Annual Report 2005

Year ended March 31, 2005

TOKYO ELECTRIC POWER COMPANY

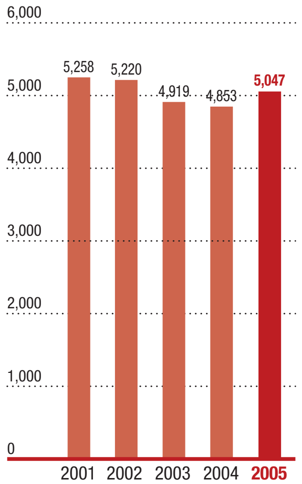
Consolidated Financial Highlights

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Years ended March 31

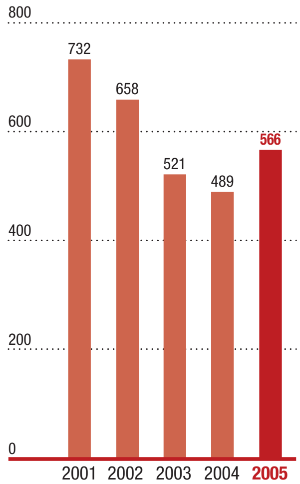
	Millions of yen, unless otherwise noted		Millions of U.S. dollars, unless otherwise noted (Note 1)
	2005	2004	**2005**
For the year:			
Operating revenues	**¥ 5,047,210**	¥ 4,853,826	**$ 47,030**
Operating income	**566,304**	489,004	**5,277**
Net income	**226,177**	149,550	**2,108**
Per share of common stock (Yen and U.S. dollars):			
Net income (basic)	**¥ 167.29**	¥ 110.53	**$ 1.56**
Net income (diluted)	**—**	110.32	**—**
Cash dividends	**60.00**	60.00	**0.56**
Total shareholders' equity	**1,853.52**	1,748.06	**17.27**
At year-end:			
Total shareholders' equity	**¥ 2,502,157**	¥ 2,360,475	**$ 23,315**
Total assets	**13,748,843**	13,900,906	**128,111**
Financial ratios:			
ROA (%) (Note 2)	**4.1**	3.5	
ROE (%) (Note 3)	**9.3**	6.5	
Equity ratio (%)	**18.2**	17.0	

Notes: 1. All dollar amounts herein refer to U.S. currency. Yen amounts have been translated, solely for the convenience of the reader, at the rate of ¥107.32 to US$1.00 prevailing on March 31, 2005.
2. ROA = Operating income/Average total assets
3. ROE = Net income/Average total shareholders' equity
4. Amounts of less than one million yen have been omitted. All dollar figures and percentages have been rounded to the nearest unit.

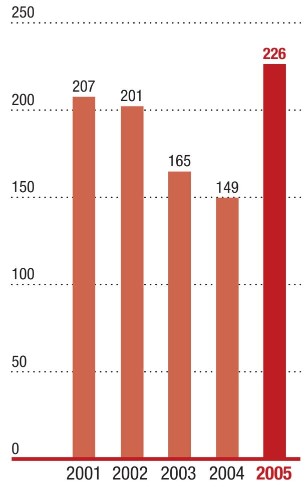
Operating Revenues
(Billions of yen)



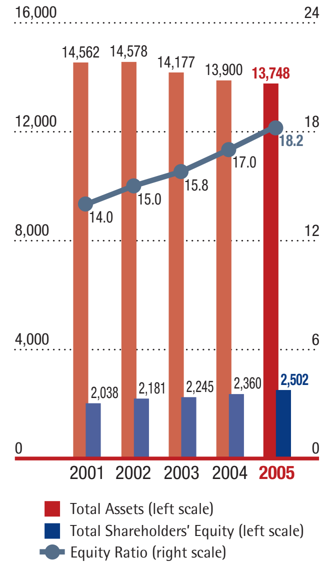
Operating Income
(Billions of yen)



Net Income
(Billions of yen)



Total Assets, Total Shareholders' Equity and Equity Ratio
(Billions of yen, %)



Note: Graphs are based on fiscal years ended March 31.

Forward-Looking Statements

This annual report contains forward-looking statements regarding the Company's plans, outlook, strategies and results for the future. All forward-looking statements are based on judgments derived from the information available to the Company at the time of publication.

Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this report. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's businesses; competitive pressures; related laws and regulations; product development programs; and changes in exchange rates.

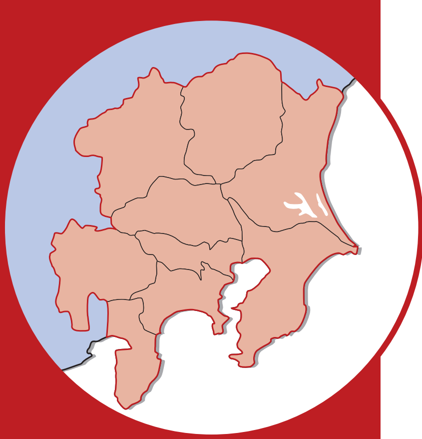
Profile

The Tokyo Electric Power Company, Incorporated (TEPCO) was established in 1951 to supply electric power to the Tokyo metropolitan area, and for more than half a century has continued to support society and public life with low-cost, high-quality electric power.

Weak economic growth and society's increased emphasis on energy conservation have slowed the growth in power consumption. Following the liberalization of the retail electric power market that took effect in April 2005, customers in the liberalized retail power market will account for approximately 60 percent of our total sales of electricity.

The entire TEPCO Group is working together in an effort to increase management efficiency, with a view toward realizing our business philosophy of contributing to better lifestyles and environments by providing superior energy services. TEPCO will push forward with such ongoing programs as developing new technologies, enhancing customer services through management efficiency, and addressing environmental issues. We will also actively enter new areas of business and develop new business activities as the basis for future growth.

The Tokyo metropolitan area, which is TEPCO's principal service area, accounts for about 10 percent of Japan's land area, yet its population of about 43 million people accounts for about one-third of Japan's population. Moreover, this area has a gross regional product of ¥184 trillion annually, which accounts for approximately 40 percent of Japan's total gross domestic product.



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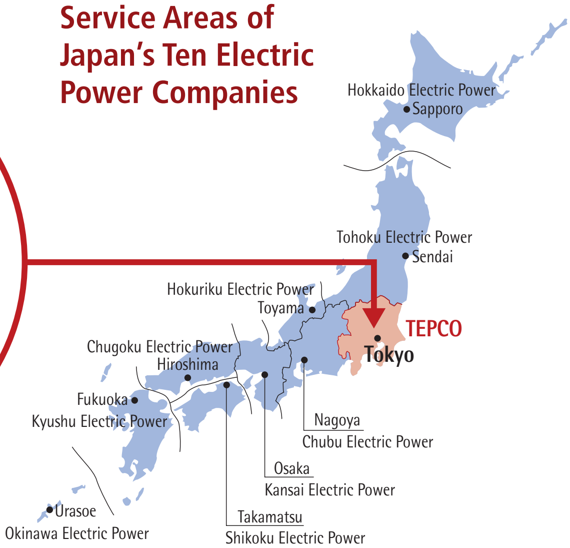
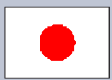
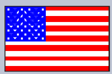
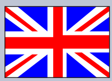
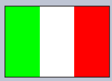
Service Areas of Japan's Ten Electric Power Companies



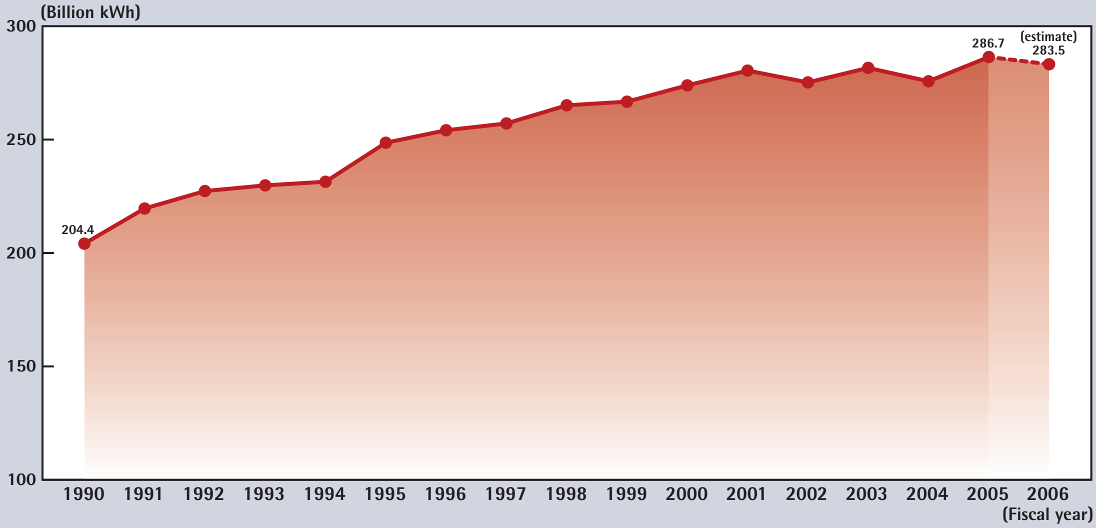
TEPCO at a Glance

Power Output by Country and Sales of Major Electric Power Companies

Country	Power Output (Note 1) (Billion kWh)	Power Output Composition by Energy Source (Note 1) (%)	Major Electric Power Companies	Electricity Sales (Note 2) (Billion kWh)
Japan 	1,087.7	Nuclear 27.1% Hydro 7.6% Coal 26.8% Gas 22.5% Oil 13.4% Others 2.6%	TEPCO	276.0
			Kansai Electric Power	140.2
			Chubu Electric Power	122.2
U.S.A. 	3,992.7	Nuclear 20.1% Hydro 5.9% Coal 51.3% Gas 17.8% Oil 2.5% Others 2.4%	Duke Power	82.8
			PECO Energy	36.7
			Consolidated Edison	30.6
U.K. 	384.5	Nuclear 22.9% Hydro 1.2% Coal 32.8% Gas 39.6% Oil 1.8% Others 1.7%	POWERGEN	72.0
			RWE ENERGY	59.3
Italy 	277.5	Hydro 14.2% Coal 14.6% Gas 35.8% Oil 31.6% Others 3.8%	ENEL	152.1

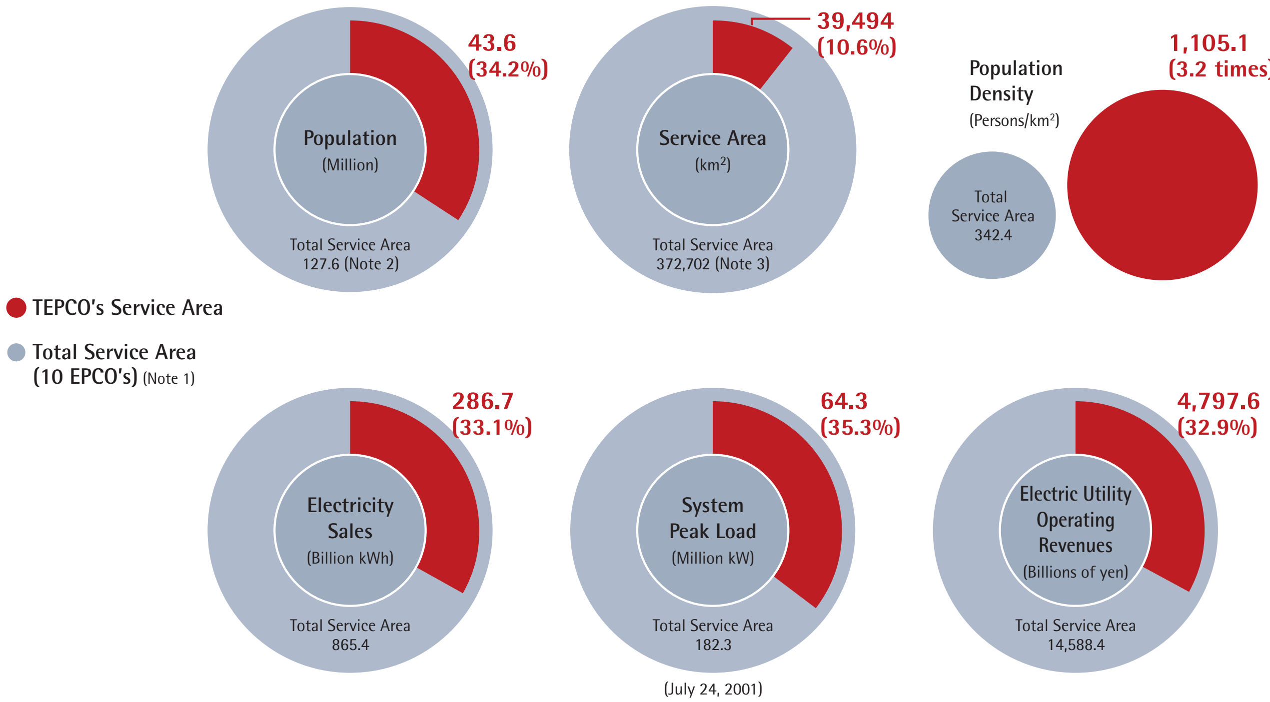
Notes: 1. Source: ENERGY BALANCES OF OECD COUNTRIES 2001-2002
2. Figures for electricity sales do not include wholesale and trading, and cover fiscal 2003 for the respective power companies.

TEPCO's Electricity Sales



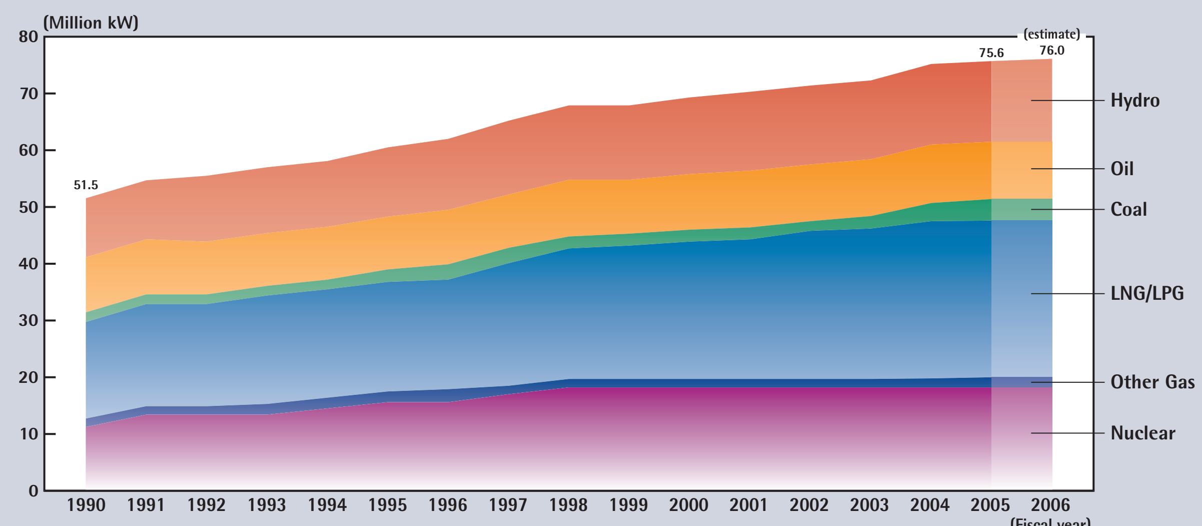
TEPCO's Position in the Japanese Electric Power Industry

(As of March 31, 2005 unless otherwise noted)



Notes: 1. Electric power companies
2. The population figure is an estimate as of January 1, 2005 (prepared by the Statistics Bureau, Ministry of Public Management, Home Affairs, Posts and Telecommunications).
3. Source: Hand Book of Electric Power Industry (2004 edition)

TEPCO's Power Generation Facilities



Note: Includes power purchased from other utilities

To Our Shareholders and Investors


Left: Shigemi Tamura, Chairman
Right: Tsunehisa Katsumata, President

The Tokyo Electric Power Company, Incorporated (TEPCO) announced Management Vision 2010 in October 2004 to support the TEPCO Group's growth and development. As competition intensifies, the entire TEPCO Group is working together to achieve the goals of this medium-term management policy. The TEPCO Group is also working to continuously increase enterprise value by consistently fulfilling its responsibility to society in areas including corporate governance, corporate ethics and compliance.

Operating Conditions and Results

During fiscal 2005, the fiscal year ended March 31, 2005, Japan's economy continued a steady recovery during the first half of the fiscal year supported by factors such as significant improvement in corporate profits and increased private capital investment. The recovery moderated in the second half as growth in exports and consumer spending slowed.

In this environment, our sales of electricity increased 3.9 percent from the previous fiscal year to 286.7 billion kWh. Factors supporting the increase included a record-hot summer, which caused demand for air conditioning to increase substantially, and greater industrial electricity use in reflection of the economic recovery.

The increase in electricity sales in our electric power business compensated for a rate reduction implemented in October 2004. As a result, consolidated operating revenues increased 4.0 percent to ¥5,047.2 billion. Fuel costs and expenses for purchases of electric power decreased as the utilization ratio of nuclear power plants recovered substantially. In addition, TEPCO restrained capital investment, which resulted in reduced depreciation expenses. Maintenance costs increased, however, mainly because of higher outlays for inspection, maintenance and repair to ensure safety at nuclear power plants. These were among the factors that resulted in a 2.7 percent increase in operating expenses to ¥4,480.9 billion.

Consequently, consolidated operating income increased 15.8 percent to ¥566.3 billion. Consolidated net income increased 51.2 percent to a record ¥226.1 billion. Cash dividends totaled ¥60.00 per share, unchanged from the previous fiscal year.

Management Environment and Challenges

Low economic growth and other factors have slowed growth in demand for electric power. The scope of liberalization of the retail electric power market expanded further in April 2005, and customers in the liberalized retail power market now account for more than 60 percent of our sales of electricity. At the same time, a wholesale electric power exchange was established for brokering purchases and sales of electric power on a national scale and the market environment has been made more competitive. TEPCO is therefore preparing for a new phase in its operating environment.

With competition intensifying, the TEPCO Group must work together and deploy its comprehensive strengths in order to succeed. TEPCO therefore announced Management Vision 2010 in October 2004, the first medium-term management policy designed for the TEPCO Group. Management Vision 2010 entails further strengthening cooperation among Group companies to provide comprehensive services that encompass energy, telecommunications, and other businesses. It also includes raising operating efficiency, and other initiatives. We will promote unified Group management in every aspect of operations.

In 2004, TEPCO further enhanced the soundness and transparency of management. We also moved to accelerate decision-making by implementing a reform of the corporate management system that included reducing the number of directors, implementing a corporate executive officer system and adding an outside corporate auditor. Looking forward, we will continue to strengthen corporate governance aggressively, while fulfilling obligations to society in the areas of corporate ethics, regulatory compliance and disclosure of information, as well as in areas including safety, environmental protection and stable supply.

Maximizing Stakeholder Satisfaction

As a company that operates in the electric power business, TEPCO relies on many stakeholders, including shareholders and investors, customers, local residents, and employees. Their presence is essential to manage our operations smoothly and we have an obligation to our various stakeholders. We must maximize the overall satisfaction of our many stakeholders by responding to their interests. TEPCO is working to continuously increase enterprise value by achieving success in the initiatives discussed above, including Management Vision 2010. We are counting on the continued support and understanding of our shareholders and investors in managing the Company for future growth.

August 2005

S. Tamura

Shigemi Tamura
Chairman

T. Katsumata

Tsunehisa Katsumata
President

Message from President Tsunehisa Katsumata

Tsunehisa Katsumata
President

The TEPCO Group aims to be the front-runner in energy services based on its management philosophy of contributing to better lifestyles and environments by providing superior energy services.

➤ The Significance of Group Management in Management Vision 2010

TEPCO's operating environment is changing. The progress of liberalization has intensified competition, while incidents at our nuclear power plants have required us to work hard to regain credibility. In this business environment, we announced Management Vision 2010 in October 2004 as our first medium-term management policy to cover the entire TEPCO Group.

Management Vision 2010 sets targets for fiscal 2011, and succeeds our former medium-term management policy announced in March 2001. A key feature of Management Vision 2010 is that it is the first medium-term management policy designed for the entire TEPCO Group. Looking forward, we will further strengthen Group cooperation in working together to cope with a variety of challenges.

The rationales for Management Vision 2010 are as follows. First and foremost, we must compete and succeed. The scope of liberalization of the retail electric power market has been expanding in stages to include all high-voltage customers in April 2005, which means over 60 percent of our sales volume is now within the scope of deregulation. In addition, a wholesale electric power exchange has been established, replacing the former cross-territorial charge system and creating a forum for nationwide competition. These moves have intensified our competition with new entrants, as well as with gas and other energy resources. To be a winner, we must fully exploit our resources as a unified group and further boost our price competitiveness.

Second, we must take advantage of business opportunities. Intensifying competition coincides with expanding business chances. New service markets are emerging, such as those that involve providing energy solutions or integrating the energy and telecommunication businesses. All TEPCO Group companies must cooperate further to meet emerging needs precisely and provide the optimal services.

Third, we must strengthen the operating fundamentals of the TEPCO Group. Issues such as corporate ethics and compliance, safety and quality control, and improved operating efficiency also require unified efforts by the entire Group.

We incorporated these concepts in creating our first-ever group-wide management policy. During the period until the end of fiscal 2011, the entire TEPCO Group will work together with a shared sense of mission to achieve its goals.

Management Vision 2010

[Group Management Principle]
Contribute to better lifestyles and environments by providing superior energy services

[Group Management Guidelines]
The TEPCO Group has three Group Management Guidelines for becoming the top energy service provider.

Management Guideline No. 1
"Win the Trust of Society"

Eligibility to participate in the competitive market is "trust" that society places in us.

To gain firm trust, we will:

- Carry out all business operations in compliance with the Code of Conduct concerning Corporate Ethics, and fulfill with sincerity our corporation's social responsibilities to create an even better environment.
- Steadfastly enhance the quality of business operations and services in all places of work.
- Foster an awareness of "Give top priority to safety" and make it widespread to become a company that boasts world-leading safety and security.

Management Guideline No. 2
"Compete and Succeed"

Nothing makes the TEPCO Group happier than customer satisfaction.

To win customer satisfaction, we will:

- Unite as a group to identify customer needs, and to offer optimal energy-related services that our customers will continue to prefer.
- Strive to reduce costs and boost company character, increase competitive edge, improve profitability and make business prosper.
- Promote new business projects in four sectors, information and telecommunications, energy and environment, living environment and lifestyle-related, and overseas, and ensure sustainable growth for the Group as a whole.

Management Guideline No. 3
"Foster People and Technologies"

People and technologies open up the future for our Group.

To continue to reform ourselves with the power of people and technologies, we will:

- Step up communications between corporation ranks, between organizations, and enhance workplace vitality and motivation of each and every employee regardless of whether inside or outside the Group.
- Strive to maintain and bolster employee technologies and skills, and try to renovate daily work operations and make them more efficient.
- Take up technological challenges that will help to gain society's trust, boost competitive edge, and expand business.

➤ The Three Group Management Guidelines

Within the TEPCO Group's management philosophy of contributing to better lifestyles and environments by providing superior energy services, we have formulated three new Group management guidelines: to win the trust of society, to compete and succeed, and to foster people and technologies.

TEPCO's management philosophy under Management Vision 2010 entails contributing to better lifestyles and environments by providing superior energy services. Within this philosophy we have formulated three new Group management guidelines.

The first of the three management guidelines is to win the trust of society. We believe that the trust of society is the most important qualification in a competitive market. The second guideline is to compete and succeed. To achieve this, we must do everything we can to satisfy customers. The third guideline is to foster people and technologies as the critical driving forces creating the future of the TEPCO Group.

Based on these three guidelines, the TEPCO Group aims to be the front-runner in energy services by continuing to grow and develop amid full-scale competition.

➤ Numerical Targets for Management Vision 2010

Management Vision 2010 contains new objectives for fiscal 2011, with a key focus on achieving new growth in our businesses. We have set goals for additional electricity sales volume in the electric power business, and targets for sales and operating income in new business areas.

TEPCO formulated targets for fiscal 2006 in the previous Management Vision announced in March 2001. We expect to achieve virtually every objective related to the corporate structure issues of improving operating efficiency and the financial structure. For Management Vision 2010, we took achievements under our preceding Management Vision into account in setting the numerical targets for fiscal 2011.

To further enhance our competitiveness and corporate structure, our objectives include improving efficiency by 20 percent compared to fiscal 2004 with facility safety and securing quality as major premises. We also have the goal of increasing the shareholders' equity ratio to at least 25 percent. Moreover, we will generate new growth in our businesses by working to increase electricity sales volume by at least 10 billion kWh on a cumulative basis by fiscal 2011, generating more than ¥600 billion in operating revenues in businesses other than electric power, and raising operating income at least ¥60 billion. We are emphasizing businesses other than electric power by adding goals for income to our traditional goals for operating revenues. TEPCO has designated information and telecommunications, energy and environment, living environment and lifestyle-related, and overseas as four strategic business areas. We have clarified responsibility for operations in each business area and we are deeply committed to achieving these goals. The feature section starting on page 9 provides additional detail on our numerical targets.

Overview of Numerical Targets

		FY 2002	FY 2005	FY 2006 Management Plan (FY 2006–FY 2008)	Management Vision 2010 (Target year : FY 2011)
Profitability and Free Cash Flow (FCF) Targets	Ordinary Income (billions of yen)	319	384	At least **¥350 billion**	
	FCF (billions of yen)	604	891	About **¥500 billion**	
	ROA (%)	4.5%	4.0%	At least **4.0%**	
Efficiency Gains Targets	Capital Expenditures (billions of yen)	932	464	About **¥620 billion**	Improve efficiency by at least **20%** compared with FY 2004 (with facility safety and securing quality as major premises)
	Maintenance Costs (billions of yen)	503	472	About **¥460 billion**	
	Number of Employees (persons)	40,725	38,510	**37,500** or less (end of FY 2008)	
Balance Sheet Improvement Targets	Shareholders' Equity Ratio (%)	14.1%	17.8%	At least **22%** (end of FY 2008)	Shareholders' equity ratio of at least **25%**
	Interest-Bearing Debt (billions of yen)	9,425	7,908	Reduction of at least **¥1 trillion** (three-year total)	
Business Growth Targets	Increase in Electricity Sales Volume (billion kWh)	—	1.0	About **4 billion kWh** (three-year total)	At least **10 billion kWh** (seven-year total)
	Operating Revenues from Businesses other than Electric Power (billions of yen)		248	About **¥500 billion** (in FY 2008)	At least **¥600 billion**
	Operating Income from Businesses other than Electric Power (billions of yen)		5	About **¥25 billion** (in FY 2008)	At least **¥60 billion**
Global Environment Contribution Targets	CO_2 Emission Intensity (kg-CO_2/kWh)	0.317	0.381	Reduce emissions by **20%** compared with FY 1991 (About 0.31kg-CO_2/kWh in FY 2011)	

Note: Results and targets are all non-consolidated except those for operating revenues and operating income from businesses other than electric power.
Unless otherwise specified, Fiscal 2006 Management Plan targets are averaged over the three-year period from fiscal 2006 to fiscal 2008.

