TRANSLATION

Please note that the following purports to be an accurate and complete translation of the original Japanese version prepared for the convenience of the Shareholders outside Japan. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.

Securities Identification Code: 9501

Report for the 2015 Fiscal Year

From April 1, 2015 to March 31, 2016

Tokyo Electric Power Company Holdings, Incorporated

Table of Contents

Information regarding the items listed below is not contained within this report. In accordance with relevant laws and regulations and with Article 17 of the Articles of Incorporation, such information has been posted separately on our website (http://www.tepco.co.jp/about/ir/stockinfo/meeting.html).

i) Notes to Consolidated Financial Statements

ii) Notes to Non-Consolidated Financial Statements

Accordingly, the Consolidated Financial Statements and the Non-Consolidated Financial Statements attached to this report are only part of the Consolidated Financial Statements and the Non-Consolidated Financial Statements audited by the Accounting Auditor and the Audit Committee for the preparation of Accounting Audit Reports and Audit Report.

TO OUR SHAREHOLDERS

First of all, we would like to express our deepest apologies to our shareholders and all of our diverse stakeholders, particularly those in the areas around the power stations, for the tremendous trouble and anxiety that has been ongoing since the accident at the Fukushima Daiichi Nuclear Power Station.

Based on the New Comprehensive Special Business Plan, on April 1, 2016, Tokyo Electric Power Company Holdings, Incorporated (“the Company”) made a fresh start ahead of the reform of the electric power system with the transition to a holding company system which conducts business operations that are functionally independent and flexible in order to fulfill our responsibilities to Fukushima in addition to seeking to enhance the corporate value of our entire group (“the Group”) overall.

As the electric power business marked a historic turning point in April 2016 with the full liberalization of the retail market, and, with the full liberalization of the retail market in the gas business scheduled to be implemented in April 2017, the Japanese energy industry is entering a new era of competition. In order to respond to such changes in the management environment, the Group is committed to prevailing over the competition as all of our employees work as one under our new brand slogan, “The Energy for Every Challenge,” to fulfill our responsibilities to Fukushima by combining our hearts in addition to continuously striving to create new value including the expansion of global business development and the provision of new services.

In fiscal 2015, employees united to prepare for the transition to the holding company system while further promoting efforts aimed at reducing costs and doubling productivity, and the Company succeeded in recording ordinary income for three consecutive years. Based on the results of such initiatives, signs of an improvement in the evaluation of the Company by the market have also been observed. However, amid significant management challenges, such as the resumption of operations at Kashiwazaki-Kariwa Nuclear Power Station, going forward, it will be crucial to deliver a stable supply of low cost electricity in addition to drastically strengthening business competitiveness and expanding business across regional and industry boundaries as well as working on unconventional and dynamic management reforms in all fields to further increase the corporate value of the Group as a whole.

We express our deepest apologies for the continued non-payment of dividends for fiscal 2015 and sincerely ask for our shareholders’ understanding of and cooperation with our future business management.

Fumio Sudo,

Chairman of the Board of Directors

Naomi Hirose,

Representative Executive Officer and President

(Attached document to the NOTICE OF CONVOCATION OF THE 92nd ORDINARY GENERAL MEETING OF SHAREHOLDERS)

BUSINESS REPORT (from April 1, 2015 to March 31, 2016)

1. Matters Regarding Status of Group Operations

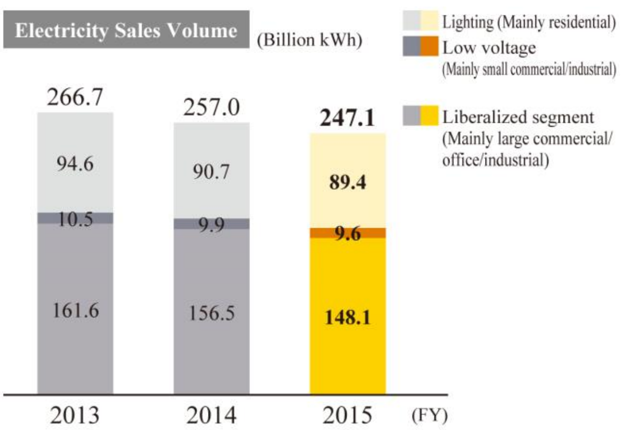
(1) Progress of the Business and the Earnings Results Thereof

The Company Group's Earnings Results

In fiscal 2015, the Japanese economy followed a trend of moderate recovery as personal consumption remained brisk amidst a trend of improvement in corporate earnings as well as in the employment and income environment. However, the trend of decline in domestic demand for energy continued due to such factors as progress in energy conservation. In the electric power business, the revised Electricity Business Act was enacted in June 2015 providing for the mandatory separation of the transmission and distribution businesses, which forms Phase 3 of Electricity System Reform, and the full liberalization of the retail market also commenced in April 2016. Moreover, the full liberalization of the retail market in the gas business is scheduled for April 2017.

In an energy industry facing such an era of major transformation, the Company fulfilled its responsibilities related to Fukushima in addition to striving to double productivity with the aim of maintaining a balance of "responsibility and competitiveness" in order to be chosen by customers in a competitive market and also endeavored to improve its financial structure.

Electricity sales volume in fiscal 2015 decreased by 3.9 percent from the previous fiscal year to 247.1 billion kWh, as a result of a decrease in demand for heating due to warmer than usual temperatures during the winter in addition to a decrease in "Liberalized segment (Mainly large commercial/office/industrial)" demand. Looking at the breakdown, "Lighting (Mainly residential)" decreased by 1.4 percent to 89.4 billion kWh, "Low voltage (Mainly small commercial/industrial)" decreased by 2.7 percent to 9.6 billion kWh, and "Liberalized segment (Mainly large commercial/office/industrial)" decreased by 5.4 percent to 148.1 billion kWh compared with the previous fiscal year.



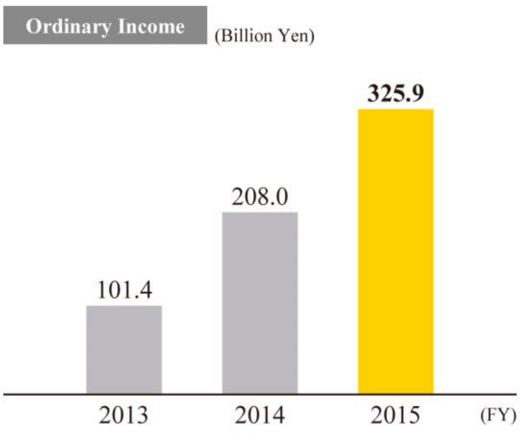
As for the consolidated revenue and expense in fiscal 2015, on the revenue side, net sales (operating revenues) decreased by 10.8 percent from the previous fiscal year to ¥6,069.9 billion, which was mainly attributable to the decrease in unit sales prices that reflected a fuel cost adjustment system and other factors. Ordinary revenues, including other revenues, totaled ¥6,141.0 billion, down 10.4 percent year on year. On the expense side, ordinary expenses decreased by 12.5 percent year on year to ¥5,815.1 billion. This was mainly attributable to the continuation of company-wide efforts to reduce costs in addition to the significant decrease in fuel expenses with the impact of falling crude oil prices and other factors despite the existence of factors increasing costs, including the shutdown of all nuclear power stations and the depreciation in the value of the yen.

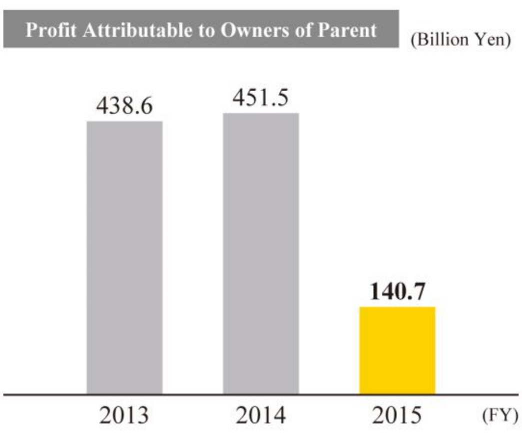
As a result, the Company recorded ¥325.9 billion in ordinary income. Profit attributable to owners of parent stood at ¥140.7 billion, which was mainly attributable to extraordinary income of ¥773.0 billion from grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation, gain on revision of retirement benefit plan and others while extraordinary loss amounted to ¥911.9 billion due to expenses for nuclear damage compensation in addition to impairment loss accompanying the creation of competitive infrastructure in view of the full liberalization of the retail market and the transition to a holding company system.

Segments results for fiscal 2015 (before elimination of intersegment transactions) are as reported on the following and subsequent pages.

On April 1, 2016, the Company made the transition to a holding company system in order to respond flexibly and swiftly to the new post-liberalization business environment based on maintaining a balance of “responsibility and competitiveness.” In addition to having TEPCO Fuel & Power, Incorporated, TEPCO Power Grid, Incorporated, and TEPCO Energy Partner, Incorporated take over the fuel and thermal power generation business, the transmission and distribution business, and the retail electricity business respectively, the Company, which is the holding company for each of these core operating companies, changed its trade name to Tokyo Electric Power Company Holdings, Incorporated.

(Note) The Company has adopted Accounting Standard for Business Combinations (ASBJ Statement No. 21) and others and reports “Net income” as “Profit attributable to owners of parent” from fiscal 2015.

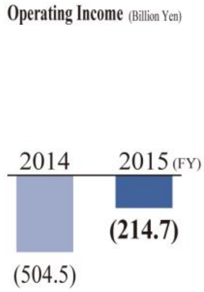




Corporate

Major business

Provision of services common to all companies and Nuclear power generation business



Earnings result by segment

Operating revenues increased by 70.3% year on year to ¥745.3 billion and operating expenses increased by 1.9% to ¥960.1 billion.

As a result, operating loss was ¥214.7 billion.

Measures in fiscal 2015

Efforts towards Fukushima revitalization

In light of the June 2015 Cabinet Decision on accelerating the revitalization of Fukushima from the nuclear disaster, the Company promoted efforts to **provide compensation to every last person**, which included continued follow-up of people who are yet to claim, while **pursuing prompt and attentive new compensation** in order to rebuild the lives of the sufferers and restart businesses. As a result of these efforts, the Company had paid a cumulative total of approximately ¥6,043.8 billion up to March 31, 2016.

Moreover, since establishing the Fukushima Revitalization Headquarters, the cumulative number of people assigned to activities to promote revitalization such as cleanup and weeding has reached 237,000 while the cumulative number of people cooperating with decontamination, etc. by the national and local governments has reached 159,000. The Company has made concerted efforts using all available resources in activities to promote revitalization and decontamination with the aim of early repatriation and resumption of agriculture and commerce. Moreover, the Company has also **participated actively in joint public-private sector initiatives aimed primarily at rebuilding business enterprises of sufferers**.

In March 2016, the Company **relocated the Fukushima Revitalization Headquarters from J Village to the Company's Hamadori Power System Office (Tomioka-machi, Futaba-gun), which is within the evacuation zone**, ahead of the repatriation of the remaining evacuees in order to fulfill its responsibility for the revitalization of Fukushima and contribute to the local area while being closer to the community.

Decommissioning of the Fukushima Daiichi Nuclear Power Station

With regard to countermeasures for contaminated water, the Company has pursued efforts aimed at reducing the risk of contaminated water, including **completion of the cleanup of high concentration contaminated water in the tanks except for the residual water at the bottom of the tanks** in addition to **the removal of high concentration contaminated water in the trenches**, **the completion of sea-side impermeable wall closure**, and the commencement of freezing for the land-side impermeable wall to prevent the flow of groundwater into the buildings.

Moreover, the Company steadily promoted decommissioning work aimed at removing fuel from spent fuel pools and fuel debris from the containment vessels, including taking the roof panels off the building cover of Unit 1, removing large debris from the spent fuel pool of Unit 3, and internally examining the containment vessel. In addition to these efforts, the Company continuously endeavored to **improve the working environment based on the views of workers on the ground**. This included reducing the physical burdens on employees through such means as promoting dose reduction measures onsite and expanding the area where full-face masks are not required, in addition to establishing a large rest area and commencing meal supply in June 2015 as well as opening a convenience store in March 2016.

Nuclear power safety

Under the “Nuclear Safety Reform Plan,” the Company continued to promote **initiatives aimed at enhancing the world’s highest level of quality and safety**. Specifically, the Company steadily implemented measures to enhance safety at the Kashiwazaki-Kariwa Nuclear Power Station, including installation of above-ground filter vents and strengthening of cooling functions for the spent fuel pools.

The Company also worked to increase safety awareness by providing training on crisis management for managers and leaders of nuclear power divisions. In April 2015, the Company reorganized the Nuclear Safety Oversight Office into a body directly controlled by the President **to oversee and advise managers more directly on enhancing nuclear safety**.

