Annual Report 2011

Year ended March 31, 2011

TOKYO ELECTRIC POWER COMPANY

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 it has continued to support society and public life with high-quality electric power.

The Tohoku-Chihou-Taiheiyou-Oki Earthquake (the Great East Japan Earthquake), which struck on March 11, 2011, caused massive damage to TEPCO's facilities and precipitated a number of serious accidents at Fukushima Daiichi Nuclear Power Station. Consequently, TEPCO has been confronting an unprecedented major crisis that results in power shortages and damage compensation for the accidents. TEPCO is committed to fulfilling its social mission, that is, offering stable power supply, with continuously making all-out efforts to bring about an end to the emergency situation at the nuclear power station and to secure power supply capacity.

CONTENTS

Forward-Looking Statements

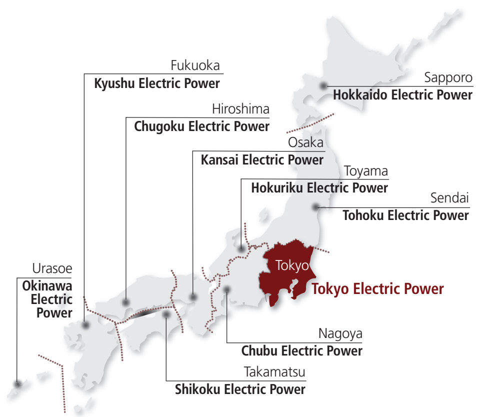
This annual report contains forward-looking statements regarding the Company's plans, outlook, strategies and results for the future. All forward-looking statements are based on judgments derived from the information available to the Company at the time of publication.

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

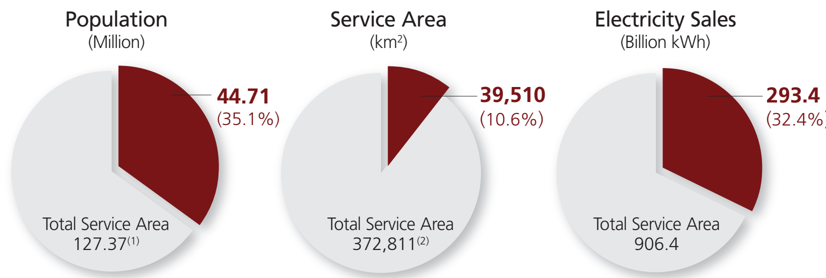
TEPCO Snapshot

TEPCO's Market Position

Service Areas of Japan's Ten Electric Power Companies



TEPCO's Position in the Japanese Electric Power Industry
(As of March 31, 2011 unless otherwise noted)

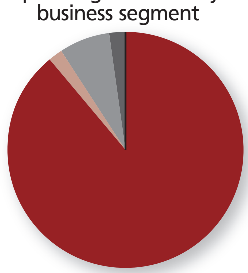


● TEPCO's Service Area ● Total Service Area (10 EPCOs) (3)

Notes: 1. The population figure is an estimate as of January 1, 2011 (prepared by the Statistics Bureau, Ministry of Internal Affairs and Communications.)
2. Source: Hand Book of Electric Power Industry (2010 edition)
3. Electric power companies

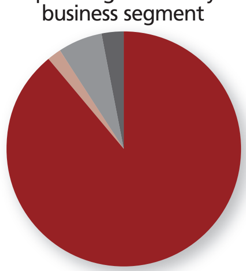
At a Glance

Fiscal 2010
operating revenues by
business segment



- Electric Power Business **88.9%**
- Information and Telecommunications Business **1.8%**
- Energy and Environment Business **6.7%**
- Living Environment and Lifestyle-Related Business **2.3%**
- Overseas Business **0.2%**

Fiscal 2010
operating income by
business segment



- Electric Power Business **88.9%**
- Information and Telecommunications Business **2.3%**
- Energy and Environment Business **5.8%**
- Living Environment and Lifestyle-Related Business **3.1%**
- Overseas Business **0.0%**

● Electric Power Business

TEPCO's electric power business integrates generation, transmission and distribution to supply electricity to the Kanto region including the Tokyo metropolitan area. The Kanto region, the major market in TEPCO's service area, is a hometown for approximately one-third of Japan's population, or about 45 million people. TEPCO's electricity sales represent approximately one-third of total electricity sales in Japan.

Fiscal 2010 operating revenues for the electric power business rose ¥331.2 billion year on year to ¥5,064.6 billion, and operating income increased ¥108.2 billion to ¥354.1 billion.

● Information and Telecommunications Business

The TEPCO Group utilizes tangible and intangible assets such as its facilities and technology to operate IT-related businesses including data center management.

Fiscal 2010 operating revenues for the information and telecommunications business grew ¥7.2 billion compared with those the previous fiscal year to ¥103.2 billion, and operating income increased ¥2.6 billion to ¥9.1 billion.

● Energy and Environment Business

In the energy and environment business area, the TEPCO Group operates a wide variety of services closely related to its electric power business. The services include power facility construction and maintenance, supply and shipping of fuel and materials, wholesale of electricity and energy and environmental solutions.

Fiscal 2010 operating revenues for the energy and environment business grew ¥28.6 billion year on year to ¥384.5 billion, and operating income climbed ¥1.3 billion to ¥22.9 billion.

● Living Environment and Lifestyle-Related Business

The TEPCO Group's living environment and lifestyle-related business provides services including housing-related and real estate ones.

Fiscal 2010 operating revenues for the living environment and lifestyle-related business declined ¥0.6 billion compared with the previous fiscal year to ¥132.8 billion, while operating income remained almost on par with that the previous fiscal year of ¥12.1 billion.

● Overseas Business

TEPCO operates overseas businesses such as capital investment in generation projects and consulting services with taking advantage of its technology and expertise gained in the domestic electric power business.

Fiscal 2010 operating revenues for the overseas business fell ¥1.1 billion year on year to ¥14.0 billion, while the Company recorded operating income of ¥26 million, a turnaround from the operating loss of ¥2.3 billion recorded in the previous fiscal year.

* TEPCO's Fiscal 2010 consolidated net income showed a loss of 1,247.3 billion yen, mainly due to an extraordinary loss from natural disaster and write-off of an infeasible part of deferred tax assets.
* TEPCO will work to significantly streamline and restructure businesses that are not essential to the domestic electric power business.
* Segment operating revenues and operating incomes include inter-segment sales and transfers.

To Our Shareholders and Investors

Tsunehisa Katsumata,
Chairman

Toshio Nishizawa,
President

First of all, we would like to express our deepest apologies to our shareholders and investors with regard to the troubles and anxiety brought about by a series of accidents at Fukushima Daiichi Nuclear Power Station triggered by the Tohoku-Chihou-Taiheiyou-Oki Earthquake and the rolling blackouts that followed.

Of course, the particular issue at Fukushima Daiichi Nuclear Power Station has been the leakage of radioactive materials, which prompted the evacuation of residents and restrictions on the shipping of agricultural products from surrounding areas. While working with our utmost efforts for establishing sustainable continuous cooling systems for the damaged reactors and spent fuel pools at Fukushima Daiichi, we cannot still foresee an end of the ongoing severe situations there. For everything that has happened, we sincerely apologize to our shareholders and investors as well as the people in the surrounding areas and, indeed, all of society for the trouble and anxiety we have caused.

Currently, we are making all-out efforts to prevent further accidents at Fukushima Daiichi and to bring the situation under control with the support of and in cooperation with the Japanese national and local governments, plant manufacturers, business partners and even foreign governments. With the aim of fulfilling its mission of offering stable power supply, TEPCO will make every effort to regain supply capacity while continuously focusing on demand-side countermeasures, such as providing customized consultations and practical tips on energy-saving.

Drawing on every possible measure and resource, TEPCO is strongly committed to overcoming this unprecedented challenge. We truly appreciate your understanding and continued support.

Tsunehisa Katsumata, Chairman

Toshio Nishizawa, President

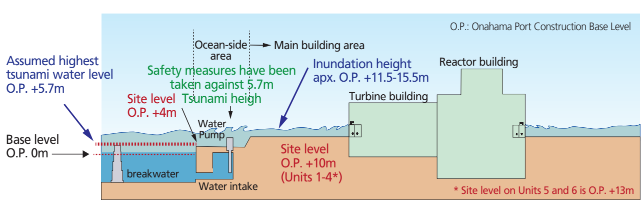
Impact of the Tohoku-Chihou-Taiheiyou-Oki Earthquake and TEPCO's Response

We sincerely apologize to our shareholders and investors, people in the surrounding areas and all of society for great anxiety and inconvenience caused by a series of accidents at Fukushima Daiichi Nuclear Power Station triggered by the Tohoku-Chihou-Taiheiyou-Oki Earthquake and following radioactivity leakage. Currently, we are making all-out efforts to bring the situation under control as soon as possible with the support of and in cooperation with the Japanese national and local governments and other organizations.

Overview of Tohoku-Chihou-Taiheiyou-Oki Earthquake and Accidents at Fukushima Nuclear Power Stations

At 2:46PM on March 11, 2011, a magnitude 9.0 earthquake occurred with the epicenter in the east of the Sanriku coast in the Tohoku region. All the operating units of our Fukushima Daiichi Nuclear Power Station were automatically "shutdown" immediately after the earthquake occurred. However, the whole nuclear power station lost all of the power supply due to the earthquake and its following approximately +13-meter tsunami. Consequent inundation was approximately O.P. +11.5-15.5 meters high. As a result of the power failure, almost all of the "Cooling" functions at Units 1 through 3 reactors and spent fuel pools at Units 1 through 4 were lost. Consequently, no cooling function at the units brought about on emissions of radioactive material into the air, collapse of the reactor buildings caused by hydrogen explosion and leakage of highly radioactive contaminated water into some of the turbine buildings. At this point, we found radiation "Containment" function had been lost as well.

In order to establish continuous cooling systems with stable power supply and restrain emissions of radioactive material, we resumed external power supply soon after the earthquake and have worked for water spraying with temporary pumps and special-purpose trucks, for introduction of circulatory water-cooling systems and other necessary steps. Moreover, we will take further effective measures to counter possible aftershocks and tsunamis as soon as possible.



On the other hand, all the units at Fukushima Daini Nuclear Power Station were automatically "shutdown" immediately after the earthquake occurred. Although heat removal functions for some of the reactors were temporarily lost by tsunami, the functions were restored and all the units at Fukushima Daini reached a state of "cold shutdown" by March 15.

Current Status of Fukushima Daiichi Nuclear Power Station (As of July 19, 2011)

Our current primary task at Fukushima Daiichi is to establish continuous cooling systems for each unit's reactor and spent fuel pool so that we can successfully restrain emissions of radioactive material.

At Units 1 through 3, we continue pouring fresh water into each of the reactors to cool down nuclear fuel inside. We have completed construction works of a contaminated water treatment plant and fresh water system, and started circulatory water-cooling operations in order to utilize the contaminated water discharged into the Central Radioactive Waste Disposal Facility for coolant of the reactors. Regarding status of spent fuel pools at each unit, we have established and started operations of continuous cooling systems for Units 2 and 3 spent fuel pools. We plan to install the same type of the cooling systems for Units 1 and 4 spent fuel pools as well.

Moreover, we continue injecting nitrogen into each of the reactor containment vessel at Units 1 through 3 in order to mitigate the risk of possible hydrogen explosions. Certain amount of hydrogen is thought to still exist in the vessels.

			Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6
At the Time of Earthquake	Operating Status		Commercial Operation	Commercial Operation	Commercial Operation	Periodic Inspection	Periodic Inspection	Periodic Inspection
Current Situation and Status	"Shutdown"		○	○	○	–	–	–
	"Cooling"	Reactor	△ Circulatory Water-cooling/ N_2 Injection	△ Circulatory Water-cooling/ N_2 Injection	△ Circulatory Water-cooling/ N_2 Injection	– No Fuel in the Reactor	○ Cold Shutdown	○ Cold Shutdown
		SFP	△ Freshwater Injection via Regular Lines	○ Circulatory Cooling System	○ Circulatory Cooling System	△ Freshwater Injection via Alternative Lines	○	○
	"Containment"*		△ Highly Contaminated Water Found	△ Highly Contaminated Water Found	△ Highly Contaminated Water Found	△	○	○

* Top of the Units 1, 3 and 4 Reactor Buildings have been severely damaged. At Unit 2, the containing function of the pressure suppression chamber is unlikely to be maintained. Moreover, we made holes in the walls of Units 5 and 6 reactor buildings to prevent hydrogen accumulation.

* A provisional analysis on Unit 1 incident concluded that nuclear fuel pellets have melted, falling to the bottom of the reactor pressure vessel at a relatively early stage after the tsunami reached the station. Also, a part of reactor core at each of Units 2 and 3 was found to be melted. The temperature in each of the reactor pressure vessel, however, is at the range of 100-130℃ . Judging from this fact, each vessel has been steadily cooled down thanks to freshwater spraying into the reactors.

Roadmap towards Restoration from the Accident (As of July 19, 2011)

On April 17, TEPCO released a roadmap for immediate actions at Fukushima Daiichi Nuclear Power Station. In the roadmap, TEPCO sets 2 targets; "STEP 1: radiation level steadily decreasing" and "STEP 2: emissions of radioactive substances are fully under control and consequently radiation level is kept quite low." To achieve these goals, we have clarified basic measures and their timelines first, and taken various steps simultaneously, which are categorized into 5 main subjects: "Cooling," "Mitigation," "Monitoring/Decontamination," "Countermeasures against aftershocks, etc." and "Environment improvement."

Regarding STEP1, we announced that we successfully achieved its goal: "radiation level steadily decreasing" on July 19, about 3 months after the initial release. In our revised roadmap released on the same day, we illustrate progress in each measure and details of coming next tasks in STEP 2, which is to be completed in 3 to 6 months after STEP 1 completion.

TEPCO is strongly committed to the settlement of these difficult accidents with our utmost efforts in order for the evacuees to return their home and for the public to get relieved.

Current Status of "Roadmap towards Restoration from the Accident at Fukushima Daiichi Nuclear Power Station, TEPCO" (Revised edition)

Red colored: newly added to the previous version, ☆: already reported to the government

Issues		As of April 17	Step 1 (around 3 months)		Step 2 (around 3 to 6 months after achieving Step1) current status (as of July 17)		Mid-term issues (around 3 years)
I. Cooling	(1) Reactor	Fresh water Injection Cooling by minimum injection rate (injection cooling) Consideration and preparation of reuse of accumulated water	Circulating Injection Cooling (start) ☆ Nitrogen gas injection ☆ Improvement of work environment ☆	Stable cooling	Circulating Injection Cooling (continued)	Cold shutdown condition	Continuous cold shutdown condition Protection against corrosion cracking of structural materials* *partially ahead of schedule
	(2)Spent Fuel Pool	Fresh water injection	Reliability improvement in injection operation / remote-control operation *ahead of schedule Circulation cooling system ☆ (installation of heat exchanger) *partially ahead of schedule	Stable cooling	Remote-controlled injection operation Consideration / installation of heat exchanging function	More stable cooling	Start of removal work of fuels
II. Mitigation	(3)Accumulated Water	Transferring water with high radiation level Storing water with low radiation level	Installation of storage / processing facilities ☆ Installation of storage facilities / decontamination processing	Secure storage place	Expansion / consideration of full-fledged processing facilities Decontamination ☆ / desalt processing (reuse), etc Storage ☆ / management of sludge waste etc. Mitigation of contamination in the ocean	Reduction of total amount of contaminated water	Installation of full-fledged water processing facilities Continuous processing of accumulated water Research of processing of sludge waste etc. Mitigation of contamination in the ocean
	(4) Ground water		Mitigation of contamination of groundwater Consideration of method of shielding wall of groundwater	Mitigate ocean contamination	(Sub-drainage management with expansion of storage / processing facilities) Design / start of implementation of shielding wall of groundwater	Mitigate ocean contamination (continued)	Solidification of contaminated soil, etc Establishment of shielding wall of groundwater
	(5) Atmosphere/Soil	Dispersion of inhibitor Removal of debris		Mitigate scattering	Installation of reactor building cover (Unit 1) ☆ Removal of debris (top of Unit 3&4 R/B) Consideration of reactor building container	Mitigate scattering (continued)	Removal of debris / installation of reactor building cover (Unit 3&4) Start of installation work of reactor building container
III. Monitoring/ Decontamination	(6) Measurement, Reduction and Announcement	Expansion, enhancement and announcement of radiation dose monitoring in and out of the power station			Start of full-fledged decontamination	Deco-ntamination	Continuous environmental monitoring Continuous decontamination
IV. Countermeasures against aftershocks, etc	(7) Tsunami, Reinforcement, etc	Enhancement of countermeasures against aftershocks and tsunami, preparation for various countermeasures for radiation shielding	(Unit 4 spent fuel pool) Installation of supporting structure ☆		Consideration / implementation of reinforcement work of each Unit	Mitigate disasters	Continue various countermeasures for radiation shielding Reinforcement work of each Unit
V. Environment improvement	(8) Life/work environment		Improvement of workers' life/work environment			Enhancement of environment Improvement	Improvement of workers' life/work environment
	(9) Radiation control/ Medical care		Improvement of radiation control / medical system			Enhancement of Healthcare	Improvement of radiation control/medical system
Measures for Mid-term issues					Government's concept of securing safety Establishing plant operation plan based on the safety concept		Response based on the plant operation plan

Our Commitment to Support for the Stricken Areas and Damage Compensation (As of July 15, 2011)

> Support for the Stricken Areas

We have been taking a wide variety of measures to support local residents evacuated from the accidents at Fukushima Nuclear Power Stations since the very early stage of the accidents. To enforce the support programs for the residents and areas, "Fukushima Nuclear Influence Response Division" was established under the direct control of TEPCO President.

With closely working with national and local governments, we are determined to sincerely take steps for supporting the evacuated residents.

☆ Selected Supporting Activities for the Evacuated Residents

* Delivering necessary goods and items to local governments whose residents are forced to evacuate from the nuclear accidents
* Dispatching our employees to evacuation centers where the evacuated residents live (Works there include unloading of shipments, distribution of items and preparation for meals, etc.)
* Implementing radiation surveys in cooperation with national government and other electric utilities

> Payment of "Temporary Compensation"

TEPCO is paying out "Temporary Compensation" put to pecuniary damages and expenses caused by the evacuations in accordance with "Act on Special Measures Concerning Nuclear Emergency Preparedness." This compensation is intended to cover present cash demands of the evacuated and indoor-evacuated residents.

We have also started the payment of "Temporary Compensation" for damages caused by Governmental restriction on shipment of agricultural, forestry and fishery products and those on small and mid-size businesses due to operations suspension.

According to the spirit of "Nuclear Damage Compensation Law," TEPCO is committed to fair, faithful and smooth compensation procedure with Governmental assistance for the people damaged by the nuclear accidents.

Our Measures to Increase Supply Capacity (As of July 15, 2011)

Most of our power stations on the Pacific Coast were severely damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake and following tsunamis occurred on March 11, 2011. As a result, we had no choice but to implement rolling blackouts for 10 days in March due to the shortage of supply capacity. Since the occurrence of the earthquake, TEPCO has been making best efforts to resume damaged thermal power plants and to shorten inspecting and/or repairing periods of off-line thermal power plants to restart operations earlier than scheduled. With such measures and our customers’ power-saving efforts, no rolling blackout has been implemented since April.

