



Financial Results for FY 2003  
(April 1, 2003 – March 31, 2004)  
Presentation

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***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 involves 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.*



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# (Consolidated) FY 2003 Results Summary

(in billion yen)

	FY 2003 (A)	FY 2002 (B)	Comparison	
			(A) – (B)	(A) / (B) (%)
Operating Revenues	4,853.8	4,919.1	(65.2)	98.7
Operating Profit	489.0	521.4	(32.4)	93.8
Ordinary Profit	307.7	271.1	36.6	113.5
Net Income	149.5	165.2	(15.7)	90.5
Free Cash Flow	557.8	648.5	(90.7)	86.0
Net Income Per Share (yen)	110.53	122.08	(11.55)	90.5
Number of Consolidated Subsidiaries	125	58		
Number of Affiliates accounted for by Equity method	43	11		
Consolidated / Non-Consolidated Ratio (Operating Revenues)	1.03	1.02		
Consolidated / Non-Consolidated Ratio (Net Income)	0.99	1.08		
ROA (%)	3.5	3.6		
ROE (%)	6.5	7.5		
Shareholders' Equity Ratio (%)	17.0	15.8		



# (Consolidated) Income Statement and Balance Sheet

(in billion yen)

	FY2003 (A)	FY2002 (B)	(A) – (B)
Operating Revenues	4,853.8	4,919.1	(65.2)
Operating Expenses	4,364.8	4,397.7	(32.8)
Operating Profit	489.0	521.4	(32.4)
Non-operating Revenues	24.2	20.8	3.4
Non-operating Expenses	205.5	271.1	(65.6)
Ordinary Profit	307.7	271.1	36.6
Extraordinary Loss	44.8	7.6	37.1
Net Income	149.5	165.2	(15.7)

(in billion yen)

Investment Loss under the Equity Method	-16.5	(-3.1)
*Investment loss expressed using negative numbers		
Figures inside parentheses indicate change from the previous year		
Toko Electric Corporation	1.0	(+1.2)
Kandenko Co., Ltd.	-9.3	(-10)
POWEREDCOM, Inc.	-4.5	(--)
Japan Nuclear Fuel Ltd.	-4.2	(-2)

Ordinary Profit	
Change from FY2002	
TEPCO	+¥23.6billion

Impairment loss	¥44.8 billion
TEPCO	¥41.9 billion
Subsidiaries	¥2.8 billion

Interest Bearing Debt Outstanding
End of FY2002 (March 31, 2003)
: ¥9,076.2 billion
→ End of FY2003 (March 31, 2004)
: ¥8,765.1 billion

(in billion yen)

	FY2003 (A)	FY2002 (B)	(A) – (B)
Fixed Assets	13,269.7	13,556.1	(286.3)
Current Assets	630.8	621.1	9.6
Total Assets	13,900.9	14,177.2	(276.3)
Long-term Liabilities	9,497.5	9,368.1	129.4
Current Liabilities	2,003.8	2,545.7	(541.8)
Reserves under Special Law	11.9	4.2	7.6
Minority Interests	27.1	13.2	13.8
Shareholders' Equity	2,360.4	2,245.8	114.5

Shareholders' Equity Ratio
15.8%→17.0%

(in billion yen)

	FY2003 (A)	FY2002 (B)	(A) – (B)
Cash Flow from Operating Activities	1,147.5	1,406.3	(258.7)
Cash Flow from Investing Activities	(693.8)	(863.7)	169.9
Cash Flow from Financing Activities	(451.3)	(573.7)	122.3
Currency Translation Adjustments	(2.0)	0.9	(2.9)
Net Increase (decrease) in Cash & Cash Equivalents	0.3	(30.3)	30.6
Cash & Cash Equivalents at Start of Period	83.1	113.4	(30.3)
Cash & Cash Equivalents at End of Period	83.4	83.1	0.3

(in billion yen)

	FY2003 (A)	FY2002 (B)	(A) – (B)
Cash Flow from Operating Activities	1,147.5	1,406.3	(258.7)
Capital Expenditures, etc. (Cash Basis)	(589.7)	(757.7)	167.9
Free Cash Flow	557.8	648.5	(90.7)

Application of Free Cash Flow



(in billion yen)

	FY2003 (A)	FY2002 (B)	(A) – (B)
Reduction of Interest-bearing Debt	367.2	488.6	(121.3)
Dividends	80.9	80.9	(0)
Investments, etc.	109.6	78.9	30.7

\*Note: ¥78.2 billion of total "Investments, etc." allocated for diversified businesses (including subsidiaries' diversified businesses).



