



# FY2008 3<sup>rd</sup> Quarter Financial Results (April 1, 2008 – December 31, 2008) Presentation Materials

January 30, 2009

Tokyo Electric Power Company

Managing Director

Masaru Takei



### *Regarding Forward-Looking Statements (Performance Projections)*

*Certain statements in the following presentation regarding Tokyo Electric Power Company's business operations may constitute "forward-looking statements." As such, these statements are not historical facts but rather predictions about the future, which inherently involve risks and uncertainties, and these risks and uncertainties could cause the Company's actual results to differ materially from the forward-looking statements (performance projections) herein.*



# I . Overview of FY2008 3<sup>rd</sup> Quarter Financial Results

<Note>Some accounting procedures have changed due to the the quarterly report system introduced in FY 2008.  
Comparison data from FY 2007 3rd quarter (9 months) is for your reference. Financial figures in this report are based on this premise.



# FY2008 3<sup>rd</sup> Quarter Results Summary (Consolidated and Non-consolidated)

(Upper and lower rows show consolidated and non-consolidated figures, respectively)

(Unit: Billion yen)

		FY2008 3Q of the year <9 months>(A)	FY2007 3rd quarter <9 months> (B)	Comparison	
				(A)-(B)	(A)/(B)(%)
Electricity sales volume	(Billion kWh)	217.2	218.8	-1.6	99.3
Operating revenues	(Consolidated)	4,251.2	3,971.8	279.3	107.0
	(Non-consolidated)	4,069.8	3,791.2	278.5	107.3
Operating expenses		4,387.5	3,744.3	643.1	117.2
		4,237.6	3,592.9	644.6	117.9
Operating income or loss		-136.3	227.5	-363.8	—
		-167.8	198.2	-366.0	—
Ordinary revenues		4,306.2	4,018.7	287.4	107.2
		4,101.3	3,815.5	285.8	107.5
Ordinary expenses		4,505.2	3,861.5	643.7	116.7
		4,346.1	3,707.4	638.7	117.2
Ordinary income or loss		-199.0	157.2	-356.2	—
		-244.8	108.0	-352.9	—
Extraordinary income		—	18.6	-18.6	—
		—	18.6	-18.6	—
Extraordinary loss		11.0	175.2	-164.1	6.3
		11.0	172.9	-161.9	6.4
Quarterly net income or loss		-137.7	-3.0	-134.7	—
		-164.8	-32.7	-132.0	—
Free cash flow		-189.0	—	-189.0	—
		-226.1	—	-226.1	—
Net worth ratio	(%)	17.5	21.1	-3.6	—
		16.3	19.9	-3.6	—
ROA	(%)	-1.0	1.7	-2.7	—
		-1.3	1.5	-2.8	—

## Key Factors Affecting Performance

	FY2008				FY2007
	3Q of the Year Actual Performance	4th Quarter Projection (as of January 30)	Full Year Projection (as of January 30)	Full Year Projection (as of October 31)	Full Year Actual Performance
Electricity sales volume (billion kWh)	217.2	75.2	292.4	296.7	297.4
Crude oil prices (All Japan CIF; dollars per barrel)	105.06	approx.47	approx.91	approx.110	78.72
Foreign exchange rate (Interbank; yen per dollar)	102.93	approx.95	approx.101	approx.106	114.44
Nuclear power plant capacity utilization ratio (%)	43.9	approx.42	approx.44	approx.44	44.9
Flow rate (%)	93.6	approx.100	approx.95	approx.100	94.4

## Financial Impact

	(Unit : Billion yen)		
	FY2008		FY2007
	Full Year Projection		Full Year Actual Performance
	(as of January 30)	(as of October 31)	
Crude oil prices (All Japan CIF; 1 dollar per barrel)	17.0	18.0	16.0
Foreign exchange rate (Interbank; 1 yen per dollar)	19.0	21.0	14.0
Nuclear power plant capacity utilization ratio (1%)	15.0	17.0	12.0
Flow rate (1%)	1.5	2.0	1.5
Interest rate (1%)	15.0	15.0	12.0

Note: The "Crude oil prices", "Foreign exchange rate" "Nuclear power plant capacity utilization ratio" and "Flow rate" reflect the impact on annual Fuel expenses. The "Interest rate" reflects the amount of interest that will accrue.

(Upper and lower rows show consolidated and non-consolidated figures, respectively)

(Unit: Billion yen)

	Operating revenues	Operating income or loss	Ordinary income or loss	Net income or loss
Present projection (January 30) (Consolidated)	5,960.0	45.0	-50.0	-45.0
(Non-consolidated)	5,710.0	5.0	-100.0	-70.0
Previous projection (October 31)	6,030.0	-235.0	-325.0	-220.0
	5,770.0	-280.0	-380.0	-250.0
Difference	-70.0	280.0	275.0	175.0
	-60.0	285.0	280.0	180.0

### <FY2008 projection for full year: Factors behind variance in income or loss (Non-consolidated)>

Ordinary income or loss [as of October 31]		-¥380.0 billion	
<b>Factors for improving performance</b>		<b>Factors for weakening performance</b>	
+¥345.0 billion		+¥65.0 billion	
Decrease in fuel expenses		Decrease in operating revenues	
+¥335.0 billion		+¥60.0 billion	
【Consumption side】 <ul style="list-style-type: none"> <li>Decrease due to declining demand +¥55.0 billion</li> <li>Decrease from the increase in purchased power +¥10.0 billion</li> <li>Increase from decrease in nuclear power generated -¥5.0 billion</li> <li>Increase due to hydroelectric generated -¥5.0 billion</li> </ul>		<ul style="list-style-type: none"> <li>Decrease in electricity sales revenues due to decrease in electric sales volume +¥55.0 billion</li> <li>Decrease in incidental business operating revenues (Gas supply business operating revenues, etc.) +¥5.0 billion</li> </ul>	
【Price side】 <ul style="list-style-type: none"> <li>Decrease due to the appreciation of Japanese yen +¥85.0 billion</li> <li>Decrease due to decline in CIF crude oil prices, etc. +¥195.0 billion</li> </ul>		Others +¥5.0 billion	
<ul style="list-style-type: none"> <li>Decrease in incidental business operating expenses +¥10.0 billion</li> <li>Gas supply business operating expenses, etc.</li> </ul>		<ul style="list-style-type: none"> <li>Decrease in dividend income, etc.</li> </ul>	
Ordinary income or loss		-¥100.0 billion	
Reversal of reserve for fluctuation in water levels +¥5.0 billion		Extraordinary loss +¥10.0 billion	
		<ul style="list-style-type: none"> <li>Contingent asset loss and Casualty loss from natural disaster</li> </ul>	
Befor-tax net income or loss		-¥105.0 billion	
After-tax* net income or loss		-¥70.0 billion	

Note: Statutory effective tax rate: 36.2%



# Revised Performance Outlook for FY2008 -3 (Comparison with previous year)

(Upper and lower rows show consolidated and non-consolidated figures, respectively) (Unit: Billion yen)

	Operating revenues	Operating income or loss	Ordinary income or loss	Net income or loss
Present projection (January 30) (Consolidated)	5,960.0	45.0	-50.0	-45.0
(Non-consolidated)	5,710.0	5.0	-100.0	-70.0
FY2007 Actual performance	5,479.3	136.4	33.1	-150.1
	5,224.3	95.0	-22.0	-177.6
Difference	480.7	-91.4	-83.1	105.1
	485.7	-90.0	-78.0	107.6

## <FY2008 projection for full year: Factors behind variance in ordinary income or loss (Non-consolidated)>

Ordinary income or loss [ of FY2007]		-¥22.0 billion		
Factors for improving performance	+¥535.0 billion	Factors for weakening performance	+¥615.0 billion	
Increase in operating revenues	+¥485.0 billion	Increase in fuel expenses	+¥375.0 billion	
<ul style="list-style-type: none"> <li>Increase in electricity sales revenues +¥435.0 billion                             <ul style="list-style-type: none"> <li>Decrease in electricity sales volume -¥85.0 billion</li> <li>Impact from the fuel cost adjustment system, etc. +¥520.0 billion</li> </ul> </li> <li>Increase in incidental business operating revenues, etc. +¥50.0 billion (Gas supply business operating revenues +¥35.0 billion)</li> </ul>		<ul style="list-style-type: none"> <li>Increase from the decrease in nuclear power generated +¥20.0 billion</li> <li>Decrease due to declining demand -¥40.0 billion</li> <li>Decrease from the increase in purchased power and hydroelectric generated, etc. -¥25.0 billion</li> </ul>		
Decrease in depreciation expenses	+¥20.0 billion	<ul style="list-style-type: none"> <li>Decrease from the appreciation of the Japanese yen -¥190.0 billion</li> <li>Increase from rise in CIF crude oil prices, etc. +¥610.0 billion</li> </ul>		
<ul style="list-style-type: none"> <li>Progress of depreciation and Restraining of capital expenditures</li> </ul>		Increase in purchased power	+¥60.0 billion	
Decrease in nuclear power back-end costs	+¥30.0 billion	Increase in personnel expenses	+¥145.0 billion	
<ul style="list-style-type: none"> <li>Decrease in nuclear power generated, etc.</li> </ul>		<ul style="list-style-type: none"> <li>Rebound from the decrease due to the revision of retirement benefit and pension system in the previous year (FY2007), etc.</li> </ul>		
		Increase in incidental business operating expenses	+¥35.0 billion	
		(Gas supply business operating expenses +¥35.0 billion)		
Ordinary income or loss		-¥100.0 billion		



(Unit: Billion yen)	FY2007 actual performance	FY2008 3Q of the year actual performance	FY2008 full year projection <sup>1</sup> (as of January 30)	【Ref.】FY2008 full year projection (as of October 31)
<b>Total</b>	<b>615.0</b>	<b>478.5</b>	<b>603.5</b>	<b>658.0</b>
<b>Fuel expenses, etc.</b>	<b>420.0</b>	<b>460.0</b> →	<b>585.0</b>	<b>650.0</b>
Increase in fuel expenses and purchased power <sup>2</sup>	460.0	497.0	635.0	700.0
Decrease in nuclear fuel expenses and nuclear power back-end costs	-40.0	-37.0	-50.0	-50.0
<b>Restoration expenses and others</b>	<b>195.0</b>	<b>18.5</b> →	<b>18.5</b>	<b>8.0</b>
Extraordinary loss (Casualty loss from natural disaster and others)	192.5	110.0 <sup>3</sup>	11.0	—
Others (Expenses for restarting inactive thermal power plants, etc.)	2.5	7.5	7.5	8.0
<b>Decrease in nuclear power generated</b>	<b>40.0 billion kWh</b>	<b>37.0 billion kWh</b> →	<b>50.0 billion kWh</b>	<b>50.0 billion kWh</b>
<b>Nuclear power plant capacity utilization ratio (%)</b>	<b>44.9</b>	<b>43.9</b>	<b>approx. 44</b>	<b>approx. 44</b>

Notes: 1. TEPCO estimates the data premised on the full-year shutdown of Kashiwazaki-Kariwa NPS in FY2008.

