TOKYO ELECTRIC POWER COMPANY

Keeping What's Best & Embracing Positive Change

Annual Report 2008

Year ended March 31, 2008

Contents

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.

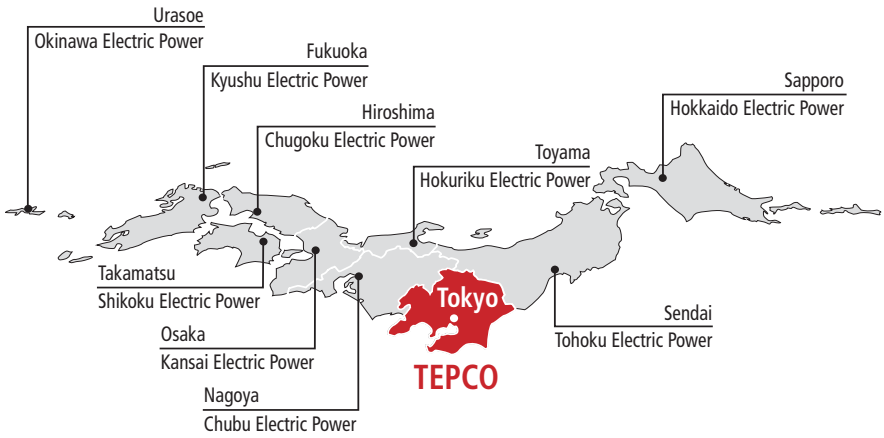
Profile

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.

TEPCO now faces an extremely challenging management environment due to factors including the prolonged shutdown of the Company's major power plant, the Kashiwazaki-Kariwa Nuclear Power Station, as a result of the July 2007 Niigataken Chuetsu-Oki Earthquake, and continuing high fuel prices.

To overcome these difficulties, the TEPCO Group has devoted all of its strengths to inspecting and restoring the Kashiwazaki-Kariwa facility, and is working to secure stable supply and thoroughly reduce costs, with a view toward realizing our business philosophy of contributing to better lifestyles and environments by providing superior energy services.

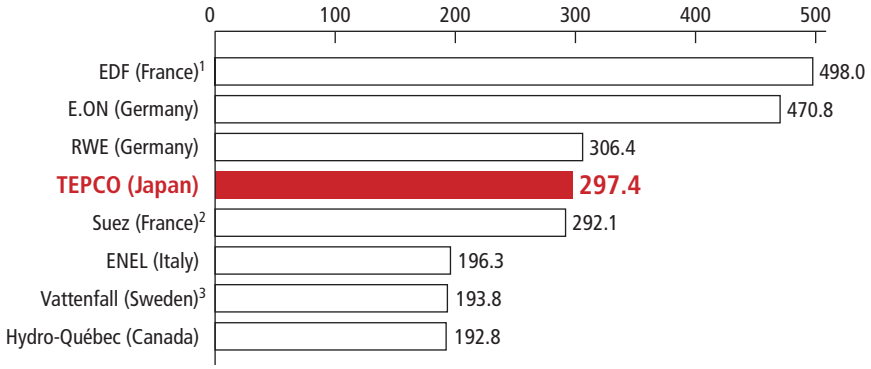
Service Areas of Japan's Ten Electric Power Companies



TEPCO Snapshot

Sales of Major Electric Power Companies

(Billion kWh, Calendar year 2007 / Fiscal year 2008)



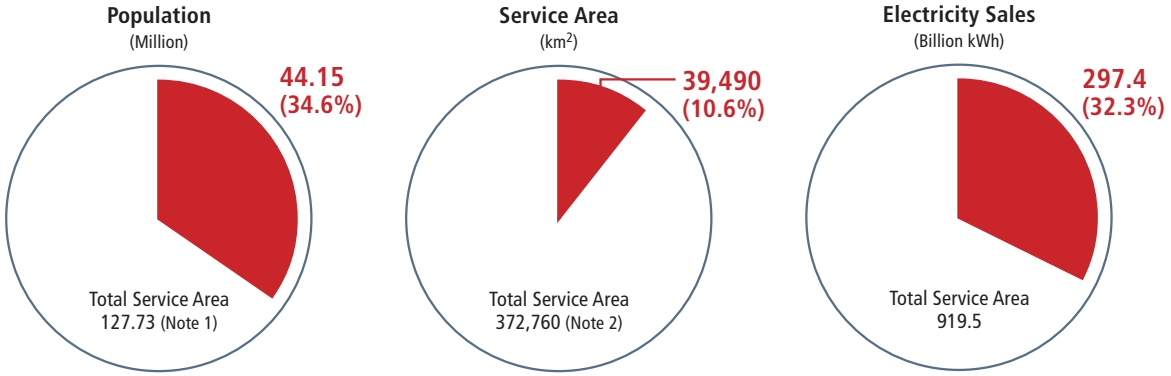
Figures include overseas sales unless otherwise noted.

Notes: 1. Domestic sales only
2. Sales outside of France by Electrabel S.A. (Belgium) and other overseas group companies account for most of this figure.
3. Sales outside of Sweden by Vattenfall Europe AG (Germany) and other overseas group companies account for almost half of this figure.

Source: Annual reports of each company, etc.

TEPCO's Position in the Japanese Electric Power Industry

(As of March 31, 2008 unless otherwise noted)



● **TEPCO's Service Area**

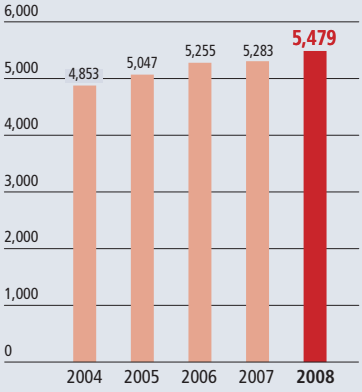
○ **Total Service Area (10 EPCOs)** (Note 3)

Notes: 1. The population figure is an estimate as of January 1, 2008 (prepared by the Statistics Bureau, Ministry of Internal Affairs and Communications.)
2. Source: Hand Book of Electric Power Industry (2007 edition)
3. Electric power companies

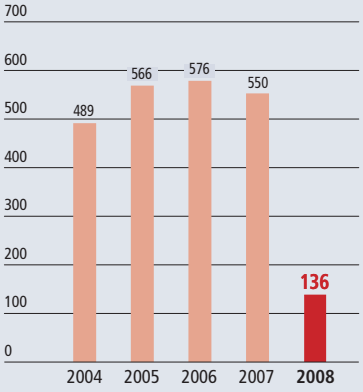
Consolidated Financial Highlights

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

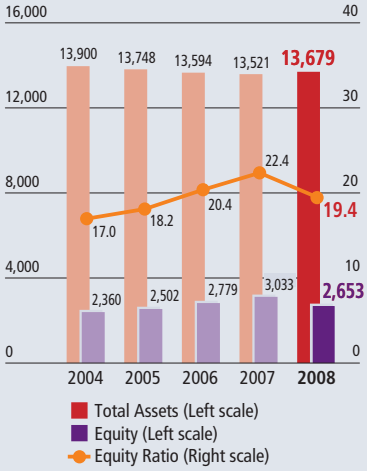
Operating Revenues
(Billions of yen)



Operating Income
(Billions of yen)



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

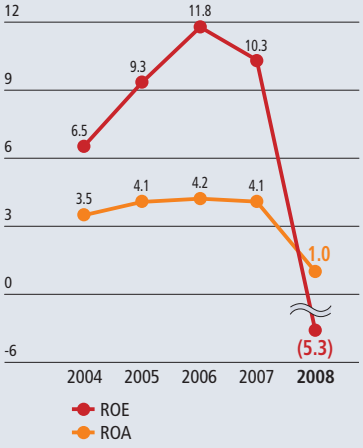


	Millions of yen, unless otherwise noted			Millions of U.S. dollars, unless otherwise noted (Note 1)
	2008	2007	2006	**2008**
For the year:				
Operating revenues	**¥ 5,479,380**	¥ 5,283,033	¥ 5,255,495	**$ 54,690**
Operating income	**136,404**	550,911	576,277	**1,361**
Net (loss) income	**(150,108)**	298,154	310,388	**(1,498)**
Electricity sales (million kWh) (Note 2)	**297,397**	287,622	288,655	
Per share of common stock (Yen and U.S. dollars):				
Net (loss) income (basic)	**¥ (111.26)**	¥ 220.96	¥ 229.76	**$ (1.11)**
Cash dividends	**65.00**	70.00	60.00	**0.64**
Equity	**1,967.03**	2,248.34	2,059.52	**19.63**
At year-end:				
Equity (Note 3)	**¥ 2,653,762**	¥ 3,033,537	¥ 2,779,720	**$ 26,487**
Total assets	**13,679,055**	13,521,387	13,594,117	**136,531**
Interest-bearing debt	**7,675,722**	7,388,605	7,840,161	**76,612**
Financial ratios:				
ROA (%) (Note 4)	**1.0**	4.1	4.2	
ROE (%) (Note 5)	**(5.3)**	10.3	11.8	
Equity ratio (%)	**19.4**	22.4	20.4	

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 ¥100.19 to US$1.00 prevailing on March 31, 2008.
2. Non-consolidated data
3. Equity = Total net assets – Stock acquisition rights – Minority interests
4. ROA = Operating income/Average total assets
5. ROE = Net income/Average equity
6. Amounts of less than one million yen have been omitted. All dollar figures and percentages have been rounded to the nearest unit.

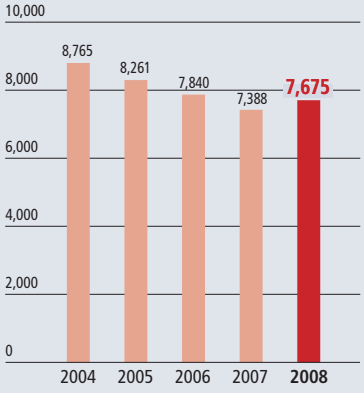
ROA and ROE

(%)

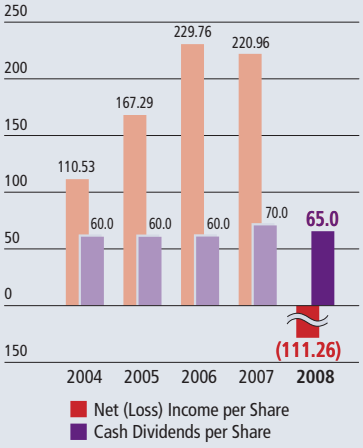


Interest-Bearing Debt

(Billions of yen)



Net (Loss) Income per Share and Cash Dividends per Share (¥)



Segment Overview

	Operating Revenues (%)	Operating Revenues (Billions of yen)	Overview
Electric Power Business	88.7%	4,897.3 / 4,952.3 / 5,169.1	> Electricity supply
Information and Telecommunications Business	2.2%	252.4 / 175.8 / 127.5	> Telecommunications; CATV broadcasting; information software and services; installation and maintenance of telecommunications facilities
Energy and Environment Business	6.4%	326.1 / 371.5 / 373.3	> Facility construction and maintenance; supply and shipping of gas; supply and shipping of materials and equipment; energy and environmental solutions
Living Environment and Lifestyle-Related Business	2.4%	135.7 / 138.7 / 139.4	> Real estate and property management; services related to daily living
Overseas Business	0.3%	14.7 / 13.8 / 19.2	> Power generation projects; investment

2006 2007 **2008**

Note: Segment operating revenues include inter-segment sales and transfers.

To Our Shareholders and Investors

At the General Meeting of Shareholders held at the end of June 2008, the Board of Directors selected a new chairman and a new president, and a new era began. The Niigataken Chuetsu-Oki Earthquake struck the Kashiwazaki-Kariwa Nuclear Power Station in July 2007, and the TEPCO Group faces some of the most severe conditions since its establishment. Along with the restoration of this power station, the TEPCO Group has devoted all of its strengths to tasks including securing stable supply, quickly improving profitability and dealing with the problem of global warming.

Tsunehisa Katsumata, Chairman Masataka Shimizu, President

The Impact of the Niigataken Chuetsu-Oki Earthquake

The Niigataken Chuetsu-Oki Earthquake struck the Kashiwazaki-Kariwa Nuclear Power Station in July 2007. Since then, all operations at the plant have been shut down. We sincerely apologize for any trouble or worry the incident has caused.

At the time of the earthquake, safety was ensured by the normal operation at all facilities of the three key functions of nuclear safety: reactor shutdown, cooling and radiation containment. Moreover, the inspections and surveys we have conducted up to this point have uncovered no major damage or other issues that would affect the safety of the main facilities of the plant.

The Kashiwazaki-Kariwa Nuclear Power Station is a critical source of electric power accounting for about 10 percent of TEPCO's generation capacity and about 20 percent of the total volume of electricity the Company produced annually. The impact of the shutdown of the plant has also been large in terms of issues such as the stable supply of electricity, earnings and CO_2 emissions. The impact on earnings in fiscal 2008, the year ended March 31, 2008, was particularly pronounced. Factors such as TEPCO's reliance on thermal power to compensate for the reduction of nuclear power generation resulted in an increase in fuel and other expenses of approximately ¥420.0 billion, and restoration expenses recognized as extraordinary disaster-related casualty loss totaled approximately ¥195.6 billion, resulting in total negative impact on earnings of approximately ¥615.6 billion.

Consolidated Performance in Fiscal 2008

During fiscal 2008, the Japanese economy continued its moderate recovery in the first half, supported by factors such as growth in exports to Asia and increased capital investment. In the second half, however, the effect of factors such as rising prices for crude oil and other raw materials heightened the sense of uncertainty.

The TEPCO Group operated under intensely challenging conditions due to factors including the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station and the rising price of crude oil. The Group worked in concert to thoroughly reduce costs throughout all operations, including repair costs and overhead expenses.

For fiscal 2008, consolidated operating revenues increased 3.7 percent compared with the previous fiscal year to ¥5,479.3 billion due to factors including an increase in total sales of electricity at The Tokyo Electric Power Company, Incorporated. On the other hand, despite factors such as thorough cost reductions and reduced personnel expenses as a result of revisions to

TEPCO's retirement benefits system, significant increases in fuel expenses and purchased power due to the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station, the rising price of crude oil and other factors caused operating expenses to increase 12.9 percent compared with the previous fiscal year to ¥5,342.9 billion. As a result of the above, operating income decreased 75.2 percent compared with the previous fiscal year to ¥136.4 billion. Factors including non-recurring loss of ¥269.2 billion associated with the restoration of the Kashiwazaki-Kariwa Nuclear Power Station resulted in net loss of ¥150.1 billion. In view of the significant deterioration in earnings, TEPCO reduced cash dividends per share by ¥5.00 compared with the previous fiscal year to ¥65.00.

The TEPCO Group's Tasks and Future Initiatives

The shutdown of the Kashiwazaki-Kariwa Nuclear Power Station continues. Therefore, the TEPCO Group is faced with difficult issues in every aspect of operations, from providing a stable supply of electricity to earnings and global warming. We will devote all of its strengths to resolving these issues.

Our first task is to construct nuclear power plants that are safe, secure and disaster-resistant. TEPCO continues to thoroughly confirm and evaluate the soundness of the Kashiwazaki-Kariwa Nuclear Power Station, and is steadily moving forward with the restoration of damaged facilities. In addition, we will evaluate the earthquake resistance and safety of all our nuclear power plants, including Kashiwazaki-Kariwa, and we will implement measures to improve earthquake resistance as necessary, based on the deliberation and confirmation of governmental committees and other organizations.

Next is TEPCO's most important mission: to secure a stable supply of electricity. We cannot at this time determine when the Kashiwazaki-Kariwa Nuclear Power Station will resume operations, and project that difficult supply conditions will continue. However, we have moved forward the start of operations at new power plants and are resuming operations at thermal power plants that were under long-term shutdown. Measures to secure the maximum supply of power also include purchasing electricity from other power companies, and we are steadily operating and maintaining existing power plants and transmission facilities while stably procuring fuel. Through these and other measures, TEPCO is taking all possible steps to secure a stable supply of electricity.

Out third task is to thoroughly reduce costs in order to quickly stabilize earnings. The entire TEPCO Group is being even more thorough in implementing measures to reduce costs in order to get through the difficult earnings conditions it faces. In every area, we are implementing dramatic cost reduction measures that are unfettered by conventional thinking, including the use of new construction technologies and methods and standardizing operations. The target of the fiscal 2009 Business Management Plan is to reduce overall Group costs during fiscal 2009 by more than ¥100.0 billion compared to the original projection in the fiscal 2008 plan.

Finally, dealing with global warming is an important international management task. The impact of the Kashiwazaki-Kariwa Nuclear Power Station shutdown and other factors caused TEPCO's fiscal 2008 CO_2 emissions to increase by approximately 30 percent compared with the previous fiscal year. In fiscal 2009, the initial year of the first commitment period of the Kyoto Protocol, TEPCO will make every effort to achieve its voluntary target in Management Vision 2010 of reducing average CO_2 emission intensity (amount of CO_2 emitted per kilowatt hour of electricity sold) over the five-year period from fiscal 2009 to fiscal 2013 by 20 percent compared with fiscal 1991.

The TEPCO Group's operating environment is the most challenging since the Company was established. However, the Group will deploy all of its strengths to get through this crisis and build an even more powerful business base for further growth and development by institutionalizing these efforts.

We are counting on the continued understanding and support of our shareholders and investors in these endeavors.

July 2008

Tsunehisa Katsumata
Chairman

Masataka Shimizu
President

An Interview with President Masataka Shimizu

The TEPCO Group is currently facing extremely challenging conditions due to such factors as the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station as a result of the Niigataken Chuetsu-Oki Earthquake. We are focusing our maximum efforts on overcoming the crisis at hand but also looking beyond it and steadily working to create a more robust Group.

Masataka Shimizu
President

The shutdown of the Kashiwazaki-Kariwa Nuclear Power Station due to damage from the Niigataken Chuetsu-Oki Earthquake has been a major management issue for TEPCO. As TEPCO's new president, how will you approach this issue? In addition, what are your management ideals and direction?

Appointment as President

To be honest, I was a bit taken aback by my appointment to a top management position amid TEPCO's biggest crisis since the Company was established, but I am determined to devote all my energy to resolving it. The road ahead promises to be intensely challenging, but I will steadfastly work to implement policies that have been carefully formulated to date.

First of all, we must maintain a balance between taking care of tasks and situations swiftly and remaining steady, sound and sincere. Paraphrasing one of my favorite sayings, I believe that we must avoid both laxity and haste as we move forward.

Second, the electric power business simply cannot operate without the trust, support and cooperation of our stakeholders, including society, customers and shareholders. Therefore, as a company totally committed to the public good, TEPCO needs a strong sense of mission and responsibility and must be fair and impartial. At the same time, in dealing with the many complex issues and problems that arise, we must not simply focus on short-term events, but also put matters in the context of the larger picture and view them from a broad, overall perspective. At the same time, I intend to emphasize flexibility and diversity, which will enable TEPCO to respond quickly to changes in the operating environment.

The restoration of the Kashiwazaki-Kariwa Nuclear Power Station is the most important issue in normalizing operations. What is the current status of this facility, and what initiatives lie ahead?

The Kashiwazaki-Kariwa Nuclear Power Station: Current Status and Future Initiatives

The restoration of the Kashiwazaki-Kariwa Nuclear Power Station is our most important management issue. Currently, two processes are moving forward in parallel: inspection and restoration of facilities, and enhancement of earthquake resistance.

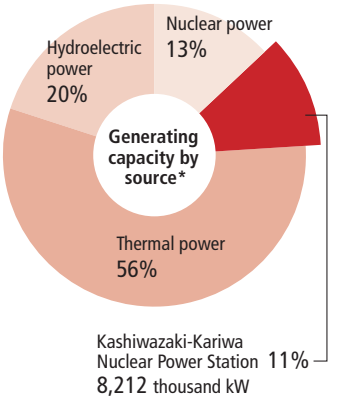
Inspection and restoration activities to date have revealed issues such as damage to turbine fan blades. However, we have discovered no major damage affecting the functions of facilities where safety is absolutely critical, such as the nuclear reactors.

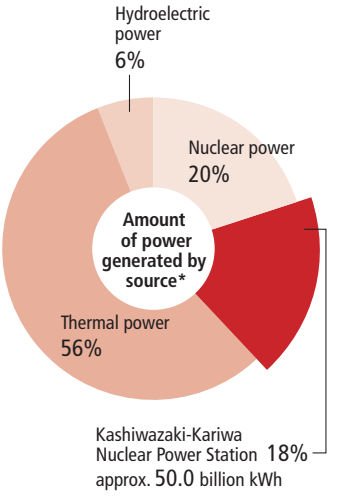
For enhancement of earthquake resistance, we are confirming the seismic safety of facilities based on the 2006 Revision of Regulatory Guide for Reviewing Seismic Design of Nuclear Power Reactor Facilities. Specifically, we have conducted geological surveys using the latest techniques to assess active faults in the vicinity of the power station where an earthquake could occur. We incorporated the results of these geological surveys and analyses of seismic observation data into

ground movement standards formulated in May 2008. Going forward, we will confirm seismic safety using the ground movement standards once they have been deliberated and approved by government committees and other organizations, and will undertake construction to enhance seismic safety.

At present, we cannot forecast when the restoration of the Kashiwazaki-Kariwa Nuclear Power Station will be complete. However, we are making steady progress toward the construction of a nuclear power station that is safe, secure and disaster-resistant.

The shutdown of the Kashiwazaki-Kariwa Nuclear Power Station has caused a number of management issues. What are they, and what are TEPCO's policies for resolving them?





*Fiscal 2007 (Including purchased power)

Issue 1: Securing Stable Supply

The stable supply of electricity is the TEPCO Group's primary mission. The Kashiwazaki-Kariwa Nuclear Power Station accounts for approximately 10 percent of TEPCO's generating capacity and approximately 20 percent of power produced. Its shutdown is therefore seriously affecting stability of supply. We managed to meet demand in summer 2007 by working to secure as much supply capacity as possible through measures such as increasing output at hydro and thermal power plants, purchasing backup power from other electric power companies, purchasing surplus self-generated power and by asking customers to conserve electricity. For summer 2008, we have taken steps such as moving forward construction schedules for new power plants and resuming operations at thermal power plants under long-term shutdown. At this point, we forecast that we can provide stable supply. However, we are making every effort to maintain stability, such as continuing to purchase backup power from other electric power companies, as well as self-generated power. Moreover, our comprehensive efforts include the stable operation and maintenance of existing power plants, and procuring the necessary fuel.

Issue 2: Toward Rapid Improvement of Earnings

TEPCO has primarily relied on thermal power to compensate for the reduction of nuclear power generation. Thermal power fuel expenses have increased as a result, which has seriously affected earnings.

In fiscal 2008, TEPCO incurred additional expenses totaling approximately ¥615.6 billion. This consisted of an increase of approximately ¥420.0 billion in fuel expenses, purchased power and related expenses, and approximately ¥195.6 billion in expenses associated with the restoration of the Kashiwazaki-Kariwa Nuclear Power Station, including non-recurring loss (casualty loss from natural disaster and others) consisting of expenses for inspections and related maintenance, geological surveys, evaluations and other activities. These figures do not include the expenses to raise earthquake resistance, which TEPCO will recognize as part of capital expenditures in the future.

Since the Kashiwazaki-Kariwa Nuclear Power Station shut down, the entire TEPCO Group has been working to thoroughly reduce costs. In fiscal 2008, immediately after the earthquake we set

a target of reducing costs by ¥80.0 billion more than the plan at the start of the fiscal year, but by the end of the fiscal year we had achieved cost reductions of about ¥100.0 billion. In fiscal 2009, we expect the continued shutdown of the Kashiwazaki-Kariwa Nuclear Power Station to have a severe impact on earnings. However, we are putting maximum effort into rapidly improving earnings in ways such as reducing costs for fiscal 2009 by more than ¥100.0 billion compared with the original cost projections in the fiscal 2008 plan.

These cost reductions include canceling or postponing construction. However, the entire TEPCO Group is operating under a policy of making thorough, sustainable improvements in our cost structure that we can make use of in the future. For example, TEPCO accounts for a large proportion of orders at Group companies, but going forward, we will take a close look at the cost structure of the work handled by these companies. As a result, we will be able to readily identify inefficient or irrational methods of the past and eliminate them. This process is not easy, but we are beginning to see results. Once these efforts take full effect and operations normalize, we will have established a solid corporate framework with a stronger cost structure.

Impact of the Shutdown of Kashiwazaki-Kariwa Nuclear Power Station

(Billions of yen)

	Fiscal 2008
Total	**615.6**
Fuel expenses, etc.	420.0
Increase in fuel expenses and purchased power	440.0
Increase in thermal fuel expenses and purchased power	460.0
Decrease in nuclear fuel expenses	(20.0)
Decrease in nuclear power back-end costs	(20.0)
Restoration expenses and others	195.6
Non-recurring loss (Casualty loss from natural disaster and others)	193.1
Inspection and inspection-related maintenance expenses	139.0
Expenses for restoration of civil engineering and building facilities, etc.	27.1
Expenses for geological survey of power plant vicinity	18.5
Other	8.5
Others (Expenses for restarting inactive thermal power plants, etc.)	2.5
Decrease in nuclear power generated (Billion kWh)	40.0

Issue 3: Response to the Problem of Global Warming

Nuclear power plays a key role in solving the problem of global warming because it does not emit CO_2. The shutdown of the Kashiwazaki-Kariwa Nuclear Power Station therefore had a significant impact on our ability to reduce CO_2 emissions. TEPCO's CO_2 emissions in fiscal 2008 totaled about 126.5 million tons, which was about 30 percent higher than in fiscal 2007.

TEPCO's Management Vision 2010 contains the voluntary target of reducing average CO_2 emission intensity over the five-year period from fiscal 2009 to fiscal 2013 by 20 percent compared with fiscal 1991. However, because of the continued shutdown of the Kashiwazaki-Kariwa

Nuclear Power Station, we currently project that our CO_2 emissions in fiscal 2009 will substantially exceed pre-earthquake projections. The TEPCO Group's operating environment is extremely challenging, but we will make every effort to meet the voluntary target through means including the continued safe and stable operation of nuclear power plants, increasing thermal efficiency at thermal power plants, expanding the use of renewable energy sources, and acquiring carbon credits under the Kyoto Mechanisms.

On June 26, 2008, TEPCO announced that it will revise electricity rates sometime during September 2008. Please explain this policy.

The Revision of Electricity Rates

After electricity rates were last revised in April 2006, fuel prices rose sharply. Moreover, factors including the shutdown of all reactors at the Kashiwazaki-Kariwa Nuclear Power Station because of the Niigata-Chuetsu-Oki Earthquake have included increased use of thermal power generation. TEPCO has not been able to compensate for the substantial increase in fuel expenses that has resulted. On the other hand, TEPCO has reduced facilities-related costs through Company-wide efforts.

Because of these significant changes to the factors underlying rate calculation, we have decided to revise electricity rates.

We are studying ways to maintain electricity rates for the September 2008 revision at pre-revision levels including the fuel cost adjustment by doing everything possible to raise efficiency.

Moreover, we will revise the average fuel price, which is used to calculate the fuel cost adjustment, based on customs clearance price statistics for the three months ended March 31, 2008. Essentially, however, we are tentatively considering the exclusion of the fuel price adjustment from the October-December rates, which are normally adjusted according to April-June fuel price fluctuations.

The Business Management Plan for fiscal 2009 did not set concrete numerical targets, unlike management plans in the past. How does the TEPCO Group position Management Vision 2010, its medium-term management plan, and how would you evaluate its progress?

The Fiscal 2009 Business Management Plan and Management Vision 2010

The Business Management Plan for fiscal 2009 does not have concrete numerical targets for ordinary income, balance sheet improvement and other issues because of the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station. However, we continue working to achieve the targets of Management Vision 2010.

We have made steady progress toward Management Vision 2010 targets, but achieving our

Management Vision 2010 Targets and Fiscal 2008 Results

		Management Vision 2010 Targets (Target year: Fiscal 2011)	Fiscal 2008 Results
Operating Efficiency		Improve efficiency by at least **20%** compared with FY 2004 (With facility safety and securing quality as major premises)	—
Balance Sheet Improvement	Equity Ratio	Equity ratio of at least **25%**	**18.2%** (Year-on-year decrease of 3.3 percentage points)
	Interest-Bearing Debt		**¥7,479.9 billion** (Year-on-year increase of ¥296.7 billion)
Business Growth	Expansion of New Electricity Volume	At least **10 billion kWh** (FY 2005 – FY 2011)	**2.72 billion kWh** (Year-on-year increase of 0.38 billion kWh) (Cumulative total FY 2005 – FY 2008 of **7.81 billion kWh**)
	Consolidated Operating Revenues from Businesses Other than Electric Power	At least **¥300 billion**	**¥310.8 billion** (Year-on-year decrease of ¥19.8 billion)
	Consolidated Operating Income from Businesses Other than Electric Power	At least **¥50 billion**	**¥40.8 billion** (Year-on-year increase of ¥17.6 billion)
Global Environment Contribution	CO_2 Emission Intensity	Reduce emission intensity by **20%** compared with FY 1991 (Average FY 2009 – FY 2013) (About 0.304 kg-CO_2/kWh annually)	**0.425 kg-CO_2/kWh** (Year-on-year increase of about 25%)

Note: Unless otherwise specified, results and targets are on a non-consolidated basis.

fiscal 2011 targets for efficiency gains and balance sheet improvement will be extremely challenging due to factors such as the rising crude oil prices and the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station.

