TEPCO

Annual Report 2013

Year ended March 31, 2013

TOKYO ELECTRIC POWER COMPANY

Profile

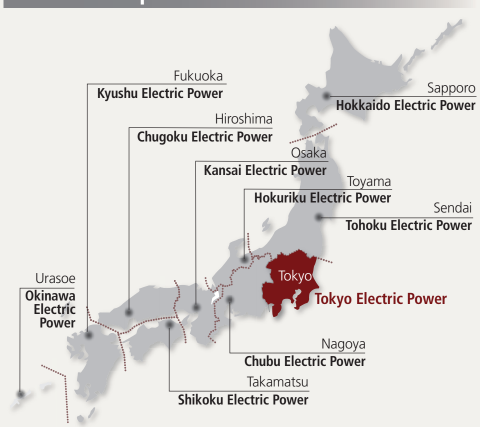
Tokyo Electric Power Company, Incorporated (TEPCO) was established in 1951 to supply electric power to the Tokyo metropolitan area, and for more than half a century it has continued to support society and public life with high-quality electric power.

The Tohoku-Chihou-Taiheiyou-Oki Earthquake, which struck on March 11, 2011, precipitated a serious accident at Fukushima Daiichi Nuclear Power Station. Since then, TEPCO has seen considerable weakening in its financial standing and income structure due to factors associated with the aforementioned event, such as the recording of substantial expenses and losses and an increase in fuel costs accompanying the suspension of nuclear power generation. TEPCO has been confronting an unprecedented major crisis. Addressing the situation, TEPCO, along with the Nuclear Damage Liability Facilitation Fund (NDF), formulated the Comprehensive Special Business Plan, putting together a program of drastic streamlining, management reforms and other steps. Moreover, TEPCO has strengthened its financial position through the issuance by third party allotment of preferred stocks totaling ¥1 trillion, with the NDF as allottee. TEPCO then moved on to establish its "Management Policy towards Restoration," which encompasses the "Intensive Reform Implementation Action Plan," with the aim of overcoming the challenges the Company must confront.

TEPCO continues to make every endeavor to realize compensation with empathy and consideration from the viewpoint of those who have suffered due to the nuclear power accidents. In addition, TEPCO has been steadily implementing measures for decommissioning nuclear reactors, securing a stable electricity supply and drastically streamlining business management.

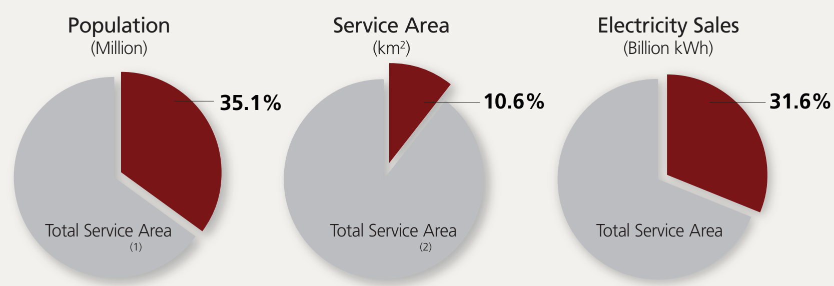
TEPCO Snapshot

Service Areas of Japan's Ten Electric Power Companies



TEPCO's Position in the Japanese Electric Power Industry

(As of March 31, 2013 unless otherwise noted)



● TEPCO's Service Area ● Total Service Area (10 EPCOs) (3)

Notes: 1. The population figure is an estimate as of January 1, 2013 (prepared by the Statistics Bureau, Ministry of Internal Affairs and Communications.)
2. Source: *Handbook of Electric Power Industry* (2012 edition)
3. Electric power companies

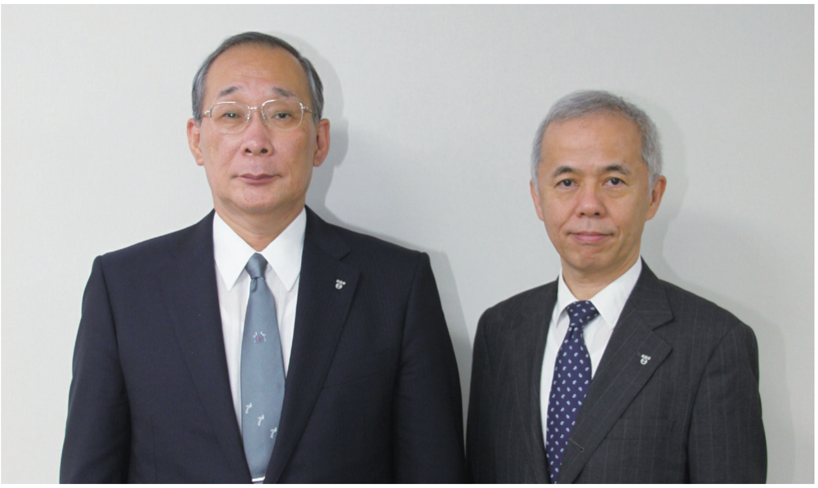
CONTENTS

Forward-Looking Statements

This annual report contains forward-looking statements regarding the Company's plans, outlook, strategies and results for the future. All forward-looking statements are based on judgments derived from the information available to the Company at the time of publication.

Certain risks and uncertainties could cause the Company's actual results to differ materially from any projections presented in this report. These risks and uncertainties include, but are not limited to, the economic circumstances surrounding the Company's businesses; competitive pressures; related laws and regulations; product development programs; and changes in exchange rates.

To Our Shareholders and Investors



Kazuhiko Shimokobe, *Chairman* Naomi Hirose, *President*

First of all, we would like to express our deepest apologies to our shareholders and investors as well as the people in the areas around the power stations and, indeed, all of society for the more than two years of trouble and anxiety brought about by the accident at Fukushima Daiichi Nuclear Power Station in 2011.

In line with the "Management Policy towards Restoration" formulated on November 7, 2012, TEPCO is now rallying groupwide strengths to ensure the prompt and appropriate payment of compensation while accelerating initiatives aimed at facilitating optimal decontamination as well as restoration activities in areas stricken by the accident, with all of these activities spearheaded by its Fukushima Revitalization Headquarters. Simultaneously, TEPCO is exerting the utmost effort to the steady decommissioning of Units 1 to 4 of Fukushima Daiichi Nuclear Power Station and to securing a stable electricity supply while pursuing initiatives with regard to nuclear power reforms and thorough cost reduction efforts aimed at strengthening its financial position and profit structure. In addition, in April 2013 the Company introduced an in-house company system with the intention of spurring each business division to take proactive action aimed at expanding profit and thereby reinforce the Company's competitiveness as a whole.

Among the many challenges confronting us, we recognize that assisting in the restoration of Fukushima area is our foremost task. With this in mind, we will strive to accomplish our new mission to "fulfill all of our responsibilities for the nuclear power accident and realize the world's highest standards of safety while achieving a stable power supply in a competitive environment." To this end, we will realize corporate reforms to remain a company that retains a solid operating platform underpinned by its strengths in technological and human resource capabilities while being always vibrant despite a harsh operating environment and intensifying competition, capable of continuously fulfilling its compensation obligations and completing the decommissioning. On the other hand, TEPCO is asking the government to consider a new scheme aimed at providing the Company with additional aid to address potential financial risk that is beyond the scope of its independent efforts to overcome.

We express our deepest apologies to our shareholders and investors for the continuous non-payment of dividends and sincerely ask for their understanding of and cooperation with our future efforts.

Kazuhiko Shimokobe, *Chairman*

Naomi Hirose, *President*

FY2013 Business Operation Policy (Outline)

Announced April 1, 2013

TEPCO has established its “FY2013 Business Operation Policy,” which is aimed at achieving the goals set forth in the “Intensive Reform Implementation Action Plan” formulated in line with the “Management Policy towards Restoration” announced on November 7, 2012. The FY2013 Business Operation Policy consists of four intensive measures encompassing key issues that all Group companies must address during FY 2013 and 2014.

Intensive measure Ⅰ	**Measures towards the “revitalization of Fukushima”**
Intensive measure Ⅱ	**Nuclear safety measures**
Intensive measure Ⅲ	**Thorough cost reductions and management to ensure survival**
Intensive measure Ⅳ	**Management reforms via the introduction of the in-house company system**

Under the business operation policy, we will rally our utmost managerial efforts to achieve thorough corporate reforms, and, further, strive to accomplish our new mission to “fulfill all of our responsibilities for the nuclear power accident and realize the world’s highest standards of safety while achieving a stable power supply in a competitive environment.”

Intensive measure Ⅰ Measures towards the “revitalization of Fukushima”

- To fulfill our responsibilities for the Fukushima Nuclear Accident, we will thoroughly implement initiatives for the revitalization of Fukushima.
- While coordinating with the national and local governments, the Tokyo Electric Power Company Group will come together as one to urge the thorough implementation of compensation payouts with courtesy and compassion and promote decontamination and revitalization led by the Fukushima Revitalization Headquarters.

1. Intensifying our commitment to Fukushima

- Under the authority of the Fukushima Revitalization Headquarters established on January 1, 2013, at J-Village of Futaba-gun, Fukushima Prefecture, the coordination of activities towards the revitalization of Fukushima, including compensation, decontamination, revitalization promotion, and public relations, will be reinforced. Under the leadership of the Fukushima Revitalization Headquarters, decisions will be made and swiftly executed.
- Initiatives for regional economic revitalization and job restoration and creation will be promoted, focusing on the Hamadori area of Fukushima.
- An organization will be developed to mobilize 280 people/day, equivalent to an annual total of 100,000 TEPCO personnel, for activities in Fukushima to meet the requests of the residents of Fukushima as identified through local government and temporary housing visits and revitalization promotion activities.
- TEPCO personnel and technology will be provided for decontamination tasks conducted by the national, prefectural and local governments to accelerate the return of evacuated residents and ease the anxiety that has arisen among the people of Fukushima.

2. Thorough and full implementation of compensation payouts with courtesy and compassion

- Under the Fukushima Revitalization Headquarters, the organizational structure for compensation activities and its functions will be rebuilt to achieve swift and accurate payouts.

3. Reinforcement of public relations activities placing first priority on the people of Fukushima

- Led by the Head Office, power stations and the Fukushima Corporate Communications Department, coordination with relevant parties will be implemented to achieve swift and accurate information dissemination and timely updates on the conditions of the plants paying due consideration to public sentiment and the feelings of the people of Fukushima.

Intensive measure Ⅱ Nuclear safety measures

- To ease present anxiety amongst the people of Fukushima, decommissioning measures will be implemented according to the Mid-and-Long Term Roadmap to achieve the Decommissioning of Units 1-4 of TEPCO Fukushima Daiichi Nuclear Power Station.
- Conventional safety awareness standards and corporate culture will be renovated and nuclear reform initiatives will be executed in order to realize the world's highest safety standards.

1. Ensure a swift transition to a much safer Fukushima Daiichi NPS

- Proper decommissioning measures will be implemented according to the Mid-and-Long Term Roadmap to achieve the Decommissioning of Units 1-4 of TEPCO Fukushima Daiichi Nuclear Power Station.

2. Nuclear reform

- Under the monitoring and oversight of the Nuclear Reform Monitoring Committee comprised of experts from Japan and abroad, TEPCO will work towards restoration, striving to achieve a high level of safety awareness, technological capability, and the ability to maintain open dialogue with society by implementing the Nuclear Safety Reform Plan which is based on the lessons learned from the accident.
- TEPCO will undertake a quarterly review of the progress of the "Nuclear Safety Reform Plan," which sets forth concrete steps now being implemented by the Company, and share the results of the review on a Companywide basis as well as with the general public in a timely fashion.

3. Safety measures for Fukushima Daiichi NPS Units 5 & 6, Fukushima Daini NPS, Kashiwazaki-Kariwa NPS

- While maintaining and enhancing the reliability of the stable cooling facilities of Fukushima Daiichi NPS Units 5 & 6 and Fukushima Daini NPS, other facilities will also be managed appropriately.
- Facilities at Kashiwazaki-Kariwa NPS will be appropriately maintained and managed. Also, safety enhancement measures will be implemented.

4.Safety measures and awareness activities at Higashidori Nuclear Construction Office

- Safety measures will be implemented at Higashidori Nuclear Construction Office, which will also strive to gain the understanding of local residents regarding TEPCO activities.

5. Initiatives for nuclear fuel cycle business

- Support will remain ongoing to ensure the completion of the construction of the Japan Nuclear Fuel Limited reprocessing facility (October 2013) and the start of operations of the intermediate storage facility of the Recyclable-Fuel Storage Company (October 2013), which are key to the nuclear fuel cycle business.

Intensive measure Ⅲ Thorough cost reductions and management to ensure survival

- As a means to strengthen our financial base to ensure we will be able to meet our responsibilities, we will vigorously implement "Survival Cost Reductions" and strongly urge voluntary cost reductions and target management at each subdivided organization unit.
- In order to be able to compete following deregulation, fixed costs and variable costs will be reduced utilizing every available means to realize an additional 100 billion yen in further cost reductions from the cost reduction value stated in the comprehensive special business plan (ten-year average of 336.5 billion yen).
- By implementing management accounting, cost management under each responsible person for at each subdivided organization unit will be realized.

1. Develop cost reduction organization and implement additional cost reductions

- To achieve an additional 100 billion yen in additional cost reductions from the reduction target in the comprehensive special business plan (ten-year average 336.5 billion yen), opinions from outside experts will be sought out and the utilization of all available means will be taken into consideration.

2. Checks and balances and competition through the introduction of management accounting and rules of in-house dealing

- Via the introduction of Management Accounting into each company and corporate organizational unit, tight monthly financial management will be achieved in accordance with the company's overall financial accounting.
- Having introduced the three competitive mechanisms of "Competition with Entities outside TEPCO," "Checks and Balances between In-house Companies," and "Sound Competition among the In-house Companies," we are looking toward full deregulation to achieve cost reduction.

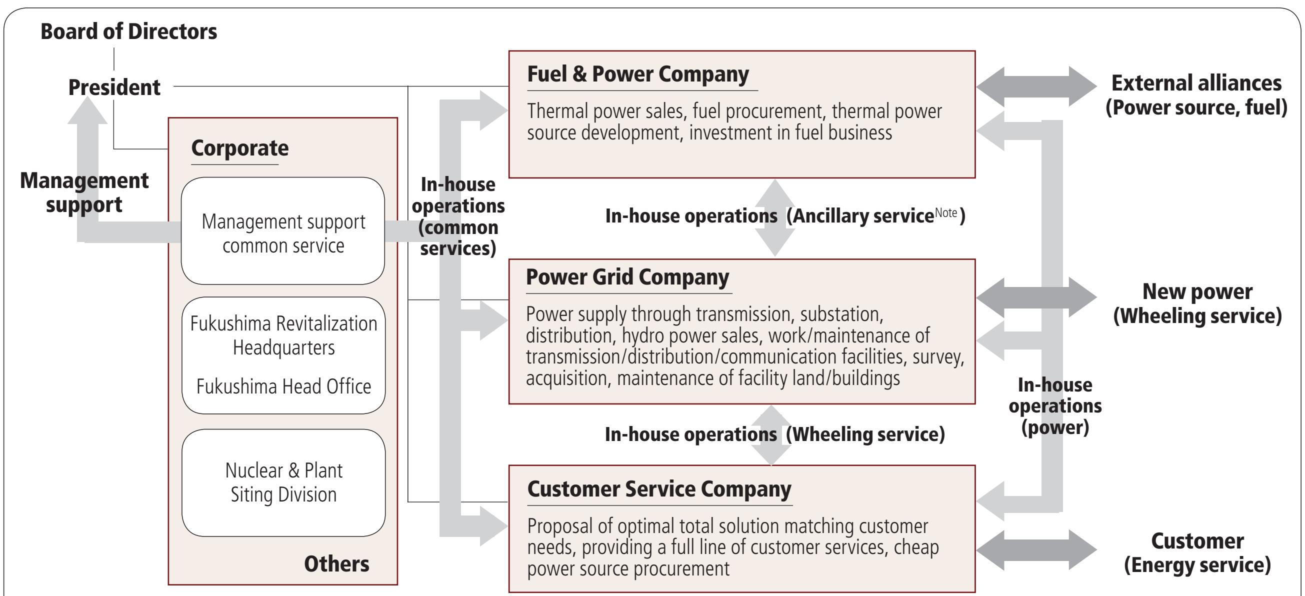
Intensive measure Ⅳ Management reforms via the introduction of the in-house company system

- In order to develop a revenue base for the new-born TEPCO, mechanisms will be developed to deal with electric power system reforms planned for the future, encourage each business department to voluntarily engage in revenue expansion and to establish a mechanism to sharpen competitive edge.
- As one pillar of the reforms, an in-house company system will be implemented from April 1 , 2013, with the idea of shifting to a holding company system in the future. The three in-house companies “Fuel & Power Company,” “Power Grid Company” and “Customer Service Company,” have been established.

Introduction of in-house company system

•The in-house company system, introduced from April 1, 2013, segregates deregulated/competitive departments and neutral network departments , with an eye to establishing a holding company system in the future.

•Utilize internal business resources and technological know-how to establish business/organizational strategies to meet changes in the business climate.



Note: To maintain uniform quality of electricity delivered to customers (frequency and voltage)

The following are key issues being addressed by each in-house company.

(1) Fuel & Power Company

- While providing customers with stable and low-cost power, profit and company value will be maximized by cutting costs and expanding sales.
- By balancing unprecedented drastic cost reductions and providing stable electricity, a strong foundation will be built to ensure competitive ability following full deregulation.

1) Implementation of drastic cost reductions of fuel costs and fixed costs

•By utilizing the comprehensive capabilities of the company, wherever possible fuel costs and fixed costs (repair costs) will be drastically reduced.

2) Replacement with coal-fired or high-efficiency LNG-fired thermal power plants, reduction of fuel costs focusing on LNG

•Aiming for drastic improvement in the power generation cost structure, establish and implement plans to increase the ratio of coal-fired thermal power, replacements and new or additional construction to increase LNG-fired thermal efficiency by 10%.

•Action plans to expand the significant introduction of lean LNG (maximum 10 million tons/year, which is about half of the quantity presently procured over about ten years) will be established.

•Strengthen collaborative efforts with other operators at LNG receiving terminals to promote operational efficiency.

3) Examine/ execute investments in overseas projects and fuel businesses

- Business know-how and human resources will be enhanced and the organization expanded into an international consulting business/ IPP investment business, aiming for set up by December 2013, and technological support and employee dispatching will be expanded.
- Existing fuel business will be steadily promoted, potential favorable investment projects will be identified and detailed research, analysis, and assessments will be conducted.

(2) Power Grid Company

- We will aim for strict cost reductions and detailed risk management, the reduction of wheeling costs and maintaining system reliability.
- A neutral and fair power network utilization environment will be provided as part of our social mission.
- Revenue will be expanded utilizing technological capability.

1) Apply investment/ repair cost reduction measures in a stepwise manner to achieve wheeling costs that are one of the lowest in the industry while also maintaining top class system reliability in the industry

- Conventional cost reduction measures for all areas of supply/demand/ system operations, maintenance, equipment specifications, construction methods and worker productivity will be taken as permanent measures and further streamlining will be reviewed in depth.

2) Neutrality and fairness of network utilization, ensuring transparency of business operations and improving service quality

- Ensure fair treatment with the Power Producer and Supplier (PPS) and internal organizations (Fuel & Power Company, Customer Service Company) to ensure neutrality in wheeling services.
- Grid connection services will be strengthened to respond to various needs from such grid users as customers and power generation operators to provide fair, flexible and speedy response measures.
- TEPCO will participate in the establishment of the wide area transmission organization under the electric power system reform.

3) Building system and environment for network utilization to respond to a massive introduction of renewable energy and to achieve revenue expansion through technological capabilities

- Production system for devices will be built in FY2013 for the mass introduction of smart meters in FY2014.
- Reviews and development will be implemented for grid voltage measures and further utilization of regional interconnection lines to respond to the mass introduction of renewable energy and strengthen power interchange on a nationwide level.
- Revenue will be expanded, utilizing the technological capability of TEPCO in an overseas business or Group company business.

(3) Customer Service Company

- Attractive total solutions will be offered for a smart society and smart life to win against the competition.
- New power demand of 200 billion yen/year will be captured in ten years time by promoting the smart use of energy under competition through deregulation, while growth of 100 billion yen/year in related business will be achieved through total solutions and new services.
- Starting with power procurement, costs will be thoroughly cut to lower electricity rates.

1) Provide total solutions to contribute to a smart society and enhance new service offerings

- By utilizing solution know-how accumulated in the past and widely incorporating external information by leveraging alliances to help build a smart society and smart life, total and optimal solutions that meet customer needs will be offered for not only electricity but for ancillary business areas as well.
- In addition to conventional tariffs, new electricity tariffs will be offered for customer selection to fit their lifestyles.
- A lineup of green tariffs for electricity generated by green power supplies such as renewable energy will be offered.
- With the introduction of smart meters, more detailed information on electricity use status and optimal rate menus will be provided to customers. Services for customer confidence and promoting affluent lifestyles will be examined and provided.

2) Initiatives to reduce electricity rates

- In addition to the IPP bid disclosed in February 2013, bids for the 10,000MW-scale replacement of aged thermal power generators will be solicited to procure cheap power sources so as to reduce electricity rates. (A bidding plan for this will be established by the end of FY2013)
- Wholesale power transactions will be proactively utilized to strive to procure cheap power sources.

Corporate Governance

As of June 30, 2013

Fundamental Stance on Corporate Governance

We consider enhancing corporate governance a critical task for management, and are working to develop organizational structures and policies for legal and ethical compliance, appropriate and prompt decision-making, efficient business practices, and effective auditing and supervisory functions.

At the General Meeting of Shareholders in June 2012, TEPCO resolved to adopt the "Company with Committees" management structure. Under this new structure, we are striving to further improve the objectivity and transparency of our management.

