Annual Report 2012

Year ended March 31, 2012

TOKYO ELECTRIC POWER COMPANY

Profile

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.

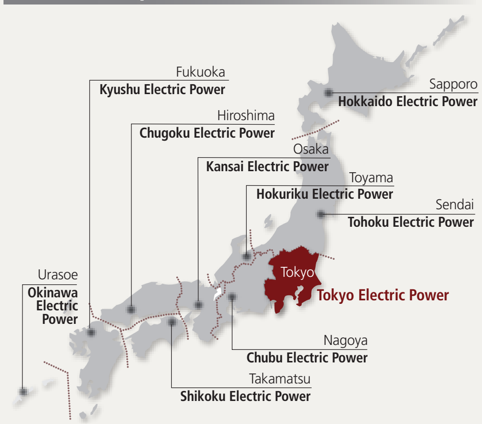
The Tohoku-Chihou-Taiheiyou-Oki Earthquake (the Great East Japan Earthquake), which struck on March 11, 2011, precipitated a number of serious accidents at Fukushima Daiichi Nuclear Power Station.

Since then, TEPCO has seen considerable weakening in its financial standing and income structure due to factors associated with the aforementioned events, such as the recording of substantial expenses and losses and an increase in fuel costs accompanying the suspension of nuclear power generation. TEPCO has been confronting an unprecedented major crisis. Addressing the situation, TEPCO along with the Nuclear Damage Liability Facilitation Fund (NDF) formulated the Comprehensive Special Business Plan, putting together a program of drastic streamlining, management reforms and other steps. In addition, upon TEPCO's request NDF approved a capital injection amounting to ¥1 trillion through the acquisition of shares.

TEPCO shall make every endeavor to realize compensation with empathy and consideration from the viewpoint of those who suffered due to the nuclear power accidents. Together with this, TEPCO will take steady measures for decommissioning nuclear power plants, securing a stable electricity supply and drastically streamlining business management.

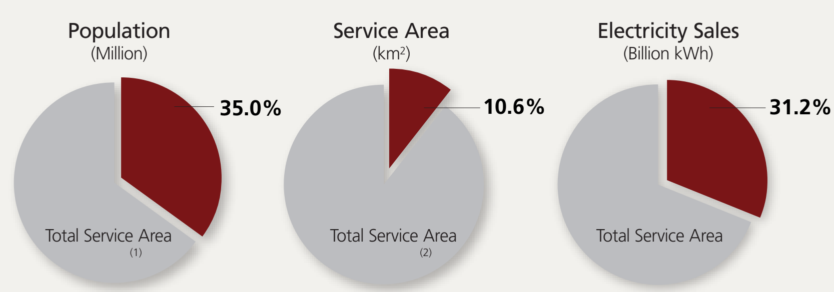
TEPCO Snapshot

Service Areas of Japan's Ten Electric Power Companies



TEPCO's Position in the Japanese Electric Power Industry

(As of March 31, 2012 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, 2012 (prepared by the Statistics Bureau, Ministry of Internal Affairs and Communications.)
2. Source: Hand Book of Electric Power Industry (2011 edition)
3. Electric power companies

CONTENTS

To Our Shareholders and Investors......... 1
Comprehensive Special Business Plan (Outline)......... 2
Board of Directors and Executive Officers 6
Organization Chart......... 7
Major Facilities......... 8
Financial Section......... 9
Major Subsidiaries and Affiliated Companies......... 56
Corporate Information......... 57 (Inside Back Cover)

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.

To Our Shareholders and Investors

Kazuhiko Shimokobe,
Chairman

Naomi Hirose,
President

First of all, we would like to express our deepest apologies to our shareholders and investors as well as the people in the surrounding areas and, indeed, all of society for the trouble and anxiety brought about by the series of accidents at Fukushima Daiichi Nuclear Power Station in 2011.

Even now, over a year after the accidents at the nuclear power station, a number of people are still forced to live as refugees. The large scope of the disaster area and the time needed for reconstruction are evidence of the unprecedented scale of this crisis, the first case of a severe nuclear accident in Japan.

Amid these conditions, we are facing a number of challenging tasks. TEPCO is striving to provide compensation to those afflicted by the accident with courtesy and in an empathetic manner, while decommissioning Fukushima Daiichi Nuclear Power Station, a task that is expected to be a long struggle. Of course, we are working to secure a stable electricity supply for customers during the current suspension of our nuclear power generation. Drawing on every possible measure and resource, we will endeavor to overcome these challenges and ask for the continued support and cooperation of numerous related parties, such as Japanese national and local governments.

On the other hand, TEPCO's financial position and profit structure has been deteriorating in the aftermath of the accidents. Without implementing fundamental measures to improve these factors, it will be difficult for us to meet our obligations to compensate sufferers and complete the decommissioning of Fukushima Daiichi Nuclear Power Station. Addressing these issues, TEPCO formulated the Comprehensive Special Business Plan—which focuses on our tasks and countermeasures, such as drastic streamlining, management reforms and other steps—jointly with the Nuclear Damage Liability Facilitation Fund (NDF). Also, to strengthen its financial position, TEPCO has decided to issue preferred shares by third party allotment, with NDF as allottee. We express our deepest apologies for the relative dilution of our common shares. This will be a further strain that we ask our share holders to bear, in addition to the continuous non-payment of dividends.

Given these circumstances, TEPCO has changed its management structure to that of a company with committees, with the aim of improving management objectivity and transparency. We also renovated the board of directors, establishing a management structure where the majority of the board members are outside directors. Under the new management structure, and with the determination to start again from scratch, TEPCO is strongly committed to drastically streamlining management and maximizing its efforts to regain the trust of people throughout society by fulfilling its compensation obligations and completing the decommissioning while securing a stable electricity supply.

We sincerely ask our shareholders and investors for their understanding amid these extremely severe circumstances and request their continued support for and cooperation with our future efforts.

K. Shimokobe

Kazuhiko Shimokobe, *Chairman*

Naomi Hirose

Naomi Hirose, *President*

Comprehensive Special Business Plan (Outline) 1

Announced May 9, 2012

In tandem with the Nuclear Damage Liability Facilitation Fund (NDF), TEPCO set up the Comprehensive Special Business Plan, which summarized issues to be addressed, including thorough streamlining and management reform as well as countermeasures against those issues. Based on this plan, TEPCO will realize compensation with empathy and consideration from the viewpoint of those who suffered due to the nuclear power accidents. Together with this, TEPCO will take steady measures for decommissioning nuclear power plants, securing a stable electricity supply and drastically streamlining business management.

1. The Guiding Principles of this Plan

(1) Paving the Way Towards Renewed Trust

1) National Issues Spanning the Generations

- The Accident at Fukushima Daiichi Nuclear Power Station was unprecedented in terms of the spread of damage and the length of time needed for restoration. TEPCO sincerely apologizes to the general public for the distress and inconvenience that arose as a result of the accident.
- Speedy compensation payouts, restoration measures such as decontaminating the affected area, reactor decommissioning by combining domestic and international know-how, securing stable & efficient power supply.
  → NDF and TEPCO shall tackle the issues with basic understanding that they are simultaneously facing multiple problems which shall be referred to as "National Issues Spanning the Generations".

2) TEPCO Measures & Stakeholder Support

TEPCO: Clarification of management responsibilities and thorough management streamlining, achieve "Compensation Payouts, Reactor Decommissioning and Stable Power Supply" in accordance with the needs of the afflicted and customers.

National Government: Thorough efforts to reassure local residents of the safety and security in restarting Kashiwazaki-Kariwa Nuclear Power Plant predicated on NDF Act's framework and TEPCO safety measures.

Creating a business environment that allows for stable and efficient fuel procurement, transforming Japan into an energy saving society, expansion of distributed power sources, and so on.

Financial Institutions: Necessary financial support to ensure that TEPCO will be able to execute management streamlining.

Shareholders: Stock dilution, continue to NOT payout dividends, etc.

Municipalities, Energy Companies, Customers, etc.: Achieving understanding, cooperation and goodwill from all relevant parties.

(2) Implementing the Emergency Special Business Plan

1) Compensation Payouts with Courtesy and Compassion, 2) Restoration from the Nuclear Power Accident, 3) Securing Stable Power Supply, 4) Streamlining Present Management

(3) The Organizational Issues TEPCO is Facing

1) Strengthening our financial standing for the smooth implementation of compensation payouts, reactor decommissioning and stable power supply

- Due to asset losses, restoration and fuel costs etc., our financial standing is extremely fragile.
  → NDF's capital injection, obtaining credit from financial Institutions, and minimal electricity rate hikes are necessary.

2) Optimal Electricity Supply Adaptable to a Volatile Business Environment

i) Establishing alliances with outside power suppliers (to rectify power supply deficiencies and enhance power source efficiency)
→ IPP Bids and working together with suppliers to replace and enhance the efficiency of existing thermal power units.

ii) Stable and economical procurement of Fossil Fuels (minimizing risks associated with steady procurement and price increases)
→ Promote alliances with other industries related to fuel procurement to achieve collaborative purchasing and shared operations of fuel facilities.

iii) Meeting Diverse Customer Needs
→ Providing a variety of rate menu options, developing new business in energy management and promoting the installation of smart meters.

3) Optimal Leveraging of Present Management Resources

- Increasing the quality of Power Grids (smart meter installations) and establishing an environment that provides new business opportunities to various industrial players.
- The promotion of know-how in the areas of construction/operations of high efficient power units and high quality grid management has been at a standstill.
  → Global Business Development with other Partners.

4) A New Mindset

"Reluctance to Seek Outside Support", "Over-sectionalism", "Lack of Transparency" and "Unwillingness to Compete", etc.
→ It is of utmost importance that each employee adopts the new mindset so that all efforts will be harmonized and the quality of human resources will be enhanced.

2. The Road Towards Reformation

(1) The Future Direction of the "New TEPCO"

i) Fulfilling Our Responsibilities ii) Promoting a Culture of Openness
iii) Reforming energy service in step with customer and societal expectations

→ Under the new management, TEPCO will further develop its future direction with the mid-level and younger employees who will lead the next generation and make specific plans that engender enthusiastic cooperation throughout the organization.

(2) The Schedule Towards Reformation

May 2012-	April 2013-	Mid 2010's-
"Introduction Period"	"Full-scale Implementation"	"Dissemination Period"

Transition over to a "In-house Company System" and introduce a governance system with a majority of its members recruited from outside of TEPCO (by June 2012)

Strengthening financial standing by receiving a capital injection from NDF and establishing goodwill with financial institutions to ensure access to credit when needed (to be implemented as early as possible from June 2012)

The transition over to an "In-house Company System" which allows for the separation of the Transmission & Distribution Sector, Fuel & Thermal Generation Sector, and the Retail Sector, will allow for the missions, and revenue/cost structure of each of these sectors to be clarified. In addition, alliances will be created with outside business operators (to be implemented in a timely fashion following the latter half of FY 2012)

Full-scale cooperation with outside business operators towards bulk purchases of fuel, joint construction and operation of fuel facilities, replacement of old thermal power stations, etc.

Return to the corporate bond market by returning to profitability and increasing the value of owner equity, etc. (by the middle of the 2010's)

Consider spinning off "in-house companies" into smaller affiliated companies in reflection of power system reformation progress, etc.

Implementation of measures towards stable power supply such as alliances with outside suppliers etc.

Increase of revenue via aggressive participation in overseas business and new retail business development (Minimization of tax payer's burden by paying back the "Contribution".

(* The status of the nuclear power generation business is to be reviewed following government discussion)

Further implementation of management streamlining

(3) Working in Step with Government Reforms

i) Revision of Energy Policy (Reformation of Power System and Nuclear Policy)
ii) Cost for Decommissioning Reactors and Compensation Payouts

→ To continuously implement measures for "compensation, decommissioning and stable supply", the government will be requested to create an additional policy within the framework of the "Law for NDF" in the event that future projections determine that such a policy will be needed to cover the costs of decommissioning and compensation including decontamination.

3. Nuclear Damage Compensation Payouts

(1) The Present Situation of the Nuclear Damage

The reasonable estimated range that TEPCO has come up with by the end of December 2011 for decommissioning costs is 900.2 billion yen. At this stage, it is difficult to estimate the total costs by simply adding up the expenditures for each step. The actual methods shall be determined at each Holding Point (HP) of the Mid-and-Long-Term Roadmap and costs for each item shall be specified.

(2) Future Projections of Necessary Amount of Compensation Payouts

Taking into account the matters such as the development of the Secondary Supplement of the Interim Guideline by the Dispute Reconciliation Committee (March 16), the projected amount of compensation payouts has been increased to 2,546.271 billion yen as a reasonable estimation.

(3) Measures to Achieve Swift & Accurate Compensation Payouts

- TEPCO has made every effort to fulfill "The Five Promises" for the compensation payouts. However, given the ongoing harsh criticism, we will further strengthen our efforts to more effectively meet expectations.
- NDF will monitor the implementation of expert consultation visits and compensation payouts, and will demand for improvements as appropriate.

Comprehensive Special Business Plan (Outline) 2

4. TEPCO's Business Operation Plan

(1) Principle Business Philosophy (TEPCO will implement the following actions based on a direction of "New TEPCO.")

- TEPCO will thoroughly implement "Compensation Payouts with Courtesy and Compassion", "Steady Reactor Decommissioning", "Capping Electricity Rate Hikes"and "Stable Power Supply and Facility Safety" while executing thorough management streamlining efforts.
- TEPCO will implement "the swift dissemination of easy-to-understand information to the afflicted, customers and broader society", "Open-door management policy", "Governance and Organizational reform", and "Procurement reforms." Simultaneously, TEPCO will instill a new "New Mindset" into its employees that will serve as the impetus to achieving the aforementioned reforms.
- In responding to various customer needs and shifting to a more competitive and alliance-based business model, TEPCO will reform its energy services.

(2) Management Streamlining Measures

Phase I: Routine Streamlining Reduce routine expenditures and sell off non-electricity business assets etc.

Phase II: Structural Streamlining Management streamlining by implementing in-depth structural reforms such as reducing mid-to-long term facility investments and reforming the cost structures in subsidiaries/affiliated companies.

Phase III: Strategic Streamlining Promote strategic measures to cut fuel costs such as replacing aging thermal power plants and teaming up with other companies in procuring fuel and follow-up operations.

- Costs will be reduced by over 3,365 billion yen from FY2012 to FY2021, including an additional cost reduction of 656.5 billion yen besides the target listed in the "Emergency Special Business Plan".
- From FY 2012 to 2021, curtail investments of over 934.9 billion yen higher than the figure at the time "The Emergency Special Business Plan" was developed.
- Sell off 707.4 billion yen of assets in principle within 3 years, and maximize acceleration of asset disposals. (Sell off more than 80% of the items listed in the planned sales target by FY2012.)

(¥ billion)

Procurement expenses of materials and services	Encourage competitive bidding, review the transaction structures and order methods with business entities not affiliated with TEPCO	664.1
Power purchase and fuel expenses	Reduction of fuel prices, application of efficient power sources, reduction of power purchase expenses	198.6
Personnel expenses	Personnel reductions, reduction of salaries and bonuses, revision of the retirement benefit scheme/ benefit programs	1,275.8
Other expenses	Stop system outsourcing, reduce other expenses (donations, etc.), reduce promotion/ advertising costs	968.7
Facility Investments	Implement demand control measures, procure power sources from outside via a bidding process for all new and replacement thermal power development projects.	257.8
Total		3,365.0

(¥ billion)

Real estate	247.2
Securities	330.1
Affiliates	130.1
Total	707.4

(3) Business Reforms

1) Stabilizing Economical Fuel Supply & Optimizing Efficiency of Thermal Power Supplies through alliance etc

i) Raising efficiency of thermal power generation

a) Approach to raising efficiency

→ Given the current impact that LNG cost fluctuations directly have on financial results, we should improve the aforementioned issues by promoting alliances with outside corporations. Enhancing thermal power generation efficiency is an especially important issue. It is necessary to raise efficiency by replacing old facilities in consideration of the supply-demand balance.

b) IPP bid tenders and promoting replacements in alliance with other business operators

→ In order to suppress facility investments, in principle, we will hold bid tenders for all new development or replacement thermal power generation facility projects minus presently ongoing investments. We will move forward to sell or lease our assets to other business operators and hold them responsible for the facility replacements instead of us. We will also encourage establishing and utilizing SPC.

ii) Strategic Business Development to Stabilize Economical Fuel Procurement

a) Cost reductions by reviewing fuel receiving operations

b) Co-construction and co-operation of fuel related facilities

c) Coordination and consolidation in fuel procurement and diversification of procurement sources etc.

iii) Utilization of facility operation know-how in emerging nations etc.