On the other hand, our business growth targets included expansion of new electricity sales volume of 1.89 billion kWh for fiscal 2008, but we significantly exceeded our target by achieving 2.72 billion kWh. As a result, we were able to expand new electricity sales volume by approximately 7.8 billion kWh from fiscal 2005 through fiscal 2008. Looking forward, we will promote steady, effective sales activities that promote an optimal system in terms of environmental consciousness, energy conservation, load leveling and other issues. In addition, our targets for business growth include targets for operating revenues and operating income from businesses other than electric power. In fiscal 2008, operating revenues in these businesses totaled ¥310.8 billion and operating income totaled ¥40.8 billion, and we continue working toward achieving our goals for fiscal 2011.

The challenges to performance in fiscal 2008 led to a ¥5.00 decrease in cash dividends per share to ¥65.00. What is TEPCO's dividend policy going forward?

Shareholder Returns and Dividend Policy

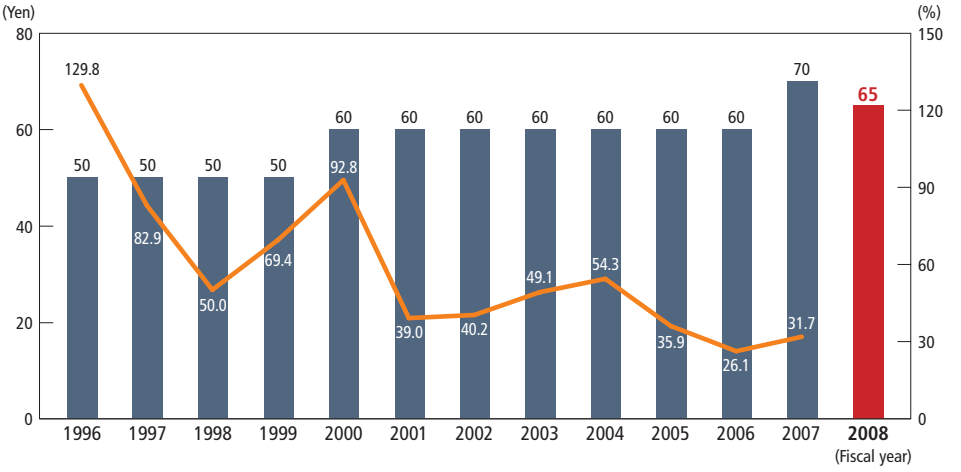
TEPCO decided to increase cash dividends per share for fiscal 2007, the year ended March 31, 2007, to ¥70.00 from ¥60.00 and announced a new dividend policy of maintaining stable dividends with a target consolidated payout ratio of 30 percent or higher.

Our fundamental thinking about dividends has not changed, but for the first time in 28 years

we reported an ordinary loss on a nonconsolidated basis in fiscal 2008. This and other factors present serious challenges to earnings, so we reduced annual cash dividends per share by ¥5.00 to ¥65.00 after carefully considering how to meet the expectations of shareholders and investors to the maximum extent possible amid such a situation.

For fiscal 2009, we project that we will continue to face challenges to performance, but we plan to pay interim cash dividends per share of ¥30.00, the same amount as the fiscal 2008 year-end dividend. Moreover, because we have not made performance projections for fiscal 2009, we are not making a projection for the year-end dividend for fiscal 2009. Based on the dividend policy I discussed earlier, we will assess the status of the restoration of the Kashiwazaki-Kariwa Nuclear Power Station and earnings trends in considering year-end cash dividends.

Cash Dividends Per Share and Consolidated Payout Ratio



While you have mentioned the challenging operating environment, demand was firm in fiscal 2008. How will TEPCO leverage electricity's advantages in its sales strategies? Also, what is your view of the recent competition with power producers and suppliers (PPS)?

Sales Strategies and Competition with PPS

In the current competitive environment, certain factors support sales and marketing and other factors impede them. Factors that support sales and marketing include the rising price of crude oil and the impact of the global warming problem, both of which increase the comparative competitiveness of electricity. In recent years, we have seen many companies such as factories that use self-generation to produce electricity switch back to our power grid, and during winter 2008 we saw many households switch to electric heating from kerosene. Another important factor is higher environmental awareness among customers due to the increasingly active discussion of global warming, which has made environmental friendliness a major factor in their choice of energy. This gives us an advantage because we provide nuclear and hydro power, which emit extremely low levels of CO_2. Factors that are impeding sales and marketing include the shutdown



of the Kashiwazaki-Kariwa Nuclear Power Station, because it has caused us to scale back sales campaigns, advertising and other promotional activities. Other factors include a decrease in the number of housing starts partly resulting from the revision of the Building Standards Law.

Concerning actual competition with PPS, as of March 31, 2008, customers representing a cumulative total of approximately 2.9 million kW on a contract basis had switched from TEPCO to PPS, with an increase of about 0.4 million kW during the year under review. On the other hand, factors such as the rising price of fuel have recently caused an increasing number of customers to switch back to TEPCO from PPS.

From fiscal 2009, PPS plan to begin operating new, large-scale power plants, and we project that challenging competitive conditions will continue. However, we will work to expand sales by strengthening relationships with customers through a thorough understanding of their energy requirements, including rising environmental considerations.

In closing, please explain your vision for TEPCO's future. Also, do you have any closing remarks for shareholders and investors?

Changes that Strengthen the TEPCO Group

TEPCO is facing its biggest crisis since the Company was established. To prevail, the entire TEPCO Group will focus maximum efforts on implementing the measures I have discussed.

The construction of safe, secure and disaster-resistant nuclear power plants, including the Kashiwazaki-Kariwa Nuclear Power Station, is the cornerstone of future stable operation. This will be a major TEPCO strength in the future with energy prices currently rising and global warming becoming a major issue. Moreover, continuous and dramatic cost structure reform through ongoing efforts to reduce costs will enhance future profitability and cost competitiveness. I am confident that steadily promoting these efforts will make the TEPCO Group stronger.

We must not only overcome the crisis immediately at hand, but look beyond it and work to increase TEPCO's corporate value over the medium to long term. Based on our approach to profit-sharing, we can then meet the expectations of shareholders and investors by distributing the benefits of higher corporate value to all stakeholders in a balanced fashion.

As we do so, we will be counting on the continued support and understanding of our stakeholders.

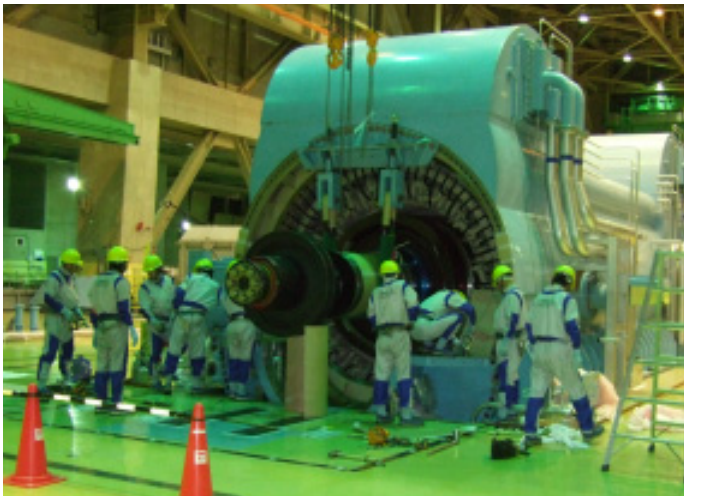
Keeping What's Best & Embracing Positive Change

I Kashiwazaki-Kariwa Nuclear Power Station Restoration Initiatives

(As of May 31, 2008)

The TEPCO Group is concentrating all its efforts on inspection and restoration of the Kashiwazaki-Kariwa Nuclear Power Station. We have made steady progress in inspections and surveys to confirm facility soundness, as well as toward the start of restoration and earthquake-resistance improvement work.

- ***Summary of Earthquake Damage***
- ***Building Disaster-Resistant Nuclear Power Plants***



Summary of Earthquake Damage

On July 16, 2007, a strong earthquake with a magnitude of 6.8 and epicenter off the coast of Niigata Prefecture's Chuetsu region damaged TEPCO's Kashiwazaki-Kariwa Nuclear Power Station with extremely powerful shocks. Because the facilities' earthquake-resistant design exceeded standards, the plant's three key safety functions – shutdown, cooling and containment – were maintained. Following the earthquake, TEPCO carried out visual inspections and tests to confirm functions in order to verify the safety of each reactor and generating unit. These were followed by detailed facility inspections for damage and other factors. Inspections and surveys to date have found no damage that would affect the functioning of equipment important to the safety of reactors and other facilities. As TEPCO reported to the national and regional governments in accordance with laws and regulations, there were problems including fire at the Unit 3 house transformer and leakage of water containing a trace of radioactivity at Unit 6. Although the initial response to the fire and leakage was insufficient, TEPCO is strengthening its in-house firefighting organization and making other improvements.

Buckling in the road shows the scale of the earthquake

Subject of Report	Number of Cases	INES[1] Evaluation
Leakage of radioactive water at Unit 6[2]	1	Level 0- (Zero minus) No safety significance No impact on safety
Water overflow from spent fuel pools at Units 1 to 7	7	
Damage to overhead crane at Unit 6 reactor building	1	Outside the scope of evaluation Not related to reactor equipment safety
Fire at Unit 3 house transformer	1	

Notes: 1. International Nuclear Event Scale. Used worldwide to concisely and objectively determine the significance of accidents and incidents at nuclear power stations.
2. Radioactivity was approximately 9 x 10^4 becquerels. The effective dose of radiation exposure represented by this discharge is approximately 2 x 10^{-9} millisieverts. (This is one billionth the dosage an average person receives naturally each year.)

Fire at the Unit 3 house transformer

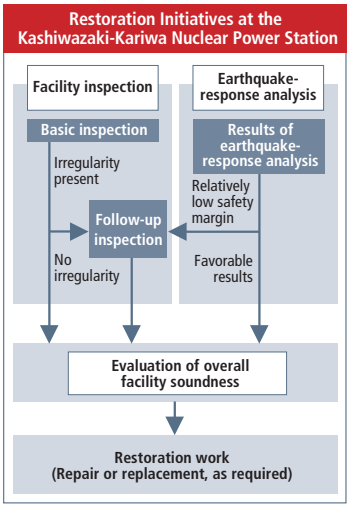
Chemical fire engine

Switching to above-ground pipes

Strengthening In-House Firefighting

On July 26, 2007, TEPCO formulated and is currently thoroughly implementing an improvement plan for the in-house firefighting system at the Kashiwazaki-Kariwa Nuclear Power Station. In particular, based on our experience with the house transformer fire we strengthened the initial response firefighting system by deploying a chemical fire engine and other equipment, increasing personnel to achieve 24-hour coverage, and carrying out regular training and other measures. Because of the delay in contacting the fire department due the absence of personnel in the Emergency Response Room immediately following the earthquake, TEPCO has increased reliability by establishing another dedicated phone line to the fire department at its main control room. In the future, we plan to construct a new seismic isolated building to house the Emergency Response Room. Further, because water could not be pumped from the fire hydrant due to damage to the hydrant supply, we are switching to above-ground pipes and as a backup are installing earthquake-resistant fire cisterns in 17 locations. We are not implementing these measures only at the Kashiwazaki-Kariwa Nuclear Power Station but also at Fukushima Daiichi and Daini Nuclear Power Stations.

Building Disaster-Resistant Nuclear Power Plants



Opening a reactor head

TEPCO is currently carrying out two main processes in parallel to make the Kashiwazaki-Kariwa Nuclear Power Station disaster-resistant. One is restoration, comprising confirming and evaluating the soundness of safety-critical facilities following the recent earthquake, and conducting necessary repairs and replacements. The other is earthquake-resistance improvement, comprising appropriately reflecting the knowledge gained from the Niigataken Chuetsu-Oki Earthquake and evaluating seismic safety based on the Revision of Regulatory Guide for Reviewing Seismic Design of Nuclear Power Reactor Facilities, and carrying out necessary safety improvement work.

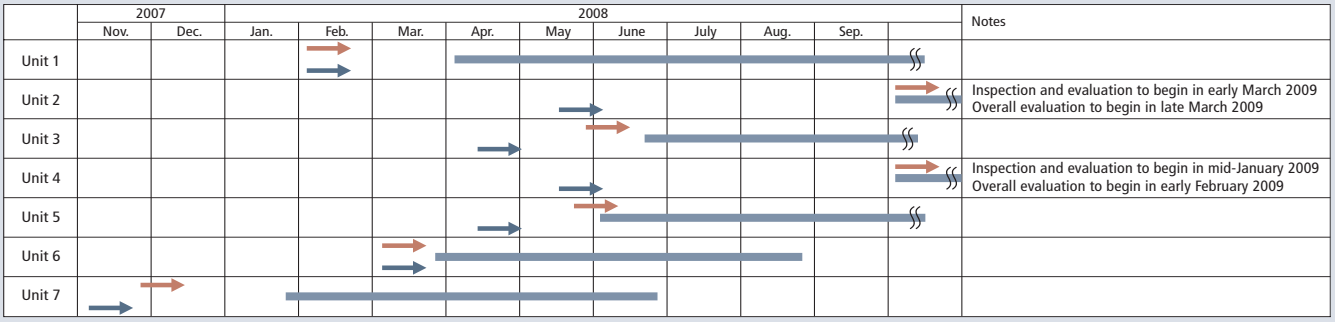
Restoration Initiatives

Main facility inspections began in August 2007 with successive in-core inspections of nuclear reactors, for which safety is most crucial, starting with Unit 1, which was shut down for a periodical inspection at the time of the earthquake. Divided into three stages and completed in February 2008, these inspections assessed damage and significant deformation to reactor cores, abnormalities in foundation bolts and other factors. No reactor core damage, deformation, component displacement or other abnormalities that would significantly affect the functioning of reactor vessels were found. Successive inspections of turbines, generators and other facilities are under way. Although inspections confirmed damage to turbine blades (cause under investigation) and other elements, no significant damage was found that would affect the functioning of safety-critical equipment. In combination with these facility inspections TEPCO is proceeding with overall evaluations of facility soundness, using earthquake-response analysis to assess the impact of the Chuetsu-Oki Earthquake on all facilities for which safety functions and earthquake resistance are important and check for plastic deformation and damage invisible to the naked eye. In April 2008, TEPCO submitted an interim report to the Nuclear and Industrial Safety Agency (NISA) on overall facility soundness evaluations for Unit 7, where facility inspections and earthquake-response analysis have progressed the most. NISA judged that safety-critical equipment for which evaluations have been completed exhibited no irregularities caused by the earthquake and that facilities met soundness standards. We also submitted a report on the status of inspections and evaluations at Units 1 and 6 to a governmental working group on May 16, 2008. In addition, we are successively conducting necessary repair and replacement of equipment which is not safety-critical.

Inspection and Evaluation Schedule

For every unit, we are preparing inspections and evaluation plans, carrying out overall facility soundness evaluations based on facility inspections, analysis and evaluations, and submitting the results to governmental committees for deliberation.

Inspection and Evaluation Schedule (As of May 31, 2008)



Note: Schedules are subject to change due to the progress of the inspections and evaluations.

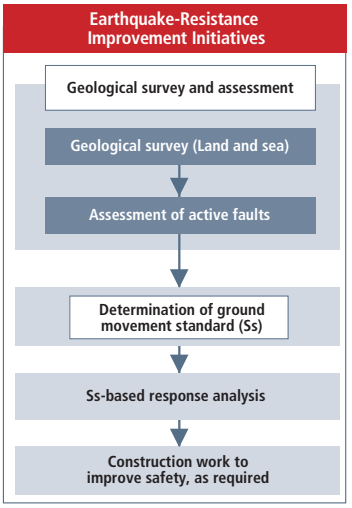
Inspection and evaluation Earthquake-response analysis and evaluation Overall evaluation

Earthquake-Resistance Improvement Initiatives

As part of seismic safety evaluations based on the September 2006 Revision of Regulatory Guide for Reviewing Seismic Design of Nuclear Power Reactor Facilities, TEPCO has been conducting sea and land geological surveys in the vicinity of the Kashiwazaki-Kariwa facilities and evaluating major faults in the area that could cause earthquakes since before the Niigataken Chuetsu-Oki Earthquake. As a result of the earthquake, we have revised our initial plans and are continuing with evaluations in order to complete the initial evaluations and reflect in other efforts the knowledge we have gained. On May 12, 2008, we submitted an interim report on surveys of the geological features and tectonics of the area surrounding the power plant to NISA, which is part of the Ministry of Economy, Trade and Industry. In addition, to understand why the ground movement at the Kashiwazaki-Kariwa Nuclear Power Station was greater than the 6.8 magnitude of the earthquake would indicate, we have been analyzing all the seismic data we acquired during the event.

TEPCO determined a new ground movement standard (Ss)* based on these efforts and submitted a report to NISA on May 22, 2008. In determining the standards, we conservatively estimated seismic motion, considering uncertainties such as simultaneous fault movement and fault length, and reflected our knowledge of how hypocenter location, geological features and other factors can affect it. As a result, the ground movement standard (Ss) for the free surface of the base stratum for Units 1 to 4 is maximum acceleration of 2,280 gal, and for Units 5 to 7 it is 1,156 gal. Based on the above, seismic motion evaluation for the base mats of reactor buildings indicated that factors such as embedding the base mats in the ground would dampen shocks, resulting in maximum acceleration of 663 gal to 829 gal for Units 1 to 4 and 543 gal to 656 gal for Units 5 to 7.

TEPCO is striving to increase seismic safety so that the base mats of reactor buildings for Units 1 to 7 can withstand 1,000 gal. In addition, as newly determined ground movement standards (Ss) must be deliberated by government committees and other bodies, we will appropriately reflect the results of such deliberations in the construction we undertake to improve seismic safety.



Seismic survey vessel

*Ground movement standard (Ss): An appropriate ground movement standard assumption for earthquake-resistant design assumes the occurrence of an earthquake while all facilities are operating because although the possibility of such a situation is extremely low, the impact would be substantial.

For the latest detailed information on inspection and restoration work at the Kashiwazaki-Kariwa Nuclear Power Station, earthquake-resistance improvement initiatives and other issues, please refer to our website (http://www.tepco.co.jp/en/index-e.html).

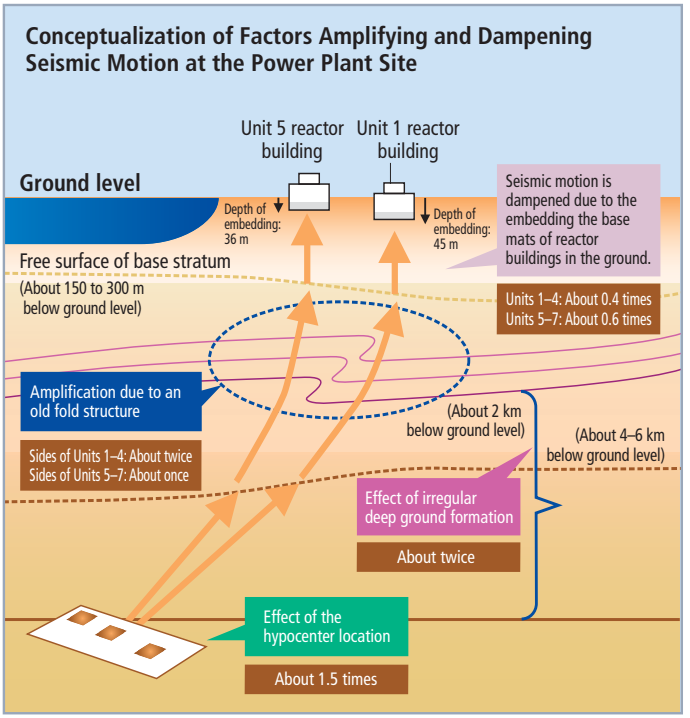
Seismic Analysis of Base Mats of Reactor Buildings

We calculated dampening of Ss at the ground surface near each reactor unit building and evaluated seismic motion on the base mat of each reactor unit building.

Estimated Seismic Motion at Each Unit

Horizontal values (Greater of east-west and north-south) (Gal)

	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
Chuetsu-Oki Earthquake (observed data)	680	606	384	492	442	322	356
Response based on ground movement standard (Ss) (on base mats of reactor buildings)	829	739	663	699	543	656	642
Estimated maximum ground acceleration based on ground movement standard (Ss) (on free surface of base stratum)	2,280				1,156		

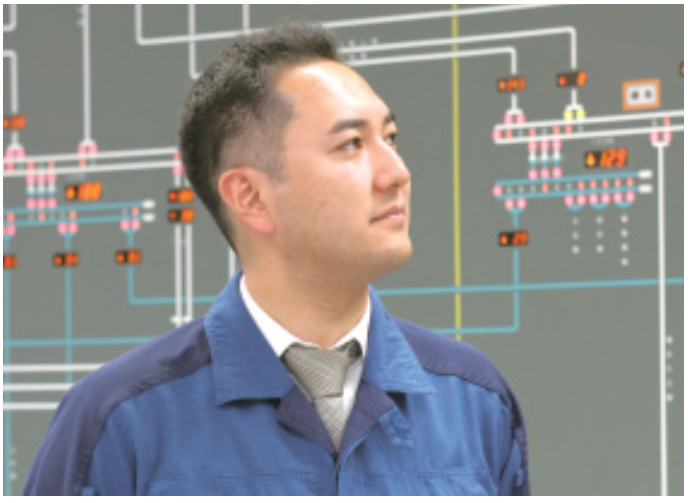


Keeping What's Best & *Embracing* Positive Change

Ⅱ Management Challenges and Solutions

The shutdown of the Kashiwazaki-Kariwa Nuclear Power Station not only impacted earnings, but also greatly affected supply stability, thermal fuel procurement and CO_2 emission levels. The TEPCO Group is applying maximum efforts to dealing with these management issues.

- ☐ ***Securing Stable Supply***
- ☐ ***Fuel Procurement Strategies***
- ☐ ***Addressing Environmental Issues***



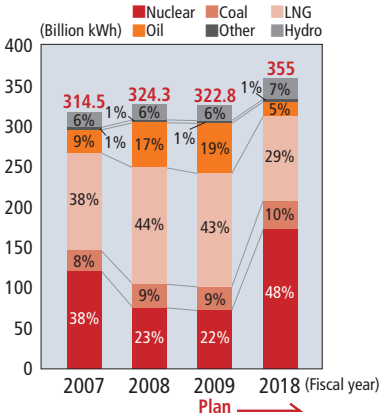
Securing Stable Supply

TEPCO's Stance on Generation Facility Configuration and the Impact of the Shutdown of the Kashiwazaki-Kariwa Nuclear Power Station

Based on securing stable supply and energy security, TEPCO is steadily promoting an optimum mix of generation that focuses on nuclear power balanced with LNG, oil, coal, hydro and other power sources while comprehensively considering factors such as economy, viability and environmental compatibility.

The Kashiwazaki-Kariwa Nuclear Power Station, which accounted for around 10 percent of TEPCO's 82.12 million kW generation capacity and provided around 20 percent of the roughly 50.0 billion kWh it generated annually, was damaged by the July 2007 Niigataken Chuetsu-Oki Earthquake and all reactor units were subsequently shut down. Electric power supply has become extremely tight as a result. The situation was especially severe during the heat wave in summer 2007, and TEPCO worked to secure as much supply capacity as possible through measures including increasing output at its own thermal plants, purchasing power from other electric power companies and purchasing surplus self-generated power. We were able to secure stable supply with the cooperation of businesses, factories and many household customers in conserving energy, as well as restrained demand from some of the large-scale customers with whom TEPCO had concluded supply and demand adjustment contracts on August 22, when peak demand of 61.47 million kW was recorded.

Power Generated by Energy Source
(Including Purchased Power)

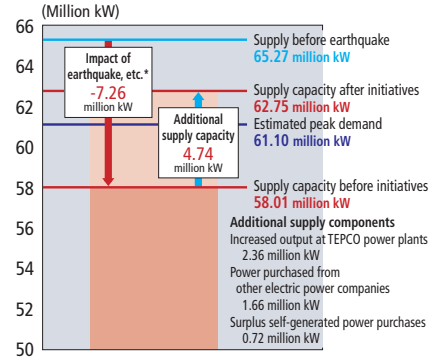


Supply Capacity Initiatives

Because it has not been determined when the Kashiwazaki-Kariwa Nuclear Power Station will resume operations, TEPCO is working on supply measures for summer 2008 including starting commercial operation of and using power from trial operations of new power plants and resuming operations at thermal power plants under long-term shutdown. As a result, we expect to secure supply capacity of about 66.0 million kW to meet forecast estimated peak summer demand (one-day peak demand at generation end) of 61.1 million kW.

TEPCO is also avoiding unplanned shutdowns of existing plants through steady operation and continuing maintenance, and is revising schedules for regular inspections and repair work based on supply and demand conditions. Particularly for older facilities, we will prevent problems to the greatest extent possible by strengthening failure prediction and prevention measures based on our accumulated technologies and knowledge. In addition, we will prepare a framework for immediate response to malfunctions through measures including securing necessary materials in advance.

Initial Peak Demand and Supply Capacity Estimates for August 2007



*Excludes impact of scheduled summer 2007 regular inspection of one unit at the Kashiwazaki-Kariwa Nuclear Power Station (Approx. 7.00 million kW)

(As of June 2008)

	Power Plant Name	Output (Thousand kW)	Fuels	Operational Start or Resumption Date (Start of Trial Operations)
Start of Operations	Kawasaki Unit 1-2	500	LNG	June 4,2008
	Futtsu Unit 4-1	507	LNG	July 2008 (Scheduled) (December 12, 2007)
	Kawasaki Unit 1-1	500	LNG	February 2009 (Scheduled) (May 30, 2008)
Resumption of Operation	Yokosuka Unit 2 GT*	144	Light oil and city gas	September 11, 2007
	Goi Unit 4	265	LNG	December 18, 2007
	Yokosuka Unit 7	350	Heavy oil and crude oil	April 6, 2008
	Yokosuka Unit 8	350	Heavy oil and crude oil	May 27, 2008
	KASHIMA KYODO ELECTRIC POWER COMPANY Unit 2	350	Blast furnace gas and heavy oil	June 2, 2008

*Yokosuka Unit 2 GT (Gas turbine) has resumed operations after decommissioning.

Thermal Power Initiatives to Secure Stable Supply

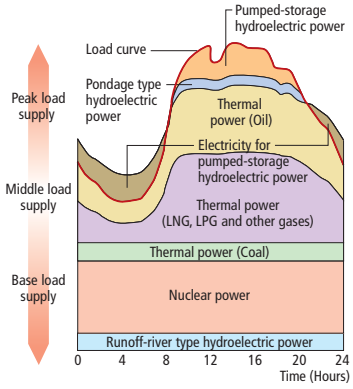
Immediately following the July 2007 Niigataken Chuetsu-Oki Earthquake, TEPCO considered factors related to summer demand including the operating status of all its thermal power plants, confirmation of future inspection schedules and the resumption of operations at thermal plants under shutdown.

In the case of the Yokosuka Thermal Power Station's Unit 2 gas turbine, which was decommissioned in 2005 and restored in September 2007, Company employees, manufacturers and related companies who had been involved in the operation and maintenance of the turbine toiled night and day to restore it to operational condition. As a result, it resumed operations in the short space of one month compared to the usual three to six months.

TEPCO remains committed to securing stable supply, which is part of its corporate DNA.

Fuel Procurement Strategies

Electric Power Generation over the Course of One Day

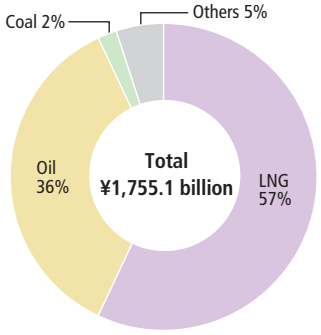


Basic Use and Procurement Policy for Thermal Power Generation Fuels

TEPCO uses nuclear power and runoff-river type hydroelectric power to meet the base load, and thermal power to respond to changes in demand. Thermal power generation uses LNG, oil, coal and other fuels. Each fulfills a different role depending on its price, purchasing conditions, environmental friendliness and other characteristics.

