Annual Report 2009

Year ended March 31, 2009

Proud Tradition, Positive Change

TOKYO ELECTRIC POWER COMPANY

Contents

1 Profile / TEPCO Snapshot

2 Consolidated Financial Highlights

Messages from the Management

4 To Our Shareholders and Investors

5 An Interview with President Masataka Shimizu

13 Message from the Director of Corporate Planning

14 Message from the Director of Accounting & Treasury

Feature: Proud Tradition, Positive Change

16 Part I: The Best Generation Mix
Restructuring Our Generation Facilities for Flexibility and Resilience

19 Part II: Sales Growth
Steady and Effective Marketing and Sales

Review of Operations

22 TEPCO at a Glance

23 The Electric Power Business

26 Businesses Other than Electric Power

27 Research and Development, and Intellectual Property Activities

28 Major Facilities

Foundations of Management

29 Corporate Social Responsibility (CSR) at the TEPCO Group

32 Corporate Governance

36 Board of Directors, Auditors and Executive Officers

38 Organization Chart

39 Major Subsidiaries and Affiliated Companies

Financial Section

40 Consolidated 11-Year Summary

42 Financial Review

48 Consolidated

70 Non-Consolidated

80 Bond Issues and Maturities (Non-Consolidated)

83 Corporate Information (Inside Back Cover)

Fiscal Year Reference

Starting from the fiscal year under review, TEPCO has changed reference to fiscal years in English-language annual reports from ending date to starting date as in Japanese publications. Accordingly, the fiscal year that began on April 1, 2008 and ended March 31, 2009, which was formerly called fiscal 2009, is now called fiscal 2008.

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

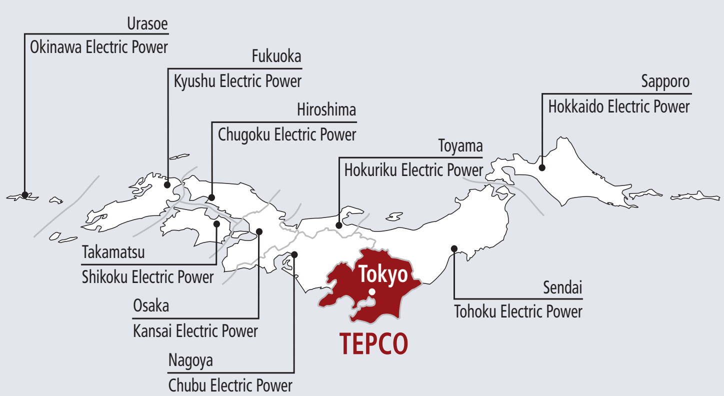
The Tokyo Electric Power Company, Incorporated (TEPCO) was established in 1951 to supply electric power to the Tokyo metropolitan area, and for more than half a century has continued to support society and public life with low-cost, high-quality electric power.

TEPCO now faces an extremely challenging management environment due to factors including damage to the Company's major power plant, the Kashiwazaki-Kariwa Nuclear Power Station, as a result of the July 2007 Niigataken Chuetsu-Oki Earthquake, in addition to the effect of a rapid worsening of the global economy.

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 its business philosophy of contributing to better lifestyles and environments by providing superior energy services.

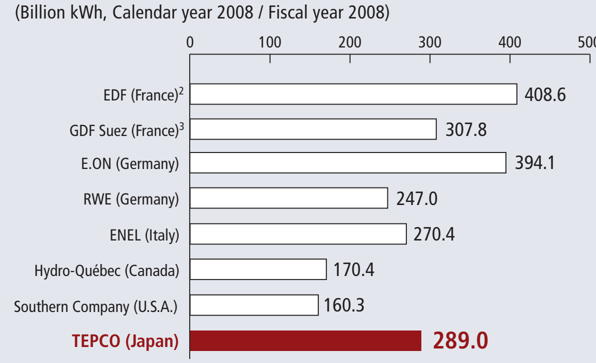
TEPCO Snapshot

Service Areas of Japan's Ten Electric Power Companies



Sales of Major Electric Power Companies[1]

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

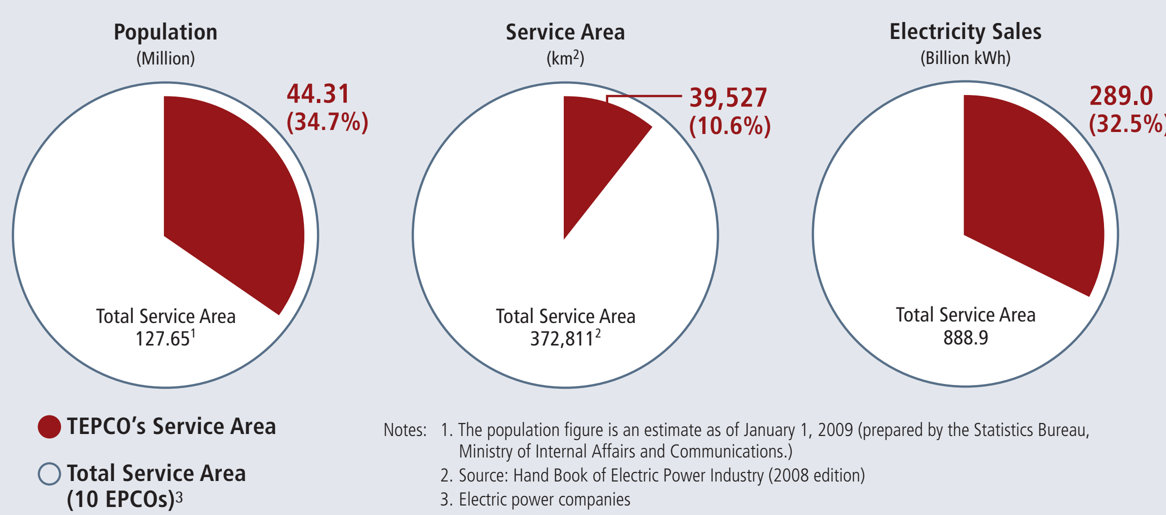


Notes: 1. Figures include overseas sales and exclude wholesale power market sales unless otherwise noted.
2. Domestic sales only
3. Includes wholesale power market sales. Sales outside of France by Electrabel S.A. (Belgium) and other overseas group companies account for most of this figure.

Source: Annual reports of each company, etc.

TEPCO's Position in the Japanese Electric Power Industry

(As of March 31, 2009 unless otherwise noted)

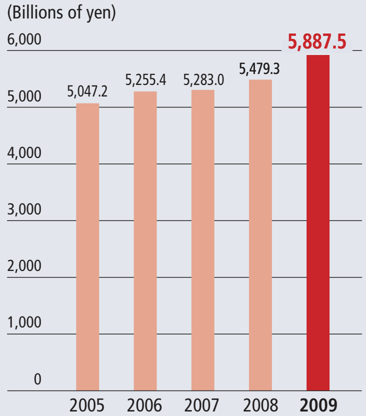


Notes: 1. The population figure is an estimate as of January 1, 2009 (prepared by the Statistics Bureau, Ministry of Internal Affairs and Communications.)
2. Source: Hand Book of Electric Power Industry (2008 edition)
3. Electric power companies

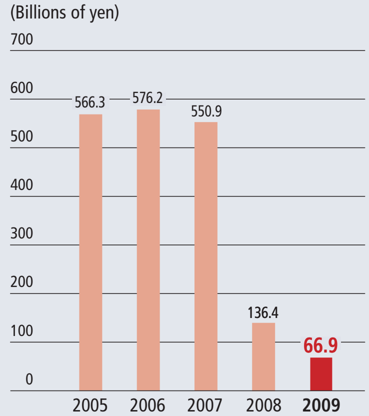
Consolidated Financial Highlights

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries

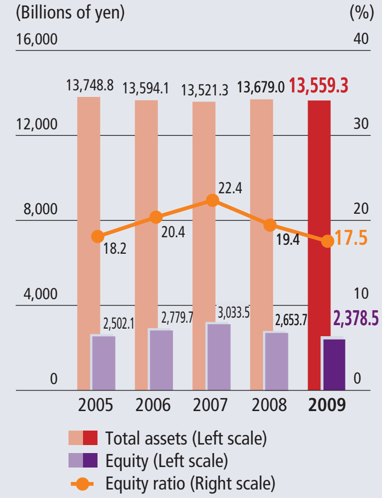
Operating Revenues



Operating Income



Total Assets, Equity and Equity Ratio



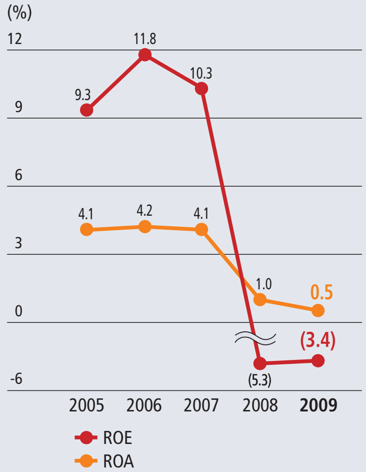
(As of / Years ended March 31)

	Millions of yen, unless otherwise noted			Millions of U.S. dollars, unless otherwise noted (Note 1)
	2009	2008	2007	**2009**
Years ended March 31:				
Operating revenues	**¥ 5,887,576**	¥ 5,479,380	¥ 5,283,033	**$ 59,936**
Operating income	**66,935**	136,404	550,911	**681**
Net (loss) income	**(84,518)**	(150,108)	298,154	**(860)**
Electricity sales (million kWh) (Note 2)	**288,956**	297,397	287,622	
Per share of common stock (Yen and U.S. dollars):				
Net (loss) income (basic)	**¥ (62.65)**	¥ (111.26)	¥ 220.96	**$ (0.64)**
Cash dividends	**60.00**	65.00	70.00	**0.61**
Equity	**1,763.32**	1,967.03	2,248.34	**17.95**
As of March 31:				
Equity (Note 3)	**¥ 2,378,581**	¥ 2,653,762	¥ 3,033,537	**$ 24,214**
Total assets	**13,559,309**	13,679,055	13,521,387	**138,036**
Interest-bearing debt	**7,938,087**	7,675,722	7,388,605	**80,811**
Financial ratios:				
ROA (%) (Note 4)	**0.5**	1.0	4.1	
ROE (%) (Note 5)	**(3.4)**	(5.3)	10.3	
Equity ratio (%)	**17.5**	19.4	22.4	

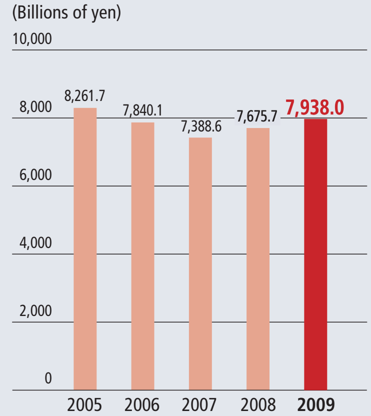
Notes: 1. All dollar amounts herein refer to U.S. currency. Yen amounts have been translated, solely for the convenience of the reader, at the rate of ¥98.23 to US$1.00 prevailing on March 31, 2009.
2. Non-consolidated data
3. Equity = Total net assets – Stock acquisition rights – Minority interests
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 percentages have been rounded to the nearest unit.

Please see pages 40-41 for an in-depth 11-year summary.

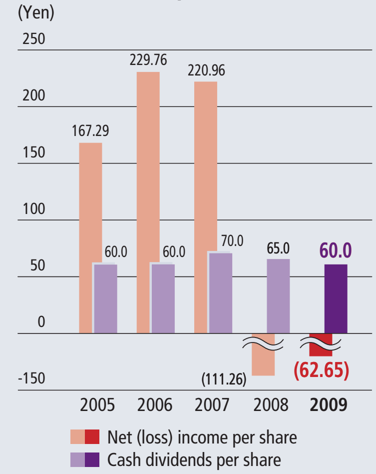
ROA and ROE



Interest-Bearing Debt



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



Segment Overview

(Years ended March 31)

	Operating Revenues (%)	Operating Revenues (Billions of yen) 2007	2008	2009	Overview
Electric Power Business	89.2%	4,952.3	5,169.1	5,554.2	> Electricity supply
Information and Telecommunications Business	1.7%	175.8	127.5	104.1	> Telecommunications business; computerized information processing, development and maintenance of computer software; cable television business; installation site leasing for and maintenance, management and operation of computer, telecommunications and other equipment
Energy and Environment Business	6.7%	371.5	373.3	418.9	> Gas supply business; services related to energy facilities; maintenance and repair of power generation and other facilities; operation and maintenance of environmental protection and other facilities; maintenance of transmission, transformation and other facilities; design and maintenance of distribution facilities; sales of crude oil and petroleum products; repair and adjustment of electricity meters; heat supply; cargo and vehicle transportation business
Living Environment and Lifestyle-Related Business	2.1%	138.7	139.4	133.5	> Leasing and management of real estate; operation and management of exhibition pavilions and show rooms
Overseas Business	0.3%	13.8	19.2	17.1	> Overseas consulting business; investment in overseas businesses; overseas power generation business

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

Messages from the Management

To Our Shareholders and Investors

Tsunehisa Katsumata, Chairman　　Masataka Shimizu, President

Fiscal 2009, the year ending March 31, 2010, is critical for the TEPCO Group. We are working to overcome the crisis we face by deploying our comprehensive strengths to achieve the three key points of our Business Management Plan.

The TEPCO Group is facing intense challenges as a result of the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station due to the Niigataken Chuetsu-Oki Earthquake of July 2007, as well as factors such as the extreme volatility of crude oil prices and the rapid deterioration of the global economy.

We have responded by focusing our comprehensive strengths on resolving the management challenges we face in ways such as reducing costs by more than ¥100.0 billion. However, consolidated net loss for fiscal 2008, the year ended March 31, 2009, totaled ¥84.5 billion. This was our second consecutive year in the red.

Fiscal 2009 is a critical year for the TEPCO Group. We are working to overcome the crisis we face by deploying our comprehensive strengths to achieve the three key points of our Business Management Plan, which are to continue careful, steady efforts to restore the Kashiwazaki-Kariwa Nuclear Power Station, secure stable supply and assiduously reduce costs.

To address society's deep concern about the environment, we are also working to achieve a low-carbon society through both demand and supply initiatives. We promote nuclear energy, which plays a central role in zero-emission power generation, introduce the world's most efficient thermal power and promote the use of electricity in every sector as the most environmentally sound form of energy. These and other efforts will drive new growth and development for the TEPCO Group.

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

July 2009

T. Katsumata
Tsunehisa Katsumata
Chairman

M. Shimizu
Masataka Shimizu
President

An Interview with President Masataka Shimizu

How was fiscal 2008 for TEPCO?

Overview

Fiscal 2008, the year ended March 31, 2009, was tough worldwide, not just for TEPCO. Crude oil prices skyrocketed in the first half, then plunged in the second. Recession soon followed the collapse of Lehman Brothers Holdings Inc. in September 2008. These were among the issues that made fiscal 2008 a year of unprecedented, major changes.

In TEPCO's case, an earthquake shut down the Kashiwazaki-Kariwa Nuclear Power Station in July 2007. TEPCO had to cover the resulting decrease in power output with thermal power generation, and was therefore greatly affected by the high price of crude oil. Our fuel expenses in fiscal 2008 exceeded ¥2,000 billion for the first time ever, and were approximately twice the level of fiscal 2006 prior to the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station.

TEPCO has responded to these circumstances to the best of its ability. We assiduously reduced costs by more than ¥100.0 billion and implemented a rate revision in September 2008 using a system that appropriately modifies electricity rates to reflect the increase in fuel expenses resulting from the expanded use of thermal power generation. Nonetheless, we have not been able to cover all of the increased costs, and have had net losses for the past two fiscal years.

A key pillar of TEPCO's management policy is contributing to the realization of a low-carbon society. On the supply side, we will promote low-emission power generation. On the demand side, we will expand the efficient use of electric power.

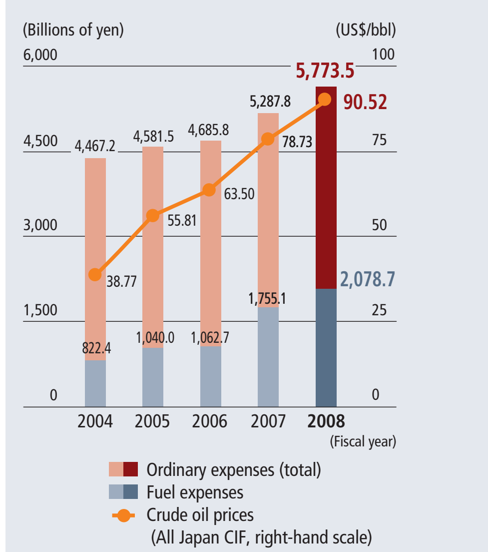
Masataka Shimizu
President

Securing Stable Supply

While earnings were under pressure in fiscal 2008, we did not experience problems with our core business of providing a stable supply of electric power.

A crucial point is that TEPCO has steadily secured stable supply to cover the loss of about 20 percent of its generating capacity due to the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station by recommissioning idle thermal power plants and accelerating the construction of new ones. Moreover, the integration of divisions that generate electricity and divisions

Ordinary Expenses and Fuel Expenses (Non-Consolidated)



Impact of the Shutdown of the Kashiwazaki-Kariwa Nuclear Power Station

(Billions of yen)

	FY 2008	[Ref.] FY 2007
Total	**649.0**	**615.0**
Fuel expenses, etc.	585.0	420.0
Increase in fuel expenses and purchased power	635.0	460.0
Decrease in nuclear fuel expenses and nuclear power back-end costs	-50.0	-40.0
Restoration expenses and others	64.0	195.0
Extraordinary loss (Casualty loss from natural disaster and others)	56.5	192.5
Others (Expenses for restarting inactive thermal power plants, etc.)	7.5	2.5
Decrease in nuclear power generated	50.0 billion kWh	40.0 billion kWh
Nuclear power plant capacity utilization ratio (%)	43.8	44.9

Estimated cost of construction to strengthen earthquake-resistance and improve disaster-prevention functions:
¥15 billion per unit
¥100 billion for all units

responsible for the power grid has ensured that the power we generate reaches customers. I believe that our employees thus ensured a stable supply of power day in and day out under challenging conditions by understanding their respective roles and handling their duties effectively. This sense of responsibility in delivering a stable supply of electricity, this sense of mission, is the TEPCO spirit our predecessors have passed down to us. We show our true strength when conditions are most challenging.

At the same time, we have also been making steady progress with future-oriented initiatives. We have begun operating Kawasaki Thermal Power Station Unit 1 group, a state-of-the-art thermal power plant featuring 59 percent thermal efficiency. Shipments of LNG from the Sakhalin II project have also begun. Moreover, the Trans-Bay Gas Pipeline has commenced operation, which will enable us to flexibly and efficiently operate power plants and LNG terminals. Our steady success with these and other initiatives will contribute to stable supply in the future.

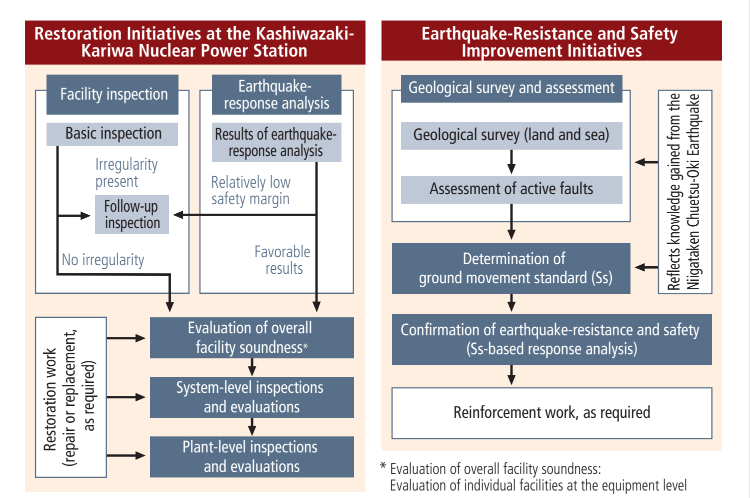
The Restoration of the Kashiwazaki-Kariwa Nuclear Power Station

We have been working to restore all seven units at the Kashiwazaki-Kariwa Nuclear Power Station since they were damaged in the Niigataken Chuetsu-Oki Earthquake. This has involved the two parallel processes of restoration and strengthening earthquake-resistance and safety. We completed these processes for Unit 7, which resumed commercial operation for the first time in two years.

Our first task in restoration has been confirming the impact of the earthquake on each facility. At Unit 7, we conducted approximately 1,400 inspections and evaluations of equipment, and carried out repairs or replacement as necessary. We then conducted inspections and evaluations of systems comprising interrelated equipment and confirmed that the systems can function and perform as required.

Our first step in strengthening earthquake-resistance and safety was to methodically conduct geological surveys, and apply the latest information to increase the estimates for probable maximum ground movement in the event of a future earthquake. Next, we used these estimates as the basis for required work to reinforce earthquake-resistance to ensure the safe functioning of the plant in the event of ground movement equivalent to 1.5 times that observed in the Niigataken Chuetsu-Oki Earthquake. Initiatives at Unit 7, including reinforcing or adding piping supports in approximately 3,000 places, were completed in November 2008.

Construct Safe, Secure, Disaster-Resistant Nuclear Power Plants



* Evaluation of overall facility soundness: Evaluation of individual facilities at the equipment level

Although Unit 7 has restarted at the Kashiwazaki-Kariwa Nuclear Power Station, the operating environment in fiscal 2009 remains difficult due to continuing recession in Japan and other factors. How will TEPCO respond?

Overcoming the Crisis

Our top priority is working toward restoration of all units at the Kashiwazaki-Kariwa Nuclear Power Station.

Unit 7 has restarted operation, two long years after the Niigataken Chuetsu-Oki Earthquake. However, it is only one of seven units, and the task of restarting all units remains.

Therefore, in fiscal 2009 we will work assiduously to further reduce costs and avoid a third straight year with a net loss by securing a sufficient level of earnings.

Restoration of the Kashiwazaki-Kariwa Nuclear Power Station

In May 2009, I visited Unit 7 to see the start up of its reactor after a 22-month shutdown. The tension of the operations personnel just before withdrawing the fuel rods, and their immediate relief when the red light on the control panel indicated that the reactor had started up, were unforgettable. I could see that the 22 months of restoration had been an extraordinary time.

With Unit 7 back in operation, restoration is progressing at Unit 6. We completed the evaluation of system-level soundness and confirmed earthquake resistance and safety by

President Shimizu joins the operations personnel in the central control room on the day of reactor startup at Unit 7.

With these two processes complete, in February 2009 the Nuclear and Industrial Safety Agency (NISA) and the Nuclear Safety Commission judged that the start-up of Unit 7 would pose no safety problems. TEPCO also received consent from Niigata Prefecture, Kashiwazaki City and Kariwa Village, and restarted the reactor on May 9, 2009. We conducted inspections and evaluations of overall plant safety at four output levels – 25 percent, 50 percent, 75 percent and 100 percent – and confirmed equipment soundness at each stage. As a result, we confirmed the ability of the plant to operate continuously, and resumed commercial operation for the first time in two years.

We are moving forward with the same processes at Units 1 through 6 with the goal of resuming commercial operation at all units.

Status of Initiatives (As of July 2009)

		Item		Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
Earthquake-Resistance and Safety Improvement Initiatives	Facility Soundness Evaluation	Buildings and Structures	Inspection and evaluation	In progress	In progress	In progress	In progress	In progress	Report submitted (Dec. 25, 2008)	Report submitted (Sep. 1, 2008)
		Facilities	Inspection and evaluation of each piece of equipment	In progress	In progress	In progress	In progress	In progress	Report submitted	Report submitted
			Inspection and evaluation of each system						Report submitted (Jun. 23, 2009)	Report submitted (Feb. 12, 2009)
			Inspection and evaluation of the plant as a whole						Plan submitted (Jun. 23, 2009)	Report submitted (Jun. 23, 2009)
		Confirmation of the earthquake-resistance and safety initiatives		In progress	In progress	In progress	In progress	In progress	Report submitted (May 19, 2009)	Report submitted (Dec. 3, 2008)
		Work to strengthen earthquake-resistance		In progress since Jan. 2009	In progress since Jun. 2009	In progress since Nov. 2008	In progress since May 2009	In progress since Jan. 2009	Completed (Jul. 2008 to Jan. 2009)	Completed (Jun. to Nov. 2008)

June 23, 2009, and on July 3, 2009 requested permission from Niigata Prefecture, Kashiwazaki City and Kariwa Village to restart operation. For Units 1 through 5, our prudent, steady efforts will make maximum use of the experience we gained on Units 6 and 7.

Going forward, as a matter of course we will use the most sophisticated knowledge and techniques available at the time in building, maintaining and configuring nuclear power plants that are highly safe and secure in the event of natural disasters. However, we are not going to become complacent – we need to constantly remain open to new ideas. We want to share the perspective of local inhabitants in devoting all of our strengths to building nuclear power plants that are safe and secure.

I would also like to add that no other nuclear power plant anywhere in the world has been hit by a disaster larger than the one that affected the Kashiwazaki-Kariwa Nuclear Power Station, and this has taught us extremely important lessons. Naturally, TEPCO will make full use of this knowledge. But another important part of our mission is fully communicating these lessons to participants in the nuclear power industry in Japan and around the world.

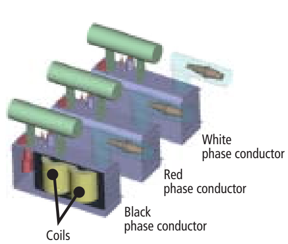
Cost Reduction Initiatives

Sector	Purpose	Action
Transmission	Rationalize facility configuration	Developing an integrated 500kV three-phase transformer (see below)
		Rationalizing management of grounding of lightning protection equipment using lightning observation, full-scale testing and analysis
Power Generation	Rationalize facility configuration	Upgrading water discharge calculation and control equipment at power stations through Group cooperation
	Rationalize operation and maintenance	Establishing inspection frequency and management policies according to deterioration of hoist units

Example: Developing an Integrated 500kV Three-Phase Transformer

Existing 500kV three-phase transformer

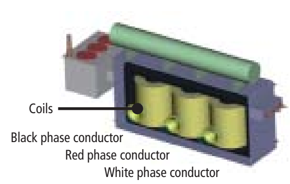
- Due to restrictions on weight and dimensions in transport, each phase conductor has a separate tank, and each conductor has two coils.
- Securing heavy load transport routes is difficult.



Integrated 500kV three-phase transformer

- Making it more compact by rationalizing specifications and structure, and applying new technologies, with three integrated phase conductors and one coil per conductor.
- A takedown structure will permit use of a low-cost general-purpose trailer for transport.

