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.

Matters for Internet Disclosure under Laws and Regulations and the Articles of Incorporation

Notes to Consolidated Financial Statements
Notes to Non-Consolidated Financial Statements

(From April 1, 2014 to March 31, 2015)

Tokyo Electric Power Company, Incorporated

"Notes to Consolidated Financial Statements" and "Notes to Non-Consolidated Financial Statements" are hereby provided to our shareholders in accordance with relevant laws and regulations and with Article 17 of the Articles of Incorporation.

Notes to Consolidated Financial Statements

From April 1, 2014
to March 31, 2015

Tokyo Electric Power Company, Incorporated ("TEPCO" or the "Company")

[Important Matters Forming the Basis of Preparation of Consolidated Financial Statements]

1. Scope of Consolidation

Number of consolidated subsidiaries 47 companies

Major consolidated subsidiaries are as follows:

Toden Real Estate Co., Inc., The Tokyo Electric Generation Company, Incorporated, TEPCO SYSTEMS CORPORATION, Tokyo Power Technology Ltd., TEPCO Lease Corporation, Tepco Town Planning Co., Ltd., Tokyo Densetsu Service Co., Ltd., Fuel TEPCO Limited, Tokyo Electric Power Services Company, Limited, TOKYO WATERFRONT RECYCLE POWER CO., LTD., Tokyo Electric Power Company International B.V., Tokyo Timor Sea Resources Inc.

2. Application of Equity Method

Number of affiliates accounted for under the equity method 16 companies

Affiliates accounted for under the equity method are as follows:

Soma Kyodo Power Company, Ltd., KASHIMA KYODO ELECTRIC POWER COMPANY, Kimitsu Cooperative Thermal Power Company, Inc., JOBAN JOINT POWER CO., LTD., KANDENKO CO., LTD., Eurus Energy Holdings Corporation, TAKAOKA TOKO CO., LTD., TOKYO TOSHI SERVICE COMPANY, Hitachi Systems Power Services, Ltd., AT TOKYO Corporation, Japan Nuclear Fuel Limited, The Japan Atomic Power Company, TOKYO ENERGY & SYSTEMS INC., TeaM Energy Corporation, TEPDIA Generating B.V., ITM Investment Company Limited.

Takaoka Electric Mfg. Co., Ltd. and TOKO ELECTRIC CORPORATION are excluded from the scope of application of the equity method because they are merged into TAKAOKA TOKO HOLDINGS CO., LTD. (currently TAKAOKA TOKO CO., LTD.) through an absorption-type merger.

Affiliates which are not accounted for under the equity method (including JAPAN NUCLEAR SECURITY SYSTEM CO., LTD. and Nuclear Fuel Transport Company, Ltd.) have an insignificant effect, both individually and jointly, to the consolidated net income and the consolidated retained earnings and other indicators.

3. Accounting Principles

(1) Basis and method for valuation of significant assets

A. Long-term investments (Available-for-sale securities that are securities classified as other securities under Japanese GAAP)

Securities with readily determinable fair values are stated at fair value based on the market price, etc. on the balance sheet date (cost of securities sold is determined by the moving-average method), with unrealized gains or losses, net of applicable taxes, stated as a separate component of net assets.

Securities without readily determinable fair values are stated at cost determined by the moving-average method.

B. Inventories

Stated at cost determined by the average method (the book value may be written down to market value due to decline in the profitability).

(2) Depreciation and amortization method for significant depreciable and amortizable assets

Property, plant and equipment are depreciated by the declining-balance method.

Intangible fixed assets are amortized by the straight-line method.

Property, plant and equipment include the assets corresponding to asset retirement obligations related to the decommissioning measures for specified nuclear power units. The method of recording the related decommissioning costs is explained in "(5) Decommissioning costs of nuclear power units."

(3) Provision of significant reserves

A. Reserve for reprocessing of irradiated nuclear fuel

In order to provide for the costs required for reprocessing irradiated nuclear fuel (except for those without specific reprocessing plans) generated in proportion to the corresponding combustion of nuclear fuel, reserve is made at the present value (discount rate 1.5%) of such costs.

According to Article 2 of the Supplementary Provisions to the Ordinance on Accounting at Electric Utilities (Ordinance of the Ministry of Economy, Trade and Industry No. 92 of 2005), of the estimated costs for reprocessing irradiated nuclear fuel accrued by March 31, 2005, differences resulted from the accounting changes made in the fiscal year ended March 31, 2006 for recognition of the reserve are being recognized over 15 years from the fiscal year ended March 31, 2006 as an operating expense, i.e., an annual expense of ¥30,560 million until the year ending March 31, 2020.According to Paragraph 81 of the Guidelines for Handling of the Ordinance on Accounting at Electric Utilities, unrecognized actuarial gains and losses as of the end of the fiscal year (¥345,611 million) is being recognized as an operating expense from the following fiscal year throughout the period in which irradiated nuclear fuel with a specific reprocessing plan is produced.

B. Reserve for preparation of the reprocessing of irradiated nuclear fuel

In order to provide for the costs required for reprocessing irradiated nuclear fuel without specific reprocessing plans, reserve is made at the present value (discount rate 4.0%) of such costs.

Such amount includes processing costs for loaded nuclear fuel at the time of decommissioning of the Fukushima Daiichi Nuclear Power Station.

C. Reserve for loss on disaster

1) For the loss on the Niigataken Chuetsu-Oki Earthquake

In order to provide for the losses and expenses required for the restoration of assets damaged by the Niigataken Chuetsu-Oki Earthquake, reserve is made at an estimated amount at the end of the fiscal year.

2) For the loss on the Tohoku-Chihou-Taiheiyou-Oki Earthquake

In order to provide for the losses and expenses required for the restoration of assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, reserve is made at an estimated amount at the end of the fiscal year.

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

a) Expenses and/or losses for settling the nuclear accident and preparing for decommissioning of the Fukushima Daiichi Nuclear Power Station

Following the "Step 2 Completion Report – Roadmap towards Settlement of the Accident at the Fukushima Daiichi Nuclear Power Station, TEPCO" (December 16, 2011) prepared by Government-TEPCO Integrated Response Office established by the Nuclear Emergency Response Headquarters of the Government, "Mid-and-long-Term Roadmap towards the Decommissioning of the Fukushima Daiichi Nuclear Power Units 1–4, TEPCO" (December 21, 2011, hereinafter "Mid-and-long Term Roadmap") was prepared by Government and TEPCO's Mid-to-Long Term Countermeasure Meeting established by Nuclear Emergency Response Headquarters of the Government (most recently revised on June 27, 2013). Regarding expenses and/or losses related to Mid-and-long Term Roadmap, the Company records estimated amounts based on specific target periods and contents of individual countermeasures, if it is possible to estimate the amounts in the normal way.

