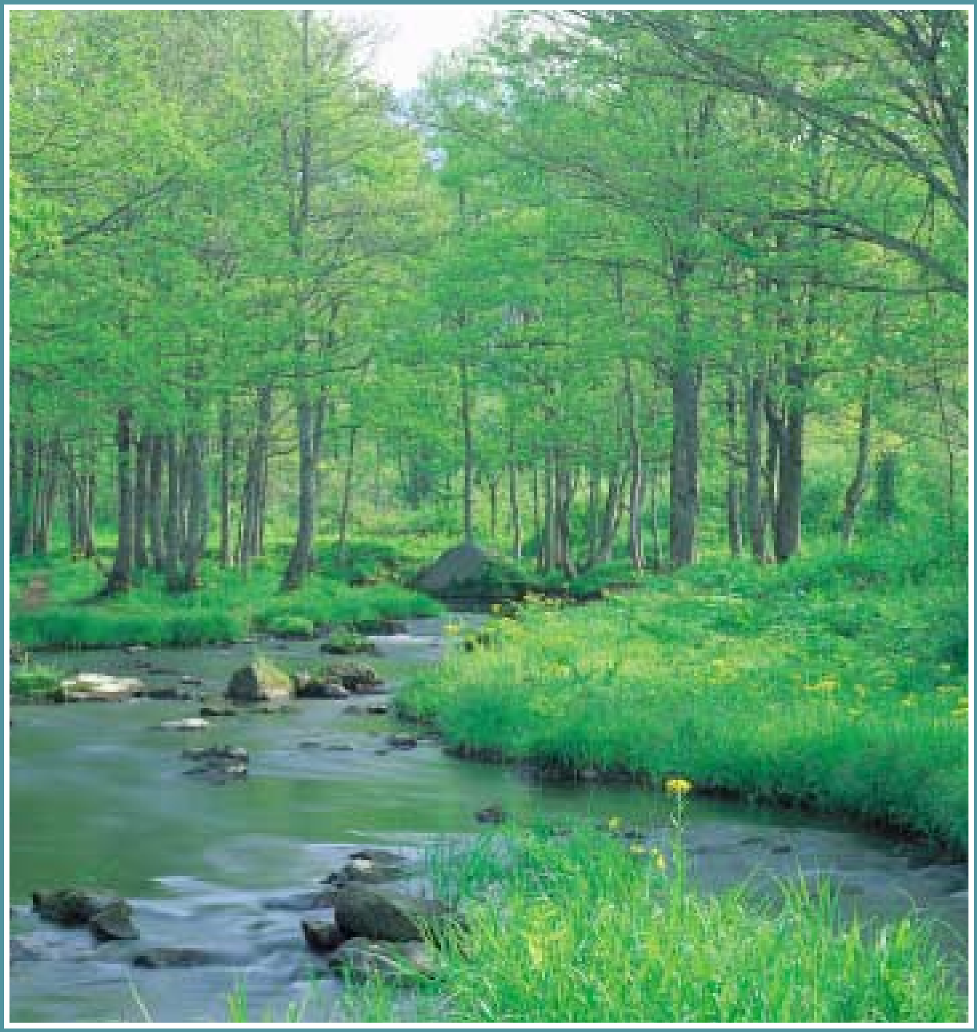

ANNUAL REPORT 2000

Year Ended March 31

TEPCO

THE TOKYO ELECTRIC POWER COMPANY, INCORPORATED

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ANNUAL REPORT 2000

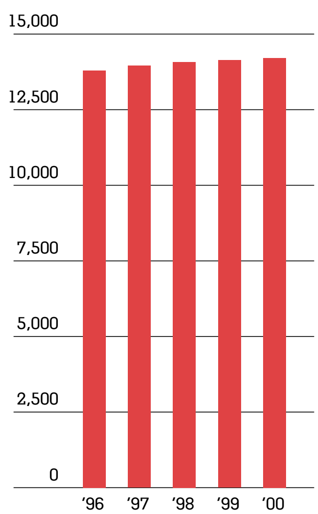
Note: Effective this fiscal year, all amounts in this report, unless indicated otherwise, are stated on a consolidated basis.

FINANCIAL HIGHLIGHTS

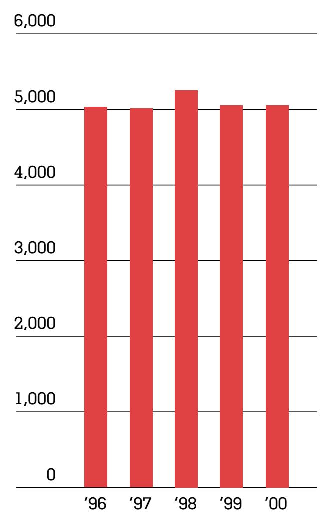
The Tokyo Electric Power Company, Incorporated
Years ended March 31, 2000 and 1999

	Millions of yen	
	2000	1999
Capital Stock	**¥ 676,433**	¥ 676,433
Property, Plant and Equipment, Net	**12,071,946**	12,376,897
Total Assets	**14,559,331**	14,407,405
Operating Revenues:		
Electricity	**¥ 5,053,541**	¥ 5,052,550
Other	**38,079**	35,852
	¥ 5,091,620	¥ 5,088,403
Net Income	**¥ 87,437**	¥ 97,425
	Yen	
Per Share of Common Stock:		
Net income — basic	**¥ 64.63**	¥ 72.01
Cash dividends	**¥ 60.00**	¥ 50.00

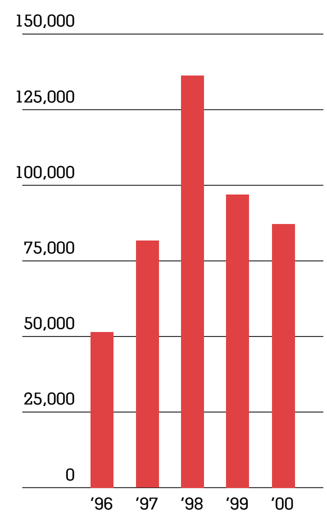
Total Assets
(Billions of Yen)



Operating Revenues
(Billions of Yen)



Net Income
(Millions of Yen)



As of March 31, 2000, The Tokyo Electric Power Group (the "Group") comprised The Tokyo Electric Power Company, Incorporated (the "Company"), 36 subsidiaries, and 31 affiliated companies — principally operating within the electric power industry. The Group operates in two business areas other than the electric power industry. In the first, subsidiaries and affiliates share functions with the Company to contribute to the efficiency of the Company's core electricity business. In the second, subsidiaries and affiliates utilize the Company's resources and diversify into new areas. Companies engaged in the construction of facilities and maintenance work, as well as the supply of equipment and materials or resources such as electrical machinery and apparatus or fuel for power generation would be examples of the first. Companies involved in telecommunications and heat supply would be examples of the second.

The function of each type of business is described below.

(1) Electric Power Business

In the electric power business, the Group supplies electricity generated by a subsidiary and affiliates in addition to that supplied through the general electric utility business in which the Company is engaged.

The Company was established in 1951 as a result of a nationwide reorganization of the electric power industry intended to promote the efficient and stable supply of electric power in Japan. The Company is one of the 10 major electric utility companies in Japan engaged in the generation, transmission, and distribution of electricity. The Company's service area comprises the Tokyo metropolitan area and its surrounding prefectures, covering 39,497 square kilometers (11% of the total area of Japan) and with a population of approximately 43 million people (34% of the total population of Japan). The Company supplies electricity to approximately 26 million customers in the area, which is also the center of the nation's political, economic, and cultural activities.

