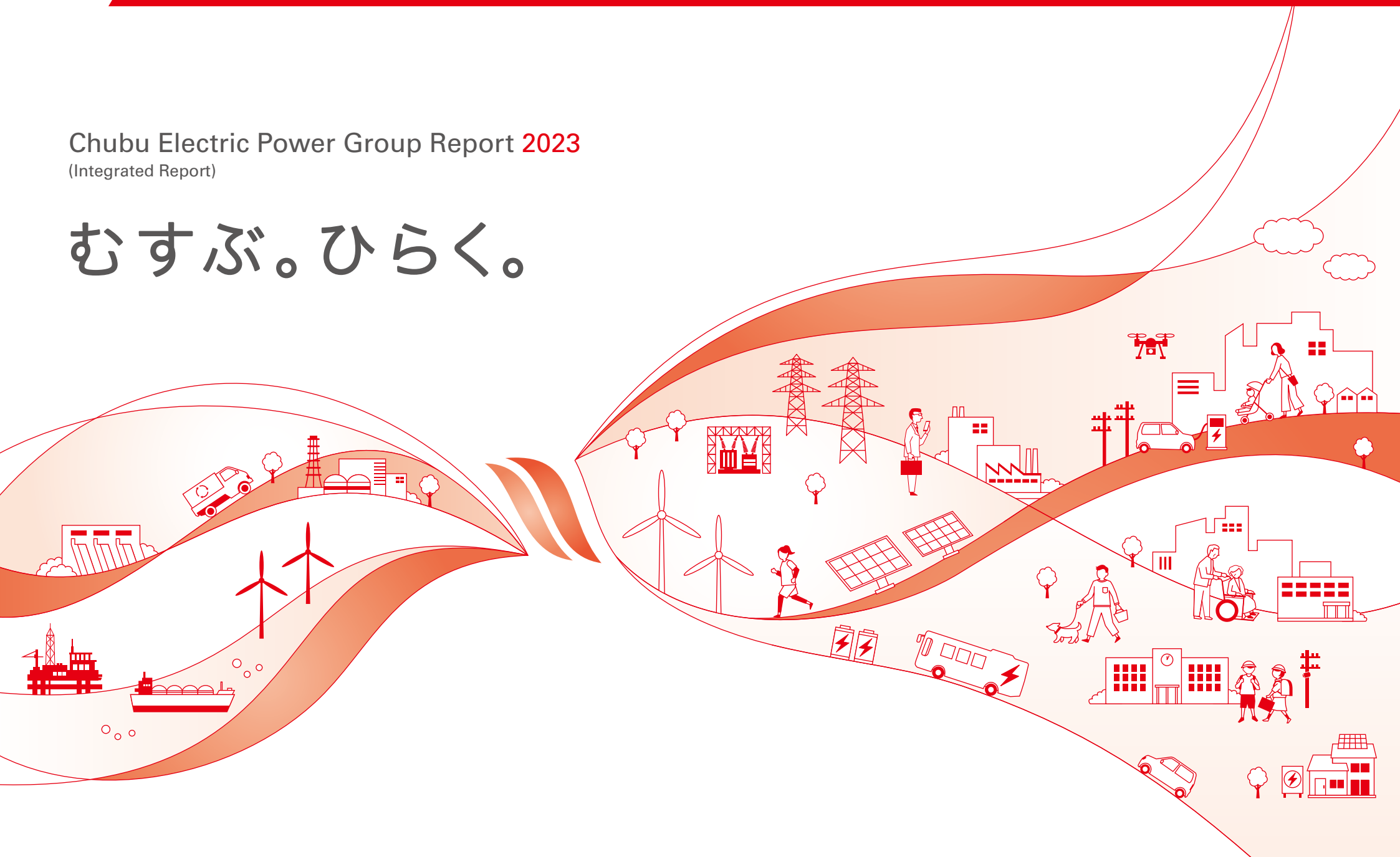


# Chubu Electric Power Group Report 2023

(Integrated Report)

むすぶ。ひらく。



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# むすぶ。ひらく。

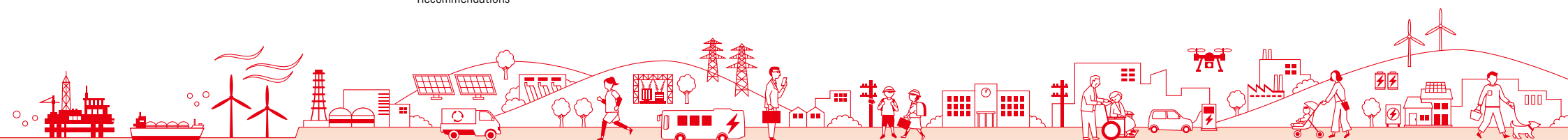
(Musubu. Hiraku, in Japanese)

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

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# Chubu Electric Power Group Report 2023

(Integrated Report)

## Editorial policy

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

The 2023 report features the Chubu Electric Power Group's initiatives to contribute to the development of a sustainable society. We are committed to fulfilling our unwavering mission of providing safe, affordable, and stable energy of high quality with consideration for decarbonization and the environment, even in a volatile business environment. We are also striving to create new value through the resolution of local issues and revitalization efforts. Based on these endeavors, we aim to continue growing as a corporate group alongside our customers, shareholders, local communities, business partners, and all other stakeholders.

We will make continuous efforts to improve the report as an important tool to enhance communication with our stakeholders.



## Date of publication

September 2023

(Next report: scheduled for September 2024; previous report: September 2022)

## Organizations covered by the scope of the report

Chubu Electric Power Co., Inc. and associated companies

## Reporting period covered

Fiscal year 2022 (April 2022 through March 2023)

This report also includes information regarding some important events and activities that occurred outside the above period.

## Guidelines used as references:

GRI, GRI Standards

IFRS Foundation, International Integrated Reporting Framework

IFRS Foundation, SASB Standards

The Ministry of Economy, Trade and Industry, Integrated disclosure and interactions guidance for co-creation of values 2.0

Recommendations of the Task Force on Climate-related Financial (Final Report), etc.

## Inclusion in SRI indexes

As of July 2023, Chubu Electric Power is included in the following four indexes among the indexes adopted by the Government Pension Investment Fund in Japan:

Morningstar Japan ex-REIT Gender DiversityTilt Index (GenDi J)	S&P/JPX Carbon Efficient Index
MSCI Japan Empowering Woman Index (WIN) 2022 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)	FTSE Blossom Japan Sector Relative Index

THE INCLUSION OF CHUBU ELECTRIC POWER CO., INC. IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF CHUBU ELECTRIC POWER CO., INC. BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

FTSE Russell (registered trading name of FTSE International Limited and Frank Russell Company) hereby certifies that, as a result of a third-party survey, Chubu Electric Power, Co., Inc. satisfies the requirement for inclusion in the FTSE Blossom Japan Sector Relative Index and is now part of the index. This index is used broadly to create or evaluate sustainable investment funds and other financial instruments.

## Caution concerning forward-looking statements

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

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

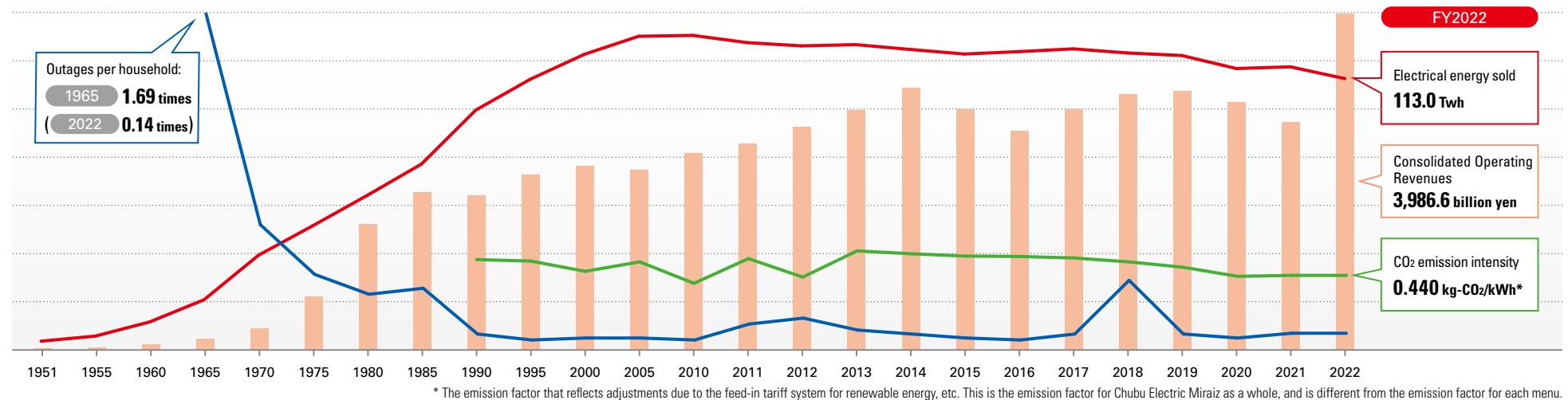
# History of Chubu Electric Power

## Contributing to the development of the Chubu region as we grow together

As a company rooted in the Chubu region, Chubu Electric Power has contributed to the development of the local society and has grown together with the community through its mission of delivering electricity stably at a reasonable price.

### [Chubu Electric Power Group Corporate Philosophy]

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



Ikawa Hydroelectric Power Station (1957)



Restored distribution line after Typhoon Isewan (1959)



500 kV Seibu trunk line was constructed (completed in 1972)



Hamaoka Nuclear Power Station Unit 1 (1976)



Mega Solar Shimizu (2015)



Web member service for household "KatEne" and web member service for business "BizEne" start (2015)

● 1951 >> Establishment of Chubu Electric Power

● 1973 >> First oil crisis

● Around 1955 >> High economic growth

● 1991 >> Collapse of bubble economy

● 2011 >> Great East Japan Earthquake

● 2016 >> Full liberalization of electricity retailing

● 2017 >> Full liberalization of gas retailing

● 2020 >> Split offs of power transmission/distribution division and sales division



## History of Chubu Electric Power

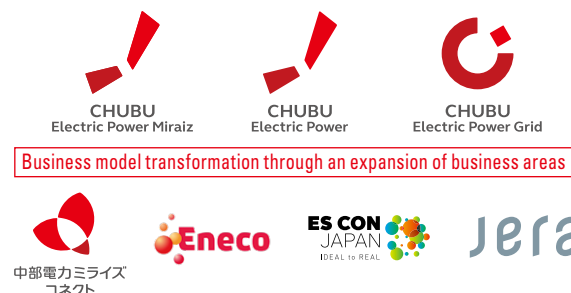
### Overcoming numerous challenges and boldly tackling changes in the business environment

**2019** Full integration of the thermal power generation businesses into JERA

**2020** Split offs of power transmission/distribution division and sales division

#### Birth of a new Chubu Electric Power

Following the full integration of the thermal power generation businesses into **JERA** in 2019, the power transmission/distribution division and sales division were split off into **Chubu Electric Power Grid Co., Inc.** and **Chubu Electric Power Miraiz Co., Inc.** in 2020, respectively.



**2011** Great East Japan Earthquake

**2016** Full liberalization of electricity retailing

#### Advent of the new era of energy

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

**1991** Collapse of bubble economy

#### Turning point of the times/Liberalization of the electric market

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

**1970s to 1980s** Oil crisis

#### Respond to the oil crisis/Promote diversification of power sources

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

**1960s** High economic growth

#### Stable supply that supports high economic growth

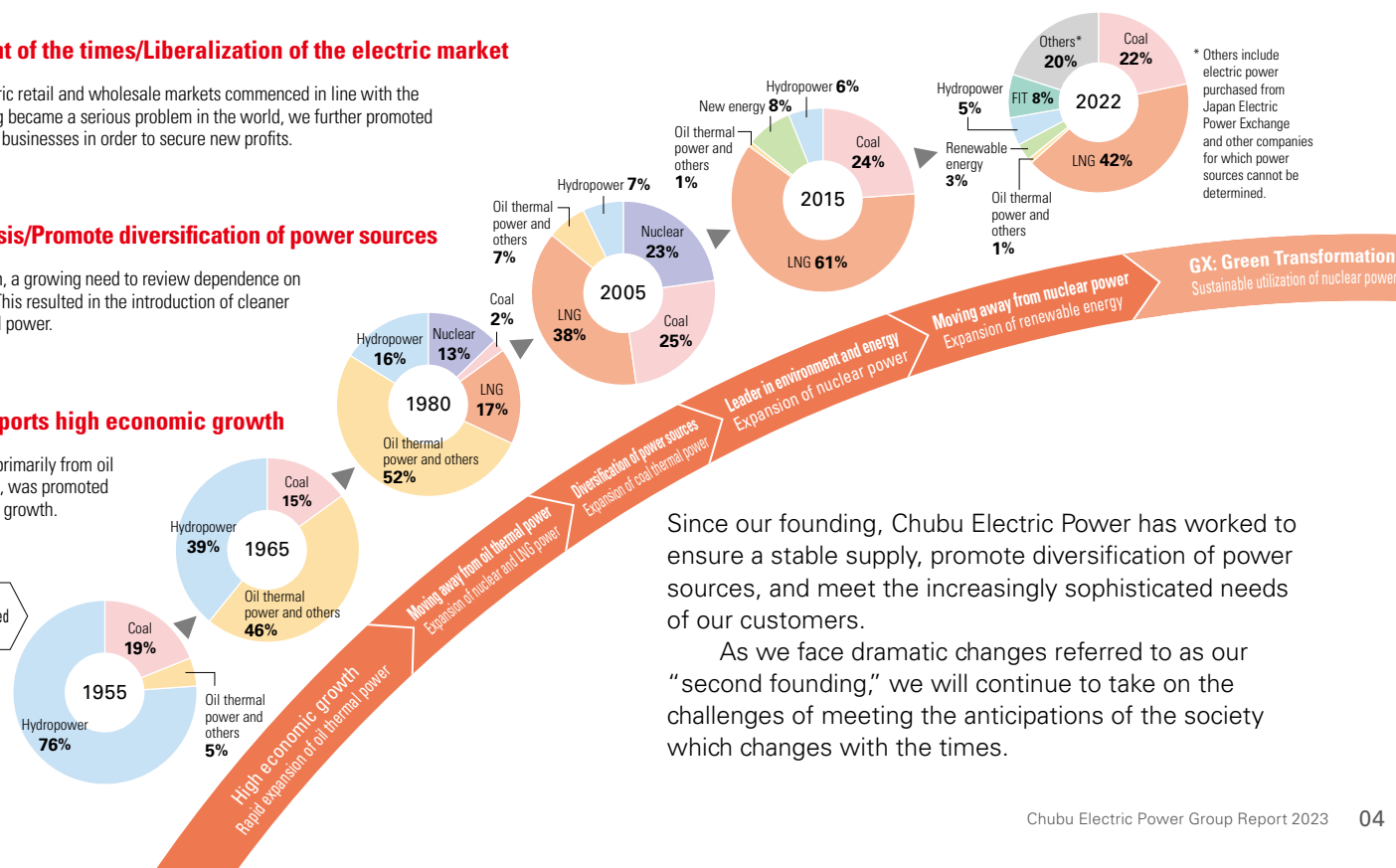
In this era after the postwar recovery, large-scale power source development, primarily from oil thermal power generation together with an expansion of transmission systems, was promoted to meet the increasing demand for electricity accompanying the high economic growth.

**1951** Establishment of Chubu Electric Power

#### Power source development to solve power shortage

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

Composition of generated and received electric power



**2050**

#### Our envisioned society



Since our founding, Chubu Electric Power has worked to ensure a stable supply, promote diversification of power sources, and meet the increasingly sophisticated needs of our customers.

As we face dramatic changes referred to as our "second founding," we will continue to take on the challenges of meeting the anticipations of the society which changes with the times.



# Chubu Electric Power Group at a Glance






## ■ Nuclear power business P43

## ■ Chubu Electric Power Miraiz P51

## ■ JERA P57

### Power generation facilities (Chubu Electric Power)

As of March 31, 2023

Renewable energy		General hydroelectric power	<b>Approx. 2,150 MW</b>
		Pumped storage power	<b>Approx. 3,320 MW</b>
		Wind power	<b>Approx. 20 MW</b>
		Solar power	<b>Approx. 20 MW</b>
		Biomass	<b>Approx. 50 MW</b>
		Nuclear	<b>3,617 MW</b>




## ■ Renewable energy business P47

## ■ Global business P53

## ■ Regional infrastructure business P59

### Power transmission/distribution facilities (Chubu Electric Power Grid)

As of March 31, 2023




	Transmission line length	<b>11,967 km</b>
	Number of supporting structures (iron tower, etc.)	<b>34,871 units</b>
	Number of substations	<b>1,004 locations</b>
	Distribution line length	<b>136,058 km</b>
	Number of supporting structures (utility poles, etc.)	<b>2,871,305 units</b>

## ■ Chubu Electric Power Grid P49

## ■ New Growth Field P55

### Sales results, etc. (Chubu Electric Power Miraiz)

FY2022

	Electrical energy sold	<b>102.4 Twh</b> (Group total: <b>113.0 Twh</b> )
	Gas and LNG sold	<b>1,240 thousand tons</b> (Group total: <b>1,490 thousand tons</b> )
	CO <sub>2</sub> emissions in electrical energy sales	<b>45.09 million ton</b>
	CO <sub>2</sub> emission intensity	<b>0.440 kg-CO<sub>2</sub>/kWh*<sup>1</sup></b>

\*<sup>1</sup> This is the emission factor for Chubu Electric Miraiz as a whole, and is different from the emission factor for each menu.

### Financial/Corporate Data

FY2022 results

Operating Revenues	<b>3,986.6 billion yen</b>	Net Income Attributable to Shareholders of the Parent Company	<b>38.2 billion yen</b>
Operating Income	<b>107.0 billion yen</b>	Shareholders' equity ratio	<b>31.9%</b>
Ordinary Income	<b>65.1 billion yen</b>	Number of subsidiaries	<b>62 companies</b>

### Number of Employees

As of March 31, 2023

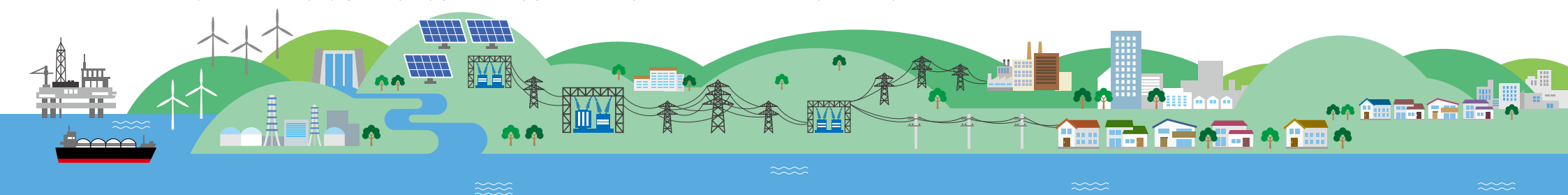
Consolidated	<b>28,367 persons</b>	Main business companies	
		Chubu Electric Power	<b>3,153 persons</b>
		Chubu Electric Power Grid	<b>9,533 persons</b>
		Chubu Electric Power Miraiz	<b>1,153 persons</b>

Reference: Chubu Electric Group's renewable energy power plants\*<sup>2</sup> (as of March 31, 2023; approximate figures)

Hydroelectric power (general) (2,180 MW); hydroelectric power (pumped storage) (3,320 MW); wind power (210 MW); solar power (560 MW); and biomass (350 MW)

\*<sup>2</sup> The figures include the capacity of renewable energy power plants owned by the Group and that of other plants, which deliver renewable energy value to customers and which we have constructed and have been conducting maintenance for other companies.

Only include our shares of capacity in joint development projects, and include projects for which development has been decided but commercial operation has not yet commenced.



## Chubu Electric Power Group at a Glance

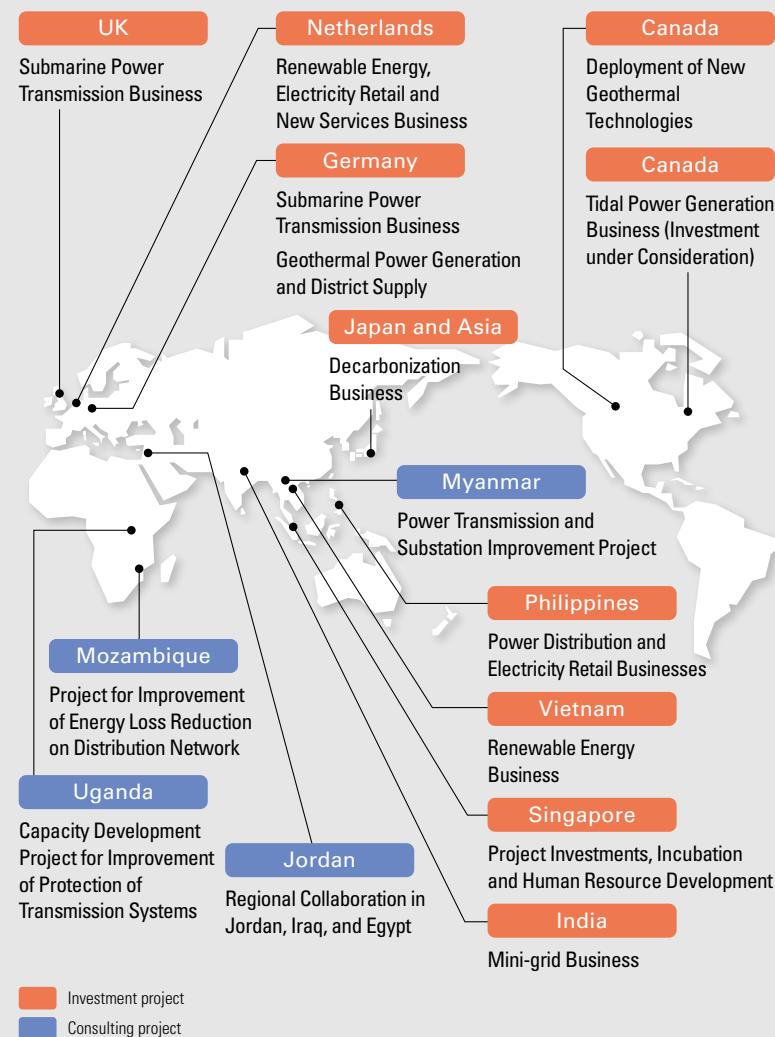
## Challenge to expand the business fields to Japan and the world based on the Chubu region

**The Chubu Electric Power Group makes a concerted effort to provide a stable supply of energy**



## Participation in overseas energy business

### Current main investment projects and consulting projects



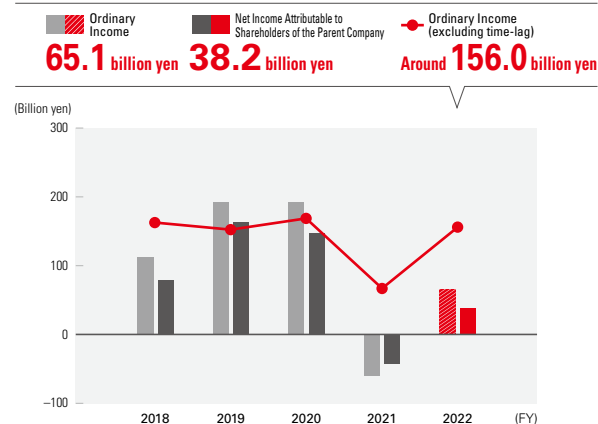


# Financial and Non-Financial Highlights

Please refer to the Investors' Data Book for details including data for the past 10 years.

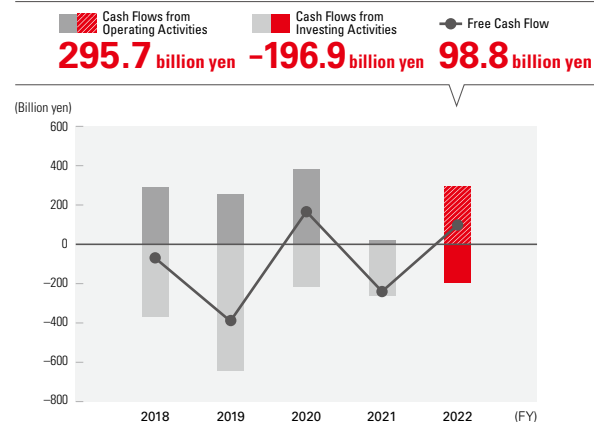
[Link](#) Investors' Data Book

## Ordinary Income/Net Income Attributable to Shareholders of the Parent Company/Ordinary Income (excluding time-lag)



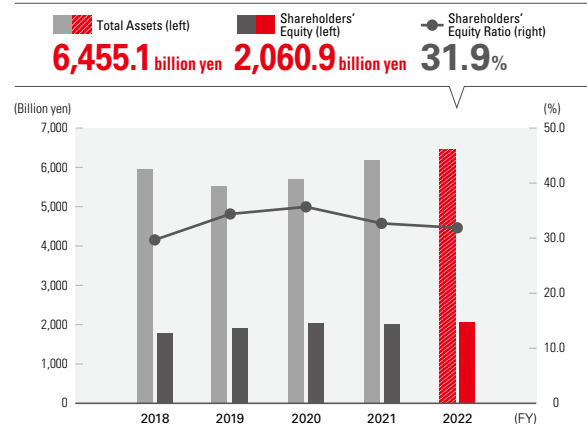
Ordinary income (loss) increased by 124.4 billion yen from the previous consolidated fiscal year to 65.1 billion yen, mainly due to a reduction of the impact of market price spikes by undertaking a review of our power procurement portfolio, etc., and carrying out sales activities based on procurement costs in Miraiz.

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



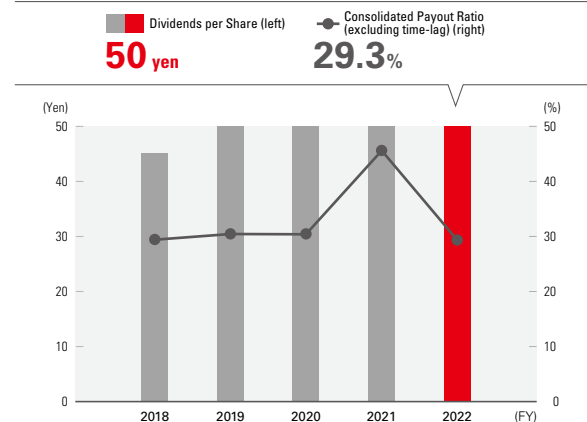
Cash inflow from operating activities increased by 274.1 billion yen from the previous consolidated fiscal year due to improvement of Income (loss) before income taxes. Cash outflow from investment activities decreased by 65.0 billion yen from the previous consolidated fiscal year, mainly due to income by the sales of some cross-shareholdings. As a result, free cash flow improved by 339.2 billion yen.

## Total Assets/Shareholders' Equity/Shareholders' Equity Ratio



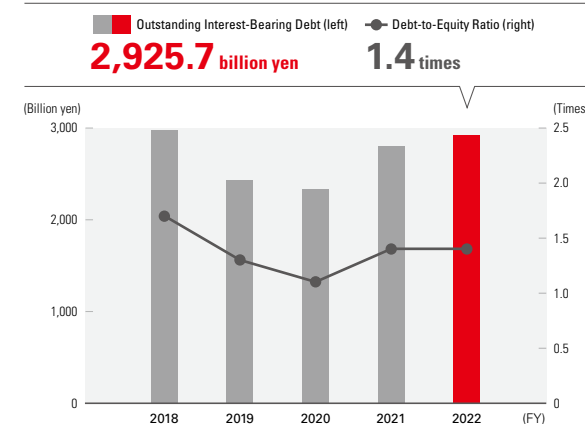
Although the shareholders' equity ratio declined from the previous fiscal year due to an increase in interest-bearing debt, we have maintained this ratio at 30% or more as we work to ensure financial soundness.

## Dividends per Share/Consolidated Payout Ratio



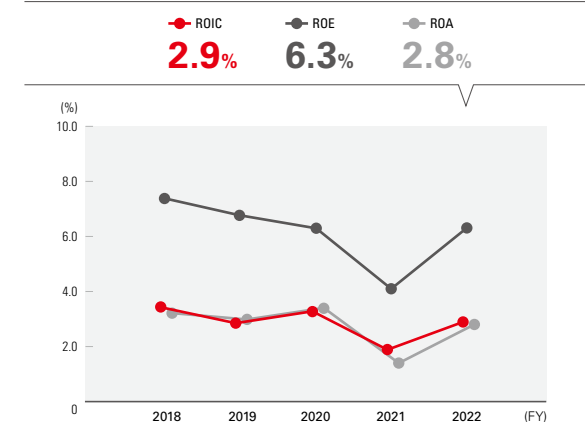
We aim to achieve a consolidated dividend payout ratio of 30% or more by working to return profits to shareholders taking into consideration profit growth on the basis of maintaining stable dividends. We maintained cash dividends per share for the current fiscal year at 50 yen.

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



Due to the increase in interest-bearing debt, total interest-bearing debt amounted to 2,925.7 billion yen, an increase of about 125 billion yen from the end of the previous fiscal year.

## Return on Invested Capital (ROIC)/Return on Equity (ROE)/Return on Assets (ROA)



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

We have set a target for ROIC of 3.0% or more under our Medium-term Management Plan as we promote management with an awareness of capital efficiency. For this fiscal year, ROIC was 2.9%, an increase of 1.0 percentage point compared with fiscal 2021.



## Financial and Non-Financial Highlights

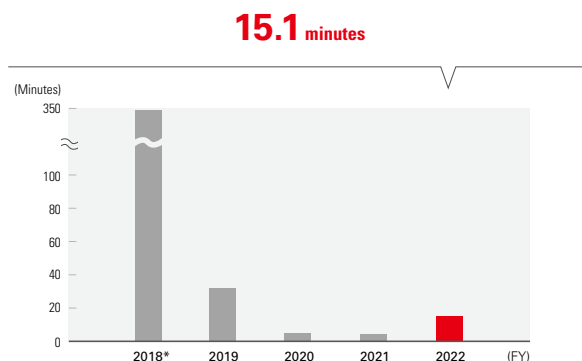
Please refer to the ESG Data Book for details other than below.

[Link](#) ESG Data Book

### Business activities

#### Annual average of failure/ outage time per household

P49

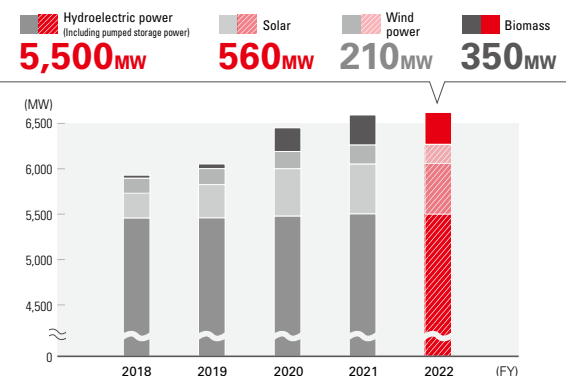


\* The figure worsened due to repeated typhoon damage in summer 2018.

After a notable increase in FY2018 due to the impact of typhoons, figures have remained low since FY2019 owing to preventive maintenance efforts such as regular inspections.

#### Developed renewable energy

P47



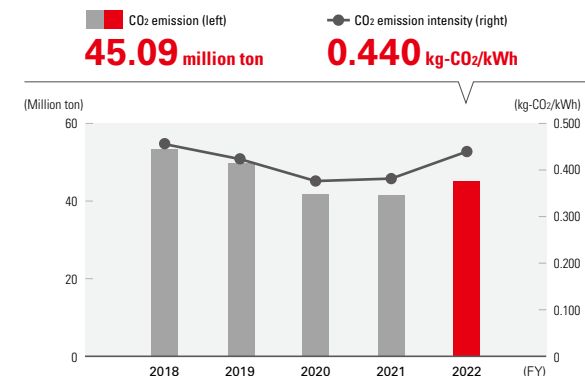
\* Amount at the end of each fiscal year in Chubu Electric Power Group (in case of joint development, only equity ownership output is included). Hydroelectric power includes pumped storage power generation. Co-fired power with biomass fuel at Hekinan Thermal Power Station is not included. Includes projects for which development has been decided but commercial operation has not yet commenced.

The increase in FY2022 is attributed to factors such as the development of a biomass power plant in Sakaiminato City, Tottori Prefecture.

### Environmental

#### CO<sub>2</sub> emissions/ Emission intensity in electrical energy sales

P40

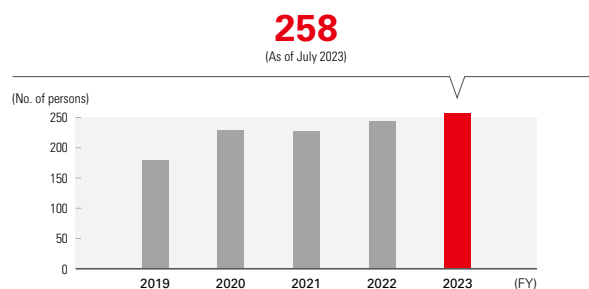


We have set a goal to reduce CO<sub>2</sub> emissions derived from electrical energy sold by 50% or more by 2030 compared with FY2013. In FY2022, emissions totaled 45.09 million tons, representing a reduction of approximately 30% compared with FY2013.

### Human resources

#### Number of women in managerial positions

P63

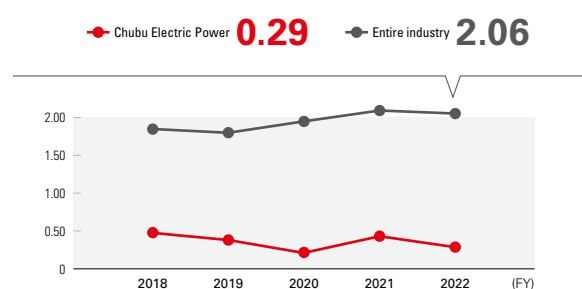


\* As of July 1 in each FY

Through initiatives such as a training program for women, we have hired 26 women in managerial positions so far in FY2023, increasing the total to 258. (Note: Our goal is to more than triple the number of women in managerial positions in FY2025 compared with the FY2014 count of 103.)

#### Industrial accident frequency\*

P61

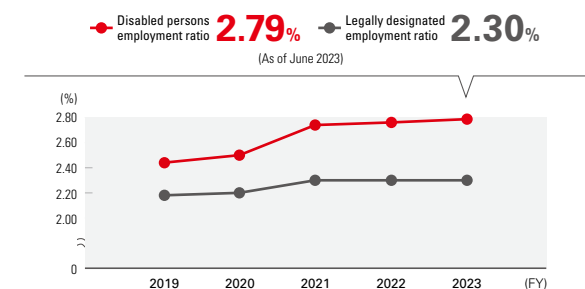


\* Accident frequency: Number of persons killed or seriously injured (with at least one day of leave) by industrial accidents per million working hours.

In line with our Basic Safety and Health Policy, our efforts to establish a safe working environment have yielded positive results, with an industrial accident frequency of 0.29 FY2022, down on a year-on-year basis.

#### Disabled persons employment ratio/ Legally designated employment ratio

P63



\* As of June 1 in each FY

We are advancing the employment of individuals with disabilities to fulfill our corporate social responsibility. In conjunction with the hiring at Chuden Wing Co., Ltd., we continue to hire individuals with disabilities and have achieved the legally designated employment ratio.

Chubu Electric Power will contribute to the sustainable development of local communities and society by providing safe, affordable, and stable energy that considers the global environment and by creating new value that enriches the lives of our customers.

President & Director

*Hayashi Kingo*

## PROFILE

### Hayashi Kingo, President & Director

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





## 1 Progress of Medium-term Management Plan: Results and Issues

FY2022 was a year of tremendous volatility that began amid an uncertain outlook owing to soaring fuel procurement costs due in part to the crisis in Ukraine, and there were even expectations of temporarily operating in the red for the interim period. Our business goal in FY2022 was to quickly attain our original consolidated ordinary income recovery target of 150 billion yen, which was set under our Medium-term Management Plan, from the level recorded in FY2021, when we posted a loss including a time-lag loss. In FY2022, Chubu Electric Power recorded consolidated ordinary income excluding a time lag of 156 billion yen. I believe we achieved these solid results thanks to the capabilities acquired by taking appropriate measures such as risk hedging to counter the highly volatile business environment.

Particularly noteworthy, Chubu Electric Power leveraged its model that splits off power generation and sales, which is a distinctive feature of the Group. The three companies comprising this model, namely JERA, Chubu Electric Power Miraiz, and Chubu Electric Power Grid, deployed the Group's strengths by interfacing with customers and markets, perceptively identifying their needs, and flexibly reflecting these needs in an assortment of measures.

Chubu Electric Power also made further strides in enhancing management efficiency by undertaking Company-wide DX (Digital Transformation) and promoting Kaizen (improvement) activities, which also contributed to our business results in FY2022. Launched in 2017, Kaizen activities have generated numerous

achievements and enabled cumulative cost reductions of 16 billion yen.

**P33** Promotion of DX

**P34** Promotion of Kaizen Activities

Meanwhile, even though our new growth areas are still in the developmental stage, we are nonetheless ambitiously pushing ahead with an assortment of concrete initiatives. These include executing M&A, concluding an agreement with British energy major bp plc for decarbonization, and participating in the resource recycling business.

I expect that extreme volatility in resource prices will persist in FY2023. To provide safe, affordable, and stable energy, Chubu Electric Power will promote the sophistication of its risk management that utilizes the strengths of its model that splits off power generation and sales.

In providing new value such as decarbonization and services that enrich the lives of customers, Chubu Electric Power will proceed with M&A through strategic investment while quickly securing profits and expanding and enhancing its services.

On a different note, Chubu Electric Power sincerely apologizes for any concerns it caused customers, shareholders, community residents, business partners and other stakeholders due to such incidents as the inappropriate handling of customer information involving the leakage of information obtained through its wheeling business as well as a surcharged payment order by the Japan Fair Trade Commission for a violation of the Antimonopoly Act. Mindful that the trust of our customers and society forms the bedrock of our business operations, I along with the other members of the management team will

take the lead and continue our unceasing efforts to ensure thoroughgoing compliance.

**P15** Aiming for a Higher Level of Social Trust

## 2 Completion of a Group-wide System for Providing Safe, Affordable, and Stable Energy

### Strengthening the Resilience of the Electric Power Value Chain

Recent years have witnessed dramatic changes in Chubu Electric Power's operating environment that include the intensification of natural disasters and extreme volatility of resource prices. These changes underscore the growing importance of providing safe, affordable and stable energy. I believe that reliably securing fuel and responding to fuel price volatility are also key issues in view of the recent fierce international competition to secure energy.

**P30** Providing Safe, Affordable and Stable Energy

In response to these issues, JERA has devised an energy procurement portfolio while JERA Global Markets Pte. Ltd. (JERAGM), which operates one of the world's largest LNG trading and transportation businesses, is developing unique risk hedging strategies by combining sophisticated trading technologies with its global-scale global portfolio.

Responding to power procurement risk is also a crucial task for Chubu Electric Power Miraiz. To counter the large swings in energy prices, Chubu Electric Power Miraiz is considering hedging methods such as flexibly adjusting the procurement ratio of power purchase contracts with the Japan Electric Power Exchange (JEPX) and with power producers through



bilateral contracts. At the same time, Chubu Electric Power Miraiz is promoting new initiatives such as market-linked pricing plans and providing demand-response services such as NACHARGE.

In FY2023, we will implement measures to lessen cost burdens on our customers based on improved profitability resulting from management efforts such as strengthening our market responsiveness in the manner I have described. As a company that continuously grows together with its customers and society, Chubu Electric Power will continue to implement measures in response to changes in the business environment to reduce the burden on its customers to the greatest degree possible.

**P52** Implementation of measures for reducing electricity cost burden and supporting daily life

### Frontline Worksites and Trust that We Value

Our Management Vision can be achieved only through the activities and efforts of each and every employee at frontline worksites. Chubu Electric Power currently faces a host of issues



that include soaring prices in the wholesale power trading market and compliance. Even before assuming the duties of President, I worked to promote face-to-face dialogue with frontline employees at worksites to share their thoughts while also communicating the ideas of top management. In doing so, I have visited nearly 200 business sites over the course of six months from December 2022 and held repeated dialogues with on-site employees.

**P66** Stakeholder Engagement

Visiting worksites to actually engage in dialogue with employees has reaffirmed my awareness of how just hard everybody is working to “fulfill our unchanging mission.” As natural disasters intensify, we must improve resilience by sophisticating our networks while safely restoring operations as quickly as possible whenever a disaster strikes. To assure stable supplies of electricity, frontline employees of Chubu Electric Power Grid and other Group companies meticulously maintain and inspect power transmission and distribution facilities regardless of weather conditions. Such dedicated efforts enable Chubu Electric Power to reliably provide electricity to its customers day-in, day-out. I believe performing these tasks naturally expected of us as a matter of course is of utmost importance. I conveyed this to employees at workplaces as well.

When I visited business sites, I heard that we received harsh feedback as well as warm words of support and gratitude received from customers. This once again keenly reaffirmed my recognition that Chubu Electric Power can gain the understanding of customers and society only because frontline employees are fulfilling our

mission. At every worksite I visited, numerous employees told me, “We will firmly safeguard the trust of our customers.” I will continue to hold such dialogues at business sites.

## 3 Toward the Realization of the Society We Envision

In Our Management Vision 2.0, which was formulated in November 2021, we have set a consolidated ordinary profit target of 250 billion yen or more as a quantitative goal for 2030 that we established by backcasting from the Society We Envision in 2050. Additionally, we aim to achieve our unchanging mission and create new value so that the proportion of profits generated in the domestic energy business and new growth fields is evenly balanced at 1:1 in our profit portfolio. In working toward attaining these business targets, with the energy business serving as a core domain, the Chubu Electric Power Group is undertaking a variety of businesses and promoting initiatives utilizing the total capabilities of the entire group. Along with achieving these management targets, a key initiative is to contribute to building a decarbonized society. Specifically, Chubu Electric Power aims to achieve its target of net-zero CO<sub>2</sub> emissions for its entire business by 2050 as set forth in the Zero Emissions Challenge 2050. To do so, we have established the intermediate target of reducing CO<sub>2</sub> emissions derived from electricity sold to customers by 50% or more in 2030 compared with FY2013 and we are promoting initiatives to attain this target.

**P23** Chubu Electric Power Group Management Vision 2.0

**P37** TCFD



Thermal power is also important from the perspective of assuring an overall stable supply of energy. At the same time, curbing CO<sub>2</sub> emissions is also crucial. Achieving this dual imperative requires technological innovation. With this in mind, we will first proceed with shutting down all inefficient coal power plants at JERA by 2030. On top of this, from FY 2023 we will undertake demonstration testing for ammonia co-firing at a 20% rate with coal power at the Hekinan Thermal Power Station. We plan to conduct demonstration tests for hydrogen co-firing in the 2020s and start commercial operation in the 2030s.

**P57** JERA

Chubu Electric Power is also focusing on renewable energy. We have set a target of increasing output of renewable energy to 3,200 MW or more by around 2030 compared with the end of FY2017 and have decided to develop 740MW of renewable energy by the end of March 2023. We are also devoting efforts to offshore wind power. Group company C-TECH CORPORATION, together with Mitsubishi Corporation, was the first in Japan to be selected as a power plant operator with three fixed-base type offshore wind farm locations in general waters. We aim to start operations by 2030.

**P47** Renewable Energy Business

I also believe that restarting operation at the Hamaoka Nuclear Power Station as quickly as possible is essential from the perspectives of realizing carbon neutrality, attaining energy security, and stabilizing electricity rates. As we move toward this goal, we will first make our utmost efforts to confirm the standard seismic ground motion and standard tsunami height at

the Hamaoka Nuclear Power Station.

**P43** Toward Improving the Safety and Reliability of the Hamaoka Nuclear Power Station

As part of global decarbonization efforts, in March 2020 Chubu Electric Power invested in Eneco and is actively promoting offshore wind power development in Europe through Eneco. We have also concluded an agreement with bp plc for decarbonization in Japan and the Asian region. As a first step, we are proceeding with technology considerations to realize CCUS (CO<sub>2</sub> collecting, utilization, and storage) at the Port of Nagoya and we are working together with

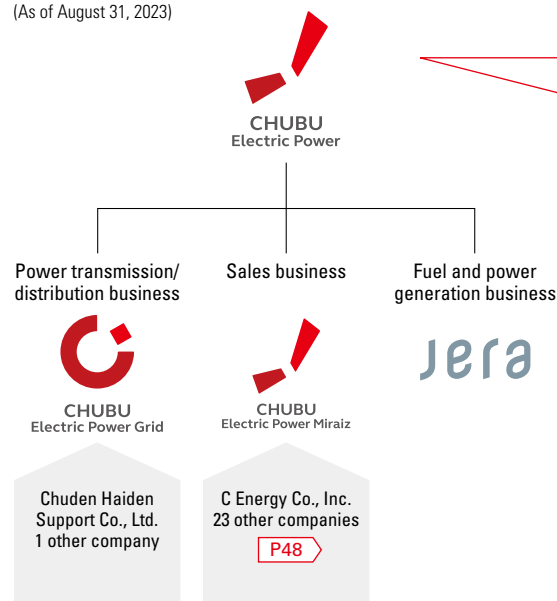
influential business partners in the Chubu region with an eye toward commencing operations around 2030.

**P53** Global Business

**Providing New Value to Customers and Society**  
Creating the new value that we seek transcends merely diversifying into non-energy businesses. Rather, this also involves creating new services by synergizing the energy business with a variety of other services. Customers seek brightness, peace of mind, and fun rather than just electricity alone. My primary goal is to create businesses that harness all of these in

### Chubu Electric Power Group's main businesses and companies

(As of August 31, 2023)



Community support infrastructure related business	Chuden Telemetering LLC. 6 other companies	<b>P60</b>
Renewable energy business	Aichi Gamagori Biomass Power Generation LLC. 35 other companies	<b>P47</b>
Global business	Bitexco Power Corporation 11 other companies	<b>P54</b>
Real estate business	Chuden Real Estate Co., Ltd., ES-CON JAPAN Ltd. 16 other companies	<b>P56</b>
Construction business	TOENEC CORPORATION Chubu Plant Service Co., Ltd. C-TECH CORPORA 7 other companies	<b>P12</b>
Manufacturing business	CHUBU SEIKI Co., Ltd. AICHI ELECTRIC Co., Ltd. TOKAI CONCRETE INDUSTRIES Co., Ltd. 3 other companies	
Information and communication business	Chuden CTI Co., Ltd. Chubu Telecommunications Co., Inc. 3 other companies	<b>P33</b>
Service business etc.	Chuden KuraBis Co., Ltd. Chuden Auto Lease Co., Ltd. Techno Chubu Co., Ltd. Chuden Wing Co., Ltd. 9 other companies	<b>P70</b> <b>P63</b>



combination with energy to provide “services that enrich the lives of our customers.” Acting on this idea, Chubu Electric Power aims for growth as a company by contributing to resolving issues in local communities and we are utilizing our customer contact points, which is one of our strengths, and promoting commercialization of businesses such as medical care and monitoring. As a prime example, in April 2023 we started providing the “e-Frai Navi” frailty detection service for local municipalities in Mie and Nagano prefectures. In the future, we aim to provide services to local municipalities nationwide and increase revenues as we contribute to the development of a sustainable society together with residents of local communities.

**P51** Chubu Electric Power Miraiz

**P55** New Growth Fields

**P60** Contribute to Solving Local Issues and Revitalizing Local Communities

To advance these initiatives, we will make strategic investments totaling 450 billion yen from FY2022 to FY2025 and total investments of 1 trillion yen from FY2021 to FY2030, mainly in global businesses and renewable energy businesses. Nonetheless, we will maintain our financial soundness even during this phase of expanded investments and undertake investments with an awareness of attaining ROIC of 3.0% or more in FY2025 as an indicator of efficiency we have set as a management target.

**P25** CFO Message

#### 4 Strengthen the Management Base to Promote the Realization of Vision 2.0

To simultaneously accomplish our unwavering mission and create new value, we must establish an environment encompassing safety and health where diverse human resources can play active roles. At the same time, human resources with an unprecedented level of skills are essential and finding ways to fill the gaps in terms of quality and quantity of human resources is crucial. With this in mind, in May 2023 we formulated the Human Resources Strategy to achieve these goals.

**P31** Human Resources Strategy

To realize our Vision, we must also nurture essential human resources and as part of these efforts we have introduced an online learning service (Udemy Business) as an opportunity for employees to autonomously acquire new knowledge. Almost all Chubu Electric Power employees have registered for this service and their satisfaction level is high. This is reflected by such comments as, “This serves as an ideal tool for improving my business skills and I hope to rapidly improve my abilities.” We intend to further advance this initiative. At the same time, we will actively recruit external human resources to acquire human resources possessing advanced and specialized skills. To implement these strategies in concrete terms, we have set targets of 10% utilization rate for open recruitment for internal transfers in our personnel rotation system and 20% mid-career hire rate for all hires as well as improve engagement. By achieving this goal, we will transform our corporate culture by instilling inclusiveness and diverse ways of

thinking into each of our employees.