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

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

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

Disposal costs for loaded fuels are included in "Reserve for preparation of the reprocessing of irradiated nuclear fuel."

c) Expenses and/or losses for maintaining the status of "cold shutdown " at the Fukushima Daini Nuclear Power Station

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

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

In order to provide for expenses and/or losses required for restoration of damaged thermal power plants, the Company records estimated amounts at the end of the fiscal year.

Additional Information

• Breakdown of reserve for loss on disaster as of March 31, 2015

1)	For the loss on the Niigataken Chuetsu-Oki Earthquake	¥ 24,078 million
2)	For the loss on the Tohoku-Chihou-Taiheiyou-Oki Earthquake:	¥ 496,938 million
	Of which:	
a)	Expenses and/or losses for settling the nuclear accident and preparing for decommissioning of the Fukushima Daiichi Nuclear Power Station	¥ 370,128 million
b)	Expenses for disposal of nuclear fuels in processing, within expenses and/or losses for decommissioning of the Fukushima Daiichi Nuclear Power Station Units 1 through 4	¥ 5,232 million
c)	Expenses and/or losses for maintaining the status of "cold shutdown" at the Fukushima Daini Nuclear Power Station	¥ 117,504 million
d)	Expenses and/or losses for restoring damaged thermal power plants	¥ 2,610 million
e)	Other	¥ 1,462 million
	Total	¥ 521,016 million

• 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.

D. Reserve for compensation for nuclear power-related damages

In order to provide for expenses required for compensation payments for nuclear power-related damages concerning the accident of the Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company records estimated amounts at the end of the fiscal year.

The Company has recorded a reserve for compensation for nuclear power-related damages after deducting the receivables 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 the amount 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 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 it 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 victims in the future.

Additional Information

On March 31, 2015, the "Ministerial Ordinance on Partial Amendment to the Ordinance on Accounting at Electric Utilities, etc." (Ordinance of the Ministry of Economy, Trade and Industry, partially effective from January 1, 2015) was promulgated. As a result of this amendment, receivables on grants-in-aid corresponding to the Cost of Decontamination, etc. are no longer recorded as of the application date for financial support as "Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation," but deducted from the estimated amount of "Reserve for compensation for nuclear power-related damages."

Accordingly, ¥278,908 million that corresponds to the receivables on Grants-in-aid corresponding to the Cost of Decontamination, etc., for which Grants-in-aid have been applied on March 26, 2015 pursuant to the provision of the Act on Corporation, are no longer included in "Reserve for compensation for nuclear power-related damages". This change is not applied retroactively in accordance with the applicable accounting regulations. This change had no effect on operating income, ordinary income or income before income taxes and minority interests for the fiscal year ended March 31, 2015, but "Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation" and "Reserve for compensation for nuclear power-related damages" as of March 31, 2015 each decreased by ¥278,908 million.

(4) Accounting for employee's retirement benefits

In order to provide for payments of retirement benefits to employees, an asset or liability is established based on the projected benefit obligations and the plan assets estimated at the end of the fiscal year.

In determining the retirement benefit obligations, the straight-line basis is adopted as the attribution method of the expected retirement benefits to the period up to the end of the fiscal year.

Actuarial gains and losses are mainly charged to income from the period in which it arises using the straight-line method over a defined period (three years) within the average remaining service period of the employees as occurred.

Unrecognized actuarial gains and losses and unrecognized past service cost, net of applicable taxes, are stated in "Remeasurements of defined benefit plans" in accumulated other comprehensive income of net assets.

(5) Decommissioning costs of nuclear power units

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

Additional Information

- 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 situations of the damages.

(6) Accounting for consumption taxes

The tax-exclusion method is applied for the consumption tax and the local consumption tax.

(7) Method and period of amortization of goodwill

Goodwill is amortized by the straight-line method mainly over five years.

[Changes in Accounting Policies]

With regard to the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012, hereinafter the "Accounting Standard" in this section) and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015, hereinafter the "Guidance" in this section), the Group has applied the provisions set forth in paragraph 35 of the Accounting Standard for Retirement Benefits and in paragraph 67 of the Guidance on Retirement Benefits effective the fiscal year ended March 31, 2015 and reviewed its calculation method of the retirement benefit obligations and service costs.

Following paragraph 37 in the Accounting Standard, which stipulates transitional treatment of the Accounting Standard and the Guidance, at the beginning of the fiscal year ended March 31, 2015, the effect of the change in calculation method for the retirement benefit obligations and service costs has been added to or deducted from retained earnings. The effects of this application of the Accounting Standard and the Guidance are immaterial.

[Changes in Presentation]

1. Following the "Ministerial Ordinance on Arrangement of Relevant Ordinances of the Ministry of Economy, Trade and Industry incidental to the Enforcement of the Act on the Partial Amendment of the Nuclear Damage Compensation Facilitation Fund Act" (Ordinance of the Ministry of Economy, Trade and Industry No. 43 of August 15, 2014), the Ordinance on Accounting at Electric Utilities were revised. As a result of this revision, the former line items of "Grants-in-aid receivable from Nuclear Damage Liability Facilitation Fund" and "Grants-in-aid from Nuclear Damage Liability Facilitation Fund" are now changed to be presented as "Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation" and "Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation", respectively.

2. "General facilities", which was presented separately under electric utility fixed assets in the previous fiscal year (¥121,680 million as of March 31, 2015), are included in "Other electric utility fixed assets" under electric utility fixed assets due to the lowered materiality.

3. Foreign exchange differences ("Foreign exchange losses") are presented separately for this fiscal year due to the high materiality. Foreign exchange losses for the previous fiscal year included in "Other" under non-operating expenses were ¥3,962 million.

[Notes to Consolidated Balance Sheet]

1. Assets Pledged as Collateral and Collateralized Debt

(1) All of the Company's property is pledged as general collateral for bonds and loans from the Development Bank of Japan Inc.

Bonds (including current portion)	¥	3,901,109 million
Of which:		
Domestic	¥	3,875,987 million
Foreign	¥	25,122 million
Loans from the Development Bank of Japan Inc. (including current portion)	¥	753,269 million

(2) Pursuant to the Act on Compensation for Nuclear Damage (Act No. 147 of June 17, 1961), the Company has made a deposit as a measure of compensation for damages to be paid as the nuclear operator for cooling of nuclear reactors and treatment of accumulated water, etc. of the Fukushima Daiichi Nuclear Power Station.