In addition to electricity generated at the Group's facilities, the Company supplies customers with electric power purchased from other utilities and independent power producers.

Major Subsidiary and Affiliates

Power Generation Business

The Tokyo Electric Generation Company, Incorporated*
Kimitsu Cooperative Thermal Power Company, Inc.**
Kashima Kyodo Electric Power Co., Ltd.**
Soma Kyodo Power Company, Ltd.**
Joban Joint Power Co., Ltd. **
The Japan Atomic Power Company**

(2) Other Businesses

There are subsidiaries and affiliates engaged in property management, the supply of resources, equipment and materials, the supply of fuel for power generation, and facilities construction and maintenance work — businesses that complement the electric power business. There are also companies involved in telecommunications, which diversifies the Group's operating base.

Major Subsidiaries and Affiliates

(A) Complementary Businesses

Facilities Construction and Maintenance:
- Toden Kogyo Co., Ltd.*
- Tokyo Electric Power Environmental Engineering Company, Incorporated*
- Tokyo Electric Power Services Company, Limited*
- Tokyo Densetsu Services Co., Ltd.*
- Tokyo Electric Power Home Service Company, Limited*
- KANDENKO Co., Ltd.**

Fuel Supply:
- Japan COM Company, Limited*
- Japan Nuclear Fuel Limited**

Supply of Resources, Equipment and Materials:
- Toko Electric Corporation **
- Takaoka Electric Mfg. Co., Ltd. **

Property Management:
- The Tokyo Electric Power Real Estate Maintenance Co., Inc.*

(B) Diversified Businesses

Telecommunications:
- Tokyo Telecommunication Network Company, Incorporated**

* *Consolidated Subsidiaries*

** *Affiliates Accounted for by the Equity Method*

1. Electricity Sales, Income, and Expenditures

In fiscal 1999 ended March 31, 2000, the recovery of private-sector demand in the Japanese economy was weak, particularly in the area of personal consumption, and the operating environment for the Group continued to be difficult. However, in the second half of the year, there were signs of a recovery as corporate production in many sectors began to expand once again.

Against this backdrop, the Company registered a year-on-year increase in sales volume that surpassed initial forecasts as demand from industrial users was stimulated by a rally in production and residential customer demand increased, reflecting a surge in the use of air-conditioning units due to unusually high summer temperatures. Sales of electric power for residential use edged up 3.7%, to 83,974 million kWh, while those for commercial and industrial use — including sales to eligible customers (*1) — advanced 2.3%, to 190,252 million kWh. Consequently, the total volume of electric power sold rose 2.7%, to 274,226 million kWh.

Revenues from electricity sales edged up 0.5%, to ¥4,942,570 million, as the increase in sales volume was largely offset by rise in fuel prices. The Group's operating revenues rose 0.1%, to ¥5,091,620 million, while ordinary revenues in fiscal 1999 also rose 0.1%, to ¥5,113,302 million.

Ordinary expenses dropped 2.6% from the level recorded in fiscal 1998, to ¥4,763,215 million, as a result of a combination of the following factors. First, personnel expenses dropped from those of fiscal 1998 as pension cost surged temporarily in fiscal 1998 due to a change in assumed interest rates. A second factor contributing to the decrease in ordinary expenses was the decrease in interest expense as a result of a decline in interest rates. In addition, the Group succeeded in reducing maintenance and other expenses through a Group-wide cost reduction program which covered every aspect of its operations. These factors more than offset the rise in fuel costs associated with the recently higher crude oil prices and the increase in depreciation as a result of the commencement of operations at new power plants.

Reflecting these factors, the Company's income before extraordinary loss, special item, income taxes and minority interests for the fiscal year amounted to ¥350,087 million, an increase of 59.7%.

Due to a restatement of the reserves for employees' retirement allowances, the transfer from the previous fiscal year of ¥203,929 million of employees' retirement allowances has been accounted for as an extraordinary loss. In addition, as a result of the application of tax-effect accounting, corporation and other taxes increased by ¥76,114 million and net income declined 10.3% from the previous period, to ¥87,437 million.

A change in the method of accounting for investments in subsidiaries and affiliates was introduced at the beginning of the fiscal year, thus altering the scope of consolidation. (See "Notes to Consolidated Financial Statements," Note 1b.) No retroactive adjustments regarding this change have been made to the amounts stated for fiscal 1999.

Sales of Electricity

For the years ended March 31	Millions of kWh 2000	1999	Percentage increase
Residential	**83,974**	80,984	3.7%
Commercial and Industrial	**114,170**	110,865	3.0
Eligible Customers *1	**76,082**	75,199	1.2
Total	**274,226**	267,047	2.7%

Revenues from Sales

For the years ended March 31	Millions of yen 2000	1999	Percentage increase
Residential	**¥1,965,166**	¥1,920,491	2.3%
Commercial and Industrial	**2,065,916**	2,068,651	(0.1)
Eligible Customers *1	**911,487**	930,924	(2.1)
Total	**¥4,942,570**	¥4,920,067	0.5%

*Note*1: Eligible customers are those in the deregulated sector of the retail market. They basically represent 2000kW or more of the demand and 20kV or more of the supply voltage.*

2. Cash Flows

On a consolidated basis for the period, cash and cash equivalents for the year held by the Group at the end of the fiscal period declined 9.5%, or ¥7,946 million, from the previous year, to ¥75,449 million. Certain cash outflows declined substantially as a result of a curb in purchases of property, plant and equipment, and a reduction in interest payments due to the decline in interest rates. However, to improve the Group's financial standing and further strengthen its operating base, expenditures were made to reduce interest-bearing liabilities; thus, there was an increase in cash outflows for the repayment of loans and for the redemption of corporate bonds.

(1) Cash flows from operating activities

Net cash provided by operating activities during the term rose to ¥1,434,897 million. As mentioned previously, this increase was principally caused by a growth in retained earnings reflecting the increase in depreciation and by a reduction in interest payments associated with the decline in interest rates.

(2) Cash flows from investing activities

Net cash used in investing activities during the period amounted to ¥1,070,487 million. Although there were investments in new business areas, efforts were made to reduce capital expenditures by enhancing efficiency in the construction and operation of the Group's facilities.

(3) Cash flows from financing activities

Net cash used in financing activities amounted to ¥372,356 million for the period. The Group retired a portion of its long-term debt early using the cash generated from cutbacks in capital investment. The Group also spent cash in relation to its debt assumption agreements.

As the previous years' statements of cash flows were stated only on a non-consolidated basis, a comparative analysis of the cash flows from operating, investing, and financing activities has not been made.

3. Expansion and Strengthening of Facilities

This section is presented on a non-cosolidated basis. Among the consolidated companies, only the Company has significant plans for construction.

(1) With regard to its power facilities, the Company has commenced commercial operations at certain new units and is continuing with other construction activities as described below.

(A) Hydroelectric:

The Company is presently constructing the Kazunogawa Pumped Storage Hydroelectric Power Station (1,600,000 kilowatts) and the Kannagawa Pumped Storage Hydroelectric Power Station (2,700,000 kilowatts).

The Company has commenced commercial operations at the completed portions of the Kazunogawa Pumped Storage Hydroelectric Power Station (400,000 kilowatts).

(B) Fossil fuel:

The Company is constructing the Chiba Thermal Power Station Group No. 1 and No. 2 (1,440,000 kilowatts each), the Shinagawa Thermal Power Station Group No. 1 (1,140,000 kilowatts), the Futtsu Thermal Power Station Group No. 3 and No. 4 (1,520,000 kilowatts each) and the Hitachinaka Thermal Power Station Group No. 1 (1,000,000 kilowatts).

