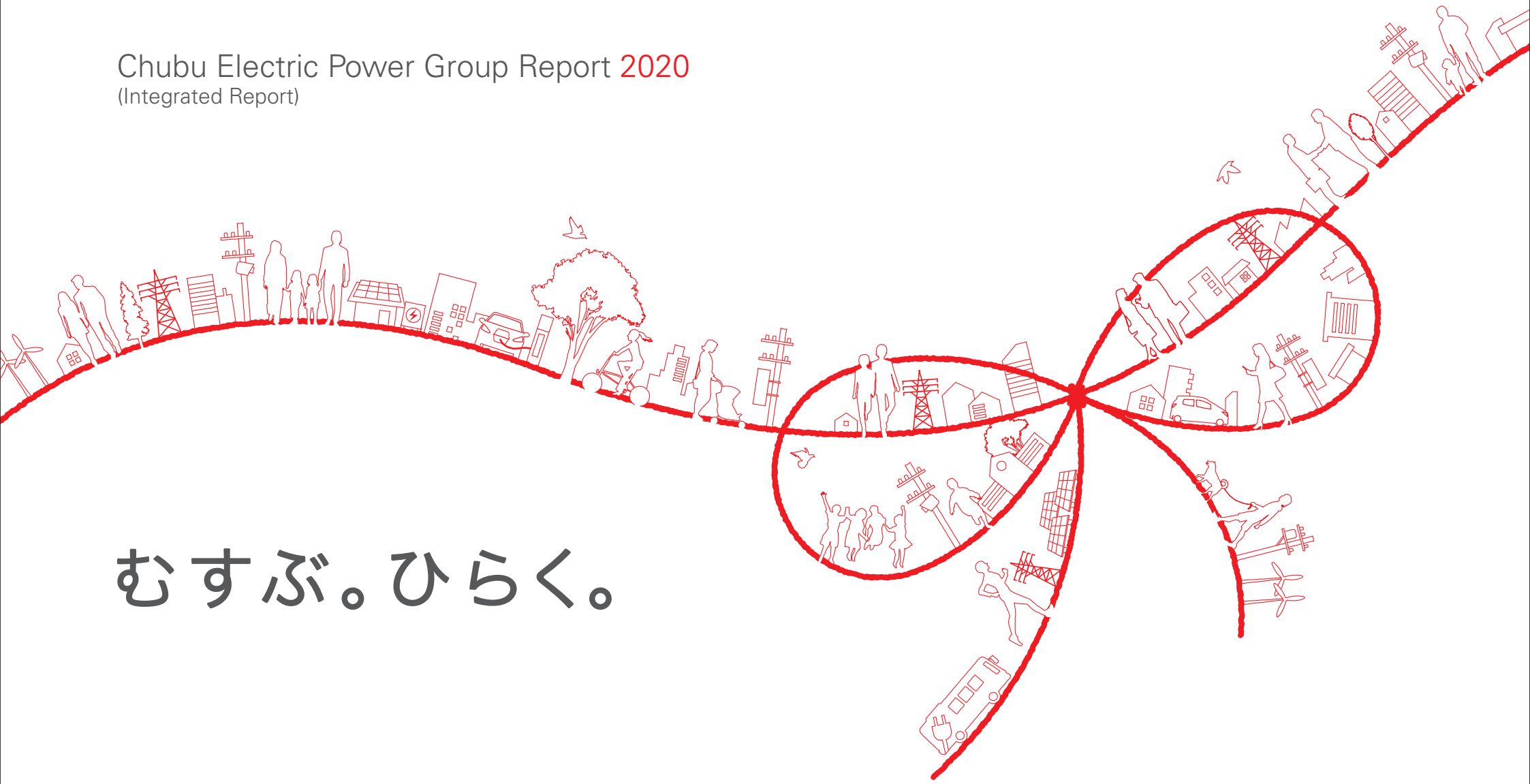
CHUBU
Electric Power

Chubu Electric Power Group Report 2020
(Integrated Report)



むすぶ。ひらく。

Chubu Electric Power Group Corporate Philosophy

Chubu Electric Power Group delivers the energy that is indispensable to people's lives and so contributes to the development of society.

Sincere and Sustained Effort	We make a constant and sincere effort to fulfill our unwavering mission and retain the trust of our customers and society.
Creativity and Spirit of Challenge	We continually act with creativity and an enthusiasm for new challenges in order to pursue excellence in our services and meet the expectations of our customers and society.
Independence and Cooperation	We work together as individuals showing respect for one another to create a vibrant and dynamic corporate culture.

Chubu Electric Power Group CSR Declaration

Fulfilling our responsibilities and meeting society's expectations

Chubu Electric Power Group, as a multi-energy services group, is committed to:

Contributing to the development of a sustainable society by giving top priority to safety and striving to both provide a stable supply of energy and protect the global environment. We aim to accomplish these goals through business activities that allow the individuality of group companies to be fully expressed while achieving group synergy in enterprises within our core competence in energy;

Managing our businesses in a fair and sincere manner by observing national and international laws, regulations, and social rules, and by respecting corporate ethics; and

Giving priority to dialogue with all our stakeholders and maintaining high levels of transparency and openness in our business activities.

Customers	We are committed to providing our customers with safe, reliable, convenient, and affordable energy services, as well as other services of value that meet their needs.
Shareholders and Investors	We are striving to maintain and increase profits for our shareholders and investors through efficient management and effective investment.
Local Communities	We are determined to contribute to sustainable local development in partnership with local communities.
Business Partners	We promise to deal fairly with our suppliers as equal business partners.
Employees	We respect individuals and are endeavoring to create a cheerful and motivating workplace.

CONTENTS

Top Commitment

05 Top Commitment

Value Creation

11 History of Chubu Electric Power
13 Value Creation Process
14 Values We Will Create with Our Stakeholders

Strategy

15 What We Aim to Realize
19 Stable Power Supply and Resilience
21 Realization of a Low-Carbon Society
23 Creation and Provision of New Value
24 COLUMN: Responses to the Spread of New Coronavirus Infection (COVID-19)
25 Materiality on ESG

Climate Change

27 Initiatives Based on TCFD Recommendations

Business Activities

31 Chubu Electric Power Miraiz Co., Inc.
35 Chubu Electric Power Grid Co., Inc.
39 Renewable Energy Company
43 Overseas Businesses
45 Business Development
47 Nuclear Power Division
53 JERA Co., Inc.

Governance

55 Message from the Chairman of the Board of Directors
57 Message from External Directors
58 Corporate Governance

Human Resources

71 Human Resources

Financial / Corporate Data

75 Financial and Non-Financial Highlights
77 Five-Year Operating Statistics
78 Five-Year Financial Statistics (Consolidated)
79 ESG-Related Indicators
81 Management Discussion and Analysis of Operating Results, Financial Standing, and Cash Flows
83 Business and Other Risks
86 Consolidated Balance Sheets
87 Consolidated Statements of Income, Consolidated Statements of Comprehensive Income
88 Consolidated Statements of Changes in Net Assets
89 Consolidated Statements of Cash Flows
91 Corporate Data
92 Diagram of Chubu Electric Power System
93 Organization Charts
94 Associated Companies

Chubu Electric Power Group Report 2020

(Integrated Report)

Editorial policy

This report is issued as an Integrated Report that provides comprehensive coverage of both financial and non-financial information, which is prepared in reference to various guidelines and with the group-wide cooperation of the divisions and departments concerned across the company. The purpose of this report is to (1) report the actual performance of the reporting period as results of our business activities and (2) provide understanding of the sustainable growth process of the Chubu Electric Power Group and its feasibility.

This report, which was renamed this year to Chubu Electric Power Group Report, reports specific activities and initiatives that the Chubu Electric Power Group, which has renewed its group structure by spinning off its power transmission/distribution division as Chubu Electric Power Grid Co., Inc. and its sales division as Chubu Electric Power Miraiz Co., Inc. in April 2020, is undertaking to challenge ourselves to "fulfill our unwavering mission" of delivering environmentally friendly, good-quality energy safely and stably at a reasonable price and to "create new value" by providing services that exceed expectations together with energy.

We will make continuous effort to improve the report as one of the tools to enhance communication with our stakeholders.

Date of publication

September 2020
(Next report: scheduled for September 2021; previous report: September 2019)

Organizations covered by the scope of the report

Chubu Electric Power Co., Inc. and associated companies

Reporting period covered

Fiscal year 2019 (April 2019 through March 2020)
This report also includes information regarding some important events and activities that occurred outside the above period.

Guidelines used as references:

GRI, GRI Standards
IIRC, International Integrated Reporting Framework
The Ministry of Economy, Trade and Industry, Integrated disclosure and interactions guidance for co-creation of values
Ministry of the Environment, Environmental Reporting Guidelines (2018 Version), etc.

Inclusion in SRI indexes

As of July 2020, Chubu Electric Power has been included in the following three indexes among the indexes adopted by the Government Pension Investment Fund in Japan:

MSCI Japan ESG Select Leaders Index

2020 CONSTITUENT MSCI JAPAN
ESG SELECT LEADERS INDEX

MSCI Japan Empowering Woman Index (WIN)

2020 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

S&P/JPX Carbon Effect Index

Caution concerning forward-looking statements

The future plans and forecasts described in this report are based on information the company possesses at the present time and involve potential risks and uncertainty. Therefore, actual performance or business developments in the future may differ from those described.

Examples of potential risks or uncertainty include, but not limited to, changes in the economic or competitive circumstances affecting a business sector, fluctuations in fuel prices, or change in laws or regulations.

New Chubu Electric Power

Holding company

CHUBU
Electric Power

Company name

Chubu Electric Power Co., Inc.

The meaning of the company name

We have decided to carry on the name of "Chubu Electric Power," an important brand nurtured by the people of the Chubu region over our nearly 70-year history, and will be succeeded by each of the operating companies.

Power transmission/
distribution business company

CHUBU
Electric Power Grid

Chubu Electric Power Grid Co., Inc.

The name "Chubu Electric Power Grid Co., Inc.," based on the neutrality of the transmission and distribution business, articulates the role of the company as a general transmission and distribution business operator. "Power" refers to demand and power supply of electricity and "Grid" refers to the power transmission and distribution networks. The name, thus, represents our determination to take on the challenge of providing a stable supply of power in the new era.

Retail electric power business company

CHUBU
Electric Power Miraiz

Chubu Electric Power Miraiz Co., Inc.

The name "Chubu Electric Power Miraiz" illustrates our desire to formulate a "Miraiz (future vision in Japanese)" that will brighten our customers' lives and businesses, and to live up to the customers' trust and expectations, more than ever before.

Corporate slogan

むすぶ。ひらく。

(Musubu. Hiraku. in Japanese)

Our corporate slogan embodies our desire to continue to support communities by connecting (むすぶ。Musubu) people to people and people to society, with which we desire to explore (ひらく。Hiraku) the human potential and the future.

Meaning of the logo

The logo of Chubu Electric Power Co., Inc. and Chubu Electric Miraiz Co., Inc. is based on the motif of the map of Japan with the Company at its center. The logo symbolizes our desire to create new value, by connecting people to people and people to society, and to spread such value like light from the Chubu region to the rest of Japan and beyond to the world.

The logo of Chubu Electric Power Grid Co., Inc. is based on the motif of the letter "C" for Chubu, which jumps out to the upper right-hand side, symbolizing our desire to further grow with the people of the Chubu region through the stable supply of energy.

Fuel and Power generation company

JERA Co., Inc.
(Affiliate accounted for under the equity method)

*A fifty-fifty joint venture with TEPCO Fuel & Power, Inc.

A fifty-fifty joint venture established in 2015 between Chubu Electric Power Company, Incorporated and TEPCO (at the time)., as an operating company to engage in thermal power generation and the procurement of fuels relating to thermal power generation.

Aiming to becoming a global leader in LNG and renewables, sparking the transition to a clean energy economy.

Top Commitment

To explore the future by creating values that connect people to people and people to society, while ensuring a stable power supply in a new age

President & Director Hayashi Kingo

Profile

Hayashi Kingo, President & Director

Born in 1961 Mie Prefecture. Hayashi Kingo earned a bachelor's degree in legal study from Kyoto University and joined Chubu Electric Power in 1984. Before Hayashi was appointed director in 2018, holding the position of Director & Senior Managing Executive Officer, President of Customer Service & Sales Company, he served as General Manager of Market Research Group and General Manager of Sales Planning Group of the Sales Division, Sales Manager of the Nagano Regional Office, General Manager of Business Strategy Group of the Corporate Planning & Strategy Division, General Manager of the Customer Services Division, and General Manager of the Tokyo Office. He has been in his present position since April 2020.

Message upon appointment as President

I was appointed as President & Director in April 2020.

I have many years of experience mainly in sales departments, engaging in the formulation of sales strategies and electricity rate revisions as well as front-office work. From this experience, I have learned a great deal, including the customer-oriented approach, through dialogue with customers.

I believe that the existential value of an enterprise is nothing else but to contribute to customers and the development of society at large.

As an infrastructure business operator that delivers energy that is

indispensable for people's living, the Chubu Electric Power Group will help our customers to achieve their goals and contribute to the sustainable growth of society by "fulfilling our unwavering mission" of delivering eco-friendly, good-quality energy safely and stably at an affordable price and "creating new value" by providing services that exceed expectations together with energy.

Business environment at a historic turning point

Society as a whole, as well as the energy industry, is at a historic turning point.

More extreme natural disasters are occurring more frequently than before, and social demand for a stable power supply is higher than ever. A rapid progress of digital transformation (DX) is changing people's living and lifestyle significantly. In addition, needs for low carbonization are rising at an increasing pace, and the values of our customers, society at large, and local residents are increasingly diverse. I feel these changes acutely in these days.

In addition, the new coronavirus (COVID-19) outbreak has accelerated all at once changes in social structure and lifestyle including people's daily lives and workstyle, communication among people, and logistics.

Taking this major turning point as an opportunity for growth, we will seek to achieve the following three goals to become an enterprise group that is needed by both our customers and society.

Three goals to be achieved

Ensure a stable power supply in a new age

With the expansion of renewable energy, connections to electric power systems for power sources whose output is affected significantly by weather, such as solar power generation and wind power generation, are increasing significantly. Depending on the season and hours of the day, around 70% of total demand in the Chubu region is satisfied by solar power generation, wind power generation, and the like, albeit temporarily. This was unthinkable 10 years ago. At the same time, this means that changes in weather condition may cause a significant decline in 70% of electric power supply, and we are facing a new challenge of continuing to ensure a stable power supply in such a situation. The Chubu Electric Power Group will continue to strengthen our initiatives to make the most of the expanding renewable energy, including the sophistication of electric power system facilities and their operation, securing the ability to maintain extra power and adjust the output necessary to ensure a stable power supply in the Chubu region, and reinforcing facilities to expand power interchanges with other regions.

■ Chubu Electric Power Group Management Vision

Providing services that exceed the expectations of our customers first and foremost

"Total energy service corporate group that is one step ahead"

Consolidated ordinary income: 250 billion yen or more (Second half of the 2020s)

Provide services that will help resolve social issues together with energy

In relation to resilience, in view of the lessons learned recently from natural disasters, we have formulated an action plan to respond to large-scale disasters and are working to strengthen the facility recovery capability, the capability to offer information promptly to customers, and coordination with local governments and other power companies. On the power generation side, given the high dependence on the Middle East of liquefied natural gas (LNG), which is used as a fuel for thermal power generation, we need to prepare for the materialization of geopolitical risks and are taking measures, such as diversifying suppliers and increasing procurement flexibility. In addition, to cope with cyberattacks, we are implementing various security measures and conducting training on an ongoing basis.

The Chubu Electric Power Group will make steady progress with our initiatives to ensure stable supply more than ever in a new age with more certainty and will thereby fulfill our mission as an infrastructure business operator.

Create and provide new value

I believe that the Chubu Electric Power Group not only needs to steadily deliver energy such as electricity and gas, but also needs to create various services that will help our customers and society to resolve their issues, such as energy saving, medical care, and watching over, and provide them together with energy.

We are pushing forward with initiatives to evolve the existing energy infrastructure into a "Community Support Infrastructure" based on the keywords of "low-carbonization," "customer-oriented," and "digitalization." More specifically, jointly with Keio University Hospital and Medical Data Card, Inc., we began the operation of remote health checkups and a health checkup support system for obstetricians in June 2020. This allows a doctor to remotely examine the blood pressure and body weight data measured by pregnant women at home using our data platform, and the pregnant women can receive careful examination that is equivalent to face-to-face examination securely at home. As this will also reduce the risk of infection with the new coronavirus, there are great expectations for the acceleration of the introduction of this system.

The progress of DX presents an opportunity for us to dramatically raise the quality and speed of these services that we provide through the Community Support Infrastructure.

Leveraging our strength of having energy, which is an "infrastructure of infrastructure," in our hands, the Chubu Electric Power Group intends to provide higher-quality services to society in collaboration with various business partners including those from other industries.

I believe that we must view both business model transformation and social transformation as "innovation." We have basically been in the business of selling energy such as electricity and gas so far, but from now on we are in the business of delivering energy such as electricity and gas together with various values and services. This is our commitment to business model transformation going forward.

Contribute to the realization of a low-carbon society

The Chubu Electric Power Group will accelerate our efforts in all aspects of energy value chain to realize a low-carbon society, which is an urgent global task. In particular, to expand renewable energy, we have declared the goal of "development of 2,000 MW or more around 2030," and are working to approximately double the capacity of power generation facilities.

We will also collaborate with our customers in an effort to realize a low-carbon society by proposing the efficient use of energy and offering the CO_2-free menu service, which are designed to properly address customer needs.

Thermal power generation, coal thermal power generation in particular, is subject to strong criticism globally. We plan to retire low-efficiency thermal power plants gradually by replacing them with state-of-the-art, high-efficiency and low-environmental load thermal power plants. On the other hand, I understand that, as a business operator responsible for a stable power supply, one of our key issues is to indicate a future path in view of the balance between economy and environmental characteristics.

The three goals of "ensuring a stable power supply in a new age with more certainty, while creating and providing new value and contributing to the realization of a low-carbon society" I have outlined above are exactly the practice of ESG management. We will devote all our efforts to contributing to the achievement of SDGs by deepening these initiatives.

Initiatives to progress toward the achievement of goals

Utilize the Hamaoka Nuclear Power Station effectively, while prioritizing safety

The effective utilization of the Hamaoka Nuclear Power Station is indispensable for the achievement of the three goals I outlined above, provided that its safety is assured.

By using nuclear power generation as a base load power source, we can ensure a higher degree of "stability in our power supply." Moreover, as the power station does not emit CO_2 when generating power, it will contribute significantly to the "realization of a low-carbon society." In addition, profit generated through the effective utilization of the Hamaoka Nuclear Power Station can be used as a source of returns to customers and can also be invested in growth fields to "create and provide new value" that can contribute to the growth and development of both our customers and society.

As for its safety, the Hamaoka Nuclear Power Station is currently in the process of examination by the Nuclear Regulation Authority to confirm the conformance to new regulatory standards. Once standard seismic motion and design basis tsunami for the facility—the key points for enhanced safety measures—have been confirmed, we will be in a position to explain the improved safety of the facility. We will continue to work even harder than before to win the understanding and the trust of local residents and the society at large.

Establishment of a business model that separates power generation from sales

The Chubu Electric Power Group split off its power transmission/distribution business in April 2020 to strive even harder to supply stable and affordable energy, while further ensuring neutrality and fairness. In addition, the Group has put into practice a business model that separates power generation from sales as a result of the full integration of thermal power generation business into JERA in April 2019 and the split off of sales business in April 2020. A business model that separates power generation from sales has the following advantages:

- Each of the business companies in charge of power generation, power transmission/distribution, and sales can operate their respective businesses autonomously with speed.
- Each business company can directly face its market and customers to fully commit to service improvement.
- As their targets and performance can be visualized quantitatively, it is easier for them to feel a sense of accomplishment and to run the PDCA cycle.

While each business company pursues its own strategy capitalizing on these advantages and autonomously promotes business expansion, Chubu Electric Power will seek group-wide optimization from the standpoint of the parent company to lead the business model that separates power generation from sales to a success.

Business portfolio transformation

In its management vision, the Chubu Electric Power Group has set forth a business goal of achieving consolidated ordinary income of 250 billion yen or more in the second half of the 2020s. The amount itself is very challenging, but what is more important is the contents of the business portfolio.

We plan to achieve a business portfolio of "domestic energy business" and "new growth fields and overseas energy businesses" whose weight in profit generation is 1 to 1, which is currently 4 to 1. By rebalancing the business portfolio by allocating management resources strategically to "new growth fields and overseas energy businesses" that will lead to the "creation and provision of new value," while maintaining the profit level of "domestic energy business," we will seek to achieve sustainable growth.

One example of such initiatives is the acquisition of Eneco, an integrated energy company in the Netherlands, which we undertook jointly with Mitsubishi Corporation. Eneco is an advanced company that is providing customer-first services using digital technologies, while delivering green electric power generated from renewable energy to customers mainly in Netherlands. We acquired the company by focusing on its business scheme in which it is providing new value added and services that are beyond the mere delivery of energy, as well as the attractiveness of the expanding energy business in Europe. We regard this investment in Eneco as a major pillar toward the realization of our management vision and will seek to create synergy in both domestic and overseas energy businesses by evolving the business models and technologies of both companies through the combination of the knowledge of both companies that has been developed in their respective markets.

Core business foundation

Safety and health

Business activities of the Chubu Electric Power Group are made possible by the safety and health of our business partners and employees, and I view them as a top-priority management issue. We have established a Safety & Health Promotion Committee in August 2019, and the committee is chaired by the President. Our management is making a concerted effort to further strengthen the environment in which employees can focus on business activities safely and healthily, while reflecting opinions of external experts as appropriate.

Compliance

As an enterprise seeking to contribute to social development, thorough compliance is a business foundation for us. If any fact should come to light that could impair the credibility of the Chubu Electric Power Group, we should disclose it promptly. Any delay in disclosure would not only increase the impact of that fact but also would constitute a betrayal to customers and society.

I believe that we can feel the strongest passion in work and life through working when we can feel the purpose and the fruit of the work and can feel also that they are contributing to both our company and society. For this reason, I always encourage employees to consult with management including their direct supervisors and me without hesitation if they are in doubt about their daily work or the direction of the company in light of social norms. Thorough compliance means to keep asking in the day-to-day execution of duties and decision-making whether it is beneficial to society, which would eventually help employees to realize their passion in work and life.

Connection with customers and society as a source of new value

Accelerate initiatives by conquering the coronavirus pandemic together with our customers and society

The new coronavirus outbreak is affecting our society and economy significantly. While maintaining a stable power supply and service levels as an infrastructure business operator, we would like to overcome this difficulty together with our customers and everyone in society by providing them with rate plans and services that are useful to them.

By recognizing major changes in social structure and lifestyle that the new coronavirus brings, we will accelerate our initiatives with a speed that would make us feel as if changes that should occur 10 years from now could occur tomorrow.

To our stakeholders

The business of the Chubu Electric Power Group has been built upon the trust of our customers and society that we have earned over the period of about 70 years since foundation. We have been able to develop new businesses only because we have connections and a relationship of trust with our customers. I am convinced that connecting customers to customers, customers to society, and customers and society to the Chubu Electric Power Group based on this valued trust is the source of the creation of great new values.

Our corporate slogan of 〝むすぶ。ひらく。〟 (*Musubu. Hiraku.)* is our promise with our customers and society that the Chubu Electric Power Group will become an enterprise group that supports community by connecting people to people and people to society and will thereby explore the human potential and the future, while providing services that are indispensable for tomorrow and for the future." This also concisely expresses our efforts and desire to "help our customers to achieve their goals and contribute to the sustainable growth of society," which I stated at the outset of this message. Under this slogan, I will work together with all our employees to realize further growth.

Our stakeholders' continued support and guidance will be greatly appreciated.

History of Chubu Electric Power

Overcoming numerous challenges since its foundation, Chubu Electric Power has grown together with the development of the Chubu region, which plays a central role in manufacturing in Japan.

Our unwavering mission since foundation is to ensure reliable delivery of energy

1951
Foundation of Chubu Electric Power

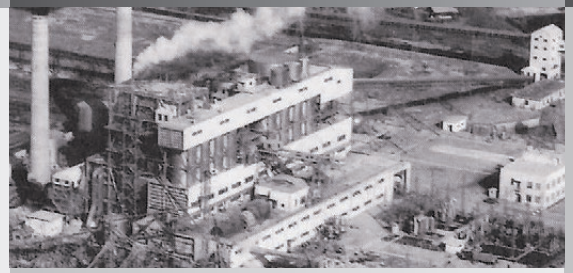
Power source development
At the time of foundation, we faced a serious problem of power shortage. The Power Source Development Division was formed immediately to formulate a basic plan and to start the development of new power sources.


Power Source Development Division (1951)


Shin-Nagoya Thermal Power Station (1959)


Ikawa Power Station (1959)

1960
Period of high economic growth


Transition from hydroelectric power to thermal power generation
Mie Thermal Power Stations Units 1 and 2 (1955)

Supporting high economic growth
In this era after the postwar recovery, large-scale power source development, primarily from oil thermal power generation together with an expansion of transmission systems, was promoted to meet the increasing demand for electricity accompanying the high economic growth.


Distributing large amounts of electricity to wider and farther areas
500 kV Seibu trunk line was constructed (completed in 1972)

1973
Oil crisis

Diversification of power sources (Best balance)
Due to electricity shortages caused by the oil crisis and severe pollution, a growing need to review dependence on oil thermal power and move towards diversified power sources arose. This resulted in the introduction of cleaner energies such as nuclear power and LNG (liquefied natural gas) thermal power.


Utilize LNG producing less CO_2 emissions
Chita Thermal Power Station Units 5 and 6 (1978)


Mixed power source with less reliance on oil
Hamaoka Nuclear Power Station Unit 1 (1976)

1991
Collapse of the bubble economy


Our first investment in overseas business
Ratchaburi gas thermal IPP (independent power producer) project in Thailand

Liberalization of the electric market
After the collapse of the bubble economy, liberalization of electric retail and wholesale markets commenced in line with the government's deregulation policy. In addition, as global warming became a serious problem in the world, we further promoted diversified power sources and launched gas sales and overseas businesses in order to secure new profits.


Selling LNG to customers who don't have a gas pipeline connection
LNG tanker truck

Navigating through the future with stakeholders

2011
The Great East Japan Earthquake

2016
Full liberalization of the retail market for electric power

2017
Full liberalization of the retail market for gas

Advent of the new era of energy

After the Great East Japan Earthquake, Hamaoka Nuclear Power Station stopped its operation. We improve safety in our nuclear power generation and promote renewable energy development. Additionally, in even fiercer competition driven by the full liberalization of the electricity and gas retail markets, we sought reformation with the aim to become a total energy service corporate group.

Solar power generation with zero CO_2 emissions
Mega Solar Shimizu (2015)

Comprehensive alliance in fuel procurement and thermal power generation business with Tokyo Electric Power
LNG transportation vessel owned by JERA Co., Inc.

2020
Split off of power transmission/distribution and sales divisions

The source of our value creation is the trust of our stakeholders that we have built since foundation. We will respond to their trust and deliver services that will exceed their expectations.

Birth of a new Chubu Electric Power

Following the full integration of the thermal power generation businesses into JERA in 2019, the power transmission/distribution and sales divisions were split off in 2020.

Under the new structure, individual companies will focus on their respective markets and autonomously promote their own businesses. In this way, the whole group will work together to deliver good-quality energy more safely and stably at a reasonable price.

Through the creation of Community Support Infrastructure, the group will also provide services that exceed expectations together with energy to contribute to the realization of a low-carbon society and the solution of other social issues.

CHUBU Electric Power Miraiz

CHUBU Electric Power

CHUBU Electric Power Grid

Corporate slogan
2020~

むすぶ。ひらく。
(Musubu. Hiraku. in Japanese)

Our corporate slogan embodies our desire to continue to support communities by connecting (むすぶ。Musubu) people to people and people to society, with which we desire to explore (ひらく。Hiraku) the human potential and the future.

Value Creation Process

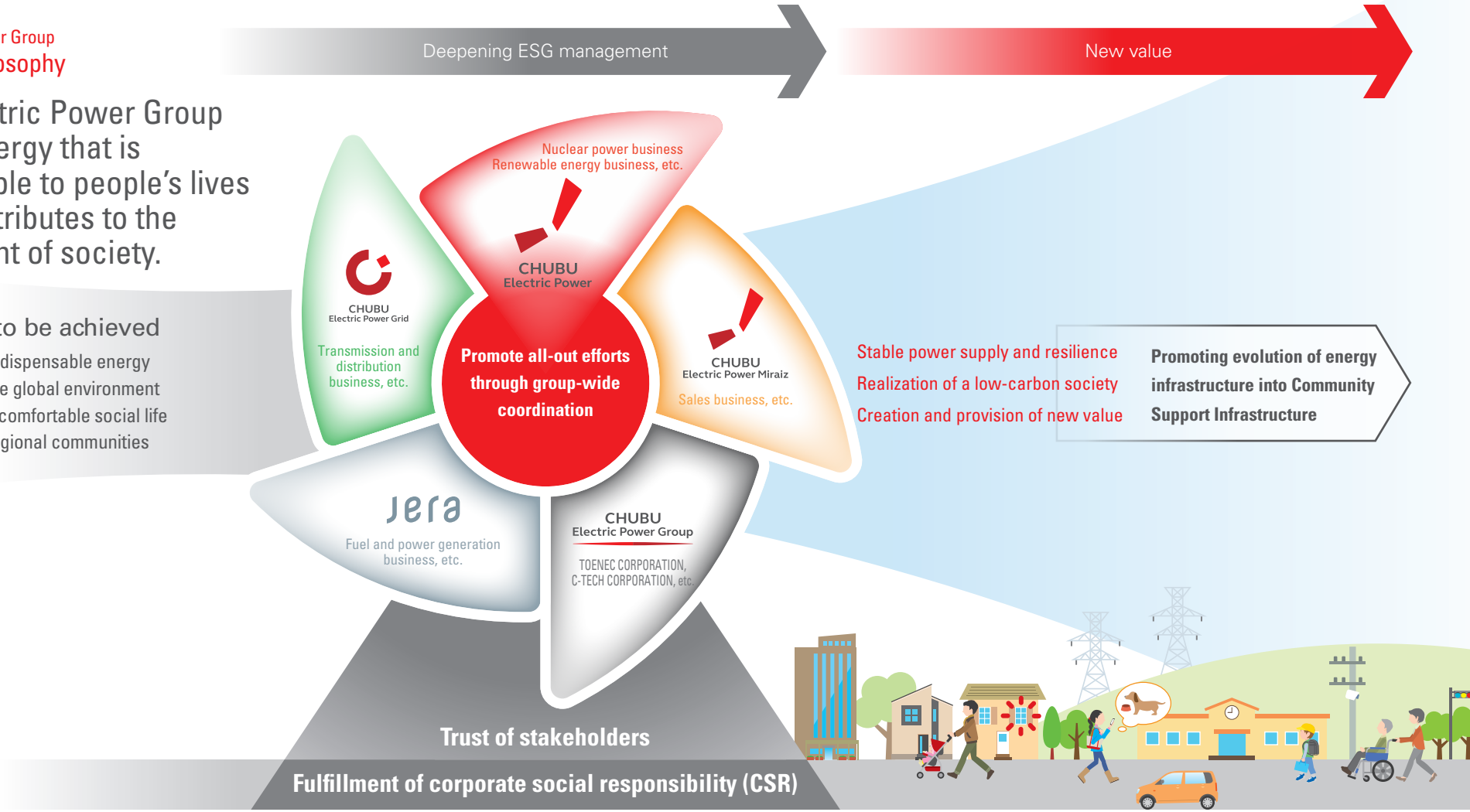
Under its corporate philosophy, the Chubu Electric Power Group will work with all its strength to achieve its goals of "ensuring stable power supply and resilience," "realizing a low-carbon society" and "creating and providing new value" through the close coordination of group companies. Through these initiatives, we will promote the evolution of energy infrastructure into Community Support Infrastructure to contribute to the sustainable development of society.

Chubu Electric Power Group
Corporate Philosophy

Chubu Electric Power Group delivers energy that is indispensable to people's lives and so contributes to the development of society.

Social goals to be achieved

- Stable supply of indispensable energy
- Conservation of the global environment
- Safe, secure, and comfortable social life
- Development of regional communities



Values We Will Create with Our Stakeholders

Going forward we will continue to support community by connecting people to people and people to society.

Customers
We are committed to providing our customers with safe, convenient, and affordable energy services, as well as other services of value that meet their needs.

Shareholders and Investors
We are striving to maintain and increase profits for our shareholders and investors through efficient management and effective investment.

Local Communities
We are determined to conserve the global environment and contribute to sustainable local development in partnership with local communities.

Business Partners
We promise to deal fairly with our suppliers as equal business partners toward mutual growth and development.

Employees
We respect individuals and are endeavoring to create a cheerful and motivating workplace.

Ensure stable supply in the new era

Transition to a next-generation network
P19

Strengthening our resilience
P20

Social contribution activities

Scientific curiosities of children
"*Denki Kodomo*" (Electricity and Children) series

Environmental conservation

Development of environmental experts
Chuden Foresters

Local community development

Local revitalization through field trips to dams
Dam cards

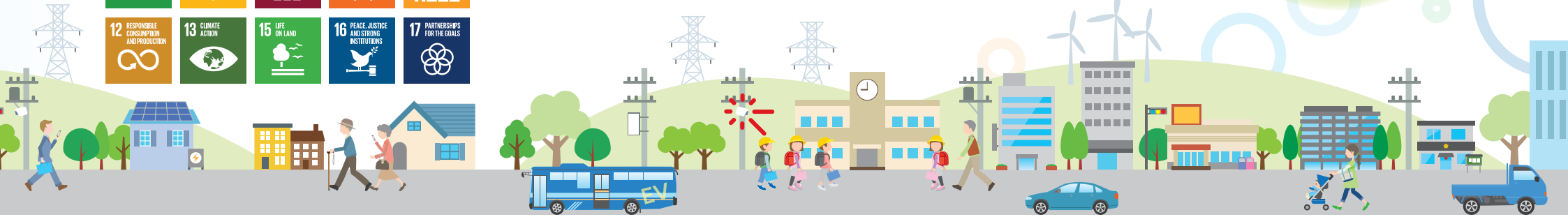
Information bank
Improving convenience of consumers and revitalizing local communities
P46

Creation of Community Support Infrastructure
Delivered together with energy services
P23

Connected home, healthcare
Use of life data for medical care
P46

Expanding the development of renewable energy
P39~42

Realization of a low-carbon society
Improving the efficiency of the energy system as a whole, including the promotion of energy saving and switching to electricity
P21~22

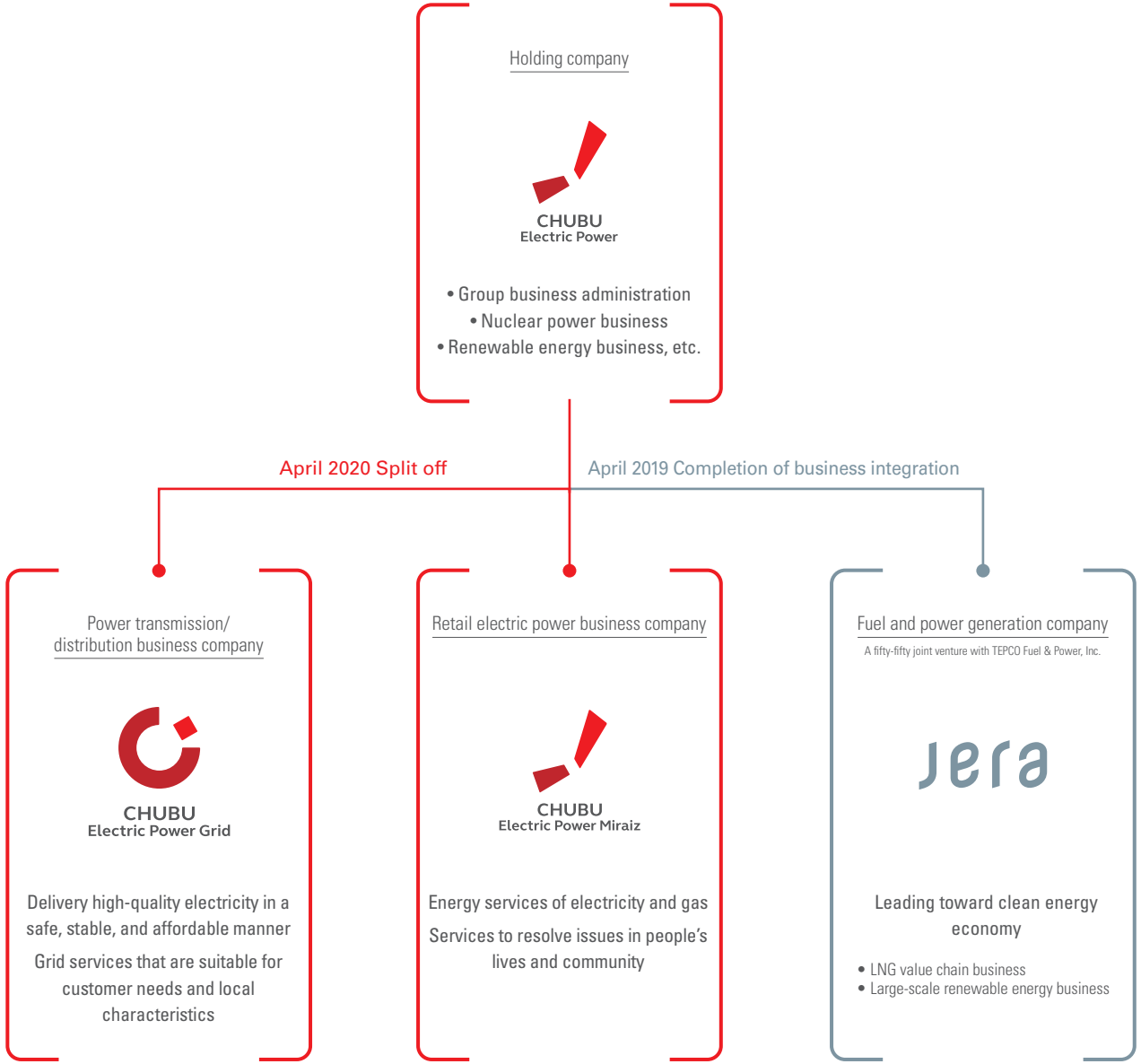


What We Aim to Realize

Transition to a new business model through split off

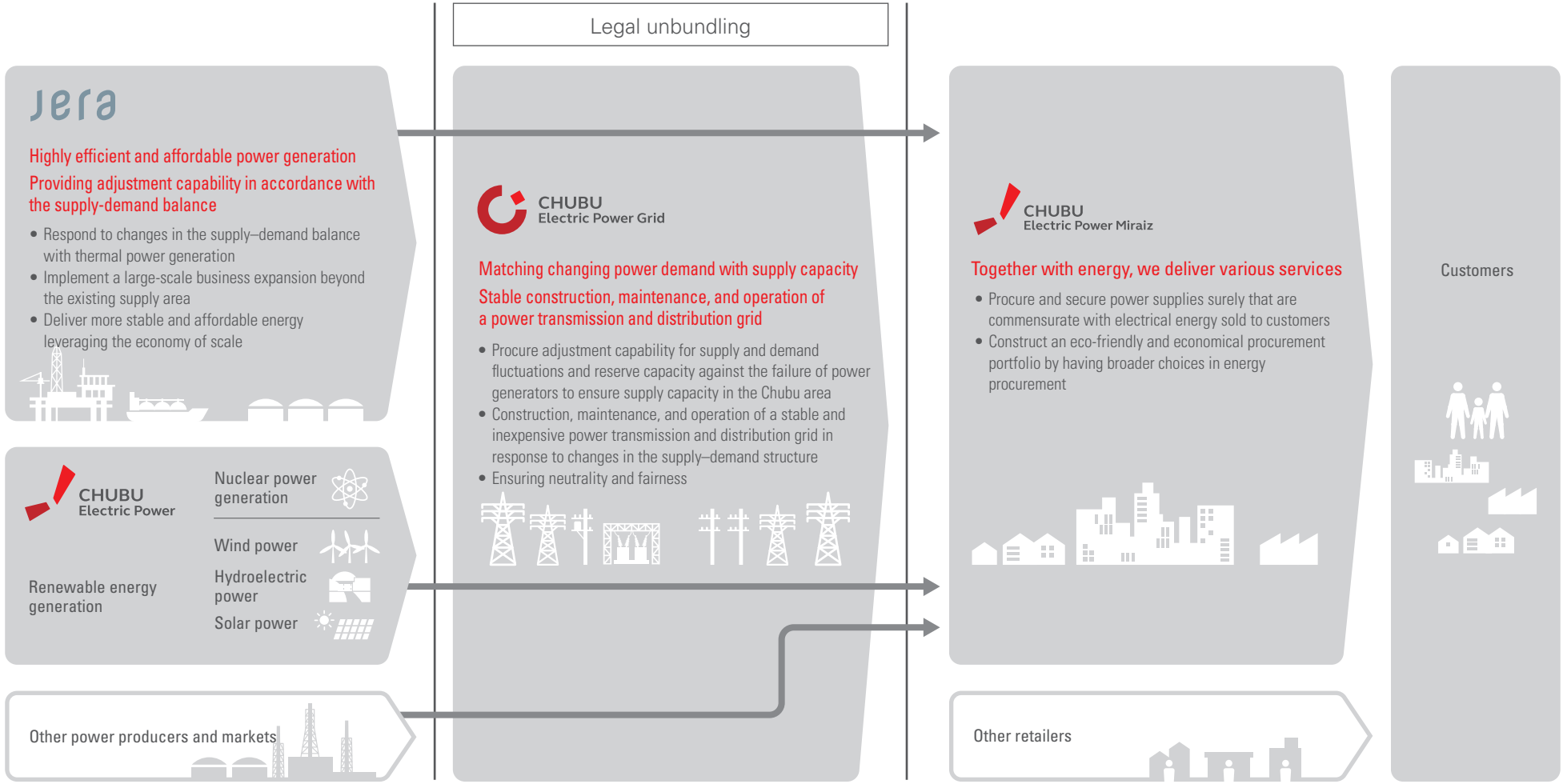
The Chubu Electric Power Group split off its power transmission/distribution division in April 2020. We will work harder than ever to deliver stable and affordable energy supply by deepening further our ongoing efforts to streamline management while ensuring neutrality and fairness. At the same time, we have implemented a business model that separates power generation from sales by splitting off the sales division.

