

# **Chubu Electric Power Group Report 2024 (Integrated Report) Financial Section**

Year ended March 31, 2024

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# Consolidated Balance Sheets

Chubu Electric Power Company, Incorporated and Subsidiaries  
As of March 31, 2024 and 2023

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2024	March 31, 2023	March 31, 2024
<b>Property, Plant and Equipment:</b>			
Property, plant and equipment, at cost	¥10,814,315	¥10,635,234	\$71,461,811
Construction in progress	464,394	438,680	3,068,752
	11,278,710	11,073,914	74,530,563
Less:			
Contributions in aid of construction	(222,229)	(219,066)	(1,468,507)
Accumulated depreciation	(7,717,783)	(7,605,636)	(50,999,692)
	(7,940,012)	(7,824,703)	(52,468,199)
Total Property, Plant and Equipment, Net (Notes 7 and 13)	3,338,697	3,249,211	22,062,364
<b>Nuclear Fuel:</b>			
Loaded nuclear fuel	40,040	40,040	264,588
Nuclear fuel in processing	158,702	153,210	1,048,720
Total Nuclear Fuel	198,743	193,250	1,313,309
<b>Investments and Other Assets:</b>			
Long-term investments (Notes 8, 9, 10 and 13)	2,094,736	1,645,893	13,842,174
Net defined benefit asset (Note 14)	7,651	1,783	50,564
Deferred tax assets (Notes 13 and 22)	153,725	183,136	1,015,832
Other (Note 13)	30,595	28,367	202,177
Allowance for doubtful accounts	(5,406)	(13,210)	(35,728)
Total Investments and Other Assets	2,281,302	1,845,970	15,075,019
<b>Current Assets:</b>			
Cash and deposits (Notes 6, 8 and 13)	390,806	361,325	2,582,475
Notes and accounts receivable - trade, and contract assets (Note 8, 11 and 13)	353,997	365,548	2,339,242
Inventories (Notes 12, 13)	270,501	196,444	1,787,494
Allowance for doubtful accounts	(1,223)	(1,633)	(8,086)
Other (Note 13)	275,792	244,984	1,822,457
Total Current Assets	1,289,873	1,166,669	8,523,583
<b>Total Assets (Notes 13 and 30)</b>	<b>¥ 7,108,617</b>	<b>¥ 6,455,102</b>	<b>\$46,974,276</b>

The accompanying notes to the consolidated financial statements are an integral part of these statements.

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2024	March 31, 2023	March 31, 2024
<b>Noncurrent Liabilities:</b>			
Long-term loans payable (Notes 8 and 13)	¥2,478,622	¥2,411,136	\$16,378,923
Provision for loss in conjunction with discontinued operations of nuclear power plants	4,276	7,956	28,262
Net defined benefit liability (Note 14)	125,769	136,875	831,097
Asset retirement obligations (Note 17)	294,388	290,189	1,945,342
Other (Notes 13 and 22)	212,621	186,510	1,405,018
Total Noncurrent Liabilities	3,115,679	3,032,667	20,588,644
<b>Current Liabilities:</b>			
Current portion of noncurrent liabilities (Notes 8 and 13)	282,510	234,963	1,866,853
Short-term loans payable (Notes 8 and 13)	319,534	280,276	2,111,505
Commercial paper (Notes 8 and 13)	—	—	—
Notes and accounts payable - trade (Note 8)	271,297	327,487	1,792,753
Accrued taxes	90,587	50,589	598,608
Other (Notes 8, 16 and 17)	332,427	365,238	2,196,703
Total Current Liabilities	1,296,356	1,258,555	8,566,424
<b>Reserve for Fluctuation in Water Levels</b>	1,509	1,674	9,974
Total Liabilities	4,413,545	4,292,897	29,165,043
<b>Commitments and Contingent Liabilities (Note 19)</b>			
<b>Net Assets (Note 20)</b>			
Capital stock	430,777	430,777	2,846,609
Capital surplus	70,522	70,571	466,014
Retained earnings	1,758,430	1,393,120	11,619,841
Treasury shares, at cost (Note 4)	(2,790)	(2,733)	(18,439)
Total Shareholders' Equity	2,256,939	1,891,735	14,914,025
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	21,330	15,097	140,954
Deferred gains and losses on hedges (Note 18)	80,509	32,133	532,011
Foreign currency translation adjustments	228,657	133,859	1,510,986
Remeasurements of defined benefit plans	(1,984)	(12,016)	(13,114)
Total Accumulated Other Comprehensive Income	328,512	169,074	2,170,837
Share acquisition rights	0	0	3
Noncontrolling interests	109,618	101,394	724,367
Total Net Assets	2,695,071	2,162,205	17,809,233
<b>Total Liabilities and Net Assets</b>	<b>¥7,108,617</b>	<b>¥6,455,102</b>	<b>\$46,974,276</b>

# Consolidated Statements of Income

Chubu Electric Power Company, Incorporated and Subsidiaries  
For the Years Ended March 31, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2024	March 31, 2023	March 31, 2024
<b>Operating Revenues:</b>			
Electricity	¥2,961,364	¥3,286,145	\$19,568,917
Other	649,050	700,536	4,288,972
Total Operating Revenues (Note 23, 29 and 30)	3,610,414	3,986,681	23,857,889
<b>Operating Expenses:</b>			
Electricity (Note 24)	2,668,503	3,221,252	17,633,672
Other	598,571	658,339	3,955,402
Total Operating Expenses	3,267,074	3,879,592	21,589,075
<b>Operating Income</b>	343,339	107,089	2,268,814
<b>Other Income (Expenses):</b>			
Interest expense	(21,576)	(19,889)	(142,578)
Share of profit (loss) of entities accounted for using equity method	188,745	(12,986)	1,247,245
Impairment loss (Note 25)	(12,622)	(14,236)	(83,413)
Loss in conjunction with the Antimonopoly Act	(26)	(27,555)	(176)
Gain on disposition of investment securities	9,208	45,318	60,851
Other, net	(1,213)	(9,064)	(8,016)
Total Other Income (Expenses), Net	162,515	(38,413)	1,073,911
<b>Income Before Reversal of Reserve for Fluctuation in Water Levels and Income Taxes</b>	505,854	68,675	3,342,725
<b>Reversal of Reserve for Fluctuation in Water Levels</b>	(164)	(315)	(1,087)
<b>Income Before Income Taxes</b>	506,019	68,991	3,343,813
<b>Income Taxes:</b>			
Current	72,402	25,697	478,439
Deferred	22,470	5,416	148,484
Total Income Taxes	94,872	31,114	626,923
<b>Net Income</b>	411,146	37,876	2,716,889
<b>Net income (loss) attributable to noncontrolling interests</b>	8,006	(354)	52,907
<b>Net income attributable to owners of parent</b>	¥ 403,140	¥ 38,231	\$ 2,663,982

	yen		U.S. dollars (Note 1)
	March 31, 2024	March 31, 2023	March 31, 2024
<b>Per Share of Capital Stock:</b>			
Net income - basic (Note 3 and 4)	¥533.17	¥50.56	\$3.52
Cash dividends	55.00	50.00	0.36

The accompanying notes to the consolidated financial statements are an integral part of these statements.

# Consolidated Statements of Comprehensive Income

Chubu Electric Power Company, Incorporated and Subsidiaries  
For the Years Ended March 31, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2024	March 31, 2023	March 31, 2024
<b>Net (Loss) Income</b>	¥411,146	¥37,876	\$2,716,889
<b>Other Comprehensive Income:</b>			
Valuation difference on available-for-sale securities	137	(31,982)	905
Deferred gains and losses on hedges	2,801	133	18,514
Foreign currency translation adjustments	1,964	774	12,980
Remeasurements of defined benefit plans, net of tax	10,520	(13,180)	69,518
Share of other comprehensive income of entities accounted for using equity method	147,535	86,884	974,928
Other Comprehensive Income (Note 27)	162,959	42,629	1,076,847
<b>Comprehensive Income</b>	¥574,106	¥80,506	\$3,793,736
Comprehensive income attributable to:			
Owners of parent	562,579	81,657	3,717,565
Noncontrolling interests	11,527	(1,150)	76,171

# Consolidated Statements of Changes in Net Assets

Chubu Electric Power Company, Incorporated and Subsidiaries  
For the Years Ended March 31, 2024 and 2023

	Shareholders' equity						Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Number of shares of capital stock issued	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, 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

Millions of yen														
Balance at April 1, 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
Dividends of surplus	-	-	-	(37,830)	-	(37,830)	-	-	-	-	-	-	-	(37,830)
Net income attributable to owners of parent	-	-	-	403,140	-	403,140	-	-	-	-	-	-	-	403,140
Purchase of treasury shares	-	-	-	-	(58)	(58)	-	-	-	-	-	-	-	(58)
Disposal of treasury shares	-	-	0	-	1	1	-	-	-	-	-	-	-	1
Change in equity of parent on transactions with noncontrolling interests	-	-	(49)	-	-	(49)	-	-	-	-	-	-	-	(49)
Net changes in items other than shareholders' equity	-	-	-	-	-	-	6,232	48,376	94,797	10,032	159,438	(0)	8,223	167,662
Balance at March 31, 2024	758,000,000	¥430,777	¥70,522	¥1,758,430	¥(2,790)	¥2,256,939	¥21,330	¥80,509	¥228,657	¥ (1,984)	¥328,512	¥0	¥109,618	¥2,695,071

	Shareholders' equity					Total shareholders' equity	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Number of shares of capital stock issued	Capital stock	Capital surplus	Retained earnings	Treasury shares		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			
Thousands of U.S. dollars (Note 1)														
Balance at April 1, 2023		\$2,846,609	\$466,338	\$ 9,205,843	\$(18,061)	\$12,500,729	\$ 99,767	\$212,338	\$ 884,554	\$(79,406)	\$1,117,254	\$4	\$670,025	\$14,288,014
Dividends of surplus		–	–	(249,984)	–	(249,984)	–	–	–	–	–	–	–	(249,984)
Net income attributable to owners of parent		–	–	2,663,982	–	2,663,982	–	–	–	–	–	–	–	2,663,982
Purchase of treasury shares		–	–	–	(385)	(385)	–	–	–	–	–	–	–	(385)
Disposal of treasury shares		–	0	–	7	8	–	–	–	–	–	–	–	8
Change in equity of parent on transactions with noncontrolling interests		–	(324)	–	–	(324)	–	–	–	–	–	–	–	(324)
Net changes in items other than shareholders' equity		–	–	–	–	–	41,186	319,672	626,431	66,292	1,053,583	(1)	54,341	1,107,924
Balance at March 31, 2024		\$2,846,609	\$466,014	\$11,619,841	\$(18,439)	\$14,914,025	\$140,954	\$532,011	\$1,510,986	\$(13,114)	\$2,170,837	\$3	\$724,367	\$17,809,233

The accompanying notes to the consolidated financial statements are an integral part of these statements.

# Consolidated Statements of Cash Flows

Chubu Electric Power Company, Incorporated and Subsidiaries  
For the Years Ended March 31, 2024 and 2023

	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2024	March 31, 2023	March 31, 2024
<b>Cash Flows from Operating Activities:</b>			
Income before income taxes	¥506,019	¥ 68,991	\$3,343,813
Adjustments for:			
Depreciation	172,046	155,927	1,136,897
Impairment loss	12,622	14,236	83,413
Gain on disposition of investment securities	(9,208)	(45,318)	(60,851)
Decommissioning costs of nuclear power units	11,227	10,257	74,192
Loss on retirement of noncurrent assets	6,533	8,667	43,176
Decrease in provision for net defined benefit liability and asset	(2,126)	(5,236)	(14,054)
Loss in conjunction with the Antimonopoly Act	26	27,555	176
Decrease in provision for loss on discounted operations of nuclear power plants	(3,679)	–	(24,312)
Decrease in reserve for fluctuation in water levels	(164)	(315)	(1,087)
Interest and dividend income	(1,679)	(3,612)	(11,095)
Interest expense	21,576	19,889	142,578
Loss on return of imbalance charge	–	–	–
Equity in net (loss) income of affiliates	(188,745)	12,986	(1,247,245)
Decrease (increase) in notes and accounts receivable - trade	12,468	(20,463)	82,391
Increase in inventories	(57,612)	(5,654)	(380,710)
(Decrease) increase in notes and accounts payable - trade	(57,460)	48,207	(379,704)
Other, net	(17,426)	(14,127)	(115,154)
Subtotal	404,417	271,990	2,672,422
Interest and dividend income received	12,006	33,216	79,342
Interest expense paid	(20,727)	(19,812)	(136,971)
Payments in relation to the Antimonopoly Act	(27,555)	–	(182,091)
Income taxes paid or refund	(24,066)	10,403	(159,032)
<b>Cash flows from operating activities</b>	<b>344,074</b>	<b>295,798</b>	<b>2,273,669</b>
<b>Cash Flows from Investing Activities:</b>			
Purchase of noncurrent assets	(248,666)	(249,044)	(1,643,208)
Payments on investments and loans receivable	(136,164)	(47,603)	(899,782)
Collection on investments and loans receivable	26,199	79,127	173,129
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(41,140)	–	(271,858)
Proceeds from purchases of shares of subsidiaries resulting in change in scope of consolidation	380	–	2,514
Other, net	11,059	20,592	73,084
<b>Cash flows from investing activities</b>	<b>(388,330)</b>	<b>(196,928)</b>	<b>(2,566,119)</b>
<b>Cash Flows from Financing Activities:</b>			
Proceeds from issuance of bonds	24,898	149,775	164,532
Redemption of bonds	(80,007)	(80,000)	(528,692)
Proceeds from long-term loans payable	322,262	312,821	2,129,532
Repayments of long-term loans payable	(159,926)	(194,034)	(1,056,809)
Proceeds of short-term loans payable	431,644	357,241	2,852,337
Repayments of short-term loans payable	(400,139)	(341,759)	(2,644,153)
Proceeds from issuance of commercial paper	–	–	–
Redemption of commercial paper	–	(79,000)	–
Purchase of treasury shares	(57)	(39)	(377)
Cash dividends paid	(37,795)	(37,807)	(249,755)
Dividends paid to noncontrolling interests	(5,084)	(4,232)	(33,599)
Other, net	(8,710)	(9,716)	(57,557)
<b>Cash flows from financing activities</b>	<b>87,084</b>	<b>73,248</b>	<b>575,457</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>2,206</b>	<b>210</b>	<b>14,579</b>
<b>Net increase in cash and cash equivalents</b>	<b>45,033</b>	<b>172,328</b>	<b>297,586</b>
<b>Cash and cash equivalents at beginning of this period</b>	<b>373,484</b>	<b>201,156</b>	<b>2,468,016</b>
<b>Cash and cash equivalents at end of this period (Note 6)</b>	<b>¥418,518</b>	<b>¥373,484</b>	<b>\$2,765,603</b>

The accompanying notes to the consolidated financial statements are an integral part of these statements.



