In order to enhance the competitiveness, TEPCO and Chubu Electric have each started strengthening and optimizing their global supply chains.

Objective: stable supply of electricity to customers on economical basis.

Gas Resources
Liquefaction Plant
Shipping
Receipt & Storage
Transmission
Power Generation
Overseas Power Generation
To Customers
Part 1. Comprehensive Alliance Concept of TEPCO and Chubu Electric

- TEPCO and Chubu Electric have been approaching common strategic goals in different ways and have created a Comprehensive Alliance to realize those goals.
- Synergies of combining the expanded business domain and advanced operational capability of both companies will enable to realize a higher goal.

### Strategic Positioning

<table>
<thead>
<tr>
<th>Expand Business Domain (upstream and overseas)</th>
<th>[around 2010] Upstream Investments (Darwin, Wheatstone, etc.)</th>
<th>[around 2020] Enable to receive 10Mtpa Lean Spec LNG (Lean LNG Terminal, New Tanks)</th>
<th>[Strategic Goal] Enhance Competitiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owning LNG Ships</td>
<td>LNG Trading (Terminal in US)</td>
<td></td>
<td>[around 2020] Start up operation of US LNG Liquefaction (Freeport) Upstream Investments</td>
</tr>
<tr>
<td>TEPCO</td>
<td>Capability to receive Lean LNG</td>
<td></td>
<td>[around 2010] Coal Trading (CET) Minimize the use of oil-fired power plants</td>
</tr>
<tr>
<td>Chubu Electric</td>
<td>Expansion of ability to use various coal grades</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Operational Capability

Enhancement of Operational Capability
The Comprehensive Alliance will be implemented in a step-by-step manner, starting with areas that will have a high impact and are easier to undertake.

3 Steps will be taken toward a full integration:

<table>
<thead>
<tr>
<th>Step</th>
<th>Time</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step1</td>
<td>30 April 2015</td>
<td>Establish joint venture company and create unified window for new business development</td>
</tr>
<tr>
<td></td>
<td>1 October 2015</td>
<td>Integrate fuel transportation and fuel trading businesses into the joint venture company</td>
</tr>
<tr>
<td></td>
<td>December 2015</td>
<td>Execute an agreement to integrate into the joint venture company existing fuel businesses including upstream assets; sale and purchase agreements; fuel receipt and storage, and gas transportation facilities; and overseas power generation and energy infrastructure businesses</td>
</tr>
<tr>
<td></td>
<td>Summer of 2016</td>
<td>Integrate above businesses into the joint venture company</td>
</tr>
<tr>
<td>Step2</td>
<td>Spring of 2017 (target)</td>
<td>Make a management decision regarding the integration of existing thermal power stations into the joint venture company</td>
</tr>
<tr>
<td>Post in new company</td>
<td>Name</td>
<td>Present Post</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------------------------</td>
<td>---------------------------------------------------------------------</td>
</tr>
<tr>
<td>Chairman</td>
<td>Yoshihiro Naito</td>
<td>Director, Tokyo Electric Power Company</td>
</tr>
<tr>
<td>President</td>
<td>Yuji Kakimi</td>
<td>Senior Managing Executive Officer, General Manager of Fuels Dept. and International Business Dept. Chubu Electric Power Co., Inc.</td>
</tr>
<tr>
<td>Director (non-executive)</td>
<td>Toshihiro Sano</td>
<td>Director, Executive Vice President, President, Fuel &amp; Power Company Tokyo Electric Power Company</td>
</tr>
<tr>
<td>Director (non-executive)</td>
<td>Kozo Ban</td>
<td>Director, Senior Managing Executive Officer, General Manager of Power Generation Division Chubu Electric Power Co., Inc.</td>
</tr>
</tbody>
</table>
Part 3. Details of the New Company - Trading Name

Energy for a New Era

JERA Co., Inc.
Part 3. Details of the New Joint Venture Company - Organization

- A total of 50 employees in 5 organizational functions
- Integrate external advisers’ knowledge into JERA’s management

![Organizational Structure Diagram]

