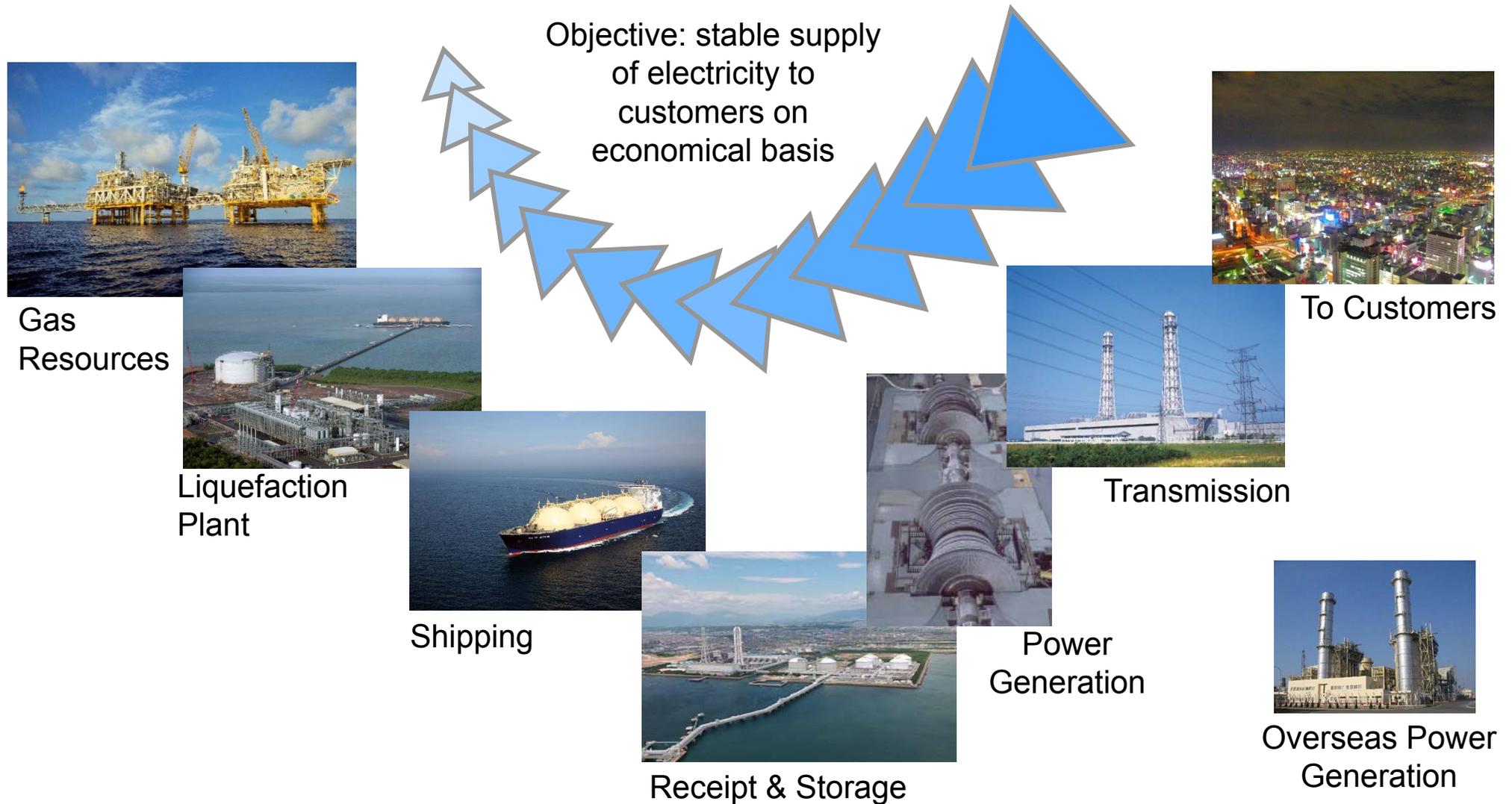
