



The Revision of Electricity Tariffs and  
FY2008 1<sup>st</sup> Quarter Financial Results  
(April 1, 2008 – June 30, 2008)  
Presentation Materials

July 28, 2008

Tokyo Electric Power Company



### *Regarding Forward-Looking Statements (Performance Projections)*

*Certain statements in the following presentation regarding Tokyo Electric Power Company's business operations may constitute "forward-looking statements." As such, these statements are not historical facts but rather predictions about the future, which inherently involve risks and uncertainties, and these risks and uncertainties could cause the Company's actual results to differ materially from the forward-looking statements (performance projections) herein.*

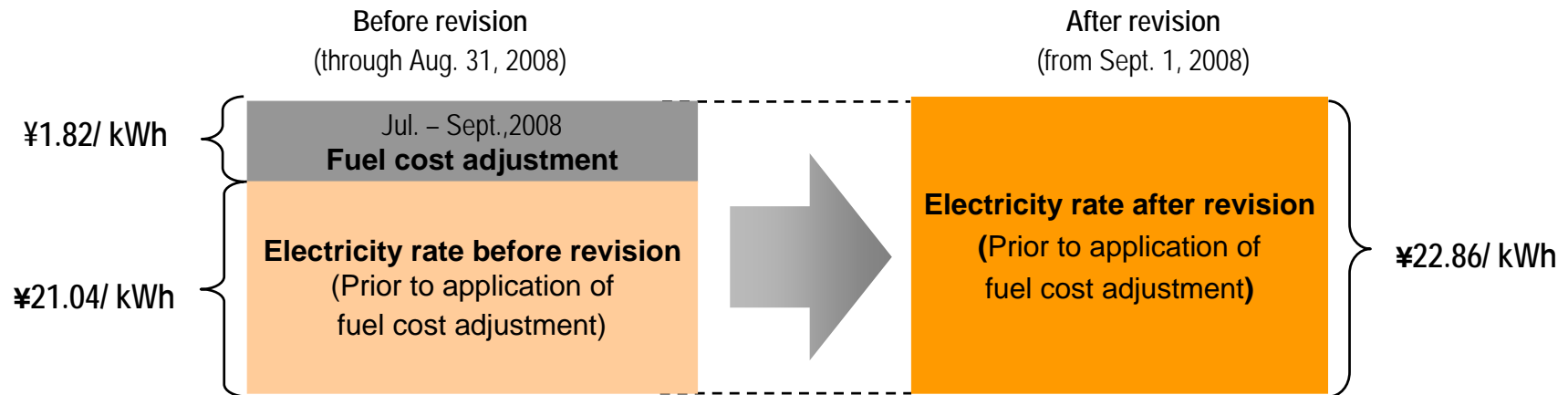


# . Revision of Electricity Tariffs

Fuel costs have increased substantially because of rising fuel prices and the shutdown of the Kashiwakazi-Kariwa Nuclear Power Station. However, TEPCO will maintain electricity rates from September 2008 at the level in effect to August 2008 through our past and future efforts to maximize efficiency.

The electricity rate from September 1, 2008 will be the sum of the electricity rate in effect since April 1, 2006 and the fuel cost adjustment for July to September 2008.

<Example> Unit price of electricity for Metered Lighting B contract (usage amount of 121-300kWh)



### Reference: Cost Calculation Assumptions

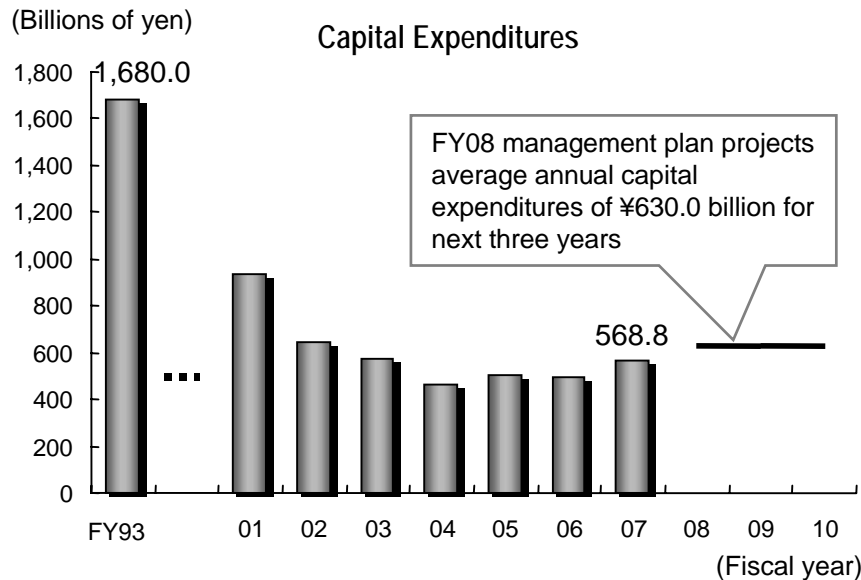
		Current revision	Reference: Previous Rate
Cost calculation period		Fiscal 2008	Fiscal 2006
Crude oil price	Exchange rate	¥107/\$	¥117/\$
	Crude oil price (Japan Customs Cleared)	93.1\$/b	57.3\$/b

The current rate revision includes maximum cost savings of ¥270.0 billion through future efforts to further raise management efficiency to supplement past increases.

## Specific Initiatives

### Restrained Capital Expenditures

- We will work to achieve efficient and flexible facility configuration and operation, and will work to restrain capital expenditures while maintaining stable supply.
- The Fiscal 2008 Business Management Plan projects average annual capital expenditures of ¥630.0 billion for fiscal 2008 through fiscal 2010. This is approximately one-third the peak level of fiscal 1993.



### Thorough Cost Reductions

- We will further intensify Company-wide, cross-divisional cost reduction programs, carefully select construction projects, and revise inspection cycles and the scope of maintenance in order to more thoroughly reduce construction and other expenses than before.
- In addition, we will revise business processes and streamline and standardize specifications based on analysis of the cost structure of TEPCO Group companies. These and other initiatives will enable the TEPCO Group to work in concert to accelerate cost-reduction measures.

#### Clarify Cost Structure

Determine operations and expenses that significantly affect the cost structure.

#### Analyze the Status of Key Operations

Grasp business processes and analyze issues such as operational efficiency to determine cost factors.

#### Plan Measures to Reduce Costs

Establish a working group with Group companies to study and implement cost reduction measures in concert.

## Revision of the basis for calculating fuel cost adjustment

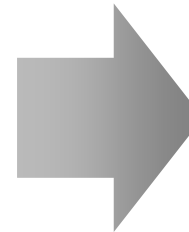
As a result of the current rate revision, the basis for calculating fuel cost adjustment will change from September 1, 2008 as follows.

Item	Content	Unit	Before revision (through Aug. 31, 2008)	After revision (from Sept. 1, 2008)
Baseline fuel price	Fuel price assumed for electricity rate  ( After the rate revision, fuel price based on average customs-cleared price for January-March 2008 )	¥/kl	¥ 27,400	¥ 42,700
Reference: Assumptions	Exchange rate Crude oil price	¥/\$ \$/bbl	¥117 \$57.3	<b>¥107</b> <b>\$93.1</b>
Price range with no fuel cost adjustment	Price range with no fuel cost adjustment  ( No fuel cost adjustment if actual average fuel price per quarter is within this range. )	¥/kl	¥ 26,100 } ¥ 28,700	¥ 40,600 } ¥ 44,800
Upper-limit price	Upper limit price for fuel cost adjustment (1.5 times baseline fuel price)  ( When fuel price exceeds the upper limit, fuel cost adjustment is calculated using the upper limit fuel price. Fuel price above the upper limit is not subject to fuel cost adjustment. )	¥/kl	¥ 41,100	¥ 64,100
Base rate	Adjusted when average fuel price in the quarter fluctuates by ¥1,000(ex. Low voltage, tax included)	¥/kWh	¥0.147	¥0.190

## Baseline fuel price for fuel cost adjustment

The baseline fuel price is revised based on the average actual fuel price for January-March 2008 and the supply plan for fiscal 2008, as follows.

	Previous revision (Apr. 2006)	
	Fuel price	Coefficient
Crude oil [ A ]	¥41,988/kl	: 0.1837
LNG [ B ]	¥39,791/ton	: 0.4461
Coal [ C ]	¥7,470/ton	: 0.2582
Baseline fuel price	¥27,400/kl	



	Current revision (Sept. 2008)	
	Fuel price	Coefficient
Crude oil [ A ]	¥62,735/kl	: 0.2782
LNG [ B ]	¥58,282/ton	: 0.3996
Coal [ C ]	¥8,873/ton	: 0.2239
Baseline fuel price	¥42,700/kl	