Under the new structure, individual group companies come face-to-face with customers and society and autonomously promote their own businesses. In this way, the whole Group will make every effort to stably deliver high-quality, eco-friendly energy, which is indispensable for people's lives and business, in a safer and more affordable manner and to create new value by providing services that exceed expectations together with energy.



Value we bring to customers through split off

Following the split off, individual group companies will play their respective roles autonomously and take responsibility.
In this way, the whole Group will make every effort to stably deliver high-quality and eco-friendly energy in a safer and more affordable manner.

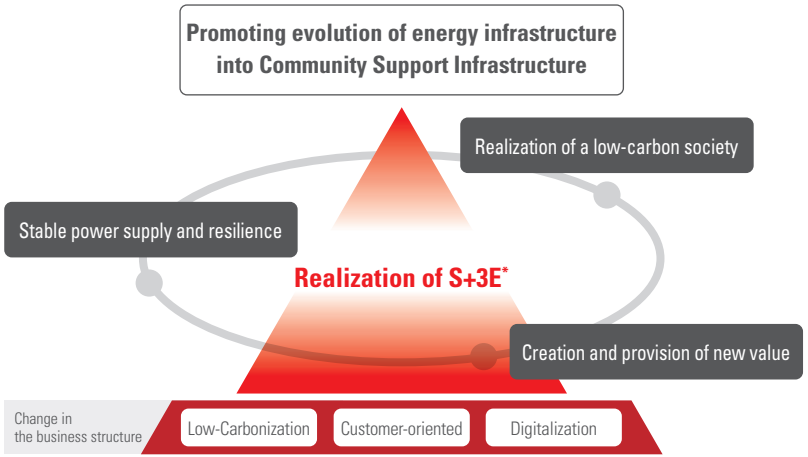


What the Chubu Electric Power Group aims to realize

Under the new organizational structure, individual group companies will autonomously push forward with their respective efforts toward "securing stable supply and resilience," "realizing a low-carbon society," and "creating and providing new value." In this way, the Chubu Electric Power Group will make every effort to achieve profit targets, promote ESG management, and contribute to SDGs.

Mission to fulfill and creation of new value

Contributing to the sustainable evolution of society



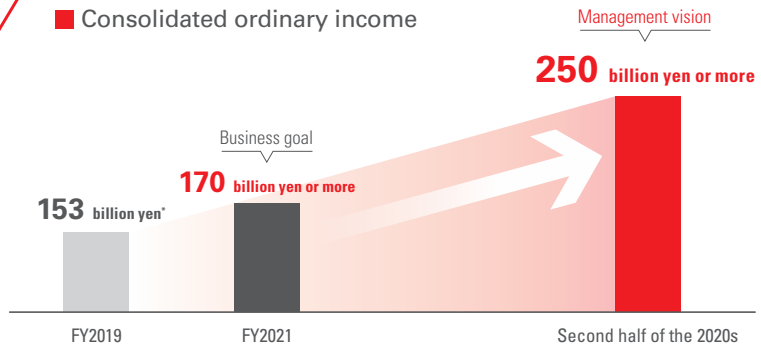
* Pursuit of Energy security, Economy, and Environment based on Safety

Priority Measures (Specific Actions)

1. Improving safety further at Hamaoka Nuclear Power Station
2. Stable power supply for a new age
3. Strengthening our business base and achieving sustainable growth
4. Accelerate commercialization in new growth fields

What we aim to realize

Achievement of profit targets, promotion of ESG management, contribution to the SDGs



* After excluding the time-lag impact incurred by fuel cost adjustment system

E Low-Carbon Society, Environmental Management

S Human Resource Utilization, Resolution of Social Issues

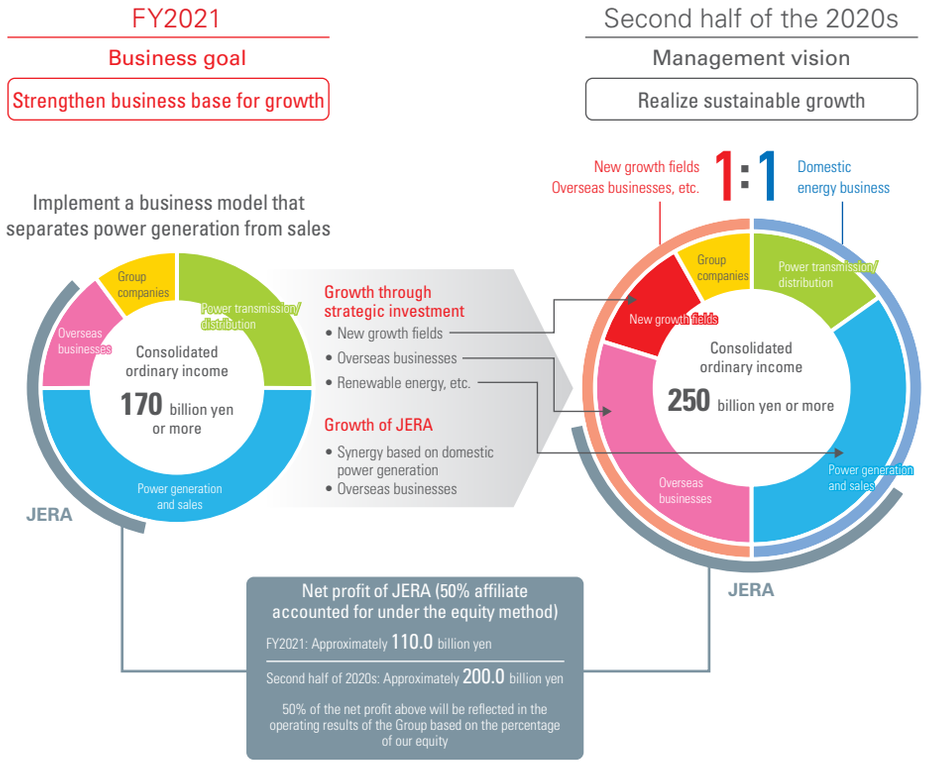
G Stronger Corporate Governance, Business Continuity

See P. 26 Strategy "Important ESG issues"

Business goal (consolidated ordinary income)

We have set a business goal (consolidated ordinary income of 170 billion yen or more in FY2021) as a milestone on the way to realization of the quantitative vision we aim to realize that is stated in our management vision (consolidated ordinary income of 250 billion yen or more in the second half of the 2020s).

While the current situation is very challenging for us to achieve strong operating results due to the intensification of sales competition and changes in the market environment, we aim to achieve the business goal and the management vision through the implementation of a business model that separates power generation from sales.



Basic conceptual approach to investment and capital policy

Necessary investment in electric power safety and stable supply

- We will quickly and steadily implement measures to further increase safety at our facilities, including the Hamaoka Nuclear Power Station.
- We will keep steadily investing in equipment needed for stable supply while continuing to streamline.
- When making investments, we will thoroughly ensure efficiency.

Strategic investment in growth fields

- In order to make sustainable growth a certainty into the future, we will conduct appropriate risk management, and on that basis engage in strategic investment for business growth and development.

Amount of strategic investment

400 billion yen or more in total for 5 years from FY2019 to FY2023

Overseas business: Estimated 200 billion yen
Renewable energy: Estimated 100 billion yen
New growth fields: Estimated 100 billion yen

Efficiency indicator (ROE)

- We envision a 7% or higher ROE level when we achieve the fiscal 2021 business goal.
- For the medium- to long-term ROE level, we will aim for a level that exceeds the cost of capital while closely monitoring the necessary shareholders' equity ratio and other such factors.

Shareholder return policy

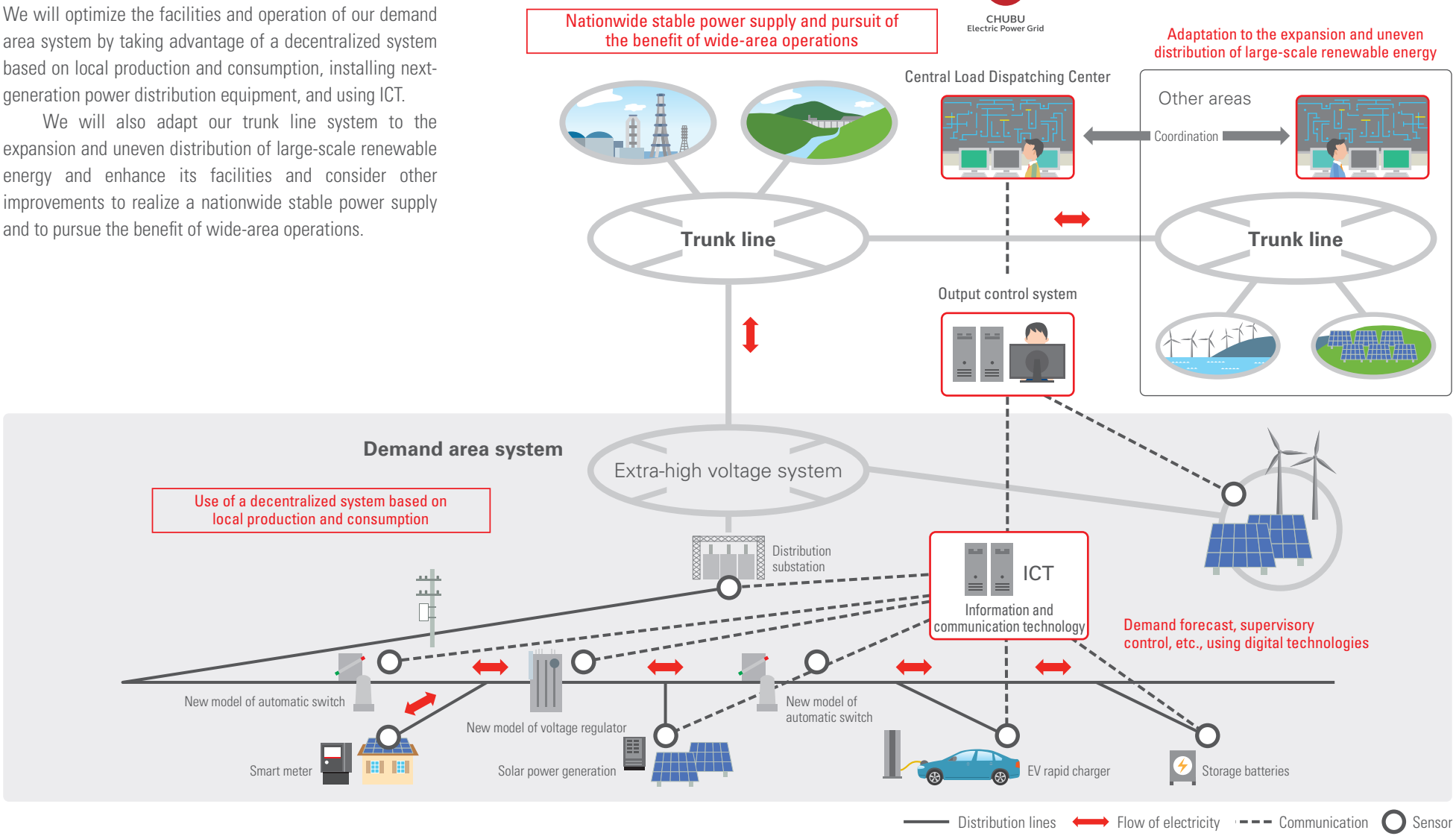
- Chubu Electric Power will continue to invest in plants and equipment for a safe and stable supply of electricity as well as in growth sectors to maintain sustainable growth and enhance our corporate value.
- Providing strong shareholder returns is an important mission for the group. We will continue to pursue stable dividends, and consider our profit growth. Our target consolidated payout ratio is over 30%.

Stable Power Supply and Resilience

Transition to a next-generation network—Increasing the efficiency and resilience of the entire power supply network—

We will optimize the facilities and operation of our demand area system by taking advantage of a decentralized system based on local production and consumption, installing next-generation power distribution equipment, and using ICT.

We will also adapt our trunk line system to the expansion and uneven distribution of large-scale renewable energy and enhance its facilities and consider other improvements to realize a nationwide stable power supply and to pursue the benefit of wide-area operations.



To strengthen resilience—Group-wide concerted disaster responses—

The Chubu Electric Power Group is working to strengthen resilience in terms of facilities and systems. In view of the lessons learned recently from typhoon disasters, we have formulated an action plan to respond to large-scale disasters and are working to strengthen the facility recovery capability, the capability to offer information to customers, and coordination with local governments and other power companies.

When a disaster occurs or is predicted to occur, all our group companies including Chubu Electric Power, Chubu Electric Power Grid, Chubu Electric Power Miraiz, and JERA, will work together to implement disaster responses although they are now separate companies following the split off.

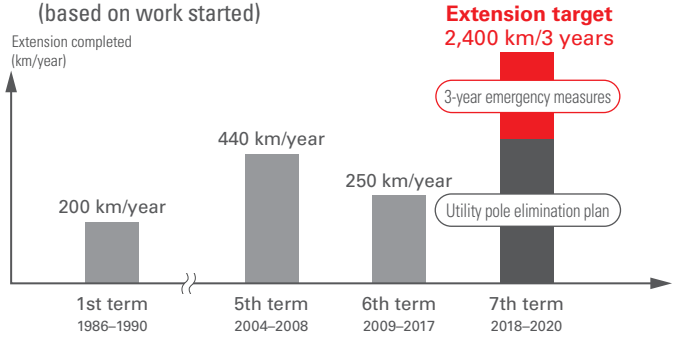
We, as an infrastructure business operator, will maintain high security standards and raise them even higher against cyberattacks, which have become a global threat.

Further acceleration of the elimination of utility poles

- Promote the nationwide elimination of utility poles of approximately 2,400 km, combining approximately 1,400 km under the utility pole elimination plan with approximately 1,000 km under 3-year emergency measures for disaster prevention and mitigation and building national resilience.
- Realize the elimination of utility poles in close cooperation with the national and local governments, local residents, and other managers of electric cables.

- Prevention of urban disasters
- Contribute to local community also from the perspective of urban landscape improvement

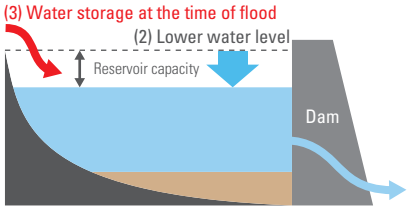
Nationwide extension of utility pole elimination (based on work started)



* Elimination of utility poles completed as of March 31, 2020: 739 km

Application to flood control of dams for hydroelectric power generation

When a flood is predicted to occur, we will consider and implement measures to increase the reservoir capacity at the time of flood by discharging water in advance in close cooperation with the national and local governments and other water users.



(1) (2) Lower dam water levels by discharging water in advance before a flood occurs
(3) Increase the reservoir capacity at the time of flood

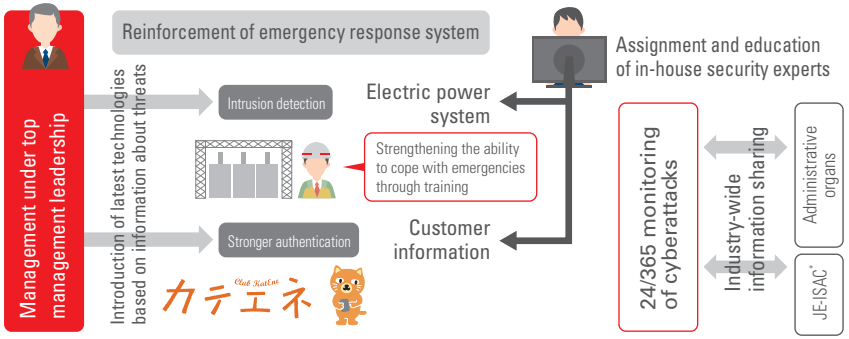
Reduce downstream flood damage

Early recovery at the time of a disaster

See P. 38 Business activities "Chubu Electric Power Grid Co., Inc." Strengthening resilience

Reinforcement of cybersecurity

Strengthen the ability to cope with emergencies through the proactive introduction of latest technologies, 24/365 monitoring of cyberattacks, and training



* Information Sharing and Analysis Center

Realization a Low-Carbon Society

To realize a low-carbon society, the Chubu Electric Power Group will promote low-carbonization to electricity, energy saving, and switching to electricity in all aspects of the energy value chain as well as highly efficient use of energy in the society as a whole. See P. 27 Climate Change "Initiatives Based on TCFD Recommendations"

CHUBU Electric Power

Nuclear power generation P47

Promoting measures to improve safety at the Hamaoka Nuclear Power Station

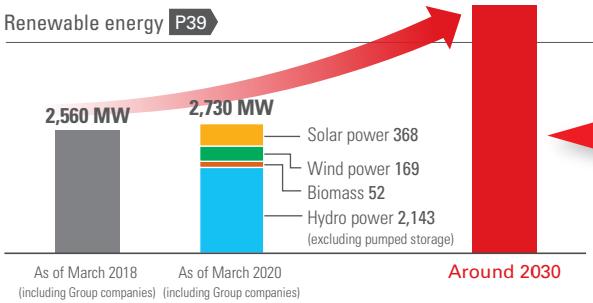
Reference: CO_2 emissions pertaining to electrical energy sold by the Company (FY2018 actual result) 54,070 thousands t-CO_2/year

CO_2 emission reduction effect
If the operation of Units 3, 4, and 5 is resumed

10,000 thousands t-CO_2/year

CHUBU Electric Power

Renewable energy P39



Capacity of power generation facilities to **approximately double** through the development of **2,000 MW or more**

Power generation

JERA P53

Gradual retirement of low-efficiency thermal power generation by the introduction of state-of-the-art thermal power generation (highly efficient and low environmental load)

Taketoyo Thermal Power Station Unit 5 (coal thermal, scheduled to start operation in FY2021)
Wood biomass will be mixed during combustion to reduce CO_2 emissions

CO_2 emission reduction effect
(compared with coal-only combustion)

900 thousands t-CO_2/year

Gross thermal efficiency of thermal power facilities of Chubu Electric Power in FY2018 (These facilities were transferred to JERA Co., Inc. in April 2019.)

Overall thermal efficiency
FY2018

50.11%
Top level in Japan

Power Transmission/Distribution

CHUBU Electric Power Grid

Power Grid P35

Construction and operation of facilities to support the expansion of renewable energy

Expansion of operation capacity of transmission lines
Use of unused capacity

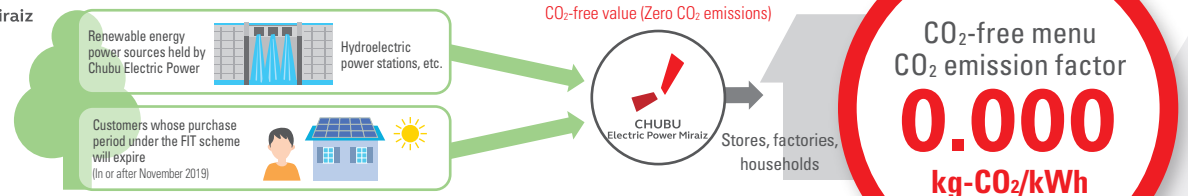
Reduction of transmission/distribution loss
Use of a decentralized system based on local production and consumption

CHUBU Electric Power Miraiz

Miraiz P31

Low carbonization together with our customers

Provision of the CO_2-free menu service



CO_2-free menu
CO_2 emission factor
0.000
kg-CO_2/kWh

In-house solar power consumption service (for companies)

We rent roofs of stores, factories, and other buildings and provide installation and operation services for solar power facilities at Chubu Electric Power Miraiz's expense.

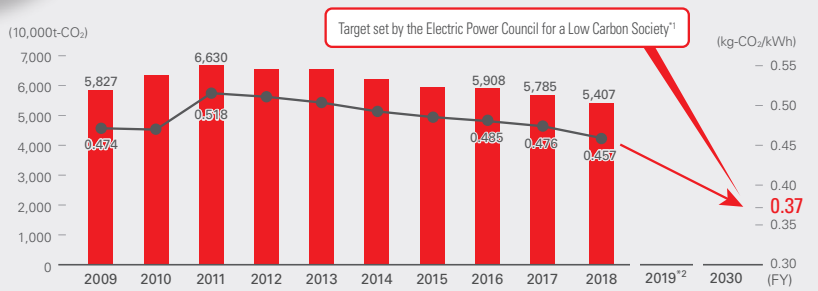
Sales

Following the shut down of the Hamaoka Nuclear Power Station after the Great East Japan Earthquake in 2011, CO_2 emission intensity increased significantly. By developing highly efficient thermal power generation facilities and increasing the introduction of renewable energy, we have achieved a gradual decrease of CO_2 emission intensity every year. In addition to securing low-carbon electricity, we will be promoting measures from both the supply and demand sides of electric power, for example, by helping our customers conserve energy.

CO_2 emissions and emission intensity pertaining to electrical energy sold by the Company

Changes and outlook for Chubu Electric Power CO_2 emissions and CO_2 emission intensity

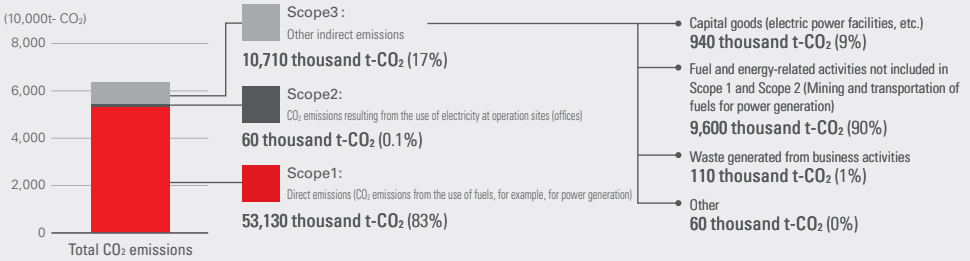
(Basic emission base)



*1 Established in 2016 by the electric power industry for the purpose of promoting and supporting member companies' efforts to ensure the effectiveness of countermeasures for global warming.
The industry as a whole aims to achieve an emission factor of around 0.37 kg-CO_2/kWh (usage end) by FY2030.
*2 To be calculated (to be disclosed on our website when it is reported to the national government around September)

Total greenhouse gas emissions* from the entire supply chain (FY2018 actual)

Scope1, 2 and 3



* Greenhouse gas emissions represent CO_2 converted total value of CO_2, N_2O, and SF_6. These figures include emissions from Chubu Electric Power only and do not include emissions from its consolidated subsidiaries.
The result for FY2019 is to be calculated and disclosed on our website.

CHUBU Electric Power

New business P45

Improvement of EV environment

Fleet EV Initiative (a joint venture with Marubeni Corporation)

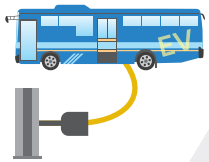
Provide one-stop solutions ranging from the provision of large commercial vehicles to improvement and optimal operation of charging infrastructure

F E V I

[Proof of concept for new mobility applications]

Proof of concept for EV bus with Iida City and Shinnan Koutsu Corporation and for EV truck with Meitetsu Transportation Co., Ltd. and S-Line Kakamigahara Co., Ltd.

(1) Introduction and service of EVs
(2) Energy management using the charging of EVs



Creation and Provision of New Value

Creation of Community Support Infrastructure

The whole Chubu Electric Power Group will deliver "new value that expands by being connected" that corresponds to issues in people's lives, industries, and communities together with energy services by combining on-grid data collected via electricity infrastructure with off-grid data collected via IoT devices, while prioritizing safety and security in the use of data.

See P.45 Business development

Services based on the effective use of advanced technology

Community

- Parenting community "COE LOG"
- Information offering service "Parenting Support App"
- Security app to protect people's lives "Kizuna Net"

Connected home service

- IoT platforms "necolico"
- Parenting support service "Chubu Electric Power+Oh!"
- Use of life data for medical care
  Collaboration with venture companies

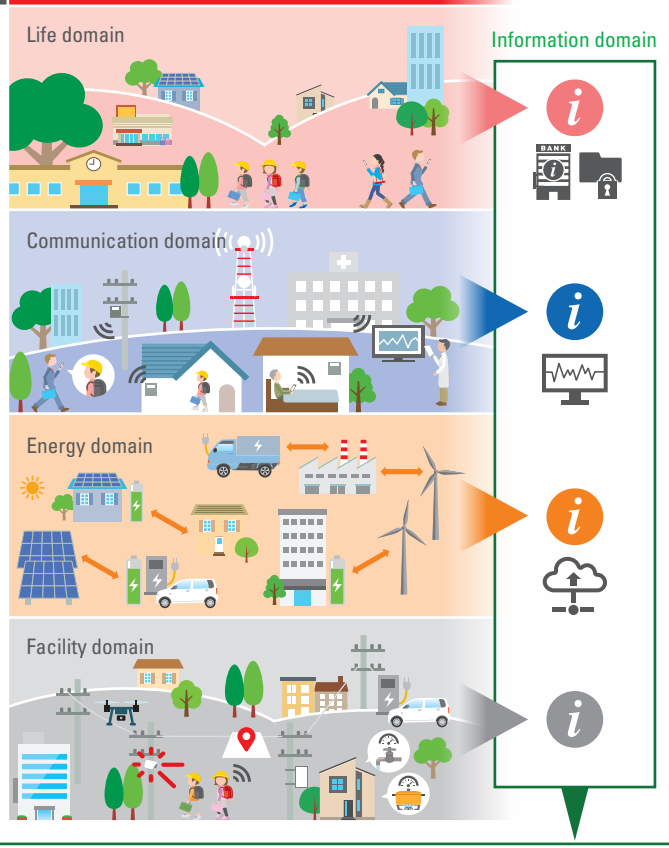
Energy management

- New ways of using electricity based on participation "Korekara Denki" and "CO-Ene" services
- Promotion of large commercial EVs "Fleet EV Initiative"

Infrastructure

- Safe, secure, and convenient infrastructure "Mimamori Pole," "Dokonyan," "Automatic Measuring"
- Charging network to support next-generation mobility "e-Mobility Power"

Community Support Infrastructure



Information bank

- Safe and secure use of personal data
  Regional information banking service "MINLY"

The whole Chubu Electric Power Group will deliver them together with energy services

New value that expands by being connected

Daily security and convenience
Revitalization of local community
Creation of attractive and comfortable towns to live

Lively and vibrant daily life
Enhancement of health and QOL*

* Quality of Life

Use of low-carbon energy
Economy and convenience

Crime and disaster prevention resilience
Effective use of regional infrastructure

Experience in new value based on effective use of data
Safe and secure deposit of data

COLUMN

Responses to the Spread of New Coronavirus Infection (COVID-19)

In response to the spread of new coronavirus infection, the Chubu Electric Power Group has implemented infection prevention measures by prioritizing the safety and health of its employees and their family members, partners, and customers, and the whole Chubu Group continues to work as one team on its unwavering mission of providing stable supply of energy and maintaining service levels.

We will strive to overcome this difficulty together with our customers and society by providing rate plans and services that are useful to our customers and everyone in society who have always supported the Group.

Moreover, by recognizing major changes in social structure and lifestyle that the new coronavirus brings, we will further accelerate the development and provision of new services and workstyle reform for employees with a speed that would make us feel as if changes that should occur 10 years from now could occur tomorrow.

1 Fulfill our unwavering mission while prioritizing safety and health

Infection prevention and securing necessary manpower for electric power supply

- Prioritizing people's lives and promoting working from home of employees who are at risk for severe illness from new coronavirus
- Maximum use of working from home, flextime, and online conference at all workplaces
- Deployment of personal protective equipment, such as masks
- Thorough practice of hand hygiene and coughing manners
- Reinforcement of risk management system to prepare for the occurrence of infection cases
- Working as a team and substitute staff standing by at home
- Use of satellite offices

2 Close to and together with customers

- Introduction of discount electricity rate plans for summer P34
- Stay home support campaign
- Services to support the resolution of business issues P34
- Extension of payment due date

3 Acceleration of the development and provision of new services and workstyle reform

Deliver services to contribute to social goals together with energy

Further accelerate the development of services that will contribute to the resolution of new social issues across the areas of people's lives, industries, and community by making the most of digital technologies

- Watching over, disaster prevention, and crime prevention to support safety and security
- Creation of comfortable towns to live in
- Nursing care, healthcare, etc.

TOPICS

Jointly with Keio University Hospital and Medical Data Card, Inc., Chubu Electric Power has started the operation of remote health checkups and a health checkup support system for obstetricians. By using our data platform, users can safely receive careful examination similar to face-to-face examination while staying at home.

Workstyle reform

- Further improvement of productivity and life–work balance through a more effective use of teleworking and flexible working hours

Materiality on ESG

Identification process of important ESG issues

Led by the SDGs Working Group of the CSR Promotion Liaison Council,* the Group worked to identify key ESG issues.

Taking into consideration such reference information as external guidelines and management plans of the Company, we exhaustively extracted 59 issues.

Potential key issues are selected based on assessment from the two perspectives of "importance to stakeholders" and "importance to the Chubu Electric Power Group" and validated for appropriateness based on the exchange of opinions with top management. A final list of key ESG issues was determined after deliberation at management meetings.

STEP 1 Extraction of issues

Taking into consideration such reference information as the SDGs, ISO 26000, GRI Guidelines, FTSE, and SASB as well as management plans of the Company, we exhaustively extracted 59 issues.

STEP 2 Materiality assessment of issues

The issues extracted above were assessed to select potential key issues from the two perspectives of "importance to stakeholders" and "importance to the Chubu Electric Power Group."

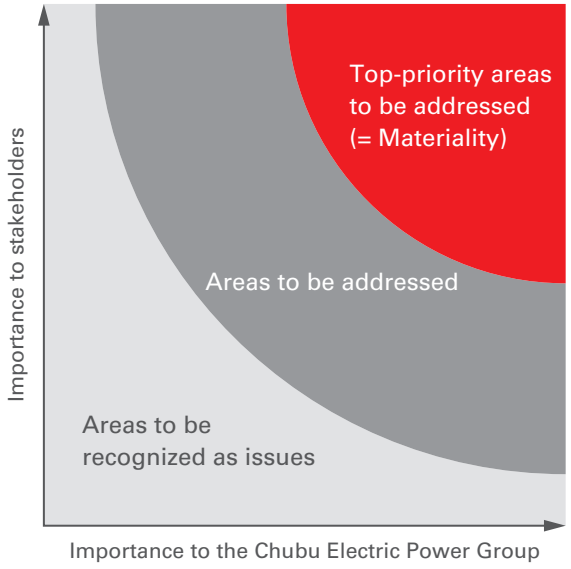
STEP 3 Validation of appropriateness

The potential key issues selected above are validated for appropriateness based on reviews by experts and the exchange of opinions with top management.

STEP 4 Identification of Key Issues

Key issues were identified from the validated potential key issues above upon deliberation by the Senior Executive Committee and the Board of Directors.

■ Schematic illustration of materiality assessment (key issue matrix)



* CSR Promotion Liaison Council

The CSR Promotion Liaison Council is chaired by the General Manager of the Corporate Planning and Strategy Division and is made up of general managers of divisions of the Headquarters and general managers of divisions in charge of CSR of Chubu Electric Power Grid and Chubu Electric Power Miraiz.

While ESG initiatives are an integral part of our management plan, we are making group-wide, cross-functional efforts to improve the disclosure of ESG information to our stakeholders.

Placing more focus on ESG management and contributing to the achievement of the SDGs

The Chubu Electric Power Group will realize sustainable growth and enhance corporate value by practicing S+3E and creating Community Support Infrastructure.

We will also place more focus on ESG management and contribute to the achievement of the SDGs by addressing key ESG issues that we identified on a top-priority basis.

Realize sustainable growth and enhance corporate value

E — Low-Carbon Society Environmental Management

- Safety improvement and promotion of the use of nuclear energy
- Construction and operation of efficient power transmission/distribution facilities (Reduction of power transmission/distribution loss, promotion of local production and consumption) P21
- Development of renewable energy
- Promotion of switching to electricity
- Practice of environmental management

Main SDGs to which we will contribute: 7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action; 15 Life on Land

S — Resolution of Social Issues Human Resource Utilization, Health and Safety

- Resolution of social issues arising from the dilution of community (Community Support Infrastructure) P23
- Communication with local community
- Pursuit of customer satisfaction
- Securing labor safety
- Promotion of health management
- Securing and developing specialists in global business and strategy
- Diversification of human resources P71

Main SDGs to which we will contribute: 3 Good Health and Well-being; 8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 11 Sustainable Cities and Communities; 17 Partnerships for the Goals

G — Stronger Corporate Governance Business Continuity

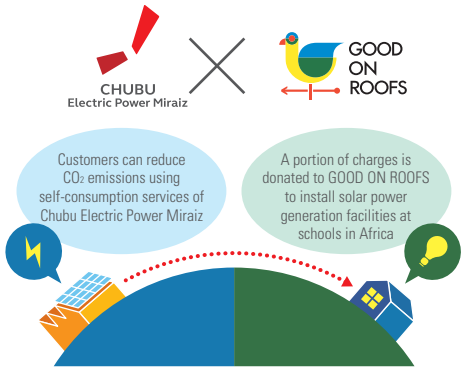
- Securing area-wide power supplies and quality of electric power
- Strengthening the ability to withstand large-scale disasters P67
- Information security and cybersecurity measures P20
- Ensuring strict compliance and anti-corruption practice P69
- Governance and risk management P65
- Timely and proper disclosure of information

Main SDGs to which we will contribute: 7 Affordable and Clean Energy; 9 Industry, Innovation and Infrastructure; 16 Peace, Justice and Strong Institutions

TOPICS

Services to support the SDGs activities of customers

In collaboration with GOOD ON ROOFS, we started to provide a new service to enable our customers to participate in SDGs activities in developing countries such as increasing electrification rate while using self-consumption services of solar power generation to reduce CO_2 emissions.



Participation in READYFOR SDGs

We have participated in "READYFOR SDGs," an SDGs matching business that READYFOR Inc. started for corporate customers, in FY2019. Under this arrangement, we adopted 11 projects that endeavor to resolve social issues in the Chubu region and supported them by assisting fundraising using a crowdfunding technique and providing financial support directly to them.

11 Sustainable Cities and Communities

Climate Change

Initiatives Based on TCFD Recommendations

Introduction

The Chubu Electric Power Group aims to **contribute to the realization of a low-carbon society by promoting ESG management through its business activities.** In particular, we regard responses to climate change as one of the key management issues and evaluate risks and opportunities associated with it. **By taking various changes caused by climate change as opportunities and actively tackling them,** we will **enhance our corporate value.** In an effort to communicate such endeavors to our investors and stakeholders, we will **disclose them in a manner consistent with the TCFD recommendations**.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Chubu Electric Power endorsed the recommendations in the final report of the TCFD* in May 2019.

* Task Force on Climate-related Financial Disclosures, established by the Financial Stability Board (FSB) in response to the request of G20 Finance Ministers and Central Bank Governors

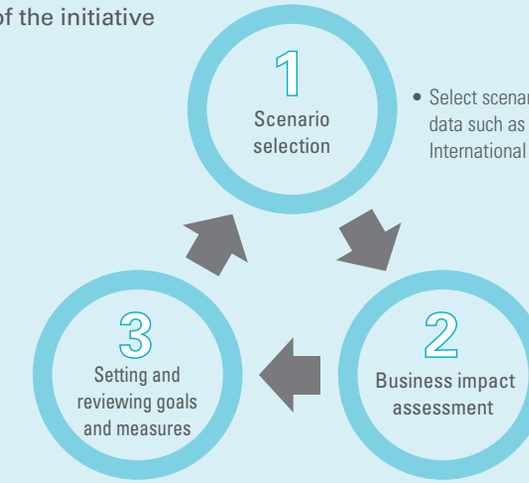
TCFD : Governance/Risk management

- **The Board of Directors** deliberates and makes decisions on key management matters including efforts to realize a low-carbon society, such as the progress status of renewable energy development, and supervises the execution of duties by directors by, for example, receiving reports from each director on the status of execution of his or her duties.
- In **formulating a management plan**, risk owners* identify and assess key risks associated with climate change and report them to the risk management department. The risk management department assesses them in an integrated manner and reports them further to **the Risk Management Committee** chaired by the President to reflect corresponding measures in the management plan.

* Risk owners: The President of Chubu Electric Power Grid, the President of Chubu Electric Power Miraiz, Company Presidents, and general managers of divisions of the Headquarters.

- In executing the management plan, recognizing **the importance for each employee to try his or her best in business activities in which he or she is involved as a person responsible for practicing ESG management**, Chubu Electric Power strives to always maintain good communication between top management and employees including front-line workplaces.

■ Workflow of the initiative



- Select scenarios by referring to relevant data such as those provided by the International Energy Agency (IEA)
- Set and review company goals and measures based on scenario analysis
- Conduct business impact assessment on risks and opportunities that are expected to have a major impact

Please see the following pages for details.

TCFD : Strategy Scenario selection

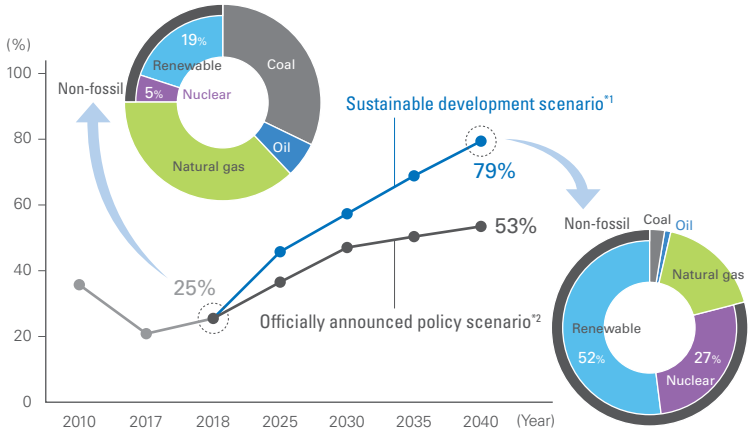
- By referring to published data including data published by the International Energy Agency (IEA), we have selected the **"2˚C scenario" for risks and opportunities associated with the transition to a low-carbon/carbon-free society** and the **"4˚C scenario" for risks associated with physical changes**, such as abnormal weather.

