

March 30, 2015

Mr. Fumio Sudo, Chairman
The Tokyo Electric Power Company

Nuclear Reform Monitoring Committee

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

During the 8th Nuclear Reform Monitoring Committee meeting held today a report on TEPCO's nuclear reform efforts over the last two years was received.

Whereas TEPCO is making progress with nuclear safety reform it is clear in light of the fatal accidents and the failure to disclose information concerning drainage channels at the Fukushima Daiichi NPS that problems still remain. We therefore offer the following recommendations.

Nuclear Safety Culture

- TEPCO management and Nuclear Division executives are taking the initiative to achieve nuclear safety through such actions as discussing safety as the first priority at the beginning of meetings (“safety minutes”) and going into the field to confirm conditions and give instructions directly. Furthermore, it is apparent that all Nuclear Division personnel have increased their awareness of safety by performing self-assessments of their actions and comparisons with the best practices of organizations and individuals that have achieved the world's highest level of nuclear safety.
- However, in light of three recent serious accidents it is important that the safety awareness of not only TEPCO, but also contractors, be increased. The Committee expects that TEPCO and contractors will work together to construct a mechanism for gathering and analyzing information on field accidents and near misses in an effort to prevent the recurrence of these incidents, and that the status of these efforts be reported to this committee.

- The NSOO has provided oversight and advice on nuclear safety initiatives independent from the executive officers and has reported directly to the Board of Directors. The Committee views positively the appointment of Dr. John Crofts, Head of NSOO, as Managing Executive Officer, Chief Nuclear Safety Officer and Head of NSOO along with the repositioning of the NSOO as directly under the CEO to become more directly involved in nuclear safety decision-making from a position closer to the field.

Communication/Information Disclosure

- In regard to communication, it was recommended that further improvements be made to correct the discrepancy that exists between the some of the company's actions and society's expectations for thoroughly disclosing information, and supporting efforts to guarantee transparency.
- The failure to disclose information on drainage channel K at the Fukushima Daiichi NPS that came to light recently has forced this committee to deem TEPCO's efforts to disclose information to be insufficient to meet society's expectations.
- The Nuclear Reform Monitoring Committee established the Information Disclosure Subcommittee to investigate and verify. It has become clear that the "*countermeasures created in light of the failure to disclose information on contaminated water flowing into the bay*" that were created and publicly announced by TEPCO in July 2013 have not permeated throughout upper management/Nuclear Division executives nor the organization as a whole. Investigation and verification will be continued on this matter.
- The new information disclosure policy for Fukushima Daiichi that TEPCO has created, which calls for all radiation data to be disclosed and for this mechanism to be monitored and assessed by external parties, has been deemed adequate. The Committee expects that TEPCO will consider and develop a mechanism to disclose information that is acceptable to stakeholders based on thorough consideration of the input from all stakeholders including the local communities, government, regulator and others.
- It is important that TEPCO sufficiently considers measures to reduce work loads in the field and that upper management and Nuclear Division executives exhibit leadership required to guarantee that this policy is implemented without fail. This committee shall receive reports on the implementation status of this policy as suitable and shall conduct its own inspections and assessments.

Safety Countermeasures/Emergency Response

- At the Kashiwazaki-Kariwa NPS, implementation of safety countermeasures based on the lessons learned from the Fukushima Daiichi accident are proceeding smoothly. It is important that best practices from overseas are benchmarked and that the organization continually engages in further safety improvements.
- Accident prevention training is being implemented using various accident scenarios and jointly with other organizations. Simulator training is also conducted for operators. Problems are then identified and improvements made thereby enabling the organization to achieve a certain level of safety. It is expected that realistic training be repeatedly implemented in order to further improve efficacy, and that the lessons learned through training be reflected in daily work.

Work Environment Improvement

- TEPCO is aiming to create an environment in which contractor workers can work comfortably and safely, by setting up rest areas, a meal preparation center, emergency medical care facility and others, with a view to improving overall working conditions. Results of a survey of workers at Fukushima Daiichi indicate that working conditions are improving. The Committee compliments TEPCO for its initiatives. It is important that continued efforts be made to improve the work environment.

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