Our supply capacity outlook for the end of July and August is now 57.3GW and 56.1GW, respectively as we are now confident in restarts of all of our thermal plants except some retiring ones, additional purchase of surplus power generated by individual, additional installation of temporary generators and further utilization of pumped-storage hydro plants. We are committed to avoiding rolling blackouts in this summer with every possible supply-side countermeasure.

On the other hand, based on the "Outline of Countermeasures for Power Supply and Demand during Summer Time" released by Government, we facilitate our customers’ power-saving efforts by offering customized consultations and practical tips on energy consumption as public understanding and cooperation would be indispensable to avoiding rolling blackouts.

Governmental Supporting Scheme for the Nuclear Damage Compensation

On May 13, Japanese government officially announced "Governmental Supporting Scheme for the Damages Caused by Nuclear Accident", which aims to enhance governmental support for TEPCO to realize smooth compensation procedures for nuclear accident victims. In this scheme, troubled nuclear operator is to pay for damages caused by the nuclear accidents with assistance of a newly-established organization backed by Government. Government provides the organization with enough supports such as issuance of special purpose bonds and governmental guarantee on the organization's financing and then the new organization provides a nuclear operator in need of funds for nuclear damage compensation with necessary financial support such as cash injection. The scheme intends the nuclear operator to keep their solvency by offering unlimited financing for all of the operator's cash demand. For your information, the scheme was approved by the Cabinet on June 14 and the bill has been under consideration in the House of Representative since July 8.

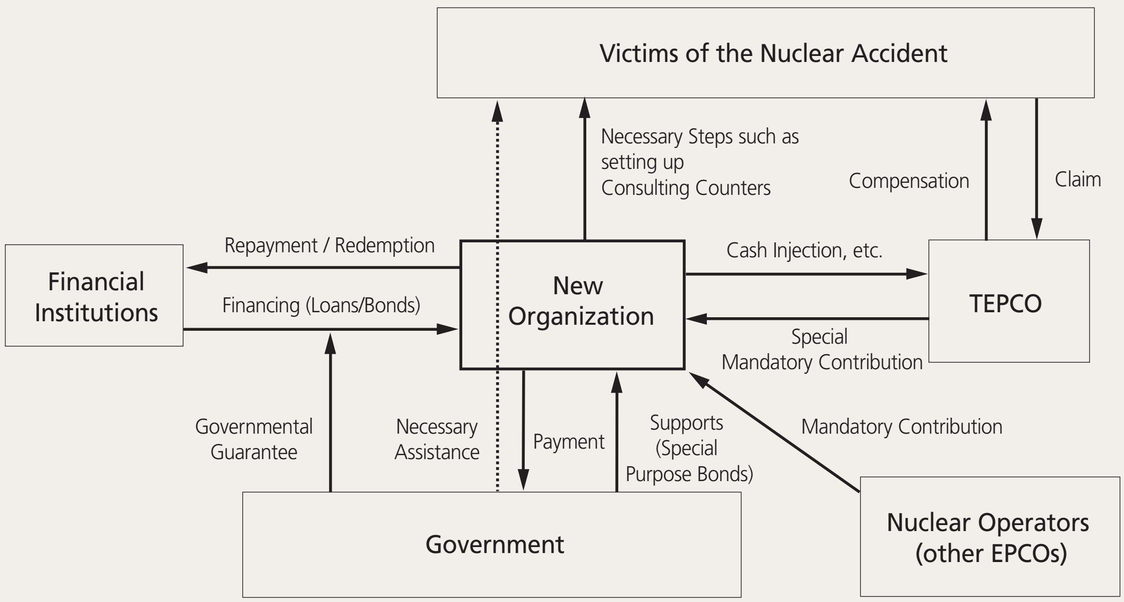
<Key details of the supporting scheme>

1. An aid organization is to be established in preparation for possible damage compensations in case of nuclear accidents.

2. Primarily obligated participants in this organization are electric utilities operating nuclear power plants. Funds of the organization are sufficiently maintained by collecting mandatory contribution from each of the participants. The mandatory contribution comes from ordinary expenses of the participants.

3. The new organization provides a nuclear operator in need of funds for nuclear damage compensation with necessary financial supports such as cash injection. The scheme intends the nuclear operator to keep their solvency by offering unlimited financing for all of the operator's cash demand for the compensation, mandatory capital investments and etc.

Nuclear Damage Compensation Scheme



* The organization is capable of special assistance such as granting loan guarantee on TEPCO's liabilities and purchasing TEPCO's corporate bonds.
* Government and/or the organization are/is to consider taking necessary steps for nuclear victims, such as establishing consulting centers for the nuclear compensation issues.
(Source) Governmental Press Release on May 13, 2011

4. Government and/or the organization are/is responsible for giving guidance to victims of a nuclear accident. The organization is also to play an appropriate roll in facilitating smooth compensation through purchasing the operator's assets and etc.

5. Government provides the organization with enough supports such as issuance of special purpose bonds and governmental guarantee on the organization's financing.

6.Government carefully examines an application of the governmental aid from the nuclear operator with considering its appropriateness and streamlining management efforts. The nuclear operator is to be under the governmental supervision for certain years.

7. The compensation scheme obligates a nuclear operator being rescued by the organization to repay the organization a proportion of its profits as special mandatory contribution.

8. The organization repays loans and other liabilities to Government with the contributions from nuclear operators.

9. Legislation of this scheme will include an article allowing Government to give direct financial assistance to nuclear operators in extraordinary cases such as a utility's acute inability in stable power supply due to its payment of the mandatory contributions.

(Source) Governmental Press Release on May 13, 2011

Corporate Governance

(As of June 30, 2011)

Fundamental Stance on Corporate Governance

We believe that our group's business operations are based on sound mutual trust, established through open and interactive communication with our valued stakeholders, including shareholders and investors, customers, local communities, suppliers, employees and the public.

Therefore, TEPCO considers enhancing corporate governance a critical task for management and works to develop organizational structures and policies for legal and ethical compliance, appropriate and prompt decision-making, efficient business practices, and effective auditing and supervisory functions.

Furthermore, based on our experience in connection with the Tohoku-Chihou-Taiheiyou-Oki Earthquake and subsequent tsunamis, we will verify our risk management system for a state of emergency caused by possible natural disasters.

Corporate Governance Structure

At TEPCO, the Board of Directors currently comprises 17 directors, including 1 outside director. Also, TEPCO has seven auditors, including four outside auditors.

The Board of Directors generally meets once a month and holds additional special meetings as necessary. Based on interactive discussion with objective outside directors, the Board establishes and promotes TEPCO's business and oversees its directors' performance.

For more appropriate and quicker decision-making, a Managing Directors Meeting is generally held once a week and other formal bodies also meet to efficiently implement key corporate management issues, including those to be discussed by the Board of Directors.

TEPCO's auditors rigorously check the execution of directors' duties and other matters by attending key meetings, including Board of Directors meetings, and by auditing business results, assets and other financial matters at headquarters, main business locations and subsidiaries and affiliates. Furthermore, 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 independent internal auditing organizations: the Internal Audit & Management of Quality & Safety Department and the Nuclear Quality Management Department. These organizations report main internal audits results to the Managing Directors Meeting and others, and take required measures for improvement.

Internal Control

The Board of Directors established a series of guidelines for internal control systems entitled "Developing a Framework to Ensure Appropriate Operations" at its April 2006 meeting and revised them at its May 2011 meeting. Based on these guidelines, the Internal Control Committee leads efforts to develop, manage, evaluate and then improve internal control systems in order to ensure appropriate business 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 in accordance with "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 business. In this way, we are working to stay apprised of management conditions at the Group companies and share and solve Group management issues. Furthermore, TEPCO is working to develop a framework of internal controls for the entire Group by supporting each Group company's efforts to autonomously create and run an internal control system for its own appropriate operations.

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 identifying and evaluating Group-wide risks that might seriously affect the Group's operations. Such risks are to be reflected in the Business Management Plan for each fiscal year.

TEPCO has taken necessary measures to mitigate risks with assigning the position of Risk Management Manager to a head of each organization in charge of every single business at Head Office, other offices and Group companies. To deal with cross-organizational risks, internal committees are to be established and take necessary steps under the direction of the Risk Management Committee.

In order to respond to the situation after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, TEPCO established the Tohoku-Chihou-Taiheiyou-Oki Earthquake Integrated Response Headquarters (Chief: TEPCO president) to make utmost efforts to settle the situation caused by the accident at Fukushima Daiichi Nuclear Power Station. Primary tasks of the new organization also include restoring damaged thermal power stations and power distribution facilities to secure stable power supply.

Remuneration Paid to Directors and Auditors

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

Reflecting the severe management situation, remuneration reductions for directors and auditors that were instituted in November 2007 continued throughout the year ended March 31, 2011. Remuneration paid in the fiscal year to TEPCO's directors, auditors and the accounting auditor, is shown in the charts below.

Given the extremely severe situation after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, TEPCO has decided to further reduce the remuneration paid to directors. To that end, from May 2011, the remuneration paid to representative directors will be suspended, and that to managing directors will be cut by 60%. Following the directors' decision, auditors have settled on the remuneration reductions based on discussions among them.

Remuneration for Directors and Auditors (Fiscal 2010)

(Millions of yen)

	Remuneration
Directors (24)	723
Auditors (9)	141

Remuneration for Accounting Auditor (Fiscal 2010)

(Millions of yen)

	Remuneration
For auditing and certification services	224
Other services	21

Board of Directors, Auditors and Executive Officers

As of June 28, 2011

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

Toshio Nishizawa

April 1975	Joined TEPCO
June 2006	Executive Officer; General Manager, Corporate Planning Department
June 2008	Managing Director
June 2011	President(Current)

EXECUTIVE VICE PRESIDENT AND REPRESENTATIVE DIRECTOR

Norio Tsuzumi

General Manager, Fukushima Nuclear Influence Response Division
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; General Manager, Plant Siting Department, 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
March 2011	Executive Vice President; Deputy General Manager, Fukushima Nuclear Influence Response Division; Deputy General Manager, Nuclear Power & Plant Siting Division
June 2011	Executive Vice President; General Manager, Fukushima Nuclear Influence Response Division; 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

Masao Yamazaki

In charge of Operations in General, Employee Relations & Human Resources Department, TEPCO General Training Center, Internal Audit & Management of Quality & Safety Department

April 1972	Joined TEPCO
June 2005	Executive Officer; General Manager, TEPCO General Training Center
June 2006	Managing Director
June 2010	Executive Vice President (Current)

EXECUTIVE VICE PRESIDENT AND REPRESENTATIVE DIRECTOR

Masaru Takei

In charge of Operations in General, Accounting & Treasury Department, Nuclear Quality Management Department

April 1972	Joined TEPCO
June 2004	Executive Officer; General Manager, Accounting & Treasury Department
June 2007	Managing Director
June 2010	Executive Vice President (Current)

EXECUTIVE VICE PRESIDENT AND REPRESENTATIVE DIRECTOR

Zengo Aizawa

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

April 1975	Joined TEPCO
June 2007	Executive Officer; General Manager, Thermal Power Department
June 2008	Managing Director
June 2011	Executive Vice President; General Manager, Nuclear Power & Plant Siting Division (Current)

MANAGING DIRECTORS

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

Yoshihiro Naito
In charge of Corporate Planning Department, Inter-corporate Business Department, Materials & Procurement Department

Takao Arai
In charge of International Affairs Department, Fuel Department, Gas Business Company

Hiroaki Takatsu
General Manager, Customer Relations Division

Naomi Hirose
Deputy General Manager, Fukushima Nuclear Influence Response Division
In charge of Corporate Communications Department, Real Estate Acquisition & Management Department

Akio Komori
Deputy General Manager, Nuclear Power & Plant Siting Division; General Manager, Fukushima Daiichi Stabilization Center

Fumiaki Miyamoto
In charge of Corporate Systems Department, Electronic Telecommunications Department

Toshihiro Sano
General Manager, Engineering Research & Development Division
In charge of Environment Department, Thermal Power Department

DIRECTORS

Shigeru Kimura
Yasushi Aoyama*
*Outside director

AUDITORS

STANDING AUDITORS

Makio Fujiwara
Takashi Karasaki
Yoshihiko Matsumoto

AUDITORS

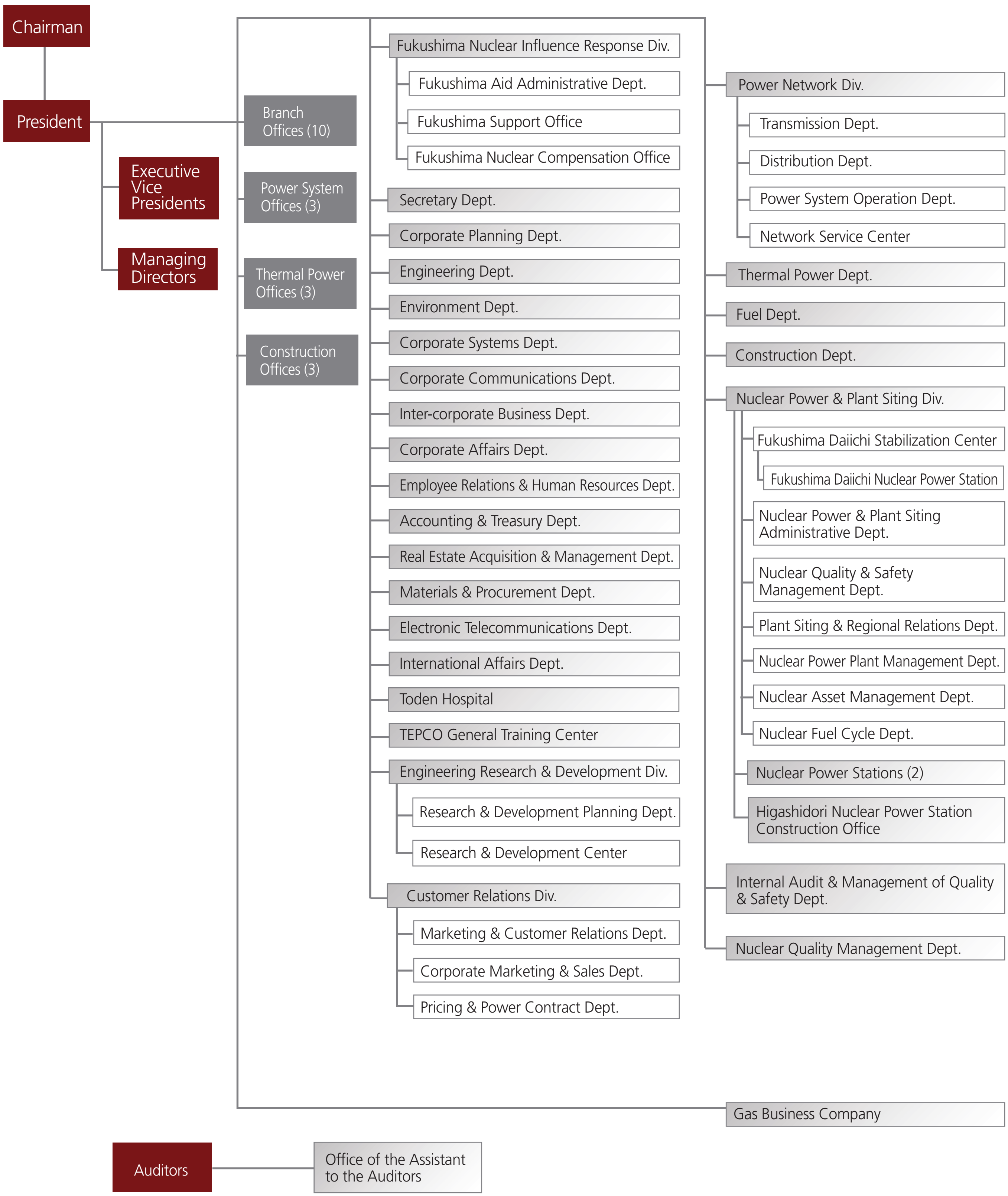
Sadayuki Hayashi*
Koichi Takatsu*
Hiroshi Komiyama*
Kazuko Ohya*
*Outside auditor

EXECUTIVE OFFICERS

Masanori Furuya
Yoshiyuki Ishizaki
Kazuhisa Kataoka
Masao Yoshida
Mamoru Muramatsu
Kunihiko Shimura
Hiroshi Nomura
Ken Yanagihashi
Hiroshi Araki
Hideo Hara
Kenji Kamakura
Masaru Ono
Seigo Yano
Yuji Masuda
Toshio Yamada
Yasuyuki Shimada
Toshiro Takebe
Shiro Odagiri
Akira Takahashi
Daihei Soga
Hiromitsu Tochigi
Takashi Kobayashi
Tomoyuki Takao
Junichi Naito
Tadayuki Yokomura
Yoshihiro Kageyama
Toshiro Kudama
Toshiomi Suzuki

Organization Chart

As of July 1, 2011



Major Facilities

As of March 31, 2011

Generation Facilities

Hydroelectric Power

(with a capacity of more than 500 MW

Station Name	Location	Output (MW)	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)		**8,981**	

*Pumped storage

Thermal Power

(with a capacity of more than 1,000MW)

Station Name	Location	Output (MW)	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.	5,040	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)		**38,696**	

Nuclear Power

Station Name	Location	Output (MW)	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 (All facilities)		**17,308**	

**The Board of Directors meeting on May 20, 2011 resolved to shut down Units 1-4 of Fukushima Daiichi Nuclear Power Station.

Supply 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

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

Financial Section

Consolidated 11-Year Summary

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries

	2011	2010	2009	2008
Years ended March 31:				
Operating revenues	**¥ 5,368,536**	¥ 5,016,257	¥ 5,887,576	¥ 5,479,380
Operating income	**399,624**	284,443	66,935	136,404
Income (loss) before income taxes and minority interests	**(766,134)**	223,482	(99,574)	(212,499)
Net income (loss)	**(1,247,348)**	133,775	(84,518)	(150,108)
Depreciation and amortization	**702,185**	759,391	757,093	772,460
Capital expenditures	**676,746**	640,885	695,981	664,295
Per share of common stock (Yen and U.S. dollars):				
Net income (loss) (basic)	**¥ (846.64)**	¥ 99.18	¥ (62.65)	¥ (111.26)
Net income (diluted) (Note 3)	**—**	99.18	—	—
Cash dividends	**30.00**	60.00	60.00	65.00
Equity	**972.28**	1,828.08	1,763.32	1,967.03
As of March 31:				
Total net assets (Note 4)	**¥ 1,602,478**	¥ 2,516,478	¥ 2,419,477	¥ 2,695,455
Equity (Note 5)	**1,558,113**	2,465,738	2,378,581	2,653,762
Total assets	**14,790,353**	13,203,987	13,559,309	13,679,055
Interest-bearing debt	**9,024,110**	7,523,952	7,938,087	7,675,722
Number of employees	**52,970**	52,452	52,506	52,319
Financial ratios and cash flow data:				
ROA (%) (Note 6)	**2.9**	2.1	0.5	1.0
ROE (%) (Note 7)	**(62.0)**	5.5	(3.4)	(5.3)
Equity ratio (%)	**10.5**	18.7	17.5	19.4
Net cash provided by operating activities	**¥ 988,710**	¥ 988,271	¥ 599,144	¥ 509,890
Net cash used in investing activities	**(791,957)**	(599,263)	(655,375)	(686,284)
Net cash provided by (used in) financing activities	**1,859,579**	(495,091)	194,419	188,237
Other data (Non-consolidated):				
Electricity sales (million kWh)				
Electricity sales for lighting	**103,422**	96,089	96,059	97,600
Electricity sales for power (Note 8)	**12,174**	11,393	11,905	12,785
Electricity sales to eligible customers (Note 8)	**177,790**	172,686	180,992	187,012
Total	**293,386**	280,167	288,956	297,397
Power generation capacity (thousand kW) (Note 9):				
Hydroelectric	**8,981**	8,987	8,986	8,985
Thermal	**38,696**	38,189	37,686	36,179
Nuclear	**17,308**	17,308	17,308	17,308
Renewable energy, etc.	**4**	4	1	1
Total	**64,988**	64,487	63,981	62,473
Nuclear power plant capacity utilization rate (%)	**55.3**	53.3	43.8	44.9

Notes:
1. All dollar amounts refer to U.S. currency. Yen amounts have been translated, solely for the convenience of the reader, at the rate of ¥83.15 to US$1.00 prevailing on March 31, 2011.
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. For the year ended March 31, 2011, TEPCO recorded net loss per share and thus actual diluted shares were not presented.
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. ROA = Operating income/Average total assets
7. ROE = Net income/Average equity
8. 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.
9. TEPCO facilities only. "Renewable energy, etc." includes geothermal and wind power generation capacity. Prior to the year ended March 31, 2010, geothermal power generation capacity was included in thermal power generation capacity. Due to reclassification, it has been included in "Renewable energy, etc." from the year ended March 31, 2010. Prior years have not been restated.

