Annual Report 2015

Year ended March 31, 2015

TOKYO ELECTRIC POWER COMPANY

Profile

Tokyo Electric Power Company, Incorporated (TEPCO) was established in 1951 to supply electric power to the Tokyo metropolitan area, and for more than half a century it has continued to support society and public life with high-quality electric power.

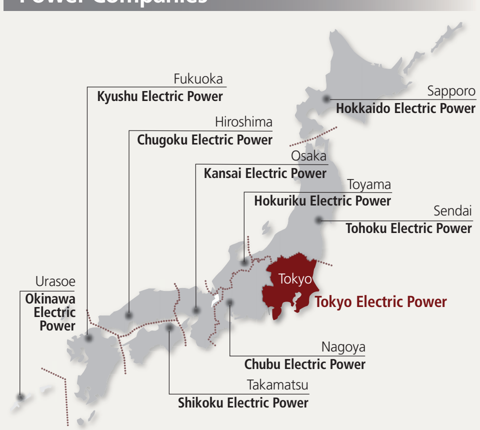
The Tohoku-Chihou-Taiheiyou-Oki Earthquake, which struck on March 11, 2011, precipitated a serious accident at Fukushima Daiichi Nuclear Power Station. TEPCO has seen considerable weakening in its financial standing and income structure due to factors associated with the aforementioned event, such as the recording of substantial expenses and losses and an increase in fuel costs accompanying the suspension of nuclear power generation. In short, TEPCO has been confronted with an unprecedented major crisis.

Addressing the situation, TEPCO, along with the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF), formulated the Comprehensive Special Business Plan, putting together a program of drastic streamlining, management reforms, and other steps. Simultaneously, TEPCO strengthened its financial position through the issuance of preferred stocks totaling ¥1 trillion, with the NDF as allottee.

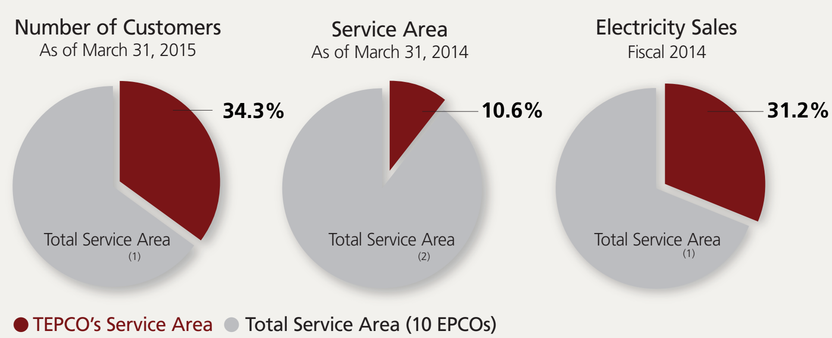
As a result of the above, including such initiatives as exhaustive cost reductions, in the year ended March 31, 2015, TEPCO was able to achieve profitability for a second consecutive year. Moreover, in anticipation of the full liberalization of the electric power industry, TEPCO has decided to shift to a Holding Company System in April 2016, with the aim of simultaneously fulfilling its responsibilities to the communities of Fukushima and boosting its competitiveness. Once inaugurated, the holding company will assume full responsibilities regarding the payment of compensation, the decommissioning of the nuclear reactors, and the revitalization of Fukushima. Meanwhile, the TEPCO Group will optimally reallocate its management resources, with each operating subsidiary implementing business strategies best suited to its respective characteristics. In these ways, the TEPCO Group will enhance its overall corporate value.

TEPCO Snapshot

Service Areas of Japan's Ten Electric Power Companies



TEPCO's Position in the Japanese Electric Power Industry



Notes: 1. Source: The website of the Federation of Electric Power Companies of Japan
2. Source: *Handbook of Electric Power Industry* (2014 edition)

CONTENTS

Forward-Looking Statements

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

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

To Our Shareholders and Investors

Fumio Sudo, Chairman

Naomi Hirose, President

It is our sincere regret that more than four years later the accident at the Fukushima Daiichi Nuclear Power Station continues to trouble so many people, including our shareholders and investors as well as the residents of areas in the vicinity of the power station. Going forward, we will make the utmost efforts to stabilize the situation while maintaining compassion in our heart for the plight of the people of Fukushima.

Our Responsibilities regarding the Revitalization of Fukushima

In line with the Comprehensive Special Business Plan approved by the Japanese government, TEPCO has been pushing forward with the paying out of compensation and decommissioning of nuclear reactors. In doing so, the Company has worked in close cooperation with the government while rallying all management resources groupwide to fulfill its responsibilities regarding the revitalization of Fukushima. In particular, to deal with the problem of contaminated water, we introduced a multi-layered approach—including the use of ALPS multi-nuclide removal equipment—for the purification of the heavily contaminated water derived from the decommissioning process that is the particular focus of public anxiety. Thanks to these efforts, we were able to complete the purification treatment of all of the heavily contaminated water by May 2015, except for a small residual amount at the bottom of the storage tanks.

Moreover, we finished the removal of all fuel from the spent fuel pool of Unit 4 of the Fukushima Daiichi Nuclear Power Station in December 2014 and have been conducting surveys inside the reactor containment vessels with an eye to removing fuel debris, thereby making steady progress toward decommissioning.

Achieving Both "Accountability" and "Competitiveness"

While persisting with the payment of compensation, decommissioning and securing the stability of the electricity supply, we are striving to secure the funds necessary to the revitalization of Fukushima. In addition, we recognize that it is crucial for us to be prepared for market competition following the full liberalization of the electricity retail market scheduled for April 2016. With this in mind, in concert with said liberalization TEPCO will shift to a Holding Company System earlier than other utilities propose to do so, as it aims to adopt the corporate form that best enables it to implement management strategies optimized to the characteristics of each business operation.

To further enhance our competitiveness, we formed a comprehensive alliance with Chubu Electric Power Co., Inc., promoting business collaboration encompassing the entire supply chain, from upstream investment and fuel procurement through power generation. Going forward, we intend to utilize alliances with diverse businesses other than utilities, thereby creating synergies to strengthen our operations in the retail market. These are a few examples of our ongoing efforts to build an operating platform capable of helping us fulfill our responsibilities over the long term.

Enhancing Our Corporate Vale

TEPCO believes that if it wants the aforementioned initiatives to yield greater profits, it is important to enhance the fairness and transparency of management. Specifically, we recognize that complying with Japan's Corporate Governance Code, which came into effect in June 2015, constitutes a vital component of our business foundation. In line with this recognition, we will implement various corporate reforms to enhance productivity while pursuing forward-looking initiatives aimed at constantly creating new value, with all Group companies working as one to gain the confidence of our shareholders and investors.

Although it is with sincere regret that TEPCO had to continue the non-payment of dividends for fiscal 2015 we sincerely ask for shareholders' understanding of and cooperation with our future efforts.

Fumio Sudo, Chairman

Naomi Hirose, President

Transition to a Holding Company System through Company Split

In April 2016, TEPCO will shift to a Holding Company System comprising a holding company and three operating subsidiaries, as announced in the New Comprehensive Special Business Plan approved by the government in January 2014.

【 Background and Objectives of the Transition to a Holding Company System 】

As demand for electric power decreases due to energy conservation efforts and the development of low-energy products, there are plans for the full liberalization of the electricity retail market in April 2016 and for the statutory separation of electricity transmission and distribution divisions in 2020. Japan's electric power market is witnessing a period of great change.

In this environment, for TEPCO to continue fulfilling its responsibilities associated with the Fukushima nuclear power accident and to maintain an inexpensive and stable supply of electric power, it is essential for each business division to apply the best business strategies that suit its characteristics and work to improve the corporate value of the overall TEPCO Group.

Given these circumstances, TEPCO has decided to transition to a Holding Company System with the aim of achieving both "responsibility and competitiveness." The transition is scheduled for April 2016 in concert with the introduction of the licensing system as the second step in electric power systems reform.

【 Strategies of Each Business Company 】

Fuel and Thermal Power Generation Business Company

Starting with a comprehensive alliance with Chubu Electric Power Co., Inc., this company will embark on a drastic rethinking of the business structures of the overall supply chain from upstream operations to power generation, and transform into an energy company that is dynamically spearheading business development around the world.

General Power Transmission and Distribution Business Company

While continuing to ensure a reliable power supply, this company will achieve the most competitive wheeling costs in Japan. And, while maintaining and improving the neutrality and impartiality of its business operations, this company will promote the improvement of its transmission and distribution network convenience, optimization of operations, and coordination with other electric power companies.

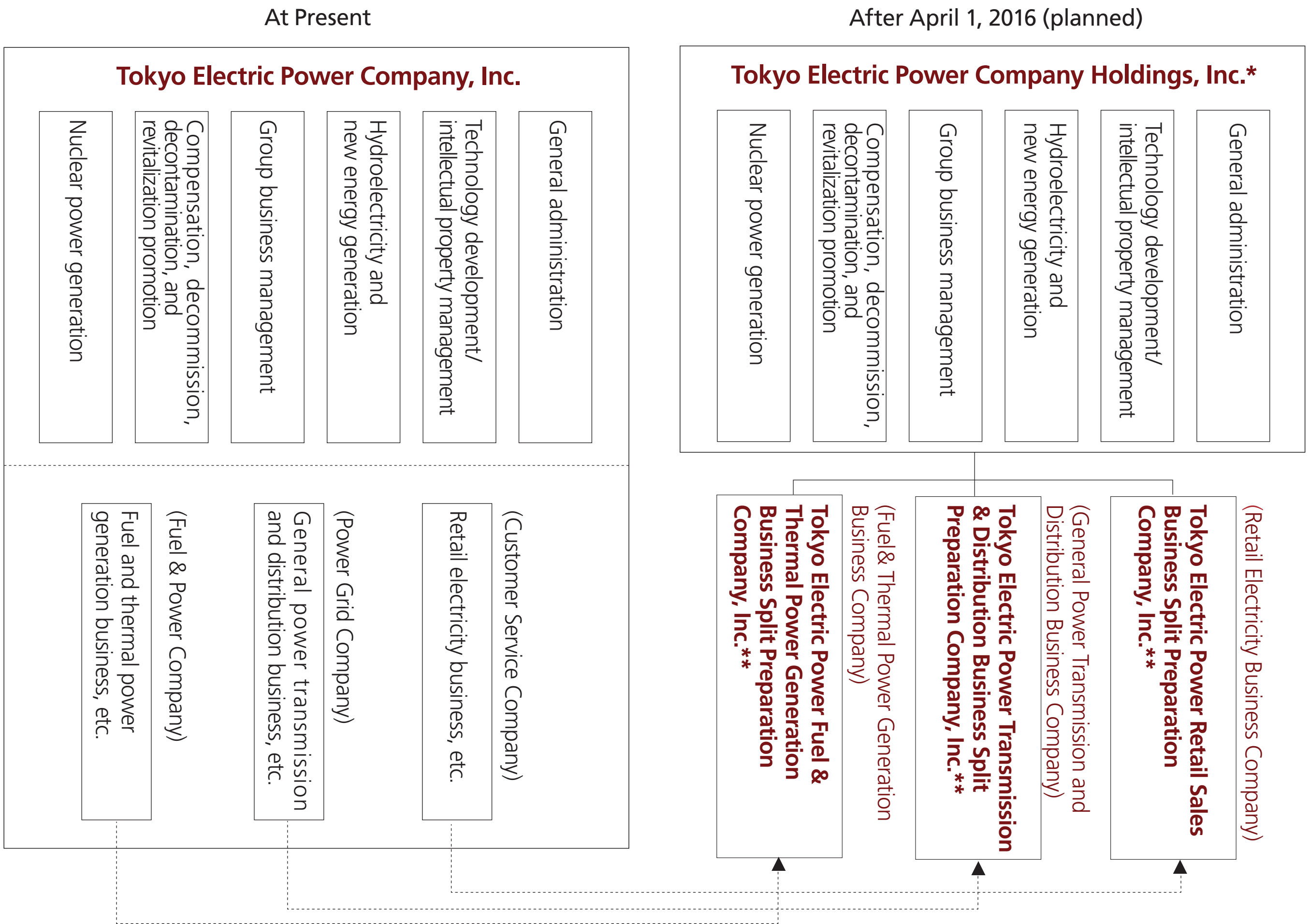
Retail Electricity Business Company

While leveraging alliances with other companies, this company will offer and provide Japanese customers with products and services, adopting the viewpoint of its customers and focusing on efficient energy consumption as well as one-stop power and gas services.

And the holding company will be responsible for dealing with compensation, decommissioning, decontamination, and promoting revitalization. By setting forth management strategies for the overall group and optimally distributing management resources, the holding company will work to enhance the efficiency of business operations and the Group's competitiveness.

Through the construction of this sort of business operation system, TEPCO will work to establish a more robust revenue base towards sustainable regeneration, fulfill the responsibilities of the overall TEPCO Group for the Fukushima nuclear accident, create resources for Fukushima's revitalization, and improve the corporate value of the entire Group.

Group Organization and Each Subsidiary's Business Operations



* Tokyo Electric Power Company, Inc. plans to change its trade name to Tokyo Electric Power Company Holdings, Inc. as of April 1, 2016.
** Each of the succeeding companies plans to change its trade name as of April 1, 2016.

Succeeding Company	Descriptions of Business Divisions Subject to Split
Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company,Inc. (Fuel & Thermal Power Generation Business Company)	•Thermal power generation business (excluding business on remote islands) •Fuel procurement, resource development, and steam supply businesses pertaining to thermal power generation •Investment business in the foregoing
Tokyo Electric Power Transmission & Distribution Business Split Preparation Company,Inc. (General Power Transmission & Distribution Business Company)	•General power transmission and distribution business •Real property lease business •Power generation business in remote islands
Tokyo Electric Power Retail Sales Business Split Preparation Company, Inc. (Retail Electricity Business Company)	•Retail electricity business •Gas business •Steam supply business (excluding business in connection with thermal power generation) •Energy equipment service business •Internet service business

TEPCO Group Business Operations

Corporate Division

Main business: Provision of common services to each in-house company and nuclear power generation

Initiatives Aimed at Revitalizing Fukushima

In addition to ensuring the prompt payment of compensation for every single eligible claim, TEPCO stepped up follow-up services targeting non-claimants in cooperation with local governments. In these ways, TEPCO strove to ensure that every last person is compensated. Reflecting these efforts, compensation that has been paid out totaled ¥4,790 billion as of March 31, 2015.

As it aims to ensure local residents' peace of mind, the Company provided technological assistance to decontamination activities undertaken by national and local governments while monitoring the level of contamination found in residential areas. Moreover, TEPCO has been proactively involved in initiatives aimed at facilitating the revitalization of communities, such as cleanup and weeding activities, with the aim of helping evacuees to return to their homes as well as farmers and businesses to resume their operations at the earliest possible dates.

Decommissioning of Fukushima Daiichi Nuclear Power Station

Under the initiative of Fukushima Daiichi Decontamination & Decommissioning Engineering Company, TEPCO strove to mitigate risk caused by contaminated water, putting the utmost priority on purifying heavily contaminated water by taking a multi-layered approach that consists of seven aspects, including ALPS multi-nuclide removal equipment. Furthermore, in December 2014, TEPCO completed the removal of all fuel from the spent fuel pool of Unit 4. The Company also manufactured special equipment to perform full-scale surveys inside the reactor containment vessels with an eye to removing fuel debris; in this way, the Company is steadily promoting decommissioning. These efforts were highly evaluated by the International Atomic Energy Agency (IAEA) as evidence of progress toward decreasing the radiation risk.

In addition to these efforts, TEPCO continued to endeavor to improve the working environment from the perspective of on-site workers by, for example, setting up a new administrative office building and a meal supply center.

The extended structure and covering installed onto Unit 4 reactor building for the removal of fuel
(Left above: Unit 4 reactor building immediately after the nuclear accident in March 2011)

High-performance multi-nuclide removal equipment (absorption towers)

Removing fuel from the spent fuel pool of Unit 4

Nuclear Power Safety

In line with its Nuclear Safety Reform Plan, TEPCO has promoted such initiatives as the provision of training to raise employees' safety awareness at every level, including senior management, as well as the collection and analysis of information on nuclear accidents and related problems from countries around the world, with the aim of achieving world-leading quality and safety. However, despite its efforts to realize reforms, TEPCO has seen serious human accidents, including fatal accidents, occur again and again at its nuclear power stations. Moreover, shortcomings with regard to the proper disclosure of information on the status of wastewater drainage channels at the Fukushima Daiichi Nuclear Power Station caused anxiety and agitation among the public, especially the residents of Fukushima. Drawing lessons from these incidents, TEPCO exhaustively analyzed the causes of the accidents under the leadership of the General Manager of the Nuclear Power and Plant Siting Division and then stepped up initiatives aimed at improving safety and quality as a top priority issue. At the same time, the Company reviewed its information disclosure approach.

At the Kashiwazaki-Kariwa Nuclear Power Station, steady efforts have been under way to enhance safety by drawing on the lessons of the Fukushima accident. To improve its responsiveness to emergencies, the Company has sought to develop a more clearly defined chain of command, utilizing its latest knowledge on incidents overseas as case studies. Moreover, employees are engaged in periodic emergency response training, including rehearsing the connection of vehicle-mounted generators and implementing drills assuming the occurrence of an accident at night or amid inclement weather conditions.


TEPCO employees engaging in the Niigata Prefecture Nuclear Disaster Drill at the Kashiwazaki-Kariwa Nuclear Power Station

Establishment of the Niigata Headquarters

In April 2015, TEPCO established the Niigata Headquarters to increase opportunities to communicate with people in Niigata Prefecture in an effort to better accommodate the needs of local communities. Specifically, the Company will utilize this Headquarters to provide briefings on the accident at the Fukushima Daiichi Nuclear Power Station and the status of the Kashiwazaki-Kariwa Nuclear Power Station while offering tours of the latter and other TEPCO facilities.

Measures for Management Rationalization

With no apparent time frame for the resumption of operations at the Kashiwazaki-Kariwa Nuclear Power Station, the TEPCO Group has been steadily strengthening its operating platform, with the Corporate Division and in-house companies working in close collaboration. For example, the Group solicited voluntary retirement and thereby completed its 10-year plan for downsizing seven years ahead of the initial schedule while postponing non-urgent spending on construction and other items as emergency measures. Thanks to these efforts, the Group achieved more than ¥800 billion reduction in costs in fiscal 2014.

