Tokyo Electric Power Company

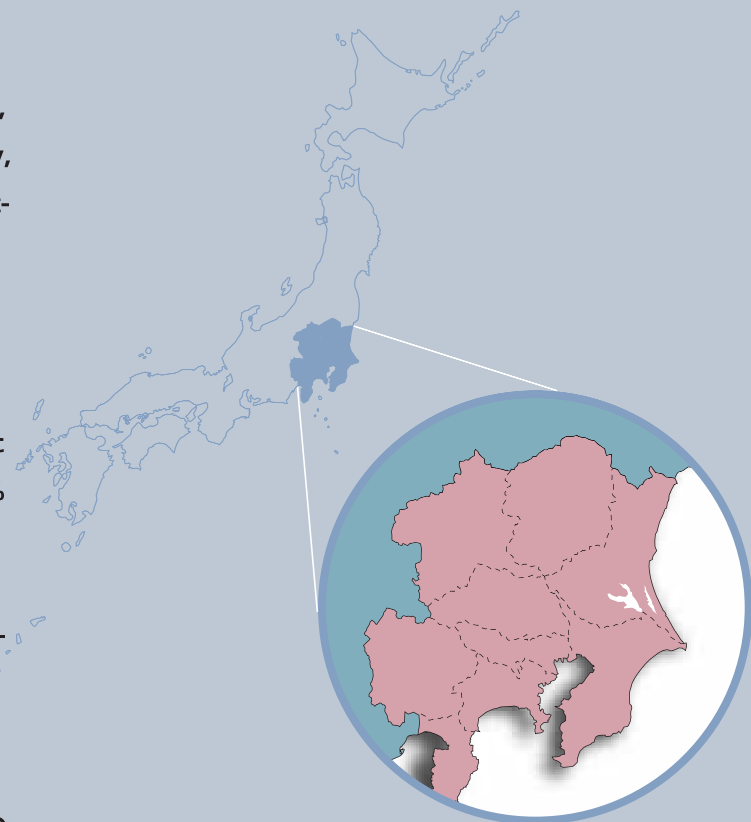
Annual Report 2003

Year ended March 31, 2003

Tokyo Electric Power Company in Outline

For more than half a century since its establishment in 1951, The Tokyo Electric Power Company, Incorporated (TEPCO), has provided high-quality, stable supplies of electricity through its integrated power generation, transmission, and distribution system to support postwar growth and convenient, affluent lifestyles. TEPCO provides electric power principally to the Tokyo metropolitan area, which, as the political and economic center of Japan, accounts for approximately 40% of the country's economy and is continuing to grow in importance.

The operating environment for TEPCO's activities is now changing rapidly due to the liberalization of the retail power market and slowing growth in demand for electric power. To be a winner in this era of greater competition, TEPCO is moving forward with initiatives to substantially increase management efficiency and, in response to increasingly diverse customer needs, is expanding the range of rate options and services to increase customer satisfaction.



Contents

Forward-Looking Statements

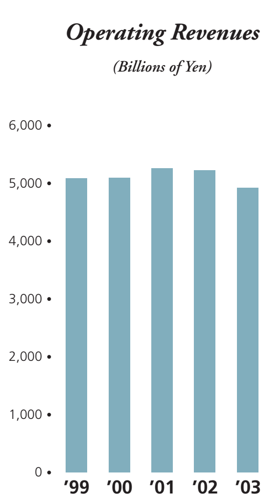
Statements contained in the 2003 annual report with respect to TEPCO's plans, strategies, beliefs, and other statements that are not historical facts are forward-looking statements about the future of the Company. These forward-looking statements involve known and unknown risks and uncertainties. These risks and uncertainties include, without limitation, general economic conditions in Japan, exchange rate fluctuations, and changes due to the liberalization of the Japanese electric power industry.

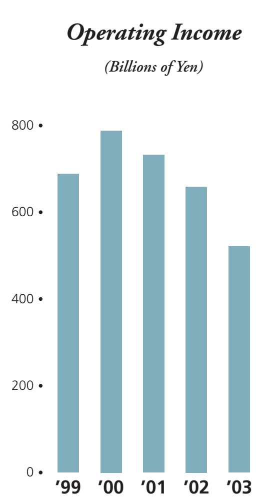
Consolidated Financial Highlights

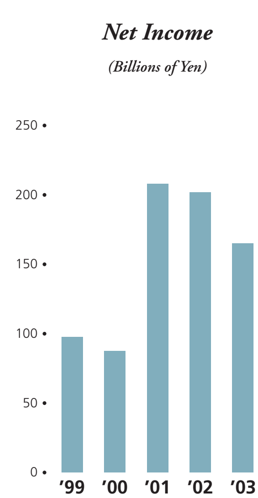
The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Years ended March 31

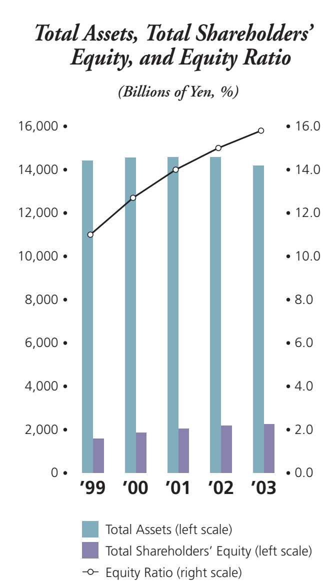
	Millions of yen		Millions of U.S. dollars
	2003	2002	**2003**
For the year:			
Operating revenues	**¥ 4,919,109**	¥ 5,220,578	**$ 40,924**
Operating income	**521,406**	658,933	**4,338**
Net income	**165,267**	201,727	**1,375**
Per share of common stock (Yen and U.S. dollars):			
Net income (basic)	**¥ 122.08**	¥ 149.11	**$ 1.02**
Net income (diluted)	**121.33**	147.89	**1.01**
Cash dividends	**60.00**	60.00	**0.50**
At the year end:			
Total shareholders' equity	**¥ 2,245,892**	¥ 2,181,983	**$ 18,685**
Total assets	**14,177,296**	14,578,579	**117,948**

Note: All dollar amounts herein refer to U.S. currency. Yen amounts have been translated, for convenience only, at ¥120.20 = US$1.00.









Message from the Management

The emergence of a number of issues relating to The Tokyo Electric Power Company, Incorporated (TEPCO)'s nuclear power facilities has had an adverse impact on the Company's credibility among shareholders, investors, and society at large. We regret seriously these developments and regard addressing these issues appropriately and effectively as our highest management priority and are implementing measures Companywide to prevent a recurrence. We must view these developments as, above all, an opportunity to introduce needed reforms and as a springboard for renewing the underlying vitality and drive that have always characterized our activities.

Performance in Fiscal 2003

During fiscal 2003, ended March 31, 2003, the Japanese economy continued to experience weak performance. Although there were signs of improvement, as exports rose and industrial production began to recover, the uncertainty regarding future trends dampened growth in personal consumption and had a detrimental impact on the overall economy.

Despite these trends, TEPCO recorded total sales of 281.9 billion kWh during fiscal 2003, a 2.3% increase from the previous fiscal year. Our sales of electricity are classified into three segments by demand source, namely, residential use, commercial and industrial use, and eligible customers' use. (The eligible customers' use segment is defined as customers in the liberalized sector of the retail market representing 20kV or more of voltage supplied and 2,000kW or more of demand, in principle.) By segment, demand for electric power for residential use rose 5.0%, to 89.4 billion kWh. This expansion in demand was due to a combination of a gradual upward trend in the number of customers and an increase in demand for air conditioning and heating stemming from unusually hot weather from August through early September and lower than average temperatures during the winter months. Within the commercial and industrial as well as the eligible customers' use segments, growth in demand from the retail and office building sectors was relatively robust owing to the influence of the weather and other factors. Demand from industrial users increased, sustained by the trend toward recovery in industrial production in the latter half of the fiscal year. As a result, commercial and industrial demand rose 1.0%, to 116.5 billion kWh, and demand from eligible customers increased 1.2%, to 76.0 billion kWh.

Although demand was up in our electric power business, we implemented reductions in rates, effective from April 2002, and consolidated operating revenues declined 5.8%, to ¥4,919.1 billion. Among operating expenses, in our electric power business, fuel costs rose because of the reduced rate of utilization of nuclear power plants. However, we implemented a Companywide program to reduce costs, including measures to curb maintenance expenditures. In addition, interest expenses and nuclear fuel reprocessing costs were lower than in the previous fiscal year. As a consequence of these and various other factors, consolidated operating income was down 20.9%, to ¥521.4 billion, and net income amounted to ¥165.2 billion, a decline of 18.1%.

Outlook for Operating Conditions

We are fully aware of the damage done to TEPCO's credibility among the general public and in regional communities as a result of the series of incidents related to our nuclear power facilities. The government issued an order in November 2002 to suspend operations at Fukushima Daiichi Nuclear Power Station Unit No. 1 for a full year because of the discovery of inappropriate practices regarding inspections to measure the level of leakage from the primary containment vessel. To regain lost credibility, we are placing the strongest possible emphasis throughout the Company on encouraging and creating a corporate culture and system that assure compliance with rules and regulations.

Chairman
Shigemi Tamura (left)

President
Tsunehisa Katsumata (right)

Looking toward operating conditions in the medium-to-long term, demand for electric power is forecast to show relatively limited expansion because of low growth in the economy and other factors. On the other hand, sales by new entrants into the electric power market are forecast to expand, and we expect growing competition from users' private power generation systems and other sources of energy. Moreover, the revision of the Electric Utilities Industry Law, which went into effect in June 2003, will bring step-by-step expansion in the scope of liberalization in the retail power market.

We at TEPCO believe liberalization and other developments in the operating environment will demand positive action. This will include aggressive measures to improve efficiency and increase profitability. At the same time, we are committed to providing our customers with attractive services that win their satisfaction, strengthening our competitiveness, and building the strongest possible foundations for our activities as a major corporation.

We wish to thank you, our shareholders and investors, for your continuing interest and look forward to your support and cooperation in the years to come.

July 2003

S. Tamura

Shigemi Tamura
Chairman

T. Katsumata

Tsunehisa Katsumata
President

Q: As President of TEPCO, how do you view the series of incidents related to nuclear power facilities?

A: I believe that there were two compliance issues leading to these incidents, which were related to nuclear power plant inspection and maintenance. The first is that in the voluntary inspection of nuclear facilities, TEPCO concealed certain facts and altered data. The second is that in the periodic inspection of Fukushima Daiichi Nuclear Power Station Unit No. 1 certain acts were committed in violation of the law.

The causes and background of this series of incidents can be summarized into three categories. The first is problems related to the quality assurance system. The second is problems involving corporate ethics, compliance, and corporate culture. And the third is problems related to developing and maintaining a corporate culture that places the highest priority on safety.

We regard these three sets of problems as management issues of the utmost gravity. To prevent the recurrence of these problems, we have made four commitments to society and are implementing relevant policies. Our "Four Commitments" are "disclosing information and ensuring transparency," "creating an environment where operations can be carried out properly," "strengthening internal surveillance in the nuclear power division and reforming our corporate culture," and "ensuring that all management and staff observe corporate ethics and are in compliance with all rules and regulations."

Q: As a result of the series of incidents at your nuclear power facilities, public opinion appears to be turning against the use of nuclear power and the nuclear fuel cycle in general. Do you plan to continue to promote the use of nuclear power as you have to date?

A: We believe that nuclear power generation is fully cost-competitive with power generation using other sources of energy, assuming the facilities are operated for a long period and at high rates of utilization. Moreover, nuclear power is superior to many other energy sources from the points of view of energy security and the preservation of the environment because nuclear plants do not emit CO_2 into the atmosphere. Therefore, we believe nuclear power will continue to be TEPCO's base energy source and an important source of energy for its power generating operations.

TEPCO intends to place the highest priority on safety and continue to use nuclear power as a major energy source in the years to come.

We are committed to doing our utmost to establish and implement the nuclear fuel cycle, because Japan has few energy resources and it must use resources effectively. Nuclear power is thus important to us from the point of view of assuring stable supplies of energy.

On the other hand, as the liberalization of the electric power industry continues and as the assumption that all costs of electric power utilities should be recovered through the rates they charge is increasingly questioned, views have been expressed by the Electricity Industry Committee, a subsidiary committee of the Advisory Committee for Natural Resources and Energy, that the roles of the public and private sectors vis à vis nuclear power, including economic measures, should be clearly defined in view of the nature of nuclear power, especially in relation to back-end business. These special features include the exceptionally long time horizon of the back-end business and the major uncertainties this creates. The Electricity Industry Committee is considering these issues through 2004, and, for our part, we at TEPCO intend to actively articulate our opinion that conclusions should be reached as quickly as possible regarding the compatibility of liberalization and nuclear power generation.

Q: You appear to view the liberalization of the electric power industry as a positive development. Could you please elaborate on the reasons for your view?

A: The recent reforms in the electric power supply system have been designed as a package around the "Japan Model." This model retains a system that is integrated from power generation through distribution and seeks to sustain the neutrality of the transmission and distribution systems based on a network supply system that emphasizes the responsibility for supply based on contracts between suppliers and users. This model is generally in accord with the objectives we have championed thus far, namely, that increasing benefits for customers should be the central issue but that the simultaneous satisfaction of public interests and efficiency requirements must be maintained.

Progress toward regulatory reform will increase the scope of our management options, including using a portion of the benefits from increasing efficiency to improve our financial position at the discretion of management. In addition, as we compete with other suppliers we will be taking much more flexible approaches and considering a broader range of business concepts, which should make our corporate culture more dynamic, improve our services for customers, and encourage us to substantially increase efficiency.

We believe the merits of liberalization will be significant and will present us at TEPCO with opportunities for making major strides in the years to come. By continuing to strengthen our competitiveness and profitability by increasing efficiency in every way we can, we intend to build a powerful corporate structure that will enable TEPCO to be a winner as competition intensifies in the electric power market.

Q: In today's business environment, TEPCO cannot expect the high economic growth rates of the past. What is your medium-to-long term forecast for electric power demand?

A: We do not expect the volume of electric power sold to grow at the high rates seen in the past for a number of reasons. In the medium-to-long term, economic growth will be slower, progress will be made toward energy conservation, and competition will become more intense as liberalization proceeds.

For the next several years, economic growth will be slow and the government has positioned this as a time for major adjustment and structural reform. However, thereafter we believe the objectives and results of this reform will be visible and that the economy will return to stable growth led by domestic demand as consumer confidence recovers.

Moreover, we intend to continue our activities aimed at expanding demand for electric power by helping our customers understand the safety, convenience, and cleanliness of electric power and encouraging them to shift from other sources of energy to electricity.