**P64** Providing Opportunities and Support to Employees Who Meet the Challenge of Self-transformation

Promoting initiatives to ensure employee safety and health are top company management priorities while creating an environment where employees can work in an excellent state of physical and mental health is also of paramount importance. As a recent initiative, in FY2021 we introduced wearable terminals (Fitbit). Regarding this initiative, employees have told us “Chubu Electric Power has shown me its commitment to health and productivity management and this has given me a greater sense of trust” and “I really enjoy working on my health management.” Reflecting the success of these efforts, Chubu Electric Power earned high acclaim for these initiatives in FY2022. Specifically, we became a Health & Productivity Management Outstanding Organization 2023 (White 500) for the third year in a row, ranking 4th out of the 3,169 responding companies, and ranked first in the electricity and gas industry for the third consecutive year.

**P62** Initiatives related to safety





Furthermore, we are promoting the diversification of executives and employees toward increasing corporate value. For example, Chubu Electric Power has set a target of more than tripling the number of female managers in FY2025 compared with FY2014 (103). As of the end of June 2023, we have increased the number of female managers to 258. In the future as well, we will further promote measures to diversify our human resources, such as by increasing the number of women in managerial positions, including executives.

#### P63 Initiatives for DE&I

Together with Human Resources Strategy, implementing thoroughgoing compliance is also a key initiative. As I explained at the outset of my message, several incidents occurred at Chubu Electric Power in FY2022. We recognize that customer trust is the cornerstone of all our businesses. Accordingly, we have set up an organization that includes external experts as members to verify these recent incidents, investigate the causes, and take countermeasures to ensure thorough compliance, and steadily promote various measures. Rather than relying on our own perspectives, I believe it is also important to make decisions and receive recommendations based on an outside perspective as well.

#### P15 Aiming for a Higher Level of Social Trust

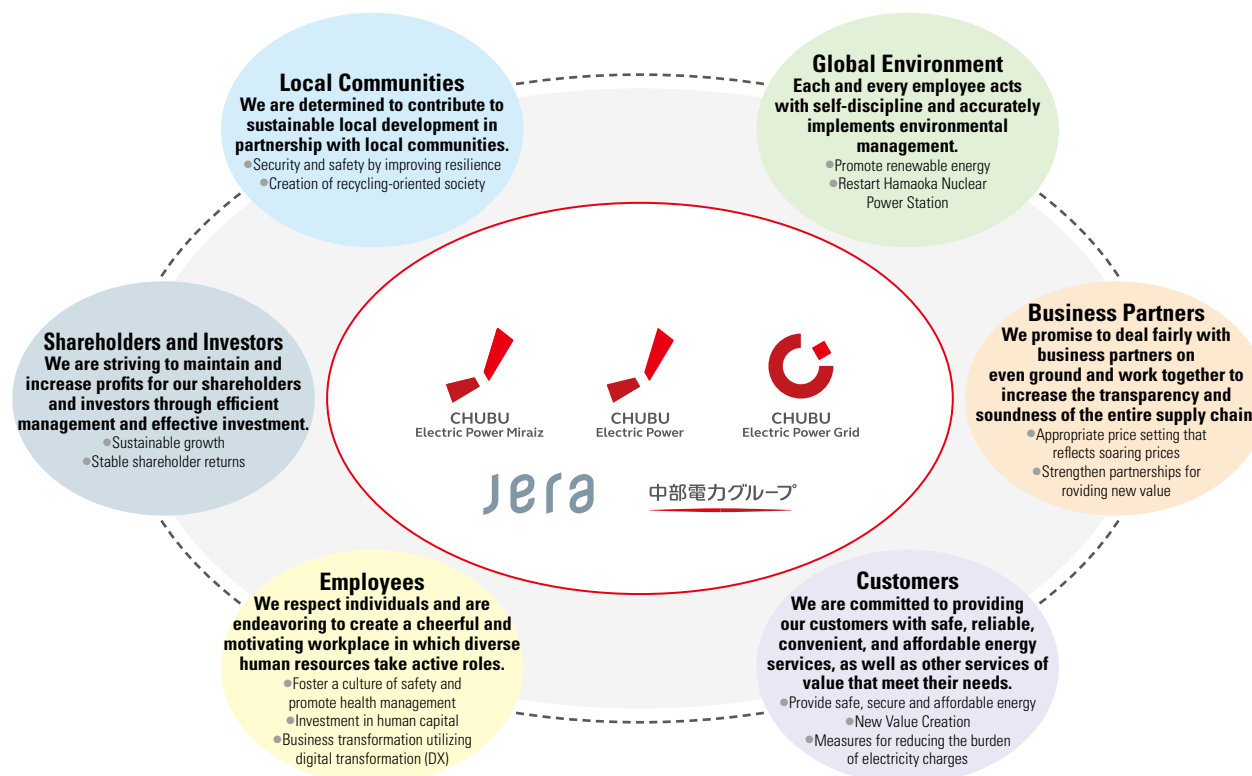
## 5 Together with Stakeholders

The environment in the energy business remains uncertain in FY2023. Under such circumstances, our most important tasks will be to respond appropriately to changes in the environment and

to fulfill our unchanging mission. As we fulfill this mission, we will respond to customer needs through means such as taking steps to lessen the burden of electricity bills. Working hand-in-hand with diverse business partners, Chubu Electric Power aims for sustainable growth by providing new value to residents of local communities, customers, and society. We will also provide value to shareholders and investors by

realizing stable shareholder returns. To this end, we must further advance the transformation of our business model in FY2023. For this purpose, human resources are essential and so we will further improve the skills of existing employees and recruit new human resources as we strive to walk a path of steady growth together with our stakeholders.

### Toward Providing Value Demanded by Stakeholders





## Aiming for a Higher Level of Social Trust

Chubu Electric Power, Chubu Electric Power Grid, and Chubu Electric Power Miraiz take seriously and sincerely apologize for improprieties that occurred within the Group that consisted of the inappropriate handling of customer information obtained through the wheeling business as well as suspicion of violating the Antimonopoly Act. Mindful that the trust of our customers and society forms the bedrock of our business operations, we will renew our efforts to promote compliance and ensure these efforts also lead to an increase in corporate value.

### Initiatives by Chubu Electric Power Group

The Chubu Electric Power Group will continue to implement and strengthen traditional activities such as promoting autonomous and mutual learning and firmly establishing a system for legal compliance while working toward ensuring thorough compliance and improving governance across the entire Group.

#### Promotion of autonomous and mutual learning

- Formulate and implement action plans at each workplace (compliance with laws and regulations, and others)
- Improve compliance risk literacy (lectures, etc.)

#### Firmly establish mechanisms for legal compliance

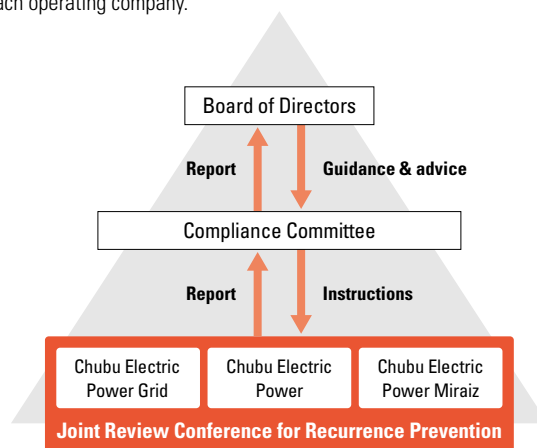
- Appropriate operation and establishment of various regulations such as rules for contact with competing companies
- Education for understanding and promoting rules for contact with competing companies

#### Group-wide compliance promotion

- Chief Compliance Officer Liaison Committee (Opinion exchanges among Group company compliance officers)
- Raise level of helpline awareness

### [Study system concerning "improper handling of wheeling information"]

Chubu Electric Power, Chubu Electric Power Grid, and Chubu Electric Power Miraiz set up the Joint Review Conference for Recurrence Prevention. Members of the Conference, which include outside corporate auditors and outside lawyers, are taking measures to block the leakage of information while confirming the appropriateness and response status of recurrence prevention measures being promoted by each operating company.



### Strengthening Initiatives for Complying with the Antimonopoly Act

(1) On March 30, 2023, Chubu Electric Power received a surcharge payment order from the Japan Fair Trade Commission based on the Antimonopoly Act and Chubu Electric Power Miraiz received a cease and desist order and a surcharge payment order from the Commission based on the Antimonopoly Act. On the same date, Chubu Electric Power and Chubu Electric Power Miraiz decided to file a lawsuit to cancel the orders because of a difference of opinions with the Commission regarding fact finding and legal interpretation. In addition, (2) on July 14, 2023, Chubu Electric Power Miraiz received a business improvement order from the Minister of Economy, Trade and Industry based on the Electricity Business Act and Chubu Electric Power and Chubu Electric Power Miraiz Co., received an instruction document from the Director of the Agency for Natural Resources and Energy, Ministry of Economy, Trade and Industry, requesting response measures for realizing the sound development of the electric power industry.

To ensure that we will never again come under any suspicion concerning the Antimonopoly Act, we will steadily implement Measures for Thorough Compliance and the Business Improvement Plan to further strengthen initiatives for complying with the Antimonopoly Act that we have implemented to the present.

#### (1) Measures for thorough compliance

(announced on April 7, 2023)

##### 1. Deepen awareness of compliance

- Program for raising awareness of compliance
- Improve effectiveness of training and education
- Implement behavior checkpoints

##### 3. Foster a better organizational culture

- Create an open workplace
- Prevent any forgetting of past incidents

##### 2. Strengthen mechanisms for compliance with the Antimonopoly Act

- Strengthen operation of rules for contact with competing companies
- Strengthen internal whistleblowing system
- Strengthen checking function

##### 4. PDCA for thorough compliance measures

- Inspections by outside experts and internal audits

#### (2) Business improvement plan

(announced on July 28, 2023)

**Newly establish the Business Improvement Plan Monitoring Committee with the majority of members consisting of outside human resources, etc.**

## Leakage and Viewing of Customer Information Obtained through the Wheeling Business

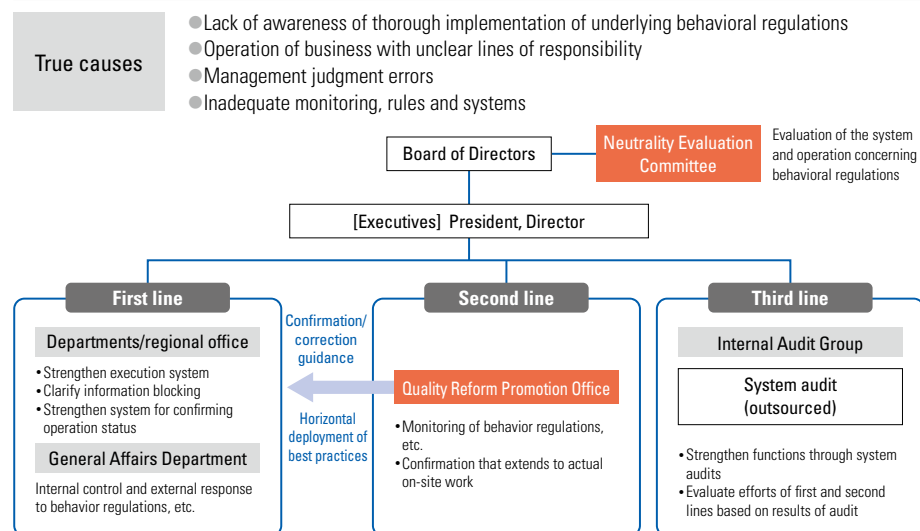
Chubu Electric Power, Chubu Electric Power Grid, and Chubu Electric Miraiz caused an incident involving the leakage and viewing of customer information (hereinafter referred to as the “incident”) that was obtained in undertaking the wheeling business and on April 17, 2023 received a business improvement recommendation from the Electricity and Gas Market Surveillance Commission and guidance from the Agency for Natural Resources and Energy.

Furthermore, on June 29, 2023, Chubu Electric Power Miraiz received guidance and Chubu Electric Power Grid received guidance and a request for a report from the Personal Information Protection Commission. This incident was inappropriate and deviates from the neutrality of business operations of general power transmission and distribution companies and the business operations of retail electricity companies that are premised on this neutrality. We have investigated the cause of this incident and implemented measures to prevent recurrence. We will continue to implement thorough measures to prevent recurrence.

### [Fundamental causes (true causes) of this incident and countermeasures against the true causes (establishment of organization and system)]

We are probing deeply into problematic points through interviews with persons in charge, including those in the field, and planning and implementing measures to prevent recurrence, such as by identifying the true causes and utilizing outside experts.

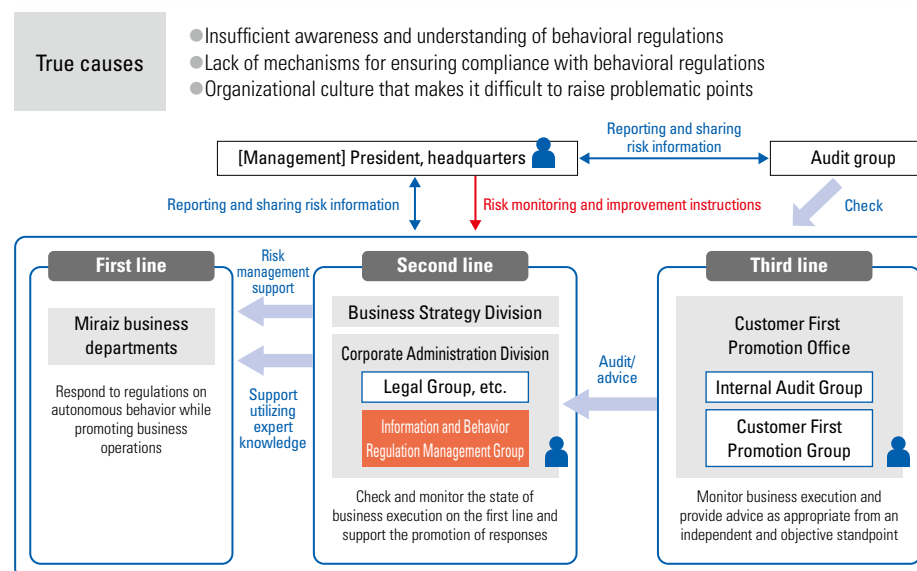
#### 1 Chubu Electric Power Grid



#### Points of organization and system for ensuring neutrality

- Strengthen the first line system by appointing a person with overall responsibility for compliance with behavioral regulations.
- As the second line, establish Quality Reform Promotion Office as the department responsible for behavioral regulations
- Establish a system for Company-wide behavioral regulations by strengthening the functions for implementing system audits on the third line
- Establish Neutrality Evaluation Committee consisting mainly of outside experts as an advisory body to the Board of Directors

#### 2 Chubu Electric Power Miraiz



#### Key Points for Rebuilding and Strengthening Internal Control

- Newly establish Information and Behavior Regulation Management Group as the department with overall responsibility for information management and behavior regulations as well as set up a consultation desk
- Clarify the roles from the first line to the third line.
- Utilize outside experts (management level, second and third lines)



## Chubu Electric Power Group Corporate Philosophy

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

### Sincere and Sustained Effort

We make a constant and sincere effort to fulfill our unwavering mission and retain the trust of our customers and society.

### Creativity and Spirit of Challenge

We continually act with creativity and an enthusiasm for new challenges in order to pursue excellence in our services and meet the expectations of our customers and society.

### Independence and Cooperation

We work together as individuals showing respect for one another to create a vibrant and dynamic corporate culture.

## Chubu Electric Power Group CSR Declaration

### Fulfilling our responsibilities and meeting society's expectations

Chubu Electric Power Group, as a corporate group that continues to achieve growth with customers and society, is committed to:

Contributing to the development of a sustainable society by demonstrating total strengths in our businesses centered on energy while leveraging individualities of our group companies, giving top priority to safety and striving to both provide a stable supply of energy and protect the global environment;

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

Respecting the human rights of all people involved in our business activities, giving priority to dialogue with all our stakeholders and maintaining high levels of transparency and openness in our corporate activities.

#### Customers

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

#### Shareholders and Investors

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

#### Local Communities

We are determined to contribute to sustainable local development in partnership with local communities.

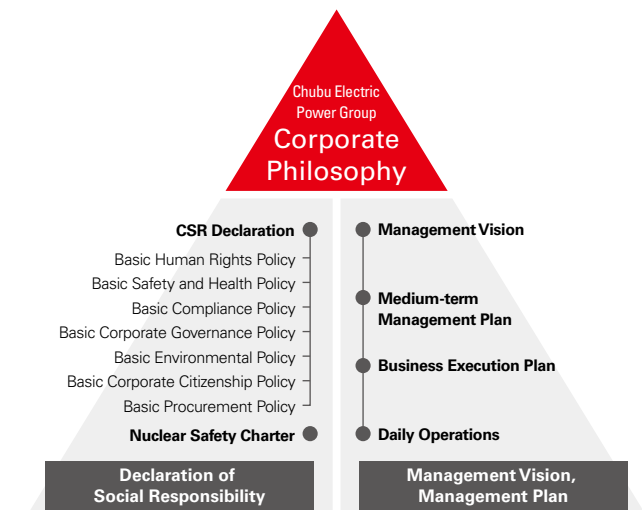
#### Business Partners

We promise to deal fairly with our suppliers as equal business partners and work together to increase the transparency and soundness of the entire supply chain.

#### Employees

We respect individuals and are endeavoring to create a cheerful and motivating workplace in which diverse human resources take active roles.

## System of Declaration and Policy Regarding Social Responsibility





## For Providing Value Desired by Stakeholders

Under its corporate philosophy, the Chubu Electric Power Group seeks to achieve sustainable growth together with stakeholders by providing value desired by them.

To this end, we capture stakeholders' expectations and matters of interest through stakeholder engagement and respond to the identified expectations and matters through business activities.

### [Key stakeholder engagement]

Stakeholder	Customer	Shareholder/investor	Local community	Business partner	Employee
Method of engagement and results	<b>Communication with customers through various contact points</b> <ul style="list-style-type: none"> <li>Interactive communication through web member services</li> </ul> <b>[Results as of the end of FY2022]</b> No. of members of "KatEne": 3.9 million No. of members of "BizEne": 0.57 million <ul style="list-style-type: none"> <li>Identifying difficulties facing customers and their needs through day-to-day operating activities</li> </ul>	<b>Identifying capital market trends through dialogue with analysts and institutional investors</b> <b>[FY2022 results]</b> Financial results/management plan briefings: 4 times Facility tours/business briefings, etc.: 3 times Individual interviews: 207 times	<b>Communication with members of the local community where the Hamaoka Nuclear Power Station is located</b> <b>[FY2022 results]</b> Power station tours: 6,158 persons Opinion-exchange meetings: 1,672 persons Chuden Science Forum: 252 persons	<b>Providing briefings to and conducting a survey on the status of ESG efforts of business partners</b> <b>[FY2022 results]</b> Procurement overview briefing sessions: 330 companies Survey on the status of ESG efforts: 345 companies	<b>Conducting an engagement survey and holding dialogue, etc., with executives</b> Surveying the engagement of employees with the Company and their respective departments and analyzing the results by department
Identified expectations and matters of interest	<ul style="list-style-type: none"> <li>Outlook and stability of future electricity fees</li> <li>Interest in energy saving and decarbonization</li> </ul>	<ul style="list-style-type: none"> <li>Specific measures to increase profit and roadmap for achieving Management Vision 2.0</li> <li>Our approach to dividends</li> <li>Our approach to climate change</li> <li>Policy on ensuring governance, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Questions about the necessity of a nuclear power station</li> <li>Measures implemented in the Hamaoka Nuclear Power Station, given the accident at the Fukushima Daiichi Nuclear Power Station</li> <li>Matters concerning the final disposal of high-level radioactive waste, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Fair and equitable transactions</li> <li>Procurement giving consideration to ESG matters (human rights, the environment, etc.)</li> <li>Enhancing partnerships</li> </ul>	<ul style="list-style-type: none"> <li>Being satisfied with the appropriate guiding ability of supervisors and a sense of social contribution arising from the Company's businesses</li> <li>Still remaining a room for improvement with regard to employees' expectations for and interest in the corporate philosophy and Management Vision 2.0</li> </ul>
Response to expectations and matters of interest	<ul style="list-style-type: none"> <li>Implementing measures to lighten the burden of electricity fees</li> <li>Providing support in three ways toward decarbonization, namely energy saving, energy creation and energy activation</li> </ul>	<ul style="list-style-type: none"> <li>Promoting disclosure of quantitative data, including those recommended by the TCFD</li> <li>Appropriately sharing the results of surveys on governance-related issues as well as respective countermeasures</li> </ul>	<ul style="list-style-type: none"> <li>Responding to expectations and matters of interest on a daily basis through various activities</li> <li>Annually reporting to the Minister of Economy, Trade and Industry</li> </ul>	<ul style="list-style-type: none"> <li>Responding to expectations and matters of interest on a daily basis through day-to-day procurement activities</li> <li>Conducting various internal training, etc., for promoting ESG-conscious procurement</li> </ul>	<ul style="list-style-type: none"> <li>Workplace improvement activities by each department</li> <li>Holding a workshop to instill Management Vision 2.0 (promoting activities to instill the vision)</li> <li>Disclosing the survey results to employees via an internal intranet</li> </ul>

Sustainable growth together with stakeholders

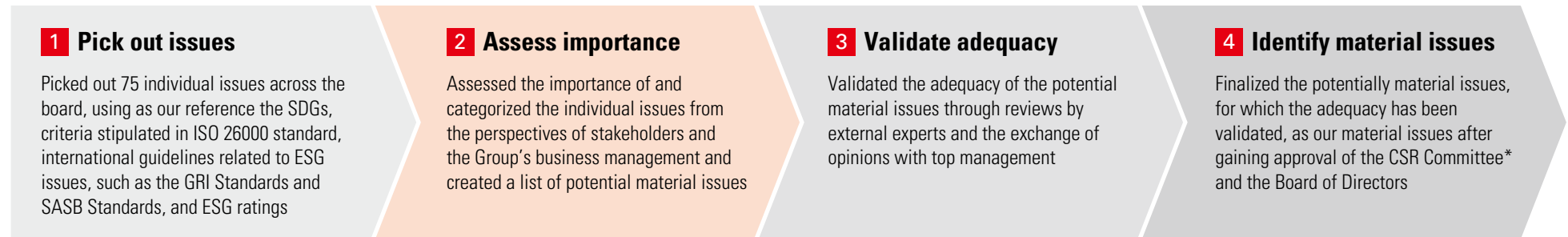
# Materiality (Material Issues) for the Chubu Electric Power Group

## Process to identify materiality

With a view to contributing to the sustainable development of society, the Chubu Electric Power Group intends to achieve growth with society by undertaking business activities in accordance with the Chubu Electric Power Group CSR Declaration, which serves as the Group's code of conduct, and by fulfilling our social mission stated in our Corporate Philosophy.

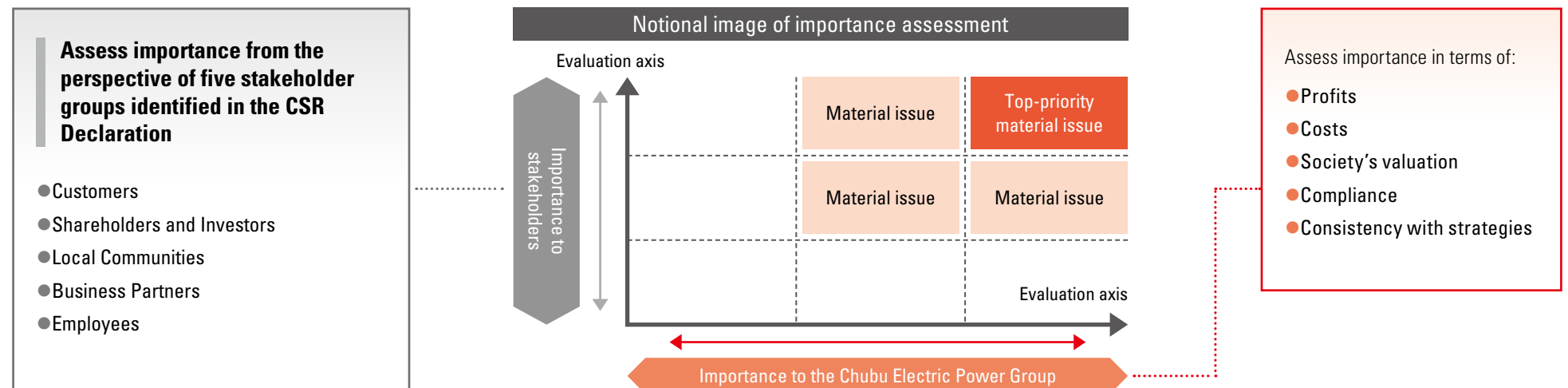
In doing so, we have identified materiality (material issues) for the Chubu Electric Power Group through the following process, set corresponding indicators and targets and given priority to the resolution of the identified issues.

The identified material issues may change depending on the environment surrounding our businesses and are subject to a periodic review.



\* A committee for top management to deliberate on important matters concerning the promotion of CSR, established in October 2021 and chaired by the president

## Method of assessing importance



Materiality (Material Issues) for  
the Chubu Electric Power Group

## Key Material Issues and Corresponding Risks, Opportunities, Targets and Results

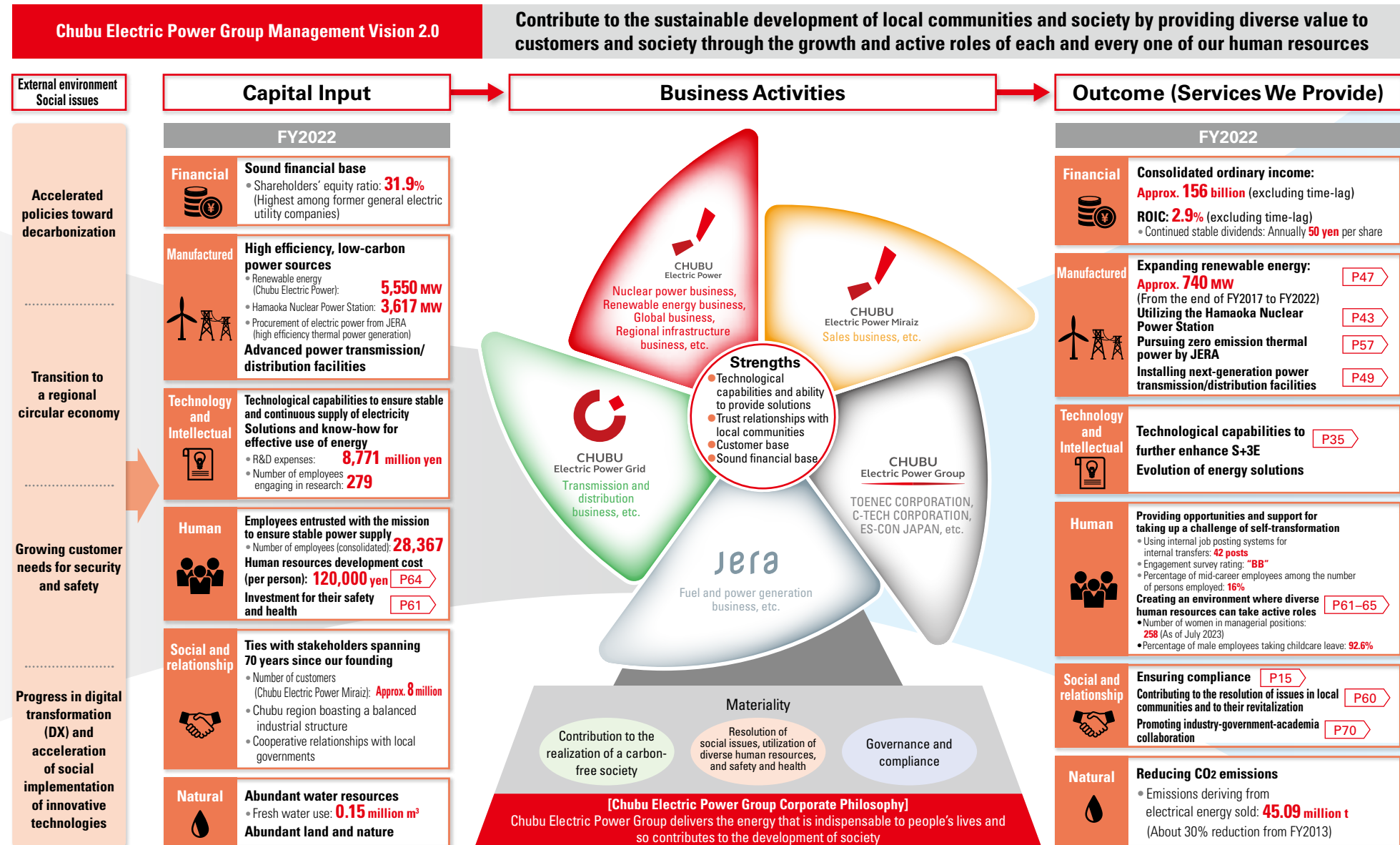
[Link](#) Details of the Chubu Electric Power Group's materiality  
(Japanese version only)

	Material issues	Risks	Opportunities	Key indicators and targets	Year of achievement	FY2022 results (assessment of progress*5)	Key relevant page
<b>E</b> Environment	Decarbonization together with customers and society*1	●Revisions to energy policies	●Strong social demand for decarbonization	●Reduce CO <sub>2</sub> emissions deriving from sales of electrical energy by 50% or about 32.5 million t from FY2013	FY2030	Reduced 19.6 million t (about 30%) from FY2013	■ P37-42
				●Expand renewable energy by at least 3.2 GW	FY2030	740 MW	■ P47-48
	Increasing the safety of nuclear power and promoting its use	●Delay in inspections for confirming conformity to new regulatory requirements	●Basic policy for achieving GX	●Restart Hamaoka Nuclear Power Station	As early as possible	Steady progress in inspections by the Nuclear Regulation Authority to confirm conformance with new regulatory standards	■ P43-46
	Building next-generation networks for a decarbonized society	●Concerns about a stable electricity supply, resulting from increasingly complex flow of electricity due to the mass connection of renewable energy	●Increasing needs for introducing renewable energy	●Create facility plans using Distribution Future Energy Scenario (DFES) ●Make sure to implement initiatives for realizing Connect & Manage	FY2023-FY2027	Developed the DFES; Implemented initiatives for achieving the target shown on the left	■ P49-50
<b>S</b> Society	Contributing to local communities and society*2	●Local communities becoming diluted due to a declining population and slowdown in economic growth	●Increasing needs for resolving community issues	●Commercialize the childcare community business using Kizuna Net	FY2024	Examined possible commercialization through collaboration with KARADANOTE INC.	■ P55-56
	Pursuing customer satisfaction	●Intensifying competition with competitors	●Increasing customer needs for different and diverse services	●Increase NPS® score to 12.8 from FY2022	FY2025	Started using the NPS® in FY2022	■ P51-52
	Business transformation and new value creation utilizing digital transformation (DX)	●Delay in responding to DX-induced new workstyles and leading-edge technologies	●Business transformation utilizing digital technologies	●Launch a project for setting up a structure to support continued use of AI models, such as maintaining and improving forecast accuracy, and for establishing a foundation to develop and operate AI models: 1	FY2025	Launch planned for FY2023	■ P33
	Investment in human capital*3	●Growing gap between the ideal state and current state of human resources due to changes in the business environment ●Intensifying competition for human resources caused by a declining working population	●Diverse human resources needed to evolve stable supply and expand business areas taking active roles	●Enhance engagement and achieve "A" or higher rating	FY2025	"BB" rating	■ P31-32, 61-65
				●Achieve the percentage of male employees taking childcare leave of 100%	FY2025	92.6%	■
	Development of global business to increase corporate value	●Destabilized political and economic situations overseas (increased country risk)	●Globally increasing interest in decarbonization business	●Make accumulated investment of about 400 billion yen (FY2021-2030) and achieve profit of about 20 billion yen	FY2030	Accumulated investment of about 33.1 billion yen (as of the end of FY2022) and profit of about 7.4 billion yen (FY2022)	■ P53-54
<b>G</b> Governance	Ensuring compliance*4	●Decline in social credibility related to compliance	●Gaining trust from stakeholders	●Make combined efforts throughout the Chubu Electric Power Group to implement compliance promotion measures	FY2023	Worked to ensure compliance; Established the position of Chief Compliance Officer (CCO); Revised a structure to promote compliance	■ P15-16, 83-84
	Enhancing governance and risk management, including group companies	●Erosion of confidence of the entire Group caused by subsidiaries, etc. ●Cyberattacks and IT system defects	●Fairer and more transparent decision-making	●Make sure to conduct assessment on the effectiveness of the Board of Directors and work for constant improvement	Every fiscal year	Increased the ratio of External Directors; Appointed audit and supervisory board members at subsidiaries	■ P79-82
				●Cases where cyberattacks caused impact on business operations: 0	Every fiscal year	Cases where cyberattacks caused impact on business operations: 0	■ P82
	Enhancing resilience and large-scale disaster response capabilities	●Natural disasters becoming increasingly severe	●Growing awareness for resilience ●Need for stable supply reacknowledged	●Power outages for low-voltage lighting customers per year (due to endogenous factors): 49 MWh	FY2023	46.7 MWh	■ P49-50

\*1 Including promotion of renewable energy, development and social implementation of decarbonization and other new technologies and implementation of environmental management; \*2 Including creation of new communities and realization of a recycling-oriented society. For resolution of issues in local communities and society through industry-academia collaboration, visit the link to details of our materiality shown at the top of the page; \*3 Including acquisition and development of diverse human resources as well as safety and health; \*4 Including anticorruption and respect for human rights; \*5 Assessed in three levels: ■ As targeted, ■ Slightly below the target and ■ Substantially below the target



# Value Creation Process





## Creating economic value

2025

■ Consolidated ordinary income: **180 billion yen or more**

■ ROIC: **3.0% or higher**

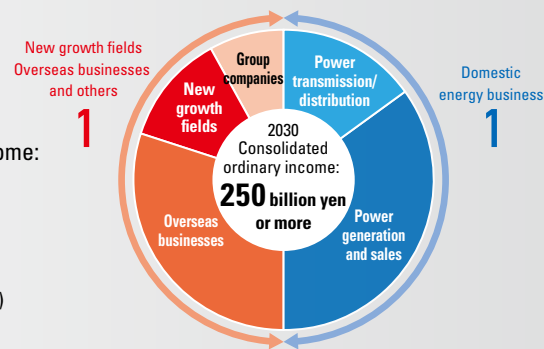
**P24** (Medium-term Management Plan)

2030

■ Consolidated ordinary income: **250 billion yen or more**

■ Realizing a well-balanced income portfolio

**P24** (Management Vision 2.0)



## Creating social value

(Initiatives related to materiality (material issues))

2025

■ Engagement survey rating of **"A"**

■ Percentage of mid-career employees among the number of persons employed

■ Using internal job posting systems for internal transfers: **300 posts** (about 10% of all transfers)

■ Delivering new value to customers and society

■ Promoting a next-generation power network

2030

■ Reducing CO<sub>2</sub> emissions deriving from sales of electrical energy by **50%** from FY2013

■ Expanding renewable energy by **3.2 GW**

2050

## Our envisioned society

- Realization of a safe, secure, resilient and viable society
- Realization of a carbon-free society  
Achieving net zero CO<sub>2</sub> emissions from our entire business



Safe and secure  
Society

Realize services tailored to diversifying senses of value and lifestyles and achieve sustainable growth with customers and society

Distributed and circular  
Economy

Carbon-free  
Environment

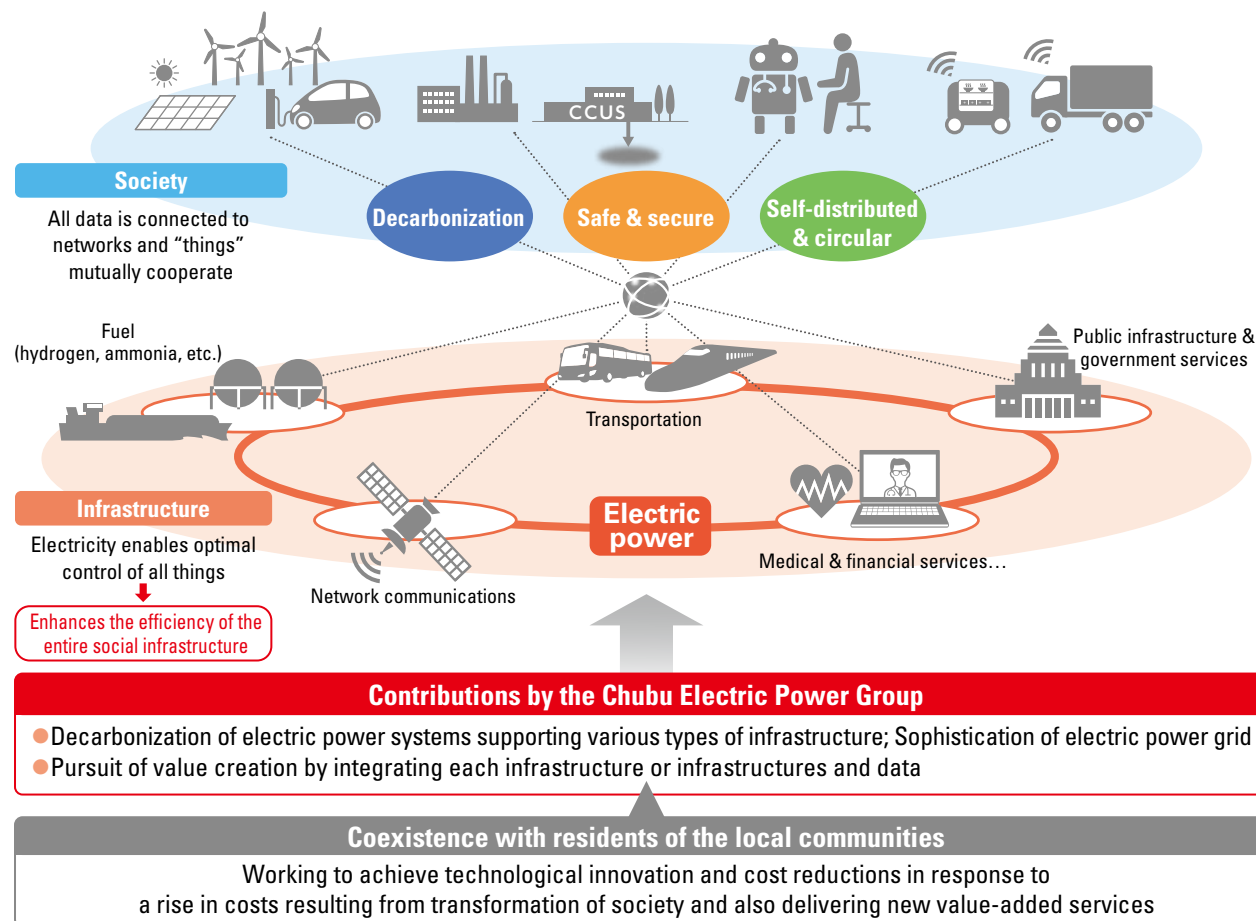


# Chubu Electric Power Group Management Vision 2.0 and Medium-term Management Plan

## Transformation of society and decarbonization and sophistication of electric power systems toward 2050

The Chubu Electric Power Group assumes that in 2050, society will have evolved into a “decarbonized,” “safe and secure” and “self-distributed and circular” society, and everything will be optimally controllable by electric power.

The Group will contribute to the transformation of society through the decarbonization and sophistication of electric power systems as the core infrastructure supporting various types of infrastructure.

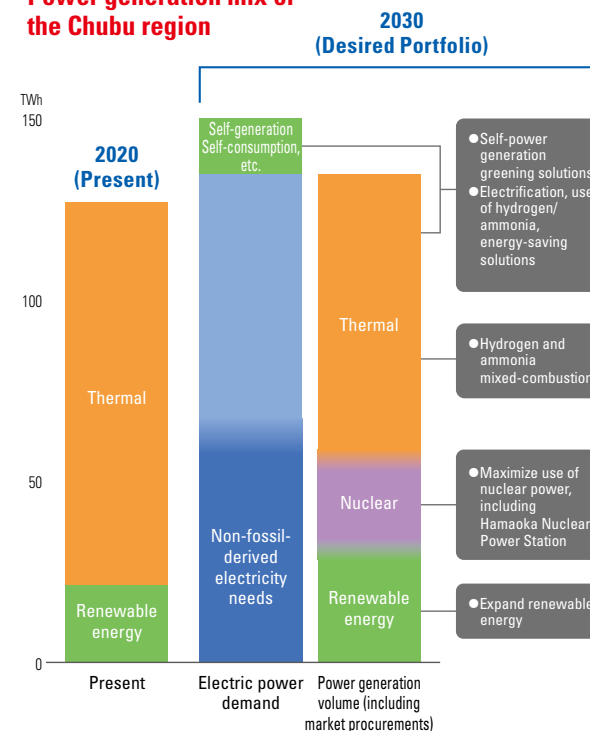


## Providing Energy in 2030

In working toward the realization of a decarbonized society, we assume that in 2030 there will be a further increase in needs for renewable energy-derived electricity and non-fossil fuel value, mainly from corporate customers.

To respond to customer needs, the Chubu Electric Power Group will strive to expand renewable energy, utilize hydrogen and ammonia mixed-combustion in thermal power generation, maximize the use of nuclear power, and provide electrification and energy-saving solutions on the demand side for the decarbonization of the entire social system.

### Power generation mix of the Chubu region



## Initiatives for 2030

Toward 2030, we will expand our business areas from the energy business to the real estate business and resource recycling business. While doing so, we will accelerate our efforts in the platform areas mutually connecting these businesses and application areas providing high value-added services, in order to transform our business model.

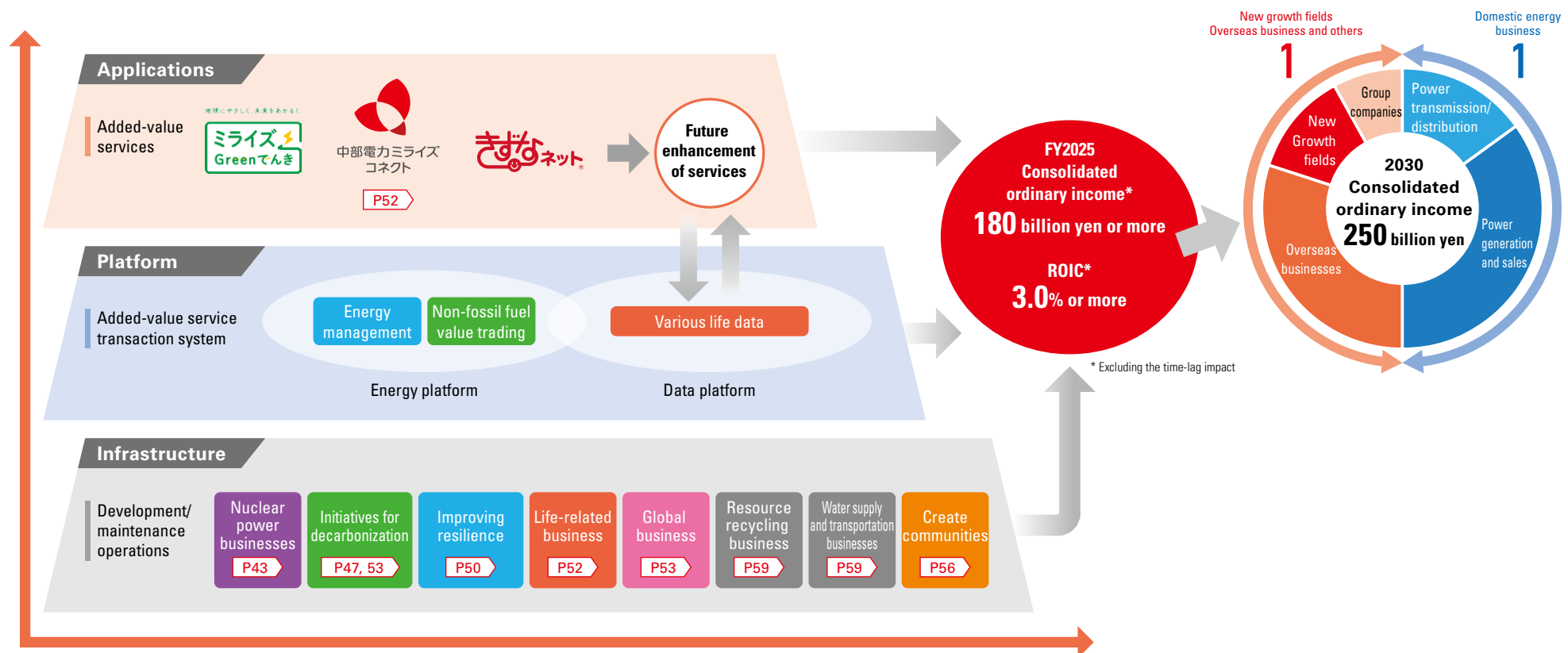
Even amid the drastically changing business environment, the Chubu Electric Power Group will steadily promote the initiative described in our Management Vision 2.0 with the aim of its quantitative targets for 2030 of achieving consolidated

ordinary income of 250 billion yen and realizing a well-balanced profit portfolio.

In addition, we have defined medium-term management targets for FY2025 as a milestone toward achieving consolidated ordinary income of 250 billion yen or more in FY2030 as set in our Management Vision 2.0.

We aim to achieve the medium-term targets for FY2025 of consolidated ordinary income of 180 billion yen or more and return on invested capital (ROIC)\*<sup>1</sup> of 3.0% or higher.

\*1 ROIC: Return on Invested Capital





# CFO Message [Toward Achieving Our Medium-term Targets]

## MESSAGE



**Mizutani Hitoshi**

Director & Executive Vice President,  
General Manager of Corporate Management Division,  
Chief Financial Officer (CFO) and Chief Compliance Officer (CCO)

Chubu Electric Power will ensure its stakeholders gain an understanding of the Company's policies and initiatives by undertaking proactive dialogue with all stakeholders and enhancing information disclosure.

In our Medium-term Management Plan announced in April 2022, we set a new management target of consolidated ordinary income of 180 billion yen or higher and ROIC of 3.0% or above in FY2025.

In FY2022, Chubu Electric Power faced extremely harsh conditions that included expectations of temporarily operating in the red. Despite these difficulties, Chubu Electric Power ultimately recorded a certain level of profits thanks to a sharp downturn in resource prices and to Groupwide efforts to thoroughly enhance management efficiency and strengthen market responsiveness. Our business environment that includes resource prices is expected to remain uncertain. To raise predictability in our businesses, we will appropriately control risks across the entire value chain, from fuel procurement to the delivery of electricity to customers.

With our strategic investments currently in a phase of expansion, I believe we must place even greater emphasis on efficiency in working toward sustainable growth. To this end, we will maintain a higher-than-ever awareness of capital efficiency and the cost of capital and will promote initiatives together as a group to achieve returns that exceed the cost of capital, such as by utilizing a breakdown of targets and initiatives in each business starting from ROIC, as well as optimizing resource allocation and monitoring.

While continuing to provide value demanded by stakeholders, Chubu Electric Power will strive to maintain stable dividends and return profits to shareholders in accordance with its profit growth. At the same time, through proactive dialogue and information disclosure, we will work to ensure that our shareholders understand and acclaim our policies and initiatives as we aim to raise our corporate value.

## Progress toward achieving medium-term targets

### [STEP1: Quick recovery of profit level]

In FY2022, Chubu Electric Power recorded consolidated ordinary income excluding time lag impact of 156 billion yen, which exceeded the rough target for a quick recovery of 150 billion yen. Because the future outlook for the business environment is highly uncertain, we will continue efforts to sophisticate risk management and enhance management efficiency.

### [STEP2: Toward achieving our medium-term targets]

To attain its medium-term targets, Chubu Electric Power aims to secure stable profits from its electric power value chain businesses as well as profits from further growth in New Growth Areas. Besides active investment in New Growth Areas, we will work to expand earnings by promoting autonomous business operations at companies such as JERA and ES-CON JAPAN Ltd. as well as execute appropriate management and optimal resource allocation throughout the entire Group.

		FY2021 results	FY2022 results	STEP1 Recovery to previous profit level	STEP2 Acquiring profits from strategic investments and other means
Growth potential	Consolidated ordinary income*1	67 billion yen	Approx. 156 billion yen	Recovery profit level Approx. 150 billion yen	Management targets 180 billion yen or more
	Cash flows from operating activities (CFFO)	661.5 billion yen (cumulative from FY2019 to FY 2021)	295.7 billion yen	Approx. 900 billion yen (cumulative from FY2022 to FY2025)	
	Strategic investment amount	240 billion yen (cumulative from FY2019 to FY 2021)	Approx. 40 billion yen	Approx. 450 billion yen (cumulative from FY2022 to FY2025)	
Efficiency	ROIC*1	1.9%	2.9%	Management targets 3.0% or more Approx. 7.0%	
	ROE*1	4.1%	6.3%		
Stability	Shareholders' equity ratio	32.7%	31.9%	Maintain 30% or more	

□ Rough targets    ■ Management targets

### Ordinary income by segment

Segment	FY2022 results	FY2025 Medium-term Management Targets
Chubu Electric Power Miraiz	64.8	20-30
Chubu Electric Power Grid	7.0	20-30
JERA	-24.2 (Approx. 67)	70-80
Others	17.5	50-60
Total*2	65.1 (Approx. 156)	180

Figures in parentheses are consolidated net income excluding the time-lag impact.

\*1: Excluding the time-lag impact

\*2: Results for each segment are rounded and thus do not correspond to the cumulative figures.