Fuel & Power Company

Main business: Fuel and thermal power generation business

●Comprehensive Alliance

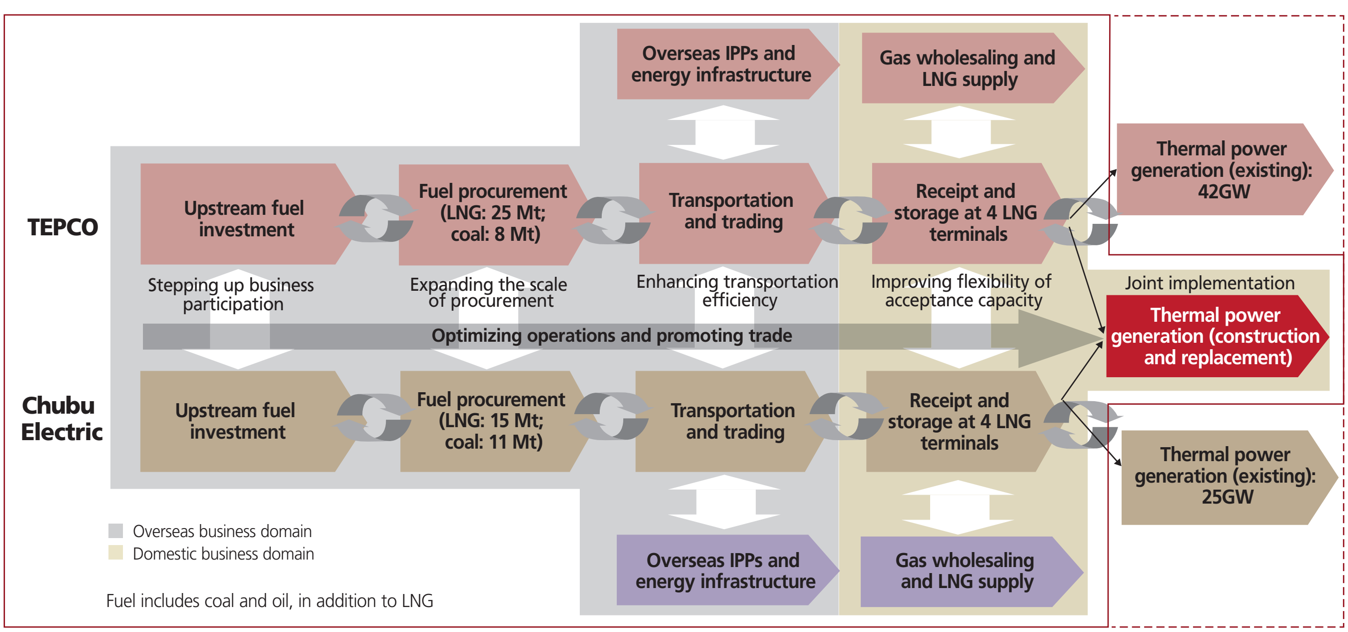
In February 2015, TEPCO and Chubu Electric Power Co., Inc. (hereinafter "Chubu Electric") agreed to form a comprehensive alliance encompassing the entire supply chain, from upstream investment and fuel procurement through power generation, while establishing a roadmap for such alliances. Moreover, the two companies have signed a joint venture agreement to launch a new company that will collectively handle both companies' fuel-related business as well as thermal power generation facility development and replacement in Japan and overseas.

The joint venture, JERA Co., Inc. (hereinafter "JERA"), was thus established in April 2015. Through this joint venture, the two companies will begin by collaborating in business areas in which it is easier to develop highly effective alliances. In these ways, TEPCO and Chubu Electric will enhance the value of their respective groups.

Roadmap for Expanding JERA's Business Domain

October 1, 2015 (planned)	Integrate fuel transportation and fuel trading businesses into JERA
December 2015	Execute a supplementary agreement on the integration into JERA of the parent companies' existing fuel businesses, including such upstream assets as fuel procurement, receipt, and storage operations, and gas transportation facilities, and overseas power generation and energy infrastructure businesses
Summer 2016	Integrate the above businesses into JERA
Spring 2017	Decide whether or not to integrate the parent companies' existing thermal power stations into JERA (target)

Scope of the Comprehensive Alliance



Power Grid Company

Main business: Transmission and distribution business

●Reducing Energy Wheeling Costs While also Ensuring a Stable Supply

In addition to ensuring a reliable power supply, TEPCO has promoted exhaustive and ongoing cost reductions, with an eye to achieving a low wheeling rate comparable to those of world-leading utilities. Specifically, along with the steady refurbishment of aging facilities, TEPCO has implemented initiatives to enhance productivity, such as reducing unit prices through the adoption of streamlined specifications and stepping up procurement through competitive bidding.

●Launching Services Using Smart Meters

In April 2014, TEPCO performed verification testing of the communication functions of approximately 1,000 smart meters installed in Kodaira City, Tokyo. Based on the results of this testing, in February 2015 the Company began providing new smart meter services to customers in its Tama Branch service area, utilizing these meters' communication and remote reading functions.

Customer Service Company

Main business: Retail electricity business

●Forming Alliances with Various Companies

In anticipation of the full liberalization of the electricity retail market in April 2016, TEPCO aims to secure greater marketing and product development capabilities, both of which are essential to delivering a constant stream of attractive services to customers throughout Japan. To this end, the Company began having discussions about alliances with various companies, such as mobile network operators, gas suppliers and online music distributers. Looking ahead, TEPCO will continuously seek out alliance opportunities with diverse businesses to create synergies while giving due consideration to their compatibility with its electricity business.

●Launching Nationwide Electricity Sales

In October 2014, Tepco Customer Service Corporation Limited, a wholly owned subsidiary of TEPCO, began selling electricity to customers throughout Japan. Going forward, the TEPCO Group will step up electricity sales activities outside its conventional service areas, thereby boosting its operating revenues to¥34.0 billion in fiscal 2016, and further, to ¥170.0 billion in fiscal 2023.

Corporate Governance

As of July 1, 2015

Fundamental Stance on Corporate Governance

We consider enhancing corporate governance a critical task for management, and are working to develop organizational structures and policies for legal and ethical compliance, appropriate and prompt decision-making, efficient business practices, and effective auditing and supervisory functions.

At the General Meeting of Shareholders in June 2012, TEPCO resolved to adopt the "Company with Committees" (currently known as the Company with a Nominating Committee, etc.) management structure. Under this structure, we are striving to further improve the objectivity and transparency of our management.

Corporate Governance Systems

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

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

Also, Executive Officers, who have been appointed mainly from within the Company, execute business operations in accordance with management policies formulated by the Board of Directors. To ensure appropriate and prompt decision making as well as efficient business operations, the Board of Executive Officers Meeting, which generally convenes on a weekly basis, and other formal bodies discuss significant corporate management matters, including matters to be referred to the Board of Directors. TEPCO has also set up cross-organizational committees aimed at assisting the decision making of the Board of Executive Officers.

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

(2) Nominating Committee

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

(3) Audit Committee

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

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

(4) Compensation Committee

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

Internal Control

At its April 2006 meeting, the Board of Directors established a set of guidelines for internal control systems under the theme "Developing a Framework to Ensure Appropriate Operations," and revised said guidelines at its April 2015 meeting. Based on these guidelines, the Internal Control Committee leads efforts to establish, apply, and from time to time evaluate and improve internal control systems in order to ensure appropriate operations, including thorough compliance with laws and other regulations and more effective and efficient operations.

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

At the same time, TEPCO implements integrated risk management encompassing its Group operations. With each Group company reporting to and holding timely discussions with TEPCO concerning important business matters, TEPCO ensures that it remains apprised of management conditions at Group companies and is capable of sharing and solving Group management issues.

Furthermore, TEPCO is working to establish an overarching framework of internal controls for the entire Group and supports Group companies' autonomous construction and operation of controls that ensure appropriate operations.

To confirm the status of various management activities, four Internal Audit departments have been set up within the Corporate Division and Fuel & Power, Power Grid and Customer Service companies, with a total of 59 members performing internal audits on both a regular and an as-needed basis. The results of the principal internal audits are reported to the Board of Executive Officers and other formal bodies, and, based on said results, measures are taken as needed.

Risk Management

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

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

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

Remuneration Paid to Officers and Accounting Auditors

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

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

These policies will be reviewed as needed based on future changes in the management environment.

1) Remuneration paid to Directors

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

2) Remuneration paid to Executive Officers

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

  Basic remuneration

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

  Performance-based remuneration

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

3) Amount of remuneration paid

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

  Remuneration paid during fiscal 2014 to the Directors, Executive Officers, and Accounting Auditor who served TEPCO and its consolidated subsidiaries are as follows:

Remuneration for Directors and Executive Officers

(Millions of Yen)

Directors (9)	72
Executive Officers (17)	255

Remuneration for Accounting Auditor

(Millions of Yen)

For auditing and certification services	221
Other services	25

Board of Directors and Executive Officers

As of July 1, 2015

BOARD OF DIRECTORS (*External directors)

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

Fumio Sudo*

Apr. 2005 Representative Director and President of JFE Holdings, Inc.
Apr. 2010 Director of JFE Holdings, Inc.
Jun. 2010 Advisor of JFE Holdings, Inc. (until June 2014)
Apr. 2011 Chairman of the Board of Governors, Japan Broadcasting Corporation (until May 2012)
Jun. 2012 Director of the Company
Apr. 2014 Chairman of the Board of Directors of the Company (Current)
July 2015 Honorary Advisor of JFE Holdings, Inc. (Current)

DIRECTOR AND NOMINATING COMMITTEE MEMBER

Naomi Hirose

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

DIRECTOR

Toshihiro Sano

DIRECTOR

Takafumi Anegawa

DIRECTOR

Toshiro Takebe

DIRECTOR AND NOMINATING COMMITTEE MEMBER

Keita Nishiyama

DIRECTOR AND AUDIT COMMITTEE CHAIR

Yuji Masuda

DIRECTOR AND COMPENSATION COMMITTEE MEMBER

Yoshiaki Fujimori*

(Director, President & CEO, LIXIL Group)

DIRECTOR AND AUDIT COMMITTEE MEMBER

Masahiko Sudou*

(Lawyer, Former the Supreme Court Justice)

DIRECTOR AND COMPENSATION COMMITTEE CHAIR

Hideko Kunii*

(Assistant to the President of Shibaura Institute of Technology, Professor of the Graduate School of Engineering Management at Shibaura Institute of Technology)

DIRECTOR AND NOMINATING COMMITTEE MEMBER

Hiroya Masuda*

(Visiting Professor, Graduate School of Public Policy, University of Tokyo, Former Minister of Internal Affairs and Communications)

DIRECTOR AND NOMINATING COMMITTEE MEMBER

Yasuchika Hasegawa

(Chief Executive Officer of Takeda Pharmaceutical Company Limited)

Executive Officers (**Serving concurrently as Director)

PRESIDENT

Naomi Hirose**

Chief of the Nuclear Reform Special Task Force, Chief of the New Growth Task Force (Management of all aspects of operations, Corporate Management & Planning Unit)

EXECUTIVE VICE PRESIDENTS

Hiroshi Yamaguchi

Chief Technology Officer, Chief Safety Officer (Management of all aspects of operations,Corporate Systems Office, Engineering & Environment Strategy Unit., Renewable Power Company)

Yoshiyuki Ishizaki

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

Toshihiro Sano**

President of Fuel & Power Company (Management of all aspects of operations)

MANAGING EXECUTIVE OFFICERS

Toshiro Takebe**

President of Power Grid Company

Takafumi Anegawa**

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

Motomi Iki

Organization, Employee Relations & Human Resources Office, Public Relations & Corporate Communications Unit

Naohiro Masuda

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

Koichi Kimura

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

Keiji Muranaga

Deputy General Manager of Fukushima Division, Deputy General Manager of Nuclear Power & Plant Siting Division(Secretary Office, Corporate Affairs & Legal Office)

Seiichi Fubasami

Co-Superintendent of Corporate Management & Planning (Corporate Planning Office)

Hiroshi Okamoto

President of TEPCO Research Institute, Secretary General of the New Growth Task Force, in charge of Next Generation Service (Inter-regional Power Exchange Promotion Office)

John Crofts

In charge of Nuclear Safety, Head of Nuclear Safety Oversight Office

Yukio Kani

Vice President of Fuel & Power Company (in charge of the Comprehensive Alliance) (Comprehensive Alliance Promotion Office, Fuel Dept.)

Noriaki Taketani

Internal Audit Office, Inter-corporate Business Management Office, Accounting & Treasury Office

Tomoaki Kobayakawa

President of Customer Service Company

EXECUTIVE OFFICER

Keita Nishiyama**

Assistant to Chairman, Co-Superintendent of Corporate Management & Planning

Organization Chart

As of July 1, 2015

- Board of Directors
- President
- Office of Audit Committee

- **Fukushima Revitalization Headquarters (Fukushima Division)**
  - Revitalization Coordination Dept.
  - Planning & General Affairs Dept.
  - Fukushima Nuclear Compensation Office
  - Decontamination Promotion Office
  - Revitalization Promotion Office
  - Fukushima Corporate Communications Dept.
- **Niigata Headquarters (Niigata Division)**
  - Planning & General Affairs Dept.
  - Public Relations & Corporate Communications Dept.
  - Engineering & Disaster prevention Dept.
  - Regional Communications Dept.
- **Corporate (Business Assistance)**
  - Nuclear Safety Oversight Office
  - Internal Audit Office
  - Secretary Office
  - Corporate Management & Planning Unit
    - Corporate Planning Office
    - Inter-regional Power Exchange Promotion Office
    - Inter-corporate Business Management Office
    - Corporate Affairs & Legal Office
    - Organization, Employee Relations & Human Resources Office
    - Accounting & Treasury Office
    - Corporate Systems Office
  - Public Relations & Corporate Communications Unit
    - Social Communication Office*
    - Corporate Communications Office
    - International Affairs Office
  - Engineering & Environment Strategy Unit
    - Engineering Managenent Office
    - Civil & Architectural Engineering Management Office
    - Environment Office
  - Nuclear Reform Unit
    - Secretariat of the Nuclear Reform Special Task Force
    - Social Communication Office
  - Secretariat of the New Growth Task Force

*also serves as the Nuclear Reform Unit

- **Nuclear Power & Plant Siting Division**
  - Nuclear Safety Management Dept.
  - Plant Siting & Regional Relations Dept.
  - Nuclear Power Plant Management Dept.
  - Nuclear Asset Management Dept.
  - Nuclear Fuel Cycle Dept.
  - Nuclear Power Procurement Center
  - Nuclear Power Stations (2) (Fukushima Daini , Kashiwazaki Kariwa)
  - Higashidori Nuclear Power Plant Construction Office
- **Fukushima Daiichi D&D Engineering Company**
  - General Administration Department
  - Project Planning Department
  - D&D Procurement Center
  - Fukushima Daiichi Nuclear Power Station
- **Renewable Power Company**
  - Business Strategy Office
- **TEPCO Research Institute**
  - R&D Management Office
  - Management Strategy Research Office
  - R&D Dept.
  - Intellectual Property Office
  - Civil & Architectural Engineering Center
- **Business Solution Company**
  - Business Strategy Office
  - Corporate Affairs Service Center
  - Office Service Center
  - General Training Center
  - Accounting Center
  - IT Support Center
- **Fuel & Power Company**
  - Internal Audit Office
  - Business Planning Office
  - Business Management Office
  - Comprehensive Alliance Promotion Office
  - IPP Development & Operation Office
  - International Business Office
  - Fuel Facility & Engineering Solutions Office
  - Fuel & Power Optimization Center
  - Fuel & Power Engineering and Maintenance Design Center
  - Fuel & Power Human Resources Development Center
  - Fuel & Power Procurement Center
  - Fuel Dept.
  - Thermal Power Dept.
  - Thermal Power Station (15)
  - Thermal Power Plant Construction Office (1)

- **Power Grid Company**
  - Internal Audit Office
  - Business Planning Office
  - Power System Engineering Center
  - Business Management Office
  - Human Resources Development Center
  - Procurement Center
  - Smart Meter Promotion Office
  - Customer Service Dept.
  - Transmission Dept.
  - Distribution Dept.
  - Power System Operation Dept.
  - Electronic Telecommunications Dept.
  - Real Estate Acquisition & Management Dept.
  - Branch (10)
  - Branch (35)
  - Power System Office (3)
- **Customer Service Company**
  - Internal Audit Office
  - Business Planning Office
  - Business Management Office
  - Customer Satisfaction Promotion Office
  - Energy Procurement & Operation Dept.
  - Electric Power & Gas Division
    - Industrial Business Dept.
    - Commercial Business Dept.
      - Office (4)
  - Smart Life & Business Service Division
    - Smart Life Business Dept.
      - Branch (9)
    - Corporate Business Dept.
  - Customer Service Dept.
    - Customer Center (8)

Major Facilities

As of March 31, 2015

Generation Facilities

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

Station Name	Location	Output (MW)	Type
Imaichi	Tochigi Pref.	1,050	Dam and conduit*
Shiobara	Tochigi Pref.	900	Dam and conduit*
Tambara	Gunma Pref.	1,200	Dam and conduit*
Kannagawa	Gunma Pref.	940	Dam and conduit*
Kazunogawa	Yamanashi Pref.	1,200	Dam and conduit*
Azumi	Nagano Pref.	623	Dam and conduit*
Shin-Takasegawa	Nagano Pref.	1,280	Dam and conduit*
Total hydroelectric power output (All facilities)		**9,856**	

*Pumped storage

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

Station Name	Location	Output (MW)	Fuel
Ohi	Tokyo	1,050	Crude oil
Shinagawa	Tokyo	1,140	City gas
Yokosuka	Kanagawa Pref.	2,274	Heavy oil, crude oil, light oil and city gas
Kawasaki	Kanagawa Pref.	2,000	LNG
Yokohama	Kanagawa Pref.	3,325	LNG, heavy oil, crude oil and NGL
Minami-Yokohama	Kanagawa Pref.	1,150	LNG
Higashi-Ohgishima	Kanagawa Pref.	2,000	LNG
Chiba	Chiba Pref.	4,380	LNG
Goi	Chiba Pref.	1,886	LNG
Anegasaki	Chiba Pref.	3,600	LNG, heavy oil, crude oil, LPG and NGL
Sodegaura	Chiba Pref.	3,600	LNG
Futtsu	Chiba Pref.	5,040	LNG
Kashima	Ibaraki Pref.	5,660	Heavy oil, crude oil and city gas
Hitachinaka	Ibaraki Pref.	2,000	Coal
Hirono	Fukushima Pref.	4,400	Heavy oil, crude oil and coal
Total thermal power output (All facilities)		**43,555**	

Nuclear Power

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

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

Supply Facilities

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

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

***Partially designed for 1,000 kV transmission

Substation Facilities

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

Financial Section

Consolidated 11-Year Summary

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries

	2015	2014	2013	2012
Years ended March 31:				
Operating revenues	**¥ 6,802,464**	¥ 6,631,422	¥ 5,976,239	¥ 5,349,445
Operating income (loss)	**316,534**	191,379	(221,988)	(272,513)
Income (loss) before income taxes and minority interests	**479,022**	462,555	(653,022)	(753,761)
Net income (loss)	**451,552**	438,647	(685,292)	(781,641)
Depreciation and amortization	**624,248**	647,397	621,080	686,555
Capital expenditures	**585,958**	575,948	675,011	750,011
Per share of common stock (Yen and U.S. dollars):				
Net (loss) income (basic)	**¥ 281.80**	¥ 273.74	¥ (427.64)	¥ (487.76)
Net income (diluted) (Note 3)	**91.49**	88.87	—	—
Cash dividends	**—**	—	—	—
Net assets	**669.60**	343.31	72.83	491.22
As of March 31:				
Total net assets (Note 4)	**¥ 2,102,180**	¥ 1,577,408	¥ 1,137,812	¥ 812,476
Equity (Note 5)	**2,072,952**	1,550,121	1,116,704	787,177
Total assets	**14,212,677**	14,801,106	14,989,130	15,536,456
Interest-bearing debt	**7,013,275**	7,629,720	7,924,819	8,320,528
Number of employees	**43,330**	45,744	48,757	52,046
Financial ratios and cash flow data:				
ROA (%) (Note 6)	**2.2**	1.3	(1.5)	(1.8)
ROE (%) (Note 7)	**24.9**	32.9	(72.0)	(66.7)
Equity ratio (%)	**14.6**	10.5	7.5	5.1
Net cash provided by (used in) operating activities	**¥ 872,930**	¥ 638,122	¥ 260,895	¥ (2,891)
Net cash used in investing activities	**(523,935)**	(293,216)	(636,698)	(335,101)
Net cash (used in) provided by financing activities	**(626,023)**	(301,732)	632,583	(614,734)
Other data (Non-consolidated):				
Electricity sales (million kWh)				
Electricity sales for lighting	**90,683**	94,567	95,277	95,797
A Electricity sales for power	**9,865**	10,516	10,890	11,160
Electricity sales to eligible customers	**156,498**	161,610	162,866	161,273
Total	**257,046**	266,692	269,033	268,230
Power generation capacity (thousand kW) (Note 8):				
Hydroelectric	**9,857**	9,456	9,453	8,982
Thermal	**43,555**	42,945	41,598	40,148
Nuclear	**12,612**	12,612	14,496	17,308
Renewable energy, etc.	**33**	33	34	34
Total	**66,057**	65,046	65,582	66,472
Nuclear power plant capacity utilization rate (%)	**0.0**	0.0	0.0	18.5

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 ¥120.15 to US$1.00 prevailing on March 31, 2015.
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, 2005 to March 31, 2007 is omitted as there were no potential shares. Net income per share after dilution by potential shares for the years ended March 31, 2008, March 31, 2009 and March 31, 2012 is omitted as there were no potential shares and the Company recognized a net loss for these years. Net income per share after dilution by potential shares for the years ended March 31, 2011 and March 31, 2013 is omitted despite the existence of potential shares as the Company recognized a net loss for both years.
4. "Total net assets" is a new item presented to conform to revised Japanese accounting standards. The figure for the year ended March 31, 2006 has been restated to reflect this change.
5. Equity = Total net assets – Stock acquisition rights – Minority interests
6. ROA = Operating income/Average total assets
7. ROE = Net income/Average equity
8. TEPCO facilities only. "Renewable energy, etc." includes geothermal and wind power generation capacity. Prior to the year ended March 31, 2010, geothermal power generation capacity was included in thermal power generation capacity. Due to reclassification, it has been included in "Renewable energy, etc." from the year ended March 31, 2010. Prior years have not been restated.

