

March 9, 2022

Tokyo Electric Power Company Holdings, Inc.
Board of Directors

Results from the Monitoring of Nuclear Safety Reforms

In April 2021, the Nuclear Reform Monitoring Committee (NRMC) welcomed additional new members thereby strengthening the organization, and at Tokyo Electric Power Company Holdings, Inc. (hereinafter referred to as, “TEPCO HD”) we have been monitoring the status of investigations into the causes of, and countermeasures for, the series of incidents that occurred at the Kashiwazaki-Kariwa Nuclear Power Station last year, such as incidents pertaining to physical protection, and the discovery of incomplete safety measure renovations.

At the 19th meeting of the NRMC held today, we received reports from TEPCO HD on the current status of investigations into the causes of these incidents and the status of essential nuclear reform initiatives.

In light of TEPCO HD initiatives engaged in from the time these incidents were discovered until today, the NRMC would like to emphasize the following.

- The NRMC would once again like to profess that the fact that, “*TEPCO HD management was unable to ascertain and prevent physical protection issues, and also quality assurance issues with tasks performed to comply with technical regulations,*” is a serious problem.
- The government has announced a basic policy for the disposal of water treated with multi-nuclide removal equipment at Fukushima Daiichi. The NRMC believes that it is vital for TEPCO HD to prioritize safety while suitably managing treated water and disclose information. The NRMC would also like to express its expectations for the rebirth of TEPCO HD as a nuclear operator that is trusted by society; a feat that will be achieved by having each and every employee remain alert, face the facts and the lessons learned from the accident, engage in their daily duties while prioritizing safety, and continually show results.

- For the time being, the NRMC shall monitor and supervise the following key issues:

- ✓ Initiatives to continually improve safety

TEPCO HD has strengthened its risk management by creating risk management systems and clarifying risk response processes. The NRMC believes it is important to continually engage in these initiatives due to the fact that risks to be addressed will change depending on the business environment and the external environment.

The NRMC hopes that when engaging in these initiatives to continually improve safety, TEPCO HD will share the objectives of these initiatives with each and every employee upon reducing workloads by eliminating redundant tasks, and creating easy-to-understand rules and regulations.

- ✓ Control-focused management

Based on the benchmarking of nuclear operators overseas, in 2016, the Nuclear Power Division created a Management Model that outlines the actions and ideal state of a nuclear operator with the world's highest levels of safety in accordance with the GOSP (Governance, Oversight, Support, Performance) concept, in order to demonstrate exemplary performance in the field of nuclear safety.

However, at current time it is difficult to say that the aforementioned Management Model has thoroughly permeated throughout the organization, and in light of the incidents that have occurred recently, the NRMC believes that TEPCO HD has deviated to some extent from the ideal state outlined in the Management Model.

In light of recent issues, NRMC would like TEPCO HD to implement countermeasures and effectiveness assessments to address issues in key areas, in particular, company organizational structure, (including Headquarters and power station sites), the problem of dependency on contractors, fire protection programs, configuration management (management of plant equipment design requirements, the physical configuration of actual structures/systems/equipment, and equipment configuration data in design/equipment schematics), project management, and governance & oversight function.

- ✓ Communication within the organization and with society

Communication is the key to encouraging open dialogue within TEPCO HD, swiftly identifying technical challenges and conducting operations effectively.

Through honest conversations and dialogue, each TEPCO employee will be able to identify issues, share problems, and strengthen cooperation between departments.

Risk communication is an important tool for implementing TEPCO's Nuclear Safety Reform Plan. Based upon communications plans, consistency ("one voice") shall be prioritized and embodied/demonstrated when delivering clear and concise safety-related messages. Risk communication needs to be conducted by setting out clear objectives, and through carefully designed methods. And, the effectiveness of risk communications will be continuously reviewed.

We hope that through honest and sincere dialogue with a range of stakeholders in society TEPCO HP will be able to restore trust at home and abroad.

The NRMC expects that TEPCO HD will follow through with initiatives aimed at addressing these key issues and strengthen mechanisms for ensuring that the president takes full responsibility for the company's actions, while also fulfilling its social responsibilities as a nuclear operator.

The NRMC would like to receive updates on the progress of the reforms engaged in by TEPCO HD as well as the status of improvements implemented to address the aforementioned key issues by the first half of FY2022.

Nuclear Reform Monitoring Committee

Chairman Dr. Dale Klein

NRMC Members:

Mr. Amir Shahkarami

Dr. Mariko Nishizawa

Mr. Masafumi Sakurai

Dr. Yoshimitsu Kobayashi

Mr. Shoichiro Onishi

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