Based on these assumptions and objectives, we are forecasting average annual growth in the volume of electric power sold of around 1.5% for the next 10 years.

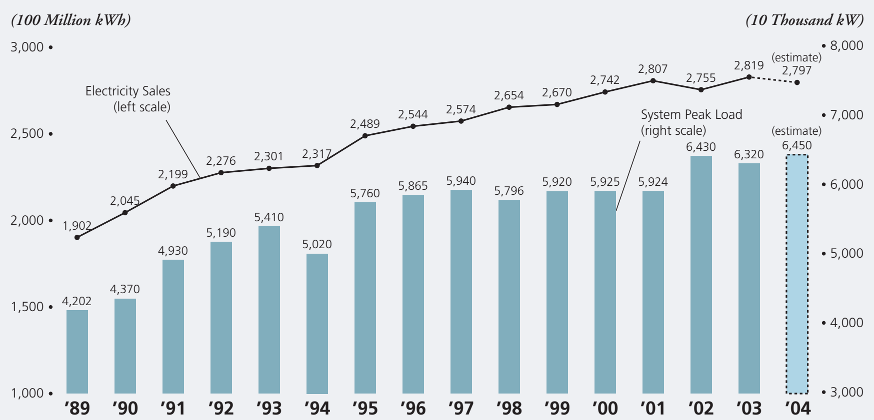
Q: As growth in demand for electric power slows and liberalization proceeds, what will be your medium-to-long term marketing strategies?

A: The characteristics of our power generation activities include a superior level of efficiency in power generation and a beneficial impact on the environment as our operations tend to produce lower volumes of CO_2 and NO_X emissions in comparison with other forms of energy. We are working to help our customers understand more clearly the superiority of our product in comparison with the use of on-site generation, gas, and other forms of energy. We are also encouraging them to shift to high-efficiency, electric powered equipment and systems and to make efficient and optimal use of the lower priced electricity available during off-peak hours. Through these activities, we are responding to the needs of our customers, increasing their satisfaction with our services, and expanding our share of electric power sold.

In the corporate and large user markets, we are putting increased emphasis on appointing account managers responsible for analyzing the needs of the individual customers assigned to them and offering proposals to better meet their diverse needs. For example, we are continuing to offer customers in these markets menus of power rates that are most suited to their power usage patterns and preparing multifaceted proposals for the installation of heat-storage air-conditioning systems and electric powered kitchens and heating systems as well as other suggestions. Similarly, for customers who have increasingly diverse and sophisticated requirements, such as needs for more effectively using energy, environmental preservation, and cost reduction, we are working to strengthen and expand the scope of our capabilities for offering comprehensive solutions, drawing on the comprehensive know-how of TEPCO Group companies. These activities are aimed at capturing and developing new demand. Especially in the area of heat-storage air-conditioning systems, we have set a goal of winning a 10% share of the markets for new installations, equipment replacement in existing buildings, and systems for large manufacturing plants.

For households, we are providing more flexible rate menus with discounts for homes that are fully electrified and for those equipped with electric kitchens. In the areas of kitchen systems and water heating equipment, where households have used little electric power as a heat source in the past, we have introduced environment-friendly, safe, convenient, and efficient equipment and systems, such as induction heat (IH) cooktops, the Eco Cute water heating system, and other new products. (See Glossary on page 25.) Along with these activities, we are also making proposals for fully electrified homes. To enhance customer convenience, we are offering full, one-stop equipment delivery, installation, and household rewiring services for customers ordering IH cooktops, electric powered water heaters, and other household equipment. Through these activities, we have set a goal of raising the percentage of new, fully electrified homes to 10% of all housing starts.

Power Demand in TEPCO's Service Area



Q: What plans do you have for diversification?

A: To provide new growth and development opportunities for the TEPCO Group, we have entered three areas in particular which draw on the comprehensive capabilities of the Group, including its accumulated corporate resources and know-how. In selecting areas for diversification, we emphasize (1) putting the highest priority on profitability, (2) creating alliances actively with other companies, and (3) offering services and products required by the market. With these three points in mind, we have entered the (1) energy and environmental, (2) information and telecommunications, and (3) living environment and lifestyle-related businesses.

Of these three areas, we have positioned "information and telecommunications" as the mainstay of TEPCO's diversification and new business development. We believe that in the telecommunications market, the development of optical fiber, which is the ultimate in broadband communications, will proceed. We are therefore focusing on that area, and, in both the corporate and individual/household markets, we intend to step up our initiatives substantially.

Especially in the individual/household market, we began to provide "fiber to the home" (FTTH) services through an in-house company in March 2002.

Q: Could you please review your future strategies in the gas business?

A: In the gas business, we sell unprocessed gas that has not been adjusted for caloric content (preadjustment gas) and make use of facilities that are already substantially depreciated. This means that our costs are competitive with those of competitors. At present, we sell gas to customers located in the vicinity of our LNG bases and near our gas pipelines, but, in the years ahead, we intend to establish business relationships with new customers, and, while restraining the level of capital investments to a minimum, we will conduct these operations with an emphasis on profitability. As a result of this policy, we are expecting to show our first full-year profit and will be able to eliminate our accumulated losses in fiscal 2005.

We have set a sales goal of ¥10.0 billion for fiscal 2006 in our gas business. Under the revised Gas Utility Industry Law, further steps will be taken to expand the scope of the liberalization of the gas industry and a system for delivery through wholesale network supply will be introduced. We believe these regulatory changes will open up new business opportunities for TEPCO and, currently, we are conducting a survey of potential customers regarding the introduction of gas sales through network supply. If TEPCO is competitive in this area and can conduct these activities profitably, we plan to expand our position.

Q: What are your strategies for overseas business activities?

A: Overseas, TEPCO has made and will continue to make investments and provide consulting services based on its long experience and sophisticated technology and know-how accumulated as an electric power utility.

In our overseas investments, we have invested in power generation projects in the United States, Taiwan, Vietnam, Australia, and the United Arab Emirates. As these projects go into commercial operation, we believe they will contribute to our profitability. We intend to continue making active investments, and our goal is to record ¥50.0 billion in revenues from projects of this kind by fiscal 2006. Prior to making such an investment, we undertake a comprehensive study for the project, considering, for example, whether we can make good use of our corporate resources and technology, how much we can contribute to the country where we are making the investment, the level of risk, and expected profitability.

In addition to these activities, outside the field of conventional power generation, we are investing in new energy projects, including wind power generation and afforestation projects. We also invest in funds that support businesses working to improve energy efficiency.

Q: How do you intend to distribute the benefits of improved management efficiency?

A: We have adopted a broadly defined profit sharing approach and will allocate the benefits of improved efficiency to such areas as improving our financial position, strengthening price competitiveness, paying dividends to shareholders, and investing in new businesses where we can count on further growth.

At present, we are placing our highest priority on improving our financial position because we believe it is essential to strengthen our management base to remain a winner in the increasingly challenging electric power market. We are planning to reduce our interest-bearing debt by an average of more than ¥400 billion each year from fiscal 2004 through fiscal 2006. In addition, we have set the goal of raising our shareholders' equity ratio to more than 18% by fiscal 2006.

Regarding cash dividends to shareholders, we intend to improve management efficiency to maintain our annual dividend of ¥60 per share, while continuing to substantially improve our operating and financial positions.

Q: To improve TEPCO's financial position, as you indicated, you will be reducing interest-bearing debt. What are your plans for fund raising?

A: We have been able to reduce interest-bearing debt by more than ¥1.5 trillion from a peak of approximately ¥10,500 billion at the end of fiscal 1997. As I just mentioned, we will continue to take decisive measures to improve our financial position.

On the other hand, our policy for fund raising will be to place the strongest emphasis on actively procuring direct, low-cost funding from capital markets in Japan and overseas, including through the issuance of corporate bonds and commercial paper. To facilitate our fund-raising program and lower funding costs, we will work to maintain and improve our credit ratings.

Q: In conclusion, do you have any points you would like to emphasize especially for capital market participants?

A: We have reviewed carefully the incidents at our nuclear power facilities and have implemented measures to prevent their recurrence. We are now placing our highest priority on safety and working aggressively to recover the full trust and confidence of all our stakeholders.

In addition, as competition in our industry becomes more intense, we are moving forward with initiatives to substantially increase the efficiency of our operations through cost reductions and other measures. Along with these initiatives, we are working to enhance customer satisfaction and increase profitability through the expansion of revenues and the development of new services. Through these activities, we are aiming to increase corporate value as well as to re-establish credibility and confidence to be the front-runner in the energy services industry.

As we undertake this broad-ranging program of activities to build tomorrow's TEPCO, we look forward to the continuing understanding and support of our shareholders and investors.

TEPCO's Business Update & Strategy

Preventing the Recurrence of Incidents Related to Nuclear Power

TEPCO in Outline

Steps toward Liberalization in Japan's Electric Power Industry

Business Management Plan (Non-Consolidated Basis)

Activities to Deal with Public-Interest Issues

Preventing the Recurrence of Incidents Related to Nuclear Power

TEPCO deeply regrets the series of incidents related to its nuclear power facilities. To prevent a recurrence and recover the trust and confidence of the public, we have formulated preventive measures and expressed these publicly in the form of "Four Commitments." By fulfilling these commitments, we will create a corporate culture that places maximum priority on the observance of rules and regulations as well as strong compliance structures.

At the national level, the Electric Utilities Industry Law and the Law on the Regulations of Nuclear Source Material, Nuclear Fuel and Reactors have been revised to fill the need for established criteria regarding methods of evaluating the safety of nuclear power facilities and clear procedures for dealing with cracks and other defects. The revised laws include methods for evaluating the safety of facilities and enhancing the effectiveness of inspections.

First Commitment: Disclosing information and ensuring transparency

We will make thorough disclosure of information regarding our nuclear power division and, from the perspective of an outside observer, ensure a high degree of transparency in the conduct of our power generating activities.

To fulfill this commitment, we will make public disclosure of detailed information related to our day-to-day maintenance activities. To provide opportunities for the public to confirm the operating condition of our power generation facilities, we will institute regional information meetings to provide information to the public and will respond in good faith to suggestions made by participants in these meetings.

In addition, we will establish a Nuclear Power Safety and Quality Assurance Meeting, which will invite participants from outside the Company to join in the selection of themes for monitoring the safety and quality of nuclear power generation, discuss surveillance reports prepared by the Company, and make suggestions for improvements in our operations. This meeting will provide a forum and framework for monitoring the safety and quality of nuclear power generation by third parties.

Second Commitment: Creating an environment where operations can be carried out properly

We will strengthen functions that provide support for the appropriate conduct of operations by employees and the organization as a whole.

To offer support for the proper conduct of operations by employees and the corporate organization, we have opened three consultation and advisory centers where employees can discuss freely their concerns regarding compliance with relevant laws and ethical standards. These are the Consultation Center for the Nuclear Power Division, the Consultation Center for Corporate Ethics, and the Consultation Center for Procurement Transactions. The services of these centers are open to employees of Group companies and other companies having transactions with TEPCO.

We are also conducting a review of rule books and manuals throughout the Company to determine whether they are appropriate from an ethical perspective and whether the content is reasonable and logical. In addition, to determine whether the key manuals and work processes in the nuclear power division are fully appropriate and free of problems from the point of view of quality assurance, we are having them reviewed by a third-party organization and are making improvements both in the manuals and work processes.

Third Commitment: Strengthening internal surveillance in the nuclear power division and reforming our corporate culture

We will eliminate the closed character of the nuclear power division and work to develop a more open corporate culture.

To implement and govern the surveillance of the safety and quality of the nuclear power division as a whole, we have created the Nuclear Quality Management Department, which is located in the Head Office and reports directly to the president. We have also established a Quality Management Department at each of our nuclear power stations to support activities aimed at improving quality. These departments are completely independent of plant operations and responsible for auditing quality assurance activities. Personnel from outside the nuclear power division have been appointed to positions of responsibility in both the Nuclear Quality Management Department and the Quality Management Department of each of our nuclear power stations and the staff of these departments comprises a balance of employees from nuclear power and non-nuclear power departments. In addition, we have recruited and hired personnel from outside the Company to work in these departments.

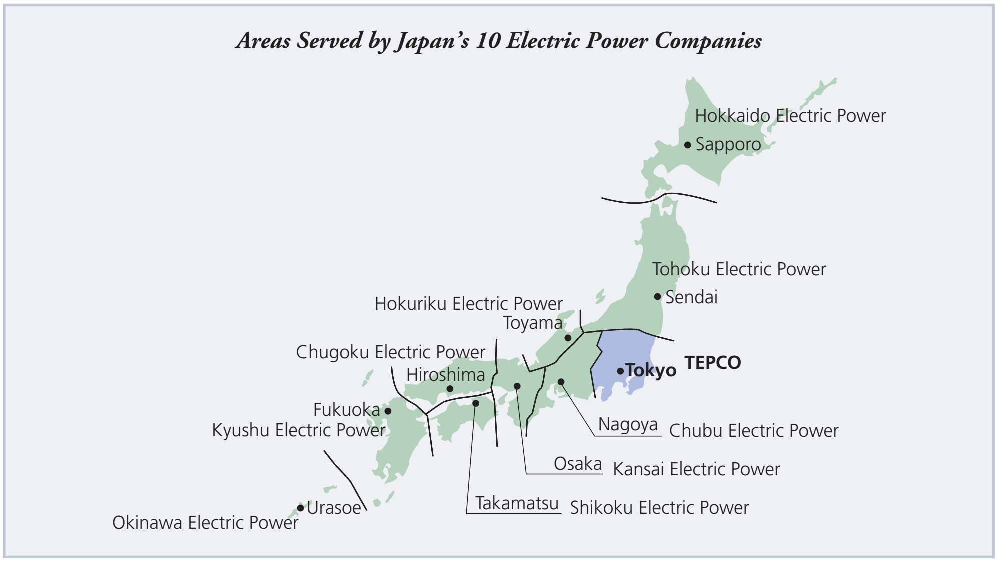
Moreover, based on the understanding that the rigid personnel rotation system within the nuclear power division was a factor leading to the closed character of the division’s culture, we have now begun personnel exchange with other divisions to create a better balance of staff.

Fourth Commitment: Ensuring that all management and staff observe corporate ethics and are in compliance with all rules and regulations

To create systems that will ensure the observance of corporate ethics by all personnel, TEPCO’s chairman has become the officer responsible for corporate ethics and a dedicated Corporate Ethics Group has been formed to promote compliance with ethical norms. TEPCO’s chairman also serves as chairman of the Corporate Ethics Committee, which has been created to govern corporate ethics on a Companywide basis. Members of this committee include lawyers, academics, and representatives of the Company union. Its functions include the preparation and implementation of action programs related to compliance with corporate ethical standards as well as conducting investigations and dealing with violations of corporate ethics.