Seven of these transformers will reduce costs approximately ¥3.8 billion.



Further Cost Reductions

At the same time, we will steadfastly reduce costs. Cost reduction is an important corporate issue at any time, but I always stress the importance of a professional viewpoint and techniques in fully securing facility soundness and safety while restraining costs.

TEPCO is experiencing highly challenging conditions, but extreme situations such as these bring out strengths. The hard work to date of employees on the front line of operations makes our efforts sustained, persistent and cumulative, not transitory. We will relentlessly continue to thoroughly reduce costs to overcome the crisis we face. Moreover, TEPCO will sustain and institutionalize these efforts to make them a core competence in the future and incorporate them in its DNA. I believe this will enable us to achieve a resilient corporate structure.

As in fiscal 2008, the Business Management Plan for fiscal 2009 does not set specific numerical targets, but what progress has TEPCO made under its medium-term management plan Management Vision 2010? Also, have the targets of Management Vision 2010 changed?

The Fiscal 2009 Business Management Plan and Management Vision 2010

Our fiscal 2009 Business Management Plan has two main thrusts. One is working to overcome the crisis at hand in this crucial year. The other is building a new TEPCO Group that can grow and develop in the future. Moreover, as in fiscal 2008, while we have not set specific numerical targets in areas such as ordinary income and balance sheet improvement due to the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station, we will continue to devote maximum effort to working toward the targets we have set in Management Vision 2010.

Our progress and success in working toward the targets of Management Vision 2010 have been impacted by factors such as the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station and the pronounced fluctuations in fuel expenses. Consequently, attaining our goals for management efficiency and balance sheet improvement will be intensely challenging.

On the other hand, in the area of business growth, while new electricity sales volume of 1.70 billion kWh in fiscal 2008 was lower than in fiscal 2007, factors such as the steady expansion in the number of all-electric homes have raised the cumulative total of new electricity sales since fiscal 2004 to 9.51 billion kWh, and we expect to meet our Management Vision target for new electricity sales volume one year ahead of plan.

TEPCO's New Management Vision

TEPCO is now considering the kind of company it should aim to be in order to achieve growth and development in the future.

Our new management vision will entail restructuring

Management Vision 2010 Targets and Fiscal 2008 Results

		Management Vision 2010 Targets (Target Year: Fiscal 2010)	Fiscal 2008 Results
Operating Efficiency		Improve efficiency by at least **20%** compared with FY 2003 (With facility safety and securing quality as major premises)	—
Balance Sheet Improvement	Equity Ratio	Equity ratio of at least **25%**	**16.4%** (Year-on-year decrease of 1.8 percentage points)
	Interest-Bearing Debt		**¥7,748.8 billion** (Year-on-year increase of ¥268.9 billion)
Business Growth	Expansion of New Electricity Volume	At least **10 billion kWh** (FY 2004 – FY 2010)	**1.70 billion kWh** (Year-on-year decrease of 1.02 billion kWh) (Cumulative total FY 2004 – FY 2008 of **9.51 billion kWh**)
	Consolidated Operating Revenues from Businesses Other than Electric Power	At least **¥300 billion**	**¥333.8 billion** (Year-on-year increase of ¥23.0 billion)
	Consolidated Operating Income from Businesses Other than Electric Power	At least **¥50 billion**	**¥35.5 billion** (Year-on-year decrease of ¥5.3 billion)
Global Environment Contribution	CO_2 Emission Intensity	Reduce emission intensity by **20%** compared with FY 1990 (Average FY 2008 – FY 2012) (About 0.304 kg-CO_2/kWh annually)	**0.332 kg-CO_2/kWh*** (Year-on-year decrease of about 22%)

Note: Unless otherwise specified, results and targets are on a non-consolidated basis.
*After carbon credit adjustment. Emission intensity before carbon credit adjustment was 0.418 kg-CO_2/kWh

our electric power generation and supply facilities to deal with the risk of rising fossil fuel prices and contribute to the realization of a low-carbon society. I also want to incorporate structuring an even more resilient business base by promoting the use of electricity based on its environmental compatibility, investing in businesses that contribute to earnings growth, and research and development. Going forward, we intend to consider the opinions of various stakeholders in formulating our vision.

You mentioned the term "low-carbon society." What is TEPCO's current growth strategy, and how does a low-carbon society fit into it?

Responsibility as an Energy Provider

Initiatives from both the energy supply and demand sides are essential in order to achieve a low-carbon society, and we recognize that we have a great responsibility as an electric power company.

One of the key pillars of TEPCO's management policy is maximizing our contribution to the realization of a low-carbon society. Specifically, on the supply side we will promote nuclear power development, which is central to zero-emission power generation, and increase the efficiency of thermal power. On the demand side, we will popularize highly efficient equipment such as heat pumps in energetically promoting the use of electricity in all areas to reduce carbon emissions.

Marketing and Sales Strategy

Contributing to a low-carbon society by promoting the use of electricity creates a chance for TEPCO to expand sales. Going forward, we will make further use of the environmental compatibility of electricity as part of a sales offensive.

We expect all-electric housing to continue expanding steadily in the household sector, given widespread customer support for its environmental compatibility and economic soundness. We also see the opportunity to develop latent demand among commercial and industrial customers. In particular, in the industrial sector electricity has been stereotyped as unsuited for heating, but

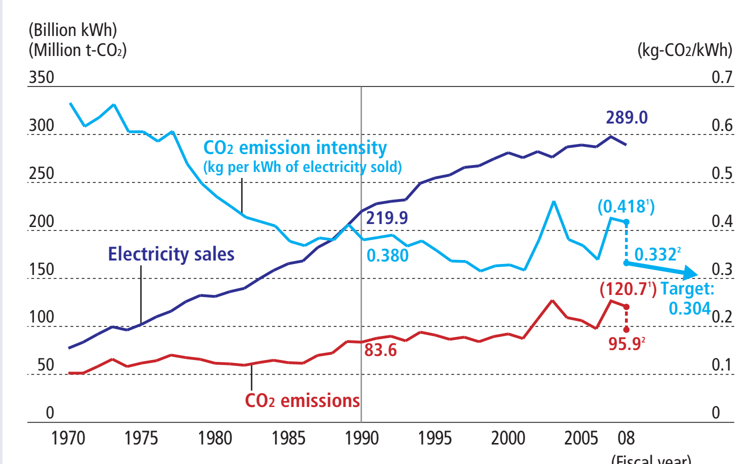
TEPCO's Global Environment Contribution Target

TEPCO aims to contribute to achieving the greenhouse gas emission reduction target of the Kyoto Protocol (6 percent below the level of 1990 over the five-year period from 2008 to 2012) by reducing average annual CO_2 emission intensity (amount of CO_2 emitted per kilowatt hour of electricity sold) over the target period by 20 percent relative to fiscal 1990.

TEPCO targets reduction in CO_2 emission intensity rather than the total volume of CO_2 emitted because the amount of electricity used varies according to the weather and customer-dependent factors such as economic activity. In addition, we believe that promoting the use of electricity to achieve a low-carbon society over the medium to long term is important, and therefore setting a target for CO_2 emission intensity is best suited to fulfilling this role.

Please see "Contributing to an Environmentally Focused Society: Reducing CO_2 Emission Intensity" on page 30 for more details on TEPCO's initiatives in this area.

Changes in CO_2 Emissions and Emission Intensity



Notes: 1. Before carbon credit adjustment
2. After carbon credit adjustment

depending on the type of factory, introducing all-electric equipment and systems such as induction heating (IH) and highly efficient heat pumps enables simultaneous gains in functionality, environmental compatibility and economic efficiency. Benefits include higher product quality and energy efficiency and lower production costs. Commercial customers have also enthusiastically praised all-electric kitchens with IH technology for their ease of use and contribution to an outstanding working environment, including the ease of controlling temperature, which also contributes to reducing waste and radiant heat.

TEPCO aims to raise awareness of and enthusiasm for the use of electricity, and is developing sales and marketing activities to respond to diverse customer needs for energy. For example, we are establishing separate facilities for household, commercial and industrial applications that provide actual hands-on experience.

Policies for New Business Development

TEPCO's approach to businesses other than electric power will include investment for future growth. Our basic strategy will be to concentrate on areas peripheral to the electric power business that will create synergy, such as upstream resource and overseas independent power producer (IPP) operations.

Current efforts include obtaining natural gas and uranium concessions to enhance energy security. Going forward, we will energetically invest in opportunities based on overall consideration of profitability and risk. Moreover, we will aggressively develop the overseas consulting business by effectively deploying management resources such as our technologies and personnel. Recently, the overseas consulting business's performance has been recognized, and we are receiving overseas investment project offers.

Working to Cultivate Human Resources

The electric power business consists of massive facilities and the people and technologies that make them run. The TEPCO Group has fully deployed its people and technologies to get through numerous difficulties, including two oil crises. Our people and technologies are a crucial management resource, and a driving force in business development.

The cultivation of personnel at TEPCO has two major aspects. At the base is the ability to follow rules fully and precisely, which is a must for a public utility. In addition, as a corporation we seek profits, so having a mindset of avoiding complacency and taking on challenges is important.

Our plan for fiscal 2010 is to recruit 1,100 employees, an increase of 300 people compared to the plan for the previous fiscal year. We formulated this plan after considering the time it takes to cultivate human resources, future growth strategies and environmental policies. In particular, our need for people in areas such as nuclear power and overseas development has increased.

TEPCO reduced cash dividends per share for fiscal 2008 to ¥60.00 after paying cash dividends per share of ¥65.00 in the previous fiscal year despite a large loss. What was the basis for this decision, and what is your outlook for dividends in the future?

Shareholder Returns and Dividend Policy

In March 2007, TEPCO announced a policy of maintaining stable dividends with a target consolidated payout ratio of 30 percent or higher. This policy has not changed, but for fiscal 2008 we decided to reduce annual cash dividends per share by ¥5.00 compared with the previous fiscal year to ¥60.00 because of factors such as the two consecutive years of losses and the challenges that this has created for cash flow. We forecast that the operating environment will be equally challenging in fiscal 2009, but intend to maintain cash dividends per share at ¥60.00, the same level as in fiscal 2008, in accordance with our fundamental management policy of maintaining stable dividends.

In the future, we will comprehensively consider performance and the status of balance sheet improvement in deciding whether to raise dividends. As a benchmark, we intend to revisit this issue once we have restored ordinary income to former levels.

You have been president for one year. Last year, you explained how the TEPCO Group would be stronger by overcoming difficulties. What is your vision for TEPCO's future now? Also, do you have any closing remarks for shareholders and investors?

Message

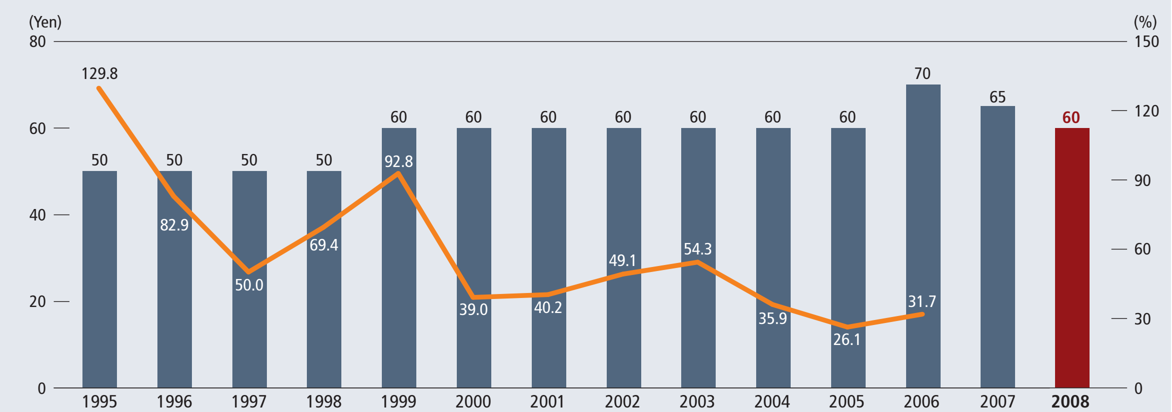
My first year as president has passed quickly. We dealt with problems directly and with all of our strengths.

TEPCO is dealing with challenges greater than at any other time in its history, such as the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station and the global recession. By approaching each challenge with the will to overcome it, and implementing the measures I have been discussing with conviction, I am confident that we will clear a way forward.

In reflection, I have not had sufficient dialogue with the front-line workplace, which after all is the starting point of my work as president. Simply looking at documents on my desk does not give me a true picture of the state of things, especially negative issues. I think it is important for management to be aware of what is happening in every part of the organization by emphasizing what I call the three actualities: actual front-line workplaces, actual objects and actual realities.

I ask our shareholders and investors to look at TEPCO's future with a medium-to-long-term perspective. We are counting on your continued understanding and support.

Cash Dividends per Share and Consolidated Payout Ratio



Note: The consolidated payout ratio has not been calculated for fiscal 2007 and fiscal 2008 due to net loss.

Message from the Director of Corporate Planning

The recession is negatively affecting current power demand, particularly among industrial customers. However, TEPCO forecasts stable growth in demand over the medium to long term because of solid increases in demand from lighting and commercial customers. We will secure stable supply to meet this demand by leveling load and restructuring generation facilities for greater flexibility and resilience.

Fiscal 2008 Sales

Electricity sales volume in fiscal 2008 fell for the first time in two years, decreasing 2.8 percent year on year to 289.0 billion kWh. Factors included a substantial decrease in demand from industrial customers due to a sharp and significant decline in industrial production in the second half.

By category, lighting (residential) and commercial sales volume decreased 1.6 percent and 0.2 percent, respectively. While demand for air conditioning in both categories decreased due to moderate temperatures, the recession affected lighting and commercial demand much less than it affected industrial demand.

Industrial sales volume decreased 5.4 percent due to a substantial drop in the second half. In February 2009, for example, sales to large-scale customers, who account for the majority of industrial demand, decreased a record 22.0 percent compared with the same month in the previous year. The primary factor was an unprecedented concentration of production cutbacks resulting from inventory adjustments in response to a sharp decrease in domestic and foreign demand.

Medium-to-Long-Term Outlook

Our medium-to-long-term outlook for sales volume includes forecasts of intensifying competition with other energy industries and further moves toward energy saving. At the same time, we also forecast moderate economic recovery, continued population growth and concentration of business functions in the Tokyo metropolitan area and an increase in the number of all-electric homes. All these factors considered, we expect our electricity sales volume to rise at a compound annual growth rate of 1.3 percent (adjusted for the influence of temperature) through fiscal 2018.

On the other hand, we forecast that peak demand (three-day average peak demand at transmission end) will increase at a compound annual growth rate of 0.7 percent (adjusted for the influence of temperature) through fiscal 2018, which takes into account load-leveling measures such as expanding the use of heat storage systems. We expect the growth rate of peak demand to be smaller than that of sales volume.

TEPCO is committed to achieving stable power supply over the long term by balancing medium-to-long-term supply and demand. To fulfill this commitment, we are planning to implement demand-side measures such as load leveling and supply-side measures such as restructuring of generation facilities with a focus on nuclear power for flexibility and resilience, reinforcement of distribution facilities and precise repair and maintenance of existing facilities based on increasing power demand over the medium to long term.

Toshio Nishizawa
Managing Director

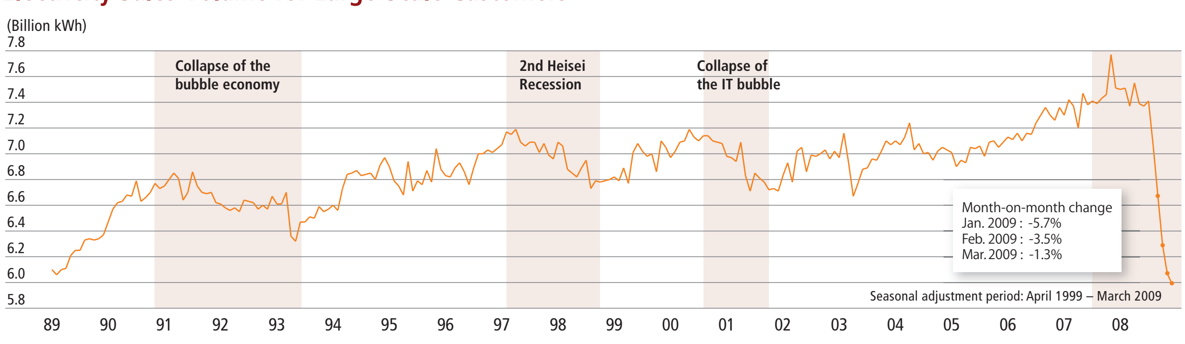
Demand Outlook

(Billion kWh, Million kW, %)

	FY 2007 (Actual)	FY 2008 (Actual) 1H	FY 2008 (Actual) 2H	FY 2008 (Actual) Year	FY 2018 (Projected)	Compound annual growth rate (FY 2008-18)
Lighting	4.7 (2.1) 97.6	0.1 45.5	-3.1 50.5	-1.6 (-0.1) 96.1	114.5	1.8 (1.7)
Low-voltage power	4.3 (1.5) 110.4	-0.6 51.8	-3.6 56.1	-2.2 (-0.6) 108.0	124.7	1.5 (1.4)
Commercial	3.8 (2.4) 77.6	-0.1 40.1	-0.3 37.3	-0.2 (0.7) 77.5	–	–
Industrial	2.2 (2.0) 109.4	0.6 55.9	-11.5 47.6	-5.4 (-5.1) 103.5	–	–
Liberalized segment	2.9 (2.1) 187.0	0.3 96.1	-6.9 84.9	-3.2 (-2.7) 181.0	204.4	1.2 (1.2)
Total electricity sales volume	3.4 (1.9) 297.4	-0.0 147.9	-5.6 141.0	-2.8 (-1.9) 289.0	329.1	1.3 (1.3)
(Resale) Large-scale customers	2.8 (2.6) 89.0	1.3 45.8	-12.0 38.6	-5.2 (-5.0) 84.4	–	–
Peak demand (3-day average at transmission end)	6.7 (0.2) 589.6	–	–	-0.1 (1.0) 589.1	622.8	0.6 (0.7)
Annual load (%)	60.4 [61.8]	–	–	59.0 [59.7]	63.4 –	–

Note: Upper figures for fiscal 2007 and fiscal 2008 indicate percentage change compared with the previous fiscal year. Figures in parentheses are adjusted for the influence of temperature and leap year. Annual load figures in brackets are adjusted for the influence of temperature.

Electricity Sales Volume for Large-Scale Customers



Message from the Director of Accounting & Treasury

Even in a challenging fund procurement environment, TEPCO is stably raising sufficient capital at a lower cost primarily through bond issues and implementing effective measures to enhance liquidity. We will further strengthen our financial structure for future growth and work to maintain or improve our bond ratings.

Masaru Takei
Managing Director

Fund Procurement Measures

One of the characteristics of the electric power business is that it requires large amounts of long-term funding for the construction and renewal of facilities. TEPCO relies on straight bond issues, which raise such amounts at one time.

In fiscal 2008, TEPCO demonstrated its strong presence in bond markets and its creditworthiness by steadily issuing bonds even after the Lehman Shock in September 2008 touched off a global financial crisis. We were the domestic leader in issuing corporate bonds in fiscal 2008 (excluding bonds for individual investors), with a total of ¥670.0 billion. We have also conducted large issues of foreign currency bonds in various currencies in order to diversify our funding sources. Our latest issue of foreign currency bonds was in Swiss francs in February 2007. Going forward, we will seek better ways to take advantage of foreign currency bonds amid the temporary market challenges.

TEPCO believes that reinforcing trustful relationships with bond buyers is vital in raising capital smoothly with a large quantity of corporate bonds amid the current financial turmoil. That is why we give high priority to debt investor relations activities whether in Japan or overseas.

Furthermore, we balance bond issues with loans from financial institutions to add stability and reliability to fund procurement. Our strong relationships with both domestic and overseas financial institutions have helped maintain steady funding despite the financial crisis.

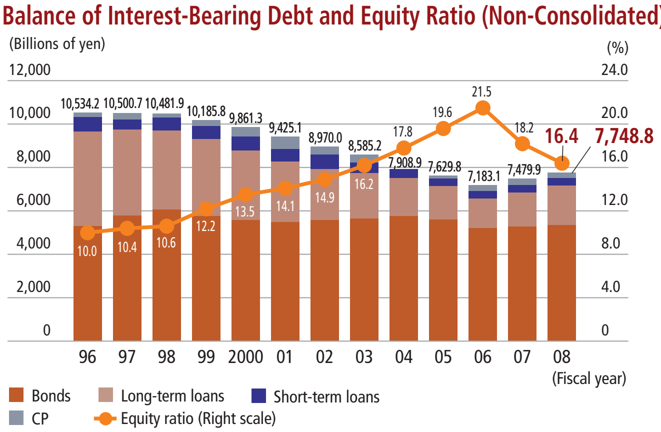
Measures to Enhance Liquidity

TEPCO has taken various steps to secure strong liquidity in case of financial downturn. Our main approaches are to set high upper limits on commercial paper issuance, to conclude commitment line agreements and to maintain a sufficient cash balance. In fiscal 2008, TEPCO raised the upper limit on commercial paper issues to ¥800.0 billion from ¥600.0 billion in the previous fiscal year. In addition, we are working to increase the monetary amounts, diversify the counterparties and borrowing terms, and extend the maturity dates for commitment line agreements.

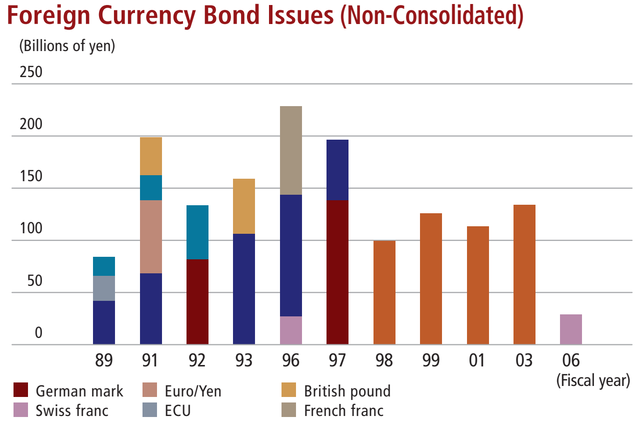
Policies to Strengthen Our Financial Structure

TEPCO has created a sound system for raising funds. We aim to maintain steady access to low-cost funds by achieving an equity ratio above 25 percent, which is one of the targets of our medium-term management plan, Management Vision 2010. We will also work to maintain or improve our high bond ratings.

Balance of Interest-Bearing Debt and Equity Ratio (Non-Consolidated)



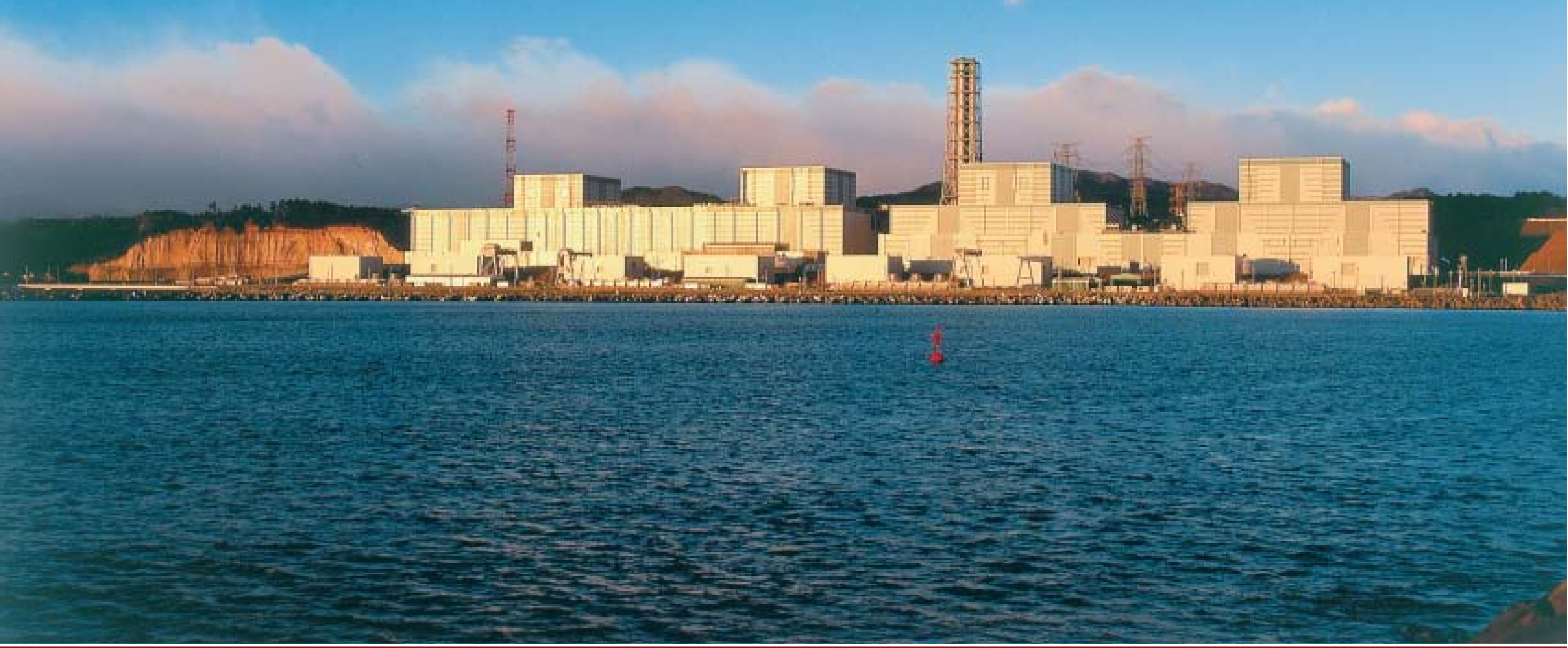
Foreign Currency Bond Issues (Non-Consolidated)



Feature:

Proud Tradition, Positive Change

We will build a new TEPCO Group with a more robust corporate framework by fully utilizing our accumulated performance while habituating fresh ingenuity and technological knowledge.



The Best Generation Mix:
Restructuring Our Generation Facilities for Flexibility and Resilience

>>> Page 16

Sales Growth:
Steady and Effective Marketing and Sales

>>> Page 19

Part I: The Best Generation Mix

Restructuring Our Generation Facilities for Flexibility and Resilience

Promoting the Best Generation Mix

The basis for ensuring stable supply and energy security is steadily promoting the best generation mix. This entails an optimum balance, centered on nuclear power, of liquefied natural gas (LNG), oil, coal, hydroelectric power and other forms of energy, with due consideration of economic efficiency, operability and environmental compatibility.