2. "Increase in fuel expenses and purchased power" includes increase in nuclear fuel expenses, etc. due to backup operation of Fukushima Daiich and Fukushima Daini NPS.

3. Based on our quarterly reestimation, inspections of the conditions and progress of restoration work at Kashiwazaki-Kariwa NPS have necessitated the updating of the Extraordinary Loss.

A breakdown of expenses has been divided into 10.7 billion yen of Casualty loss from natural disaster and 0.2 billion yen of Contingent asset loss.



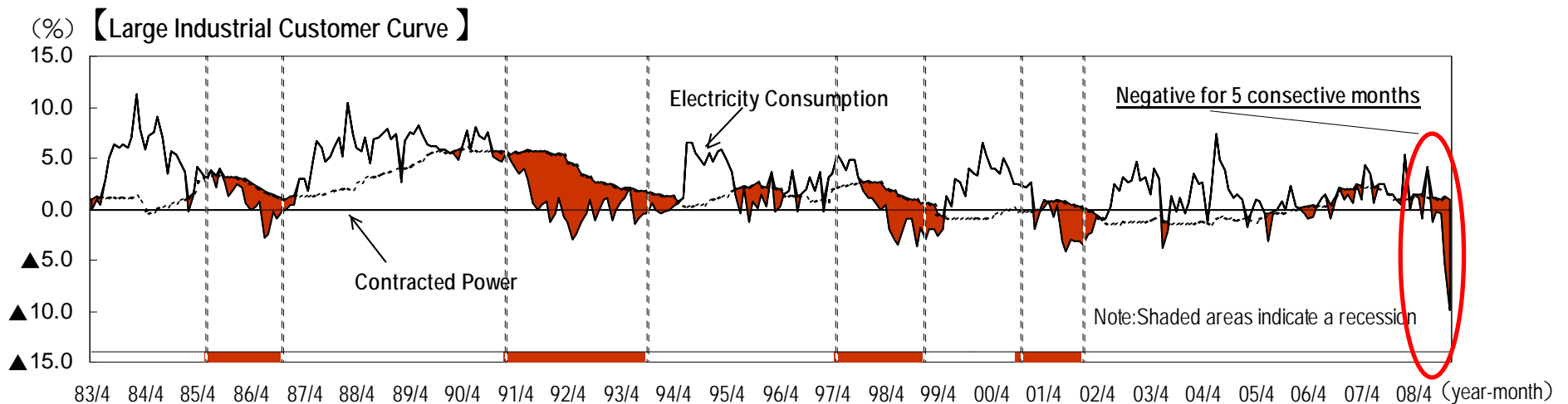
- ◆ Reflecting a rapid and significant drop in industrial production, December 2008 electricity sales to large industrial customers decreased 10.2 percent compared to December 2007, the largest year-on-year decrease on record.

【Year-on-Year Electricity Sales by Large Industrial Customer Classification】 (%)

	FY2007	FY2008			3rd quarter	
	Full-year	1st half	Oct.	Nov.		Dec.
Textile	-0.7	-12.3	-12.2	-9.6	-17.7	-13.1
Paper & pulp	-0.1	-5.7	-3.1	-8.4	-11.4	-7.5
Chemicals	11.2	6.8	4.5	-0.7	-13.8	-3.3
Ceramics & stone	1.5	0.6	6.0	2.0	-2.0	2.0
Ferrous metals	-2.7	5.3	2.6	-2.3	-17.8	-5.5
Non-ferrous metals	4.6	0.6	-2.8	-6.7	-18.0	-9.1
Machinery	1.9	-0.8	-3.5	-11.2	-18.8	-11.0
<b>Total for Large Industrial Customers</b>	<b>2.8</b>	<b>1.3</b>	<b>0.1</b>	<b>-4.4</b>	<b>-10.2</b>	<b>-4.7</b>
<b>【Ref.】 10-companies total</b>	<b>4.2</b>	<b>2.7</b>	<b>-0.5</b>	<b>-5.2</b>	<b>-13.0</b>	—

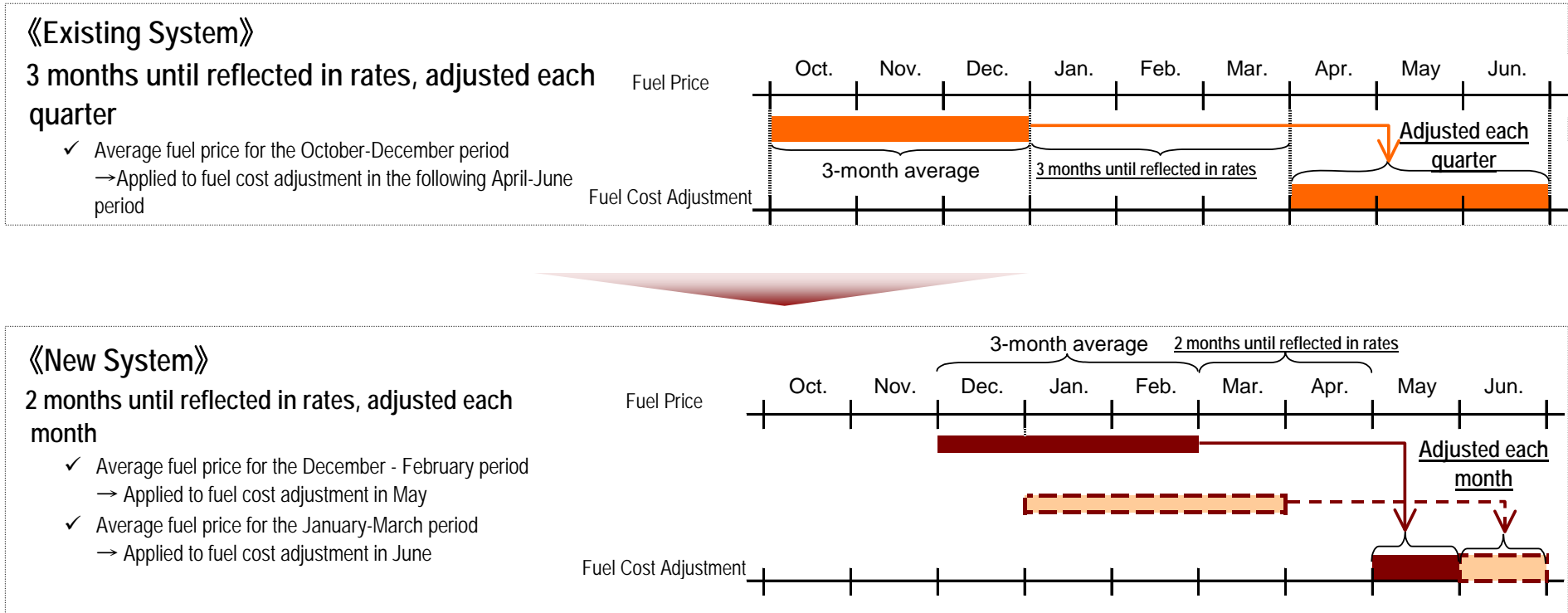
Note: Preliminary figures for a total of 10 companies in December 2008. In addition, third quarter figures for the 10 companies have not been announced.

- ◆ The large industrial customer curve shows that the growth rate for electricity consumption (electricity sales + self-generation) was below the growth rate for contract sales for five consecutive months beginning August 2008.



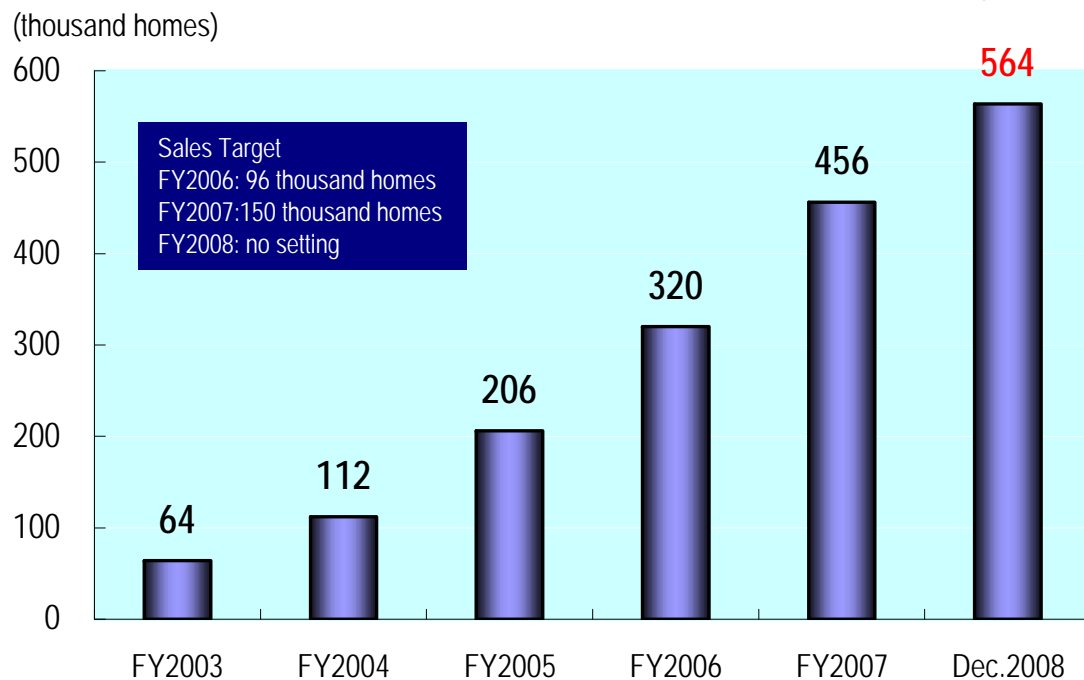
## ◆ Outline of New Fuel Cost Adjustment System