Scenarios developed	2˚C scenario	4˚C scenario
Anticipated social situations	• To keep the average temperature rise at the end of this century below 2˚C, greenhouse gas emission regulations will be tightened worldwide through further revision of national environmental policies. • Other anticipated developments include an increase in investment in low carbonization, an increase in the percentage of non-fossil power due to the expansion of renewable energy and the use of nuclear power, rising needs for using low-carbon/carbon-free energy, and technological innovation.	• Global efforts will remain insufficient and the average temperature at the end of this century will rise by around 4˚C. • It is also anticipated that abnormal weather, such as extreme storms, will occur more frequently due to a higher temperature.
Reference	International Energy Agency (IEA): WEO 2019 **"Sustainable Development Scenario"**	Intergovernmental Panel on Climate Change (IPCC): Fifth Assessment Report **"RCP8.5 Scenario"**

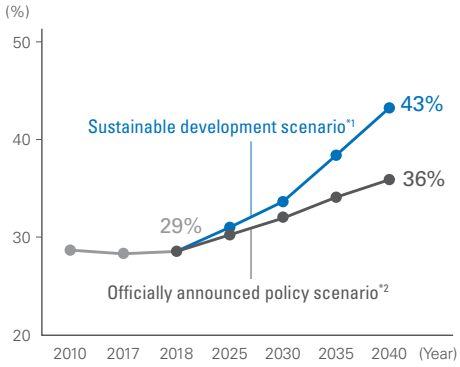
2˚C scenario

To realize the "sustainable development scenario," **further expansion of non-fossil power (renewable energy and nuclear energy) and further promotion of energy saving and switching to electricity, as well as specific measures based on officially announced policies, will be required**.

Percentage of non-fossil power* (Japan) * Power generation output



Electrification rate (Japan)



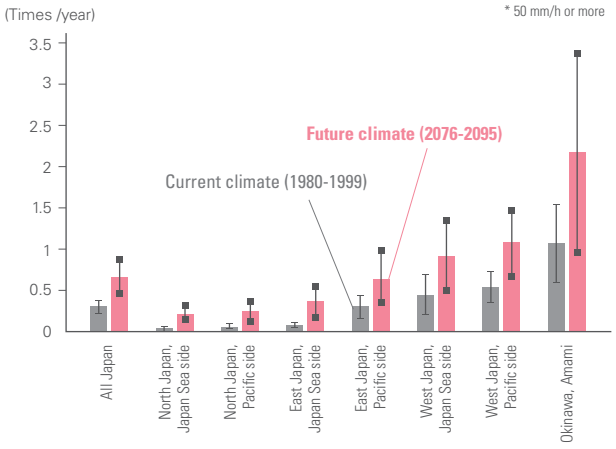
Source: Prepared based on IEA WEO 2019

*1 Sustainable development scenario: A scenario in which measures necessary for the achievement of the goal of the Paris Agreement (less than 2˚C) will be implemented
*2 Officially announced policy scenario: A scenario in which the latest energy policies and goals officially announced by the governments of major countries will be realized (in Japan, this would be consistent with the goal of reducing greenhouse gas emissions in FY2030 by 26% (from FY2013))

4˚C scenario

It is expected that **abnormal weather, such as extreme storms, will occur more frequently.**

Number of occurrences of heavy rain in a short period of time*



Source: Japan Meteorological Agency, Global Warming Projection Vol. 9 (2017)
(The Japan Meteorological Agency's prediction of climate change in Japan based on the IPCC's "RCP8.5 scenario")

TCFD : Strategy Business impact assessment

- Recognizing climate change risks and opportunities as a key element of its business strategy, the Chubu Electric Power Group formulates and executes specific measures based on the impact assessment on them.
- **Efforts to realize a low-carbon society are an integral part of our business activities,** and we will work to **enhance our corporate value** through **the acquisition of business opportunities** and **the solution of social issues.**

	Changes in the external environment	Impact on the Group	Assessment	Impact	Measures
2°C scenario Responses to risks and opportunities associated with the transition to a low-carbon/carbon-free society	Rising needs for low carbonization/ decarbonization to energy **Policy** Raising non-fossil energy percentage and emission reduction goals	Increase in operation cost due to investments in low carbonization and the introduction of carbon pricing	Risks→ Opportunities	Large	**Low carbonization of power sources** • Expansion of renewable energy development (in Japan and overseas) • Safer and more economical nuclear power generation and the effective use thereof • More efficient thermal power generation (including the gradual retirement of low-efficiency thermal power generation) **Transition to next-generation network** • Increasing efficiency and resilience of the entire power supply network • Building facilities that take advantage of the decentralized system based on local production and consumption and optimizing their operation • Adapting to the expansion and uneven distribution of large-scale renewable energy in the trunk line system and providing stable supply nationwide and pursuing wide-area advantages **Contribution to low carbonization in the whole society through Community Support Infrastructure** • Promotion of energy saving and switching to electricity through energy management services • Contribution to low carbonization/decarbonization society as a whole by building and providing Community Support Infrastructure based on the keywords of "low carbonization," "customer-oriented," and "digitalization." **Promotion of technological research and development** • Research and development that contribute to low carbonization of electricity and to the promotion of energy saving and switching to electricity • Research and development that contribute to decarbonization such as the use of hydrogen and CCUS* technologies * Carbon dioxide Capture, Utilization and Storage
	Technology Evolution of low-carbon/ carbon-free technologies Renewable energy Low carbonization of thermal power generation Safer nuclear power generation Energy management (i.e., storage of electricity)	An increase through innovation Cost reduction	Opportunities	Medium	
		An increase in systems maintenance cost due to an expansion of decentralized power sources A reduction in wheeling revenue due to a reduction in power flow through power transmission/distribution systems	Risks→ Opportunities	Large	
	Market Customers will become more environment-oriented	Rising needs for the use of low-carbon/carbon-free energy	Opportunities	Large	
	Reputation Divestment of companies that are reluctant to adopt low carbonization	A rise in financing costs	Risks	Small	**Engagement with investors and financial institutions** • Ongoing communication concerning initiatives to promote low carbonization
4°C scenario Responses to physical risk	More frequent occurrences of abnormal weather due to rising temperature **Storm** Extreme typhoons and the like will occur more frequently Flood and landslide disasters will intensify	An increase in costs for proactive facility upgrades An increase in recovery costs	Risks	Large	**Strengthening resilience of facilities and systems** • Strengthening resilience through the effective use of decentralized systems • Disaster prevention (trimming and culling of trees in advance) • Early recovery (coordination with local governments, other power companies, etc.) • Promotion of elimination of utility poles • Application to flood control of dams for hydroelectric power generation

TCFD : Indicators and goals Goals and measures

- **In the medium to long term**, the Chubu Electric Power Group aims to achieve the goal of "0.37 kg-CO_2/kWh"* set by the entire electric power industry under the national energy policy. At the same time, the Group will **promote low carbonization by increasing the efficiency of the energy system of the society as a whole** ranging from power generation and power transmission/distribution to the use by customers to realize **"S+3E" at a higher level**.
- Furthermore, the Group will devote all its efforts to **the commercial application of groundbreaking technologies through innovation** in coordination with various parties concerned to realize **a carbon-free society in the super long term**, thereby aiming to achieve sustainable growth.

* Consistent with the national "goal of reducing greenhouse gas emissions in FY2030 by 26% (from FY2013)."

Medium to long term (–2030) – Realization of low-carbon society – → **Super long term – Carbon-free society –**

Power generation

Goal (1): Development of renewable energy

✓ Accelerate development aiming to achieve **"development of 2,000 MW or more around 2030"**

Goal (2): Effective use of nuclear power generation

✓ **Use nuclear power generated from zero-emission power sources that do not emit CO_2 at the time of power generation, provided that safety is assured.**

✓ Strengthen the disaster prevention system and enhance education and training, in addition to measures to improve safety
Strengthen governance, risk management, and risk communication

✓ Realize stable operation through sophistication and efficiency improvement of maintenance and protection work

Goal (3): Increased efficiency of thermal power generation

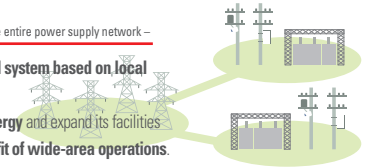
✓ Promote **the introduction of high-efficiency thermal power generation** and **the gradual retirement of low-efficiency thermal power generation** under group-wide coordination

Power transmission/distribution

Goal (4): Transition to a next-generation network – Increasing the efficiency and resilience of the entire power supply network –

✓ Optimize the facilities and operation of our **demand area system by taking advantage of a decentralized system based on local production and consumption**, installing next-generation power distribution equipment, and using ICT.

✓ **Adapt** our **trunk line system** to **the expansion and uneven distribution of large-scale renewable energy** and expand its facilities and consider other improvements **to realize a nationwide stable power supply and to pursue the benefit of wide-area operations**.

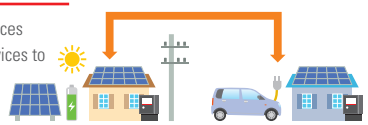


Customers

Goal (5): Low-carbon society we aim to realize together with our customers

✓ Further promote energy saving and switching to electricity through energy management services

✓ **Accelerate highly efficient use of energy** by providing CO_2-free menu and delivering services to support switching to electricity of mobility through the **Community Support Infrastructure** to realize a low-carbon society together with our customers



The electric power industry as a whole aims to achieve an emission factor of 0.37kg-CO_2/kWh in 2030

Toward the realization of "Society 5.0"

Increasing the efficiency of the energy system of society as a whole ranging from power generation and power transmission/distribution to use by customers

Further promotion of energy saving and switching to electricity

Further challenges to realize low carbonization/decarbonization

Commercial application of groundbreaking technologies through innovation

Technologies proposed in the "long-term vision" of the Electric Power Council for a Low-Carbon Society

- Construction of a hydrogen supply chain
- Development of high-performance storage batteries
- Use of CCUS* technologies
- Promotion of electrification technologies, etc.

* Carbon dioxide Capture, Utilization and Storage

Endorsement of Keidanren's Challenge Zero initiative

Chubu Electric Power has endorsed the Challenge Zero initiative for bold innovative challenges for the development of net zero emission technologies and will conduct relevant research and development in coordination with various parties concerned.

Challenge Zero

Chubu Electric Power Miraiz Co., Inc.

Provide various services along with energy

CHUBU
Electric Power Miraiz

We aim to go beyond conventional energy sales and grow into "'a comprehensive service company' that delivers 'new value' in daily life and business."

Chubu Electric Power Customer Appreciation Day

The environment surrounding not only the energy business but also our customers and society itself continues to undergo drastic changes, including the business environment following the liberalization of the electric power and gas retail markets, the advancement of technology such as AI/IoT, and the rising momentum toward realizing a low-carbon society.

Chubu Electric Power Miraiz Co., Inc. considers these changes to be an opportunity to leverage our many strengths including our relationship of trust that we have developed with our customers, our technical skill, and proposal capabilities, and to deliver new value and services including "Community Support Infrastructure" to help resolve various social issues by becoming more focused on our customers, thereby growing into a presence that "enriches customers' lives" and "supports our customers' businesses."

Through the initiatives to provide precious energy along with "delivering" services that benefit our customers every day, "focusing" on the daily lives and businesses of each customer, and "connecting" people to people and people to community in new ways, we hope to help our customers achieve "what they want" and "what they want to be," thereby aiming to build a business model which will allow us to grow together with our customers.

Ootani Shinya
President & Director
Chubu Electric Power Miraiz Co., Inc.


A meeting at Chubu Electric Power Miraiz Co., Inc.

Corporate Profile (As of April 1, 2020)

CHUBU Electric Power Miraiz

Corporate name:	Chubu Electric Power Miraiz Co., Inc.
Headquarters:	1 Higashi-shincho, Higashi-ku, Nagoya, Aichi 461-8680, Japan Tel: +81-52-951-8211 (Main)
Representative:	Ootani Shinya, President & Director
Capital:	¥4,000 million
Shareholders:	Chubu Electric Power Company, Incorporated 100%
Number of employees:	1,243

Chubu Electric Power Miraiz Co., Inc.

Risks

- Intensification of competition with new and other power supply companies
- Sluggish electricity demand due to declining population, slowdown in economic growth, and other factors

Opportunities

- Expansion of business domain as a result of the full liberalization of the retail markets for electric power and gas
- Rising customer needs for a wide variety of services
- Strong social demand for a low-carbon society
- Changes in lifestyles and the social landscape as a result of the new coronavirus (COVID-19) outbreak

Efforts

- Acceleration of gas sales based on gas and power
- Provide new services through business model transformation
- Expansion of sales business in the Tokyo metropolitan area

Targets

Electrical energy sold (entire Group)

FY2019
122.5 Twh

Second half of the 2020s
Maintain **130.0** TWh per year

Gas and LNG sold (entire Group)

FY2019
1,030 thousand tons

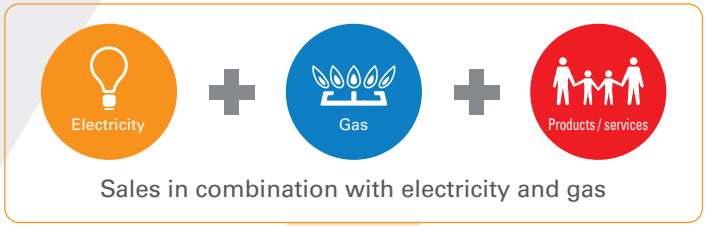
Second half of the 2020s
Increase to **3,000** thousand tons per year

Initiatives to achieve our goals

Provide new services through business model transformation

In order to be chosen by customers, we deliver services that support the "daily lives and businesses" of our customers, in addition to stable energy at an affordable price, such as electricity and gas.

Going forward, we will utilize IT and digital technology, accurately address customer needs, and deliver the most suitable services for each customer.



From selling electricity and gas by measure to providing services that exceed customer expectations

Products/services (including energy)

Sell bundled services that address customer needs

Households **Sales through One-to-One marketing using digital technology**

Businesses **Customer-focused sales using IT**

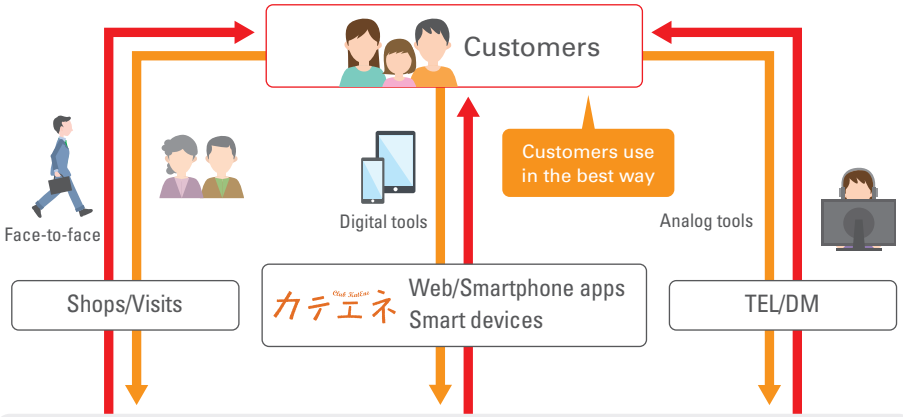
Aim for a new form of service charge system, including a flat-rate system that encompasses services

In the Chubu area, **we aim to acquire 100,000 accounts** by the end of FY2020 through the sales of services in a set with electricity or gas.

For families / Sales through One-to-One marketing using digital technology

In addition to conventional electricity and gas, we will provide various services that "will enrich the lives of the customers." Specifically, we will provide services that will exceed our customers' expectations, such as energy management, healthcare, support services associated with food, etc. in cooperation across the Group and with other companies.

We will utilize digital technology so that customers will be able to use these services in the best possible way and propose services that have been customized to each customer.



Community	Services for housing, mobility, food, and more
Connected home service	Services for parenting, healthcare, lifestyle, and so on
Energy management	Services such as "Korekara Denki"
Infrastructure	Watch-over services, etc.

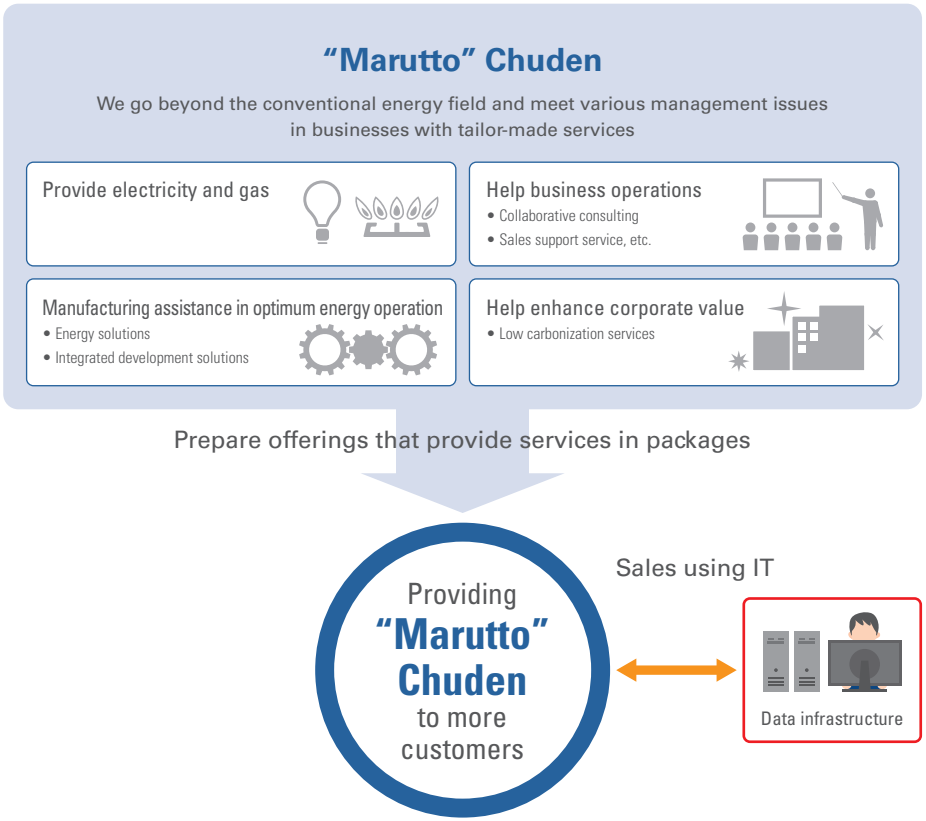
Aim at a new pricing system (including flat-rate) that combines electricity, gas, and services

In cooperation across the Group and with other companies, provide services that exceed our customers' expectations.

For businesses

Customer-focused sales using IT

We go beyond the conventional energy field and meet various management issues in businesses of customers, such as manpower shortages and cost reductions, by having our sales staff focus on each customer and providing tailor-made services for each customer. By preparing offerings that provide services in packages, we will also provide "Marutto" Chuden to more customers.



TOPICS

Major assistance measures for customers against the new coronavirus outbreak

1. For households with children: Livelihood support summer discount/Support for a comfortable summer promotion (For households)

With the hope that households with children that have been forced into drastic lifestyle changes will be able to spend their time at home in the most comfortable way this summer, we carried out the "Households with children: Livelihood support summer discount" and the "Support for a comfortable summer promotion" which allowed customers to use air-conditioning-unit cleaning and "KoKo Remo" at a reasonable price so that families will be able to spend their time at home comfortably with air-conditioning.

Number of applications
Approx. **240,000** accounts

2. Teleworking Education Support Service (For businesses)

We are providing services one after another that support solving business issues that have emerged in conjunction with the new coronavirus outbreak. One of these services is the "Teleworking Education Support Service," intended for companies that have working-from-home systems for its employees, which allows companies to learn about energy-saving measures and other matters in an online environment. Helpful educational content for corporate activities and content related to the application for subsidies have been posted on "Busiene," the Company's business website, providing access to the companies' employees to utilize the content and to receive lectures free of charge.

Teleworking Education Support Service

We offer educational materials on teleworking focusing mainly on energy-saving, facility maintenance, and expense-cutting methods. We also issue "Course Completion Diplomas" which can be used to apply for "Employment Adjustment Subsidies" to those who have completed the Teleworking Education course.

Chubu Electric Power Grid Co., Inc.

Providing electric power network services

CHUBU
Electric Power Grid

From “Uniformity” to “Specificity”
By responding to various changes in the environment, we aim to become an “entity that supports the Chubu area community.”

Pole-climbing work

On April 1, 2020, Chubu Electric Power Grid was split from Chubu Electric Power and launched as a new power transmission and distribution company with even greater neutrality and fairness.

Our new company name, Chubu Electric Power Grid Co., Inc. combines “Power,” which refers to electricity supply and demand and “Grid,” which refers to the power transmission and distribution networks and represents our determination to take on the challenge of providing a stable supply of power in the new era.

In addition to social changes such as the increasingly aging population combined with a declining birthrate and an increasingly uneven distribution of the population, the environment surrounding the Company is undergoing a variety of changes that are unique to the area, such as greater complexity in the flow of electricity due to the massive introduction of renewable energy and the popularization of EVs.

To respond to these area-specific changes in the environment while meeting customer needs, we will need to go beyond our conventional and uniform way of thinking and shift to an area-specific approach, such as facility formation and operation that align with the situation of each region.

We, at Chubu Electric Power Grid will make a concerted effort and renew our commitment to continuously take on the challenge of becoming a presence that supports the Chubu area community.

Ichikawa Yaoji
President & Director
Chubu Electric Power Grid Co., Inc.

Chubu Electric Power Grid Co., Inc.

Corporate Profile (As of April 1, 2020)

CHUBU Electric Power Grid

Corporate name:	Chubu Electric Power Grid Co., Inc.
Headquarters:	1 Higashi-shincho, Higashi-ku, Nagoya, Aichi 461-8680, Japan
	Tel: +81-52-951-8211 (Main)
Representative:	Ichikawa Yaoji, President & Director
Capital:	¥40,000 million
Shareholders:	Chubu Electric Power Company, Incorporated 100%
Number of employees:	10,333

Corporate assets

Power transmission/distribution facilities

As of March 31, 2020

Transmission line length	**12,069**	km
Number of supporting structures (iron tower, etc.)	**35,202**	units
Number of substations	**931**	locations
Capacity of substations	**125.567**	million kVA
Transmission line length	**135,069**	km
Number of supporting structures (utility poles, etc.)	**2,846,748**	units
Communication lines	**52,097**	km
Number of smart meter units installed	**6,584**	thousands units

Risks

- Intensification of natural disasters
- Sluggish electricity demand due to declining population, slowdown in economic growth, and other factors

Opportunities

- Increasing connection needs of renewable energy
- Advanced technology such as IoT and AI
- Diversifying needs in relation to energy as a result of digitalization
- Bidirectional flow of electricity as a result of mass connection of renewable energy
- Emergence of a new supply model where local production and consumption of electricity will occur with small-scale distributed power supplies

Efforts

- Ensuring stable supply and public safety at a higher level
- Preparation of the environment to accommodate the introduction of renewable energy
- Reasonable facility formation that is matched with changes in demand–supply structure
- Reduction of environmental load throughout business operation
- Reinforcement of business base toward the improvement of management efficiency

Targets

Reliability of supply

- Become a leading company both within Japan and worldwide with regard to providing stable electricity supply (Maintain the lowest level of frequency and duration of power outage per customer)

Wheeling fees

- Realizing Japan's best wheeling price in each voltage class

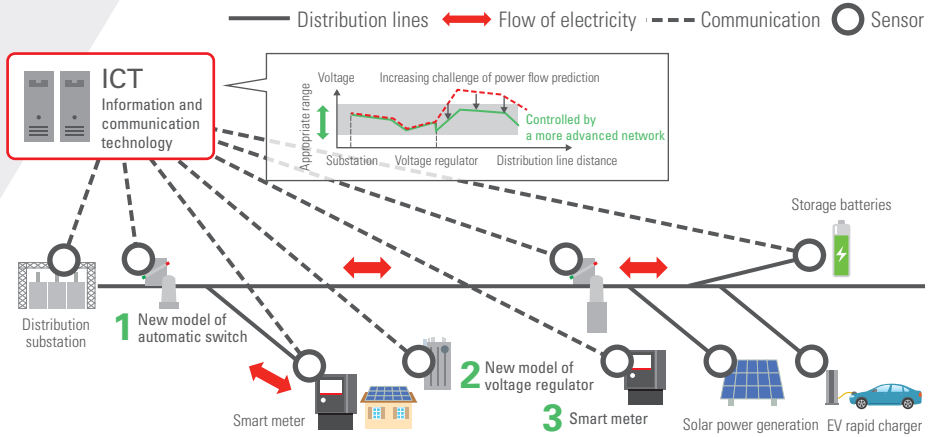
Initiatives to achieve our goals

Transition to a next-generation network

To respond to the various changes in the flow of electricity (direction and quantity) as a result of the massive connection to renewable energy, we will assure the quality of electric power and strive for a rational formation of facilities by raising the level of grid operations through the installation of next-generation distribution facilities and the utilization of ICT and so on.

Raising the level of the electric power grid

Through new model automatic switches and new model voltage regulators equipped with smart meters and communication functions, we meticulously control voltage and power flows based on real-time data and respond to the output fluctuations of renewable energy. Additionally, by monitoring the grid status in greater detail than before, prompt recovery from power outages has become possible.



1 New model of automatic switch
Acquire current, voltage, and power factor information
- Optimize upgrade timing by facility operational history management
- Prompt power transmission when facility malfunction occurs

2 New model of voltage regulator
Capable of high-speed control
- Maintain appropriate voltage even when renewable energy increases

3 Smart meter Capable of acquiring power outage information at each demand location
- Provide new services
- More advanced power outage management

Example of utilizing visible data

We will optimize facility investments by predicting future power flow through the visualization of detailed power flow from smart meters and other data and based on demand, the growth rate of renewable energy, and regional information.

Aiming for low-cost wheeling charges

In March 2019, we formulated the "Procurement Reform Roadmap" and have been making efforts to reduce costs by developing procurement strategies that combine various ordering measures such as standardized equipment specifications, order measures to improve manufacturers' manufacturing efficiency (multi-year contracts, early orders), and joint procurement with other power utilities.

Additionally, to further enhance productivity, with the support of outside supports, we have adopted the Toyota Production System (TPS) and by referencing case studies of enhanced efficiency by other companies, have been promoting initiatives daily to raise efficiency, thereby giving rise to numerous examples of major reforms of business processes.

Progress of the Procurement Reform Roadmap

Target items	Status of standardized equipment specifications	Specific initiatives and measures (examples)
 **Overhead power lines** ACSR/AC (Approx. 200 million yen*)	Standardize ACSR lines into ACSR/AC across the Group (adjustment completed)	• Development of new business partners to strengthen the competitive environment (one company has been developed) • Early orders to improve manufacturing efficiency by leveling-out manufacturers' production
 **Gas circuit-breakers** 66 kV / 77 kV (Approx. 300 million yen*)	Standardize each company's individual specifications across the Group (adjustment completed)	• Joint procurement with other power utilities • Development of new business partners to strengthen the competitive environment (continuously developing)
 **Underground cables** 6 kVCVT (Approx. 800 million yen*)	Standardize each company's individual specifications across the Group (adjustment completed)	• Joint procurement with other power utilities • Early orders to improve manufacturing efficiency by leveling-out manufacturers' production

* Annual procurement scale

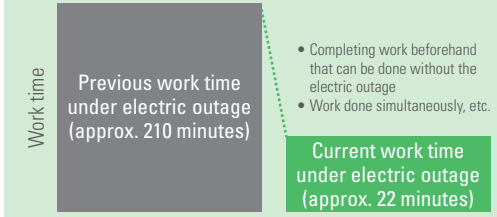
Example of improved efficiency through TPS

(Shortening electric outage times during the replacement work of aboveground transformer towers)

Removal of eyebolts and removal of decorative bolts (preparatory work)

Removal of transformer tower doors (work done simultaneously)

Rendered image of reduced electric outage time



Strengthening resilience

In light of recent natural disasters, we established an action plan to improve our responses to major disasters through the principal issues of "systems for recovery of facilities," "disseminating information to customers," and "collaborating with local government bodies, etc." By steadily implementing these measures, we strengthen our resilience.

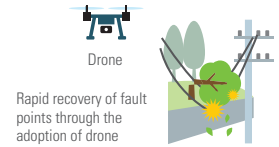
Systems for recovery of facilities = Aim for early recovery by promptly understanding the full extent of the damages and building a recovery system

Disseminating information to customers = Promptly disseminate information including power outage status and recovery estimates in an easy-to-understand manner

Collaboration with local government bodies, etc. = Strengthen mutual collaboration with local government bodies and external agencies in preparation for emergencies

Systems for recovery of facilities

Expanded use of digital technology

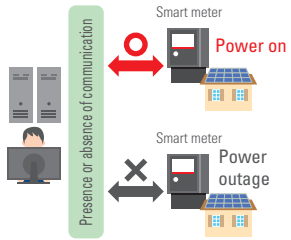


Rapid recovery of fault points through the adoption of drone inspection in areas that are difficult to access

Using smart meters to grasp the status of power outages

Check the possibility of a low-voltage power outage by smart meter communication status

Smart meter control management system



Disseminating information to customers

Power outage notification using LINE

Notification of the time of power outage and outage location

Tap to access power outage information on the Company's website!

Automated voice response service for power outage information

Automated voice response system

Voice recognition of customer's speech

Reconcile location information acquired through voice recognition and the power outage information

Power outage information system (Information on the Company's website)

Collaboration with local government bodies, etc.

Strengthening community and social resilience

Collaborated to trim and cull trees in advance which may cause damage by falling

TOPICS

Commenced joint operation of power transmission and distribution contact center with other power utilities

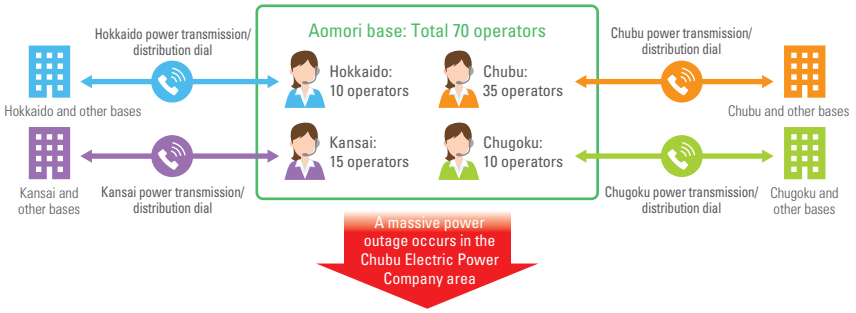
From January 27, 2020, we have been jointly operating a dedicated contact center for power transmission and distribution with other power utilities to respond to telephone inquiries concerning power outages and power transmission and distribution facilities such as utility poles and electric cables. As a result, it has become possible for power utilities to support each other in answering calls, in the event of large-scale power outage due to natural disasters, etc., and an increase of incoming calls in the supply area of each company.

Going forward, we will make efforts to strengthen our capabilities for disseminating information to our customers and provide the peace of mind of being able to "connect" even during natural disasters.

Overview of Aomori Kadal Contact Center

Normal operations

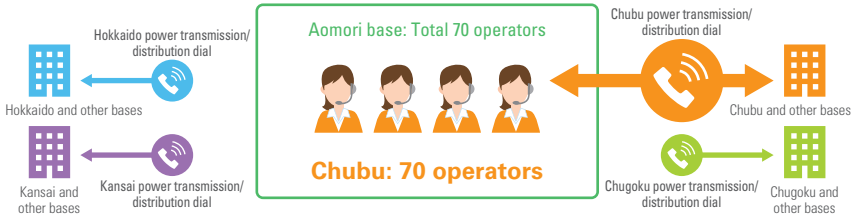
- Each power company receives incoming calls at several locations including the Aomori base.
- At the Aomori base, the four power companies operate on the same floor and the four companies individually receive incoming calls during normal operations.



A massive power outage occurs in the Chubu Electric Power Company area

Emergency operations

- In emergencies, the operators of the Aomori base provide support and take incoming calls for the power company of the affected area.
- The supporting power companies take their own incoming calls at call centers other than the Aomori base (other bases).



Renewable Energy Company

Development and popularization of renewable energy and power generation business based on renewable energy sources

CHUBU Electric Power


Mega Solar Shimizu


Omaezaki Wind power station


Yokkaichi Biomass Power Station


Yahagi No. 2 Hydroelectric Power Station
(Shin-Kushihara Hydroelectric Power Station)

We will go forward with the accelerated development and effective utilization of renewable energy power sources and contribute to increasing the energy self-sufficiency rate and the realization of a low-carbon society.

It has been about a year since the launch of the Renewable Energy Company in April 2019. We have been making a concerted effort to meet the social demand of "realizing a low-carbon society" by striving to accelerate the development of new power sources as well as effectively utilize existing power sources.

In the development of new power sources, to achieve the target of "development of 2,000 MW or more around 2030," we decided to go forward with five development projects in FY2019 including the Uchigatani Hydroelectric Power Station, the Akita Port Offshore Wind Power Station and Noshiro Port Offshore Wind Power Station, and the Aichi Gamagori Biomass Power Station. We are aiming to achieve these targets by obtaining the understanding of the local community, bearing in mind consideration for the environment, seeking out sites both within and outside of the area by leveraging the advanced technological skills held by the Group, and accelerating various initiatives including joint development with other companies.

As for existing power sources, amid intensifying natural disasters in recent years such as Typhoon 19 which hit Japan in 2019, we will need to implement ongoing initiatives to increase power generation output such as minimizing power loss through surplus power at overflow* and improving the rate of facility utilization, upon appropriately maintaining and managing the facilities under this harsh environment, and achieve stable power generation at an affordable price by maximizing our facility capacity.

We will continue to proactively promote the development of new renewable energy power sources while maximizing existing power sources to "contribute to the realization of a low-carbon society."

* Power not generated due to maintenance work, breakdown, etc.

Suzuki Hideya
President
Renewable Energy Company


Hiraoka Dam

Corporate assets

Power generation facilities (entire Group)

As of March 31, 2020

Hydroelectric power	Conventional hydroelectric power	Approx. 2.14 GW
	Pumped storage	Approx. 3.32 GW
Wind power		Approx. 0.17 GW
Solar power		Approx. 0.37 GW
Biomass		Approx. 0.05 GW

* The equity ownership is stated for joint developments (output derived by multiplying power output by the equity ratio)

Risks

- Intensification of competition with other power producers
- Intensification of natural disasters

Opportunities

- Renewable energy as a main power source in 5th Strategic Energy Plan
- Rising social interest toward the realization of low-carbon society
- Expansion of business opportunities by establishing new exchange markets

Efforts

Accelerated development of renewable energy power sources

- Medium term: New establishment of hydroelectric power, biomass, land-based wind power, and solar power stations
- Long term: Development of offshore wind power and geothermal technologies

Continued effective utilization and proper facility management of existing hydroelectric power

- Increase the power generation output of existing hydroelectric power
- Facility-related safety measures for hydroelectric power stations involving public disaster risk

Targets

Ensuring the development of new power sources (Operations commenced)

- FY2020: Yokkaichi Biomass Power Station
- FY2021: Kurokawadaira Hydroelectric Power Station, Atsumi Wind Power Station, Yonago Biomass Power Station, Ichishiro Hydroelectric Power Station
- FY2022: Akita Port Offshore Wind Power Station and Noshiro Port Offshore Wind Power Station, Seinaiji Hydroelectric Power Station
- FY2023: Kamisu Biomass Power Station
  Omaezaki Port Biomass Power Station
  Aichi Gamagori Biomass Power Station
- FY2024: Abekawa Hydroelectric Power Station
- FY2025: Uchigatani Hydroelectric Power Station

Expansion of renewable energy (Development)

- 2 GW or more of development by around 2030

Initiatives to achieve our goals

Increasing the energy self-sufficiency rate and realizing a low-carbon society

The Company has set "development of 2,000 MW or more around 2030" as its target and has been steadily promoting the development of renewable energy in order to improve the energy self-sufficiency rate and realize a low-carbon society. This will be an extremely challenging target that aims to double the capacity of power generation capabilities. To achieve this target, we will aggressively carry forward the development of hydroelectric power, biomass, land-based wind power, and solar power generation capabilities in the medium term and offshore wind power and geothermal in the long term, and aim to increase the energy self-sufficiency rate and to realize a low-carbon society.

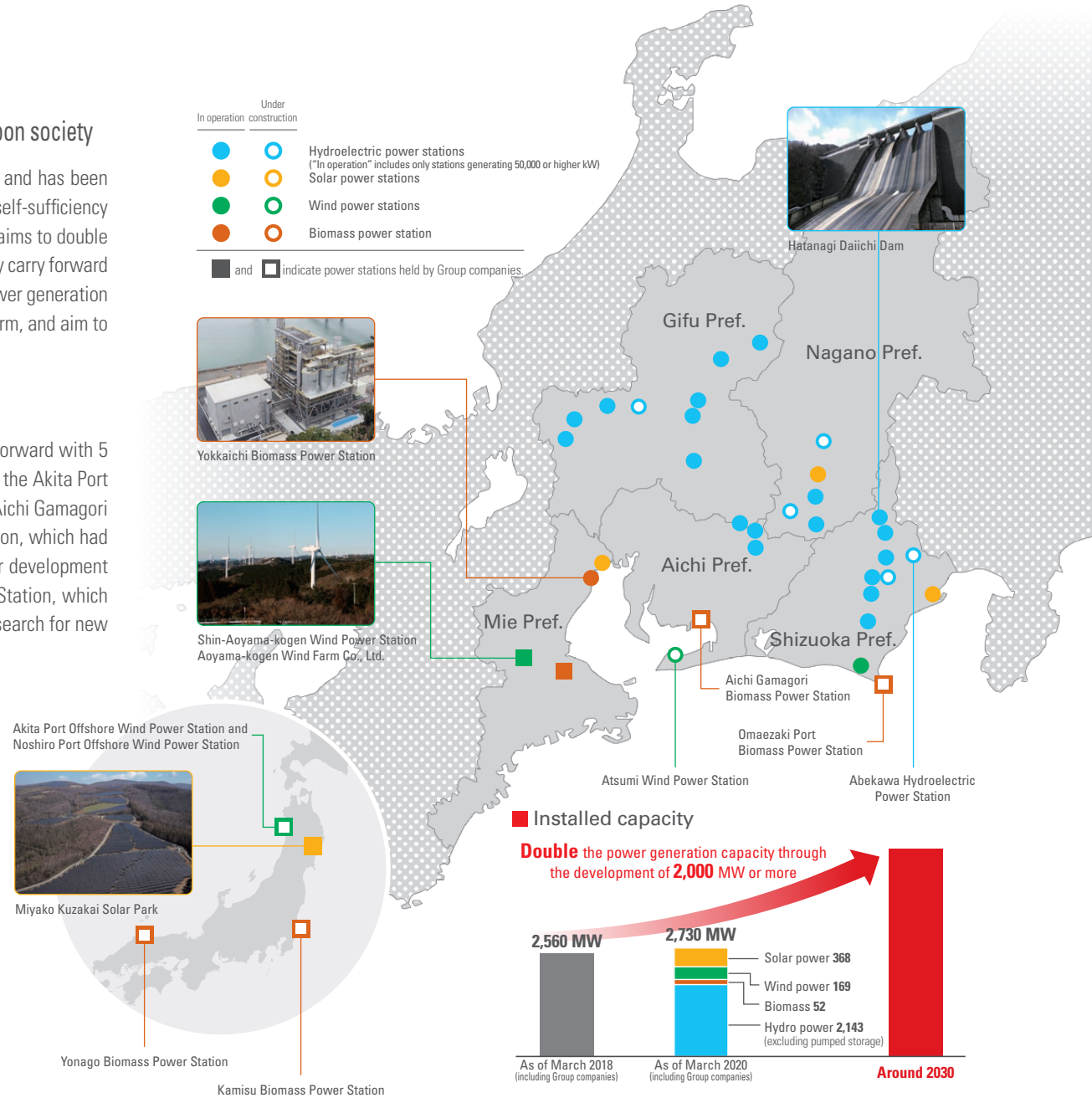
Main recent development sites

To achieve "the development of 2,000 MW or more around 2030," we decided to go forward with 5 development projects in FY2019 including the Uchigatani Hydroelectric Power Station, the Akita Port Offshore Wind Power Station and Noshiro Port Offshore Wind Power Station, and the Aichi Gamagori Biomass Power Station. Additionally, in May 2020, the Yokkaichi Biomass Power Station, which had been under construction, began commercial operations. We will steadily continue our development projects as the Seinaiji Hydroelectric Power Station and the Yonago Biomass Power Station, which are currently under construction at the new development sites while accelerating the search for new sites and aim to achieve our targets.

