

Premises for Detailed Negotiations Going Forward

The two companies are conducting negotiations aimed at the conclusion of a final agreement based on the following premises.

Basic philosophy	<ul style="list-style-type: none"> □ Providing customers with a stable supply of energy, including electricity and gas, 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 Chubu Electric and TEPCO through a relationship that is equal and complementary □ Establishment of a new energy company business model combining the management resources, technical capabilities, manpower and facilities of both companies; ensuring that the Joint Venture has a self-sufficient business culture, as well as vibrant management and financial strength that are trusted in the global market; and providing the Joint Venture with a corporate structure enabling independent business management and swift decision-making □ Enhancing efficiency, strengthening competitiveness and pursuing profits, by managing and optimizing the supply chain as a whole, from upstream investment and fuel procurement through power generation
Basic principles of negotiation	<ul style="list-style-type: none"> □ Based on a relationship that has an equal and complementary spirit, both parties intend to proceed on the premise that they will have equal rights in, and will equally enjoy the benefits of the Joint Venture □ The negotiations will be conducted on the premise that both parties are appropriately responsible to their shareholders □ The Joint Venture will be a business entity highly trusted by the market and with sound management and financial structure □ Obligations related to the Fukushima accident will be borne by TEPCO (the holding company after the company adopts a holding company structure) based on relevant laws and regulations □ The increased enterprise value and dividends associated with the business activities of the Joint Venture will contribute to the reconstruction of Fukushima
Investment ratio and ratio of voting rights	<ul style="list-style-type: none"> □ The principle of 50:50 applies
Management structure of the Joint Venture	<ul style="list-style-type: none"> □ The Joint Venture will have a corporate structure enabling independent business management and swift decision-making
Businesses to receive priority	<ul style="list-style-type: none"> □ Fuel procurement □ Upstream fuel investments and fuel transportation

attention	<ul style="list-style-type: none"> □ Fuel trading □ Fuel receipt and storage, and gas transportation □ Replacement of aging thermal power plants and construction of new thermal power plants □ Gas wholesaling and LNG supply □ Overseas power generation and energy infrastructure
Ongoing consideration	<ul style="list-style-type: none"> □ Ongoing consideration will be given to realizing a more advanced and expansive alliance

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