Reference: Assumptions

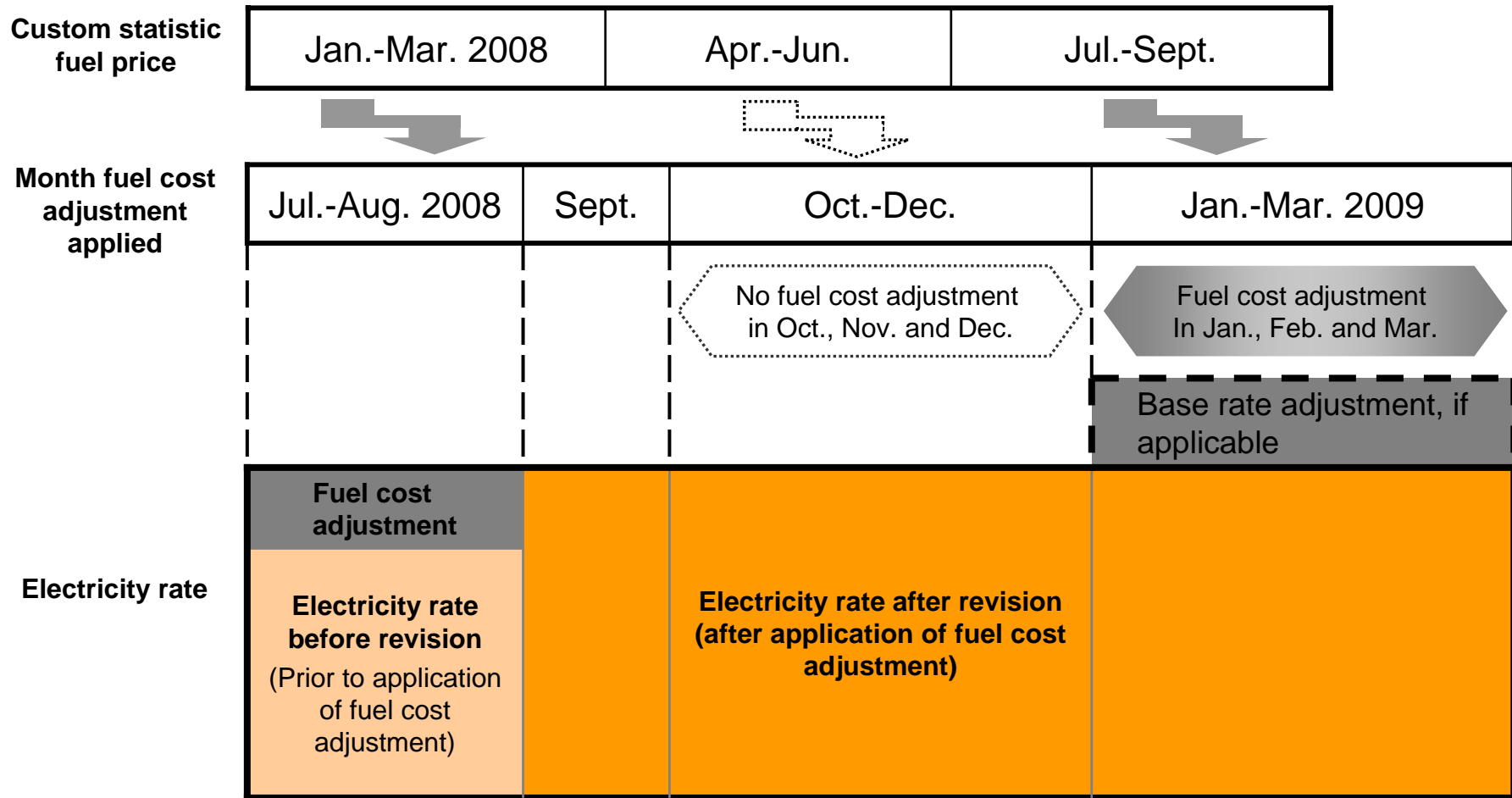
Exchange rate: ¥117/\$  
 Crude oil price: 57.3\$/bbl  
 (Oct.-Dec. 2005 Actual)

Exchange rate: ¥107/\$  
 Crude oil price: 93.1\$/bbl  
 (Jan.-Mar. 2008 Actual)

\*Baseline fuel price = [ A ] ×    + [ B ] ×    + [ C ] ×    (Rounded to the nearest hundred yen)

## Fuel cost adjustment from October 2008

There will be no fuel cost adjustment for October-December 2008. From January 2009, new calculation standards will apply to fuel cost adjustment.







## II . Overview of FY2008 1<sup>st</sup> Quarter Financial Results



# FY2008 1<sup>st</sup> Quarter Results Summary (Consolidated and Non-consolidated)

(Upper and lower rows show consolidated and non-consolidated figures, respectively) (Unit: Billion yen)

		FY2008	FY2007	Comparison	
		1st quarter (A)	1st quarter (B)	(A)-(B)	(A)/(B)(%)
Electricity sales volume	(Billion kWh)	68.9	68.9	-0.0	100.0
Operating revenues		1,319.4	1,251.0	68.3	105.5
		1,261.2	1,189.3	71.9	106.0
Operating expenses		1,415.0	1,186.4	228.6	119.3
		1,368.2	1,133.4	234.7	120.7
Operating income or loss		-95.6	64.6	-160.2	-
		-106.9	55.8	-162.8	-
Ordinary revenues		1,340.6	1,269.3	71.3	105.6
		1,273.4	1,197.9	75.4	106.3
Ordinary expenses		1,456.9	1,224.7	232.1	119.0
		1,407.4	1,169.5	237.9	120.3
Ordinary income or loss		-116.2	44.6	-160.8	-
		-134.0	28.4	-162.5	-
Quarterly net income or loss		-76.2	31.0	-107.3	-
		-87.2	21.1	-108.3	-
Free cash flow		-158.4	-	-	-
		-161.7	-	-	-
Net worth ratio	(%)	18.6	22.4	-3.8	-
		17.5	21.4	-3.9	-
ROA	(%)	-0.7	0.5	-1.2	-
		-0.8	0.4	-1.2	-

\*Some accounting procedures have changed due to the the quarterly report system introduced in FY 2008.

Comparison data from FY 2007 1st quarter is for your reference. Further financial figures in this report are based on this premise.

(Unit: Billion yen)

	FY2008 1st quarter actual performance		FY2008 projection 2Q of the year		FY2008 projection
<b>Total</b>	<b>143.0</b>		<b>347.0</b>		<b>748.0</b>
<b>Fuel expenses, etc.</b>	<b>140.0</b>	→	<b>340.0</b>	→	<b>740.0</b>
Increase in fuel expenses and purchased power	145.0		350.0		760.0
Increase in thermal fuel expenses and purchased power	150.0		360.0		780.0
Decrease in nuclear fuel expenses	-5.0		-10.0		-20.0
Decrease in nuclear power back-end costs	-5.0		-10.0		-20.0
<b>Restoration expenses and others</b>	<b>3.0</b>	→	<b>7.0</b>	→	<b>8.0</b>
Decrease in nuclear power generated	10.0 billion kWh	→	22.0 billion kWh	→	44.0 billion kWh
Nuclear power plant capacity utilization ratio (%)	39.8		approx. 44		approx. 43

: Expenses for restarting inactive thermal power plants and Restoration expenses



# Performance Outlook for FY2008 -1

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(Upper and lower rows show consolidated and non-consolidated figures, respectively) (Unit: Billion yen)

FY2008 projection 2Q of the year	Operating revenues	Operating income	Ordinary income or loss	Quarterly net income or loss
Present projection (July 28)	2,845.0	-120.0	-170.0	-110.0
	2,730.0	-140.0	-200.0	-130.0
Initial projection (April 30)	2,835.0	-15.0	-60.0	-40.0
	2,725.0	-30.0	-85.0	-55.0
Difference	10.0	-105.0	-110.0	-70.0
	5.0	-110.0	-115.0	-75.0

(Upper and lower rows show consolidated and non-consolidated figures, respectively) (Unit: Billion yen)

FY2008 projection	Operating revenues	Operating income or loss	Ordinary income or loss	Net income or loss
Present projection (July 28)	6,050.0	-335.0	-425.0	-280.0
	5,800.0	-380.0	-480.0	-310.0
Initial projection (April 30)	5,850.0	Has not been determined	Has not been determined	Has not been determined
	5,610.0	Has not been determined	Has not been determined	Has not been determined
Difference	200.0	-	-	-
	190.0	-	-	-

Note : FY2008 projection was not determined at the announcement of FY2007 financial result (as of April 30), because all units of the Kashiwazaki-Kariwa Nuclear Power Station have been shutdown since the Chuetsu-Oki Earthquake occurred on July 16, 2008, and although inspections and restoration works are steady advanced, we are currently not in situation where we can present a plan to restart the units.

Presently(as of July 28), there is no change in the above situation. Electricity tariffs were revised due to the 2008 electricity supply plan which is based on the undecided operation plan of Kashiwazaki-Kariwa Nuclear Power Station. Also, the effects of rising fuel costs is why we are publishing FY2008 projection.

## <FY2008 projection for 2Q of the year: Factors behind variance in ordinary income or loss (Non-consolidated)>

Quarterly ordinary income or loss [ of FY2007]		+¥185.9 billion	
<b>Factors for improving performance</b>		<b>Factors for weakening performance</b>	
<b>+¥185.0 billion</b>		<b>+¥570.0 billion</b>	
<b>Increase in operating revenues</b> <b>+¥180.0 billion</b>		<b>Increase in fuel expenses</b> <b>+¥400.0 billion</b>	
<ul style="list-style-type: none"> <li>• Increase in electricity sales revenue <b>+¥160.0 billion</b> <ul style="list-style-type: none"> <li>Decrease from the decrease in electric sales volume <b>-¥20.0 billion</b></li> <li>Impact from the fuel cost adjustment system <b>+¥175.0 billion</b></li> </ul> </li> <li>• Increase in incidental business operating revenues <b>+¥20.0 billion</b> (Gas supply business operating revenues +¥20.0 billion )</li> </ul>		<ul style="list-style-type: none"> <li>• Decrease in nuclear power generated <b>+¥75.0 billion</b></li> <li>• Increase in power generated and purchased <b>-¥25.0 billion</b></li> <li>• Increase in hydroelectric generated <b>-¥10.0 billion</b></li> <li>• Appreciation of the Japanese Yen <b>-¥180.0 billion</b></li> <li>• Rise in CIF crude oil prices <b>+¥470.0 billion</b></li> <li>• Others (variation in composition ratio of thermal fuel types, etc) <b>+¥70.0 billion</b></li> </ul>	
<b>Decrease in depreciation expenses</b> <b>+¥5.0 billion</b> Progress of depreciation and Restraining of capital expenditures		<b>Increase in purchased power</b> <b>+¥45.0 billion</b>	
		<b>Increase in personnel expenses</b> <b>+¥100.0 billion</b> • Rebound from the decrease due to the revision of retirement benefit and pension system in the previous year (FY2007) etc.	
		<b>Increase in incidental business operating expenses</b> <b>+¥25.0 billion</b> (Gas supply business operating expenses +¥25.0 billion )	
<b>Quarterly ordinary loss</b>		<b>-¥200.0 billion</b>	
<b>Quarterly after-tax net loss</b>		<b>-¥130.0 billion</b>	

