

June 5, 2017

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 13<sup>th</sup> Committee meeting in Tokyo on June 5, 2017. At that meeting, it was given a report by Tokyo Electric Power Company Holdings, Inc. (TEPCO) on progress in the implementation of the Nuclear Safety Reform Plan, with specific focus on actions to address the recommendations based on the Committee’s review of TEPCO’s self-assessment of nuclear reform.

### **Safety Culture and Follow-up from Self-Assessment Review**

This past January, the Committee made recommendations to TEPCO regarding the pursuit of excellent performance and the commitment to a strong safety culture, including the following:

1. Enhancement of governance
2. Evaluation of the need of formal training and/or professional facilitation for the managers to instill a strong safety culture throughout the organization
3. Building an effective communication structure and conducting communication drills
4. Development of a safety culture program for the contractors to the same standards being implemented for TEPCO personnel

Based on the progress report by TEPCO at the meeting, the Committee believes that these recommendations are being implemented by actions including the development of “Management Model” and “Leadership/Common Fundamentals,” improvement in “Change Management,” and setting the roadmap for the Nuclear Education and Training Center (which will incorporate a restructuring of education and training programs, and management systems for human resources development) and enhanced communication with contractors on safety culture.

### **Formation of Nuclear Safety Advisory Board**

In the past meetings, the Committee also recommended that TEPCO invite experienced international technical experts with substantial expertise nuclear operations, to provide a review of safety and equipment reliability, and to assure the readiness of the plants to a degree that exceeds regulatory requirements. At our June meeting, the Committee was informed that, in response to that recommendation, TEPCO has created a group of experts (to be named the “Nuclear Safety Advisory Board”). The Nuclear Safety Advisory Board will provide the aforementioned reviews and focus on operations, maintenance, engineering, organizational effectiveness, as well as other matters relating to safety. The Committee expects this group of experts to be an effective technical support for TEPCO.

### **Kashiwazaki-Kariwa Nuclear Power Station**

Based on the issues recognized in the regulatory review process on emergency response facilities for Kashiwazaki-Kariwa Nuclear Power Station, the Committee encourages TEPCO to quickly revisit its communication with local stakeholders and take actions in accordance with the commitments it has made. The Committee will continuously monitor the progress of TEPCO’s commitments and raise awareness of the matters which should be improved to restore the public trust.

### **Safety Communications**

TEPCO has engaged in improvement of internal and external communications since its adoption of the Nuclear Safety Reform Plan. The Committee continues to encourage TEPCO to make further efforts and improvements in this area.

### **Conclusion**

The Committee believes that many of the individual components of the Nuclear Safety Reform Plan are intended to create a strong safety culture. The Committee has seen major progress under the leadership of TEPCO for such a strong safety culture to take root, and further expects that the culture is being instilled in the organization in a way that it does not depend on the presence of any particular leaders or on the Committee’s oversight, and will become a part of the company’s DNA.

On this occasion of management change of TEPCO, the Committee expects the incoming management to continue to take a strong lead in nuclear safety reform.