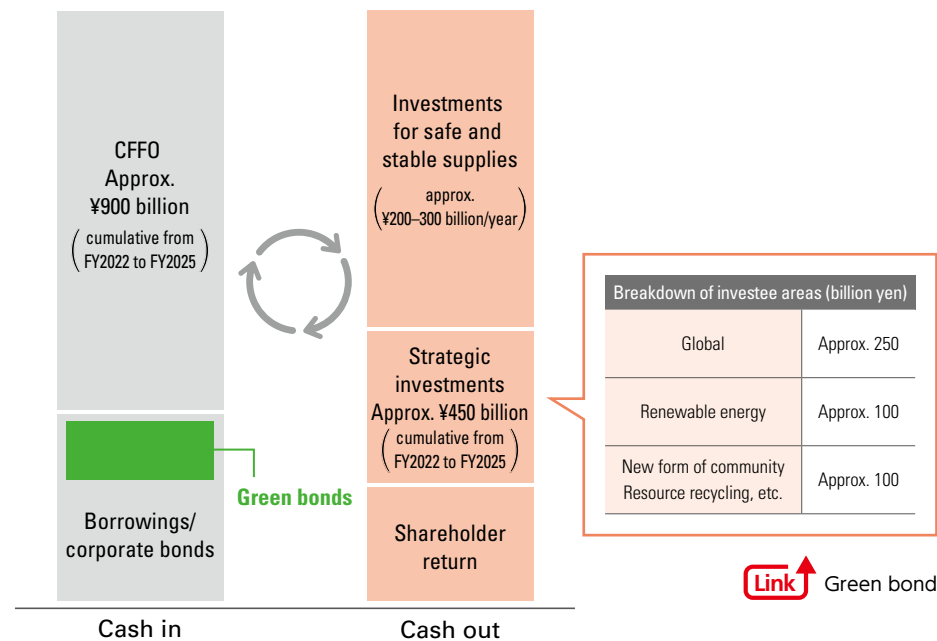
## Basic approach to investment and capital policy and shareholder returns

### [Investment policy]

Chubu Electric Power will use operating cash flow as a source of funds for investments needed for assuring a safe and stable supply of electricity and for strategic investments for business growth and development with the aim of realizing sustainable growth as we work to raise corporate value.

For investments needed for assuring a safe and stable supply of electricity, we will invest around 200 billion yen to 300 billion yen annually for increasing resilience and sophistication while thoroughly enhancing efficiency.

Furthermore, by executing strategic investments, Chubu Electric Power will push ahead with an expansion of New Growth Areas upon carefully examining the significance of its investments and risk versus return. By doing so, we will strive to achieve its Management Vision of consolidated ordinary income of 250 billion yen or more in 2030 and realize a business portfolio whereby the proportion of profits generated in the domestic energy business and New Growth Areas is balanced at 1.1. We plan to make strategic investments totaling around 450 billion yen from FY2022 to FY2025.



### [Shareholder return policy]

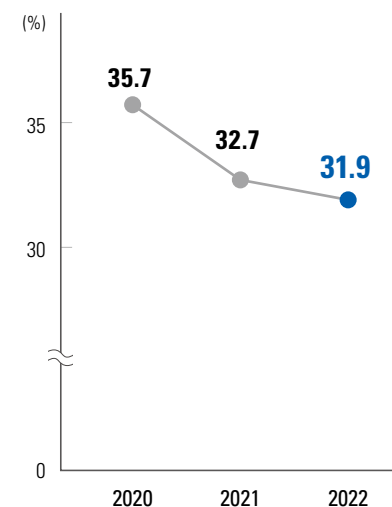
Chubu Electric Power regards returning profits to shareholders as a key mission. Based on its policy of maintaining stable dividends, we make efforts to ensure shareholder returns taking into consideration profit growth and aims for a consolidated dividend payout ratio of 30%.

### [Maintaining financial soundness]

FY2022 to FY2025 will be a period in which Chubu Electric Power expands its investments, which includes the allocation of funds to growth areas, utilizing capital accumulated through profits generated by enhancing efficiency and other means as a source of funds. In this phase of expanded investment, there will be fiscal years when free cash flow is negative. Nonetheless, Chubu Electric Power will maintain a consolidated shareholders' equity ratio of 30% or higher as it works to ensure financial soundness.

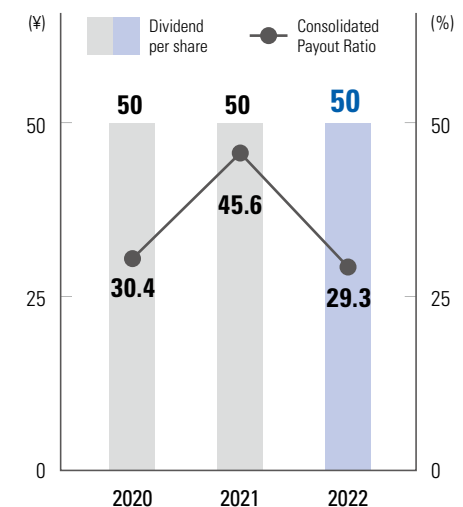
#### Shareholders' equity ratio

Maintain at 30% or more



#### Dividend per share/ Consolidated Payout Ratio

Maintain stable dividends  
(50 yen/share)



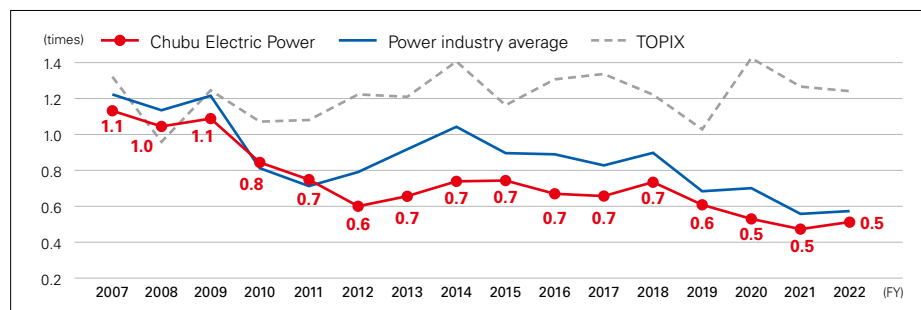


## Realizing Management with an Awareness of Cost of Capital and Stock Price (toward Improving PBR)

Under the Medium-term Management Plan formulated in 2022, Chubu Electric Power **set a target of “ROIC of 3.0% or more by fiscal 2025”** and it analyzes the current state of return on capital and market valuation at the Board of Directors in **promoting efficient management in which ROIC exceeds the cost of capital**. For the next fiscal year, we will formulate plans and initiatives with an even greater awareness of cost of capital while **publishing information about the progress, effects, and evaluations of initiatives for improving capital efficiency in our Medium-term Management Plan and in Group Reports as we work to enhance disclosure**.

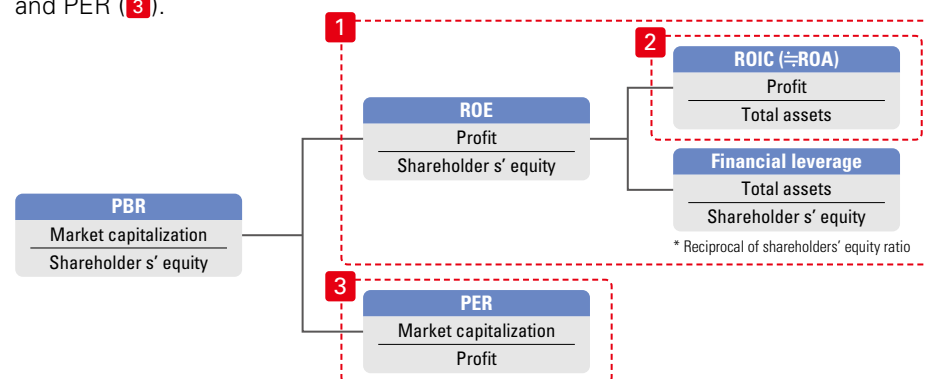
### [Trends in Chubu Electric Power's PBR]

Chubu Electric Power's PBR declined owing to a deterioration in business results due to factors such as the shutdown of the Hamaoka Nuclear Power Station following the 2011 earthquake. Furthermore, the PBR for TOPIX has trended upward along with an economic recovery after temporarily stagnating owing to the impact of the COVID-19 at the end of FY2019. In contrast, Chubu Electric Power's PBR has declined due to deterioration in profitability caused by soaring resource prices. As a result, PBR has remained below 1.0 since 2010.



### [Factor analysis of PBR]

We break down PBR as follows and evaluate ROE (1), capital efficiency (ROIC (2)), and PER (3).

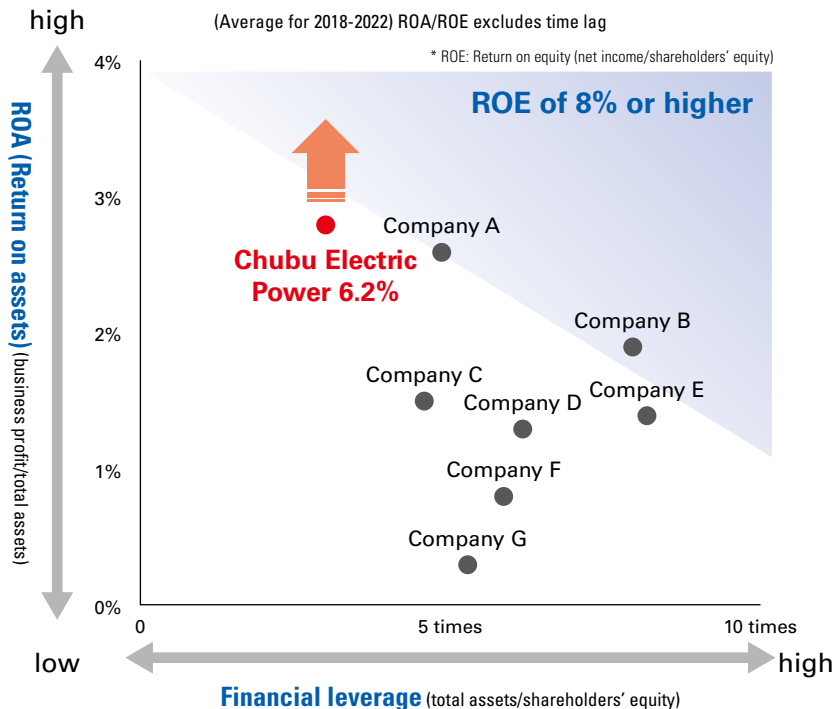


### 1 Evaluation of ROE (ROA/financial leverage)

Chubu Electric Power's ROE was 6.2% when evaluating the five-year average (FY2018-FY 2022) for each power company's ROE (excluding time lag).

A breakdown indicates that although ROA was the highest in the electric power sector, financial leverage was the lowest. Given this, we believe we **must maintain a certain level of financial soundness (shareholders' equity ratio of 30%)** and recognize **the need to further raise ROA (ROIC)**.

### ROE levels for Chubu Electric Power and other electric power companies\* (Chubu Electric Power estimate)





Realizing Management with  
an Awareness of Cost of  
Capital and Stock Price  
(toward Improving PBR)

## 2 Capital efficiency versus cost of capital

Chubu Electric Power's ROIC stands at around 3.0% for the most recent years (FY2019, FY2020, FY2022), excluding FY2021, when profitability deteriorated due to soaring market prices. Chubu Electric Power is **generating a return (ROIC) that exceeds its cost of capital (WACC)**.

## 3 Evaluation of PER (stock price/earnings per share)

Regarding market valuation (PER), Chubu Electric Power recognizes that maintaining **the highest level of dividends in the sector and responding to the surge in electricity market prices lead to an improvement in valuation**. Conversely, we are aware that **the following matters are concerns and risks recognized in our valuation** and we will firmly respond to these negative factors.

- (1) **Concerns over profitability arising from competition policies in the electric power industry**
- (2) **Uncertainty in the nuclear power business**
- (3) Social demand for **decarbonization**
- (4) **Possibility of establishing a profit base** through **strategic investment** (expansion of new growth areas)
- (5) Concerns over a decline in public trust concerning compliance

## [Direction of responses to improve PBR]

Based on the results of this recent analysis, Chubu Electric Power will strive to **improve PBR** by **promoting initiatives to raise capital efficiency** and by proceeding with **proactive dialogue and disclosures in capital markets**.

Specifically, toward the realization of **Management Vision (2030)**, Chubu Electric Power will proactively allocate management resources upon carefully identifying growth areas while striving to secure stable earnings by sophisticating risk management and taking other measures in its existing energy business. Additionally, we aim to achieve the **management targets (2025)** as a milestone of our Vision and we will increase the **probability of achieving our targets** by **setting targets that match the characteristics of each business area and incorporating these into specific measures and steadily monitoring these**. By promoting these initiatives in a manner that simultaneously achieves the goal of **decarbonization**, Chubu Electric Power will raise corporate value as well as enhance shareholder returns.

Furthermore, Chubu Electric Power will reflect these initiatives in its management plan for the next fiscal year and will communicate these to all stakeholders through disclosure in reports and by further enhancing dialogue with capital markets.

## TOPICS

### Deepening ROIC management

In the Medium-term Management Plan, Chubu Electric Power introduced ROIC as a business management indicator in consideration of the need to place increased emphasis on the perspective of efficiency that also encompasses our existing business fields with our strategic investments now in a major phase of expansion. We aim to generate returns that exceed WACC, which is our funding cost, and are promoting management that emphasizes efficiency as well as profitability such as ordinary income.

### [Breakdown into each business area]

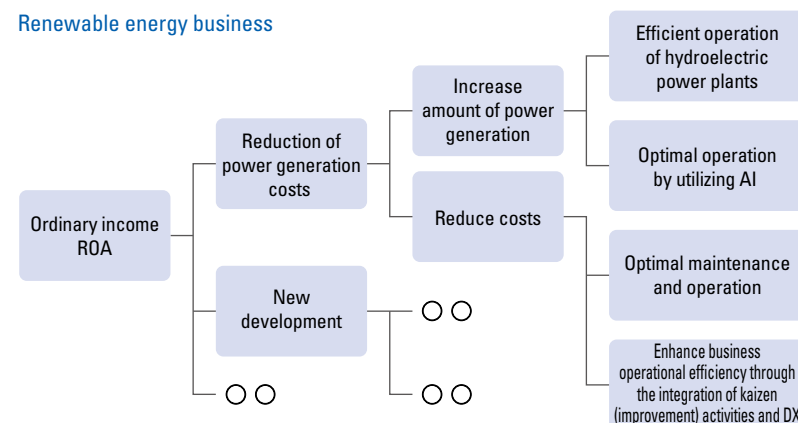
We aim to raise effectiveness by breaking down management targets into KGIs and KPIs for each business area and department and making it possible to recognize that the efforts of each and every employee are contributing to the attainment of management targets.

Establish business targets, KGIs and KPIs in accordance with the characteristics of each business area.

Promote autonomous management to improve efficiency

### Energy business area

#### Renewable energy business





# Progress of Chubu Electric Power Group Medium-term Management Plan

## Results and issues for FY2022

The Chubu Electric Power Group faced extremely harsh conditions during FY2022, **due to increased power procurement costs** accompanying soaring fuel prices. Despite these headwinds, **consolidated ordinary income ultimately exceeded the target level thanks to Groupwide efforts to expand thoroughgoing measures for enhancing management efficiency and to strengthen market responsiveness.**

**Our business environment that includes resource prices is expected to remain uncertain.** Nevertheless, we will work to **fulfill our unwavering mission of providing high-quality energy that considers the global environment encompassing decarbonization in a safer, more affordable and more stable manner.** Alongside these measures, we will **accelerate our global business** while working toward **creating new value by providing services that enrich the lives of our customers and contribute to solving local issues and revitalizing communities.**

Area	Results and Issues	Direction of Responses
Energy Business Area	<p><b>Results</b></p> <ul style="list-style-type: none"> <li>Even though we operated amid <b>an unstable business environment</b> that includes resource prices, we implemented <b>flexible responses utilizing the features of our model that splits off power generation and sales while securing stable supplies.</b></li> <li>Initiatives to <b>reduce power procurement costs</b> and carry out <b>sales activities based on procurement costs</b> at Chubu Electric Power Miraiz</li> <li><b>Fuel trading business</b> that respond to the high volatility of resource prices at JERAGM</li> </ul> <p><b>Issues</b></p> <ul style="list-style-type: none"> <li><b>Correction of business structure with high risk of income and expenditure fluctuations</b> due to resource price shifts</li> <li><b>Achieve balance between sustainable initiatives toward carbon neutrality and the strengthening of resilience</b></li> </ul>	<ul style="list-style-type: none"> <li><b>Provide safe, affordable and stable energy</b> P30</li> <li><b>Build next-generation power networks</b> P49</li> <li><b>Accelerate initiatives for realizing a decarbonized society</b> P37</li> </ul>
New Growth Area	<p><b>Results</b></p> <ul style="list-style-type: none"> <li><b>Expand growth areas</b> such as renewable energy power generation, retail sales, and new services in <b>Europe centered on Eneco</b></li> <li><b>Cooperation agreement with bp plc for decarbonization</b> in Japan and the Asian region</li> <li><b>Earn profits through ES-CON JAPAN's</b> autonomous and flexible business operations</li> </ul> <p><b>Issues</b></p> <ul style="list-style-type: none"> <li><b>Expand service lineup</b> to meet <b>customer needs</b></li> <li><b>Promote M&amp;A/quick earning of profits</b> through strategic investment, etc.</li> </ul>	<ul style="list-style-type: none"> <li><b>Accelerate initiatives for global business</b> P53</li> <li><b>Contribute to solving local issues and revitalizing local communities</b> P55, 59</li> <li><b>Provide new value to customers and communities</b> P51, 55</li> </ul>
Management Foundation	<p><b>Results</b></p> <ul style="list-style-type: none"> <li><b>Expand mid-career recruitment</b> and <b>strengthen field-specific education</b> in response to business expansion and changes</li> <li>Further enhance management efficiency of the entire Group</li> </ul> <p><b>Issues</b></p> <ul style="list-style-type: none"> <li>Secure and develop diverse human resources and create an environment where they can demonstrate respective capabilities</li> <li><b>Occurrence of inappropriate events</b> such as the inappropriate viewing of a portion of customer information of new electric power companies</li> </ul>	<ul style="list-style-type: none"> <li><b>Improve the value of human capital</b> P31</li> <li><b>Further improve efficiency in accordance with the characteristics of each business area</b> P28</li> <li><b>Promote technology research and development and intellectual property activities</b> P35-36</li> <li><b>Initiatives for compliance</b> P15, 83</li> </ul>



# Providing Safe, Affordable and Stable Energy

- The unstable business environment continues amid rising uncertainty in the energy market resulting from extreme volatility of resource prices and exchange rate fluctuations.
- Even within such a drastically evolving business environment, the Group will work in unison to provide safe, affordable, and stable energy.

## Stabilize fuel procurement and undertake trading

- **Optimal fuel procurement** that is combined with long-term contracts
- **Earn profits through trading** that responds to the high volatility of resource prices

Jera

## Sophistication of risk management

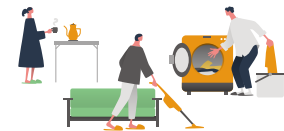
- Initiatives for **risk quantification**
- **Clarify response policies** for **quick responses** when risk arises
- **Examine hedging methods** encompassing swaps and options trading

## Effectively utilize demand response

- **Further discovery of demand response resources** owned by customers
- Deployment of **NACHARGE (energy saving program)**



- The concept of “use in accordance with amount of renewable energy generated” is incorporated into conventional “power saving” initiatives.
- **NACHARGE is a service that realizes a decarbonized society through these actions.**



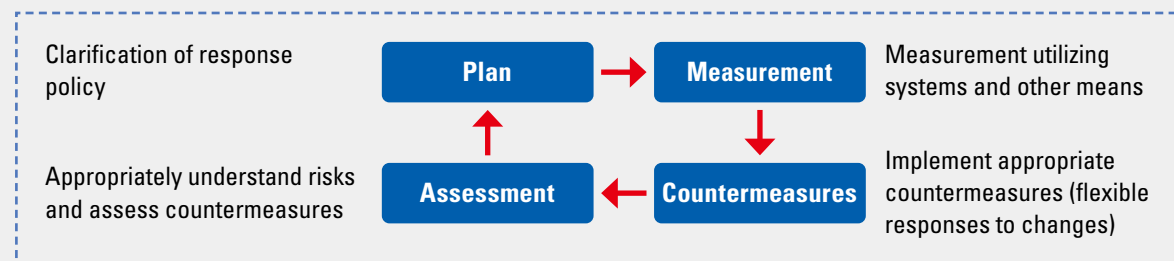
## Optimization of procurement portfolio

- **Reduce market procurement ratio** (increase bilateral contract ratio)

## Build a next-generation power network

- **Increase and strengthen facilities and sophisticate operations** for large-scale introduction of renewable energy
- **Improve resilience** by **promoting utilization of distributed energy resources (DER)**

## Risk management responses at the planning and execution stages



## Monitoring

- Ascertain the state of risk response in each business every quarter. (Report to the Board of Directors about once every half year)
- Understand the impact on consolidated income and expenditures



## | MESSAGE |



Ito Hisanori

Director & Executive Vice President  
General Manager of Human Resource Strategy Office and Corporate Planning & Strategy Division  
Chief Information Officer (CIO)

## Realizing Vision 2.0 by deepening and evolving our human resources strategy and DX strategy

The Chubu Electric Power Group believes that, in realizing our Management Vision 2.0 (Vision 2.0), it is necessary to promote the growth and active roles of each and every one of our human resources, who are the essence of corporate value, and that this, in turn, will require a threefold effort integrating our human resources strategy, digital transformation (DX) strategy and Kaizen (improvement) activities.

Specifically, we will implement a human resources strategy that supports the promotion of the DX strategy from the aspect of human resources. After making sure that our Kaizen activities pursue what are essential in our operations and are geared to streamline our processes, we will also promote the use of digital technologies and advanced data analysis. While maximizing the synergistic effect of the Kaizen activities and DX strategy, we seek continued business growth by developing human resources and increasing operational efficiency and productivity as well as by expanding our business into growth areas.

Going ahead, while continuing to promote these initiatives, we will actively invest in human resources and facilitate the growth and active roles of diverse human resources. By doing so, we will acquire and expand new revenue sources to realize Vision 2.0 and provide value to our stakeholders.

## Human Resources Strategy

### Threefold effort integrating our human resources strategy, DX strategy and Kaizen activities

After making sure that our Kaizen activities pursue what are essential in our operations and are geared to streamline our processes, we will utilize digital technologies to increase the levels of our operational sophistication and efficiency, beginning with the visualization of financial data and business operations. We will reskill the resulting extra human resources by offering opportunities for voluntary learning and diverse career development under our human resource strategy, and while doing so, will continue to take up a challenge of expanding into growth areas. Our goal is to simultaneously fulfill our unwavering mission and create new value.

### Idea and overall picture of our human resources strategy

[Link](#) Human Resources Strategy (Japanese version only)

Our Vision 2.0 states that simultaneously fulfilling our unwavering mission and creating new value require the growth and active roles of each and every one of our human resources, who are the essence of corporate value. In our human resources strategy, we have defined two specific pillars designed to secure and develop human resources with diverse strengths and encourage each to demonstrate respective capabilities to the fullest. The pillars shown below are promises of the Company to its employees.

- First pillar: Creating an environment where diverse human resources can take active roles
- Second pillar: Providing opportunities and supporting employees who meet the challenge of self-transformation

The Chubu Electric Power Group will contribute to the sustainable growth of local communities and society by promoting this human resources strategy and thus enabling each and every one of our human resources to fully exert his or her capabilities depending on a particular life event or during a certain career stage.

	Company's promises	Key measures
Providing opportunities and supporting employees who meet the challenge of self-transformation	<b>Chance</b>   Create a chance   Provide opportunities for employees to grow and take active roles in line with changes in the business environment and management strategies	Expand transfers through an internal job posting system; Introduce online learning programs
	<b>Challenge</b>   Boldly take up challenges   Create an environment for employees to take up challenges	Promote measures to instill Vision 2.0 in all employees
	<b>Change</b>   Achieve transformation   Achieve transformation of the existing businesses and expansion of business areas with diverse human resources taking active roles	Increase mid-career recruitment; Introduce a job-based personnel system
Creating an environment where diverse human resources can take active roles	<div> <div>Safety P61</div> <div>Health P62</div> <div>DE&amp;I P63</div> <div>Workstyles P63</div> </div>	

## Initiatives to support the growth and active roles of human resources

In order to create an environment where diverse employees can explore their own careers, voluntarily take up challenges and try to outpace and be more active than their predecessors, we are implementing specific measures, as a Group's commitment to its employees, to provide opportunities and support to employees who meet the challenge of self-transformation based on the keyword of 3Cs, namely Chance, Challenge and Change.

### Chance | Create a chance |

**Target** State where employees can explore their own careers and obtain opportunities for growth and for taking active roles

In achieving this target, we need to take three actions: **clarifying envisioned career directions**; **providing learning opportunities**; and **creating diverse career opportunities**.

#### Clarifying envisioned career directions

Each business and division create envisioned human resource profiles required to achieve Vision 2.0 and clearly present career opportunities by posting these profiles on our intranet. We back up self-directed career development by holding career training and interviews.

#### Providing learning opportunities

We have introduced "Udemy Business," a learning program for employees to choose and take courses necessary for their own career development.

#### Creating diverse career opportunities

We have introduced a "My Career" job posting system (for routine transfers) to increase application opportunities and assign the right persons to the right positions beyond divisional boundaries and have been examining the introduction of systems allowing internal second jobs and external side jobs.

### Challenge | Boldly take up challenges |

**Target** State where employees can relate to Vision 2.0 and take up challenges toward its achievement by voluntarily capturing opportunities for growth and active roles

We seek to improve employee engagement by implementing the cycle of **surveying**, **planning** and **acting** to instill Vision 2.0 and resolve issues in the workplace.

#### Surveying

We launched an engagement survey in October 2022 to conduct a continuous survey on employees' trust in and attachment to the Company and have been periodically sharing the status of engagement with all employees.

#### Planning

Based on the survey results, we recognize organizational issues and implement action plans, which have been formulated by heads of departments and workplaces to solve such issues, for the ultimate goal of instilling Vision 2.0 and achieving workplace improvement.

#### Acting

Workplaces and individuals clarify the direction of their actions as to what they should do to achieve Vision 2.0.

### Change | Achieve transformation |

**Target** State where human resources with diverse strengths have outpaced their predecessors and are taking active roles

To achieve this target, we are promoting initiatives to accept diverse human resources and enable them to take active roles. As a foundation to underpin our **recruitment**, **employee treatment** and **job assignment**, we plan to introduce a talent management system in around FY2024 to reflect individual aspirations, intentions and skills to the maximum extent possible.

#### Recruitment

We will introduce a "come-back" (return-to-work) system for those who have retired for personal reasons and increase mid-career recruitment.

#### Employee treatment

We have started employing "specialist employees" through mid-career recruitment, who will be treated as per the idea of a job-based personnel system.

#### Job assignment

We will synchronize our business plans and human resources plans in order to achieve management strategies and will assign the right persons to the right positions.

### List of key performance indicators (KPI) used to gauge the implementation of each measure (The figures in parentheses show the results.)

- Utilize our job posting systems for about 300 posts (approximately 10% of all transfers) in FY2025 (42 posts)
- Usage rate\*<sup>1</sup> of online learning services of 100% in FY2025

\*<sup>1</sup> Usage rate = 2 courses or more/person

- Achieve the "A" rating (3rd highest rating out of the 11 ratings) in the Total Score Rating\*<sup>2</sup> in FY2025 ("BB," 5th from the top)

\*<sup>2</sup> Engagement survey provided by Link and Motivation Inc.

- Percentage of mid-career recruitment in the number of hires of 20% in FY2025 (16%)



# Promotion of Digital Transformation (DX) in the Chubu Electric Power Group

The Chubu Electric Power Group will achieve operational reforms and the transformation of customer services by utilizing digital technologies. We will increase our productivity to generate additional human resources through operational reforms linked with Kaizen activities, and while contributing to the sustainable development of local communities, will promote the transformation of customer services to deliver greater service value as well as new value from the customer-oriented perspective.

We will also nurture human resources, who will promote our transformation through DX, and advance our human resource strategy through the evolution of our digital foundation.

## Example of transformation of customer services

### [Solving issues in local communities and society]

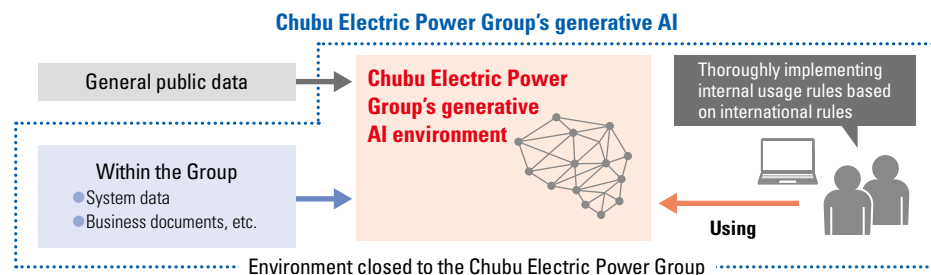
While working with local community members and other companies, we will enhance convenience by resolving community-specific issues, integrating multiple life services into a one-stop service and linking different services. A community platform, which will serve as a foundation for achieving the goal, has a mechanism to support a business ecosystem encompassing other companies as well as local information and will contribute to the sustainable development of local communities.

## Operational reforms

### [Applying AI technology to business operations]

We will develop AI that has learned various data through machine learning. Such data includes facility operation data, which is based on the knowledge and experience of skilled workers. This AI will support facility maintenance and inspections as well as facility operation that maximizes economic efficiency using the amount of electricity generated and value of electricity sold as indicators.

We will make the generative AI available to all employees and use it to make proposals on facility operation and provide advice for decision-making based on our internal data, including accumulated know-how. In using the generative AI, we will implement thorough information management.

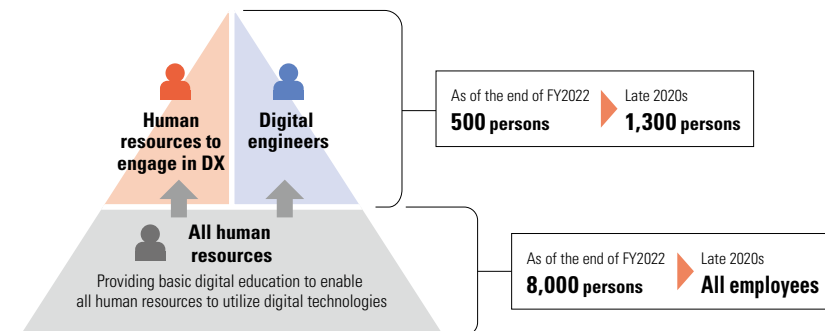


## Supporting the growth and active roles of each and every one of our human resources

### [Nurturing human resources to engage in DX and providing IT literacy education to all employees]

The Chubu Electric Power Group will nurture human resources to engage in DX, who have both the skills to utilize digital technologies, such as data analysis, and business skills encompassing marketing and who will promote business model transformation in each business segment. As one means to support the nurturing of such human resources, we will work with Group companies, including Chuden CTI Co., Ltd. and the data analysis company TSUNAGU Community Analytics Co., Inc., as well as external experts and offer a broad range of opportunities and venues for various training and personal exchange.

Additionally, as an effort to enhance the DX capability of the entire Group, we will provide information technology (IT) literacy education to all employees to let them learn the latest situations concerning DX and techniques to utilize digital tools.



### [Advancing our human resource strategy through evolution of a digital foundation]

The introduction of a talent management system will enable us to conduct analysis of human resource data, through which to implement effective personnel and other measures. This will also allow us to visualize individuals' skills and characteristics and propose a voluntary learning plan for realizing the career vision of each, for the ultimate goal of enhancing employee engagement.



## MESSAGE



**Oka Toshihiko**

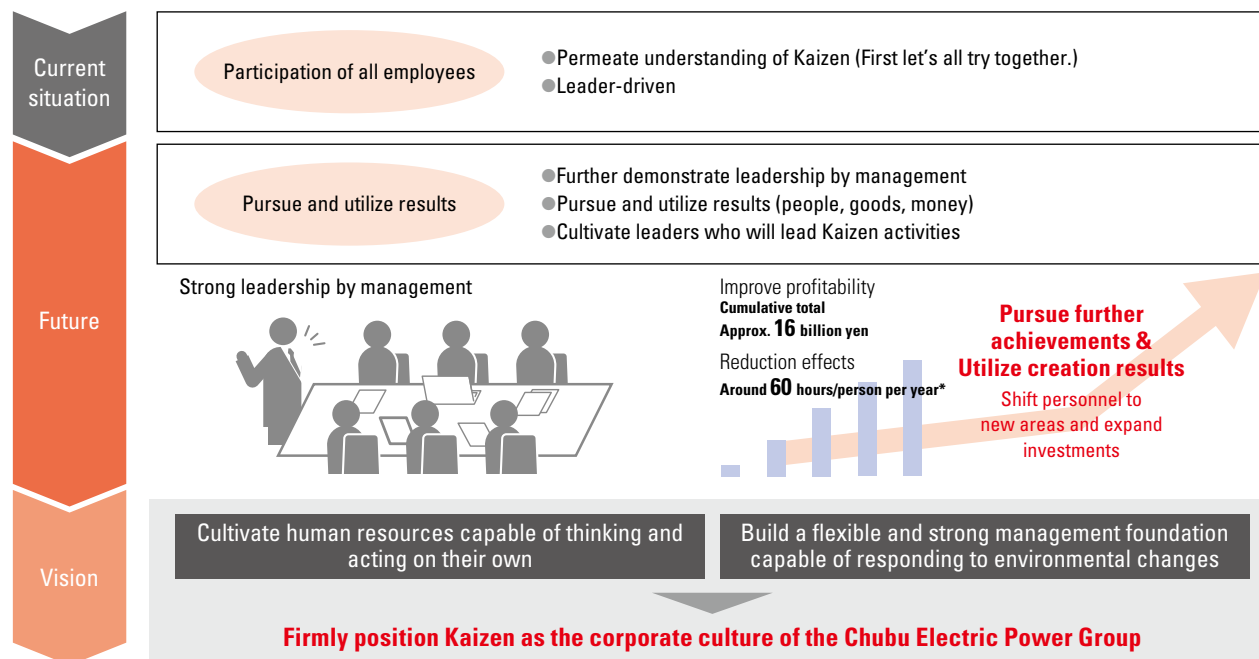
Executive Officer  
Kaizen Promotion Office  
Supervisor of Chief Kaizen  
Officer

Kaizen activities are one key pillar of management indispensable for achieving Management Vision 2.0.

“Kaizen activities based on the concept of the Toyota Production System” are now in the fifth year of implementation at Chubu Electric Power Group. In April 2023, the Kaizen Promotion Office was reorganized under the direct control of the president and I assumed the duties of Supervisor of CKO. The president himself takes the lead in permeating Kaizen activities among employees via management, such as by proactively acting on his own to promote Kaizen activities more quickly and forcefully. Through these efforts, we will strive to advance toward an autonomous promotion system centered on management.

Furthermore, we will improve the outcomes of our Kaizen activities by moving quickly to formulate into rules those measures we have considered until now and firmly position standard processes (post-Kaizen work procedures) in workplaces. To date, the entire Chubu Electric Group has worked on approximately 4,100 business improvement items and these efforts have yielded cumulative cost reductions of around 16 billion yen. We have already shifted about 650 people to new growth areas and for bolstering and sophisticating existing operations, which has enabled us to further extract “human resources” and “time” that create new value and profits. In the future as well, we will link the results of work volume reductions to actual results that lead to improved profitability, such as through labor savings and cost reductions.

## Promotion of Kaizen activities



\* Difference between total annual actual working hours (per person) in FY2016 (before Kaizen started) and in FY2022.

### President/Executive officer project

To convey the degree of seriousness of Kaizen activities and the thoughts of management to employees and to step up Kaizen activities, the president and executives of Chubu Electric Power will take the initiative to set good examples in deploying projects involving Kaizen.



### Kaizen activity example (Renewable Energy Company)

Efforts were made to improve water drainage work in water channels and this enabled a reduction in the number of on-site observers and coordination staff.

**Link** Example 2 Enhanced water channel drainage operations at Okuyahagi-Daiichi and -Daini Power Plant [Renewable Energy Company](Japanese version only)



332 persons・hour  
↓  
103 persons・hour  
(69% reduction)



## MESSAGE



**Nabeta Kazuhiro**

Senior Managing Executive Officer,  
General Manager of Research &  
Development Division,  
Chief Technology Officer and  
Chief Standardization Officer

### Promoting technology research and development in a manner to help achieve Vision 2.0 and adapt to changes in the business environment and seeking the social implementation of innovative technologies

In addition to resolving on-site issues, which will contribute to a stable supply of electricity, we are promoting technology research and development in seven priority areas for realizing the decarbonization of social systems as stipulated in our Management Vision 2.0 (Vision 2.0) and are working to create intellectual properties for enhancing our corporate value. We are also seeking the social implementation of innovative technologies by combining the engineering and industrial perspectives with the perspective of academia, such as universities and research institutes, and the perspective of social needs.

In April 2023, I was appointed to the newly established positions of the Chief Standardization Officer (CSO) and Chief Technology Officer (CTO), the latter of which is responsible for overseeing our technology research and development and intellectual property activities. We will promote the standardization of innovative technologies created through our technology research and development efforts and aim to implement these technologies more broadly in society.

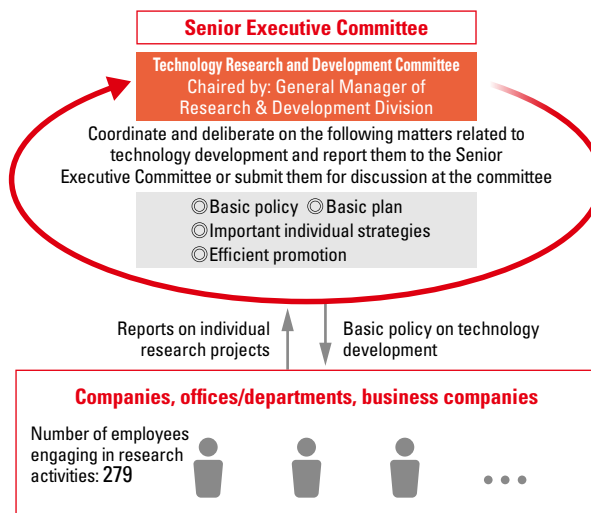
## Technology Research and Development and Intellectual Property



Technology research and development  
(Japanese version only)

### Structure to promote technology research and development

We have established the Technology Research and Development Committee under the Senior Executive Committee. In this structure, matters that have been deliberated on at the Technology Research and Development Committee are either reported to the Senior Executive Committee or submitted for discussion at the committee.



### Investment in and contribution through technology research and development

The entire Chubu Electric Power Group invested approximately 8.8 billion yen in research and development in FY2022 with the intention to contribute to the realization of Vision 2.0.

More specifically, as an initiative toward the realization of a carbon-free society, we are promoting technology research and development for production of carbon-free hydrogen (turquoise hydrogen) through thermal decomposition and for a small-scale offshore verification test of a next-generation (floating axis) wind turbine.

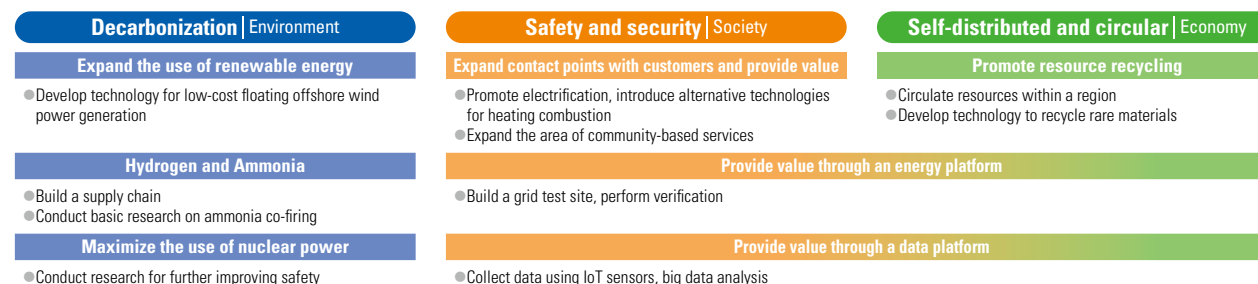
### Initiatives toward social implementation of innovative technologies

In seeking the standardization and social implementation of our technology development outcomes, we established the positions of Chief Standardization Officer (CSO) and Chief Technology Officer (CTO) in April 2023. The CTO oversee our technology research and development and intellectual property activities.

As for industry-academia collaboration, we are promoting joint research with Hirosaki University with the aim of establishing an efficient lithium recovery technology.

### Technology research and development: seven priority areas and major initiatives

In addition to resolving on-site issues, we are promoting technology research and development in seven priority areas to realize Vision 2.0 in collaboration with industry, academia, government, and Group companies, and are seeking the social implementation of innovative technologies.




 Intellectual property activities (including the number of patent applications data)  
(Japanese version only)

## Policy on intellectual property

### Creating intellectual properties that help enhance corporate value

We operate an incentive program to encourage the creation of intellectual properties for reinforcing our business foundation and expanding business areas. We also make efforts to increase employees' motivation for invention and creation through internal briefing sessions and employee education.

### Appropriately protecting and effectively utilizing intellectual properties

We work to appropriately protect the intellectual properties thus created by acquiring patents and other rights and managing them as know-how. We also work to release the intellectual properties we own for external use.

### Respecting intellectual properties of third parties

We conduct a survey on intellectual property rights held by third parties as an effort to prevent infringement of these rights. We are also active in utilizing intellectual properties of third parties, which are useful to our businesses, through licensing and other means.

## Promoting intellectual property activities

Make sure to acquire rights by identifying inventions	● Strengthen efforts to identify inventions useful to business activities
	● Provide education to prevent infringement of intellectual property rights held by others
Contribute to an expansion of the new growth area	● Conduct activities to propose solutions utilizing intellectual properties and business information
	● Develop an intellectual property strategy for applicable technologies in the seven priority areas
Enhance corporate value through social implementation	● Increase opportunities to provide information on patents held by us (through our website, Group Reports, etc.)
	● Participate in patent matching events hosted by public and other institutions

## Initiatives for social implementation of patents held by Chubu Electric Power Group

In FY2022, our patented technology for silicone coating equipment was adopted by Ikedo Manufacturing Co., Ltd. through the Intellectual Property Business Matching in Aichi, a matching event hosted by the Chubu Bureau of Economy, Trade and Industry.

It was the first case in which our patented technology was adopted through an event.

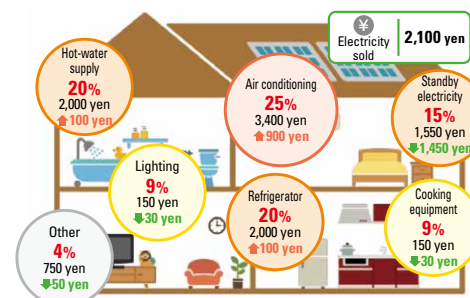


Silicone coating method and silicone coating equipment  
(Patent No. 5897657)

## Patents acquired in FY2022

In FY2022, Chubu Electric Power, Chubu Electric Power Grid and Chubu Electric Power Miraiz acquired 24 patents, and 44 patent applications on a date of publication basis.

### System and program to break down the use of electricity consumption (Patent No. 7190846)



It is a technology to calculate electricity used per home electric appliance in each month based on such data as the readings of a smart meter and the number of appliances used within a house.

### Patrol inspection system (Patent No. 7216046)

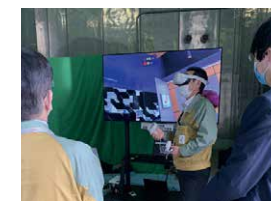


It is a technology to calculate a flight path of a drone by tapping a desired facility, such as a power pole and pylon, on the map shown on the display and automatically take photographs of the entire facility from an appropriate position.

## Holding Techno Fairs


 Techno Fairs  
(Japanese version only)

We hold Techno Fairs to enable numerous people to view our wide-ranging technological research and development initiatives.



- We held our 30th milestone Techno Fair in October 2022 at the Research & Development Division and Chubu Electric Power MIRAI TOWER as well as on a specialized website.
- We showcased 61 exhibits, mainly the latest research outcomes in the seven priority areas.

### Example awards given to our technology research and development efforts

#### Offering a development-integrated solution service, which will contribute to the resolution of social issues and manufacturing in Japan

(Excellent Prize at the Ninth Monodzukuri Nippon Grand Awards)

#### Initiative to implement infrared heating technology in industrial fields

(70th Electrical Science and Engineering Encouragement Award)



# Disclosure Based on TCFD Recommendations

## TCFD Governance/Risk management

- The Board of Directors deliberates and makes decisions on key management matters including efforts to realize a carbon-free society, such as the progress status of renewable energy development, and supervises the execution of duties by directors by, for example, receiving reports from each director on the status of execution of his or her duties.  
(See [P79](#) for the skills matrix in the composition of the Board of Directors, including skills related to technologies contributing to power supply and the environment)
- The Zero Emissions Committee established in March 2021 is a body placed under the direct control of the President & Director. It defines super long-term as well as medium- to long-term climate change-related goals of Chubu Electric Power, its business companies and group companies, including JERA, and formulates and evaluates action plans for achieving these goals. In addition, we conduct the planning and monitoring of each business as outlined on [P81](#).
- Chubu Electric Power implements governance measures concerning JERA as a shareholder through dialogue with company executives and quarterly monitoring. Furthermore, through platforms such as the Zero Emissions Committee, we evaluate JERA's goal-setting, action plans, and initiatives, aiming for overall Group optimization. (See [P58](#) for JERA's goals and roadmap.)

### Main discussions and frequency on climate change in the Board of Directors and Zero Emissions Committee (July 2022 to May 2023)

<b>Board of Directors: 7 times</b> (Number of discussions on decarbonization, including meetings to exchange opinions by the Board of Directors)	<ul style="list-style-type: none"> <li>● Direction of short- and medium-term targets and roadmap for decarbonization.</li> <li>● Guidelines for production of Group report (Integrated Report) (disclosure policy regarding decarbonization).</li> </ul> <b>(Main discussions)</b> Confirmation of further quantification and concretization in disclosures related to decarbonization, including refining the roadmap towards "Zero Emissions Challenge 2050."
<b>Zero Emissions Committee: 2 times</b>	<ul style="list-style-type: none"> <li>● Initiatives related to ammonia/hydrogen</li> <li>● Initiatives related to expansion of renewable energy</li> </ul>

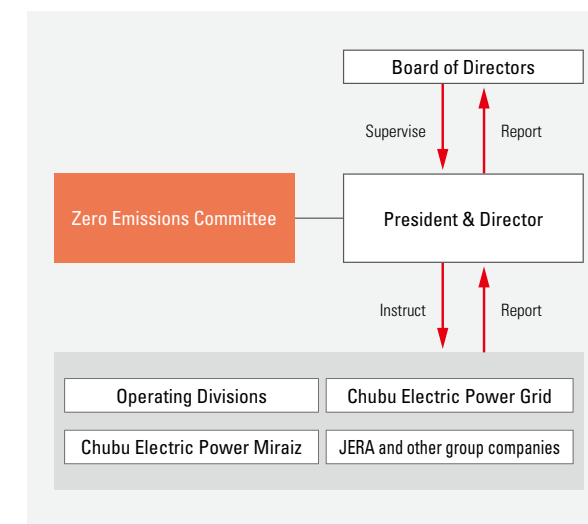
- We use performance-based stock compensation for directors' remuneration and use the volume of CO<sub>2</sub> emissions as one of these performance indicators. (Refer to [P80](#) for details regarding executive remuneration.)
- In **formulating a management plan**, risk owners\* identify and assess key risks associated with climate change and report them to the risk management department, where they are assessed in an integrated manner. These key risks are also discussed at the **Risk Management Committee** chaired by the President & Director and reflected in basic management plans. Appropriate measures are being implemented after passing the corresponding resolutions at the Board of Directors.

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



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

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



### Zero Emissions Committee

Chairman	President
Members	Executive Vice Presidents, General managers of divisions, Company Presidents, the President of Chubu Electric Power Miraiz, the President of Chubu Electric Power Grid, the President of JERA and other group companies
Holding	In principle, once every six months



# TCFD Strategy

## Scenario selection/Business impact assessment

- By referring to published data including the International Energy Agency (IEA), we have selected: a **1.5°C scenario** and other scenarios for assessing **risks and opportunities associated with the transition to a carbon-free society**; and a **4°C scenario** for assessing **risks associated with physical changes, such as abnormal weather**.