## <FY2008 projection for full year: Factors behind variance in ordinary income or loss (Non-consolidated)>

Ordinary income or loss [ of FY2007]		-¥22.0 billion
<b>Factors for improving performance</b>		<b>+¥635.0 billion</b>
<b>Increase in operating revenues</b>		<b>+¥575.0 billion</b>
<ul style="list-style-type: none"> <li>Increase in electricity sales revenue <b>+¥520.0 billion</b> <ul style="list-style-type: none"> <li>Decrease from the decrease in electricity sales volume <b>-¥20.0 billion</b></li> <li>Impact from the fuel cost adjustment system <b>+¥540.0 billion</b></li> </ul> </li> <li>Increase in incidental business operating revenues <b>+¥55.0 billion</b> (Gas supply business operating revenues +¥55.0 billion )</li> </ul>		
<b>Decrease in depreciation expenses</b>		<b>+¥20.0 billion</b>
<ul style="list-style-type: none"> <li>Progress of depreciation and Restraining of capital expenditures</li> </ul>		
<b>Decrease in nuclear power back-end costs</b>		<b>+¥30.0 billion</b>
<ul style="list-style-type: none"> <li>Decrease in nuclear power generated</li> </ul>		
<b>Others</b>		<b>+¥10.0 billion</b>
<b>Factors for weakening performance</b>		<b>+¥1,095.0 billion</b>
<b>Increase in fuel expenses</b>		<b>+¥900.0 billion</b>
<ul style="list-style-type: none"> <li>Decrease in nuclear power generated <b>+¥40.0 billion</b></li> <li>Increase in hydroelectric generated <b>-¥30.0 billion</b></li> <li>Appreciation of the Japanese Yen <b>-¥230.0 billion</b></li> <li>Rise in CIF crude oil prices <b>+¥840.0 billion</b></li> <li>Others (variation in composition ratio of thermal fuel types, etc) <b>+¥280.0 billion</b></li> </ul>		
<b>Increase in purchased power</b>		<b>+¥30.0 billion</b>
<b>Increase in personnel expenses</b>		<b>+¥100.0 billion</b>
<ul style="list-style-type: none"> <li>Rebound from the decrease due to the revision of retirement benefit and pension system in the previous year (FY2007) etc.</li> </ul>		
<b>Increase in incidental business operating expenses</b>		<b>+¥65.0 billion</b>
(Gas supply business operating expenses +¥65.0 billion )		
<b>Ordinary loss</b>		<b>-¥480.0 billion</b>
<b>After-tax net loss</b>		<b>-¥310.0 billion</b>

## Key Factors Affecting Performance

	FY2008 projection		FY2008 actual 1st quarter	Ref.: FY2007 actual	
	2Q of the year	Full year		1st quarter	Full year
Electricity sales volume (billion kWh)	146.8	296.2	68.9	68.9	297.4
Crude oil prices (All Japan CIF; dollars per barrel)	approx. 120	approx. 125	109.70	64.68	78.72
Foreign exchange rate (Interbank; yen per dollar)	approx. 105	approx. 105	104.56	120.82	114.44
Nuclear power plant capacity utilization ratio (%)	approx. 44	approx. 43	39.8	59.1	44.9
Flow rate (%)	approx. 101	approx. 100	101.1	90.0	94.4

## Financial Impact

	(Unit: Billion yen)	
	FY2008 projection	Ref: FY2007 actual
Crude oil prices (All Japan CIF; 1 dollar per barrel)	18.0	16.0
Foreign exchange rate (Interbank; 1 yen per dollar)	24.0	14.0
Nuclear power plant capacity utilization ratio (1%)	19.0	12.0
Flow rate (1%)	2.0	1.5
Interest rate (1%)	14.0	12.0

## 【Dividend Policy】

“TEPCO is fundamentally committed to maintaining a stable dividend and intends to achieve a consolidated payout ratio of 30% or higher. Therefore, the Company endeavors to meet shareholder’ expectations by distributing earnings while comprehensively considering factors including business performance and progress in improving the balance sheet.”

## 【Reasons for revision of dividend】

- Our year-end performance is expected to decrease, because in the wake of the Chuetsu-Oki Earthquake in July 2007, operations of all units at the Kashiwazaki-Kariwa Nuclear Power Station are still suspended. Additionally, the surge in crude oil prices resulted in an increase of fuel and purchased power expenses.
- Considering these circumstances, the concept of profit sharing and meeting the shareholders’ expectations on maintaining a stable dividend, TEPCO forecasts the year-end dividend will be 30 yen per share. (The annual dividend per share is expected to be 60 yen).

## 【Details of the revision】

(Unit: Yen)

	Dividend per share		
	Interim	Year-end	Annual
Previous forecast (as of April 30, 2008)	30	Has not been determined	Has not been determined
<b>Revised forecast</b>	<b>30</b>	<b>30</b>	<b>60</b>
Actual results for FY2007	35	30	65





## Ⅲ. FY2008 1<sup>st</sup> Quarter Financial Results (Detailed Information)



# Statement of Income (Consolidated)

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	(Unit: Billion yen)			
	FY2008	FY2007	Comparison	
	1st quarter (A)	1st quarter (B)	(A)-(B)	(A)/(B) (%)
Operating revenues	1,319.4	1,251.0	68.3	105.5
Operating expenses	1,415.0	1,186.4	228.6	119.3
<b>Operating income or loss</b>	<b>-95.6</b>	<b>64.6</b>	<b>-160.2</b>	—
Non-operating revenues	21.2	18.2	2.9	116.1
Investment gain under the equity method	5.6	4.0	1.5	139.5
Non-operating expenses	41.8	38.2	3.5	109.3
<b>Ordinary income or loss</b>	<b>-116.2</b>	<b>44.6</b>	<b>-160.8</b>	—
(Reversal of) Provision for reserve for fluctuation in water levels	1.0	-2.7	3.7	—
Income taxes	-42.5	15.3	-57.8	—
Minority interests	1.5	0.9	0.5	161.5
<b>Quarterly net income or loss</b>	<b>-76.2</b>	<b>31.0</b>	<b>-107.3</b>	—

The Japan Atomic Power Company	+¥1.9billion (+¥0.3billion)
Great Energy Alliance Corporation	+¥1.4billion (+¥2.6billion)
Soma Kyodo Power Company	+¥0.8 billion (+¥0.4billion)
Kashima Kyodo Electric Power	-¥1.4 billion (-¥1.5 billion)



# Revenues Breakdown (Non-consolidated)

(Unit: Billion yen)

	FY2008 1st quarter	FY2007 1st quarter	Comparison	
			(A)-(B)	(A)/(B) (%)
<b>Ordinary revenues</b>	<b>1,273.4</b>	<b>1,197.9</b>	<b>75.4</b>	<b>106.3</b>
<b>Operating revenues</b>	<b>1,261.2</b>	<b>1,189.3</b>	<b>71.9</b>	<b>106.0</b>
<b>Electric power operating revenues</b>	<b>1,244.3</b>	<b>1,178.0</b>	<b>66.2</b>	<b>105.6</b>
Electricity sales revenues	1,185.6	1,119.9	65.7	105.9
Lighting	476.8	454.7	22.1	104.9
Commercial and industrial	708.7	665.1	43.6	106.6
Inter-company power sale	26.4	25.5	0.8	103.5
Sales of power to other companies	11.3	14.0	-2.6	80.8
Other revenues	20.9	18.5	2.3	112.7
<b>Incidental business operating revenues</b>	<b>16.9</b>	<b>11.2</b>	<b>5.6</b>	<b>150.5</b>
<b>Non-operating revenues</b>	<b>12.1</b>	<b>8.6</b>	<b>3.4</b>	<b>140.1</b>

Increase in unit sales price +¥66.0 billion  
(16.26yen/kWh 17.21yen/kWh)

<Fuel Cost Adjustment Amounts>  
FY2007/1Q: 23 billion yen to FY2008/1Q: 86billion yen

Decrease in electricity sales because of trading at the wholesale electricity exchange trading center, etc. -¥2.6 billion

Gas supply business +¥5.3 billion  
(Getting new customers and Increasing sales volume of core customers)  
【 approx.162,000 ton to approx. 223,000 ton 】



# Expenses Breakdown (Non-consolidated)

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(Unit: Billion yen)

	FY2008 1st quarter (A)	FY2007 1st quarter (B)	Comparison	
			(A)-(B)	(A)/(B) (%)
<b>Ordinary expenses</b>	1,407.4	1,169.5	237.9	120.3
<b>Operating expenses</b>	1,368.2	1,133.4	234.7	120.7
<b>Electric power operating expenses</b>	1,350.6	1,123.6	226.9	120.2
Personnel	119.8	105.8	13.9	113.2
Fuel	510.2	303.5	206.6	168.1
Maintenance	98.4	113.5	-15.1	86.7
Depreciation	179.5	180.8	-1.2	99.3
Purchased power	191.6	155.0	36.5	123.5
Taxes, etc.	95.1	94.4	0.6	100.7
Nuclear power back-end costs	33.0	30.4	2.6	108.7
Other expenses	122.7	139.7	-17.0	87.8
<b>Incidental business operating expenses</b>	17.5	9.7	7.8	179.7
<b>Non-operating expenses</b>	39.2	36.0	3.1	108.8
Interest paid	33.3	34.5	-1.2	96.4
Other expenses	5.9	1.5	4.4	393.1



# Period-on-Period Comparison of Ordinary Expenses – 1 (Non-consolidated)

**Personnel expenses (¥105.8 billion to ¥119.8 billion) +¥13.9 billion**

Retirement benefits +¥14.5 billion

Increase in amortization of actuarial difference (-¥11.1 billion to ¥7.2 billion)

: Gain on transfer to defined contribution pension plan (part of the increase in retirement benefits due to actuarial difference) is accounted for as extraordinary income, and therefore is not included in personnel expenses.