We have also revised TEPCO’s Charter for Good Corporate Behavior and prepared Standards of Behavior for Corporate Ethics, which provide judgmental criteria for adhering to corporate ethics in day-to-day operations. These codes are based on the results of discussions held in TEPCO workplaces Companywide.

TEPCO in Outline



▶ TEPCO's Market Size

Since its establishment in 1951, TEPCO has provided stable supplies of high-quality electric power, principally to the Tokyo metropolitan area, which is the political, economic, and cultural heartland of Japan. Through the years of expansion in electric power demand during Japan's era of rapid economic growth, the two oil crises, the collapse of the bubble economy, and other developments, TEPCO has provided essential support for social change and development.

TEPCO's service area, the Tokyo metropolitan area, accounts for approximately 10% of the landmass of Japan, and, as home to more than 40 million people, accounts for about a third of Japan's total population. Also, with a gross regional product of ¥181 trillion annually, the area represents approximately 40% of Japan's total GDP.

In fiscal 2003, TEPCO sold a total of 281.9 billion kWh of electric power, a volume that makes the Company the number one supplier in Japan and exceeds the power supplied and consumed by the entire country of Italy.

▶ Features of Electric Power Demand in the Tokyo Metropolitan Area

One of the principal features of electric power demand in the Tokyo metropolitan area is the high percentage accounted for by household and other non-industrial users owing to the concentration of population and business activities in the area.

Looking to the future, the rate of growth in household and other non-industrial electric power demand is expected to exceed that in other areas of the country as the concentration of business activities around Tokyo continues in parallel with the evolution of the service and information sectors and other developments. In addition, industrial demand for electric power is forecast to rise more rapidly than in other areas of Japan because of the growing power demand of the telecommunications, rail transport, and public sanitation industries and expansion in the social infrastructure sector accompanying increases in the area's population. As a consequence, the share of Japan's total electric power demand that the Tokyo metropolitan area accounts for is expected to continue to rise gradually in the years to come.

Position of TEPCO in the Japanese Electric Power Industry

(FY2003)

	TEPCO's Service Area (a)	Total Service Area (10 EPCOs) (1) (b)	(a)/(b)
Population (10 thousand)	4,322	12,744 (2)	33.9%
Service Area (km²)	39,494	372,717 (3)	10.6%
Population Density (persons /km²)	1,094.3	341.9	320.1%
Electricity Sales (billion kWh)	281.9	841.5	33.5%
System Peak Load (10 thousand kW)	6,430 <July 24, 2001>	18,238 <July 24, 2001>	35.3%
Electric Utility Operating Revenues (billion yen)	4,801.3	14,780.8	32.5%

Notes: (1) Electric power companies
(2) The population figure is an estimate as of October 1, 2002 (prepared by the Statistics Bureau, Ministry of Public Management, Home Affairs, Posts and Telecommunications)
(3) Source: *Hand Book of Electric Power Industry* (2002 edition)

Comparison with Principal Power Companies Overseas

(As of the end of 2001)

	Country	Electricity Sales (Million kWh)	Generation Capacity (Thousand kW)
EDF (1)	France	397,500	99,890
E.ON (2)	Germany	318,200	33,638
TEPCO (3)	Japan	281,902	60,377
ENEL	Italy	205,957	50,448

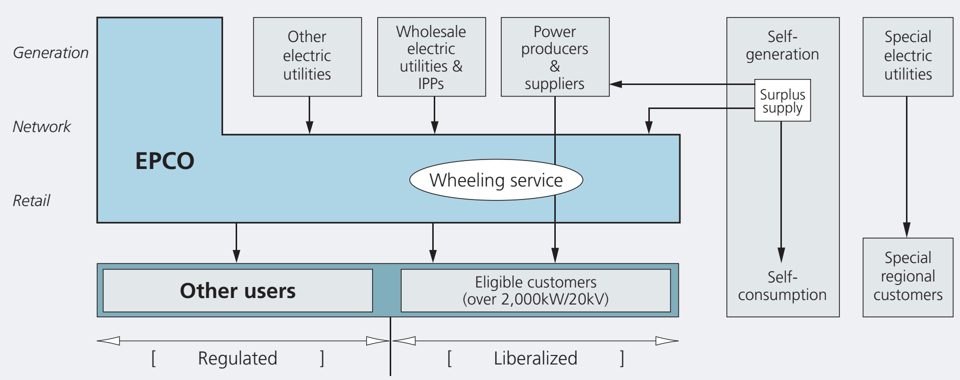
Notes: (1) As of December 31, 2000
(2) Including wholesale
(3) As of March 31, 2003

Steps toward Liberalization in Japan's Electric Power Industry

▶ Progress to Date

The liberalization of Japan's electric power industry has proceeded in two stages. The first stage began with the revision of the Electric Utilities Industry Law in 1995, which made it possible for independent power producers (IPPs) to supply electricity on a wholesale basis through a bidding system. The second stage began with a further revision of the Electric Utilities Industry Law in 1999, which liberalized, as of March 2000, the retail supply of electricity to eligible customers, which account for about 30% of total electric power sold. Thereafter, in November 2001, at the request of the Minister of Economy, Trade and Industry, the Electricity Industry Committee, the subsidiary committee of the Advisory Committee for Natural Resources and Energy, began deliberations on the future of the electric power system, and a proposal for new revisions of the Electric Utilities Industry Law was enacted in June 2003.

Japan's Present Electric Power System



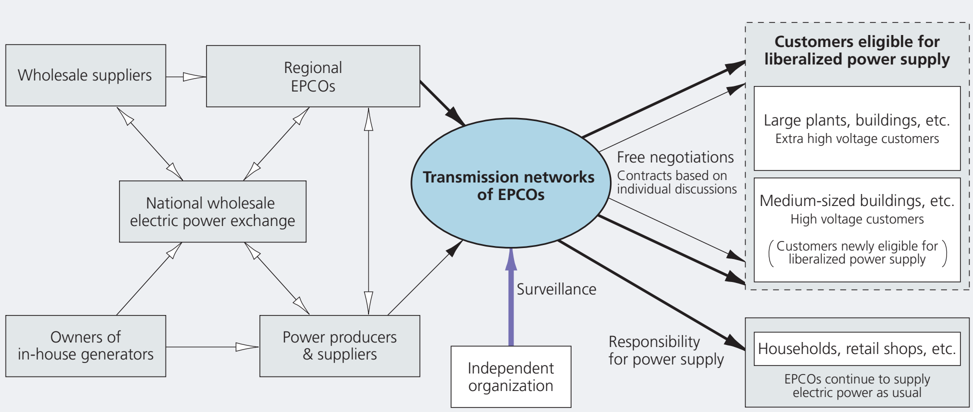
▶ Content of the Revised Electric Utilities Industry Law

Aiming for the Efficient Operation of the Electric Power Supply System

The Electricity Industry Committee considered a range of options for revisions in the electric power system, taking into account the results of the liberalization of retail power supply in Japan and cases of liberalization overseas.

The committee focused discussion on the optimal supply system for realizing efficiency in the electric power industry while also addressing issues related to the public interest, such as securing the stability of power supply and environmental preservation. As a result of one and a half

Outline of the New Electric Power System



years of deliberation, it was decided to implement a range of reforms in the retail power supply system to stimulate fair competition while maintaining the present integrated system for generation, transmission, and distribution.

Liberalization of Supply to All High Voltage Customers

At present, retail power supply to eligible customers has been liberalized. Beginning in April 2004, these retail supply services will be expanded to include customers who are supplied 6kV or more and contract for 500kW or more. Then, in April 2005, the scope of retail supply services is scheduled to be expanded to include all high voltage customers. In TEPCO's service area, this will mean that the volume of electric power sold to retail service customers will rise from the present level of approximately 30% to approximately 60% of the Company's electric power sales. On the other hand, for households and other customers that are not eligible for these liberalized services, electricity will be supplied by regional electric power companies as it has been thus far. Consideration of the liberalization of retail power supply to all customers, based on the results of measures implemented to date, is scheduled to begin in April 2007.

Increased Emphasis on Promoting Fair Competition

Along with the expansion in the range of customers eligible for liberalized services, systems will be necessary to ensure that electric power transactions are conducted actively and fairly on a nationwide basis. To attain this objective, a national wholesale electric power exchange will be created to make it possible for electric power companies, new entrants, and other suppliers to conduct selling and buying transactions for available power. In addition, a review of the present systems is scheduled that will seek to standardize nationwide the rates that new entrants pay for the transmission of electricity to their customers through electric power companies' existing lines.

To ensure fair competition, a neutral organization will be established to prepare rules for the use of transmission lines and supervise the system. In addition, restrictions will be introduced to create information firewalls within electric power companies, to prevent the flow of information between the power transmission divisions and other departments. Moreover, rules have been introduced to prohibit electric power companies from netting gains and losses between regulated and liberalized user segments.

Promoting Both Nuclear Power and Liberalization

From the points of view of attaining energy security, environmental preservation, and other objectives, the usage of nuclear power and implementation of the nuclear fuel cycle should be promoted as a package along with liberalization. To make this possible, consideration will be given to determine by the end of 2004 specific economic and other systems and measures that should be implemented once the roles and responsibilities of the public and private sectors are defined and consistency between the new and existing systems is assured.

Business Management Plan (Non-Consolidated Basis)

▶ Goals for Profitability and Cash Flow

For the three fiscal years ending March 31, 2004 through 2006, we have set the following goals (calculated as averages for the three years).

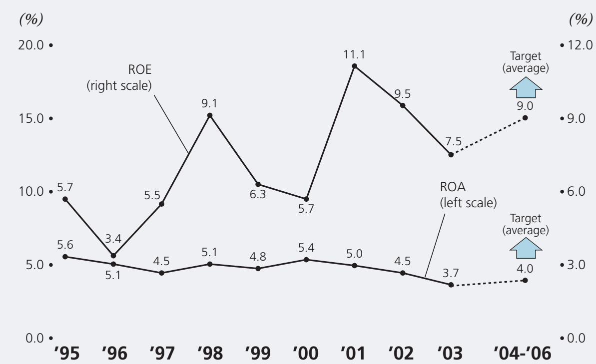
- Ordinary income: ¥300 billion or more
- Return on assets (ROA): 4% or more
- Return on shareholders' equity (ROE): 9% or more
- Free cash flow: ¥550 billion or more

▶ Goals for Financial Position

- A reduction in interest-bearing debt of ¥400 billion or more (average for the three fiscal years: 2004 through 2006)
- Equity ratio: 18% or more (at the end of fiscal 2006)

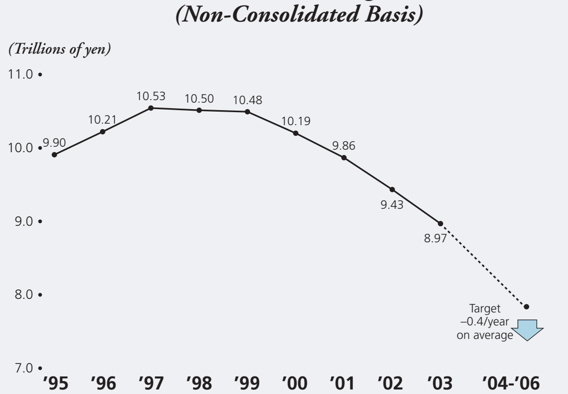
Recent Trends in Ordinary Income and Goals (Non-Consolidated Basis)

Recent Trends in ROA and ROE and Goals (Non-Consolidated Basis)

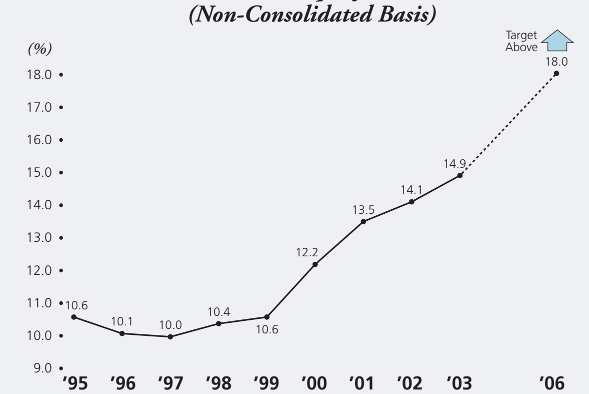


ROA=Operating Income (including incidental business income and loss)/Average Total Assets
ROE=Net Income/Average Shareholders' Equity

Recent Trends in Interest-Bearing Debt and Goals (Non-Consolidated Basis)



Recent Trends in the Equity Ratio and Goals (Non-Consolidated Basis)



▶ Initiatives to Reduce Costs

To remain a winner in today's highly competitive markets, TEPCO will work to strengthen its competitiveness and improve profitability as well as redouble its efforts to be the company chosen by shareholders and investors. Specific initiatives will include the following.

Reducing capital expenditures

TEPCO will invest appropriately in equipment and facilities, taking into consideration changes in the operating environment, including fluctuations in demand and the trend toward liberalization.

In addition to making the most effective use of existing facilities, TEPCO will reduce expenditures on the procurement of materials and equipment by diversifying purchasing methods, including the expansion of procurement overseas.

- Amount of capital expenditures: around ¥640 billion (average for the three fiscal years: 2004 through 2006)
- Amount of capital expenditures for fiscal 2004: ¥672 billion
  – Power generation facilities: ¥250 billion (fiscal 2004)
  – Transmission and distribution facilities: ¥270 billion (fiscal 2004)

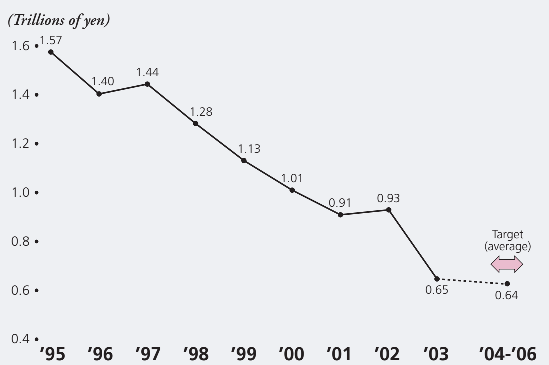
Curbing maintenance expenditures

TEPCO will reassess the frequency of inspection necessary to ensure stability of supply and make adjustments in expenditures as needed for the inspection of facilities and coverage of required maintenance expenditures.