Scenarios selected	1.5°C scenario	4°C scenario
Reference	◎ IEA's <b>Net Zero Emissions by 2050 Scenario (NZE)</b> and <b>Announced Pledges Scenario (APS)</b> for the World Energy Outlook 2022 (WEO-2022) and the Japanese government's <b>Sixth Strategic Energy Plan</b> , others	◎ Sixth Assessment Report " <b>SSP5-8.5 Scenario</b> " of the Intergovernmental Panel on Climate Change (IPCC)

	Changes in the external environment	Impact on the Group	Assessment	Period affected <sup>*1</sup>			Financial impact (annual impact: billion yen)	
				Short	Medium	Long	Impact <sup>*2</sup>	Lower profit Profit Investment
Transition risk scenario  Responses to risks and opportunities associated with the transition to a carbon-free society	<b>[Policy]</b> • Increase emission reduction targets • Support policies for GX investments • Review nuclear power policy • Enhance regulatory measures such as carbon pricing  <b>[Technology]</b> Evolution of carbon-free/low-carbon technologies Implementation of creative technologies through innovation • Renewable energy • Low carbonization of thermal power generation (Hydrogen, ammonia, etc.) • Safer nuclear power generation • Energy management (e.g., storage batteries)  <b>[Market]</b> Customers becoming more environment-oriented and introduction of carbon-free technologies	Operational cost increases through decarbonization investments, fossil fuel levies, and emission trading systems (paid auctions), etc. Changes in value of thermal power assets	Risks → Opportunities		●	●	Large (2030)	◎ With the progress towards decarbonization, there is an <b>anticipated risk of significant cost increase in thermal power generation</b> due to the gradual rise in carbon prices. We will assess the trends in carbon pricing and advance the temporal optimization of various decarbonization measures. (For every reduction of 10 million tons of CO <sub>2</sub> emissions, there is an estimated <b>reduction in impact of approximately 160 billion yen</b> <sup>*3</sup> .) ◎ See the following page for the evaluation of thermal power generation assets.
		Effect of power procurement cost reductions due to the operation of the Hamaoka Nuclear Power Station Continued suspension of operation of nuclear power plants	Risks → Opportunities	●	●	●	About 260 (period not determined)	◎ Commencement of operation at the Hamaoka Nuclear Power Station has not been determined, as we are undergoing a review to confirm conformance with new regulatory standards. Assuming the restart of the power station now, it would <b>save annual power procurement cost by about 260 billion yen</b> <sup>*4</sup>
		Increase in profits resulting from investment for large-scale introduction of renewable energy	Opportunities ↗		●	●	Small (2030)	◎ We will invest <b>about 400 billion yen from FY2021 to FY2030</b> for the development of renewable energy in Japan.
		Rising needs for the use of carbon-free energy and expanding demand for electrification	Opportunities ↗		●	●	About 20 (2030)  Medium (2030)	◎ We will <b>invest about 400 billion yen from FY2021 to FY2030</b> in the global business (including renewable energy) and anticipate <b>a profit contribution of about 20 billion in FY2030</b> from the investment.  ◎ Utilizing subsidies from GX transition bonds, efforts will be made to contribute to profits through resource recycling businesses and new growth areas such as Chubu Electric Power Mirai's value-added services (energy-saving, etc.).
Physical risk scenario	<b>[Storm]</b> Increased frequency of extreme typhoons and similar disasters Intensifying flood and landslide disasters	Increase in costs for facility upgrades Increase in recovery costs	Risks ↘	●	●	●	About 5-Medium (short to long term)	◎ We provide as a reference the actual damage caused by large typhoons (No. 21 and No. 24) in FY2018 (the largest damage incurred in the past five years).

<sup>\*1</sup> Short-term (1 year), medium-term (5 years), long-term (6 years+) <sup>\*2</sup> "Large": 50 billion yen per year, "Medium": between 10 billion yen and 50 billion yen per year, "Small": below 10 billion yen per year

<sup>\*3</sup> Regarding carbon pricing, considering multiple scenarios, short to medium-term calculations are based on non-FIT non-fossil certificate cap (1.3 yen/kWh), and medium to long-term calculations refer to IEA WEO scenarios (APS, NZE scenarios 2030 \$135-\$140/t-CO<sub>2</sub>).

<sup>\*4</sup> Estimated assuming the restart of the Hamaoka Nuclear Power Station's Units 3, 4 and 5 and based on the fuel prices and exchange rates in FY2023. The procurement cost saving effect indicates the saving effect of power supply procurement costs at Chubu Electric Power Mirai, and does not include an increase in profit resulting from CO<sub>2</sub> reduction.



## Business impact assessment

### Basic concept regarding thermal power assets

We actively participated in shaping the Basic Policy for the Realization of Green Transformation (GX), which was formulated by the GX Implementation Council. This policy emphasizes a transition towards carbon neutrality by balancing stable energy supply with the reduction of CO<sub>2</sub> emissions from thermal power generation. It includes initiatives such as long-term decarbonized power source auctions and support for introducing ammonia and hydrogen.

Thermal power generation is recognized for its ability to adapt to the ever-changing electricity demand and the fluctuations in renewable energy output. It also plays a crucial role in stabilizing the power system through inertia and synchronization forces, offering essential functions and substantial value.

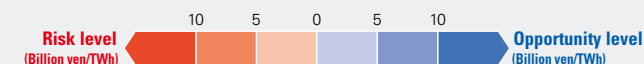
#### [Development and Ownership of Thermal Power Sources] (Extracted from JERA Securities Report FY2022)

In response to the uncertainty of future business environments, we have formulated plans for the development of new power sources and the ownership of existing ones in the context of various scenarios concerning the future electricity market environment, including scenarios that account for risks that may lead to reduced business opportunities for thermal power sources. By doing so, we are ensuring flexibility and resilience in our strategies.

Taking into **consideration future electricity demand and competitiveness within the electricity market**, we focus on **optimizing profitability while balancing the replacement of aging existing facilities with state-of-the-art high-efficiency facilities**. This approach helps us **avoid the development and ownership of uneconomical thermal power sources (commonly referred to as stranded assets) and maximize revenue**.

- The book value of thermal power production facilities at the end of FY2022 was ¥1,744.7 billion.
- **The percentage of supercritical or less coal-fired power capacity** relative to total thermal power generation capacity is **approximately 5%** (as of the end of FY2022)
- An investment of approximately 650 billion yen is planned in decarbonization-related fields of renewable energy, hydrogen, ammonia, and others by FY2025

#### [Risks and Opportunities of CO<sub>2</sub> Emissions from Thermal Power Sources] (Derived from JERA Group Corporate Communication Book 2022)



	Impact on business	Financial impact sensitivity				
		Method of assessment	Impacted financial factors	~2025	~2030	~2050
<b>Risk</b>	Increased operating costs due to carbon pricing	Sensitivity to increases in the cost of coal for thermal power generation, assuming the price of CO <sub>2</sub> in the reference scenario	Cost			
<b>Opportunities</b>	Expanded opportunities to develop and introduce hydrogen and ammonia fuels Expanded business opportunities provided by renewable energy and battery storage	Sensitivity to the avoided cost of coal for thermal power generation, assuming the price of CO <sub>2</sub> in the reference scenario	Cost			

Reference scenario IEA: Sustainable Development Scenario (SDS)

- The potential cost advantages on the order of 50 billion yen per year by 2040 and 250 billion yen per year by 2050 compared to the scenario in which we continue using coal.



Disclosure Based on  
TCFD Recommendations

TCFD

Metrics &amp; Targets

## Zero Emissions Challenge 2050

Together with communities and our customers, we aim to simultaneously achieve “decarbonization” and “safety, stability and efficiency” through the innovation of the energy infrastructure.

2030

- We will reduce CO<sub>2</sub> emissions from electricity sold to customers by **50% or more compared with FY2013**.
- We aim for 100% electrification<sup>\*1,2</sup> of company<sup>\*3</sup>-owned and operated vehicles.

2050

- We will take on the challenge of attaining **net zero CO<sub>2</sub> emissions** for our entire business to contribute to the realization of a carbon-free society.



Chubu Electric Power is participating in the “GX League,” an initiative established in accordance with the “GX League Basic Concept” published by the Ministry of Economy, Trade and Industry.

Targets for FY2025 after GX League registration<sup>\*4</sup>

- ◎ Domestic direct emissions: **50 thousand t-CO<sub>2</sub>**
- ◎ Domestic indirect emissions: **130 thousand t-CO<sub>2</sub>**
- ◎ CO<sub>2</sub> emissions from electricity sold to customers: **39.8 million t-CO<sub>2</sub>**

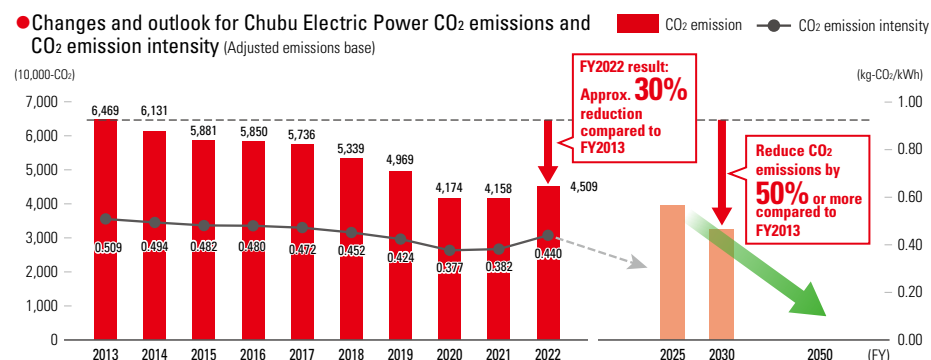
<sup>\*1</sup> Electric vehicles (EV), plug-in hybrid vehicles (PHV), fuel cell vehicles (FCV), etc.

<sup>\*2</sup> Excludes special vehicles such as emergency and construction -use vehicles not suitable for electrification

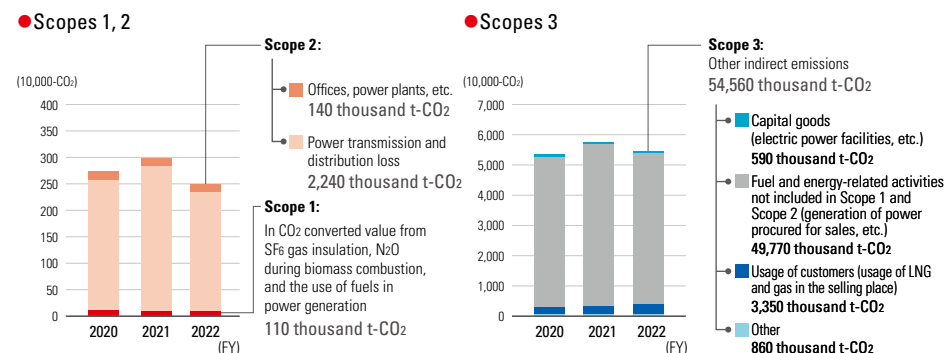
<sup>\*3</sup> Chubu Electric Power, Chubu Electric Power Grid, Chubu Electric Power Miraiz

<sup>\*4</sup> Target values of Chubu Electric Power, Chubu Electric Power Grid and Chubu Electric Power Miraiz

<sup>\*5</sup> Target values may be adjusted in case of changes in system design or other factors.

CO<sub>2</sub> emissions and emission intensity pertaining to electrical energy sold by the Company

## Total greenhouse gas (GHG) emissions\* from the entire supply chain



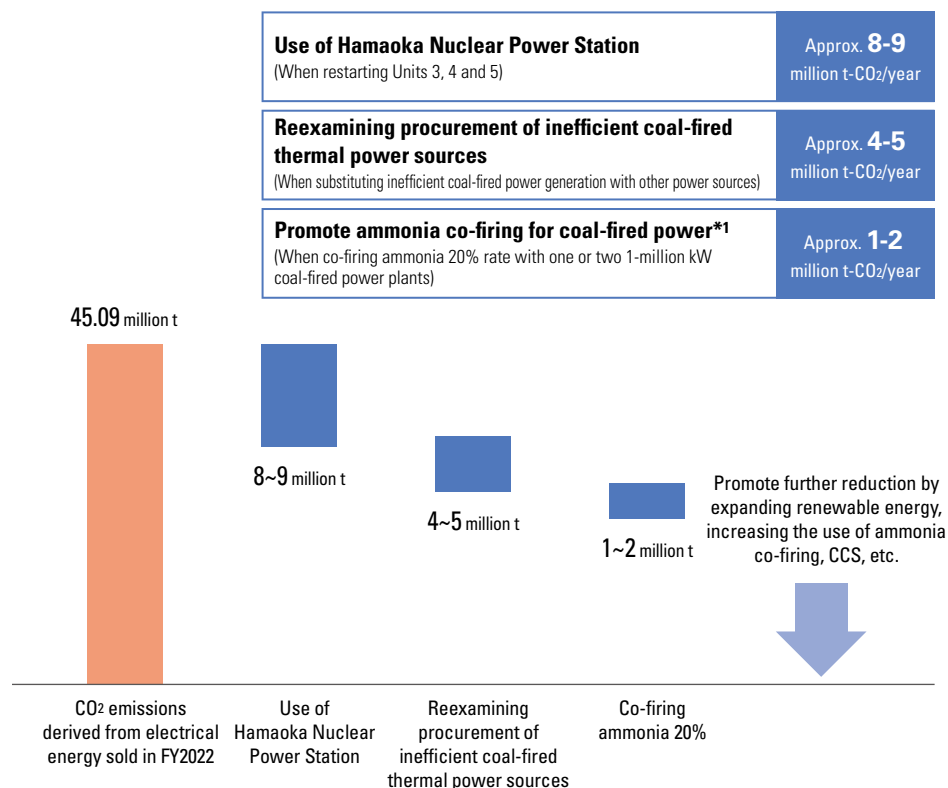
\* GHG emissions represent CO<sub>2</sub> converted total value of CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC and SF<sub>6</sub>.

Represents a total of the three companies of Chubu Electric Power, Chubu Electric Power Grid and Chubu Electric Power Miraiz.



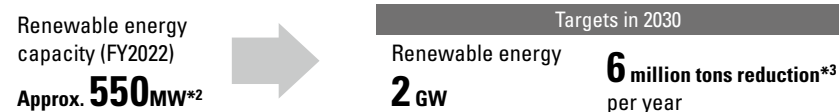
Disclosure Based on  
TCFD Recommendations

## CO<sub>2</sub> reduced by key measures



\*<sup>1</sup> The specific power sources are yet to be determined. The provided values are based on the assumption of a scenario where 20% ammonia co-firing is applied to a portion of Chubu Electric Power Miraiz's sourcing.

### [Reference] CO<sub>2</sub> reduction effects from global business activities abroad



\*<sup>2</sup> International renewable energy capacity. For domestic renewable energy, the capacity at the end of FY2022 was approximately 740 MW, with aims to expand to over 3.2 GW by around 2030.

\*<sup>3</sup> Overall emissions reduction from global operations, including not only the renewable energy business but also other businesses.

## Issuing Green Bonds



Based on the dual perspective of promoting initiatives for realizing a decarbonized society and diversifying fund procurement, Chubu Electric Power issues Green Bonds, which are bonds that limit the use of procured funds to environmental improvement projects such as the development of renewable energy. In the issuance of Green Bonds, we have received acclaim from DNV BUSINESS ASSURANCE JAPAN K.K., a third-party assessment organization, regarding the suitability of our various standards related to the issuance of Green Bonds.

### Reporting on the second Chubu Electric Power Green Bond (issued in May 2022)

#### Appropriation of procured funds (As of March 31, 2023)

Item		Amount
Procurement amount (amount received)		19.9 billion yen
Appropriated amounts		19.9 billion yen
(breakdown)	Seinaiji Hydro Power (Nagano)	1.2 billion yen
	Abekawa Hydro Power (Shizuoka)	2.3 billion yen
	Yokkaichi Biomass (Mie)	4.4 billion yen
	Aichi Gamagori Biomass (Aichi)	0.9 billion yen
	Godo Biomass (gifu)	0.3 billion yen
	Omaezaki Port Biomass (Shizuoka)	0.9 billion yen
	Kamisu Biomass (Ibaraki)	0.9 billion yen
	Yatsushiro Biomass (Kumamoto)	1.5 billion yen
	Yonago Biomass (Tottori)	2.6 billion yen
	Tahara Biomass (Aichi)	1.7 billion yen
	Atsumi Onshore Wind Power (Aichi)	2.4 billion yen
	Akita Port/Noshiro Port offshore wind power (Akita)	0.1 billion yen
Unappropriated balance		—

\*<sup>1</sup> Figures less than the expressed unit are rounded down. \*<sup>2</sup> Of the amount procured, 7.7 billion yen was allocated to the refinancing.

#### Environmental improvement effect (April 2022–March 2023)

Project	Installed capacity	Amount of CO <sub>2</sub> emission reductions
Yokkaichi Biomass (Mie)	49,000 kW	325,964 (t-CO <sub>2</sub> /y)
Yonago Biomass (Tottori)	47,500 kW	
Akita Port/Noshiro Port offshore wind power (Akita)	54,500 kW (Akita Port) 84,000 kW (Noshiro Port)	

\*<sup>1</sup> Annual CO<sub>2</sub> emission reduction calculation method: FY2022 annual power generation volume (MWh) x CO<sub>2</sub> emission coefficient (t-CO<sub>2</sub>/MWh)

\*<sup>2</sup> Of the power plants listed in appropriation of procurement funds, we plan to report on the environmental improvement effects for the power plants under construction as of March 31, 2023, after they commence operation.

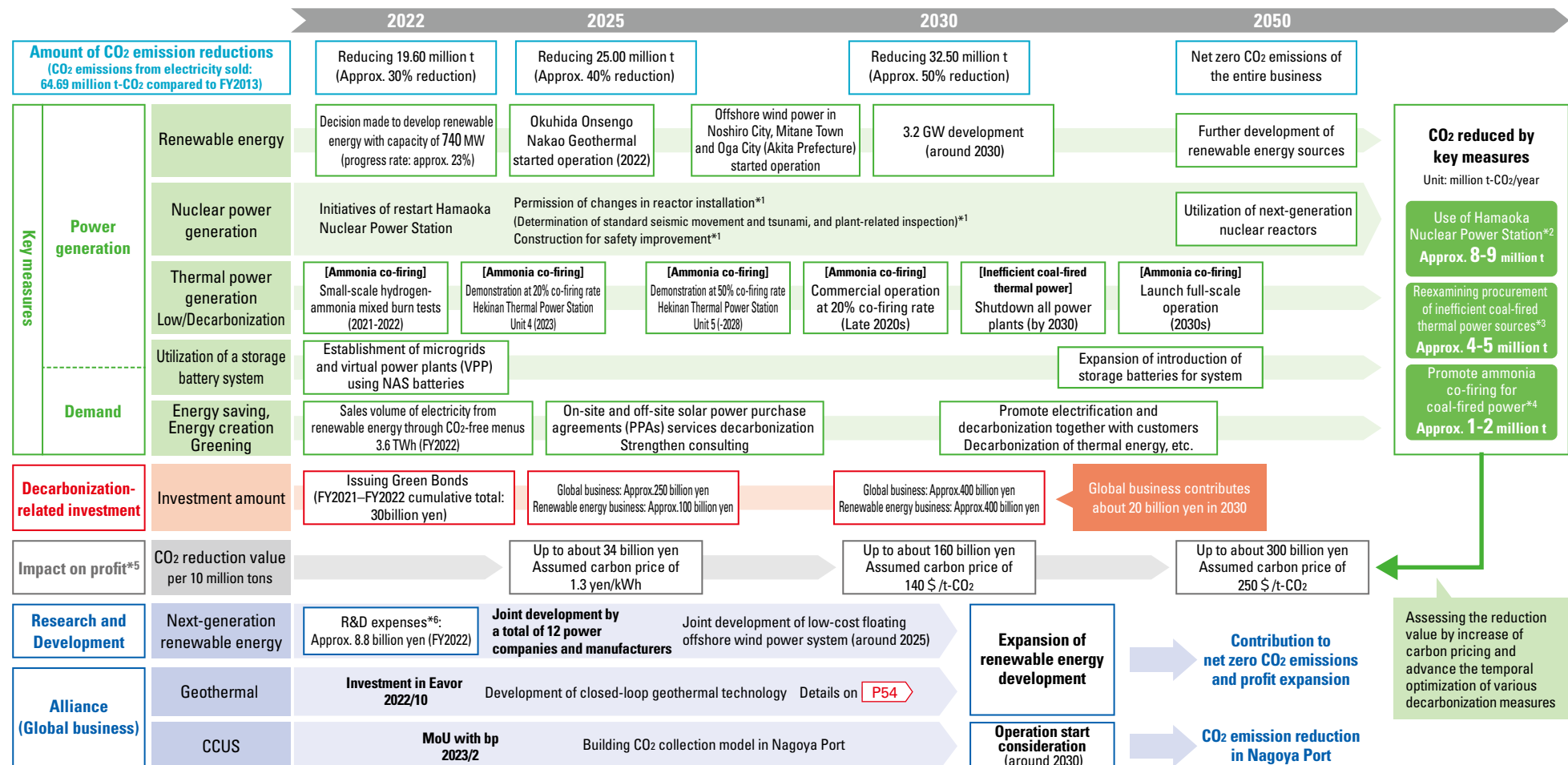


Disclosure Based on  
TCFD Recommendations

We are advancing decarbonization through three pillars: renewable energy development, ammonia co-firing, and the restart of the Hamaoka Nuclear Power Station.

In renewable energy development, particularly offshore wind power, the consortium the Group participates in has been selected as a power generation operator for three offshore regions, marking a successful start. Efforts will continue in this direction. Moreover, JERA is at the forefront of ammonia co-firing globally, and we are also working towards decarbonizing energy beyond electricity, offering ammonia solutions for customer facilities.

Furthermore, the Hamaoka Nuclear Power Station is a significant power source, not only for ensuring stability and decarbonization but also for stabilizing prices. We are approaching its reactivation with a focus on safety, while seeking the understanding of the local community.



\*1 The specific timing for the completion of the inspections for confirming conformity to new regulatory requirements and the restart schedule have not been established, but efforts are being made to achieve an early restart. \*2 In the case of restart of Units 3, 4, and 5 at Hamaoka Nuclear Power Station.

\*3 In the case of replacing inefficient coal-fired power generation with other sources. \*4 In the case of ammonia 20% co-firing in 1-2 units of 1 million kW-class coal-fired power generation. \*5 Calculated based on non-FIT non-fossil fuel energy certificate prices, IEA WEO (NZE Scenario) developed nation carbon prices, etc.

\*6 Including research and development expenses in fields other than decarbonization.

# Toward Improving the Safety and Reliability of the Hamaoka Nuclear Power Station

## MESSAGE



**Ihara Ichiro**

Director & Senior Managing Executive Officer, General Manager of Nuclear Power Division and Chief Nuclear Officer

Based on the premise of ensuring safety, Chubu Electric Power will promote close communication with residents of the local community and make best efforts to restart the Hamaoka Nuclear Power Station for the stable energy supply.

With a strong determination never to repeat an accident similar to one that occurred at the Fukushima Daiichi Nuclear Power Station, we are voluntarily putting in place safety improvement measures at the Hamaoka Nuclear Power Station. Units 3 and 4 are currently undergoing a review to confirm conformance with the new regulatory standards, and we are making steady progress toward confirming standard seismic motion and the tsunami standard. We are also setting up a disaster prevention system and enhancing education and training programs internally while further strengthening the cooperation with national and local governments for constant improvement of our emergency responses including the evacuation of residents.

In order to secure stable energy supply for the future while responding to such issues as fluctuations in fossil fuel prices and global warming, Chubu Electric Power believes that it is essential to operate nuclear power generation continuously as an important power source, which does not emit CO<sub>2</sub> when generating electricity and which uses fuels from politically stable regions.

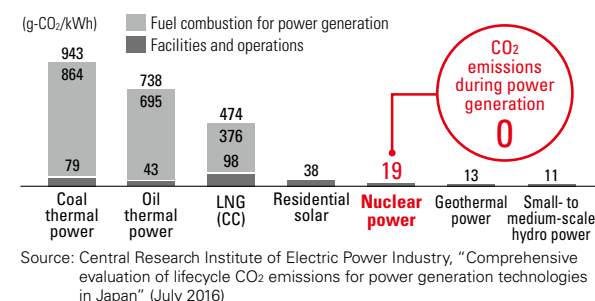
We will make our utmost effort to receive early confirmation on our compliance with the new regulatory standards and commit ourselves to gaining an even greater understanding and trust from members of local communities and society.

## [Power generation method known for its stable supply and superior environmental qualities]

Recently, there are many problems to be solved such as worldwide energy market turbulence caused by Russian aggression in Ukraine, the tight supply-demand balance in Japan, and accelerations for carbon-free society. In order to live up to social expectations, it is important to secure a sustainable and stable supply by combining various power sources in a well-balanced manner.

Nuclear power generation uses uranium, known for its stable supply, as a primary fuel. It is also an environmentally excellent power source in regard to decarbonization as it does not emit CO<sub>2</sub> when generating electricity.

## ● Lifecycle CO<sub>2</sub> emission amount for various power sources



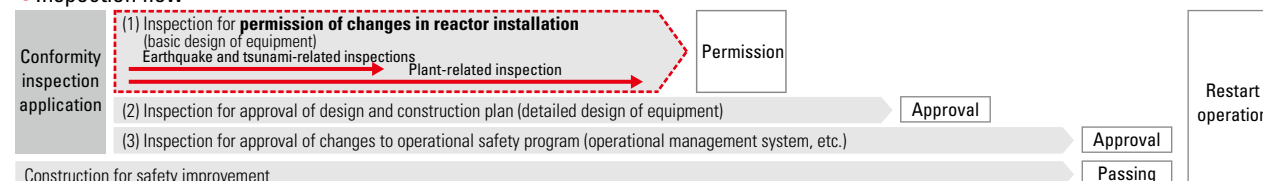
## [Responding to inspections for confirming conformity to new regulatory requirements]

Based on reflections and lessons learned from the accident at the Fukushima Daiichi Nuclear Power Station, the Nuclear Regulation Authority was established and new regulatory requirements were enforced (July 2013).

Inspections to confirm conformity to the new regulatory requirements include (1), (2), and (3) shown in the diagram below and the Nuclear Regulation Authority will implement these incrementally after the application is received from the utilities.

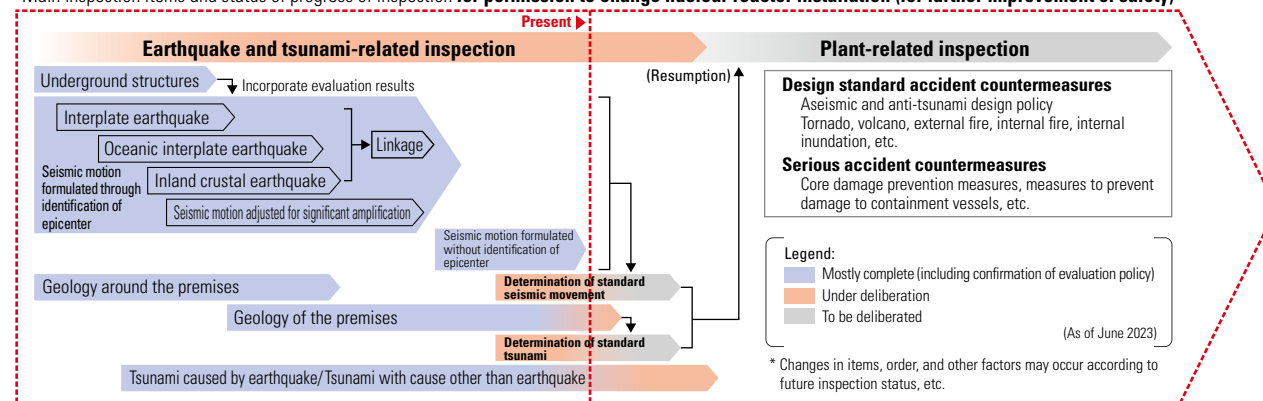
After confirming standards of seismic motion and tsunami (those standards will ensure the seismic and tsunami safety for facilities that are crucial in terms of safety) that are generally confirmed during the earthquake and tsunami-related inspections, the Nuclear Regulation Authority moves on to plant-related inspections based on the results of the earthquake and tsunami-related inspections.

## ● Inspection flow



Construction for safety improvement

Main inspection items and status of progress of inspection for permission to change nuclear reactor installation (for further improvement of safety)

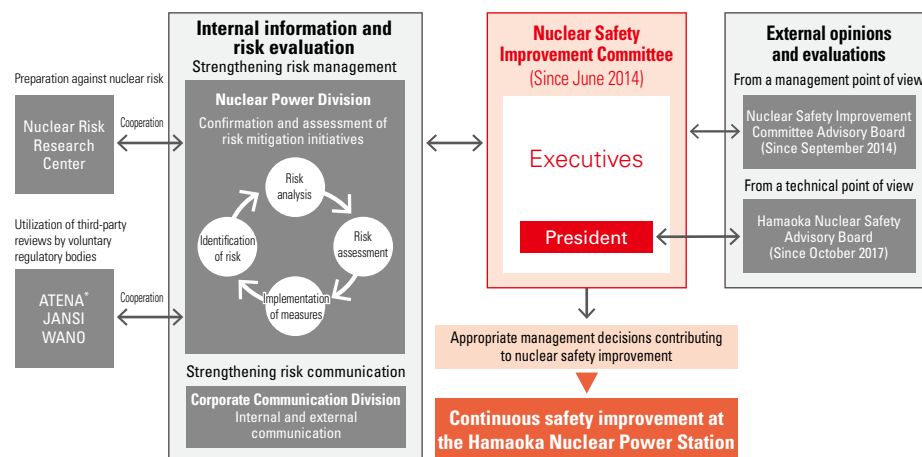


## Activities to reduce risks

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

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

### ● Governance structure



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

### [Strengthening governance]

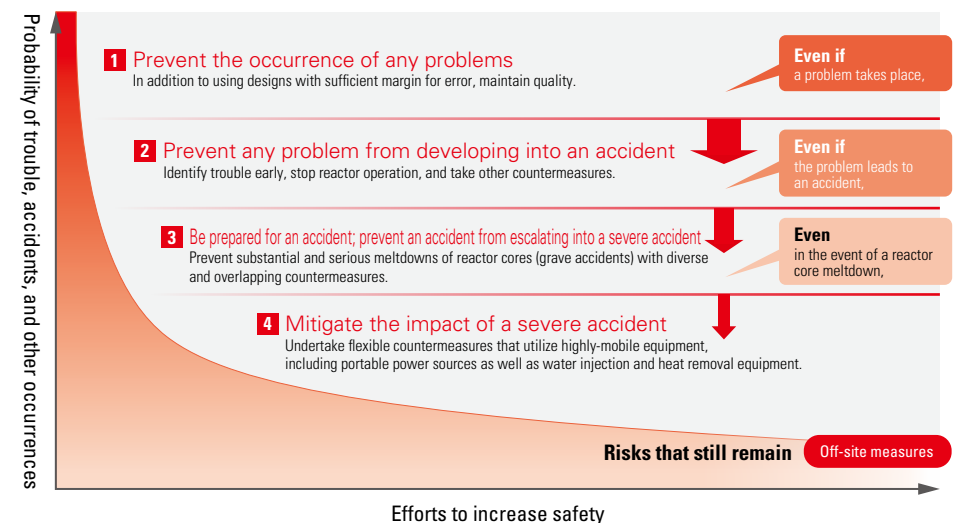
We have established a framework whereby management led by the President analyzes and assesses nuclear safety risks, and monitors and appropriately deliberates the details of the safety measures. We have also established a system under which outside experts provide advice on these initiatives from a management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

### [Strengthening risk management]

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

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

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



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

### Present status of reactors at the Hamaoka Nuclear Power Station (As of July 1, 2023)

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



Toward Improving the Safety  
and Reliability of the Hamaoka  
Nuclear Power Station

### [Responses inside the power station]

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

- ① Preventing the flooding of the premises  
Installing tsunami protection wall



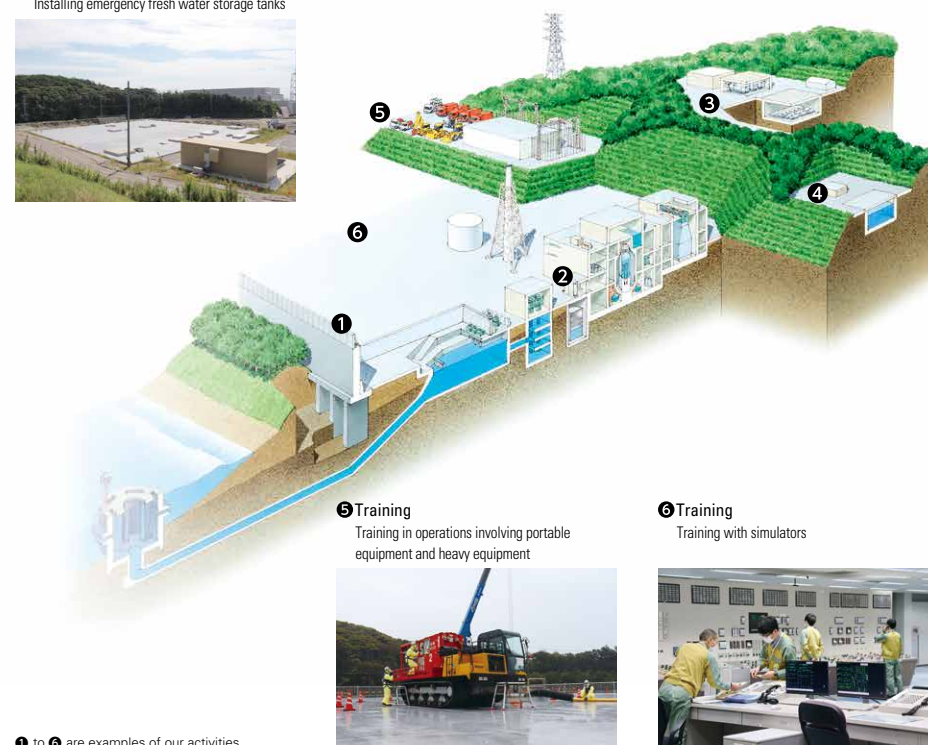
- ② Preventing the flooding of the buildings  
Installing reinforced doors and watertight doors



- ③ Securing alternative means of  
supplying power sources  
Installing gas turbine generators for emergencies



- ④ Securing alternative means of water  
injection  
Installing emergency fresh water storage tanks



- ⑤ Training  
Training in operations involving portable  
equipment and heavy equipment



- ⑥ Training  
Training with simulators



① to ⑥ are examples of our activities.

### [Responses outside the power station]

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

#### Relationship with the national and local governments and related organizations in an emergency



\*1 A local emergency operation center sets up at off-site far away from on-site to implement emergency measures during nuclear emergency situation.

\*2 Japan Atomic Energy Agency (JAEA), etc.



Exercise coordinating with national and local governments and related organizations (January 2023)



Collaborative drill with Tokyo Electric Power Company Holdings, Inc. and Hokuriku Electric Power Company (February 2023)

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

Chubu Electric Power has entered into a three-party agreement of ensuring the safety of persons requiring evacuation assistance with Omaezaki City and Makinohara City. Chubu Electric Power has also entered into a similar agreement with Kakegawa City and Kikugawa City individually. We have been strengthening mutual cooperation through joint training with local governments.

\* Elderly and other persons who cannot evacuate on their own and need assistance



Drill to set up radioprotective air shelters used as a temporary evacuation shelter for persons requiring evacuation assistance in collaboration with Omaezaki City (February 2023)



Drill to transport persons who need evacuation assistance by welfare vehicles in collaboration with Makinohara City (January 2023)



Toward Improving the Safety  
and Reliability of the Hamaoka  
Nuclear Power Station

### [Strengthening risk communication]

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



#### Power station tours

We host tours of the Hamaoka Nuclear Power Station for local residents and companies in the areas around the power station to explain a mechanism of nuclear power generation and other related topics and provide an opportunity for them to actually see the station's safety improvement measures on-site.



#### Opinion-exchange meetings and briefings

We hold opinion-exchange meetings with local residents in the areas around the power station to talk about questions and concerns about nuclear power generation and other matters of interest in a group work format to deepen mutual understanding. We also provide briefings on the latest status of the power station at meetings of local residents' associations and other occasions.



#### Power plant "caravans"

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

### "REAL! – What's Taking Place at the Hamaoka Nuclear Power Station"

REAL! is a series of videos showing what is taking place at the Hamaoka Nuclear Power Station now, such as emergency drills and routine inspection conducted at the power station.

The REAL! also includes videos such as dismantling of Unit 1, inside of a containment vessel, and other places that can not see normally.

\* For details, please visit our website.



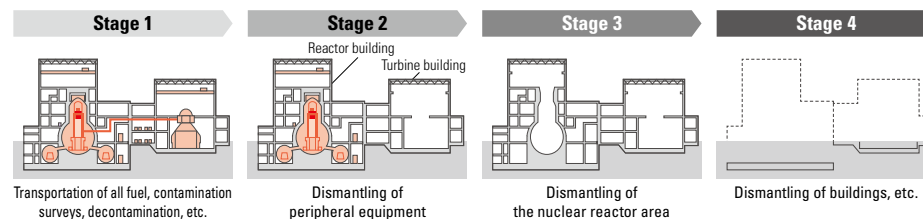
"REAL! – What's Taking Place at the Hamaoka Nuclear Power Station" (Japanese version only)



### Status of decommissioning of the Hamaoka Nuclear Power Station Units 1 and 2

At Units 1 and 2 of the Hamaoka Nuclear Power Station, dismantling of peripheral equipment is underway in the second stage of decommissioning and this consists mainly of dismantling equipment in the turbine building.

In the future as well, based on the premise of ensuring safety, Chubu Electric Power will continue to steadily proceed with decommissioning as the front-runner responsible for Japan's first decommissioning of a commercial light water reactor.



#### TOPICS

#### Initiative to maintain and pass down technical skills from generation to generation

An extended Hamaoka Nuclear Power Station shutdown has caused the lack of employees' experience of running and maintaining the nuclear power station. To improve the situation, we have been implementing several measures to maintain and pass down technical skills for the sake of future generations.

We have been conducting some measures such as operator technical contests, technical exchange with other electric power companies, dispatch of employees to operating power plants including overseas, and on-site education using Units 1 and 2 which are on the decommissioning process. In order to enhance employees' technical capabilities more effectively, we additionally introduced a new training method as a trial in March 2023 and aim for full operation in July 2024.

The new training method is based on more detailed analysis of operations and subdivided list of knowledge and skills needed for each operation. With this new training method, we are able to understand precisely not only what knowledge and skills have been acquired by employees but also the degree of accomplishment of employees.

We are also striving to boost the morale and motivation of employees by fostering a mindset to praise others and making opportunity to have discussions with other employees in the same generation. We are also making our efforts to create a working environment where every employee can actively preserve and pass down their skills for the sake of future generations.



Operator technical contest



Demolition training



Discussion with employees in the same generation



# Renewable Energy Business

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

## Strengths

- Connections with diverse stakeholders cultivated over long years of power source development and power generation businesses
- Strong technological and project development capabilities for providing value in renewable energy including Group companies

## Risks

- Competition with other power producers
- Intensification of natural disasters
- Increase in maintenance cost for existing power sources

## Opportunities

- Growing importance of decarbonization and energy security worldwide
- Accelerating moves toward achieving carbon neutrality and making renewable energy into the mainstay power source in 2050 with the enactment of the GX (Green Transformation) Promotion Act and GX Decarbonized Power Source Act
- Rising customer needs for renewable electricity such as RE100

## Efforts

### Accelerated development of renewable energy power sources

- Development and expansion of ownership of offshore wind power, onshore wind power, biomass, hydropower, solar power, and geothermal power
- Update, reinforce, conduct Kaizen and DX for existing power supplies to increase output, increase power and operate efficiently

### Ongoing expansion of renewable energy together with our customers

- Construction and maintenance of equipment by Group companies
- Provide decarbonization services suited for customers' issues

## Targets

### Expansion of renewable energy\*

- Expansion of 3,200 MW (8 billion kWh) or more by around 2030
  - Strategically invest around 400 billion yen mainly in renewable energy businesses
- \* Provision of value in renewable energy, including ownership, construction, and maintenance

### Ensuring the development of new power sources

Major development locations (planned fiscal year for commencement of operation) \*by Group companies

- FY2023 Seinaiji Hydro Power (Nagano), \*Nakagiri Hydro Power (Gifu), Atsumi on-land wind power (Aichi), Gamagori Biomass (Aichi), Minokamo Biomass (Gifu)
- FY2024 Abekawa Hydro Power (Shizuoka), Wind farm Toyotomi onshore wind power (Hokkaido) and Yatsushiro Biomass (Kumamoto)
- FY2025 Tahara Division 1 Biomass (Aichi), Fukuyama Biomass (Hiroshima)

### Expansion of renewable energy together with our customers

- Over 150 customers to utilize our on-site PPA service by FY2023



Seinaiji Hydro Power under construction in Achi Village, Shimoina-gun, Nagano Prefecture

We will contribute to raising Japan's energy self-sufficiency rate and to realizing a decarbonized society by expanding the use of renewable energy that we will promote together with society and customers.



Suzuki Hideya

President  
Renewable Energy Company

To achieve its renewable energy expansion target of 3,200 MW (8 billion kWh) or more by around 2030, the Chubu Electric Power Group will make full use of its project development capabilities cultivated over long years of power source development and will boldly tackle the challenge of expanding renewable energy across the entire group together with local communities and customers.

The Renewable Energy Company achieved steady progress in developing new power sources. Specifically, in FY 2022 this included the decision to develop the Shizugin Solar Park (Shizuoka Prefecture) for the implementation of off-site PPA services to meet customer needs and the commencement of operations of the Godo Biomass Power Plant (Gifu Prefecture) that effectively utilizes domestic unused thinned wood as fuel. Meanwhile, at existing hydroelectric power plants as well, we refurbished and strengthened equipment while promoting Kaizen activities and DX, which led to an increase in the amount of power generated.

Furthermore, we will continue to contribute to the realization of a decarbonized society on the premise of assuring public safety while working to communicate with local residents to gain their understanding.

## Vision

### Mission

Work in unison as a group in developing 3,200 MW or more by around 2030

Contribute to improving the non-fossil fuel ratio and making renewable energy sources the mainstay of energy sources

Realize stable and inexpensive power generation

### Initiatives

Steady development and promotion of renewable energy projects

All measures such as strategic investment

Maximize the use of existing facilities

Protect the earth.  
Change the future.  
Renewable energy

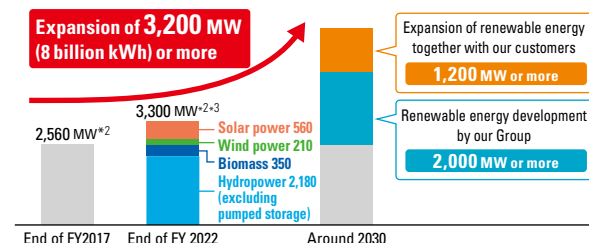
Contribute to the realization of a decarbonized society



Mamoru the Forest Green Tree Frog

### Efforts to expand renewable energy

By accelerating the development of renewable energy sources and expanding renewable energy together with customers, we aim to achieve 3,200 MW (8 billion kWh) or more\*<sup>1</sup> in renewable energy by around 2030. Regarding the state of progress as of the end of FY2022, the Group's overall renewable power generation capacity was approximately 740 MW\*<sup>1</sup>, about 23% of the target.\*<sup>2</sup>, \*<sup>3</sup>

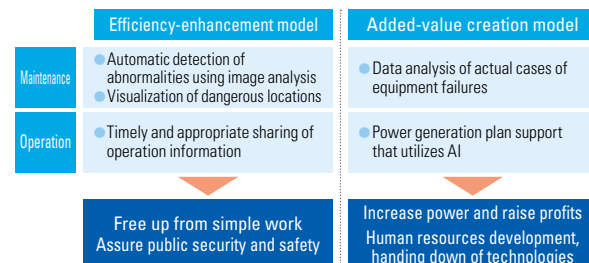


\*<sup>1</sup> Locations which started operations or a decision on development has been made in FY2018 or later  
 \*<sup>2</sup> Includes projects for which a decision on development has already been made but operations have not started  
 \*<sup>3</sup> Capacity includes Group companies

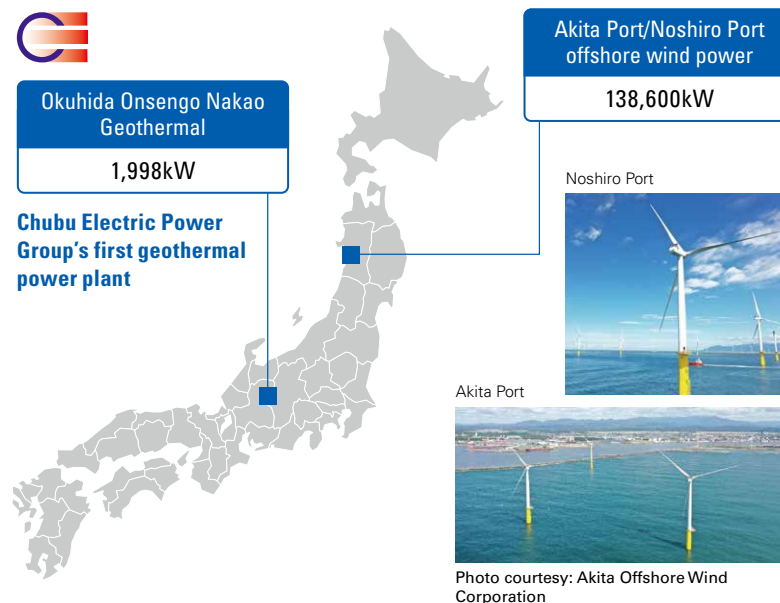
### Promotion of Kaizen and DX in hydropower

In the hydropower business, we are keenly aware of the competitive environment in which we operate and are thus promoting Kaizen activities aimed at reducing our power generation costs while promoting DX initiatives from the dual aspects of "efficiency-enhancement model" and "added-value creation model."

#### DX promotion in hydropower (representative example)



### Main development sites in FY2022



Through the special purpose company, Akita Offshore Wind Power Co., Ltd. (AOW), we have been promoting Japan's first large-scale commercially based offshore wind power generation project at Akita Port and Noshiro Port, Akita Prefecture.

The Noshiro Port Offshore Wind Farm (4,200 kW x 20 units) started commercial operation on December 22, 2022, and the Akita Port Offshore Wind Farm (4,200 kW x 13 units) on January 31, 2023.

Over the next 20 years, AOW will operate and manage these power plants under an operational and maintenance system based in Noshiro Port.

### TOPICS

#### Chubu Electric Power Group's first geothermal power plant

The Okuhida Onsengo Nakao Geothermal Power Plant (output: 1,998 kW), the first geothermal power plant in the Chubu Electric Power Group, utilizes the abundant geothermal resources of the Shinhodaka Hot Spring/Nakao area, which uses Mt. Yakedake for its heat source. Utilizing steam extracted from deep underground to drive turbines, geothermal power offers the benefit of 24x7 power generation regardless of weather conditions, thereby enabling stable volumes of power.

C Energy Co., Inc. a member of the Chubu Electric Power Group, commenced commercial operations on December 1, 2022 at Nakao Geothermal Power Generation Corporation, in which we have a joint investment with Toshiba Energy Systems & Solutions Corporation.

We will build a system that separates the geothermal fluid that is emitted underground into steam and hot water and that supplies this steam for geothermal power generation and the entire amount of hot water to the local Nakao Hot Spring. By doing so, we are cultivating a new model case of coexistence and co-prosperity between local hot spring culture and geothermal power generation.

In the future, Chubu Electric Power Group will continue to contribute to the realization of a low-carbon society, meet the trust and expectations of customers and society, and aim to be "A Total Energy Service Corporate Group that is one step ahead" and that is continuously chosen.





# Chubu Electric Power Grid Co., Inc.

Providing electric power network services

## Strengths

- Contributing to a stable supply of electricity within the Chubu region and nationwide through initiatives for decarbonization as well as for promoting a next-generation power network and increasing the level of sophistication of the network's operation
- Realizing the lowest wheeling charges in Japan through efficient and economic capital investment and facility operation

### Risks

- Intensification of natural disasters
- Sluggish electricity demand due to declining population, slowdown in economic growth, and other factors
- Complex flow of electricity as a result of the mass connection of renewable energy
- Increase in power quality maintenance cost

### Opportunities

- Increasing needs for renewable energy to realize a carbon-free society
- Emergence of a new supply model where local production and consumption of electricity will occur with small-scale distributed power supplies
- Diversifying needs in relation to energy as a result of digitalization

## Efforts

- Ensuring stable supply and public safety at a higher level
- Preparation of the environment to accommodate the introduction of renewable energy
- Realizing low wheeling charges through efficient and well-planned capital investment
- Reasonable facility formation that is matched with changes in demand-supply structure
- Reduction of environmental load throughout business operation
- Building a business operation structure capable of autonomously implementing measures matched to local characteristics

## Targets

### Stable supply

- Reduction of power outages  
Reduce the amounts of power outages\* for low-voltage lighting customers to below the actual values for the past five years (FY2017–2021)  
\* Excludes highly exogenous events such as natural disasters

### Promotion of a next-generation power network and enhancement of regional services

- Expansion of application of Connect & Manage toward expanding introduction of renewable energy
- Establishment of technologies for realizing distributed grids
- Formulation and reliable implementation of plan for introducing next-generation smart meters



We will fulfill our mission of providing electricity in a safe, affordable and stable manner by steadily implementing initiatives for decarbonization as well as for promoting a next-generation power network and increasing the level of sophistication of the network's operation and by adapting to changes in the external environment.



Shimizu Ryuichi

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

Chubu Electric Power Grid will fulfill its mission of providing a stable supply of electricity in the Chubu region and nationwide by adequately responding to changes in the external environment, including the expanding introduction of renewable energy, and by stepping up its initiatives for decarbonization as well as for promoting a next-generation power network and increasing the level of sophistication of the network's operation. At the same time, we will proactively roll out services closely matched to the needs of local customers.

We revised our wheeling charges upon the launch of Japan's new wheeling charge system in April 2023. As efforts to realize low wheeling charges, we will make necessary investment in an efficient and well-planned manner and constantly strive for even higher efficiency by utilizing digital technology, such as drones, robots and smart meters, in streamlining our facility operation and maintenance.