Amortization of actual difference (Unit: Billion yen)

	Expenses incurred (A)	Amount expensed (B)						in FY2008/1Q	
		in FY2005	in FY2006	in FY2007			Charged	Have not been charged as of FY2008/1Q (A) - (B)	
				(of which in 1st quarter)	Defined contribution pension plan	Retirement lump-sum grants and defined benefits pension plan			
FY2005	-117.9	-39.3	-39.3	-9.8	-2.4	-36.8	-	-	
FY2006	-15.4	-	-5.1	-1.2	-1.0	-4.8	-1.1	-3.3	
FY2007	100.1	-	-	-	-	33.3	8.3	58.4	
Total		-59.0	-48.5	-11.1	-3.4	-8.3	7.2	55.0	

**Fuel expenses (¥303.5 billion to ¥510.2 billion) +¥206.6 billion**

Consumption volume +¥63.0 billion

Decrease in nuclear power generated (Nuclear power generated 22.4 billion kWh to 15.0 billion kWh) +¥80.0 billion  
(Nuclear power plant capacity utilization ratio 59.1% to 39.8%)

Increase in hydroelectric generated (Flow rate 90.0% to 101.1%) -¥8.0 billion

Increase in power generated and purchased (74.2 billion kWh to 73.7 billion kWh) -¥5.0 billion

Increase in power purchased from other companies -¥4.0 billion

Price +¥144.0 billion

Rise in CIF crude oil prices (\$64.68=1 barrel to \$109.70=1 barrel) +¥203.0 billion

Yen depreciation (¥120.82=\$1 to ¥104.56=\$1) -¥98.0 billion

Other factors (variation in composition ratio of thermal fuel types, etc.) +¥39.0 billion

## Maintenance expenses (¥113.5 billion to ¥98.4 billion) -¥15.1 billion

Generation related (¥51.4 billion to ¥47.2 billion)	<i>Factors for Increase/Decrease</i>	-¥4.1 billion
Hydroelectric power (¥4.1 billion to ¥2.6 billion)	Hydro power : Decrease in maintenance expenses of waterwheel, etc	-¥1.4 billion
Thermal power (¥21.7 billion to ¥28.2 billion)	Thermal power : Increase in expenses of periodical inspections, etc	+¥6.4 billion
Nuclear power (¥25.5 billion to ¥16.4 billion)	Nuclear Power : Decrease in preventive maintenance of Primary loop recirculation system ( PLR ) plumbing, etc	-¥9.1 billion
Distribution related (¥60.6 billion to ¥49.9 billion)		-¥10.6 billion
Transmission (¥9.0 billion to ¥6.4 billion)	<i>Factors for Increase/Decrease</i>	-¥2.6 billion
Transformation (¥5.7 billion to ¥4.5 billion)	Transmission : Decrease in painting expenses of steel tower, etc	-¥1.2 billion
Distribution (¥45.8 billion to ¥38.9 billion)	Transformation : Decrease in maintenance expenses of distribution panel, protective relay and power cable, etc	-¥6.8 billion
Others (¥1.4 billion to ¥1.1 billion)	Distribution : Decrease in replacement expenses of expired meter for high-voltage and transmission, etc	-¥0.2 billion

## Depreciation expenses (¥180.8 billion to ¥179.5 billion) -¥1.2 billion

Generation related (¥74.0 billion to ¥75.9 billion)	+¥1.8 billion
Hydroelectric power (¥12.0 billion to ¥11.2 billion)	-¥0.7 billion
Thermal power (¥36.1 billion to ¥39.8 billion)	+¥3.7 billion
Nuclear power (¥25.9 billion to ¥24.8 billion)	-¥1.1 billion
Distribution related (¥101.9 billion to ¥99.2 billion)	-¥2.7 billion
Transmission (¥47.1 billion to ¥45.6 billion)	-¥1.4 billion
Transformation (¥20.4 billion to ¥19.7 billion)	-¥0.6 billion
Distribution (¥34.3 billion to ¥33.7 billion)	-¥0.6 billion
Others(4.8 billion to ¥4.3 billion)	-¥0.4 billion

### Depreciation breakdown

	FY2008	FY2007
	1st quarter	1st quarter
Regular depreciation	¥172.4 billion	¥179.5 billion
Extraordinary depreciation	¥3.5 billion	¥0.2 billion
Trial operations depreciation	¥3.5 billion	¥1.0 billion

<b>Purchased power (¥155.0 billion to ¥191.6 billion)</b>		<b>+¥36.5 billion</b>
Inter-company power purchases (¥49.4 billion to ¥50.2 billion)		+¥0.8 billion
Purchases of power from other companies (¥105.6 billion to ¥141.3 billion)	<i>Factors for Increase/Decrease</i> Purchases of power from other companies : • Increase in purchased power from affiliated companies due to power supply and demand tightness • Rise in fuel costs, etc	+¥35.6 billion
<b>Taxes, etc. (¥94.4 billion to ¥95.1 billion)</b>		<b>+¥0.6 billion</b>
Enterprise tax (Increase in electric power operating revenues)		+¥0.4 billion
Nuclear fuel tax (change in tax rate)		+¥0.3 billion
Property tax (progress of depreciation)		-¥0.6 billion
<b>Nuclear power back-end costs (¥30.4 billion to ¥33.0 billion)</b>		<b>+¥2.6 billion</b>
Irradiated nuclear fuel reprocessing expenses (¥25.3 billion to ¥28.5 billion)		+¥3.1 billion
Expenses for future reprocessing of irradiated nuclear fuel (¥1.3 billion to ¥1.3 billion)		+¥0.0 billion
Decommissioning costs of nuclear power units (¥3.7 billion to ¥3.1 billion)	<i>Factors for Increase/Decrease</i> Irradiated nuclear fuel reprocessing expenses : • Increase in provision for overseas reprocessing contract, etc	-¥0.6 billion
<b>Other expenses (¥139.7 billion to ¥122.7 billion)</b>		<b>-¥17.0 billion</b>
Decrease in supply costs	Expenses for future reprocessing of irradiated nuclear fuel : • Decrease in nuclear power generated, etc	-¥1.8 billion
Decrease in promotional cost		-¥3.3 billion
Decrease in donations		-¥5.9 billion
<b>Incidental business operating expenses (¥9.7 billion to ¥17.5 billion)</b>		<b>+¥7.8 billion</b>
Gas supply business (¥7.6 billion to ¥15.1 billion)		+¥7.4 billion
<Higher raw material prices / Getting new customers and Increasing sales volume of core customers (approx. 162,000 ton to approx. 223,000ton)>		
<b>Interest paid (¥34.5 billion to ¥33.3 billion)</b>		<b>-¥1.2 billion</b>
Lower average interest rate (1.89% to 1.76%)		-¥2.5 billion
Increase in interest-bearing debt outstanding (FY2007 1st quarter: 7,336.0 billion to FY2008 1st quarter: ¥7,657.8 billion)		+¥1.2 billion
<b>Other non-operating expenses (¥1.5 billion to ¥5.9 billion)</b>		<b>+¥4.4 billion</b>
Exchange losses		+¥2.1 billion



# Balance Sheets (Consolidated and Non-consolidated)

(Upper and lower rows show consolidated and non-consolidated figures, respectively) (Unit: Billion yen)

	Jun. 30,	Mar. 31,	Comparison		
	2008 (A)	2008 (B)	(A)-(B)	(A)/(B) (%)	
<b>Total assets</b>	<b>13,647.1</b>	<b>13,679.0</b>	<b>-31.8</b>	<b>99.8</b>	
	<b>13,016.3</b>	<b>13,057.7</b>	<b>-41.4</b>	<b>99.7</b>	
Fixed assets	12,641.1	12,697.5	-56.3	99.6	
	12,199.4	12,249.6	-50.1	99.6	
(*)	Electric business	8,348.2	8,416.0	-67.7	99.2
	Incidental business	71.1	71.1	0.0	100.1
	Non-business	4.2	4.0	0.1	102.9
	Construction in progress	570.2	595.0	-24.8	95.8
	Nuclear fuel	916.5	923.9	-7.4	99.2
	Others	2,289.1	2,239.3	49.7	102.2
Current assets	1,006.0	981.5	24.5	102.5	
	816.8	808.0	8.7	101.1	
<b>Liabilities</b>	<b>11,065.8</b>	<b>10,983.6</b>	<b>82.2</b>	<b>100.7</b>	
	<b>10,743.1</b>	<b>10,675.0</b>	<b>68.0</b>	<b>100.6</b>	
Fixed liability	8,700.3	8,602.6	97.7	101.1	
	8,446.5	8,350.5	96.0	101.2	
Current liability	2,347.0	2,363.5	-16.5	99.3	
	2,278.2	2,307.2	-28.9	98.7	
Reserves for	18.4	17.4	1.0	105.9	
Fluctuation in Water	18.3	17.3	1.0	105.8	
<b>Net assets</b>	<b>2,581.3</b>	<b>2,695.4</b>	<b>-114.1</b>	<b>95.8</b>	
	<b>2,273.1</b>	<b>2,382.7</b>	<b>-109.5</b>	<b>95.4</b>	
(*) Non-consolidated					
Interest-bearing debt outstanding	7,868.5	7,675.7	192.8	102.5	
	7,657.8	7,479.9	177.8	102.4	
Net worth ratio (%)	18.6	19.4	-0.8	-	
	17.5	18.2	-0.7	-	

## Bond issues in FY2008

Issue date	Issue amount (billion yen)	Period (year)	Coupon rate (% per annum)
04/25/08	50	10	1.640
04/25/08	50	5	1.094
04/25/08	50	10	1.602
05/30/08	50	3	1.171
06/25/08	50	10	1.976
07/25/08	50	10	1.849
07/22/08	50	6	1.505
07/24/08	50	12	1.948
<b>Total</b>	<b>400</b>	<b>-</b>	<b>-</b>

Notes 1 Foreign bonds haven't been issued yet in FY 2008.

