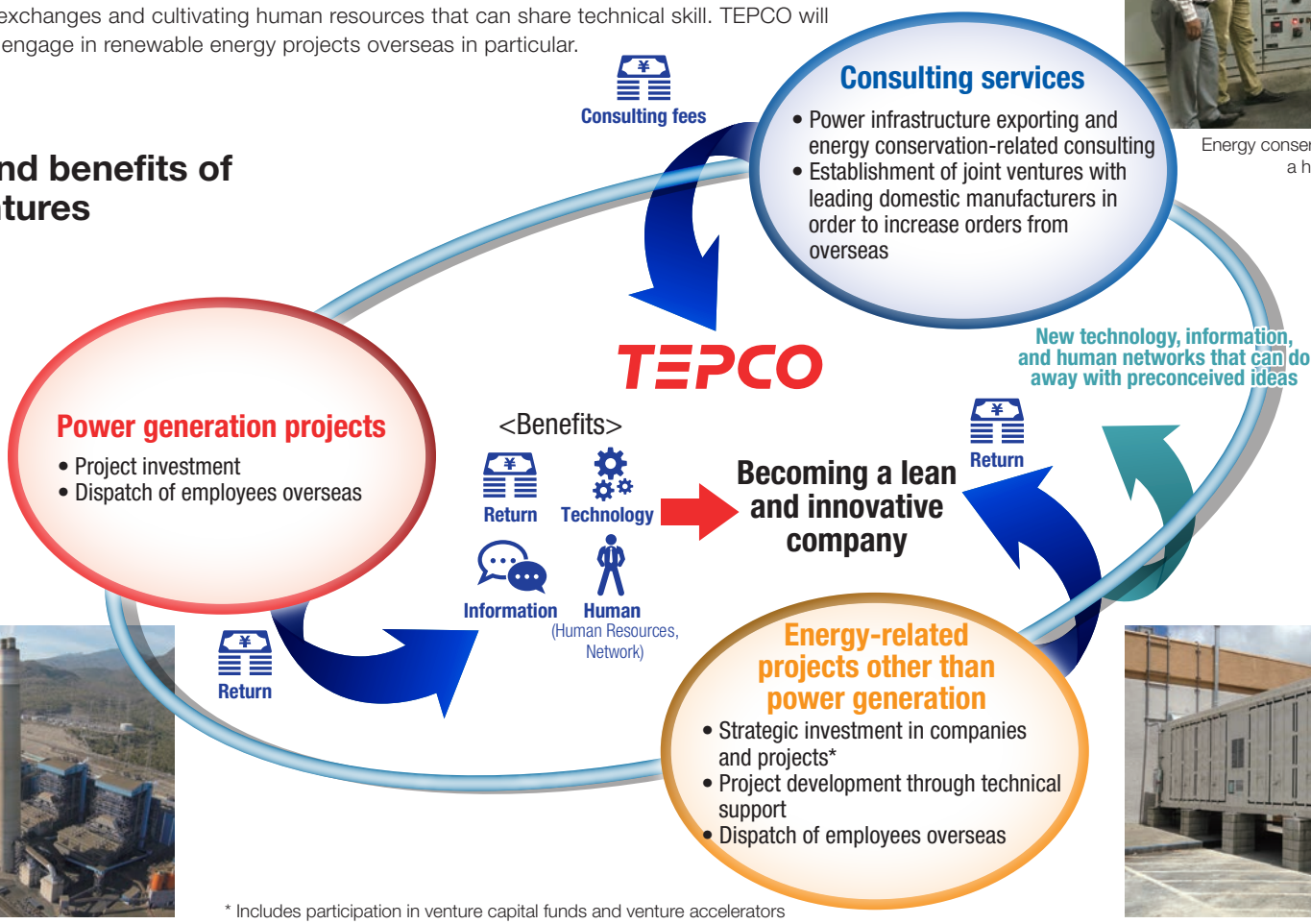
In the power generation, transmission/distribution and power retail fields, TEPCO has been preparing for further growth such as by establishing holding companies and investment companies overseas as we continue to search for new business opportunities. In addition to entering into projects after fully examining the project or investment from the perspectives of risk, capital procurement and profitability, etc., TEPCO has been also engaging in personnel exchanges and cultivating human resources that can share technical skill. TEPCO will continue to proactively engage in renewable energy projects overseas in particular.

The details and benefits of overseas ventures

Energy conservation-related consulting at a hospital in India (TEPCO HD)



Paiton/Coal-thermal IPP project (JERA)

* Includes participation in venture capital funds and venture accelerators in order to form relationships with venture companies that are predicted to grow in the future

Installation of storage batteries in Hawaii (Oahu) (TEPCO Ventures)

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TEPCO Fuel & Power, Incorporated

Major business operation	Fuel and thermal power generation business
Location of Head Office	1-5-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo
Representatives	Chairman: Toshihiro Sano President: Seiji Moriya
Established	April 1, 2015
Capital	¥30 billion
Parent company	Tokyo Electric Power Company Holdings, Inc. (100%)

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Strengthening supply chain and becoming a company that can overwhelm the competition in the world

TEPCO Fuel & Power has two primary missions: to provide internationally competitive energy in a stable manner, and increase corporate value in order to fufill TEPCO's responsibilities to Fukushima. In order to do this, we are strengthening our supply chain from the procurement of fuel all the way to power generation and sales. At the core of these efforts is JERA, a joint venture formed from a comprehensive alliance with Chubu Electric Power. We are currently merging our fuel upstream investment, fuel procurement and overseas thermal power generation divisions with Chubu Electric Power, and plan to also merge our domestic power generation division in April 2019. Going forward, we will leverage our know-how to further develop power generation projects in Asia, North America and the Middle East, in particular. Engaging in power generation projects overseas improves our fuel procurement superiority in the energy market which leads to cost reductions, stable fuel procurement over the long term and the ability to flexibly respond to changes in the fuel balance. We are also modifying our portfolio so as to suitably respond to electricity demand. By increasing our choices in regards to what fuel and equipment to combine at what times and in what places, we will be able to respond appropriately under various conditions, reduce costs and improve corporate value.

We have also introduced the concept of Kaizen in our pursuit of the world's highest levels of operation and maintenance, and are engaged in management reforms at power stations. As a result, we have shortened our conventional regular inspection period of 100 days to approximately 1/3 that thereby leading to great cost reductions. We have also revised our inspection rules, which had been determined out of habit, and are using data accumulated to date on equipment nonconformities and IoT to eliminate inspections for which there are no safety issues. We are also considering standardizing the know-how that will be built upon Kaizen and productivity improvements, and leveraging it for overseas power production projects in order to provide a superior package. We aim to become a company that can overwhelm the competition in the global market. To achieve this, we will act quickly and move strongly forward while undertaking new challenges and learning from our mistakes to become a leader on the world stage.

President
TEPCO Fuel & Power, Inc.

Seiji Moriya

Although our electricity sales volume has decreased, revenue from thermal power generation fees has increased as a result of increases in fuel prices thereby leading to a year-on-year (YoY) increase of 11.8% in sales. On the other hand, although we have strived to reduce costs, such as by shortening the regular inspection period, an increase in fuel expenses resulting from increased fuel prices caused a 2.4% YoY reduction in ordinary income.

Heat recovery steam generator of Kawasaki Thermal Power Station

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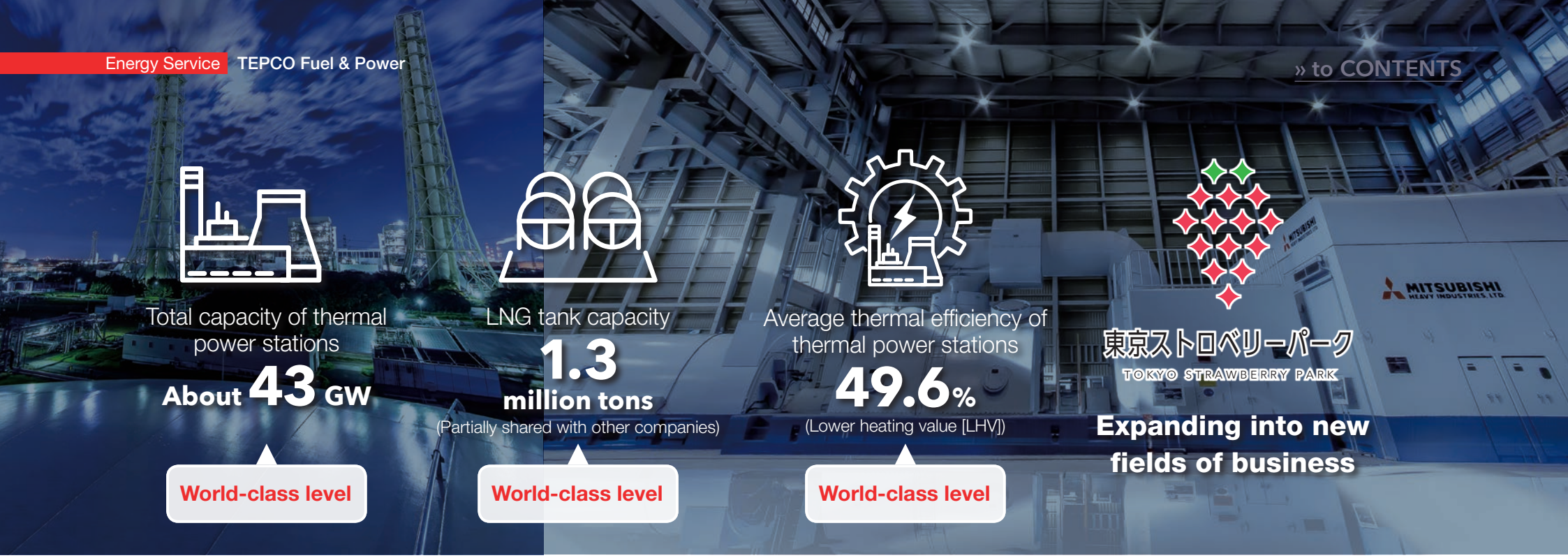


Total capacity of thermal power stations

About 43 GW

World-class level

LNG tank capacity

1.3 million tons

(Partially shared with other companies)

World-class level

Average thermal efficiency of thermal power stations

49.6%

(Lower heating value [LHV])

World-class level

東京ストロベリーパーク
TOKYO STRAWBERRY PARK

Expanding into new fields of business

Risks and opportunities

- Regulatory changes in the electricity industry
- Decrease in demand as a result of promotion of energy saving
- Increase in renewable energies
- Upward trajectory of fuel prices
- Expansion of energy demand in Asia and other foreign countries and intensification of competition
- Total deregulation of retail gas sales

Efforts

1 Promotion of alliances
(Promotion of globalization)

- Fuel business
- Overseas electric power generation
- Transportation/trading
- Domestic electric power generation
- Renewable power generation

2 Value-up Project

- Operation responding promptly and flexibly to changes in the market and facility condition
- Shortening of the process of periodic inspections through improving work efficiency, etc.
- Reduction in fuel, repair and other costs

3 Expanding into new fields of business

- Development & commercialization of O&M (Opreration and Maintenance) services
- Exploring new business except electricity services, such as Eco Farm Project

Synergistic effects as a result of JERA integration

Integration effect of

-

¥100 billion

Within five years of the integration

JERA (FY 2025)

Scale of capacity of domestic power generation

About 75 GW

Scale of capacity of overseas power generation (equity ownership in electricity output)

About 15 GW

Scale of LNG handling

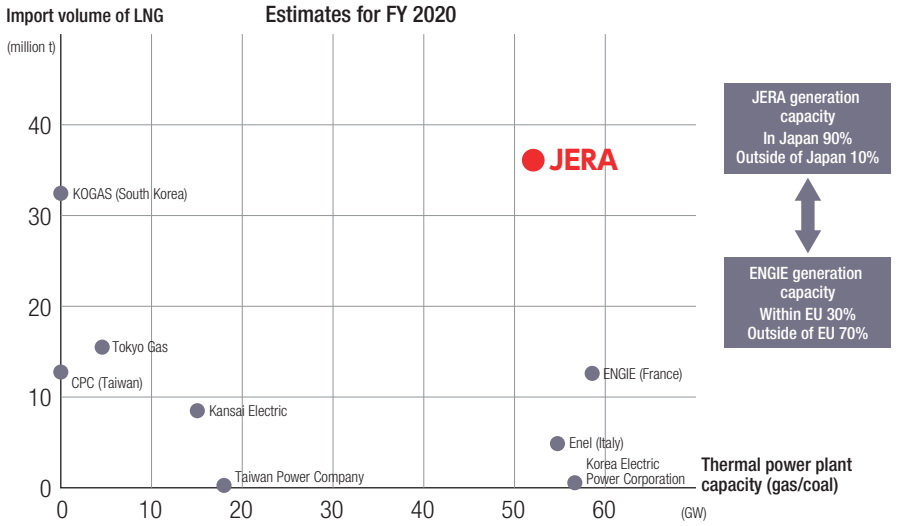
About 35 million tons

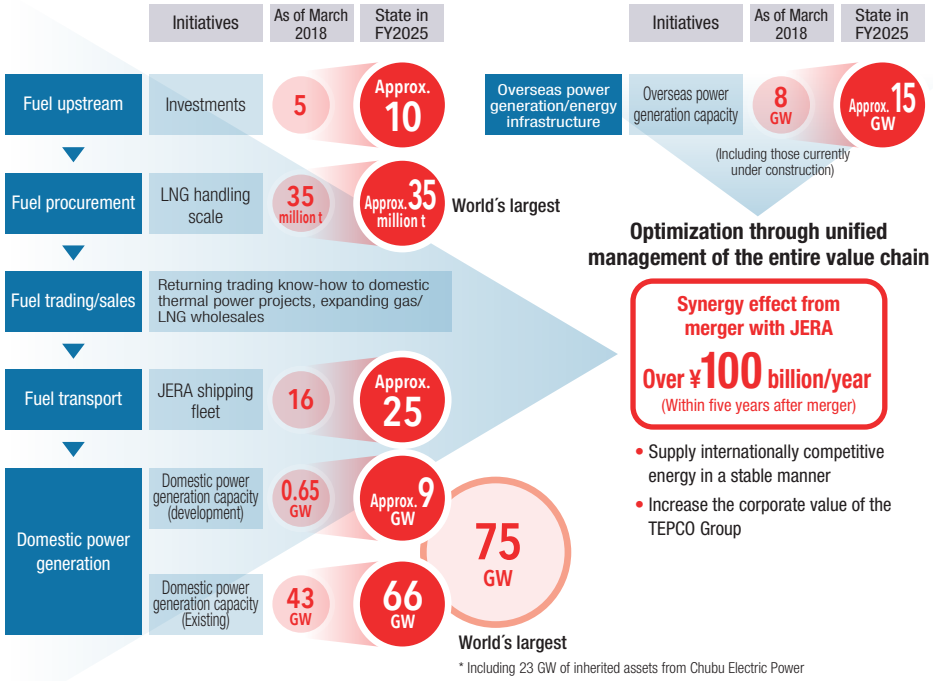
JERA: Supplying internationally competitive energy in a stable manner

Position of JERA in the international market

JERA Co., Inc. focuses its business activities not only on the domestic thermal power generation business but also on the entire supply chain of the fuel and thermal power generation business. The company therefore has a global, borderless nature. The integration of fuel (upstream and procurement), existing overseas power generation and energy infrastructure businesses was completed in July 2016, when the company started its full-scale operation as one of the leading energy companies in the world.

The amount of LNG procured by JERA is the largest in the world. In addition, when the ongoing integration of the existing domestic power generation business is completed, the amount of thermal power generation facilities will also be the largest in the world.





April 2015
JERA Co., Inc. established

October 2015
Fuel transport/fuel trading, division mergers

July 2016
Fuel upstream/procurement, overseas power generation/energy infrastructure division mergers

June 2017
Execution of joint venture agreement on the merger of existing thermal power generation divisions

May 2018
Execution of absorption-type split agreement on the merger of existing thermal power generation divisions

April 2019 (Plan)
Existing thermal power generation division mergers

Value-up project

In regards to thermal power generation plants, TEPCO Fuel & Power (TEPCO FP) continues to promote projects that increase value in order to provide the world's highest levels of power generation at the lowest cost. And, it has strived to reduce costs and improve efficiency by shortening regular inspection periods, improving productivity by revising and standardizing work procedures, and strengthening its ability to negotiate prices during procurement. In conjunction with this, it has also established unique management methods that incorporate these achievements. TEPCO FP will continue with its initiatives in order to be overwhelmingly competitive.

Work method improvement *Kaizen*

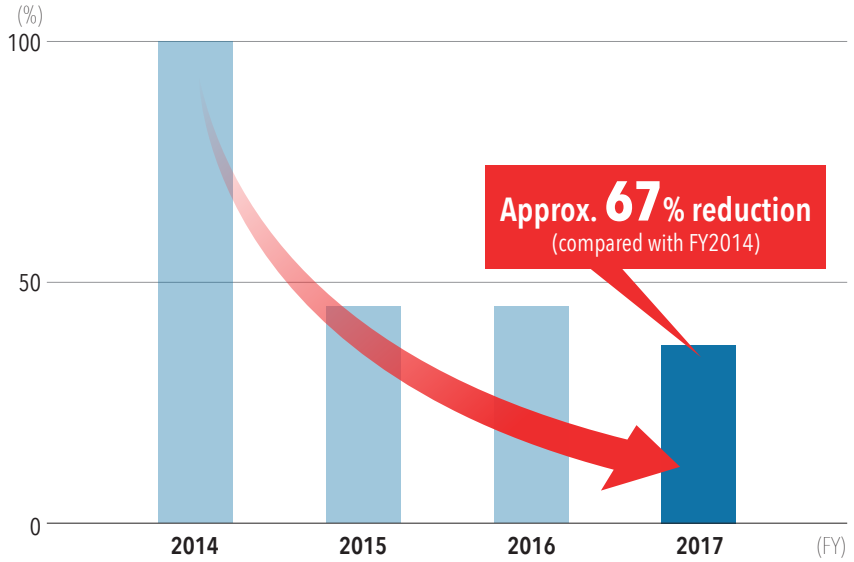
Schedule improvement *Kaizen*

Inspection content review *Kaizen*

Work schedule shortening

Trends in the number of days required for regular inspections at the Hitachinaka Thermal Power Plant (coal-thermal)

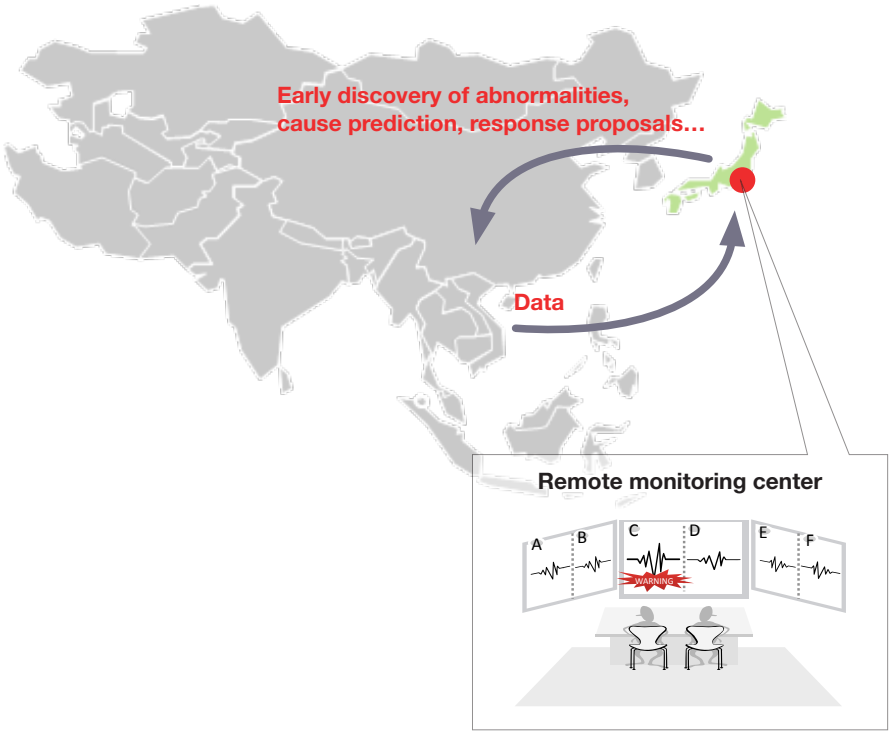
* If FY2014 is counted as %100



Expanding into new fields of business

Power station remote monitoring service

Through IoT-based data analysis, TEPCO FP can manage symptoms and thermal efficiency in real time thereby improving the operating rate of power stations and reducing O&M costs. It began providing remote monitoring services (July 2018) to the Pagbilao Power Station operated by TeaM Energy Corporation in the Philippines.



National petroleum reserves project

TEPCO FP has been consigned with the task of managing four out of the 10 national petroleum reserve bases in Japan (Tomakomai-Tobu, Fukui, Akita and Shibushi) (April 2018).

Eco Farm Project

TEPCO FP has opened the TOKYO STRAWBERRY PARK inside the Yokohama Thermal Power Plant (April 2018). The most impressive part of TOKYO STRAWBERRY PARK is that it contains a strawberry farm where you can pick strawberries all year long, the first of its kind in the metropolitan area. By leveraging cutting-edge technology for controlling the environment, such as temperature and humidity, strawberries can be grown year-round. This facility has been run as part of Eco Farm Project and it aims for sales upwards of ¥200 million during the first fiscal year. TEPCO FP will continue to explore new fields that fuse the use of energy with cutting-edge technology.

