

## Governance

### Dialogue between the Chairman of the Board of Directors and an External Director

Katsuno Satoru, Chairman of the Board of Directors, and Kurihara Mitsue, Director (external)

### The role of the board of directors in supporting the transformation of the Chubu Electric Power Group's business model

FY2020 was a year that saw the Chubu Electric Power Group make significant strides in transforming its governance structure, which included spinning off businesses. Under this new operating structure, the Group is working to reform its business model for the purpose of realizing its management vision. Katsuno Satoru, Chairman of the Board of Directors, and Kurihara Mitsue, Director (external), discussed the role of the Board of Directors in supporting this transformation.

#### Toward further improvements in governance

**Katsuno:** The social structure is being dramatically reshaped by accelerating initiatives toward digital transformation (DX) and decarbonization as well as by the permeation of new lifestyles such as new ways of living and work styles accompanying the spread of COVID-19. Under such circumstances, the Chubu Electric Power Group has expressed its intention to contribute to the realization of a "safe, secure, and resilient society" by providing a Community Support Infrastructure that delivers a package of resilient and optimal energy services and data services that enhance convenience and enrich lives.

To respond accurately to changes in the business environment, achieve sustainable growth for the entire Group, and improve corporate value, Chubu Electric Power implements a governance system under which it has reduced the number of directors from 12 at the end of FY2019 to nine directors in June 2020, three of whom are external directors. In doing so, we increased the ratio of external directors to one-third.

It has been one year since Ms. Kurihara assumed the duties of director in 2020. I would like to ask you your frank opinions regarding the Chubu Electric Power Group's governance system.

**Kurihara:** One year has already passed since I became a director of Chubu Electric Power. Including external directors and external corporate auditors, I truly feel we possess a diversity of experiences, knowledge, and expertise that allows us to undertake multidimensional discussions. Katsuno Satoru, Chairman of the Board of Directors, and Hayashi Kingo, Company president who serves as top executive, show deep respect for the comments of each member of the Board of Directors and this makes it easier for us to exchange various opinions and engage in constructive discussions.

A common feature of all members of the Board of Directors is a shared sense of crisis about the future, or

more specifically, that the Group must evolve and create new value in step with the dramatic changes unfolding in the business environment. I believe it is highly commendable that the Board of Directors exchanges opinions from a diversity of perspectives utilizing the specialized knowledge of each member.

**Katsuno:** Thank you for your favorable assessment. I am fortunate to be able to receive numerous diverse opinions from board members after they have very enthusiastically examined future changes in the business environment utilizing their respective standpoints and experience. This makes discussions at the Board of Directors so lively that sometimes it is hard for me to keep time at the meetings as chairperson. On a different front, what are your thoughts on the Group's governance issues?

**Kurihara:** While pursuing optimum solutions in each business area by separating power generation, power



Katsuno Satoru  
Chairman of the Board of Directors



**Kurihara Mitsue**  
Director (external)

transmission/distribution, and sales into separate companies, I believe it is necessary to create a framework that will allow the Board of Directors of Chubu Electric Power Co., Inc., the holding company, to continually think about the overall optimization of the Chubu Electric Power Group from the perspective of the entire supply chain. The independence of each split-off company will increase with the passing of time. This means that ways must be devised to firmly establish mechanisms for communications among Group companies and for monitoring after-strategy planning.

**Katsuno:** I agree. I would like to see each operating company independently approach its respective business area. Alternatively, an extremely important factor will be the extent to which Chubu Electric Power, as the holding company, can monitor overall optimization.

Ms. Kurihara pointed out to me that “the energy

business can be undertaken only when each and every employee plays his or her respective role, such as equipment operation, maintenance, and sales, and that employees are key stakeholders.” As the business environment evolves significantly in each business domain going forward, I hope to engage in discussions upon extensively sharing the viewpoints and opinions of employees at the Board of Directors. This will help ensure that management and employees at the frontlines of each business can align their thinking.

**Kurihara:** Each division will think and act independently toward achieving goals if management clearly conveys its vision. I personally think that one of my valuable roles as an external director is to draw on my specialized knowledge and identify changes in the business environment and stakeholder opinions and internally communicate opinions that incorporate an outside perspective.

## Chubu Electric Power’s management issues as seen from a specialist field

**Kurihara:** From the perspective of finance, my field of expertise, Chubu Electric Power needs to further refine its investment management and financial strategies. In the past, Chubu Electric Power’s investments were mainly for its own equipment. However, in view of the drastically evolving business environment as seen by moves toward carbon neutrality and digitization in addition to the deployment of Community Support Infrastructure, Chubu Electric Power will also have such options as investing in new companies or other existing companies, undertaking M&A activities, and forming alliances with other companies. These are difficult investments and involve risks unlike those of the past. I would like to personally contribute to the sophistication of Chubu Electric Power’s investment management. This includes clarifying investment strategies and managing investment efficiency and even extends to exit strategies.

Decarbonization requires long-term and innovative investment. In view of this, I believe Chubu Electric Power must further deepen discussions at the Board of Directors regarding financial strategies in areas such as the financial foundation needed to prepare for various risks and the efficient circulation of funds required for new growth.

**Katsuno:** In new business fields, we have an array of options such as acquiring businesses through M&A, starting businesses by ourselves, or building our own facilities. Each of these options has corresponding risks and investment returns. The Board of Directors will also strive to appropriately manage these risks and investment returns across the Chubu Electric Power Group. The acquisition of Eneco, in the Netherlands, was achieved because we proposed to deploy in Europe the Community Support Infrastructure we are promoting in Japan.

**Kurihara:** M&A aims at achieving results that exceed

the sum of the digits, like adding one plus one to produce three or more, and it also buys time and resources. For this reason, post-merger integration (the integration process for maximizing synergies after executing the originally planned M&A) is crucial. With Eneco, at first I thought the objective was to learn about a business model being promoted in Europe. On the contrary, however, I learned that there are numerous instances where Japan's excellent systems are being introduced at partner companies. This type of M&A in particular generates mutual benefits.

**Katsuno:** Looking ahead, we must steadily allocate investments for carbon neutrality and digitization as new business fields. In the past, the Group's business format entailed collecting electricity-use fees from customers over long periods of time through our electric power business. In addition to this, we must now



be able to reliably and chronologically manage the timing of investments and returns, including the certainty of these, in new business areas.

### Foundations needing to be strengthened for sustainable growth

**Katsuno:** In the future it will be crucial to ensure the business model reforms now being discussed by management and the work style changes we plan to implement at the frontlines of business both function in unison in the same manner as rotating wheels on a vehicle.

Our "unwavering mission" is to deliver eco-friendly, energy safely and stably at an affordable price. Nevertheless, the way we execute this mission is changing dramatically. Flows of electricity will likely change significantly in step with the growing introduction of distributed power sources such as renewable energy. In response, we must change our facilities formation and operation methods as well as our control of electricity flows. In working to fulfill our mission, we are actively introducing the latest innovations in digital technologies while frontline employees are spearheading efforts to reform work operations. Ms. Kurihara, how do you view the foundation that needs to be strengthened for the sustainable growth of the Chubu Electric Power Group?