While steadily promoting these initiatives aimed at the reform of nuclear safety, the Company itself identified and disclosed the error in the installation of cables under the central control room, etc. at one of its nuclear power stations. The Company received some credit from the Nuclear Reform Monitoring Committee, which is composed of specialists and experts from Japan and overseas, for the identification of a problem in measures to enhance safety as a result based on its efforts aimed at the reform of nuclear safety. However, during the process of root cause analysis, it reaffirmed the need to speed up the resolution of inadequate technical capabilities, and so the Company will further increase the efforts it puts into enhancing safety awareness and technical capabilities.

The Company decided to set up a Third-Party Verification Committee to look into the background and causes for why there were failures to follow meltdown determination procedures according to the Company’s internal manual and properly disclose that fact at the time of the accident at Fukushima Daiichi Nuclear Power Station. The Company will implement the necessary measures appropriately in light of the results of the investigation.

Policies to rationalize management

With no apparent timeframe for the resumption of operations at the Kashiwazaki-Kariwa Nuclear Power Station, Corporate and each company rallied to steadily promote **initiatives aimed at strengthening the management base** even in fiscal 2015. Specifically, **efforts to double productivity were deployed in each organization, including frontline worksites**, utilizing Toyota *kaizen* methodology under the guidance of outside experts engaged by the Company who have been working for many years on production site improvement.

Fuel & Power

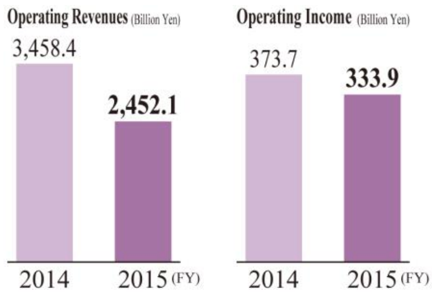
Major business

Fuel and thermal power generation business

Earnings result by segment

Operating revenues decreased by 29.1% year on year to ¥2,452.1 billion and operating expenses decreased by 31.3% to ¥2,118.2 billion.

As a result, operating income was ¥333.9 billion.



Measures in fiscal 2015

Promotion of comprehensive alliance

As the first-phase in the comprehensive alliance with Chubu Electric Power Co., Inc. for the entire supply chain from upstream investments and fuel procurement through power generation, the Company established JERA Co., Inc. in April 2015 and **transferred the fuel transport business and the fuel trading business to JERA** in October 2015. In December 2015, an agreement was reached on the second-phase integration of businesses including the fuel business and the overseas power generation and energy infrastructure business.

Initiatives to strengthen competitiveness

The Company worked to reduce fuel expenses and CO2 emissions by enhancing thermal efficiency through such means as commencing commercial operation of Group 2, Unit 2 of Kawasaki Thermal Power Station, which has the world's highest thermal efficiency, and work to make Group 7 and 8 at Yokohama Thermal Power Station more efficient.

In addition, the Company also worked on a radical review of thermal power station operations in order to enhance productivity, including **the introduction of advanced external knowledge relating to operational improvement** and shortening the work period for periodic inspections.

Power Grid

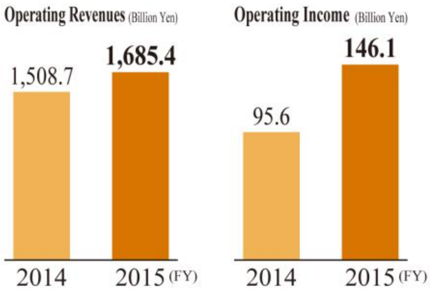
Major business

Transmission and distribution business

Earnings result by segment

Operating revenues increased by 11.7% year on year to ¥1,685.4 billion and operating expenses increased by 8.9% to ¥1,539.3 billion.

As a result, operating income was ¥146.1 billion.



Measures in fiscal 2015

Providing stable supply while also reducing energy wheeling costs

After ensuring the reliability of power supply, the Company has promoted thorough cost reduction aimed at **achieving a low wheeling rate matching international levels**. Specifically, in addition to steadily implementing refurbishment of aging facilities, each department was united in efforts to double productivity under the guidance of outside experts through greater efficiency in a wide range of operations from equipment maintenance such as transformer replacement work and circuit breaker inspections through to administration such as land management.

Initiatives to advance network utilization

In order to achieve further centralization and operational streamlining in grid operations, engineering work, and the power distribution control system, the Company conducted a request for proposal in April 2015 for the development of a “next-generation monitoring and control system” with integrated monitoring and control that complies with international standards. In March 2016, the Company concluded a contract with a system developer, and system development is moving at full speed with the aim of enhancing productivity and strengthening management IT infrastructure.

Customer Service

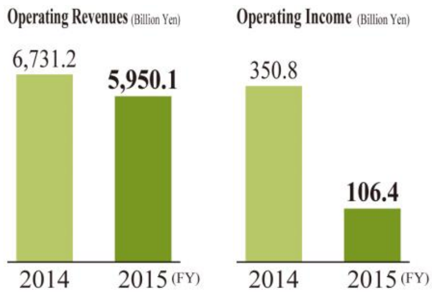
Major business

Retail electricity business

Earnings result by segment

Operating revenues decreased by 11.6% year on year to ¥5,950.1 billion and operating expenses decreased by 8.4% to ¥5,843.7 billion.

As a result, operating income was ¥106.4 billion.



Measures in fiscal 2015

Announcement of new rate plans

In order to respond to the full liberalization of the retail market, the Company **offered eight rate plans to match lifestyles and diverse needs**, including the Premium Plan recommended for people who use a lot of electricity, and **commenced advance registrations** for the new plans in January 2016. As a result of actively deploying marketing activities utilizing diverse channels, the Company had received a total of more than 400,000 applications, which included the Chubu and Kansai areas, as of March 31, 2016.

Building alliances with other industries

In addition to tie-ups with approximately 40 companies in diverse sectors including mobile phones, music streaming, gas, and housing manufacturing, and embarking on nationwide sales of electricity utilizing the customer contacts of each company, the Company has taken initiatives that include selling package plans with alliance partners and jointly developing exclusive electricity rate plans. The Company will **actively utilize and expand such alliances to strengthen its sales capabilities and product strengths**.

(2) Issues to be Addressed

Based on a holding company system with the objective of achieving both “responsibility and competitiveness,” the Group will overcome tough competition and raise corporate value for the Group overall, in addition to striving to be able to meet the expectations of shareholders at an early stage, by boosting competitiveness through the independence of management of each of the three core operating companies in the fuel and thermal power generation business, the transmission and distribution business, and the retail electricity business and by the optimum allocation of Group management resources based on proper governance of the Company, which is the holding company, in order to fulfill our responsibilities for compensation, Fukushima revitalization, and decommissioning.

1 Efforts towards Fukushima revitalization

The Company will **stand shoulder to shoulder with the sufferers and ensure that every last person is compensated** as we continue to promote compensation as well as appealing to those people yet to claim compensation with the aim of accelerating the revitalization of Fukushima so that the sufferers can rebuild their lives and businesses at the earliest possible opportunity.

Moreover, at the same time as ensuring compensation, we will **fully cooperate with initiatives aimed at rebuilding industrial infrastructure being promoted by national and local governments as well as joint public-private sector initiatives** in order to achieve the revitalization of Fukushima at the earliest possible opportunity. Specifically, we will provide intensive introduction of human and technical resources into measures, such as those for safety and peace of mind, aimed at repatriation, such as technical cooperation with the provision of information to resolve anxiety about radiation and cooperation aimed at accelerating the decontamination being carried out by national and local governments.

Furthermore, we will realize projects to construct and operate the world’s most advanced coal-fired thermal power plants, contribute to the renewable energy business, and carry out ongoing refurbishment of facilities at aging small- and medium-sized hydroelectric power stations with the aims of creating employment opportunities and building the industrial infrastructure that will form the core of the revitalization of Fukushima. Moreover, we will also continue to participate in deliberation aimed at achieving the national government’s revitalization strategy (Fukushima International Industry Research Hub Scheme) as the Group rallies to work toward Fukushima revitalization.

2 Decommissioning of the Fukushima Daiichi Nuclear Power Station and Nuclear power safety

As the measures to address contaminated water have shown some hope, looking ahead, the Company will promote fully-fledged initiatives aimed at decommissioning, which will include the removal of fuel and study of fuel debris. With regard to the removal of fuel from the spent fuel pool, the Company will continue to proceed with work that includes the removal of rubble, decontamination, and the installation of equipment to remove the fuel, etc. With regard to the removal of fuel debris, we will proceed with an internal investigation of the containment vessel aimed at determining the method of removal.

Moreover, in order to proceed with the work safely and stably, the Company will **strengthen the foundations to support a long-term decommissioning process**. This includes increasing reliability through permanent measures for equipment, training human resources to have specialist knowledge and skills, enhancing the decommissioning promotion structure, such as expanding our cooperative relationship with The Japan Atomic Power Company, and further improving the working environment.

In terms of initiatives aimed at ensuring the safety of nuclear power, all employees from senior management through to those on the site will work in partnership to promote the reforms indicated in the "Nuclear Safety Reform Plan" and seek to strengthen and enhance overlapping and diverse safety measures such as severe accident countermeasures.

At the Kashiwazaki-Kariwa Nuclear Power Station, the Company will strive for further safety improvement measures that go beyond meeting the conformity assessment under the new regulations and standards. The Niigata Headquarters will continue to lead public relations activities and efforts to explain the status etc. of safety measure status to the community and to enhance nuclear power disaster prevention.

3 Management of operations under the holding company system

The Company, which is the holding company, will assume responsibility and implement initiatives for such issues as compensation, decommissioning, decontamination and promoting revitalization. At the same time, it will work for efficient management of operations and strengthened competitiveness by formulating group-wide management strategy and carrying out the optimum allocation of management resources.

Moreover, in order to increase profit and improve the financial structure by doubling productivity, the Company will establish targets based on the "Corporate Streamlining Report" compiled by the Productivity Doubling Committee and strengthen a variety of initiatives in order to implement ongoing cost reductions and productivity improvements with the aim of achieving the targets.

While collaborating with each other, each of the core operating companies will strive to optimally develop business operations in each business domain based on the following business strategies as we work to establish the management base necessary for the ongoing fulfilment of our responsibilities to Fukushima, and to enhance corporate value.

The Group will continue making every effort using all available resources with a commitment to meeting the expectations of shareholders at the earliest possible opportunity.

a. TEPCO Fuel & Power, Incorporated (Fuel and thermal power generation business)

The uncertainty about the future market environment surrounding thermal power generation has increased, including factors such as the construction of power plants by other companies, the rise of renewable energy, the review of regulations aimed at reducing greenhouse gases, and the recent sharp decline in the price of crude oil. In this environment, TEPCO Fuel & Power will deploy diverse initiatives to **deliver a stable supply of internationally competitive energy at the same time as seeking to enhance the corporate value of the Group**.

With regard to the comprehensive alliance concluded with Chubu Electric Power Co., Inc., we will steadily achieve the integration of businesses including, among others, fuel business and the overseas power generation and energy infrastructure businesses, scheduled for July 2016, in addition to promoting concrete examination into integration of the existing thermal power generation business of the two companies aimed at further optimization of flow throughout the entire supply chain and competitive building of assets.

Furthermore, we will double productivity through **projects to increase value aimed at world-leading operation of thermal power plants and global expansion of new businesses**. Moreover, we will apply the resources obtained through reforms to replacing power plants in Japan and to growth domains, including overseas businesses, in addition to working to reduce greenhouse gases through such means as increasing the efficiency of equipment to balance reductions in power generating costs and increases in earning capacity with compliance with environmental regulations.

b. TEPCO Power Grid, Incorporated (Transmission and distribution business)

Demand for power in Japan is expected to be flat over the medium- to long-term due to the decline in the population and the progress in energy conservation, and wheeling rates are expected to fall. On the other hand, there is a need for the construction of a transmission and distribution network that is appropriate for the new environment such as the changed structure of power sources mainly arising out of the proliferation and acceleration of renewable energy.

In this environment, TEPCO Power Grid will aim to improve the reliability of facilities over the long term by conducting quantitative risk evaluation of aging equipment and maximizing cost-effectiveness for repair and replacement work to ensure the stable supply of power and public safety. Moreover, in addition to introducing *kaizen* activities aimed at doubling productivity in a broad range of operations, including offices, we will improve and streamline maintenance technology and promote further cost reductions through such means as optimization of the value chain to strengthen infrastructure in the transmission and distribution business with the aim of **achieving Japan's most competitive wheeling costs**.

In conjunction with this, we aim to complete installation of smart meters for all customers by fiscal 2020 in addition to **further improving convenience through greater development of the transmission and distribution network**, including the construction of a framework for the proliferation of clean energy, such as the augmentation of the grid's line capacity aimed at expanding the introduction of renewable energy, and the strengthening of wide-area interconnection through such means as enhancing the Tokyo-Chubu interconnection of facilities.