Millions of yen, unless otherwise noted							Millions of U.S. dollars, unless otherwise noted (Note 1)
2011	2010	2009	2008	2007	2006	2005	**2015**
¥ 5,368,536	¥ 5,016,257	¥ 5,887,576	¥ 5,479,380	¥ 5,283,033	¥ 5,255,495	¥ 5,047,210	**$ 56,616**
399,624	284,443	66,935	136,404	550,911	576,277	566,304	**2,634**
(766,134)	223,482	(99,574)	(212,499)	496,022	473,832	372,814	**3,987**
(1,247,348)	133,775	(84,518)	(150,108)	298,154	310,388	226,177	**3,758**
702,185	759,391	757,093	772,460	751,625	824,041	847,505	**5,196**
676,746	640,885	695,981	664,295	574,687	623,726	561,206	**4,877**
¥ (846.64)	¥ 99.18	¥ (62.65)	¥ (111.26)	¥ 220.96	¥ 229.76	¥ 167.29	**$ 2.35**
—	99.18	—	—	—	—	—	**0.76**
30.00	60.00	60.00	65.00	70.00	60.00	60.00	**—**
972.28	1,828.08	1,763.32	1,967.03	2,248.34	2,059.52	1,853.52	**5.57**
¥ 1,602,478	¥ 2,516,478	¥ 2,419,477	¥ 2,695,455	¥ 3,073,778	¥ 2,815,424	¥ —	**17,496**
1,558,113	2,465,738	2,378,581	2,653,762	3,033,537	2,779,720	2,502,157	**17,253**
14,790,353	13,203,987	13,559,309	13,679,055	13,521,387	13,594,117	13,748,843	**118,291**
9,024,110	7,523,952	7,938,087	7,675,722	7,388,605	7,840,161	8,261,717	**58,371**
52,970	52,452	52,506	52,319	52,584	51,560	53,380	**—**
2.9	2.1	0.5	1.0	4.1	4.2	4.1	**—**
(62.0)	5.5	(3.4)	(5.3)	10.3	11.8	9.3	**—**
10.5	18.7	17.5	19.4	22.4	20.4	18.2	**—**
¥ 988,710	¥ 988,271	¥ 599,144	¥ 509,890	¥ 1,073,694	¥ 935,622	¥ 1,411,470	**$ 7,265**
(791,957)	(599,263)	(655,375)	(686,284)	(550,138)	(615,377)	(577,503)	**(4,361)**
1,859,579	(495,091)	194,419	188,237	(514,885)	(350,193)	(785,600)	**(5,210)**
103,422	96,089	96,059	97,600	93,207	95,186	92,592	
12,174	11,393	11,905	12,785	12,631	13,499	78,239	
177,790	172,686	180,992	187,012	181,784	179,969	115,910	
293,386	280,167	288,956	297,397	287,622	288,655	286,741	
8,981	8,987	8,986	8,985	8,993	8,993	8,521	
38,696	38,189	37,686	36,179	35,533	35,536	36,995	
17,308	17,308	17,308	17,308	17,308	17,308	17,308	
4	4	1	1	1	1	1	
64,988	64,487	63,981	62,473	61,835	61,837	62,825	
55.3	53.3	43.8	44.9	74.2	66.4	61.7	

A

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

Financial Review

Analysis of Business Results for the Year Ended March 31, 2015

Business Results

In the fiscal year ended March 31, 2015, operating revenues increased 2.6 percent year on year to ¥6,802.4 billion and operating income amounted to ¥208.0billion, up 105.1 percent compared with the previous fiscal year.

Electricity sales edged down 3.6 percent from the previous fiscal year to 257.0 billion kWh due mainly to a decline in air conditioning demand resulting from lower temperatures in summer 2014 compared with the year before. By demand type, electricity sales for lighting decreased 4.1 percent to 90.7 billion kWh, electricity sales for power decreased 6.2 percent to 9.9 billion kWh, and electricity sales to eligible customers decreased 3.2 percent to 156.5 billion kWh compared with the previous fiscal year.

On the revenue side, operating revenues increased 2.6 percent from the previous fiscal year to ¥6,802.4 billion. This figure consists mainly of operating revenues in the electric power business totaling ¥6,007.8 billion, up 1.5 percent year on year due mainly to increases in unit sales prices reflecting such factors as the effect of the fuel cost adjustment system. Among other contributors to revenue are proceeds from the sale of electricity to other power producers, including major regional electric power companies. Ordinary revenues increased 2.3 percent year on year to ¥6,851.4 billion.

On the expense side, ordinary expenses increased 0.8 percent year on year to ¥6,643.4 billion. This was mainly attributable to continued high fuel expenses due mainly to unfavorable foreign currency exchange trends because of the extreme depreciation of the yen and additional fuel purchases aimed at offsetting a decrease in power attributable to the suspension of all nuclear power stations. However, these factors were partially offset thanks to the Company's initiatives to reduce costs as much as possible, with the Productivity Doubling Committee spearheading the formulation of emergency measures, including the postponing of non-urgent spending.

Extraordinary income stood at ¥887.7 billion, which consists mainly of grants-in-aid from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF).

Extraordinary loss totaled ¥616.2 billion, due mainly to the payment of compensation for damage caused by the nuclear accident. As a result, TEPCO recorded net income of ¥451.5 billion, up 2.9 percent compared with the previous fiscal year.

Segment Results

TEPCO has changed its business segmentation for reporting from the fiscal year under review. For clarity, year-on-year comparisons discussed below are made using business segment results from the previous fiscal year that have been retrospectively recalculated based on the revised business segmentation.

Fuel & Powers

Operating revenues increased 1.2 percent year on year to ¥3,455.0 billion and operating income rose 514.8 percent to ¥373.6 billion compared with the previous fiscal year.

Power Grid

Operating revenues decreased 3.8 percent year on year to ¥1,628.4 billion and operating income declined 55.7 percent to ¥130.5 billion compared with the previous fiscal year.

Customer Service

Operating revenues increased 2.5 percent year on year to ¥6,716.7 billion and operating income rose 126.5 percent to ¥348.6 billion compared with the previous fiscal year.

Corporate

Operating revenues decreased 34.7 percent year on year to ¥343.5 billion, while operating loss increased to ¥536.9 billion compared with an operating loss of ¥319.4 billion in the previous fiscal year.

Net Income

Income before income taxes and minority interests in the fiscal year under review stood at ¥479.0 billion. The principle contributors to the posting of income before income taxes and minority interests included extraordinary income consisting mainly of grants-in-aid from the NDF totaling ¥868.5 billion and a gain on sales of noncurrent assets totaling ¥19.2 billion. These factors outweighed the impact of extraordinary loss consisting mainly of ¥595.9 billion paid in compensation for nuclear damage and a ¥20.3 billion loss related to a project for the interim storage of spent fuel. For the fiscal year under review, TEPCO recorded income taxes of ¥24.3 billion, income taxes—deferred of negative ¥0.2 billion, and minority interests of ¥3.3 billion.

As a result, net income for the fiscal year under review totaled ¥451.5 billion. Net income per share stood at ¥281.80.

Financial Policy

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

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

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

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

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

Cash Flow

Cash and cash equivalents at the end of the fiscal year under review decreased 17.4 percent, or ¥271.5 billion from the previous fiscal year, to ¥1,292.4 billion.

Net cash provided by operating activities amounted to ¥872.9 billion, representing a year-on-year rise of 36.8 percent. This was mainly attributable to a decrease in thermal power fuel expenses.

Net cash used in investing activities increased 78.7 percent year on year to ¥523.9 billion due mainly to an increase in payments into time deposits.

Net cash used in financing activities increased 107.5 percent year on year to ¥626.0 billion. This was mainly attributable to a decrease in proceeds from the issuance of bonds.

Capital Expenditures

During the fiscal year ended March 31, 2015, TEPCO reduced its capital expenditures to the minimum level required to maintain a stable electricity supply. However, due mainly to expenses associated with countermeasures implemented at Fukushima Daiichi Nuclear Power Station against contaminated water, consolidated capital expenditures stood at ¥585,958 million in the fiscal year under review.

By segment, capital expenditures, including intercompany transactions, amounted to ¥84.656 million in the fuel & power business segment; ¥219,263 million in the power grid business segment; ¥121 million in the customer service business segment; and ¥283,657million in the corporate business segment.

Assets, Liabilities and Net Assets

As of March 31, 2015, total assets decreased ¥588.4 billion year on year to ¥14,212.6 billion, reflecting a decline in cash and deposits and receivables for grants-in-aid from the NDF.

Total liabilities decreased ¥1,113.2 billion from the previous fiscal year-end to ¥12,110.4 billion. This was mainly attributable to decreases in interest-bearing debt and reserve for nuclear damage compensation.

Net assets increased ¥524.7 billion from the previous fiscal year-end to ¥2,102.1 billion, due mainly to net income recorded for the fiscal year under review.

Consequently, the equity ratio increased 4.1 percentage points year on year to 14.6 percent.

Dividend Policy

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

Looking at the business results in the fiscal year under review, operating revenues rose particularly in the electric power business due mainly to the effect of the fuel cost adjustment system. In addition, the success of the Company's exhaustive cost reduction efforts helped secure ordinary income. After offsetting the extraordinary gain and loss, namely, grants-in-aid from the NDF and payments of compensation for nuclear damages, TEPCO was able to post net income for the fiscal year under review. However, the management environment surrounding the Company is likely to remain harsh. Taking this into account, it was with sincere regret that TEPCO had to temporarily suspend the payment of both the interim and the year-end dividends. For the year ending March 31, 2016, TEPCO plans to again suspend the payment of the interim and year-end dividends, given the prospect of an ongoing severe management environment and its financial position.

Risk Factors

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

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

To address this adversity, the Company formulated the New Comprehensive Special Business Plan in tandem with the NDF and obtained the approval of said plan from the minister in charge in January 2014. In line with this plan, TEPCO has been rallying all its strengths to promote various management reform initiatives while placing the utmost priority on facilitating the smooth payment of compensation and decommissioning, with the cooperation of its shareholders, investors and other stakeholders. However, the operating environment surrounding the TEPCO Group remains harsh and the Company's business operations may be significantly affected if the following risks materialize.

The forward-looking statements included in the following represent estimates as of June 30, 2015.

(1) Accident at Fukushima Daiichi Nuclear Power Station

Putting the utmost emphasis on enhancing the safety and quality of nuclear power generation, the Company is striving to push forward with the decommissioning of and other steps at Units 1 through 4 of the Fukushima Daiichi Nuclear Power Station in accordance with the Mid-and-long-Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power (hereinafter the "Mid-and-long-Term Roadmap") and in cooperation with the government and relevant institutions.

However, the execution of such steps entails a number of challenges. Among the most difficult management issues are disposing of contaminated water and other tasks associated with the maintenance of stability within the reactors. At the same time, the removal of nuclear debris involves technical difficulties that the Company has never before encountered. Because of these challenges, the implementation of these steps may not progress in accordance with the Mid-and long Term Roadmap. This could, in turn, impact the Group's business operations and performance as well as financial condition.

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

(2) Stable Supply of Electric Power

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

(3) Nuclear Power Generation and Nuclear Fuel Cycle

Based on the outcome of the nuclear accident at Fukushima, revisions are being made to Japan's national nuclear policy, while the Nuclear Regulation Authority has resolved to tighten safety regulations. The Company will be obliged to incorporate countermeasures aimed at improving the safety of nuclear power generation pursuant to the abovementioned revisions. Also, the operations of the Company and its affiliates involving nuclear power generation and the nuclear fuel cycle might be affected by such revisions. These factors may, in turn, impact the Group's business performance and financial condition. As for nuclear power plants, the Company is striving to further reinforce safety countermeasures while promoting corporate reforms, in line with its strong determination to prevent severe accidents from occurring no matter what the precipitating incident may be.

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

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

(4) Business and Environmental Regulations

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

(5) Electricity Sales Volume

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

(6) Customer Service

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

(7) Financial Markets Conditions

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

(8) Fossil Fuel Prices

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

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

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

(10) Corporate Ethics and Compliance

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

(11) Information Management

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

(12) Businesses Other than Electric Power

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

(13) Acquisition of TEPCO Share by the NDF

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

Consolidated Balance Sheet

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2015

	Millions of yen		Millions of U.S. dollars (Note 2)
ASSETS	**March 31, 2015**	March 31, 2014	**March 31, 2015**
Property, plant and equipment	**¥ 30,719,777**	¥ 30,414,421	**$ 255,678**
Construction in progress	**767,142**	919,751	**6,385**
	31,486,919	31,334,172	**262,063**
Less:			
Contributions in aid of construction	**(385,810)**	(380,539)	**(3,211)**
Accumulated depreciation	**(22,913,578)**	(22,616,559)	**(190,708)**
	(23,299,388)	(22,997,099)	**(193,919)**
Property, plant and equipment, net (Notes 6, 11 and 18)	**8,187,531**	8,337,073	**68,144**
Nuclear fuel:			
Loaded nuclear fuel	**123,390**	123,395	**1,027**
Nuclear fuel in processing	**659,515**	661,858	**5,489**
	782,906	785,254	**6,516**
Investments and other:			
Long-term investments (Notes 7, 11 and 31)	**141,439**	145,547	**1,177**
Trust funds for reprocessing of irradiated nuclear fuel (Note 31)	**961,910**	1,016,916	**8,006**
Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation (Notes 14, 23 and 31)	**926,079**	1,101,844	**7,708**
Net defined benefit asset (Note 16)	**121,232**	80,203	**1,009**
Other (Note 17)	**677,926**	666,402	**5,642**
	2,828,588	3,010,914	**23,542**
Current assets:			
Cash (Notes 8, 11 and 31)	**1,394,289**	1,655,074	**11,605**
Notes and accounts receivable–customers (Note 31)	**546,983**	528,273	**4,552**
Inventories (Note 11)	**224,706**	239,770	**1,870**
Other (Notes 8, 11 and 17)	**252,621**	249,519	**2,103**
	2,418,599	2,672,637	**20,130**
Less:			
Allowance for doubtful accounts	**(4,947)**	(4,772)	**(41)**
	2,413,652	2,667,865	**20,089**
Total assets	**¥ 14,212,677**	¥ 14,801,106	**$ 118,291**

See notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of yen March 31, 2015	Millions of yen March 31, 2014	Millions of U.S. dollars (Note 2) March 31, 2015
Long-term liabilities and reserves:			
Long-term debt (Notes 9, 11 and 31)	**¥ 6,064,448**	¥ 6,682,352	**$ 50,474**
Other long-term liabilities (Note 17)	**234,702**	151,717	**1,954**
Reserve for reprocessing of irradiated nuclear fuel (Note 12)	**1,066,455**	1,122,425	**8,876**
Reserve for loss on disaster (Note 13)	**521,016**	596,145	**4,336**
Reserve for nuclear damage compensation (Note 14)	**1,061,572**	1,563,639	**8,835**
Net defined benefit liability (Note 16)	**428,390**	449,098	**3,566**
Asset retirement obligations (Note 18)	**741,190**	714,261	**6,169**
	10,117,776	11,279,641	**84,210**
Current liabilities:			
Current portion of long-term debt (Notes 9, 11 and 31)	**759,255**	936,949	**6,319**
Short-term loans (Notes 9 and 31)	**189,572**	10,418	**1,578**
Trade notes and accounts payable (Note 31)	**312,910**	357,185	**2,604**
Accrued income taxes and other	**123,638**	89,105	**1,029**
Other (Notes 17, 18 and 31)	**601,653**	545,218	**5,008**
	1,987,028	1,938,876	**16,538**
Reserves under special laws:			
Reserve for preparation of the depreciation of nuclear power construction (Note 15)	**5,692**	5,180	**47**
	5,692	5,180	**47**
Total liabilities	**12,110,497**	13,223,698	**100,795**
Net assets:			
Shareholders' equity (Note 19)**:**			
Common stock, without par value:			
Authorized — 35,000,000,000 shares in 2015 and 2014			
Issued — 1,607,017,531 shares in 2015 and 2014	**900,975**	900,975	**7,499**
Preferred stock:			
Authorized — 5,500,000,000 shares in 2015 and 2014			
Issued — 1,940,000,000 shares in 2015 and 2014	**500,000**	500,000	**4,161**
Capital surplus	**743,608**	743,616	**6,189**
Retained earnings	**(83,431)**	(534,085)	**(694)**
Treasury stock, at cost:			
4,643,066 shares in 2015 and 4,595,751 shares in 2014	**(8,393)**	(8,381)	**(70)**
Total shareholders' equity	**2,052,759**	1,602,124	**17,085**
Accumulated other comprehensive income:			
Net unrealized holding gain on avaialble-for-sale securities	**6,703**	2,995	**56**
Net deferred loss on hedges	**(15,724)**	(13,356)	**(131)**
Land revaluation loss	**(3,038)**	(3,295)	**(25)**
Translation adjustments	**30,287**	1,448	**252**
Remeasurements of defined benefit plans	**1,965**	(39,795)	**16**
Total accumulated other comprehensive income	**20,193**	(52,003)	**168**
Minority interests	**29,227**	27,287	**243**
Total net assets	**2,102,180**	1,577,408	**17,496**
Total liabilities and net assets	**¥14,212,677**	¥14,801,106	**$118,291**