➤ Fiscal 2006 Management Plan

Our Fiscal 2006 Management Plan serves as an action plan for working toward the objectives of Management Vision 2010 over the coming three years. We have raised our goal for ordinary income to ¥350.0 billion or more, and will work aggressively toward achieving our goals for electricity sales volume and new business development.

TEPCO announced its Fiscal 2006 Management Plan at the end of March 2005. It is an action plan for the period from fiscal 2006 through fiscal 2008, designed to work toward the objectives of Management Vision 2010. This plan contains concrete goals for income, beginning with an increase of ¥50 billion from our previous goal for ordinary income to an annual average of ¥350 billion or more. In addition, we have set the goals of free cash flow averaging about ¥500 billion and return on assets of over 4.0 percent.

Moreover, we will continue to promote cost reductions in every business area. At the same time, ensuring facility safety and soundness for the future is critically important, and we intend to increase capital expenditures to approximately ¥620 billion, about ¥30 billion more than in the previous plans. Maintenance costs will remain at the previous level of approximately ¥460 billion.

Under the Fiscal 2006 Management Plan, we intend to add about 4 billion kWh to the existing sales volume over the coming three years. In fiscal 2004, we set goals for increasing electricity

sales volume. In fiscal 2005, we increased electricity sales volume by 1 billion kWh, which exceeded our goal of 750 million kWh for fiscal 2005. We will work hard to continue outperforming our goals. TEPCO began extensive promotions for the all-electric housing campaign during the past fiscal year, which resulted in a greater level of customer awareness. We will continue the Switch! campaign and also conduct other aggressive sales activities in the current fiscal year.

Our fiscal 2008 goals for businesses other than electric power include operating revenues at the ¥500 billion level and operating income at the ¥25 billion level. At this moment, the fiber-to-the-home (FTTH) business is unprofitable because of the up-front capital investments it requires, but this business had about 130 thousand subscribers at the end of fiscal 2005, and recent growth in the number of subscribers has been solid. We will continue to work aggressively toward achieving our goal of 1 million subscribers and making the FTTH business profitable in fiscal 2009.

➤ Aiming for Sustainable Growth and Development

TEPCO has steadily increased income in line with market liberalization. We will continue to enhance our corporate value through steady growth in income over the medium to long term.

Liberalization of the electric power business has progressed in stages, and competition has become increasingly intense. Yet liberalization has also expanded the range of opportunities available to TEPCO. We view growing liberalization as an opportunity that gives us greater freedom in distributing the income achieved by raising efficiency, and as a source of new business. We therefore have a positive view of liberalization.

Another way to look at the liberalization of the electric power industry is that it increases the freedom with which we can manage our own business. TEPCO has steadily increased income even while reducing electricity rates, in line with the liberalization of the electric power industry. We will continue to increase management efficiency in the future to enhance competitiveness and our earnings capabilities. Our goal is to enhance steady growth in income over the medium to long term and to increase our corporate value.

TEPCO sees improving its balance sheet and greater profitability as urgent issues. At the same time, TEPCO is fundamentally committed to maintaining stable dividends, and therefore intends to respond to the interests of shareholders and investors by distributing gains, while comprehensively considering factors including the Company's performance and progress in improving its financial structure.

I would like to conclude by briefly discussing the corporate image of the TEPCO Group. As mentioned before, our three management guidelines are to win the trust of society, to compete and succeed, and to foster people and technologies. We can achieve sustainable growth and development as a corporation only when we truly satisfy all three. This is the corporate image to which the TEPCO Group aspires. I would like to thank our shareholders and investors for their continuing support and understanding as we move toward our goals.

Management Vision 2010

➤ Performance Metrics for Management Vision 2010

The entire TEPCO Group will work together to achieve the numerical targets of Management Vision 2010.

➤ Leadership through Improved Competitiveness

The entire TEPCO Group will compete and succeed by developing solutions and services that rapidly and precisely meet diversifying customer needs.

➤ A Disciplined Approach to Generating Growth in Strategic New Businesses

The entire TEPCO Group has designated four strategic business areas for expansion along with its core electric power business.

➤ Developing the People and Technologies Required to Succeed

The entire TEPCO Group is enhancing employee skills and taking on technological challenges to earn the trust of society, strengthen competitiveness and develop business.

Performance Metrics for Management Vision 2010

TEPCO announced Management Vision 2010, the TEPCO Group's medium-term management policy, in October 2004. Numerical Targets 2010 are the targets the entire Group will work to achieve by 2010, ten years after the beginning of the liberalization of the retail electric power market in 2000.

Overview of Numerical Targets of Management Vision 2010

TEPCO has traditionally devised medium-term management policies once every three years, and managed operations in accordance with those policies. In March 2001, we drafted the numerical targets for the medium-term management policy for the period through fiscal 2006. The entire Group devoted its strengths to achieving these objectives. As a result, we reduced costs and improved our balance sheet, and we project that we will achieve virtually all of our goals related to our corporate structure.

The newly formulated Management Vision 2010 contains Numerical Targets 2010, which are the targets the entire Group will work to achieve by 2010, ten years after the beginning of the liberalization of the retail electric power market in 2000. Specifically, we have set five numerical targets in the four areas of operating efficiency, financial structure, business growth and global environment. Compared to the numerical targets of the previous medium-term management policy, the new targets feature additional earnings objectives, and highlight a Group perspective.

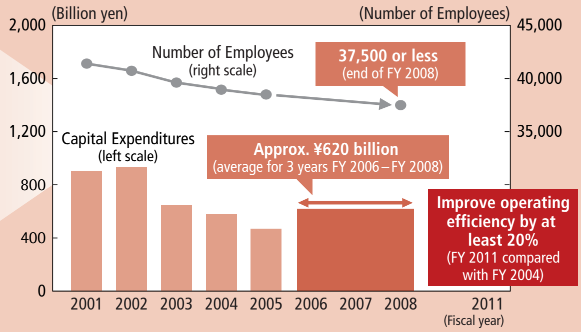
The TEPCO Group intends to achieve the following five numerical targets to establish a Group management structure that can further increase enterprise value and generate growth in an era of full-scale competition.

Overview of Numerical Targets 2010 of Management Vision 2010 (compared with prior targets)

	Challenge 20 Plus 1 [Target year: FY 2006]	Numerical Targets of Management Vision 2010 [Target year: FY 2011]
Operating Efficiency	Improve efficiency by at least **20%** compared with **FY 2000**	Improve efficiency by at least **20%** compared with **FY 2004** (with facility safety and securing quality as major premises)
Financial Structure	Reduce interest-bearing debt by at least **20%** over **five years**	Increase shareholders' equity ratio to at least **25%**
Business Growth	Expand revenues outside the TEPCO Group by at least **¥500 billion** compared with **FY 2000**	Electricity sales volume of at least **10 billion kWh** In businesses other than electric power: Operating revenues*1 of at least **¥600 billion** Operating income*2 of at least **¥60 billion**
Global Environment	Reduce CO_2 emission intensity by **20%** compared with **FY 1991** (target year FY 2011)	

*1: Total of all sales vis-a-vis external customers of consolidated subsidiaries and incidental businesses
*2: Total of all operating income from consolidated subsidiaries and incidental businesses

Promotion of Cost Reductions

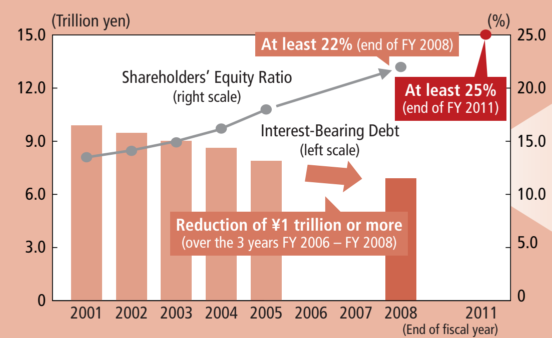


Targets for Improved Operating Efficiency

With facility safety and securing quality as major premises, TEPCO's goal is to improve operating efficiency in fiscal 2011 by at least 20 percent compared with fiscal 2004. In working to achieve this goal, TEPCO will undertake both conventional cost-cutting and more drastic measures based on fresh perspectives.

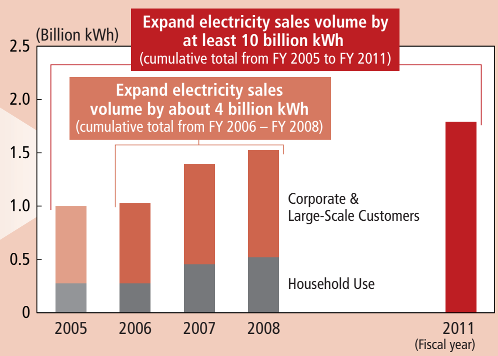
Targets for Improved Financial Structure

Improving our financial structure is a critical task in an operating environment characterized by major changes. TEPCO will continue to reduce interest-bearing debt and take other measures to increase the shareholders' equity ratio from 17.8 percent as of the end of fiscal 2005 to at least 25 percent by the end of fiscal 2011.



Balance Sheet Improvement

Electricity Sales Volume Expansion

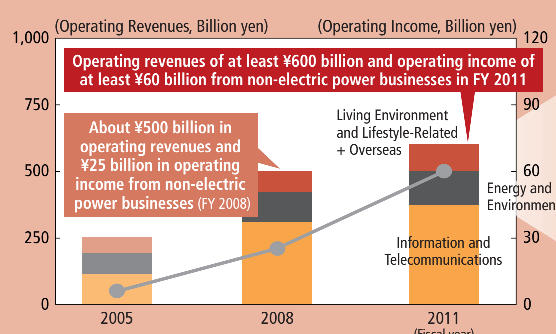


Targets for Business Growth: Increased Electricity Sales Volume

Our goal is to achieve a cumulative total electricity sales volume of at least 10 billion kWh for the period from fiscal 2005 to fiscal 2011. TEPCO's marketing efforts will include providing total solution services to corporate and large-scale customers and proposing all-electric homes to household customers.

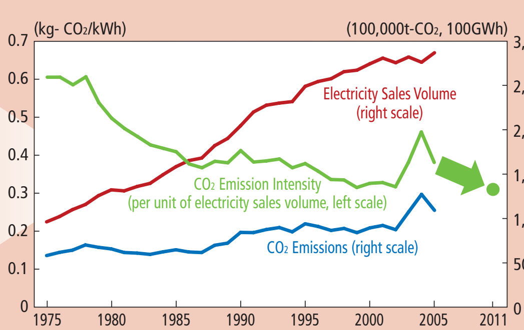
Targets for Business Growth: Operating Revenues and Operating Income in Businesses Other than Electric Power

In addition to electric power, TEPCO has designated information and telecommunications, energy and environment, living environment and lifestyle-related, and overseas as four strategic business areas. Our goal for fiscal 2011 is sales of at least ¥600 billion and operating income of at least ¥60 billion in businesses other than electric power.



Business Growth

CO_2 Emission Intensity



Targets for Environmental Protection

TEPCO will counter global warming by safely operating nuclear power generation facilities, developing natural energies and employing the Kyoto Mechanism as part of our efforts to achieve our goal of reducing CO_2 emission intensity by 20 percent compared with fiscal 1991 by fiscal 2011.

Leadership through Improved Competitiveness

The scope of liberalization of the retail electric power market has expanded and competition with other forms of energy is intensifying. TEPCO is therefore developing solutions and services that rapidly and precisely meet diversifying customer needs. Our goals are to improve customer satisfaction and meet the electricity sales volume objectives of Management Vision 2010.

A Sales Approach Designed to Raise Customer Satisfaction

Management Vision 2010 contains the objective of raising electricity sales volume by 10 billion kWh or more on a cumulative basis by fiscal 2011, with two-thirds of this growth coming from corporate and large-scale customers and one-third coming from household customers. Under the Fiscal 2006 Management Plan, TEPCO is working toward the goal of increasing electricity sales volume by approximately 4 billion kWh on a cumulative basis by fiscal 2008.

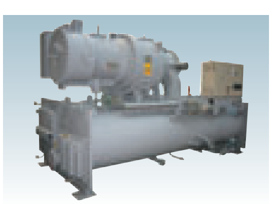
TEPCO worked toward these goals in fiscal 2005 by making organizational changes that included establishing the Marketing & Sales Division in June 2004. In addition, TEPCO strengthened its price competitiveness with a rate reduction in October 2004. TEPCO is also developing comprehensive solutions and services to respond to increasingly sophisticated and diverse customer needs, and has been raising the quality of its services and operations. Looking forward, TEPCO will promote a sales approach designed to raise customer satisfaction to achieve the objectives of Management Vision 2010.

Overview of the Electric Appliances and Systems TEPCO Recommends

Eco Ice: Ice Thermal Storage System for Heating and Cooling

Eco Ice reduces electricity costs by using nighttime electric power, which is relatively inexpensive. Eco Ice is suitable for buildings of any size, and plays a central role in helping TEPCO develop new sources of demand for air-conditioning.

High-Efficiency Heat Exchangers



With remarkable improvement in the efficiency of heat pumps, and the achievement of a coefficient of performance (COP) of 6 for large-scale turbo chilling units, TEPCO recognizes this technology as a good means of countering global warming.

Electric Appliances for Kitchens for Commercial Use

Induction heating (IH) cooktops are clean and have high heating efficiency. They have earned praise because they create a more pleasant cooking environment by reducing the temperature in kitchens. They also have the potential to reduce costs according to how they are used because of their compatibility with various contract menus.

IH Cooktops

IH cooktops directly heat pots and pans with the same heating strength as gas. They also have a flat heating surface, which makes them easy to clean and maintain. Users can regulate heating level with one touch, and the absence of flame means greater safety. These features contribute to a pleasant kitchen environment.

Eco Cute (Electric Water Heater)

Eco Cute employs a heat pump system to produce hot water using atmospheric heat, and is one of the most energy-efficient water heaters available. In addition to being a powerful water heater, Eco Cute can use relatively inexpensive nighttime electricity to achieve extremely reasonable operating costs.

Corporate and Large-Scale Customers

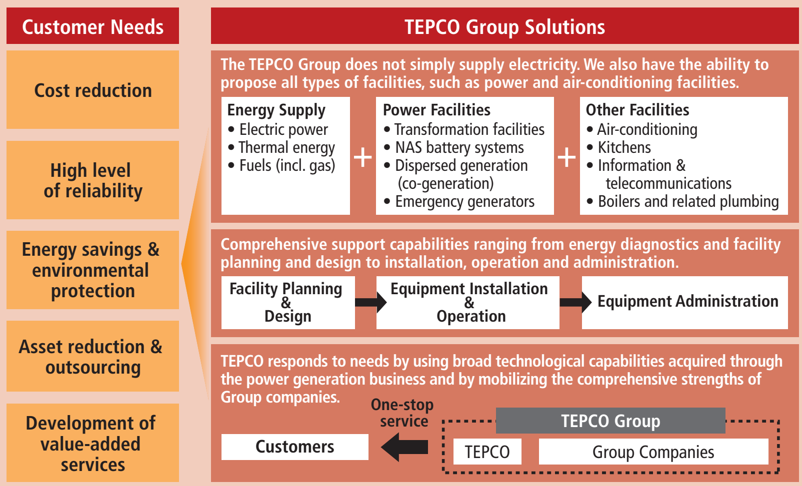
The scope of liberalization has continued to expand in the corporate and large-scale customer segment. TEPCO is countering intensifying competition by strengthening head office sales and solution sales activities. We are also expanding our market share by acquiring new customers and winning back former customers.

TEPCO is trying to satisfy every customer's energy needs by proposing integrated solutions and services that encompass all customer facilities. Specifically, we are proposing the use of electric appliances and systems such as heat storage systems, high-efficiency heat exchangers, all-electric kitchens and electric heating. Other activities include providing consulting to reduce energy use and offering related facilities management and maintenance.

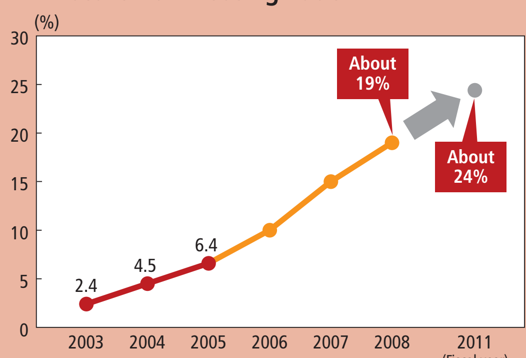
Moreover, TEPCO energetically participates at tradeshows and events to exhibit actual equipment and demonstrate its use. These activities will increase electricity sales volume and help TEPCO achieve the objectives of Management Vision 2010.

TEPCO Group Total Solutions

TEPCO proposes solutions that meet all customer needs.



All-Electric New Housing Ratio



Household Customers

Homes of the future will be pleasant and energy efficient because they will be highly insulated and airtight, and will be safe and reliable to accommodate the needs of older people. TEPCO is using mass-media advertising and promotional campaigns to promote all-electric housing that uses IH cooktops, Eco Cute water heaters and other appliances to realize ideal living environments. We are also marketing all-electric housing to home builders and developers in the housing market through aggressive sales activities.

TEPCO conducted its Switch! campaign twice during fiscal 2005. Orders for IH cooktops and Eco Cute water heaters exceeded our targets, and as of fiscal 2005, the ratio of all-electric new housing to total new housing expanded to 6.4 percent in our service area. We are now conducting sales activities to achieve our goal of increasing the ratio of all-electric new housing to about 19 percent by fiscal 2008 and to 24 percent or higher by fiscal 2011.

A Disciplined Approach to Generating Growth in Strategic New Businesses

TEPCO has designated information and telecommunications, energy and the environment, living environment and lifestyle-related, and overseas as four strategic business areas along with its core electric power business. We will strengthen cooperation among Group companies and enhance our competitiveness to achieve sustainable growth and development for the TEPCO Group.

Developing Profitable New Businesses

We project restrained growth in operating revenues from our electric power business due to slow growth in demand and intensifying competition caused by expansion in the scope of liberalization. However, progress in deregulation and technological innovation in businesses other than electric power have created new markets. These include an integrated market for electricity and other forms of energy, and an integrated marketed for energy and telecommunications. Business opportunities for the TEPCO Group are expanding as a result.

Under Management Vision 2010, the TEPCO Group will deploy its management resources effectively and expand operating revenues in areas other than the electric power business by moving forward with profitable business development in the four designated strategic areas of information and telecommunications, energy and the environment, living environment and lifestyle-related, and overseas. Looking forward, we will strengthen cooperation among Group companies and enhance our competitiveness to achieve sustainable growth and development for the TEPCO Group.

Development of Profitable New Businesses to Ensure Growth Potential

Information and Telecommunications Business

TEPCO aims to promote the growth and development of its information and telecommunications business through the development of new services with effective utilization of highly reliable optical fibers and data centers as well as the improvement of solution service marketing through cooperation among the group companies.

Moreover, TEPCO will promote the development and provision of energy-related services that capitalize on information and telecommunications technology.

Living Environment and Lifestyle-Related Businesses

The TEPCO Group is working together to develop and reinforce businesses that have high growth potential and are closely related to the lives of customer in areas such as housing, caregiving, education and human resource development, and medical and health services. Our aim is to establish the TEPCO brand in lifestyle-related business areas.

Electric Power Business

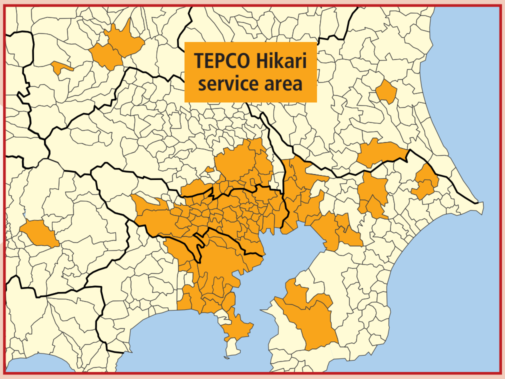
Energy and Environment Businesses

While increasing energy service options available to customers through the reinforcement of business fields peripheral to the electricity industry, including gas and on-site power sources, TEPCO will promote environment businesses such as energy saving and recycling.

Overseas Business

TEPCO will make full use of its technologies and know-how as an electric power company to steadily promote its foreign investment operations, with a focus on overseas power generation projects, as well as consulting on projects such as rural electrification.

Fiber to the Home

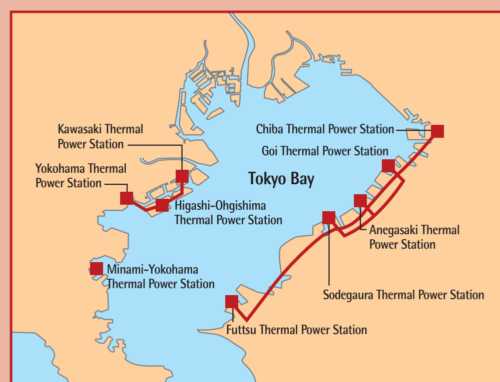


Information and Telecommunications

One of the new business areas that TEPCO is emphasizing is information and telecommunications. We began developing our fiber to the home (FTTH) business in March 2002, and have constructed a fiber optic network centered on the greater Tokyo area. As of the end of fiscal 2005, about 130 thousand households were subscribers for TEPCO Hikari FTTH services. We will expand our service area in stages in working toward our fiscal 2009 goal of 1 million subscribers and annual profitability offsetting up-front investments.

Energy and the Environment

TEPCO will deliver total energy services to meet a wide range of customer needs. This will encompass not only the supply of electricity, but also the supply of gas, dispersed power generation and the energy service company (ESCO) business. Other areas of operation will include district heating and cooling, and environmental and recycling services. We are placing particular emphasis on aggressively developing our gas business in step with regulatory reforms such as expansion in the scope of liberalization and the establishment of a wholesale supply system. We will effectively employ existing facilities in the coastal areas of Chiba Prefecture and work with affiliates to achieve our fiscal 2008 goal of operating revenues of ¥27.0 billion from the gas business.



LNG thermal power plants
Gas supply lines

Gas Business Development

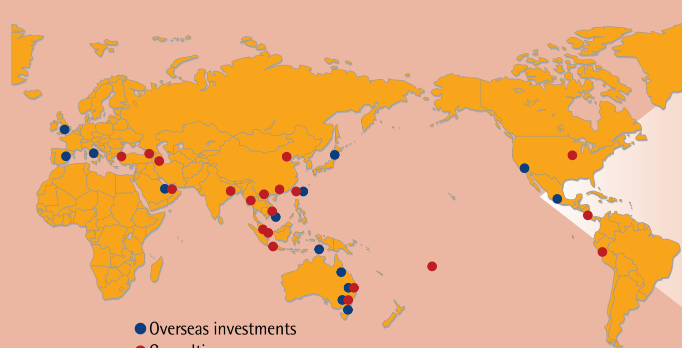
The All-Electric Home

Living Environment and Lifestyle-Related

Our living environment business will include home warranties and proposing *Est Life* all-electric housing under the concept of Electricity and Information Technology. We are also developing businesses in areas including nursing care and human resource training and development. Our aim is to closely associate the TEPCO brand with lifestyle and daily living.

Overseas

TEPCO aims to generate growth and development by seeking business opportunities overseas. These will include power generation projects and diverse investments, and consulting that employs TEPCO's technology and expertise.



Worldwide Business Opportunities

Developing the People and Technologies Required to Succeed

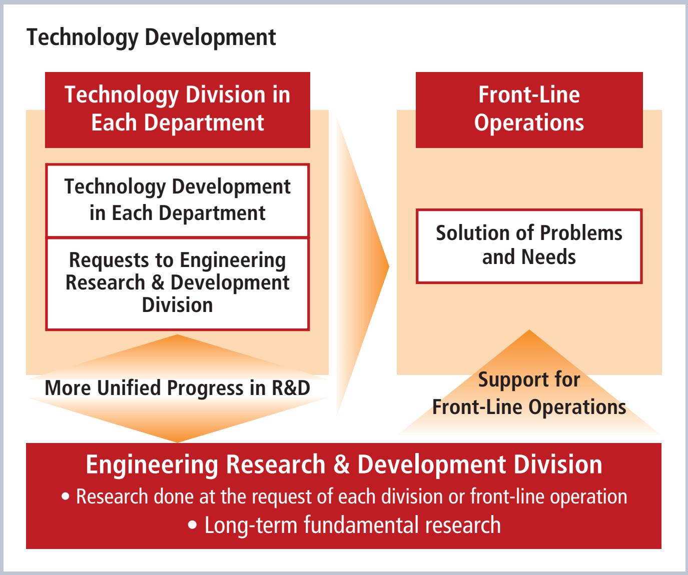
The TEPCO Group recognizes that people and technology are the keys to its future. We are therefore working to maintain and strengthen the capabilities of employees while taking on technological challenges to earn the trust of society, strengthen competitiveness and develop business.

The People and Technologies Creating TEPCO's Future

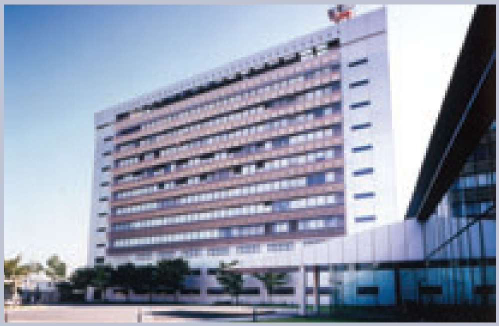
People and technology are creating the TEPCO Group's future and driving business development. TEPCO is therefore breaking down barriers and stimulating communication among divisions, Group companies and management levels. We are enhancing job satisfaction by creating an environment in which employees can fully develop their individual capabilities. Moreover, TEPCO is promoting the assignment of people to the most appropriate jobs while working to further develop and utilize the capabilities of female employees as part of its efforts to nurture and deploy people who can meet the challenges of change, business process innovation and new management initiatives.