Current assets		
Other	¥	120,000 million

(3) Assets pledged as collateral for loans, etc. from financial institutions to certain consolidated subsidiaries and collateralized debt

Assets pledged as collateral

Fixed assets		
Other facilities	¥	15,871 million
Investments and other		
Long-term investments	¥	376 million
Current assets		
Cash on hand and in banks	¥	11,176 million
Inventories	¥	405 million
Total	¥	27,830 million

Of the above, other facilities of ¥4,737 million are pledged on mortgages of the Factory Foundation.

Collateralized debt

Long-term liabilities		
Long-term debt (including current portion)	¥	10,543 million

Of the above, ¥249 million is related to mortgages of the Factory Foundation.

(4) Assets pledged as collateral for loans, etc. from financial institutions to investees of certain consolidated subsidiaries

Assets pledged as collateral

Fixed assets		
Investments and other		
Long-term investments	¥	60,126 million

Obligation of the consolidated subsidiaries is limited to the invested amounts even in case of default of any of the investees.

2. Accumulated Depreciation of Property, Plant and Equipment ¥22,913,578 million

3. Guarantee Liabilities, etc.

(1) Guarantee liabilities

A. Guarantees of loans from financial institutions to the following companies		
Japan Nuclear Fuel Limited	¥	130,796 million
TeaM Energy Corporation	¥	8,252 million
SKZ-U LLP	¥	949 million
B. Guarantee of bonds issued by Japan Nuclear Fuel Limited	¥	8,226 million
C. Guarantee of performance of ITM O&M Company Limited of the operation and maintenance contract with Arabian Power Company Private Joint Stock Company	¥	720 million
D. Guarantee of performance of Mekong Energy Company Ltd. of the power sales contract with Electricity of Vietnam	¥	94 million
E. Guarantee of performance of TeaM Sual Corporation of the power sales contract with National Power Corporation	¥	1,802 million
F. Guarantee of performance of KEPCO Ilijan Corporation of the power sales contract with National Power Corporation	¥	1,297 million
G. Guarantee of performance of Tokyo Electric Power Company International Paiton I B.V. of the interest rate swap contracts with financial institutions	¥	1,759 million
H. Guarantee of performance of PT IPM Operations and Maintenance Indonesia of the operation and maintenance contract with P.T. Paiton Energy	¥	803 million
I. Guarantee of loans from financial institutions to employees under a housing financing system, etc.	¥	193,621 million
Total	¥	348,322 million

(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, with seriously recognizing the Company's position as a causing party, the Company is implementing the compensation from the viewpoint of speedy implementation of compensation for the nuclear victims 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.

4. Reserve pursuant to the Provisions of Laws and Regulations other than the Companies Act

Reserve for preparation of the depreciation of nuclear power construction

Pursuant to Article 35 of the Electricity Business Act, the Company records a reserve for preparation of the depreciation of nuclear power construction based on the "Ministerial Ordinance concerning Reserve for Preparation of Depreciation of Nuclear Power Construction" (Ordinance of the Ministry of Economy, Trade and Industry) in order to average the burden of depreciation recognized immediately after the start of operations of the nuclear power stations.

[Notes to Consolidated Statement of Changes in Net Assets]

Class and Total Number of Shares Issued as of March 31, 2015

Common stock	1,607,017,531 shares
Preferred stock - Class A	1,600,000,000 shares
Preferred stock - Class B	340,000,000 shares

[Financial Instruments]

1. Matters concerning Status of Financial Instruments

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

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

Investment securities consist mainly of equity securities. Fair values of listed equity securities are monitored on a quarterly basis.

Trust funds for reprocessing of irradiated nuclear fuel are funds contributed under the "Act on Creation and Management of Trust Funds for Reprocessing of Spent Fuel in Nuclear Power Generation" (Act No. 48 of May 20, 2005) to properly reprocess the irradiated fuel incurred by operating specified commercial power reactors.

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

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

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

Derivatives are utilized solely to hedge risk complying with internal policies and never for trading or speculation.

2. Matters concerning Fair Value of Financial Instruments

The carrying amount of financial instruments in the consolidated balance sheets as of March 31, 2015, their fair value and the difference are as shown below.

(millions of yen)

	Carrying amount (*1)	Fair value (*1)	Difference
(1) Investment securities (*2) Available-for-sale securities	4,833	4,833	—
(2) Trust funds for reprocessing of irradiated nuclear fuel	961,910	961,910	—
(3) Cash on hand and in banks	1,394,289	1,394,289	—
(4) Notes and accounts receivable - trade	546,983	546,983	—
(5) Bonds (*3)	(3,901,109)	(3,927,491)	(26,382)
(6) Long-term debt (*3)	(2,922,594)	(2,919,519)	3,075
(7) Short-term loans	(189,572)	(189,572)	—
(8) Notes and accounts payable - trade	(312,910)	(312,910)	—
(9) Derivative transactions (*4)	(68)	(68)	—

(*1) Figures shown in parentheses represent liabilities.

(*2) Investment securities are included in "Long-term investments" in the consolidated balance sheet.

(*3) Bonds and long-term debt include "Current portion of long-term debt" in the consolidated balance sheet.

(*4) The value of assets and liabilities arising from derivatives is shown at net value.

(Note 1) Methods for estimating fair value of financial instruments

(1) Investment securities

The fair value of equity securities is determined by their market price on an exchange.

(2) Trust funds for reprocessing of irradiated nuclear fuel

Trust funds for reprocessing of irradiated nuclear fuel are funds contributed under the "Act on Creation and Management of Trust Funds for Reprocessing of Spent Fuel in Nuclear Power Generation" (Act No. 48 of May 20, 2005) to properly reprocess the irradiated fuel incurred by operating specified commercial power reactors.

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

(3) Cash on hand and in banks and (4) Notes and accounts receivable - trade

Since these items are settled in a short period of time and their fair value approximates their carrying value, the relevant fair value is determined at carrying value.

(5) Bonds

For the fair value of bonds issued by the Company with floating interest rates, those interest rates are updated to reflect the market interest rate within a short period of time. Since their fair value approximates their carrying value, the relevant fair value is determined at carrying value. For the fair value of bonds with fixed interest rates, for which market prices are available, the fair value is based on their market prices. The fair value of bonds hedged by forward exchange contracts, to which the assignment method of hedge accounting is applied (see "(9) Derivative transactions" below) and are regarded as bonds denominated in Yen with fixed interest rates, is estimated based on the present value of principal and interest discounted using the interest rate to be applied for a similar bond.