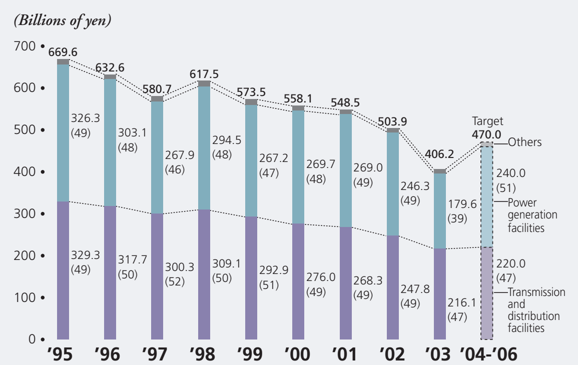
For the three fiscal years ending March 31, 2004 through 2006, we have set the following goals (calculated as averages for the three years).

- Amount of maintenance expenditures: around ¥470 billion
  – Power generation facilities: around ¥240 billion
  – Transmission and distribution facilities: around ¥220 billion

Recent Trends in Capital Expenditures and Goals (Non-Consolidated Basis)



Recent Trends in Maintenance Expenditures and Goals (Non-Consolidated Basis)



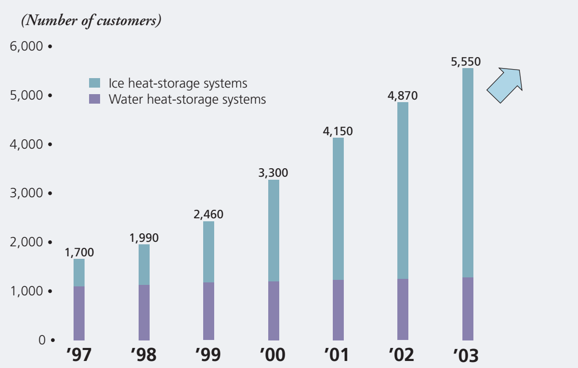
Note: Figures in parentheses indicate percentage of total.

▶ Load Leveling

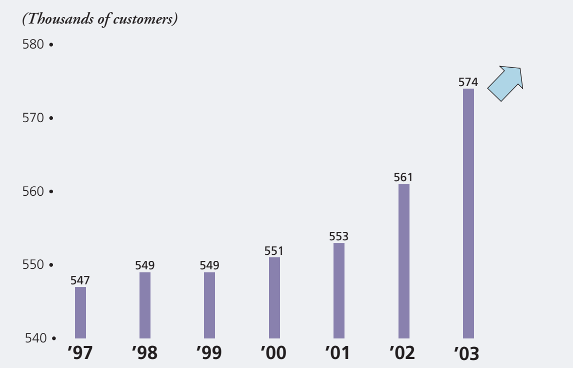
Electric power facilities must be constructed to meet peak demand, the level of demand when power usage is highest. For this reason, it is important to reduce the difference between daytime and nighttime power usage as well as between seasons to ensure that facilities are employed more effectively and increase the efficiency of energy usage.

TEPCO is actively working to develop and promote the use of Eco Ice and other heat-storage systems as well as other equipment and systems that contribute to load leveling and the increased efficiency of energy usage.

Recent Trends in the Use of Heat-Storage Systems for Air Conditioning (Systems Using Water and Ice)

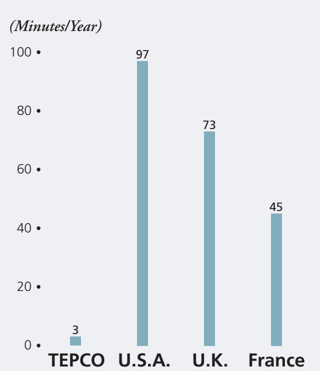


Recent Trends in the Use of Electric Hot Water Heaters (Supply Basis)



Activities to Deal with Public-Interest Issues

Frequency and Length of Annual Power Outages Per Customer Household (2001)



Sources:
U.S.A.: SAIDI (System Average Interruption Duration Index) average of five companies—Consolidated Edison Inc., Florida Power & Light Company, NSTAR (formerly Boston Edison), Pacific Gas & Electric Company, Southern California Edison Company
U.K.: *Ofgem Report on Distribution and Transmission Performance*
France: *EDF Annual Report*

Note: Fiscal 2002 for TEPCO

▶ Providing High-Quality Electric Power (Reliability of Supply)

TEPCO fulfills its mission of ensuring long-term, stable supplies of electric power by providing the power generated in its plants to its customers through a fully integrated system. Compared even with services provided in other advanced countries, TEPCO's power supply services boast an exceptionally high degree of reliability.

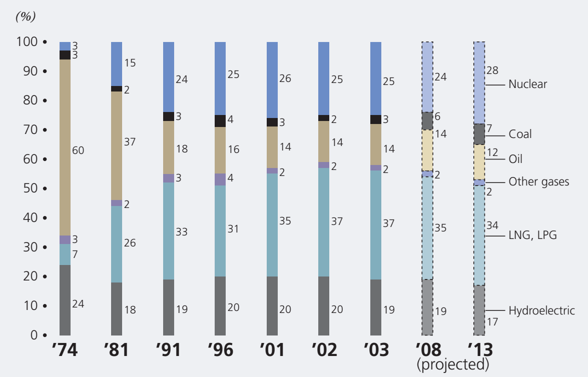
▶ Ensuring Energy Security (Optimal Mix of Power Sources)

Japan is the world's fourth largest consumer of electric power, using approximately 6% of the world's primary energy. At the same time, Japan produces few basic materials for energy generation and relies on imports for about 80% of its energy resources.

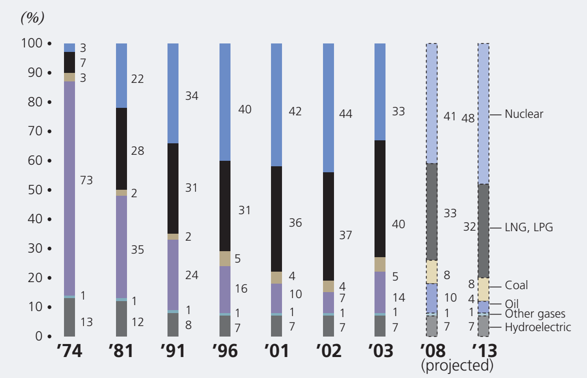
With nuclear power as its basic source, TEPCO considers a broad range of factors—including compatibility with the environment, stability of fuel supplies, and economic efficiency—to determine the optimal mix of energy sources. TEPCO works to achieve a good balance among nuclear, LNG, oil, coal, hydroelectric, and other sources, taking into account the special features of each.

In addition, TEPCO endeavors to disperse risk by diversifying not only the energy raw materials it uses but also the countries of origin.

Recent Trends in Generating Capacity by Energy Source (Including Purchased Power)



Recent Trends in Composition of Power Output by Energy Sources (Including Purchased Power)



▶ Nuclear Power

Nuclear power plants emit no CO_2 or other substances that pollute the atmosphere and therefore play an important role in addressing environmental issues, including the prevention of global warming. Moreover, nuclear power is superior to other energy sources in terms of long-term procurement stability and is therefore indispensable for maintaining energy security into the future. TEPCO is exerting its fullest efforts to regain the trust and confidence of the public by working to ensure compliance with regulations and safety in each and every phase of its nuclear power generation operations.

One of the issues to be addressed—in the drive to overcome Japan's lack of energy resources and provide energy for future generations—is to use uranium resources as effectively as possible by implementing the nuclear fuel cycle, which involves the reprocessing and reuse of uranium and plutonium remaining in spent nuclear fuel. TEPCO is working toward the solution of issues related to the nuclear fuel cycle, including the use of mixed oxide (MOX) fuel in light water reactors and conducting surveys on possible locations for the temporary storage of spent nuclear fuel prior to its shipment to reprocessing facilities.

Board of Directors and Corporate Auditors

As of June 26, 2003

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Shigemi Tamura

PRESIDENT
Tsunehisa Katsumata

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Teruaki Masumoto
Yukinori Ichida
Takashi Murata
Katsutoshi Chikudate

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Hisao Naito
Yoshihisa Morimoto
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EXECUTIVE VICE PRESIDENT
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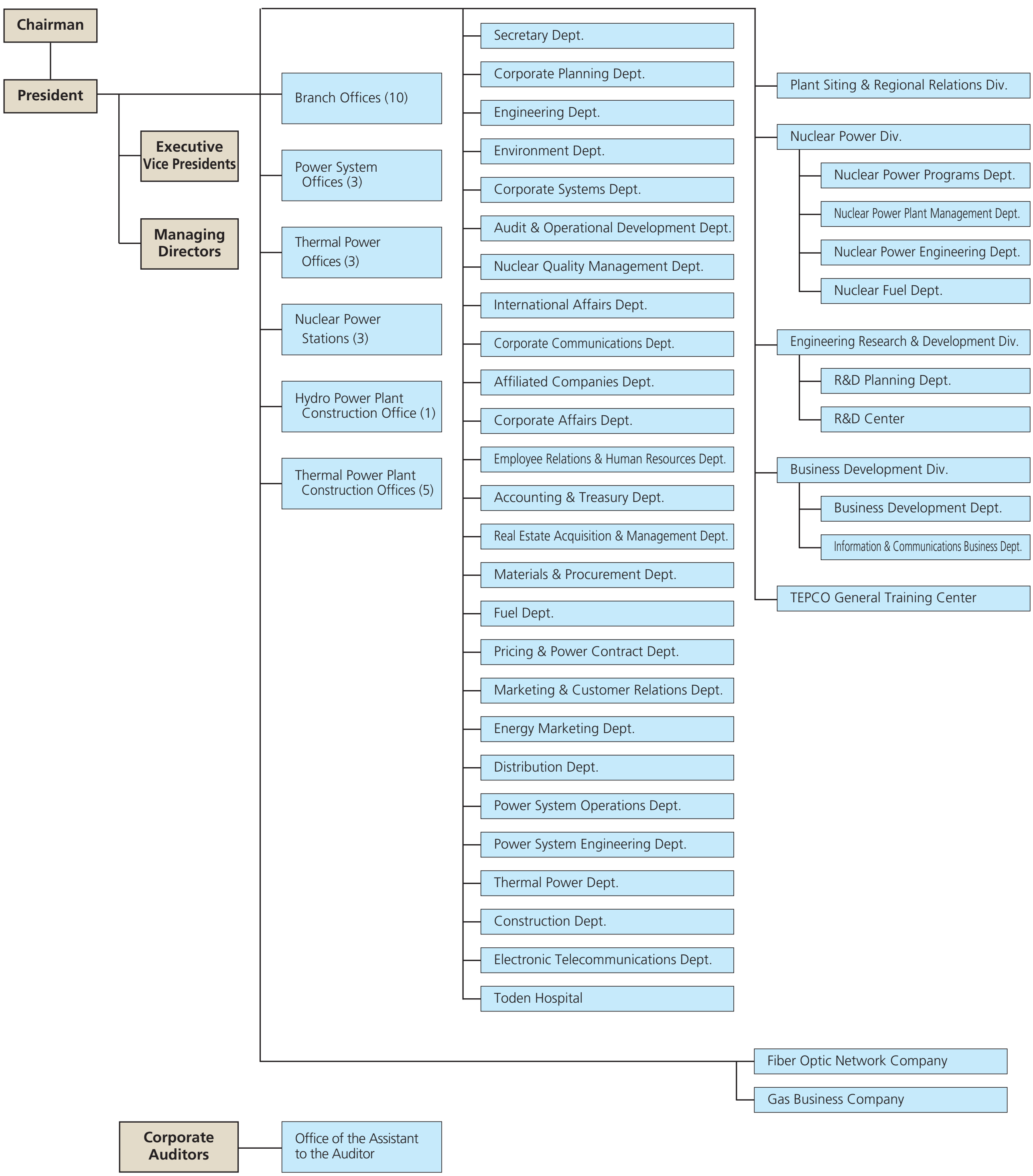
EXECUTIVE VICE PRESIDENT
Takashi Murata

EXECUTIVE VICE PRESIDENT
Katsutoshi Chikudate

Organization Chart

As of July 1, 2003



Power Grid Map

As of March 31, 2002

Transmission line	TEPCO Existing	TEPCO Under construction	Other company Existing
500kV			
500kV	(Underground)		
275kV			
275kV	(Underground)	(Underground)	

Power station	TEPCO Existing	TEPCO Under construction	Other company Existing	Other company Under construction
Hydroelectric				
Thermal				
Nuclear				
Substation				
Switching station				
Frequency conversion station				

Notes: 1. Hydroelectric power plants marked with a Ⓟ are pumped storage
2. TEPCO's hydroelectric power plants marked on this map are 100,000kW or more, other companies' facilities are 600,000kW or more.

Glossary

Eligible customers
Eligible customers are defined as customers in the sector of the market that has been liberalized, beginning in March 2000, who are supplied with 20kV or more of voltage and 2,000kW or more of demand, in principle.

Voluntary Inspection
In addition to periodic inspections conducted by the government, electric power companies implement voluntary inspections for security and safety reasons.

Nuclear Fuel Cycle
The nuclear fuel cycle refers to the process that begins with the mining of uranium and thorium, which are found in nature, and continues with the refining, conversion, enrichment, and fabrication into nuclear fuel. After use in nuclear reactors, the spent fuel is recycled and reprocessed into usable nuclear fuel and wastes. To complete the cycle, reprocessed nuclear fuel is then used in nuclear reactors and the waste materials are disposed of safely.

Back-End Business
The flow of fuel in the nuclear fuel cycle is divided into two sections based around the nuclear reactor. The first section is the front-end or upstream portion and the second is the back-end or downstream portion. In the case of light water nuclear reactor fuel, back-end business includes the cooling and reprocessing of spent nuclear fuel, the various stages of the recovery and reprocessing of uranium and plutonium, including transportation required for these stages, and the waste products generated in these processes. In some cases, back-end business is defined to include dealing with spent fuel and its disposal. Note that in some instances spent nuclear fuel is disposed of or stored as such without further processing.

Heat Storage Air-Conditioning Systems
These systems use late-night electric power to accumulate energy through the cooling or heating of a storage medium, such as water. This energy is then used during the day in cooling/heating systems. There are two types of energy storage systems, one using water and the other ice (Eco Ice and Eco Ice mini).

IH cooktop
A cooktop that uses magnetic lines of force (induction heating (IH)) as a heat source. IH has greater heating power than direct thermal sources and features much higher energy efficiency than other heat sources. In addition, as IH units do not use fire, they pose no fire hazard or problem due to incomplete fuel combustion. Moreover IH units do not cause air pollution, require little ventilation, and, since they release less heat into the surrounding air, reduce the energy needed for cooling the kitchen. Additional advantages of IH cooktops include a more diverse range of cooking functions and ease of cleaning.