Strengthening technologies and professional skills at the business forefront is essential. We are therefore working together with Group companies to strengthen the technologies and capabilities required to enhance safety, quality and efficiency in the future. At the same time, we are promoting better customer services and more effective operations management by energetically employing leading-edge information technology (IT), and we are also promoting new approaches to businesses and operations throughout the TEPCO Group. Moreover, we are developing technology strategies to support future growth, and are executing various initiatives that deploy the comprehensive strengths of technology divisions.

TEPCO's Technology Development Efforts



While fulfilling its social mission in the electric power business, TEPCO will continue working to enhance competitiveness in the future and to be the energy provider that customers choose. Our technology development initiatives include raising competitiveness and increasing speed by integrating the Engineering Research & Development Division, which is our central research organization, with the technology division in each department working to resolve front-line operating and infrastructure issues.



Key R&D Areas

TEPCO is concentrating on selected technology development programs that further management initiatives and meet needs in four primary fields:

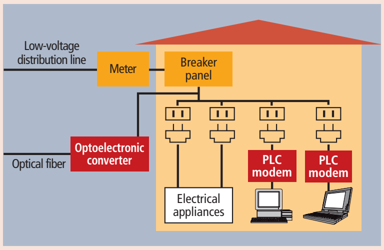
- Technology development that places maximum priority on safety
- Technology development to ensure long-term energy security and preserve the global environment
- Technology development for customer satisfaction
- Technology development to strengthen our competitiveness

In addition, as an electric power company, TEPCO is responsible for ensuring consistent power generation and transmission. We therefore energetically conduct inspiring research and fundamental research in areas that we project will be important over the long term.

R&D Initiatives and Results

Sodium–Sulfur (NAS) Battery System

The NAS battery system stores energy at night for use during the day, which permits the effective use of economical electricity. As of the end of May 2005, systems with an aggregate capacity of 69MW were in use at places including substations, large supermarkets and semiconductor plants.



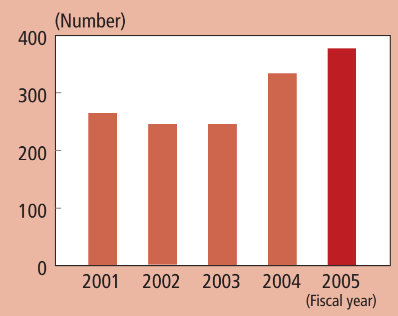
High-Speed Power Line Communication (PLC)

TEPCO is developing high-speed PLC technology with the aim of providing Internet access via electrical sockets. We are conducting field tests under approval from the Ministry of Public Management, Home Affairs, Posts and Telecommunications.

Evaluation of Material Stress Corrosion Cracking (SCC)

TEPCO is developing technologies to increase the reliability and capacity utilization ratio of nuclear power plants. Our efforts include conducting research to clarify the mechanisms that allow SCC to begin and spread.

Number of Patent Applications



Increasing Enterprise Value through Intellectual Property

Each day, TEPCO develops, refines and improves technologies to lower costs and raise customer satisfaction. We are working to improve our protection and use of intellectual property, in ways such as aggressively promoting patent applications. While deploying intellectual property to raise competitiveness and improve earnings, TEPCO also makes certain intellectual assets available for public benefit.

Fulfilling the Social Responsibilities of Leadership in Energy Services

➤ CSR at TEPCO

Our fundamental duty to society entails a stable supply of electricity to support better lifestyles and environments.

➤ Corporate Governance and Ethics

Effective corporate governance and thorough compliance are primary management tasks as we move to increase enterprise value and rebuild our credibility.

➤ Environmental Protection

TEPCO works to contribute to both comfortable lifestyles and environmental protection.

➤ Ensuring Stable Supply

TEPCO uses an integrated system of power generation, transmission and distribution to provide a stable supply of high-quality electricity.

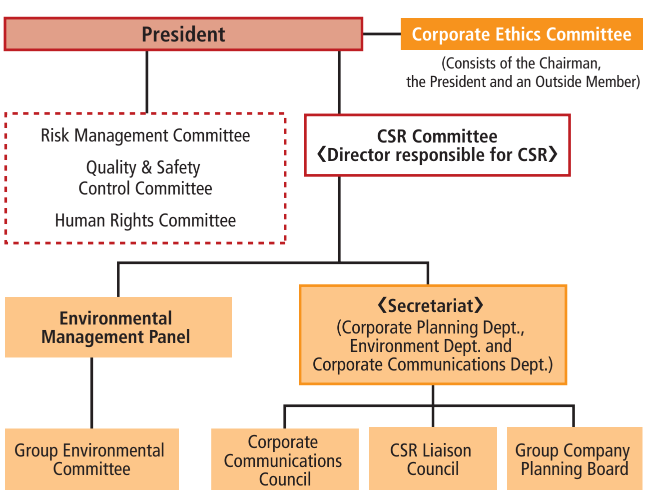
Corporate Social Responsibility (CSR) at TEPCO

TEPCO believes its fundamental duty to society is to focus on providing a stable supply of electricity so that its business operations can help solve social problems in order to support better lifestyles and environments.

TEPCO's CSR Policy

TEPCO's operating environment is changing due to issues including globalization and intensifying competition resulting from expansion in the scope of liberalization of the retail electric power market. Under these circumstances, the TEPCO Group is focusing on energy in developing its businesses, not with a single-minded pursuit of income but in a socially responsible manner based on providing a stable supply of electricity in accordance with the Group corporate philosophy of contributing to better lifestyles and environments by providing superior energy services. TEPCO has implemented this philosophy under Management Vision 2010, the fundamental policy for all TEPCO Group business operations including CSR. It also includes targets for fiscal 2011 and directions the TEPCO Group should take.

CSR Organization



Sustainability Report 2005

(Scheduled for publication in September 2005)

Since 1992, TEPCO has been publishing its annual Sustainability Report, which focuses on TEPCO's efforts to protect and preserve the environment. TEPCO has added to its content, and now includes information regarding overall CSR initiatives. The 2005 edition covers TEPCO's efforts in the areas of management, environment, society and nuclear power, and features President Katsumata's views on CSR.

More information is available at our website:
www.tepco.co.jp/en/index-e.html

CSR System and Specific Initiatives

Since its establishment, TEPCO has been handling the various issues associated with CSR, including corporate ethics, quality and safety, risk management, the environment and human rights. The general public has become increasingly conscious of the importance of CSR, and the TEPCO Group has responded by further promoting awareness and execution of CSR throughout the Group by establishing the CSR Committee, which is chaired by a director responsible for CSR. We have also created the Environmental Management Panel within the CSR Committee to promote comprehensive environmental policies and set Group-wide goals for dealing with issues involving energy and the environment.

Corporate Governance and Ethics

TEPCO considers effective corporate governance and thorough compliance primary management tasks. We are implementing various measures to increase enterprise value and rebuild our credibility.

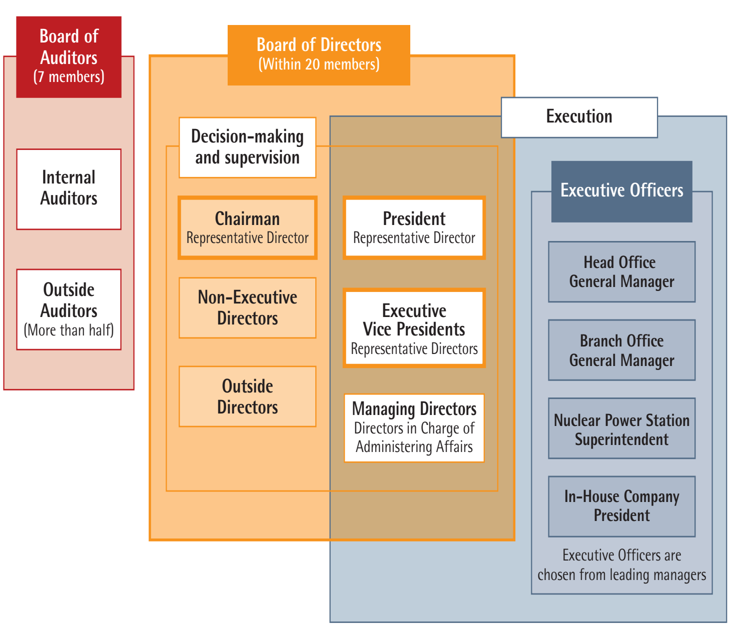
Fundamental Stance on Corporate Governance

TEPCO believes that effective corporate governance is a primary management task that is central to efforts to continuously grow, develop and increase enterprise value over the long term. TEPCO's fundamental stance on corporate governance is contained in the TEPCO Group Charter of Corporate Conduct and Management Vision 2010. TEPCO aims for the most appropriate corporate governance for the TEPCO Group as a whole, and has transformed the former Charter of Corporate Conduct and Management Vision to make them relevant for the entire TEPCO Group.

Initiatives to Strengthen Corporate Governance

Progress in the liberalization of the electric power business and the move into new business areas are among the factors resulting in rapid changes in the operating environment that TEPCO must handle nimbly and flexibly. TEPCO is also strengthening corporate governance to enhance management soundness and transparency. During fiscal 2005, TEPCO executed management structure reforms including a reduction in the number of directors and the implementation of a corporate executive officer system. TEPCO also restructured various organizations at headquarters in working toward the goals of enhancing and strengthening business execution.

Management Structure after Reform



Overview of Fiscal 2005 Management Structure Reforms and Results

TEPCO implemented the following management reforms in June 2004 to further improve management soundness and transparency, and to accelerate and raise the efficiency of business execution.

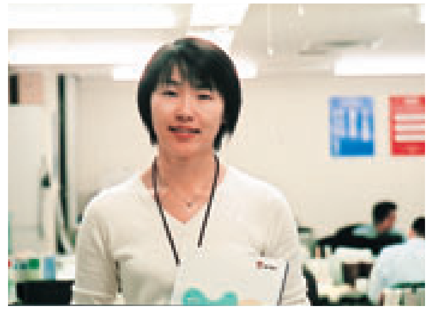
1. Reduction in the number of directors from within 32 to within 20.
2. Introduction of an executive officer system.
3. Increase in outside auditors to more than half of TEPCO's auditors.

These reforms have energized the Board of Directors. In particular, the addition of an outside director engenders lively discussion based on an objective perspective. The reforms also enhanced auditor autonomy, which has strengthened the auditing function. In addition, the introduction of the corporate executive officer system has created a clear distinction between directors responsible for handling overall Group management issues and executive officers responsible for specific operations, which has raised the efficiency of business execution.

Corporate Ethics and Compliance

TEPCO believes that corporate ethics and compliance are the basis for all corporate activities. Our thorough commitment to this belief has included establishing the Group Charter of Corporate Conduct and the Standards of Behavior for Corporate Ethics. In addition, we have established the Corporate Ethics Committee and the Consultation Center for Corporate Ethics.

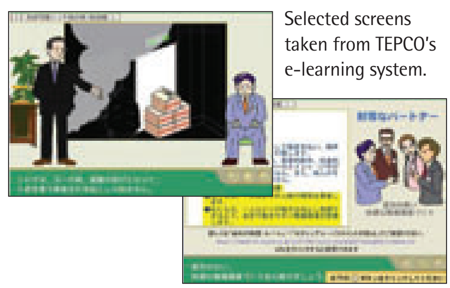
Specifically, we have been conducting corporate ethics training by using e-learning and other methods, while meetings and educational posters have energized communication. These and other activities have raised awareness of corporate ethics and have aired out the organization. The preparation of codes and manuals and stronger auditing and inspection of operations are also part of TEPCO's efforts to fully implement appropriate operating rules. In addition, monitoring surveys provide an opportunity to periodically check retention, and we are revising these activities accordingly.



Noriko Okayasu
Corporate Ethics Group,
Corporate Affairs Department

Status and Results

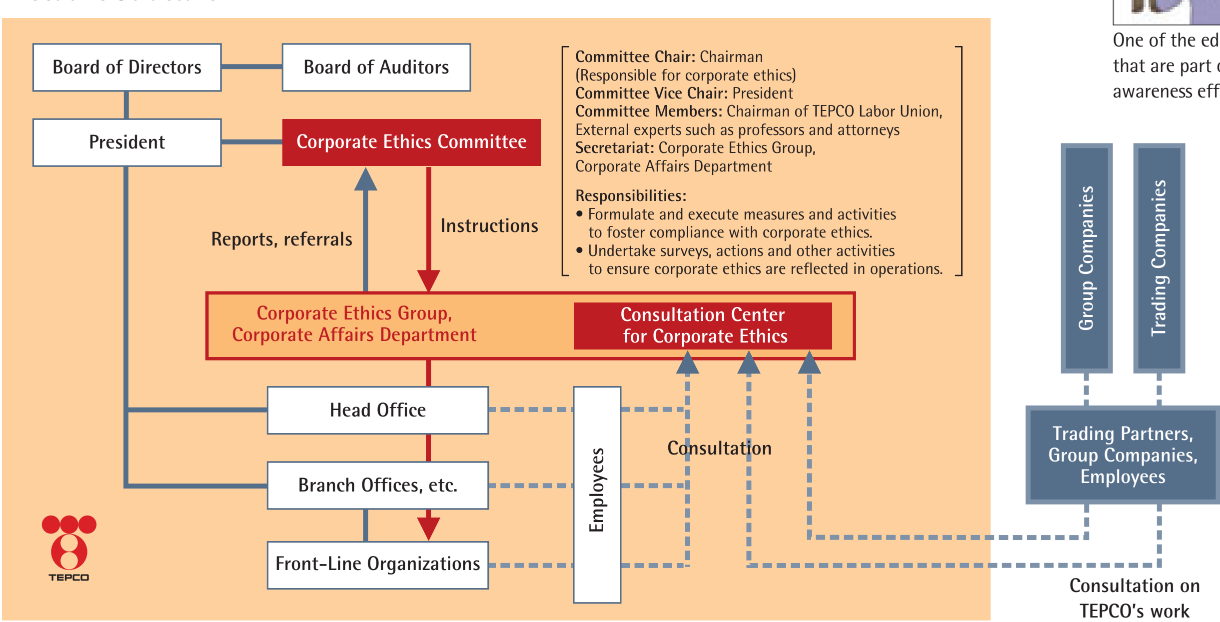
As of fiscal 2005, on a cumulative basis over 557,000 people have received corporate ethics training. They tended to spend more time on training than in the previous fiscal year and the number of workplace meetings also increased. Corporate ethics compliance activities also became more diverse and voluntary, in ways such as conducting original surveys at branch offices and holding joint training with other companies. Monitoring surveys indicate that employee awareness of corporate ethics has increased measurably, and TEPCO will continue its ethics awareness programs.



Selected screens taken from TEPCO's e-learning system.

One of the educational posters that are part of corporate ethics awareness efforts.

Executive Structure



Environmental Protection

A comfortable daily life. Protecting nature. Both are important. TEPCO does its best to achieve both in working to generate electricity and protect the environment. This commitment is part of our mission and will not change.

The TEPCO Group's Environmental Philosophy

The TEPCO Group has formulated the following environmental philosophy, and is working together in responding to environmental issues.

- We will fulfill social responsibilities as a business enterprise to pave the way for sustainable development in the 21st century by taking positive measures for the solution of environmental problems, including global warming;
- Endeavor to achieve the reduction of environmental risks, including air pollution control, by continually improving the environmental management system, while carrying out eco-efficient business activities with consideration given to the reduction of CO_2 emissions, waste recycling, and energy and resource conservation; and
- Aim to create a society suitable for the 21st century by increasing the transparency of corporate activities through extensive information disclosure while repeatedly holding an interactive dialogue with customers, investors and other people interested in our business operations.

Programs to Counter Global Warming

A target for contributing to the Earth's environment under Management Vision 2010 is to reduce CO_2 emission intensity in fiscal 2011 by 20 percent compared to fiscal 1991. Specifically, we are aiming to reduce CO_2 emission intensity to approximately 0.31 kg- CO_2/kWh.

CO_2 emissions totaled 109.2 million tons in fiscal 2005. CO_2 emissions decreased 18 million tons, or 14 percent, compared to fiscal 2004, in large part because suspended operations at nuclear power facilities were restarted step by step. Moreover, CO_2 emission intensity for fiscal 2005 decreased 17 percent, which represented a level of 0.381 kg-CO_2/kWh. Considering that our performance in fiscal 2002, when our nuclear power stations were fully operative, was 0.317 kg-CO_2/kWh, TEPCO will continue to counter global warming through a variety of programs.

Specific measures will include expanding the use of nuclear power generation, which does not emit CO_2 in the power generation process, and natural energy sources. Other measures will include raising the efficiency of thermal power generation. On the

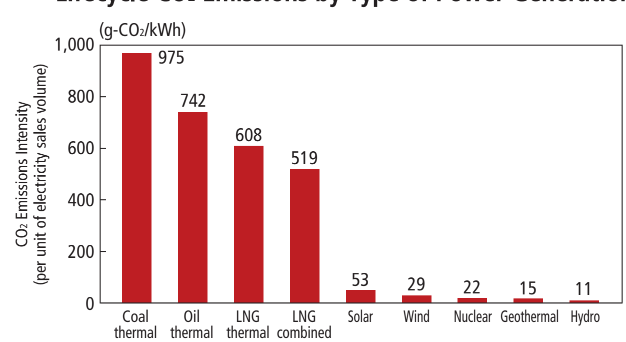
Measures against Global Warming

Electricity supply-side measures
- Expanding the use of nuclear power generation
- Developing and diffusing natural energies
- Improving the thermal efficiency of thermal power generation

Electricity use-side measures
- Advocating ecological lifestyles
- Diffusing high-efficiency equipment

Other measures
- Utilizing the Kyoto Mechanism
- R&D
- Countermeasures against non-CO_2 greenhouse gases

Lifecycle CO_2 Emissions by Type of Power Generation



Source: Central Research Institute of Electric Power Industry

*Lifecycle CO_2 is a calculation of CO_2 emissions from all energy consumed in power generation as well as in crude exploration, facilities construction, fuel transport, refining, management and maintenance.

demand side, TEPCO will promote the use of highly efficient appliances and other approaches. We will also continue to promote the Kyoto Mechanism and other international cooperative efforts in aggressively moving to reduce CO_2 emissions.

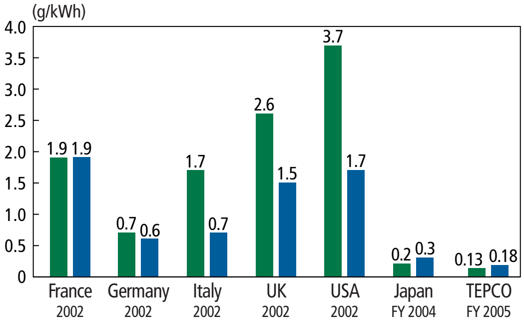
Measures to Prevent Air Pollution

TEPCO is taking a variety of measures to prevent air pollution at its thermal power plants. For example, in the 1970s TEPCO became the first in the world to use liquefied natural gas (LNG) as a fuel, and also uses better-quality fuels such as low-sulfur crude oil and heavy oil. We have also installed equipment at our facilities to remove compounds such as sulfur oxide (SOx) and nitrogen oxide (NOx) from exhaust gas. At the operational level, TEPCO takes measures such as implementing rigorous combustion control. In this way, TEPCO has achieved the highest air protection levels in the world.

Protecting Nature and the Environment

Located in Gunma Prefecture, Oze has been designated as a Special Protection Area and Special Natural Monument in Nikko National Park because it is a priceless natural resource that is representative of Japan. TEPCO owns around 70 percent of the land at Oze and the adjacent Mount Tokura. TEPCO's environmental preservation activities at Oze over the past 40 years have included the laying of boardwalks to protect the natural environment and the restoration of a devastated wetland. Oze is our symbol of the natural environment and our energetic efforts to protect biodiversity in a way that allows people to coexist with nature. TEPCO sees this as an important management task and will contribute to a society that places importance on the environment.

Changes in SOx and NOx Emission Intensities per Power Output from Thermal Power Stations



■ Sulfur oxide (SOx) ■ Nitrogen oxide (NOx)

Source: OECD ENVIRONMENTAL DATA COMPENDIUM 2004 and ENERGY BALANCES OF OECD COUNTRIES 2001-2002
Japan: Federation of Electric Power Companies of Japan

Yoshitaka Kogure
Environmental Management Group, Environment Department

Development and Use of Oze Boardwalk Eco-paper

In cooperation with Chuetsu Pulp and Paper Co., Ltd. and Ichise Corporation, TEPCO has developed Oze Boardwalk Eco-paper, which is made by recycling boardwalks at Oze as pulp for paper. TEPCO has laid approximately 20 kilometers of the total 57 kilometers of boardwalks at Oze, and replaces sections about two kilometers long every year. This wood was formerly treated as industrial waste, but now we can treat it as a raw material for paper with the goal of protecting the environment and reusing resources. It is all part of our vigorous efforts to protect the precious natural environment of Oze for future generations.

Views from the Oze Special Protection Area and Special National Monument

Ensuring Stable Supply

Electricity is essential to the economy, culture, and our daily lives. TEPCO uses an integrated system of power generation, transmission and distribution to provide a stable supply of high-quality electricity that contributes to comfortable living and pleasant environments for everyone.

The Importance of Stable Supply

TEPCO provides electricity to the greater Tokyo area, the center of Japan's government and economy. Our service area represents only 10 percent of Japan's total land area, but is home to about one in three Japanese and accounts for approximately 40 percent of the nation's gross domestic product (GDP).

Electricity demand has grown sluggishly in recent years as a result of low economic growth and the rising use of energy-saving appliances. However, Japan has a mature society in which people seek higher standards of living and comfort. Moreover, the evolution of information technology has made electricity essential to society because of the greater convenience it provides. Electricity will be therefore more essential than ever to social and economic activity. Not surprisingly, society also demands a stable, uninterrupted supply of high-quality electricity.

Facilities Strategy

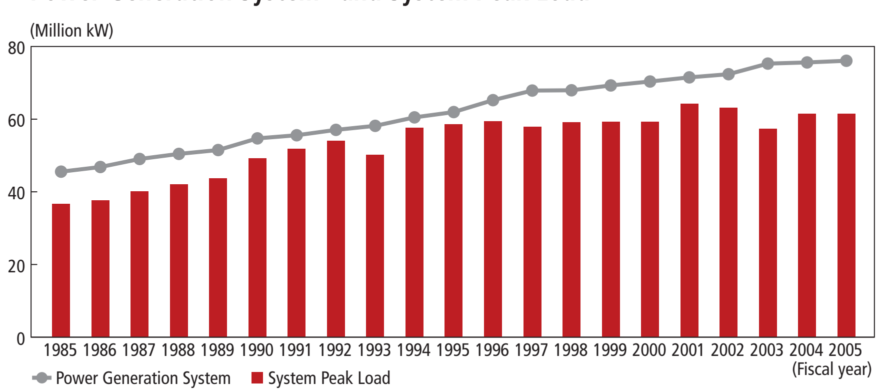
TEPCO must continuously build and maintain power generation and transmission facilities to respond to increasing demand for a stable supply of high-quality electricity, and this requires substantial capital expenditures. TEPCO maintains its commitment to safety at its facilities while working to ensure stable supply and reduce costs by promoting a flexible and efficient facilities configuration.

Specifically, TEPCO emphasizes stable supply and security for its power generation facilities. We take economics, operability and environmental compatibility and other factors into account in promoting the best mix of power sources, centered on nuclear power and balanced with thermal and hydropower generation.

Reliable supply remains the fundamental issue in power transmission. TEPCO effectively employs existing facilities and implements an efficient facilities configuration based on our power source development plan and regional demand trends.

In addition, TEPCO develops power sources in cooperation with other companies and links its facility network with others. TEPCO is trying to increase the stability and efficiency of supply by managing its operations with other companies beyond its own service area.

Power Generation System* and System Peak Load



* Includes power purchased from other utilities

Maintenance Strategy

TEPCO provides a stable supply of electricity to meet greater demand by expanding power generation and transmission facilities while implementing appropriate maintenance. Looking forward, TEPCO will counter the aging of its facilities and secure continued facility safety and soundness by accurately understanding facility conditions and implementing necessary maintenance measures, including facility renovation and replacement.

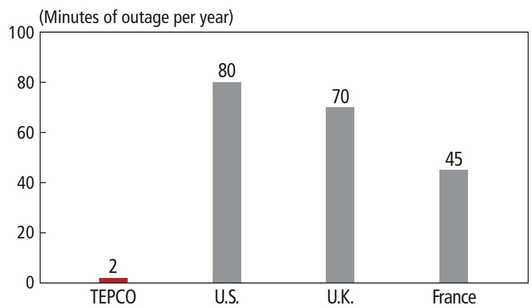
Risk Management System and Exceptionally Reliable Supply

The stable supply of electricity is a social responsibility for TEPCO. We have implemented fundamental countermeasures for earthquakes, typhoons and other natural disasters by building disaster-resistant facilities and maintaining an emergency recovery system in case disasters occur.

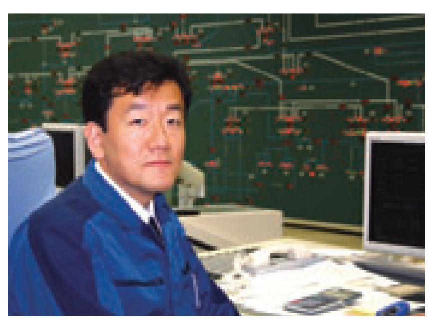
One example is our facilities policy, which includes the diversification of power transmission routes. Other examples include our 24-hour monitoring system, a comprehensive early response system, maintenance of a constant stock of replacement materials and equipment for facility recovery, an earthquake information system, and practical drills.

As a result, supply is exceptionally reliable in TEPCO's service area with fewer power outages than in other developed countries. While our operating environment will undergo changes such as fluctuating electricity supply and demand trends and further deregulation, TEPCO will work to maintain a high level of supply reliability and increase competitiveness by maintaining and managing facilities that are integrated from the power plant to the customer.