(6) Long-term debt

For the fair value of long-term debt with floating interest rates, those interest rates are updated to reflect the market interest rate within a short period of time. Since their fair value approximates their carrying value, the relevant fair value is determined at carrying value. For the fair value of long-term debt with fixed interest rates, the total amount of principal and interest of relevant long-term debt, grouped by certain period, is discounted to the present value using the interest rate to be applied for a

similar loan. For those subject to the special hedge accounting treatment of interest rate swaps (see "(9) Derivative transactions" below), the present value is determined using the swap rate that is deemed as their interest rate.

(7) Short-term loans and (8) Notes and accounts payable – trade

Since these items are settled in a short period of time and their fair value approximates their carrying value, the relevant fair value is determined at carrying value.

(9) Derivative transactions

The fair value of derivatives is based on prices presented by relevant financial institutions.

Forward exchange contracts, to which the assigning method of hedge accounting is applied, are accounted for as part of the hedged bonds (see "(5) Bonds" above) and therefore are not included in "Carrying value" or "Fair value".

Interest rate swaps subject to the special hedge accounting treatment are accounted for as part of the hedged long-term debt (see "(6) Long-term debt" above) and therefore are not included in "Carrying value" or "Fair value".

(Note 2) Unlisted equity securities (carrying amount ¥43,652 million) are not included in "(1) Investment securities - Available-for-sale securities", as it is extremely difficult to determine their fair value since there is no market price.

[Per Share Information]

1. Net Assets per Share 669.60 yen

(Note) Net assets per share are calculated based on total net assets less payment of preferred stock by the Nuclear Damage Compensation and Decommissioning Facilitation Corporation. The basis of calculation is as follows.

(Basis of calculation)

Total net assets on the consolidated balance sheet	¥2,102,180 million
Amounts to be deducted from net assets	¥1,029,227 million
Of which payment of preferred stock	¥1,000,000 million
Of which minority interests	¥29,227 million
Net assets as of March 31, 2015 attributable to common stock	¥1,072,952 million
Number of shares of common stock as of March 31, 2015 which was used to calculate net assets per share	1,602,373 thousand shares

2. Net Income per Share 281.80 yen

[Significant Subsequent Events]

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

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

(1) Purpose of Split

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

agreement, it is decided to jointly establish a joint venture named JERA Co., Inc. on April 30, 2015 through monetary contributions by the Company and Chubu Electric Power Co., Ltd.

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

(2) Overview of Split

A. Schedule of Split

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

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

B. Method of Split

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

C. Particulars of allotment in Split

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

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

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

E. Change in stated capital through Split

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

F. Rights and duties assumed by succeeding companies

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

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

G. Prospects for performance of obligations

It is expected that the Company and the Split Preparation Company will still have assets in excess of liabilities after the Split, and presently we do not envision the occurrence of any events that would cause an impediment to the performance of obligations arising after the

Split, and for these reasons, we judge there to be no problems with respect to the prospects for the Company and the Split Preparation Company to perform their obligations after the Split.

(3) Overview of business divisions subject to Split

A. Business description of divisions subject to Split

Fuel transport business and fuel trading business

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

Unconsolidated Sales of Businesses Subject to Split (a)	Unconsolidated Sales of the Company (b)	Ratio (a/b)
–	¥6,633,706 million	–

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

Assets		Liabilities	
Item	Amount	Item	Amount
Current Assets	–	Current Liabilities	–
Non-current Assets	¥9,824 million	Non-current Liabilities	–
Total	¥9,824 million	Total	–

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

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

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

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

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

As announced in the New Comprehensive Special Business Plan approved by the Government of Japan in January 2014 (as amended), the Company has been considering transitioning to a holding company system, and on May 1, 2015, by resolution of the board of directors, the Company decided that with April 1, 2016 as a tentative date, in time with the introduction of a licensing system for electric power systems reform, it will transfer its fuel and thermal power generation business (excluding fuel transport business and fuel trading business), general power transmission and distribution business, and retail electricity business, which will be transferred through company splits to the “Tokyo Electric Power Fuel & Thermal Power Generation Business

Split Preparation Company, Incorporated", "Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated", and "Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated" respectively, and on May 1, 2015, the Company executed absorption-type split agreements with each of the succeeding companies (these company splits are hereinafter referred to as the "Splits"). On the effective date of the Splits, in conjunction with the Splits, the Company's trade name will be changed to "Tokyo Electric Power Company Holdings, Incorporated".

The effect of the Splits and the change of trade names are subject to approval of the related proposals at the 91st ordinary general shareholders meeting planned to be convened on June 25, 2015, as well as issuance by the competent authorities of permits and approvals necessary for the performance of business.

(1) Transition to holding company system through company split

A. Background and purposes of Splits

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

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

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

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

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

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

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

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

B. Overview of Splits

1) Schedule of Splits

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

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

2) Method of Splits

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

3) Particulars of allotment in Splits

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

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

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

5) Change in stated capital through Splits

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

6) Rights and duties assumed by succeeding companies

In accordance with an absorption-type company split agreement executed with the Company dated May 1, 2015, on the effective date of the Splits, Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated will assume rights and duties held and borne in relation to the Company's thermal power

generation business (excluding the said business in remote islands), fuel procurement, resource development, and steam supply businesses with respect to thermal power generation, as well as investment business in the foregoing.

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

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

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

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

7) Prospects for performance of obligations

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

C. Overview of business divisions subject to Splits

1) Business description of the Company's divisions subject to Splits

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

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

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

(Note) External sales are stated.

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

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

Assets		Liabilities	
Item	Amount	Item	Amount
Non-current Assets	¥1,525,476 million	Non-current Liabilities	¥38,235 million
Current Assets	¥273,018 million	Current Liabilities	¥195,018 million
Total	¥1,798,494 million	Total	¥233,253 million

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

Assets		Liabilities	
Item	Amount	Item	Amount
Non-current Assets	¥5,022,581 million	Non-current Liabilities	¥365,937 million
Current Assets	¥226,494 million	Current Liabilities	¥186,691 million
Total	¥5,249,076 million	Total	¥552,629 million

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

Assets		Liabilities	
Item	Amount	Item	Amount
Non-current Assets	¥91,232 million	Non-current Liabilities	¥60,296 million
Current Assets	¥605,674 million	Current Liabilities	¥139,716 million
Total	¥696,907 million	Total	¥200,013 million

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

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

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

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

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

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

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

F. Outlook going forward

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

(2) Change of trade name

A. Reason for the change

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

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

B. Change date:

April 1, 2016 (planned)

[Other Notes]

1. The consolidated financial statements are prepared in conformity with the "Ordinance on Accounting of Companies" (Ordinance of the Ministry of Justice No. 13 of 2006) and according to the "Ordinance on Accounting at Electric Utilities" (Ordinance of the Ministry of Economy, Trade and Industry No. 57 of 1965).

