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(Stock Exchange Code 1946)
June 7, 2021

To Shareholders with Voting Rights:

Yuuzou Fujita
President and Representative Director
TOENEC CORPORATION
20-31, Sakae 1-chome, Naka-ku, Nagoya,
Aichi

NOTICE OF THE 103RD ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

Please be informed that the 103rd Annual General Meeting of Shareholders of TOENEC CORPORATION (the “Company”) will be held as stated below.

If you are unable to attend the meeting, you can exercise your voting rights by mail, or via the Internet. If exercising your voting rights by mail, please review the attached Reference Documents for the General Meeting of Shareholders, exercise your vote for or against the proposal on the enclosed Voting Rights Exercise Form and return. If exercising your voting rights via the Internet, please access the Internet site designated by the Company, follow the instructions on the site and cast your vote. All votes shall be received by 5:15 p.m. on Thursday, June 24, 2021, Japan time.

1. Date and Time: Friday, June 25, 2021 at 10:00 a.m. Japan time

2. Place: Head Office, TOENEC CORPORATION located at
20-31, Sakae 1-chome, Naka-ku, Nagoya, Aichi, Japan

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report and Non-consolidated Financial Statements for the Company’s 103rd Fiscal Year (April 1, 2020 - March 31, 2021)
 2. Consolidated Financial Statements for the Company’s 103rd Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Board of Corporate Auditors of the Consolidated Financial Statements

Proposals to be resolved:

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to Articles of Incorporation
Proposal 3: Election of 10 Directors (excluding Directors who are Audit and Supervisory Committee Members)
Proposal 4: Election of 4 Directors who are Audit and Supervisory Committee Members
Proposal 5: Establishment of the amount of compensation and other benefits for Directors (excluding Directors who are Audit and Supervisory Committee Members)
Proposal 6: Establishment of the amount of compensation and other benefits for Directors who are Audit and Supervisory Committee Members

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- To ensure the safety of shareholders and to prevent the spread of the COVID-19, there will be more space between seats. Due to the limited number of seats available, we request that you exercise your voting rights

by mail or via the Internet in advance as much as possible and refrain from attending the meeting in person.

- Shareholders attending the meeting are requested to wear a face mask, disinfect with alcohol disinfectant, and have body temperature taken.
- Those with a fever or who appear to be particularly unwell may be refused entry to the venue.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

Regarding appropriation of surplus for the fiscal year under review, upon comprehensive consideration of factors such as enriching internal reserves for future business expansion, the Company adopts a basic policy of returning profits to shareholders through payment of dividends with a consolidated payout ratio targeting 30%, and proposes the following.

1. Matters concerning the year-end dividend
  - (1) Type of dividend assets  
Cash
  - (2) Allocation of dividend assets to the shareholders and total amount of dividends  
Amount per share of common stock: ¥85  
Total dividends: ¥1,588,634,275
  - (3) Effective date of dividend payment  
June 28, 2021
2. Matters concerning appropriation of surplus:
  - (1) Decreased surplus item and the amount thereof:  
Retained earnings brought forward    ¥4,700,000,000
  - (2) Increased surplus item and the amount thereof:  
General reserve                                    ¥4,700,000,000

**Proposal 2: Partial Amendments to Articles of Incorporation**

1. Reasons for the amendments

- (1) From the viewpoint of further improving corporate value, the Company proposes a transition from the current Company with a Board of Corporate Auditors to a Company with an Audit and Supervisory Committee, in order to strengthen the supervisory functions of the Board of Directors by increasing the number of independent Outside Directors with voting rights and in order to create a system that enables the Board of Directors to make faster decisions and engage in more productive discussions by delegating authority from the Board of Directors to Directors. Accordingly, the Company proposes to make changes, including establishing new provisions concerning Directors who are Audit and Supervisory Committee Members and the Audit and Supervisory Committee as well as deleting provisions concerning Corporate Auditors and the Board of Corporate Auditors.
- (2) The Company shall make other necessary changes, including those to the numbering of the current Articles of Incorporation in line with the aforementioned changes.

2. Description of the amendments

Description of the amendments is as follows:

The amendments to the Articles of Incorporation shall become effective at the conclusion of this Annual General Meeting of Shareholders.

(Amended parts are underlined)

| Current                                                                                                                                                                                                | Proposed amendment                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Chapter 1 General Provisions                                                                                                                                                                           | Chapter 1 General Provisions                                                                                                                                                                                              |
| Article 1-Article 3 (Omitted)                                                                                                                                                                          | Article 1-Article 3 (Same as current)                                                                                                                                                                                     |
| (Organs)                                                                                                                                                                                               | (Organs)                                                                                                                                                                                                                  |
| Article 4 The Company shall have the following organs in addition to the General Meeting of Shareholders and Directors.                                                                                | Article 4 The Company shall have the following organs in addition to the General Meeting of Shareholders and Directors.                                                                                                   |
| 1. Board of Directors                                                                                                                                                                                  | 1. Board of Directors                                                                                                                                                                                                     |
| 2. <u>Corporate Auditors</u>                                                                                                                                                                           | 2. <u>Audit and Supervisory Committee</u>                                                                                                                                                                                 |
| 3. <u>Board of Corporate Auditors</u>                                                                                                                                                                  | (Deleted)                                                                                                                                                                                                                 |
| 4. <u>Accounting Auditor</u>                                                                                                                                                                           | 3. <u>Accounting Auditor</u>                                                                                                                                                                                              |
| Article 5 (Omitted)                                                                                                                                                                                    | Article 5 (Same as current)                                                                                                                                                                                               |
| Chapter 2 Shares                                                                                                                                                                                       | Chapter 2 Shares                                                                                                                                                                                                          |
| Article 6-Article 12 (Omitted)                                                                                                                                                                         | Article 6-Article 12 (Same as current)                                                                                                                                                                                    |
| Chapter 3 General Meeting of Shareholders                                                                                                                                                              | Chapter 3 General Meeting of Shareholders                                                                                                                                                                                 |
| Article 13-Article 18 (Omitted)                                                                                                                                                                        | Article 13-Article 18 (Same as current)                                                                                                                                                                                   |
| (Minutes)                                                                                                                                                                                              | (Minutes)                                                                                                                                                                                                                 |
| Article 19 The outline of the proceedings at the General Meeting of Shareholders and the results thereof, as well as other matters stipulated in laws and regulations shall be entered in the minutes. | Article 19 The outline of the proceedings at the General Meeting of Shareholders and the results thereof, as well as other matters stipulated in laws and regulations shall be entered <u>or recorded</u> in the minutes. |
| Chapter 4 Directors and the Board of Directors                                                                                                                                                         | Chapter 4 Directors and the Board of Directors                                                                                                                                                                            |
| (Number of Directors)                                                                                                                                                                                  | (Number of Directors)                                                                                                                                                                                                     |
| Article 20 The Company shall have no more than fifteen (15) Directors.                                                                                                                                 | Article 20 The Company shall have no more than fifteen (15) Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> .                                                                      |