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TEPCO Power Grid, Incorporated

Major business operation	General power transmission and distribution, real estate rental, and power generation on remote islands
Location of Head Office	1-1-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo
Representative	Yoshinori Kaneko, President
Established	April 1, 2015
Capital	¥80 billion
Parent company	Tokyo Electric Power Company Holdings, Inc. (100%)

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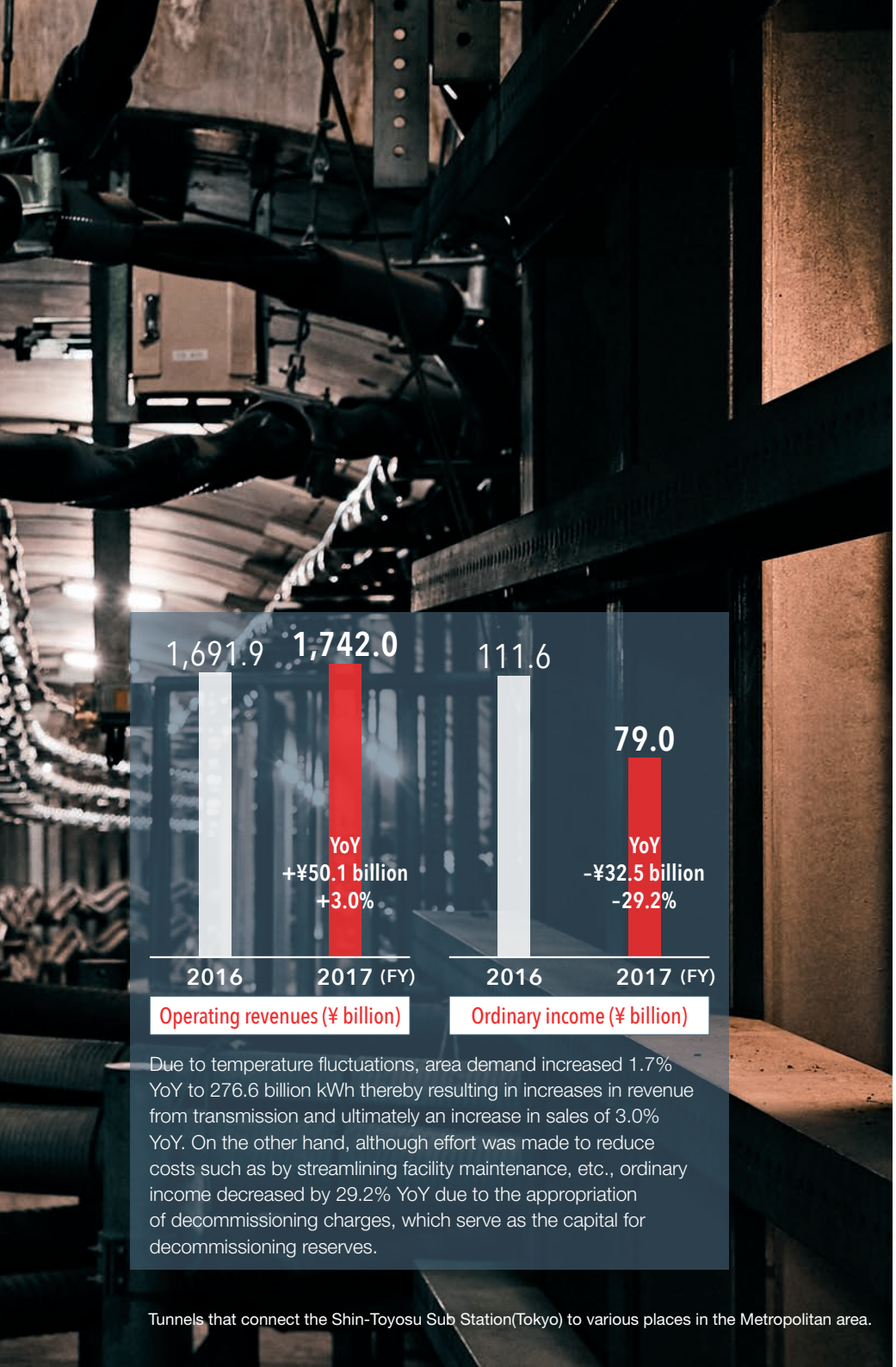
Power transmission and distribution network that achieves the world's best quality and low costs

The environment that surrounds power transmission operators is starting to change dramatically due to the spread of energy-saving technology and the introduction of renewable energy in addition to the spread of electric vehicles (EV), decreasing populations and depopulation/congestion. TEPCO Power Grid perceives these market changes as opportunities and we are continuing to grow into a global power transmission company by engaging in three major initiatives: enhancing our power transmission business foundation, creating value for new power transmission networks, and expanding our area of coverage. In order to provide a stable supply while lowering the transmission costs, we are moving forward not only with lowering costs by improving personnel productivity through Toyota-style Kaizen activities and the introduction of digital technology, but also running our business in an efficient and sustainable manner in Japan where the labor population is decreasing. We are also engaged in efforts in various fields in order to reduce cost, such as by reducing costs associated with material procurement by procuring goods jointly with other electric companies, and making costs associated with demand adjustments more efficient by adjusting demand over wide areas. As we approach the 2020 athletic games in and around Tokyo, our coverage area will become the focus of world attention and we must not merely move forward with suitable power supply work and equipment countermeasures, but also enhance security monitoring functions and strengthen our ability to recover in the case of an accident thereby enabling us to provide a safe and sound energy environment. In addition, in light of the risks associated with equipment accidents caused by weather hazards that have been increasing in recent years, we are striving to ensure stable supply by strengthening our ability to make repairs. And, by creating value for new power transmission networks that can meet the diversified needs of our customers and society, and leveraging as much as possible power transmission networks that we have built and technical skill that we have cultivated through the years, we are expanding our area of coverage. Combining our refined technological capability and know-how with the achievements of Kaizen and digitalization will lead to the proactive development of IoT platform service commercialization and overseas projects, and enable us to grow further. By continuing to implement "discontinuous business structure reforms," we shall grow into a company that is needed by our customers and society more than ever, and fulfill TEPCO's responsibilities to Fukushima.

President
TEPCO Power Grid, Inc.

Yoshinori Kaneko



Due to temperature fluctuations, area demand increased 1.7% YoY to 276.6 billion kWh thereby resulting in increases in revenue from transmission and ultimately an increase in sales of 3.0% YoY. On the other hand, although effort was made to reduce costs such as by streamlining facility maintenance, etc., ordinary income decreased by 29.2% YoY due to the appropriation of decommissioning charges, which serve as the capital for decommissioning reserves.

Tunnels that connect the Shin-Toyosu Sub Station(Tokyo) to various places in the Metropolitan area.

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Number of power outages
0.09 times/year
(Result in 2017)
World-class level

Duration of power outages
6 minutes/year
(Result in 2017)
World-class level

Smart meters
18 million units
(as of July 2018)
Installed units of smart meters
The largest number of units in Japan

Sales from businesses other than transportation services
¥100 billion
(FY 2026 Target)

Risks and opportunities

- Decrease in demand as a result of promotion of energy saving
- Expanding use of renewable energies and distributed generation sources
- Innovation in information technology
- Human power shortage, aging population
- Increase in aging facilities

Efforts

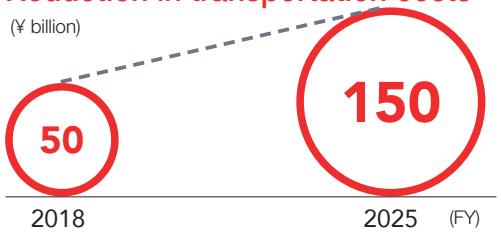
To culminate **Strengthen the base for power transmission and distribution business (Achievement of reduction of transmission costs and of stable supply)**
- Companywide adoption of Toyota-style Kaizen • Organizational integration
- Digitalization • Effective improvement of facilities, etc.

To create **Improve convenience through the sophistication of the power transmission and distribution network**
- Integrated operation of, planning of and investment in wide-area power transmission networks
- Expansion of interconnection of renewable energies
- Smart meter system, etc.

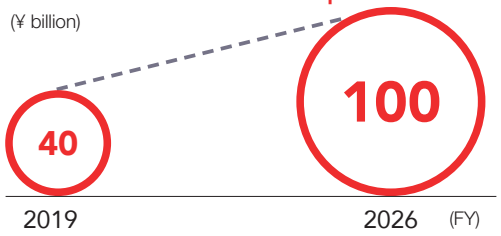
To expand **Expand business areas (Sales from businesses other than transportation services and global expansion of power transmission and distribution business)**
- Development of a platform business that generates new value
- Participation in overseas power transmission and distribution business projects

* Active alliances with other companies to further expand our business

Reduction in transportation costs



Sales from other than transportation services



* Including sales of subsidiaries, affiliated companies and partially owned companies that are calculated by proportional division based on investment ratio, etc.

Profits About ¥120 billion /year Allocated as decommissioning reserves

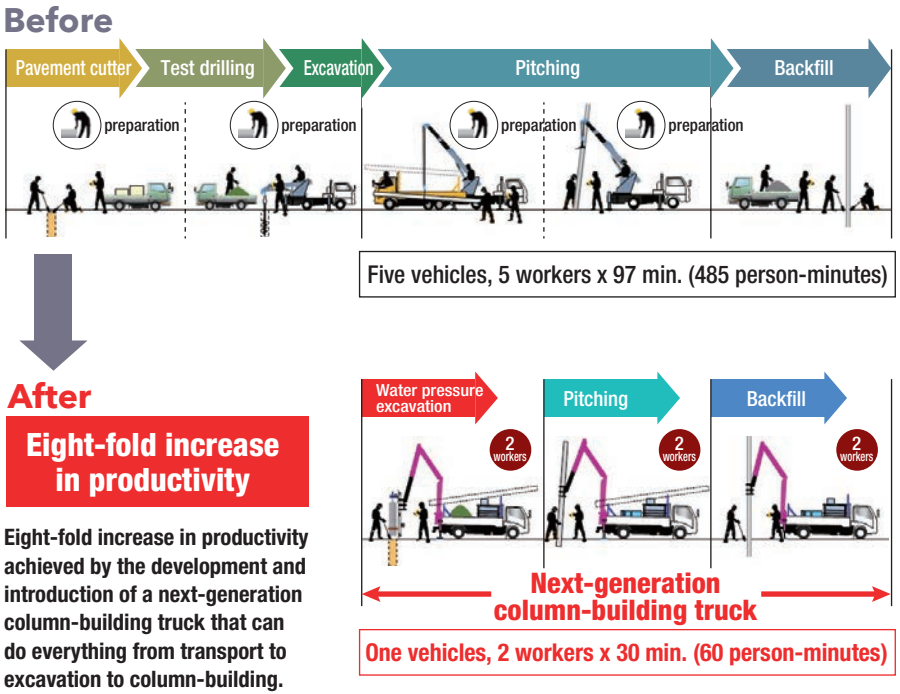
Lowering the transmission costs

TEPCO Power Grid (TEPCO PG) will strengthen competitiveness and enable sustainable business management by optimizing equipment configurations based on cutting-edge concepts and managing projects with the utmost efficiency.

Toyota-style Kaizen

TEPCO PG is aiming to further improve personnel efficiency and lower cost by engaging in productivity doubling based on Toyota-style Kaizen methods that are applied to everything from efficiency improvements for distribution equipment work and the desk work. (All 229 Kaizen projects will be completed by the end of FY2018)

Examples of power transmission equipment work Kaizen

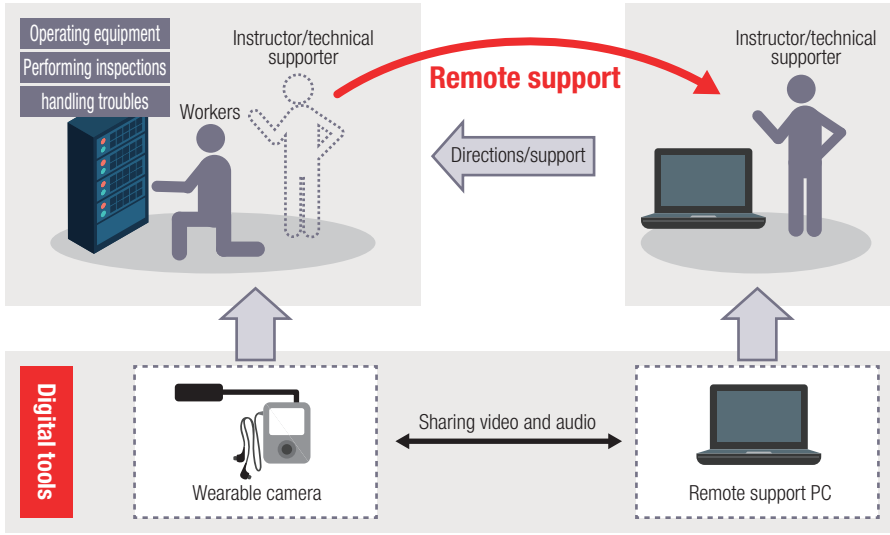


Eight-fold increase in productivity achieved by the development and introduction of a next-generation column-building truck that can do everything from transport to excavation to column-building.

Digitalization

In order to improve the safety and productivity of electrical equipment maintenance, and appropriately make up for a lack of labor power, TEPCO PG is proactively using cutting edge technology, such as information communication technology (ICT), sensing technology and robots, etc., on the front lines in the field.

Improving efficiency by using wearable cameras



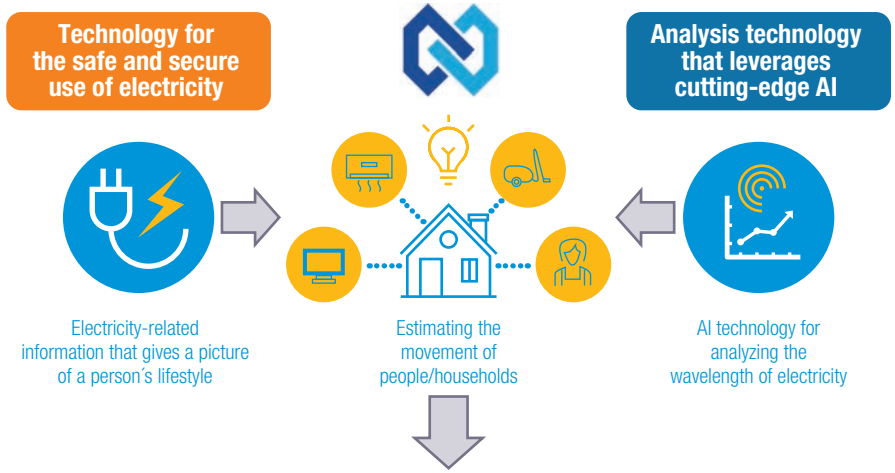
By using wearable cameras to transmit video and audio to company offices, hands-free communication is now possible when working in the field.

Expanding business areas

TEPCO PG will further expand its coverage area both domestically and abroad by leveraging its strengths that it has cultivated while balancing stable supply with transmission cost reductions thereby growing even larger.

Household IoT business

TEPCO PG continues to deliberate IoT platform services that can gather, store, analyze and process information such as the status of electricity use in a household, and in February 2018 it has established Energy Gateway Inc. a subsidiary that will handle this aspect of its business. By leveraging AI technology, the company has been gathering data on people and households from the perspective of electricity use as it aims to create new value through the analysis of the data and provide a mechanism that will underpin the lives of its customers into the future. In particular, by analyzing sensor data for electric power, etc., it estimates the amount of electricity being used by each appliance and provide an environment in which to offer services such as energy management and security.



Establishing overseas offices

In July 2018 TEPCO PG has established GREENWAY GRID GLOBAL PTE. LTD (hereinafter referred to as, “GGG”) in Singapore to engage in a fusion of investment, incubation, and human resource training activities*. Along with quickly identifying new growth industries, GGG will train global leaders that can engage in commercialization and project management by handling investments and new incubation projects.

* Funded by TEPCO Power Grid, Chubu Electric Power and ICMG Co., Ltd.

Business overview

Project investment/ management	Invest in and manage promising projects in mainly the Asian region, such as micro-grid power transmission/distribution projects or E-mobility/IoT projects that could become next-generation infrastructure
New businesses/ incubation	Try and demonstrate new business ideas in Singapore where government policies and environment promote innovation, and provide support for commercialization
Cultivate human resources that will become global leaders	Offer on-the-job human resource training programs that are linked with project investment/management projects or new business incubation projects, and cultivate human resources that can develop projects and lead commercialization of new ideas

Participation in micro-grid project in areas of the Philippines that have yet to be electrified

GREENWAY GRID GLOBAL

Contributing to the stable supply of power

The 2020 athletic games

The athletic games held in and around Tokyo in the summer of 2020, which is a national event that will be watched by the entire world, is less than two years away and TEPCO PG has the extremely important responsibility of supplying power in a stable manner for the games. TEPCO PG will be doing all it can to ensure the stable supply of power in order to make the games a success.

- **Equipment countermeasures to ensure stable supply**
- **Implementation of special security measures to contribute to the smooth running of the games**
- **Coordination with external agencies, such as the police**

Located within TEPCO PG's service area

42 facilities

(40 sports stadiums, athlete village, international broadcasting center/main press center)

Construction site of athlete village (Koto District, Tokyo)

Dispatching support teams to help restore power

In light of the damage caused by Typhoon #21 in September 2018, repair teams from TEPCO PG were dispatched upon request by Kansai Electric Power Company.

TEPCO PG also dispatched repair teams to Hokkaido Electric Power Company after the larger earthquake that occurred in September in the eastern part of Iburi, Hokkaido.

		To Kansai	To Hokkaido
Vehicles	High-voltage generator trucks	—	41 vehicles
	Work vehicles	74 vehicles	31 vehicles (cumulative)
Personnel	Employees	42 persons (cumulative)	349 persons (cumulative)*

* Includes assistance from nuclear power stations of TEPCO HD and TEPCO Fuel & Power

High-voltage generator trucks dispatched to the disaster area in Hokkaido (September 2018)

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TEPCO Energy Partner, Incorporated

Major business operation	Retail electricity business, gas business
Location of Head Office	New Pier Takeshiba North Tower, 1-11-1, Kaigan, Minato-ku, Tokyo
Representative	Toshihiro Kawasaki, President
Established	April 1, 2015
Capital	¥10 billion
Parent company	Tokyo Electric Power Company Holdings, Inc. (100%)

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Although electricity sales volume decreased 1.4% YoY to 240.3 billion kWh, operating revenue increased 7.7% as a result of an increase in electricity charge revenue unit price caused by the fuel cost adjustment system.

Meanwhile, although purchased electricity charges increased as a result of an increase in fuel prices, ordinary income increased 51.1% YoY as a result of efforts to cut costs, such as by making power source procurement more efficient.

Group of buildings seen from Takeshiba, Minato District, Tokyo

Aiming to be a concierge in this age of deregulation

It has been two years since the full liberalization of the electricity retail market in April 2016 and with the market share of new entrant growing from 5% immediately after liberalization to approximately 13% at the end of FY2017, competition has become even harsher. Also, with predicted decreases in domestic energy demand due to advancements in energy-saving technology, the business environment surrounding TEPCO is changing greatly. In order for TEPCO to continue to grow to become a company that is continually chosen by our customers and society amidst this business environment, we must not just sell commoditized energy, such as electricity and gas, but also convert these commodities into energy-saving, comfortable, and safe energy sources that the customers desire and provide them to society. In order to achieve this, we have proactively sought out alliances with companies in other industries in order to transform our relationship with various partners from one of “competition” into one of “cooperation.” This has enabled us to expand and strengthen our electricity/gas sales network as well as develop services around energy-saving technology and our IoT business. Furthermore, we will continue to search for what exactly it is that customers want from energy and develop products that offer the added value desired by society and people in their everyday lives. By developing customer services to the point where we can accommodate anything that is asked of us we will deepen our relationship with the customer and become a “concierge” in this age of deregulation.

Through these initiatives we shall continue to evolve into a company that has earning power which will enable us to increase corporate value and fulfill TEPCO's responsibilities to Fukushima.

President
TEPCO Energy Partner, Inc.

Toshihiro. Kawasaki

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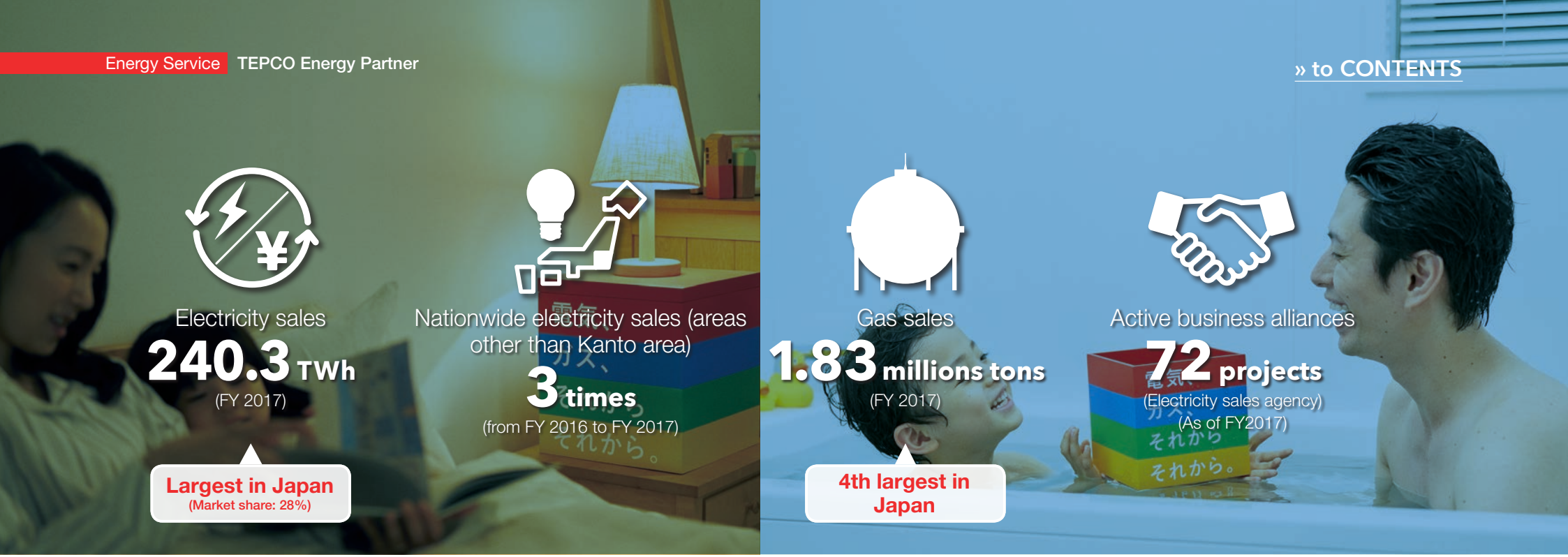


Electricity sales
240.3 TWh
(FY 2017)

Largest in Japan
(Market share: 28%)

Nationwide electricity sales (areas other than Kanto area)
3 times
(from FY 2016 to FY 2017)

Gas sales
1.83 millions tons
(FY 2017)

4th largest in Japan

Active business alliances
72 projects
(Electricity sales agency)
(As of FY2017)

Risks and opportunities

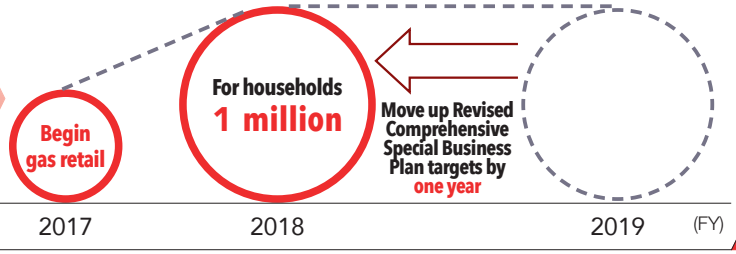
- Increased competition in the electricity and gas markets in conjunction with the full liberalization of the retail market
- Decreased power demand as a result of advancements in energy-energy-saving technology

Initiatives

1 Current initiatives

- Develop business on a national scale
- Expand gas sales
- Strengthen our ability to commercialize and sell new services, and construct a new business model

Expand gas sales



Sales in growing areas*:
¥450 billion
(FY 2019)

* Gas retail, new services, sale of electricity nation-wide, etc.