**Kurihara:** "Human resources development" and "dialogue with various stakeholders" are areas that need strengthening for sustainable growth. I would like to

place particular value on diversity. A new source of value will be "collective wisdom." This involves diverse human resources gathering for discussions in responding to changes in a highly uncertain business environment. For this reason, I believe that promoting cross-Group human resources development and management strategies will become an important issue in the future.

Chubu Electric Power will need to think about what types of human resources with what types of skill sets should be assigned to and trained in which business areas and business entities as well as thoroughly consider active roles of human resources with experience in different cultures.

**Katsuno:** Regarding the allocation of human resources across the entire Group, we have room for improvement in terms of working toward optimization and so I look forward to discussing this issue as we move ahead. Moreover, reskilling (vocational skills redevelopment and re-education) will also be a key issue in the future. As the use of IT becomes more prevalent, some work can be performed without relying on human power. Even when I was a new employee, telecommunications was already advanced. In response to the systematization of operational work, I gained experience in creating a new integrated maintenance system and undertaking organizational reforms for transferring the knowledge from operations work to maintenance work. With increased business activities in new fields in the future, promoting reskilling based on such a concept and demonstrating our comprehensive strengths



### Katsuno Satoru, Chairman of the Board of Directors

Katsuno Satoru earned a bachelor's degree in electrical engineering from Keio University and joined Chubu Electric Power in 1977. He has held positions as General Manager of the Okazaki Regional Office, General Manager of the Tokyo Office, Representative Director and Executive Vice President, and General Manager of the Corporate Planning & Strategy Division. He became President & Director in 2015 and has been in his present position since April 2020. Born in 1954 in Aichi Prefecture.



### Kurihara Mitsue, Chairman of the Board of Directors Value Management Institute, Inc.

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 current position since then. Assumed office of External Director of Chubu Electric Power in June 2020.



will be important.

**Kurihara:** Regarding the first point, human resources are valuable assets rather than just being resources. Regarding the second point, “dialogue with various stakeholders,” I think that reflecting the opinions of customers, shareholders and investors, local communities, business partners, and employees in company management is important. Furthermore, each type of stakeholder also has diverse perspectives. With this in mind, first of all ensuring that the thinking of management reaches stakeholders is essential. Listening to the opinions of these stakeholders, such as the Shareholder Questionnaire\*1 I saw the other day, is important.

In looking at the results of this questionnaire, I saw that numerous shareholders placed importance on “stability” for the purpose of long-term share holding. However, the category of “growth potential/future potential” was not always highly evaluated. I personally believe that Chubu Electric Power can play a leading role in making contributions within the changes taking place in society and can seize these changes as opportunities for growth. I also recognize that Chubu Electric Power must give shape to these strategies and initiatives and convey these to shareholders.

**Katsuno:** Communication with stakeholders encompassing customers and local communities as well as

shareholders and investors is extremely important and we will further strengthen this communication.

**Kurihara:** In decarbonization, as exemplified by VPP\*2, demand response\*3, and needs for electricity derived from renewable energy, Chubu Electric Power’s relationship with customers and local communities is changing significantly from back when it just unilaterally supplied electricity.

**Katsuno:** That’s true. Accordingly, Chubu Electric Power is working in unison with local communities and customers in promoting activities for energy infrastructure, decarbonization, and a recycling-oriented society within regions. In the days ahead, I hope to firmly reinforce our connections with customers and local communities.

**Kurihara:** Communication is extremely important because stakeholders have diverse aspects. Chubu Electric Power’s corporate culture, such as its awareness of trying to contribute to society and its integrity

and trustworthiness, are valuable features that I hope will never change. Within this corporate culture, I would like to see diverse human resources play active roles, show mutual respect, and place value on the posture of taking on challenges while exchanging opinions.

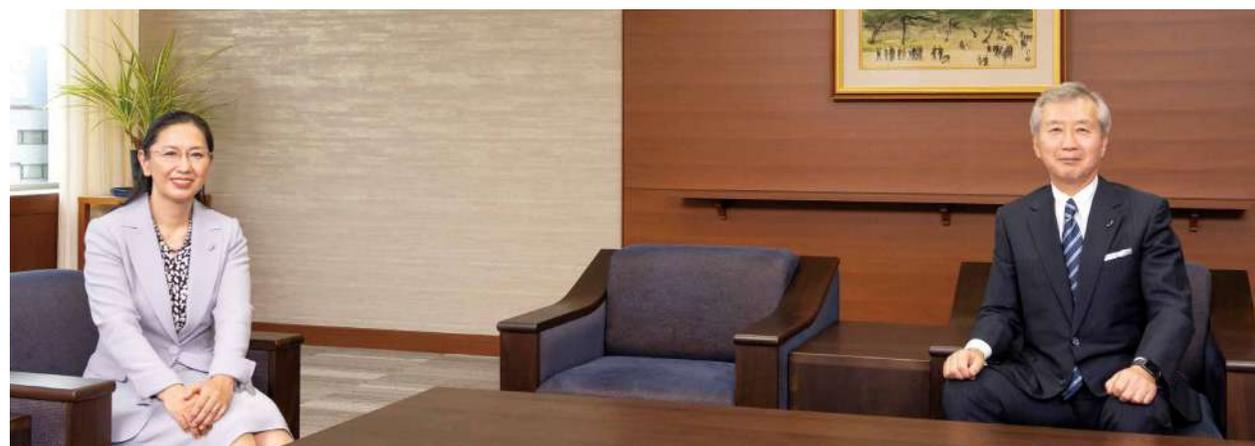
**Katsuno:** Yes, as business changes or we reform our work styles, under this unchanging corporate culture we will maintain an awareness that each and every employee will “change anew every single day” while we take on challenges and skillfully connect our vision, business plans for each business area and each person’s own roles.

The Chubu Electric Power Group is connected to all stakeholders. We will focus on deepening communication with stakeholders and redouble our efforts to create value together as we work toward the realization of our “Corporate Philosophy” of delivering energy that is indispensable for lives and contributing to the development of society.