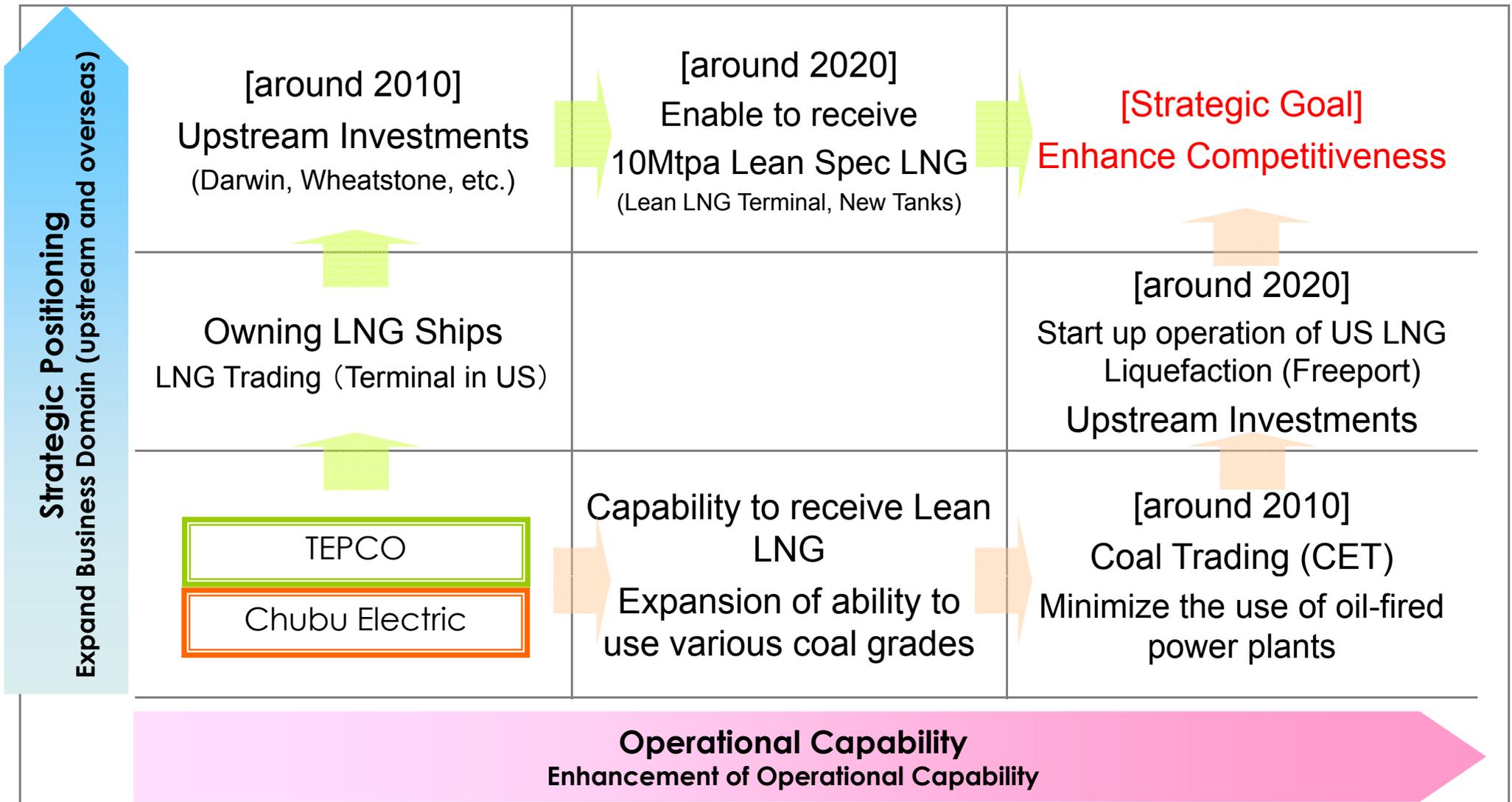