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, with seriously recognizing the Company's position as a causing party, the Company is implementing the compensation from the viewpoint of speedy implementation of compensation for the nuclear victims 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 ¥595,940 million, which is the difference between the estimated amount for the previous year and that of this year which is ¥5,678,485 million after deducting ¥188,926 million of receipt of compensation pursuant to the provision of the "Act on Contract for Indemnification of Nuclear Damage Compensation" (Act No. 148 of June 17, 1961) and ¥278,908 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 ¥6,146,320 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 victims 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.

It is necessary for the Company to receive necessary financial aid from the Corporation in order to execute prompt and appropriate compensation, since the compensation for nuclear damages is the estimated amount to be presented as the payment from the Company, although it should be agreed upon by the nuclear victims. Accordingly, 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 26, 2015, the Company submitted an application for a change of the amount of financial support to ¥6,125,214 million, which was the estimated amount as of that date, and recorded ¥868,535 million as Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation for the fiscal year ended March 31, 2015. This amount is calculated as the difference between ¥5,657,379 million, which is the balance after deducting ¥188,926 million of receipt of compensation and ¥278,908 million of Grants-in-aid corresponding to the Cost of Decontamination, etc. from the aforesaid estimated amount as of March 26, 2015, and ¥4,788,844 million, which is the amount applied on December 27, 2013 for financial support to execute compensation.

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.

3. Loss Related to Interim Storage project of spent Fuel

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

4. Financial Covenants

Financial covenants on the financial position and operating results of the Company and its Group companies are attached to the Company's bonds of ¥1,255,887 million and long-term debt of ¥321,764 million.

5. Change in Ordinance on Accounting at Electric Utilities concerning Nuclear Power Units, etc.

On March 13, 2015, the "Ministerial Ordinance on Partial Amendment to the Ordinance on Accounting at Electric Utilities, etc." (Ordinance of the Ministry of Economy, Trade and Industry; hereinafter the "Amendment Ordinance") was enforced and the Ordinance on Accounting at Electric Utilities were revised. As a result of this amendment, in case of decommissioning any operating reactors on or after the enforcement date, companies were permitted to transfer to or record as a "Suspense account for decommissioning related nuclear power facilities" with application to the Minister of Economy, Trade and Industry, with respect to the book value of nuclear power units relating to the reactor (excluding fixed assets necessary for scrapping reactors, fixed assets requiring maintenances even after having discontinued operation of reactors and assets corresponding to asset retirement obligations), facilities in progress relating to the nuclear power units and nuclear fuel relating to the reactor, net of their expected disposal value, as well as the costs for reprocessing of irradiated nuclear fuel, etc. incurred in relation to the decommissioning of the reactor and the costs required for dismantling the nuclear fuel. This change is not applied retroactively pursuant to the provision of the Amendment Ordinance. This change had no effect on the consolidated financial statements.

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

The carrying value of the fixed assets necessary for scrapping reactors and fixed assets requiring maintenances even after having discontinued operation of reactors is ¥198,843 million.

7. Application of Consolidated Taxation

Consolidated taxation has been applied effective the fiscal year ended March 31, 2015.

Notes to Non-Consolidated Financial Statements

From April 1, 2014
to March 31, 2015

Tokyo Electric Power Company, Incorporated ("TEPCO" or the "Company")

[Significant Accounting Policies]

1. Basis and Method for Valuation of Assets

(1) Available-for-sale securities (securities classified as other securities under Japanese GAAP) included in long-term investments

Securities with readily determinable fair values are stated at fair value based on the market price, etc. on the balance sheet date (cost of securities sold is determined by the moving-average method), with unrealized gains or losses, net of applicable taxes, stated as a separate component of net assets.

Securities without readily determinable fair values are stated at cost determined by the moving-average method.

(2) Securities included in long-term investments in subsidiaries and affiliates

Stated at cost determined by the moving-average method.

(3) Inventories

Stated primarily at cost determined by the average method (the book value may be written down to market value due to decline in the profitability).

2. Depreciation and Amortization Method for Fixed Assets

Property, plant and equipment are depreciated by the declining-balance method.

Intangible fixed assets are amortized by the straight-line method.

Property, plant and equipment include the assets corresponding to asset retirement obligations related to the decommissioning measures for specified nuclear power units. The method of recording the related decommissioning costs is explained in "4. Decommissioning costs of nuclear power units."

3. Provision of Reserves

(1) Accrued pension and severance costs

In order to provide for payments of retirement benefits to employees, an asset or liability is established based on the projected benefit obligations and the plan assets estimated at the end of the fiscal year.

In determining the retirement benefit obligations, the straight-line basis is adopted as the attribution method of expected retirement benefits to the period up to the end of the fiscal year.

Actuarial gains and losses are charged to income from the period in which it arises using the straight-line method over a defined period (three years) within the average remaining service period of the employees as occurred.

(2) Reserve for reprocessing of irradiated nuclear fuel

In order to provide for the costs required for reprocessing irradiated nuclear fuel (except for those without specific reprocessing plans) generated in proportion to the corresponding combustion of nuclear fuel, reserve is made at the present value (discount rate 1.5%) of such costs.

According to Article 2 of the Supplementary Provisions to the Ordinance on Accounting at Electric Utilities (Ordinance of the Ministry of Economy, Trade and Industry No. 92 of 2005),

of the estimated costs for reprocessing irradiated nuclear fuel accrued by March 31, 2005, differences resulted from the accounting changes made in the fiscal year ended March 31, 2006 for recognition of the reserve are being recognized over 15 years from the fiscal year ended March 31, 2006 as an operating expense, i.e., an annual expense of ¥30,560 million until the year ending March 31, 2020.According to Paragraph 81 of the Guidelines for Handling of the Ordinance on Accounting at Electric Utilities, unrecognized actuarial gains and losses as of the end of the fiscal year (¥345,611 million) is being recognized as an operating expense from the following fiscal year throughout the period in which irradiated nuclear fuel with a specific reprocessing plan is produced.

(3) Reserve for preparation of the reprocessing of irradiated nuclear fuel

In order to provide for the costs required for reprocessing irradiated nuclear fuel without specific reprocessing plans, reserve is made at the present value (discount rate 4.0%) of such costs.

Such amount includes processing costs for loaded nuclear fuel at the time of decommissioning of the Fukushima Daiichi Nuclear Power Station.