| Current                                                                                                                                                                                                                     | Proposed amendment                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (Newly established)                                                                                                                                                                                                         | <u>(2) The Company shall have no more than five (5) Directors who are Audit and Supervisory Committee Members.</u>                                                                                                                                                                                                                                                              |
| (Election)                                                                                                                                                                                                                  | (Election)                                                                                                                                                                                                                                                                                                                                                                      |
| Article 21 Directors shall be elected at the General Meeting of Shareholders.                                                                                                                                               | Article 21 Directors shall be elected at the General Meeting of Shareholders <u>by distinguishing Directors who are Audit and Supervisory Committee Members and other Directors.</u>                                                                                                                                                                                            |
| (2) (Omitted)                                                                                                                                                                                                               | (2) (Same as current)                                                                                                                                                                                                                                                                                                                                                           |
| (3) (Omitted)                                                                                                                                                                                                               | (3) (Same as current)                                                                                                                                                                                                                                                                                                                                                           |
| (Term of Office)                                                                                                                                                                                                            | (Term of Office)                                                                                                                                                                                                                                                                                                                                                                |
| Article 22 The term of office of Directors shall expire at the conclusion of the Annual General Meeting of Shareholders pertaining to the last fiscal year ending within one (1) year after his/her election to the office. | Article 22 The term of office of Directors <u>(excluding Directors who are Audit and Supervisory Committee Members)</u> shall expire at the conclusion of the Annual General Meeting of Shareholders pertaining to the last fiscal year ending within one (1) year after his/her election to the office.                                                                        |
| (Newly established)                                                                                                                                                                                                         | <u>(2) The term of office of Directors who are Audit and Supervisory Committee Members shall expire at the conclusion of the Annual General Meeting of Shareholders pertaining to the last fiscal year ending within two (2) year after his/her election to the office.</u>                                                                                                     |
| (Newly established)                                                                                                                                                                                                         | <u>(3) The term of office of a Director who is an Audit and Supervisory Committee Member elected as a substitute for another Director who was an Audit and Supervisory Committee Member who retired before the expiration of his/her term of office shall be the remainder of the term of office of the retired Director who was an Audit and Supervisory Committee Member.</u> |
| (Newly established)                                                                                                                                                                                                         | <u>(4) The effective term of the resolution for election of a Director who is an Audit and Supervisory Committee Member as a substitute elected under Article 329, Paragraph 3 of the Companies Act shall expire at the beginning of the Annual General Meeting of Shareholders pertaining to the last fiscal year ending within two (2) years after such election.</u>         |
| (Convocation of the Board of Directors)                                                                                                                                                                                     | (Convocation of the Board of Directors)                                                                                                                                                                                                                                                                                                                                         |
| Article 23 (Omitted)                                                                                                                                                                                                        | Article 23 (Same as current)                                                                                                                                                                                                                                                                                                                                                    |
| (2) Notice of convocation of a meeting of the Board of Directors shall be sent to each Director <u>and each Corporate Auditor</u> at least three (3) days prior to the meeting date.                                        | (2) Notice of convocation of a meeting of the Board of Directors shall be sent to each Director at least three (3) days prior to the meeting date.                                                                                                                                                                                                                              |
| (3) When the consent of all Directors <u>and Corporate Auditors</u> is obtained, a meeting of the Board of Directors may be held without following the procedures for convening a meeting.                                  | (3) When the consent of all Directors is obtained, a meeting of the Board of Directors may be held without following the procedures of convening a meeting.                                                                                                                                                                                                                     |

| Current                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Proposed amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Article 24-Article 25 (Omitted)</p> <p>(Newly established)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>Article 24-Article 25 (Same as current)</p> <p><u>(Delegation of Decisions on the Execution of Important Operations)</u></p> <p><u>Article 26 Pursuant to the provisions of Article 399-13, paragraph 6 of the Companies Act, the Board of Directors may, by its resolution, delegate all or part of the decisions on the execution of important operations (excluding the matters listed in each item of paragraph 5 of the said Article) to Directors.</u></p>                                                                                                                      |
| <p>Article 26 (Omitted)</p> <p>(Minutes of the Board of Directors)</p> <p>Article 27 The outline of the proceedings at a meeting of the Board of Directors and the results thereof, as well as other matters stipulated in laws and regulations shall be entered in the minutes, and the Directors and Corporate Auditors present shall sign or inscribe their names and affix their seals thereon.</p>                                                                                                                         | <p>Article 27 (Same as current)</p> <p>(Minutes of the Board of Directors)</p> <p>Article 28 The outline of the proceedings at a meeting of the Board of Directors and the results thereof, as well as other matters stipulated in laws and regulations shall be entered or recorded in the minutes, and the Directors present shall sign or* inscribe their names and affix their seals thereon or put their electronic signatures thereon. (*Note)</p>                                                                                                                                 |
| <p>(Representative Directors and Directors with Title)</p> <p>Article 28 The Board of Directors shall elect the Representative Directors by its resolution.</p> <p>(2) The Board of Directors may, by its resolution, have one President, and may have one Chairman, and one or more Vice Presidents, Senior Managing Directors and Managing Directors as necessary.</p>                                                                                                                                                        | <p>(Representative Directors and Directors with Title)</p> <p>Article 29 The Board of Directors shall elect the Representative Directors <u>from among the Directors (excluding Directors who are Audit and Supervisory Committee Members)</u> by its resolution.</p> <p>(2) The Board of Directors may, by its resolution, have one (1) President <u>from among the Directors (excluding Directors who are Audit and Supervisory Committee Members)</u>, and may have one Chairman, and one or more Vice Presidents, Senior Managing Directors and Managing Directors as necessary.</p> |
| <p>Article 29-Article 30 (Omitted)</p> <p>(Exemption from Liability of Directors)</p> <p>Article 31 (Omitted)</p> <p>(2) Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with Directors (excluding a director who is an Executive Director, etc.) to limit liability for damages arising as a result of negligence in performing their duties. The limit of liability under the said agreement shall be the amount stipulated in laws and regulations.</p> | <p>Article 30-Article 31 (Same as current)</p> <p>(Exemption from Liability of Directors)</p> <p>Article 32 (Same as current)</p> <p>(2) Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with Directors (excluding a director* who is an Executive Director, etc.) to limit liability for damages arising as a result of negligence in performing their duties. The limit of liability under the said agreement shall be the amount stipulated in laws and regulations. (*Note)</p>                                 |
| <p><u>Chapter 5 Corporate Auditors and the Board of Corporate Auditors</u></p> <p>(Number of Corporate Auditors)</p> <p>Article 32 The Company shall have no more than five (5) Corporate Auditors.</p>                                                                                                                                                                                                                                                                                                                         | <p>(Deleted)</p> <p>(Deleted)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Current                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Proposed amendment |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <p><u>(Election)</u><br/> <u>Article 33 Corporate Auditors shall be elected at the General Meeting of Shareholders.</u><br/> <u>(2) Resolutions for the election of Corporate Auditors shall be adopted by a majority of the voting rights of the shareholders present at a meeting where the shareholders holding one-third (1/3) or more of the voting rights of the shareholders who are entitled to exercise their voting rights are present.</u></p>                                                                                      | (Deleted)          |
| <p><u>(Term of Office)</u><br/> <u>Article 34 The term of office of Corporate Auditors shall expire at the conclusion of the Annual General Meeting of Shareholders pertaining to the last fiscal year ending within four (4) years after his/her election to the office.</u><br/> <u>(2) The term of office of a Corporate Auditor elected as a substitute for another Corporate Auditor who retired before the expiration of his/her term of office shall be the remainder of the term of office of the retired Corporate Auditor.</u></p>   | (Deleted)          |
| <p><u>(Full-time Corporate Auditors)</u><br/> <u>Article 35 The Board of Corporate Auditors shall elect full-time Corporate Auditors by its resolution.</u></p>                                                                                                                                                                                                                                                                                                                                                                                | (Deleted)          |
| <p><u>(Convocation of the Board of Corporate Auditors)</u><br/> <u>Article 36 The Board of Corporate Auditors shall be convened by each Corporate Auditor.</u><br/> <u>(2) Notice of convocation of a meeting of the Board of Corporate Auditors shall be sent to each Corporate Auditor at least three (3) days prior to the meeting date.</u><br/> <u>(3) When the consent of all Corporate Auditors is obtained, a meeting of the Board of Corporate Auditors may be held without following the procedures for convening a meeting.</u></p> | (Deleted)          |
| <p><u>(Proposals to be resolved by the Board of Corporate Auditors)</u><br/> <u>Article 37 The Board of Corporate Auditors shall decide on matters deemed necessary by the Board of Corporate Auditors in relation to the execution of duties by Corporate Auditors, in addition to matters stipulated by laws and regulations. However, this shall not prevent Corporate Auditors from exercising their authority.</u></p>                                                                                                                    | (Deleted)          |
| <p><u>(Method of Adopting Resolution of the Board of Corporate Auditors)</u><br/> <u>Article 38 Resolutions of the Board of Corporate Auditors shall be adopted by a majority of the Corporate Auditors unless otherwise stipulated by laws and regulations.</u></p>                                                                                                                                                                                                                                                                           | (Deleted)          |