Our Approach to Generation Facility Configuration

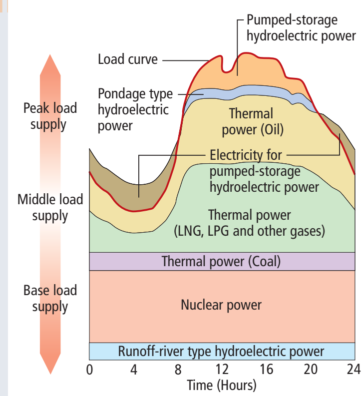
TEPCO's primary generation source and base load supply is nuclear power, which offers outstanding stability and environmental compatibility. It is unaffected by the price of crude oil, which supports stable electricity rates. TEPCO is steadily moving ahead with inspection, restoration and other activities at the Kashiwazaki-Kariwa Nuclear Power Station, which is currently shut down. In addition, TEPCO is working to increase the percentage of power it generates from nuclear power facilities over the medium to long term, with safe, stable operations as major premises.

TEPCO's thermal power generation uses a diverse mix of fossil fuels to ensure energy security. The primary fossil fuel is LNG because it is the cleanest in terms of the volume of CO_2 emissions, making it beneficial from viewpoints including environmental compatibility as well as securing stable supply and economic efficiency. Other fossil fuels include oil, which gives TEPCO operational flexibility in responding to fluctuations in demand as well as an excellent ability to adjust to fluctuations in fuel supply; and coal, of which ample supplies are available in many regions around the world.

Hydroelectric power offers excellent environmental compatibility and long-term cost stability, and we will continue to promote its use. We will also develop proper levels of pumped-storage hydroelectric power in the future because it allows us to respond flexibly to daytime peaks in demand. In addition, we promote the introduction of renewable energy sources such as solar and wind power.

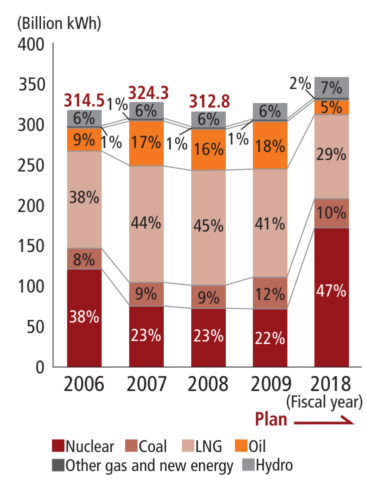
Please see "Major Facilities" on page 28 for a detailed list of planned facilities.

Electric Power Generation over the Course of One Day



Power Generated by Energy Source

(Including purchased power)



Note: Figures for fiscal 2009 and fiscal 2018 are based on the Fiscal 2009 Business Management Plan.

Working to Achieve a Flexible and Resilient Generation Facility Configuration

In the electric power business, TEPCO is working to increase the ratio of zero-emission power generation, primarily nuclear power, to 50 percent by the year 2020. Given this target, we will work energetically toward achieving a flexible and resilient generation facility configuration that supports our aim of the best generation mix for a low-carbon society.

Promoting Nuclear Power Generation

Nuclear power generation emits no CO_2, and TEPCO is able to import the uranium used for fuel from politically stable countries such as Australia, Canada and the United States. Once charged in the nuclear reactor, the uranium can generate electric power for at least one year without being changed, and it can be recycled. Thus nuclear power is positioned as the backbone of Japan's energy strategy.

For TEPCO, nuclear power is crucial as the base for power generation. It accounted for approximately 40 percent of the volume of power TEPCO generated in fiscal 2006, prior to the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station.

Over the next 10 years, nine nuclear power plants with 12.26 million kW in generating capacity will be developed in Japan. In fiscal 2018, plans call for nuclear power to account for approximately 40 percent of the power generated in Japan. TEPCO plans to expand the Fukushima Daiichi Nuclear Power Station and also plans to build the new Higashidori Nuclear Power Station in Aomori Prefecture. We will move forward with safety and security as major premises, and forecast that nuclear power will account for about 47 percent of the power that TEPCO generates in fiscal 2018.

Nuclear Power Plant Development Plans

Plant	Output	Start of Operation
Fukushima Daiichi Unit 7	1,380 thousand kW	Oct. 2015
Fukushima Daiichi Unit 8	1,380 thousand kW	Oct. 2016
Higashidori Unit 1	1,385 thousand kW	Mar. 2017
Higashidori Unit 2	1,385 thousand kW	FY 2019 or later

Increasing Thermal Efficiency at Thermal Power Plants

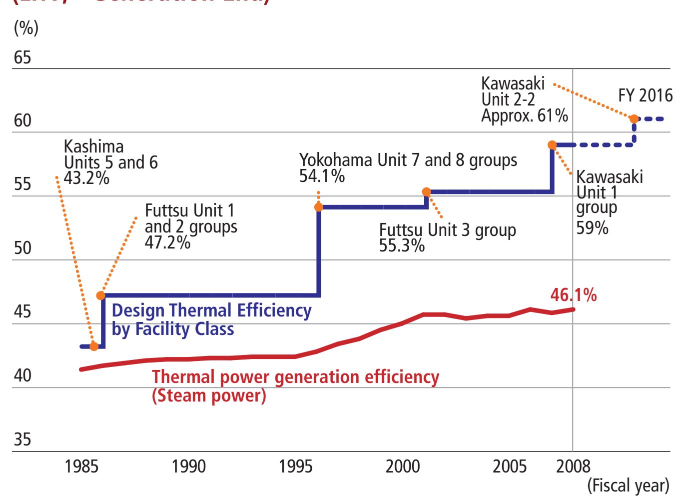
Effective use of fossil fuels is also essential to the stable supply of electricity. From the perspective of energy security, TEPCO promotes the use of a diverse array of fossil fuels. At the same time, TEPCO uses energy resources effectively and reduces CO_2 emissions by continuously working to raise efficiency.

TEPCO uses LNG in 1,500°C-class more advanced combined cycle (MACC) power generation with world-leading thermal efficiency of 59 percent. We began using MACC at the Kawasaki Thermal Power Station in June 2007 and at the Futtsu Thermal Power Station in July 2008. In fiscal 2016, we plan to install 1,600°C-class MACC II at the Kawasaki Thermal Power Station, with thermal efficiency of approximately 61 percent.

Coal-fired thermal power generation emits larger quantities of CO_2 than generation using other fossil fuels. However, the thermal efficiency of TEPCO's coal-fired power plants is at the highest level in the world at approximately 45 percent (generation end). TEPCO is considering the environment as well as stability and economic efficiency in relying on coal as an important component of its base load supply. TEPCO is therefore conducting coal-fired power R&D in areas including integrated coal gasification combined cycle (IGCC) technology, and will continue to focus on advanced coal-use technologies.

Please see "R&D in Action: Integrated Coal Gasification Combined Cycle" on page 27 for more details on IGCC.

Thermal Efficiency at TEPCO Thermal Power Plants (LHV,* Generation End)



*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.

Unified Maintenance and Operation of Power Generation and Distribution Facilities

The maintenance of both generation and distribution facilities is crucial to the stable supply of electricity. As part of its efforts to build the optimum network, TEPCO combines its own ingenuity with that of affiliates and business partners in configuring facilities to contribute to stable, efficient operations while maximizing the use of existing facilities.

Going forward, the transmission and transformer facilities TEPCO constructed during Japan's era of high growth are aging, and will require large-scale upgrading. TEPCO will consider its generation plan and regional demand trends in formulating and steadily implementing network maintenance plans with maximum effectiveness from a medium-to-long-term perspective.

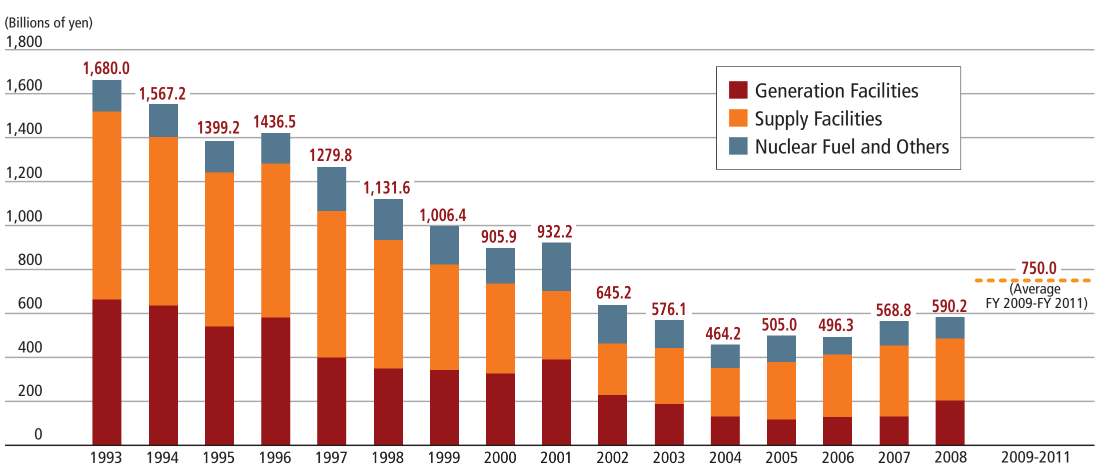
Capital Expenditure Plan for the Electric Power Business

With electricity sales increasing annually from 1980, TEPCO sought to ensure a reliable supply of power to meet future demand by concurrently raising capital expenditures, which totaled ¥1,680 billion in fiscal 1993. Subsequently, demand for electricity grew at a lower rate, and TEPCO moved to reduce costs in ways such as flexible configuration and operation that maintained reliable supply. As a result, fiscal 2008 capital expenditures were ¥590.2 billion or approximately one-third the peak in fiscal 1993.

In our capital expenditure plan for the three years from fiscal 2009 through fiscal 2011, we forecast average annual capital expenditures of ¥750.0 billion, an average increase of ¥120.0 billion annually compared to average annual expenditures for the three years of the plan from fiscal 2008 through fiscal 2010. We expect that annual capital expenditures will consist of ¥330.0 billion for generation facilities, ¥310.0 billion for distribution facilities and ¥110.0 billion for other purposes. Capital expenditures will increase primarily because of an increase in construction associated with issues including enhancing the earthquake resistance and disaster-prevention capabilities of the Kashiwazaki-Kariwa Nuclear Power Station and other nuclear power plants; progress in expansion of coal-fired thermal power plants including Hitachinaka Unit 2 and Hirono Unit 6; and the construction of mega-solar power plants.

TEPCO is configuring power generation and distribution facilities with the aim of securing stable supply over the medium and long term and achieving a low-carbon society. Despite the resulting trend toward increasing capital expenditures, we will work as a Group to lower expenses in every sector and selectively commit to construction in restructuring our generation facilities for flexibility and resilience while simultaneously reducing costs.

Capital Expenditures (Electric Power Business, Non-Consolidated)



Part II: Sales Growth

Steady and Effective Marketing and Sales

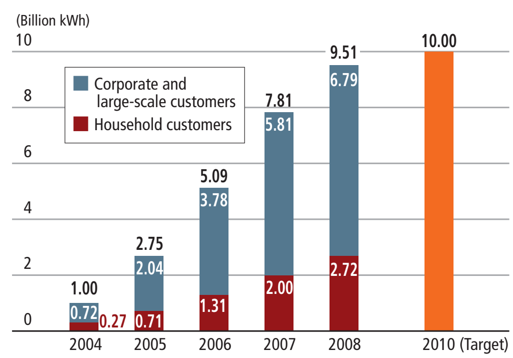
Overview of Marketing and Sales Activities

Sales Development Targets

Expanding electricity sales volume is crucial for the growth and development of the TEPCO Group's business. Management Vision 2010 has a target for expanding new electricity sales volume by 10.00 billion kWh from fiscal 2004 through fiscal 2010 by promoting new demand.

In fiscal 2008, the TEPCO Group successfully generated an additional 1.70 billion kWh in new sales volume through marketing efforts such as sales promotions that contributed to a year-on-year increase of 142,000 in the number of all-electric homes. As of March 31, 2009, the cumulative expansion of new electricity sales volume since fiscal 2004 was 9.51 billion kWh, and the TEPCO Group now expects to achieve its target one year ahead of the original plan.

Cumulative Expansion of New Electricity Sales Volume



Note: Discrepancies in totals are due to rounding.

Marketing and Sales Organization

Recently, rising social concern about the environment has made a low carbon footprint an extremely important factor for customers in choosing energy type. Given this situation, the TEPCO Group is working together to promote the use of electricity in every customer sector with emphasis on the advantages of heat pumps, which can produce multiple units of heat energy output per unit of electric power input.

Our marketing and sales organization promotes electricity use in the corporate and large-scale sector by assigning account managers for each of our major customers so that we can precisely understand their specific needs. Solutions teams with specialized knowledge of each industry are also in place to support the account managers with aggressive proposals.

In the household sector, we conduct marketing and sales activities based on strategies tailored to specific markets such as new houses and apartments. Moreover, in July 2008 we established the separate Sales Promotion Group for Electrified Apartments to strengthen sales activities in the promising rental housing complex market.

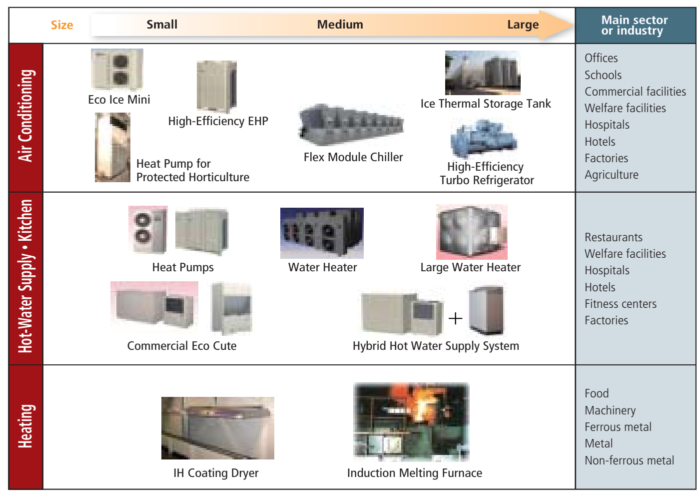
Corporate and Large-Scale Sector

Total Solutions

As customer needs for energy become more diverse and sophisticated, it is essential for the TEPCO Group to respond in terms of efficiency, convenience, safety and environmental compatibility as well as price.

We therefore offer comprehensive solutions centered on highly efficient equipment and systems, based on trustful relationships with regional customers developed over many years and our detailed understanding of their energy usage. In addition, we deploy the TEPCO Group's comprehensive strengths to provide total solutions to our customers' energy demands and needs such as supplying gas, steam and other forms of energy as well as electricity, and offering building and facility design, construction and maintenance.

Business-Use Electrical Appliances and Systems TEPCO Recommends



Hands-on Experience with Innovative Applications of Electric Power

The TEPCO Group is working to expand its market by operating facilities that allow potential customers to experience and learn about the benefits of electricity first hand. In fiscal 2007, we launched Switch! Pro Station Ariake, where customers can comprehensively experience the merits of the all-electric commercial kitchen, and TEPCO Electrified Factory I², which demonstrates various ways to use electricity in factories. These hands-on facilities allow us to accurately understand highly specialized customer needs and propose optimum solutions, and to introduce the latest technologies that use electricity in order to create new market needs. We are making the best use of these facilities as an effective and efficient marketing measure.

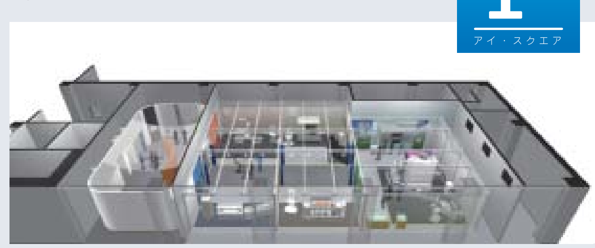
Switch! Pro Station Ariake has already welcomed more than 6,000 visitors. Recently, we collaborated with a well-known restaurant and a kitchen equipment manufacturer in evaluating the restaurant's boxed lunch production method. Repeated tests at our facility demonstrated that an electric range improved upon the traditional method using a gas range. As a result, the restaurant replaced its gas ranges with electric ones. From restaurants to school cafeterias, an increasing number of customers in food-related industries are choosing all-electric kitchens.

TEPCO Electrified Factory I² has proposed next-generation production systems through manufacturing process innovation to more than 2,000 visitors from the automotive, pharmaceuticals, food and other industries. For example, the facility highlights the use of electricity for heating, which constitutes the primary use of energy in production processes. We are cooperating with customers from various industries in deploying the latest induction heating (IH) and heat pump technologies to improve product quality and productivity while reducing energy consumption by eliminating the use of steam.

Switch! Station
PRO
ARIAKE

Switch! Station Pro Ariake (approx. 600m²) is a hands-on facility that gives visitors comprehensive hands-on experience with all-electric commercial kitchens.

I²
アイ・スクエア



TEPCO Electrified Factory I² (approx. 400m²) is a facility for demonstrating the merits of using electricity in factories.

Household Sector

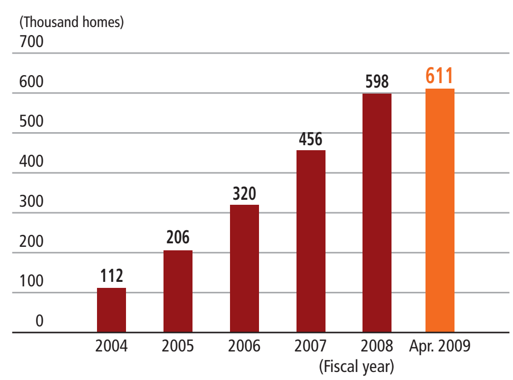
Promoting All-Electric Housing

TEPCO is energetically promoting all-electric homes that use highly efficient and convenient appliances such as Eco Cute electric water heaters, which incorporate heat pump technology, and IH cooking heaters. All-electric homes help protect the environment because Eco Cute water heaters emit less CO_2 than conventional gas water heaters. In addition, IH cooking heaters do not produce open flames, which cuts down on heat in the kitchen and contributes to a comfortable environment even in the summer. Moreover, customers living in all-electric homes can take advantage of a special electricity rate that significantly reduces operating costs compared to homes that use both gas and electricity.

According to recent surveys, over 90 percent of customers living in all-electric homes are satisfied with them because they meet a variety of household needs. The number of all-electric homes has been steadily increasing year by year and is now over 600,000 in TEPCO's service area. We believe that all-electric homes will continue to attract customers in tandem with electric cars and residential solar power panels.

All-Electric Housing Equipment and Facilities That TEPCO Is Promoting

Cumulative Number of All-Electric Homes



Hands-on Showrooms

Awareness of all-electric homes has increased over the past several years. The TEPCO Group is promoting all-electric equipment and facilities not only in the new-home market but also in the apartment and growing home-remodeling markets, which have significant potential for greater electricity use.

Based on our sales development targets, we have begun opening Switch! Station hands-on showrooms around the three core concepts of providing overall understanding of all-electric housing, offering a place for builders and other sub-users to show their customers the benefits of all-electric housing, and allowing customers to try electrical equipment rather than just look at it.

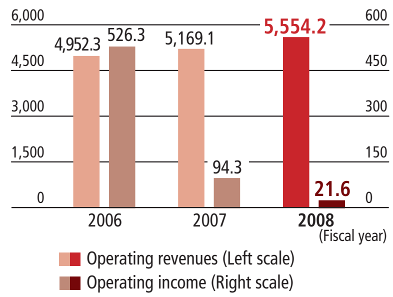
In April 2009, we opened Switch! Station showrooms based on these new concepts in Showa, Yamanashi Prefecture and Kawagoe, Saitama Prefecture and plan to open one more in Takasaki, Gunma Prefecture in the second half of fiscal 2009. Going forward, we aim to open attractive showrooms throughout the Kanto region in accordance with our concepts.

Switch! Station showroom in Yamanashi Prefecture

TEPCO at a Glance

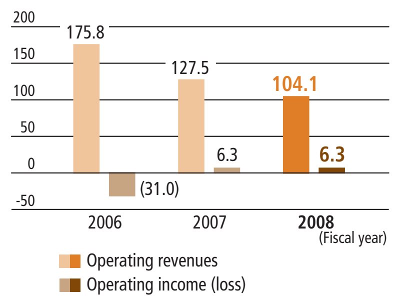
Business Segment	Operating Revenues* and Operating Income (Billions of yen)	Description of Activities and Review of Operations

Electric Power Business



TEPCO's electric power business integrates generation, transmission and distribution to supply electricity to the Kanto district, centered on metropolitan Tokyo. Part of TEPCO's service area, the Kanto district is home to approximately one-third of Japan's population, or about 44 million people, and accounts for approximately 40 percent of the country's GDP. TEPCO's electricity sales represent approximately one-third of total electricity sales in Japan. Power demand in the Kanto district is characterized by a higher proportion of demand from consumers, railroad, telecommunications and other non-manufacturing social infrastructure due to the concentration of population and business functions in the Tokyo metropolitan area. Looking forward, TEPCO forecasts that demand for electricity in Kanto will increase at a higher rate than in other regions due to the continuing population influx from other areas and concentration of business functions.

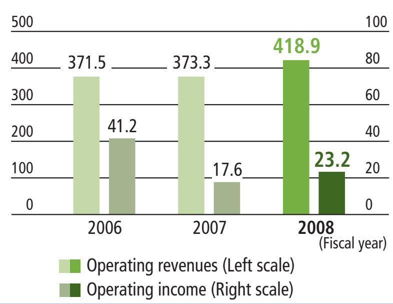
Information and Telecommunications Business



This business makes effective use of TEPCO Group management resources including technologies and facilities, and is involved in operations including data centers.

AT TOKYO Corporation operates the data center businesses. It uses the TEPCO Group's reliable power plants, earthquake-resistant facilities, optical fiber network and other assets, as well as expertise gained from the stable supply of electricity, in focusing its services on customers that need robust facilities and reliable security.

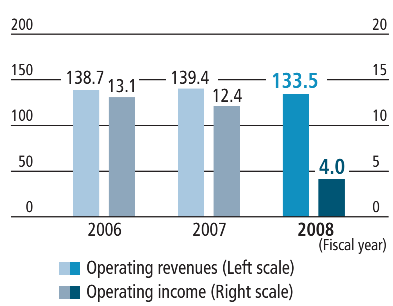
Energy and Environment Business



This business is closely related to the electric power business and involves facility construction and maintenance; supply and shipping of fuel and materials; and energy and environmental solutions. It employs the extensive expertise of the electric power business to help enhance the competitiveness of the electric power business and fulfill a diverse array of customer energy needs.

The fuel business contributes to stable, economical procurement of fuel for the electric power business through participation in the upstream LNG, transport and sales businesses. The gas supply business employs expertise and infrastructure related to gas handling and fuel procurement to respond to diverse customer needs.

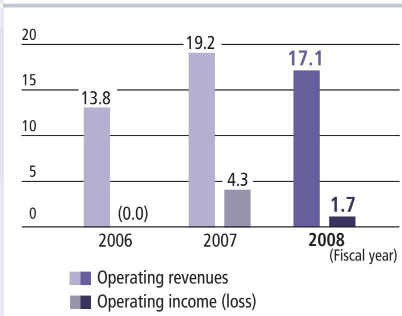
Living Environment and Lifestyle-Related Business



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.

In housing-related businesses, housing renovation company ReBITA Inc. promotes the use of all-electric systems. Other businesses in this segment include the nursing care business, which encompasses for-profit nursing care centers for the elderly using the strength of the TEPCO brand, home visit nursing care, design services and other operations.

Overseas Business



Overseas, TEPCO leverages the advanced technical capabilities and expertise it has cultivated in the electric power business to conduct investment and consulting.

TEPCO invests in independent power producers (IPP) centered on thermal power generation, and develops wind power projects worldwide through subsidiary Eurus Energy Holdings Corporation. TEPCO has holdings in power generation projects with a total capacity of 13.21 million kW. TEPCO's equity share was equivalent to approximately 3.48 million kW as of March 31, 2009. The consulting business involves technical support, support in formulating energy-saving measures, and other areas that contribute to improving and raising the efficiency of the supply of electricity in developing countries.

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

The Operating Environment of TEPCO's Electric Power Business

During fiscal 2008, large fluctuations in fuel prices and the global recession that began in the second half of the fiscal year affected TEPCO's electric power business.

Fuel prices rose rapidly from an all-Japan cost, insurance and freight (CIF) crude oil price of US$100/bbl in April 2008 to US$135.15/bbl in August 2008, only to drop quickly to US$43.18/bbl by January 2009. As a result, the all-Japan CIF crude oil price for the full fiscal year was US$90.52/bbl, US$11.79 higher than for the previous fiscal year. TEPCO's fuel expenses rose above ¥2,000 billion for the first time to ¥2,787.0 billion because of the increased consumption of fuel as a direct result of the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station.

In addition, the global recession caused industrial production in Japan to decrease substantially. TEPCO's electricity sales also decreased significantly, primarily among industrial customers. As a result, electricity sales volume in fiscal 2008 declined for the first time in two fiscal years, decreasing 2.8 percent year on year to 289.0 billion kWh.

Revision of Electricity Rates and Implementation of the New Fuel Cost Adjustment System

Under these conditions, TEPCO implemented a rate revision in September 2008 for the first time in two and a half years. Factors including the rapid rise in fuel prices mentioned previously and the increase in thermal power generation due to the shutdown of all reactors at the Kashiwazaki-Kariwa Nuclear Power Station caused by the Niigataken Chuetsu-Oki Earthquake significantly increased the Company's fuel expense burden. In addition, cost reductions implemented throughout the TEPCO Group and other factors resulted in a decrease in facility-related costs. These and other issues substantially changed the premises underlying rate calculations. The rate revision appropriately reflected the substantial increase in the fuel expense burden in the price of electricity. At the same time, TEPCO moved to lighten the burden on customers as much as possible by incorporating the maximum future cost reductions expected from efficiency gains into the rate calculation. Rates after the revision were maintained at the same level as rates prior to the revision.

