

[Management Targets]

[Targets of Profit and Free Cash Flow]

While promoting the improvement of profitability by means of thorough improvement of efficiency of overall businesses as well as the growth of sales through active promotion of marketing activities, TEPCO will try to ensure free cash flow for sound financial position by reducing cash outlays on P&E investments, etc. TEPCO will also improve the asset efficiency by slimming down its assets through the promotion of rationalization of equipment operation.

With all such efforts, TEPCO aims to achieve the following targets on a three-year average basis from FY 2005 through FY 2007.

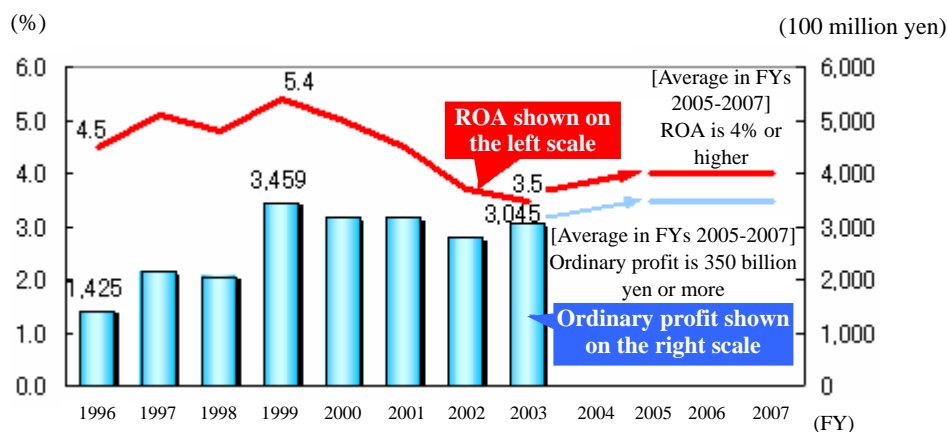
(Details of the goals)

ROA (return on assets) [consolidated and non-consolidated]: 4% or higher

Free cash flow [consolidated and non-consolidated]: about 500 billion yen

Ordinary income [non-consolidated]: 350 billion yen or more

Trends in Ordinary Income and ROA [Non-Consolidated]



[Targets of Improvement of Financial Structure]

Amid a drastic change in the business environment, the improvement of financial structure is an important and urgent matter. TEPCO will aim to improve the shareholder's equity ratio by applying its free cash flow mainly to the reduction in interest-bearing debts.

Specifically speaking, TEPCO aims to achieve the following targets as of the end of FY 2007 with a view to achieving the targets prescribed by the Management Vision 2010 to improve the financial structure (to achieve the "shareholder's equity ratio of 25% or higher" by 2010).

(Details of the goals)

Shareholder's equity ratio [non-consolidated]: 22% or higher (as of the end of FY 2007)

(The amount of reduction in interest-bearing debts [non-consolidated]: more than 1 trillion yen (cumulative total from FY 2005 through 2007))

Trends in Shareholder's Equity Ratio and Balance of Interest-Bearing Debts [Non-Consolidated]