2) Increasing neutrality and transparency of the transmission and distribution department

i) Achieving Enhanced Neutralization & Thorough Transparency

a) Being open to the utilization of other enterprise's power source facilities (increase neutrality in the development of our power system)

b) Executing a rigid distinction between the revenue maximized in the generation sector and ancillary service costs minimized for the development of the whole power system (increase neutrality in our power system operations)

c) In light of the fact that demand Nega-watt transactions and the incorporation of dispersed power sources such as Photovoltaic Generation will be increased, transactions between the Transmission/Distribution Sector and Retail Sector will be started. (enhance efficiency in the development of our power system)

ii) Verification of Power Grid Development
iii) Expansion of domestic and international open procurement/introduction of smart meters

3) Retail Business Development

i) Control peak demand by rewarding electricity saving efforts
→ Provide a variety of rate menu options and create new business models in alliance with outside business partners
ii) Executing new services and businesses that meet customer needs.
iii) Developing new residential services etc. utilizing smart meters.

(4) A New Mindset

1) Moving in a New Direction

2) Three Ways to Transform our Vision into a Reality

i) Governance Reforms: Change to a "Company with Committees" structure

→ The Board of Directors, which is mainly comprised of outside members, will be instrumental in the development of important corporate strategies and operations supervision. Reduce the number of board members. Establish a Staff Department consisting of staff seconded from NDF and TEPCO's mid-career staff who will be under the direct supervision of the chairman and president.

ii) Organization Reforms: Adopt a "In-house Company System."

→ The Fuel and Thermal Generation Sector will be transformed into an In-house Company in the latter half of FY2012. The Transmission & Distribution Sector and Retail Sector will be transformed into an In-house Company in April 2013. Over the mid term, we will consider new measures such as spinning off some in-house companies into separate group companies or changing TEPCO's present corporate structure into a holding company in step with reform progress and future power system policy changes.

iii) Personnel System Reforms: Introduction of a new personnel-system

(5) Strengthening our Financial Standing

1) Requests to Financial Institutions: Lenders to maintain TEPCO's credit line via refinancing etc. and provide additional credit up to approx. 1 trillion yen including the financing in the recovery plan.

2) NDF's Capital Injection: Upon 1 trillion yen capital injection, NDF will acquire a majority stake of TEPCO voting rights (temporary government control). Furthermore, NDF will potentially have over a 2/3's stake via their additional holdings in "Convertible class shares without Voting Rights."

3) Requests to our Shareholders: Support the bill to receive NDF's capital injection, agree on no dividends for the time being.

4) Supply-Demand & Income/Expenditure Projections

i) Supply-Demand projection: Secure a proper reserve margin via the installation of additional emergency power units and the promotion and development of demand-side control measures.

ii) Electricity Rate Revision: After this plan is approved, the electricity rate revision (which is kept to minimum) will be proposed to the Minister of Economy, Trade and Industry. Clear and thorough explanation will be provided to customers along with the new rate menu.

iii) Income/Expenditures: Income/Expenditures plan will be set for the period from March 2013 to March 2015. The plan set for March 2016 to March 2016 is provided as reference.

(6) Clarifying Management Responsibilities

All the Directors and Auditors will retire and most of the members will not be reappointed. Those eligible for retirement remuneration (including already retired board members who have not yet received their remuneration) have decided to forgo these payments. The "Advisor System" was abolished at the end of March this year.

(7) Ensuring Implementation of the Special Business Plan

Following the approval of the new organization at the Shareholders Meeting in June 2012, the new management will be responsible for implementing this Plan with the support of NDF who will also monitor progress.

5. Assets & Budget Evaluation*

6. Financial Aid

NDF's financial support in response to the compensation payouts will be 2,426.271 billion yen. The necessary compensation amount is 2,546.271 billion yen and 120 billion yen already received based on the Act of Compensation for Nuclear Damage is deducted.
NDF will implement a capital injection (total paid amount of 1 trillion yen)

7. NDF's Present Financial Situation*

* Mainly covers items related to NDF's business operation/management.

Board of Directors and Executive Officers

As of June 27, 2012

BOARD OF DIRECTORS (*Outside director)

CHAIRMAN, AUDIT COMMITTEE CHAIR, NOMINATING COMMITTEE AND COMPENSATION COMMITTEE

Kazuhiko Shimokobe* (Lawyer)

Apr. 1974	Lawyer (Current)
Apr. 2007	Chairman of the Tokyo Bar Association; Vice-President of the Japan Federation of Bar Associations(Until March 2008)
May 2011	Chair of the TEPCO Management and Finance Investigation Committee (Until October 2011)
Oct. 2011	Chair of Steering Committee of the Nuclear Damage Liability Facilitation Fund (Until June, 2012)
June 2012	Chairman (Current)

DIRECTOR AND NOMINATING COMMITTEE

Naomi Hirose

Apr. 1976	Joined TEPCO
June 2006	Corporate Officer; General Manager, Marketing & Customer Relations Department
June 2007	Corporate Officer; Deputy General Manager, Marketing & Sales Division
June 2008	Corporate Officer; General Manager, Kanagawa Branch Office
June 2010	Managing Director
Mar. 2011	Managing Director; Deputy General Manager, Fukushima Nuclear Influence Response Division
June 2012	President (Current)

DIRECTOR

Hiroshi Yamaguchi

DIRECTOR

Yoshihiro Naito

DIRECTOR AND NOMINATING COMMITTEE

Takashi Shimada

DIRECTOR AND AUDIT COMMITTEE

Masanori Furuya

DIRECTOR AND NOMINATING COMMITTEE CHAIR

Fumio Sudo* (Advisor, JFE Holdings, Inc.)

DIRECTOR AND COMPENSATION COMMITTEE CHAIR

Kimikazu Noumi*

(Representative Director & President, Innovation Network Corporation of Japan)

DIRECTOR AND NOMINATING COMMITTEE

Yoshimitsu Kobayashi*

(Representative Director, President & Chief Executive Officer, Mitsubishi Chemical Holdings Corporation)

DIRECTOR AND AUDIT COMMITTEE

Takao Kashitani* (Certified Public Accountant)

DIRECTOR AND COMPENSATION COMMITTEE

Yoshiaki Fujimori*

(Director, Representative Executive Officer, President & CEO, JS Group Corporation [Current: LIXIL Group Corporation])

Executive Officers (**Concurrently serving as a director)

PRESIDENT

Naomi Hirose**

EXECUTIVE VICE PRESIDENTS

Hiroshi Yamaguchi**

General Manager of Power Network Division
(General Management, Engineering Dept, Construction Dept.)

Yoshihiro Naito**

General Manager of Fukushima Nuclear Influence Response Division
(General Management, Inter-corporate Business Dept., Employee Relations & Human Resources Dept.)

Zengo Aizawa

General Manager of Nuclear Power and Plant Siting Division
(General Management)

MANAGING EXECUTIVE OFFICERS

Akio Komori

Deputy General Manager of Nuclear and Plant Siting Division; General Manager of Fukushima Daiichi Stabilization Center

Toshihiro Sano

(International Affairs Dept., Thermal Power Dept., Fuel Dept.)

Yoshiyuki Ishizaki

Deputy General Manager of Fukushima Nuclear Influence Response Division; Deputy General Manager of Nuclear Power and Plant Siting Division

Kazuhisa Kataoka

General Manager of Customer Relations Division

Mamoru Muramatsu

Co-Secretary General of Management Restructuring Division;
(Corporate Planning Dept., Corporate System Dept., Corporate Communications Dept., Gas Business Company)

Tsunemasa Niitsuma

Deputy General Manager of Fukushima Nuclear Influence Response Divison (stationed in Fukushima); Deputy General Manager of Nuclear Power and Plant Siting Division

Akira Takahashi

(Accounting and Treasury Dept., Materials and Procurement Dept., Nuclear Quality Management Dept.)

Toshiro Takebe

General Manager of Engineering Research and Development Division; Deputy General Manager of Power Network Division
(Electric Telecomunications Dept.; Internal Audit and Management of Quality and Safety Dept.)

Yuji Masuda

(Environment Dept., Corporate Affairs Dept., Real Estate Acquisition and Management Dept., TEPCO General Training Center)

EXECUTIVE OFFICERS

Takashi Shimada**

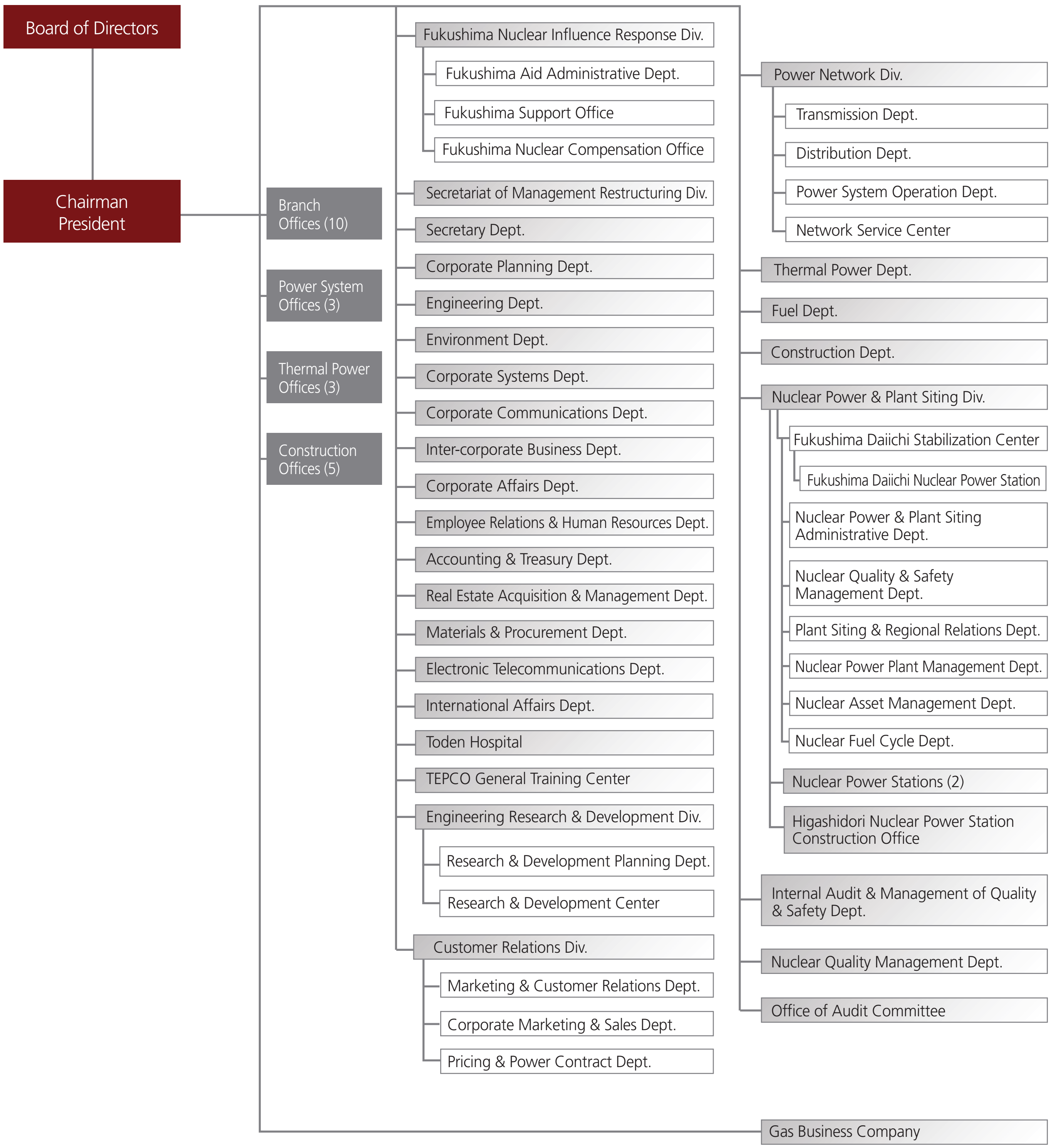
Head of TEPCO-NDF Liaison Office; Assistant of Chairman; Co-Secretary General of Management Restructuring Division

Masafumi Yokota

Vice Head of TEPCO-NDF Liason Office; Deputy Secretary General of Management Restructuring Division

Organization Chart

As of July 1, 2012



Major Facilities

As of March 31, 2012

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)		**8,982**	

*Pumped storage

Thermal Power

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

Station Name	Location	Output (MW)	Fuel
Ohi	Tokyo	1,259	Crude oil and city gas
Shinagawa	Tokyo	1,140	City gas
Yokosuka	Kanagawa Pref.	2,604	Heavy oil, crude oil, light oil and city oil
Kawasaki	Kanagawa Pref.	1,628	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.	3,548	LNG
Goi	Chiba Pref.	1,886	LNG
Anegasaki	Chiba Pref.	3,606	LNG, heavy oil, crude oil, LPG, NGL and light oil
Sodegaura	Chiba Pref.	3,712	LNG
Futtsu	Chiba Pref.	5,040	LNG
Kashima	Ibaraki Pref.	4,400	Heavy oil and crude oil
Hitachinaka	Ibaraki Pref.	1,000	Coal and light oil
Hirono	Fukushima Pref.	3,800	Heavy oil, crude oil and coal
Total thermal power output (All facilities)		**40,148**	

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**	

**Due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake (the Great East Japan Earthquake), which struck on March 11, 2011, the operations of all the units in Fukushima Daiichi and Daini Nuclear Power Stations have been suspended. In addition, units 1-4 of Fukushima Daiichi Nuclear Power Station (Maximum output in total: 2,812MW) were officially removed from TEPCO's power generation facility listing on April 19, 2012 in accordance with article 9 of the Electricity Business Act.

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 10

Financial Review 12

Consolidated Financial Statements 20

Notes to Consolidated Financial Statements 26

Independent Auditor's Report 54

Consolidated 11-Year Summary

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries

	2012	2011	2010	2009
Years ended March 31:				
Operating revenues	**¥ 5,349,445**	¥ 5,368,536	¥ 5,016,257	¥ 5,887,576
Operating (loss) income	**(272,513)**	399,624	284,443	66,935
Income (loss) before income taxes and minority interests	**(753,761)**	(766,134)	223,482	(99,574)
Net (loss) income	**(781,641)**	(1,247,348)	133,775	(84,518)
Depreciation and amortization	**686,555**	702,185	759,391	757,093
Capital expenditures	**750,011**	676,746	640,885	695,981
Per share of common stock (Yen and U.S. dollars):				
Net (loss) income (basic)	**¥ (487.76)**	¥ (846.64)	¥ 99.18	¥ (62.65)
Net income (diluted) (Note 3)	**—**	—	99.18	—
Cash dividends	**—**	30.00	60.00	60.00
Equity	**491.22**	972.28	1,828.08	1,763.32
As of March 31:				
Total net assets (Note 4)	**¥ 812,476**	¥ 1,602,478	¥ 2,516,478	¥ 2,419,477
Equity (Note 5)	**787,177**	1,558,113	2,465,738	2,378,581
Total assets	**15,536,456**	14,790,353	13,203,987	13,559,309
Interest-bearing debt	**8,320,528**	9,024,110	7,523,952	7,938,087
Number of employees	**52,046**	52,970	52,452	52,506
Financial ratios and cash flow data:				
ROA (%) (Note 6)	**(1.8)**	2.9	2.1	0.5
ROE (%) (Note 7)	**(66.7)**	(62.0)	5.5	(3.4)
Equity ratio (%)	**5.1**	10.5	18.7	17.5
Net cash (used in) provided by operating activities	**¥ (2,891)**	¥ 988,710	¥ 988,271	¥ 599,144
Net cash used in investing activities	**(335,101)**	(791,957)	(599,263)	(655,375)
Net cash (used in) provided by financing activities	**(614,734)**	1,859,579	(495,091)	194,419
Other data (Non-consolidated):				
Electricity sales (million kWh)				
Electricity sales for lighting	**95,797**	103,422	96,089	96,059
Electricity sales for power (Note 8)	**11,160**	12,174	11,393	11,905
Electricity sales to eligible customers (Note 8)	**161,273**	177,790	172,686	180,992
Total	**268,230**	293,386	280,167	288,956
Power generation capacity (thousand kW) (Note 9):				
Hydroelectric	**8,982**	8,981	8,987	8,986
Thermal	**40,148**	38,696	38,189	37,686
Nuclear	**17,308**	17,308	17,308	17,308
Renewable energy, etc.	**34**	4	4	1
Total	**66,472**	64,988	64,487	63,981
Nuclear power plant capacity utilization rate (%)	**18.5**	55.3	53.3	43.8