Consolidated Statement of Operations

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Year ended March 31, 2015

	Millions of yen		Millions of U.S. dollars (Note 2)
	Year ended March 31, 2015	Year ended March 31, 2014	**Year ended March 31, 2015**
Operating revenues:			
Electricity	**¥6,497,627**	¥6,315,568	**$54,079**
Other	**304,836**	315,853	**2,537**
	6,802,464	6,631,422	**56,616**
Operating expenses (Notes 20, 21 and 22)**:**			
Electricity	**6,224,813**	6,154,808	**51,809**
Other	**261,116**	285,234	**2,173**
	6,485,929	6,440,042	**53,982**
Operating income	**316,534**	191,379	**2,634**
Other income (expenses):			
Interest and dividend income	**21,294**	27,992	**177**
Interest expense	**(99,089)**	(113,369)	**(825)**
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation (Note 23)	**868,535**	1,665,765	**7,229**
Compensation for nuclear damages (Note 23)	**(595,940)**	(1,395,643)	**(4,960)**
Loss on decommissioning of Units 5 and 6 of Fukushima Daiichi Nuclear Power Station (Note 26)	**—**	(39,849)	**—**
Loss on disaster (Note 25)	**—**	(26,749)	**—**
Gain on reversal of reserve for loss on disaster	**—**	32,039	**—**
Equity in earnings of affiliates	**15,112**	17,321	**126**
Foreign exchange loss	**(35,074)**	(3,962)	**(292)**
Gain on sales of noncurrent assets (Note 24)	**19,242**	111,149	**160**
Gain on sales of securities	**—**	747	**—**
Gain on sales of subsidiaries and affiliates' stocks	**—**	14,077	**—**
Loss related to interim storage project of spent fuel (Note 27)	**(20,318)**	—	**(169)**
Other, net	**(10,763)**	(17,943)	**(89)**
	162,999	271,575	**1,357**
Income before special items, income taxes and minority interests	**479,534**	462,954	**3,991**
Special items:			
Provision for reserve for preparation of the depreciation of nuclear power construction (Note 15)	**(511)**	(399)	**(4)**
Income before income taxes and minority interests	**479,022**	462,555	**3,987**
Income taxes (Note 17)**:**			
Current	**24,351**	16,694	**203**
Deferred	**(221)**	3,062	**(2)**
	24,129	19,756	**201**
Net income before minority interest	**454,892**	442,798	**3,786**
Minority interests	**3,339**	4,151	**28**
Net income	**¥451,552**	¥438,647	**$3,758**
Per share information:	Yen		U.S. dollars (Note 2)
Net assets (basic)	**¥669.60**	¥343.31	**$5.57**
Net income (basic)	**281.80**	273.74	**2.35**
Cash dividends	**—**	—	**—**

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Year ended March 31, 2015

	Millions of yen		Millions of U.S. dollars (Note 2)
	Year ended March 31, 2015	Year ended March 31, 2014	**Year ended March 31, 2015**
Net income before minority interests	**¥454,892**	¥442,798	**$3,786**
Other comprehensive income (Note 28)			
Net unrealized holding gains (losses) on available-for-sale securities	**942**	(585)	**8**
Net deferred gains on hedge.	**126**	92	**1**
Translation adjustments	**22,027**	20,346	**183**
Remeasurements of defined benefit plans	**40,233**	—	**335**
Share of other comprehensive income of affiliates accounted for under the equity method	**11,924**	17,378	**99**
Total other comprehensive income	**75,253**	37,232	**626**
Comprehensive income	**¥530,145**	¥480,031	**$4,412**
Total comprehensive income attributable to:			
Owners of the parent	**¥523,837**	¥473,242	**$4,360**
Minority interests	**6,308**	6,788	**52**

See notes to consolidated financial statements.

Consolidated Statement of Changes in Net Assets

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Year ended March 31, 2015

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

	Year ended March 31, 2014													
	Millions of yen													
	Shareholders' equity						Accumulated other comprehensive income							
	Common stock	Preferred stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on available-for-sale securities	Net deferred loss on hedges	Land revaluation loss	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Minority interests	Total net assets
Balance at April 1, 2013	¥900,975	¥500,000	¥743,621	¥(972,773)	¥(8,356)	¥1,163,467	¥2,452	¥(18,261)	¥(3,254)	¥(27,699)	¥—	¥(46,762)	¥21,107	¥1,137,812
Net income	—	—	—	438,647	—	438,647	—	—	—	—	—	—	—	438,647
Purchases of treasury stock	—	—	—	—	(31)	(31)	—	—	—	—	—	—	—	(31)
Sales of treasury stock	—	—	(5)	—	6	1	—	—	—	—	—	—	—	1
Reversal of land revaluation gains	—	—	—	40	—	40	—	—	—	—	—	—	—	40
Other	—	—	—	—	(0)	(0)	—	—	—	—	—	—	—	(0)
Net changes in items other than shareholders' equity	—	—	—	—	—	—	542	4,905	(40)	29,147	(39,795)	(5,241)	6,179	938
Total changes	—	—	(5)	438,687	(24)	438,657	542	4,905	(40)	29,147	(39,795)	(5,241)	6,179	439,596
Balance at March 31, 2014	¥900,975	¥500,000	¥743,616	¥(534,085)	¥(8,381)	¥1,602,124	¥2,995	¥(13,356)	¥(3,295)	¥1,448	¥(39,795)	¥(52,003)	¥27,287	¥1,577,408

	Year ended March 31, 2015													
	Millions of U.S. dollars (Note 2)													
	Shareholders' equity						Accumulated other comprehensive income							
	Common stock	Preferred stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on available-for-sale securities	Net deferred loss on hedges	Land revaluation loss	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Minority interests	Total net assets
Balance at April 1, 2014	$7,499	$4,161	$6,189	$(4,445)	$(70)	$13,334	$25	$(111)	$(27)	$12	$(332)	$(433)	$227	$13,128
Cumulative effects of changes in accounting policies	—	—	—	(8)	—	(8)	—	—	—	—	—	—	—	(8)
Balance at April 1, 2014, as restated	7,499	4,161	6,189	(4,453)	(70)	13,326	25	(111)	(27)	12	(332)	(433)	227	13,120
Net income	—	—	—	3,758	—	3,758	—	—	—	—	—	—	—	3,758
Purchases of treasury stock	—	—	—	—	(0)	(0)	—	—	—	—	—	—	—	(0)
Sales of treasury stock	—	—	(0)	—	0	0	—	—	—	—	—	—	—	0
Reversal of land revaluation gains	—	—	—	1	—	1	—	—	—	—	—	—	—	1
Other	—	—	—	—	(0)	(0)	—	—	—	—	—	—	—	(0)
Net changes in items other than shareholders' equity	—	—	—	—	—	—	31	(20)	2	240	348	601	16	617
Total changes	—	—	(0)	3,759	(0)	3,759	31	(20)	2	240	348	601	16	4,376
Balance at March 31, 2015	$7,499	$4,161	$6,189	$(694)	$(70)	$17,085	$56	$(131)	$(25)	$252	$16	$168	$243	$17,496

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Year ended March 31, 2015

	Millions of yen		Millions of U.S. dollars (Note 2)
	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2015
Cash flows from operating activities			
Income before income taxes and minority interests..	¥ 479,022	¥ 462,555	$ 3,987
Depreciation and amortization	624,248	647,397	5,196
Loss related to interim storage project of spent fuel	20,318	—	169
Decommissioning costs of nuclear power units	21,141	4,892	176
Loss on disposal of property, plant and equipment	27,737	27,177	231
Reversal of reprocessing irradiated nuclear fuel provision	(55,971)	(51,680)	(466)
Reserve for loss on disaster	8,786	7,995	73
Net defined benefit liability	(19,360)	28,384	(161)
Interest and dividend income	(21,294)	(27,992)	(177)
Interest expense	99,089	113,369	825
Equity in earnings of affiliates	(15,112)	(17,321)	(126)
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	(868,535)	(1,665,765)	(7,229)
Compensation for nuclear damages	595,940	1,395,643	4,960
Gain on sales of noncurrent assets	(19,242)	(111,149)	(160)
Gain on sales of securities	—	(747)	—
Gain on sales of subsidiaries and affiliates' stocks	—	(14,077)	—
Gain on reversal of reserve for loss on disaster	—	(32,039)	—
Loss on decommissioning of Units 5 and 6 of Fukushima Daiichi Nuclear Power Station	—	39,849	—
Decrease in trust funds for reprocessing of irradiated nuclear fuel	55,005	53,930	458
Increase in notes and accounts receivable	(18,464)	(52,299)	(154)
(Decrease) increase in notes and accounts payable	(32,960)	37,941	(274)
Other	223,486	106,870	1,859
	1,103,838	952,934	9,187
Interest and cash dividends received	31,435	29,454	261
Interest paid	(101,971)	(114,750)	(849)
Payments for loss on disaster due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake	(83,135)	(86,804)	(692)
Receipts of Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	1,044,300	1,455,700	8,692
Receipt of compensation based on the Contract for Indemnification of Nuclear Damage Compensation	68,926	—	574
Payments for nuclear damage compensation	(1,178,563)	(1,571,409)	(9,809)
Income taxes paid	(11,899)	(27,002)	(99)
Net cash provided by operating activities	872,930	638,122	7,265
Cash flows from investing activities			
Purchases of property, plant and equipment	(567,470)	(600,190)	(4,723)
Proceeds from sales of noncurrent assets	22,841	124,569	190
Contributions in aid of construction received	14,451	5,430	120
Increase in long-term investments	(49,371)	(95,933)	(411)
Proceeds from long-term investments.	55,639	96,483	463
Payments into time deposits	(331,742)	(125,556)	(2,761)
Proceeds from withdrawal of time deposits	332,356	283,580	2,766
Other	(640)	18,399	(5)
Net cash used in investing activities	(523,935)	(293,216)	(4,361)
Cash flows from financing activities			
Proceeds from issuance of bonds	99,647	479,730	829
Redemptions of bonds	(446,400)	(635,784)	(3,715)
Proceeds from long-term loans	40,820	344,465	340
Repayments of long-term loans	(490,571)	(485,160)	(4,083)
Proceeds from short-term loans	282,727	19,846	2,353
Repayments of short-term loans	(103,677)	(20,896)	(863)
Other	(8,569)	(3,933)	(71)
Net cash used in by financing activities	(626,023)	(301,732)	(5,210)
Effect of exchange rate changes on cash and cash equivalents	5,458	6,309	46
Net (decrease) increase in cash and cash equivalents	(271,570)	49,482	(2,260)
Cash and cash equivalents at beginning of the year	1,564,047	1,514,564	13,017
Cash and cash equivalents at end of the year (Note 8)	¥1,292,477	¥1,564,047	$10,757

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2015

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

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

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

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

(b) Basis of Consolidation

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

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

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

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

(c) Nuclear Fuel and Amortization

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

(d) Investments

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

(e) Inventories

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

(f) Depreciation and Amortization

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

Property, plant and equipment include removal costs corresponding to asset retirement obligations related to the decommissioning measures for specified nuclear power plants. The method of recording the related decommissioning costs is explained in Note 1 (i).

(g) Allowance for Doubtful Accounts

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

(h) Accounting for Employees' Retirement Benefits

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

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

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

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

(i) Decommissioning Costs of Nuclear Power Units

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

(Additional information)

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

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

(j) Income Taxes

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

(k) Foreign Currency Translation

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

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

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

(l) Derivatives and Hedging Activities

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

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

(m) Cash Equivalents

The Company considers all highly liquid investments with insignificant risks of changes in value, which have a maturity of three months or less when purchased, to be cash equivalents.

2 U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥120.15 = US$1.00, the approximate rate of exchange in effect on March 31, 2015, has been used. The inclusion of such amounts is not intended to imply that yen have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

3 Accounting Change

Effective March 31, 2015, the Company has adopted the provisions prescribed in paragraph 35 of ASBJ Statement No. 26 "Accounting Standard for Retirement Benefits" (issued by the ASBJ on May 17, 2012) and paragraph 67 of ASBJ Guidance No.25 "Guidance on Accounting Standard for Retirement Benefits" (revised by the ASBJ on March 26, 2015). Under these provisions, the Company reviewed the computation method of retirement benefit obligations and service costs.

In the adoption of these accounting standard and guidance, the Company followed the transitional treatment prescribed in paragraph 37 of ASBJ Statement No. 26, and accordingly, the effects from the changes in the method of calculating retirement benefit obligations and service costs are reflected in retained earnings at April 1, 2014. The effect of adoption of these provisions was immaterial.

The effect on net assets per share was also immaterial.

4 New Accounting Standard not yet adopted

Accounting Standards for Business Combinations

On September 13, 2013, the ASBJ issued ASBJ Statements No. 21, "Revised Accounting Standard for Business Combination," No. 22, "Revised Accounting Standard for Consolidated Financial Statements," No. 7, "Revised Accounting Standard for Business Divestitures," and No. 2, "Accounting Standard for Earnings per Share" and ASBJ Guidance No. 10, "Guidance on Accounting Standards for Business Combinations and Business Divestitures" and ASBJ Guidance No. 4, "Guidance on Accounting Standard for Earnings per Share."

These accounting standards were revised principally concerning "Treatment for changes in parent's ownership interest in a subsidiary that do not result in a loss of control in the additional acquisitions of shares in a subsidiary," "Accounting for acquisition related costs," "Presentation of net income and change from minority interest to non-controlling interest" and "Accounting treatment for adjustments to provisional amounts during measurement period."

The Company expects to apply these standards and guidance from April 1, 2015, except for provisional accounting treatments, which are expected to be applied to business combinations to be implemented on or after April 1, 2015.

The Company is currently in the process of measuring the effects of applying these revised accounting standards and guidance.

5 Additional Information

Amendment to Accounting Rule for Electricity Industry concerning Nuclear Power Production Facilities

On March 13, 2015, the "Ministerial Ordinance to Revise a Part of Accounting Rules for Electricity Industry" (Ordinance of the Ministry of Economy, Trade and Industry) (the "Ministerial Ordinance") was enforced and Accounting Rule for Electricity Industry was amended. Consequently, after the enforcement date, in case that the nuclear reactors in operation are going to be scrapped, nuclear power production facilities related to the said reactors (excluding fixed assets necessary for scrapping reactors, fixed assets requiring maintenances after having discontinued operation of reactors and asset retirement obligation equivalent assets), construction in progress related to nuclear power production facilities and carrying amounts of nuclear fuels related to the said reactors (excluding estimated disposal value), reprocessing costs of irradiated nuclear fuels arising from scrapping the said reactors and decommissioning costs for the said nuclear fuels may be transferred to or recorded as suspense account related to scrapping nuclear reactors upon the request to the Minister of Economy, Trade and Industry.

The change is not retrospectively applied pursuant to the rule of the Ministerial Ordinance. There was no effect of this change.

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

The outstanding balance of fixed assets necessary for scrapping reactors and fixed assets requiring maintenance after having discontinued operation of reactors was ¥198,843 million (US$1,655 million) as of March 31, 2015.

Adoption of the Consolidated Taxation System

Effective for the year ended March 31, 2015, the Company adopted the consolidated taxation system.

6 Property, Plant and Equipment, Net

The major classifications of property, plant and equipment, net at March 31, 2015 and 2014 were as follows:

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
Hydroelectric power production facilities	**¥ 619,404**	¥ 604,267	**$5,155**
Thermal power production facilities	**1,178,894**	1,130,834	**9,812**
Nuclear power production facilities	**644,958**	592,008	**5,368**
Transmission facilities	**1,825,179**	1,868,381	**15,191**
Transformation facilities	**716,116**	744,958	**5,960**
Distribution facilities	**2,039,927**	2,068,258	**16,978**
Other electricity-related property, plant and equipment	**142,627**	155,563	**1,187**
Other property, plant and equipment	**253,282**	259,823	**2,108**
Construction in progress	**767,142**	912,978	**6,385**
	¥8,187,531	¥8,337,073	**$68,144**

Assets corresponding to asset retirement obligations related to the decommissioning of specified nuclear power generating facilities are included in property, plant and equipment (Note 18).

7

Investment Securities

At March 31, 2015 and 2014, available-for-sale securities for which market prices were available were as follows:

	Millions of yen						Millions of U.S. dollars		
	2015			2014			**2015**		
	Carrying amount	Acquisition costs	Unrealized holding gains (losses)	Carrying amount	Acquisition costs	Unrealized holding gains (losses)	Carrying amount	Acquisition costs	Unrealized holding gains (losses)
Unrealized holding gains:									
Stocks, bonds and other	**¥ 304**	**¥ 252**	**¥ 51**	¥ 198	¥ 152	¥ 46	**$ 2**	**$ 2**	**$ 0**
Unrealized holding losses:									
Stocks, bonds and other	**4,529**	**5,881**	**(1,351)**	3,559	5,881	(2,321)	**38**	**49**	**(11)**
Total	**¥4,833**	**¥6,134**	**¥(1,300)**	¥3,758	¥6,033	¥(2,275)	**$40**	**$51**	**$(11)**

8

Supplemental Cash Flow Information

A reconciliation of the difference between cash stated in the consolidated balance sheets as of March 31, 2015 and 2014 and cash and cash equivalents for the purpose of the statement of cash flows for the years ended March 31, 2015 and 2014 is as follows:

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
Cash	**¥1,394,289**	¥1,655,074	**$11,605**
Time deposits with maturities of more than three months	**(101,811)**	(91,026)	**(848)**
Cash and cash equivalents	**¥1,292,477**	¥1,564,047	**$10,757**

9

Short-Term Loans and Long-Term Debt

Short-term loans are unsecured. The weighted-average interest rates of short-term loans were approximately 0.785% and 1.099% for the years ended March 31, 2015 and 2014, respectively.

At March 31, 2015 and 2014, short-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
Loans from banks and other sources	**¥189,572**	¥10,418	**$1,578**

The annual interest rates applicable to the Company's domestic straight bonds at March 31, 2015 and 2014 ranged from 0.643% to 5.05% and the annual interest rate applicable to the Company's foreign straight bond at March 31, 2015 and 2014 was 2.125%. The interest rates applicable to long-term debt (except for the current portion) at March 31, 2015 and 2014 averaged approximately 0.984% and 1.002%, respectively.

At March 31, 2015 and 2014, long-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
Domestic straight bonds due from 2014 through 2040	**¥3,875,987**	¥4,222,702	**$32,260**
Foreign straight bonds due 2017	**25,122**	25,160	**209**
Loans from banks, insurance companies and other sources	**2,922,594**	3,371,440	**24,324**
	6,823,703	7,619,302	**56,793**
Less: Current portion	**(759,255)**	(936,949)	**(6,319)**
	¥6,064,448	¥6,682,352	**$50,474**

Financial covenants:
At March 31, 2015
Financial covenants on the financial position and operating results of the Company and its Group are attached to corporate bonds of ¥1,255,887 million (US$10,453 million) and long-term debt of ¥321,764 million (US $2,678 million) of the Company as of March 31, 2015.