Through its business activities, Chubu Electric Power Grid will steadily implement initiatives for achieving the Chubu Electric Power Grid Vision, which sets out our vision for 2050.

## Vision

Deliver safety and security through the stable supply of electricity to local customers

### The ideal energy platform we are working to create

- Establishment of a high-quality grid that is disaster-resilient and efficiently provides electricity
- Visualization of value and construction of a base for the value exchange related electricity

### Our ideal contribution to the realization of future local communities

- Contribution to the achievement of livable local communities that ensure safety and security through services based on both owned and external resources

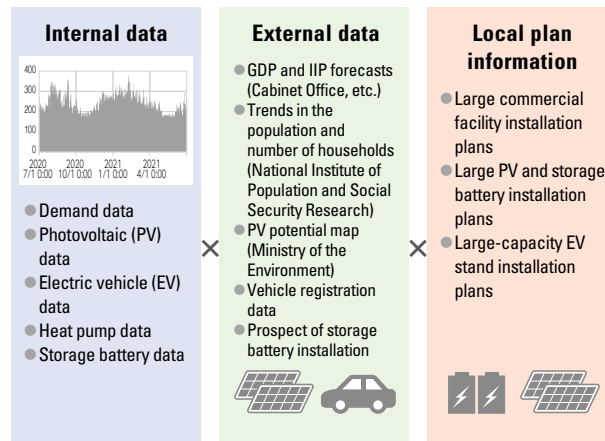
### Development of a region-specific demand forecast system

We are working to maximize the use of distributed energy resources (DER) and optimize the supporting power transmission and distribution facilities by developing and utilizing a region-specific demand forecast system. The system makes highly detailed forecasts of electricity demand and power flow per distribution line based on such data as the population, economic indicators and prospect of DER installation of each region.

#### Creating forecast data of future demand and DER

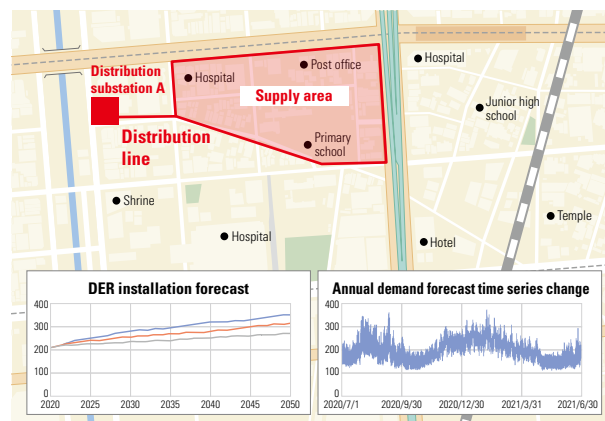
- Make a demand forecast based on the past demand data and taking into consideration the detailed growth rate of each business category
- Make a forecast of DER to be installed in the future and a flow forecast based on the government plans and past installation data

\* Flow forecasts per distribution line and per hour (8,760 points a year) until 2050



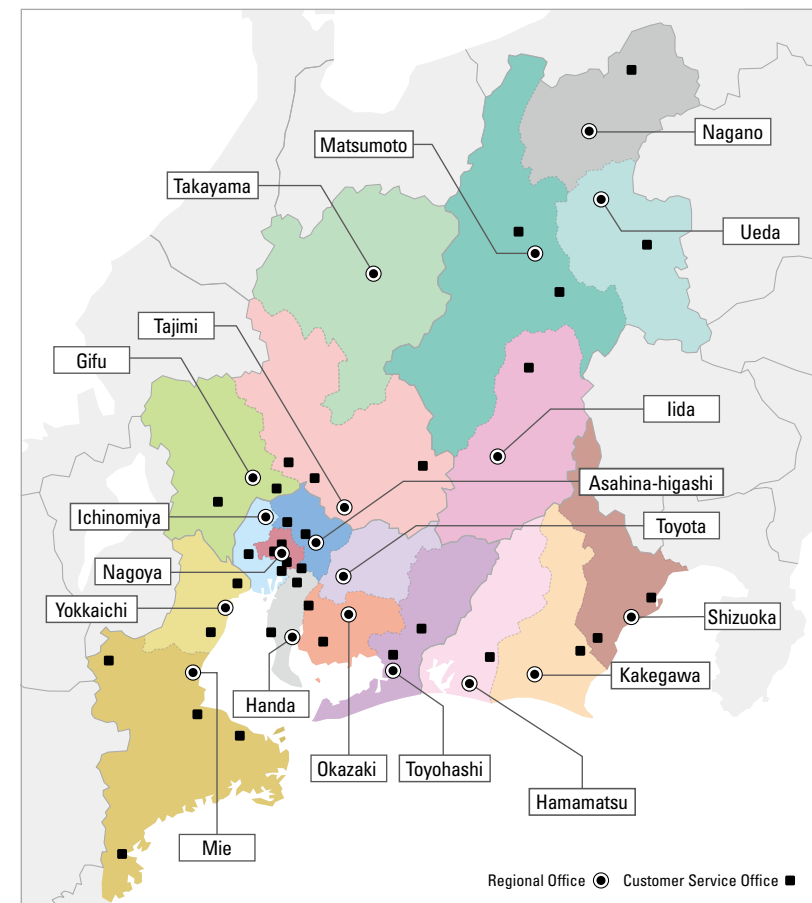
#### Visualizing future demand and future DER flow per distribution line

- Visualize the trends in local demand and DER flow based on various output data
- Create a demand estimate based on the government targets and private-sector indicators and use these estimates in formulating power transmission and distribution facility plans



### Building a business operation structure that autonomously implements measures matched to local characteristics

With a view to quickly and appropriately responding to diversifying energy demand and supply as well as needs of customers and the local government in each region, we made updates to our organization in FY2023, including establishment of 19 Regional Offices. We are promoting autonomous business operation, in which each Regional Office having thorough knowledge on local conditions, services required by customers and the configuration and operation of power network facilities, explores medium- to long-term measures by utilizing local information and data and implements these measures with technical support of the Engineering Center.





# Chubu Electric Power Miraiz Co., Inc.

Provide various services along with energy

## Strengths

- A wealth of data acquired through diverse contact points with customers and a well-established framework for leveraging this data
- Profound expertise in energy utilization accumulated over the years and specialists well-versed in various fields

### Risks

- Intensification of competition with other power supply
- Sluggish electricity demand due to declining population, slowdown in economic growth, and other factors
- Significant fluctuations in profit structure due to major changes in the market price for fuel

### Opportunities

- Rising customer needs for a wide variety of services
- Strong social demand for a carbon-free society
- Further advancement of digital transformation (DX) driven by the increasing level of technological expertise

## Efforts

- Acceleration of energy sales (electricity and gas)
- Provision of new services that will enrich the lives of the customers and solve business issues based on data analysis
- Delivering three forms of support for achieving decarbonization together with our customers, including decarbonization consulting

## Targets

### Ordinary income

[FY2025] +20~30 billion yen

### Energy sold

Electrical energy sold  
(entire Group)

[FY2022] 113.0 Twt

[FY2030] 130.0 Twt per year

Gas and LNG sold (entire Group)

[FY2022] 1,490 thousand tons

[FY2030] 3,000 thousand tons per year

### Creating new value and services

Establishing a revenue pillar alongside traditional energy sales by FY2030



Based on the connections with customers, Chubu Electric Power Miraiz will provide new value that will “enrich the lives of the customers” and “solve business issues.”



Ootani Shinya

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

The environment surrounding customers and society is radically changing as DX advances, and momentum increases towards the realization of a carbon-free society. As Chubu Electric Power Miraiz, we value the connections we have established with our customers amid these changes and are committed to delivering reliable electricity and gas that can be used with peace of mind.

Moreover, to meet the diverse needs of our customers, we will provide new value that will “enrich the lives of customers” and “solve business issues.” With the key message, “Why didn’t I think of that? Decarbonization! (Various Solutions for Decarbonization)”, Chubu Electric Power Miraiz will move ahead and work together with its customers to realize a carbon-free society by providing the three services of “energy saving”, “energy creation” and “energy activation” through decarbonization consulting.

## Vision



Realize a “comprehensive service company” that delivers “new value” in people’s daily lives and business





## Enrich the lives of customers

### Initiated the Family Time Project

The Family Time Project was started as a way to stand by families and collaborate in envisioning a brighter future for their lives and society.

As part of this endeavor, we have invited participation in events centered around energy efficiency, environmental consciousness, distinctive experiences, and community. We have also provided recommendations for captivating digital content tailored for family entertainment. Going forward, we remain committed to supporting of family connection and togetherness.

Case  
Study

### Opening event held at Chubu Electric Power MIRAI TOWER

We organized activities such as turning off illuminations and experiential events for children, providing families with a fun way to think about energy efficiency and the environment.



### Provide life services tailored to each life stage

Mainly through Chubu Electric Miraiz Connect, we offer services that cater to a variety of needs in our customers' daily lives and life events, leveraging data and digital technology.



#### Life services that nurture family bonds and connections



#### Examples of services provided (as of March 31, 2023)

- Solving all of your money worries “Life design service”
- Reduce food loss with a great bargain and fun “TSUNAGU table”
- “Terashite” service analyzing changes in electricity use for the wellbeing of elderly customers

## Implementation of measures for reducing electricity cost burden and supporting daily life

Amid persistent uncertainty in the Group's business environment, current fuel prices are trending at a low level compared with when we reviewed and considered the standard rate menu and based on management initiatives undertaken by the entire Chubu Electric Power Group, we have decided to implement a reduction plan for electricity bills amounting to 66 billion yen starting from May 2023.

\* This initiative follows the recalibration of standard rate menus for high-voltage and extra-high-voltage customers, which took effect in April 2023.

Subject	Content
High-voltage and extra-high-voltage customers	<ul style="list-style-type: none"> <li>● Discount of 2.09 yen/kWh (including tax) from the monthly fuel cost adjustment unit price</li> </ul>
Low Voltage Customers	<ul style="list-style-type: none"> <li>● 2,000 yen worth of special benefits</li> <li>● Six months of basic gas fees for free</li> <li>● Special campaigns that contribute to daily life</li> <li>● Energy-saving challenges</li> <li>● Energy-efficient appliance exchange campaign</li> <li>● Campaign promoting adoption of solar power generation facilities and storage batteries</li> </ul>

## Providing three forms of support to achieve decarbonization together with our customers

### Energy saving

Examples of initiatives

- Engaging in production processes and proposing efficient energy usage
- Supporting the replacement and upgrading of energy-saving equipment

### Energy creation

Examples of initiatives

- Contributing to “additionality” by installing solar power generation facilities on vacant land, buildings, and premises owned by customers

### Energy activation

Examples of initiatives

- Promoting the development of local renewable energy sources through the sale of locally produced CO<sub>2</sub>-free electricity
- Supporting the utilization of renewable energy through demand response services

Case  
Study

### Demand response (DR) service, “NACHARGE”



Taking into account the current status of renewable energy generation and overall electricity supply and demand, we introduced the “NACHARGE” Demand Response (DR) service. Through this initiative, we communicate with customers to request actions such as “power conservation” or “adjust electricity usage times”. Customers who respond to these requests will be rewarded with incentives such as “Kate-ene points” that can be exchanged for various benefits. This service aims to not only encourage customers to actively participate in electricity conservation during peak demand periods, but also to devise ways to use electricity that cannot be stored in order to increase the use of renewable energy.

Case  
Study

### Karuizawa Commongrounds



We have entered into a comprehensive collaboration agreement with Culture Convenience Club Co., Ltd. to foster the concept of “nurturing bonds through electricity” within local communities. Through this partnership, we have implemented an integrated energy management system that connects solar power generation and electric vehicles within the community.

By locally generating electricity and utilizing electric vehicles with charging and discharging capabilities for car-sharing, we are striving to achieve the dual goals of creating sustainable communities and promoting a local consumption model for renewable energy.



# Global Business

Investment, overseas consulting, etc.

## Strengths

- Investments in diverse businesses related to “decarbonization” mainly in Europe and the Asia-Pacific region
- Able to approach from the demand side by connecting directly with customers within and outside of Japan, leveraging strengths including technological capabilities and customer base nurtured through the domestic power business

### Risks

- Intensifying competition due to limited investment projects
- Overseas political and economic instability, independent regulations
- Development, construction, operation of investment projects

### Opportunities

- Rising global interest in renewable energy projects for the realization of a decarbonized society
- Growing interest in SDGs
- Advance of new technology areas in decarbonization and renewable energy businesses

## Efforts

### Expanding investment in businesses that lead to “decarbonization”

- Position Eneco in the Netherlands as a strategic platform in Europe and develop business
- Develop social problem-solving businesses that meet the needs of Asian countries through renewable energy and power distribution businesses

### Contributing to solving SDGs issues through overseas consulting

- Power infrastructure consulting business in Mozambique, Uganda and Jordan commissioned by the Japan International Cooperation Agency (JICA)

## Targets

### Strategic investment

- Around 400 billion yen from FY2021 to FY2030

### Consolidated ordinary income

- About 20 billion yen in FY2030

### Profitability

- ROA in the high 3% range in FY2030



Eneco Luchterduinen Wind Farm in the Netherlands

We will expand our energy business globally\* to contribute to the sustainable development of humankind.



Sato Hiroki

Senior Managing Executive Officer  
General Manager of Global Business Division

In April 2022, Chubu Electric Power established the “Global Business Division” with the aim of strengthening and expanding our global business, which is one of our new growth areas, as well as establishing a flexible business execution system that clarifies responsibilities and authority while announcing our presence both internally and externally.

To contribute to the realization of a decarbonized society, we are expanding our investments in global businesses that lead to decarbonization, mainly in Europe and the Asia-Pacific region, and strengthening our earnings base and increasing profits.

Also, in our overseas consulting, we aim to provide various energy-related solutions and create business opportunities through undertaking projects from the Japan International Cooperation Agency (JICA) etc., mainly in Asia and Africa, where economic growth is expected.

We will promote the development of decarbonization and community services and leverage our knowledge in these areas to increase synergies with our domestic business.

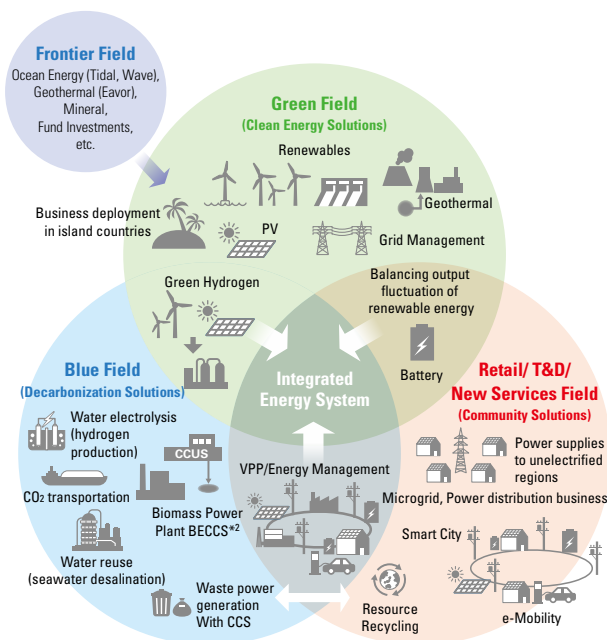
\* A portmanteau word combining “global,” which means global scale, and “local,” which means each country and region.

## Vision

- In fiscal 2030, we will build an optimal portfolio that combines the segments of Green Field, Blue Field, Retail/Transmission & Distribution (T&D)/New Services, and Frontier Field.

## Position and strategy

Combining the four segments (Green, Blue, Retail/Transmission & Distribution (T&D)/New Services, and Frontier Fields), we aim to form an optimal portfolio and achieve the goal of over 400 billion yen in cumulative investments and over 20 billion yen in profits in FY2030.

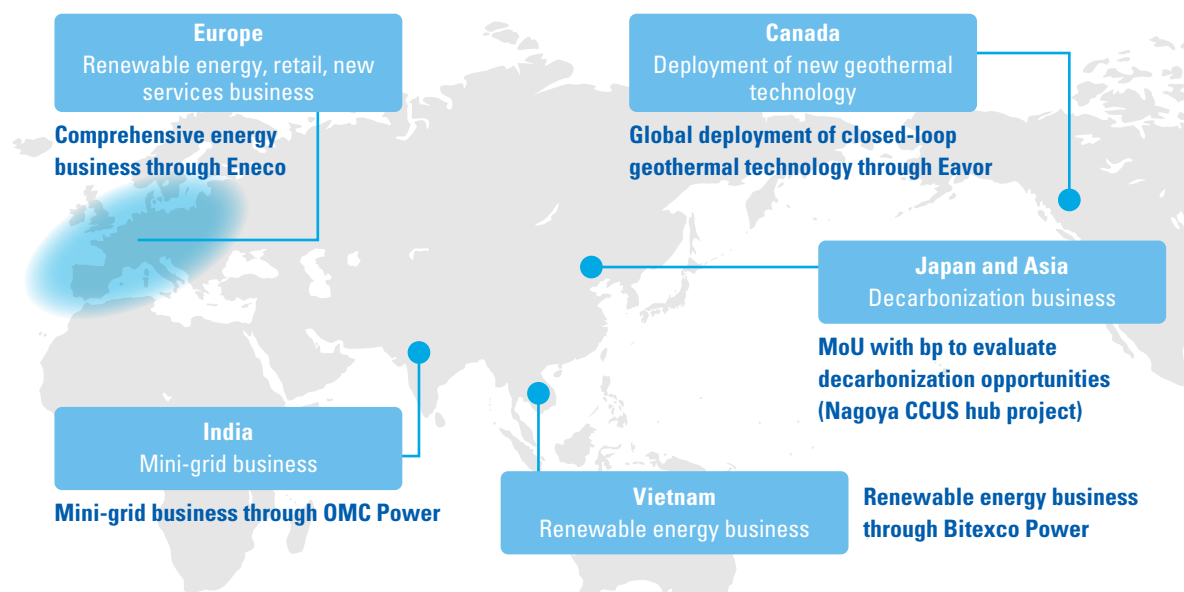


\*1 BioEnergy with Carbon Capture and Storage \*2 The above are examples of our businesses

Strategic investment	● Cumulative investments of over 400 billion yen in FY2030
Human Resources	● Expand mid-career hires including specialist employees
Organization	● Expand functions of overseas offices ● Expand the Tokyo Office

## Toward becoming a decarbonized energy company, mainly in Europe and Asia

Following the major transition from fossil fuels to renewable energy, as a Japanese utility company, we will contribute to the realization of a decarbonized society, mainly in Europe and Asia, while working to further expand earnings.



## Closed-loop geothermal technology through Eavor

[The Group's first investment in an overseas geothermal-related company]



A Canadian global start-up company that leads the world in R&D of closed-loop geothermal technology with the aim of full commercialization.

- Geothermal technology involves circulating water in a closed loop underground to extract heat efficiently.
- Eavor holds numerous patents related to excavation design needed for demonstrating this technology.



## MoU to evaluate decarbonization opportunities in Japan and the Asia region

[Support decarbonization around Nagoya Port]

In working toward the realization of CCUS, we have begun surveys related to CO<sub>2</sub> capture/aggregation and effective utilization as well as transport to overseas CO<sub>2</sub> storage sites.

## [Characteristics of Nagoya Port]

- Japan's largest port in terms of cargo volume
- Accounts for 3% of total CO<sub>2</sub> emissions in Japan





# New Growth Fields

Creation of a “new form of community”

## Strengths

- **Technological capabilities, customer base and relationships of trust cultivated in the domestic energy business.**
- **Synergies in the real estate business by making ES-CON JAPAN a consolidated subsidiary.**

### Risks

- Intensifying competition with competitors

### Opportunities

- Rising needs for community problem solving
- Changes in lifecycles and social conditions
- Synergies in sales and technology through collaboration with other companies

## Efforts

- **Medical care:** Become deeply rooted among people and in local communities through providing medical care support such as digital health services and serve as a link to medical care.
- **Food and agriculture:** Support the affluence of people without interrupting the blessings of food by pursuing innovation and advancing toward a sustainable and resilient food infrastructure.
- **Real estate and lifestyle related:** Utilize the characteristics of communities to support the creation of communities where “people can be themselves” and “communities are genuine communities.”
- **Energy peripheral areas:** Become a trailblazer in DX and GX in the energy and transportation businesses and provide light and connections to people and society in a sustainable format.
- **Platform:** Build a storage location to provide new services by combining a variety of data.

## Targets

- Provision of a “new form of community” that utilizes information networks and the latest technologies
- FY2022–FY2025 cumulative total  
Strategic investment including new growth of around 100 billion yen



Automated lettuce production plant with full artificial lighting aims to commence production in January 2024



Techno Farm Fukuroi  
(Japanese version only)

The Business Development Division provides businesses and services that contribute to resolving social issues faced by various communities and will establish new earnings pillar through these businesses and services.



**Noda Hidetomo**

Senior Managing Executive Officer,  
General Manager of Business  
Development Division

The Business Development Division was launched in 2019 to establish the growth areas prescribed in our Management Vision. It aims to provide new solutions that contribute to resolving various social issues in contemporary communities that are becoming increasingly diluted. To the present, it has promoted initiatives for community medical care, initiatives for child-rearing generations, and promoting new services that utilize our assets.

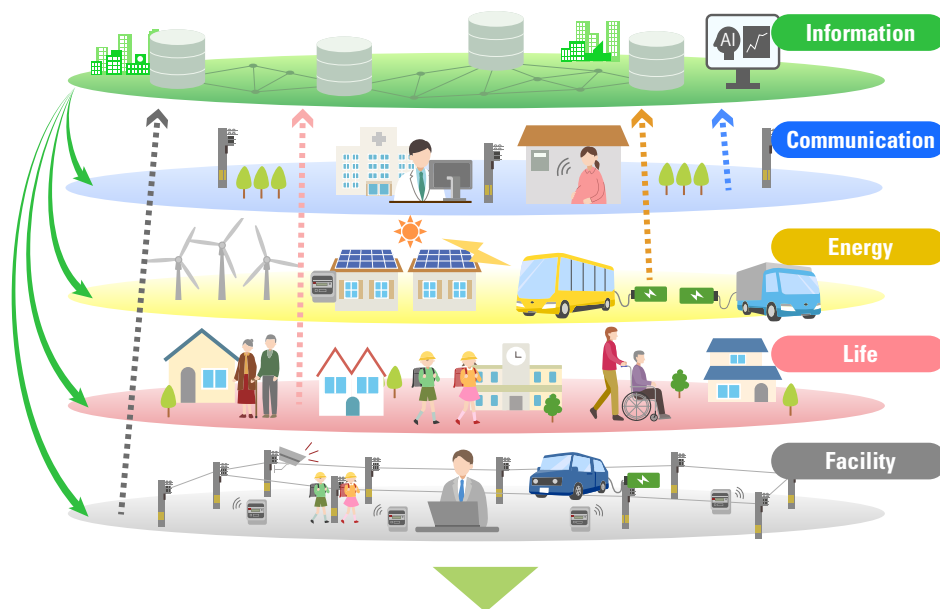
In the future, we will continue to promote decarbonization and resource recycling with the aim of realizing a sustainable society and participate in creating communities by fully utilizing the characteristics of communities to “contribute to the resolution of regional issues and regional revitalization.” Through these efforts, the Chubu Electric Power Group will work together to accelerate the delivery of services that enrich the lives of its customers.

## Vision

By 2030, we will realize a Community Support Infrastructure that supports sustainable local communities by working together with local communities and by getting close to each individual to **“create a community where everyone can continuously live safely and securely”**.



## Creation of a “new form of community”



Sublimate into a service that solves every issue such as those related to living, industry, and communities and create a “new form of community.”

## Healthcare



- Develop services such as online medical examinations
- Frailty detection service



## Support for EV dissemination



- Demonstration of optimal operation of EV buses
- Demonstration of optimal operation of EV trucks

## Community



- Community information service
- Kizuna Net
- Child care support



## Infrastructure



- Electric vehicle charging service business
- Automated Meter Reading
- Mimamori-pole



## Iida City selected as a “Decarbonization Leading Area\*1” through a joint proposal

Chubu Electric Power and Iida City jointly proposed the creation of a “community that connects people and regions with a regional micro-grid that utilizes the existing power distribution system” for the “2nd Decarbonization Leading Area” solicited by the Ministry of the Environment. This proposal was selected in November 2022.

Under this proposal, we aim to improve resilience in time of disaster by building a regional microgrid\*2 and to promote regional energy-saving activities by utilizing demand response. Together with Iida City, we will realize a “new form of community” that accelerates the decarbonization of the region.

\*1. A region selected by the Ministry of the Environment that aims to achieve net zero CO<sub>2</sub> emissions by fiscal 2030 in accordance with regional characteristics toward carbon neutrality in 2050.

\*2. Building a regional microgrid enables supplies to be quickly resumed even if the power supply from the grid is interrupted.



## Real estate development in the Chubu Electric Power Group

Group companies ES-CON JAPAN and Chuden Real Estate are promoting real estate development such as condominium development and commercial development together.

We plan to synergistically utilize ES-CON JAPAN's and Chuden Real Estate's know how in real estate development and Chubu Electric Power Company's and the Group's deep ties with local residents to accelerate the real estate business that enables a “new form of community” aimed for by the Group and promote community development that realizes a safe and comfortable life for everyone.



Senri-fujishirodai Project (Suita-shi, Osaka Prefecture)  
Integrated development of commercial facilities, condominiums



# JERA Co., Inc.

(Affiliate accounted for under the equity method)

From upstream fuel business and procurement through power generation and wholesaling of electricity and gas



## Strengths

- Extensive value chain, from fuel upstream activities to power generation and sales.
- Credibility from having been selected by partners from around the world seeking a company engaged in large-scale business development.
- Competitive and flexible procurement portfolio
- One of the world's largest LNG transaction volumes

### Risks

- Increased uncertainty in global energy policies
- Increased uncertainty in supply-demand structures
- Delays in establishing an environment for realizing zero-emission thermal power
- Increased geopolitical risk

### Opportunities

- Global trend toward decarbonization
- Support for zero-emission thermal power
- Market creation and new system introductions
- Fluctuations in resource prices

### Efforts

- Expansion of integrated projects from fuel procurement to power generation
- Replacement with the most efficient power plants
- Proactive development of renewable energy and hydrogen/ammonia businesses
- Response to variation in demand through optimization of entire value chains
- Risk control through optimal management of our fuel portfolio in response to market trends
- Decarbonization initiatives (coal-ammonia co-firing, O&M in offshore wind power)

### Targets in 2025

**[Profitability]** ● Net profit: 200 billion yen ● EBITDA: 500 billion yen  
**[Capital efficiency]** ● ROIC: 4.5% ● WACC: 3.5%  
**[Growth potential]** ● Investing cash flow: FY2022–FY2025 total = 1,400 billion yen  
**[Financial health]** ● Net DER: 1.0x or lower ● Net Debt/EBITDA: 4.5 years or less

### Integration Synergy Effect

**100 billion yen/year**  
(within 5 years from integration)

### FY2022 Synergy Effect Results

**Around 120 billion yen**  
(Achieved initial target one year ahead of schedule)



Transport ship SOHSHU MARU for marine transportation of LNG

By providing the world with a foundation for achieving both a stable supply and decarbonization, we aim to contribute to the healthy growth and development of the world and maximize our corporate value.

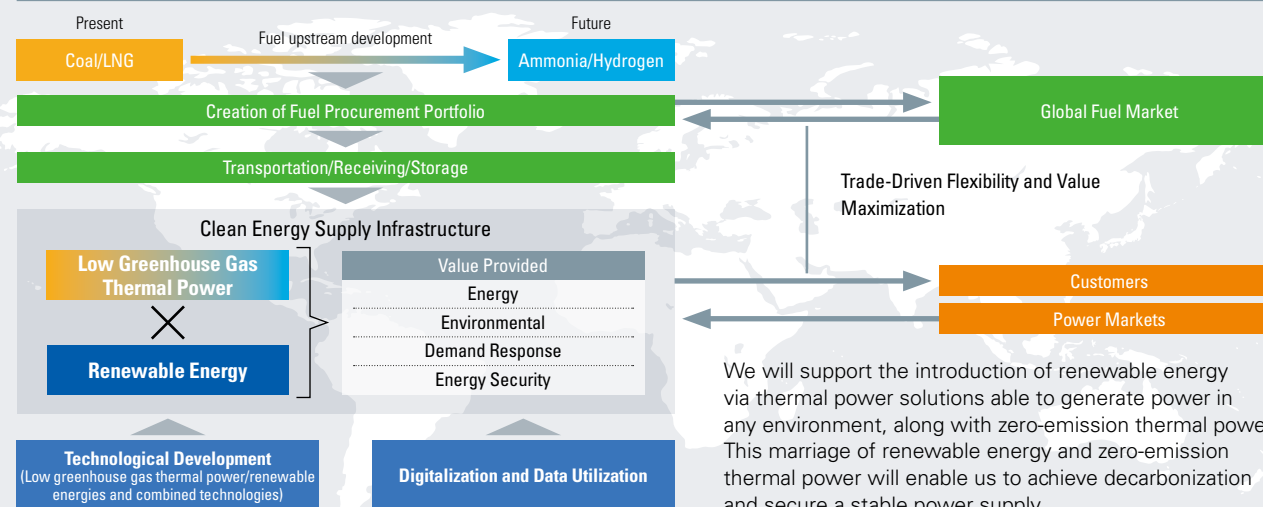
### Mission

To provide cutting-edge solutions to the world's energy issues

### New Corporate Vision for 2035

To scale up its clean energy platform of renewables and low greenhouse gas thermal power, sparking sustainable development in Asia and around the world

JERA's business activities aimed at sustainable corporate value growth and contributing to the creation of a sustainable society



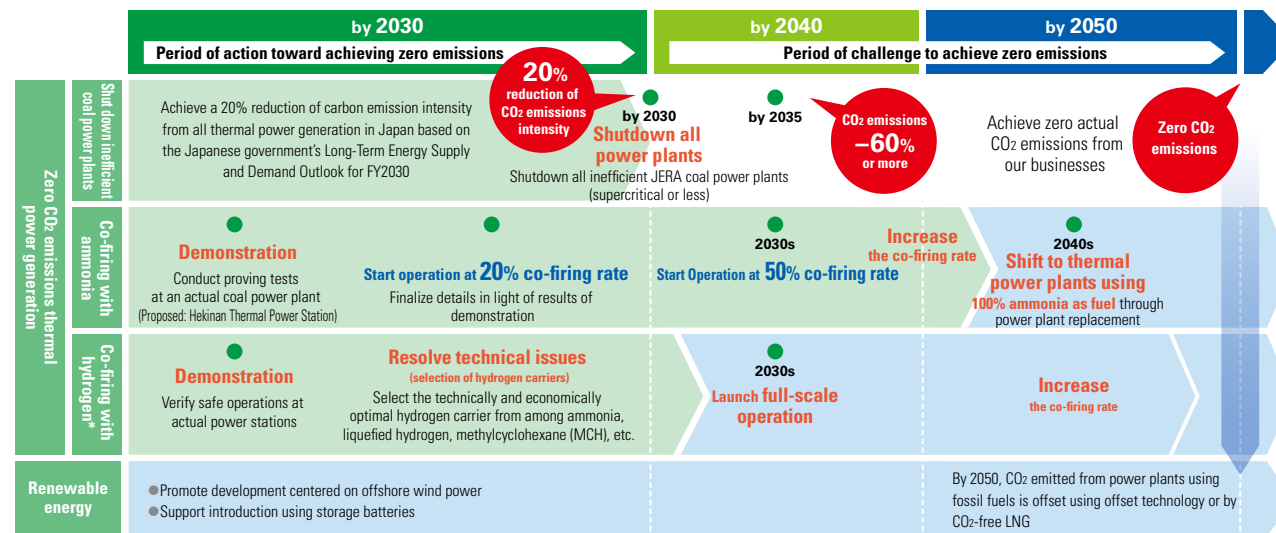


## JERA Zero CO<sub>2</sub> Emissions 2050: Committed to Achieving Zero CO<sub>2</sub> Emissions across Domestic and Overseas Operations

### JERA Zero CO<sub>2</sub> Emissions 2050

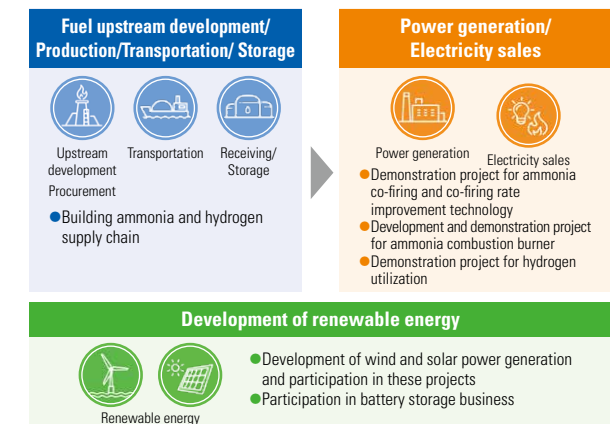
- JERA's mission is to provide cutting-edge solutions to the world's energy issues.
- JERA is rising to the challenge of achieving net-zero CO<sub>2</sub> emissions from its domestic and overseas operations in hopes of creating a more sustainable society for us all.

### [JERA Zero CO<sub>2</sub> Emissions 2050 Roadmap for its Business in Japan]



### [Efforts to achieve zero CO<sub>2</sub> emissions in the value chain]

We participate in the entire value chain from upstream development to transportation, trading, power generation and sales, and collaborate with governments and companies around the world.



This roadmap will be gradually developed in greater detail based on relevant conditions such as government policies. JERA will revise the roadmap when relevant conditions change significantly.

\* The use of CO<sub>2</sub>-free LNG is also being considered.

Excerpt from JERA's FY2023 first quarter financial results materials

### [Main initiatives to Zero CO<sub>2</sub> emissions thermal power generation (an ammonia and hydrogen supply chain)]

Area		Business Partners	Contents	Date
Upstream development/Production		ADNOC (UAE)	Consideration of cooperation in the fields of clean hydrogen and ammonia	July 2023
		PIF (Saudi Arabia)	Consideration of opportunities for the development including green hydrogen production	July 2023
		CF Industries Holdings (USA)	Consideration of project development for blue ammonia production and sales & purchase of clean ammonia	January 2023
		Yara (Norway)		
Transportation		Nippon Yusen, Mitsui O.S.K. Lines	Consideration of transporting fuel ammonia for the Hekinan Thermal Power Station	November 2022
Fuel for power generation Supply/Utilization	Japan	Kyushu Electric Power, Chugoku Electric Power, Shikoku Electric Power, Tohoku Electric Power, Hokuriku Electric Power, Hokkaido Electric Power	Consideration of cooperation in the adoption of hydrogen and ammonia as fuel for power generation	November 2022–June 2023
		Mitsui	Signed an Ammonia Sales and Purchase Agreement for its use in the demonstration project at the Hekinan Thermal Power Station Unit 4	June 2023
	Europe	EnBW (GER), VNG (GER)	Consideration of the development of ammonia cracking technology for hydrogen production	June 2023
	Asia	PTT (Thailand)	Consideration of collaboration on initiatives for expanding the supply chain and usage of hydrogen and ammonia towards decarbonization in Thailand	May 2023
		Aboitiz Power (Philippines)	Consideration of cooperation in studies to decarbonize business and co-firing using ammonia at a coal-fired power plant	February 2023
Technology development (NEDO projects)		NIPPON SHOKUBAI, Chiyoda Corporation	Development of large-scale ammonia cracking catalyst and technology	June 2023

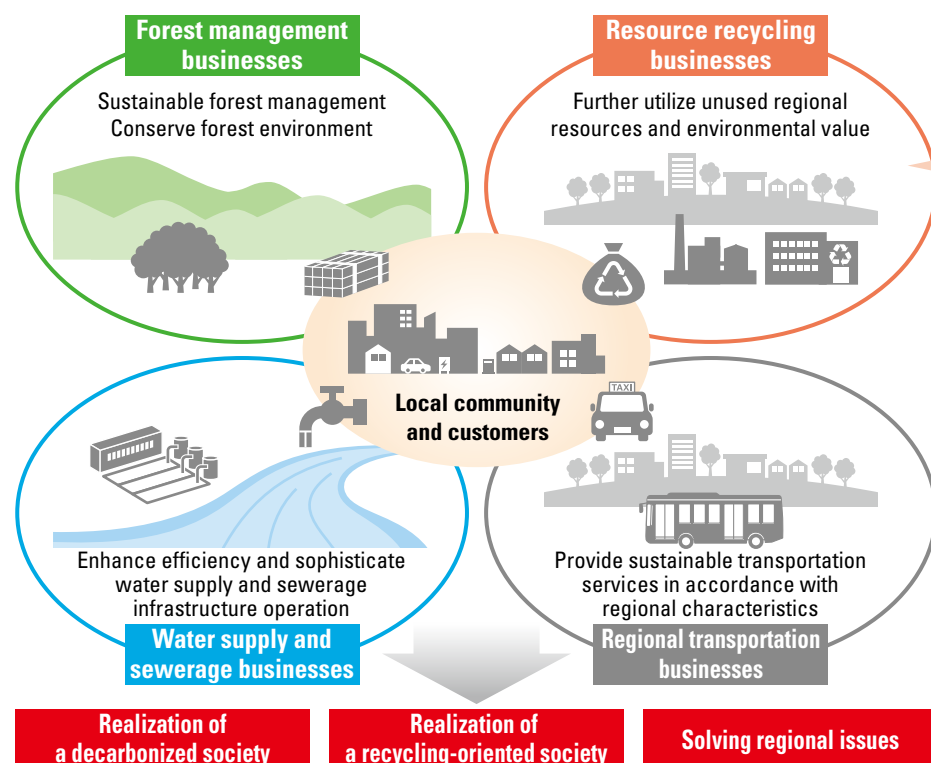
# Undertaking Regional Infrastructure Business

## Undertaking regional infrastructure business

As a company that supports society and the local community, we will work with our various partners to develop regional infrastructure businesses that help strengthen regional foundations, such as resource recycling, water supply and sewerage, regional transportation, and forest management businesses, as we contribute to the rationalization of infrastructure and to solving regional issues as a multi-utility.

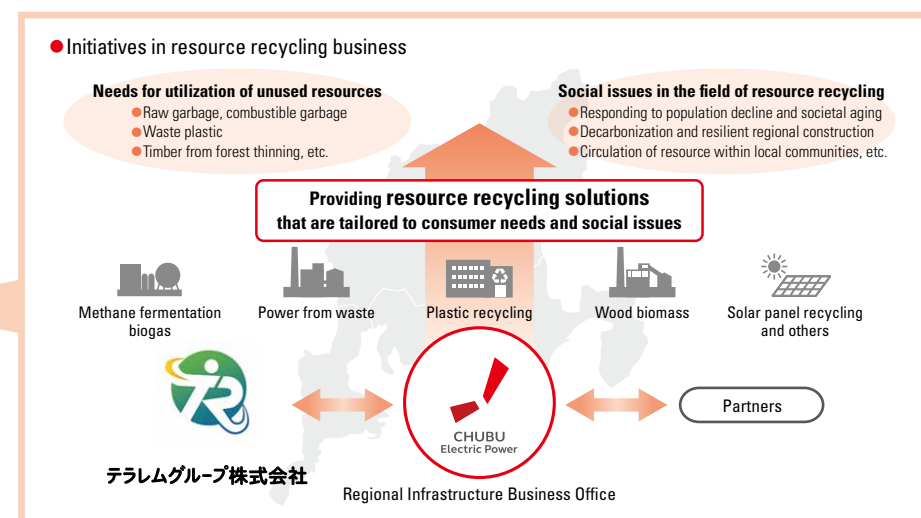
In striving to provide a “new form of community” as set forth in Management Vision 2.0, we will proceed with considerations of businesses that leverage our ties with communities and customers and our know-how in operating infrastructure facilities with the overarching aim of establishing sustainable infrastructure services.

### Areas of regional infrastructure business initiatives and the value we seek to provide



## [Resource recycling business]

In the resource recycling business, in collaboration with local partners and the Terrarem Group Co., Ltd. (former Ichikawa Kankyo Holdings Co., Ltd., corporate name changed in April 2023), in which we have an investment, we aim to quickly commercialize such businesses as power from waste encompassing methane fermentation biogas power as well plastic and solar panel recycling with the aim of effectively utilizing unused resources (waste) of local communities.

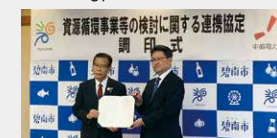


## TOPICS

### Concluding a partnership agreement with Hekinan City for consideration of resource recycling business

On June 2, 2023, Chubu Electric Power signed an agreement with Hekinan City for the purpose of promoting efforts by the public and private sectors to recycle resources and energy. In the future, we will work together to consider the following matters.

- Matters related to construction and operation of waste incineration facilities for the purpose of maximizing the use of biomass generated in the region
- Matters related to local production for local consumption by supplying renewable energy generated by biomass to public facilities within the city



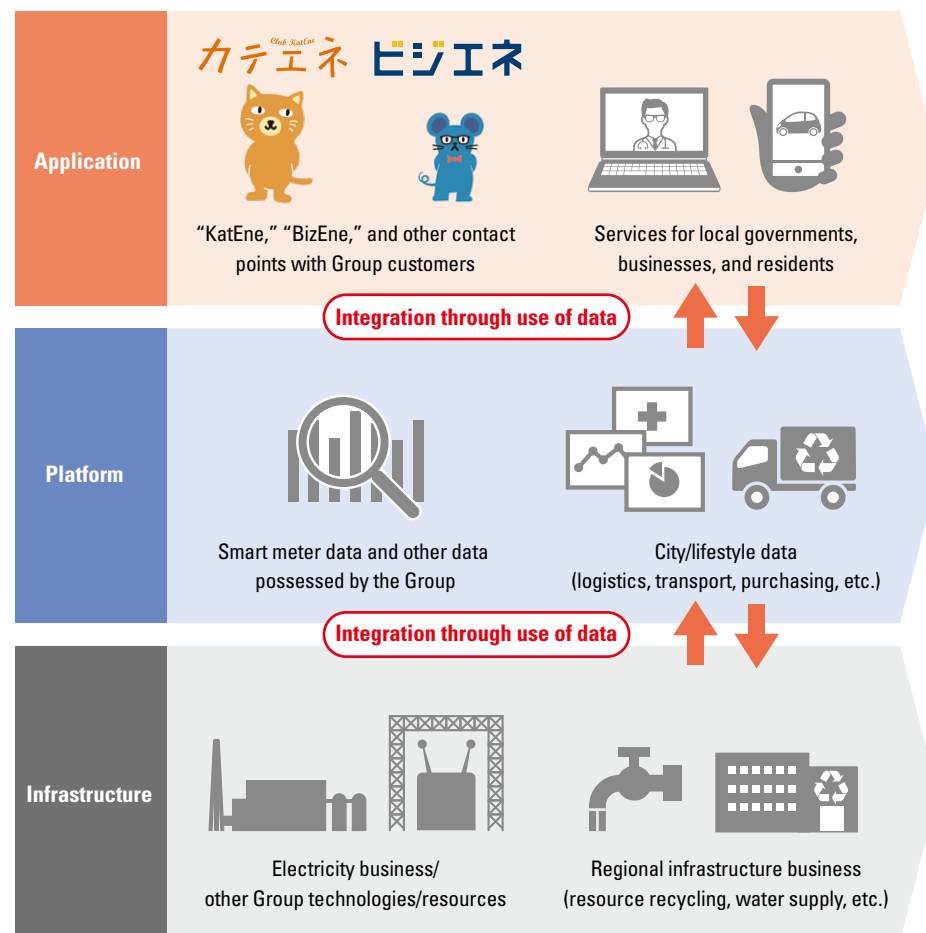
Left: Mayor Negita  
Right: Managing Executive Officer Kamiya

# Contribute to Solving Local Issues and Revitalizing Local Communities

In working to accelerate the expansion of new growth areas, the Chubu Electric Power Group will strive to increase the added value of its services by combining services (application areas) within the Group and deploying synergies with regional infrastructure businesses (infrastructure areas).

We will work with local governments and local residents to co-create and expand services to enable electricity data and government administrative data to be used to solve issues facing local communities and help revitalize these communities.

## Deploy synergies among domains (Management Vision 2.0)



\* Use of personal data is premised on opt-in (prior consent of the individual)

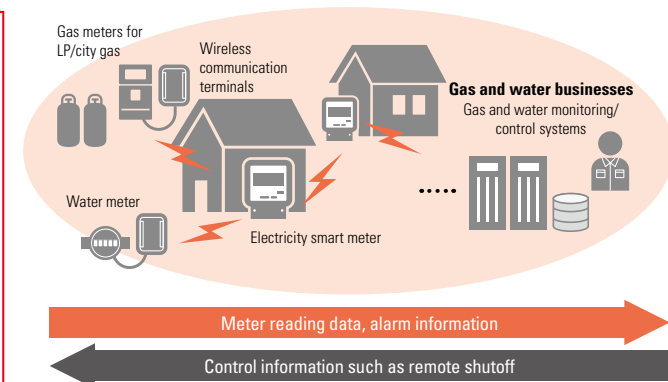
## Services that utilize electricity data, water and gas meter reading

### Commercialization through specialized subsidiary (Chuden Telemetering LLC.)

**First in Japan**  
(former general electric utility)

#### Main services

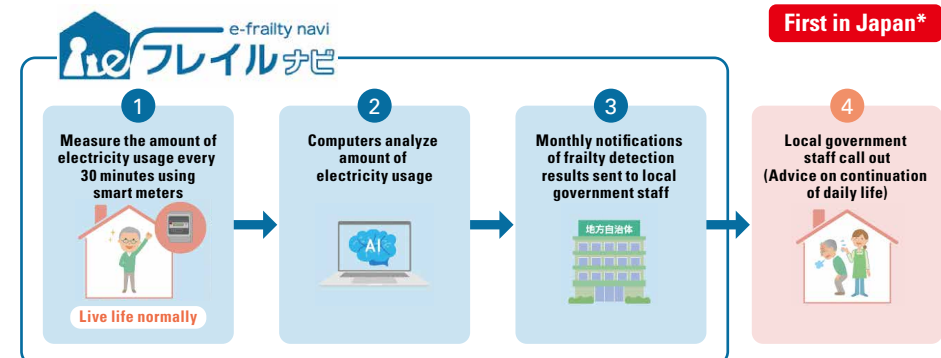
- **Automated Meter Reading**  
(Remote acquisition of meter reading values)
- **Remote acquisition of alarm information**  
(Remote acquisition of alarm information such as for gas leaks and water leaks)
- **Remote control of meters**  
(Implement remote gas setting, remote shutoff, and restoration)



Contribute to the sophistication of meter reading and safety operations. Also focus on personal protection and asset management through data utilization

### Began providing "e-Frailty Navi," a frailty detection service for local governments

**First in Japan\***



\* Japan's first service that detects frailty using electricity data



## | MESSAGE |

**Furuta Shinji**

Senior Managing Executive Officer  
General Manager of Secretarial Services Office, Safety & Health Promotion Office and Business Service Division

## Providing an environment where diverse human resources can exert their capabilities and boldly take up challenges

For the Chubu Electric Power Group, the growth and active roles of employees are most important in continuously contributing to the sustainable growth of local communities and society amid drastic changes in the business environment. We also believe that the value of a company is determined by its people.

Accordingly, the Group will work to create systems and an environment, which will enable each and every human resource to fully exert his or her capabilities depending on a particular life event or during a certain career stage, and which will also allow both the Company and employees to grow together and enhance each other.

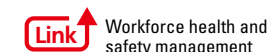
It is also our belief that efforts related to safety, health, diversity, equity and inclusion (DE&I) and workstyles are indeed the investments for attaining corporate growth and increasing employees' motivation at work. By accelerating these efforts, we will create an environment where diverse human resources can take active roles.

In order to provide an environment where diverse human resources explore their own careers and voluntarily take up related challenges, we will implement various measures with the keyword of 3Cs, namely Chance, Challenge and Change.

# Creating an Environment Where Diverse Human Resources Can Take Active Roles

Along with efforts concerning safety and health, which are top priority matters in corporate management, we are implementing a range of measures in relation to DE&I and workstyles under the approach of making proactive investments for attaining further corporate growth and increasing employees' motivation at work.

## Workforce health and safety management



### [Safety and Health Declaration]

The Basic Safety and Health Policy articulates Chubu Electric Power's policy to create a better environment so that our work colleagues, including our subcontractors, can devote themselves to their work in a safe and healthy way and work actively. Under the Basic Policy, we have formulated the Safety and Health Principles of Action as a specific code of conduct for executives and employees to foster a corporate culture and workplace atmosphere, which value people.

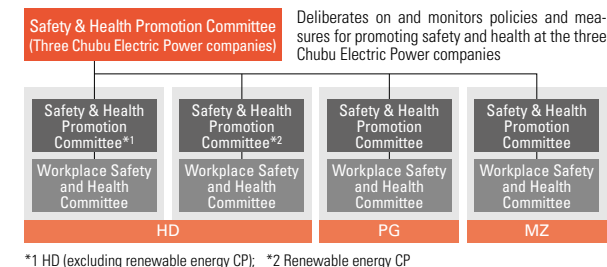
#### Chubu Electric Power Group Basic Safety and Health Policy

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

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

### [Structure to promote safety and health activities]

In order to foster a culture of safety and promote health management, we hold a meeting of the Safety & Health Promotion Committee on a periodic basis. As key goal indicators (KGIs) shared among the three Chubu Electric Power companies, we have selected "zero fatal industrial accidents" and "improvement of absenteeism and presenteeism" and set a quantitative target for each to monitor the status of achievement and progress in implementing related measures at each company. The Safety and Health Committee of each business company also formulates targets and action plans and implements a plan-do-check-act (PDCA) cycle.