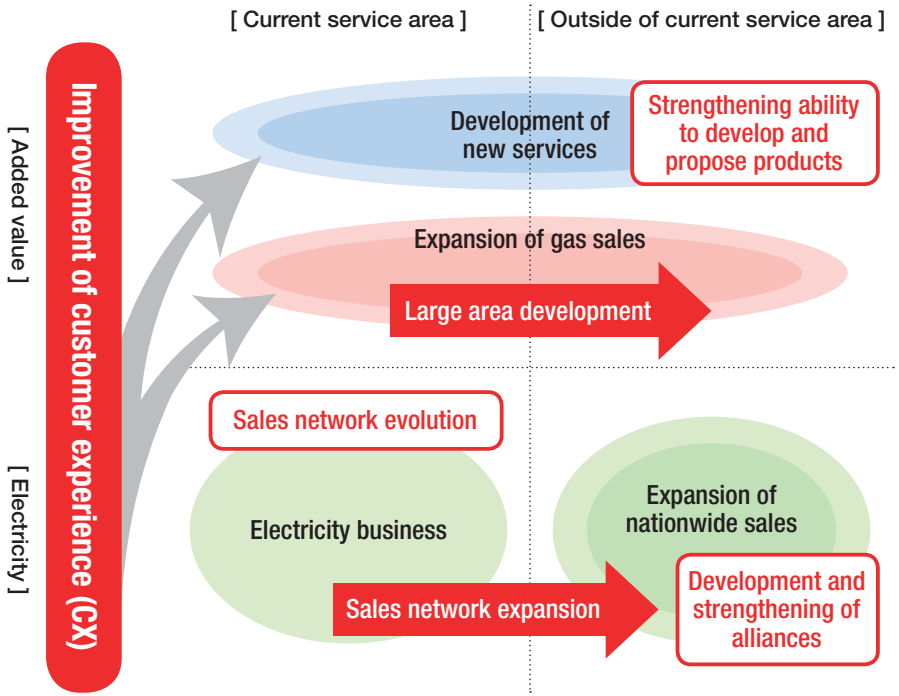
2 Mid/Long Term Initiatives

- Further expansion of business areas, service content and coverage area through the development of alliances
- Evolved business model that fuses energy-saving technology with information communication technology (ICT)
- Contribute to a low-carbon society by supplying energy

Expanding scale of business

By moving past just the sale of electricity and expanding scale of business, TEPCO Energy Partner (TEPCO EP) shows evolved into a company that can provide value that exceeds the expectations of its customers.

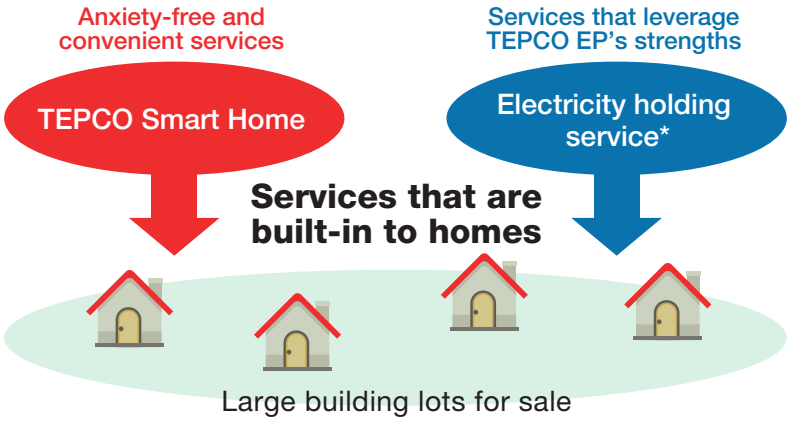
By developing sales network through strengthening alliances and providing services combined electricity with gas or new services, TEPCO EP has been expanding its scale business.



Development of new services

TEPCO EP is proactively developing new services, such as TEPCO smart homes (*ouchi no anshin plan, etc.*) that leverage IoT technology and its energy-saving renovations business run by TEPCO HomeTech, Inc. Furthermore, TEPCO EP is moving forward with projects aimed at providing new energy and IoT technology services for new building lots for sale and initiatives aimed at next-generation urban and home development as it continues to strive to be a pioneer in the age of Utility 3.0.

Concept drawing of the next-generation smart town project



* Service for virtually holding onto surplus electricity and using it when needed

Expansion of nationwide sales

TEPCO EP has been expanding sales of electricity and gas by expanding its business model for the metropolitan area to larger regions and strengthening its sales network through alliances.

Expansion of gas sales

With the full liberalization of the city gas retail market in April 2017, TEPCO EP has engaged in initiatives to improve recognition, such as by running commercials on train TV systems, and proactively promoting the sale of electricity along with gas. As a result, it has signed more than 0.5 million households, which was its target for the initial year of liberalization*.

Going forward, by developing its business model that was constructed in the metropolitan area, it aims to expand its sales area during FY2018 to include the Chubu and Kansai regions, and achieve its 1 million household contract goal for the end of FY2019 that is stated in the Revised Comprehensive Special Business Plan one year earlier than originally planned.

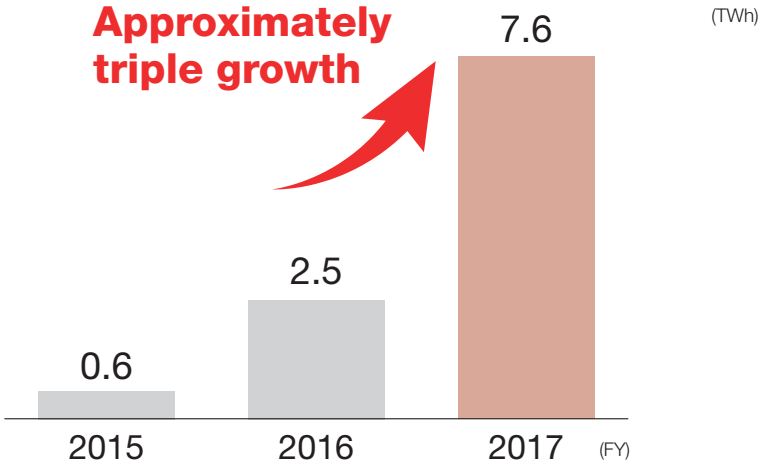
* Includes wholesale volume to the Nippon Gas Co., Ltd.

From July through September 2018, “Mimi-yori Set Campaign” had been run to let as many customers as possible know about the electricity and gas set offered by TEPCO EP.

Expanding electricity sales

As a result of opening new offices in the Kansai region in August 2017 and expanding sales through TEPCO Customer Service Corporation Limited, the volume of electricity sold by the TEPCO Group outside TEPCO EP's normal service area has almost tripled compared to last fiscal year to 7.6 TWh.

In April 2018, TEPCO EP has also established Panair Inc. and PinT, Inc. through cooperation with various industries, and through the speedy provision of diversified services these companies aim to sign 1.5 million households nationwide by the end of FY2020.



Improving customer experience (CX)

TEPCO EP aims to improve CX by improving service quality and provide a new value through contact with its customers.

Enhancing points of contact with customers

TEPCO EP has been aiming for the smooth handling of customers from telephone reception to home visits, and the provision of customer service that its customers can trust and consult about anything. As the first step in achieving this, it has established the TEPCO Maintenance Center* within TEPCO HomeTech, Inc. which is responsible for handling repair calls for household appliances (water heaters, air conditioners, toilets and kitchen equipment, etc.) 24 hours a day, 365 days a year. And, it has been also using contact with customers as opportunities to convey information on energy-saving technology and money-saving plans.

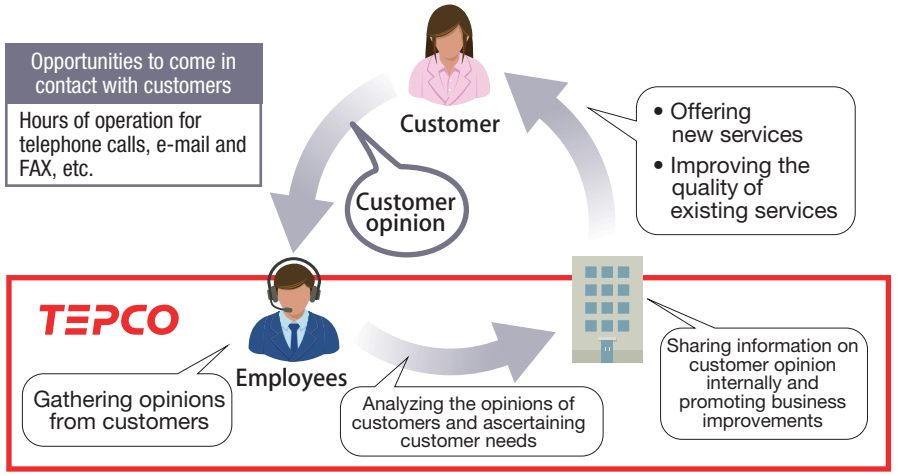
* Underway in Tokyo as well as Kanagawa, Saitama and Chiba prefectures (some areas excluded)

Attributes of the TEPCO Maintenance Center

Efforts to improve customer satisfaction

The opinions and requests of customers are being gathered/analyzed and shared with all departments in the company. By using this information to offer new services and improve the quality of existing services, TEPCO EP has make improvements to customer satisfaction.

Mechanisms to leverage the opinions of customers



Number of improvements that have been made based upon customer opinions

57 (FY2017 results)

[Improvement example]

- **Commencement of home appliance maintenance service by TEPCO HomeTech, Inc.**
- **Addition of LINE pay as option for customers to pay electricity bills**
- **Development of function for checking energy use using "Business TEPCO"***

* Online service for businesses

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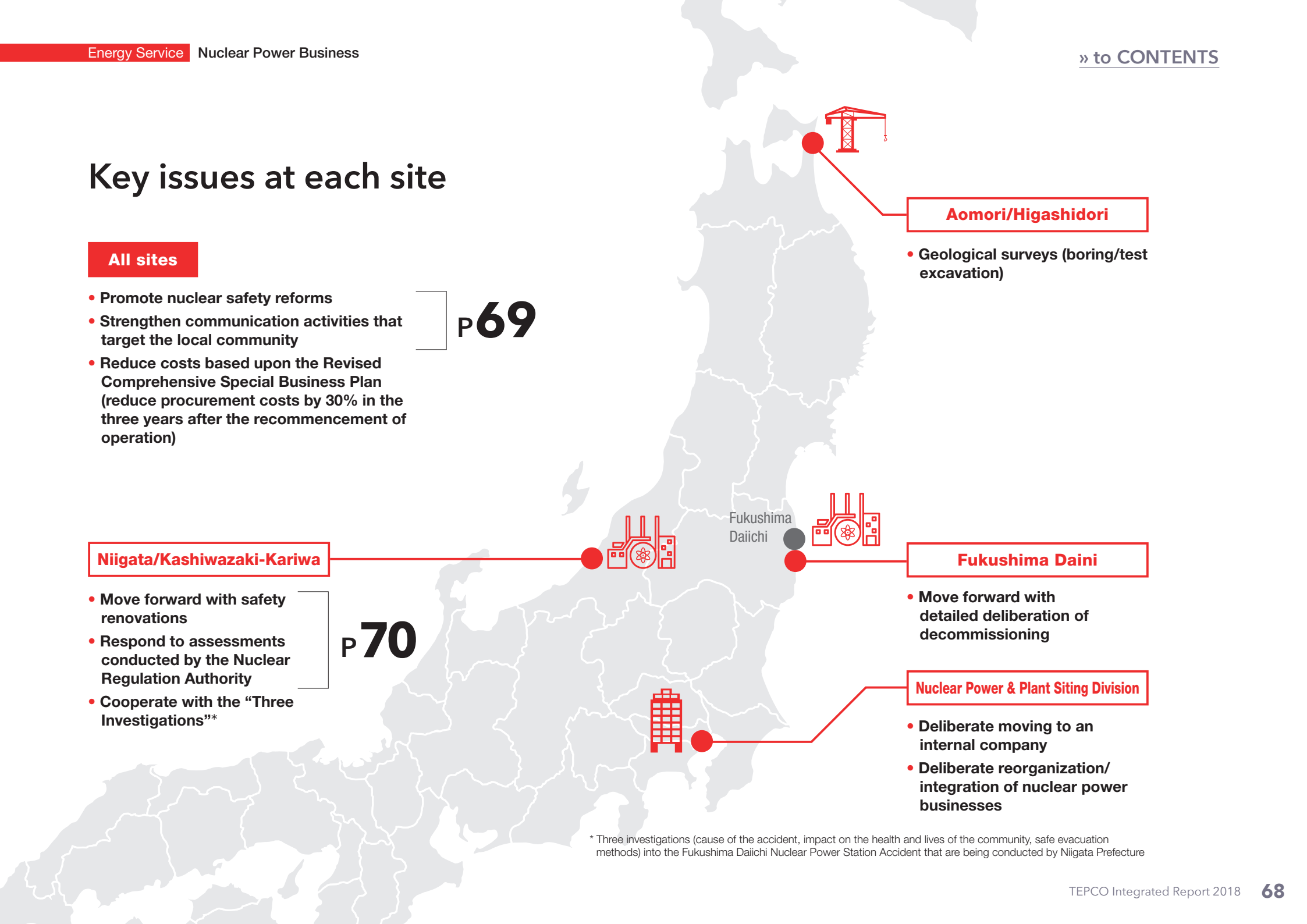
Nuclear Power Business

Aiming to become a nuclear operator that continues to provide unparalleled levels of safety

TEPCO has been moving ahead with nuclear safety reforms in accordance with the Fukushima Nuclear Accident Summary and Nuclear Safety Reform Plan formulated in March 2013. Reform progress is checked and reported on quarterly. Furthermore, upon determining that allowing continued vagueness in regards to what to do with Fukushima Daini would only hinder recovery efforts in Fukushima, TEPCO stated in June 2018 that it will move forward with examining detailed plans for the decommissioning of all reactors. As the final decision in this matter must be made in consideration of the community's feelings about not only the decommissioning of Fukushima Daini, but also the decommissioning of Fukushima Daiichi, explanations shall be given to stakeholders and a formal decision made after identifying and deliberating how to solve all relevant problems. TEPCO will continue to keep in close contact with the community and move forward while prioritizing safety. Furthermore, in the fall of 2017 TEPCO clearly stated its intent to develop land that in the long-term will be the location of additional facilities at Higashidori and announced in June 2018 that it will be conducting full-scale geologic surveys of these areas. TEPCO aims not only to conform to the new regulatory requirements that were issued after the Fukushima Daiichi Nuclear Accident, but also employ the latest knowledge to design power stations that offer superior safety, and these surveys will help it to gather information required to assess the potential for building additional facilities. As part of this process, TEPCO will share the results of these geological surveys with domestic nuclear power operators if necessary to gain their cooperation and receive suggestions based upon their knowledge and experience. In order to fulfill TEPCO's pledge to "Keep the Fukushima Nuclear Accident firmly in mind; we should be safer today than we were yesterday, and safer tomorrow than today," TEPCO will continue to promote nuclear safety reforms and engage in activities that will raise its power stations to the world's highest levels of safety.

Vehicles of Kashiwazaki-Kariwa NPS

Key issues at each site



All sites

- Promote nuclear safety reforms
- Strengthen communication activities that target the local community
- Reduce costs based upon the Revised Comprehensive Special Business Plan (reduce procurement costs by 30% in the three years after the recommencement of operation)

P69

Aomori/Higashidori

- Geological surveys (boring/test excavation)

Niigata/Kashiwazaki-Kariwa

- Move forward with safety renovations
- Respond to assessments conducted by the Nuclear Regulation Authority
- Cooperate with the “Three Investigations”*

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Fukushima Daini

- Move forward with detailed deliberation of decommissioning

Nuclear Power & Plant Siting Division

- Deliberate moving to an internal company
- Deliberate reorganization/ integration of nuclear power businesses

* Three investigations (cause of the accident, impact on the health and lives of the community, safe evacuation methods) into the Fukushima Daiichi Nuclear Power Station Accident that are being conducted by Niigata Prefecture

Improving safety awareness, technological capability and the ability to promote dialogue

Based upon the Nuclear Safety Reform Plan, TEPCO is engaged in initiatives to strengthen governance and develop internal communication after these areas were identified as needing further improvement in the self-assessment implemented in FY2016. As part of efforts to strengthen governance, in the Nuclear Power & Plant Siting Division it created a management model in June 2017 that is the foundation for enabling all personnel and departments to engage in, and make improvements to, their duties with a common understanding of the ultimate goals and their roles in achieving them. The management model clearly states objectives, important factors for success and achievement level indicators for each structural element (business field). Making improvements to safety awareness, technological capability and the ability to promote dialogue is noted as part of "tasks that support reforms and improvements." By having all employees refer to this and understand the relationship between their own duties and the duties of others as it concerns achieving the goals of the entire company, and engage in these duties through mutual cooperation, TEPCO aims to cultivate a sense of unity and accelerate improvements. During FY2018 it will formulate a business plan based upon this management model and move forward with activities aimed at further improvements.

Safety awareness

Self-assessments have been introduced in order to focus on solving key issues in each field. Third-party reviewers have commended TEPCO on these initiatives to identify and resolve problems. At Kashiwazaki-Kariwa NPS, a key self-assessment of foreign material control has been conducted by the maintenance department and improvement measures, such as conveying information on case studies and work management that incorporates foreign material exclusion measures, etc., are underway.

Nuclear Safety Oversight Office (NSOO) Director John Crofts has resigned from his position as Managing Executive Officer and shall now act as a nuclear safety advisor. The NSOO shall continue to diligently monitor safety with the passion, sense of values and methodology instilled by Director Crofts.

Technological capability

"Kashiwazaki-Kariwa Unit 6/7 Installation Permit Modification Permission Training" has been implemented at Kashiwazaki-Kariwa NPS and Fukushima Daini NPS as part of training on the new regulatory requirements. From FY2018 TEPCO has expanded training to site managers and representatives of more than 40 contractors in addition to TEPCO employees in order to foster an understanding of the legal basis for safety countermeasure renovations.

At the Nuclear Education and Training Center, lectures on expert fields are being given and support is being offered in the form of, for example, creating group study sessions in different offices for willing participants, in order to help those studying for the licensed reactor engineer exam to pass with flying colors.

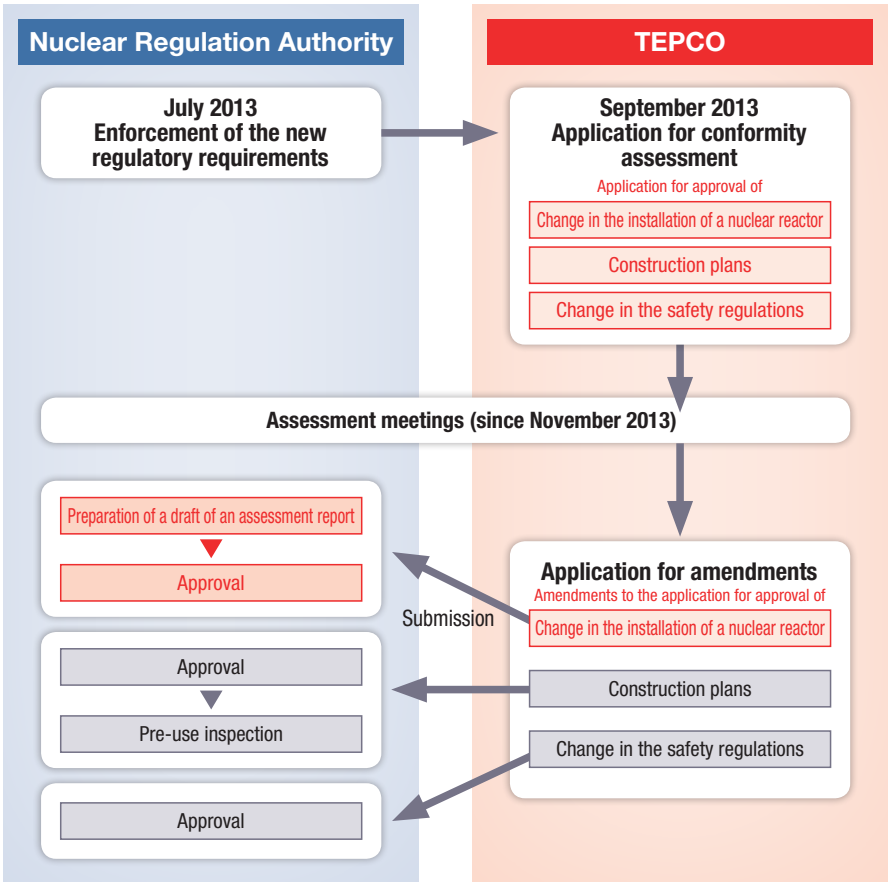
Ability to promote dialogue

TEPCO has updated our virtual reality (VR) software and equipment used to explain power station safety measures in an easy-to-understand manner to those people who cannot visit the Kashiwazaki-Kariwa NPS. And, It has added content, such as movies that use a combination of computer graphics, 360° panorama views and animation, as well as an overall view of the safety measures at the power station. Those that have used the VR has commented that they, "now want to actually visit the site" and "felt like they were actually there."