# Notes to Consolidated Financial Statements

## 1. Basis of Consolidated Financial Statements

### (a) Basis of presenting the consolidated financial statements

The consolidated financial statements of Chubu Electric Power Co., Inc. (the "Company") and its subsidiaries (together with the Company, the "Chubu Electric Group") have been prepared as required by the provisions set forth in the Japanese Corporate Law, the Financial Instruments and Exchange Law of Japan, the accounting regulations applicable to the electric power industry and on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards ("IFRS").

These consolidated financial statements are compiled from the original consolidated financial statements in Japanese prepared by the Company as required by the Financial Instruments and Exchange Law of Japan and submitted to the Director of Kanto Finance Bureau in Japan.

Monetary amounts less than one million yen or one thousand dollars are rounded down. As a result, total

amounts shown in the accompanying consolidated financial statements (in both yen and U.S. dollars) do not necessarily agree with the sum of individual amounts.

### (b) U.S. dollar amounts

The Company maintains its accounting records in Japanese yen. The U.S. dollar amounts included in the consolidated financial statements and these accompanying notes present the arithmetic results of translating yen amounts into U.S. dollar amounts on a basis of ¥151.33 to U.S. \$1.00, the prevailing exchange rate at the consolidated fiscal year-end. The inclusion of the dollar amounts is solely for convenience of the reader and is not intended to imply that the assets and liabilities originating in Japanese yen have been or could readily be converted, realized or settled in U.S. dollars at the above rate or at any other rate.

### (c) Reclassification

Certain comparative figures have been reclassified to conform to the current year's presentation.

## 2. Summary of Significant Accounting Policies

### (a) Basis of consolidation

The consolidated financial statements include the accounts of the Company and all of its subsidiaries. Investments in all affiliates are accounted for by the equity method. The difference between the acquisition cost of investments in subsidiaries and affiliates and the

underlying equity in their net assets adjusted based on the fair value at the time of acquisition are principally deferred and amortized over certain periods that are within twenty years on a straight-line basis. All significant intercompany transactions and accounts are eliminated on consolidation.

The number of subsidiaries and affiliates at March 31, 2024 and 2023 was as follows:

	March 31, 2024	March 31, 2023
Subsidiaries:		
Domestic	60	50
Overseas	13	12
Affiliates	79	72

Certain domestic and overseas subsidiaries and affiliates close their books at December 31, three months earlier than the Company. The Company uses the financial statements of these subsidiaries and affiliates as of their fiscal year-end for its consolidation or application of the equity method. Significant transactions for the period between the December 31 year-end of the subsidiaries and affiliates and the March 31 year-end of the Company are adjusted for on consolidation or with the application of the equity method.

The consolidated subsidiaries whose closing date differs from the Company's consolidated closing date are Chubu Electric Power Company Netherlands B.V. and 12 other companies. ES-CON JAPAN (THAILAND) CO., Ltd. has a closing date of February 29. The other companies have a closing date of December 31.

In preparing the consolidated financial statements, provisional financial statements prepared as of the consolidated closing date are used for the consolidated subsidiaries of which closing dates differ from the Company's consolidated closing date. Significant transactions for

the period between the subsidiaries' year-end and the Company's year-end are adjusted for on consolidation.

ES-CON JAPAN Ltd. and 9 other companies changed their fiscal year end from December 31 to the consolidated fiscal year end, and ESCON JAPAN (THAILAND) CO., LTD. changed its fiscal year end from November 30 to February 29. There is no effect from these changes on the financial statements of the consolidated subsidiaries of which closing dates have changed, as their provisional financial statements prepared for consolidation as of the consolidated closing date had been used in the past.

The financial statements of significant overseas subsidiaries and affiliates that are prepared in accordance with either IFRS or U.S. generally accepted accounting principles are adjusted for the specified five items as required by "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" and "Practical Solution on Unification of Accounting Policies Applied to Affiliates Accounted for by the Equity Method" issued by the Accounting Standards Board of Japan ("ASBJ").

**(b) Property, plant and equipment and depreciation**

Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment is computed mainly by the straight-line method over the estimated useful life of the asset. Contributions in aid of construction are deducted from the depreciable costs of the assets. The useful life of the assets are estimated mainly in accordance with the provisions in the Corporation Tax Law of Japan.

**(c) Nuclear fuel and amortization**

Nuclear fuel is stated at cost, less amortization. The amortization of loaded nuclear fuel is computed based on the quantity of energy produced for the generation of electricity in accordance with the provisions prescribed by the regulatory authorities.

**(d) Investments and marketable securities**

The Chubu Electric Group classifies certain investments in debt and equity securities as “trading,” “held-to-maturity” or “available-for-sale,” the classification of which determines the respective accounting methods to be used to account for the investments as stipulated by the accounting standard for financial instruments. The Chubu Electric Group had no trading securities in the consolidated fiscal years under review. Held-to-maturity securities are stated at amortized cost. Investments in securities other than equity securities without market prices are stated at fair value, and net unrealized gains and losses on these securities are reported as accumulated other comprehensive income, net of applicable income taxes. Equity securities without market prices are carried at cost determined by the moving average method. Adjustments in the carrying values of individual securities are charged to loss through write-downs when a decline in fair value is deemed other than temporary. The cost of securities is computed by the moving average method.

**(e) Derivatives and hedge accounting**

Derivatives are valued at fair value if hedge accounting is not appropriate or when there is no hedging designation, and the gains and losses on the derivatives are recognized in current earnings. Certain transactions classified as hedging transactions are accounted for under a deferral method by which unrealized gains and losses on the hedging instruments are carried as accumulated other comprehensive income on the balance sheet and the net changes are recognized as other comprehensive income on the consolidated statements of comprehensive income until the losses and gains on the hedged items are realized. Foreign exchange forward contracts are accounted for by translating foreign currency denominated assets and liabilities at contract rates as an interim measure if certain hedging criteria are met. According to the special treatment permitted by the accounting standard for financial instruments in Japan, interest rate swaps are not valued at fair value. Rather, the net amount received or paid is added to or deducted from the interest expense on the hedged items if certain conditions are met. The Chubu Electric Group enters into derivative transactions to manage the risks of loss arising from fluctuations in electricity procurement costs.

**(f) Inventories**

Inventories of real estate for sale are stated at cost determined by the specific identification method. Consolidated balance sheet amounts are calculated by writing down the book value of assets which decreased in profitability.

**(g) Allowance for doubtful accounts**

An allowance for doubtful accounts has been provided for at the aggregate amount of estimated credit loss for doubtful or troubled receivables based on a financial review of certain individual accounts and a general reserve for other receivables based on the historical loss experience for a certain past period.

**(h) Provision for loss in conjunction with discontinued operations of nuclear power plants**

In the years ended March 31, 2024 and 2023, a provision was made based on a reasonable estimate of possible future expenses and losses related to the decommissioning of electric generating facilities that followed the termination of operations at Hamaoka Reactors No. 1 and No. 2.

**(i) Reserve for fluctuation in water levels**

In order to prepare for losses due to drought, Chubu Electric Power Miraiz Co., Inc., (hereinafter referred to as “Chubu Electric Power Miraiz”) has recognized the maximum amount of allowance specified in Article 36 of the Electricity Business Act (No. 170, 1964) before revision, to which Article 1 of the Act for Amending Part of the Electricity Business Act (No. 72, 2014) is applied, as effective by replacing the terms of Paragraph 3, Article 16 of the Supplementary Provisions of the Act.

**(j) Employee retirement benefits**

To cover the payment of retirement benefits to employees, the difference between the amount of retirement benefit obligations and the value of plan assets is recognized as a liability for retirement benefits if the amount of obligations exceeds the value of the plan assets and as an asset for retirement benefits if the value of plan assets exceeds the amount of retirement benefit obligations.

**(1) Method of allocation of estimated retirement benefits**

To calculate retirement benefit obligations, the benefit formula basis is used to allocate estimated retirement benefits to periods of service.

**(2) Actuarial gains and losses and prior service cost amortized in expenses**

Prior service cost is amortized using the straight-line method over certain periods (5 to 15 years for subsidiaries), which are shorter than the estimated average remaining service years of the employees, as of the year in which such cost arises. Actuarial gains and losses are amortized using the straight-line method over certain periods (3 years for the Company and 3 to 15 years for subsidiaries) which are shorter than the estimated average remaining service years of the employees as of the year after such gains and losses arise (the year in which such gains and losses arise for some subsidiaries).

**(k) Basis for Recognition of Significant Revenues and Expenses**

The main businesses of our group are the electricity retail business and general transmission and distribution business. In the electricity retail business, we have performance obligations to deliver electricity based on sales contracts with customers. In the general transmission and distribution business, we have performance obligations to provide a consignment supply based on consignment supply provisions. Revenues to satisfy these performance obligations are recorded based on the amount of electricity determined by meter reading.

**(l) Cash and cash equivalents**

The Company considers all highly liquid short-term investments purchased with an original maturity of three months or less to be cash equivalents.

**(m) Research and development costs**

Research and development costs included in operating expenses for the years ended March 31, 2024 and 2023 amounted to ¥9,527 million (\$62,956 thousand) and ¥8,771 million, respectively.

**(n) Income taxes**

Income taxes are accounted for by the asset-liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that includes the promulgation date of the relevant law.

**(o) Translation of foreign currency accounts**

Receivables, payables and securities, other than stocks of subsidiaries and certain other securities, are translated into Japanese yen at the prevailing exchange rate at the consolidated fiscal year-end. Transactions in foreign currencies are translated based on the prevailing exchange rate on the transaction date. Resulting foreign exchange translation gains and losses are included in the consolidated statements of income.

For financial statement items of the overseas subsidiaries and affiliates, all asset and liability accounts are translated into Japanese yen by applying the exchange rate in effect at the respective consolidated fiscal year-end. All income and expense accounts are translated at the average rate of exchange prevailing during the year. Translation differences are reported in the consolidated balance sheets as foreign currency translation adjustments in accumulated other comprehensive income after allocating the portion attributable to noncontrolling interests, and the net change is recognized as other comprehensive income on the consolidated statement of comprehensive income.

**(p) Per share information**

Basic net income per share is computed by dividing income available to common shareholders by the weighted average number of shares outstanding during the year. The Company and the Company's wholly-owned subsidiary, Chubu Electric Power Miraiz, have introduced a Performance-Linked Stock Remuneration Plan (BBT: Board Benefit Trust). In calculating net income per share, our shares (for the previous consolidated fiscal year: 393,125 shares, for the current consolidated fiscal year: 386,800 shares) held by the trust account for the "Plan" are included in treasury shares, which are deducted in calculating "Weighted average number of common shares." Cash dividends per share shown for each consolidated fiscal year in the consolidated statements of income represent dividends declared as applicable to the respective year.

### 3. Significant Accounting Estimates

Valuation of noncurrent assets in the nuclear power business

#### (a) Monetary amounts recognized in the consolidated financial statements at the end of the consolidated fiscal year.

##### (1) Amount recorded in the consolidated financial statements at the end of the current consolidated fiscal year

The nuclear power generation facility, including construction in progress, was recognized on the consolidated balance sheets at ¥342,335 million (\$2,262,181 thousand) and accounted for about 5% of total assets at the end of the current consolidated fiscal year and ¥350,194 million and for about 5% of total assets at the end of the previous consolidated fiscal year. Impairment was not recognized in the consolidated fiscal year because the total amount of future cash flows exceeded the book value of noncurrent assets in the nuclear power business.