| Current                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Proposed amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>(Minutes of the Board of Corporate Auditors)</u><br/> <u>Article 39 The outline of the proceedings at a meeting of the Board of Corporate Auditors and the results thereof, as well as other matters stipulated in laws and regulations shall be entered in the minutes, and the Corporate Auditors present shall sign or inscribe their names and affix their seals thereon.</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                | <p>(Deleted)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p><u>(Exemption from Liability of Corporate Auditors)</u><br/> <u>Article 40 Pursuant to the provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including former Corporate Auditors) from liability for damages arising as a result of negligence in performing their duties to the extent stipulated by laws and regulations.++</u><br/> <u>(2) Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company may enter into an agreement with Corporate Auditors to limit liability for damages arising as a result of negligence in performing their duties. The limit of liability under the said agreement shall be the amount stipulated in laws and regulations.</u></p> | <p>(Deleted)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p>(Newly established)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p><u>Chapter 5 Audit and Supervisory Committee</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p>(Newly established)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p><u>(Full-time Audit and Supervisory Committee Members)</u><br/> <u>Article 33 The Audit and Supervisory Committee may elect full-time Audit and Supervisory Committee Members by its resolution.</u></p>                                                                                                                                                                                                                                                                                                                                                  |
| <p>(Newly established)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p><u>(Convocation of the Audit and Supervisory Committee)</u></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p>(Newly established)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p><u>Article 34 The Audit and Supervisory Committee shall be convened by each Audit and Supervisory Committee Member.</u><br/> <u>(2) Notice of convocation of a meeting of the Audit and Supervisory Committee shall be sent to each Audit and Supervisory Committee Member at least three (3) days prior to the meeting date.</u><br/> <u>(3) When the consent of all Audit and Supervisory Committee Members is obtained, a meeting of the Audit and Supervisory Committee may be held without following the procedures for convening a meeting.</u></p> |
| <p>(Newly established)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p><u>(Proposals to be resolved by the Audit and Supervisory Committee)</u><br/> <u>Article 35 The Audit and Supervisory Committee shall decide on matters deemed necessary by the Audit and Supervisory Committee in relation to the execution of duties by Audit and Supervisory Committee Members, in addition to matters stipulated by laws and regulations.</u></p>                                                                                                                                                                                     |



| Current                                                                        | Proposed amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (Newly established)                                                            | <u>(Method of Adopting Resolution of the Audit and Supervisory Committee)</u><br><u>Article 36 Resolutions of the Audit and Supervisory Committee shall be adopted by a majority of the Audit and Supervisory Committee Members present at a meeting where a majority of the Audit and Supervisory Committee Members who are entitled to participate in the resolution are present unless otherwise stipulated by laws and regulations.</u>                                                                                |
| (Newly established)                                                            | <u>(Minutes of the Audit and Supervisory Committee)</u><br><u>Article 37 The outline of the proceedings at a meeting of the Audit and Supervisory Committee and the results thereof, as well as other matters stipulated in laws and regulations shall be entered or recorded in the minutes, and the Audit and Supervisory Committee Members present shall sign or inscribe their names and affix their seals thereon or put their electronic signatures thereon.</u>                                                     |
| Chapter 6 Accounting Auditor<br>Article <u>41</u> -Article <u>42</u> (Omitted) | Chapter 6 Accounting Auditor<br>Article <u>38</u> -Article <u>39</u> (Same as current)                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Chapter 7 Accounting<br>Article <u>43</u> -Article <u>46</u> (Omitted)         | Chapter 7 Accounting<br>Article <u>40</u> -Article <u>43</u> (Same as current)                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| (Newly established)                                                            | <u>Supplementary Provision</u>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| (Newly established)                                                            | <u>(Transitional Measures concerning Exemption from Liability of Corporate Auditors before the Transition to a Company with an Audit and Supervisory Committee)</u>                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                | <u>Article 1 With respect to acts of the Corporate Auditors (including former Corporate Auditors) prior to the conclusion of the 103rd Annual General Meeting of Shareholders held on June 25, 2021, pursuant to provisions of Article 426, Paragraph 1 of the Companies Act, the Company may, by resolution of the Board of Directors, exempt the liability for damages stipulated in Article 423, Paragraph 1 of the said Act to the extent stipulated by laws and regulations.</u>                                      |
| (Newly established)                                                            | <u>Article 2 The agreement to limit the liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act concerning acts of the Corporate Auditors (including former Corporate Auditors) prior to the conclusion of the 103rd Annual General Meeting of Shareholders held on June 25, 2021, shall still be in accordance with the provisions of Article 40, Paragraph 2 of the Articles of Incorporation prior to the amendment by the resolution of the said Annual General Meeting of Shareholders.</u> |

Note: Same as current English translation, although a minor change in Japanese wordings has been made.