### [Providing safety and health training]

Senior management, as leaders for fostering a culture of safety and promoting health management, have been receiving safety and health training by outside specialists. In FY2022, 16 executives participated in the program that spanned over the period of six months and undertook safety and health initiatives while setting targets by themselves.

For heads of the departments who are the key persons for safety and health activities in each workplace, we provide workshop-style training designed to raise awareness, encourage behavior change and instill the Safety and Health Principles of Action in the workplace. In FY2022, 790 department heads attended the training. Additionally, we are enhancing rank-based safety and health training for employees holding managerial positions, new employees and others.

## Initiatives related to safety

### [Support for safety activities]

Safety specialists who have received specialized training visit each workplace of the three Chubu Electric Power companies, systematically monitor the status of their safety activities and safety management through document checks, on-site inspections and interviews and feed back to each workplace its strengths and shortcomings that need to be improved. Each workplace voluntarily works to make sustained improvements based on these data. Matters that require company-wide response are communicated to the relevant departments of each company for improvement.



Workplace interview

### [Preventing recurrence of industrial accidents]

Upon the occurrence of an industrial accident, safety specialists will check the accident site, question the relevant departments and provide support for everything from the investigation of the root cause to formulation of countermeasures. In this way, we are working to prevent the recurrence of the same or similar accidents.

### [Safety contests]

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

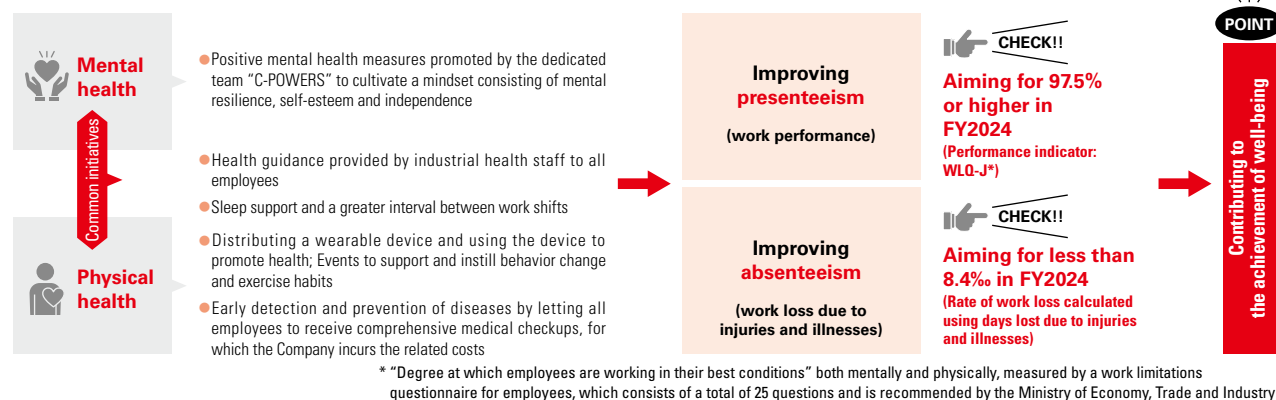


FY 2023 safety contest

## Initiatives related to health

### [For achieving well-being]

- With a conviction that all work colleagues "will remain healthy throughout our lives," Chubu Electric Power has been promoting health management and striving to create an environment where employees can remain healthy both physically and mentally and work with vitality so as to increase motivation at work and performance and ultimately enhance corporate value.
- We seek to achieve well-being by supporting all employees both physically and mentally regardless of their age, gender or job category.



### Health promotion using a wearable device



### Sleep-support measures

- Training on the importance of sleep and improving related literacy
- Setting work shift interval targets



### Health education to new employees

- Providing health education from when joining the Company in order to reduce the future health risk of younger generations
- Industrial health staff members serving as lecturers to teach basic knowledge on exercise, diet and sleep and also providing individual health guidance



### Initiatives for early detection and prevention of diseases

- Letting all employees to receive comprehensive medical checkups, for which the Company incurs the related costs
- Providing health guidance by about 50 industrial health staff members throughout the Company to all employees





## Initiatives related to diversity, equity and inclusion (DE&I)\*1

### [Promoting employment of persons with disabilities]

Including those working at our special subsidiary Chuden Wing Co., Ltd., about 350 persons with disabilities are working in our Group in various fields (as of June 2023). Those employees of Chuden Wing pick up and deliver internal mail, clean buildings, maintain and manage flowerbeds and run a cafeteria, Wing Cafe, within the Headquarters building of Chubu Electric Power.

We also opened the Chuden Wing Farm in November 2022 to grow strawberries as an effort to develop business in new fields.



Employees with disabilities picking strawberries

### [Women's active roles and balancing work with childcare]

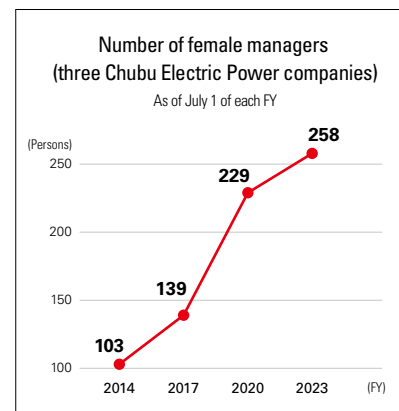
In order to promote an increase in the number of female managers and engagement of male employees in childcare, we have been undertaking relevant activities, such as providing training to promote the career formation of women and engagement of men in housework and childcare, and offering childcare and nursing care leave systems, among others.

Management targets  
related to women's  
active roles and  
childcare

- **More than triple** the number of female managers in FY 2025 compared to FY2014
- Achieve the percentage of male employees taking childcare leave of **100%** in FY2025\*2

### Enhancing systems for childcare

With the aim of realizing an even higher degree of life-work balance by balancing work with childcare, we have newly established a childcare leave system for a better life-work balance that provides support in excess of the legally required parental leave. We also permit employees to work during the parental leave.



### [Supporting active roles of re-employed retirees]

To flexibly respond to the job content that is changing with the times, we support re-employed retirees in gaining new capabilities and skills, such as IT literacy, so that they can cultivate diverse capabilities.

We also have in place a system to evaluate in details their willingness for voluntary learning and the progress in cultivating a new capability through the learning to help them grow and take active roles.

## Initiatives related to workstyles

### [Flexible workstyles]

We have revised our existing systems and introduced new systems to enable individual employees to choose a flexible workstyle suited to an environment in which they are working.

More specifically, we have updated our flextime system by removing its core time requirement and allowing employees to work intermittently. Other systems include: a teleworking system, which allows employees to work outside the office, including home and business trip destinations; and daily life support leave system, in which employees accumulate unused portions of their annual paid leave for attending on a sick family member, nursing care or participating in a school event.

Of these systems, 77.6% of all employees used the teleworking system during FY2022.



Using a system to work from home

### [Welfare programs]

In order to support the foundation of living of employees and their families, we have dormitories for unmarried employees, offer property accumulation support measures, such as various saving programs, and operate employee shareholding association and other systems.

Moreover, in responding to diversifying ways of family and lifestyles, we have added flexibility and enhanced our welfare program, from which employees can choose ones they prefer, including rent subsidy and other housing-related measures, a cafeteria plan and services provided by specialized welfare service companies. By doing so, we provide an environment where employees engage in work with a sense of security.

For dispatched workers and other non-regular employees, we also provide company cafeterias and subsidies for participating in social gatherings in the workplace.

\*1 DE&I is a concept to incorporate diversity, equity and inclusion and create an environment where diverse human resources respect each other and exert their capabilities to the fullest under equal opportunities.

\*2 Percentage of male employees taking childcare leave and short-term leave for childcare as stipulated in the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members



# Providing Opportunities and Support to Employees Who Meet the Challenge of Self-transformation

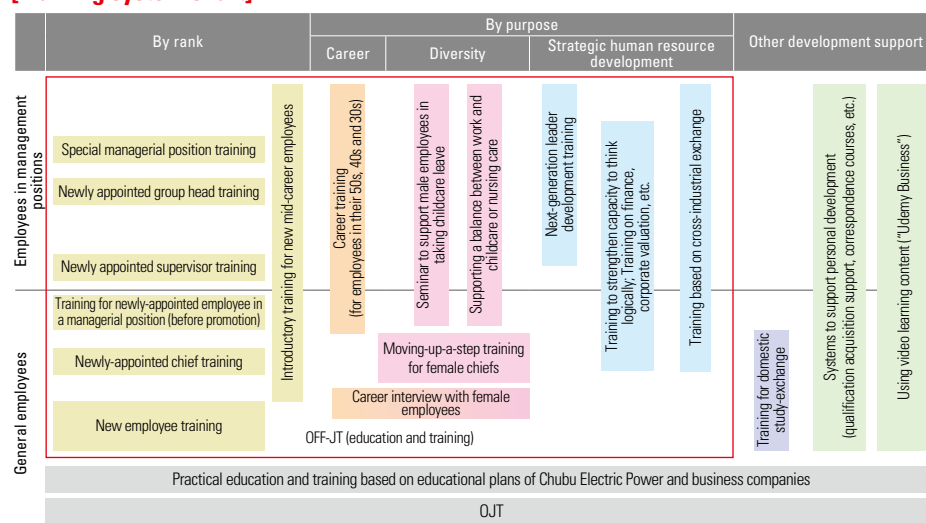
In order to create an environment where diverse human resources can explore their own careers, voluntarily take up challenges and outpace and be more active than their predecessors, we are implementing a range of measures based on the keyword of 3Cs, namely Chance, Challenge and Change.

## Chance (Create a chance)

Chubu Electric Power proactively makes investment in human resources development, such as training and personal development, to encourage employees' self-growth.

Human resources development cost per person  
FY2022: **95,000 yen** ▶ FY2023: **120,000 yen**

### [Training system chart]



In addition to training by rank, which is designed to encourage changes in the thinking and behavior matched to positions, we offer training by purpose to support employees who are exploring their own careers and self-transformation and taking up challenges accordingly.

#### ● Next-generation leader development training

We are continuously nurturing next-generation leaders who can foresee what value Chubu Electric Power should provide from a long-term perspective and can formulate and execute a new strategy amid a drastic change in the business environment.

#### ● Newly-appointed supervisor (coaching) training

We provide training for supervisors on coaching skills so that they can nurture and support employees while encouraging their independence.

#### ● Moving-up-a-step training for female chiefs

We provide training for female employees to raise awareness and cultivate skills necessary for taking active roles as a leader of an organization.



Next-generation leader development training

### [Personal development support]

In FY2022, we introduced an online learning service for all employees to help them achieve self-directed career development. Additionally, we have enhanced various systems designed to help employees to acquire qualifications and skills, which are highly related to our operations, and are proactively making investment in human resources.

#### Systems for personal development

- Using video learning content ("Udemy Business")
- Qualification acquisition support
- Taking external correspondence courses
- Group activities to hone operational skills



Developing Human Resources



Learning by using "Udemy Business"

### [Supporting self-directed career development]

Besides holding career consulting interviews, we will extend the target group of our career training from 52-year old employees to 30- and 40-year old employees, with the aim of enabling them to recognize the assigned role and the organization's expectations placed on them and then develop career themselves to realize a self-directed working life (in terms of a workstyle and lifestyle).

### [Increasing transfers through internal job posting systems]

In addition to the conventional project-based job posting system, we have introduced a "My Career" job posting system (for routine transfers) in FY2023 as an effort to respond to employees' willingness to take up challenges. We posted 42 posts in routine transfers during the summer of FY2023 and plan to gradually increase the number of applicable posts in the future.

#### Target

Using internal job posting systems for internal transfers: 300 posts (FY2025)



Providing opportunities and support to employees who meet the challenge of self-transformation

## Challenge (Boldly take up challenges)

### [Engagement]

As an initiative to foster a culture where the Company and employees work together toward the achievement of our Management Vision 2.0 (Vision 2.0), we launched an engagement survey in FY2022 to confirm the status of the relationship between employees and the Company.

Based on the survey results, we hold a workshop for heads of departments and workplaces to implement initiatives for resolving the workplace issues thus identified as well as actions for instilling Vision 2.0.

First survey (FY2022)  
results

**“BB” rating**

\*Fifth from the top out of the 11 ratings



**Target**

FY2025

**“A” or higher rating**

\*Third from the top out of the 11 ratings

\* Using an engagement survey provided by Link and Motivation Inc.

### Engagement is the driving force in achieving our Vision 2.0

Achieving Vision 2.0 requires employees to relate to the vision, think of it as their own matter and take action accordingly. This will consequently facilitate the growth of each employee, which in turn will lead to the provision of value to customers and society, and ultimately, the achievement of Vision 2.0.

Engagement, I believe, is the driving force for rotating this cycle.

And ideally, we envision a state where employees relate to the vision and the meaning of existence of Chubu Electric Power, choose to continue working at Chubu Electric Power and find the work rewarding.



Ushijima Akihiro  
General Manager of Human Resource Strategy Office and Human Resources Center, Business Service Division

## Change (Achieve transformation)

### [Recruitment activities]

#### Regular recruitment

We recruit diverse human resources, who strongly emphasize with the corporate philosophy of Chubu Electric Power, have high aspirations and a spirit to continue taking up challenges toward the realization of the philosophy and are capable of leading the future, on a stable and regular basis.

As part of our recruitment activities, we hold briefing sessions and tours of various facilities to let participants to understand and experience our mission in more specific terms.

We are also active in hosting an internship program. By providing opportunities for students to understand the Chubu Electric Power Group's business and actually experience work related to their specialized fields and future careers, we are working to encourage them to gain a high level of professional awareness.



Internship (facility tour)

#### Mid-career recruitment

Chubu Electric Power has been witnessing an expansion of new growth areas, such as offshore wind power and other renewable energy business, global business and more accelerated promotion of DX. To swiftly and steadily respond to such changes in the business environment, we are proactively recruiting work-ready human resources with business experiences in diverse fields, including electricity business, under our mid-career recruitment scheme.

In April 2023, we introduced a specialist employee system for those mid-career employees having advanced and specialized knowledge or skills. Based on the job description that specifies job content and expected outcome, the system sets job grades, based on which to evaluate them and determine their remuneration.

**Target**

Percentage of mid-career employees among the number of persons employed  
20% (FY2025)

● Number of mid-career employees employed

\* Plan for FY2023

FY	2018	2019	2020	2021	2022	2023
Number employed	3	8	31	53	72	160

### [Evaluation system]

#### Feeding back performance evaluation results

We conduct detailed evaluations of capabilities of individual employees and their degree of contribution to the Company's business results. While feeding back the results from supervisors to employees, we also provide opportunities to facilitate communication for employees' further growth.

#### Multifaceted evaluation

To boldly take up the challenge of responding to changes in the business environment, it is important for employees in management positions, who are at core of the workplace, to conduct human resources management that can lead to sustainable growth of both an organization and people. As a means of supporting such management, we conduct multifaceted evaluation to help them hone their management capabilities.



## COLUMN

## Special Feature | Stakeholder Engagement – Proactive Dialogue with Stakeholders –

## Direct Dialogue between Management and On-site Employees

Since FY2011, executives have visited the business sites of three Chubu Electric Power companies\* to engage in direct dialogue with employees. Most recently (September 2022 to June 2023), management visited all business sites. Based on the theme of current management issues, on-site employees and executives mutually shared their awareness of contributing to customers and society.

Specifically, on-site employees and executives exchanged opinions about a wide range of themes. These included questions and opinions employees have about business activities; opinions of customers and residents of local communities regarding electricity rates and the Hamaoka Nuclear Power Station; and company measures such as for safety and health.

Direct dialogue with management provides employees with a valuable opportunity to increase their work motivation and gain new discoveries and awareness.

\*Chubu Electric Power, Chubu Electric Power Grid, and Chubu Electric Miraiz



An opinion exchange meeting between President Hayashi and on-site employees

## Enhanced Dialogue with Capital Markets

To promote constructive dialogue with shareholders, Chubu Electric Power's president, vice president, external directors, and other executives take every opportunity to engage in dialogue with shareholders.

Looking ahead, we will continue working to improve disclosure utilizing findings obtained through dialogue.

## [Dialogue results (FY2022)]

- Individual interviews: 98 with domestic institutional investors, 53 with overseas institutional investors, 56 with analysts etc.
- Financial results and management plan briefings: 4 times (domestic and overseas institutional investors)
- Tours, business briefings, etc.: 3 times (domestic and overseas institutional investors)

## [Feedback to management]

- Board of Directors: Shareholder feedback provided once per year
- Others: Details of dialogue with external directors are fed back to Board of Directors meeting every time such dialogue is held, etc.

## [Dialogue themes/interests]

Items	Matters of interest
Management Strategies	<ul style="list-style-type: none"> <li>● Take approach of emphasizing capital efficiency (ROE, ROIC, etc.)</li> <li>● Initiatives for raising PBR</li> </ul>
Financial Related	<ul style="list-style-type: none"> <li>● Countermeasures for early recovery of profit level</li> <li>● Progress and impact on profits of strategic investments</li> </ul>
ESG	<ul style="list-style-type: none"> <li>● Disclosure of specific information for achieving decarbonization targets</li> <li>● Efforts to increase the ratio of female directors/managers and the ratio of external directors</li> <li>● Facts about compliance events, compliance countermeasures</li> </ul>

## [Improvements through Dialogue]

- Focus on enhancing quantitative and specific disclosure in TCFD disclosure
- Added environmental skills to skill matrix ("Technologies Contributing to Electric Power Supply and Environment")
- Conducted individual interviews in accordance with requests for dialogue with external directors from capital markets

## [Implementation status of dialogue with shareholders (details)]

[Link](https://www.chuden.co.jp/ir/ir_taiwa/) [https://www.chuden.co.jp/ir/ir\\_taiwa/](https://www.chuden.co.jp/ir/ir_taiwa/) (Japanese version only)



# Respect for Human Rights

## Revision of the Chubu Electric Power Group Basic Human Rights Policy

As companies' influence over human rights increases in line with business globalization, a call for greater efforts on the side of companies to respect human rights has become stronger in the international community. In response, the Chubu Electric Power Group revised its Chubu Electric Power Group Basic Human Rights Policy in July 2023.

In accordance with the Basic Policy, we will further promote our initiatives for respecting human rights, including human rights due diligence.

### Chubu Electric Power Group Basic Human Rights Policy (excerpt)

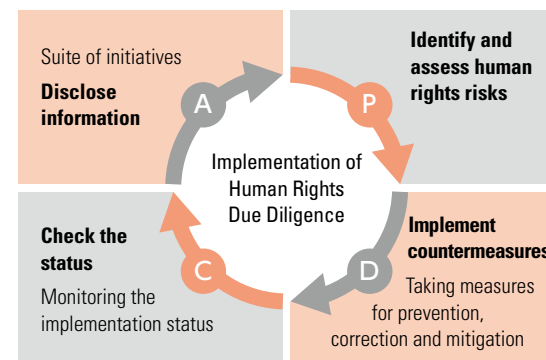
- **Respect for internationally recognized human rights**
  - We support and respect international norms, including the International Bill of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work.
  - We practice the United Nations' Guiding Principles on Business and Human Rights.
- **Responsibility to respect human rights and attitude to ensuring legal compliance**
  - We comply with laws and regulations of countries and regions where we do business.
  - We respect international norms and principles concerning human rights when internationally recognized human rights are not appropriately protected in the said countries or regions.
- **Scope of Human Rights Policy**
  - This Basic Policy applies to Chubu Electric Power and its consolidated subsidiaries.
  - We encourage this Basic Policy to business partners, including suppliers.
- **Commitment to Specific Human Rights Issues**

We prohibit discrimination, harassment, human trafficking, forced labor or child labor in any form; respect the freedom of association and the right of collective bargaining; promote diversity, equity and inclusion (DE&I); support ensuring a minimum wage and living wage; appropriately manage working hours and reduce excessive working hours; ensure healthy and safe workplace and working environments; protect personal information and privacy; and protect the environment of the local communities.
- **Implementation of Human Rights Due Diligence**
- **Remedy and Redress**
  - We establish reporting desks both internally and externally, which are available to employees, suppliers and other business partners and local community members.
- **Dialogue and Discussion**
  - We hold dialogue and discussion with relevant stakeholders.
- **Human rights Education and Training**
- **Disclosure of Information**

## Exercising human rights due diligence

We exercise human rights due diligence in accordance with the Chubu Electric Power Group Basic Human Rights Policy. We identify and assess related human rights risks in the Chubu Electric Power Group's business model encompassing the supply chain, and specify human rights risks of higher priority. By doing so, we are working to ensure the respect for the human rights of employees, people involved in our supply chain and other stakeholders.

### Implementation of Human Rights Due Diligence



### Human rights education and training

We provide the following education and training to employees.

Main education/training	Results
Training by rank on human rights awareness and prevention of harassment	About 754 employees participated
Participating in external human rights and other seminars	About 30 times
Establishing the Companywide Human Rights Education Committee and holding a lecture on human rights	Lecture: Regularly once per year

### Setting up a mechanism for handling complaints

We have set up internal and external inquiry and whistleblowing contact points to appropriately respond to issues related to human rights. Upon receiving a report of a possible human rights violation, we swiftly conduct an investigation and take measures to correct any negative impact on human rights.

- Number of inquiries and reports

Number of inquiries/reports made to our human rights contact points in FY2022:

**31**

### Initiatives in the supply chain

Each year, we conduct a questionnaire survey on our key suppliers to monitor the status of their CSR and ESG efforts, including human rights, and to identify human rights risks in the supply chain.

(Details on [P68](#))

# CSR-conscious Procurement

Under the Chubu Electric Power Group Basic Procurement Policy consisting of six rules, including “total compliance” and “safety assurance,” the Chubu Electric Power Group conducts procurement activities while giving consideration to CSR in general, along with ensuring quality and reducing procurement costs.

For business partners, we have formulated “Supplier Code of Conduct” to promote the said policy and have been working to publicize and instill it through various opportunities.

[Link](#) Supplier Code of Conduct

## Promoting CSR-conscious procurement jointly with business partners

The Chubu Electric Power Group actively discloses information to its business partners and strives to enhance communications with them. At the beginning of each fiscal year, we hold procurement overview briefing sessions to explain CSR-conscious procurement practices, such as management initiatives and efforts to ensure thorough compliance, in addition to disclosing relevant information, such as procurement plans. (330 companies participated in FY 2022.)

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



[Link](#) Declaration of Partnership Building (Japanese version only)

## CSR and ESG survey for business partners

The Chubu Electric Power Group has been working jointly with its business partners to promote CSR- and ESG-conscious procurement for the ultimate goal of establishing a sustainable supply chain.

In FY2022, we conducted a survey on the status of CSR and ESG efforts of about 345 key business partners and confirmed that there is no significant risk in the supply chain. As an effort to identify and reduce various risks, we also share the survey results with these business partners.

We will continue to conduct the survey and cooperate with our business partners to strengthen CSR and ESG efforts throughout the supply chain.

### Check items: Total of 80 items in 8 fields

- |   |  |                      |
|---|--|----------------------|
| • Governance                              | • Information management                             | • Quality and safety |
| • Compliance and prevention of corruption | • Safety and health                                  | • Risk management    |
| • Human rights and labor                  | • Environment and coexistence with local communities |                      |

## Educating and instilling the policy within Chubu Electric Power

Chubu Electric Power provides various types of training for employees engaging in procurement operations to thoroughly instill the Chubu Electric Group Basic Procurement Policy and ensure compliance with relevant laws and regulations as well as corporate ethics. In working to prevent corruption and improve its partnerships, we also conduct self-checks and business partner questionnaire surveys on the behavioral attitudes of our employees toward business partners.

### Chubu Electric Power Group Basic Procurement Policy

#### 1 Total Compliance

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

#### 2 Safety Assurance

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

#### 3 Mitigate Environmental Burden

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

#### 4 Open Door Policy

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

#### 5 Fair and Honest Procurement

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

#### 6 Work in Partnership

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

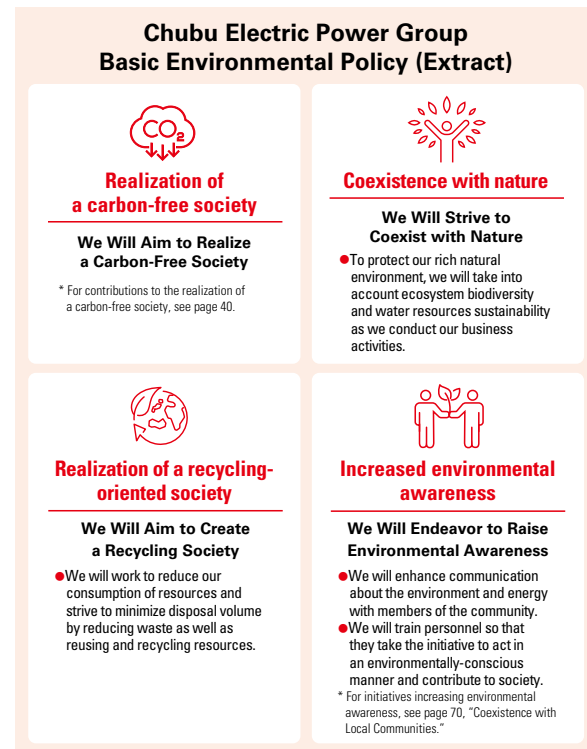


# Practice of Environmental Management

**Link** Environmental Initiatives of Chubu Electric Power Group  
(Japanese version only)

The Chubu Electric Power Group aims for sustainable growth as a total energy service corporate group that is one step ahead by providing safe, affordable, and stable energy of high quality with consideration for the environment as well as a new form of community through the establishment of community support infrastructures.

To achieve these goals, the Chubu Electric Power Group will practice appropriate environmental management, and each and every one of our employees shall exercise discipline and act in an environmentally conscious manner. We will contribute to the sustainable development of society through implementation of initiatives in all aspects of energy value chain aiming to achieve a carbon-free and recycling-oriented society that is in harmony with nature.



## Biodiversity

We are committed to the conservation of biodiversity through consideration of ecosystems in our business activities and efforts in technological development and research.

**Goal** Ensure ongoing efforts to conserve ecosystems

- **Environmental assessment:** When executing a project, we investigate, estimate and assess its impact on the environment in accordance with relevant laws and regulations and implement appropriate environmental conservation measures while listening to opinions of local community members.
- **Protection of rare plant species and raptorial birds:** During construction projects involving power transmission lines and substations, we implement strategies to prevent the loss of rare plant species. This includes relocating plants and reducing the construction footprint. Furthermore, we modify construction procedures and helicopter flight paths to protect raptorial birds. Upon project completion, our efforts extend to rejuvenating the natural environment in the vicinity, with the goal of minimizing the impact on ecosystems.
- **Development of conservation technology for endangered species:** We have taken measures to protect endangered species such as the Aconitum kiyomiense, a flowering plant found on our company-owned lands and in the vicinity of power facilities. Our efforts include gaining insights into their physiology and ecology, developing propagation techniques, and implementing active conservation measures.
- **Control of invasive species:** We have established a chemical spraying program to gradually reduce and eradicate the specific invasive species known as burr cucumber. Additionally, we participate annually in the removal of invasive Phyllostachys edulis bamboo at green spaces owned by the city of Nagoya.



Kiyomi-torikabuto  
(Aconitum kiyomiense)

## Water resources

We are committed to the sustainable management and efficient utilization of water resources.

**Goal** Minimize water usage in our offices

- **Water conservation in offices and increased employee awareness of water conservation:** We work to raise water-saving awareness of employees and reduce water use by proactively introducing water-saving sanitary equipment as a measure to save water and by calculating and visualizing the amount of water used by each employee.

**Goal** Minimize environmental impact through responsible water resource utilization

- **Forest preservation activities including the protection of watershed protection forest:** We are engaged in activities to preserve Uchigatani Forest and other forests.
- **Appropriate use of water through dam operations:** In conducting hydro-electric power generation, we implement measures against turbid water and conduct dam discharge to keep the required river flow volume, and by doing so, work to ensure the cleanness of river water, maintain river channels and ultimately conserve riverine environments.

## Recycling-oriented society

We promote resource conservation, waste reduction, and the reuse/recycling of resources to minimize disposal.

**Goal** Achieve a recycling rate of over 95% for industrial and other waste

- **Recycling rate of industrial and other waste: 97.3% (FY2022)** We have been working to recycle more industrial waste, recycling 95% or more of the waste we generate.
- **Disposal of PCB waste (hazardous waste): 1,601 tons (FY2022)** We are systematically and responsibly progressing with proper disposal.
- **Response to the Act on Promotion of Resource Circulation for Plastics:** Our corporate uniforms are made of synthetic fibers, and upon disposal, they are classified as "waste plastics." After use, the uniforms are transformed into refuse derived paper and plastics densified (RPF) fuel at Terrarem Group Co., Ltd., a company in which we hold a capital stake. This RPF fuel is sold as an alternative to coal and is utilized in biomass power plants and other applications.
- **Reuse of clearance metal:** We are actively pursuing the reuse of clearance metals generated during the decommissioning of the Hamaoka Nuclear Power Station Units 1 and 2. Currently, in collaboration with local businesses, we are processing these metals into metal covers for gutters.



An example of the reuse of clearance metals

**Link** Chubu Electric Power Group Basic Environmental Policy

\*\*"Clearance metals" refer to metals from radioactive waste generated during the decommissioning or operation of nuclear power plants, which have low levels of radioactive substances and pose minimal health risks to humans. These metals have been approved and confirmed by the government to be reused or disposed of as regular waste.



# Coexistence with Local Communities

Based on the Basic Corporate Citizenship Policy of the Chubu Electric Power Group, which outlines our beliefs on group-wide social contribution activities, we are engaged in many different activities focusing on four fields:

**Ensuring safety and security in local communities; environmental preservation; education of the next generation; and cultural and sport activities.**

By **creating synergy together with business activities** in implementing social contribution activities, **we aim to maximize the values we can offer to our stakeholders.**

## Ensuring safety and security

### ●Mimamori pole

Chuden KuraBis Co.,Ltd. provides a service that installs cameras on utility poles to monitor local areas and customer premises (crime prevention and monitoring in public spaces, monitoring of premises and buildings managed by customers).

#### [Connection with business activities]

By responding to the need for affordable and easy-to-implement crime-prevention measures in the local community, we will contribute to safe and secure living in the region and realize commercialization.



## Environmental preservation

### ●Green curtains

Since 1992, we have been undertaking a campaign to distribute seeds of climbing plants to customers to grow so-called green curtains. Through efforts to save energy and power in the summer using the powers of nature, we promote the greening of communities and raise awareness about global warming countermeasures while also reducing power consumption.

#### [Connection with business activities]

Contribute to stable supplies by reducing power consumption in summer



## Education of the next generation

### ●Electricity Museum

The museum is a plaza for enjoyably learning about science and electricity. It is a base for the sharing of information about science, electricity, energy and the environment.

Visitors in 2022: 157,863 persons



#### [Connection with business activities]

Promote understanding of Chubu Electric Power and the energy business, mainly for the next generation

### ●On-site Lectures on Intellectual Property

At Gifu Prefectural Industrial High School (Gifu City), employees provided lectures on intellectual property. Employees provided an overview of Chubu Electric Power's intellectual property rights and introduced our patents.



#### [Connection with business activities]

Promote an understanding among the next generation of intellectual property in the energy business

## Cultural and sport activities

### ●Club and circle activities

Each sports club in the Chubu Electric Power Group participates in local sports classes and events and interacts with event participants. Through these activities, we contribute to the local community by conveying the appeal and fun of sports and promoting the development and spread of sports activities.



Boat class

#### Examples of activities

- One-day chief of Nagano-chuo Police Station (**Curling club**)
- Boat class at a sporting event in Nagoya City (**Boat club**)
- Rugby class with a local club team in Seki City, Gifu Prefecture (**Rugby club**)

## Industry-academia collaborations

Through industry-academia collaboration in various fields, we build and maintain relationships of trust with community members and contribute to the sustainable development of local communities.

#### Examples of activities

- Vitalization of retail outlets selling farm fresh produce (**Meijo University**)
- Establishment of two endowed research divisions to promote research, engaging in human resources development and disseminating information to local communities (**Nagoya University**)
- Collaborative class on energy (**Aichi University of Education**)
- Guidance and development of students who will become next-generation engineers (**AICHI INSTITUTE OF TECHNOLOGY**)
- Joint research in a wide range of fields, such as early response to disasters (**Shizuoka University, University of Shizuoka, Hamamatsu University School of Medicine**)

- Collaboration with students aiming to become next-generation regional leaders who are capable of solving regional issues (**Gifu University**)
- Use of a wearable device to prevent accidents of agricultural workers (**Mie University**)
- Experimental study on commercialization of biomass power generation using untapped resources (**Shinshu University**)
- Joint research on establishment of a system to provide a watch service for in-home patients and use various data in daily lives in medical fields (**Keio University Hospital**)



Cooperation with Gifu University: Initiatives to eliminate unsafe areas around a school in cooperation with a local elementary school

Dialogue between the Chairman of the Board of Directors,  
an External Director and an External Corporate Auditor  
Katsuno Satoru, Chairman of the Board of Directors, Kudo Yoko, Director (external) and  
Takada Hiroshi, Corporate Auditor (external)

## Responding to a Variety of Social Demands By “Generating, Sending, and Using Energy”



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

**Kudo Yoko**  
Director (external)

**Takada Hiroshi**  
Corporate Auditor  
(external)

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

Katsuno Satoru earned a bachelor's degree in electronics and electrical engineering study, from Keio University and joined Chubu Electric Power in 1977. Before Katsuno was appointed director in 2015, holding the position of President & Director, he served as General Manager of Okazaki Regional Office, Managing Executive Officer, General Manager of the Tokyo Office, and Director, Executive Vice President and General Manager of Corporate Planning & Strategy Division. He has been in his present position since April 2020. Born in 1954 in Aichi Prefecture.

### Kudo Yoko, U.S. Certified Public Accountant

Kudo Yoko is involved in accounting audits, etc. at PricewaterhouseCoopers, Ernst & Young and Ernst & Young ShinNihon LLC. She retired from Ernst & Young ShinNihon LLC and was appointed as External Director of the Company in June 2022. Born in 1961 in Hokkaido.

### Takada Hiroshi, Representative Director, Japan General Incorporated Association of Professionals for Medium and Small Sized Business Management Ltd.

Takada Hiroshi joined TOYOTA MOTOR CORPORATION in 1969. He has held positions such as General Manager of Advertising Division, member of the Board of Directors, Managing Officer and Senior Managing Director at TOYOTA MOTOR CORPORATION. He was appointed as External Corporate Auditor of the Company in June 2020. Born in 1961 in S.hizuoka Prefecture.

## 1. | Permeate Compliance Awareness in Step with an Evolving Business Environment

**Katsuno:** System reforms are advancing in the electric power industry and we are now in an age when we are being asked to supply customers with stable and affordable energy as well as protect the global environment while engaging in competition. Our mission is to respond to an assortment of social demands as we carry out our business of “generating, sending and using” electricity. Even in undertaking this mission, however, some improprieties have occurred at Group companies. These included the leakage of customers’ information obtained through the wheeling business and suspected violations of the Antimonopoly Act by the Japan Fair Trade Commission. As our business environment dramatically evolves, we must further promote compliance to realize both “value in public interest” and “value in competition.”

**Kudo:** Besides splitting off Chubu Electric Power Grid and Chubu Electric Power Miraiz into separate companies in the electric power business, the number of Chubu Electric Power Group companies such as ES-CON JAPAN is increasing in tandem with an expansion in business areas. This increase in companies also makes internal control as a Group more difficult and so it is essential to consider an optimal internal control system for the Group. Additionally, upon indicating the ideal form of compliance, management needs to firmly instill and communicate a unified awareness of compliance throughout the entire Chubu Electric Power Group. Precisely because of times like this, I believe the Group’s corporate culture will remain static unless it encourages everyone to adhere to compliance while valuing human resources through a reform of awareness.

**Takada:** In the existing electric power business, even prior to liberalization Chubu Electric Power undertook business activities in close collaboration with other



electric power companies. However, the introduction of competition spurred significant changes in the environment and awareness. In other words, recognizing the value of public interest and the value of competition is extremely important when implementing compliance. Here let me touch upon the incident involving the leakage of customer information. The concept of customer first in the electric power business, which is a public utility, should not be limited just to our customers. In undertaking the electric power business across the country, power companies must supply more-affordable, better-quality electricity through fair competition. In the case of this incident, the problem was a lack of this awareness.

Ultimately, the way each and every employee understands and acts on compliance is vital. With this in mind, I believe that promoting an understanding of compliance such as by holding discussions in the workplace to the point that employees regard compliance as their own personal matter is highly effective

**Katsuno:** You are right. To further raise the Group's compliance, we report to the Board of Directors on the status of the implementation of Thorough Compliance Measures and under the supervision of the Board of Directors we are striving to ensure a deep awareness of compliance among all executives and employees. Furthermore, at the Board of Directors meetings we will take measures such as discussing the ideal ways of governance for the entire Group and will implement and consider improvement measures and strengthen the Group's responses.

Additionally, upon understanding compliance and expressing the direction of compliance, it is important that management promote compliance to ensure that it becomes deeply instilled at each workplace to the level of each and every employee. In striving to transform the mindsets of employees, we hold workplace discussions on compliance, convene opinion-exchange sessions with front-line business sites, and implement initiatives to promote an understanding of compliance within the scope of each individual's work. Fair and transparent management is of paramount importance for gaining the trust of stakeholders. For this reason, we must place top priority on thorough compliance.

**Takada:** For the officers to express a clear direction, it is also necessary to improve the effectiveness of the Board of Directors. From this perspective when I was sounded out about becoming a corporate auditor, I was told, "We want you to speak your mind about everything." When I attended an actual board meeting, I was surprised to find that external officers voiced extremely numerous opinions in an atmosphere where it was easy for them to express their views. In my experience, there is no other company like Chubu Electric Power where resolutions are passed after lively discussions at the Board of Directors. Highly diverse external directors express their opinions by drawing on their own experiences and perspectives in their fields of expertise and because of this, discussions sometimes become so passionate that meetings extend beyond the scheduled time and continue all the way through the entire lunch-break.

**Katsuno:** I feel that we lack knowledge about new value that is in accordance with the expansion of our business areas. As Chairman of the Board of Directors, time management is difficult, but I am grateful that I can always listen to the diverse opinions of external directors. I believe these external officers and their wide variety of opinions enables us to transcend conventional

thinking and obtain numerous opinions that are not expressed within the company.

## 2. | Ensuring Stable Supplies and Prices by Strengthening the Value Chain

**Katsuno:** Even prior to liberalization, the mission of electric power companies has been to assure a stable supply and affordable prices. Although attaining both is difficult, Chubu Electric Power has responded by striking a balance between these imperatives. As an extension of this, the principle of competition was introduced. This makes it necessary to generate profits through competition while maintaining stable supplies.

**Takada:** Just like water, a stable supply of electricity is absolutely essential. The Japanese government also demands that electric power companies provide a stable supply of electricity. In reality, we can provide stable supplies only if we can secure actual fuel. The difficulty of such fuel procurement is clearly evidenced by the war in Ukraine.

**Katsuno:** Ultimately, securing stable supplies boils down to risk dispersion. To ensure a stable supply, we have diversified energy sources, procurement periods, and procurement price formulas. Nonetheless, to prevail in competition, electric power companies reduced the proportion of long-term, stable fuel procurement and have instead relied on short-term, low-cost procurement. This has increased the risk of fuel shortages.

Furthermore, because retailers became less conscious of securing supply capacity, they shifted to short-term procurement through markets such as JEPX (Japan Electric Power Exchange). As a result, the fixed cost burden associated with power supply equipment by new entrants decreased and power supply investment was curtailed, causing a shortage of power supply facilities.

The combination of these factors triggered a tight-



ening of supply and demand and soaring prices in the wholesale electricity market from about two to three years ago. The issue now is how and who will bear the cost of risk diversification for assuring a stable supply.

**Takada:** Global players are strong in fuel procurement and so it is difficult to make purchases with favorable terms without expanding scale and having a strong presence. In that respect, JERA secures long-term contracts and skillfully utilizes its domestic supplies and overseas trading and it can also supply Chubu Electric Power and other companies in the event of a contingency. Given this, I have high expectations for the role that JERA will play in securing stable supplies.

**Kudo:** Alongside supply stability, price stability is also an important factor for corporate management and customers. For corporate activities in particular, instability of electricity prices makes it difficult to forecast costs and to create medium- to long-term plans for the production system. Conversely, stabilized electricity prices enhance the predictability of management.

**Katsuno:** That is correct. I have heard this said repeatedly by our customers and stabilizing electricity prices is a key mission for us. Long-term fuel contracts are an effective means of ensuring stable supply and price stability. Moreover, maximizing the use of nuclear power is also essential for assuring stable supply, price stability, and energy security.

The continuous operation of power transmission and distribution networks even when a disaster strikes is also indispensable for assuring stable supplies. In 2018, typhoons No. 21 and No. 24 caused power outages lasting about two weeks in Mie, Gifu, and Aichi prefectures. Back then, our digitization of maintenance work was not yet advanced. Even though there was on-site damage to power distribution lines, repair work was stopped when we undertook restoration of operations. Quickly grasping overall circumstances by utilizing digital technology such as drones and learning how to undertake restoration

quickly is important. In undertaking restoration work, like when Typhoon No. 15 struck in 2022, we utilized such digital technology as patrol drones to quickly discover collapsed steel towers.

**Kudo:** Maintaining a stable supply even during repeated disasters is an outstanding achievement. Moreover, utilizing the most-advanced drones and other technologies will increase resilience and speed up and enhance the efficiency of restoration work, further strengthening stable supply functions.

### 3. | Promoting Decarbonization Together with Customers and Local Communities

**Katsuno:** The enactment of the Green Transformation GX Law will spur the issuance of GX bonds and the introduction of growth-oriented carbon pricing. GX bonds are an incentive for so-called upfront investment while carbon pricing is a disincentive for latecomers. Implementing a decarbonization strategy as quickly as possible based on these two policies is important. Let me give an example in the energy field. The government's 20 trillion yen investment support using GX bonds will also be allocated to support price differentials\* for hydrogen and ammonia. Although we are promoting nuclear power and renewable energy, I believe ammonia and hydrogen, which are used in low-carbon thermal power generation, will also serve as a vital element.

\* The basic policy for the realization of GX states that support will be provided for upfront investments toward the realization of GX and also states that support for price differentials with existing fuels will be promoted at an early stage in moving toward the transition to hydrogen/ammonia.

**Kudo:** I think the price differential support for hydrogen and ammonia represents an opportunity for the Chubu Electric Power Group. Although JERA has a high ratio of thermal power generation, it leads the industry in ammonia co-firing. If JERA uses price differential



support, it can thus achieve both decarbonization and expand profits through competitive clean thermal power sources.

**Takada:** In technology development, it is very important who creates global standards and specifications. If Chubu Electric Power and JERA can take the lead in building a supply chain for ammonia, there is a possibility that we can secure global standards and specifications.

**Katsuno:** That is right. We will also make large-scale investments in the CCUS (CO<sub>2</sub> collecting, utilization, and storage), ammonia, and hydrogen value chains and this means we must deploy our business globally and earn profits. To do so, it is important that we cooperate with domestic and overseas businesses to acquire international standards as quickly as possible. Chubu Electric Power also established a Chief Standardization Officer (CSO) to promote standardization activities at Chubu Electric Power and we will contribute to the realization of carbon neutrality and economic growth in Japan.

**Kudo:** JERA is planning to co-combust ammonia at the Hekinan coal-fired power plant and gradually increase the co-combustion ratio. However, in reality the demand side can also use ammonia as a heat source and thus the demand side must also promote innovation to expand the use of ammonia.

Looking at renewable energy, the supply of power encompassing solar power sometimes exceeds demand such as during Japan's Golden Week holidays, so the renewable energy output is limited during that period. I think the reason carbon-neutral renewable energy still cannot be utilized effectively even though its use has



spread widely is due to problems such as the lagging adoption of storage batteries.

**Katsuno:** We are making efforts to operate without restricting the output of renewable energy by making responses to the greatest degree possible in terms of supply and demand. These efforts include lowering the minimum output of thermal power generation and maximizing the use of pumped-storage power generation. On top of that, managing supply and demand based on local production for local consumption is an effective means for responding to mismatches between supply and demand. Distributed power sources and batteries are essential elements of an energy management system. Utilizing ICT in these areas will help us expand the amount of connectable renewable energy and to improve resilience while enabling independent operation even during interruptions to the energy supply, which improves resilience. With a view toward overall efficiency, I believe we can build next-generation energy systems by combining large-scale centralized power sources and conventional grids together with decentralized grids for local production for local consumption.

Ammonia and hydrogen can also be burned in the heat process on the demand side in addition to being used for co-firing at coal-fired power plants and LNG-fired power plants. The Chubu region is home to one of Japan's premier ports as well as autoparts, steel, and chemicals manufacturing industries. In view of this, there expectation for the large-scale utilization of hydrogen and ammonia in manufacturing processes. This makes me believe the Chubu region is the ideal location

in Japan to build a transition model toward decarbonization where both demand and the power generation sides are in harmony. In this sense, the Central Region Hydrogen and Ammonia Supply Chain Vision has the potential to expand globally, with the Chubu region as a starting point.

**Takada:** Speaking of the characteristics of the Chubu region, in energy conservation, the Toyota Motor Group has worked around the clock pursuing ideas for reducing electricity bills and CO<sub>2</sub> emissions. Giving shape to these ideas depends on power companies, which have expertise in this field. For example, Chubu Electric Power's energy consultants helped Toyoda Gosei improve the operation of its production processes at domestic production bases and also provides overseas energy conservation support services that deploys these improvements at overseas production hubs. These energy consultants apparently proposed energy reductions ranging from 3% to 8% at each overseas production base. Broadly speaking, Toyota Motor Corporation generates 30% of its CO<sub>2</sub> emissions in Japan and 70% overseas. As such, if we devise technology for reducing CO<sub>2</sub> emissions in Japan, this technology can be transferred overseas.

**Kudo:** I think the Chubu region is a suitable location for the CCUS project being considered at the Port of

Nagoya under an agreement concluded with bp because of the relatively large amount of CO<sub>2</sub> emissions from steelmaking, processing, chemicals and petroleum refining plants. The volume of CO<sub>2</sub> emitted from the port of Nagoya accounts for about 5% of the total amount generated by manufacturing industries in Japan. We are considering collecting and storing CO<sub>2</sub> and using it effectively both in Japan and overseas. By deploying this technology globally, I believe we can contribute to reducing CO<sub>2</sub> emissions worldwide and expand the Chubu Electric Power Group's earnings.

**Katsuno:** I think that the point of social change toward carbon neutrality along with digitization is attaining compatibility with economic growth and enjoying new affluence. To that end, it is important to realize the "early social implementation" of innovative technologies and to implement "overseas deployment" along with "international standards and specifications." The Chubu region is the center of *monozukuri* (manufacturing) in Japan and possesses manufacturing and innovation capabilities. I believe that by joining these strengths together as a foundation that supports the Chubu region, we can build a business model that achieves both carbon neutrality and economic growth and deploy this overseas. I would like to contribute to the development of a sustainable society together with the people of the Chubu region.





# Corporate Governance

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

The Chubu Electric Power Group believes it is necessary to practice our corporate philosophy and for us to “continue to grow as a group with our customers and society” so as to maintain the trust of shareholders, investors, and other stakeholders, as well as remain the customer’s definitive choice of energy supplier.