LNG	Role: Mainly used for middle load supply Characteristics • Environmentally friendly and easy to use compared with other fossil fuels • Procurement is inflexible because bilateral contracts based on long-term agreements are standard • Lower per calorie price compared with oil
Oil	Role: Mainly used for peak load supply Characteristics • Excellent flexibility in responding to demand fluctuations over the course of the day and adjustability in responding to fuel supply fluctuations • Procurement is highly flexible due to growth of spot markets • Availability of low-sulfur crude oil and domestic low-sulfur C-grade heavy oil is decreasing • High per calorie price compared with LNG or coal
Coal	Role: Mainly used for base load supply Characteristics • Excellent supply stability and very economical • Abundant and widespread global deposits • Low per calorie price compared with LNG or oil • Substantial environmental burden

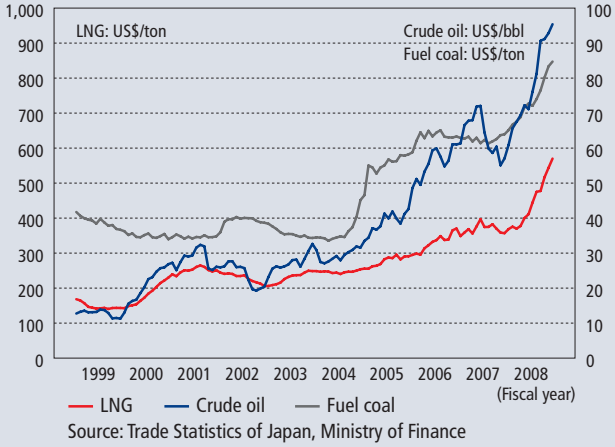
Fiscal 2008 Fuel Expenses



Because each thermal power generation fuel has different characteristics, TEPCO diversifies procurement sources by region and vendor and purchasing conditions by contract length, price, volume and other factors to achieve the optimum mix of procurement sources, just as it achieves the best mix of power sources.

TEPCO will continue to fortify its competitive fuel procurement base, which is capable of responding to environmental changes and risks, and pursue flexible and economic fuel procurement with the best procurement mix while considering structural changes to power generation facility configuration. LNG is TEPCO's main thermal power fuel, accounting for 57 percent of the Company's ¥1,755.1 billion in fuel expenses for fiscal 2008. How to stably and economically procure it is an important issue.

All Japan CIF Prices



Source: Trade Statistics of Japan, Ministry of Finance

The Fuel Procurement Environment

About 10 years ago, crude oil was traded for roughly 20 to 30 U.S. dollars per barrel. The price began to rise steeply from the end of 2004, exceeding 100 U.S. dollars per barrel in 2008. Prices for other fuels including LNG and coal are also rising substantially compared to previously due to the tight market.

In particular, demand for highly economical and clean natural gas is growing significantly worldwide, and global competition for LNG is underway with emerging nations such as China and India actively securing supply as a national policy. Further, there are concerns that the power balance is shifting in markets due to the increasing presence of countries with rich natural gas deposits such as Russia, Qatar and Iran.

Pricing and Procurement Capacity

Because both sellers and purchasers in LNG projects need to make massive investments, LNG is mainly bought and sold through negotiated transactions based on long-term contracts. Further, the scope of LNG spot markets is currently limited because transactions formerly centered on the Far East, particularly Japan, which has no LNG pipelines. As a result, the liquidity of transactions is low and, in contrast with oil, prices are not determined by the market. Instead, prices and other terms are determined through negotiations between sellers and purchasers.

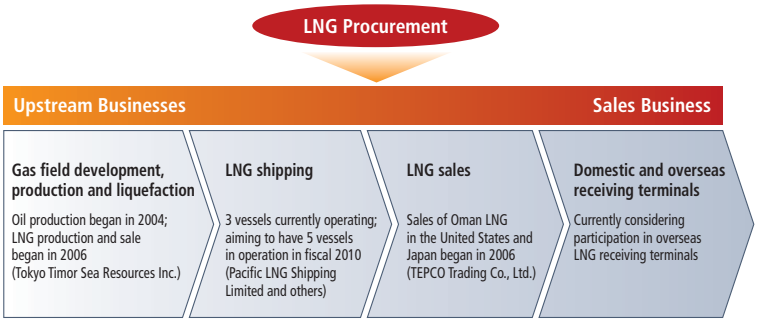
TEPCO continues to apply its strengths, such as the large volumes of LNG it handles, steady purchases, advanced technologies for using LNG and the ability to steadily meet obligations. We are also working to acquire more advantageous terms of sale by diversifying procurement sources in order to stir competition.

Fuel Procurement Strategies

We expect the Atlantic market to grow as a result of a firm rise in gas demand in North America and Europe, and the increase in the LNG procurement volume of emerging nations such as China and India that have a significant impact on the market. As the LNG market broadens and transactions become more globalized, it will enter a period of substantial transitions. We believe that changes in the market structure will increase opportunities for unprecedented transaction schemes, and that disparities will emerge among LNG purchasers corresponding to how flexible and innovative they are in their transactions.

TEPCO aims to improve its procurement capabilities that leverage its strengths related to LNG transactions, and to achieve autonomous procurement that is minimally affected by market changes. To achieve these objectives, the Company continues to expand its presence in the upstream businesses of the energy supply chain (including gas field development and LNG production, LNG shipping and LNG trading). Our fuel business is progressing according to plan, and significantly contributing to enhancing our LNG procurement capabilities. Going forward, we will strengthen our LNG-related businesses through such measures as participating in new areas such as overseas LNG receiving terminals. We will also work to expand the fuel business by considering developing new businesses in oil and coal. At the same time, aiming to introduce innovative transactions, we will strengthen our global procurement capabilities and make procurement more autonomous.

Participation in the LNG Supply Chain



TEPCO's LNG Procurement

TEPCO's use of LNG has been expanding since the Company undertook Japan's first imports from Alaska in 1969 through an alliance with Tokyo Gas Co., Ltd. We now procure LNG from nine projects under long-term contracts. Along with Korea Gas Corporation, TEPCO is one of the world's two largest purchasers of LNG, procuring 20.40 million tons including spot contracts in fiscal 2008.

TEPCO's LNG Procurement Contracts By Project (As of May 2008)

Project Name	Alaska (U.S.A.)	Brunei	Das Island (U.A.E.)	Satu (Malaysia)	Arun (Indonesia)	Australia (New South Wales)	Qatar	Darwin (Australia)	Qalhat (Oman)	Sakhalin II (Russia)
Contract Quantity (For plateau year) (Thousand tons)	918	4,030	4,300[1]	4,800 maximum[2]	130[3]	1,180	200	2,000	800[4]	1,500[5]
Contract Period	Nov. 1969 – Mar. 2009	Jan. 1973 – Mar. 2013	May 1977 – Mar. 2019	Feb. 1983 – Mar. 2018	Jan. 1984 – Dec. 2009	Aug. 1989 – Mar. 2009	June 1997 – Dec. 2021	Mar. 2006 – Dec. 2022	Apr. 2006 – Dec. 2020	Undetermined – Mar. 2029

Notes: 1. Includes 700 thousand tons of LPG.
2. 3,600 thousand tons ex-ship and 1,200 thousand tons FOB (Including 700 thousand tons short-term)
3. 2005 - 2009
4. Joint purchase with Mitsubishi Corporation.
5. Also has purchase option contract.

Addressing Environmental Issues

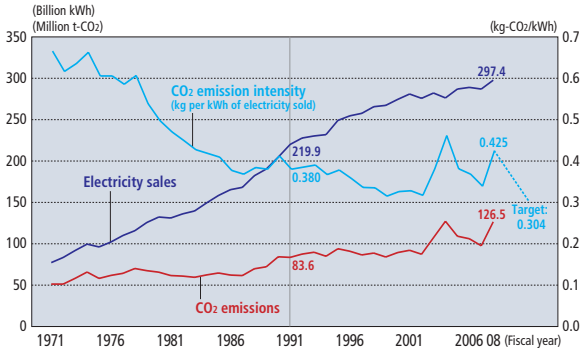
Initiatives to Prevent Global Warming

Global Environment Contribution Target under Management Vision 2010

TEPCO is taking a variety of initiatives to attain its voluntary target under Management Vision 2010 of reducing average CO_2 emission intensity over the five-year period from fiscal 2009 to fiscal 2013 by 20 percent compared with fiscal 1991. However, due to the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station, in fiscal 2008 CO_2 emissions increased about 28.9 million tons compared with the previous fiscal year to about 126.5 million tons and emission intensity increased 25 percent to 0.425 kg-CO_2/kWh.

Fiscal 2009 is the first year covered by our voluntary target, but we anticipate it will be extremely difficult to achieve because of the continued shutdown of the Kashiwazaki-Kariwa facilities. While continuing to concentrate on safe and stable operations at nuclear power plants, TEPCO is making utmost efforts to achieve its voluntary target through proactive and aggressive initiatives to prevent global warming such as increasing the thermal efficiency of thermal generation, expanding the use of renewable energy sources and acquiring carbon credits under the Kyoto Protocol Mechanisms.

Changes in CO_2 Emissions and Emission Intensity



Specific Initiatives for Achieving the Target

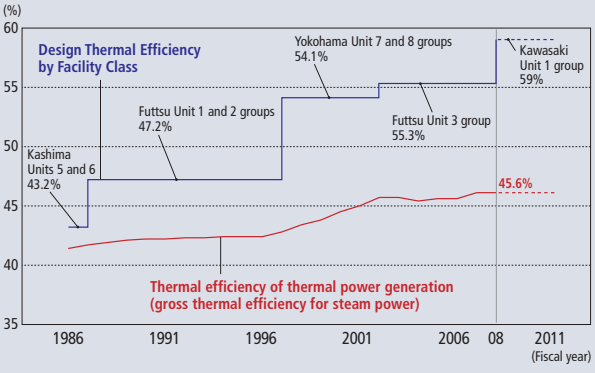
Nuclear power generation, TEPCO's main source of electricity, is an excellent way of preventing global warming because it does not emit CO_2. As we proceed with inspections, restoration and other initiatives at the Kashiwazaki-Kariwa Nuclear Power Station which is currently shut down, we are also working to increase the nuclear power plant capacity utilization rate over the medium to long term with operational safety and stability as major premises.

In thermal power generation, TEPCO uses LNG, which emits less CO_2 than other fossil fuels. The Company is also striving to minimize fossil fuel use by improving the thermal efficiency of generators through measures including installing highly efficient generation equipment.

Further, TEPCO's wide-ranging initiatives to expand the use of environmentally friendly renewable energy sources such as solar and wind power include many years of research and development, facility installation and promotional support.

Kawasaki Thermal Power Station

Thermal Efficiency at TEPCO Thermal Power Plants (LHV*)



*Lower heating value (LHV) figures are estimated based on General Energy Statistics (2004 edition) (Ministry of Economy, Trade and Industry) and actual higher heating value (HHV) figures.

Results of Thermal Efficiency Initiatives

An average 1 percent increase in the thermal efficiency of TEPCO's thermal power plants would decrease CO_2 emissions by about 1.7 million tons per year and contribute to reducing fuel expenses. In June 2007, TEPCO began operations of a MACC[1] power generation facility at Kawasaki Thermal Power Station Unit 1-3. The facility has the world's highest thermal efficiency level at 59 percent (lower heating value). An additional MACC facility came on line in June 2008 at Kawasaki Unit 1-2 and another is scheduled to come on line in July 2008 at Futtsu Thermal Power Station Unit 4-1. Updating triaxial generating facilities to MACC will reduce CO_2 emissions by about 1.1 million tons annually[2].

Notes: 1. More Advanced Combined Cycle (MACC) power generation is a highly efficient 1,500°C class power generation method that combines gas and steam turbines.

2. Calculated by comparing CO_2 emissions from generating 1.5 million kW of power by MACC, which is equivalent to the output of the triaxial generating facilities of Kawasaki Unit 1 group at 70 percent capacity, to CO_2 emissions from generating the same amount of power by conventional thermal power generation at the former Kawasaki site.

We are also working to prevent global warming through international cooperation. Because in energy-efficient Japan there is limited scope for highly cost-effective countermeasures compared with other countries, TEPCO is actively using the Kyoto Mechanisms to reduce greenhouse gas emissions more efficiently and contribute to the sustainable development of emerging nations. We also participate in activities such as the Peer Review for the Maintenance and Improvement of Thermal Efficiency of Coal-fired Thermal Power implemented by the Asia-Pacific Partnership for Clean Development and Climate and strive to reduce greenhouse gas emissions in the power sector on a global scale by leveraging our international network of power generation engineers.

Kawasaki Thermal Power Station
Unit 1 group

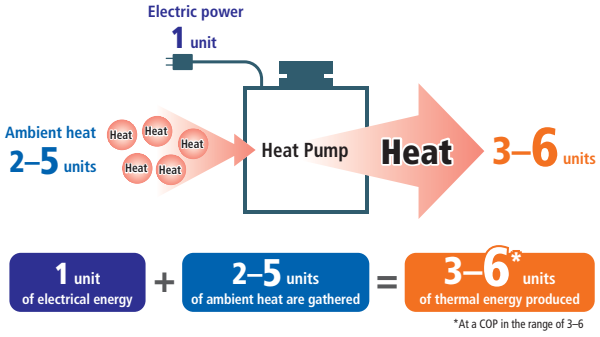
Reducing CO_2 by Encouraging Customers to Use Electricity

To contribute to reducing the CO_2 emissions of society as a whole, TEPCO is not only taking initiatives on the generation side but is also working to reduce CO_2 emissions by encouraging customers to use electricity. Specifically, we are developing and promoting wider use of appliances that are highly energy efficient and effective in reducing CO_2, such as Eco Cute heat pump electric water heaters. Heat pumps draw heat from the air and use it so efficiently that the thermal energy they produce is about three to six times the small amount of electrical energy they require. In particular, all-electric homes that use heat pump appliances including air conditioning and Eco Cute water heaters are about 10 percent more energy efficient than homes using both electricity and gas, so emit up to about 16 percent less CO_2. TEPCO will continue to promote the spread of environmentally friendly, economical, convenient and safe all-electric homes.

Further, TEPCO is working to reduce CO_2 emissions in transportation operations. Initiatives include jointly developing electric vehicles that emit much less CO_2 than gasoline-powered vehicles and developing and broadening the popularity of a power supply system that encourages truck drivers to shut their engines off when stopped by providing an external power source.

For more information on the research and development of electric vehicles, please refer "R&D in Action: Electric Vehicle Development" on page 36.

Heat Pump System



Outline of Kyoto Mechanisms

As a global framework for economically reducing greenhouse gases through international cooperation, the Kyoto Mechanisms incorporate Joint Implementation (JI), the Clean Development Mechanism (CDM) and international emissions trading.

In choosing greenhouse gas reduction projects, TEPCO gives the highest priority to the level of contribution they will make to the sustainable development of the countries where they are implemented. In addition, TEPCO considers cost effectiveness and selecting projects in diverse fields to broaden its portfolio.

Example of the Use of the Kyoto Mechanisms

Carbon Funds	• Prototype Carbon Fund, The World Bank • BioCarbon Fund, The World Bank • Japan GHG Reduction Fund
Direct Purchases	• Methane Recovery CDM Project, Chile • Tuoli Wind Power CDM Project in Xinjiang Uygur AR., China • Biomass Cogeneration CDM Project, Honduras • Hydro Power CDM Project in Guizhou Prov., China • Co-Purchases with Japan Carbon Facility • Manasi Hydro Power CDM Project in Xinjiang Uygur AR., China • Wind Power CDM Project in Guangdong Prov., China • Wulabo Wind Power CDM Project in Xinjiang Uygur AR., China • Hydro Power CDM Project in Gansu Prov., China • Biomass Power Generation Project, Chile • Hydro Power CDM Project in Tatang, Vietnam
Investments	• Biogas Supply CDM Project, Thailand (CWTE) • New South Wales Forest Plantation Project, Australia

Corporate Social Responsibility (CSR) at the TEPCO Group

The TEPCO Group's fundamental duty to society is to provide a stable supply of safe electric power. By fulfilling this duty, we will help achieve a sustainable society.

TEPCO Sustainability Report 2008

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

CSR Policy

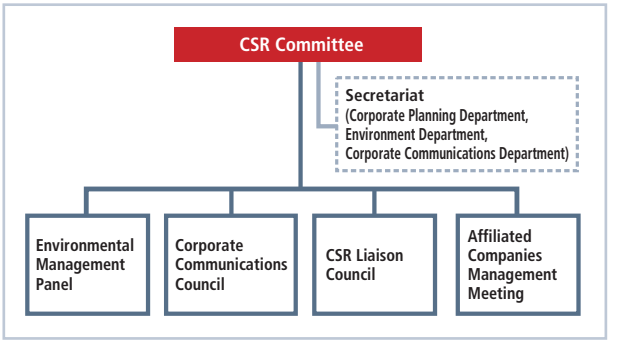
Providing a stable supply of safe electric power is the corporate social responsibility of the TEPCO Group. By providing power that is stable, high-quality and affordable, conducting an eco-friendly business and always working to delight our customers, we enrich our customers' lifestyles and create a more comfortable environment for society as a whole.

As a member of our community, moreover, we keep an open dialogue with customers, community members, investors, business partners and employees. We build trust by responding sincerely to the needs of each of these stakeholders.

CSR Promotion Framework

Key CSR issues for the overall TEPCO Group are deliberated by the CSR Committee, which is chaired by the CSR Officer.

We have established the working-level CSR Liaison Council under the CSR Committee to heighten the effectiveness of CSR initiatives. Further, aiming to enhance Group-wide environmental management, the Environmental Management Panel promotes environmental policies, sets targets and performs checks and reviews. We have also worked to enhance the scope of our CSR activities by establishing the Corporate Communications Council to deliberate, from a CSR viewpoint, issues that are common to and require examination by several departments. In addition, we have established the Affiliated Companies Management Meeting to inculcate CSR policies at Group companies.



Preventing the Recurrence of Data Tampering at Power Generation Facilities

The TEPCO Group has reflected deeply on incidents confirmed since November 2006 at power generation facilities, including data tampering and inadequacies in necessary procedures. In addition to enhancing and expanding the compliance culture and regulation and oversight frameworks it has already established, TEPCO will encourage employees to openly voice work issues or problems and proactively listen to their concerns by establishing an enhanced framework for "speaking out."

In fiscal 2008, we confirmed that our initiatives to prevent the recurrence of similar incidents have been broadly successful by verifying their implementation and effects. The Nuclear and Industrial Safety Agency also examined the status of these initiatives and judged that our voluntary improvement efforts have progressed.

In fiscal 2009, we will work to regain public trust by steadily continuing our initiatives based on our action plan.

Enhanced Initiatives to Restore Public Confidence

Fiscal 2008 Action Plan (Plan)

I. Awareness Measures (Compliance Culture)

1. Enhance contents of TEPCO's Corporate Code of Conduct
2. Reinforce corporate ethics training with division and work place characteristics, etc. in mind
3. Signing of written oath to observe corporate ethics
4. Further promote rotation of personnel among divisions and workplaces

II. Structural Measures (Regulation and Oversight)

1. Revise codes and manuals to make them compatible with front-line facilities and actual work conditions
2. Reinforce and enhance internal auditing

III. Structural Measures (Framework for Speaking Out)

1. Strengthen the framework for incorporating community and social concerns and opinions in local operations
2. Implement concentrated work process reviews through measures including establishing a Work Inspection Month
3. Enhance the framework for managing facility trouble
4. Strengthen the support system to alleviate worries of front-line workers caused by job pressure, etc.
5. Strengthen legal and compliance functions to support front-line workplaces
6. Revise operations of the nuclear power division

Fiscal 2008 Plan Implementation (Do, Check)

Implementation

- Based on the Fiscal 2008 Action Plan, promote and develop measures to prevent the recurrence of past incidents
- In order to verify that these measures are effective, confirm their implementation and evaluate them in cooperation with the internal audit departments through methods including surveys covering all employees and a variety of questionnaires
- Perform a comprehensive assessment of each measure based on evaluation of their implementation and effectiveness, and audit results

Comprehensive Assessment Results

- Confirm that there are no substantial implementation or effectiveness issues
- Confirm any issues such as delays in starting certain measures or inadequate adoption by employees
- Confirm that appropriate improvements have been made to properly address any inadequacies identified in measures by the internal audit departments

Fiscal 2009 Action Plan to Prevent the Recurrence of Past Incidents (Action)

Policies for Future Initiatives

- Continuously make improvements to address those issues brought to light through confirmation of the implementation and effectiveness of the measures
- Continue the efforts of the Committee to Prevent Recurrence of Data Tampering and Procedural Inadequacies in fiscal 2009 from the viewpoint of thorough and continuous cross-departmental, Company-wide participation
- As much as possible, reflect opinions from outside TEPCO in the measures
- As much as possible, continue to reflect these measures in day-to-day operations

I. Awareness Measures (Compliance Culture)

- Enhance various training tools and continuously train employees to reinforce corporate ethics
- Continue personnel exchanges among departments and businesses

II. Structural Measures (Regulation and Oversight)

- Continuously improve codes and manuals through measures including reviews and the use of the Company's system for handling questions and requests for improvement
- Use internal audits to continuously confirm the implementation of measures to prevent the recurrence of past incidents
- Enhance the framework for sharing and spreading information on facility trouble, measures to prevent the recurrence of past incidents and other matters throughout the Group (new)

III. Structural Measures (Framework for Speaking Out)

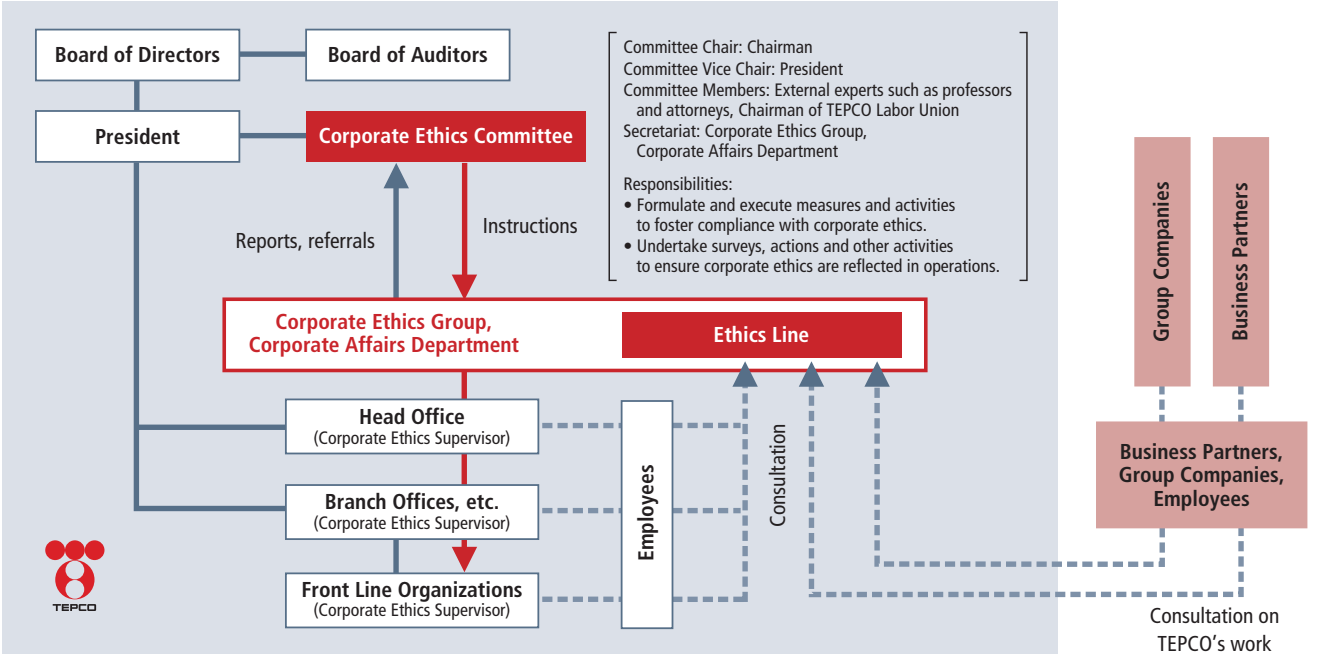
- Establish a framework for incorporating community and social concerns and opinions in local operations
- Conduct comprehensive review of work processes through continued implementation of the Work Inspection Month
- Thoroughly entrench the framework for managing facility trouble
- Continuously support front-line workplaces through the Legal Division
- Strengthen communication with all relevant outside parties (new)

Corporate Ethics and Compliance

The TEPCO Group has established the Group Charter of Corporate Conduct, which outlines the Group's corporate responsibilities and role in society. Based on the values defined in this document, TEPCO established and is working in various ways to promote the adoption of the Corporate Code of Conduct, which covers matters to be observed by every employee, including putting safety first and complying with rules.

In fiscal 2008, we implemented measures at a variety of levels to increase awareness of corporate ethics and air out the organization. These included management-level seminars by outside instructors, meetings between the Corporate Ethics Committee Chair (TEPCO's Chairman) and Corporate Ethics Supervisors, case studies involving debate and resolution of actual issues and training using e-learning. Employees spent an average of 11.7 hours on such activities throughout the year. At the same time, TEPCO worked to fully implement appropriate operating rules by promoting the development of codes and manuals and strengthening auditing and inspection operations. Every year since 2003, we have conducted a marketing survey targeting employees and external associates to evaluate their level of commitment to corporate ethics, and we revise our activities accordingly. With other Group companies also conducting activities such as these, the entire TEPCO Group will continue working to ensure compliance with corporate ethics.

Executive Structure



Corporate Governance

As of June 30, 2008

TEPCO considers enhancing corporate governance a primary management task that is central to its various efforts to continuously grow, develop and increase enterprise value

Fundamental Stance on Corporate Governance

We believe the basis for achieving sustainable growth is to conduct repeated interactive dialogue with customers, local communities, shareholders and investors, business partners, employees and the many other people connected with our business in order to truly meet their expectations and win their trust.

For that reason, TEPCO considers enhancing corporate governance a primary management task and is working to develop organizational structures and measures to strengthen legal and ethical compliance, appropriate and prompt decision making, effective business execution and auditing and supervisory functions.

Management Structure Reforms (Initiatives to Strengthen Corporate Governance)

In 2004 and 2005, TEPCO worked to strengthen corporate governance. Measures included management structure reforms such as reducing the number of directors from 32 to 20, introducing an executive officer system, and increasing the number of outside auditors from 2 to 4 of the total 7 auditors. In addition, we discontinued the payment of retirement bonuses to directors and auditors, and the payment of bonuses to auditors.

In 2007, we shortened the term of directors and executive officers from two years to one in order to clarify their management responsibilities. Further, we established a Remuneration Committee* centered on outside professionals to ensure objective and transparent management of remuneration that reflects the perspective of shareholders and to implement measures including the introduction of performance-based remuneration that reflects achievements for each period.

*The Remuneration Committee comprises two outside directors, two outside professionals and the Chairman.

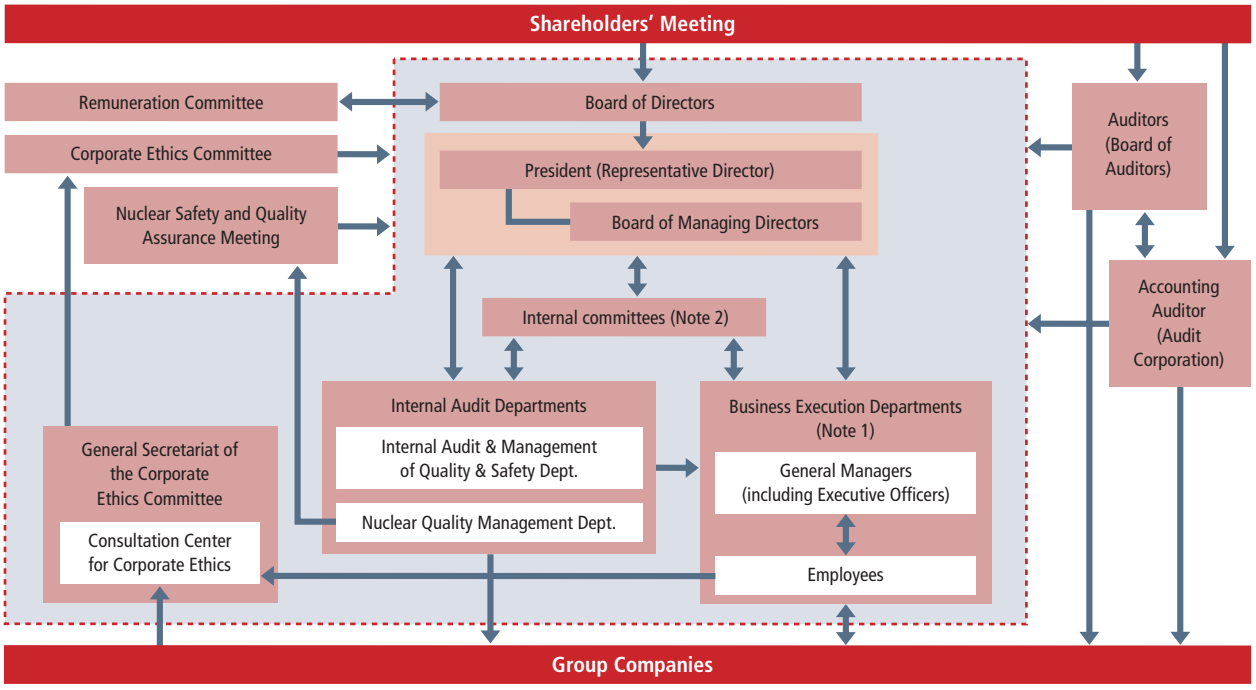
Corporate Governance Structure

The Board of Directors comprises 20 directors, including 2 outside directors. It meets once a month in principle, and holds additional extraordinary meetings when required. The Board's main responsibilities include appropriately deliberating and resolving important operational matters, considering reports and supervising the execution of directors' duties. It conducts lively discussions that build on input from the outside directors' objective points of view.