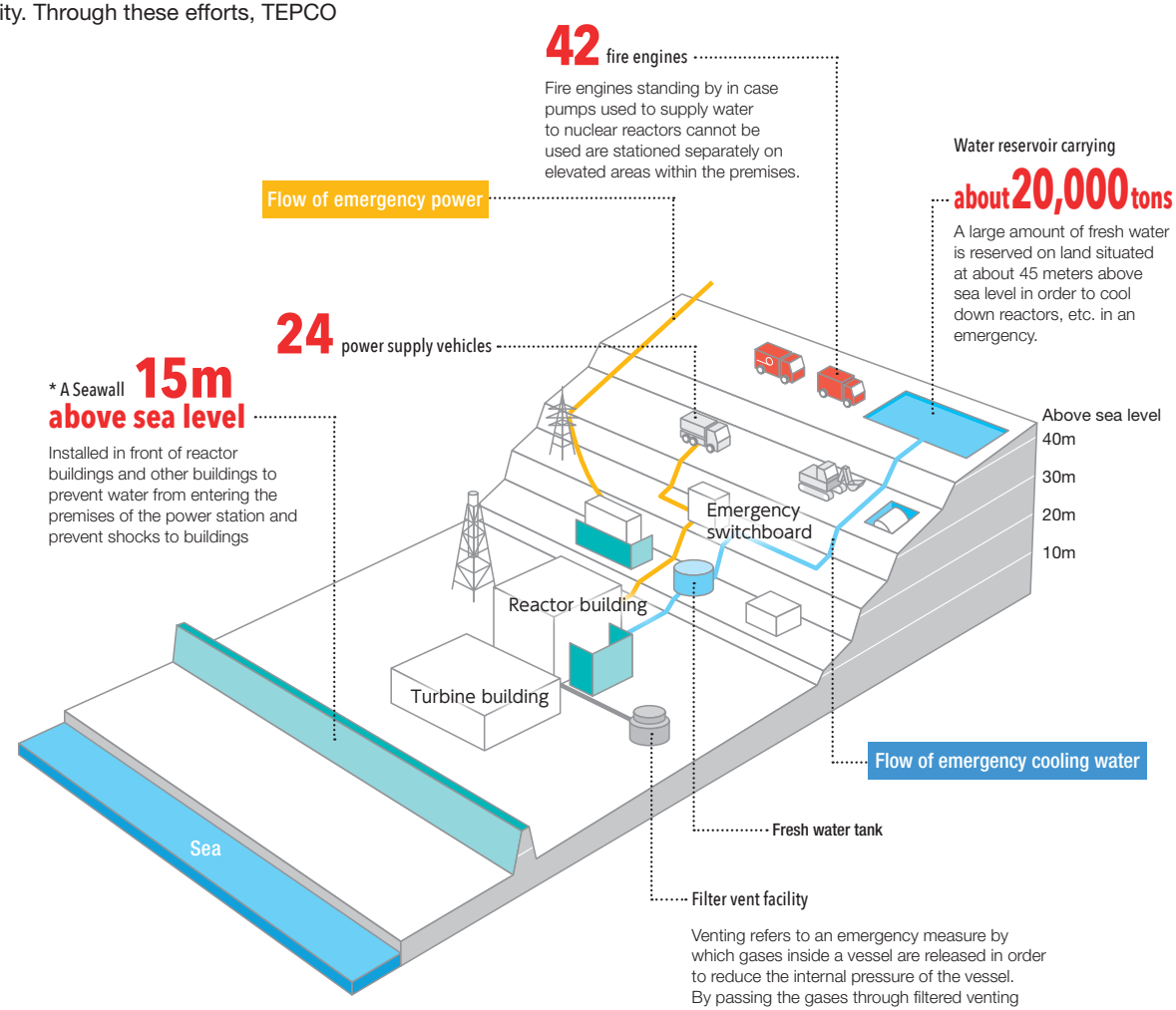
Kashiwazaki-Kariwa Nuclear Power Station

In the operation of the Kashiwazaki-Kariwa NPS, TEPCO makes efforts to gain the understanding of local residents. TEPCO will also sincerely respond to assessments conducted by the Nuclear Regulation Authority. Through these efforts, TEPCO will steadily implement safety measures at the nuclear power plant.

Flowchart of assessment of conformity to the new regulatory requirements



As of September 2018; those in red frames have been completed.



* Measures to address liquefaction are being studied for flood walls of Units 1, 2, 3 and 4.

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Renewable Energy Business

In light of the importance of renewable energy in a low-carbon society and increasing demand for it, TEPCO aims to further develop competitive businesses that leverage its technical prowess and ability to develop technology.

Commercialize hydroelectric, solar power, wind power, biomass and geothermal power generation

More than 200 hydroelectric power plants are in operation, and some of those plants have been running for more than 100 years

Risks and opportunities

- Sufficient business opportunities overseas
- Necessary to balance improving the reliability of aging facilities with cost reductions
- Measures for leveraging pumped storage power plants, which have high fixed costs, must be developed

Current initiatives

- Promote overseas projects
- Make hydroelectric power generation O&M* more efficient
- Improve the market value of pumped storage power plants

* Operation & Maintenance

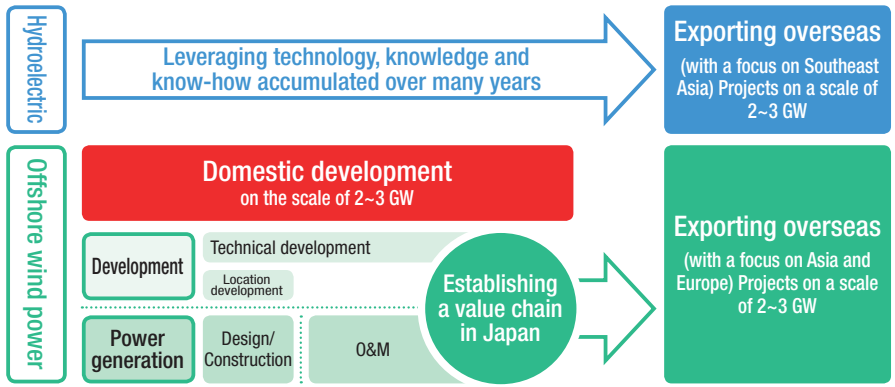
Experimental offshore wind power facility off the coast of Choshi (Chiba Prefecture)

Turning renewable energy sources into primary energy sources

TEPCO aims to turn renewable energy sources into primary energy sources by engaging in projects both domestic and overseas with cooperation from TEPCO Group companies such as Eurus Energy Holdings Corporation. In regards to wind power, TEPCO will first establish a value chain in Japan that includes everything from technical and location development to design, construction and O&M after which TEPCO will export it overseas.

In order to fulfill responsibilities to Fukushima, TEPCO will promote renewable energy projects with the aim of reaping approximately ¥100 billion in profits in about 10 years. TEPCO predicts that in order to accomplish this it must engage in development projects on the scale of 6 to 7 GW in total both in Japan and overseas.

TEPCO expects wind power to account for approximately 70% of this development target. In order to proactively engage in wind power projects both in Japan and overseas, it must centralize the knowledge that it has accumulated in-house and also the personnel required to engage in these development projects. Therefore, TEPCO has established the Wind Power Business Development Office (October 2018) which is in charge of coming up with, surveying and developing wind power projects both in Japan and overseas. In regards to offshore wind power, TEPCO expects additional profits from value chain construction in addition to profits from power generation. Since 2013, TEPCO has been testing wind power technology off the coast of Choshi in Japan to accumulate experience with constructing, operating and maintaining these facilities under harsh oceanographic and weather phenomena. In regards to exporting this technology overseas, TEPCO will identify projects that will allow the TEPCO Group to take full advantage of its strengths and select nation/regions that show a high potential for project development.



Experimental offshore wind power facility off the coast of Choshi (Chiba Prefecture)

Hydroelectric power generation

The TEPCO Group owns and operates the largest hydroelectric power facility in Japan. In addition to implementing measures for improving the reliability of this facility, which has been operating for many years, TEPCO has also introduced Toyota-style Kaizen to improve productivity and been leveraging innovative technologies in order to increase the amount of power being generated and reduce power generation costs.

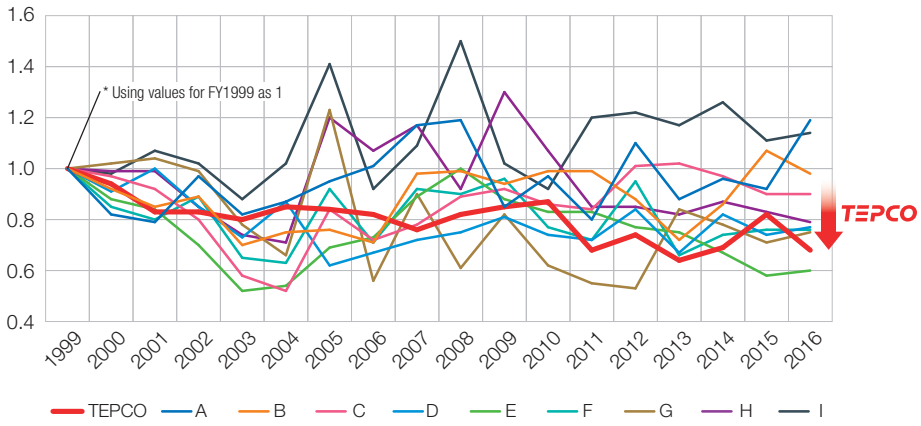
For example, in regards to reducing costs associated with power generation, TEPCO has already introduced Toyota-style Kaizen and mechanization just like other Group companies in order to reduce maintenance costs (personnel costs /repair costs /consignment costs), and are engaged in joint research with research institutions with the objective of implementing “Smart O&M” that leverages innovative technology.

Initiatives to improve productivity

	Increasing production	Added value (unit price increases)	Added value (new businesses)
Expanding sales	Early sampling, shortening of work times, dam operation improvements, etc.	Electricity rate plans based on 100% hydroelectric power	Electricity market transactions, overseas projects, etc.
	Production efficiency	**Organizational efficiency**	**Insourcing**
Power generation cost reductions	Toyota-style Kaizen, mechanization, Smart O&M, etc.	Centralized monitoring control, etc.	In-house developed software, procurement reforms, etc.

Reducing maintenance costs

<Maintenance costs*(JPY)/volume generated power (kWh)> * personnel costs/repair costs/consignment costs



Data for the nine leading electric utilities and Electric Power Development Co., Ltd. (J-POWER) created based on data from the Federation of Electric Power Companies and the FY2016 valued asset reports from each company

Smart O&M

Seeds	Operation			Maintenance			
	Monitoring	measurement	operation	patrols	inspection	diagnostics	renovations
AI	✔ Flow predictions/dam operation			✔ Automatic diagnosis of equipment status			
Drones	✔ River patrols, aerial photography			✔ Dam regulating reservoir, penstock patrol inspection			
AE sensors	✔ Abnormality detection				✔ Inspection/diagnosis		
Submersible robotic high sensitivity camera				✔ Patrol/inspections of submerged equipment			
Wearable cameras		✔ Remote instructions	✔ reduced manpower for patrol inspection	✔ remote work supervision			
Pulse analysis technology					✔ In-operation insulation diagnosis		
Laser sensors						✔ Water turbine axle centering	

Business Foundation

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TEPCO Power Grid power distribution work vehicle

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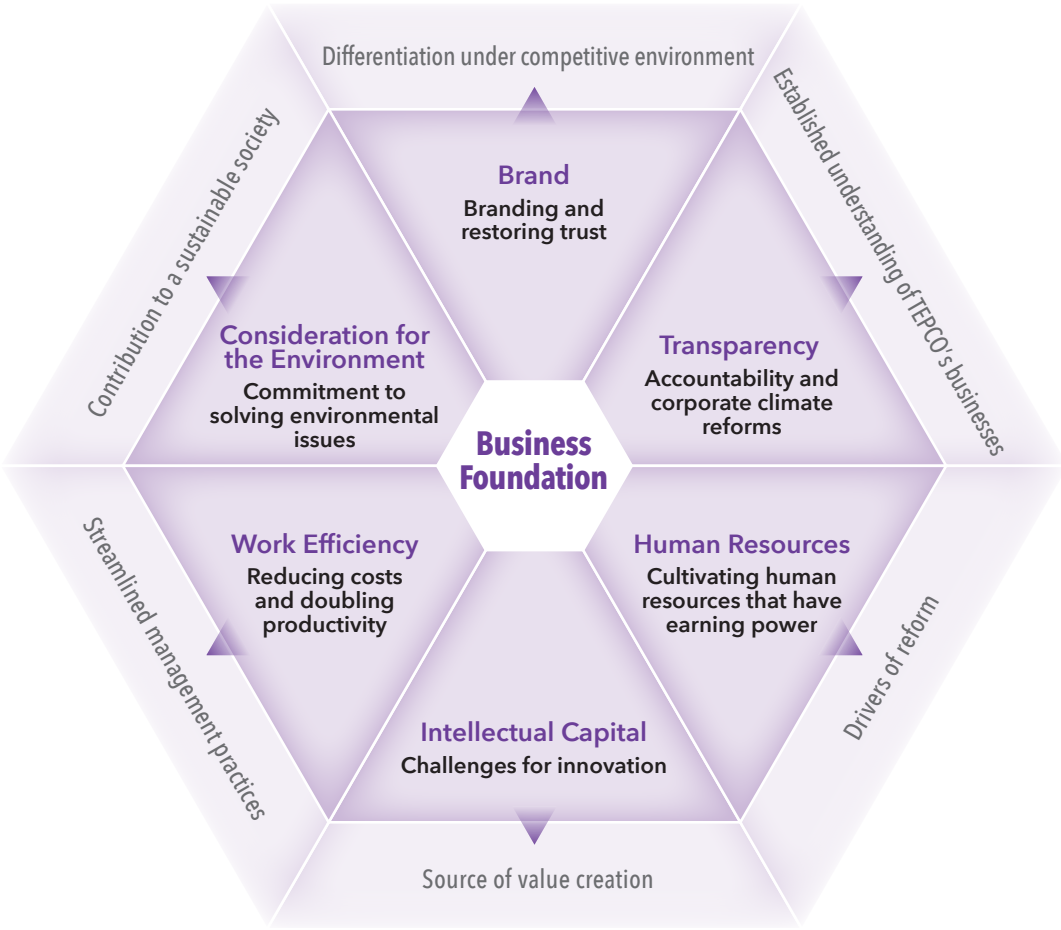
Six Components of Business Foundation that Sustain TEPCO Group Future

For each operating company of the TEPCO Group to secure competitiveness and earning capacity, as well as create corporate value and new social value in its respective field in the drastically changing energy market, it is crucial to build and strengthen a platform on which their strategies can be put into action.

To this end, the TEPCO Group must fully exploit all the management resources it could possibly possess, whether tangible or intangible. Of the intangible assets and initiatives that are not expressly indicated in financial statements, TEPCO has identified six elements constituting its business foundation, which need to be strengthened with particular focus under its current operating environment. TEPCO hereby reports on its value-creation initiatives in the six respective areas.

The six components identified as its business foundation have been selected from among its key performance indicators (KPIs), which TEPCO has been tackling with urgency.

In the six areas, TEPCO has been addressing its pressing issues based on the Revised Comprehensive Special Business Plan and the KPIs over the medium term, but, at the same time, TEPCO also needs to continue spurring the long-term growth of these six elements. It has thus delineated future visions toward which the six business foundation components will be improved on an ongoing basis. The enhanced six components and their synergistic strength will contribute to the execution of strategies in the TEPCO Group's businesses.



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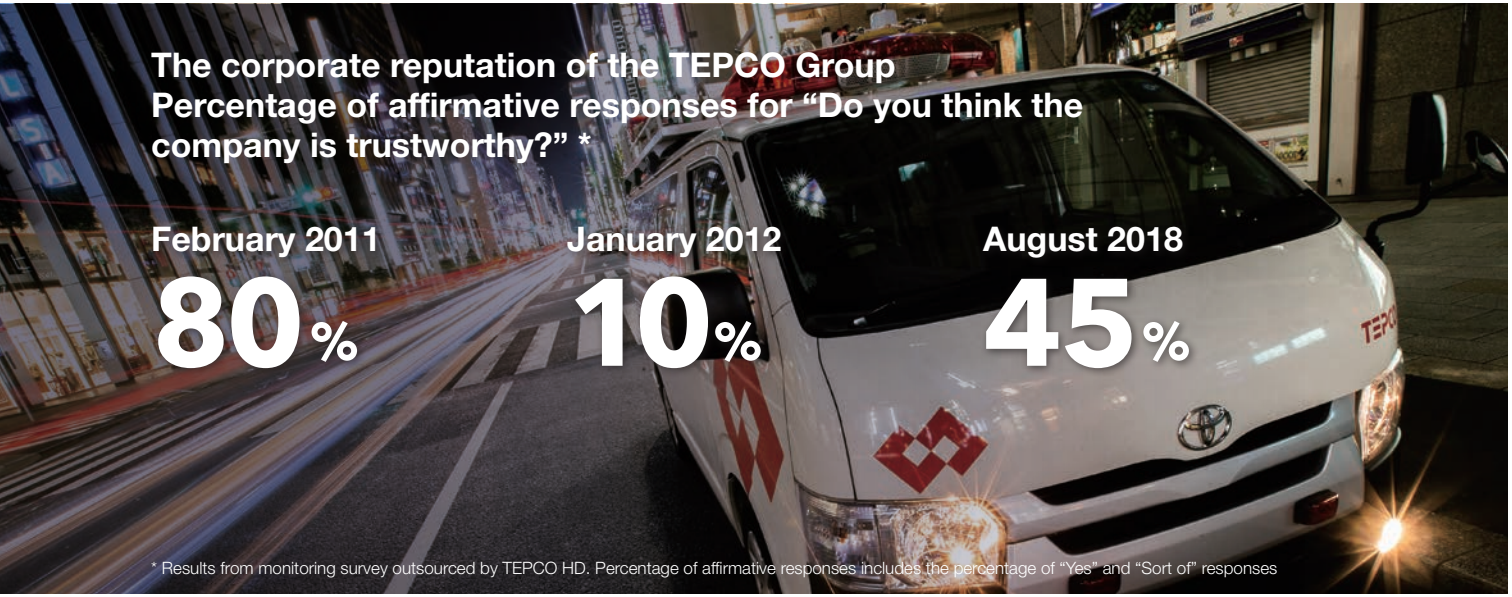
Brand Branding and restoring trust

Branding is an important element for winning out over the competition in the energy industry where it is difficult to differentiate products such as electricity and gas. TEPCO's corporate reputation took a huge hit after the Fukushima Nuclear Accident and once again improving its brand value will lead to better profit rates as a result of its ability to decide on prices and its influence over the value chain, newly acquired customers and reduction in costs associated with preventing contract cancellations, and acquiring new human resources. TEPCO believes that by putting more energy into strengthening other five core foundations of the company (transparency, human resources, intellectual capital, work efficiency and consideration for the environment) and steadily implementing the initiatives of Fukushima and Energy Services, TEPCO will be able to improve both corporate value and brand value.



* Results from monitoring survey outsourced by TEPCO HD. Percentage of affirmative responses includes the percentage of "Yes" and "Sort of" responses

TEPCO
Tokyo Electric Power Company Holdings

TEPCO Fuel & Power
TEPCO Power Grid
TEPCO Energy Partner

Transparency Accountability and corporate climate reforms

Nuclear power-related communication

As the party responsible for the Fukushima Nuclear Accident, TEPCO vows to accurately convey risks and countermeasures, and sincerely confront questions and the concerns of society. TEPCO believes it is mission to convey to as many people as possible the work that is being done to decommission the Fukushima Daiichi Nuclear Power Station, which will take approximately 30 to 40 years. By developing vivid visual content, TEPCO conveys what it is actually like at the site of decommission. Risk Communicators*, who look at issues from the perspective of society and the local community, proactively engage in activities to promote dialogue, and as a company TEPCO proactively engages in communication with society and the siting community such as by continually holding briefings on the decommissioning of the Fukushima Daiichi Nuclear Power Station, contaminated water countermeasures and safety measures at the Kashiwazaki-Kariwa Nuclear Power Station.