- In order to enhance the competitiveness, TEPCO and Chubu Electric have each started strengthening and optimizing their global supply chains



# 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



## Part 2. Road Map of Comprehensive Alliance

- 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

Step1	30 April 2015	Establish joint venture company and create unified window for new business development
	1 October 2015 (expected date)	Integrate fuel transportation and fuel trading businesses into the joint venture company
Step2	December 2015	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
	Summer of 2016	Integrate above businesses into the joint venture company
Step3	Spring of 2017 (target)	Make a management decision regarding the integration of existing thermal power stations into the joint venture company

■ Outline of management of joint venture company to be established on April 30, 2015

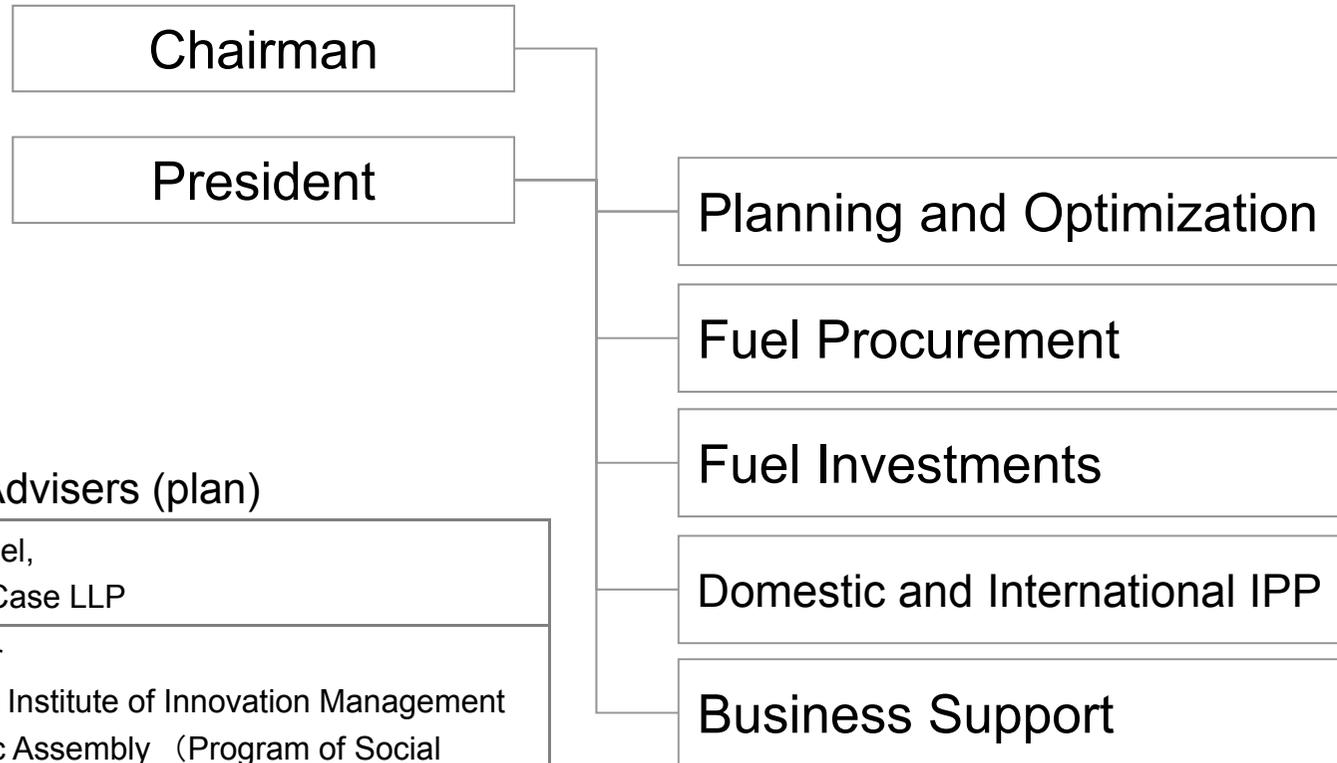
Post in new company	Name	Present Post
Chairman	Yoshihiro Naito	Director, Tokyo Electric Power Company
President	Yuji Kakimi	Senior Managing Executive Officer General Manager of Fuels Dept. and International Business Dept. Chubu Electric Power Co., Inc.
Director (non-executive)	Toshihiro Sano	Director, Executive Vice President, President, Fuel & Power Company Tokyo Electric Power Company
Director (non-executive)	Kozo Ban	Director, Senior Managing Executive Officer General Manager of Power Generation Division Chubu Electric Power Co., Inc.