2 Issuance of 600 billion or less planned in FY2008

Issuance of 750 billion in FY2007

(Unit : billion yen)

	FY2008 1st quarter		FY2007	
	(Consolidated)	(Non-consolidated)	(Consolidated)	(Non-consolidated)
Bonds	5,199.9	5,194.4	5,285.4	5,279.9
Long-term debt	1,806.2	1,645.3	1,713.0	1,557.0
Short-term debt	412.4	368.0	382.2	348.0
Commercial paper	450.0	450.0	295.0	295.0



(Upper and lower rows show consolidated and non-consolidated figures, respectively) (Unit: Billion yen)

	FY2008	FY2007	Comparison	
	1st quarter (A)	1st quarter (B)	(A)-(B)	(A)/(B) (%)
Net cash provided by operating activities	-8.3	-	-	-
	-19.8	-	-	-
Capital expenditures (Cash basis)	-150.1	-	-	-
	-141.8	-	-	-
<b>Free cash flow</b>	<b>-158.4</b>	-	-	-
	<b>-161.7</b>	-	-	-
Financing	200.3	-	-	-
	177.8	-	-	-
Reduction of interest-bearing debt	-	-	-	-
	-	-	-	-
(Application)	Dividends	35.5	-	-
		35.5	-	-
	Investments, etc.	6.3	-	-
		-19.4	-	-
	(of which, investments in diversified businesses)	9.6	-	-
	1.3	-	-	

(Unit: Billion yen)

	FY2008	FY2007	Comparison	
	1st quarter (A)	1st quarter (B)	(A)-(B)	(A)/(B) (%)
<b>Operating revenues</b>	<b>1,319.4</b>	-	-	-
Electric Power	1,244.3	-	-	-
Information and Telecommunications	20.2	-	-	-
Energy and Environment	96.1	-	-	-
Living Environment and Lifestyle-related	33.2	-	-	-
Overseas	5.3	-	-	-
<b>Operating income</b>	<b>-95.6</b>	-	-	-
Electric Power	-106.1	-	-	-
Information and Telecommunications	0.0	-	-	-
Energy and Environment	5.6	-	-	-
Living Environment and Lifestyle-related	3.1	-	-	-
Overseas	1.6	-	-	-

Note: The lower row of operating revenues represents revenues from external customers.

## Major subsidiaries in each segment

(Unit: Billion yen)

	Operating revenues		Operating income	
		Increase or		Increase or
<b>Information and Telecommunications</b>				
TEPCO SYSTEMS CORPORATION	8.1	-	-0.6	-
AT TOKYO Corporation	4.7	-	1.0	-
TEPCO CABLE TELEVISION Inc.,	4.0	-	-0.1	-
<b>Energy and Environment</b>				
Toden Kogyo Co., Ltd.	16.3	-	1.1	-
Gas Business Company	13.7	-	-1.3	-
Tepco Home Service.co., Ltd.	8.8	-	-0.0	-
Tokyo Timor Sea Resources Inc. (US)	7.1	-	5.3	-
<b>Living Environment and Lifestyle-related</b>				
Toden Real Estate Co., Inc.	8.4	-	1.4	-
Toden Kokoku Co., Ltd.	5.4	-	0.1	-
Tokyo Living Service Co., Ltd	4.0	-	0.2	-
TOHSHIN BUILDING Co., Ltd	3.2	-	0.7	-
<b>Overseas</b>				
TM Energy (Australia) Pty Ltd.	2.7	-	1.6	-
Eurus Energy Holdings Corporation	2.1	-	0.1	-



# Total Power Generated and Purchased and Electricity Sales Volume

## Total Power Generated and Purchased

	(Units: Billion kWh, %)			
	April	May	June	1st quarter FY2008
<b>Total power generated and purchased</b>	24.32 (0.2)	24.47 (1.1)	24.93 (-3.1)	73.72 (-0.6)
Power generated by TEPCO	21.21	21.54	20.93	63.68
Hydroelectric power generation	1.07	1.27	1.20	3.54
Thermal power generation	15.96	15.01	14.12	45.09
Nuclear power generation	4.18	5.26	5.61	15.05
Power purchased from other companies	3.39	3.28	4.26	10.93
Used at pumped storage	-0.28	-0.35	-0.26	-0.89

Note: Figures in parentheses denote percentage change from the previous year.

## Electricity Sales Volume

	April	May	June	1st quarter FY2008	(Units: Billion kWh, %)	
					FY2008 Projection 2nd of the year	Full year
Other than eligible customers' use	8.65 (3.0)	8.39 (-0.8)	6.93 (-3.4)	23.96 (-0.2)	51.5 (-1.3)	109.5 (-0.8)
Lighting	7.76 (3.6)	7.47 (-0.1)	6.11 (-2.1)	21.34 (0.6)	-	-
Low voltage	0.71 (-1.3)	0.70 (-6.1)	0.64 (-12.2)	2.05 (-6.6)	-	-
Others	0.17 (-1.8)	0.22 (-6.0)	0.18 (-9.8)	0.57 (-6.0)	-	-
Eligible customers' use	14.89 (1.2)	14.46 (0.3)	15.56 (-1.2)	44.92 (0.1)	95.3 (-0.6)	186.6 (-0.2)
Commercial use	5.95 (0.3)	5.73 (-0.1)	6.21 (-1.7)	17.89 (-0.5)	-	-
Industrial use and others	8.95 (1.9)	8.73 (0.6)	9.35 (-0.8)	27.02 (0.5)	-	-
<b>Total electricity sales volume</b>	23.54 (1.9)	22.85 (-0.1)	22.49 (-1.9)	68.88 (-0.0)	146.8 (-0.8)	296.2 (-0.4)

Note: Figures in parentheses denote percentage change from the previous year. Rounded to the nearest decimal point.

## Average Monthly Temperature (Unit: °C)

	April	May	June
FY2008	14.1	18.0	20.9
Compared with last year	1.0	-1.1	-1.7
Compared with average year	0.5	0.0	-0.3

Note: Average temperature uses temperatures observed at nine weather stations in TEPCO's operating area, weighted to reflect electric power volume of branch offices used for the relevant weather stations.

•Due to the increase in the number of contracts, lighting (residential) demand increased. Meanwhile, as the temperature in June was lower than the previous year, the demand for power was lower because the use of air conditioning was lower. Consequently, the total demand was roughly flat on a year-on-year basis.

•Slightly less than our initial projection by 0.3 billion kWh.

•We have revised the total electricity sales volume forecast upward by approximately 0.1 billion kWh from the initial projection to 296.2 billion kWh. This is on the basis of actual 1st quarter sales volume and the effect from temperature trends.

## ◆ Outlook for Supply & Demand during Summer 2008

- Projected peak demand during summer 2008 (maximum gross at Generation End per day) is approx. **61.10 million kW** ( normal summer temperature )
- Projected temperature sensitivity during summer 2008 is approximately **1.7 million kW/**

( Unit:Million kW )

	July	August	September
Demand <sup>1</sup> ( Maximum gross at Generation End per day )	61.10	61.10	55.20
Supply capacity <sup>2</sup> ( Excluding additional supply capacity <sup>3</sup> )	66.30 (64.60)	66.70 (64.70)	63.40 (61.80)
Projected spare capacity ( Excluding additional supply capacity )	5.20 (3.50)	5.60 (3.60)	8.20 (6.60)

Notes 1. Normal summer temperature: projection using the average of the highest temperatures on the days of maximum demand over the past 10 years.

2. Supply capacity is a monthly average.

3. The figure excluding supply capacity is informed on announcement of FY2008 Business Management Plan (March 26).

## ◆ Secure Supply capacity during Summer 2008

- TEPCO is projected to secure supply capacity of approx. **66.00 million kW** in July and August

### Additional Supply Capacity ( Unit:Million kW )

Measures	July	August	September
Increased output at operating plants	0.70	0.70	0.70
Power from trial operation of new plants	0.30	0.40	0.40
Purchase of surplus power from self-generation, etc.	0.70	0.90	0.50
<b>Total</b>	<b>1.70</b>	<b>2.00</b>	<b>1.60</b>

### Demand Supply ( Unit:Million kW )

Measures	July	August	September
Plan adjustment contracts	1.35	1.35	1.35
Discretionary adjustment contracts (Estimated)	1.23	1.23	1.23

\*Plan adjustment contracts are included in maximum generation outlook.

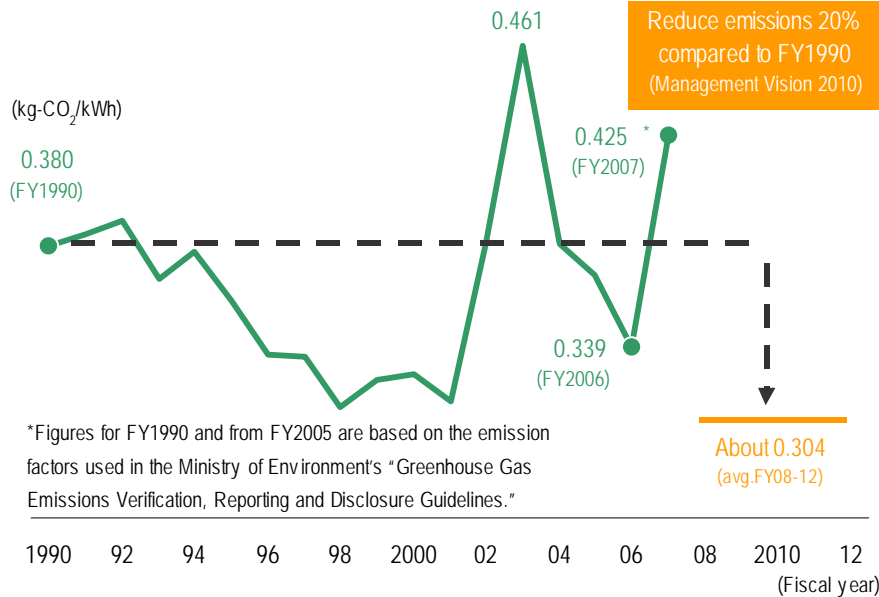
	Station Name	Output (Million kW)	Fuels	Date Operations Begin or Resume (Start of Trial Operations)
Start of operations	Kawasaki Unit 1-2	0.5	LNG	June 4, 2008
	Futtsu Unit 4-1	0.507	LNG	July, 2008 (December 12, 2007)
	Kawasaki Unit 1-1	0.5	LNG	February, 2009 (May 30, 2008)
Resumption of operations	Yokosuka Unit 2 GT	0.144	Light oil and city gas	September 11, 2007
	Goi Unit 4	0.265	LNG	December 18, 2007
	Yokosuka Unit 7	0.35	Heavy oil and crude oil	April 6, 2008
	Yokosuka Unit 8	0.35	Heavy oil and crude oil	May 27, 2008
	KASHIMA KYODO ELECTRIC POWER COMPANY Unit 2	0.35	Blast furnace gas and heavy oil	June 2, 2008