\*1.  Results of the Shareholder Questionnaire (Japanese version only) Results: [https://www.chuden.co.jp/ir/ir\\_kabunushi/kabunushi\\_results/](https://www.chuden.co.jp/ir/ir_kabunushi/kabunushi_results/)

\*2. Virtual Power Plant: A mechanism for remote and integrated control of distributed energy resources such as storage batteries, electric vehicles, air conditioners, and heat pump water heaters using advanced energy management technology that utilizes IoT

\*3. Demand response: A mechanism in which surplus power generated by controlling the use of electricity specified by the electric power user is utilized for supply and demand regulation



# Corporate Governance

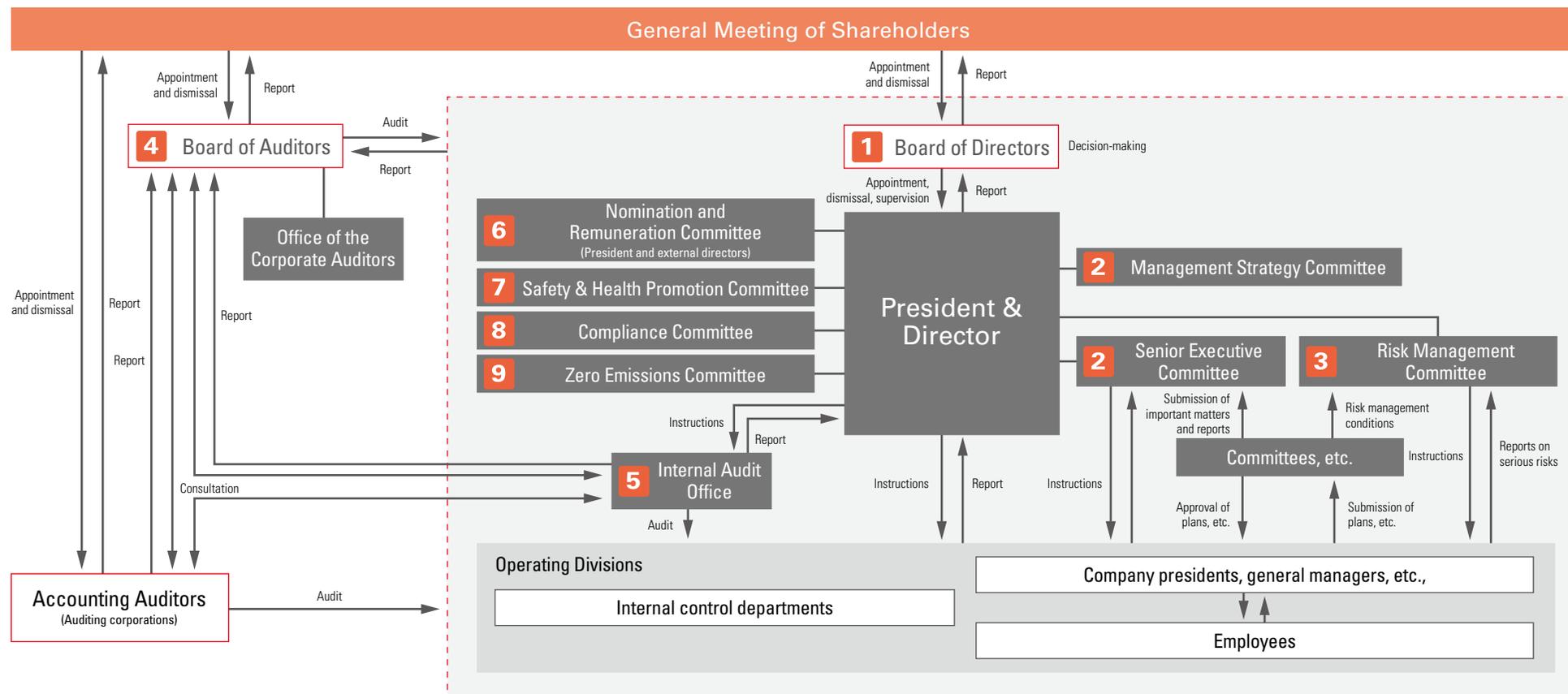
## Basic concept regarding corporate governance (Excerpt from Chubu Electric Power Group Basic Corporate Governance Policy)

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.

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

## Corporate governance structure



## 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.

Nine 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 circum-

stances 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  
external auditors  
**Held 17 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 7 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.

## 9 Zero Emissions Committee

In March 2021, the Zero Emissions Committee was established, chaired by the President, to take on the challenge of achieving net zero CO<sub>2</sub> emissions for the Chubu Electric Power Group's entire business in 2050.

The Committee will set ultra-long-term and medium-to-long-term targets for Chubu Electric Power, operating companies and group companies and formulate and evaluate action plans for attaining these targets.

\* The number of times the Board of Directors, the Board of Auditors, and the Nomination and Remuneration Committee met are the actual figures from FY2020.

\* The number of attendance is the result of FY2020. \* Ito Hisanori and Ihara Ichiro assumed office in June 2021.

\* The number of attendances by Mizutani Hitoshi, Ootani Shinya and Kurihara Mitsue is for the Board of Directors meetings held after taking office in June 2020.

\* The Company judges independence of independent directors under the Judgment Criteria for Independence of External Directors and External Corporate Auditors, which reflect the requirements of independent directors stipulated by securities exchanges which the Company is listed.

## Directors and Corporate Auditors (As of July 1, 2021)



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)

### Reasons for selecting:

Katsuno Satoru has a career history in the Company that, thus far, includes General Manager of Tokyo Office, General Manager of Corporate Planning & Strategy Division, and President & Director. As he possesses detailed knowledge of the Company's operations and ample ability to find solutions to managerial issues, Katsuno Satoru is considered capable of carrying out management that improves corporate value.

### Attendance:

The Board of Directors meetings in FY2020: 14/14 (100%)

Chairman of the Board of Directors  
**Katsuno Satoru**  
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)

### Reasons for selecting:

Hayashi Kingo has a career history in the Company that, thus far, includes General Manager of Tokyo Office, President of Customer Service & Sales Company and President & Director. As he possesses detailed knowledge of the Company's operations and ample ability to find solutions to managerial issues, Hayashi Kingo is considered capable of carrying out management that improves corporate value.

### Attendance:

The Board of Directors meetings in FY2020: 14/14 (100%)

President & Director  
**Hayashi Kingo**  
Reappointed



### General Manager of Corporate Management Division, CFO\*

Apr. 1984: Joined Chubu Electric Power  
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  
Apr. 2021: Director & Executive Vice President, General Manager of Corporate Management Division, Chief Financial Officer (incumbent)

### Reasons for selecting:

Mizutani Hitoshi has a career history in the Company that, thus far, includes General Manager of Nagoya Regional Office and General Manager of Corporate Management Division. As he possesses detailed knowledge of the Company's operations and ample ability to find solutions to managerial issues, Mizutani Hitoshi is considered capable of carrying out management that improves corporate value.

### Attendance:

The Board of Directors meetings in FY2020: 10/10(100%)

\*CFO: Chief Financial Officer

Director & Executive Vice President  
**Mizutani Hitoshi**  
Reappointed



### General Manager of Corporate Planning & Strategy Division, CIO\*

Apr. 1985: Joined Chubu Electric Power  
Apr. 2016: Executive Officer, General Manager of Electrical Engineering Dept. of Power Network Company  
Apr. 2018: Executive Officer, General Manager of Tokyo Office  
Apr. 2021: Senior Managing Executive Officer, General Manager of Corporate Planning & Strategy Division, Chief Information Officer  
June 2021: Director and Senior Managing Executive Officer, General Manager of Corporate Planning & Strategy Division and Chief Information Officer (incumbent)

### Reasons for selecting:

Ito Hisanori has a career history in the Company that, thus far, includes General Manager of Electrical Engineering Dept. of Power Network Company, General Manager of Tokyo Office and General Manager of Corporate Planning & Strategy Division. As he possesses detailed knowledge of the Company's operations and ample ability to find solutions to managerial issues, Ito Hisanori is considered capable of carrying out management that improves corporate value.