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 ¥82.13 to US$1.00 prevailing on March 30, 2012.
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 yen, unless otherwise noted							Millions of U.S. dollars, unless otherwise noted (Note 1)
2008	2007	2006	2005	2004	2003	2002	2012
¥ 5,479,380	¥ 5,283,033	¥ 5,255,495	¥ 5,047,210	¥ 4,853,826	¥ 4,919,109	¥ 5,220,578	**$ 65,134**
136,404	550,911	576,277	566,304	489,004	521,406	658,933	**(3,318)**
(212,499)	496,022	473,832	372,814	255,309	265,170	312,414	**(9,178)**
(150,108)	298,154	310,388	226,177	149,550	165,267	201,727	**(9,517)**
772,460	751,625	824,041	847,505	889,955	922,357	953,437	**8,359**
664,295	574,687	623,726	561,206	663,967	706,656	995,842	**9,132**
¥ (111.26)	¥ 220.96	¥ 229.76	¥ 167.29	¥ 110.53	¥ 122.08	¥ 149.11	**$ (5.94)**
—	—	—	—	110.32	121.33	147.89	**—**
65.00	70.00	60.00	60.00	60.00	60.00	60.00	**—**
1,967.03	2,248.34	2,059.52	1,853.52	1,748.06	1,662.38	1,612.97	**5.98**
¥ 2,695,455	¥ 3,073,778	¥ 2,815,424	¥ —	¥ —	¥ —	¥ —	**$ 9,893**
2,653,762	3,033,537	2,779,720	2,502,157	2,360,475	2,245,892	2,181,983	**9,585**
13,679,055	13,521,387	13,594,117	13,748,843	13,900,906	14,177,296	14,578,579	**189,169**
7,675,722	7,388,605	7,840,161	8,261,717	8,765,175	9,076,289	9,564,914	**101,309**
52,319	52,584	51,560	53,380	51,694	52,322	53,704	**—**
1.0	4.1	4.2	4.1	3.5	3.6	4.5	**—**
(5.3)	10.3	11.8	9.3	6.5	7.5	9.6	**—**
19.4	22.4	20.4	18.2	17.0	15.8	15.0	**—**
¥ 509,890	¥ 1,073,694	¥ 935,622	¥ 1,411,470	¥ 1,147,591	¥ 1,406,300	¥ 1,464,181	**$ (35)**
(686,284)	(550,138)	(615,377)	(577,503)	(693,871)	(863,797)	(905,453)	**(4,080)**
188,237	(514,885)	(350,193)	(785,600)	(451,371)	(573,761)	(558,182)	**(7,485)**
97,600	93,207	95,186	92,592	86,926	89,354	85,080	
12,785	12,631	13,499	78,239	114,772	116,551	115,354	
187,012	181,784	179,969	115,910	74,314	75,997	75,106	
297,397	287,622	288,655	286,741	276,012	281,902	275,540	
8,985	8,993	8,993	8,521	8,520	8,520	8,519	
36,179	35,533	35,536	36,995	36,831	34,548	34,548	
17,308	17,308	17,308	17,308	17,308	17,308	17,308	
1	1	1	1	1	1	1	
62,473	61,835	61,837	62,825	62,660	60,377	60,375	
44.9	74.2	66.4	61.7	26.3	60.7	80.1	

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, 2012

Business Results

In the fiscal year ended March 31, 2012, operating revenues decreased 0.4 percent year on year to ¥5,349.4 billion and operating loss amounted to ¥272.5 billion, a turnaround from operating income of ¥399.6 billion in the previous fiscal year.

On the other hand, extraordinary income stood at ¥2,516.8 billion. This included grants-in-aid from the Nuclear Damage Liability Facilitation Fund amounting to ¥2,426.2 billion, gains on fixed assets sold amounting to ¥41.6 billion and profit on securities sold amounting to ¥49.0 billion. These gains and profit were attributable to TEPCO's asset sales efforts.

Extraordinary loss, totaling ¥2,867.8 billion, included ¥297.8 billion in extraordinary loss recorded due to restoration expenses for assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, a ¥2,524.9 billion payment of compensation for damage caused from the nuclear accidents, and a ¥45.1 billion loss on securities sold.

As a result, TEPCO recorded net loss of ¥781.6 billion, compared with net loss of ¥1,247.3 billion in the previous fiscal year.

Segment Results

Electric Power Business Segment

Due to customer cooperation in helping TEPCO save electricity and the impact of a decline in production activities, electricity sales decreased 8.6 percent from the previous fiscal year to 268.2 billion kWh, with all types of electricity usage declining compared with the previous fiscal year.

By demand type, electricity sales for lighting decreased 7.4 percent to 95.8 billion kWh, the electricity sales for power decreased 8.3 percent to 11.2 billion kWh, and electricity sales to eligible customers decreased 9.3 percent to 161.3 billion kWh compared with the previous fiscal year.

On the revenue side, operating revenues decreased 1.4 percent from the previous fiscal year to ¥4,995.6 billion due to the decrease in electricity sales.

On the expense side, operating expenses increased 12.9 percent year on year to ¥5,319.3 billion. This was mainly attributable to a considerable increase in fuel expenses due to such reasons as hikes in fuel prices and an increase in fuel purchases due to a decrease in power normally supplied from nuclear power stations.

Consequently, operating loss in the electric power business segment amounted to ¥323.7 billion, a turnaround from operating income of ¥354.1 billion in the previous fiscal year.

Other Business Segments

In other business segments, operating revenues increased 2.7 percent year on year to ¥652.1 billion. This was attributable to a sales increase in the energy and environment business segment. On the other hand, operating expenses increased 2.0 percent to ¥602.1 billion, due to such factors as increased expenses in the energy and environment business segment. Consequently, operating income increased 12.8 percent year on year to ¥49.9 billion.

In addition, TEPCO has changed its business segmentation for reporting from the fiscal year under review.

Net Loss

Loss before income taxes and minority interests in the fiscal year under review stood at ¥753.7 billion. The main factors helping to decrease loss before income taxes and minority interests included a ¥2,426.2 billion of grants-in-aid by the Nuclear Damage Liability Facilitation Fund, as well as extraordinary income recorded due to gains on fixed assets sold amounting to ¥41.6 billion and profits on securities sold amounting to ¥49.0 billion as a result of assets sales.

The main factors helping to increase loss before income taxes and minority interests were an extraordinary loss recorded due to restoration expenses for assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake totaling ¥297.8 billion, payment of compensation for damage caused by the nuclear accidents amounting to ¥2,524.9 billion and a loss on securities sold amounting to ¥45.1 billion.

For the fiscal year under review, TEPCO recorded income taxes of ¥19.0 billion, income taxes—deferred of ¥3.7 billion, and minority interests of ¥5.0 billion.

As a result, net loss for the fiscal year under review totaled ¥781.6 billion. Net loss per share stood at ¥487.76.

Financial Policy

Due to the occurrence of the series of accidents at the Fukushima Daiichi Nuclear Power Station caused by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, TEPCO's financial standing and income structure have been impaired. The aforementioned events have caused TEPCO to record substantial expenses and losses as well as an increase in fuel costs accompanying the suspension of nuclear power generation. Accordingly, TEPCO's independent fund procurement capability has declined significantly.

Because of this, TEPCO is scheduled to receive investment from the Nuclear Damage Liability Facilitation Fund (hereinafter the "Fund") in accordance with the Comprehensive Special Business Plan (hereinafter the "Plan") approved by the minister in charge on May 9, 2012.

Based on the Plan, TEPCO asked all correspondent financial institutions to maintain existing credit lines through refinancing and requested the financial institutions through which it repaid its debt during the period from March 11 to September 30, 2011 to extend its finance loans equal to the repaid amounts. Moreover, TEPCO requested principal financial institutions to provide additional credit including the said finance loans.

With its paid-in capital strengthened by the Fund as well as with the support and cooperation of financial institutions, TEPCO is working to further augment its financial position so that it may recover the independent fund procurement capability it used to have and ultimately achieve its aim of returning to the bond market.

The TEPCO Group has adopted a group financial system to improve the fund raising efficiency of TEPCO Group members.

Cash Flow

Cash and cash equivalents at the end of the fiscal year under review decreased 43.2 percent, or ¥952.3 billion from the previous fiscal year, to ¥1,253.8 billion.

Net cash used in operating activities amounted to ¥2.8 billion, a turnaround from net cash provided of ¥988.7 billion in the previous fiscal year. This was mainly attributable to an increase in purchases of fuel for thermal power.

Net cash used in investing activities decreased 57.7 percent year on year to ¥335.1 billion due mainly to an increase in proceeds from long-term investments.

Net cash used in financing activities amounted to ¥614.7 billion, a turnaround from net cash provided of ¥1,859.5 billion in the previous fiscal year. This was mainly attributable to a decrease in proceeds from long-term loans.

Capital Expenditures

During the fiscal year ended March 31, 2012, TEPCO reduced its capital expenditures to the minimum level required to maintain a stable electricity supply. However, due to expenses associated with the restoration of assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake and the installation of new power sources as a countermeasure against the potential shortage of electricity supply capability at the time of emergencies, consolidated capital expenditures stood at ¥750.0 billion in the fiscal year under review.

By segment, capital expenditures, including intercompany transactions, amounted to ¥671.4 billion in the electric power business segment and ¥81.6 billion in the other business segments (¥29.7 billion in the information and telecommunications business segment; ¥19.7 billion in the energy and environment business segment; ¥20.0 billion in the living environment and lifestyle-related business segment; and ¥12.1 billion in the overseas business segment).

Assets, Liabilities and Net Assets

As of March 31, 2012, total assets increased ¥746.1 billion year on year to ¥15,536.4 billion, largely reflecting the recording of higher receivables due to grants-in-aid from the Nuclear Damage Liability Facilitation Fund.

Total liabilities increased ¥1,536.1 billion from the previous fiscal year-end to ¥14,723.9 billion. This was mainly attributable to recording of reserve for nuclear damage compensation.

Net assets decreased ¥790.0 billion from the previous fiscal year-end to ¥812.4 billion. This was mainly attributable to a decrease in retained earnings due to the recording of net loss.

Consequently, the equity ratio decreased 5.4 percentage points to 5.1 percent from 10.5 percent in the previous fiscal year.

Dividend Policy

TEPCO recognizes sharing corporate profits with shareholders as one of its primary tasks. However, due to an ongoing severe management environment and state of its financial position since the Tohoku-Chihou-Taiheiyou-Oki Earthquake, TEPCO has suspended the application of its basic dividend policy.

Currently, TEPCO's Articles of Incorporation stipulates that the interim dividend may be paid upon the determination of the Board of Directors. Until now, TEPCO has maintained a basic policy of paying both an interim and a fiscal year-end dividend. The interim dividend is determined by the Board of Directors, the fiscal year-end dividend at TEPCO's Annual General Meeting of Shareholders.

Going forward, a new dividend policy may be considered, subject to TEPCO's financial position in the future.

For the year ended March 31, 2012, TEPCO incurred substantial losses, caused by the decrease in the volume of nuclear power generation, hikes in fuel prices and thus increased fuel expenses along with a loss on disaster associated with the restoration of assets damaged due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake. In consideration of this, TEPCO had to temporarily suspend the payment of both the interim and the year-end dividends.

For the year ending March 31, 2013, TEPCO plans to again suspend the payment of the interim and year-end dividends, given the prospect of an ongoing severe management environment and the state of TEPCO's financial position.

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 28, 2012.

(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 the Group has systematically been working toward the early conclusion of the situation caused by the accidents based on this Roadmap. As a result, in December 2011, Headquarters for Nuclear Disaster Response of the Government declared that the nuclear reactors have reached the state of cold shutdown, and that the situation caused by accidents at the Fukushima Daiichi Nuclear Power Station per se were brought to close. Following this, TEPCO formulated the Mid-and-long-Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Units 1-4, TEPCO (hereafter "Mid-and-long-Term Roadmap"), and have since been advancing decommissioning and other work at the said four units. However, with a number of unprecedented technical difficulties to be dealt with, there is a possibility that the work may not progress exactly as set out in the Mid-and-long-Term 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 and recorded this amount as an extraordinary loss for fiscal 2011 and 2012. 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 Act (hereafter the "Compensation Act") (effective on June 17, 1961; Act 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.

In response, the Governmental Supporting Scheme for the Damages Caused by Nuclear Accidents (May 13, 2011) was officially announced based on the said Act, and the Act concerning Formation of a Nuclear Damage Liability Facilitation Fund (August 10, 2011; hereafter the "Fund

Act") was enacted subsequently.

Following this, TEPCO filed a request to the Nuclear Damage Liability Facilitation Fund (hereafter the "Fund") for financial support based on the Fund Act. Working together with the Fund, the Company requested the Government to approve its Emergency Special Business Plan. The approval was granted on November 4, 2011, by the minister in Charge, and the decision was made to provide financial support to TEPCO through the Fund. Later, the Company revised its estimate of the compensation payment and, subsequently, requested the Fund to revise the amount of financial support. The Company submitted a request to the minister in charge for permission to revise the Plan. The revision was approved on February 13, 2012, and the Fund revised the amount of financial support to be granted to TEPCO.

TEPCO then once again revised its estimate of the compensation payment following the compilation of the "Secondary Supplement of the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO (Losses due to the revision of the evacuation area per the government)" (March 16, 2012) by the Dispute Reconciliation Committee for Nuclear Damage Compensation, and requested that the Fund again revise the amount of financial support. Simultaneously, in order to be fully prepared to pay compensation in a prompt and appropriate manner, mobilize all resources for the steady decommissioning of the Units 1 through 4 of Fukushima Daiichi Nuclear Power Station, and to ensure a stable electricity supply, TEPCO requested the Fund to underwrite the Company's shares for the purpose of strengthening the financial foundation for the early recovery of independent financing ability. Also, to fundamentally reform the business model from a medium- to long-term viewpoint, TEPCO worked with the Fund to revise the Emergency Special Business Plan and submitted a request for approval of the Comprehensive Special Business Plan to the minister in charge, which was granted on May 9, 2012. Accordingly, the Company was notified of the decision on the financial assistance package, including the underwriting of TEPCO shares (1 trillion yen to be paid in total) by the Fund. Moreover, given the significant deterioration of TEPCO's profit structure due to the suspension of nuclear power stations and increased dependence on thermal power sources, the Company will do its utmost to cut costs by implementing thorough economization based on the said Plan. However, even with the thorough cost-cutting efforts as explained, it is difficult to entirely offset the increase in fuel and other costs.

At the present rates charged for electricity, there is a risk that we will not be able to recover our independent financing ability, which would further undermine our financial foundation. This may limit our ability to pay compensation in a prompt and appropriate manner, steadily decommission nuclear reactors, and provide a stable electricity supply. TEPCO believes that the Company has no choice but to ask customers, with sincere apology, to accept the minimum range of electricity rate hike, to prevent such contingencies from occurring. On May 11, 2012, the Company submitted a request to the minister in Charge for permission to revise the electricity rates based on the Electricity Business Act, on the condition that we work to obtain the understanding of our customers.

TEPCO will work to fundamentally reform the Company's business model based on the aforementioned Plan. It will also do its utmost to meet the challenges of realizing prompt and appropriate compensation, steady decommissioning, and the securing of a stable electricity supply, while receiving support based on the Fund Act. Nevertheless, for the implementation of the Plan, the Company must have its shares underwritten by the Fund, provided that the Fund approves the underwriting of the said shares under the agreed conditions, after necessary resolutions are passed at the general shareholders' meeting. The Company must also obtain the approval of the Minister to revise the electricity rates. In light of these factors, significant uncertainty remains at this moment concerning the preconditions for business continuity.

(3) Underwriting of TEPCO shares by the Fund

At the Board of Directors meeting held on May 21, 2012, TEPCO made a decision to issue preferred shares to be allotted to the Fund (Type-A Preferred Shares and Type-B Preferred Shares: both are hereafter collectively referred to as "Preferred Shares"). At the regular shareholders meeting held on June 27, 2012, TEPCO obtained the approval of the shareholders to increase the number of shares issuable, which will, in turn, enable the issuance of Preferred Shares. The issuance of Preferred Shares will be done on the condition that the necessary procedures for the said issuance are completed, and that none of the said procedures are nullified.

Other conditions for undertaking of Preferred Shares by the Fund include the non-existence of factors that negatively affect the implementation of the Comprehensive Special Business Plan by TEPCO.

Type-A Preferred Shares are accompanied by voting rights exercisable at general shareholders' meetings as well as put options to acquire Type-B Preferred Shares and common shares. Type-B Preferred Shares are not accompanied by voting rights exercisable at general shareholders' meetings, except when specially provided for by law, but are accompanied by put options to acquire Type-A Preferred Shares and common shares.

When the Fund assumes ownership of Preferred Shares, the value of the existing shares will be diluted and the Fund will acquire more than one half of the shareholder voting rights. There is the possibility that the Fund's exercise of voting rights at general shareholders meeting may affect TEPCO's business operations.