* Experts in risk communication

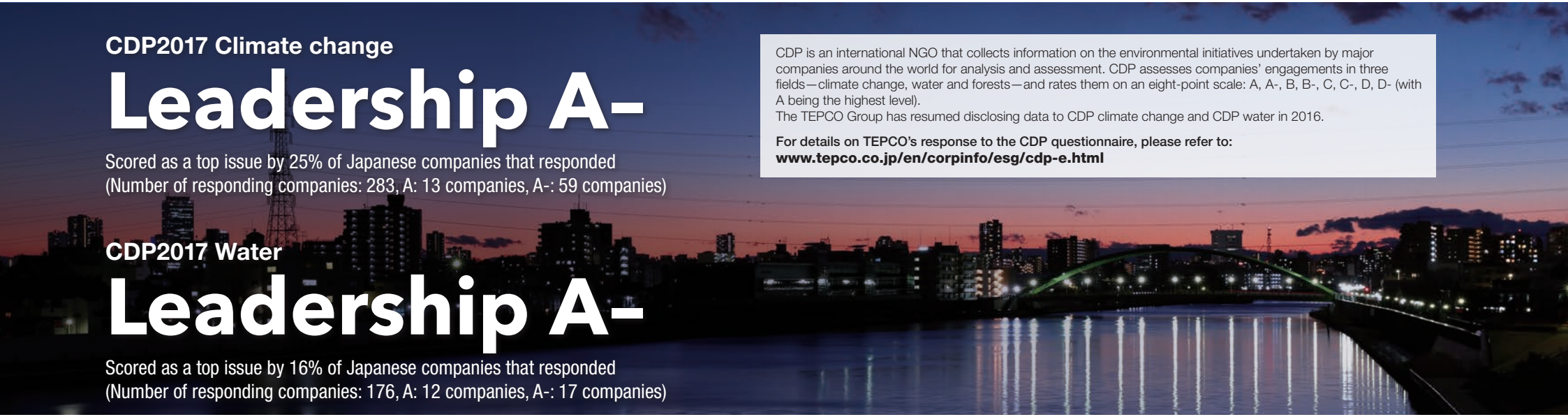
Examples of dialogue

Visits to individual homes to give explanations	• Regular briefings to local government officials • Briefings at foreign embassies in Japan (individual visits/briefing sponsored by the Foreign Affairs Ministry, etc.) • Responding to requests for explanations by government officials
Handling the mass media	• Regular press conferences (once a week in both Tokyo and Fukushima, once a month in Niigata) • Regular press lectures (every morning and evening at the press club at the Fukushima Prefectural Office)
Power station tours	• Explanations given to tour participants at the Fukushima Daiichi, Fukushima Daini and Kashiwazaki-Kariwa Nuclear Power Stations
Various briefings	• Giving explanations at briefings sponsored by the local government, fishery cooperatives and local organizations • Dialogue with local residents, communication activities

ESG information

Until 2010, information on the ESG (Environment, Social and Governance) was disclosed in the TEPCO Sustainability Report. However, since the Fukushima Nuclear Accident in 2011 this report has not been issued thereby preventing us from sufficiently disclosing ESG information. In light of the fact that disclosing ESG information is important for ensuring transparency and fulfilling TEPCO's obligation to explain its actions to financiers (shareholders/investors, etc.), in the spring of 2017 TEPCO added a special page on its website and from the fall of the same year began issuing the Integrated Report thereby re-commencing its initiatives to systematically disclose information. The special page on TEPCO's website enables easy access to disclosed information by categorizing it in accordance with GRI standards, which are international guidelines for disclosing information. In particular, in regards to information on the environment, TEPCO has disclosed the content of its responses to the CDP since 2016 to explain its initiatives concerning climate change and water, issues that are of great concern to stakeholders. Going forward, TEPCO will not only continue to further improve ESG-related information disclosure but also organize itself in order to systematically and strategically address these issues, such as by clearly positioning them in the TEPCO Group's mid/long term general business plans and setting/managing targets.

WEB ESG (Environment, Social and Governance) information
www.tepco.co.jp/about/esg



CDP2017 Climate change

Leadership A-

Scored as a top issue by 25% of Japanese companies that responded
(Number of responding companies: 283, A: 13 companies, A-: 59 companies)

CDP2017 Water

Leadership A-

Scored as a top issue by 16% of Japanese companies that responded
(Number of responding companies: 176, A: 12 companies, A-: 17 companies)

CDP is an international NGO that collects information on the environmental initiatives undertaken by major companies around the world for analysis and assessment. CDP assesses companies' engagements in three fields—climate change, water and forests—and rates them on an eight-point scale: A, A-, B, B-, C, C-, D, D- (with A being the highest level).
The TEPCO Group has resumed disclosing data to CDP climate change and CDP water in 2016.

For details on TEPCO's response to the CDP questionnaire, please refer to:
www.tepco.co.jp/en/corpinfo/esg/cdp-e.html

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Human Resources

Cultivating human resources that have earning power

Personnel strategies for improving profitability and corporate value

In order to improve profitability and corporate value, and fulfill responsibilities to Fukushima, TEPCO must improve the productivity of its existing electricity business through initiatives such as Toyota-style Kaizen, and seek out sources of revenue in new business areas. To provide a foundation for this, each and every employee must improve their earning power. Therefore, in October 2017, TEPCO has established an Earning Power Creation Unit that completely manages all aspects of human resources, from hiring/training, to assignment and assessment, in order to effectively leverage productivity improvements achieved through Toyota-style Kaizen activities. This unit is also instrumental in prioritizing and flexibly assigning human resources to "earning" projects that are highly profitable. The unit is also hiring more personnel that have had previous careers in other companies, and systematically implementing training in order to cultivate personnel that have earning power and can be responsible for management reforms.

Employee-related data (TEPCO HD/ 3 core operating companies: as of the end of FY2017)

Number of employees

32,546

Percentage of females in management positions

3.78%

Average number of years on the job

20.9 years

Percentage of employees that have returned to their positions after taking leave for child rearing

96.4%

Improving employee motivation and promoting diversely through work-style reforms

The TEPCO Group proactively engages in diversity activities to enable people with different points of views and sense of values to work in its organization and is also promoting work-style reforms that encompass awareness, system and in-house infrastructure changes in order to switch to a workstyle where “finish work at the regular time” is the norm. These initiatives are steadily showing success with the per-worker total work time for the end of FY2017 approximately 100 hours less than that for FY2010. Additionally, in order to create a work environment that employees feel is worthy to work in TEPCO has developed various support programs for its employees, such as establishing in-house day care centers and flexibly responding to various work styles, such as employees that wish to work from home.

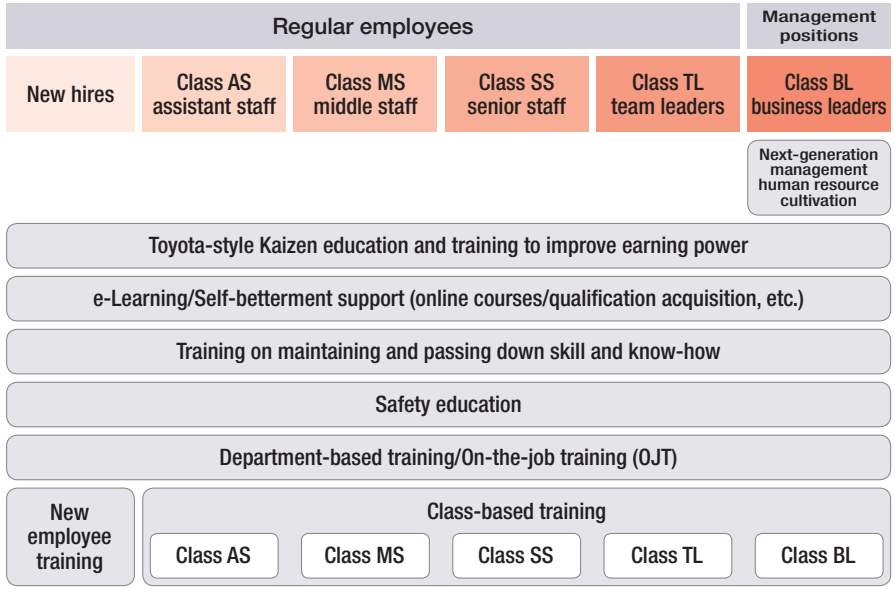
In July 2018, Tokyo Electric Power Company Holdings and three core operating companies were certified as an “Eruboshi” mark company by the Minister of Health, Labour and Welfare based upon the Law to Promote the Empowerment of Women for initiatives aimed at empowering women. And, three out of four the company’s received the highest certification (third tier).

Assessed based on five categories (recruitment, continual employment, work-style such as number of work hours, percentage of women in management positions and diverse career paths)

Tokyo Electric Powr Company Holdings
TEPCO Fuel & Power
TEPCO Power Grid

TEPCO Energy Partner

Training system overview



Primary employee data (for TEPCO HD and three core operating companies)

		FY 2010 (prior to the disaster)	FY 2016	FY 2017
Number of employees		38,671	33,197	32,546
Number of years on the job		20.9 years	20.5 years	20.9 years
Management promotions	Age of youngest employee that management position is offered	38	36	35
	Number of females in positions (configuration ratio)	75 (1.45%)	168 (3.26%)	197 (3.78%)
Number of career employees hired		10	52	50
Percentage of employees that have returned after taking leave for child rearing		94.7%	95.6%	96.4%
Total work hours (average per employee)		1,975 hours	1,920 hours	1,860 hours

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Intellectual Capital

Challenges for innovation

TEPCO Research Institute in Tokyo Electric Power Company Holdings engages in the following tasks in order to fuse business with energy technology.

- Anticipates business issues based upon field data and social conditions (think tank function)
- Gathers expert skill, and offers quick solutions to technical problems being faced in the field (engineering function)
- Develops technology that gives birth to innovation

In addition to continuing to provide effective solutions for technical problems, such as the decommissioning of the Fukushima Daiichi Nuclear Power Station, the Institute will also leverage technology for which the TEPCO Group has paved the way, such as filter vents, thermal power generation O&M advancements and robots, etc., to develop business. The Institute will also use the TEPCO CUUSOO website, etc. to promote open innovation as it develops technology and engineering skills, and constructs business models in preparation for the world of Utility 3.0.

WEB TEPCO CUUSOO
tepco.cuusoo.com

Number of submitted patents

4,555

(cumulative total from FY 2001 to FY 2017)

Research and development costs

¥19.8 billion

(FY 2017 result)

* Robot shown above is for painting steel towers (conceptual model). This robot is being jointly developed in cooperation with the University of Technology Sydney through open innovation.

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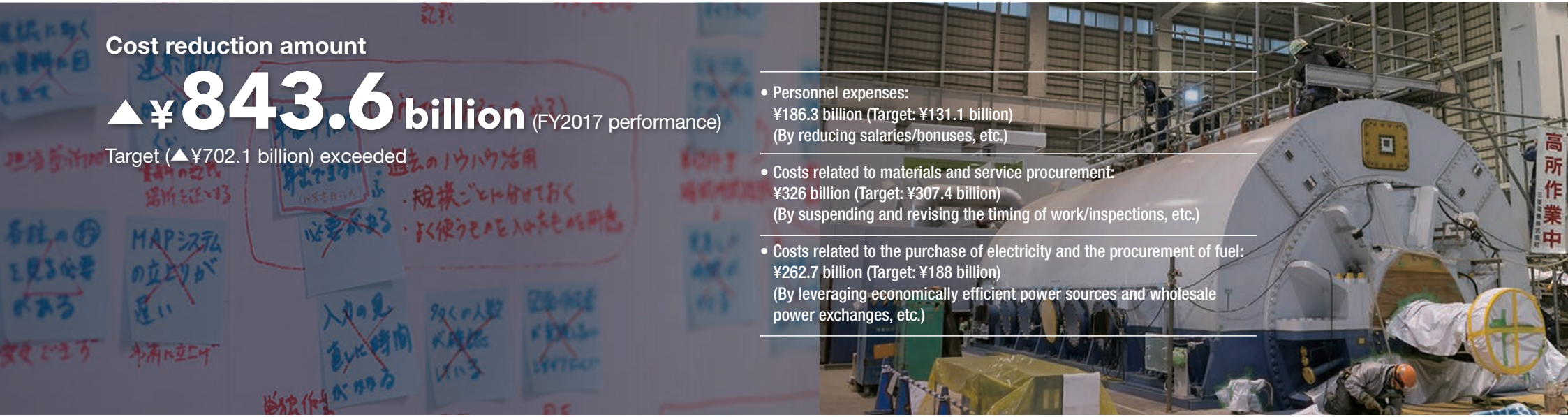
Work Efficiency

Reducing costs and doubling productivity

In order to balance responsibility with competition amidst dramatic changes in the energy industry, TEPCO is promoting the discontinuous streamlining of operations like never before by, for example, doubling productivity through Toyota-style Kaizen and employing bold technical/working innovation by leveraging digitalization technology. As a result of initiatives to double productivity, for example, TEPCO has greatly shortened the time required for regular inspections of thermal power stations, and reduced fuel expenses, the impact of which is starting to be seen with, for example, more efficient replacement of pole transformers. In the future TEPCO will move strongly forward with similar initiatives and convey best practices to the entire TEPCO Group thereby making existing tasks much more efficient and reducing costs.



Cost reduction amount

▲¥843.6 billion (FY2017 performance)

Target (▲¥702.1 billion) exceeded

- Personnel expenses:
  ¥186.3 billion (Target: ¥131.1 billion)
  (By reducing salaries/bonuses, etc.)
- Costs related to materials and service procurement:
  ¥326 billion (Target: ¥307.4 billion)
  (By suspending and revising the timing of work/inspections, etc.)
- Costs related to the purchase of electricity and the procurement of fuel:
  ¥262.7 billion (Target: ¥188 billion)
  (By leveraging economically efficient power sources and wholesale power exchanges, etc.)

Consideration for the Environment

Our commitment to solving environmental issues

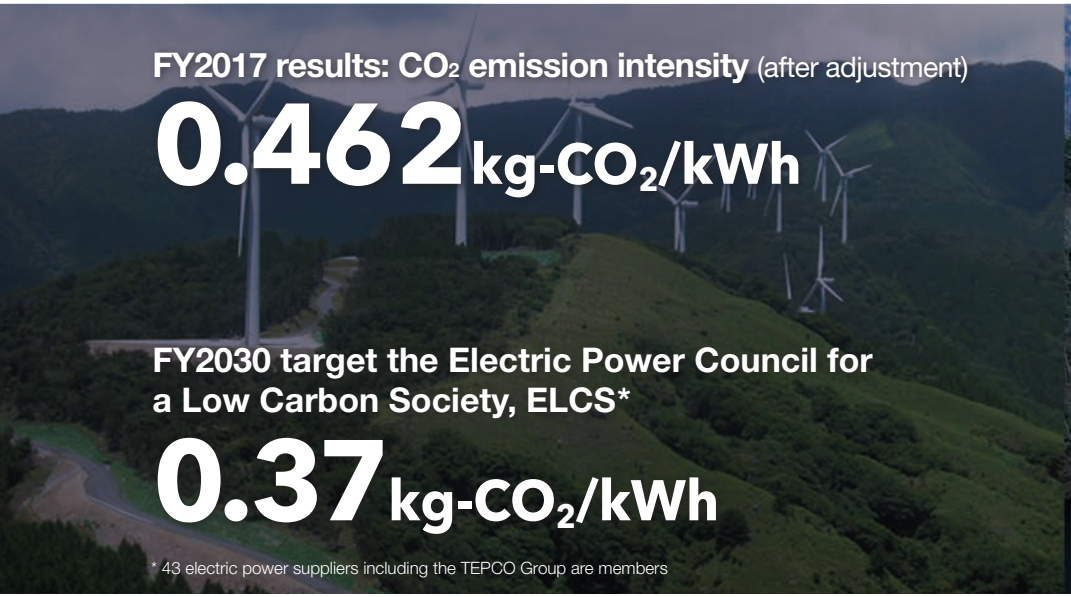
TEPCO Group Environmental Policy

The TEPCO Group complies with environmental laws and regulations and gives consideration to the environment in all aspects of its corporate activities in order to help society achieve sustainability while fulfilling its responsibilities regarding the revitalization of Fukushima.

- **Contribution to a low-carbon society**
  We will contribute to achieving a low-carbon society by supplying low-carbon energies, supporting customers to save energy, and providing low-carbon solutions through technological developments and their widespread application.
- **Reduction of environmental impact**
  We will contribute to reducing environmental impacts and achieving a sound material-cycle society by ensuring risk management and measures against environmental polluting materials, and promoting recycling.
- **Coexistence with nature**
  We will contribute to creating a society in harmony with nature by conserving local ecosystems and reduce environmental impact.

The TEPCO Group is determined to rigorously engage in dialogue with stakeholders including local communities and disclose information while continuously improving and enhancing its environmental initiatives.

WEB Environment-related initiatives
www.tepco.co.jp/en/corpinfo/esg/index-e.html



Risks and opportunities associated with climate change

As a company responsible for providing a stable supply of energy, the risk of losing that stability as a result of a natural disaster caused by climate change is enormous. If power is lost for a long time or on a large scale as the result of equipment malfunctions caused by natural disasters, the entire TEPCO Group will lose some of society's trust, which may cause a decrease in profits and effect its business and operation. TEPCO watches trends in energy/environmental policy based on the Paris Accord both in Japan and overseas very closely, and flexibly responds to changing conditions. At the same time, TEPCO is responding to new markets such as by offering zero CO_2 rate plans, and new services and solutions that leverage energy-saving technology and low-carbon technology. TEPCO also aims to construct a new business model by developing system stabilizing technology in conjunction with the spread and expanded use of renewable energy. TEPCO is also contributing to reductions in the world's greenhouse gas emissions by sharing with other countries its highly efficient power generation technology and know-how that it has cultivated domestically.

Aiming for a low-carbon society

As an energy supplier, the TEPCO Group is contributing to the creation of a low-carbon society by turning renewable energies into primary power sources, making thermal power generation highly efficient and improving the safety of nuclear power generation while considering the balance between the 3E's (Energy Security, Economy and Environment) under the precondition of ensuring safety. Of all thermal power generation methods, coal-thermal in particular has been deemed "an important base load power source that provides stable supply and is economically efficient" in Japan's Energy Basic Plan, and will account for approximately 26% of produced energy in Japan's 2030 power portfolio. Japan is an island nation with few natural resources and it is difficult to transcend borders and link power grids up with other nations as can be done in Europe. Therefore, TEPCO believes that coal-thermal will continue to be important power source. On the other hand, the CO_2 emission intensity (kg-CO_2/kWh) of coal-thermal is relatively high so along with promoting decarbonization by proactively introducing cutting edge, highly efficient equipment, such as IGCC (Integrated coal Gasification Combined Cycle) and USC (Ultra Super Critical), etc., TEPCO has been also cooperating with technical development, such as the CCS (carbon capture and storage) experiment project by investing in Japan CCS Co., Ltd.

Initiatives aimed at reducing CO_2

Making thermal power generation highly efficient

- Making highly efficient by gradually replacing aging thermal power stations
- Employing the best available technology (BAT) at the time, such as IGCC and USC for newly built coal-thermal power station facilities

Increasing the ratio of the non-fossil fuel power sources

- Introducing renewable energy sources, such as offshore wind power
- Implementation of safety measures aimed at the recommencement of operation of the Kashiwazaki-Kariwa Nuclear Power Station

Nakoso IGCC Power GK

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Oze and TEPCO

Activities to protect the natural environment of Oze

The Oze National Park, which expands into Gunma, Fukushima, Niigata and Tochigi prefectures and is known for its vast and delicate natural beauty, has been designated as a special natural treasure by the Japanese government. The Oze wetlands are also registered under the Ramsar Convention. Land obtained by utilities during the Taisho Era for the purpose of power generation had been inherited by TEPCO when it had been founded. Over the 60 years since that time, the local residents and Tokyo Power Technology Ltd, a Group company, have worked together to help the wetlands recover, and engaged in various initiatives such as building a wooden walkway and public toilets, building and managing hiker cabins, and creating nature observation guides thereby protecting the environment and enabling those who visit to enjoy the natural beauty of the park.

Land owned by TEPCO

16,000 ha

(approximately 40% of the entire Oze National Park, and approximately 70% of the special conservation zone)

Length of the wooden boardwalks maintained by TEPCO

20 km (approximately 30% of the entire boardwalks)

Lake Ozenuma in the early spring (Hinoemata Village, Fukushima Pref.) Photo by 6151

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Oze rebranding project

With its rich ecosystems and beautiful landscape as depicted in the song “Memories of Summer,” the Oze National Park is one of Japan’s national treasures. However, in recent years flora that has made the park famous, such as skunk cabbage and day lilies, is being eaten by deer, and Oze itself has become less known amongst younger generations in particular. As an owner of land in Oze, TEPCO aims to contribute to solving these problems and established the Oze rebranding project in FY2017. Through cooperation with not only the local governments of the site and community, and organizations/companies involved with protecting the environment of Oze, but also those who convey the appeal of Oze, TEPCO has conveyed to many people, both within Japan and overseas, and especially the next generation, the natural value of Oze, and by sharing information on the problems that Oze faces hope to find a solution.

Example of initiatives * Major partners are noted in ( )

- **Creation and sale of “Oze Notebook” (Ichise Inc.)**
  - Uses recycled “Oze boardwalk paper” made from the scrap wood used for boardwalk
  - Introduction of tourist spots in Katashina Village of Gunma Prefecture, Uonuma City of Niigata Prefecture and Hinoemata Village of Fukushima Prefecture, the three local governments that Oze spans
- **Creation and display of a diorama of the TEPCO’s hiker cabin (Todai LEGO club (belongs to the Univ. of Tokyo))**
  - A 1/40-scale reproduction of the TEPCO’s hiker cabin managed by Tokyo Power Technology Ltd. on the Niigata Prefecture side of Oze
  - The diorama uses approximately 40,000 pieces and took approximately five months to make
- **Cover of the song “Memories of Summer” (avex management Inc.)**
  - Covered song by Oze Music Ambassador, Miyuu
  - Sung at performances in various locations in order to convey the appeal of Oze through music
- **“Oze Art” depicting the four seasons (Tetsutaro Gosou)**
  - The changing seasons of Oze are depicted in monthly illustrations
- **Crowd funding event to plant skunk cabbage (Katashina Village, Gunma Prefecture)**
  - Held at the Oshimizu wetlands, the entrance to Mt. Oshimizu (Katashina Village, Gunma Prefecture) to help vegetation in the wetlands recover
  - Participants actually help to plant the skunk cabbage

WEB Oze and TEPCO
www.tepco.co.jp/oze/index-j.html

A diorama of the TEPCO’s hiker cabin made by Todai LEGO club

Oze Notebook (Japanese/English version)

“Memories of Summer” cover song

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Aiming to write good reports

TEPCO Integrated Report has been positioned by the TEPCO Group as an extremely important communication tool since it was first issued last year. The objective of this report is not only to convey what the Group aims to be like decades in the future, provide information on ESG and financial forecasts. It also plays an important role in engaging shareholders by reflecting the opinions of readers about TEPCO's activities and deliberations to solve business issues. As a utility that uses fossil fuels, we aim to include more information on our strong initiatives aimed at the realization of a low-carbon society and the TEPCO Group's ESG management strategies in this report. Going forward, we will continually make improvements to this report in order to convey valuable information to its readers, and promote communication that will enable the TEPCO Group to grow into the future and create social value. Please take a moment to look through our report and we look forward to any opinions you may have about this report.

September 2018

Managing Executive Officer
Chief Spokesperson
Tokyo Electric Power Company Holdings, Inc.