Eco Cute
The world's first natural refrigerant CO_2 heat pump water heater for residential use, developed and commercialized jointly by TEPCO, DENSO CORPORATION, and the Central Research Institute of Electric Power Industry. Compared with conventional combustion-based water heaters, Eco Cute units can produce three times the heat per unit of electric energy they consume, thereby achieving some 30% greater conservation of energy. Eco Cute units also contribute to the protection of the ozone layer and the mitigation of global warming because, instead of the conventional CFC refrigerant, they reuse CO_2 produced in industrial manufacturing processes.

FTTH
An abbreviation for fiber to the home. Optical fiber laid to customers' homes provides an ultrahigh-speed telecommunications environment.

LNG
Liquefied Natural Gas (LNG) is composed of methane (CH_4) and ethane (C_2H_6) and is converted from a natural gaseous state to a liquid by cooling to -162°C. LNG is transported on specially designed LNG carrier ships and after unloading is converted back to a gas for use as a fuel for generating electric power and other purposes.

Wholesale Network Supply (Gas)
When gas utilities or wholesale suppliers of gas provide utilities with gas on a wholesale basis, using the pipe distribution facilities of third parties, this is described as "wholesale network supply."

The Front-Runner in Energy Services
The TEPCO Long-Term Vision, which was released to staff members and the general public in March 2001, addresses TEPCO's objectives and roles it wants to play in society. To summarize the response in the Long-Term Vision, to realize its corporate philosophy, TEPCO will aim to remain the front-runner in energy services. To attain this objective, TEPCO will offer both hardware- and software-related energy services, such as providing not only electric power but also many other forms of energy and developing equipment and systems for its customers.

Periodic Inspections
Periodic inspections are compulsory under the Electric Utilities Industry Law and are intended to maintain the safe operation of electric power generating equipment, prevent operating problems from occurring, and ensure safety in all aspects of operations. For nuclear power facilities, the government is required to carry out such inspections once every 13 months.

Criteria Regarding Methods of Evaluating the Safety of Nuclear Power Facilities
Evaluation criteria for operational soundness provide quantitative measures of the extent of cracks and other damage incurred after plants have gone into operation, based on the science of fracture mechanics. Such criteria have already been established in some European countries and the United States.

IPP
Independent power producer (IPP) is a term applied generally to a supplier of electricity that owns generating facilities but has no transmission network and therefore provides electricity on a wholesale basis.

Bidding System
In the 1995 revision of the Electric Utilities Industry Law, it was viewed as necessary—as new companies are entering the power generation business—to introduce an open bidding system that will be fair and transparent for electric power companies to purchase electricity. Competitive bidding is conducted by individual electric power companies, and assumptions are that the development period for potential suppliers to build their power plants will be relatively short and that power supply contracts will be long term.

Public Interest Issues
These are issues that are to be addressed along with steps to promote efficiency in light of the liberalization of the retail electricity market for eligible customers' use. These include issues principally related to securing the stability of the power supply, including the provision of universal service, maintaining the reliability of the power supply and energy security (guaranteeing the physical security of energy-related facilities), and preserving the natural environment.

Free Cash Flow
TEPCO defines free cash flow as net cash provided by operating activities minus capital expenditures in the electric utility business.

Eco Ice
This system uses relatively low-cost, late-night electric power to make ice or hot water—depending on the season—for use in air conditioning/heating systems during the hours when rates are higher. Compared with systems that use water for this purpose, Eco Ice converts water to ice or water to hot water, storing a larger amount of latent energy for cooling or heating using the same volume of water or, alternatively, providing the same storage function with a smaller accumulation tank. For example, when the ratio of conversion to ice is 50%, the cooling capacity of the accumulation tank needs to be only one-seventh of conventional systems because ice is capable of storing seven times the amount of heat as water.

Reliability of Supply
Used generally as a technical term to describe the quality of electric power, reliability of supply is measured by the frequency of power outages, expressed as the number of hours without power per household annually or the number of power outages per year.

Temporary Storage of Spent Nuclear Fuel
Nuclear fuel that has been used once in nuclear power generating plants is then stored until it is reprocessed to remove uranium and plutonium for subsequent use in power generation.

Financial Section

Contents

Consolidated Five-Year Summary

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Years ended March 31

	Millions of yen					Millions of U.S. dollars
	2003	2002	2001	2000	1999	**2003**
For the year:						
Operating revenues	**¥ 4,919,109**	¥ 5,220,578	¥ 5,258,014	¥ 5,091,620	¥ 5,088,403	**$ 40,924**
Operating income	**521,406**	658,933	732,561	788,078	688,607	**4,338**
Income before income taxes and minority interests	**265,170**	312,414	329,120	146,236	209,177	**2,206**
Net income	**165,267**	201,727	207,882	87,437	97,425	**1,375**
Per share of common stock (Yen and U.S. dollars):						
Net income (basic)	**¥ 122.08**	¥ 149.11	¥ 153.66	¥ 64.63	¥ 72.01	**$ 1.02**
Net income (diluted)	**121.33**	147.89	152.36	—	—	**1.01**
Cash dividends	**60.00**	60.00	60.00	60.00	50.00	**0.50**
At the year end:						
Total shareholders' equity	**¥ 2,245,892**	¥ 2,181,983	¥ 2,038,251	¥ 1,849,692	¥ 1,591,562	**$ 18,685**
Total shareholders' equity per share (Yen and U.S. dollars)	**1,662.38**	1,612.97	1,506.62	1,367.25	1,176.44	**13.83**
Total assets	**14,177,296**	14,578,579	14,562,299	14,559,331	14,407,405	**117,948**

Note: All dollar amounts herein refer to U.S. currency. Yen amounts have been translated, for convenience only, at ¥120.20 = US$1.00.

Financial Review

Consolidated Business Results

Overview

For the fiscal year ended March 31, 2003, operating revenues declined 5.8%, to ¥4,919.1 billion ($40,924 million), compared with the previous fiscal year. Operating income decreased 20.9%, to ¥521.4 billion ($4,338 million), and net income was down 18.1%, to ¥165.2 billion ($1,375 million), owing in part to a loss on the devaluation of securities.

Sales of Electricity

The overall volume of electric power sold by the Company increased for the first time in two years, owing to higher demand for electric power for air-conditioning stemming from the unusually high temperatures in August and early September and lower-than-average temperatures during the winter months, combined with a recovery in industrial demand as industrial production began to recover in the latter half of the fiscal year. By type of user, sales of electric power for residential use rose 5.0%, to 89.4 billion kWh, while those for commercial and industrial use increased 1.0%, to 116.5 billion kWh. Sales of electric power for eligible customers'* use were up 1.2%, to 76.0 billion kWh. Accordingly, the total volume of electric power sold expanded 2.3%, to 281.9 billion kWh.

* Eligible customers are those in the liberalized sector of the retail market. They represent 20kV or more of voltage supplied and 2,000kW or more of demand, in principle.

Operating Revenues

Operating revenues from electricity sales* declined 6.1%, to ¥4,685.2 billion ($38,979 million) despite increases in the volume of electric power sold because of the implementation of a rate reduction that went into effect in April 2002. As a consequence, operating revenues were down 5.8%, to ¥4,919.1 billion ($40,924 million).

* The sum of revenues from residential and commercial and industrial users. (Please refer to page 48.)

Operating Expenses and Operating Income

Expenditures for thermal power plant fuel and other operations rose as a result of the suspension of the Company's nuclear power plants following the inspections due to the series of incidents related to nuclear plants. However, operating expenses declined 3.6%, to ¥4,397.7 billion ($36,587 million). Factors accounting for this decline were a reduction in maintenance expenditures through Companywide increases in efficiency and reductions in depreciation charges as well as a decline in nuclear fuel reprocessing costs, which rose temporarily in the previous fiscal year. As a result, operating income was down 20.9%, to ¥521.4 billion ($4,338 million).

Other (Income) Expenses, Income before Income Taxes and Minority Interests and Net Income

Other (income) expenses declined 25.4%, to ¥257.9 billion ($2,146 million), as a consequence of lower interest expense accompanying the drop in interest rates. As a result, income before income taxes and minority interests decreased 15.1%, to ¥265.1 billion ($2,206 million), and net income was down 18.1%, to ¥165.2 billion ($1,375 million).

Business Segment Information

Electric Power Business

The total volume of electric power sold increased 2.3%, to 281.9 billion kWh.

Revenues—Operating revenues declined 6.4%, to ¥4,801.3 billion ($39,945 million), because of the impact of the reduction in electric power rates and other factors.

Expenses—Operating expenses declined 4.7%, to ¥4,281.5 billion ($35,620 million). Although expenditures for thermal power plant fuel rose because of the impact of the inspections related to the series of incidents at the Company's nuclear power facilities, the Company implemented an aggressive program of cost reduction measures throughout its operations, which has achieved an overall decline in these expenses.

Operating income—As a result, operating income was down ¥118.7 billion ($988 million) from the previous year and amounted to ¥519.8 billion ($4,325 million).

Information and Telecommunications Business

Operating revenues rose 16.7%, to ¥86.1 billion ($716 million), mainly due to an increase in sales from data processing services and the CATV broadcasting business. Operating expenses, however, increased 34.0%, to ¥100.5 billion ($837 million), due to higher fixed costs. As a consequence, this segment reported an operating loss of ¥14.4 billion ($120 million), an increase in loss of ¥13.1 billion ($110 million) from the previous fiscal year.

Other Businesses

Operating revenues declined 4.3%, to ¥366.9 billion ($3,053 million), and related expenses fell 3.0%, to ¥352.5 billion ($2,933 million). As a result, operating income amounted to ¥14.4 billion ($120 million), ¥5.6 billion ($47 million) lower than in the previous fiscal year.

Cash Flows

Overview

On a consolidated basis, cash and cash equivalents held by the Company and its consolidated subsidiaries ("the Companies") at the end of the fiscal year declined ¥30.3 billion ($252 million), to ¥83.1 billion ($692 million). Although the Companies restrained capital investment and interest paid declined along with the drop in market interest rates, the Companies used a portion of cash and cash equivalents to reduce interest-bearing debt and improve their financial position, thus leading to a lower balance of cash at the year end.

Cash Flows from Operating Activities

Net cash provided by operating activities declined 4.0%, to ¥1,406.3 billion ($11,700 million). Although interest paid fell as the general level of interest rates decreased, the principal cause of this decline was the lower level of operating revenues from the sale of electric power.

Cash Flows from Investing Activities

Net cash used in investing activities was down 4.6%, to ¥863.7 billion ($7,186 million). This decline was due principally to restraint in capital investment as the Companies worked to build and operate their facilities efficiently.

Cash Flows from Financing Activities

Net cash used in financing activities increased 2.8%, to ¥573.7 billion ($4,773 million). This was due to the usage of cash generated by reductions in capital expenditures to repay interest-bearing debt and thereby improve our financial position.

Dividend Policy

The Company's fundamental policy is to emphasize the maintenance of stable dividends and to respond to shareholders' expectations, while giving due regard to performance and other aspects of the Company's operations.

For the fiscal year under review, a cash dividend of ¥30 per share was approved at the annual general meeting of shareholders. Together with the interim dividend of ¥30 per share, the total cash dividend for the fiscal year amounted to ¥60 per share. As a consequence, the dividend payout ratio for the fiscal year was 53.1%. Retained earnings will be used to fund the Company's future business operations through capital investment and the enhancement of its financial position.

Consolidated Balance Sheets

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31

ASSETS	Millions of yen 2003	Millions of yen 2002	Millions of U.S. dollars (Note 2) 2003
Property:			
Property, plant and equipment	**¥27,463,995**	¥27,246,257	**$228,486**
Construction in progress	**1,263,949**	1,130,406	**10,515**
	28,727,945	28,376,663	**239,001**
Less:			
Contributions in aid of construction	**(280,869)**	(275,530)	**(2,337)**
Accumulated depreciation	**(17,102,717)**	(16,347,307)	**(142,286)**
	(17,383,586)	(16,622,838)	**(144,622)**
Property, plant and equipment, net (Notes 3 and 6)	**11,344,358**	11,753,825	**94,379**
Nuclear fuel:			
Loaded nuclear fuel	**157,504**	170,806	**1,310**
Nuclear fuel in processing	**696,668**	594,314	**5,796**
	854,173	765,120	**7,106**
Investments and other:			
Long-term investments (Note 4)	**573,379**	603,969	**4,770**
Deferred tax assets (Note 11)	**385,509**	346,208	**3,207**
Other	**398,688**	410,338	**3,317**
	1,357,577	1,360,516	**11,294**
Current assets (Note 6):			
Cash	**80,954**	110,437	**673**
Notes and accounts receivable—customers	**333,407**	367,710	**2,774**
Other	**206,825**	220,968	**1,721**
	621,187	699,116	**5,168**
Total assets	**¥14,177,296**	¥14,578,579	**$117,948**

See notes to consolidated financial statements.

LIABILITIES, MINORITY INTERESTS AND SHAREHOLDERS' EQUITY	Millions of yen 2003	Millions of yen 2002	Millions of U.S. dollars (Note 2) 2003
Long-term liabilities and reserves:			
Long-term debt (Notes 5 and 6)	**¥ 7,222,997**	¥ 7,275,768	**$ 60,091**
Other long-term liabilities	**68,254**	70,345	**568**
Reserve for reprocessing of irradiated nuclear fuel (Note 7)	**1,113,973**	1,048,348	**9,268**
Accrued employees' retirement benefits (Note 10)	**613,034**	549,280	**5,100**
Reserve for decommissioning costs of nuclear power units (Note 8)	**349,911**	334,240	**2,911**
	9,368,171	9,277,983	**77,938**
Current liabilities:			
Current portion of long-term debt and other (Note 5)	**810,582**	1,128,624	**6,744**
Short-term debt	**683,033**	610,910	**5,682**
Accrued income taxes and other	**131,790**	152,738	**1,096**
Other	**920,300**	1,207,074	**7,656**
	2,545,707	3,099,346	**21,179**
Reserve for fluctuation in water levels (Note 9)	**4,296**	6,009	**36**
Total liabilities	**11,918,175**	12,383,339	**99,153**
Minority interests	**13,227**	13,256	**110**
Shareholders' equity:			
Common stock, without par value	**676,434**	676,434	**5,628**
Capital surplus	**19,014**	19,014	**158**
Retained earnings	**1,527,474**	1,443,632	**12,708**
Land revaluation surplus	**990**	1,089	**8**
Unrealized gain on securities	**20,631**	39,621	**172**
Translation adjustments	**3,789**	2,449	**32**
	2,248,335	2,182,242	**18,705**
Treasury stock, at cost	**(2,443)**	(258)	**(20)**
Total shareholders' equity	**2,245,892**	2,181,983	**18,685**
Contingent liabilities (Note 13)			
Total liabilities, minority interests and shareholders' equity	**¥14,177,296**	¥14,578,579	**$117,948**

Consolidated Statements of Income

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Years ended March 31

	Millions of yen		Millions of U.S. dollars (Note 2)
	2003	2002	2003
Operating revenues:			
Electricity	¥4,801,380	¥5,129,618	$39,945
Other	117,729	90,959	979
	4,919,109	5,220,578	40,924
Operating expenses (Note 12):			
Electricity	4,264,047	4,468,812	35,475
Other	133,655	92,832	1,112
	4,397,703	4,561,645	36,587
Operating income	521,406	658,933	4,338
Other (income) expenses:			
Interest	206,702	308,518	1,720
Other, net	51,246	37,267	426
	257,948	345,785	2,146
Income before special item, income taxes and minority interests	263,457	313,147	2,192
Special item:			
(Reversal of) provision for reserve for fluctuation in water levels (Note 9)	(1,712)	732	(14)
Income before income taxes and minority interests	265,170	312,414	2,206
Income taxes (Note 11):			
Current	134,198	143,336	1,116
Deferred	(33,427)	(27,465)	(278)
Minority interests	(868)	(5,184)	(7)
Net income	¥ 165,267	¥ 201,727	$ 1,375

	Yen		U.S. dollars (Note 2)
Per share of common stock:			
Net income (basic)	¥ 122.08	¥ 149.11	$ 1.02
Net income (diluted)	121.33	147.89	1.01
Cash dividends	60.00	60.00	0.50

See notes to consolidated financial statements.