The Company has commenced commercial operations at the completed portions of the Chiba Thermal Power Station Group No. 1 and No. 2 (1,080,000 kilowatts each).

(2) With reference to its transmission, transformation and distribution facilities, the Company has taken into account recent trends in demand and is proceeding with the necessary construction projects, placing emphasis on expanding and strengthening its large-capacity transmission facilities and substations to ensure a stable supply of electricity.

Generating Capacity

	Thousands of kW		
	As of March 31, 2000	As of March 31, 1999	**Increase**
Hydroelectric	**8,103**	7,695	408
Fossil fuel	**32,434**	31,871	563
Nuclear	**17,308**	17,308	—
Total	**57,846**	56,874	971

* *Non-consolidated basis*

4. Basic Management Policies

In the current operating environment, although the demand for electricity for residential use is forecasted to rise steadily, any expansion in the overall demand is likely to be slow, mainly due to the low rate of economic growth and the customers' rising awareness of the need to conserve energy. Moreover, with the March 2000 opening of the retail market for special high-voltage users, an era of full-fledged competition in the electric power industry has started, where both domestic and overseas corporations are seeking to enter the newly liberalized retail power market. As a result, sales of the Group are likely to grow only at a gradual pace.

Given these circumstances, the Company will make it a high priority to enhance its competitiveness. By offering more attractive rates and service options to improve efficiency in management and increase profitability, the Company will strive to ensure that it is preferred by customers, shareholders, and investors alike.

To achieve these objectives, the Company is continuing to bolster its operational activities, taking such measures as appointing managers with specific responsibilities to customers in those sectors open to competition. The Company is also offering a variety of rate options to satisfy customers' requirements, which are becoming more demanding. With regard to customers who are not likely to be the immediate targets of liberalization measures, the Company is working to expand the services it offers, from consultations on contracts and safety issues to the introduction of new charge options that better suit the customers' patterns of electricity use.

In addition, the Company is continuing to press ahead with its cost-containment program aimed at reducing repair and maintenance costs and to increase the operational efficiency of its generating facilities. Simultaneously, the Company is promoting the widespread deployment of thermal storage systems to flatten the demand for electricity across the day and optimize the utilization ratios of its generating facilities. Moreover, the Company is progressing with a further round of efficiency measures which it is implementing across the board with the aim of trimming its organizational structure. The Company is also making active use of IT and other new technologies to sharpen its competitive edge.

As the Company cannot expect a dramatic growth in electricity demand in the coming years, in the interests of expansion, it is working to develop new business areas in which it can utilize the collective strengths of the Group as a whole and the management resources which the Company has nurtured over the years.

However, even in an age of intensifying competition, the responsibilities of the Company — to serve the public interest by promoting environmental protection and to ensure a stable supply of electricity, among others — remain unchanged. To discharge these responsibilities, the Company remains unstinting in its pursuit of the optimal mix of energy sources, making the best use of the special characteristics of hydroelectric, thermal, and nuclear power. The Company is enthusiastically supporting R&D into new energy sources and their eventual widespread use.

The Company also believes that it is important to promote the use of nuclear power. As fuel for nuclear power stations can be procured on a stable long-term basis, and because CO_2 emissions from nuclear power stations are extremely low, nuclear energy can be an effective partner in the fight against such environmental problems as global warming.

Public confidence in the safety of nuclear power installations was greatly damaged by the September 1999 criticality incident at a uranium reprocessing plant in Tokaimura — near Tokyo — and public opinion on the issue remains hostile to nuclear power in many respects. Given the current concerns, the Company is devoting all its might to ensuring that the entire nuclear industry is conscious that safety issues must take precedence over all other issues in the operation of nuclear facilities. The Company is set on recovering the trust of the people who live and work near its facilities as well as the public as a whole. Committed to a policy of prompt and frank information disclosure and communication, the Company is resolved to continue to operate its facilities according to the most rigorous safety standards while seeking to improve its safety and security management system in every way.

FIVE-YEAR SUMMARY

The Tokyo Electric Power Company, Incorporated
For the five years ended March 31

	Millions of yen				
	2000	1999	1998	1997	1996
CONSOLIDATED STATEMENTS OF INCOME DATA					
Operating Revenues:	**¥5,091,620**	¥5,088,403	¥5,278,019	¥5,038,797	¥5,053,932
Electricity	**5,053,541**	5,052,550	5,244,093	5,003,804	5,021,889
Other	**38,079**	35,852	33,926	34,993	32,043
Operating Expenses:	**4,303,541**	4,399,795	4,554,464	4,410,368	4,348,200
Electricity	**4,263,166**	4,362,839	4,517,533	4,375,876	4,315,997
Other	**40,375**	36,956	36,931	34,491	32,203
Operating Income	**788,078**	688,607	723,555	628,429	705,731
Other (Income) Expenses:					
Interest	**438,513**	473,747	503,420	475,482	533,807
Other, net	**(522)**	(4,423)	(5,851)	2,385	(1,348)
Income before Extraordinary Loss, Special Item, Income Taxes and Minority Interests	**350,087**	219,283	225,985	150,561	173,273
Extraordinary Loss	**203,929**	6,600	—	—	—
Special Item	**(79)**	3,506	(0)	(4,311)	(4,080)
Income before Income Taxes and Minority Interests	**146,236**	209,177	225,986	154,872	177,353
Income Taxes — Current	**135,003**	112,534	91,632	73,632	126,346
— Deferred	**(76,144)**	(245)	(578)	(322)	(818)
Minority Interests	**(59)**	(537)	(390)	(38)	3
Net Income	**¥ 87,437**	¥ 97,425	¥ 135,322	¥ 81,602	¥ 51,821

Per Share of Common Stock:	Yen				
Net income:					
Basic	**¥ 64.63**	¥ 72.01	¥ 100.03	¥ 60.32	¥ 38.53
Diluted	**—**	—	99.47	—	—
Cash dividends	**60.00**	50.00	50.00	50.00	50.00

	Millions of yen				
	2000	1999	1998	1997	1996
NON-CONSOLIDATED STATEMENTS OF INCOME DATA					
Operating Revenues:	**¥5,059,655**	¥5,060,166	¥5,252,252	¥5,012,638	¥5,031,803
Residential	**1,965,166**	1,920,491	1,952,756	1,863,087	1,881,160
Commercial and industrial	**2,977,403**	2,999,576	3,160,844	3,019,740	3,019,464
Other	**117,085**	140,098	138,651	129,810	131,178
Operating Expenses:	**4,290,649**	4,386,361	4,539,357	4,394,158	4,333,825
Depreciation	**996,143**	979,455	1,022,613	995,534	893,981
Purchased power	**596,964**	600,144	626,076	624,446	615,928
Maintenance	**558,100**	573,592	617,594	580,700	632,653
Fuel	**557,545**	522,214	662,324	655,804	590,645
Personnel	**478,371**	554,244	498,078	492,065	500,373
Taxes other than income taxes	**331,502**	336,356	336,254	322,627	316,419
Other	**772,022**	820,354	776,415	722,979	783,822
Operating Income	**769,006**	673,804	712,894	618,480	697,977
Other (Income) Expenses:					
Interest	**434,999**	469,829	498,829	470,185	527,586
Other, net	**(11,941)**	(3,990)	(3,288)	5,740	2,840
Income before Extraordinary Loss, Special Item and Income Taxes	**345,948**	207,966	217,354	142,554	167,550
Extraordinary Loss	**200,776**	6,600	—	—	—
Special Item	**(83)**	3,504	—	(4,314)	(4,080)
Income before Income Taxes	**145,255**	197,862	217,354	146,868	171,630
Income Taxes — Current	**127,263**	104,456	86,346	69,477	123,518
— Deferred	**(74,645)**	—	—	—	—
Net Income	**¥ 92,637**	¥ 93,405	¥ 131,007	¥ 77,390	¥ 48,112

