

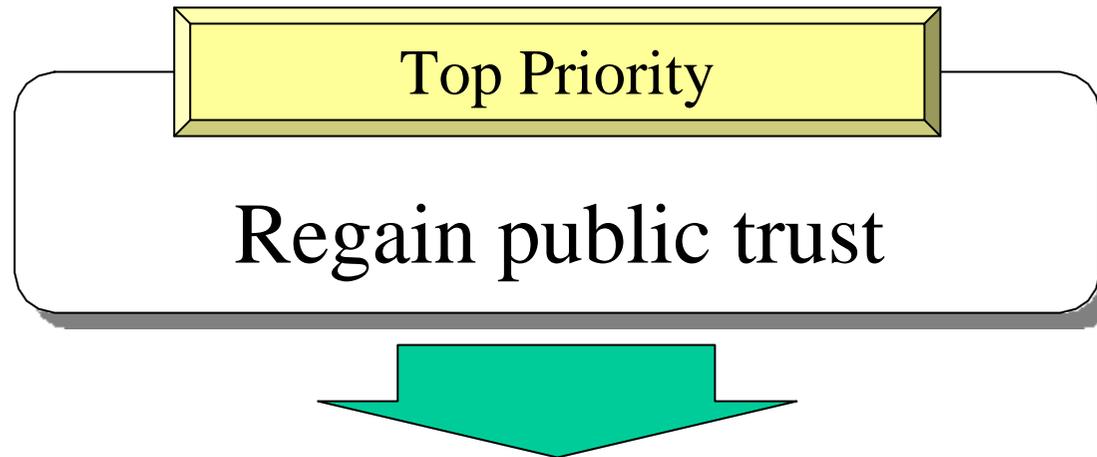


FY 2003 Business Management Plan

March 28, 2003
Tokyo Electric Power Company

- Forward Looking Statements -

Certain statements in the following presentation regarding Tokyo Electric Power's business operations may constitute "forward looking statements". Such statements are not historical facts, but are predictions about the future which inherently involve risks and uncertainties, and these risks and uncertainties could cause our actual results to differ from those contained in the forward looking statement.



✓ We will make every effort to regain the trust of shareholders and investors, residents in the vicinity of nuclear power stations, customers and the general public by thoroughly implementing measures to prevent recurrence of inappropriate conducts. We will recommence nuclear power operations prioritizing safety above all else and stabilize our business base. In addition, we will work to attain the numerical targets we have set in the FY 2003 Business Management Plan and achieve our long-term vision.



Power Demand Outlook (1)

Outlook for electricity sales

- FY 2003: 279.7 TWh (0.1% increase year-on-year)
- FY 2001 – 2012: Average growth rate of 1.5%
(after temperature adjustments)

Item	FY	2001	2002	2003	2004	2007	2012	Average annual increase (%/yr)	
		Result	Projected					'01- '03	'01 –'12
Electricity Sales	Electricity (TWh)	275.5	279.5	279.7	282.9	297.6	322.8	-	-
	Annual increase	-1.8 (-0.9)	1.4 (1.1)	0.1 (0.7)	1.1 (1.4)			0.8 (0.9)	1.4 (1.5)

Note1: Figures in parentheses are after temperature and leap year adjustments.

Note2: Projected results for FY 2002 are based on electric power supply plan which includes the actual results through December.



Power Demand Outlook (2)

Outlook for the system peak load

➤ FY 2001 – 2012: Average growth of 1.3%

(after temperature adjustments)

Item \ FY		2001 Result	2002 Result	2003	2004	2007	2012	Average annual increase (% / yr)	
								01 - '03	01 - '12
Peak summer 3-day avrge. at transmission end	Peak load (MW)	61,430	60,530	59,200	59,950	62,880	67,860	-	-
	Annual increase	6.2 (2.2)	1.5 (0.0)	2.2 (1.1)	1.3			1.8 (0.5)	0.9 (1.3)
Annual load factor (%)		53.8 (56.1)	55.6 (56.7)	56.7	56.8	57.0	57.3	-	-

Note: Figures in parentheses for annual increase and annual load factor are after temperature adjustments.



Electric Power Development Plan

【Power generation facilities at fiscal year-end】

(in MW)

	2001 Result	2002 Projected	2003	2007	2012	Amount increased for 2002 - 2012
Hydroelectric	13,930	13,930	14,150	14,620	15,110	1,180
Thermal	39,380	40,250	42,930	43,450	47,800	7,550
Nuclear	18,190	18,190	18,190	18,190	24,180	6,000
Total	71,500	72,370	75,270	76,260	87,100	14,730

Note: Including purchased power.

Sum of "Hydroelectric, Thermal, Nuclear" may not match "Total" in table due to rounding.