In addition, we will also work to expand our business domains, such as the development of new services utilizing the technical skills and know-how cultivated in the transmission and distribution business and promoting joint meter readings with the gas service.

c. TEPCO Energy Partner, Incorporated (Retail electricity business)

With the full liberalization of the retail electricity business, a variety of companies irrespective of their industry have entered the retail market, and it is essential to increase profits amid competition that is expected to be particularly intense in the Kanto area.

In this environment, TEPCO Energy Partner will **put all efforts into increasing "customer value" and go beyond selling electricity to propose the most efficient use of energy for the customer**. Specifically, we will provide a one-stop shop to deliver an array of energy products and services to customers nationwide while also leveraging alliances with other companies.

Moreover, we will cope with the expansion of gas sales ahead of the full liberalization of the city gas market and will promote the development of package plans with electricity in addition to direct sales.

Meanwhile, we will also work to expand new services such as the provision of total energy solutions that include the introduction, operation and maintenance of energy-related equipment in addition to gas and electricity. Furthermore, we will look into services that increase the utilization value of energy with a sense of speed and safety and peace of mind as keywords, while leveraging big data, IoT technology and energy conservation technology.

While seeking to strengthen marketing capabilities, including promoting development of human resources to support these initiatives, we will **evolve from a company specialized in electric power business into a comprehensive energy service company** to prevail over the competition.

(3) Capital Expenditure

i) Amount of capital expenditure

Business Segment	Amount
	(Billions of yen)
Corporate	329.7
Fuel & Power	121.0
Power Grid	214.0
Customer Service	0.9
Intercompany eliminations	(0.0)
Total	665.7

ii) Principal facilities completed

a. Power generation facilities

Name	Output (MW)
(Thermal)	
Yokohama Thermal Power Station, Group 7	27
Yokohama Thermal Power Station, Group 8	27
Kawasaki Thermal Power Station, Group 2	685

(Note) Portion completed during fiscal 2015 is stated for Yokohama Thermal Power Station, Group 7 (output: 108 MW), Yokohama Thermal Power Station, Group 8 (output: 108 MW) and Kawasaki Thermal Power Station, Group 2 (output: 1,370 MW), respectively.

b. Transmission facility

Name	Voltage (kV)	Length (km)
Kawasaki-Toyosu Line (underground line, new construction)	275	22.2

c. Substation facility

Name	Voltage (kV)	Output (Thousand kVA)
Shin-Tochigi Substation (capacity increase)	500	150

iii) Principal facilities under construction (As of March 31, 2016)

a. Power generation facilities

Name	Output (MW)
(Hydroelectric)	
Kazunogawa Hydroelectric Power Station	400
Kannagawa Hydroelectric Power Station	1,880
(Thermal)	
Kawasaki Thermal Power Station, Group 2	685
Yokohama Thermal Power Station, Group 7	81
Yokohama Thermal Power Station, Group 8	81

b. Substation facilities

Name	Voltage (kV)	Output (Thousand kVA)
Ohi-Futou Substation (new construction)	275	900
Kohoku Substation (expansion)	275	450

(4) Financing Activities

i) Bonds

Proceeds from issuance	17.7 billion yen
Redemptions	438.1 billion yen

ii) Loans

Proceeds from loans	1,037.0 billion yen
Repayments of loans	1,001.8 billion yen

(5) Trend in Assets and Profit/Loss

Item	FY2012	FY2013	FY2014	FY2015 (this fiscal year)
Operating revenues (Billions of yen)	5,976.2	6,631.4	6,802.4	6,069.9
Ordinary income (Billions of yen)	(326.9)	101.4	208.0	325.9
Profit attributable to owners of parent (Billions of yen)	(685.2)	438.6	451.5	140.7
Basic earnings per share (Yen)	(427.64)	273.74	281.80	87.86
Total assets (Billions of yen)	14,989.1	14,801.1	14,212.6	13,659.7

(6) Important Subsidiaries (as of March 31, 2016)

Company Name	Capital	Ownership of the Company	Major Business
	(Billions of yen)	(%)	
Toden Real Estate Co., Inc.	3.02	100	Leasing and management of real estate
The Tokyo Electric Generation Company, Incorporated	2.5	100	Power generation and electricity sales
Japan Facility Solutions, Inc.	0.49	100	Energy conservation service
TEPCO SYSTEMS CORPORATION	0.35	100	Computerized information processing; development and maintenance of software
Tokyo Power Technology Ltd.	0.1	100	Repair and operation of power generation, environmental protection and other facilities
Tepco Town Planning Co., Ltd.	0.1	100	Design and maintenance of power distribution facilities and contracting for advertisements on utility poles and other media
Tokyo Densetsu Service Co., Ltd.	0.05	100	Maintenance of transmission, transformation and other facilities
Fuel TEPCO Limited	0.04	100	Sales of petroleum products
Tokyo Electric Power Services Company, Limited	0.04	100	Design and supervision of construction of power generation, transmission, transformation and other facilities
Tepco Customer Service Corporation Limited	0.01	100	Electricity sales; information processing service for electricity rates etc.
TOKYO WATERFRONT RECYCLE POWER CO., LTD.	0.1	95.5	Industrial waste treatment; electricity sales
	(Millions of euros)		
Tokyo Electric Power Company International B.V.	240	100	Investment in overseas businesses
	(Millions of U.S. dollars)		
Tokyo Timor Sea Resources Inc.	39.0	66.7	Investment in gas field development companies

(Note) On April 1, 2016, the Company had TEPCO Fuel & Power, Incorporated, TEPCO Power Grid, Incorporated, and TEPCO Energy Partner, Incorporated take over the fuel and thermal power generation business, the transmission and distribution business, and the retail electricity business, respectively, through an absorption-type company split. The profile of each company as of the same date is as follows.

Company Name	Capital	Ownership of the Company	Major Business
	(Billions of yen)	(%)	
TEPCO Fuel & Power, Incorporated	30.0	100	Fuel and thermal power generation business
TEPCO Power Grid, Incorporated	80.0	100	Transmission and distribution business
TEPCO Energy Partner, Incorporated	10.0	100	Retail electricity business

(7) Business Reorganization, Including Transfer of Business and Merger, etc.

i) Under the joint venture agreement relating to the formation of a comprehensive alliance concluded between the Company and Chubu Electric Power Co., Inc. on February 9, 2015, the Company had Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated (trade name changed to TEPCO Fuel & Power, Incorporated on April 1, 2016) take over the fuel transport business and the fuel trading business on June 30, 2015 through an absorption-type company split. On October 1, 2015, Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated further had JERA Co., Inc. take over these businesses through an absorption-type company split.

ii) On November 2, 2015, the Company transferred its entire holding of shares in TEPCO Lease Corporation to ICHINEN HOLDINGS CO., LTD.

(8) Major Business Offices (as of March 31, 2016)

i) The Company's major offices

a. Head Office

Chiyoda-ku, Tokyo

b. Fukushima Revitalization Headquarters

Tomioka-machi, Futaba-gun, Fukushima

c. Niigata Headquarters

Niigata-shi, Niigata

d. Major power stations

Sector	Power Station Name	Location
Hydroelectric Power (Output of 100 MW or more)	Kinugawa, Imaichi, Shiobara	Tochigi
	Yagisawa, Tambara, Kannagawa	Gunma
	Kazunogawa	Yamanashi
	Akimoto	Fukushima
	Azumi, Midono, Shin-Takasegawa	Nagano
	Nakatsugawa Daiichi, Shinanogawa	Niigata
Thermal Power (Output of 1,000 MW or more)	Kashima, Hitachinaka	Ibaraki
	Goi, Anegasaki, Sodegaura, Futtsu, Chiba	Chiba
	Ohi, Shinagawa	Tokyo
	Yokosuka, Yokohama, Minami-Yokohama, Higashi-Ohgishima, Kawasaki	Kanagawa
	Hirono	Fukushima
Nuclear Power	Fukushima Daini	Fukushima
	Kashiwazaki-Kariwa	Niigata

ii) Major offices of important subsidiaries (head office)

Company Name	Location	Company Name	Location
Toden Real Estate Co., Inc.	Taito-ku, Tokyo	Fuel TEPCO Limited	Koto-ku, Tokyo
The Tokyo Electric Generation Company, Incorporated	Taito-ku, Tokyo	Tokyo Electric Power Services Company, Limited	Koto-ku, Tokyo
Japan Facility Solutions, Inc.	Shinagawa-ku, Tokyo	Tepco Customer Service Corporation Limited	Koto-ku, Tokyo
TEPCO SYSTEMS CORPORATION	Koto-ku, Tokyo	TOKYO WATERFRONT RECYCLE POWER CO., LTD.	Koto-ku, Tokyo
Tokyo Power Technology Ltd.	Koto-ku, Tokyo	Tokyo Electric Power Company International B.V.	Netherlands
Tepco Town Planning Co., Ltd.	Meguro-ku, Tokyo	Tokyo Timor Sea Resources Inc.	U.S.A.
Tokyo Densetsu Service Co., Ltd.	Taito-ku, Tokyo		

(9) Employees (as of March 31, 2016)

Business Segment	Number of Employees
	(Persons)
Corporate	12,954
Fuel & Power	3,008
Power Grid	23,146
Customer Service	3,747
Total	42,855

(10) Major Lenders (as of March 31, 2016)

Lender	Loan Balance
	(Billions of yen)
Development Bank of Japan Inc.	917.3
Sumitomo Mitsui Banking Corporation	824.6
Mizuho Bank, Ltd.	432.1
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	250.4
Sumitomo Mitsui Trust Bank, Limited	180.0
NIPPON LIFE INSURANCE COMPANY	136.9

2. Matters Regarding Shares (as of March 31, 2016)

(1) Total Number of Shares Authorized to be Issued 14,100,000,000

(2) Total Number of Class Shares Authorized to be Issued

Common Shares	35,000,000,000
Class A Preferred Shares	5,000,000,000
Class B Preferred Shares	500,000,000

(3) Total Number of Issued Shares

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

(4) Number of Shareholders

Common Shares	749,647
Class A Preferred Shares	1
Class B Preferred Shares	1

(5) Top 10 Shareholders

Name	Number of Shares Held				Investment Ratio
	Common Shares	Class A Preferred Shares	Class B Preferred Shares	Total	
	(Thousands of shares)	(Thousands of shares)	(Thousands of shares)	(Thousands of shares)	(%)
Nuclear Damage Compensation and Decommissioning Facilitation Corporation	–	1,600,000	340,000	1,940,000	54.74
TEPCO Employees Shareholding Association	47,046	–	–	47,046	1.33
The Master Trust Bank of Japan, Ltd. (Trust Account)	44,947	–	–	44,947	1.27
Tokyo Metropolitan Government	42,676	–	–	42,676	1.20
Sumitomo Mitsui Banking Corporation	35,927	–	–	35,927	1.01
Japan Trustee Services Bank, Ltd. (Trust Account)	34,963	–	–	34,963	0.99
MSIP CLIENT SECURITIES	26,959	–	–	26,959	0.76
NIPPON LIFE INSURANCE COMPANY	26,400	–	–	26,400	0.74
Mizuho Bank, Ltd.	23,791	–	–	23,791	0.67
STATE STREET BANK WEST CLIENT – TREATY 505234	21,601	–	–	21,601	0.61

(Note) Investment ratio is calculated excluding treasury stock (3,128,328 common shares).

3. Matters Regarding Corporate Officers

(1) Names, etc. of Directors and Executive Officers (as of March 31, 2016)

i) Directors

Name	Position and Responsibility in the Company Important Concurrently-held Positions	
Fumio Sudo	Chairman of the Board of Directors	Nominating Committee Chairman, Audit Committee Member, Compensation Committee Member Honorary Adviser of JFE Holdings, Inc., Outside Director of TAISEI CORPORATION, Outside Director of LIXIL Group Corporation, Outside Director of Takeda Pharmaceutical Company Limited
Naomi Hirose	Director	Nominating Committee Member
Toshihiro Sano	Director	Chairman of the Board of Directors of KASHIMA KYODO ELECTRIC POWER COMPANY
Takafumi Anegawa	Director	
Toshiro Takebe	Director	
Keita Nishiyama	Director	Nominating Committee Member Chief of the TEPCO-NDF Liaison Office, Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF)
Yuji Masuda	Director	Audit Committee Chairman Outside Auditor of TAKAOKA TOKO CO., LTD., Outside Auditor of TOKYO ENERGY & SYSTEMS INC.
Yoshiaki Fujimori	Director	Compensation Committee Member Director, Representative Executive Officer, President and CEO of LIXIL Group Corporation, Representative Director, Chairman and CEO of LIXIL Corporation, Representative Director of GraceA Co., Ltd.
Masahiko Sudo	Director	Audit Committee Member Attorney at law
Hideko Kunii	Director	Compensation Committee Chairman Deputy President of Shibaura Institute of Technology, Professor of Graduate School of Engineering Management and General Manager of Gender Equality Promotion Office of the same Institute, Outside Director of Honda Motor Co., Ltd. Outside Director of Mitsubishi Chemical Holdings Corporation
Hiroya Masuda	Director	Nominating Committee Member
Yasuchika Hasegawa	Director	Nominating Committee Member Chairman of the Board of Takeda Pharmaceutical Company Limited

(Notes) 1. Fumio Sudo, Yoshiaki Fujimori, Masahiko Sudo, Hideko Kunii, Hiroya Masuda and Yasuchika Hasegawa are Outside Directors of the Company as provided for in Article 2, Item 15 of the Companies Act and are independent directors as provided for in Rule 436-2 of the Securities Listing Regulations of Tokyo Stock Exchange, Inc.