Consolidated Statements of Shareholders' Equity

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Years ended March 31

		Millions of yen						
	Number of shares (Thousands)	Common stock	Capital surplus	Retained earnings	Land revaluation surplus	Unrealized gain on securities	Translation adjustments	Treasury stock, at cost
Balance at March 31, 2001	1,352,867	¥676,434	¥19,014	¥1,273,896	¥ —	¥68,927	¥ —	¥ (21)
Net income for the year ended March 31, 2002				201,727				
Increase resulting from consolidation of additional subsidiaries				50,114				
Cash dividends paid				(81,171)				
Bonuses to directors and corporate auditors				(431)				
Decrease due to corporate split of affiliates				(502)				
Net change during the year					1,089	(29,306)	2,449	(237)
Balance at March 31, 2002	1,352,867	676,434	19,014	1,443,632	1,089	39,621	2,449	(258)
Net income for the year ended March 31, 2003				**165,267**				
Increase due to reversal of land revaluation surplus				**120**				
Cash dividends paid				**(81,161)**				
Bonuses to directors and corporate auditors				**(384)**				
Net change during the year					**(98)**	**(18,990)**	**1,340**	**(2,184)**
Balance at March 31, 2003	**1,352,867**	**¥676,434**	**¥19,014**	**¥1,527,474**	**¥ 990**	**¥20,631**	**¥3,789**	**¥(2,443)**

	Millions of U.S. dollars (Note 2)						
	Common stock	Capital surplus	Retained earnings	Land revaluation surplus	Unrealized gain on securities	Translation adjustments	Treasury stock, at cost
Balance at March 31, 2002	$5,628	$158	$12,010	$9	$330	$20	$ (2)
Net income for the year ended March 31, 2003			**1,375**				
Increase due to reversal of land revaluation surplus			**1**				
Cash dividends paid			**(675)**				
Bonuses to directors and corporate auditors			**(3)**				
Net change during the year				**(1)**	**(158)**	**11**	**(18)**
Balance at March 31, 2003	**$5,628**	**$158**	**$12,708**	**$8**	**$172**	**$32**	**$(20)**

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Years ended March 31

	Millions of yen		Millions of U.S. dollars (Note 2)
	2003	2002	**2003**
Cash flows from operating activities:			
Income before income taxes and minority interests	**¥ 265,170**	¥ 312,414	**$ 2,206**
Depreciation and amortization	**922,357**	953,437	**7,674**
Loss on nuclear fuel	**48,228**	71,054	**401**
Loss on disposal of property, plant and equipment	**32,881**	35,278	**274**
Provision for accrued employees' retirement benefits	**63,754**	51,495	**530**
Provision for reprocessing of irradiated nuclear fuel	**65,624**	185,154	**546**
Provision for decommissioning costs of nuclear power units	**15,671**	16,341	**130**
Interest revenue and cash dividends received	**(8,852)**	(9,733)	**(74)**
Interest expense	**206,702**	308,518	**1,720**
Decrease (increase) in notes and accounts receivable	**32,917**	(16,190)	**274**
Increase (decrease) in notes and accounts payable	**91,741**	(29,140)	**763**
Other	**24,378**	49,599	**203**
	1,760,574	1,928,231	**14,647**
Interest and cash dividends received	**4,240**	6,701	**35**
Interest paid	**(217,375)**	(321,243)	**(1,808)**
Income taxes paid	**(141,138)**	(149,507)	**(1,174)**
Net cash provided by operating activities	**1,406,300**	1,464,181	**11,700**
Cash flows from investing activities:			
Purchases of property, plant and equipment	**(828,291)**	(894,572)	**(6,891)**
Contributions in aid of construction received	**27,597**	13,368	**230**
Increase in investments	**(38,392)**	(23,159)	**(319)**
Proceeds from investments	**2,071**	20,062	**17**
Increase in cash and cash equivalents due to inclusion in consolidation	**—**	1,015	**—**
Other	**(26,783)**	(22,167)	**(223)**
Net cash used in investing activities	**(863,797)**	(905,453)	**(7,186)**
Cash flows from financing activities:			
Proceeds from issuance of bonds	**800,898**	759,747	**6,663**
Redemption of bonds	**(710,320)**	(862,763)	**(5,909)**
Proceeds from long-term loans	**87,529**	250,241	**728**
Repayment of long-term loans	**(549,848)**	(701,460)	**(4,574)**
Proceeds from short-term loans	**1,447,402**	1,361,211	**12,042**
Repayment of short-term loans	**(1,375,279)**	(1,428,649)	**(11,442)**
Proceeds from issuance of commercial paper	**2,024,000**	2,232,000	**16,839**
Redemption of commercial paper	**(2,216,000)**	(2,090,000)	**(18,436)**
Cash dividends paid	**(80,994)**	(81,032)	**(674)**
Other	**(1,150)**	2,521	**(10)**
Net cash used in financing activities	**(573,761)**	(558,182)	**(4,773)**
Effect of exchange rate changes on cash and cash equivalents	**940**	1,287	**8**
Net (decrease) increase in cash and cash equivalents	**(30,318)**	1,832	**(252)**
Cash and cash equivalents at beginning of the year	**113,476**	83,660	**944**
Increase resulting from consolidation of additional subsidiaries	**—**	27,982	**—**
Cash and cash equivalents at end of the year	**¥ 83,158**	¥ 113,476	**$ 692**

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

The Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2003

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 (collectively, the "Companies") have been 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 the application and disclosure requirements of International Accounting Standards.

The financial statements of the overseas consolidated subsidiaries are prepared on the basis of the accounting and relevant legal requirements of their countries of domicile.

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.

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 sums 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

The accompanying consolidated financial statements include the accounts of the Company and all companies controlled directly or indirectly by the Company. Companies over which the Companies exercise 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, not significant in amount, are carried at cost.

c. 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.

d. 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.

e. Investments

"Other securities" with a determinable market value are stated at fair value. Other securities without a determinable market value are stated at cost determined by the moving average method. The difference between the acquisition cost and the carrying value of other securities, including unrealized gain and loss, is recognized in "Unrealized gain on securities."

f. Fuel, Materials and Supplies

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

g. Bond Issuance Expenses

Bond issuance expenses are charged to income as incurred.

h. Accrued Employees' Retirement Benefits

Accrued employees' retirement benefits have been provided principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets, as adjusted for unrecognized actuarial gain or loss and unrecognized prior service cost.

Actuarial gain or loss is being amortized by the straight-line method over a period of three years or less.

i. 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.

j. Foreign Currency Translation

The revenue and expense accounts of the overseas consolidated subsidiaries are translated into yen at the average exchange rates prevailing during the year. The balance sheet accounts of the overseas consolidated subsidiaries, except for the components of shareholders' equity, are translated into yen at the rates of exchange in effect at the balance sheet date. The components of shareholders' equity are translated at their historical exchange rates. Translation differences arising from the translation of the financial statements of the overseas consolidated subsidiaries are presented as translation adjustments.

Current and non-current foreign currency accounts are translated into yen at the exchange rates prevailing as of the fiscal year-end, and the resulting gain or loss is credited or charged to income currently.

k. Derivatives and Hedging Activities

Derivatives are stated at fair value with any changes in unrealized gain or loss charged or credited to income, except for those which meet the criteria for deferral hedge accounting under which unrealized gain or loss is deferred as an asset or liability.

Liabilities denominated in foreign currencies hedged by derivatives positions are translated at their respective contract rates.

l. Cash Equivalents

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

m. Net Income per Share

In accordance with a new accounting standard for earnings per share which became effective April 1, 2002, basic net income per share is computed based on the net income available for distribution to shareholders of common stock and the weighted average number of shares of common stock outstanding during each year. Diluted net income per share is computed based on the net income available for distribution to the shareholders and the weighted average number of shares of common stock outstanding during each year assuming full conversion of convertible bonds.

n. Treasury Stock and Reduction of Legal Reserves

Effective April 1, 2002, the Company adopted a new accounting standard for treasury stock and reduction of legal reserves. The effect of the adoption of this new standard was immaterial.

2. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥120.20 = US$1.00, the approximate rate of exchange in effect on March 31, 2003, has been used. The inclusion of such amounts is not intended to imply that yen have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

3. Property, Plant and Equipment, Net

The major classifications of property, plant and equipment, net, at March 31, 2003 and 2002 were as follows:

	Millions of yen		Millions of U.S. dollars
	2003	2002	**2003**
Hydroelectric power production facilities	**¥ 719,230**	¥ 756,958	**$ 5,984**
Thermal power production facilities	**1,287,995**	1,370,940	**10,715**
Nuclear power production facilities	**1,022,742**	1,143,603	**8,509**
Transmission facilities	**2,966,086**	3,103,549	**24,676**
Transformation facilities	**1,168,711**	1,250,690	**9,723**
Distribution facilities	**2,338,852**	2,364,281	**19,458**
General facilities	**224,066**	239,113	**1,864**
Other electricity-related property, plant and equipment	**14,946**	13,853	**124**
Other property, plant and equipment	**373,467**	380,597	**3,107**
	¥10,116,099	¥10,623,589	**$84,161**

4. Marketable Securities and Investment Securities

At March 31, 2003 and 2002, held-to-maturity securities for which market prices were available were as follows:

	Millions of yen						Millions of U.S. dollars		
	2003			2002			**2003**		
	Balance sheet amount	Market value	Unrealized gain (loss)	Balance sheet amount	Market value	Unrealized gain (loss)	Balance sheet amount	Market value	Unrealized gain (loss)
Unrealized gain:									
Bonds	**¥398**	**¥408**	**¥9**	¥747	¥767	¥20	**$3**	**$3**	**$0**
Unrealized loss:									
Bonds	**49**	**49**	**—**	—	—	—	**0**	**0**	**—**
Total	**¥448**	**¥458**	**¥9**	¥747	¥767	¥20	**$4**	**$4**	**$0**

At March 31, 2003 and 2002, "Other securities" for which market prices were available were as follows:

	Millions of yen						Millions of U.S. dollars		
	2003			2002			**2003**		
	Cost	Balance sheet amount	Unrealized gain (loss)	Cost	Balance sheet amount	Unrealized gain (loss)	Cost	Balance sheet amount	Unrealized gain (loss)
Unrealized gain:									
Stocks and bonds	**¥26,667**	**¥61,802**	**¥35,134**	¥41,912	¥100,382	¥58,470	**$222**	**$514**	**$292**
Unrealized loss:									
Stocks and bonds	**18,557**	**14,550**	**(4,006)**	5,293	4,444	(848)	**154**	**121**	**(33)**
Total	**¥45,225**	**¥76,352**	**¥31,127**	¥47,205	¥104,827	¥57,621	**$376**	**$635**	**$259**

For the year ended March 31, 2003, gain and loss on sales of "Other securities" were as follows:

	Millions of yen			Millions of U.S. dollars		
	Sales amount	Aggregate gain	Aggregate loss	Sales amount	Aggregate gain	Aggregate loss
Other securities	¥398	¥197	¥30	$3	$2	$0

At March 31, 2003 and 2002, non-marketable securities and investment securities stated at cost were as follows:

	Millions of yen		Millions of U.S. dollars
	2003	2002	**2003**
Other securities:			
Unlisted stocks	**¥94,838**	¥82,956	**$789**
Other	**7,949**	8,650	**66**

The redemption schedule for securities with maturity dates classified as other securities and held-to-maturity securities as of March 31, 2003 is summarized as follows:

	Millions of yen			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Bonds	¥342	¥1,040	¥229	¥—

	Millions of U.S. dollars			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Bonds	$3	$9	$2	$—

5. Long-Term Debt

The annual interest rates applicable to the Company's domestic straight bonds at March 31, 2003 and 2002 ranged from 0.36% to 7.00%, and from 0.48% to 7.00%, respectively, and those applicable to the Company's foreign straight bonds at March 31, 2003 and 2002 ranged from 4.00% to 7.625%, and from 4.00% to 11.00%, respectively. The interest rates applicable to the long-term borrowings (except for the current portion) at March 31, 2003 and 2002 averaged approximately 2.426% and 2.66%, respectively.

At March 31, 2003 and 2002, long-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2003	2002	**2003**
Domestic bonds:			
Straight bonds due from 2002 through 2019	**¥4,671,320**	¥4,357,510	**$38,863**
1.7% convertible bonds due 2004	**178,431**	178,431	**1,484**
Foreign straight bonds due from 2002 through 2009	**731,922**	952,162	**6,089**
Loans from banks, insurance companies and other sources	**2,446,581**	2,908,900	**20,354**
	8,028,255	8,397,004	**66,791**
Less: Current portion	**(805,257)**	(1,121,236)	**(6,699)**
	¥7,222,997	¥7,275,768	**$60,091**

The 1.7% convertible bonds may be redeemed in whole or in part at the option of the Company at par value on or subsequent to April 1, 2003. The current conversion price is ¥7,299 ($60.72) per share. At March 31, 2003, 24,445 thousand shares were reserved for the conversion of these convertible bonds.