Annual Duration of Outages per Household (2003)



Sources: U.S.: Average of the System Average Interruption Duration Index (SAIDI) for five companies: Consolidated Edison, Florida Power & Light, Enestar, Pacific Gas & Electric, and Southern California Edison.
U.K.: Ofgem Report on Distribution and Transmission Performance, 2003 edition.
France: EDF Annual Report, 2001 edition.



Kenji Ishihara
Load Dispatching Control Group, Central Load Dispatching Office

Effective Load Management

TEPCO efficiently delivers a stable supply of electricity to meet constantly changing demand. The Central Load Dispatching Office controls the output of each generating facility to maintain optimum efficiency. It employs the generation mix best suited to given situations, including thermal power to adjust to changes in demand, nuclear power for economical supply, and hydroelectric power for quick response to peak demand.

Board of Directors, Auditors and Executive Officers

As of June 29, 2005

BOARD OF DIRECTORS

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Shigemi Tamura
In charge of Ethics

PRESIDENT

Tsunehisa Katsumata

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General Manager, Business Development Division
In charge of Operations in General, Accounting & Treasury Department

Hisao Naito
In charge of Operations in General, Employee Relations & Human Resources Department, Internal Audit & Management of Quality & Safety Department, Nuclear Quality Management Department

Yoshihisa Morimoto
General Manager, Marketing & Sales Division
In charge of Operations in General

Takashi Hayashi
General Manager, Power Network Division
In charge of Operations in General

Susumu Shirakawa
In charge of Operations in General, Real Estate Acquisition & Management Department, International Affairs Department, Fuel Department

Takuya Hattori
In charge of Operations in General, Environment Department, Thermal Power Department, Construction Department

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In charge of Corporate Planning Department, Corporate Communications Department

Katsumi Mizutani
In charge of Corporate Affairs Department, TEPCO General Training Center

Masataka Shimizu
In charge of Affiliated Companies Department, Materials & Procurement Department

Ichiro Takekuro
General Manager, Nuclear Power & Plant Siting Division

Norio Tsuzumi
Deputy General Manager, Nuclear Power & Plant Siting Division

Takashi Fujimoto
Deputy General Manager, Business Development Division
In charge of Corporate Systems Department, Electronic Telecommunications Department

Akio Nakamura
General Manager, Engineering Research & Development Division
In charge of Engineering Department

Shigeru Kimura
Deputy General Manager, Marketing & Sales Division

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Tomijirou Morita
Yasushi Aoyama

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Shigemi Tamura

PRESIDENT
Tsunehisa Katsumata

EXECUTIVE VICE PRESIDENT
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EXECUTIVE VICE PRESIDENT
Hisao Naito

EXECUTIVE VICE PRESIDENT
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EXECUTIVE VICE PRESIDENT
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EXECUTIVE VICE PRESIDENT
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Takuya Hattori

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STANDING AUDITORS

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Tamio Kojima
Toshikazu Funo

AUDITORS

Kichisaburo Nomura
Takashi Nishioka
Sadayuki Hayashi
Koichi Takatsu

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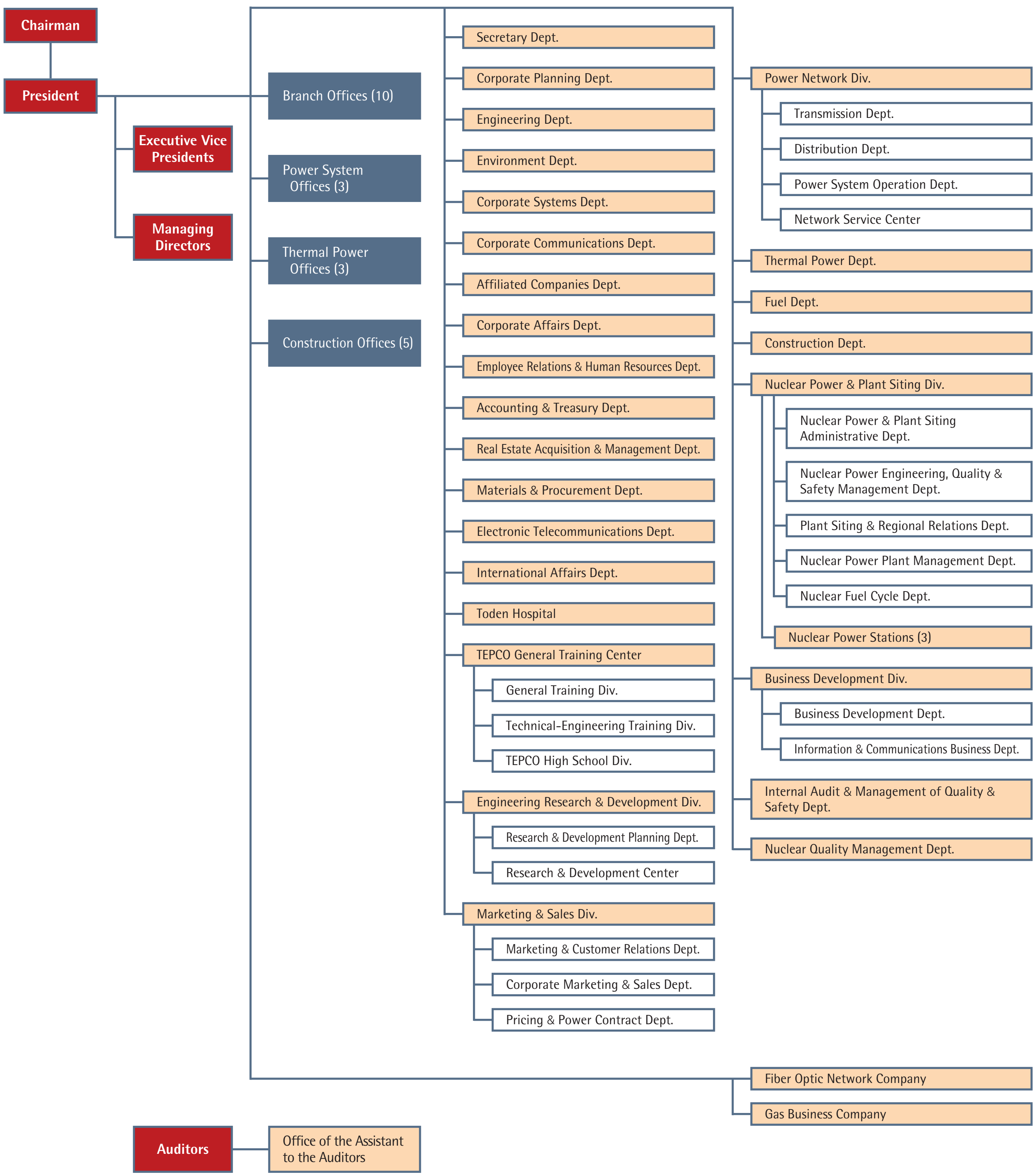
Isao Ozaki
Ikuro Namiki
Norio Chino
Hitoshi Suzuki
Masaru Takei
Hideyuki Ohkubo
Tooru Yamaji
Hironao Koyama
Tatsuru Hosomi
Masao Yamazaki
Morio Makiguchi
Hiroshi Yamaguchi
Tetsu Hashimoto
Kouichi Handa
Atsushi Ohide
Yu Narasaki
Sakae Muto
Makio Fujiwara
Takuo Izumi

Organization Chart

As of June 29, 2005



Electric Power Market Liberalization and Back-End Business in Japan

Liberalization of the electric power market in Japan has proceeded under the premise of reconciling public interest issues with increased efficiency. Preparations are also under way to establish the conditions necessary for promoting nuclear power generation.

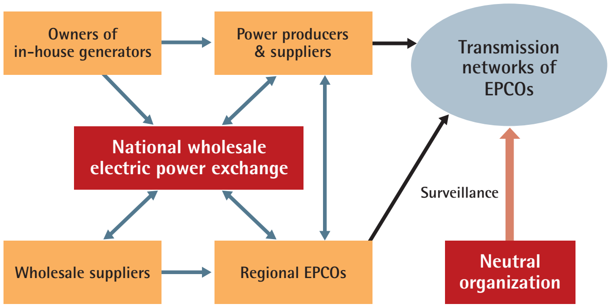
Trends in Liberalization

Liberalization of the electric power industry began in 1995 with the aim of reducing electricity rates and improving standards of service. Initially, new entrants were allowed into the wholesale electric power generation business. Liberalization has progressed in stages since then, including partial liberalization of the retail electric power market in 2000.

A new market system for liberalizing electric power was established in 2003. Under this market system, liberalization has continued to proceed while reconciling the pursuit of efficiency with objectives such as maintaining reliable supply, ensuring energy security and other public interest issues.

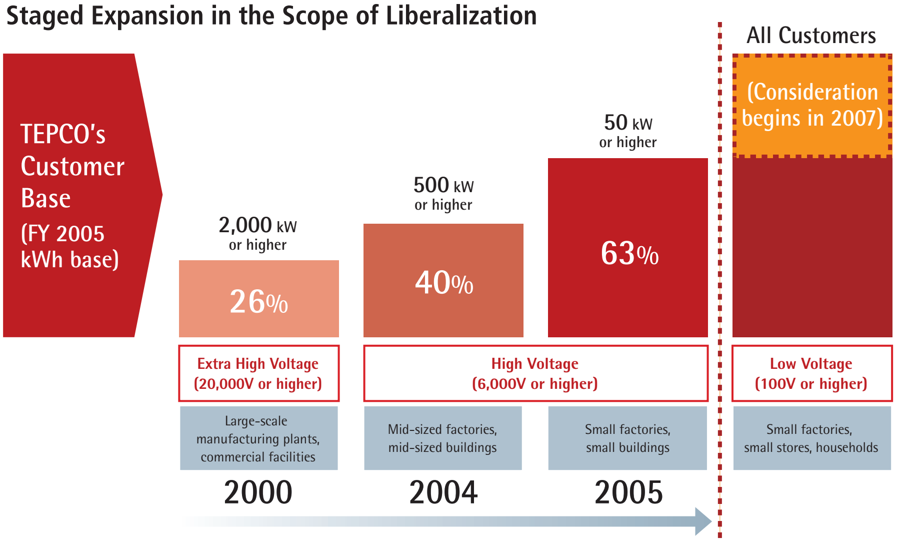
More specifically, the scope of liberalization of the retail market expanded in April 2004 to include customers supplied with high-voltage electricity (500kW of demand or higher), and again in April 2005 to cover all customers in the high-voltage market. A concrete study on liberalizing the low-voltage market, including power supplied to residential customers, is scheduled to begin around April 2007.

Outline of the New Liberalized Power Market System



A key organization under the new liberalized power market system is the wholesale electric power exchange, where electric power companies and new industry entrants can sell surplus electricity and purchase power to cover shortfalls. In addition, a neutral organization has been established to enhance the fairness and transparency of access to electricity transmission and distribution networks by establishing rules, mediating conflicts and undertaking various other activities. Both the wholesale electric power exchange and the neutral organization began full-scale operations in April 2005.

Staged Expansion in the Scope of Liberalization



Economic Measures to Deal with Back-End Business

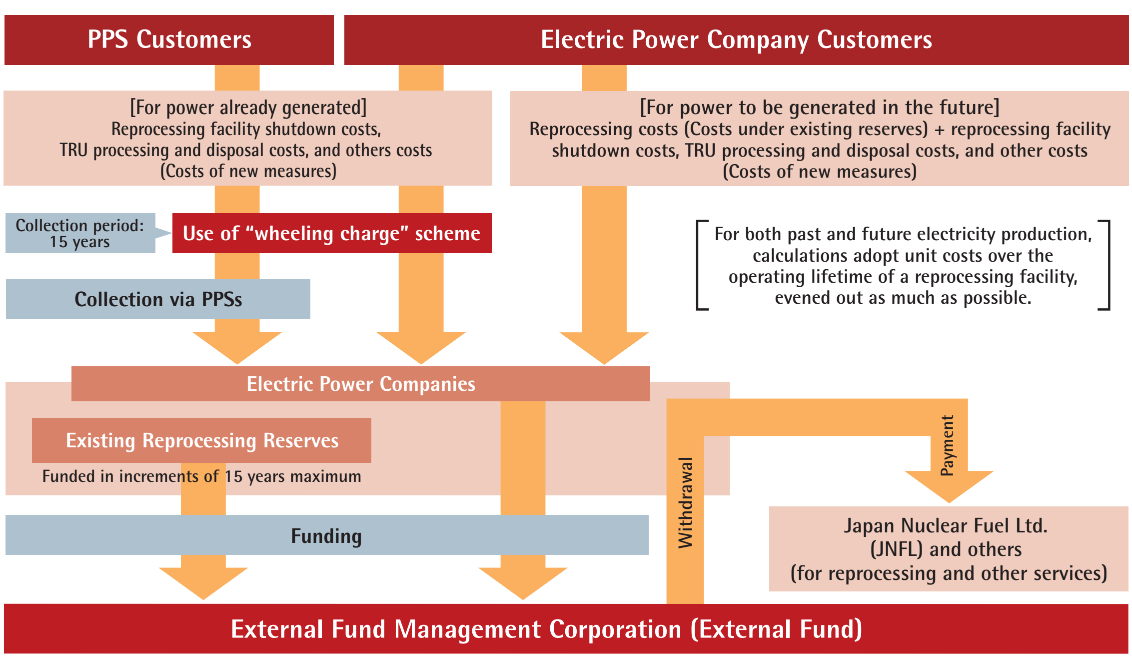
The Subcommittee to Study Costs and Other Issues under the Electric Industry Committee has estimated that the back-end business of the nuclear fuel cycle related to Japan Nuclear Fuel Limited's (JNFL) Rokkasho reprocessing facility will cost a total of ¥18.8 trillion.

Moreover, the Subcommittee on Study of Systems and Measures has confirmed the following as characteristics of the back-end business:

- It covers an extremely long period of time;
- It entails extremely large expenses;
- It involves great uncertainty; and
- The time disparity between power generation and the accrual of expenses is great.

Based on the above confirmation, the Subcommittee has further confirmed the necessity of developing an economically viable system to appropriately cover and manage back-end business expenses at the time of power generation under the principle that the beneficiaries should bear the relevant costs. The Electric Industry Committee compiled a system overview in August 2004. Specifically, past generation costs will be borne by all customers, including the customers of new electric power market entrants, and future generation costs will be broadly borne by all electric power company customers. These cost payments, together with the existing reprocessing reserves, will be deposited at an external institution to secure future payments and the transparency of fund management. This system will go into effect in conjunction with the enactment of the Law on the Creation and Management of Reserve Funds for the Reprocessing of Spent Fuel at Nuclear Power Stations. The law is expected to come into force in October 2005. Once introduced, the system will reduce the risk associated with the extremely long-term, highly uncertain back-end business for private electric power companies in the liberalized electric power market.

Financing Back-End Costs



Power Grid Map

As of March 31, 2005

Transmission line

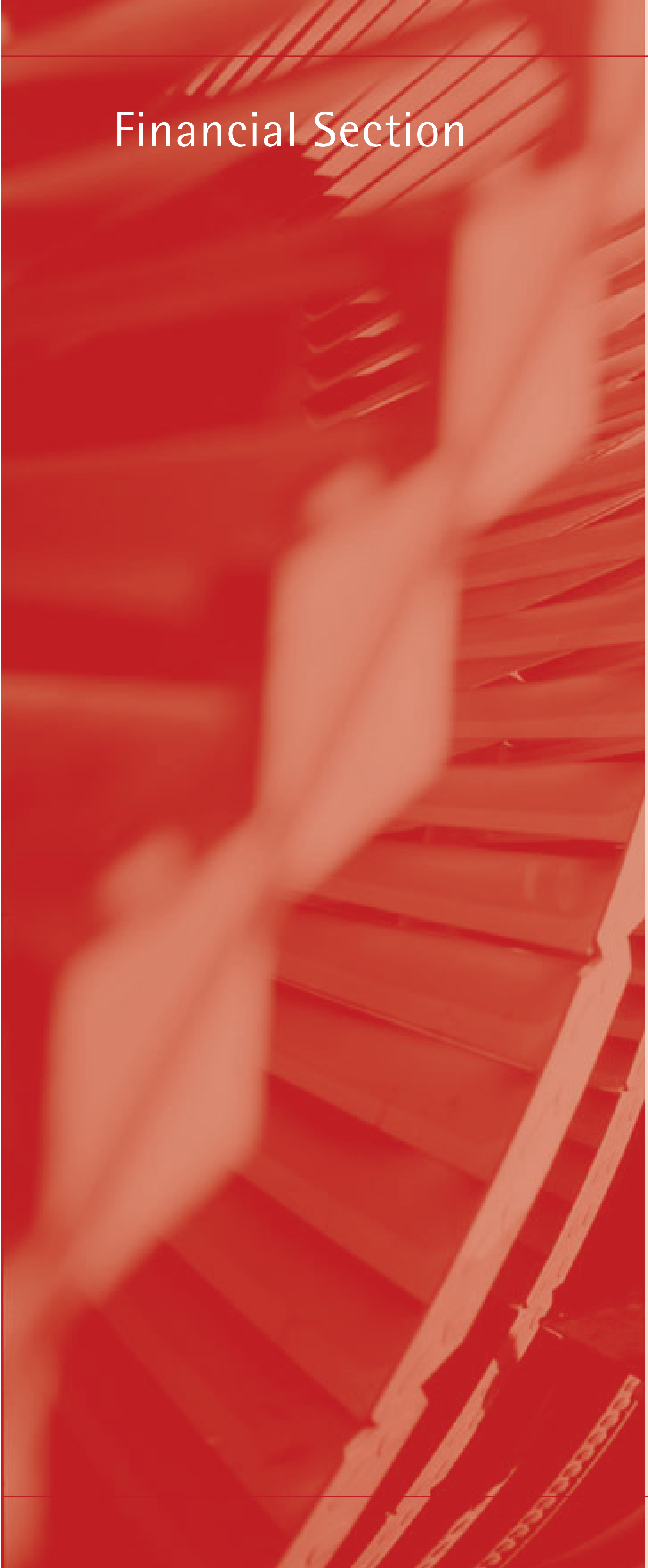
	TEPCO Existing	TEPCO Under construction	Other company Existing
500kV			
500kV	(Underground)		
275kV			
275kV	(Underground)	(Underground)	

Power station

	TEPCO Existing	TEPCO Under construction	Other company Existing
Hydroelectric			
Thermal			
Nuclear			
Substation			
Switching station			
Frequency conversion station			

Notes: 1 Hydroelectric power plants marked with an asterisk (*) are pumped storage.
2 TEPCO's hydroelectric power plants marked on this map are 100,000kW or more, other companies' facilities are 600,000kW or more.

Financial Section



Contents

Consolidated 11-Year Summary

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Years ended March 31

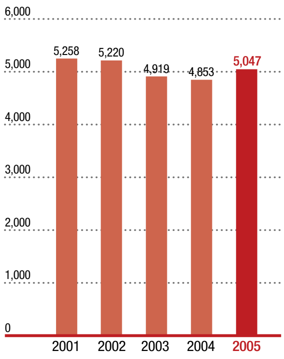
	2005	2004	2003	2002
For the year:				
Operating revenues	**¥ 5,047,210**	¥ 4,853,826	¥ 4,919,109	¥ 5,220,578
Operating income	**566,304**	489,004	521,406	658,933
Income before income taxes and minority interests	**372,814**	255,309	265,170	312,414
Net income	**226,177**	149,550	165,267	201,727
Per share of common stock (Yen and U.S. dollars):				
Net income (basic)	**¥ 167.29**	¥ 110.53	¥ 122.08	¥ 149.11
Net income (diluted) (Note 4)	**—**	110.32	121.33	147.89
Cash dividends	**60.00**	60.00	60.00	60.00
Total shareholders' equity	**1,853.52**	1,748.06	1,662.38	1,612.97
At year-end:				
Total shareholders' equity	**¥ 2,502,157**	¥ 2,360,475	¥ 2,245,892	¥ 2,181,983
Total assets	**13,748,843**	13,900,906	14,177,296	14,578,579
Interest-bearing debt	**8,261,717**	8,765,175	9,076,289	9,564,914
Number of employees	**53,380**	51,694	52,322	53,704
Financial ratios and cash flow data:				
ROA (%) (Note 6)	**4.1**	3.5	3.6	4.5
ROE (%) (Note 7)	**9.3**	6.5	7.5	9.6
Equity ratio (%)	**18.2**	17.0	15.8	15.0
Net cash provided by operating activities	**¥ 1,411,470**	¥ 1,147,591	¥ 1,406,300	¥ 1,464,181
Net cash used in investing activities	**(577,503)**	(693,871)	(863,797)	(905,453)
Net cash used in financing activities	**(785,600)**	(451,371)	(573,761)	(558,182)
Other data (Non-consolidated):				
Electricity sales (million kWh)				
Electricity sales for residential use	**92,592**	86,926	89,354	85,080
Electricity sales for commercial and industrial use (Note 8)	**78,239**	114,772	116,551	115,354
Electricity sales to eligible customers (Note 8)	**115,910**	74,314	75,997	75,106
Total	**286,741**	276,012	281,902	275,540
Power generation capacity (thousand kW) (Note 9):				
Hydroelectric	**8,521**	8,520	8,520	8,519
Thermal	**36,995**	36,831	34,548	34,548
Nuclear	**17,308**	17,308	17,308	17,308
Wind	**1**	1	1	1
Total	**62,825**	62,660	60,377	60,375
Nuclear power plant capacity utilization rate (%)	**61.7**	26.3	60.7	80.1

Notes: 1. All dollar amounts herein refer to U.S. currency. Yen amounts have been translated, solely for the convenience of the reader, at the rate of ¥107.32 to US$1.00 prevailing on March 31, 2005.
2. Amounts of less than one million yen have been omitted. All dollar figures and percentages have been rounded to the nearest unit.
3. All subsidiaries were consolidated in the fiscal year ended March 31, 2002.
4. Diluted net income per share is not presented for the year ended March 31, 2005 because no latent shares were outstanding. Diluted net income per share is not presented for the years ended March 31, 1995, 1996, 1997, 1999 and 2000 because outstanding convertible bonds had on dilutive effect on net income per share.
5. The balance of interest-bearing debt, number of employees and cash flow are not available on a consolidated basis prior to the fiscal year ended March 31, 1999 and are not presented.
6. ROA = operating income/average total assets; Data required to calculate an average are not available prior to the fiscal year ended March 31, 1995.
7. ROE = net income/average total shareholders' equity; Data required to calculate an average are not available prior to the fiscal year ended March 31, 1995.
8. Eligible customers are retail electric power customers included in the scope of liberalization. From March 2003, eligible customers were those in the high-voltage market with contracts to receive over 2,000 kW annually. From March 2004, eligible customers were those in the high-voltage market with contracts to receive over 500 kW annually. Electricity sales for commercial and industrial use and electricity sales to eligible customers are presented according to customers categorized as eligible in each fiscal year, and are not restated for changes in the number of eligible customers in succeeding years. For the year ended March 31, 2000, electricity sales to eligible customers have been included in electricity sales for commercial and industrial use.
9. TEPCO facilities only; TEPCO did not generate wind power in the years ended March 31, 1995 to March 31, 1999.

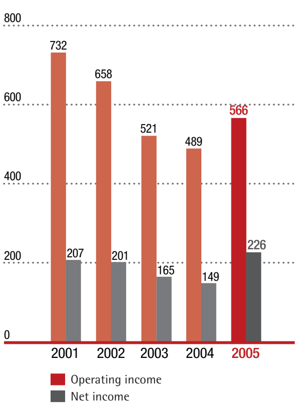
	Millions of yen, unless otherwise noted							Millions of U.S. dollars, unless otherwise noted (Note 1)
	2001	2000	1999 (Note 5)	1998	1997	1996	1995	**2005**
	¥ 5,258,014	¥ 5,091,620	¥ 5,088,403	¥ 5,278,019	¥ 5,038,797	¥ 5,053,932	¥ 5,002,454	**$ 47,030**
	732,561	788,078	688,607	723,555	628,429	705,731	745,785	**5,277**
	329,120	146,236	209,177	225,986	154,872	177,353	232,284	**3,474**
	207,882	87,437	97,425	135,322	81,602	51,821	86,504	**2,108**
	¥ 153.66	¥ 64.63	¥ 72.01	¥ 100.03	¥ 60.32	¥ 38.53	¥ 64.58	**$ 1.56**
	152.36	—	—	99.47	—	—	—	**—**
	60.00	60.00	50.00	50.00	50.00	50.00	50.00	**0.56**
	1,506.62	1,367.25	1,176.44	1,154.67	1,104.89	1,094.81	1,117.33	**17.27**
	¥ 2,038,251	¥ 1,849,692	¥ 1,591,562	¥ 1,562,110	¥ 1,494,767	¥ 1,481,114	¥ 1,496,629	**$ 23,315**
	14,562,299	14,559,331	14,407,405	14,346,901	14,233,317	14,068,943	13,643,905	**128,111**
	9,968,871	10,309,674	—	—	—	—	—	**76,982**
	48,024	48,255	—	—	—	—	—	
	5.0	5.4	4.8	5.1	4.4	5.1	—	
	10.7	5.1	6.2	8.9	5.5	3.5	—	
	14.0	12.7	11.0	10.9	10.5	10.5	11.0	
	¥ 1,456,478	¥ 1,434,897	¥ —	¥ —	¥ —	¥ —	¥ —	**13,152**
	(1,017,032)	(1,070,487)	—	—	—	—	—	**(5,381)**
	(431,235)	(372,356)	—	—	—	—	—	**(7,320)**
	85,990	83,974	80,984	78,910	76,531	76,508	73,486	
	117,082	190,252	186,063	186,466	180,895	177,843	175,369	
	77,579	—						
	280,651	274,226	267,047	265,376	257,426	254,351	248,855	
	8,508	8,103	7,695	7,664	7,643	7,634	7,340	
	33,026	32,434	31,871	31,784	30,380	28,977	29,382	
	17,308	17,308	17,308	17,308	15,952	14,596	14,596	
	1	1						
	58,843	57,846	56,874	56,756	53,975	51,207	51,318	
	79.4	84.4	83.1	79.5	84.1	83.2	76.6	

Financial Review

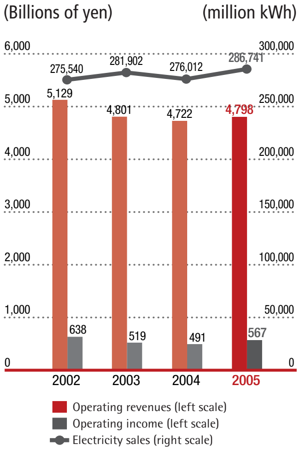
Operating revenues
(Billions of yen)



Operating income and Net income
(Billions of yen)



Electricity sales, Operating revenues and Operating income of electric power business
(Billions of yen) (million kWh)



Analysis of Business Results

Overview

For the fiscal year ended March 31, 2005, operating revenues increased 4.0 percent from the previous fiscal year to ¥5,047.2 billion (US$47,030 million). Operating income increased 15.8 percent year-on-year to ¥566.3 billion (US$5,277 million). Net income increased 51.2 percent year-on-year to ¥226.1 billion (US$2,108 million).