##### (2) Information on the nature of significant accounting estimates

In the nuclear power business, it is necessary to compare future cash flows with the book value of noncurrent assets to determine the necessity of recognizing impairment loss because of the long-term continuation of the shutdown status. Estimates of future cash flows are based on management plans made by the executives.

Key assumptions involving the executives' judgments, such as sales revenues after restart and anticipated costs of safety improvement measures, are used in the management plans underlying the estimates, which have a significant impact on the estimates of future cash flows.

#### (b) Recoverability of deferred tax assets

##### (1) Amount recorded in the consolidated financial statements at the end of the current consolidated fiscal year

The Company and some of its domestic consolidated subsidiaries that have adopted the group tax sharing system (hereinafter referred to as the "tax sharing group") have determined the recoverability of and recognized deferred tax assets as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Consolidated Balance Sheet Amount:			
Deferred tax assets	¥153,725	¥183,136	\$1,015,832
Amounts recorded in the tax sharing group:			
Deferred tax assets (before offsetting deferred tax liabilities)	¥149,811	¥175,486	\$ 989,962

##### (2) Information on the nature of significant accounting estimates

Deferred tax assets are recognized to the extent that deductible temporary differences are expected to reduce the tax burden in the future. Recoverability of deferred tax assets is determined based on the appropriateness of company classification in the tax sharing group and estimates of future taxable income before temporary differences.

The estimation of future taxable income before temporary differences is based on the plan prepared by management. The management plan on which the estimates are based uses major assumptions that involve management's judgment, such as forecasts of electricity sales and assumptions of power supply procurement plans, including procurement from the wholesale electricity market, which have a significant impact on the recoverability of deferred tax assets.

### 4. Additional Information

#### (a) Performance-Linked Stock Remuneration Plan

The Company has introduced a Performance-Linked Stock Remuneration Plan (Board Benefit Trust or BBT, hereinafter referred to as the "Plan") at the 95th General Shareholders' Meeting held on June 26, 2019. At the Board of Directors' meeting held on May 8, 2020, the Company resolved a revision to add Chubu Electric Power Miraiz to the Plan. The subjects of the Plan are Directors (excluding Outside Directors) and executive officers who do not hold the title of Director of the Company and Chubu Electric Power Miraiz (hereinafter, the subjects of the Plan are referred to as the "Directors, Etc.").

##### (1) Outline of the Plan

The Plan is a performance-linked stock remuneration plan whereby shares in the Company will be acquired through a trust funded with cash contributed by the Company (hereinafter, the trust established pursuant to the Plan is referred to as the "Trust"), and the Company's shares and an amount of cash equal to the market price of the Company's shares (hereinafter referred to as the "company's shares, etc.") are provided through the Trust to the Directors, Etc. pursuant to the Directors Stock Remuneration Regulation to be established by the Company and Chubu Electric Power Miraiz. Each Directors, Etc. will receive the Company's shares, etc. after the retirement of such Directors, Etc., in principle.

## (2) The Company's shares that remain in Trust

The Company's shares that remain in the Trust are recorded in equity as treasury stock at the book value of the Trust (excluding any amount equivalent to expenses

attributable). The book value of such treasury stock was ¥571 million (\$3,777 thousand) and the number of shares was 386 thousand shares at the end of this consolidated fiscal year.

## 5. Standards and Guidance Not Yet Adopted

The following standards and guidance were issued but not yet adopted.

- Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022)
- Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, October 28, 2022)
- Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022)

### (a) Overview

The standards and guidance defined the treatment for the classification of income taxes when taxable on other comprehensive income and the treatment of tax effects

related to the sale of shares of subsidiaries when the Group Taxation Regime is applied.

### (b) Effective date

The standards and guidance shall be effective from the beginning of the consolidated fiscal year ending March 31, 2025.

### (c) Effects of the application of the standards

The Company and its consolidated domestic subsidiaries are in the process of determining the effects of these new standards on the consolidated financial statements.

## 6. Cash and Cash Equivalents

For the consolidated statements of cash flows, reconciliation between cash and cash equivalents and cash balances on the consolidated balance sheets were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Cash and deposits	¥390,806	¥361,325	\$2,582,475
Time deposits with an original maturity of more than three months included in cash and deposits	(2,287)	(1,840)	(15,114)
Short-term investments	33,751	17,454	223,029
Short-term investments with an original maturity of over three months	(3,751)	(3,454)	(24,787)
Cash and cash equivalents	¥418,518	¥373,484	\$2,765,603

## 7. Noncurrent assets

The major classifications of noncurrent assets at March 31, 2024 and 2023 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Hydroelectric power production facilities	¥ 283,271	¥ 272,707	\$ 1,871,882
Nuclear power production facilities	130,024	137,969	859,209
Transmission facilities	558,015	572,839	3,687,405
Transformation facilities	435,289	443,652	2,876,428
Distribution facilities	801,676	795,389	5,297,539
General facilities	155,508	131,252	1,027,610
Other electricity related to noncurrent assets	23,091	20,411	152,591
Other noncurrent assets	487,425	436,309	3,220,944
Construction in progress	464,394	438,680	3,068,752
Total	¥3,338,697	¥3,249,211	\$22,062,364

Calculated according to the accounting principles and practices generally accepted in Japan, accumulated gains on the receipt of contributions in aid of real property

construction deducted from the original acquisition costs amounted to ¥222,229 million (\$1,468,507 thousand) and ¥219,066 million at March 31, 2024 and 2023, respectively.

## 8. Financial Instruments

### (a) Items related to financial instruments

#### (1) Policy initiatives for financial instruments

The Chubu Electric Group raises funds for the equipment necessary to run its core electric power business through corporate bond issues, bank loans and other means. Short-term working capital is secured principally through short-term corporate bonds, and fund management is restricted to low-risk assets such as certificates of deposit. Derivative transactions are used to manage risk arising from the Chubu Electric Group's operations and are not used for speculative purposes.

#### (2) Breakdown of financial instruments and associated risks

Marketable securities include certificate of deposit, shares of companies contributing to business operations or regional development, shares acquired through strategic investments aimed at business growth and development, and bond holdings of subsidiaries and other instruments estimated to raise the Chubu Electric Group's corporate value from a mid- and long-term viewpoint. These securities, bonds, etc., are exposed to risks arising from changes in market prices.

Accounts receivable are exposed to customer credit risks.

Most of the Chubu Electric Group's interest-bearing debt balance consists of corporate bonds and long-term funds holdings from long-term borrowings. However, operational results may be minimally affected because most funds are raised at fixed interest rates.

Accounts payable - trade for operating debts are almost all due within 1 year.

Derivative transactions consist of option transactions, etc., for obligations, etc., resulting from the procurement of electric power. Hedging methods and hedging objectives in hedge accounting, hedging policies, effective valuation methods for hedges and other related items are described in Note 2(e), "Summary of Significant Accounting Policies - Derivatives and hedge accounting."

### (3) Risk management system for financial instruments

#### 1) Credit risk management

Most accounts receivable arise from electricity bills, and due dates and account balances are managed for each customer. For derivative transactions, financial institutions and other enterprises with high credit ratings are selected and credit standing is assessed even after transaction contracts are completed.

#### 2) Market risk management

For marketable securities, the fair value of the securities and the financial and operating conditions of the issuers are regularly assessed. Derivative transactions are enacted and managed based on the Company's internal rules established for authorizing trades, managing and reporting. A trade management department independently handles transactions and approves contract amounts (notional and other value) for each transaction by classification.

#### 3) Volatility risk management in financing

Financing plans are formulated and daily receipts and payments are validated for managing risk.

### (4) Supplementary explanation of fair value for financial instruments

The fair value of financial instruments is based on market prices or reasonable alternative assessments if there is no market price. Since some variable factors are used in assessing value, the amounts calculated can change based on different assumptions that are applied. Derivative contract amounts noted below in "(b) Fair value of financial instruments" do not denote the market risk from the derivatives themselves. In addition, fair value and valuation gains and losses are reasonably quoted amounts based on market indicators for valuations and other measures. They are not necessarily amounts that would be received or paid in the future.



### (b) Fair value of financial instruments

Differences between the valuation amounts of financial instruments as they appear on the consolidated balance sheets and their fair values as of March 31, 2024 and 2023 are shown below. Notes are omitted for cash. Notes

are also omitted for deposits, notes receivable, accounts receivable, short-term borrowings, notes payable, and accounts payable - trade as these items are settled in a short period of time and their fair value approximates their book value.

	Carrying value	Fair value	Difference
As of March 31, 2024	Millions of yen		
Assets:			
(1) Marketable securities <sup>*1</sup>	¥ 79,179	¥ 75,238	¥ (3,940)
Liabilities:			
(2) Corporate bonds <sup>*3</sup>	¥ 888,053	¥ 858,475	¥(29,577)
(3) Long-term borrowings <sup>*3</sup>	1,857,415	1,851,664	(5,750)
(4) Derivative transactions <sup>*4</sup>	5,982	5,982	—

	Thousands of U.S. dollars		
As of March 31, 2024			
Assets:			
(1) Marketable securities <sup>*1</sup>	\$ 523,221	\$ 497,183	\$ (26,038)
Liabilities:			
(2) Corporate bonds <sup>*3</sup>	\$ 5,868,320	\$ 5,672,871	\$(195,449)
(3) Long-term borrowings <sup>*3</sup>	12,273,938	12,235,936	(38,002)
(4) Derivative transactions <sup>*4</sup>	39,532	39,532	—

(\*1) Equity securities without market prices are not included in "(1) Marketable securities." The carrying amounts of such financial instruments in the consolidated balance sheets were as follows:

	Millions of yen	Thousands of U.S. dollars
	March 31, 2024	March 31, 2024
Unlisted stocks	¥1,839,587	\$12,156,130

(\*2) Investments in partnerships (¥134,922 million (\$891,578 thousand) on the consolidated balance sheet) are not subject to fair value disclosure in accordance with Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021).

(\*3) (2) Corporate bonds and (3) Long-term borrowings include scheduled redemptions within one year.

(\*4) Net receivables and payables arising from derivative transactions.

	Carrying value	Fair value	Difference
As of March 31, 2023	Millions of yen		
Assets:			
(1) Marketable securities <sup>*1</sup>	¥ 71,265	¥ 66,846	¥ (4,419)
Liabilities:			
(2) Corporate bonds <sup>*2</sup>	¥ 942,960	¥ 916,262	¥(26,697)
(3) Long-term borrowings <sup>*2</sup>	1,683,008	1,677,390	(5,617)
(4) Derivative transactions <sup>*3</sup>	3,339	3,339	—

(\*1) Equity securities without market prices are not included in "(1) Marketable securities." The carrying amounts of such financial instruments in the consolidated balance sheets were as follows:

	Millions of yen
	March 31, 2023
Unlisted stocks	¥1,501,845

(\*2) Investments in partnerships (¥27,205 million on the consolidated balance sheet) are not subject to fair value disclosure in accordance with Paragraph 24-16 of the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021).

(\*3) (2) Corporate bonds and (3) Long-term borrowings include scheduled redemptions within one year.

(\*4) Net receivables and payables arising from derivative transactions.

**(Note 1) Anticipated redemption schedule for monetary instruments and securities with maturity dates subsequent to the consolidated fiscal year-end.**

	Within 1 year	Over 1 year through 5 years	Over 5 years through 10 years	Over 10 years
<b>As of March 31, 2024</b>	<b>Millions of yen</b>			
Securities:				
Held-to-maturity bonds:				
National and local government bonds, etc.	¥ –	¥ –	¥ –	¥ –
Corporate bonds	–	–	–	–
Other	200	400	–	–
Available-for-sale securities with maturity dates:				
Bonds:				
National and local government bonds, etc.	–	–	–	–
Corporate bonds	–	–	218	–
Other	–	–	–	–
Other:	30,000	–	–	–
Cash and deposits	390,806	–	–	–
Notes receivable	8,759	–	–	–
Accounts receivable	313,146	1,490	133	–
Total	¥742,911	¥1,891	¥351	¥ –
<b>As of March 31, 2023</b>	<b>Millions of yen</b>			
Securities:				
Held-to-maturity bonds:				
National and local government bonds, etc.	¥ –	¥ –	¥ –	¥ –
Corporate bonds	–	–	–	–
Other	–	600	–	–
Available-for-sale securities with maturity dates:				
Bonds:				
National and local government bonds, etc.	–	–	–	–
Corporate bonds	–	3,217	222	–
Other	–	–	–	–
Other:	14,000	–	–	–
Cash and deposits	361,325	–	–	–
Notes receivable	8,952	–	–	–
Accounts receivable	324,756	589	71	–
Total	¥709,034	¥4,407	¥294	¥ –



	Within 1 year	Over 1 year through 5 years	Over 5 years through 10 years	Over 10 years
<b>As of March 31, 2024</b>	<b>Thousands of U.S. dollars</b>			
Securities:				
Held-to-maturity bonds:				
National and local government bonds, etc.	\$ –	\$ –	\$ –	\$ –
Corporate bonds	–	–	–	–
Other	1,321	2,647	–	–
Available-for-sale securities with maturity dates:				
Bonds:				
National and local government bonds, etc.	–	–	–	–
Corporate bonds	–	–	1,443	–
Other	–	–	–	–
Other:	198,242	–	–	–
Cash and deposits	2,582,475	–	–	–
Notes receivable	57,883	–	–	–
Accounts receivable	2,069,294	9,851	881	–
Total	\$4,909,217	\$12,499	\$2,324	\$ –