2. In addition to being an attorney at law, Masahiko Sudo has experience as an outside auditor at other companies and possesses considerable knowledge of finance and accounting.

3. In order to ensure that audits are performed effectively, Yuji Masuda, who has extensive operational experience at the Company, has been appointed a full-time Audit Committee Member.
4. The Company engages in business transactions that are mainly related to civil engineering and construction work at power stations with TAISEI CORPORATION where Fumio Sudo serves as Outside Director.

ii) Executive Officers

Name	Position and Responsibility in the Company Important Concurrently-held Positions	
Naomi Hirose	Representative Executive Officer and President	Management of all aspects of operations Chief of the Nuclear Reform Special Task Force, Chief of the New Growth Task Force Corporate Management & Planning Unit
Hiroshi Yamaguchi	Representative Executive Officer and Executive Vice President	Management of all aspects of operations Chief Technology Officer in charge of safety management Corporate Systems Office, Engineering & Environment Strategy Unit, Renewable Power Company Outside Director of TAKAOKA TOKO CO., LTD.
Yoshiyuki Ishizaki	Representative Executive Officer and Executive Vice President	Management of all aspects of operations Representative of Fukushima Revitalization Headquarters, General Manager of Fukushima Division, Deputy General Manager of Nuclear Power & Plant Siting Division Representative Director and Executive Vice President of Japan Football Village Company, Incorporated
Toshihiro Sano	Representative Executive Officer and Executive Vice President	Management of all aspects of operations President of Fuel & Power Company
Toshiro Takebe	Managing Executive Officer	President of Power Grid Company
Takafumi Anegawa	Managing Executive Officer	General Manager of Nuclear Power & Plant Siting Division, Deputy Chief and Secretary General of the Nuclear Reform Special Task Force
Motomi Iki	Managing Executive Officer	President of Business Solution Company Organization, Employee Relations & Human Resources Office, Public Relations & Corporate Communications Unit
Naohiro Masuda	Managing Executive Officer	President of Fukushima Daiichi D&D Engineering Company, Chief Decommissioning Officer
Koichi Kimura	Managing Executive Officer	Representative of Niigata Headquarters, General Manager of Niigata Division, Deputy General Manager of Nuclear Power & Plant Siting Division
Keiji Muranaga	Managing Executive Officer	Deputy General Manager of Fukushima Division, Deputy General Manager of Nuclear Power & Plant Siting Division Secretary Office, Corporate Affairs & Legal Office

Name	Position and Responsibility in the Company Important Concurrently-held Positions	
Seiichi Fubasami	Managing Executive Officer	In charge of Management & Planning (joint position) Corporate Planning Office
Hiroshi Okamoto	Managing Executive Officer	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	Managing Executive Officer	Chief of Nuclear Safety Oversight, Head of Nuclear Safety Oversight Office
Yukio Kani	Managing Executive Officer	Vice President of Fuel & Power Company (in charge of the Comprehensive Alliance) Comprehensive Alliance Promotion Office, Fuel Dept. Director of Tokyo Electric Power Company International B.V.
Noriaki Taketani	Managing Executive Officer	Internal Audit Office, Inter-corporate Business Management Office, Accounting & Treasury Office
Tomoaki Kobayakawa	Managing Executive Officer	President of Customer Service Company
Keita Nishiyama	Executive Officer	Assistant to Chairman, In charge of Management & Planning (joint position)

(Notes) 1. Naomi Hirose, Toshihiro Sano, Toshiro Takebe, Takafumi Anegawa and Keita Nishiyama concurrently serve as Director.

2. The important concurrently-held positions of Executive Officers serving concurrently as Director are stated in the table i) Directors.

3. Toshihiro Sano, Toshiro Takebe, Keiji Muranaga, Yukio Kani and Tomoaki Kobayakawa resigned from Executive Officer on March 31, 2016.

4. Shinichiro Kengaku, Mitsushi Saiki and Tomomichi Seki were appointed as new Managing Executive Officer effective April 1, 2016. Accordingly, the responsibilities of Executive Officers changed as follows.

Name	Responsibility
Naomi Hirose	Management of all aspects of operations Chief of the Nuclear Reform Special Task Force Corporate Management & Planning Unit
Hiroshi Yamaguchi	Management of all aspects of operations Chief Technology Officer in charge of safety management Engineering & Environment Strategy Unit Renewable Power Company
Motomi Iki	President of Business Solution Company
Hiroshi Okamoto	President of TEPCO Research Institute Inter-regional Power Exchange Promotion Office
Noriaki Taketani	General Manager of Accounting & Treasury Office of Corporate Management & Planning Unit Internal Audit Office, Inter-corporate Business Management Office
Shinichiro Kengaku	Chief of the New Growth Task Force Public Relations & Corporate Communications Unit
Mitsushi Saiki	General Manager of Corporate Affairs & Legal Office of Corporate Management & Planning Unit, Deputy General Manager of Fukushima Division, Deputy General Manager of Nuclear Power & Plant Siting Division Secretary Office, Organization, Employee Relations & Human Resources Office
Tomomichi Seki	In charge of IoT Corporate Systems Office

(2) Outline of Agreements for Limitation of Liability

Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act and Article 29, Paragraph 2 of the Articles of Incorporation, the Company has entered into agreements with Directors (excluding those who are Executive Directors, etc.) which limit their responsibilities under Article 423, Paragraph 1 of the Companies Act to the extent permitted by laws and regulations.

(3) Total Amount of Remunerations, etc.

	Number of Persons	Amount of Remuneration, etc.
	Persons	Millions of yen
Directors	8	78
Executive Officers	20	356

(Notes) 1. The Company does not pay to Directors who concurrently serve as Executive Officer the remuneration paid to Directors. Therefore, “Number of Persons” for “Directors” stated above does not include the number of Directors who concurrently serve as Executive Officer.

2. The above includes ¥62 million in remuneration, etc. for six Outside Directors.

(4) Policy for the Determination of Remuneration, etc. for Directors and Executive Officers

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

The remuneration system for Directors and that of Executive Officers are different based on the different roles of the Directors, who are in charge of supervising corporate management, and the Executive Officers, who are in charge of executing business operations. Directors who concurrently serve as Executive Officer receive only the remuneration paid to Executive Officers.

i) Remuneration paid to Directors

The remuneration paid to Directors comprises only basic remuneration.

<Basic remuneration>

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

ii) Remuneration paid to Executive Officers

The remuneration paid to Executive Officers comprises basic remuneration and productivity-linked remuneration.

<Basic remuneration>

The amount of basic remuneration paid to each Executive Officer is determined based on his/her specific rank, whether he/she holds the right to represent the Company and his/her job description.

<Productivity-linked remuneration>

The amount of productivity-linked remuneration is determined according to results of the Company and personal performance.

iii) Level of remuneration to be paid

When determining the level of remuneration to be paid to Directors and Executive Officers, the Company takes into consideration its management environment, the remuneration levels of other companies and the current salaries of employees, etc., with the aim of setting remuneration at levels commensurate with their abilities and responsibilities to be required as Directors and Executive Officers.

(5) Major Activities of Outside Directors

Name	Key Activities
Fumio Sudo	He attended 30 out of 30 meetings of the Board of Directors, nine out of nine meetings of the Nominating Committee, 14 out of 14 meetings of the Audit Committee and six out of six meetings of the Compensation Committee, and made comments whenever needed utilizing his experience and insight, etc. primarily as an enterprise manager.
Yoshiaki Fujimori	He attended 26 out of 30 meetings of the Board of Directors and six out of six meetings of the Compensation Committee, and made comments whenever needed utilizing his experience and insight, etc. primarily as an enterprise manager.
Masahiko Sudo	He attended 30 out of 30 meetings of the Board of Directors and 13 out of 14 meetings of the Audit Committee, and made comments whenever needed utilizing his experience and expert knowledge, etc. primarily as an attorney at law.
Hideko Kunii	She attended 29 out of 30 meetings of the Board of Directors and six out of six meetings of the Compensation Committee, and made comments whenever needed utilizing her experience and insight, etc. primarily as an enterprise manager.
Hiroya Masuda	He attended 29 out of 30 meetings of the Board of Directors and nine out of nine meetings of the Nominating Committee, and made comments whenever needed utilizing his experience and insight, etc. primarily related to government administration.
Yasuchika Hasegawa	He attended 20 out of 23 meetings of the Board of Directors and four out of five meetings of the Nominating Committee, and made comments whenever needed utilizing his experience and insight, etc. primarily as an enterprise manager.

4. Matters Regarding Accounting Auditor

(1) Name of Accounting Auditor

Ernst & Young ShinNihon LLC

(2) Amount of Compensation, etc. of Accounting Auditor

i) Amount of compensation, etc. paid in fiscal 2015 for audit services

140 million yen

ii) Total amount of cash and other profits to be paid by the Company and its subsidiaries

246 million yen

(Notes)
1. The audit contract between the Company and the Accounting Auditor does not distinguish between the amount of compensation for audits based on the Companies Act and for audits based on the Financial Instruments and Exchange Act, and the amounts cannot be separated in practice. Therefore, the amount stated in i) includes compensation for audits based on the Financial Instruments and Exchange Act.
2. In addition to checking the Accounting Auditor's audit plan and the implementation status of auditing, etc. the Audit Committee conducted hearings to obtain such details as the number of days of auditing and the compensation calculation process, etc. from both the internal departments involved and the Accounting Auditor and approved the compensation, etc. for the Accounting Auditor after performing the necessary verification.
3. The Company contracts the Accounting Auditor for advisory and other services on internal control related to financial reporting and pays fees for services other than the audit services in Article 2, Paragraph 1 of the Certified Public Accountants Act.
4. Of the Company's important subsidiaries, Tokyo Electric Power Company International B.V. receives audit services from an accounting auditor that is not the Company's Accounting Auditor.

(3) Policy for Dismissal or Non-Reappointment Decision of Accounting Auditor

When the Accounting Auditor falls under any of the items under Article 340, Paragraph 1 of the Companies Act, the policy of the Audit Committee is to dismiss the Accounting Auditor with the agreement of all members of the Audit Committee.

Moreover, in cases other than that described above, in cases when the Accounting Auditor is judged to be unsuitable, such as when it is deemed to be difficult for the Accounting Auditor to accomplish its duties appropriately, the policy of the Audit Committee is to determine the content of the proposal to be submitted to the General Meeting of Shareholders concerning the dismissal or non-reappointment of the Accounting Auditor.

(4) Business Suspension Order to Which the Accounting Auditor Was Subject During Past Two Years

i) Subject of administrative order	Ernst & Young ShinNihon LLC
ii) Content of administrative order	Suspension from accepting new engagements for three months from January 1, 2016 to March 31, 2016

iii) Reason for administrative order

- In regard to the audit of financial documents for TOSHIBA CORPORATION for the fiscal years ended March 31, 2010, 2012 and 2013, Ernst & Young ShinNihon LLC's seven certified public accountants, in negligence of due care, attested that the financial statements contained no material misstatement, when in fact the statements contained material misstatement.
- The audit corporation's operation of services was found to be grossly inappropriate.

5. Systems for Ensuring Properness of Business Operations and Overview of Operating Status of the Systems

Outline of Resolution on Establishment of Systems for Ensuring Properness of Business Operations

(1) Systems for Ensuring Effective Audits by the Audit Committee

i) To support the duties of the Audit Committee, the Company shall appoint Audit Committee Aides. In addition, the Company shall establish a full-time body for assisting the duties of the Audit Committee and assign the necessary personnel.

ii) Audit Committee Aides and members of the full-time body for assisting the duties of the Audit Committee shall comply with instructions and orders from the Audit Committee, and matters concerning their personnel shall be discussed with the Audit Committee in advance.

iii) When discovering facts that could cause the Company significant damage, Directors and Executive Officers shall report immediately the same to a member of the Audit Committee, while also making necessary reports on matters requested by Audit Committee members selected by the Audit Committee. A system shall also be arranged to enable necessary and appropriate reporting to the Audit Committee by a Director, Executive Officer, Corporate Officer or employee of the Company, or by a Director, Auditor, Corporate Officer or employee of a Group company or by a person who received a report from one of them. At the same time, appropriate measures shall be taken to ensure that a person who makes such a report does not receive disadvantageous treatment because of making such a report.

iv) The Company shall establish a system that enables members of the Audit Committee to attend the meetings of the Board of Executive Officers, the Management & Planning Meeting and other important meetings and state their opinions whenever necessary. Moreover, in addition to creating the environment to achieve the cooperation of the Accounting Auditor and the internal audit body with the Audit Committee, the Company shall make arrangements to ensure the effectiveness of audits by the Audit Committee, including the payment of the expenses deemed necessary for the execution of the duties as a member of the Audit Committee.