Present supply-demand outlook and policies (1)

Current Situation of Nuclear Power Plants

As of March 27, 2003

	Unit No.	Output (MW)	Initiation date of scheduled shutdown for inspection	Planned date of next periodical inspection	Shutdown date for inspection concerning leak test on the primary containment vessel
Fukushima No.1	No.1	460		November 20, 2002	October 26, 2002
	No.2	784		March 31, 2003	
	No.3	784		July 18, 2002	
	No.4	784	September 16, 2002	December 2, 2002	
	No.5	784		February 11, 2003	
	No.6	1100			April 15, 2003
Fukushima No.2	No.1	1100		January 7, 2003	
	No.2	1100	September 3, 2002	April 14, 2003	
	No.3	1100	September 16, 2002	December 10, 2002	
	No.4	1100	October 13, 2002	February 1, 2003	
Kashiwazaki - Kariwa	No.1	1100		September 3, 2002	
	No.2	1100	September 20, 2002	March 10, 2003	
	No.3	1100		August 10, 2002	
	No.4	1100		January 7, 2003	
	No.5	1100		March 1, 2003	
	No.6	1356		January 27, 2003	
	No.7	1356			March 29, 2003

Total output of 17 units: 17,308MW

Note: Units shown in green had been shutdown for inspection as of March 27, 2003



Present supply-demand outlook and policies (2)

■ Measures to secure supply capacity (major and foreseeable to this point)

- Recommence operations at thermal plants that had been suspended on a long-term basis

		Supply capacity (MW)	Initiation date of operation
Yokosuka	Unit 8	350	November 27, 2002
	Unit 7	350	December 27, 2002
	Unit 6	350	February 21, 2003
	Unit 2	265	Beginning of July 2003
	Unit 5	350	Beginning of July 2003
Kawasaki	Unit 5	175	February 4, 2003
Kashima-kyodo	Unit 2	350	December 3, 2002

Note: Unit 1 at Yokosuka and Unit 4 at Yokohama will remain suspended over the long term. Deterioration was severe and it was determined that it would be exceedingly difficult to restart operations at these facilities by this summer.

- Receive capacity through planned power exchanges with other EPCO's.
650MW* beginning in April. (350MW from Hokuriku, Kansai and Kyushu; 300MW from Hokkaido.
(*Of which 50MW will be from Kansai's hydroelectric facilities which have a frequency of 50 Hz.)
- Other
Advance the commencement of operation at new thermal facilities; adjust maintenance periods at thermal plants; cancel or postpone maintenance at company pumped storage hydroelectric facilities; make requests of other companies to adjust maintenance periods, etc.



Present supply-demand outlook and policies (3)

- Supply-demand outlook for summer
 - ✓ For April, the reserve rate at times of peak demand is forecasted to be 0%. Because of this difficult situation, the outlook is for demand to be met through emergency supply measures such as energy exchanges and trial operations.
 - ✓ Entering May and June, unless nuclear plants recommence operations, the situation is expected to be even more severe than in April.

At times of peak demand (in the case of severe weather conditions)

	March	April	Summer
Supply capacity (MW)	51,000	45,000	55,000
Demand (MW)	51,000	45,000	64,500
Reserve capacity (MW)	0	0	- 9,500
Reserve rate (%)	0%	0%	- 15%

*Figures based on the assumption that nuclear power plants whose operations are suspended will remain suspended.



Targets for Improved Profit and Financial Structure

	FY 2003 – 2005 (current plan)	FY 2002 – 2004 (previous plan)	FY 2002 estimate (current)
Recurring Profit	Over ¥300.0 billion	Over ¥300.0 billion	Projected to exceed ¥220.0 billion
ROA	Over 4%	Over 4%	Around 3%
ROE	Over 9%	Over 9%	Around 7%
FCF	Over ¥550.0 billion	Over ¥550.0 billion	Around ¥550.0 billion
Reduction of interest-bearing debts	Over ¥400.0 billion	Over ¥400.0 billion	Around ¥400.0 billion
Equity ratio	Over 18% at end FY 2005	17% level at end FY of 2004	Latter half of 14% level

* ROA = [Operating profit] / [Average total assets]

ROE = [Net income] / [Average shareholders' equity]

FCF = [Cash flows from operating activities] – [Investment in electric utility business]