**(Note 2) Anticipated redemption schedule for corporate bonds and long-term borrowings subsequent to the consolidated fiscal year-end**

	Within 1 year	Over 1 year through 2 years	Over 2 years through 3 years	Over 3 years through 4 years	Over 4 years through 5 years	Over 5 years
<b>As of March 31, 2024</b>	<b>Millions of yen</b>					
Corporate bonds	¥160,014	¥120,014	¥ 70,014	¥ 60,014	¥ 27,674	¥ 450,323
Long-term borrowings	106,831	169,401	179,120	210,913	219,508	971,639
Short-term borrowings	319,534	–	–	–	–	–
Total	¥586,379	¥289,415	¥249,134	¥270,927	¥247,182	¥1,421,962

<b>As of March 31, 2023</b>	<b>Millions of yen</b>					
Corporate bonds	¥ 80,000	¥160,000	¥120,000	¥ 70,000	¥ 60,000	¥ 452,960
Long-term borrowings	134,832	90,647	154,492	152,972	198,350	951,713
Short-term borrowings	280,276	–	–	–	–	–
Total	¥495,108	¥250,647	¥274,492	¥222,972	¥258,350	¥1,404,673

<b>As of March 31, 2024</b>	<b>Thousands of U.S. dollars</b>					
Corporate bonds	\$1,057,384	\$ 793,061	\$ 462,657	\$ 396,577	\$ 182,871	\$2,975,768
Long-term borrowings	705,951	1,119,420	1,183,641	1,393,729	1,450,528	6,420,667
Short-term borrowings	2,111,505	–	–	–	–	–
Total	\$3,874,841	\$1,912,481	\$1,646,299	\$1,790,307	\$1,633,400	\$9,396,435

**(c) Fair value information for financial instruments by level of inputs**

Based on the observability and the significance of the inputs used to determine fair values, fair value information of financial instruments is presented by categorizing measurements into the following three levels:

Level 1 fair value: Fair value calculated based on (unadjusted) quoted prices in active markets for identical assets or liabilities

Level 2 fair value: Fair value calculated using directly or indirectly observable inputs other than Level 1 inputs

Level 3 fair value: Fair value calculated using inputs that are not materially observable

When multiple inputs of different categories are used in measuring fair value, the Company and its subsidiaries classify fair values into the category to which the lowest priority is assigned.

**(1) Financial instruments carried on the consolidated balance sheet at fair value**

	Level 1	Level 2	Level 3	Total
<b>March 31, 2024</b>	<b>Millions of yen</b>			
Marketable securities:				
Available-for-sale securities:				
Stocks	¥34,788	¥ –	¥ –	¥34,788
Bonds	–	218	–	218
Derivative transactions:				
Exchange related	–	6,137	–	6,137
Total assets	¥34,788	¥6,356	¥ –	¥41,144
Derivative transactions:				
Interest rate related	–	(33)	–	(33)
Commodity related	–	(122)	–	(122)
Total liabilities	¥ –	¥ (155)	¥ –	¥ (155)

<b>March 31, 2023</b>	<b>Millions of yen</b>			
Marketable securities:				
Available-for-sale securities:				
Stocks	¥40,401	¥ –	¥ –	¥40,401
Bonds	–	3,440	–	3,440
Derivative transactions:				
Exchange related	–	4,010	–	4,010
Total assets	¥40,401	¥7,451	¥ –	¥47,852
Derivative transactions:				
Exchange related	–	(539)	–	(539)
Commodity related	–	(132)	–	(132)
Total liabilities	¥ –	¥ (671)	¥ –	¥ (671)

<b>March 31, 2024</b>	<b>Thousands of U.S. dollars</b>			
Marketable securities:				
Available-for-sale securities:				
Stocks	\$229,883	\$ –	\$ –	\$229,883
Bonds	–	1,443	–	1,443
Derivative transactions:				
Exchange related	–	40,559	–	40,559
Total assets	\$229,883	\$42,003	\$ –	\$271,887
Derivative transactions:				
Interest rate related	–	(218)	–	(218)
Commodity related	–	(807)	–	(807)
Total liabilities	\$ –	\$ (1,026)	\$ –	\$ (1,026)

**(2) Financial instruments other than those reported in the consolidated balance sheets at fair value**

	Level 1	Level 2	Level 3	Total
<b>March 31, 2024</b>	<b>Millions of yen</b>			
Marketable securities:				
Stocks of subsidiaries and affiliates	¥9,632	¥ –	¥ –	¥ 9,632
Other	–	30,599	–	30,599
Total assets	¥9,632	¥ 30,599	¥ –	¥ 40,231
Corporate bonds	–	858,475	–	858,475
Long-term borrowings	–	1,851,664	–	1,851,664
Total liabilities	¥ –	¥2,710,139	¥ –	¥2,710,139

	Level 1	Level 2	Level 3	Total
<b>March 31, 2023</b>	<b>Millions of yen</b>			
Marketable securities:				
Stocks of subsidiaries and affiliates	¥8,398	¥ –	¥ –	¥ 8,398
Other	–	14,605	–	14,605
Total assets	¥8,398	¥ 14,605	¥ –	¥ 23,004
Corporate bonds	–	916,262	–	916,262
Long-term borrowings	–	1,677,390	–	1,677,390
Total liabilities	¥ –	¥2,593,653	¥ –	¥2,593,653

  

<b>March 31, 2024</b>	<b>Thousands of U.S. dollars</b>			
Marketable securities:				
Stocks of subsidiaries and affiliates	\$63,649	\$ –	\$ –	\$ 63,649
Other	–	202,206	–	202,206
Total assets	\$63,649	\$ 202,206	\$ –	\$ 265,855
Corporate bonds	–	5,672,871	–	5,672,871
Long-term borrowings	–	12,235,936	–	12,235,936
Total liabilities	\$ –	\$17,908,808	\$ –	\$17,908,808

**(Note) Explanation of valuation techniques and inputs used in the calculation of fair value**

**Marketable securities**

Stocks are classified as Level 1 fair value because they are quoted on exchanges. Bonds are classified as Level 2 fair value because the fair value is based on prices quoted on exchanges or prices provided by correspondent financial institutions.

**Corporate bonds**

Bonds with market price are based on market prices, while those without market price are calculated based on the conditions that would apply if similar corporate bonds were newly issued and are classified as Level 2 fair value.

**Long-term borrowings**

The fair value of long-term borrowings is calculated based on the conditions that would apply if similar borrowings were newly made and are classified as Level 2 fair value. Certain borrowings are subject to special treatment as interest rate swaps and are calculated based on the conditions that would apply if they were accounted for as a single unit with the relevant derivative transactions.

**Derivative transactions**

Transactions with financial institutions are calculated based on the prices quoted by the counterparty financial institutions and are classified as Level 2 fair value. Interest rate swaps that qualify for hedge accounting are accounted for as an integral part of the hedged items.

## 9. Marketable Securities and Investments Securities

**(a) Held-to-maturity debt securities at March 31, 2024 and 2023 were as follows:**

	Carrying value	Fair value	Difference
<b>As of March 31, 2024</b>	<b>Millions of yen</b>		
Securities whose fair value exceeds carrying value:			
National and local government bonds, etc.	¥ –	¥ –	¥ –
Corporate bonds	–	–	–
Other	200	204	4
Subtotal	200	204	4
Securities whose carrying value exceeds fair value:			
National and local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	400	395	(5)
Subtotal	400	395	(5)
Total	¥600	¥599	¥(0)

	Carrying value	Fair value	Difference
As of March 31, 2023	Millions of yen		
Securities whose fair value exceeds carrying value:			
National and local government bonds, etc.	¥ –	¥ –	¥ –
Corporate bonds	–	–	–
Other	200	208	8
Subtotal	200	208	8
Securities whose carrying value exceeds fair value:			
National and local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	400	396	(4)
Subtotal	400	396	(4)
Total	¥600	¥605	¥ 4

As of March 31, 2024	Thousands of U.S. dollars		
Securities whose fair value exceeds carrying value:			
National and local government bonds, etc.	\$ –	\$ –	\$ –
Corporate bonds	–	–	–
Other	1,321	1,352	30
Subtotal	1,321	1,352	30
Securities whose carrying value exceeds fair value:			
National and local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	2,647	2,611	(35)
Subtotal	2,647	2,611	(35)
Total	\$3,969	\$3,964	\$ (5)

**(b) Available-for-sale securities at March 31, 2024 and 2023 were as follows:**

	Carrying value	Acquisition cost	Difference
As of March 31, 2024	Millions of yen		
Securities whose carrying value exceeds acquisition cost:			
Stocks	¥32,399	¥ 8,072	¥24,327
Bonds			
National and local government bonds, etc.	–	–	–
Corporate bonds	218	200	18
Other	–	–	–
Other	–	–	–
Subtotal	32,618	8,272	24,346
Securities whose acquisition cost exceeds carrying value:			
Stocks	2,388	2,724	(335)
Bonds			
National and local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	–	–	–
Other	30,000	30,000	–
Subtotal	32,388	32,724	(335)
Total	¥65,006	¥40,996	¥24,010

	Carrying value	Acquisition cost	Difference
As of March 31, 2023	Millions of yen		
Securities whose carrying value exceeds acquisition cost:			
Stocks	¥38,049	¥12,519	¥25,529
Bonds			
National and local government bonds, etc.	–	–	–
Corporate bonds	222	200	22
Other	–	–	–
Other	–	–	–
Subtotal	38,272	12,719	25,552
Securities whose acquisition cost exceeds carrying value:			
Stocks	2,351	2,884	(532)
Bonds			
National and local government bonds, etc.	–	–	–
Corporate bonds	3,217	3,217	–
Other	–	–	–
Other	14,000	14,000	–
Subtotal	19,569	20,101	(532)
Total	¥57,841	¥32,821	¥25,020

As of March 31, 2024	Thousands of U.S. dollars		
Securities whose carrying value exceeds acquisition cost:			
Stocks	\$214,101	\$ 53,341	\$160,759
Bonds			
National and local government bonds, etc.	–	–	–
Corporate bonds	1,443	1,321	122
Other	–	–	–
Other	–	–	–
Subtotal	215,544	54,663	160,881
Securities whose acquisition cost exceeds carrying value:			
Stocks	15,782	18,001	(2,218)
Bonds			
National and local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	–	–	–
Other	198,242	198,242	–
Subtotal	214,024	216,243	(2,218)
Total	\$429,569	\$270,906	\$158,663

**(c) Available-for sale securities that were sold during the year ended March 31, 2024 and 2023 were as follows:**

	Sales value	Total profit on sales	Total loss on sales
As of March 31, 2024	Millions of yen		
Stocks	¥14,765	¥9,136	¥2
Bonds:			
National and local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	–	–	–
Other:	–	–	–
Total	¥14,765	¥9,136	¥2

	Sales value	Total profit on sales	Total loss on sales
As of March 31, 2023	Millions of yen		
Stocks	¥49,050	¥45,113	¥ –
Bonds:			
National and local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	–	–	–
Other:	–	–	–
Total	¥49,050	¥45,113	¥ –

  

As of March 31, 2024	Thousands of U.S. dollars		
Stocks	\$97,568	\$60,374	\$14
Bonds:			
National and local government bonds, etc.	–	–	–
Corporate bonds	–	–	–
Other	–	–	–
Other:	–	–	–
Total	\$97,568	\$60,374	\$14

## 10. Investment in Capital of Associated Companies (Especially Amount of Investment to Jointly Controlled Entities)

At March 31, 2024 and 2023, investment in the capital of associated companies (especially the amount of investment to jointly controlled entities) consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Investment in capital of associated companies	¥1,772,008	¥1,431,739	\$11,709,564
<amount of investment to jointly controlled entities>	<1,401,255>	<1,113,409>	<9,259,599>

## 11. Notes and accounts receivable - trade and contract assets

Notes and accounts receivable - trade and contract assets arising from contracts with customers at March 31, 2024 and 2023 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Notes receivable	¥ 8,759	¥ 8,952	\$ 57,883
Accounts receivable	311,899	321,353	2,061,058
Contract assets	30,467	31,179	201,331

## 12. Inventories

At March 31, 2024 and 2023, inventories consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Merchandise and finished goods	¥ 564	¥ 471	\$ 3,729
Work in progress	8,048	8,226	53,185
Raw materials and supplies	16,511	15,657	109,107
Real estate for sale	245,377	172,088	1,621,471
Total	¥270,501	¥196,444	\$1,787,494

### 13. Long-term Debt and Short-term Debt

At March 31, 2024 and 2023, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Corporate bonds:			
Domestic issue:			
0.001% to 3.000%, maturing serially through 2043	¥(*) 888,053	¥ 942,960	\$ 5,868,322
Loans from the Development Bank of Japan, other banks and insurance companies, maturing serially through 2053	1,857,415	1,683,008	12,273,938
Lease obligations	64,934	62,247	429,091
Subtotal	2,810,402	2,688,216	18,571,353
Less current portion of long-term debt	(276,952)	(224,018)	(1,830,123)
Total	¥ 2,533,450	¥2,464,198	\$16,741,229

\* General mortgage bonds issued by Chubu Electric Power Grid Co., Inc. (hereinafter referred to as the "Chubu Electric Power Grid") on April 1, 2020 and held by the Company (balance of ¥640,371 million (\$4,231,619 thousand) at the end of the consolidated fiscal year ended March 31, 2024) have been offset and eliminated.