TEPCO has also established the Board of Managing Directors, which meets once a week in principle, and other formal bodies to implement efficient corporate management through appropriate and rapid decision making on key management issues, including those deliberated by the Board of Directors. In particular, we have established internal committees to deliberate, adjust and plan the direction of the whole Company across a range of key management concerns, including internal control, CSR and system security, as well as stable electricity supply.

TEPCO has seven auditors, including four outside auditors, who rigorously check activities including the execution of directors' duties and other matters by attending key meetings, including Board of Directors meetings, and auditing business results, assets and other financial matters at headquarters,

Management Structure



Notes: 1. Include Head Office divisions and departments, other business locations (branch offices, power system offices, thermal power offices, etc.), front-line organizations and internal companies
2. Include the Disaster Prevention Committee, Systems Security Committee, Risk Management Committee, Quality and Safety Committee, CSR Committee, Internal Control Committee, etc.

main business locations and subsidiaries and affiliates. Further, TEPCO has established the Office of the Assistant to the Auditors to provide full-time staff to assist the auditors in their duties.

TEPCO has also established an independent internal auditing organization composed of the Internal Audit & Management of Quality & Safety Department and the Nuclear Quality Management Department. The organization audits execution of various management activities, reports the main internal audit results to the Board of Managing Directors and others, and takes required measures for improvement. In particular, the Nuclear Safety and Quality Assurance Meeting, which is entirely composed of lawyers, academics and other outside professionals, conducts strict, impartial and fair audits of quality and safety in nuclear power departments.

Internal Control System

At its April 2006 meeting, the Board of Directors established guidelines for internal control systems entitled "Developing a Framework to Ensure Appropriate Operations," and revised them at its April 2007 meeting. Based on these guidelines, the Internal Control Committee leads efforts to establish, apply and from time to time evaluate and improve internal control systems in order to ensure appropriate operations including thorough compliance with laws and other regulations and more effective and efficient operations.

The Internal Control Committee was also instrumental in preparing for "The System of Internal Controls for Financial Reporting" that was introduced as of April 2008 under the Financial Instruments and Exchange Law. Going forward, this committee will work to ensure the reliability of financial reporting by applying appropriate systems and performing evaluations.

The TEPCO Group also implements integrated risk management. Group companies report to and hold prior discussions with TEPCO concerning important issues that come up in the course of their businesses. In this way, we are working to stay apprised of management conditions at Group companies and share and solve Group management issues.

Risk Management

The Risk Management Committee, which is chaired by TEPCO's president, plays a central role in managing Groupwide risk by identifying and evaluating risks that could have a serious impact on operations and reflecting them in the Business Management Plan for each fiscal year.

TEPCO has taken necessary measures to counter risks faced by individual businesses by assigning the position of Risk Management Manager to heads of management organizations in every business at the head office, other offices and Group companies. We have also established internal committees under the direction of the Risk Management Committee to deal with cross-organizational risks.

Aiming to clarify lines of command, unify information management and study various issues following the 2007 Niigataken Chuetsu-Oki Earthquake, TEPCO established the Niigataken Chuetsu-Oki Earthquake Integrated Response Headquarters under the Risk Management Committee to formulate and implement measures for restoring the Kashiwazaki-Kariwa Nuclear Power Station and securing power supply in response to the shutdown of generators.

In addition, to prepare for the occurrence of a large-scale earthquake or other disaster, we are studying and implementing integrated countermeasures that take into account the challenges to our crisis management system and public relations from a medium-to-long-term perspective.

Remuneration Paid to Directors and Auditors

TEPCO has introduced a performance-linked remuneration system for directors and auditors, and ensures objectivity and transparency by having its Board of Directors decide remuneration after review by the Remuneration Committee, which primarily consists of outside directors and outside professionals. In addition, from July 2007 the Officers' Shareholding Association purchases at least the prescribed minimum amount of TEPCO stock monthly on behalf of directors and retains it while they hold office, according to stock purchase guidelines formed in June 2007 to encourage management conscious of raising long-term corporate value while reflecting the shareholders' point of view.

Considering the severe performance outlook for fiscal 2008, remuneration for directors and auditors has been reduced since November 2007, and bonuses will not be paid to them for the fiscal year. Remuneration paid in fiscal 2008 to TEPCO's directors, auditors and the accounting auditor, is shown in the charts below.

Remuneration for Directors and Auditors
(Millions of yen)

	Remuneration
Directors (19)	¥654
Auditors (7)	133
Total	¥787

Remuneration for Accounting Auditor
(Millions of yen)

	Remuneration
For auditing and certification services	¥187
Other services	48
Total	¥235

Board of Directors, Auditors and Executive Officers

As of June 26, 2008

BOARD OF DIRECTORS

CHAIRMAN AND REPRESENTATIVE DIRECTOR

Tsunehisa Katsumata

April 1963	Joined TEPCO
June 1993	General Manager, Corporate Planning Department
June 1996	Director; General Manager, Corporate Planning Department
June 1997	Director, Corporate Planning Department, Audit & Operational Development Department and Corporate Affairs Department
June 1998	Managing Director
June 1999	Executive Vice President
June 2001	Executive Vice President; General Manager, Business Development Division
October 2002	President
June 2008	Chairman (Current)

PRESIDENT AND REPRESENTATIVE DIRECTOR

Masataka Shimizu

April 1968	Joined TEPCO
June 1997	General Manager, Materials & Procurement Department
June 2001	Director; General Manager, Materials & Procurement Department
June 2002	Director, Materials & Procurement Department
June 2004	Managing Director
June 2006	Executive Vice President
June 2008	President (Current)

EXECUTIVE VICE PRESIDENT AND REPRESENTATIVE DIRECTOR

Susumu Shirakawa

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

April 1967	Joined the Ministry of International Trade and Industry
August 1996	Director-General, Basic Industries Bureau, Ministry of International Trade and Industry
July 1997	Executive Director, The Export-Import Bank of Japan
October 1999	Joined TEPCO as Advisor
June 2000	Director; General Manager, Tokyo-Nishi Branch Office
June 2001	Director; General Manager, Kanagawa Branch Office
October 2002	Managing Director
June 2005	Executive Vice President (Current)

EXECUTIVE VICE PRESIDENT AND REPRESENTATIVE DIRECTOR

Ichiro Takekuro

General Manager, Nuclear Power Plant Siting Division; In charge of Operations in General

June 1969	Joined TEPCO
June 2000	General Manager, Nuclear Power Programs Department
June 2001	Director; Superintendent, Kashiwazaki-Kariwa Nuclear Power Station
June 2004	Managing Director; Deputy General Manager, Nuclear Power Plant Siting Division; Deputy General Manager, Engineering Research & Development Division
June 2005	Managing Director; General Manager, Nuclear Power Plant Siting Division
June 2007	Executive Vice President; General Manager, Nuclear Power Plant Siting Division (Current)

EXECUTIVE VICE PRESIDENT AND REPRESENTATIVE DIRECTOR

Norio Tsuzumi

Deputy General Manager, Nuclear Power Plant Siting Division; In charge of Operations in General, Corporate Affairs Department

April 1969	Joined TEPCO
June 2002	Associate Director; Plant Siting General Manager, Plant Siting & Regional Relations Division; General Manager, Environment Department
June 2003	Director; Deputy General Manager, Plant Siting & Regional Relations Division
June 2004	Managing Director; Deputy General Manager, Nuclear Power Plant Siting Division
June 2006	Managing Director
December 2006	Managing Director; Deputy General Manager, Nuclear Power Plant Siting Division
June 2007	Executive Vice President; Deputy General Manager, Nuclear Power Plant Siting Division (Current)

EXECUTIVE VICE PRESIDENT AND REPRESENTATIVE DIRECTOR

Takashi Fujimoto

General Manager, Power Network Division; In charge of Operations in General, Construction Department

April 1970	Joined TEPCO
June 2001	General Manager, Distribution Department
June 2003	Director; General Manager, Information & Communications Business Department
June 2004	Managing Director; Deputy General Manager, Business Development Division
June 2006	Managing Director; General Manager, Business Development Division
June 2007	Executive Vice President; General Manager, Power Network Division (Current)

EXECUTIVE VICE PRESIDENT AND REPRESENTATIVE DIRECTOR

Shigeru Kimura

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

July 1971	Joined TEPCO
June 2001	General Manager, Pricing & Power Contract Department
June 2003	Director, Marketing & Customer Relations Department and General Manager, Pricing & Power Contract Department
June 2004	Executive Officer; Deputy General Manager, Marketing & Sales Division
June 2005	Managing Director; Deputy General Manager, Marketing & Sales Division
June 2007	Executive Vice President; General Manager, Marketing & Sales Division (Current)

EXECUTIVE VICE PRESIDENT AND REPRESENTATIVE DIRECTOR

Hiroyuki Ino

General Manager, Engineering Research & Development Division; In charge of Operations in General, Environment Department

April 1971	Joined TEPCO
June 2002	General Manager, Thermal Power Department
June 2003	Director; General Manager, Thermal Power Department
June 2004	Executive Officer; General Manager, Thermal Power Department
June 2006	Managing Director
June 2008	Executive Vice President; General Manager, Engineering Research & Development Division (Current)

MANAGING DIRECTORS

Masao Yamazaki
In charge of Employee Relations & Human Resources Department, TEPCO General Training Center

Masaru Takei
In charge of Corporate Systems Department, Accounting & Treasury Department

Hiroshi Yamaguchi
Deputy General Manager, Power Network Division
In charge of Electronic Telecommunications Department

Tetsu Hashimoto
In charge of Fuel Department, Internal Audit & Management of Quality & Safety Department

Makio Fujiwara
General Manager, Business Development Division
In charge of Affiliated Companies Department

Sakae Muto
Deputy General Manager, Nuclear Power Plant Siting Division

Yoshihiro Naito
In charge of Materials & Procurement Department, Nuclear Quality Management Department

Toshio Nishizawa
In charge of Corporate Planning Department, Corporate Communications Department

Zengo Aizawa
In charge of Engineering Department, Thermal Power Department

DIRECTORS

Yoshihisa Morimoto
Tomijirou Morita*
Yasushi Aoyama*

*Outside director

AUDITORS

STANDING AUDITORS

Katsutoshi Chikudate
Koji Miyamoto
Norio Chino

AUDITORS

Kichisaburo Nomura*
Takashi Nishioka*
Sadayuki Hayashi*
Koichi Takatsu*

*Outside auditor

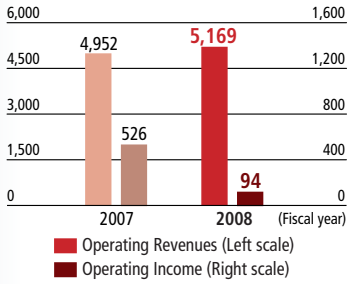
EXECUTIVE OFFICERS

Momoki Katakura
Takashi Kamiyama
Hideyuki Ohkubo
Kouichi Handa
Mutsuo Funatsu
Toshikazu Shito
Hiroaki Takatsu
Tadaharu Ogawa
Kenji Kudo
Naomi Hirose
Hiroshi Tadokoro
Takao Arai
Akio Komori
Akio Takahashi
Fumiaki Miyamoto
Masanori Furuya
Yoshiyuki Ishizaki
Kazuhisa Kataoka
Masazumi Inohana
Takashi Karasaki
Kazuhiro Suzuki
Masao Yoshida
Nobuto Hiraide
Ikuo Onaka
Mamoru Muramatsu
Kunihiko Shimura
Hiroshi Nomura
Ken Yanagihashi
Eiju Hangai
Toshihiko Shimizu
Hiroshi Araki

Review of Operations

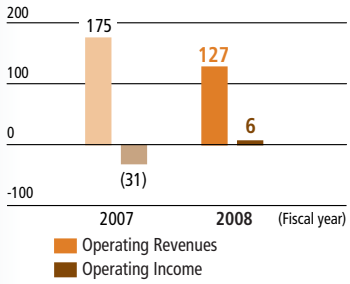
Business Segment	Operating Revenues* and Operating Income (Billions of yen)	Description of Activities and Review of Operations

Electric Power



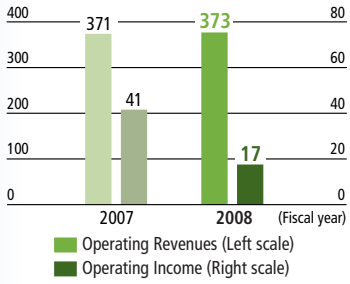
TEPCO's electric power business integrates generation and distribution to supply electricity to the Kanto district, centered on metropolitan Tokyo. Operating revenues increased 4.4 percent compared with the previous fiscal year to ¥5,169.1 billion, but the operating environment was extremely severe due to factors including the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station and high crude oil prices. The entire Group worked together to thoroughly reduce operating costs in every area of its business, including maintenance and overhead, but operating income decreased 82.1 percent year on year to ¥94.3 billion.

Information and Telecommunications



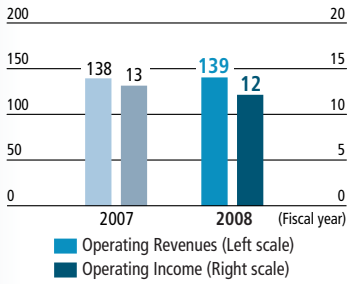
The information and telecommunications business leverages the TEPCO Group's technologies, facilities and other strengths to provide services in areas such as telecommunications, cable television and data centers. Operating revenues decreased ¥48.2 billion compared with the previous fiscal year to ¥127.5 billion due to the transfer of the shares of Fusion Communications Corp. to Rakuten Investment Management, Inc. in July 2007. However, operating income was ¥6.3 billion, compared with operating loss of ¥31.0 billion in the previous fiscal year, due to an increase in subscribers in the data center business.

Energy and Environment



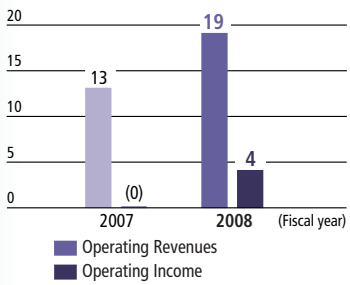
Energy and environment business activities are closely related to the electric power business, including constructing and maintaining facilities, supplying and shipping fuel and materials, and providing energy and environmental solutions. Operating revenues increased ¥1.8 billion to ¥373.3 billion due to an increase in sales of TEPCO's Gas Business Company. However, because of factors including a decrease in profits of fuel-related businesses, operating income decreased ¥23.5 billion to ¥17.6 billion. In November 2007, Bio Fuel Co., Inc., which manufactures fuel from sludge, started operation of its Unit 1 facility.

Living Environment and Lifestyle-Related



The living environment and lifestyle-related business provides services in areas related to daily living, including housing-related and real estate businesses that promote all-electric housing. Operating revenues increased ¥0.7 billion compared with the previous fiscal year to ¥139.4 billion due to higher sales at housing renovation company ReBITA Inc. Operating income decreased ¥0.7 billion to ¥12.4 billion due to factors including lower rental income in real estate businesses. In October 2007, two housing complexes that ReBITA renovated received Good Design Awards in the New Frontier Design category.

Overseas



Overseas, TEPCO leverages the advanced technical capabilities and know-how it has cultivated in the electric power business to conduct investment and consulting centered on power generation projects. Operating revenues increased ¥5.3 billion compared with the previous fiscal year to ¥19.2 billion due to an increase in earnings of an independent power producer (IPP) in Australia. Operating income increased ¥4.3 billion to ¥4.3 billion. Including wind power producers, TEPCO has holdings in projects with a total capacity of approximately 13.0 million kW. TEPCO's equity share is equivalent to approximately 3.3 million kW. In addition, the consulting business has expanded with the addition of projects including rural electrification planning support in Africa and technical support for a new nuclear power plant plan in the United States.

*Segment operating revenues include inter-segment sales and transfers.

Electric Power Business

Business Structure and TEPCO's Operating Environment

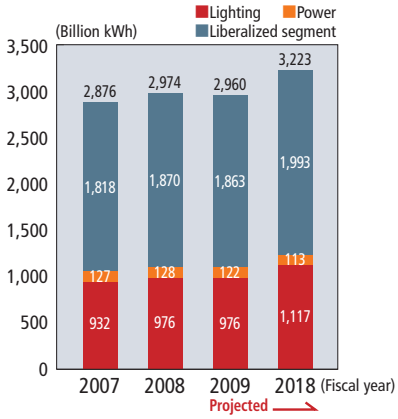
In Japan, the electric power sector places importance on the benefits of stable supply and efficiency through measures including integrated enhancement and operation of generation and transmission facilities. The basic stance is to maintain an integrated generation and transmission network linking all electric power companies including TEPCO, which serves a key area.

Liberalization of generation and the retail electric power market has proceeded in stages, with the enactment of reforms to ensure the fairness and transparency of transmission and distribution networks. These include establishing a code of conduct through the Electricity Utilities Industry Law that prohibits the use of the information of power producers and suppliers for unintended purposes, discriminatory treatment and creating separation of accounts; establishing a neutral organization to formulate rules for transmission and distribution networks; and establishing a wholesale electric power exchange.

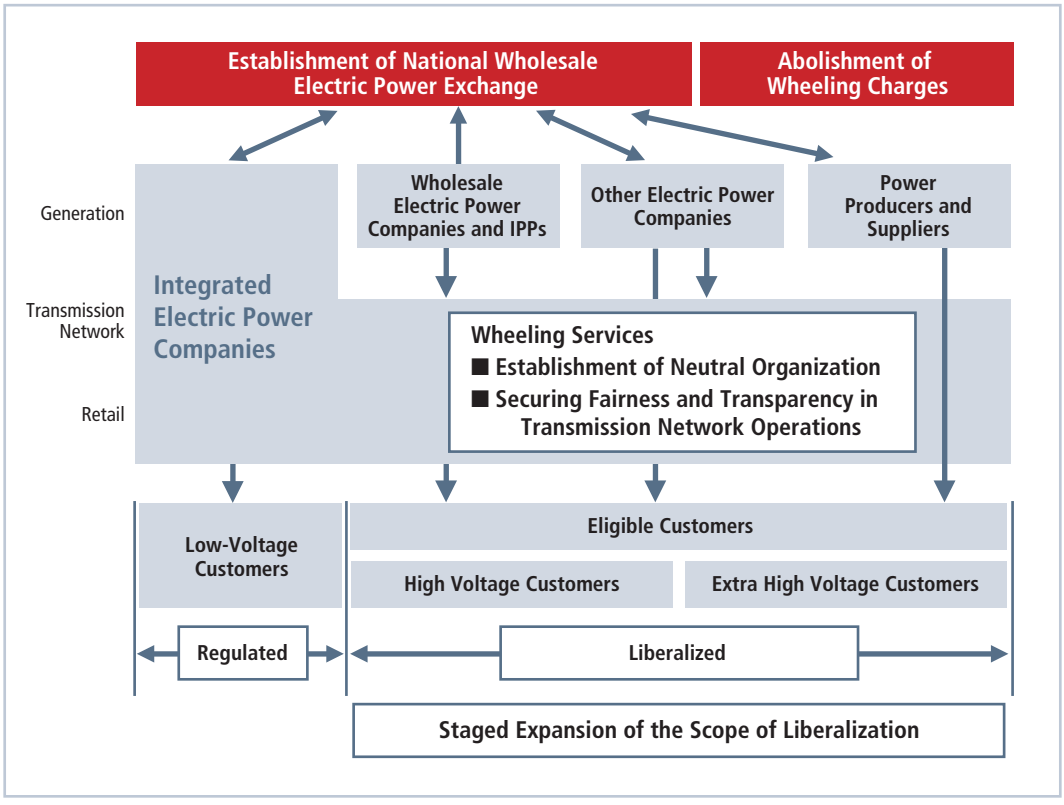
Compared with other regions, power demand in the Kanto district, TEPCO's service area, is characterized by a higher proportion of demand from consumers, rail and communications and other non-manufacturing corporate infrastructure due to concentration of population and business functions in the Tokyo metropolitan area. Industrial demand is also characterized by less concentration in particular industries. TEPCO foresees higher electric power demand growth in Kanto than in other regions due to high consumer demand growth resulting from the continuing population

Demand Outlook

(Electricity Sales Volume)



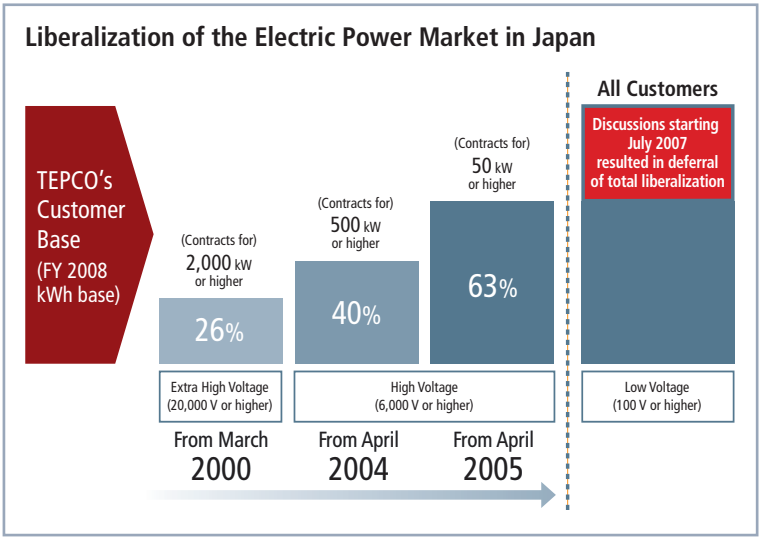
The Electric Power Business Framework



influx from other regions and concentration of business functions. In addition, TEPCO projects comparatively firm growth in industrial demand from food businesses and non-manufacturing industries adjacent to their main markets as a result of the rise in population. Assuming other factors such as intensified competition with other energy industries and increased energy conservation, TEPCO expects electricity sales volume to increase by an average of 1.0 percent annually (adjusted for the influence of air temperature) until fiscal 2018.

Electric Power Liberalization

As part of the advance of deregulation in Japan, liberalization of the electric power market has progressed in stages with the aim of lowering prices and increasing the level of service by introducing the principles of competition to the electric power industry. The successive expansion of scope of liberalization started in 1995 with the inclusion of the wholesale electric power business, followed by part of the retail sector in March 2000. Excluding ordinary households and small stores and factories, all high-voltage customers, accounting for 63 percent of total sales volume in TEPCO's service area, are within the scope of liberalization and can freely choose their electricity supplier. As a result, as of March 31, 2008, approximately 4,400 customers contracting a total of about 2.9 million kW of electricity have switched from TEPCO to new market participants. This is just over 3 percent of the Company's total electricity sales volume.



The Advisory Committee for Natural Resources and Energy convened from April 2007 to July 2008 to deliberate structural reforms from the perspective of whether to introduce total liberalization of the retail sector, how to increase the fairness and transparency of transmission and distribution networks premised on integration of generation and transmission networks, and how to establish a more competitive environment. Total liberalization was examined based on such factors as the extent to which liberalized retail customers are able to choose electricity suppliers. However, the Committee decided to defer total liberalization for reasons including the uncertainty of benefits for household customers and the high costs that would be incurred to implement it. The Committee will reexamine the matter after a set period of around five years.

Electricity Sales Volume

Electricity sales volume for fiscal 2008 increased 3.4 percent compared with the previous fiscal year to 297.4 billion kWh. This was due to factors including an increased in demand from regulated lighting and power customers (mainly households and small stores and factories, respectively) for heating and cooling as a result of the record heat wave in August and a colder winter than in the previous year. Lighting (residential) sales volume increased 4.7 percent to 97.6 billion kWh and power sales volume increased 1.2 percent to 12.8 billion kWh. Sales volume increased 2.9 percent to 187.0 billion kWh for liberalized (eligible) customers, mainly large stores, office buildings and factories, due to factors

including higher demand from stores and office buildings, for which heating and cooling account for a high proportion of demand, and higher industrial demand, reflecting firm manufacturing operations.

New electricity sales volume expanded 2.72 billion kWh. This was significantly more than the fiscal 2008 target of 1.89 billion kWh and an increase of 16.2 percent compared with new demand of 2.34 billion kWh in the previous fiscal year. The corporate and large-scale sector accounted for 2.02 billion kWh of the new demand (80 percent over target) and the household sector accounted for 0.69 billion kWh (9 percent below target).

We exceeded our target for corporate and large-scale customers by a wide margin because of this sector's continuing conversion to electricity in reaction to high prices for crude oil and other fuel, as well as higher environmental requirements. In the household sector, despite a substantial slowdown in housing starts and TEPCO's self-imposed restraint of media advertising and campaigns, all-electric housing increased by 136,000 units during fiscal 2008, up 19 percent from the previous fiscal year, which raised the ratio of all-electric housing to total new housing construction to 22 percent from 15 percent in the previous fiscal year.

Operating Revenues and Operating Income

Electricity sales increased ¥210.1 billion year on year to ¥4,914.7 billion due to factors including increased electricity sales volume and a rise in the unit sales price resulting from the fuel cost adjustment system. Including inter-company power sales and other sales, total electric power operating revenues were ¥5,169.1 billion.

Although personnel expenses decreased due to revision of the corporate retirement benefits system, and the Company reduced costs, particularly maintenance expenses and overhead, operating expenses increased 14.7 percent year on year to ¥5,074.7 billion because of the increase in fuel expenses and purchased power due to factors including the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station and higher crude oil prices. As a result, operating income decreased 82.1 percent to ¥94.3 billion.

(Fiscal year)

Electricity Sales Volume (Million kWh)		2003	2004	2005	2006	2007	2008	Year-on-Year Increase
Regulated	Lighting	89,354	86,926	92,592	95,186	93,207	97,600	4.7%
	Power	116,551	114,772	78,239	13,499	12,631	12,785	1.2%
Liberalized	Eligible customers	75,997	74,314	115,910	179,969	181,784	187,012	2.9%
Total		281,902	276,012	286,741	288,655	287,622	297,397	3.4%

(Fiscal year)

Electricity Sales Revenues (Billions of yen)	2003	2004	2005	2006	2007	2008	Year-on-Year Increase
Lighting (Residential)	1,955	1,909	1,976	2,022	1,983	2,096	5.7%
Power, Eligible customers (Commercial, industrial and others)	2,729	2,688	2,660	2,659	2,721	2,818	3.6%
Total	4,685	4,598	4,637	4,681	4,704	4,914	4.5%

Note: Eligible customers are retail electric power customers included in the scope of liberalization.

Research and Development, and Intellectual Property Activities

The TEPCO Group will work to increase its technological capabilities and make maximum use of the collective strengths of its engineering divisions to take on various technological challenges. Doing so will pave the way to the future and support the development of our business.

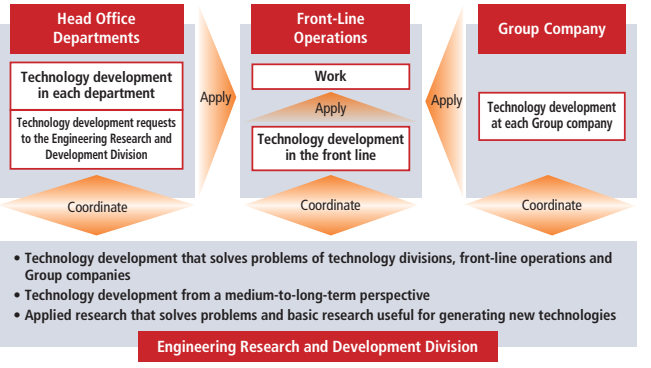
Research and Development Policy

The TEPCO Group actively promotes research and development with the aim of becoming the front runner in energy services. The nucleus of TEPCO's R&D efforts is the Engineering Research and Development Division, which is giving the highest priority to research and support for restoration of the Kashiwazaki-Kariwa Nuclear Power Station and has established the following four key themes.

1. Develop technologies to ensure a stable supply of electricity with priority on the safety of people and facilities and peace of mind
2. Develop technologies that ensure long-term energy security and protect the global environment
3. Develop technologies that facilitate the provision of optimal energy services and increase electricity sales volume
4. Develop technologies that increase profitability by reducing costs and expanding the sphere of business

We also develop technologies and conduct applied research to help solve Group-wide problems, and conduct basic research useful for generating new technologies.

Technology Development



R&D in Action: Electric Vehicle Development

As a concrete measure to reduce CO_2 and other greenhouse gases, TEPCO is focused on increasing the use of electric vehicles (EVs). In September 2005, we developed EVs in cooperation with Fuji Heavy Industries Ltd. and in June 2006 deployed 10 Subaru R1e EVs. In July 2007, we deployed a further 30 for a total of 40 EVs operated primarily out of our Tokyo and Kanagawa offices. Using them for actual work allows us to perform verification testing to confirm their performance and utility. In March 2007, we commenced verification testing of Mitsubishi Motors Corporation's i MiEV, and in February 2008 began using 10 of them. The makers of these EVs plan to begin commercial sales in 2009, and based on the results of testing TEPCO plans to replace 3,000 of its business vehicles with EVs in the future.

