

Outline of JERA

1. Outline of JERA (as of April 30, 2015)

Trading Name	JERA Co., Inc.
Management	Yoshihiro Naito, Chairman Yuji Kakimi, President
Business domains	- Development of new upstream energy investments - New fuel procurement - Development of new domestic thermal power plants and scrap and build of obsolete domestic thermal power plants - Development of new overseas power plants and energy infrastructure
Establishment	April 30, 2015
Paid-in Capital	JPY 960 million (JPY 480 million invested by each of TEPCO and Chubu Electric)
Shareholding ratio	TEPCO: 50%; Chubu Electric: 50%
Headquarters	Nihonbashi, Chuo-ku, Tokyo

2. Road map for expansion of JERA's business domain

1st October 2015 (expected date)	Integrate fuel transportation and fuel trading businesses into JERA.
December 2015	Execute a supplementary agreement on the integration into JERA of the parent companies' 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 the above businesses into JERA.
Spring of 2017	Reach management decision on the integration of the parent companies' existing thermal power stations into JERA (target).

3. Fundamental Principles of JERA

TEPCO and Chubu Electric have agreed to form an Alliance and establish JERA to serve the public interest by securing the stable supply of energy on an internationally competitive basis, thereby strengthening the industrial competitiveness of Japan, and also to increase the respective enterprise values of the TEPCO and Chubu Electric corporate groups.

Key attributes include:

- (1) Providing customers with a stable supply of energy on an internationally competitive basis, by establishing a global energy company with a strong competitive position in international energy markets; and increasing the enterprise value of both of TEPCO and Chubu Electric through a relationship that is equal and complementary

- (2) Establishment of a new energy company business model combining the highest level of management resources; ensuring that JERA has a self-sufficient business culture, vibrant management and financial strength that are trusted in the global market; and providing JERA with a corporate structure enabling independent business management and swift decision-making
- (3) Optimizing the performance of the entire business by strengthening the supply chain as a whole, from upstream investment and fuel procurement through power generation