(4) Reserve for loss on disaster

A. For the loss on the Niigataken Chuetsu-Oki Earthquake

In order to provide for the losses and expenses required for the restoration of assets damaged by the Niigataken Chuetsu-Oki Earthquake, reserve is made at an estimated amount at the end of the fiscal year.

B. For the loss on the Tohoku-Chihou-Taiheiyou-Oki Earthquake

In order to provide for the losses and expenses required for the restoration of assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, reserve is made at an estimated amount at the end of the fiscal year.

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

1) Expenses and/or losses for settling the nuclear accident and preparing for decommissioning of the Fukushima Daiichi Nuclear Power Station

Following the “Step 2 Completion Report – Roadmap towards Settlement of the Accident at the Fukushima Daiichi Nuclear Power Station, TEPCO” (December 16, 2011) prepared by Government-TEPCO Integrated Response Office established by the Nuclear Emergency Response Headquarters of the Government, “Mid-and-long-Term Roadmap towards the Decommissioning of the Fukushima Daiichi Nuclear Power Units 1-4, TEPCO” (December 21, 2011, hereinafter “Mid-and-long Term Roadmap”) was prepared by Government and TEPCO’s Mid-to-Long Term Countermeasure Meeting established by Nuclear Emergency Response Headquarters of the Government (most recently revised on June 27, 2013). Regarding expenses and/or losses related to Mid-and-long Term Roadmap, the Company records estimated amounts based on specific target periods and contents of individual countermeasures, if it is possible to estimate the amounts in the normal way.

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

2) Expenses for disposal of nuclear fuels in processing, within expenses and/or losses for decommissioning of the Fukushima Daiichi Nuclear Power Station Units 1 through 4

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

Disposal costs for loaded fuels are included in "Reserve for preparation of the reprocessing of irradiated nuclear fuel."

3) Expenses and/or losses for maintaining the status of "cold shutdown" at the Fukushima Daini Nuclear Power Station

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

4) Expenses and/or losses for restoring damaged thermal power plants

In order to provide for expenses and/or losses required for restoration of damaged thermal power plants, the Company records estimated amounts at the end of the fiscal year.

Additional Information

• Breakdown of reserve for loss on disaster as of March 31, 2015

A. For the loss on the Niigataken Chuetsu-Oki Earthquake	¥ 24,078 million
B. For the loss on the Tohoku-Chihou-Taiheiyou-Oki Earthquake:	¥ 495,772 million
Of which:	
1) Expenses and/or losses for settling the nuclear accident and preparing for decommissioning of the Fukushima Daiichi Nuclear Power Station	¥ 370,128 million
2) Expenses for disposal of nuclear fuels in processing, within expenses and/or losses for decommissioning of the Fukushima Daiichi Nuclear Power Station Units 1 through 4	¥ 5,232 million
3) Expenses and/or losses for maintaining the status of "cold shutdown" at the Fukushima Daini Nuclear Power Station	¥ 117,504 million
4) Expenses and/or losses for restoring damaged thermal power plants	¥ 2,610 million
5) Other	¥ 296 million
Total	¥ 519,850 million

• 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.

(5) Reserve for compensation for nuclear power-related damages

In order to provide for expenses required for compensation payments for nuclear power-related damages concerning the accident of the Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company records estimated amounts at the end of the fiscal year.

The Company has recorded a reserve for compensation for nuclear power-related damages after deducting the receivables 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 the amount 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 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 it 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 victims in the future.

Additional Information

On March 31, 2015, the "Ministerial Ordinance on Partial Amendment to the Ordinance on Accounting at Electric Utilities, etc." (Ordinance of the Ministry of Economy, Trade and Industry, partially effective from January 1, 2015) was promulgated. As a result of this amendment, receivables on grants-in-aid corresponding to the Cost of Decontamination, etc. are no longer recorded as of the application date for financial support as "Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation", but deducted from the estimated amount of "Reserve for compensation for nuclear power-related damages."

Accordingly, ¥278,908 million that corresponds to the receivables on Grants-in-aid corresponding to the Cost of Decontamination, etc., for which Grants-in-aid have been applied on March 26, 2015 pursuant to the provision of the Act on Corporation, are no longer included in "Reserve for compensation for nuclear power-related damages". This change is not applied retroactively in accordance with the applicable accounting regulations. This change had no effect on operating income, ordinary income or income before income taxes and minority interests for the fiscal year ended March 31, 2015, but "Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation" and "Reserve for compensation for nuclear power-related damages" as of March 31, 2015 each decreased by ¥278,908 million.

4. Method of Recording Decommissioning Costs of Nuclear Power Units

The Company applies paragraph 8 of "Guidance on Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan ("ASBJ") Guidance No. 21, March 25, 2011) to the decommissioning measures for specified nuclear power units stipulated by the "Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors" (Act No. 166 of June 10, 1957) and in accordance with the provisions of the "Ministerial Ordinance concerning Reserve

for Decommissioning Costs of Nuclear Power Units" (Ordinance of Ministry of Economy, Trade and Industry), the total estimated decommissioning costs of nuclear power units are charged to income by allocating them over the units' expected operational period plus expected safe storage period on a straight-line basis. The present value of the total estimated amount is recorded as an asset retirement obligations.

Additional Information

- 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 situations of the damages.

5. Accounting for Retirement Benefits

   Accounting method for unrecognized actuarial gains and losses for retirement benefits are different from that applied in preparing the consolidated financial statements.

6. Accounting for Consumption Taxes

   The tax-exclusion method is applied for the consumption tax and the local consumption tax.

[Changes in Accounting Policies]

The Company has applied the "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and the "Guidance on Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, March 26, 2015) effective the fiscal year ended March 31, 2015. The application of these accounting standard and guidance had no effect on the non-consolidated financial statements.

[Changes in Presentation]

1. Following the "Ministerial Ordinance on Arrangement of Relevant Ordinances of the Ministry of Economy, Trade and Industry incidental to the Enforcement of the Act on the Partial Amendment of the Nuclear Damage Compensation Facilitation Fund Act" (Ordinance of the Ministry of Economy, Trade and Industry No. 43 of August 15, 2014), the Ordinance on Accounting at Electric Utilities were revised. As a result of this revision, the former line items of "Grants-in-aid receivable from Nuclear Damage Liability Facilitation Fund" and "Grants-in-aid from Nuclear Damage Liability Facilitation Fund" are now changed to be presented as "Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation" and "Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation," respectively.

2. Foreign exchange differences ("Foreign exchange losses") are presented separately for this fiscal year due to the high materiality. Foreign exchange losses for the previous fiscal year included in "Other losses" were ¥3,917 million.