**Proposal 3:** Election of 10 Directors (excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all Directors will expire at the conclusion of this Annual General Meeting of Shareholders. If Proposal 2 “Partial Amendments to Articles of Incorporation” is approved as originally proposed, the Company will transition to a Company with an Audit and Supervisory Committee. Accordingly, the election of 10 Directors, including 3 Outside Directors (excluding Directors who are Audit and Supervisory Committee Members; the same shall apply hereafter in this proposal) is proposed.

To select candidates for Director, discussions were held by a non-statutory Nominating & Compensation Committee in order to ensure fairness and transparency.

This proposal shall be effective provided that the amendments to the Articles of Incorporation stipulated in Proposal 2 “Partial Amendments to the Articles of Incorporation” takes effect.

The candidates are as follows:

| No. | Name<br>(Date of birth)                         | Past experience, position and areas of responsibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Number of<br>shares of the<br>Company held |
|-----|-------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 1   | Isao Takagi<br>(May 5, 1957)<br>[Reappointment] | <p>July 2009      General Manager of Telecommunication Engineering, Chubu Electric Power Co., Inc.</p> <p>July 2010      Executive Officer and General Manager of Telecommunication Engineering, Chubu Electric Power Co., Inc.</p> <p>June 2012      Director, Managing Executive Officer, Supervisory Manager of Technology Development Office and Information Systems Division and General Manager of Information &amp; Communication Department of the Company</p> <p>June 2014      Director, Managing Executive Officer, Supervisory Manager of Overseas Division and General Manager of Business Promotion Department</p> <p>June 2016      Director, Senior Managing Executive Officer, Supervisory Manager of Overseas Division and General Manager of Business Promotion Department</p> <p>April 2017      Director, Senior Managing Executive Officer, Supervisory Manager of Corporate Planning Division, Finance &amp; Accounting Division, Information Systems Division, and Purchasing Division</p> <p>June 2017      Director, Senior Managing Executive Officer, Supervisory Manager of Corporate Planning Division, Finance &amp; Accounting Division, Information Systems Division, Purchasing Division, and Energy Business Division</p> <p>April 2019      Director, Senior Managing Executive Officer, Supervisory Manager of Corporate Planning Division, Finance &amp; Accounting Division, Information Systems Division, and Purchasing Division</p> <p>April 2021      Representative Director and Executive Vice President, assisting President in general business management, Supervisory Manager of Corporate Planning Division, Research &amp; Development Division, Finance &amp; Accounting Division, and Purchasing Division (current position)</p> <p>[Reasons for nomination as candidate for Director]<br/>Mr. Isao Takagi has worked to increase construction orders from general customers by creating a structure for the maximum utilization of the functions of the head office and the Company's sales capacity, and has promoted the enhancement of sales competitiveness and business expansion into growth fields, in addition to grappling proactively with the development of management strategies that will lead to the future and the enhancement of group management in his efforts to expand the Company's business and strengthen its business foundation. Also, as a Representative Director, he assertively promotes various policies based on the medium-term management plan while assisting President in general business management, in addition to appropriately supervising decisions on important matters and the execution of other Directors' business duties.<br/>Based on these experiences and results, the Company has judged that Mr. Takagi is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p> | 3,026                                      |

| No. | Name<br>(Date of birth)                                      | Past experience, position and areas of responsibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Number of<br>shares of the<br>Company held |
|-----|--------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 2   | Tsuguhisa Takimoto<br>(December 11, 1962)<br>[Reappointment] | <p>April 1986      Joined the Company</p> <p>June 2013      Advisor and Deputy General Manager of Underground Cable<br/>Division of Distribution Department</p> <p>June 2014      Executive Officer and General Manager of Shizuoka Branch</p> <p>April 2018      Executive Officer and Deputy General Manager of Tokyo<br/>Headquarters</p> <p>April 2020      Senior Managing Executive Officer and General Manager of<br/>Tokyo Headquarters</p> <p>June 2020      Director, Senior Managing Executive Officer and General<br/>Manager of Tokyo Headquarters (current position)</p> <p>[Reasons for nomination as candidate for Director]<br/>Mr. Tsuguhisa Takimoto is well versed in the overall underground cable construction, having been engaged in the operations of the Underground Cable Division over many years. He also promoted community-based sales activities and the enhancement of management efficiency when he was General Manager of Shizuoka Branch. At present, as General Manager of Tokyo Headquarters, he works to increase orders in the Kanto district in his efforts to expand the Company's business and strengthen its business foundation. Also, as a Director, he has appropriately supervised decisions on important matters and the execution of other Directors' business duties.</p> <p>Based on these experiences and results, the Company has judged that Mr. Takimoto is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p> | 1,444                                      |

| No. | Name<br>(Date of birth)                                  | Past experience, position and areas of responsibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Number of<br>shares of the<br>Company held |
|-----|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 3   | Tetsuya Nishiwaki<br>(April 23, 1957)<br>[Reappointment] | <p>April 1980      Joined the Company</p> <p>June 2009      Director and General Manager of Secretarial Office</p> <p>June 2011      Executive Officer, General Manager of Business Promotion Administration Division of Business Promotion Department</p> <p>July 2013      Executive Officer and General Manager of Gifu Branch</p> <p>June 2014      Managing Executive Officer and General Manager of Gifu Branch</p> <p>June 2015      Managing Executive Officer and General Manager of Personnel Division</p> <p>June 2016      Director, Senior Managing Executive Officer, Supervisory Manager of Personnel Division, Legal Affairs Office, General Affairs Division, and Purchasing Division and General Manager of Personnel Division<br/>(Name changed from Legal Affairs Office to Legal Affairs Division in July 2016)</p> <p>April 2017      Director, Senior Managing Executive Officer, Supervisory Manager of Personnel Division, Legal Affairs Division, and General Affairs Division and General Manager of Personnel Division</p> <p>April 2018      Director, Senior Managing Executive Officer, Supervisory Manager of Legal Affairs Division, General Affairs Division, and Personnel Division</p> <p>April 2019      Director, Senior Managing Executive Officer, Supervisory Manager of Legal Affairs Division, General Affairs Division, Personnel Division, and Education &amp; Training Center</p> <p>April 2021      Director, Senior Managing Executive Officer, Supervisory Manager of Secretarial Division, Legal Affairs Division, General Affairs Division, Personnel Division, and Education &amp; Training Center (current position)</p> <p>[Reasons for nomination as candidate for Director]<br/>Mr. Tetsuya Nishiwaki has made efforts to enhance the working environment and human resources development, including revising the personnel structure and promoting diversity, in addition to proactively grappling with such initiatives as enhancing cost competitiveness in management and administrative areas such as legal affairs and general affairs, and ensuing a thorough awareness of compliance, as part of efforts to expand the Company's business and strengthen its business foundation. Also, as a Director, he has appropriately supervised decisions on important matters and the execution of other Directors' business duties.<br/>Based on these experiences and results, the Company has judged that Mr. Nishiwaki is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p> | 2,418                                      |

