

Conclusion of a Letter of Intent to Develop World's Most Advanced Coal-Fired Thermal Power Plants in Fukushima Prefecture

8/19/2015

Tokyo Electric Power Company, Incorporated (TEPCO), Mitsubishi Heavy Industries, Ltd., Mitsubishi Corporation, Mits Corporation, Joban Joint Power Co., Ltd., today concluded a letter of intent to promote the development of the world's coal-fired thermal power plants in Fukushima. The project is currently being undertaken by TEPCO as part of its contri revitalization in the prefecture.

The project was launched with the aim of creating an industrial base and opening up job opportunities*1 in Fukushima to support local economic recovery. The project will, at the same time, be a global leader in next-generation clean coal through the introduction of the integrated coal gasification combined-cycle (IGCC)*2 in plant operations.

The project aims to construct and operate two 540 MW class IGCC facilities in Fukushima: one at TEPCO's Hirono Th Station and the other at Joban Joint Power Company's Nakoso Thermal Power Station.

Drawing on the skills and knowledge gained in the power generation business, the five companies are committed to cr industrial base in the prefecture, to be achieved by executing construction works and procuring relevant materials as w follow-up surveillance assessments once operations have commenced, all with the goal of contributing to speedy revit Fukushima.

The letter of intent allows the five partners to move on to practical considerations for the early realization of the project "Fukushima Revitalization Power Consortium", the companies will be working to implement the project with operations the early 2020's, and with the support and cooperation of local residents, the national government and Fukushima's pr governments.

* 1 Creating an industrial base and opening up job opportunities From the start of relevant environmental assessment t

implementation of operations, the project is expected to generate an economic ripple effect in Fukushima Prefecture e billion yen per plant over the next few decades, with employment opportunities for up to 2,000 persons/day at the peak

*2 Integrated coal gasification combined-cycle (IGCC) IGCC systems generate power using a combined-cycle format i gasification and both gas and steam turbines. IGCC systems offer enhanced generation efficiency**, as well as reductions in carbo emissions of about 15% in comparison with the latest conventional coal fired power plant

. ** Thermal efficiency: approximately 48% (net thermal efficiency based on a lower heating value basis.)

Outlines of Project to Create the World's Most Advanced Coal-Fired Thermal Power Plants and the Related Le

1. Aim and purpose To make, among the five companies, a full consideration and examination of the abovementioned

construct and operate 540 MW class IGCC plants, one each in Hirono town and Nakoso town, in Fukushima prefectur

<Hirono> • Hirono Thermal Power Station, TEPCO Location: 58, Futatsunuma, Shimokitaba, Hirono-machi, Futaba-gu Prefecture, Japan

<Nakoso> Nakoso Power Station, Joban Joint Power Co., Ltd. Location: 20, Oshima, Sanuka-machi, Iwaki-shi, Fukus Japan

2. Vision In an effort to realize the start of operations in the early 2020's, the five companies will seek to make steady p studying and examining the project by making use of their respective strengths. Reference Information / Company Outlines

1 Tokyo Electric Power Company, Incorporated

(1) Head Office : 1-1-3 Uchisaiwai-cho, Chiyoda-ku, Tokyo, Japan

(2) Established : May 1, 1951

(3) Capital : 1,400.9 billion yen (as of March 31, 2015)

(4) Major Business : Electric power supplier and its related businesses, and gas fueling business, etc. (5) No. of Employees : 33,853 (Non-consolidated, as of March 31, 2015)

(6) Representative : Naomi Hirose, President

2 Mitsubishi Heavy Industries, Ltd.

- (1) Head Office : 16-5 Konan 2-chome, Minato-ku, Tokyo, Japan
- (2) Established : January 11, 1950
- (3) Capital : 265.6 billion yen (as of March 31, 2015)
- (4) Major Business : Engineering, manufacture and sale of ships, power systems, environmental improvement equipment machinery, aircraft, space systems, air-conditioners, etc.
- (5) No. of Employees : 81,845 (consolidated, as of March 31, 2015)
- (6) Representative : Shunichi Miyanaga, President and CEO

3 Mitsubishi Corporation

- (1) Head Office : 3-1, Marunouchi 2-Chome, Chiyoda-ku, Tokyo, Japan
- (2) Established : July 1, 1954
- (3) Capital : 204.4 billion yen (as of March 31, 2015)
- (4) Major Business : Mitsubishi Corporation (MC) is a global integrated business enterprise that develops and operates across virtually every industry including industrial finance, energy, metals, machinery, chemicals, foods, and environment. MC's current activities are expanding far beyond its traditional trading operations as its diverse business ranges from development to investment in retail business, infrastructure, financial products and manufacturing of industrial goods.
- (5) No. of Employees : 71,994 (consolidated, as of March 31, 2015)
- (6) Representative : Ken Kobayashi, President and CEO

4 Mitsubishi Electric Corporation

- (1) Head Office : 2-7-3, Marunouchi, Chiyoda-ku, Tokyo, Japan
- (2) Established : January 15, 1921
- (3) Capital : 175.8 billion yen (as of March 31, 2015)
- (4) Major Business : Development, manufacture, sales and service of energy and electric systems, industrial automation information and communication systems, electronic devices, home appliances, etc
- (5) No. of Employees : 129,249 (consolidated, as of March 31, 2015)
- (6) Representative : Masaki Sakuyama, President and CEO

5 Joban Joint Power Co., Ltd.

- (1) Head Office : Kanda-sudacho 1-1, Chiyoda-ku, Tokyo, Japan
- (2) Established : December 23, 1955
- (3) Capital : 56 billion yen (as of March 31, 2015)
- (4) Major Business : Wholesale power supply activities, etc by thermal power generation (5) No. of Employees : 234 (as of March 31, 2015)
- (6) Representative : Toshiaki Koizumi, President