(2) Systems for Ensuring that Execution of Duties by Directors and Executive Officers is in Compliance with Laws and Regulations and the Articles of Incorporation

i) To rigorously enforce operations of business in line with social norms and observance of corporate ethics, the Company shall draw up the "TEPCO Group Charter of Corporate Conduct" and the "Corporate Ethics Code of Conduct" and Directors and Executive Officers shall take the lead in practicing these, while ensuring their observance by Corporate Officers and employees.

Meanwhile, the "TEPCO Group Corporate Ethics Committee," which includes external experts as its members, shall be set up to oversee corporate ethics as a whole and promote compliance-oriented management.

ii) The Board of Directors shall meet once a month in principle and additionally as necessary to discuss and make decisions on important execution of duties in accordance with laws and regulations and the Articles of Incorporation and supervise execution of duties undertaken by Directors and Executive Officers by such means as receiving reports from Executive Officers on the status of their execution of duties on both a regular and an as-needed basis. The Board of Directors, whenever necessary, shall request Corporate Officers to report to the Board of Directors on their status of execution of duties.

The Board of Executive Officers shall be established to assist the functions of the Board of Directors and achieve efficient and appropriate decision-making. The Board of Executive

Officers shall meet once a week in principle and additionally as necessary to discuss on important management matters including the agenda of meetings of the Board of Directors.

Directors and Executive Officers shall always gather sufficient information and make appropriate business judgments in compliance with laws and regulations and the Articles of Incorporation.

(3) Systems for Preservation and Management of Information on Execution of Duties by Executive Officers

i) The summary of the minutes of meetings of the Board of Executive Officers and other information on execution of duties by Executive Officers shall be managed appropriately in accordance with laws and regulations and internal rules in all processes from its creation to use, utilization, preservation and disposal.

ii) An IT environment shall be established that contributes not only to information security but also to the improvement of efficiency and the assurance of appropriateness in relation to the execution of duties.

(4) Regulations on Risk Management and Other Systems

i) Directors and Executive Officers shall identify and evaluate risks associated with the business activities of the Company and its Group companies on both a regular and an as-needed basis and appropriately reflect such risks in the business management plan formulated for each fiscal year. Internal rules shall also be prepared to enable risk management of the entire group to be carried out appropriately.

ii) Such risks are basically managed as part of execution of duties by individual body in charge of the relevant business in line with internal rules. Any risk that involves more than one body shall be managed appropriately based on discussions by cross-organizational committee and other forums.

iii) Concerning risks that might seriously affect corporate management, the “Risk Management Committee” chaired by the Executive Officer and President shall prevent such risk from materializing. If the risk does materialize, the committee shall quickly and accurately deal with such risk in order to minimize its impact on corporate management.

iv) Appropriate systems shall be arranged in readiness for the occurrence of a major earthquake or similar emergency disaster, including the setting up of a response body, creating a system for communication of information and carrying out periodic disaster prevention drills.

v) The internal audit body shall audit the effectiveness of the risk management system periodically and additionally as necessary, and report the results of audit to the Board of Executive Officers, etc. The Executive Officers shall make necessary improvements based on the audit results.

vi) The Management & Planning Meeting shall be established to share information on the overall management of the Company and to promote corporate reform. The Management & Planning Meeting shall be held as necessary and discuss on the policy for responding to important management issues and the direction of that response.

vii) Based on reflection on the accident at the Fukushima Daiichi Nuclear Power Station, a “Nuclear Safety Oversight Office” shall be established as a body that is directly controlled by the Executive Officer and President. Drawing on the expertise of external specialists, the Nuclear Safety Oversight Office shall monitor nuclear safety initiatives, provide advice whenever necessary and involve itself directly in the decision-making on those initiatives, and by arranging such system the Company shall achieve improvement of management of nuclear power safety. Moreover, the Chief of Nuclear Safety Oversight shall report directly to the Board of Directors as necessary regarding matters of nuclear safety.

A system for communicating appropriately with the general public about the Company’s business activities in general, including nuclear power business, shall also be established.

(5) Systems for Ensuring Efficient Execution of Duties by Executive Officers

i) Steps shall be taken for efficient decision-making on important management matters, including the appropriate discussions at the Management & Planning Meeting and other forums, in addition to by the Board of Executive Officers.

ii) The responsibilities and authority of Executive Officers in their execution of duties shall be clarified in internal rules, and Executive Officers, Corporate Officers and employees shall execute their respective duties appropriately and promptly.

(6) Systems for Ensuring that Execution of Duties by Employees is in Compliance with Laws and Regulations and the Articles of Incorporation

i) Steps shall be taken to establish and rigorously enforce the “TEPCO Group Charter of Corporate Conduct” and the “Corporate Ethics Code of Conduct,” such as continuously providing training in corporate ethics and other measures, so that all employees observe them.

ii) The Company shall establish a “Consultation Desk for Corporate Ethics” to allow for anonymous inquiries about issues around laws and regulations and corporate ethics and shall take appropriate action on cases reported based on discussions by the “TEPCO Group Corporate Ethics Committee.” The privacy of those using the Consultation Desk shall be strictly protected in accordance with internal rules.

iii) The Company shall clarify the laws and regulations that must be observed when executing duties in internal rules and rigorously enforce the execution of duties based on internal rules through education and training, etc.

iv) To ensure that execution of duties by employees is in compliance with laws and regulations and the Articles of Incorporation, the internal audit body shall audit the status of execution of duties by employees periodically and at other times if necessary and report the results of audit to the Board of Executive Officers, etc. Executive Officers shall make necessary improvements based on the audit results.

v) Based on these initiatives, the Company shall enhance and rigorously enforce a “Climate of active compliance,” under which each employee is aware of and acts in accordance with corporate ethics and creates a workplace with a positive atmosphere, a “Mechanism of ensuring compliance” under which internal rules are continuously improved and steps are taken to rigorously enforce them, and a “Framework for speaking out,” under which employees can speak of their own accord on work-related issues and problems and their input is positively welcomed.

(7) Systems for Ensuring Properness of Business Operations of the Corporate Group Comprising the Company and its Subsidiaries

i) Under the “TEPCO Group Charter of Corporate Conduct,” the Group shall indicate the shared direction and targets, etc. as management policy to be aimed for by the Group as a whole, and make concerted efforts to achieve them. Meanwhile, the Company shall provide appropriate support to Group companies to help them autonomously develop and operate systems to ensure the properness of their business operations.

ii) The Company shall clarify responsibilities and authority in internal rules to facilitate efficient decision-making and appropriate and prompt execution of duties at Group companies.

iii) The Company shall arrange a system for prior consultation and reporting from Group companies in accordance with internal rules, etc. regarding important matters in the execution of duties. Meanwhile, the Company's Directors and Executive Officers shall exchange opinions, etc. with the Directors of Group companies at periodic meetings to ascertain the status of management at Group companies and share and resolve any management issues within the Group.

iv) The Company shall establish an environment which facilitates the use of the "Consultation Desk for Corporate Ethics" by Group companies.

v) The Company's internal audit body shall conduct audits, etc. as necessary to enable the properness of business operations at Group companies to be ensured.

(Note) The systems described above are the currently valid systems following a revision by the resolution of the meeting of the Board of Directors on March 31, 2016 carried out in view of the transition of the Company to a holding company system on April 1, 2016.

Overview of Operating Status of the Systems for Ensuring Properness of Business Operations

(1) Ensuring the Effectiveness of Audits by the Audit Committee

i) The Audit Committee comprises three Audit Committee Members, including two Outside Directors. Moreover, in fiscal 2015, the Company assigned eight Audit Committee Aides to assist the Audit Committee in addition to allocating 19 members of staff to the Office of Audit Committee and having the Audit Committee Aides and relevant staff members serve as part-time auditors for major Group companies.

ii) Based on this system, the Audit Committee carries out effective and efficient audits, including the periodic exchange of opinions with the Accounting Auditor and the internal audit body in addition to exchanging opinions with employees in frontline worksites and conducting hearings at Group companies.

iii) The Audit Committee Members also attend the meetings of the Board of Executive Officers, the Management & Planning Meeting (renamed from the Management & Planning Division Meeting on July 1, 2015) and other important meetings in addition to requesting the necessary reports from the Directors and Executive Officers as appropriate to check on the process for key decision-making and the execution of operations.

(2) Appropriate and Efficient Execution of Duties by the Directors and Executive Officers

i) The Company is a Company with Nominating Committee, etc., and half of the Directors are Outside Directors. The Board of Directors holds full deliberations, makes decisions on important business execution and supervises the business execution undertaken by the Directors and Executive Officers. Moreover, the Company aims to enhance the deliberations of the Board of Directors by utilizing the Outside Directors Meeting where mainly Outside Directors exchange opinions. In fiscal 2015, the Company held 30 meetings of the Board of Directors and 28 Outside Directors Meetings.

ii) The Company strives for efficient and appropriate decision-making by deliberating and making decisions on important management issues, including matters to be submitted to the Board of Directors, at the meetings of the Board of Executive Officers, which are held once a week as a rule, and the Management & Planning Meeting. etc.

iii) Decisions on important matters of business execution at Group companies need to be approved in advance by, or reported, etc. to, the Company based on internal rules, etc. Moreover, from the viewpoint of overall optimization, etc. in the Group, in addition to receiving regular reports on management status from Group companies, the Company has established opportunities for exchange of opinions between its Directors and Executive Officers and the Directors of Group companies, including the holding of the "Group Management Meeting".

(3) Risk Management

i) The Executive Officer and President of the Company is the person with overall responsibility for risk management at the Group, and the Risk Management Committee, chaired by the Executive Officer and President, provides centralized supervision. In fiscal 2015, the Risk Management Committee met twice and deliberated on the risk management system following the transition to a holding company system, in addition to reporting a summary of its deliberations to the Board of Directors.

ii) In addition, risk is recognized and managed appropriately on a daily basis through such means as the "Risk Management Meetings" held by each organization at the Company, which evaluate risk in the execution of business and deliberate on countermeasures. In the event that a risk materializes, the Company has also clarified the reporting channels and details in addition to ensuring that a response headquarters, etc. is established to respond in accordance with the circumstances to enable a prompt and precise response.

iii) The Company has established a basic policy on emergency and disaster measures with regard to emergencies and disasters that include a large-scale earthquake and is constantly promoting preparations for disaster prevention. At the same time, the Company has established a system for a united Group response in the event of a disaster, including holding disaster prevention drills six times in fiscal 2015 with the aim of checking the systems of cooperation between Group companies following the transition to a holding company system.

iv) "The Nuclear Safety Oversight Office", headed by a foreign specialist in nuclear power safety, has strengthened supervision of the Company's initiatives on nuclear power safety by engaging external specialists and training and educating monitoring and evaluation staff, and it provides recommendations as necessary. The Chief of Nuclear Safety Oversight who serves as Head of Nuclear Safety Oversight Office also reports the results of the evaluation of the above initiatives to the Board of Directors quarterly or as necessary.

(4) Compliance

i) The Company has fully informed the Directors, Executive Officers, and employees, etc. about the "TEPCO Group Charter of Corporate Conduct" and "Corporate Ethics Code of Conduct" through the in-house intranet, etc. Moreover, in addition to continually conducting education and awareness raising activities, including e-learning and training, the Company rigorously enforces compliance with corporate ethics, including the assignment of corporate ethics managers to each organization to carry out activities for the practice and establishment of corporate ethics in collaboration with the "Corporate Ethics Committee" (renamed the "TEPCO Group Corporate Ethics Committee" on April 1, 2016).

ii) Moreover, in order to promote compliance management as a Group, the "Corporate Ethics Committee" chaired by the Executive Officer and President of the Company deliberates and decides on activities for the practice and establishment of corporate ethics and the cases at the "Consultation Desk for Corporate Ethics" and the response, etc. In fiscal 2015, the Committee met four times and a summary of meetings was posted on the Company's website in addition to being reported to the Board of Directors.

iii) With the aim of assessing the awareness of employees about corporate ethics overall and improving activities for the practice and establishment of corporate ethics, the Company also implements the "Survey on Awareness of Corporate Ethics" targeting all employees once a year.

iv) The internal audit body audits the status of the execution of duties by employees, etc. from the perspectives of "achieving management policies and goals," "effective and efficient running of operations," "accurate reporting," and "compliance with rules," and at the same time makes recommendations on areas that require improvement based on the audit results.

v) Based on these efforts and the results from verifying their effectiveness, etc., the Company formulates policies and plans concerning corporate ethics activities and rigorously enforces a "Climate of active compliance," a "Mechanism of ensuring compliance," and a "Framework for speaking out."