Shin-ichiro Kengaku

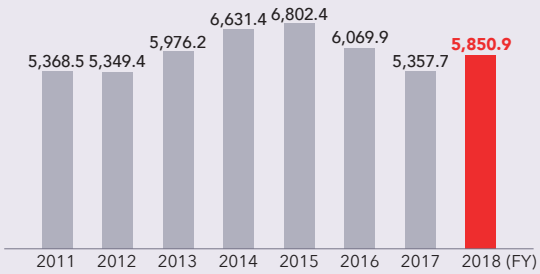
Financial Highlights

Eight-year financial summary

	(Millions of yen)								(Millions of US dollars)
FYs ended March 31:	**2018/3**	**2017/3**	**2016/3**	**2015/3**	**2014/3**	**2013/3**	**2012/3**	**2011/3**	**2018/3**
Operating revenues	¥ **5,850,939**	5,357,734	6,069,928	6,802,464	6,631,422	5,976,239	5,349,445	5,368,536	$ **55,068**
Operating income (loss)	**288,470**	258,680	372,231	316,534	191,379	(221,988)	(272,513)	399,624	**2,715**
Income (loss) before income taxes and non-controlling interests	**327,817**	146,471	186,607	479,022	462,555	(653,022)	(753,761)	(766,134)	**3,093**
Net income (loss) attributable to owners of the parent	**318,077**	132,810	140,783	451,552	438,647	(685,292)	(781,641)	(1,247,348)	**2,995**
Depreciation and amortization	**561,257**	564,276	621,953	624,248	647,397	621,080	686,555	702,185	**5,282**
Capital expenditures	**602,710**	568,626	665,735	585,958	575,948	675,011	750,011	676,746	**5,673**
Per share data (yen)**:**									
Net (loss) income (basic)	¥ **198.52**	82.89	87.86	281.80	273.74	(427.64)	(487.76)	(846.64)	$ **1.87**
Net income (diluted) [3]	**64.32**	26.79	28.52	91.49	88.87	—	—	—	**0.61**
Cash dividends	**—**	—	—	—	—	—	—	30.00	**—**
Net assets	**1,030.67**	838.45	746.59	669.60	343.31	72.83	491.22	972.28	**9.70**
FYs ended March 31 (as of March 31)**:**									
Total net assets	¥ **2,657,265**	2,348,679	2,218,139	2,102,180	1,577,408	1,137,812	812,476	1,602,478	$ **25,009**
Equity [4]	**2,651,385**	2,343,434	2,196,275	2,072,952	1,550,121	1,116,704	787,177	1,558,113	**24,954**
Total assets	**12,591,823**	12,277,600	13,659,769	14,212,677	14,801,106	14,989,130	15,536,456	14,790,353	**$118,511**
Interest-bearing debt	**6,022,970**	6,004,978	6,606,852	7,013,275	7,629,720	7,924,819	8,320,528	9,024,110	**56,687**
Number of employees	**41,525**	42,060	42,855	43,330	45,744	48,757	52,046	52,970	**—**
Financial ratios and cash flow data:									
ROA (%) [5]	**2.3**	2.0	2.7	2.2	1.3	(1.5)	(1.8)	2.9	**—**
ROE (%) [6]	**12.7**	5.9	6.6	24.9	32.9	(72.0)	(66.7)	(62.0)	**—**
Equity ratio (%)	**21.1**	19.1	16.1	14.6	10.5	7.5	5.1	10.5	**—**
Net cash provided by (used in) operating activities	¥ **752,183**	783,038	1,077,508	872,930	638,122	260,895	(2,891)	988,710	$ **7,080**
Net cash used in investing activities	**(520,593)**	(478,471)	(620,900)	(523,935)	(293,216)	(636,698)	(335,101)	(791,957)	**(4,900)**
Net cash provided by (used in) financing activities	**12,538**	(603,955)	(394,300)	(626,023)	(301,732)	632,583	(614,734)	1,859,579	**118**

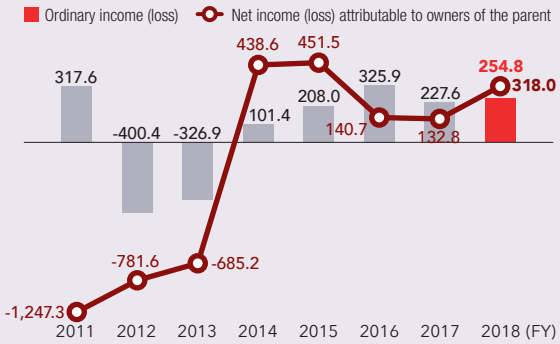
Notes:
1. All dollar amounts refer to U.S. currency. Yen amounts have been translated, solely for the convenience of the reader, at the rate of ¥106.25 to US$1.00 prevailing on March 31, 2018.
2. Amounts of less than one million yen have been omitted. All percentages have been rounded to the nearest unit.
3. 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 per share for both years. Net income per share after dilution by potential shares for the FY ended March 31, 2012 is omitted as there were no potential shares and the Company recognized a net loss per share for this year.
4. Equity = Net assets – Stock acquisition rights – Non-controlling interests
5. ROA = Operating income / Average total assets
6. ROE = Net income attributable to owners of the parent / Average equity

Operating revenues (billion yen)



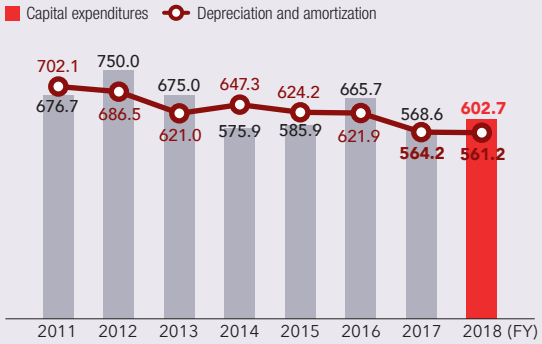
- Operating revenues increased over three consecutive fiscal years from the FY ended March 2013 to the FY ended March 2015, due mainly to such factors as the rate revision implemented in the FY ended March 2013 and the rises in unit sales prices of electricity resulting primarily from fuel cost adjustment system.
- Operating revenues decreased consecutively in the FYs ended March 2016 and March 2017 due mainly to such factors as the decrease in unit sales prices of electricity resulting primarily from fuel cost adjustment system.
- Operating revenues increased in the FY ended March 2018 due mainly to such factors as the increase in unit sales prices of electricity resulting primarily from fuel cost adjustment system.

Ordinary income (loss) & net income (loss) attributable to owners of the parent (billion yen)



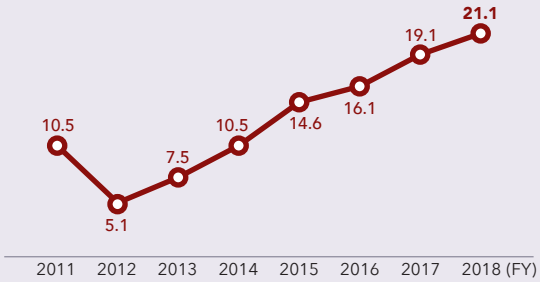
- As a result of the Great East Japan Eathquake in the FY ended March 2011, extraordinary losses on disaster recorded for losses incurred or expenses required for recovery of damaged assets. Following the Earthquake, the TEPCO Group's financial performance took a downturn due mainly to an increase in fuel costs resulting from the suspension of nuclear power generation.
- Over five consecutive fiscal years since the FY ended March 2014, profitability was achieved due mainly to a rate revision implemented in the FY ended March 2013 as well as across-the-board efforts of cost reductions.

Capital expenditures & depreciation and amortization (billion yen)



- Capital expenditures of 602.7 billion yen were recorded in the FY ended March 2018, up approximately 6% from the previous fiscal year, due mainly to such factors as the increase in investments associated with power transmission and distribution facilities.
- Depreciation and amortization for the FY ended March 2018 decreased by 3 billion yen from the previous fiscal year due mainly to the progress in the declining-balance.

Equity ratio (%)



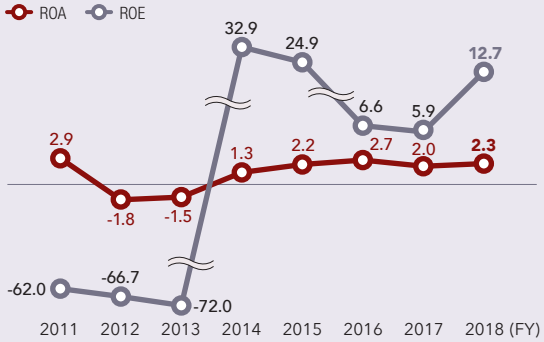
- The equity ratio dropped to 5.1% in the FY ended March 2012 as a result of a downturn in the Group's financial performance, but started climbing in the FY ended March 2012 to reach 21.1% as of March 31, 2018, outperforming the target of around 15.0% set under the New Comprehensive Special Business Plan made in Jan. 2014. The increase was attributable to the reduction of more than 2.3 trillion yen in interest-bearing debt outstanding from the level recorded in the FY ended March 2012 and measures taken to secure profits through the Group's ongoing rigorous across-the-board efforts of cost reductions.

Equity ratio: (Net assets – Stock acquisition rights – Non-controlling interests) / Total assets

Interest-bearing debt outstanding (billion yen) & debt-to-equity ratio

- Interest-bearing debt outstanding increased to 9.0 trillion yen as of March 31, 2011 due mainly to a weakened financial standing, but gradually decreased to 6.0 trillion yen by March 31, 2018, primarily caused by the redemption of public bonds.
- D/E ratio, which reached 10.6 in the FY ended March 2012 immediately after the Earthquake, declined to 2.3, back to its level prior to the Earthquake.

ROA & ROE (%)



- ROA dropped to –1.8% in the FY ended March 2012 due mainly to a downturn in the Group's financial performance resulting primarily from an increase in fuel costs caused by the suspension of nuclear power generation. However, it climbed back up to above 2.0% in and after the FY ended March 2015 due mainly to the rate revision implemented in the FY ended March 2013 and profits secured as a result of across-the-board efforts of cost reductions.
- ROE decreased due mainly to the record of an extraordinary loss on disaster for the FY ended March 2011, as well as the weakened financial performance resulting from an increase in fuel costs attributable to the suspension of nuclear power generation. However, it was restored in the FY ended March 2014, mainly due to the rate revision implemented in the FY ended March 2013 and all possible cost reductions. On the back of an upward trend continuously recorded in equity ratios, ROE has been retained at the standard prior to the Earthquake.

ROA (Return-on-Assets): Operating income / Average total assets
ROE (Return-on-Equity): Net income attributable to owners of the parent / Average equity

Consolidated balance sheet

FYs ended March 31:	(Millions of yen) 2018/3	2017/3	(Millions of US dollars) 2018/3
ASSETS			
Property, plant and equipment:			
Property, plant and equipment	**¥ 30,715,733**	¥ 30,664,082	**$ 289,089**
Construction in progress	**925,538**	840,444	**8,711**
	31,641,272	31,504,527	**297,800**
Less:			
Contributions in aid of construction	**414,446**	405,933	**3,901**
Accumulated depreciation	**23,433,688**	23,275,909	**220,552**
	23,848,134	23,681,842	**224,453**
Property, plant and equipment, net	**7,793,137**	7,822,684	**73,347**
Nuclear fuel:			
Loaded nuclear fuel	**120,509**	120,486	**1,134**
Nuclear fuel in processing	**539,858**	527,415	**5,081**
	660,368	647,902	**6,215**
Investments and other assets:			
Long-term investments	**129,869**	95,442	**1,222**
Long-term investments in subsidiaries and associate	**917,745**	934,672	**8,638**
Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	**593,701**	531,974	**5,588**
Net defined benefit asse	**147,499**	131,611	**1,388**
Other	**123,345**	129,571	**1,161**
	1,912,161	1,823,272	**17,997**
Current assets:			
Cash and deposits	**1,187,283**	941,383	**11,175**
Notes and accounts receivable–trade	**587,907**	512,680	**5,533**
Inventories	**160,240**	156,771	**1,508**
Other	**301,869**	386,038	**2,841**
	2,237,301	1,996,873	**21,057**
Less:			
Allowance for doubtful accounts	**(11,144)**	(13,133)	**(105)**
	2,226,156	1,983,740	**20,952**
Total assets	**¥ 12,591,823**	¥ 12,277,600	**$ 118,511**

FYs ended March 31:	(Millions of yen) 2018/3	2017/3	(Millions of US dollars) 2018/3
LIABILITIES AND NET ASSETS			
Long-term liabilities and reserves			
Long-term debt	**¥ 2,685,175**	¥ 3,418,785	**$ 25,272**
Other long-term liabilities	**372,839**	377,100	**3,509**
Provision for preparation of removal of reactor cores in the specified nuclear power facilities	**1,929**	—	**18**
Reserve for loss on disaster	**442,402**	467,692	**4,164**
Reserve for nuclear damage compensation	**600,647**	694,396	**5,653**
Net defined benefit liability	**386,735**	386,392	**3,640**
Asset retirement obligations	**784,581**	773,600	**7,385**
	5,274,312	6,117,969	**49,641**
Current liabilities:			
Current portion of long-term debt	**1,756,527**	1,726,040	**16,532**
Short-term loans	**1,581,266**	860,152	**14,883**
Notes and accounts payable-trade	**208,576**	181,137	**1,963**
Accrued taxes	**131,566**	192,070	**1,238**
Other	**974,829**	844,941	**9,175**
	4,652,768	3,804,342	**43,791**
Reserve under special laws:			
Reserve for fluctuation in water levels	**581**	—	**5**
Reserve for preparation of the depreciation of nuclear power construction	**6,895**	6,608	**65**
	7,477	6,608	**70**
Total liabilities	**9,934,558**	9,928,920	**93,502**
Net assets:			
Shareholders' equity:			
Common stock, without par value:			
Authorized — 35,000,000,000 shares in 2018 and 2017			
Issued —1,607,017,531 shares in 2018 and 2017	**900,975**	900,975	**8,480**
Preferred stock:			
Authorized — 5,500,000,000 shares in 2018 and 2017			
Issued —1,940,000,000 shares in 2018 and 2017	**500,000**	500,000	**4,706**
Capital surplus	**743,121**	743,123	**6,994**
Retained earnings	**508,584**	193,404	**4,787**
Treasury stock, at cost:			
4,765,505 shares in 2018 and 4,732,501 shares in 2017	**(8,454)**	(8,442)	**(80)**
Total shareholders' equity	**2,644,226**	2,329,061	**24,887**
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	**8,679**	5,109	**82**
Deferred gains or losses on hedges	**(454)**	(1,871)	**(4)**
Land revaluation loss	**(2,291)**	(2,301)	**(22)**
Foreign currency translation adjustments	**(7,846)**	17,098	**(74)**
Remeasurements of defined benefit plans	**9,072**	(3,662)	**85**
Total accumulated other comprehensive income	**7,158**	14,373	**67**
Stock acquisition rights	**0**	—	**0**
Noncontrolling interests	**5,880**	5,244	**55**
Total net assets	**2,657,265**	2,348,679	**25,009**
Total liabilities and net assets	**¥ 12,591,823**	¥ 12,277,600	**$ 118,511**

Consolidated statement of operations

	(Millions of yen)		(Millions of US dollars)
FYs ended March 31:	**2018/3**	2017/3	**2018/3**
Operating revenues:			
Electricity	**¥ 5,454,304**	¥ 5,095,037	**$ 51,335**
Other	**396,634**	262,696	**3,733**
	5,850,939	5,357,734	**55,068**
Operating expenses:			
Electricity	**5,188,433**	4,862,241	**48,832**
Other	**374,036**	236,812	**3,521**
	5,562,469	5,099,053	**52,353**
Operating income	**288,470**	258,680	**2,715**
Other income (expenses):			
Interest and dividend income	**2,251**	12,686	**21**
Interest expense	**(63,247)**	(75,588)	**(595)**
Loss on disaster	**(21,302)**	(19,335)	**(201)**
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	**381,987**	294,234	**3,595**
Compensation for nuclear damages	**(286,859)**	(392,006)	**(2,700)**
Equity in earnings of affiliates	**38,052**	26,186	**358**
Gain on changes in equity interest	**—**	36,459	**—**
Other, net	**(10,665)**	5,658	**(100)**
	40,216	(111,704)	**378**
Income before special items and income taxes	**328,686**	146,976	**3,093**
Special items:			
Provision for reserve for fluctuation in water levels	**(581)**		**(5)**
Provision for reserve for preparation of the depreciation of nuclear	**(287)**	(505)	**(3)**
Income before income taxes	**327,817**	146,471	**3,085**
Income taxes:			
Current	**20,882**	15,352	**197**
Deferred	**(11,330)**	(2,002)	**(107)**
	9,552	13,350	**90**
Net income	**318,265**	133,120	**2,995**
Net income attributable to non-controlling interests	**187**	309	**1**
Net income attributable to owners of the parent	**¥ 318,077**	¥ 132,810	**$ 2,994**

Per share information:	Yen		U.S. dollars
Net assets (basic)	**¥ 1,030.67**	¥ 838.45	**$ 9.70**
Net income (basic)	**198.52**	82.89	**1.87**
Net income (diluted)	**64.32**	26.79	**0.61**
Cash dividends	**—**	—	**—**

Consolidated statement of comprehensive income

	(Millions of yen)		(Millions of US dollars)
FYs ended March 31:	**2018/3**	2017/3	**2018/3**
Net income	**¥318,256**	¥133,120	**$2,995**
Other comprehensive income:			
Valuation difference on available-for-sale securities	**2,129**	1,463	**20**
Deferred gains or losses on hedges	**—**	4	**—**
Foreign currency translation adjustments	**875**	(17,787)	**8**
Remeasurements of defined benefit plans	**12,187**	2,809	**115**
Share of other comprehensive (loss) income of affiliates accounted for under the equity method	**(1,860)**	25,787	**(17)**
Total other comprehensive income	**13,332**	12,277	**126**
Comprehensive income	**¥331,597**	¥145,398	**$3,121**
Total comprehensive income attributable to:			
Owners of the parent	**¥331,409**	¥147,173	**$3,119**
Noncontrolling interests	**187**	(1,775)	**2**

Consolidated statement of changes in net assets

Year ended March 31, 2018

Millions of yen

	Shareholders' equity						Accumulated other comprehensive income								
	Common stock	Preferred stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Valuation difference on available-for -sale securities	Deferred gains or losses on hedges	Land revaluation loss	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Stock acquisition rights	Noncontrolling interests	Total net assets
Balance at April 1, 2017	**¥900,975**	**¥500,000**	**¥743,123**	**¥193,404**	**¥(8,442)**	**¥2,329,061**	**¥5,109**	**¥(1,871)**	**¥(2,301)**	**¥17,098**	**¥(3,662)**	**¥14,373**	**¥—**	**¥5,244**	**¥2,348,679**
Net income attributable to owners of the parent	—	—	—	318,077	—	318,077	—	—	—	—	—	—	—	—	318,077
Purchases of treasury stock	—	—	—	—	(15)	(15)	—	—	—	—	—	—	—	—	(15)
Sales of treasury stock	—	—	(2)	—	2	0	—	—	—	—	—	—	—	—	0
Change of scope of equity method	—	—	—	(2,888)	—	(2,888)	—	—	—	—	—	—	—	—	(2,888)
Reversal of land revaluation loss	—	—	—	(9)	—	(9)	—	—	—	—	—	—	—	—	(9)
Other	—	—	—	—	0	0	—	—	—	—	—	—	—	—	0
Net changes in items other than shareholders' equity	—	—	—	—	—	—	3,569	1,416	9	(24,944)	12,734	(7,214)	0	635	(6,579)
Total changes	—	—	(2)	315,179	(12)	315,165	3,569	1,416	9	(24,944)	12,734	(7,214)	0	635	308,586
Balance at March 31, 2018	**¥900,975**	**¥500,000**	**¥743,121**	**¥508,584**	**¥(8,454)**	**¥2,644,226**	**¥8,679**	**¥ (454)**	**¥(2,291)**	**¥ (7,846)**	**¥ 9,072**	**¥ 7,158**	**¥ 0**	**¥5,880**	**¥2,657,265**

Year ended March 31, 2017

Millions of yen

	Shareholders' equity						Accumulated other comprehensive income								
	Common stock	Preferred stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Valuation difference on available-for -sale securities	Deferred gains or losses on hedges	Land revaluation loss	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Stock acquisition rights	Noncontrolling interests	Total net assets
Balance at April 1, 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
Net income attributable to owners of the parent	—	—	—	132,810	—	132,810	—	—	—	—	—	—	—	—	132,810
Purchases of treasury stock	—	—	—	—	(14)	(14)	—	—	—	—	—	—	—	—	(14)
Sales of treasury stock	—	—	(1)	—	2	0	—	—	—	—	—	—	—	—	0
Reversal of land revaluation loss	—	—	—	(209)	—	(209)	—	—	—	—	—	—	—	—	(209)
Other	—	—	—	—	0	0	—	—	—	—	—	—	—	—	0
Net changes in items other than shareholders' equity	—	—	—	—	—	—	1,491	12,796	209	(3,669)	3,744	14,571	—	(16,619)	(2,047)
Total changes	—	—	(1)	132,601	(12)	132,587	1,491	12,796	209	(3,669)	3,744	14,571	—	(16,619)	130,540
Balance at March 31, 2017	¥900,975	¥500,000	¥743,123	¥193,404	¥(8,442)	¥2,329,061	¥5,109	¥ (1,871)	¥(2,301)	¥17,098	¥(3,662)	¥14,373	¥—	¥ 5,244	¥2,348,679