Also, once it has acquired the Preferred Shares, the Fund may exercise the put options to use Type-B Preferred Shares to acquire Type-A Preferred Shares or exercise the put options to acquire common shares, and this may further dilute the value of existing shares. In particular, when put options are exercised to acquire common shares, the resulting dilution of share value may lead to a drop in TEPCO's share prices. If the Fund sells the said common shares, this may further affect TEPCO's share prices depending on the market environment at that time.

(4) Stable Supply of Electric Power

Due to the effects of Tohoku-Chihou-Taiheiyou-Oki Earthquake, all the units of TEPCO's Fukushima Daiichi and Daini Nuclear Power Stations and Kashiwazaki-Kariwa Nuclear Power Station suspended operations, bringing down our supplying capacity. TEPCO is addressing this situation by building new gas turbine power generation facilities to secure electricity supply. On top of instituting supply-side countermeasures, the Company is currently making 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 rolling 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 rolling 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.

(5) Nuclear Power Generation, Nuclear Fuel Cycle

In the period since the nuclear accidents, the Government of Japan has been revising its nuclear power policy. Depending on the outcome of this revision, 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 in accordance with the directives of the Minister of Economy, Trade and Industry while making further efforts to ensure safety. However, it is possible that the operation schedule may be affected or altered due to natural disasters, systemic failures, extensions of regular inspections, the outcomes of stress tests and delays in disaster recovery, 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 spent 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.

(6) Business and Environmental Regulations

Revisions in Japan's energy policy, including changes in the structure of the electric power business, and changes in the regulatory environment surrounding the TEPCO Group, 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.

(7) 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, the progress of power-saving and energy conservation measures may also affect sales. These issues could affect the TEPCO Group's results and financial condition.

(8) 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 impact the Group's performance and financial condition and disrupt smooth operations.

(9) Movements in Financial Markets

The TEPCO Group holds domestic and foreign stocks and bonds in its pension plan assets and other portfolios. Changes in the value of these holdings due to issues 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.

(10) Price of Fuel for Thermal Power Generation

The prices for liquefied natural gas (LNG), crude oil, coal and other fuels for thermal power generation change according to factors 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.

(11) 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.

(12) 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.

(13) 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.

(14) 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

With regard to the nuclear damage caused by a series of accidents at Fukushima Daiichi Nuclear Power Station due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake, TEPCO shall accept liability if such damage meets requirements stipulated in the Nuclear Damage Compensation Act (Act No. 147 enacted on June 17, 1961; the "Compensation Act") in accordance with Japan's nuclear damage compensation system.

However, TEPCO is unable to reasonably estimate the amount of compensation because said amount will be determined under the guidelines drawn up by the Committee for Adjustment of Compensation for Nuclear Damages Disputes (hereinafter the "Committee"). Accordingly, the amount of compensation was not recorded in the previous fiscal year.

Nevertheless, aiming to furnish the compensation promptly and in a proper manner, TEPCO has formulated a standard for the compensation amount that reflects the " Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO " (hereinafter the "Interim Guidelines") determined by the Committee on August 5, 2011, as well as the Supplement of the Interim Guidelines as of December 6, 2011, and the Secondary Supplement of the Interim Guidelines issued on March 16, 2012. TEPCO's standard for the compensation amount is formulated separately for each item of damage set forth in the Interim Guidelines and its supplements.

On December 26, 2011, the Headquarters for Nuclear Emergency Response of the Government formulated the "Basic Concept and Future Issues concerning Warning Zones and Evacuation Zones responding to completion of Step 2," setting forth the points of view for review of the areas subject to evacuation orders.

Taking into consideration the above, TEPCO estimated and recorded as an expense compensation for nuclear damages in an amount totaling ¥2,524.9 billion.

This was calculated by deducting the acceptable amount for compensation payment set forth in the Act concerning the Contract for Indemnification of Nuclear Damage Compensation (Act No. 148 enacted on June 17, 1961) from the estimated compensation for evacuation costs and mental blow of evacuees, damages caused by voluntary evacuations, opportunity losses on salary of workers living in and/or working in evacuation zones, damages due to the Governmental restriction on shipment of agricultural, forestry and fishery products, opportunity losses of the businesses such as agriculture, forestry, fishery and sightseeing due to reputation damage, etc. and losses and/or damages on tangible assets for which reasonable estimation became possible using objective statistical data, etc.

However, the estimated compensation amount may increase significantly. Therefore, there remains a possibility that the TEPCO Group's financial condition could largely deteriorate and thus the Group's continued position as a going concern would be in question.

With sincerely recognizing the Company's position as a causing party, the Company has decided to implement the compensation from the viewpoints of speedy implementation of compensation for the nuclear victims with Government supports under the Act.

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 and then the "Act concerning Formation of a Nuclear Damage Liability Facilitation Fund" (Act No. 94 of 2011) (hereinafter the "Fund Act") was approved by the Diet on August 10, 2011.

In response, TEPCO applied for financial support (grants-in-aid) pursuant to article 41, paragraph 1, item 1, of the Fund Act. At the same time, TEPCO in tandem with the Fund applied for the approval on the Emergency Special Business Plan to the minister in charge pursuant to article 45, paragraph 1, of the Fund Act. On November 4, 2011, the plan has been approved by the minister in charge, and TEPCO received an announcement from the Fund with respect to the determination of the financial support. This financial support amounted to the estimated amount of required compensation exceeds acceptable amount of compensation measures set forth in article 7, paragraph 1, of the Compensation Act.

As TEPCO revised the future forecast of the required compensation amount, it applied for the modification of the amount of financial support to the Fund pursuant to article 43, paragraph 1, of the Fund Act. In tandem with the Fund, TEPCO also submitted the application for the approval on the amendment to the Emergency Special Business Plan to the minister in charge pursuant to the provision of paragraph 1, article 46, of the Fund Act.

On February 13, 2012, TEPCO received approval on the amendment from the minister in charge, along with an announcement with respect to the modification of the amount of financial support from the Fund.

After that, TEPCO again revised its future forecast of the required amount of compensation to reflect the determination of the Secondary Supplement of the Interim Guidelines by the Committee, TEPCO reapplied for the modification of the amount of financial support to the Fund pursuant to the provision of article 43, paragraph 1, of the Fund Act.

To strengthen its financial position pursuant to achieving the early recovery of independent fund procurement capability, TEPCO applied for financial support and requested the subscription of shares pursuant to the article 41, paragraph 1, item 2 of the Fund Act.

This also supports the aim of establishing internal systems that will enable TEPCO to bring its utmost strength to bear on working on the decommissioning of the Unit 1-4 of the Fukushima Daiichi Nuclear Power Station and to ensure the prompt and proper payment of the compensation as well as a stable electricity supply.

Toward the drastic rationalization of management from the medium and long-term perspectives, TEPCO reviewed the Emergency Special Business Plan in tandem with the Fund and applied for the approval on the Comprehensive Special Business Plan pursuant to article 46, paragraph 1, of the Fund Act.

TEPCO received approval of the plan from the minister in charge on May 9, 2012, and a simultaneous notification of the modification on the amount of financial support and the subscription of shares up to ¥1 trillion in total from the Fund. Moreover, TEPCO will further reduce costs and expenses through the implementation of exhaustive rationalization of management under the Plan, because its profit structure is deteriorating considerably due to an increasing dependence on thermal power generation because of the suspension of nuclear power generation.

However, it will be exceedingly difficult to absorb such increased costs as that for fuel in spite of efforts to achieve exhaustive cost reductions. Therefore, TEPCO will not be able to conduct independent fund raising under the current electricity rates. This may facilitate the weakening of its financial position and could render TEPCO unable to accomplish prompt and proper compensation, steady decommissioning or a stable electricity supply. TEPCO believes that the Company has no choice but to ask customers, with sincere apology, to accept the minimum range of electricity rate hike, to prevent such contingencies from occurring. Premised on its making utmost efforts to facilitate the understanding of customers, TEPCO applied for a rates revision to the Minister of Economy, Trade and Industry on May 11, 2012 pursuant to article 19, paragraph 1, of the Electricity Business Act.

In accordance with the plan, TEPCO is striving to drastically rationalize its management and furnish compensation promptly and in a proper manner with the support given under the Fund Act as well as to achieve steady decommissioning and a stable electricity supply.

However, the implementation of the plan requires following factors: the subscription sale of TEPCO stocks to the Fund, which is premised on receiving the approval of the general meeting of shareholders of relevant proposals; the approval of the type of preferred shares to be held by the Fund; and the approval of an amendment of electricity rates by the Minister of Economy, Trade and Industry. Taking these factors into consideration, there is significant uncertainty regarding TEPCO's future as a going concern.

Consolidated Balance Sheet

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2012

	Millions of yen		Millions of U.S. dollars (Note 2)
ASSETS	**March 31, 2012**	2011	**March 31, 2012**
Property, plant and equipment	**¥ 30,166,017**	¥ 30,068,433	**$ 367,296**
Construction in progress	**943,917**	749,977	**11,493**
	31,109,935	30,818,410	**378,789**
Less:			
Contributions in aid of construction	**(375,571)**	(404,134)	**(4,573)**
Accumulated depreciation	**(21,998,576)**	(21,539,477)	**(267,851)**
	(22,374,148)	(21,943,612)	**(272,424)**
Property, plant and equipment, net (Notes 4, 8, 9 and 18)	**8,735,787**	8,874,798	**106,365**
Nuclear fuel (Note 10)**:**			
Loaded nuclear fuel	**131,555**	133,904	**1,602**
Nuclear fuel in processing	**713,841**	736,074	**8,691**
	845,397	869,978	**10,293**
Investments and other:			
Long-term investments (Notes 5, 9 and 29)	**160,792**	491,642	**1,958**
Trust funds for reprocessing of irradiated nuclear fuel (Note 29)	**1,125,997**	982,696	**13,710**
Grants-in-aid receivable from Nuclear Damage Liability Facilitation Fund (Note 23)	**1,762,671**	—	**21,462**
Other (Note 17)	**619,576**	656,511	**7,544**
	3,669,037	2,130,850	**44,674**
Current assets (Note 9)**:**			
Cash (Notes 6 and 29)	**1,287,418**	2,248,290	**15,675**
Notes and accounts receivable–customers (Note 29)	**432,925**	359,820	**5,271**
Inventories (Note 9)	**189,527**	161,253	**2,308**
Other (Notes 6 and 17)	**379,598**	148,048	**4,622**
	2,289,470	2,917,414	**27,876**
Less:			
Allowance for doubtful accounts	**(3,236)**	(2,688)	**(39)**
	2,286,234	2,914,725	**27,837**
Total assets	**¥ 15,536,456**	¥ 14,790,353	**$ 189,169**

See notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of yen March 31, 2012	2011	Millions of U.S. dollars (Note 2) March 31, 2012
Long-term liabilities and reserves:			
Long-term debt (Notes 7, 9 and 29)	**¥ 6,953,575**	¥ 7,849,365	**$ 84,665**
Other long-term liabilities (Note 17)	**129,881**	147,961	**1,580**
Reserve for reprocessing of irradiated nuclear fuel (Note 10)	**1,221,238**	1,247,950	**14,870**
Accrued employees' retirement benefits (Note 16)	**432,562**	432,778	**5,267**
Reserve for loss on disaster (Note 12)	**787,507**	831,773	**9,589**
Reserve for nuclear damage compensation (Note 13)	**2,063,398**	—	**25,124**
Asset retirement obligations (Notes 11 and 18)	**803,299**	791,880	**9,781**
	12,391,463	11,301,709	**150,876**
Current liabilities:			
Current portion of long-term debt (Notes 7, 9 and 29)	**925,188**	768,512	**11,265**
Short-term loans (Notes 7 and 29)	**441,765**	406,232	**5,379**
Trade notes and accounts payable	**317,479**	248,849	**3,866**
Accrued income taxes and other	**65,140**	70,201	**793**
Other (Notes 7, 9 and 17)	**569,389**	381,201	**6,932**
	2,318,963	1,874,996	**28,235**
Reserves under special laws:			
Reserve for fluctuation in water levels (Note 14)	**9,865**	8,884	**120**
Reserve for preparation of the depreciation of nuclear power construction (Note 15)	**3,687**	2,284	**45**
	13,552	11,168	**165**
Total liabilities	**14,723,979**	13,187,875	**179,276**
Net assets:			
Shareholders' equity (Note 19)**:**			
Common stock, without par value:			
Authorized — 1,800,000,000 shares			
Issued —1,607,017,531 shares in 2012 and 2011	**900,975**	900,975	**10,970**
Capital surplus	**243,631**	243,653	**2,967**
Retained earnings	**(287,497)**	494,054	**(3,501)**
Treasury stock, at cost:			
4,533,194 shares in 2012 and 4,478,117 shares in 2011	**(8,372)**	(8,376)	**(102)**
Total shareholders' equity	**848,736**	1,630,307	**10,334**
Accumulated other comprehensive income:			
Net unrealized holding gain (loss) on avaialble-for-sale securities	**1,288**	(20,064)	**16**
Net deferred loss on hedges	**(16,794)**	(11,127)	**(205)**
Land revaluation loss	**(3,236)**	(3,695)	**(39)**
Translation adjustments	**(42,816)**	(37,306)	**(521)**
Total accumulated other comprehensive income	**(61,558)**	(72,193)	**(749)**
Stock acquisition rights	**—**	6	**—**
Minority interests	**25,299**	44,358	**308**
Total net assets	**812,476**	1,602,478	**9,893**
Total liabilities and net assets	**¥15,536,456**	¥14,790,353	**$189,169**

Consolidated Statement of Operations

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Year ended March 31, 2012

	Millions of yen		Millions of U.S. dollars (Note 2)
	Year ended March 31, 2012	2011	**Year ended March 31, 2012**
Operating revenues:			
Electricity	**¥ 4,995,626**	¥ 5,064,625	**$ 60,826**
Other	**353,819**	303,910	**4,308**
	5,349,445	5,368,536	**65,134**
Operating expenses (Notes 20, 21 and 22)**:**			
Electricity	**5,309,162**	4,695,177	**64,643**
Other	**312,797**	273,734	**3,809**
	5,621,959	4,968,911	**68,452**
Operating (loss) income	**(272,513)**	399,624	**(3,318)**
Other (income) expenses:			
Interest and dividend income	**(29,233)**	(30,941)	**(356)**
Interest expense	**129,915**	127,934	**1,582**
Grants-in-aid from Nuclear Damage Liability Facilitation Fund (Note 23)	**(2,426,271)**	—	**(29,542)**
Compensation for nuclear damages (Note 23)	**2,524,930**	—	**30,743**
Loss on disaster (Note 25)	**297,802**	1,020,496	**3,626**
Equity in losses (earnings) of affiliates	**6,476**	(16,049)	**79**
Gain on sales of noncurrent assets (Note 24)	**(41,609)**	—	**(507)**
Gain on sales of securities	**(28,841)**	—	**(351)**
Loss on sales of securities	**40,421**	—	**492**
Gain on sales of subsidiaries and affiliates' stocks	**(20,169)**	—	**(245)**
Loss on sales of stocks of subsidiaries and affiliates	**4,710**	—	**57**
Effect of applying the accounting standard for asset retirement obligations (Note 18)	**—**	57,189	**—**
Other, net	**20,733**	984	**253**
	478,864	1,159,614	**5,831**
Loss before special items, income taxes and minority interests	**(751,378)**	(759,989)	**(9,149)**
Special items:			
Provision for reserve for fluctuation in water levels (Note 14)	**980**	3,860	**12**
Provision for reserve for preparation of the depreciation of nuclear power construction (Note 15)	**1,402**	2,284	**17**
	2,383	6,144	**29**
Loss before income taxes and minority interests	**(753,761)**	(766,134)	**(9,178)**
Income taxes (Note 17)**:**			
Current	**19,080**	18,482	**232**
Deferred	**3,759**	459,962	**46**
	22,839	478,445	**278**
Net loss before minority interests	**(776,601)**	(1,244,579)	**(9,456)**
Minority interests	**5,040**	2,768	**61**
Net loss	**¥ (781,641)**	¥(1,247,348)	**$ (9,517)**
Per share information:	Yen		U.S. dollars (Note 2)
Net assets (basic)	**¥ 491.22**	¥ 972.28	**$ 5.98**
Net loss (basic)	**(487.76)**	(846.64)	**(5.94)**
Cash dividends	**—**	30.00	**—**

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Year ended March 31, 2012

	Millions of yen		Millions of U.S. dollars (Note 2)
	Year ended March 31, 2012	2011	Year ended March 31, 2012
Net loss before minority interests	**¥(776,601)**	¥(1,244,579)	**$(9,456)**
Other comprehensive income (Note 26)			
Net unrealized holding gain (loss) on available-for-sale securities	**20,341**	(5,345)	**248**
Net deferred loss on hedges	**(181)**	(621)	**(2)**
Translation adjustments	**(3,660)**	(15,235)	**(45)**
Share of other comprehensive income of affiliates accounted for under the equity method	**(7,066)**	(1,303)	**(86)**
Total other comprehensive income (loss)	**9,432**	(22,506)	**115**
Comprehensive income (loss)	**¥(767,168)**	¥(1,267,085)	**$(9,341)**
Total comprehensive income (loss) attributable to:			
Owners of the parent	**¥(770,917)**	¥(1,266,245)	**$(9,387)**
Minority interests	**3,748**	(840)	**46**

See notes to consolidated financial statements.