We are working aggressively to improve infrastructure to promote the spread of EVs, which significantly contribute to reducing CO_2 emission volumes. Current initiatives include developing a high-speed charger that will allow a vehicle to run for 60km on a 15-minute charge and increasing the number of facilities with outlets that can be used for EV charging.

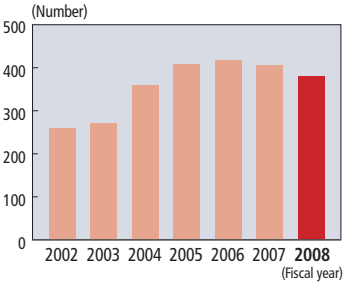
i MiEV (left) and Subaru R1e


High-speed charger

Intellectual Property Activities

TEPCO has accumulated considerable R&D results and expertise at every stage of its business, from electric power generation to sales, including technologies for countering facility and structure aging, as well as energy conservation and other environmental technologies. TEPCO is working to protect and utilize this intellectual property by proactively filing patents, developing a system for sharing information among all TEPCO Group companies, and other means. TEPCO will also contribute to the public good by making certain intellectual property available for public use.

Number of Patent Applications



Major Facilities

As of March 31, 2008

Generation Facilities

Hydroelectric Power (with a capacity of more than 500 thousand kW)

Station Name	Location	Output (Thousand kW)	Type
Imaichi	Tochigi Pref.	1,050	Dam and conduit*
Shiobara	Tochigi Pref.	900	Dam and conduit*
Tambara	Gunma Pref.	1,200	Dam and conduit*
Kazunogawa	Yamanashi Pref.	800	Dam and conduit*
Azumi	Nagano Pref.	623	Dam and conduit*
Shin-Takasegawa	Nagano Pref.	1,280	Dam and conduit*
Total hydroelectric power output (All facilities)		8,985	

*Pumped storage

(Planned)

Station Name	Output (Thousand kW)	Start of Commercial Operation
Kazunogawa	800	Fiscal 2019 or later
Kannagawa	470	July 2012
	1,880	Fiscal 2019 or later

Thermal Power (with a capacity of more than 1 million kW)

Station Name	Location	Output (Thousand kW)	Fuel
Ohi	Tokyo	1,050	Crude oil
Shinagawa	Tokyo	1,140	City gas
Yokosuka	Kanagawa Pref.	2,274	Heavy oil, crude oil light oil and city gas
Yokohama	Kanagawa Pref.	3,325	LNG, heavy oil, crude oil and NGL
Minami-Yokohama	Kanagawa Pref.	1,150	LNG
Higashi-Ohgishima	Kanagawa Pref.	2,000	LNG
Chiba	Chiba Pref.	2,880	LNG
Goi	Chiba Pref.	1,886	LNG
Anegasaki	Chiba Pref.	3,600	LNG, heavy oil, crude oil, LPG and NGL
Sodegaura	Chiba Pref.	3,600	LNG
Futtsu	Chiba Pref.	3,520	LNG
Kashima	Ibaraki Pref.	4,400	Heavy oil and crude oil
Hitachinaka	Ibaraki Pref.	1,000	Coal
Hirono	Fukushima Pref.	3,800	Heavy oil, crude oil and coal
Total thermal power output (All facilities)		36,179	

(Planned)

Station Name	Output (Thousand kW)	Start of Commercial Operation
Hitachinaka Unit 2	1,000	Fiscal 2014
Hirono Unit 6	600	Fiscal 2014
Futtsu Unit 4 group	1,520	July 2008 December 2009 July 2010
Kawasaki Unit 1 group	1,000	July 2008 February 2009
Kawasaki Unit 2 group	1,500	Fiscal 2014 (one of the triaxial facilities) Fiscal 2019 or later

Nuclear Power

Station Name	Location	Output (Thousand kW)	Reactor type
Fukushima Daiichi	Fukushima Pref.	4,696	BWR
Fukushima Daini	Fukushima Pref.	4,400	BWR
Kashiwazaki-Kariwa	Niigata Pref.	8,212	BWR, ABWR
Total nuclear power output		17,308	

(Planned)

Station Name	Output (Thousand kW)	Start of Commercial Operation
Fukushima Daiichi Units 7 and 8	1,380 ea.	October 2014 October 2015
Higashidori Units 1 and 2	1,385 ea.	December 2015 Fiscal 2019 or later

Transmission and Distribution Facilities

Transmission Facilities (with a capacity of more than 500 kV)

Line Name	Type	Voltage (kV)	Length (km)
Nishi-Gunma Trunk Line	Overhead	500**	167.99
Minami-Niigata Trunk Line	Overhead	500**	110.77
Minami-Iwaki Trunk Line	Overhead	500**	195.40
Fukushima Trunk Line	Overhead	500	181.64
Fukushima Higashi Trunk Line	Overhead	500	171.35
Shin-Toyosu Line	Underground	500	39.50

**Partially designed for 1,000 kV transmission

(Planned)

Line Name	Voltage (kV)	Length (km)	Start of Commercial Operation
Naka-Tokyo Trunk Line, additional line	275	16.0	December 2008
Yokohama Kohoku Line, addition	275	16.6	June 2009
Higashi Shinjuku Suidobashi Line, new construction	275	6.0	April 2010
Nishi Joubu Trunk Line, new construction	500	112.0	May 2012

Substation Facilities

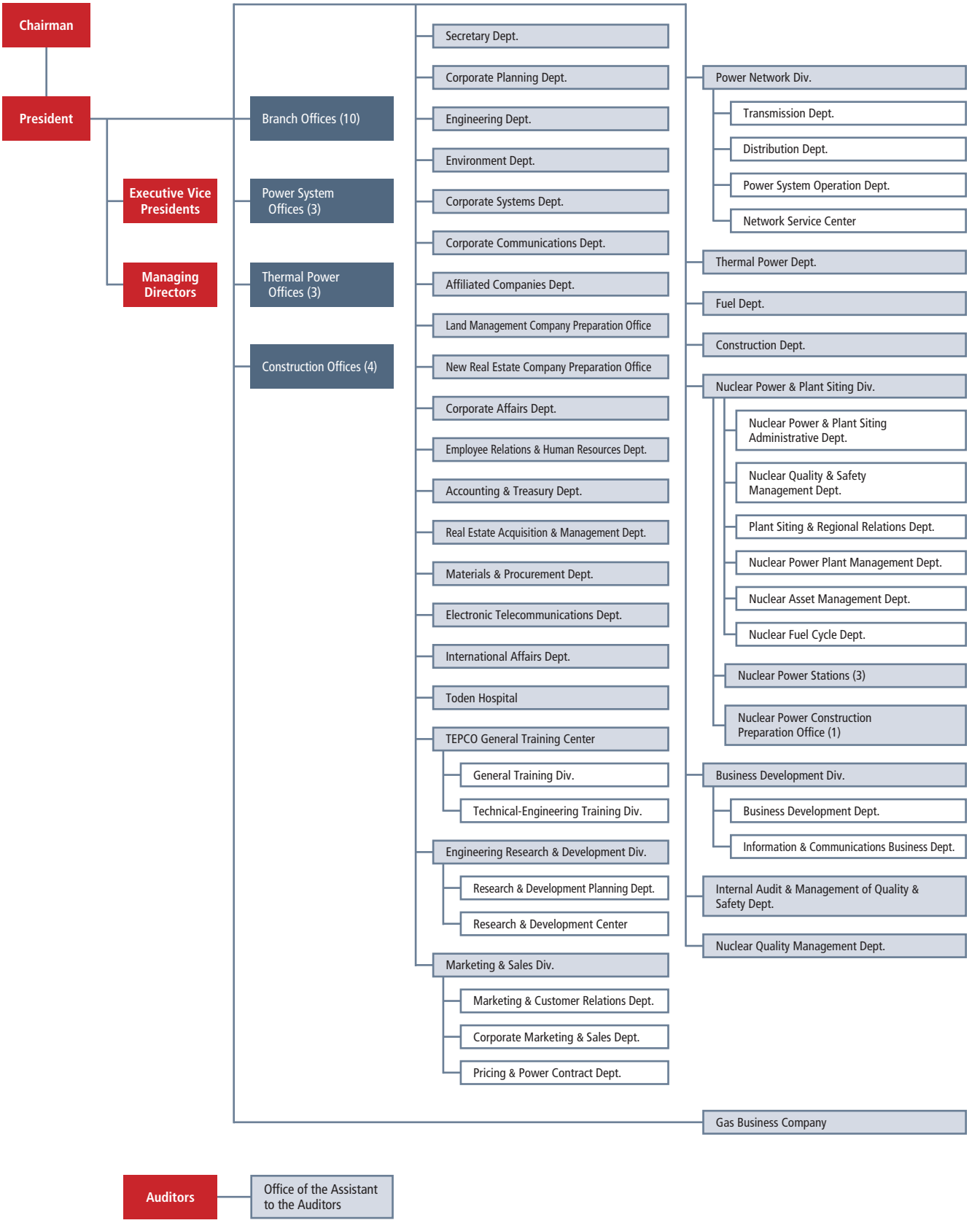
Substation Name	Location	Maximum Voltage (kV)	Output (Thousand kVA)
Shin-Noda	Chiba Pref.	500	8,020
Shin-Sakado	Saitama Pref.	500	6,900
Shin-Keiyo	Chiba Pref.	500	6,750
Boso	Chiba Pref.	500	6,690
Shin-Fuji	Shizuoka Pref.	500	6,650

(Planned)

Substation Name	Voltage (kV)	Output (Thousand kVA)	Start of Commercial Operation
Keihin Substation, replacement	275	220 removed 450 installed	June 2010
Shinkoga Substation, replacement	500	1,000 removed 1,500 installed	June 2010
Keihin Substation, replacement	275	220 removed 450 installed	May 2011
Shin-Fukushima Substation, replacement	500	1,000 removed 1,500 installed	December 2011

Organization Chart

As of July 1, 2008



Major Subsidiaries and Affiliated Companies

As of March 31, 2008

Major Consolidated Subsidiaries

Company Name	Capital (Millions of yen)	TEPCO Ownership (%)	Principal Business
Electric Power Business			
The Tokyo Electric Generation Company, Incorporated	2,500	100.0	Wholesale electricity supply
Information and Telecommunications Business			
AT TOKYO Corporation	13,378	81.2	Installation site leasing for and maintenance, management and operation of computer, telecommunications and other equipment
TEPCO CABLE TELEVISION Inc.	8,775	85.4	Cable television
TEPCO SYSTEMS CORPORATION	350	100.0	Computerized information processing; development and maintenance of software
Energy and Environment Business			
Tokyo Timor Sea Resources Inc.	39 million US$	66.7	Investment in gas field development companies
TOKYO WATERFRONT RECYCLE POWER CO., LTD.	4,600	73.0	Industrial waste processing, electricity sales
Pacific LNG Shipping Limited	3,755	70.0	Ownership and charter of LNG carriers
Pacific Eurus Shipping Limited	3,740	70.0	Ownership and charter of LNG carriers
TOKYO TOSHI SERVICE COMPANY	400	100.0	Heat supply
Toden Kogyo Co., Ltd.	300	100.0	Maintenance and repair of power generation and other facilities
Tokyo Electric Power Environmental Engineering Company, Incorporated	300	100.0	Operation and maintenance of environmental protection and other facilities
Tokyo Electric Power Home Service Company, Limited	200	100.0	Electricity usage consultation; design and maintenance of distribution facilities
Tokyo Densetsu Service Co., Ltd.	50	100.0	Maintenance of transmission, transformation and other facilities
Tokyo Electric Power Services Company, Limited	40	100.0	Design and supervision of construction of power generation, transmission, transformation and other facilities
Living Environment and Lifestyle-Related Business			
Toden Real Estate Co., Inc.	2,000	100.0	Management of TEPCO-owned land; rental of company and other housing
TOSHIN BUILDING CO., LTD.	1,100	100.0	Leasing and management of real estate
Tepco Partners Co., Inc.	100	83.4	Home nursing care; home visit nursing care
Tokyo Living Service Co., Ltd.	50	100.0	Maintenance, rental and management of welfare facilities and company housing
TODEN KOKOKU CO., LTD.	20	80.2	Contracting for advertisements on TEPCO-owned utility poles and in/on other media
Overseas Businesses			
Eurus Energy Holdings Corporation	5,699	60.0	Investment in domestic/overseas wind energy projects
Tokyo Electric Power Company International B.V.	240 million Euro	100.0	Investment in overseas businesses

Affiliated Companies Accounted for under the Equity Method

Company Name	Capital (Millions of yen)	TEPCO Ownership (%)	Principal Business
Electric Power Business			
The Japan Atomic Power Company	120,000	28.2	Wholesale electricity supply
Soma Kyodo Power Company, Ltd.	112,800	50.0	Wholesale electricity supply
JOBAN JOINT POWER CO., LTD.	56,000	49.1	Wholesale electricity supply
KASHIMA KYODO ELECTRIC POWER COMPANY	22,000	50.0	Wholesale electricity supply
Kimitsu Cooperative Thermal Power Company, Inc.	8,500	50.0	Wholesale electricity supply
Energy and Environment Business			
Japan Nuclear Fuel Limited	200,000	20.6	Uranium concentration, reprocessing, waste management and underground waste disposal
KANDENKO CO., LTD.	10,264	46.2	Electrical work for distribution, transmission and other facilities
Kanto Natural Gas Development Co., Ltd.	7,902	21.4	Development and sale of natural gas; production and sale of iodine; sale of brine
Takaoka Electric Mfg. Co., Ltd.	5,906	28.2	Manufacture, machining, repair and sale of electric machinery and appliances
TOKO ELECTRIC CORPORATION	1,452	45.4	Manufacture, repair and sale of electric machinery and appliances
TeaM Energy Corporation	23 million US$	0.0*	Philippine IPP
Great Energy Alliance Corporation Pty Ltd	316 million AU$	0.0*	Australian IPP

*TEPCO ownership is 0% because TEPCO subsidiary Tokyo Electric Power Company International B.V. holds equity in these companies.

Consolidated 11-Year Summary

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

A TEPCO changed cash dividends per share from ¥70 in fiscal 2007 to ¥65.

	2008	2007	2006	2005
For the year:				
Operating revenues	¥ 5,479,380	¥ 5,283,033	¥ 5,255,495	¥ 5,047,210
Operating income	136,404	550,911	576,277	566,304
(Loss) income before income taxes and minority interests	(212,499)	496,022	473,832	372,814
Net (loss) income	(150,108)	298,154	310,388	226,177
Depreciation and amortization	772,460	751,625	824,041	847,505
Capital expenditures	664,295	574,687	623,726	561,206
Per share of common stock (Yen and U.S. dollars):				
Net (loss) income (basic)	¥ (111.26)	¥ 220.96	¥ 229.76	¥ 167.29
Net income (diluted) (Note 3)	–	–	–	–
Cash dividends	A 65.00	70.00	60.00	60.00
Equity	1,967.03	2,248.34	2,059.52	1,853.52
At year-end:				
Total net assets (Note 4)	¥ 2,695,455	¥ 3,073,778	¥ 2,815,424	¥ –
Equity (Note 5)	2,653,762	3,033,537	2,779,720	2,502,157
Total assets	13,679,055	13,521,387	13,594,117	13,748,843
Interest-bearing debt	7,675,722	7,388,605	7,840,161	8,261,717
Number of employees	52,319	52,584	51,560	53,380
Financial ratios and cash flow data:				
ROA (%) (Note 7)	1.0	4.1	4.2	4.1
ROE (%) (Note 8)	(5.3)	10.3	11.8	9.3
Equity ratio (%)	19.4	22.4	20.4	18.2
Net cash provided by operating activities	¥ 509,890	¥ 1,073,694	¥ 935,622	¥ 1,411,470
Net cash used in investing activities	(686,284)	(550,138)	(615,377)	(577,503)
Net cash provided by (used in) financing activities	188,237	(514,885)	(350,193)	(785,600)
Other data (Non-consolidated):				
Electricity sales (million kWh)				
Electricity sales for lighting	97,600	93,207	95,186	92,592
Electricity sales for power (Note 9)	C 12,785	12,631	13,499	78,239
Electricity sales to eligible customers (Note 9)	187,012	181,784	179,969	115,910
Total	297,397	287,622	288,655	286,741
Power generation capacity (thousand kW) (Note 10):				
Hydroelectric	8,985	8,993	8,993	8,521
Thermal	36,179	35,533	35,536	36,995
Nuclear	17,308	17,308	17,308	17,308
Wind	1	1	1	1
Total	62,473	61,835	61,837	62,825
Nuclear power plant capacity utilization rate (%)	44.9	74.2	66.4	61.7

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 ¥100.19 to US$1.00 prevailing on March 31, 2008.
2. Amounts of less than one million yen have been omitted. All dollar figures and percentages have been rounded to the nearest unit.
3. Diluted net income per share is not presented for the years ended March 31, 2005 to March 31, 2008 because no latent shares were outstanding. Diluted net income per share is not presented for the years ended March 31, 1999 and 2000 because outstanding convertible bonds had on dilutive effect on net income per share.
4. "Total net assets" is a new item presented to conform to revised Japanese accounting standards. The figure for the year ended March 31, 2006 has been restated to reflect this change.
5. Equity = Total net assets – Stock acquisition rights – Minority interests
6. Depreciation and amortization, capital expenditures, 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.
7. ROA = Operating income/Average total assets
8. ROE = Net income/Average equity
9. Electricity sales for power 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 power.
10. TEPCO facilities only; TEPCO did not generate wind power before the year ended March 31, 2000.

B All subsidiaries became consolidated subsidiaries as of March 31, 2002.

Millions of yen, unless otherwise noted							Millions of U.S. dollars, unless otherwise noted (Note 1)
2004	2003	2002	2001	2000	1999 (Note 6)	1998	2008
¥ 4,853,826	¥ 4,919,109	¥ 5,220,578	¥ 5,258,014	¥ 5,091,620	¥ 5,088,403	¥ 5,278,019	$ 54,690
489,004	521,406	658,933	732,561	788,078	688,607	723,555	1,361
255,309	265,170	312,414	329,120	146,236	209,177	225,986	(2,121)
149,550	165,267	201,727	207,882	87,437	97,425	135,322	(1,498)
889,955	922,357	953,437	964,625	1,012,755	–	–	7,710
663,967	706,656	995,842	921,126	1,023,287	–	–	6,630
¥ 110.53	¥ 122.08	¥ 149.11	¥ 153.66	¥ 64.63	¥ 72.01	¥ 100.03	$ (1.11)
110.32	121.33	147.89	152.36	–	–	99.47	–
60.00	60.00	60.00	60.00	60.00	50.00	50.00	0.64
1,748.06	1,662.38	1,612.97	1,506.62	1,367.25	1,176.44	1,154.67	19.63
¥ –	¥ –	¥ –	¥ –	¥ –	¥ –	¥ –	$ 26,903
2,360,475	2,245,892	2,181,983	2,038,251	1,849,692	1,591,562	1,562,110	26,487
13,900,906	14,177,296	14,578,579	14,562,299	14,559,331	14,407,405	14,346,901	136,531
8,765,175	9,076,289	9,564,914	9,968,871	10,309,674	–	–	76,612
51,694	52,322	53,704	48,024	48,255	–	–	
3.5	3.6	4.5	5.0	5.4	4.8	5.1	
6.5	7.5	9.6	10.7	5.1	6.2	8.9	
17.0	15.8	15.0	14.0	12.7	11.0	10.9	
¥ 1,147,591	¥ 1,406,300	¥ 1,464,181	¥ 1,456,478	¥ 1,434,897	¥ –	¥ –	$ 5,089
(693,871)	(863,797)	(905,453)	(1,017,032)	(1,070,487)	–	–	(6,850)
(451,371)	(573,761)	(558,182)	(431,235)	(372,356)	–	–	1,879
86,926	89,354	85,080	85,990	83,974	80,984	78,910	
114,772	116,551	115,354	117,082	190,252	186,063	186,466	
74,314	75,997	75,106	77,579	–			
276,012	281,902	275,540	280,651	274,226	267,047	265,376	
8,520	8,520	8,519	8,508	8,103	7,695	7,664	
36,831	34,548	34,548	33,026	32,434	31,871	31,784	
17,308	17,308	17,308	17,308	17,308	17,308	17,308	
1	1	1	1	1			
62,660	60,377	60,375	58,843	57,846	56,874	56,756	
26.3	60.7	80.1	79.4	84.4	83.1	79.5	

C Eligible customers are retail electric power customers included in the scope of liberalization. From March 2000, eligible customers were those in the high-voltage market with contracts to receive over 2,000 kW annually. From April 2004, eligible customers were those in the high-voltage market with contracts to receive over 500 kW annually. From April 2005, eligible customers were those in the high-voltage market with contracts to receive over 50 kW annually.

Financial Review

Analysis of Business Results

Overview

For the fiscal year ended March 31, 2008, operating revenues increased 3.7 percent from the previous fiscal year to ¥5,479.3 billion (US$54,690 million). Operating income decreased 75.2 percent year on year to ¥136.4 billion (US$1,361 million). Net loss totaled ¥150.1 billion (US$1,498 million).

Operating Revenues

In the electric power business segment, operating revenues increased 4.4 percent from the previous fiscal year. Factors supporting the increase included increased demand for air conditioning and heating among residential customers and increased demand among large-scale industrial customers.

In the fiscal year ended March 31, 2008, operating revenues increased 3.7 percent from the previous fiscal year to ¥5,479.3 billion (US$54,690 million). The following segment information includes inter-segment sales and transfers.

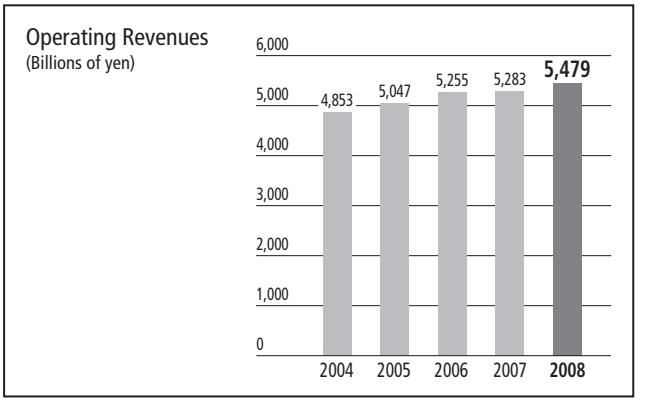
For the electric power business segment, operating revenues increased 4.4 percent from the previous fiscal year to ¥5,169.1 billion (US$51,593 million). Demand increased among residential customers for reasons including increased demand for air conditioning and heating due to the extremely hot summer and a relatively cold winter compared with the previous fiscal year. Other factors included increased demand among large-scale industrial customers. As a result, the total volume of electricity sold for the fiscal year increased 3.4 percent year on year to 297.4 billion kWh. By type of demand, electricity sales for lighting increased 4.7 percent year on year to 97.6 billion kWh, electricity sales for power increased 1.2 percent year on year to 12.8 billion kWh, and electricity sales to eligible customers increased 2.9 percent year on year to 187.0 billion kWh.

Operating revenues in the information and telecommunications business segment decreased 27.4 percent from the previous fiscal year to ¥127.5 billion (US$1,273 million). Contributing factors included the transfer of the business of Fiber-Optics Network Company by divestiture to KDDI CORPORATION in January 2007 and the exclusion of Fusion Communications Corp. and other companies from the scope of consolidation in August 2007.

Operating revenues in the energy and environment business segment increased 0.5 percent from the previous fiscal year to ¥373.3 billion (US$3,727 million). Factors contributing to the increase included a year-on-year increase in gas sales volume to approximately 780 thousand tons from approximately 610 thousand tons and an increase in the sales price due to a rise in the price of liquefied natural gas (LNG) in the gas supply business.

Operating revenues in the living environment and lifestyle-related business segment increased 0.5 percent from the previous fiscal year to ¥139.4 billion (US$1,392 million). Factors contributing to the increase included an increase in the number of buildings for which ReBITA Inc. provided renovation services.

Operating revenues in the overseas business segment increased 38.3 percent from the previous fiscal year to ¥19.2 billion (US$192 million). Factors contributing to the increase included higher prices for electricity in the overseas power generation business.



Operating Expenses and Operating Income

Operating expenses in the electric power business segment increased 14.7 percent year on year. Despite factors such as a decrease in personnel expenses as a result of revisions to the corporate retirement benefits system, the shutdown of operations at the Kashiwazaki-Kariwa Nuclear Power Station and other factors resulted in a substantial increase in fuel expenses.

Operating expenses increased 12.9 percent from the previous fiscal year to ¥5,342.9 billion (US$53,328 million). Operating

income decreased 75.2 percent from the previous fiscal year to ¥136.4 billion (US$1,361 million). The following segment information includes inter-segment sales and transfers.

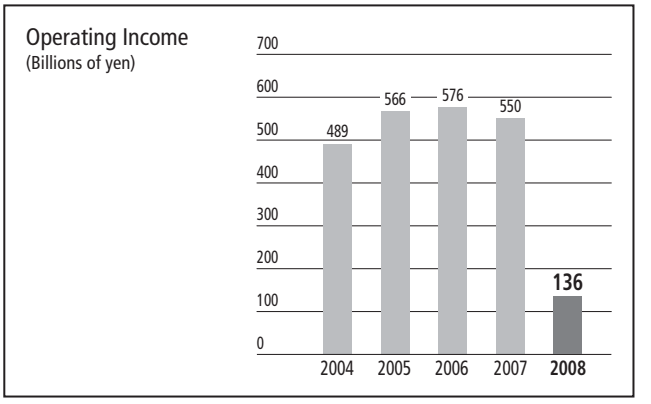
Operating expenses in the electric power business segment increased 14.7 percent year on year to ¥5,074.7 billion (US$50,651 million). Despite factors such as a decrease in personnel expenses as a result of revisions to the corporate retirement benefits system, the shutdown of operations at the Kashiwazaki-Kariwa Nuclear Power Station and other factors resulted in a substantial increase in fuel expenses and purchased power expenses. Consequently, operating income in the electric power business segment decreased 82.1 percent year on year to ¥94.3 billion (US$942 million).

Operating expenses in the information and telecommunications business segment decreased 41.4 percent year on year to ¥121.2 billion (US$1,210 million). Contributing factors included the transfer of the business of Fiber-Optics Network Company by divestiture to KDDI CORPORATION and the exclusion of Fusion Communications Corp. and other companies from the scope of consolidation. Consequently, operating income in the information and telecommunications business segment totaled ¥6.3 billion (US$63 million).

Operating expenses in the energy and environment business segment increased 7.7 percent year on year to ¥355.7 billion (US$3,550 million). Factors contributing to the increase included higher raw material prices and the increase in gas sales volume in the gas supply business. Consequently, operating income in the energy and environment business segment decreased 57.1 percent year on year to ¥17.6 billion (US$176 million).

Operating expenses in the living environment and lifestyle-related business segment increased 1.2 percent from the previous fiscal year to ¥127.0 billion (US$1,268 million). Factors contributing to the increase included an increase in the number of buildings for which ReBITA Inc. provided renovation services. Consequently, operating income in the living environment and lifestyle-related business segment decreased 5.6 percent year on year to ¥12.4 billion (US$124 million).

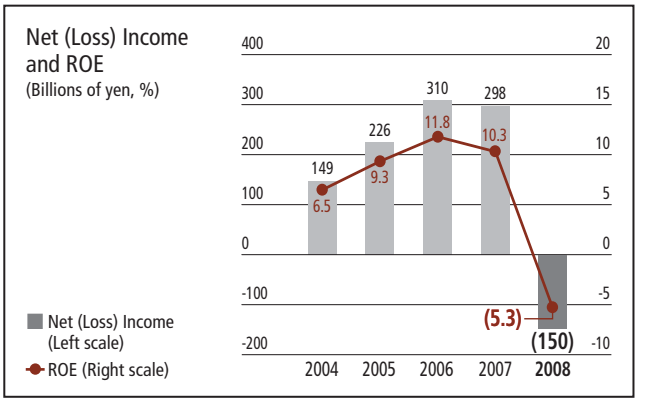
Operating expenses in the overseas business segment increased 6.7 percent from the previous fiscal year to ¥14.8 billion (US$148 million). Consequently, operating income in the overseas business segment totaled ¥4.3 billion (US$44 million).



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

Net loss totaled ¥150.1 billion due to factors including non-recurring loss associated with the restoration of the Kashiwazaki-Kariwa Nuclear Power Station.

Other expenses totaled ¥353.9 billion (US$3,533 million) because of factors including non-recurring loss on disaster of ¥191.5 billion (US$1,912 million) included in other expenses to restore the Kashiwazaki-Kariwa Nuclear Power Station, which was damaged by the Niigataken Chuetsu-Oki Earthquake. Loss before income taxes and minority interests totaled ¥212.4 billion (US$2,121 million). Income taxes totaled a net deferral of ¥65.1 billion (US$650 million). Net loss totaled ¥150.1 billion (US$1,498 million). Net loss per share totaled ¥111.26, compared to net income per share of ¥220.96 for the previous fiscal year.