Operating Revenues

Operating revenues increased 4.0 percent from the previous fiscal year to ¥5,047.2 billion (US$47,030 million). The following segment information includes inter-segment sales and transfers.

Operating revenues in the electric power business increased 1.6 percent year-on-year to ¥4,798.8 billion (US$44,715 million). The increase in operating revenues in this segment resulted from growth in the total volume of electricity sold, which increased 3.9 percent from the previous fiscal year to 286.7 billion kWh. The fuel cost adjustment system caused operating revenues to decrease. Moreover, an electricity rate decrease averaging 5.21 percent as calculated on a current supply contract basis was implemented in October 2004. However, record-breaking heat during the summer of 2004 caused demand for air conditioning to increase significantly and industrial demand for electricity increased as a result of the ongoing moderate economic recovery in Japan. By type of demand, electricity sales for residential use increased 6.5 percent year-on-year to 92.6 billion kWh, electricity sales for commercial and industrial use increased 4.2 percent year-on-year to 78.2 billion kWh, and electricity sales to eligible customers increased 1.7 percent year-on-year to 115.9 billion kWh. In April 2004, the scope of liberalization expanded eligible customers to those with contracts to receive more than 500 kW annually. Percentage changes in electricity sales for commercial and industrial use and electricity sales to eligible customers between the years ended March 31, 2004 and 2005 have been calculated using the current eligible customer categorization for both years to permit year-on-year comparison.

Operating revenues in the information and telecommunications business increased 110.3 percent year-on-year to ¥183.6 billion (US$1,711 million). Contributing factors included the consolidation of the results of subsidiary POWEREDCOM, Incorporated from the start of the second half of the fiscal year. Moreover, in the FTTH business, the number of subscribers increased as a result of service area expansion, increased awareness of the TEPCO Hikari FTTH service and a variety of campaigns conducted by Internet service providers that have contracts with TEPCO.

Operating revenues in other businesses increased 11.6 percent year-on-year to ¥416.7 billion (US$3,884 million). Factors contributing to the increase included the start of the production and sale of condensate and LPG by an overseas subsidiary, Tokyo Timor Sea Resources Inc. In addition, sales volume in the gas business increased to around 220 thousand tons from around 70 thousand tons.

Operating Expenses and Operating Income

Operating expenses increased 2.7 percent from the previous fiscal year to ¥4,480.9 billion (US$41,753 million). Operating income increased 15.8 percent year-on-year to ¥566.3 billion (US$5,277 million). The following segment information includes inter-segment sales and transfers.

Operating expenses in the electric power business totaled ¥4,231.7 billion (US$39,431 million), essentially unchanged from the previous fiscal year. Repair costs increased for reasons including the completion of inspection and repair of nuclear power plants and an increase in the number of thermal power plants requiring scheduled inspections. An increase in power generated at nuclear power plants resulted in an increase in back-end expenses, but restarting nuclear power plants and other factors substantially reduced fuel costs and purchased power. In addition, TEPCO's efforts to reduce costs and raise efficiency included restraining capital investment, which lowered depreciation expenses. As a result of the above, operating income in the electric power business increased 15.4 percent year-on-year to ¥567.0 billion (US$5,284 million).

Operating expenses in the information and telecommunications business increased 105.0 percent year-on-year to ¥215.5 billion (US$2,009 million). The consolidation of the results of subsidiary POWEREDCOM, Incorporated from the start of the second half of the fiscal year caused operating expenses to increase. Moreover, issues in the FTTH business such as facility construction expenses incurred to prepare for sales in service areas and an increase in sales promotion expenses also contributed to the increase in operating expenses. As a result, operating loss in the information and telecommunications business totaled ¥31.9 billion (US$298 million).

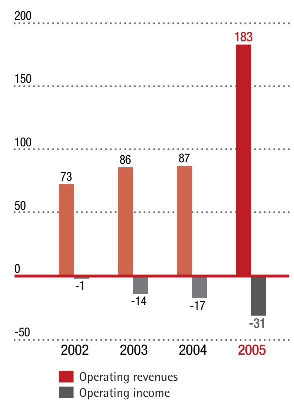
Operating expenses in other businesses increased 8.0 percent year-on-year to ¥388.2 billion (US$3,618 million). Factors contributing to the increase included an increase in raw material outlays resulting from the increase in sales volume in the gas business. As a result, operating income in other businesses increased 101.5 percent year-on-year to ¥28.5 billion (US$266 million).

Other (Income) Expenses, Income before Income Taxes and Minority Interests and Net Income

Other expenses decreased 17.9 percent from the previous fiscal year to ¥185.6 billion (US$1,730 million) due to factors including a reduction in the balance of bonds and borrowings that resulted in a decrease in interest expense. As a result, income before income taxes and minority interests increased 46.0 percent year-on-year to ¥372.8 billion (US$3,474 million). Income taxes net of deferrals increased 36.1 percent to ¥145.6 billion (US$1,357 million). Net income increased 51.2 percent to ¥226.1 billion (US$2,108 million). Net income per share increased to ¥167.29 from ¥110.53 for the previous fiscal year.

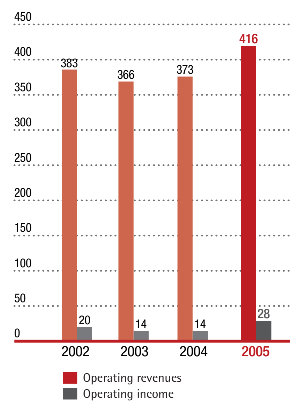
Operating revenues and Operating income (loss) of information and telecommunications business

(Billions of yen)



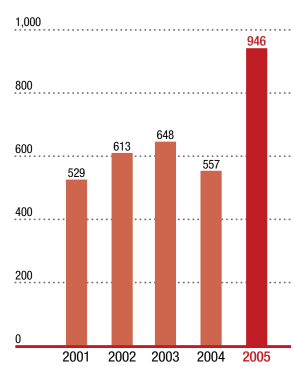
Operating revenues and Operating income of other businesses

(Billions of yen)



Free Cash Flow

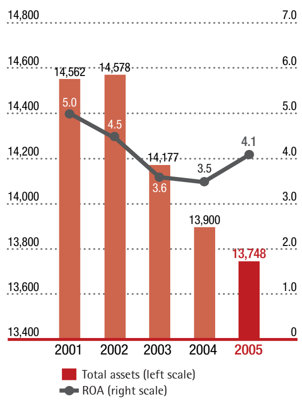
(Billions of yen)



Note: Free Cash Flow = Net cash provided by operating activities – Capital expenditures in the electric utility business

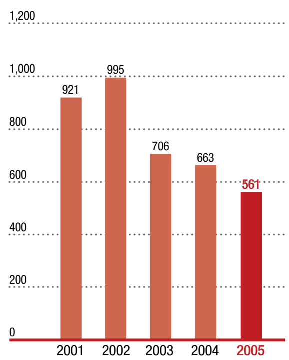
Total assets and ROA

(Billions of yen) (%)



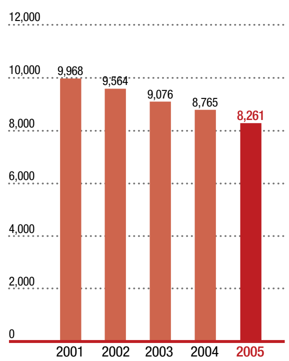
Capital expenditures

(Billions of yen)



Interest-bearing debt

(Billions of yen)



Liquidity and Capital Resources

Cash and cash equivalents at the end of the fiscal year increased 58.7 percent compared to the previous fiscal year-end to ¥132.4 billion (US$1,234 million). Factors supporting the increase included increased revenue from sales of electricity and reduced outlays for fuel.

Net cash provided by operating activities increased 23.0 percent from the previous fiscal year to ¥1,411.4 billion (US$13,152 million). Factors supporting the increase included increased revenue from sales of electricity and reduced outlays for fuel.

Net cash used in investing activities decreased 16.8 percent from the previous fiscal year to ¥577.5 billion (US$5,381 million). Factors supporting the decrease included efforts to restrain capital expenditures in areas such as efficient configuration and operation of facilities while maintaining reliable supply.

Net cash used in financing activities increased 74.0 percent from the previous fiscal year to ¥785.6 billion (US$7,320 million). Among factors supporting the increase, TEPCO deployed the additional cash flow that resulted from reducing capital investment and other reasons to improve its balance sheets by reducing interest-bearing debt.

Free Cash Flow, defined as net cash provided by operating activities minus capital expenditures in the electric utility business, totaled ¥946.8 billion (US$8,822 million). TEPCO used ¥701.7 billion (US$6,539 million) to reduce interest-bearing debt, ¥80.9 billion (US$754 million) to pay dividends, and ¥164.1 billion (US$1,529 million) to invest in business diversification and other purposes.

Assets, Liabilities and Shareholders' Equity

As of March 31, 2005, total assets decreased ¥152.0 billion (US$1,417 million) from the previous fiscal year-end to ¥13,748.8 billion (US$128,111 million). While the consolidation of POWEREDCOM added to assets, efforts to restrain capital expenditures in areas such as efficient configuration and operation of facilities while maintaining reliable supply allowed normal depreciation to reduce total assets.

Total liabilities as of March 31, 2005 decreased ¥298.9 billion (US$2,785 million) from the previous fiscal year-end to ¥11,214.3 billion (US$104,495 million). The consolidation of POWEREDCOM increased liabilities, but the Tokyo Electric Power Company, Incorporated reduced total interest-bearing debt by ¥676.2 billion (US$6,302 million) compared to the previous fiscal year-end.

Shareholders' equity as of March 31, 2005 increased ¥141.6 billion (US$1,320 million) from the previous fiscal year-end to ¥2,502.1 billion (US$23,315 million). Retained earnings increased as a result of net income for the fiscal year. Consequently, the shareholders' equity ratio increased 1.2 percentage points compared to the previous fiscal year-end to 18.2 percent.

Financial Policy

Progress in the liberalization of the electric power market and other factors are causing significant changes in TEPCO's operating environment. TEPCO therefore places high priority on improving its balance sheets. TEPCO is raising efficiency in all of its businesses and executing other initiatives to increase income, and is restraining capital investment. TEPCO is working to secure free cash flow, and will emphasize using it to reduce interest-bearing debt with the aim of increasing the shareholders' equity ratio.

In procuring funds, TEPCO works to secure low-cost capital in direct financing by issuing straight bonds and commercial paper (CP). During the year ended March 31, 2005, the Tokyo Electric Power Company, Incorporated issued bonds totaling ¥250.0 billion (US$2,329 million), and CP obligations and short-term bonds (electronic CP) totaling ¥1,365.0 billion (US$12,719 million).

As of the date of publication of this annual report, the long-term debt of the Tokyo Electric Power Company, Incorporated was rated AA- by Standard and Poor's Ratings Services (S&P), Aa3 by Moody's Investors Service, Inc. (Moody's), AA+ by Rating and Investment Information, Inc. (R&I) and AAA by Japan Credit Rating Agency, Ltd. (JCR). The short-term debt of the Tokyo Electric Power Company, Incorporated was rated A-1+ by S&P, P-1 by Moody's, a-1+ by R&I, and J-1+ by JCR.

The TEPCO Group is working to improve its balance sheets in ways such as reducing interest-bearing debt. The TEPCO Group is also moving to strengthen its competitiveness by using a Group financial system and working to streamline assets and liabilities and reduce financial costs throughout the Group.

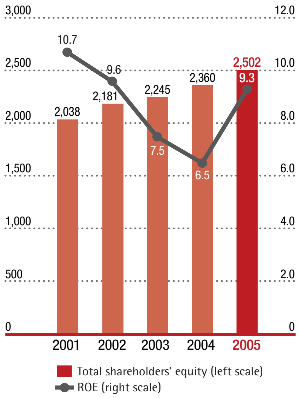
Dividend Policy

TEPCO's fundamental policy is to emphasize the maintenance of stable dividends and to respond to shareholders' expectations, while giving due regard to performance and other aspects of TEPCO's operations.

For the fiscal year under review, a cash dividend of ¥30.00 per share was approved at the annual general meeting of shareholders. Together with the interim dividend of ¥30.00 per share, the total cash dividend for the fiscal year amounted to ¥60.00 per share for a dividend payout ratio of 33.1 percent. Retained earnings will be used to fund TEPCO's future business operations, enhance its financial position, make capital investment in the electric business and invest in new businesses.

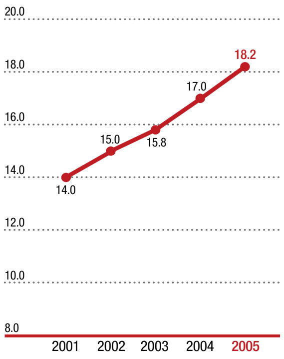
Total shareholders' equity and ROE

(Billions of yen) (%)



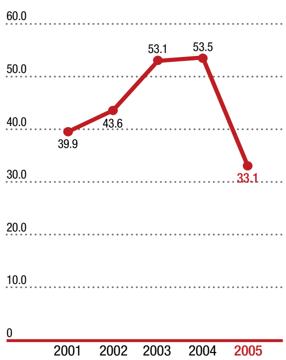
Equity ratio

(%)



Payout ratio

(%)



Risk Factors

The following primary risk factors to which the TEPCO Group is subject may exert a significant influence on investor decisions. Issues that may not necessarily be relevant as risk factors but that may influence investor decisions are also presented below in keeping with TEPCO's vigorous efforts to disclose information to its investors. The forward-looking statements included below represent estimates as of the date of publication of this annual report.

(1) Electric Power Business

1. Economic and Other Conditions

The volume of sales in the electric power business directly reflects economic and industrial activities and is subject to the influence of the economic environment. In addition, it is subject to changes in demand for air conditioning and heating, and is therefore subject to seasonal variations in weather, particularly temperatures in the summer and winter. These factors may have a material impact on the results and financial condition of the TEPCO Group.

2. Liberalization of the Electric Power Market

In the electric power business, the Electric Utilities Industry Law was revised in June 2003, and the resulting reform was fully implemented on April 1, 2005. This systemic reform includes abolition of the cross-territorial charge system to allow smooth, broadly based electricity trading. In addition, the scope of liberalization expanded to all high-voltage customers and trading began on a national wholesale electric power exchange.

Nuclear power generation, including the nuclear fuel cycle, is indispensable for preventing global warming and maintaining a stable energy supply. Its necessity will not change after the expansion in the scope of liberalization. TEPCO will continue to steadily promote nuclear power generation operations. However, TEPCO recognizes that nuclear power generation and related back-end business pose risks to private electric power companies due to the long construction periods and substantial capital investment required. In May 2005, the Law on Creation and Management of Reserve Funds for the Reprocessing of Spent Fuel at Nuclear Power Stations was enacted after systems and measures for smoothly promoting nuclear power generation and back-end business were studied. Looking forward, an external reserve for reprocessing and others will be established by the enforcement of this law and others during 2005, and costs will be recouped through electricity rates for decommissioning reprocessing facilities and other back-end expenses that have not yet been determined in accordance with "The Nature of Systems and Measures for Back-end Business," the interim report issued on August 30, 2004 by the Electricity Industry Committee, a subsidiary committee of the Advisory Committee on Energy and Natural Resources. Risk for TEPCO will be reduced by such necessary measures. The Interim Report on Nuclear Fuel Recycling Measures issued on November 12, 2004 by the Nuclear Power Generation Subcommittee covers the handling of spent fuel storage. Study will begin around 2010 regarding measures for handling spent fuel in interim storage, based on the actual results of operation in the Rokkasho reprocessing facility and the status of research and development of fast-breeder reactors and reprocessing.

The TEPCO Group's operating environment is changing due to this systemic reform and the competition that will develop as a result, both of which have the potential to affect the TEPCO Group's results and financial condition.

3. Competitive Issues Other than Electric Power Market Liberalization

The electric power business competes with self-generation and other forms of energy. This situation has the potential to negatively impact the TEPCO Group's results and financial condition.

4. Changes in Fuel Prices

Sources of fuel for thermal power generation include liquefied natural gas (LNG), oil and coal. Fuel expenses fluctuate as a result of trends in prices and in the foreign exchange markets, and any large fluctuation may affect the TEPCO Group's results and financial condition. However, changes in fuel prices and in the foreign exchange markets are reflected in electricity rates through a system of appropriate adjustments designed to limit the impact of these factors.

(2) Businesses Other than Electric Power

The TEPCO Group is working to increase profits and develop new business by operating in the "information and telecommunications business," and "other businesses" in addition to the "electric power business." The TEPCO Group is placing particular emphasis on the "information and telecommunications business" as a central focus of its new business development. In addition, the TEPCO Group is making investments in each of these areas. Intensifying competition from other companies and other changes in the operating environment may impact the viability of investment in these businesses, and this has the potential to affect the TEPCO Group's results and financial condition.

(3) Other Risks

1. Occurrence of Facility and Operational Problems

Natural disasters, accidents and other occurrences that could cause damage to facilities and operational problems have the potential to affect the TEPCO Group's results and financial condition.

2. Management of Personal Information

The TEPCO Group rigorously administers the large volume of personal information it maintains by complying with the Personal Information Protection Act and other relevant guidelines, conducting employee education and other means. A lapse in administration of personal information has the potential to affect the TEPCO Group's results and financial condition.

3. Interest Rate Fluctuations

Future changes in interest rates or credit rating resulting in changes in interest rates on borrowings have the potential to affect the TEPCO Group's results and financial condition.

4. Stock and Bond Holdings

The TEPCO Group's pension assets and other portfolios contain domestic and foreign stocks and bonds. Fluctuations in the prices of these instruments resulting from stock and bond market trends have the potential to affect the TEPCO Group's results and financial condition.

Consolidated Balance Sheets

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31

	Millions of yen		Millions of U.S. dollars (Note 2)
ASSETS	**2005**	2004	**2005**
Property:			
Property, plant and equipment	**¥ 28,914,990**	¥ 28,277,269	**$ 269,428**
Construction in progress	**782,869**	858,847	**7,295**
	29,697,859	29,136,116	**276,723**
Less:			
Contributions in aid of construction	**(324,029)**	(308,366)	**(3,019)**
Accumulated depreciation	**(18,660,545)**	(17,850,929)	**(173,878)**
	(18,984,575)	(18,159,296)	**(176,897)**
Property, plant and equipment, net (Notes 4, 9 and 17)	**10,713,284**	10,976,820	**99,826**
Nuclear fuel:			
Loaded nuclear fuel	**161,635**	183,440	**1,506**
Nuclear fuel in processing	**763,495**	725,891	**7,114**
	925,130	909,332	**8,620**
Investments and other:			
Long-term investments (Notes 5 and 9)	**609,800**	626,974	**5,682**
Deferred tax assets (Note 14)	**353,337**	352,752	**3,292**
Discounts on bonds	**283**	315	**3**
Other (Note 9)	**424,423**	403,854	**3,955**
	1,387,845	1,383,896	**12,932**
Current assets (Note 9):			
Cash (Note 6)	**140,080**	86,335	**1,305**
Notes and accounts receivable—customers	**356,513**	323,272	**3,322**
Other (Notes 6 and 14)	**225,988**	221,249	**2,106**
	722,582	630,857	**6,733**
Total assets	**¥ 13,748,843**	¥ 13,900,906	**$ 128,111**

LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	Millions of yen 2005	Millions of yen 2004	Millions of U.S. dollars (Note 2) 2005
Long-term liabilities and reserves:			
Long-term debt (Notes 7 and 9)	**¥ 7,151,600**	¥ 7,394,986	**$ 66,638**
Other long-term liabilities (Notes 9 and 14)	**93,871**	67,119	**875**
Reserve for reprocessing of irradiated nuclear fuel (Note 10)	**1,248,549**	1,136,843	**11,634**
Accrued employees' retirement benefits (Note 13)	**512,027**	547,053	**4,771**
Reserve for decommissioning costs of nuclear power units (Note 11)	**355,143**	351,580	**3,309**
	9,361,191	9,497,583	**87,227**
Current liabilities:			
Current portion of long-term debt (Note 7)	**706,948**	515,826	**6,587**
Short-term loans (Notes 7 and 9)	**403,168**	499,362	**3,757**
Trade notes and accounts payable	**159,168**	149,011	**1,483**
Accrued income taxes and other	**169,162**	125,586	**1,576**
Other (Notes 7 and 14)	**395,043**	714,042	**3,681**
	1,833,491	2,003,829	**17,084**
Reserve for fluctuation in water levels (Note 12)	**19,711**	11,911	**184**
Total liabilities	**11,214,394**	11,513,324	**104,495**
Minority interests	**32,291**	27,106	**301**
Shareholders' equity (Notes 15 and 21):			
Common stock, without par value:			
Authorized — 1,800,000,000 shares			
Issued — 1,352,867,531 shares in 2005 and 2004	**676,434**	676,434	**6,303**
Capital surplus	**19,014**	19,014	**177**
Retained earnings	**1,740,907**	1,595,930	**16,222**
Land revaluation surplus	**548**	692	**5**
Unrealized holding gain on securities	**69,951**	71,860	**652**
Translation adjustments	**288**	489	**3**
	2,507,143	2,364,421	**23,361**
Treasury stock, at cost	**(4,986)**	(3,946)	**(46)**
Total shareholders' equity	**2,502,157**	2,360,475	**23,315**
Contingent liabilities (Note 18)			
Total liabilities, minority interests and shareholders' equity	**¥13,748,843**	¥13,900,906	**$128,111**

See notes to consolidated financial statements

Consolidated Statements of Income

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Years ended March 31

	Millions of yen		Millions of U.S. dollars (Note 2)
	2005	2004	**2005**
Operating revenues:			
Electricity	**¥4,797,675**	¥4,722,118	**$44,704**
Other	**249,535**	131,708	**2,325**
	5,047,210	4,853,826	**47,030**
Operating expenses (Note 16):			
Electricity	**4,207,708**	4,211,986	**39,207**
Other	**273,198**	152,835	**2,546**
	4,480,906	4,364,822	**41,753**
Operating income	**566,304**	489,004	**5,277**
Other (income) expenses:			
Interest expense	**164,556**	170,443	**1,533**
Loss on impairment of fixed assets of affiliated company accounted for under the equity method	**27,624**	—	**257**
Other, net (Note 17)	**(6,489)**	55,637	**(60)**
	185,690	226,080	**1,730**
Income before special item, income taxes and minority interests	**380,613**	262,923	**3,547**
Special item:			
Provision for reserve for fluctuation in water levels (Note 12)	**7,799**	7,614	**73**
Income before income taxes and minority interests	**372,814**	255,309	**3,474**
Income taxes (Note 14):			
Current	**146,289**	98,376	**1,363**
Deferred	**(655)**	8,612	**(6)**
	145,633	106,988	**1,357**
Minority interests	**1,003**	(1,229)	**9**
Net income	**¥ 226,177**	¥ 149,550	**$ 2,108**
	Yen		U.S. dollars (Note 2)
Per share of common stock:			
Net income (basic)	**¥167.29**	¥110.53	**$1.56**
Net income (diluted)	**—**	110.32	**—**
Cash dividends	**60.00**	60.00	**0.56**

See notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Years ended March 31

	Number of shares (Thousands)	Millions of yen: Common stock	Capital surplus	Retained earnings	Land revaluation surplus	Unrealized holding gain on securities	Translation adjustments	Treasury stock, at cost
Balance at March 31, 2003	1,352,867	¥ 676,434	¥ 19,014	¥ 1,527,474	¥ 990	¥ 20,631	¥ 3,789	¥ (2,443)
Net income for the year ended March 31, 2004				149,550				
Reversal of land revaluation surplus				297	(297)			
Cash dividends paid				(81,120)				
Bonuses to directors and corporate auditors				(272)				
Net change during the year						51,229	(3,300)	(1,503)
Balance at March 31, 2004	1,352,867	676,434	19,014	1,595,930	692	71,860	489	(3,946)
Net income for the year ended March 31, 2005				**226,177**				
Reversal of land revaluation surplus				**144**	**(144)**			
Cash dividends paid				**(81,080)**				
Bonuses to directors and corporate auditors				**(264)**				
Net change during the year						**(1,909)**	**(201)**	**(1,039)**
Balance at March 31, 2005	**1,352,867**	**¥676,434**	**¥19,014**	**¥1,740,907**	**¥ 548**	**¥69,951**	**¥ 288**	**¥(4,986)**

	Millions of U.S. dollars (Note 2): Common stock	Capital surplus	Retained earnings	Land revaluation surplus	Unrealized holding gain on securities	Translation adjustments	Treasury stock, at cost
Balance at March 31, 2004	$ 6,303	$ 177	$ 14,871	$ 6	$ 670	$ 5	$ (37)
Net income for the year ended March 31, 2005			**2,108**				
Reversal of land revaluation surplus			**1**	**(1)**			
Cash dividends paid			**(756)**				
Bonuses to directors and corporate auditors			**(2)**				
Net change during the year					**(18)**	**(2)**	**(10)**
Balance at March 31, 2005	**$6,303**	**$177**	**$16,222**	**$ 5**	**$652**	**$ 3**	**$(46)**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Years ended March 31

	Millions of yen		Millions of U.S. dollars (Note 2)
	2005	2004	**2005**
Cash flows from operating activities			
Income before income taxes and minority interests	**¥ 372,814**	¥ 255,309	**$ 3,474**
Depreciation and amortization	**847,505**	889,955	**7,897**
Loss on nuclear fuel	**47,395**	20,170	**442**
Loss on disposal of property, plant and equipment	**33,283**	32,473	**310**
Reversal of accrued employees' retirement benefits	**(39,269)**	(66,157)	**(366)**
Provision for reprocessing of irradiated nuclear fuel	**111,706**	22,869	**1,041**
Provision for decommissioning costs of nuclear power units	**3,563**	1,668	**33**
Interest and dividend income	**(9,778)**	(8,385)	**(91)**
Interest expense	**164,556**	170,443	**1,533**
(Increase) decrease in notes and accounts receivable	**(12,227)**	11,355	**(114)**
Increase in notes and accounts payable	**38,874**	19,049	**362**
Other	**121,000**	70,083	**1,127**
	1,679,423	1,418,835	**15,649**
Interest and cash dividends received	**8,278**	4,614	**77**
Interest paid	**(165,350)**	(175,009)	**(1,541)**
Income taxes paid	**(110,880)**	(100,848)	**(1,033)**
Net cash provided by operating activities	**1,411,470**	1,147,591	**13,152**
Cash flows from investing activities			
Purchases of property, plant and equipment	**(561,438)**	(659,864)	**(5,231)**
Contributions in aid of construction received	**16,600**	13,633	**155**
Increase in investments	**(21,564)**	(22,185)	**(201)**
Proceeds from investments	**31,234**	2,025	**291**
Payments for purchases of subsidiaries, net of cash acquired (Note 6)	**(30,770)**	(17,439)	**(287)**
Proceeds from purchases of subsidiaries, net of cash paid (Note 6)	**408**	9,517	**4**
Other	**(11,974)**	(19,559)	**(112)**
Net cash used in investing activities	**(577,503)**	(693,871)	**(5,381)**
Cash flows from financing activities			
Proceeds from issuance of bonds	**252,106**	534,587	**2,349**
Redemption of bonds	**(124,320)**	(284,090)	**(1,158)**
Redemption of convertible bonds	**—**	(178,431)	**—**
Proceeds from long-term loans	**96,431**	147,642	**899**
Repayment of long-term loans	**(432,133)**	(393,359)	**(4,027)**
Proceeds from short-term loans	**1,075,828**	1,377,472	**10,024**
Repayment of short-term loans	**(1,215,568)**	(1,563,243)	**(11,327)**
Proceeds from issuance of commercial paper	**1,365,000**	2,299,000	**12,719**
Redemption of commercial paper	**(1,720,000)**	(2,309,000)	**(16,027)**
Cash dividends paid	**(80,939)**	(80,937)	**(754)**
Other	**(2,006)**	(1,011)	**(19)**
Net cash used in financing activities	**(785,600)**	(451,371)	**(7,320)**
Effect of exchange rate changes on cash and cash equivalents	**602**	(2,044)	**6**
Net increase in cash and cash equivalents	**48,969**	303	**456**
Cash and cash equivalents at beginning of the year	**83,462**	83,158	**778**
Cash and cash equivalents at end of the year (Note 6)	**¥ 132,431**	¥ 83,462	**$ 1,234**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2005

1. Summary of Significant Accounting Policies

a. Basis of Preparation

The accompanying consolidated financial statements of The Tokyo Electric Power Company, Incorporated (the "Company") and its consolidated subsidiaries (collectively, the "Companies") have been compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan and are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The financial statements of the overseas consolidated subsidiaries are prepared on the basis of the accounting and relevant legal requirements of their countries of domicile.