	Yen				
Per Share of Common Stock:					
Net income:					
Basic	**¥ 68.47**	¥ 69.04	¥ 96.84	¥ 57.20	¥ 35.77
Diluted	**—**	—	96.34	—	—
Cash dividends	**60.00**	50.00	50.00	50.00	50.00
Stock Price Range:					
High	**3,110**	3,000	2,550	2,880	2,850
Low	**2,020**	2,350	2,080	2,120	2,530

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

CENTURY OTA SHOWA & CO.
ERNST & YOUNG INTERNATIONAL

The Board of Directors and Shareholders
The Tokyo Electric Power Company, Incorporated

We have audited the consolidated balance sheets of The Tokyo Electric Power Company, Incorporated and consolidated subsidiaries as of March 31, 2000 and 1999, the related consolidated statements of income and shareholders' equity for the years then ended, and the consolidated statement of cash flows for the year ended March 31, 2000, all expressed in yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated financial statements, expressed in yen, present fairly the consolidated financial position of The Tokyo Electric Power Company, Incorporated and consolidated subsidiaries at March 31, 2000 and 1999, the consolidated results of their operations for the years then ended, and their cash flows for the year ended March 31, 2000 in conformity with accounting principles and practices generally accepted in Japan consistently applied during the period except for the change, with which we concur, in 2000 in the method of accounting for retirement allowances as described in Note 2 to the consolidated financial statements.

As described in Note 1 to the consolidated financial statements, The Tokyo Electric Power Company, Incorporated and consolidated subsidiaries have adopted new accounting standards for consolidation, research and development costs, and tax-effect accounting in the preparation of their consolidated financial statements for the year ended March 31, 2000.

Century Ota Showa & Co.

Century Ota Showa & Co.

Tokyo, Japan
June 28, 2000

See Note 1 to the consolidated financial statements which explains the basis of preparation of the consolidated financial statements of The Tokyo Electric Power Company, Incorporated under Japanese accounting principles and practices.

CONSOLIDATED BALANCE SHEETS

The Tokyo Electric Power Company, Incorporated
March 31, 2000 and 1999

	Millions of yen	
	2000	1999
ASSETS		
Property, Plant and Equipment	**¥25,719,678**	¥24,665,772
Construction in Progress	**1,177,486**	1,822,351
	26,897,165	26,488,124
Less:		
Contributions in aid of construction	**(263,545)**	(259,714)
Accumulated depreciation	**(14,561,673)**	(13,851,511)
	(14,825,218)	(14,111,226)
Property, Plant and Equipment, Net (Notes 3 and 5)	**12,071,946**	12,376,897
Nuclear Fuel:		
Loaded nuclear fuel	**181,526**	182,470
Nuclear fuel in processing	**500,544**	430,850
	682,071	613,320
Investments and Other:		
Long-term investments (Note 15)	**531,079**	579,385
Deferred tax assets (Notes 1 and 9)	**296,610**	18,064
Other	**411,083**	299,751
	1,238,773	897,201
Current Assets:		
Cash	**73,229**	79,030
Notes and accounts receivable — customers	**305,680**	300,969
Other	**187,630**	139,984
	566,540	519,985
Total Assets	**¥14,559,331**	¥14,407,405

	Millions of yen	
	2000	1999
LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY		
Long-Term Liabilities and Reserves:		
Long-term debt (Notes 4 and 5)	**¥ 8,540,871**	¥ 8,923,682
Other long-term liabilities (Note 10)	**105,538**	144,077
Reserve for reprocessing of irradiated nuclear fuel (Note 6)	**791,229**	734,941
Reserve for employees' retirement allowances (Note 2)	**352,061**	149,183
Reserve for decommissioning costs of nuclear power units (Note 7)	**298,514**	277,130
	10,088,216	10,229,015
Current Liabilities:		
Current portion of long-term debt and other	**933,200**	967,779
Short-term debt	**645,844**	625,259
Accrued income taxes and other	**151,114**	150,198
Other	**882,908**	835,096
	2,613,067	2,578,333
Reserve for Fluctuation in Water Levels (Note 8)	**3,428**	3,508
Total Liabilities	**12,704,713**	12,810,857
Minority Interests	**4,925**	4,985
Shareholders' Equity (Note 11):		
Common stock	**676,433**	676,433
Capital surplus	**19,013**	19,013
Retained earnings	**1,154,279**	896,137
	1,849,727	1,591,585
Treasury stock, at cost	**(34)**	(22)
Total Shareholders' Equity	**1,849,692**	1,591,562
Contingent Liabilities (Note 13)		
Total Liabilities, Minority Interests and Shareholders' Equity	**¥14,559,331**	¥14,407,405

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

The Tokyo Electric Power Company, Incorporated
For the years ended March 31, 2000 and 1999

	Millions of yen	
	2000	1999
Operating Revenues:		
Electricity	**¥5,053,541**	¥5,052,550
Other	**38,079**	35,852
	5,091,620	5,088,403
Operating Expenses (Note 12):		
Electricity	**4,263,166**	4,362,839
Other	**40,375**	36,956
	4,303,541	4,399,795
Operating Income	**788,078**	688,607
Other (Income) Expenses:		
Interest	**438,513**	473,747
Other, net	**(522)**	(4,423)
	437,990	469,324
Income before Extraordinary Loss, Special Item, Income Taxes and Minority Interests	**350,087**	219,283
Extraordinary Loss:		
Cumulative effect of change in accounting policy (Note 2)	**203,929**	—
Loss on financial assistance to an affiliate	**—**	6,600
	203,929	6,600
Special Item:		
(Reversal of) provision for reserve for fluctuation in water levels (Note 8)	**(79)**	3,506
Income before Income Taxes and Minority Interests	**146,236**	209,177
Income taxes (Note 9):		
Current	**135,003**	112,534
Deferred	**(76,144)**	(245)
Minority Interests	**(59)**	(537)
Net Income	**¥ 87,437**	¥ 97,425

	Yen	
Per Share of Common Stock:		
Net income — basic (Note 14)	**¥ 64.63**	¥ 72.01
Cash dividends	**¥ 60.00**	¥ 50.00

See notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

The Tokyo Electric Power Company, Incorporated
For the years ended March 31, 2000 and 1999

	Number of shares (Thousands)	Millions of yen		
		Common stock	Capital surplus	Retained earnings
Balance at March 31, 1998	1,352,867	¥676,433	¥19,013	¥ 866,684
Net income for the year ended March 31, 1999				97,425
Cash dividends paid				(67,642)
Bonuses to directors and auditors				(329)
Balance at March 31, 1999	1,352,867	¥676,433	¥19,013	¥ 896,137
Cumulative effect of adoption of tax-effect accounting				¥ 263,044
Adjustments to retained earnings for inclusion in or exclusion from equity method of accounting for affiliates, and certain other adjustments				(24,363)
Net income for the year ended March 31, 2000				87,437
Cash dividends paid				(67,642)
Bonuses to directors and auditors				(334)
Balance at March 31, 2000	1,352,867	¥676,433	¥19,013	¥1,154,279

