Aiming to become a total energy service corporate group that is one step ahead

—Setting new business goals toward realization of our management vision—

Consolidated ordinary income was around 163 billion yen in fiscal 2018 (excluding the time-lag impact of accrued income incurred by the fuel cost adjustment system). With this result, we have achieved the business goal we have been working toward (150 billion yen or more by fiscal 2018).

In “the Fiscal 2019 Initiatives to Address Management Challenges,” we have set a new business goal (consolidated ordinary income of 170 billion yen or more by FY2021) as a milestone on the way to realization of the vision we aim to realize that is stated in our management vision (consolidated ordinary income of 250 billion yen or more in the second half of 2020s) and have also shown concrete actions to be taken to achieve these goals.

By acting without fail to implement these initiatives, we will advance toward “Putting the New Business Model into Actual Practice.”

**Business goal (consolidated ordinary income)**

<table>
<thead>
<tr>
<th>Achieved the goal</th>
<th>Strengthen business base for growth</th>
<th>Realize sustainable growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous goal</td>
<td>New goal</td>
<td>Management vision</td>
</tr>
<tr>
<td>by FY2018</td>
<td>FY2021</td>
<td>Second half of the 2020s</td>
</tr>
<tr>
<td>150 billion yen or more</td>
<td>170 billion yen or more</td>
<td>(the vision we aim to realize)</td>
</tr>
</tbody>
</table>

Achievements:
- Expanded sales area and services
- Realized stable supply of electric power
- Developed organizational structure
- Thoroughgoing improvement in management efficiency
- Formation of global value chain by JERA

Construction of a balanced business portfolio

1:4

Sustainable growth toward realization of our management vision

- Business model that separates power generation from sales to maximize energy business income
- Further strengthen our resilience
- Commercialize new growth fields and increase income
- Address social responsibility (ESG management, SDGs)
**New business structure**

Following on from integration of the thermal power generation business into JERA in April 2019, we are slated to split off from the power transmission and distribution and sales divisions by April 2020. By having each business operate independently, we will steadily implement the four priority measures and realize sustainable growth for the Group.

![Diagram of Chubu Electric Power Group]

**Four Priority Measures (Specific Actions)**

1. **Improving safety further at Hamaoka Nuclear Power Plant**
   - **Nuclear**
   - Continue measures aiming for a safer, more reliable power plant [See page 39]

2. **Stable power supply for a new age**
   - **Power Network**
   - Assure quality of electric power and strengthen resilience [See page 35]

3. **Strengthening our business base for growth and achieving sustainable growth**
   - **Sales**
   - Provide services that continue to be chosen by customers [See page 37]
   - **Renewable Energy**
   - Improve energy self-sufficiency and realize a low-carbon society [See page 33]
   - **JERA**
   - Increase our corporate value through management of the entire value chain [See page 29]
   - **Overseas Business**
   - Overseas deployment of utility business and clean energy business [See page 22]
   - **ESG**
   - Deepen business management in light of ESG and realize sustainable growth while improving our corporate value [See page 45]

4. **Accelerate commercialization in new growth fields**
   - **New Growth**
   - Provide new forms of community through the creation of Community Support Infrastructure [See page 23]
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**Basic conceptual approach to investment and capital policy**

We will quickly and steadily implement measures to further increase safety at our facilities, including the Hamaoka Nuclear Power Plant. We will also keep steadily investing in equipment needed for stable supply while continuing to streamline. When making investments, we will thoroughly ensure efficiency.

In order to make sustainable growth a certainty into the future, we will conduct appropriate risk management, and on that basis engage in strategic investment for business growth and development.

**[5-year total up to fiscal 2023]**

300 billion yen or more

- **Renewable energy**: 100 billion yen
- **Overseas business**: 100 billion yen
- **New growth**: 100 billion yen

We envision a 7% or higher ROE level when we achieve the fiscal 2021 business goal. For the medium- to long-term ROE level, we will aim for a level that exceeds the cost of capital while closely monitoring the necessary shareholders’ equity ratio and other such factors.

Chubu Electric Power Group will continue to invest in plants and equipment for a safe and stable supply of electricity as well as in growth sectors to maintain sustainable growth and improve our corporate value.

Providing strong shareholder returns is an important mission for our Group. We will continue to pursue stable dividends, and consider our profit growth. Our target consolidated payout ratio is over 30%.
Growth fields

Renewable energy

- As to renewable energy, we have declared the goal of new development of 2,000 MW or more (up to around 2030). In order to accelerate this initiative, we established the Renewable Energy Company in April 2019.
See page 33 Renewable Energy Company

- We will collaborate with various corporations with a view to realizing a low-carbon society, working to develop and popularize domestic renewable energy power sources by participating in investment funds and related activities. We will additionally engage in implementation and support for the model of local production for local consumption and other such activities at the regional level.

Overseas businesses

Using its own resources (electric power grid, sales and solutions, renewable energy generation), Chubu Electric Power will aim to provide new community services that contribute to the resolution of social issues in every country and region, as we do in Japan, with a focus on Utility business that supports local communities by providing stable, affordable public infrastructure services and Clean energy business that contributes to global realization of a low-carbon society.

<table>
<thead>
<tr>
<th>Country</th>
<th>Project (Business in operation)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>Submarine power transmission business for offshore wind power plants</td>
</tr>
<tr>
<td>Singapore</td>
<td>Investment business, incubation, human asset development</td>
</tr>
<tr>
<td>Philippines</td>
<td>Power distribution/electricity retail business</td>
</tr>
</tbody>
</table>

New Growth

In order to support the vision for society as it changes toward a human-centered smart society (Society 5.0), Chubu Electric Power will provide new forms of community by taking the resolution of social issues as a point of departure and bringing about the precise inclusion of technological innovation (Industry 4.0) together with the evolution of conventional energy infrastructure into Community Support Infrastructure (Utility 3.0).

Services to raise the quality of life of individuals by using various data
Community services based on connecting and evolving several kinds of social infrastructure
Provide new forms of community by creating Community Support Infrastructure