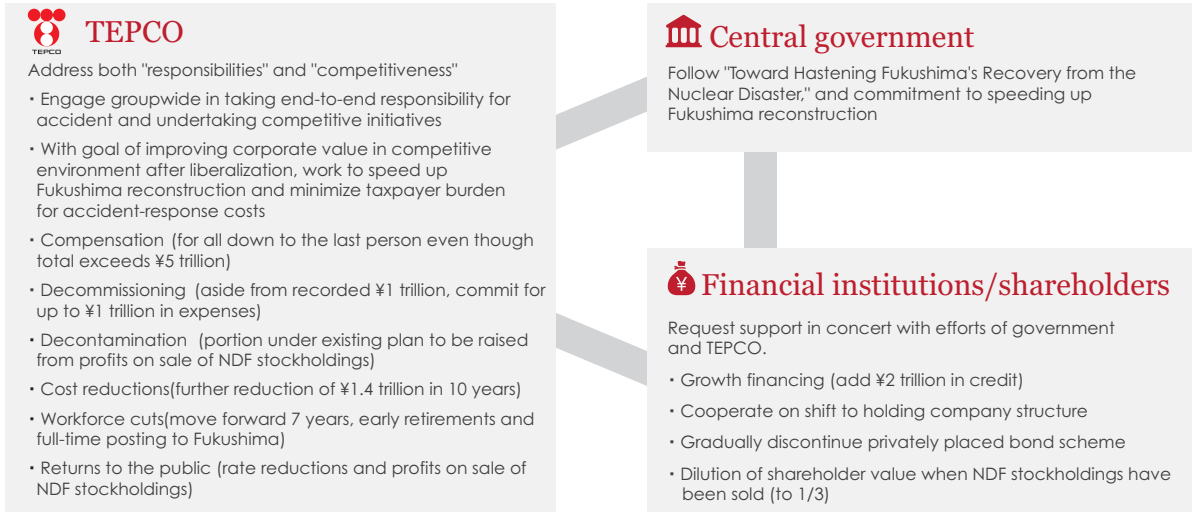




New Comprehensive Special Business Plan

Overall Framework

A new trilateral package formed by the government, TEPCO, and financial institutions

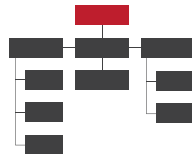


Form of company

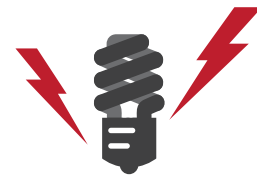
Take end-to-end responsibility for accident while improving corporate value in competitive environment, with goal of minimizing burden on general public



- 1** Creation of durable accident response structure
 - Bolster compensation and rebuilding Fukushima reconstruction regime
 - Bolster decommissioning regime
 - Create employment in Fukushima



- 2** Holding company structure to address both responsibility and competitiveness
 - Shift to holding company structure in April 2016
 - Total optimization under holding structure
 - Slim down management structure



- 3** Innovations to produce "new power operator model"
 - Fuel/Thermal Power Division
 - Energy Transmission Division
 - Retail Sales Division

Strengthened Compensation

More compensation, and three pledges to make sure it gets to people quickly and fairly

¥3.9 trillion increased to ¥4.9 trillion

Compensation required to increase by about ¥1 trillion from ¥3.9 trillion under previous plan:

- 1** Bolster property compensation: start of compensation for fields, prompt start also to compensation for forests, graveyards (¥55 billion)
- 2** 4th supplement to midterm guidelines: expenses for housing (¥372 billion), settlements for loss of hometown (¥201 billion), reasonable period compensations (¥87 billion)
- 3** Miscellaneous: Increment ¥285 billion

These three pledges are aimed at prompt and appropriate provision of compensation:



Be sure every last eligible person receives compensation.



Be sure that compensation is given promptly and accurately.



Defer to the proposals of mediators on settlements.