A

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

Millions of U.S. dollars, unless otherwise noted							Millions of U.S. dollars, unless otherwise noted (Note 1)
2007	2006	2005	2004	2003	2002	2001	2011
¥ 5,283,033	¥ 5,255,495	¥ 5,047,210	¥ 4,853,826	¥ 4,919,109	¥ 5,220,578	¥ 5,258,014	**$ 64,564**
550,911	576,277	566,304	489,004	521,406	658,933	732,561	**4,806**
496,022	473,832	372,814	255,309	265,170	312,414	329,120	**(9,214)**
298,154	310,388	226,177	149,550	165,267	201,727	207,882	**(15,001)**
751,625	824,041	847,505	889,955	922,357	953,437	964,625	**8,445**
574,687	623,726	561,206	663,967	706,656	995,842	921,126	**8,139**
¥ 220.96	¥ 229.76	¥ 167.29	¥ 110.53	¥ 122.08	¥ 149.11	¥ 153.66	**$ (10.18)**
—	—	—	110.32	121.33	147.89	152.36	**—**
70.00	60.00	60.00	60.00	60.00	60.00	60.00	**0.36**
2,248.34	2,059.52	1,853.52	1,748.06	1,662.38	1,612.97	1,506.62	**11.69**
¥ 3,073,778	¥ 2,815,424	¥ —	¥ —	¥ —	¥ —	¥ —	**$ 19,272**
3,033,537	2,779,720	2,502,157	2,360,475	2,245,892	2,181,983	2,038,251	**18,739**
13,521,387	13,594,117	13,748,843	13,900,906	14,177,296	14,578,579	14,562,299	**177,876**
7,388,605	7,840,161	8,261,717	8,765,175	9,076,289	9,564,914	9,968,871	**108,528**
52,584	51,560	53,380	51,694	52,322	53,704	48,024	**—**
4.1	4.2	4.1	3.5	3.6	4.5	5.0	**—**
10.3	11.8	9.3	6.5	7.5	9.6	10.7	**—**
22.4	20.4	18.2	17.0	15.8	15.0	14.0	**—**
¥ 1,073,694	¥ 935,622	¥ 1,411,470	¥ 1,147,591	¥ 1,406,300	¥ 1,464,181	¥ 1,456,478	**$ 11,891**
(550,138)	(615,377)	(577,503)	(693,871)	(863,797)	(905,453)	(1,017,032)	**(9,524)**
(514,885)	(350,193)	(785,600)	(451,371)	(573,761)	(558,182)	(431,235)	**22,364**
93,207	95,186	92,592	86,926	89,354	85,080	85,990	
12,631	13,499	78,239	114,772	116,551	115,354	117,082	
181,784	179,969	115,910	74,314	75,997	75,106	77,579	
287,622	288,655	286,741	276,012	281,902	275,540	280,651	
8,993	8,993	8,521	8,520	8,520	8,519	8,508	
35,533	35,536	36,995	36,831	34,548	34,548	33,026	
17,308	17,308	17,308	17,308	17,308	17,308	17,308	
1	1	1	1	1	1	1	
61,835	61,837	62,825	62,660	60,377	60,375	58,843	
74.2	66.4	61.7	26.3	60.7	80.1	79.4	

B

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, 2011

Overview

In the year ended March 31, 2011, operating revenues increased ¥352.2 billion, or 7.0 percent, year on year to ¥5,368.5 billion and operating income increased ¥115.1 billion, or 40.5 percent, to ¥399.6 billion. However, TEPCO recorded net loss of ¥1,247.3 billion, a turnaround from net income of ¥133.7 billion in the previous fiscal year.

Segment Results

Electric Power Business Segment

For the electric power business segment, operating revenues, including intercompany transactions increased ¥331.2billion, or 7.0 percent, year on year to ¥5,064.6 billion. This was attributable to the increase in demand for air conditioning due to extreme temperatures in summer as well as the increase in demand from large-scale industrial customers that reflected a recovery in production activities. Accordingly, the total volume of electricity sold increased 13.2 billion kWh, or 4.7 percent, to 293.4 billion kWh. The fuel cost adjustment system increased the unit sales price. By type of demand, electricity sales for lighting increased 7.3 billion kWh, or 7.6 percent, year on year to 103.4 billion kWh, electricity sales for power increased 0.8 billion kWh, or 6.9 percent, to 12.2 billion kWh, and electricity sales to eligible customers increased 5.1 billion kWh, or 3.0 percent, to 177.8 billion kWh.

Operating expenses increased ¥223.0 billion, or 5.0 percent, year on year to ¥4,710.4 billion. This was due to fuel price hikes and thus increased fuel expenses, reflecting demand growth.

Consequently, operating income in the electric power business segment increased ¥108.2 billion, or 44.0 percent, year on year to ¥354.1 billion.

Information and Telecommunications Business Segment

Operating revenues in the information and telecommunications business segment increased ¥7.2 billion, or 7.6 percent, year on year to ¥103.2 billion. Operating expenses increased ¥4.6 billion, or 5.2 percent, year on year to ¥94.0 billion. This was owing to an increase in software development related to the provision of information software and services.

Consequently, operating income in the information and telecommunications business segment increased ¥2.6 billion, or 41.1 percent, year on year to ¥9.1 billion.

Energy and Environment Business Segment

Operating revenues in the energy and environment business segment increased ¥28.6 billion, or 8.1 percent, year on year to ¥384.5 billion. Operating expenses increased ¥27.3 billion, or 8.2 percent, year on year to ¥361.6 billion. Factors contributing to the increase included higher raw material prices in the gas supply business.

Consequently, operating income in the energy and environment business segment increased ¥1.3 billion, or 6.1 percent, year on year to ¥22.9 billion.

Living Environment and Lifestyle-Related Business Segment

Operating revenues in the living environment and lifestyle-related business segment decreased ¥0.6 billion, or 0.5 percent, year on year to ¥132.8 billion. This was owing to a decrease in rental revenue in the real estate business.

Operating expenses decreased ¥0.6 billion, or 0.5 percent, year on year to ¥120.6 billion, reflecting lower real estate sales in the real estate business.

Consequently, operating income in the living environment and lifestyle-related business segment decreased ¥0.04 billion, or 0.3 percent, year on year to ¥12.1 billion.

Overseas Business Segment

Operating revenues in the overseas business segment decreased ¥1.1 billion, or 7.3 percent, year on year to ¥14.0 billion. Operating expenses decreased ¥3.4 billion, or 19.8 percent, to ¥14.0 billion. One factor contributing to these results was the sale of part of TEPCO's interest in an overseas power generation business in the previous fiscal year. Excluding this interest, TEPCO recorded increases in both operating revenues and operating expenses.

Consequently, TEPCO recorded operating income in the overseas business segment of ¥26 million, a turnaround from operating loss of ¥2.3 billion in the previous fiscal year.

Net Loss

Loss before income taxes and minority interests in the fiscal year under review stood at ¥766.1 billion, a turnaround from income of ¥223.4 billion in the previous fiscal year. This was attributable mainly to an extraordinary loss due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake and reconstruction expenses for the damaged assets totaling ¥1,020.4 billion in addition to a ¥57.1 billion extraordinary loss for the application of Accounting Standard for Asset Retirement Obligations. For the fiscal year, TEPCO recorded income taxes of ¥18.4 billion, income taxes—deferred of ¥459.9 billion due to the reversal of deferred tax assets; and minority interests of ¥2.7 billion. As a result, net loss for the fiscal year under review totaled ¥1,247.3 billion, a turnaround from net income of ¥133.7 billion. Net loss per share stood at ¥846.64.

Financial Policy

TEPCO has been making efforts to reduce its interest-bearing debt with a view to improving its balance sheets. However, upon the occurrence of the series of accidents at Fukushima Daiichi Nuclear Power Station due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake in March 2011, the Company expects higher fuel expenses. Therefore, TEPCO began procuring additional funds from financial institutions. As a result, interest-bearing debt increased year on year and the equity ratio deteriorated. TEPCO uses various methods to secure funds, including through the issuance of bonds, procurement from financial institutions and issuance of commercial paper. However, due to the lower rating on the back of aforementioned nuclear accidents, TEPCO's fund procurement capability has declined. The TEPCO Group is using a Group financial system and working to streamline assets and liabilities and reduce financial costs throughout the Group.

Cash Flow

Cash and cash equivalents at the end of the fiscal year increased ¥2,053.1 billion from ¥153.1 billion in the previous fiscal year to ¥2,206.2 billion.

Net cash provided by operating activities was ¥988.7 billion, almost on par with the previous fiscal year. This was due to an increase in operating revenues in the electric power business despite an increase in purchases of fuel for thermal power.

Net cash used in investing activities increased ¥192.6 billion, or 32.2 percent, year on year to ¥791.9 billion, due mainly to an increase in investment and financing expenses.

Net cash provided by financing activities amounted to ¥1,859.5 billion, a turnaround from net cash used in financing activities of ¥495.0 billion in the previous fiscal year. This was mainly attributable to an increase in proceeds from long-term loans and proceeds from issuance of common stock.

Capital Expenditures

During the year ended March 31, 2011, capital expenditures increased ¥35.8 billion, or 5.6 percent, year on year to ¥676.7 billion. In the electric power business, TEPCO focused investment on securing environmentally responsible supply capabilities by adding power generation capacity and strengthening backbone systems, but reduced capital expenditures by emphasizing flexible facility design, right-sizing facilities and reducing costs.

By segment, capital expenditures including intercompany transactions increased ¥21.7 billion, or 3.7 percent, year on year to ¥611.7 billion in the electric power business segment; increased ¥2.2 billion, or 35.2 percent, to ¥8.8 billion in the information and telecommunications business segment; increased ¥2.8 billion, or 13.3 percent, to ¥24.5 billion in the energy and environment business segment; increased ¥7.2 billion, or 75.4 percent, to ¥16.9 billion in the living environment and lifestyle-related business segment; and increased ¥1.2 billion, or 7.7 percent, to ¥18.1 billion in the overseas business segment.

Assets, Liabilities and Net Assets

As of March 31, 2011, total assets increased ¥1,586.3 billion, or 12.0 percent, from the previous fiscal year-end to ¥14,790.3 billion, reflecting an increase in cash.

Total liabilities increased ¥2,500.3 billion, or 23.4 percent, from the previous fiscal year-end to ¥13,187.8 billion. Factors included a ¥1,500.1 billion increase in interest-bearing debt from a year earlier.

Net assets decreased ¥914.0 billion, or 36.3 percent, from the previous fiscal year-end to ¥1,602.4 billion. This was mainly attributable to a decrease in retained earnings due to the recording of net loss.

Consequently, the equity ratio decreased 8.2 percentage points to 10.5 percent from 18.7 percent.

Dividend Policy

As we have announced that TEPCO aims to achieve consolidated dividend payout ratio of 30% based on its constant nominal payment policy and is committed to sharing earnings with careful consideration of the company's performance, business environment and financial structure in stages. For your information, TEPCO's articles of incorporation provide that the Board of Directors can resolve to pay out an interim dividend. TEPCO's basic dividend policy includes that the company's dividend is to be paid twice a year, in the mid and end of a fiscal year. Payments of interim and year-end dividends are to be resolved by the Board of Directors and the General Meeting of Shareholders, respectively.

For the year ended March 31, 2011, TEPCO recorded substantial net loss due to the recognition of an extraordinary loss for restoring facilities damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake. In consideration of such severe earnings results, TEPCO had to suspend the payment of a year-end dividend, and, therefore, an annual cash dividend stood at the interim dividend of ¥30 per share.

For the year ending March 31, 2012, TEPCO plans to continue no dividend payment as severe management environment and business performance are highly anticipated throughout the fiscal year.

Considering current extremely severe business environment and performance, TEPCO has decided to withdraw its existing basic dividend policy this time. While we strongly recognize sharing corporate profits to our shareholders through its value creating management as one of the primary tasks, our basic dividend policy is to be revised with careful consideration of our business circumstances and performance.

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 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 June 30, 2011.

(1) Accidents at the Fukushima Daiichi Nuclear Power Station

Upon the occurrence of the series of accidents at Fukushima Daiichi Nuclear Power Station in March 2011, the TEPCO Group presented the "Roadmap towards Restoration from the Accident at Fukushima Daiichi Nuclear Power Station" and has made utmost efforts to resolve the problem. However, there is a possibility that the Group will be unable to accurately follow the roadmap. Regarding costs associated with the resolution of the situation caused by the accidents and the decommissioning of Fukushima Daiichi Nuclear Power Station Units 1 through 4, TEPCO made a rational estimate that it recorded as an extraordinary loss for fiscal 2011. The estimated amount, however, may change. Such a change may affect the Group's results, financial condition and operations.

Furthermore, in view of the deterioration in the Group's fund procurement capability due to the lowering of its rating following the occurrence of this series of nuclear accidents, the Group's results, financial condition and operations may be affected.

(2) Matters regarding Preconditions for Remaining Going Concern

Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Nuclear Damage Compensation Law (the "Law") (effective on June 17, 1961; Law No.147) requires the Company to bear the damage compensation under the nuclear damage compensation scheme in Japan if certain necessary conditions are satisfied. Accordingly, significant deterioration of the Company's financial position raises significant doubt about its ability to continue as a going concern.

Meanwhile, responding to the Company's request, the "Governmental Supporting Scheme for the Damages Caused by Nuclear Accidents" was officially announced on May 13, 2011. Based on this scheme, the "Nuclear Disaster Compensation Bill" (approved by the Cabinet on June 14, 2011) is currently being submitted to the Diet. Under the bill, the government-backed new organization (the "Organization") provides a nuclear operator in need of funds for nuclear damage compensation with necessary financial supports such as cash injection to secure the operator's responsible compensation. The compensation framework obligates a nuclear operator being rescued by the Organization to pay special mandatory contribution to the Organization in light of operating results. The Company is committed to completing its responsibility of the compensation with the Government's support based on this bill and with the best efforts streamlines the management to reduce costs and raise sufficient funds. On the other hand, however, the management realizes significant doubt in the Company's ability to continue as a going concern at this moment as detailed compensation scheme has not been decided yet. The Company needs to wait for a vote at the Diet for the legislation of the compensation scheme.

(3) Stable Supply of Electric Power

Due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake, TEPCO's Fukushima Daiichi and Daini Nuclear Power Stations and thermal power generation facilities were damaged and suspended operations. Responding to this situation, the Group is addressing the restoration of damaged thermal power generation facilities and the establishment of new gas turbine power generation facilities to secure electricity supply. Therefore, increased expenditures for facility reinforcement and increased fuel costs to cover higher operating rates at thermal power generation facilities may affect the Group's results and financial condition. In addition, reflecting the substantial decrease in electricity supply due to the earthquake, the Group implemented Planned Blackouts from March 14 through 28th, 2011, as an emergency measure to avert an unprecedented large-scale blackout. On top of instituting supply-side countermeasures, the Group is currently making all-out efforts regarding demand-side countermeasures, asking for customers' cooperation in saving electricity and promoting the greater use of contracts for control of demand and supply. Therefore, TEPCO will not implement Planned Blackouts in principle. If a tight demand-and-supply balance emerges due to climate conditions or the unexpected suspension of power stations, TEPCO will be obliged to implement Planned Blackouts. Furthermore, 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 could render TEPCO unable to provide a stable supply of electric power. Such cases could negatively affect the TEPCO Group's results and financial condition, public trust and operations.

(4) Nuclear Power Generation, Nuclear Fuel Cycle

Due to the series of nuclear accidents, TEPCO's business using nuclear power generation and the nuclear fuel cycle may be affected. Reflecting the recent events, TEPCO is implementing emergency safety measures at its nuclear power stations currently in operation in accordance with the directives of the Minister of Economy, Trade and Industry while making further efforts to ensure safety. However, operations at nuclear power generation facilities may be suspended for long periods of time due to natural disasters, accidents at facilities and extensions of regular inspections, which could negatively affect the TEPCO Group's results and financial condition. In addition, the nuclear fuel cycle itself poses various risks, such as that associated with reprocessing irradiated nuclear fuel, disposing of radioactive waste and decommissioning nuclear power plants and other facilities, all of which require substantial capital investment and long periods of operation. Initiatives such as the introduction of 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 could affect the TEPCO Group's results and financial condition.

(5) Business and Environmental Regulations

In accordance with the Compensation Act, TEPCO will provide compensation for nuclear damage. However, the "Nuclear Disaster Compensation Bill" (approved by the Cabinet on June 14, 2011), which has been submitted to the Diet, stipulates that TEPCO shall obtain approval from the Japanese government with regard to measures for management rationalization, and thus the Group's business operations may be affected upon the approval of such bill. However, given the fact that the details pertaining to this framework of government support will be determined through future discussions by the Economic Damage caused by the nuclear power plant accident Response team Ministerial Conference and that the enactment of the bill requires Diet, there is significant uncertainty regarding TEPCO's future risks on financial conditions.

Furthermore, changes in the structure of the electric power business and the TEPCO Group's regulatory environment, including a tightening of regulations related to global warming, could affect the TEPCO Group's results and financial condition. In addition, issues such as a decrease in the quality of electric power due to a substantial increase in renewable energy resulting from factors that include stricter environmental regulations could disrupt operations.

(6) Electricity Sales

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. In addition, energy conservation measures implemented to address the tight demand-and-supply balance due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake may impact performance and there is a possibility of decreased sales of electricity. These issues could affect the TEPCO Group's results and financial condition.

(7) Customer Service

The TEPCO Group is working to enhance customer service. However, inappropriate responses to customers and other issues could reduce customer satisfaction and public trust in the TEPCO Group, which could disrupt normal operations.