### Attendance:

The Board of Directors meetings in FY2020: --/--(%)

\*CIO: Chief Information Officer

Director and Senior Managing Executive Officer  
**Ito Hisanori**  
New appointment



### General Manager of Nuclear Power Division and Nuclear Power Department, CNO\*

Apr. 1984: Joined Chubu Electric Power  
Jul. 2015: Executive Officer, General Manager of Hamaoka Nuclear Power Station of Hamaoka Nuclear Power Executive Headquarters  
Apr. 2017: Executive Officer, General Manager of Nuclear Power Dept., Nuclear Power Division  
Apr. 2021: Senior Managing Executive Officer, General Manager of Nuclear Power Division and Nuclear Power Department, CNO  
June 2021: Director, Senior Managing Executive Officer, General Manager of Nuclear Power Division and Nuclear Power Department, CNO (incumbent)

### Reasons for selecting:

Ihara Ichiro has a career history in the Company that, thus far, includes General Manager of Hamaoka Nuclear Power Station of Hamaoka Nuclear Power Executive Headquarters, General Manager of Nuclear Power Department, Nuclear Power Division, and General Manager of Nuclear Power Division. As he possesses detailed knowledge of the Company's operations and ample ability to find solutions to managerial issues, Ihara Ichiro is considered capable of carrying out management that improves corporate value.

### Attendance:

The Board of Directors meetings in FY2020: --/--(%)

\*CNO: Chief Nuclear Officer

Director and Senior Managing Executive Officer  
**Ihara Ichiro**  
New appointment



### President and Director, Chubu Electric Power Miraiz Company, Incorporated

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

### Reasons for selecting:

Ootani Shinya has a career history in the Company that, thus far, includes General Manager of Business Strategy Office of Customer Service & Sales Company and President and Director of Chubu Electric Power Miraiz Company, Incorporated. As he possesses detailed knowledge of the Company's operations and energy sales business, and ample ability to find solutions to managerial issues, Ootani Shinya is considered capable of carrying out management that improves corporate value.

### Attendance:

The Board of Directors meetings in FY2020: 10/10 (100%)

Director  
**Ootani Shinya**  
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 & Representative Director, IBM Japan, Ltd.  
May 2012: Chairman & Director, IBM Japan, Ltd.  
Apr. 2014: Chairman, IBM Japan, Ltd.  
Jan. 2015: Vice Chairman, IBM Japan, Ltd.  
June 2016: External Director, the Company (to present)  
May 2017: Honorary Executive Advisor, IBM Japan, Ltd. (to present)  
Nov. 2019: President and Representative Executive Director, Yamashiro Management R&D Institute LTD. (incumbent)

### Reasons for selecting:

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.

### Attendance:

The Board of Directors meetings in FY2020: 14/14 (100%)

Director (External) (Independent Officer)  
**Hashimoto Takayuki**  
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: Executive Vice President and Representative Executive Director, Daido Steel Co., Ltd.  
June 2010: President and 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. (to present)  
June 2019: External Director, the Company (incumbent)

### Reasons for selecting:

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.

### Attendance:

The Board of Directors meetings in FY2020: 14/14 (100%)

Director (External) (Independent Officer)  
**Shimao Tadashi**  
Reappointed



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

Apr. 1987: Joined Development Bank of Japan  
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: Audit & Supervisory Board Member, Development Bank of Japan  
June 2020: External Director, the Company (incumbent)  
June 2020: Chairman of the Board of Directors, Value Management Institute, Inc. (incumbent)

### Reasons for selecting:

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.

### Attendance:

The Board of Directors meetings in FY2020: 10/10 (100%)

Director (External) (Independent Officer)  
**Kurihara Mitsue**  
Reappointed

Corporate Governance

\* The number of attendance is the result of FY2020

\* The number of attendances by Kataoka Akinori and Takada Hiroshi is for the Board of Directors and Board of Auditors meetings held after taking office in June 2020.



Senior Corporate Auditor (full-time)  
**Kataoka Akinori**  
Incumbent

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)

**Reasons for selecting:**

Kataoka Akinori has a career history in the Company that, thus far, includes General Manager of Finance & Accounting Dpt., Legal Affairs office., General Affairs office., Finance & Accounting Office, Purchasing & Contracting Office, Business Solutions & Corporate Communications Center, Finance & Accounting Center and IT System Center, and has specialized knowledge and a wealth of experience in finance and accounting.

**Attendance:**

The Board of Directors meetings in FY2020: 10/10 (100%)  
The Board of Auditors meetings in FY2020: 12/12 (100%)



Corporate Auditor (external)  
**Nagatomi Fumiko**  
Incumbent

**Attorney at law**

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)

**Reasons for selecting:**

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.

**Attendance:**

The Board of Directors meetings in FY2020: 14/14 (100%)  
The Board of Auditors meetings in FY2020: 17/17 (100%)



Corporate Auditor (full-time)  
**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)

**Reasons for selecting:**

Terada Shuichi has a career history in the Company that, thus far, includes General Manager of the Legal Affairs Dept., and has specialized knowledge and a wealth of experience in legal affairs.

**Attendance:**

The Board of Directors meetings in FY2020: 14/14 (100%)  
The Board of Auditors meetings in FY2020: 17/17 (100%)



Corporate Auditor (external)  
**Takada Hiroshi**  
Incumbent

**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)

**Reasons for selecting:**

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.

**Attendance:**

The Board of Directors meetings in FY2020: 10/10 (100%)  
The Board of Auditors meetings in FY2020: 12/12 (100%)



Corporate Auditor (external)  
**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)

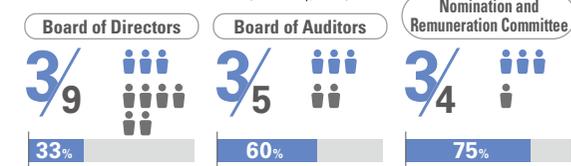
**Reasons for selecting:**

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.

**Attendance:**

The Board of Directors meetings in FY2020: 14/14 (100%)  
The Board of Auditors meetings in FY2020: 17/17 (100%)

**Percentage of external members in the Board of Directors, the Board of Auditors, and the Nomination and Remuneration Committee (As of July, 2021)**



**Percentage of female members in the Board of Directors, the Board of Auditors, and the Nomination and Remuneration Committee (As of July, 2021)**



**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 other directors, and with the Nomination and Remuneration Committee consisting of the President and independent external directors. 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.