Year ended March 31, 2018

Millions of U.S. dollars

	Shareholders' equity						Accumulated other comprehensive income								
	Common stock	Preferred stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Valuation difference on available-for -sale securities	Deferred gains or losses on hedges	Land revaluation loss	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Stock acquisition rights	Noncontrolling interests	Total net assets
Balance at April 1, 2017	**$8,480**	**$4,706**	**$6,994**	**$1,820**	**$(80)**	**$21,920**	**$48**	**$(17)**	**$(22)**	**$161**	**$(35)**	**$135**	**$—**	**$49**	**$22,104**
Net income attributable to owners of the parent	—	—	—	2,994	—	2,994	—	—	—	—	—	—	—	—	2,994
Purchases of treasury stock	—	—	—	—	(0)	(0)	—	—	—	—	—	—	—	—	(0)
Sales of treasury stock	—	—	(0)	—	0	0	—	—	—	—	—	—	—	—	0
Change of scope of equity method	—	—	—	(27)	—	(27)	—	—	—	—	—	—	—	—	(27)
Reversal of land revaluation loss	—	—	—	(0)	—	(0)	—	—	—	—	—	—	—	—	(0)
Other	—	—	—	—	0	0	—	—	—	—	—	—	—	—	0
Net changes in items other than shareholders' equity	—	—	—	—	—	—	34	13	0	(235)	120	(68)	0	6	(62)
Total changes	—	—	(0)	2,967	(0)	2,967	34	13	0	(235)	120	(68)	0	6	2,905
Balance at March 31, 2018	**$8,480**	**$4,706**	**$6,994**	**$4,787**	**$(80)**	**$24,887**	**$82**	**$ (4)**	**$(22)**	**$ (74)**	**$ 85**	**$ 67**	**$ 0**	**$55**	**$25,009**

Consolidated statement of cash flows

	(Millions of yen)		(Millions of US dollars)
FYs ended March 31:	**2018/3**	2017/3	**2018/3**
Cash flows from operating activities			
Income before income taxes	**¥ 327,817**	¥ 146,471	**$ 3,085**
Depreciation and amortization	**561,257**	564,276	**5,282**
Decommissioning costs of nuclear power units	**16,927**	17,869	**159**
Loss on disposal of property, plant and equipment	**25,442**	22,752	**240**
Reversal of reserve for reprocessing of irradiated nuclear fuel provision	**–**	(37,187)	**–**
Increase in provision for preparation of removal of reactor cores in the specified nuclear power facilities	**1,929**	–	**18**
Increase in reserve for loss on disaster	**9,554**	19,025	**90**
Net defined benefit liability	**342**	3,604	**3**
Interest and dividend income	**(2,251)**	(12,686)	**(21)**
Interest expense	**63,247**	75,588	**595**
Equity in earnings of affiliates	**(38,052)**	(26,186)	**(358)**
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	**(381,987)**	(294,234)	**(3,595)**
Compensation for nuclear damages	**286,859**	392,006	**2,700**
Gain on changes in equity interest	**–**	(36,459)	**–**
Decrease in trust funds for reprocessing of irradiated nuclear fuel	**–**	55,683	**–**
Increase in notes and accounts receivable	**(76,145)**	(26,138)	**(716)**
Increase (decrease) in notes and accounts payable	**33,961**	(52,767)	**320**
Other	**75,212**	102,174	**708**
	904,115	913,790	**8,510**
Interest and cash dividends received	**6,594**	18,749	**62**
Interest paid.	**(64,822)**	(62,641)	**(610)**
Payments for loss on disaster due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake	**(32,944)**	(29,995)	**(310)**
Receipts of Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	**893,900**	1,141,800	**8,413**
Payments for nuclear damage compensation	**(957,821)**	(1,161,778)	**(9,015)**
Income taxes refunded (paid)	**3,160**	(36,887)	**30**
Net cash provided by operating activities	**752,183**	783,038	**7,080**

	(Millions of yen)		(Millions of US dollars)
FYs ended March 31:	**2018/3**	2017/3	**2018/3**
Cash flows from investing activitie			
Purchases of property, plant and equipment	**(562,006)**	(562,242)	**(5,289)**
Contributions in aid of construction received	**22,328**	18,832	**210**
Increase in long-term investments	**(10,077)**	(23,934)	**(95)**
Proceeds from long-term investments	**155**	4,189	**1**
Other	**29,006**	84,682	**273**
Net cash used in investing activities	**(520,593)**	(478,471)	**(4,900)**
Cash flows from financing activities			
Proceeds from issuance of bonds	**523,639**	492,150	**4,928**
Redemptions of bonds	**(1,499,805)**	(766,838)	**(14,116)**
Proceeds from long-term loans	**498,289**	34,977	**4,690**
Repayments of long-term loans	**(226,315)**	(727,454)	**(2,130)**
Proceeds from short-term loans	**3,939,019**	1,976,554	**37,073**
Repayments of short-term loans	**(3,217,974)**	(1,609,626)	**(30,287)**
Other	**(4,313)**	(3,718)	**(40)**
Net cash provided by (used in) financing activities	**12,538**	(603,955)	**118**
Effect of exchange rate changes on cash and cash equivalents	**12**	(3,686)	**0**
Net increase (decrease) in cash and cash equivalents	**244,140**	(303,075)	**2,298**
Cash and cash equivalents at beginning of the year	**940,243**	1,339,910	**8,849**
Decrease in cash and cash equivalents resulting from change of scope of consolidation	**–**	(96,590)	**–**
Cash and cash equivalents at end of the year	**¥ 1,184,384**	¥ 940,243	**$ 11,147**

Environment

Environmental indicator record

1. TEPCO Group (*1)

(1) Global environment

	Items	Units	Results FY2010	Results FY2016	Results **FY2017**	GRI Standard
1	Fuel consumption					301-1
	Total fuel/energy used for power generation by type					
	Coal	kt	-	8,137	8,306	
	Heavy oil, crude oil	1,000 kL	-	2,134	978	
	Gas (LNG, city gas, etc.)	kt	-	23,565	22,957	
	Biomass	kt	-	-	74	
	Fuel for nuclear power plants	t	-	N/A	N/A	
2	Electricity production					-
	Amount of power at sending end and by each type of power generation					
	Thermal power	TWh	-	190.3	184.2	
	Hydropower (including pumped-storage hydroelectricity)	TWh	-	10	12.2	
	Solar Power	TWh	-	0.03	0.03	
	Wind power	TWh	-	0.03	0.04	
	Geothermal power	TWh	-	0.01	0.01	
	Nuclear power	TWh	-	N/A	N/A	
3	Direct emissions from business activities					305-1
	CO_2 emissions from power generation Scope 1(*2)	10 kt-CO_2	-	8,890	8,420	
	CO_2 emissions from vehicles (gasoline and diesel) Scope 1(*2)	10 kt-CO_2	-	1.4	0.9	
4	CO_2 emissions intensity / emissions (TEPCO Energy Partner)					305-4 305-5
	Adjusted emissions intensity ( ) indicates pre-adjustment emissions intensity (*3)	kg-CO_2/kWh	0.374 (0.375)	0.474 (0.486)	0.462 (0.475)	
	Adjusted emissions ( ) indicates pre-adjustment emissions (*3)	10 kt-CO_2	10,970 (10,990)	11,440 (11,740)	10,770 (11,080)	
5	Electricity sold (TEPCO Energy Partner)	TWh	293.4	241.5	233.1	-
6	Electricity sold (Group companies)	TWh	-	243.8	240.3	-
7	Gas sold (TEPCO Energy Partner)	10 kt	-	151	183	-
8	Electricity procured outside the TEPCO Group (receiving end)	TWh	-	53.0	47.9	-
9	N_2O emissions from power generation	10 kt-CO_2	3.2	5.8	6.0	305-1 305-5
10	SF_6 emissions	10 kt-CO_2	6.2	6.1	6.1	305-2 305-5
11	SF_6 recovery rate during equipment inspections/removal					305-2 305-5
	During equipment inspections	%	98	99	100	
	During equipment removal	%	100	100	99	
12	HFC emission from business activities					305-2 305-5
	HFC emissions based on the Act on Promotion of Global Warming Countermeasures (*4)	10 kt-CO_2	0.9	0.4	0.5	

*1 The TEPCO Group referred to in this list refers to four companies: Tokyo Electric Power Company Holdings, TEPCO Fuel & Power, TEPCO Power Grid and TEPCO Energy Partner
*2 Scope 1 refers to direct emissions of greenhouse gases (GHG)
*3 CO_2 emissions intensity and CO_2 emissions prior to reflecting adjustments incidental to the renewable energy fixed rate purchasing system based on the Act on Promotion of Global Warming Countermeasures
*4 The Act on Promotion of Global Warming Countermeasures
*5 The Act on Rational Use and Proper Management of Fluorocarbons
*6 Scope 2 refers to indirect emissions from consuming electricity and the use of heat/steam
*7 Renewable energy refers to hydroelectric power, geothermal power, solar power, wind power and biomass, etc.
*8 Unused energy refers to heat, blast furnace gas and other gas byproducts produced from the incineration of waste not including waste heat and biomass from factories, etc.
*9 Scope 3 refers to indirect emissions generated outside the organization that are not included in Scope 1, 2

	Items	Units	Results FY2010	Results FY2016	Results **FY2017**	GRI Standard
13	Fluorocarbon leaks from business activities					305-2 305-6
	Amount of leaked chlorofluorocarbons based on the Law Concerning the Discharge and Control of Fluorocarbons (*5)	10 kt-CO_2	-	0.7	1.1	
14	Total amount of energy used for business activities (crude oil equivalent)	kL of crude oil equivalent	-	41,061,000	39,114,000	302-1 302-4
	Total amount of energy used by/for TEPCO Group facilities (power stations, Headquarters, branch offices, etc.)	GJ	-	1,591,525,000	1,516,054,000	
15	Indirect CO_2 emissions accompany with energy consumption in business activities (buildings, etc.) (Scope 2) (*6)	10 kt-CO_2	-	370	350	305-2
16	Thermal power generation efficiency (lower-heating value)					302-3
	Total heat from fuel used for thermal power / electricity from thermal power	%	47.2	49.0	49.6	
17	Nuclear facility utilization rate	%	55.3	N/A	N/A	302-5
18	Renewable energy (*7)					302-4 302-5
	Volume	TWh	-	22.9	27.0	
	Rate of use	%	-	9.48	11.6	
	Non-renewable energy usage (*8)					
	Volume	TWh	-	2.6	1.6	
	Rate of use	%	-	1.06	0.68	
19	Power transmission loss rate	%	4.2	4.1	3.8	-
20	Emissions by category Scope 3 (*9)					305-3
	No. 1 Purchased goods and services	10 kt-CO_2	-	0.2	0.2	
	No. 2 Capital goods	10 kt-CO_2	-	187.6	199.7	
	No. 3 Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	10 kt-CO_2	-	2,340.2	2,026.5	
	No. 4 Upstream transportation and distribution	10 kt-CO_2	-	261.9	249.6	
	No. 5 Waste generated in operations	10 kt-CO_2	-	3.1	2.9	
	No. 6 Business travel	10 kt-CO_2	-	0.4	0.5	
	No. 7 Employee commuting	10 kt-CO_2	-	-	-	
	No. 8 Upstream leased assets	10 kt-CO_2	-	0.0	0.0	
	No. 9 Downstream transportation and distribution	10 kt-CO_2	-	0.0	0.0	
	No. 10 Processing of sold products	10 kt-CO_2	-	0.0	0.0	
	No. 11 Use of sold products	10 kt-CO_2	-	-	-	
	No. 12 End-of-life treatment of sold products	10 kt-CO_2	-	0.0	0.0	
	No. 13 Downstream leased assets	10 kt-CO_2	-	0.0	0.0	
	No. 14 Franchises	10 kt-CO_2	-	0.0	0.0	
	No. 15 Investments	10 kt-CO_2	-	-	-	
	Total of Scope 3	10 kt-CO_2	-	2,793.4	2,479.4	

(2) Local environment

	Items	Units	Results			GRI Standard
			FY2010	FY2016	**FY2017**	
1	SOx emissions (*10) Thermal power plant sulfur oxide (SOx) emissions	10 kt	1.5	1.0	0.7	305-7
2	SOx emissions intensity (*10) Thermal power plant sulfur oxide (SOx) emissions intensity	g/kWh	0.09	0.05	0.03	305-7
3	NOx emissions (*10) Thermal power plant nitrogen oxide (NOx) emissions	10 kt	2.5	1.9	1.7	305-7
4	NOx emissions intensity (*10) Thermal power plant nitrogen oxide (NOx) emissions intensity	g/kWh	0.15	0.10	0.09	305-7
5	Rate of underground power lines Rate of underground power lines = {(Underground power cable length / (elevated power cable length + underground power cable length)} x 100 (%) Group rate of underground power lines	%	9.8	10.1	10.1	-
	Rate of underground power lines for Tokyo Metropolitan area (23 wards)	%	45.8	47.1	47.3	

(3) Resource environment

	Items	Units	Results			GRI Standard
			FY2010	FY2016	**FY2017**	
1	Industrial waste	kt	690.9	1,140.8	1,119.7	306-2
2	Industrial waste recycling rate/landfill treatment volume Industrial waste recycling rate	%	100.0	99.5	99.6	306-2
	Landfill treatment volume	kt	0.0	5.2	3.8	
3	PCB equipment treated (remaining units) PCB contamination pole transformer	10,000 Units	Approx.52	41	32	-
	High-voltage transformer/capacitors (high contaminated)	Units	Approx.3,200	493	302	
4	PCB waste treatment volume PCB contamination pole transformer processing	10,000 Units	Approx.10	7.0	8.0	306-2 306-4
	Insulating oil inadvertently contaminating PCB	1,000 kL	4.8	4.2	5.1	
	High-voltage transformer/capacitors (high contaminated)	Units	Approx.300	797	190	

(4) Environmental management

	Items	Units	Results			GRI Standard
			FY2010	FY2016	**FY2017**	
1	Building energy consumption intensity	MJ/m^2	-	1,427	1,400	302-3
2	Amount of electricity consumed by buildings, etc.	GWh	224	156	146	302-1 302-4
3	Water withdrawals for power generation Industrial water, etc.	10,000 m^3	-	993	962	303-1
	River water (for hydropower)	100 mil. m^3	-	510	553	
4	Total tap water used Supplied water	10,000 m^3	141	129	119	303-1
	Groundwater	10,000 m^3	-	3	2	
5	Discharged water Amount of wastewater treated in thermal power plants	10,000 m^3	-	497	469	306-1
6	COD emissions COD emissions in wastewater from thermal power plants	t	-	-	15	306-1
7	Vehicle fuel consumption Work vehicle fuel consumption (gasoline vehicles, electric vehicles, hybrid vehicles and plug in hybrid vehicle	km/L	11.0	12.3	12.0	302-3 302-4
8	Number of EV	No.	618	478	503	302-4 302-5
9	Green procurement rate (office products, % of total amount) Green procurement rate for office products	%	99.8	94.1	99.6	-
10	Amount of copy/printer paper used (A4 size conversion)	100 mil.	3.4	3.1	3.2	-
11	Non-compliance with environmental laws and regulations	No.	-	0	0	307-1
12	Significant spills No. of spills with a severe impact on surrounding environment due to spill of chemical substance or petroleum fuels	No.	-	0	0	306-3

2. Subsidiaries and affiliates (*11)

	Items	Units	Results			GRI Standard
			FY2010	FY2016	**FY2017**	
1	Direct CO_2 emissions (*12)	10 kt-CO_2	-	990	960	305-1
2	Indirect CO_2 emissions accompany with energy consumption in business activities (buildings, etc.)	10 kt-CO_2	-	2.0	2.0	305-2
3	CO_2 emissions by transport (*13)	10 kt-CO_2	-	2.4	2.4	305-1
4	Number of locations certified under the ISO 14001 environmental management system	No.	-	29	28	-
5	Total amount of water used Supplied water	10,000 m^3	-	82	105	303-1
	Water withdrawals for power generation	10,000 m^3	-	500	551	
6	Total capacity of solar power generation	MW	-	140	160	305-5
7	Total capacity of wind power generation	MW	-	1,010	980	305-5
8	Total capacity of generation from other renewable sources (*14)	MW	-	80	280	305-5
9	Industrial waste recycling rate	%	-	95.5	95.5	306-2

*10 Excludes combustion power in islands
*11 Includes TEPCO Group subsidiaries and affiliates (corporations listed as "affiliates" in the valued securities report) that responded (excluding TEPCO HD, TEPCO Fuel & Power, TEPCO Power Grid and TEPCO Energy Partner), and totaled after dividing the results for each company by the voting ratio (however, values for category 4 are the total).
*12 The amount of CO_2 emissions as reported through greenhouse gas emissions calculation/reporting/disclosure system, which is based upon the Law Concerning the Promotion of the Measures to Cope with Global Warming, and in accordance with the Act on the Rational Use of Energy.
*13 Based on the reported in the transporter to the Act on the Rational Use of Energy
*14 Biomass co-combustion, biogas, waste power generation and storage batteries, etc.

Social

TEPCO Group (•1)

(1) Employee-related indicators

	Category		Units	Performance			GRI Standard
				FY2010	FY2016	**FY2017**	
1	Number of employees	Total	People	38,671	33,197	32,546	102-7 405-1
		Males		33,939	29,158	28,566	
		Females		4,732	4,039	3,980	
2	Average age	Total	Age	40.9	43.2	43.8	405-1
		Males		41.3	43.5	44.1	
		Females		37.8	41.2	42.0	
3	Average number of years on the job	Total	Years	20.9	20.5	20.9	-
		Males		21.4	20.6	21.0	
		Females		17.6	19.9	19.4	
4	Separation rate	Total	%	2.3	2.8	3.0	401-1
		Males		2.3	2.8	3.1	
		Females		2.2	3.0	3.0	
5	Management promotions	Age of youngest employee that management position is offered	Age	38	36	35	405-1
		Number of women in management positions	People	75	168	197	
		Ratio of women in management positions	%	1.45	3.26	3.78	
6	Employment of physically challenged individuals	Employment rate	%	2.09	2.12	2.19	405-1
7	Number of newly hired employees	Total	People	1,092	555	281	401-1
		Males		879	486	223	
		Females		213	69	58	
8	Number of career employees hired (highly skilled human resources)	Total	People	10	52	50	401-1
		Males		9	47	47	
		Females		1	5	3	
9	Number of employees that have used the system for taking leaves of absence for nursing care	Total	People	12	11	13	-
		Males		5	5	8	
		Females		7	6	5	
10	Percentage of employees that have used the system for taking leaves of absence for child rearing	Total	%	11.9	13.4	14.1	401-3
		Males		0.5	0.4	2.1	
		Females		100	100	100	
11	Percentage of employees that have returned to work after taking leaves of absence for child rearing	Total	%	94.7	95.6	96.4	401-3
		Males		100	100	100	
		Females		94.5	95.5	95.8	
12	Average age of executives (*2)		Age	60.4	55.9	54.8	-
13	Ratio of employees in unions		%	100	100	100	102-7

(2) Health and safety-related indicators

	Category		Units	Performance			GRI Standard
				FY2010	FY2016	**FY2017**	
1	Number of injured employees	Total	People	28	9	11	403-2
		Males		23	7	11	
		Females		5	2	0	
2	Number of injured contractors/consignors		People	115	74	67	403-2
3	Lost time incident rate (LTIR) (employees)		-	0.42	0.15	0.20	403-2
4	Number of fatalities (employees)	Total	People	2	0	0	403-2
		Males		2	0	0	
		Females		0	0	0	
5	Number of fatalities (contractor/ consignors)	Total	People	6	1	0	403-2
		Males		6	1	0	
		Females		0	0	0	

(3) Human resource cultivation and training-related indicators

	Category	Units	Performance			GRI Standard
			FY2010	FY2016	**FY2017**	
1	Employee training expenses (common training for all companies etc.)	Million yen	-	-	161	404-1
2	Number of employee training hours (common training for all companies etc.)	Cumulative hours	-	-	110,778	404-1

*1 The TEPCO Group referred to in this list refers to four companies: Tokyo Electric Power Company Holdings, TEPCO Fuel & Power, TEPCO Power Grid and TEPCO Energy Partner

*2 Excludes outside directors and part-time workers

Governance

Basic views on corporate governance

Tokyo Electric Power Company Holdings (TEPCO HD) is working to develop organizational structures and policies for thorough legal and ethical compliance, appropriate and prompt decision-making, efficient business execution, and enhanced auditing and supervisory functions. To further improve the objectivity and transparency of its management, TEPCO HD has adopted a "Company with Nominating Committee, etc." management structure, thereby stepping up the effort to secure solid corporate governance.

Moreover, having adopted a holding company system in April 2016, TEPCO HD is striving to further enhance its corporate value through the optimal allocation of management resources and a robust corporate governance system encompassing the entire TEPCO group.

Special circumstances which may have material impact on corporate governance

TEPCO HD accepts officers from Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF). Management teams of TEPCO HD and its core operating companies assume responsibility in terms of promoting management reforms based on the special business plans, while the NDF provides backup support and monitors progress in that regard.

More specifically, TEPCO HD implements the special business plans, and otherwise makes business judgments and decisions on business operations under the direction of the management teams. Meanwhile, NDF is furnished with reports as needed from the officers and employees it sends to TEPCO HD and requests that TEPCO HD and its core operating companies take action when necessary from the perspective of ensuring sound performance with respect to the special business plans.

Management of the Board of Directors and each committee (As of 31, March 2018)

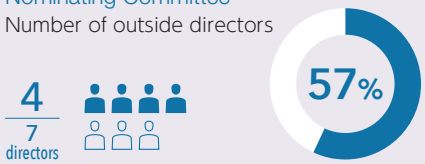
Board of Directors

Number of outside directors

- The Board of Directors of TEPCO HD, which is a company with Nominating Committee, etc., is comprised of various people of different genders, expertise, and backgrounds. The board makes important executive decisions, receives reports about important management issues and performance from executives, and oversees the performance of duties.
- TEPCO HD also has a Nominating Committee and Audit Committee of which the majority of members are outside directors, and a Compensation Committee is comprised of all the outside directors.
- In FY2017, the Board of Directors met 19 times.

Nominating Committee

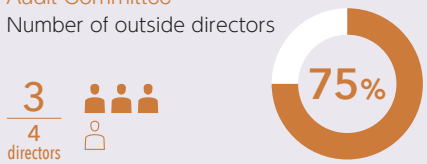
Number of outside directors



- The Nominating Committee determines the details of proposals concerning the selection or dismissal of directors that is submitted to the general shareholders meeting based upon corporate law.
- Furthermore, whereas the committee has no authority based upon corporate law, it also debates issues related to executive officer selection and dismissal.
- During FY2017 the Nominating Committee met eight times.

