

Attachment

1. Characteristics of the TEPCO Sustainability Report 2004

(1) Special Feature on Putting Heads Together on the Subject of Nuclear Power (pp 8-16)

We edit the impact on the various aspects of “environment”, “society”, and “economy” arising from last year’s temporary closure of nuclear power stations, such as an increase in CO₂ emissions, increased anxiety over supply stability, increased cost of thermal power fuels, and so on. We also include a Special Feature in which we collate, in an easily understandable arrangement, information to help us putting our heads together with readers on the subject of nuclear power generation in future. Besides this, we also describe our current progress in fulfilling our “Four Commitments”, which were announced in September 2002 as measures to prevent a recurrence of nuclear power incidents, and we are now making concerted efforts throughout the company with a view to fulfilling them.

(2) Inclusion of a “Road Map for Sustainable Development” (pp 6-7)

TEPCO is also tackling various social tasks under its business philosophy of “With optimal energy services, we can offer our customers a better lifestyle and a more comfortable environment”. With respect to these efforts, we have summarized our company’s progress since its establishment, together with the prevailing social conditions of the time, including “Solving power shortages” immediately after TEPCO’s establishment, “Embodiment of society-oriented business” in the era of worsening pollution problems, and “Establishment of energy security guarantee” after the oil crises. As for our future direction for efforts and our future vision, meanwhile, we introduce future targets and our “TEPCO’s Business Vision” (formulated in March 2001), which we draw together in the form of a “Roadmap” linking past with future efforts.

(3) Enhancement of the Social Section (pp 50-64)

As well as setting out “TEPCO Charter of Corporate Conduct” (the basic principles for TEPCO’s social activity), we have also arranged our social performance in the form of a chart. We have also enhanced the content of our communication activities with our stakeholders.

(4) Enhancement of the Economy Section (pp 66-72)

As well as describing our “realization of a corporate culture that will overcome the competition and developing operations through total solution business” (the basic principles of TEPCO’s economic activities), we also introduce our material procurement performance and economic repercussions, such as the creation of local employment opportunities accompanying the siting of power sources.

(5) Enhancement of Independent Review (pp 86-87)

In preparing our approach to sustainability management and this Report, we have always taken account of comments from readers and the opinions of the TEPCO Advisory Committee on Environmental Affairs. This time, however, we include the views of Non-Profit Organizations, through our “Free-Talk Meetings on TEPCO Sustainability Report”, to ensure even greater reliability. We also feature a Third Party Opinion by Mr. Hideto Kawakita, Chief Executive Officer of IHOE (“International Institute for Human, Organization and the Earth”), and the results of “FY2003 Sustainable Management Rating” by Sustainable Management Rating Institute (SMRI).

(6) Reduced environmental load in producing the Report

For printing and binding, we have used “thinings paper” throughout the Report for the first time. The paper consists of 10% domestic thinings pulp, which contributes to the health of forests (by improving sunlight and air circulation), and 90% post-consumer recycled paper.). The use of thinings paper helps to stimulate the domestic forestry. And it also contributes to “forest management” for CO₂

reduction, as cited in the Kyoto Protocol, and promises effects in mitigating global warming.

2. Performance and Future Targets for Main Environmental Indicators pp 22-25)

(1) Impact of the temporary closure of nuclear power stations

Our nuclear power capacity utilization rate* fell considerably owing to temporary closure following the nuclear power incidents. Since we used thermal power generation to compensate for the reduction in power that would be generated by nuclear power stations, our emissions of environmental pollutants (CO₂, SO_x, NO_x) increased across the board.

* Nuclear power capacity utilization rate: FY2002 – 60.7% FY2003 – 26.3%

a. CO₂ (p30)

Due to our use of thermal power to compensate for the reduction in power generation accompanying the temporary closure of nuclear power stations, our CO₂ emissions in FY2003 were 127.2 million tons. This represented an increase of about 20 million tons (18%) compared to FY2002, and a massive increase of around 40 million tons (46%) compared to FY2001, when our nuclear power stations were fully operative. The emission intensity also increased by 21% compared to FY2001.

