

Through passion, challenge and a spirit of harmony,
Chubu Electric Power Group will further accelerate efforts
to grow together with stakeholders and provide new value.

President & Director

Hayashi Kingo

PROFILE

Hayashi Kingo, President & Director

Born in 1961 in Mie Prefecture. Hayashi Kingo 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.





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Review of FY2023 and Progress of the Medium-term Management Plan

First of all, in March 2024 Chubu Electric Power received a disciplinary order from the Japan Fair Trade Commission under the Antimonopoly Act. We take this matter extremely seriously because this has led to the loss of trust of society and our stakeholders. To prevent the reoccurrence of such incidents, we are accelerating efforts to implement thoroughgoing compliance. As one such measure, in April 2024 we established the Compliance Headquarters under the direction of the President.

Furthermore, in June 2024 Chubu Electric Power transitioned from a Company with an Audit & Supervisory Board to a Company with an Audit & Supervisory Committee. This aims at both strengthening our governance system and enhancing the flexibility of decision-making.

P10 Aiming for a Higher Level of Social Trust

P75 Corporate Governance

Looking back on FY2023, I could truly sense that with each passing year, the Chubu Electric Power Group is facing increased volatility in its business environment that includes geopolitical factors and fuel procurement. Nevertheless,

FY2023 was also a year when we appropriately managed risks and seized opportunities in undertaking our business. During FY2023, we utilized our model that splits off power generation and sales, which is a chief feature of the Group, with each business flexibly and autonomously reflecting the needs of its markets into its respective measures. As a result, although there were one-time profit-boosting factors, Chubu Electric Power posted significant profits, recording ordinary income of approximately ¥371 billion, excluding the time lag impact that reflects the fluctuating portion of fuel prices in electricity rates.

Also contributing significantly to our favorable performance was “DX promotion” now in its creative phase and “Kaizen activities,” which are employee-led efforts to improve management and business efficiency. Now in its sixth year, Kaizen activities are currently in a phase of expansion and transformation.

I am acutely aware that these solid results for FY2023 were achieved largely because of the cooperation of all our stakeholders. With this in mind, during the year we considered ways we could share our profits with all stakeholders. Accordingly, for customers we will continue to implement measures to reduce the burden of their electricity bills while for shareholders we increased annual dividends per share to ¥55 and expect to increase annual dividends to ¥60 in FY2024. Meanwhile, for employees we implemented wage increases, which include the

full amount requested by employees for their base compensation.

In working to increase our corporate value, we must grow in step with our stakeholders and contribute to the development of a sustainable society. As a new resolution toward realizing these objectives, we have raised our Medium-term Management Targets upward to consolidated ordinary income of ¥200 billion or more and ROIC of 3.2% or more.

We will continue undertaking flexible management and will accurately identify risks in a timely manner and consider ways we can transform these into opportunities to achieve sustainable growth.

P23 Chubu Electric Power Group Management Vision 2.0 and Medium-term Management Plan

P34 Promotion of Digital Transformation (DX)

P35 Promotion of Kaizen Activities





In the electric power business, the Chubu Electric Group is working to provide safe, affordable and stable supplies of electricity. Meanwhile, the three operating companies consisting of Chubu Electric Power Grid, Chubu Electric Power Miraiz, and JERA have provided new value by autonomously and flexibly responding to changes in their respective markets. Moreover, in striving for carbon neutrality (CN), our efforts to expand the use of renewable energy and other measures have enabled Chubu Electric Power to reduce CO₂ emissions by approximately 30% versus the target of a 50% reduction by FY2030 (compared with FY2013) as set out in the Group's Zero Emission Challenge 2050.

To further increase our corporate value, we must accelerate the provision of new value to

customers and local communities by making firm efforts to realize CN and steadily build on our achievements in new growth fields such as healthcare and real estate. The entire Chubu Electric Power Group will continue to work in unison to promote these initiatives.

P27 Regional Revitalization through Real Estate Business

P38 Practicing Corporate Management Giving Consideration to Climate Change and Natural Capital

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Reaching a Turning Point and Accelerating Initiatives for Attaining Our Management Vision

■ Securing Earnings Power by Strengthening the Electric Power Business and Providing New Value

The Chubu Electric Power Group is facing major changes in the environment that include diversification of customer needs, verification of power system reforms, and reviews of the Strategic Energy Plan. In anticipation of these changes, we are accelerating efforts to build a new business model and a strong management structure.