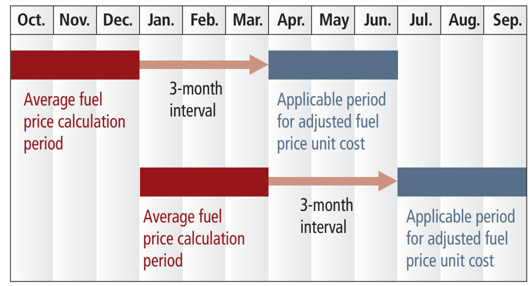
However, in March 2009 the Japanese government changed the fuel cost adjustment system based on the sharp and substantial fluctuations in fuel prices, and the new system was applied to electricity rates beginning in May 2009. The objective of the new fuel cost adjustment system is to rapidly reflect fluctuations in fuel prices in electricity rates. The fuel cost unit price is adjusted every month rather than every three months as under the former system, and fuel prices are reflected in electricity rates after a two-

Overview of the Revision of the Fuel Cost Adjustment System

Revision of the Mechanism for Reflecting Fuel Costs in Rates (Interval and Timing)

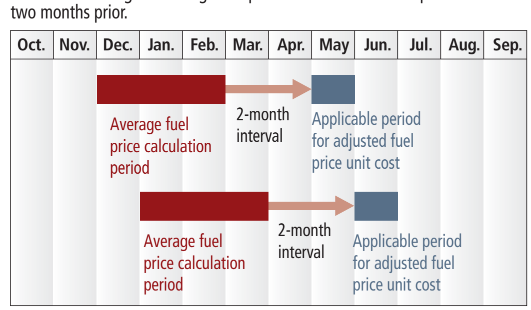
Before Revision

Electricity rates were adjusted every three months. The fuel cost adjustment unit price was calculated using the average fuel price for the three-month period ended three months prior.

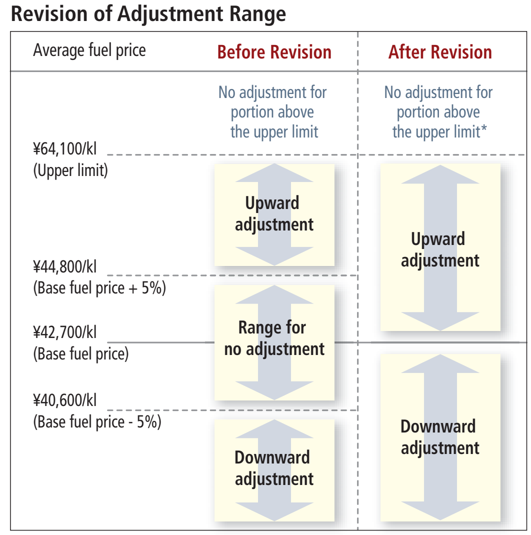


After Revision

Electricity rates are adjusted every month. The fuel cost adjustment unit price is calculated using the average fuel price for the three-month period ended two months prior.



Revision of Adjustment Range



*No upper limit for high voltage customers and extra high voltage customers eligible for liberalized rates (Last Resort Electricity Service Provisions, Electricity Supply Provisions) month interval rather than after the three-month interval under the former system. Moreover, under the former system, electricity rates were not adjusted for fuel price fluctuations within a fixed range of ±5 percent of the base fuel price. However, with a view to leveling electricity rate fluctuations, electricity rates are now adjusted even when the difference between the average fuel price and the base fuel price is small.

An upper limit had been set on the fuel cost adjustment amount for all customers, with no adjustment for the portion of average fuel prices exceeding 1.5 times the base fuel price. The revision in fiscal 2008, however, sets no upper limit for high voltage customers and extra high voltage customers eligible for liberalized rates.

Electricity Sales Volume

Electricity sales volume for fiscal 2008 decreased 2.8 percent compared with the previous fiscal year to 289.0 billion kWh. This was due to factors including a decrease in demand from regulated lighting (residential) and power customers (mainly stores and small factories) for heating and cooling because of moderate temperatures. Lighting sales volume decreased 1.6 percent year on year to 96.1 billion kWh and power sales volume decreased 6.9 percent to 11.9 billion kWh. On the other hand, the volume of sales to liberalized (eligible) customers decreased 3.2 percent to 181.0 billion kWh. Factors included a substantial decrease in industrial demand because of the sharp drop in production levels as a result of the global recession that began in the second half of fiscal 2008.

New electricity sales volume expanded 1.70 billion kWh. The household sector accounted for 0.72 billion kWh, and the corporate and large-scale sector accounted for 0.99 billion kWh of the new demand. As a result, cumulative new electricity sales since fiscal 2004 totaled 9.51 billion kWh as of March 31, 2009. TEPCO has therefore achieved 95 percent of its 10.00 billion kWh target for new electricity sales volume from fiscal 2004 through fiscal 2010 under Management Vision 2010. All-electric housing increased by 142,000 units during fiscal 2008, exceeding the 136,000-unit increase of the previous fiscal year, and the ratio of all-electric housing to total new housing construction was 20 percent.

Operating Revenues and Operating Income

In fiscal 2008, electricity sales increased ¥381.2 billion year on year to ¥5,295.9 billion due to factors including increased revenues from the fuel cost adjustment system. Including inter-company power and other revenues, total electric power operating revenues were ¥5,554.2 billion.

Operating expenses increased ¥457.8 billion year on year to ¥5,532.6 billion because of the substantial increase in fuel expenses and purchased power due to factors including the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station and higher fuel prices. As a result, operating income decreased 77.0 percent to ¥21.6 billion.

Electricity Sales Volume (Million kWh)		2003	2004	2005	2006	2007	2008	Year-on-Year Change
Regulated	Lighting	86,926	92,592	95,186	93,207	97,600	96,059	-1.6%
	Power	114,772	78,239	13,499	12,631	12,785	11,905	-6.9%
Liberalized	Eligible customers	74,314	115,910	179,969	181,784	187,012	180,992	-3.2%
Total		276,012	286,741	288,655	287,622	297,397	288,956	-2.8%

Electricity Sales Revenues (Billions of yen)	2003	2004	2005	2006	2007	2008	Year-on-Year Change
Lighting (Residential)	1,909.4	1,976.8	2,022.4	1,983.4	2,096.2	2,207.8	5.3%
Power, Eligible customers (Commercial, industrial and others)	2,688.7	2,660.4	2,659.5	2,721.1	2,818.4	3,088.1	9.6%
Total	4,598.1	4,637.2	4,681.9	4,704.6	4,914.7	5,295.9	7.8%

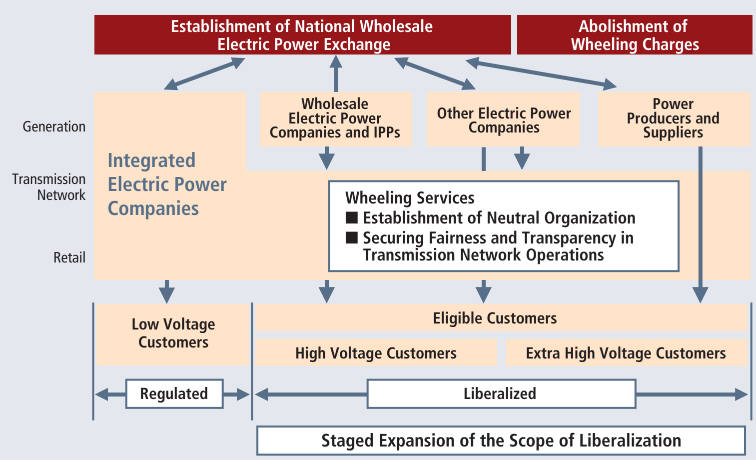
Note: Eligible customers are retail electric power customers included in the scope of liberalization.

The Structure of Japan's Electric Power Business

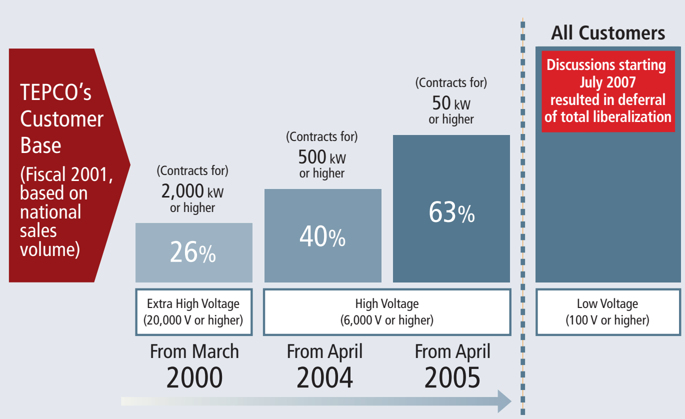
The liberalization of Japan's electric power business has proceeded in stages to introduce the principles of competition with the aim of reducing electricity rates and further enhancing levels of service. Excluding ordinary households and small stores and factories, all high voltage and extra high voltage customers, accounting for approximately 60 percent of total sales volume in TEPCO's service area, are now within the scope of liberalization. As of March 31, 2009, approximately 4,550 customers contracting a total of about 2.5 million kW of electricity have switched from TEPCO to new market participants. This is about 3 percent of TEPCO's total electricity sales volume.

The Advisory Committee for Natural Resources and Energy convened from April 2007 to July 2008 and decided to defer the introduction of total liberalization of the retail sector. The Committee will reexamine the matter after a set period of around five years.

The Electric Power Business Framework



Liberalization of the Electric Power Market in Japan



Businesses Other than Electric Power

Information and Telecommunications Business

Fiscal 2008 Performance

In fiscal 2008, the number of AT TOKYO Corporation customers expanded, and orders increased for TEPCO Optical Network Engineering Inc.'s consigned power shielded telecommunication cable maintenance business. Despite these and other factors, however, operating revenues decreased ¥23.4 billion year on year to ¥104.1 billion, reflecting the sale of Fusion Communications and Dream Train Internet in fiscal 2007. Operating income was essentially unchanged year on year at ¥6.3 billion.

Energy and Environment Business

Fiscal 2008 Performance

Fiscal 2008 operating revenues increased ¥45.5 billion year on year to ¥418.9 billion. Operating income increased ¥5.6 billion year on year to ¥23.2 billion. Factors included an increase in the unit sales price of gas and an increase in sales volume at the Gas Business Company for reasons including the start of supply to large-scale projects. Other factors supporting performance included an increase in the unit sales price of LPG, condensate and raw gas at Tokyo Timor Sea Resources Inc. (USA) due to higher natural gas prices. This affiliate owns an interest in the Bayu-Undan Gas Field off the coast of Darwin, Australia.

Living Environment and Lifestyle-Related Business

Fiscal 2008 Performance

Fiscal 2008 operating revenues decreased ¥5.9 billion year on year to ¥133.5 billion due to factors including the sale of Sportsplex Japan Co., Ltd. in March 2008. Operating income decreased ¥8.3 billion year on year to ¥4.0 billion.

In July 2008, TEPCO established TEPCO HUMMING WORK CO., LTD. to promote the employment of handicapped people in operations such as printing and copying, cleaning and gardening. In October 2008, TEPCO established TEPCO Land Management Corporation to consolidate and raise the operating efficiency of acquiring and managing sites for electric poles and transformers, which had formerly been shared by several Group companies.

Overseas Business

A wind power facility in Spain operated by Eurus Energy Holdings

Fiscal 2008 Performance

Fiscal 2008 operating revenues in the Overseas Business segment decreased ¥2.1 billion compared with the previous fiscal year to ¥17.1 billion. Operating income decreased ¥2.6 billion to ¥1.7 billion due to amortization of goodwill.

In the investment business, the scale of the wind power generation business handled by Eurus Energy Holdings expanded in Europe, North America and other regions. Moreover, Eurus Energy Holdings initiated involvement in the solar power business in South Korea as part of its aggressive business development efforts. Consequently, its results were in line with the previous fiscal year. However, operating revenues in the Australian IPP business decreased because of lower prices in the electric power market. Operating revenues totaled ¥15.3 billion and operating income totaled ¥2.4 billion. The consulting business received orders for 46 projects, including a survey for a power system development plan in Laos from Japan International Cooperation Association and support for establishing a technical base and power generation technology in Indonesia. Operating revenues totaled ¥1.7 billion and operating income totaled ¥0.3 billion.

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 & 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.

R&D in Action: Integrated Coal Gasification Combined Cycle

The TEPCO Group is taking advantage of the benefits of coal, which are its reasonable cost and stable supply, while also aiming to keep CO_2 emissions as low as possible through cooperation with other electric power companies in the development of integrated coal gasification combined cycle (IGCC) technology.

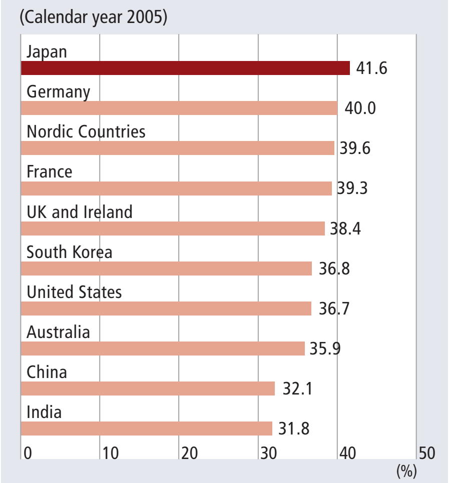
IGCC is a state-of-the-art technology for converting coal into a gas used as thermal fuel in highly efficient combined cycle power generation, which realizes 1) high thermal efficiency at the practical level of 48 to 50 percent (LHV standard, transmitting end) that is approximately 20 percent higher than leading-edge coal-fired thermal power generation; 2) CO_2 emissions almost equivalent to those from oil-fired thermal power generation; and 3) even greater energy security by enabling the use of lower-quality coal for coal-fired thermal power generation, which was previously impossible.

In Europe and North America, oxygen is used for coal gasification in IGCC (the oxygen-blown method). However, TEPCO has developed IGCC technology that uses air (the air-blown method). This enables high efficiency by simplifying the oxygen production process. TEPCO began demonstration tests in September 2007 and has already achieved long-term continuous operation equivalent to 2,000 hours. In fiscal 2009, we will conduct 5,000 hours of operation to verify the performance, durability and cost effectiveness of our IGCC for commercial use.

Intellectual Property Activities

The TEPCO Group has successfully developed a wide range of technologies in areas such as facility diagnostics and environmental protection, and also has extensive expertise in facility construction and operation, customer service and other areas. TEPCO protects the rights to the technologies it has developed through strategic, proactive patent applications, and also appropriately protects and employs its expertise and intellectual property such as patents. Moreover, the TEPCO Group moves aggressively to strengthen Group-wide competitiveness by employing its intellectual property in its businesses involving Group companies.

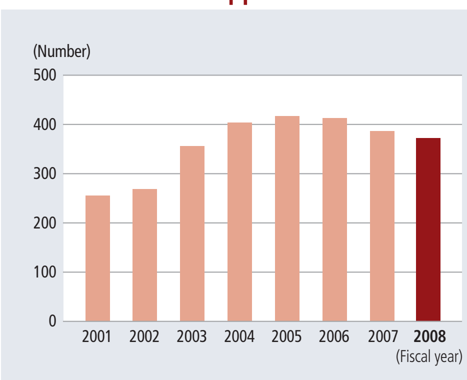
Efficiency of Coal-Fired Power Generation



Source: International Comparison of Fossil Power Efficiency and CO_2 Intensity 2008 (Ecofys)

IGCC demonstration plant with power output of 250 thousand kW.
Source: Clean Coal Power R&D Co., Ltd.

Number of Patent Applications



Major Facilities

As of March 31, 2009

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)	8,986	

*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
Kawasaki	Kanagawa Pref.	1,500	LNG
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.	4,027	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)		37,686	

(Planned)

Station Name	Output (Thousand kW)	Fuel	Start of Commercial Operation
Hitachinaka Unit 2	1,000	Coal	December 2013
Hirono Unit 6	600	Coal	December 2013
Futtsu Unit 4 group	1,014	LNG	December 2009 October 2010
Kawasaki Unit 2 group	1,920	LNG	February 2013 Fiscal 2016 Fiscal 2017

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 2015 October 2016
Higashidori Units 1 and 2	1,385 ea.	March 2017 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
Yokohama Kohoku Line, addition	275	16.6	June 2009
Higashi Shinjuku Suidobashi Line, new construction	275	5.9	April 2010
Nishi Joubu Trunk Line, new construction	500	110.3	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
Shin-Furukawa Substation, replacement	500	1,000 removed 1,500 installed	June 2010
Keihin Substation, replacement	275	220 removed 450 installed	June 2011
Shin-Furukawa Substation, replacement	500	2,000 removed 1,500 installed	June 2011
Shin-Fukushima Substation, replacement	500	1,000 removed 1,500 installed	July 2011
Daikanyama Substation, new construction	275	600 installed	June 2015

Corporate Social Responsibility (CSR) at the TEPCO Group

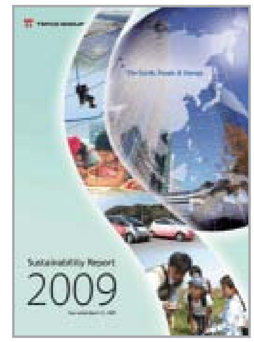
The TEPCO Group's fundamental duty to society is to provide a stable supply of safe electric power. By fulfilling this duty, we will help achieve a sustainable society.

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, shareholders and investors, business partners and employees. We build trust by responding sincerely to the needs of each of these stakeholders.

TEPCO Sustainability Report 2009



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

External Evaluation

The CSR activities of the TEPCO Group are highly evaluated by external institutions. For example, TEPCO is included in the Dow Jones Sustainability Asia Pacific Index (DJSI Asia Pacific).

Dow Jones Sustainability Indexes

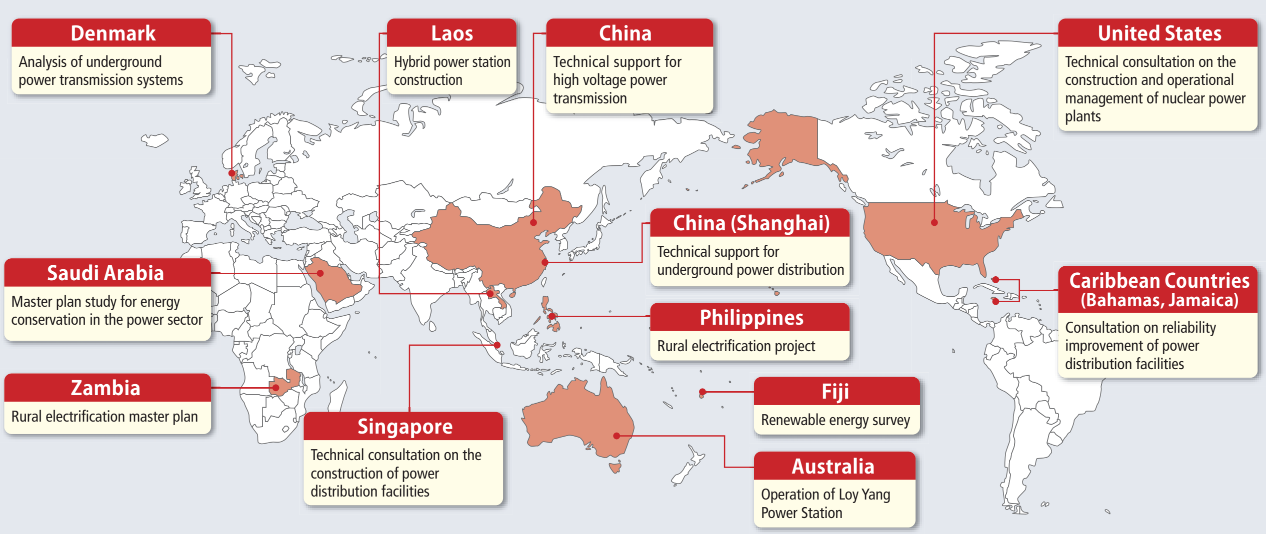
Overseas Consulting Business

TEPCO actively evolves its overseas consulting business with a view to expanding its business presence and raising the Company's overall performance by utilizing its technology, expertise, personnel and other Company resources in addition to contributing to the development and revitalization of the electric power business overseas.

Overseas Consulting Projects

Fiscal year	2002	2003	2004	2005	2006	2007	2008
Number of projects	35	40	45	48	37	49	46

Major Projects (Fiscal 2008)



Contributions to an Environmentally Focused Society: Reducing CO_2 Emission Intensity

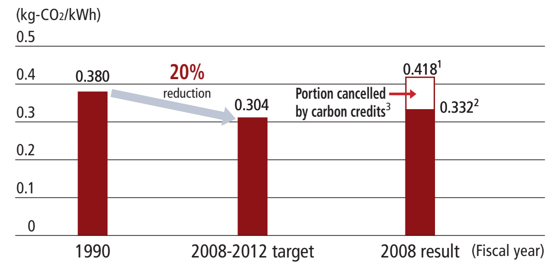
TEPCO is conducting a variety of initiatives to attain its voluntary target in Management Vision 2010 of reducing average annual CO_2 emission intensity over the five-year period from fiscal 2008 to fiscal 2012 by 20 percent relative to fiscal 1990.

Centered on safe and stable operations at nuclear power plants, which emit no CO_2, TEPCO's proactive and aggressive initiatives include enhancing the thermal efficiency of thermal power generation, expanding the use of renewable energy resources through compliance with the requirements of the Renewable Portfolio Standard (RPS) system, and acquiring carbon credits under the Kyoto Mechanisms and other frameworks. In addition to these measures, improving energy efficiency and promoting wider use of electricity on the demand side are also vital for realizing a low-carbon society. TEPCO approaches the reduction of CO_2 emissions from both supply and demand.

As in fiscal 2007, thermal power generation in fiscal 2008 increased due to the continued shutdown of the Kashiwazaki-Kariwa Nuclear Power Station. As a result, TEPCO's actual CO_2 emissions in fiscal 2008 were 120.7 million tons, basically the same level as in the previous fiscal year. By utilizing carbon credits acquired through greenhouse gas reduction projects, TEPCO achieved net CO_2 emissions of 95.9 million tons and net CO_2 emission intensity of 0.332 kg-CO_2/kWh (after adjustment for carbon credits), based on the Act on Promotion of Global Warming Countermeasures.

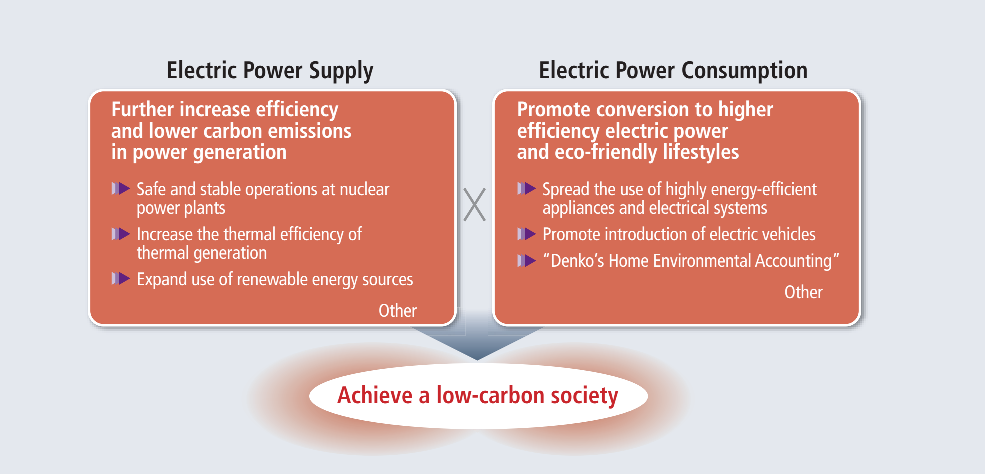
TEPCO's Voluntary CO_2 Emission Intensity Target and Result for Fiscal 2008

(Result reported to the government)



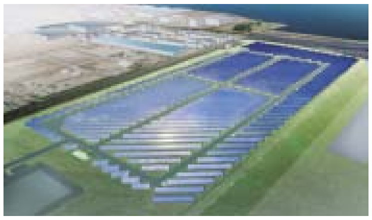
Notes:

1. CO_2 emission intensity (kg-CO_2/kWh) $0.418 = \dfrac{CO_2 \text{ emissions (120.7 million tons)}}{\text{Electric power sales volume (289.0 billion kWh)}}$
2. Adjusted CO_2 emission intensity (kg-CO_2/kWh) $0.332 = \dfrac{CO_2 \text{ emissions (120.7 million tons)} - \text{carbon credits (24.9 million tons)}}{\text{Electric power sales volume (289.0 billion kWh)}}$
(Figures may not match due to rounding.)
3. Includes only carbon credits transferred to the government's account by June 30, 2009



Expanding the Use of Renewable Energy

Renewable forms of energy such as solar, wind and hydro power and biomass not only have little environmental impact such as CO_2 emissions, but also help reduce consumption of fossil energy. On the other hand, several problems must be solved in order to expand their use. For example, because solar and wind power depend on the weather, they are so unstable that they require grid power backup and the development and introduction of large-scale storage batteries. In addition, further cost reductions are needed to expand the use of renewable energy despite a trend toward lower generation costs in recent years.



Artist's rendition of Ukishima Solar Power Plant (scheduled for completion in fiscal 2011)

The TEPCO Group will steadily achieve RPS levels imposed on electric power companies while developing a variety of businesses related to renewable energy including construction of mega-solar power plants in Japan and promotion of wind power business both in Japan and overseas.

Overview of Plans for New Energy Sources

	Output (kW)	Scheduled start of operations
Ohgishima Solar Power Plant	Approx. 13,000	Fiscal 2011
Ukishima Solar Power Plant	Approx. 7,000	Fiscal 2011
Komekurayama Solar Power Plant	Approx. 10,000	Fiscal 2011 (partial)
Higashi-Izu Wind Power Station	18,370 (total of 11 wind turbines)	October 2011

For more information on main generation facilities planned, please see page 28.

International Cooperation

In energy-efficient Japan, there is limited scope for additional cost-effective domestic counter-measures compared with other countries. Therefore, TEPCO is actively taking advantage of the Kyoto Mechanisms, which enable more efficient reduction of greenhouse gas emissions and contribute to the sustainable development of emerging nations, as a framework to supplement its domestic CO_2 emission reduction measures.

We also participate in the Asia-Pacific Partnership for Clean Development and Climate, which was established to promote the development, dissemination and transfer of clean and energy-efficient technology for countering global warming, and strive to reduce greenhouse gas emissions in the power sector on a global scale.

Wulabo Wind Power CDM Project in Xinjiang Uygur Autonomous Region, China

Promoting the Use of Electric Vehicles

TEPCO is actively working with automobile manufacturers in the development and promotion of electric vehicles (EVs). In order to evaluate their performance and utility, TEPCO is already using 50 EVs in its daily business. Of TEPCO's approximately 8,500 business vehicles, 310 will be replaced with EVs in fiscal 2009 and 3,000 in the long run.