At March 31, 2014
Financial covenants on the financial position and operating results of the Company and its Group are attached to corporate bonds of ¥1,156,202 million and long-term debt of ¥321,764 million of the Company as of March 31, 2014.

10 Leases

(a) As Lessee:
Future minimum lease payments subsequent to March 31, 2015 and 2014 for operating leases are summarized as follows:

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
Within one year	**¥1,827**	¥2,098	**$15**
Later than one year	**1,017**	2,404	**9**
Total	**¥2,845**	¥4,502	**$24**

(b) As Lessor:
Future minimum lease income subsequent to March 31, 2015 and 2014 for operating leases is summarized as follows:

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
Within one year	**¥ 330**	¥ 446	**$3**
Later than one year	**470**	622	**4**
Total	**¥ 800**	¥1,068	**$7**

11 Pledged Assets

The Company's entire property was subject to certain statutory preferential rights as security for loans from the Development Bank of Japan that amounted to ¥753,269 million (US$6,269 million) and ¥761,269 million, and for bonds that amounted to ¥3,901,109 million (US$32,469 million) and ¥4,317,862 million at March 31, 2015 and 2014, respectively.

Pursuant to the Nuclear Damage Compensation Act (June 17, 1961; Act No. 147 of 1961), the Company has made a deposit of ¥120,000 million (US$999 million) as a measure of compensation for damages to be paid as the operator for cooling of nuclear reactors and treatment of accumulated water of Fukushima Daiichi Nuclear Power Station.

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

Assets pledged as collateral for certain consolidated subsidiaries' long-term debt of ¥10,543 million (US$88 million) at March 31, 2015 and long-term debt of ¥13,870 million at March 31, 2014 were as follows:

	Millions of yen		Millions of U.S. dollars
	2015	2014	2015
Property, plant and equipment, net:			
Other	¥15,871	¥18,438	$132
Investments and other:			
Long-term investments	376	376	3
Cash	11,176	11,358	93
Inventories	405	405	4
	¥27,830	¥30,577	$232

Long-term investments totaling ¥60,126 million (US$500 million) and ¥61,150 million were pledged as collateral for long-term loans from financial institutions to investees of certain consolidated subsidiaries as of March 31, 2015 and 2014.

12 Reserve for Reprocessing of Irradiated Nuclear Fuel

The reserve is stated at the present value of the costs that are estimated to be incurred in reprocessing irradiated nuclear fuel generated in proportion to the corresponding combustion of nuclear fuel. Discount rates of 1.5% have been used for the reserve for reprocessing irradiated nuclear fuel with a definite reprocessing plan at March 31, 2015 and 2014, respectively.

In the year ended March 31, 2006, the accounting standards that Japanese electric utility companies used to provide the reserve for the estimated liability related to past generation costs up to March 31, 2005 were changed. As a result, since the year ended March 31, 2006 past generation costs are being recognized over 15 years as an annual operating expense of ¥30,560 million (US$254 million).

Also, under the accounting rules applicable to electric utility companies in Japan, unrecognized actuarial losses of ¥345,611 million (US$2,877 million) and ¥153,385 million at March 31, 2015 and 2014, respectively, is charged to income as an operating expense. These expenses are charged to income from the following fiscal year throughout the period in which irradiated nuclear fuel with a definite reprocessing plan is produced.

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

13 Reserve for Loss on Disaster

For the Niigataken Chuetsu-Oki Earthquake

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

For the Tohoku-Chihou-Taiheiyou-Oki Earthquake

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

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

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

Responding to "Step 2 Completion Report- Roadmap towards Settlement of the Accident at Fukushima Daiichi Nuclear Power Station, TEPCO" (December 16, 2011) prepared by Government-TEPCO Integrated Response Office established by the Nuclear Emergency Response Headquarters of the Government, "Mid-and-long-Term Roadmap towards the Decommissioning of Fukushima

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

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

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

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

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

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

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

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

In order to provide for expenses and/or losses required for restoration of damaged thermal power plants, the Company records estimated amounts at March 31, 2015 and 2014.

(Additional information)
Reserve for loss on disaster at March 31, 2015 and 2014 consists of the following:

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
Loss on the Niigataken Chuetsu-Oki Earthquake	**¥ 24,078**	¥ 24,410	**$ 200**
Loss on the Tohoku-Chihou-Taiheiyou-Oki Earthquake:	**496,938**	571,735	**4,136**
a. Expenses and/or losses for settlement of the Accident and the Decommissioning of Fukushima Daiichi Nuclear Power Station	**370,128**	439,964	**3,081**
b. Expenses for disposal of nuclear fuels in processing among expenses and/or losses for scrapping Fukushima Daiichi Nuclear Power Station Units 1 through 4	**5,232**	5,031	**43**
c. Expenses and/or losses for maintaining the safe "cold shutdown condition" and others of reactors at Fukushima Daini Nuclear Power Station	**117,504**	120,681	**978**
d. Expenses and/or losses for restoring damaged thermal power plants	**2,610**	4,527	**22**
e. Other	**1,462**	1,530	**12**
Total	**¥521,016**	¥596,145	**$4,336**

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

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

14 Reserve for Nuclear Damage Compensation

For the year ended March 31, 2015

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

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

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

(Additional information)

Amendment to Accounting Rule for Electricity Industry

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

Consequently, after the enforcement date, the Company has not included grants-in-aid in an amount of ¥278,908 million (US$2,321 million) corresponding to decontamination costs which the Company submitted an application for financial support based on the Corporation Act on March 26, 2015. The change is not retrospectively applied pursuant to the rule of the Ministerial Ordinance. The effects of this change were to decrease grants-in-aid receivable from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation and reserve for nuclear damage compensation as of March 31, 2015 by ¥278,908 million (US$2,321 million), respectively, although there was no effect on operating income and income before income taxes and minority interests for the fiscal year ended March 31, 2015.

For the year ended March 31, 2014

In order to provide for compensation payments for nuclear damages concerning the accident of Fukushima Daiichi Nuclear Power station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company records estimated amounts at March 31, 2014.

At the Committee for Adjustment of Compensation for Nuclear Damages Disputes, the "Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO" (hereinafter the "Interim

Guidelines") on August 5, 2011, the supplement of the "Interim Guidelines" on December 6, 2011, the second supplement of the "Interim Guidelines" on March 16, 2012, the third supplement of the "Interim Guidelines" on January 30, 2013 and the fourth supplement of the "Interim Guidelines" on December 26, 2013 were determined. Further, on July 20, 2012, as a government policy, "Concept of the Compensation Criteria after the Review of Evacuation Zones" was published. To implement prompt and appropriate compensation payouts, the Company has prepared the criteria for compensation by damages shown in the interim guidelines, taking into consideration these guidelines. In addition, on December 26, 2011, Nuclear Emergency Response Headquarters of the Government prepared "Basic Concept and Future Issues concerning Warning Zones and Evacuation Zones responding to Completion of Step 2", showing the concept concerning the review of evacuation zones. Consequently, the Company has recorded a reserve for nuclear damage compensation by deducting the receivables of compensation pursuant to the provision of the "Act concerning the Contract for Indemnification of Nuclear Damage Compensation" (effective on June 17, 1961; Act No. 148 of 1961) from the estimated compensation for evacuation costs and the psychological affect on evacuees, damages caused by voluntary evacuations, opportunity losses on salaries of workers living in and/or working in evacuation zones, damages due to the Governmental restrictions on shipments of agricultural, forestry and fishery products, opportunity losses due to reputation damage and losses and/or damages on tangible assets, which were estimated using actual compensation claims and objective statistical data, in addition to the aforementioned guidelines. The Company records the estimated amount as far as reasonable estimation is possible at this moment, although the estimated compensation amounts might vary depending on accuracy of reference data and agreements with the victims in the future.

15 Reserve for Preparation of the Depreciation of Nuclear Power Construction

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

16 Employees' Retirement Benefits

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

Defined Benefit Plans

(1) The changes in projected benefit obligations for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
Beginning balance of projected benefit obligations	**¥ 931,683**	¥ 858,902	**$ 7,755**
Cumulative effects of changes in accounting policies	**(1,288)**	—	**(11)**
Restated balance	**930,395**	858,902	**7,744**
Service cost	**29,846**	27,774	**248**
Interest cost	**9,334**	16,566	**78**
Actuarial gains and losses	**(3,086)**	98,848	**(26)**
Past service costs	**34**	(1,723)	**0**
Retirement benefits paid	**(63,726)**	(53,851)	**(530)**
Other (Note 2 below)	**(1,706)**	(14,832)	**(14)**
Ending balance of projected benefit obligations	**¥901,090**	¥ 931,683	**$7,500**

Notes:

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

(2) The changes in plan assets for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Millions of U.S. dollars
	2015	2014	2015
Beginning balance of plan assets	¥ 562,788	¥ 547,528	$ 4,684
Expected return on plan assets	13,778	13,309	115
Actuarial gains and losses	36,082	27,335	300
Contribution from the employer	6,643	7,955	55
Retirement benefits paid	(24,512)	(24,720)	(204)
Other (Note 2 below)	(849)	(8,619)	(7)
Ending balance of plan assets	¥593,931	¥ 562,788	$4,943

Notes:

1. Above amounts include plan assets of the substitutional portion of Welfare Pension Fund and retirement benefit plans to which a simplified method is applied.
2. Other represents a decrease due to a transfer to defined contribution pension plans.

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

	Millions of yen		Millions of U.S. dollars
	2015	2014	2015
Funded projected benefit obligations	¥ 474,202	¥ 485,119	$ 3,947
Plan assets	(593,931)	(562,788)	(4,943)
	(119,729)	(77,669)	(996)
Unfunded projected benefit obligations	426,887	446,564	3,553
Net liability(asset) recorded in the consolidated balance sheet	307,158	368,894	2,557
Net defined benefit liability	428,390	449,098	3,566
Net defined benefit asset	(121,232)	(80,203)	(1,009)
Net liability (asset) recorded in the consolidated balance sheet	¥ 307,158	¥ 368,894	$2,557

(4) The components of retirement benefit expenses for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Millions of U.S. dollars
	2015	2014	2015
Service cost (Notes 1 and 2 below)	¥ 29,195	¥ 26,981	$ 243
Interest cost	9,334	16,566	78
Expected return on plan assets	(13,778)	(13,309)	(115)
Amortization of actuarial gains and losses	1,363	14,160	12
Amortization of past service costs	(90)	(1,845)	(1)
Other (Note 3 below)	374	6,889	3
Retirement benefit expenses on defined benefit plans	¥ 26,397	¥ 49,442	$220

Notes:

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

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

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

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
Past service costs	**¥ (147)**	¥ —	**$ (1)**
Actuarial gains and losses	**40,514**	—	**337**
Total	**¥40,367**	—	**$336**

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

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

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
Unrecognized past service costs	**¥ 54**	¥ 201	**$ 1**
Unrecognized actuarial gains and losses	**1,702**	(38,811)	**14**
Total	**¥ 1,757**	¥ (38,609)	**$15**

(7) Plan assets

a. Plan assets consisted of the following:

	2015	2014
Life insurance general account	43%	44%
Equity securities	32%	30%
Debt securities	22%	23%
Other	3%	3%
Total	100%	100%

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

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

(8) Assumptions used for actuarial calculation

	2015	2014
Discount rate	Mainly 1.0%	Mainly 1.0%
Long-term expected rate of return	Mainly 2.5%	Mainly 2.5%
Expected rate of salary increase	Mainly 6.7%	Mainly 6.7%

Defined Contribution Plans

The amount of the required contribution to the defined contribution plans of the Company and consolidated subsidiaries was ¥4,450 million (US$37 million) and ¥4,357 million for the year ended March 31, 2015 and 2014, respectively.

17 Income Taxes

The significant components of deferred tax assets and liabilities as of March 31, 2015 and 2014 were as follows:

	Millions of yen		Millions of U.S. dollars
	2015	2014	2015
Deferred tax assets:			
Reserve for nuclear damage compensation	¥306,263	¥481,288	$2,549
Reserve for loss on disaster	150,353	183,604	1,251
Asset retirement obligations	132,874	124,101	1,106
Net defined benefit liability	123,559	133,524	1,028
Tax lass carry forwards	111,605	185,266	929
Depreciation and amortization	106,546	107,866	887
Other	272,620	239,309	2,269
	1,203,822	1,454,960	10,019
Valuation allowance	(873,729)	(1,056,623)	(7,272)
Total deferred tax assets	330,093	398,336	2,747
Deferred tax liabilities:			
Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	(267,173)	(339,147)	(2,224)
Other	(60,243)	(55,581)	(501)
Total deferred tax liabilities	(327,417)	(394,729)	(2,725)
Net deferred tax assets	¥ 2,675	¥ 3,607	$ 22

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

	Millions of yen		Millions of U.S. dollars
	2015	2014	2015
Investments and other-other	¥ 10,219	¥10,418	$ 85
Current assets-other	709	735	6
Other long-term liabilities	(8,177)	(7,459)	(68)
Current liabilities-other	(75)	(86)	(1)

A reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statements of income for the years ended March 31, 2015 and 2014 was as follows:

	2015	2014
Normal effective statutory tax rate	30.8%	33.3%
Change in valuation allowance	(25.3)	(28.2)
Other	(0.4)	(0.8)
Actual effective tax rate	5.0%	4.3%

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

The New Tax Reform Act proclaimed on March 31, 2015 changed the normal effective statutory tax rate to be used for the calculation of deferred tax assets and deferred tax liabilities from 30.8% to 28.9% for temporary differences to be settled in the fiscal years beginning on and after April 1, 2015. The effects of this rate change are immaterial.

18 Asset Retirement Obligations

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

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

The changes in asset retirement obligations for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
Balance at beginning of year	**¥714,434**	¥827,061	**$5,946**
Net changes during the year	**26,902**	(112,626)	**224**
Balance at end of year	**¥741,336**	¥714,434	**$6,170**

19 Shareholders' Equity

The Corporation Law of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than capital reserve) and retained earnings (other than legal reserve) be transferred to the capital reserve or the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of common stock. The capital reserve amounted to ¥743,555 million (US$6,189 million) at March 31, 2015 and 2014 and the legal reserve amounted to ¥169,108 million (US$1,407 million) at March 31, 2015 and 2014. Moreover, neither the capital reserve nor the legal reserve is available for the payment of dividends, but distributions of capital surplus can be made at anytime by resolution of the shareholders or by the Board of Directors if certain conditions are met.

The changes in the number of outstanding shares and treasury stock during the years ended March 31, 2015 and 2014 were as follows:

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

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

	Number of shares (in thousands)			
	April 1, 2013	Increase	Decrease	March 31, 2014
Outstanding shares issued:				
Common stock	1,607,017	—	—	1,607,017
Preferred stock–Class A	1,600,000	—	—	1,600,000
Preferred stock–Class B	340,000	—	—	340,000
Total	3,547,017	—	—	3,547,017
Treasury stock:				
Common stock	4,538	60	2	4,596

Notes:
An increase in common stock of treasury stock of 60 thousand shares is due to purchases of shares less than one unit and a decrease of 2 thousand shares is due to additional purchase requisition.

20 Research and Development Costs

Research and development costs included in operating expenses for the years ended March 31, 2015 and 2014 totaled ¥16,654 million (US$139 million) and ¥13,062 million, respectively.

21 Selling, General and Administrative Expenses

The main components of selling, general and administrative expenses in the electric power business operating expenses for the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
Salaries and allowances	**¥94,990**	¥88,221	**$791**
Employees' retirement benefits	**27,270**	43,122	**227**
Consignment expenses	**80,097**	81,406	**667**

22 Provisions for Reserves

Provisions for reserves charged to net income during the years ended March 31, 2015 and 2014 were as follows:

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
Reserve for reprocessing of irradiated nuclear fuel	**¥ 48,925**	¥ 54,036	**$ 407**
Reserve for loss on disaster	**9,480**	26,942	**79**
Reserve for nuclear damage compensation	**595,940**	1,395,643	**4,960**

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

For the year ended March 31, 2015

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

Consequently, the Company has recorded compensation for nuclear damages for the year ended March 31, 2015, amounting to ¥595,940 million (US$4,960 million), which is the difference between the estimated amount at March 31, 2014 and ¥5,678,485 million (US$47,262 million) after deducting ¥188,926 million (US$1,572 million) of receipt of compensation pursuant to the provision of the Act on Contract for Indemnification of Nuclear Damage Compensation (effective on June 17, 1961; Act No. 148 of 1961) and ¥278,908 million (US$2,321 million) of the amount which was submitted an application for based on the provision of "Act on the Nuclear Damage Compensation and Decommissioning Facilitation Corporation" (effective on August 10, 2011; Act No. 94 of 2011) (the "Corporation Act") corresponding to the Company's compensation liability to the government, which was recognized as a liability on and after January 1, 2015 (the "Decontamination Costs"), based on the "Act on Special Measures concerning the Handling of pollution by Radioactive Materials Released by the Accident of Nuclear Power Plant damaged by Tohoku-Chihou-Taiheiyou-Oki Earthquake on March 11, 2011" (effective on August 30, 2011; Act No. 110 of 2011) from the estimated damage compensation amounting to ¥6,146,320 million (US$51,155 million) based on the government compensation criteria to be decided by the Committee for Adjustment of Compensation for Nuclear Damage Disputes, including "the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" on August 5, 2011 and the Company's compensation criteria considering these guidelines and the actual compensation claim amounts and objective statistical data.

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

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

It is necessary for the Company to receive necessary financial aid from the "Corporation" in order to execute prompt and appropriate compensation, since the compensation for nuclear damages is the estimated amount to be presented as the payment from the Company, although it should be agreed by the nuclear victims. Accordingly, the Company submitted an application for financial support of the compensation for nuclear damages as of the application date for financial support as the estimated amount for the required compensation amount based on paragraph 1 of the Article 43 of the Corporation Act. The Company submitted an application to the Corporation for a change of the amount of financial support to ¥6,125,214 million (US$50,980 million), which is the estimated amount of compensation as of March 26, 2015 and recorded ¥868,535 million (US$7,229 million) as grants-in-aid from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation , which is the difference between ¥5,657,379 million (US$47,086 million) deducting ¥188,926 million (US$1,572 million) of receipt of compensation from the above amount and ¥278,908 million (US$2,321 million) of grants-in-aid corresponding to decontamination costs and ¥4,788,844 million (US$39,857 million), which was submitted as an application for financing the compensation on December 27, 2013.

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

For the year ended March 31, 2014

Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, while sincerely recognizing the

Company's position as a causing party, the Company is committed to prompt compensation to the nuclear victims with Government support in accordance with the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No.147 of 1961).