Corporate Governance Systems

(1) The Board of Directors and the Board of Executive Officers

The Board of Directors comprises eleven Directors, including six Outside Directors who account for the majority, and the number of board members is limited to eleven. To supervise business execution undertaken by Directors and Executive Officers, the Board of Directors generally meets once a month and holds additional special meetings as necessary to discuss and make decisions on important business execution and to receive reports from Executive Officers on the status of their business execution on both a regular and an as-needed basis. In addition, TEPCO has established the Nominating Committee, Audit Committee and Compensation Committee in accordance with the stipulations concerning a "Company with Committees" as set forth in Japan's Companies Act.

Also, 14 Executive Officers, consisting principally of individuals promoted from within the Company, execute business operations in accordance with management policies formulated by the Board of Directors. To ensure appropriate and prompt decision making as well as efficient business operations, the Board of Executive Officers Meeting, which generally convenes on a weekly basis, and other formal bodies discuss significant corporate management matters, including matters to be referred to the Board of Directors. TEPCO has also set up cross-organizational committees aimed at assisting the decision making of the Board of Executive Officers.

In addition, TEPCO has appointed Corporate Officers who bear responsibilities for specific businesses and execute operations accordingly.

(2) Nominating Committee

The Nominating Committee comprises five Directors, including three Outside Directors, and meets at least once a year to determine the content of proposals with regard to the election and dismissal of Directors that are submitted to the Shareholders Meeting. Although not included in the items to be discussed by the Nominating Committee as set forth in the Companies Act, the committee also discusses matters concerning the selection and dismissal of Executive Officers and other management personnel.

(3) Audit Committee

The Audit Committee comprising three directors, including two Outside Directors, generally meets once a month and holds additional special meetings as necessary to audit the business execution of Directors and Executive Officers and to prepare audit reports. To ensure the stringency of audits, members of the Audit Committee attend such important meetings as those of the Board of Directors and the Board of Executive Officers to receive reports from Directors and Executive Officers on the status of their business execution. In addition, the Audit Committee conducts on-site audits of the Head Office and other major bases of operations to ascertain the status of business operations and assets. To support the Audit Committee, TEPCO has appointed Audit Committee Aides while establishing the Office of Audit Committee.

(4) Compensation Committee

The Compensation Committee consists of three Outside Directors and meets at least once a year to prescribe the policy on decisions on the content of the remuneration for individual Directors and Executive Officers, and to determine the content of remuneration for individual Directors and Executive Officers.

Internal Control

At its April 2006 meeting, the Board of Directors established a set of guidelines for internal control systems under the theme "Developing a Framework to Ensure Appropriate Operations," and revised said guidelines at its June 2013 meeting. Based on these guidelines, the Internal Control Committee leads efforts to establish, apply and from time to time evaluate and improve internal control systems in order to ensure appropriate operations, including thorough compliance with laws and other regulations and more effective and efficient operations.

The Internal Control Committee also works to ensure the reliability of financial reporting by applying appropriate systems and performing evaluations that conform to "The System of Reporting the Internal Control over Financial Reporting" under the Financial Instruments and Exchange Act.

The TEPCO Group also implements integrated risk management. Group companies report to and hold timely discussions with TEPCO concerning important issues that arise in the course of business. In this way, we stay apprised of management conditions at Group companies and share and solve Group management issues. Furthermore, TEPCO is working to establish a an overarching framework of internal controls for the entire Group and supports Group companies' autonomous construction and operation of controls that ensure appropriate operations.

Spearheaded by the Internal Audit & Management of Quality & Safety Department and Nuclear Quality Management Department, internal audits are conducted on both a regular and an as-needed basis to confirm the status of various management activities. The results of the principal internal audits are reported to the Board of Executive Officers and other formal bodies, and based on said results measures are taken as needed.

Risk Management

Directors and Executive Officers identify and evaluate risk associated with the business activities of TEPCO and Group companies on both a regular and an as-needed basis and properly reflect such risk in the Business Management Plan formulated for each fiscal year.

Concerning risk that might seriously affect corporate management, the Risk Management Committee chaired by the President works to prevent such risk from materializing. If the risk does materialize, the committee quickly and appropriately deals with said risk in order to ensure the impact on corporate management is minimal. In particular, risk associated with nuclear power generation is handled by the Nuclear Safety Oversight Office, a specialized department established to advise the Board of Directors. Drawing on the expertise of external specialists working with the department, the Nuclear Safety Oversight Office evaluates Executive Officers' business executions with regard to the safety of nuclear power generation, provides advice as needed and submits reports to the Board of Directors, thereby strengthening the Board of Directors' control of nuclear power-related risk.

Remuneration Paid to Officers and Accounting Auditors

In accordance with stipulations concerning a "Company with Committees" as set forth in the Companies Act, TEPCO established, at its Compensation Committee, its policy on decisions regarding the content of remuneration for individual Directors and Executive Officers as follows:

The main duty of each Director is to supervise corporate management execution. Therefore, with regard to the determination of remuneration paid to Directors, the committee has adopted as basic policies the securing of excellent internal and external human resources and ensuring the efficiency of supervisory functions.

The duties of our Executive Officers are to simultaneously administer nuclear damage compensation, achieve the decommissioning of the nuclear reactors and ensure a stable power supply as well as to advance reforms aimed at achieving the shift toward a new TEPCO by soundly implementing the Comprehensive Special Business Plan as responsible persons in charge of corporate management and the relevant departments. Therefore, with regard to the determination of remuneration paid to Executive Officers, the committee adopted as basic policies the securing of excellent human resources capable of carrying out these duties and the effective provision of incentives for the execution of corporate management.

These policies will be reviewed as needed based on future changes in the management environment.

1)Remuneration paid to Directors

- The amount of basic remuneration paid to each Director is determined taking into consideration whether he/she is a full time or part time Director, the committee to which he/she belongs and job description.
- In terms of ensuring the linkage with shareholder value, the introduction of a share-based remuneration system will be considered by the Compensation Committee based on the actual status of the progress of Comprehensive Special Business Plan.
- Directors who concurrently serve as Executive Officers do not receive the remuneration paid to Directors.

2)Remuneration paid to Executive Officers

- The amount of basic remuneration paid to each Executive Officer is determined based on his/her specific rank, whether he/she holds the right to represent the Company and his/her job description.
- The introduction of a performance-based remuneration system and a share-based remuneration system will be considered by the Compensation Committee, taking into consideration the actual implementation status of the Comprehensive Special Business Plan.

3)Amount of remuneration paid

- When determining the amount of remuneration to be paid to Directors and Executive Officers, TEPCO takes into consideration its management environment, the remuneration paid by other companies and the current salaries of employees, with the aim of setting remuneration at levels commensurate with their abilities and responsibilities.

In addition, TEPCO abolished the gratuities system for retiring Directors and Auditors on June 28, 2005.

Remuneration for Officers (Fiscal 2012)

(1) Prior to adopting the "Company with Committees" management structure (From April to June 2012)

	(Millions of Yen) Remuneration
Directors (8)	35
Auditors (6)	18

(2) Following the adoption of the "Company with Committees" management structure (From July 2012 to March 2013)

	(Millions of Yen) Remuneration
Directors (5)	26
Executive Officers (13)	146

Remuneration for Accounting Auditor (Fiscal 2012)

	(Millions of Yen) Remuneration
For auditing and certification services	216
Other services	7

Board of Directors and Executive Officers

As of June 26, 2013

BOARD OF DIRECTORS (*Outside director)

CHAIRMAN, AUDIT COMMITTEE CHAIR, NOMINATING COMMITTEE AND COMPENSATION COMMITTEE MEMBER

Kazuhiko Shimokobe* (Lawyer)

Apr. 1974	Lawyer (Current)
Apr. 2007	Chairman of the Tokyo Bar Association; Vice-President of the Japan Federation of Bar Associations(Until March 2008)
May 2011	Chair of the TEPCO Management and Finance Investigation Committee (Until October 2011)
Oct. 2011	Chair of Steering Committee of the Nuclear Damage Liability Facilitation Fund (Until June, 2012)
June 2012	Chairman (Current)

DIRECTOR AND NOMINATING COMMITTEE MEMBER

Naomi Hirose

Apr. 1976	Joined TEPCO
June 2007	Corporate Officer; Deputy General Manager, Marketing & Sales Division
June 2008	Corporate Officer; General Manager, Kanagawa Branch Office
June 2010	Managing Director
Mar. 2011	Managing Director; Deputy General Manager, Fukushima Nuclear Influence Response Division
June 2012	President
Sep. 2012	President, Chief of the Nuclear Reform Special Task Force
Apr. 2013	President, Chief of the Nuclear Reform Special Task Force, Director of Social Communication Office
May 2013	President, Chief of the Nuclear Reform Special Task Force, Director of Social Communication Office, Chief of the New Growth Task Force
June 2013	President, General Manager of the Management Restructuring Division, Chief of the Nuclear Reform Special Task Force, Director of Social Communication Office, Chief of the New Growth Task Force (Current)

DIRECTOR

Hiroshi Yamaguchi

DIRECTOR

Zengo Aizawa

DIRECTOR AND NOMINATING COMMITTEE MEMBER

Takashi Shimada

DIRECTOR AND AUDIT COMMITTEE MEMBER

Yoshihiro Naito

DIRECTOR AND NOMINATING COMMITTEE CHAIR

Fumio Sudo* (Advisor, JFE Holdings, Inc.)

DIRECTOR AND COMPENSATION COMMITTEE CHAIR

Kimikazu Noumi*

(Representative Director & President, Innovation Network Corporation of Japan)

DIRECTOR AND NOMINATING COMMITTEE MEMBER

Yoshimitsu Kobayashi*

(Representative Director, President & Chief Executive Officer, Mitsubishi Chemical Holdings Corporation)

DIRECTOR AND AUDIT COMMITTEE MEMBER

Takao Kashitani* (Certified Public Accountant)

DIRECTOR AND COMPENSATION COMMITTEE MEMBER

Yoshiaki Fujimori*

(Director, Representative Executive Officer, President & CEO, LIXIL Group Corporation)

Executive Officers (**Concurrently serving as a director)

PRESIDENT

Naomi Hirose**

General Manager of the Management Restructuring Division, Chief of the Nuclear Reform Special Task Force, Director of Social Communication Office, Chief of the New Growth Task Force

EXECUTIVE VICE PRESIDENTS

Hiroshi Yamaguchi**

(General Management, Corporate Systems Dept., Engineering R&D Dept., Construction Dept.)

Zengo Aizawa**

Deputy Chief of the Nuclear Reform Special Task Force, General Manager of Nuclear Power & Plant Siting Division(General Management)

Yoshiyuki Ishizaki

Fukushima Revitalization Headquarters Representative, General Manager of Fukushima Division, Deputy General Manager of Nuclear Power & Plant Siting Division(General Management)

MANAGING EXECUTIVE OFFICERS

Toshihiro Sano

President of Fuel & Power Company

Mamoru Muramatsu

Co-Secretary General of Management Restructuring Division; (International Affairs Dept., Gas Business Dept.)

Tsunemasa Niitsuma

Deputy General Manager of Fukushima Division, Deputy General Manager of Nuclear Power & Plant Siting Division

Toshiro Takebe

President of Power Grid Company

Yuji Masuda

Deputy General Manager of Fukushima Division, Deputy General Manager of Nuclear Power & Plant Siting Division (Environment Dept., Corporate Affairs Dept.)

Takeshi Yamazaki

President of Customer Service Company

Katsuyuki Sumiyoshi

(Accounting & Treasury Dept., Materials & Procurement Dept., Internal Audit & Management of Quality & Safety Dept., Nuclear Quality Management Dept.)

Takafumi Anegawa

Secretary General of the Nuclear Reform Special Task Force, Deputy General Manager of Nuclear Power & Plant Siting Division

Motomi Iki

In charge of Inter-corporate Business(Corporate Communications Dept., Employee Relations & Human Resources Dept.)

EXECUTIVE OFFICER

Takashi Shimada**

Assistant to Chairman, Co-Secretary General of the Management Restructuring Division

Organization Chart

As of July 1, 2013

- Board of Directors
  - Chairman
    President
- Office of Audit Committee
- Nuclear Safety Oversight Office

Fukushima Revitalization Headquarters

Representative of the Fukushima Revitalization Headquarter

- Fukushima Division
  - Planning and General Affairs Dept.
  - Fukushima Nuclear Compensation Office
  - Decontamination Promotion Office
  - Revitalization Promotion Office
  - Revitalization Coordination Office
  - Fukushima Corporate Communications Dept.

- Management Restructuring Div.
  - Secretariat of Management Restructuring Div.
  - Secretariat of the Nuclear Reform Special Task Force
  - Social Communication Office
  - Secretariat of the New Growth Task Force
  - Corporate Planning Dept.
  - Inter-corporate Business Dept.
- Secretary Dept.
- Environment Dept.
- Corporate Systems Dept.
- Corporate Communications Dept.
- Corporate Affairs Dept.
- Employee Relations & Human Resources Dept.
- Accounting & Treasury Dept.
- Materials & Procurement Dept.
- International Affairs Dept.
- TEPCO Hospital
- Engineering R & D Dept.
- Construction Dept.

- Nuclear Power & Plant Siting Div.
  - Fukushima Daiichi Stabilization Center
    - Fukushima Daiichi Nuclear Power Station
  - Nuclear Power & Plant Siting Administrative Dept.
  - Nuclear Quality & Safety Management Dept.
  - Plant Siting & Regional Relations Dept.
  - Nuclear Power Plant Management Dept.
  - Nuclear Asset Management Dept.
  - Nuclear Fuel Cycle Dept.
  - Nuclear Power Stations (2)
  - Higashidori Nuclear Power Plant Construction Office
- Internal Audit & Management of Quality & Safety Dept.
- Nuclear Quality Management Dept.
- Gas Business Dept.
- Smart Meter Promotion Office
- Branch Offices (10)
- Fuel & Power Company
  - Fuel Dept.
  - Thermal Power Dept.
  - Thermal Power Offices (3)
  - Thermal Power Plant Construction Offices (5)
- Power Grid Company
  - Transmission Dept.
  - Distribution Dept.
  - Power System Operation Dept.
  - Network Service Center
  - Electronic Telecommunications Dept.
  - Real Estate Acquisition & Management Dept.
  - Power System Offices (3)
- Customer Service Company
  - Pricing & Power Contract Dept.
  - Marketing & Customer Relations Dept.
  - Corporate Marketing & Sales Dept.

Major Facilities

As of March 31, 2013

Generation Facilities

Hydroelectric Power

(with a capacity of more than 500 MW)

Station Name	Location	Output (MW)	Type
Imaichi	Tochigi Pref.	1,050	Dam and conduit*
Shiobara	Tochigi Pref.	900	Dam and conduit*
Tambara	Gunma Pref.	1,200	Dam and conduit*
Kannagawa	Gunma Pref.	940	Dam and conduit*
Kazunogawa	Yamanashi Pref.	800	Dam and conduit*
Azumi	Nagano Pref.	623	Dam and conduit*
Shin-Takasegawa	Nagano Pref.	1,280	Dam and conduit*
Total hydroelectric power output (All facilities)		**9,453**	

*Pumped storage

Thermal Power

(with a capacity of more than 1,000MW)

Station Name	Location	Output (MW)	Fuel
Ohi	Tokyo	1,259	Crude oil and city gas
Shinagawa	Tokyo	1,140	City gas
Yokosuka	Kanagawa Pref.	2,528	Heavy oil, crude oil, light oil and city gas
Kawasaki	Kanagawa Pref.	2,128	LNG
Yokohama	Kanagawa Pref.	3,325	LNG, heavy oil, crude oil and NGL
Minami-Yokohama	Kanagawa Pref.	1,150	LNG
Higashi-Ohgishima	Kanagawa Pref.	2,000	LNG
Chiba	Chiba Pref.	3,882	LNG
Goi	Chiba Pref.	1,886	LNG
Anegasaki	Chiba Pref.	3,606	LNG, heavy oil, crude oil, LPG, NGL and light oil
Sodegaura	Chiba Pref.	3,600	LNG
Futtsu	Chiba Pref.	5,040	LNG
Kashima	Ibaraki Pref.	5,204	Heavy oil, crude oil and city gas
Hitachinaka	Ibaraki Pref.	1,000	Coal
Hirono	Fukushima Pref.	3,800	Heavy oil, crude oil and coal
Total thermal power output (All facilities)		**41,598**	

Nuclear Power

Station Name	Location	Output (MW)	Reactor type
Fukushima Daiichi	Fukushima Pref.	1,884	BWR
Fukushima Daini	Fukushima Pref.	4,400	BWR
Kashiwazaki-Kariwa	Niigata Pref.	8,212	BWR, ABWR
Total nuclear power output (All facilities)**		**14,496**	

**Due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake, which struck on March 11, 2011, the operations of all the units in Fukushima Daiichi, Fukushima Daini and Kashiwazaki-Kariwa Nuclear Power Stations have been suspended.

Supply Facilities

Transmission Facilities

(with a capacity of more than 500 kV)

Line Name	Type	Voltage (kV)	Length (km)
Nishi-Gunma Trunk Line	Overhead	500***	167.99
Minami-Niigata Trunk Line	Overhead	500***	110.77
Minami-Iwaki Trunk Line	Overhead	500***	195.40
Fukushima Trunk Line	Overhead	500	181.64
Fukushima Higashi Trunk Line	Overhead	500	171.35
Shin-Toyosu Line	Underground	500	39.50

***Partially designed for 1,000 kV transmission

Substation Facilities

Substation Name	Location	Maximum Voltage (kV)	Output (Thousand kVA)
Shin-Noda	Chiba Pref.	500	8,020
Shin-Sakado	Saitama Pref.	500	6,900
Shin-Keiyo	Chiba Pref.	500	6,750
Boso	Chiba Pref.	500	6,690
Shin-Fuji	Shizuoka Pref.	500	6,650

Financial Section

Consolidated 11-Year Summary

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries

	2013	2012	2011	2010
Years ended March 31:				
Operating revenues	**¥ 5,976,239**	¥ 5,349,445	¥ 5,368,536	¥ 5,016,257
Operating (loss) income	**(221,988)**	(272,513)	399,624	284,443
Income (loss) before income taxes and minority interests	**(653,022)**	(753,761)	(766,134)	223,482
Net (loss) income	**(685,292)**	(781,641)	(1,247,348)	133,775
Depreciation and amortization	**621,080**	686,555	702,185	759,391
Capital expenditures	**675,011**	750,011	676,746	640,885
Per share of common stock (Yen and U.S. dollars):				
Net (loss) income (basic)	**¥ (427.64)**	¥ (487.76)	¥ (846.64)	¥ 99.18
Net income (diluted) (Note 3)	**—**	—	—	99.18
Cash dividends	**—**	—	30.00	60.00
Equity	**72.83**	491.22	972.28	1,828.08
As of March 31:				
Total net assets (Note 4)	**¥ 1,137,812**	¥ 812,476	¥ 1,602,478	¥ 2,516,478
Equity (Note 5)	**1,116,704**	787,177	1,558,113	2,465,738
Total assets	**14,989,130**	15,536,456	14,790,353	13,203,987
Interest-bearing debt	**7,924,819**	8,320,528	9,024,110	7,523,952
Number of employees	**48,757**	52,046	52,970	52,452
Financial ratios and cash flow data:				
ROA (%) (Note 6)	**(1.5)**	(1.8)	2.9	2.1
ROE (%) (Note 7)	**(72.0)**	(66.7)	(62.0)	5.5
Equity ratio (%)	**7.5**	5.1	10.5	18.7
Net cash provided by (used in) operating activities	**¥ 260,895**	¥ (2,891)	¥ 988,710	¥ 988,271
Net cash used in investing activities	**(636,698)**	(335,101)	(791,957)	(599,263)
Net cash provided by (used in) financing activities	**632,583**	(614,734)	1,859,579	(495,091)
Other data (Non-consolidated):				
Electricity sales (million kWh)				
Electricity sales for lighting	**95,277**	95,797	103,422	96,089
Electricity sales for power (Note 8)	**10,890**	11,160	12,174	11,393
Electricity sales to eligible customers (Note 8)	**162,866**	161,273	177,790	172,686
Total	**269,033**	268,230	293,386	280,167
Power generation capacity (thousand kW) (Note 9):				
Hydroelectric	**9,454**	8,982	8,981	8,987
Thermal	**41,598**	40,148	38,696	38,189
Nuclear	**14,496**	17,308	17,308	17,308
Renewable energy, etc.	**34**	34	4	4
Total	**65,582**	66,472	64,988	64,487
Nuclear power plant capacity utilization rate (%)	**0.0**	18.5	55.3	53.3

Notes: 1. All dollar amounts refer to U.S. currency. Yen amounts have been translated, solely for the convenience of the reader, at the rate of ¥94.01 to US$1.00 prevailing on March 29, 2013.
2. Amounts of less than one million yen have been omitted. All percentages have been rounded to the nearest unit.
3. Net income per share after dilution by potential shares for the years ended March 31, 2005 to March 31, 2007 is omitted as there were no potential shares. Net income per share after dilution by potential shares for the years ended March 31, 2008, March 31, 2009 and March 31, 2012 is omitted as there were no potential shares and the Company recognized a net loss for these years. Net income per share after dilution by potential shares for the years ended March 31, 2011 and March 31, 2013 is omitted despite the existence of potential shares as the Company recognized a net loss for both years.
4. "Total net assets" is a new item presented to conform to revised Japanese accounting standards. The figure for the year ended March 31, 2006 has been restated to reflect this change.
5. Equity = Total net assets – Stock acquisition rights – Minority interests
6. ROA = Operating income/Average total assets
7. ROE = Net income/Average equity
8. Electricity sales for power and electricity sales to eligible customers are presented according to customers categorized as eligible in each fiscal year, and are not restated for changes in the number of eligible customers in succeeding years.
9. TEPCO facilities only. "Renewable energy, etc." includes geothermal and wind power generation capacity. Prior to the year ended March 31, 2010, geothermal power generation capacity was included in thermal power generation capacity. Due to reclassification, it has been included in "Renewable energy, etc." from the year ended March 31, 2010. Prior years have not been restated.