(8) 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 that may include 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.

(9) 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 that include 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.

(10) 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.

(11) Corporate Ethics and Compliance

The TEPCO Group works to ensure compliance with corporate ethics during the execution of operations. However, the 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.

(12) 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 that include 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.

(13) Businesses Other than Electric Power

The TEPCO Group carries out businesses other than electric power, including businesses overseas. Issues including changes in TEPCO's management condition, increasing competition with other participants in these businesses, stricter regulations, changes in economic conditions, including foreign exchange rates and international fuel markets, political uncertainty and natural disasters, could cause actual results to differ from forecasts at the time of investment and affect the TEPCO Group's results and financial condition.

The Contents of Analysis and Discussion regarding Important Matters Mentioned in the Risk Factors Section and TEPCO's Measures to Eliminate and Improve Such Important Matters

Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Nuclear Damage Compensation Law (the "Law") (effective on June 17, 1961; Law No.147) requires the Company to bear the damage compensation under the nuclear damage compensation scheme in Japan if certain necessary conditions are satisfied.

In addition, the amount of possible compensation is not recorded in the accompanying financial statements, because it is not possible to make a reasonable estimate of the amount of compensation which may be determined based on the guidance to be defined in the future by the Committee for Adjustment of Compensation for Nuclear Damage Disputes (the "Committee"). Under these circumstances, the method to calculate the amount of damage for the mental pains of evacuees and those afflicted was concretely determined in "the Second Guidance Supplement concerning Judgment on the Scope of Nuclear Damage due to the Accidents at Fukushima Daiichi and Daini Nuclear Power Stations of Tokyo Electric Power Co., Ltd." decided by the Committee on June 20, 2011. According to the method, the amount of such damage for the mental pains of evacuees and those afflicted until the completion of expected restoration from the accident is currently estimated to reach ¥88 billion. This amount may significantly increase, however, depending on the effectiveness of the guidelines and other factors.

Accordingly, significant deterioration of the Company's financial position raises significant doubt about its ability to continue as a going concern.

With sincerely recognizing the Company's position as a causing party, the Company is committed to fair and prompt compensation to the nuclear victims with Government supports under the national nuclear damage compensation scheme and is currently doing best to prepare for the steps.

While the Company continues to be in need of sufficient working capital for investment in power facilities and difficult procurement of fossil fuels in order to secure stable power supply as well as for ongoing nuclear accidents management, the management recognizes that financing sufficient funds with corporate bonds and borrowings from financial institutions has been increasingly difficult so far. Based on such recognition, the Company has sincerely asked the Government to set up a supporting framework for ensuring the compensation to the nuclear victims under Article 16 of the Law.

Responding to the Company's request, the "Governmental Supporting Scheme for the Damages Caused by Nuclear Accidents" (decided by "Economic Damage occurred by Nuclear Power Plant Accident Response Team Ministerial Conference" on May 13, 2011 and approved by the Cabinet on June 14, 2011) was officially announced. Based on this scheme, the "Nuclear Disaster Compensation Bill" (approved by the Cabinet on June 14, 2011) is currently being submitted to the Diet. Under the bill, the government-backed new organization (the "Organization") provides a nuclear operator in need of funds for nuclear damage compensation with necessary financial supports such as cash injection to secure the operator's responsible compensation. With consideration of importance of stable power supply and other issues, the compensation framework obligates a nuclear operator being rescued by the Organization to pay special mandatory contribution to the Organization in light of operating results. The Company is committed to completing its responsibility of the compensation with the Government's support based on this bill and with the best efforts streamlines the management to reduce costs and raise sufficient funds. On the other hand, however, the management realizes significant doubt in the Company's ability to continue as a going concern at this moment as detailed compensation scheme has not been decided yet. The Company needs to wait for a vote at the Diet for the legislation of the compensation scheme.

Consolidated Balance Sheets

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

	Millions of yen		Millions of U.S. dollars (Note 2)
ASSETS	**2011**	2010	**2011**
Property, plant and equipment	**¥ 30,068,433**	¥ 29,767,284	**$ 361,617**
Construction in progress	**749,977**	697,581	**9,019**
	30,818,410	30,464,865	**370,636**
Less:			
Contributions in aid of construction	**(404,134)**	(389,228)	**(4,860)**
Accumulated depreciation	**(21,539,477)**	(21,051,670)	**(259,044)**
	(21,943,612)	(21,440,898)	**(263,904)**
Property, plant and equipment, net (Notes 4, 8, 9 and 17)	**8,874,798**	9,023,967	**106,732**
Nuclear fuel (Note 10)**:**			
Loaded nuclear fuel	**133,904**	147,991	**1,611**
Nuclear fuel in processing	**736,074**	754,967	**8,852**
	869,978	902,958	**10,463**
Investments and other:			
Long-term investments (Notes 5, 9 and 26)	**491,642**	527,081	**5,913**
Trust funds for reprocessing of irradiated nuclear fuel (Note 26)	**982,696**	824,403	**11,818**
Deferred tax assets (Note 16)	**24,143**	435,846	**290**
Other (Note 15)	**632,367**	507,143	**7,606**
	2,130,850	2,294,474	**25,627**
Current assets (Note 9)**:**			
Cash (Notes 6 and 26)	**2,248,290**	180,183	**27,039**
Notes and accounts receivable–customers (Note 26)	**359,820**	348,773	**4,327**
Inventories	**161,253**	160,111	**1,939**
Other (Notes 6 and 16)	**148,048**	296,202	**1,781**
	2,917,414	985,271	**35,086**
Less:			
Allowance for doubtful accounts	**(2,688)**	(2,684)	**(32)**
	2,914,725	982,586	**35,054**
Total assets	**¥ 14,790,353**	¥ 13,203,987	**$ 177,876**

LIABILITIES AND NET ASSETS	Millions of yen 2011	Millions of yen 2010	Millions of U.S. dollars (Note 2) 2011
Long-term liabilities and reserves:			
Long-term debt (Notes 7, 9 and 26)	**¥ 7,849,365**	¥ 6,354,010	**$ 94,400**
Other long-term liabilities (Note 16)	**147,961**	145,263	**1,780**
Reserve for reprocessing of irradiated nuclear fuel (Note 10)	**1,247,950**	1,246,373	**15,008**
Accrued employees' retirement benefits (Note 15)	**432,778**	420,913	**5,205**
Reserve for decommissioning costs of nuclear power units (Note 11)	**—**	510,010	**—**
Reserve for loss on disaster (Note 12)	**831,773**	92,813	**10,003**
Asset retirement obligations (Note 17)	**791,880**	—	**9,524**
	11,301,709	8,769,385	**135,920**
Current liabilities:			
Current portion of long-term debt (Notes 7 and 9)	**768,512**	741,298	**9,242**
Short-term loans (Notes 7 and 26)	**406,232**	363,643	**4,886**
Trade notes and accounts payable	**248,849**	279,149	**2,993**
Accrued income taxes and other	**70,201**	78,427	**844**
Other (Notes 7, 9 and 16)	**381,201**	450,500	**4,585**
	1,874,996	1,913,019	**22,550**
Reserves under special laws:			
Reserve for fluctuation in water levels (Note 13)	**8,884**	5,104	**107**
Reserve for preparation of the depreciation of nuclear power construction (Note 14)	**2,284**	—	**27**
	11,168	5,104	**134**
Total liabilities	**13,187,875**	10,687,509	**158,604**
Net assets:			
Shareholders' equity (Note 18)**:**			
Common stock, without par value:			
Authorized — 1,800,000,000 shares			
Issued —1,607,017,531 shares in 2011 and 1,352,867,531 shares in 2010	**900,975**	676,434	**10,836**
Capital surplus	**243,653**	19,123	**2,930**
Retained earnings	**494,054**	1,831,487	**5,942**
Treasury stock, at cost:			
4,478,117 shares in 2011 and 4,053,771 shares in 2010	**(8,376)**	(8,016)	**(101)**
Total shareholders' equity	**1,630,307**	2,519,029	**19,607**
Accumulated other comprehensive income (Note 23)**:**			
Net unrealized holding loss on securities	**(20,064)**	(15,696)	**(241)**
Net deferred loss on hedges	**(11,127)**	(10,423)	**(134)**
Land revaluation loss	**(3,695)**	(3,689)	**(44)**
Translation adjustments	**(37,306)**	(23,480)	**(449)**
Total accumulated other comprehensive income	**(72,193)**	(53,290)	**(868)**
Stock acquisition rights	**6**	3	**0**
Minority interests	**44,358**	50,736	**533**
Total net assets	**1,602,478**	2,516,478	**19,272**
Total liabilities and net assets	**¥14,790,353**	¥13,203,987	**$177,876**

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)
	2011	2010	**2011**
Operating revenues:			
Electricity	**¥ 5,064,625**	¥4,732,792	**$ 60,910**
Other	**303,910**	283,465	**3,654**
	5,368,536	5,016,257	**64,564**
Operating expenses ((Notes 19, 20 and 21)**:**			
Electricity	**4,695,177**	4,472,007	**56,466**
Other	**273,734**	259,807	**3,292**
	4,968,911	4,731,814	**59,758**
Operating income	**399,624**	284,443	**4,806**
Other (income) expenses:			
Interest and dividend income	**(30,941)**	(27,833)	**(372)**
Interest expense	**127,934**	134,076	**1,539**
Loss on disaster (Note 22)	**1,020,496**	—	**12,273**
Equity in earnings of affiliates	**(16,049)**	(12,643)	**(193)**
Loss on adjustment for change of accounting standard for asset retirement obligations (Note 17)	**57,189**	—	**688**
Gain on transfer of business	**—**	(10,725)	**—**
Other, net	**984**	(13,497)	**11**
	1,159,614	69,377	**13,946**
(Loss) income before special item, income taxes and minority interests	**(759,989)**	215,065	**(9,140)**
Special item:			
Provision for (reversal of) reserve for fluctuation in water levels (Note 13)	**3,860**	(8,416)	**47**
Provision for reserve for preparation of the depreciation of nuclear power construction (Note 14)	**2,284**	—	**27**
	6,144	(8,416)	**74**
(Loss) income before income taxes and minority interests	**(766,134)**	223,482	**(9,214)**
Income taxes (Note 16)**:**			
Current	**18,482**	20,172	**222**
Deferred	**459,962**	66,569	**5,532**
	478,445	86,741	**5,754**
Net loss before minority interests	**(1,244,579)**	—	**(14,968)**
Minority interests	**2,768**	2,965	**33**
Net (loss) income	**¥(1,247,348)**	¥ 133,775	**$(15,001)**

Per share information:	Yen		U.S. dollars (Note 2)
Net assets (basic)	**¥ 972.28**	¥1,828.08	**$ 11.69**
Net (loss) income (basic)	**(846.64)**	99.18	**(10.18)**
Net income (diluted)	**—**	99.18	**—**
Cash dividends	**30.00**	60.00	**0.36**

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

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

	Millions of yen	Millions of U.S. dollars (Note 2)
	2011	2011
Net loss before minority interests	¥(1,244,579)	$(14,968)
Other comprehensive income (Note 23)		
Net unrealized holding loss on securities	(5,345)	(64)
Net deferred loss on hedges	(621)	(8)
Translation adjustments	(15,235)	(183)
Share of other comprehensive income of affiliates accounted for using the equity method	(1,303)	(16)
Total other comprehensive loss	(22,506)	(271)
Comprehensive loss (Note 23)	¥(1,267,085)	$(15,239)
Comprehensive loss attributable to (Note 23):		
Owners of the parent	¥(1,266,245)	$(15,229)
Minority interests	(840)	(10)

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, 2011
Millions of yen

	Shareholders' equity					Accumulated other comprehensive income							
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding loss on securities	Net deferred loss on hedges	Land revaluation loss	Translation adjustments	Total accumulated other comprehensive income	Stock acquisition rights	Minority interests	Total net assets
Balance at March 31, 2010	¥676,434	¥ 19,123	¥ 1,831,487	¥(8,016)	¥2,519,029	¥(15,696)	¥(10,423)	¥(3,689)	¥(23,480)	¥(53,290)	¥3	¥50,736	¥2,516,478
Effect of changes in accounting policies applied to affiliates accounted for by equity method	—	—	(9,087)	—	(9,087)	—	—	—	—	—	—	—	(9,087)
Issuance of new shares	224,541	224,541	—	—	449,083	—	—	—	—	—	—	—	449,083
Cash dividends	—	—	(81,002)	—	(81,002)	—	—	—	—	—	—	—	(81,002)
Net loss	—	—	(1,247,348)	—	(1,247,348)	—	—	—	—	—	—	—	(1,247,348)
Purchases of treasury stock	—	—	—	(208)	(208)	—	—	—	—	—	—	—	(208)
Sales of treasury stock	—	(12)	—	62	50	—	—	—	—	—	—	—	50
Increase resulting from adopting the equity accounting method for additional affiliates	—	—	—	(214)	(214)	—	—	—	—	—	—	—	(214)
Reversal of land revaluation gain	—	—	5	—	5	—	—	—	—	—	—	—	5
Other	—	—	—	(0)	(0)	—	—	—	—	—	—	—	(0)
Net changes in items other than shareholders' equity	—	—	—	—	—	(4,368)	(703)	(5)	(13,825)	(18,902)	3	(6,378)	(25,277)
Total changes	224,541	224,529	(1,328,344)	(360)	(879,634)	(4,368)	(703)	(5)	(13,825)	(18,902)	3	(6,378)	(904,912)
Balance at March 31, 2011	¥900,975	¥243,653	¥ 494,054	¥(8,376)	¥1,630,307	¥(20,064)	¥(11,127)	¥(3,695)	¥(37,306)	¥(72,193)	¥6	¥44,358	¥1,602,478

Year ended March 31, 2010
Millions of yen

	Shareholders' equity					Accumulated other comprehensive income							
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding loss on securities	Net deferred loss on hedges	Land revaluation loss	Translation adjustments	Total accumulated other comprehensive income	Stock acquisition rights	Minority interests	Total net assets
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
Cash dividends	—	—	(81,007)	—	(81,007)	—	—	—	—	—	—	—	(81,077)
Net income	—	—	133,775	—	133,775	—	—	—	—	—	—	—	133,775
Purchases of treasury stock	—	—	—	(454)	(454)	—	—	—	—	—	—	—	(454)
Sales of treasury stock	—	(18)	—	202	183	—	—	—	—	—	—	—	183
Increase resulting from adopting the equity accounting method for additional affiliates	—	—	6,397	—	6,397	—	—	—	—	—	—	—	6,397
Reversal of land revaluation gain	—	—	(3)	—	(3)	—	—	—	—	—	—	—	(3)
Other	—	—	—	(0)	(0)	—	—	—	—	—	—	—	(0)
Net changes in items other than shareholders' equit	—	—	—	—	—	10,443	12,494	3	5,322	28,264	3	9,841	38,108
Total changes	—	(18)	59,163	(252)	58,892	10,443	12,494	3	5,322	28,264	3	9,841	97,000
Balance at March 31, 2010	¥676,434	¥19,123	¥1,831,487	¥(8,016)	¥2,519,029	¥(15,696)	¥(10,423)	¥(3,689)	¥(23,480)	¥(53,290)	¥3	¥50,736	¥2,516,478

Year ended March 31, 2011
Millions of U.S. dollars (Note 2)

	Shareholders' equity					Accumulated other comprehensive income							
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding loss on securities	Net deferred loss on hedges	Land revaluation loss	Translation adjustments	Total accumulated other comprehensive income	Stock acquisition rights	Minority interests	Total net assets
Balance at March 31, 2010	$ 8,136	$ 230	$ 22,026	$ (97)	$ 30,295	$(188)	$(126)	$(44)	$(283)	$(641)	$0	$610	$ 30,264
Effect of changes in accounting policies applied to affiliates accounted for by equity method	—	—	(109)	—	(109)	—	—	—	—	—	—	—	(109)
Issuance of new shares	2,700	2,700	—	—	5,400	—	—	—	—	—	—	—	5,400
Cash dividends	—	—	(974)	—	(974)	—	—	—	—	—	—	—	(974)
Net loss	—	—	(15,001)	—	(15,001)	—	—	—	—	—	—	—	(15,001)
Purchases of treasury stock	—	—	—	(2)	(2)	—	—	—	—	—	—	—	(2)
Sales of treasury stock	—	(0)	—	1	1	—	—	—	—	—	—	—	1
Increase resulting from adopting the equity accounting method for additional affiliates	—	—	—	(3)	(3)	—	—	—	—	—	—	—	(3)
Reversal of land revaluation gain	—	—	0	—	0	—	—	—	—	—	—	—	0
Other	—	—	—	(0)	(0)	—	—	—	—	—	—	—	(0)
Net changes in items other than shareholders' equity	—	—	—	—	—	(53)	(8)	(0)	(166)	(227)	0	(77)	(304)
Total changes	2,700	2,700	(15,975)	(4)	(10,579)	(53)	(8)	(0)	(166)	(227)	0	(77)	(10,883)
Balance at March 31, 2011	$10,836	$2,930	$ 5,942	$(101)	$ 19,607	$(241)	$(134)	$(44)	$(449)	$(868)	$0	$533	$ 19,272

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)
	2011	2010	**2011**
Cash flows from operating activities			
(Loss) income before income taxes and minority interests	**¥ (766,134)**	¥ 223,482	**$ (9,214)**
Depreciation and amortization	**702,185**	759,391	**8,445**
Decommissioning costs of nuclear power units	**20,889**	—	**251**
Loss on nuclear fuel	**39,503**	37,172	**475**
Loss on disposal of property, plant and equipment	**29,124**	22,998	**350**
Loss on disaster	**1,020,496**	—	**12,273**
Loss on adjustment for change of accounting standard for asset retirement obligations	**57,189**	—	**688**
Provision for (reversal of) accrued employees' retirement benefits	**11,864**	(7,482)	**143**
Reversal of reprocessing of irradiated nuclear fuel	**(8,577)**	(8,219)	**(103)**
Provision for decommissioning costs of nuclear power units	**—**	18,594	**—**
Reversal of reserve for loss on disaster (Note 12)	**(36,318)**	(75,377)	**(437)**
Interest and dividend income	**(30,941)**	(27,833)	**(372)**
Interest expense	**127,934**	134,076	**1,539**
Equity in earnings of affiliates	**(16,049)**	(12,643)	**(193)**
Increase in trust funds for reprocessing of irradiated nuclear fuel	**(158,293)**	(156,915)	**(1,904)**
(Increase) decrease in notes and accounts receivable	**(11,543)**	81,058	**(139)**
(Decrease) Increase in notes and accounts payable	**(5,880)**	66,938	**(71)**
Other	**132,933**	55,401	**1,599**
	1,108,382	1,110,642	**13,330**
Interest and cash dividends received	**31,457**	29,314	**378**
Interest paid	**(128,122)**	(137,879)	**(1,541)**
Income taxes paid	**(23,006)**	(13,805)	**(276)**
Net cash provided by operating activities	**988,710**	988,271	**11,891**
Cash flows from investing activities			
Purchases of property, plant and equipment	**(661,882)**	(633,670)	**(7,960)**
Contributions in aid of construction received	**15,920**	25,693	**191**
Increase in long-term investments	**(358,017)**	(52,190)	**(4,306)**
Proceeds from long-term investments	**217,732**	12,852	**2,619**
Proceeds from transfer of business (Note 6)	**—**	37,641	**—**
Other	**(5,710)**	10,409	**(68)**
Net cash used in investing activities	**(791,957)**	(599,263)	**(9,524)**
Cash flows from financing activities			
Proceeds from issuance of bonds	**234,204**	239,364	**2,817**
Redemptions of bonds	**(430,220)**	(427,870)	**(5,174)**
Proceeds from long-term loans	**2,076,677**	322,074	**24,975**
Repayments of long-term loans	**(357,313)**	(356,121)	**(4,297)**
Proceeds from short-term loans	**744,786**	721,878	**8,957**
Repayments of short-term loans	**(701,841)**	(749,788)	**(8,441)**
Proceeds from issuance of commercial papers	**40,000**	730,000	**481**
Redemptions of commercial papers	**(105,000)**	(900,000)	**(1,263)**
Proceeds from issuance of common stock	**446,893**	—	**5,375**
Cash dividends paid	**(80,844)**	(80,808)	**(972)**
Other	**(7,761)**	6,179	**(94)**
Net cash provided by (used in) financing activities	**1,859,579**	(495,091)	**22,364**
Effect of exchange rate changes on cash and cash equivalents	**(3,216)**	487	**(39)**
Net increase (decrease) in cash and cash equivalents	**2,053,116**	(105,596)	**24,692**
Cash and cash equivalents at beginning of the year	**153,117**	258,714	**1,841**
Cash and cash equivalents at end of the year (Note 6)	**¥2,206,233**	¥ 153,117	**$26,533**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2011

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" or "Group") 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 differ in certain respects from the application and disclosure requirements of the International Financial Reporting Standards.

Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Nuclear Damage Compensation Law (the "Law") (effective on June 17, 1961; Law No.147) requires the Company to bear the damage compensation under the nuclear damage compensation scheme in Japan if certain necessary conditions are satisfied. Accordingly, significant deterioration of the Company's financial position raises significant doubt about its ability to continue as a going concern.

With sincerely recognizing the Company's position as a causing party, the Company is committed to fair and prompt compensation to the nuclear victims with Government supports under the national nuclear damage compensation scheme and is currently doing the best to prepare for the steps.

While the Company continues to be in need of sufficient working capital for investment in power facilities and difficult procurement of fossil fuels in order to secure stable power supply as well as for ongoing nuclear accidents management, the management recognizes that financing sufficient funds with corporate bonds and borrowings from financial institutions has been increasingly difficult so far. Based on such recognition, the Company has sincerely asked the Government to set up a supporting framework for ensuring the compensation to the nuclear victims under Article 16 of the Law.

Responding to the Company's request, the "Governmental Supporting Scheme for the Damages Caused by Nuclear Accidents" (decided by "Economic Damage occurred by Nuclear Power Plant Accident Response Team Ministerial Conference" on May 13, 2011 and approved by the Cabinet on June 14, 2011) was officially announced. Based on this scheme, the "Nuclear Disaster Compensation Bill" (approved by the Cabinet on June 14, 2011) is currently being submitted to the Diet. Under the bill, the government-backed new organization (the "Organization") provides a nuclear operator in need of funds for nuclear damage compensation with necessary financial supports such as cash injection to secure the operator's responsible compensation. With consideration of importance of stable power supply and other issues, the compensation framework obligates a nuclear operator being rescued by the Organization to pay special mandatory contribution to the Organization in light of operating results. The Company is committed to completing its responsibility of the compensation with the Government's support based on this bill and with the best efforts streamlines the management to reduce costs and raise sufficient funds. On the other hand, however, the management realizes significant doubt in the Company's ability to continue as a going concern at this moment as detailed compensation scheme has not been decided yet. The Company needs to wait for a vote at the Diet for the legislation of the compensation scheme.

The accompanying consolidated financial statements are prepared assuming the Company will continue as a going concern. The accompanying consolidated financial statements do not reflect any possible impact of material uncertainty and/or risks related to a going concern.

As discussed in Note 2 (l), a consolidated statement of comprehensive income is required from the fiscal year ended March 31, 2011 and has been presented herein. Accordingly, accumulated other comprehensive income is presented in the consolidated balance sheets and the consolidated statements of changes in net assets. Information with respect to other comprehensive income for the year ended March 31, 2010 is disclosed in Note 22. In addition, "Net income before minority interests" is disclosed in the consolidated statements of operations.

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 financial statements of the overseas consolidated subsidiaries and affiliates are prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles, with adjustments for the certain items as applicable.

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. The Company writes down these investments if it deems that impairment of their value is irrecoverable.

(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. Easements for transmission line right-of-way acquired on or after April 1, 2005 are depreciated over 36 years, the same number of years used for the useful life of transmission lines. Other easements are depreciated over their 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 according to holding intent 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 the Company intends to hold until maturity; and iii) other securities, which are not classified as either of the other two categories. The Companies have no securities categorized as trading securities or held-to-maturity securities. Other securities are stated at fair value if available, or at cost determined by the moving-average method. Unrealized gain or loss, net of the applicable taxes, is reported as a separate component of net assets. Realized gain or loss on sales of these securities is calculated based on the moving-average cost.

(f) Inventories

Inventories are stated at the lower of cost, determined principally by the average method, or net realizable value.

(g) Allowance for Doubtful Accounts

The Companies provide the allowance for doubtful accounts based on the historical ratio of actual credit losses to total receivables and the amount of uncollectible receivables estimated on an individual basis.

(h) Accrued Employees' Retirement Benefits

The Companies calculate accrued employees' retirement benefits principally based on the retirement benefit obligation and the fair value of the pension plan assets at the balance sheet date, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost.

Actuarial gain or loss is mainly amortized by the straight-line method over a period of three years.

(i) 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 expected to be in effect when the differences are expected to be recovered or settled.

(j) Foreign Currency Translation

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

The balance sheets of 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 overseas consolidated subsidiaries are presented as translation adjustments in net assets.

Current and non-current accounts 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 for the fiscal year.

(k) Derivatives and Hedging Activities

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

Liabilities that are denominated in foreign currencies and hedged by derivative instruments are translated at their respective contract rates.

(l) Presentation of Comprehensive Income

On June 30, 2010, the Accounting Standards Board of Japan ("ASBJ") issued ASBJ Statement No. 25 "Accounting Standard for Presentation of Comprehensive Income". This standard requires the entities to present comprehensive income which refers to the change in net assets in an entity's financial statements for a period, other than those changes resulting from direct transactions with equity holders in the entity's net assets in either of a format composed of the statement of income that presents net income and the statement of comprehensive income that presents calculation of comprehensive income (two-statement format) or a format using one statement (statement of income and comprehensive income) that presents net income and comprehensive income (one-statement format). Calculation of comprehensive income for consolidated financial statements shall present net income before adjusting minority interests and additions or deductions of other comprehensive income consisting of net unrealized holding gain or loss on securities, net deferred gain or loss on hedges, Land revaluation gain or loss and translation adjustment. Effective March 31, 2011, the Company adopted this standard.

(m) Cash Equivalents

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

(n) Amounts per Share

Basic and diluted net income (loss) per share is computed based on net income (loss) available for distribution to 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 ¥83.15 = US$1.00, the approximate rate of exchange in effect on March 31, 2011, 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) Asset Retirement Obligations

Effective April 1, 2010, the Company has adopted ASBJ Statement No. 18 "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No. 21 "Guidance on Accounting Standards for Asset Retirement Obligations" issued by the ASBJ on March 31, 2008. Along with the new accounting standard, the Ministerial Ordinance concerning Reserve for Decommissioning Costs of Nuclear Power Units was revised.

The effect of applying this accounting standard was to decrease operating income by ¥2,191 million (US$26 million) and increase loss before income taxes and minority interests by ¥59,380 million (US$714 million) for the year ended March 31, 2011. In addition, in accordance with the new accounting standard, the Company recognized ¥759,907 million (US$9,139 million) as "Asset retirement obligations" in the consolidated balance sheet as of March 31, 2011. ¥510,010 million (US$6,134 million) out of the amount was reclassified from "Reserve for decommissioning costs of nuclear power units.

(b) Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method

Effective April 1, 2010, the Company has adopted ASBJ Statement No. 16 "Accounting Standard for Equity method of Accounting for Investments" and Practical Issue Task Force ("PITF") No. 24 "Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method", which were issued on March 10, 2008. The effect of applying this accounting standard was to decrease retained earnings as of April 1, 2010 by ¥9,087 million (US$109 million) and also increased loss before income taxes and minority interests by ¥1,961 million (US$24 million) for the year ended March 31, 2011.

(c) Accrued Employees' Retirement Benefits

Effective April 1, 2009, the Company has adopted the partial revision of "Accounting Standard for Retirement Benefits."

This adoption had no effect.

4 Property, Plant and Equipment, Net

The major classifications of property, plant and equipment, net at March 31, 2011 and 2010 were as follows:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Hydroelectric power production facilities	**¥ 679,850**	¥ 725,572	**$ 8,176**
Thermal power production facilities	**944,365**	1,030,831	**11,357**
Nuclear power production facilities	**734,183**	667,866	**8,830**
Transmission facilities	**2,092,329**	2,168,063	**25,163**
Transformation facilities	**828,786**	860,375	**9,967**
Distribution facilities	**2,153,975**	2,185,048	**25,905**
General facilities	**152,175**	155,276	**1,830**
Other electricity-related property, plant and equipment	**19,746**	21,257	**238**
Other property, plant and equipment	**519,407**	522,947	**6,247**
Construction in progress	**749,977**	686,727	**9,019**
	¥8,874,798	¥9,023,967	**$106,732**

Assets corresponding to asset retirement obligations related to decommissioning measures of specified nuclear power generating facilities are included in property: plant and equipment (please see Note 17).

5 Marketable Securities and Investment Securities

At March 31, 2011 and 2010, other securities for which market prices were available were as follows:

	Millions of yen						Millions of U.S. dollars		
	2011			2010			**2011**		
	Carrying amount	Acquisition costs	Unrealized holding gain (loss)	Carrying amount	Acquisition costs	Unrealized holding gain (loss)	Carrying amount	Acquisition costs	Unrealized holding gain (loss)
Unrealized holding gain:									
Stocks and bonds	**¥ 42,871**	**¥ 21,763**	**¥ 21,108**	¥ 49,767	¥ 22,791	¥ 26,976	**$ 516**	**$ 262**	**$ 254**
Unrealized holding loss:									
Stocks and bonds	**207,741**	**252,188**	**(44,446)**	185,861	236,469	(50,607)	**2,498**	**3,033**	**(535)**
Total	**¥250,613**	**¥273,951**	**¥(23,338)**	¥235,628	¥259,260	¥(23,631)	**$3,014**	**$3,295**	**$(281)**

6 Supplemental Cash Flow Information

Reconciliation of the difference between cash stated in the consolidated balance sheets as of March 31, 2011 and 2010 and cash and cash equivalents for the purpose of the statements of cash flows is as follows:

	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Cash	¥2,248,290	¥180,183	$27,039
Time deposits with maturities of more than three months	(42,260)	(37,844)	(508)
Short-term investments with an original maturity of three months or less, presenting negligible risk of change in value, included in other current assets	203	10,777	2
Cash and cash equivalents	¥2,206,233	¥153,117	$26,533

The businesses of TEPCO CABLE TELEVISION Inc. (a consolidated subsidiary) and another subsidiary were transferred during the year ended March 31, 2010. The following table presents assets and liabilities at the date of transfer and the relationship between the selling values and proceeds from the transfer.

	Millions of yen
	2010
Non-current assets	¥30,459
Current assets	1,957
Non-current liabilities	(2,737)
Current liabilities	(1,684)
Other	(207)
	27,787
Gain on transfer of business	10,725
Price of transfer of business	38,512
Cash and cash equivalents related to transfer of business	(870)
Proceeds from transfer of business, net	¥37,641

7 Short-Term Debt and Long-Term Debt

Short-term loans and commercial paper are unsecured. The weighted-average interest rates of short-term loans were approximately 0.595% and 0.759% for the years ended March 31, 2011 and 2010, respectively. The weighted-average interest rate of commercial paper was approximately 0.109% for the year ended March 31, 2010.

At March 31, 2011 and 2010, short-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
Loans from banks and other sources	¥406,232	¥363,643	$4,886
Commercial paper	—	65,000	—
	¥406,232	¥428,643	$4,886

The annual interest rates applicable to the Company's domestic straight bonds at March 31, 2011 and 2010 ranged from 0.643% to 5.05% and from 0.635% to 5.05%, respectively and those applicable to the Company's foreign straight bonds at March 31, 2011 and 2010 ranged from 2.125% to 4.5% and from 2.125% to 4.5%, respectively. The interest rates applicable to long-term debt (except for the current portion) at March 31, 2011 and 2010 averaged approximately 0.992% and 1.551%, respectively.

At March 31, 2011 and 2010, long-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Domestic straight bonds due from 2010 through 2040	**¥4,786,100**	¥4,981,320	**$ 57,560**
Foreign straight bonds due from 2012 through 2017	**188,482**	188,525	**2,266**
Loans from banks, insurance companies and other sources	**3,643,295**	1,925,463	**43,816**
	8,617,878	7,095,309	**103,642**
Less: Current portion	**(768,512)**	(741,298)	**(9,242)**
	¥7,849,365	¥6,354,010	**$ 94,400**

8 Leases

(a) As Lessee:

Future minimum lease payments subsequent to March 31, 2011 for operating leases are summarized as follows:

Years ending March 31,	Millions of yen	Millions of U.S. dollars
2012	**¥ 750**	**$ 9**
2013 and thereafter	**2,420**	**29**
Total	**¥3,170**	**$38**

(b) As Lessor:

Future minimum lease income subsequent to March 31, 2011 for operating leases is summarized as follows:

Years ending March 31,	Millions of yen	Millions of U.S. dollars
2012	**¥ 875**	**$10**
2013 and thereafter	**2,233**	**27**
Total	**¥3,108**	**$37**

9 Pledged Assets

The Company's entire property was subject to certain statutory preferential rights as security for loans from the Development Bank of Japan that amounted to ¥361,099 million (US$4,343 million) and ¥397,659 million, and for bonds that amounted to ¥5,043,922 million (US$60,661 million) and ¥5,238,965 million at March 31, 2011 and 2010, respectively.

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.

Assets pledged as collateral for certain consolidated subsidiaries' long-term debt of ¥59,471 million (US$715 million) and other current liabilities of ¥33 million (US$0.4 million) at March 31, 2011 were as follows:

	Millions of yen	Millions of U.S. dollars
Property, plant and equipment, net:		
Other	**¥57,532**	**$ 692**
Construction in progress	**10,790**	**130**
Long-term investments	**430**	**5**
Cash	**12,604**	**152**
Notes and accounts receivable customers	**944**	**11**
Inventories	**4,445**	**53**
	¥86,748	**$1,043**

Long-term investments totaling ¥55,012 million (US$662 million) were pledged as collateral for long-term loans from financial institutions to investees of certain consolidated subsidiaries as of March 31, 2011.

Long-term investments totaling ¥54,956 million and other current assets of ¥1,882 million were pledged as collateral for long-term loans from financial institutions to investees of certain consolidated subsidiaries as of March 31, 2010.

10 Reserve for Reprocessing of Irradiated Nuclear Fuel

The reserve is stated at the present value of the amount that would be required to reprocess irradiated nuclear fuel generated in proportion to combustion of nuclear fuel. The discount rates of 1.5% and 4.0% at March 31, 2011 and 1.3% and 4.0% at March 31, 2010 have been adopted for the reserve for reprocessing of irradiated nuclear fuel with and without a definite reprocessing plan, respectively. The reserve includes processing costs for loaded nuclear fuels of Fukushima Daiichi Nuclear Power Station Units 1 through 4 damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake.

In the year ended March 31, 2006, the accounting standards that Japanese electric utility companies used to provide for the reserve for the estimated liability related to past generation costs up to March 31, 2005 were changed. As a result, since the year ended March 31, 2006 past generation costs are being recognized over 15 years as an annual operating expense of ¥30,560 million (US$368 million).

Also, under the accounting rules applicable to electric utility companies in Japan, unrecognized actuarial loss of ¥1,873 million (US$23 million) and ¥37,143 million at March 31, 2011 and 2010, respectively, is being charged to income as an operating expense. These expenses are charged to income in the fiscal year following the fiscal year in which irradiated nuclear fuel with a definite reprocessing plan is generated.

11 Reserve for Decommissioning Costs of Nuclear Power Units

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

Also, “Accounting Standard for Asset Retirement Obligations” and “Guidance on Accounting Standard for Asset Retirement Obligations” became effective from fiscal years beginning on after April 1, 2010. Accordingly, the reserve for decommissioning costs of nuclear power units totaling ¥510,010 million as of March 31, 2010 was recorded as an asset retirement obligation.

12 Reserve for Loss on Disaster

For the Niigataken Chuetsu-Oki Earthquake

The Company provides the reserve for loss on disaster for the restoration of assets damaged by the Niigataken Chuetsu-Oki Earthquake.

For the Tohoku-Chihou-Taiheiyou-Oki Earthquake

The Company provides the reserve for loss on disaster for the restoration of assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake. Since it is quite difficult to count up exact amounts of damages at the Group’s facilities such as nuclear power plants, thermal power plants and power distribution networks, the Group decided to record the amount within the range of reasonable estimates based on the currently available information.

Since the Board of Directors resolved to scrap Fukushima Daiichi Nuclear Power Station Units 1 through 4 on May 20, 2011, the reasonably estimated amounts of expenses and/or losses for scrapping these units were recognized for the year ended March 31, 2011.

Major expenses and/or losses included in reserve for loss on disaster are recognized by the following manners:

a. Expenses and/or losses for securing safety through cooling reactors and avoiding further radiation proliferation

The Company recognizes estimated expenses and/or losses for bringing the reactors and spent fuel pools to a stable cooling condition and mitigating the release of radioactive materials.

Such amount includes estimated costs related to water injection to Primary Containment Vessel (PCV) for flooding up to top of active fuel, recovery of heat exchangers function at reactors, water injection to spent fuel pools, storage and decontamination processing of water contaminated by radioactive materials (accumulated water) and removal of nuclear fuels from reactors, etc.

Among these expenses and/or losses, for expenses and/or losses related to Step 1 (Radiation dose is in steady decline) and Step 2 (Release of radioactive materials is under control and radiation dose is being significantly held down) which are listed as targets in the Current Status of Roadmap in "Roadmap towards Restoration from the Accident at Fukushima Daiichi Nuclear Power Station" published on May 17, 2011, the Company records estimated amounts based on the concrete target periods and contents of individual countermeasures.

On the other hand, for expenses and/or losses related to the Mid to Long-term Issues which are not shown in the concrete roadmap, the Company records estimated amounts based on the historical amounts at an accident at foreign nuclear power plant, since the normal estimation is difficult.

b. Expenses for processing of nuclear fuels in processing among expenses and/or losses for scrapping Fukushima Daiichi Nuclear Power Station Units 1 through 4

The Company records estimated amounts for processing costs of nuclear fuels in processing which are not expected to be spent, in accordance with the accounting practice for "Reserve for reprocessing of irradiated nuclear fuel".