At the Committee for Adjustment of Compensation for Nuclear Damage Disputes, the "Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" (hereinafter the "Interim Guidelines") on August 5, 2011, the supplement of the "Interim Guidelines" on December 6, 2011, the second supplement of the "Interim Guidelines" on March 16, 2012, the third supplement of the "Interim Guidelines" on January 30, 2013 and the fourth supplement of the "Interim Guidelines" on December 26, 2013 were determined and on July 20, 2012, as a government policy, "Concept of the Compensation Criteria after the Review of Evacuation Zones" was published. From the viewpoints of implementing prompt and appropriate compensation payouts, the Company has prepared criteria for compensation for damages shown in the interim guidelines, taking into consideration these guidelines. In addition, on December 26, 2011, Nuclear Emergency Response Headquarters of the Government prepared "Basic Concept and Future Issues concerning Warning Zones and Evacuation Zones responding to Completion of Step 2", showing the concept concerning the review of evacuation zones.

Consequently, the Company has recorded compensation for nuclear damages for the year ended March 31, 2014, amounting to ¥1,395,643 million, which is the difference between the estimated amount at March 31, 2013 and ¥5,082,544 million after deducting ¥120,000 million of receipt of compensation pursuant to the provision of the Act on Contract for Indemnification of Nuclear Damage Compensation (effective on June 17, 1961; Act No. 148 of 1961) from the estimated damage compensation amounting to ¥5,202,544 million consisting of estimated compensation for evacuation costs and mental blow of evacuees, damages caused by voluntary evacuations, opportunity losses on salary of workers living in and/or working in evacuation zones, damages due to the Governmental restriction on shipment of agricultural, forestry and fishery products, opportunity losses due to reputation damage and losses and/or damages on tangible assets which were estimated based on the actual compensation claim amounts and objective statistical data, in addition to the aforementioned guidelines.

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

On the other hand, for the purpose of speedy and appropriate implementation of compensation, the Nuclear Damage Compensation Facilitation Corporation (currently, "the Nuclear Damage Compensation and Decommissioning Facilitation Corporation," the "Corporation") which was newly established based on the "Act on the Nuclear Damage Compensation Facilitation Corporation" (effective on August 10, 2011; Act No. 94 of 2011) (currently, "Act on the Nuclear Damage Compensation and Decommissioning Facilitation Corporation," the "Corporation Act") will provide necessary financial assistance to a nuclear operator. It is necessary for the Company to receive necessary financial aid from the "Corporation" in order to execute prompt and appropriate compensation, since the compensation for nuclear damages is the estimated amount to be presented as the payment from the Company, although it should be agreed by the nuclear victims. Accordingly, the Company submitted an application for financial support of the compensation for nuclear damages as of the application date for financial support as the estimated amount for the required compensation amount. The Company submitted an application for the estimated amount submitted an application to the Corporation for a change of the amount of financial support to ¥4,908,844 million, which is the estimated amount of compensation as of December 27, 2013, based on paragraph 1 of the Article 43 of the Corporation Act and recorded ¥1,665,765 million as grants-in-aid from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation, which is the difference between ¥4,788,844 million deducting ¥120,000 million of receipt of compensation from the above amount and ¥3,123,079 million, which was submitted as an application for financing the compensation on December 27, 2012.

In receiving the financial assistance, the recipient shall pay special contribution defined by the Corporation based on the provision of paragraph 1 of the Article 52 of the Corporation Act, but the Company has not recorded such amount, except for the amount applicable to the year ended March 31, 2014 notified from the Corporation, since the amount will be determined by the resolution of the steering committee of the Corporation for every fiscal year in light of the Company's operating results and also require the approval of the minister in charge.

24

Gain on Sales of Noncurrent Assets

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

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
Land	**¥16,609**	¥106,224	**$138**
Buildings	**2,241**	4,820	**19**
Other	**391**	104	**3**
Total	**¥19,242**	¥111,149	**$160**

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Loss on Disaster

For the year ended March 31, 2014

The Company records expense and/or loss for restoring assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake.

Expenses and/or losses included in "Loss on disaster" are recognized in the following manners:

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

Responding to "Step 2 Completion Report- Roadmap towards Settlement of the Accident at Fukushima Daiichi Nuclear Power Station, TEPCO" (December 16, 2011) prepared by Government-TEPCO Integrated Response Office established by Nuclear Emergency Response Headquarters of the Government, "Mid-and-long-Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Units 1-4, TEPCO" (December 21, 2011, currently "Mid-and-long-Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Station, TEPCO") (hereinafter "Mid-and-long Term Roadmap") was prepared by Government and TEPCO's Mid-to-Long Term Countermeasure Meeting established by Nuclear Emergency Response Headquarters of the Government (finally revised on July 30, 2012). Regarding expenses and/or losses related to Mid-and-long Term Roadmap, the Company records estimated amounts based on the concrete target periods and contents of individual countermeasures, if it is possible to estimate the amounts in the normal way.

The Company records the amounts including fuel removal costs within the range of reasonable estimates based on the currently available information for expenses and/or losses related to Mid-and- long Term Roadmap, although they might vary from now on.

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Loss on decommissioning of Units 5 and 6 of Fukushima Daiichi Nuclear Power Station

For the year ended March 31, 2014

At the Board of Directors' meeting held on December 18, 2013, the Company made a resolution to decommission the Units 5 and 6 of Fukushima Daiichi Nuclear Power Station and recorded the losses on generating facilities under other expenses.

Major components are as follows:

	Millions of yen
Loss on electric power facilities	¥ 19,686
Loss on nuclear fuel and treatment expenses	20,083

The components of impairment losses included in the above are as follows:

Fixed assets used for electric power business are recognized as an asset group, because these assets generate cash flows as one unit from power generation through sales.

Fixed assets used for incidental businesses are grouped in principle by business or by location.

Other fixed assets are grouped in principle by each individual asset.

On October 1, 2013, the "Ministerial Ordinance to Revise a Part of Accounting Rules for Electricity Industry" was enforced and Accounting Rule for Electricity Industry was amended. Consequently, after the enforcement date, the Company has included fixed assets necessary for scrapping reactors and fixed assets requiring maintenances after having discontinued operation of reactors (collectively "Assets for scrapping measures") in the nuclear power production facilities. "Assets for scrapping measures" are included in the grouping of fixed assets used for electricity business since these assets will be used for the business as a part of electricity business in the process of implementing scrapping measures even after the termination of operation.

The Company recognized ¥19,686 million of impairment losses on property, plant and equipment which consisted of the following:

		Millions of yen
Fukushima Daiichi Nuclear Power Station	Buildings	¥3
	Structures	0
	Machinery and equipment	19,682
	Total	¥19,686

The Company recorded impairment losses mainly by writing down the carrying amounts of assets because it is difficult to recover the carrying amounts of fixed assets other than assets for scrapping measures due to the resolution of decommissioning Units 5 & 6 of Fukushima Daiichi Nuclear Power Station. Such impairment losses are included in "Loss on Decommissioning of Units 5 & 6 of Fukushima Daiichi Nuclear Power Station."

The Company uses net selling value as the recoverable amounts. The recoverable amounts are considered to be nil, since it is difficult to use for other purposes or to sell out.

27 Loss Related to Interim Storage Project of Spent Fuel

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

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Other Comprehensive Income

The components of other comprehensive income for the years ended March 31, 2015 and 2014 are as follows:

	Millions of yen		Millions of U.S. dollars
	2015	2014	2015
Net unrealized holding loss on securities:			
Loss incurred during the year	¥ 973	¥ (574)	$ 8
Reclassification adjustment to net income	(30)	1	(0)
Amount before tax effect	943	(572)	8
Tax effect	(0)	(12)	(0)
Net unrealized holding loss on securities	942	(585)	8
Net deferred loss on hedges:			
Loss incurred during the year	(11)	(54)	(0)
Reclassification adjustment to net income	137	147	1
Amount before tax effect	126	92	1
Tax effect	—	—	—
Net deferred loss on hedges	126	92	1
Translation adjustments:			
Loss incurred during the year	22,027	21,067	183
Reclassification adjustment to net income	—	(720)	—
Amount before tax effect	22,027	20,346	183
Tax effect	—	—	—
Translation adjustments	22,027	20,346	183
Remeasurements of defined benefit plans:			
Loss incurred during the year	26,010	—	217
Reclassification adjustment to net income	14,356	—	119
Amount before tax effect	40,367	—	336
Tax effect	(134)	—	(1)
Remeasurements of defined benefit plans	40,233	—	335
Share of other comprehensive income in associates accounted for using the equity method:			
Loss incurred during the year	6,915	12,558	57
Reclassification adjustment to net income	5,008	4,820	42
Share of other comprehensive income in associates accounted for using the equity method	11,924	17,378	99
Total other comprehensive income	¥75,253	¥37,232	$626

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Related Party Transactions

The Company issued preferred stock to be subscribed by the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (the "Corporation"), which is a major shareholder, who directly owns 50.1% ownership of the Company, of ¥1,000,000 million in the year ended March 31, 2013. The Company also received grants-in-aid from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation of ¥1,044,300 million (US$8,692 million) and ¥1,455,700 million in the years ended March 31, 2015 and 2014, respectively and the Company recorded "Grants-in-aid receivable from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation" under "Investments and Other" of ¥926,079 million (US$7,708 million) and ¥1,101,844 million at March 31, 2015 and 2014, respectively.

The Company guaranteed loan and bonds of ¥139,022 million (US$1,157 million) and ¥174,907 million of Japan Nuclear Fuel Limited, a major affiliate, at March 31, 2015 and 2014, respectively.

30 Contingent Liabilities

Contingent liabilities totaled ¥348,322 million (US$2,899 million) and ¥400,685 million, of which ¥154,701 million (US$1,288 million) and ¥188,309 million were in the form of co-guarantees or commitments to give co-guarantees if requested for the loans or other commitments of other companies at March 31, 2015 and 2014, respectively.

In addition, ¥193,621 million (US$1,611 million) and ¥212,375 million consisted of guarantees given in connection with housing loans made to employees of the Companies at March 31, 2015 and 2014, respectively.

Contingent Liabilities related to Nuclear Damage Compensation

At March 31, 2015

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

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

At March 31, 2014

Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, with sincerely recognizing the Company's position as a causing party, the Company has decided to implement the compensation from the viewpoints of speedy implementation of compensation for the nuclear victims with Government supports under the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No.147 of 1961). At the Committee for Adjustment of Compensation for Nuclear Damage Disputes, "the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" (hereinafter the "Interim Guidelines") on August 5, 2011, the supplement of the "Interim Guidelines" on December 6, 2011, the second supplement of the "Interim Guidelines" on March 16, 2012, the third supplement of the "Interim Guidelines" on January 30, 2013 and the fourth supplement of the "Interim Guidelines" on December 26, 2013 were determined and on July 20, 2012, as a government policy, "Concept of the Compensation Criteria after the Review of Evacuation Zones" was published. From the viewpoints of implementing prompt and appropriate compensation payouts, the Company has prepared the criteria for compensation by damages, taking into consideration these guidelines. In addition, on December 26, 2011, Nuclear Emergency Response Headquarters of the Government prepared "Basic Concept and Future Issues concerning Warning Zones and Evacuation Zones responding to Completion of Step 2", showing the concept concerning the review of evacuation zones. Consequently, the Company has recorded a reserve for nuclear damage compensation regarding the amounts possible to make reasonable estimates based on the actual compensation claim amounts and objective statistical data, in addition to the aforementioned guidelines, but does not record any reserve for indirect damages and losses and/or damages on tangible assets for which reasonable estimation is not possible using the interim guidelines and currently available data.

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

31 Financial Instruments

1. Status of financial instruments

(1) Policy regarding financial instruments

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

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

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

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

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

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

Grants-in-aid receivable from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (the "Corporation") with the carrying amount of ¥926,079 million (US $7,708 million) is a receivable of the Corporation stipulated in the Clause 41, Article 1-1 of the Corporation Act (effective on August 10, 2011; Act No. 94 of 2011). The fair value of this receivable is not presented because this fund will be paid from the Corporation for the necessary amount to implement compensation for nuclear damages caused by the accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake and it is determined based on the amounts required for compensation.

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

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

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

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

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

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

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

2. Fair value of financial instruments

The carrying amount of financial instruments in the consolidated balance sheets as of March 31, 2015 and 2014, their fair value and unrealized loss are as shown below. Items for which fair value is not readily determinable are not included in the following table (see Note 2).

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

	Millions of yen		
	2014		
	Carrying amount[*1]	Fair value[*1]	Difference
(1) Investment securities[*2]	¥3,758	¥3,758	¥ —
(2) Trust funds for the reprocessing of irradiated nuclear fuel	1,016,916	1,016,916	—
(3) Cash	1,655,074	1,655,074	—
(4) Notes and accounts receivable-customers	528,273	528,273	—
(5) Bonds[*3]	(4,247,862)	(4,138,627)	109,234
(6) Long-term loans[*3]	(3,371,440)	(3,306,233)	65,206
(7) Short-term loans	(10,418)	(10,418)	—
(8) Trade notes and accounts payable	(357,185)	(357,185)	—
(9) Derivatives[*4]	(195)	(195)	—

	Millions of U.S. dollars		
	2015		
	Carrying amount[*1]	Fair value[*1]	Difference
(1) Investment securities[*2]	**$40**	**$40**	**$ —**
(2) Trust funds for the reprocessing of irradiated nuclear fuel	**8,006**	**8,006**	**—**
(3) Cash	**11,605**	**11,605**	**—**
(4) Notes and accounts receivable-customers	**4,553**	**4,553**	**—**
(5) Bonds[*3]	**(32,469)**	**(32,688)**	**(219)**
(6) Long-term loans[*3]	**(24,325)**	**(24,299)**	**26**
(7) Short-term loans	**(1,578)**	**(1,578)**	**—**
(8) Trade notes and accounts payable	**(2,604)**	**(2,604)**	**—**
(9) Derivatives[*4]	**(1)**	**(1)**	**—**

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

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

(1) Investment securities
The fair value of equity securities is determined by their market price. For further information on investment securities by holding intent, see Note 7.

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

To obtain a refund of its contribution, the Company has to follow the scheme approved by the Minister of Economy, Trade and Industry for refunds of trust funds for reprocessing of irradiated nuclear fuel. Since the carrying value is based on the present value of the projected refunds in the future under the scheme at March 31, 2015 and 2014, respectively, the fair value is determined as the relevant carrying values.

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

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

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

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

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

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

(9) Derivatives
See derivative transactions related tables below.

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

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
	Carrying amount	Carrying amount	Carrying amount
Unlisted equity securities	**¥31,676**	¥30,287	**$263**
Other	**11,976**	10,898	**100**
Total	**¥43,652**	¥41,185	**$363**

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

(Note 3) Redemption schedule for monetary instruments and debt securities with maturity dates subsequent to March 31, 2015 is as follows:

	Millions of yen			
	2015			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Investment securities:				
Available-for-sale securities with maturity				
Bonds				
Public bonds	¥ —	¥83	¥—	¥—
Corporate bonds	—	—	—	—
Other	—	—	—	—
Other	—	—	—	—
Trust funds for the reprocessing of irradiated nuclear fuel*1	103,787	—	—	—
Cash*2	1,394,289	—	—	—
Notes and accounts receivable-customers	546,983	—	—	—
Total	¥2,045,059	¥83	¥—	¥—

	Millions of U.S. dollars			
	2015			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Investment securities:				
Available-for-sale securities with maturity				
Bonds				
Public bonds	$ —	$1	$—	$—
Corporate bonds	—	—	—	—
Other	—	—	—	—
Other	—	—	—	—
Trust funds for the reprocessing of irradiated nuclear fuel*1	864	—	—	—
Cash*2	11,605	—	—	—
Notes and accounts receivable-customers	4,552	—	—	—
Total	$17,021	$1	$—	$—

*1. The Company does not disclose information on the portion of trust funds for reprocessing of irradiated nuclear fuel that are due after one year or more (¥858,123 million (US$7,142 million)) because of contractual obligations and the risk of disadvantage.
*2. Portion due in 1 year or less includes cash.

(Note 4) Redemption schedule for bonds, long-term loans and other interest bearing liabilities subsequent to March 31, 2015 is as follows:

	Millions of yen					
	2015					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Bonds	**¥438,100**	**¥566,916**	**¥1,299,811**	**¥730,472**	**¥380,560**	**¥485,250**
Long-term loans	**321,155**	**729,940**	**229,281**	**411,614**	**483,211**	**747,391**
Short-term loans	**189,572**	**—**	**—**	**—**	**—**	**—**
Total	**¥948,827**	**¥1,296,856**	**¥1,529,092**	**¥1,142,086**	**¥863,771**	**¥1,232,641**

	Millions of U.S. dollars					
	2015					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Bonds	**$3,646**	**$4,719**	**$10,818**	**$6,080**	**$3,167**	**$4,039**
Long-term loans	**2,673**	**6,075**	**1,909**	**3,426**	**4,022**	**6,220**
Short-term loans	**1,578**	**—**	**—**	**—**	**—**	**—**
Total	**$7,897**	**$10,794**	**$12,727**	**$9,506**	**$7,189**	**$10,259**

Derivatives for which hedge accounting is applied

(1) Currency-related

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

	Millions of yen			
	2014			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Allocation of gain/loss on foreign exchange forward contracts				
Currency swap transactions	Bonds			
Payable JPY/receivable CHF		¥25,050	¥25,050	*1
Total		¥25,050	¥25,050	¥—

	Millions of U.S. dollars			
	2015			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Allocation of gain/loss on foreign exchange forward contracts				
Currency swap transactions	**Bonds**			
Payable JPY/receivable CHF		**$208**	**$208**	*1
Total		**$208**	**$208**	**$—**

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

(2) Interest rate-related

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

	Millions of yen			
	2014			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Basic treatment				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		¥5,942	¥2,707	¥(195) *1
Special treatment of interest rate swaps				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		43,831	42,670	*2
Total		¥49,774	¥45,377	¥(195)

	Millions of U.S. dollars			
	2015			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Basic treatment				
Interest rate swaps	**Long-term loans**			
Payable fixed rate/receivable floating rate		**$ 26**	**$ 3**	**$(1)** *1
Special treatment of interest rate swaps				
Interest rate swaps	**Long-term loans**			
Payable fixed rate/receivable floating rate		**355**	**267**	*2
Total		**$381**	**$270**	**$(1)**

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

32 Segment Information

1. Summary of reportable segments

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

Effective April 1, 2013, the Company introduced the in-house company system in accordance with the power system reform to be implemented for the purpose of fostering independent decision-making in each business sector while realizing increased profits and enhanced competition. In the in-house company system, a "Fuel & Power Company", "Power Grid Company" and "Customer Service Company" have been established and a "Corporate" division separate from the other three companies mentioned above will enable us to exert the collective strengths of the Group. In addition, As a whole group of the Company, the operational management responsibility has been transferred to each in-house company and the business and administrative control is conducted by the relevant company and corporate.

Under the new system, the Company's reportable segments consist of four segments that are "Fuel & Power," "Power Grid," "Customer Service," and "Corporate." The activities of affiliates which had been segmented as a business segment which was not included in the reportable segments are reorganized and allocated to the four reportable segments effective the fiscal year ended March 31, 2015.

Major business of each reportable segment is as follows:
"Fuel & Power":
Sales of electricity generated by thermal power stations, procurement of fuel, development of thermal power stations and investment in fuel businesses
"Power Grid":
Wheeling of electricity by transmission lines, substations and distribution lines, sales of electricity generated by hydro power stations, construction and maintenance of transmission/distribution lines and telecommunication equipment, research, acquisition and maintenance of land and buildings for facilities
"Customer Service":
Proposal of optimum total solution models that meet customer needs, high-standard customer services and inexpensive power purchase
"Corporate":
Supporting management, efficiently providing services common to all companies and nuclear power generation.

