

**Creating
New Value**

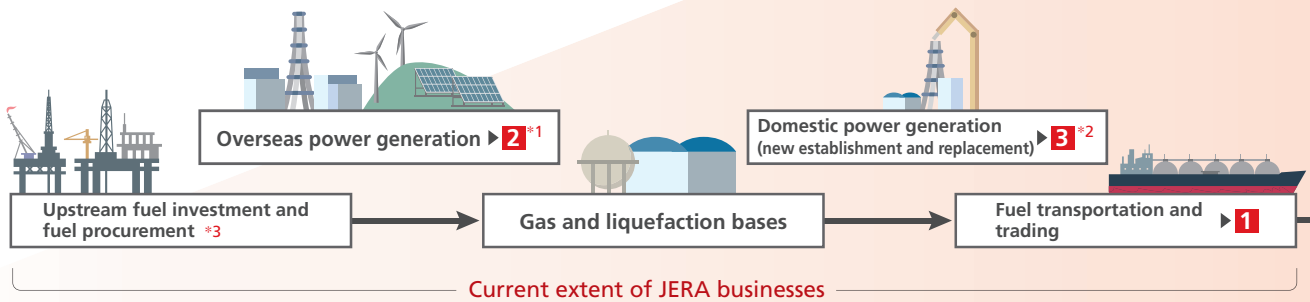
JERA—Seeking to Be a Global Energy Business

Since Chubu Electric Power established JERA Co., Inc. with TEPCO Fuel & Power, Inc. in 2015, we have steadily advanced the integration of the entire value chain from upstream fuel investment and procurement to power generation in JERA. Utilizing the advantages of scale, we are providing a stable supply of energy (including electricity and gas) using our international competitive advantage, while seeking to increase the corporate value of the group.

Three steps towards the completion of the value chain

Step1
 April 30, 2015 JERA established
 Integration of new business (*1-3)
 development in one division
 October 1, 2015 Integration of fuel transportation and trading businesses

Step2
 July 1, 2016 Integration of existing upstream fuel investment and procurement with existing overseas power generation and energy infrastructure

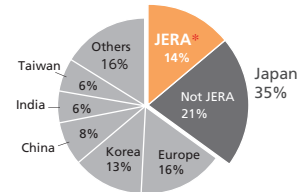


Scale of annual procurement

35 million t
 LNG

Among largest in scale globally

Amount of LNG imported by region (2015)



21 million t
 Coal

Source: BP Statistical Review of World Energy June 2016

* Note: Total procurement by both companies before merger (fiscal 2015)

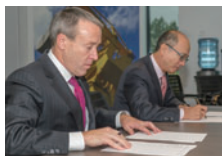
Fiscal 2016 efforts

Fuel businesses

1 Development of global trading business

JERA Trading Singapore* acquired the coal division of EDF Trading in April 2017. Going forward, by combining Atlantic and Pacific markets and advancing the business globally, we will seek to achieve three things: 1. flexible and economical fuel procurement, 2. stronger third-party sales, particularly in Asia, and 3. IT system expertise internalization.

* Company name changed to JERA Trading on July 1, 2017



Overseas power generation businesses

2 Development of renewable energy power generation business in India

In February 2017, we acquired some stock of ReNew* and have since become involved in the renewable energy power generation business in India. We will continue to strive to increase corporate value by building an optimal power generation business portfolio that includes renewable energy.

* ReNew Power Ventures Private Limited



Domestic power generation businesses

3 Hitachinaka Thermal Power Station

In September 2016, environmental impact assessment procedures were completed for the Hitachinaka Thermal Power Station Unit 1, and construction began in January 2017.



Step3

- March 28, 2017 Fundamental agreement related to the integration of existing thermal power generation businesses signed
- June 8, 2017 **Joint venture contract signed**
- First half of fiscal 2019 Business integrated into JERA

Integration effects

Domestic power generation businesses

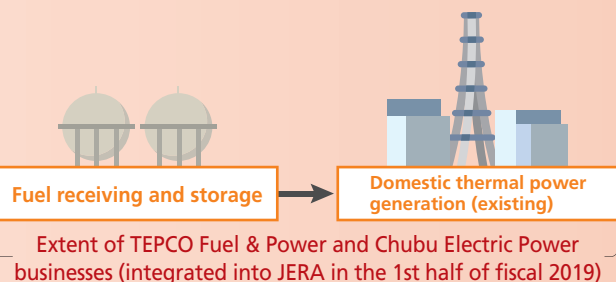
- Create an operations and maintenance (O&M) model that is competitive in the global market
- Increase efficiency through joint procurement of material resources
- Optimize power supply portfolio

New businesses and existing JERA businesses

- Electricity/gas market transactions and third-party sales
- Global-level O&M business
- Expand gas/LNG retail sales
- Optimize unified operation of entire value chain
- Apply trading expertise to domestic thermal power business

Value of integration effects within 5 years

At least **¥100 billion/year**

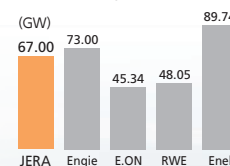


Scale of domestic thermal power generation (existing)



Among largest in scale globally

Comparison of power generation scales by major global electricity businesses



Source: Overseas Electric Power Business Statistics 2016
 Note: For sources other than JERA, includes non-thermal power generation facilities

What we aim for from fiscal 2017 on

Domestic thermal power generation businesses (existing)

Towards the completion of the value chain through the integration of existing thermal power generation businesses

In June 2017, a joint management agreement was signed for the integration of the fuel receiving, storage, and gas transportation business and the existing thermal power generation business. As a result, we have completed a continuous value chain from upstream fuel investment and procurement to power generation and wholesaling of electric power and gas. In addition to reorganizing the domestic thermal power generation businesses of Chubu Electric Power and TEPCO Fuel & Power, we seek to accelerate growth in all our business domains as well as optimize our entire value chain by maximizing the synergy of our recently integrated fuel businesses and overseas power generation and energy infrastructure businesses.