Activities of the Audit Committee

In order to compensate the people affected by the Fukushima Daiichi Nuclear Power Station accident and promote revitalization of Fukushima, decontamination and decommissioning while at the same time as surviving in an environment that has rapidly transformed into one of free competition due to electric power systems reform, the Company has to establish management base and raise corporate value through efforts to implement the New Comprehensive Special Business Plan. In other words, the Company is required to constantly achieve both "responsibility and competitiveness."

As the Company is subject to such unusual circumstances, the Audit Committee has endeavored to audit the performance of duties by the Executive Officers and Directors with an awareness that one of its basic roles is to help to bring about an increase in the corporate value of the Company and the Group in order to constantly achieve both "responsibility and competitiveness" in particular.

The Audit Committee comprises three Audit Committee Members, including two Outside Directors, and, since July 2015, with the aim of strengthening the audit system for a smooth transition to a holding company system, the number of Audit Committee Aides assisting it has been increased from two to eight while the members of staff have been increased from 14 to 19. These Audit Committee Aides and staff members also serve as part-time auditors for the Company's major subsidiaries and affiliates. In conjunction with the transition to a holding company system in April 2016, six of the Audit Committee Aides and 12 members of staff have been assigned as auditors and their staff at TEPCO Fuel & Power, Incorporated, TEPCO Power Grid, Incorporated, and TEPCO Energy Partner, Incorporated, while there are two Audit Committee Aides and seven members of staff for the Audit Committee at Tokyo Electric Power Company Holdings, Incorporated. Under this system, the Audit Committee implemented a range of audit activities that include exchanging opinions with staff on the ground at frontline worksites, etc. based on the audit plan. In these audit activities, the Audit Committee put particular emphasis on whether personnel, goods, money, time and information were utilized effectively in terms of the corporate governance and activities of the Company and the Group, whether such utilization was effective enough from the perspective of raising corporate value and whether there was anything impeding effective utilization. The Audit Committee also made proposals and requests for improvements and their prompt implementation as appropriate.

(Main results of activities by the Audit Committee in fiscal 2015)

i)	Audit Committee meeting	: 14 times
ii)	Attendance at management meeting such as meeting of the Board of Executive Officers	: 134 times (Audit Committee Members who are Outside Directors also participated)
iii)	Meeting for exchange of opinions between Committee members	: 14 times
iv)	Meeting for exchange of opinions with the internal audit body	: 5 times (Audit Committee Members who are Outside Directors also participated)
v)	Meeting for exchange of opinions with Accounting Auditor	: 8 times (Audit Committee Members who are Outside Directors also participated 7 times)

vi)	Meeting for exchange of opinions with external experts	: 4 times (Audit Committee Members who are Outside Directors also participated)
vii)	Audits of head office and major business locations	: 65 times at 61 locations
viii)	Interviews at Group companies	: 11 companies
ix)	Fact finding surveys and exchange of opinions at frontline worksites, etc.	: 94 locations and 969 persons

Consolidated Balance Sheet (as of March 31, 2016)

Assets	
Description	Amount (millions of yen)
Fixed assets:	**11,321,208**
Electric utility fixed assets:	6,870,556
Hydroelectric power production facilities	441,666
Thermal power production facilities	1,080,724
Nuclear power production facilities	722,445
Transmission facilities	1,760,121
Transformation facilities	696,101
Distribution facilities	2,019,249
Other electric utility fixed assets	150,248
Other facilities	221,731
Facilities in progress:	838,467
Construction in progress and retirement in progress	838,467
Nuclear fuel:	751,384
Loaded nuclear fuel	120,473
Nuclear fuel in processing	630,911
Investments and other:	2,639,068
Long-term investments	135,940
Trust funds for reprocessing of irradiated nuclear fuel	894,547
Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	755,861
Net defined benefit asset	117,375
Other	736,881
Allowance for doubtful accounts	(1,538)
Current assets:	**2,338,560**
Cash on hand and in banks	1,423,672
Notes and accounts receivable - trade	488,109
Inventories	194,453
Other	246,315
Allowance for doubtful accounts	(13,990)
Total assets	**13,659,769**

Liabilities and Net Assets	
Description	Amount (millions of yen)
Long-term liabilities:	**8,601,015**
Bonds	2,913,815
Long-term loans	1,904,889
Reserve for reprocessing of irradiated nuclear fuel	923,725
Reserve for preparation of the reprocessing of irradiated nuclear fuel	73,489
Reserve for loss on disaster	475,892
Reserve for compensation for nuclear power-related damages	837,882
Net defined benefit liability	382,788
Asset retirement obligations	770,992
Other	317,539
Current liabilities:	**2,834,511**
Current portion of long-term debt	1,339,598
Short-term loans	493,237
Notes and accounts payable - trade	241,640
Accrued taxes	102,481
Other	657,554
Reserves:	**6,103**
Reserve for preparation of the depreciation of nuclear power construction	6,103
Total liabilities	**11,441,630**
Shareholders' equity:	**2,196,473**
Capital stock	1,400,975
Capital surplus	743,125
Earned surplus	60,803
Treasury stock	(8,430)
Accumulated other comprehensive income:	**(198)**
Unrealized gain or loss on securities	3,618
Deferred gain and loss on hedges	(14,668)
Revaluation reserve for land	(2,510)
Foreign currency translation adjustments	20,768
Remeasurements of defined benefit plans	(7,406)
Non-controlling interests	**21,864**
Total net assets	**2,218,139**
Total liabilities and net assets	**13,659,769**

Consolidated Statement of Income (Period from April 1, 2015 to March 31, 2016)

Expenses	
Description	Amount (millions of yen)
Operating expenses:	**5,697,696**
Electric utility operating expenses	5,463,460
Other operating expenses	234,236
Operating income	372,231
Non-operating expenses:	**117,447**
Interest expenses	87,035
Other	30,412
Total ordinary expenses	**5,815,143**
Ordinary income	**325,938**
Provision for or reversal of reserve for preparation of the depreciation of nuclear power construction:	**411**
Provision for reserve for preparation of the depreciation of nuclear power construction	411
Extraordinary loss:	**911,993**
Compensation for nuclear power-related damages	678,661
Impairment loss	233,331
Profit before income taxes	**186,607**
Income taxes:	**44,317**
Income taxes – current	46,042
Income taxes – deferred	(1,725)
Profit	**142,290**
Profit attributable to non-controlling interests	**1,506**
Profit attributable to owners of parent	**140,783**

Revenues	
Description	Amount (millions of yen)
Operating revenues:	**6,069,928**
Electric utility operating revenues	5,791,368
Other operating revenues	278,560
Non-operating revenues:	**71,154**
Dividends received	5,802
Interest revenues	18,555
Equity income under the equity method	22,945
Foreign exchange gains	7,698
Other	16,151
Total ordinary revenues	**6,141,082**
Extraordinary income:	**773,073**
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	699,767
Gain on revision of retirement benefit plan	61,091
Gain on change in equity	12,214

Consolidated Statement of Changes in Net Assets (Period from April 1, 2016 to March 31, 2016)

(millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	**1,400,975**	**743,608**	**(83,431)**	**(8,393)**	**2,052,759**
Cumulative effects of changes in accounting policies			3,799		3,799
Restated balance	**1,400,975**	**743,608**	**(79,632)**	**(8,393)**	**2,056,558**
Changes of items during the period					
Profit attributable to owners of parent			140,783		140,783
Purchases of treasury stock				(31)	(31)
Disposal of treasury stock		(2)		3	0
Change in ownership interest of parent due to transactions with non-controlling interests		(480)			(480)
Reversal of revaluation reserve for land			(347)		(347)
Other				(8)	(8)
Net changes in items other than those in shareholders' equity					
Total changes of items during the period	**–**	**(483)**	**140,435**	**(36)**	**139,915**
Balance at the end of current period	**1,400,975**	**743,125**	**60,803**	**(8,430)**	**2,196,473**

(millions of yen)

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Unrealized gain or loss on securities	Deferred gain and loss on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasure-ments of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at the beginning of current period	**6,703**	**(15,724)**	**(3,038)**	**30,287**	**1,965**	**20,193**	**29,227**	**2,102,180**
Cumulative effects of changes in accounting policies								3,799
Restated balance	**6,703**	**(15,724)**	**(3,038)**	**30,287**	**1,965**	**20,193**	**29,227**	**2,105,979**
Changes of items during the period								
Profit attributable to owners of parent								140,783
Purchases of treasury stock								(31)
Disposal of treasury stock								0
Change in ownership interest of parent due to transactions with non-controlling interests								(480)
Reversal of revaluation reserve for land								(347)
Other								(8)
Net changes in items other than those in shareholders' equity	(3,084)	1,056	528	(9,519)	(9,372)	(20,391)	(7,363)	(27,755)
Total changes of items during the period	**(3,084)**	**1,056**	**528**	**(9,519)**	**(9,372)**	**(20,391)**	**(7,363)**	**112,159**
Balance at the end of current period	**3,618**	**(14,668)**	**(2,510)**	**20,768**	**(7,406)**	**(198)**	**21,864**	**2,218,139**

Balance Sheet (as of March 31, 2016)

Assets	
Description	Amount (millions of yen)
Fixed assets:	**11,129,743**
Electric utility fixed assets:	6,922,901
Hydroelectric power production facilities	442,443
Thermal power production facilities	1,082,395
Nuclear power production facilities	726,934
Internal combustion engine power production facilities	7,305
Renewable power production facilities	18,632
Transmission facilities	1,766,400
Transformation facilities	699,710
Distribution facilities	2,054,276
General facilities	119,758
Facilities leased to others	5,045
Incidental business facilities	36,698
Other facilities	1,630
Facilities in progress:	783,116
Construction in progress	780,521
Retirement in progress	2,595
Nuclear fuel:	751,682
Loaded nuclear fuel	120,625
Nuclear fuel in processing	631,056
Investments and other:	2,633,713
Long-term investments	96,285
Long-term investments in subsidiaries and affiliates	644,110
Trust funds for reprocessing of irradiated nuclear fuel	894,547
Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	755,861
Long-term prepaid expenses	122,045
Prepaid pension cost	122,392
Allowance for doubtful accounts	(1,530)
Current assets:	**2,059,871**
Cash on hand and in banks	1,208,462
Accounts receivable - trade	461,341
Other receivables	39,211
Supplies	172,354
Current assets:	**2,059,871**
Cash on hand and in banks	1,208,462
Accounts receivable - trade	461,341
Other receivables	39,211
Supplies	172,354
Advance payments	3,675
Prepaid expenses	5,837
Short-term due from subsidiaries and affiliates	14,918
Miscellaneous current assets	167,878
Allowance for doubtful accounts	(13,807)
Total assets	**13,189,615**

Liabilities and Net Assets	
Description	Amount (millions of yen)
Long-term liabilities:	**8,521,224**
Bonds	2,913,815
Long-term loans	1,895,192
Long-term accrued liabilities	47,111
Lease obligations	551
Long-term due to subsidiaries and affiliates	13,791
Accrued pension and severance costs	356,550
Reserve for reprocessing of irradiated nuclear fuel	923,725
Reserve for preparation of the reprocessing of irradiated nuclear fuel	73,489
Reserve for loss on disaster	474,726
Reserve for compensation for nuclear power-related damages	837,882
Asset retirement obligations	761,653
Miscellaneous long-term liabilities	222,734
Current liabilities:	**2,861,783**
Current portion of long-term debt	1,331,763
Short-term loans	491,495
Accounts payable - trade	230,838
Accounts payable - other	117,281
Accrued expenses	382,854
Accrued taxes	95,615
Deposits	4,167
Short-term due to subsidiaries and affiliates	177,665
Advance payments received	24,724
Miscellaneous current liabilities	5,377
Reserves:	**6,103**
Reserve for preparation of the depreciation of nuclear power construction	6,103
Total liabilities	**11,389,110**
Shareholders' equity:	**1,802,889**
Capital stock	1,400,975
Capital surplus:	743,606
Capital legal reserve	743,555
Other capital surplus	50
Earned surplus:	(334,062)
Earned legal reserve	169,108
Other earned surplus:	(503,170)
Reserve for overseas investment losses	298
Reserve for special disaster	131
General reserve	1,076,000
Unappropriated retained earnings	(1,579,601)
Treasury stock	(7,629)
Valuation, translation adjustment and others:	**(2,385)**
Unrealized gain or loss on securities	(2,385)
Total net assets	**1,800,504**
Total liabilities and net assets	**13,189,615**