The Company has prepared the consolidated statements of shareholders' equity and certain additional information for the purpose of inclusion in this report although such statements and information are not customarily prepared in Japan.

As permitted by the Securities and Exchange Law, amounts of less than one million yen have been omitted. Consequently, the totals shown in the accompanying consolidated financial statements do not necessarily agree with the sums of the individual amounts.

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year's presentation.

b. Basis of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and all companies which it controls directly or indirectly. Companies over which the Company or the Companies exercise significant influence in terms of their operating and financial policies have been included in the consolidated financial statements on an equity basis. All significant intercompany balances and transactions have been eliminated in consolidation.

The differences arising from the cost of the Companies' investments in subsidiaries and affiliates over the equity in their net assets at fair value are amortized over a period of five years.

Investments in other affiliates, not significant in amount, are carried at cost. Where there has been permanent impairment in the value of its investments, the Company has written them down.

c. Property, Plant and Equipment and Depreciation

Property, plant and equipment is stated at cost. Contributions in aid of construction are deducted from the cost of the related assets. Depreciation of tangible assets is computed by the declining-balance method based on the estimated useful lives of the respective assets.

d. Nuclear Fuel and Amortization

Nuclear fuel is stated at cost less amortization. The amortization of loaded nuclear fuel is computed based on the quantity of energy produced for the generation of electricity.

e. Investments

Securities are classified into three categories depending upon the holding purpose as follows: i) trading securities, which are held for the purpose of earning capital gains in the short-term; ii) held-to-maturity securities, which a company has the positive intent to hold until maturity; and iii) other securities, which are not classified as either of the aforementioned categories. Other securities are stated at fair market value if such value is available, or, if not, at moving-average cost, with unrealized gain and loss, net of the applicable taxes, reported as a separate component of shareholders' equity. Realized gain and loss on sales of such securities are calculated based on the moving-average cost.

f. Fuel, Materials and Supplies

Fuel exclusive of nuclear fuel, materials and supplies are stated at cost determined principally by the average method.

g. Bond Issuance Expenses and Discounts on Bonds

Bond issuance expenses are charged to income as incurred. Discounts on bonds are amortized by the straight-line method over the respective terms of the bonds.

h. Leases

Noncancelable leases are primarily accounted for as operating leases (whether such leases are classified as operating or finance leases) except that leases which stipulate the transfer of ownership of the leased assets to the lessee are accounted for as finance leases.

i. Accrued Employees' Retirement Benefits

Accrued employees' retirement benefits have been provided principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost.

Actuarial gain or loss is being mainly amortized by the straight-line method over a period of three years. Prior service cost is charged or credited to income when incurred.

j. Income Taxes

Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities, and are measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

k. Foreign Currency Translation

The revenue and expense accounts of the overseas consolidated subsidiaries are translated into yen at the average exchange rates prevailing during the year.

The balance sheet accounts of the overseas consolidated subsidiaries, except for the components of shareholders' equity, are translated into yen at the rates of exchange in effect at the balance sheet date. The components of shareholders' equity are translated at their historical exchange rates. Translation differences arising from the translation of the financial statements of the overseas consolidated subsidiaries are presented as translation adjustments.

Current and non-current foreign currency accounts are translated into yen at the exchange rates prevailing as of the fiscal year-end, and the resulting gain or loss is credited or charged to income currently.

l. Derivatives and Hedging Activities

Derivatives are stated at fair value with any changes in unrealized gain or loss charged or credited to income, except for those which meet the criteria for deferral hedge accounting under which unrealized gain or loss is deferred as an asset or a liability.

Liabilities denominated in foreign currencies hedged by derivatives positions are translated at their respective contract rates.

m. Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

n. Amounts per Share

Basic net income per share was computed based on the net income available for distribution to shareholders of common stock and the weighted-average number of shares of common stock outstanding during the year. Diluted net income per share was computed based on the net income available for distribution to the shareholders and the weighted-average number of shares of common stock outstanding during each year after giving effect to the dilutive potential of shares of common stock to be issued upon the conversion of convertible bonds.

2. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥107.32 = US$1.00, the approximate rate of exchange in effect on March 31, 2005, has been used. The inclusion of such amounts is not intended to imply that yen have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

3. Accounting Change

Effective the year ended March 31, 2004, the Company and its domestic consolidated subsidiaries implemented early adoption of a new accounting standard for the impairment of fixed assets which requires that tangible and intangible fixed assets be carried at cost less depreciation, and be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Companies are required to recognize an impairment loss in their statement of income or operations if certain indicators of asset impairment exist and if the book value of an asset exceeds the undiscounted sum of its future cash flows. The standard states that impairment losses should be measured as the excess of the book value over the higher of (1) the fair market value of the asset, net of disposition costs, and (2) the present value of future cash flows arising from ongoing utilization of the asset and from disposal of the asset after use. The standard covers land, factories, buildings and other forms of property, plant and equipment as well as intangible assets. Fixed assets are to be grouped at the lowest level for which there are identifiable cash flows independent of the cash flows from other groups of assets.

The effect of the adoption of this new accounting standard was to decrease income before income taxes and minority interests by ¥44,825 million for the year ended March 31, 2004.

4. Property, Plant and Equipment, Net

The major classifications of property, plant and equipment, net at March 31, 2005 and 2004 were as follows:

	Millions of yen		Millions of U.S. dollars
	2005	2004	**2005**
Hydroelectric power production facilities	**¥ 649,555**	¥ 683,438	**$ 6,053**
Thermal power production facilities	**1,469,811**	1,541,812	**13,696**
Nuclear power production facilities	**855,067**	929,441	**7,967**
Transmission facilities	**2,698,718**	2,817,714	**25,146**
Transformation facilities	**1,045,474**	1,116,557	**9,742**
Distribution facilities	**2,294,773**	2,306,402	**21,383**
General facilities	**192,842**	223,409	**1,797**
Other electricity-related property, plant and equipment	**23,347**	17,900	**218**
Other property, plant and equipment	**706,694**	492,139	**6,585**
Construction in progress	**776,999**	848,003	**7,240**
	¥10,713,284	¥ 10,976,820	**$99,826**

5. Marketable Securities and Investment Securities

At March 31, 2005 and 2004, held-to-maturity securities for which market prices were available were as follows:

	Millions of yen						Millions of U.S. dollars		
	2005			2004			**2005**		
	Carrying amount	Market value	Unrealized gain	Carrying amount	Market value	Unrealized gain	Carrying amount	Market value	Unrealized gain
Securities whose market value exceeds their carrying amount:									
Bonds	**¥200**	**¥201**	**¥1**	¥399	¥405	¥5	**$2**	**$2**	**$0**

At March 31, 2005 and 2004, other securities for which market prices were available were as follows:

	Millions of yen						Millions of U.S. dollars		
	2005			2004			**2005**		
	Acquisition costs	Carrying amount	Unrealized holding gain (loss)	Acquisition costs	Carrying amount	Unrealized holding gain (loss)	Acquisition costs	Carrying amount	Unrealized holding gain (loss)
Unrealized holding gain:									
Stocks and bonds	**¥39,350**	**¥143,942**	**¥104,592**	¥33,889	¥134,767	¥100,877	**$367**	**$1,341**	**$975**
Unrealized holding loss:									
Stocks and bonds	**836**	**749**	**(86)**	11,408	9,399	(2,008)	**8**	**7**	**(1)**
Total	**¥40,186**	**¥144,692**	**¥104,505**	¥45,297	¥144,166	¥ 98,868	**$374**	**$1,348**	**$974**

For the years ended March 31, 2005 and 2004, gain and loss on sales of other securities were as follows:

	Millions of yen						Millions of U.S. dollars		
	2005			2004			**2005**		
	Sales amount	Aggregate gain	Aggregate loss	Sales amount	Aggregate gain	Aggregate loss	Sales amount	Aggregate gain	Aggregate loss
Other securities	**¥28,229**	**¥9,906**	**¥516**	¥81	¥58	¥14	**$263**	**$92**	**$5**

At March 31, 2005 and 2004, non-marketable securities and investment securities stated at cost were as follows:

	Millions of yen		Millions of U.S. dollars
	2005	2004	**2005**
Held-to-maturity securities:			
Commercial paper	**¥ —**	¥ 1,099	**$ —**
Other securities:			
Unlisted stocks	**91,957**	97,551	**857**
Other	**11,247**	7,728	**105**

The redemption schedule for securities with maturity dates classified as other securities and held-to-maturity securities as of March 31, 2005 is summarized as follows:

	Millions of yen			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Bonds	**¥582**	**¥319**	**¥457**	**¥ —**

	Millions of U.S. dollars			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Bonds	**$5**	**$3**	**$4**	**$ —**

6. Supplemental Cash Flow Information

For the purpose of the consolidated statements of cash flows, a reconciliation between cash and cash equivalents and the cash balances in the consolidated balance sheets is as follows:

	Millions of yen		Millions of U.S. dollars
	2005	2004	**2005**
Cash	**¥140,080**	¥86,335	**$1,305**
Time deposits with maturities of more than three months	**(11,108)**	(7,331)	**(104)**
Short-term investments with an original maturity of three months or less, presenting negligible risk of change in value, included in other current assets	**3,458**	4,459	**32**
Cash and cash equivalents	**132,431**	83,462	**1,234**

Certain subsidiaries were newly included in the scope of consolidation as a result of purchases of subsidiaries' shares for the years ended March 31, 2005 and 2004. The following table represents assets and liabilities of the subsidiaries at the date of the purchases and the relationship between acquisition costs of the subsidiaries' shares and net payments for the purchases of subsidiaries.

	Millions of yen		Millions of U.S. dollars
	2005	2004	**2005**
Non-current assets	**¥154,237**	¥31,922	**$1,437**
Current assets	**122,370**	880	**1,140**
Consolidation goodwill	**62,475**	(505)	**582**
Non-current liabilities	**(144,154)**	(3,406)	**(1,343)**
Current liabilities	**(107,772)**	(1,900)	**(1,004)**
Minority interests	**(5,233)**	(9,008)	**(49)**
	81,923	17,982	**763**
The Companies' interests in subsidiaries prior to the inclusion in the scope of consolidation	**13,197**	—	**123**
Acquisition costs of subsidiaries' shares	**95,120**	17,982	**886**
Cash and cash equivalents held by subsidiaries	**(64,349)**	(542)	**(600)**
Payments for purchases of subsidiaries, net of cash acquired	**¥ 30,770**	¥17,439	**$ 287**

Certain subsidiaries were newly included in the scope of consolidation as a result of purchases of subsidiaries' shares for the year ended March 31, 2004. The following table represents assets and liabilities of the subsidiaries at the date of the purchases and the relationship between acquisition costs of the subsidiaries' shares and net proceeds from the purchases of subsidiaries.

	Millions of yen
	2004
Non-current assets	¥ 56,062
Current assets	25,110
Consolidation goodwill	5,020
Non-current liabilities	(51,119)
Current liabilities	(11,416)
Minority interests	(7,737)
	¥ 15,920
The Companies' interests in subsidiaries prior to the inclusion in the scope of consolidation	¥(11,921)
Acquisition costs of subsidiaries' shares	3,998
Cash and cash equivalents held by subsidiaries	(13,516)
Proceeds from purchases of subsidiaries, net of cash paid	¥ 9,517

7. Short-Term Debt and Long-Term Debt

Short-term loans and commercial paper are unsecured. The weighted-average interest rates of short-term loans were approximately 0.323% and 0.301% for the years ended March 31, 2005 and 2004, respectively. The weighted-average interest rate of commercial paper was approximately 0.009% for the year ended March 31, 2004.

At March 31, 2005 and 2004, short-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2005	2004	**2005**
Loans from banks and other sources	**¥403,168**	¥499,362	**$3,757**
Commercial paper	**—**	355,000	**—**
	¥403,168	¥854,362	**$3,757**

The annual interest rates applicable to the Company's domestic straight bonds at March 31, 2005 and 2004 ranged from 0.335% to 5.05%, and from 0.335% to 5.05%, respectively, and those applicable to the Company's foreign straight bonds at March 31, 2005 and 2004 ranged from 4.375% to 7.125% and from 4.00% to 7.125%, respectively. The interest rates applicable to the long-term borrowings (except for the current portion) at March 31, 2005 and 2004 averaged approximately 2.506% and 2.617%, respectively.

At March 31, 2005 and 2004, long-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2005	2004	**2005**
Domestic straight bonds due from 2004 through 2019	**¥5,140,690**	¥4,995,510	**$47,901**
Foreign straight bonds due from 2006 through 2014	**660,262**	660,262	**6,152**
Loans from banks, insurance companies and other sources	**2,057,595**	2,255,040	**19,173**
	7,858,548	7,910,812	**73,225**
Less: Current portion	**(706,948)**	(515,826)	**(6,587)**
	¥7,151,600	¥7,394,986	**$66,638**

The annual maturities of long-term debt subsequent to March 31, 2005 are summarized as follows:

Years ending March 31,	Millions of yen	Millions of U.S. dollars
2006	¥ 706,948	$ 6,587
2007	1,085,021	10,110
2008	904,024	8,424
2009	862,144	8,033
2010	639,778	5,961
2011 and thereafter	3,660,630	34,109

8. Leases

a. Lessees' Accounting

The following pro forma amounts represent the acquisition costs, accumulated depreciation, accumulated impairment loss on fixed assets and net book value of the leased assets at March 31, 2005 and 2004, which would have been reflected in the consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	March 31, 2005			
	Millions of yen			
	Acquisition costs	Accumulated depreciation	Accumulated Impairment loss on fixed assets	Net book value
Nuclear power production facilities	**¥14,278**	**¥ 6,508**	**¥ —**	**¥ 7,770**
General facilities	**1,558**	**912**	**—**	**646**
Other property, plant and equipment	**40,528**	**16,227**	**430**	**23,871**
Other	**1,612**	**1,104**	**—**	**507**
Total	**¥57,978**	**¥24,752**	**¥430**	**¥32,795**

	March 31, 2005			
	Millions of U.S. dollars			
	Acquisition costs	Accumulated depreciation	Accumulated Impairment loss on fixed assets	Net book value
Nuclear power production facilities	**$133**	**$ 61**	**$—**	**$ 72**
General facilities	**15**	**8**	**—**	**6**
Other property, plant and equipment	**378**	**151**	**4**	**222**
Other	**15**	**10**	**—**	**5**
Total	**$540**	**$231**	**$ 4**	**$306**

	March 31, 2004		
	Millions of yen		
	Acquisition costs	Accumulated depreciation	Net book value
Nuclear power production facilities	¥16,267	¥ 9,488	¥ 6,779
General facilities	2,185	1,271	914
Other	19,513	5,671	13,841
Total	¥37,966	¥16,431	¥21,534

Lease expenses related to finance leases accounted for as operating leases for the years ended March 31, 2005 and 2004 amounted to ¥9,041 million (US$84 million) and ¥5,389 million, respectively. A consolidated subsidiary recognized an impairment loss of ¥430 million (US$4 million) with respect to such leases for the year ended March 31, 2005. Since such leases were not capitalized, the consolidated subsidiary recorded other long-term liabilities of ¥430 million to recognize the impairment loss. Such a liability is being amortized over the respective lease terms and the consolidated subsidiary recorded amortization income of ¥25 million (US$0 million) for the year ended March 31, 2005.

Depreciation expense related to finance leases accounted for as operating leases amounting to ¥9,016 million (US$84 million) and ¥5,389 million for the years ended March 31, 2005 and 2004, respectively would have been recorded if these leases had been accounted for as finance leases. For the purpose of presentation of the pro forma amounts, depreciation for the leased assets has been calculated by the straight-line method over the lease terms assuming a nil residual value.

Future minimum lease payments (including the interest portion thereon) subsequent to March 31, 2005 for finance leases accounted for as operating leases are summarized as follows:

Year ending March 31,	Millions of yen	Millions of U.S. dollars
2006	¥ 9,067	$ 84
2007 and thereafter	23,728	221
Total	¥32,795	$306

Future minimum lease payments subsequent to March 31, 2005 for operating leases are summarized as follows:

Year ending March 31,	Millions of yen	Millions of U.S. dollars
2006	¥ 0	$ 0
2007 and thereafter	—	—
Total	¥ 0	$ 0

b. Lessors' Accounting

The following amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets relating to finance leases accounted for as operating leases at March 31, 2005 and 2004:

	March 31, 2005					
	Millions of yen			Millions of U.S. dollars		
	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Other electricity-related assets	**¥ 5,765**	**¥1,261**	**¥4,503**	**$ 54**	**$12**	**$42**
Other property, plant and equipment	**5,500**	**2,404**	**3,095**	**51**	**22**	**29**
Total	**¥11,265**	**¥3,666**	**¥7,599**	**$105**	**$34**	**$71**

	March 31, 2004		
	Millions of yen		
	Acquisition costs	Accumulated depreciation	Net book value
Other electricity-related assets	¥ 601	¥ 152	¥ 449
Other property, plant and equipment	5,265	2,686	2,578
Total	¥5,867	¥2,839	¥3,027

Lease income relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥1,111 million (US$10 million) and ¥875 million for the years ended March 31, 2005 and 2004, respectively. Depreciation of the assets leased under finance leases accounted for as operating leases amounted to ¥1,868 million (US$17 million) and ¥762 million for the years ended March 31, 2005 and 2004, respectively.

Future minimum lease income (including the interest portion thereon) subsequent to March 31, 2005 for finance leases accounted for as operating leases is summarized as follows:

Year ending March 31,	Millions of yen	Millions of U.S. dollars
2006	¥ 1,950	$ 18
2007 and thereafter	8,837	82
Total	¥10,787	$101

Future minimum lease income subsequent to March 31, 2005 for operating leases is summarized as follows:

Year ending March 31,	Millions of yen	Millions of U.S. dollars
2006	¥ 344	$ 3
2007 and thereafter	2,522	24
Total	¥2,866	$27

9. Pledged Assets

At March 31, 2005, the Company's entire property was subject to certain statutory preferential rights as security for loans from the Development Bank of Japan which amounted to ¥733,916 million (US$6,839 million), and for bonds of ¥6,115,772 million (US$56,986 million).

Certain of the Company's long-term loan agreements give the lenders the right, upon request, to have any proposed appropriation of retained earnings submitted to them for prior approval before submission to the shareholders. None of the lenders has ever exercised this right.

The assets pledged as collateral for certain consolidated subsidiaries' long-term debt of ¥90,937 million (US$847 million), short-term debt of ¥778 million (US$7 million), and other long-term liabilities of ¥1,337 million (US$12 million) at March 31, 2005 were as follows:

	Millions of yen	Millions of U.S. dollars
Property, plant and equipment, net:		
Hydroelectric power production facilities	¥ 4,767	$ 44
Other	87,133	812
Construction in progress	11,412	106
Cash	10,607	99
Notes and accounts receivable — customers	1,285	12
Other current and non-current assets	802	7
	¥116,009	$1,081

Additionally, subsidiaries' stocks of ¥4,850 million (US$45 million) eliminated in consolidation have been pledged as collateral to financial institutions.

A long-term investment of ¥1,643 million (US$15 million) was also pledged as collateral for long-term debt from financial institutions of a company which has been invested in by consolidated subsidiaries.

10. Reserve for Reprocessing of Irradiated Nuclear Fuel

The Company is required, under the accounting rules applicable to electric utility companies in Japan, to provide a reserve for the reprocessing of irradiated nuclear fuel. This reserve, in accordance with the rules, is stated at 60% of the amount which would be required to reprocess all the Company's irradiated nuclear fuel.

11. Reserve for Decommissioning Costs of Nuclear Power Units

The reserve for the anticipated costs required for the decommissioning of nuclear power units in the future is provided on the basis of the actual amount of nuclear power generated during the year.

12. Reserve for Fluctuation in Water Levels

To offset fluctuation in income caused by high water levels or by drought conditions in connection with hydroelectric power generation, the Company is required under the Electricity Utilities Industry Law to record a reserve for fluctuation in water levels.

13. Employees' Retirement Benefit Plans

At March 31, 2005, the Company and certain of its consolidated subsidiaries had defined benefit plans, including funded non-contributory tax-qualified retirement pension plans and lump-sum retirement benefit plans. Within the Companies, there are 39 retirement benefit plans and 12 pension plans.

The following table sets forth the funded and accrued status of the plans, and the amounts recognized in the consolidated balance sheets at March 31, 2005 and 2004 for the Companies' defined benefit plans:

	Millions of yen		Millions of U.S. dollars
	2005	2004	**2005**
Retirement benefit obligation	**¥(1,115,260)**	¥(1,088,343)	**$(10,392)**
Plan assets at fair value	**627,999**	564,955	**5,852**
Accrued employees' retirement benefits	**512,027**	547,053	**4,771**
Prepaid pension expense	**(1,890)**	(1,849)	**(18)**
Unrecognized actuarial gain	**¥ 22,875**	¥ 21,815	**$ 213**

The components of retirement benefit expenses for the years ended March 31, 2005 and 2004 are outlined as follows:

	Millions of yen		Millions of U.S. dollars
	2005	2004	**2005**
Service cost	**¥ 38,437**	¥ 39,022	**$358**
Interest cost	**21,739**	21,915	**203**
Expected return on plan assets	**(2,935)**	(2,366)	**(27)**
Amortization of unrecognized actuarial (gain) loss	**(9,552)**	46,653	**(89)**
Amortization of prior service cost	**262**	(68,072)	**2**
	¥ 47,952	¥ 37,152	**$447**

The principal assumptions used in determining the retirement benefit obligation and other components of the Companies' plans are shown below:

	2005	2004
Method of allocation of estimated retirement benefits	**Equally over the period**	Equally over the period
Discount rate	**Mainly 2.0%**	Mainly 2.0%
Expected rate of return on plan assets	**Mainly 0.5%**	Mainly 0.5%
Period for amortization of prior service cost	**—**	Mainly amortized in the year incurred
Period for amortization of unrecognized actuarial gain or loss	**Mainly 3 years**	Mainly 3 years

14. Income Taxes

Income taxes applicable to the Company and a consolidated subsidiary in the electricity business comprise corporation and inhabitants' taxes, which, in the aggregate, resulted in a statutory tax rate of approximately 36% in 2005 and 2004. Other major consolidated subsidiaries are subject to corporation, enterprise and inhabitants' taxes, which, in the aggregate, resulted in a statutory tax rate of approximately 41% and 42% in 2005 and 2004, respectively.