## Composition of the Board of Directors

Chubu Electric Power determines the composition and scale of the Board of Directors upon comprehensively considering various management issues such as enhancing deliberations at the Board of Directors, quick management decision-making, director supervision functions, as well as the attainment of “achievement of our unwavering mission” and “creating new value” that are set forth in the Chubu Electric Power Group’s Management Vision and contributions to the realization of a carbon-free society while also considering the balance of knowledge, abilities, field of expertise, and practical experience of each director. The expertise and experience required of Directors and Corporate Auditors are disclosed as a skill matrix.

### ● Skills matrix

Name	Position in the Company	Directors' and auditors' outstanding expertise, experience							
		Corporate Management	Finance / Accounting	Legal	Risk Management	Technologies Contributing to Electric Power Supply	DX (Digital transformation) / Business Development	Marketing	Internationality / Diversity
Katsuno Satoru	Chairman of the Board of Directors	●			●	●			
Hayashi Kingo	President & Director	●						●	
Mizutani Hitoshi	Director, Executive Vice President	●	●	●					
Ito Hisanori	Director, Senior Managing Executive Officer					●	●		
Ihara Ichiro	Director, Senior Managing Executive Officer					●			
Ootani Shinya	Director	●						●	
Hashimoto Takayuki	Director (external)	●					●		●
Shimao Tadashi	Director (external)	●						●	●
Kurihara Mitsue	Director (external)	●	●						●
Kataoka Akinori	Senior Corporate Auditor (full-time)	●	●		●				
Terada Shuichi	Corporate Auditor (full-time)			●	●				
Hamaguchi Michinari	Corporate Auditor (external)				●		●		●
Nagatomi Fumiko	Corporate Auditor (external)			●	●				●
Takada Hiroshi	Corporate Auditor (external)	●			●			●	

\* The foregoing table shows up to three major expertise and experience of each person so that the table is not an exhaustive list of his/her expertise and experience.

## 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 all 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.

We will continue efforts for further improvements to raise the effectiveness of the Board of Directors.

### Initiatives since the past

- Wide-ranging discussions by members possessing diverse expertise and experience
- Enhancement of deliberations at the Board of Directors by explaining the agenda items in advance and taking other measures

### Future initiatives

- Deliberations that further emphasize the value required by stakeholders (customers/local communities, shareholders/investors, business partners, employees)
- Enrich deliberations based on the assumption of discussions among human resources with high-level specializations
- Improve strategic aspects that combine long-term and short-term perspectives

## 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

Directors' remuneration consists of monthly remuneration, performance-based bonus (short-term incentive remuneration) and performance-based stock remuneration (medium- to long-term incentive remuneration) with the aim of raising awareness of contributing to improvements in the Chubu Electric Power Group's business performance and increases in its corporate value. The total amount of remuneration is set at the medium level of the total remuneration for corporate officers at other listed companies when management targets are achieved. However, remuneration for external directors is limited to monthly remuneration and the impact on corporate performance is limited.

Performance-linked bonuses are set with consolidated ordinary income, the management target, as the indicator. In addition, these bonuses for the Chairman and President are determined based on consolidated net income and for other Directors these are determined giving consideration to such factors as the performance of each director individually and of the respective departments of which they are in charge.

Performance-based stock remuneration consists of fixed points determined according to position and points linked to performance. Performance-based points shall be determined every three fiscal years based

on the degree of attainment of consolidated ordinary income targets. (If consolidated ordinary income does not reach the target, performance-based points for the three fiscal years shall be "0".) Points granted can be revoked in the event of any serious malfeasance or legal violation by directors.

The proportion of monthly remuneration, performance-based bonus and performance-based stock remuneration to total remuneration shall be around 60%, 30% and 10%, respectively, when the management targets are achieved.

Matters related to individual remuneration of Directors are decided by the President, who has been authorized by the Board of Directors, after consultations at the Personnel Affairs Committee consisting of the Chairman, President, and other Representative Directors and at the Nomination and Remuneration Committee consisting of the President and independent external directors.

The remuneration of Corporate Auditors shall be limited to monthly remuneration to limit the impact on the Company's business performance and is determined through discussions among all Corporate Auditors.

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

(FY2020)

Category	Total remuneration (million yen)	Amount by type of remuneration (millions of yen)			Number of directors/ auditors in the category
		Monthly remuneration	Performance-linked bonus	Stock-based remuneration linked to share performances	
Directors (excluding external directors)	402	276	89	36	10
Auditors (excluding external auditors)	76	76	—	—	3
External board members	72	72	—	—	8

\* 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 and 350,000 shares per every three fiscal years (excluding external directors)

Auditors: 20 million yen per month

## 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.

### ● Major actions

FY2005	FY2006	FY2007	FY2015	FY2018	FY2021
<ol style="list-style-type: none"> <li>Reduction of the maximum number of directors stipulated in the articles of incorporation from 32 to 20 (As of July 2021, the number of directors is nine.)</li> <li>Adoption of an executive officer system and the delegation of authority to general managers</li> </ol>	<p>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.</p>	<ol style="list-style-type: none"> <li>Introduction of external directors</li> <li>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.</li> </ol>	<ol style="list-style-type: none"> <li>Establishment of the Chubu Electric Power Group Basic Corporate Government Policy</li> <li>Adoption of the Independence Standards for External Directors</li> <li>Installation of the Nomination and Remuneration Committee</li> <li>Establishment of the Policy for Constructive Dialogue with Shareholders</li> </ol>	<p>Revision of the director nomination criteria</p>	<ol style="list-style-type: none"> <li>Resolution of "Company's policy on determining compensations for each Director" at Board of Directors and disclosure</li> <li>Disclosure of skill matrix regarding composition of the Board of Directors</li> </ol>

# Operating Company Governance Structure

Our basic principle is to allow each of our operating companies, Chubu Electric Power Grid and Chubu Electric Power Miraiz, to respond 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.