- ✓ Period until reflected in electricity tariff rates shortened from 3 to 2 months. Fuel cost adjustment applied each month.
- ✓ Upper adjustment limit was not revised this time.
- ✓ The mechanism for precluding adjustment, when the standard fuel cost remains within a fixed band ( $\pm 5\%$ ) (dead band), has been abolished

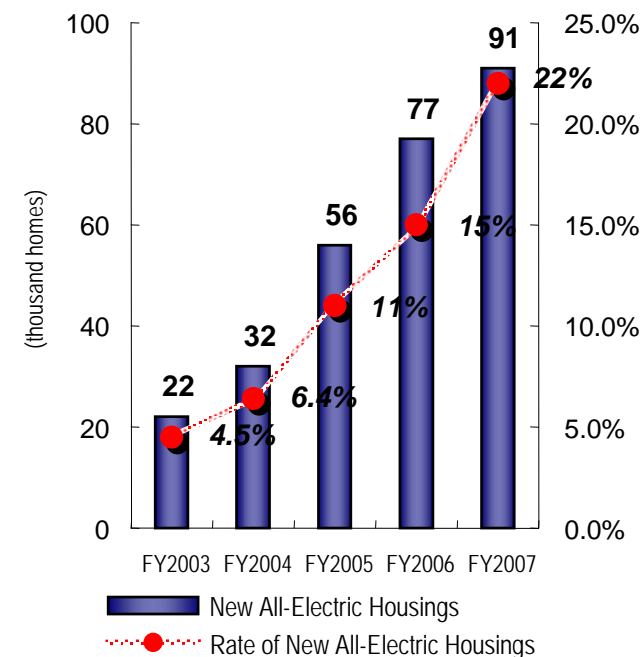


※ The new system will be applied beginning with electricity tariff rates for May 2009. Transitional measures for appropriate cost reflection will be implemented for specified months in which the fuel price is not reflected (a portion of the October 2008-January 2009 period) as a result of the shortening of the period until application to rates.

Transition of Cumulative Number of All-Electric Housings



(Ref.) All-Electric Housings among New Housings



Diffusion of the Electric Hot Water Supplier and IH Cooking Heater

(Unit : thousand)

		FY2003	FY2004	FY2005	FY2006	FY2007	Dec. 2008
Electric Hot Water Supplier	Number of accounts per year	23	39	77	103	125	111
	Accumulated number	597	636	711	815	940	1,051
"Eco Cute"*	Number of accounts per year	17	35	65	94	117	105
	Accumulated number	23	58	123	217	334	439
IH Cooking Heater** (Shipments nationwide)		527	612	731	823	854	673

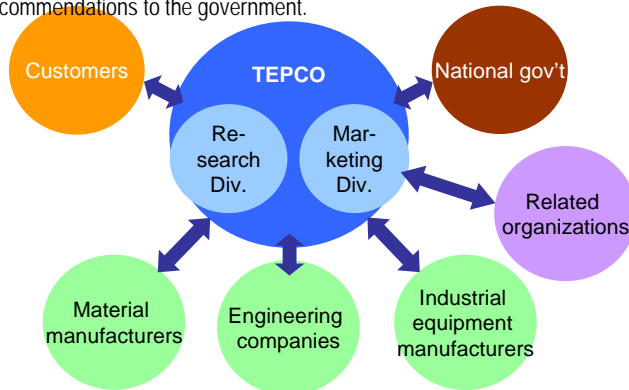
\* : Number of Electric Hot Water Supplier includes Eco Cute

\*\* : TEPCO's number is estimated to account for 20% of the shipment nationwide. (Source: Japan Electric Machine Industry Association)

## ◆ Industrial Sector

We have established the TEPCO Electrified Factory I<sup>2</sup> as a facility offering customers first-hand experience with electrical equipment that contributes to process innovation in order to create ideas and support the development of equipment.

We are promoting the switch to electricity in the industrial sector through means such as matching companies with partners, providing technological information, developing necessary industrial machinery, and improving the business environment including making recommendations to the government.



## ◆ Commercial Sector

TEPCO established Switch! Station Pro Ariake as a facility for experiencing the merits of the electric kitchen through means such as cooking seminars and actual cooking experience.



### 【Overview of Facilities】

#### The TEPCO Electrified Factory I<sup>2</sup>

- ✓ Established: November. 2007
- ✓ Main Exhibits:
  - IH coating dryer, IH fluid pasteurizer,
  - Steamless air conditioning system (heat pump + dry heat evaporator)

#### Switch! Station Pro Ariake

- ✓ Established: September 2007
- ✓ Main Exhibits:
  - Seminar and presentation room
  - Model kitchen zone, test corner, others



## Ⅱ . FY2008 3<sup>rd</sup> Quarter Financial Results (Detailed Information)

<Note>Some accounting procedures have changed due to the the quarterly report system introduced in FY 2008.  
Comparison data from FY 2007 3rd quarter (9 months) is for your reference. Financial figures in this report are based on this premise.



# Statement of Income (Consolidated)

12

	(Unit: Billion yen)			
	FY2008 3Q of the year (A)	FY2007 3rd quarter (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
Operating revenues	4,251.2	3,971.8	279.3	107.0
Operating expenses	4,387.5	3,744.3	643.1	117.2
<b>Operating income or loss</b>	<b>-136.3</b>	<b>227.5</b>	<b>-363.8</b>	—
Non-operating revenues	55.0	46.8	8.1	117.3
Investment gain under the equity method	15.0	8.4	6.5	177.8
Non-operating expenses	117.7	117.1	0.5	100.5
<b>Ordinary income or loss</b>	<b>-199.0</b>	<b>157.2</b>	<b>-356.2</b>	—
(Reversal of) Provision for reserve for fluctuation in water levels	-5.0	-4.5	-0.4	—
Extraordinary income	—	18.6	-18.6	—
Extraordinary loss	11.0	175.2	-164.1	6.3
Income taxes	-70.8	5.5	-76.4	—
Minority interests	3.6	2.7	0.8	131.9
<b>Quarterly net income or loss</b>	<b>-137.7</b>	<b>-3.0</b>	<b>-134.7</b>	—

Great Energy Alliance Corporation +¥2.4 billion (+¥5.6 billion)

Note: ( ) On a year-on-year basis

(Unit: Billion yen)

	FY2008 3Q of the year (A)	FY2007 3rd quarter (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
<b>Ordinary revenues</b>	<b>4,101.3</b>	<b>3,815.5</b>	<b>285.8</b>	<b>107.5</b>
<b>Operating revenues</b>	<b>4,069.8</b>	<b>3,791.2</b>	<b>278.5</b>	<b>107.3</b>
<b>Electric power operating revenues</b>	<b>4,008.8</b>	<b>3,755.0</b>	<b>253.7</b>	<b>106.8</b>
Electricity sales revenues	3,820.0	3,572.6	247.4	106.9
Lighting	1,538.3	1,458.1	80.1	105.5
Commercial and industrial	2,281.7	2,114.4	167.2	107.9
Sold power to other utilities	92.5	81.8	10.6	113.0
Sold power to other suppliers	31.9	38.2	-6.3	83.5
Other revenues	64.3	62.2	2.0	103.3
<b>Incidental business operating revenues</b>	<b>61.0</b>	<b>36.1</b>	<b>24.8</b>	<b>168.6</b>
<b>Non-operating revenues</b>	<b>31.5</b>	<b>24.2</b>	<b>7.2</b>	<b>129.8</b>

Rise in unit sales price  
 (16.33yen/kWh → 17.59yen/kWh)  
 <Fuel Cost Adjustment Amounts>  
 FY2007/3Q: 76 billion yen to FY2008/3Q: 192 billion yen

Increase in Gas supply business revenues  
 +¥24.2 billion

(Unit: Billion yen)

	FY2008 3Q of the year (A)	FY2007 3rd quarter (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
<b>Ordinary expenses</b>	<b>4,346.1</b>	<b>3,707.4</b>	<b>638.7</b>	<b>117.2</b>
<b>Operating expenses</b>	<b>4,237.6</b>	<b>3,592.9</b>	<b>644.6</b>	<b>117.9</b>
<b>Electric power operating expenses</b>	<b>4,170.6</b>	<b>3,559.6</b>	<b>611.0</b>	<b>117.2</b>
Personnel	346.4	207.1	139.2	167.2
Fuel	1,704.5	1,190.9	513.6	143.1
Maintenance	266.8	320.6	-53.8	83.2
Depreciation	526.3	541.2	-14.8	97.3
Power purchasing cost	630.3	547.0	83.2	115.2
Taxes and other public charges	255.8	255.9	-0.1	99.9
Nuclear power back-end costs	83.3	87.6	-4.3	95.1
Other expenses	357.0	409.0	-52.0	87.3
<b>Incidental business operating expenses</b>	<b>66.9</b>	<b>33.3</b>	<b>33.6</b>	<b>201.0</b>
<b>Non-operating expenses</b>	<b>108.4</b>	<b>114.4</b>	<b>-5.9</b>	<b>94.8</b>
Interest paid	101.5	103.7	-2.2	97.9
Other expenses	6.9	10.6	-3.7	65.2





# Period-on-Period Comparison of Ordinary Expenses – 1 (Non-consolidated)

**Personnel expenses (¥207.1 billion to ¥346.4 billion) +¥139.2 billion**

Salary and benefits(¥238.8 billion to ¥231.8 billion) -¥6.9 billion

Factors include lower employee bonuses

Retirement benefits(¥-95.1 billion to ¥49.6 billion) +¥144.8 billion

Rebound from the decrease due to the revision of retirement benefit and pension system\*, etc.