See notes to consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

The Tokyo Electric Power Company, Incorporated
For the year ended March 31, 2000

	Millions of yen
	2000
Cash Flows from Operating Activities:	
Income before Income Taxes and Minority Interests	¥ 146,236
Depreciation and amortization	1,012,755
Loss on nuclear fuel	88,922
Loss on disposal of property, plant and equipment	52,337
Provision for employees' retirement allowances	202,878
Provision for reprocessing of irradiated nuclear fuel	56,287
Provision for decommissioning costs of nuclear power units	21,383
Interest revenue and dividends received	(9,359)
Interest expense	438,513
Increase in notes and accounts receivable	(12,308)
Increase in notes and accounts payable	26,822
Other	(26,622)
	1,997,847
Receipt of interest and cash dividends	5,832
Interest paid	(446,656)
Income taxes paid	(122,125)
Net cash provided by operating activities	1,434,897
Cash Flows from Investing Activities:	
Purchases of property, plant and equipment	(1,030,177)
Receipt of contributions in aid of construction	9,986
Increase in investments	(9,183)
Proceeds from investments	2,297
Other	(43,409)
Net cash used in investing activities	(1,070,487)
Cash Flows from Financing Activities:	
Proceeds from issuance of bonds	593,157
Redemption of bonds	(889,248)
Proceeds from long-term loans	300,272
Repayment of long-term loans	(414,411)
Proceeds from short-term loans	866,656
Repayment of short-term loans	(846,071)
Proceeds from issuance of commercial paper	1,270,000
Redemption of commercial paper	(1,185,000)
Dividends paid	(67,663)
Other	(46)
Net cash used in financing activities	(372,356)
Net decrease in cash and cash equivalents	(7,946)
Cash and cash equivalents at beginning of the year	83,396
Cash and cash equivalents at end of the year	¥ 75,449

See notes to consolidated financial statements.

1. Summary of significant accounting policies

a. Basis of preparation

The accompanying consolidated financial statements of The Tokyo Electric Power Company, Incorporated (the "Company") and its consolidated subsidiaries are compiled from the consolidated financial statements prepared by the Company as required by the Securities and Exchange Law of Japan and are prepared on the basis of accounting principles and practices generally accepted and applied in Japan, which are different in certain respects as to application and disclosure requirements of International Accounting Standards.

In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

Effective the year ended March 31, 2000, the Company was required to prepare a consolidated statement of cash flows as part of its consolidated financial statements for the first time under the Securities and Exchange Law of Japan. Accordingly, the Company has prepared a consolidated statement of cash flows for the year ended March 31, 2000 only in accordance with Accounting Standards for Consolidated Statements of Cash Flows.

As permitted by the Securities 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 sum of the individual amounts.

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year's presentation.

b. Basis of consolidation

Until the year ended March 31, 1999, the consolidated financial statements included the accounts of the Company and its significant subsidiaries, and investments in significant affiliates (owned 20% to 50%) were accounted for by the equity method.

In accordance with the revised accounting standards for consolidation, the accompanying consolidated financial statements for the year ended March 31, 2000 include the accounts of the Company and its significant companies controlled directly or indirectly by the Company, and companies over which the Company exercises 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 differences arising from the cost of the companies' investments in subsidiaries and affiliates over the equity in their net assets at fair value are amortized over a period of five years.

Investments in other affiliates and unconsolidated subsidiaries, not significant in amount, are carried at cost.

c. New accounting standards

Research and development costs

Research and development costs are charged to income when incurred.

A new accounting standard for research and development costs became effective the fiscal year ended March 31, 2000. However, the adoption of this new standard had no material effect on the consolidated statement of income for the year ended March 31, 2000.

Tax-effect accounting

Effective April 1, 1999, the Company changed its method of accounting for income taxes and adopted tax-effect accounting by the liability method. Until the year ended March 31, 1999, income taxes were accounted for on an accrual basis, and deferred income taxes pertaining to timing differences between financial and tax reporting were recognized only insofar as they related to the elimination of unrealized intercompany profits and other adjustments for consolidation purposes. The effect of this adoption was to increase deferred tax assets by ¥320,380 million , investments and other by ¥30,223 million, net income by ¥87,559 million, and retained earnings by ¥350,604 million for the year ended March 31, 2000.

d. Property, plant and equipment and depreciation

Property, plant and equipment is stated at cost. Contributions in aid of construction are deducted from the cost of the related assets. Depreciation of tangible assets is computed by the declining-balance method based on the estimated useful lives of the respective assets.

e. 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.

f. Investments

Securities which are included in long-term investments and other current assets are stated at cost determined by the moving average method.

g. Cash equivalents

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

h. Fuel, materials and supplies

Fuel — exclusive of nuclear fuel — materials and supplies are stated at cost determined principally by the average method.

i. Bond issuance expenses and discounts on bonds

Bond issuance expenses and discounts on bonds are charged to income as incurred.

j. Severance indemnities and pension costs

The Company and certain of its consolidated subsidiaries have severance indemnity plans for their employees. The amount of the severance or retirement payments is determined by reference to basic rate of pay, length of service, and the conditions under which the termination occurs.

The Company's internal regulations for employees stipulate that severance payments shall be calculated on the basis of years of service, the rate of pay at the time of termination of employment, and certain other criteria.

The Company has a contributory funded pension plan covering substantially all its employees. In general, the plan provides for pension payments to eligible employees or their beneficiaries for a period of 10 years following retirement at the mandatory retirement age, or upon death or involuntary retirement caused by illness arising from employment or injury, whether or not such injury arises from employment.

Management of the pension funds is entrusted to trust banks and life insurance companies with which the Company has entered into contracts.

k. Foreign currency items

Current and non-current foreign currency accounts are translated into yen at their historical rates.

l. 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 which will be in effect when the differences are expected to reverse.

2. Change in accounting policy

Effective April 1, 1999, the Company and certain consolidated subsidiaries changed their method of accounting for retirement allowances to provide an accrual principally at 100% of the amount which would be required to be paid if all employees voluntarily terminated their employment at the balance sheet date instead of providing an accrual principally at 40% of such amount. This change was made in order to revise retirement allowances given the projected increasing retirement costs of the companies. The cumulative effect of this change amounted to ¥203,929 million at April 1, 1999 and was recorded as an extraordinary loss for the year ended March 31, 2000. The effect of this change was to increase income before extraordinary loss, special item, income taxes and minority interests by ¥1,119 million and to decrease income before income taxes and minority interests by ¥202,810 million for the year ended March 31, 2000.

3. Property, plant and equipment

The major classifications of property, plant and equipment, net at March 31, 2000 and 1999 were as follows:

	Millions of yen	
	2000	1999
Hydroelectric power production facilities	**¥ 822,231**	¥ 565,226
Thermal power production facilities	**1,368,161**	1,361,679
Nuclear power production facilities	**1,382,693**	1,533,098
Transmission facilities	**3,292,765**	2,996,273
Transformation facilities	**1,215,739**	1,181,302
Distribution facilities	**2,340,100**	2,416,783
General facilities	**249,804**	259,343
Other electricity-related property, plant and equipment	**18,770**	33,788
Other property, plant and equipment	**216,973**	218,337
	¥10,907,240	¥10,565,833

4. Long-term debt

The annual interest rates applicable to the Company's domestic straight bonds at March 31, 2000 ranged from 0.85% to 7.00%, and to the Company's foreign straight bonds at March 31, 2000 ranged from 4.00% to 11.00%. The interest rates applicable to the long-term borrowings (except for current portion) at March 31, 2000 averaged approximately 3.03%.