Liquidity and Capital Resources

Cash Flow

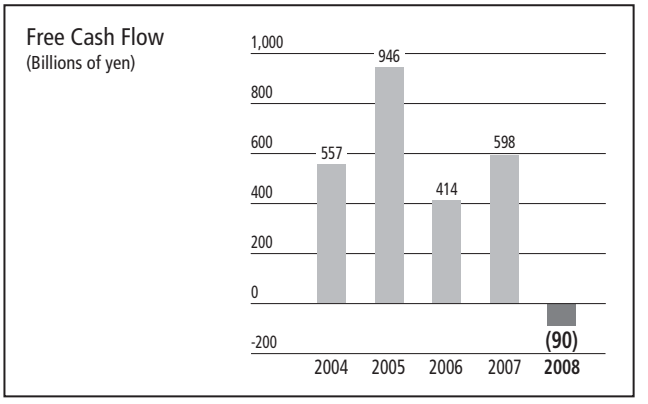
Net cash provided by operations decreased 52.5 percent from the previous fiscal year despite increased revenues in the electric power business because of higher outlays for purchases of fuel for thermal power plants.

Cash and cash equivalents at the end of the fiscal year increased 9.8 percent from the previous fiscal year-end to ¥125.1 billion (US$1,249 million).

Net cash provided by operating activities decreased 52.5 percent from the previous fiscal year to ¥509.8 billion (US$5,089 million). The decrease resulted despite increased revenues in the electric power business because of higher outlays for purchases of fuel for thermal power plants.

Net cash used in investing activities increased 24.7 percent from the previous fiscal year to ¥686.2 billion (US$6,850 million). Factors included increased capital investment.

Net cash provided by financing activities totaled ¥188.2 billion (US$1,879 million). Factors included an increase in the procurement of external funds. The TEPCO Group did not generate free cash flow for the fiscal year ended March 31, 2008 according to the method of calculation it uses because capital expenditures in the electric power business exceeded net cash provided by operating activities by ¥90.9 billion (US$907 million).



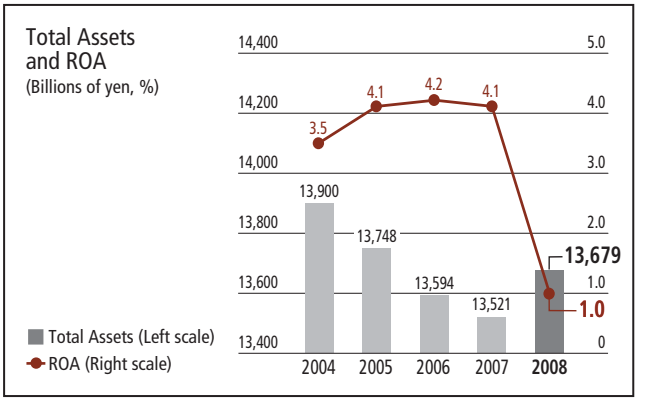
Assets, Liabilities and Net Assets

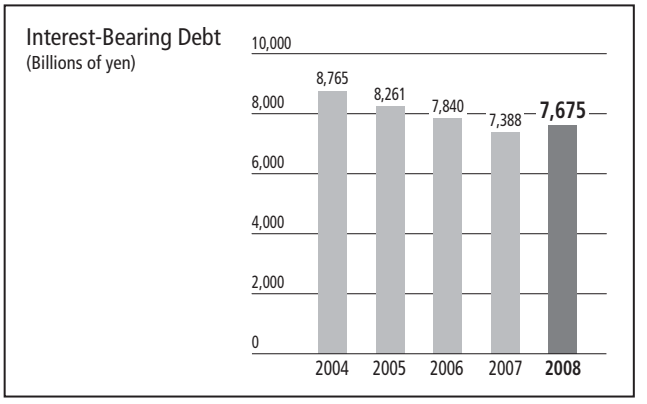
The equity ratio decreased to 19.4 percent from 22.4 percent a year earlier.

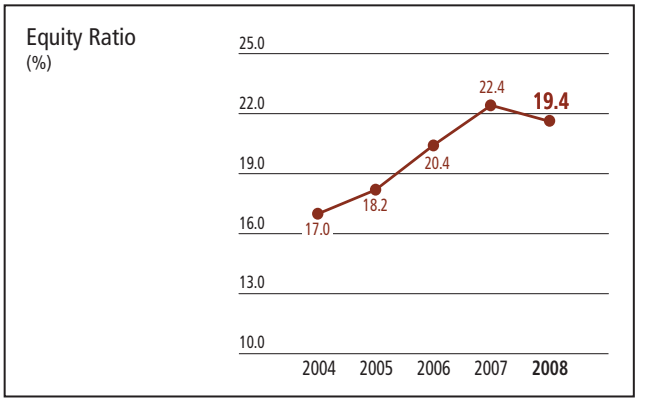
As of March 31, 2008, total assets increased ¥157.6 billion (US$1,574 million) from the previous fiscal year-end to ¥13,679.0 billion (US$136,531 million). Although normal depreciation reduced property, plant and equipment in the electric power business, assets increased because of factors including revision of the corporate retirement benefits system that resulted in the recognition as assets of the difference between pension plan assets and corresponding retirement benefit obligations.

Total liabilities as of March 31, 2008 increased ¥535.9 billion (US$5,350 million) from the previous fiscal year-end to ¥10,983.6 billion (US$109,628 million). Factors included an increase of ¥287.1 billion (US$2,866 million) in interest-bearing debt.

Net assets as of March 31, 2008 decreased ¥378.3 billion (US$3,776 million) from the previous fiscal year-end to ¥2,695.4 billion (US$26,903 million). Factors included a decrease in retained earnings as a result of net loss for the fiscal year. Consequently, the equity ratio decreased to 19.4 percent from 22.4 percent.







Financial Policy

TEPCO set a balance sheet improvement target of an equity ratio of at least 25 percent by March 31, 2011, and has been working to reduce interest-bearing debt. However, the shutdown of all reactors at the Kashiwazaki-Kariwa Nuclear Power Station due to the Niigataken Chuetsu-Oki Earthquake in July 2007 resulted in a substantial increase in fuel expenses and others, and an increase in procurement of external funds as a result of a decrease in internal capital reserves. Consequently, interest-bearing debt increased compared with the previous fiscal year-end, and the equity ratio decreased. However, the TEPCO Group continues to make every effort to achieve its equity ratio target.

In procuring funds, TEPCO conducts direct financing by issuing straight bonds and commercial paper from the viewpoint of securing low-cost capital. TEPCO also seeks to ensure steady procurement of funds by diversifying financing methods through means such as the use of loans. During the fiscal year ended March 31,2008, TEPCO issued straight bonds totaling ¥750.0 billion (US$7,486 million) and short-term bonds (electronic commercial paper) totaling ¥1,487.0 billion (US$14,842 million).

As of the date of publication of this annual report, TEPCO's long-term debt was rated AA by Standard & Poor's Ratings Services (S&P), Aa2 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). TEPCO's short-term debt 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 also working to strengthen competitiveness by using a Group financial system to streamline assets and liabilities and reduce financial costs throughout the Group.

Dividend Policy

TEPCO's fundamental policy for distributing profits to shareholders is to maintain stable dividends with the goal of a consolidated payout ratio of 30 percent or higher, and to determine dividends after comprehensively considering factors including business performance and progress in improving its balance sheets.

TEPCO recorded a substantial net loss for the fiscal year ended March 31, 2008 due to factors including the shutdown of all reactors at the Kashiwazaki-Kariwa Nuclear Power Station because of the Niigataken Chuetsu-Oki Earthquake, as discussed above. After comprehensive consideration of its situation, TEPCO set year-end cash dividends per share at ¥30.00, for total full-year cash dividends per share of ¥65.00, including interim cash dividends.

For the fiscal year ending March 31, 2009, TEPCO plans to pay interim cash dividends per share of ¥30.00. TEPCO will consider total full-year cash dividends per share based on factors including full-year performance and the status of the restoration of the Kashiwazaki-Kariwa Nuclear Power Station.

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.

The shutdown of all reactors at the Kashiwazaki-Kariwa Nuclear Power Station due to the Niigataken Chuetsu-Oki Earthquake in July 2007 has increased the uncertainties discussed in items (1) and (11) below.

(1) Stable Supply of Electric Power

The TEPCO Group is fully committed to providing a stable supply of electric power. However, natural disasters, accidents at facilities, sabotage including terrorist acts, and problems in obtaining fuel are among the contingencies that could cause large-scale, extended power outages, which would have the potential to make TEPCO unable to provide a stable supply of electric power. Recovering from or otherwise rectifying such outages could require substantial capital outlays, and such outages could damage public trust in the TEPCO Group.

Moreover, nuclear power generation, including the nuclear fuel cycle, is indispensable for maintaining a stable energy supply over the medium-to-long term and for preventing global warming. TEPCO will steadily promote nuclear power generation with the major premise of maintaining safe, stable operations. However, promoting nuclear power generation poses risks because of the long construction periods and substantial capital investment it requires. Initiatives such as a national system for handling back-end business have reduced these risks, but issues such as revisions of this system or an increase in provisions to reserves for costs not included in this system have the potential to affect the TEPCO Group's results and financial position.

(2) Securing Safety, Quality Control, and Preventing Environmental Pollution

The TEPCO Group works to secure safety, control quality and prevent environmental pollution. However, accidents, fatalities or large-scale emissions of pollutants into the environment resulting from incidents including operational errors or failure to comply with laws or internal regulations could damage public trust in the TEPCO Group and affect the smooth execution of Group operations.

(3) Corporate Ethics and Compliance

The TEPCO Group works to ensure compliance with corporate ethics during the execution of operations. However, violation of laws and regulations or other acts contrary to the TEPCO Group's corporate ethics could damage public trust in the TEPCO Group and affect the smooth execution of Group operations.

(4) Information Management

The TEPCO Group maintains information important to its operations, including a large volume of customer information. The Group strictly administers information through means including internal regulations and employee training. However, leaks of information could damage public trust in the TEPCO Group's ability to manage information and affect the smooth execution of Group operations.

(5) Regulatory Environment

Issues such as systemic reform in the electric power business and the resulting competition are changing the TEPCO Group's operating environment, which could affect the TEPCO Group's results and financial condition. In addition, stricter environmental regulations and other issues related to global warming could affect the TEPCO Group's results and financial condition.

(6) Competition with Self-Generation and Other Forms of Energy

Competition with self-generation and other forms of energy is increasing in the electric power business. This competition could affect the TEPCO Group's results and financial condition.

(7) Customer Service

The TEPCO Group is working to further enhance customer service. However, inappropriate responses to customers and other issues could reduce customer satisfaction with the TEPCO Group's services, which could decrease the TEPCO Group's competitiveness.

(8) 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. Moreover, demand for air conditioning and heating is subject to the influence of the weather, particularly in the summer and the winter. These issues could affect the TEPCO Group's results and financial condition.

(9) Movements in Financial Markets

The TEPCO Group holds domestic and foreign stocks and bonds in its pension plan assets and other portfolios. Changes in the value of these holdings due to issues including conditions in stock and bond markets could affect the TEPCO Group's results and financial condition.

Moreover, issues including future interest rate movements affect the TEPCO Group's interest payments. However, any impact would be limited and short-term in nature because the TEPCO Group primarily procures long-term, fixed-rate funds.

(10) Price of Fuel for Thermal Power Generation

The prices for liquefied natural gas (LNG), crude oil, coal and other fuels for thermal power generation change according to factors including international market conditions and foreign exchange market movements, which could affect the TEPCO Group's results and financial condition. However, changes in fuel prices and foreign exchange markets are reflected in electricity rates through the fuel cost adjustment system, which reduces the impact on performance from fuel price fluctuations within a defined range.

(11) Nuclear Power Plant Capacity Utilization Rate

The TEPCO Group works to raise the capacity utilization rate at its nuclear power plants by enhancing trust in its nuclear power generation facilities and operations. However, factors including natural disasters, problems at facilities and delays in periodic inspections could lower the nuclear power plant capacity utilization rate, which could increase overall power generation costs by requiring additional capacity utilization at thermal power plants that use more expensive fuel. In addition, increased CO2 emissions could result in additional costs. These issues could affect the TEPCO Group's results and financial condition.

(12) Business Other than Electric Power

The TEPCO Group is promoting new businesses to generate growth for the Group as a whole. Changes in the operating environment including competition with other participants in these businesses could potentially eliminate the benefits projected when the TEPCO Group invested in these businesses. This could 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	**2008**	2007	**2008**
Property, plant and equipment	**¥ 29,207,345**	¥ 28,966,943	**$ 291,520**
Construction in progress	**672,485**	562,837	**6,712**
	29,879,830	29,529,781	**298,232**
Less:			
Contributions in aid of construction	**(353,275)**	(330,676)	**(3,526)**
Accumulated depreciation	**(19,982,955)**	(19,420,117)	**(199,451)**
	(20,336,231)	(19,750,794)	**(202,977)**
Property, plant and equipment, net (Notes 4, 8 and 9)	**9,543,599**	9,778,987	**95,255**
Nuclear fuel (Note 9):			
Loaded nuclear fuel	**152,736**	139,702	**1,524**
Nuclear fuel in processing	**769,108**	754,054	**7,677**
	921,845	893,757	**9,201**
Investments and other:			
Long-term investments (Notes 5 and 9)	**646,386**	864,509	**6,452**
Trust funds for reprocessing of irradiated nuclear fuel (Notes 9 and 10)	**517,942**	346,505	**5,170**
Deferred tax assets (Note 16)	**461,737**	305,890	**4,609**
Other (Notes 9 and 15)	**606,039**	481,018	**6,049**
	2,232,104	1,997,924	**22,279**
Current assets (Note 9):			
Cash (Note 6)	**154,625**	143,856	**1,543**
Notes and accounts receivable—customers	**388,705**	388,540	**3,880**
Inventory	**182,181**	156,032	**1,818**
Other (Notes 6 and 16)	**255,993**	162,288	**2,555**
	981,505	850,717	**9,796**
Total assets	**¥ 13,679,055**	¥ 13,521,387	**$ 136,531**

LIABILITIES AND NET ASSETS	Millions of yen 2008	Millions of yen 2007	Millions of U.S. dollars (Note 2) 2008
Long-term liabilities and reserves:			
Long-term debt (Notes 7 and 9)	**¥ 6,156,241**	¥ 5,870,732	**$ 61,446**
Other long-term liabilities (Notes 8, 9 and 16)	**111,707**	71,080	**1,115**
Reserve for reprocessing of irradiated nuclear fuel (Note 11)	**1,264,049**	1,293,636	**12,617**
Accrued employees' retirement benefits (Note 15)	**430,930**	445,312	**4,301**
Reserve for decommissioning costs of nuclear power units (Note 12)	**475,170**	393,013	**4,743**
Reserve for loss on disaster (Note 13)	**164,528**	–	**1,642**
	8,602,627	8,073,775	**85,863**
Current liabilities:			
Current portion of long-term debt (Notes 7 and 9)	**842,256**	894,929	**8,407**
Short-term loans (Notes 7 and 9)	**382,223**	362,942	**3,815**
Trade notes and accounts payable	**390,726**	201,205	**3,900**
Accrued income taxes and other	**58,216**	213,016	**581**
Other (Notes 7 and 16)	**690,142**	679,311	**6,888**
	2,363,566	2,351,404	**23,591**
Reserve for fluctuation in water levels (Note 14)	**17,406**	22,427	**174**
Total liabilities	**10,983,600**	10,447,608	**109,628**
Net assets:			
Shareholders' equity (Notes 17 and 23):			
Common stock, without par value:			
Authorized — 1,800,000,000 shares			
Issued — 1,352,867,531 shares in 2008 and 2007	**676,434**	676,434	**6,752**
Capital surplus	**19,126**	19,071	**191**
Retained earnings	**1,937,814**	2,186,807	**19,341**
Treasury stock, at cost:			
3,746,488 shares in 2008 and 3,633,801 shares in 2007	**(7,187)**	(6,721)	**(72)**
Total shareholders' equity	**2,626,188**	2,875,591	**26,212**
Valuation, translation adjustments and other:			
Net unrealized holding gain on securities	**37,527**	155,086	**375**
Net deferred loss on hedges	**(12,895)**	(1,118)	**(129)**
Land revaluation loss	**(3,647)**	(3,641)	**(36)**
Translation adjustments	**6,589**	7,618	**66**
Total valuation, translation adjustments and other	**27,574**	157,945	**275**
Stock acquisition rights	**–**	4	**–**
Minority interests	**41,692**	40,237	**416**
Total net assets	**2,695,455**	3,073,778	**26,903**
Total liabilities and net assets	**¥13,679,055**	¥13,521,387	**$136,531**

See notes to consolidated financial statements.

Consolidated Statements of Operations

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

	Millions of yen		Millions of U.S. dollars (Note 2)
	2008	2007	2008
Operating revenues:			
Electricity	¥5,168,527	¥4,952,318	$51,587
Other	310,852	330,715	3,103
	5,479,380	5,283,033	54,690
Operating expenses (Note 18)**:**			
Electricity	5,055,899	4,398,135	50,463
Other	287,076	333,987	2,865
	5,342,975	4,732,122	53,328
Operating income	136,404	550,911	1,361
Other (income) expenses:			
Interest and dividend income	(29,306)	(19,044)	(293)
Interest expense	149,368	154,720	1,491
Gain on revision of retirement benefit plan (Note 15)	(18,635)	–	(186)
Gain on business transfer (Notes 6 and 22)	–	(60,700)	–
Loss on disaster (Note 13)	191,586	–	1,912
Provision for decommissioning costs of nuclear power units for prior periods (Note 12)	62,541	–	624
Equity in earnings of affiliates	(9,184)	(13,676)	(92)
Gain on sale of subsidiaries (Note 6)	(3,154)	–	(31)
Loss on financial assistance for affiliates	13,642	–	136
Other, net	(2,932)	(12,382)	(29)
	353,925	48,916	3,533
(Loss) income before special item, income taxes and minority interests	(217,520)	501,994	(2,171)
Special item:			
(Reversal of) provision for reserve for fluctuation in water levels (Note 14)	(5,021)	5,971	(50)
(Loss) income before income taxes and minority interests	(212,499)	496,022	(2,121)
Income taxes (Note 16)**:**			
Current	17,521	202,805	175
Deferred	(82,634)	(8,984)	(825)
	(65,112)	193,821	(650)
Minority interests	2,720	4,046	27
Net (loss) income	¥ (150,108)	¥ 298,154	$ (1,498)

	Yen		U.S. dollars (Note 2)
Per share of common stock:			
Net (loss) income (basic)	¥(111.26)	¥220.96	$(1.11)
Cash dividends	65.00	70.00	0.65

See notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

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

	Year ended March 31, 2008												
	Millions of yen												
	Shareholders' equity					Valuation, translation adjustments and other							
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on securities	Net deferred loss on hedges	Land revaluation loss	Translation adjustments	Total valuation, translation adjustments and other	Stock acquisition rights	Minority interests	Total net assets
Balance at March 31, 2007	¥676,434	¥19,071	¥2,186,807	¥(6,721)	¥2,875,591	¥ 155,086	¥ (1,118)	¥(3,641)	¥ 7,618	¥ 157,945	¥ 4	¥40,237	¥3,073,778
Cash dividends			**(101,281)**		**(101,281)**								**(101,281)**
Net loss			**(150,108)**		**(150,108)**								**(150,108)**
Purchases of treasury stock				**(788)**	**(788)**								**(788)**
Sales of treasury stock		**54**		**322**	**377**								**377**
Increase resulting from adopting the equity accounting method for additional affiliates			**2,391**		**2,391**								**2,391**
Reversal of land revaluation gain			**6**		**6**								**6**
Other				**(0)**	**(0)**								**(0)**
Net changes in items other than shareholders' equity						**(117,558)**	**(11,777)**	**(6)**	**(1,029)**	**(130,371)**	**(4)**	**1,455**	**(128,919)**
Total changes	**–**	**54**	**(248,992)**	**(465)**	**(249,403)**	**(117,558)**	**(11,777)**	**(6)**	**(1,029)**	**(130,371)**	**(4)**	**1,455**	**(378,323)**
Balance at March 31, 2008	**¥676,434**	**¥19,126**	**¥1,937,814**	**¥(7,187)**	**¥2,626,188**	**¥ 37,527**	**¥(12,895)**	**¥(3,647)**	**¥ 6,589**	**¥ 27,574**	**¥ –**	**¥41,692**	**¥2,695,455**

	Year ended March 31, 2007												
	Millions of yen												
	Shareholders' equity					Valuation, translation adjustments and other							
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on securities	Net deferred loss on hedges	Land revaluation loss	Translation adjustments	Total valuation, translation adjustments and other	Stock acquisition rights	Minority interests	Total net assets
Balance at March 31, 2006	¥676,434	¥19,014	¥1,969,972	¥(5,705)	¥2,659,715	¥117,773	¥ –	¥(3,625)	¥5,857	¥120,005	¥4	¥35,699	¥2,815,424
Cash dividends			(81,040)		(81,040)								(81,040)
Bonuses to directors			(294)		(294)								(294)
Net income			298,154		298,154								298,154
Purchases of treasury stock				(1,161)	(1,161)								(1,161)
Sales of treasury stock		57		145	203								203
Reversal of land revaluation gain			15		15								15
Other				(0)	(0)								(0)
Net changes in items other than shareholders' equity						37,312	(1,118)	(15)	1,760	37,939		4,537	42,477
Total changes	–	57	216,834	(1,016)	215,876	37,312	(1,118)	(15)	1,760	37,939	–	4,537	258,354
Balance at March 31, 2007	¥676,434	¥19,071	¥2,186,807	¥(6,721)	¥2,875,591	¥155,086	¥(1,118)	¥(3,641)	¥7,618	¥157,945	¥4	¥40,237	¥3,073,778

	Year ended March 31, 2008												
	Millions of U.S. dollars (Note 2)												
	Shareholders' equity					Valuation, translation adjustments and other							
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on securities	Net deferred loss on hedges	Land revaluation loss	Translation adjustments	Total valuation, translation adjustments and other	Stock acquisition rights	Minority interests	Total net assets
Balance at March 31, 2007	$6,752	$190	$21,827	$(67)	$28,701	$ 1,548	$ (11)	$(36)	$ 76	$ 1,576	$ 0	$402	$30,679
Cash dividends			**(1,011)**		**(1,011)**								**(1,011)**
Net loss			**(1,498)**		**(1,498)**								**(1,498)**
Purchases of treasury stock				**(8)**	**(8)**								**(8)**
Sales of treasury stock		**1**		**3**	**4**								**4**
Increase resulting from adopting the equity accounting method for additional affiliates			**24**		**24**								**24**
Reversal of land revaluation gain			**0**		**0**								**0**
Other				**(0)**	**(0)**								**(0)**
Net changes in items other than shareholders' equity						**(1,173)**	**(118)**	**(0)**	**(10)**	**(1,301)**	**(0)**	**15**	**(1,287)**
Total changes	**–**	**1**	**(2,485)**	**(5)**	**(2,489)**	**(1,173)**	**(118)**	**(0)**	**(10)**	**(1,301)**	**(0)**	**15**	**(3,776)**
Balance at March 31, 2008	**$6,752**	**$191**	**$19,341**	**$(72)**	**$26,212**	**$ 375**	**$(129)**	**$(36)**	**$ 66**	**$ 275**	**$ –**	**$416**	**$26,903**

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)
	2008	2007	2008
Cash flows from operating activities			
(Loss) income before income taxes and minority interests	¥ (212,499)	¥ 496,022	$ (2,121)
Depreciation and amortization	772,460	751,625	7,710
Loss on nuclear fuel	33,498	55,513	334
Loss on disposal of property, plant and equipment	24,080	45,366	240
(Reversal of) provision for accrued employees' retirement benefits	(14,490)	3,749	(145)
(Reversal of) provision for reprocessing of irradiated nuclear fuel	(29,587)	35,424	(295)
Provision for decommissioning costs of nuclear power units	82,157	16,565	820
Provision for loss on disaster (Note 13)	164,528	–	1,642
Interest and dividend income	(29,306)	(19,044)	(293)
Interest expense	149,368	154,720	1,491
Gain on business transfer (Note 22)	–	(60,700)	–
Increase in trust funds for reprocessing of irradiated nuclear fuel	(171,436)	(84,270)	(1,711)
Increase in long-term prepaid expenses	(105,432)	–	(1,052)
Increase in notes and accounts receivable	(7,508)	(24,493)	(75)
Increase in notes and accounts payable	235,979	33,299	2,355
Other	(31,445)	(31,136)	(314)
	860,367	1,372,643	8,587
Interest and cash dividends received	23,938	14,386	239
Interest paid	(150,523)	(157,700)	(1,502)
Income taxes paid	(223,891)	(155,634)	(2,235)
Net cash provided by operating activities	509,890	1,073,694	5,089
Cash flows from investing activities			
Purchases of property, plant and equipment	(671,073)	(544,157)	(6,698)
Contributions in aid of construction received	19,072	25,161	190
Increase in investments	(57,803)	(32,106)	(577)
Proceeds from investments	6,977	23,606	70
Payments for purchases of subsidiaries, net of cash acquired	(900)	–	(9)
Proceed from purchase of subsidiary, net of cash paid (Note 6)	2,391	191	24
Payments for disposal of subsidiaries, net of cash acquired (Note 6)	(830)	–	(8)
Proceeds from disposal of subsidiaries, net of cash paid (Note 6)	3,469	952	35
Decrease by separation of part of subsidiary	(322)	–	(3)
Decrease due to business transfer (Note 6)	–	(3,931)	–
Other	12,734	(19,854)	127
Net cash used in investing activities	(686,284)	(550,138)	(6,850)
Cash flows from financing activities			
Proceeds from issuance of bonds	747,796	327,979	7,464
Redemptions of bonds	(693,320)	(729,062)	(6,920)
Proceeds from long-term loans	426,951	194,782	4,261
Repayments of long-term loans	(252,741)	(361,004)	(2,523)
Proceeds from short-term loans	815,365	834,211	8,138
Repayments of short-term loans	(788,572)	(823,859)	(7,871)
Proceeds from issuance of commercial papers	1,487,000	889,000	14,842
Redemptions of commercial papers	(1,452,000)	(764,000)	(14,492)
Cash dividends paid	(101,009)	(80,918)	(1,008)
Other	(1,233)	(2,014)	(12)
Net cash provided by (used in) financing activities	188,237	(514,885)	1,879
Effect of exchange rate changes on cash and cash equivalents	(623)	483	(6)
Net increase in cash and cash equivalents	11,220	9,154	112
Cash and cash equivalents at beginning of the year	113,926	104,772	1,137
Cash and cash equivalents at end of the year (Note 6)	¥ 125,147	¥ 113,926	$ 1,249

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2008

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 Financial Instruments 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.

As permitted by the Financial Instruments 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 other-than-temporary impairment in the value of its investments, the Company has written them down.

(c) Depreciation and Amortization

Depreciation of property, plant and equipment is computed by the declining-balance method based on the estimated useful lives of the respective assets. Amortization of intangible fixed assets is computed by the straight-line method. Easement on the transmission line right-of-way acquired on or after April 1, 2005 is depreciated over 36 years, the same number of years as the useful life of the transmission line, and other easement is over average remaining useful lives.

(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 cost determined by the moving-average method, with unrealized gain and loss, net of the applicable taxes, reported as a separate component of net assets. Realized gain and loss on sales of such securities are calculated based on the moving-average cost.

(f) Inventory

Coals, fuel oils and gases are stated at cost determined principally by the average method.

(g) Bond Issuance Expenses

Bond issuance expenses are charged to income as incurred.

(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 net assets, are translated into yen at the rates of exchange in effect at the balance sheet date. The components of net assets 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 (loss) income per share was computed based on the net (loss) income available for distribution to shareholders of common stock and the weighted-average number of shares of common stock outstanding during the year.

2 U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥100.19 = US$1.00, the approximate rate of exchange in effect on March 31, 2008, 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

(a) Accounting Method of Depreciation for Property, Plant and Equipment

The Company and its domestic subsidiaries have changed the depreciation method for property, plant and equipment acquired on or after April 1, 2007 due to the revision of Corporation Tax Law and the related regulation. The effect of this adoption was immaterial.

Due to the revision of Corporation Tax Law and the related regulation, the Company and domestic subsidiaries have adopted, effective in the current fiscal year, the depreciation method where the residual value of the property, plant and equipment, acquired on or before March 31, 2007 and fully depreciated to the limit prescribed in the previous Corporation Tax Law (95% of acquisition cost) is depreciated by the straight-line method over a period of five years. As a result, depreciation and loss before income taxes increased and operating income decreased by ¥46,334 million (US$462 million), respectively.

(b) Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures

Effective April 1, 2006, the Company has adopted the "Accounting Standard for Business Combinations," "Accounting Standard for Business Divestitures," and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures."

(c) Accounting Standard for Directors' Bonuses

Effective April 1, 2006, the Company has adopted a new accounting standard for directors' bonuses.

The effect of this adoption was immaterial.