\* : In the previous fiscal year, TEPCO changed from a tax-qualified retirement annuity system to a contractual defined benefit corporate pension plan and a defined contribution pension plan(DC). The change in the contracted benefit rate from 3.5% to 2.0% incurred a prior service cost of -¥93.1 billion. TEPCO recognized the entire charge in the first half of the previous fiscal year.

Increase in amortization of actuarial difference<sup>\*\*</sup>(-¥31.9 billion to ¥21.6 billion)

**Amortization of actual difference**

(Unit: Billion yen)

	Expenses incurred (A)	Amount expensed (B)							Have not been charged as of FY2008/3Q (A) - (B)
		in FY2005	in FY2006	in FY2007		Charged	in FY2008/3Q Charged		
				( in 3rd quarter charged)	DC				
				(Restatement)	(Extraordinary income posted)				
FY2005	-117.9	-39.3	-39.3	-28.2	-2.4	36.8	-	-	
FY2006	-15.4	-	-5.1	-3.6	-1.0	-4.8	-3.3	-1.1	
FY2007	100.1	-	-	-	-	33.3	25.0	41.7	
Total		-59.0	-48.5	-31.9	-3.4	-8.3	21.6	40.6	

Note: TEPCO amortizes actuarial gain or loss by the straight-line method over a period of three years.

**Fuel expenses (¥1,190.9 billion to ¥1,704.5 billion) +¥513.6 billion**

Consumption volume -¥16.0 billion

Decrease in nuclear power generated (Nuclear power generated 52.9 billion kWh to 50.1 billion kWh) +¥17.0 billion  
 (Nuclear power plant capacity utilization ratio 46.3% to 43.9%)

Increase in hydroelectric generated -¥8.0 billion

Decrease in power generated and purchased (238.9 billion kWh to 236.4 billion kWh) -¥20.0 billion

Increase in power purchased from other companies -¥5.0 billion

Price +¥530.0 billion

Rise in CIF crude oil prices (\$73.48=1 barrel to \$105.06=1 barrel) +¥623.0 billion

Yen appreciation (¥117.35=\$1 to ¥102.93=\$1) -¥132.0 billion

Other factors (Change in composition ratio of thermal fuel types, etc. [Rise in composition ratio of oil]) +¥39.0 billion



## Maintenance expenses (¥320.6 billion to ¥266.8 billion) -¥53.8 billion

Generation related (¥148.8 billion to ¥118.6 billion)	<i>Factors for Increase/Decrease</i>	-¥30.1 billion
Hydroelectric power (¥8.9 billion to ¥7.0 billion)	Hydroelectric power : Decrease in maintenance expenses of waterwheel, etc.	-¥1.8 billion
Thermal power (¥58.5 billion to ¥64.4 billion)	Thermal power : Increase in expenses of periodical inspections, etc.	+¥5.8 billion
Nuclear power (¥81.2 billion to ¥47.0 billion)	Nuclear Power : Decrease in preventive maintenance of primary loop recirculation system (PLR) plumbing, etc.	-¥34.2 billion
Distribution related (¥167.0 billion to ¥144.2 billion)		-¥22.7 billion
Transmission (¥26.0 billion to ¥18.2 billion)	<i>Factors for Increase/Decrease</i>	-¥7.7 billion
Transformation (¥14.8 billion to ¥11.0 billion)	Transmission : Decrease in painting expenses of steel tower, etc.	-¥3.8 billion
Distribution (¥126.1 billion to ¥114.9 billion)	Transformation : Decrease in maintenance expenses of switch and transformer, etc.	-¥11.2 billion
Others (¥4.7 billion to ¥3.9 billion)	Distribution : Decrease in maintenance expenses of grounding electrode, etc.	-¥0.8 billion

## Depreciation expenses (¥541.2 billion to ¥526.3 billion) -¥14.8 billion

Generation related (¥225.5 billion to ¥218.6 billion)	-¥6.8 billion
Hydroelectric power (¥35.2 billion to ¥33.2 billion)	-¥2.0 billion
Thermal power (¥113.6 billion to ¥111.2 billion)	-¥2.4 billion
Nuclear power (¥76.6 billion to ¥74.2 billion)	-¥2.4 billion
Distribution related (¥301.4 billion to ¥294.3 billion)	-¥7.1 billion
Transmission (¥138.7 billion to ¥135.2 billion)	-¥3.5 billion
Transformation (¥60.2 billion to ¥58.1 billion)	-¥2.1 billion
Distribution (¥102.3 billion to ¥100.9 billion)	-¥1.4 billion
Others(14.2 billion to ¥13.3 billion)	-¥0.8 billion

## Depreciation breakdown

	FY2007 3rd quarter	FY2008 3Q of the year
Regular depreciation	¥530.9 billion	¥515.3 billion
Extraordinary depreciation	¥7.1 billion	¥4.0 billion
Trial operations depreciation	¥3.1 billion	¥6.8 billion

*Factors for Increase/Decrease*  
 Thermal : Increase in trial operations depreciation due to trial operation of Units 1-2 and 1-1 of Kawasaki Thermal Power Station and Unit 4-1 of Futsu Thermal Power Station, etc.



# Period-on-Period Comparison of Ordinary Expenses – 3 (Non-consolidated)

17

<b>Power purchasing cost (¥547.0 billion to ¥630.3 billion)</b>	<i>Factors for Increase/Decrease</i> Purchased power from other utilities : Decrease in power exchange for resource shortage Purchased power from other suppliers : • Increase in purchased power from cooperative thermal power generator utilities due to power supply and demand tightness • Rise in thermal fuel costs, etc.	<b>+¥83.2 billion</b>
Purchased power from other utilities (¥198.8 billion to ¥164.4 billion) Purchased power from other suppliers (¥348.1 billion to ¥465.8 billion)		-¥34.3 billion +¥117.6 billion
<b>Taxes and other public charges (¥255.9 billion to ¥255.8 billion)</b>		<b>-¥0.1 billion</b>
Enterprise tax (Increase in electric power operating revenues, etc.) Property tax (Progress of depreciation, etc.)		+¥2.4 billion -¥2.3 billion
<b>Nuclear power back-end costs (¥87.6 billion to ¥83.3 billion)</b>	<i>Factors for Increase/Decrease :</i> Reduction in reserve for reprocessing of irradiated nuclear fuel due to a decrease in the amount of irradiated fuel generated, etc.	<b>-¥4.3 billion</b>
Irradiated nuclear fuel reprocessing expenses (¥76.4 billion to ¥68.0 billion) Expenses for future reprocessing of irradiated nuclear fuel (¥2.1 billion to ¥4.9 billion)		-¥8.3 billion +¥2.7 billion
Decommissioning costs of nuclear power units (¥9.0 billion to ¥10.3 billion)		+¥1.2 billion
<b>Other expenses (¥409.0 billion to ¥357.0 billion)</b>	<i>Factors for Increase/Decrease</i> Decrease in commission costs and promotional costs, etc.	<b>-¥52.0 billion</b>
<b>Incidental business operating expenses (¥33.3 billion to ¥66.9 billion)</b>		<b>+¥33.6 billion</b>
Energy facility service business (¥1.5 billion to ¥1.6 billion) Real estate leasing business (¥3.6 billion to ¥4.0 billion) Gas supply business (¥26.5 billion to ¥59.3 billion) Other incidental business (¥1.4 billion to ¥1.8 billion)		+¥0.1 billion +¥0.3 billion +¥32.7 billion +¥0.3 billion
<b>Interest paid (¥103.7 billion to ¥101.5 billion)</b>		<b>-¥2.2 billion</b>
Lower average interest rate (1.87% to 1.75%) Increase in interest-bearing debt outstanding (FY2007 3Q: ¥7,456.9 billion to FY2008 3Q: ¥7,931.5 billion)		-¥7.0 billion +¥4.8 billion
<b>Other non-operating expenses (¥10.6 billion to ¥6.9 billion)</b>		<b>-¥3.7 billion</b>
Reduced due to impact from valuation loss of security revaluation, etc.		

(Upper and lower rows show consolidated and non-consolidated figures, respectively) (Unit: Billion yen)

	Dec. 31, 2008 (A)	Mar. 31, 2008 (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
<b>Total assets</b>	<b>13,713.6</b>	<b>13,679.0</b>	<b>34.5</b>	<b>100.3</b>
(Consolidated)				
(Non-consolidated)	<b>13,065.2</b>	<b>13,057.7</b>	<b>7.4</b>	<b>100.1</b>
Fixed assets	12,617.4	12,697.5	-80.1	99.4
	12,146.1	12,249.6	-103.4	99.2
{ Electric business	8,203.5	8,416.0	-212.4	97.5
{ Incidental business	70.2	71.1	-0.9	98.7
{ Non-business	4.3	4.0	0.2	107.1
(*) Fixed assets in progress	600.8	595.0	5.8	101.0
{ Nuclear fuel	921.2	923.9	-2.7	99.7
{ Others	2,345.7	2,239.3	106.4	104.8
Current assets	1,096.1	981.5	114.6	111.7
	919.0	808.0	110.9	113.7
<b>Liabilities</b>	<b>11,271.0</b>	<b>10,983.6</b>	<b>287.4</b>	<b>102.6</b>
	<b>10,941.3</b>	<b>10,675.0</b>	<b>266.3</b>	<b>102.5</b>
Fixed liability	9,015.1	8,602.6	412.5	104.8
	8,765.4	8,350.5	414.9	105.0
Current liability	2,243.4	2,363.5	-120.0	94.9
	2,163.5	2,307.2	-143.6	93.8
Reserves for Fluctuation in Water	12.3	17.4	-5.0	71.2
	12.3	17.3	-4.9	71.2
<b>Net assets</b>	<b>2,442.5</b>	<b>2,695.4</b>	<b>-252.8</b>	<b>90.6</b>
	<b>2,123.8</b>	<b>2,382.7</b>	<b>-258.8</b>	<b>89.1</b>
Shareholders' equity	2,406.9	2,626.1	-219.2	91.7
	2,104.2	2,350.5	-246.2	89.5
Valuation, translation adjustments and other	-6.5	27.5	-34.0	—
	19.6	32.1	-12.5	61.1
Minority interests	42.0	41.6	0.4	101.0
	—	—	—	—
(*) Non-consolidated				
Interest-bearing debt outstanding	8,149.1	7,675.7	473.4	106.2
	7,931.5	7,479.9	451.5	106.0
Net worth ratio (%)	17.5	19.4	-1.9	—
	16.3	18.2	-1.9	—

## Bond issues in FY2008

Issue date	Issue amount (billion yen)	Period (year)	Coupon rate (% per annum)
04/25/08	50	10	1.640
04/25/08	50	5	1.094
04/25/08	50	10	1.602
05/30/08	50	3	1.171
06/25/08	50	10	1.976
07/25/08	50	10	1.849
07/22/08	50	6	1.505
07/24/08	50	12	1.948
09/29/08	60	20	2.347
10/17/08	50	10	1.699
11/26/08	30	2	0.829
11/28/08	50	20	2.401
12/19/08	30	5	1.202
<b>Total</b>	<b>620</b>	<b>-</b>	<b>-</b>

Notes 1 Foreign bonds haven't been issued yet in FY 2008.