Processing costs for loaded fuels are included in "Reserve for reprocessing of irradiated nuclear fuel".

c. Expenses and/or losses for maintaining the safe "cold shutdown condition" and others of reactors at Fukushima Daiichi units 5 and 6 and Fukushima Daini Nuclear Power Station

Although the future treatment for the damaged Fukushima Daiichi Nuclear Power Station Units 5 and 6 and Fukushima Daini Nuclear Power Station has not been decided yet, the Company records estimated amounts for expenses and/or losses for maintaining the safe "cold shutdown condition" and others of reactors based on the expenses and/or losses required for restoration of Kashiwazaki-Kariwa Nuclear Power Station damaged by the Niigataken Chuetsu-Oki Earthquake.

d. Expenses and/or losses for restoring damaged thermal power plants

In order to provide for expenses and/or losses required for restoration of damaged thermal power plants, the Company records estimated amounts at March 31, 2011. In case that it is difficult to count up exact amounts of damages of assets, the estimated loss on removal of assets is recorded based on the replacement costs.

(Additional information)

Reserve for loss on disaster at March 31, 2011 consists of the following:

	Millions of yen	Millions of U.S. dollars
Loss on the Niigataken Chuetsu-Oki Earthquake	**¥ 56,495**	**$ 679**
Loss on the Tohoku-Chihou-Taiheiyou-Oki Earthquake:	**775,278**	**9,324**
a. Expenses and/or losses for securing safety through cooling reactors and avoiding further radiation proliferation	**425,000**	**5,111**
b. Expenses for processing of nuclear fuels in processing among expenses and/or losses for scrapping Fukushima Daiichi Nuclear Power Station Units 1 through 4	**4,472**	**54**
c. Expenses and/or losses for maintaining the safe "cold shutdown condition" and others of reactors at Fukushima Daiichi units 5 and 6 and Fukushima Daini Nuclear Power Station	**211,825**	**2,548**
d. Expenses and/or losses for restoring damaged thermal power plants	**49,710**	**598**
e. Other	**84,270**	**1,013**
Total	**¥831,773**	**$10,003**

Estimates of expenses and/or losses on the Mid to Long-term Issues among expenses and/or losses for securing safety of Fukushima Daiichi Nuclear Power Station Units 1 through 4:

Before implementation of scrapping nuclear power plants, nuclear fuels in the reactors are required to be removed, but the concrete working conditions will be decided after the stable cooling conditions have been established and the status of inside of the reactors has been confirmed.

Accordingly, the Company records the amount within the range of reasonable estimates based on the currently available information for expenses and/or losses on the Mid to Long-term Issues which concrete roadmap is not shown in the "Roadmap towards Restoration from the Accident at Fukushima Daiichi Nuclear Power Station" published on May 17, 2011, although such amounts, including removal costs for nuclear fuels, may vary.

13 Reserve for Fluctuation in Water Levels

The Electricity Utilities Industry Law requires the Company to provide a reserve against income volatility that may result from the effect of excessive or insufficient water levels on hydroelectric power generation.

14 Reserve for Preparation of the Depreciation of Nuclear Power Construction

The Electricity Utilities Industry Law requires the Company to provide for preparation of the depreciation of nuclear power construction to average the burden of depreciation recognized immediately after the start of operations of the nuclear power stations.

15 Employees' Retirement Benefits

The Company and certain consolidated subsidiaries have 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, 2011 and 2010 for the Companies' defined benefit plans:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Projected benefit obligation	**¥(1,017,154)**	¥(1,019,189)	**$(12,233)**
Plan assets at fair value	**597,709**	612,320	**7,188**
Accrued employees' retirement benefits	**432,778**	420,913	**5,205**
Prepaid pension expense	**(5,190)**	(14,159)	**(62)**
Unrecognized actuarial gain or loss	**¥ 8,143**	¥ (114)	**$ 98**

The components of retirement benefit expenses and other for the years ended March 31, 2011 and 2010 are outlined as follows:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Service cost	**¥ 30,879**	¥ 30,318	**$ 371**
Interest cost	**19,934**	19,983	**240**
Expected return on plan assets	**(14,801)**	(13,758)	**(178)**
Amortization of unrecognized actuarial gain or loss	**13,036**	44,335	**157**
Other	**4,331**	4,419	**52**
Retirement benefit expenses	**¥ 53,380**	¥ 85,297	**$ 642**

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

	2011	2010
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

The Company and a consolidated subsidiary in the electric power business are subject to taxes on income including corporation and inhabitants' taxes that in aggregate resulted in a statutory tax rate of approximately 36% in 2011 and 2010.

The significant components of deferred tax assets and liabilities as of March 31, 2011 and 2010 were as follows:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Deferred tax assets:			
Reserve for loss on disaster	**¥ 276,786**	¥ 33,607	**$ 3,329**
Accrued employees' retirement benefits	**159,125**	154,891	**1,914**
Asset retirement obligations	**150,953**	—	**1,815**
Depreciation and amortization	**69,089**	60,205	**831**
Reserve for reprocessing of irradiated nuclear fuel	**50,258**	53,251	**604**
Easement on the transmission line right-of-way	**37,873**	31,544	**455**
Reserve for decommissioning costs of nuclear power units	**—**	56,130	**—**
Tax loss carryforwards	**12,341**	26,599	**148**
Net unrealized holding loss on securities	**8,235**	18,909	**99**
Deferred charges for tax purposes	**14,823**	17,076	**178**
Other	**161,270**	146,272	**1,941**
	940,758	598,491	**11,314**
Valuation allowance	**(848,950)**	(84,541)	**(10,210)**
Total deferred tax assets	**91,807**	513,949	**1,104**
Deferred tax liabilities:			
Assets corresponding to asset retirement obligations	**(56,545)**	—	**(680)**
Unrealized holding gain on securities	**(1,123)**	(10,393)	**(14)**
Prepaid pension cost	**(1,986)**	(5,244)	**(24)**
Other	**(18,163)**	(17,311)	**(218)**
Total deferred tax liabilities	**(77,818)**	(32,949)	**(936)**
Net deferred tax assets	**¥ 13,988**	¥481,000	**$ 168**

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
	2011	2010	**2011**
Other current assets	**¥ 4,667**	¥60,875	**$ 56**
Other long-term liabilities	**14,811**	15,644	**178**
Other current liabilities	**11**	76	**0**

The differences between the effective tax rate reflected in the accompanying consolidated statements of income for the year ended March 31, 2010 and the statutory tax rate were as follows:

Information for the year ended March 31, 2011 was omitted, since net loss was recorded.

	2010
Statutory tax rate	36.2%
Non-taxable dividend income	(2.9)
Equity in earnings of affiliated companies	(2.1)
Change in valuation allowance	2.0
Eliminations of dividend income	1.9
Differences of tax rate among consolidated subsidiaries	0.9
Other	2.7
Effective tax rate	38.8%

17 Asset Retirement Obligations

As noted in Note 3 (a), the Company adopted ASBJ Statement No. 18 "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No.21 "Guidance on Accounting Standard for Asset Retirement Obligations" effective April 1, 2010. In accordance with this new accounting standard, the Company recorded asset retirement obligations in the accompanying consolidated financial statements for the decommissioning measures of the specified nuclear power plant facilities prescribed in the "Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors" (effective on June 10, 1957; Law No.166). The corresponding removal costs are accounted for in accordance with the paragraph 8 of ASBJ Guidance No. 21 and total estimated amounts of decommissioning costs of nuclear power units will be charged to income over the estimated operating period of the power generating facilities, according to the actual volume of electricity generated by the nuclear power.

In computing the amount of asset retirement obligations, the Company uses the remaining years deducting the years since the start of operations from the estimated operating period of the generating facilities by specified nuclear power unit as the expected terms until expenditure and applies a discount rate of 2.3%.

The changes in asset retirement obligations for the year ended March 31, 2011 were as follows:

	Millions of yen	Millions of U.S. dollars
	2011	**2011**
Balance at beginning of year (Note 1)	**¥759,907**	**$9,139**
Net changes during the year (Note 2)	**32,051**	**385**
Balance at end of year	**¥791,958**	**$9,524**

Notes:

1. As the Company adopted the new accounting standard for asset retirement obligations effective April 1, 2010, the beginning balance is shown in place of the ending balance of the previous fiscal year. The balance at beginning of year includes the amount of ¥510,010 million (US$6,134 million) succeeded from "reserve for decommissioning costs of nuclear power units" and ¥57,189 million (US$688 million) of "the loss on adjustment for change of accounting standard for asset retirement obligations".

2. Net changes include ¥11,737 million (US$141 million) of effect of a change in the estimated operating period, since the Board of Directors resolved to scrap Fukushima Daiichi Nuclear Power Station Units 1 through 4 on May 20, 2011.

(Additional information)
Expenses and/or losses for scrapping Fukushima Nuclear Power Station Units 1 through 4 were recognized within the range of reasonable estimates based on the currently available information for the year ended March 31, 2011, although such amount might be changed in the future since it is quite difficult to count up exact amounts of damages at this stage.

18 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 common stock account. The capital reserve amounted to ¥243,555 million (US$2,929 million) and ¥19,014 million, and the legal reserve amounted to ¥169,108 million (US$2,034 million) and ¥169,108 million at March 31, 2011 and 2010, respectively. Moreover, neither the capital reserve nor the legal reserve is available for the payment of dividends, but distributions of capital surplus can be made at anytime by resolution of the shareholders or by the Board of Directors if certain conditions are met.

19 Research and Development Costs

Research and development costs included in operating expenses for the years ended March 31, 2011 and 2010 totaled ¥42,019 million (US$505 million) and ¥37,539 million, respectively.

20 Selling, General and Administrative Expenses

The main components of selling, general and administrative expenses in the electric power business operating expenses for the years ended March 31, 2011 and 2010 were as follows:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Salaries and allowances	**¥135,242**	¥139,945	**$1,626**
Provision for accrued employees' retirement benefits	**42,964**	75,541	**517**
Consignment expenses	**96,024**	88,166	**1,155**

21 Provisions for Reserves

Provisions for reserves charged to net income during the years ended March 31, 2011 and 2010 were as follows:

	Millions of yen		Millions of U.S. dollars
	2011	2010	**2011**
Accrued employees' retirement benefits	**¥ 48,355**	¥80,176	**$ 582**
Reserve for reprocessing of irradiated nuclear fuel	**110,459**	93,522	**1,328**
Reserve for decommissioning costs of nuclear power units	**—**	18,594	**—**
Reserve for loss on disaster	**775,278**	—	**9,324**

22 Loss on Disaster

The Company records expenses and/or losses for restoring assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake.

Since it is quite difficult to count up exact amounts of damages at the Group's facilities such as nuclear power plants, thermal power plants and power distribution networks, the Group decided to record the amount within the range of reasonable estimates based on the currently available information. Such amount includes expenses and/or losses for securing safety through cooling reactors and avoiding further radiation proliferation, expenses and/or losses for scrapping Fukushima Daiichi Nuclear Power Station Units 1 through 4, and etc.

In addition, since the Board of Directors resolved to scrap Fukushima Daiichi Nuclear Power Station Units 1 through 4 and to cancel the construction plan of Fukushima Daiichi Units 7 and 8 on May 20, 2011, the reasonably estimated amounts of expenses and/or losses for scrapping these units and cancellation of construction were recorded for the year ended March 31, 2011.

(1) Expenses and/or losses included in "Loss on disaster" are recognized in the following manners:

a. Expenses and/or losses for securing safety through cooling reactors and avoiding further radiation proliferation

The Company recognizes estimated expenses and/or losses for bringing the reactors and spent fuel pools to stable cooling conditions and mitigating the release of radioactive materials.

Such amount includes estimated costs related to water injection to Primary Containment Vessel (PCV) for flooding up to top of active fuel, recovery of heat exchangers function at reactors, water injection to spent fuel pools, storage and decontamination processing of water contaminated by radioactive materials (accumulated water) and removal of nuclear fuels from reactors, etc.

Among these expenses and/or losses, for expenses and/or losses related to Step 1 (Radiation dose is in steady decline) and Step 2 (Release of radioactive materials is under control and radiation dose is being significantly held down) which are listed as targets in the Current Status of Roadmap in "Roadmap towards Restoration from the Accident at Fukushima Daiichi Nuclear Power Station" published on May 17, 2011, the Company records estimated amounts based on the concrete target periods and contents of individual countermeasures.

On the other hand, for expenses and/or losses related to the Mid to Long-term Issues which are not shown in the concrete roadmap, the Company records estimated amounts based on the historical amounts at an accident at foreign nuclear power plant, since the normal estimation is difficult.

b. Expenses and/or losses for scrapping Fukushima Daiichi Nuclear Power Station Units 1 through 4

— For nuclear power generating facilities, which are reasonably considered to be unable to recover from the status of damage, and which are difficult to specify, the estimated loss is recorded based on accounting for impairment loss on fixed assets.

— For decommissioning nuclear power plant facilities, the difference between aggregated estimates based on the "Ordinance concerning Reserve for Decommissioning Nuclear Power Plant Facilities" (Ministerial Ordinance of Ministry of Economy, Trade and Industry) and accumulated amounts recorded pursuant to electric power generated is recorded.

— For loss on nuclear fuels which are not expected to be spent in the future out of loaded nuclear fuels and nuclear fuels in processing, a devaluation loss is recognized and processing costs of such nuclear fuels are recorded in accordance with the accounting practice for provision for reprocessing of irradiated nuclear fuels.

c. Expenses and/or losses for maintaining the safe "cold shutdown condition" and others of reactors at Fukushima Daiichi units 5 and 6 and Fukushima Daini Nuclear Power Station

Although the future treatment for the damaged Fukushima Daiichi Nuclear Power Station Units 5 and 6 and Fukushima Daini Nuclear Power Station has not been decided yet, the Company records estimated amounts for expenses and/or losses for maintaining the safe "cold shutdown condition" and others of reactors based on the expenses and/or losses required for restoration of Kashiwazaki-Kariwa Nuclear Power Station damaged by the Niigataken Chuetsu-Oki Earthquake.

d. Loss on cancellation of Fukushima Daiichi Units 7 and 8 construction plan

Since it was resolved to cancel Fukushima Daiichi Units 7 and 8 construction plans at the Board of Directors' meeting held on May 20, 2011, the amount of construction in progress related to the construction plans was charged to loss on disaster as an impairment loss.

e. Expenses and/or losses for restoring damaged thermal power plants

Estimated expenses and/or losses for restoring damaged thermal power plants are recorded. In case that it is difficult to count up exact amounts of damages of assets, the estimated loss on removal of assets is recorded based on the replacement costs.

The recorded amount for the year ended March 31, 2011 is an estimated amount, except for certain portion.

(2) Major components of loss on disaster at March 31, 2011 are as follows:

	Millions of yen	Millions of U.S. dollars
a. Expenses and/or losses for securing safety through cooling reactors and avoiding further radiation proliferation	**¥ 426,298**	**$ 5,127**
b. Expenses and/or losses for scrapping Fukushima Daiichi Nuclear Power Station Units 1 through 4	**207,017**	**2,489**
— Impairment loss on nuclear power generating facilities	**101,692**	**1,223**
— Decommissioning costs of nuclear power plant facilities	**45,842**	**551**
— Loss on nuclear fuels	**44,855**	**539**
— Processing costs for nuclear fuels	**14,627**	**176**
c. Expenses and/or losses for maintaining the safe "cold shutdown condition" and others of reactors at Fukushima Daiichi units 5 and 6 and Fukushima Daini Nuclear Power Station	**211,825**	**2,548**
d. Loss on cancellation of Fukushima Daiichi Units 7 and 8 construction plan	**39,360**	**473**
e. Expenses and/or losses for restoring damaged thermal power plants	**49,724**	**598**
f. Other	**86,270**	**1,038**
Total	**¥1,020,496**	**$12,273**

(3) Impairment loss included in "Loss on disaster"

Tangible fixed assets used for electric power business are treated as a group of assets as a whole, except for important assets among those assets which are decided to be scrapped and for which no alternative investments are planned, since such assets ranging from power generation to sales generate cash flows as one.

Tangible fixed assets used for other business than electric power business are treated as a group of assets in principle by business and by location.

Assets or group of assets for which impairment loss was recognized are as follows:

Assets	Location	Type of assets	Millions of yen	Millions of U.S. dollars
Fukushima Daiichi Nuclear Power Station Units 1 trough 4	Okuma-cho, Futaba county, Fukushima Prefecture	Buildings, structures, machinery and equipment, construction in progress, etc.	**¥101,692**	**$1,223**
Fukushima Daiichi Nuclear Power Station Units 7 and 8 construction	Okuma-cho & Futaba-cho, Futaba county, Fukushima Prefecture	Construction in progress	**39,360**	**473**
Total			**¥141,053**	**$1,696**

Details of assets by type:

	Millions of yen	Millions of U.S. dollars
Buildings	**¥ 2,335**	**$ 28**
Structures	**2,103**	**25**
Machinery and equipment	**90,169**	**1,084**
Construction in progress	**45,241**	**544**
Other	**1,204**	**15**
Total	**¥141,053**	**$1,696**

The assets of Fukushima Daiichi Nuclear Power Station Units 1 through 4 were decided to be scrapped and the construction plan of Units 7 and 8 was decided to be cancelled and accordingly, the Company reduced the book values of these assets to the recoverable amount, since the return on investments has become quite difficult, and recognized an impairment loss based on the reduced amount.

Net selling value is used for the recoverable amount and it is assessed to be zero, since other use or sales of these assets are difficult.

23 Comprehensive Income

For the year ended March 31, 2010

Total comprehensive income for the year ended March 31, 2010 was the following:

	Millions of yen
Total comprehensive income attributable to:	
Owners of the parent	¥162,037
Minority interests	3,620
Total comprehensive income	¥165,658

Other comprehensive income for the year ended March 31, 2010 consisted of the following:

	Millions of yen
Other comprehensive income:	
Net unrealized holding loss on securities	¥ 9,217
Net deferred loss on hedges	(328)
Translation adjustments	3,248
Share of other comprehensive income of affiliates accounted for using the equity method	16,779
Total other comprehensive income	¥28,916

24 Related Party Transactions

The Company guaranteed loan and bonds in the amounts of ¥281,045 million (US$3,380 million) and ¥286,800 million of Japan Nuclear Fuel Limited, a major affiliate, at March 31, 2011 and 2010, respectively.

25 Contingent Liabilities

Contingent liabilities totaled ¥644,921 million (US$7,756 million) and ¥643,802 million, of which ¥328,062 million (US$3,945 million) and ¥322,556 million were 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 at March 31, 2011 and 2010, respectively.

In addition, ¥246,858 million (US$2,969 million) and ¥251,246 million consisted of guarantees given in connection with housing loans made to employees of the Companies at March 31, 2011 and 2010, respectively.

The remaining ¥70,000 million (US$842 million) and ¥70,000 million represent the debt assigned by the Company to certain banks under debt assumption agreements at March 31, 2011 and 2010, respectively.

Contingent Liabilities related to Nuclear Damage Compensation

The Company is liable for the nuclear damage concerning the accidents at Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake based on the nuclear damage compensation scheme of Japan, when the requirements of the Nuclear Damage Compensation Law (effective on June 17, 1961; Law No.147) are satisfied. The amount of possible compensation is not recorded in the accompanying financial statements, because it is not possible to make a reasonable estimate of the amount of compensation, which may be determined based on the guidance to be defined in the future by the Committee for Adjustment of Compensation for Nuclear Damages Disputes.