Statement of Income (Period from April 1, 2015 to March 31, 2016)

Expenses	
Description	Amount (millions of yen)
Operating expenses:	**5,556,234**
Electric utility operating expenses:	5,469,764
Hydroelectric power production expenses	79,210
Thermal power production expenses	2,006,712
Nuclear power production expenses	606,312
Internal combustion engine power production expenses	10,472
Renewable power production expenses	1,720
Intercompany power purchases	189,988
Purchases of power from other companies	787,073
Transmission expenses	324,840
Transformation expenses	169,602
Distribution expenses	418,522
Selling expenses	155,918
Expenses on facilities leased to others	749
General and administrative expenses	226,450
Levy under Act on Purchase of Renewable Energy Sourced Electricity	331,239
Electric power development promotion tax	101,802
Enterprise tax	59,385
Electric power cost transfer account	(237)
Incidental business operating expenses:	86,469
Energy facility service business operating expenses	1,750
Operating expenses related to real estate leasing business	3,591
Gas supply business operating expenses	78,184
Other incidental business operating expenses	2,943
Operating income	340,744
Non-operating expenses:	**115,452**
Financing expenses:	87,260
Interest expenses	87,252
Stock issuance expenses	0
Bond issuance expenses	7
Other non-operating expenses:	28,192
Loss on disposal of fixed assets	405
Other losses	27,787
Total ordinary expenses	**5,671,686**
Ordinary income	**327,503**
Provision for or reversal of reserve for preparation of the depreciation of nuclear power construction:	**411**
Provision for reserve for preparation of the depreciation of nuclear power construction	411
Extraordinary loss:	**911,519**
Compensation for nuclear power-related damages	678,661
Impairment loss	232,857
Profit before income taxes	**176,391**
Income taxes:	**32,754**
Income taxes - current	32,754
Profit	**143,637**

Revenues	
Description	Amount (millions of yen)
Operating revenues:	**5,896,978**
Electric utility operating revenues:	5,791,368
Residential	2,295,394
Commercial and industrial	2,941,705
Intercompany power sales	122,640
Sales of power to other companies	59,589
Revenues from wheeling	98,612
Transmission charge settlements with other electric utility company	347
Grant under Act on Purchase of Renewable Energy Sourced Electricity	214,630
Electric utility miscellaneous revenues	57,552
Revenues on facilities leased to others	894
Incidental business operating revenues:	105,610
Energy facility service business operating revenues	2,956
Operating revenues related to real estate leasing business	7,378
Gas supply business operating revenues	90,670
Other incidental business operating revenues	4,605
Non-operating revenues:	**102,211**
Financing revenues:	80,015
Dividends received	63,084
Interest revenues	16,931
Other non-operating revenues:	22,195
Gain on sales of fixed assets	3,986
Miscellaneous revenues	18,208
Total ordinary revenues	**5,999,190**
Extraordinary income:	**760,819**
Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	699,767
Gain on revision of retirement benefit plan	61,051

Statement of Changes in Net Assets (Period from April 1, 2015 to March 31, 2016)

(millions of yen)

	Shareholders' equity					
	Capital stock	Capital surplus		Earned surplus		
					Other earned surplus	
		Capital legal reserve	Other capital surplus	Earned legal reserve	Reserve for overseas investment losses	Reserve for special disaster
Balance at the beginning of current period	**1,400,975**	**743,555**	**52**	**169,108**	**369**	**111**
Changes of items during the period						
Provision of reserve for overseas investment losses					3	
Reversal of reserve for overseas investment losses					(73)	
Provision of reserve for special disaster						20
Profit						
Purchases of treasury stock						
Disposal of treasury stock			(2)			
Net changes in items other than those in shareholders' equity						
Total changes of items during the period	**–**	**–**	**(2)**	**–**	**(70)**	**20**
Balance at the end of current period	**1,400,975**	**743,555**	**50**	**169,108**	**298**	**131**

(millions of yen)

	Shareholders' equity				Valuation, translation adjustment and others	Total net assets
	Earned surplus		Treasury stock	Total shareholders' equity	Unrealized gain or loss on securities	
	Other earned surplus					
	General reserve	Unappropriated retained earnings				
Balance at the beginning of current period	**1,076,000**	**(1,723,289)**	**(7,601)**	**1,659,282**	**(1,337)**	**1,657,945**
Changes of items during the period						
Provision of reserve for overseas investment losses		(3)		–		–
Reversal of reserve for overseas investment losses		73		–		–
Provision of reserve for special disaster		(20)		–		–
Profit		143,637		143,637		143,637
Purchases of treasury stock			(31)	(31)		(31)
Disposal of treasury stock			3	0		0
Net changes in items other than those in shareholders' equity					(1,048)	(1,048)
Total changes of items during the period	**–**	**143,687**	**(28)**	**143,607**	**(1,048)**	**142,559**
Balance at the end of current period	**1,076,000**	**(1,579,601)**	**(7,629)**	**1,802,889**	**(2,385)**	**1,800,504**

ACCOUNTING AUDIT REPORT OF THE ACCOUNTING AUDITOR CONCERNING THE CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Auditors

May 17, 2016

The Board of Directors

Tokyo Electric Power Company Holdings, Incorporated

Ernst & Young ShinNihon LLC

Ryuzo Shiraha (seal)
Certified Public Accountant
Designated and Engagement Partner

Yoshio Yukawa (seal)
Certified Public Accountant
Designated and Engagement Partner

Atsushi Kasuga (seal)
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to consolidated financial statements of Tokyo Electric Power Company Holdings, Incorporated (former name: Tokyo Electric Power Company, Incorporated) (the "Company") applicable to the fiscal year from April 1, 2015 through March 31, 2016.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated financial statements from an independent standpoint 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 and applied depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used by management and how they are applied 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 financial position and results of operations of the corporate group, which consisted of Tokyo Electric Power Company Holdings, Incorporated (former name: Tokyo Electric Power Company, Incorporated) and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2016 in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

1. As discussed in “Other Notes, 2. Compensation for Nuclear Power-related Damages and Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation,” regarding nuclear damages caused by a series of accidents at the Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company is implementing the compensation with Government support under the Act on Compensation for Nuclear Damage (Act No. 147 of June 17, 1961).

   The Company has recorded Compensation for nuclear power-related damages of ¥678,661 million, which is the difference between the estimated amount for the previous year and that of this year which is ¥6,357,146 million after deducting ¥188,926 million of receipt of compensation pursuant to the provision of the “Act on Contract for Indemnification of Nuclear Damage Compensation” (Act No. 148 of June 17, 1961) and ¥1,112,439 million of grants-in-aid applied pursuant to the provision of the “Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act” (Act No. 94 of August 10, 2011; hereinafter the “Act on Corporation”) (hereinafter the “Grants-in-aid”) corresponding to the compensation liability owed by the Company to the state based on the “Act on Special Measures concerning the Handling of Environmental Pollution by Radioactive Materials Discharged by the Nuclear Power Plant Accident Accompanying the Earthquake that Occurred off the Pacific Coast of the Tohoku Region on March 11, 2011” (Act No. 110 of August 30, 2011), etc. (a liability recognized on or after January 1, 2015, hereinafter the “Cost of Decontamination, etc.”) from ¥7,658,513 million of the estimated compensation based on the “Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage Due to the Accident at the Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO” (August 5, 2011) and other state guidelines on compensation decided at the Committee for Adjustment of Compensation for Nuclear Damages Disputes, as well as the Company’s criteria for compensation taking the state guidelines in consideration, actual compensation claims and objective statistical data.

   The Company has recorded the estimated compensation amounts as far as reasonable estimation is possible at this moment, although they might vary from now on, depending on newly decided state guidelines on compensation, the formulation of the Company’s criteria for compensation, more accurate reference data and agreements with the people who suffered damage in the future.

   On the other hand, for the purpose of speedy and appropriate implementation of compensation, Nuclear Damage Compensation and Decommissioning Facilitation Corporation (hereinafter the “Corporation”) will provide necessary financial assistance to an applying nuclear operator based on the Act on Corporation.

   Based on the provision of Article 43, Paragraph 1 of the Act on Corporation, the Company submits an application for financial support of the compensation for nuclear damages as the estimated amount for the required compensation amount as of the application date for financial support. On

March 18, 2016, the Company submitted an application for a change of the amount of financial support to ¥7,658,513 million, which was the estimated amount as of that date, and recorded ¥699,767 million as Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation for the year ended March 31, 2016. This amount is calculated as the difference between ¥6,357,146 million, which is the balance after deducting ¥188,926 million of receipt of compensation and ¥1,112,439 million of Grants-in-aid corresponding to the Cost of Decontamination, etc. from the aforesaid estimated amount as of March 18, 2016, and the amount applied on March 26, 2015.

In receiving the financial assistance, the recipient shall pay a special contribution defined by the Corporation pursuant to the provision of Article 52, Paragraph 1 of the Act on Corporation, but the Company has not recorded such an amount, except for that notified from the Corporation as applicable to the fiscal year, since the amount is determined by resolution of the steering committee of the Corporation every fiscal year in light of the Company's status of income and expenditure and requires the approval of the minister in charge.

2. As discussed in "Notes to Consolidated Balance Sheet, 3. Guarantee Liabilities, etc., (2) Contingent liabilities, Contingent liabilities related to nuclear damage compensation," regarding nuclear damages caused by a series of accidents at the Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company implements the compensation with Government support under the Act on Compensation for Nuclear Damage (Act No. 147 of June 17, 1961). The Company has recorded a reserve for compensation for nuclear power-related damages as of the end of the fiscal year regarding the amounts possible to make reasonable estimates based on the "Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage Due to the Accident at the Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO" (August 5, 2011, hereinafter the "Interim Guidelines") and other state guidelines on compensation decided at the Committee for Adjustment of Compensation for Nuclear Damages Disputes, as well as the Company's criteria for compensation taking the state guidelines in consideration, actual compensation claims and objective statistical data, but does not record any reserve for indirect damages and losses and/or damages on certain tangible assets for which reasonable estimation is not possible using the Interim Guidelines and currently available data, etc. Furthermore, treatment of wastes and decontamination measures have proceeded under the national fiscal measures based on the "Act on Special Measures concerning the Handling of Environmental Pollution by Radioactive Materials Discharged by the Nuclear Power Plant Accident Accompanying the Earthquake that Occurred off the Pacific Coast of the Tohoku Region on March 11, 2011" (Act No. 110 of August 30, 2011). However, regarding the amounts to be billed or claimed to the Company for the costs required for treatment of wastes and decontamination measures, the Company has not recorded any reserve for the amount of compensation, except for certain cases, since reasonable estimation is not possible under the current circumstances that specific measures are not identifiable.

3. As discussed in "Important Matters Forming the Basis of Preparation of Consolidated Financial Statements, 3. Accounting Policies, (3) Provision of significant reserves, C. Reserve for loss on disaster, Additional Information- Estimates of expenses and/or losses related to Mid-and-long Term Roadmap within the expenses and/or losses for settling the nuclear accident and preparing for decommissioning of the Fukushima Daiichi Nuclear Power Station," before nuclear power plants can be scrapped, nuclear fuels in the reactors must be removed, but the specific contents of the work will be decided after 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 possible at this moment for expenses and/or losses related to Mid-and-long Term Roadmap, although they might vary from now on.

4. As discussed in "Important Matters Forming the Basis of Preparation of Consolidated Financial Statements, 3. Accounting Policies, (5) Decommissioning costs of nuclear power units, Additional Information- Estimated amount of decommissioning costs of the Fukushima Daiichi Nuclear Power Station Units 1 through 4," regarding the estimated amount of decommissioning costs of the

Fukushima Daiichi Nuclear Power Station Units 1 through 4, the Company records the estimated amount as far as reasonable estimation is possible at this moment, although it might vary from now on, since it is difficult to identify the whole situation of the damage.

Our opinion is not qualified in respect of these matters.

Conflict of Interests

Our firm and the engagement partners have no interest in the Company which should be disclosed in compliance with the provisions of the Certified Public Accountants Act.

ACCOUNTING AUDIT REPORT OF THE ACCOUNTING AUDITOR CONCERNING THE NON-CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Auditors

May 17, 2016

The Board of Directors

Tokyo Electric Power Company Holdings, Incorporated

Ernst & Young ShinNihon LLC

Ryuzo Shiraha (seal)
Certified Public Accountant
Designated and Engagement Partner

Yoshio Yukawa (seal)
Certified Public Accountant
Designated and Engagement Partner

Atsushi Kasuga (seal)
Certified Public Accountant
Designated and Engagement Partner

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying non-consolidated financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets, the notes to non-consolidated financial statements and the related supplementary schedules of Tokyo Electric Power Company Holdings, Incorporated (former name: Tokyo Electric Power Company, Incorporated) (the "Company") applicable to the 92nd fiscal year from April 1, 2015 through March 31, 2016.