2 Issuance of 750 billion in FY2007

## Interest-bearing debt outstanding

(Unit: Billion yen)

	Dec. 31, 2008	Mar. 31, 2008
Bonds	5,318.8	5,285.4
	5,314.4	5,279.9
Long-term dept	1,961.9	1,713.0
	1,802.0	1,557.0
Short-term dept	418.4	382.2
	365.0	348.0
Commercial paper	450.0	295.0
	450.0	295.0



# Free Cash Flow and its Application (Consolidated and Non-consolidated)

19

(Upper and lower rows show consolidated and non-consolidated figures, respectively) (Unit: Billion yen)

		FY2008 3Q of the year <9 months>(A)	FY2007 3rd quarter <9 months> (B)	Comparison	
				(A)-(B)	(A)/(B) (%)
Net cash provided	(Consolidated)	250.0	—	—	—
by operating activities	(Non-consolidated)	191.3	—	—	—
Capital expenditures (Cash basis)		-439.0	—	—	—
		-417.4	—	—	—
Free cash flow		-189.0	—	—	—
		-226.1	—	—	—
Financing		480.3	—	—	—
		451.5	—	—	—
(Application)	Dividends	80.5	—	—	—
		80.5	—	—	—
	Investments, etc.	210.7	—	—	—
		144.9	—	—	—
	(of which, investments in diversified businesses)	49.7	—	—	—
		6.6	—	—	—

(Unit: Billion yen)

	FY2008 3Q of the year <9 months>(A)	FY2007 3rd quarter <9 months> (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
<b>Operating revenues</b>	<b>4,251.2</b>	–	–	–
Electric Power	4,008.8	–	–	–
	4,008.4	–	–	–
Information and Telecommunications	68.1	–	–	–
	34.1	–	–	–
Energy and Environment	296.9	–	–	–
	157.4	–	–	–
Living Environment and Lifestyle-related	95.6	–	–	–
	38.8	–	–	–
Overseas	13.0	–	–	–
	12.3	–	–	–
<b>Operating income</b>	<b>-136.3</b>	–	–	–
Electric Power	-161.5	–	–	–
Information and Telecommunications	3.9	–	–	–
Energy and Environment	10.2	–	–	–
Living Environment and Lifestyle-related	5.6	–	–	–
Overseas	1.9	–	–	–

Note: The lower row of operating revenues represents revenues from external customers.

(Unit: Billion yen)

	Operating revenues		Operating income**	
		Increase or decrease		Increase or decrease
<b>Information and Telecommunications</b>	<b>68.1</b>	–	<b>3.9</b>	–
TEPCO SYSTEMS CORPORATION	28.4	–	0.1	–
AT TOKYO Corporation	15.1	–	3.2	–
TEPCO CABLE TELEVISION Inc.	12.1	–	0.1	–
<b>Energy and Environment</b>	<b>296.9</b>	–	<b>10.2</b>	–
Gas Business Company	51.8	–	-7.5	–
Toden Kogyo Co., Ltd.	35.2	–	0.2	–
TEPSTAR CO., LTD.	28.8	–	0.2	–
Tokyo Timor Sea Resources Inc. (US)	22.1	–	16.2	–
<b>Living Environment and Lifestyle-related</b>	<b>95.6</b>	–	<b>5.6</b>	–
Toden Real Estate Co., Inc.	22.5	–	2.0	–
Toden Kokoku Co., Ltd.	16.4	–	0.5	–
Tokyo Living Service Co., Ltd.	11.9	–	0.5	–
TOHSHIN BUILDING Co., Ltd.	9.5	–	2.4	–
<b>Overseas</b>	<b>13.0</b>	–	<b>1.9</b>	–
Eurus Energy Holdings Corporation	6.4	–	0.2	–
TM Energy (Australia) Pty Ltd.	5.7	–	2.4	–
Consulting business	0.8	–	0.2	–

※ : Pre consolidated adjustment



# Segment Information-2 (Energy and Environment Segment <Gas Company>)

## Performance

(Unit: Billion yen)

	FY2008 3Q of the year <9 months>	FY2008 actual performance	FY2007 actual performance	Comparison	
				(A)-(B)	(A)/(B) (%)
Operating revenues		51.8	27.5	24.2	188.0
Operating income or loss		-7.5	1.0	-8.5	—
Gas Sales volume		approx. 770,000 tons	approx. 520,000 tons	—	—

\* :LNG equivalent

**Operating revenues:** Increased because of increased sales to customers and higher sales prices due to rising LNG prices (year-on-year increase of ¥24.2 billion)

**Operating expenses:** Increased because of factors including increased sales to customers and higher raw material prices due to higher fuel prices (year-on-year increase of ¥32.7 billion)

**Operating income or loss:** Operating loss totaled ¥7.5 billion. The sliding time lag in the raw material cost adjustment system that delays reflection of rising LNG prices caused the operating loss.

**Note: Raw Material Cost Adjustment System Sliding Time Lag**

When LNG prices are rising, the increase in operating revenues in the gas supply business lags behind the increase in raw material cost because the raw material cost adjustment system takes several months to reflect higher raw material prices in sales prices.

## Outlook

(Unit: Billion yen)

Full year	FY2008 projection	FY2007 actual performance	Comparison
			(A)-(B)
Operating revenues	75.0	42.8	32.2
Operating income or loss	-1.0	-1.2	0.2
Gas Sales volume*	—	approx. 780,000 tons	—

\* :Outlook for gas sales volume is undisclosed.

For the full year, LNG prices will be a significant factor in determining income and loss. TEPCO projects that operating revenue could reach approximately ¥75.0 billion and operating loss could reach approximately ¥1.0 billion.



# Total Power Generated and Purchased, Electricity Sales Volume and Average Monthly Temperature

## Total Power Generated and Purchased (Units: Billion kWh, %)

	FY2008		
	1st half	3rd quarter	3Q of the year
<b>Total power generated and purchased</b>	160.05 (-0.4)	76.39 (-2.2)	236.44 (-1.0)
Power generated by TEPCO	134.32	62.41	196.73
Hydroelectric power generation	6.77	1.71	8.48
Thermal power generation	93.51	44.56	138.07
Nuclear power generation	34.04	16.14	50.18
Power purchased from other companies	27.36	14.27	41.63
Used at pumped storage	-1.63	-0.29	-1.92

Note: Figures in parentheses denote percentage change from the previous year.

## Electricity Sales Volume (Units: Billion kWh, %)

	FY2008			FY2008
	1st half	3rd quarter	3Q of the year	projection
<b>Regulated segment</b>	51.85 (-0.6)	24.89 (-1.2)	76.74 (-0.8)	109.4 (-0.9)
Lighting	45.55 (0.1)	22.35 (-0.5)	67.89 (-0.1)	97.3 (-0.3)
Low voltage	5.25 (-5.5)	2.14 (-6.9)	7.39 (-5.9)	12.1 (-5.1)
Others	1.05 (-4.2)	0.41 (-2.9)	1.45 (-3.8)	
<b>Liberalized segment</b>	96.06 (0.3)	44.37 (-2.7)	140.44 (-0.7)	183.0 (-2.2)
<b>Total electricity sales volume</b>	147.91 (-0.0)	69.27 (-2.2)	217.18 (-0.7)	292.4 (-1.7)

Note: Figures in parentheses denote percentage change from the previous year. Rounded to the nearest decimal point.

## Average Monthly Temperature (Unit: °C)

	Oct.	Nov.	Dec.
<b>FY2008</b>	18.6	12.2	8.7
Compared with last year	0.4	-0.1	0.8
Compared with average year	1.3	0.3	1.5

Note: Average temperature uses temperatures observed at nine weather stations in TEPCO's operating area, weighted to reflect electric power volume of branch offices used for the relevant weather stations.

- Industrial demand decreased 0.7 percent compared with the previous year, reflecting factors including lower production levels.
- Demand fell short of the projection at the end of the second quarter (0.7 percent less than planned).
- Demand among eligible customers decreased to below levels of the previous year, reflecting factors such as lower production levels in the second half. Consequently, TEPCO revised its demand projection for the FY2008 downward by 4.3 billion kWh from the second quarter projection.