On the other hand, the Government of Japan announced the "Governmental Supporting Scheme for the Damages Caused by Nuclear Accidents (decided by "Economic Damage occurred by Nuclear Power Plant Accident Response Team Ministerial Conference" on May 13, 2011 and approved by the Cabinet on June 14, 2011) and based on this scheme, the "Nuclear Disaster Compensation Bill" (approved by the Cabinet on June 14, 2011) is currently being submitted to the Diet. Under the bill, the government-backed new organization (the "Organization") provides a nuclear operator in need of funds for nuclear damage compensation with necessary financial supports such as cash injection to secure the operator's responsible compensation. With consideration of importance of stable power supply and other issues, the compensation framework obligates a nuclear operator being rescued by the Organization to pay special mandatory contribution to the Organization in light of operating results. The Company is committed to completing its responsibility of the compensation with the Government's support based on this bill and with the best efforts streamlines the management to reduce costs and raise sufficient funds

26 Financial Instruments

Beginning with the year ended March 31, 2010, the Company adopted the "Accounting Standard for Financial Instruments" and the "Guidance on Disclosures about Fair Value of Financial Instruments."

1. Status of financial instruments

(1) Policy regarding financial instruments

The Company tries to raise its fund to ensure its capital investments required for electric power business by issuing bonds and commercial paper and borrowing from financial institutions.

Since the debt rating of the Company was cut down due to the accidents at Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company's fund raising capability has been deteriorated.

The Company only uses short-term deposits to manage funds.

The Company and certain consolidated subsidiaries comply with internal policies in using derivatives solely to hedge risk, never for trading or speculation.

(2) Details of financial instruments, associated risk and risk management

Marketable securities and investment securities consist mainly of equity securities and are exposed to market price fluctuation risk. The Company and certain consolidated subsidiaries review the fair values of marketable securities on a quarterly basis.

Trust funds for the reprocessing of irradiated nuclear fuel is the money contributed under the Law on Creation and Management of Trust Funds for Reprocessing of Spent Fuel at Nuclear Power Stations to properly reprocess the irradiated nuclear fuel incurred by operating specified commercial power reactors.

Notes and accounts receivable are exposed to the credit risk of customers. In compliance with internal policies, the Company and certain consolidated subsidiaries monitor due dates and outstanding balances by individual customer, and press for collection of receivables that become past due.

Interest-bearing debt includes loans that are exposed to interest rate fluctuation risk. The Company hedges this risk by utilizing interest rate swaps for certain loans. Foreign bonds are exposed to foreign currency exchange risk, which the Company hedges by utilizing currency swaps when issuing bonds.

Almost all trade notes and accounts payable have payment due dates within a year.

Bonds, loans, commercial paper, and trade notes and accounts payable expose the Company to liquidity risk in that the Company and certain consolidated subsidiaries may not be able to meet their obligations on scheduled due dates. The Company and certain consolidated subsidiaries prepare and update their cash flow projections on a timely basis to manage this liquidity risk.

The Company and certain consolidated subsidiaries use derivatives, including currency swaps, to hedge the risk of exchange rate fluctuations associated with bonds denominated in foreign currencies and interest rate swaps to hedge the risk of interest rate fluctuations associated with loans. The Company and certain consolidated subsidiaries have departments that conduct and manage such transactions in compliance with internal policies.

The Company and certain consolidated subsidiaries are also exposed to credit risk in the event of nonperformance by the counterparties to these derivatives positions, but consider the risk of any such loss to be minimal because they enter into derivative transactions only with financial institutions and companies that have high credit ratings. Information on hedge accounting is disclosed in the last section of this note.

(3) Supplementary explanation of items related to the fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, the fair value is determined based on reasonable estimates. Estimates of fair value contain uncertainties because they employ variable factors and assumptions. In addition, the contractual amounts of the derivatives are not necessarily indicative of the actual market risk involved in relevant derivatives.

2. Fair value of financial instruments

The carrying amount of financial instruments in the consolidated balance sheets as of March 31, 2011 and 2010, their fair value and unrealized loss are as shown below. Items for which fair value is not readily determinable are not included in the following table (see Note 2).

	Millions of yen		
	2011		
	Carrying amount*1	Fair value*1	Difference
(1) Marketable securities and investment securities*2	**¥ 250,613**	**¥ 250,613**	**¥ —**
(2) Trust funds for the reprocessing of irradiated nuclear fuel	**982,696**	**982,696**	**—**
(3) Cash	**2,248,290**	**2,248,290**	**—**
(4) Notes and accounts receivable-customers	**359,820**	**359,820**	**—**
(5) Bonds*3	**(4,974,582)**	**(4,831,675)**	**142,907**
(6) Long-term loans*3	**(3,643,295)**	**(3,595,683)**	**47,612**
(7) Short-term loans	**(406,232)**	**(406,232)**	**—**
(8) Trade notes and accounts payable	**(248,849)**	**(248,849)**	**—**
(9) Derivatives*5	**(1,067)**	**(1,067)**	**—**

	Millions of yen		
	2010		
	Carrying amount*1	Fair value*1	Difference
(1) Marketable securities and investment securities*2	¥ 235,628	¥ 235,628	¥ —
(2) Trust funds for the reprocessing of irradiated nuclear fuel	824,403	824,403	—
(3) Cash	180,183	180,183	—
(4) Notes and accounts receivable-customers	348,773	348,773	—
(5) Bonds*3	(5,169,845)	(5,408,639)	(238,793)
(6) Long-term loans*3	(1,925,463)	(1,967,769)	(42,305)
(7) Short-term loans	(363,643)	(363,643)	—
(8) Commercial paper*4	(65,000)	(65,000)	—
(9) Trade notes and accounts payable	(279,149)	(279,149)	—
(10) Derivatives*5	(1,052)	(1,052)	—

	Carrying amount*1 (Millions of U.S. dollars, 2011)	Fair value*1	Difference
(1) Marketable securities and investment securities*2	$ 3,014	$ 3,014	$ —
(2) Trust funds for the reprocessing of irradiated nuclear fuel	11,818	11,818	—
(3) Cash	27,039	27,039	—
(4) Notes and accounts receivable-customers	4,327	4,327	—
(5) Bonds*3	(59,827)	(58,108)	1,719
(6) Long-term loans*3	(43,816)	(43,243)	573
(7) Short-term loans	(4,886)	(4,886)	—
(8) Trade notes and accounts payable	(2,993)	(2,993)	—
(9) Derivatives*5	(13)	(13)	—

*1. Figures shown in parentheses are liabilities.
*2. Marketable securities and investment securities are reflected in "Long-term investments" and "Other" under current assets in the consolidated balance sheets.
*3. Certain bonds and long-term loans are in "Current portion of long-term debt" in the consolidated balance sheets.
*4. Commercial paper is included in "Other" under current liabilities in the consolidated balance sheets.
*5. The value of assets and liabilities arising from derivatives is shown at net value.

Note 1. Marketable securities, derivatives and methods for estimating fair value of financial instruments

(1) Marketable securities and investment securities
The fair value of marketable equity securities is determined by their market price. For further information on investment securities by holding intent, see Note 5.

(2) Trust funds for the reprocessing of irradiated nuclear fuel
Trust funds for the reprocessing of irradiated nuclear fuel is the money contributed under the Law on Creation and Management of Trust Funds for Reprocessing of Spent Fuel at Nuclear Power Stations to properly reprocess the irradiated nuclear fuel incurred by operating specified commercial power reactors.

To obtain a refund of its contribution, the Company has to follow the scheme approved by the Minister of Economy, Trade and Industry for refunds of trust funds for reprocessing irradiated nuclear fuel. Since the carrying value is based on the present value of the projected refunds in the future under the scheme at March 31, 2011 and 2010, respectively, the fair value is determined as the relevant carrying values.

(3) Cash and (4) Notes and accounts receivable-customers
Since these items are settled in a short period of time and their fair value approximates their carrying value, the relevant fair value is determined as carrying value.

(5) Bonds
The fair value of bonds issued by the Company is based on their market prices. The fair value of bonds hedged by forward exchange contracts, to which the assignment method of hedge accounting is applied, is estimated based on the present value of principal and interest discounted using the interest rate for a bond of equivalent maturity and credit rating.

(6) Long-term loans
For the fair value of long-term loans payable with floating interest rates, those interest rates are updated to reflect the market interest rate within a short period of time. Since their fair value approximates their carrying value, the relevant fair value is determined as carrying value.

For the fair value of long-term loans payable with fixed interest rates, the total amount of principal and interest of relevant long-term loans, grouped by the remaining loan period, is discounted using the incremental borrowing rate to be applied in the similar conditions. For those subject to the special hedge accounting treatment of interest rate swaps, the present value is determined using the swap rate that is deemed as their interest rate.

(7) Short-term loans, and (8) Trade notes and accounts payable
Since these items are settled in a short period of time and their fair value approximates their carrying value, the relevant fair value is determined at carrying value.

(9) Derivatives
See derivative transactions related tables below.

Note 2. Financial instruments for which fair value is not readily determinable:

	Millions of yen		Millions of U.S. dollars
	2011	2010	2011
	Carrying amount	Carrying amount	Carrying amount
Unlisted securities	**¥92,983**	¥99,744	**$1,118**
Other	**6,255**	17,728	**75**
Total	**¥99,239**	¥117,473	**$1,193**

These financial instruments are not included in "Marketable securities and investment securities" because no quoted market price is available and their fair value is not readily determinable.

Note 3. Redemption schedule for monetary instruments and debt securities with maturity dates subsequent to March 31, 2011 is as follows:

	Millions of yen			
	2011			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Marketable securities and investment securities				
Other securities with maturity				
Bonds				
Public bonds	**¥ 3**	**¥105**	**¥82**	**¥—**
Corporate bonds	**100**	**—**	**—**	**—**
Other	**—**	**—**	**—**	**—**
Other	**—**	**480**	**—**	**—**
Trust funds for the reprocessing of irradiated nuclear fuel*1	**113,512**	**—**	**—**	**—**
Cash*2	**2,248,290**	**—**	**—**	**—**
Notes and accounts receivable-customers	**359,820**	**—**	**—**	**—**
Total	**¥2,721,728**	**¥586**	**¥82**	**¥—**

	Millions of U.S. dollars			
	2011			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Marketable securities and investment securities				
Other securities with maturity				
Bonds				
Public bonds	**$ 0**	**$ 1**	**$ 1**	**$—**
Corporate bonds	**1**	**—**	**—**	**—**
Other	**—**	**—**	**—**	**—**
Other	**—**	**6**	**—**	**—**
Trust funds for the reprocessing of irradiated nuclear fuel*1	**1,365**	**—**	**—**	**—**
Cash*2	**27,039**	**—**	**—**	**—**
Notes and accounts receivable-customers	**4,328**	**—**	**—**	**—**
Total	**$32,733**	**$ 7**	**$ 1**	**$—**

*1. The Company does not disclose information on the portion of trust funds for the reprocessing of irradiated nuclear fuel that are due after one year or more (¥869,184 million (US$10,453 million)) because of contractual obligations and the risk of disadvantage.

*2. Portion due in 1 year or less includes cash.

Note 4. Redemption schedule for bonds and long-term loans subsequent to March 31, 2011 is as follows:

	Millions of yen					
	2011					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Bonds	¥549,002	¥748,110	¥585,697	¥446,400	¥438,100	¥2,207,273
Long-term loans	219,510	189,777	357,667	488,837	322,162	2,065,340
Total	¥768,512	¥937,887	¥943,364	¥935,237	¥760,262	¥4,272,614

	Millions of U.S. dollars					
	2011					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Bonds	$6,602	$8,997	$7,044	$ 5,369	$5,269	$26,545
Long-term loans	2,640	2,282	4,301	5,879	3,874	24,840
Total	$9,242	$11,279	$11,345	$11,248	$9,143	$51,385

Derivatives for which hedge accounting is not applied
(1) Currency-related

	Millions of yen			
	2011			
	Contract amount	Portion over 1 year	Fair value*	Unrealized loss
Non-market transaction				
Foreign exchange forward contracts				
Selling: USD	¥1,247	¥—	¥ (5)	¥ (5)
Selling: EUR	779	—	(46)	(46)
Selling: KRW	1,135	—	(46)	(46)
Total	¥3,162	¥—	¥(98)	¥(98)

	Millions of yen			
	2010			
	Contract amount	Portion over 1 year	Fair value*	Unrealized loss
Non-market transaction				
Foreign exchange forward contracts				
Selling: USD	¥4,635	¥—	¥(3)	¥(3)
Selling: KRW	364	—	(2)	(2)
Total	¥4,999	¥—	¥(5)	¥(5)

	Millions of U.S. dollars			
	2011			
	Contract amount	Portion over 1 year	Fair value*	Unrealized loss
Non-market transaction				
Foreign exchange forward contracts				
Selling: USD	$15	$—	$(0)	$(0)
Selling: EUR	9	—	(1)	(1)
Selling: KRW	14	—	(0)	(0)
Total	$38	$—	$(1)	$(1)

* Fair value for those contracts is based on prices disclosed by relevant financial institutions.

Derivatives for which hedge accounting is applied

(1) Currency-related

	Millions of yen			
	2011			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Basic treatment				
Foreign exchange forward contracts	Payables (Forward transaction)			
Buying: NOK/Selling: EUR		**¥ 835**	**¥ —**	**¥ 26** *1
Buying: DKK/Selling: NOK		**3,007**	**—**	**(123)** *1
Allocation of gain/loss on foreign exchange forward contracts				
Currency swap transactions	Bonds			
Payable JPY/receivable EUR		**134,270**	**134,270**	*2
Payable JPY/receivable CHF		**54,051**	**25,050**	*2
Foreign exchange forward contracts	Payables			
Buying: EUR		**14**	**—**	*2
Total		**¥192,177**	**¥159,320**	**¥ (96)**

	Millions of yen			
	2010			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Basic treatment				
Foreign exchange forward contracts	Payables (Forward transaction)			
Buying: EUR		¥ 141	¥ 15	¥ 0 *1
Allocation of gain/loss on foreign exchange forward contracts				
Currency swap transactions	Bonds			
Payable JPY/receivable EUR		134,270	134,270	*2
Payable JPY/receivable CHF		54,051	54,051	*2
Foreign exchange forward contracts	Payables			
Buying: EUR		26	—	*2
Total		¥188,489	¥188,336	¥0

	Millions of U.S. dollars			
	2011			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Basic treatment				
Foreign exchange forward contracts	Payables (Forward transaction)			
Buying: NOK/Selling: EUR		**$ 10**	**$ —**	**$ 0** *1
Buying: DKK/Selling: NOK		**36**	**—**	**(1)** *1
Allocation of gain/loss on foreign exchange forward contracts				
Currency swap transactions	Bonds			
Payable JPY/receivable EUR		**1,615**	**1,615**	*2
Payable JPY/receivable CHF		**650**	**301**	*2
Foreign exchange forward contracts	Payables			
Buying: EUR		**0**	**—**	*2
Total		**$2,311**	**$1,916**	**$(1)**

*1 Fair value for those contracts is based on prices disclosed by relevant financial institutions.
*2 Foreign exchange forward contracts accounted for using the assignment method are not included in the presentation of carrying value and fair value because they are included in the bonds they hedge.

(2) Interest rate-related

	Millions of yen			
	2011			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Basic treatment				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		**¥ 57,137**	**¥ 53,911**	**¥(872)**[*1]
Special treatment of interest rate swaps				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		**103,169**	**95,234**	[*2]
Payable floating rate/receivable floating rate		**9,000**	**—**	[*2]
Total		**¥169,307**	**¥149,145**	**¥(872)**

	Millions of yen			
	2010			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Basic treatment				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		¥ 35,737	¥ 34,140	¥(1,047)[*1]
Special treatment of interest rate swaps				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		107,196	97,962	[*2]
Payable floating rate/receivable floating rate		9,000	9,000	[*2]
Total		¥151,934	¥141,103	¥(1,047)

	Millions of U.S. dollars			
	2011			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Basic treatment				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		**$ 687**	**$ 649**	**$(11)**[*1]
Special treatment of interest rate swaps				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		**1,241**	**1,145**	[*2]
Payable floating rate/receivable floating rate		**108**	**—**	[*2]
Total		**$2,036**	**$1,794**	**$(11)**

*1 Fair value for those contracts is based on prices disclosed by relevant financial institutions.
*2 Interest-rate swaps accounted for using special treatment are not included in the presentation of carrying value and fair value because they are included in the long-term loans they hedge.

27 Segment Information

For the year ended March 31, 2011

On March 27, 2009, the ASBJ revised ASBJ Statement No. 17 "Accounting Standard for Segment Information Disclosures" and issued ASBJ Guidance No. 20 "Guidance on Accounting Standard for Segment Information Disclosures". This accounting standard and the guidance are applicable to segment information disclosures for the fiscal years beginning on or after April 1, 2010. Under the standard and guidance, an entity is required to report financial and descriptive information about its reportable segments.

1. Summary of reportable segments

The Group's reportable segments are those for which separately financial information is available and regular evaluation by the Company's Managing Directors Meeting is being performed in order to decide how resources are allocated among the Group.

The Group has been engaged mainly in electric power business under the mid-term management policy ("Management Vision 2010") of the Tokyo Electric Power Company (TEPCO) Group and promoting its business toward continuous growth and development by defining the strategic field of business to be developed around electric power business and making use of the Company's management resources and collective strength.

The Group consists of five industry segments: electric power, information and telecommunications, energy and environment, living environment and lifestyle-related, and overseas businesses.

"Electric Power Business" supplies electricity to customers mainly in Kanto region, including Yamanashi Prefecture and the east side of the Fuji River in Shizuoka Prefecture.

In our "Information and Telecommunications Business" segment, we offer telecommunication services, information software services and construction and maintenance of IT facilities.

In "Energy and Environment Business" area, the TEPCO Group operates services such as supply of gas, construction and maintenance of power facilities, supply and shipping of fuels and materials, wholesale of electricity and energy and environmental solutions.

"Living Environment and Lifestyle-Related Business" provides services including real estate and daily life-related services.

"Overseas Business" is basically focused on power generation services and capital investments in foreign countries.

Facing aftermath of the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company is committed to taking every necessary step to restore from the accident at Fukushima Daiichi Nuclear Power Station, apologize and explain nuclear victims, compensate for nuclear damages and secure stable power supply. To surely implement these important tasks, the Company sincerely intends to take drastic measures to further streamline and rationalize its management, as well as to study how the Group should achieve its business in future as a whole.

2. Methods of measurement for the amounts of sales, profit (loss), assets and other items for each reportable segment

The accounting policies of each reportable segment are consistent to those disclosed in Note 1, "Summary of Significant Accounting Policies".