Consolidated Statement of Changes in Net Assets

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Year ended March 31, 2012

Year ended March 31, 2012
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 gain (loss) on available-for-sale 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 April 1, 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**
Net loss	**—**	**—**	**(781,641)**	**—**	**(781,641)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(781,641)**
Purchases of treasury stock	**—**	**—**	**—**	**(22)**	**(22)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(22)**
Sales of treasury stock	**—**	**(22)**	**—**	**26**	**3**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**3**
Reversal of land revaluation gain	**—**	**—**	**88**	**—**	**88**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**88**
Other	**—**	**—**	**—**	**(0)**	**(0)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(0)**
Net changes in items other than shareholders' equity	**—**	**—**	**—**	**—**	**—**	**21,353**	**(5,667)**	**459**	**(5,509)**	**10,635**	**(6)**	**(19,059)**	**(8,430)**
Total changes	**—**	**(22)**	**(781,552)**	**3**	**(781,571)**	**21,353**	**(5,667)**	**459**	**(5,509)**	**10,635**	**(6)**	**(19,059)**	**(790,001)**
Balance at March 31, 2012	**¥900,975**	**¥243,631**	**¥(287,497)**	**¥(8,372)**	**¥ 848,736**	**¥ 1,288**	**¥(16,794)**	**¥(3,236)**	**¥(42,816)**	**¥(61,558)**	**¥—**	**¥ 25,299**	**¥ 812,476**

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 gain (loss) on available-for-sale 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, 2012
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 gain (loss) on available-for-sale 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 April 1, 2011	**$10,970**	**$2,967**	**$ 6,015**	**$(102)**	**$19,850**	**$(244)**	**$(136)**	**$(45)**	**$(454)**	**$(879)**	**$ 0**	**$ 540**	**$19,511**
Net loss	**—**	**—**	**(9,517)**	**—**	**(9,517)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(9,517)**
Purchases of treasury stock	**—**	**—**	**—**	**(0)**	**(0)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(0)**
Sales of treasury stock	**—**	**(0)**	**—**	**0**	**0**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**0**
Reversal of land revaluation gain	**—**	**—**	**1**	**—**	**1**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**1**
Other	**—**	**—**	**—**	**(0)**	**(0)**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(0)**
Net changes in items other than shareholders' equity	**—**	**—**	**—**	**—**	**—**	**260**	**(69)**	**6**	**(67)**	**130**	**(0)**	**(232)**	**(102)**
Total changes	**—**	**(0)**	**(9,516)**	**0**	**(9,516)**	**260**	**(69)**	**6**	**(67)**	**130**	**(0)**	**(232)**	**(9,618)**
Balance at March 31, 2012	**$10,970**	**$2,967**	**$(3,501)**	**$(102)**	**$10,334**	**$ 16**	**$(205)**	**$(39)**	**$(521)**	**$(749)**	**$—**	**$ 308**	**$ 9,893**

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Year ended March 31, 2012

	Millions of yen		Millions of U.S. dollars (Note 2)
	Year ended March 31, 2012	2011	Year ended March 31, 2012
Cash flows from operating activities			
Loss before income taxes and minority interests	**¥ (753,761)**	¥ (766,134)	**$ (9,178)**
Depreciation and amortization	**686,555**	702,185	**8,359**
Decommissioning costs of nuclear power units	**6,911**	20,889	**84**
Loss on nuclear fuel	**12,314**	39,503	**150**
Loss on disposal of property, plant and equipment	**33,721**	29,124	**411**
Loss on disaster	**—**	1,020,496	**—**
Effect of applying the accounting standard for asset retirement obligations	**—**	57,189	**—**
Provision for accrued employees' retirement benefits	**95**	11,864	**1**
Reversal of reprocessing of irradiated nuclear fuel	**(26,711)**	(8,577)	**(325)**
Provision for (reversal of) reserve for loss on disaster	**285,128**	(36,318)	**3,472**
Interest and dividend income	**(29,233)**	(30,941)	**(356)**
Interest expense	**129,915**	127,934	**1,582**
Equity in earnings of affiliates	**6,476**	(16,049)	**79**
Grants-in-aid from Nuclear Damage Liability Facilitation Fund	**(2,426,271)**	—	**(29,542)**
Compensation for nuclear damages	**2,524,930**	—	**30,743**
Gain on sales of noncurrent assets	**(41,609)**	—	**(507)**
Gain on sales of securities	**(28,841)**	—	**(351)**
Loss on sales of securities	**40,421**	—	**492**
Gain on sales of subsidiaries and affiliates' stocks	**(20,169)**	—	**(245)**
Loss on sales of stocks of subsidiaries and affiliates	**4,710**	—	**57**
Increase in trust funds for reprocessing of irradiated nuclear fuel	**(143,300)**	(158,293)	**(1,745)**
Increase in notes and accounts receivable	**(74,580)**	(11,543)	**(908)**
Increase (decrease) in notes and accounts payable	**91,745**	(5,880)	**1,117**
Other	**(140,463)**	132,933	**(1,710)**
	137,983	1,108,382	**1,680**
Interest and cash dividends received	**20,761**	31,457	**253**
Interest paid	**(128,658)**	(128,122)	**(1,566)**
Payments for loss on disaster due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake	**(234,525)**	—	**(2,856)**
Receipts of Grants-in-aid from Nuclear Damage Liability Facilitation Fund	**663,600**	—	**8,080**
Receipt of compensation based on the Contract for Indemnification of Nuclear Damage Compensation	**120,000**	—	**1,461**
Payments for nuclear damage compensation	**(566,264)**	—	**(6,895)**
Income taxes paid	**(15,788)**	(23,006)	**(192)**
Net cash (used in) provided by operating activities	**(2,891)**	988,710	**(35)**
Cash flows from investing activities			
Purchases of property, plant and equipment	**(730,326)**	(661,882)	**(8,892)**
Proceeds from sales of noncurrent assets	**54,481**	5,266	**663**
Contributions in aid of construction received	**11,968**	10,654	**146**
Increase in long-term investments	**(23,973)**	(358,017)	**(292)**
Proceeds from long-term investments	**352,595**	217,732	**4,293**
Other (Note 6)	**152**	(5,710)	**2**
Net cash used in investing activities	**(335,101)**	(791,957)	**(4,080)**
Cash flows from financing activities			
Proceeds from issuance of bonds	**—**	234,204	**—**
Redemptions of bonds	**(548,971)**	(430,220)	**(6,684)**
Proceeds from long-term loans	**126,066**	2,076,677	**1,535**
Repayments of long-term loans	**(218,302)**	(357,313)	**(2,658)**
Proceeds from short-term loans	**989,304**	744,786	**12,046**
Repayments of short-term loans	**(952,618)**	(701,841)	**(11,599)**
Proceeds from issuance of commercial papers	**—**	40,000	**—**
Redemptions of commercial papers	**—**	(105,000)	**—**
Proceeds from issuance of common stock	**—**	446,893	**—**
Other	**(10,213)**	(88,606)	**(125)**
Net cash (used in) provided by financing activities	**(614,734)**	1,859,579	**(7,485)**
Effect of exchange rate changes on cash and cash equivalents	**371**	(3,216)	**4**
Net (decrease) increase in cash and cash equivalents	**(952,355)**	2,053,116	**(11,596)**
Cash and cash equivalents at beginning of the year	**2,206,233**	153,117	**26,863**
Cash and cash equivalents at end of the year (Note 6)	**¥ 1,253,877**	¥2,206,233	**$ 15,267**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2012

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The accompanying consolidated financial statements of 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 Act (the "Act") (effective on June 17, 1961; Act No.147 of 1961) 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 has decided to implement the compensation from the viewpoints of speedy implementation of compensation for the nuclear victims with Government supports under the Act.

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 and then the "Act concerning Formation of a Nuclear Damage Liability Facilitation Fund" (Act No. 94 of 2011) (hereinafter the "Fund Act") was approved by the Diet on August 10, 2011.

Following these Government actions, the Company asked the Nuclear Damage Liability Facilitation Fund (the "Fund") for financial support based on the provision of the Clause 41, Article 1-1 of the Fund Act and submitted an application for the approval on Emergency Special Business Plan to the minister in charge based on the Clause 45, Article 1, of the Fund Act jointly with the Fund. On November 4, 2011, the plan was approved by the minister in charge and the Company received a notice from the Fund on a decision to execute financial support as to the amount of the estimated amount of necessary compensation less the amount of compensation provided by the Clause 7, Article 1 of the Act. Then, since the Company revised the estimated amount of necessary compensation, the Company submitted an application to the Fund for approval to change an amount of financial support based on the Clause 43, Article 1 of the Fund Act and also submitted an application in cooperation with the Fund to the minister in charge to approve the change of the Emergency Special Business Plan based on the Clause 46, Article 1 of the Fund Act. On February 13, 2012, a revised Emergency Special Business Plan was approved and the Company received a notice from the Fund on its decision to change the amount of financial support.

On the other hand, the Company submitted an application to the Fund to change the amount of financial support based on the Clause 43, Article 1 of the Fund Act due to the revised estimated amount of compensation following the "Secondary Supplement of the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO (Losses due to the revision of the evacuation area per the government)" (March 16, 2012) set by the Committee for Adjustment of Compensation for Nuclear Damages Disputes and also submitted an application for financial assistance (subscription of shares) based on the Clause 41, Article 1-2 of the Fund Act for the purpose of strengthening its financial base towards speedy recovery of autonomic financing capabilities in order to prepare for implementation of prompt and appropriate compensation, steady decommissioning of Unit 1 to 4 at Fukushima Daiichi Nuclear Power Station, and securement of stable power supply. In addition, towards the drastic management reform from the mid-to-long term viewpoints, the Company revised the Emergency Special Business Plan jointly with the Fund and submitted an application to the minister in charge to approve the Comprehensive Special Business Plan based on the Clause 46, Article 1 of the Fund Act. On May 9, 2012, the plan was approved by the minister in charge and the Company received a notice regarding the change of the amount of financial support and the decision of subscription of shares of 1 trillion yen. In addition, the Company's profitability has significantly been deteriorated due to the increasing dependency on thermal power plants because of suspension of nuclear power supply. The Company commits to cost cuts as much as possible by implementing thorough management streamlining based on the Comprehensive Plan. However, projections show that even the most thorough implementation of business streamlining measures will be insufficient to overcome the serious financial difficulties while covering the increased cost of fuel and other related expenditures. If present rates are maintained, the operational deficit will continue to worsen and might endanger prompt and appropriate compensation, steady decommissioning and stable power supply. The Company believes that the Company has no choice but to ask our valued customers, with sincere apology, to accept the minimum range of electricity rate hike, to prevent such contingencies from occurring. The Company will endeavor to enhance understanding from our valued customers to the extent possible in relation to this proposal. On this basis, and in accordance with the Clause 19, Article 1 of the Electricity Business Act, the Company submitted the application to the Minister of Economy, Trade, and Industries on May 11, 2012 for approval of the proposed rate increase.

In accordance with the plan, The Company is striving to drastically rationalize its management and furnish compensation promptly and in a proper manner with the support given under the Fund Act as well as to achieve steady decommissioning and a stable electricity supply.

However, the management realizes significant doubt in the Company's ability to continue as a going concern at this moment, considering that implementation of the Plan requires subscription of shares by the Fund after making the necessary resolution at the shareholders' meeting about the contents of the shares to be issued and subscription conditions accepted by the Fund and approval by the Minister of Economy, Trade and Industries on the application for raising electricity rates.

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 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 year's 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) available-for-sale 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. Available-for-sale 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 under accumulated other comprehensive income 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) Decommissioning Costs of Nuclear Power Units
The Company applied the paragraph 8 of ASBJ Guidance No. 21, "Guidance on Accounting Standard for Asset Retirement Obligations" (issued on March 31, 2008) to the decommissioning measures of the specified nuclear power plants stipulated by the "Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors" (affective on June 10, 1957; Act No. 166 of 1957) and records the decommissioning costs of nuclear power units by allocating the total estimated decommissioning costs of nuclear power units in accordance with the "Ministerial Ordinance concerning Reserve for Decommissioning Costs of Nuclear Power Units" (Ordinance of Ministry of Economy, Trade and Industry) over the expected running period. The present value of total estimated amount of obligations is recorded as an asset retirement obligation.

(Additional information)
Estimated amounts of decommissioning costs of Fukushima Daiichi Nuclear Power Station Units 1 through 4:

The Company records the amounts within the range of reasonable estimates based on the currently available information, although they might vary from now on, since it is difficult to identify the whole situations of the damages.

(j) Income Taxes
Deferred tax assets and liabilities are determined based on the differences between financial reporting and the tax bases of the assets and liabilities, and are measured using the enacted tax rates and laws expected to be in effect when the differences are expected to be recovered or settled.

(k) 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 sheet items of overseas consolidated subsidiaries, except for the components of net assets, are translated into yen at the rates of exchange in effect at the respective balance sheet dates. 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.

(l) 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.

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

(n) Amounts per Share
Basic net income (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 ¥82.13 = US$1.00, the approximate rate of exchange in effect on March 30, 2012, 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

Accounting Changes and Error Corrections
On December 4, 2009, the Accounting Standards Board of Japan ("ASBJ") issued ASBJ Statement No. 24, "Accounting Standard for Accounting Changes and Error Corrections" and ASBJ Guidance No. 24, "Guidance on Accounting Standard for Accounting Changes and Error Corrections". The Company and its domestic consolidated subsidiaries have applied this new accounting standard to the accounting changes and error corrections made on or after April 1, 2011. The Accounting Standard and the Guidance provide the treatment for retrospective applications to past financial statements when changes in accounting policies, changes in presentations and corrections of prior period errors are made, as well as the treatment for changes in accounting estimates.

4 Property, Plant and Equipment, Net

The major classifications of property, plant and equipment, net at March 31, 2012 and 2011 were as follows:

	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Hydroelectric power production facilities	¥ 645,543	¥ 679,850	$ 7,860
Thermal power production facilities	850,157	944,365	10,351
Nuclear power production facilities	726,295	734,183	8,843
Transmission facilities	2,009,555	2,092,329	24,468
Transformation facilities	787,380	828,786	9,587
Distribution facilities	2,124,511	2,153,975	25,868
General facilities	142,697	152,175	1,737
Other electricity-related property, plant and equipment	89,431	19,746	1,089
Other property, plant and equipment	416,642	519,407	5,073
Construction in progress	943,572	749,977	11,489
	¥8,735,787	¥8,874,798	$106,365

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 18).