Jera

Energy for a New Era

JERA Co., Inc.

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



■ JERA's External Advisers (plan)

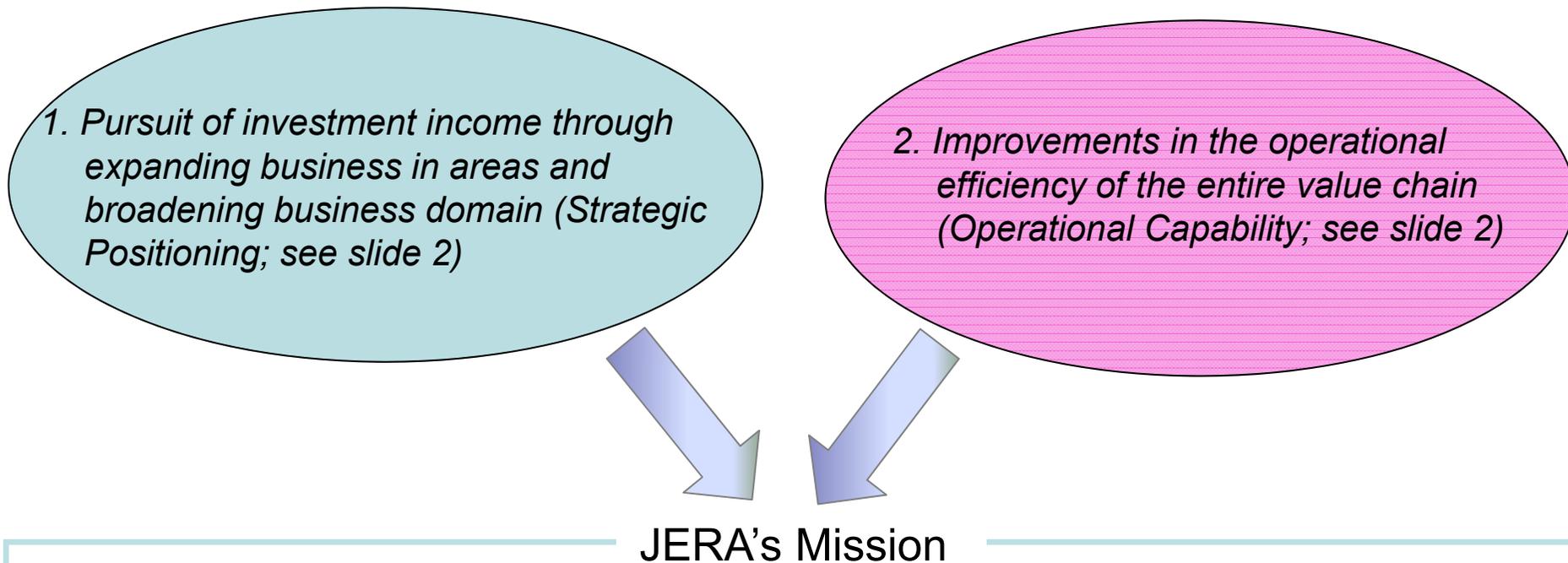
Hendrik Gordenker	Of Counsel, White & Case LLP
Hideaki Imamura	Professor Graduate Institute of Innovation Management Academic Assembly (Program of Social Sciences) Shinshu University