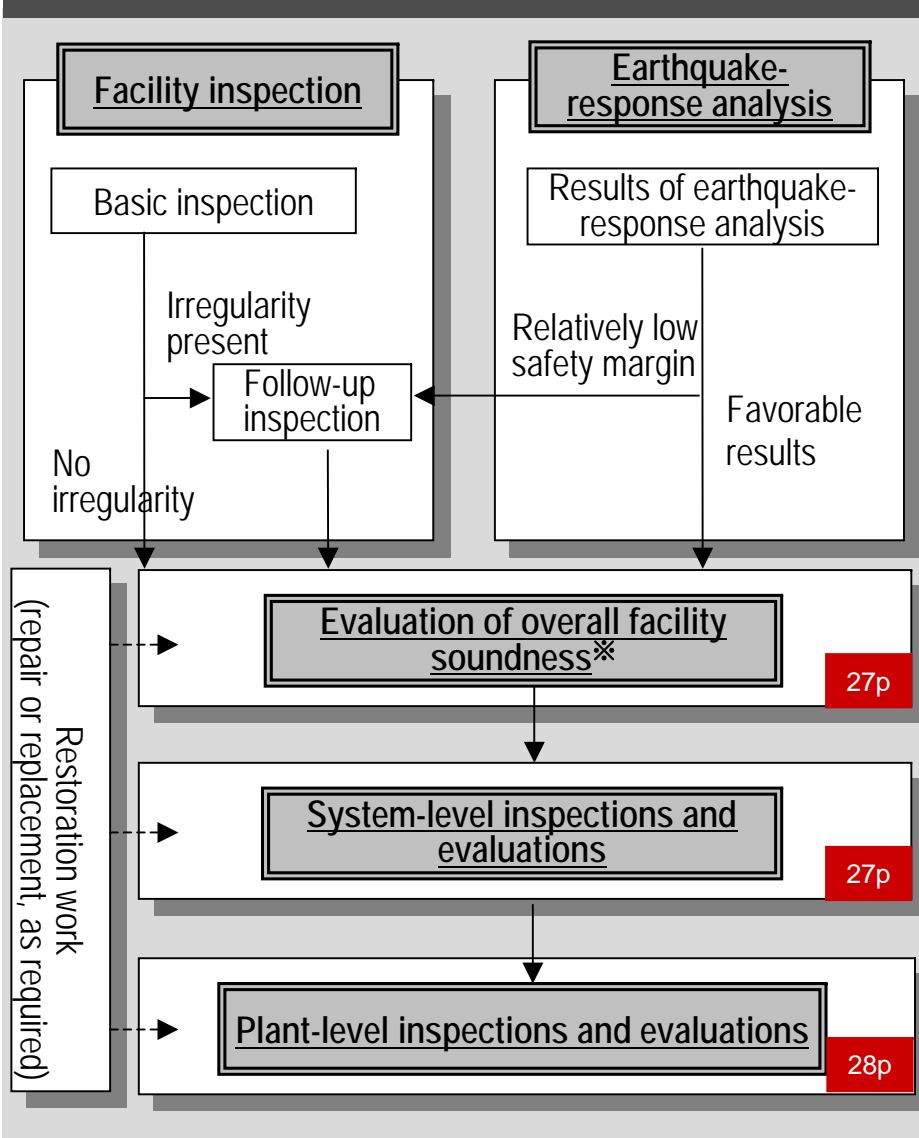
【Reference】

The Present Status of Kashiwazaki-Kariwa

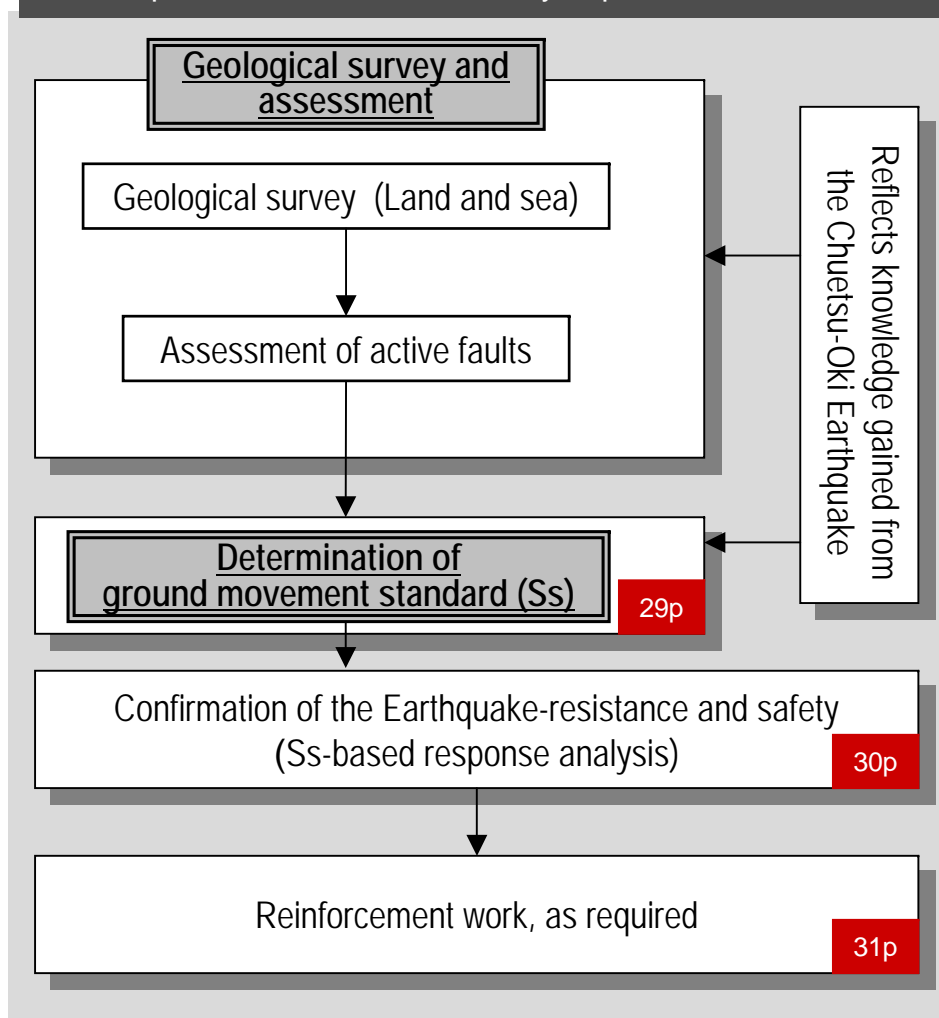
Nuclear Power Station and Future Initiatives

- Progress & Key Changes since the Financial Result Announcement on Oct.31, 2008 -

## Restoration Initiatives at the Kashiwazaki-Kariwa Nuclear Power Station



## Earthquake-Resistance and Safety Improvement Initiatives



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

Item		Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
Buildings and Structures	Submission of inspection and evaluation plan (Initial submission date)	Submitted (Jul. 18, 2008)	Submitted (Sep. 18, 2008)	Submitted (Jul. 18, 2008)	Submitted (Sep. 18, 2008)	Submitted (Sept. 18, 2008)	Submitted (May 20, 2008)	Submitted (Feb. 25, 2008)
	Inspection & Evaluation	In progress	In progress	In progress	In progress	In progress	Report submitted (Dec.25, 2008)	Report submitted (Sep.1, 2008)
Facilities	Submission of inspection and evaluation plan (Initial submission date)	Submitted (Feb. 6, 2008)	Submitted (May 16, 2008)	Submitted (Apr. 14, 2008)	Submitted (May 16, 2008)	Submitted (Apr. 14, 2008) <sup>1</sup>	Submitted (Mar. 7, 2008)	Submitted (Nov. 27, 2007)
	Inspection and evaluation of each piece of equipment	In progress	In progress	In progress	In progress	In progress	Report submitted (Jan. 27, 2009) <sup>2</sup>	Report submitted (Sep. 19, 2008) <sup>2</sup>
	Inspection and evaluation of each system						In progress (16 inspection items out of 26 have finished)	In progress (20 inspection items out of 23 have finished)
	Inspection and evaluation of the plant as a whole							
Confirmation of the Earthquake-resistance and Safety initiatives		In progress	In progress	In progress	In progress	In progress	In progress	Report submitted (Dec. 3, 2008)
Work to strengthen earthquake resistance		In progress from Jan. 2009		In progress from Nov. 2008		In progress from Jan. 2009	Completed (Jul. 2008 to Jan.2009) <sup>3</sup>	Completed (Jun. to Nov. 2008)

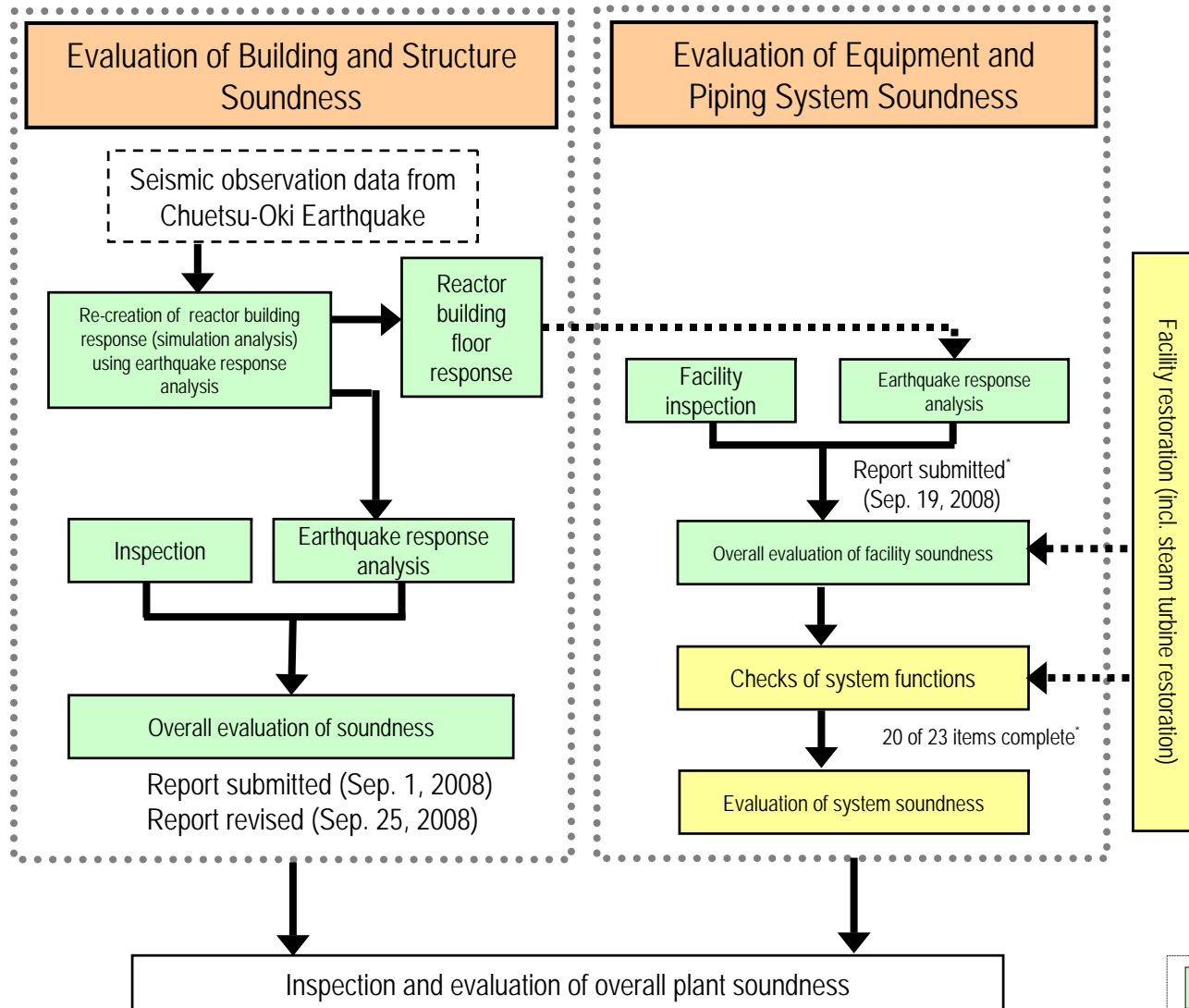
Notes: 1. A plan for equipment shared with other units was submitted on March 7, and a revised plan covering equipment other than that shared with other units was submitted on April 14.