At March 31, 2024 and 2023, noncurrent assets of a certain subsidiary pledged as collateral for long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Other noncurrent assets	¥ 63,916	¥ 58,701	\$ 422,365
Long-term investments	54	2	359
Deferred tax assets	76	94	506
Other investments	119	135	788
Cash and deposits	1,608	1,583	10,626
Notes and accounts receivable - trade and contract assets	132	169	873
Inventories	188,038	137,745	1,242,572
Other current assets	348	113	2,302
(Note) Shares of subsidiaries and affiliates eliminated in consolidation	28,158	—	186,070

At March 31, 2024 and 2023, assets which were pledged as collateral for long-term loans from financial institutions to investees of certain subsidiaries consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Long-term investments	¥10,403	¥ 9,199	\$ 68,746
Long-term investments in subsidiaries and associates	42,817	32,049	282,944
Notes and accounts receivable - trade and contract assets	168	198	1,110

At March 31, 2024 and 2023, short-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Short-term borrowings	¥319,534	¥280,276	\$2,111,505
Commercial paper	—	—	—
Total	¥319,534	¥280,276	\$2,111,505

Short-term borrowings consisted mainly of bank loans bearing an average interest rate of 0.275% per annum at March 31, 2024. Commercial paper was not applicable at March 31, 2024.

All assets of the Company are pledged as general collateral for corporate bonds and loans from the Development Bank of Japan, Inc. originating prior to March 31, 2020. The obligations corresponding to the above at March 31, 2024 and 2023 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Loans from Development Bank of Japan	¥ 141,105	¥ 143,467	\$ 932,432
Corporate bonds	879,560	934,560	5,812,198
(Consolidated balance sheet amount)	(879,560)	(934,560)	(5,812,199)

## 14. Employee Retirement Benefits

The Company, Chubu Electric Power Miraiz and Chubu Electric Power Grid Co., Inc. have corporate defined benefit plans of the Multi-Employer Plan, lump-sum retirement benefit plans and defined contribution retirement plans. The other consolidated subsidiaries have defined benefit corporate plans, lump-sum retirement

benefit plans and defined contribution retirement plans. They also may pay premium severance benefits to their retiring employees.

Employee retirement benefits at March 31, 2024 and 2023 were as follows:

### Defined benefit plans, including the Multi-Employer Plan

#### (a) Movement in retirement benefit obligations except for plans applying the simplified method

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Balance at the beginning of current period	¥450,290	¥461,749	\$2,975,554
Service cost	13,942	14,198	92,131
Interest cost	3,663	3,764	24,205
Actuarial gain and loss	(3,639)	469	(24,047)
Benefits paid	(32,252)	(31,083)	(213,126)
Actuarial past service cost	(81)	1,233	(537)
Other	(36)	(40)	(241)
Balance at the end of current period	¥431,886	¥450,290	\$2,853,939

#### (b) Movement in plan assets except for plans applying the simplified method

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Balance at the beginning of current period	¥320,788	¥345,443	\$2,119,794
Expected return on plan assets	5,841	6,057	38,599
Actuarial gain and loss	6,329	(17,238)	41,827
Contributions paid by the employer	6,920	7,011	45,731
Benefits paid	(20,619)	(20,473)	(136,252)
Other	(8)	(11)	(55)
Balance at the end of current period	¥319,252	¥320,788	\$2,109,644

#### (c) Movement in liability for retirement benefits of defined benefit plans applying the simplified method

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Balance at the beginning of current period	¥5,589	¥5,655	\$36,935
Retirement benefit costs	757	797	5,007
Benefits paid	(804)	(806)	(5,317)
Contributions paid by the employer	(62)	(60)	(411)
Other	3	3	23
Balance at the end of current period	¥5,483	¥5,589	\$36,237



**(d) Reconciliation from retirement benefit obligations and plan assets to liability (asset) for retirement benefits, including plans applying the simplified method**

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Funded retirement benefit obligations	¥ 313,461	¥ 327,286	\$ 2,071,379
Plan assets	(320,469)	(322,002)	(2,117,687)
	(7,007)	5,284	(46,308)
Unfunded retirement benefit obligations	125,125	129,807	826,841
Total net liability for retirement benefits	118,118	135,091	780,532
Liability for retirement benefits	125,769	136,875	831,097
Asset for retirement benefits	(7,651)	(1,783)	(50,564)
Total net liability for retirement benefits	¥ 118,118	¥ 135,091	\$ 780,532

**(e) Retirement benefit costs**

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Service cost	¥13,942	¥14,198	\$ 92,131
Interest cost	3,663	3,764	24,205
Expected return on plan assets	(5,841)	(6,057)	(38,599)
Net actuarial gain and loss amortization	5,184	1,048	34,257
Prior service costs amortization	(399)	(488)	(2,641)
Retirement benefit costs based on the simplified method	757	797	5,007
Total retirement benefit costs	¥17,306	¥13,262	\$114,361

**(f) Adjustments for retirement benefits**

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Prior service costs amortization	¥ (304)	¥ (1,706)	\$ (2,010)
Net actuarial gain and loss amortization	15,152	(16,659)	100,132
Total balance	¥14,848	¥(18,365)	\$ 98,121

**(g) Accumulated adjustments for retirement benefits**

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Past service costs that are yet to be recognized	¥(3,629)	¥ (3,934)	\$(23,987)
Actuarial gains and losses that are yet to be recognized	8,413	23,566	55,594
Total balance	¥ 4,783	¥19,631	\$ 31,607

**(h) Plan assets**

**(1) Plan assets comprise:**

	March 31, 2024	March 31, 2023
Bonds	42%	43%
General accounts of life insurance companies	35%	37%
Stocks	16%	13%
Other	7%	7%
Total	100%	100%

## (2) Long-term expected rate of return

Asset allocation, historical returns, operating policy, marketing trends and other have been considered in determining the long-term expected rate of return.

### (i) Actuarial assumptions

The principle actuarial assumptions at March 31, 2024 and 2023 were as follows:

	March 31, 2024	March 31, 2023
Discount rate		
(Company)	0.9%	0.9%
(Subsidiaries)	0.1–1.2%	0.1–0.9%
Long-term expected rate of return		
(Company)	1.8%	1.7%
(Subsidiaries)	1.8–2.0%	1.7–2.0%

### Defined contribution plans

Contributions to defined contribution plans required by the Company and its subsidiaries amounted to ¥4,007 million (\$26,481 thousand) and ¥3,955 million at March 31, 2024 and 2023, respectively.

## 15. Lease Transactions

### Lessee

Future lease commitments under noncancelable operating leases at March 31, 2024 and 2023 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Within 1 year	¥ 494	¥ 489	\$3,267
Over 1 year	544	964	3,596
Total	¥1,038	¥1,454	\$6,864

### Lessor

Future lease commitments to be received under noncancelable operating leases at March 31, 2024 and 2023 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Within 1 year	¥ 3,444	¥ 3,192	\$ 22,763
Over 1 year	17,752	19,248	117,311
Total	¥21,197	¥22,441	\$140,074

## 16. Contract Liabilities

Contract liabilities under other current liabilities at March 31, 2024 and 2023 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Contract liabilities	¥10,070	¥13,647	\$66,546

## 17. Asset Retirement Obligations

### (a) Overview of Asset Retirement Obligations

Asset retirement obligations are recorded mainly in conjunction with measures to decommission specified nuclear power plants under the “Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors” (Act No. 166 of June 10, 1957). The asset retirement cost corresponding to the asset retirement obligations in the decommissioning of specified nuclear power plants is

recorded in tangible fixed assets based on the estimated total cost of decommissioning the nuclear power plants and is expensed by the straight-line method over the operational period in accordance with “Ministerial Ordinance for the Setting of Reserve for the Decommissioning of Nuclear Power Plants” (Ordinance No. 30 of the Ministry of International Trade and Industry, May 25, 1989).

### (b) Method for calculating monetary amounts of asset retirement obligations

With regard to the decommissioning of specified nuclear power plants, the monetary amount of asset retirement obligations is calculated based on a discount rate of 2.3% and the relevant period (the operational period) as prescribed by the “Ministerial Ordinance for the Setting of Reserve for the Decommissioning of Nuclear Power Plants” (Ordinance No. 30 of the Ministry of International

Trade and Industry, May 25, 1989). If the monetary amount of asset retirement obligations calculated in accordance with the ordinance exceeds the monetary amount calculated by the previous method, the monetary amount calculated according to the ordinance as obligations will be recorded.

### (c) Net increase (decrease) in asset retirement obligations for the consolidated fiscal year

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Balance at beginning of year	¥290,297	¥266,374	\$1,918,306
Reductions due to execution of asset retirement obligations	(5,059)	(2,514)	(33,435)
Other	9,153	26,437	60,485
Balance at end of year	¥294,390	¥290,297	\$1,945,356

### Additional information

On April 1, 2024, the “Act for Partial Revision of the Electricity Business Act, etc. for the Purpose of Establishing Electricity Supply System for Realization of Decarbonized Society” (Act No. 44 of June 7, 2023, hereinafter referred to as the “Revised Act”) and the “Ministerial Ordinance Concerning the Establishment of Relevant Ministerial Ordinances for the Enforcement of the Act for Partial Revision of the Electricity Business Act, etc. for Realization of Decarbonized Society” (March 29, 2024, Ministerial Ordinance of the Ministry of Economy, Trade and Industry No. 21; hereinafter referred to as the “Revised Ministerial Ordinance”) were enacted. The Dismantlement Ministerial Ordinance was repealed and the Electric Utility Accounting Rules were revised.

Previously, the cost required for the decommissioning of a commercial nuclear power reactor was recorded as an asset retirement obligation, and the asset retirement obligation for the decommissioning of a specific nuclear power facility was recorded as an expense on a straight-line basis over the operational period of the facility based on the total estimated cost of dismantling the nuclear power facility in accordance with the provisions of the Dismantlement Ministerial Ordinance. However, after the effective date of the Revised Ministerial Ordinance, the contribution to the decommissioning prescribed in Article 11, paragraph 2 of the “Law Concerning the Implementation of Spent Fuel Reprocessing and Promotion of Decommissioning of Nuclear Power Plants” as revised by Article 3 of the Revised Act shall be recorded as operating expenses for electric power business.

Nuclear power operators have been responsible for securing funds required for the decommissioning of their own commercial nuclear power reactors. Nuclear power operators are responsible for paying the decommissioning contribution to Nuclear Reprocessing Organization of Japan (hereinafter referred to as “the Organization”) annually based on the Revised Act. The Organization will be financially responsible for securing, managing, and paying for the funds required for the decommissioning of nuclear power plants.

As a result, ¥44,058 million (\$291 thousand) of assets equivalent to asset retirement obligations and ¥44,058 million (\$291 thousand) of asset retirement obligations will be reversed in the first quarter of FY2024. The total amount of ¥240,770 million (\$1,591 thousand) that must be paid to the Organization to cover the necessary expenses for decommissioning promotion activities pursuant to the provision of Article 10, Paragraph 1 of the Supplementary Provisions of the Revised Act is recorded as unpaid decommissioning contribution pursuant to the provision of Article 7 of the Supplementary Provisions of the Revised Ordinance, and the amount is recorded as expenses, but the asset retirement obligation is reversed in accordance with the same provision. However, the amount of the asset retirement obligation will be deducted from the said cost in accordance with the provision of Article 7 of the Supplementary Provision of the Revised Ordinance. In addition, ¥8,025 million (\$53 thousand) of the unpaid decommissioning contribution will be transferred to current portion of long-term liabilities. There is no effect from this change on profit and loss.

## 18. Derivatives

The Chubu Electric Group enters into derivative financial instruments, including interest rate swaps, currency options, and foreign exchange forward contracts. The

Chubu Electric Group's derivative financial instruments outstanding at March 31, 2024 and 2023 were as follows:

### (a) Derivatives for which hedge accounting is not applied

#### (1) Currency related

Not applicable

#### (2) Interest rate related

As of March 31, 2024	Millions of yen			
	Contract amount		Fair value	Valuation gain or loss
	Total	More than 1 year		
Other than market transactions:				
Receive floating, pay fixed	¥2,765	¥2,544	¥(87)	¥(87)
Total	¥2,765	¥2,544	¥(87)	¥(87)

As of March 31, 2023	Millions of yen			
Other than market transactions:				
Receive floating, pay fixed	¥2,983	¥2,765	¥(135)	¥(135)
Total	¥2,983	¥2,765	¥(135)	¥(135)

As of March 31, 2024	Thousands of U.S. dollars			
Other than market transactions:				
Receive floating, pay fixed	\$18,277	\$16,811	\$(578)	\$(578)
Total	\$18,277	\$16,811	\$(578)	\$(578)

(Note 1) Some derivatives no longer meet the criteria for hedge accounting and are accounted for as discontinued hedges.