Improving charging station infrastructure is critical to the spread of EV use. TEPCO is leveraging its charging technology cultivated over many years to develop and conduct demonstration tests of high-speed chargers compatible with all EVs, regardless of the manufacturer. These high-speed chargers will allow a vehicle to go 60km on a 10-minute charge.

The Subaru R1e (Fuji Heavy Industries Ltd.) in use as a business vehicle

i MiEV (Mitsubishi Motors Corporation) and a high-speed charger

Corporate Governance

As of June 30, 2009

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.

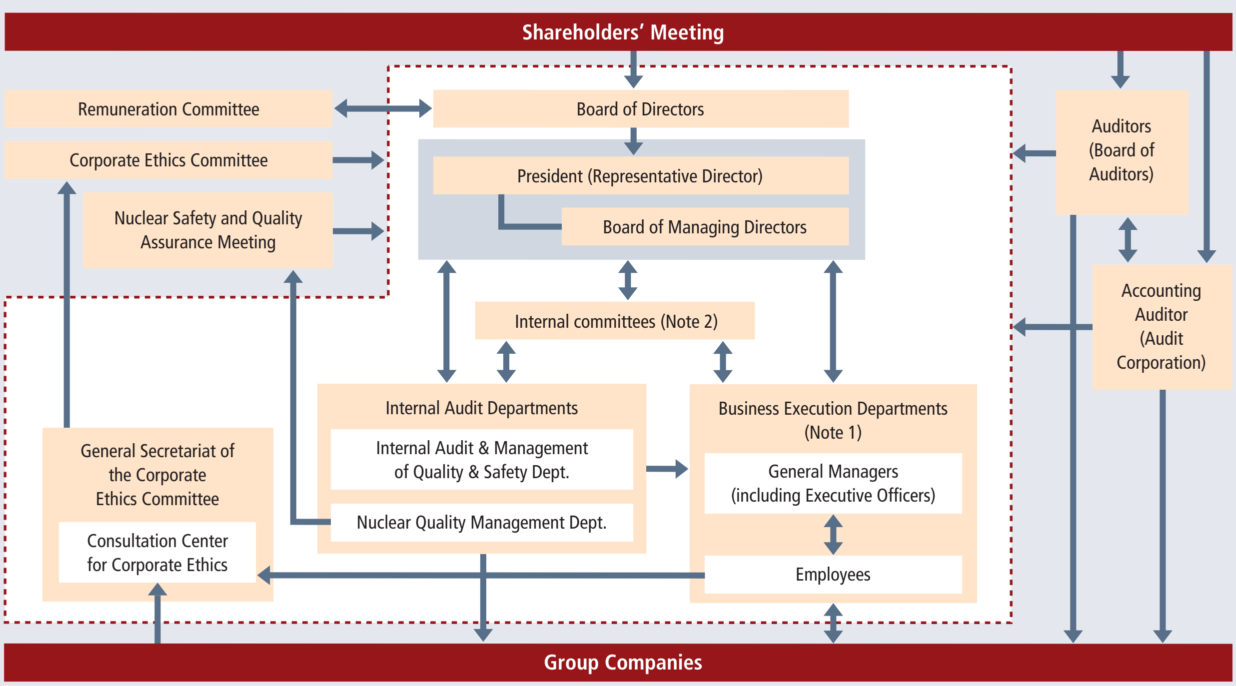
For that reason, TEPCO considers enhancing corporate governance a primary management task and is working to develop organizational structures and measures to strengthen legal and ethical compliance, appropriate and prompt decision making, effective business execution and auditing and supervisory functions.

Corporate Governance Structure

The Board of Directors comprises 20 directors, including 2 outside directors. TEPCO has seven auditors, including four outside auditors.

The Board of Directors meets once a month in principle, and holds additional extraordinary meetings when required. The Board's main responsibilities include appropriately deliberating and

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.

resolving important operational matters, considering reports and supervising the execution of director' 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's auditors 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, 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. This 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.

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.

Internal Control

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 also works to ensure the reliability of financial reporting by applying appropriate systems and performing evaluations following “The System of Internal Controls for Financial Reporting” under the Financial Instruments and Exchange Law.

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 is chaired by TEPCO’s president, who is ultimately responsible for risk management in the Company. It plays a central role in managing Group-wide 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 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. In particular, regarding Novel Influenza, which is threatening given its potential to severely impact company business, TEPCO’s Novel Influenza Countermeasure Task Force is considering concrete measures to address the issues of crisis management, business continuity and infection control.

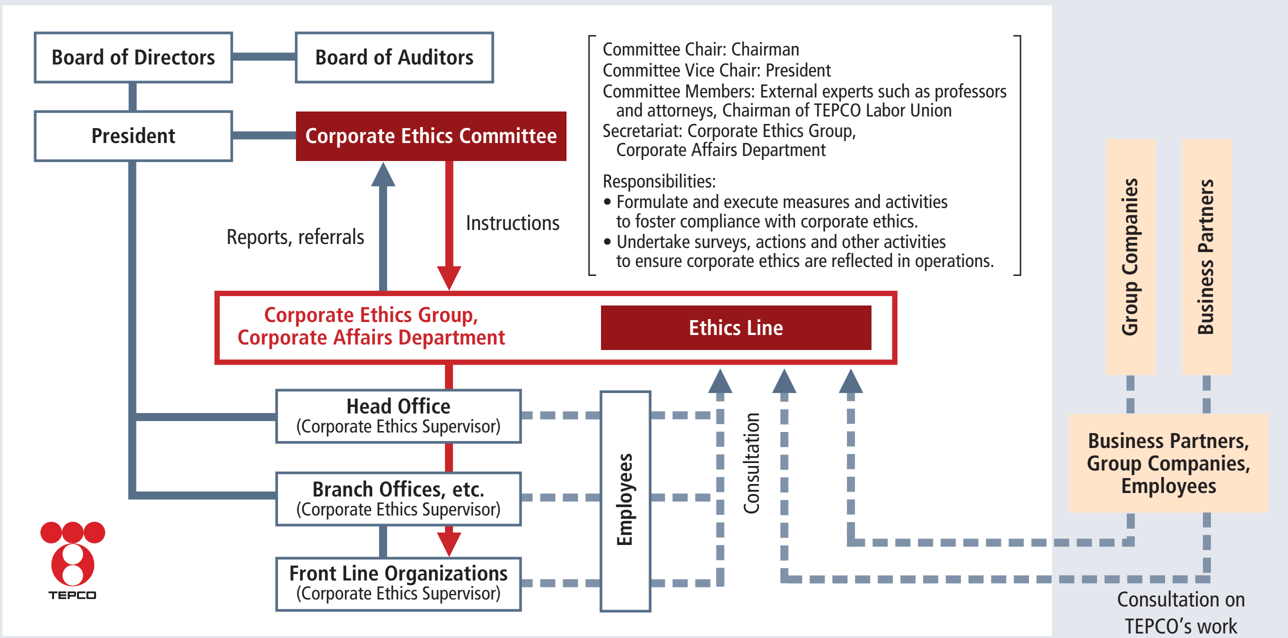
Corporate Ethics and Compliance

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 worked to cultivate awareness of corporate ethics at a variety of levels and air out the organization. Measures included management-level seminars by outside instructors, meetings for Corporate Ethics Representatives to exchange opinions with the Corporate Ethics Committee Chair, and case studies for managers involving debate and resolution of actual issues. Employees spent an average of 9.0 hours on such activities throughout the year.

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 are revising 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



Remuneration Paid to Directors and Auditors

TEPCO has introduced a performance-based 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.

The Board of Directors decided to continue the reductions in remuneration for directors and auditors that were instituted in November 2007. 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 (23)	714
Auditors (7)	141
Total	856

Remuneration for Accounting Auditor

(Millions of yen)

	Remuneration
For auditing and certification services	205
Other services	11
Total	217

Board of Directors, Auditors and Executive Officers

As of June 25, 2009

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, Internal Audit & Management of Quality & Safety Department

Masaru Takei
In charge of Accounting & Treasury Department, Nuclear Quality Management Department

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

Makio Fujiwara
Deputy General Manager, Marketing & Sales Division

Sakae Muto
Deputy General Manager, Nuclear Power & Plant Siting Division

Yoshihiro Naito
In charge of Affiliated Companies Department, Materials & Procurement Department

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

Zengo Aizawa
In charge of Engineering Department, Thermal Power Department

Takao Arai
General Manager, Business Development Division
In charge of Fuel Department

DIRECTORS

Yoshihisa Morimoto
Tomijirou Morita*
Yasushi Aoyama*

*Outside director

AUDITORS

STANDING AUDITORS

Katsutoshi Chikudate
Koji Miyamoto
Norio Chino

AUDITORS

Kichisaburo Nomura*
Sadayuki Hayashi*
Koichi Takatsu*
Hiroshi Komiyama*

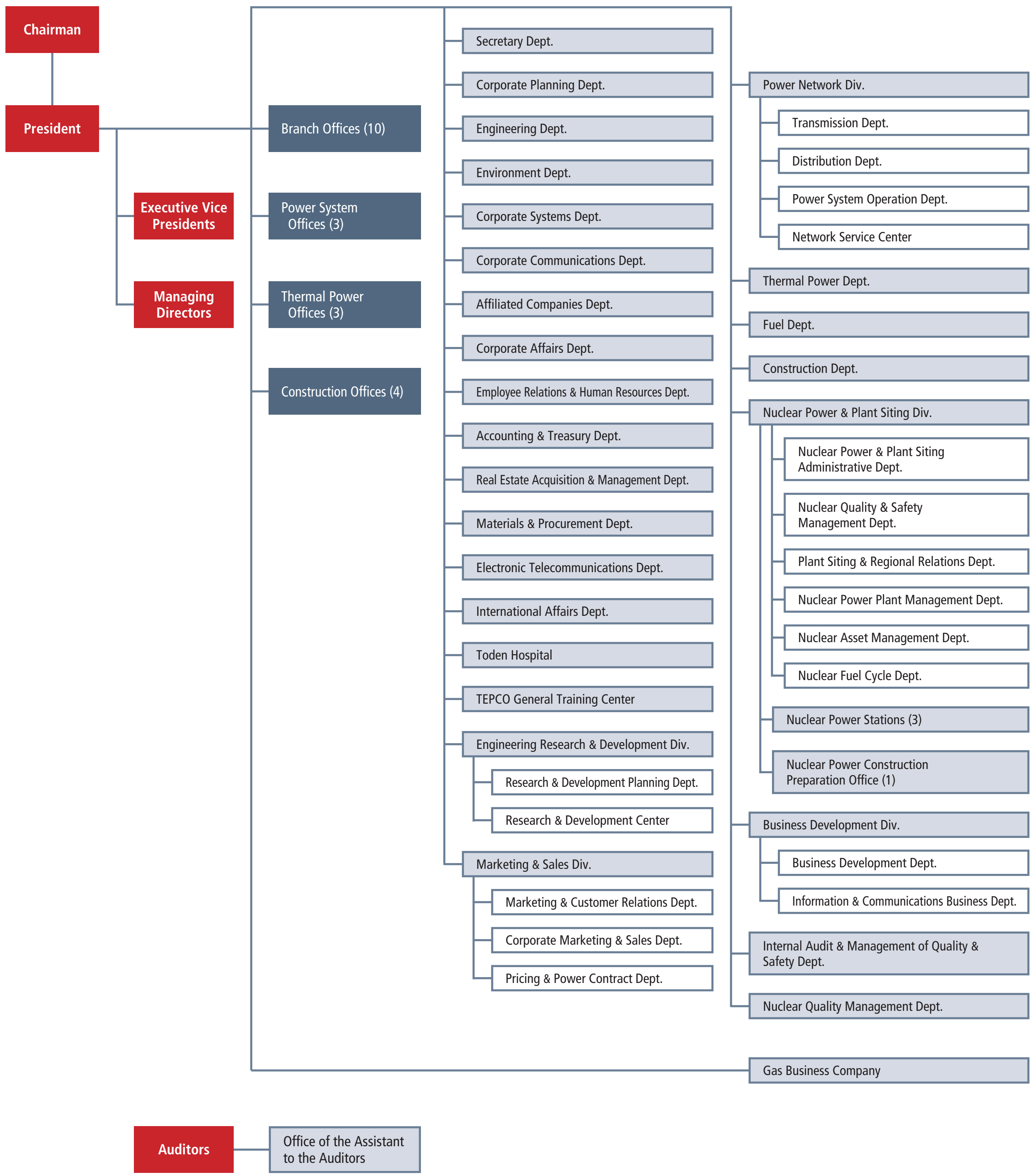
*Outside auditor

EXECUTIVE OFFICERS

Kouichi Handa
Toshikazu Shito
Hiroaki Takatsu
Kenji Kudo
Naomi Hirose
Akio Komori
Akio Takahashi
Fumiaki Miyamoto
Masanori Furuya
Yoshiyuki Ishizaki
Kazuhisa Kataoka
Takashi Karasaki
Masao Yoshida
Nobuto Hiraide
Mamoru Muramatsu
Kunihiko Shimura
Hiroshi Nomura
Ken Yanagihashi
Eiju Hangai
Hiroshi Araki
Toshihiro Sano
Hideo Hara
Kenji Kamakura
Masaru Ono
Seigo Yano
Yuji Masuda
Toshio Yamada
Yasuyuki Shimada
Toshiro Takebe
Shiro Odagiri
Akira Takahashi

Organization Chart

As of July 1, 2009



Major Subsidiaries and Affiliated Companies

As of March 31, 2009

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.	16,200	95.5	Industrial waste processing, electricity sales
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.*	1,920	100.0	Leasing and management of real estate
TOSHIN BUILDING CO., LTD.*	1,100	100.0	Leasing and management of real estate
TODEN YOCHI CO., INC.	100	100.0	Management of TEPCO-owned land
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

*Toden Real Estate Co., Inc. absorbed TOSHIN BUILDING CO., LTD. through a merger on April 1, 2009.

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	12 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.

Financial Section

Consolidated 11-Year Summary

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries

A TEPCO changed cash dividends per share from ¥65 to ¥60 in the year ended March 31, 2009.

	2009	2008	2007	2006
Years ended March 31:				
Operating revenues	**¥ 5,887,576**	¥ 5,479,380	¥ 5,283,033	¥ 5,255,495
Operating income	**66,935**	136,404	550,911	576,277
(Loss) income before income taxes and minority interests	**(99,574)**	(212,499)	496,022	473,832
Net (loss) income	**(84,518)**	(150,108)	298,154	310,388
Depreciation and amortization	**757,093**	772,460	751,625	824,041
Capital expenditures	**695,981**	664,295	574,687	623,726
Per share of common stock (Yen and U.S. dollars):				
Net (loss) income (basic)	**¥ (62.65)**	¥ (111.26)	¥ 220.96	¥ 229.76
Net income (diluted) (Note 3)	**–**	–	–	–
Cash dividends	A **60.00**	65.00	70.00	60.00
Equity	**1,763.32**	1,967.03	2,248.34	2,059.52
As of March 31:				
Total net assets (Note 4)	**¥ 2,419,477**	¥ 2,695,455	¥ 3,073,778	¥ 2,815,424
Equity (Note 5)	**2,378,581**	2,653,762	3,033,537	2,779,720
Total assets	**13,559,309**	13,679,055	13,521,387	13,594,117
Interest-bearing debt	**7,938,087**	7,675,722	7,388,605	7,840,161
Number of employees	**52,506**	52,319	52,584	51,560
Financial ratios and cash flow data:				
ROA (%) (Note 7)	**0.5**	1.0	4.1	4.2
ROE (%) (Note 8)	**(3.4)**	(5.3)	10.3	11.8
Equity ratio (%)	**17.5**	19.4	22.4	20.4
Net cash provided by operating activities	**¥ 599,144**	¥ 509,890	¥ 1,073,694	¥ 935,622
Net cash used in investing activities	**(655,375)**	(686,284)	(550,138)	(615,377)
Net cash provided by (used in) financing activities	**194,419**	188,237	(514,885)	(350,193)
Other data (Non-consolidated):				
Electricity sales (million kWh)				
Electricity sales for lighting	**96,059**	97,600	93,207	95,186
Electricity sales for power (Note 9)	C **11,905**	12,785	12,631	13,499
Electricity sales to eligible customers (Note 9)	**180,992**	187,012	181,784	179,969
Total	**288,956**	297,397	287,622	288,655
Power generation capacity (thousand kW) (Note 10):				
Hydroelectric	**8,986**	8,985	8,993	8,993
Thermal	**37,686**	36,179	35,533	35,536
Nuclear	**17,308**	17,308	17,308	17,308
Wind	**1**	1	1	1
Total	**63,981**	62,473	61,835	61,837
Nuclear power plant capacity utilization rate (%)	**43.8**	44.9	74.2	66.4

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 ¥98.23 to US$1.00 prevailing on March 31, 2009.
2. Amounts of less than one million yen have been omitted. All 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, 2009 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 no 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 in the 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.

	2005	2004	2003	2002	2001	2000	1999 (Note 6)	2009
	Millions of yen, unless otherwise noted							Millions of U.S. dollars, unless otherwise noted (Note 1)
	¥ 5,047,210	¥ 4,853,826	¥ 4,919,109	¥ 5,220,578	¥ 5,258,014	¥ 5,091,620	¥ 5,088,403	$ 59,936
	566,304	489,004	521,406	658,933	732,561	788,078	688,607	681
	372,814	255,309	265,170	312,414	329,120	146,236	209,177	(1,014)
	226,177	149,550	165,267	201,727	207,882	87,437	97,425	(860)
	847,505	889,955	922,357	953,437	964,625	1,012,755	–	7,707
	561,206	663,967	706,656	995,842	921,126	1,023,287	–	7,085
	¥ 167.29	¥ 110.53	¥ 122.08	¥ 149.11	¥ 153.66	¥ 64.63	¥ 72.01	$ (0.64)
	–	110.32	121.33	147.89	152.36	–	–	–
	60.00	60.00	60.00	60.00	60.00	60.00	50.00	0.61
	1,853.52	1,748.06	1,662.38	1,612.97	1,506.62	1,367.25	1,176.44	17.95
	¥ –	¥ –	¥ –	¥ –	¥ –	¥ –	¥ –	$ 24,631
	2,502,157	2,360,475	2,245,892	2,181,983	2,038,251	1,849,692	1,591,562	24,214
	13,748,843	13,900,906	14,177,296	14,578,579	14,562,299	14,559,331	14,407,405	138,036
	8,261,717	8,765,175	9,076,289	9,564,914	9,968,871	10,309,674	–	80,811
	53,380	51,694	52,322	53,704	48,024	48,255	–	
	4.1	3.5	3.6	4.5	5.0	5.4	4.8	
	9.3	6.5	7.5	9.6	10.7	5.1	6.2	
	18.2	17.0	15.8	15.0	14.0	12.7	11.0	
	¥ 1,411,470	¥ 1,147,591	¥ 1,406,300	¥ 1,464,181	¥ 1,456,478	¥ 1,434,897	¥ –	$ 6,100
	(577,503)	(693,871)	(863,797)	(905,453)	(1,017,032)	(1,070,487)	–	(6,672)
	(785,600)	(451,371)	(573,761)	(558,182)	(431,235)	(372,356)	–	1,979
	92,592	86,926	89,354	85,080	85,990	83,974	80,984	
	78,239	114,772	116,551	115,354	117,082	190,252	186,063	
	115,910	74,314	75,997	75,106	77,579	–		
	286,741	276,012	281,902	275,540	280,651	274,226	267,047	
	8,521	8,520	8,520	8,519	8,508	8,103	7,695	
	36,995	36,831	34,548	34,548	33,026	32,434	31,871	
	17,308	17,308	17,308	17,308	17,308	17,308	17,308	
	1	1	1	1	1	1		
	62,825	62,660	60,377	60,375	58,843	57,846	56,874	
	61.7	26.3	60.7	80.1	79.4	84.4	83.1	

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 for the Year Ended March 31, 2009

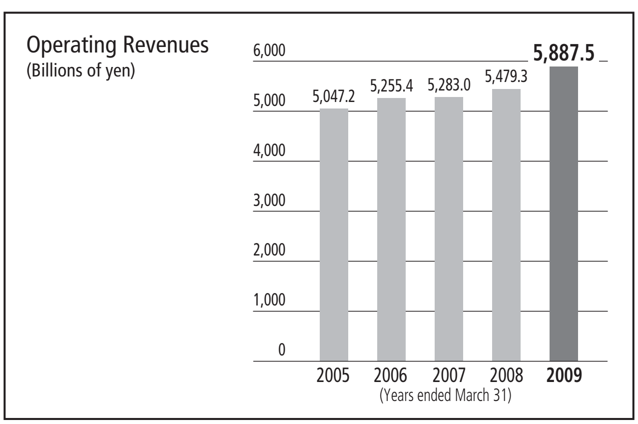
Overview

Operating revenues rose year on year due to factors including an increase in electricity rates as a result of the fuel cost adjustment system. However, the impact of the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station due to the Niigataken Chuetsu-Oki Earthquake and expenses to restore that facility were among the factors resulting in a net loss of ¥84.5 billion.

In the year ended March 31, 2009, operating revenues increased 7.4 percent, or ¥408.1 billion, year on year to ¥5,887.5 billion. Electricity sales volume decreased in the electric power business due to factors including the impact of the recession, but the fuel cost adjustment system increased the unit sales price.

Operating expenses increased 8.9 percent, or ¥477.6 billion, year on year to ¥5,820.6 billion. In the electric power business segment, the TEPCO Group worked concertedly to reduce costs, but factors including the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station due to the Niigataken Chuetsu-Oki Earthquake in July 2007 and high fuel costs caused a substantial increase in fuel expenses and purchased power. Operating income therefore decreased 50.9 percent, or ¥69.4 billion, year on year to ¥66.9 billion.

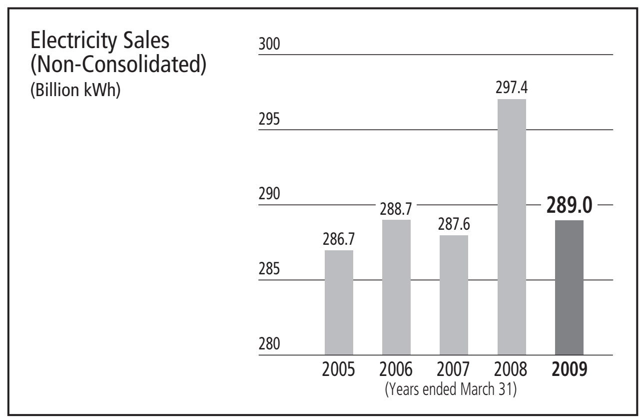
Net loss totaled ¥84.5 billion, compared to net loss of ¥150.1 billion for the previous fiscal year. A primary factor was other expenses including expenses to restore the Kashiwazaki-Kariwa Nuclear Power Station.



Segment Results

Electric Power Business Segment

For the electric power business segment, operating revenues including intercompany transactions increased 7.5 percent, or ¥385.1 billion, year on year to ¥5,554.2 billion. Demand for heating decreased because of moderate temperatures, and demand from large-scale industrial customers decreased significantly due to the recession. These and other factors caused the total volume of electricity sold for the fiscal year to decrease 2.8 percent, or 8.4 billion kWh year on year to 289.0 billion kWh. However, the fuel cost adjustment system increased the unit sales price. By type of demand, electricity sales for lighting decreased 1.6 percent, or 1.5 billion kWh, year on year to 96.1 billion kWh, electricity sales for power decreased 6.9 percent, or 0.9 billion kWh, year on year to 11.9 billion kWh, and electricity sales to eligible customers decreased 3.2 percent, or 6.0 billion kWh, year on year to 181.0 billion kWh.



Operating expenses increased 9.0 percent, or ¥457.8 billion, year on year to ¥5,532.6 billion. The TEPCO Group worked concertedly to reduce maintenance, commission and other expenses, but factors such as the shutdown of the Kashiwazaki-Kariwa Nuclear Power Station and high fuel prices caused a substantial increase in fuel expenses and purchased power. Consequently, operating income in the electric power business segment decreased 77.0 percent, or ¥72.7 billion, year on year to ¥21.6 billion.

Information and Telecommunications Business Segment

Operating revenues in the information and telecommunications business segment decreased 18.4 percent, or ¥23.4 billion, year on year to ¥104.1 billion. Contributing factors included the exclusion of Fusion Communications Corp. from the scope of consolidation in August 2007. Operating expenses decreased 19.3 percent, or ¥23.4 billion, year on year to ¥97.7 billion. Consequently, operating income in the information and telecommunications business segment was essentially unchanged year on year at ¥6.3 billion.

Energy and Environment Business Segment

Operating revenues in the energy and environment business segment increased 12.2 percent, or ¥45.5 billion, year on year to ¥418.9 billion. Factors included an increase in gas sales volume in the gas supply business of approximately 0.30 million tons, year

(Billions of yen)

Years ended March 31	Operating revenues 2009	Operating revenues 2008	Operating income 2009	Operating income 2008
Electric power business	5,554.2	5,169.1	21.6	94.3
Information and telecommunications business	104.1	127.5	6.3	6.3
Energy and environment business	418.9	373.3	23.2	17.6
Living environment and lifestyle-related business	133.5	139.4	4.0	12.4
Overseas business	17.1	19.2	1.7	4.3
Eliminations	(340.4)	(349.4)	9.7	1.1
Consolidated	5,887.5	5,479.3	66.9	136.4

on year to approximately 1.08 million tons, and higher selling prices due to the increase in the cost of raw materials. Operating expenses increased 11.2 percent, or ¥39.9 billion, year on year to ¥395.6 billion. Factors contributing to the increase included higher raw material expenses due to 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 increased 31.8 percent, or ¥5.6 billion, year on year to ¥23.2 billion.

Living Environment and Lifestyle-Related Business Segment

Operating revenues in the living environment and lifestyle-related business segment decreased 4.3 percent, or ¥5.9 billion, year on year to ¥133.5 billion. Factors contributing to the decrease included the exclusion of Sportsplex Japan Co., Ltd. from the scope of consolidation in March 2008. Operating expenses increased 1.9 percent, or ¥2.4 billion, from the previous fiscal year to ¥129.4 billion due to loss on devaluation of properties in inventory in the real estate business. Consequently, operating income in the living environment and lifestyle-related business segment decreased 67.2 percent, or ¥8.3 billion, year on year to ¥4.0 billion.