Millions of yen, unless otherwise noted							Millions of U.S. dollars, unless otherwise noted (Note 1)
2009	2008	2007	2006	2005	2004	2003	**2013**
¥ 5,887,576	¥ 5,479,380	¥ 5,283,033	¥ 5,255,495	¥ 5,047,210	¥ 4,853,826	¥ 4,919,109	**$ 63,570**
66,935	136,404	550,911	576,277	566,304	489,004	521,406	**(2,362)**
(99,574)	(212,499)	496,022	473,832	372,814	255,309	265,170	**(6,946)**
(84,518)	(150,108)	298,154	310,388	226,177	149,550	165,267	**(7,290)**
757,093	772,460	751,625	824,041	847,505	889,955	922,357	**6,607**
695,981	664,295	574,687	623,726	561,206	663,967	706,656	**7,180**
¥ (62.65)	¥ (111.26)	¥ 220.96	¥ 229.76	¥ 167.29	¥ 110.53	¥ 122.08	**$ (4.55)**
—	—	—	—	—	110.32	121.33	**—**
60.00	65.00	70.00	60.00	60.00	60.00	60.00	**—**
1,763.32	1,967.03	2,248.34	2,059.52	1,853.52	1,748.06	1,662.38	**0.77**
¥ 2,419,477	¥ 2,695,455	¥ 3,073,778	¥ 2,815,424	¥ —	¥ —	¥ —	**$ 12,103**
2,378,581	2,653,762	3,033,537	2,779,720	2,502,157	2,360,475	2,245,892	**11,879**
13,559,309	13,679,055	13,521,387	13,594,117	13,748,843	13,900,906	14,177,296	**159,442**
7,938,087	7,675,722	7,388,605	7,840,161	8,261,717	8,765,175	9,076,289	**84,298**
52,506	52,319	52,584	51,560	53,380	51,694	52,322	**—**
0.5	1.0	4.1	4.2	4.1	3.5	3.6	**—**
(3.4)	(5.3)	10.3	11.8	9.3	6.5	7.5	**—**
17.5	19.4	22.4	20.4	18.2	17.0	15.8	**—**
¥ 599,144	¥ 509,890	¥ 1,073,694	¥ 935,622	¥ 1,411,470	¥ 1,147,591	¥ 1,406,300	**$ 2,775**
(655,375)	(686,284)	(550,138)	(615,377)	(577,503)	(693,871)	(863,797)	**(6,773)**
194,419	188,237	(514,885)	(350,193)	(785,600)	(451,371)	(573,761)	**6,729**
96,059	97,600	93,207	95,186	92,592	86,926	89,354	
11,905	12,785	12,631	13,499	78,239	114,772	116,551	
180,992	187,012	181,784	179,969	115,910	74,314	75,997	
288,956	297,397	287,622	288,655	286,741	276,012	281,902	
8,986	8,985	8,993	8,993	8,521	8,520	8,520	
37,686	36,179	35,533	35,536	36,995	36,831	34,548	
17,308	17,308	17,308	17,308	17,308	17,308	17,308	
1	1	1	1	1	1	1	
63,981	62,473	61,835	61,837	62,825	62,660	60,377	
43.8	44.9	74.2	66.4	61.7	26.3	60.7	

A

Eligible customers are retail electric power customers included in the scope of liberalization. From March 2000, eligible customers were those in the high-voltage market with contracts to receive over 2,000 kW annually. From April 2004, eligible customers were those in the high-voltage market with contracts to receive over 500 kW annually. From April 2005, eligible customers were those in the high-voltage market with contracts to receive over 50 kW annually.

Financial Review

Analysis of Business Results for the Year Ended March 31, 2013

Business Results

In the fiscal year ended March 31, 2013, operating revenues increased 11.7 percent year on year to ¥5,976.2 billion and operating loss amounted to ¥221.9 billion, an improvement from an operating loss of ¥272.5 billion in the previous fiscal year.

On the other hand, extraordinary income stood at ¥913.9 billion. This was mainly attributable to grants-in-aid from the Nuclear Damage Liability Facilitation Fund amounting to ¥696.8 billion. Other factors contributing to extraordinary income included TEPCO's initiatives aimed at accelerating management streamlining, which brought about gains on fixed assets sold and profit on securities sold as well as other cost reduction efforts, such as a review of pension plans.

Extraordinary loss, totaling ¥1,248.8 billion, included a ¥40.2 billion loss on disaster and ¥1,161.9 billion in payments of compensation for nuclear damages caused by the nuclear accidents.

As a result, TEPCO recorded net loss of ¥685.2 billion, compared with net loss of ¥781.6 billion in the previous fiscal year.

Segment Results

Electric Power Business Segment

Despite the impact of a decline in production activities, electricity sales increased 0.3 percent from the previous fiscal year to 269.0 billion kWh due mainly to a rebound in electricity usage that reflected the diminishing impact of the Tohoku-Chihou-Taiheiyou-Oki Earthquake.

By demand type, electricity sales for lighting decreased 0.5 percent to 95.3 billion kWh, electricity sales for power decreased 2.4 percent to 10.9 billion kWh, and electricity sales to eligible customers increased 1.0 percent to 162.9 billion kWh compared with the previous fiscal year.

On the revenue side, operating revenues increased 13.3 percent from the previous fiscal year to ¥5,660.0 billion due mainly to increases in unit sales prices that reflected revisions in electricity rates and the fuel cost adjustment system.

On the expense side, operating expenses increased 11.5 percent year on year to ¥5,929.7 billion. This was mainly attributable to a considerable increase in fuel expenses due to such reasons as hikes in fuel prices, which were further worsened by unfavorable foreign currency exchange trends because of the depreciation of the yen, and an increase in fuel purchases due to a decrease in power normally supplied from nuclear power stations.

Consequently, operating loss in the electric power business segment amounted to ¥269.6 billion, a slight improvement from operating loss of ¥323.7 billion in the previous fiscal year.

Other Business Segments

In other business segments, operating revenues decreased 9.3 percent year on year to ¥591.3 billion. This was mainly attributable to a sales decrease due to the sale of a subsidiary that was implemented as a part of the Company's management streamlining. On the other hand, operating expenses decreased 9.1 percent to ¥547.4 billion, due to such factors as a decrease in expenses that reflects the sale of such subsidiary. Consequently, operating income decreased 12.0 percent year on year to¥43.9 billion.

Net Loss

Loss before income taxes and minority interests in the fiscal year under review stood at ¥653.0 billion, an improvement from the ¥753.7 billion loss recorded in the previous fiscal year.

The main factors helping to decrease loss before income taxes and minority interests included the recording of extraordinary income totaling ¥913.9 billion, which consists mainly of ¥696.8 billion in grants-in-aid from the Nuclear Damage Liability Facilitation Fund, and the success of TEPCO's initiatives aimed at accelerating management streamlining through the sale of fixed assets and securities and review of pension plans.

The main factors helping to increase loss before income taxes and minority interests were a ¥40.2 billion loss on disaster and ¥1,161.9 billion in payment of compensation for nuclear damages.

For the fiscal year under review, TEPCO recorded income taxes of ¥26.3 billion, income taxes—deferred of ¥2.3 billion, and minority interests of ¥3.5 billion.

As a result, net loss for the fiscal year under review totaled ¥685.2 billion, an improvement from net loss of ¥781.6 billion recorded in the previous fiscal year. Net loss per share stood at ¥427.64, an improvement from net loss per share of ¥487.76 recorded in the previous fiscal year.

Financial Policy

Due to the accident at the Fukushima Daiichi Nuclear Power Station caused by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, TEPCO's financial standing and income structure have been impaired. As a result, TEPCO recorded substantial expenses and losses as well as an increase in fuel costs accompanying the suspension of nuclear power generation. Accordingly, TEPCO's independent fund procurement capability has declined significantly.

Because of this, in accordance with the Comprehensive Special Business Plan (hereinafter the "Plan") approved by the minister in charge on May 9, 2012, TEPCO received an investment from the Nuclear Damage Liability Facilitation Fund (hereinafter the "Fund") on July 31, 2012, through the issuance by third party allotment of Class A Preferred Stocks and Class B Preferred Stocks totaling ¥1 trillion, with the Fund as allottee.

Upon a request submitted by TEPCO in accordance with the Plan, all correspondent financial institutions are maintaining TEPCO's existing credit lines through refinancing. Also upon said request, such financial institutions extended their finance loans to TEPCO in amounts equivalent to the amounts repaid by the Company during the period from March 11 to September 30, 2011. Moreover, TEPCO requested principal financial institutions to provide additional credit.

With its paid-in capital strengthened by the Fund as well as with the support and cooperation of financial institutions, TEPCO is working to further augment its financial position so that it may recover the independent fund procurement capability it previously had and ultimately achieve its aim of returning to the bond market.

The TEPCO Group has adopted a group financial system to improve the fund raising efficiency of TEPCO Group members.

Cash Flow

Cash and cash equivalents at the end of the fiscal year under review increased 20.8 percent, or ¥260.6 billion from the previous fiscal year, to ¥1, 514.5 billion.

Net cash provided by operating activities amounted to ¥260.8 billion, a turnaround from net cash used of ¥2.8 billion in the previous fiscal year. This was mainly attributable to a decrease in trust funds for the reprocessing of irradiated nuclear fuel.

Net cash used in investing activities increased 90.0 percent year on year to ¥636.6 billion due mainly to a decrease in proceeds from the sale of securities and other activities aimed at recovering loans and recouping investments.

Net cash provided by financing activities amounted to ¥632.5 billion, a turnaround from net cash used of ¥614.7 billion in the previous fiscal year. This was mainly attributable to proceeds from the issuance of stock.

Capital Expenditures

During the fiscal year ended March 31, 2013, TEPCO reduced its capital expenditures to the minimum level required to maintain a stable electricity supply. However, due mainly to expenses associated with the installation of new power sources as a countermeasure against the potential shortage of electricity supply capability, consolidated capital expenditures stood at ¥675.0 billion in the fiscal year under review.

By segment, capital expenditures, including intercompany transactions, amounted to ¥647.3 billion in the electric power business segment and ¥31.0 billion in the other business segments (¥7.3 billion in the information and telecommunications business segment; ¥19.1 billion in the energy and environment business segment; and ¥46.1

billion in the living environment and lifestyle-related business segment).

In addition, the Company filed a notification with regard to the closing of operations at the Fukushima Daiichi Nuclear Power Station units 1 through 4 (output capacity: 2,812,000kW) as of April 19, 2012, in accordance with the stipulation with regard to the changes in electricity facilities set forth in Article 9 of Japan's Electricity Business Act.

Assets, Liabilities and Net Assets

As of March 31, 2013, total assets decreased ¥547.3 billion year on year to ¥14,989.1 billion, reflecting a decline in receivables for grants-in-aid from the Nuclear Damage Liability Facilitation Fund.

Total liabilities decreased ¥872.6 billion from the previous fiscal year-end to ¥13,851.3 billion. This was mainly attributable to decreases in interest-bearing debt and reserve for nuclear damage compensation.

Net assets increased ¥325.3 billion from the previous fiscal year-end to ¥1,137.8 billion, despite net loss recorded for the fiscal year under review. This was mainly attributable to investment received from the Nuclear Damage Liability Facilitation Fund.

Consequently, the equity ratio increased 2.4 percentage points to 7.5 percent from 5.1 percent in the previous fiscal year.

Dividend Policy

TEPCO recognizes sharing corporate profits with shareholders as one of its primary tasks. However, due to an ongoing severe management environment and state of its financial position since the Tohoku-Chihou-Taiheiyou-Oki Earthquake, TEPCO has suspended the application of its basic dividend policy.

Currently, TEPCO's Articles of Incorporation stipulates that the interim dividend may be paid upon the determination of the Board of Directors. Until now, TEPCO has maintained a basic policy of paying both an interim and a fiscal year-end dividend. The interim dividend is determined by the Board of Directors, the fiscal year-end dividend at TEPCO's Annual General Meeting of Shareholders.

Going forward, a new dividend policy may be considered, subject to TEPCO's financial position.

For the year ended March 31, 2013, TEPCO recorded an operating loss due mainly to the decrease in the volume of nuclear power generation and increased fuel expenses resulting from fuel price hike. Moreover, the Company recorded extraordinary losses due to such factors as the payment of compensation for damage caused by the nuclear accident that went well beyond the extraordinary income brought in by grants-in-aid from the Nuclear Damage Liability Facilitation Fund. As a result, TEPCO has incurred substantial losses. In consideration of this, TEPCO had to temporarily suspend the payment of both the interim and the year-end dividends.

For the year ending March 31, 2014, TEPCO plans to again suspend the payment of the interim and year-end dividends, given the prospect of an ongoing severe management environment and its financial position.

Risk Factors

The following primary risk factors to which the TEPCO Group is subject may exert a significant influence on investor decisions. Issues that may not necessarily be relevant as risk factors are also presented below in keeping with TEPCO's vigorous efforts to disclose information to its investors.

The accident that occurred at the Fukushima Daiichi Nuclear Power Station in March 2011 as a result of the Tohoku-Chihou-Taiheiyou-Oki Earthquake and subsequent tsunami has caused widespread anxiety with regard to such issues as the dispersal of radioactive substances and disruption in the stable supply of electricity. Also, the accident led to a significant deterioration in the TEPCO Group's management conditions.

To address this adversity, the Company, along with the Nuclear Damage Liability Facilitation Fund, formulated the Comprehensive Special Business Plan, which summarizes issues to be addressed and policies to deal with such issues, and obtained the approval of said plan from the minister in charge in May 2012. In addition, the Company established the "Management Policy towards Restoration," which encompasses the "Intensive Reform Implementation Action Plan," in November 2012. Under these plans and policies, and with the cooperation of a number of stakeholders, including its shareholders and investors, the Company is rallying its entire strength to overcome the challenges it is confronting as it strives to rebuild its operating platform.

However, the operating environment surrounding the TEPCO Group remains harsh and the Company's business operations may be significantly affected if the following risks materialize.

The forward-looking statements included in the following represent estimates as of June 27, 2013.

(1) Accident at Fukushima Daiichi Nuclear Power Station

As a result of the accident at Fukushima Daiichi Nuclear Power Station in March 2011, the Company confronted disruptions and widespread anxiety throughout society while facing the risks described in "Management Policy towards Restoration" announced on November 7, 2012.

The Company is striving to push forward with the decommissioning of and other steps at Units 1 through 4 of the Fukushima Daiichi Nuclear Power Station in accordance with the Mid-and-long-Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Units 1-4 (hereinafter the "Mid-and-long-Term Roadmap") and in cooperation with the government and relevant institutions.

However, the execution of such steps entails a number of challenges, including storing and disposing of vast amounts of contaminated water and other issues associated with the maintenance of stableness of reactors as well as the removal of nuclear debris, which involves technical difficulties that the Company has never experienced. Because of these challenges, the implementation of these steps may not progress in accordance with the Mid-and-long-Term Roadmap. This could, in turn, impact the Company's business operations.

Furthermore, in view of the deterioration in the Group's fund procurement capability due to the lowering of its ratings following the nuclear accident, the Group's business performance, financial condition and operations may be affected.

(2) Stable Supply of Electric Power

Due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the operations of all generators at the Fukushima Daiichi, Daini and Kashiwazaki-Kariwa Nuclear Power Stations have been suspended. This, in turn, caused the TEPCO Group's electricity supply capability to deteriorate. In response, the Company is implementing measures aimed at securing stable electricity supply as well as those on demand side. However, natural disasters, accidents at facilities, sabotage, including terrorist acts, and problems in obtaining fuel are among the contingencies that could cause large-scale, extended power outages, which could render TEPCO unable to provide a stable supply of electric power. Such cases could negatively affect the TEPCO Group's business performance and financial condition, public trust and operations.

(3) Nuclear Power Generation and Nuclear Fuel Cycle

Based on the outcome of the nuclear accident at Fukushima, revisions are being made to Japan's national nuclear policy, while the tightening of safety regulations is discussed at the Nuclear Regulation Authority. The Company will be obliged to incorporate countermeasures aimed at improving the safety of nuclear power generation pursuant to the abovementioned revisions. Also, the operations of the Company and its affiliates involving nuclear power generation and the nuclear fuel cycle might be affected by such revisions. These factors may, in turn, impact the Group's business performance and financial condition.

As for nuclear power plants, the Company has implemented urgent safety countermeasures based on instructions received from the Minister of Economy, Trade and Industry that take into consideration the occurrence of the nuclear accident. Efforts are now under way to further reinforce safety countermeasures at nuclear power plants and to achieve corporate reforms, in line with the strong determination to prevent severe accidents from occurring no matter what the precipitating incident may be. Taking into consideration uncertainty about how long it will be before resumption of operations at the Kashiwazaki-Kariwa Nuclear Power Station, the Company will also advance cost reduction initiatives with the aim of offsetting cost increase resulting from the suspension of the operation of said power station while striving to take any other possible steps. However, the TEPCO Group's business performance and financial condition might be affected if the abovementioned circumstances surrounding nuclear power generation remain the same.

In addition, the nuclear power generation and nuclear fuel cycle themselves pose various risks, such as that associated with reprocessing irradiated nuclear fuel, disposing of radioactive waste and decommissioning nuclear power plants and other facilities, all of which require substantial capital investment and long periods of operation. Initiatives such as the introduction of a national system for handling back-end business have reduced these risks, but issues such as revisions of this system, an increase in provisions to reserves for costs not included in this system, operating conditions at the Rokkasho Reprocessing Plant and other facilities, and procedures for the decommissioning of the Rokkasho Uranium Enrichment Plant could affect the TEPCO Group's business performance and financial condition.

(4) Business and Environmental Regulations

The possible regulatory environment changes closely related to the TEPCO Group, such as changes in the structure of electric power business resulting from the revisions of national policy on energy and a tightening of regulations on global warming, could affect the TEPCO Group's business performance and financial condition. In addition, such issues as a decrease in the quality of electric power due to a substantial increase in renewable energy resulting from stricter environmental regulations could disrupt the smooth execution of Group operations.

(5) Electricity Sales Volume

The volume of sales in the electric power business directly reflects economic and industrial activities and is subject to the influence of the economic environment. Moreover, demand for air conditioning and heating is subject to the influence of the weather, particularly in the summer and the winter. In addition, such factors as the popularization of energy conservation measures and the advancement of energy-saving technologies may impact the sales of electricity. These issues could affect the TEPCO Group's business performance and financial condition.

(6) Customer Service

The TEPCO Group is working to enhance customer service. However, inappropriate responses to customers and other issues could affect such matters as customer satisfaction and public trust in the TEPCO Group, which could affect the business performance, financial condition, as well as the smooth execution of operations.

(7) Financial Markets Conditions

The TEPCO Group holds domestic and foreign stock and bonds in its pension plan assets and other portfolios. Changes in the value of these holdings due to issues that may include conditions in stock and bond markets could affect the TEPCO Group's business performance and financial condition. Moreover, issues including future interest rate movements affect the TEPCO Group's interest payments.

(8) Fossil Fuel Prices

The prices for liquefied natural gas (LNG), crude oil, coal and other fuels for thermal power generation change according to factors that include international market conditions and foreign exchange market movements, which could affect the TEPCO Group's business performance and financial condition. However, changes in fuel prices and foreign exchange markets are reflected in electricity rates through the fuel cost adjustment system, which reduces the impact on performance from fuel price fluctuations within a defined range.

(9) Securing Safety, Quality Control and Preventing Environmental Pollution

The TEPCO Group works to secure safety, control quality and prevent environmental pollution. However, the smooth execution of operations could be affected if the public's trust in the Group is violated by such events as 1) the occurrence of an accident, fatality or large-scale emission of pollutants into the environment as the result of such causes as operational error or a failure to comply with laws or internal regulations or 2) a public relations failure on the part of the Group resulting in such an incident as inappropriate information disclosure.

(10) Corporate Ethics and Compliance

The TEPCO Group works to ensure compliance with corporate ethics during the execution of operations. However, the violation of laws and regulations or other acts contrary to the TEPCO Group's corporate ethics could damage public trust in the TEPCO Group and affect the smooth execution of Group operations

(11) Information Management

The TEPCO Group maintains information important to its operations, including a large volume of customer information. The Group strictly administers information through means that include internal regulations and employee training. However, leaks of information could damage public trust in the TEPCO Group's ability to manage information and affect the smooth execution of Group operations.

(12) Businesses Other than Electric Power

The TEPCO Group carries out businesses other than electric power, including businesses overseas. Issues, including changes in TEPCO's management condition, increasing competition with other participants in these businesses, stricter regulations, changes in economic conditions, including foreign exchange rates and international fuel markets, political uncertainty and natural disasters, could cause actual results to differ from forecasts at the time of investment and affect the TEPCO Group's business performance and financial condition.

(13) Acquisition of TEPCO Share by the Fund

On July 31, 2012, TEPCO issued Preferred Stocks (Class A Preferred Stocks and Class B Preferred Stocks; collectively, the "Preferred Stocks") by third-party allotment, with the Fund as allottee. Class A Preferred Stocks entail voting rights at the General Meeting of Shareholders as well as put options with Class B Preferred Stocks and Common Shares as consideration. Class B Preferred Stocks also entail put options with Class A Preferred Stocks and Common Shares as consideration, although holders are not granted voting rights unless otherwise provided for in laws and regulations.

Due to the aforementioned acquisition of stocks, the Fund holds a majority of the total voting rights of the company. Consequently, the Fund's exercise of its voting rights at the shareholder's meeting, etc. might affect the Company's business operations going forward. In addition, further dilution of the Company's existing shares is possible if 1) put options on Class B Preferred Stocks are executed by the Fund to acquire Class A Preferred Stocks and/or 2) put options on the Preferred Stocks are executed by the Fund to acquire Common Shares. In particular, should the Fund execute the latter put options as stated in 2) above, such dilutions might result in a decline in the Company's share price. The share price could also be affected if the Fund were to sell Common Shares on the secondary market. Depending on the circumstances of the stock market at the time of such sale, the impact of the sale on the Company's share price might be significant.