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

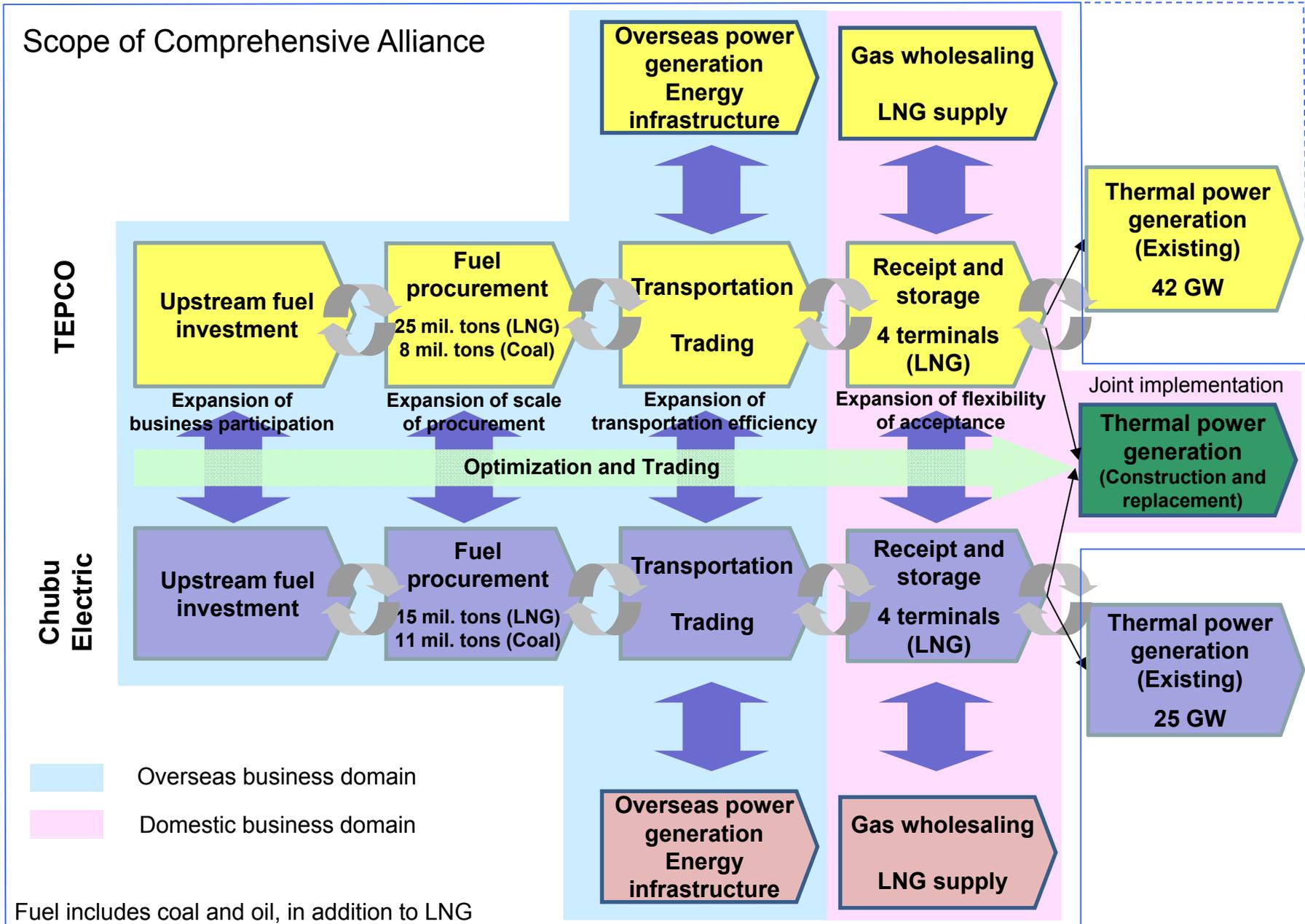
→ Centralization of contact point, know-how, planning and development

- 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.