| No. | Name<br>(Date of birth)                               | Past experience, position and areas of responsibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Number of<br>shares of the<br>Company held |
|-----|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 4   | Kouji Hirata<br>(January 18, 1959)<br>[Reappointment] | <p>April 1981      Joined the Company</p> <p>July 2010      General Manager of Sales Division of Gifu Branch</p> <p>June 2012      Executive Officer and General Manager of Engineering Administration Division of Business Promotion Department</p> <p>July 2013      Advisor and Deputy General Manager of Electric Construction Administration Division of Business Promotion Department</p> <p>June 2014      Managing Executive Officer, General Manager of Electric Construction Administration Division of Business Promotion Department</p> <p>April 2017      Senior Managing Executive Officer, Supervisory Manager of Overseas Division and General Manager of Business Promotion Department</p> <p>June 2017      Director, Senior Managing Executive Officer, Supervisory Manager of Overseas Division and General Manager of Business Promotion Department</p> <p>April 2018      Director, Senior Managing Executive Officer, Supervisory Manager of International Division and General Manager of Business Promotion Department (current position)<br/>(The Overseas Division was reorganized as the International Division in April 2018.)</p> <p>[Reasons for nomination as candidate for Director]</p> <p>Over many years, Mr. Kouji Hirata has engaged in the operations of the Electric Construction Division, one of the main divisions of the Company. At present, he has supervised the Electric Construction Division and grappled with enhancing sales capacity and augmenting the construction structure as General Manager of Business Promotion Department, and grapples with various initiatives aimed at stable orders from overseas projects as Supervisory Manager of International Division in his efforts to expand the Company's business and strengthen its business foundation. Also, as a Director, he has appropriately supervised decisions on important matters and the execution of other Directors' business duties.</p> <p>Based on these experiences and results, the Company has judged that Mr. Hirata is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p> | 2,761                                      |

| No. | Name<br>(Date of birth)                              | Past experience, position and areas of responsibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of<br>shares of the<br>Company held |
|-----|------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 5   | Yuuzou Fujita<br>(April 19, 1959)<br>[Reappointment] | <p>June 2008 Energy Business Division, Chubu Electric Power Co.,Inc., seconded to C Energy Co., Inc.<br/>President and Representative Director, C Energy Co., Inc.</p> <p>July 2011 General Manager of Distribution, Customer Service Division, Chubu Electric Power Co., Inc.</p> <p>July 2012 General Manager of Distribution, Customer Service Division, Chubu Electric Power Co., Inc.<br/>(concurrently served as General Manager of Planning Group from May 2013 to June 2013)</p> <p>July 2014 Executive Officer and General Manager of Distribution, Customer Service Division, Chubu Electric Power Co., Inc.</p> <p>July 2015 Managing Executive Officer and General Manager of Nagoya Branch, Chubu Electric Power Co., Inc.</p> <p>April 2018 Senior Managing Executive Officer and General Manager of Tokyo Headquarters of the Company</p> <p>June 2018 Director, Senior Managing Executive Officer and General Manager of Tokyo Headquarters</p> <p>April 2020 Representative Director and Executive Vice President, assisting President in general business management, Supervisory Manager of Secretarial Division, Research &amp; Development Division, and Information &amp; Communication Administration Division</p> <p>April 2021 President and Representative Director, Chief Executive Officer (current position)</p> <p>[Reasons for nomination as candidate for Director]<br/>As General Manager of Tokyo Headquarters, Mr. Yuuzou Fujita worked to increase orders in the Kanto district by enhancing sales capacity, augmenting the construction structure, and securing new sources of revenue. At present, as President and Representative Director, he has lead the Company and the Group, assertively promoted various policies based on the medium-term management plan, and made efforts to expand the Company's business and strengthen its business foundation, in addition to appropriately supervising decision on important matters and the execution of other Directors' business duties.<br/>Based on these experiences and results, the Company has judged that Mr. Fujita is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p> | 1,487                                      |

| No. | Name<br>(Date of birth)                                     | Past experience, position and areas of responsibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Number of<br>shares of the<br>Company held |
|-----|-------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 6   | Yasuhiko Horiuchi<br>(December 18, 1957)<br>[Reappointment] | <p>April 1981      Joined the Company</p> <p>June 2010      Director and General Manager of Underground Cable Division of Distribution Department</p> <p>June 2011      Executive Officer and General Manager of Underground Cable Division of Distribution Department</p> <p>June 2012      Executive Officer and General Manager of Shizuoka Branch</p> <p>June 2014      Managing Executive Officer, Deputy General Manager of Business Promotion Department and Assistant Supervisory Manager of Overseas Division</p> <p>June 2016      Director, Senior Managing Executive Officer, Deputy General Manager of Business Promotion Department and Assistant Supervisory Manager of Overseas Division</p> <p>July 2016      Director, Senior Managing Executive Officer, General Manager of Air Conditioning &amp; Plumbing Department</p> <p>April 2019      Director, Senior Managing Executive Officer, Supervisory Manager of Energy Business Division, and General Manager of Air Conditioning &amp; Plumbing Department</p> <p>April 2020      Representative Director and Executive Vice President, assisting President in general business management, Supervisory Manager of Energy Business Division, and General Manager of Air Conditioning &amp; Plumbing Department (current position)</p> <p>[Reasons for nomination as candidate for Director]<br/>Mr. Yasuhiko Horiuchi has grappled with enhancing sales capacity and augmenting the construction structure, supervising the Air Conditioning &amp; Plumbing Department as General Manager, in addition to working to increase orders in the Kanto district and increase orders from the manufacturing industry by building a structure to maximize synergies with a subsidiary (Asahi Synchrotech Co., Ltd.) in his efforts to expand the Company's business and strengthen its business foundation. As Representative Director, he assertively promotes various policies based on the medium-term management plan while assisting President in general business management and appropriately supervising decisions on important matters and the execution of other Directors' business duties.<br/>Based on these experiences and results, the Company has judged that Mr. Horiuchi is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p> | 2,859                                      |



| No. | Name<br>(Date of birth)                                 | Past experience, position and areas of responsibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Number of<br>shares of the<br>Company held |
|-----|---------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 7   | Asayuki Mizuno<br>(October 12, 1957)<br>[Reappointment] | <p>April 1980      Joined the Company</p> <p>June 2010      Director and Deputy General Manager of Distribution Administration Division of Distribution Department</p> <p>June 2011      Advisor and Deputy General Manager of Distribution Administration Division of Distribution Department</p> <p>June 2012      Executive Officer and General Manager of Underground Cable Division of Distribution Department</p> <p>June 2014      Managing Executive Officer and General Manager of Nagoya Branch</p> <p>April 2018      Senior Managing Executive Officer, Supervisory Manager of Education &amp; Training Center and Safety &amp; Environment Division and General Manager of Distribution Department</p> <p>June 2018      Director, Senior Managing Executive Officer, Supervisory Manager of Education &amp; Training Center and Safety &amp; Environment Division and General Manager of Distribution Department</p> <p>April 2019      Director, Senior Managing Executive Officer, Supervisory Manager of Safety &amp; Environment Division and General Manager of Distribution Department (current position)</p> <p>[Reasons for nomination as candidate for Director]<br/>Over many years, Mr. Asayuki Mizuno has engaged in the operations of the Distribution Department, one of the main divisions of the Company. At present, he supervises the Distribution Department as General Manager and grapples with the business efficiency, and has made efforts to enhance safety and hygiene awareness as Supervisory Manager of Safety &amp; Environment Division, through which he has contributed to expansion of the Company's business and strengthening of its business foundation. Also, as a Director, he has appropriately supervised decisions on important matters and the execution of other Directors' business duties.<br/>Based on these experiences and results, the Company has judged that Mr. Mizuno is suited to be a management executive of the Company in order to realize sustainable growth and improvement of the medium to long-term corporate value and expects that he will continue to execute his duties appropriately as a Director.</p> | 3,724                                      |