The annual maturities of long-term debt subsequent to March 31, 2003 are summarized as follows:

Years ending March 31,	Millions of yen	Millions of U.S. dollars
2004	¥ 805,257	$ 6,699
2005	463,948	3,860
2006	806,605	6,711
2007	982,026	8,170
2008	977,072	8,129
2009 and thereafter	3,993,345	33,223

6. Pledged Assets

At March 31, 2003, 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 ¥833,002 million ($6,930 million), and for bonds (including convertible bonds) of ¥7,016,663 million ($58,375 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 of ¥15,236 million ($127 million) and short-term debt of ¥33 million ($0 million), at March 31, 2003, were as follows:

	Millions of yen	Millions of U.S. dollars
Hydroelectric power production facilities, at net book value	¥ 5,162	$ 43
Construction in progress	11,583	96
Other current and non-current assets	7,201	60
	¥23,948	$199

Additionally, a deposit of ¥1 million ($0 million) eliminated in consolidation has been pledged as collateral to a financial institution.

7. 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 Company's irradiated nuclear fuel.

8. 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 year.

9. 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 Electricity Utilities Industry Law to record a reserve for fluctuation in water levels.

10. Employees' Retirement Benefit Plans

At March 31, 2003, the Company and certain of its consolidated subsidiaries had defined benefit plans, including funded non-contributory tax-qualified retirement pension plans and lump-sum retirement benefit plans. Within the Companies, there are 30 retirement benefit plans and 12 pension plans.

The following table sets forth the funded and accrued status of the plans, and the amounts recognized in the consolidated balance sheets at March 31, 2003 and 2002 for the Companies' defined benefit plans:

	Millions of yen		Millions of U.S. dollars
	2003	2002	**2003**
Retirement benefit obligation	**¥(1,137,585)**	¥(1,138,292)	**$(9,464)**
Plan assets at fair value	**453,218**	472,965	**3,771**
Accrued employees' retirement benefits	**613,034**	549,280	**5,100**
Prepaid pension expense	**(1,397)**	(1,411)	**(12)**
Unrecognized actuarial loss	**¥ (72,730)**	¥ (117,459)	**$ (605)**

The components of retirement benefit expenses for the years ended March 31, 2003 and 2002 are outlined as follows:

	Millions of yen		Millions of U.S. dollars
	2003	2002	**2003**
Service cost	**¥ 44,166**	¥ 37,418	**$ 367**
Interest cost	**22,874**	28,859	**190**
Expected return on plan assets	**(2,477)**	(11,238)	**(21)**
Amortization of actuarial loss	**74,975**	64,047	**624**
	¥139,538	¥119,085	**$1,161**

The principal assumptions used in determining the retirement benefit obligation and other components of the Companies' plans are shown below:

	2003	2002
Method of allocation of estimated retirement benefits	**Equally over the period**	Equally over the period
Discount rate	**Mainly 2.0%**	Mainly 2.0%
Expected rates of return on plan assets	**Mainly 0.5%**	Mainly 2.5%
Period for recognition of actuarial gain or loss	**Mainly amortized by the straight-line method over a period of 3 years or less**	Mainly amortized by the straight-line method over a period of 3 years or less

11. Income Taxes

Income taxes applicable to the Company and a consolidated subsidiary in the electricity business comprise corporation and inhabitants' taxes, which, in the aggregate, resulted in a statutory tax rate of approximately 36% in 2003 and 2002. Other major consolidated subsidiaries are subject to corporation, enterprise and inhabitants' taxes, which, in the aggregate, resulted in a statutory tax rate of approximately 42% in 2003 and 2002.

The difference between the effective tax rate reflected in the accompanying consolidated statements of income for the years ended March 31, 2003 and 2002 and the statutory tax rate was immaterial.

The significant components of deferred tax assets and liabilities as of March 31, 2003 and 2002 were as follows:

	Millions of yen		Millions of U.S. dollars
	2003	2002	**2003**
Deferred tax assets:			
Accrued employees' retirement benefits	**¥198,761**	¥163,774	**$1,654**
Reserve for reprocessing of irradiated nuclear fuel	**63,144**	63,144	**525**
Depreciation and amortization	**41,169**	34,442	**343**
Deferred expenses for tax purposes	**35,262**	44,949	**293**
Reserve for decommissioning costs of nuclear power units	**32,791**	32,791	**273**
Other	**75,836**	68,937	**631**
	446,965	408,040	**3,719**
Valuation allowance	**(12,553)**	(8,998)	**(104)**
Total deferred tax assets	**434,412**	399,042	**3,614**
Deferred tax liabilities:			
Unrealized gain on securities	**(12,747)**	(21,198)	**(106)**
Other	**(2,718)**	(1,933)	**(23)**
Total deferred tax liabilities	**(15,465)**	(23,132)	**(129)**
Net deferred tax assets	**¥418,946**	¥375,910	**$3,485**

12. Research and Development Costs

Research and development costs included in general and administrative expenses for the years ended March 31, 2003 and 2002 totaled ¥40,344 million ($336 million) and ¥47,978 million, respectively.

13. Contingent Liabilities

At March 31, 2003, contingent liabilities totaled ¥2,097,952 million ($17,454 million), of which ¥411,580 million ($3,424 million) was in the form of co-guarantees or commitments to give co-guarantees if requested for the loans, bonds, lease obligations or other commitments of other companies. However, ¥17,255 million ($144 million) of this balance can be assigned to other co-guarantors based on the terms of the contracts between or among the co-guarantors.

In addition, ¥246,422 million ($2,050 million) consisted of guarantees given in connection with housing loans made to employees of the Companies.

The remainder of ¥1,439,950 million ($11,980 million) represents the debt assigned by the Company to certain banks under debt assumption agreements.

The Companies were contingently liable at March 31, 2003 for ¥100 million ($1 million) in the aggregate of trade notes receivable endorsed to suppliers.

14. Derivatives

The Company utilizes commodity swap agreements for the purpose of hedging its exposure to adverse fluctuation in fuel prices.

The Company and certain consolidated subsidiaries also utilize forward foreign exchange contracts solely in order to hedge against the risk of fluctuation in foreign currency exchange rates and to stabilize their future cash flows relating to payables denominated in foreign currencies.

The Company also utilizes currency swap agreements for the purpose of hedging its exposure to adverse fluctuation in foreign exchange rates and to manage its future cash flows relating to payments on the principal and interest of foreign bonds denominated in foreign currencies.

Liabilities denominated in foreign currencies hedged by derivatives positions are translated at their respective contract rates.

The Company and certain consolidated subsidiaries also utilize interest-rate swaps and interest-rate caps to hedge their exposure to adverse fluctuation in interest rates and to manage their future cash flows relating to interest payments on bank loans.

The Company also utilizes weather derivatives for the purpose of hedging its electric power business risk which fluctuates according to summer temperature changes.

The Company and certain consolidated subsidiaries have entered into such derivatives transactions solely in order to hedge against certain risks in compliance with their internal policies. The Company and these consolidated subsidiaries have not entered into derivatives transactions for trading or speculative purposes.

The Company and certain consolidated subsidiaries are also exposed to credit risk in the event of non-performance by the counterparties to these derivatives positions, but consider the risk of any such loss to be minimal because the Company and these consolidated subsidiaries enter into derivatives transactions with financial institutions and companies which have high credit ratings.

15. Segment Information

The Companies operate principally in three industry segments: electric power, information and telecommunications, and other businesses. The information and telecommunications segment involves the provision of telecommunications and data processing services, software development and maintenance, and CATV broadcasting. Other businesses comprise repair work to the power generation facilities, the repair and maintenance of transmission and transformation facilities, and the real estate and property management business.

Industry segment information for the Companies for the years ended March 31, 2003 and 2002 is summarized as follows:

	Millions of yen					
	2003					
	Electric power business	Information and telecommunications business	Other businesses	Total	Eliminations	Consolidated
I. Operating revenues and operating income:						
Operating revenues:						
Sales to third parties	**¥ 4,801,380**	**¥ 17,583**	**¥100,146**	**¥ 4,919,109**	**¥ —**	**¥ 4,919,109**
Inter-segment sales and transfers	**—**	**68,536**	**266,844**	**335,381**	**(335,381)**	**—**
	4,801,380	**86,120**	**366,991**	**5,254,491**	**(335,381)**	**4,919,109**
Operating expenses	**4,281,565**	**100,578**	**352,583**	**4,734,727**	**(337,023)**	**4,397,703**
Operating income (loss)	**¥ 519,814**	**¥ (14,458)**	**¥ 14,407**	**¥ 519,763**	**¥ 1,642**	**¥ 521,406**
II. Assets, depreciation and capital expenditures:						
Total assets	**¥13,563,221**	**¥119,539**	**¥716,645**	**¥14,399,406**	**¥(222,110)**	**¥14,177,296**
Depreciation and amortization	**886,387**	**16,549**	**24,688**	**927,625**	**(5,268)**	**922,357**
Capital expenditures	**640,319**	**21,595**	**48,327**	**710,242**	**(3,585)**	**706,656**

	Millions of yen					
	2002					
	Electric power business	Information and telecommunications business	Other businesses	Total	Eliminations	Consolidated
I. Operating revenues and operating income:						
Operating revenues:						
Sales to third parties	¥ 5,129,618	¥ 10,833	¥ 80,126	¥ 5,220,578	¥ —	¥ 5,220,578
Inter-segment sales and transfers	—	62,934	303,356	366,290	(366,290)	—
	5,129,618	73,767	383,482	5,586,868	(366,290)	5,220,578
Operating expenses	4,491,092	75,046	363,386	4,929,525	(367,880)	4,561,645
Operating income (loss)	¥ 638,526	¥ (1,279)	¥ 20,095	¥ 657,343	¥ 1,589	¥ 658,933
II. Assets, depreciation and capital expenditures:						
Total assets	¥13,930,356	¥131,857	¥687,702	¥14,749,916	¥(171,337)	¥14,578,579
Depreciation and amortization	919,105	12,913	26,709	958,728	(5,291)	953,437
Capital expenditures	928,166	17,652	53,834	999,652	(3,810)	995,842

	Millions of U.S. dollars					
	2003					
	Electric power business	Information and telecom-munications business	Other businesses	Total	Eliminations	Consolidated
I. Operating revenues and operating income:						
Operating revenues:						
Sales to third parties	**$ 39,945**	**$ 146**	**$ 833**	**$ 40,924**	**$ —**	**$ 40,924**
Inter-segment sales and transfers	**—**	**570**	**2,220**	**2,790**	**(2,790)**	**—**
	39,945	**716**	**3,053**	**43,715**	**(2,790)**	**40,924**
Operating expenses	**35,620**	**837**	**2,933**	**39,390**	**(2,804)**	**36,587**
Operating income (loss)	**$ 4,325**	**$(120)**	**$ 120**	**$ 4,324**	**$ 14**	**$ 4,338**
II. Assets, depreciation and capital expenditures:						
Total assets	**$112,839**	**$ 995**	**$5,962**	**$119,795**	**$(1,848)**	**$117,948**
Depreciation and amortization	**7,374**	**138**	**205**	**7,717**	**(44)**	**7,674**
Capital expenditures	**5,327**	**180**	**402**	**5,909**	**(30)**	**5,879**

Since less than 10% of the Companies' revenues and total assets are generated overseas, disclosure of financial results by geographical segment has been omitted.

16. 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, 2003, were approved at a general meeting of the shareholders held on June 26, 2003:

	Millions of yen	Millions of U.S. dollars
Year-end cash dividends (¥30 = $0.25 per share)	¥40,561	$337
Bonuses to directors and corporate auditors	75	1

Independent Auditors' Report

SHIN NIHON & CO.
ERNST & YOUNG INTERNATIONAL

The Board of Directors
The Tokyo Electric Power Company, Incorporated

We have audited the accompanying consolidated balance sheets of The Tokyo Electric Power Company, Incorporated and consolidated subsidiaries as of March 31, 2003 and 2002, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards, procedures and practices generally accepted and applied in Japan. Those standards, procedures and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Tokyo Electric Power Company, Incorporated and consolidated subsidiaries at March 31, 2003 and 2002, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles and practices generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2003 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2 to the consolidated financial statements.

June 26, 2003

Shin Nihon & Co.

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

Non-Consolidated Balance Sheets

The Tokyo Electric Power Company, Incorporated
March 31

ASSETS	Millions of yen 2003	Millions of yen 2002	Millions of U.S. dollars (Note 2) 2003
Property:			
Property, plant and equipment	**¥26,910,501**	¥26,708,214	**$223,881**
Construction in progress	**1,247,998**	1,123,193	**10,383**
	28,158,499	27,831,408	**234,264**
Less:			
Contributions in aid of construction	**(278,531)**	(273,296)	**(2,317)**
Accumulated depreciation	**(16,783,679)**	(16,047,465)	**(139,631)**
	(17,062,211)	(16,320,762)	**(141,949)**
Property, plant and equipment, net (Note 3)	**11,096,288**	11,510,645	**92,315**
Nuclear fuel:			
Loaded nuclear fuel	**158,241**	171,386	**1,316**
Nuclear fuel in processing	**697,766**	595,400	**5,805**
	856,008	766,787	**7,122**
Investments and other:			
Long-term investments	**538,487**	572,305	**4,480**
Investments in subsidiaries and affiliates	**367,264**	351,871	**3,055**
Deferred tax assets	**354,714**	310,378	**2,951**
Other	**42,007**	47,319	**349**
	1,302,474	1,281,873	**10,836**
Current assets:			
Cash	**47,908**	62,238	**399**
Accounts receivable—customers	**319,659**	358,082	**2,659**
Fuel—exclusive of nuclear fuel—materials and supplies	**87,027**	95,719	**724**
Other	**103,172**	99,487	**858**
	557,767	615,526	**4,640**
Total assets	**¥13,812,538**	¥14,174,834	**$114,913**

See notes to non-consolidated financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen 2003	2002	Millions of U.S. dollars (Note 2) 2003
Long-term liabilities and reserves:			
Long-term debt	**¥ 7,137,556**	¥ 7,164,695	**$ 59,381**
Other long-term liabilities	**47,491**	47,792	**395**
Reserve for reprocessing of irradiated nuclear fuel	**1,113,973**	1,048,348	**9,268**
Accrued employees' retirement benefits	**573,632**	512,174	**4,772**
Reserve for decommissioning costs of nuclear power units	**349,911**	334,240	**2,911**
	9,222,565	9,107,252	**76,727**
Current liabilities:			
Current portion of long-term debt	**776,070**	1,087,794	**6,456**
Current portion of other long-term liabilities	**3,413**	5,753	**28**
Short-term debt	**683,000**	610,000	**5,682**
Commercial paper	**365,000**	557,000	**3,037**
Accrued income taxes	**59,657**	64,919	**496**
Deposits from employees and others	**3,127**	2,879	**26**
Other—principally accounts payable	**636,883**	727,979	**5,299**
	2,527,152	3,056,326	**21,025**
Reserve for fluctuation in water levels	**4,285**	5,994	**36**
Total liabilities	**11,754,003**	12,169,573	**97,787**
Shareholders' equity:			
Common stock, without par value	**676,434**	676,434	**5,628**
Capital surplus	**19,014**	19,014	**158**
Retained earnings	**1,345,523**	1,273,806	**11,194**
Unrealized gain on securities	**19,419**	36,265	**162**
Treasury stock, at cost	**(1,856)**	(258)	**(15)**
Total shareholders' equity	**2,058,535**	2,005,261	**17,126**
Contingent liabilities (Note 4)			
Total liabilities and shareholders' equity	**¥13,812,538**	¥14,174,834	**$114,913**