Consolidated Balance Sheet

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2013

	Millions of yen		Millions of U.S. dollars (Note 2)
ASSETS	**March 31, 2013**	2012	**March 31, 2013**
Property, plant and equipment	**¥ 30,239,322**	¥ 30,166,017	**$ 321,661**
Construction in progress	**994,481**	943,917	**10,578**
	31,233,803	31,109,935	**332,239**
Less:			
Contributions in aid of construction	**(375,711)**	(375,571)	**(3,997)**
Accumulated depreciation	**(22,255,125)**	(21,998,576)	**(236,731)**
	(22,630,836)	(22,374,148)	**(240,728)**
Property, plant and equipment, net (Notes 4, 8, 9 and 18)	**8,602,967**	8,735,787	**91,511**
Nuclear fuel (Note 10)**:**			
Loaded nuclear fuel	**141,809**	131,555	**1,508**
Nuclear fuel in processing	**665,494**	713,841	**7,079**
	807,303	845,397	**8,587**
Investments and other:			
Long-term investments (Notes 5, 9 and 31)	**151,598**	160,792	**1,613**
Trust funds for reprocessing of irradiated nuclear fuel (Note 31)	**1,070,846**	1,125,997	**11,391**
Grants-in-aid receivable from Nuclear Damage Liability Facilitation Fund (Notes 23 and 31)	**891,779**	1,762,671	**9,486**
Other (Note 17)	**723,615**	619,576	**7,697**
	2,837,839	3,669,037	**30,187**
Current assets (Note 9)**:**			
Cash (Notes 6 and 31)	**1,754,977**	1,287,418	**18,668**
Notes and accounts receivable–customers (Note 31)	**475,752**	432,925	**5,061**
Inventories (Note 9)	**227,672**	189,527	**2,422**
Other (Notes 6 and 17)	**286,097**	379,598	**3,043**
	2,744,500	2,289,470	**29,194**
Less:			
Allowance for doubtful accounts	**(3,480)**	(3,236)	**(37)**
	2,741,020	2,286,234	**29,157**
Total assets	**¥ 14,989,130**	¥ 15,536,456	**$ 159,442**

See notes to consolidated financial statements.

LIABILITIES AND NET ASSETS	Millions of yen March 31, 2013	2012	Millions of U.S. dollars (Note 2) March 31, 2013
Long-term liabilities and reserves:			
Long-term debt (Notes 7, 9 and 31)	**¥ 6,793,017**	¥ 6,953,575	**$ 72,258**
Other long-term liabilities (Note 17)	**123,350**	129,881	**1,314**
Reserve for reprocessing of irradiated nuclear fuel (Note 10)	**1,169,392**	1,221,238	**12,439**
Accrued employees' retirement benefits (Note 16)	**424,198**	432,562	**4,512**
Reserve for loss on disaster (Note 12)	**702,000**	787,507	**7,467**
Reserve for nuclear damage compensation (Note 13)	**1,765,716**	2,063,398	**18,782**
Asset retirement obligations (Notes 11 and 18)	**826,577**	803,299	**8,792**
	11,804,252	12,391,463	**125,564**
Current liabilities:			
Current portion of long-term debt (Notes 7, 9 and 31)	**1,120,561**	925,188	**11,920**
Short-term loans (Notes 7 and 31)	**11,240**	441,765	**120**
Trade notes and accounts payable (Note 31)	**334,998**	317,479	**3,563**
Accrued income taxes and other	**87,748**	65,140	**933**
Other (Notes 9, 17 and 31)	**487,736**	569,389	**5,188**
	2,042,284	2,318,963	**21,724**
Reserves under special laws:			
Reserve for fluctuation in water levels (Note 14)	**—**	9,865	**—**
Reserve for preparation of the depreciation of nuclear power construction (Note 15)	**4,780**	3,687	**51**
	4,780	13,552	**51**
Total liabilities	**13,851,317**	14,723,979	**147,339**
Net assets:			
Shareholders' equity (Note 19):			
Common stock, without par value:			
Authorized — 35,000,000,000 shares in 2013 and 1,800,000,000 shares in 2012			
Issued — 1,607,017,531 shares in 2013 and 2012	**900,975**	900,975	**9,584**
Preferred stock:			
Authorized — 5,500,000,000 shares in 2013			
Issued — 1,940,000,000 shares in 2013	**500,000**	—	**5,318**
Capital surplus	**743,621**	243,631	**7,910**
Retained earnings	**(972,773)**	(287,497)	**(10,348)**
Treasury stock, at cost:			
4,538,689 shares in 2013 and 4,533,194 shares in 2012	**(8,356)**	(8,372)	**(88)**
Total shareholders' equity	**1,163,467**	848,736	**12,376**
Accumulated other comprehensive income:			
Net unrealized holding gain on avaialble-for-sale securities	**2,452**	1,288	**26**
Net deferred loss on hedges	**(18,261)**	(16,794)	**(194)**
Land revaluation loss	**(3,254)**	(3,236)	**(35)**
Translation adjustments	**(27,699)**	(42,816)	**(295)**
Total accumulated other comprehensive income	**(46,762)**	(61,558)	**(498)**
Minority interests	**21,107**	25,299	**225**
Total net assets	**1,137,812**	812,476	**12,103**
Total liabilities and net assets	**¥14,989,130**	¥15,536,456	**$159,442**

Consolidated Statement of Operations

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Year ended March 31, 2013

	Millions of yen		Millions of U.S. dollars (Note 2)
	Year ended March 31, 2013	2012	**Year ended March 31, 2013**
Operating revenues:			
Electricity	**¥5,660,091**	¥ 4,995,626	**$ 60,207**
Other	**316,147**	353,819	**3,363**
	5,976,239	5,349,445	**63,570**
Operating expenses (Notes 20, 21 and 22)**:**			
Electricity	**5,914,996**	5,309,162	**62,919**
Other	**283,231**	312,797	**3,013**
	6,198,227	5,621,959	**65,932**
Operating loss	**(221,988)**	(272,513)	**(2,362)**
Other (income) expenses:			
Interest and dividend income	**(24,129)**	(29,233)	**(257)**
Interest expense	**120,041**	129,915	**1,277**
Grants-in-aid from Nuclear Damage Liability Facilitation Fund (Note 23)	**(696,808)**	(2,426,271)	**(7,412)**
Compensation for nuclear damages (Note 23)	**1,161,970**	2,524,930	**12,360**
Loss on disaster (Note 25)	**40,231**	297,802	**428**
Equity in earnings of affiliates	**(12,662)**	—	**(135)**
Equity in losses of affiliates	**—**	6,476	**—**
Gain on sales of noncurrent assets (Note 24)	**(115,210)**	(41,609)	**(1,226)**
Gain on sales of securities	**(3,671)**	(28,841)	**(39)**
Loss on sales of securities	**—**	40,421	**—**
Gain on sales of subsidiaries and affiliates' stocks	**(24,649)**	(20,169)	**(262)**
Loss on sales of subsidiaries and affiliates' stocks	**—**	4,710	**—**
Gain on revision of retirement benefit plan	**(73,633)**	—	**(783)**
Loss on change on nuclear fuel processing contract (Note 26)	**15,582**	—	**166**
Impairment loss (Note 27)	**12,115**	—	**129**
Loss on sales of noncurrent assets (Note 24)	**18,911**	—	**201**
Other, net	**21,717**	20,733	**231**
	439,805	478,864	**4,678**
Loss before special items, income taxes and minority interests	**(661,793)**	(751,378)	**(7,040)**
Special items:			
(Reversal of) provision for reserve for fluctuation in water levels (Note 14)	**(9,865)**	980	**(105)**
Provision for reserve for preparation of the depreciation of nuclear power construction (Note 15)	**1,093**	1,402	**11**
	(8,772)	2,383	**(94)**
Loss before income taxes and minority interests	**(653,022)**	(753,761)	**(6,946)**
Income taxes (Note 17)**:**			
Current	**26,309**	19,080	**280**
Deferred	**2,371**	3,759	**25**
	28,681	22,839	**305**
Net loss before minority interests	**(681,703)**	(776,601)	**(7,251)**
Minority interests	**3,589**	5,040	**39**
Net loss	**¥ (685,292)**	¥ (781,641)	**$ (7,290)**
	Yen		U.S. dollars (Note 2)
Per share information:			
Net assets (basic)	**¥ 72.83**	¥ 491.22	**$ 0.77**
Net loss (basic)	**(427.64)**	(487.76)	**(4.55)**
Cash dividends	**—**	—	**—**

See notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Year ended March 31, 2013

	Millions of yen		Millions of U.S. dollars (Note 2)
	Year ended March 31, 2013	2012	**Year ended March 31, 2013**
Net loss before minority interests	**¥(681,703)**	¥(776,601)	**$(7,251)**
Other comprehensive income (Note 28)			
Net unrealized holding (losses) gains on available-for-sale securities	**(1,520)**	20,341	**(16)**
Net deferred gains (losses) on hedges	**40**	(181)	**0**
Translation adjustments	**9,083**	(3,660)	**96**
Share of other comprehensive income of affiliates accounted for under the equity method	**8,537**	(7,066)	**91**
Total other comprehensive income	**16,141**	9,432	**171**
Comprehensive income (loss)	**¥(665,561)**	¥(767,168)	**$(7,080)**
Total comprehensive income (loss) attributable to:			
Owners of the parent	**¥(670,479)**	¥(770,917)	**$(7,132)**
Minority interests	**4,917**	3,748	**52**

See notes to consolidated financial statements.

Consolidated Statement of Changes in Net Assets

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Year ended March 31, 2013

	Year ended March 31, 2013													
	Millions of yen													
	Shareholders' equity						Accumulated other comprehensive income							
	Common stock	Preferred stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on available-for-sale securities	Net deferred loss on hedges	Land revaluation loss	Translation adjustments	Total accumulated other comprehensive income	Stock acquisition rights	Minority interests	Total net assets
Balance at April 1, 2012	¥900,975	¥ —	¥243,631	¥(287,497)	¥(8,372)	¥ 848,736	¥1,288	¥(16,794)	¥(3,236)	¥(42,816)	¥(61,558)	¥—	¥25,299	¥ 812,476
Issuance of preferred stock	—	500,000	500,000	—	—	1,000,000	—	—	—	—	—	—	—	1,000,000
Net loss	—	—	—	(685,292)	—	(685,292)	—	—	—	—	—	—	—	(685,292)
Purchases of treasury stock	—	—	—	—	(5)	(5)	—	—	—	—	—	—	—	(5)
Sales of treasury stock	—	—	(9)	—	9	0	—	—	—	—	—	—	—	0
Reversal of land revaluation gains	—	—	—	16	—	16	—	—	—	—	—	—	—	16
Other	—	—	—	—	11	11	—	—	—	—	—	—	—	11
Net changes in items other than shareholders' equity	—	—	—	—	—	—	1,164	(1,467)	(18)	15,117	14,795	—	(4,191)	10,604
Total changes	—	500,000	499,990	(685,275)	16	314,730	1,164	(1,467)	(18)	15,117	14,795	—	(4,191)	325,335
Balance at March 31, 2013	¥900,975	¥500,000	¥743,621	¥(972,773)	¥(8,356)	¥1,163,467	¥2,452	¥(18,261)	¥(3,254)	¥(27,699)	¥(46,762)	¥—	¥21,107	¥1,137,812

	Year ended March 31, 2012													
	Millions of yen													
	Shareholders' equity						Accumulated other comprehensive income							
	Common stock	Preferred stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain (loss) on available-for-sale securities	Net deferred loss on hedges	Land revaluation loss	Translation adjustments	Total accumulated other comprehensive income	Stock acquisition rights	Minority interests	Total net assets
Balance at April 1, 2011	¥900,975	¥—	¥243,653	¥ 494,054	¥(8,376)	¥1,630,307	¥(20,064)	¥(11,127)	¥(3,695)	¥(37,306)	¥(72,193)	¥ 6	¥ 44,358	¥1,602,478
Net loss	—	—	—	(781,641)	—	(781,641)	—	—	—	—	—	—	—	(781,641)
Purchases of treasury stock	—	—	—	—	(22)	(22)	—	—	—	—	—	—	—	(22)
Sales of treasury stock	—	—	(22)	—	26	3	—	—	—	—	—	—	—	3
Reversal of land revaluation gains	—	—	—	88	—	88	—	—	—	—	—	—	—	88
Other	—	—	—	—	(0)	(0)	—	—	—	—	—	—	—	(0)
Net changes in items other than shareholders' equity	—	—	—	—	—	—	21,353	(5,667)	459	(5,509)	10,635	(6)	(19,059)	(8,430)
Total changes	—	—	(22)	(781,552)	3	(781,571)	21,353	(5,667)	459	(5,509)	10,635	(6)	(19,059)	(790,001)
Balance at March 31, 2012	¥900,975	¥—	¥243,631	¥(287,497)	¥(8,372)	¥ 848,736	¥ 1,288	¥(16,794)	¥(3,236)	¥(42,816)	¥(61,558)	¥—	¥ 25,299	¥ 812,476

	Year ended March 31, 2013													
	Millions of U.S. dollars (Note 2)													
	Shareholders' equity						Accumulated other comprehensive income							
	Common stock	Preferred stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity	Net unrealized holding gain on available-for-sale securities	Net deferred loss on hedges	Land revaluation loss	Translation adjustments	Total accumulated other comprehensive income	Stock acquisition rights	Minority interests	Total net assets
Balance at April 1, 2012	$ 9,584	$ —	$2,590	$ (3,058)	$(88)	$ 9,028	$14	$(178)	$(35)	$(456)	$(655)	$—	$269	$ 8,642
Issuance of preferred stock	—	5,318	5,320	0	0	10,638	0	0	0	0	0	—	0	10,638
Net loss	—	—	—	(7,290)	—	(7,290)	—	—	—	—	—	—	—	(7,290)
Purchases of treasury stock	—	—	—	—	0	0	—	—	—	—	—	—	—	0
Sales of treasury stock	—	—	0	—	0	0	—	—	—	—	—	—	—	0
Reversal of land revaluation gains	—	—	—	0	—	0	—	—	—	—	—	—	—	0
Other	—	—	—	—	0	0	—	—	—	—	—	—	—	0
Net changes in items other than shareholders' equity	—	—	—	—	—	—	12	(16)	0	161	157	—	(44)	113
Total changes	—	5,318	5,320	(7,290)	0	3,348	12	(16)	0	161	157	—	(44)	3,461
Balance at March 31, 2013	$9,584	$5,318	$7,910	$(10,348)	$(88)	$12,376	$26	$(194)	$(35)	$(295)	$(498)	$—	$225	$12,103

See notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
Year ended March 31, 2013

	Millions of yen		Millions of U.S. dollars (Note 2)
	Year ended March 31, 2013	2012	Year ended March 31, 2013
Cash flows from operating activities			
Loss before income taxes and minority interests	¥ (653,022)	¥ (753,761)	$ (6,946)
Depreciation and amortization	621,080	686,555	6,607
Loss on contractual arrangements to nuclear fuel fabrication	15,582	—	166
Impairment loss	12,115	—	129
Decommissioning costs of nuclear power units	7,103	6,911	76
Loss on nuclear fuel	—	12,314	—
Loss on disposal of property, plant and equipment	25,025	33,721	266
(Reversal of) provision for accrued employees' retirement benefits	(7,275)	95	(77)
Reversal of reprocessing irradiated nuclear fuel provision	(51,846)	(26,711)	(552)
Reserve for loss on disaster	28,500	285,128	303
Interest and dividend income	(24,129)	(29,233)	(257)
Interest expense	120,041	129,915	1,277
Equity in (earnings) losses of affiliates	(12,662)	6,476	(135)
Grants-in-aid from Nuclear Damage Liability Facilitation Fund	(696,808)	(2,426,271)	(7,412)
Compensation for nuclear damages	1,161,970	2,524,930	12,360
Gain on sales of noncurrent assets	(115,210)	(41,609)	(1,226)
Loss on sales of noncurrent assets	18,911	—	201
Gain on sales of securities	(3,671)	(28,841)	(39)
Loss on sales of securities	—	40,421	—
Gain on sales of subsidiaries and affiliates' stocks	(24,649)	(20,169)	(262)
Loss on sales of subsidiaries and affiliates' stocks	—	4,710	—
Decrease (increase) in trust funds for reprocessing of irradiated nuclear fuel	55,150	(143,300)	587
Increase in notes and accounts receivable	(46,083)	(74,580)	(490)
Increase in notes and accounts payable	33,136	91,745	352
Other	(27,205)	(140,463)	(290)
	436,054	137,983	4,638
Interest and cash dividends received	25,980	20,761	276
Interest paid	(122,381)	(128,658)	(1,302)
Payments for loss on disaster due to the Tohoku-Chihou-Taiheiyou-Oki Earthquake	(162,952)	(234,525)	(1,733)
Receipts of Grants-in-aid from Nuclear Damage Liability Facilitation Fund	1,567,700	663,600	16,676
Compensation received under the Contract for Indemnification of Nuclear Damage Compensation	—	120,000	—
Payments for nuclear damage compensation	(1,476,381)	(566,264)	(15,704)
Income taxes paid	(7,123)	(15,788)	(76)
Net cash provided by (used in) operating activities	260,895	(2,891)	2,775
Cash flows from investing activities			
Purchases of property, plant and equipment	(656,861)	(730,326)	(6,987)
Proceeds from sales of noncurrent assets	160,801	54,481	1,710
Contributions in aid of construction received	5,801	11,968	62
Increase in long-term investments	(100,292)	(23,973)	(1,067)
Proceeds from long-term investments.	114,525	352,595	1,218
Proceeds from sales of investments in subsidiaries reulting in change in scope of consolidation (Note 6)	41,468	5,207	441
Payments into time deposits	(656,626)	(58,770)	(6,985)
Proceeds from withdrawal of time deposits	452,393	63,644	4,812
Other (Note 6)	2,091	(9,929)	23
Net cash used in investing activities	(636,698)	(335,101)	(6,773)
Cash flows from financing activities			
Proceeds from issuance of bonds	728,346	—	7,748
Redemptions of bonds	(750,210)	(548,971)	(7,980)
Proceeds from long-term loans	265,550	126,066	2,825
Repayments of long-term loans	(175,889)	(218,302)	(1,871)
Proceeds from short-term loans	767,792	989,304	8,167
Repayments of short-term loans	(1,198,532)	(952,618)	(12,749)
Proceeds from issuance of preferred stock, net of stock issuance cost	997,449	—	10,610
Other	(1,923)	(10,213)	(21)
Net cash provided by (used in) by financing activities	632,583	(614,734)	6,729
Effect of exchange rate changes on cash and cash equivalents	3,906	371	42
Net increase (decrease) in cash and cash equivalents	260,687	(952,355)	2,773
Cash and cash equivalents at beginning of the year	1,253,877	2,206,233	13,338
Cash and cash equivalents at end of the year (Note 6)	¥ 1,514,564	¥ 1,253,877	$ 16,111

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

Tokyo Electric Power Company, Incorporated and Consolidated Subsidiaries
March 31, 2013

1 Summary of Significant Accounting Policies

(a) Basis of Preparation

The accompanying consolidated financial statements of Tokyo Electric Power Company, Incorporated (the "Company") and its consolidated subsidiaries (collectively, the "Companies" or "Group") have been compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan and are prepared on the basis of accounting principles generally accepted in Japan, which differ in certain respects from the application and disclosure requirements of the International Financial Reporting Standards.

As permitted by the Financial Instruments 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 year's 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 which it controls directly or indirectly. Companies over which the Company or the Companies exercise significant influence in terms of their operating and financial policies have been included in the consolidated financial statements using equity method of accounting. All significant intercompany balances and transactions have been eliminated in consolidation.

The financial statements of overseas consolidated subsidiaries and affiliates are prepared in accordance with either International Financial Reporting Standards or U.S. generally accepted accounting principles, with adjustments for the certain items required by Japanese generally accepted accounting principles as applicable.

The differences arising from the cost of the Companies' investments in subsidiaries and affiliates in excess of the interest 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. The Company writes down these investments if it deems that impairment of their value is irrecoverable.

(c) Depreciation and Amortization

Depreciation of property, plant and equipment is computed by the declining-balance method based on the estimated useful lives of the respective assets. Amortization of intangible fixed assets is computed by the straight-line method. Easements for transmission line rights-of-way acquired on or after April 1, 2005 are depreciated over 36 years, the same number of years used for the useful life of the transmission lines. Other easements are depreciated over their average remaining useful lives.

Pursuant to the tax reform, the Company changed the depreciation method for property, plant and equipment acquired on or after April 1, 2012 to the depreciation method provided by the amended Corporate Income Tax Act from the fiscal year ended March 31, 2013.

The effect of this change is immaterial.

(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 in the generation of electricity.

(e) Investments

Securities are classified into three categories according to holding intent as follows: i) trading securities, which are held for the purpose of earning capital gains in the short-term; ii) held-to-maturity securities, which the Companies intend to hold until maturity; and iii) available-for-sale securities, which are not classified as either of the other two categories. The Companies have no securities categorized as trading securities or held-to-maturity securities. Available-for-sale securities are stated at fair value if available, or at cost determined by the moving-average method. Unrealized gains or losses, net of the applicable taxes, are reported under accumulated other comprehensive income as a separate component of net assets. Realized gain or loss on sales of these securities is calculated based on the moving-average cost.

(f) Inventories

Inventories are stated at the lower of cost, determined principally by the average method, or net realizable value.

(g) Allowance for Doubtful Accounts

The Companies provide an allowance for doubtful accounts based on the historical ratio of actual credit losses to total receivables and the amount of uncollectible receivables estimated on an individual basis.

(h) Accrued Employees' Retirement Benefits

The Companies calculate accrued employees' retirement benefits principally based on the retirement benefit obligation and the fair value of the pension plan assets at the balance sheet date, as adjusted for unrecognized actuarial gains or losses and unrecognized prior service costs.

Actuarial gains or losses are mainly amortized by the straight-line method over a period of three years.

(i) Decommissioning Costs of Nuclear Power Units

The Company applies paragraph 8 of ASBJ Guidance No. 21, "Guidance on Accounting Standard for Asset Retirement Obligations" (issued on March 31, 2008) to the decommissioning measures for specified nuclear power plants stipulated by the "Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors" (effective on June 10, 1957; Act No. 166 of 1957) and records the decommissioning costs of nuclear power units by allocating the total estimated decommissioning costs of nuclear power units in accordance with the "Ministerial Ordinance concerning Reserve for Decommissioning Costs of Nuclear Power Units" (Ordinance of Ministry of Economy, Trade and Industry) over the expected operational period. The present value of total estimated amount of obligations is recorded as an asset retirement obligation.