Development sites decided in FY2019

Type of power source	Name	Output (Output based on equity ownership*) MW	Scheduled start of operations
Hydroelectric power	Uchigatani	0.72	FY2025
Offshore wind power	Akita Port / Noshiro Port	138.6 (6)	FY2022
Biomass	Omaezaki Port	75 (25)	FY2023
	Aichi Gamagori	50 (24)	FY2023
	Kamisu	50 (23)	FY2023

* Output based on equity ownership is the generated output multiplied by the equity ratio.



Concrete progress of the development sites

Seinaiji Hydroelectric Power Station

Seinaiji Hydroelectric Power Station is a run-of-the-river hydroelectric power station with a generated output of 5.6 MW, whose construction commenced in May 2018 and which is scheduled to start operations in June 2022.

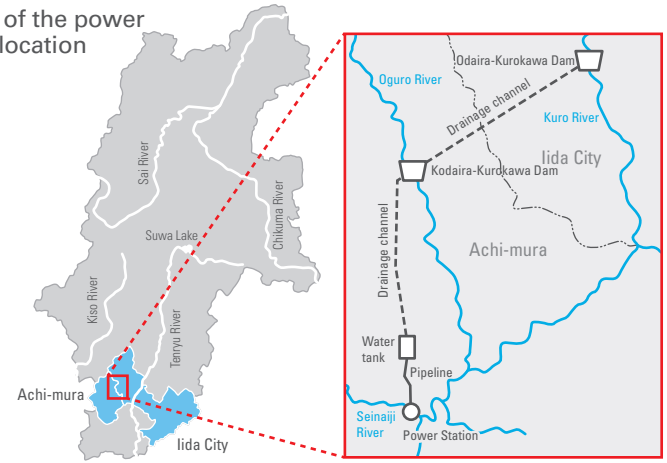
Currently, the Oguro River Dam is being built, the drainage channel is being excavated, and the pipeline and the power station are being built. We will continue with the construction by placing safety first, with the understanding and the cooperation of the local communities and related agencies.

Overview of the Seinaiji Hydroelectric Power Station Plan

Name of power station	Seinaiji Hydroelectric Power Station
Location	Achi-mura, Shimoina-gun and Iida City, Nagano Prefecture
Name of waterway / river	Tenryu River water system, Kuro River, and Oguro River
Generated output	5.6 MW
Maximum water used	2.50m³/s
Effective head	Approx. 273m
Estimated annual output	Approx. 29,000 MW (Equivalent to annual electricity use by approx. 8,800 households)
Volume of CO_2 reduction	Around 13,000 tons annually
Scheduled operation commencement	June 2022
Overall percentage of completion	34% (as of June 20, 2020)

Oguro River Dam (under construction)

Outline of the power station location



TOPICS

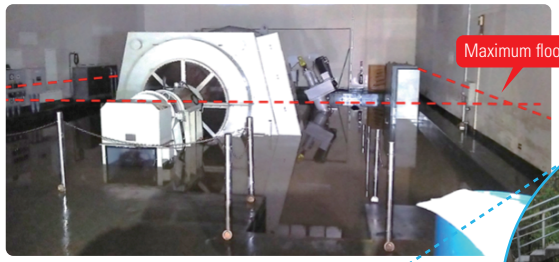
Prompt responses to facility disasters

Typhoon 19 which hit Japan in October 2019 maintained its extremely strong intensity when it made landfall in Shizuoka Prefecture and traveled through the Kanto-Koshin and Tohoku regions.

As a result, large parts of Japan were hit with record-breaking torrential rains, resulting in major disasters in each area including the failure of the levees. During this disaster, several of the Company's hydroelectric power stations in the Toshin and Hokushin blocks of Nagano Prefecture suffered major damage, as sediments and wood debris flowed into the dams and flooded the power stations (turbines, generators, distribution boards, switches, etc.). The facilities installed within the power stations, which were required to supply electricity to customers, were also damaged.

We carried out disaster recovery efforts in cooperation with the related departments of Chubu Electric Power Grid, which had been split off in April 2020, by efficiently monitoring the status of damages based on the selection of on-site inspection routes and the devised formation of groups, as well as working for early recovery by prioritizing the task of getting the power stations with larger output up and running upon ensuring public safety and were able to quickly resume the operations of the power stations, with the exception of certain severely damaged stations.

The Chubu Electric Power Group will continue to make a concerted effort to ensure the stable supply of energy.



Flooding of the power station

Before the disaster

Sediment and wood debris flowing into the dam after the disaster

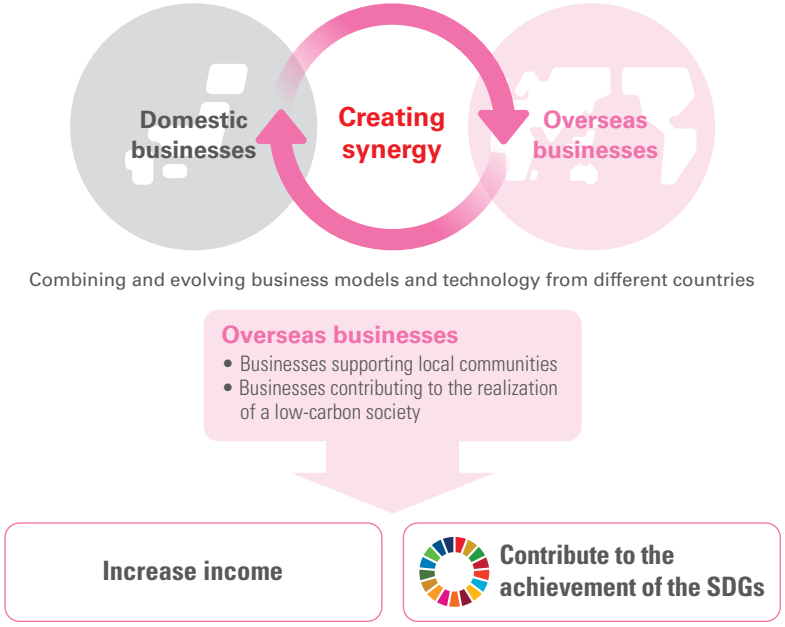
Overseas Businesses

Active development of overseas business

We will utilize the resources held by the Chubu Electric Power Group (power networks, sales/solutions, and renewable energy power generation) and actively develop businesses supporting local communities through infrastructure services and businesses contributing to the realization of a low-carbon society mainly in Europe, North America, and Southeast Asia.

Additionally, we will actively engage in overseas consulting business from the standpoint of contributing to emerging countries and creating future business opportunities.

Through such efforts to actively develop our overseas business, we will increase income as well as contribute to the achievement of the SDGs.

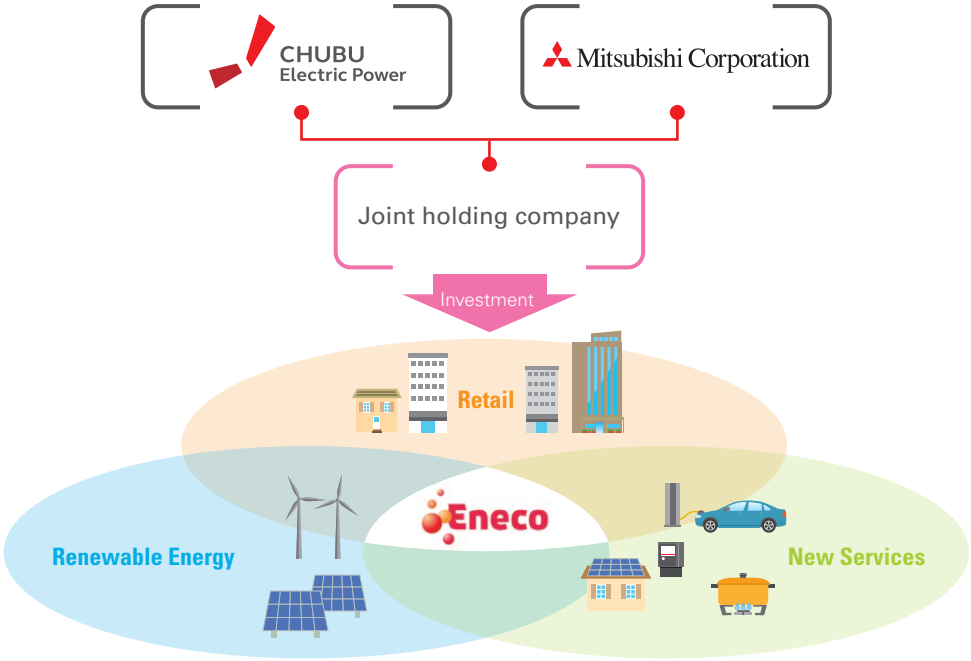


Expand growth areas

In March 2020, we acquired Eneco, an integrated energy company in the Netherlands.

Eneco provides power generation, electricity/gas trading, electricity/gas retail, and district heating services centered on renewable energy mainly to the Netherlands, Belgium, and Germany. With the second largest customer base in the Netherlands, it has established itself as a green brand by holding approx. 1,200 MW in renewable energy assets and supplying 100% green electricity to the consumers.

We will regard Eneco as a platform in the European electric power business, combine it with the knowledge accumulated by the Chubu Electric Power Group, and mutually evolve our business models, to create synergy between the energy businesses in Japan and overseas and expand growth areas such as renewable energy, retail, and new services.



Major overseas projects

Netherlands
Renewable Energy, Electricity Retail and New Services Business
Integrated energy business through Eneco

Germany
Submarine Power Transmission Business
Submarine power transmission business for offshore wind power plants

Myanmar
Power Distribution Improvement Project
in Yangon and the regional cities
(Consulting)

UK
Submarine Power Transmission Business
Submarine power transmission business for offshore wind power plants

Philippines
Power Distribution and Electricity Retail Businesses
Power distribution and retail business in the development of New Clark City

Singapore
Project Investments, Incubation, and Human Resource Development
Establishment of Greenway Grid Global Pte. Ltd. (GGG)

Mozambique
Project for Improvement of Energy Loss Reduction on Distribution Network
(Consulting)

Sri Lanka
Project for **Capacity Development on the Power Sector Master Plan**
Implementation Program
(Consulting)

Consulting to improve power distribution losses in Mozambique

Contribute to the achievement of the SDGs through the consulting business

Through our consulting business in Asia and Africa, we will contribute to the stable supply of electric power to emerging countries and the realization of a low-carbon society, including the formulation of an electric power master plan based on the introduction and expansion of renewable energy, support for the construction of transmission and distribution facilities and reducing their loss.

Business Development

Initiatives to realize Community Support Infrastructure

In order to realize Community Support Infrastructure, we have been working to create and provide new services utilizing our electric power and information and communication networks.

Taking the information banking certification in February 2020 as an opportunity, we will give concrete form to customer-oriented services that "connect people to people and people to society and that explore the human potential and the future," with our first priority being the safe and secure utilization of data. We will provide these services together with our energy services.

Energy management

Consideration of the environment and economy
(renewable energy and power storage)

これからデンキ　CO-エネ

Proposing new participatory-type ways to use electricity

Fleet EV Initiative

One-stop provision of a series of services related to the adoption of EVs, and promoting electrification of large commercial vehicles

Infrastructure development

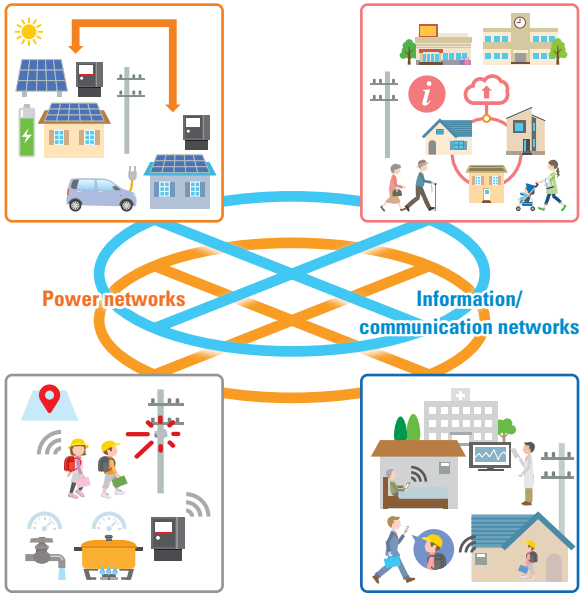
Supporting safety and security (disaster prevention and crime prevention)

Mimamori-pole　どこニャン　Automatic meter reading

Safe, secure, and convenient infrastructure utilization services

e MOBILITY POWER　Develop a charging network to support next-generation mobility

Creating a service that allows anyone to charge EVs at a reasonable price, anytime, anywhere



Community support

Creating attractive and comfortable cities

COE LOG

Media to expand the circle of people who think about and practice child-rearing supported by the community

Kizuna Net

A security app to protect your life

◀ for iPhone (in Japanese)
for Android (in Japanese) ▶

Parenting Support App

An information dissemination service

◀ for iPhone (in Japanese)
for Android (in Japanese) ▶

Connected home, healthcare

Every day with lively vigor

Joint research with Keio University Hospital

Development of systems for monitoring at-home patients and utilizing data from home in the medical field

中部電力＋Oh!

Parenting support service for those who are concerned or worried about their children who are staying home alone

Information bank

Secure data-depositing and experiences of new value utilizing data

MINLY

Launching Japan's first community-oriented information banking service to operate with the "Information Bank" certification in Toyota City, Aichi Prefecture.Utilizing the mechanism of the information bank to distribute personal data safely and securely to establishments in the local community in order to boost consumer convenience while achieving community revitalization

Connected home, healthcare: Medical use of day-to-day living data

We are going forward with joint research with Keio University Hospital on the monitoring of at-home patients, support for remote health checkups, and community healthcare support.*

The study will focus on the type and granularity of data necessary for providing guidance on appropriate environments and lifestyles as well as early detection of illness. With the consent of the patients, data will be collected on electricity usage, room temperature and humidity, heart rate and other parameters from environmental sensors, vital-sign sensors and electric smart meters installed at the residences of patients suffering from heart disease or other lifestyle-related illnesses, and this data will be fed back to physicians.

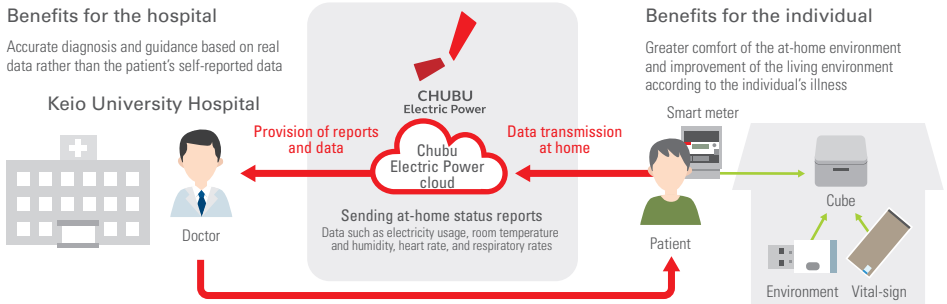
We will study ways in which a range of data available through the provision of monitoring, healthcare, and other services may be used in the medical field as we strive to construct a platform that supports people's healthy lifestyles and actions as well as the development of new services.

* We will participate in the research and development project "Cross-Ministerial Strategic Innovation Promotion Program: Advanced Diagnosis and Treatment System by AI (Artificial Intelligence) Hospital" that the Cabinet Office commissioned to Keio University Hospital.

We will also establish a joint research program with Fujita Health University to study, among others, verifying the coordination between Chubu Electric Power Group's community development and healthcare-related services.

Overview of the joint research with Keio University Hospital

By connecting the data of at-home patients with the hospital, we will provide doctors with support for more accurate diagnoses as well as doctor–patient communication.



for iPhone (in Japanese) for Android (in Japanese)

MeDaCa.

Chubu Electric Power Group Medical Data Card

Information bank: Boosting consumer convenience and achieving community revitalization

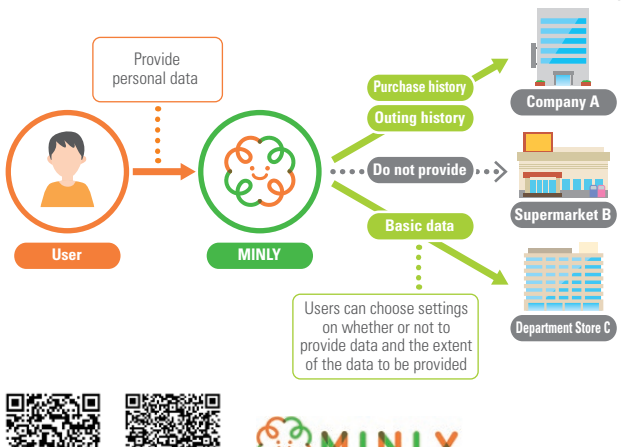
We have commenced pilot testing of our community-oriented information banking service "MINLY," which uses the mechanism of an information bank* in Toyota City, Aichi Prefecture from March 2020. MINLY is Japan's first information banking service to operate with the "Information Bank" certification and distributes personal data safely and securely to establishments in the local community in order to boost consumer convenience while achieving community revitalization

Customers provide, with their consent, personal data such as age, gender, areas of interest, action history, and schedule to MINLY, and receive, in return, suitable shopping information, discount vouchers and event information from some 50 participating businesses in Toyota City (e.g., local retailers) and some 25 facilities associated with Toyota City (e.g., community centers).

The pilot testing is carried out with support from the Toyota City Connected Society Verification Promotion Council of Toyota City, Aichi Prefecture.

* A mechanism that collects and manages personal data and day-to-day living data with consent from individuals, and distributes the data safely and securely to establish efficient and advanced services and pass benefits back to consumers

Mechanism of MINLY



We are revitalizing the community together with the local government

for iPhone (in Japanese) for Android (in Japanese)

MINLY

Chubu Electric Power Group MINLY

Nuclear Power Division

Safety first utilization of nuclear power generation

While making preparations to use the Hamaoka Nuclear Power Station as an important power source, we will explain our safety initiatives in detail to all parties concerned.

With a strong determination never to repeat an accident similar to one that occurred at the Fukushima Daiichi Nuclear Power Station of Tokyo Electric Power Company Holdings, we are putting in place safety improvement measures at the Hamaoka Nuclear Power Station and Units 3 and 4 are currently undergoing examinations to confirm conformance with the new standards formulated by the Nuclear Regulation Authority. Major works to upgrade facilities of Unit 4 have been largely completed. We will also implement, as soon as possible, any additional upgrades that may be required as a result of the examination.

On the one hand, we are strengthening the disaster prevention system and improving education and training programs internally. On the other hand, we are further strengthening the cooperation with national and local governments, relevant agencies, and nuclear power business operators in order to raise the effectiveness of our emergency responses including the evacuation of residents. In addition, we are seeking opinions from external experts and nuclear energy specialists to strengthen governance and risk management.

In light of the new examination system introduced by the Nuclear Regulation Authority from FY2020, we will continue to make voluntary efforts to further raise the safety level of the Hamaoka Nuclear Power Station and go ahead with preparations to continue to utilize it as an important power source.

Chubu Electric Power will explain these initiatives in detail to local residents and all other parties concerned and make efforts to secure the understanding of as many people as possible by responding firmly to their concerns and questions.

Kurata Chiyoji
Director & Executive Vice President, General Manager
Nuclear Power Division

Present status of reactors at the Hamaoka Nuclear Power Station

As of July 1, 2020

Unit (Commenced operations)	Output (MW)	Present status
Unit 1 (March 1976)	(540 MW)	Decommissioning process underway Dismantling of surrounding equipment and the decontamination of the reactor are underway one after another.
Unit 2 (November 1978)	(840 MW)	(Operation discontinued on January 30, 2009)
Unit 3 (August 1987)	**1,100 MW**	The Nuclear Regulation Authority is currently investigating and confirming compliance with new regulatory standards
Unit 4 (September 1993)	**1,137 MW**	Safety improvement measures are currently being implemented.
Unit 5 (January 2005)	**1,380 MW**	Investigating specific recovery methods for seawater infiltration events Preparing applications for investigation and confirmation of compliance with new regulatory standards


Hamaoka Nuclear Power Station

Power generation method known for its stable supply and for its superior economic and environmental qualities

Nuclear power generation uses uranium, known for its stable supply, as a primary fuel. It is also an excellent power source in regard to environmental and economic factors.

	Coal	LNG	Oil	Nuclear power	Renewable energy
Dependency on the Middle East	0%	21%	88%	Semi-domestic energy 0%	Domestic energy 0%
Power generation cost	12.3 yen/kWh	13.7 yen/kWh	30.6 yen/kWh or more	10.1 yen/kWh or more	Solar power 24.2 to 29.4 yen/kWh Wind power 21.6 yen/kWh
CO_2 emission factor	0.94 kg-CO_2/kWh	0.47 kg-CO_2/kWh	0.74 kg-CO_2/kWh	0.019 kg-CO_2/kWh	Solar power 0.038 to 0.059 kg-CO_2/kWh Wind power 0.026 kg-CO_2/kWh

Source: Power Generation Cost Verification Working Group (May 2015) material (2014 Model Plant Trial Calculation Result Summary (Draft))
"Energy White Paper 2020" and "Central Research Institute of Electric Power Industry Report"

Need for nuclear power generation

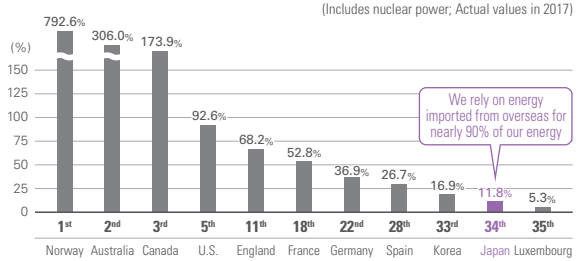
Japan with limited energy resources

A significant portion of energy sources in Japan rely on overseas procurement. Therefore, a well-balanced combination of various power sources (Energy Mix) is necessary in order to ensure the stability of electricity we provide while also considering the environment.

Energy self-sufficiency rate in Japan
11.8%
Primary energy self-sufficiency rate in OECD countries
Ranked No.
34
of 35 countries

Energy self-sufficiency rate in major countries

(Includes nuclear power; Actual values in 2017)



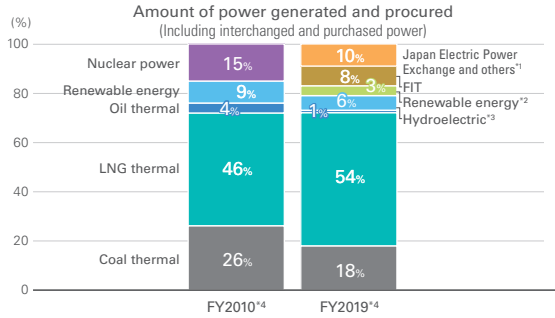
Source: Prepared based on the Agency for Natural Resources and Energy "Japan's ENERGY (2019 EDITION)"
Japanese figure was based on the Agency for Natural Resources and Energy "Energy in Japan 2018."

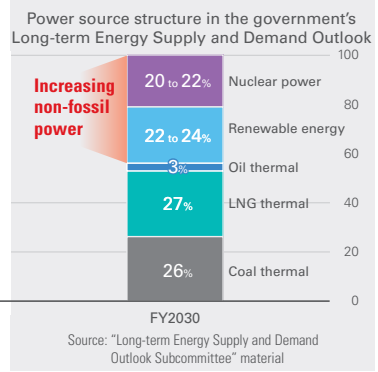
Seeking a well-balanced power source structure

Considering its benefits, Chubu Electric Power would like to utilize nuclear power generation as a base load power source* with the prerequisite that we ensure the safety in its operation.

* A power source that can be operated stably day and night at an economical power generation cost.

Power source structure at Chubu Electric Power





Source: "Long-term Energy Supply and Demand Outlook Subcommittee" material

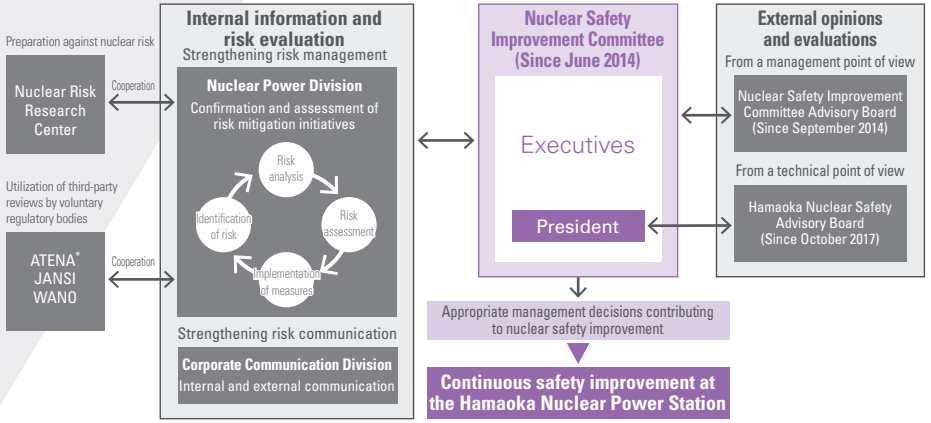
*1 Electricity procured from Japan Electric Power Exchange (JEPX) and other companies for which the corresponding power station cannot be identified
*2 Including hydraulic power of 30,000 kW or over and electricity based on the FIT *3 30,000 kW or over
*4 Figures for FY2010 are for the generation end while those for FY2019 are for the sending end.
*5 Chubu Electric Power sells a menu comprising 100% renewable energy to certain customers and the composition above indicates the composition of the menu comprising other unspecified power sources.

Activities to reduce risks

The Hamaoka Nuclear Power Station has always worked to improve the safety level of its operation by applying the latest knowledge.

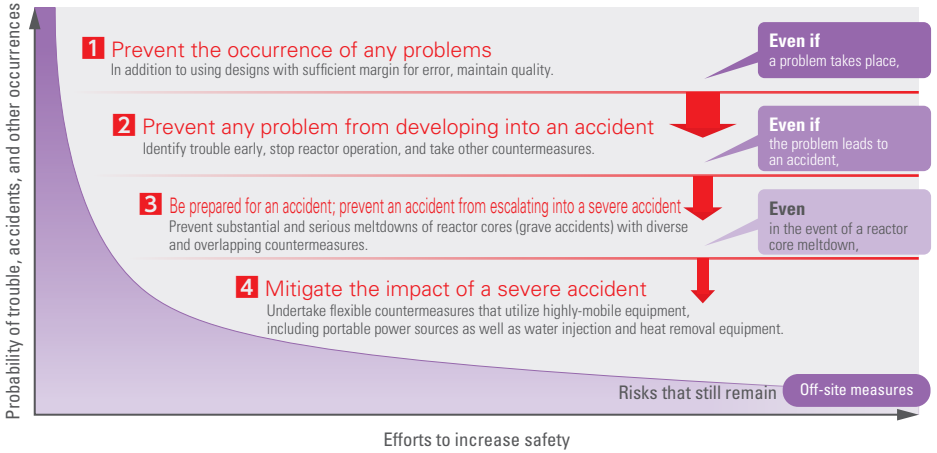
Additionally, since the accident at the Fukushima Daiichi Nuclear Power Station, we will not only ensure compliance with the new regulatory standards but also address risks and make efforts to minimize them, and promote voluntary and ongoing initiatives to improve safety.

Governance structure



* ATENA: Atomic Energy Association, JANSI: Japan Nuclear Safety Institute, and WANO: World Association of Nuclear Operators

(On-site) Initiatives to reduce risk within the power station (image)



We are not only ensuring compliance with the new regulatory standards but also implementing safety improvement measures in order to minimize risks as much as possible.

Strengthening governance

We have established a framework whereby management led by the President analyzes and assesses nuclear safety risks, and monitors and appropriately deliberates the details of the safety measures. We have also established a system under which outside experts provide advice on these initiatives from a management and an on-site technical perspective.

Strengthening risk management

Previously, we had addressed problems and human errors that had materialized as risks but we have recently expanded the scope of risk assessment to various information including the status of the equipment at the power stations and observations on the activities in order to initiate improvements before the risks actually materialize, thereby preventing incidents before they occur.

By also utilizing the new examination system introduced from FY2020, which focuses on voluntary safety management, we are improving safety by combining independent initiatives as a nuclear operator with regulatory activities that oversee and assess such initiatives.

TOPICS

Improving performance

To address risks before they materialize, it is important that we heighten our awareness and enhance our attitude toward taking improvement actions. Consequently, the Nuclear Power Department has been promoting initiatives to improve performance as an organization as well as an individual, by setting a new vision and closing in any gaps which may occur between the new vision and our actions.

Responses inside the power station (on-site measures)

Strengthening facility-related measures and on-site staff capability

We are strengthening diverse and overlapping measures for facilities in order to prevent accidents from occurring as well as being prepared when accidents occur and taking measures to strengthen our on-site response capabilities so that the facilities function effectively.

❶ Preventing the flooding of the premises
Installing tsunami protection wall

❷ Preventing the flooding of the building
Installing reinforced doors and watertight doors

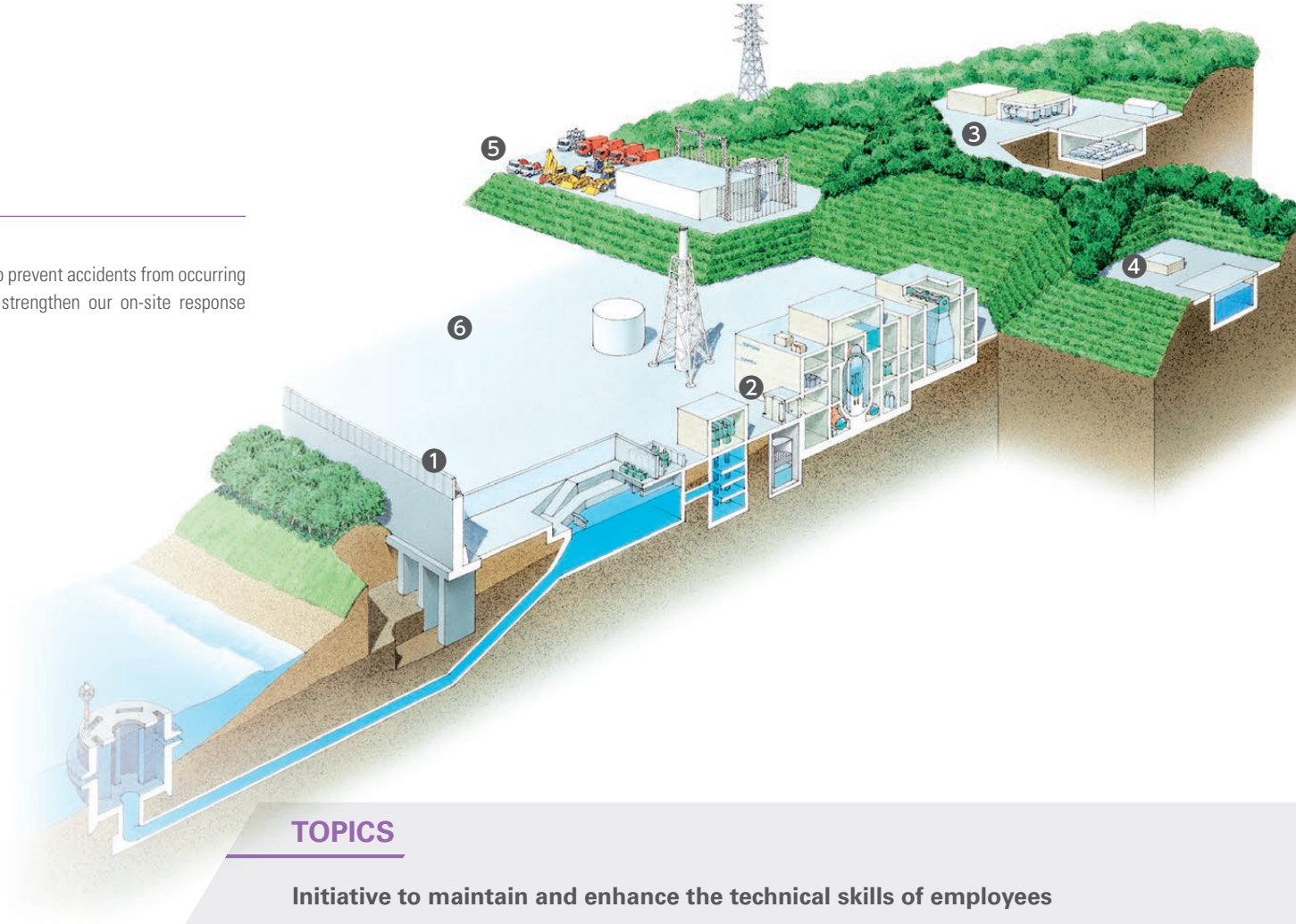
❸ Securing alternative means of supplying power sources
Installing gas turbine generators for emergencies

❹ Securing alternative means of water injection
Installing emergency fresh water storage tanks

❺ Training
Training in operations involving portable equipment and heavy equipment

❻ Training
Training with simulator

❶ to ❻ are examples of our activities.



TOPICS

Initiative to maintain and enhance the technical skills of employees

The Hamaoka Nuclear Power Station is currently conducting education and training to maintain and enhance technical skills required to operate and inspect existing facilities as well as the facilities-related skills that have been added to conform with the new regulatory standards. Specifically, experienced workers carry out on-the-job training for younger workers to pass on their technical skills, technical contests are held using training simulators, and employees are dispatched to thermal power plants and overseas nuclear power stations to experience the status of operating plants.

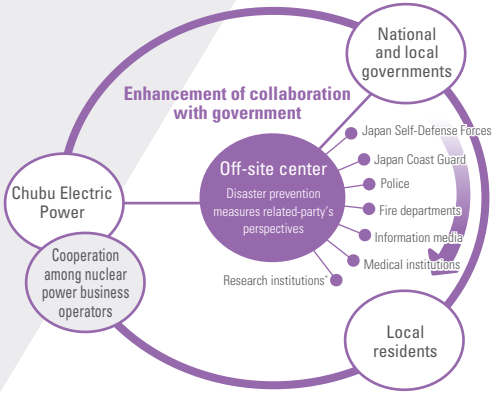
Passing on technical skills

Training at an operating plant

Responses outside the power station (off-site measures)

While we promote initiatives to reduce risks by strengthening governance, risk management, and facility countermeasures/on-site response capabilities, we still assume that risks will not disappear completely. Hence, we have been strengthening cooperation with national and local governments, relevant agencies, and nuclear power business operators to prepare for any nuclear disaster including the release of radioactive materials.

Efforts around power plants (off-site)



* Japan Atomic Energy Agency (JAEA), etc.

Disaster drills at an off-site center with the national and local government, and related agencies (January 2020)

Disaster drills in cooperation with Omaezaki Marine Safety Station, Omaekaki City, and Omaezaki City Fire Department (October 2019)

Joint disaster drills with Tokyo Electric Power Company Holdings, Inc. and Hokuriku Electric Power Company (October 2019)

Collaboration and cooperation with Omaezaki City, Makinohara City, Kakegawa City, and Kikugawa City

Chubu Electric Power has entered into a three-party agreement of ensuring the safety of persons requiring assistance in evacuations* with Omaezaki City and Makinohara City, and similar agreements individually with Kakegawa City and Kikugawa City.

* Persons who need assistance to evacuate, such as the elderly

Outline

(1) Prior measures, such as evacuation means and system
(2) Information circulation and evacuation assistance in an emergency event
(3) Periodic drills and exchange of information

We have been strengthening mutual cooperation with local governments by conducting joint disaster drills. We have also been enhancing our evacuation assistance system by conducting training on the knowledge and skills required for transporting persons requiring assistance in evacuations.

Drills to transport persons requiring assistance in evacuations in collaboration with Shizuoka Prefecture and Omaezaki City at the Shizuoka Prefecture Nuclear Disaster Drills (January 2020)

Wheelchair operation training by outside lecturers (September 2019)

Responses to the new regulatory standards

Units 3 and 4 of the Hamaoka Nuclear Power Station are taking necessary measures to secure the approval of nuclear reactor establishment/change, in the area of earthquake and tsunami resistance, which is a prerequisite for any security measures at a power station.

After obtaining the approval of the Nuclear Regulation Authority, we will move to examination of the equipment and facilities of the power station based on the examination results of, among others, earthquake and tsunami resistance.

Examples of measures that Chubu Electric Power is considering in order to meet new regulatory standards (undergoing inspection)

Earthquake
Establishing the standard seismic motion taking into account Nankai Trough Megaquakes, etc. Implementing earthquake resistant construction
- Standard seismic motion Ss1: 1,200 gal
- Standard seismic motion Ss2: 2,000 gal
- Soil improvement work, etc.

Volcano
Conducting research of volcanos around Hamaoka Nuclear Power Station to ensure safety against pyroclastic flow and volcanic ash
- Confirm that the power station is out of reach of pyroclastic flow
- Ensure safety against volcanic ash 10 cm-high

Tornado
Identify the kind of a tornado that is likely to have great impact on the power station buildings, and implement countermeasures through tornado-resistant construction
- Maximum wind velocity: 100 m/second
- Measures related to the seawater intake pumps

Tsunami
Establishing the tsunami standard taking into account Nankai Trough Megaquakes, etc. Implementing countermeasures through tsunami-resistant construction
- Tsunami standard: 21.1 m above sea level at the front of the tsunami protection wall
- Installation of breakwater, etc.

Fire
Implementing countermeasures including fire prevention, detection and extinguishing
- Using flame-resistant cables
- Installing additional fire-detecting equipment, etc.

Serious meltdown of the reactor core
Implementing measures to prevent the reactor cooling functions from being lost if all AC power sources fail, which would lead to a serious meltdown of the nuclear fuel.
- Ensuring the means of power supply, heat removal and water injection, etc.

Together with the local residents

Strengthening risk communication

By utilizing various opportunities, we explain our efforts made at the Hamaoka Nuclear Power Station. At the same time, we conduct ongoing activities to listen to the voice of local residents and respond earnestly to their concerns, questions, and opinions.

FY2019 results (example)

Visiting local residents to increase communication

Our employees working at the power station are visiting local residents door-to-door to let as many of them as possible know our initiatives and to hear their opinions.

Households visited
Approximately 84,000

Opinion-exchange meetings

We are also holding opinion-exchange meetings with local residents in the areas around the power station to talk about questions and concerns about nuclear power generation and other matters of interest in a group work format to deepen mutual understanding.

Number of meetings held **52**
Number of participants **1,032**

Power plant "caravans"

We set up a booth in shopping centers and at local events held in the areas around the power station for the purpose of providing explanations to local residents about the need for nuclear power generation and the measures of safety improvement at the power station and hearing opinions of them.