Chubu Electric Power has begun investing in local infrastructure projects such as resource circulation, water supply and sewerage, forestry, and local transportation projects with the aim of building a circular/distributed society such

as a new form of communities and a circular economy.

Turning to renewable energy initiatives, Chubu Electric Power will leverage the characteristics of each power source such as solar, hydro, and wind power, focusing especially on offshore wind power, which is advantageous in terms of scale. We have already commenced testing of floating offshore wind power generation. As a front-runner in this field, Chubu Electric Power seeks to engage in joint research on next-generation wind power in combination with innovation initiatives and technological development. Specifically, in geothermal energy we invested in Eavor, a Canadian company that holds patents for new technologies in this field. We are also participating in a geothermal power generation and district heat supply project in Germany that utilizes closed-loop geothermal technologies.

Chubu Electric Power Grid Co., Ltd. has developed and implemented the world's first voltage control method that utilizes AI to prevent system failures caused by voltage fluctuations accompanying the expansion of diverse power sources such as renewable energy while efficiently supplying electricity in a stable manner.

Chubu Electric Power Miraiz utilizes its points of contact with a wide variety of customers to offer an assortment of services that enrich the lives of its customers. These include "TSUNAGU table," a service that connects sellers with





consumers so that customers can contribute to reducing food loss in a fun and economical way. “toku-P” is a service that matches people wishing to earn a supplementary income by renting out their vacant parking spaces with users searching for parking lots.

To attain JERA Zero Emissions 2050, JERA is promoting a transition to ammonia and hydrogen, which do not emit CO₂ when burned in thermal power generation, as well as CCUS projects that store CO₂ underground. Additionally, as the core of JERA’s global renewable energy expansion, the company will consolidate its organizations that handle each process of project development, construction, and operation in Europe to maximize synergies and cultivate and expand overseas markets.

P50 Renewable Energy Business

P52 Chubu Electric Power Grid Co., Inc.

P54 Chubu Electric Power Miraiz Co., Inc.

P56 Global Business

P60 JERA Co., Inc.

P62 Undertaking Regional Infrastructure Business

■ Toward the Restart of the Hamaoka Nuclear Power Station

In FY2023, we progressed smoothly with our response to inspections for confirming conformity to new regulatory requirements at the Hamaoka Nuclear Power Station and now intend to accelerate initiatives toward restarting

the power station. Nuclear power is a key energy source that can contribute to realizing CN. All employees, myself included, are working day-in, day-out with the passion arising from the “self-awareness and pride” that restarting the power station upon assuring safety and security will contribute significantly to Japan’s energy security and future decarbonization. Gaining the understanding of the local community is of course a major prerequisite for restarting the power station. With this in mind, we will continue to engage in proactive and easy-to-understand dialogue with community residents.

P25 Toward Restarting the Hamaoka Nuclear Power Station

P46 Toward Improving the Safety and Reliability of the Hamaoka Nuclear Power Station

■ Cultivating Mindsets through On-Site Dialogue

Alongside the measures I have described, to achieve our Management Vision, management and employees at actual business sites must always share a common understanding and mindset. I continuously think about encouraging employees in the field who make daily efforts to provide a stable supply of energy and various services. For this reason, I recently began visiting the frontline offices for the opportunity to speak with numerous on-site employees throughout the Company. Conversely, I too gained courage from their passionate words and realized deeply that they possess the mindset I value, which is “enthusiasm, challenge, and harmony.” Without enthusiasm, employees will not enjoy their work

and no new ideas will emerge. Having a desire to challenge new things and different fields as well as providing the venues and opportunities for doing so are essential. Concurrently, I would like to continue to strongly emphasize that caring about the wellbeing of other people both inside and outside the Company and having a sense of harmony are important for maximizing our organizational capabilities.