Non-Consolidated Statements of Income

The Tokyo Electric Power Company, Incorporated
Years ended March 31

	Millions of yen		Millions of U.S. dollars (Note 2)
	2003	2002	**2003**
Operating revenues:			
Residential	**¥1,955,531**	¥1,987,436	**$16,269**
Commercial and industrial	**2,729,718**	3,001,520	**22,710**
Other	**123,174**	148,555	**1,025**
	4,808,424	5,137,512	**40,004**
Operating expenses:			
Depreciation	**882,863**	916,964	**7,345**
Fuel	**782,676**	662,178	**6,511**
Purchased power	**619,878**	607,654	**5,157**
Personnel	**544,219**	526,827	**4,528**
Maintenance	**406,232**	503,996	**3,380**
Taxes other than income taxes	**325,794**	333,747	**2,710**
Other	**734,534**	948,281	**6,111**
	4,296,200	4,499,649	**35,742**
Operating income	**512,223**	637,863	**4,261**
Other (income) expenses:			
Interest	**203,952**	305,032	**1,697**
Other, net	**69,058**	40,726	**575**
	273,010	345,759	**2,271**
Income before special item and income taxes	**239,213**	292,104	**1,990**
Special item:			
(Reversal of) provision for reserve for fluctuation in water levels	**(1,708)**	732	**(14)**
Income before income taxes	**240,921**	291,372	**2,004**
Income taxes:			
Current	**125,598**	131,998	**1,045**
Deferred	**(37,705)**	(26,886)	**(314)**
Net income	**¥ 153,029**	¥ 186,259	**$ 1,273**

	Yen		U.S. dollars (Note 2)
Per share of common stock:			
Net income (basic)	**¥ 113.09**	¥ 137.68	**$ 0.94**
Net income (diluted)	**112.51**	136.66	**0.94**
Cash dividends	**60.00**	60.00	**0.50**

See notes to non-consolidated financial statements.

Non-Consolidated Statements of Shareholders' Equity

The Tokyo Electric Power Company, Incorporated
Years ended March 31

	Number of shares (Thousands)	Millions of yen Common stock	Capital surplus	Retained earnings	Unrealized gain on securities	Treasury stock, at cost
Balance at March 31, 2001	1,352,867	¥676,434	¥19,014	¥1,168,868	¥64,155	¥ —
Net income for the year ended March 31, 2002				186,259		
Cash dividends paid				(81,171)		
Bonuses to directors and corporate auditors				(150)		
Net change during the year					(27,890)	(258)
Balance at March 31, 2002	1,352,867	676,434	19,014	1,273,806	36,265	(258)
Net income for the year ended March 31, 2003				**153,029**		
Cash dividends paid				**(81,161)**		
Bonuses to directors and corporate auditors				**(150)**		
Net change during the year					**(16,845)**	**(1,597)**
Balance at March 31, 2003	**1,352,867**	**¥676,434**	**¥19,014**	**¥1,345,523**	**¥19,419**	**¥(1,856)**

	Millions of U.S. dollars (Note 2) Common stock	Capital surplus	Retained earnings	Unrealized gain on securities	Treasury stock, at cost
Balance at March 31, 2002	$5,628	$158	$10,597	$302	$ (2)
Net income for the year ended March 31, 2003			**1,273**		
Cash dividends paid			**(675)**		
Bonuses to directors and corporate auditors			**(1)**		
Net change during the year				**(140)**	**(13)**
Balance at March 31, 2003	**$5,628**	**$158**	**$11,194**	**$162**	**$(15)**

See notes to non-consolidated financial statements.

Notes to Non-Consolidated Financial Statements

The Tokyo Electric Power Company, Incorporated
March 31, 2003

1. Summary of Significant Accounting Policies

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 on the basis of accounting principles and practices generally accepted and applied in Japan, which are different in certain respects as to the 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 and applied in Japan but is presented herein as additional information.

The non-consolidated financial statements are prepared on the same basis as the accounting policies discussed in Note 1 to the consolidated financial statements except that the accompanying 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.

2. U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥120.20 = US$1.00, the approximate rate of exchange in effect on March 31, 2003, has been used. The inclusion of such amounts is not intended to imply that yen have been or could be readily converted, realized or settled in U.S. dollars at that or any other rate.

3. Property, Plant and Equipment

The major classifications of property, plant and equipment at March 31, 2003 and 2002 were as follows:

	Millions of yen			
As of March 31, 2003	Original cost	Contributions in aid of construction	Accumulated depreciation	Carrying value
Hydroelectric power production facilities	**¥ 1,472,303**	**¥ 7,076**	**¥ 752,523**	**¥ 712,704**
Thermal power production facilities	**4,899,398**	**17,106**	**3,589,528**	**1,292,764**
Nuclear power production facilities	**5,002,715**	**456**	**3,976,288**	**1,025,970**
Internal combustion engine power production facilities	**36,993**	**156**	**25,221**	**11,616**
Transmission facilities	**6,909,019**	**156,184**	**3,769,489**	**2,983,344**
Transformation facilities	**3,227,095**	**36,634**	**2,008,732**	**1,181,728**
Distribution facilities	**4,751,941**	**40,136**	**2,314,020**	**2,397,784**
Incidental business facilities	**48,196**	**5**	**8,182**	**40,008**
General facilities	**562,837**	**20,774**	**303,842**	**238,219**
Construction in progress	**1,247,998**	**—**	**35,851**	**1,212,146**
	¥28,158,499	**¥278,531**	**¥16,783,679**	**¥11,096,288**
As of March 31, 2002				
Hydroelectric power production facilities	¥ 1,468,031	¥ 7,063	¥ 710,552	¥ 750,416
Thermal power production facilities	4,831,048	17,113	3,437,738	1,376,196
Nuclear power production facilities	5,002,924	456	3,855,662	1,146,805
Internal combustion engine power production facilities	36,460	156	23,981	12,322
Transmission facilities	6,848,046	152,397	3,573,696	3,121,952
Transformation facilities	3,222,560	36,422	1,921,268	1,264,870
Distribution facilities	4,662,344	38,672	2,198,893	2,424,779
Incidental business facilities	67,871	1	26,293	41,577
General facilities	568,926	21,013	299,210	248,701
Construction in progress	1,123,193	—	170	1,123,023
	¥27,831,408	¥273,296	¥16,047,465	¥11,510,645

	Millions of U.S. dollars			
As of March 31, 2003	Original cost	Contributions in aid of construction	Accumulated depreciation	Carrying value
Hydroelectric power production facilities	**$ 12,249**	**$ 59**	**$ 6,261**	**$ 5,929**
Thermal power production facilities	**40,760**	**142**	**29,863**	**10,755**
Nuclear power production facilities	**41,620**	**4**	**33,081**	**8,536**
Internal combustion engine power production facilities	**308**	**1**	**210**	**97**
Transmission facilities	**57,479**	**1,299**	**31,360**	**24,820**
Transformation facilities	**26,848**	**305**	**16,712**	**9,831**
Distribution facilities	**39,534**	**334**	**19,251**	**19,948**
Incidental business facilities	**401**	**0**	**68**	**333**
General facilities	**4,683**	**173**	**2,528**	**1,982**
Construction in progress	**10,383**	**—**	**298**	**10,084**
	$234,264	**$2,317**	**$139,631**	**$92,315**

4. Contingent Liabilities

At March 31, 2003, contingent liabilities totaled ¥2,097,680 million ($17,452 million), of which ¥416,306 million ($3,463 million) was in the form of co-guarantees or commitments to give co-guarantees if requested for the loans, bonds or other commitments of other companies. However, ¥17,333 million ($144 million) of this balance can be assigned to other co-guarantors based on the terms of the contracts between or among the co-guarantors.

In addition, ¥241,374 million ($2,008 million) consisted of guarantees given in connection with housing loans made to employees of the Company.

The remainder of ¥1,440,000 million ($11,980 million) represents the debt assigned by the Company to certain banks under debt assumption agreements.

Independent Auditors' Report

SHIN NIHON & CO.
ERNST & YOUNG INTERNATIONAL

The Board of Directors
The Tokyo Electric Power Company, Incorporated

We have audited the accompanying non-consolidated balance sheets of The Tokyo Electric Power Company, Incorporated as of March 31, 2003 and 2002, and the related non-consolidated statements of income and shareholders' equity for the years then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards, procedures and practices generally accepted and applied in Japan. Those standards, procedures and practices require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the non-consolidated financial position of The Tokyo Electric Power Company, Incorporated at March 31, 2003 and 2002, and the non-consolidated results of their operations for the years then ended in conformity with accounting principles and practices generally accepted in Japan.

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2003 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2 to the non-consolidated financial statements.

June 26, 2003

Shin Nihon & Co.

See Note 1 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.

Major Subsidiaries and Affiliated Companies

As of March 31, 2003

Major Consolidated Subsidiaries

Company Name	Capital (¥ million)	TEPCO Ownership (%)	Principal Business
Electric Power Business			
The Tokyo Electric Generation Company, Incorporated	2,200	100.0	Power Generation
Information and Telecommunications Business			
AT TOKYO Corporation	10,000	45.0	Information Software and Services
TEPCO CABLE TELEVISION Inc.	8,375	85.7	Cable Television
SpeedNet Inc.	7,487	77.1	Telecommunications
TEPCO SYSTEMS CORPORATION	350	100.0	Information Software and Services
Other Businesses			
Japan COM Company, Limited	16,800	64.6	Fuel Supply
Toden Real Estate Co., Inc.	2,000	100.0	Property Management
TOSHIN BUILDING CO., LTD.	1,100	100.0	Property Management
Toden Kogyo Co., Ltd.	300	100.0	Facilities Construction and Maintenance
Tokyo Electric Power Environmental Engineering Company, Incorporated	300	100.0	Facilities Construction and Maintenance
TEPCO HOME SERVICE CO., LTD.	200	100.0	Facilities Construction and Maintenance
Tokyo City Service Co., Ltd.	400	100.0	Energy and Environment
Tokyo Electricity Meter Industry Inc.	100	100.0	Supply of Resources, Equipment and Materials
Oze Ringyo Inc.	80	100.0	Property Management
TOKYO DENSETSU SERVICE CO., LTD.	50	100.0	Facilities Construction and Maintenance
Tokyo Living Service Co., Ltd.	50	100.0	Transportation and Services
TEPCO PUBLIC RELATIONS CO., LTD.	50	100.0	Transportation and Services
TEPCO LOGISTICS CO., LTD.	50	80.0	Transportation and Services
Tokyo Electric Power Services Company, Limited	40	100.0	Facilities Construction and Maintenance
NANMEI KOSAN CO., LTD.	40	100.0	Fuel Supply
TEPCO-U CO., LTD.	20	100.0	Fuel Supply
TEPSTAR CO., LTD.	20	100.0	Fuel Supply
Toden Kokoku Co., Ltd.	20	81.8	Transportation and Services

Affiliated Companies Accounted for under the Equity Method

Company Name	Capital (¥ million)	TEPCO Ownership (%)	Principal Business
Electric Power Businesses			
Soma Kyodo Power Company, Ltd.	120,000	50.0	Power Generation
The Japan Atomic Power Company	120,000	28.3	Power Generation
JOBAN JOINT POWER CO., LTD.	56,000	49.1	Power Generation
Kashima Kyodo Electric Power Co., Ltd.	22,000	50.0	Power Generation
Kimitsu Cooperative Thermal Power Company, Inc.	8,500	50.0	Power Generation
Information and Telecommunications Business			
POWEREDCOM, Incorporated	44,958	32.5	Telecommunications
Tokyo Telecommunication Network Company, Incorporated	42,061	39.0	Telecommunications
Other Businesses			
Japan Nuclear Fuel Limited	200,000	20.6	Fuel Supply
KANDENKO CO., LTD.	10,264	48.1	Facilities Construction and Maintenance
Takaoka Electric Mfg. Co., Ltd.	5,906	28.3	Supply of Resources, Equipment and Materials
TOKO ELECTRIC CORPORATION	1,452	46.1	Supply of Resources, Equipment and Materials

Corporate Information

As of March 31, 2003

Head Office:
1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku,
Tokyo 100-8560, Japan
Phone: +81-3-4216-1111
http://www.tepco.co.jp/

Established:
May 1, 1951

Fiscal Year-End:
March 31

Paid-in Capital:
¥676,434,197,050

Number of Employees:
39,619

Overseas Offices:
Washington Office
1901 L Street, N.W., Suite 720,
Washington, D.C. 20036, U.S.A.
Phone: +1-202-457-0790
London Office
Berkeley Square House,
Berkeley Square, London W1J 6BR, U.K.
Phone: +44-20-7629-5271

Number of Shares of Common Stock Issued and Outstanding:
1,352,867,531

Number of Shareholders:
850,519

Shareholders' Meeting:
June

Stock Listings:
Tokyo Stock Exchange, Osaka Securities Exchange,
Nagoya Stock Exchange

Certified Public Accountants:
Shin Nihon & Co.

Transfer Agent:
UFJ Trust Bank Limited
4-3, Marunouchi 1-chome, Chiyoda-ku,
Tokyo 100-0005, Japan

Major Shareholders:

Name	Number of Shares Held (Thousands)
The Master Trust Bank of Japan, Ltd. (Trust Account)	58,160
Japan Trustee Services Bank, Ltd. (Trust Account)	53,482
The Dai-ichi Mutual Life Insurance Company	47,001
Nippon Life Insurance Company	45,199
Mizuho Corporate Bank, Ltd.	43,490
Tokyo Metropolitan Government	42,676
Sumitomo Mitsui Banking Corporation	39,927
Shinsei Bank Limited	16,989
UFJ Trust Bank Limited (Trust Account A)	15,316
Sumitomo Life Insurance Company	13,274

Publications:
- *TEPCO Corporate Brochure*
- *TEPCO ILLUSTRATED*
- *TEPCO Environmental Action Report*

For more detailed information, please contact:
Tokyo Electric Power Company
- Shareholder & Investor Relations Group, Corporate Affairs Department
- Research and Planning Group, Accounting & Treasury Department

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