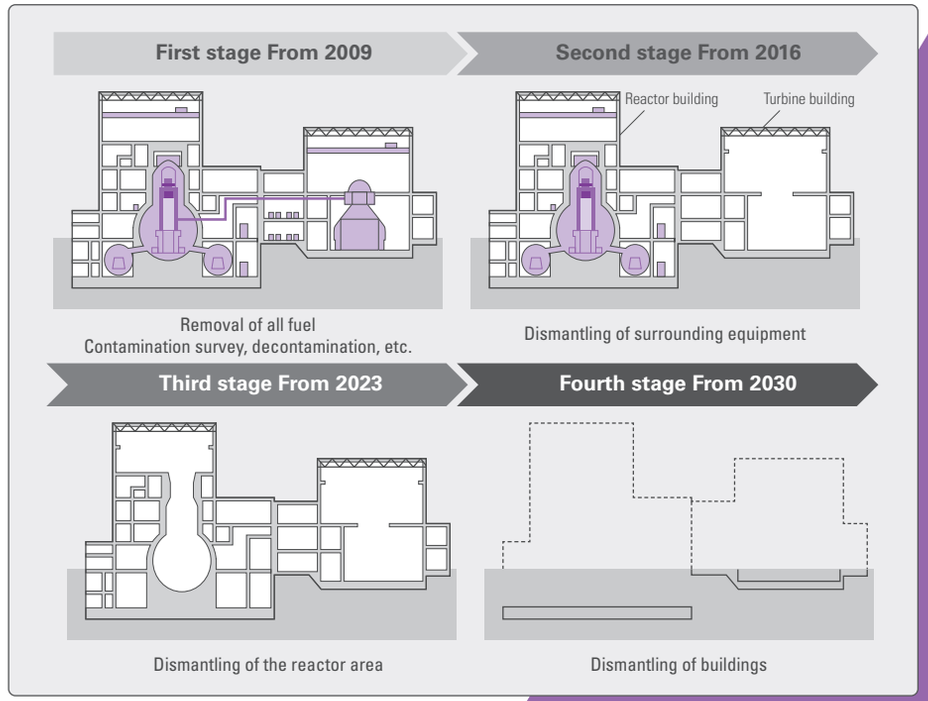
Number of times held **16**
Number of people spoken to **1,968**

Progress status of the decommissioning of Hamaoka Nuclear Power Station Units 1 and 2

As the second stage of decommissioning of Units 1 and 2 of the Hamaoka Nuclear Power Station, we have been conducting the dismantling of surrounding equipment, in particular, the dismantling of the equipment in the turbine building. In the third stage, decontamination of the reactor* will be conducted as preparation to dismantle the reactor area.

We will continue to treat safety as our highest priority and steadily proceed with the decommissioning process as the leader in Japan's first decommissioning of a commercial light-water reactor.

* Task of removing radioactive substances from within the reactor using chemicals



For details, please visit the Chubu Electric Power website, https://www.chuden.co.jp/english/hamaoka/

JERA Co., Inc. (Affiliates accounted for under the equity method)

From fuel upstream and procurement to power generation and sale of electricity and gas

Kawagoe Thermal Power Station and an arriving LNG carrier

Chubu Electric Power and Tokyo Electric Power Co. (at that time) jointly established JERA in 2015 to create a global energy corporation that can compete in the global energy market, realize the stable supply of globally competitive energy, and enhance corporate value.

Since its establishment, JERA has been carrying out business integration in a phased manner. With the completion of the integration of the existing thermal power generation business in April 2019, a value chain was completed ranging from fuel upstream and procurement to power generation. As a result, JERA has become an energy company with a power generation capacity that accounts for half of the thermal power generation capacity in Japan and one of the largest physical fuel transaction volumes in the world.

By making the most of this huge value chain, we aim for consolidated net profit of 200 billion yen or more in 2025.

Corporate Profile (As of April 1, 2020)

Corporate name:	JERA Co., Inc.
Headquarters:	2-5-1 Nihonbashi, Chuo-ku, Tokyo
Representative:	President, Representative Director Onoda Satoshi
Capital:	5 billion yen
Shareholders:	TEPCO Fuel & Power, Inc. 50% ownership Chubu Electric Power Co., Inc. 50% ownership
Number of employees:	4,282
Business description:	Electricity business; gas business; heat supply business; the development, mining, processing, trading, and transportation of energy resources; and related businesses
URL:	https://www.jera.co.jp/english/

Risks

- Stagnation of domestic electricity demand
- Move beyond coal
- Intensification of market competition
- Further expansion of volatility in fuel consumption due to the new coronavirus outbreak
- Increased instability in systems due to further adoption of renewable energy

Opportunities

- Increasing energy demand in Asia
- Gas shift
- Intensification of market competition
- Technological innovation in renewable energy
- Expansion of digitalization

Efforts

- Strengthening the domestic power source portfolio through replacement (LNG thermal power generation)
- Gas-to-Power (expansion of LNG commercial distribution)
- Resilient supply source (securing LNG)
- Development of massive renewable energy (offshore wind power generation)
- Expanding the scope and opportunities for the trading business
- Improving mobility, agility, and operational efficiency through the adoption of JERA-style O&M (Operation & Maintenance)

Targets (2025)

Consolidated net profit: 200 billion yen, Rating: A or higher

- Number of LNG vessels: Around 25
- Replacement: 7 GW to 9 GW
- Renewable energy output based on equity ownership: 5 GW
- Operation and maintenance of power stations: 80 GW worldwide
- Reduce O&M cost by 20%
- Shorten the time needed for regular inspection by 50%

Synergy effects from integration

100 billion yen or more/year

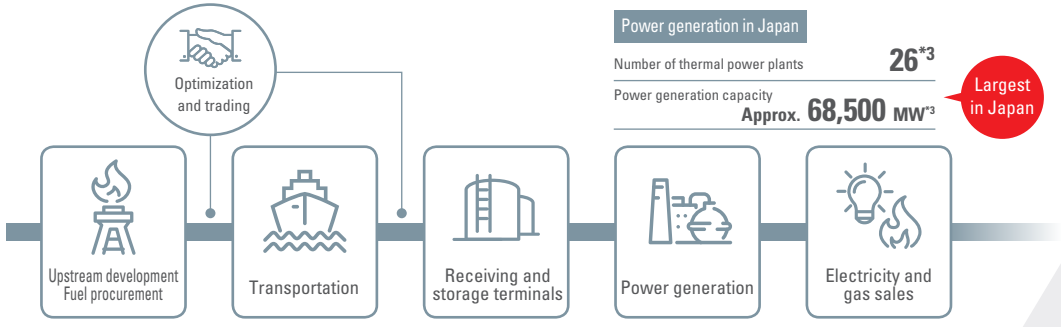
(Within 5 years from integration)

Actual synergy effects for FY2019

Around **25** billion yen

Using the value chain to enhance corporate value

We will utilize the value chain ranging from fuel upstream and procurement to electricity and gas wholesale to provide a stable supply of energy that is internationally competitive while contributing to the enhancement of the Chubu Electric Power Group's corporate value.



Upstream investment projects **5**

LNG supplying countries: **17**[*1]

LNG fleet carriers: **18**

Equivalent to about 40% of LNG tank capacity in Japan

LNG tank capacity (Japan) **7.74 million kl**[*2]

LNG receiving terminals (Japan) **8**[*2]

Power generation in Japan

Number of thermal power plants **26**[*3]

Power generation capacity **Approx. 68,500 MW**[*3]

Largest in Japan

Power generation overseas

Number of projects **28 projects in 13 countries**

Power generation capacity **Approx. 9,000 MW**[*3] (developed output)

Power generation capacity by renewable energy **Approx. 1,100 MW**[*3] (included in power generation capacity)

Note: As of October 31, 2019, unless otherwise noted below.
*1: Results for FY2018 *2: Including jointly operated terminals *3: Including capacity under construction

TOPICS

Technical development related to CO_2-free fuel and power generation

Development of a hydrogen supply chain

Given that hydrogen does not emit any carbon dioxide during use, the use of hydrogen energy generated from renewable energy or in the manufacturing process from which CO_2 has been collected as fuel for thermal power plants will enable thermal power generation to become low-carbon.

In particular, it is possible to directly use ammonia, a hydrogen energy carrier, as fuel, and we focus on this aspect.

JERA is working to build a supply chain ranging from manufacturing to storing/transportation and its use.

Hydrogen supply chain

Electrolysis of water using renewable energy
Methane reforming + Carbon offset (e.g. CCS)

Ammonia, MCH (Methylcyclohexane)
Liquified hydrogen

Thermal power generation fuel and gas sales

Environmental Policy (Excerpt)

JERA, as a responsible leader of the Japanese power industry, will take on the challenge of reducing CO_2 emissions in order to realize sustainable environment, society and economy, including the proactive development of renewable energy. This approach is in accord with the energy and environmental policies of the Japanese government, notably the '5th Strategic Energy Plan'.

Environmental Goals

Benchmarks stipulated in the Act on the Rational Use of Energy	Achieve the Benchmarks stipulated in the Act on the Rational Use of Energy (Benchmark A and Benchmark B) at the earliest possible time by replacing aging plants with state-of-the-art high-efficiency thermal power plants.
Inefficient coal-fired power plants	Further deepen our deliberations on phase-out (gradual retirement) of inefficient coal-fired power stations (SC and below) stipulated in the '5th Strategic Energy Plan'.
Develop and hold renewable energy.	Furthermore, accelerate efforts to enhance the operational agility of the LNG-fired plants that support renewable energy, and introduce new technologies such as battery storage.
CO_2 emissions / carbon intensity (CO_2 emission intensity)	Reduce total CO_2 emissions and carbon intensity (CO_2 emission intensity) from domestic and overseas power generation business by FY2030 (relative to FY2017).

FY2018 Results

(Calculations include the existing thermal power generation business in Japan, which was integrated in April 2019)

Benchmarks stipulated in the Act on the Rational Use of Energy

Benchmark A[*1] **0.994** Levels to be targeted **1.00 or more**

Benchmark B[*2] **46.3%** Levels to be targeted **44.3%** Achievement

CO_2 emissions[*3] **166.3 million t-CO_2**

Carbon intensity (CO_2 emission intensity)[*3] **0.499 kg-CO_2/kWh**

*1: Benchmark A: Achievement indices against the targeted power generation efficiency rates of each type of fuel in thermal power generation.
*2: Benchmark B: Comprehensive indices of targeted efficiency in thermal power generation
*3: CO_2 emissions / carbon intensity (CO_2 emission intensity) accompanying power generation of the JERA Group (Japan and overseas)

Message from the Chairman of the Board of Directors

Post-split off governance to support group-wide efforts to ensure stable supply more than ever and to realize services that exceed expectations

Profile

Katsuno Satoru, Chairman of the Board of Directors

Born in 1954 Aichi Prefecture. Katsuno Satoru earned a bachelor's degree in electrical engineering from Keio University and joined Chubu Electric Power in 1977. He has served as Manager of Hydro Power & Substations Section in the Electrical Engineering Department, General Manager of the Okazaki Regional Office, and General Manager of the Tokyo Office. Katsuno was appointed director in 2010, holding the position of Director, Senior Managing Executive Officer, and General Manager of the Corporate Planning & Strategy Division. He became Representative Director and Executive Vice President in 2013, while continuing to head the Corporate Planning & Strategy Division. He became President & Director in 2015 and has been in his present position since April 2020.

Chairman of the Board of Directors

Katsuno Satoru

Message upon appointment

I was appointed as the Chairman of the Board of Directors in April 2020.

The environment surrounding the energy business is experiencing major changes chiefly on the back of rising demand of customers and society for a low-carbon society, the expansion of renewable energy, and rapid progress of digitalization. Industry regulations have also been changed to push forward with electricity system reform, including the creation and the start of a new electricity trading market to ensure stable supply and to increase the percentage of non-fossil power, in addition to the legal unbundling of power transmission/distribution business in April 2020.

To respond swiftly and flexibly to the business environment that is undergoing major changes, Chubu Electric Power split off its power transmission/distribution

business to Chubu Electric Power Grid and its sales business to Chubu Electric Power Miraiz in April 2020.

Under the new structure, which can be regarded as the second start-up period, we will make group-wide efforts to ensure a stable power supply more than ever and to realize and provide services that exceed the expectations of our customers. In this way, the Chubu Electric Power Group plans to achieve group-wide sustainable growth and corporate value enhancement. I, as the Chairman of the Board of Directors, will make every effort to ensure that the Board of Directors will be operated effectively.

The Board of Directors to function more effectively

The Board of Directors of Chubu Electric Power is responsible for making decisions on key management matters and for supervising management and business execution. The number of directors has been reduced to nine in June 2020 from 12 at the end of FY2019, and the Board now consists of six internal directors and three external directors, bringing the percentage of the latter higher to 1/3.

External directors and external corporate auditors are expected to provide opinions from various viewpoints at Board of Directors meetings and other regular forums for the exchange of opinions, based on their experience in corporate management in industries other than the electricity business and their professional perspectives such as finance and legal experts. Through such exchange of opinions, the Board of Directors aims to have discussions that are even livelier, broader, and deeper than before.

The meetings of the Board of Directors of the Company are also attended as necessary by officers and other employees on the execution side who have a thorough knowledge of specific agenda to provide detailed explanation. This arrangement is instrumental in raising the effectiveness of the Board of Directors even higher.

Construction of an optimal business company governance structure

The Chubu Electric Power Group had been steadily preparing for the split offs by introducing an internal company system in April 2016 and constructing autonomous business structures in each of the business areas of power generation, power transmission/distribution, and sales.

In addition, the Group has completed a transition to a business model that separates power generation from sales as a result of the full integration of thermal power generation business into JERA in April 2019 and the split off of the sales business in April 2020. Under this business model, individual companies will focus on their respective customers and markets and autonomously promote their businesses to maximize the value that we can offer to society.

At the same time, given that each business company will have a separate energy supply chain following the split off, I see that one of the critical missions of Chubu Electric Power as the parent company is to coordinate and control the Group as a whole to ensure overall optimization from the medium- to long-term perspective.

To this end, the Board of Directors of Chubu Electric Power will approve the group-wide medium- to long-term management plan, while each business company will formulate annual business plans based on the group-wide plan. Furthermore, proper governance will be ensured through regular monitoring to check the plan progress status and to perform risk management.

Social contribution with a stable power supply and services that exceed expectations

The Chubu Electric Power Group will accelerate the creation of Community Support Infrastructure that contributes to the solution of social issues by both "fulfilling our unwavering mission" to deliver eco-friendly, good-quality energy safely and stably at an affordable price and "creating new value" that is customer-oriented and based on the effective use of digital technologies at the same time. I recognize that such initiatives of the Group are exactly the practice of ESG management. By further deepening these initiatives, the Group will aim to contribute to the realization of Society 5.0* and to achieve the SDGs.

I will also devote all my effort to lead the Group toward sustainable growth so that we can meet the expectations of all our stakeholders including shareholders, investors, customers, and local communities.

We look forward to your continued support and guidance going forward.

* Society 5.0 [from Cabinet Office materials]: A new society that will create innovation by embracing new technologies, such as Internet of Things (IoT), robotics, artificial intelligence (AI), and big data, into all kinds of industries and social lives to solve social issues in a manner to satisfy the needs of each individual.

Message from External Directors

* The positions of individuals are as of August 2020.

Hashimoto Takayuki

Honorary Executive Advisor,
IBM Japan, Ltd.

Strengthen both centripetal force to maintain energy supply and centrifugal force to create new value

By a strange coincidence, the Chubu Electric Power Group has departed on a new voyage amid the coronavirus shock. I believe that the crux of governance is to help the Group to solidify the new structure as planned and to continue to enhance corporate value toward the future.

Chubu Electric Power's role has to change from performing the headquarters function as a business company to performing the Group headquarters function. The Group as a whole has to strengthen both centripetal force to firmly maintain the supply of secure, safe, and affordable energy and centrifugal force to create new value. In the area of centrifugal force, group-wide transformation is required based on diversity to drive transformation, advantages of digitalization that have been proven through the coronavirus shock, and a digital approach. I am determined to offer maximum support as an external director with my accumulated knowledge through Board of Directors' meeting at which free-spirited discussions are held to help the Group to succeed in new challenges that anticipate the post-pandemic era.

Hashimoto Takayuki

Joined IBM Japan, Ltd. in April 1978. Held several top management positions as Director & Senior Managing Executive Officer, President & Director, and Chairman of the Board of Directors and has held the current position since May 2017. Assumed office of External Director of Chubu Electric Power in June 2016.

Shimao Tadashi

Chairperson of the Board of Directors,
Representative Executive Director,
Daido Steel Co., Ltd.

With full of youth to respond to change in the times, the Group is to propose to the world a new business style as an energy business company

I was elected as an external director in June 2019, and I have great expectations about the future of the Chubu Electric Power Group, which has adopted a new Group structure in April 2020.

I highly appreciate the lively discussions held at each meeting of the Board of Directors. The Group is full of "youth" to respond to changes in the times more than its history and tradition. It has entered the age of expanding its business domain by taking the offensive ahead of others amid energy liberalization. It is also full of enthusiasm to propose to the world a new business style as an energy business company by leveraging the vast amount of its data assets about electricity consumption and its strong connection with individual households.

As one of its external directors, I would like to help the Group with its endeavors to further strengthen management governance and to realize ESG.

Shimao Tadashi

Joined Daido Steel Co., Ltd. in April 1973. Held several top management positions as Managing Director, Representative Executive Director & Executive Vice President, and President & CEO, Representative Executive Director and has held the current position since June 2016. Assumed office of External Director of Chubu Electric Power in June 2019.

Kurihara Mitsue

Chairman of the Board of Directors
Value Management Institute, Inc.

Diverse human resources to be empowered and voices of stakeholders to be reflected in management to realize new value creation

I sense that Chubu Electric Power has a will to contribute to society more than ever in the new era. In the changing market environment, it is developing Community Support Infrastructure business in addition to its energy business based on stable and efficient electric power supply. Its organizational structure is also based on a unique Group model. Meanwhile, the current outbreak of an infectious disease is bringing rapid changes to risk perception as well as to the economic and social environment.

Chubu Electric Power, which is in the process of major changes both internally and externally, needs to formulate Group governance that is suitable for its new business model. It is also important to ensure that its diverse human resources are empowered to create new value and to exchange information and dialogue with various stakeholders to reflect their feedback in the management of the Group. As an external director, I intend to value the reflection of various voices in management, in addition to drawing on my own expert knowledge to deepen discussions.

Kurihara Mitsue

Joined the Development Bank of Japan in April 1987 and assumed office of Audit & Supervisory Board Member after playing an important role in the fields of M&A, financing strategy, healthcare financing, start-up support, etc. Left the Bank in June 2020 and has held the current position since then. Assumed office of External Director of Chubu Electric Power in June 2020.

Corporate Governance

Basic concept regarding corporate governance

The Chubu Electric Power Group believes it is necessary to put its corporate philosophy into practice and "continue to grow as a group that serves the energy needs of all kinds" to maintain the trust of shareholders, investors, and other stakeholders, as well as continue to be the customer's definitive choice of energy supplier.

Our efforts to improve corporate governance

Chubu Electric Power has been implementing a variety of measures aimed at strengthening its corporate governance, such as those improving its management mechanism to further improve its management efficiency and help it develop into a robust corporate group.

For this reason, bold steps have been taken to improve corporate governance, including positioning fairness and transparency at the core of business, ensuring proper oversight of management and operations execution, and providing mechanisms for swift decision-making, as espoused in the Chubu Electric Power Group CSR Declaration.

Chubu Electric Power Group Basic Corporate Governance Policy

Major actions

FY2005

1. Reduction of the maximum number of directors stipulated in the articles of incorporation from 32 to 20 (As of August 2020, the number of directors is nine.)
2. Adoption of an executive officer system and the delegation of authority to general managers

FY2006

In response to the enforcement of the Companies Act, the Board of Directors adopted the Systems for Ensuring Proper Conduct of Business Operations as the basic principles for developing the company's internal control system.

FY2007

1. Introduction of external directors
2. Reconstruction of the executive officer system
   The number of position levels of directors was reduced, while position levels for executive officers were introduced according to their authorities and responsibilities.

FY2015

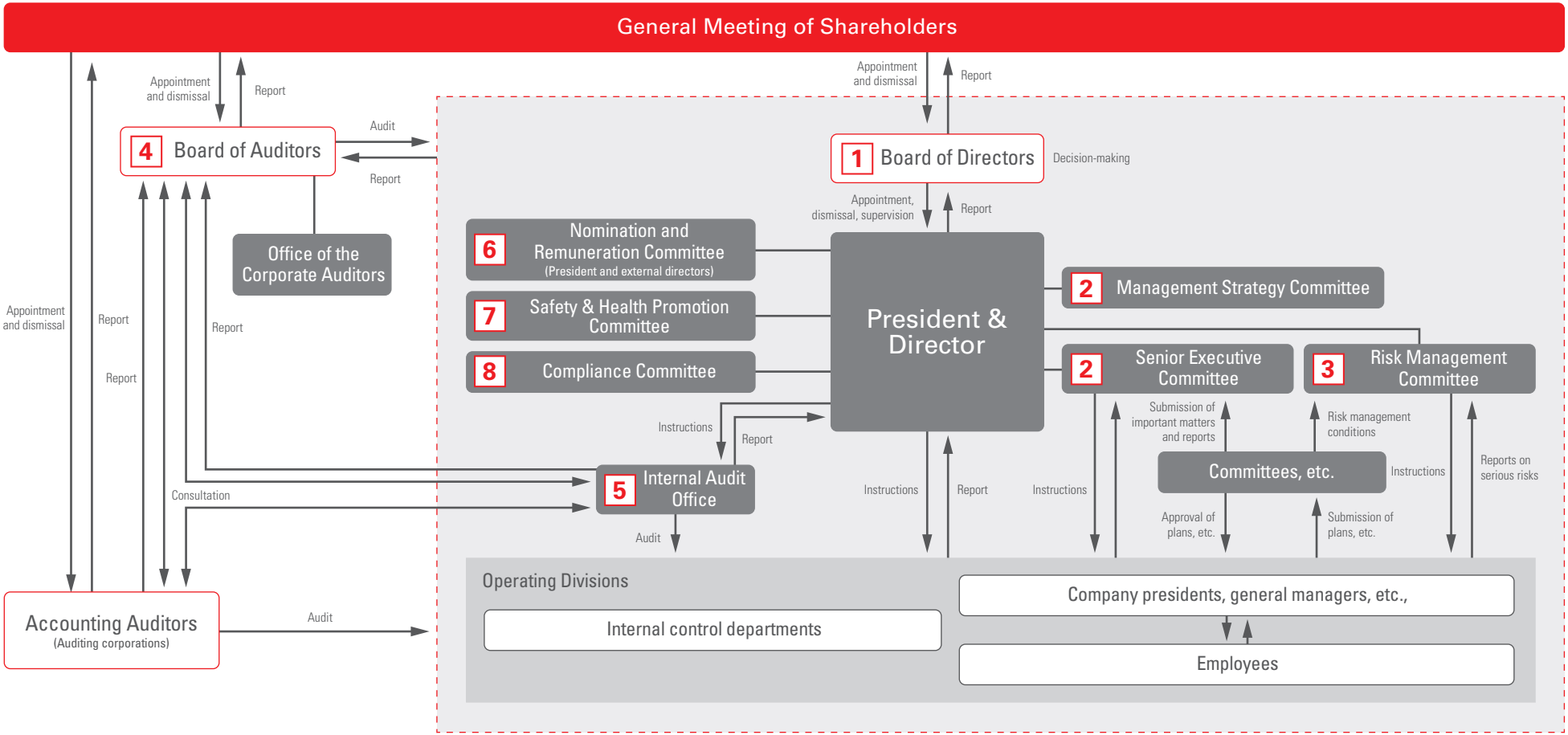
1. Establishment of the Chubu Electric Power Group Basic Corporate Governance Policy
2. Adoption of the Independence Standards for External Directors
3. Installation of the Nomination and Remuneration Committee
4. Establishment of the Policy for Constructive Dialogue with Shareholders

FY2018

Revision of the director nomination criteria

Corporate Governance Structure

In order to improve the viability of Chubu Electric Power's corporate governance and assure that business is conducted properly, the Board of Directors defined the internal control system as the system for ensuring proper conduct of business operations. Guided by this underlying principle, Chubu Electric Power strives to make this system work the way it was intended and, through that process, earn the trust of our stakeholders, including our shareholders and customers.



1 Board of Directors

In principle, held once a month. Deliberates on and decides items concerning legislation and articles of incorporation, and important items related to management. Additionally, receives reports on the execution of duties from directors in order to supervise the execution of the duties of directors. In order to strengthen supervisory functions, external directors have been introduced.

Twelve directors including external directors (including external directors)
Held 14 times/year*

2 Senior Executive Committee and Management Strategy Committee

The Senior Executive Committee, comprised of the President, Executive Vice Presidents, Company Presidents, General Managers and other executive officers, meets once a week in principle for preliminary deliberation of items on the agenda of the Board of Directors and to discuss other important business matters.

Meanwhile, the Management Strategy Committee, consisting of representative directors and other officers, discusses the direction of the company's business in the medium to long term.

3 Risk Management Committee

The Risk Management Committee, which is chaired by the President and consists mainly of Executive Vice Presidents and Executive Officers, deliberates and reports on items concerning serious risks.

4 Board of Auditors

The Board of Auditors works to allocate the roles of the Corporate Auditors and share information in order to conduct audits more systematically and efficiently. It also issues decisions and approvals regarding matters of law and the items prescribed by the articles of incorporation.

Corporate Auditors audit every aspect of the performance of duties by the Directors, for which purpose they deepen their understanding of the Directors, the internal audit divisions, and operating divisions, attend meetings of the Board of Directors and other important meetings, hear from the Directors regarding the performance of their duties, and examine the circumstances of the company's operations and finances. They also perform their duties for the purpose of thoroughly monitoring and verifying resolutions made by the Board of Directors regarding establishment of systems to ensure the quality of corporate administration and the operating status of the system (internal control) developed by such resolutions.

With regard to Group companies, we maintain communication and share information with their directors and auditors, and keep ourselves informed of their business activities whenever necessary.

Five auditors (including three external auditors)
Held 15 times/year*

5 Internal Audit Office

The Internal Audit Office is an organization that reports directly to the President, is independent from operating divisions, and is responsible for performing internal audit functions. It performs audits on the activities of operating divisions such as quality control for safety at nuclear power plants, basing its perspective on internal control system effectiveness (including internal controls over financial reporting) and CSR. The results of each of these initiatives are reported to the president and presented as advice and recommendations to the relevant divisions so that they can continuously make improvements.

The internal audit process was verified by an independent organization in FY2015 as part of the company's efforts to improve and maintain the quality of audits.

The scope of internal audits by the office includes associated companies. To help improve internal control systems and practices across the group, the Internal Audit Department also shares information with internal audit divisions of associated companies and provides other support.

6 Nomination and Remuneration Committee

The Committee consists of the President and three independent external directors. In developing appointment proposals for directors, corporate auditors, and executive officers and determining the remuneration of directors and executive officers, the Committee ensures the fairness and transparency of the process by obtaining advice from the external directors.

President and three external directors
Held 6 times/year*

7 Safety & Health Promotion Committee

The Safety & Health Promotion Committee was established in August 2019 to vigorously promote safety and health promotion initiatives. Main attendees of the Committee include senior management, including the presidents of Chubu Electric Power, Chubu Electric Power Grid, and Chubu Electric Power Miraiz, as well as representatives from the labor union and external experts. The Committee, through its meetings, shares issues to cultivate safety culture and to promote health management and deliberates and makes decisions on measures to resolve them.

8 Compliance Committee

The Compliance Committee, which is chaired by the President, was established on December 1, 2002 to promote compliance comprehensively and surely.

The Committee deliberates policies and measures concerning compliance promotion and conducts fact-finding research on compliance matters as well as other activities related to compliance promotion.

Selection of directors and auditors

To ensure fairness and transparency in the election of directors and corporate auditors, candidates are proposed to the Board of Directors for its final decision after scrutinized by the Personnel Affairs Committee , which consists mainly of the Chairman, the President, and General Managers of divisions, and with the Nomination and Remuneration Committee. Furthermore, corporate auditor candidates are required to be approved by the Board of Auditors, in addition to the scrutiny at a Personnel Affairs Committee meeting attended by senior corporate auditors, to strengthen the independence of corporate auditors.

External directors and external corporate auditors

At Chubu Electric Power, three external directors and three external corporate auditors currently hold office. All of our external directors and external corporate auditors retain a sufficient level of independence that meets the company's standards, and make the best use of their experiences and insight acquired through their respective careers to fulfill their supervisory and audit functions independent of the company's senior management. They also receive updated information on the current development and operational status of the company's internal control system, and meet all representative directors and auditors regularly to exchange opinions.

All of our external directors and external corporate auditors are registered as independent directors / auditors in all financial instruments exchanges on which the company is listed.

* The number of times the Board of Directors, the Board of Auditors, and the Nomination and Remuneration Committee met are the actual figures from FY2019.

Directors and Corporate Auditors

(As of July 1, 2020)

Director

6 Ootani Shinya — New

President & Director
Chubu Electric Power Miraiz Co., Inc.

Apr. 1987: Joined Chubu Electric Power
Apr. 2016: General Manager of Business Strategy Office, Customer Service & Sales Company
Apr. 2018: Executive Officer
Apr. 2020: President & Director, Chubu Electric Power Miraiz Co., Inc. (incumbent)
June 2020: Director (incumbent)

Director & Senior Managing Executive Officer

5 Mizutani Hitoshi — New

General Manager of Corporate Management Division

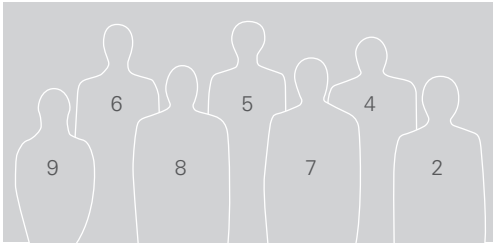
Apr. 1984 Joined Chubu Electric Power
Apr. 2016 Executive Officer
General Manager of Corporate Planning & Strategy Division
Apr. 2018 Managing Executive Officer, General Manager of Nagoya Regional Office, General Manager of Nagoya Regional Office, Power Network Company
Apr. 2020 Senior Managing Executive Officer, General Manager of Corporate Management Division
June 2020 Director, Senior Managing Executive Officer, General Manager of Corporate Management Division (incumbent)

Director & Executive Vice President

4 Hiraiwa Yoshiro — Reappointed

General Manager of Corporate Planning & Strategy Division and General Manager of Planning Department

Apr. 1984: Joined Chubu Electric Power
Apr. 2018: Senior Managing Executive Officer, Deputy General Manager of Corporate Planning & Strategy Division, and General Manager of ICT Strategy Office and IT System Center
Apr. 2019: Senior Managing Executive Officer, General Manager of the Corporate Planning & Strategy Division and General Manager of the Group Promotion Management Office
June 2019: Director & Senior Managing Executive Officer, and General Manager of Corporate Planning & Strategy Division, and General Manager of Group Promotion Management Office
Apr. 2020: Director, Executive Vice President
General Manager of Corporate Planning & Strategy Division and General Manager of Planning Department (incumbent)



Director (external)

9 Kurihara Mitsue — New

Chairman of the Board of Directors,
Value Management Institute, Inc.

Apr. 1987: Joined Development Bank of Japan Inc.
June 2008: International Policy Studies, Stanford University (Dispatch)
June 2010: Deputy Director, Treasury Department, Development Bank of Japan
May 2011: Senior Vice President of Healthcare & Hospitality Industry Office, Corporate Finance Department, Division 4, Development Bank of Japan
Apr. 2013: General Manager, Head of Corporate Finance Department, Division 6, Development Bank of Japan
Feb. 2015: Corporate Auditor, Development Bank of Japan
June 2020: External Director of Chubu Electric Power (incumbent)
June 2020: Chairman of the Board of Directors, Value Management Institute, Inc. (incumbent)

Director (external)

8 Shimao Tadashi — Reappointed

Chairperson of the Board of Directors,
Representative Executive Director, Daido Steel Co., Ltd.

Apr. 1973: Joined Daido Steel Co., Ltd.
June 2004: Director, Daido Steel Co., Ltd.
June 2006: Managing Director, Daido Steel Co., Ltd.
June 2009: Representative Executive Director, Executive Vice President, Daido Steel Co., Ltd.
June 2010: President, Representative Executive Director, Daido Steel Co., Ltd.
June 2015: President & CEO, Representative Executive Director, Daido Steel Co., Ltd.
June 2016: Chairperson of the Board of Directors, Representative Executive Director, Daido Steel Co., Ltd. (incumbent)
June 2019: External Director of Chubu Electric Power (incumbent)

Director (external)

7 Hashimoto Takayuki — Reappointed

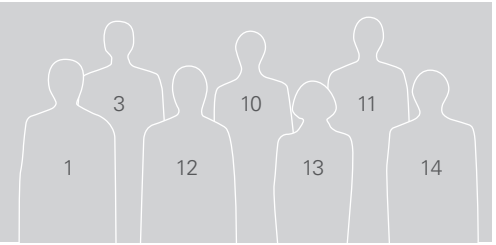
Honorary Executive Advisor, IBM Japan, Ltd.

Apr. 1978: Joined IBM Japan, Ltd.
Apr. 2000: Director, IBM Japan, Ltd.
Apr. 2003: Managing Executive Officer, IBM Japan, Ltd.
Jan. 2007: Senior Managing Executive Officer, IBM Japan, Ltd.
Apr. 2008: Director & Senior Managing Executive Officer, IBM Japan, Ltd.
Jan. 2009: President & Director, IBM Japan, Ltd.
May 2012: Chairman of the Board of Directors, IBM Japan, Ltd.
Apr. 2014: Chairman, IBM Japan, Ltd.
Jan. 2015: Vice Chairman, IBM Japan, Ltd.
June 2016: External Director of Chubu Electric Power (incumbent)
May 2017: Honorary Executive Advisor, IBM Japan, Ltd. (incumbent)
Nov. 2019: President and Representative Executive Director, Yamashiro Management R&D Institute LTD. (incumbent)

President & Director

2 Hayashi Kingo — Reappointed

Apr. 1984: Joined Chubu Electric Power
Apr. 2016: Executive Officer, General Manager of Tokyo Office
Apr. 2018: Senior Managing Executive Officer, President of Customer Service & Sales Company
June 2018: Director & Senior Managing Executive Officer, President of Customer Service & Sales Company
Apr. 2020: President & Director (incumbent)



Chairman of the Board of Directors

1 Katsuno Satoru — Reappointed

Apr. 1977: Joined Chubu Electric Power
July 2007: Managing Executive Officer and General Manager of the Tokyo Office
June 2010: Director & Senior Managing Executive Officer, and General Manager of Corporate Planning & Strategy Division
June 2013: Director & Executive Vice President and General Manager of Corporate Planning & Strategy Division
June 2015: President & Director
Apr. 2020: Chairman of the Board of Directors (incumbent)

Director & Executive Vice President

3 Kurata Chiyoji — Reappointed

General Manager of Nuclear Power Division

Apr. 1980: Joined Chubu Electric Power
June 2014: Director & Senior Managing Executive Officer, General Manager of Hamaoka Nuclear Power Executive Headquarters and Environmental Affairs & Plant Siting Dept.
Apr. 2016: Director & Senior Managing Executive Officer, General Manager of Hamaoka Nuclear Power Executive Headquarters
Apr. 2017: Director & Executive Vice President, General Manager of Civil & Architectural Engineering Dept., Environmental Affairs & Plant Siting Dept., General Manager of Nuclear Power Division
Apr. 2018: Director & Executive Vice President, General Manager of Civil & Architectural Engineering Dept. and Environmental Affairs & Regional Relations Office, General Manager of Nuclear Power Division
Apr. 2020: Director & Executive Vice President, General Manager of Nuclear Power Division (incumbent)

Corporate Auditor (external)

12 Hamaguchi Michinari — Incumbent

President, Japan Science and Technology Agency

Dec. 1993: Professor, Nagoya University School of Medicine
Apr. 2009: President, Nagoya University
Apr. 2015: Professor, Nagoya University Graduate School of Medicine
June 2015: External Auditor of Chubu Electric Power (incumbent)
Sept. 2015: Left Nagoya University
Oct. 2015: President, Japan Science and Technology Agency (incumbent)
Apr. 2016: Professor Emeritus, Nagoya University (incumbent)

Senior Corporate Auditor (full-time)

10 Kataoka Akinori — New

Apr. 1981: Joined Chubu Electric Power
July 2011: Executive Officer, General Manager of Finance & Accounting Dept.
July 2013: Executive Officer, General Manager of Mie Regional Office, assigned to Environmental Affairs & Plant Siting Division
Apr. 2016: Senior Managing Executive Officer, General Manager of Finance & Accounting Dept. and Purchasing & Contracting Dept.
June 2016: Director & Senior Managing Executive Officer, General Manager of Finance & Accounting Dept. and Purchasing & Contracting Dept.
Apr. 2017: Director & Executive Vice President, General Manager of Legal Affairs Dept., General Affairs Dept., Finance & Accounting Dept. and Purchasing & Contracting Dept.
Apr. 2018: Director & Executive Vice President, General Manager of Legal Affairs Office, General Affairs Office, Finance & Accounting Office, Purchasing & Contracting Office, and Business Solutions & Corporate Communications Center and Finance & Accounting Center
Apr. 2019: Director & Executive Vice President, General Manager of Legal Affairs Office, General Affairs Office, Finance & Accounting Office, Purchasing & Contracting Office, and Business Solutions & Corporate Communications Center, Finance & Accounting Center and IT System Center
Apr. 2020: Director
June 2020: Senior Corporate Auditor (full-time) (incumbent)

Corporate Auditor (external)

13 Nagatomi Fumiko — Incumbent

Attorney at low

Apr. 1981: Registered as lawyer
Joined Hachisuka Law Firm
Mar. 1989: Retired from Hachisuka Law Firm
Apr. 1989: Established Nagatomi Law Firm (incumbent)
June 2016: External Auditor of Chubu Electric Power (incumbent)

Corporate Auditor (full-time)

11 Terada Shuichi — Incumbent

Apr. 1982: Joined Chubu Electric Power
July 2012: Executive Officer, General Manager of the Legal Affairs Dept.
Apr. 2017: Director, Chubu Seiki Co., Ltd.
June 2019: Corporate Auditor (full-time) (incumbent)

Corporate Auditor (external)

14 Takada Hiroshi — New

Chairman of the Board of Directors, ACC

Apr. 1969: Joined TOYOTA MOTOR CORPORATION
Jan. 1995: General Manager of Advertising Division, TOYOTA MOTOR CORPORATION
June 2001: Member of the Board of Directors, TOYOTA MOTOR CORPORATION
June 2003: Managing Officer, TOYOTA MOTOR CORPORATION
June 2005: Senior Managing Director, TOYOTA MOTOR CORPORATION
June 2009: Chairman of the Board of Directors, TOYOTA Mobility Tokyo Inc.
June 2009: Chairman, TOYOTA Nagoya Education Center, Inc.
Oct. 2009: President, Member of the Board of Directors, TOYOTA Marketing Japan Corporation
Dec. 2009: President, Member of the Board of Directors, Toyota Motor Sales and Marketing Corporation
July 2012: Chairman & CEO, Organization for Small & Medium Enterprises and Regional Innovation, JAPAN
May 2013: Representative Director, All Japan Confederation of Creativity (incumbent)
July 2019: Representative Director, Japan General Incorporated Association of Professionals for Medium and Small Sized Business Management Ltd (incumbent)
June 2020: External Corporate Auditor, Chubu Electric Power (incumbent)

Corporate Governance Structure

Reasons for selecting external directors and auditors and their activities

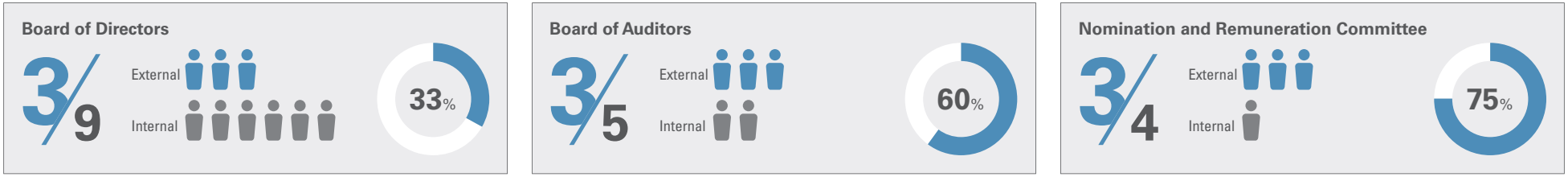
External directors

Name	Reasons for selecting	FY2019 attendance
Hashimoto Takayuki	Was involved in the management of IBM Japan for many years, and has a wealth of knowledge and experience as a management specialist.	Attended all 14 Board of Directors' meetings
Shimao Tadashi	Was involved in the management of Daido Steel Co., Ltd. for many years, and has a wealth of knowledge and experience as a management specialist.	Attended all 11 Board of Directors' meetings held after the assumption of office in June 2019.
Kurihara Mitsue	Has been involved primarily in financing, financial management, M&A businesses at Development Bank of Japan Inc. for many years, and has specialized knowledge and a wealth of experience in these fields.	Assumed office in June 2020

External auditors

Name	Reasons for selecting	FY2019 attendance
Hamaguchi Michinari	Was involved in academic management as the President of Nagoya University in the past and is currently involved in corporate management as the President of the Japan Science and Technology Agency, and can be expected to neutrally and objectively use his auditing abilities based on his viewpoints as an academic and corporate management specialist.	Attended 13 of 14 Board of Directors' meetings Attended 14 of 15 Board of Auditors' meetings
Nagatomi Fumiko	Has specialized knowledge and a wealth of experience as a lawyer, and can be expected to neutrally and objectively use her auditing abilities based on her viewpoints as a legal specialist.	Attended all 14 Board of Directors' meetings Attended all 15 Board of Auditors' meetings
Takada Hiroshi	Was involved in corporate management as a Senior Managing Director at TOYOTA MOTOR CORPORATION in the past and is currently involved in corporate management as the Chairman of the Board of Directors of ACC, and can be expected to neutrally and objectively use his auditing abilities based on his viewpoints as a corporate management specialist.	Assumed office in June 2020

Percentage of external members in the Board of Directors, the Board of Auditors, and the Nomination and Remuneration Committee (As of July, 2020)



Percentage of female members in the Board of Directors, the Board of Auditors, and the Nomination and Remuneration Committee (As of July, 2020)

Assessing the effectiveness of the Board of Directors

Once a year, Chubu Electric Power surveys all directors and auditors on the makeup, operations, governance, and other aspects of the Board of Directors, and has all representative directors, external directors, and auditors discuss and exchange opinions based on the survey results.