As of March 31, 2000 and 1999, long-term debt consisted of the following:

	Millions of yen	
	2000	1999
Domestic Bonds:		
Straight bonds due from 1999 through 2019	**¥4,689,510**	¥5,108,758
1.7% convertible bonds due 2004	**178,432**	178,432
Foreign Bonds due from 2001 through 2009	**898,655**	772,805
Loans from banks, insurance companies and other sources	**3,642,231**	3,756,371
Total	**9,408,829**	9,816,367
Less: Current portion	**(867,957)**	(892,685)
	¥8,540,871	¥8,923,682

The 1.7% convertible bonds may be redeemed in whole or in part at the option of the Company at prices ranging from 104% to 100% of the principal amount on or subsequent to April 1, 2000. The current conversion price is ¥7,299 per share. At March 31, 2000, 24,446 thousand shares were reserved for conversion of these convertible bonds.

The annual maturities of long-term debt subsequent to March 31, 2000 are summarized as follows:

Year ending March 31,	Millions of yen
2001	¥ 867,957
2002	1,121,917
2003	1,120,179
2004	820,029
2005	658,951

5. Pledged assets

At March 31, 2000, the Company's entire property was subject to certain statutory preferential rights as security for loans from the Development Bank of Japan, which amounted to ¥1,059,665 million and for bonds (including convertible bonds) of ¥6,746,147 million.

Certain 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.

The assets pledged as collateral for certain consolidated subsidiaries' long-term debt which amounted to ¥10,151 million at March 31, 2000 were as follows:

	Millions of yen
Hydroelectric power production facilities, at net book value	¥ 5,808
Other property, plant and equipment, at net book value	17,768
	¥23,576

6. Reserve for reprocessing of irradiated nuclear fuel

The Company is required, under the accounting rules applicable to electric utility companies in Japan, to provide a reserve for the reprocessing of irradiated nuclear fuel. This reserve, in accordance with the rules, is stated at 60% of the amount which would be required to reprocess all the irradiated nuclear fuel.

7. 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 period.

8. Reserve for fluctuation in water levels

To offset fluctuations in income caused by high water levels or by drought conditions in connection with hydroelectric power generation, the Company is required under the Electric Utility Industry Law to record a reserve for fluctuation in water levels.

9. Income taxes

Income taxes applicable to the Company and consolidated subsidiaries in the electricity business comprise corporation and inhabitants' taxes, which, in the aggregate, resulted in a statutory tax rate of approximately 36% in 2000. Other consolidated subsidiaries are subject to corporation, enterprise and inhabitants' taxes, which, in the aggregate, resulted in a statutory tax rate of approximately 42% in 2000.

The effective tax rate reflected in the accompanying consolidated statement of income for the year ended March 31, 2000 differed from the statutory tax rate for the following reason:

	2000
Statutory tax rate	**36.21%**
Effect of:	
Equity in earnings of affiliates and other, net	**4.04%**
Effective tax rate	**40.25%**

The significant components of deferred tax assets and liabilities as of March 31, 2000 were as follows:

	Millions of yen
	2000
Deferred tax assets:	
Reserve for employees' retirement allowances	**¥ 86,232**
Deferred expenses for tax purposes	**66,897**
Reserve for reprocessing of irradiated nuclear fuel	**63,144**
Accrued severance benefits	**33,824**
Reserve for decommissioning costs of nuclear power units	**32,035**
Other	**59,101**
Total deferred tax assets	**341,235**
Valuation allowance	**(1,204)**
	340,031
Deferred tax liabilities:	
Reserve for depreciation of nuclear power facilities	**(2,232)**
Other	**(698)**
Total deferred tax liabilities	**(2,930)**
Net deferred tax assets	**¥337,100**

10. Pension plan

Effective fiscal 2000, the Company changed the discount rate for its pension funds from 4.0% to 3.5%, and the discount rate for the pension plan from 5.5% to 4.5%. The effect of this rate change was to increase prior service cost at March 31, 2000 by ¥12,307 million.

Prior service cost is accounted for under other long-term liabilities.

11. Shareholders' equity

Retained earnings include a legal reserve provided in accordance with the Commercial Code of Japan. The Code provides that neither capital surplus nor the legal reserve is available for dividends, but both may be used to reduce or eliminate a deficit by resolution of the shareholders or may be transferred to common stock by resolution of the Board of Directors.

12. Research and development costs

Research and development costs included in general and administrative expenses for the year ended March 31, 2000 totaled ¥71,514 million and were based upon a new accounting standard for research and development costs.

13. Contingent liabilities

At March 31, 2000, contingent liabilities totaled ¥1,642,303 million, of which ¥448,467 million was in the form of co-guarantees or commitments to give co-guarantees if requested for the loans or bonds of other companies. However, ¥49,393 million of this balance can be assigned to other co-guarantors based on the contracts between the co-guarantors.

In addition, ¥214,285 million consisted of guarantees given in connection with housing loans to employees of the Company and its consolidated subsidiaries.

The remainder of ¥979,550 million represents the debt assigned by the Company to certain banks under debt assumption agreements.

14. Amounts per share

No presentation has been made for fully diluted net income per share for the years ended March 31, 2000 and 1999 as an adjustment for the dilutive potential of the outstanding convertible bonds would not have resulted in a material decline in basic net income per share.

15. Marketable securities

The carrying amount and an estimate of the related fair value of current and noncurrent marketable securities at March 31, 2000 were as follows:

	Millions of yen		
	Carrying amount	Estimated fair value	Net unrealized gain
Investments:			
Stock	¥154,214	¥193,519	¥39,305
Bonds	1,241	1,332	90
Total	¥155,456	¥194,852	¥39,395

16. Derivatives and hedging activities

The Company utilizes forward exchange and option contracts to hedge foreign currency transactions related to its purchase commitments.

The Company also utilizes interest rate and currency swap agreements to minimize the impact of foreign exchange and interest rate fluctuations on its outstanding debt.

The purpose of such hedging activities is to protect the Company from the related market risks.

The Company is also exposed to credit risk in the event of non-performance by the counterparties to such agreements. However, the Company does not anticipate non-performance by any of these counterparties, all of whom are financial institutions with high credit ratings.

At March 31, 2000, the Company had no open currency option positions and no open interest rate swap agreements.

The consolidated subsidiaries of the Company do not utilize financial derivatives for hedging purposes.

17. Segment information

The Company and its consolidated subsidiaries are primarily engaged in the electric utility business in Japan. As more than 90% of their revenues, operating income and assets arise from the electric utility business, disclosure of business segment information has been omitted.

Furthermore, as less than 10% of their revenues is generated overseas, disclosure of geographical information has been omitted.

18. Subsequent event

The following appropriations of retained earnings of the Company, which have not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2000, were approved at a general meeting of the shareholders held on June 28, 2000:

	Millions of yen
Year-end cash dividends (¥35 per share)	¥47,349
Bonuses to directors and auditors	150

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

CENTURY OTA SHOWA & CO.
ERNST & YOUNG INTERNATIONAL

The Board of Directors and Shareholders
The Tokyo Electric Power Company, Incorporated

We have audited the non-consolidated balance sheets of The Tokyo Electric Power Company, Incorporated as of March 31, 2000 and 1999, and the related non-consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in yen. Our audits were made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying non-consolidated financial statements, expressed in yen, present fairly the non-consolidated financial position of The Tokyo Electric Power Company, Incorporated at March 31, 2000 and 1999, and the non-consolidated results of its operations and its cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan consistently applied during the period except for the change, with which we concur, in 2000 in the method of accounting for retirement allowances as described in Note 2 to the non-consolidated financial statements.