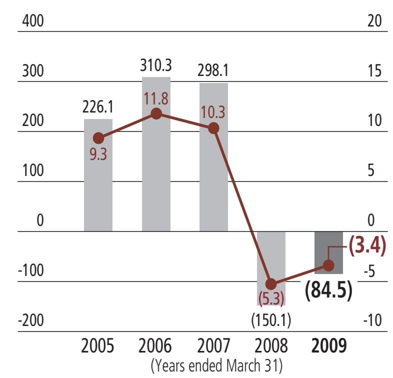
Overseas Business Segment

Operating revenues in the overseas business segment decreased 11.0 percent, or ¥2.1 billion, year on year to ¥17.1 billion. Factors included lower electric power prices in the overseas power generation business. Operating expenses increased 3.4 percent, or ¥0.4 billion, from the previous fiscal year to ¥15.3 billion. Consequently, operating income in the overseas business segment decreased 59.6 percent, or ¥2.6 billion, year on year to ¥1.7 billion.

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

Other expenses, net totaled ¥170.3 billion because of factors including 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 ¥99.5 billion. Income taxes totaled a net deferral of ¥18.6 billion. Net loss totaled ¥84.5 billion, compared to net loss of ¥150.1 billion for the previous fiscal year. Net loss per share totaled ¥62.65, compared to net loss per share of ¥111.26 for the previous fiscal year.

Net (Loss) Income and ROE
(Billions of yen, %)



Financial Policy

TEPCO has 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. Since the year ended March 31, 2008, outlays for purchases of fuel for thermal power and power from other companies have increased expenses and reduced internal capital reserves. As a result, TEPCO has expanded procurement of external funds, causing interest-bearing debt to increase and the equity ratio to decrease. Nonetheless, TEPCO will continue making every possible effort to achieve its equity ratio target.

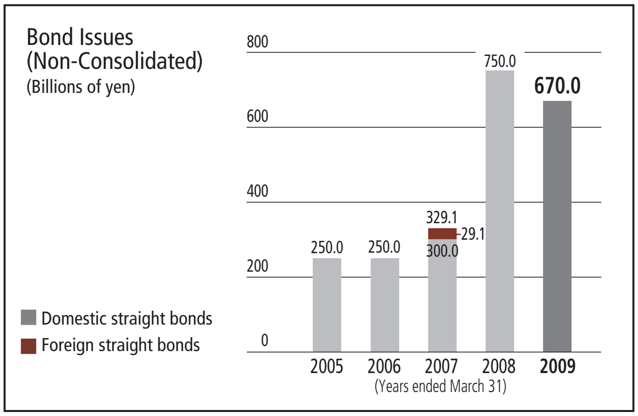
One of the characteristics of the electric power business is that it requires large amounts of long-term funding for the construction and renewal of facilities. TEPCO relies on straight bond issues, which raise such amounts at one time. In 2008, the financial crisis hit and the bond market temporarily stopped functioning properly. Despite these conditions, TEPCO issued a total of ¥670.0 billion in bonds in the year ended March 31, 2009. Factors supporting bond issues included TEPCO's creditworthiness, a diversity of maturities such as the issues of the first two-year note and, for the first time in 10 years, 20-year bonds, and improvements to the bond issuance process such as a longer underwriting period.

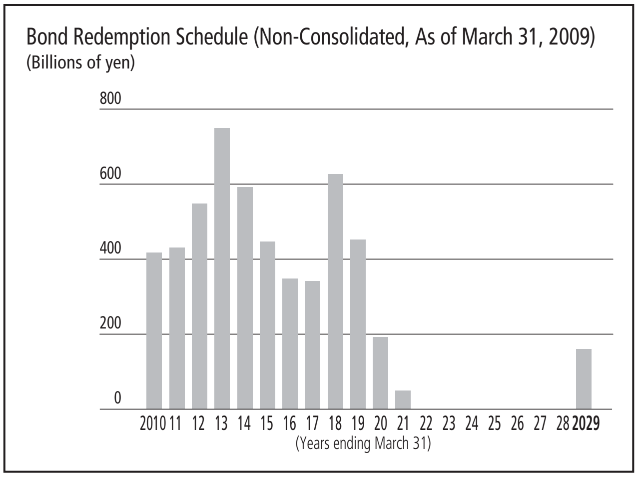
TEPCO has conducted large issues of foreign currency bonds in various currencies, the most recent being in Swiss francs in February 2007. Going forward, we will seek better ways to take advantage of foreign currency bonds amid the temporary market challenges.

Furthermore, we balance bond issues with loans from financial institutions to add stability and reliability to fund procurement. Financial institutions significantly tightened lending standards once the global financial crisis began, but TEPCO relied on the strong relationships it has built with lenders and employed diverse funding methods such as syndicated loans, thus increasing access to the capital it requires.

In addition, TEPCO strengthened measures to secure sufficient cash levels in order to ensure strong liquidity in the event that external financial conditions worsen. These include setting high upper limits on commercial paper issuance, increasing the monetary amounts, diversifying counterparties and borrowing terms, and extending maturity dates for commitment line agreements.

Moreover, TEPCO established a Group financial system in the year ended March 31, 2002 to enhance competitiveness by raising its overall capital efficiency. TEPCO has successively expanded the scope of companies covered by the system, with results including reduction in assets and liabilities and lower financial costs.





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. These ratings reflect the strength of TEPCO's business base and the stability of its fund-raising.

	S&P	Moody's	R&I	JCR
Long-term debt	AA	Aa2	AA+	AAA
Outlook	Negative	Stable	Stable	Stable
Short-term debt	A-1+	P-1	a-1+	J-1+

Note: Ratings are as of the date of publication of this annual report.

Cash Flow

Net cash provided by operating activities increased from the previous fiscal year due to increased revenues in the electric power business, while net cash used in investing activities decreased due to factors including reduced capital investment.

Cash and cash equivalents at the end of the fiscal year increased 106.7 percent, or ¥133.5 billion, from the previous fiscal year-end to ¥258.7 billion. The key factor in the increase was TEPCO's efforts to enhance liquidity given unpredictable financial conditions.

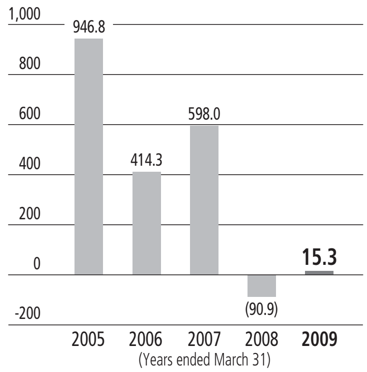
Net cash provided by operating activities increased 17.5 percent, or ¥89.2 billion, year on year to ¥599.1 billion. The increase resulted because of increased revenues in the electric power business despite higher outlays for purchases of fuel for thermal power and power from other companies.

Net cash used in investing activities decreased 4.5 percent, or ¥30.9 billion, from the previous fiscal year to ¥655.3 billion. Factors included decreased capital investment in facilities and in business diversification.

Net cash provided by financing activities increased 3.3 percent, or ¥6.1 billion, year on year to ¥194.4 billion. Factors included an increase in proceeds from long-term loans.

Free cash flow for the year ended March 31, 2009, calculated as net cash provided by operating activities less capital expenditures in the electric power business, totaled ¥15.3 billion. In the previous fiscal year capital expenditures in the electric power business exceeded net cash provided by operating activities by ¥90.9 billion.

Free Cash Flow
(Billions of yen)



Capital Expenditures

TEPCO has taken steps such as revising facility specifications and raising the efficiency of facility design and construction. However, capital expenditures have increased in areas such as measures to enhance the earthquake resistance and disaster-prevention functions of nuclear power plants.

During the year ended March 31, 2009, capital expenditures increased 4.8 percent, or ¥31.6 billion, year on year to ¥695.9 billion. TEPCO worked meticulously to reduce costs by revising facility specifications for the entire Group and raising the efficiency of facility design and construction, but outlays increased due to factors including additional measures to enhance the earthquake resistance and disaster-prevention functions of nuclear power plants.

By segment, capital expenditures increased 3.2 percent, or ¥18.3 billion, year on year to ¥588.3 billion in the electric power business; 76.6 percent, or ¥11.2 billion, to ¥26.0 billion in the information and telecommunications business segment; 3.0 percent, or ¥0.4 billion, to ¥14.1 billion in the living environment and lifestyle-related business segment; and 35.8 percent, or ¥10.0 billion, to ¥38.1 billion in the overseas business segment. Capital expenditures in the energy and environment business segment decreased 20.7 percent, or ¥8.5 billion, to ¥32.6 billion.

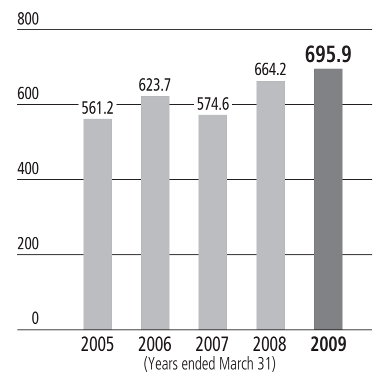
Non-consolidated capital expenditures in the electric power business consisted of the following:

Non-Consolidated Capital Expenditures in the Electric Power Business

(Billions of yen)

Years ended March 31	2009	2008
Hydroelectric power	11.8	9.4
Thermal power	68.5	58.0
Nuclear power	125.8	64.1
Transmission	130.4	155.7
Transformation	35.1	41.6
Distribution	119.8	129.2
Nuclear fuel and other	98.4	110.6
Total	590.2	568.8

Capital Expenditures
(Billions of yen)



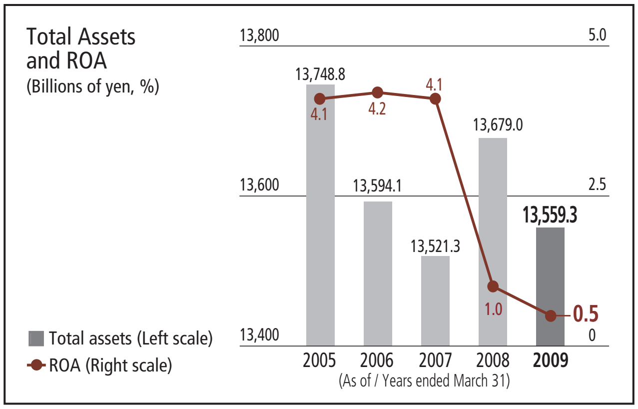
Assets, Liabilities and Net Assets

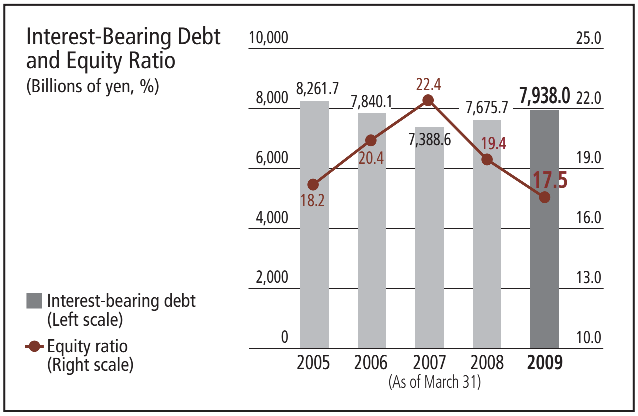
Interest-bearing debt increased due to additional procurement of external funds and other factors. Net assets decreased due to factors including the net loss for the fiscal year. Consequently, the equity ratio decreased to 17.5 percent from 19.4 percent a year earlier.

As of March 31, 2009, total assets decreased 0.9 percent, or ¥119.7 billion, from the previous fiscal year-end to ¥13,559.3 billion. Although trust funds for reprocessing of irradiated nuclear fuel increased, normal depreciation reduced property, plant and equipment in the electric power business.

Total liabilities increased 1.4 percent, or ¥156.2 billion, from the previous fiscal year-end to ¥11,139.8 billion. Factors included an increase in interest-bearing debt of 3.4 percent, or ¥262.3 billion, to ¥7,938.0 billion due to additional procurement of external funds.

Net assets decreased 10.2 percent, or ¥275.9 billion, from the previous fiscal year-end to ¥2,419.4 billion. Factors included a decrease in retained earnings as a result of the net loss for the fiscal year. Consequently, the equity ratio decreased 1.9 percentage points to 17.5 percent from 19.4 percent.





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.

For the year ended March 31, 2009, TEPCO had a net loss for the second consecutive fiscal year.

After comprehensive consideration of its circumstances, TEPCO decided to pay interim and year-end cash dividends per share of ¥30.00, respectively, for annual cash dividends per share applicable to the year ended March 31, 2009 of ¥60.00.

For the year ending March 31, 2010, based on the above dividend policy TEPCO intends to maintain interim and year-end cash dividends per share at ¥30.00, respectively, and cash dividends per share applicable to the fiscal year at ¥60.00.

Cash Dividends per Share

Years ended/ending March 31	Interim	Year-end	Annual
2009	¥30.00	¥30.00	¥60.00
2010 (Forecast)	¥30.00	¥30.00	¥60.00

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 continued shutdown of many of the 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, an increase in provisions to reserves for costs not included in this system, operating conditions at the Rokkasho Reprocessing Plant and other facilities, and procedures for decommissioning of the Rokkasho Uranium Enrichment Plant 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 changes and increasing competition in the electric power business and stricter environmental regulations related to global warming are changing the TEPCO Group's operating environment, which 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 CO_2 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

ASSETS	Millions of yen 2009	Millions of yen 2008	Millions of U.S. dollars (Note 2) 2009
Property, plant and equipment	**¥ 29,559,429**	¥ 29,207,345	**$ 300,920**
Construction in progress	**648,591**	672,485	**6,603**
	30,208,020	29,879,830	**307,523**
Less:			
Contributions in aid of construction	**(358,729)**	(353,275)	**(3,652)**
Accumulated depreciation	**(20,543,923)**	(19,982,955)	**(209,141)**
	(20,902,653)	(20,336,231)	**(212,793)**
Property, plant and equipment, net (Notes 4, 8, 9 and 25)	**9,305,367**	9,543,599	**94,730**
Nuclear fuel (Note 9):			
Loaded nuclear fuel	**146,067**	152,736	**1,487**
Nuclear fuel in processing	**769,850**	769,108	**7,837**
	915,918	921,845	**9,324**
Investments and other:			
Long-term investments (Notes 5 and 9)	**499,027**	646,386	**5,080**
Trust funds for reprocessing of irradiated nuclear fuel (Notes 9 and 10)	**667,487**	517,942	**6,795**
Deferred tax assets (Note 16)	**443,481**	461,737	**4,515**
Other (Notes 9 and 15)	**519,998**	606,039	**5,294**
	2,129,995	2,232,104	**21,684**
Current assets (Note 9):			
Cash (Note 6)	**301,391**	154,625	**3,068**
Notes and accounts receivable—customers	**430,095**	388,705	**4,378**
Inventory	**156,010**	182,181	**1,588**
Other (Notes 6 and 16)	**323,826**	259,003	**3,298**
	1,211,323	984,515	**12,332**
Less:			
Allowance for doubtful accounts	**(3,295)**	(3,010)	**(34)**
	1,208,027	981,505	**12,298**
Total assets	**¥ 13,559,309**	¥ 13,679,055	**$ 138,036**

LIABILITIES AND NET ASSETS	Millions of yen 2009	2008	Millions of U.S. dollars (Note 2) 2009
Long-term liabilities and reserves:			
Long-term debt (Notes 7 and 9)	**¥ 6,624,587**	¥ 6,156,241	**$ 67,439**
Other long-term liabilities (Note 16)	**100,060**	111,707	**1,019**
Reserve for reprocessing of irradiated nuclear fuel (Note 11)	**1,254,593**	1,264,049	**12,772**
Accrued employees' retirement benefits (Note 15)	**428,911**	430,930	**4,366**
Reserve for decommissioning costs of nuclear power units (Note 12)	**491,415**	475,170	**5,003**
Reserve for loss on disaster (Note 13)	**168,191**	164,528	**1,712**
	9,067,759	8,602,627	**92,311**
Current liabilities:			
Current portion of long-term debt (Notes 7 and 9)	**689,287**	842,256	**7,017**
Short-term loans (Notes 7 and 9)	**389,212**	382,223	**3,962**
Trade notes and accounts payable	**241,960**	390,726	**2,463**
Accrued income taxes and other	**75,899**	58,216	**773**
Other (Notes 7 and 16)	**662,191**	690,142	**6,741**
	2,058,550	2,363,566	**20,956**
Reserve for fluctuation in water levels (Note 14)	**13,521**	17,406	**138**
Total liabilities	**11,139,831**	10,983,600	**113,405**
Net assets:			
Shareholders' equity (Notes 17 and 26):			
Common stock, without par value:			
Authorized — 1,800,000,000 shares			
Issued — 1,352,867,531 shares in 2009 and 2008	**676,434**	676,434	**6,886**
Capital surplus	**19,142**	19,126	**195**
Retained earnings	**1,772,324**	1,937,814	**18,043**
Treasury stock, at cost:			
3,941,412 shares in 2009 and 3,746,488 shares in 2008	**(7,764)**	(7,187)	**(79)**
Total shareholders' equity	**2,460,137**	2,626,188	**25,045**
Valuation, translation adjustments and other:			
Net unrealized holding (loss) gain on securities	**(26,140)**	37,527	**(266)**
Net deferred loss on hedges	**(22,918)**	(12,895)	**(233)**
Land revaluation loss	**(3,692)**	(3,647)	**(38)**
Translation adjustments	**(28,802)**	6,589	**(293)**
Total valuation, translation adjustments and other	**(81,555)**	27,574	**(830)**
Minority interests	**40,895**	41,692	**416**
Total net assets	**2,419,477**	2,695,455	**24,631**
Total liabilities and net assets	**¥13,559,309**	¥13,679,055	**$138,036**

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)
	2009	2008	**2009**
Operating revenues:			
Electricity	**¥5,553,746**	¥5,168,527	**$56,538**
Other	**333,829**	310,852	**3,398**
	5,887,576	5,479,380	**59,936**
Operating expenses (Notes 18 and 19):			
Electricity	**5,513,608**	5,055,899	**56,130**
Other	**307,031**	287,076	**3,125**
	5,820,640	5,342,975	**59,255**
Operating income	**66,935**	136,404	**681**
Other (income) expenses:			
Interest and dividend income	**(31,290)**	(29,306)	**(319)**
Interest expense	**140,152**	149,368	**1,427**
Gain on revision of retirement benefit plan (Note 15)	**—**	(18,635)	**—**
Loss on disaster (Note 13)	**56,302**	191,586	**573**
Provision for decommissioning costs of nuclear power units for prior periods (Note 12)	**—**	62,541	**—**
Equity in earnings of affiliates	**(13,834)**	(9,184)	**(141)**
Impairment loss (Note 25)	**12,216**	—	**124**
Gain on sale of subsidiaries (Note 6)	**—**	(3,154)	**—**
Loss on financial assistance for affiliates	**—**	13,642	**—**
Other, net	**6,849**	(2,932)	**70**
	170,395	353,925	**1,734**
Loss before special item, income taxes and minority interests	**(103,459)**	(217,520)	**(1,053)**
Special item:			
Reversal of reserve for fluctuation in water levels (Note 14)	**(3,885)**	(5,021)	**(39)**
Loss before income taxes and minority interests	**(99,574)**	(212,499)	**(1,014)**
Income taxes (Note 16):			
Current	**18,565**	17,521	**189**
Deferred	**(37,209)**	(82,634)	**(379)**
	(18,644)	(65,112)	**(190)**
Minority interests	**3,588**	2,720	**36**
Net loss	**¥ (84,518)**	¥ (150,108)	**$ (860)**

	Yen		U.S. dollars (Note 2)
Per share information:			
Net assets (basic)	**¥1,763.32**	¥1,967.03	**$17.95**
Net loss (basic)	**(62.65)**	(111.26)	**(0.64)**
Cash dividends	**60.00**	65.00	**0.61**

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, 2009 — 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 (loss) gain on securities	Net deferred loss on hedges	Land revaluation loss	Translation adjustments	Total valuation, translation adjustments and other	Minority interests	Total net assets
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
Cash dividends	—	—	**(81,018)**	—	**(81,018)**	—	—	—	—	—	—	**(81,018)**
Net loss	—	—	**(84,518)**	—	**(84,518)**	—	—	—	—	—	—	**(84,518)**
Purchases of treasury stock	—	—	—	**(992)**	**(992)**	—	—	—	—	—	—	**(992)**
Sales of treasury stock	—	**16**	—	**415**	**431**	—	—	—	—	—	—	**431**
Reversal of land revaluation gain	—	—	**45**	—	**45**	—	—	—	—	—	—	**45**
Other	—	—	—	**(0)**	**(0)**	—	—	—	—	—	—	**(0)**
Net changes in items other than shareholders' equity	—	—	—	—	—	**(63,668)**	**(10,023)**	**(45)**	**(35,392)**	**(109,129)**	**(797)**	**(109,926)**
Total changes	—	**16**	**(165,490)**	**(576)**	**(166,051)**	**(63,668)**	**(10,023)**	**(45)**	**(35,392)**	**(109,129)**	**(797)**	**(275,977)**
Balance at March 31, 2009	**¥676,434**	**¥19,142**	**¥1,772,324**	**¥(7,764)**	**¥2,460,137**	**¥(26,140)**	**¥(22,918)**	**¥(3,692)**	**¥(28,802)**	**¥ (81,555)**	**¥40,895**	**¥2,419,477**

	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, 2009 — 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 (loss) gain on securities	Net deferred loss on hedges	Land revaluation loss	Translation adjustments	Total valuation, translation adjustments and other	Minority interests	Total net assets
Balance at March 31, 2008	$ 6,886	$195	$ 19,728	$ (73)	$ 26,736	$ 382	$(131)	$(37)	$ 67	$ 281	$ 424	$ 27,441
Cash dividends	—	—	**(825)**	—	**(825)**	—	—	—	—	—	—	**(825)**
Net loss	—	—	**(860)**	—	**(860)**	—	—	—	—	—	—	**(860)**
Purchases of treasury stock	—	—	—	**(10)**	**(10)**	—	—	—	—	—	—	**(10)**
Sales of treasury stock	—	**0**	—	**4**	**4**	—	—	—	—	—	—	**4**
Reversal of land revaluation gain	—	—	**0**	—	**0**	—	—	—	—	—	—	**0**
Other	—	—	—	**(0)**	**(0)**	—	—	—	—	—	—	**(0)**
Net changes in items other than shareholders' equity	—	—	—	—	—	**(648)**	**(102)**	**(1)**	**(360)**	**(1,111)**	**(8)**	**(1,119)**
Total changes	—	**0**	**(1,685)**	**(6)**	**(1,691)**	**(648)**	**(102)**	**(1)**	**(360)**	**(1,111)**	**(8)**	**(2,810)**
Balance at March 31, 2009	**$6,886**	**$195**	**$18,043**	**$(79)**	**$25,045**	**$(266)**	**$(233)**	**$(38)**	**$(293)**	**$ (830)**	**$416**	**$24,631**

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)
	2009	2008	2009
Cash flows from operating activities			
Loss before income taxes and minority interests	¥ (99,574)	¥ (212,499)	$ (1,014)
Depreciation and amortization	757,093	772,460	7,707
Impairment loss (Note 25)	12,216	—	124
Loss on nuclear fuel	31,603	33,498	322
Loss on disposal of property, plant and equipment	23,185	24,080	236
Reversal of accrued employees' retirement benefits	(824)	(14,490)	(8)
Reversal of reprocessing of irradiated nuclear fuel	(9,456)	(29,587)	(96)
Provision for decommissioning costs of nuclear power units	16,245	82,157	165
Provision for loss on disaster (Note 13)	3,663	164,528	37
Interest and dividend income	(31,290)	(29,306)	(319)
Interest expense	140,152	149,368	1,427
Equity in earnings of affiliates	(13,834)	(9,184)	(141)
Increase in trust funds for reprocessing of irradiated nuclear fuel	(149,545)	(171,436)	(1,522)
Decrease (increase) in long-term prepaid expenses	61,505	(105,432)	626
Increase in notes and accounts receivable	(42,853)	(7,508)	(436)
Decrease (increase) in inventories	19,130	(20,875)	195
(Decrease) increase in notes and accounts payable	(114,070)	235,979	(1,161)
Other	36,910	(1,385)	376
	640,258	860,367	6,518
Interest and cash dividends received	27,867	23,938	284
Interest paid	(141,450)	(150,523)	(1,440)
Income taxes refund (paid)	72,469	(223,891)	738
Net cash provided by operating activities	599,144	509,890	6,100
Cash flows from investing activities			
Purchases of property, plant and equipment	(661,493)	(671,073)	(6,734)
Contributions in aid of construction received	12,424	19,072	126
Increase in long-term investments	(17,782)	(57,803)	(181)
Proceeds from long-term investments	29,974	6,977	305
Payments for purchases of subsidiaries, net	(925)	(900)	(9)
Proceed from purchase of subsidiary, net (Note 6)	—	2,391	—
Payments for disposal of subsidiaries, net (Note 6)	—	(830)	—
Proceeds from disposal of subsidiaries, net (Note 6)	—	3,469	—
Decrease by separation of part of subsidiary	—	(322)	—
Other	(17,574)	12,734	(179)
Net cash used in investing activities	(655,375)	(686,284)	(6,672)
Cash flows from financing activities			
Proceeds from issuance of bonds	668,008	747,796	6,800
Redemptions of bonds	(598,020)	(693,320)	(6,088)
Proceeds from long-term loans	540,404	426,951	5,501
Repayments of long-term loans	(282,008)	(252,741)	(2,871)
Proceeds from short-term loans	859,598	815,365	8,751
Repayments of short-term loans	(851,272)	(788,572)	(8,666)
Proceeds from issuance of commercial papers	1,555,000	1,487,000	15,830
Redemptions of commercial papers	(1,615,000)	(1,452,000)	(16,441)
Cash dividends paid	(80,951)	(101,009)	(824)
Other	(1,338)	(1,233)	(13)
Net cash provided by financing activities	194,419	188,237	1,979
Effect of exchange rate changes on cash and cash equivalents	(4,622)	(623)	(47)
Net increase in cash and cash equivalents	133,566	11,220	1,360
Cash and cash equivalents at beginning of the year	125,147	113,926	1,274
Cash and cash equivalents at end of the year (Note 6)	¥ 258,714	¥ 125,147	$ 2,634

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2009

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 had been prepared on the basis of the accounting and relevant legal requirements of their countries of domicile through the fiscal year ended March 31, 2008. Effective April 1, 2008, the financial statements of the overseas consolidated subsidiaries are prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles, with adjustments for the specified six items as applicable (see Note 3 (c)).