Based on these results, the Board of Directors analyzes and assesses their own effectiveness in order to confirm that it is effectively steering the company toward sustainable growth and greater corporate value in the medium to long term.

The makeup and size of the Board of Directors are determined after considering the quality of the Board's discussions, the swiftness of the Board's management decision-making, the Board's supervisory role over directors, business issues at hand, and the balance of knowledge, competence, field of specialty, experience, and other attributes of each director.

Policy on director and auditor training

Chubu Electric Power provides training in management, accounting and finance, legal affairs, and other areas to newly appointed corporate directors and auditors, and periodically organizes events such as presentations given by attorneys, CSR seminars spearheaded by experts, and other learning opportunities.

Newly appointed external directors and auditors receive briefings on management policies, business issues, and other aspects unique to Chubu Electric Power. And, after assuming their new positions, they visit the company's important facilities and receive briefings from departments on their operations in order to deepen their understanding of Chubu Electric Power's business and operations.

Director remuneration

With respect to director remunerations, the President who has been authorized by the Board of Directors will determine the amount after consulting with the Personnel Affairs Committee, which consists mainly of the Chairman, the President, and General Managers of divisions, and with the Nomination and Remuneration Committee. With respect to auditor remunerations, the amount will be determined after deliberation by all of the auditors at Board of Auditors' meetings.

Director remunerations consist of monthly remuneration, performance-based bonus (short-term incentive remuneration), and performance-based stock remuneration (medium- to long-term incentive remuneration), and the total amount of these remunerations is set in a manner to be equivalent to medium levels of the total amount of director remunerations of other listed companies when management goals are met.

The relative proportion of monthly remuneration, performance-based bonus, and performance-based stock remuneration in the total director remuneration would be around 60%, 30%, and 10%, respectively, if the business goals are met.

Total amount of remunerations, etc., by director category and the number of directors

(FY2019)

Category	Total remuneration (million yen)	Number of directors/auditors in the category
Directors (excluding external directors)	556	10
Auditors (excluding external auditors)	76	3
External board members	69	6

* Remuneration limit determined by a resolution by the General Meeting of Shareholders
Directors' monthly remuneration and performance-based bonus: 900 million yen per year (including 84 million yen to external directors)
Directors' performance-based stock remuneration: 400 million yen per every three fiscal years (excluding external directors)
Auditors: 20 million yen per month

Operating Company Governance Structure After Split Offs

The basic principle behind the split offs is to allow each of our operating companies Chubu Electric Power Grid and Chubu Electric Power Miraiz to respond actively and flexibly to various environmental changes through the establishment of an autonomous management structure within each company.

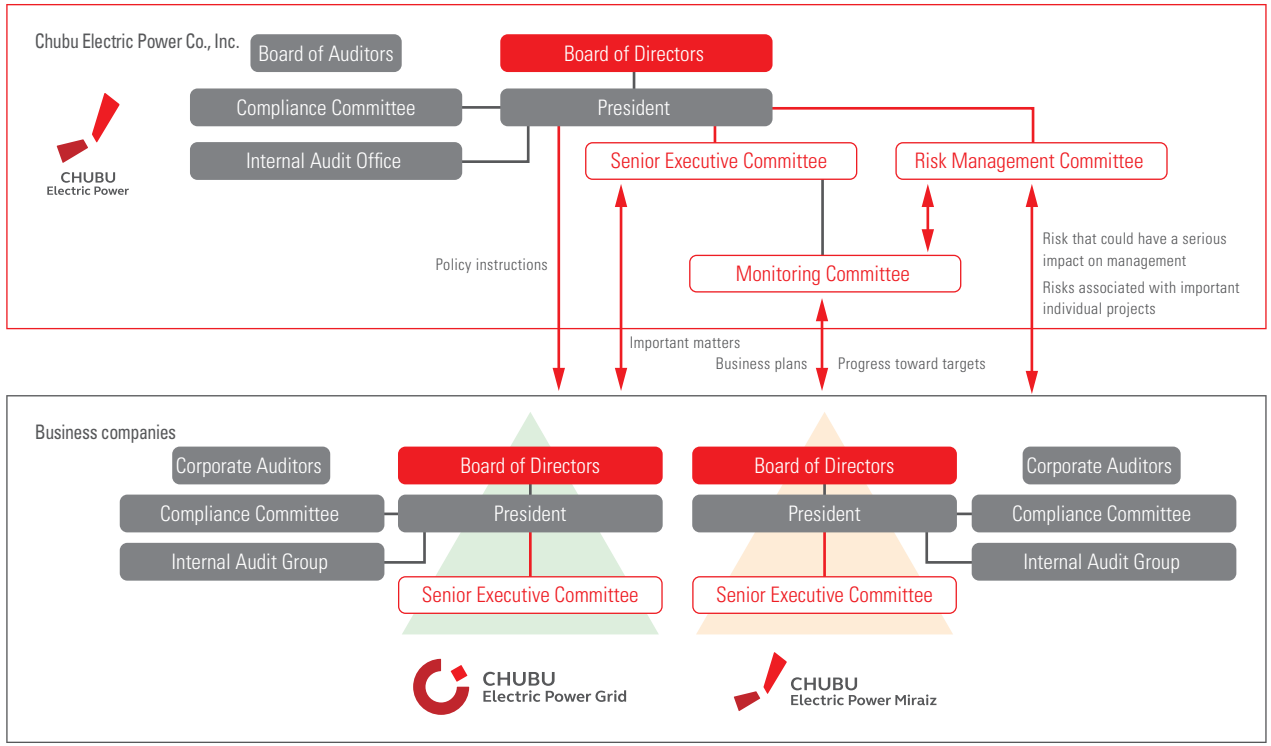
On the other hand, Chubu Electric Power performs coordination and control functions to ensure the optimization of the Group as a whole from the standpoint of the parent company of these operating companies.

* Conduct control has been put in place to prohibit concurrent assignment as a director of both Chubu Electric Power and Chubu Electric Power Grid and to require appropriate information blocking between them.

Governance structures of Chubu Electric Power Grid and Chubu Electric Power Miraiz

Chubu Electric Power and each of its operating companies have separately established its own governance mechanism, consisting of the Board of Directors, Senior Executive Committee, and corporate auditors (Board of Auditors).

In addition, an appropriate group-wide governance structure has been put in place to ensure, for example, that any matters that could have a material impact on the management plan of the whole group or the operations of an operating company are submitted to management meetings of Chubu Electric Power for deliberation.



Outline of plan formulation and monitoring

Chubu Electric Power seeks to optimize the management though respecting each operating company's autonomous operations by instructions on plan formulation policies and progress management with regard to the achievement of targets and monitoring that focuses on the integrated management of risks, and thereby aims to maximize the value of the group as a whole.

Plan formulation

- Chubu Electric Power determines management strategies and the allocation of management resources and instructs each operating company about its roles.
- Each operating company independently formulates and resolves on its business plans and key performance indicators (KPIs) based on its roles.

Monitoring

- Monitoring items include the effectiveness of strategies and progresses toward targets. Strategies may be revised in a flexible manner in accordance with business characteristics.
- Changes in risks that could have a serious impact on management and risks associated with individual important projects are evaluated, and if there is a significant change, countermeasures and policies will be deliberated.

Governance over JERA

As a shareholder, Chubu Electric Power implements governance measures, including visits to shareholders by JERA and quarterly monitoring of JERA.

Risk Management

Chubu Electric Power believes that risk management should be conducted in an integrated manner with business execution, rather than separately from business execution for its own purposes. For this reason, we conduct risk management also through the formulation cycle of corporate management plans as well as business plans of each business execution department. In this manner, we make sure that risk management is conducted properly to help the Group achieve continuous and stable business development.

Management of risks that could have a serious impact on the company

At Chubu Electric Power, the president of each company and the general manager of each department in the headquarters are responsible for the management of business execution risks as risk owners. Among such risk, risks that could have serious effects on management are managed by the risk management department in an integrated manner from the company-wide perspective. Risk mitigation policies are deliberated by the Risk Management Committee and reflected in business plans and risk mitigation measures.

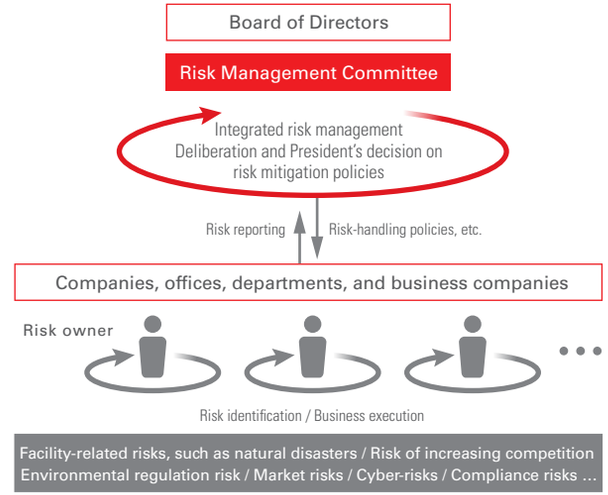
With respect to the risks involving Group companies, each company understands and assesses their risks, and those that are deemed to have a serious effect on management will be deliberated upon and reported regularly together with management measures to Chubu Electric Power.

The presidents of Chubu Electric Power Grid Co., Inc. and Chubu Electric Power Miraiz Co., Inc. act also as risk owners mentioned above.

■ Risk management flow

Risk identification	The president of each company and the general manager of each department in the headquarters are responsible for the identification of business execution risks as risk owners
Integrated risk management Deliberation and decision on risk mitigation policies	• The risk management department identifies and assesses risks that could have serious effects on management in an integrated manner • The Risk Management Committee deliberates on risk mitigation policies and the president makes the final decision.
Development and implementation of risk mitigation measures (business execution)	Risk mitigation policies are reflected in business plans and risk mitigation measures for execution
Monitoring	• Quarterly identification and assessment of changes in risks • Risk mitigation policies are deliberated and reflected in risk mitigation measures as necessary

■ Risk management organization



Management of risks associated with individual projects, such as investments

These risks are properly managed through risk evaluation at the time of decision-making and regular monitoring by the risk management department.

Internal Control System

Chubu Electric Power reviews its internal control system for improvements with regard to the matters prescribed in "Systems for Ensuring Proper Conduct of Business Operations," which prescribes the underlying principles of internal control system improvements, and implements necessary changes from time to time in view of, among others, changes in the business environment. The status of the design and the operation of the internal control system is reported annually to the Board of Directors.

Chubu Electric Power Grid and Chubu Electric Power Miraiz, which have been split off, will also establish and properly design and operate their own "Systems for Ensuring Proper Conduct of Business Operations" in the same manner as Chubu Electric Power. With regard to internal controls at the Group level, Chubu Electric Power has established a department that oversees Group companies, which is responsible for the formulation of management strategies and policies concerning Group companies and the business administration of them. In addition, our internal audit department conducts internal audits of Group companies by providing support to help Group companies design and operate their internal controls.

As part of our responses to the reporting system for internal controls over financial reporting under the Financial Instruments and Exchange Act, we have developed and operate mechanisms to visualize, verify, and assess important processes related to financial reporting.

Business Continuity

Basic ideas of business continuity

1. The Group designs facilities to be highly disaster-resistant and carries out appropriate maintenance.
2. The Group develops a disaster management system to promote early restoration of service and ensure public security, while maintaining and improving response capabilities through drills.
3. The Group makes appropriate use of new findings in its constant improvement efforts for a safer and more stable energy supply.

Emergency power transmission by power generation vehicles

Tsunami protection measures of substation buildings (floodwall equipment)

Fuel transportation drills with the Japan Ground Self-Defense Force

Actions to continue operations during major disasters

Creating Business Continuity Plans (BCPs)

In order to secure its operations that must be continued during major disasters, the Chubu Electric Power Group maintains and improves its ability to deal with emergencies by making BCPs and continually improving its Business Continuity Management (BCM) framework.

Building facilities that can withstand disasters

In order to assure stable supply even during large-scale disasters, such as an earthquake or a typhoon, Chubu Electric Power has built facilities that can withstand disasters based on earthquake and wind resistance measures and the multiplexing of facilities.

Against Nankai Trough earthquake

With due consideration to the estimates of damages and changes made to the disaster prevention measures by the national and local governments, Chubu Electric Power is pushing forward with facility upgrades against a major earthquake and tsunami that is expected to occur once every 100 to 150 years based on points of view of restoring power as soon as possible and maintaining public safety. Major facility upgrades are due for completion by the end of FY2020.

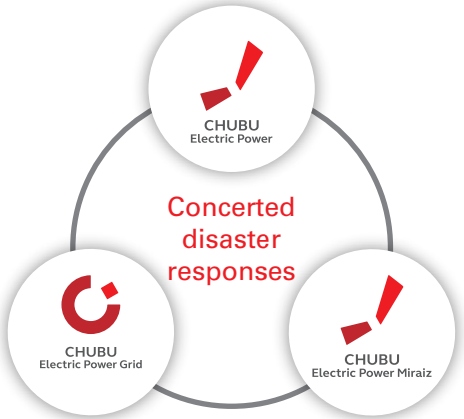
In addition, Chubu Electric Power is pushing forward with necessary measure also against an earthquake and tsunami of the maximum magnitude that could occur theoretically although the probability of occurrence is extremely low, based on the point of view of maintaining public safety (minimizing damage).

Improving the disaster prevention system

Chubu Electric Power completed a split off of its divisions into Chubu Electric Power Grid and Chubu Electric Power Miraiz in April 2020, and these three companies would together establish an emergency task force to implement disaster responses when a disaster occurs or is predicted to occur.

We have allocated various disaster-prevention materials and equipments to each workplace in advance, including power generation vehicles and portable substations for emergency power transmission and emergency communications methods, such as satellite communication networks. In addition, in order to further maintain and improve our ability to cope with disasters, we have repeatedly carried out drills to cope with disasters by strengthening coordination with external organizations, such as local governments and the Japan Ground Self-Defense Force.

Disaster prevention system after split offs



CSR-conscious Procurement

The Chubu Electric Power Group has established the Chubu Electric Power Group Basic Procurement Policy consisting of six sections including "Ensuring full compliance" and "Ensuring safety" to ensure CSR-conscious procurement, in addition to ensuring quality and lower cost in procurement activities.

We explain the contents of the policy to our business partners and request them to practice CSR as our partners with which we aim together for mutual development before starting transactions.

Chubu Electric Power Group Basic Procurement Policy (excerpt)

- Ensuring full compliance
- Ensuring safety
- Reduction of environmental load
- Open-door policy
- Fair and equitable procurement
- Partnership

Chubu Electric Power Group Basic Procurement Policy

Together with our business partners

The Chubu Electric Power Group actively discloses information to its business partners and strives to enhance communications with them.

At the beginning of each fiscal year, we hold procurement overview briefing sessions to explain CSR-conscious procurement practices, such as management initiatives and efforts to ensure thorough compliance, in addition to disclosing relevant information, such as procurement plans.

We also strive to create a more solid relationship of trust with our business partners by hearing their real opinions through questionnaires conducted at the briefing sessions and our permanent inquiry counter to accept any questions on material procurement transactions in general and by making improvements if there is any issue.

Intellectual Property

The results that the Chubu Electric Power Group produces in its business activities are important intellectual properties.

Because of the drastic changes and growing complexity of the surrounding business environment, it is imperative in the power industry to strategically create, use, and protect these important intellectual properties to grow sustainably as a total energy service corporate group.

For this reason, Chubu Electric Power has set forth the following policy on intellectual property and conducts intellectual property activities as outlined below.

	Conferences, etc.	Purpose	Participation
Chubu Electric Power	Visiting consultation by in-house patent attorneys	To ensure that our intellectual properties are protected and any infringement of other persons' rights is prevented through better coordination with business departments in charge	Weekly visits to 11 business departments in charge
	Intellectual property seminars	Enlightenment concerning the creation of intellectual property and improving the consciousness of preventing infringements on the intellectual property rights of others	Held at 9 locations including the Headquarters and regional offices. A total of 536 participants (including teleconferencing participants)
	e-Learning	Courses focusing on basic knowledge about intellectual property and more practical courses	A total of 4,674 have participated throughout the company
Chubu Electric Power Group companies	Intellectual Property Information Exchange Committee	Various types of education concerning intellectual property and sharing information	A total of 16 Group companies are participating

Policy on intellectual property

- Create intellectual properties that enhance corporate value
- Safely protect and effectively use intellectual properties
- Respect the intellectual property rights of others

Released Patents Matching Fair 2019 (November 15, 2019)

Released patents

As part of its intellectual property activities and for the purpose of using its patents effectively and in a manner to contribute to local communities, Chubu Electric Power operates a program to release its patents to those companies that desire to use them.

Case example Confectionery drying equipment: Equipment that uses an electric heater to season and dry baked confectionery more efficiently

Chubu Electric Power Group Released Patents

Ensuring Compliance Management

The biggest underlying factor that determines the survival and development of a company is the trust it garners from its customers, hosting communities, shareholders, and society at large.

Based on the Chubu Electric Power Group CSR Declaration, the Chubu Electric Power Group established the Chubu Electric Power Group Basic Compliance Policy on the belief that "without compliance, there is no trust, and without trust, there is no growth." As we are strongly conscious of the fact that being totally compliant is the foundation of management, we foster a corporate culture of action in accordance with compliance requirements and aim to be a "good corporate citizen" that is highly trusted and supported.

Chubu Electric Power Group Basic Compliance Policy

Compliance promotion system

Chubu Electric Power, Chubu Electric Power Grid, and Chubu Electric Power Miraiz each established the Compliance Committee with the president of each company acting as the committee chairman. Under the leadership of the committee, the company constructed its compliance promotion system based on the principle of autonomy and coordination and is conducting various enlightenment activities.

Under the oversight of the Chubu Electric Power Group Compliance Council, made up of top management of the Group companies, the Chubu Electric Power Group is promoting compliance within the entire Group by having each Group company introduce their own compliance promotion systems to conduct enlightenment activities.

Chubu Electric Power Group Compliance Promotion System

Initiatives to raise compliance consciousness

The Chubu Electric Power Group is working to raise the levels of compliance consciousness and knowledge of employees at all levels by providing them with seminars and training on compliance with laws and regulations, internal rules, and corporate ethics. Individual employees are also asked to self-examine their behavior based on the four questions to ensure compliant behavior.

Behavior check points: Four questions

- Are you acting in accordance with your conscience?
- Is your behavior consistent with public decency?
- Are you turning a blind eye to compliance violations around you?
- Can you speak about your behavior openly to anybody around you?

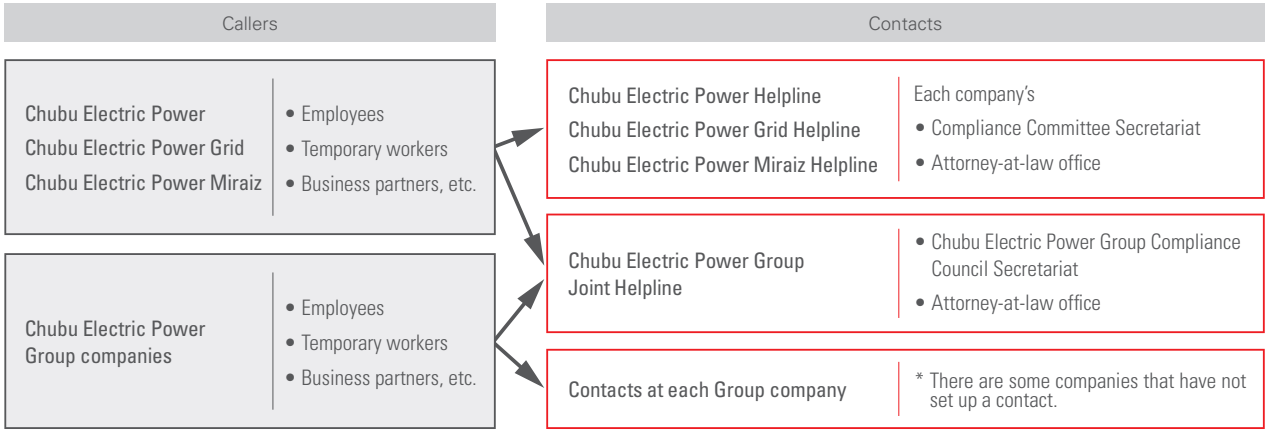
Helplines—Points of contact for compliance queries

We operate a helpline to prevent illegal, unfair, and unethical acts, including corruption such as excessive entertainment, gift giving, etc., and ensure compliance. This serves as a point of contact for employees, temporary workers, and business partners with concerns about compliance issues.

To ensure the effective operation of the helpline, appropriate measures are taken to protect callers and respect their requests regarding the queries.

FY2019 Inquiries
74 calls

Helpline



Anti-bribery and anti-corruption initiatives

In view of the gift scandal involving Kansai Electric Power* and for other considerations, the Group established the Chubu Electric Power Group Anti-Bribery and Anti-Corruption Policy in November 2019 based on the Chubu Electric Power Group Basic Compliance Policy.

This policy declares that: The Chubu Electric Power Group maintains fair and transparent relationships with all stakeholders (customers, business partners, community residents, etc.) and does not engage in bribery, misappropriation, malfeasance, the provision or receipt of hospitality, gifts or entertainment that is improper or exceeds the bounds of common sense, collusion with specific individuals, inappropriate favoring of specific individuals, or any other sort of corruption in any form. In addition, we do not engage in acts that may be misconstrued as corruption from inside or outside the company. (The details are shown to the right.)

Based on this policy, each Compliance Committee regularly confirms that there has been no inappropriate giving or receiving of money or other items of value. The Chubu Electric Power Group Compliance Council also confirms that appropriate measures are taken at each company based on status reports submitted by each company.

Concerning the prevention of bribes to foreign public officials, the Committee for the Prevention of Bribes to Foreign Public Officials, established in April 2013, is playing a central role in constructing and operating the structure to prevent any such bribery within Chubu Electric Power and Group companies.

The Chubu Electric Power Group will continue to make incessant efforts to ensure full compliance by evaluating the situation on an ongoing basis and fulfilling its accountability based on the results of such evaluation.

* About the gift scandal

Source: Third-party panel investigation report, Kansai Electric Power

Case

- 75 officers and employees of Kansai Electric Power received money and other items of value worth about 360 million yen in total from a former deputy mayor of Takahama-cho, Fukui Prefecture (for a period of over 30 years since 1987).
- Kansai Electric Power formed an inappropriate relationship with the former deputy mayor, including promising in advance to award construction contracts to companies related to the former deputy mayor.
- The then-president of Kansai Electric Power neither disclosed the problem externally, nor reported it internally to the Board of Directors after the problem came to light.
- Any reduction in director remuneration during the years of poor financial results has been compensated for later as each director retires.

Problems

- The management did not realize that financial results or business activities should not take precedence over compliance.
- The management did not have the determination to face this scandal squarely and correct it.
- Misguided "local community first" that lacks transparency was used to justify the wrongful act.
- The nuclear power business division was a closed organization that lacked governance.
- Weak governance consciousness that permits leniency for insiders.

Chubu Electric Power Group Anti-Bribery and Anti-Corruption Policy

The Chubu Electric Power Group Anti-Bribery and Anti-Corruption Policy, which is based on the Chubu Electric Power Group Basic Compliance Policy, is stated below.

The Chubu Electric Power Group maintains fair and transparent relationships with all stakeholders (customers, business partners, community residents, etc.) and does not engage in bribery, misappropriation, malfeasance, the provision or receipt of hospitality, gifts or entertainment that is improper or exceeds the bounds of common sense, collusion with specific individuals, inappropriate favoring of specific individuals, or any other sort of corruption in any form. In addition, we do not engage in acts that may be misconstrued as corruption from inside or outside the company.

1. To engage in fair and sincere transactions with suppliers
   (1) We regard suppliers as important partners with whom we aim to mutually grow and develop, and we comply with the Antimonopoly Act (provisions pertaining to abuse of advantageous position, etc.), Subcontracting Act, and other relevant laws and regulations, and engage in fair transactions on an equal basis.
   (2) In all transactions regardless of whether they are conducted inside or outside Japan, we do not seek to acquire or maintain improper benefits or preferential measures nor receive hospitality, gifts or entertainment that exceeds the bounds of common sense.

2. To prevent wrongdoing against customers
   In all our activities related to sales (including construction work orders, consignment, etc.) regardless of whether they are conducted inside or outside Japan, we do not seek to acquire or maintain improper benefits or preferential measures, nor provide hospitality, gifts or entertainment that exceeds the bounds of common sense.

3. For fair competition with competitors
   In competition with competitors, we comply with the Antimonopoly Act as well as other relevant laws and regulations, and do not engage in cartels, collusion or any other illegal conduct whatsoever.

4. For building sincere relationships with community residents
   We build sincere relationships with members of the community by facilitating communication and we neither receive nor provide hospitality, gifts or other entertainment that exceeds the bounds of common sense.

5. For maintenance of sound relationships with politicians, government officials and others
   In our relationships with politicians, government officials and others, we conduct ourselves in a manner that complies with relevant laws and regulations (Penal Code, National Public Service Ethics Act, Political Funds Control Act, Public Offices Election Act, local government ordinances, official directives, regulations, etc.) as well as rules established by the national and local governments (National Public Service Ethics Code, etc.). Also, we do not engage in any acts of bribery whatsoever with public employees or others.

6. To prevent improper hospitality, gifts or other entertainment with foreign public employees and others that exceeds the bounds of common sense
   In our relationships with public employees and others of foreign countries, we comply with the Unfair Competition Prevention Act, relevant laws and regulations of foreign countries, and our internal rules, and we do not provide hospitality, gifts or other entertainment that exceeds the bounds of common sense.

7. To prevent wrongdoing by agents, consultants or others
   (1) When selecting an agent, consultant or other representative, we engage trustworthy individuals and institutions after conducting a sufficient investigation of the individual. In addition, we do not permit such persons to engage in any acts of bribery against public employees or others.
   (2) In our relationships with agents, consultants and other representatives, we neither receive nor provide hospitality, gifts or other entertainment that exceeds the bounds of common sense.

Human Resources

message

Yoshida Kazuhiro

Executive Officer,
General Manager of Safety & Health Promotion Office and
Human Resources Center

In order for Chubu Electric Power to be selected by customers and to make a sustainable development, we believe that the health and safety of the employees must be assured and that an environment must be provided where each employee can work actively.

We established the "Safety & Health Promotion Office" in April 2020 and strengthened the framework that allows "our colleagues to devote themselves to their work in a safe and healthy way." Initiatives toward safety and health not only represent priority management matters but also investments to encourage further corporate growth and to enhance the employees' desire to work. Going forward, we will continue to develop a culture of safety and promote health management.

We also focus on providing training and a work environment where all human resources including women, the elderly, and the challenged (persons with disabilities) can perform and find it easy to work. We will not only maintain a safe and healthy corporate atmosphere where human rights are respected but also encourage diverse workstyles in line with the changes in life stages, improve "engagement*," and build a "motivating" work environment where every single employee can demonstrate their various strengths to the best of his/her abilities.

* A concept representing the willingness and stance of the worker who proactively contributes to the organization and his/her work because the achievement of the organization's goals and the direction of one's growth coincide, and the worker feels his/her work to be motivating and worthwhile.

We will continue to make efforts to create a better environment so that employees can devote themselves to their work in a safe and healthy way and achieve self-fulfillment through their work.

Building a structure to encourage "the fostering of a culture of safety" and "the promotion of health management"

Establishment of the Safety & Health Promotion Committee

The Safety & Health Promotion Committee, comprising management including the Presidents of Chubu Electric Power, Chubu Electric Power Grid, and Chubu Electric Power Miraiz, the labor unions, outside experts, and other members, is held periodically to promote initiatives on safety and health.

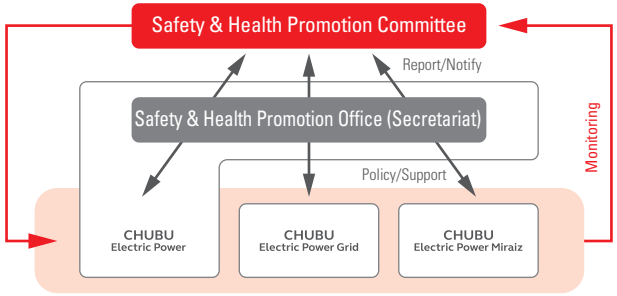
Formulation of the Basic Safety and Health Policy and the Safety and Health Principles of Action

The Basic Policy articulates Chubu Electric Power's policy to create a better environment so that employees can devote themselves to their work in a safe and healthy way and they can work actively and the Principles of Action represent a specific code of conduct for executives and employees to foster a corporate culture and workplace atmosphere that values people in order to materialize the Basic Policy.

Chubu Electric Power Group Basic Safety and Health Policy

Our basic safety and health policy, which is based on the Chubu Electric Power Group CSR Declaration, is stated below.

We will continue to endeavor to create a better environment so that employees can devote themselves to their work in a safe and healthy way and achieve self-fulfillment through their work.



Safety and Health Principles of Action

All executives and employees with the unwavering conviction,
"all injuries can be prevented" and
"we will remain healthy throughout our lives,"
will act in the following manner at all times:

(1) Praise actions for safety and health and hold dialogues.
(2) Utilize the lessons learned from the successes and failures of our colleagues in our own actions.
(3) Identify, promptly mitigate, and manage all possible risks.
(4) Improve measures both for people (awareness, education and training, and rules) and for objects (facilities and equipment).
(5) Collaborate with business partners for safety and health.
(6) Act safely even after working hours and strive to maintain and enhance health

Chubu Electric Power will continue to implement measures and make investments for safety and health.

Initiatives to prevent all injuries

Holding seminars for senior management

Executives and the heads of departments, as leaders for fostering a culture of safety, are taking part in safety seminars by outside specialists. At the seminar, the participants, as the leaders of the organization, take part in months-long, ongoing learning of the approach to safety and how to concretely express them in action, and proactively put them into practice.

Seminar for senior management

Holding safety contests

Chubu Electric Power holds company-wide safety contests with the participation of the Company's management, employees, and managers of our subcontractors. Through the contests, Chubu Electric Power shares with the subcontractors, who are our business partners, the strong commitment of "safety takes priority over all else" and makes efforts to proactively practice safety activities.

President presenting awards at the Safety Contest

Create a better environment so that employees can devote themselves to their work in a healthy way

Promotion of health management

The company has established a system capable of promoting employees' health even after the split off, and Chubu Electric Power, Chubu Electric Power Grid, and Chubu Electric Power Miraiz are joining together to promote initiatives for health management.

Since FY2019, "mandatory comprehensive medical checkups" have been rolled out, which has led to the early prevention and early detection of serious illnesses and based on the checkup results, detailed health guidance is being given to all employees by the industrial health staff. We also periodically hold "Health Promotion Events" such as fitness level tests and walking during the lunch break, to raise awareness of health.

As mental health measures, we carry out timely seminars and training for each level of employee, while effectively utilizing the results of stress checks to improve the workplace environment.

We have also been adopting new workstyles as the norm. These workstyles involve the utilization of remote work and flexible working hours that do not assume the previous style of attendance in person. In conjunction, we have been periodically monitoring the behavioral changes of the employees as a result of such new workstyles and their effects on the minds and bodies of the employees, thereby building a new type of industrial health.

Through these initiatives for health management, we will continue to strive to create a better environment where employees can devote themselves both mentally and physically to their work in a healthy way.

Health guidance based on the results of comprehensive medical checkups

Lunch break walking event

Activities to deepen employees' understanding of the Safety & Health Principles of Action

In order to deepen employees' understanding of the Safety & Health Principles of Action at the workplace, we have rolled out dissemination activities (seminars in the form of facilitation) to the heads of the departments, who serve as key persons in the safety and health activities, to support the enhancement of the awareness for health and safety and behavioral changes.

Improving life-work balance

Based on the understanding that life (bodily and mental health, rewarding life) is the prerequisite for employees to work actively, we are working to realize life-work balance. To realize this, we aim to introduce a variety of methods to enhance diverse work styles so that our employees can achieve a rewarding life, while also fully demonstrating their abilities through their work.

Promoting flexible workstyles

Utilization of teleworking

In October 2018, we introduced mobile work for the effective utilization of waiting time and transfer time during a business trip and working from home to reduce the commuting burden.

Even under the new coronavirus pandemic, we proactively carried out remote work by providing IT tools. Going forward we will deliberate and practice post-coronavirus "new workstyles"

Support for balancing work with child-raising and nursing elderly relatives

We have established leave systems for those engaged in child-raising and nursing care, as well as "Life-support leaves" that can be used when children become ill or injured, for participation in school events, personal development training, etc.

Creating a comfortable workplace environment

We have adopted the universal layout which can be changed flexibly and easily for each project.

We aim to enhance productivity and revitalize in-house communication by placing individual workspaces where each employee can concentrate individually on his/her work and meeting spaces for the free exchange of opinions and the creation of ideas alongside the café where employees can take a break and rejuvenate

Communication space

Activities for developing human resources

As the business environment undergoes drastic changes, we are systematically establishing a development curriculum such as stratified training to foster human resources who are capable of understanding the Chubu Electric Power Group Mission, management challenges, stance, and values, and putting them into action

We have also recently adopted online seminars to conduct seminars that align with diverse workstyles.

Supporting the growth of the individual

We are supporting human resources who aspire to a higher level through seminars necessary for acquiring specialized knowledge and skills that are directly linked to practice, and external correspondence courses and systems to support the acquisition of various certifications and qualifications, in addition to instructions given by superiors at the workplace in everyday operations.

Management support for managers

We are supporting human resource management that will lead to the sustained growth of the organization and the individual by providing coaching and other skill-acquisition opportunities to managers who are essential to the workplace, as well as opportunities to exchange opinions on various systems including safety and work arrangement systems (the utilization of flexible working hours and telecommuting) through the DEMAE Jinji (On-site education by the managers of the Human Resources Center).

TOPICS

Creating a workplace full of gratitude

We are promoting "Thank-you emails," as one of the initiatives to contribute to the "creation of a motivating workplace" by creating a positive spiral of employees "complimenting and acknowledging" each other and raising their motivation.

VOICE

Maruyama Toshio
Power Generation Commanding Manager,
Power Generation Department
Hamaoka Nuclear Power Station

Thinking, "nobody minds being complimented. This is a good activity," I immediately began sending "Thank-you emails."
I am eagerly promoting this initiative, as it has brought numerous benefits, such as looking harder than before to find the good points of the actions of my team and other departments and seeking qualities to compliment, which, in turn, has led to timely advice and other benefits. Additionally, the "Thank you in return" and "I will do my best" emails which I sometimes receive from the younger employees have also become a source of encouragement for me.

Respect for human rights and promoting diversity

In January 2020, the Chubu Electric Power Group announced the Chubu Electric Power Group Basic Human Rights Policy based on international human rights norms to realize a society in which all human rights are respected.

Based on the Basic Policy, we will continue to implement various measures that will maximize the abilities of diverse human resources and enhance our corporate value.

Chubu Electric Power Group Basic Human Rights Policy

The Chubu Electric Power Group respects and supports the Universal Declaration of Human Rights and other international human rights norms.

1. Respect for human rights
   We respect the human rights of all people engaged in business activities, and we refuse to be involved in any human rights violations.
2. Prohibition on discrimination and harassment
   We do not discriminate or engage in harassment on the basis of race, nationality, origin, creed, gender, sexual orientation, gender identity, social status, lineage, disability, or other distinctions in any aspect of our business activities.
3. Respect for basic labor rights
   We respect the freedom of employees to associate and their right to engage in collective bargaining. In addition, we do not engage in forced labor or child labor in any form.
4. Promotion of diversity
   We make use of a diverse workforce and provide opportunities for our employees to fully demonstrate their capabilities.
5. Human rights education and awareness
   We provide systematic and continuing education and opportunities to learn about human rights so that our employees may develop a correct understanding and greater awareness.

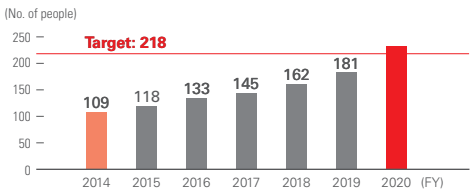
Initiatives to promote the advancement of women

We expect to achieve the target of "more than doubling the number of female managers in FY2020, compared to FY2014." We will continue to further promote the advancement of women and continue our initiatives.

Key points of the initiatives

- Various training for women grouped by age, rank, whether they are raising children, and other factors with an emphasis on forming their careers
- Assigning work and transfer in order to accelerate growth and holding consciousness enlightenment education for all managers
- Creation of plans and a culture to help both men and women balance work with family

Changes in the number of female managers



* As of July 1 of each year (Scheduled for October 1, only for FY2020)

Promoting employment of the challenged

Including those working at our special subsidiary Chuden Wing Co., Ltd. (established in 2001), about 350 challenged employees are working in our Group in various fields (as of June 2020).

Since its establishment, Chuden Wing has been involved in printing services, sales of novelty products, gardening work, and the like. In order to create more employment opportunities for mentally and intellectually challenged people, Chuden Wing engages in new businesses, such as clerical assistance work, cleaning work, and training assistance work.

From FY2019, we commenced the pilot production for the commercialization of the hydroponic-cultivation of strawberries.

Harvesting of strawberries

External assessment regarding human resources

We have received high ratings from both the national and local governments regarding our overall efforts for our human resources. These efforts include efforts for diversity including the utilization of our female employees, support for employees raising children, and health management support.