The significant components of deferred tax assets and liabilities as of March 31, 2005 and 2004 were as follows:

	Millions of yen		Millions of U.S. dollars
	2005	2004	**2005**
Deferred tax assets:			
Accrued employees' retirement benefits	**¥179,651**	¥185,112	**$1,674**
Depreciation and amortization	**81,208**	49,294	**757**
Reserve for reprocessing of irradiated nuclear fuel	**63,144**	63,144	**588**
Tax loss carryforwards	**41,553**	—	**387**
Reserve for decommissioning costs of nuclear power units	**32,791**	32,791	**306**
Deferred expenses for tax purposes	**25,904**	29,283	**241**
Other	**95,688**	87,715	**892**
	519,942	447,343	**4,845**
Valuation allowance	**(91,887)**	(21,111)	**(856)**
Total deferred tax assets	**428,055**	426,232	**3,989**
Deferred tax liabilities:			
Unrealized holding gain on securities	**(38,062)**	(36,640)	**(355)**
Other	**(10,077)**	(6,734)	**(94)**
Total deferred tax liabilities	**(48,139)**	(43,375)	**(449)**
Net deferred tax assets	**¥379,915**	¥382,856	**$3,540**

Deferred tax assets and liabilities were included in other current assets, other long-term liabilities and other current liabilities as follows:

	Millions of yen		Millions of U.S. dollars
	2005	2004	**2005**
Other current assets	**¥34,035**	¥34,250	**$317**
Other long-term liabilities	**7,456**	4,146	**69**
Other current liabilities	**—**	0	**—**

The difference between the effective tax rate reflected in the accompanying consolidated statements of income for the years ended March 31, 2005 and 2004 and the statutory tax rate was as follows:

	2005
Statutory tax rate	**36.2%**
Loss on impairment of fixed assets of affiliated company accounted for under the equity method	**2.7**
Other	**0.2**
Effective tax rate	**39.1%**

	2004
Statutory tax rate	36.2%
Valuation allowance	6.6
Equity in loss of affiliated companies	2.3
Tax credit for information and telecommunication equipments	(1.4)
Tax credit for research and development costs	(1.4)
Other	(0.4)
Effective tax rate	41.9%

15. Shareholders' Equity

Retained earnings include a legal reserve provided in accordance with the Commercial Code of Japan. The Code provides that an amount equal to at least 10% of the amount to be disbursed as distributions of earnings be appropriated to the legal reserve until the total of such reserve and the additional paid-in capital account equals 25% of the common stock account. The legal reserve amounted to ¥169,108 million (US$1,576 million) at March 31, 2005. The Code provides that neither capital surplus nor the legal reserve is available for dividends, but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock by resolution of the Board of Directors. The Code also provides that if the total amount of capital surplus and the legal reserve exceeds 25% of the common stock account, the excess may be distributed to the shareholders either as a return of capital or as dividends subject to the approval of the shareholders.

16. Research and Development Costs

Research and development costs included in operating expenses for the years ended March 31, 2005 and 2004 totaled ¥35,181 million (US$328 million) and ¥36,970 million, respectively.

17. Impairment Loss on Fixed Assets

For the year ended March 31, 2004, the Company and its domestic consolidated subsidiaries recognized ¥44,825 million of impairment losses on fixed assets which consisted of the following:

	Millions of yen
	2004
Other electricity-related property, plant and equipment	¥ 4,152
Other property, plant and equipment	11,366
Construction in progress	29,306
Total	¥ 44,825

Impairment losses of ¥44,825 million are included in other, net of other expenses in the consolidated statements of income.

Impairment losses relating to "other electricity-related property, plant and equipment" and "construction in progress" with uncertain future cash flows are recognized by unit. Impairment loss relating to "other property, plant and equipment" (mainly land used for real estate business) is grouped within respective rental areas because these assets are supplemental in terms of generating cash flows. The Companies determine if assets are impaired by comparing their undiscounted expected future cash flows to their carrying amounts in the accounting records. The Companies recognize impairment losses if the undiscounted expected future cash flows are less than the carrying amount of the asset.

Recoverable amounts in these assets groups were measured by the respective net selling prices. The selling prices were based primarily on appraisal valuation.

18. Contingent Liabilities

At March 31, 2005, contingent liabilities totaled ¥981,307 million (US$9,144 million), of which ¥389,171 million (US$3,626 million) was in the form of co-guarantees or commitments to give co-guarantees if requested for the loans, bonds, lease obligations or other commitments of other companies.

In addition, ¥252,136 million (US$2,349 million) consisted of guarantees given in connection with housing loans made to employees of the Companies.

The remainder of ¥340,000 million (US$3,168 million) represents the debt assigned by the Company to certain banks under debt assumption agreements.

19. Derivatives

The Company utilizes commodity swap agreements for the purpose of hedging its exposure to adverse fluctuation in fuel prices.

The Company and certain consolidated subsidiaries also utilize forward foreign exchange contracts solely in order to hedge against the risk of fluctuation in foreign currency exchange rates and to stabilize their future cash flows relating to payables denominated in foreign currencies.

The Company also utilizes currency swap agreements for the purpose of hedging its exposure to adverse fluctuation in foreign exchange rates and to manage its future cash flows relating to payments on the principal and interest of foreign bonds denominated in foreign currencies.

Liabilities denominated in foreign currencies hedged by derivatives positions are translated at their respective contract rates.

The Company and certain consolidated subsidiaries also utilize interest-rate swaps and interest-rate caps to hedge their exposure to adverse fluctuation in interest rates and to manage their future cash flows relating to interest payments on long-term bank loans.

The Company also utilizes weather derivatives for the purpose of hedging its electric power business risk which fluctuates according to summer temperature changes.

The Company also utilizes fuel prices margin swap in order to hedge against the risk of fluctuation of settlement of balance of fuel prices margin between prices on the basis of a system of appropriate adjustments and fuel prices to purchase.

The Company and certain consolidated subsidiaries have entered into such derivatives transactions solely in order to hedge against certain risks in compliance with their internal policies. The Company and these consolidated subsidiaries have not entered into derivatives transactions for trading or speculative purposes.

The Company and certain consolidated subsidiaries are also exposed to credit risk in the event of non-performance by the counterparties to these derivatives positions, but consider the risk of any such loss to be minimal because they enter into derivatives transactions only with financial institutions and companies which have high credit ratings.

20. Segment Information

The Companies operate principally in three industry segments: electric power, information and telecommunications, and other businesses. The information and telecommunications segment involves the provision of telecommunications and data processing services, software development and maintenance, and CATV broadcasting. Other businesses comprise repair work to power generation facilities, the repair and maintenance of transmission and transformation facilities, and the real estate and property management business.

Industry segment information for the Companies for the years ended March 31, 2005 and 2004 is summarized as follows:

	Millions of yen					
	2005					
	Electric power business	Information and telecom-munications business	Other businesses	Total	Eliminations	Consolidated
I. Operating revenues and operating income:						
Operating revenues:						
Sales to third parties	¥ 4,797,675	¥110,410	¥139,125	¥ 5,047,210	¥ —	¥ 5,047,210
Inter-segment sales and transfers	1,157	73,195	277,665	352,018	(352,018)	—
Total	4,798,832	183,605	416,791	5,399,229	(352,018)	5,047,210
Operating expenses	4,231,772	215,599	388,280	4,835,652	(354,745)	4,480,906
Operating income (loss)	¥ 567,060	¥ (31,993)	¥ 28,510	¥ 563,577	¥ 2,726	¥ 566,304
II. Assets, depreciation and capital expenditures:						
Total assets	¥12,693,782	¥377,303	¥930,701	¥14,001,787	¥(252,944)	¥13,748,843
Depreciation and amortization	787,592	32,548	33,004	853,145	(5,639)	847,505
Capital expenditures	459,375	40,093	64,981	564,451	(3,244)	561,206

	Millions of yen					
	2004					
	Electric power business	Information and telecom-munications business	Other businesses	Total	Eliminations	Consolidated
I. Operating revenues and operating income:						
Operating revenues:						
Sales to third parties	¥ 4,722,118	¥ 20,389	¥111,319	¥ 4,853,826	¥ —	¥ 4,853,826
Inter-segment sales and transfers	—	66,917	262,214	329,131	(329,131)	—
Total	4,722,118	87,306	373,533	5,182,958	(329,131)	4,853,826
Operating expenses	4,230,806	105,169	359,383	4,695,358	(330,536)	4,364,822
Operating income (loss)	¥ 491,311	¥ (17,862)	¥ 14,150	¥ 487,599	¥ 1,404	¥ 489,004
II. Assets, depreciation, impairment loss on fixed assets and capital expenditures:						
Total assets	¥13,143,545	¥120,136	¥867,522	¥14,131,204	¥(230,298)	¥13,900,906
Depreciation and amortization	846,903	18,023	29,674	894,601	(4,645)	889,955
Impairment loss on fixed assets	33,458	—	11,366	44,825	—	44,825
Capital expenditures	573,599	26,025	67,588	667,212	(3,244)	663,967

	Millions of U.S. dollars					
	2005					
	Electric power business	Information and telecom-munications business	Other businesses	Total	Eliminations	Consolidated
I. Operating revenues and operating income:						
Operating revenues:						
Sales to third parties	**$ 44,704**	**$1,029**	**$1,296**	**$ 47,030**	**$ —**	**$ 47,030**
Inter-segment sales and transfers	**11**	**682**	**2,587**	**3,280**	**(3,280)**	**—**
Total	**44,715**	**1,711**	**3,884**	**50,310**	**(3,280)**	**47,030**
Operating expenses	**39,431**	**2,009**	**3,618**	**45,058**	**(3,305)**	**41,753**
Operating income (loss)	**$ 5,284**	**$ (298)**	**$ 266**	**$ 5,251**	**$ 25**	**$ 5,277**
II. Assets, depreciation and capital expenditures:						
Total assets	**$118,280**	**$3,516**	**$8,672**	**$130,468**	**$(2,357)**	**$128,111**
Depreciation and amortization	**7,339**	**303**	**308**	**7,950**	**(53)**	**7,897**
Capital expenditures	**4,280**	**374**	**605**	**5,260**	**(30)**	**5,229**

As less than 10% of the consolidated revenues and total assets are generated overseas, the disclosure information of geographical segments and overseas sales has been omitted.

21. Subsequent Event

The following appropriations of retained earnings of the Company, which have not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2005, were approved at a general meeting of the shareholders held on June 28, 2005:

	Millions of yen	Millions of U.S. dollars
Year-end cash dividends (¥30 = US$0.28 per share)	¥40,529	$378
Bonuses to directors and corporate auditors	75	1

Report of Independent Auditors

ERNST & YOUNG SHINNIHON

Certified Public Accountants
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The Board of Directors
The Tokyo Electric Power Company, Incorporated

We have audited the accompanying consolidated balance sheets of The Tokyo Electric Power Company, Incorporated and consolidated subsidiaries as of March 31, 2005 and 2004, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Tokyo Electric Power Company, Incorporated and consolidated subsidiaries at March 31, 2005 and 2004, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As described in Note 3, The Tokyo Electric Power Company, Incorporated and its domestic consolidated subsidiaries adopted a new accounting standard for impairment of fixed assets as early adoption of the standard was permitted from the fiscal year ended March 31, 2004.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2005 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2.

Ernst & Young ShinNihon

June 28, 2005

Non-Consolidated Balance Sheets

The Tokyo Electric Power Company, Incorporated
March 31

ASSETS	Millions of yen 2005	Millions of yen 2004	Millions of U.S. dollars (Note 2) 2005
Property:			
Property, plant and equipment	**¥ 27,845,331**	¥ 27,621,530	**$ 259,461**
Construction in progress	**744,519**	816,217	**6,937**
	28,589,851	28,437,747	**266,398**
Less:			
Contributions in aid of construction	**(311,809)**	(304,272)	**(2,905)**
Accumulated depreciation	**(18,128,697)**	(17,516,830)	**(168,922)**
	(18,440,506)	(17,821,103)	**(171,827)**
Property, plant and equipment, net (Notes 4 and 6)	**10,149,344**	10,616,644	**94,571**
Nuclear fuel:			
Loaded nuclear fuel	**162,450**	184,261	**1,514**
Nuclear fuel in processing	**766,681**	727,257	**7,144**
	929,131	911,518	**8,658**
Investments and other:			
Long-term investments	**562,831**	588,722	**5,244**
Investments in subsidiaries and affiliates	**517,268**	414,757	**4,820**
Deferred tax assets	**313,597**	313,548	**2,922**
Discounts on bonds	**283**	315	**3**
Other	**60,225**	43,850	**561**
	1,454,206	1,361,193	**13,550**
Current assets:			
Cash	**68,309**	40,444	**637**
Accounts receivable—customers	**314,997**	307,002	**2,935**
Fuel exclusive of nuclear fuel, materials and supplies	**80,340**	78,292	**749**
Other	**104,856**	119,230	**977**
	568,504	544,970	**5,297**
Total assets	**¥ 13,101,186**	¥ 13,434,326	**$ 122,076**

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen 2005	Millions of yen 2004	Millions of U.S. dollars (Note 2) 2005
Long-term liabilities and reserves:			
Long-term debt	**¥ 6,861,813**	¥ 7,239,437	**$ 63,938**
Other long-term liabilities	**55,715**	37,233	**519**
Reserve for reprocessing of irradiated nuclear fuel	**1,248,549**	1,136,843	**11,634**
Accrued employees' retirement benefits	**463,996**	506,313	**4,323**
Reserve for decommissioning costs of nuclear power units	**355,143**	351,580	**3,309**
	8,985,218	9,271,407	**83,724**
Current liabilities:			
Current portion of long-term debt	**653,128**	494,804	**6,086**
Current portion of other long-term liabilities	**3,295**	2,487	**31**
Short-term loans	**394,000**	496,000	**3,671**
Commercial paper	**—**	355,000	**—**
Trade accounts payable	**147,279**	137,407	**1,372**
Accrued income taxes	**88,535**	54,052	**825**
Deposits from employees and others	**3,107**	2,739	**29**
Other	**472,257**	438,828	**4,400**
	1,761,604	1,981,319	**16,415**
Reserve for fluctuation in water levels	**19,599**	11,853	**183**
Total liabilities	**10,766,422**	11,264,581	**100,321**
Shareholders' equity: (Notes 7 and 8)			
Common stock, without par value:			
Authorized — 1,800,000,000 shares			
Issued — 1,352,867,531 shares in 2005 and 2004	**676,434**	676,434	**6,303**
Capital surplus	**19,014**	19,014	**177**
Retained earnings	**1,579,814**	1,416,147	**14,721**
Unrealized holding gain on securities	**63,900**	61,509	**595**
Treasury stock, at cost	**(4,398)**	(3,359)	**(41)**
Total shareholders' equity	**2,334,764**	2,169,745	**21,755**
Contingent liabilities (Note 5)			
Total liabilities and shareholders' equity	**¥13,101,186**	¥13,434,326	**$122,076**

See notes to non-consolidated financial statements.

Non-Consolidated Statements of Income

The Tokyo Electric Power Company, Incorporated
Years ended March 31

	Millions of yen		Millions of U.S. dollars (Note 2)
	2005	2004	**2005**
Operating revenues:			
Residential	**¥1,976,832**	¥1,909,435	**$18,420**
Commercial and industrial	**2,660,435**	2,688,725	**24,790**
Other	**185,991**	136,404	**1,733**
	4,823,259	4,734,565	**44,943**
Operating expenses:			
Fuel	**822,488**	905,806	**7,664**
Depreciation	**785,909**	845,028	**7,323**
Purchased power	**600,895**	637,116	**5,599**
Maintenance	**472,776**	411,488	**4,405**
Personnel	**454,453**	445,167	**4,235**
Taxes other than income taxes	**319,293**	315,929	**2,975**
Other	**831,950**	701,828	**7,752**
	4,287,767	4,262,365	**39,953**
Operating income	**535,491**	472,200	**4,990**
Other (income) expenses:			
Interest expense	**156,334**	167,977	**1,457**
Other, net (Note 6)	**(5,345)**	41,698	**(50)**
	150,988	209,676	**1,407**
Income before special item and income taxes	**384,503**	262,524	**3,583**
Special item:			
Provision for reserve for fluctuation in water levels	**7,745**	7,567	**72**
Income before income taxes	**376,757**	254,956	**3,511**
Income taxes:			
Current	**133,662**	88,027	**1,245**
Deferred	**(1,727)**	15,110	**(16)**
	131,934	103,137	**1,229**
Net income	**¥ 244,822**	¥ 151,818	**$ 2,281**
	Yen		U.S. dollars (Note 2)
Per share of common stock:			
Net income (basic)	**¥181.13**	¥112.25	**$1.69**
Net income (diluted)	**—**	112.01	**—**
Cash dividends	**60.00**	60.00	**0.56**

See notes to non-consolidated financial statements..

Non-Consolidated Statements of Shareholders' Equity

The Tokyo Electric Power Company, Incorporated
Years ended March 31

		Millions of yen				
	Number of shares (Thousands)	Common stock	Capital surplus	Retained earnings	Unrealized holding gain on securities	Treasury stock, at cost
Balance at March 31, 2003	1,352,867	¥676,434	¥19,014	¥1,345,523	¥19,419	¥(1,856)
Net income for the year ended March 31, 2004				151,818		
Cash dividends paid				(81,120)		
Bonuses to directors and corporate auditors				(75)		
Net change during the year					42,090	(1,502)
Balance at March 31, 2004	1,352,867	676,434	19,014	1,416,147	61,509	(3,359)
Net income for the year ended March 31, 2005				**244,822**		
Cash dividends paid				**(81,080)**		
Bonuses to directors and corporate auditors				**(75)**		
Net change during the year					**2,391**	**(1,039)**
Balance at March 31, 2005	**1,352,867**	**¥676,434**	**¥19,014**	**¥1,579,814**	**¥63,900**	**¥(4,398)**

	Millions of U.S. dollars (Note 2)				
	Common stock	Capital surplus	Retained earnings	Unrealized holding gain on securities	Treasury stock, at cost
Balance at March 31, 2004	$ 6,303	$177	$13,196	$573	$(31)
Net income for the year ended March 31, 2005			**2,281**		
Cash dividends paid			**(756)**		
Bonuses to directors and corporate auditors			**(1)**		
Net change during the year				**22**	**(10)**
Balance at March 31, 2005	**$6,303**	**$177**	**$14,721**	**$595**	**$(41)**

See notes to non-consolidated financial statements.

Notes to Non-Consolidated Financial Statements

The Tokyo Electric Power Company, Incorporated
March 31, 2005

1. Summary of Significant Accounting Policies

Basis of Preparation

The accompanying non-consolidated financial statements of The Tokyo Electric Power Company, Incorporated (the "Company") have been prepared from the accounts and records maintained by the Company in accordance with the provisions of the Commercial Code of Japan and on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards. The Company has prepared the non-consolidated statements of shareholders' equity and certain additional information for the purpose of inclusion in this report although such statements and information are not customarily prepared in Japan. As permitted by the provision of the Commercial Code of Japan, amounts of less than one million yen have been omitted. Consequently, the totals shown in the accompanying non-consolidated financial statements do not necessarily agree with the sums of the individual amounts.

The non-consolidated financial statements are prepared on the same basis as the accounting policies discussed in Note 1 to the consolidated financial statements except that the accompanying financial statements relate to the Company only, with investments in subsidiaries and affiliates being substantially stated at cost.

Certain amounts previously reported have been reclassified to conform to the current year's presentation.

2. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥107.32 = US$1.00, the approximate rate of exchange in effect on March 31, 2005, has been used. The inclusion of such amounts is not intended to imply that yen have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

3. Accounting Change

Effective the year ended March 31, 2004, the Company implemented early adoption of a new accounting standard for the impairment of fixed assets which requires that tangible and intangible fixed assets be carried at cost less depreciation, and be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Company is required to recognize an impairment loss in its statement of income or operations if certain indicators of asset impairment exist and if the book value of an asset exceeds the undiscounted sum of its future cash flows. The standard states that impairment losses should be measured as the excess of the book value over the higher of (1) the fair market value of the asset, net of disposition costs, and (2) the present value of future cash flows arising from ongoing utilization of the asset and from disposal of the asset after use. The standard covers land, factories, buildings and other forms of property, plant and equipment as well as intangible assets. Fixed assets are to be grouped at the lowest level for which there are identifiable cash flows independent of the cash flows from other groups of assets.

The effect of the adoption of this new accounting standard was to decrease income before income taxes and minority interests by ¥41,956 million for the year ended March 31, 2004.

4. Property, Plant and Equipment

The major classifications of property, plant and equipment at March 31, 2005 and 2004 were as follows:

	Millions of yen			
As of March 31, 2005	Acquisition costs	Contributions in aid of construction	Accumulated depreciation	Net book value
Hydroelectric power production facilities	**¥ 1,475,639**	**¥ 7,302**	**¥ 825,279**	**¥ 643,057**
Thermal power production facilities	**5,443,903**	**33,269**	**3,936,629**	**1,474,004**
Nuclear power production facilities	**5,038,113**	**3,644**	**4,176,139**	**858,329**
Internal combustion engine power production facilities	**39,511**	**156**	**26,584**	**12,771**
Transmission facilities	**6,987,660**	**160,949**	**4,113,194**	**2,713,516**
Transformation facilities	**3,261,114**	**43,126**	**2,161,968**	**1,056,020**
Distribution facilities	**4,932,298**	**41,174**	**2,541,665**	**2,349,458**
Incidental business facilities	**127,162**	**40**	**31,802**	**95,320**
General facilities	**539,927**	**22,146**	**309,460**	**208,320**
Construction in progress	**744,519**	**—**	**5,973**	**738,546**
	¥28,589,851	**¥311,809**	**¥18,128,697**	**¥10,149,344**

	Millions of yen			
As of March 31, 2004	Acquisition costs	Contributions in aid of construction	Accumulated depreciation	Net book value
Hydroelectric power production facilities	¥ 1,474,360	¥ 7,077	¥ 790,481	¥ 676,801
Thermal power production facilities	5,383,849	33,290	3,803,949	1,546,609
Nuclear power production facilities	5,024,519	3,644	4,088,043	932,832
Internal combustion engine power production facilities	39,562	156	25,696	13,709
Transmission facilities	6,946,782	160,096	3,953,022	2,833,662
Transformation facilities	3,252,319	36,723	2,087,337	1,128,258
Distribution facilities	4,829,308	40,788	2,425,121	2,363,398
Incidental business facilities	101,221	15	19,165	82,040
General facilities	569,607	22,481	313,168	233,957
Construction in progress	816,217	—	10,843	805,373
	¥28,437,747	¥304,272	¥17,516,830	¥10,616,644

	Millions of U.S. dollars			
As of March 31, 2005	Acquisition costs	Contributions in aid of construction	Accumulated depreciation	Net book value
Hydroelectric power production facilities	**$ 13,750**	**$ 68**	**$ 7,690**	**$ 5,992**
Thermal power production facilities	**50,726**	**310**	**36,681**	**13,735**
Nuclear power production facilities	**46,945**	**34**	**38,913**	**7,998**
Internal combustion engine power production facilities	**368**	**1**	**248**	**119**
Transmission facilities	**65,111**	**1,500**	**38,326**	**25,284**
Transformation facilities	**30,387**	**402**	**20,145**	**9,840**
Distribution facilities	**45,959**	**384**	**23,683**	**21,892**
Incidental business facilities	**1,185**	**0**	**296**	**888**
General facilities	**5,031**	**206**	**2,884**	**1,941**
Construction in progress	**6,937**	**—**	**56**	**6,882**
	$266,398	**$2,905**	**$168,922**	**$94,571**

5. Contingent Liabilities

At March 31, 2005, contingent liabilities totaled ¥1,019,812 million (US$9,503 million), of which ¥433,030 million (US$4,035 million) was in the form of co-guarantees or commitments to give co-guarantees if requested for the loans, bonds or other commitments of other companies. However, ¥11,973 million (US$112 million) of this balance can be assigned to other co-guarantors based on the terms of the contracts between or among the co-guarantors.

In addition, ¥246,782 million (US$2,300 million) consisted of guarantees given in connection with housing loans made to employees of the Company.

The remainder of ¥340,000 million (US$3,168 million) represents the debt assigned by the Company to certain banks under debt assumption agreements.

6. Impairment Loss on Fixed Assets

For the year ended March 31, 2004, the Company recognized ¥41,956 million of impairment losses on fixed assets which consisted of the following:

	Millions of yen
	2004
Incidental business facilities	¥ 8,497
General facilities	4,152
Construction in progress	29,306
Total	¥41,956

Impairment losses of ¥41,956 million are included in other, net of other expenses in the non-consolidated statements of income.

Impairment losses relating to "general facilities" and "construction in progress" with uncertain future cash flows are recognized by unit. Impairment loss relating to "incidental business facilities" (mainly land used for real estate business) is grouped within respective rental areas because these assets are supplemental in terms of generating cash flows. The Company determines if assets are impaired by comparing their undiscounted expected future cash flows to their carrying amounts in the accounting records. The Company recognizes impairment losses if the undiscounted expected future cash flows are less than the carrying amount of the asset.

Recoverable amounts in these assets groups were measured by the respective net selling prices. The selling prices were based primarily on appraisal valuation.

7. Shareholders' Equity

Retained earnings include a legal reserve provided in accordance with the Commercial Code of Japan. The Code provides that an amount equal to at least 10% of the amount to be disbursed as distributions of earnings be appropriated to the legal reserve until the total of such reserve and the additional paid-in capital account equals 25% of the common stock account. The legal reserve amounted to ¥169,108 million (US$1,576 million) at March 31, 2005. The Code provides that neither capital surplus nor the legal reserve is available for dividends, but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock by resolution of the Board of Directors. The Code also provides that if the total amount of capital surplus and the legal reserve exceeds 25% of the common stock account, the excess may be distributed to the shareholders either as a return of capital or as dividends subject to the approval of the shareholders.

8. Subsequent Event

The following appropriations of retained earnings of the Company, which have not been reflected in the accompanying non-consolidated financial statements for the year ended March 31, 2005, were approved at a general meeting of the shareholders held on June 28, 2005:

	Millions of yen	Millions of U.S. dollars
Year-end cash dividends (¥30 = US$0.28 per share)	¥40,529	$378
Bonuses to directors and corporate auditors	75	1

Report of Independent Auditors

ERNST & YOUNG SHINNIHON

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The Board of Directors
The Tokyo Electric Power Company, Incorporated

We have audited the accompanying non-consolidated balance sheets of The Tokyo Electric Power Company, Incorporated as of March 31, 2005 and 2004, and the related non-consolidated statements of income and shareholders' equity for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of The Tokyo Electric Power Company, Incorporated at March 31, 2005 and 2004, and the non-consolidated results of its operations for the years then ended in conformity with accounting principles generally accepted in Japan.