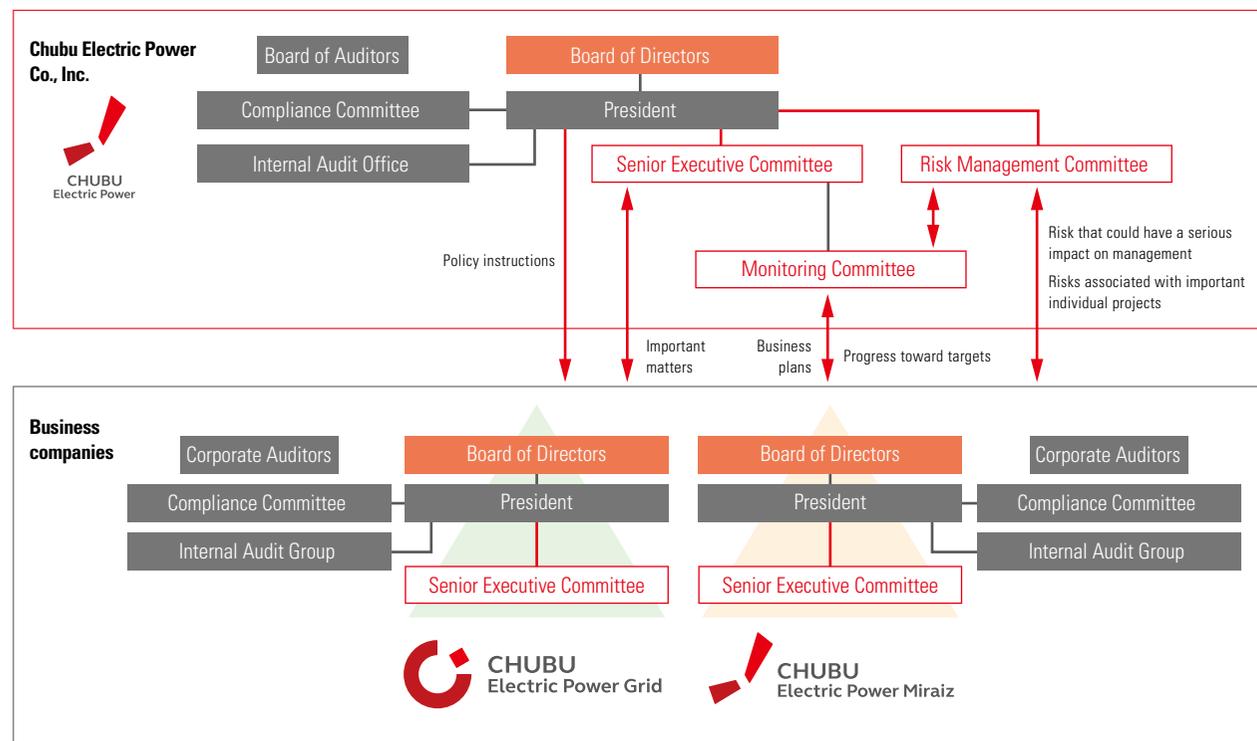
Also, governance of operating companies is assured by having the executives of Chubu Electric Power Co., Inc. participate in deliberations at operating companies by concurrently serving as directors and corporate auditors of these operating companies.

\* 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 through 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 formation

- 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, while ensuring JERA's autonomous business operation and swift decision-making. Including risk management, Chubu Electric Power engages in dialogue among officers during visits to shareholders by JERA and performs 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

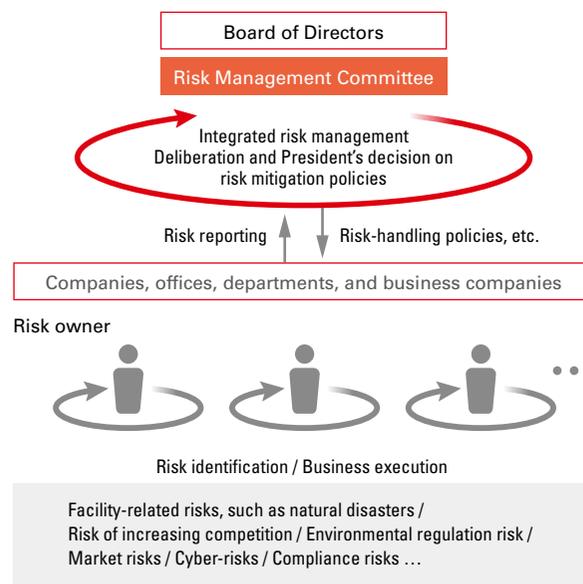
At Chubu Electric Power, the president of each company and the general manager of each department in the headquarters are responsible (risk owners) for the management of business execution risks. Among such risks, risks with a significant impact on management are regularly reported to the Risk Management Department.

The Risk Management Department reports to the Risk Management Committee chaired by the President on risks that are managed in an integrated manner from the perspective of the entire company based on the reports from the risk owners. The risk response policy is deliberated and decided by the President at the Risk Management Committee and the risk owners reflect the response policy in their annual management plans and risk countermeasures.

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 organization



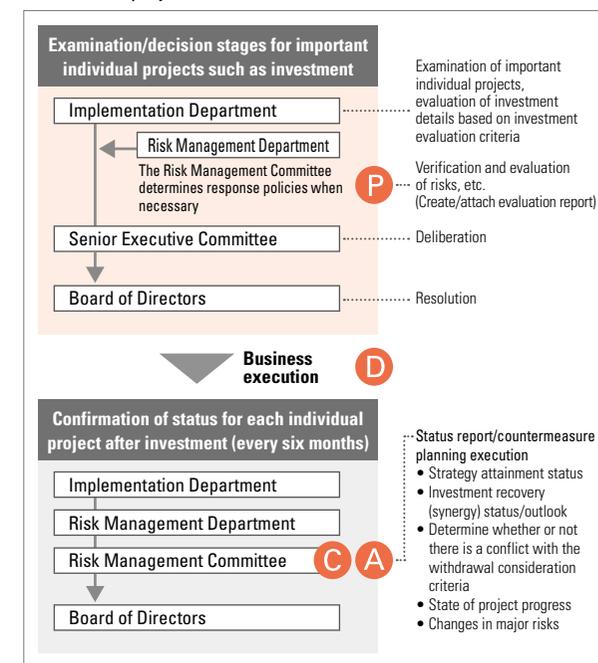
### Risk management flow

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	<ul style="list-style-type: none"> <li>The risk management department identifies and assesses risks that could have serious effects on management in an integrated manner</li> <li>The Risk Management Committee deliberates on risk mitigation policies and the president makes the final decision.</li> </ul>
Development and implementation of risk mitigation measures (business execution)	Risk mitigation policies are reflected in business plans and risk mitigation measures for execution
Monitoring	<ul style="list-style-type: none"> <li>Quarterly identification and assessment of changes in risks</li> <li>Risk mitigation policies are deliberated and reflected in risk mitigation measures as necessary</li> </ul>

## Management of risks associated with individual projects, such as investments

Regarding individual projects such as investments, risks are properly managed through risk evaluation at the time of decision-making by the Risk Management Department and through regular status confirmations and countermeasure instructions by the Risk Management Committee and the Board of Directors following the execution of these investments.

### Flow of risk management and status confirmation of important individual projects such as investments



## 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 also have established 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 Office 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.

## Information on Shareholdings

### [Investment securities classification standards and approach]

The Company classifies investment securities held for the purpose of receiving profits solely from changes in the value of shares or dividends related to shares as investment stocks for pure investment purposes and other investment securities for purposes other than pure investments as investment stocks for purposes other than pure investment.

### [Investment securities for purposes other than pure investment]

#### ● Holding policies, methods for verifying the rationality of holdings, and contents that have been verified by the Board of Directors, etc. concerning the appropriateness of holding shares of individual companies

The Company holds only those listed shares judged to contribute to raising the Group’s corporate value from a medium- to long-term perspective, such as those companies that contribute to the business operations of the Company and the development of the region. Every year, the Board of Directors verifies the suitability of holding listed policy stocks after considering economic rationality and the significance of holding these.