3. Information about sales, profit (loss), assets and other items is as follows:

	Millions of yen							
	2011							
	Reportable segment							
	Electric power business	Information and telecom-munications business	Energy and environment business	Living environment and lifestyle-related business	Overseas business	Total	Adjustments	Consolidated
Sales:								
Sales to third parties	¥ 5,064,625	¥ 41,629	¥192,568	¥ 57,669	¥ 12,042	¥ 5,368,536	¥ —	¥ 5,368,536
Inter-segment sales and transfers	—	61,575	192,029	75,172	1,993	330,771	(330,771)	—
Total	5,064,625	103,205	384,598	132,841	14,036	5,699,307	(330,771)	5,368,536
Segment profit	¥ 354,156	¥ 9,116	¥ 22,968	¥ 12,188	¥ 26	¥ 398,455	¥ 1,169	¥ 399,624
Segment assets	¥13,611,051	¥109,949	¥834,950	¥332,919	¥224,983	¥15,113,855	¥(323,501)	¥14,790,353
Other items:								
Depreciation	¥ 655,784	¥ 9,297	¥ 23,839	¥ 12,543	¥ 5,012	¥ 706,476	¥ (4,291)	¥ 702,185
Increase in tangible and intangible fixed assets (Note 3)	611,799	8,813	24,569	16,923	18,100	680,206	(3,459)	676,746

	Millions of U.S. dollars							
	2011							
	Reportable segment							
	Electric power business	Information and telecom-munications business	Energy and environment business	Living environment and lifestyle-related business	Overseas business	Total	Adjustments	Consolidated
Sales:								
Sales to third parties	$ 60,909	$ 501	$ 2,316	$ 693	$ 145	$ 64,564	$ —	$ 64,564
Inter-segment sales and transfers	—	741	2,309	904	24	3,978	(3,978)	—
Total	60,909	1,242	4,625	1,597	169	68,542	(3,978)	64,564
Segment profit	$ 4,259	$ 110	$ 276	$ 147	$ 0	$ 4,792	$ 14	$ 4,806
Segment assets	$163,693	$1,322	$10,041	$4,004	$2,706	$181,766	$(3,890)	$177,876
Other items:								
Depreciation	$ 7,887	$ 112	$ 287	$ 151	$ 60	$ 8,497	$ (52)	$ 8,445
Increase in tangible and intangible fixed assets (Note 3)	7,358	106	295	204	218	8,181	(42)	8,139

Notes:

1. "Adjustments" of "Segment profit" in an amount of ¥1,169 million (US$14 million) includes ¥1,094 million (US$13 million) of inter-segment elimination.
   "Adjustments" of "Segment assets" in an amount of ¥ (323,501) million (US$ (3,890) million) includes ¥ (322,720) million (US$ (3,881) million) of inter-segment elimination.
   "Adjustments" of "Depreciation" in an amount of ¥ (4,291) million (US$ (52) million) refers to inter-segment elimination.
   "Adjustments" of "Increase in tangible and intangible fixed assets" in an amount of ¥ (3,459) million (US$ (42) million) refers to inter-segment elimination.
2. Segment profit is reconciled with operating income in the consolidated financial statements.
3. "Increase in tangible and intangible fixed assets" does not include the amount recorded in assets corresponding to asset retirement obligations.

Information about impairment loss on tangible fixed assets by reportable segment:

	Millions of yen							
	2011							
	Electric power business	Information and telecom-munications business	Energy and environment business	Living environment and lifestyle-related business	Overseas business	Total	Adjustments	Consolidated
Impairment loss	**¥141,053**	**¥—**	**¥—**	**¥—**	**¥—**	**¥—**	**¥—**	**¥141,053**

	Millions of U.S. dollars							
	2011							
	Electric power business	Information and telecom-munications business	Energy and environment business	Living environment and lifestyle-related business	Overseas business	Total	Adjustments	Consolidated
Impairment loss	**$1,696**	**$—**	**$—**	**$—**	**$—**	**$—**	**$—**	**$1,696**

For the year ended March 31, 2010

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 real estate and property management. Overseas business involves power generation projects and investments overseas.

Industry segment information for the Companies for the year ended March 31, 2010 was summarized as follows:

	Millions of yen							
	2010							
	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 (loss):								
Operating revenues:								
Sales to third parties	¥ 4,732,792	¥ 41,629	¥170,632	¥ 57,319	¥ 13,883	¥ 5,016,257	¥ —	¥ 5,016,257
Inter-segment sales and transfers	545	54,280	185,289	76,202	1,265	317,582	(317,582)	—
Total	4,733,338	95,909	355,921	133,521	15,148	5,333,840	(317,582)	5,016,257
Operating expenses	4,487,406	89,451	334,277	121,290	17,462	5,049,888	(318,073)	4,731,814
Operating income (loss)	¥ 245,932	¥ 6,458	¥ 21,644	¥ 12,231	¥ (2,313)	¥ 283,952	¥ 490	¥ 284,443
II. Assets, depreciation and capital expenditures:								
Total assets	¥12,253,506	¥119,789	¥581,955	¥336,412	¥237,607	¥13,529,270	¥(325,283)	¥13,203,987
Depreciation and amortization	710,870	10,686	24,627	12,896	5,016	764,097	(4,706)	759,391
Capital expenditures	590,007	6,517	21,690	9,650	16,811	644,677	(3,791)	640,885

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

28 Subsequent Events

1. Nuclear damage compensation concerning the accidents at Fukushima Daiichi Nuclear Power Station

The Company is liable for the nuclear damage concerning the accidents at Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake based on the nuclear damage compensation scheme of Japan, when the requirements of the Nuclear Damage Compensation Law (effective on June 17, 1961; Law No.147) are satisfied. The amount of possible compensation is not recorded in the accompanying financial statements, because it is not possible to make a reasonable estimate of the amount of compensation which may be determined based on the guidance to be defined in the future by the Committee for Adjustment of Compensation for Nuclear Damage Disputes (the "Committee").

Under these circumstances, the method to calculate the amount of damage for the mental pains of evacuees and those afflicted was concretely determined in "the Second Guidance Supplement concerning Judgment on the Scope of Nuclear Damage due to the Accidents at Fukushima Daiichi and Daini Nuclear Power Stations of Tokyo Electric Power Co., Ltd." decided by the Committee on June 20, 2011.

According to the method, the amount of such damage for the mental pains of evacuees and those afflicted until the completion of expected restoration from the accident is currently estimated to reach ¥88 billion (US$1,058 million).

In order to implement such compensation, the "Nuclear Disaster Compensation Bill" (approved by the Cabinet on June 14, 2011) is currently being submitted to the Diet.

As this change in estimate occurred subsequent to the statutory audit report date of May 24, 2011 under the Corporation Law of Japan, it is treated as unadjusted event for financial reporting purposes under the Financial Instruments and Exchange Law of Japan in accordance with Japanese accounting and auditing practices (JICPA Auditing and Assurance Practice Committee Statement No.76). Accordingly, no adjustment resulting from this event has been made to the accompanying consolidated financial statements.

2. Roadmap towards Restoration from the Accident at Fukushima Daiichi Nuclear Power Station

The Group provides the reserve for loss on disaster for restoration of assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake with the estimated amount as of March 31, 2011. The Group reflected progress made related to specific countermeasures involved in Step 1 (Radiation dose is in steady decline) and Step 2 (Release of radioactive materials is under control and radiation dose is being significantly held down) as targets listed in the Current Status of Roadmap in "Roadmap towards Restoration from the Accident at Fukushima Daiichi Nuclear Power Station" (published on June 17, 2011) and consequently, added another issue "Radiation control, Medical care" to 5 areas ("Cooling", "Mitigation", "Decontamination/Monitoring", "Countermeasures against aftershocks etc.", "environment improvement") and 8 issues ("Reactors", "Spent fuel pools", "Accumulated water", "Groundwater", "Atmosphere Soil", "Measurement, Reduction, Announcement", "Tsunami, Reinforcement, etc.", "Life/work environment") set in the previous roadmap published on May 17, 2011. Thus, the roadmap has been rearranged to 5 areas and 9 issues and changed the number of countermeasures from 76 to 81.

As a result of having reviewed the estimates on expenses and/or losses for securing safety through cooling of reactors and avoiding further radiation proliferation, with a change in status, reserve for loss on disaster is expected to increase by ¥38 billion (US$457 million).

As this change in estimate occurred subsequent to the statutory audit report date of May 24, 2011 under the Corporation Law of Japan, it is treated as unadjusted event for financial reporting purposes under the Financial Instruments and Exchange Law of Japan in accordance with Japanese accounting and auditing practices (JICPA Auditing and Assurance Practice Committee Statement No.76). Accordingly, no adjustment resulting from this event has been made to the accompanying consolidated financial statements.

Report of Independent Auditors

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Hibiya Kokusai Bldg.
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Chiyoda-ku, Tokyo, Japan 100-0011

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The Board of Directors
The Tokyo Electric Power Company, Incorporated

We have audited the accompanying consolidated balance sheets of The Tokyo Electric Power Company, Incorporated (the "Company") and consolidated subsidiaries as of March 31, 2011 and 2010, the related consolidated statements of operations, changes in net assets, and cash flows for the years then ended, and the consolidated statement of comprehensive income for the year ended March 31, 2011, 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 and practices 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, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan.

Without qualifying our opinion, we draw attention to the following:

(1) As explained in Note 1 to the accompanying consolidated financial statements, regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Nuclear Damage Compensation Law (the "Law") (effective on June 17, 1961; Law No. 147) requires the Company to bear the damage compensation under the nuclear damage compensation scheme in Japan if certain necessary conditions are satisfied. Accordingly, significant deterioration of the Company's financial position raises significant doubt about its ability to continue as a going concern.

While the Company continues to be in need of sufficient working capital for investment in power facilities and difficult procurement of fossil fuels in order to secure stable power supply as well as for ongoing nuclear accidents management, the management recognizes that financing sufficient funds with corporate bonds and borrowings from financial institutions has been increasingly difficult so far. Based on such recognition, the Company has sincerely asked the Government to set up a supporting framework for ensuring the compensation to the nuclear victims under Article 16 of the Law.

Responding to the Company's request, the "Governmental Supporting Scheme for the Damages Caused by Nuclear Accidents" (decided by "Economic Damage occurred by Nuclear Power Plant Accident Response Team Ministerial Conference" on May 13, 2011 and approved by the Cabinet on June 14, 2011) was officially announced. Based on this scheme, the "Nuclear Disaster Compensation Bill" (approved by the Cabinet on June 14, 2011) is currently being submitted to the Diet. Under the bill, the government-backed new organization (the "Organization") provides a nuclear operator in need of funds for nuclear damage compensation with necessary financial supports such as cash injection to secure the operator's responsible compensation. With consideration of importance of stable power supply and other issues, the compensation framework obligates a nuclear operator being rescued by the Organization to pay special mandatory contribution to the Organization in light of operating results. The Company is committed to completing its responsibility of the compensation with the Government's support based on this bill and with the best efforts streamlines the management to reduce costs and raise sufficient funds. On the other hand, however, the management realizes significant doubt in the Company's ability to continue as a going concern at this moment as detailed compensation scheme has not been decided yet. The Company needs to wait for a vote at the Diet for the legislation of the compensation scheme.

The accompanying consolidated financial statements are prepared assuming the Company will continue as a going concern. The accompanying consolidated financial statements do not reflect any possible impact of material uncertainty.

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(2) As explained in Note 25 to the accompanying consolidated financial statements, the Company is liable for the nuclear damage concerning the accidents at Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake based on the nuclear damage compensation scheme of Japan, when the requirements of the Nuclear Damage Compensation Law (effective on June 17, 1961; Law No. 147) are satisfied. The amount of possible compensation is not recorded in the accompanying financial statements, because it is not possible to make a reasonable estimate of the amount of compensation, which may be determined based on the guidance to be defined in the future by the Committee for Adjustment of Compensation for Nuclear Damages Disputes.

(3) As explained in Note 28 to the accompanying consolidated financial statements, the Company is liable for the nuclear damage concerning the accidents at Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake based on the nuclear damage compensation scheme of Japan, when the requirements of the Nuclear Damage Compensation Law (effective on June 17, 1961; Law No. 147) are satisfied. The amount of possible compensation is not recorded in the accompanying financial statements, because it is not possible to make a reasonable estimate of the amount of compensation which may be determined based on the guidance to be defined in the future by the Committee for Adjustment of Compensation for Nuclear Damage Disputes (the "Committee").

Under these circumstances, the method to calculate the amount of damage for the mental pains of evacuees and those afflicted was concretely determined in "the Second Guidance Supplement concerning Judgment on the Scope of Nuclear Damage due to the Accidents at Fukushima Daiichi and Daini Nuclear Power Stations of Tokyo Electric Power Co., Ltd." decided by the Committee on June 20, 2011.

According to the method, the amount of such damage for the mental pains of evacuees and those afflicted until the completion of expected restoration from the accident is currently estimated to reach ¥88 billion (US$1,058 million).

As this change in estimate occurred subsequent to the statutory audit report date of May 24, 2011 under the Corporation Law of Japan, it is treated as unadjusted event for financial reporting purposes under the Financial Instruments and Exchange Law of Japan in accordance with Japanese accounting and auditing practices (JICPA Auditing and Assurance Practice Committee Statement No.76). Accordingly, no adjustment resulting from this event has been made to the accompanying consolidated financial statements.

(4) As explained in Note 12 to the accompanying consolidated financial statements, before implementation of scrapping nuclear power plants, nuclear fuels in the reactors are required to be removed, but the concrete working conditions will be decided after the stable cooling conditions have been established and the status of inside of the reactors has been confirmed. Accordingly, the Company records the amount within the range of reasonable estimates based on the currently available information for expenses and/or losses on the Mid to Long-term Issues which concrete roadmap is not shown in the "Roadmap towards Restoration from the Accident at Fukushima Daiichi Nuclear Power Station" published on May 17, 2011, although such amounts, including removal costs for nuclear fuels, may vary.

(5) As explained in Note 17 to the accompanying consolidated financial statements, expenses and/or losses for scrapping Fukushima Nuclear Power Station Units 1 through 4 were recognized within the range of reasonable estimates based on the currently available information for the year ended March 31, 2011, although such amount might be changed in the future since it is quite difficult to count up exact amounts of damages at this stage.

(6) As explained in Note 3(a) to the accompanying consolidated financial statements, effective April 1, 2010, the Company has adopted ASBJ Statement No. 18 "Accounting Standard for Asset Retirement Obligations" and ASBJ Guidance No. 21 "Guidance on Accounting Standards for Asset Retirement Obligations" issued by the ASBJ on March 31, 2008.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 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 28, 2011

Major Subsidiaries and Affiliated Companies

As of March 31, 2011

Major Consolidated Subsidiaries

Company Name	Capital (Millions of yen)	TEPCO Ownership(%)	Principal Business
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 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
Cygnus LNG Shipping Limited	4,002	70.0	Ownership and charter of LNG carriers
The Tokyo Electric Generation Company, Incorporated	2,500	100.0	Generation and wholesale of electricity
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
TEPCO-Yu Company, Limited	100	100.0	Sales of crude oil and petroleum products
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.	3,020	100.0	Leasing and management of real estate
TODEN KOKOKU CO., LTD.	20	80.2	Contracting for advertisements on TEPCO-owned utility poles and in/on other media
Overseas Business			
Eurus Energy Holdings Corporation	18,199	60.0	Investment in domestic/overseas wind and solar energy projects
Tokyo Electric Power Company International B.V.	240 million Euro	100.0	Investment in overseas businesses

Affiliated Companies Accounted for under the Equity Method

Company Name	Capital (Millions of yen)	TEPCO Ownership(%)	Principal Business
Electric Power Business			
The Japan Atomic Power Company	120,000	28.2	Generation and wholesale of electricity
Energy and Environment Business			
Japan Nuclear Fuel Limited	400,000	28.6	Uranium concentration, reprocessing, waste management and underground waste disposal
Soma Kyodo Power Company, Ltd.	112,800	50.0	Generation and wholesale of electricity
JOBAN JOINT POWER CO., LTD.	56,000	49.1	Generation and wholesale of electricity
KASHIMA KYODO ELECTRIC POWER COMPANY	22,000	50.0	Generation and wholesale of electricity
Kimitsu Cooperative Thermal Power Company, Inc.	8,500	50.0	Generation and wholesale of electricity
KANDENKO CO., LTD.	10,264	46.6	Electrical work for distribution, transmission and other facilities
Kanto Natural Gas Development Co., Ltd.	7,902	26.3	Development and sale of natural gas; production and sale of iodine; sale of brine
Takaoka Electric Mfg. Co., Ltd.	5,906	29.3	Manufacture, machining, repair and sale of electric machinery and appliances
TOKO ELECTRIC CORPORATION	1,452	46.1	Manufacture, repair and sale of electric machinery and appliances
Overseas Business			
TeaM Energy Corporation	12 million US$	0.0*	Philippine IPP
ITM Investment Company Limited	16 thousand US$	0.0*	Investment in Umm Al Nar power generation and water desalination project
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.

Corporate Information

As of March 31, 2011

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
¥900,975,722,050

Number of Employees
38,671 (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
Beijing Office
Unit 1 Level 11, Tower W1, The Towers Oriental Plaza
No. 1 East Chang An Avenue, Dong Cheng District
Beijing 100738, People's Republic of China
Phone: +86-10-8518-7771

Number of Shares of Common Stock Issued and Outstanding
1,607,017,531

Number of Shareholders
933,031

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

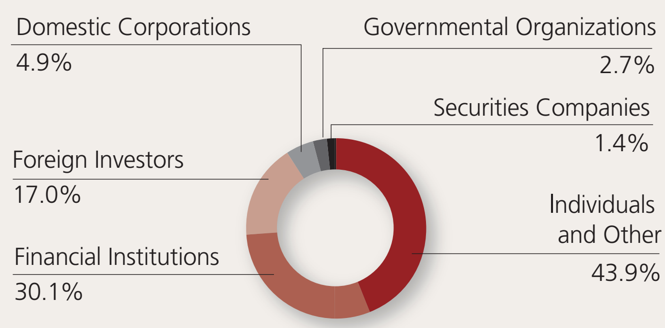
TEPCO Investor Relations Website
http://www.tepco.co.jp/en/corpinfo/ir/top-e.html

Major Shareholders

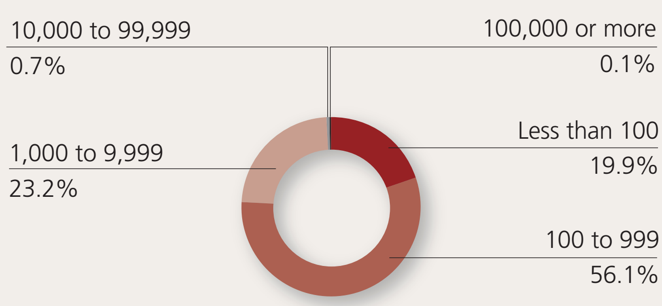
Name	Number of Shares Held (Thousands)
Japan Trustee Services Bank, Ltd. (Trust Account)	57,963
The Dai-ichi Life Insurance Company, Limited	55,001
Nippon Life Insurance Company	52,800
The Master Trust Bank of Japan, Ltd. (Trust Account)	47,949
Tokyo Metropolitan Government	42,676
Sumitomo Mitsui Banking Corporation	35,927
TEPCO Employees' Shareholding Association	24,793
SSBT OD05 OMNIBUS ACCOUNT—TREATY CLIENTS	24,087
Mizuho Corporate Bank, Ltd.	23,791
The Chase Manhattan Bank N.A. London S.L. Omnibus Account	22,267

Breakdown of Shareholders

Shareholdings by Type of Shareholder



Shareholders by Number of Shares Held



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TEPCO

TOKYO ELECTRIC POWER COMPANY

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