(Additional information)

Estimated amounts of decommissioning costs of Fukushima Daiichi Nuclear Power Station Units 1 through 4:

The Company records the amounts within the range of reasonable estimates based on the currently available information, although they might vary from now on, since it is difficult to identify the whole situations of the damages.

(j) 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 expected to be in effect when the differences are expected to be recovered or settled.

(k) Foreign Currency Translation

The revenue and expenses of overseas consolidated subsidiaries are translated into yen at the average exchange rates prevailing during the fiscal year.

The assets and liabilities of overseas consolidated subsidiaries, except for the components of net assets, are translated into yen at the rates of exchange in effect at the respective balance sheet date. Certain components of equity (net assets) are translated at their historical exchange rates. Translation differences arising from the translation of the financial statements of overseas consolidated subsidiaries are presented as translation adjustments in net assets.

Current and non-current accounts denominated in foreign currency 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 for the fiscal year.

(l) Derivatives and Hedging Activities

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

Liabilities that are denominated in foreign currencies and hedged by derivative instruments are translated at their respective contract rates.

(m) Cash Equivalents

The Company considers all highly liquid investments with insignificant risks of changes in value, which have a maturity of three months or less when purchased, to be cash equivalents.

(n) Amounts per Share

Basic net loss per share is computed based on net loss attributable to shareholders of common stock and the weighted-average number of shares of common stock outstanding during the year.

Net assets per share is computed based on net assets attributable to shareholders of common stock at the balance sheet date and the number of shares of common stock outstanding at the balance sheet date.

2 U.S. Dollar Amounts

Amounts in U.S. dollars are included solely for the convenience of the reader. The rate of ¥94.01 = US$1.00, the approximate rate of exchange in effect on March 29, 2013, 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 New Accounting Standard not yet adopted

Accounting Standard for Retirement Benefits

On May 17, 2012, the ASBJ issued ASBJ Statement No. 26, "Accounting Standard for Retirement Benefits" and ASBJ Guidance No. 25, "Guidance on Accounting Standard for Retirement Benefits," which replaced the Accounting Standard for Retirement Benefits that had been issued by the Business Accounting Council in 1998 with an effective date of April 1, 2000, other related practical guidance, and the various partial amendments issued from time to time through 2009. Under the revised accounting standard, taking into the accounts the viewpoints of improvement of financial reporting and international trends, accounting treatment for actuarial gains and losses and prior service costs that are yet to be recognized in profit or loss, the calculation method for retirement benefit obligations and service costs and expansion of the related disclosure requirements have been revised.

The Company has not decided when to adopt the revised accounting standard and is currently in the process of measuring the effects of applying the revised accounting standard.

4 Property, Plant and Equipment, Net

The major classifications of property, plant and equipment, net at March 31, 2013 and 2012 were as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Hydroelectric power production facilities	¥ 631,071	¥ 645,543	$ 6,713
Thermal power production facilities	846,988	850,157	9,010
Nuclear power production facilities	745,537	726,295	7,930
Transmission facilities	1,946,158	2,009,555	20,702
Transformation facilities	764,362	787,380	8,131
Distribution facilities	2,099,594	2,124,511	22,334
General facilities	134,362	142,697	1,429
Other electricity-related property, plant and equipment	152,287	89,431	1,620
Other property, plant and equipment	288,123	416,642	3,064
Construction in progress	994,481	943,572	10,578
	¥8,602,967	¥8,735,787	$91,511

Assets corresponding to asset retirement obligations related to the decommissioning of specified nuclear power generating facilities are included in property, plant and equipment (Note 18).

5 Investment Securities

At March 31, 2013 and 2012, available-for-sale securities for which market prices were available were as follows:

	Millions of yen						Millions of U.S. dollars		
	2013			2012			2013		
	Carrying amount	Acquisition costs	Unrealized holding gains (losses)	Carrying amount	Acquisition costs	Unrealized holding gains (losses)	Carrying amount	Acquisition costs	Unrealized holding gains (losses)
Unrealized holding gains:									
Stocks, bonds and other	¥ 164	¥ 152	¥ 12	¥ 860	¥ 419	¥ 441	$ 2	$ 2	$ 0
Unrealized holding losses:									
Stocks, bonds and other	4,322	5,954	(1,631)	6,075	6,567	(492)	46	63	(17)
Total	¥4,486	¥6,106	¥(1,619)	¥6,936	¥6,986	¥ (50)	$48	$65	$(17)

Proceeds from sales of available-for-sale securities and related realized gains or losses for the years ended March 31, 2013 and 2012 were as follows:

	Millions of yen		
Year ended March 31, 2013	Sales proceeds	Realized gains	Realized losses
Stocks	**¥5,436**	**¥3,671**	**¥100**
Bonds	**—**	**—**	**—**
Other	**48**	**0**	**23**
Total	**¥5,484**	**¥3,671**	**¥124**

	Millions of yen		
Year ended March 31, 2012	Sales proceeds	Realized gains	Realized losses
Stocks	¥316,833	¥28,838	¥40,417
Bonds	99	0	1
Other	300	2	1
Total	¥317,233	¥28,841	¥40,421

	Millions of U.S. dollars		
Year ended March 31, 2013	Sales proceeds	Realized gains	Realized losses
Stocks	**$57**	**$39**	**$1**
Bonds	**—**	**—**	**—**
Other	**1**	**0**	**0**
Total	**$58**	**$39**	**$1**

6 Supplemental Cash Flow Information

A reconciliation of the difference between cash stated in the consolidated balance sheets as of March 31, 2013 and 2012 and cash and cash equivalents for the purpose of the statement of cash flows for the years ended March 31, 2013 and 2012 is as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Cash	**¥1,754,977**	¥1,287,418	**$18,668**
Time deposits with maturities of more than three months	**(240,413)**	(33,540)	**(2,557)**
Cash and cash equivalents	**¥1,514,564**	¥1,253,877	**$16,111**

Major components of assets and liabilities of the subsidiaries which were disposed of are as follows:

For the year ended March 31, 2013

Investments in 10 consolidated subsidiaries including AT TOKYO Corporation were sold and, consequently, deconsolidated during the year ended March 31, 2013. The following table presents assets and liabilities at the date of sales and the sales proceeds and net cash inflow:

	Millions of yen	Millions of U.S. dollars
Non-current assets	¥ 83,556	$ 888
Current assets	20,206	215
Non-current liabilities	(28,694)	(305)
Current liabilities	(24,298)	(258)
Minority interests	(6,718)	(71)
The Company's interest after sales of shares	(14,941)	(159)
Gain on sales of shares	22,513	239
Proceeds from sales of shares	51,623	549
Cash and cash equivalents of consolidated subsidiaries sold	(10,699)	(114)
Net cash inflow from sales	¥ 40,923	$ 435
Cash inflow from sales	¥ 41,468	$ 441
Cash outflow from sales	(544)	(6)

For the year ended March 31, 2012

Investments in 88 consolidated subsidiaries including Eurus Energy Holdings Corporation were sold and, consequently, deconsolidated during the year ended March 31, 2012. The following table presents assets and liabilities at the date of sales and the sales proceeds and net cash outflow:

	Millions of yen
Non-current assets	¥104,883
Current assets	37,379
Non-current liabilities	(81,526)
Current liabilities	(16,586)
Accumulated other comprehensive income	5,521
Minority interests	(14,538)
The Company's interest after sales of shares	(21,878)
Gain on sales of shares	10,137
Proceeds from sales of shares	23,392
Cash and cash equivalents of consolidated subsidiaries sold	(24,306)
Net cash outflow from sales	¥ (914)
Cash inflow from sales	¥ 5,207
Cash outflow from sales	(6,121)

7 Short-Term Loans and Long-Term Debt

Short-term loans are unsecured. The weighted-average interest rates of short-term loans were approximately 1.12% and 0.652% for the years ended March 31, 2013 and 2012, respectively.

At March 31, 2013 and 2012, short-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Loans from banks and other sources	**¥11,240**	¥441,765	**$120**

The annual interest rates applicable to the Company's domestic straight bonds at March 31, 2013 and 2012 ranged from 0.643% to 5.05% and those applicable to the Company's foreign straight bonds at March 31, 2013 and 2012 ranged from 2.125% to 4.5%. The interest rates applicable to long-term debt (except for the current portion) at March 31, 2013 and 2012 averaged approximately 1.013% and 1.027%, respectively.

At March 31, 2013 and 2012, long-term debt consisted of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Domestic straight bonds due from 2012 through 2040	**¥ 4,244,425**	¥4,266,130	**$ 45,149**
Foreign straight bonds due from 2014 through 2017	**159,438**	159,444	**1,696**
Loans from banks, insurance companies and other sources	**3,509,715**	3,453,188	**37,333**
	7,913,578	7,878,763	**84,178**
Less: Current portion	**(1,120,561)**	(925,188)	**(11,920)**
	¥ 6,793,017	¥6,953,575	**$ 72,258**

Financial covenants on the financial position and operating results of the Company and its Group are attached to corporate bonds of ¥676,411 million (US$7,195 million), long-term debt of ¥21,764 million (US$232 million) and the current portion of long-term debt of ¥199,994 million (US$2,127 million) of the Company as of March 31, 2013.

8 Leases

(a) As Lessee:

Future minimum lease payments subsequent to March 31, 2013 for operating leases are summarized as follows:

	Millions of yen		Millions of U.S. dollars
Years ended March 31	2013	2012	2013
Within one year	¥3,934	¥5,773	$42
Later than one year	4,274	2,895	45
Total	¥8,209	¥8,669	$87

(b) As Lessor:

Future minimum lease income subsequent to March 31, 2013 for operating leases is summarized as follows:

	Millions of yen		Millions of U.S. dollars
Years ended March 31	2013	2012	2013
Within one year	¥ 506	¥ 832	$ 5
Later than one year	843	1,617	9
Total	¥1,350	¥2,449	$14

9 Pledged Assets

The Company's entire property was subject to certain statutory preferential rights as security for loans from the Development Bank of Japan that amounted to ¥611,269 million (US$6,502 million) and ¥417,543 million, and for bonds that amounted to ¥4,473,643 million (US$47,587 million) and ¥4,495,134 million at March 31, 2013 and 2012, respectively.

Pursuant to the Nuclear Damage Compensation Act (June 17, 1961; Act No. 147 of 1961), the Company has made a deposit of ¥120,000 million (US$1,276 million) as a measure of compensation for damages to be paid as the operator for cooling of nuclear reactors and treatment of accumulated water, etc. of Fukushima Daiichi Nuclear Power Station.

Some 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.

Assets pledged as collateral for certain consolidated subsidiaries' long-term debt of ¥17,640 million (US$188 million) at March 31, 2013 and long-term debt of ¥21,351 million at March 31, 2012 were as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Property, plant and equipment, net:			
Other	¥20,808	¥24,551	$221
Cash	10,393	11,106	111
Inventories	405	405	4
	¥31,606	¥36,063	$336

Long-term investments totaling ¥57,310 million (US$610 million) were pledged as collateral for long-term loans from financial institutions to investees of certain consolidated subsidiaries as of March 31, 2013.

Long-term investments totaling ¥56,894 million were pledged as collateral for long-term loans from financial institutions to investees of certain consolidated subsidiaries as of March 31, 2012.

10 Reserve for Reprocessing of Irradiated Nuclear Fuel

The reserve is stated at the present value of the costs that are estimated to be incurred in reprocessing irradiated nuclear fuel generated in proportion to the corresponding combustion of nuclear fuel. Discount rates of 1.6% and 4.0% have been used for the reserve for reprocessing irradiated nuclear fuel both with and without a definite reprocessing plan at March 31, 2013 and 2012, respectively. The reserve includes estimated processing costs for loaded nuclear fuels of Fukushima Daiichi Nuclear Power Station Units 1 through 4 damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake.

In the year ended March 31, 2006, the accounting standards that Japanese electric utility companies used to provide the reserve for the estimated liability related to past generation costs up to March 31, 2005 were changed. As a result, since the year ended March 31, 2006 past generation costs are being recognized over 15 years as an annual operating expense of ¥30,560 million (US$325 million).

Also, under the accounting rules applicable to electric utility companies in Japan, unrecognized actuarial losses of ¥134,850 million (US$1,434 million) and ¥99,152 million at March 31, 2013 and 2012, respectively, is charged to income as an operating expense. These expenses are charged to income from the following fiscal year throughout the period in which irradiated nuclear fuel with a definite reprocessing plan is produced.

11 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.

"Guidance on Accounting Standard for Asset Retirement Obligations" is applied to the decommissioning of nuclear power units and the present value of total estimated amount of obligations is recorded as an asset retirement obligation.

The decommissioning costs of Fukushima Daiichi Nuclear Power Units 1 through 4 are recorded within the range of reasonable estimates based on the currently available information, although such amounts may be different since it is difficult to identify the whole picture of the damage.

12 Reserve for Loss on Disaster

For the Niigataken Chuetsu-Oki Earthquake

The Company provides the reserve for loss on disaster for the restoration of assets damaged by the Niigataken Chuetsu-Oki Earthquake.

For the Tohoku-Chihou-Taiheiyou-Oki Earthquake

The Company provides a reserve for loss on disaster for the restoration of assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake.

Major expenses and/or losses included in reserve for loss on disaster are recognized as follows:

a. Expenses and/or losses for settlement of the accident and the decommissioning of Fukushima Daiichi Nuclear Power Station

Responding to "Step 2 Completion Report- Roadmap towards Settlement of the Accident at Fukushima Daiichi Nuclear Power Station, TEPCO" (December 16, 2011) prepared by Government-TEPCO Integrated Response Office established by the Nuclear Emergency Response Headquarters of the Government, "Mid-and-long-Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Units 1-4, TEPCO" (December 21, 2011) (hereinafter "Mid-and-long Term Roadmap") was prepared by Government and TEPCO's Mid-to-Long Term Countermeasure Meeting established by Nuclear Emergency Response Headquarters of the Government (revised on July 30, 2012). Regarding expenses and/or losses related to Mid-and-long Term Roadmap, the Company records estimated amounts based on specific target periods and contents of individual countermeasures, if it is possible to estimate the amounts in the normal way.

However, within expenses and/or losses related to Mid-and-long Term Roadmap, if the normal estimation is difficult because the concrete contents of constructions, etc. cannot be estimated at this time, the Company records estimated amounts based on the historical amounts at an accident at overseas nuclear power plants.

b. Expenses for disposal of nuclear fuels in processing within expenses and/or losses for scrapping of Fukushima Daiichi Nuclear Power Station Units 1 through 4

The Company records estimated amounts for processing costs of nuclear fuels in processing which are not expected to be spent, in accordance with the accounting guideline for "Reserve for reprocessing of irradiated nuclear fuel".

Processing costs for loaded fuels are included in "Reserve for reprocessing of irradiated nuclear fuel".

c. Expenses and/or losses for maintaining the safe "cold shutdown condition" and others of reactors at Fukushima Daiichi Units 5 and 6 and Fukushima Daini Nuclear Power Station

Although the future treatment for the damaged Fukushima Daiichi Nuclear Power Station Units 5 and 6 and Fukushima Daini Nuclear Power Station has not been decided yet, the Company records estimated amounts for expenses and/or losses for maintaining the safe "cold shutdown condition" and others of reactors based on the expenses and/or losses required for restoration of the Kashiwazaki-Kariwa Nuclear Power Station damaged by the Niigataken-Chuetsu-Oki Earthquake.

d. Expenses and/or losses for restoring damaged thermal power plants

In order to provide for expenses and/or losses required for restoration of damaged thermal power plants, the Company records estimated amounts at March 31, 2013 and 2012.

(Additional information)
Reserve for loss on disaster at March 31, 2013 and 2012 consists of the following:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Loss on the Niigataken Chuetsu-Oki Earthquake	**¥ 26,384**	¥ 37,208	**$ 281**
Loss on the Tohoku-Chihou-Taiheiyou-Oki Earthquake:	**675,616**	750,299	**7,186**
a. Expenses and/or losses for settlement of the Accident and the Decommissioning of Fukushima Daiichi Nuclear Power Station	**482,879**	512,343	**5,136**
b. Expenses for disposal of nuclear fuels in processing among expenses and/or losses for scrapping Fukushima Daiichi Nuclear Power Station Units 1 through 4	**4,837**	4,651	**51**
c. Expenses and/or losses for maintaining the safe "cold shutdown condition" and others of reactors at Fukushima Daiichi Units 5 and 6 and Fukushima Daini Nuclear Power Station	**173,659**	188,634	**1,847**
d. Expenses and/or losses for restoring damaged thermal power plants	**9,798**	17,774	**104**
e. Other	**4,440**	26,895	**48**
Total	**¥702,000**	¥787,507	**$7,467**

Estimates of expenses and/or losses related to Mid-and-long Term Roadmap towards Settlement and the Decommissioning of Fukushima Daiichi Nuclear Power Station:

Before nuclear power plants can be scrapped, nuclear fuels in the reactors must be removed, but the concrete working conditions will be decided after the stable cooling conditions have been established and the status of inside of the reactors has been confirmed and also in consideration of the progress of necessary research and development activities. Accordingly, the Company records the amounts including fuel removal costs within the range of reasonable estimates based on the currently available information for expenses and/or losses related to Mid-and- long Term Roadmap, although they might vary from now on.

13 Reserve for Nuclear Damage Compensation

For the year ended March 31, 2013

In order to provide for compensation payments for nuclear damages concerning the accident of Fukushima Daiichi Nuclear Power station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company records estimated amounts at March 31, 2013.

At the Committee for Adjustment of Compensation for Nuclear Damages Disputes, the "Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Nuclear Power Stations, TEPCO" (hereinafter the "Interim Guidelines") on August 5, 2011, the supplement of the "Interim Guidelines" on December 6, 2011, the second supplement of the "Interim Guidelines" on March 16, 2012 and the third supplement of the "Interim Guidelines" on January 30, 2013 were determined. Further, on July 20, 2012, as a government policy, "Concept of the Compensation Criteria after the Review of Evacuation Zones" was published. To implement prompt and appropriate compensation payouts, the Company has prepared the criteria for compensation by damages shown in the interim guidelines, taking into consideration these guidelines. In addition, on December 26, 2011, Nuclear Emergency Response Headquarters of the Government prepared "Basic Concept and Future Issues concerning Warning Zones and Evacuation Zones responding to Completion of Step 2", showing the concept concerning the review of evacuation zones, etc. Consequently, the Company has recorded a reserve for nuclear damage compensation by deducting the receivables of compensation pursuant to the provision of the "Act concerning the Contract for Indemnification of Nuclear Damage Compensation" (effective on June 17, 1961; Act No. 148 of 1961) from the estimated compensation for evacuation costs and the psychological affect on evacuees, damages caused by voluntary evacuations, opportunity losses on salaries of workers living in and/or working in evacuation zones, damages due to the Governmental restrictions on shipments of agricultural, forestry and fishery products, opportunity losses due to reputation damage, etc. and losses and/or damages on tangible assets, which were estimated using actual compensation claims and objective statistical data, in addition to the aforementioned guidelines, etc. The Company records the estimated amount as far as reasonable estimation is possible based on the actual compensation claim amounts and objective statistical data at this moment, although the estimated compensation amounts might vary depending on accuracy of reference data and agreements with the victims in the future.

For the year ended March 31, 2012

In order to provide for compensation payments for nuclear damages concerning the accident of Fukushima Daiichi Nuclear Power station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company records estimated amounts at March 31, 2012.

To implement prompt and appropriate compensation payouts, the Company has prepared the criteria for compensation by damages shown in the interim guidelines, taking into consideration "the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" (hereinafter the "Interim Guidelines") determined at the Committee for Adjustment of Compensation for Nuclear Damages Disputes on August 5, 2011, supplement of the "Interim Guidelines" on December 6, 2011 and the second supplement of the "Interim Guidelines" on March 16, 2012. In addition, on December 26, 2011, Nuclear Emergency Response Headquarters of the Government prepared "Basic Concept and Future Issues concerning Warning Zones and Evacuation Zones responding to Completion of Step 2", showing the concept concerning the review of evacuation zones, etc. Consequently, the Company records a reserve for nuclear damage compensation by deducting the receivables of compensation pursuant to the provision of the "Act concerning the Contract for Indemnification of Nuclear Damage Compensation" (effective on June 17, 1961; Act No. 148 of 1961) from the estimated compensation for evacuation costs and the psychological affect on evacuees, damages caused by voluntary evacuations, opportunity losses on salaries of workers living in and/or working in evacuation zones, damages due to the Governmental restrictions on shipments of agricultural, forestry and fishery products, opportunity losses of the businesses such as agriculture, forestry, fishery and sightseeing due to reputation damage, etc. and losses and/or damages on tangible assets for which reasonable estimation became possible using objective statistical data, etc. The Company records the estimated amount as far as reasonable estimation is possible at this moment, although the estimated compensation amounts might vary depending on accuracy of reference data and agreements with the victims in the future.

14 Reserve for Fluctuation in Water Levels

The Electricity Utilities Industry Law requires the Company to provide a reserve against income volatility that may result from the effect of excessive or insufficient water levels on hydroelectric power generation.

15 Reserve for Preparation of the Depreciation of Nuclear Power Construction

The Electricity Utilities Industry Law requires the Company to provide for preparation of the depreciation of nuclear power construction to average the burden of depreciation recognized immediately after the start of operations of the nuclear power stations.

16 Employees' Retirement Benefits

The Company and certain consolidated subsidiaries have defined benefit plans, including a defined benefit corporate pension plan, welfare pension fund plans and lump-sum payment plans, and also defined contribution pension plans.