As described in Note 1 to the non-consolidated financial statements, The Tokyo Electric Power Company, Incorporated has adopted new accounting standards for research and development costs, and tax-effect accounting in the preparation of its non-consolidated financial statements for the year ended March 31, 2000.

Century Ota Showa & Co.

Century Ota Showa & Co.

Tokyo, Japan
June 28, 2000

See Note 1 to the non-consolidated financial statements which explains the basis of preparation of the non-consolidated financial statements of The Tokyo Electric Power Company, Incorporated under Japanese accounting principles and practices.

NON-CONSOLIDATED BALANCE SHEETS

The Tokyo Electric Power Company, Incorporated
March 31, 2000 and 1999

	Millions of yen	
	2000	1999
ASSETS		
Property, Plant and Equipment	**¥25,500,343**	¥24,325,626
Construction in Progress	**1,171,853**	1,815,748
	26,672,196	26,141,374
Less:		
Contributions in aid of construction	**(261,685)**	(257,881)
Accumulated depreciation	**(14,445,114)**	(13,690,287)
	(14,706,800)	(13,948,168)
Property, Plant and Equipment, Net (Note 3)	**11,965,396**	12,193,205
Nuclear Fuel:		
Loaded nuclear fuel	**181,789**	182,470
Nuclear fuel in processing	**501,348**	430,850
	683,137	613,320
Investments and Other:		
Long-term investments	**519,951**	565,956
Investments in subsidiaries and affiliates	**287,467**	238,240
Deferred tax assets	**268,523**	—
Other	**42,379**	46,482
	1,118,322	850,680
Current Assets:		
Cash	**52,097**	58,439
Accounts receivable — customers	**302,030**	295,308
Fuel — exclusive of nuclear fuel — materials and supplies	**84,233**	78,594
Other	**89,594**	47,402
	527,955	479,744
Total Assets	**¥14,294,811**	¥14,136,950

	Millions of yen	
	2000	1999
LIABILITIES AND SHAREHOLDERS' EQUITY		
Long-Term Liabilities and Reserves:		
Long-term debt	**¥ 8,439,694**	¥ 8,817,187
Other long-term liabilities	**92,724**	132,008
Reserve for reprocessing of irradiated nuclear fuel	**791,229**	734,941
Reserve for employees' retirement allowances	**332,417**	133,851
Reserve for decommissioning costs of nuclear power units	**298,514**	277,130
	9,954,580	10,095,119
Current Liabilities:		
Current portion of long-term debt	**851,157**	875,731
Current portion of other long-term liabilities	**65,242**	75,094
Short-term debt	**640,000**	619,029
Commercial paper	**255,000**	170,000
Accrued income taxes	**74,869**	60,821
Deposits from employees and others	**10,186**	3,772
Other — principally accounts payable	**691,347**	742,299
	2,587,803	2,546,749
Reserve for Fluctuation in Water Levels	**3,420**	3,504
Total Liabilities	**12,545,804**	12,645,373
Shareholders' Equity:		
Common stock, ¥500 par value:		
Authorized — 1,800,000,000 shares		
Issued — 1,352,867,394 shares in 2000 and 1999	**676,433**	676,433
Capital surplus	**19,013**	19,013
Legal reserve (Note 4)	**169,108**	163,243
Retained earnings	**884,450**	632,887
Total Shareholders' Equity	**1,749,006**	1,491,577
Contingent Liabilities (Note 6)		
Total Liabilities and Shareholders' Equity	**¥14,294,811**	¥14,136,950

See notes to non-consolidated financial statements.

NON-CONSOLIDATED STATEMENTS OF INCOME

The Tokyo Electric Power Company, Incorporated
For the years ended March 31, 2000 and 1999

	Millions of yen	
	2000	1999
Operating Revenues:		
Residential	**¥1,965,166**	¥1,920,491
Commercial and industrial	**2,977,403**	2,999,576
Other	**117,085**	140,098
	5,059,655	5,060,166
Operating Expenses (Note 5):		
Depreciation	**996,143**	979,455
Purchased power	**596,964**	600,144
Maintenance	**558,100**	573,592
Fuel	**557,545**	522,214
Personnel	**478,371**	554,244
Taxes other than income taxes	**331,502**	336,356
Other	**772,022**	820,354
	4,290,649	4,386,361
Operating Income	**769,006**	673,804
Other (Income) Expenses:		
Interest	**434,999**	469,829
Other, net	**(11,941)**	(3,990)
	423,057	465,838
Income before Extraordinary Loss, Special Item and Income Taxes	**345,948**	207,966
Extraordinary Loss:		
Cumulative effect of change in accounting policy (Note 2)	**200,776**	—
Loss on financial assistance to an affiliate	**—**	6,600
	200,776	6,600
Special Item:		
(Reversal of) provision for reserve for fluctuation in water levels	**(83)**	3,504
Income before Income Taxes	**145,255**	197,862
Income taxes:		
Current	**127,263**	104,456
Deferred	**(74,645)**	—
Net Income	**¥ 92,637**	¥ 93,405

	Yen	
Per Share of Common Stock:		
Net income — basic	**¥ 68.47**	¥ 69.04
Cash dividends	**¥ 60.00**	¥ 50.00

See notes to non-consolidated financial statements.

NON-CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

The Tokyo Electric Power Company, Incorporated
For the years ended March 31, 2000 and 1999

	Number of shares (Thousands)	Millions of yen			
		Common stock	Capital surplus	Legal reserve	Retained earnings
Balance at March 31, 1998	1,352,867	¥676,433	¥19,013	¥156,464	¥614,053
Net income for the year ended March 31, 1999					93,405
Cash dividends paid					(67,642)
Bonuses to directors and auditors					(150)
Transfer to legal reserve				6,779	(6,779)
Balance at March 31, 1999	1,352,867	¥676,433	¥19,013	¥163,243	¥632,887
Cumulative effect of adoption of tax-effect accounting					232,584
Net income for the year ended March 31, 2000					92,637
Cash dividends paid					(67,642)
Bonuses to directors and auditors					(150)
Transfer to legal reserve				5,865	(5,865)
Balance at March 31, 2000	1,352,867	¥676,433	¥19,013	¥169,108	¥884,450

See notes to non-consolidated financial statements.

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

The Tokyo Electric Power Company, Incorporated
For the years ended March 31, 2000 and 1999

	Millions of yen	
	2000	1999
Cash Flows from Operating Activities:		
Income before Income Taxes	**¥ 145,255**	¥ 197,862
Depreciation and amortization	**999,601**	981,373
Loss on nuclear fuel	**88,922**	94,555
Loss on disposal of property, plant and equipment	**50,778**	39,658
Provision for (reversal of) employees' retirement allowances	**198,566**	(3,840)
Provision for reprocessing of irradiated nuclear fuel	**56,287**	85,308
Provision for decommissioning costs of nuclear power units	**21,383**	20,821
Interest revenue and dividends received	**(10,993)**	(9,829)
Interest expense	**435,394**	470,213
Increase in notes and accounts receivable	**(14,319)**	(14,051)
Increase in notes and accounts payable	**27,486**	17,860
Other	**(34,860)**	41,034
	1,963,503	1,920,966
Receipt of interest and cash dividends	**7,466**	6,286
Interest paid	**(443,528)**	(480,941)
Income taxes paid	**(113,210)**	(95,152)
Net cash provided by operating activities	**1,414,231**	1,351,158
Cash Flows from Investing Activities:		
Purchases of property, plant and equipment	**(1,015,925)**	(1,146,524)
Receipt of contributions in aid of construction	**9,606**	8,299
Increase in investments	**(8,337)**	(92,281)
Proceeds from investments	**2,587**	22,808
Other	**(42,003)**	(65,206)
Net cash used in investing activities	**(1,054,072)**	(1,272,904)
Cash Flows from Financing Activities:		
Proceeds from issuance of bonds	**593,157**	796,041
Redemption of bonds	**(890,000)**	(541,550)
Proceeds from long-term loans	**289,062**	229,177
Repayment of long-term loans	**(396,979)**	(538,853)
Proceeds from short-term loans	**855,476**	843,555
Repayment of short-term loans	**(834,505)**	(691,913)
Proceeds from issuance of commercial paper	**1,270,000**	1,298,000
Redemption of commercial paper	**(1,185,000)**	(1,417,000)
Dividends paid	**(67,663)**	(67,652)
Other	**(46)**	(1)
Net cash used in financing activities	**(366,500)**	(90,196)
Net decrease in cash and cash equivalents	**(6,342)**	(11,942)
Cash and cash equivalents at beginning of the year	**58,249**	70,191
Cash and cash equivalents at end of the year	**¥ 51,907**	¥ 58,249

See notes to non-consolidated financial statements.