Resumed operations after decommissioning

## 【Countermeasures against Global Warming】

Supply-side Initiatives	International cooperation initiatives	Initiatives with customers
Safety and stably operate nuclear power stations Improve thermal power efficiency Expand use of renewable energy	Use Kyoto Mechanisms Promote Sectoral Approach through APP Activities	Promote the use of high-efficiency appliances Advocate an eco-friendly life

## 【CO<sub>2</sub> emission intensity】



## 【Use Kyoto Mechanisms】

(as of June 30, 2008)

<b>Funds</b> Total \$US 20.5 million	<ul style="list-style-type: none"> <li>◆ Prototype Carbon Fund (PCF)</li> <li>◆ BioCarbon Fund (BioCF)</li> <li>◆ Japan GHG Reduction Fund (JGRF)</li> </ul>
<b>Projects</b> (Credit purchase contracts) Approx. 8.6 million t-CO <sub>2</sub>	<ul style="list-style-type: none"> <li>◆ Methane Recovery CDM Project, Chile</li> <li>◆ Tuoli Wind Power CDM Project in Xinjiang Uygur AR., China</li> <li>◆ Hydro Power CDM Project in Guizhou Prov., China</li> <li>◆ Biomass Cogeneration CDM Project, Honduras</li> <li>◆ Co-Purchases with Japan Carbon Facility</li> <li>◆ Manasi Hydro Power CDM Project in Xinjiang Uygur AR., China</li> <li>◆ Wind Power CDM Project in Guangdong Prov., China</li> <li>◆ Wulabo Wind Power CDM Project in Xinjiang Uygur AR., China</li> <li>◆ Hydro Power CDM Project in Gansu Prov., China</li> <li>◆ Biomass Power Generation Project, Chile</li> <li>◆ Hydro Power CDM Project, Vietnam</li> </ul>
<b>Investments</b> Approx. 0.2 million t-CO <sub>2</sub> +	<ul style="list-style-type: none"> <li>◆ Biogas Supply Project, Thailand</li> <li>◆ Forestation project in New South Wales, Australia</li> </ul>

## 【CO<sub>2</sub> emissions , CO<sub>2</sub> emission intensity (TEPCO)】

	1990	1995	2000	2002	2003	2004	2005	2006	2007
CO <sub>2</sub> emissions (Million t-CO <sub>2</sub> )	83.60	91.00	92.20	107.40	127.20	109.20	106.10	97.60	126.50
CO <sub>2</sub> emission intensity (kg-CO <sub>2</sub> /kWh)	0.380	0.358	0.328	0.381	0.461	0.381	0.368	0.339	0.425
(Reference: Electricity sales volume ( Billion kWh )	219.9	254.4	280.7	281.9	276.0	286.7	288.7	287.6	297.4

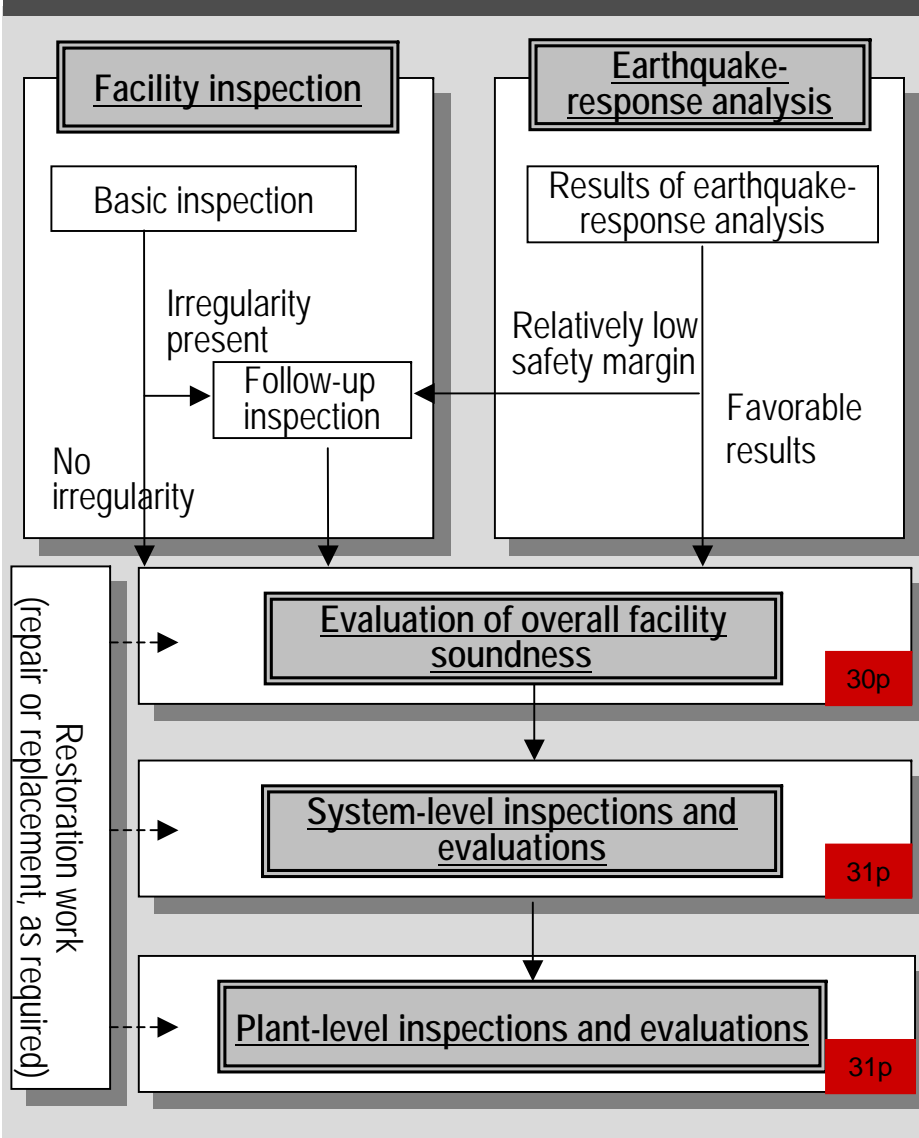


【Reference】

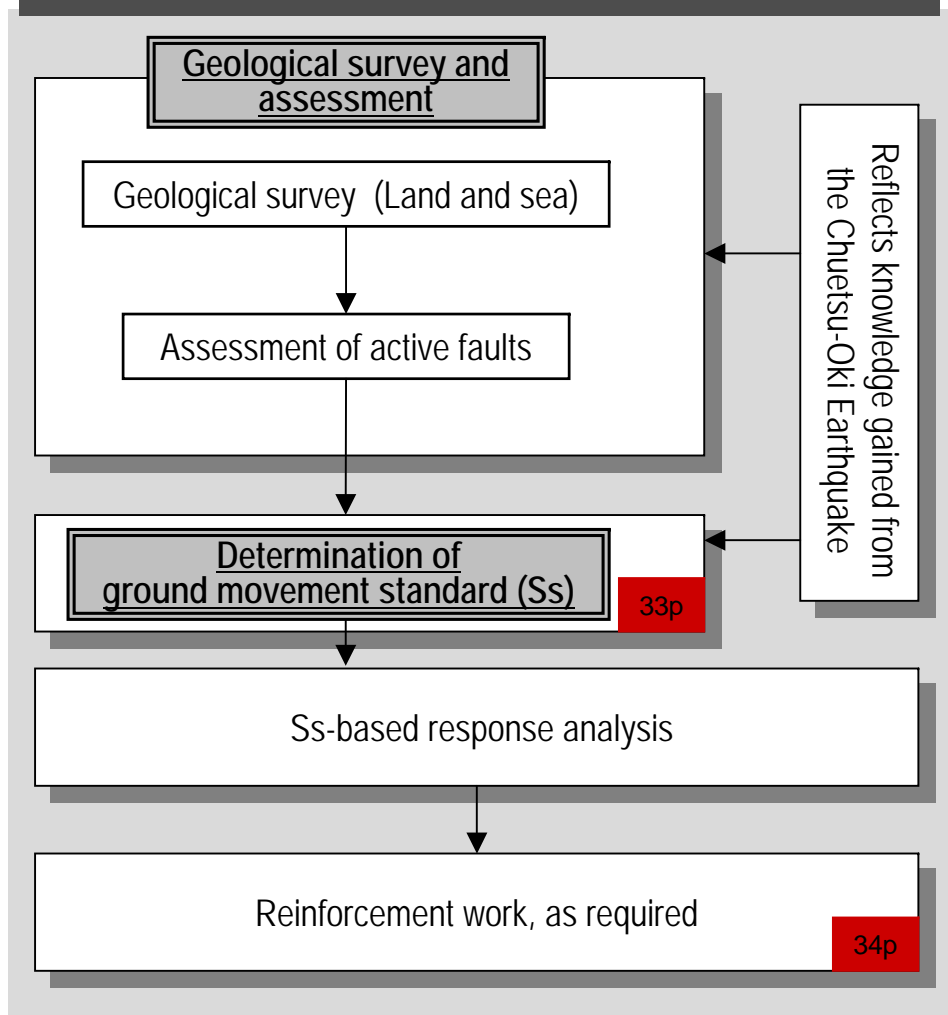
# The Present Status of the Kashiwazaki-Kariwa Nuclear Power Station and Future Initiatives

- Progress & Key Changes since the Financial Result Announcement on April 30, 2008 -