The following table sets forth the funded or unfunded status of the plans, and the amounts recognized in the consolidated balance sheets at March 31, 2013 and 2012 for the Companies' defined benefit plans:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Projected benefit obligations	**¥(858,902)**	¥(1,003,594)	**$(9,136)**
Plan assets at fair value (Note 2 below)	**547,528**	582,550	**5,824**
Accrued employees' retirement benefits	**424,198**	432,562	**4,512**
Prepaid pension expense	**(94,239)**	(14,503)	**(1,002)**
Unrecognized actuarial gain or loss (Notes 3 below)	**¥ 18,584**	¥ (2,985)	**$ 198**

Notes:

1. Certain retirement benefit plans adopt a short-cut method in computing projected benefit obligations.
2. Plan assets include a substitute portion of welfare pension fund.
3. This amount includes unrecognized past service costs (reduction of liabilities) in the amount of ¥402 million (US$4 million) and ¥606 million at March 31, 2013 and 2012, respectively.

The components of retirement benefit expenses and other for the years ended March 31, 2013 and 2012 are outlined as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Service cost (Notes 1 and 2 below)	**¥ 29,494**	¥ 30,384	**$ 314**
Interest cost	**19,518**	19,889	**208**
Expected return on plan assets	**(13,980)**	(14,480)	**(149)**
Amortization of unrecognized actuarial gain or loss	**(6,997)**	(9,016)	**(75)**
Amortization of past service costs	**(73,836)**	(926)	**(785)**
Other (Note 3 below)	**10,454**	6,935	**111**
Retirement benefit expenses	**¥(35,346)**	¥ 32,785	**$(376)**

Notes:

1. Service costs include retirement benefit expenses related to the plans adopting the short-cut method.
2. Employees' portions of contributions to welfare pension funds are deducted.
3. Other includes contributions to defined contribution pension plans.

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

	2013	2012
Method of allocation of estimated retirement benefits	**Equally over the period**	Equally over the period
Discount rate	**Mainly 2.0%**	Mainly 2.0%
Expected rate of return on plan assets	**Mainly 2.5%**	Mainly 2.5%
Period for amortization of unrecognized actuarial gain or loss	**Mainly 3 years**	Mainly 3 years

17 Income Taxes

The significant components of deferred tax assets and liabilities as of March 31, 2013 and 2012 were as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Deferred tax assets:			
Reserve for nuclear damage compensation	**¥ 566,274**	¥ 680,442	**$ 6,024**
Reserve for loss on disaster	**216,185**	242,548	**2,300**
Tax loss carry forwards	**177,009**	129,991	**1,883**
Asset retirement obligations	**158,846**	129,590	**1,690**
Accrued employees' retirement benefits	**132,845**	135,758	**1,413**
Other	**324,062**	303,929	**3,446**
	1,575,223	1,622,260	**16,756**
Valuation allowance	**(1,177,443)**	(959,132)	**(12,525)**
Total deferred tax assets	**397,779**	663,128	**4,231**
Deferred tax liabilities:			
Grants-in-aid receivable from Nuclear Damage Liability Facilitation Fund	**(297,229)**	(587,498)	**(3,162)**
Other	**(92,266)**	(64,751)	**(981)**
Total deferred tax liabilities	**(389,496)**	(652,249)	**(4,143)**
Net deferred tax assets	**¥ 8,283**	¥ 10,878	**$ 88**

Deferred tax assets and liabilities included in "Investments and other-other", "Current assets-other", "Other long-term liabilities" and "Current liabilities-other" were as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Investments and other-other	**¥13,455**	¥16,547	**$143**
Current assets-other	**2,251**	3,067	**24**
Other long-term liabilities	**(7,379)**	(8,736)	**(79)**
Current liabilities-other	**(43)**	—	**(0)**

Information about the differences between the effective tax rate reflected in the accompanying consolidated statements of income and the statutory tax rate for the years ended March 31, 2013 and 2012 was omitted, since net loss was recorded.

18 Asset Retirement Obligations

The Company recorded asset retirement obligations in the accompanying consolidated financial statements for the decommissioning of specified nuclear power plant facilities as prescribed in the "Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors" (effective on June 10, 1957; Law No. 166 of 1957). The corresponding removal costs are accounted for in accordance with the paragraph 8 of ASBJ Guidance No. 21 and total estimated amounts of decommissioning costs of nuclear power units will be charged to income over the estimated operating periods of the power generating facilities, based on the actual volume of electricity generated by the nuclear power.

In computing the amount of asset retirement obligations, the Company uses the remaining years deducting the years since the start of operations from the estimated operating period of the generating facilities for each specified nuclear power unit as the expected terms until expenditure and applies a discount rate of 2.3%.

The changes in asset retirement obligations for the years ended March 31, 2013 and 2012 were as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Balance at beginning of year	**¥803,421**	¥791,958	**$8,546**
Net changes during the year	**23,639**	11,462	**252**
Balance at end of year	**¥827,061**	¥803,421	**$8,798**

19 Shareholders' Equity

The Corporation Law of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than capital reserve) and retained earnings (other than legal reserve) be transferred to the capital reserve or the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of common stock. The capital reserve amounted to ¥743,555 million (US$7,909 million) and ¥243,555 million at March 31, 2013 and 2012, respectively, and the legal reserve amounted to ¥169,108 million (US$1,799 million) at March 31, 2013 and 2012. Moreover, neither the capital reserve nor the legal reserve is available for the payment of dividends, but distributions of capital surplus can be made at anytime by resolution of the shareholders or by the Board of Directors if certain conditions are met.

The changes in the number of outstanding shares and treasury stock during the years ended March 31, 2013 and 2012 were as follows:

	Number of shares (in thousands)			
	April 1, 2012	Increase	Decrease	March 31, 2013
Outstanding shares issued:				
Common stock	1,607,017	—	—	1,607,017
Preferred stock—Class A	—	1,600,000	—	1,600,000
Preferred stock—Class B	—	340,000	—	340,000
Total	1,607,017	1,940,000	—	3,547,017
Treasury stock:				
Common stock	4,533	34	29	4,538

Notes:
1. An increase in preferred stock-Class A of 1,600,000 thousand shares is due to allocation of new shares to a third party.
2. An increase in preferred stock-Class B of 340,000 thousand shares is due to allocation of new shares to a third party.
3. An increase in common stock of treasury stock of 34 thousand shares is due to purchases of shares less than one unit and a decrease of 29 thousand shares is due to a change in treasury stock attributable to the Company following a decrease in ownership in affiliates accounted for by the equity method.

	Number of shares (in thousands)			
	April 1, 2011	Increase	Decrease	March 31, 2012
Outstanding shares issued:				
Common stock	1,607,017	—	—	1,607,017
Treasury stock:				
Common stock	4,478	65	10	4,533

An increase in common stock of treasury stock of 65 thousand shares is due to purchases of shares less than one unit and a decrease of 10 thousand shares is due to purchase requests of shares less than one unit.

20 Research and Development Costs

Research and development costs included in operating expenses for the years ended March 31, 2013 and 2012 totaled ¥20,642 million (US$220 million) and ¥24,789 million, respectively.

21 Selling, General and Administrative Expenses

The main components of selling, general and administrative expenses in the electric power business operating expenses for the years ended March 31, 2013 and 2012 were as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Salaries and allowances	**¥91,054**	¥107,556	**$969**
Provision for accrued employees' retirement benefits	**22,934**	21,102	**244**
Consignment expenses	**75,941**	78,520	**808**
Rent	**40,371**	42,384	**429**

22 Provisions for Reserves

Provisions for reserves charged to net income during the years ended March 31, 2013 and 2012 were as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Accrued employees' retirement benefits	**¥ (46,591)**	¥ 25,758	**$ (496)**
Reserve for reprocessing irradiated nuclear fuel	**51,730**	80,016	**550**
Reserve for loss on disaster	**40,352**	308,751	**429**
Reserve for nuclear damage compensation	**1,161,970**	2,524,930	**12,360**

23 Compensation for Nuclear Damages and Grants-in-aid from Nuclear Damage Liability Facilitation Fund

For the year ended March 31, 2013

Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, while sincerely recognizing the Company's position as a causing party, the Company is committed to prompt compensation to the nuclear victims with Government support in accordance with the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No. 147 of 1961).

At the Committee for Adjustment of Compensation for Nuclear Damage Disputes, the "Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" (hereinafter the "Interim Guidelines") on August 5, 2011, the supplement of the "Interim Guidelines" on December 6, 2011, the second supplement of the "Interim Guidelines" on March 16, 2012 and the third supplement of the "Interim Guidelines" on January 30, 2013 were determined and on July 20, 2012, as a government policy, "Concept of the Compensation Criteria after the Review of Evacuation Zones" was published. From the viewpoints of implementing prompt and appropriate compensation payouts, the Company has prepared criteria for compensation for damages shown in the interim guidelines, taking into consideration these guidelines. In addition, on December 26, 2011, Nuclear Emergency Response Headquarters of the Government prepared "Basic Concept and Future Issues concerning Warning Zones and Evacuation Zones responding to Completion of Step 2", showing the concept concerning the review of evacuation zones, etc.

Consequently, the Company has recorded compensation for nuclear damages for the year ended March 31, 2013, amounting to ¥1,161,970 million (US$12,360 million), which is the difference between the estimated amount at March 31, 2012 and ¥3,686,900 million (US$39,218 million) after deducting ¥120,000 million (US$1,276 million) of receipt of compensation pursuant to the provision of the Act on Contract for Indemnification of Nuclear Damage Compensation (effective on June 17, 1961; Act No. 148 of 1961) from the estimated damage compensation amounting to ¥3,806,900 million (US$40,495 million) consisting of estimated compensation for evacuation costs and mental blow of evacuees, damages caused by voluntary evacuations, opportunity losses on salary of workers living in and/or working in evacuation zones, damages due to the Governmental restriction on shipment of agricultural, forestry and fishery products, opportunity losses due to reputation damage, etc. and losses and/or damages on tangible assets which were estimated based on the actual compensation claim amounts and objective statistical data, in addition to the aforementioned guidelines, etc.

The Company has recorded its estimated amount as far as reasonable estimation is possible at this moment, although the estimated compensation amounts might vary depending on the extent of accuracy of reference data and agreements with the victims from now on.

On the other hand, for the purpose of speedy and appropriate implementation of compensation, Nuclear Damage Liability Facilitation Fund (the "Fund") which was newly established based on the "Act on Nuclear Damage Liability Facilitation Fund" (effective on August 10, 2011; Act No. 94 of 2011) (the "Fund Act") will provide necessary financial assistance to a nuclear operator. The Company submitted an application to the Fund for a change of the amount of financial support to ¥3,243,079 million (US$34,497 million), which is the estimated amount of compensation as of December 27, 2012, based on the Clause 43, Article 1 of the Fund Act and recorded ¥696,808 million (US$7,412 million) as grants-in-aid from the Fund, which is the difference between ¥3,123,079 million (US$33,221 million) deducting ¥120,000 million (US$1,276 million) of receipt of compensation from the above amount and ¥2,426,271 million (US$25,809 million), which was determined to grant for financing the compensation on May 9, 2012.

In receiving the financial assistance, the recipient shall pay special contribution defined by the Fund based on the provision of the Clause 52, Article 1, of the Fund Act, but the Company has not recorded such amount, since the amount will be determined by the resolution of the steering committee of the Fund for every fiscal year in light of the Company's operating results and also require the approval of the minister in charge.

For the year ended March 31, 2012

Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, while sincerely recognizing the Company's position as a causing party, the Company is committed to prompt compensation to the nuclear victims with Government support in accordance with the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No. 147 of 1961).

From the viewpoints of implementing prompt and appropriate compensation payouts, the Company has prepared criteria for compensation for damages shown in "the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" (hereinafter the "Interim Guidelines") determined at the Committee for Adjustment of Compensation for Nuclear Damages Disputes on August 5, 2011 and supplement of the "Interim Guidelines" on December 6, 2011 and the second supplement of the "Interim Guidelines" on March 16, 2012. In addition, on December 26, 2011, Nuclear Emergency Response Headquarters of the Government prepared "Basic Concept and Future Issues concerning Warning Zones and Evacuation Zones responding to Completion of Step 2", showing the concept concerning the review of evacuation zones, etc.

Based on these guidelines, the Company has recorded compensation for nuclear damages amounting to ¥2,524,930 million after deducting ¥120,000 million of receipt of compensation pursuant to the provision of the Act on Contract for Indemnification of Nuclear Damage Compensation (effective on June 17, 1961; Act No. 148 of 1961) from the estimated damage compensation amounting to ¥2,644,930 million consisting of estimated compensation for evacuation costs and mental blow of evacuees, damages caused by voluntary evacuations, opportunity losses on salary of workers living in and/or working in evacuation zones, damages due to the Governmental restriction on shipment of agricultural, forestry and fishery products, opportunity losses of the businesses such as agriculture, forestry, fishery and sightseeing due to reputation damage, etc. and losses and/or damages on tangible assets for which reasonable estimation became possible using objective statistical data, etc.

The Company has recorded its estimated amount as far as reasonable estimation is possible at this moment, although the estimated compensation amounts might vary depending on the extent of accuracy of reference data and agreements with the victims from now on.

On the other hand, for the purpose of speedy and appropriate implementation of compensation, Nuclear Damage Liability Facilitation Fund (the "Fund") which was newly established based on the "Act on Nuclear Damage Liability Facilitation Fund" (effective on August 10, 2011; Act No. 94 of 2011) (the "Fund Act") will provide necessary financial assistance to a nuclear operator. The Company submitted an application to the Fund for a change of the amount of financial support to ¥2,546,271 million, which is the estimated amount of compensation as of March 29, 2012, based on the Clause 43, Article 1 of the Fund Act and recorded grants-in-aid from the Fund in an amount of ¥2,426,271 million, which is less ¥120,000 million of receipt of compensation from the above amount.

In receiving the financial assistance, the recipient shall pay special contribution defined by the Fund based on the provision of the Clause 52, Article 1, of the Fund Act, but the Company has not recorded such amount, since the amount will be determined by the resolution of the steering committee of the Fund for every fiscal year in light of the Company's operating results and also require the approval of the minister in charge.

24 Gain and Loss on Sales of Noncurrent Assets

Major components of gain on sales of noncurrent assets are as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Land	**¥112,352**	¥39,337	**$1,195**
Other	**2,858**	2,271	**31**
Total	**¥115,210**	¥41,609	**$1,226**

Major components of loss on sales of noncurrent assets are as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Land	**¥ 4,518**	¥—	**$ 48**
Buildings	**13,476**	—	**143**
Other	**917**	—	**10**
Total	**¥18,911**	¥—	**$201**

25 Loss on Disaster

For the year ended March 31, 2013

The Company records expense and/or loss for restoring assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake.

Expenses and/or losses included in "Loss on disaster" are recognized in the following manners:

a. *Expenses and/or losses for settlement and decommissioning of Fukushima Daiichi Nuclear Power Station*

Responding to "Step 2 Completion Report- Roadmap towards Settlement of the Accident at Fukushima Daiichi Nuclear Power Station, TEPCO" (December 16, 2011) prepared by Government-TEPCO Integrated Response Office established by Nuclear Emergency Response Headquarters of the Government, "Mid-and-long-Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Units 1-4, TEPCO" (December 21, 2011) (hereinafter "Mid-and-long Term Roadmap") was prepared by Government and TEPCO's Mid-to-Long Term Countermeasure Meeting established by Nuclear Emergency Response Headquarters of the Government (revised on July 30, 2012). Regarding expenses and/or losses related to Mid-and-long Term Roadmap, the Company records estimated amounts based on the concrete target periods and contents of individual countermeasures, if it is possible to estimate the amounts in the normal way.

The Company records the amounts including fuel removal costs within the range of reasonable estimates based on the currently available information for expenses and/or losses related to Mid-and- long Term Roadmap, although they might vary from now on.

For the year ended March 31, 2012

The Company records expense and/or loss for restoring assets damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake.

(1) Expenses and/or losses included in "Loss on disaster" are recognized in the following manners:

a. Expenses and/or losses for settlement and decommissioning of Fukushima Daiichi Nuclear Power Station

Responding to "Step 2 Completion Report- Roadmap towards Settlement of the Accident at Fukushima Daiichi Nuclear Power Station, TEPCO" (December 16, 2011) prepared by Government-TEPCO Integrated Response Office established by Nuclear Emergency Response Headquarters of the Government, "Mid-and-long-Term Roadmap towards the Decommissioning of Fukushima Daiichi Nuclear Power Units 1-4, TEPCO" (December 21, 2011) (hereinafter "Mid-and-long Term Roadmap") was prepared by Government and TEPCO's Mid-to-Long Term Countermeasure Meeting established by Nuclear Emergency Response Headquarters of the Government. Regarding expenses and/or losses related to Mid-and-long Term Roadmap, the Company records estimated amounts based on the concrete target periods and contents of individual countermeasures, if it is possible to estimate the amounts in the normal way.

The Company records the amounts including fuel removal costs within the range of reasonable estimates based on the currently available information for expenses and/or losses related to Mid-and- long Term Roadmap, although they might vary from now on.

(2) Major components of loss on disaster at March 31, 2012 are as follows:

	Millions of yen
a. Expenses and/or losses for settlement and decommissioning of Fukushima Daiichi Nuclear Power Station	¥287,111
b. Other	10,691
Total	¥297,802

26 Loss on change on nuclear fuel processing contract

With respect to contractual arrangements to Mixed Oxide (MOX) fuel, which is nuclear fuel consisting of plutonium blended with natural uranium and reprocessed uranium, the Company recorded a loss arising from alterations in contractual arrangements including partial cancellation since the Company decided to scrap MOX fuel which was stored in a state of processing based on the contract.

27 Impairment Loss on Property, Plant and Equipment

For the year ended March 31, 2013, the Company recognized ¥12,115 million (US$129 million) of impairment losses on property, plant and equipment which consisted of the following:

		Millions of yen	Millions of U.S. dollars
Assets for business use	Machinery, equipment, etc.	¥ 2,424	$ 26
Assets planned to be sold	Land, buildings, etc.	7,367	78
Idle assets, etc.	Construction in progress, etc.	2,322	25
Total		¥12,115	$129

Fixed assets used for electric power business are recognized as an asset group, except for significant assets for which a decision to scrap has been made and for which no alternative investment is planned, because these assets generate cash flows as one unit from power generation through sales.

Other fixed assets used for other businesses are grouped in principle by business or by location.

Other fixed assets are grouped in principle by each individual asset.

The Company recorded impairment losses mainly by writing down the carrying amounts of assets planned to be sold to the recoverable amounts.

The Company recognizes impairment losses if the recoverable amounts are less than the carrying amounts. The recoverable amounts are mainly measured by the respective net selling value which is based on the estimated selling value.

28 Other Comprehensive Income

The components of other comprehensive income for the years ended March 31, 2013 and 2012 are as follows:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Net unrealized holding loss on securities:			
Loss incurred during the year	**¥ (1,204)**	¥ (2,023)	**$ (13)**
Reclassification adjustment to net income	**(417)**	21,795	**(4)**
Amount before tax effect	**(1,622)**	19,772	**(17)**
Tax effect	**102**	569	**1**
Net unrealized holding loss on securities	**(1,520)**	20,341	**(16)**
Net deferred loss on hedges:			
Loss incurred during the year	**(82)**	(904)	**(1)**
Reclassification adjustment to net income	**123**	456	**1**
Amount before tax effect	**40**	(448)	**0**
Tax effect	**—**	266	**—**
Net deferred loss on hedges	**40**	(181)	**0**
Translation adjustments:			
Loss incurred during the year	**9,083**	(5,301)	**97**
Reclassification adjustment to net income	**—**	1,641	**—**
Amount before tax effect	**9,083**	(3,660)	**97**
Tax effect	**—**	—	**—**
Translation adjustments	**9,083**	(3,660)	**97**
Share of other comprehensive income in associates accounted for using the equity method:			
Loss incurred during the year	**4,290**	(11,083)	**46**
Reclassification adjustment to net income	**4,247**	4,017	**45**
Share of other comprehensive income in associates accounted for using the equity method	**8,537**	(7,066)	**91**
Total other comprehensive income	**¥16,141**	¥ 9,432	**$172**

29 Related Party Transactions

The Company issued preferred stock to be subscribed by Nuclear Damage Liability Facilitation Fund (the "Fund"), which is a major shareholder, who directly owns 50.1% ownership of the Company, of ¥1,000,000 million (US$10,637 million). The Company also received grants-in-aid from the Fund of ¥1,114,500 million (US$11,855 million) in the year ended March 31, 2013 and the Company recorded "Grants-in-aid receivable from Nuclear Damage Liability Facilitation Fund" under "Investments and Other" of ¥891,779 million (US$9,486 million) at March 31, 2013.

The Company guaranteed loan and bonds of ¥208,422 million (US$2,217 million) and ¥249,086 million of Japan Nuclear Fuel Limited, a major affiliate, at March 31, 2013 and 2012, respectively.

30 Contingent Liabilities

Contingent liabilities totaled ¥533,278 million (US$5,673 million) and ¥585,673 million, of which ¥237,815 million (US$2,530 million) and ¥278,838 million were 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 at March 31, 2013 and 2012, respectively.

In addition, ¥225,462 million (US$2,398 million) and ¥236,834 million consisted of guarantees given in connection with housing loans made to employees of the Companies at March 31, 2013 and 2012, respectively.

The remaining ¥70,000 million (US$745 million) and ¥70,000 million represent the debt assigned by the Company to certain banks under debt assumption agreements at March 31, 2013 and 2012, respectively.

Contingent Liabilities related to Nuclear Damage Compensation

At March 31, 2013

Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, with sincerely recognizing the Company's position as a causing party, the Company has decided to implement the compensation from the viewpoints of speedy implementation of compensation for the nuclear victims with Government supports under the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No. 147 of 1961). At the Committee for Adjustment of Compensation for Nuclear Damage Disputes, "the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" (hereinafter the "Interim Guidelines") on August 5, 2011, the supplement of the "Interim Guidelines" on December 6, 2011, the second supplement of the "Interim Guidelines" on March 16, 2012 and the third supplement of the "Interim Guidelines" on January 30, 2013 were determined and on July 20, 2012, as a government policy, "Concept of the Compensation Criteria after the Review of Evacuation Zones" was published. From the viewpoints of implementing prompt and appropriate compensation payouts, the Company has prepared the criteria for compensation by damages, taking into consideration these guidelines. In addition, on December 26, 2011, Nuclear Emergency Response Headquarters of the Government prepared "Basic Concept and Future Issues concerning Warning Zones and Evacuation Zones responding to Completion of Step 2", showing the concept concerning the review of evacuation zones, etc. Consequently, the Company has recorded a reserve for nuclear damage compensation regarding the amounts possible to make reasonable estimates based on the actual compensation claim amounts and objective statistical data, in addition to the aforementioned guidelines, but does not record any reserve for indirect damages and losses and/or damages on tangible assets for which reasonable estimation is not possible using the interim guidelines and currently available data, etc.