JERA’s External Advisers (plan)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hendrik Gordenker</td>
<td>Of Counsel, White &amp; Case LLP</td>
</tr>
<tr>
<td>Hideaki Imamura</td>
<td>Professor</td>
</tr>
<tr>
<td></td>
<td>Graduate Institute of Innovation Management</td>
</tr>
<tr>
<td></td>
<td>Academic Assembly (Program of Social Sciences)</td>
</tr>
<tr>
<td></td>
<td>Shinshu University</td>
</tr>
</tbody>
</table>

Create a unified window for new business development, including fuel procurement, fuel investments, and domestic and international IPP business

→ Centralization of contact point, know-how, planning and development
Business model of new global energy company: leveraging the supply chain strength of utility companies by procuring fuels, and generating and wholesale marketing electricity itself.

Business Model of JERA

1. Pursuit of investment income through expanding business in areas and broadening business domain (Strategic Positioning; see slide 2)

2. Improvements in the operational efficiency of the entire value chain (Operational Capability; see slide 2)

JERA’s Mission

JERA will endeavor to serve the public interest by securing the stable supply of energy on an internationally competitive basis, and also to increase the respective enterprise values of the TEPCO and Chubu Electric corporate groups, by combining 1 & 2 above.
Part 4. Vision for JERA

Scope of Comprehensive Alliance

TEPCO
- Upstream fuel investment
- Fuel procurement: 25 mil. tons (LNG), 8 mil. tons (Coal)
- Transportation
- Fuel includes coal and oil, in addition to LNG
- Gas wholesaling
- Overseas power generation
- Expansion of business participation

Chubu Electric
- Upstream fuel investment
- Fuel procurement: 15 mil. tons (LNG), 11 mil. tons (Coal)
- Transportation
- Gas wholesaling
- Overseas power generation
- Expansion of business participation

Overseas business domain
Domestic business domain

Joint implementation
Thermal power generation (Existing) 42 GW
Thermal power generation (Construction and replacement) 25 GW
**Part 4. Vision for JERA**

**LNG: Scale of LNG procurement in Asia (FY 2013)**

- **LNG Procurement:**
  - 40 million tons (world’s largest scale)

- **Realize high level of economy, stability and flexibility at the same time, and pursue a stable energy supply on an internationally competitive basis**

- **Leverage increased procurement scale in order to expand business domain by enhancing involvement in upstream investments**

  - Example: Obtaining favorable conditions for upstream investment, through procurement of the full capacity of an entire LNG production train (around 5 million tons)

**Coal: Scale of fuel coal procurement in Asia (FY 2013)**

- **Coal Procurement:**
  - 20 million tons

  - Potential to expand to 30 million tons (toe-to-toe with Asian giants)

  - Source:
    - Prepared using materials released by each company
    - Foreign companies data are of 2011
    - Data of Korea Electric is as the sum of 5 affiliate companies

  - (For planned plants)
### Part 4. Vision for JERA

**Thermal Power Generation: Installed capacity of TEPCO and Chubu Electric (2013)**

<table>
<thead>
<tr>
<th></th>
<th>Overseas</th>
<th>Domestic</th>
</tr>
</thead>
<tbody>
<tr>
<td>JERA</td>
<td>10,000</td>
<td>7,400</td>
</tr>
<tr>
<td>TEPCO</td>
<td>12,000</td>
<td></td>
</tr>
<tr>
<td>Chubu Electric</td>
<td>12,000</td>
<td></td>
</tr>
</tbody>
</table>

*Data for overseas projects reflect share of output*  

Assuming JERA reaches Step 3 (full integration), total capacity will be around 74 GW.

**Domestic and international installed power generation capacity:**
- around 74 GW ⇒ potential to reach the highest level in the world of 100 GW

- Combining management resources and business know-how from the domestic power business as well as experience in the international power business in order to establish a borderless power generation business model and maximize synergies
- Expansion of power business and gas infrastructure business that has a synergy with fuel procurement business
Key success factors to realize the Business Model of JERA

- Strengthening of Risk Management Methodology and Capacity to support deeper engagement in market-oriented businesses
- Maintenance of Financial Strength that supports independent pursuit of business opportunities
- Cultivation of Experienced Personnel who combine the spirit of innovation and prudent judgment