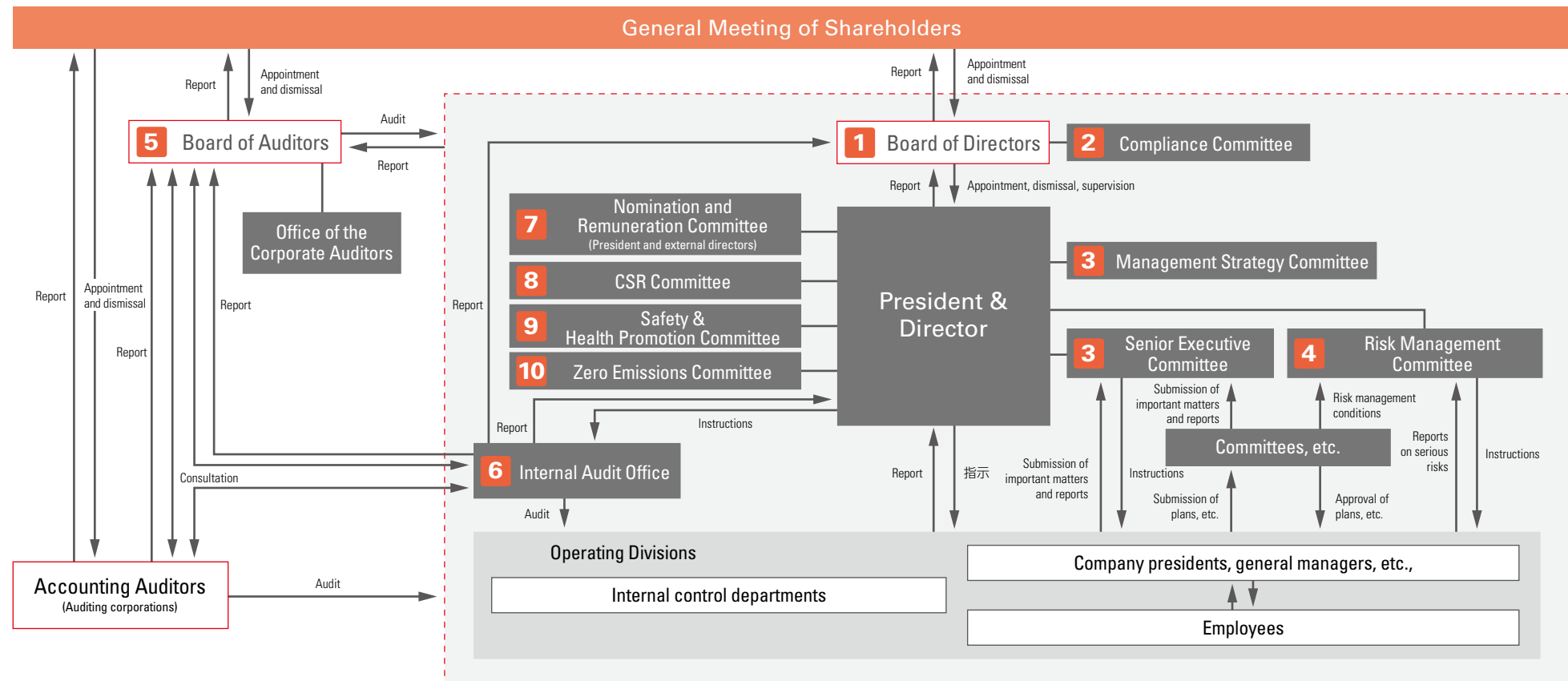
For this reason, bold steps have been taken to improve corporate governance, including positioning fairness and transparency at the core of business, ensuring proper oversight of management and operations

execution, and providing mechanisms for swift decision-making, as espoused in the Chubu Electric Power Group CSR Declaration.

[Link](#) Chubu Electric Power Group Basic Corporate Governance Policy

[Link](#) Chubu Electric Group Corporate Governance Report

## Corporate governance structure



**1 Board of Directors**

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

Nine directors including  
external directors  
**Held 25 times/year\***

**2 Compliance Committee**

Chubu Electric Power established the Compliance Committee with the aim of comprehensively and reliably promoting compliance throughout the entire Chubu Electric Power Group. The committee is operated under the supervision of the Board of Directors and is chaired by the President through nomination by the Board of Directors.

The committee deliberates policies and measures concerning compliance promotion and conducts fact-finding research on compliance matters as well as provides advice, support, and guidance to Group companies.

**3 Senior Executive Committee and Management Strategy Committee**

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

Meanwhile, the Management Strategy Committee, consisting of the Chairman, President, General Manager of Corporate Planning & Strategy Division and General Manager of Corporate Management Division and other officers, discusses the direction of the company's business in the medium to long term.

**4 Risk Management Committee**

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

**5 Board of Auditors**

The Board of Auditors works to allocate the roles of the Corporate Auditors and share information in order to conduct audits more systematically and efficiently. It also issues decisions and

approvals regarding matters of law and the items prescribed by the articles of incorporation.

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

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

To assess the effectiveness of the Board of Auditors, we implemented a questionnaire survey of all Board of Auditors members and determined that effectiveness is being assured, including for responses to risk events that occurred during the fiscal period.

**6 Internal Audit Office**

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

The internal audit process is assessed internally as well as verified regularly by an independent organization as part of the company's efforts to improve and maintain the quality of audits.

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

Five auditors including  
external auditors  
**Held 18 times/year\***

**7 Nomination and Remuneration Committee**

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

President and  
four external directors  
**Held 8 times/year\***

**8 CSR Committee**

The CSR Committee, which consists of the President, Executive Vice Presidents, Senior Managing Executive Officers, Managing Executive Officers and other officers, deliberates on such matters as the basic policies and medium-term directions of CSR promotion and reports on the status of activities.

**9 Safety & Health Promotion Committee**

The Safety & Health Promotion Committee regularly convenes, chaired by the President of Chubu Electric Power Co., Inc. and composed of the management team, including the presidents of Chubu Electric Power Grid and Chubu Electric Power Miraiz as well as labor unions and other members.

The committee also invites outside experts and shares issues to cultivate safety culture and promote health management and deliberates and decides measures to resolve these issues. The committee monitors the status of safety and health promotion at each operating company, which also covers accidents at contractors, and rotates the PDCA cycle and continuously make improvements.

**10 Zero Emissions Committee**

In March 2021, the Zero Emissions Committee was established, chaired by the President, to take on the challenge of achieving net zero CO2 emissions for the Chubu Electric Power Group's entire business in 2050.

The Committee sets ultra-long-term and medium- to long-term targets for Chubu Electric Power, operating companies and group companies and formulates and evaluates action plans for attaining these targets.

\* The number of times the Board of Directors, the Board of Auditors, and the Nomination and Remuneration Committee met are the actual figures from FY2022.



## Directors and Corporate Auditors (As of July 1, 2023)



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

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

### Reasons for selecting:

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

**Attendance:**  
The Board of Directors meetings in FY2022: 24/25 (96%)



President & Director  
**Hayashi Kingo**  
Reappointed

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

### Reasons for selecting:

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

**Attendance:**  
The Board of Directors meetings in FY2022: 23/25 (92%)  
Nomination and Remuneration Committees in FY2022: 8/8 (100%)



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

### General Manager of Corporate Management Division and CFO\*1, and CCO\*2

Apr. 1984: Joined Chubu Electric Power  
Apr. 2018: Managing Executive Officer, General Manager of Nagoya Regional Office, General Manager of Nagoya Regional Office, Power Network Company  
Apr. 2020: Senior Managing Executive Officer, General Manager of Corporate Management Division  
June 2020: Director, Senior Managing Executive Officer, General Manager of Corporate Management Division  
Apr. 2021: Director & Executive Vice President, General Manager of Corporate Management Division, Chief Financial Officer  
Apr. 2022: Director & Executive Vice President and General Manager of Corporate Management Division, CFO and Supervisor of Chief Kaizen Officer  
June 2022: Director & Executive Vice President and General Manager of Corporate Management Division, CFO, Supervisor of Chief Kaizen Officer and CCO (incumbent)  
Apr. 2023: Director & Executive Vice President and General Manager of Corporate Management Division and CFO, and CCO, (incumbent)

### Reasons for selecting:

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

**Attendance:**  
The Board of Directors meetings in FY2021: 25/25 (100%)

\*1: CFO: Chief Financial Officer \*2: CCO: Chief Compliance Officer



Director & Executive Vice President  
**Ito Hisanori**  
Reappointed

### General Manager of Human Resource Strategy Office and Corporate Planning & Strategy Division, and CIO\*

Apr. 1985: Joined Chubu Electric Power  
Apr. 2016: Executive Officer, General Manager of Electrical Engineering Dept. of Power Network Company  
Apr. 2018: Executive Officer, General Manager of Tokyo Office  
Apr. 2021: Senior Managing Executive Officer, General Manager of Corporate Planning & Strategy Division, Chief Information Officer  
June 2021: Director and Senior Managing Executive Officer, General Manager of Corporate Planning & Strategy Division and CIO  
Apr. 2022: Director & Executive Vice President and General Manager of Human Resource Strategy Office and Corporate Planning & Strategy Division, and CIO, (incumbent)

### Reasons for selecting:

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

**Attendance:**  
The Board of Directors meetings in FY2022: 25/25 (100%)  
\*CIO: Chief Information Officer



Director and Senior Managing Executive Officer  
**Ihara Ichiro**  
Reappointed

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

Apr. 1984: Joined Chubu Electric Power  
Jul. 2015: Executive Officer, General Manager of Hamaoka Nuclear Power Station of Hamaoka Nuclear Power Executive Headquarters  
Apr. 2017: Executive Officer, General Manager of Nuclear Power Dept., Nuclear Power Division  
Apr. 2021: Senior Managing Executive Officer, General Manager of Nuclear Power Division and Nuclear Power Department, CNO  
June 2021: Director, Senior Managing Executive Officer, General Manager of Nuclear Power Division and Nuclear Power Department, CNO  
Apr. 2022: Director and Senior Managing Executive Officer and General Manager of Nuclear Power Division, CNO, (incumbent)

### Reasons for selecting:

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

**Attendance:**  
The Board of Directors meetings in FY2022: 25/25 (100%)  
\*CNO: Chief Nuclear Officer



Director (External) (Independent Officer)  
**Hashimoto Takayuki**  
Reappointed

### Honorary Executive Advisor, IBM Japan, Ltd.

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

### Reasons for selecting:

Hashimoto Takayuki was involved in the management of IBM Japan for many years, and has a wealth of knowledge and experience as a management specialist.

**Attendance:**  
The Board of Directors meetings in FY2022: 25/25 (100%)  
Nomination and Remuneration Committees in FY2022: 8/8 (100%)



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

### Executive Advisor, Daido Steel Co., Ltd.

Apr. 1973: Joined Daido Steel Co., Ltd.  
June 2004: Director, Daido Steel Co., Ltd.  
June 2006: Managing Director, Daido Steel Co., Ltd.  
June 2009: Executive Vice President and Representative Executive Director, Daido Steel Co., Ltd.  
June 2010: President and Representative Executive Director, Daido Steel Co., Ltd.  
June 2015: President & CEO, Representative Executive Director, Daido Steel Co., Ltd.  
June 2016: Chairperson of the Board of Directors, Representative Executive Director, Daido Steel Co., Ltd. (to present)  
June 2019: External Director, the Company (incumbent)  
June 2023: Executive Advisor, Daido Steel Co., Ltd. (incumbent)

### Reasons for selecting:

Shimao Tadashi was involved in the management of Daido Steel Co., Ltd. for many years, and has a wealth of knowledge and experience as a management specialist.

**Attendance:**  
The Board of Directors meetings in FY2022: 25/25 (100%)  
Nomination and Remuneration Committees in FY2022: 8/8 (100%)



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

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

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

### Reasons for selecting:

Kurihara Mitsue has special knowledge and experience in the fields of finance, M&A, and business management, gained through her past involvement at Development Bank of Japan Inc., and now in management at Value Management Institute, Inc.

**Attendance:**  
The Board of Directors meetings in FY2022: 25/25 (100%)  
Nomination and Remuneration Committees in FY2022: 8/8 (100%)



Director (External) (Independent Officer)  
**Kudo Yoko**  
Reappointed

### U.S. Certified Public Accountant

Apr. 1982: Joined Sampo Japan Insurance Inc.  
June 1989: Retired from Sampo Japan Insurance Inc.  
Sept. 1993: Joined PricewaterhouseCoopers  
Nov. 1996: Retired from PricewaterhouseCoopers  
Dec. 1996: Joined Ernst & Young  
Apr. 2005: Ernst & Young ShinNihon LLC (loaned from Ernst & Young)  
Jan. 2006: Permanently transferred to Ernst & Young ShinNihon LLC  
May 2006: Principal, Ernst & Young ShinNihon LLC  
July 2020: General Manager of Unaudited Contract Review Department at Quality Control Division, Ernst & Young ShinNihon LLC  
June 2022: Retired Ernst & Young ShinNihon LLC External Director, the Company (incumbent)

### Reasons for selecting:

Kudo Yoko possesses expertise and a wealth of experiences in the fields of accounting and financial management through her involvement in accounting audits and financial and accounting advisory services at major accounting firms in Japan and the U.S. for many years.

**Attendance:**  
The Board of Directors meetings in FY2022: 20/21 (95%)  
Nomination and Remuneration Committees in FY2022: 7/7 (100%)



\* The number of attendances is for FY2022.

\* Sawayanagi Tomoyuki and Nakagawa Seimei assumed office in June 2023.



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

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

**Reasons for selecting:**

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

**Attendance:**

The Board of Directors meetings in FY2022: 24/25 (96%)  
The Board of Auditors meetings in FY2022: 18/18 (100%)

**Attorney at law**

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

**Reasons for selecting:**

Nagatomi Fumiko has specialized knowledge and a wealth of experience as a lawyer, and can be expected to neutrally and objectively use her auditing abilities based on her viewpoints as a legal specialist.

**Attendance:**

The Board of Directors meetings in FY2022: 24/25 (96%)  
The Board of Auditors meetings in FY2022: 18/18 (100%)



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

### Selection of directors and auditors

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



Corporate Auditor  
(full-time)  
**Sawayanagi Tomoyuki**  
New appointment

Apr. 1987: Joined Chubu Electric Power  
Apr. 2017: Executive Officer, General Manager of Nagano Regional Office  
Apr. 2018: Executive Officer, General Manager of Nagano Regional Office; General Manager of Nagano Regional Office, Power Network Company  
Apr. 2020: Corporate Auditor, Chubu Electric Power Grid Co., Inc. (incumbent)  
June 2023: Corporate Auditor (full-time) (incumbent)

**Reasons for selecting:**

Sawayanagi Tomoyuki has a career history in the Company that, thus far, includes General Manager of Nagano Regional Office and Corporate Auditor of Chubu Power Grid Co., Inc., and possesses detailed knowledge of the Company's operations.

**Attendance:**

The Board of Directors meetings in FY2022: --/ -- (%)  
The Board of Auditors meetings in FY2022: --/ -- (%)



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

### Representative Director, Japan General Incorporated Association of Professionals for Medium and Small Sized Business Management Ltd.

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

**Reasons for selecting:**

Takada Hiroshi was involved in corporate management as a Senior Managing Director at TOYOTA MOTOR CORPORATION in the past and is currently involved in corporate management as Representative Director, Japan General Incorporated Association of Professionals for Medium and Small Sized Business Management Ltd. and can be expected to neutrally and objectively use his auditing abilities based on his viewpoints as a corporate management specialist.

**Attendance:**

The Board of Directors meetings in FY2022: 25/25 (100%)  
The Board of Auditors meetings in FY2022: 18/18 (100%)

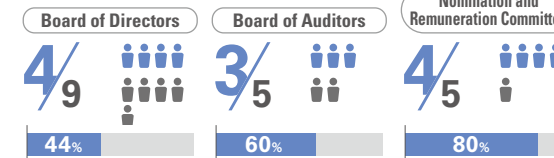
### External directors and external corporate auditors

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

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

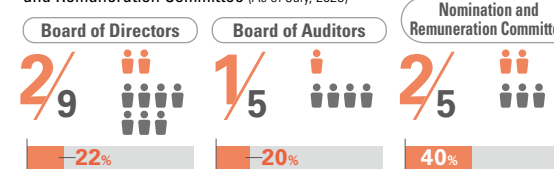
### Percentage of external members in the Board of Directors, the Board of Auditors, and the Nomination and Remuneration Committee (As of July, 2023)

■ External ■ Internal



### Percentage of female members in the Board of Directors, the Board of Auditors, and the Nomination and Remuneration Committee (As of July, 2023)

■ Female ■ Male



Corporate Auditor  
(external)  
**Nakagawa Seimei**  
New appointment

**Attorney at law**

Apr. 1984: Public Prosecutor, Tokyo District Public Prosecutors Office  
Aug. 2010: Assistant Vice-Minister of Justice  
Jan. 2012: Chief Public Prosecutor, Kochi District Public Prosecutors Office  
Apr. 2013: Public Prosecutor, Supreme Public Prosecutors Office  
Aug. 2014: Chief Public Prosecutor, Shizuoka District Public Prosecutors Office  
Oct. 2015: Director, Public Security Department, Supreme Public Prosecutors Office  
Sep. 2016: Director-General, Public Security Intelligence Agency  
May 2020: Superintending Prosecutor, Nagoya High Public Prosecutors Office  
Sep. 2021: Retired  
Dec. 2021: Registered as lawyer  
June 2023: External Auditor of Chubu Electric Power (incumbent)

**Reasons for selecting:**

Nakagawa Seimei has held prominent posts including Director-General of the Public Security Intelligence Agency and Superintending Prosecutor of the Nagoya High Public Prosecutors Office, and can be expected to neutrally and objectively use his auditing abilities based on his wealth of experience and highly specialized insight of the law.

**Attendance:**

The Board of Directors meetings in FY2022: --/ -- (%)  
The Board of Auditors meetings in FY2022: --/ -- (%)



## Composition of the Board of Directors

Chubu Electric Power determines the composition and scale of the Board of Directors upon comprehensively considering various management issues such as enhancing deliberations at the Board of Directors, quick management decision-making, director supervision functions, as well as the attainment of “fulfilling of our unwavering mission” of providing high-quality energy that considers the global environment in a safer, more affordable and more stable manner, and “creating new value” which provides new services that respond to changes in the business environment that are set forth in the Chubu Electric Power Group’s Management Vision 2.0 and contributions to the realization of a carbon-free society while also considering the balance of knowledge, abilities, field of expertise, and practical experience of each director.

The expertise and experience required of Directors and Corporate Auditors are disclosed as a skill matrix.

Through the concerted efforts of the directors and auditors, we will deepen our ESG management and fulfill our CSR responsibilities in order to contribute to the sustainable development of the society together with our stakeholders.

### ● Skills matrix

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

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

## Assessing the effectiveness of the Board of Directors

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

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

To further enhance the effectiveness of the Board of Directors, the Board that consists of members possessing diverse expertise and experience will engage in wide-ranging discussions while continuing to make further improvements such as ensuring compliance and strengthening risk management for the entire Chubu Electric Power Group and enhancing deliberations at the Board of Directors regarding important issues such as nuclear power.

### Results of the Survey of the Assessment of the Effectiveness of the Board of Directors

#### [Status of response to issues identified in the FY2021 assessment]

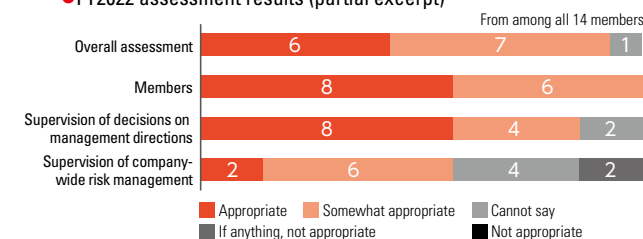
##### Issues confirmed in FY2021

- Composition of directors and auditors in anticipation for the future
- Ensuring governance over Group companies

##### State of initiatives in FY2022

- Further diversification of composition of directors and auditors by appointing a new outside director
- Formulating a system for swiftly reporting to our management meeting when signs of risks materializing appear at Group companies

#### ● FY2022 assessment results (partial excerpt)



### Board of Directors Agenda

#### Main topics for deliberation (FY2022)

- Items regarding the purpose of the General Meeting of Shareholders
- Executive personnel
- Approval of account settlement and financial statements

- Formulation of the Chubu Electric Power Group Medium-term Management Plan
- Sales of policy stocks
- Investment in geothermal company Eavor Technologies Inc.



Main Resolutions in the Board of Directors (FY2022)  
(Japanese version only)



## Director remuneration

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

Performance-linked bonuses are set with consolidated ordinary income, the management target, as the indicator. In addition, along with the status and results\*<sup>1</sup> of priority measures, these bonuses for the Chairman and President are determined based on consolidated net income and for other Directors these are determined giving consideration to such factors as the performance of each director individually and of the respective departments of which they are in charge.

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

on the degree of attainment of consolidated ordinary income targets and the results\*<sup>2</sup> of medium- and long-term priority measures. Points granted can be revoked in the event of any serious malfeasance or legal violation by directors.

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

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

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

\*<sup>1</sup> Evaluation of initiatives for strategic investment areas \*<sup>2</sup> Degree of attainment of "2025 targets registered with GX League" for CO<sub>2</sub> emissions

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

(FY2022)

Category	Total remuneration (million yen)	Amount by type of remuneration (millions of yen)			Number of directors/ auditors in the category
		Monthly remuneration	Performance-linked bonus	Performance-based stock remuneration	
Directors (excluding external directors)	365	241	77	46	6
Auditors (excluding external auditors)	76	76	—	—	2
External board members	98	98	—	—	7

\* Remuneration limit determined by a resolution by the General Meeting of Shareholders

Directors' monthly remuneration and performance-based bonus:

900 million yen per year (including 84 million yen to external directors)

Directors' performance-based stock remuneration:

530 million yen and 470,000 shares per every four fiscal years (excluding external directors)

Auditors: 20 million yen per month

## Policy on director and auditor training

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

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

## Introducing New External Corporate Auditor Nakagawa Seimei

Mr. Nakagawa has been active as a prosecutor for many years and has held important positions that include Director-General of the Public Security Intelligence Agency and Superintending Prosecutor of the Nagoya High Public Prosecutors Office.

Backed by his extensive experience in the legal industry and his high level of professional knowledge, we expect Mr. Nakagawa to appropriately audit the execution of duties by the Directors from a neutral and objective standpoint and to provide his opinions from a wide range of perspectives.



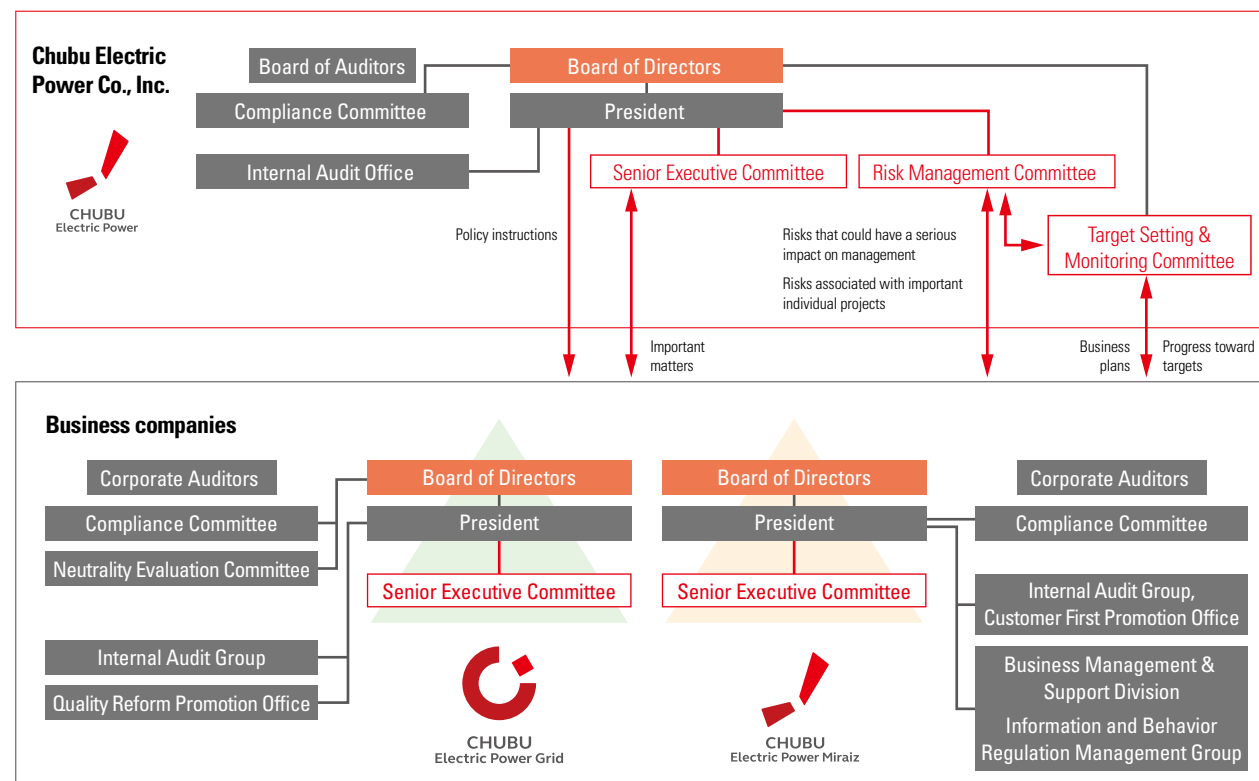
# Operating Company Governance Structure

Our basic principle regarding the governance of operating companies Chubu Electric Power Grid and Chubu Electric Power Miraiz is to allow these companies to respond flexibly to various environmental changes through the establishment of an autonomous management structure within each company. On the other hand, Chubu Electric Power performs coordination and control functions to ensure the optimization of the Group as a whole from the standpoint of the parent company of these operating companies.

## Governance Structures of Chubu Electric Power Grid and Chubu Electric Power Miraiz

Chubu Electric Power and its operating companies have individually established governance structures consisting of the Board of Directors, Senior Executive Committee, and Audit & Supervisory Board (Board).

As part of efforts to develop a system for dealing with information leaks and other incidents, in April 2023, at Chubu Electric Power Grid we established the Quality Reform Promotion Office, which is responsible for ensuring compliance with laws and regulations such as conduct regulations, as well as the Neutrality Evaluation Committee centered on outside experts. At the same time, at Chubu Electric Miraiz we established the "Information and Behavior Regulation Management Group" as a supervising department for information management and conduct.



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

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



## Governance over JERA

As a shareholder, Chubu Electric Power implements governance measures, while ensuring JERA's autonomous business operation and swift decision-making. Including risk management, Chubu Electric Power engages in dialogue among officers during visits to shareholders by JERA and performs quarterly monitoring of JERA.



# Risk Management

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

[Link](#) Risk Management

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

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

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

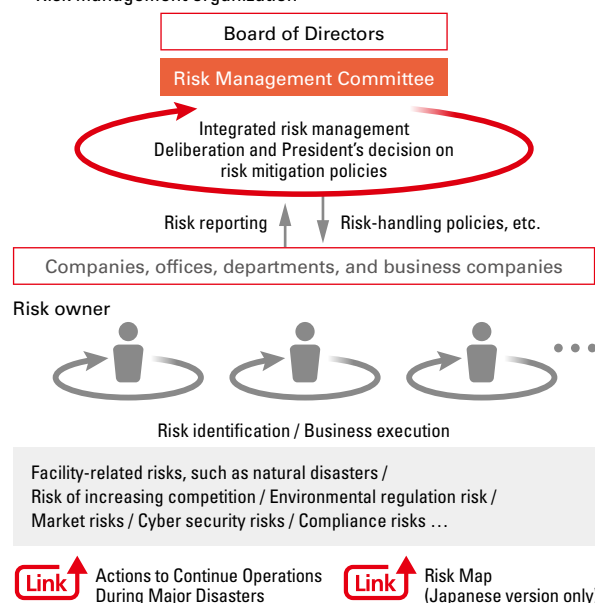
With respect to the risks involving Group companies, each company understands and assesses its risks, and those that are deemed to have a serious effect on management will be deliberated upon and reported regularly together with management measures to Chubu Electric Power.

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

### ● Risk management flow



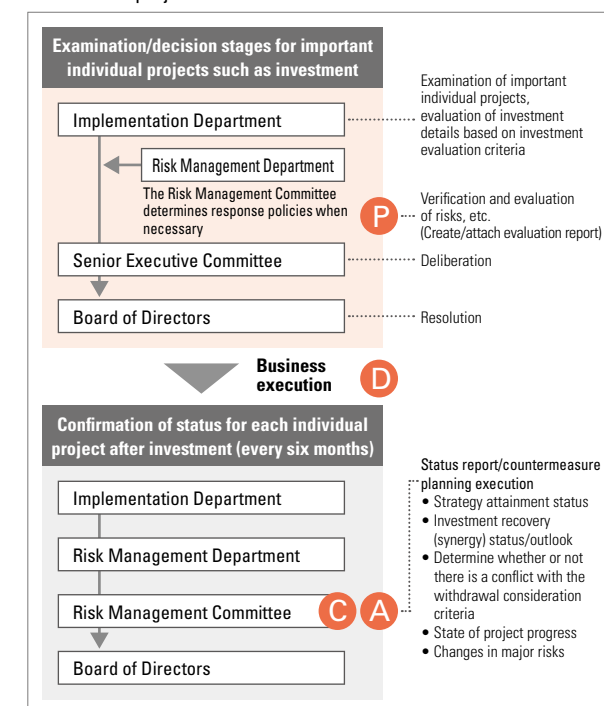
### ● Risk management organization



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

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

### ● Flow of risk management and review of the status of important individual projects such as investments



For business and other Risks, see [page 89](#).



# Ensuring Compliance Management

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

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

## Compliance Promotion System



Chubu Electric Power Initiatives  
Compliance Promotion System



Ensuring Compliance  
Management Group Efforts

Under the Board of Directors, we established the Compliance Committee and through this structure matters deliberated at this committee are reported to the Board of Directors.

Furthermore, we have appointed a Chief Compliance Officer (CCO) as the person responsible for promoting compliance throughout the entire Chubu Electric Power Group.

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

## Anti-bribery and anti-corruption initiatives

The Chubu Electric Power Group established the Chubu Electric Power Group Anti-Bribery and Anti-Corruption Policy based on the Chubu Electric Power Group Basic Compliance Policy. Targeting all executives and employees working in the Chubu Electric Power Group, this policy prohibits all forms of corruption beginning with bribery, embezzlement, betrayal of trust, unfair or unreasonable provision or receipt of entertainment or gifts, collusion with specific persons, and unfair preferential treatment of specific persons. In accordance with this policy, we provide education to all executives and employees (including part-timers and temporary employees) of Chubu Electric Power, Chubu Electric Power Grid, and Chubu Electric Power Miraiz while making explanations via FAQs (frequently asked questions) to deepen their understanding. Furthermore, based on this policy, we have created Guidelines for Giving and Receiving Money and Goods. In accordance with these guidelines, we confirm whether executives and employees of Chubu Electric Power, Chubu Electric Power Grid, and Chubu Electric Miraiz have received inappropriate money or gifts and regularly report on this to the Compliance Committee.

Regarding the prevention of bribery of foreign public officials, we have created and comply with internal regulations that prohibit all types of bribery (including facilitation payments\*), with the aim of preventing bribery throughout the entire Chubu Electric Power Group. Furthermore, Chubu Electric Power regularly convenes the Committee for the Prevention of Bribes to Foreign Public Officials, with the vice chairman of the Chubu Electric Power Compliance Committee serving as committee chief as we build and operate a system to prevent bribery.

As to the efforts to ensure tax transparency, we have formulated the Chubu Electric Power Group Tax Policy with the aim of permeating awareness of tax compliance throughout the Chubu Electric Power Group and to further improve governance.

\*Payments of small amounts to facilitate procedures related to regular administrative services



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



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



Chubu Electric Group Tax Policy

## Chubu Electric Power Group Basic Compliance Policy

The biggest underlying factor that determines the survival and development of a company is the trust it garners from its customers, host communities, shareholders, and society at large. The Chubu Electric Power Group believes that “without compliance, there is no trust and, without trust, there is no growth.” We foster a corporate culture of action in accordance with compliance requirements and aim to be a “good corporate citizen” that is highly trusted and supported by society.

With the aim of realizing this goal, we act in accordance with the following principles.

### ● Assurance of Full Compliance

We adhere to laws, regulations, internal rules, and corporate ethics.

### ● Fair and Sincere Corporate Activities

We deal with our customers, business partners, and community residents in a fair and sincere manner.

### ● Proper Information Management and Disclosure

We place strict controls on our handling of information and provide disclosure in a timely manner.

### ● Establishment of a Wholesome Corporate Culture

We respect human rights and create a wholesome corporate culture.

### ● Maintenance of Sound Relationships with Politicians, Government Officials and Others

We strictly refrain from acting in a manner that might raise suspicion about the propriety of our business activities.

### ● Proper Management and Use of Assets

We appropriately manage company assets and use them in line with company objectives.

### ● Environmental Conservation

We strive to conserve the global environment

### ● Assurance of Safety, Health and Security

We strive to ensure and maintain occupational safety, health and security.



## Helplines—Points of contact for compliance queries

We set up respective Helplines and Chuden Group/Joint Helplines both internally and at Group companies for executives, employees, temporary employees, officers and workers of business partners, and for related retirees. These helplines aim at preventing illegal, unfair, and unethical acts, including corruption such as excessive entertainment, gift giving, power harassment, sexual harassment etc., and ensure compliance.

The Helplines and the Chuden Group/Joint Helplines have set up consultation desks both inside and outside the Company (outside consultation desks are handled by outside lawyers). These offer multiple methods of consultation, including e-mail, dedicated phone lines, letters, and face-to-face meetings (available 24 hours a day, except for dedicated phone lines and face-to-face meetings). The helplines can also be used anonymously.

In addition, each Group company strives to enhance its consultation system by establishing its own consultation desk.

[Link](#) Ensuring Compliance Management Chubu Electric Power Initiatives (Japanese version only)

### Protection of consulters and prohibition of disadvantageous treatment

The Helplines and the Chuden Group/Joint Helplines function as internal whistleblowing contact points as prescribed in the Whistleblower Protection Act and persons involved with contact points have an obligation to maintain confidentiality under this law. Furthermore, in accordance with internal regulations, we take strict disciplinary action and other measures to thoroughly ensure the protection of consulters in the event of any violation of confidentiality obligations or disadvantageous treatment.

### Consultation flow

When receiving a consultation case, after investigating the facts we determine a response policy, take the necessary measures and respond to the consuler. Regarding post-consultation responses, we appropriately confirm whether or not there is any disadvantageous treatment of the consuler and take necessary measures.

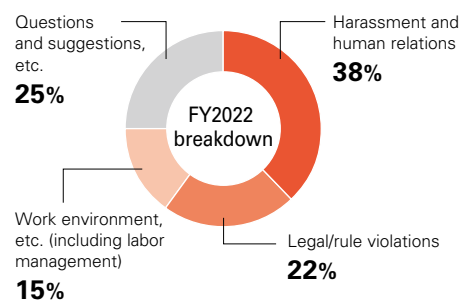
In addition, upon deleting the consuler's information, all consultations are promptly reported after the event to the Compliance Committee and approval of details is received. However, important matters are consulted on in advance with the Compliance Committee and are handled in accordance with decisions by the Chairman. In the event of a compliance violation, we take appropriate measures such as correcting the violation and taking strict disciplinary action against the perpetrator.

### Publication of consultation cases

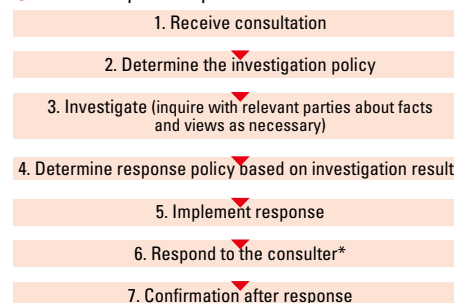
From the perspective of preventing recurrences and raising compliance awareness, after deleting the consuler's information, on the Company intranet we publish a summary of the details of the consultations that are deemed desirable for horizontal deployment across the entire Company or related departments.

### Number of consultations in FY2022

**87 cases**



### Flow of helpline response



\*Additionally, if necessary, we will report progress and confirm intentions to the consuler at each stage.

## Main Activities in FY2022

### [Revision of the compliance promotion system]

We have revised systems within the Group, which includes establishing the CCO.

### [Communicating messages from management]

The Chairman of the Compliance Promotion Committee and the CCO communicating messages on compliance to all employees.

### [Implementation of various types of education]

#### ● Level-specific training

We implemented compliance training for new employees, newly appointed senior staffs, newly appointed executives, and newly appointed managers.

#### ● Training for key personnel in each workplace

We implemented case method training and developed educational tools, mainly for managers, encompassing group companies.

#### ● Training for all employees (including part-timers and temporary employees)

Implemented training compliance e-learning (Chubu Electric Power Group Basic Compliance Policy, Anti-Bribery and Anti-Corruption Policy, introduce Helpline desks)

### [Publicize the Helpline]

Published articles in the company newsletter and created and displayed posters.

[Link](#) Chubu Electric Power Initiatives (Japanese version only)



## Five-Year Operating Statistics

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

(GWh)

Electrical Energy Sold	FY2018	FY2019	FY2020	FY2021	FY2022
Low voltage	36,371	34,628	33,877	32,586	30,583
High voltage/Extra-high voltage	81,886	82,618	76,852	76,346	71,846
Total Electrical Energy Sold	118,257	117,246	110,729	108,932	102,429
Reference (1): Electrical Energy Sold including group companies*1	123,602	122,542	117,145	117,821	113,003
Reference(2): Electrical Energy Sold to other companies*2	11,060	4,453	8,040	11,328	11,345

Chubu Electric Power Miraiz Co., Inc. succeeded Chubu Electric Power's retail electricity business from April 2020. Accordingly, the sum of Chubu Electric Power Miraiz Co., Inc., accounted for under the equity method.

\*1 From FY2020, the sum of Chubu Electric Power Miraiz Co., Inc., consolidated subsidiaries, and affiliates accounted for under the equity method excluding electrical energy sold within the group.

\*2 From FY2020, excluding electrical energy sold to Chubu Electric Power Miraiz Co., Inc.'s consolidated subsidiaries, and affiliates accounted for under the equity method.

### Generated Power

(GWh)

Hydroelectric	8,526	8,707	8,253	8,303	8,337
Thermal*	103,969	—	—	—	—
Nuclear	(260)	(248)	—	—	—
Renewable Energy	68	110	417	378	385
Total Generated Power	112,304	8,569	8,669	8,681	8,722

Note: Internally generated power is based on the results of Chubu Electric Power Co., Inc.

\* There are no results for thermal internally generated power after FY2019, as Chubu Electric Power's fuel receiving/storage and gas transmission businesses, as well as the existing thermal power generation and other businesses (hereinafter referred to as "thermal power generation and other businesses"), were succeeded by JERA Co., Inc. through an absorption-type company split, effective April 1, 2019.

### Generating Capacity

(MW)

Hydroelectric	5,459	5,459	5,463	5,466	5,467
Thermal*	24,376	—	—	—	—
Nuclear	3,617	3,617	3,617	3,617	3,617
Renewable Energy	39	39	88	88	89
Total Generating Capacity	33,491	9,115	9,167	9,171	9,173

Note: Internally generated power is based on the results of Chubu Electric Power Co., Inc.

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

### Number of Employees

(number of persons)

Consolidated	30,321	28,448	28,238	28,365	28,367
Nonconsolidated*	16,086	14,363	3,092	3,127	3,153

\* On April 1, 2020, Chubu Electric Power Miraiz Co., Inc. succeeded Chubu Electric Power's retail electricity business and Chubu Electric Power Grid Co., Inc. succeeded Chubu Electric Power's general transmission and distribution businesses. As a result, the number of nonconsolidated employees after FY2020 decreased significantly compared to that from FY2018 to FY2019.



## Five-Year Financial Statistics (Consolidated)

(Millions of Yen)

	FY2018	FY2019	FY2020	FY2021	FY2022
<b>Statements of Income Related</b>					
Operating Revenues	3,035,082	3,065,954	2,935,409	2,705,162	3,986,681
Operating (Loss) Income	125,924	130,832	145,694	(53,830)	107,089
Ordinary (Loss) Income	112,929	191,803	192,209	(59,319)	65,148
Ordinary Income excluding time lag (approx. 100 millions of yen)	1,630	1,530	1,690	670	1,560
Income before Income Taxes	112,929	210,895	192,308	(44,473)	68,991
Net (Loss) Income attributable to owners of parent	79,422	163,472	147,202	(43,022)	38,231
Depreciation	256,465	178,171	182,663	189,154	155,927
Capital Investments	327,120	242,646	255,953	228,533	262,249
<b>Balance Sheets Related</b>					
Total Assets	5,987,526	5,500,815	5,686,348	6,174,734	6,455,102
Net Assets	1,844,362	1,962,065	2,103,684	2,123,272	2,162,205
Shareholders' Equity	1,778,495	1,894,393	2,031,166	2,017,128	2,060,809
Outstanding Interest-Bearing Debt	2,981,181	2,425,067	2,333,625	2,800,275	2,925,744
<b>Stock Ratios:</b>					
Net (Loss) Income — Basic (Yen/Share)* <sup>1</sup>	104.96	216.11	194.65	(56.90)	50.56
Net Assets (Yen/Share)* <sup>1</sup>	2,350.52	2,504.68	2,686.12	2,667.66	2,725.43
Cash Dividends (Yen/Share)	45	50	50	50	50
Total Shareholders Return (%)	118.0	107.8	104.5	97.0	109.4
(Comparative index: TOPIX including dividends) (%)	(95.0)	(85.9)	(122.1)	(124.6)	(131.8)
Consolidated Payout Ratio (%)	42.9	23.1	25.7	—	98.9
Dividend Payout Ratio (%) (Excluding time lag)	(29.4)	(30.4)	(30.4)	(45.6)	(29.3)
<b>Financial Indicators and Cash Flow Data:</b>					
Shareholders' Equity Ratio (%)	29.7	34.4	35.7	32.7	31.9
ROA (Return on Assets) (%)* <sup>2</sup>	3.2	3.0	3.4	1.4	2.8
ROE (Return on Equity) (%)* <sup>2</sup>	7.4	6.8	6.3	4.1	6.3
Return on Invested Capital (ROIC)* <sup>2</sup>	3.4	2.9	3.3	1.9	2.9
Cash Flows from Operating Activities	296,406	255,896	384,148	21,688	295,798
Cash Flows from Investing Activities	(368,361)	(647,622)	(215,813)	(262,021)	(196,928)
Cash Flows from Financing Activities	337,260	(5,851)	(141,121)	266,403	73,248
Cash and Cash Equivalents at End of Period	550,060	147,576	174,909	201,156	373,484

Note: Our fiscal year runs from April 1st to March 31st of the following year.

Note: The Company has adopted "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) etc. has been applied from the beginning of the first quarter of FY2021. In addition, due to the revision of "Accounting Regulations Applicable to the Electric Power Industry" (Ordinance of the Ministry of International Trade and Industry No. 57, June 15, 1965) based on the application of Accounting Standard for Revenue Recognition etc., the transaction amounts of "Surcharge under act on purchase of renewable energy sourced electricity" and "Grant under act on purchase of renewable energy sourced electricity" which had been stated in operating revenues until FY2020, has been excluded from operating revenues and the corresponding expenses has not been stated.

Note: Chubu Electric Power's thermal power generation and other businesses were succeeded by JERA Co., Inc. through an absorption-type company split, effective April 1, 2019. As a result, the financial data from fiscal 2019 onwards have been changed compared to that FY2018.

\*1: Chubu Electric Power and its subsidiary, Chubu Electric Power Miraiz Co., Inc., have introduced a performance-linked stock remuneration plan "Board Benefit Trust (BBT)" and in calculating net assets per share from FY2019 onwards, the Company's shares held by the trust account for the Board Benefit Trust (BBT) are included in the treasury stock that is deducted in calculating the total number of outstanding shares at the end of the fiscal year. Additionally, in calculating net income (loss) per share from FY2019 onwards, the Company's shares held by the trust account for the Board Benefit Trust (BBT) are included in the treasury stock that is deducted from the calculation of the average number of shares during the period.

\*2: The calculation excludes the time-lag impact.



# Management Discussion and Analysis of Operating Results, Financial Standing, and Cash Flows

## Analysis of Operating Results (FY2022)

Chubu Electric Power Miraiz Co., Inc.'s energy sold decreased by 6.5 TWh from the previous fiscal year to 102.4 TWh due to a switch to other business operators and a decrease in demand for industrial power.

Total energy sold by Chubu Electric Power Miraiz Co., Inc., consolidated subsidiaries, and affiliates accounted for under the equity method decreased by 4.8 TWh from the previous fiscal year to 113.0 TWh.

### ● Electrical Energy Sold

	FY2022 (A)	FY2021 (B)	Change (A-B)	Rate of Change (A-B)/B
Low voltage	30.6	32.6	(2.0)	(6.1)
High Voltage & Extra-high Voltage	71.8	76.3	(4.5)	(5.9)
Total	102.4	108.9	(6.5)	(6.0)

\* The amount of electricity sold is the actual results for Chubu Electric Power Miraiz Co., Inc.

#### Reference (1):

Electrical energy sold including group companies*	113	117.8	(4.8)	(4.1)
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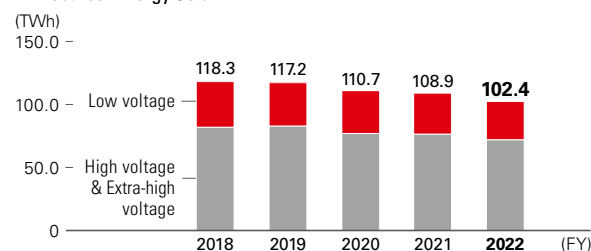
\* The sum of Chubu Electric Power Miraiz Co., Inc., consolidated subsidiaries, and affiliates accounted for under the equity method excluding electrical energy sold within the group.

#### Reference (2):

Electrical Energy Sold to other companies*	11.3	11.3	0	0.2
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\* The amount of electricity sold by other companies is the actual result of Chubu Electric Power Miraiz Co., Inc. Electricity sales to Chubu Electric Power Miraiz Co., Inc.'s consolidated subsidiaries, and affiliates accounted for under the equity method are excluded.

### ● Electrical Energy Sold



Electricity demand in the Chubu region decreased by 3.1 TWh from the previous fiscal year to 124.3 TWh. Despite an increase in the operation of cooling equipment owing to the impact of summer temperatures, this decrease was due to a decline in the operation of heating equipment resulting from

### ● Electricity demand in Chubu region.

	FY2022 (A)	FY2021 (B)	Change (A-B)	Rate of Change (A-B)/B
Electricity demand in Chubu region.	124.3	127.5	(3.1)	(2.4)

\* Electricity demand in Chubu region is the actual results of Chubu Electric Power Grid Co., Inc.

lower industrial power demand and the impact of winter temperatures.

For business performance, consolidated operating revenue increased by 1,281.5 billion yen from the previous consolidated fiscal year to 3,986.6 billion yen, mainly due to an increase in fuel cost adjustment revenues.

Ordinary income (loss) increased by 124.4 billion yen from the previous consolidated fiscal year to 65.1 billion yen, mainly due to a reduction of time lag loss reflecting fluctuation of fuel price into electricity sales price, a reduction of the impact of market price spikes by review of power procurement portfolio, etc., and development of sales activities based on procurement costs in Miraiz.

Ordinary income excluding time lag increased by 156.0 billion yen from the previous consolidated fiscal year to 89.0 billion yen.

In addition, the Company recorded an extraordinary income of 45.3 billion yen for gain on disposition of investment securities mainly due to the sales of some of cross-shareholdings. On the other hand, the Company recorded an extraordinary loss of 27.5 billion yen for a loss in conjunction with the Antimonopoly Act and an impairment loss of 14.2 billion yen on noncurrent assets at subsidiaries.

As a result the net income (loss) attributable to owners of parent increased 81.2 billion yen to 38.2 billion yen.

### <Miraiz>

#### ■ Operating Results

Operating revenue from various services delivered with energy increased by 1,062.6 billion yen to 3,090.8 billion yen compared with the previous fiscal year, mainly due to an increase in fuel cost adjustment revenues.

Ordinary income (loss) increased by 148.3 billion yen to 64.8 billion yen mainly due to a reduction of the impact of market price spikes by review of power procurement portfolio, etc., and development of sales activities based on procurement costs.

#### ■ Initiatives during the fiscal year

Utilizing the connections built with customers by providing electricity and gas, we are promoting the provision of services that enrich the lives of customers and services that solve business issues.

Towards the realization of a decarbonized society, we are contributing to the spread and expansion of renewable energy and local production for local consumption by providing CO<sub>2</sub>-free electricity through Miraiz Green Denki and offering services that allow customers to use solar power without having to pay initial costs for installing equipment or maintenance costs.

Furthermore, we are expanding initiatives for ensuring the efficient use of electricity, which includes commencing the

NACHARGE demand response service. In the future, we will continue to work in unison with our customers to solve social issues such as decarbonization.

To ensure a stable supply of electricity to customers even with fuel price volatility, Chubu Electric Power Miraiz changed the fuel cost adjustment system for some low-voltage rate menus and reviewed its extra-high voltage & high voltage standard rate menus. Taking into account that current fuel prices are trending at a low level compared with when we reviewed and considered the standard rate menu and based on management initiatives undertaken by the entire Chubu Electric Power Group, we will implement campaigns that enable energy conservation, decarbonization and reduce the burden on electricity bills for our low-voltage electricity customers and will implement measures to reduce the burden of electricity bills for extra-high voltage and high-voltage electricity customers.

### <Power Grid>

#### ■ Operating Results

Operating revenue from provision of power network services increased by 216.6 billion yen to 1,116.1 billion yen compared with the previous fiscal year, mainly due to an increase in the unit price of purchased electricity sold to the wholesale power trading market under the Feed-in Tariff Scheme for Renewable Energy and an increase in supply and demand adjustment income.

Ordinary income (loss) increased by 21.8 billion yen to 7.0 billion yen mainly due to a decrease of cost by changes in depreciation method for tangible fixed assets, cost reduction through efficiency, and efforts to reduce costs for securing adjustment capacity to appropriately implement supply demand balance adjustments, etc.

#### ■ Initiatives during the fiscal year

To increase the amount of connectible renewable energy, we will work to increase the sophistication of our power system facilities and operations while striving to ensure stable supply and demand by steadily making efforts to secure reserve and balancing capacity needed to stabilize supply in the Chubu region and by increasing and strengthening facilities to expand power exchanges with other areas. Also, we are working to maximize the use of distributed power sources that utilize "regional power demand forecasts" and rationalizing power transmission and distribution facilities.

Regarding the realization of next-generation networks, we have completed the installation of smart meters as originally planned and we will proceed with the introduction of next-generation smart meters toward the next periodic replacement while continuing to install new voltage regulators.

Furthermore, we revised our wheeling charges from April



2023. However, we will work to curb wheeling charges by making needed investments efficiently and systematically while continuing efforts to further enhance efficiency.