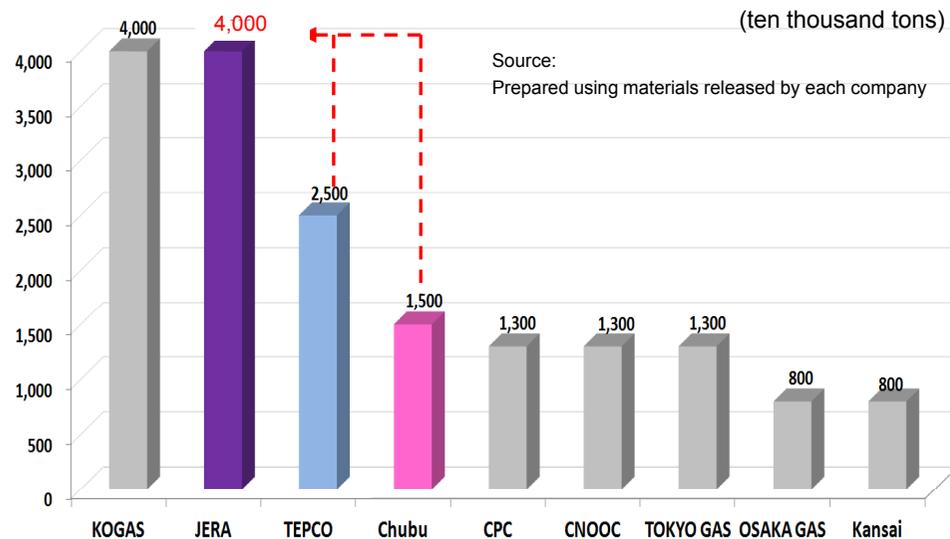
## Business Model of JERA



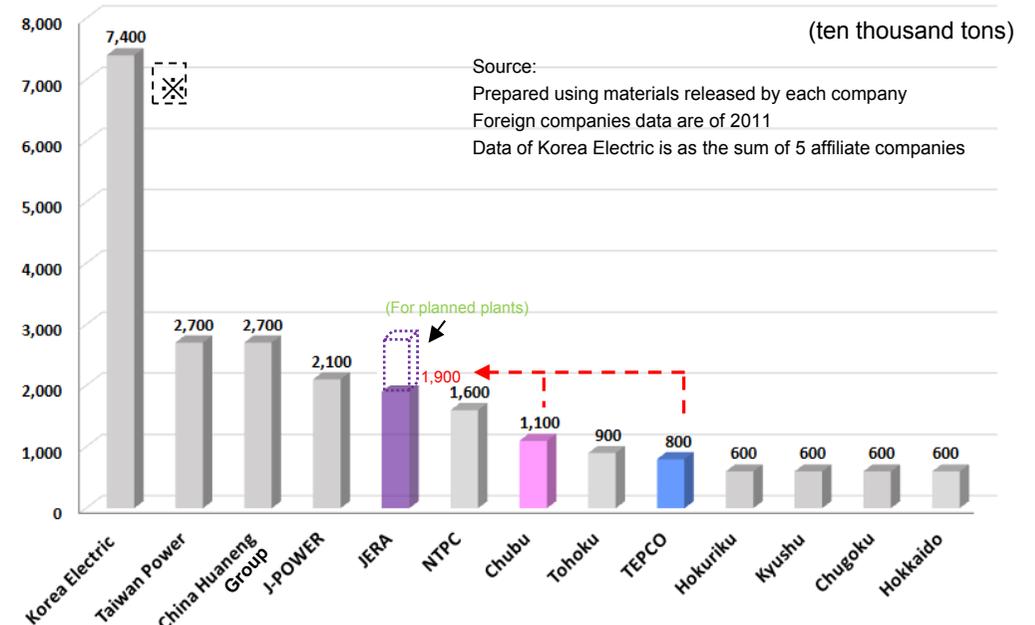
JERA will endeavor to serve the public interest by securing the stable supply of energy on an internationally competitive basis, and also to increase the respective enterprise values of the TEPCO and Chubu Electric corporate groups, by combining 1 & 2 above



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



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



## LNG Procurement:

- 40 million tons (world's largest scale)