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 in excess of the interest 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 is other-than-temporary impairment in the value of its investments, the Company writes 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. The Companies have no securities categorized into trading securities or held-to-maturity securities. 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 had been stated at cost determined principally by the average method through the fiscal year ended March 31, 2008. Effective April 1, 2008, coals, fuel oils and gases are stated at the lower of cost, determined principally by the average method, or net realizable value (see Note 3 (a)).

(g) Allowance for Doubtful Accounts

The allowance for doubtful accounts is calculated based on the aggregate amount of individually estimated credit losses for doubtful receivables plus an amount calculated using historical write-off experience over a certain period for receivables other than doubtful receivables individually indentified.

(h) Bond Issuance Expenses
Bond issuance expenses are charged to income as incurred.

(i) Leases
Noncancelable leases had been 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 through the year ended March 31, 2008. Effective April 1, 2008, all finance leases, the contracts for which have been entered into after April 1, 2008, are accounted for as finance lease transaction (see Note 3 (b)).

(j) 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.

(k) 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.

(l) 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 fiscal 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 in net assets.

Current and non-current account balances, denominated in foreign currency, 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.

(m) 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 and hedged by derivative instruments, are translated at their respective contract rates.

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

(o) Amounts per Share
Basic net loss per share was computed based on net loss available for distribution to the shareholders of common stock and the weighted-average number of shares of common stock outstanding during the fiscal year.

2
U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥98.23 = US$1.00, the approximate rate of exchange in effect on March 31, 2009, 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) Inventory

Inventories had been stated at cost determined principally by the average method through the fiscal year ended March 31, 2008.

However, "Accounting Standard for Measurement of Inventories" became effective from the fiscal year beginning on or after April 1, 2008. Effective April 1, 2008, accordingly, inventories are stated at the lower of cost, determined principally by the average method, or net realizable value.

The effect of this adoption was immaterial.

(b) Leases

Noncancelable leases had been primarily accounted for as operating leases (whether such leases were classified as operating or finance leases) except that leases which stipulate the transfer of ownership of the leased assets to the lessee were accounted for as finance leases through the year ended March 31, 2008.

However, the Company and its domestic subsidiaries have adopted "Accounting Standard for Lease Transactions" and "Implementation Guidance for Accounting Standard for Lease Transactions" that became effective from the fiscal year beginning on or after April 1, 2008. Effective April 1, 2008, accordingly, all finance leases, the contracts for which have been entered into after April 1, 2008, are accounted for as finance lease transactions.

The effect of this adoption was immaterial.

Finance lease transactions that do not involve transfer of ownership to the lessee, which commenced before April 1, 2008, are accounted for in the same method as for operating leases.

(c) Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements

Effective April 1, 2008, the Company has adopted "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements."

There was no impact of this adoption.

(d) 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 its domestic subsidiaries have adopted, effective in the year ended March 31, 2008, 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 for the year ended March 31, 2008.

4 Property, Plant and Equipment, Net

The major classifications of property, plant and equipment, net at March 31, 2009 and 2008 were as follows:

	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Hydroelectric power production facilities	¥ 761,503	¥ 800,542	$ 7,752
Thermal power production facilities	1,124,852	1,113,932	11,451
Nuclear power production facilities	641,107	676,701	6,526
Transmission facilities	2,271,257	2,370,923	23,122
Transformation facilities	893,398	941,022	9,095
Distribution facilities	2,218,706	2,243,397	22,587
General facilities	165,969	180,547	1,690
Other electricity-related property, plant and equipment	22,297	24,306	227
Other property, plant and equipment	557,683	532,584	5,677
Construction in progress	648,591	659,639	6,603
	¥9,305,367	¥9,543,599	$94,730

5 Marketable Securities and Investment Securities

At March 31, 2009 and 2008, other securities for which market prices were available were as follows:

	Millions of yen						Millions of U.S. dollars		
	2009			2008			2009		
	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	**¥ 21,344**	**¥ 42,812**	**¥ 21,468**	¥ 32,281	¥ 89,303	¥57,022	**$ 217**	**$ 436**	**$ 219**
Unrealized holding loss:									
Stocks and bonds	**234,991**	**175,513**	**(59,477)**	227,583	223,614	(3,969)	**2,393**	**1,787**	**(606)**
Total	**¥256,335**	**¥218,326**	**¥(38,009)**	¥259,865	¥312,918	¥53,052	**$2,610**	**$2,223**	**$(387)**

For the years ended March 31, 2009 and 2008, gain and loss on sales of other securities were as follows:

	Millions of yen						Millions of U.S. dollars		
	2009			2008			2009		
	Sales amount	Aggregated gains	Aggregated losses	Sales amount	Aggregated gains	Aggregated losses	Sales amount	Aggregated gains	Aggregated losses
Other securities........	**¥198**	**¥175**	**¥1**	¥1,588	¥637	¥19	**$2**	**$2**	**$0**

At March 31, 2009 and 2008, non-marketable securities and investment securities stated at cost were as follows:

	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Other securities:			
Unlisted stocks......................	**¥67,335**	¥95,640	**$685**
Other	**7,801**	10,422	**79**

The redemption schedule for securities with maturity dates classified as other securities as of March 31, 2009 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	**¥109**	**¥499**	**¥—**	**¥—**
Other	**5**	**—**	**—**	**43**
Total	**¥114**	**¥499**	**¥—**	**¥43**

	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	**$1**	**$ 5**	**$—**	**$—**
Other	**0**	**—**	**—**	**0**
Total	**$1**	**$ 5**	**$—**	**$ 0**

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
	2009	2008	**2009**
Cash	**¥301,391**	¥154,625	**$3,068**
Time deposits with maturities of more than three months	**(43,084)**	(29,883)	**(438)**
Short-term investments with an original maturity of three months or less, presenting negligible risk of change in value, included in other current assets	**407**	405	**4**
Cash and cash equivalents	**¥258,714**	¥125,147	**$2,634**

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
	2008
Non-current assets	¥ 3,991
Current assets	9,320
Goodwill	5,207
Non-current liabilities	(11,529)
Current liabilities	(404)
Minority interests	(275)
	6,310
Acquisition cost of shares acquired before consolidation	0
Acquisition cost of shares	6,310
Cash and cash equivalents held by the newly consolidated subsidiary	8,701
Proceed from purchase of the newly consolidated subsidiary, net	¥ 2,391

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
	2008
Non-current assets	¥ 2,770
Current assets	10,763
Current liabilities	(10,716)
Net unrealized holding loss on securities	(0)
Minority interests	(1,299)
	1,516
Loss on disposal of subsidiaries' shares	(843)
Selling values of subsidiaries' shares	673
Cash and cash equivalents held by subsidiary	(1,503)
Payments for disposal of subsidiaries' shares, net	¥ (830)

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
	2008
Non-current assets	¥ 5,405
Current assets	4,504
Goodwill	387
Non-current liabilities	(234)
Current liabilities	(7,407)
Stock acquisition rights	(4)
Minority interests	(85)
	2,565
Gain on disposal of subsidiaries' shares	3,154
Selling values of subsidiaries' shares	5,720
Cash and cash equivalents held by subsidiaries	(2,250)
Payments for disposal of subsidiaries' shares, net	¥ 3,469

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 1.098% and 1.188% for the years ended March 31, 2009 and 2008, respectively. The weighted-average interest rates of commercial papers were approximately 0.218% and 0.665% for the years ended March 31, 2009 and 2008, respectively.

At March 31, 2009 and 2008, short-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2009	2008	**2009**
Loans from banks and other sources	**¥389,212**	¥382,223	**$3,962**
Commercial papers	**235,000**	295,000	**2,393**
	¥624,212	¥677,223	**$6,355**

The annual interest rates applicable to the Company's domestic straight bonds at March 31, 2009 and 2008 ranged from 0.335% to 5.05%, respectively and those applicable to the Company's foreign straight bonds at March 31, 2009 and 2008 ranged from 2.75% to 4.5% and from 2.75% to 7.125%, respectively. The interest rates applicable to the long-term borrowings (except for the current portion) at March 31, 2009 and 2008 averaged approximately 1.815% and 2.017%, respectively.

At March 31, 2009 and 2008, long-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2009	2008	**2009**
Domestic straight bonds due from 2008 through 2029	**¥5,068,340**	¥4,996,360	**$51,597**
Foreign straight bonds due from 2009 through 2014	**289,070**	289,075	**2,943**
Loans from banks, insurance companies and other sources	**1,956,465**	1,713,062	**19,917**
	7,313,875	6,998,498	**74,457**
Less: Current portion	**(689,287)**	(842,256)	**(7,017)**
	¥6,624,587	¥6,156,241	**$67,440**

The annual maturities of long-term debt subsequent to March 31, 2009 are summarized as follows:

Years ending March 31,	Millions of yen	Millions of U.S. dollars
2010	¥ 689,287	$ 7,017
2011	753,959	7,676
2012	760,738	7,745
2013	954,909	9,721
2014	931,656	9,484
2015 and thereafter	3,223,323	32,814
Total	¥7,313,875	$74,457

8 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, which would have been reflected in the consolidated balance sheets if finance lease accounting had been applied to the finance leases accounted for as operating leases:

	March 31, 2008		
	Millions of yen		
	Acquisition costs	Accumulated depreciation	Net book value
Nuclear power production facilities	¥15,099	¥ 7,741	¥ 7,358
General facilities	2,565	1,079	1,486
Other property, plant and equipment	12,647	3,768	8,879
Other	346	226	119
Total	¥30,659	¥12,815	¥17,843

Note: Effective April 1, 2008, information on finance leases, the contracts for which were entered into before April 1, 2008 and accordingly accounted for as operating leases, has been omitted due to their immaterial impact.

Lease expenses related to finance leases accounted for as operating leases for the year ended March 31, 2008 amounted to ¥4,286 million.

Depreciation expense related to finance leases accounted for as operating leases amounting to ¥4,286 million for the year ended March 31, 2008, 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 subsequent to March 31, 2009 for operating leases are summarized as follows:

Years ending March 31,	Millions of yen	Millions of U.S. dollars
2010	**¥11**	**$0**
2011 and thereafter	**23**	**0**
Total	**¥34**	**$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:

	March 31, 2008		
	Millions of yen		
	Acquisition costs	Accumulated depreciation	Net book value
Other electricity-related assets	¥18,134	¥10,177	¥ 7,957
Other property, plant and equipment	14,843	4,016	10,826
Total	¥32,977	¥14,194	¥18,783

Note: Effective April 1, 2008, information on finance leases, the contracts for which were entered into before April 1, 2008 and accordingly accounted for as operating leases, has been omitted due to their immaterial impact.

Lease income relating to finance leases accounted for as operating leases in the accompanying consolidated financial statements amounted to ¥4,452 million for the year ended March 31, 2008. Depreciation of the assets leased under finance leases accounted for as operating leases amounted to ¥5,509 million for the year ended March 31, 2008.

Future minimum lease income subsequent to March 31, 2009 for operating leases is summarized as follows:

Years ending March 31,	Millions of yen	Millions of U.S. dollars
2010	¥ 743	$ 7
2011 and thereafter	3,200	33
Total	¥3,944	$40

9

Pledged Assets

At March 31, 2009, 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 ¥447,570 million (US$4,556 million), and for bonds of ¥5,424,310 million (US$55,221 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 ¥86,718 million (US$883 million) and short-term debt of ¥21,674 million (US$221 million) at March 31, 2009 were as follows:

	Millions of yen	Millions of U.S. dollars
Property, plant and equipment, net:		
Hydroelectric power production facilities	¥ 4,756	$ 48
Other	114,959	1,170
Other investments	1	0
Cash	8,020	82
Notes and accounts receivable — customers	1,794	18
Inventories	5,090	52
Other current assets	88	1
	¥134,711	$1,371

Additionally, subsidiaries' stocks of ¥9,475 million (US$96 million) eliminated in consolidation at March 31, 2009 have been pledged as collateral to financial institutions.

A long-term investment of ¥55,500 million (US$565 million) and current asset other of ¥802 million (US$8 million) at March 31, 2009 were 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 1.5% and 4.0% at March 31, 2009 and 1.6% and 4.0% at March 31, 2008 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 ¥461,697 million (US$4,700 million) at March 31, 2009, which changed from ¥474,831 million at March 31, 2008 according to the review of the reprocess labor, has been charged to income over 15 years starting from April 1, 2005, and should be presented as an operating expense under the rule. As a result of this change in the estimate of liability related to past generation costs, the annual expense has correspondingly changed from ¥31,655 million in the fiscal year ended March 31, 2008 to ¥30,560 million (US$311 million) in the year ended March 31, 2009.

Also, under the accounting rules applicable to electric utility companies in Japan, unrecognized actuarial loss of ¥89,347 million (US$910 million) and gain of ¥5,210 million at March 31, 2009 and 2008, 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.

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 due to the revision of the Ministerial Ordinance for the year ended March 31, 2008, compared to that determined using the previous method. ¥62,541 million, corresponding to the power generated in the prior periods was charged to “other expenses” in the previous year’s consolidated statements of operations. As a result, operating income decreased by ¥1,912 million and loss before income taxes increased by ¥64,453 million for the year ended March 31, 2008.

13

Reserve for Loss on Disaster

The reserve is provided for the restoration of the property struck by the Niigataken Chuetsu-Oki Earthquake.

If the content and the range of the repair are reviewed according to the progress of assessing the soundness of facilities, the estimated cost and loss may be subject to change.

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

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, 2009, 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, 2009 and 2008 for the Companies' defined benefit plans:

	Millions of yen		Millions of U.S. dollars
	2009	2008	**2009**
Projected benefit obligation	**¥(1,022,653)**	¥(1,028,194)	**$(10,411)**
Plan assets at fair value	**569,763**	642,024	**5,800**
Accrued employees' retirement benefits	**428,911**	430,930	**4,367**
Prepaid pension expense	**(56,087)**	(105,826)	**(571)**
Unrecognized actuarial gain or loss	**¥ (80,065)**	¥ (61,066)	**$ (815)**

The components of retirement benefit expenses and other for the years ended March 31, 2009 and 2008 are outlined as follows:

	Millions of yen		Millions of U.S. dollars
	2009	2008	**2009**
Service cost	**¥ 31,030**	¥ 34,889	**$ 316**
Interest cost	**20,137**	21,097	**205**
Expected return on plan assets	**(15,497)**	(17,998)	**(158)**
Amortization of unrecognized actuarial gain or loss	**52,775**	(8,425)	**537**
Amortization of prior service cost	**—**	(93,683)	**—**
Retirement benefit expenses	**88,445**	(64,120)	**900**
Gains on revision to defined contribution pension plan	**—**	(18,635)	**—**
Other	**4,062**	2,193	**42**
	¥92,508	¥(80,562)	**$ 942**

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

	2009	2008
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 2.5%
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 2009 and 2008. 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 2009 and 2008.

The significant components of deferred tax assets and liabilities as of March 31, 2009 and 2008 were as follows:

	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Deferred tax assets:			
Accrued employees' retirement benefits	¥154,465	¥157,914	$1,573
Tax loss carryforwards	80,774	63,747	822
Depreciation and amortization	60,989	62,167	621
Reserve for loss on disaster	60,902	59,576	620
Reserve for decommissioning costs of nuclear power units	56,130	56,130	571
Reserve for reprocessing of irradiated nuclear fuel	56,027	55,510	570
Easement on the transmission line right-of-way	25,230	—	257
Net unrealized holding loss on securities	22,190	—	226
Deferred charges for tax purposes	18,437	20,592	188
Other	140,109	140,774	1,426
	675,257	616,414	6,874
Valuation allowance	(80,079)	(58,764)	(815)
Total deferred tax assets	595,177	557,649	6,059
Deferred tax liabilities:			
Prepaid pension cost	(20,425)	(38,428)	(208)
Unrealized holding gain on securities	(8,411)	(21,243)	(85)
Other	(15,701)	(20,181)	(160)
Total deferred tax liabilities	(44,538)	(79,853)	(453)
Net deferred tax assets	¥550,639	¥477,795	$5,606

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
	2009	2008	2009
Other current assets	¥121,758	¥34,760	$1,240
Other long-term liabilities	14,531	18,575	148
Other current liabilities	69	126	1

The differences between the effective tax rate reflected in the accompanying consolidated statements of income for the years ended March 31, 2009 and 2008 and the statutory tax rate were as follows:

	2009	2008
Statutory tax rate	36.2%	36.2%
Change in valuation allowance	(21.4)	(6.8)
Equity in earnings of affiliated companies	5.0	1.6
Non-taxable dividend income	2.1	—
Expenses not deductible for tax purposes	(1.9)	—
Amortization of goodwill	(1.2)	—
Other	(0.1)	(0.4)
Effective tax rate	18.7%	30.6%

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$194 million), and the legal reserve amounted to ¥169,108 million (US$1,722 million) at March 31, 2009. 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, 2009 and 2008 totaled ¥42,091 million (US$428 million) and ¥38,779 million, respectively.

19 Selling, General and Administrative Expenses

The main components of selling, general and administrative in the electricity operating expenses for the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Salaries and allowances	¥139,660	¥143,042	$1,422
Provision for accrued employees' retirement benefits	81,535	(69,452)	830
Rent expenses	—	50,504	—
Consignment expenses	85,657	87,629	872

20 Provisions for Reserves

Provisions for reserves charged (credited) to net income (loss) during the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen		Millions of U.S. dollars
	2009	2008	2009
Accrued employees' retirement benefits	¥88,666	¥ (64,615)	$903
Reserve for reprocessing of irradiated nuclear fuel	95,341	104,365	971
Reserve for decommissioning costs of nuclear power units	16,245	19,615	165
Reserve for loss on disaster	56,595	192,036	576

21 Related Party Transactions

The Company guaranteed loan and bonds in the amounts of ¥299,617 million (US$3,050 million) and ¥315,906 million of Japan Nuclear Fuel Limited, its major affiliate, at March 31, 2009 and 2008, respectively.

22 Contingent Liabilities

At March 31, 2009, contingent liabilities totaled ¥647,059 million (US$6,587 million), of which ¥321,291 million (US$3,271 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, ¥255,767 million (US$2,603 million) consisted of guarantees given in connection with housing loans made to employees of the Companies.

The remainder of ¥70,000 million (US$713 million) represents the debt assigned by the Company to certain banks under debt assumption agreements.

23 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.

24

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, 2009 and 2008 is summarized as follows:

	Millions of yen							
	2009							
	Electric power business	Information and telecommunications 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	**¥ 5,553,746**	**¥ 48,097**	**¥213,208**	**¥ 56,603**	**¥ 15,920**	**¥ 5,887,576**	**¥ —**	**¥ 5,887,576**
Inter-segment sales and transfers	**551**	**56,066**	**205,741**	**76,907**	**1,196**	**340,464**	**(340,464)**	**—**
Total	**5,554,297**	**104,164**	**418,950**	**133,510**	**17,117**	**6,228,040**	**(340,464)**	**5,887,576**
Operating expenses	**5,532,617**	**97,795**	**395,654**	**129,431**	**15,349**	**6,170,848**	**(350,208)**	**5,820,640**
Operating income	**¥ 21,680**	**¥ 6,368**	**¥ 23,296**	**¥ 4,079**	**¥ 1,767**	**¥ 57,191**	**¥ 9,744**	**¥ 66,935**
II. Assets, depreciation, impairment loss and capital expenditures:								
Total assets	**¥12,615,060**	**¥121,346**	**¥573,021**	**¥343,036**	**¥212,454**	**¥13,864,920**	**¥(305,611)**	**¥13,559,309**
Depreciation and amortization	**709,719**	**11,839**	**22,964**	**13,877**	**3,025**	**761,427**	**(4,333)**	**757,093**
Impairment loss	**522**	**—**	**9,740**	**1,952**	**—**	**12,216**	**—**	**12,216**
Capital expenditures	**588,377**	**26,025**	**32,694**	**14,133**	**38,190**	**699,422**	**(3,440)**	**695,981**

	Millions of yen							
	2008							
	Electric power business	Information and telecommunications 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 U.S. dollars							
	2009							
	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	$ 56,538	$ 490	$2,170	$ 576	$ 162	$ 59,936	$ –	$ 59,936
Inter-segment sales and transfers	6	571	2,094	783	12	3,466	(3,466)	–
Total	56,544	1,061	4,264	1,359	174	63,402	(3,466)	59,936
Operating expenses	56,323	995	4,028	1,318	156	62,820	(3,565)	59,255
Operating income	$ 221	$ 66	$ 236	$ 41	$ 18	$ 582	$ 99	$ 681
II. Assets, depreciation, impairment loss and capital expenditures:								
Total assets	$128,424	$1,235	$5,834	$3,492	$2,163	$141,148	$(3,112)	$138,036
Depreciation and amortization	7,225	120	234	141	31	7,751	(44)	7,707
Impairment loss	5	–	99	20	–	124	–	124
Capital expenditures	5,990	265	333	144	388	7,120	(35)	7,085

As described in Note 3(d), due to the revision of Corporation Tax Law and the related regulation, the Company and domestic subsidiaries have adopted, effective in the year ended March 31, 2008, 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 in the Electric power business segment, by ¥326 million in the Information and telecommunications business segment, by ¥412 million in the Energy and environment business segment, by ¥231 million in the Living environment and lifestyle-related business segment, and by ¥0 million in the Overseas business segment for the year ended March 31, 2008.

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.

25

Impairment Loss

Loss on impairment of fixed assets in the amount of ¥12,216 million (US$124 million), of which ¥11,853 million (US$120 million) was related to property, plant and equipment, and ¥362 million (US$4 million) was related to construction in progress, was recognized for the year ended March 31, 2009. Significant properties for which impairment was recognized were as follows:

			Impairment loss	
Asset	Location	Type	Millions of yen	Millions of U.S. dollars
Industrial waste disposal facilities of TOKYO WATERFRONT RECYCLE POWER CO., LTD.	Koto-ku, Tokyo	Buildings	¥2,148	$22
		Machinery	6,627	67

These assets were determined impaired because of the significant deterioration of industrial waste disposal business, which comprised of an assets' group for impairment test, in the circumstance where the amount of industrial waste received for disposal significantly decreased compared with the business plan under the severe economic recession.

Therefore, their book values were reduced to their recoverable values, and such devaluation was recorded as loss on impairment of fixed assets.

Their recoverable values were determined based on the present value of net future cash flows from the assets in use with the discount rate of 1.7%.

26

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, 2009, was approved at a shareholders' meeting held on June 25, 2009:

	Millions of yen	Millions of U.S. dollars
Cash dividends — ¥30 (US$0.31) per share...	¥40,504	$412

Report of Independent Auditors

Ernst & Young ShinNihon LLC
Hibiya Kokusai Bldg.
2-2-3, Uchisaiwai-cho,
Chiyoda-ku, Tokyo, Japan 100-0011

Tel : +81 3 3503 1100
Fax: +81 3 3503 1197

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, 2009 and 2008, 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, 2009 and 2008, 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, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2.