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

Accounting policies of each reportable segment are consistent with those disclosed in Note 1, "Summary of Significant Accounting Policies". Segment profit of the reportable segment is the figure based on operating income. Inter-segment sales and transfers are based on the internal transaction price established based on the costs in principle.

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

	Millions of yen						
	2015						
	Reportable segment				Total	Adjustments (Note 1)	Consolidated (Note 2)
	Fuel & Power	Power Grid	Customer Service	Corporate			
Sales:							
Sales to third parties	¥107,231	¥121,928	¥6,509,021	¥64,282	¥6,802,464	¥—	¥6,802,464
Inter-segment sales and transfers	3,347,859	1,506,546	207,759	279,291	5,341,456	(5,341,456)	—
Total	3,455,091	1,628,474	6,716,781	343,573	12,143,920	(5,341,456)	6,802,464
Segment profit (loss)	¥373,639	¥130,579	¥348,670	¥(536,958)	¥ 315,930	¥604	¥ 316,534
Segment assets	¥1,708,180	¥5,698,907	¥525,775	¥6,352,115	¥14,284,978	¥(72,300)	¥14,212,677
Other items:							
Depreciation	¥167,906	¥360,454	¥1,625	¥94,908	¥624,895	¥ (646)	¥624,248
Increase in tangible and intangible fixed assets (Note 3)	84,656	219,263	121	283,657	587,699	(1,741)	585,958

	Millions of yen						
	2014						
	Reportable segment				Total	Adjustments (Note 1)	Consolidated (Note 2)
	Fuel & Power	Power Grid	Customer Service	Corporate			
Sales:							
Sales to third parties	¥110,197	¥107,272	¥6,335,553	¥78,398	¥6,631,422	¥—	¥6,631,422
Inter-segment sales and transfers	3,303,664	1,585,501	215,246	447,959	5,552,371	(5,552,371)	—
Total	3,413,862	1,692,774	6,550,799	526,357	12,183,793	(5,552,371)	6,631,422
Segment profit (loss)	¥60,773	¥294,872	¥153,936	¥(319,404)	¥190,178	¥ 1,201	¥ 191,379
Segment assets	¥1,822,682	¥5,873,180	¥511,444	¥6,652,418	¥14,859,726	¥ (58,619)	¥14,801,106
Other items:							
Depreciation	¥179,208	¥370,553	¥1,838	¥96,910	¥648,511	¥ (1,113)	¥647,397
Increase in tangible and intangible fixed assets (Note 3)	211,730	229,646	146	136,665	578,189	(2,240)	575,948

	Millions of U.S. dollars						
	2015						
	Reportable segment				Total	Adjustments (Note 1)	Consolidated (Note 2)
	Fuel & Power	Power Grid	Customer Service	Corporate			
Sales:							
Sales to third parties	$892	$1,015	$54,174	$535	$56,616	$ —	$56,616
Inter-segment sales and transfers	27,864	12,539	1,729	2,325	44,457	(44,457)	—
Total	28,756	13,554	55,903	2,860	101,073	(44,457)	56,616
Segment profit (loss)	$3,109	$1,087	$2,902	$(4,469)	$2,629	$ 5	$ 2,634
Segment assets	$14,217	$47,432	$4,376	$52,868	$118,893	$ (602)	$118,291
Other items:							
Depreciation	$1,397	$3,000	$14	$790	$5,201	$(5)	$5,196
Increase in tangible and intangible fixed assets (Note 3)	704	1,825	1	2,361	4,891	(14)	4,877

Notes:

1. Adjustments" of "Segment profit" in an amount of ¥604 million (US$5 million) and ¥1,201 million includes ¥602 million (US$5 million) and ¥1,199 million of inter-segment elimination for the years ended March 31, 2015 and 2014, respectively.
   "Adjustments" of "Segment assets" in an amount of ¥ (72,300) million (US$ (602) million) and ¥ (58,619) million includes ¥ (71,574) million (US$ (596) million) and ¥ (57,871) million of inter-segment elimination at March 31, 2015 and 2014, respectively.
   "Adjustments" of "Depreciation" in an amount of ¥ (646) million (US$ (5) million) and ¥ (1,113) million refers to inter-segment elimination for the years ended March 31, 2015 and 2014, respectively.
   "Adjustments" of "Increase in tangible and intangible fixed assets" in an amount of ¥ (1,741) million (US$ (14) million) and ¥ (2,240) million refers to inter-segment elimination for the years ended March 31, 2015 and 2014, respectively.
2. Segment profit (loss) is reconciled with operating loss in the consolidated financial statements.
3. "Increase in tangible and intangible fixed assets" does not include the amount recorded in assets corresponding to asset retirement obligations.

4. Changes in reportable segments

The Company introduced the in-house company system on April 1, 2013 in accordance with the power system reform to be implemented for the purpose of fostering independent decision-making in each business sector while realizing increased profits and enhanced competition. In the in-house company system, a "Fuel & Power Company", "Power Grid Company" and "Customer Service Company" have been established and a "Corporate" division separate from the other three companies mentioned above will enable us to exert the collective strengths of the Group. In addition, as a whole group of the Company, the operational management responsibility has been transferred to each in-house company and the business and administrative control is conducted by the relevant company and corporate.

Under the new system, the Company's reportable segments consist of four segments that are "Fuel & Power," "Power Grid," "Customer Service," and "Corporate." The activities of affiliates which had been segmented as a business segment which was not included in the reportable segments are reorganized and allocated to the four reportable segments effective the fiscal year ended March 31, 2015.

The segment information for the fiscal year ended March 31, 2014 has been restated to conform to the reportable segmentation changed in the fiscal year ended March 31, 2015.

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

Information about impairment loss on tangible fixed assets by reportable segment for the year ended March 31, 2015 has been omitted, since there is no materiality.

	Millions of yen					
	2014					
	Fuel & Power	Power Grid	Customer Service	Corporate	Entity/ Elimination	Total
Impairment loss	¥—	¥—	¥—	¥19,686	¥—	¥19,686

(Note) Theses amounts are included in "Loss on decommissioning of Units 5 and 6 of Fukushima Station" for the year ended March 31, 2014.

Information about amortization and unamortized ending balance by reportable segment for the years ended March 31, 2015 and 2014 has been omitted, since there is no materiality.

Information about gain on negative goodwill by reportable segment for the years ended March 31, 2015 and 2014 has been omitted, since there is no materiality.

33 Per Share Information

Per share information at March 31, 2015 and 2014 and for the years then ended is as follows:

	Yen		U.S. dollars
	2015	2014	**2015**
Net assets per share	**¥669.60**	¥343.31	**$5.57**
Net income per share	**281.80**	273.74	**2.35**
Diluted net income per share	**91.49**	88.87	**0.76**

Notes:

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

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
Net assets	**¥2,102,180**	¥1,577,408	**$17,496**
Amounts to be deducted from net assets	**1,029,227**	1,027,287	**8,566**
(Of which payment of preferred stock)	**(1,000,000)**	(1,000,000)	**(8,323)**
(Of which minority interests)	**(29,227)**	(27,287)	**(243)**
Net assets at March 31 attributable to common stock	**1,072,952**	550,121	**8,930**

	Number of shares (in thousands)	
	2015	2014
Number of shares of common stock at March 31 which was used to compute net assets per share	**1,602,373**	1,602,421

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

	Millions of yen		Millions of U.S. dollars
	2015	2014	**2015**
Net income	**¥451,552**	¥438,647	**$3,758**
Net income not attributable to common stock shareholders	**—**	—	**—**
Net income attributable to common stock shareholders	**451,552**	438,647	**3,758**

	Number of shares (in thousands)	
	2015	2014
Average number of shares of common stock outstanding during the year	**1,602,396**	1,602,451

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

	Millions of yen	
	2015	2014
Adjustments to net income	**—**	—

	Number of shares (in thousands)	
	2015	2014
Increase in common stock	**3,333,333**	3,333,333
(Of which preferred stock-Class A)	**(1,066,666)**	(1,066,666)
(Of which preferred stock-Class B)	**(2,266,666)**	(2,266,666)
Potential shares which were not included in computing net income per share after dilution of potential shares since they have no dilutive effect	**—**	—

34 Subsequent Events

1. Company Split to Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated and Transfer of Business to a Joint Venture with Chubu Electric Power Co., Inc.

On April 28, 2015, the Company's board of directors resolved that the Company will transfer its fuel transport business and fuel trading business (hereinafter in this section, the "Businesses") through company split to Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated established on April 1, 2015 (hereinafter in this section, the "Split Preparation Company"), and the Company executed an absorption-type split agreement with the Split Preparation Company (this company split is hereinafter in this section, the "Split"). It is also decided that the Split Preparation Company will transfer the Businesses by October 2015 to a joint venture to be established for a comprehensive alliance with Chubu Electric Power Co., Inc.

(1) Purpose of Split

On February 9, 2015, the Company and Chubu Electric Power Co., Ltd. agreed on implementation of a comprehensive alliance and entered into a joint venture agreement to jointly establish a new company which will integrate and implement the fuel related businesses, such as fuel procurement, upstream investments, fuel transportation and fuel trading, as well as new development and replace businesses for domestic and overseas power plants. Based on the agreement, it is decided to jointly establish a joint venture named JERA Co., Inc. on April 30, 2015 through monetary contributions by the Company and Chubu Electric Power Co., Ltd.

Given that the Businesses are planned to be transferred to JERA Co., Inc. by October 2015, the Businesses are scheduled to be split to the Split Preparation Company in advance on June 30, 2015 .

(2) Overview of Split

A. Schedule of Split

Board of directors meeting approving absorption-type company split agreement (the Company)	April 28, 2015
Directors' decision approving absorption-type company split agreement (succeeding company)	April 28, 2015
Execution of absorption-type company split agreement	April 28, 2015
Extraordinary general shareholders meeting approving absorption-type company split agreement (succeeding company)	April 28, 2015
Effective date of absorption-type split	June 30, 2015

(Note) The Split is carried out without the approval of a general shareholders meeting of the Company because it corresponds to a simplified company split as stipulated in the Companies Act, Article 784, Paragraph 3.

B. Method of Split

The Split will be a simplified absorption-type company split in which the Company is the splitting company, and the Company's wholly owned subsidiary, the Split Preparation Company, is the succeeding company.

C. Particulars of allotment in Split

In the Split, the succeeding company the Split Preparation Company will issue 95,100 shares of common stock and all of those shares will be allotted and delivered to the Company.

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

The Company has not issued new share subscription rights or bonds with new share subscription rights.

E. Change in stated capital through Split

There will be no change to the Company's stated capital.

F. Rights and duties assumed by succeeding companies

In accordance with an absorption-type company split agreement executed with the Company dated April 28, 2015, on the effective date of the Split, the Split Preparation Company will assume rights and duties held and borne in relation to the Company's fuel transport business and fuel trading business.

The Split Preparation Company will not assume any obligations through the Split.

G. Prospects for performance of obligations

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

(3) Overview of business divisions subject to Split

A. Business description of divisions subject to Split

Fuel transport business and fuel trading business

B. Operational results of divisions subject to Split (the fiscal year ended March 2015)

Unconsolidated Sales of Businesses Subject to Split (a)	Unconsolidated Sales of the Company (b)	Ratio (a/b)
— (—)	¥6,633,706 million (US$55,212 million)	—

C. Items and amounts of unconsolidated assets and liabilities to be transferred in Split (as of March 31, 2015)

Assets		Liabilities	
Item	Amount	Item	Amount
Current Assets	— (—)	Current Liabilities	— (—)
Non-current Assets	¥9,824 million (US$82 million)	Non-current Liabilities	— (—)
Total	¥9,824 million (US$82 million)	Total	— (—)

(4) Status of the splitting company after Split (as of June 30, 2015)

	Splitting Company
(1) Trade Name	Tokyo Electric Power Company, Incorporated
(2) Address	1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo, Japan
(3) Title and Name of Representative	Representative Executive Officer and President, Mr. Naomi Hirose
(4) Business Description	Electricity utilities business (excluding the Businesses)
(5) Stated Capital	¥1,400,975 million (US$11,660 million)
(6) End of Fiscal Year	March 31

(5) Status of the succeeding company after Split (as of June 30, 2015)

	Succeeding Company
(1) Trade Name	Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated
(2) Address	1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo, Japan
(3) Title and Name of Representative	Representative Director and President, Mr. Toshihiro Sano
(4) Business Description	Fuel and thermal power generation businesses
(5) Stated Capital	¥245 million(US$2 million)
(6) End of Fiscal Year	March 31

2. Transition to Holding Company System through Company Split and Change of Trade Name

As announced in the New Comprehensive Special Business Plan approved by the Government of Japan in January 2014 (as amended), the Company has been considering transitioning to a holding company system, and on May 1, 2015, by resolution of the board of directors, the Company decided that with April 1, 2016 as a tentative date, in time with the introduction of a licensing system for electric power systems reform, it will transfer its fuel and thermal power generation business (excluding fuel transport business and fuel trading business), general power transmission and distribution business, and retail electricity business, which will be transferred through company splits to the "Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated", "Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated", and "Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated" respectively, and on May 1, 2015, the Company executed absorption-type split agreements with each of the succeeding companies (these company splits are hereinafter referred to as the "Splits"). On the effective date of the Splits, in conjunction with the Splits, the Company's trade name will be changed to "Tokyo Electric Power Company Holdings, Incorporated".

The effect of the Splits and the change of trade names are subject to issuance by the competent authorities of permits and approvals necessary for the performance of business.

(1) Transition to Holding Company System through Company Split

A. Background and purposes of Splits

As demand for electric power decreases due to energy conservation efforts and the development of low-energy products, there are plans for full liberalization of the retail market in April 2016, and for statutory-based separation of electricity transmission and distribution divisions in 2020. The electric power market of Japan is witnessing a period of great change.

In this environment, for the Company to continue fulfilling its responsibilities for the Fukushima nuclear power accident and to maintain an inexpensive and stable supply of electric power, it is essential for each business division to apply the best business strategies that suit its characteristics and work to improve the corporate value of the overall TEPCO group.

Specifically, in the fuel and thermal power generation business division, starting with a comprehensive alliance with Chubu Electric Power Co., Inc., the Company embarked on a drastic rethinking of the business structures of the overall supply chain from upstream to power generation, and will aim to transform into an energy company that is spreading its dynamism around the world.

The transmission and distribution business division, while continuing to ensure reliable power supply, will achieve the most competitive wheeling costs in Japan, and while maintaining and improving the neutrality and impartiality of business operations, will promote improved transmission and distribution network convenience, optimization of operations, and coordination with other electric power companies.

The retail electricity business division, while leveraging alliances with other companies, will offer and provide to Japanese customers products and services adopting the viewpoint of our customers and focusing on efficient energy consumption as well as power and gas one-stop service.

So that the Company can realize these strategies and adapt flexibly and swiftly to a new post-liberalization business environment, based on achieving both "responsibility and competitiveness", around the time the licensing system is introduced in April 2016 as the second step in electric power systems reform, the Company will be the first electric power company to spin off three business divisions, and transfer to a holding company system.

After the transition to a holding company system, the holding company will be responsible for dealing with compensation, decommissioning, decontamination, and promoting revitalization, and by setting forth management strategies for the overall group and optimally distributing management resources will work to enhance efficient business operations and competitiveness.

Through the construction of this sort of business operation system, the Company will work to establish a revenue base towards sustainable regeneration, fulfill the responsibilities of the overall TEPCO group for the Fukushima nuclear power accident, create resources for Fukushima's revitalization, and improve the corporate value of the entire group.

B. Overview of Split

1) Schedule of Split

Board of directors meeting approving absorption-type company split agreements (the Company)	May 1, 2015
Directors' decision approving absorption-type company split agreement (each succeeding company)	May 1, 2015
Execution of absorption-type company split agreements	May 1, 2015
Ordinary general shareholders meeting approving absorption-type company split agreements (the Company)	June 25, 2015
Extraordinary general shareholders meeting approving absorption-type company split agreement (each succeeding company)	June 25, 2015
Effective date of absorption-type split	April 1, 2016 (planned)

(Note) The company splits in which Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated and Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated will be the succeeding companies are planned to be carried out without the approval of a general shareholders meeting of the Company pursuant to Article 784, Paragraph 2 of the Companies Act.

2) Method of Splits

The Splits will be absorption-type splits in which the Company is the splitting company, and the Company's wholly owned subsidiaries Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated, Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated, and Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated are the succeeding companies.

3) Particulars of allotment in Splits

In the Splits, the succeeding companies, Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated, Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated, and Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated, will issue 15,300,000 shares, 46,600,000 shares, and 4,100,000 shares of common stock, respectively, and all of those shares will be allotted and delivered to the Company.

4) Handling of splitting Company's new share subscription rights and bonds with new share subscription right

The Company has not issued new share subscription rights or bonds with new share subscription rights.

5) Change in stated capital through Splits
There will be no change to the Company's stated capital.

6) Rights and duties assumed by succeeding companies
In accordance with an absorption-type company split agreement executed with the Company dated May 1, 2015, on the effective date of the Splits, Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated will assume rights and duties held and borne in relation to the Company's thermal power generation business (excluding the said business in remote islands), fuel procurement, resource development, and steam supply businesses with respect to thermal power generation, as well as investment business in the foregoing.

In accordance with an absorption-type company split agreement executed with the Company dated May 1, 2015, on the effective date of the Splits, Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated will assume rights and duties held and borne in relation to the Company's general power transmission and distribution business, real estate leasing business, and power generation business in remote islands.

In accordance with an absorption-type company split agreement executed with the Company dated May 1, 2015, on the effective date of the Splits, Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated will assume rights and duties held and borne in relation to the Company's retail electricity business, gas business, steam supply business (excluding the said business in connection with thermal power generation), energy equipment service business, and internet service business.

With respect to the assumption of obligations by the succeeding companies through the Splits, the succeeding companies will assume, and in doing so, release the Company from, such obligations.

Succeeding companies will not assume obligations associated with existing publicly offered bonds of the Company.

7) Prospects for performance of obligations
It is expected that the Company and all of the succeeding companies will still have assets in excess of liabilities after the Splits, and presently we do not envision the occurrence of any events that would cause an impediment to the performance of obligations arising after the Splits, and for these reasons, we judge there to be no problems with respect to the prospects for the Company and each succeeding company to perform their obligations after the Splits.

C. Overview of business divisions subject to Splits
1) Business description of the Company's divisions subject to Splits

Succeeding Company	Business Description of the Company's Divisions Subject to Splits
Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated	Thermal power generation business (excluding the said business in remote islands), fuel procurement, resource development, and steam supply businesses pertaining to thermal power generation, and investment business in the foregoing
Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated	General power transmission and distribution business, real property lease business, and power generation business in remote islands
Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated	Retail electricity business, gas business, steam supply business (excluding the said business in connection with thermal power generation), energy equipment service business, and internet service business

2) Operational results of the Company's divisions subject to Splits (the fiscal year ended March 2015)

Businesses of Divisions Subject to Splits	Unconsolidated Sales of Businesses Subject to Splits (a)	Unconsolidated Sales of the Company (b)	Ratio (a/b)
Thermal power generation business (excluding the said business in remote islands), fuel procurement, resource development, and steam supply businesses pertaining to thermal power generation, and investment business in the foregoing	¥5,470 million (US$46 million)	¥6,633,706 million (US$55,212 million)	0.0%
General power transmission and distribution business, real property lease business, and power generation business in remote islands	¥132,888 million (US$1,106 million)	¥6,633,706 million (US$55,212 million)	2.0%
Retail electricity business, gas business, steam supply business (excluding the said business in connection with thermal power generation), energy equipment service business, and internet service business	¥6,490,361 million (US$54,019 million)	¥6,633,706 million (US$55,212 million)	97.8%

(Note) External sales are stated.