5
Investment Securities

At March 31, 2012 and 2011, available-for-sale securities for which market prices were available were as follows:

	Millions of yen						Millions of U.S. dollars		
	2012			2011			2012		
	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, bonds and other	**¥ 860**	**¥ 419**	**¥ 441**	¥ 42,871	¥ 21,763	¥ 21,108	**$10**	**$ 5**	**$ 5**
Unrealized holding loss:									
Stocks, bonds and other	**6,075**	**6,567**	**(492)**	207,741	252,188	(44,446)	**74**	**80**	**(6)**
Total	**¥6,936**	**¥6,986**	**¥ (50)**	¥250,613	¥273,951	¥(23,338)	**$84**	**$85**	**$(1)**

Proceeds from sales of available-for-sale securities and related realized gains or losses for the year ended March 31, 2012 were as follows:

	Millions of yen		
	Sales proceeds	Realized gains	Realized losses
Stocks	¥316,833	¥28,838	¥40,417
Bonds	99	0	1
Other	300	2	1
Total	¥317,233	¥28,841	¥40,421

	Millions of U.S. dollars		
	Sales proceeds	Realized gains	Realized losses
Stocks	$3,858	$351	$492
Bonds	1	0	0
Other	4	0	0
Total	$3,863	$351	$492

6
Supplemental Cash Flow Information

Reconciliation of the difference between cash stated in the consolidated balance sheets as of March 31, 2012 and cash and cash equivalents for the purpose of the statement of cash flows is as follows:

	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Cash	**¥1,287,418**	¥2,248,290	**$15,675**
Time deposits with maturities of more than three months	**(33,540)**	(42,260)	**(408)**
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	**—**
Cash and cash equivalents	**¥1,253,877**	¥2,206,233	**$15,267**

Investments in 88 consolidated subsidiaries including Eurus Energy Holdings Corporation were sold and, consequently, deconsolidated during the year ended March 31, 2012. The following table presents assets and liabilities at the date of sales and the sales proceeds and net cash outflow:

	Millions of yen	Millions of U.S. dollars
Non-current assets	¥104,883	$1,277
Current assets	37,379	455
Non-current liabilities	(81,526)	(993)
Current liabilities	(16,586)	(202)
Accumulated other comprehensive income	5,521	67
Minority interests	(14,538)	(177)
The Company's interest after sales of shares	(21,878)	(266)
Gain on sales of shares	10,137	124
Proceeds from sales of shares	23,392	285
Cash and cash equivalents of consolidated subsidiaries sold	(24,306)	(296)
Net cash outflow from sales	¥ (914)	$ (11)

Significant non-cash transactions:
For the year ended March 31, 2012
There was no significant non-cash transaction for the year ended March 31, 2012.
For the year ended March 31, 2011
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" issued on March 31, 2008. Following the adoption of the accounting standard, "Ministerial Ordinance concerning Reserve for Decommissioning Costs of Nuclear Power Units" was revised. As a result, nuclear power production facilities, other property, plant and equipment and asset retirement obligations increased by ¥151,597 million, ¥2,272 million and ¥791,958 million, respectively.

7 Short-Term Loans and Long-Term Debt

Short-term loans are unsecured. The weighted-average interest rates of short-term loans were approximately 0.652% and 0.595% for the years ended March 31, 2012 and 2011, respectively.

At March 31, 2012 and 2011, short-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2012	2011	**2012**
Loans from banks and other sources	**¥441,765**	¥406,232	**$5,379**

The annual interest rates applicable to the Company's domestic straight bonds at March 31, 2012 and 2011 ranged from 0.643% to 5.05% and those applicable to the Company's foreign straight bonds at March 31, 2012 and 2011 ranged from 2.125% to 4.5%. The interest rates applicable to long-term debt (except for the current portion) at March 31, 2012 and 2011 averaged approximately 1.027% and 0.992%, respectively.

At March 31, 2012 and 2011, long-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2012	2011	**2012**
Domestic straight bonds due from 2011 through 2040	**¥4,266,130**	¥4,786,100	**$ 51,944**
Foreign straight bonds due from 2012 through 2017	**159,444**	188,482	**1,941**
Loans from banks, insurance companies and other sources	**3,453,188**	3,643,295	**42,045**
	7,878,763	8,617,878	**95,930**
Less: Current portion	**(925,188)**	(768,512)	**(11,265)**
	¥6,953,575	¥7,849,365	**$ 84,665**

8 Leases

(a) As Lessee:

Future minimum lease payments subsequent to March 31, 2012 for operating leases are summarized as follows:

	Millions of yen		Millions of U.S. dollars
Years ended March 31,	**2012**	2011	**2012**
Within one year	**¥5,773**	¥ 750	**$ 70**
Later than one year	**2,895**	2,420	**35**
Total	**¥8,669**	¥3,170	**$105**

(b) As Lessor:

Future minimum lease income subsequent to March 31, 2012 for operating leases is summarized as follows:

	Millions of yen		Millions of U.S. dollars
Years ended March 31,	**2012**	2011	**2012**
Within one year	**¥ 832**	¥ 875	**$ 10**
Later than one year	**1,617**	2,233	**20**
Total	**¥2,449**	¥3,108	**$30**

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 ¥417,543 million (US$5,084 million) and ¥361,099 million, and for bonds that amounted to ¥4,495,134 million (US$54,732 million) and ¥5,043,922 million at March 31, 2012 and 2011, respectively.

Pursuant to the Nuclear Damage Compensation Act (June 17, 1961; Act No. 147 of 1961), the Company has made a deposit of ¥120,000 million ($1,461 million) as a measure of compensation for damages to be taken by the nuclear operator for cooling of nuclear reactors and treatment of accumulated water, etc. of Fukushima Daiichi Nuclear Power Station.

Some 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 ¥21,351 million (US$260 million) at March 31, 2012 and long-term debt of ¥59,471 million and current liabilities of ¥33 million at March 31, 2011 were as follows:

	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Property, plant and equipment, net:			
Other	**¥24,551**	¥57,532	**$299**
Construction in progress	**—**	10,790	**—**
Long-term investments	**—**	430	**—**
Cash	**11,106**	12,604	**135**
Notes and accounts receivable	**—**	944	**—**
Inventories	**405**	4,445	**5**
	¥36,063	¥86,748	**$439**

Long-term investments totaling ¥56,894 million (US$693 million) were pledged as collateral for long-term loans from financial institutions to investees of certain consolidated subsidiaries as of March 31, 2012.

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

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 1.6% and 4.0% at March 31, 2012 and 1.5% and 4.0% at March 31, 2011 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-Chiou-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$372 million).

Also, under the accounting rules applicable to electric utility companies in Japan, unrecognized actuarial loss at the end of preceding fiscal year of ¥82 million (US$1 million) and ¥1,013 million is charged to income as an operating expense for the years ended March 31, 2012 and 2011, respectively. Unrecognized actuarial loss at the end of fiscal year of ¥99,152 million (US$1,207 million) and ¥1,873 million at March 31, 2012 and 2011, respectively, is being charged to income as an operating expense. These expenses are charged to income from next fiscal year throughout the period 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.

"Guidance on Accounting Standard for Asset Retirement Obligations" is applied to the decommissioning of nuclear power units and the present value of total estimated amount of obligations is recorded as an asset retirement obligation.

The decommissioning costs of Fukushima Daiichi Nuclear Power Units 1 through 4 are recorded within the range of reasonable estimates based on the currently available information, although such amounts might vary since it is difficult to identify the whole picture of the damage.

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.

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

a. Expenses and /or losses for settlement of the accident and the decommissioning of Fukushima Daiichi Nuclear Power Station – for the year ended March 31, 2012
Responding to "Step 2 Completion Report- Roadmap towards Settlement of the Accident at Fukushima Daiichi Nuclear Power Station, TEPCO" (December 16, 2011) prepared by Government-TEPCO Integrated Response Office established by Headquarters for Nuclear Emergency Response of the Government, "Mid-and-long-Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Units 1-4, TEPCO" (December 21, 2011) (hereinafter "Mid-and-long Term Roadmap") was prepared by Government and TEPCO's Mid-to-Long Term Countermeasure Meeting established by Headquarters for Nuclear Emergency Response of the Government. Regarding expenses and/or losses related to Mid-and-long Term Roadmap, the Company records estimated amounts based on the concrete target periods and contents of individual countermeasures, if it is possible to estimate the amounts in the normal way.

However, among expenses and/or losses related to Mid-and-long Term Roadmap, if the normal estimation is difficult because the concrete contents of constructions, etc. cannot be estimated at this moment, the Company records estimated amounts based on the historical amounts at an accident at foreign nuclear power plants.

b. Expenses and /or losses for securing safety through cooling reactors and avoiding further radiation proliferation – for the year ended March 31, 2011
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 costs, for expenses and/or costs 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.

c. Expenses for disposal 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".

d. 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.

e. 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, 2012 and 2011.

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, 2012 and 2011 consists of the following:

	Millions of yen		Millions of U.S. dollars
	2012	2011	**2012**
Loss on the Niigataken Chuetsu-Oki Earthquake	**¥ 37,208**	¥ 56,495	**$ 453**
Loss on the Tohoku-Chihou-Taiheiyou-Oki Earthquake:	**750,299**	775,278	**9,136**
a. Expenses and/or losses for settlement of the Accident and the Decommissioning of Fukushima Daiichi Nuclear Power Station	**512,343**	—	**6,238**
b. Expenses and/or losses for securing safety through cooling reactors and avoiding further radiation proliferation	**—**	425,000	**—**
c. Expenses for disposal of nuclear fuels in processing among expenses and/or losses for scrapping Fukushima Daiichi Nuclear Power Station Units 1 through 4	**4,651**	4,472	**57**
d. 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	**188,634**	211,825	**2,297**
e. Expenses and/or losses for restoring damaged thermal power plants	**17,774**	49,710	**216**
f. Other	**26,895**	84,270	**328**
Total	**¥787,507**	¥831,773	**$9,589**

Estimates of expenses and/or losses related to Mid-and-long Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Station Units 1-4:

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 and also in consideration of the progress of necessary research and development activities. Accordingly, the Company records the amounts including fuel removal costs within the range of reasonable estimates based on the currently available information for expenses and/or losses related to Mid-and- long Term Roadmap, although they might vary from now on.

13 Reserve for Nuclear Damage Compensation

In order to provide for payouts of compensation for nuclear damages concerning the accident of Fukushima Daiichi Nuclear Power station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company records estimated amounts at March 31, 2012.

From the viewpoints of implementing prompt and appropriate compensation payouts, the Company has prepared the criteria for compensation by damages shown in the interim guidelines, taking into consideration the "Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO" (hereinafter the "Interim Guidelines") determined at the Committee for Adjustment of Compensation for Nuclear Damages Disputes on August 5, 2011, supplement of the Interim Guidelines on December 6, 2011 and the second supplement of the "Interim Guidelines" on

March 16, 2012. In addition, on December 26, 2011, Headquarters for Nuclear Emergency Response of the Government prepared "Basic Concept and Future Issues concerning Warning Zones and Evacuation Zones responding to Completion of Step 2", showing the concept concerning the review of evacuation zones, etc. Consequently, the Company records a reserve for nuclear damage compensation by deducting the receivables of compensation pursuant to the provision of the "Act concerning the Contract for Indemnification of Nuclear Damage Compensation" (effective on June 17, 1961; Act No. 148 of 1961) from the estimated compensation for evacuation costs and mental blow of evacuees, damages caused by voluntary evacuations, opportunity losses on salary of workers living in and/or working in evacuation zones, damages due to the Governmental restriction on shipment of agricultural, forestry and fishery products, opportunity losses of the businesses such as agriculture, forestry, fishery and sightseeing due to reputation damage, etc. and losses and/or damages on tangible assets for which reasonable estimation became possible using objective statistical data, etc. The Company records the estimated amount as far as reasonable estimation is possible at this moment, although the estimated compensation amounts might vary depending on the extent of accuracy of reference data and agreements with the victims from now on.

14 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.

15 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.

16 Employees' Retirement Benefits

The Company and certain consolidated subsidiaries have defined benefit plans, including a defined benefit corporate pension plan, welfare pension fund plans and lump-sum payment plans, and also 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, 2012 and 2011 for the Companies' defined benefit plans:

	Millions of yen		Millions of U.S. dollars
	2012	2011	**2012**
Projected benefit obligation	**¥(1,003,594)**	¥(1,017,154)	**$(12,219)**
Plan assets at fair value (Notes 2 below)	**582,550**	597,709	**7,093**
Accrued employees' retirement benefits	**432,562**	432,778	**5,267**
Prepaid pension expense	**(14,503)**	(5,190)	**(177)**
Unrecognized actuarial gain or loss (Notes 3 below)	**¥ (2,985)**	¥ 8,143	**$ (36)**

Notes:

1. Certain retirement benefit plans adopt a short-cut method in computing projected benefit obligations.
2. Plan assets include a substitute portion of welfare pension fund.
3. This amount includes unrecognized past service costs (reduction of liabilities) in the amount of ¥606 million (US$7 million) and ¥337 million at March 31, 2012 and 2011, respectively.

The components of retirement benefit expenses and other for the years ended March 31, 2012 and 2011 are outlined as follows:

	Millions of yen		Millions of U.S. dollars
	2012	2011	**2012**
Service cost (Notes 1 and 2 below)	**¥ 30,384**	¥ 30,879	**$ 370**
Interest cost	**19,889**	19,934	**242**
Expected return on plan assets	**(14,480)**	(14,801)	**(176)**
Amortization of unrecognized actuarial gain or loss (Notes 3 below)	**(9,942)**	13,036	**(121)**
Other (Notes 4 below)	**6,935**	4,331	**84**
Retirement benefit expenses	**¥ 32,785**	¥ 53,380	**$ 399**

Notes:
1. Service costs include retirement benefit expenses related to the plans adopting a short-cut method.
2. Employees' portions of contributions to welfare pension funds are deducted.
3. The above amounts include amortization of past service costs (reduction of expense) in the amounts of ¥926 million (US$11 million) and ¥314 million for the years ended March 31, 2012 and 2011, respectively.
4. Other includes contributions to defined contribution pension plans.

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

	2012	2011
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

17 Income Taxes

The significant components of deferred tax assets and liabilities as of March 31, 2012 and 2011 were as follows:

	Millions of yen		Millions of U.S. dollars
	2012	2011	**2012**
Deferred tax assets:			
Reserve for nuclear damage compensation	**¥ 680,442**	¥ —	**$ 8,285**
Reserve for loss on disaster	**242,548**	276,786	**2,953**
Accrued employees' retirement benefits	**135,758**	159,125	**1,653**
Tax loss carry forwards	**129,991**	12,341	**1,583**
Asset retirement obligations	**129,590**	150,953	**1,578**
Other	**303,929**	341,550	**3,700**
	1,622,260	940,758	**19,752**
Valuation allowance	**(959,132)**	(848,950)	**(11,678)**
Total deferred tax assets	**663,128**	91,807	**8,074**
Deferred tax liabilities:			
Grants-in-aid receivable from Nuclear Damage Liability Facilitation Fund	**(587,498)**	—	**(7,153)**
Other	**(64,751)**	(77,818)	**(789)**
Total deferred tax liabilities	**(652,249)**	(77,818)	**(7,942)**
Net deferred tax assets	**¥ 10,878**	¥ 13,988	**$ 132**

Deferred tax assets and liabilities included in "Investments and other-other", "Current assets-other", "Other long-term liabilities" and "Current liabilities-other" were as follows:

	Millions of yen		Millions of U.S. dollars
	2012	2011	**2012**
Investments and other-other	**¥16,547**	¥ 24,143	**$201**
Current assets-other	**3,067**	4,667	**37**
Other long-term liabilities	**(8,736)**	(14,811)	**106**
Current liabilities-other	**—**	(11)	**—**

Information about the differences between the effective tax rate reflected in the accompanying consolidated statements of income and the statutory tax rate for the years ended March 31, 2012 and 2011 was omitted, since net loss was recorded.

18 Asset Retirement Obligations

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 of 1957). 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 years ended March 31, 2012 and 2011 were as follows:

	Millions of yen		Millions of U.S. dollars
	2012	2011	**2012**
Balance at beginning of year (Notes 1 below)	**¥791,958**	¥759,907	**$9,643**
Net changes during the year (Notes 2 below)	**11,462**	32,051	**139**
Balance at end of year	**¥803,421**	¥791,958	**$9,782**

Notes:

1. As the Company adopted the new accounting standard for asset retirement obligations effective April 1, 2010, the beginning balance as of April 1, 2010 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 succeeded from "reserve for decommissioning costs of nuclear power units" and ¥57,189 million of "the loss on adjustment for change of accounting standard for asset retirement obligations".
2. Net changes include ¥11,737 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.

19 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$2,965 million) and the legal reserve amounted to ¥169,108 million (US$2,059 million) at March 31, 2012 and 2011. 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.

20 Research and Development Costs

Research and development costs included in operating expenses for the years ended March 31, 2012 and 2011 totaled ¥24,789 million (US$302 million) and ¥42,019 million, respectively.

21 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, 2012 and 2011 were as follows:

	Millions of yen		Millions of U.S. dollars
	2012	2011	**2012**
Salaries and allowances	**¥107,556**	¥135,242	**$1,310**
Provision for accrued employees' retirement benefits	**21,102**	42,964	**257**
Consignment expenses	**78,520**	96,024	**956**
Rent	**42,384**	41,959	**516**

22 Provisions for Reserves

Provisions for reserves charged to net income during the years ended March 31, 2012 and 2011 were as follows:

	Millions of yen		Millions of U.S. dollars
	2012	2011	**2012**
Accrued employees' retirement benefits	**¥ 25,758**	¥ 48,355	**$ 314**
Reserve for reprocessing of irradiated nuclear fuel	**80,016**	110,459	**974**
Reserve for loss on disaster	**308,751**	775,278	**3,759**
Reserve for nuclear damage compensation	**2,524,930**	—	**30,743**

23 Compensation for Nuclear Damages and Grants-in-aid from Nuclear Damage Liability Facilitation Fund

Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, with sincerely recognizing the Company's position as a causing party, the Company is committed to prompt compensation to the nuclear victims with Government supports in accordance with the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No. 147 of 1961).