Intensify efforts on Fukushima reconstruction



Living condition upgrades toward earliest possible return to home:
Engage in cleanup/decontamination/care support facilities, etc. through "100,000-person dispatch project"



Creation of industrial infrastructure/job opportunities:
Make it a center for R&D related to decommissioning; pour people, technology, and capital into cutting-edge coal-fired thermal power facilities

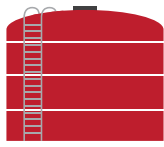


Beef up Fukushima Revitalization Headquarters:
Move HQ to evacuation zone, permanently assign around 500 management staffers

Nuclear Safety and Decommissioning

Promote steady progress at Fukushima Daiichi

Beef up framework in partnership with government toward fundamental resolution of contaminated water problems. Construct durable decommissioning regime that will run for 40 years:



Contaminated water and tank problems: working environment improvements, increase staff size, make facilities permanent, clean all contaminated water (other than tritium) during coming fiscal year



Addressing government demands: Secure up to ¥1 trillion in capital beyond the ¥1 trillion recorded, decommission reactors 5 and 6 and use as research facilities



Create international decommissioning regime: In response to government policies, create in-house decommissioning company and bolster with domestic and international specialists



Steady decommissioning work over mid- to long-term: Remove fuel debris from first reactor by first half of fiscal 2020

Guarantees of nuclear safety

Implement Nuclear Safety Reform Plan under supervision of Nuclear Reform Monitoring Committee

Toward resuming operations of Kashiwazaki-Kariwa nuclear plant, address both tangible (safety measures) and intangible (safety culture enhancement)

TEPCO Management Reform

Policies on business operations and management rationalization



Business Operations:

Generate capital to engage in competitive business operations after liberalization, to improve corporate value of group as a whole, and to revitalize.



Management Rationalization:

- Steps taken toward management rationalization: In addition to the previous Comprehensive Plan, cut costs a further ¥1.4 trillion in 10 years, have Procurements Committee reassess procurement structure/practices

- Personnel reforms: Advance staff reduction plan by 7 years through early retirements of 1,000, permanently assign management staff (500) aged 50 or older to Fukushima, flatten out organization (eliminate branch offices), improve treatment through cost reduction incentives (salary restoration)

Planning for privatization

Create revenue base for ongoing revitalization

Implementation of holding company structure:

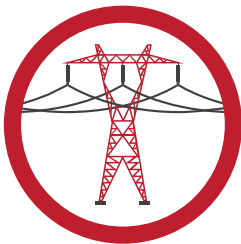
Aim to introduce by April 2016, compensation /Fukushima reconstruction /decommissioning to be managed by holding company, request assistance of financial institutions



Fuel/Thermal Power Division:

Dramatically reduce fuel costs to allow for both supplying power stably and at low cost while generating resources for Fukushima reconstruction.

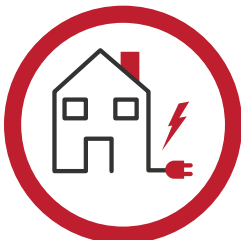
Replace 10 million kW through comprehensive alliances, jointly establish power plants outside area, procure 10 million t light gas, expand LNG procurements to 35 million t, expand involvement in upstream businesses, optimize fuel and electric power, bolster trading capabilities.



Energy Transmission Division

Address both securing stable income for compensation and decommissioning purposes, while maintaining thoroughgoing neutrality and fairness in energy transmission network and wide-area operation.

Reduce investments by more than ¥300 billion yen by fiscal 2016, switch all power meters to "smart meters" by fiscal 2020, and achieve optimal system operation over wide area.



Retail Sales Division

Do business on a national scale to both reduce energy costs for consumers and generate resources for Fukushima reconstruction

Get into sales of power to outside area (supplying 10 billion kwh within 10 years), engage in retail sales of gas with alliance partners (1 million tons within 10 years), make most of alliances to create "Platform for Living," procure low-cost power sources (make bids promptly)