| No. | Name<br>(Date of birth)                                                                      | Past experience, position and areas of responsibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Number of<br>shares of the<br>Company held |
|-----|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 8   | <p>Atsushi Iizuka<br/>(May 12, 1959)<br/>[Reappointment]<br/>[Outside]<br/>[Independent]</p> | <p>July 2001 Director of General Planning Bureau and General Affairs Bureau, Mie Prefectural Government</p> <p>July 2006 Director for the Agricultural and Forestry Budget, Budget Bureau, Ministry of Finance</p> <p>July 2009 Director, Planning and Administration Division, Financial Bureau, Ministry of Finance</p> <p>December 2012 Deputy Director-General, Japan Economic Bureau, Cabinet Secretariat</p> <p>July 2014 Deputy Director-General, Financial Bureau, Ministry of Finance</p> <p>July 2015 Director-General, Tokai Local Finance Branch Bureau, Ministry of Finance</p> <p>July 2016 First Deputy Commissioner, National Tax Agency</p> <p>July 2017 Director-General, Customs and Tariff Bureau, Ministry of Finance (Retired from Ministry of Finance in July 2018)</p> <p>November 2018 Advisor, Sompo Holdings, Inc.</p> <p>January 2019 Chairman, Sompo Japan Nipponkoa Research Institute Inc. (renamed Sompo Research Institute Inc. in April 2019) (Retired in June 2020)</p> <p>June 2020 Outside Director of the Company (current position)<br/>Senior Managing Executive Officer, JAPAN POST HOLDINGS Co., Ltd. (current position)</p> <p>[Significant concurrent positions]<br/>Senior Managing Executive Officer, JAPAN POST HOLDINGS Co., Ltd.</p> <p>[Reasons for nomination as candidate for Outside Director and overview of expected role]<br/>Mr. Atsushi Iizuka possesses abundant experience and broad knowledge gained from his diverse background such as long career as an administrative official, providing guidance and advice to the Company's management from an objective and neutral standpoint while carrying out highly effective supervision of the Company's management as a member of the non-statutory Nominating &amp; Compensation Committee and the Parent-Subsidiary Transaction Deliberation Committee. Based on these experiences and knowledge, the Company expects that he will continue to appropriately carry out supervisory duties as an Outside Director.</p> <p>[Matters regarding independence]<br/>Mr. Iizuka is an Independent Officer as established by the various regulations of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and in the case that Mr. Iizuka is reappointed as Director, it is expected that he will continue to be an Independent Officer.</p> <p>[Terms of Office as an Outside Director]<br/>1 year at the conclusion of this General Meeting of Shareholders</p> | 0                                          |

| No. | Name<br>(Date of birth)                                                             | Past experience, position and areas of responsibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Number of<br>shares of the<br>Company held |
|-----|-------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 9   | Takashi Inagaki<br>(June 19, 1945)<br>[Reappointment]<br>[Outside]<br>[Independent] | <p>April 2004      General Manager of Environment Division, Aichi Prefectural Government</p> <p>April 2006      Deputy Governor of Aichi prefecture (Retired in March 2010)</p> <p>June 2010      President and Representative Director, Nagoya Horse Racing Co., Ltd. (Retired in June 2014)</p> <p>August 2012    Chairman, Board of Trustees, Nagoya Gakuin University (Retired in August 2015)</p> <p>April 2015      President, Gifu Pharmaceutical University (Retired in March 2021)</p> <p>June 2016      Outside Director of the Company (current position)</p> <p>April 2021      Senior Adviser to Nagoya Horse Racing Co., Ltd. (current position)</p> <p>[Significant concurrent positions]<br/>—</p> <p>[Reasons for nomination as candidate for Outside Director and overview of expected role]<br/>Mr. Takashi Inagaki possesses a large degree of experience and knowledge regarding environmental problems, having been involved primarily in environmental policy over many years in Aichi Prefecture, as well as a wealth of experience and broad insight cultivated through his diverse career. He provides guidance and advice to the Company's management from an objective and neutral standpoint while carrying out highly effective supervision of the Company's management as a member of the non-statutory Nominating &amp; Compensation Committee and as a Chairman of the Parent-Subsidiary Transaction Deliberation Committee. Based on these experiences and knowledge, the Company expects that he will continue to appropriate carry out supervisory duties as an Outside Director.</p> <p>[Matters regarding independence]<br/>Mr. Inagaki is an Independent Officer as established by the various regulations of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and in the case that Mr. Inagaki is reappointed as Director, it is expected that he will continue to be an Independent Officer.</p> <p>[Terms of Office as an Outside Director]<br/>5 years at the conclusion of this General Meeting of Shareholders</p> | 0                                          |

| No. | Name<br>(Date of birth)                                                                  | Past experience, position and areas of responsibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Number of<br>shares of the<br>Company held |
|-----|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 10  | Naotoshi Yoshikawa<br>(August 23, 1951)<br>[Reappointment]<br>[Outside]<br>[Independent] | <p>June 2004 Director, General Manager of Transportation Safety Department, Central Japan Railway Company</p> <p>June 2008 Managing Executive Officer, General Manager of Transportation Safety Department, Central Japan Railway Company</p> <p>June 2009 Managing Executive Officer, General Manager of Shinkansen Operations Division, Central Japan Railway Company</p> <p>June 2010 Senior Managing Director, General Manager of Shinkansen Operations Division, Central Japan Railway Company</p> <p>June 2012 Executive Vice President, Central Japan Railway Company</p> <p>June 2016 Representative Director and President, JR CENTRAL BUILDING CO., Ltd.</p> <p>June 2018 Representative Director and President, JR Development and Management Corporation of Kansai (current position)</p> <p>June 2019 Outside Director of the Company (current position)</p> <p>[Significant concurrent positions]<br/>Representative Director and President, JR Development and Management Corporation of Kansai</p> <p>[Reasons for nomination as candidate for Outside Director and overview of expected role]<br/>Mr. Naotoshi Yoshikawa possesses abundant experience and broad knowledge from his many years as a corporate management executive, providing guidance and advice to the Company's management from an objective and neutral standpoint and carrying out highly effective supervision of the Company's management as a member of the non-statutory Nominating &amp; Compensation Committee and the Parent-Subsidiary Transaction Deliberation Committee. Based on these experiences and knowledge, the Company expects that he will continue to appropriately carry out supervisory duties as an Outside Director.</p> <p>[Matters regarding independence]<br/>Mr. Yoshikawa is an Independent Officer as established by the various regulations of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and in the case that Mr. Yoshikawa is reappointed as Director, it is expected that he will continue to be an Independent Officer.</p> <p>[Terms of Office as an Outside Director]<br/>2 years at the conclusion of this General Meeting of Shareholders</p> | 0                                          |