[Notes to Non-consolidated Balance Sheet]

1. Assets Pledged as Collateral and Collateralized Debt

(1) All of the Company's property is pledged as general collateral for bonds and loans from the Development Bank of Japan Inc.

Bonds (including current portion)	¥	3,901,109 million
Of which:		
Domestic	¥	3,875,987 million
Foreign	¥	25,122 million
Loans from the Development Bank of Japan Inc. (including current portion)	¥	753,269 million

(2) Pursuant to the Act on Compensation for Nuclear Damage (Act No. 147 of June 17, 1961), the Company has made a deposit as a measure of compensation for damages to be paid as the nuclear operator for cooling of nuclear reactors and treatment of accumulated water, etc. of the Fukushima Daiichi Nuclear Power Station.

Miscellaneous current assets	¥	120,000 million

2. Accumulated Depreciation of Property, Plant and Equipment ¥22,661,915 million

3. Guarantee Liabilities, etc.

(1) Guarantee liabilities

A. Guarantees of loans from financial institutions to the following companies		
Japan Nuclear Fuel Limited	¥	130,796 million
Morigasaki Energy Service Co.	¥	61 million
Tokyo Timor Sea Resources Inc.	¥	552 million
TEPCO Darwin LNG Pty. Ltd.	¥	3,071 million
Tokyo Electric Power Company International Paiton I B.V.	¥	1,723 million
Recyclable-Fuel Storage Company	¥	5,004 million
TeaM Energy Corporation	¥	8,252 million
SKZ-U LLP	¥	949 million
B. Guarantee of bonds issued by Japan Nuclear Fuel Limited	¥	8,226 million
C. Guarantee of performance of ITM O&M Company Limited of the operation and maintenance contract with Arabian Power Company Private Joint Stock Company	¥	720 million
D. Guarantee of performance of TeaM Sual Corporation of the power sales contract with National Power Corporation	¥	1,802 million
E. Guarantee of performance of KEPCO Ilijan Corporation of the power sales contract with National Power Corporation	¥	1,297 million
F. Guarantee of performance of Tokyo Electric Power Company International Paiton I B.V. of the interest rate swap contracts with financial institutions	¥	1,759 million
G. Guarantee of performance of PT IPM Operations and Maintenance Indonesia of the operation and maintenance contract with P.T. Paiton Energy	¥	803 million
H. Guarantee of loans from financial institutions to employees through property accumulation residence fund loan, etc.	¥	191,022 million
Total	¥	356,043 million

(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, with seriously recognizing the Company's position as a causing party, the Company is implementing the compensation from the viewpoint of speedy implementation of compensation for the nuclear victims 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.

4. Monetary Receivables and Payables to Subsidiaries and Affiliates

Long-term monetary receivables	¥93,502 million	Short-term monetary receivables	¥22,086 million
Long-term monetary payables	¥21,899 million	Short-term monetary payables	¥231,103 million

5. Fixed Assets relating to Incidental Businesses presented in the Statement of Income

Energy facility service business		
Dedicated fixed assets	¥	3,015 million
Allocation of shared fixed assets	¥	16 million
Total	¥	3,032 million
Real estate leasing business		
Dedicated fixed assets	¥	32,291 million
Allocation of shared fixed assets	¥	3,694 million
Total	¥	35,986 million
Gas supply business		
Dedicated fixed assets	¥	2,380 million
Allocation of shared fixed assets	¥	5,374 million
Total	¥	7,755 million

6. Reserve pursuant to the Provisions of Laws and Regulations Other than the Companies Act

Reserve for preparation of the depreciation of nuclear power construction

Pursuant to Article 35 of the Electricity Business Act, the Company records a reserve for preparation of the depreciation of nuclear power construction based on the "Ministerial Ordinance concerning Reserve for Preparation of the Depreciation of Nuclear Power Construction" (Ordinance of the Ministry of Economy, Trade and Industry) in order to average the burden of depreciation recognized immediately after the start of operations of the nuclear power stations.

[Notes to Non-consolidated Statement of Income]

Transactions with Subsidiaries and Affiliates

Operating transactions		
Expenses	¥	574,362 million
Revenues	¥	29,748 million
Non-operating transactions	¥	2,315 million

[Notes to Non-consolidated Statement of Changes in Net Assets]

Number of Treasury Shares as of March 31, 2015 3,084,544 shares

[Income Taxes]

Major causes for accrual of deferred tax assets are reserve for compensation for nuclear power-related damages, reserve for loss on disaster and asset retirement obligations. Major causes for accrual of deferred tax liabilities are grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation.

Deferred tax assets and liabilities are not presented in the balance sheet because a valuation allowance is credited in an amount equal to the net deferred tax assets after offsetting expected reversal of taxable and deductible temporary differences.

[Fixed Assets used under Lease]

In addition to the fixed assets recorded on the balance sheet, a part of nuclear power units are used under finance leases that do not transfer ownership of the leased assets.

[Related Party Transactions]

Major Shareholders

Category	Name	Description of business or occupation	Ownership (owned) percentage of voting rights, etc.	Relationship	Transac-tions	Transaction amounts (million yen)	Account	Fiscal year-end balance (million yen)
Major share-holder	Nuclear Damage Compensation and Decommissioning Facilitation Corporation	Receiving contributions, extending grants-in-aid, consultation and other incidental businesses pursuant to the Act on Nuclear Damage Compensation and Decommissioning Facilitation Corporation	50.1% directly (owned)	Receipt of Grants-in-aid and payment of contribution pursuant to the Act on Nuclear Damage Compensation and Decommissioning Facilitation Corporation	Receipt of Grants-in-aid	1,044,300	Grants-in-aid receivable from Nuclear Damage Compensation and Decommissioning Facilitation Corporation	926,079

The terms and conditions and policies for their determination

(Note) Transactions with Nuclear Damage Compensation and Decommissioning Facilitation Corporation are grants-in-aid under Article 41, Paragraph 1 of the Act on Nuclear Damage Compensation and Decommissioning Facilitation Corporation.

Subsidiaries and Other

Category	Name	Description of business or occupation	Ownership (owned) percentage of voting rights, etc.	Relationship	Transac-tions	Transaction amounts (million yen)	Account	Fiscal year-end balance (million yen)
Affiliate	Japan Nuclear Fuel Limited	Uranium concentration, reprocessing, waste management and underground waste disposal businesses	28.6% directly (own)	Uranium concentration, reprocessing of irradiated nuclear fuel, entrustment of temporary storage of high level radioactive waste and underground disposal of low level radioactive waste (Number of common directors, etc.) Common: 1 Transferred: 3	Guarantee of debt (Note)	139,022	–	–

The terms and conditions and policies for their determination

(Note) The guarantee provided to Japan Nuclear Fuel Limited is guarantee of loans from financial institutions and bonds.