# (Consolidated) Segment Information

(in billion yen)

	FY2003 (A)	FY2002 (B)	Comparison	
			(A) – (B)	(A) / (B) (%)
Operating Revenues	4,853.8	4,919.1	(65.2)	98.7
Electric Power	4,722.1	4,801.3	(79.2)	98.3
Information & Telecommunications	87.3	86.1	1.1	101.4
Other Businesses	373.5	366.9	6.5	101.8
Eliminations	(329.1)	(335.3)	6.2	-
Operating Profit	489.0	521.4	(32.4)	93.8
Electric Power	491.3	519.8	(28.5)	94.5
Information & Telecommunications	(17.8)	(14.4)	(3.4)	-
Other Businesses	14.1	14.4	(0.2)	98.2
Eliminations	1.4	1.6	(0.2)	-
Ordinary Profit	307.7	271.1	36.6	113.5
Net Income	149.5	165.2	(15.7)	90.5



# (Non-consolidated) FY 2003 Results Summary

(in billion yen)

	FY2003 (A)	FY2002 (B)	Comparison	
			(A) – (B)	(A) / (B) (%)
Operating Revenues	4,734.5	4,808.4	(73.8)	98.5
Operating Profit	472.2	512.2	(40.0)	92.2
Ordinary Profit	304.4	280.8	23.6	108.4
Net Income	151.8	153.0	(1.2)	99.2
Free Cash Flow	543.5	649.4	(105.9)	83.7
Net Income Per Share (yen)	112.25	113.09	(0.84)	99.3
ROA (%)	3.5	3.7		
ROE (%)	7.2	7.5		
Shareholders' Equity Ratio (%)	16.2	14.9		



(in billion yen)

	FY2003 (A)	FY2002 (B)	Comparison	
			(A) – (B)	(A) / (B) (%)
Ordinary Revenues	4,760.4	4,826.9	(66.5)	98.6
Operating Revenues	4,734.5	4,808.4	(73.8)	98.5
Electric power operating revenues	4,722.1	4,801.3	(79.2)	98.3
Electricity sales revenues	4,598.1	4,685.2	(87.0)	98.1
Lighting	1,909.4	1,955.5	(46.0)	97.6
Commercial and industrial	2,688.7	2,729.7	(40.9)	98.5
Inter-company power sales	56.7	64.5	(7.8)	87.9
Sales of power to other companies	15.2	7.1	8.1	213.8
Other revenues	51.9	44.3	7.5	117.0
Incidental business operating revenues	12.4	7.0	5.4	176.5
Non-operating revenues	25.9	18.5	7.3	139.5

## Decline in Electricity Sales Revenues

Decrease in the volume of electricity sold

(281.9 billion kWh in FY2002 → 276.0 billion kWh in FY 2003)

-¥97.8 billion

Increase in unit sales price

(Influence from the fuel cost adjustment system: ¥1.0 billion → ¥46.0 billion)

+ ¥10.8 billion



# (Non-consolidated) Income Statement Explanation 2

(in billion yen)

	FY2003 (A)	FY2002 (B)	Comparison	
			(A) - (B)	(A) / (B) (%)
Ordinary Expenses	4,455.9	4,546.1	(90.1)	98.0
Personnel	445.1	544.2	(99.0)	81.8
Fuel	905.8	782.6	123.1	115.7
Maintenance	411.4	406.2	5.2	101.3
Depreciation	845.0	882.8	(37.8)	95.7
Purchased power	637.1	619.8	17.2	102.8
Interest	167.9	203.9	(35.9)	82.4
Taxes, etc.	338.9	348.6	(9.6)	97.2
Others	704.4	757.6	(53.2)	93.0
Ordinary Profit	304.4	280.8	23.6	108.4
Water shortage reserve	7.5	(1.7)	9.2	-
Extraordinary loss	41.9	41.6	0.3	100.7
Net Income before Income Taxes	254.9	240.9	14.0	105.8
Income taxes - current	88.0	125.5	(37.5)	70.1
Income taxes - deferred	15.1	(37.7)	52.8	-
Net Income	151.8	153.0	(1.2)	99.2

Revision of retirement and pension system  
 → Prior service cost (write-off of current year's obligation) **-¥67.3 billion**  
 Actuarial computational differential **-¥26.0 billion**  
 Amounts written off  
     FY 2003      ¥45.6 billion  
     FY 2002      ¥71.7 billion  
 Note: Actuarial balance not yet written off as of the end of FY 2003: **-¥22.7 billion**

Fuel costs  
 From increase in consumption volume: **+¥130.0 billion**  
 From price decrease: **- ¥7.0 billion**  
 (Rise in CIF prices: **+¥45.0 billion**)  
 Savings from appreciation of the yen: **-¥52.0 billion**