(Notes)

1. There are no special interests between each candidate and the Company.
2. The aforementioned numbers of shares held include the number of shares actually held under the Toenec Corporation and Office Shareholding Clubs names.
3. The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company that covers damages that may arise due to insured Directors assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If the candidates are appointed as Director, each of them will be insured under the insurance contract, which is to be renewed during their terms of office.
4. Messrs. Atsushi Iizuka, Takashi Inagaki, and Naotoshi Yoshikawa are candidates for Non-executive Directors. Pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation, the Company entered into an agreement with Messrs. Iizuka, Inagaki, and Yoshikawa to limit their liability for damages. The limit of liability under the agreement shall be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act. If Messrs. Iizuka, Inagaki, and Yoshikawa are reelected as proposed, the Company intends to extend said agreement with them.

**Proposal 4:** Election of 4 Directors who are Audit and Supervisory Committee Members

If Proposal 2 “Partial Amendments to Articles of Incorporation” is approved as proposed, the Company will transition to a Company with an Audit and Supervisory Committee and, pursuant to Article 336, Paragraph 4, Item 2 of the Companies Act, the term of office of all Corporate Auditors will expire upon the entry into force of the amendments to the Articles of Incorporation.

Accordingly, the election of 4 Directors who are Audit and Supervisory Committee Members is proposed.

To select candidates for Director, discussions were held by a non-statutory Nominating & Compensation Committee in order to ensure fairness and transparency.

The Board of Corporate Auditors has given its approval this proposal.

This proposal shall be effective provided that the amendments to the Articles of Incorporation stipulated in Proposal 2 “Partial Amendments to the Articles of Incorporation” takes effect.

The candidates are as follows:

| No. | Name<br>(Date of birth)                                   | Past experience, position and areas of responsibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Number of<br>shares of the<br>Company held |
|-----|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 1   | Masahiko Kimura<br>(December 21, 1959)<br>[New Candidate] | <p>April 1982      Joined the Company</p> <p>July 2008      Deputy General Manager of Finance &amp; Accounting Division<br/>and Manager of Accounting Section 1</p> <p>June 2011      Executive Officer and General Manager of Secretarial Office</p> <p>June 2014      Executive Officer and General Manager of Finance &amp;<br/>Accounting Division</p> <p>April 2018      Executive Officer and General Manager of Nagano Branch</p> <p>April 2021      Advisor to Auditors Room (full-time) (current position)</p> <p>[Reasons for nomination as candidate for Director who is an Audit and Supervisory<br/>Committee Member]</p> <p>Mr. Masahiko Kimura possesses a large degree of knowledge regarding overall<br/>accounting, having been engaged mainly in the operations of the Finance &amp;<br/>Accounting Division over many years. He also possesses abundant experience and a<br/>large degree of knowledge gained as a General Manager of Nagano Branch to actively<br/>work on community-based sales activities and the enhancement of management<br/>efficiency.</p> <p>Based on these experiences and results, the Company has judged that he is suited to<br/>be a Director who is an Audit and Supervisory Committee Member in order to<br/>strengthen the Company’s supervisory functions of business execution by conducting<br/>audit and supervision from an objective and neutral standpoint, and expects that he<br/>will execute his duties appropriately as a Director who is an Audit and Supervisory<br/>Committee Member.</p> | 2,212                                      |

| No. | Name<br>(Date of birth)                                                                 | Past experience, position and areas of responsibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Number of<br>shares of the<br>Company held |
|-----|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 2   | Mitsuaki Shibata<br>(January 26, 1953)<br>[New Candidate]<br>[Outside]<br>[Independent] | <p>April 1976      Joined Audit Corporation Ito Office (merged with ChuoAoyama Audit Corporation in January, 2001)</p> <p>March 1981      Registered as Certified Public Accountant</p> <p>May 2003        Representative Partner, ChuoAoyama Audit Corporation (dissolved after changing its name to Misuzu Audit Corporation in September 2006)</p> <p>August 2007    Representative Partner, KPMG AZSA LLC</p> <p>July 2013        Auditor, KPMG AZSA LLC</p> <p>June 2015       Retired KPMG AZSA LLC</p> <p>July 2015        Established Shibata Mitsuaki CPA Office<br/>President of Shibata Mitsuaki CPA Office (current position)</p> <p>June 2019       Outside Auditor of the Company (current position)</p> <p>[Significant concurrent positions]<br/>Certified Public Accountant, President of Shibata Mitsuaki CPA Office</p> <p>[Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected role]<br/>Mr. Mitsuaki Shibata possesses a high degree of knowledge and abundant experience in finance and corporate accounting gained from many years as a Certified Public Accountant. Based on his experience and knowledge, the Company expects that he will conduct audit and supervision of the Company's management from an objective and neutral standpoint, while also appropriately executing his duties as an Outside Director who is an Audit and Supervisory Committee Member, such as carrying out highly effective supervision of the Company's management as a member of the Parent-Subsidiary Transaction Deliberation Committee.</p> <p>Mr. Shibata has never been engaged in the management of the Company in any way other than as an Outside Auditor, but for the reasons stated above, the Company has judged that he is capable of appropriately executing his duties as an Outside Director who is an Audit and Supervisory Committee member.</p> <p>[Matters regarding independence]<br/>Mr. Mitsuaki Shibata is an Independent Officer as established by the various regulations of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and in the case that he is elected as Director, it is expected that he will continue to be an Independent Officer.</p> <p>[Terms of Office as an Outside Auditor]<br/>2 years at the conclusion of this General Meeting of Shareholders</p> | 0                                          |