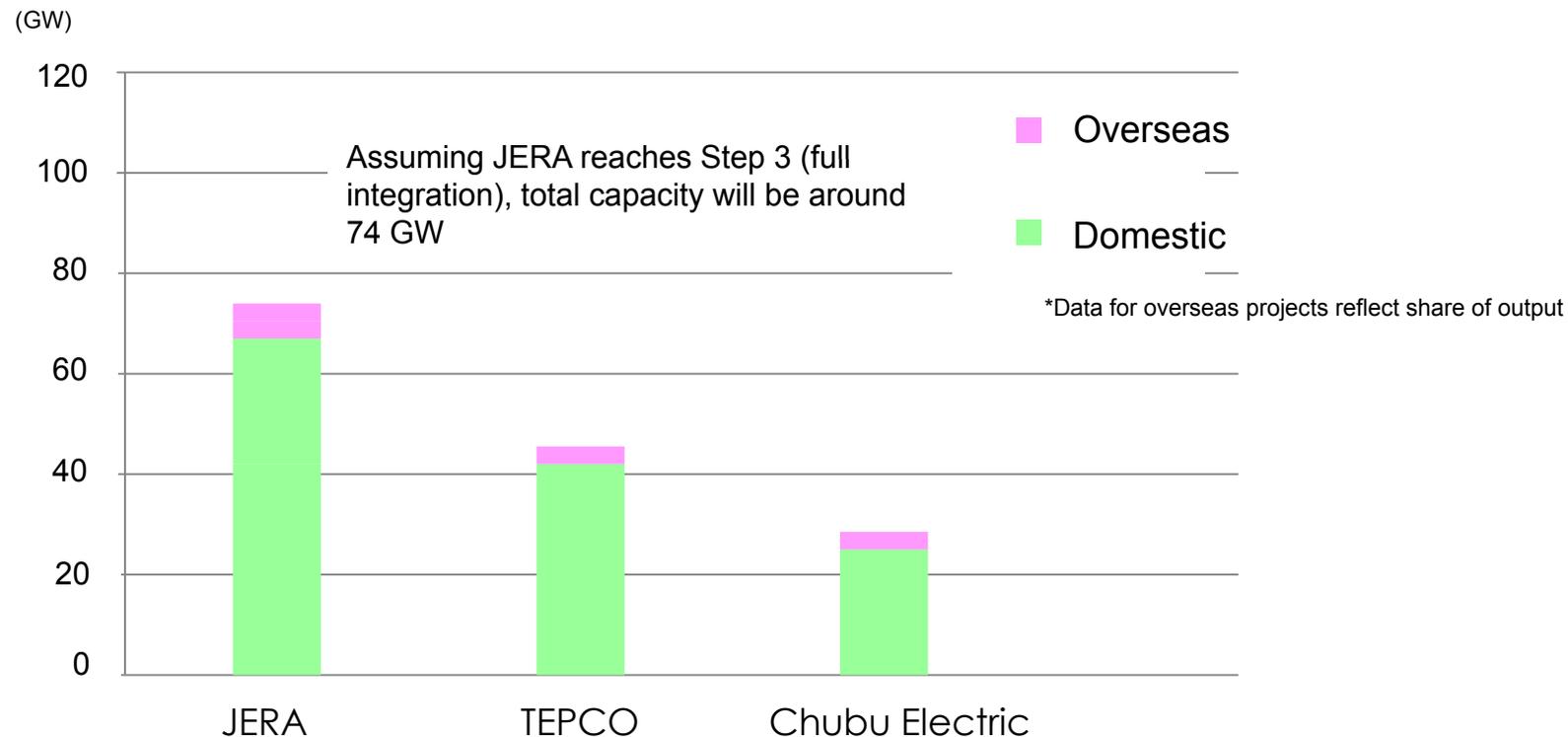
- Realize high level of economy, stability and flexibility at the same time, and pursue a stable energy supply on an internationally competitive basis
- Leverage increased procurement scale in order to expand business domain by enhancing involvement in upstream investments

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

## Coal Procurement:

- 20 million tons

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

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