Toward the attainment of the Chubu Electric Power Grid Vision, which sets our vision for 2050, we will make efforts to ensure we contribute to the realization of the future image of the region by promoting initiatives for decarbonization and deploying services that are closely matched to the needs of the region.

## <JERA>

### ■ Operating Results

Ordinary (loss) income from upstream, procurement to power generation and wholesale of electricity/gas business decreased by 23.9 billion yen to -24.2 billion yen compared with the previous fiscal year, mainly due to deterioration of income/expense due to steep rise in LNG spot price, in spite of a reduction of time lag loss reflecting fluctuation of fuel price into electricity sales price. In addition, ordinary income excluding time lag was approx. 67.0 billion yen.

### ■ Initiatives during the fiscal year

JERA strives for optimal and efficient operation of the value chain that extends from upstream procurement of fuel to power generation and sales of electricity and gas while also playing an important role in ensuring a stable supply that encompasses stable fuel procurement.

In striving to avoid fuel constraints and tight supply and demand, we will undertake initiatives to secure additional supply capacity such as by restarting idle thermal power plants while working to secure stable supplies of fuel by quickly identifying changes in supply and demand and flexibly procuring fuel through JERA Global Markets, a subsidiary of JERA.

Furthermore, we are promoting initiatives for JERA Zero Emissions 2050, which aims for net zero CO<sub>2</sub> emissions from domestic and overseas businesses by 2050, while assuring a stable supply of energy.

First, we aim to establish a co-combustion technology for ammonia, a fuel that does not emit CO<sub>2</sub> during power generation. We will begin a demonstration experiment for ammonia co-firing at a 20% rate at the Hekinan Thermal Power Station Unit 4. Moreover, we are working on building a supply chain that includes considerations of collaboration for the production and procurement of fuel ammonia.

Note: JERA Zero Emissions 2050 is premised on steady advances in decarbonization technology, economic rationality, and consistency with government policy. JERA will continue developing its own decarbonization technologies and taking the initiative to ensure economic rationality.

### (Achievement status of management target)

In April 2022, we set a medium-term management target of

“Consolidated ordinary income of 180 billion yen or more and ROIC of 3.0% or more in FY2025.” We recorded consolidated ordinary income, excluding time-lag impact in the current fiscal year, of approximately 156.0 billion yen and ROIC (excluding the time-lag impact) for the current fiscal year of 2.9%.

## Analysis of Financial Standing

Noncurrent assets increased by 53.7 billion yen from the previous consolidated fiscal year to 5,288.4 billion yen, mainly due to an increase of noncurrent asset by capital investment, etc. in spite of depreciation in progress.

Current assets increased by 226.6 billion yen from the previous consolidated fiscal year to 1,166.6 billion, mainly due to an increase of cash and deposits.

Total liabilities increased by 241.4 billion yen from the previous consolidated fiscal year to 4,292.8 billion yen, mainly due to an increase of interest bearing loans.

Total net assets increased by 38.9 billion yen to 2,162.2 billion yen from the end of the previous consolidated fiscal year, mainly due to an increase in net income attributable to owners of parent and accumulated other comprehensive income in spite of paying cash dividends.

As a result, the shareholders' equity ratio was 31.9%.

## Analysis of Cash Flows

Cash inflow from operating activities increased by 274.1 billion yen from the previous consolidated fiscal year to 295.7 billion yen, mainly due to improvement of Income (loss) before income taxes and refund of total income taxes.

Cash outflow from investment activities decreased by 65.0 billion yen from the previous consolidated fiscal year to 196.9 billion yen, mainly due to income by the sales of some cross-shareholdings in spite of an increase in payments for acquisition of noncurrent assets

Cash inflow from financing activities decreased by 193.1 billion yen from the previous consolidated fiscal year to 73.2 billion yen mainly due to a decrease in income by demand for funds.

Consequently, the amount of cash and cash equivalents at the end of fiscal year increased by 172.3 billion yen from the end of previous fiscal year.

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

## Capital Investments

Capital investments amounted to 262.2 billion yen in the fiscal year ended March 31, 2023 as a result of our efforts to pursue a maximum level of management efficiency, including slimming down of equipment, while securing a stable supply of electric power and public security throughout the entire Group in addition to making investments in non-fossil energy sources such as hydropower generation facilities and nuclear power facilities.

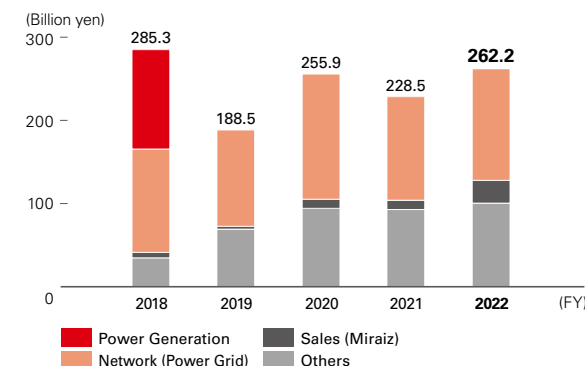
A breakdown of the capital investments by segment is below.

### ● Reference: FY2022 capital Investments (Consolidated)

(Billion yen)

Segment	Item	Capital Investments
Miraiz		28.8
Power Grid	Transmission facilities	38.3
	Substation facilities	32.2
	Distribution facilities	45.3
	Other	26.2
	Total	142.1
Other		106.0
Adjustment		(14.7)
Grand total		262.2

### ● Capital Investments



\*1. From FY2020, the Power Network segment became Chubu Electric Power Grid and the Sales segment became Chubu Electric Power Miraiz.

\*2. Up to FY2019, the figures for Chubu Electric Power on a non-consolidated basis are stated and from FY2020 figures on a consolidated basis are stated.

\*3. On April 1, 2019, JERA Co., Inc. took over the thermal power generation business of Chubu Electric Power through an absorption-type company split agreement. Therefore, the amount of investment of the power generation segment after FY2019 is not stated. In addition, the amount of capital investment such as for renewable energy is included in "Others" from FY2019.



## Business and Other Risks

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

Forward-looking statements in this report are based on facts and conditions as of the date of the financial statement report (on June 29, 2023). Actual results may differ, affected by the government's future energy policy and revision of electricity business system and others.

### 1. Changes in the business environment

In the business environment surrounding the Group, fuel prices rose owing to increased energy demand for the recovery of the world economy and the conflict in Europe. However, through the last half of FY 2022, LNG supply and demand eased due to factors such as the buildup of natural gas inventories in Europe owing to a record-breaking warm winter and LNG prices trended at a lower level compared with the peak. Furthermore, wholesale electricity prices also trended at a low level. Due to these factors, in FY2022 Chubu Electric Power was able to record consolidated ordinary income excluding time lag of 156 billion yen. Nevertheless, the Group's businesses continue to face a harsh business environment with an uncertain future outlook due to such factors as ongoing international competition for energy owing to concerns about gas supplies from Russia to Europe and to highly volatile fuel prices that include the risk of exchange rate fluctuations.

Additionally, with the massive introduction of variable renewable energy such as solar power generation, a tightening of supply and demand is becoming increasingly likely to occur during the winter season when demand increases and solar power generation decreases. Under such circumstances, there are concerns that the supply and demand situation in Japan will worsen in the event problems occur at existing facilities or in the case that a contingency occurs in a resource-producing country.

In response to such changes in this business environment, the Chubu Electric Power Group will work in unison to maintain a stable supply of energy by improving the forecast accuracy of renewable energy power generation output; undertaking day-to-day system operations and supply and demand adjustment encompassing collaboration with other general power transmission and distribution companies; carrying out stable operation of hydroelectric power plants; restarting suspended thermal power plant operations through JERA; and securing stable fuel supplies through flexible procurement via JERA Global Markets, which is JERA's fuel trading subsidiary; and utilizing demand response to enable customers to use electricity efficiently.

For stabilizing earnings, Chubu Electric Power will continue making efforts to optimize its power supply procurement portfolio and sophisticating market risk management in the domestic energy business. Additionally, we aim to achieve sustainable growth and attain our medium-term management targets through further expansion of new growth areas and our global businesses.

Furthermore, the environment surrounding the energy business is expected to undergo major changes in the future due to the advance of digital transformation (DX) in recent years, the growing introduction of distributed power sources beginning with renewable energy, and the progression of initiatives to decarbonize within energy policies.

Based on Zero Emissions Challenge 2050 and JERA Zero Emissions 2050, Chubu Electric Power Group is making efforts that include utilizing nuclear power on the premise of ensuring safety, expanding renewable energy, and pursuing zero-emission power sources that includes building hydrogen and ammonia supply chains while promoting electrification and decarbonization together with society and customers with the aim of realizing a decarbonized society. Also, we support the government's GX League Basic Concept and steadily promote initiatives to reduce CO2 emissions.

To boldly tackle challenges with our vision of society in 2050, based on Chubu Electric Power Group Management Vision 2.0, we will contribute to the sustainable development of local communities and society by providing diverse value to our customers and society through the growth and active roles of each and every human resource.

However, if there are changes in business environment surrounding the Chubu Electric Power Group, such as the changes to systems that differ from expectations in various markets or a growing impact from the conflict in Europe, financial standing, operating results and cash flow could potentially be affected.

### (1) Changes in fuel and electricity prices, etc.

Regarding the group's power procurement costs, they may be affected by market price

such as liquefied natural gas (LNG), coal and crude oil and fluctuations in the currency exchange market. In response, to ensure a stable supply of electricity to customers, Chubu Electric Power Miraiz abolished the upper limit on the average fuel price used to calculate the fuel cost adjustment amount for some rate menus for low-voltage customers such as households. From April 2023, by reviewing the standard rate menu for extra-high voltage and high voltage customers, we revised the electricity rate unit price while introducing a fuel cost adjustment system that reflects fluctuations in wholesale electricity trading market prices in addition to fuel prices (announced in October 2022). The impact on financial condition, operating results and cash flow will be mitigated due to changes in the fuel-cost adjustment system.

Taking into account that subsequent fuel prices are trending at a low level and our management initiatives undertaken by the entire Chubu Electric Power Group, we have implemented measures to reduce the burden of electricity bills since June 2023 for extra-high voltage and high-voltage electricity customers who have reviewed our standard rate.

Regarding fuel procurement by JERA and other group companies and electricity procurement through the market, etc. by Chubu Electric Power Miraiz and other group companies, the Chubu Electric Power Group is transitioning to a business structure less susceptible to market fluctuations for fuels and electricity such as by diversifying procurement sources and pursuing longer-term contracts and ensuring flexibility. Also, given the heightened volatility of the market, we will strive to sophisticate our risk management and implement sales measures that flexibly respond to market price fluctuations.

However, fuel supply-demand conditions and fuel market prices may fluctuate significantly due to, for example, worsening political, economic, and social conditions, such as the growing and protracted impact of the conflict in Europe, climate change, supplier facility and/or operational issues.

As these risks materialize, our financial standing, operating results, and cash flow could potentially be affected due to, for example, changes in fuel procurement cost, the difference between fuel procurement price and electricity sales price, and changes in market selling/wholesale selling prices of electric power.

### (2) Response to competition

In the energy businesses, including electricity, new electric power companies are successively withdrawing against the backdrop of rising power procurement costs due to soaring prices on the Japan Electric Power Exchange (JEPX). Under these circumstances, besides price competition, the competitive environment remains severe, mainly among household customers, amid demands for differentiation based on desired price menus and services and we assume that competition will heat up further when the procurement environment improves in the future.

To prevail in this competition, Chubu Electric Power Miraiz is promoting the provision of services that enrich the lives of customers and services that solve business issues such as decarbonization based on the connections with customers built by providing electricity and gas to the present.

Specifically, we will spread and expand renewable energy by providing CO2-free electricity menus, provide services that contribute to local production for local consumption and provide a variety of services such as "life services" that nurture family bonds and connections.

JERA will work to assure stable supplies such as by securing additional supply capacity by restarting idle thermal power plants and taking other measures while striving for optimal and efficient operation of the value chain, from fuel upstream procurement to power generation and electricity and gas sales.

However, a worsening of the procurement environment due to the further escalation of the conflict in Europe, further intensifying competition, economic trends and temperature fluctuations could potentially affect financial standing, operating results and cash flow.

### (3) Commercialization of New Growth Field

The Chubu Electric Power Group aims to provide new value demanded by local communities and customers by creating "value that spreads through connections" in various fields and by ensuring services that improve the quality of life. In the real estate business, we will further contribute to urban development mainly through ES-CON JAPAN and Chuden Real Estate. At the same time, in regional infrastructure projects involving resource recycling, water supply and sewerage, and regional transportation, we will promote the building a decarbonized and recycling-oriented society in collaboration with various partners. We will

also contribute to the extension of healthy life expectancies in local communities by expanding our lifestyle-related businesses such as medical care and health. In the future, we will continue to take on the challenge of creating a "new form of community" while valuing cooperation with residents of local communities and our partners.

In the Global business, we aim to contribute to solving social issues in each country and region and increase profits by forming an optimal portfolio that combines four business areas consisting of "green areas" such as renewable energy, "blue areas" such as hydrogen and ammonia, "retail/transmission/distribution/new service areas" that encompass microgrids and power distribution projects in Asia and "frontier areas" such as geothermal power generation.

On December 17, 2022, Chubu Electric Power received a notice of reassessment from the Mexican tax authorities ordering the payment of approximately 75.9 billion yen (based on the exchange rate in December 2022) regarding the transfer of our overseas electricity generation and energy infrastructure business to JERA through a company split on July 1, 2016. On February 10, 2023, Chubu Electric Power filed an administrative appeal with the authorities because it believes this notice is unreasonable and goes against the Japan-Mexico Tax Treaty and Mexican tax laws. Moreover, mutual consultation between the tax authorities of both countries based on the Japan-Mexico Tax Treaty is underway.

In developing business in new growth areas, including global business, we will undertake appropriate risk assessments, including country risks, and conduct regular monitoring.

However, if these businesses are unable to produce the results expected by the Chubu Electric Power Group due to the progression of competition with other operators and country risks' materialization, financial standing, operating results and cash flow could potentially be affected.

### (4) Global environmental conservation

Under Japan's 2050 Carbon Neutral Declaration, making efforts for global environmental conservation such as considering various policy goals is an urgent issue and this includes the enactment of the Act Concerning Promotion of Smooth Transition to Decarbonized Growth-Oriented Economic Structure (GX Promotion Act).

In accordance with the Chubu Electric Power Group Basic Environmental Policy, the Chubu Electric Power Group has summarized its efforts to achieve carbon neutrality as Zero Emissions Challenge 2050. Together with society and customers, we aim to simultaneously achieve "decarbonization" and "safety, stability, and efficiency" through innovation of the energy infrastructure. Specifically, we intend to mobilize all measures.

These include aiming for 3.2 GW or more as a renewable energy expansion target (including ownership, construction, and maintenance) by around 2030 as well as utilizing the Hamaoka Nuclear Power Station with priority on safety improvements and gaining the trust of local residents, building a hydrogen and ammonia supply chain, establishment of ammonia co-combustion technologies, fade-out of inefficient coal-fired power generation, further enhancement of the efficiency of thermal power generation, sophistication of power system equipment and operation and widening of supply and demand operations for expanding the amount of connectable renewable energy, and diversification of CO2-free electricity menus beginning with "Miraiz Green Denki."

In doing so, by 2030 we will reduce CO2 emissions derived from electricity sold to customers by 50% or more compared with FY2013. "Furthermore, through the practical application and adoption of innovative technologies through innovation, we will "take on the challenge of attaining net zero CO2 emissions for our entire business by 2050."

Important risks associated with climate change are deliberated at the Risk Management Committee chaired by the president and are reflected in the Basic Management Plan and then appropriate measures are implemented upon resolution by the Board of Directors.

However, if the Chubu Electric Power Group is unable to properly reform its business model based on trends in non-fossil values and technological innovation in addition to responding to future regulatory measures such as carbon pricing systems that include fossil fuel levies and emissions trading schemes, financial standing, operating results and cash flow could possibly be affected.

### (5) Changes in interest rates

The balance of interest-bearing debts of the Group is 2,925.7 billion yen at the end of March 2023, an amount equivalent to 45.3% of the group's total assets. Interest



payments on this debt are susceptible to market interest rates, and thus the performance could potentially be affected.

However, the impact of these debts on our financial standing, operating results, and cash flow would be limited because 89.8% of the outstanding balance of interest-bearing debts consists of long-term funds such as corporate bonds and long-term loans, and most of them were procured at fixed interest rates.

However, interest expenses on corporate bonds and borrowings procured in the future and some corporate pension assets held by the Chubu Electric Power Group will increase or decrease due to such factors as fluctuations in interest rates and therefore our financial standing, operating results and cash flow could potentially be affected.

## 2. Suspension of operation of nuclear power generation facilities

With regard to nuclear power policy, in February 2023 a Cabinet decision was made on the Basic Policy for the Realization of Green Transformation (GX) and in May 2023 the Act for Partial Amendment of the Electricity Business Act, etc. for the Establishment of Electricity Supply System toward the Realization of a Decarbonized Society (GX Decarbonization Electricity Act) was enacted.

The company has suspended operation of all reactors at the Hamaoka Nuclear Power Station over 10 years. Based on the new regulatory standards, the company has currently been implementing countermeasures steadily, while undergoing the Nuclear Regulation Authority's review to verify compliance with the new regulatory standards for Units 3 and 4. The company will strengthen internal systems to take action in response to reviews being conducted, and allow early confirmation that the power station conforms to the new regulations.

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

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

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

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

## 3. Nuclear power back-end costs, etc.

The back-end business of nuclear power includes reprocessing of spent fuel, disposal of radioactive waste, and dismantling of nuclear power facilities and takes an extremely long time period and has many uncertainties. Such uncertainties are reduced by the allocation and contribution of the necessary expenses based on rules set by the government, but the costs of nuclear fuel cycles, including back-end costs, may vary depending on regulatory reform like changes in estimates of future expenses (mandated and voluntary) and the operating status of reprocessing facilities. As a result, our financial standing, operating results, and cash flow could potentially be affected.

## 4. Large-scale natural disasters and other disasters

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

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

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

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

## 5. Spread of new coronavirus infection

In response to the outbreak of new coronavirus infection, the Chubu Electric Power Group, under the principle of maintaining stable energy supply and service levels while prioritizing the safety and health of its employees and their family members, partners, and customers, is working to prevent infection and to secure backup staff in the event of emergency through such measures as the active utilization of telecommuting and staggered commuting, the thorough implementation of basic infection prevention measures for each individual.

We will further accelerate the development and provision of new services by way of, for example, Community Support Infrastructure, to resolve social issues, in due consideration of significantly changing social structures and values and behavioral patterns of individuals that include the permeation of new lifestyles such as new living styles and workstyles accompanying the spread of coronavirus (COVID-19).

However, if the effect of the new infection expands further or is prolonged or if the Chubu Electric Power Group is unable to adequately anticipate changes in the social structure, our financial standing, operating results and cash flow could potentially be affected.

## 6. Information security (Economic security, information management, etc.)

For the purpose of assuring a stable supply of energy, which is an important infrastructure, in order to address risks of power supply disruption or information leakage due to threats such as a cyberattack, the Chubu Electric Power Group strengthens its governance system, pushes forward with information sharing and analysis in cooperation with other business operators and organization concerned through JE-ISAC and other forums, and is implementing various security measures and drills on an ongoing basis.

We will continuously monitor changes in the international situation and implement the latest countermeasures against cyberattacks.

To ensure that personal information (including Specific Personal Information) and other types of information are managed properly, we have established a department dedicated to information management, established necessary internal regulations among other initiatives, based on related laws and regulations such as the Personal Information Protection Law, and will further strengthen our training and awareness programs to employees.

In addition, we will take every measure to further assure security by building a more-advanced governance system, identifying and eliminating vulnerabilities in our IT systems, and strengthening operational rules through risk assessment and the analysis of assessment results.

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

## 7. Compliance

The Chubu Electric Power Group strives for strict compliance by establishing the "Chubu Electric Power Group Basic Compliance Policy," which indicates a basic policy and principles of action related to compliance with laws, regulations, and social rules, and has established the "Chubu Electric Power Group Anti-Bribery and Anti-Corruption Policy" and the "Guidelines on Giving and Receiving Money and Other Items of Value" in 2019 to strengthen efforts to ensure compliance.

Under these circumstances, Chubu Electric Power and Chubu Electric Power Miraiz underwent respective on-site inspections by the Japan Fair Trade Commission on suspicion of violating the Antimonopoly Act (unfair trade restrictions) on April 13, 2021 with regard to the supply of special high-voltage power and high-voltage power in the Chubu area, etc., and the supply of low-voltage power and city gas in the Chubu area and on October 5, 2021 with regard to the supply of special high-voltage power, high-voltage power, and city gas for large-scale customers in the Chubu region. We fully cooperated fully with the Commission's investigation.

Among the suspected violations listed above, on March 30, 2023, Chubu Electric Power received a surcharge payment order based on the Antimonopoly Act and Chubu Electric Power Miraiz received a cease and desist order and a surcharge payment order based on the Antimonopoly Act from the Commission with regard to the supply of extra high-voltage power and high-voltage power in the Chubu area, etc.

Regarding each order, Chubu Electric Power and Chubu Electric Power Miraiz have decided to file a lawsuit to cancel the orders and seek a fair judicial judgment because of a difference of opinions with the Committee regarding fact finding and legal interpretation. As for the surcharge payment, the loss related to the Antimonopoly Act was recorded as an extraordinary loss in the fiscal year under review. In response to these orders, the Chubu Electric Power and Chubu Electric Miraiz have been subjected to measures such as suspension of subsidies and suspension of any nominations for contracts by the Ministry of Economy, Trade and Industry.

Moreover, on June 19, 2023 the Electricity and Gas Market Surveillance Commission recommended that the Minister of Economy, Trade and Industry issued a business improvement order to Chubu Electric Power Miraiz. We will respond appropriately if orders are issued in the future.

We will continue to cooperate fully with investigations regarding other cases.

Chubu Electric Power and Chubu Electric Power Miraiz will steadily implement the thorough compliance measures announced on April 7, 2023 to ensure they will never again cause suspicions about violating the Antimonopoly Act.

Additionally, it was found that customer information managed by the wheeling business system at Chubu Electric Power Grid was leaked to Chubu Electric Power Miraiz and its outsourcing sub-contractors and that information on customers who had contracted with retail electricity providers other than Chubu Electric Power Miraiz was viewed by employees of Chubu Electric Power Miraiz. Regarding this matter, Chubu Electric Power Grid and Chubu Electric Power Miraiz received a business improvement recommendation from the Electricity and Gas Market Surveillance Commission on April 17, 2023 and issued a report in response to the business improvement recommendation on May 12, 2023.

Additionally, it was found that Chubu Electric Power Grid did not properly manage the IDs and passwords provided to view the renewable energy business management system of the Ministry of Economy, Trade and Industry and that FIT certification information was in a viewable state by Chubu Electric Power Miraiz employees as well. Regarding this matter, on April 17, 2023 Chubu Electric Power Grid and Chubu Electric Power Miraiz received guidance from the Agency for Natural Resources and Energy on May 12, 2023 they issued a report in response to this guidance.

Chubu Electric Power Grid and Chubu Electric Power Miraiz will steadily implement the recurrence-prevention measures announced on May 12, 2023.

Additionally, events have occurred the Chubu Electric Power Group for which the Group has been subject to disciplinary action by relevant administrative agencies in the real estate investment business and we will respond appropriately to these as well.

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

However, if any event against compliance occurs within or in connection with the Group, the reputation of the Group may be damaged and our financial standing, operating results, and cash flow could potentially be affected.



## Consolidated Balance Sheets

Chubu Electric Power Company, Incorporated and Subsidiaries  
As of March 31, 2023 and 2022

	Millions of yen		Thousands of U.S. dollars
	March 31, 2023	March 31, 2022	March 31, 2023
<b>ASSETS</b>			
<b>Property, Plant and Equipment:</b>			
Property, plant and equipment, at cost	¥10,635,234	¥10,513,102	\$79,640,814
Construction in progress	438,680	422,545	3,285,012
	11,073,914	10,935,647	82,925,827
<b>Less:</b>			
Contributions in aid of construction	(219,066)	(211,543)	(1,640,457)
Accumulated depreciation	(7,605,636)	(7,524,589)	(56,953,994)
	(7,824,703)	(7,736,133)	(58,594,451)
Total Property, Plant and Equipment, Net	3,249,211	3,199,514	24,331,375
<b>Nuclear Fuel:</b>			
Loaded nuclear fuel	40,040	40,040	299,836
Nuclear fuel in processing	153,210	154,731	1,147,296
Total Nuclear Fuel	193,250	194,772	1,447,132
<b>Investments and Other Assets:</b>			
Long-term investments	1,645,893	1,638,029	12,325,100
Net defined benefit asset	1,783	17,109	13,356
Deferred tax assets	183,136	174,086	1,371,397
Other (Note 15)	28,367	24,982	212,429
Allowance for doubtful accounts	(13,210)	(13,764)	(98,928)
Total Investments and Other Assets	1,845,970	1,840,443	13,823,355
<b>Current Assets:</b>			
Cash and deposits	361,325	203,207	2,705,746
Notes and accounts receivable — trade and contract assets	365,548	344,219	2,737,373
Inventories	196,444	190,779	1,471,051
Allowance for doubtful accounts	(1,633)	(2,819)	(12,229)
Other	244,984	204,616	1,834,538
Total Current Assets	1,166,669	940,003	8,736,479
<b>Total Assets</b>	<b>¥ 6,455,102</b>	<b>¥ 6,174,734</b>	<b>\$48,338,343</b>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

	Millions of yen		Thousands of U.S. dollars
	March 31, 2023	March 31, 2022	March 31, 2023
<b>LIABILITIES AND NET ASSETS</b>			
<b>Noncurrent Liabilities:</b>			
Long-term loans payable	¥2,411,136	¥2,190,062	\$18,055,540
Provision for loss in conjunction with discontinued operations of nuclear power plants	7,956	7,956	59,579
Net defined benefit liability	136,875	139,070	1,024,974
Asset retirement obligations	290,189	266,183	2,173,049
Other	186,510	206,123	1,396,663
Total Noncurrent Liabilities	3,032,667	2,809,397	22,709,806
<b>Current Liabilities:</b>			
Current portion of noncurrent liabilities	234,963	262,077	1,759,498
Short-term loans payable	280,276	269,044	2,098,819
Commercial paper	—	79,000	—
Notes and accounts payable - trade	327,487	279,243	2,452,354
Accrued taxes	50,589	26,353	378,833
Other (Notes 10, 18 and 19)	365,238	324,355	2,735,053
Total Current Liabilities	1,258,555	1,240,073	9,424,558
Reserve for Fluctuation in Water Levels	1,674	1,990	12,536
Total Liabilities	4,292,897	4,051,461	32,146,901
<b>Commitments and Contingent Liabilities</b>			
<b>Net Assets</b>			
Capital stock	430,777	430,777	3,225,830
Capital surplus	70,571	70,716	528,463
Retained earnings	1,393,120	1,392,720	10,432,232
Treasury shares, at cost	(2,733)	(2,734)	(20,467)
Total Shareholders' Equity	1,891,735	1,891,480	14,166,058
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	15,097	47,446	113,058
Deferred gains and losses on hedges	32,133	16,556	240,626
Foreign currency translation adjustments	133,859	62,747	1,002,393
Remeasurements of defined benefit plans	(12,016)	(1,102)	(89,985)
Total Accumulated Other Comprehensive Income	169,074	125,648	1,266,093
Share acquisition rights	0	0	5
Noncontrolling interests	101,394	106,143	759,285
Total Net Assets	2,162,205	2,123,272	16,191,442
<b>Total Liabilities and Net Assets</b>	<b>¥6,455,102</b>	<b>¥6,174,734</b>	<b>\$48,338,343</b>

The U.S. dollar amounts notes present the translating yen amounts into U.S. dollar amounts on a basis of ¥133.54 to U.S. \$1.00, the prevailing exchange rate at the fiscal year-end.

For detailed information on the financial conditions of Chubu Electric Power, please see the Appendix, "Chubu Electric Power Group Report 2023 (Integrated Report) Financial Section."



## Consolidated Statements of Operations

Chubu Electric Power Company, Incorporated and Subsidiaries  
For the Years Ended March 31, 2023 and 2022

	Millions of yen		Thousands of U.S. dollars
	March 31, 2023	March 31, 2022	March 31, 2023
<b>Operating Revenues:</b>			
Electricity	¥3,286,145	¥2,180,931	\$24,607,949
Other	700,536	524,230	5,245,891
Total Operating Revenues	3,986,681	2,705,162	29,853,841
<b>Operating Expenses:</b>			
Electricity	3,221,252	2,254,983	24,122,007
Other	658,339	504,009	4,929,908
Total Operating Expenses	3,879,592	2,758,992	29,051,916
<b>Operating Income (Loss)</b>	107,089	(53,830)	801,924
<b>Other Expenses (Income):</b>			
Interest expense	19,889	18,987	148,939
Share of loss (profit) of entities accounted for using equity method	12,986	(5,444)	97,247
Impairment loss	14,236	—	106,610
Loss on return of imbalance charge	—	5,510	—
Loss in conjunction with the Antimonopoly Act	27,555	—	206,349
Gain on disposition of investment securities	(45,318)	—	(339,365)
Other, net	9,064	(8,053)	67,876
Total Other (Income) Expenses, Net	38,413	11,000	287,658
<b>Income (Loss) Before Reversal of Reserve for Fluctuation in Water Levels and Income Taxes</b>	68,675	(64,830)	514,266
<b>Reversal of Reserve for Fluctuation in Water Levels</b>	(315)	(20,357)	(2,366)
<b>Income (Loss) Before Income Taxes</b>	68,991	(44,473)	516,632
<b>Income Taxes:</b>			
Current	25,697	11,626	192,431
Deferred	5,416	(15,948)	40,564
Total Income Taxes	31,114	(4,322)	232,996
<b>Net Income (Loss)</b>	37,876	(40,150)	283,635
<b>Net (loss) income attributable to noncontrolling interests</b>	(354)	2,872	(2,656)
<b>Net income (loss) attributable to owners of parent</b>	¥ 38,231	¥ (43,022)	\$ 286,292
U.S. dollars			
	March 31, 2023	March 31, 2022	March 31, 2023
<b>Per Share of Capital Stock:</b>			
Net income (loss) - basic	¥50.56	¥(56.90)	\$0.38
Cash dividends	50.00	50.00	0.37

The U.S. dollar amounts notes present the translating yen amounts into U.S. dollar amounts on a basis of ¥133.54 to U.S. \$1.00, the prevailing exchange rate at the fiscal year-end.

## Consolidated Statements of Comprehensive Income

Chubu Electric Power Company, Incorporated and Subsidiaries  
For the Years Ended March 31, 2023 and 2022

	Millions of yen		Thousands of U.S. dollars
	March 31, 2023	March 31, 2022	March 31, 2023
<b>Net Income (Loss)</b>	¥37,876	¥(40,150)	\$283,635
<b>Other Comprehensive Income:</b>			
Valuation difference on available-for-sale securities	(31,982)	1,438	(239,499)
Deferred gains and losses on hedges	133	1,037	1,003
Foreign currency translation adjustments	774	562	5,803
Remeasurements of defined benefit plans, net of tax	(13,180)	(4,854)	(98,700)
Share of other comprehensive income of entities accounted for using equity method	86,884	68,197	650,621
Other Comprehensive Income	42,629	66,381	319,228
<b>Comprehensive Income</b>	¥80,506	¥ 26,230	\$602,864
Comprehensive income attributable to:			
Owners of parent	81,657	22,949	611,482
Noncontrolling interests	(1,150)	3,281	(8,618)

The U.S. dollar amounts notes present the translating yen amounts into U.S. dollar amounts on a basis of ¥133.54 to U.S. \$1.00, the prevailing exchange rate at the fiscal year-end.

For detailed information on the financial conditions of Chubu Electric Power, please see the Appendix, "Chubu Electric Power Group Report 2023 (Integrated Report) Financial Section."



## Consolidated Statements of Changes in Net Assets

Chubu Electric Power Company, Incorporated and Subsidiaries For the Years Ended March 31, 2023 and 2022

	Number of shares of capital stock issued	Shareholders' equity					Accumulated other comprehensive income							Share acquisition rights	Noncontrolling interests	Total net assets
		Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains and losses on hedges	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income					
Millions of yen																
Balance at April 1, 2021	758,000,000	¥430,777	¥70,732	¥1,472,678	¥(2,697)	¥1,971,490	¥45,002	¥(435)	¥11,216	¥3,892	¥59,675	—	¥72,518	¥2,103,684		
Cumulative effects of changes in accounting policies	—	—	—	898	—	898	—	—	—	—	—	—	270	1,168		
Balance at April 1, 2021 (Restated Balance)	758,000,000	430,777	70,732	1,473,576	(2,697)	1,972,388	45,002	(435)	11,216	3,892	59,675	—	72,788	2,104,853		
Dividends of surplus	—	—	—	(37,833)	—	(37,833)	—	—	—	—	—	—	—	(37,833)		
Net income attributable to owners of parent	—	—	—	(43,022)	—	(43,022)	—	—	—	—	—	—	—	(43,022)		
Purchase of treasury shares	—	—	—	—	(39)	(39)	—	—	—	—	—	—	—	(39)		
Disposal of treasury shares	—	—	—	(0)	3	2	—	—	—	—	—	—	—	2		
Change in equity of parent on transactions with noncontrolling interests	—	—	(16)	—	—	(16)	—	—	—	—	—	—	—	(16)		
Net changes in items other than shareholders' equity	—	—	—	—	—	—	2,444	16,991	51,531	(4,995)	65,972	0	33,355	99,328		
Balance at March 31, 2022	758,000,000	¥430,777	¥70,716	¥1,392,720	¥(2,734)	¥1,891,480	¥47,446	¥16,556	¥62,747	¥(1,102)	¥125,648	¥0	¥106,143	¥2,123,272		
Millions of yen																
Balance at April 1, 2022	758,000,000	¥430,777	¥70,716	¥1,392,720	¥(2,734)	¥1,891,480	¥47,446	¥16,556	¥62,747	¥(1,102)	¥125,648	¥0	¥106,143	¥2,123,272		
Dividends of surplus	—	—	—	(37,831)	—	(37,831)	—	—	—	—	—	—	—	(37,831)		
Net income attributable to owners of parent	—	—	—	38,231	—	38,231	—	—	—	—	—	—	—	38,231		
Purchase of treasury shares	—	—	—	—	(37)	(37)	—	—	—	—	—	—	—	(37)		
Disposal of treasury shares	—	—	—	(0)	38	38	—	—	—	—	—	—	—	38		
Change in equity of parent on transactions with noncontrolling interests	—	—	(145)	—	—	(145)	—	—	—	—	—	—	—	(145)		
Net changes in items other than shareholders' equity	—	—	—	—	—	—	(32,348)	15,576	71,111	(10,913)	43,425	(0)	(4,748)	38,676		
Balance at March 31, 2023	758,000,000	¥430,777	¥70,571	¥1,393,120	¥(2,733)	¥1,891,735	¥15,097	¥32,133	¥133,859	¥(12,016)	¥169,074	¥0	¥101,394	¥2,162,205		
Thousands of U.S. dollars																
Balance at April 1, 2022		\$3,225,830	\$529,551	\$10,429,239	\$(20,474)	\$14,164,146	\$355,298	\$123,981	\$469,880	\$(8,257)	\$940,902	\$6	\$794,846	\$15,899,902		
Dividends of surplus		—	—	(283,298)	—	(283,298)	—	—	—	—	—	—	—	(283,298)		
Net income attributable to owners of parent		—	—	286,292	—	286,292	—	—	—	—	—	—	—	286,292		
Purchase of treasury shares		—	—	—	(282)	(282)	—	—	—	—	—	—	—	(282)		
Disposal of treasury shares		—	—	(1)	288	287	—	—	—	—	—	—	—	287		
Change in equity of parent on transactions with noncontrolling interests		—	(1,087)	—	—	(1,087)	—	—	—	—	—	—	—	(1,087)		
Net changes in items other than shareholders' equity		—	—	—	—	—	(242,239)	116,644	532,512	(81,727)	325,190	(1)	(35,561)	289,627		
Balance at March 31, 2023		\$3,225,830	\$528,463	\$10,432,232	\$(20,467)	\$14,166,058	\$113,058	\$240,626	\$1,002,393	\$(89,985)	\$1,266,093	\$5	\$759,285	\$16,191,442		

The U.S. dollar amounts notes present the translating yen amounts into U.S. dollar amounts on a basis of ¥133.54 to U.S. \$1.00, the prevailing exchange rate at the fiscal year-end.

For detailed information on the financial conditions of Chubu Electric Power, please see the Appendix, "Chubu Electric Power Group Report 2023 (Integrated Report) Financial Section."



## Consolidated Statements of Cash Flows

Chubu Electric Power Company, Incorporated and Subsidiaries  
For the Years Ended March 31, 2023 and 2022

	Millions of yen		Thousands of U.S. dollars
	March 31, 2023	March 31, 2022	March 31, 2023
<b>Cash Flows from Operating Activities:</b>			
Income (Loss) before income taxes	¥ 68,991	¥ (44,473)	\$ 516,632
Adjustments for:			
Depreciation	155,927	189,154	1,167,647
Impairment loss	14,236	—	106,610
Gain on disposition of investment securities	(45,318)	—	(339,365)
Decommissioning costs of nuclear power units	10,257	9,725	76,814
Loss on retirement of noncurrent assets	8,667	6,126	64,907
Decrease in provision for net defined benefit liability and asset	(5,236)	(5,674)	(39,211)
Loss in conjunction with the Antimonopoly Act	27,555	—	206,349
Decrease in reserve for fluctuation in water levels	(315)	(20,357)	(2,366)
Interest and dividend income	(3,612)	(3,220)	(27,055)
Interest expense	19,889	18,987	148,939
Loss on return of imbalance charge	—	5,510	—
Equity in net income (loss) of affiliates	12,986	(5,444)	97,247
Increase in notes and accounts receivable - trade and contract assets	(20,463)	(27,921)	(153,237)
Increase in inventories	(5,654)	(27,866)	(42,345)
Increase in notes and accounts payable - trade	48,207	84,243	360,994
Other, net	(14,127)	(94,122)	(105,790)
Subtotal	271,990	84,668	2,036,772
Interest and dividend income received	33,216	25,550	248,739
Interest expense paid	(19,812)	(19,208)	(148,364)
Income taxes paid or refunded	10,403	(69,320)	77,906
<b>Cash flows from operating activities</b>	<b>295,798</b>	<b>21,688</b>	<b>2,215,053</b>

	Millions of yen		Thousands of U.S. dollars
	March 31, 2023	March 31, 2022	March 31, 2023
<b>Cash Flows from Investing Activities:</b>			
Purchase of noncurrent assets	(249,044)	(232,153)	(1,864,946)
Payments on investments and loans receivable	(47,603)	(63,533)	(356,474)
Collection on investments and loans receivable	79,127	10,814	592,534
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(24,575)	—
Proceeds from purchases of shares of subsidiaries resulting in change in scope of consolidation	0	22,353	7
Other, net	20,592	25,072	154,201
<b>Cash flows from investing activities</b>	<b>(196,928)</b>	<b>(262,021)</b>	<b>(1,474,676)</b>
<b>Cash Flows from Financing Activities:</b>			
Proceeds from issuance of bonds	149,775	154,622	1,121,578
Redemption of bonds	(80,000)	(5,610)	(599,071)
Proceeds from long-term loans payable	312,821	345,583	2,342,532
Repayments of long-term loans payable	(194,034)	(240,857)	(1,453,008)
Proceeds of short-term loans payable	357,241	309,024	2,675,166
Repayments of short-term loans payable	(341,759)	(299,591)	(2,559,232)
Proceeds from issuance of commercial paper	—	397,000	—
Redemption of commercial paper	(79,000)	(338,000)	(591,583)
Purchase of treasury shares	(39)	(39)	(292)
Cash dividends paid	(37,807)	(37,758)	(283,119)
Dividends paid to noncontrolling interests	(4,232)	(3,923)	(31,697)
Other, net	(9,716)	(14,046)	(72,757)
<b>Cash flows from financing activities</b>	<b>73,248</b>	<b>266,403</b>	<b>548,514</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>210</b>	<b>176</b>	<b>1,573</b>
<b>Net increase in cash and cash equivalents</b>	<b>172,328</b>	<b>26,247</b>	<b>1,290,464</b>
<b>Cash and cash equivalents at beginning of this period</b>	<b>201,156</b>	<b>174,909</b>	<b>1,506,337</b>
<b>Cash and cash equivalents at end of this period</b>	<b>¥ 373,484</b>	<b>¥ 201,156</b>	<b>\$ 2,796,802</b>

The U.S. dollar amounts notes present the translating yen amounts into U.S. dollar amounts on a basis of ¥133.54 to U.S. \$1.00, the prevailing exchange rate at the fiscal year-end.

For detailed information on the financial conditions of Chubu Electric Power, please see the Appendix, "Chubu Electric Power Group Report 2023 (Integrated Report) Financial Section."



## Corporate Data (As of March 31, 2023)

### Corporate Profile

Corporate name:	Chubu Electric Power Company, Incorporated
Headquarters:	1, Higashi-shincho, Higashi-ku, Nagoya, Aichi 461-8680, Japan Tel: +81-52-951-8211 (Main)
Representative:	Hayashi Kingo, President & Director
Date of establishment:	May 1st, 1951
Capital:	¥430.7 billion
Number of employees:	3,153
Number of shares issued:	758,000,000
Number of shareholders:	244,396
Independent auditor:	KPMG AZSA LLC
Stock markets traded:	Tokyo Stock Exchange, Inc. Nagoya Stock Exchange, Inc. (Securities ID code: 9502)
Administrator of shareholder registry:	Mitsubishi UFJ Trust and Banking Corporation 4-5 Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8212, Japan

### Main Business Locations

Headquarters:	1, Higashi-shincho, Higashi-ku, Nagoya, Aichi 461-8680
Shizuoka Regional Office:	2-4-1 Hontoori, Aoi-ku, Shizuoka 426-0064
Tokyo Office:	2-2-1 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011

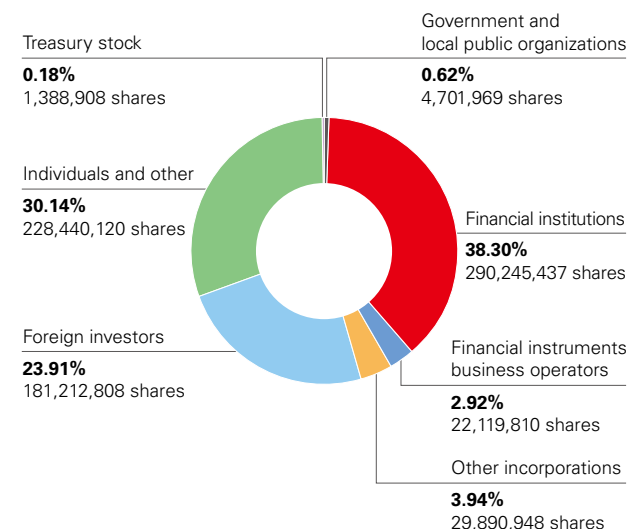
### Overseas Offices

Washington Office	900 17th Street, NW, Suite 1220, Washington, D.C. 20006, U.S.A. tel: +1-202-775-1960
London Office	2nd Floor, 210 High Holborn, London WC1V 7EP, U.K. tel: +44-20-7409-0142
Doha Office	16th Floor, Salam Tower, Al Corniche P.O.Box 22470, Doha-QATAR tel: +974-4483-6680

### Number of Shares

Total number of authorized shares	1,190 million shares
Total number of shares issued	758 million shares

### Composition of Shareholders



### Principal Shareholders

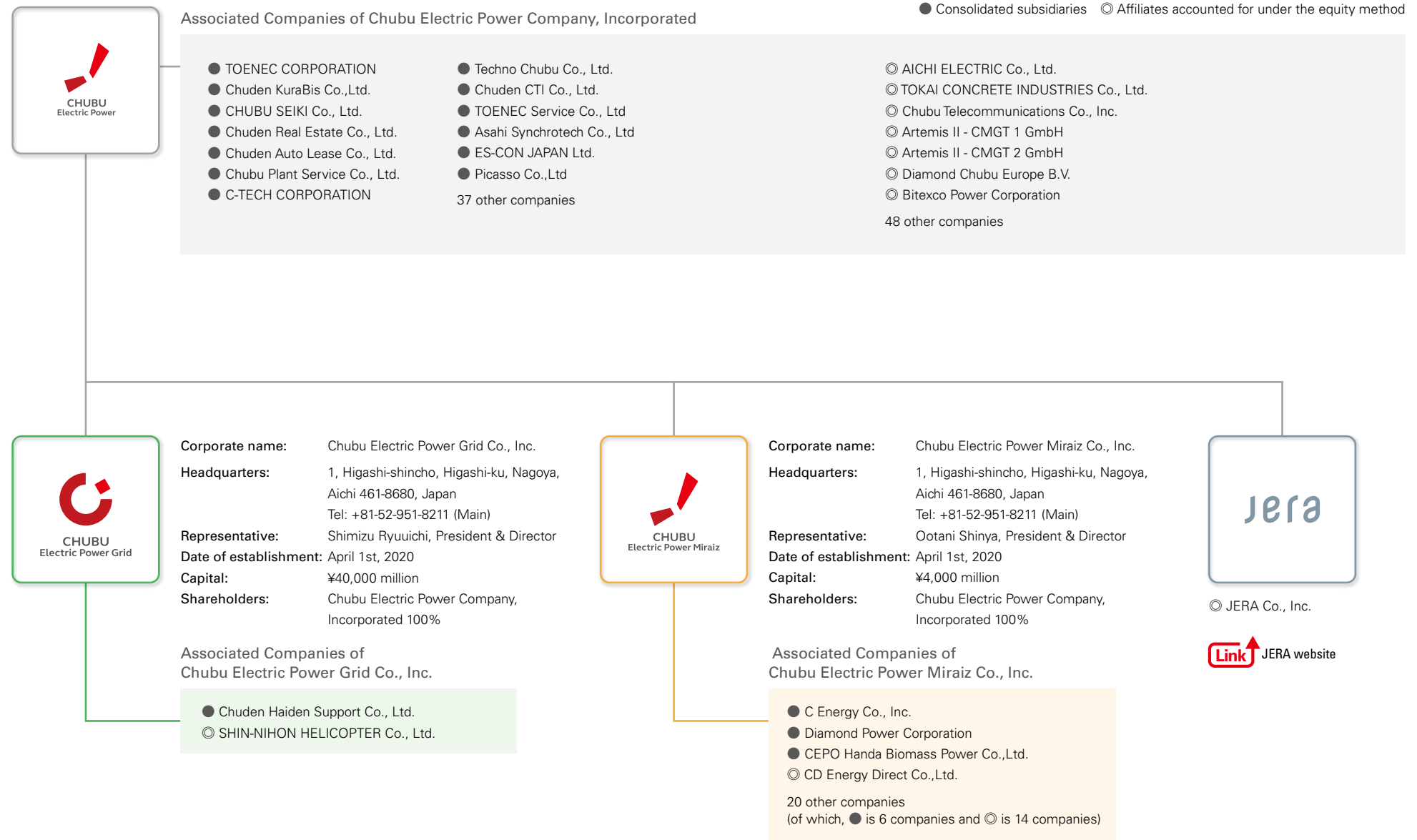
Name	Number of shares owned (thousands)	Ownership percentage of total shares issued (%)
The Master Trust Bank of Japan, Ltd.	114,811	15.17
Custody Bank of Japan, Ltd.	40,122	5.30
Meiji Yasuda Life Insurance Company	35,516	4.69
STATE STREET BANK WEST CLIENT - TREATY 505234 (Standing proxy: Mizuho Bank, Ltd. Settlement & Cleaning Services Department)	24,061	3.18
Nippon Life Insurance Company	23,419	3.10
Chubu Electric Employees Shareholders' Association	18,487	2.44
MUFG Bank, Ltd.	11,478	1.52
Sumitomo Mitsui Banking Corporation	11,207	1.48
STATE STREET BANK AND TRUST COMPANY 505253 (Standing proxy: Mizuho Bank, Ltd. Settlement & Cleaning Services Department)	9,533	1.26
JP MORGAN CHASE BANK 385781 (Standing proxy: Mizuho Bank, Ltd. Settlement & Cleaning Services Department)	9,213	1.22
Total	297,851	39.37

Note: The number of shares held by The Master Trust Bank of Japan, Ltd. and Custody Bank of Japan, Ltd. (114,811 thousands shares and 40,122 thousands shares, respectively) is related to their trust services.



## Associated Companies (As of March 31, 2023)

[Link](#) Information on Chubu Electric Power Group (Japanese version only)



Activity to promote coexistence with local communities

## Official partner of Ghibli Park

In support of Ghibli Park's operation, Chubu Electric Power will assist the park in becoming a place that grows while being loved by visitors and local communities. In addition, Chubu Electric Power Miraiz provides "Green Denki" (CO<sub>2</sub>-free electricity) to Ghibli Park within the grounds of Expo 2005 Aichi Commemorative Park, contributing to CO<sub>2</sub> emissions reduction.

Expo 2005 Aichi Commemorative Park (Ghibli Park)



Expo 2005 Aichi Commemorative Park (Moricoro Park)



Chubu Electric Power supports Ghibli Park.



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## Chubu Electric Power Co., Inc.

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