P20 COLUMN Special Feature: Stakeholder Engagement

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Realizing a Sustainable Society and Achieving Growth of the Group

To contribute to the realization of a decarbonized society as an energy company, besides pursuing zero-emission power sources such as by expanding renewable energy and utilizing hydrogen and ammonia, we can achieve significant results by promoting decarbonization together with our customers. For example, we must work with our customers to provide solutions such as reviewing the manufacturing processes at their plants or replacing gas and other energy sources with renewable energy to create the same value. New value can also be created by combining businesses and services. This includes combining the electric power



business with retail and delivery businesses or the electric power business with healthcare services. AI and DX will function as the adhesive for binding these businesses and services as we seek to offer value that exceeds the sum of the digits, such as by turning 1 plus 1 into 3.

The growth and active roles of each and every employee are also essential for continuously providing these new types of value, responding to major changes in the environment, and ensuring the sustainable growth of the local community, society and the Chubu Electric Power Group. I regard this as the very essence of corporate value. Accordingly, we are implementing a variety of measures to ensure that each employee can fully deploy his or her abilities according to their life events and career stages by creating an environment where diverse human resources can take active



roles and provide opportunities and support employees who meet the challenge of self-transformation. In addition to these measures, we are strengthening mid-career recruitment and the hiring of specialist employees, introducing a substantive three-day-off work week system, and enhancing our working environment and personnel evaluations. We are proud to be one of the companies in the energy industry that is promoting the most advanced initiatives.

I also recognize that securing essential workers is an urgent issue not only for the Group but also for society as a whole and the entire value chain. Changing the structure of the workforce such as by optimizing existing labor and resources and improving operational efficiency through digitization is also necessary.

Health management is also one of our key initiatives. In this area, we are distributing wearable devices to all employees and these efforts are beginning to bear fruit. Wearable devices enable employees to visualize their health information, allowing them to maintain and improve their health in a fun manner.

P32 Human Resources Strategy

P63 Creating an Environment Where Diverse Human Resources Can Take Active Roles

P66 Providing Opportunities and Support to Employees Who Meet the Challenge of Self-transformation

■ Management with an Awareness of Cost of Capital and Stock Price

For the Chubu Electric Group to achieve

sustainable growth, we must expand our earnings base and rebuild our business portfolio. We also need to accelerate strategic investments and further promote management with an awareness of capital efficiency, including improving PBR, with the aim of building a stronger management structure. To date, Chubu Electric Power has positioned ROE and ROIC as management indicators and is working to further improve PBR through proactive dialogue with shareholders and investors, enhanced disclosure, and providing stable dividends or sharing profits based on profit growth.

P28 CFO Message

P30 Realizing Management with an Awareness of Cost of Capital and Stock Price (toward Improving PBR)

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Together with Our Stakeholders

Under its Medium-term Business Plan, Chubu Electric Group aims to become a corporate group that achieves continuous growth by firmly meeting the expectations of its stakeholders and has set targets for each of its six stakeholders.

To become a corporate group that is consistently chosen by customers, we will continuously implement measures to reduce the burden of electricity bills by sharing the outcomes of these cost-reduction efforts with customers. We will also continue to meet the



needs of our customers by providing new value and services.

Local communities face a variety of social issues, such as the need for watching over the elderly, enhancing resilience, and realizing decentralized societies. We seek to actively develop communities that can contribute to

solving these issues.

We have also begun reforms to improve the working environment and make business relationships fairer and more transparent. This will enable business partners who give us their support to work with us safely, more efficiently, and with peace of mind.

We recognize that dividends and stock prices are two key factors for shareholders and investors. Besides maintaining stable dividends, we also aim to improve our stock price by managing our business with a constant awareness of PBR, maximizing future value as much as possible, and receiving positive assessments from our shareholders.

Employees are the foundation of our business and we cannot achieve our new plans and vision without their capabilities. We will step up efforts to improve safety, health, and engagement. We will strive to continue to achieve profits and share these with our employees.

We are also promoting a deeper recognition that the global environment is also an important stakeholder. I believe that the number-one priority of our management is conducting business operations in an environmentally friendly manner to achieve CN.

Finally, we are currently in the midst of unprecedented major and drastic changes in the environment. We will respond to these changes quickly and transform our business model, while accelerating our efforts to create new value by maximizing our strengths, such as our know-how, human resources, the trust of our customers, and our connections with society, together with various partners, and provide this value to society as a whole.

Toward Providing Value to Stakeholders