Management that utilizes diversity	**Ministry of Economy, Trade and Industry:** Best 100 Companies in Diversity Management (FY2014) First company in the electric power industry
Promoting the utilization of women	**Ministry of Health, Labour and Welfare:** "Eruboshi" certification (from FY2016 to date) First company in Aichi Prefecture to receive this certification Award for Excellent Equal Opportunity / Work and Family Life Balance Companies (Promotion of equal opportunity section) Excellence Award of the Director of the Aichi Labour Bureau (FY2013) **Ministry of Economy, Trade and Industry and the TokyoStock Exchange:** Nadeshiko Brand (FY2015) First company in the electric power industry **Aichi Prefecture:** Aichi Josei Kagayaki Company (Aichi Women's Career Success Supporting Company) (from FY2016 to date) **Nagoya:** Received the Female-friendly Company Award (from FY2010 to date)
Support for working parents	**Ministry of Health, Labour and Welfare:** Kurumin certification (from FY2010 to date) Certified three years in a row **Aichi Prefecture:** Family-Friendly Company Award (FY2010) **Nagoya:** Received the Award for Excellence of Childcare Support Company (from FY2009 to date) Received the Award for Work-life Balance Promotion Company (FY2018) **Shizuoka Prefecture:** Received the Award for Childcare Support Company (FY2018)

FY2019 Financial Status

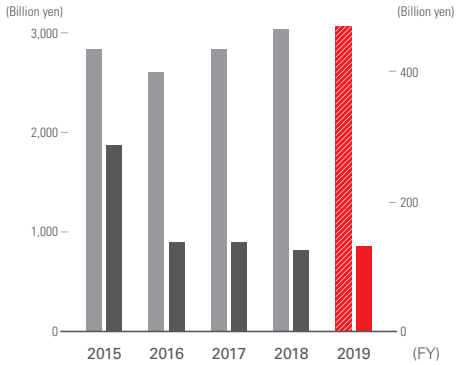
Regarding the status of income and expenditures for FY2019, operating revenues amounted to 3,065.9 billion yen, an increase of 30.8 billion yen compared to the previous fiscal year. Ordinary income came to 191.8 billion yen, a year-on-year increase of 78.8 billion yen. Ordinary income after excluding the time-lag impact incurred by the fuel cost adjustment system amounted approximately to 153.0 billion yen.

As for the year-end dividend for FY2019, based on the shareholder return policy of pursuing continued stable dividends while considering profit growth, we have decided to pay 25 yen per share, the same amount as the interim dividend.

Financial (Consolidated) P78

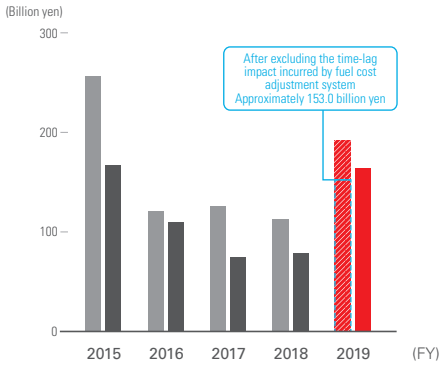
Operating Revenues/Operating Income

Operating Revenues (left) **3,065.9** billion yen
Operating Income (right) **130.8** billion yen



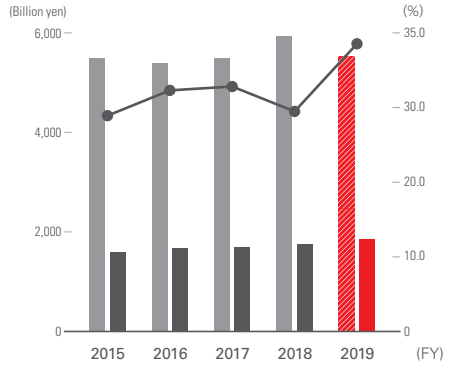
Ordinary Income/Net Income Attributable to Shareholders of the Parent Company

Ordinary Income **191.8** billion yen
Net Income Attributable to Shareholders of the Parent Company **163.4** billion yen



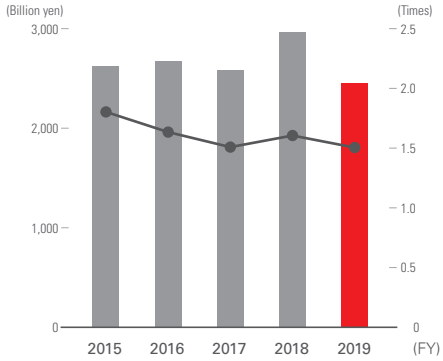
Total Assets/Shareholders' Equity/ Shareholders' Equity Ratio

Total Assets (left) **5,500.8** billion yen
Shareholders' Equity (left) **1,894.3** billion yen
Shareholders' Equity Ratio (right) **34.4**%



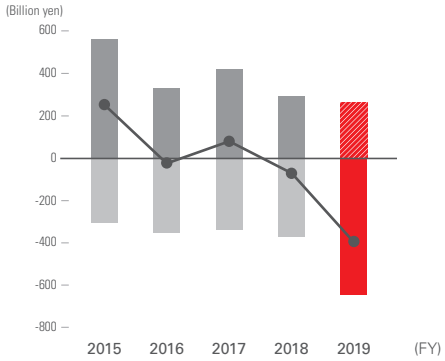
Outstanding Interest-Bearing Debt/ Debt-to-Equity Ratio

Outstanding Interest-Bearing Debt (left) **2,425.0** billion yen
Debt-to-Equity Ratio (right) **1.5** times



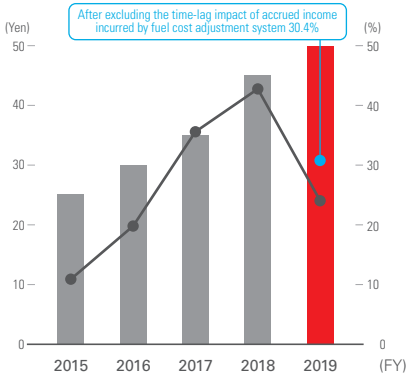
Cash Flows from Operating Activities/ Cash Flows from Investing Activities/Free Cash Flow

Cash Flows from Operating Activities **255.8** billion yen
Cash Flows from Investing Activities **-647.6** billion yen
Free Cash Flow **-391.7** billion yen



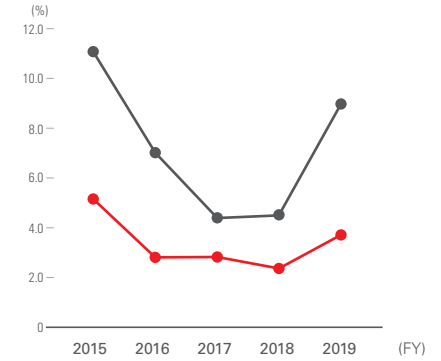
Dividends per Share/ Consolidated Payout Ratio

Dividends per Share (left) **50** yen
Consolidated Payout Ratio (right) **23.1**%



Return on Assets (ROA)/ Return on Equity (ROE)

ROA **3.7**%
ROE **8.9**%



Non-financial

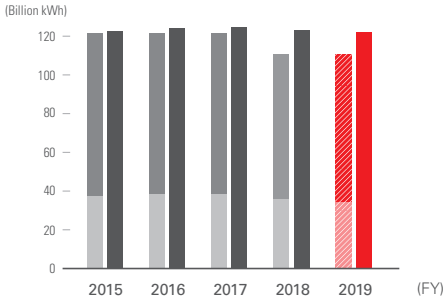
Business activities

Sales Electrical energy sold P77

CHUBU Electric Power Miraiz

Maintaining the sales of 130 billion kWh throughout the late 2020s

Chubu Electric Power Low voltage (mainly for households) / Group total
Chubu Electric Power High voltage/extra-high voltage (mainly for industries and businesses)
Chubu Electric Power total **117.2** billion kWh **122.5** billion kWh

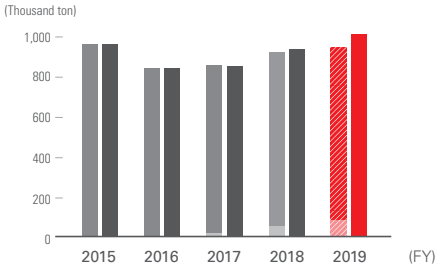


Sales of gas and LNG P32

CHUBU Electric Power Miraiz

Aiming to expand to 3 million tons by the late 2020s

Chubu Electric Power (mainly for households) / Group total
Chubu Electric Power (mainly for industries and businesses)
Chubu Electric Power total **950** thousand ton **1,030** thousand ton



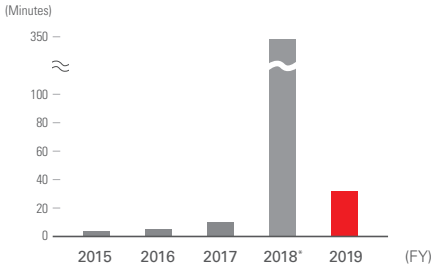
* Full liberalization of the retail market for gas from 2017

Annual average of failure/ outage time per household P79

CHUBU Electric Power Grid

Striving to maintain the lowest outage duration time in the world

32 minutes



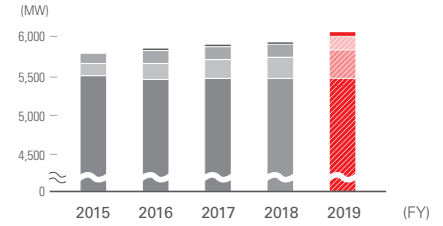
* The figure worsened due to repeated typhoon damage in summer 2018.

Actually developed renewable energy P77

CHUBU Electric Power

Actively promoting the development of renewable energy

Hydroelectric power (including pumped storage power) / Solar / Wind power / Biomass
About **5,460** MW About **370** MW About **170** MW About **50** MW



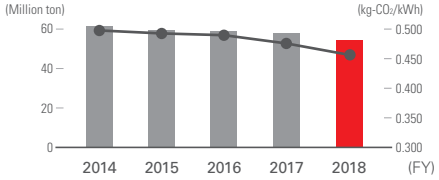
* Amount at the end of each fiscal year in Chubu Electric Power Group (in case of joint development, only equity ownership output is included).
Hydroelectric power includes pumped storage power generation.
Co-fired power with biomass fuel at Hekinan Thermal Power Station is not included.

Environmental

CO_2 emissions/ Emission intensity in electrical energy sales P79

Aiming for 0.37 kg-CO_2/kWh in overall electric utilities by FY2030

CO_2 emission (left) / CO_2 emission intensity (right)
54.07 million ton **0.457** kg-CO_2/kWh

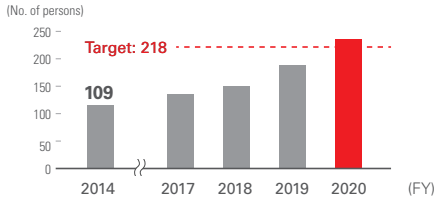


* Figures for FY2019 are currently being calculated (to be announced around September)

Number of women in managerial positions P74

We expect to achieve the target of "doubling or more the number of women in managerial positions in FY2020, compared to FY2014."

FY2020 target: **218** or more (The target is expected to be achieved in October 2020)

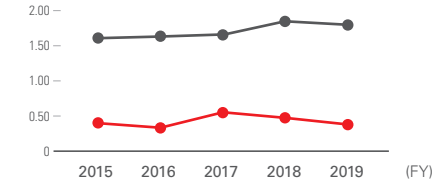


* As of July 1 in each FY (expected to be as of October 1 for FY2020 only)

Industrial accident frequency* P80

We aim to eliminate industrial accidents.

Chubu Electric Power **0.38** Entire industry **1.80**

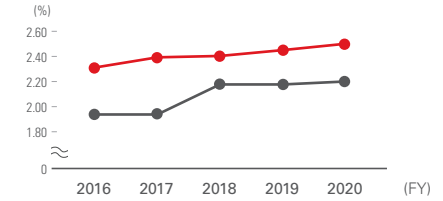


* Accident frequency: Number of persons killed or seriously injured (with at least one day of leave) by industrial accidents per million working hours.

Disabled persons employment ratio/ Legally designated employment ratio P80

We continue to exceed the legally designated employment ratio.

Disabled persons employment ratio **2.50** % Legally designated employment ratio **2.20** %



* As of June 1 in each FY

Five-Year Operating Statistics

The company's fiscal year (FY) is from April 1 to March 31 of the following year.

Electrical Energy Sold

(GWh)

	FY2015	FY2016	FY2017	FY2018	FY2019
Low voltage	38,219	38,773	38,787	36,371	34,628
High voltage/Extra-high voltage	83,748	83,048	82,644	81,886	82,618
Total Electrical Energy Sold	121,967	121,821	121,431	118,257	117,246
Reference (1): Electrical Energy Sold including group companies*1	123,166	124,168	125,309	123,602	122,542
Reference(2): Electrical Energy Sold to other companies*2	4,065	6,234	7,872	11,060	4,453

*1 The sum of the company, consolidated subsidiaries, and affiliates accounted for under the equity method.
*2 The "Wholesale" of the Power Network Company (less 9,482 GW in FY2019 and less 2,640 GW FY2018) has been excluded from the "Wholesale" of externally generated power.

Electric Power Supplied

(GWh)

Internally-generated Power	120,730	118,582	116,386	112,304	8,568
Hydroelectric	9,446	8,573	8,549	8,526	8,707
Thermal	111,219	110,217	108,046	103,969	–*1
Nuclear	–	(251)	(255)	(260)	(248)
Renewable Energy	65	43	46	68	110*2
Externally generated Power					
Wholesale	(4,065)	(6,234)	(7,872)	(11,060)	(13,935)
Purchased Power	15,799	16,012	18,639	22,784	128,477*3
Power Used for Pumped Storage	(596)	(1,062)	(1,242)	(660)	(810)
Total Electric Power Supplied	131,868	127,298	125,911	123,367	122,301

*1 There are no results for thermal internally generated power for FY2019, as Chubu Electric Power's fuel receiving/storage and gas transmission businesses, as well as the existing thermal power generation and other businesses, were succeeded by JERA Co., Inc. through an absorption-type company split, effective April 1, 2019.
*2 Internally generated power such as renewable energy includes internal combustion power generation (less 0 GW in FY2019 and less 0 GW in FY2018).
*3 Purchased power of externally generated power has increased significantly due to the commencement of electric power purchasing from JERA Co., Inc.

Generating Capacity

(MW)

Hydroelectric	5,497	5,450	5,459	5,459	5,459
Thermal	24,015	24,034	25,470	24,376	–*
Nuclear	3,617	3,617	3,617	3,617	3,617
Renewable Energy	39	37	39	39	39
Total Generating Capacity	33,168	33,138	34,585	33,491	9,115

* There are no results for thermal generating capacity for FY2019, as Chubu Electric Power's existing thermal power generation and other businesses were succeeded by JERA Co., Inc., through an absorption-type company split, effective April 1, 2019.

Number of Employees

(number of persons)

Consolidated	30,659	30,635	30,554	30,321	28,448
Nonconsolidated	16,796	16,632	16,461	16,086	14,363

Five-Year Financial Statistics (Consolidated)

(Millions of Yen)

	FY2015	FY2016	FY2017	FY2018	FY2019
For the year ended March 31:					
Operating Revenues	2,854,044	2,603,537	2,853,309	3,035,082	3,065,954
Operating Income	284,991	136,443	136,505	125,924	130,832
Ordinary Income	255,610	121,483	128,532	112,929	191,803
Income before Income Taxes	254,204	152,156	105,195	112,929	210,895
Net Income attributable to owners of parent	169,745	114,665	74,372	79,422	163,472
Depreciation	257,063	255,692	267,828	256,465	178,171
Capital Investments	293,784	345,688	343,743	327,120	242,646
At the end of the year ended March 31:					
Total Assets	5,538,216*	5,411,487*	5,529,408*	5,987,526	5,500,815
Net Assets	1,637,109	1,724,713	1,791,942	1,844,362	1,962,065
Shareholders' Equity	1,599,934	1,685,267	1,729,742	1,778,495	1,894,393
Outstanding Interest-Bearing Debt	2,625,481	2,674,771	2,595,635	2,981,181	2,425,067
Stock Ratios:					
Net Income —Basic (Yen/Share)	224.15	151.43	98.24	104.96	216.11
Net Assets (Yen/Share)	2,112.80	2,225.66	2,285.87	2,350.52	2,504.68
Cash Dividends (Yen/Share)	25	30	35	45	50
Consolidated Payout ratio (%)	11.2	19.8	35.6	42.9	23.1
Financial Indicators and Cash Flow Data:					
Shareholders' Equity Ratio (%)	28.9	31.1	31.3	29.7	34.4
ROA (Return on Assets) (%)	5.3	2.7	2.8	2.4	3.7
ROE (Return on Equity) (%)	11.1	7.0	4.4	4.5	8.9
Cash Flows from Operating Activities	562,411	335,063	424,159	296,406	255,896
Cash Flows from Investing Activities	(307,995)	(360,232)	(344,467)	(368,361)	(647,622)
Cash Flows from Financing Activities	(312,120)	21,069	(88,670)	337,260	(5,851)
Cash and Cash Equivalents at End of Period	324,390	293,953	284,888	550,060	147,576

Note: As Chubu Electric Power's fuel receiving/storage and gas transmission businesses, as well as the existing thermal power generation and other businesses, were succeeded by JERA Co., Inc. through an absorption-type company split, effective April 1, 2019, the management targets for FY2019 have been changed compared to that from FY2015 to FY2018.

* The "Partial Amendments to Accounting Standard for Tax Effect Accounting" etc. has been applied since the start of FY2018. The amounts regarding from FY2015 to FY2017 are applied this accounting standard retroactively. For detail, please refer to the financial statement report.

ESG-Related Indicators

				Units	FY2015	FY2016	FY2017	FY2018	FY2019
Governance (G)	Corporate governance structure	Number of Directors*1		persons	12	12	12	12	12
		Number of Corporate Auditors*1		persons	5	5	5	5	5
		Number of External Directors*1		persons	2	2	2	2	3
		Number of Female Directors*1		persons	1	1	1	1	1
		Number of Board of Directors meetings		Number of meetings	14	14	14	13	14
		Number of Board of Corporate Auditors meetings		Number of meetings	15	14	13	14	15
		Development and operation of internal control		–	Generally developed and operated properly	Generally developed and operated properly	Generally developed and operated properly	Generally developed and operated properly	Generally developed and operated properly
	Ensuring compliance management	Number of queries received via the Helpline		queries	59	45	47	65	74
	Fair and equitable transactions	Number of inquiries received from suppliers		inquiries	57	61	74	53	54
	Intellectual property	Number of patents owned		patents	574	571	565	542	484
Environmental (E)	Realization of a low-carbon society	CO_2 emissions intensity (After reflecting CO_2 credits, etc.)*2		10 thousandt-CO_2	0.486 (0.482)	0.485 (0.480)	0.476 (0.472)	0.457 (0.452)	*3 *3
		Total greenhouse gas (GHG) emissions (Scope 1)		10 thousandt-CO_2	5,632	5,798	5,640	5,313	*3
		Total greenhouse gas (GHG) emissions (Scope 2)		10 thousandt-CO_2	7	7	7	6	*3
		Total greenhouse gas (GHG) emissions (Scope 3)		10 thousandt-CO_2	–	–	1,054	1,071	*3
	Coexisting with nature	SOx emissions (Thermal power generation)		g/kWh	0.03	0.03	0.03	0.03	–*4
		NOx emissions (Thermal power generation)		g/kWh	0.08	0.07	0.07	0.07	–*4
	Creating a recycling society	Amount of waste generated*5		10 thousand tons	139.6	142.5	132.5	156.8	3.6
		Industrial waste, etc., recycling rate*5		%	99.9	99.8	99.7	99.7	97.2
Social (S)	Customer	Annual average failure/outage time per household		minutes	4	5	10	348*6	32
		Customer Center	Calls received	1 thousand calls	2,824	3,364	3,618	3,866	3,556
			Response rate	%	88.9	84	83.9	81.6	88.7
	Shareholders and investors	Institutional investors/ analysts	Financial results/ Management plan briefing	sessions	2	2	2	3	2
			Facility tour	tours	6	6	5	3	1
		Private investors	Company briefing	sessions	3	8	8	6	7
		Shareholders	Facility tour	tours	13	13	17	19	23

				Units	FY2015	FY2016	FY2017	FY2018	FY2019
Social (S)	Human resources	Number of employees	All	persons	16,796	16,632	16,461	16,086	14,363
			Male		14,913	14,750	14,602	14,233	12,624
			Female		1,883	1,882	1,859	1,853	1,739
		Average age	All	years old	42.1	41.8	42.6	42.8	42.4
			Male		42.2	40.1	42.8	43.0	42.5
			Female		40.2	42.0	41.0	41.3	41.0
		Years of service	All	years	21.2	20.9	22.1	22.3	21.4
			Male		21.5	21.2	22.4	22.6	21.7
			Female		17.9	18.4	19.6	19.9	19.2
		Number of newly-recruited employees	All	persons	406	380	406	398	392
			Male		344	321	338	332	328
			Female		62	59	68	66	64
		Hours worked per employee		hours	2,018	2,015	1,981	1,991	1,966
		Number of days taken as paid annual leave per person		days	15.1	15.0	15.5	15.9	17.3
		Number of persons taking childcare leave	Male	persons	9	10	9	19	23
			Female		173	182	185	200	197
		Number of persons taking nursing care leave	Male	persons	3	2	1	5	4
			Female		1	2	1	1	1
		Percentage of employees who are physically/ mentally challenged*7		%	2.32	2.39	2.40	2.44	2.50
		Industrial accident frequency			0.39	0.33	0.55	0.46	0.38
		Number of industrial accidents (Chubu Electric Power employees)*8		accidents	95	113	84	99	77
		Number of industrial accidents (Contractors)		accidents	77	58	72	60	39
		Number of fatal accidents (Chubu Electric Power employees)		accidents	0	0	0	0	0
		Number of fatal accidents (Subcontractors, outsourced)		accidents	2	1	2	0	0
	Social contribution activities	Traveling Classrooms (Number of times conducted)		times	437	428	368	321	277
		Number of visitors to the Electricity Museum		persons	313,455	243,722	294,832	315,010	308,088

*1 Figures as of June 30 of each fiscal year are stated.
*2 The CO_2 emission intensities that reflect credits obtained from the methods stipulated in the Act on Promotion of Global Warming Countermeasures and that are adjusted based on the FIT scheme for renewable energy are yet to be determined.
*3 Figures for FY2019 are currently being calculated (Will be announced on the Chubu Electric Power website around September at the same time as the submission of the report to the government)
*4 The thermal power generation business was transferred to JERA Co., Inc. from FY2019.
*5 Industrial waste, etc. = Industrial waste + Valuables + Internally recycled goods
*6 The figure worsened due to repeated typhoon damage in summer 2018.
*7 The figures indicated are those as of June 1 in the next fiscal year.
*8 The definition of "accidents" at Chubu Electric Power was changed in fiscal 2012 from "when an employee receives continuous medical treatment" to "when an employee receives medical treatment."

Analysis of Operating Results

Chubu Electric Power's electrical energy sold decreased by 1.0 TWh to 117.2 TWh, compared with the previous fiscal year, mainly due to a decrease in electrical energy sold for industries and an effect of switches made to other operators with the intensified competition, in spite of a sales increase outside Chubu region.

Furthermore, electrical energy sold including group companies decreased by 1.0 TWh to 122.5 TWh compared with the previous fiscal year.

Electrical Energy Sold (TWh, %)

	FY2019 (A)	FY2018 (B)	Change (A-B)	Rate of Change (A-B)/B
Low voltage	34.6	36.4	(1.7)	(4.8)
High voltage Extra-high voltage	82.6	81.9	0.7	0.9
Total	117.2	118.3	(1.0)	(0.9)
Reference (1):				
Electrical energy sold including group companies*	122.5	123.6	(1.0)	(0.9)

* The sum of the company, consolidated subsidiaries, and affiliates accounted for under the equity method.

Reference (2):				
Electrical Energy Sold to other companies*	4.5	8.4	(4.0)	(47.1)

* Electrical energy sold to other companies of Power Network Company (9.5 TWh for this year and 2.6 TWh for the previous year) is subtracted from electrical energy sold to other companies in electric power supplied.

As for electricity power supply, hydroelectric power output amounted to 8.7 TWh, almost the same as in the previous fiscal year, while the operation of all reactors at the Hamaoka Nuclear Power Station was suspended.

Chubu Electric Power recognized no thermal power output this year as a result of the integration of its thermal power generation businesses to JERA.

On the other hand, purchased power increased by 105.7 TWh to 128.5 TWh compared with the previous year mainly due to the start of power purchase from JERA Co., Inc.

Electric Power Supplied (TWh, %)

	FY2019	FY2018	Rate of Change	
Internally generated				
Hydroelectric power	8.7	8.5	0.2	2.1
<flow rate>	<101.2>	<102.4>	<(1.2)>	
Thermal power	–	104.0	(104.0)	–
Nuclear power	(0.2)	(0.3)	0.0	(4.7)
<utilization rate>	<–>	<–>	<–>	
Renewable energy	0.1	0.1	0.0	62.5
Externally generated				
Wholesale	(13.9)	(11.1)	(2.9)	26.0
Purchased power	128.5	22.8	105.7	463.9
Power used for pumped storage	(0.8)	(0.7)	(0.1)	22.7
Total	122.3	123.4	(1.1)	(0.9)

In terms of operating balance, operating revenues increased by 30.8 billion yen to 3,065.9 billion yen compared with the previous fiscal year, mainly due to an increase in fuel cost adjustment charges and an increase in surcharge and grant based on the Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities, in spite of a decrease in electrical energy sold.

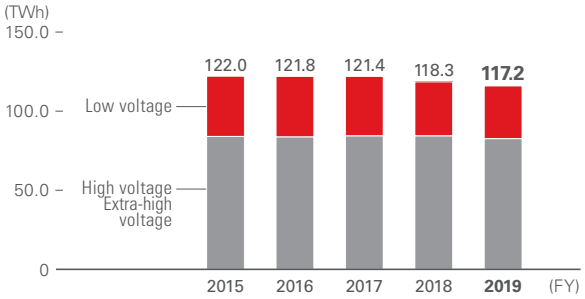
Ordinary income increased by 78.8 billion yen to 191.8 billion yen compared with the previous year mainly due to group-wide efforts to streamline operations and the change from a loss to a gain of the impact of time lag between changes in fuel prices and the reflection of them in electricity sales prices, in spite of the effect of competition on the sales front.

Consolidated ordinary income amounted approximately to 153.0 billion yen after excluding the time-lag impact, representing a decrease of approximately 10.0 billion yen compared with the previous year.

Chubu Electric Power recognized an extraordinary income of 19.0 billion yen in connection with the integration of its thermal power generation businesses to JERA in April 2019.

As a result, net income attributable to owners of parent increased by 84.0 billion yen to 163.4 billion yen, compared with the previous fiscal year.

Electrical Energy Sold



Below is the performance by segment (before elimination of inter-segment transactions) of this consolidated fiscal year.

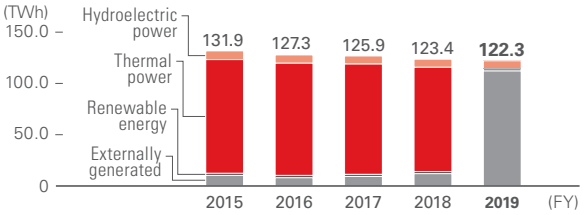
As a result of the integration of its thermal power generation businesses to JERA, the Company has changed its reportable segments to "Customer Service & Sales," "Power Network," and JERA from this consolidated fiscal year. No operating revenues are recognized for the JERA segment as JERA Co., Inc. is an affiliate accounted under the equity method. For the purpose of comparison, Chubu Electric Power's thermal power generation businesses are included in the figures of the JERA segment for the previous year.

Customer Service & Sales

Operating revenue from our total energy service centered on gas & electric power decreased by 89.1 billion yen to 2,660.3 billion yen compared with the previous fiscal year, mainly due to the effect of competition on the sales front.

Ordinary income decreased by 19.3 billion yen to 45.0 billion yen compared with the previous fiscal year mainly due

Electric Power Supplied



From FY2016, the amount of power at the sending end has been indicated as the amount of internally generated power

* Chubu Electric Power recognized no thermal power output this year as a result of the integration of its fuel reception, storage, and gas transmission businesses and its existing thermal power generation usinesses to JERA through an absorption-type company split on April 1, 2019.

* Purchased power has increased significantly mainly due to the start of power purchase from JERA Co., Inc.

to the effect of competition on the sales front, in spite of our efforts to reduce power source procurement cost.

Power Network

Operating revenue from provision of power network services increased by 4.3 billion yen to 750.7 billion yen compared with the previous fiscal year, mainly due to an increase in grant based on Act on Special Measures Concerning Procurement of Electricity from Renewable Energy Sources by Electricity Utilities, in spite of a decrease in electricity demand in Chubu region.

Ordinary income increased by 4.9 billion yen to 47.6 billion yen compared with the previous fiscal year mainly due to our efforts to economize basic costs, in spite of a decrease in electricity demand in Chubu region.

JERA

Operating income from fuel upstream and procurement to power generation and wholesale of electricity and gas amounted to 71.2 billion yen, an improvement of 72.2 billion yen from the previous fiscal year mainly due to our efforts to strengthen cost competitiveness and to create new revenue sources as well as the change of time-lag impact from a loss to a gain.

Achievement status of management target

In March 2019, Chubu Electric Power set a new medium-term business goal of "aiming to become a group that can realize a consolidated ordinary income of 170 billion yen or more in FY2021."

Consolidated ordinary income for the current fiscal year amounted approximately to 153.0 billion yen after excluding the time-lag impact.

Impact assessment of new coronavirus infection (COVID-19)

We assess that the impact of new coronavirus infection on our financial standing, operating results, and cash flow for the current fiscal year was limited. However, we expect that our financial standing, operating results, and cash flow for the next fiscal year will be affected mainly through the status of electricity demand in Chubu region. The magnitude of such an impact will vary depending on how soon the pandemic will end and to what extent the economy will have recovered in the future.

Analysis of Financial Standing

As part of the integration of thermal power generation businesses, certain assets and liabilities, such as steam power generation facilities and interest-bearing debts, have been transferred to JERA Co., Inc. The net amount of the transferred assets and liabilities, which is equivalent to a net asset value, is recognized as shares in JERA Co., Inc. in assets.

As a result of the above, total assets decreased by 486.7 billion yen to 5,500.8 billion yen compared with the end of the previous fiscal year.

Net assets increased by 117.7 billion yen to 1,962.0 billion yen compared with the end of the previous fiscal year, mainly due to the recognition of net income attributable to owners of parent, in spite of paying cash dividends.

As a result, the shareholders' equity ratio was 34.4%.

Analysis of Cash Flows

Cash flow from operating activities decreased by 40.5 billion yen to 255.8 billion yen compared with the previous fiscal year, mainly due to the effect of the integration of thermal power generation businesses to JERA.

Cash flow from investment activities increased by 279.2 billion yen to 647.6 billion yen from the previous fiscal year mainly due to the payment of adjustment money to JERA Co., Inc. and an expenditure to purchase shares of Eneco, a company operating comprehensive energy business in Europe, in spite of a decrease in capital investment as a result of the integration of thermal power generation businesses.

As a result, free cash flow decreased by 319.7 billion yen to -391.7 billion yen from the previous consolidated fiscal year.

Cash flow from financing activities amounted to an outflow of 5.8 billion yen, which represents a decrease in such cash flow by 343.1 billion yen from the previous fiscal year, mainly due to a decrease in the amount of financing.

Consequently, the amount of cash and cash equivalents at the end of the current fiscal year decreased by 402.4 billion yen from the end of the previous fiscal year.

Total outstanding interest-bearing debt at the end of the current fiscal year decreased by 556.1 billion yen to 2,425.0 billion yen from the end of the previous fiscal year.

With regard to capital sources and fund fluidity, the group raises equipment funds required primarily to administrate the electricity business by way of issuing corporate bonds, obtaining bank loans, etc., and gains in short-term operation funds mainly by issuing short-term corporate bonds in principle.

Capital Investments

Capital investments amounted to 242.6 billion yen in the fiscal year ended March 31, 2020 as a result of our efforts to pursue a maximum level of management efficiency, including slimming down of equipment, while securing a stable supply of electric power and public security.

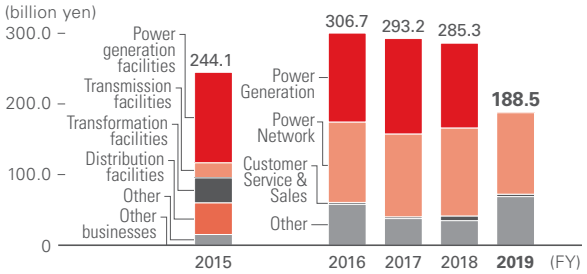
A breakdown of the capital investments by segment (before elimination of inter-segment transactions) is 15.1 billion yen for Customer Service & Sales, 118.3 billion yen for Power Network, and 115.4 billion yen for other segments.

Reference: FY2018 Capital Investments (Nonconsolidated) (billion yen)

Item		Capital Investments
Customer Service & Sales		1.1
Power Network	Transmission facilities	30.3
	Transformation facilities	39.7
	Distribution facilities	35.1
	Other	13.0
	Total	118.3
Other		69.0
Grand total		188.5

*The above figures do not include consumption tax.

Electric Power Supplied



* From FY2016, the amount of power at the sending end has been indicated as the amount of internally generated power

Business and Other Risks

Of all the variables affecting the Chubu Electric Power Group's performance and financial standing, the primary factors most likely to have a major effect on investors' decisions are listed below.

Forward-looking statements in this report are based on facts and conditions as of the date of the financial statement report (on June 26, 2020). Actual results may differ, affected by the government's future energy policy and revision of electricity business system and others.

(1) Risks of the economic environment

<1> Economic and weather conditions

In the electric power business, which is the core business of the Group, the volume of electricity sales fluctuates due to economic trends and temperature changes, and consequently, the performance could potentially be affected.

In addition, the amount of yearly precipitation affects the amount of hydroelectric power output, which impacts our power-generating costs. Chubu Electric Power, however, has set aside a reserve for fluctuation in water levels, which allows the company to make a certain adjustment against such impact within balance of the reserve, thus limits the effect on performance.

<2> Changes in fuel prices, etc.

Regarding the group's power procurement costs, they may be affected by market price such as liquefied natural gas (LNG), coal and crude oil and fluctuations in the currency exchange market, however, the fluctuations of fuel prices within certain range could potentially be reflected in electricity rates under "Fuel-cost Adjustment System", the impact of these factors on performance should be mitigated.

Regarding fuel procurement by JERA and other group companies, the Chubu Electric Power Group has taken measures to diversify procurement sources and to secure flexibility. However, fuel supply-demand conditions and fuel market prices may fluctuate significantly due to, for example, supplier facility and/or operational issues and changes in political, economic, or social situation. In this case, our financial standing, operating results, and cash flow could potentially be affected due to, for example, changes in fuel procurement cost, the difference between fuel procurement price and fuel selling price, and changes in market selling/wholesale selling prices of electric power.

<3> Changes in interest rates

The balance of interest-bearing debts of the Group is 2425.0 billion yen at the end of March 2020, an amount equivalent to 44.1% of the group's total assets. Interest payments on this debt are susceptible to market interest rates, and thus the performance could potentially be affected.

However, the impact of these debts on our financial standing, operating results, and cash flow would be limited because 84.4% of the outstanding balance of interest-bearing debts consists of long-term fund such as corporate bonds and long-term loans, and most of them were procured at fixed interest rates.

Part of the corporate pension plan assets held by the Chubu Electric Power Group could potentially affect its financial standing, operating results, and cash flow as their market value fluctuates with movements in stock prices and interest rates, among other factors.

(2) Risks associated with the Group business activities

<1> Suspension of operation of nuclear power generation facilities

The company has suspended operation of all reactors at the Hamaoka Nuclear Power Station. Based on the new regulatory standards, the company has currently been implementing countermeasures steadily, while undergoing the Nuclear Regulation Authority's review to verify compliance with the new regulatory standards for Units 3 and 4. The company will strengthen internal systems to take action in response to reviews being conducted, and allow early confirmation that the power station conforms to the new regulations.

The major safety enhancement measures at Unit 4, related to the tsunami/earthquake countermeasures or severe accident countermeasures that have been planned after the accident at the Fukushima Daiichi Nuclear Power Station, was mostly completed. In the future as well, any additional equipment counterplan in response to the review etc. should be implemented at the earliest time possible. After Unit 4, efforts will be made to implement the countermeasures in Unit 3 based on the new regulatory standards. In parallel with specifying the method for recovery from the sea-water inflow in Unit 5, countermeasures based on the new regulatory standards will be examined, and preparations will be made for applying for the examination for verification of conformance.

Moreover, on site response focusing on the inside of the power station, such as strengthening the on-site response capabilities through education/training or by streamlining the emergency preparedness system, will be continues, and in addition, efforts will be made to enhance the offsite response in preparation for nuclear disaster in the areas around the power station, by strengthening cooperation with the national and local governments, directed towards enhancing the effectiveness of emergency response including the evacuation of residents.

Since operation is suspended for all reactors at the Hamaoka Nuclear Power Station, the Chubu Electric Power Group is providing electricity using thermal power sources as an alternative. This will substantially increase power procurement costs, which coupled with other factors, is likely to exert an influence on our financial standing, operating results, and cash flow.

Depending on the continuation of the suspension of operation of the Hamaoka Nuclear Power Station to comply with the new regulatory standards or the suspension of operation of nuclear power generation facilities of other companies from which the Chubu Electric Power Group receives power supply, our financial standing, operating results, and cash flow could potentially be affected.

<2> Nuclear power back-end costs, etc.

The back-end business of nuclear power takes an extremely long time period and has many uncertainties. Rules set by the government have reduced such uncertainties, but the costs of nuclear fuel cycles, including back-end costs, may vary depending on regulatory reform like changes in estimates of future expenses (mandated and voluntary) and the operating status of reprocessing facilities. As a result, our financial standing, operating results, and cash flow could potentially be affected.

<3> Large-scale natural disasters and other disasters

The business activities of the Chubu Electric Power Group are exposed to such risks as large-scale natural disasters, such as Nankai Trough earthquake and powerful typhoon, armed attack, terrorism, outbreak of an infectious disease, and accident.

To prepare for the occurrence of such an event, the Chubu

Electric Power Group has formulated a business continuity plan (BCP), is implementing precautionary measures including the formation, maintenance, and operation of facilities, and improving operating structures and conducting drills to cope with the occurrence of any such event.

Most recently, in view of the lessons learned from typhoon disasters and based on our action plan, we are working to strengthen the facility recovery capability by improving various recovery support systems, to enhance the functionality of information offering apps, to strengthen the information offering capability to our customers by refurbishing our website, and to strengthen coordination with local governments and other electric power companies. In addition, our efforts to strengthen resilience, which are made in coordination with local governments and other parties concerned, include further acceleration of trimming and culling of trees in advance and the elimination of utility poles for the preventive maintenance and cooperation in the area of flood control in anticipation of potential flood of dams used for hydroelectric power generation.

However, if any disruption of supply or destruction of facilities occurs due to a large-scale natural disaster, armed attack, terrorism, outbreak of an infectious disease, accident, and the like, our financial standing, operating results, and cash flow could potentially be affected depending on the magnitude of damage.

<4> Spread of new coronavirus infection

In response to the outbreak of new coronavirus infection, the Chubu Electric Power Group, under the principle of maintaining stable energy supply and service levels while prioritizing the safety and health of its employees and their family members, partners, and customers, is working to prevent infection and to secure backup staff in the event of emergency through such measures as the maximum use of working from home, ensuring staggered commuting under a flextime system, and the use of unmanned facilities as satellite offices.

Under the New Lifestyle recommended by the Expert Meeting, we will further accelerate the development and provision of new services by way of, for example, Community Support Infrastructure, to resolve social issues, in due consideration of significantly changing social structures and values and behavioral patterns of individuals.