#### ● Number of issues and amounts recorded on the balance sheets

	Number of issues (issues)	Total amount recorded on the balance sheets (million yen)
Unlisted stocks	122	90,016
Stocks other than unlisted stocks	26	68,139

#### (Stocks for which the number of shares increased in the current fiscal year)

	Number of issues (issues)	Total acquisition price for the increased number of shares (million yen)	Reasons for the increase in the number of shares
Unlisted stocks	2	241	Investment to improve the corporate value of the Group
Stocks other than unlisted stocks	—	—	—

#### (Stocks for which the number of shares decreased in the current fiscal year)

	Number of issues (issues)	Total selling price related to the decrease in the number of shares (million yen)
Unlisted stock	18	41
Stocks other than unlisted stocks	2	402

(Note) Stocks for which the number of shares increased or decreased in the current fiscal year do not include stocks that fluctuated due to reverse stock splits, stock splits, stock transfers, stock swaps, or merger, etc.

### [Investment securities held for pure investment purposes]

No applicable shares

Please see the securities report for details on individual stocks held.



Chubu Electric Power’s securities report (Japanese version only)

# 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

\* This is the photo taken at the time of the photo shooting. The symbol mark in the photo differs from the current one.



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 were completed by the end of FY2020.

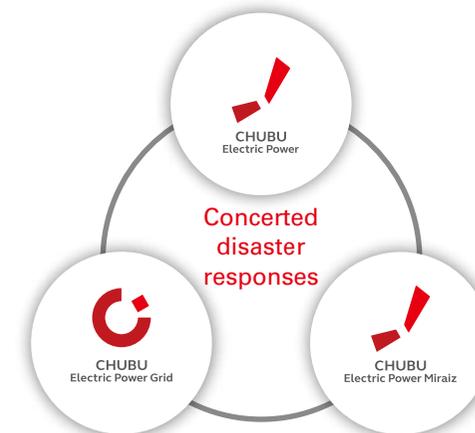
In addition, Chubu Electric Power is pushing forward with necessary measure also against an earthquake and tsunami of the maximum magnitude that could occur theoretically although the probability of occurrence is extremely low, based on the point of view of maintaining public safety (minimizing damage).

### 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 equipment 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 offices



# 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

### 1 Total Compliance

- (1) We perform our work duties in strict compliance with all laws, rules and corporate ethics.
- (2) We practice respect for human rights (prohibit child labor and forced and compulsory labor, avoid discrimination, etc.), carefully manage personal and confidential information, protect intellectual property rights, and so on.

### 2 Safety Assurance

Understanding that safety takes priority over all else, we endeavor to prevent occupational accidents and injuries and ensure public health and safety.

### 3 Mitigate Environmental Burden

Cooperating with our suppliers, we work to mitigate environmental burden by practicing green procurement, among other measures, and help to build and establish a recycling society.

### 4 Open Door Policy

We provide access to both Japanese and foreign companies, based on our open door policy, so that we may do business with suppliers with superior technical expertise who can provide quality products and satisfactory service.

### 5 Fair and Honest Procurement

We transact fair and honest business in the procurement of materials, equipment and so on, basing our decisions on economic rationality while assessing each supplier comprehensively for its prices, product quality, performance, safety, ability to meet delivery and construction deadlines, after-sale service, technical expertise, production capacity, business administration, safety management system and stance on corporate social responsibility (CSR), among others.

### 6 Work in Partnership

- (1) At Chubu Electric, we regard each of our suppliers as an important partner with whom we seek mutual growth.
- (2) Through open communication and fair and sincere transactions with our partner suppliers, we form stronger trust-based relationships and seek to cooperate with our suppliers to contribute to the sustainable development of society.

## What We Ask of Our Partners

### 1 Total Compliance

- (1) Comply with all laws, rules and corporate ethics
- (2) Practice respect for human rights (prohibit child labor and forced and compulsory labor, avoid discrimination, etc.)
- (3) Carefully manage personal and confidential information
- (4) Protect intellectual property

### 2 Safety Assurance

- (1) Build an internal control system concerning safety and provide appropriate training to personnel
- (2) Practice thorough safety management when working onsite (prevent occupational accidents and injuries, ensure public health and safety, ensure hygiene, and promote health)

### 3 Mitigate Environmental Burden

- (1) Build an internal control system concerning the environment and provide appropriate training to personnel
- (2) Promote green procurement to contribute to low carbon and preserve biodiversity
- (3) Suggest ways to make materials, equipment, construction methods, etc. more eco-friendly (energy conservation, recycling, and so on)
- (4) Build a sustainable society through efficient use of resources and water

### 4 Endeavor to Cut Costs

- (1) Endeavor to cut costs after first ensuring quality, performance, safety, etc.
- (2) Provide materials, equipment and construction services at competitive prices
- (3) Suggest ways to reduce costs of materials, equipment, construction methods, etc.

### 5 Maintain and Improve Quality and Provide Good Service

- (1) Maintain and improve quality, performance, safety and technology
- (2) Rigorously observe delivery and construction deadlines
- (3) Respond promptly in the event of emergencies or disasters
- (4) Improve after-sales service
- (5) Thoroughly implement risk management
- (6) Develop new technology and services that can create new values

### 6 Work in Partnership

- (1) Practice fair and sincere trade with Chubu Electric
- (2) Share comments, suggestions, etc., concerning our procurement practices

## Initiatives for 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. In November 2020, Chubu Electric Power announced “Declaration of Partnership Building” and in doing so declared it will make concentrated efforts for coexistence and mutual prosperity and new collaboration throughout its supply chain as well as ensure compliance using desirable trading practices

with parent enterprises (main subcontracting enterprises) and subcontractors.

Chubu Electric Power also provides various types of training for staff of procurement operations to ensure permeation of the Chubu Electric Group Basic Procurement Policy and compliance with laws, regulations, and corporate ethics. In working to prevent corruption and improve its partnerships, Chubu Electric Power also undertakes self-checks of its behavioral attitudes toward business partners and others and implements questionnaires for its business partners.

# 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.

## 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

	Conferences, etc.	Details of initiatives
Chubu Electric Power	Visiting consultation by in-house patent attorney	An in-house patent attorney visits our main business divisions around once per week to provide support for ensuring intellectual property is reliably protected by rights, avoiding intellectual property risk, and raising awareness about intellectual property.
	Intellectual property seminars	Enlightenment concerning the creation of intellectual property and improving the consciousness of preventing infringements on the intellectual property rights of others
	e-Learning	Courses for all employees focusing on basic knowledge about intellectual property and more practical operations
Chubu Electric Power Group companies	Intellectual Property Information Exchange Committee	Various types of education for all 22 group companies concerning intellectual property and sharing information

## 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 (fee-based) to those companies that desire to use them.

\* A released patent is one that the patent holder intends to release (license) to a third party



Chubu Electric Power Group Released patents (Japanese version only)

### Introducing Case Studies of Solutions Developed in Collaboration with Customers

#### Confectionery drying equipment

The production of baked confectioneries such as shrimp senbei (rice crackers) faces a host of problems. These include long drying time (about 50 minutes) that leads to a deterioration in the rice cracker flavor and the dropping and cracking of rice crackers during delivery for seasoning. Chubu Electric Power's technology significantly shortens drying times and prevents the deterioration of flavor as well as the cracking of confectionery by using "drying with infrared rays and hot air," "cooling with a blower fan," and "seasoning with a sponge roller."