#### (3) Commodity related

As of March 31, 2024	Millions of yen			
	Contract amount		Fair value	Valuation gain or loss
	Total	More than 1 year		
Other than market transactions:				
Receive floating, pay fixed	¥12,381	¥ –	¥(122)	¥(122)
Total	¥12,381	¥ –	¥(122)	¥(122)

As of March 31, 2023	Millions of yen			
Other than market transactions:				
Receive floating, pay fixed	¥ –	¥ –	¥ –	¥ –
Total	¥ –	¥ –	¥ –	¥ –

As of March 31, 2024	Thousands of U.S. dollars			
Other than market transactions:				
Receive floating, pay fixed	\$81,817	\$ –	\$(807)	\$(807)
Total	\$81,817	\$ –	\$(807)	\$(807)

**(b) Derivatives for which hedge accounting is applied**

As of March 31, 2024		Millions of yen		
		Contract amount		Fair value
		Total	More than 1 year	
Hedged items				
General treatment:				
Foreign exchange forward contracts:	Accounts payable			
Long position	(forecasted transactions)	¥14,048	¥12,053	¥6,754
Foreign exchange forward contracts:	Accounts receivable			
Short position	(forecasted transactions)	3,700	3,700	(112)
Currency option	Accounts payable			
Long position	(forecasted transactions)	81,150	–	211
Interest rate swaps:				
Receive floating, pay fixed	Long-term borrowings	4,922	4,494	54
Special treatment of interest rate swaps:				
Interest rate swaps:				
Receive floating, pay fixed	Long-term borrowings	8,232	6,431	(*)
Total		¥ –	¥ –	¥6,908

As of March 31, 2023		Millions of yen		
Hedged items				
General treatment:				
Foreign exchange forward contracts:	Accounts payable			
Long position	(forecasted transactions)	¥16,030	¥14,048	¥4,657
Foreign exchange forward contracts:	Accounts receivable			
Short position	(forecasted transactions)	–	–	–
Currency option	Accounts payable			
Long position	(forecasted transactions)	90,139	–	(539)
Interest rate swaps:				
Receive floating, pay fixed	Long-term borrowings	5,346	4,922	2
Special treatment of interest rate swaps:				
Interest rate swaps:				
Receive floating, pay fixed	Long-term borrowings	8,180	6,540	(*)
Total		¥ –	¥ –	¥4,120

As of March 31, 2024		Thousands of U.S. dollars		
Hedged items				
General treatment:				
Foreign exchange forward contracts:	Accounts payable			
Long position	(forecasted transactions)	\$ 92,831	\$79,648	\$44,635
Foreign exchange forward contracts:	Accounts receivable			
Short position	(forecasted transactions)	24,455	24,455	(743)
Currency option	Accounts payable			
Long position	(forecasted transactions)	536,247	–	1,399
Interest rate swaps:				
Receive floating, pay fixed	Long-term borrowings	32,526	29,696	359
Special treatment of interest rate swaps:				
Interest rate swaps:				
Receive floating, pay fixed	Long-term borrowings	54,402	42,500	(*)
Total		\$ –	\$ –	\$45,651

(\*) The fair value of interest rate swaps accounted for under exceptional accounting treatment is included in the fair value of the hedged item because the interest rate swaps are accounted for as an integral part of the hedged item.

## 19. Contingent Liabilities

As of March 31, 2024 and 2023, contingent liabilities were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Guarantees of corporate bonds and loans of companies and others:			
Japan Nuclear Fuel Limited	¥88,845	¥89,154	\$587,094
The Japan Atomic Power Company	38,095	38,095	251,735
Guarantees of housing and other loans for employees	22,818	26,784	150,784
Ene One denki Co., Ltd.	3,060	3,060	20,220
Diamond Transmission Partners Hornsea One Limited	2,244	1,901	14,831
MC Retail Energy Co., Ltd.	2,172	2,221	14,354
Daigas Oita Mirai Solar Co., Ltd.	925	–	6,113
Transmission and Distribution IT & OT Systems LLC	638	–	4,215
Rakuten Trust Co., Ltd.	490	630	3,237
Diamond Transmission Partners Walney Extension Limited	442	381	2,927
Suzukawa Energy Center Ltd.	318	318	2,103
Tahara Solar Co., Ltd.	262	262	1,731
Akita Offshore Wind Corporation	187	–	1,240
Nakao Geothermal Power Generation Corporation	–	1,658	–
Others	29	29	194
Guarantees related to other contracts:			
Mitsubishi Corporation	39,284	11,591	259,592
Akita Noshiro/ Mitane/ Oga Offshore Wind LLC	2,016	778	13,324
Yonago Biomass Power Generation LLC	1,948	1,732	12,874
Chiba Choshi Offshore Wind LLC	1,820	629	12,030
Aichi Gamagori Biomass Power Generation LLC	733	652	4,850
Phoenix Operation and Maintenance Company LLC*	680	605	4,500
Omaezaki Port Biomass Energy LLC	680	605	4,500
Toyotomi Wind Energy LLC	680	709	4,495
Marubeni Corporation	374	444	2,475
Akita Yurihonjo Offshore Wind LLC	370	1,332	2,448
MC Retail Energy Co., Ltd.	307	243	2,032
Diamond Transmission Partners Hornsea One Limited	180	410	1,191
Others	268	331	1,772

\* With regard to ¥680 million (\$4,500 thousand) of the contingent liabilities in the table above as of March 31, 2024 and ¥605 million as of March 31, 2023, the Company has concluded an agreement with JERA Co., Inc. to compensate the Company for any loss arising from a debt guarantee.

## 20. Net Assets

The authorized number of shares of common stock without par value is 1,190 million. At both March 31, 2024 and 2023, the number of shares of common stock issued was 758,000,000. At March 31, 2024 and 2023, the number of treasury stock held by the Chubu Electric Group was 1,890,947 (including 386,800 shares held by the trust account for the Plan) and 1,859,483 (including 386,800 shares held by the trust account for the Plan) respectively.

Under Japanese laws and regulations, the entire amount paid for new shares is required to be designated as common stock. However, a company may, by a resolution of the Board of Directors, designate an amount not exceeding one half of the price of the new shares as additional paid-in capital, which is included in capital surplus.

Under the Law, in cases in which a dividend distribution of surplus is made, the smaller of an amount equal to 10% of the dividend or the excess, if any, of 25% of common stock over the total of additional paid-in capital and legal earnings reserve must be set aside as additional paid-in capital or legal earnings reserve. Legal earnings reserve is included in retained earnings in the consolidated balance sheets.

Additional paid-in capital and legal earnings reserve may not be distributed as dividends. Under the Law, all additional paid-in capital and all legal earnings reserve may be transferred to other capital surplus and retained earnings, respectively, which are potentially available for dividends.

The maximum amount that the Company can distribute as dividends is calculated based on the nonconsolidated financial statements of the Company in accordance with Japanese laws and regulations.

At the annual shareholders' meeting held on June 26, 2024, the shareholders approved cash dividends amounting to ¥22,697 million (\$149,986 thousand) or ¥30 per share. The total amount of dividends includes dividends of ¥11 million (\$76 thousand) for our shares held by the trust account for the Plan. The dividend of surplus was not recorded in the consolidated financial statements as of March 31, 2024. Such dividends of surplus are recognized in the period in which they are approved by the shareholders.

## 21. Stock options

### Additional information

#### Application of Practical Solution on Transactions Granting Employees and Others Stock Acquisition Rights, which Involve Considerations, with Vesting Conditions

With regard to transactions granting employees and others stock acquisition rights, which Involve Consideration, with vesting conditions, etc., before the application date of the Practical Solution on Transactions Granting Employees and Others Stock Acquisition Rights, which Involve Consideration, with Vesting Conditions, etc. (Practice Issue Task Force No. 36, January 12, 2018 (hereinafter, "PITF No. 36")), ES-CON JAPAN Ltd. and its domestic subsidiaries continued to apply the accounting rules and procedures that were applied before adopting PITF No. 36 in accordance with Paragraph 10 (3) of PITF No. 36.

### (a) Outline of Stock Acquisition Rights, which Involve Consideration, with Vesting Conditions

#### (1) Stock Acquisition Rights, which Involve Consideration, with Vesting Condition

Company name	ES-CON JAPAN Ltd.
Name	6th Series of Stock Acquisition Rights, which involve considerations, with vesting conditions
Classification and number of persons entitled	Board of Directors and employees of ES-CON JAPAN Ltd. and 146 employees of subsidiaries of ES-CON JAPAN Ltd.
The number of share options by type (Note 1)	Common stock, 1,400,000 shares
Grant date	December 27, 2017
Vesting conditions	(Note 2)
Service period	Service period is not stipulated.
Exercise period	April 1, 2021 to December 26, 2025

(Note 1) The number of share options has been converted into the number of shares.

(Note 2) The conditions for exercising stock acquisition rights are as follows.

- 1) Holders of stock acquisition rights may exercise the allotted stock acquisition rights from the first day of the month following the filing date of the annual securities report for the fiscal year ending December 31, 2020 when ES-CON JAPAN Ltd.'s operating income for all fiscal years from December 2018 to December 2020 exceeds each of the amounts listed below. If the number of exercisable stock acquisition rights includes a fraction less than one stock acquisition right, such fraction shall be rounded down to the nearest whole number.
- (i) If operating income exceeds ¥8,500 million for the fiscal year ending December 31, 2018
  - (ii) If operating income exceeds ¥9,500 million for the fiscal year ending December 31, 2019
  - (iii) If operating income exceeds ¥10,000 million for the fiscal year ending December 31, 2020

In determining the above operating income, reference shall be made to the operating income in the consolidated statement of income (or the statement of income if ES-CON JAPAN Ltd. does not prepare a consolidated statement of income) as shown in ES-CON JAPAN Ltd.'s annual securities report. In addition, in regard to the concept of items to be referenced due to the application of International Financial Reporting Standards, etc., if there is a significant change in the concept of items to be referenced due to the application of International Financial Reporting Standards, etc., the Board of Directors shall separately determine the indicators to be referenced (the same shall apply hereinafter).

- 2) Holders of stock acquisition rights must be directors, corporate auditors or employees of ES-CON JAPAN Ltd. or its affiliates at the time of exercising the rights. However, this shall not apply in cases in which the Board of Directors recognizes that there is a justifiable reason, such as retirement from office due to expiration of term of office, mandatory retirement age, or other reasons.
- 3) The exercise of stock acquisition rights by the heirs of holders of stock acquisition rights shall not be permitted. However, this provision shall not apply in cases in which the Board of Directors recognizes that there is a justifiable reason to permit the exercise of the stock acquisition rights by the heirs in question, such as when the cause of death of the stock acquisition right holder was an accident in the course of his/her duties.
- 4) If the total number of shares issued by ES-CON JAPAN Ltd. exceeds the total number of shares authorized to be issued at the time of the exercise of the Stock Acquisition Rights, the Stock Acquisition Rights may not be exercised.
- 5) No less than one of each Stock Acquisition Right may be exercised.

## **(2) The number of stock acquisition rights, which involve Consideration, with vesting conditions and changes**

In the tables below, share options which existed for the consolidated fiscal year ended March 31, 2024 were presented, and the number of share options were converted to the number of shares.

### 1) The number of share options

Company name	ES-CON JAPAN Ltd.	
Name	6th Series of Stock Acquisition Rights, which involve considerations, with vesting conditions	
Before vesting		
Outstanding as of March 31, 2023		–
Granted		–
Forfeited		–
Vested		–
Outstanding		–
After vesting		
Outstanding as of March 31, 2023		710,100 shares
Vested		–
Exercised		165,500 shares
Forfeited		4,000 shares
Outstanding		540,600 shares

### 2) Price

Company name	ES-CON JAPAN Ltd.	
Name	6th Series of Stock Acquisition Rights, which involve considerations, with vesting conditions	
Exercise price		¥627
Average share prices at the date of exercise		¥963



## (b) Outline of accounting treatment

When stock acquisition rights are issued, the amount to be paid in for the issue is recorded as stock acquisition rights in net assets. When subscription rights are exercised and new shares are issued, the amount to be paid in for the issue of such subscription rights and the amount to be paid in for

the exercise of such subscription rights are transferred to capital stock and capital surplus. When subscription rights are forfeited, the amount corresponding to such forfeiture shall be treated as profit for the accounting period in which the forfeiture is determined.