From the viewpoints of implementing prompt and appropriate compensation payouts, the Company has prepared the criteria for compensation by damages shown in the "Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO" (hereinafter the "Interim Guidelines") determined at the Committee for Adjustment of Compensation for Nuclear Damages Disputes on August 5, 2011 and supplement of the Interim Guidelines on December 6, 2011 and the second supplement of the Interim Guidelines on March 16, 2012. In addition, on December 26, 2011, Headquarters for Nuclear Emergency Response of the Government prepared "Basic Concept and Future Issues concerning Warning Zones and Evacuation Zones responding to Completion of Step 2", showing the concept concerning the review of evacuation zones, etc.

Based on these guidelines, the Company has recorded compensation for nuclear damages amounting to ¥2,524,930 million (US$30,743 million) after deducting ¥120,000 million (US$1,461 million) of receipt of compensation pursuant to the provision of the Act Concerning the Contract for Indemnification of Nuclear Damage Compensation (effective on June 17, 1961; Act No. 148 of 1961) from the estimated damage compensation amounting to ¥2,644,930 million (US$32,204 million) consisting of estimated compensation for evacuation costs and mental blow of evacuees, damages caused by voluntary evacuations, opportunity losses on salary of workers living in and/or working in evacuation zones, damages due to the Governmental restriction on shipment of agricultural, forestry and fishery products, opportunity losses of the businesses such as agriculture, forestry, fishery and sightseeing due to reputation damage, etc. and losses and/or damages on tangible assets for which reasonable estimation became possible using objective statistical data, etc.

The Company records the estimated amount as far as reasonable estimation is possible at this moment, although the estimated compensation amounts might vary depending on the extent of accuracy of reference data and agreements with the victims from now on.

On the other hand, for the purpose of speedy and appropriate implementation of compensation, Nuclear Damage Liability Facilitation Fund (the "Fund") which was newly established based on the "Act Concerning Formation of a Nuclear Damage Liability Facilitation Fund" (effective on August 10, 2011; Act No. 94 of 2011) (the "Fund Act") will provide necessary financial assistance to a nuclear operator. The Company submitted an application to the Fund for a change of the amount of financial support to ¥2,546,271 million ($31,003 million), which is an estimated amount of compensation as of March 29, 2012, based on the Clause 43, Article 1 of the Fund Act and recorded grants-in-aid from the Fund in an amount of ¥2,426,271 million ($29,542 million), which is less ¥120,000 million ($1,461 million) of receipt of compensation from the above amount.

In receiving the financial assistance, the recipient shall pay special contribution defined by the Fund based on the provision of the Clause 52, Article 1, of the Fund Act, but the Company has not recorded such amount, since the amount will be determined by the resolution of the steering committee of the Fund for every fiscal year in light of the Company's operating results and also require the approval of the minister in charge.

24 Gain on Sales of Noncurrent Assets

Major components of gain on sales of noncurrent assets are as follows:

	Millions of yen		Millions of U.S. dollars
	2012	2011	2012
Land	**¥39,337**	¥—	**$479**
Other	**2,271**	—	**28**
Total	**¥41,609**	¥—	**$507**

25 Loss on Disaster

For the year ended March 31, 2012

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

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

a. Expenses and/or losses for settlement and decommissioning of Fukushima Daiichi Nuclear Power Station

Responding to "Step 2 Completion Report- Roadmap towards Settlement of the Accident at Fukushima Daiichi Nuclear Power Station, TEPCO" (December 16, 2011) prepared by Government-TEPCO Integrated Response Office established by Headquarters for Nuclear Emergency Response of the Government, "Mid-and-long-Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Units 1-4, TEPCO" (December 21, 2011) (hereinafter "Mid-and-long Term Roadmap") was prepared by Government and TEPCO's Mid-to-Long Term Countermeasure Meeting established by Headquarters for Nuclear Emergency Response of the Government. Regarding expenses and/or losses related to Mid-and-long Term Roadmap, the Company records estimated amounts based on the concrete target periods and contents of individual countermeasures, if it is possible to estimate the amounts in the normal way.

The Company records the amounts including fuel removal costs within the range of reasonable estimates based on the currently available information for expenses and/or losses related to Mid-and-long Term Roadmap, although they might vary from now on.

(2) Major components of loss on disaster at March 31, 2012 are as follows:

	Millions of yen	Millions of U.S. dollars
a. Expenses and/or losses for settlement and decommissioning of Fukushima Daiichi Nuclear Power Station	¥287,111	$3,496
b. Other	10,691	130
Total	¥297,802	$3,626

For the year ended March 31, 2011
The Company records expense and/or loss 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 "Ministerial Ordinance concerning Reserve for Decommissioning Nuclear Power Plant Units" (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
a. Expenses and/or losses for securing safety through cooling reactors and avoiding further radiation proliferation	¥ 426,298
b. Expenses and/or losses for scrapping Fukushima Daiichi Nuclear Power Station Units 1 through 4:	207,017
— Impairment loss on nuclear power generating facilities	101,692
— Decommissioning costs of nuclear power plant facilities	45,842
— Loss on nuclear fuels	44,855
— Processing costs for nuclear fuels	14,627
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
d. Loss on cancellation of Fukushima Daiichi Units 7 and 8 construction plan	39,360
e. Expenses and/or losses for restoring damaged thermal power plants	49,724
f. Other	86,270
Total	¥1,020,496

(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
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
Fukushima Daiichi Nuclear Power Station Units 7 and 8 construction	Okuma-cho & Futaba-cho, Futaba county, Fukushima Prefecture	Construction in progress	39,360
Total			¥141,05

Details of assets by type:

	Millions of yen
Buildings	¥ 2,335
Structures	2,103
Machinery and equipment	90,169
Construction in progress	45,241
Other	1,204
Total	¥141,053

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.

26 Other Comprehensive Income

The components of other comprehensive income for the year ended March 31, 2012 are as follows:

	Millions of yen	Millions of U.S. dollars
Net unrealized holding loss on securities:		
Loss incurred during the year	¥ (2,023)	$ (24)
Reclassification adjustment to net income	21,795	265
Amount before tax effect	19,772	241
Tax effect	569	7
Net unrealized holding loss on securities	20,341	248
Net deferred loss on hedges:		
Loss incurred during the year	(904)	(11)
Reclassification adjustment to net income	456	6
Amount before tax effect	(448)	(5)
Tax effect	266	3
Net deferred loss on hedges	(181)	(2)
Translation adjustments:		
Loss incurred during the year	(5,301)	(65)
Reclassification adjustment to net income	1,641	20
Amount before tax effect	(3,660)	(45)
Tax effect	—	—
Translation adjustments	(3,660)	(45)
Share of other comprehensive income in associates accounted for using the equity method:		
Loss incurred during the year	(11,083)	(135)
Reclassification adjustment to net income	4,017	49
Share of other comprehensive income in associates accounted for using the equity method	(7,066)	(86)
Total other comprehensive income	¥ 9,432	$ 115

The information for the year ended March 31, 2011 is not required under the accounting standard for presentation of other comprehensive income as an exemption for the first year of adoption.

27 Related Party Transactions

The Company guaranteed loan and bonds in the amounts of ¥249,086 million (US$3,033 million) and ¥281,045 million of Japan Nuclear Fuel Limited, a major affiliate, at March 31, 2012 and 2011, respectively.

28 Contingent Liabilities

Contingent liabilities totaled ¥585,673 million (US$7,131 million) and ¥644,921 million, of which ¥278,838 million (US$3,395 million) and ¥328,062 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, 2012 and 2011, respectively.

In addition, ¥236,834 million (US$2,884 million) and ¥246,858 million consisted of guarantees given in connection with housing loans made to employees of the Companies at March 31, 2012 and 2011, respectively.

The remaining ¥70,000 million (US$852 million) and ¥70,000 million represent the debt assigned by the Company to certain banks under debt assumption agreements at March 31, 2012 and 2011, respectively.

Contingent Liabilities related to Nuclear Damage Compensation

At March 31, 2012

Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, with sincerely recognizing the Company's position as a causing party, the Company has decided to implement the compensation from the viewpoints of speedy implementation of compensation for the nuclear victims with Government supports under the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No. 147 of 1961). From the viewpoints of implementing prompt and appropriate compensation payouts, the Company has prepared the criteria for compensation by damages shown in the interim guidelines, taking into consideration the "Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO" (hereinafter the "Interim Guidelines") determined at the Committee for Adjustment of Compensation for Nuclear Damages Disputes on August 5, 2011, supplement of the "Interim Guidelines" on December 6, 2011 and the second supplement of the "Interim Guidelines" on March 16, 2012. In addition, on December 26, 2011, Headquarters for Nuclear Emergency Response of the Government prepared "Basic Concept and Future Issues concerning Warning Zones and Evacuation Zones responding to completion of Step 2", showing the concept concerning the review of evacuation zones, etc. Based on these guidelines, the Company recorded a reserve for nuclear damage compensation regarding the amounts possible to make reasonable estimates based on the concrete computation method and objective statistical data, etc., but does not record any reserve for opportunity losses of the businesses such as agriculture, forestry, fishery and sightseeing due to reputation damage, etc., indirect damages and losses and/or damages on tangible assets for which reasonable estimation is not possible using the interim guidelines and currently available data, etc.

Furthermore, regarding the amounts to be billed or claimed to the Company for the costs required for treatment of wastes and decontamination measures based on the "Act on Special Measures concerning the Handling of pollution by Radioactive Materials Released by the Accident of Nuclear Power Plant damaged by Tohoku-Chihou-Taiheiyou-Oki Earthquake on March 11, 2011" (effective on August 30, 2011; Act No. 110 of 2011), the Company has not recorded any reserve for the amount of compensation, since reasonable estimation is not possible under the current circumstances that concrete measures are not identifiable.

At March 31, 2011

The Company is liable for the nuclear damage concerning the accident 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 a portion of its profits as special mandatory contribution. The Company is committed to completing our responsibility of the compensation with the Government's support based on this bill and with the best efforts streamlines its management to reduce costs and raise sufficient funds.

29 Financial Instruments

1. Status of financial instruments

(1) Policy regarding financial instruments

Since the debt rating of the Company was downgraded 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. However, the Company tries to raise its fund to ensure its capital investments required for electric power business by borrowing from financial institutions.

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

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 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.

Grants-in-aid receivable from Nuclear Damage Liability Facilitation Fund (the "Fund") with the carrying amount of ¥1,762,671 million ($21,462 million) is a receivable of the fund stipulated in the Clause 41, Article 1-1 of the Fund Act (effective on August 10, 2011; Act No. 94 of 2011). The fair value of this receivable is not presented because this fund will be paid from the Fund for the necessary amount to implement compensation for nuclear damages caused by the accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake and it is determined based on the amounts required for compensation.

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, 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, 2012 and 2011, 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 below).

	Millions of yen		
	2012		
	Carrying amount*1	Fair value*1	Difference
(1) Investment securities*2	**¥ 6,936**	**¥ 6,936**	**¥ —**
(2) Trust funds for the reprocessing of irradiated nuclear fuel	**1,125,997**	**1,125,997**	**—**
(3) Cash	**1,287,418**	**1,287,418**	**—**
(4) Notes and accounts receivable-customers	**432,925**	**432,925**	**—**
(5) Bonds*3	**(4,425,574)**	**(3,808,854)**	**616,720**
(6) Long-term loans*3	**(3,453,188)**	**(3,268,631)**	**184,557**
(7) Short-term loans	**(441,765)**	**(441,765)**	**—**
(8) Trade notes and accounts payable	**(317,479)**	**(317,479)**	**—**
(9) Derivatives*4	**(328)**	**(328)**	**—**

	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*4	(1,067)	(1,067)	—

	Millions of U.S. dollars		
	2012		
	Carrying amount*1	Fair value*1	Difference
(1) Investment securities*2	$ 84	$ 84	$ —
(2) Trust funds for the reprocessing of irradiated nuclear fuel	13,710	13,710	—
(3) Cash	15,675	15,675	—
(4) Notes and accounts receivable-customers	5,271	5,271	—
(5) Bonds*3	(53,885)	(46,376)	7,509
(6) Long-term loans*3	(42,045)	(39,798)	2,247
(7) Short-term loans	(5,379)	(5,379)	—
(8) Trade notes and accounts payable	(3,866)	(3,866)	—
(9) Derivatives*4	(4)	(4)	—

*1. Figures shown in parentheses represent liabilities.
*2. Investment securities are included in "Long-term investments" in the accompanying consolidated balance sheets.
*3. Bonds and long-term loans include "Current portion of long-term debt" in the accompanying consolidated balance sheets.
*4. The value of assets and liabilities arising from derivatives is shown at net value.

(Note 1) Investment securities, derivatives and methods for estimating fair value of financial instruments

(1) Investment securities

The fair value of 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, 2012 and 2011, 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
	2012	2011	2012
	Carrying amount	Carrying amount	Carrying amount
Unlisted securities	¥26,389	¥92,983	$321
Other	5,419	6,255	66
Total	¥31,809	¥99,239	$387

These financial instruments are not included in "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, 2012 is as follows:

	Millions of yen			
	2012			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Investment securities:				
Available-for-sale securities with maturity				
Bonds				
Public bonds	¥ 3	¥—	¥83	¥—
Corporate bonds	—	—	—	—
Other	—	—	—	—
Other	482	—	—	—
Trust funds for the reprocessing of irradiated nuclear fuel*1	103,693	—	—	—
Cash*2	1,287,418	—	—	—
Notes and accounts receivable-customers	432,925	—	—	—
Total	¥1,824,523	¥—	¥83	¥—

	Millions of U.S. dollars			
	2012			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Investment securities:				
Available-for-sale securities with maturity				
Bonds				
Public bonds	$ 0	$—	$ 1	$—
Corporate bonds	—	—	—	—
Other	—	—	—	—
Other	6	—	—	—
Trust funds for the reprocessing of irradiated nuclear fuel*1	1,263	—	—	—
Cash*2	15,675	—	—	—
Notes and accounts receivable-customers	5,271	—	—	—
Total	$22,215	$—	$ 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 (¥1,022,304 million (US$12,447 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, long-term loans and other interest bearing liabilities subsequent to March 31, 2012 is as follows:

	Millions of yen					
	2012					
	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	¥ 748,110	¥585,729	¥446,400	¥438,100	¥367,035	¥1,840,200
Long-term loans	177,078	336,919	491,354	320,629	429,399	1,697,809
Short-term loans	441,765	—	—	—	—	—
Total	¥1,366,953	¥922,648	¥937,754	¥758,729	¥796,434	¥3,538,009

	Millions of U.S. dollars					
	2012					
	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	$ 9,109	$ 7,132	$ 5,435	$5,334	$4,469	$22,406
Long-term loans	2,156	4,102	5,983	3,904	5,228	20,672
Short-term loans	5,379	—	—	—	—	—
Total	$16,644	$11,234	$11,418	$9,238	$9,697	$43,078

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)

There were no currency-related derivatives for the year ended March 31, 2012.

Derivatives for which hedge accounting is applied
(1) Currency-related

	Millions of yen			
	2012			
	Hedged item	Contract amount	Portion over 1 year	Fair value
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		25,050	25,050	*2
Total		¥159,320	¥159,320	¥—

	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 U.S. dollars			
	2012			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Allocation of gain/loss on foreign exchange forward contracts				
Currency swap transactions	Bonds			
Payable JPY/receivable EUR		**$1,635**	**$1,635**	*2
Payable JPY/receivable CHF		**305**	**305**	*2
Total		**$1,940**	**$1,940**	**$—**

*1 Fair value for those contracts is based on prices disclosed by relevant financial institutions.
*2 Bonds hedged by foreign exchange forward contracts are translated using the forward exchange contract rates and accordingly, such foreign exchange forward contracts are not included in carrying value and fair value in the list of 2 "Fair value of financial instruments" under Note 29.

(2) Interest rate-related

	Millions of yen			
	2012			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Basic treatment				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		**¥ 4,944**	**¥ 4,835**	**¥(328)** *1
Special treatment of interest rate swaps				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		**67,228**	**49,376**	*2
Total		**¥72,172**	**¥54,211**	**¥(328)**

	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 U.S. dollars			
	2012			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Basic treatment				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		**$ 60**	**$ 59**	**$(4)***1
Special treatment of interest rate swaps				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		**819**	**601**	*2
Total		**$879**	**$660**	**$(4)**

*1 Fair value for those contracts is based on prices disclosed by relevant financial institutions.
*2 Interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not measured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expenses or income and accordingly, such interest rate swaps are not included in carrying value and fair value in the list of 2 "Fair value of financial instruments" under Note 29.

30 Segment Information

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.