Cost Reduction Measures

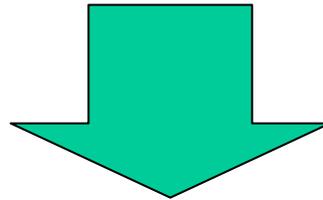
	FY2003 Business Management Plan	Previous FY2002 (Business Management Plan)	FY 2002 Results Estimates
Capital Expenditure	Around ¥640.0 billion (average for the 3 fiscal years) FY2003: ¥672.0 billion	Around ¥740.0 billion (average for the 3 fiscal years) FY2002: ¥800.0 billion	¥663.8 billion
Maintenance Costs	Around ¥470.0 billion (average for the 3 fiscal years)	Around ¥480.0 billion (average for the fiscal years)	Additional reductions from ¥460.0 billion Expected
Nuclear Power Plant Capacity Factor	-	82.9%	60.9%
Thermal Power Plant Efficiency Factor	-	41.7%	41.7%
Number of employees	Under 38,000 by end of FY2005 Approx. 38,800 at end of FY2003	Under 39,000 by end of FY2004 Approx. 40,000 at end of FY2002	Approx. 39,600



Current Situation of Nuclear Power Plants

Comprehensive Measures to Prevent Recurrence

- In line with directives issued by the Minister of Economy, Trade and Industry last October, TEPCO issued a report on March 7 to the government authorities. It contained information on the implementation of measures to prevent recurrence of falsification of reports from of voluntary inspections at TEPCO nuclear power plants.



- The causes and background of the series of issues was condensed into the following three factors and the current status of measures to prevent recurrence of each was reported.
 1. Problem with quality assurance system
 2. Problems with abiding by corporate ethics and with corporate culture
 3. Problem with creating and inculcating a safety culture



Comprehensive Check on the Appropriateness of Self-imposed Inspections

- ◆ In line with the September 2002 Nuclear and Industrial Safety Agency (NISA) directive, TEPCO submitted its final report to the government authorities on February 28. (TEPCO has checked up approximately 8 million pages of documents and materials on the past inspections owned by TEPCO or contractors while the total man-days spent for the investigation reached about 15,000 or equal to 100 people working for 150 days.)
- Although the items presented in the following chart were confirmed, the investigation found no fraud or anything that could be considered a violation of technical regulations or anything that would necessitate reporting to the administrative agencies. There were also no new items confirmed in the results of the government's interim report, such as problems with reporting to authorities and information provision. New matters for which improvement would be desirable were not also found.
- In the documents and materials of the past inspections, there were records of flaw indication for CRD pipes at Unit No.2, 3 and 6 of the Fukushima Daiichi Nuclear Power Station. We confirmed that they were judged not to pose any safety problems and were processed accordingly.
- All the matters below were determined by ourselves not to require reporting based on relevant laws and official notice practices.

Writing errors or omissions of regular inspection reports	15
Writing errors or omissions in reports of self-imposed inspections	17
Inconsistencies between reports produced variously by TEPCO and outside contractors	41



Inspection & Maintenance Progress Report

Plant Name	Unit No.	Shroud	Recycling Pipes (PLR Pipes)	Jet Pump (Wedge, etc.)	CRD Pipes
Fukushima Daiichi	1	Replacement completed	Replacement completed	Replacement completed	Inspection underway
	2	Replacement completed	Replacement completed	Replacement completed	Planning to inspect
	3	Replacement completed	Replacement completed	Replacement completed	Replacement completed
	4	Inspection completed * Results appraisal complete	Removal proceeding as planned	Inspection completed Results being appraised	Repair underway
	5	Replacement completed	Replacement completed	Replacement completed	Inspection underway
	6	Planning to inspect	Action points completed	Action points from previous periodical inspection completed	Planning to inspect
Fukushima Daini	1	Inspection completed No abnormalities	Inspection completed No abnormalities	Inspection completed No repairs required	Inspection underway
	2	Inspection underway	Inspection underway *	Preparation for repair underway	Inspection completed No abnormalities
	3	Inspection completed * Results appraisal complete	Inspection completed *	Inspection completed No repairs required	Inspection completed No abnormalities
	4	Inspection completed * Results appraisal complete	Inspection underway *	Inspection completed No repairs required	Inspection completed No abnormalities
Kashiwazaki-Kariwa	1	Inspection completed * Results appraisal complete	Inspection completed *	Inspection underway	Inspection completed No abnormalities
	2	Inspection completed * Results appraisal complete	Inspection completed *	Inspection completed No repairs required	Inspection completed No abnormalities
	3	Inspection completed * Results appraisal complete	Inspection completed *	Inspection completed No repairs required	Inspection completed No abnormalities
	4	Inspection underway	Inspection completed *	Inspection underway	Inspection underway
	5	Planning to inspect	Inspection underway	Planning to inspect	Planning to inspect
	6	Inspection completed No abnormalities	No such equipment	No such equipment	Inspection underway
	7	Planning to inspect	No such equipment	No such equipment	Planning to inspect

Units shut down as of March 27, 2003

Inspections planned, in preparation, or underway

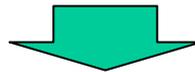
Inspections complete, measures under investigation

Measures decided, repairs underway or in preparation

Inspection complete and no abnormalities; no repairs required; replacement completed; no such equipment

■ Subcommittee to Evaluating the Soundness of Nuclear Power Facilities

- Since February 7, the sub-committee has held meetings #5, #6, and #7 on February 18, February 26 and March 10, respectively. At meeting #7, items deliberated to that point were condensed into an interim status report.



