

JERA's Initiatives to Foster Evolution in the Asian Market

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1. JERA's Evolution

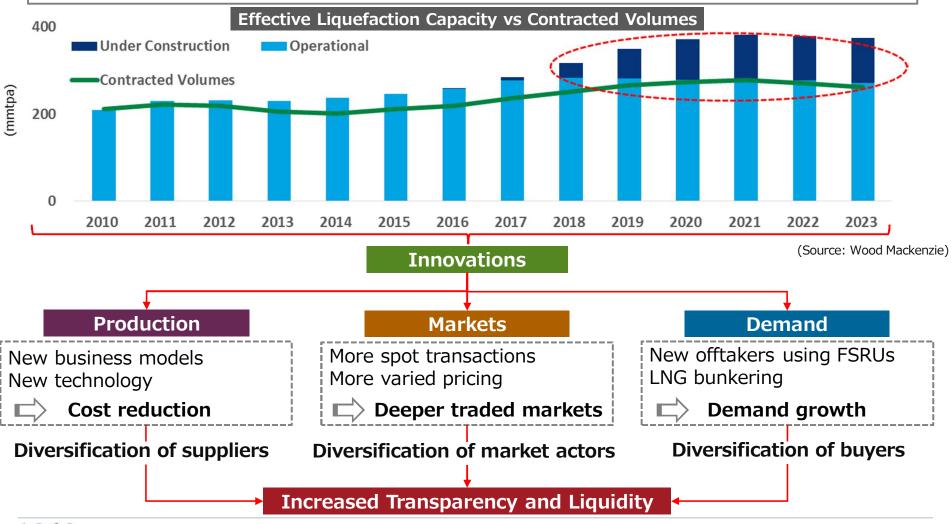
JERA has succeeded to TEPCO Fuel & Power and Chubu's existing fuel business and the overseas power generation business, and aims to become one of the world's leading energy firms.

Roadmap of Comprehensive Alliance Scale of LNG Procurement Establishment of JERA (mil tons) **April** + New fuel and IPP business 2015 40 development 30 + Fuel trading and shipping October 20 2015 + Existing fuel business (upstream/procurement) 10 July **Existing overseas IPP** 2016 **Decision of integration of** existing domestic thermal power Spring generation business to JERA 2017 Overseas power **JERA's Business Domains** generation and energy infrastructure **Thermal Power** Receipt Fuel Transportation **Upstream** generation **Procurement** Trading Fuel and (New construction and Investment Storage replacement)

Gas Wholesaling LNG Supply

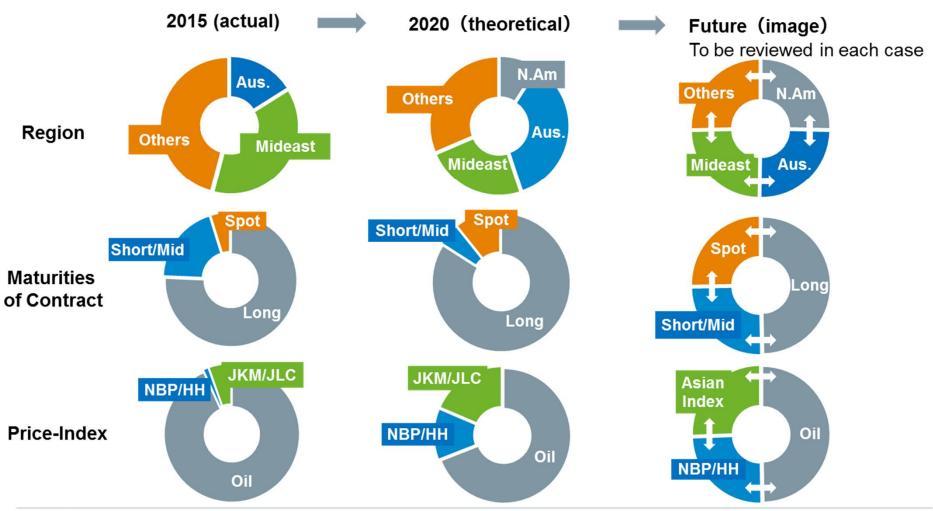
2. Changes in the Global LNG Market Potential Supply-Demand Imbalance and Innovations

The expected over supply of LNG from 2018 will have an enormous impact on the market and open the way to significant innovation.



3. JERA's LNG Procurement Strategy

JERA will maintain world top-class LNG procurement volume to provide economical, flexible and stable LNG supply to customers and expand LNG business.



4. JERA's Initiatives

JERA strategically supports;

Innovation in LNG projects

JERA supports...

- ✓ Using innovative technology in production and transportation area
- ✓ New business models for LNG project development
- ✓ Innovative flexibility and price terms
- ✓ Innovation in sale of LNG from fully depreciated existing projects

By way of...

- √ Robust offtake ability
- ✓ LNG project participation
- New offtaker consortium leadership

Innovation in LNG markets

JERA supports...

- ✓ Expansion of traded LNG volume
- ✓ LNG price indices appropriate for Asian market

By way of...

- ✓ Enhanced trading platform
- ✓ Innovative use of price indices
- ✓ Use of new price indices in longer term SPAs
- ✓ Use of LNG tanker fleet to increase market liquidity