Generation facilities: **+¥14.4 billion**  
 Distribution facilities: **- ¥7.3billion**

Nuclear power: **-¥16.2billion**  
 Transmission: **-¥12.8billion**  
 Transformation: **-¥7.4 billion**  
 Thermal power: **+¥5.5billion**

Inter-company power purchases: **+¥7.0 billion**  
 Purchases of power from other companies: **+¥10.1 billion**

Interest rate decline (average interest rate during FY2003 of 1.88%) **-¥23.9billion**  
 Declines in bonds and borrowings outstanding **-¥5.1billion**  
 Decline in pre-payments **-¥6.8billion**

Nuclear power back-end costs **-¥25.3 billion**  
 Miscellaneous losses **-¥15.2 billion**

## ○ Purposes for the early adoption of the “Fixed Asset Impairment Accounting Standards”

→ Rapidly secure the transparency of financial statements and proactively slim down assets to gain a sounder financial constitution in preparation for the full-scale liberalization of the electric power industry

## ○ Approach to applying the standards

→ When there are no specific plans for the future use of any given fixed asset and when the investment in that asset is judged to be unrecoverable, the asset’s book value will be reduced to its recoverable amount.

## ○ Specific asset impairment losses (total of ¥41.9 billion)

1. Incidental business fixed assets: ¥8.4 billion  
<Incidental business fixed assets used in the real estate leasing business>
2. Non-business assets: ¥4.1 billion  
<Abolished electricity transmission lines for which there are no specific usage plans>
3. Construction in progress account: ¥29.3 billion  
<Sites purchased for the construction of power plants but for which there are no longer any specific usage plans because of stagnant electricity demand growth and other factors, and whose investment value can no longer be recovered>

Nuclear Power Plant Capacity Utilization Ratio  
 Projection announced FY 2003 3rd quarter:                    approx. 30%  
 FY 2003 actual performance:    26.3 %

(in billion yen)

	FY2003 (actual)	Projection announced at FY2003 3 <sup>rd</sup> quarter
<b>Influence</b>	<b>310.0</b>	<b>310.0</b>
<b>Influence on fuel costs, etc.</b>	<b>300.0</b>	<b>290.0</b>
Increase in fuel costs and purchased power	386.0	373.0
Reduction in back-end costs	(86.0)	(83.0)
<b>Influence on maintenance costs</b>	<b>10.0</b>	<b>20.0</b>
Maintenance costs related to suspension of nuclear power plant operation	8.0	18.0
Thermal power plant restart preparation costs	2.0	2.0

(Figures are in comparison with the initial plan for FY 2002)



(in billion yen)

	FY2003 (A)	FY2002 (B)	(A) – (B)
Fixed Assets	12,889.0	13,254.7	(365.7)
Current Assets	544.9	557.7	(12.7)
Total Assets	13,434.3	13,812.5	(378.2)
Long-term Liabilities	9,271.4	9,222.5	48.8
Current Liabilities	1,981.3	2,527.1	(545.8)
Reserves under Special Law	11.8	4.2	7.5
Shareholders' Equity	2,169.7	2,058.5	111.2

Curbing capital expenditures  
 ¥576.1 billion  
 (-¥95.9 billion from FY 2002)  
 Depreciation costs ¥845.0 billion  
 Early adoption of asset impairment accounting ¥41.9 billion

Interest-bearing Debt Outstanding  
 FY 2002 (March 31, 2003)  
 ¥8,970.0 billion  
 → FY 2003 (March 31, 2004)  
 ¥8,585.2 billion




Shareholders' Equity Ratio  
 14.9% → 16.2%

(in billion yen)

	FY2003 (A)	FY2002 (B)	(A) – (B)
Cash Flow from Operating Activities	1,107.6	1,394.0	(286.4)
Cash Flow from Investing Activities	(645.6)	(875.1)	229.5
Cash Flow from Financing Activities	(469.4)	(533.2)	63.7
Net Decrease in Cash & Cash Equivalents	(7.4)	(14.3)	6.8
Cash & Cash Equivalents at Start of Period	47.9	62.2	(14.3)
Cash & Cash Equivalents at End of Period	40.4	47.9	(7.4)

(in billion yen)

	FY2003 (A)	FY2002 (B)	(A) – (B)
Cash Flow from Operating Activities	1,107.6	1,394.0	(286.4)
Capital Expenditures, etc. (Cash Basis)	(564.1)	(744.5)	180.4
Free Cash Flow	543.5	649.4	(105.9)

Application of Free Cash Flow 

(in billion yen)

	FY2003 (A)	FY2002 (B)	(A) – (B)
Reduction of Interest-bearing Debt	384.8	455.0	(70.2)
Dividends	80.9	80.9	(0)
Investments, etc.	77.7	113.4	(35.7)

\*Note: ¥41.3 billion of total “Investments, etc.” allocated for diversified businesses.