< Summary of Interim Status Report >

- ✓ The shrouds are structurally strong enough for the present time and for the next five years, so it is not necessary to do repair work or take other immediate measures. It is necessary, however, to conduct inspections at appropriate intervals in the years ahead.
- ✓ As for cracks that are progressing, repair work and other measures are necessary while there is still sufficient structural strength.
- ✓ The data from ultrasonic tests on PLR pipes is not accurate enough to judge the soundness of the pipes, so the reliability of improved ultrasonic testing methods must be verified.
- ✓ In the case operations are commenced in the period until the reliability of the tests are verified, appropriate measures should be taken such as removing the cracks or replacing the pipes.
- ✓ Regarding the present interval for checking for cracks in recirculation pipes, all welded joints require inspection every five years of operation.



Securing and Confirming the Safety of Facilities (TEPCO)

On March 10, TEPCO received the interim status report from the government's "Subcommittee to evaluating the soundness of Nuclear Power Facilities" regarding cracks found in the shroud and recirculation pipes. On the next day (March 11), TEPCO presented its basic approach to maintenance done by the company.

➤ Shroud

It was judged that there is sufficient strength for the next five years, but TEPCO has decided to remove all cracks for which future maintenance was deemed necessary and conduct surface processing on affected areas.

TEPCO will not immediately remove cracks judged not to affect the soundness of the shroud, but will track their progress into the future.

➤ Recirculation pipes

A certain period of time will be necessary until the reliability of data from improved ultrasonic testing methods can be verified and the soundness of the pipes evaluated, so the pipes will either be replaced or the cracks removed.



Presentations to Local Communities

Presentation contents (TEPCO)

- ✓ Status of recurrence prevention measures
- ✓ Results from comprehensive investigation on self-imposed inspections
- ✓ Results and status of plant inspections and basic approach to maintenance

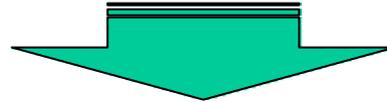
Progress report on presentations to local communities

Date	TEPCO	Government
3/11	Fukushima Prefectural Assembly (Committee on Energy Policy by assembly member) Futaba Town Assembly	Fukushima Prefectural Assembly (Committee on Energy Policy by assembly member) Futaba Town Assembly
3/12	Naraha Town Assembly	Naraha Town Assembly
3/13		Tomioka Town Assembly
3/14	Okuma Town Assembly, Tomioka Town Assembly, Kariwa Village Assembly	Okuma Town Assembly Kariwa Village Assembly
3/21	Kashiwazaki City Assembly	Kashiwazaki City Assembly ----- Presentation on inspections at nuclear power plants and the government's evaluation (in Kashiwazaki)
3/23		Presentation on inspections at nuclear power plants and the government's evaluation (in Kariwa)
3/26	Presentation to the residents of the Kashiwazaki-Kariwa region (in Kariwa)	Presentation on inspections at nuclear power plants and the government's evaluation (Presentation to the people of Tomioka and Naraha)
3/27	Presentation to the residents of the Kashiwazaki-Kariwa region (in Kashiwazaki)	Presentation on inspections at nuclear power plants and the government's evaluation (Presentation to the people of Okuma and Futaba in Okuma)

* Since March 14, TEPCO has been giving presentations to each administrative area in the Fukushima region as required. We have also been giving presentations regarding comprehensive investigation results since February 28 as required.

At time of interim results on Nov. 19, 2002

- Expenditure increase from nuclear power issues: Around ¥ 140.0 billion
- Recurring Profit outlook for FY 2002: ¥220.0 billion (Non-consolidated),
¥210.0 billion (Consolidated)



【Major changes in conditions thereafter】

<Income-related>

- ✓ Electricity sales are exceeding projections because demand for heat is up owing to lower than average temperatures.
= Cumulative electricity sales April 2002 to February 2003: 1.9% increase compared to the same period of the previous year.

(Outlook for FY 2002 at time of interim results: 279.0 billion kWh, 1.3%)

(Estimated FY 2002 results based on FY 2003 supply plans: 279.5 billion kWh, 1.4%)

<Expense-related>

- ✓ Further cost reductions at all levels of operation.