#### Silicone resin coating spray device

Silicone resin coating methods consist of brushing and spraying. However, when using the spraying method, the silicone composition and the hardener are not uniformly mixed and quality is inconsistent, with a main problem being that thick application is difficult due to hardening from the surface owing to a reaction with humidity in the air.

Chubu Electric Power's technology enables uniform and thick silicone coating by utilizing a silicone resin mixed solution that uniformly mixes the silicone composition and hardening agent and by using compressed air containing moisture for spraying while also inducing a hardening reaction.



Released Patents Matching Fair 2019 (the photo is from the fair held on November 15, 2019)

# 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?

## Anti-bribery and anti-corruption initiatives

The Chubu Electric Power 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.

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.

Additionally, in FY2020 we reviewed the existing Checklist Regarding Behavioral Approach Toward Business Partners giving consideration to the above policy and the problem of inappropriate receipt of money and gifts at other companies and implemented a self-check targeting all employees and held discussions at each workplace based on the results of this check.

Concerning the prevention of bribes to foreign public officials, Chubu Electric Power regularly convenes the Committee for the Prevention of Bribes to Foreign Public Officials, with the vice chairman of the Chubu Electric Power Compliance Committee serving as committee chief, and are building and operating a system for the prevention of bribery in collaboration with Chubu Electric Power, Chubu Electric Power Grid, Chubu Electric Power Miraiz and group companies.

Furthermore, Chubu Electric Power will strictly refrain from any actions that could cause doubts about the appropriateness of its business activities and will make efforts to maintain sound political and government relationships.



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



System for prevention of bribes to foreign public officials (Japanese version only)

## Helplines—Points of contact for compliance queries

We operate helplines at Chubu Electric Power, Chubu Electric Power Grid, Chubu Electric Power Miraiz 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.

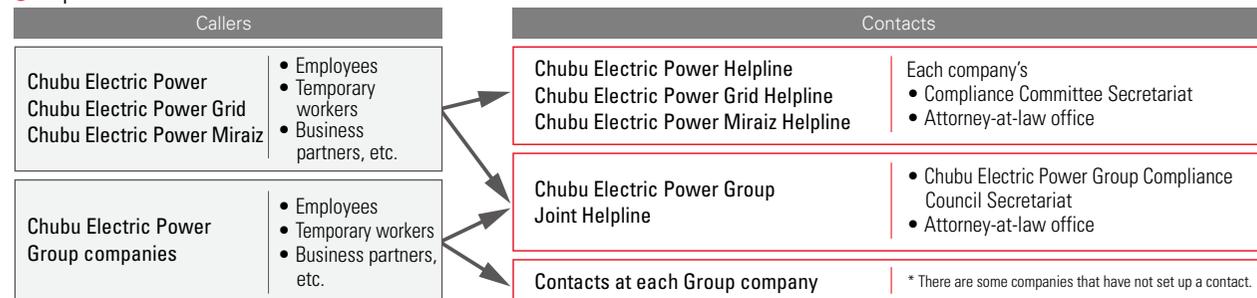
Additionally, we are enhancing the consultation system by setting up the Chubu Electric Power Group Joint Helpline and independent consultation desks at each group company.

In responding to consultations, each president declares the protection of the consulters and thoroughly enforces confidentiality under the helpline regulations and the terms of the Chubu Electric Power Group Joint Helpline and respects the requests of consulters regarding the queries. Anonymous consultations are also accepted.

Consultations covered by the helpline are broader than those stipulated in the Whistleblower Protection Act. In terms of protecting callers as well, we are implementing measures that comply with the Act.

FY2020 Inquiries  
**73** calls

### ● Helpline



## Main activities in FY2020

### ● Convened Compliance Council

#### ● Convened the Chubu Electric Power Group Compliance Council

 The Chubu Electric Power Compliance Council (Japanese version only)

 Chubu Electric Power Grid Compliance Council (Japanese version only)

 Chubu Electric Power Miraiz Compliance Council (Japanese version only)

### ● Implemented governance and compliance reviews

Mori Hamada & Matsumoto Law Office performed interviews with the management of Chubu Electric Power, Chubu Electric Power Grid, Chubu Electric Power Miraiz and with auditors (including external directors and external auditors), and then provided feedback on the results, with the aim of objectively evaluating the appropriateness, soundness, and validity of management's awareness of and behavioral attitudes toward governance and compliance.

### ● Implemented questionnaire targeting group company employees

We implemented a questionnaire survey to confirm awareness and behavior regarding compliance and reported the results to the Compliance Council. In FY2021, we plan to implement questionnaires targeting employees of Chubu Electric Power, Chubu Electric Power Grid, and Chubu Electric Power Miraiz.

### ● Self-checks of behavioral attitude

We implemented self-checks for all employees regarding the behavioral attitude toward our business partners and held discussions at each workplace based on the results.

### ● Various types of educational activities \* Details are shown in the table on the right.

## Compliance education

In FY2020, we enhanced education on harassment prevention as well as on anti-bribery and anti-corruption.

Training by rank	<ul style="list-style-type: none"> <li>● We provided explanations regarding anti-bribery and anti-corruption in training for newly appointed officers.</li> <li>● We implemented compliance education as a curriculum for new employee training, new chief training, training for employees prior to appointment as managers, and new manager training (organized by the Human Resources Promotion Group).</li> </ul>
Education for compliance managers	<ul style="list-style-type: none"> <li>● We implemented the following training for compliance managers at Chubu Electric Power and group companies.                             <ul style="list-style-type: none"> <li>• Training for newly appointed compliance instructors (2 times total)</li> <li>• Case method training (4 times total)</li> <li>• Harassment -prevention training (1 time total)</li> </ul> </li> <li>● We provided workplace compliance education tools (training materials, others) to the compliance managers at Chubu Electric Power and group companies.</li> <li>● We provided information on compliance every month.</li> </ul>
Educational activities for all employees	<ul style="list-style-type: none"> <li>● We provided learning tools*(basic knowledge, case studies, discussion materials, etc.) related to compliance on the website of the internal Compliance Council.</li> <li>● We created a summary of inappropriate incidents (6 cases) that occurred at other companies, made these known to all employees and compliance managers of group companies, and posted these on the Compliance Council website.</li> </ul> <p>* All employees engage in autonomous activities in their workplaces while making reference to these learning tools.</p>



FY2020 The Chubu Electric Power Group Compliance Council