4 Property, Plant and Equipment, Net

The major classifications of property, plant and equipment, net at March 31, 2008 and 2007 were as follows:

	Millions of yen		Millions of U.S. dollars
	2008	2007	2008
Hydroelectric power production facilities	¥ 800,542	¥ 842,265	$ 7,990
Thermal power production facilities	1,113,932	1,199,872	11,118
Nuclear power production facilities	676,701	736,677	6,754
Transmission facilities	2,370,923	2,479,483	23,664
Transformation facilities	941,022	978,788	9,392
Distribution facilities	2,243,397	2,262,664	22,391
General facilities	180,547	176,836	1,802
Other electricity-related property, plant and equipment	24,306	23,074	243
Other property, plant and equipment	532,584	522,702	5,316
Construction in progress	659,639	556,621	6,584
	¥9,543,599	¥9,778,987	$95,255

5 Marketable Securities and Investment Securities

At March 31, 2008 and 2007, other securities for which market prices were available were as follows:

	Millions of yen						Millions of U.S. dollars		
	2008			2007			2008		
	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	¥ 32,281	¥ 89,303	¥57,022	¥255,082	¥486,685	¥231,603	$ 322	$ 891	$569
Unrealized holding loss:									
Stocks and bonds	227,583	223,614	(3,969)	1,451	1,296	(154)	2,272	2,232	(40)
Total	¥259,865	¥312,918	¥53,052	¥256,534	¥487,982	¥231,448	$2,594	$3,123	$530

For the years ended March 31, 2008 and 2007, gain and loss on sales of other securities were as follows:

	Millions of yen						Millions of U.S. dollars		
	2008			2007			2008		
	Sales amount	Aggregated gains	Aggregated losses	Sales amount	Aggregated gains	Aggregated losses	Sales amount	Aggregated gains	Aggregated losses
Other securities.....	**¥1,588**	**¥637**	**¥19**	¥15,899	¥13,020	¥43	**$16**	**$6**	**$0**

At March 31, 2008 and 2007, non-marketable securities and investment securities stated at cost were as follows:

	Millions of yen		Millions of U.S. dollars
	2008	2007	2008
Other securities:			
Unlisted stocks.....	**¥95,640**	¥98,561	**$955**
Other	**10,422**	8,371	**104**

The redemption schedule for securities with maturity dates classified as other securities as of March 31, 2008 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	**¥ 95**	**¥651**	**¥49**	**¥ –**
Other	**12**	**22**	**–**	**66**
Total	**¥107**	**¥674**	**¥49**	**¥66**

	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	**$1**	**$7**	**$0**	**$ –**
Other	**0**	**0**	**–**	**1**
Total	**$1**	**$7**	**$0**	**$ 1**

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
	2008	2007	2008
Cash.....	**¥154,625**	¥143,856	**$1,543**
Time deposits with maturities of more than three months	**(29,883)**	(30,333)	**(298)**
Short-term investments with an original maturity of three months or less, presenting negligible risk of change in value, included in other current assets	**405**	403	**4**
Cash and cash equivalents.....	**¥125,147**	¥113,926	**$1,249**

ATEMA KOGEN RESORT INC. was newly included in the scope of consolidation as a result of purchase of its shares during the year ended March 31, 2008. The following table represents assets and liabilities at the date of the purchase and the relationship between acquisition cost and net proceed from the purchase of its shares.

	Millions of yen	Millions of U.S. dollars
	2008	2008
Non-current assets	¥ 3,991	$ 40
Current assets	9,320	93
Goodwill	5,207	52
Non-current liabilities	(11,529)	(115)
Current liabilities	(404)	(4)
Minority interests	(275)	(3)
	6,310	63
Acquisition cost of shares acquired before consolidation	0	0
Acquisition cost of shares	6,310	63
Cash and cash equivalents held by the newly consolidated subsidiary	8,701	87
Proceed from purchase of the newly consolidated subsidiary, net	¥ 2,391	$ 24

Fusion Communications Corp. and other three subsidiaries were excluded from the scope of consolidation as a result of disposal of shares during the year ended March 31, 2008. The following table represents assets and liabilities at the date of the disposal of shares and the relationship between the selling values and net payments for the disposal of shares.

	Millions of yen	Millions of U.S. dollars
	2008	2008
Non-current assets	¥ 2,770	$ 28
Current assets	10,763	107
Current liabilities	(10,716)	(107)
Net unrealized holding loss on securities	(0)	(0)
Minority interests	(1,299)	(13)
	1,516	15
Loss on disposal of subsidiaries' shares	(843)	(8)
Selling values of subsidiaries' shares	673	7
Cash and cash equivalents held by subsidiary	(1,503)	(15)
Payments for disposal of subsidiaries' shares, net	¥ (830)	$ (8)

DREAM TRAIN INTERNET INC. and other two subsidiaries were excluded from the scope of consolidation as a result of disposal of shares during the year ended March 31, 2008. The following table represents assets and liabilities at the dates of the disposal of shares and the relationship between selling values and net proceeds from the disposal of shares.

	Millions of yen	Millions of U.S. dollars
	2008	2008
Non-current assets	¥ 5,405	$ 54
Current assets	4,504	45
Goodwill	387	4
Non-current liabilities	(234)	(2)
Current liabilities	(7,407)	(74)
Stock acquisition rights	(4)	(0)
Minority interests	(85)	(1)
	2,565	26
Gain on disposal of subsidiaries shares	3,154	31
Selling values of subsidiaries' shares	5,720	57
Cash and cash equivalents held by subsidiaries	(2,250)	(22)
Payments for disposal of subsidiaries' shares, net	¥ 3,469	$ 35

The Company transferred the business of Fiber-Optics Network Company to KDDI through divestiture for the year ended March 31, 2007. The following table represents assets and liabilities of the transferred business at the dates of the divestiture and the relationship between acquisition costs of shares and decrease in cash and cash equivalents due to business transfer.

	Millions of yen
	2007
Non-current assets	¥ 65,810
Current assets	4,687
Current liabilities	(24,395)
	46,102
Gain on business transfer	60,700
Acquisition costs of shares relating to divestiture	¥106,802
Cash and cash equivalents relating to transferred business	¥ 3,931
Decrease in cash and cash equivalents due to business transfer	¥ 3,931

7 Short-Term Debt and Long-Term Debt

Short-term loans and commercial papers are unsecured. The weighted-average interest rates of short-term loans were approximately 1.188% and 0.832% for the years ended March 31, 2008 and 2007, respectively. The weighted-average interest rates of commercial papers were approximately 0.665% and 0.566% for the years ended March 31, 2008 and 2007, respectively.

At March 31, 2008 and 2007, short-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2008	2007	**2008**
Loans from banks and other sources	**¥382,223**	¥362,942	**$3,815**
Commercial papers	**295,000**	260,000	**2,944**
	¥677,223	¥622,942	**$6,759**

The annual interest rates applicable to the Company's domestic straight bonds at March 31, 2008 and 2007 ranged from 0.335% to 5.05%, respectively and those applicable to the Company's foreign straight bonds at March 31, 2008 and 2007 ranged from 2.75% to 7.125%, respectively. The interest rates applicable to the long-term borrowings (except for the current portion) at March 31, 2008 and 2007 averaged approximately 2.017% and 2.371%, respectively.

At March 31, 2008 and 2007, long-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2008	2007	**2008**
Domestic straight bonds due from 2007 through 2020	**¥4,996,360**	¥4,881,180	**$49,869**
Foreign straight bonds due from 2007 through 2014	**289,075**	347,180	**2,885**
Loans from banks, insurance companies and other sources	**1,713,062**	1,537,301	**17,098**
	6,998,498	6,765,662	**69,852**
Less: Current portion	**(842,256)**	(894,929)	**(8,407)**
	¥6,156,241	¥5,870,732	**$61,446**

The annual maturities of long-term debt subsequent to March 31, 2008 are summarized as follows:

Years ending March 31,	Millions of yen	Millions of U.S. dollars
2009	¥ 842,256	$ 8,407
2010	690,253	6,889
2011	707,335	7,060
2012	642,308	6,411
2013	949,417	9,476
2014 and thereafter	3,166,926	31,609
Total	¥6,998,498	$69,852

8 Leases

(a) Lessee's 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, 2008 and 2007, 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, 2008					
	Millions of yen			Millions of U.S. dollars		
	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Nuclear power production facilities	**¥15,099**	**¥ 7,741**	**¥ 7,358**	**$151**	**$ 77**	**$ 73**
General facilities	**2,565**	**1,079**	**1,486**	**26**	**11**	**15**
Other property, plant and equipment	**12,647**	**3,768**	**8,879**	**126**	**38**	**89**
Other	**346**	**226**	**119**	**3**	**2**	**1**
Total	**¥30,659**	**¥12,815**	**¥17,843**	**$306**	**$128**	**$178**

	March 31, 2007			
	Millions of yen			
	Acquisition costs	Accumulated depreciation	Accumulated impairment loss on fixed assets	Net book value
Nuclear power production facilities	¥15,549	¥ 6,936	¥ –	¥ 8,613
General facilities	1,872	818	–	1,054
Other property, plant and equipment	34,615	16,125	1,871	16,619
Other	1,474	1,213	–	261
Total	¥53,511	¥25,092	¥1,871	¥26,548

Lease expenses related to finance leases accounted for as operating leases for the years ended March 31, 2008 and 2007 amounted to ¥4,286 million (US$43 million) and ¥8,135 million, respectively. The Company and a consolidated subsidiary recorded other long-term liabilities of ¥1,360 million at March 31, 2007 to recognize the impairment loss for the year ended March 31, 2007. Such a liability is being amortized over the respective lease terms and the Company and the consolidated subsidiary recorded amortization income of ¥252 million for the year ended March 31, 2007.

Depreciation expense related to finance leases accounted for as operating leases amounting to ¥4,286 million (US$43 million) and ¥7,883 million for the years ended March 31, 2008 and 2007, 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, 2008 for finance leases accounted for as operating leases are summarized as follows:

Year ending March 31,	Millions of yen	Millions of U.S. dollars
2009	¥ 4,429	$ 44
2010 and thereafter	13,414	134
Total	¥17,843	$178

Future minimum lease payments subsequent to March 31, 2008 for operating leases are summarized as follows:

Year ending March 31,	Millions of yen	Millions of U.S. dollars
2009	¥11	$0
2010 and thereafter	9	0
Total	¥21	$0

(b) Lessor's 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, 2008 and 2007:

	March 31, 2008					
	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	**¥18,134**	**¥10,177**	**¥ 7,957**	**$181**	**$102**	**$ 79**
Other property, plant and equipment	**14,843**	**4,016**	**10,826**	**148**	**40**	**108**
Total	**¥32,977**	**¥14,194**	**¥18,783**	**$329**	**$142**	**$187**

	March 31, 2007		
	Millions of yen		
	Acquisition costs	Accumulated depreciation	Net book value
Other electricity-related assets	¥15,630	¥6,663	¥ 8,966
Other property, plant and equipment	7,404	2,724	4,680
Total	¥23,035	¥9,388	¥13,646

Lease income relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥4,452 million (US$44 million) and ¥2,595 million for the years ended March 31, 2008 and 2007, respectively. Depreciation of the assets leased under finance leases accounted for as operating leases amounted to ¥5,509 million (US$55 million) and ¥4,251 million for the years ended March 31, 2008 and 2007, respectively.

Future minimum lease income (including the interest portion thereon) subsequent to March 31, 2008 for finance leases accounted for as operating leases is summarized as follows:

Year ending March 31,	Millions of yen	Millions of U.S. dollars
2009	¥ 4,711	$ 47
2010 and thereafter	31,368	313
Total	¥36,080	$360

Future minimum lease income subsequent to March 31, 2008 for operating leases is summarized as follows:

Year ending March 31,	Millions of yen	Millions of U.S. dollars
2009	¥ 410	$ 4
2010 and thereafter	2,046	20
Total	¥2,456	$25

9 Pledged Assets

At March 31, 2008, 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 ¥491,371 million (US$4,904 million), and for bonds of ¥5,349,815 million (US$53,397 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 ¥99,334 million (US$991 million), short-term debt of ¥2,780 million (US$28 million), and other long-term liabilities of ¥2,179 million (US$22 million) at March 31, 2008 were as follows:

	Millions of yen	Millions of U.S. dollars
Property, plant and equipment, net:		
Hydroelectric power production facilities	**¥ 4,635**	**$ 46**
Other	**86,389**	**862**
Construction in progress	**7,657**	**76**
Other investments	**381**	**4**
Cash	**13,177**	**132**
Notes and accounts receivable — customers	**2,211**	**22**
Inventories	**9,529**	**95**
Other current assets	**14**	**0**
	¥123,995	**$1,238**

Additionally, subsidiaries' stocks of ¥9,666 million (US$96 million) eliminated in consolidation at March 31, 2008 have been pledged as collateral to financial institutions.

A long-term investment of ¥61,835 million (US$617 million) at March 31, 2008 was also pledged as collateral for long-term debt from financial institutions of a company which has been invested in by consolidated subsidiaries.

10

Trust Funds for the Reprocessing of Irradiated Nuclear Fuel

The Company is required to contribute to the trust funds for reprocessing of irradiated nuclear fuel and refund it at the same time with payment under the Law on the Creation and Management of Trust Funds for the Reprocessing of Spent Fuel at Nuclear Power Stations.

11

Reserve for Reprocessing of Irradiated Nuclear Fuel

The reserve is stated at present value of the amount based upon appropriate discount rate that would be required to reprocess the irradiated nuclear fuel incurred in proportion to combustion of nuclear fuel. The discount rates of 1.6% and 4.0% have been adopted for the reserve for reprocessing of irradiated nuclear fuel with and without definite reprocessing plan, respectively.

Under the accounting rules applicable to electric utility companies, the difference in reserve from the accounting change which represents the estimated liability related to past generation costs of ¥474,831 million has been charged to income over 15 years starting from April 1, 2005, and should be presented as an operating expense under the rule.

Also, under the accounting rules applicable to electric utility companies in Japan, unrecognized actuarial gain of ¥5,210 million (US$52 million) and loss of ¥82,357 million at March 31, 2008 and 2007, respectively has been charged to income starting from the next fiscal year over the period for which irradiated nuclear fuel with definite reprocessing plan is incurred, and should be presented as an operating expense under the rule.

Effective on April 1, 2006, the reprocessing expenses without definite processing plan have been able to estimate and have been included in the scope of the reserve for reprocessing of irradiated nuclear fuel. ¥7,963 million of the estimated liability related to 117 tons of the irradiated nuclear fuel spent by March 31, 2006 was charged to income for the year ended March 31, 2007, and was presented as an operating expense under the rules.

12

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.

Upon the partial revision of the Act of Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors in 2005, the "Ministerial Ordinance on Reserve for Decommissioning Cost" was revised in March 2008, which provides guidance for rational estimate at each plant for additional decommissioning costs generated due to the change in the clearance level of radioactive waste. The estimated cost for shutdown of nuclear power units was calculated based on the revised Ministerial Ordinance at March 31, 2008.

As a result, the reserve increased by ¥64,453 million (US$643 million) due to the revision of the Ministerial Ordinance, compared to that determined using the previous method. ¥62,541 million (US$624 million), corresponding to the power generated in the prior periods was charged to "other expenses" in the accompanying consolidated statements of operations. As a result, operating income decreased by ¥1,912 million (US$19 million) and loss before income taxes increased by ¥64,453 million (US$643 million).

13

Reserve for Loss on Disaster

The reserve is provided for the restoration of the property struck by the Niigata-Chuetsu-oki Earthquake.

The Working Group on Nuclear Plant Administration and Assessment of Facility Integrity, Nuclear Facility Investigative Taskforce in the Chuetsu-oki Earthquake, Nuclear and Industrial Safety Division, General Resources and Energy Study Group is currently examining the method of assessing the soundness of facilities and the standards to the necessity to repair, and is working to determine the "standard to the judgment for the necessity to repair." The estimated cost and loss mentioned above may be subject to change, according to the content of the standard.

14

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.

15

Employees' Retirement Benefits

At March 31, 2007, the Company and certain consolidated subsidiaries had defined benefit plans, including funded non-contributory tax-qualified retirement pension plans, lump-sum retirement benefit plans and social security pension plan.

Effective October 2007, the Company terminated the funded non-contributory tax-qualified retirement pension plan and implemented a defined benefit pension plan and a defined contribution pension plan. As a result, at March 31, 2008, the Company and certain consolidated subsidiaries had defined benefit plans, including a defined benefit pension plan, funded non-contributory tax-qualified retirement pension plans, social security pension plans, lump-sum retirement benefit plans and defined contribution pension plans.

The following table sets forth the funded or unfunded status of the plans, and the amounts recognized in the consolidated balance sheets at March 31, 2008 and 2007 for the Companies' defined benefit plans:

	Millions of yen		Millions of U.S. dollars
	2008	2007	**2008**
Projected benefit obligation	**¥(1,028,194)**	¥(1,170,796)	**$(10,262)**
Plan assets at fair value	**642,024**	778,900	**6,408**
Accrued employees' retirement benefits	**430,930**	445,312	**4,301**
Prepaid pension expense	**(105,826)**	(705)	**(1,056)**
Unrecognized actuarial gain or loss	**¥ (61,066)**	¥ 52,710	**$ (610)**

The components of retirement benefit expenses and other for the years ended March 31, 2008 and 2007 are outlined as follows:

	Millions of yen		Millions of U.S. dollars
	2008	2007	**2008**
Service cost	**¥ 34,889**	¥ 36,581	**$ 348**
Interest cost	**21,097**	21,728	**211**
Expected return on plan assets	**(17,998)**	(3,848)	**(180)**
Amortization of unrecognized actuarial gain or loss	**(8,425)**	(49,183)	**(84)**
Amortization of prior service cost	**(93,683)**	48,123	**(935)**
Retirement benefit expenses	**(64,120)**	53,402	**(640)**
Gains on revision to defined contribution pension plan	**(18,635)**	–	**(186)**
Other	**2,193**	–	**22**
	¥(80,562)	¥ –	**$(804)**

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

	2008	2007
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 2.5%**	Mainly 0.5%
Period for amortization of unrecognized actuarial gain or loss	**Mainly 3 years**	Mainly 3 years

16 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 2008 and 2007. 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% in 2008 and 2007.

The significant components of deferred tax assets and liabilities as of March 31, 2008 and 2007 were as follows:

	Millions of yen		Millions of U.S. dollars
	2008	2007	**2008**
Deferred tax assets:			
Accrued employees' retirement benefits	**¥ 157,914**	¥ 163,312	**$1,576**
Tax loss carryforwards	**63,747**	–	**636**
Depreciation and amortization	**62,167**	61,949	**620**
Reserve for loss on disaster	**59,576**	–	**595**
Reserve for decommissioning costs of nuclear power units	**56,130**	32,791	**560**
Reserve for reprocessing of irradiated nuclear fuel	**55,510**	68,879	**554**
Deferred expenses for tax purposes	**20,592**	23,072	**206**
Easement on the transmission line right-of-way	**–**	12,642	**–**
Other	**140,774**	125,176	**1,405**
	616,414	487,824	**6,152**
Valuation allowance	**(58,764)**	(54,180)	**(587)**
Total deferred tax assets	**557,649**	433,643	**5,566**
Deferred tax liabilities:			
Prepaid pension cost	**(38,428)**	–	**(384)**
Unrealized holding gain on securities	**(21,243)**	(85,045)	**(212)**
Other	**(20,181)**	(19,045)	**(201)**
Total deferred tax liabilities	**(79,853)**	(104,090)	**(797)**
Net deferred tax assets	**¥ 477,795**	¥ 329,553	**$4,769**

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

	Millions of yen		Millions of U.S. dollars
	2008	2007	**2008**
Other current assets	**¥34,760**	¥40,748	**$347**
Other current liabilities	**126**	121	**1**
Other long-term liabilities	**18,575**	16,963	**185**

The differences between the effective tax rate reflected in the accompanying consolidated statements of income for the years ended March 31, 2008 and 2007 and the statutory tax rate were as follows:

	2008	2007
Statutory tax rate	**36.2%**	36.2%
Change in valuation allowance	**(6.8)**	2.3
Equity in earnings of affiliated companies	**1.6**	–
Other	**(0.4)**	0.6
Effective tax rate	**30.6%**	39.1%

17 Shareholders' Equity

The Corporation Law of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve or the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. The capital reserve amounted to ¥19,014 million (US$190 million), and the legal reserve amounted to ¥169,108 million (US$1,688 million) at March 31, 2008. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met, but neither the capital reserve nor the legal reserve is available for distributions.

18 Research and Development Costs

Research and development costs included in operating expenses for the years ended March 31, 2008 and 2007 totaled ¥38,779 million (US$387 million) and ¥33,500 million, respectively.

19 Contingent Liabilities

At March 31, 2008, contingent liabilities totaled ¥677,590 million (US$6,763 million), of which ¥349,912 million (US$3,492 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, ¥257,678 million (US$2,572 million) consisted of guarantees given in connection with housing loans made to employees of the Companies.

The remainder of ¥70,000 million (US$699 million) represents the debt assigned by the Company to certain banks under debt assumption agreements.

20 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.

21 Segment Information

The Companies operate principally in five industry segments: electric power, information and telecommunications, energy and environment, living environment and lifestyle-related, and overseas businesses. The information and telecommunications segment involves the provision of telecommunications, CATV broadcasting, and information software and services. The energy and environment business involves the supply of gas, and facilities construction and maintenance. The living environment and lifestyle-related business involves the real estate and property management. The overseas business involves power generation projects and investments in overseas.

Industry segment information for the Companies for the years ended March 31, 2008 and 2007 is summarized as follows:

Millions of yen

	2008							
	Electric power business	Information and telecom-munications business	Energy and environment business	Living environment and lifestyle-related business	Overseas business	Total	Eliminations	Consolidated
I. Operating revenues and operating income:								
Operating revenues:								
Sales to third parties	¥ 5,168,527	¥ 70,063	¥162,752	¥ 59,774	¥ 18,261	¥ 5,479,380	¥ –	¥ 5,479,380
Inter-segment sales and transfers	593	57,510	210,636	79,707	960	349,409	(349,409)	–
Total	5,169,121	127,574	373,389	139,482	19,222	5,828,790	(349,409)	5,479,380
Operating expenses	5,074,739	121,214	355,713	127,028	14,850	5,693,546	(350,570)	5,342,975
Operating income	¥ 94,381	¥ 6,359	¥ 17,676	¥ 12,454	¥ 4,372	¥ 135,243	¥ 1,160	¥ 136,404
II. Assets, depreciation and capital expenditures:								
Total assets	¥12,699,328	¥102,893	¥578,142	¥347,292	¥222,074	¥13,949,731	¥(270,676)	¥13,679,055
Depreciation and amortization	727,061	11,183	21,434	14,453	2,881	777,014	(4,554)	772,460
Capital expenditures	570,030	14,736	41,224	13,728	28,128	667,848	(3,553)	664,295

Millions of yen

	2007							
	Electric power business	Information and telecom-munications business	Energy and environment business	Living environment and lifestyle-related business	Overseas business	Total	Eliminations	Consolidated
I. Operating revenues and operating income:								
Operating revenues:								
Sales to third parties	¥ 4,952,318	¥113,435	¥151,175	¥ 53,190	¥ 12,913	¥ 5,283,033	¥ –	¥ 5,283,033
Inter-segment sales and transfers	–	62,378	220,398	85,555	982	369,314	(369,314)	–
Total	4,952,318	175,814	371,574	138,745	13,895	5,652,348	(369,314)	5,283,033
Operating expenses	4,426,001	206,828	330,359	125,546	13,915	5,102,652	(370,529)	4,732,122
Operating income (loss)	¥ 526,316	¥ (31,014)	¥ 41,214	¥ 13,198	¥ (19)	¥ 549,696	¥ 1,215	¥ 550,911
II. Assets, depreciation and capital expenditures:								
Total assets	¥12,595,762	¥126,064	¥552,923	¥345,830	¥165,846	¥13,786,427	¥(265,040)	¥13,521,387
Depreciation and amortization	705,328	13,864	19,745	14,830	2,837	756,606	(4,980)	751,625
Capital expenditures	493,950	35,095	27,449	9,932	12,430	578,858	(4,170)	574,687

	Millions of U.S. dollars							
	2008							
	Electric power business	Information and telecom-munications business	Energy and environment business	Living environment and lifestyle-related business	Overseas business	Total	Eliminations	Consolidated
I. Operating revenues and operating income:								
Operating revenues:								
Sales to third parties	$51,587	$ 699	$1,624	$ 597	$ 182	$ 54,690	$ –	$ 54,690
Inter-segment sales and transfers	6	574	2,102	796	10	3,487	(3,487)	–
Total	51,593	1,273	3,727	1,392	192	58,177	(3,487)	54,690
Operating expenses	50,651	1,210	3,550	1,268	148	56,827	(3,499)	53,328
Operating income	$ 942	$ 63	$ 176	$ 124	$ 44	$ 1,350	$ 12	$ 1,361
II. Assets, depreciation and capital expenditures:								
Total assets	$126,752	$1,027	$5,770	$3,466	$2,217	$139,233	$(2,702)	$136,531
Depreciation and amortization	7,257	112	214	144	29	7,755	(45)	7,710
Capital expenditures	5,689	147	411	137	281	6,666	(35)	6,630

As described in Note 3(a), due to the revision of Corporation Tax Law and the related regulation, the Company and domestic subsidiaries have adopted, effective in the current fiscal year, the depreciation method where the residual value of the property, plant and equipment, acquired on or before March 31, 2007 and fully depreciated to the limit prescribed in the previous Corporation Tax Law (95% of acquisition cost) is depreciated by the straight-line method over a period of five years. As a result, operating expenses increased and operating income decreased by ¥45,363 million (US$453 million) in the Electric power business segment, by ¥326 million (US$3 million) in the Information and telecommunications business segment, by ¥412 million (US$4 million) in the Energy and environment business segment, by ¥231 million (US$2 million) in the Living environment and lifestyle-related business segment, and by ¥0 million (US$0 million) in the Overseas business segment.

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.

22

Separation of Business of Fiber-Optics Network Company

The Company concluded a business divestiture agreement with KDDI Corporation ("KDDI"), on October 12, 2006 and transferred the business of Fiber-Optics Network Company ("FONC") to KDDI effective January 1, 2007.

(1) Overview of the split

a. Purpose

The Company and KDDI will combine their operating resources in order to develop a stronger telecommunications service group while providing an integrated telecommunications and electric power service that meets wide-ranging customer needs.

b. Method

KDDI is the successor entity and the Company is the divesting entity.

c. Schedule

Meeting of board of directors to approve the business divestiture agreement:
October 11, 2006 (the Company)
October 12, 2006 (KDDI)

Signing of the business divestiture: October 12, 2006

Date of the divestiture: January 1, 2007

d. Allocation

KDDI allocated 144,569 shares to the Company.

e. Rights and obligations transferred to KDDI
The Company handed over the assets and liabilities relating to the transferred business and certain contractual status concerning the transferred business.

f. Description of transferred business division
FTTH business and optical fiber leasing business operated by FONC

(2) Overview of implemented accounting procedures

a. Net profit from the business transferred: ¥60,700 million

b. Fair book value of assets and liabilities relating to the transferred business and breakdown of major items

Non-current assets:	¥65,810 million	
Current assets:	¥4,687 million	Current liabilities: ¥24,395 million
Total assets:	¥70,498 million	Total liabilities: ¥24,395 million

(3) Approximate amounts of profit/loss for the separated business recorded in the consolidated statement of operations for the year ended March 31, 2007

a. Operating revenue: ¥14,326 million

b. Operating expenses: ¥50,964 million

c. Operating loss: ¥36,638 million

23 Subsequent Event

The following appropriation of retained earnings of the Company, which has not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2008, was approved at a shareholders' meeting held on June 26, 2008:

	Millions of yen	Millions of U.S. dollars
Cash dividends – ¥30 (U.S.$0.30) per share	¥40,510	$404

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 (the "Company") and consolidated subsidiaries as of March 31, 2008 and 2007, and the related consolidated statements of operations, changes in net assets, 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, 2008 and 2007, 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.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2008 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.