2. Reports that have been submitted to date exclude the following inspections that were not possible.

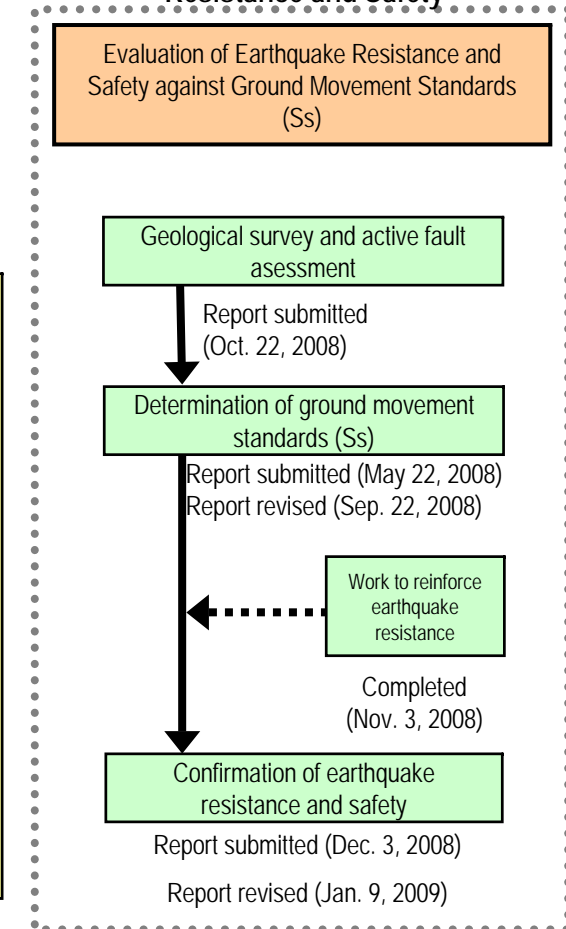
- Operation, leakage and other checks with fuel actually loaded in the reactors
- Operation, leakage and other checks that cannot be executed until main turbines have been restored

3. At present Earthquake resistance reinforcement work at selected locations has been completed. TEPCO continues to conduct earthquake resistance evaluations at other locations.

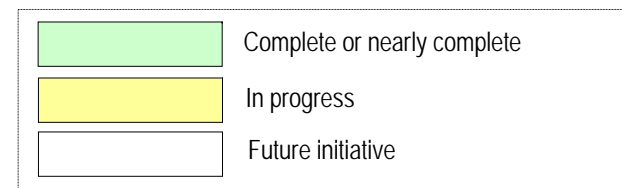
## Evaluation of Facility Soundness due to the Chuetsu-Oki Earthquake



## Evaluation of Earthquake Resistance and Safety



\*All complete except for work that follows steam turbine restoration (as of January 29, 2009).





◆ Initiatives at Unit 7

- In October 2008, the Nuclear and Industrial Safety Agency (NISA) reported to the Nuclear Safety Commission that TEPCO's inspections and evaluations of buildings and structures and individual pieces of equipment (equipment level) indicated soundness had been maintained.  
The Nuclear Safety Commission's view of this report, issued on October 31, included the comment, "NISA's response was appropriate, and continued assiduous response is essential." — TEPCO has been conducting system-level inspections and evaluations since September 18, 2008. As of January 29, 2009, 20 of 23 items had been completed.  
(All complete except for inspections that follow steam turbine restoration.)
- TEPCO prepared a report on inspection and evaluation plans for checks after the reactor has been started (checks of overall plant function), and submitted it to NISA on January 28, 2009. (The execution period is not yet decided.)

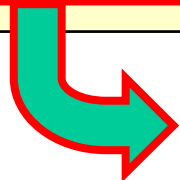
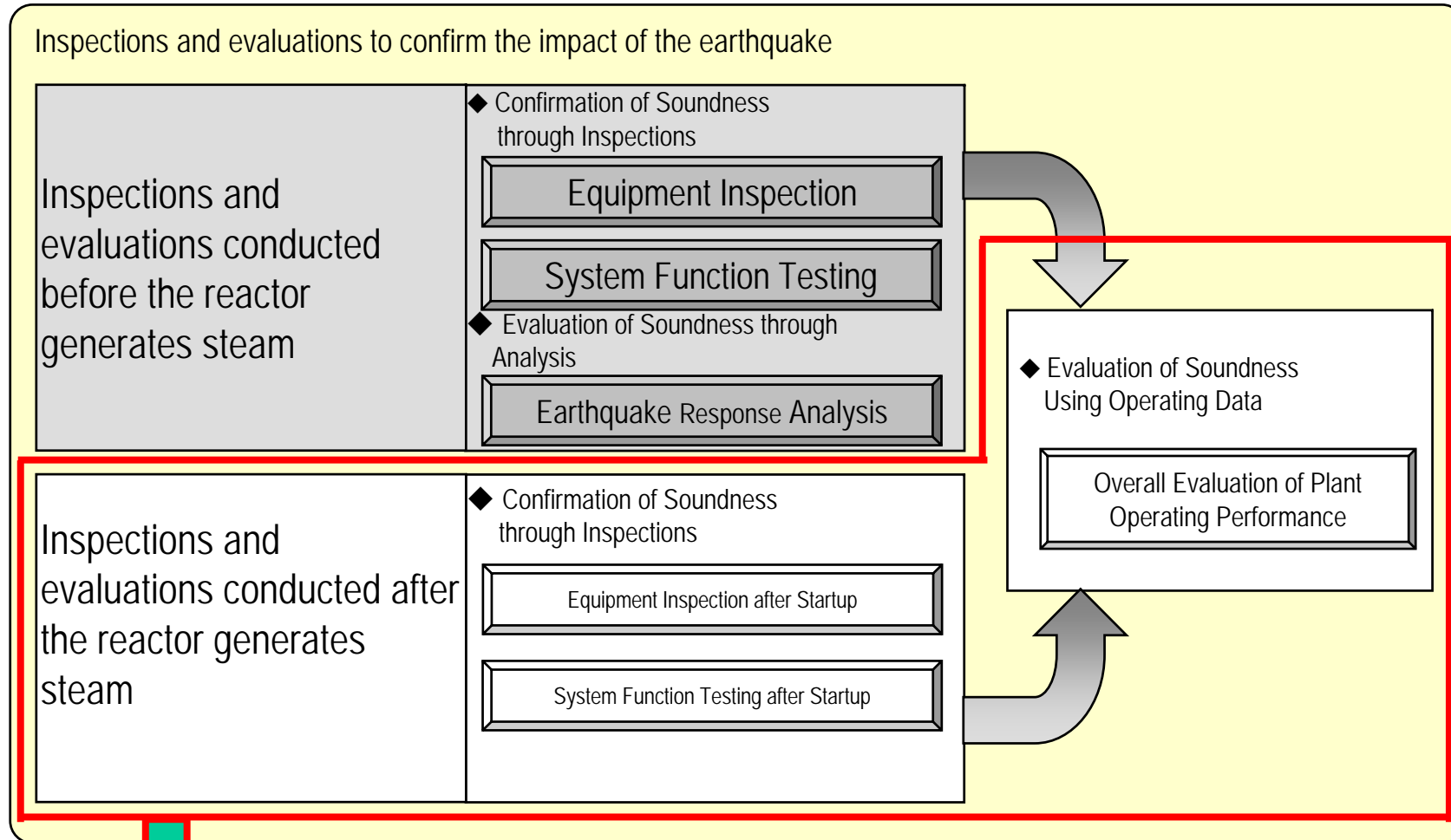
◆ Initiatives at Unit 6

- TEPCO confirmed the soundness of buildings and structures, and submitted an inspection and evaluation report to NISA on December 25, 2008.
- TEPCO confirmed the soundness of individual pieces of equipment (equipment level) for which inspection was possible, and submitted an equipment-level inspection and evaluation report to NISA on January 28, 2009.
- TEPCO has been conducting system-level inspections and evaluations since December 4, 2008. As of January 29, 2009, 16 of 26 items had been completed.  
(Items requiring confirmation for loading fuel into the reactor core are complete.)

◆ Initiatives at Unit 1

- TEPCO has almost completed inspections and an earthquake response analysis of the nuclear reactor building, and submitted an inspection and evaluation report confirming the soundness of the reactor building to the Structural Sub Working Group on January 22.

- ◆ As in the case of the steam turbine, TEPCO must start the reactor to confirm the soundness of equipment and other facilities driven by steam from the reactor.