3) Items and amounts of unconsolidated assets and liabilities of the Company to be transferred in Splits (as of March 31, 2015)

a) Unconsolidated assets and liabilities of the Company to be transferred in Splits to Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated

Assets		Liabilities	
Item	Amount	Item	Amount
Non-current Assets	¥1,525,476 million (US$12,696 million)	Non-current Liabilities	¥38,235 million (US$318 million)
Current Assets	¥273,018 million (US$2,272 million)	Current Liabilities	¥195,018 million (US$1,623 million)
Total	¥1,798,494 million (US$14,969 million)	Total	¥233,253 million (US$1,941 million)

b) Unconsolidated assets and liabilities of the Company to be transferred in Splits to Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated

Assets		Liabilities	
Item	Amount	Item	Amount
Non-current Assets	¥5,022,581 million (US$41,803 million)	Non-current Liabilities	¥365,937 million (US$3,045 million)
Current Assets	¥226,494 million (US$1,885 million)	Current Liabilities	¥186,691 million (US$1,554 million)
Total	¥5,249,076 million (US$43,688 million)	Total	¥552,629 million (US$4,599 million)

c) Unconsolidated assets and liabilities of the Company to be transferred in Splits to Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated

Assets		Liabilities	
Item	Amount	Item	Amount
Non-current Assets	¥91,232 million (US$759 million)	Non-current Liabilities	¥60,296 million (US$502 million)
Current Assets	¥605,674 million (US$5,041 million)	Current Liabilities	¥139,716 million (US$1,163 million)
Total	¥696,907 million (US$5,800 million)	Total	¥200,013 million (US$1,665 million)

(Note) The amounts in 1) to 3) above were calculated based on the Company's nonconsolidated balance sheet as of March 31, 2015, and thus the amounts that will actually be transferred will reflect any increases or decreases made to the above amounts up to the day immediately preceding the effective date of the Splits.

D. Status of the Company after Splits (as of April 1, 2016 (planned))

	Splitting Company
(1) Trade Name	Tokyo Electric Power Company Holdings, Incorporated (trade name scheduled to be changed as of April 1, 2016 from the current "Tokyo Electric Power Company, Incorporated")
(2) Address	1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo, Japan
(3) Title and Name of Representative	Representative Executive Officer and President, Mr. Naomi Hirose
(4) Business Description	Group company business management; nuclear, hydroelectric, and new energy power generation businesses
(5) Stated Capital	¥1,400,975 million (US$11,660 million)
(6) End of Fiscal Year	March 31

E. Status of the succeeding companies after Splits (as of April 1, 2016 (planned))

	Succeeding Company
(1) Trade Name	Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated (The trade name is scheduled to be changed as of April 1, 2016.)
(2) Address	1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo, Japan
(3) Title and Name of Representative	Representative Director and President, Mr. Toshihiro Sano
(4) Business Description	Fuel and thermal power generation businesses
(5) Stated Capital	¥30,000 million (US$250 million)
(6) End of Fiscal Year	March 31

	Succeeding Company
(1) Trade Name	Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated (The trade name is scheduled to be changed as of April 1, 2016.)
(2) Address	1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo, Japan
(3) Title and Name of Representative	Representative Director and President, Mr. Toshiro Takebe
(4) Business Description	General power transmission and distribution business
(5) Stated Capital	¥80,000 million (US$666 million)
(6) End of Fiscal Year	March 31

	Succeeding Company
(1) Trade Name	Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated (The trade name is scheduled to be changed as of April 1, 2016.)
(2) Address	1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo, Japan
(3) Title and Name of Representative	Representative Director and President, Mr. Tomoaki Kobayakawa
(4) Business Description	Retail electricity business
(5) Stated Capital	¥10,000 million (US$83 million)
(6) End of Fiscal Year	March 31

F. Outlook going forward

Following the Splits, the main sources of the Company's revenue will be management guidance and business support fee income from the Company's group companies; electricity fee income from nuclear power, hydroelectric power and new energy generation; and dividend income. Furthermore, the main items of the Company's expenses are expected to be costs associated with our functions as a holding company; costs associated with nuclear power, hydroelectric power and new energy generation; expenses associated with compensation for nuclear power damage; and expenses associated with the decommission of the Fukushima Daiichi Nuclear Power Station.

(2) Change of Trade Name

A. Reason for the change

As set forth in 1. above, in conjunction with the transition to the holding company system, the trade name of the Company will be changed.

Current trade name	New trade name
Tokyo Electric Power Company, Incorporated	Tokyo Electric Power Company Holdings, Incorporated

B. Change date:

April 1, 2016 (planned)

3. Nuclear Damage Compensation concerning the Accident of Fukushima Daiichi Nuclear Power Station

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

At the Board of Directors' meeting held on June 25, 2015, the Company resolved to submit an application for the change in the amount of grants-in-aid pursuant to the provision of paragraph 1 of the Article 43 of "Act on the Nuclear Damage Compensation and Decommissioning Facilitation Corporation" (the "Corporation Act") to the Nuclear Damage Compensation and Decommissioning Facilitation Corporation (the "Corporation") by June 30, 2015.

This application was made because the amount after deducting receipt on compensation in the amount of ¥188,926 million (US$1,572 million) pursuant to the provision of the "Act concerning Contracts for Indemnification of Nuclear Damage Compensation" from the estimated necessary compensation amount increased from ¥5,936,287 million (US$49,407 million) which was applied on March 26, 2015 by ¥950,171 million (US$7,908 million) to ¥6,886,458 million (US$57,316 million), because additional compensation for mental damages and lump-sum compensation for opportunity losses on business operations and damages due to harmful rumors were implemented , taking into consideration "Towards for acceleration of recovery of Fukushima from nuclear damages" (Cabinet decision on June 12, 2015) and the extent that reasonable estimation on a part of decontamination costs became possible has been increased.

Due to the above changes, the amount after deducting ¥188,926 million (US$1,572 million) of receipt on compensation and ¥802,318 million (US$6,678 million) of the grants-in-aid related to decontamination costs (amount of application for financial support based on the provision of the Corporation Act corresponding to the Company's compensation liability to the Government based on the "Special Measures concerning the pollution of the environment due to the radioactive substances released by the accident of nuclear power station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake incurred on March 11, 2011" (effective on August 30, 2011; Act No. 110 of 2011) from the estimated compensation amount increase from ¥5,678,485 million (US$47,262 million) as of March 31, 2015 by ¥405,655 million (US$3,376 million) and accordingly, the nuclear damage compensation expenses increase by the same amount. In addition, assuming the application for the change in grants-in-aid to the Corporation , grants-in-aid of the Corporation will be recorded in the amount of ¥426,760 million (US$3,552 million) after deducting ¥523,410 million (US$4,356 million) of increase in grants-in-aid related to decontamination costs from the increased amount of application in the amount of ¥950,171 million (US$7,908 million) in the first quarter of the fiscal year ending March 31, 2016.

Independent Auditor's Report

EY
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The Board of Directors
Tokyo Electric Power Company, Incorporated

We have audited the accompanying consolidated financial statements of Tokyo Electric Power Company, Incorporated (the "Company") and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2015, and the consolidated statements of operations, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tokyo Electric Power Company, Incorporated and its consolidated subsidiaries as at March 31, 2015, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

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

(1) As explained in Note 23 to the accompanying consolidated financial statements, regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company has been implementing compensation to the nuclear victims with Government support in accordance with the Nuclear Damage Compensation Act (effective on June 17, 1961; Act No. 147 of 1961).

Consequently, the Company has recorded compensation for nuclear damages for the year ended March 31, 2015, amounting to ¥595,940 million (US$4,960 million), which is the difference between the estimated amount at March 31, 2014 and ¥5,678,485 million (US$47,262 million) after deducting ¥188,926 million (US$1,572 million) of receipt of compensation pursuant to the provision of the Act on Contract for Indemnification of Nuclear Damage Compensation (effective on June 17, 1961; Act No. 148 of 1961) and ¥278,908 million (US$2,321 million) of the amount which was submitted an application for based on the provision of "Act on the Nuclear Damage Compensation and Decommissioning Facilitation Corporation" (effective on August 10, 2011; Act No. 94 of 2011) (the "Corporation Act") corresponding to the Company's compensation liability to the government, which was recognized as a liability on and after January 1, 2015 (the "Decontamination Costs"), based on the "Act on Special Measures concerning the Handling of pollution by Radioactive Materials Released by the Accident of Nuclear Power Plant damaged by Tohoku-Chihou-Taiheiyou-Oki Earthquake on March 11, 2011" (effective on August 30, 2011; Act No. 110 of 2011) from the estimated damage compensation amounting to ¥6,146,320 million (US$51,155 million) based on the government compensation criteria to be decided by the Committee for Adjustment of Compensation for Nuclear Damage Disputes, including "the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" on August 5, 2011 and the Company's compensation criteria considering these guidelines and the actual compensation claim amounts and objective statistical data.

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

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

The Company submitted an application for financial support of the compensation for nuclear damages as of the application date for financial support as the estimated amount for the required compensation amount based on paragraph 1 of the Article 43 of the Corporation Act. The Company submitted an application to the Corporation for a change of the amount of financial support to ¥6,125,214 million (US$50,980 million), which is the estimated amount of compensation as of March 26, 2015 and recorded ¥868,535 million (US$7,229 million) as grants-in-aid from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation, which is the difference between ¥5,657,379 million (US$47,086 million) deducting ¥188,926 million (US$1,572 million) of receipt of compensation from the above amount and ¥278,908 million (US$2,321 million) of

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grants-in-aid corresponding to decontamination costs and ¥4,788,844 million (US$39,857 million), which was submitted as an application for financing the compensation on December 27, 2013.

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

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

(3) As explained in Note 13 to the accompanying consolidated financial statements, before nuclear power plants can be scrapped, nuclear fuels in the reactors must be removed, but the concrete working conditions will be decided after the stable cooling conditions have been established and the status of inside of the reactors has been confirmed and also in consideration of the progress of necessary research and development activities. Accordingly, the Company records the amounts including fuel removal costs within the range of reasonable estimates based on the currently available information for expenses and/or losses related to Mid-and-long Term Roadmap, although they might vary from now on.

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

(5) As explained in Note 14 to the accompanying consolidated financial statements, on March 31, 2015, the "Ministerial Ordinance to Revise a Part of Accounting Rules for Electricity Industry" was enforced and Accounting Rule for Electricity Industry was amended, so that grants-in-aid receivable corresponding to decontamination costs shall be deducted from the estimated amount of reserve for nuclear damage compensation, not being included in grants-in-aid receivable from the Nuclear Damage Compensation and Decommissioning Facilitation Corporation at the time of submitting an application for financial support.

(6) As explained in Note 34 to the accompanying consolidated financial statements, as announced in the New Comprehensive Special Business Plan approved by the Government of Japan in January 2014 (as amended), the Company has been considering transitioning to a holding company system, and on May 1, 2015, by resolution of the board of directors, the Company decided that with April 1, 2016 as a tentative date, in time with the introduction of a licensing system for electric power systems reform, it will transfer its fuel and thermal power generation business (excluding fuel transport business and fuel trading business), general power transmission and distribution business, and retail electricity business, which will be transferred through company splits to the "Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated", "Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated", and "Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated" respectively, and on May 1, 2015, the Company executed absorption-type split agreements with each of the succeeding companies (these company splits are hereinafter referred to as the "Splits").

The effect of the Splits are subject to issuance by the competent authorities of permits and approvals necessary for the performance of business.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 2.

June 29, 2015

Ernst & Young ShinNihon LLC

Major Subsidiaries and Affiliated Companies

As of March 31, 2015

Major Consolidated Subsidiaries

Company Name	Capital (Millions of yen)	Ratio of voting rights (%)	Principal Business
Fuel & Power			
Fuel TEPCO Limited	40	100.0	Sales of petroleum products
TOKYO WATERFRONT RECYCLE POWER CO., LTD.	100	96.6 (1.1)*	Industrial waste treatment; electricity sales
Tokyo Timor Sea Resources Inc. (U.S.A.)	39 million US$	66.7	Investment in gas field development companies
Power Grid			
The Tokyo Electric Generation Company, Incorporated	2,500	100.0	Generation and wholesale of electricity
Tepco Town Planning Co., Ltd.	100	100.0	Design and maintenance of power distribution facilities and contracting for advertisements on utility poles and other media
Tokyo Densetsu Service Co., Ltd.	50	100.0	Maintenance of transmission, transformation and other facilities
Corporate			
Toden Real Estate Co., Inc.	3,020	100.0	Leasing and management of real estate
TEPCO SYSTEMS CORPORATION	350	100.0	Computerized information processing; development and maintenance of software
Tokyo Power Technology Ltd.	100	100.0	Repair and operation of power generation, environmental protection and other facilities
TEPCO Lease Corporation	100	100.0	Leasing of vehicles and others
Tokyo Electric Power Services Company, Limited	40	100.0	Design and supervision of construction of power generation, transmission, transformation and other facilities
Tokyo Electric Power Company International B.V.	240 million Euro	100.0	Investment in overseas businesses

Affiliated Companies Accounted for under the Equity Method

Company Name	Capital (Millions of yen)	Ratio of voting rights (%)	Principal Business
Fuel & Power			
Soma Kyodo Power Company, Ltd.	112,800	50.0	Thermal power generation and wholesale of electricity
KASHIMA KYODO ELECTRIC POWER COMPANY	22,000	50.0	Thermal power generation and wholesale of electricity
Kimitsu Cooperative Thermal Power Company, Inc.	8,500	50.0	Thermal power generation and wholesale of electricity
JOBAN JOINT POWER CO., LTD.	56,000	49.1	Thermal power generation and wholesale of electricity
Customer Service			
TOKYO TOSHI SERVICE COMPANY	400	33.4	Heat supply
Corporate			
KANDENKO CO., LTD.	10,264	47.8 (1.2)*	Electrical work for distribution, transmission and other facilities
Eurus Energy Holdings Corporation	18,199	40.0	Investment in domestic/overseas wind and solar energy projects
TAKAOKA TOKO HOLDINGS CO., LTD.	8,000	35.3	Manufacture and sale of electrical equipment, the installation of electricity meters and performance of electrical work on buildings
Hitachi Systems Power Services, Ltd.	100	33.4	Development, maintenance and operation of computer software
AT TOKYO Corporation	13,378	33.3	Installation site leasing for and maintenance, management and operation of computer, telecommunications and other equipment
Japan Nuclear Fuel Limited	400,000	28.6	Uranium concentration, reprocessing, waste management and underground waste disposal
The Japan Atomic Power Company	120,000	28.3 (0.1)*	Generation and wholesale of electricity
TOKYO ENERGY & SYSTEMS INC.	2,881	26.3 (0.0)*	Construction and maintenance of power generation, substation and other related facilities and design and construction of information and telecommunication facilities
TeaM Energy Corporation	12 million US$	50.0 (50,0)*	IPP business in the Philippines
TEPDIA Generating B.V.	18 thousand Euro	50.0 (50.0)*	Investment in IPP business in Thailand
ITM Investment Company Limited	16 thousand US$	35.0 (35.0)*	Investment in Umm Al Nar power generation and water desalination project

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

Corporate Information

As of March 31, 2015

Trade Name
Tokyo Electric Power Company, Incorporated

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

Established
May 1, 1951

Fiscal Year-End
March 31

Paid-in Capital
¥1,400,975,722,050

Number of Employees
33,853 (Non-consolidated)

Overseas Offices
Washington Office
2121 K Street, N.W., Suite 910 Washington, D.C. 20037, U.S.A.
Tel: +1-202-457-0790
London Office
Berkeley Square House, Berkeley Square, London W1J6BR, U.K.
Phone: +44-20-7629-5271
Beijing Office
Unit 4, Level 8, Tower E3, Oriental Plaza,
No. 1 East Chang An Avenue, Dong Cheng District,
Beijing 100738, China
Phone: +86-10-8518-7771

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

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

Number of Shareholders
789,633

Shareholders' Meeting
June

Stock Listings
Tokyo Stock Exchange(Code: 9501)

Accounting Auditor
Ernst & Young ShinNihon LLC

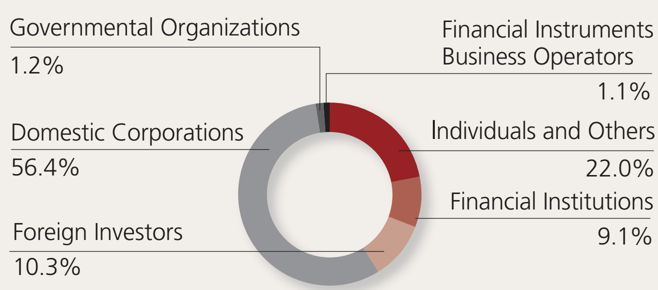
Shareholder Registry Administrator
Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan

Major Shareholders

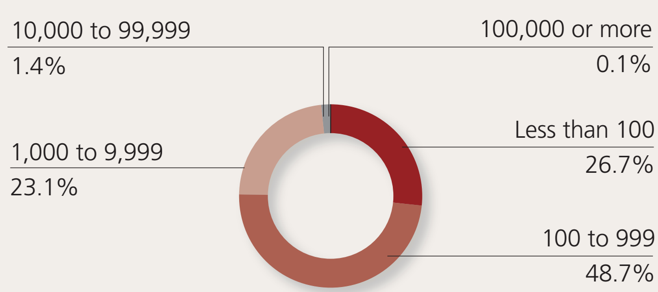
Name	Number of Shares Held (Thousands)
Nuclear Damage Compensation and Decommissioning Facilitation Corporation	1,940,000
Employees Shareholding Association	47,714
Tokyo Metropolitan Government	42,676
The Master Trust Bank of Japan, Ltd. (Trust Account)	39,825
Sumitomo Mitsui Banking Corporation	35,927
Japan Trustee Services Bank, Ltd. (Trust Account)	30,643
Nippon Life Insurance Company	26,400
Mizuho Bank, Ltd.	23,791
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	23,554
STATE STREET BANK WEST CLIENT-TREATY 505234	19,121

Breakdown of Shareholders

Shareholdings by Type of Shareholder



Shareholders by Number of Shares Held



For more detailed information, please contact:
Tokyo Electric Power Company
Shareholder & Investor Relations Group, Corporate Affairs & Legal Office
Finance Planning Group, Accounting & Treasury Office
1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo 100-8560, Japan
Phone: +81-3-6373-1111

TEPCO Investor Relations Website
http://www.tepco.co.jp/en/corpinfo/ir/top-e.html

TOKYO ELECTRIC POWER COMPANY

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