Management's Responsibility for the Non-consolidated Financial Statements and the Related Supplementary Schedules

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements and the related supplementary schedules 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 non-consolidated financial statements and the related supplementary schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the non-consolidated financial statements and the related supplementary schedules from an independent standpoint 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 non-consolidated financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements and the related supplementary schedules. The procedures selected and applied depend on the auditors' judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements and the related supplementary schedules, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements and the related supplementary schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used by management and how they are applied and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements and the related supplementary schedules.

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 non-consolidated financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of Tokyo Electric Power Company Holdings, Incorporated applicable to the 92nd fiscal year ended March 31, 2016 in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

1. As discussed in "Other Notes, 1. Compensation for Nuclear Power-related Damages and Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation," regarding nuclear damages caused by a series of accidents at the Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company is implementing the compensation with Government support under the Act on Compensation for Nuclear Damage (Act No. 147 of June 17, 1961).

   The Company has recorded Compensation for nuclear power-related damages of ¥678,661 million, which is the difference between the estimated amount for the previous year and that of this year which is ¥6,357,146 million after deducting ¥188,926 million of receipt of compensation pursuant to the provision of the "Act on Contract for Indemnification of Nuclear Damage Compensation" (Act No. 148 of June 17, 1961) and ¥1,112,439 million of grants-in-aid applied pursuant to the provision of the "Nuclear Damage Compensation and Decommissioning Facilitation Corporation Act" (Act No. 94 of August 10, 2011; hereinafter the "Act on Corporation") (hereinafter the "Grants-in-aid") corresponding to the compensation liability owed by the Company to the state based on the "Act on Special Measures concerning the Handling of Environmental Pollution by Radioactive Materials Discharged by the Nuclear Power Plant Accident Accompanying the Earthquake that Occurred off the Pacific Coast of the Tohoku Region on March 11, 2011" (Act No. 110 of August 30, 2011), etc. (a liability recognized on or after January 1, 2015, hereinafter the "Cost of Decontamination, etc.") from ¥7,658,513 million of the estimated compensation based on the "Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage Due to the Accident at the Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO" (August 5, 2011) and other state guidelines on compensation decided at the Committee for Adjustment of Compensation for Nuclear Damages Disputes, as well as the Company's criteria for compensation taking the state guidelines in consideration, actual compensation claims and objective statistical data.

   The Company has recorded the estimated compensation amounts as far as reasonable estimation is possible at this moment, although they might vary from now on, depending on newly decided state guidelines on compensation, the formulation of the Company's criteria for compensation, more accurate reference data and agreements with the people who suffered damage in the future.

   On the other hand, for the purpose of speedy and appropriate implementation of compensation, Nuclear Damage Compensation and Decommissioning Facilitation Corporation (hereinafter the

"Corporation") will provide necessary financial assistance to an applying nuclear operator based on the Act on Corporation.

Based on the provision of Article 43, Paragraph 1 of the Act on Corporation, the Company submits an application for financial support of the compensation for nuclear damages as the estimated amount for the required compensation amount as of the application date for financial support. On March 18, 2016, the Company submitted an application for a change of the amount of financial support to ¥7,658,513 million, which was the estimated amount as of that date, and recorded ¥699,767 million as Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation for the year ended March 31, 2016. This amount is calculated as the difference between ¥6,357,146 million, which is the balance after deducting ¥188,926 million of receipt of compensation and ¥1,112,439 million of Grants-in-aid corresponding to the Cost of Decontamination, etc. from the aforesaid estimated amount as of March 18, 2016, and the amount applied on March 26, 2015.

In receiving the financial assistance, the recipient shall pay a special contribution defined by the Corporation pursuant to the provision of Article 52, Paragraph 1 of the Act on Corporation, but the Company has not recorded such an amount, except for that notified from the Corporation as applicable to the fiscal year, since the amount is determined by resolution of the steering committee of the Corporation every fiscal year in light of the Company's status of income and expenditure and requires the approval of the minister in charge.

2. As discussed in "Notes to Non-consolidated Balance Sheet, 3. Guarantee Liabilities, etc., (2) Contingent liabilities, Contingent liabilities related to nuclear damage compensation," regarding nuclear damages caused by a series of accidents at the Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company implements the compensation with Government support under the Act on Compensation for Nuclear Damage (Act No. 147 of June 17, 1961). The Company has recorded a reserve for compensation for nuclear power-related damages as of the end of the fiscal year regarding the amounts possible to make reasonable estimates based on the "Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage Due to the Accident at the Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO" (August 5, 2011, hereinafter the "Interim Guidelines") and other state guidelines on compensation decided at the Committee for Adjustment of Compensation for Nuclear Damages Disputes, as well as the Company's criteria for compensation taking the state guidelines in consideration, actual compensation claims and objective statistical data, but does not record any reserve for indirect damages and losses and/or damages on certain tangible assets for which reasonable estimation is not possible using the Interim Guidelines and currently available data, etc. Furthermore, treatment of wastes and decontamination measures have proceeded under the national fiscal measures based on the "Act on Special Measures concerning the Handling of Environmental Pollution by Radioactive Materials Discharged by the Nuclear Power Plant Accident Accompanying the Earthquake that Occurred off the Pacific Coast of the Tohoku Region on March 11, 2011" (Act No. 110 of August 30, 2011). However, regarding the amounts to be billed or claimed to the Company for the costs required for treatment of wastes and decontamination measures, the Company has not recorded any reserve for the amount of compensation, except for certain cases, since reasonable estimation is not possible under the current circumstances that specific measures are not identifiable.

3. As discussed in "Significant Accounting Policies, 3. Provision of Reserves, (4) Reserve for loss on disaster, Additional Information- Estimates of expenses and/or losses related to Mid-and-long Term Roadmap within the expenses and/or losses for settling the nuclear accident and preparing for decommissioning of the Fukushima Daiichi Nuclear Power Station," before nuclear power plants can be scrapped, nuclear fuels in the reactors must be removed, but the specific contents of the work will be decided after 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 possible at this moment for expenses and/or losses related to Mid-and-long Term

Roadmap, although they might vary from now on.

4. As discussed in “Notes on Significant Accounting Policies, 4. Method of Recording Decommissioning Costs of Nuclear Power Units, Additional Information- Estimated amount of decommissioning costs of the Fukushima Daiichi Nuclear Power Station Units 1 through 4,” regarding the estimated amount of decommissioning costs of the Fukushima Daiichi Nuclear Power Station Units 1 through 4, the Company records the estimated amount as far as reasonable estimation is possible at this moment, although it might vary from now on, since it is difficult to identify the whole situation of the damage.
5. As discussed in “Other Notes, 5. Transactions under Common Control,” on April 1, 2016, the Company transferred its fuel and thermal power generation business (excluding fuel transport business and fuel trading business), general power transmission and distribution business, and retail electricity business through company splits to TEPCO Fuel & Power, Incorporated (name changed from Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated as of April 1, 2016), TEPCO Power Grid, Incorporated (name changed from Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated as of April 1, 2016), and TEPCO Energy Partner, Incorporated (name changed from Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated as of April 1, 2016),” respectively. In this way, the Company introduced a holding company system and changed its trade name to Tokyo Electric Power Company Holdings, Incorporated.

Our opinion is not qualified in respect of these matters.

Conflict of Interests

Our firm and the engagement partners have no interest in the Company which should be disclosed in compliance with the provisions of the Certified Public Accountants Act.

REPORT OF THE AUDIT COMMITTEE

Audit Report

Having examined the performance of duties by the Directors and Executive Officers of Tokyo Electric Power Company Holdings, Incorporated (the "Company") during the fiscal year from April 1, 2015 to March 31, 2016, the Audit Committee hereby reports as follows regarding the method and the results of the audit.

1. Method and Content of the Audit

   In deciding auditing policies and allocation of work duties, etc., the Audit Committee considered that the most important matters were the confirmation of progress in the important measures incorporated in the "New Comprehensive Special Business Plan" and "FY 2015 TEPCO Group Action Plan," as well as the statuses of initiatives concerning decommission of the Fukushima Daiichi Nuclear Power Station, preparations for the transition to a holding company system, promotion of the comprehensive alliance, realization of low wheeling costs, and provision of new rate plans and new services to match customer needs, etc. On that basis, while conforming to the auditing standards for the Audit Committee set forth by the Audit Committee, the auditing policies, the allocation of work duties, etc., we endeavored to facilitate mutual understanding with the Directors and Executive Officers, the Internal Audit Department and other employees, etc., endeavored to collect information and to improve the auditing environment, and in liaison with the Internal Audit Department and other internal control departments, attended the important meetings, received reports on the status of execution of duties by the Directors and Executive Officers and the Accounting Auditor and requested their explanations as necessary, inspected material internal decision-making documents, etc., and investigated the status of operations and assets of the headquarters and major business offices.

   In addition, we received regular reports and requested explanations as necessary from the Directors and Executive Officers and employees, etc. and expressed opinions, covering the substance of decisions made by the Board of Directors with regard to the matters set forth in Article 416, Paragraph 1, Item 1, (b) and (e) of the Companies Act of Japan and the status of construction and operation of the systems actually developed on the basis of those decisions (the "internal control systems"). With respect to the Internal Control Over Financial Reporting under the Financial Instruments and Exchange Act of Japan, we received reports on the internal control evaluation and status of the audits by the Executive Officers, etc. and the Ernst & Young ShinNihon LLC and requested their explanations as necessary. With respect to subsidiaries, we endeavored to facilitate mutual understanding and exchange information with their directors and corporate auditors, etc. and collected reports from the subsidiaries on their business as necessary.

   Based on the above methods, the Business Report and its supplementary schedules for the fiscal year under review were examined.

   In addition, we monitored and examined whether the independence of the Accounting Auditor was maintained and whether an appropriate audit was being undertaken, received reports from the Accounting Auditor on the status of the performance of duties, and requested explanations as necessary. We also received notice from the Accounting Auditor that "Systems for Ensuring Proper Execution of Duties" (as enumerated in each Item of Article 131 of the Ordinance on Accounting of Companies) was duly developed in line with the "Quality control standards for auditing" (October 28, 2005, Business Accounting Council), and requested explanations as necessary.

   Based on the above methods, we examined the non-consolidated financial statements for the fiscal year under review (the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in net assets, and the notes to non-consolidated financial statements) and their supplementary schedules, and the consolidated financial statements for the fiscal year under review (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and the notes to consolidated financial statements).

2. Results of the Audit

(1) Results of the Audit of Business Reports, etc.

i) The Audit Committee confirms that the Business Report and its supplementary schedules conform to the applicable laws and regulations and the Articles of Incorporation, and that they fairly present the state of the Company.

ii) The Audit Committee found no improper acts or no material facts constituting a violation of any applicable laws and regulations or the Articles of Incorporation in connection with the execution of duties by the Directors and Executive Officers.

iii) The Audit Committee confirms that the substance of the decisions made by the Board of Directors regarding the Company’s internal control systems to be fair and adequate, and found no matters that require mention regarding the description of the internal control systems in the Business Report and the execution of duties by the Directors and Executive Officers, including the Internal Control Over Financial Reporting under the Financial Instruments and Exchange Act of Japan.

(2) Results of the Audit of the Non-consolidated Financial Statements and its Supplementary Schedules

The Audit Committee confirms that the methods used and the conclusions reached by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be fair and adequate.

(3) Results of the Audit of the Consolidated Financial Statements

The Audit Committee confirms that the methods used and the conclusions reached by the Accounting Auditor, Ernst & Young ShinNihon LLC, to be fair and adequate.

The Audit Committee will continue to examine strictly the sure implementation of the “New Comprehensive Special Business Plan” approved by the Government of Japan in January 2014, including addressing the challenges to the various aspects of management caused by the accident at the Fukushima Daiichi Nuclear Power Station.

3. Subsequent Events

The Company’s subsidiary TEPCO Fuel & Power, Incorporated resolved, at a Board of Directors meeting held on May 23, 2016, to transfer the existing fuel business (upstream and procurement), the existing overseas thermal power IPP business, and thermal power station replacement and new construction business being carried out by Hitachinaka Generation Co., Inc. to JERA Co., Inc. by executing a company split, and on the same day, entered into an absorption-type split agreement with JERA Co., Inc. with an effective date of July 1, 2016.

May 24, 2016

Audit Committee
Tokyo Electric Power Company Holdings, Incorporated

Yuji Masuda (seal)
Audit Committee Chairman

Masahiko Sudo (seal)
Audit Committee Member

Fumio Sudo (seal)
Audit Committee Member

(Note) Audit Committee Members Masahiko Sudo and Fumio Sudo are Outside Directors as stipulated in Article 2, Item 15 and Article 400, Paragraph 3 of the Companies Act.

End