[Per Share Information]

1. Net Assets per Share 410.21 yen

(Note) Net assets per share are calculated based on total net assets less payment of preferred stock by the Nuclear Damage Compensation and Decommissioning Facilitation Corporation. The basis of calculation is as follows.

(Basis of calculation)

Total net assets on the balance sheet	¥1,657,945 million
Amounts to be deducted from net assets	¥1,000,000 million
Of which payment of preferred stock	¥1,000,000 million
Net assets as of March 31, 2015 attributable to common stock	¥ 657,945 million
Number of shares of common stock as of March 31, 2015 which was used to calculate net assets per share	1,603,932 thousand shares

2. Net Income per Share 266.23 yen

[Significant Subsequent Events]

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

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

The effect of the Splits and the change of trade names are subject to approval of the related proposals at the 91st ordinary general shareholders meeting planned to be convened on June 25, 2015, as well as issuance by the competent authorities of permits and approvals necessary for the performance of business.

1. Transition to Holding Company System through Company Split

(1) Background and purposes of Splits

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

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

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

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

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

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

After the transition to a holding company system, the holding company will be responsible for dealing with compensation, decommissioning, decontamination, and promoting

revitalization, and by setting forth management strategies for the overall group and optimally distributing management resources will work to enhance efficient business operations and competitiveness.

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

(2) Overview of Splits

A. Schedule of Splits

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

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

B. Method of Splits

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

C. Particulars of allotment in Splits

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

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

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

E. Change in stated capital through Splits

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

F. Rights and duties assumed by succeeding companies

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

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

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

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

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

G. Prospects for performance of obligations

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

(3) Overview of business divisions subject to Splits

A. Business description of divisions subject to Splits

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

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

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

(Note) External sales are stated.

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

1) Assets and liabilities to be transferred in Splits to Tokyo Electric Power Fuel & Thermal Power Generation Business Split Preparation Company, Incorporated

Assets		Liabilities	
Item	Amount	Item	Amount
Non-current Assets	¥1,525,476 million	Non-current Liabilities	¥38,235 million
Current Assets	¥273,018 million	Current Liabilities	¥195,018 million
Total	¥1,798,494 million	Total	¥233,253 million

2) Assets and liabilities to be transferred in Splits to Tokyo Electric Power Transmission & Distribution Business Split Preparation Company, Incorporated

Assets		Liabilities	
Item	Amount	Item	Amount
Non-current Assets	¥5,022,581 million	Non-current Liabilities	¥365,937 million
Current Assets	¥226,494 million	Current Liabilities	¥186,691 million
Total	¥5,249,076 million	Total	¥552,629 million

3) Assets and liabilities to be transferred in Splits to Tokyo Electric Power Retail Sales Business Split Preparation Company, Incorporated

Assets		Liabilities	
Item	Amount	Item	Amount
Non-current Assets	¥91,232 million	Non-current Liabilities	¥60,296 million
Current Assets	¥605,674 million	Current Liabilities	¥139,716 million
Total	¥696,907 million	Total	¥200,013 million

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

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

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

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

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

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

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

(6) Outlook going forward

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

2. Change of Trade Name

(1) Reason for the change

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

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

(2) Change date:

April 1, 2016 (planned)

[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, with seriously recognizing the Company's position as a causing party, the Company is implementing the compensation from the viewpoint of speedy implementation of compensation for the nuclear victims 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 ¥595,940 million, which is the difference between the estimated amount for the previous year and that of this year which is ¥5,678,485 million after deducting ¥188,926 million of receipt of compensation pursuant to the provision of the "Contract for Indemnification of Nuclear Damage Compensation Act" (Act No. 148 of June 17, 1961) and ¥278,908 million of grants-in-aid applied pursuant to the provision of the "Act on Nuclear Damage Compensation and Decommissioning Facilitation Corporation" (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 ¥6,146,320 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 victims 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.

It is necessary for the Company to receive necessary financial aid from the Corporation in order to execute prompt and appropriate compensation, since the compensation for nuclear damages is the estimated amount to be presented as the payment from the Company, although it should be agreed upon by the nuclear victims. Accordingly, 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 26, 2015, the Company submitted an application for a change of the amount of financial support to ¥6,125,214 million, which was the estimated amount as of that date, and recorded ¥868,535 million as Grants-in-aid from Nuclear Damage Compensation and Decommissioning Facilitation Corporation for the fiscal year ended March 31, 2015. This amount is calculated as the difference between ¥5,657,379 million, which is the balance after deducting ¥188,926 million of receipt of compensation and ¥278,908 million of Grants-in-aid corresponding to the Cost of Decontamination, etc. from the aforesaid estimated amount as of March 26, 2015, and ¥4,788,844 million, which is the amount applied on December 27, 2013 for financial support to execute compensation.

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. Loss Related to Interim Storage project of spent Fuel

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

3. Financial Covenants

Financial covenants on the financial position and operating results of the Company and its Group companies are attached to the Company's bonds of ¥1,255,887 million and long-term debt of ¥321,764 million.

4. Change in Ordinance on Accounting at Electric Utilities concerning Nuclear Power Units, etc.

On March 13, 2015, the "Ministerial Ordinance on Partial Amendment to the Ordinance on Accounting at Electric Utilities, etc." (Ordinance of the Ministry of Economy, Trade and Industry; hereinafter the "Amendment Ordinance") was enforced and the Ordinance on Accounting at Electric Utilities were revised. As a result of this amendment, in case of decommissioning any operating reactors on or after the enforcement date, companies were permitted to transfer to or record as a "Suspense account for decommissioning related nuclear power facilities" with application to the Minister of Economy, Trade and Industry, with respect to the book value of nuclear power units relating to the reactor (excluding fixed assets necessary for scrapping reactors, fixed assets requiring maintenances even after having discontinued operation of reactors and assets corresponding to asset retirement obligations), facilities in progress relating to the nuclear power units and nuclear fuel relating to the reactor, net of their expected disposal value, as well as the costs for reprocessing of irradiated nuclear fuel, etc. incurred in relation to the decommissioning of the reactor and the costs required for dismantling the nuclear fuel. This change is not applied retroactively pursuant to the provision of the Amendment Ordinance. This change had no effect on the non-consolidated financial statements.

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

The carrying value of the fixed assets necessary for scrapping reactors and fixed assets requiring maintenances even after having discontinued operation of reactors is ¥198,843 million.

6. Application of Consolidated Taxation

Consolidated taxation has been applied effective the fiscal year ended March 31, 2015.