## Restoration Initiatives at the Kashiwazaki-Kariwa Nuclear Power Station



## Earthquake-Resistance and Safety Improvement Initiatives



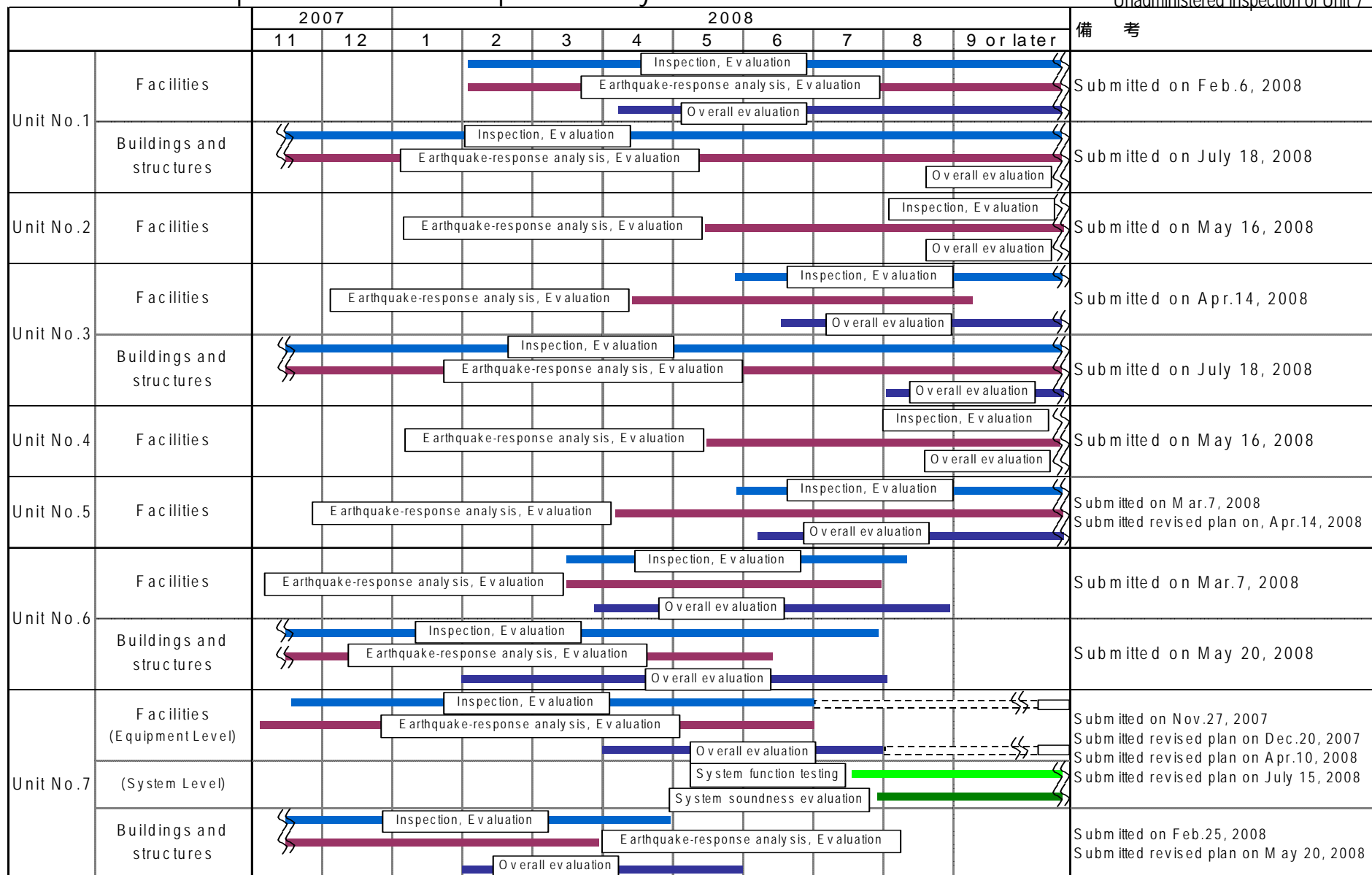
Evaluation of overall facility soundness: Evaluation of individual facilities at the equipment level.



# 【 Facility Soundness Evaluation 】 Investigation and Analysis Schedule -1

## Schedules for inspection and evaluation plan of facility soundness

Unadministered inspection of Unit 7

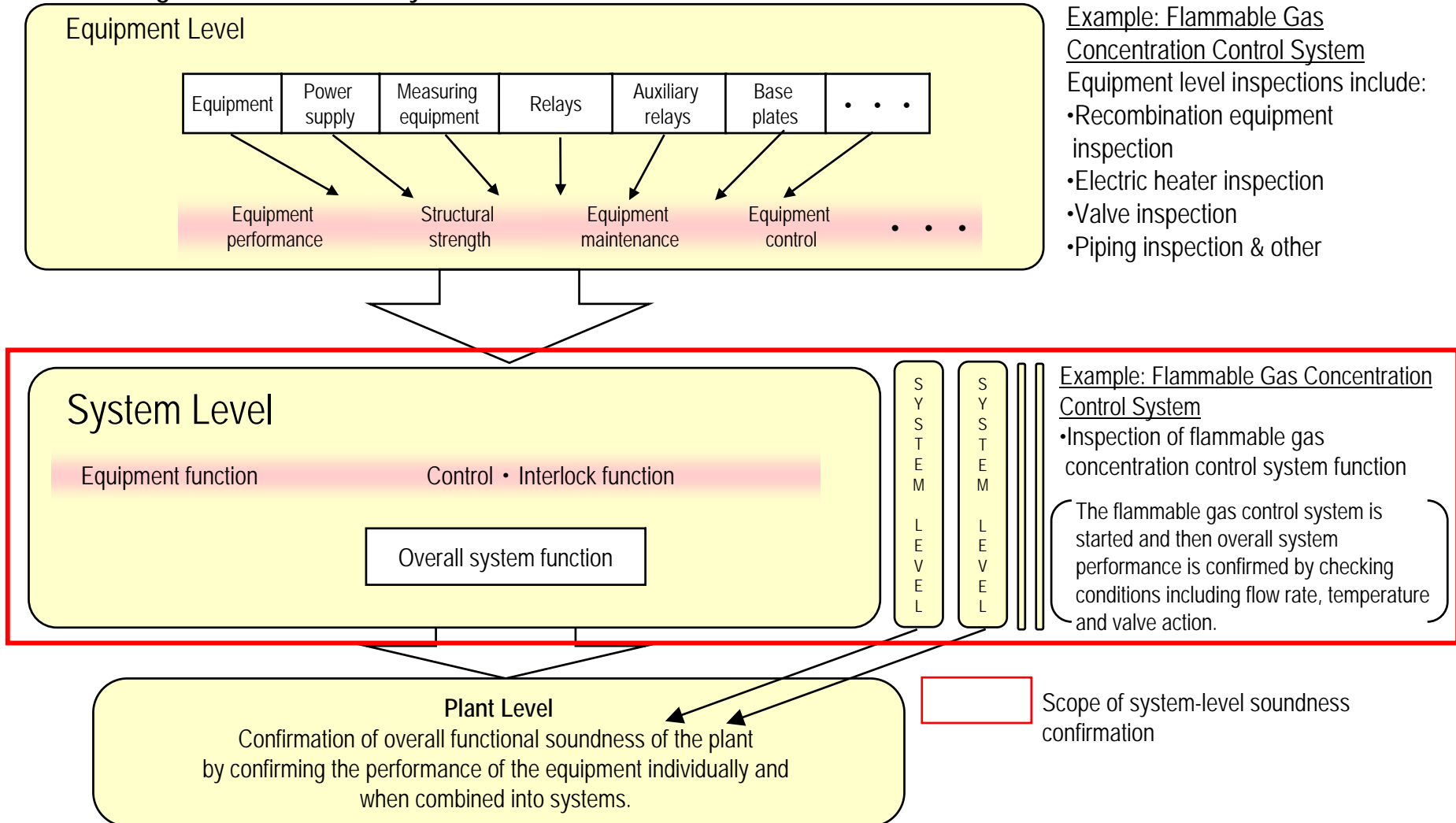


Note: Schedules are subject to change due to the progress of the inspection and evaluation



We have confirmed the soundness of most individual pieces of equipment (equipment level) for Unit 7, and have enhanced the plan for inspection and evaluation at the system level (system function testing and system soundness evaluation).

## Positioning of Confirmation of System-Level Soundness





## Facility Inspections

TEPCO is inspecting key facilities in succession based on the inspection and evaluation plan. So far, we have found no damage that would affect the functions of any safety-critical facility.

**Reactor Inspections:** Complete for all units (as of February 19, 2008)

**Reactor Pressure Vessel Inspections:** Complete for all units (as of March 7, 2008)

**Fuel Control Rod Inspections:** Complete for all units (as of July 3, 2008)

**Turbine Unit Inspections:** Detailed inspection is in progress for units 3, 4, 6 and 7. The schedule for detailed inspection of units 1, 2 and 5 is now being decided.

**Main Transformer Inspections:** In-factory inspection of transformers for Units 6 and Unit 7 is complete and installation work is in progress. In-factory inspection of Unit 3 transformers is in progress. The in-factory inspection schedule for transformers of units 1, 2, 4 and 5 is now being decided.

## Inspection of Buildings and Structures

Inspections, analysis and evaluation of the Unit 7 reactor building, turbine building, stack and emergency intake channel are in progress. We have evaluated and reported to the Structural Working Group that facility soundness was achieved, although some minor cracks were found. Appropriate repairs will be implemented.

## Earthquake-response analysis for facilities and buildings

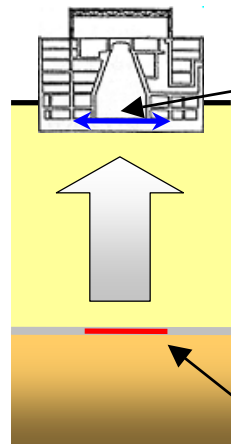
In progress for units 1 through 7.

Some of the results of geological surveys and evaluation of active faults have been revised in accordance with the deliberations of the Earthquake, Tsunami, Geology and Soil Joint Working Group, and an interim report was issued to the Nuclear and Industrial Safety Agency (NISA) on May 12, 2008.

Observed data acquired during the Chuetsu-Oki Earthquake and for historical earthquakes was analyzed, and the reasons why the Chuetsu-Oki Earthquake caused more shaking than earthquakes of similar intensity were evaluated.