## ○ Performance Outlook

(in billion yen)

		Operating Revenues	Operating Profit	Ordinary Profit	Net Income
FY2004 Projection	Consolidated	5,030.0	585.0	410.0	265.0
	Non-consolidated	4,890.0	570.0	400.0	260.0
FY2003 Actual	Consolidated	4,853.8	489.0	307.7	149.5
	Non-consolidated	4,734.5	472.2	304.4	151.8

## ○ Revenue and Expenditure Projections (Non-consolidated)

### ~Revenue~

Electricity sales volume is projected to rise by 2.2% or 282.0 billion kWh as heating and cooling demand should increase in reaction to the cool summer and warm winter during the prior fiscal year, generating operating revenues on the order of ¥4,890.0 billion.

### ~Expenditure~

#### 1. Personnel Costs

Personnel costs should remain basically unchanged from the prior year's level. While the actuarial computational differential amount written off will decrease in FY 2004, the retirement benefit obligations declined in FY 2003 along with the revisions implemented to the pension and retirement system.

#### 2. Fuel Costs

Fuel costs are projected to decline by about ¥100.0 billion compared with the previous year. Although fuel costs are expected to rise from higher electric power demand and higher fuel prices, this should be more than offset by increased nuclear power generation.

#### 3. Maintenance Costs

Maintenance costs are projected to rise by about ¥120.0 billion because the number of nuclear power plant periodic inspections will increase (from 9 to 13) and because unfinished inspection and maintenance works remaining from the previous year will be implemented.

#### 4. Depreciation Costs

Depreciation costs are projected to decline by about ¥40.0 billion from the previous year, reflecting the overall restriction of capital expenditures.

#### 5. Interest Costs

TEPCO will continue striving to further reduce interest costs by emphasizing low-cost direct financing (corporate bonds, commercial paper) in funds procurement.

#### 6. Other Costs

While cost increases are expected in conjunction with efforts to reinforce the company's financial constitution and to strengthen incidental businesses, TEPCO will also continue striving to further improve efficiencies and reduce costs.



(in billion kWh)

		1st half (projections)	2nd half (projections)	FY2004 total (projections)	<reference> FY2003 (actual)
Other than eligible customers' use	Lighting	43.1	47.8	90.9	86.9
	Commercial use	22.8	21.2	44.0	42.3
	Others	1.4	1.3	2.7	2.9
	Lighting and power total	82.4	85.1	167.5	162.0
Eligible customers' use		58.8	55.7	114.5	114.0
Total		141.2	140.8	282.0	276.0

## Key Factors Affecting Performance

((Units: persons; billion yen; %))

	FY2004 (projections)	FY2003 (actual)	*FY2003 (projections)	<reference> FY2002 (actual)
Foreign exchange rate (interbank; ¥/\$)	approx. 115	113.18	approx. 115	121.98
Crude oil prices (All Japan CIF; \$/b)	approx. 35	29.43	approx. 28	27.42
Nuclear power plant capacity utilization ratio (%)	approx. 70 %	26.3	approx. 30 %	60.7
Flow rate (%)	100 %	107.4	approx. 103.4 %	98.3
Electricity sales volume (billion kWh)	282.0	276.0	276.4	281.9
Number of employees	approx. 38,400	38,950	approx. 38,900	39,619
Capital Expenditures	571.4	576.1	586.3	645.2
Capital Expenditures (incidental businesses)	26.0	16.6	17.0	26.9
Interest-bearing debt outstanding	approx. 8,080.0	8,585.2	8,630.0	8,970.0

Foreign exchange rate, crude oil price, and flow rate figures are those announced at the time of the FY 2003 interim settlement.  
 Nuclear power plant capacity utilization ratio and electricity sales volume figures are those announced at the time of the FY 2003 3rd quarter settlement.  
 Number of employees, capital expenditure, capital expenditure (incidental businesses) and interest-bearing debt outstanding figures are the estimated performance figures announced when the FY 2003 business management plan was announced.

(in billion yen)

## Financial Influence

	FY2004 (projection)	FY2003 (actual)
Foreign exchange rate (interbank; ¥/\$)	approx. 7.5	approx. 8.0
Crude oil prices (All Japan CIF; \$/b)	approx. 22.0	approx. 31.0
Nuclear power plant capacity utilization ratio (%)	approx. 6.5	approx. 6.0
Flow rate (%)	approx. 1.0	approx. 1.0
Interest rate <long-term> 1%	approx. 4.0	approx. 6.0
Interest rate <short-term> 1%	approx. 7.0	approx. 8.0