| No. | Name<br>(Date of birth)                                                               | Past experience, position and areas of responsibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Number of<br>shares of the<br>Company held |
|-----|---------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 3   | Katsuhiko Sugita<br>(April 12, 1954)<br>[New Candidate]<br>[Outside]<br>[Independent] | <p>April 1984 Registered as attorney-at-law, joined Ishihara Law Office</p> <p>April 2004 Vice President, Ishihara Law Office (current position)</p> <p>April 2008 Member of Judging Committee to Evaluate Property Tax, etc. in Tsushima City (current position)</p> <p>April 2009 Mediator at Nagoya Summary Court (current position)</p> <p>September 2012 Outside Corporate Auditor, Toyoshima &amp; Co., Ltd. (current position)</p> <p>April 2014 Member of Judging Committee of Information Disclosure in Aisai City</p> <p>September 2014 Chairman of Judging Committee of Information Disclosure in Aisai City (current position)</p> <p>June 2015 Outside Auditor of the Company (current position)</p> <p>June 2016 Chairman of the Administrative Complaint Review Board in Aisai City (current position)</p> <p>[Significant concurrent positions]<br/>Attorney-at-law, Vice President, Ishihara Law Office</p> <p>[Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected role]<br/>Mr. Katsuhiko Sugita possesses a high degree of knowledge and abundant experience in corporate legal affairs gained from many years as an attorney-at-law. Based on his experience and knowledge, the Company expects that he will conduct audit and supervision of the Company's management from an objective and neutral standpoint, while also appropriately executing his duties as an Outside Director who is an Audit and Supervisory Committee Member, such as carrying out highly effective supervision of the Company's management as a member of the Parent-Subsidiary Transaction Deliberation Committee.</p> <p>Mr. Sugita has never been engaged in the management of the Company in any way other than as an Outside Auditor, but for the reasons stated above, the Company has judged that he is capable of appropriately executing his duties as an Outside Director who is an Audit and Supervisory Committee member.</p> <p>[Matters regarding independence]<br/>Mr. Katsuhiko Sugita is an Independent Officer as established by the various regulations of Tokyo Stock Exchange, Inc. and Nagoya Stock Exchange, Inc., and in the case that he is elected as Director, it is expected that he will continue to be an Independent Officer.</p> <p>[Terms of Office as an Outside Auditor]<br/>6 years at the conclusion of this General Meeting of Shareholders</p> | 0                                          |

| No. | Name<br>(Date of birth)                                            | Past experience, position and areas of responsibility                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number of<br>shares of the<br>Company held |
|-----|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 4   | Kenichi Suzuki<br>(August 2, 1956)<br>[New Candidate]<br>[Outside] | <p>July 2009 General Manager of Engineering Technology Center, Chubu Electric Power Co., Inc.</p> <p>July 2010 Executive Officer, General Manager of Electrical Engineering Technology Center, Chubu Electric Power Co., Inc.</p> <p>July 2013 Senior Managing Executive Officer, General Manager of Research &amp; Development Division, Chubu Electric Power Co., Inc.</p> <p>April 2016 Advisor, Chubu Electric Power Co., Inc.</p> <p>June 2016 Corporate Auditor, Chubu Electric Power Co., Inc.</p> <p>June 2019 Outside Auditor of the Company (current position)</p> <p>[Reasons for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected role]<br/>Mr. Kenichi Suzuki possesses a large degree of experience and knowledge of corporate audit accumulated as a full-time Auditor of a listed company. Based on his experience and knowledge, the Company expects that he will conduct audit and supervision of the Company's management from an objective and neutral standpoint, while also appropriately executing his duties as an Outside Director who is an Audit and Supervisory Committee Member.<br/>[Terms of Office as an Outside Auditor]<br/>2 years at the conclusion of this General Meeting of Shareholders</p> | 275                                        |

(Notes)

1. There are no special interests between each candidate and the Company.
2. The aforementioned numbers of shares held include the number of shares actually held under the Toenec Corporation and Office Shareholding Clubs names.
3. The Company has entered into a Directors and Officers Liability Insurance contract with an insurance company that covers damages that may arise due to insured Directors assuming liability for their execution of duties, or receiving a claim for the pursuit of such liability. If the candidates are appointed as Directors who are Audit and Supervisory Committee Members, each of them will be insured under the insurance contract, which is to be renewed during their terms of office.
4. Pursuant to Article 427, Paragraph 1 of the Companies Act and the Articles of Incorporation, the Company entered into an agreement with Messrs. Mitsuaki Shibata, Katsuhiko Sugita, and Kenichi Suzuki to limit their liability for damages. The limit of liability under the agreement shall be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act. If Messrs. Shibata, Sugita, and Suzuki are reelected as proposed, the Company intends to extend said agreement with them. Additionally, if Mr. Masahiko Kimura is elected as proposed, the Company intends to enter into a similar agreement to limit his liability for damages.



**Proposal 5:** Establishment of the amount of compensation and other benefits for Directors (excluding Directors who are Audit and Supervisory Committee Members)

If Proposal 2 “Partial Amendments to Articles of Incorporation” is approved as proposed originally, the Company will transition to a Company with an Audit and Supervisory Committee.

The amount of compensation and other benefits for Directors of the Company was approved to be no more than ¥372 million per year, including bonuses, at the 90th Annual General Meeting of Shareholders held on June 26, 2008. However, in accordance with the transition to a Company with an Audit and Supervisory Committee, the Company proposes to abolish this policy and, in consideration of various circumstances including recent economic conditions, to introduce a new policy of compensation and other benefits for Directors (excluding Directors who are Audit and Supervisory Committee Members; hereinafter the same applies in this proposal) with an annual amount not exceeding ¥400 million, including bonuses, (of which the annual amount for Outside Directors shall not exceed ¥85 million). The Company also proposes that the specific amount and time of payment to each Director, among other details, be determined by the resolution of the Board of Directors.

As was previously the case, the said amount of compensation and other benefits shall not include the employee portion of salaries paid to Directors who also serve as employees.

A summary of Policy on Details of the Compensation and Other Benefits for Individual Directors is as described in the Business Report (4. (4)). Regarding compensation and other benefits for Directors following the transition to a Company with an Audit and Supervisory Committee, the Company plans to maintain the policy of paying a basic monthly fixed compensation and performance-linked bonuses. The amount of compensation and other benefits under this proposal will be paid as fixed compensation and bonuses in accordance with the said policy, and the Company determines that the amount is appropriate in light of the level of compensation specified in the said policy, the number of Directors eligible for the payment, and other factors.

Although there are currently 11 Directors (including 3 Outside Directors), the number of Directors will be 10 (including 3 Outside Directors) if Proposal 2 “Partial Amendments to Articles of Incorporation” and Proposal 3 “Election of 10 Directors (excluding Directors who are Audit and Supervisory Committee Members)” are approved as proposed originally.

This proposal shall be effective provided that the amendments to the Articles of Incorporation stipulated in Proposal 2 "Partial Amendments to Articles of Incorporation" take effect.

**Proposal 6:** Establishment of the amount of compensation and other benefits for Directors who are Audit and Supervisory Committee Members

If Proposal 2 “Partial Amendments to Articles of Incorporation” is approved as proposed originally, the Company will transition to a Company with an Audit and Supervisory Committee.

Accordingly, the Company proposes, in consideration of various circumstances including recent economic conditions, that the amount of compensation and other benefits for Directors who are Audit and Supervisory Committee Members be no more than ¥100 million per year, and that the specific amount and time of payment to each Audit and Supervisory Committee Member, among other details, be determined through consultation between Directors who are Audit and Supervisory Committee Members. The Company determines that the amount of compensation and other benefits under this proposal is appropriate in light of the duties of Directors who are Audit and Supervisory Committee Members and other factors.

If Proposal 2 “Partial Amendments to Articles of Incorporation” and Proposal 4 “Election of 4 Directors who are Audit and Supervisory Committee Members” are approved as proposed originally, the number of Directors who are Audit and Supervisory Committee Members will be 4.

This proposal shall be effective provided that the amendments to the Articles of Incorporation stipulated in Proposal 2 "Partial Amendments to Articles of Incorporation" take effect.