

September 2, 2016

Mr. Fumio Sudo, Chairman  
Tokyo Electric Power Company Holdings, Inc.

Nuclear Reform Monitoring Committee

**REPORT OF THE NUCLEAR REFORM MONITORING COMMITTEE  
TO THE BOARD OF DIRECTORS OF TEPCO HOLDINGS**

Results of the Monitoring Progress of the Nuclear Safety Reform Plan  
- Findings of the Nuclear Reform Monitoring Committee reported to  
TEPCO Holdings Board of Directors -

The Nuclear Reform Monitoring Committee (hereinafter referred to as “Committee”) held its 11<sup>th</sup> Committee meeting in Tokyo on September 2, 2016. At that meeting, it was given a report by Tokyo Electric Power Company Holdings, Inc. (TEPCO) on progress in implementation of the Nuclear Safety Reform Plan, and a separate report providing the company’s self-assessment of that progress.

The self-assessment reviewed the activities undertaken since inception of the Nuclear Safety Reform Plan in March 2013. The self-assessment is intended to measure the levels of achievement and identify areas requiring improvement.

Previously, the Committee has provided its input into the self-assessment process. The Committee set the “Criteria for the Goals and Objectives of Nuclear Safety Reform” and conducted site visits to Kashiwazaki Kariwa last November with primary focus on in-house technical self-sufficiency and emergency response capability, and to Fukushima Daiichi this past March regarding on-site nuclear risk management and exposure dose management.

In its preliminary review of the self-assessment, the Committee believes that the assessment reflects a sincere effort to evaluate performance in implementation of the Nuclear Safety Reform Plan, including benchmarking against international practices and attempting quantitative assessment. The Committee also believes that the exercise has

been a valuable component of the company's pursuit of world-class excellence in performance. In the coming months, the Committee will review the self-assessment, verify its findings, and make recommendations for further improvement. In order to aid in this review and provide the perspective of a nuclear operator, the Committee has invited Mr. Randall Edington,<sup>1</sup> Executive Vice President and CNO, Arizona Public Service, to provide technical assistance.

At the same time, the Committee expects TEPCO to be continuously asking the following questions:

- ✓ Is the company prepared to meet public expectations and address its concerns?
- ✓ What past conduct needs to be improved in the future?
- ✓ Are appropriate mechanisms and tools are provided for the management of onsite risks and performance, employee engagement and internal communication?
- ✓ Do any nuclear safety reform practices need to be improved?

The Committee also requests TEPCO divisions to develop and implement measures within their areas of responsibility that will provide the improvements identified as necessary by the self-assessment report.

The Committee also received the report of the external independent committee on the issue of the timeliness of "meltdown" communications after the 3/11 accident. The Committee believes that the primary implication of that report for the future is the continuing need for timely, accurate, thorough, and understandable communications and consistent implementation of own commitments.

The Committee also reiterates that:

- ✓ Proactive communication is a key component of the nuclear safety reform.

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<sup>1</sup> Mr. Edington has been in charge of Palo Verde Nuclear Power Station and has led it to achieve notable safety and performance records. Palo Verde is the largest nuclear power station in the United States. Mr. Edington chaired the Executive Advisory Group of INPO (Institute of Nuclear Power Operations) with a mission to promote the highest levels of safety and reliability, and was a member of the Fukushima Steering Committee.

- ✓ Effective governance is key to embedding the Nuclear Safety Reform Plan, including its communications components, throughout the organization.
- ✓ It is important to close any gaps in attitudes between leaders and those who must implement.
- ✓ Enhancement of defense-in-depth in management systems is as important as defense-in-depth for equipment.

The Committee will continuously monitor implementation of the company's commitments to prioritize safety and to provide accurate and easy-to-understand communication that meets the expectation of its stakeholders.