Furthermore, treatment of wastes and decontamination measures have been proceeded under the national fiscal measures based on the "Act on Special Measures concerning the Handling of pollution by Radioactive Materials Released by the Accident of Nuclear Power Plant damaged by Tohoku-Chihou-Taiheiyou-Oki Earthquake on March 11, 2011" (effective on August 30, 2011; Act No. 110 of 2011). However, regarding the amounts to be billed or claimed to the Company for the costs required for treatment of wastes and decontamination, the Company has not recorded any reserve for the amount of compensation, except for certain agreed amounts, since reasonable estimation is not possible under the current circumstances that concrete measures are not identifiable.

At March 31, 2012

Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, with sincerely recognizing the Company's position as a causing party, the Company has decided to implement the compensation from the viewpoints of speedy implementation of compensation for the nuclear victims with Government supports under the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No. 147 of 1961).From the viewpoints of implementing prompt and appropriate compensation payouts, the Company has prepared the criteria for compensation by damages shown in the interim guidelines, taking into consideration "the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" (hereinafter the "Interim Guidelines") determined at the Committee for Adjustment of Compensation for Nuclear Damages Disputes on August 5, 2011, supplement of the

"Interim Guidelines" on December 6, 2011 and the second supplement of the "Interim Guidelines" on March 16, 2012. In addition, on December 26, 2011, Nuclear Emergency Response Headquarters of the Government prepared "Basic Concept and Future Issues concerning Warning Zones and Evacuation Zones responding to completion of Step 2", showing the concept concerning the review of evacuation zones, etc. Based on these guidelines, the Company recorded a reserve for nuclear damage compensation regarding the amounts possible to make reasonable estimates based on the concrete computation method and objective statistical data, etc., but does not record any reserve for opportunity losses of the businesses such as agriculture, forestry, fishery and sightseeing due to reputation damage, etc., indirect damages and losses and/or damages on tangible assets for which reasonable estimation is not possible using the interim guidelines and currently available data, etc.

Furthermore, regarding the amounts to be billed or claimed to the Company for the costs required for treatment of wastes and decontamination measures based on the "Act on Special Measures concerning the Handling of pollution by Radioactive Materials Released by the Accident of Nuclear Power Plant damaged by Tohoku-Chihou-Taiheiyou-Oki Earthquake on March 11, 2011" (effective on August 30, 2011; Act No. 110 of 2011), the Company has not recorded any reserve for the amount of compensation, since reasonable estimation is not possible under the current circumstances that concrete measures are not identifiable.

31 Financial Instruments

1. Status of financial instruments

(1) Policy regarding financial instruments

Since the debt rating of the Company was downgraded due to the accidents at Fukushima Daiichi Nuclear Power Station damaged by the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company's fund raising capability has been deteriorated. However, the Company tries to raise its fund to ensure its capital investments required for electric power business by borrowing from financial institutions, issuance of bonds, etc.

The Company only uses short-term deposits to manage funds.

The Company and certain consolidated subsidiaries comply with internal policies in using derivatives solely to hedge risk, never for trading or speculation.

(2) Details of financial instruments, associated risk and risk management

Investment securities consist mainly of equity securities and are exposed to market price fluctuation risk. The Company and certain consolidated subsidiaries review the fair values of securities on a quarterly basis.

Trust funds for the reprocessing of irradiated nuclear fuel are funds contributed under the Law on Creation and Management of Trust Funds for Reprocessing of Spent Fuel at Nuclear Power Stations to properly reprocess the irradiated nuclear fuel incurred by operating specified commercial power reactors.

Grants-in-aid receivable from Nuclear Damage Liability Facilitation Fund (the "Fund") with the carrying amount of ¥891,779 million (US$9,486 million) is a receivable of the fund stipulated in the Clause 41, Article 1-1 of the Fund Act (effective on August 10, 2011; Act No. 94 of 2011). The fair value of this receivable is not presented because this fund will be paid from the Fund for the necessary amount to implement compensation for nuclear damages caused by the accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake and it is determined based on the amounts required for compensation.

Notes and accounts receivable are exposed to the credit risk of customers. In compliance with internal policies, the Company and certain consolidated subsidiaries monitor due dates and outstanding balances by individual customer, and press for collection of receivables that become past due.

Interest-bearing debt includes loans and bonds that are exposed to interest rate fluctuation risk. The Company hedges this risk by utilizing interest rate swaps for certain loans. Foreign bonds are exposed to foreign currency exchange risk, which the Company hedges by utilizing currency swaps when issuing bonds.

Almost all trade notes and accounts payable have payment due dates within a year.

Bonds, loans, and trade notes and accounts payable expose the Company to liquidity risk in that the Company and certain consolidated subsidiaries may not be able to meet their obligations on scheduled due dates. The Company and certain consolidated subsidiaries prepare and update their cash flow projections on a timely basis to manage this liquidity risk.

The Company and certain consolidated subsidiaries use derivatives, including currency swaps, to hedge the risk of exchange rate fluctuations associated with bonds denominated in foreign currencies and interest rate swaps to hedge the risk of interest rate fluctuations associated with loans. The Company and certain consolidated subsidiaries have departments that conduct and manage such transactions in compliance with internal policies.

The Company and certain consolidated subsidiaries are also exposed to credit risk in the event of nonperformance by the counterparties to these derivatives positions, but consider the risk of any such loss to be minimal because they enter into derivative transactions only with financial institutions and companies that have high credit ratings. Information on hedge accounting is disclosed in the last section of this note.

(3) Supplementary explanation of items related to the fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, the fair value is determined based on reasonable estimates. Estimates of fair value contain uncertainties because they employ variable factors and assumptions. In addition, the contractual amounts of the derivatives are not necessarily indicative of the actual market risk involved in relevant derivatives.

2. Fair value of financial instruments

The carrying amount of financial instruments in the consolidated balance sheets as of March 31, 2013 and 2012, their fair value and unrealized loss are as shown below. Items for which fair value is not readily determinable are not included in the following table (see Note 2).

	Millions of yen		
	2013		
	Carrying amount*1	Fair value*1	Difference
(1) Investment securities*2	**¥ 4,486**	**¥ 4,486**	**¥ —**
(2) Trust funds for the reprocessing of irradiated nuclear fuel	**1,070,846**	**1,070,846**	**—**
(3) Cash	**1,754,977**	**1,754,977**	**—**
(4) Notes and accounts receivable-customers	**475,752**	**475,752**	**—**
(5) Bonds*3	**(4,403,863)**	**(4,233,216)**	**170,647**
(6) Long-term loans*3	**(3,509,715)**	**(3,436,504)**	**73,210**
(7) Short-term loans	**(11,240)**	**(11,240)**	**—**
(8) Trade notes and accounts payable	**(334,998)**	**(334,998)**	**—**
(9) Derivatives*4	**(287)**	**(287)**	**—**

	Millions of yen		
	2012		
	Carrying amount*1	Fair value*1	Difference
(1) Investment securities*2	¥ 6,936	¥ 6,936	¥ —
(2) Trust funds for the reprocessing of irradiated nuclear fuel	1,125,997	1,125,997	—
(3) Cash	1,287,418	1,287,418	—
(4) Notes and accounts receivable-customers	432,925	432,925	—
(5) Bonds*3	(4,425,574)	(3,808,854)	616,720
(6) Long-term loans*3	(3,453,188)	(3,268,631)	184,557
(7) Short-term loans	(441,765)	(441,765)	—
(8) Trade notes and accounts payable	(317,479)	(317,479)	—
(9) Derivatives*4	(328)	(328)	—

	Millions of U.S. dollars		
	2013		
	Carrying amount*1	Fair value*1	Difference
(1) Investment securities*2	$ 48	$ 48	$ —
(2) Trust funds for the reprocessing of irradiated nuclear fuel	11,391	11,391	—
(3) Cash	18,668	18,668	—
(4) Notes and accounts receivable-customers	5,061	5,061	—
(5) Bonds*3	(46,845)	(45,029)	1,815
(6) Long-term loans*3	(37,333)	(36,555)	779
(7) Short-term loans	(120)	(120)	—
(8) Trade notes and accounts payable	(3,563)	(3,563)	—
(9) Derivatives*4	(3)	(3)	—

*1. Figures shown in parentheses represent liabilities.
*2. Investment securities are included in "Long-term investments" in the accompanying consolidated balance sheets.
*3. Bonds and long-term loans include "Current portion of long-term debt" in the accompanying consolidated balance sheets.
*4. The value of assets and liabilities arising from derivatives is shown at net value.

(Note 1) Investment securities, derivatives and methods for estimating fair value of financial instruments

(1) Investment securities
The fair value of equity securities is determined by their market price. For further information on investment securities by holding intent, see Note 5.

(2) Trust funds for reprocessing irradiated nuclear fuel
Trust funds for reprocessing irradiated nuclear fuel are funds contributed under the Law on Creation and Management of Trust Funds for Reprocessing of Spent Fuel at Nuclear Power Stations to properly reprocess the irradiated nuclear fuel produced by operating specified commercial power reactors.

To obtain a refund of its contribution, the Company has to follow the scheme approved by the Minister of Economy, Trade and Industry for refunds of trust funds for reprocessing irradiated nuclear fuel. Since the carrying value is based on the present value of the projected refunds in the future under the scheme at March 31, 2013 and 2012, respectively, the fair value is determined as the relevant carrying values.

(3) Cash and (4) Notes and accounts receivable-customers
Since these items are settled in a short period of time and their fair value approximates their carrying value, the relevant fair value is determined as carrying value.

(5) Bonds
For the fair value of bonds issued by the Company with floating interest rates, those interest rates are updated to reflect the market interest rate within a short period of time. Since their fair value approximates their carrying value, the relevant fair value is determined as carrying value. For the fair value of bonds with fixed interest rates, the fair value is based on their market prices. The fair value of bonds hedged by forward exchange contracts, to which the assignment method of hedge accounting is applied, is estimated based on the present value of principal and interest discounted using the interest rate for a bond of equivalent maturity and credit rating.

The fair value of bonds without market prices is determined by discounting the total amount of principal and interest using the interest rate to be applied in the similar conditions.

(6) Long-term loans
For the fair value of long-term loans payable with floating interest rates, those interest rates are updated to reflect the market interest rate within a short period of time. Since their fair value approximates their carrying value, the relevant fair value is determined as carrying value.

For the fair value of long-term loans payable with fixed interest rates, the total amount of principal and interest of relevant long-term loans, grouped by the remaining loan period, is discounted using the incremental borrowing rate to be applied in the similar conditions. For those subject to the special hedge accounting treatment of interest rate swaps, the present value is determined using the swap rate that is deemed as their interest rate.

(7) Short-term loans, and (8) Trade notes and accounts payable
Since these items are settled in a short period of time and their fair value approximates their carrying value, the relevant fair value is determined at carrying value.

(9) Derivatives
See derivative transactions related tables below.

(Note 2) Financial instruments for which fair value is not readily determinable:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
	Carrying amount	Carrying amount	Carrying amount
Unlisted securities	**¥27,350**	¥26,389	**$291**
Other	**9,252**	5,419	**98**
Total	**¥36,603**	¥31,809	**$389**

These financial instruments are not included in "Investment securities" because no quoted market price is available and their fair value is not readily determinable.

(Note 3) Redemption schedule for monetary instruments and debt securities with maturity dates subsequent to March 31, 2013 is as follows:

	Millions of yen			
	2013			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Investment securities:				
Available-for-sale securities with maturity				
Bonds				
Public bonds	**¥ —**	**¥—**	**¥85**	**¥—**
Corporate bonds	**—**	**—**	**—**	**—**
Other	**—**	**—**	**—**	**—**
Other	**—**	**—**	**—**	**—**
Trust funds for the reprocessing of irradiated nuclear fuel*1	**100,541**	**—**	**—**	**—**
Cash*2	**1,754,977**	**—**	**—**	**—**
Notes and accounts receivable-customers	**475,752**	**—**	**—**	**—**
Total	**¥2,331,271**	**¥—**	**¥85**	**¥—**

	Millions of U.S. dollars			
	2013			
	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 10 years	Due after 10 years
Investment securities:				
Available-for-sale securities with maturity				
Bonds				
Public bonds	**$ —**	**$—**	**$1**	**$—**
Corporate bonds	**—**	**—**	**—**	**—**
Other	**—**	**—**	**—**	**—**
Other	**—**	**—**	**—**	**—**
Trust funds for the reprocessing of irradiated nuclear fuel*1	**1,069**	**—**	**—**	**—**
Cash*2	**18,668**	**—**	**—**	**—**
Notes and accounts receivable-customers	**5,061**	**—**	**—**	**—**
Total	**$24,798**	**$—**	**$1**	**$—**

*1. The Company does not disclose information on the portion of trust funds for reprocessing irradiated nuclear fuel that are due after one year or more (¥970,305 million (US$10,321 million)) because of contractual obligations and the risk of disadvantage.
*2. Portion due in 1 year or less includes cash.

(Note 4) Redemption schedule for bonds, long-term loans and other interest bearing liabilities subsequent to March 31, 2013 is as follows:

	Millions of yen					
	2013					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Bonds	**¥ 635,754**	**¥446,400**	**¥438,100**	**¥366,997**	**¥1,298,311**	**¥1,218,300**
Long-term loans	**484,806**	**489,576**	**319,858**	**429,548**	**228,991**	**1,556,932**
Short-term loans	**11,240**	**—**	**—**	**—**	**—**	**—**
Total	**¥1,131,801**	**¥935,976**	**¥757,958**	**¥796,546**	**¥1,527,302**	**¥2,775,232**

	Millions of U.S. dollars					
	2013					
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Bonds	**$ 6,763**	**$4,748**	**$4,660**	**$3,904**	**$13,810**	**$12,960**
Long-term loans	**5,157**	**5,208**	**3,402**	**4,569**	**2,436**	**16,561**
Short-term loans	**120**	**—**	**—**	**—**	**—**	**—**
Total	**$12,040**	**$9,956**	**$8,062**	**$8,473**	**$16,246**	**$29,521**

Derivatives for which hedge accounting is applied

(1) Currency-related

	Millions of yen			
	2013			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Allocation of gain/loss on foreign exchange forward contracts				
Currency swap transactions	Bonds			
Payable JPY/receivable EUR		**¥134,270**	**¥ —**	*1
Payable JPY/receivable CHF		**25,050**	**25,050**	*1
Total		**¥159,320**	**¥25,050**	**¥—**

	Millions of yen			
	2012			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Allocation of gain/loss on foreign exchange forward contracts				
Currency swap transactions	Bonds			
Payable JPY/receivable EUR		¥134,270	¥134,270	*1
Payable JPY/receivable CHF		25,050	25,050	*1
Total		¥159,320	¥159,320	¥—

	Millions of U.S. dollars			
	2013			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Allocation of gain/loss on foreign exchange forward contracts				
Currency swap transactions	Bonds			
Payable JPY/receivable EUR		**$1,428**	**$ —**	*1
Payable JPY/receivable CHF		**267**	**266**	*1
Total		**$1,695**	**$266**	**$—**

*1 Bonds hedged by foreign exchange forward contracts are translated using the forward exchange contract rates and accordingly, such foreign exchange forward contracts are not included in carrying value and fair value in the list of 2 "Fair value of financial instruments" under Note 31.

(2) Interest rate-related

	Millions of yen			
	2013			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Basic treatment				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		**¥ 5,383**	**¥ 4,881**	**¥(287)** *1
Special treatment of interest rate swaps				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		**45,712**	**44,316**	*2
Total		**¥51,096**	**¥49,198**	**¥(287)**

	Millions of yen			
	2012			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Basic treatment				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		¥ 4,944	¥ 4,835	¥(328) *1
Special treatment of interest rate swaps				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		67,228	49,376	*2
Total		¥72,172	¥54,211	¥(328)

	Millions of U.S. dollars			
	2013			
	Hedged item	Contract amount	Portion over 1 year	Fair value
Basic treatment				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		**$ 57**	**$ 52**	**$(3)** *1
Special treatment of interest rate swaps				
Interest rate swaps	Long-term loans			
Payable fixed rate/receivable floating rate		**487**	**471**	*2
Total		**$544**	**$523**	**$(3)**

*1 Fair value for those contracts is based on prices disclosed by relevant financial institutions.
*2 Interest rate swaps that qualify for hedge accounting and meet specific matching criteria are not measured at market value, but the differential paid or received under the swap agreements is recognized and included in interest expenses or income and accordingly, such interest rate swaps are not included in carrying value and fair value in the list of 2 "Fair value of financial instruments" under Note 31.

32 Segment Information

1. Summary of reportable segments

The Group's reportable segments are those for which separate financial information is available and regular evaluation by the Board of Executive Officers is performed to decide how resources are allocated among the Group.

Until the fiscal year ended March 31, 2011, the Group consisted of five industry segments: in addition to electric power, information and telecommunications, energy and environment, living environment and lifestyle-related, and overseas businesses as strategic businesses.

However, facing aftermath of the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company reviewed its Group organization in "Present Policy for Business Efficiency Improvements and Streamlining" announced on May 20, 2011 and decided to significantly reduce and restructure businesses other than those needed for the stable power supply.

Accordingly, the Company decided to focus on "Electric Power Business" as its reportable segment and report "Information and Telecommunications Business", "Energy and Environment Business", "Living Environment and Lifestyle-Related Business" and "Overseas Business" all together as "Other", from the year ended March 31, 2012, since these business segment information other than that needed for stable power supply has become less significant for reporting continuously.

"Electric Power Business" supplies electricity to customers mainly in the Kanto region, including Yamanashi Prefecture and the east side of the Fuji River in Shizuoka Prefecture.

The Company introduced an in-house company system from April 1, 2013 for the purpose of enhancing competitiveness responding to the expected electricity system reform by enhancing cost consciousness of each division and tackling expansion of profitability on its own initiative.

Responding to this strategy, segment information disclosure items due to the transfer to the new management methods including Group companies is currently being under consideration.

2. Methods of measurement for the amounts of sales, profit (loss), assets and other items for each reportable segment

Accounting policies of each reportable segment are consistent with those disclosed in Note 1, "Summary of Significant Accounting Policies". Segment profit of the reportable segment is the figure based on operating income. Inter-segment sales are based on the arm's length price.

3. Information about sales, profit (loss), assets and other items is as follows:

	Millions of yen				
	2013				
	Reportable segment: Electric power business	Other (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
Sales:					
Sales to third parties	¥ 5,660,091	¥ 316,147	¥ 5,976,239	¥ —	¥ 5,976,239
Inter-segment sales and transfers	—	275,229	275,229	(275,229)	—
Total	¥ 5,660,091	¥ 591,376	¥ 6,251,468	¥(275,229)	¥ 5,976,239
Segment profit (loss)	¥ (269,637)	¥ 43,963	¥ (225,673)	¥ 3,685	¥ (221,988)
Segment assets	¥14,035,574	¥1,245,534	¥15,281,108	¥(291,978)	¥14,989,130
Other items:					
Depreciation	¥ 593,578	¥ 33,789	¥ 627,368	¥ (6,287)	¥ 621,080
Increase in tangible and intangible fixed assets (Notes 4 below)	647,317	31,097	678,414	(3,403)	675,011

	Millions of yen				
	2012				
	Reportable segment				
	Electric power business	Other (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
Sales:					
Sales to third parties	¥ 4,995,626	¥ 353,819	¥ 5,349,445	¥ —	¥ 5,349,445
Inter-segment sales and transfers	—	298,287	298,287	(298,287)	—
Total	¥ 4,995,626	¥ 652,106	¥ 5,647,733	¥(298,287)	¥ 5,349,445
Segment profit (loss)	¥ (323,738)	¥ 49,953	¥ (273,784)	¥ 1,270	¥ (272,513)
Segment assets	¥14,548,200	¥1,311,064	¥15,859,265	¥(322,809)	¥15,536,456
Other items:					
Depreciation	¥ 645,854	¥ 44,934	¥ 690,788	¥ (4,232)	¥ 686,555
Increase in tangible and intangible fixed assets (Note 4 below)	671,474	81,608	753,083	(3,071)	750,011

	Millions of U.S. dollars				
	2013				
	Reportable segment				
	Electric power business	Other (Note 1)	Total	Adjustments (Note 2)	Consolidated (Note 3)
Sales:					
Sales to third parties	**$ 60,207**	**$ 3,363**	**$ 63,570**	**$ —**	**$ 63,570**
Inter-segment sales and transfers	**—**	**2,928**	**2,928**	**(2,928)**	**—**
Total	**$ 60,207**	**$ 6,291**	**$ 66,498**	**$(2,928)**	**$ 63,570**
Segment profit (loss)	**$ (2,869)**	**$ 468**	**$ (2,401)**	**$ 39**	**$ (2,362)**
Segment assets	**$149,299**	**$13,249**	**$162,548**	**$(3,106)**	**$159,442**
Other items:					
Depreciation	**$ 6,314**	**$ 359**	**$ 6,673**	**$ (66)**	**$ 6,607**
Increase in tangible and intangible fixed assets (Notes 4 below)	**6,886**	**330**	**7,216**	**(36)**	**7,180**

Notes:

1. "Other" represents business segments not included in reportable segments, consisting of information and telecommunications, energy and environment, living environment and lifestyle-related, and overseas businesses.
2. "Adjustments" of "Segment profit" in an amount of ¥3,685 million (US$39 million) and ¥1,270 million includes ¥3,682 million (US$39 million) and ¥1,231 million of inter-segment elimination for the years ended March 31, 2013 and 2012, respectively.