		Performance				Future Target FY2010
		FY1990	FY2001	FY2002	FY2003	
CO ₂ emission intensity	(kg/kWh sold)	0.382	0.317	0.381	0.461	20% reduction compared to FY1990 approx.0.31
CO ₂ emissions	(10,000t)	8,410	8,740	10,740	12,720	
Electricity sales	(100 million kWh)	2,199	2,755	2,819	2,760	
Nuclear power capacity utilization rate	%	71.3	80.1	60.7	26.3	

b. SO_x, NO_x (p36)

As with CO₂, our use of thermal power to compensate for the reduction in power generation due to the temporary closure of nuclear power stations led to an increase in the proportion of coal- and oil-fired thermal power generation, which have a high SO_x and NO_x emission intensity. As a result, SO_x and NO_x emission intensity both increased by 1.3 times compared to the previous year.

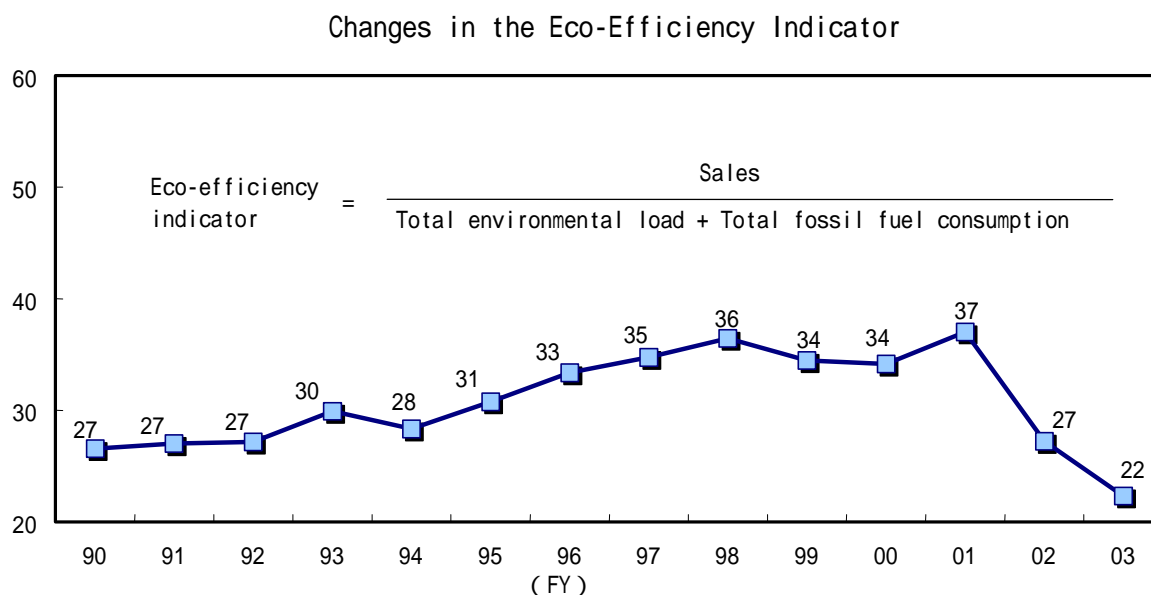
Nevertheless, TEPCO is striving to implement measures such as using better quality fuel, installing flue gas denitrification and desulfurization facilities, and implementing rigorous combustion control. In this way, we continue to maintain the world's cleanest levels.

		Performance				Future Target FY2008
		FY1990	FY2001	FY2002	FY2003	
SO _x emission intensity	(g/kWh)	0.17	0.05	0.10	0.13	0.1 or less
NO _x emission intensity	(g/kWh)	0.22	0.08	0.12	0.16	0.1 or less

c. Eco-efficiency indicator (p75)

To evaluate the relationship between our overall corporate activity and environmental impact from the perspective of eco-efficiency, we have been measuring an “Eco-efficiency indicator” (in which we compare total environmental load and consumption of resources against economic activity) since FY2000.

In FY2003, sales turnover decreased by 1.5%, in addition to increased volumes of CO₂, SO_x, and NO_x emissions and fossil fuel consumption resulting from our use of thermal power to compensate for the reduction in power generation due to the temporary closure of nuclear power stations. Consequently, the eco-efficiency indicator fell by about 18% compared to FY2002, when it was at about the same level as in FY1990.