Until the fiscal year ended March 31, 2011, the Group consisted of five industry segments: in addition to electric power, information and telecommunications, energy and environment, living environment and lifestyle-related, and overseas businesses as strategic businesses.

However, facing aftermath of the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company reviewed its Group organization in "Present Policy for Business Efficiency Improvements and Streamlining" announced on May 20, 2011 and decided to significantly reduce and restructure businesses other than those needed for the stable power supply.

Accordingly, the Company decided to focus on "Electric Power Business" as its reportable segment and report "information and Telecommunications Business", "Energy and Environment Business", "Living Environment and Lifestyle-Related Business" and "Overseas Business" all together as "Other", since these business segment information other than those needed for stable power supply has become less significant for reporting continuously.

"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.

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 with those disclosed in Note 1, "Summary of Significant Accounting Policies". Segment profit of the reportable segment is the figure based on operating income. Inter-segment sales are based on the arm's length price.

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

	Millions of yen				
	2012				
	Reportable segment				
	Electric power business	Other (Note 1)	Total	Adjustments	Consolidated
Sales:					
Sales to third parties	¥ 4,995,626	¥ 353,819	¥ 5,349,445	¥ —	¥ 5,349,445
Inter-segment sales and transfers	—	298,287	298,287	(298,287)	—
Total	4,995,626	652,106	5,647,733	(298,287)	5,349,445
Segment profit (loss)	¥ (323,738)	¥ 49,953	¥ (273,784)	¥ 1,270	¥ (272,513)
Segment assets	¥14,548,200	¥1,311,064	¥15,859,265	¥(322,809)	¥15,536,456
Other items:					
Depreciation	¥ 645,854	¥ 44,934	¥ 690,788	¥ (4,232)	¥ 686,555
Increase in tangible and intangible fixed assets (Notes 4 below)	671,474	81,608	753,083	(3,071)	750,011

	Millions of yen				
	2011				
	Reportable segment				
	Electric power business	Other (Note 1)	Total	Adjustments	Consolidated
Sales:					
Sales to third parties	¥ 5,064,625	¥ 303,910	¥ 5,368,536	¥ —	¥ 5,368,536
Inter-segment sales and transfers	—	330,771	330,771	(330,771)	—
Total	5,064,625	634,681	5,699,307	(330,771)	5,368,536
Segment profit	¥ 354,156	¥ 44,299	¥ 398,455	¥ 1,169	¥ 399,624
Segment assets	¥13,611,051	¥1,502,803	¥15,113,855	¥(323,501)	¥14,790,353
Other items:					
Depreciation	¥ 655,784	¥ 50,692	¥ 706,476	¥ (4,291)	¥ 702,185
Increase in tangible and intangible fixed assets (Notes 4 below)	611,799	68,406	680,206	(3,459)	676,746

	Millions of U.S. dollars				
	2012				
	Reportable segment				
	Electric power business	Other (Note 1)	Total	Adjustments	Consolidated
Sales:					
Sales to third parties	$ 60,826	$ 4,308	$ 65,134	$ —	$ 65,134
Inter-segment sales and transfers	—	3,632	3,632	(3,632)	—
Total	60,826	7,940	68,766	(3,632)	65,134
Segment profit (loss)	$ (3,942)	$ 608	$ (3,334)	$ 16	$ (3,318)
Segment assets	$177,136	$15,963	$193,099	$(3,930)	$189,169
Other items:					
Depreciation	$ 7,864	$ 547	$ 8,411	$ (52)	$ 8,359
Increase in tangible and intangible fixed assets (Notes 4 below)	8,176	994	9,170	(38)	9,132

Notes:
1. "Other" represents business segments not included in reportable segments, consisting of information and telecommunications, energy and environment, living environment and lifestyle-related, and overseas businesses.
2. "Adjustments" of "Segment profit" in an amount of ¥1,270 million (US$16 million) includes ¥1,231 million (US$15 million) of inter-segment elimination
   "Adjustments" of "Segment assets" in an amount of ¥ (322,809) million (US$ (3,930) million) includes ¥ (322,197) million (US$ (3,923) million) of inter-segment elimination.
   "Adjustments" of "Depreciation" in an amount of ¥ (4,232) million (US$ (52) million) refers to inter-segment elimination.
   "Adjustments" of "Increase in tangible and intangible fixed assets" in an amount of ¥ (3,071) million (US$ (38) million) refers to inter-segment elimination.
3. Segment profit is reconciled with operating income (loss) in the consolidated financial statements.
4. "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	Other	Corporate/ Elimination	Consolidated
Impairment loss	¥141,053	¥—	¥—	¥141,053

Information about impairment loss on tangible fixed assets by reportable segment for the year ended March 31, 2012 has been omitted, since there is no materiality.

31 Subsequent Events

The Company resolved issuance of preferred stock, consisting of class A and class B preferred stock, (hereinafter the "Preferred Stock") to be allotted to Nuclear Damage Liability Facilitation Fund (the "Fund") at the Board of Directors' meeting held on May 21, 2012 and obtained the approval concerning an increase in the number of shares required for the issuance of the Preferred Stock at the general shareholders meeting held on June 27, 2012. The detail of the issuance of the Preferred Stock is as follows:

Type of shares	Class A Preferred Stock	Class B Preferred Stock
Number of new shares to be issued	1,600,000,000 shares	340,000,000 shares
Issue price	¥200 (US$2.44) per share	¥2,000 (US$24.35) per share
Total amount of issue price	¥320,000 million (US$3,896 million)	¥680,000 million (US$8,280 million)
Payment date	July 11, 2012 through July 25, 2012	
Amount of capital to be increased	¥160,000 million (US$1,948 million)	¥340,000 million (US$4,140 million)
Amount of capital reserve to be increased	¥160,000 million (US$1,948 million)	¥340,000 million (US$4,140 million)

All shares of the Preferred Stock will be allotted to the Fund by way of the third party allotment. After the Preferred Stock was allotted to the Fund, the ownership of the voting rights held by the Fund will be 50.11% and the Fund will become a controlling shareholder of the Company. The ownership is computed with the denominator adding the number of voting rights (16,000,000) related to 1,600 million shares of class A preferred stock to the total outstanding number of voting rights (15,932,191) as of March 31, 2012.

The Company will receive ¥996,360 million (US$12,132 million) of net proceeds from the total payment of ¥1 trillion (US$12,176 million), less ¥3,640 million (US$44 million) of approximate amount of issuance costs. The Company plans to use this fund for the preparation of prompt and appropriate implementation of nuclear damage compensation, steady decommissioning and the securement of a stable power supply at any time when necessary by the end of March 2015.

TEPCO has disclosed the contents included in the extraordinary securities report submitted to the Ministry of Finance in Japan on May 21, 2012 concerning the issuance of above preferred stock to London Stock Exchange and Swiss Stock Exchange in English.

Independent Auditor's Report

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

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

The Board of Directors
Tokyo Electric Power Company, Incorporated

We have audited the accompanying consolidated financial statements of Tokyo Electric Power Company, Incorporated (the "Company") and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2012, and the consolidated statements of operations, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tokyo Electric Power Company, Incorporated and its consolidated subsidiaries as at March 31, 2012, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

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

(1) As explained in Note 1(a) 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 Act (the "Act") (effective on June 17, 1961; Act No.147 of 1961) 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.

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 and then the "Act concerning Formation of a Nuclear Damage Liability Facilitation Fund" (Act No. 94 of 2011) (hereinafter the "Fund Act") was approved by the Diet on August 10, 2011.

Following these Government actions, the Company asked the Nuclear Damage Liability Facilitation Fund (the "Fund") for financial support based on the provision of the Clause 41, Article 1-1 of the Fund Act and submitted an application for the approval on Emergency Special Business Plan to the minister in charge based on the Clause 45, Article 1, of the Fund Act jointly with the Fund. On November 4, 2011, the plan was approved by the minister in charge and the Company received a notice from the Fund on a decision to execute financial support as to the amount of the estimated amount of necessary compensation less the amount of compensation provided by the Clause 7, Article 1 of the Act. Then, since the Company revised the estimated amount of necessary compensation, the Company submitted an application to the Fund for approval to change an amount of financial support based on the Clause 43, Article 1 of the Fund Act and also submitted an application in cooperation with the Fund to the minister in charge to approve the change of the Emergency Special Business Plan based on the Clause 46, Article 1 of the Fund Act. On February 13, 2012, a revised Emergency Special Business Plan was approved and the Company received a notice from the Fund on its decision to change the amount of financial support.

On the other hand, the Company submitted an application to the Fund to change the amount of financial support based on the Clause 43, Article 1 of the Fund Act due to the revised estimated amount of compensation following the "Secondary Supplement of the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Nuclear Power Stations,TEPCO (Losses due to the revision of the evacuation area per the government)" (March 16, 2012) set by the Committee for Adjustment of Compensation for Nuclear Damages Disputes and also submitted an application for financial assistance (subscription of shares) based on the Clause 41, Article 1-2 of the Fund Act for the purpose of strengthening its financial base towards speedy recovery of autonomic financing capabilities in order to prepare for implementation of prompt and appropriate compensation, steady decommissioning of Unit 1 to 4 at Fukushima Daiichi Nuclear Power Station, and securement of stable power supply. In addition, towards the drastic management reform from the mid-to-long term viewpoints, the Company revised the Emergency Special Business Plan jointly with the Fund and submitted an application to the minister in charge to approve the Comprehensive Special Business Plan based on the Clause 46, Article 1 of the Fund Act. On May 9, 2012, the plan was approved by the minister in charge and the Company received a notice regarding the change of the amount of financial support and the decision of subscription of shares of 1 trillion yen. In addition, in accordance with the Clause 19, Article 1 of the Electricity Business Act, the Company submitted the application to the Minister of Economy, Trade, and Industries on May 11, 2012 for approval of the proposed rate increase.

In accordance with the plan, the Company is striving to drastically rationalize its management and furnish compensation promptly and in a proper manner with the support given under the Fund Act as well as to achieve steady decommissioning and a stable electricity supply. However, the management realizes significant doubt in the Company's ability to continue as a going concern at this moment, considering that implementation of the Plan requires subscription of shares by the Fund after making the necessary resolution at the shareholders' meeting about the contents of the shares to be issued and subscription conditions accepted by the Fund and approval by the Minister of Economy, Trade and Industries on the application for raising electricity rates.

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.

(2) As explained in Note 28 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 Company has decided to implement the compensation with Government supports under the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No.147 of 1961). From the viewpoints of implementing prompt and appropriate compensation payouts, the Company has prepared the criteria for compensation by damages shown in the interim guidelines, taking into consideration the "Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO" (hereinafter the "Interim Guidelines") determined at the Committee for Adjustment of Compensation for Nuclear Damages Disputes on August 5, 2011, supplement of the "Interim Guidelines" on December 6, 2011 and the second supplement of the "Interim Guidelines" on March 16, 2012. In addition, on December 26, 2011, Headquarters for Nuclear Emergency Response of the Government prepared "Basic Concept and Future Issues concerning Warning Zones and Evacuation Zones responding to completion of Step 2", showing the concept concerning the review of evacuation zones, etc. Based on these guidelines, the Company recorded a reserve for nuclear damage compensation regarding the amounts possible to make reasonable estimates based on the concrete computation method and objective statistical data, etc., but does not record any reserve for opportunity losses of the businesses such as agriculture, forestry, fishery and sightseeing due to reputation damage, etc., indirect damages and losses and/or damages on tangible assets for which reasonable estimation is not possible using the interim guidelines and currently available data, etc.

Furthermore, regarding the amounts to be billed or claimed to the Company for the costs required for treatment of wastes and decontamination measures based on the "Act on Special Measures concerning the Handling of pollution by Radioactive Materials Released by the Accident of Nuclear Power Plant damaged by Tohoku-Chihou-Taiheiyou-Oki Earthquake on March 11, 2011" (effective on August 30, 2011; Act No. 110 of 2011), the Company has not recorded any reserve for the amount of compensation, since reasonable estimation is not possible under the current circumstances that concrete measures are not identifiable.

(3) 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 and also in consideration of the progress of necessary research and development activities. Accordingly, the Company records the amounts including fuel removal costs within the range of reasonable estimates based on the currently available information for expenses and/or losses related to Mid-and-long Term Roadmap, although they might vary from now on.

(4) As explained in Note 1(i) to the accompanying consolidated financial statements, the Company records the amounts of decommissioning costs of Fukushima Daiichi Nuclear Power Station Units 1 through 4 within the range of reasonable estimates based on the currently available information, although they might vary from now on, since it is difficult to identify the whole situations of the damages.

(5) As explained in Note 31 to the accompanying consolidated financial statements, the Company resolved issuance of preferred stock, consisting of class A and class B preferred stock, (hereinafter the "Preferred Stock") to be allotted to Nuclear Damage Liability Facilitation Fund at the Board of Directors' meeting held on May 21, 2012 and obtained the approval concerning an increase in the number of shares required for the issuance of the Preferred Stock at the general shareholders meeting held on June 27, 2012.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 2.

Ernst & Young ShinNihon LLC

June 27, 2012

Major Subsidiaries and Affiliated Companies

As of March 31, 2012

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 Lease Corporation	100	100.0	Leasing of vehicles and others
Tokyo Densetsu Service Co., Ltd.	50	100.0	Maintenance of transmission, transformation and other facilities
Fuel TEPCO Limited	40	100.0	Sales of petroleum products
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	100.0	Contracting for advertisements on TEPCO-owned utility poles and in/on other media
Overseas Business			
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
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			
Eurus Energy Holdings Corporation	18,199	40.0	Investment in domestic/overseas wind and solar energy projects
TeaM Energy Corporation	12 million US$	0.0*	Philippine IPP
TEPDIA Generating B.V.	18 thousand Euro	0.0*	Thailand IPP
ITM Investment Company Limited	16 thousand US$	0.0*	Investment in Umm Al Nar power generation and water desalination project

*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, 2012

Trade Name
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
38,701 (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
898,831

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

* Trade name has been changed to Tokyo Electric Power Company, Incorporated with an approval at 88th Ordinary General Meeting of Shareholders held on June 27, 2012.

** As the Company already announced on the press release on May 21, 2012, the Company's "paid-in capital" and "the number of shares issued and outstanding" is planned to increase after the capital injection by the Nuclear Damage Liability Facilitation Fund.

*** TEPCO's stock was delisted from the Osaka Securities Exchange on July 1, 2012, and from the Nagoya Stock Exchange on June 30, 2012

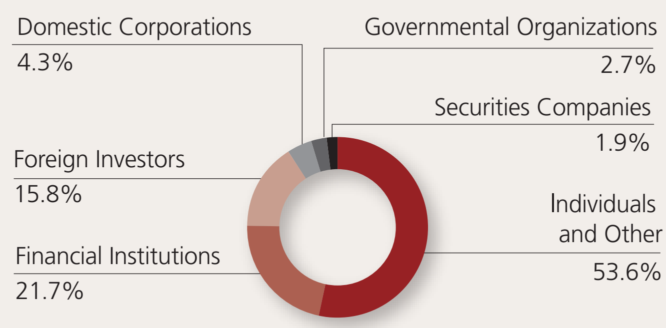
TEPCO Investor Relations Website
http://www.tepco.co.jp/en/corpinfo/ir/top-e.html

Major Shareholders

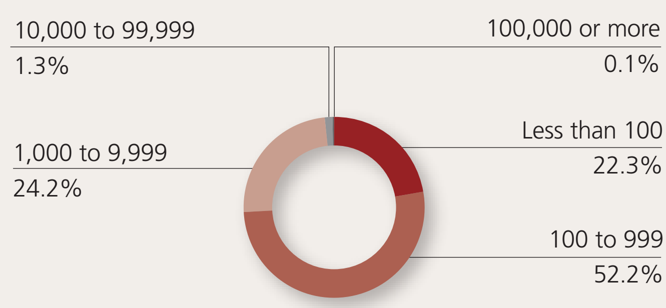
Name	Number of Shares Held (Thousands)
Tokyo Metropolitan Government	42,676
TEPCO Employees' Shareholding Association	38,398
Sumitomo Mitsui Banking Corporation	35,927
The Dai-ichi Life Insurance Company, Limited	35,600
Nippon Life Insurance Company	35,200
The Master Trust Bank of Japan, Ltd. (Trust Account)	29,802
Japan Trustee Services Bank, Ltd. (Trust Account)	27,770
Mizuho Corporate Bank, Ltd.	23,791
SSBT OD05 OMNIBUS ACCOUNT—TREATY CLIENTS	17,935
STATE STREET BANK WEST CLIENT—TREATY	12,458

Breakdown of Shareholders

Shareholdings by Type of Shareholder



Shareholders by Number of Shares Held



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

TEPCO

TOKYO ELECTRIC POWER COMPANY

Published July 2012