June 26, 2008

Ernst & Young ShinNihon

Non-Consolidated Balance Sheets

The Tokyo Electric Power Company, Incorporated
March 31

ASSETS	Millions of yen		Millions of U.S. dollars (Note 2)
	2008	2007	2008
Property, plant and equipment	¥ 28,544,344	¥ 28,314,070	$ 284,902
Construction in progress	607,894	532,462	6,067
	29,152,239	28,846,533	290,970
Less:			
Contributions in aid of construction	(337,987)	(316,716)	(3,373)
Accumulated depreciation	(19,727,928)	(19,164,616)	(196,905)
	(20,065,915)	(19,481,332)	(200,279)
Property, plant and equipment, net (Notes 4 and 6)	9,086,323	9,365,200	90,691
Nuclear fuel:			
Loaded nuclear fuel	154,373	141,768	1,541
Nuclear fuel in processing	769,588	755,050	7,681
	923,961	896,819	9,222
Investments and other:			
Long-term investments	591,889	796,940	5,908
Investments in subsidiaries and affiliates (Note 5)	510,327	485,517	5,094
Trust funds for reprocessing of irradiated nuclear fuel	517,942	346,505	5,170
Deferred tax assets (Note 7)	423,015	267,131	4,222
Other	196,173	84,665	1,958
	2,239,347	1,980,761	22,351
Current assets:			
Cash	67,959	54,651	678
Accounts receivable—customers	357,951	354,030	3,573
Fuel exclusive of nuclear fuel, materials and supplies	146,799	134,331	1,465
Other (Note 7)	235,389	138,228	2,349
	808,099	681,241	8,066
Total assets	¥ 13,057,731	¥ 12,924,022	$ 130,330

LIABILITIES AND NET ASSETS	Millions of yen		Millions of U.S. dollars (Note 2)
	2008	2007	2008
Long-term liabilities and reserves:			
Long-term debt	¥ 6,014,381	¥ 5,697,870	$ 60,030
Other long-term liabilities	47,623	41,525	475
Reserve for reprocessing of irradiated nuclear fuel	1,264,049	1,275,718	12,617
Accrued employees' retirement benefits	384,786	400,146	3,841
Reserve for decommissioning costs of nuclear power units	475,170	393,013	4,743
Reserve for loss on disaster	164,503	–	1,642
	8,350,515	7,808,274	83,347
Current liabilities:			
Current portion of long-term debt	822,594	877,314	8,210
Current portion of other long-term liabilities	4,773	2,196	48
Short-term loans	348,000	348,000	3,473
Commercial paper	295,000	260,000	2,944
Trade accounts payable	369,832	175,927	3,691
Accrued income taxes	356	113,897	4
Deposits from employees and others	3,754	4,912	37
Other	462,893	537,978	4,620
	2,307,205	2,320,225	23,028
Reserve for fluctuation in water levels	17,310	22,313	173
Total liabilities	10,675,031	10,150,813	106,548
Net assets:			
Shareholders' equity (Notes 10 and 11):			
Common stock, without par value:			
Authorized — 1,800,000,000 shares			
Issued — 1,352,867,531 shares in 2008 and 2007	676,434	676,434	6,752
Capital surplus	19,126	19,071	191
Retained earnings	1,661,590	1,940,500	16,584
Treasury stock, at cost:			
2,514,091 shares in 2008 and			
2,401,689 shares in 2007	(6,599)	(6,133)	(66)
Total shareholders' equity	2,350,552	2,629,873	43,461
Valuation, translation adjustments and other:			
Net unrealized holding gain on securities	32,140	143,335	321
Net deferred gain on hedges	8	–	0
Total valuation, translation adjustments and other	32,148	143,335	321
Total net assets	2,382,700	2,773,208	23,782
Total liabilities and net assets	¥13,057,731	¥12,924,022	$130,330

See notes to non-consolidated financial statements.

Non-Consolidated Statements of Operations

The Tokyo Electric Power Company, Incorporated
Years ended March 31

	Millions of yen		Millions of U.S. dollars (Note 2)
	2008	2007	2008
Operating revenues:			
Residential	¥2,096,254	¥1,983,498	$20,923
Commercial and industrial	2,818,485	2,721,112	28,131
Other	309,650	310,477	3,091
	5,224,389	5,015,089	52,145
Operating expenses (Notes 6 and 8):			
Fuel	1,755,167	1,062,727	17,518
Purchased power	773,172	650,636	7,717
Depreciation	726,266	704,572	7,249
Maintenance	432,172	459,075	4,314
Personnel	337,761	458,963	3,371
Taxes other than income taxes	303,375	311,967	3,028
Other	801,455	871,182	7,999
	5,129,372	4,519,126	51,196
Operating income	95,017	495,962	948
Other (income) expenses:			
Interest and dividend income	(20,480)	(17,046)	(204)
Interest expense	143,078	148,000	1,428
Gain on revision of retirement benefit plan	(18,635)	–	(186)
Gain on business transfer	–	(60,700)	–
Loss on disaster	191,046	–	1,907
Provision for decommissioning costs of nuclear power units for prior periods	62,541	–	624
Loss on financial assistance for affiliates	12,079	–	121
Gain on disposal of fixed assets, net	(3,651)	(609)	(36)
Bond issuance expenses	2,203	1,207	22
Foreign exchange gains, net	(5,151)	(803)	(51)
Other, net	2,589	(6,862)	26
	365,619	63,184	3,649
(Loss) income before special item and income taxes	(270,601)	432,777	(2,701)
Special item:			
(Reversal of) provision for reserve for fluctuation in water levels	(5,003)	5,949	(50)
(Loss) income before income taxes	(265,598)	426,827	(2,651)
Income taxes (Note 7):			
Current	224	179,313	2
Deferred	(88,194)	(14,641)	(880)
	(87,970)	164,672	(878)
Net (loss) income	¥ (177,627)	¥ 262,155	$ (1,773)

	Yen		U.S. dollars (Note 2)
Per share of common stock:			
Net (loss) income (basic)	¥(131.54)	¥194.10	$(1.31)
Cash dividends	65.00	70.00	0.65

See notes to non-consolidated financial statements.

Non-Consolidated Statements of Changes in Net Assets

The Tokyo Electric Power Company, Incorporated
Years ended March 31

	Year ended March 31, 2008							
	Millions of yen							
	Shareholders' equity					Valuation, translation adjustments and other		
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on securities	Net deferred gain on hedges	Total net assets
Balance at March 31, 2007	¥676,434	¥19,071	¥1,940,500	¥(6,133)	¥2,629,873	¥ 143,335	¥–	¥2,773,208
Cash dividends			**(101,281)**		**(101,281)**			**(101,281)**
Net loss			**(177,627)**		**(177,627)**			**(177,627)**
Purchases of treasury stock				**(788)**	**(788)**			**(788)**
Sales of treasury stock		**54**		**322**	**377**			**377**
Net changes in items other than shareholders' equity						**(111,195)**	**8**	**(111,187)**
Total changes		**54**	**(278,909)**	**(465)**	**(279,320)**	**(111,195)**	**8**	**(390,508)**
Balance at March 31, 2008	**¥676,434**	**¥19,126**	**¥1,661,590**	**¥(6,599)**	**¥2,350,552**	**¥ 32,140**	**¥8**	**¥2,382,700**

	Year ended March 31, 2007						
	Millions of yen						
	Shareholders' equity					Valuation, translation adjustments and other	
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on securities	Total net assets
Balance at March 31, 2006	¥676,434	¥19,014	¥1,759,510	¥(5,117)	¥2,449,841	¥105,171	¥2,555,012
Cash dividends			(81,040)		(81,040)		(81,040)
Bonuses to directors			(125)		(125)		(125)
Net income			262,155		262,155		262,155
Purchases of treasury stock				(1,161)	(1,161)		(1,161)
Sales of treasury stock		57		145	203		203
Net changes in items other than shareholders' equity						38,164	38,164
Total changes		57	180,989	(1,015)	180,031	38,164	218,195
Balance at March 31, 2007	¥676,434	¥19,071	¥1,940,500	¥(6,133)	¥2,629,873	¥143,335	¥2,773,208

	Year ended March 31, 2008							
	Millions of U.S. dollars (Note 2)							
	Shareholders' equity					Valuation, translation adjustments and other		
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on securities	Net deferred gain on hedges	Total net assets
Balance at March 31, 2007	$6,752	$190	$19,368	$(61)	$26,249	$ 1,431	$–	$27,679
Cash dividends			**(1,011)**		**(1,011)**			**(1,011)**
Net loss			**(1,773)**		**(1,773)**			**(1,773)**
Purchases of treasury stock				**(8)**	**(8)**			**(8)**
Sales of treasury stock		**1**		**3**	**4**			**4**
Net changes in items other than shareholders' equity						**(1,110)**	**0**	**(1,110)**
Total changes		**1**	**(2,784)**	**(5)**	**(2,788)**	**(1,110)**	**0**	**(3,898)**
Balance at March 31, 2008	**$6,752**	**$191**	**$16,584**	**$(66)**	**$23,461**	**$ 321**	**$0**	**$23,782**

See notes to consolidated financial statements.

Notes to Non-Consolidated Financial Statements

The Tokyo Electric Power Company, Incorporated
March 31, 2008

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 Corporation Law 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. As permitted by the provision of the Corporation Law 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 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 ¥100.19 = US$1.00, the approximate rate of exchange in effect on March 31, 2008, 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

(a) Accounting Method of Depreciation for Property, Plant and Equipment

The Company has changed the depreciation method for the property, plant and equipment acquired on or after April 1, 2007 due to the revision of Corporation Tax Law and the related regulation. The effect of this adoption was immaterial.

Due to the revision of Corporation Tax Law and the related regulation, the Company has adopted, effective in the current fiscal year, the following depreciation method where the residual value of the property, plant and equipment, acquired on or before March 31, 2007 and fully depreciated to the limit prescribed in the previous Corporation Tax Law (95% of acquisition cost) is depreciated by the straight-line method over a period of five years. As a result, depreciation and loss before income taxes increased and operating income decreased by ¥45,332 million (US$452 million), respectively.

(b) Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures

Effective April 1, 2006, the Company has adopted the "Accounting Standard for Business Combinations," "Accounting Standard for Business Divestitures," and "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures."

(c) Accounting Standard for Directors' Bonuses

Effective April 1, 2006, the Company has adopted a new accounting standard for directors' bonuses.

The effect of this adoption was immaterial.

4

Property, Plant and Equipment

The major classifications of property, plant and equipment at March 31, 2008 and 2007 were as follows:

	Millions of yen			
As of March 31, 2008:	Acquisition costs	Contributions in aid of construction	Accumulated depreciation	Net book value
Hydroelectric power production facilities	**¥ 1,771,919**	**¥ 9,272**	**¥ 971,225**	**¥ 791,421**
Thermal power production facilities	**5,335,390**	**51,908**	**4,166,912**	**1,116,570**
Nuclear power production facilities	**5,060,472**	**4,421**	**4,376,566**	**679,484**
Internal combustion engine power production facilities	**38,627**	**156**	**26,919**	**11,551**
Transmission facilities	**7,141,590**	**162,851**	**4,597,048**	**2,381,690**
Transformation facilities	**3,359,330**	**43,125**	**2,367,775**	**948,429**
Distribution facilities	**5,183,161**	**43,149**	**2,846,682**	**2,293,329**
Incidental business facilities	**100,535**	**400**	**28,983**	**71,151**
General facilities	**553,315**	**22,701**	**332,967**	**197,647**
Construction in progress	**607,894**	**–**	**12,845**	**595,048**
	¥29,152,239	**¥337,987**	**¥19,727,298**	**¥9,086,323**

	Millions of yen			
As of March 31, 2007:	Acquisition costs	Contributions in aid of construction	Accumulated depreciation	Net book value
Hydroelectric power production facilities	¥ 1,772,849	¥ 8,831	¥ 928,411	¥ 835,606
Thermal power production facilities	5,276,574	33,263	4,040,314	1,202,996
Nuclear power production facilities	5,060,676	4,061	4,317,163	739,452
Internal combustion engine power production facilities	35,725	156	26,133	9,435
Transmission facilities	7,096,696	162,035	4,443,813	2,490,847
Transformation facilities	3,338,224	43,410	2,307,951	986,863
Distribution facilities	5,103,678	42,326	2,746,782	2,314,569
Incidental business facilities	87,555	165	23,342	64,047
General facilities	542,089	22,466	324,489	195,133
Construction in progress	532,462	–	6,216	526,246
	¥28,846,533	¥316,716	¥19,164,616	¥9,365,200

As of March 31, 2008:	Millions of U.S. dollars			
	Acquisition costs	Contributions in aid of construction	Accumulated depreciation	Net book value
Hydroelectric power production facilities	$ 17,686	$ 93	$ 9,694	$ 7,899
Thermal power production facilities	53,253	518	41,590	11,145
Nuclear power production facilities	50,509	44	43,683	6,782
Internal combustion engine power production facilities	386	2	269	115
Transmission facilities	71,280	1,625	45,883	23,772
Transformation facilities	33,530	430	23,633	9,466
Distribution facilities	51,733	431	28,413	22,890
Incidental business facilities	1,003	4	289	710
General facilities	5,523	227	3,323	1,973
Construction in progress	6,067	–	128	5,939
	$290,970	$3,373	$196,905	$90,691

5 Investments in Affiliates

At March 31, 2008 and 2007, investments in affiliates for which market prices were available were as follows:

	Millions of yen						Millions of U.S. dollars		
	2008			2007			2008		
	Book carrying value	Market value	Unrealized holding gain	Book carrying value	Market value	Unrealized holding gain	Book carrying value	Market value	Unrealized holding gain
Investments in affiliates	¥14,843	¥66,008	¥51,164	¥14,843	¥100,730	¥85,886	$148	$659	$511

6 Leases

(a) Lessee's Accounting

The following pro forma amounts represent the acquisition costs, accumulated depreciation and net book value of the leased assets at March 31, 2008 and 2007, which would have been reflected in the non-consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	March 31, 2008					
	Millions of yen			Millions of U.S. dollars		
	Acquisition costs	Accumulated depreciation	Net book value	Acquisition costs	Accumulated depreciation	Net book value
Nuclear power production facilities	**¥22,298**	**¥10,877**	**¥11,420**	**$223**	**$109**	**$114**
General facilities	**18,560**	**11,191**	**7,369**	**185**	**112**	**74**
Other	**16,196**	**7,535**	**8,660**	**162**	**75**	**86**
Total	**¥57,054**	**¥29,604**	**¥27,450**	**$569**	**$295**	**$274**

	March 31, 2007		
	Millions of yen		
	Acquisition costs	Accumulated depreciation	Net book value
Nuclear power production facilities	¥20,760	¥ 9,276	¥11,484
General facilities	23,134	13,214	9,919
Other	11,992	5,462	6,530
Total	¥55,887	¥27,952	¥27,934

Lease expenses related to finance leases accounted for as operating leases for the years ended March 31, 2008 and 2007 amounted to ¥9,378 million (US$94 million) and ¥9,090 million, respectively.

Depreciation expense related to finance leases accounted for as operating leases amounting to ¥9,378 million (US$94 million) and ¥9,090 million for the years ended March 31, 2008 and 2007, 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, 2008 for finance leases accounted for as operating leases are summarized as follows:

Years ending March 31,	Millions of yen	Millions of U.S. dollars
2009	¥ 9,451	$ 94
2010 and thereafter	17,998	180
Total	¥27,450	$274

(b) Lessor's 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, 2008 and 2007:

	March 31, 2008					
	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	**¥18,696**	**¥10,585**	**¥8,111**	**$187**	**$106**	**$81**
Other property, plant and equipment	**313**	**88**	**224**	**3**	**1**	**2**
Total	**¥19,009**	**¥10,674**	**¥8,335**	**$190**	**$107**	**$83**

	March 31, 2007		
	Millions of yen		
	Acquisition costs	Accumulated depreciation	Net book value
Other electricity related assets	¥16,192	¥6,999	¥9,192
Other property, plant and equipment	313	51	261
Total	¥16,505	¥7,051	¥9,453

Lease income relating to finance leases accounted for as operating leases in the accompanying non-consolidated financial statements amounted to ¥1,647 million (US$16 million) and ¥1,267 million for the years ended March 31, 2008 and 2007, respectively. Depreciation of the assets leased under finance leases accounted for as operating leases amounted to ¥3,622 million (US$36 million) and ¥3,343 million for the years ended March 31, 2008 and 2007, respectively.

Future minimum lease income (including the interest portion thereon) subsequent to March 31, 2008 for finance leases accounted for as operating leases is summarized as follows:

Years ending March 31,	Millions of yen	Millions of U.S. dollars
2009	¥ 1,751	$ 17
2010 and thereafter	19,855	198
Total	¥21,606	$216

Future minimum lease income subsequent to March 31, 2008 for operating leases is summarized as follows:

Years ending March 31,	Millions of yen	Millions of U.S. dollars
2009	¥ 410	$ 4
2010 and thereafter	2,046	20
Total	¥2,456	$25

7 Income Taxes

Income taxes applicable to the Company comprise corporation and inhabitants' taxes, which, in the aggregate, resulted in a statutory tax rate of approximately 36% in 2008 and 2007.

The significant components of deferred tax assets and liabilities as of March 31, 2008 and 2007 were as follows:

	Millions of yen		Millions of U.S. dollars
	2008	2007	**2008**
Deferred tax assets:			
Accrued employees' retirement benefits	**¥139,554**	¥145,214	**$1,393**
Reserve for loss on disaster	**59,566**	–	**595**
Tax loss carryforwards	**59,348**	–	**592**
Depreciation and amortization	**57,335**	56,753	**572**
Reserve for decommissioning costs of nuclear power units	**56,130**	32,791	**560**
Reserve for reprocessing of irradiated nuclear fuel	**55,510**	68,879	**554**
Deferred expenses for tax purposes	**20,484**	22,942	**204**
Easement on the transmission line right-of-way	**–**	12,642	**–**
Other	**103,155**	76,559	**1,030**
	551,085	415,783	**5,500**
Valuation allowance	**(41,655)**	(33,284)	**(416)**
Total deferred tax assets	**509,429**	382,499	**5,085**
Deferred tax liabilities:			
Prepaid pension cost	**(37,390)**	–	**(373)**
Unrealized holding gain on securities	**(19,739)**	(81,418)	**(197)**
Other	**(157)**	(177)	**(2)**
Total deferred tax liabilities	**(57,287)**	(81,595)	**(572)**
Net deferred tax assets	**¥452,142**	¥300,904	**$4,513**

The differences between the effective tax rate reflected in the accompanying consolidated statements of income for the years ended March 31, 2008 and 2007 and the statutory tax rate were as follows:

	2008	2007
Statutory tax rate	**36.2%**	36.2%
Change in valuation allowance	**(3.2)**	3.0
Other	**0.1**	(0.6)
Effective tax rate	**33.1%**	38.6%

8 Research and Development Costs

Research and development costs included in operating expenses for the years ended March 31, 2008 and 2007 totaled ¥38,164 million (US$381 million) and ¥32,844 million, respectively.

9 Contingent Liabilities

At March 31, 2008, contingent liabilities totaled ¥698,457 million (US$6,971 million), of which ¥375,863 million (US$3,752 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, ¥22 million (US$0 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, ¥252,593 million (US$2,521 million) consisted of guarantees given in connection with housing loans made to employees of the Company.

The remainder of ¥70,000 million (US$699 million) represents the debt assigned by the Company to certain banks under debt assumption agreements.

10 Shareholders' Equity

The Corporation Law of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve or the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. The capital reserve amounted to ¥19,014 million (US$190 million), and the legal reserve amounted to ¥169,108 million (US$1,688 million) at March 31, 2008. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met, but neither the capital reserve nor the legal reserve is available for distributions.

11 Subsequent Event

The following appropriation of retained earnings of the Company, which has not been reflected in the accompanying non-consolidated financial statements for the year ended March 31, 2008, was approved at a shareholders' meeting held on June 26, 2008:

	Millions of yen	Millions of U.S. dollars
Cash dividends – ¥30 (U.S.$0.30) per share	¥40,510	$404

Report of Independent Auditors

ERNST & YOUNG SHINNIHON

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Tel: 03 3503 1100
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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 (the "Company") as of March 31, 2008 and 2007, and the related non-consolidated statements of operations and changes in net assets 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, 2008 and 2007, and the non-consolidated results of its operations for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2008 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.

June 26, 2008

Ernst & Young ShinNihon

Bond Issues and Maturities (Non-Consolidated)

April 1, 2007 to March 31, 2008

(Millions of yen, unless otherwise indicated)

Issue	Issue date	Issue amount	Amount at maturity	Outstanding as of March 31, 2008	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											
423	February 28, 1994	150,000	21,600	128,400	100.00	4.75	General mortgage	February 28, 2014	128,400		Funds from bond issues have been used for capital expenditures.
425	July 29, 1994	100,000	25,700	74,300	99.80	5.0		July 29, 2014	74,300		
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	50,400	99,600	100.00	4.1		May 29, 2015	99,600		
429	August 24, 1995	150,000	150,000		100.00	3.1		August 24, 2007			
431	February 28, 1996	100,000	100,000		100.00	3.25		February 28, 2008			
433	April 30, 1996	150,000	44,500	105,500	100.00	3.45		April 30, 2008		105,500	
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	100,000		100.00	2.5		May 15, 2007			
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	100,000		100.00	2.625		July 31, 2007			
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	7,200	42,800	100.00	3.075		September 22, 2017	42,800		
442	December 19, 1997	50,000	50,000		100.00	2.2		December 19, 2007			
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			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			Note
448	April 17, 1998	70,000	12,700	57,300	100.00	2.775		April 17, 2018	57,300		Note
449	April 17, 1998	50,000		50,000	100.00	2.1		April 17, 2008		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
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	5,500	44,500	100.00	2.7		January 29, 2019	44,500		Note
460	March 17, 1999	50,000		50,000	100.00	2.4		March 17, 2011	50,000		Note
462	April 15, 1999	50,000		50,000	100.00	2.0		April 15, 2009	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	7,500	42,500	100.00	2.8		September 17, 2019	42,500		Note
467	December 9, 1999	50,000		50,000	100.00	1.825		December 9, 2009	50,000		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
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
478	February 23, 2001	50,000		50,000	100.00	1.68		February 23, 2011	50,000		Note
480	March 14, 2001	50,000		50,000	100.00	1.54		March 14, 2011	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
485	June 22, 2001	50,000		50,000	100.00	1.38		June 22, 2011	50,000		Note
487	October 26, 2001	50,000		50,000	100.00	1.445		October 26, 2011	50,000		Note
489	November 15, 2001	100,000		100,000	100.00	1.39		November 15, 2011	100,000		Note
491	January 31, 2002	50,000		50,000	100.00	1.49		January 31, 2012	50,000		Note

(Millions of yen, unless otherwise indicated)

Issue	Issue date	Issue amount	Amount at maturity	Outstanding as of March 31, 2008	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											
493	April 26, 2002	100,000		100,000	100.00	1.49	General mortgage	April 26, 2012	100,000		Note
494	May 14, 2002	50,000	50,000		100.00	0.59		May 14, 2007			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			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
516	April 27, 2005	50,000		50,000	100.00	1.42		April 27, 2015	50,000		Note
517	June 15, 2005	50,000		50,000	100.00	1.355		June 15, 2015	50,000		Note
518	August 12, 2005	100,000		100,000	100.00	1.36		August 12, 2015	100,000		Note
519	December 28, 2005	50,000		50,000	100.00	1.59		December 28, 2015	50,000		Note
520	May 31, 2006	50,000		50,000	100.00	2.08		May 31, 2016	50,000		Note
521	June 27, 2006	50,000		50,000	100.00	1.97		June 27, 2016	50,000		Note
522	August 31, 2006	50,000		50,000	100.00	2.06		August 31, 2016	50,000		Note
523	September 28, 2006	50,000		50,000	100.00	1.88		September 28, 2016	50,000		Note
524	March 14, 2007	50,000		50,000	100.00	1.795		March 14, 2017	50,000		Note
525	March 28, 2007	50,000		50,000	100.00	1.73		March 28, 2017	50,000		Note
526	May 31, 2007	50,000		50,000	100.00	1.78		May 31, 2017	50,000		Note
527	May 30, 2007	50,000		50,000	100.00	1.5		May 30, 2014	50,000		Note
528	June 13, 2007	50,000		50,000	100.00	1.905		June 13, 2019	50,000		Note
529	July 25, 2007	50,000		50,000	100.00	2.025		July 25, 2017	50,000		Note
530	August 28, 2007	50,000		50,000	100.00	1.945		August 28, 2017	50,000		Note
531	September 25, 2007	100,000		100,000	100.00	1.845		September 25, 2017	100,000		Note
532	September 28, 2007	50,000		50,000	100.00	1.75		September 28, 2017	50,000		Note
533	October 29, 2007	50,000		50,000	100.00	1.55		October 29, 2014	50,000		Note
534	October 29, 2007	50,000		50,000	100.00	2.055		October 29, 2019	50,000		Note
535	November 30, 2007	50,000		50,000	100.00	1.772		November 30, 2017	50,000		Note
536	January 29, 2008	50,000		50,000	100.00	1.672		January 29, 2018	50,000		Note
537	February 28, 2008	50,000		50,000	100.00	1.814		February 28, 2020	50,000		Note
538	February 28, 2008	50,000		50,000	100.00	0.843		February 28, 2011	50,000		Note
539	March 28, 2008	50,000		50,000	100.00	1.591		March 28, 2018	50,000		Note
Domestic bond total		5,980,000	989,100	4,990,900					4,405,400	585,500	

Funds from bond issues have been used for capital expenditures.

(Millions of yen, unless otherwise indicated)

Issue	Issue date	Issue amount	Amount at maturity	Outstanding as of March 31, 2008	Par value (¥)	Coupon rate (% per annum)	Mortgage (Type, subject property, seniority)	Maturity date	Details of maturities		Application
									Non-current maturities	Others	
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	General mortgage	June 13, 2007			Funds from bond issues have been used for capital expenditures.
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
4th Euro-denominated TEPCO bond	March 24, 2004	134,081 [998,597 thousand Euro]		134,081 [998,597 thousand Euro]	99.763	4.50		March 24, 2014	134,081 [998,597 thousand Euro]		Note
16th Swiss franc-denominated TEPCO bond	February 14, 2007	29,143 [301,476 thousand Swiss franc]		29,143 [301,476 thousand Swiss franc]	100.642	2.75		February 14, 2012	29,143 [301,476 thousand Swiss franc]		Note
Overseas bond total		347,175 [301,476 thousand Swiss franc] [500,000 thousand U.S. dollar] [1,998,597 thousand Euro]	58,100 [500,000 thousand U.S. dollar]	289,075 [301,476 thousand Swiss franc] [1,998,597 thousand Euro]					289,075 [301,476 thousand Swiss franc] [1,998,597 thousand Euro]		
Total		6,327,175	1,047,200	[Increase for the fiscal year 57,894] 5,279,975		1.893			4,694,475	585,500	

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 2001: TEPCO bond number 426 (¥70,000 million of total)
Contingent redemption obligations relevant to bond holders are presented in Note 9 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 449, TEPCO bonds 451 to 452, TEPCO bonds 454 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 460, TEPCO bond 462, TEPCO bonds 464 to 467, TEPCO bonds 470 to 473, TEPCO bonds 475 to 476, TEPCO bond 478, TEPCO bond 480, TEPCO bonds 482 to 483, TEPCO bond 485, TEPCO bond 487, TEPCO bond 489, TEPCO bond 491, TEPCO bonds 493 to 503, TEPCO bonds 511 to 512, TEPCO bonds 516 to 539, the 2nd Euro-denominated TEPCO bond, the 4th Euro-denominated TEPCO bond, and the 16th Swiss franc-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.

Corporate Information

As of March 31, 2008

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
38,234 (Non-consolidated)

Overseas Offices
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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
811,725

Shareholders' Meeting
June

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

Accounting Auditor
Ernst & Young ShinNihon

Transfer Agent
Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan

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

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

Credit Ratings (Long-Term Debt) (As of June 30, 2008)

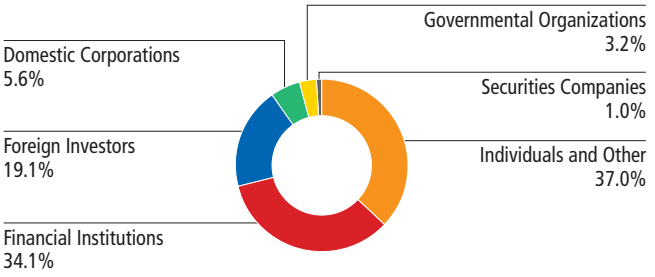
Standard and Poor's Ratings Services	AA (negative)
Moody's Investors Service, Inc.	Aa2 (stable)
Rating and Investment Information, Inc.	AA+ (stable)
Japan Credit Rating Agency, Ltd.	AAA (stable)

Major Shareholders

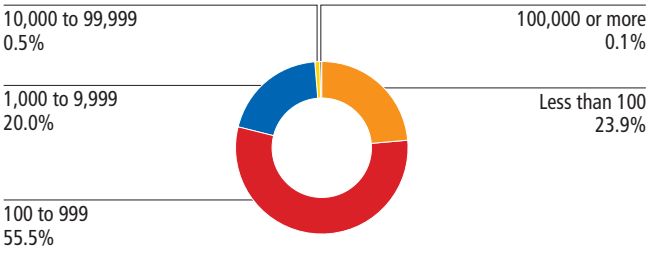
Name	Number of Shares Held (Thousands)
The Dai-ichi Mutual Life Insurance Company	55,001
Nippon Life Insurance Company	52,800
The Master Trust Bank of Japan, Ltd. (Trust Account)	45,870
Japan Trustee Services Bank, Ltd. (Trust Account)	43,420
Tokyo Metropolitan Government	42,676
Sumitomo Mitsui Banking Corporation	35,927
Mizuho Corporate Bank, Ltd.	29,791
Japan Trustee Services Bank, Ltd. (Trust Account 4)	21,230
State Street Bank and Trust Company	17,565
TEPCO Employees' Shareholding Association	15,425

Breakdown of Shareholders

Shareholdings by Type of Shareholder



Shareholders by Number of Shares Held



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TOKYO ELECTRIC POWER COMPANY

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