   "Adjustments" of "Segment assets" in an amount of ¥(291,978) million (US$(3,106) million) and ¥(322,809) million includes ¥(291,431) million (US$(3,100) million) and ¥(322,197) million of inter-segment elimination at March 31, 2013 and 2012, respectively.

   "Adjustments" of "Depreciation" in an amount of ¥(6,287) million (US$(66) million) and ¥(4,232) million refers to inter-segment elimination for the years ended March 31, 2013 and 2012, respectively.

   "Adjustments" of "Increase in tangible and intangible fixed assets" in an amount of ¥(3,403) million (US$(36) million) and ¥(3,071) million refers to inter-segment elimination for the years ended March 31, 2013 and 2012, respectively.
3. Segment profit (loss) is reconciled with operating loss in the consolidated financial statements.
4. "Increase in tangible and intangible fixed assets" does not include the amount recorded in assets corresponding to asset retirement obligations.

Information about impairment loss on tangible fixed assets by reportable segment:

	Millions of yen			
	2013			
	Electric power business	Other	Corporate/ Elimination	Consolidated
Impairment loss	**¥3,577**	**¥8,537**	**¥—**	**¥12,115**

	Millions of U.S. dollars			
	2013			
	Electric power business	Other	Corporate/ Elimination	Consolidated
Impairment loss	**$38**	**$91**	**$—**	**$129**

Information about impairment loss on tangible fixed assets by reportable segment for the year ended March 31, 2012 has been omitted, since there is no materiality.

33 Per Share Information

Per share information at March 31, 2013 and 2012 and for the years then ended is as follows:

	Yen		U.S. dollars
	2013	2012	2013
Net assets per share	**¥72.83**	¥491.22	**$0.77**
Net loss per share	**427.64**	487.76	**4.55**

Net income per share after dilution by potential shares for the year ended March 31, 2013 is omitted, since the Company recognized net loss for the year ended March 31, 2013, although there exist potential shares.

Net income per share after dilution by potential shares for the year ended March 31, 2012 is omitted, since potential shares did not exist and the Company recognized net loss for the year ended March 31, 2012.

Notes:

1. Net assets per share is computed based on the following information:

	Millions of yen		Millions of U.S. dollars
	2013	2012	2013
Net assets	**¥1,137,812**	¥812,476	**$12,103**
Amounts to be deducted from net assets	**1,021,107**	25,299	**10,862**
Of which payment of preferred stock	**1,000,000**	—	**10,637**
Of which minority interests	**21,107**	25,299	**225**
Net assets at March 31 attributable to common stock	**116,704**	787,177	**1,241**

	Number of shares (in thousands)	
	2013	2012
Number of shares of common stock at March 31 which was used to compute net assets per share	**1,602,478**	1,602,484

2. Net loss per share is computed based on the following information:

	Millions of yen		Millions of U.S. dollars
	2013	2012	**2013**
Net loss	**¥685,292**	¥781,641	**$7,290**
Net loss not attributable to common stock shareholders	**—**	—	**—**
Net loss attributable to common stock shareholders	**685,292**	781,641	**7,290**

	Number of shares (in thousands)	
	2013	2012
Average number of shares of common stock outstanding during the year	**1,602,480**	1,602,503
Potential shares which were not included in computing net income per share after dilution of potential shares since they have no dilutive effect	**Preferred stock-Class A (1,600,000 thousand shares)**	—
	Preferred stock-Class B (340,000 thousand shares)	—

34 Subsequent Events

Regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, with sincerely recognizing the Company's position as a causing party, the Company has decided to implement the compensation from the viewpoints of speedy implementation of compensation for the nuclear victims with Government supports under the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No. 147 of 1961).

On May 31, 2013, the Company submitted an application to the Fund for a change of the amount of financial support based on the clause 43, Article 1 of the "Act on Nuclear Damage Liability Facilitation Fund" (effective on August 10, 2011; Act No. 94 of 2011) (the "Fund Act"). Then the Company submitted an application for an approval of the Special Business Plan to the minister in charge jointly with the Fund on June 6, 2013 after the resolution of the steering committee of the Fund based on the clause 46, Article 1 of the Fund Act and the Plan was approved on June 25, 2013.

This application was made because the estimated amount of necessary compensation, less ¥120,000 million (US$1,276 million) of receipt of compensation pursuant to the provision of the Act on Contract for Indemnification of Nuclear Damage Compensation (effective on June 17, 1961; Act No. 148 of 1961), increased by ¥666,255 million (US$7,087 million) from ¥3,123,079 million (US$33,221 million), which was initially estimated at the time of the approval of the Special Business Plan on February 4, 2013, to ¥3,789,334 million (US$40,308 million) due to the changes in the situations that the evacuation zones were revised and the scope of compensation for the agricultural, forestry and fishery products was expanded based on the third supplement of the interim guidelines.

Since it was resolved to increase the compensation for mental blows of the people who are in the condition of long-term care in the application for a change of the amount of financial support to the Fund on May 31, 2013, the estimated amount of compensation, less ¥120,000 million (US$1,276 million) of receipt of compensation, has increased by ¥102,433 million (US$1,090 million) from ¥3,686,900 million (US$39,218 million) at March 31, 2013. Consequently, grants-in-aid from the Fund and compensation for nuclear damages are expected to increase by ¥666,255 million (US$7,087 million) and ¥102,433 million (US$1,090 million), respectively.

As this increase in compensation for nuclear damages in an amount of ¥102,433 million (US$1,090 million) occurred subsequent to the statutory audit report date of May 17, 2013 under the Corporation Law of Japan, it is treated as unadjusted event for financial reporting purposes under the Financial Instruments and Exchange Law of Japan in accordance with Japanese accounting and auditing practices (JICPA Auditing and Assurance Practice Committee Statement No. 76). Accordingly, no adjustment resulting from this event has been made to the accompanying consolidated financial statements.

Independent Auditor's Report

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The Board of Directors
Tokyo Electric Power Company, Incorporated

We have audited the accompanying consolidated financial statements of Tokyo Electric Power Company, Incorporated (the "Company") and its consolidated subsidiaries, which comprise the consolidated balance sheet as at March 31, 2013, and the consolidated statements of operations, comprehensive income, changes in net assets, and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Tokyo Electric Power Company, Incorporated and its consolidated subsidiaries as at March 31, 2013, and their consolidated financial performance and cash flows for the year then ended in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the following:

(1) As explained in Note 23 to the accompanying consolidated financial statements, regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company is committed to prompt compensation to the nuclear victims with Government support in accordance with the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No. 147 of 1961).

At the Committee for Adjustment of Compensation for Nuclear Damage Disputes, the "Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" (hereinafter the "Interim Guidelines") on August 5, 2011, the supplement of the "Interim Guidelines" on December 6, 2011, the second supplement of the "Interim Guidelines" on March 16, 2012 and the third supplement of the "Interim Guidelines" on January 30, 2013 were determined and on July 20, 2012, as a government policy, "Concept of the Compensation Criteria after the Review of Evacuation Zones" was published. From the viewpoints of implementing prompt and appropriate compensation payouts, the Company has prepared criteria for compensation for damages shown in the interim guidelines, taking into consideration these guidelines. In addition, on December 26, 2011, Nuclear Emergency Response Headquarters of the Government prepared "Basic Concept and Future Issues concerning Warning Zones and Evacuation Zones responding to Completion of Step 2", showing the concept concerning the review of evacuation zones, etc.

Consequently, the Company has recorded compensation for nuclear damages for the year ended March 31, 2013, amounting to ¥1,161,970 million (US$12,360 million), which is the difference between the estimated amount at March 31, 2012 and ¥3,686,900 million (US$39,218 million) after deducting ¥120,000 million (US$1,276 million) of receipt of compensation pursuant to the provision of the Act on Contract for Indemnification of Nuclear Damage Compensation (effective on June 17, 1961; Act No. 148 of 1961) from the estimated damage compensation amounting to ¥3,806,900 million (US$40,495 million) consisting of estimated compensation for evacuation costs and mental blow of evacuees, damages caused by voluntary evacuations, opportunity losses on salary of workers living in and/or working in evacuation zones, damages due to the Governmental restriction on shipment of agricultural, forestry and fishery products, opportunity losses due to reputation damage, etc. and losses and/or damages on tangible assets which were estimated based on the actual compensation claim amounts and objective statistical data, in addition to the aforementioned guidelines, etc.

The Company has recorded its estimated amount as far as reasonable estimation is possible at this moment, although the estimated compensation amounts might vary depending on the extent of accuracy of reference data and agreements with the victims from now on.

On the other hand, for the purpose of speedy and appropriate implementation of compensation, Nuclear Damage Liability Facilitation Fund (the "Fund") which was newly established based on the "Act on Nuclear Damage Liability Facilitation Fund" (effective on August 10, 2011; Act No. 94 of 2011) (the "Fund Act") will provide necessary financial assistance to a nuclear operator. The Company submitted an application to the Fund for a change of the amount of financial support to ¥3,243,079 million (US$34,497 million), which is the estimated amount of compensation as of December 27, 2012, based on the Clause 43, Article 1 of the Fund Act and recorded ¥696,808 million (US$7,412 million) as grants-in-aid from the Fund, which is the difference between ¥3,123,079 million (US$33,221 million) deducting ¥120,000 million (US$1,276 million) of receipt of compensation from the above amount and ¥2,426,271 million (US$25,809 million), which was determined to grant for financing the compensation on May 9, 2012.

In receiving the financial assistance, the recipient shall pay special contribution defined by the Fund based on the provision of the Clause 52, Article 1, of the Fund Act, but the

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Company has not recorded such amount, since the amount will be determined by the resolution of the steering committee of the Fund for every fiscal year in light of the Company's operating results and also require the approval of the minister in charge.

(2) As explained in Note 30 to the accompanying consolidated financial statements, regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company has decided to implement the compensation from the viewpoints of speedy implementation of compensation for the nuclear victims with Government supports under the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No. 147 of 1961). At the Committee for Adjustment of Compensation for Nuclear Damage Disputes, "the Interim Guidelines on Criteria for Determining Nuclear Damage Indemnification Coverage due to the Accident at Fukushima Daiichi and Daini Power Stations, TEPCO" (hereinafter the "Interim Guidelines") on August 5, 2011, the supplement of the "Interim Guidelines" on December 6, 2011, the second supplement of the "Interim Guidelines" on March 16, 2012 and the third supplement of the "Interim Guidelines" on January 30, 2013 were determined and on July 20, 2012, as a government policy, "Concept of the Compensation Criteria after the Review of Evacuation Zones" was published. From the viewpoints of implementing prompt and appropriate compensation payouts, the Company has prepared the criteria for compensation by damages, taking into consideration these guidelines. In addition, on December 26, 2011, Nuclear Emergency Response Headquarters of the Government prepared "Basic Concept and Future Issues concerning Warning Zones and Evacuation Zones responding to Completion of Step 2", showing the concept concerning the review of evacuation zones, etc. Consequently, the Company has recorded a reserve for nuclear damage compensation regarding the amounts possible to make reasonable estimates based on the actual compensation claim amounts and objective statistical data, in addition to the aforementioned guidelines, but does not record any reserve for indirect damages and losses and/or damages on tangible assets for which reasonable estimation is not possible using the interim guidelines and currently available data, etc.

Furthermore, treatment of wastes and decontamination measures have been proceeded under the national fiscal measures based on the "Act on Special Measures concerning the Handling of pollution by Radioactive Materials Released by the Accident of Nuclear Power Plant damaged by Tohoku-Chihou-Taiheiyou-Oki Earthquake on March 11, 2011" (effective on August 30, 2011; Act No. 110 of 2011). However, regarding the amounts to be billed or claimed to the Company for the costs required for treatment of wastes and decontamination, the Company has not recorded any reserve for the amount of compensation, except for certain agreed amounts, since reasonable estimation is not possible under the current circumstances that concrete measures are not identifiable.

(3) As explained in Note 12 to the accompanying consolidated financial statements, before nuclear power plants can be scrapped, nuclear fuels in the reactors must be removed, but the concrete working conditions will be decided after the stable cooling conditions have been established and the status of inside of the reactors has been confirmed and also in consideration of the progress of necessary research and development activities. Accordingly, the Company records the amounts including fuel removal costs within the range of reasonable estimates based on the currently available information for expenses and/or losses related to Mid-and- long Term Roadmap, although they might vary from now on.

(4) As explained in Note 1(i) to the accompanying consolidated financial statements, the Company records the amounts within the range of reasonable estimates based on the currently available information, although they might vary from now on, since it is difficult to identify the whole situations of the damages.

(5) As explained in Note 34 to the accompanying consolidated financial statements, regarding nuclear damages caused by a series of accidents at Fukushima Daiichi Nuclear Power Station after the Tohoku-Chihou-Taiheiyou-Oki Earthquake, the Company has decided to implement the compensation from the viewpoints of speedy implementation of compensation for the nuclear victims with Government supports under the Nuclear Damage Compensation Act (the "Act") (effective on June 17, 1961; Act No. 147 of 1961).

On May 31, 2013, the Company submitted an application to the Fund for a change of the amount of financial support based on the clause 43, Article 1 of the "Act on Nuclear Damage Liability Facilitation Fund" (effective on August 10, 2011; Act No. 94 of 2011) (the "Fund Act"). Then the Company submitted an application for an approval of the Special Business Plan to the minister in charge jointly with the Fund on June 6, 2013 after the resolution of the steering committee of the Fund based on the clause 46, Article 1 of the Fund Act and the Plan was approved on June 25, 2013.

This application was made because the estimated amount of necessary compensation, less ¥120,000 million (US$1,276 million) of receipt of compensation pursuant to the provision of the Act on Contract for Indemnification of Nuclear Damage Compensation (effective on June 17, 1961; Act No. 148 of 1961), increased by ¥666,255 million (US$7,087 million) from ¥3,123,079 million (US$33,221 million), which was initially estimated at the time of the approval of the Special Business Plan on February 4, 2013, to ¥3,789,334 million (US$40,308 million) due to the changes in the situations that the evacuation zones were revised and the scope of compensation for the agricultural, forestry and fishery products was expanded based on the third supplement of the interim guidelines.

Since it was resolved to increase the compensation for mental blows of the people who are in the condition of long-term care in the application for a change of the amount of financial support to the Fund on May 31, 2013, the estimated amount of compensation, less ¥120,000 million (US$1,276 million) of receipt of compensation, has increased by ¥102,433 million (US$1,090 million) from ¥3,686,900 million (US$39,218 million) at March 31, 2013. Consequently, grants-in-aid from the Fund and compensation for nuclear damages are expected to increase by ¥666,255 million (US$7,087 million) and ¥102,433 million (US$1,090 million), respectively.

As this increase in compensation for nuclear damages in an amount of ¥102,433 million (US$1,090 million) occurred subsequent to the statutory audit report date of May 17, 2013 under the Corporation Law of Japan, it is treated as unadjusted event for financial reporting purposes under the Financial Instruments and Exchange Law of Japan in accordance with Japanese accounting and auditing practices (JICPA Auditing and Assurance Practice Committee Statement No. 76). Accordingly, no adjustment resulting from this event has been made to the accompanying consolidated financial statements.

Convenience Translation

We have reviewed the translation of these consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, in our opinion, the accompanying consolidated financial statements have been properly translated on the basis described in Note 2.

Ernst & Young ShinNihon LLC

June 26, 2013

Major Subsidiaries and Affiliated Companies

As of March 31, 2013

Major Consolidated Subsidiaries

Company Name	Capital (Millions of yen)	TEPCO Ownership (%)	Principal Business
Information and Telecommunications Business			
TEPCO SYSTEMS CORPORATION	350	100.0	Computerized information processing; development and maintenance of software
Energy and Environment Business			
Cygnus LNG Shipping Limited	4,002	70.0	Ownership and charter of LNG carriers
Tokyo Timor Sea Resources Inc.	39 million US$	66.7	Investment in gas field development companies
The Tokyo Electric Generation Company, Incorporated	2,500	100.0	Generation and wholesale of electricity
Toden Kogyo Co., Ltd.	300	100.0	Maintenance and repair of power generation and other facilities
Tokyo Electric Power Environmental Engineering Company, Incorporated	300	100.0	Operation and maintenance of environmental protection and other facilities
Tokyo Electric Power Home Service Company, Limited	200	100.0	Electricity usage consultation; design and maintenance of distribution facilities
TEPCO Lease Corporation	100	100.0	Leasing of vehicles and others
TOKYO WATERFRONT RECYCLE POWER CO., LTD.	100	95.5	Industrial waste treatment; electricity sales
Tokyo Densetsu Service Co., Ltd.	50	100.0	Maintenance of transmission, transformation and other facilities
Fuel TEPCO Limited	40	100.0	Sales of petroleum products
Tokyo Electric Power Services Company, Limited	40	100.0	Design and supervision of construction of power generation, transmission, transformation and other facilities
Living Environment and Lifestyle-Related Business			
Toden Real Estate Co., Inc.	3,020	100.0	Leasing and management of real estate
TODEN KOKOKU CO., LTD.	20	100.0	Contracting for advertisements on TEPCO-owned utility poles and in/on other media
Overseas Business			
Tokyo Electric Power Company International B.V.	240 million Euro	100.0	Investment in overseas businesses

Affiliated Companies Accounted for under the Equity Method

Company Name	Capital (Millions of yen)	TEPCO Ownership (%)	Principal Business
Electric Power Business			
The Japan Atomic Power Company	120,000	28.2	Generation and wholesale of electricity
Information and Telecommunications Business			
AT TOKYO Corporation	13,378	33.3	Installation site leasing for and maintenance, management and operation of computer, telecommunications and other equipment
Energy and Environment Business			
Japan Nuclear Fuel Limited	400,000	28.6	Uranium concentration, reprocessing, waste management and underground waste disposal
Soma Kyodo Power Company, Ltd.	112,800	50.0	Generation and wholesale of electricity
JOBAN JOINT POWER CO., LTD.	56,000	49.1	Generation and wholesale of electricity
KASHIMA KYODO ELECTRIC POWER COMPANY	22,000	50.0	Generation and wholesale of electricity
KANDENKO CO., LTD.	10,264	46.6	Electrical work for distribution, transmission and other facilities
Kimitsu Cooperative Thermal Power Company, Inc.	8,500	50.0	Generation and wholesale of electricity
TAKAOKA TOKO HOLDINGS CO., LTD.	8,000	35.4	Management of group businesses performing business such as the electric machine appliance production
Takaoka Electric Mfg. Co., Ltd.	5,906	–*	Manufacture, machining, repair and sale of electric machinery and appliances
TOKYO ENERGY & SYSTEMS INC.	2,881	26.3	Repair work for power plant and other facilities
TOKO ELECTRIC CORPORATION.	1,452	–*	Manufacture, repair and sale of electric machinery and appliances
TOKYO TOSHI SERVICE COMPANY	400	33.4	Heat supply
Overseas Business			
Eurus Energy Holdings Corporation	18,199	40.0	Investment in domestic/overseas wind and solar energy projects
TeaM Energy Corporation	12 million US$	–**	IPP business in the Philippines
TEPDIA Generating B.V.	18 thousand Euro	–**	Investment in IPP business in Thailand
ITM Investment Company Limited	16 thousand US$	–**	Investment in Umm Al Nar power generation and water desalination project

* TEPCO ownership is indicated as "–" because TEPCO's affiliated company TAKAOKA TOKO HOLDINGS CO., LTD. holds equity in these companies.
** TEPCO ownership is indicated as "–" because TEPCO subsidiary Tokyo Electric Power Company International B.V. holds equity in these companies.

Corporate Information

As of March 31, 2013

Trade Name
Tokyo Electric Power Company, Incorporated

Head Office
1-3, Uchisaiwai-cho 1-chome, Chiyoda-ku,
Tokyo 100-8560, Japan
Phone: +81-3-6373-1111

Established
May 1, 1951

Fiscal Year-End
March 31

Paid-in Capital
¥1,400,975,722,050

Number of Employees
37,231 (Non-consolidated)

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 W1J6BR, U.K.
Phone: +44-20-7629-5271
Beijing Office
Unit 1 Level 11, Tower W1, The Towers Oriental Plaza
No. 1 East Chang An Avenue, Dong Cheng District
Beijing 100738, People's Republic of China
Phone: +86-10-8518-7771

Total Number of Issued Shares
3,547,017,531

Breakdown:	Common Shares	1,607,017,531
	Class A Preferred Stocks	1,600,000,000
	Class B Preferred Stocks	340,000,000

Number of Shareholders
867,704

Shareholders' Meeting
June

Stock Listings
Tokyo Stock Exchange(Code: 9501)

Accounting Auditor
Ernst & Young ShinNihon LLC

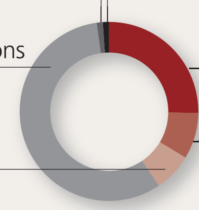
Transfer Agent
Mitsubishi UFJ Trust and Banking Corporation
4-5, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan

Major Shareholders

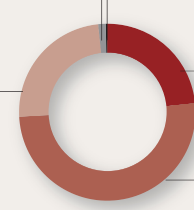
Name	Number of Shares Held (Thousands)
Nuclear Damage Liability Facilitation Fund	1,940,000
Employees Shareholding Association	49,670
Tokyo Metropolitan Government	42,676
Sumitomo Mitsui Banking Corporation	35,927
The Master Trust Bank of Japan, Ltd.(Trust Account)	33,184
Nippon Life Insurance Company	26,400
Mizuho Corporate Bank, Ltd.	23,791
Japan Trustee Services Bank, Ltd.(Trust Account)	22,667
SSBT OD05 OMNIBUS ACCOUNT - TREATY CLIENTS	15,657
Japan Trustee Services Bank, Ltd.(Trust Account1)	15,182

Breakdown of Shareholders

Shareholdings by Type of Shareholder



Shareholders by Number of Shares Held



TEPCO Investor Relations Website
http://www.tepco.co.jp/en/corpinfo/ir/top-e.html

For more detailed information, please contact:
Tokyo Electric Power Company
- Shareholder & Investor Relations Group, Corporate Affairs Department
- Finance Planning Group, Accounting & Treasury Department
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TOKYO ELECTRIC POWER COMPANY

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