Supplemental Information

As described in Note 3, The Tokyo Electric Power Company, Incorporated adopted a new accounting standard for impairment of fixed assets as early adoption of the standard was permitted from the fiscal year ended March 31, 2004.

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2005 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2.

Ernst & Young ShinNihon

June 28, 2005

Bond Issues and Maturities (Non-Consolidated)

April 1, 2004 to March 31, 2005

(Millions of yen, unless otherwise indicated)

Issue	Issue date	Issue amount	Amount at maturity	Outstanding as of March 31, 2005	Par value (¥)	Coupon rate (% per annum)	Mortgage (Type, subject property, seniority)	Maturity date	Details of maturities		Application
									Non-current maturities	Others	
Serial TEPCO bond issue number											
414	May 25, 1992	100,000	100,000		100.00	6.1	General mortgage	May 25, 2004			Funds from bond issues have been used for capital expenditures.
415	June 25, 1992	100,000	100,000		100.00	6.1		June 25, 2004			
416	July 28, 1992	100,000	100,000		100.00	5.8		July 28, 2004			
417	December 24, 1992	100,000	100,000		99.85	5.375		December 24, 2004			
418	January 27, 1993	100,000	100,000		100.00	5.275		January 27, 2005			
419	March 25, 1993	100,000	100,000		99.80	4.65		March 25, 2005			
423	February 28, 1994	150,000	18,000	132,000	100.00	4.75		February 28, 2014	132,000		
425	July 29, 1994	100,000	23,200	76,800	99.80	5.0		July 29, 2014	76,800		
426	November 28, 1994	100,000	77,500	22,500	99.60	5.05		November 28, 2014	22,500		Note
428	May 29, 1995	150,000	48,900	101,100	100.00	4.1		May 29, 2015	101,000		
429	August 24, 1995	150,000	32,000	118,000	100.00	3.1		August 24, 2007	118,000		
431	February 28, 1996	100,000	21,500	78,500	100.00	3.25		February 28, 2008	78,500		
433	April 30, 1996	150,000	44,500	105,500	100.00	3.45		April 30, 2008	105,500		
434	May 31, 1996	150,000	150,000		99.80	3.5		May 31, 2006			Note
435	November 29, 1996	150,000	120,000	30,000	99.80	2.8		November 29, 2006	30,000		Note
436	November 29, 1996	50,000	8,100	41,900	100.00	3.45		November 29, 2016	41,900		
437	May 15, 1997	100,000	14,000	86,000	100.00	2.5		May 15, 2007	86,000		
438	June 25, 1997	50,000	7,700	42,300	100.00	3.15		June 25, 2009	42,300		
439	July 31, 1997	100,000	8,500	91,500	100.00	2.625		July 31, 2007	91,500		
440	July 28, 1997	50,000	2,000	48,000	100.00	3.225		July 28, 2017	48,000		
441	September 22, 1997	50,000	5,000	45,000	100.00	3.075		September 22, 2017	45,000		
442	December 19, 1997	50,000		50,000	100.00	2.2		December 19, 2007	50,000		
443	December 22, 1997	50,000	1,700	48,300	100.00	2.775		December 22, 2017	48,300		
445	January 30, 1998	50,000		50,000	100.00	2.15		January 30, 2008	50,000		Note
446	March 23, 1998	50,000	7,000	43,000	100.00	2.9		March 23, 2018	43,000		Note
447	March 24, 1998	60,000		60,000	100.00	2.25		March 24, 2008	60,000		Note
448	April 17, 1998	70,000	12,200	57,800	100.00	2.775		April 17, 2018	57,800		Note
449	April 17, 1998	50,000		50,000	100.00	2.1		April 17, 2008	50,000		Note
450	May 18, 1998	50,000		50,000	100.00	1.825		May 18, 2005		50,000	Note
451	May 15, 1998	50,000		50,000	100.00	2.15		May 15, 2008	50,000		Note
452	May 28, 1998	80,000		80,000	100.00	2.0		May 28, 2008	80,000		Note
453	July 29, 1998	50,000		50,000	100.00	1.625		July 29, 2005		50,000	Note
454	August 28, 1998	50,000		50,000	100.00	1.825		August 28, 2008	50,000		Note
455	October 23, 1998	50,000		50,000	100.00	2.075		October 23, 2018	50,000		Note
456	October 23, 1998	50,000		50,000	100.00	1.325		October 23, 2008	50,000		Note
457	November 16, 1998	50,000		50,000	100.00	2.05		November 16, 2018	50,000		Note
458	November 18, 1998	50,000		50,000	100.00	1.33		November 18, 2008	50,000		Note
459	January 29, 1999	50,000	5,400	44,600	100.00	2.7		January 29, 2019	44,600		Note
460	March 17, 1999	50,000		50,000	100.00	2.4		March 17, 2011	50,000		Note
461	April 15, 1999	100,000	100,000		100.00	1.18		April 15, 2004			Note
462	April 15, 1999	50,000		50,000	100.00	2.0		April 15, 2009	50,000		Note
463	June 24, 1999	50,000		50,000	100.00	0.85		June 24, 2005		50,000	Note
464	July 28, 1999	70,000		70,000	100.00	2.025		July 28, 2011	70,000		Note
465	September 17, 1999	50,000		50,000	100.00	2.0		September 17, 2009	50,000		Note
466	September 17, 1999	50,000	6,500	43,500	100.00	2.8		September 17, 2019	43,500		Note
467	December 9, 1999	50,000		50,000	100.00	1.825		December 9, 2009	50,000		Note
468	February 15, 2000	50,000		50,000	100.00	1.325		February 15, 2006		50,000	Note
469	April 27, 2000	100,000		100,000	100.00	1.25		April 27, 2005		100,000	Note
470	June 15, 2000	50,000		50,000	100.00	1.99		June 15, 2012	50,000		Note
471	June 15, 2000	50,000		50,000	100.00	1.825		June 15, 2010	50,000		Note
472	August 17, 2000	50,000		50,000	100.00	1.825		August 17, 2010	50,000		Note
473	August 17, 2000	50,000		50,000	100.00	1.975		August 17, 2012	50,000		Note

(Millions of yen, unless otherwise indicated)

Issue	Issue date	Issue amount	Amount at maturity	Outstanding as of March 31, 2005	Par value (¥)	Coupon rate (% per annum)	Mortgage (Type, subject property, seniority)	Maturity date	Details of maturities		Application
									Non-current maturities	Others	
Serial TEPCO bond issue number											
474	October 27, 2000	50,000		50,000	100.00	1.44	General mortgage	October 27, 2006	50,000		Note Funds from bond issues have been used for capital expenditures.
475	October 27, 2000	50,000		50,000	100.00	1.96		October 27, 2010	50,000		Note
476	November 30, 2000	50,000		50,000	100.00	1.93		November 30, 2010	50,000		Note
477	December 15, 2000	50,000		50,000	100.00	1.17		December 15, 2005		50,000	Note
478	February 23, 2001	50,000		50,000	100.00	1.68		February 23, 2011	50,000		Note
479	February 27, 2001	50,000		50,000	100.00	1.11		February 27, 2007	50,000		Note
480	March 14, 2001	50,000		50,000	100.00	1.54		March 14, 2011	50,000		Note
481	March 14, 2001	50,000		50,000	100.00	0.82		March 14, 2006		50,000	Note
482	May 25, 2001	100,000		100,000	100.00	1.45		May 25, 2011	100,000		Note
483	June 15, 2001	50,000		50,000	100.00	1.4		June 15, 2011	50,000		Note
484	June 15, 2001	50,000		50,000	100.00	0.51		June 15, 2006	50,000		Note
485	June 22, 2001	50,000		50,000	100.00	1.38		June 22, 2011	50,000		Note
486	June 26, 2001	50,000		50,000	100.00	0.48		June 26, 2006	50,000		Note
487	October 26, 2001	50,000		50,000	100.00	1.445		October 26, 2011	50,000		Note
488	October 26, 2001	50,000		50,000	100.00	0.5		October 26, 2006	50,000		Note
489	November 15, 2001	100,000		100,000	100.00	1.39		November 15, 2011	100,000		Note
490	November 29, 2001	50,000		50,000	100.00	0.5		November 29, 2006	50,000		Note
491	January 31, 2002	50,000		50,000	100.00	1.49		January 31, 2012	50,000		Note
492	March 13, 2002	50,000		50,000	100.00	0.73		March 13, 2007	50,000		Note
493	April 26, 2002	100,000		100,000	100.00	1.49		April 26, 2012	100,000		Note
494	May 14, 2002	50,000		50,000	100.00	0.59		May 14, 2007	50,000		Note
495	May 30, 2002	50,000		50,000	100.00	1.455		May 30, 2012	50,000		Note
496	June 14, 2002	100,000		100,000	100.00	1.49		June 14, 2012	100,000		Note
497	July 30, 2002	100,000		100,000	100.00	1.395		July 30, 2012	100,000		Note
498	December 13, 2002	100,000		100,000	100.00	1.1		December 13, 2012	100,000		Note
499	December 26, 2002	50,000		50,000	100.00	1.115		December 26, 2012	50,000		Note
500	December 25, 2002	50,000		50,000	100.00	0.635		December 25, 2009	50,000		Note
501	February 14, 2003	100,000		100,000	100.00	0.92		February 14, 2013	100,000		Note
502	February 27, 2003	50,000		50,000	100.00	0.96		February 27, 2013	50,000		Note
503	March 17, 2003	50,000		50,000	100.00	0.36		March 17, 2008	50,000		Note
504	April 25, 2003	50,000		50,000	100.00	0.335		April 25, 2008	50,000		Note
505	April 25, 2003	50,000		50,000	100.00	0.775		April 25, 2013	50,000		Note
506	May 30, 2003	100,000		100,000	100.00	0.675		May 30, 2013	100,000		Note
507	October 28, 2003	50,000		50,000	100.00	1.47		October 28, 2013	50,000		Note
508	October 28, 2003	50,000		50,000	100.00	0.62		October 28, 2008	50,000		Note
509	December 24, 2003	50,000		50,000	100.00	0.655		December 24, 2008	50,000		Note
510	December 24, 2003	50,000		50,000	100.00	1.415		December 24, 2013	50,000		Note
511	May 28, 2004	50,000		50,000	100.00	1.615		May 28, 2014	50,000		Note
512	May 28, 2004	50,000		50,000	100.00	0.725		May 28, 2009	50,000		Note
513	July 28, 2004	50,000		50,000	100.00	1.85		July 28, 2014	50,000		Note
514	October 29, 2004	50,000		50,000	100.00	1.565		October 29, 2014	50,000		Note
515	February 10, 2005	50,000		50,000	100.00	1.435		February 10, 2015	50,000		Note
Domestic bond total		6,430,000	1,313,700	5,116,300					4,716,300	400,000	

(Millions of yen, unless otherwise indicated)

Issue	Issue date	Issue amount	Amount at maturity	Outstanding as of March 31, 2005	Par value (¥)	Coupon rate (% per annum)	Mortgage (Type, subject property, seniority)	Maturity date	Details of maturities: Non-current maturities	Details of maturities: Others	Application
15th Swiss franc-denominated TEPCO bond	September 27, 1996	27,012 [300,000 thousand Swiss franc]		27,012 [300,000 thousand Swiss franc]	102.50	4.50	General mortgage	September 27, 2006	27,012 [300,000 thousand Swiss franc]		Funds from bond issues have been used for capital expenditures.
1st French franc-denominated TEPCO bond	September 27, 1996	85,120 [4,000,000 thousand French franc]		85,120 [4,000,000 thousand French franc]	99.403	6.50		September 27, 2006	85,120 [4,000,000 thousand French franc]		
7th U.S. dollar-denominated TEPCO bond	February 13, 1997	116,400 [1,000,000 thousand U.S. dollar]		116,400 [1,000,000 thousand U.S. dollar]	99.758	7.00		February 13, 2007	116,400 [1,000,000 thousand U.S. dollar]		
8th U.S. dollar-denominated TEPCO bond	June 13, 1997	58,100 [500,000 thousand U.S. dollar]		58,100 [500,000 thousand U.S. dollar]	99.815	7.125		June 13, 2007	58,100 [500,000 thousand U.S. dollar]		
2nd Euro-denominated TEPCO bond	May 14, 1999	125,850 [1,000,000 thousand Euro]		125,850 [1,000,000 thousand Euro]	99.738	4.375		May 14, 2009	125,850 [1,000,000 thousand Euro]		Note
3rd Euro-denominated TEPCO bond	March 27, 2002	113,510 [1,000,000 thousand Euro]		113,510 [1,000,000 thousand Euro]	100.977	5.125		March 27, 2007	113,510 [1,000,000 thousand Euro]		Note
4th Euro-denominated TEPCO bond	March 24, 2004	134,270 [1,000,000 thousand Euro]		134,270 [1,000,000 thousand Euro]	99.763	4.50		March 24, 2014	134,270 [1,000,000 thousand Euro]		Note
Overseas bond total		660,262 [300,000 thousand Swiss franc] [1,500,000 thousand U.S. dollar] [4,000,000 thousand French franc] [3,000,000 thousand Euro]		660,262 [300,000 thousand Swiss franc] [1,500,000 thousand U.S. dollar] [4,000,000 thousand French franc] [3,000,000 thousand Euro]					660,262 [300,000 thousand Swiss franc] [1,500,000 thousand U.S. dollar] [4,000,000 thousand French franc] [3,000,000 thousand Euro]		
Total		[Issued during the fiscal year 250,000] 7,090,262	[Redeemed during the fiscal year 123,700] 1,313,700	[Increase for the fiscal year 126,300] 5,776,562		1.906			5,376,562	400,000	

Notes: 1. TEPCO treats the following bonds, denoted using their serial TEPCO bond issue numbers, or amounts thereof as redeemed because they represent debt assigned by the Company under debt assumption agreements.
Agreements concluded in fiscal 2000: 434th TEPCO bond (¥120,000 million of total)
Agreements concluded in fiscal 2001: 426th TEPCO bond (¥70,000 million of total), 434th TEPCO bond (¥30,000 million of total), 435th TEPCO bond (¥120,000 million of total)
Contingent redemption obligations relevant to bond holders are presented in Note 5 of the Notes to Non-Consolidated Financial Statements regarding contingent liabilities on TEPCO's balance sheets.

2. Funds from the issue of TEPCO bonds number 445 to 458, TEPCO bonds 504 to 510 and TEPCO bonds 513 to 515 have been used for capital expenditures or repayment of borrowings.

3. Funds from the issue of TEPCO bonds number 459 to 503 and TEPCO bonds 511 to 512, the 2nd Euro-denominated TEPCO bond, the 3rd Euro-denominated TEPCO bond, and the 4th Euro-denominated TEPCO bond have been used for capital expenditures, repayment of borrowings or redemption of bonds.

4. For all bonds issued overseas, TEPCO fixed the yen value of the amount at maturity and interest payments with currency swaps at the time of issue.

Major Subsidiaries and Affiliated Companies

As of March 31, 2005

Major Consolidated Subsidiaries

Company Name	Capital (¥ million)	TEPCO Ownership (%)	Principal Business
Electric Power Business			
The Tokyo Electric Generation Company, Incorporated	2,200	100.0	Power Generation
Information and Telecommunications Business			
POWEREDCOM, Incorporated	45,010	83.8	Telecommunications
AT TOKYO Corporation	11,250	52.0	Information Software and Services
TEPCO CABLE TELEVISION Inc.	8,775	85.4	Cable Television
TEPCO SYSTEMS CORPORATION	350	100.0	Information Software and Services
Other Businesses			
Toden Real Estate Co., Inc.	2,000	100.0	Property Management
TOSHIN BUILDING CO., LTD.	1,100	100.0	Property Management
TOKYO TOSHI SERVICE COMPANY	400	100.0	Energy and Environment
Toden Kogyo Co., Ltd.	300	100.0	Facilities Construction and Maintenance
Tokyo Electric Power Environmental Engineering Company, Incorporated	300	100.0	Facilities Construction and Maintenance
Tokyo Electric Power Home Service Company, Limited	200	100.0	Facilities Construction and Maintenance
TOKYO DENSETSU SERVICE CO., LTD.	50	100.0	Facilities Construction and Maintenance
Tokyo Living Service Co., Ltd.	50	100.0	Transportation and Services
Tokyo Electric Power Services Company, Limited	40	100.0	Facilities Construction and Maintenance
Toden Kokoku Co., Ltd.	20	80.2	Transportation and Services
Tokyo Electric Power Company International B.V.	240 million Euro	100.0	Overseas Businesses
Pacific LNG Shipping Limited	3,755	70.0	Transportation and Services

Affiliated Companies Accounted for under the Equity Method

Company Name	Capital (¥ million)	TEPCO Ownership (%)	Principal Business
Electric Power Business			
Soma Kyodo Power Company, Ltd.	120,000	50.0	Power Generation
The Japan Atomic Power Company	120,000	28.2	Power Generation
JOBAN JOINT POWER CO., LTD.	56,000	49.1	Power Generation
Kashima Kyodo Electric Power Company	22,000	50.0	Power Generation
Kimitsu Cooperative Thermal Power Company, Inc.	8,500	50.0	Power Generation
Other Businesses			
Japan Nuclear Fuel Limited	200,000	20.6	Fuel Supply
KANDENKO CO., LTD.	10,264	46.2	Facilities Construction and Maintenance
Kanto Natural Gas Development Co., Ltd.	7,902	21,4	Energy and Environment
Takaoka Electric Mfg. Co., Ltd.	5,906	28.2	Supply of Resources, Equipment and Materials
TOKO ELECTRIC CORPORATION	1,452	45.4	Supply of Resources, Equipment and Materials

Glossary

Management Vision and Management Plan
TEPCO has typically created a Management Vision at three-year intervals that communicates the fundamental policies and objectives for the Company over the medium term. Based on these policies, TEPCO has created management plans to serve as annual action plans for the following three years. Management Vision 2010 is the medium-term management policy TEPCO announced in October 2004, and it stands out as our first major management policy to cover the entire TEPCO Group. Within the TEPCO Group's management philosophy of contributing to better lifestyles and environments by providing superior energy services, we have formulated three new group management guidelines: to win the trust of society, to compete and succeed, and to foster people and technologies. Along with these three guidelines, the TEPCO Group aims to be the front-runner in energy services.

The TEPCO Group Charter of Corporate Conduct
Implemented in April 2005, it codifies the overall philosophy of conduct for the TEPCO Group to promote Group unity in undertaking corporate social responsibility (CSR). Specifically, it provides the foundation for conduct in areas including thorough corporate ethics, product and service quality, safety and aggressive efforts to solve environmental issues.

Free Cash Flow
TEPCO defines free cash flow as net cash provided by operating activities minus capital expenditures in the electric utility business.

Public Interest Issues
These are issues that are to be addressed along with steps to promote efficiency in light of the liberalization of the retail electricity market for eligible customers' use. These include issues principally related to securing the stability of the power supply, including the provision of universal service, maintaining the reliability of the power supply and energy security (guaranteeing the physical security of energy-related facilities), and preserving the natural environment.

Reliable Supply
Used generally as a technical term to describe the quality of electric power, reliability of supply is measured by the frequency of power outages, expressed as the number of hours without power per household annually or the number of power outages per year.

IPP
Independent power producers (IPP) are not electric power companies, and their objective is supplying wholesale electricity to electric power companies. IPP is a term applied generally to a supplier of electricity that owns generating facilities but has no transmission network and therefore provides electricity on a wholesale basis.

Power Producer and Supplier (PPS)
A company registered with the Minister of Economy, Trade and Industry (METI) to supply eligible customers. In principle, eligible customers contract for 50 kW or more of electric power, which is supplied through the high-voltage or extra-highvoltage lines maintained and operated by electric power companies.

LNG
Liquefied Natural Gas (LNG) is composed of methane (CH_4) and ethane (C_2H_6) and is converted from a natural gaseous state to a liquid by cooling to -162°C. LNG is transported on specially designed LNG carrier ships and after unloading is converted back to a gas for use as a fuel for generating electric power and other purposes.

Thermal Efficiency
The ratio of electric power generated to the thermal energy of fuel consumed. Electric energy generated (kWh) X 3.60 (MJ/kWh)/Fuel consumption (kl, t) X Unit heating value of fuel (MJ/kl, t)

Wholesale Network Supply (Gas)
This is the term used when gas utilities or wholesale suppliers of gas provide utilities with gas on a wholesale basis, using the pipe distribution facilities of third parties. TEPCO will include the use of wholesale network supply in developing a gas business predicated on profitability to respond to all of our customers' energy-related needs.

The Electricity Industry Committee of The Advisory Committee for Natural Resources and Energy
The Electricity Industry Committee was established on November 5, 2001 to study the future of the electric power industry. The Ministry of Economy, Trade and Industry (METI) advised the Committee to "consider the future structure of the electric power industry with a view toward the construction of a fair and effective system that can achieve reliable and efficient supply of the electricity that serves as the foundation of Japan's economy and the daily lives of its citizens."

Nuclear Fuel Cycle
The nuclear fuel cycle refers to the process that begins with the mining of uranium and thorium, which are found in nature, and continues with the refining, conversion, enrichment, and fabrication into nuclear fuel. After use in nuclear reactors, the spent fuel is recycled and reprocessed into usable nuclear fuel and wastes. To complete the cycle, reprocessed nuclear fuel is then used in nuclear reactors and the waste materials are disposed of safely.

Back-End Business
The flow of fuel in the nuclear fuel cycle is divided into two sections based around power generation. The first section is the front-end or upstream portion and the second is the back-end or downstream portion. In the case of light water nuclear reactor fuel, back-end business includes the cooling and reprocessing of spent nuclear fuel, the various stages of the recovery and reprocessing of uranium and plutonium, including transportation required for these stages, and the waste products generated in these processes. In some cases, back-end business is defined to include dealing with spent fuel and its disposal. Note that in some instances spent nuclear fuel is directly disposed of or stored without reprocessing.

Law on the Creation and Management of Reserve Funds for the Reprocessing of Spent Fuel at Nuclear Power Stations
This law concerns a fund at a designated external institution for costs incurred by electric power companies that own nuclear power plants for reprocessing spent nuclear fuel at the Rokkasho Reprocessing Facility. METI will designate and audit this external institution. This law was adopted at a regular session of the Diet in May 2005, and will be implemented in October 2005 through governmental and ministerial ordinance.

Rokkasho Reprocessing Facility
One of Japan Nuclear Fuel Limited's nuclear fuel cycle facilities, now under construction in Rokkasho Village, Aomori prefecture. This facility will permit the reuse of spent nuclear fuel by extracting plutonium and other usable materials. Completion is scheduled for May 2007 after uranium tests that are now in progress.

Corporate Information

As of March 31, 2005

Trade Name
The Tokyo Electric Power Company, Incorporated

Head Office
1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku,
Tokyo 100-8560, Japan
Phone: +81-3-4216-1111

Established
May 1, 1951

Fiscal Year-End
March 31

Paid-in Capital
¥676,434,197,050

Number of Employees
38,510

Overseas Offices
Washington Office
1901 L Street, N.W., Suite 720, Washington, D.C. 20036, U.S.A.
Phone: +1-202-457-0790
London Office
Berkeley Square House, Berkeley Square, London W1J 6BR, U.K.
Phone: +44-20-7629-5271

Number of Shares of Common Stock Issued and Outstanding
1,352,867,531

Number of Shareholders
821,841

Shareholders' Meeting
June

Stock Listings
Tokyo Stock Exchange, Osaka Securities Exchange,
Nagoya Stock Exchange
(Code: 9501)

Certified Public Accountants
Ernst & Young ShinNihon

Transfer Agent
UFJ Trust Bank Limited
4-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-0005, Japan

Publications
- *TEPCO Corporate Brochure*
- *TEPCO ILLUSTRATED*
- *TEPCO Sustainability Report*

TEPCO Investor Relations Website
http://www.tepco.co.jp/en/ir/index-e.html
In addition to financial data, the site contains a business overview and other information.

Credit Ratings

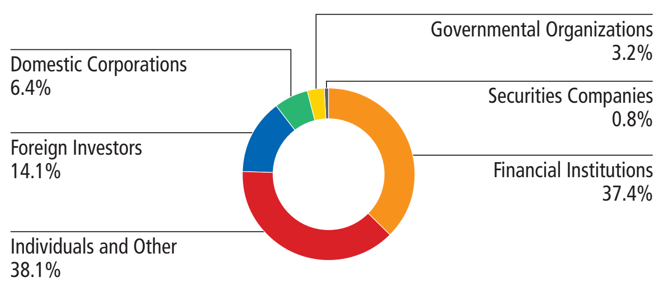
Standard and Poor's Ratings Services	AA-	(stable)
Moody's Investors Service, Inc.	Aa3	(positive)
Rating and Investment Information, Inc.	AA+	(stable)
Japan Credit Rating Agency, Ltd.	AAA	(stable)

Major Shareholders

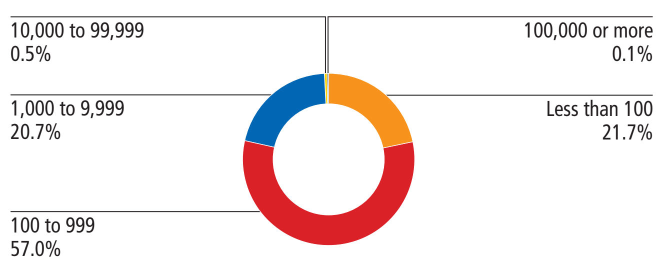
Name	Number of Shares Held (Thousands)
Japan Trustee Services Bank, Ltd. (Trust Account)	61,050
The Dai-ichi Mutual Life Insurance Company	55,001
The Master Trust Bank of Japan, Ltd. (Trust Account)	52,974
Nippon Life Insurance Company	52,017
Tokyo Metropolitan Government	42,676
Sumitomo Mitsui Banking Corporation	35,927
Mizuho Corporate Bank, Ltd.	35,234
Shinsei Bank, Limited	16,389
State Street Bank and Trust Company 505103	15,567
TEPCO Employees' Shareholding Association	13,354

Breakdown of Shareholders

Shareholdings by Type of Shareholder



Shareholders by Number of Shares Held



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  1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo 100-8560, Japan
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TEPCO

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