## 22. Income Taxes

### (a) The tax effects of temporary differences that give rise to deferred tax assets and liabilities at March 31, 2024 and 2023 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Deferred tax assets:			
Asset retirement obligations	¥ 47,180	¥ 46,800	\$ 311,769
Depreciation of easement rights	40,833	40,707	269,828
Liability for retirement benefits	35,991	39,343	237,832
Intercompany unrealized profits	21,113	19,911	139,517
Impairment loss	17,473	15,427	115,463
Depreciation	15,234	16,375	100,669
Reprocessing of irradiated nuclear fuel	11,977	12,126	79,148
Other	74,780	94,655	494,156
Subtotal of deferred tax assets	264,583	285,347	1,748,386
Subtotal of valuation reserve	(72,758)	(68,002)	(480,791)
Total deferred tax assets	191,825	217,345	1,267,595
Deferred tax liabilities:			
Net unrealized gains on consolidated subsidiaries at fair value	(23,498)	(12,335)	(155,278)
Asset retirement costs corresponding to asset retirement obligations	(14,046)	(14,635)	(92,817)
Net unrealized gains on available-for-sale securities	(7,282)	(7,354)	(48,124)
Other	(13,409)	(8,411)	(88,613)
Total deferred tax liabilities	(58,236)	(42,736)	(384,833)
Net deferred tax assets	¥133,588	¥174,608	\$ 882,762

### (b) Reconciliation of the difference between the statutory income tax rate and the effective income tax rate for the years ended March 31, 2024 and 2023 were as follows:

	March 31, 2024	March 31, 2023
Statutory income tax rate	28.0%	28.0%
Equity in net income of affiliates	(10.4)%	5.3%
Loss in conjunction with the Antimonopoly Act	0.0%	11.2%
Valuation reserve	0.9%	(1.0)%
Other	0.2%	1.6%
Corporate tax burden rate after the application of the effective income tax rate	18.7%	45.1%

### (c) Accounting of corporate tax and local taxes and tax effect accounting related to these taxes

The Company and some of its domestic consolidated subsidiaries apply the consolidated taxation system. Accordingly, the accounting and disclosure of corporate and local taxes and tax effect accounting are in

accordance with the "Accounting and Disclosure Under the Group Tax Sharing System" (Practice Issue Task Force No. 42, August 12, 2021).

## 23. Revenue from contracts with customers

Operating revenue is not separately presented for revenue from contracts with customers and other revenue. The amounts of revenue from contracts with customers are

presented in Note 30, "Segment Information" in the consolidated financial statements.

## 24. Operating Expenses

Operating expenses in the electricity business for the years ended March 31, 2024 and 2023 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Salaries	¥ 114,411	¥ 112,929	\$ 756,040
Retirement benefits	21,084	15,843	139,326
Subcontracting fees	120,100	104,855	793,634
Power purchased from other suppliers	2,077,044	2,671,231	13,725,266
Expenses for third party's power transmission service	536,257	512,194	3,543,630
Other	640,840	654,271	4,234,723
Subtotal	3,509,739	4,071,325	23,192,622
Adjustment	(841,235)	(850,072)	(5,558,949)
Total	¥2,668,503	¥3,221,252	\$17,633,672

## 25. Impairment Loss

### ■ Current Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)

#### (a) Method of asset grouping

Noncurrent assets used for other businesses

In principle, the Company groups assets by business segment and by location.

#### (b) Major asset groups for which impairment loss was recognized

Impairment loss of ¥12,622 million (\$83,413 thousand) was recorded in the current consolidated fiscal year. Significant items of impairment loss were as follows:

Usage	Location	Type	Millions of yen	Thousands of U.S. dollars
			March 31, 2024	March 31, 2024
Assets for biomass power generation business	Aichi Pref.	Machinery & Equipment	¥5,637	\$37,253
(Other noncurrent assets)	Mie Pref.	Machinery & Equipment, etc.	¥3,709	\$24,513

#### (c) Background of recognition of impairment loss

The book values of noncurrent assets (machinery & equipment, etc.) for the biomass power generation business planned by Chubu Electric Power Miraiz and a subsidiary classified as "Other" in the reporting segment, were reduced to the recoverable amounts because the business prospects became uncertain and the initially projected profits were no longer expected. As a result, the decreases were recorded as impairment losses under extraordinary loss.

#### (d) Calculation of recoverable amounts

The recoverable amounts are based on the value in use.

The value in use is calculated by discounting future cash flows at a rate of 2.9% to 3.1%.

## ■ Previous Fiscal Year (April 1, 2022 to March 31, 2023)

### (a) Method of asset grouping

Noncurrent assets used for other businesses

In principle, the Company groups assets by business segment and by location.

### (b) Major asset groups for which impairment loss was recognized

Impairment loss of ¥14,236 million was recorded in the previous consolidated fiscal year. Significant items of impairment loss were as follows:

Usage	Location	Type	Millions of yen
			March 31, 2023
Assets for solar power business (Other noncurrent assets)	Shizuoka Pref.	Construction in progress, etc.	¥10,004

### (c) Background of recognition of impairment loss

The book value of noncurrent assets (construction in progress, etc.) for the solar power generation business planned by a subsidiary classified as “Other” in the segment, was reduced to the recoverable amount because the business prospects became uncertain and the initially projected profit was no longer expected. As a result, the decrease was recorded as impairment loss under extraordinary loss.

### (d) Calculation of recoverable amount

The recoverable amount was determined as a value in use of zero yen because no future cash flow was expected.

## 26. Loss in conjunction with the Antimonopoly Act

### ■ Previous Fiscal Year (April 1, 2022 to March 31, 2023)

On April 13, 2021, the Company and the Company’s wholly-owned subsidiary, Chubu Electric Power Miraiz, received on-site inspections from the Japan Fair Trade Commission (hereinafter referred to as the “JFTC”) on the grounds that there was a suspicion of violation of the Antimonopoly Act (Unreasonable Restraint of Trade) with regard to the supply of extra-high voltage and high voltage electricity in the Chubu area, etc. Since the inspection, the Company and Chubu Electric Power Miraiz have fully cooperated with the JFTC in its investigations.

On March 30, 2023, the Company received a payment order for surcharge under the Antimonopoly Act, and Chubu Electric Power Miraiz received a cease and desist order and a payment order for surcharge under the Antimonopoly Act from the JFTC. Due to the receipt of the payment orders for surcharge, the Company recorded extraordinary loss of ¥27,555 million as loss in conjunction with the Antimonopoly Act in the previous consolidated fiscal year.

### ■ Current Consolidated Fiscal Year (April 1, 2023 to March 31, 2024)

On April 13, 2021 and October 5, 2021, the Company and the Company’s wholly-owned subsidiary, Chubu Electric Power Miraiz, received on-site inspections from the JFTC on the grounds that there was a suspicion of violation of the Antimonopoly Act (Unreasonable Restraint of Trade). Since the inspection, the Company and Chubu Electric Power Miraiz have fully cooperated with the JFTC in its investigations.

On March 4, 2024, the Company received a payment

order for surcharge under the Antimonopoly Act, and Chubu Electric Power Miraiz received a cease and desist order and a payment order for surcharge under the Antimonopoly Act from the JFTC in relation to the city gas supply for large customers in the Chubu area. Due to the receipts of the payment orders for surcharge, the Company recorded extraordinary loss of ¥26 million (\$176 thousand) as loss in relation to the Antimonopoly Act in the current consolidated fiscal year.

## 27. Accounting Standards for Presentation of Comprehensive Income

Amounts reclassified as net income (loss) in the current period that were recognized in other comprehensive income in the current or previous periods and the tax effects for each component of other comprehensive income for the years ended March 31, 2024 and 2023 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Net unrealized gain on available-for-sale securities:			
Increase during the year	¥ 9,554	¥ 2,717	\$ 63,140
Reclassification adjustments	(9,111)	(45,035)	(60,208)
Subtotal, before tax	443	(42,317)	2,931
Tax expense	(306)	10,334	(2,026)
Subtotal, net of tax	137	(31,982)	905
Net deferred gain on hedging instruments:			
Increase during the year	4,332	738	28,628
Reclassification adjustments	(440)	(552)	(2,913)
Subtotal, before tax	3,891	185	25,714
Tax expense	(1,089)	(51)	(7,199)
Subtotal, net of tax	2,801	133	18,514
Foreign currency translation adjustments:			
Increase during the year	1,964	774	12,980
Subtotal, net of tax	1,964	774	12,980
Adjustments for retirement benefits:			
Decrease during the year	9,728	(18,889)	64,283
Reclassification adjustments	5,120	523	33,838
Subtotal, before tax	14,848	(18,365)	98,121
Tax expense	(4,328)	5,185	(28,603)
Subtotal, net of tax	10,520	(13,180)	69,518
Share of other comprehensive income of affiliates accounted for using equity method:			
Increase during the year	208,261	135,304	1,376,209
Reclassification adjustments	(14,706)	10,164	(97,182)
Acquisition cost adjustment for assets	(46,019)	(58,584)	(304,098)
Subtotal, net of tax	147,535	86,884	974,928
Total other comprehensive income	¥162,959	¥ 42,629	\$1,076,847

## 28. Related Party Transactions

### (a) Significant related party transactions

(1) Not applicable for the previous and current consolidated year

(2) Significant transactions of the consolidated subsidiaries with unconsolidated subsidiaries and affiliates for the years ended March 31, 2024 and 2023 were as follows:

#### JERA Co., Inc. (an affiliate)

JERA Co., Inc. operates in the fuel business and power generation infrastructure businesses both in Japan and abroad. The Company has a 50% share of the voting rights in JERA Co., Inc., and its involvement with JERA

Co., Inc. includes power purchases. The terms of power purchases are determined after due consideration for market conditions and negotiations.

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Consolidated subsidiary's transactions during the year:			
Transaction amounts	¥1,408,498	¥1,594,341	\$9,307,466
Balances at the fiscal year-end:			
Notes and accounts payable - trade	123,649	146,470	817,083

### (b) Notes concerning the parent company and important affiliates

#### Important affiliates' financial summary

In the current consolidated fiscal year, JERA Co., Inc. is an important affiliate. The company's consolidated financial summary was as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Total current assets	¥3,223,005	¥4,560,516	\$21,297,860
Total noncurrent assets	5,285,129	4,611,841	34,924,529
Total current liabilities	2,162,545	3,497,604	14,290,260
Total noncurrent liabilities	3,686,970	3,635,048	24,363,779
Total net assets	2,658,618	2,039,705	17,568,349
Operating revenues	3,710,727	4,737,870	24,520,766
Income before income taxes	577,450	102,264	3,815,833
Net income attributable to owners of parent	399,628	17,847	2,640,772

## 29. Revenue recognition

### (a) Information on the breakdown of revenues from contracts with customers

Information on the breakdown of revenues from contracts with customers is presented in Notes 33, "Segment Information" in the Notes to Consolidated Financial Statements.

### (b) Information that provides a basis for understanding revenues from contracts with customers

With respect to the delivery of electricity and consignment supply, which are the main performance obligations, receivable are usually collected in about one month based on the sales contracts and consignment supply provisions with customers. Information that forms the basis for understanding revenues arising from other contracts with customers is presented in Note 2 (k), "Summary of Significant Accounting Policies - Basis for Recognition of Significant Revenues and Expenses."

### (c) Information for understanding the amount of revenue in the current and subsequent consolidated fiscal years

#### (1) Receivables arising from contracts with customers, contract assets and contract liabilities

The balances of receivables, contract assets and contract liabilities arising from contracts with customers are shown in Note 11, "Notes and accounts receivable - trade and contract assets" and Note 16, "Contract Liabilities."

#### (2) Transaction prices allocated to remaining performance obligations

The transaction prices allocated to the remaining performance obligations in the electric power business, the principal business, at March 31, 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2024	March 31, 2023	March 31, 2024
Total transaction price allocated to unfulfilled performance obligations	¥105,580	¥76,428	\$697,683
Expected time of satisfaction of performance obligation:			
Within 1 year	37,749	–	249,453
Over 1 year	67,830	76,428	448,230

The practical expedient method is applied, and contracts with an initial expected contract term of one year or less are not included in the scope of the note.

## 30. Segment Information

The reporting segments are constituent business units of the Chubu Electric Power Group for which separate financial information is obtained and monitored regularly by the Board of Directors of the Company to evaluate business performance. The Group's core operations are based on the twin pillars of the electric power business and the gas business. Our business activities also include the application of our know-how developed in the domestic sector to energy projects overseas, construction for the development and maintenance of electric utilities-related facilities, the manufacturing of materials and machinery for these facilities, and the real estate business.

On April 1, 2019, JERA succeeded to the fuel receiving, storage, gas transmission and existing thermal power generation businesses by an absorption-type split agreement. In addition, on April 1, 2020, Chubu Electric

Power Miraiz Co., Inc. succeeded to the rights and obligations of the Company's electricity retail businesses, etc., and Chubu Electric Power Grid Co., Inc. succeeded to the rights and obligations of the Company's general transmission and distribution businesses, etc.. Accordingly, we report three reportable segments under; "Miraiz," "Power Grid" and "JERA."