1. Summary of significant accounting policies

a. Basis of preparation

The accompanying non-consolidated financial statements of The Tokyo Electric Power Company, Incorporated (the "Company") have been prepared from the accounts and records maintained by the Company in accordance with the provisions of the Commercial Code of Japan and with accounting principles and practices generally accepted and applied in Japan, which are different in certain respects as to application and disclosure requirements of International Accounting Standards.

In addition, the notes to the non-consolidated financial statements include information which is not required under accounting principles generally accepted in Japan but is presented herein as additional information.

The accompanying non-consolidated financial statements have been prepared on the same basis as the accounting policies discussed in Note 1 to the consolidated financial statements except that these financial statements relate to the Company only, with investments in subsidiaries and affiliates being substantially stated at cost.

Certain amounts previously reported have been reclassified to conform to the current year's presentation.

b. New accounting standards

Research and development costs

Research and development costs are charged to income when incurred.

A new accounting standard for research and development costs became effective the fiscal year ended March 31, 2000. However, the adoption of this new standard had no material effect on the non-consolidated statement of income for the year ended March 31, 2000.

Tax-effect accounting

Effective April 1, 1999, the Company changed its method of accounting for income taxes and adopted tax-effect accounting by the liability method. Until the year ended March 31, 1999, income taxes were accounted for on an accrual basis, and deferred income taxes pertaining to timing differences between financial and tax reporting were not recognized. The effect of this adoption was to increase deferred tax assets by ¥307,229 million, net income by ¥74,645 million, and retained earnings by ¥314,055 million for the year ended March 31, 2000.

2. Change in accounting policy

Effective April 1, 1999, the Company changed its method of accounting for retirement allowances to provide an accrual at 100% of the amount which would be required to be paid if all employees voluntarily terminated their employment at the balance sheet date instead of providing an accrual at 40% of such amount in order to revise retirement allowances given the projected increasing retirement costs of the Company. The cumulative effect of this change amounted to ¥200,776 million at April 1, 1999 and was recorded as an extraordinary loss for the year ended March 31, 2000. The effect of this change was to increase income before extraordinary loss, special item and income taxes by ¥1,326 million and to decrease income before income taxes by ¥199,450 million for the year ended March 31, 2000.

3. Property, plant and equipment

The major classifications of property, plant and equipment as of March 31, 2000 and 1999 were as follows:

	Millions of yen			
	Original cost	Contributions in aid of construction	Accumulated depreciation	Carrying amount
As of March 31, 2000				
Hydroelectric power production facilities	¥ 1,439,911	¥ 5,847	¥ 619,083	¥ 814,980
Thermal power production facilities	4,479,918	16,861	3,089,907	1,373,149
Nuclear power production facilities	4,937,036	456	3,550,932	1,385,647
Internal combustion engine power production facilities	49,593	156	32,241	17,195
Transmission facilities	6,625,528	147,658	3,166,855	3,311,014
Transformation facilities	2,980,146	34,811	1,715,269	1,230,066
Distribution facilities	4,404,418	34,905	1,964,295	2,405,217
Incidental business facilities	30,676	—	20,951	9,723
General facilities	553,113	20,987	272,795	259,330
Construction in progress	1,171,853	—	12,781	1,159,071
	¥26,672,196	¥261,685	¥14,445,114	¥11,965,396
As of March 31, 1999				
Hydroelectric power production facilities	¥ 1,133,893	¥ 5,852	¥ 570,767	¥ 557,273
Thermal power production facilities	4,347,862	17,259	2,963,980	1,366,623
Nuclear power production facilities	4,903,263	456	3,367,273	1,535,533
Internal combustion engine power production facilities	91,273	156	58,940	32,176
Transmission facilities	6,037,532	143,093	2,887,802	3,006,636
Transformation facilities	2,829,981	33,764	1,611,466	1,184,751
Distribution facilities	4,372,088	35,457	1,908,008	2,428,622
Incidental business facilities	29,037	—	19,435	9,602
General facilities	580,692	21,840	291,326	267,525
Construction in progress	1,815,748	—	11,287	1,804,460
	¥26,141,374	¥257,881	¥13,690,287	¥12,193,205

Interest costs capitalized for the year ended March 31, 1999 amounted to ¥2,423 million.

No interest cost has been capitalized for the year ended March 31, 2000.

4. Legal reserve

The Commercial Code provides that an amount equivalent to at least 10% of cash dividends paid and bonuses to directors and auditors be appropriated to the legal reserve until such reserve equals 25% of stated capital.

The legal reserve may be used to reduce a deficit or may be transferred to stated capital through suitable action by the Board of Directors or shareholders but is not available for the payment of dividends.

5. Research and development costs

Research and development costs included in general and administrative expenses for the year ended March 31, 2000 totalled ¥71,430 million and were based upon a new accounting standard for research and development costs.

6. Contingent liabilities

At March 31, 2000, contingent liabilities totaled ¥1,642,310 million, of which ¥449,664 million was in the form of co-guarantees or commitments to give co-guarantees if requested for the loans or bonds of other companies. However, ¥49,662 million of this balance can be assigned to other co-guarantors based on the contracts between the co-guarantors.

In addition, ¥212,646 million consisted of guarantees given in connection with housing loans to employees of the Company.

The remainder of ¥980,000 million represents the debt assigned by the Company to certain banks under debt assumption agreements.

DIRECTORS AND AUDITORS

As of June 28, 2000

Chairman
Hiroshi Araki

President
Nobuya Minami

Executive Vice Presidents
Takeshi Taneichi
Shigemi Tamura
Masaru Yamamoto
Tsunehisa Katsumata
Katsumasa Ishige
Ryoichi Shirato

Managing Directors
Hidehiko Haru
Teruaki Masumoto
Takashi Aoki
Toshiaki Enomoto
Masakatsu Ikawa
Tsuneo Futami

Directors
Takanobu Tamura
Nobumasa Momose
Koichi Nemoto
Muneyuki Tsukiyama
Yukinori Ichida
Hiroomi Sakurai
Yukitaka Ozaki
Takashi Murata
Hiroyasu Ohnishi
Toyonori Kudo
Katsutoshi Chikudate
Hisao Naito
Masaru Matsumura
Susumu Shirakawa
Takuya Hattori
Isami Kojima
Shinichi Nishio
Tsuneharu Ochi

Standing Auditors
Shoji Hanawa
Kenji Takahama
Takao Sato
Kazuyuki Haraguchi
Tatsuo Nakajima

Auditors
Sugiichiro Watari
Shu Watanabe

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