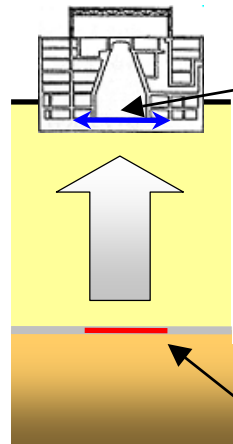


Overall Plant Function Testing (New plan to be prepared)

## Determination of Ground Movement Standards (Ss)

- ◆ Based on the revised Regulatory Guide for Reviewing Seismic Design of Nuclear Power Reactor Facilities, TEPCO conducted geological surveys, evaluated active faults and analyzed seismic observation data to determine the ground movement standards (Ss), which were reported in May and September 2008.
- ◆ NISA evaluated as valid the results of TEPCO's investigation regarding the ground movement standards (Ss), and submitted a report to the Nuclear Safety Commission (November 20, 2008).
- ◆ With respect to NISA's report, the Nuclear Safety Commission judged that NISA's evaluation was appropriate. (December 11, 2008)

(Unit:Gal)



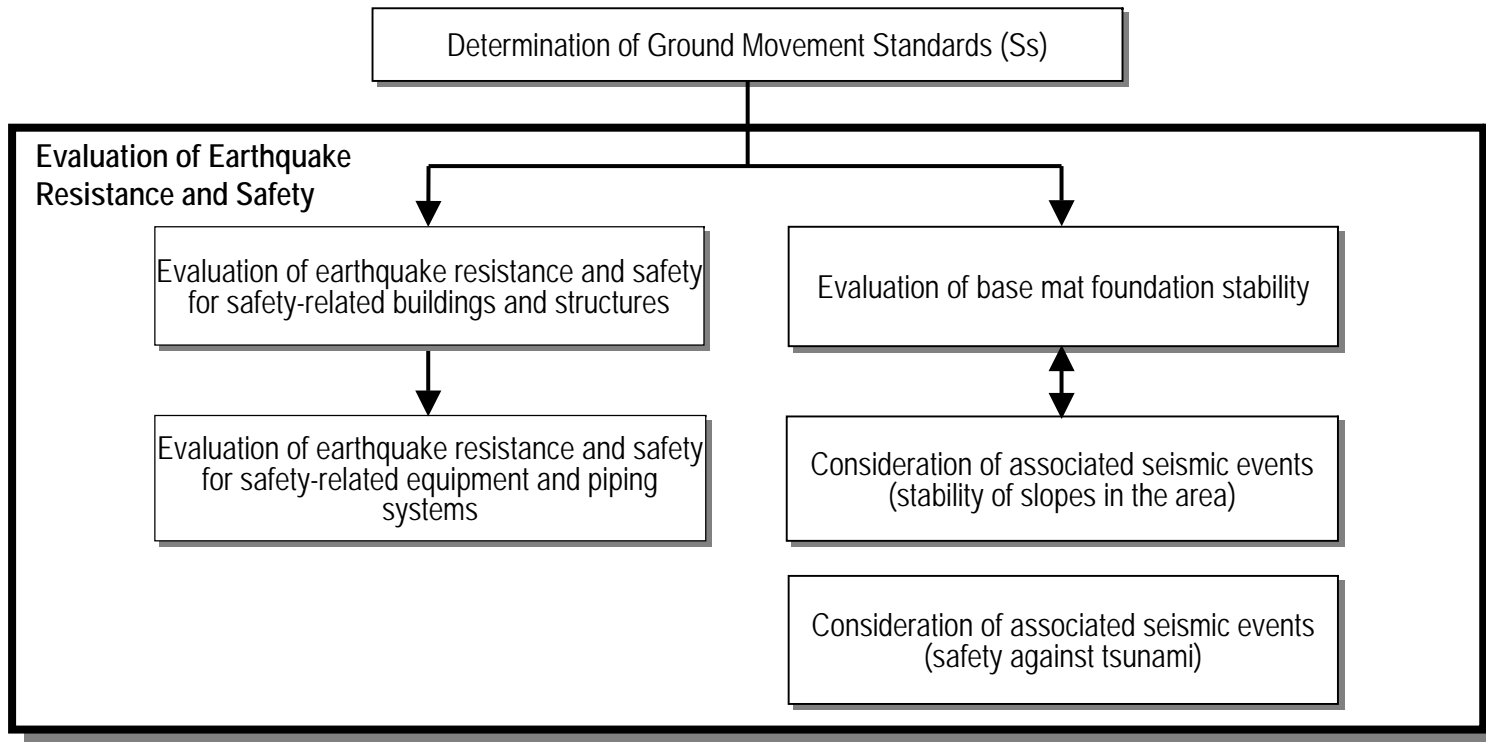
Deepest underground point of the nuclear reactor building (base mat of reactor building)	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
Chuetsu-Oki Earthquake (observed data)	680	606	384	492	442	322	356
Shaking due to ground movement standards(Ss)	845	809	761	704	606	724	738
Seismic motion assumed in strengthening earthquake resistance	1,000						

**Ground Movement Standard(Ss):**

For seismic design, the standard assumes seismic motion that, while highly unlikely to happen while a facility is in service, could have a substantial impact.

Deep bedrock (Free surface of base stratum)	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
Ground movement standards(Ss)	2,300				1,209		

- ◆ For Unit 7, based on the revised Regulatory Guide for Reviewing Seismic Design of Nuclear Power Reactor Facilities, TEPCO has been conducting evaluations of earthquake resistance and safety for facilities including those with functions that are critical to safety.
  - TEPCO has conducted simulation analysis for ground movement standards (Ss) for facilities, base mat foundations, associated seismic events and other issues to confirm earthquake resistance and safety.
  - On December 3, 2008, TEPCO submitted a report on evaluation results to NISA. A national commission deliberated on the report, and on January 9, 2009 TEPCO submitted a partially revised report to NISA based on those deliberations.
  
- ◆ TEPCO is successively conducting evaluations for other units and plans to submit reports once the results are compiled.





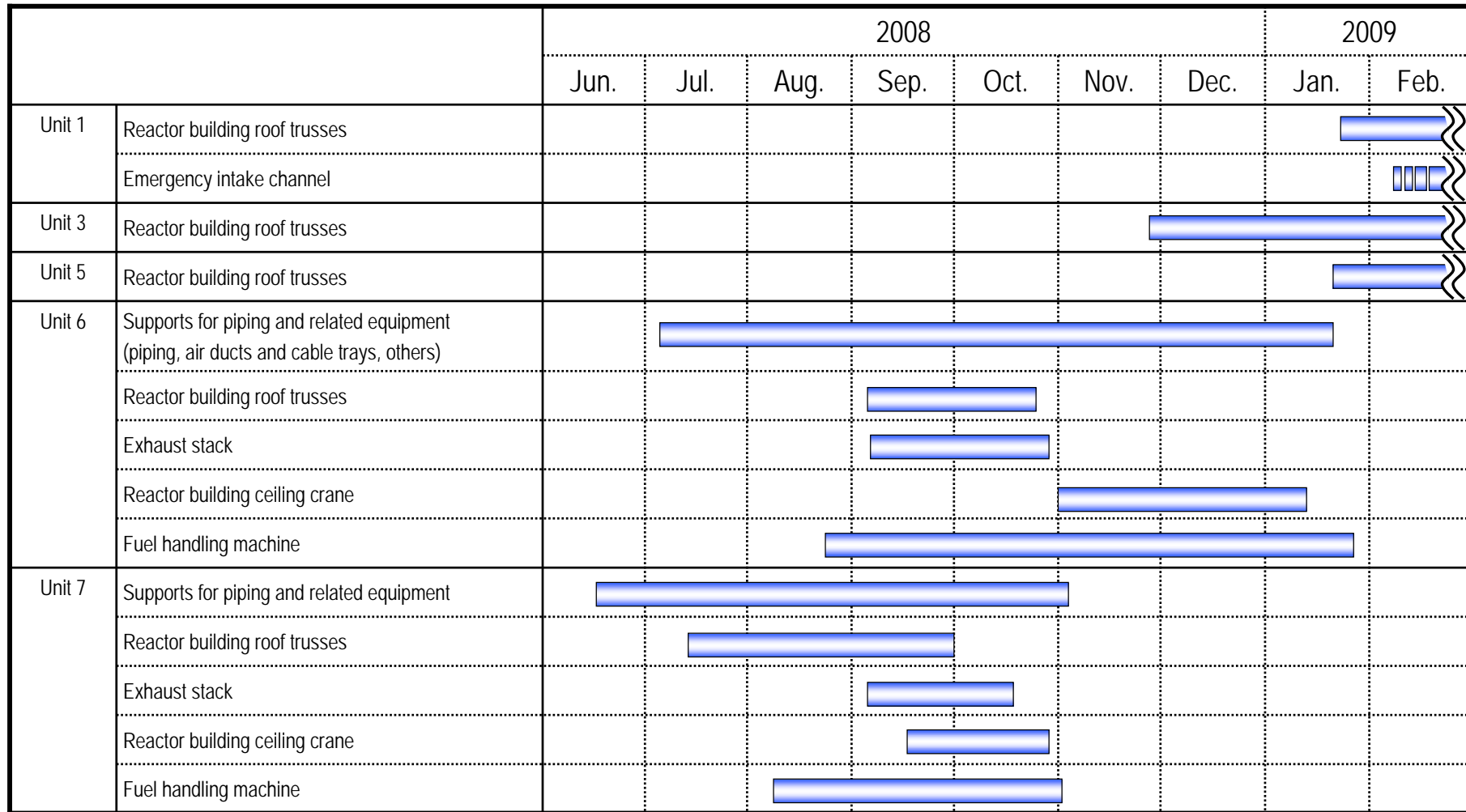


# Reinforcement Work

◆ TEPCO is conducting work as needed to reinforce the earthquake resistance of key facilities.

◆ Current schedule of work planned and in progress

Note: Excludes preparatory work



◆ TEPCO is also conducting earthquake resistance and safety evaluations for facilities not listed above, and will execute work as needed.



# 【Reference】 Governmental Inspection and Investigation System