Based on these evaluations, ground movement standards Ss were formulated, and a report was issued to NISA on May 22, 2008. The Joint Working Group is now deliberating this report.

(Unit:Gal)







Ground Movement Standard Ss:

For seismic design, the standard assumes seismic motion that, while highly unlikely to happen while a facility is in service, could have a substantial impact.

Deepest underground point of the nuclear reactor building (base mat of reactor building)	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
Chuetsu-Oki Earthquake (observed data)	680	606	384	492	442	322	356
Shaking due to standard ground movement	829	739	663	699	543	656	642
Seismic motion assumed in strengthening earthquake resistance	1,000						
Deep bedrock (Free surface of base stratum)	Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
Ground movement standards	2,280				1,156		

Work has been done to enable the reactor buildings for units 1 through 7 to endure 1,000 gal of seismic motion on the base mats in order to increase the earthquake resistance and safety of each facility.

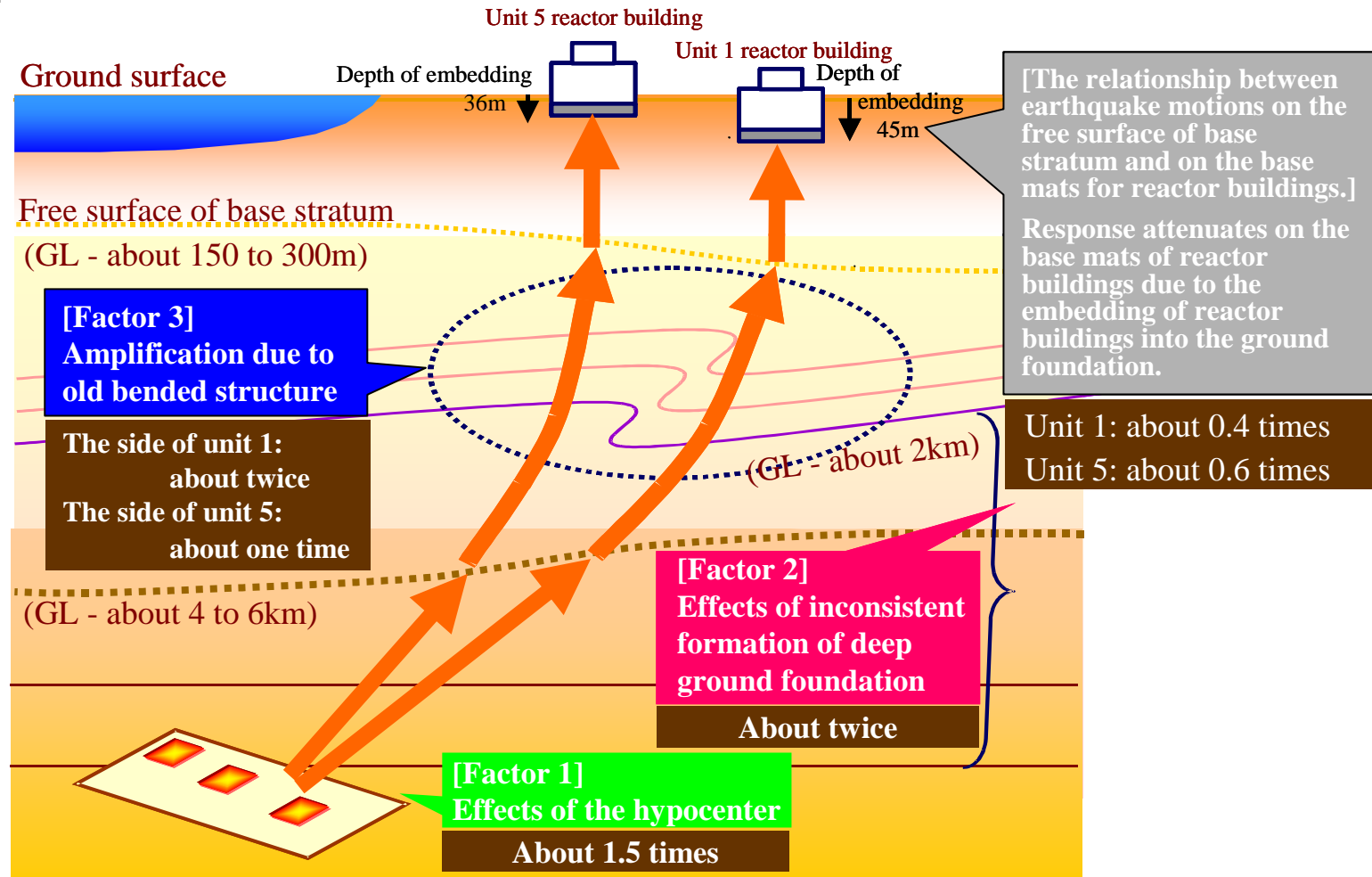
Current schedule of work planned and in progress

		May	June	July	August
Unit 7	Supports for piping and related equipment (additional supports, strengthening)		 Construction (incl. removal of interfering items, installation of scaffolding, curing and reinforcement work)		
	Reactor building roof trusses (additional steel)		 Construction (incl. removal of interfering items, installation of scaffolding, decontamination, curing and reinforcement work)		
Unit 6	Supports for piping and related equipment		 Construction (incl. removal of interfering items, installation of scaffolding, curing and reinforcement work)		
	Reactor building roof trusses			 Construction (incl. removal of interfering items, installation of scaffolding, decontamination, curing and reinforcement work)	

We will also evaluate earthquake resistance and safety of other facilities and execute work to strengthen earthquake resistance, as required.

Ground movement standards and work to strengthen earthquake resistance will appropriately reflect the status of future government deliberations.

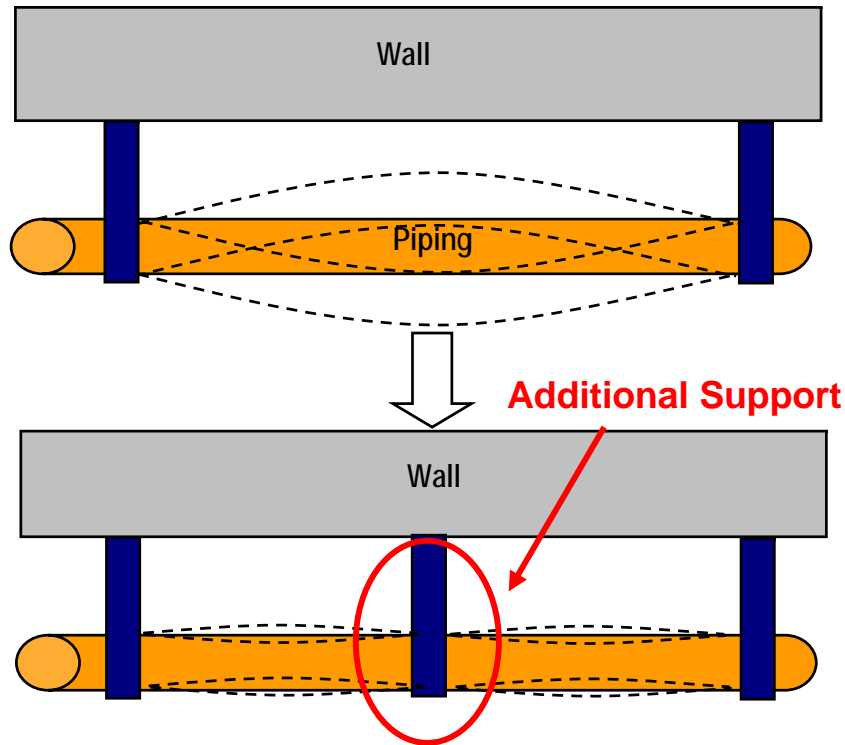
Effects of the hypocenter and subsurface structure amplified the seismic motions  
 The newly discovered mechanism (factor 1 to 3) was reflected in determining the ground movement standard



Conceptualization of the factors for amplification of earthquake motions

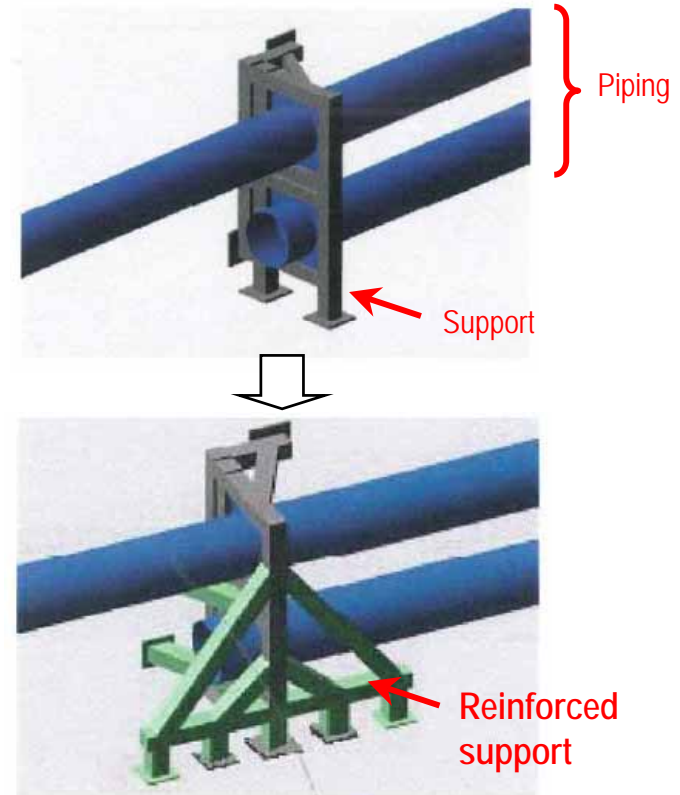
Strengthening Earthquake Resistance of Supports for Piping and Related Equipment ( including Conduits, Cable Trays and Air Ducts)

Additional Supports for Piping



Additional supports will reduce piping motion

Reinforcing Existing Supports



Reinforcing supports will create a stronger structure



# 【Reference】 Governmental Inspection and Investigation System