Audit Committee

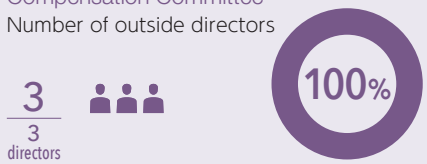
Number of outside directors



- The Audit Committee appropriately and adequate the monitors the performance of duties by directors and executives based upon auditing plans, and verifies that duties are being performed while prioritizing safety and security, energy is being supplied in a stable manner, and initiatives are underway to strengthen earning power.
- The Audit Committee, Internal Audit Department and accounting auditors all perform strict audits in their fields of expertise, and mutually cooperate by periodically exchanging opinions in regards to auditing plans and audit results.
- During FY2017, the Audit Committee met 12 times and participated in opinion sharing meetings with auditors 10 times in addition to attending management meetings held by the board of executive officers. The Committee also engaged in opinion sharing meetings with accounting auditors and the Internal Audit Department, and conducted audits of headquarters and primary offices.

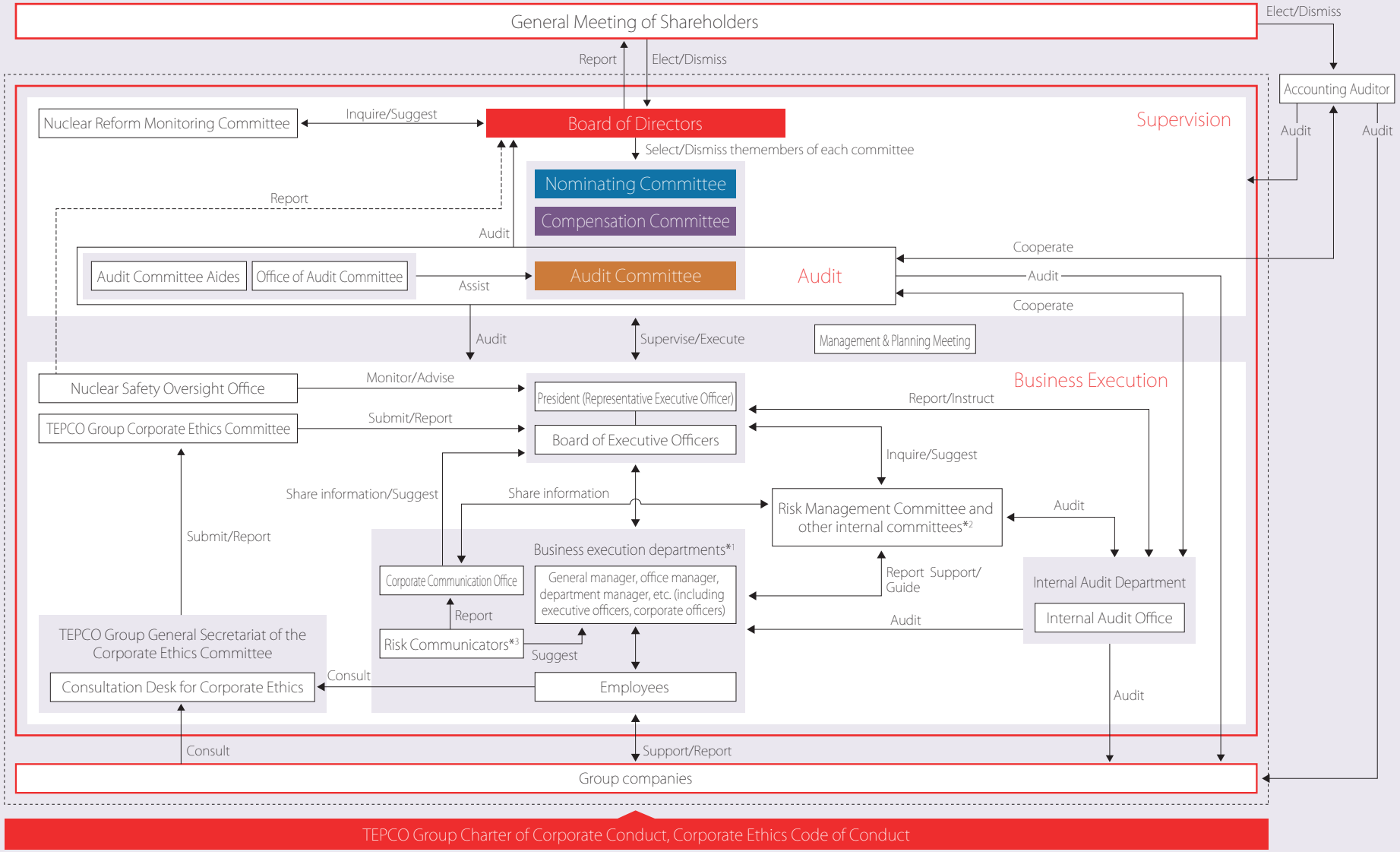
Compensation Committee

Number of outside directors



- The Compensation Committee formulates policies for determining the details of compensation for individual directors and executives, and decides on the compensation that individual directors and executives are to receive.
- During FY2017 the Compensation Committee met eight times.

Corporate governance structure (As of 1, July 2018)



*1 Head office (Corporate offices, departments, etc.), frontline organizations (nuclear power stations, etc.) *2 Investment Management Committee, etc. *3 Experts in risk communication

Indicators related to corporate governance

	Units	Performance
Structure of the Board of Directors		
Number of directors	People	13
Number of employee representatives on the Board of Directors	People	0
Classified Board system	—	N/A
Number of auditors	People	0
Corporate officer system	—	Applicable
Number of directors also corporate officers	People	0
Ratio of directors also corporate officers	%	0.00
Independency of the Board of Directors		
Number of outside directors	People	6
Ratio of outside directors	%	46.15
Number of independent directors	People	6
Ratio of independent directors	%	46.15
CEO duality	—	N/A
Independent chairperson	—	Applicable
Independent lead director	—	Applicable
Presiding director	—	N/A
Former CEO or director with the same qualifications	—	N/A
Diversity of the Board of Directors		
Number of female directors	People	1
Ratio of female directors	%	7.69
Female CEO (or person with equal qualifications)	—	N/A
Female chairpersons (or person with equal qualifications)	—	N/A
Number of executives, management executives, corporate officers	People	48
Internally promoted CEOs (or person with equal qualifications)	—	Applicable
Number of outside executives	People	6
Number of female executives	People	1
Ratio of female executives	%	2.08
Age of youngest director	Age	48
Age of oldest director	Age	78
Range of ages of directors	Age	30
Average age of directors	Age	60.62
Upper age limit for directors	—	N/A
Term of office of directors (years)	Years	1
Term of office of executive directors	Years	1

* When disclosing corporate ESG information, items for which there have been many requests for disclosure from assessment institutions are selected
* Information on the number and age of directors is valid as of June 27, 2018
* Number of meetings such as Board of Directors is the result of FY2017
* Attendance ratio of meetings such as Board of Directors was calculated based on results for FY2017 for the 13 directors selected at the regular general shareholders meeting held on June 27, 2018.

	Units	Performance
Board of Directors		
Number of meetings	Times	19
Attendance ratio of meetings	%	96.81
Attendance ratio of independent directors	%	95.74
Directors with a Board of Directors attendance rate of less than 75%	People	0
Nominating Committee		
Number of members	People	7
Number of independent directors	People	4
Ratio of independent directors	%	57.14
Independent chairperson	—	Applicable
Number of outside directors	People	4
Number of meetings	Times	8
Attendance ratio of meetings	%	93.94
Audit Committee		
Number of members	People	4
Number of independent directors	People	3
Ratio of independent directors	%	75.00
Independent chairperson	—	Applicable
Number of outside directors	People	3
Number of meeting	Times	12
Attendance ratio of meetings	%	92.86
Compensation Committee		
Number of members	People	3
Number of independent directors	People	3
Ratio of independent directors	%	100.00
Independent chairperson	—	Applicable
Number of outside directors	People	3
Number of meeting	Times	8
Attendance ratio of meetings	%	100.00
Outside compensation advisor nominations	—	N/A
Board of Directors/Executive Board Activities		
CSR/Sustainability Committee	—	N/A
CSR Outside Directors	—	N/A
Executive Director (in charge of CSR)	—	N/A
ESG-related executive compensation	Yen	0
ESG-related director compensation	Yen	N/A
Stockholder's Rights		
Poison pill provision	—	N/A
Poison pill plan stockholder approval	—	N/A
Poison pill TIDE provision	—	N/A
Poison pill sunset provision	—	N/A
Blank check preferred stock authorization	—	N/A
Dual class unequal voting rights	—	N/A

Total amount of compensation

	Number of people paid (person)	Total amount of compensation (million yen)
Directors	11	86
Executive officers	19	310

Note 1. TEPCO HD does not pay director compensation to executive officers that also serve as directors, so the above numbers for the total number of people paid does not include the number of directors that also serve as executive officers.
Note 2. ¥63 million in of the above total was paid as compensation for nine outside directors.
Note 3. The compensation amount for executive officers includes the ¥2 million difference between the productivity-linked compensation paid in FY2017 to 13 executive officers for their service during FY2016, and the productivity-linked compensation included in compensation disclosed in the FY2016 business report.

Policy on determining remuneraion for directors and executive officers

The main duty of each director and executive officer of TEPCO HD is to minimize the burden on the people by enhancing corporate value based on a strong commitment to achieving stable supply of electric power beyond the world's highest level for ensuring safety and under competitive conditions, while fulfilling TEPCO's responsibility for the Fukushima Daiichi Nuclear Power Station accident. In order to achieve this, the basic policies for the determination of remuneration are securing outstanding human resources capable of leading business operation and management reform to achieve both "responsibility and competitiveness," clarifying responsibilities and outcomes and increasing incentives for improved performance and increase in the stock value.

The remuneration system for directors and that of executive officers are different based on the different duties of the directors, who are in charge of supervising corporate management, and the executive officers, who are in charge of executing business operations. Officers who concurrently serve as director and executive officer receive only the remuneration paid to executive officers.

(1) Remuneration paid directors

The remuneration paid to directors comprises only basic remuneration.

<Basic remuneration> The amount of basic remuneration paid to each director is determined taking into consideration whether he/she is full time or part time, the committee to which he/she belongs and his/her job description.

(2) Remuneration paid to executive officers

The remuneration paid to executive officers comprises basic remuneration and productivity-linked remuneration.

<Basic remuneration> The amount of basic remuneration paid to each executive officer is remuneration based on his/her specific rank, whether he/she holds the right to represent TEPCO and his/her job description.

<Productivity-linked remuneration> The amount of productivity-linked remuneration is determined according to results of TEPCO and personal performance.

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Group Companies

(as of March 31, 2018)

Tokyo Electric Power Company Holdings

TEPCO Fuel & Power, Inc.
TEPCO Power Grid, Inc.
TEPCO Energy Partner, Inc.
Toden Real Estate Co., Inc.
The Tokyo Electric Generation Company, Incorporated
Tokyo Power Technology Ltd.
Tokyo Electric Power Services Company, Limited
TEPCO SYSTEMS CORPORATION
TEPCO RESOURCES INC.
TEPCO HUMMING WORK CO., LTD.
Toso Real Estate Management Co., Ltd.
Tepco Partners Co., Ltd.
TEPCO Innovation & Investments US, Inc.
TRENDE Inc.
Recyclable-Fuel Storage Company
ATEMA KOGEN RESORT INC.
TOKYO RECORDS MANAGEMENT CO., INC
TOSETSU CIVIL ENGINEERING CONSULTANT INC.
Eurus Energy Holdings Corporation
Hitachi Systems Power Services, Ltd.
Energy Asia Holdings, Ltd.
Japan Nuclear Fuel Limited
The Japan Atomic Power Company
TOKYO ENERGY & SYSTEMS INC.
THE Power Grid Solution Ltd.
T. T. Network Infrastructure Japan Corporation
Fukushima Soden Godo Kaisha
Conjoule GmbH
Nuclear Fuel Transport Company, Ltd.
JAPAN NUCLEAR SECURITY SYSTEM CO., LTD.
International Nuclear Energy Development of Japan Co., Ltd.
SAP-Japan Co., Ltd.
Battery Utility of Ohio, LLC
Harajuku-no Mori Ltd.
HAKUSAN CORPORATION

TEPCO Fuel & Power

Bio Fuel Co., Inc.
Fuel TEPCO
TOMATOH OIL STORAGE. CO., LTD.
Akita Oil Storage Co., Ltd.
FUKUI OIL STORAGE Co., LTD.
SHIBUSHI OIL STORAGE COMPANY, LTD.
TOKYO WATERFRONT RECYCLE POWER CO., LTD.
KAWASAKI STEAM NET CO., LTD.
Ohgishima City Gas Supply Co., Ltd.
NANSO SERVICE CO., LTD.
JERA Co., Inc.
Kimitsu Cooperative Thermal Power Company, Inc.
KASHIMA KYODO ELECTRIC POWER Co., Ltd.
Soma Kyodo Power Company, Ltd.
Joban Joint Power Co., Ltd.
Japan Coal Development Co., Ltd.

TEPCO Power Grid

Tokyo Densetsu Service Co., Ltd.
Tepco Town Planning Co., Ltd.
Tokyo Land Management Corporation
TEPCO IEC, Inc.
Energy Gateway, Inc.
TEPCO LOGISTICS CO., LTD.
TEPCO OPTICAL NETWORK ENGINEERING INC.
Kandenko Co., Ltd.
TAKAOKA TOKO HOLDINGS CO., LTD.
AT TOKYO Corporation
SHIN-NIHON HELICOPTER CO., LTD.
The Japan Utility Subway Company, Incorporated
Daido Industrial Arts Co., Ltd.
Transmission Line Construction Co., Ltd. (TLC)
Toshiba Toko Meter Systems Co., LTD.

TEPCO Energy Partner

Tepco Customer Service Corporation Limited
FAMILYNET JAPAN CORPORATION
Japan Facility Solutions, Inc.
Morigasaki Energy Service Co.
Houseplus Corporation, Inc.
Japan Natural Energy Company Limited
TEPCO HomeTech, Inc.
Familynet Initiative Corporation
Tokyo Energy Alliance Co., Ltd.
TEPCO i-FRONTIERS, Inc.
LIXIL TEPCO Smart Partners Incorporated.
TOKYO TOSHI SERVICE COMPANY
Toranomon Energy Network Co., Ltd.
HP Capital Co., Ltd.
NF Power Service
Houseplus Architectural Inspection, Inc.

* The TEPCO Group is composed of Tokyo Electric Power Company Holdings, Incorporated and its subsidiaries and affiliates.

Stock Information

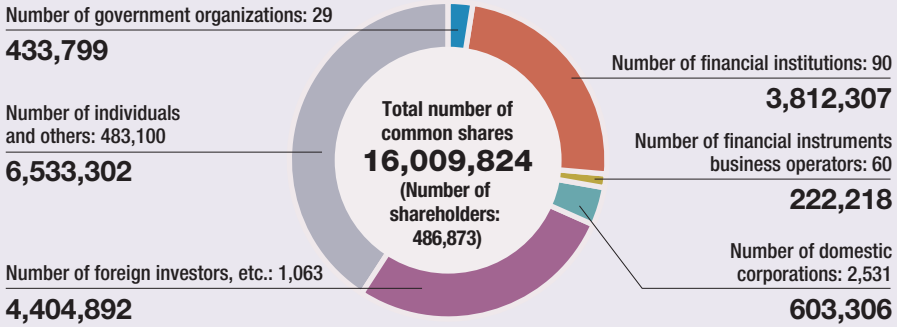
As of March 31, 2018

Basic Stock Information

Securities identification code	9501
Stock listings	Tokyo Stock Exchange, First Section
Total number of shares authorized to be issued	14,100,000,000
Total number of issued shares	Common shares 1,607,017,531 Class A preferred shares 1,600,000,000 Class B preferred shares 340,000,000 Total 3,547,017,531
Minimum units	Common shares 100 Class A preferred shares 100 Class B preferred shares 10
Fiscal year	April 1 to March 31 of the following year
General meeting of shareholders	June
Means of public notice	Electronic public notice posted on TEPCO's website*
Handling of shares	Shareholder registry administrator Mitsubishi UFJ Trust and Banking Corporation Contact: Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation 1-1, Nikko-cho, Fuchu-shi, Tokyo Tel: 0120-232-711 (toll-free number in Japan) Postal address: Corporate Agency Division, Mitsubishi UFJ Trust and Banking Corporation PO Box 29, Shin-Tokyo Post Office, Tokyo 137-8081, Japan

* In the event that an electronic public notice cannot be posted due to an unavoidable reason such as an accident, the notice will be announced in the Nihon Keizai Shimbun published in Tokyo.

Breakdown of shareholders (Share Unit) [in hundreds of shares]



Major Shareholders (Top 10 Shareholders)

Name of Shareholder	Number of Shares Held (Thousands)	Ratio (%)
Nuclear Damage Compensation and Decommissioning Facilitation Corporation	1,940,000	54.74
The Master Trust Bank of Japan, Ltd. (Trust Account)	61,566	1.74
TEPCO Employees Shareholding Association	51,155	1.44
Tokyo Metropolitan Government	42,676	1.20
Japan Trustee Services Bank, Ltd. (Trust Account)	42,543	1.20
Japan Trustee Services Bank, Ltd. (Trust Account 9)	36,823	1.04
Sumitomo Mitsui Banking Corporation	35,927	1.01
Japan Trustee Services Bank, Ltd. (Trust Account 5)	30,506	0.86
STATE STREET BANK WEST CLIENT - TREATY 505234	27,616	0.78
Nippon Life Insurance Company	26,400	0.74

The percentage of equity securities versus the total number of issued shares is calculated excluding treasury stock (3,193,573 common shares).

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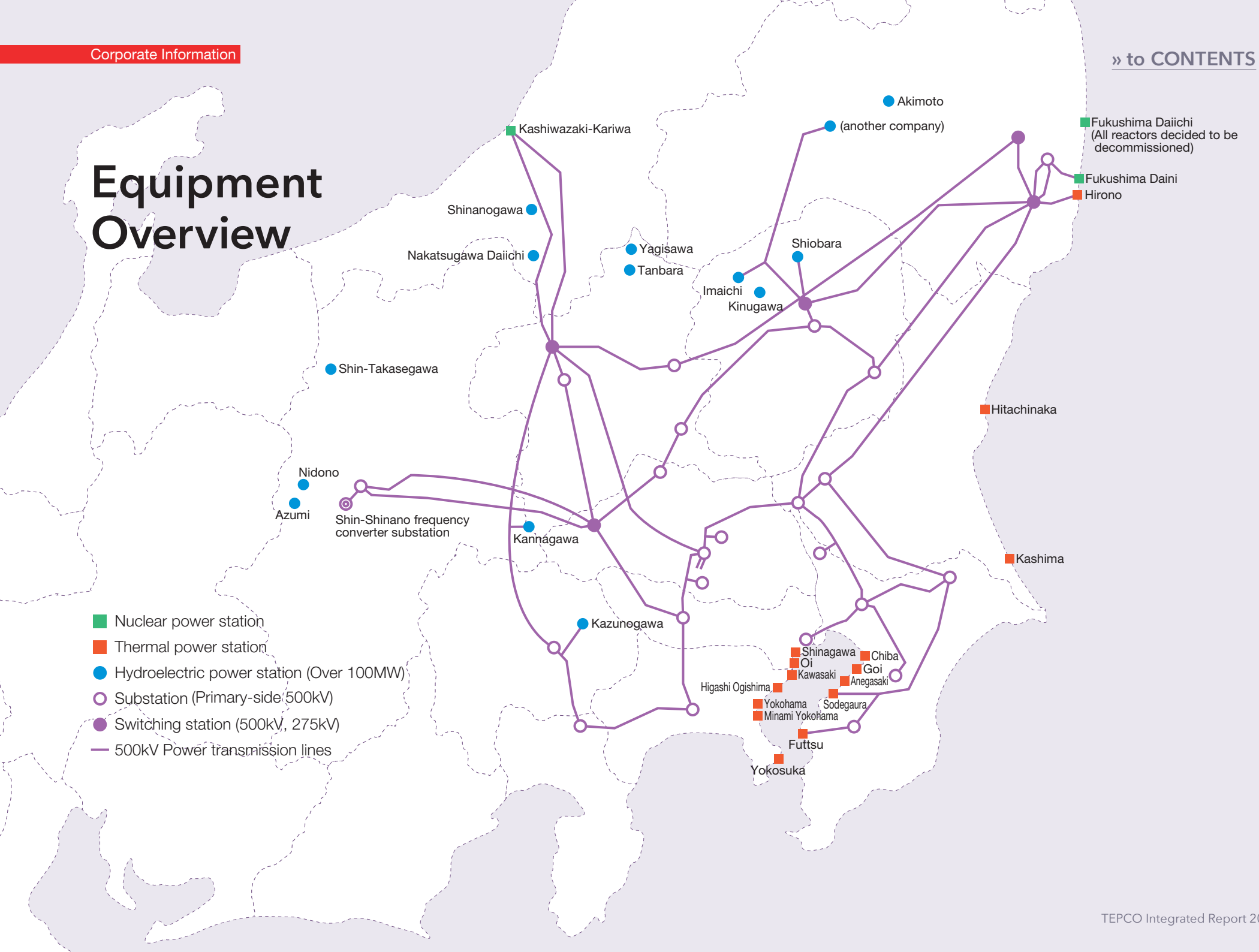
Equipment Overview



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Corporate Profile

Company name	Tokyo Electric Power Company Holdings, Incorporated
Head office	1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo 100-8560, Japan Phone: +81-3-6373-1111
Representative	Tomoaki Kobayakawa, President
Established	May 1, 1951 (Trade name was changed on April 1, 2016.)
Equity capital	1,400.9 billion yen
Number of shareholders	704,057 (as of end of FY 2017)
Operating revenues (consolidated)	5,850.9 billion yen (FY 2017)
Ordinary income (consolidated)	254.8 billion yen (FY 2017)
Net income attributable to owners of the parent (consolidated)	318.0 billion yen (FY 2017)
Total assets (consolidated)	12,591.8 billion yen (as of end of FY 2017)
Number of employees (TEPCO HD and its consolidated subsidiaries)	41,525 (as of end of FY 2017)
Website	www.tepco.co.jp

Facebook
www.facebook.com/OfficialTEPCO

twitter
www.tepco.co.jp/twitter/index-j.html

Instagram
www.instagram.com/tepco.official/

youtube
www.youtube.com/user/TEPCOofficial

Tokyo Electric Power Company Holdings, Inc.

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