<Miraiz>

Various services delivered with energy

<Power Grid>

Provision of power network services

<JERA>

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

Information by segment for the years ended March 31, 2024 and 2023 was as follows:

	Miraiz	Power Grid	JERA	Subtotal	Other	Total	Adjustment	Consolidated
Year ended March 31, 2024	Millions of yen							
Operating revenues:								
External customers	¥2,848,984	¥ 347,359	¥ –	¥3,196,344	¥ 414,070	¥3,610,414	¥ –	¥3,610,414
Revenues from contracts with customers	2,608,580	337,017	–	2,945,598	381,987	3,327,585	–	3,327,585
Electricity	2,378,027	334,841	–	2,712,869	7,345	2,720,215	–	2,720,215
Other	230,552	2,175	–	232,728	374,641	607,370	–	607,370
Other revenues	240,404	10,341	–	250,746	32,082	282,828	–	282,828
Intersegment	40,274	559,163	–	599,438	488,778	1,088,216	(1,088,216)	–
Total	2,889,259	906,522	–	3,795,782	902,848	4,698,630	(1,088,216)	3,610,414
Ordinary income (loss)	¥ 203,836	¥ 95,633	¥ 178,851	¥ 478,321	¥ 43,472	¥ 521,794	¥ (12,498)	¥ 509,295
Total assets	¥ 655,482	¥2,332,564	¥1,374,021	¥4,362,068	¥4,921,228	¥9,283,296	¥(2,174,679)	¥7,108,617
Depreciation and amortization	9,730	106,484	–	116,215	59,066	175,281	(3,234)	172,046
Interest income	47	15	–	63	10,979	11,042	(10,823)	219
Interest expense	703	9,631	–	10,334	22,879	33,214	(11,637)	21,576
Share of profit (loss) of entities accounted for using equity method	1,055	229	178,851	180,136	8,581	188,718	27	188,745
Investment in equity method affiliates	11,276	3,416	1,374,021	1,388,714	382,853	1,771,568	439	1,772,008
Increase in tangible and intangible fixed assets	22,100	150,065	–	172,165	79,635	251,801	(8,115)	243,686
Year ended March 31, 2023	Millions of yen							
Operating revenues:								
External customers	¥2,989,151	¥ 586,813	¥ –	¥3,575,964	¥ 410,717	¥3,986,681	¥ –	¥3,986,681
Revenues from contracts with customers	2,929,081	575,501	–	3,504,582	386,531	3,891,114	–	3,891,114
Electricity	2,629,603	573,982	–	3,203,585	14,757	3,218,343	–	3,218,343
Other	299,478	1,518	–	300,997	371,773	672,770	–	672,770
Other revenues	60,070	11,311	–	71,382	24,185	95,567	–	95,567
Intersegment	101,681	529,354	–	631,035	456,175	1,087,211	(1,087,211)	–
Total	3,090,832	1,116,167	–	4,207,000	866,892	5,073,893	(1,087,211)	3,986,681
Ordinary income (loss)	¥ 64,851	¥ 7,034	¥ (24,249)	¥ 47,636	¥ 52,902	¥ 100,539	¥ (35,390)	¥ 65,148
Total assets	¥ 525,938	¥2,288,070	¥1,096,596	¥3,910,605	¥4,542,739	¥8,453,344	¥(1,998,242)	¥6,455,102
Depreciation and amortization	7,582	100,132	–	107,714	52,097	159,812	(3,884)	155,927
Interest income	29	47	–	76	10,435	10,512	(10,180)	331
Interest expense	681	9,257	–	9,938	20,478	30,417	(10,527)	19,889
Share of profit (loss) of entities accounted for using equity method	1,427	220	(24,249)	(22,600)	9,602	(12,998)	11	(12,986)
Investment in equity method affiliates	9,838	3,187	1,096,596	1,109,622	321,510	1,431,133	606	1,431,739
Increase in tangible and intangible fixed assets	28,830	142,144	–	170,974	106,048	277,023	(14,773)	262,249

	Miraiz	Power Grid	JERA	Subtotal	Other	Total	Adjustment	Consolidated
Year ended March 31, 2024	Thousands of U.S. dollars							
Operating revenues:								
External customers	\$18,826,306	\$ 2,295,376	\$ –	\$21,121,683	\$ 2,736,206	\$23,857,889	\$ –	\$23,857,889
Revenues from contracts with customers	17,237,696	2,227,038	–	19,464,734	2,524,202	21,988,936	–	21,988,936
Electricity	15,714,185	2,212,660	–	17,926,845	48,540	17,975,385	–	17,975,385
Other	1,523,510	14,377	–	1,537,888	2,475,661	4,013,550	–	4,013,550
Other revenues	1,588,610	68,338	–	1,656,948	212,004	1,868,953	–	1,868,953
Intersegment	266,140	3,694,992	–	3,961,132	3,229,883	7,191,016	(7,191,016)	–
Total	19,092,446	5,990,369	–	25,082,815	5,966,090	31,048,905	(7,191,016)	23,857,889
Ordinary income (loss)	\$ 1,346,968	\$ 631,952	\$1,181,864	\$ 3,160,785	\$ 287,269	\$ 3,448,054	\$ (82,590)	\$ 3,365,464
Total assets	\$ 4,331,478	\$15,413,758	\$9,079,637	\$28,824,875	\$32,519,844	\$61,344,719	\$(14,370,443)	\$46,974,276
Depreciation and amortization	64,297	703,660	–	767,958	390,315	1,158,273	(21,376)	1,136,897
Interest income	316	100	–	417	72,554	72,971	(71,524)	1,447
Interest expense	4,645	63,647	–	68,293	151,189	219,482	(76,904)	142,578
Share of profit (loss) of entities accounted for using equity method	6,978	1,514	1,181,864	1,190,357	56,708	1,247,065	179	1,247,245
Investment in equity method affiliates	74,518	22,576	9,079,637	9,176,732	2,529,925	11,706,657	2,906	11,709,564
Increase in tangible and intangible fixed assets	146,039	991,645	–	1,137,685	526,239	1,663,924	(53,626)	1,610,298



**(a) Methods used to calculate operating revenues, income or loss, assets and other amounts for each reporting segment**

The accounting treatment and methods used for the reporting segments are the same as that used in developing the financial report. Segment income for each reporting segment is presented on an ordinary income basis. Intersegment sales and transfers are calculated from prices based on market prices and costs.

**(b) Information about products and services**

The Company has omitted information about products and services because the same information is disclosed in segment information.

**(c) Information by geographic regions**

**(1) Operating revenues**

The Company has omitted a disclosure of information for operating revenues because operating revenues to external customers in Japan accounted for more than 90% of the operating revenues reported in the consolidated statements of income.

**(2) Property, plant and equipment**

The company has omitted a disclosure of information for property, plant and equipment because property, plant and equipment in Japan accounted for more than 90% of the property, plant and equipment reported in the consolidated balance sheets.

**(d) Information about major customers**

The Company has not disclosed information about major customers because no customer contributed 10% or more to operating revenues in the consolidated statements of income.

**(e) Impairment loss**

Impairment loss by segment for the current consolidated fiscal year was as follows:

	Miraiz	Power Grid	JERA	Subtotal	Other	Adjustment	Consolidated
Year ended March 31, 2024	Millions of yen						
	¥ 5,637	¥ 701	¥ –	¥ 6,338	¥ 6,284	¥ –	¥12,622

Year ended March 31, 2024	Thousands of U.S. dollars						
	\$37,253	\$4,632	\$ –	\$41,885	\$41,527	\$ –	\$83,413

Impairment loss by segment for the previous consolidated fiscal year was as follows:

	Miraiz	Power Grid	JERA	Subtotal	Other	Adjustment	Consolidated
Year ended March 31, 2023	Millions of yen						
	¥ 1,405	¥ 428	¥ –	¥ 1,834	¥12,402	¥ –	¥ 14,236

Year ended March 31, 2023	Thousands of U.S. dollars						
	\$10,522	\$3,211	\$ –	\$13,734	\$92,875	\$ –	\$106,610

(Note) The details of impairment loss are presented in Note 28, "Impairment Loss" in the consolidated financial statements.

**(f) Amortization of goodwill and the unamortized balance**

The Company has omitted information by segment on amortization of goodwill and the unamortized balance due to the negligible importance of this information.

**(g) Gain on negative goodwill**

Not applicable for the previous consolidated fiscal year.

Not applicable for the current consolidated fiscal year.



# Independent Auditor's Report

Chubu Electric Power Co., Inc. and its subsidiaries

For the Years ended March 31,  
2023 and 2024

KPMG AZSA LLC  
June 2024

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# Independent auditor's report

To the Board of Directors of Chubu Electric Power Co., Inc.:

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Chubu Electric Power Co., Inc. ("the Company") and its consolidated subsidiaries (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at March 31, 2024, the consolidated statements of income and comprehensive income, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of non-current assets used in the nuclear power production business

The key audit matter	How the matter was addressed in our audit
In the consolidated balance sheet of the Group, nuclear power production facilities of ¥342,335 million including construction in progress were recognized as of March 31,	The primary procedures we performed to assess the appropriateness of the Group's judgment on the valuation of non-current assets used in the nuclear power production business included the following:

2024, which accounted for approximately 5% of total assets in the consolidated financial statements.

The operations of Units 3, 4, and 5 (collectively referred to as the “Units”) of the Hamaoka Nuclear Power Station have been suspended since the 2011 Great East Japan Earthquake. In order to resume a nuclear power plant, it is necessary to obtain approval of the Nuclear Regulation Authority (NRA), which reviews the conformity of a nuclear power plant with the new regulatory requirements, and pass its pre-service inspection.

With respect to the nuclear power production business, the GX Decarbonization Electricity Act was enacted in May 2023, and relevant necessary laws were revised to utilize nuclear energy with safety as a major premise, in accordance with the Basic Policy for the Realization of GX. In the “Chubu Electric Power Group Medium-term Management Plan,” the Group listed the measures toward restarting the Hamaoka Nuclear Power Station as one of the important initiatives. The Group has been steadily advancing its safety improvement measures based on the new regulatory requirements of the NRA and is working to strengthen its internal structure and proceeding with the preparation so that the Group can apply for the regulatory approval of the NRA without fail at an early stage. In September 2023, the basic earthquake ground motion (the assumed maximum scale of earthquake) was assessed as largely appropriate by the NRA.

In addition, towards the realization of a carbon-free society in 2050 as announced in its “Zero Emissions Challenge 2050” policy, the Group works on the decarbonization of electricity by maximizing the use of renewable energy and non-fossil energy from nuclear power.

The operations of the Units, however, have been under suspension for a long time. Therefore, the Units were required to be tested for impairment by comparing the

## **(1) Internal control testing**

We tested the design and operating effectiveness of certain of the Group’s internal controls relevant to the valuation of non-current assets used in the nuclear power production business.

## **(2) Assessment of the reasonableness of the estimated future cash flows**

- We inspected the minutes of the Board of Directors’ meetings and the related documents to understand the current conditions and the future outlook of the business environment surrounding the nuclear power production business, and assessed whether the contents of those materials were consistent with the business environment underlying the assumptions used for the estimate by management, as well as whether there were any events or circumstances requiring changes in management’s estimation methods.
- In order to assess the appropriateness of key assumptions used for the estimate of the future cash flows in accordance with the requirements of accounting standards, we discussed the basis for each assumption with management and other personnel. In addition, considering that the assumptions were based on the business plan, we:
  - assessed the reasonableness of sales revenues expected from power generation after resuming the operation of the Hamaoka Nuclear Power Station by inspecting the internal materials used to assess assumptions in the business plan, documents supporting the progress of a review by the NRA to evaluate the conformity with the new regulatory requirements, and documents on the electricity receipt and supply charges/fees;
  - assessed the reasonableness of the estimated construction cost to implement safety improvement measures by inspecting the internal materials used to evaluate the contents of construction and documents on a review by the NRA to evaluate the conformity with the new regulatory requirements; and
  - independently estimated future cash flows by incorporating the effect of specific uncertainty into the business plan and evaluated whether there would be a potential effect on the valuation of the non-current

<p>future cash flows with the carrying amount of non-current assets used in the nuclear power production business. For the current fiscal year, the Group did not recognize any impairment loss because the gross future cash flows exceeded the carrying amount of the non-current assets.</p> <p>The future cash flows were estimated based on the business plan prepared by management. The business plan, which formed the basis for the estimate, included key assumptions, such as sales revenues from power generation after resuming operations and the estimated construction cost to implement safety improvement measures, involving management judgments, which had a significant effect on the estimated future cash flows.</p> <p>We, therefore, determined that our assessment of the appropriateness of the Group's judgment on the valuation of non-current assets used in the nuclear power production business was of most significance in our audit of the consolidated financial statements for the current fiscal year, and accordingly, a key audit matter.</p>	<p>assets.</p>
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## Other Information

The other information comprises the information included in the Group Report but does not include the consolidated financial statements, the financial statements, and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report. Management is responsible for the other information. Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

## Responsibilities of Management and Corporate Auditors and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal

control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Corporate auditors and the board of corporate auditors are responsible for overseeing the directors' performance of their duties with regard to the design, implementation and maintenance of the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of our audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not to express an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation and disclosures in the consolidated financial statements are in accordance with accounting standards generally accepted in Japan, the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with corporate auditors and the board of corporate auditors regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide corporate auditors and the board of corporate auditors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with corporate auditors and the board of corporate auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Fee-related Information**

Fees paid or payable to our firm and to other firms within the same network as our firm for audit and non-audit services provided to the Company and its subsidiaries for the current year are 327 million yen and 22 million yen, respectively.

### **Convenience Translation**

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2024 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

## Interest required to be disclosed by the Certified Public Accountants Act of Japan

We do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Kuniyoshi Iwata

Designated Engagement Partner

Certified Public Accountant

Tatsuhisa Murai

Designated Engagement Partner

Certified Public Accountant

Shinya Fukuda

Designated Engagement Partner

Certified Public Accountant

KPMG AZSA LLC

Nagoya Office, Japan

June 26, 2024



Chubu Electric Power Company, Incorporated