However, if the effect of new coronavirus infection lingers for an extended period or the outbreak regains momentum, our financial standing, operating results, and cash flow could potentially be affected by a slowdown in the procurement of materials and equipment and/or construction work as well as a decrease in electricity demand.

<5> Information security

In order to address risks of power supply disruption or information leakage due to threats such as a cyberattack, the Chubu Electric Power Group has established a risk management system, pushes forward with information sharing and analysis in cooperation with other business operators and organization concerned through JE-ISAC and other forums, and is implementing various security measures and drills on an ongoing basis.

To ensure that personal information (including Specific Personal Information) and other types of information are managed properly, we have established a department dedicated to information management, established necessary internal regulations, and provides training and awareness-raising programs to employees, among other initiatives, based on the requirements of applicable laws and regulations.

In addition, we will realize further security enhancements through risk assessment and the analysis of assessment results.

However, if a cyberattack or an information leakage occurs and we incur direct expenses to cope with it or suffer from a decline in social credibility as a result, our financial standing, operating results, and cash flow could potentially be affected.

<6> Changes in the competitive environment

With the progress of regulatory reform such as the legal unbundling of the power transmission/distribution sector, increasing needs for low carbonization , and the expansion of the introduction of renewable energy, the environment surrounding the energy business is changing rapidly. In addition, as markets and rules are being developed in stages to further encourage competition, the supply-demand structure is changing significantly.

We view these kinds of change in the business environment as major opportunities for growth. In order to take the lead in the new era of energy, we make the transition to a "business model that separates power generation from sales" such as the integration of the existing thermal power generation business into JERA and the split off of the sales business. By having each of our business deal with different markets and developing the business independently, the Chubu Electric Power Group aims to grow into a more robust corporate group.

In the sales business, the Group will work to expand sales by strengthening coordination with customers, such as the provision of electricity and gas with services and products that enrich customers' lives, a CO_2-free service lineup to meet the needs for lower carbon footprint, and new services based on the use of renewable energy. JERA will work to supply internationally competitive energy stably by integrated and optimal management of entire value chain from fuel upstream and procurement to power generation and wholesale of electricity and gas. Through these efforts, the Chubu Electric Power Group will work to enhance its corporate value.

However, our financial standing, operating results, and cash flow could potentially be affected by intensifying competition and so on.

<7> Regulatory amendments for global environment protection, etc.

Amid increasing demand for global warming countermeasures and rising concerns about coal thermal power generation both in Japan and internationally on the back of the adoption of the Paris Agreement, the Chubu Electric Power Group has participated in the "Electric Power Council for a Low Carbon Society (ELCS)," a voluntary framework under which participating electric power companies conduct activities to reduce greenhouse gas emissions to achieve industry goals. In addition, it is also necessary for the Group to improve the percentage of its non-fossil fuel energy sources under the Act on Sophistication of Energy Supply Structure and to improve power generation efficiency under the Act on the Rational Use of Energy.

Given this situation, the Chubu Electric Power Group, under the "Chubu Electric Power Group Basic Environmental Policy," will implement all possible measures, including new development of renewable energy (2 million kW or more by around 2030), the use of the Hamaoka Nuclear Power Station in a manner to prioritize safety improvements and the trust of local residents, the introduction of high-efficiency thermal power generation and gradual retirement of low-efficiency thermal power generation, reduction of transmission/

distribution loss, and promotion of the use of electric power. Through these measures, the Group will work to reduce greenhouse gas emission, pursue the optimal energy mix promote, and promote energy saving to realize a low-carbon society on a global scale.

However, our financial standing, operating results, and cash flow could potentially be affected by the future trend of tightening environmental regulations, among other factors.

<8> Businesses other than electric power

The group focuses on the energy business that supplies electricity, gas and on-site energy as its core areas and are developing various businesses, including overseas energy business taking advantage of our know-how in our domestic businesses, electricity-related facilities construction and maintenance, and manufacturing of materials and equipment for the core businesses of the group.

The Group also aims to contribute to the resolution of social issues and to increase revenue by accelerating commercialization in new growth fields and providing "value that expands by being connected" together with energy services in various areas, such as living environment, medical care, nursing care, watching over, and disaster and crime prevention, through the construction of "Community Support Infrastructure."

In overseas businesses, the Group aims contribute to the resolution of social issues in each country/region and to increase revenue by focusing on those businesses that support local communities with the provision of stable and reasonably priced infrastructure services and those businesses that will enable the realization of a low-carbon society.

However, these businesses are subject to changing business environments, including increasing competition with other enterprises, and could potentially affect our financial standing, operating results, and cash flow if they fail to produce the results expected by the Group.

<9> Compliance

The Chubu Electric Power Group strives for strict compliance by establishing the "Chubu Electric Power Group Basic Compliance Policy," which indicates a basic policy and principles of action related to compliance with laws, regulations, and social rules, and has established the "Chubu Electric Power Group Anti-Bribery and Anti-Corruption Policy" and the "Guidelines on Giving and Receiving Money and Other Items of Value" in 2019 to strengthen efforts to ensure compliance.

The Chubu Electric Power Group will continue to make incessant efforts to ensure full compliance by evaluating the situation on an ongoing basis and fulfilling its accountability based on the results of such evaluation.

However, if any event against compliance occurs within or in connection with the Group, the reputation of the Group may be damaged and our financial standing, operating results, and cash flow could potentially be affected.

This Page Intentionally Left Blank

Consolidated Balance Sheets

Chubu Electric Power Company, Incorporated and Subsidiaries
As of March 31, 2020 and 2019

ASSETS	Millions of yen		Thousands of U.S. dollars
	March 31, 2020	March 31, 2019	March 31, 2020
Property, Plant and Equipment:			
Property, plant and equipment, at cost	¥10,208,521	¥ 13,865,992	$ 93,819,701
Construction in progress	387,105	451,643	3,557,623
	10,595,626	14,317,636	97,377,325
Less:			
Contributions in aid of construction	(204,451)	(199,356)	(1,878,973)
Accumulated depreciation	(7,310,834)	(10,282,893)	(67,188,990)
	(7,515,285)	(10,482,250)	(69,067,964)
Total Property, Plant and Equipment, Net	3,080,341	3,835,385	28,309,360
Nuclear Fuel:			
Loaded nuclear fuel	40,040	40,040	367,982
Nuclear fuel in processing	148,733	144,573	1,366,908
Total Nuclear Fuel	188,773	184,613	1,734,890
Investments and Other Assets:			
Long-term investments	1,433,614	648,240	13,175,392
Net defined benefit asset	13,627	15,265	125,240
Deferred tax assets	162,692	197,035	1,495,197
Other	15,796	14,009	145,171
Allowance for doubtful accounts	(558)	(778)	(5,135)
Total Investments and Other Assets	1,625,171	873,773	14,935,867
Current Assets:			
Cash and deposits	148,583	546,082	1,365,530
Trade notes and accounts receivable	308,452	343,850	2,834,784
Allowance for doubtful accounts	(885)	(1,888)	(8,137)
Other	150,377	205,710	1,382,023
Total Current Assets	606,528	1,093,754	5,574,200
Total Assets	¥ 5,500,815	¥ 5,987,526	$50,554,319

The U.S. dollar amounts notes present the translating yen amounts into U.S. dollar amounts on a basis of ¥108.81 to U.S. $1.00, the prevailing exchange rate at the fiscal year-end.

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars
	March 31, 2020	March 31, 2019	March 31, 2020
Noncurrent Liabilities:			
Long-term loans payable	¥1,758,950	¥1,781,011	$16,165,341
Provision for loss in conjunction with discontinued operations of nuclear power plants	7,981	8,174	73,353
Net defined benefit liability	161,239	170,818	1,481,841
Asset retirement obligations	255,032	249,067	2,343,836
Other	181,301	177,853	1,666,221
Total Noncurrent Liabilities	2,364,506	2,386,924	21,730,595
Current Liabilities:			
Current portion of noncurrent liabilities	303,212	285,130	2,786,620
Short-term loans payable	274,962	925,612	2,526,992
Commercial paper	96,000	–	882,271
Notes and accounts payable - trade	192,715	133,584	1,771,119
Accrued taxes	30,571	67,297	280,964
Other	254,335	322,167	2,337,429
Total Current Liabilities	1,151,797	1,733,792	10,585,398
Reserve for Fluctuation in Water Levels	22,446	22,446	206,291
Total Liabilities	3,538,749	4,143,163	32,522,285
Commitments and Contingent Liabilities			
Net Assets			
Capital stock	430,777	430,777	3,958,986
Capital surplus	70,808	70,798	650,751
Retained earnings	1,363,241	1,237,605	12,528,642
Treasury shares, at cost	(2,474)	(2,008)	(22,741)
Total Shareholders' Equity	1,862,352	1,737,172	17,115,639
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	37,407	35,232	343,783
Deferred gains and losses on hedges	(13,623)	(2,273)	(125,203)
Foreign currency translation adjustments	13,534	16,428	124,391
Remeasurements of defined benefit plans	(5,278)	(8,064)	(48,507)
Total Accumulated Other Comprehensive Income	32,040	41,322	294,462
Noncontrolling interests	67,672	65,867	621,932
Total Net Assets	1,962,065	1,844,362	18,032,034
Total Liabilities and Net Assets	¥5,500,815	¥5,987,526	$50,554,319

The U.S. dollar amounts notes present the translating yen amounts into U.S. dollar amounts on a basis of ¥108.81 to U.S. $1.00, the prevailing exchange rate at the fiscal year-end.

For detailed information on the financial conditions of Chubu Electric Power, please see the Appendix, "Chubu Electric Power Group Report 2020 (Integrated Report) Financial Section."

Consolidated Statements of Income

Chubu Electric Power Company, Incorporated and Subsidiaries
For the Years Ended March 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars
	March 31, 2020	March 31, 2019	March 31, 2020
Operating Revenues:			
Electricity	¥2,630,228	¥2,651,685	$24,172,669
Other	435,726	383,397	4,004,471
Total Operating Revenues	3,065,954	3,035,082	28,177,141
Operating Expenses:			
Electricity	2,515,286	2,539,625	23,116,315
Other	419,836	369,532	3,858,435
Total Operating Expenses	2,935,122	2,909,158	26,974,751
Operating Income	130,832	125,924	1,202,390
Other Income (Expenses):			
Interest expense	(22,309)	(24,024)	(205,036)
Gain on change in equity	19,092	–	175,464
Other, net	83,281	11,029	765,381
Total Other Income (Expenses), Net	80,063	(12,995)	735,809
Income Before Income Taxes	210,895	112,929	1,938,199
Income Taxes:			
Current	28,792	29,350	264,615
Deferred	14,382	651	132,177
Total Income Taxes	43,175	30,002	396,792
Net Income	167,720	82,926	1,541,406
Net income attributable to noncontrolling interests	4,248	3,504	39,042
Net income attributable to owners of parent	¥ 163,472	¥ 79,422	$ 1,502,364

	Yen		U.S. dollars
	March 31, 2020	March 31, 2019	March 31, 2020
Per Share of Capital Stock:			
Net income - basic	¥216.11	¥104.96	$1.99
Cash dividends	50.00	45.00	0.46

The U.S. dollar amounts notes present the translating yen amounts into U.S. dollar amounts on a basis of ¥108.81 to U.S. $1.00, the prevailing exchange rate at the fiscal year-end.

Consolidated Statements of Comprehensive Income

Chubu Electric Power Company, Incorporated and Subsidiaries
For the Years Ended March 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars
	March 31, 2020	March 31, 2019	March 31, 2020
Net Income	¥167,720	¥82,926	$1,541,406
Other Comprehensive Income:			
Valuation difference on available-for-sale securities	1,389	(3,315)	12,768
Deferred gains and losses on hedges	2,245	1,679	20,635
Foreign currency translation adjustments	19	(168)	179
Remeasurements of defined benefit plans, net of tax	3,293	4,909	30,268
Share of other comprehensive income of entities accounted for using equity method	(15,815)	(1,522)	(145,347)
Other Comprehensive Income	(8,867)	1,582	(81,495)
Comprehensive Income	¥158,852	¥84,509	$1,459,911
Comprehensive income attributable to:			
Owners of parent	¥154,189	¥79,147	$1,417,055
Noncontrolling interests	4,663	5,361	42,855

The U.S. dollar amounts notes present the translating yen amounts into U.S. dollar amounts on a basis of ¥108.81 to U.S. $1.00, the prevailing exchange rate at the fiscal year-end.

For detailed information on the financial conditions of Chubu Electric Power, please see the Appendix, "Chubu Electric Power Group Report 2020 (Integrated Report) Financial Section."

Consolidated Statements of Changes in Net Assets

Chubu Electric Power Company, Incorporated and Subsidiaries
For the Years Ended March 31, 2020 and 2019

	Number of shares of capital stock issued	Shareholders' equity					Accumulated other comprehensive income					Non controlling interests	Total net assets
		Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
		Millions of yen											
Balance at April 1, 2018	758,000,000	¥430,777	¥70,805	¥1,188,453	¥(1,891)	¥1,688,145	¥38,649	¥(6,182)	¥19,964	¥(10,833)	¥41,597	¥62,199	¥1,791,942
Dividends of surplus	–	–	–	(30,270)	–	(30,270)	–	–	–	–	–	–	(30,270)
Net income attributable to owners of parent	–	–	–	79,422	–	79,422	–	–	–	–	–	–	79,422
Purchase of treasury shares	–	–	–	–	(121)	(121)	–	–	–	–	–	–	(121)
Disposal of treasury shares	–	–	0	–	3	3	–	–	–	–	–	–	3
Change in equity of parent on transactions with noncontrolling interests	–	–	(6)	–	–	(6)	–	–	–	–	–	–	(6)
Net changes in items other than shareholders' equity	–	–	–	–	–	–	(3,416)	3,909	(3,535)	2,768	(274)	3,667	3,393
Balance at March 31, 2019	758,000,000	¥430,777	¥70,798	¥1,237,605	¥(2,008)	¥1,737,172	¥35,232	¥(2,273)	¥16,428	¥ (8,064)	¥41,322	¥65,867	¥1,844,362
		Millions of yen											
Balance at April 1, 2019	758,000,000	¥430,777	¥70,798	¥1,237,605	¥(2,008)	¥1,737,172	¥35,232	¥ (2,273)	¥16,428	¥(8,064)	¥41,322	¥65,867	¥1,844,362
Dividends of surplus	0	–	–	(37,835)	–	(37,835)	–	–	–	–	–	–	(37,835)
Net income attributable to owners of parent	0	–	–	163,472	–	163,472	–	–	–	–	–	–	163,472
Purchase of treasury shares	0	–	–	–	(470)	(470)	–	–	–	–	–	–	(470)
Disposal of treasury shares	0	–	(0)	–	4	4	–	–	–	–	–	–	4
Change in equity of parent on transactions with noncontrolling interests	0	–	9	–	–	9	–	–	–	–	–	–	9
Net changes in items other than shareholders' equity	0	–	–	–	–	–	2,174	(11,349)	(2,893)	2,786	(9,282)	1,805	(7,477)
Balance at March 31, 2020	758,000,000	¥430,777	¥70,808	¥1,363,241	¥(2,474)	¥1,862,352	¥37,407	¥(13,623)	¥13,534	¥(5,278)	¥32,040	¥67,672	¥1,962,065
		Thousands of U.S. dollars											
Balance at April 1, 2019		$3,958,986	$650,665	$11,374,001	$(18,463)	$15,965,191	$323,797	$ (20,897)	$150,983	$(74,112)	$379,771	$605,341	$16,950,304
Dividends of surplus		–	–	(347,723)	–	(347,723)	–	–	–	–	–	–	(347,723)
Net income attributable to owners of parent		–	–	1,502,364	–	1,502,364	–	–	–	–	–	–	1,502,364
Purchase of treasury shares		–	–	–	(4,320)	(4,320)	–	–	–	–	–	–	(4,320)
Disposal of treasury shares		–	(1)	–	42	40	–	–	–	–	–	–	40
Change in equity of parent on transactions with noncontrolling interests		–	87	–	–	87	–	–	–	–	–	–	87
Net changes in items other than shareholders' equity		–	–	–	–	–	19,985	(104,306)	(26,592)	25,604	(85,308)	16,590	(68,718)
Balance at March 31, 2020		$3,958,986	$650,751	$12,528,642	$(22,741)	$17,115,639	$343,783	$(125,203)	$124,391	$(48,507)	$294,462	$621,932	$18,032,034

The U.S. dollar amounts notes present the translating yen amounts into U.S. dollar amounts on a basis of ¥108.81 to U.S. $1.00, the prevailing exchange rate at the fiscal year-end.

For detailed information on the financial conditions of Chubu Electric Power, please see the Appendix, "Chubu Electric Power Group Report 2020 (Integrated Report) Financial Section."

Consolidated Statements of Cash Flows

Chubu Electric Power Company, Incorporated and Subsidiaries
For the Years Ended March 31, 2020 and 2019

	Millions of yen		Thousands of U.S. dollars
	March 31, 2020	March 31, 2019	March 31, 2020
Cash Flows from Operating Activities:			
Income before income taxes	¥ 210,895	¥ 112,929	$ 1,938,199
Adjustments for:			
Depreciation	178,171	256,465	1,637,456
Decommissioning costs of nuclear power units	9,067	8,371	83,333
Loss on retirement of noncurrent assets	6,688	10,447	61,473
Decrease in provision for net defined benefit liability and asset	(3,066)	(878)	(28,183)
Decrease in provision for loss in conjunction with discontinued operations of nuclear power plants	(192)	(1,036)	(1,769)
Interest and dividend income	(2,914)	(3,171)	(26,785)
Interest expense	22,309	24,024	205,036
Equity in net income of affiliates	(77,106)	(9,560)	(708,629)
Gain on change in equity	(19,092)	–	(175,464)
Decrease (increase) in notes and accounts receivable - trade	37,391	(50,312)	343,640
Increase in inventories	(14,724)	(16,002)	(135,325)
Increase in notes and accounts payable - trade	59,144	615	543,556
Other, net	(111,341)	21,245	(1,023,266)
Subtotal	295,231	353,138	2,713,272
Interest and dividend income received	6,707	10,502	61,644
Interest expense paid	(23,129)	(24,551)	(212,564)
Income taxes paid	(22,913)	(42,682)	(210,582)
Cash flows from operating activities	255,896	296,406	2,351,769

	Millions of yen		Thousands of U.S. dollars
	March 31, 2020	March 31, 2019	March 31, 2020
Cash Flows from Investing Activities:			
Purchase of noncurrent assets	(230,985)	(350,624)	(2,122,833)
Payments on investments and loans receivable	(450,446)	(39,434)	(4,139,752)
Collection on investments and loans receivable	15,163	9,699	139,353
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(2,653)	–
Proceeds from purchases of shares of subsidiaries resulting in change in scope of consolidation	–	185	–
Other, net	18,646	14,466	171,367
Cash flows from investing activities	(647,622)	(368,361)	(5,951,864)
Cash Flows from Financing Activities:			
Proceeds from issuance of bonds	169,429	33,940	1,557,114
Redemption of bonds	(100,000)	(60,000)	(919,033)
Proceeds from long-term loans payable	105,315	59,625	967,883
Repayments of long-term loans payable	(176,528)	(212,402)	(1,622,356)
Proceeds of short-term loans payable	305,862	946,160	2,810,973
Repayments of short-term loans payable	(357,562)	(391,555)	(3,286,121)
Proceeds from issuance of commercial paper	349,000	434,000	3,207,425
Redemption of commercial paper	(253,000)	(434,000)	(2,325,153)
Purchase of treasury shares	(468)	(122)	(4,309)
Cash dividends paid	(37,747)	(30,193)	(346,915)
Dividends paid to noncontrolling interests	(2,525)	(3,936)	(23,212)
Other, net	(7,624)	(4,254)	(70,068)
Cash flows from financing activities	(5,851)	337,260	(53,773)
Effect of exchange rate change on cash and cash equivalents	10	(133)	93
Net increse (decrease) in cash and cash equivalents	(397,567)	265,171	(3,653,774)
Cash and cash equivalents at beginning of this period	550,060	284,888	5,055,235
Decrease in cash and cash equivalents resulting from change in scope of consolidation	(4,916)	–	(45,183)
Cash and cash equivalents at end of this period	¥ 147,576	¥ 550,060	$ 1,356,277

The U.S. dollar amounts notes present the translating yen amounts into U.S. dollar amounts on a basis of ¥108.81 to U.S. $1.00, the prevailing exchange rate at the fiscal year-end.

For detailed information on the financial conditions of Chubu Electric Power, please see the Appendix, "Chubu Electric Power Group Report 2020 (Integrated Report) Financial Section."

Corporate Data

(As of March 31, 2020)

Corporate Profile

Corporate name:	Chubu Electric Power Company, Incorporated
Headquarters:	1 Higashi-shincho, Higashi-ku, Nagoya, Aichi 461-8680, Japan Tel: +81-52-951-8211 (Main)
Representative*:	Hayashi Kingo, President & Director
Date of establishment:	May 1st, 1951
Capital:	¥430,777,362,600
Number of employees:	16,086
Number of shares issued:	758,000,000
Number of shareholders:	233,996
Independent auditor:	KPMG AZSA LLC
Stock markets traded:	Tokyo Stock Exchange, Inc. Nagoya Stock Exchange, Inc. (Securities ID code: 9502)
Administrator of shareholder registry:	Mitsubishi UFJ Trust and Banking Corporation 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan

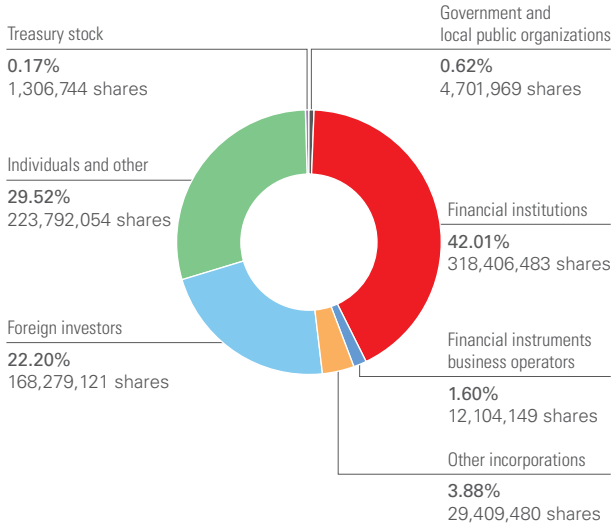
* As of April 1, 2020

Number of Shares

Total number of authorized shares
1,190 million shares

Total number of shares issued
758 million shares

Composition of Shareholders



Main Business Locations

Headquarters:	1 Higashi-shincho, Higashi-ku, Nagoya, Aichi
Shizuoka Regional Office:	2-4-1 Hontoori, Aoi-ku, Shizuoka
Tokyo Office:	2-2-1 Uchisaiwai-cho, Chiyoda-ku, Tokyo

Overseas Offices

Washington Office	900 17th Street, NW, Suite 1220, Washington, D.C. 20006, U.S.A. tel: +1-202-775-1960
London Office	2nd Floor, 210 High Holborn, London WC1V 7EP, U.K. tel: +44-20-7409-0142
Doha Office	4th Floor, Salam Tower, Al Corniche P.O.Box 22470, Doha-QATAR tel: +974-4483-6680

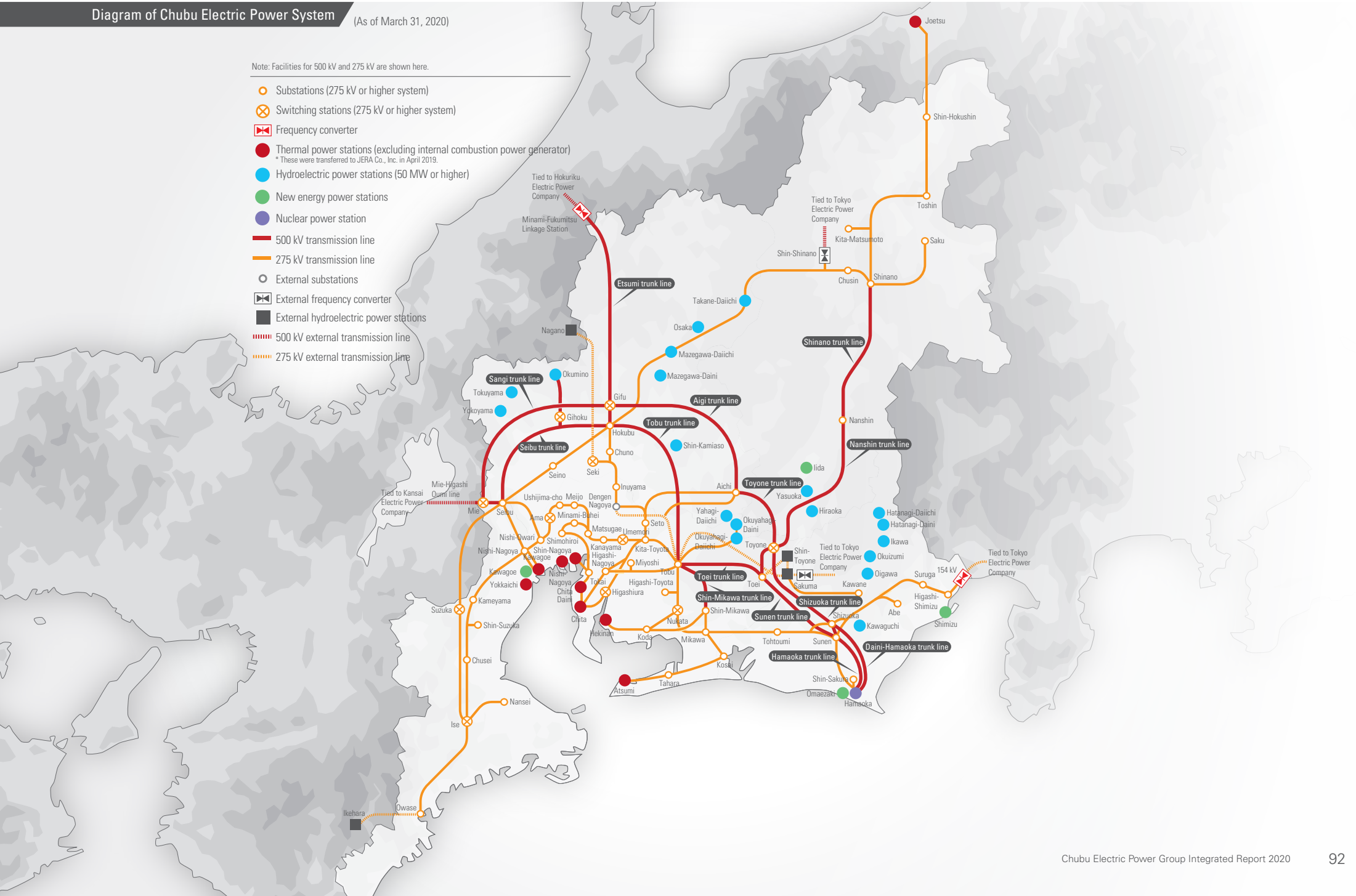
Principal Shareholders

Name	Number of shares owned (thousands)	Ownership percentage of total shares issued (%)
Japan Trustee Services Bank, Ltd.	96,978	12.79
The Master Trust Bank of Japan, Ltd.	65,854	8.69
Meiji Yasuda Life Insurance Company	39,462	5.21
Nippon Life Insurance Company	23,419	3.09
Chubu Electric Employees' Shareholders Association	19,166	2.53
MUFJ Bank, Ltd.	13,391	1.77
JP MORGAN CHASE BANK 385151 (Standing proxy: Settlement & Clearing Services Dept., Mizuho Bank)	12,249	1.62
Sumitomo Mitsui Banking Corporation	11,954	1.58
Mizuho Bank, Ltd.	10,564	1.39
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Settlement & Clearing Services Dept., Mizuho Bank)	9,954	1.31
Total	302,996	39.97

Note: The number of shares held by Japan Trustee Services Bank, Ltd. and The Master Trust Bank of Japan, Ltd. (96,978 thousands shares and 65,854 thousands shares, respectively) is related to their trust services.

Diagram of Chubu Electric Power System

(As of March 31, 2020)

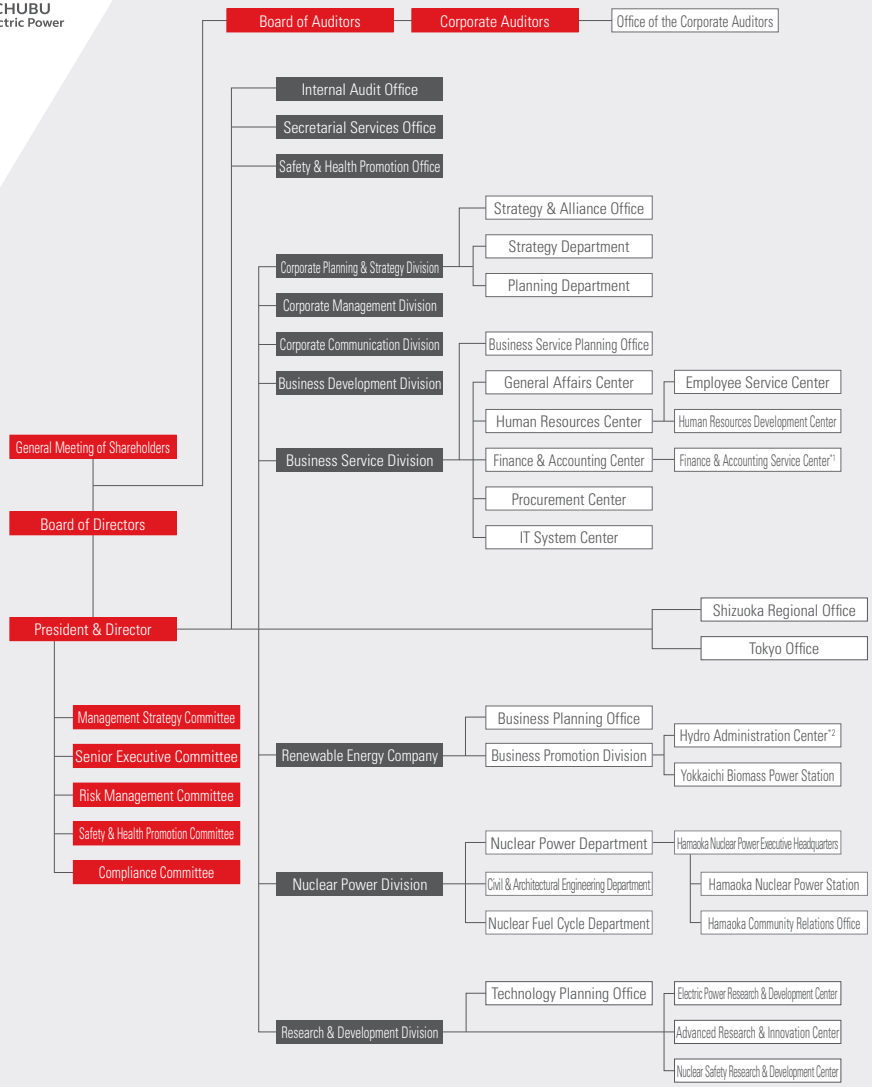


Organization Charts

(As of April 1, 2020)

CHUBU Electric Power

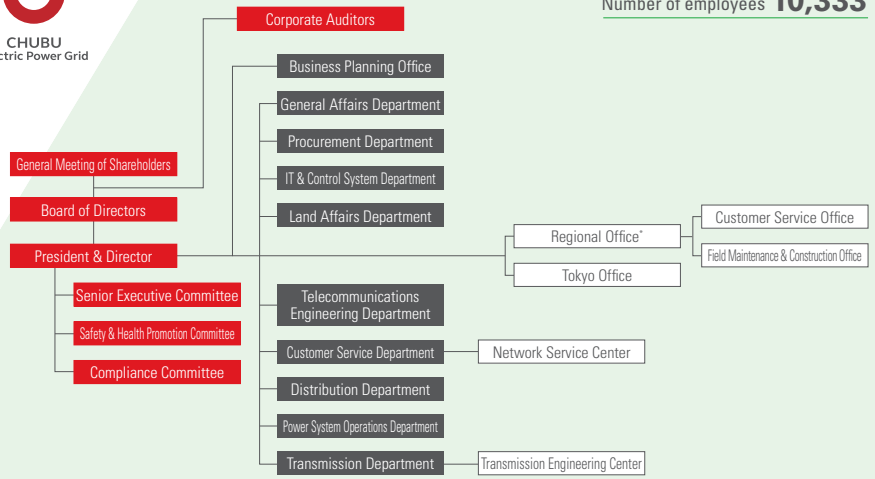
Number of employees **3,179**



*1 Nagoya, Shizuoka, Mie, Gifu, Nagano and Okazaki Finance & Accounting Service Centers
*2 Aichi, Shizuoka, Mie Gifu, Nagano and Iida Hydro Administration Centers

CHUBU Electric Power Grid

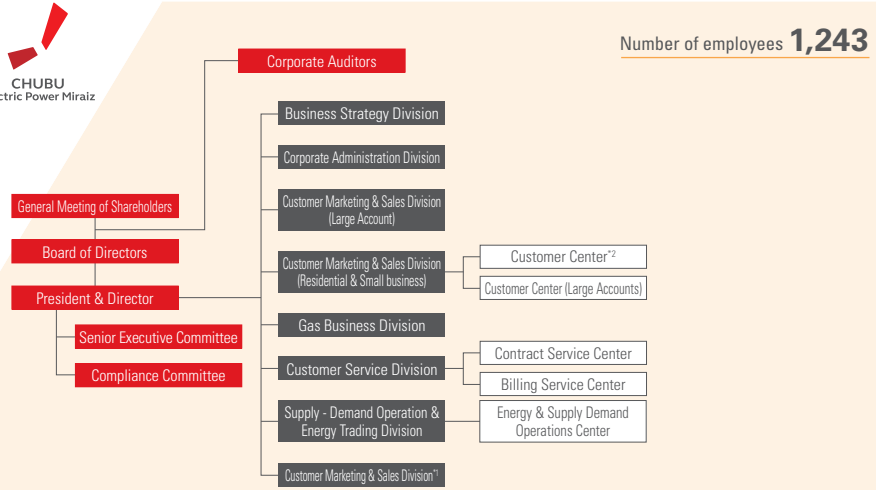
Number of employees **10,333**



* Nagoya, Shizuoka, Mie, Gifu, Nagano and Okazaki Regional Offices

CHUBU Electric Power Miraiz

Number of employees **1,243**



*1 Nagoya, Shizuoka, Mie, Gifu, Nagano and Okazaki Customer Marketing & Sales Division
*2 Nagoya and Gifu Customer Centers

Associated Companies

(As of July 1, 2020)

● Consolidated subsidiaries ◎ Affiliates accounted for under the equity method

Associated Companies of Chubu Electric Power Company, Incorporated

Community Support Infrastructure Related Business

- ● necolico LLC
- ◎ Fleet EV Initiative LLC
- ◎ e-Mobility Power., Inc.
- ◎ Grid Data Bank Lab.LLP

Renewable Energy Business

- ● CEPCO-R LLC
- ● Shizen Kankyo System Co., Ltd.
- ◎ Miyako Kuzakai Solar Park LLC
- ◎ Kamogawa Mirai Solar LLC
- ◎ RS Ibaraki Kunikihara LLC
- ◎ Fukushima Sakura Solar Hatsuden LLC
- ◎ Aichi Gamagori Biomass Power Generation LLC
- ◎ Kamisu Biomass Power Generation LLC
- ◎ Omaezaki Port Biomass Energy LLC
- ◎ Yonago Biomass Power Generation LLC
- ◎ C&M Renewable Energy LLC
- ◎ Toyota Green Energy LLP
- ◎ M & C Tottori Hydro Power Co.,Ltd.
- ● AOYAMA-KOGEN WIND FARM CO., LTD.
- ● Saku Ohisama Solar Power Limited Business Partnership
- ◎ Tahara Solar Co., Ltd.

Overseas Business

- ● Chubu Electric Power Company Netherlands B.V.
- ◎ Diamond Chubu Europe B.V.
- ◎ Diamond Transmission Partners Walney Extension (Holdings) Limited
- ● Chubu Electric Power & MUL Germany Transmission GmbH
- ◎ Diamond Germany 1.Transmission GmbH
- ◎ Diamond Germany 2.Transmission GmbH
- ◎ Greenway Grid Global Pte. Ltd.

Real Estate

- ● Chuden Real Estate Co., Ltd.
- ◎ ES-CON JAPAN Ltd.

Construction

- ● Chubu Plant Service Co., Ltd.
- ● C-TECH CORPORATION
- ● TOENEC CORPORATION
- ● TOENEC Service Co., Ltd.
- ● TOENEC CONSTRUCTION (SHANGHAI) CO., LTD.
- ● Asahi Synchrotech Co., Ltd.
- ● PT. ASAHI SYNCHROTECH INDONESIA
- ● TOENEC(THAILAND)CO.,LTD.
- ● TOENEC PHILIPPINES INCORPORATED
- ◎ Tri-En TOENEC Co., Ltd.

Manufacturing

- ● CHUBU SEIKI Co., Ltd.
- ◎ TOKAI CONCRETE INDUSTRIES Co., Ltd.
- ◎ AICHI KINZOKU KOGYO Co., Ltd.
- ◎ AICHI ELECTRIC Co., Ltd.
- ◎ Chubu Liquid Oxygen Co., Ltd.
- ◎ Chita Tansan Co., Ltd.

IT/Telecommunications

- ● Chuden CTI Co., Ltd.
- ◎ Chubu Telecommunications Co., Inc.
- ◎ Community Network Center Inc.
- ◎ CHUBU CABLE NETWORK COMPANY, INCORPORATED
- ◎ Omaezaki Cable Television

Services and Others

- ● Chuden Auto Lease Co., Ltd.
- ● Chubu Cryogenics Co., Ltd.
- ● Chuden Wing Co., Ltd.
- ● CHUDEN BUSINESS SUPPORT Co., Ltd.
- ● Chuden Transportation Service Co., Ltd.
- ● Techno Chubu Co., Ltd.
- ● Chuden Disaster Prevention Co., Ltd.
- ● CHUDENKOGYO Co., Ltd.
- ◎ PFI Toyokawa Hoisaijyo Co., Ltd.
- ◎ Ogaki School Lunch Support Co., Inc.

Associated Companies of Chubu Electric Power Grid Co., Inc.

- ● Chuden Haiden Support Co., Ltd.
- ◎ SHIN-NIHON HELICOPTER Co., Ltd.

Associated Companies of Chubu Electric Power Miraiz Co., Inc.

- ● C Energy Co., Inc.
- ● CEPO Handa Biomass Power Generation Co., Inc.
- ● CS-Aqua CO., Ltd.
- ◎ Nakao Geothermal Power Company, Incorporated
- ◎ Aichi Clean Energy Co., Ltd.
- ● Chuden Energy Service Co., Ltd.
- ● Diamond Power Corporation
- ◎ Nagoya City Energy Co., Ltd.
- ◎ e-Kurashi Co. Ltd.
- ◎ CD Energy Direct Co., Ltd.
- ◎ CS Energy Service Co., Ltd.
- ◎ Minami Enshu Pipeline Co., Ltd.
- ◎ Marubeni ina Mirai Denki Co., Ltd.
- ◎ Hamamatsu D.H.C. Co., Ltd.
- ◎ Nagoya Energy Service Co., Ltd.
- ◎ Hokuriku Ines Co., Ltd.
- ◎ Centrair Energy Supply Co., Ltd.

Corporate slogan

むすぶ。ひらく。

(Musubu. Hiraku. in Japanese)

Our corporate slogan embodies our desire to continue to support communities by connecting (むすぶ。Musubu) people to people and people to society, with which we desire to explore (ひらく。Hiraku) the human potential and the future.

Chubu Electric Power Co., Inc.

1,Higashi-shincho,Higashi-ku,Nagoya 461-8680, Japan
Phone: +81-52-951-8211 (Main)
www.chuden.co.jp/english/

Published September 2020
Planning Department, Corporate Panning and Strategy Division