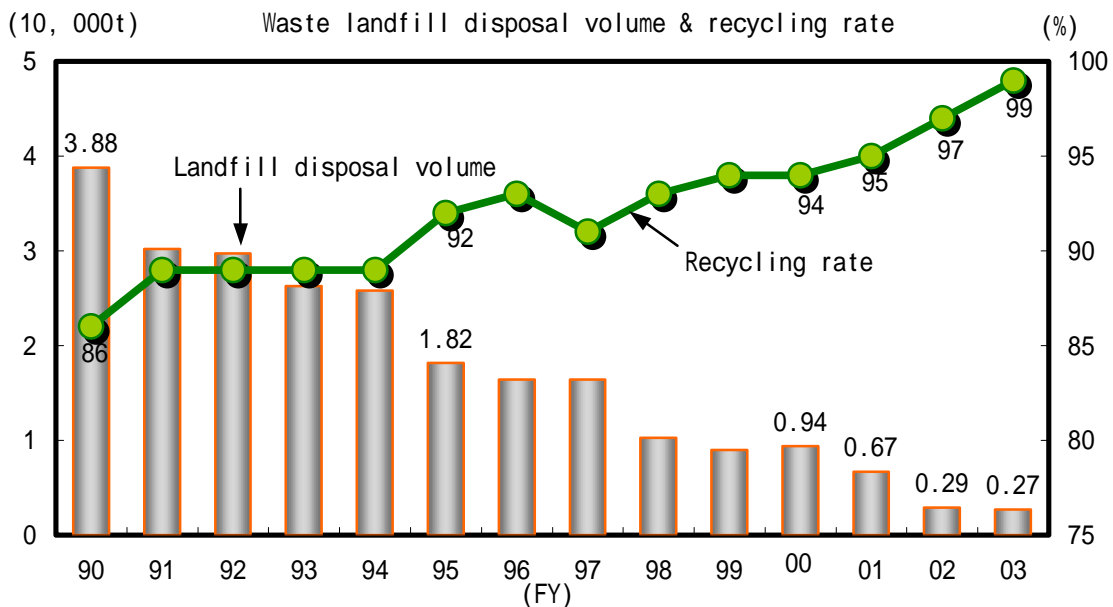


- (Notes)
- Sales = Operating revenue from electricity business
 - Total environmental load and Total fossil fuel consumption are totals of multiple environmental pollutants (CO₂, SO_x, NO_x) and consumption of fossil fuels (crude oil, heavy oil,

LNG) weighted (integrated) by the respective degree of environmental load for each substance and type of fuel. The coefficients used in the weighting are based on the “Life-Cycle Impact Assessment Method Based on Endpoint Modeling” (a leading technique for integration).

(2) Our total industrial waste recycling rate increased to 99% in FY2003 (p42)

Our total recycling rate for industrial waste increased by 2 points from the previous fiscal year to 99%, thanks to improved recycling rates for thermal insulation material scraps, waste plastics, shellfish, etc., and the fact that all coal ash and gypsum recovered through desulfurization were recycled. The landfill disposal volume decreased by 200 tons from the previous year to 2,700 tons. To attain the target of a “100% total recycling rate for industrial waste by FY2005”, we will continue our commitment to improving recycling rates.



(3) In-house energy and resource consumption volumes have all improved (p33)

Since FY2001, we have set challenging targets for reducing our internal use of energy and resources in four areas (“electricity used in offices”, “general water usage”, “vehicle fuel”, and “paper purchased for copiers and printers”). In this way, we aim to improve the environmental awareness of all our staff in their daily work. We are now making concerted efforts throughout the company to attain these.

The performance in FY2003, compared to FY2000, was a 21% reduction for electricity, 36% for water, 12% for vehicle fuel, and 28% for photocopiers and printer paper. In terms of CO₂, this represents a decrease of about 19% compared to FY2000 (excluding paper for photocopiers and printers).

		Performance				FY2005 target (compared to FY2000)
		FY2000	FY2002	FY2003	Reduction rate (compared to FY2000)	
Electricity used in offices	(1 GWh)	305	278	241	21%	15% reduction
General water usage	(10,000m ³)	222	165	142	36%	15% reduction
Vehicle fuel (fuel consumed per distance traveled)	(L/km)	0.112	0.105	0.099	12%	20% improvement
Paper purchased for copiers and printers	(100 million sheets/A4 conversion)	4.0	3.3	2.9	28%	50% reduction