Ernst & Young ShinNihon LLC

June 25, 2009

Non-Consolidated Balance Sheets

The Tokyo Electric Power Company, Incorporated
March 31

	Millions of yen		Millions of U.S. dollars (Note 2)
ASSETS	**2009**	2008	**2009**
Property, plant and equipment	**¥ 28,870,783**	¥ 28,544,344	**$ 293,910**
Construction in progress	**590,669**	607,894	**6,013**
	29,461,452	29,152,239	**299,923**
Less:			
Contributions in aid of construction	**(343,785)**	(337,987)	**(3,499)**
Accumulated depreciation	**(20,293,907)**	(19,727,928)	**(206,596)**
	(20,637,692)	(20,065,915)	**(210,095)**
Property, plant and equipment, net (Notes 4 and 6)	**8,823,760**	9,086,323	**89,828**
Nuclear fuel:			
Loaded nuclear fuel	**146,989**	154,373	**1,497**
Nuclear fuel in processing	**770,059**	769,588	**7,839**
	917,049	923,961	**9,336**
Investments and other:			
Long-term investments	**456,787**	591,889	**4,650**
Investments in subsidiaries and affiliates (Note 5)	**533,661**	510,327	**5,433**
Trust funds for reprocessing of irradiated nuclear fuel	**667,487**	517,942	**6,795**
Deferred tax assets (Note 7)	**412,757**	423,015	**4,202**
Other	**135,012**	196,173	**1,374**
	2,205,707	2,239,347	**22,454**
Current assets:			
Cash	**200,024**	67,959	**2,036**
Accounts receivable—customers	**402,239**	357,951	**4,095**
Fuel exclusive of nuclear fuel, materials and supplies	**130,793**	146,799	**1,332**
Other (Note 7)	**313,615**	238,311	**3,192**
	1,046,672	811,022	**10,655**
Less:			
Allowance for doubtful accounts	**(3,128)**	(2,922)	**(32)**
	1,043,543	808,099	**10,623**
Total assets	**¥ 12,990,060**	¥ 13,057,731	**$ 132,241**

LIABILITIES AND NET ASSETS	Millions of yen 2009	Millions of yen 2008	Millions of U.S. dollars (Note 2) 2009
Long-term liabilities and reserves:			
Long-term debt	**¥ 6,496,069**	¥ 6,014,381	**$ 66,131**
Other long-term liabilities	**50,054**	47,623	**510**
Reserve for reprocessing of irradiated nuclear fuel	**1,254,593**	1,264,049	**12,772**
Accrued employees' retirement benefits	**381,563**	384,786	**3,884**
Reserve for decommissioning costs of nuclear power units	**491,415**	475,170	**5,003**
Reserve for loss on disaster	**168,191**	164,503	**1,712**
	8,841,887	8,350,515	**90,012**
Current liabilities:			
Current portion of long-term debt	**669,816**	822,594	**6,819**
Current portion of other long-term liabilities	**5,045**	4,773	**51**
Short-term loans	**348,000**	348,000	**3,543**
Commercial paper	**235,000**	295,000	**2,392**
Trade accounts payable	**224,158**	369,832	**2,282**
Accrued income taxes	**440**	356	**4**
Deposits from employees and others	**5,058**	3,754	**51**
Other	**516,108**	462,893	**5,255**
	2,003,628	2,307,205	**20,397**
Reserve for fluctuation in water levels	**13,435**	17,310	**137**
Total liabilities	**10,858,951**	10,675,031	**110,546**
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 2009 and 2008	**676,434**	676,434	**6,886**
Capital surplus	**19,142**	19,126	**195**
Retained earnings	**1,467,434**	1,661,590	**14,939**
Treasury stock, at cost:			
2,708,471 shares in 2009 and			
2,514,091 shares in 2008	**(7,175)**	(6,599)	**(73)**
Total shareholders' equity	**2,155,836**	2,350,552	**21,947**
Valuation, translation adjustments and other:			
Net unrealized holding (loss) gain on securities	**(24,727)**	32,140	**(252)**
Net deferred gain on hedges	**—**	8	**—**
Total valuation, translation adjustments and other	**(24,727)**	32,148	**(252)**
Total net assets	**2,131,108**	2,382,700	**21,695**
Total liabilities and net assets	**¥12,990,060**	¥13,057,731	**$132,241**

See notes to non-consolidated financial statements and 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)
	2009	2008	**2009**
Operating revenues:			
Residential	**¥2,207,807**	¥2,096,254	**$22,476**
Commercial and industrial	**3,088,172**	2,818,485	**31,438**
Other	**347,415**	309,650	**3,537**
	5,643,394	5,224,389	**57,451**
Operating expenses (Notes 6 and 8):			
Fuel	**2,078,794**	1,755,167	**21,163**
Purchased power	**842,530**	773,172	**8,577**
Depreciation	**708,628**	726,266	**7,214**
Personnel	**483,463**	337,761	**4,922**
Maintenance	**381,354**	432,172	**3,882**
Taxes other than income taxes	**300,464**	303,375	**3,059**
Other	**825,381**	801,455	**8,402**
	5,620,617	5,129,372	**57,219**
Operating income	**22,776**	95,017	**232**
Other (income) expenses:			
Interest and dividend income	**(26,577)**	(20,480)	**(271)**
Interest expense	**134,693**	143,078	**1,371**
Gain on revision of retirement benefit plan	**—**	(18,635)	**—**
Loss on disaster	**56,302**	191,046	**573**
Provision for decommissioning costs of nuclear power units for prior periods	**—**	62,541	**—**
Loss on financial assistance for subsidiaries and affiliates	**13,767**	12,079	**140**
Gain on disposal of fixed assets, net	**(1,092)**	(3,651)	**(11)**
Bond issuance expenses	**1,991**	2,203	**20**
Foreign exchange gains, net	**(2,190)**	(5,151)	**(22)**
Other, net	**6,426**	2,589	**66**
	183,321	365,619	**1,866**
Loss before special item and income taxes	**(160,544)**	(270,601)	**(1,634)**
Special item:			
Reversal of reserve for fluctuation in water levels	**(3,874)**	(5,003)	**(39)**
Loss before income taxes	**(156,670)**	(265,598)	**(1,595)**
Income taxes (Note 7):			
Current	**18**	224	**0**
Deferred	**(43,550)**	(88,194)	**(443)**
	(43,532)	(87,970)	**(443)**
Net loss	**¥ (113,137)**	¥ (177,627)	**$ (1,152)**

	Yen		U.S. dollars (Note 2)
Per share information:			
Net assets (basic)	**¥1,578.41**	¥1,764.50	**$16.07**
Net loss (basic)	**(83.79)**	(131.54)	**(0.85)**
Cash dividends	**60.00**	65.00	**0.61**

See notes to non-consolidated financial statements and 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, 2009 — 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 (loss) gain on securities	Net deferred gain on hedges	Total net assets
Balance at March 31, 2008	¥ 676,434	¥ 19,126	¥ 1,661,590	¥ (6,599)	¥ 2,350,552	¥ 32,140	¥ 8	¥ 2,382,700
Cash dividends	—	—	(81,018)	—	(81,018)	—	—	(81,018)
Net loss	—	—	(113,137)	—	(113,137)	—	—	(113,137)
Purchases of treasury stock	—	—	—	(992)	(992)	—	—	(992)
Sales of treasury stock	—	16	—	415	431	—	—	431
Net changes in items other than shareholders' equity	—	—	—	—	—	(56,867)	(8)	(56,875)
Total changes	—	16	(194,155)	(576)	(194,716)	(56,867)	(8)	(251,592)
Balance at March 31, 2009	**¥676,434**	**¥19,142**	**¥1,467,434**	**¥(7,175)**	**¥2,155,836**	**¥(24,727)**	**¥—**	**¥2,131,108**

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, 2009 — 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 (loss) gain on securities	Net deferred gain on hedges	Total net assets
Balance at March 31, 2008	$ 6,886	$ 195	$ 16,916	$ (67)	$ 23,930	$ 327	$ 0	$ 24,257
Cash dividends	—	—	(825)	—	(825)	—	—	(825)
Net loss	—	—	(1,152)	—	(1,152)	—	—	(1,152)
Purchases of treasury stock	—	—	—	(10)	(10)	—	—	(10)
Sales of treasury stock	—	0	—	4	4	—	—	4
Net changes in items other than shareholders' equity	—	—	—	—	—	(579)	(0)	(579)
Total changes	—	0	(1,977)	(6)	(1,983)	(579)	(0)	(2,562)
Balance at March 31, 2009	**$6,886**	**$195**	**$14,939**	**$(73)**	**$21,947**	**$(252)**	**$—**	**$21,695**

See notes to non-consolidated financial statements and consolidated financial statements.

Notes to Non-Consolidated Financial Statements

The Tokyo Electric Power Company, Incorporated
March 31, 2009

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 for the accounting policy for investments in subsidiaries and affiliates, stated at cost, less impairment recognized (if any).

Certain notes to consolidated financial statements, which relate to the Company, are omitted in the notes to the accompanying non-consolidated financial statements.

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 ¥98.23 = US$1.00, the approximate rate of exchange in effect on March 31, 2009, 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) Inventory

Inventories had been stated at cost determined principally by the average method through the fiscal year ended March 31, 2008.

However, "Accounting Standard for Measurement of Inventories" became effective from the fiscal year beginning on or after April 1, 2008. Effective April 1, 2008, accordingly, inventories are stated at the lower of cost, determined principally by the average method, or net realizable value.

The effect of this adoption was immaterial.

(b) Leases

Noncancelable leases had been primarily accounted for as operating leases (whether such leases were classified as operating or finance leases) except that leases which stipulate the transfer of ownership of the leased assets to the lessee were accounted for as finance leases through the year ended March 31, 2008.

However, the Company has adopted "Accounting Standard for Lease Transactions" and "Implementation Guidance for Accounting Standard for Lease Transactions" that became effective from the fiscal year beginning on or after April 1, 2008. Effective April 1, 2008, accordingly, all finance leases, the contracts for which have been entered into after April 1, 2008, are accounted for as finance lease transactions.

The effect of this adoption was immaterial.

Finance lease transactions that do not involve transfer of ownership to the lessee, which commenced before April 1, 2008, are accounted for in the same method as for operating leases.

(c) 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 year ended March 31, 2008, 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 for the year ended March 31, 2008.

4

Property, Plant and Equipment

The major classifications of property, plant and equipment at March 31, 2009 and 2008 were as follows:

	Millions of yen			
As of March 31, 2009:	Acquisition costs	Contributions in aid of construction	Accumulated depreciation	Net book value
Hydroelectric power production facilities	**¥ 1,770,766**	**¥ 9,468**	**¥ 1,009,692**	**¥ 751,606**
Thermal power production facilities	**5,490,977**	**54,092**	**4,309,496**	**1,127,389**
Nuclear power production facilities	**5,093,372**	**4,451**	**4,445,100**	**643,821**
Internal combustion engine power production facilities	**38,915**	**156**	**28,272**	**10,487**
Transmission facilities	**7,195,264**	**164,900**	**4,749,052**	**2,281,311**
Transformation facilities	**3,368,670**	**43,530**	**2,425,381**	**899,759**
Distribution facilities	**5,256,462**	**44,086**	**2,945,178**	**2,267,197**
Incidental business facilities	**104,380**	**430**	**35,140**	**68,809**
General facilities	**551,972**	**22,669**	**346,594**	**182,708**
Construction in progress	**590,669**	**—**	**—**	**590,669**
	¥29,461,452	**¥343,785**	**¥20,293,907**	**¥8,823,760**

	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	¥19,727,928	¥9,086,323

As of March 31, 2009:	Millions of U.S. dollars			
	Acquisition costs	Contributions in aid of construction	Accumulated depreciation	Net book value
Hydroelectric power production facilities	$ 18,027	$ 96	$ 10,279	$ 7,652
Thermal power production facilities	55,899	551	43,872	11,476
Nuclear power production facilities	51,851	45	45,252	6,554
Internal combustion engine power production facilities	396	1	288	107
Transmission facilities	73,249	1,679	48,346	23,224
Transformation facilities	34,294	443	24,691	9,160
Distribution facilities	53,512	449	29,982	23,081
Incidental business facilities	1,063	4	358	701
General facilities	5,619	231	3,528	1,860
Construction in progress	6,013	—	—	6,013
	$299,923	$3,499	$206,596	$89,828

5 Investments in Affiliates

At March 31, 2009 and 2008, investments in affiliates for which market prices were available were as follows:

	Millions of yen						Millions of U.S. dollars		
	2009			2008			2009		
	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	¥77,798	¥62,954	¥14,843	¥66,008	¥51,164	$151	$792	$641

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, 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		
	Acquisition costs	Accumulated depreciation	Net book value
Nuclear power production facilities	¥22,298	¥10,877	¥11,420
General facilities	18,560	11,191	7,369
Other	16,196	7,535	8,660
Total	¥57,054	¥29,604	¥27,450

Note: Effective April 1, 2008, information on finance leases, the contracts for which were entered into before April 1, 2008 and accordingly accounted for as operating leases, has been omitted due to their immaterial impact.

Lease expenses related to finance leases accounted for as operating leases for the year ended March 31, 2008 amounted to ¥9,378 million.

Depreciation expense related to finance leases accounted for as operating leases amounting to ¥9,378 million for the year ended March 31, 2008, 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.

(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:

	March 31, 2008		
	Millions of yen		
	Acquisition costs	Accumulated depreciation	Net book value
Other electricity-related assets	¥18,696	¥10,585	¥8,111
Other property, plant and equipment	313	88	224
Total	¥19,009	¥10,674	¥8,335

Note: Effective April 1, 2008, information on finance leases, the contracts for which were entered into before April 1, 2008 and accordingly accounted for as operating leases, has been omitted due to their immaterial impact.

Lease income relating to finance leases accounted for as operating leases in the accompanying non-consolidated financial statements amounted to ¥1,647 million for the year ended March 31, 2008. Depreciation of the assets leased under finance leases accounted for as operating leases amounted to ¥3,622 million for the year ended March 31, 2008.

Future minimum lease income subsequent to March 31, 2009 for operating leases is summarized as follows:

Years ending March 31,	Millions of yen	Millions of U.S. dollars
2010	**¥ 480**	**$ 5**
2011 and thereafter	**2,602**	**26**
Total	**¥3,083**	**$31**

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 2009 and 2008.

The significant components of deferred tax assets and liabilities as of March 31, 2009 and 2008 were as follows:

	Millions of yen		Millions of U.S. dollars
	2009	2008	**2009**
Deferred tax assets:			
Accrued employees' retirement benefits	**¥138,318**	¥139,554	**$1,408**
Tax loss carryforwards	**72,023**	59,348	**733**
Reserve for loss on disaster	**60,902**	59,566	**620**
Depreciation and amortization	**56,864**	57,335	**579**
Reserve for decommissioning costs of nuclear power units	**56,130**	56,130	**571**
Reserve for reprocessing of irradiated nuclear fuel	**56,027**	55,510	**570**
Easement on the transmission line right-of-way	**25,230**	—	**257**
Deferred expenses for tax purposes	**18,324**	20,484	**187**
Investment securities	**15,359**	—	**156**
Other	**110,080**	103,155	**1,121**
	609,262	551,085	**6,202**
Valuation allowance	**(54,301)**	(41,655)	**(553)**
Total deferred tax assets	**554,961**	509,429	**5,649**
Deferred tax liabilities:			
Prepaid pension cost	**(19,368)**	(37,390)	**(197)**
Unrealized holding gain on securities	**(7,430)**	(19,739)	**(76)**
Other	**(146)**	(157)	**(1)**
Total deferred tax liabilities	**(26,946)**	(57,287)	**(274)**
Net deferred tax assets	**¥528,015**	¥452,142	**$5,375**

The differences between the effective tax rate reflected in the accompanying consolidated statements of income for the years ended March 31, 2009 and 2008 and the statutory tax rate were as follows:

	2009	2008
Statutory tax rate	**36.2%**	36.2%
Change in valuation allowance	**(8.1)**	(3.2)
Other	**(0.3)**	0.1
Effective tax rate	**27.8%**	33.1%

8 Research and Development Costs

Research and development costs included in operating expenses for the years ended March 31, 2009 and 2008 totaled ¥41,681 million (US$424 million) and ¥38,164 million, respectively.

9 Contingent Liabilities

At March 31, 2009, contingent liabilities totaled ¥662,022 million (US$6,740 million), of which ¥341,509 million (US$3,477 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, ¥13 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, ¥250,512 million (US$2,550 million) consisted of guarantees given in connection with housing loans made to employees of the Company.

The remainder of ¥70,000 million (US$713 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$194 million), and the legal reserve amounted to ¥169,108 million (US$1,722 million) at March 31, 2009. 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, 2009, was approved at a shareholders' meeting held on June 25, 2009:

	Millions of yen	Millions of U.S. dollars
Cash dividends — ¥30 (US$0.31) per share	¥40,504	$412

Report of Independent Auditors

Ernst & Young ShinNihon LLC
Hibiya Kokusai Bldg.
2-2-3, Uchisaiwai-cho,
Chiyoda-ku, Tokyo, Japan 100-0011

Tel : +81 3 3503 1100
Fax: +81 3 3503 1197

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, 2009 and 2008, 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, 2009 and 2008, 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, 2009 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2.

Ernst & Young Shinnihon LLC

June 25, 2009

Bond Issues and Maturities (Non-Consolidated)

April 1, 2008 to March 31, 2009

(Millions of yen, unless otherwise indicated)

Issue	Issue date	Issue amount	Amount at maturity	Outstanding as of March 31, 2009	Par value (Yen)	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	21,900	128,100	100.00	4.75	General mortgage	February 28, 2014	128,100		Note
425	July 29, 1994	100,000	26,100	73,900	99.80	5.0		July 29, 2014	73,900		Note
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	51,900	98,100	100.00	4.1		May 29, 2015	98,100		Note
433	April 30, 1996	150,000	150,000		100.00	3.45		April 30, 2008			Note
436	November 29, 1996	50,000	8,200	41,800	100.00	3.45		November 29, 2016	41,800		Note
438	June 25, 1997	50,000	7,700	42,300	100.00	3.15		June 25, 2009		42,300	Note
440	July 28, 1997	50,000	2,000	48,000	100.00	3.225		July 28, 2017	48,000		Note
441	September 22, 1997	50,000	7,400	42,600	100.00	3.075		September 22, 2017	42,600		Note
443	December 22, 1997	50,000	1,800	48,200	100.00	2.775		December 22, 2017	48,200		Note
446	March 23, 1998	50,000	7,400	42,600	100.00	2.9		March 23, 2018	42,600		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			Note
451	May 15, 1998	50,000	50,000		100.00	2.15		May 15, 2008			Note
452	May 28, 1998	80,000	80,000		100.00	2.0		May 28, 2008			Note
454	August 28, 1998	50,000	50,000		100.00	1.825		August 28, 2008			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			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			Note
459	January 29, 1999	50,000	5,500	44,500	100.00	2.7		January 29, 2019	44,500		
460	March 17, 1999	50,000		50,000	100.00	2.4		March 17, 2011	50,000		
462	April 15, 1999	50,000		50,000	100.00	2.0		April 15, 2009		50,000	
464	July 28, 1999	70,000	100	69,900	100.00	2.025		July 28, 2011	69,900		
465	September 17, 1999	50,000		50,000	100.00	2.0		September 17, 2009		50,000	
466	September 17, 1999	50,000	7,500	42,500	100.00	2.8		September 17, 2019	42,500		
467	December 9, 1999	50,000		50,000	100.00	1.825		December 9, 2009		50,000	
470	June 15, 2000	50,000	1,000	49,000	100.00	1.99		June 15, 2012	49,000		
471	June 15, 2000	50,000		50,000	100.00	1.825		June 15, 2010	50,000		
472	August 17, 2000	50,000		50,000	100.00	1.825		August 17, 2010	50,000		
473	August 17, 2000	50,000	400	49,600	100.00	1.975		August 17, 2012	49,600		
475	October 27, 2000	50,000		50,000	100.00	1.96		October 27, 2010	50,000		
476	November 30, 2000	50,000		50,000	100.00	1.93		November 30, 2010	50,000		
478	February 23, 2001	50,000		50,000	100.00	1.68		February 23, 2011	50,000		
480	March 14, 2001	50,000		50,000	100.00	1.54		March 14, 2011	50,000		
482	May 25, 2001	100,000		100,000	100.00	1.45		May 25, 2011	100,000		
483	June 15, 2001	50,000		50,000	100.00	1.4		June 15, 2011	50,000		
485	June 22, 2001	50,000		50,000	100.00	1.38		June 22, 2011	50,000		
487	October 26, 2001	50,000		50,000	100.00	1.445		October 26, 2011	50,000		
489	November 15, 2001	100,000		100,000	100.00	1.39		November 15, 2011	100,000		
491	January 31, 2002	50,000		50,000	100.00	1.49		January 31, 2012	50,000		
493	April 26, 2002	100,000		100,000	100.00	1.49		April 26, 2012	100,000		
495	May 30, 2002	50,000		50,000	100.00	1.455		May 30, 2012	50,000		
496	June 14, 2002	100,000		100,000	100.00	1.49		June 14, 2012	100,000		
497	July 30, 2002	100,000		100,000	100.00	1.395		July 30, 2012	100,000		
498	December 13, 2002	100,000		100,000	100.00	1.1		December 13, 2012	100,000		
499	December 26, 2002	50,000		50,000	100.00	1.115		December 26, 2012	50,000		
500	December 25, 2002	50,000		50,000	100.00	0.635		December 25, 2009		50,000	
501	February 14, 2003	100,000		100,000	100.00	0.92		February 14, 2013	100,000		
502	February 27, 2003	50,000		50,000	100.00	0.96		February 27, 2013	50,000		
504	April 25, 2003	50,000	50,000		100.00	0.335		April 25, 2008			Note

Funds from bond issues have been used for capital expenditures, repayment of borrowings or redemption of bonds.

(Millions of yen, unless otherwise indicated)

Issue	Issue date	Issue amount	Amount at maturity	Outstanding as of March 31, 2009	Par value (Yen)	Coupon rate (% per annum)	Mortgage (Type, subject property, seniority)	Maturity date	Details of maturities		Application
									Non-current maturities	Others	
Serial TEPCO bond issue number											
505	April 25, 2003	50,000		50,000	100.00	0.775	General mortgage	April 25, 2013	50,000		Note Funds from bond issues have been used for capital expenditures, repayment of borrowings or redemption of bonds.
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			Note
509	December 24, 2003	50,000	50,000		100.00	0.655		December 24, 2008			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		
512	May 28, 2004	50,000		50,000	100.00	0.725		May 28, 2009		50,000	
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		
517	June 15, 2005	50,000		50,000	100.00	1.355		June 15, 2015	50,000		
518	August 12, 2005	100,000		100,000	100.00	1.36		August 12, 2015	100,000		
519	December 28, 2005	50,000		50,000	100.00	1.59		December 28, 2015	50,000		
520	May 31, 2006	50,000		50,000	100.00	2.08		May 31, 2016	50,000		
521	June 27, 2006	50,000		50,000	100.00	1.97		June 27, 2016	50,000		
522	August 31, 2006	50,000		50,000	100.00	2.06		August 31, 2016	50,000		
523	September 28, 2006	50,000		50,000	100.00	1.88		September 28, 2016	50,000		
524	March 14, 2007	50,000		50,000	100.00	1.795		March 14, 2017	50,000		
525	March 28, 2007	50,000		50,000	100.00	1.73		March 28, 2017	50,000		
526	May 31, 2007	50,000		50,000	100.00	1.78		May 31, 2017	50,000		
527	May 30, 2007	50,000		50,000	100.00	1.5		May 30, 2014	50,000		
528	June 13, 2007	50,000		50,000	100.00	1.905		June 13, 2019	50,000		
529	July 25, 2007	50,000	3,000	47,000	100.00	2.025		July 25, 2017	47,000		
530	August 28, 2007	50,000	1,400	48,600	100.00	1.945		August 28, 2017	48,600		
531	September 25, 2007	100,000	1,100	98,900	100.00	1.845		September 25, 2017	98,900		
532	September 28, 2007	50,000		50,000	100.00	1.75		September 28, 2017	50,000		
533	October 29, 2007	50,000		50,000	100.00	1.55		October 29, 2014	50,000		
534	October 29, 2007	50,000		50,000	100.00	2.055		October 29, 2019	50,000		
535	November 30, 2007	50,000		50,000	100.00	1.772		November 30, 2017	50,000		
536	January 29, 2008	50,000		50,000	100.00	1.672		January 29, 2018	50,000		
537	February 28, 2008	50,000		50,000	100.00	1.814		February 28, 2020	50,000		
538	February 28, 2008	50,000		50,000	100.00	0.843		February 28, 2011	50,000		
539	March 28, 2008	50,000		50,000	100.00	1.591		March 28, 2018	50,000		
540	April 25, 2008	50,000		50,000	100.00	1.64		April 25, 2018	50,000		
541	April 25, 2008	50,000		50,000	100.00	1.094		April 25, 2013	50,000		
542	April 25, 2008	50,000		50,000	100.00	1.602		April 25, 2018	50,000		
543	May 30, 2008	50,000		50,000	100.00	1.171		May 30, 2011	50,000		
544	June 25, 2008	50,000		50,000	100.00	1.976		June 25, 2018	50,000		
545	July 25, 2008	50,000		50,000	100.00	1.849		July 25, 2018	50,000		
546	July 22, 2008	50,000		50,000	100.00	1.505		July 22, 2014	50,000		
547	July 24, 2008	50,000		50,000	100.00	1.948		July 24, 2020	50,000		
548	September 29, 2008	60,000		60,000	100.00	2.347		September 29, 2028	60,000		
549	October 17, 2008	50,000		50,000	100.00	1.699		October 17, 2018	50,000		
550	November 26, 2008	30,000		30,000	100.00	0.829		November 26, 2010	30,000		
551	November 28, 2008	50,000		50,000	100.00	2.401		November 28, 2028	50,000		
552	December 19, 2008	30,000		30,000	100.00	1.202		December 19, 2013	30,000		
553	February 27, 2009	50,000		50,000	100.00	2.205		February 27, 2029	50,000		
Domestic bond total		5,940,000	874,600	5,065,400					4,773,100	292,300	

(Millions of yen, unless otherwise indicated)

Issue	Issue date	Issue amount	Amount at maturity	Outstanding as of March 31, 2009	Par value (Yen)	Coupon rate (% per annum)	Mortgage (Type, subject property, seniority)	Maturity date	Details of maturities		Application
									Non-current maturities	Others	
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	General mortgage	May 14, 2009		125,850 [1,000,000 thousand Euro]	Note Funds from bond issues have been used for capital expenditures, repayment of borrowings or redemption of bonds.
4th Euro-denominated TEPCO bond	March 24, 2004	134,113 [998,834 thousand Euro]		134,113 [998,834 thousand Euro]	99.763	4.5		March 24, 2014	134,113 [998,834 thousand Euro]		Note
16th Swiss franc-denominated TEPCO bond	February 14, 2007	29,106 [301,091 thousand Swiss franc]		29,106 [301,091 thousand Swiss franc]	100.642	2.75		February 14, 2012	29,106 [301,091 thousand Swiss franc]		Note
Overseas bond total		289,070 [301,091 thousand Swiss franc] [1,998,834 thousand Euro]		289,070 [301,091 thousand Swiss franc] [1,998,834 thousand Euro]					163,220 [301,091 thousand Swiss franc] [998,834 thousand Euro]	125,850 [1,000,000 thousand Euro]	
Total		6,229,070	874,600	[Increase for the fiscal year 74,494] 5,354,470		1.885			4,936,320	418,150	

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 the year ended March 31, 2002: 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 bond number 423, TEPCO bonds 425 to 426, TEPCO bond 428, TEPCO bond 433, TEPCO bond 436, TEPCO bond 438, TEPCO bonds 440 to 441 and TEPCO bond 443 have been used for capital expenditures.

3. Funds from the issue of TEPCO bond number 446, TEPCO bonds 448 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.

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, 2009

Trade Name
The Tokyo Electric Power Company, Incorporated

Head Office
1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku,
Tokyo 100-8560, Japan
Phone: +81-3-6373-1111

Established
May 1, 1951

Fiscal Year-End
March 31

Paid-in Capital
¥676,434,197,050

Number of Employees
38,030 (Non-consolidated)

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

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

Number of Shareholders
793,488

Shareholders' Meeting
June

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

Accounting Auditor
Ernst & Young ShinNihon LLC

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, 2009)

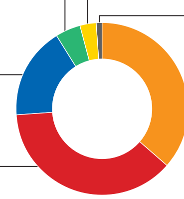
Standard and Poor's Ratings Services	AA (negative)
Moody's Investors Service, Inc.	Aa2 (stable)
Rating and Investment Information, Inc.	AA+ (stable)
Japan Credit Rating Agency, Ltd.	AAA (stable)

Major Shareholders

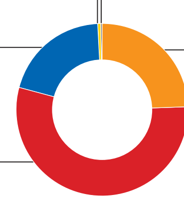
Name	Number of Shares Held (Thousands)
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	68,112
Japan Trustee Services Bank, Ltd. (Trust Account)	65,925
The Master Trust Bank of Japan, Ltd. (Trust Account)	57,568
The Dai-ichi Mutual Life Insurance Company	55,001
Nippon Life Insurance Company	52,800
Tokyo Metropolitan Government	42,676
Sumitomo Mitsui Banking Corporation	35,927
Mizuho Corporate Bank, Ltd.	23,791
Japan Trustee Services Bank, Ltd. (Trust Account 4)	17,854
TEPCO Employees' Shareholding Association	17,509

Breakdown of Shareholders

Shareholdings by Type of Shareholder



Shareholders by Number of Shares Held



For more detailed information, please contact:
Tokyo Electric Power Company
- Shareholder & Investor Relations Group, Corporate Affairs Department
- Finance Group, Accounting & Treasury Department
  1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku, Tokyo 100-8560, Japan
  Phone: +81-3-6373-1111 Facsimile: +81-3-3596-8508

TEPCO

TOKYO ELECTRIC POWER COMPANY

Mixed Sources
Product group from well-managed forests and other controlled sources
www.fsc.org Cert no. SA-COC-001210
© 1996 Forest Stewardship Council

PRINTED WITH SOY INK

Printed in Japan on FSC (Forest Stewardship Council)-certified paper using soy-based vegetable ink.

Published July 2009