



Message from the CEO

As stated in the new corporate philosophy, I will take on the challenge of creating a bright and happy future full of energy.

President & Director, CEO

Hayashi Kingo

PROFILE

- 1961** Born in Mie Prefecture.
- 1984** Joined Chubu Electric Power Co., Inc.
Served as General Manager of Market Research Group,
General Manager of Sales Planning Group of the Sales Division, Sales Manager of the Nagano Regional Office,
General Manager of Business Strategy Group of the Corporate Planning & Strategy Division,
General Manager of the Customer Services Division, and General Manager of the Tokyo Office.
- 2018** Director, Senior Managing Executive Officer, President of Customer Service & Sales Company
- 2020** President & Director
- 2025** Assumed his present position in April.



01 Changes in the Energy Business Environment

Our business environment is at an important inflection point. In Japan, electricity demand is expected to increase over the medium to long term. At the same time, with the pressing need for decarbonization and the growing reality of geopolitical risks, concerns about energy shortages are intensifying.

Since April 2024, I have been serving as Chairman of the Federation of Electric Power Companies of Japan, which has given me an ideal position to observe changes in the energy industry both domestically and internationally, including from the perspective of industrial policy. In particular, FY2024 has marked a significant turning point, as the value of energy and electricity has been reassessed. Previously, the domestic electricity market was expected to shrink. However, Japan's Seventh Strategic Energy Plan and the GX2040 Vision presented by the government emphasize that electricity is essential to Japan's economic development. They also project that electricity demand will grow with the advancement of

GX and DX. In the Chubu region, which forms the business foundation of our Group, demand is similarly expected to grow. We are working to stimulate further demand through efforts such as attracting data centers and utilizing the Welcome Zone Map.

At the same time, we must not lose sight of our pursuit of decarbonization. The Seventh Strategic Energy Plan clearly states that to achieve the simultaneous goals of stable supply, economic growth, and decarbonization, we must use renewable energy as our main power source, make optimal use of nuclear power, and utilize thermal power such as LNG, hydrogen, and ammonia as transitional power sources in the shift toward decarbonization.

► P20 Chubu Region Overview

02 Business Opportunities and Investment Decisions Amid Environmental Changes

In response to the expected expansion of the electricity business, there are significant business opportunities emerging across the energy industry—not only in expanding and spreading renewable energy and utilizing nuclear power, but also in developing new energy sources through innovation. Even in terms of power generation methods, innovations such as low-carbon fuel (LCF)* for thermal power generation have emerged. In the renewable energy sector, development is advancing beyond traditional solar and onshore wind to include technologies like perovskite solar cells and both fixed-bottom and floating offshore wind power. One area of particular note is geothermal innovation. We are investing in closed-loop geothermal technology, which circulates water through a mesh-like loop connecting the surface and underground, drawing heat from the earth through the water.

To reliably incorporate such innovations into our business activities, it is essential for us as a company to plan carefully and proceed in a well-balanced manner so that we can generate profits in the short, medium, and long term. However, what I find uniquely challenging about the electricity business is making investment decisions from a long-term perspective. The structure of risk and expected returns differs by business domain, so we have established investment and withdrawal criteria using WACC (Weighted Average Cost of Capital) by investment area, positioning new growth areas as strategic investments. In the electricity business, building a power plant and generating and delivering electricity is not the end, but the beginning. To recover the investment, we must make management decisions while envisioning 20, 30, or even 100 years into the future. Forecasting over such an ultra-long-term business horizon is an immense challenge, but I have always been able to move forward thanks to the support of trustworthy colleagues, including our employees. As President, I believe it is my duty to make the final decisions.

* Fuels used in thermal power generation designed to reduce CO₂ emissions.

03 Envisioning the Energy Business 100 Years into the Future

Looking ahead to the long term—50 or even 100 years from now—the visit I made to the Osaka Expo, which opened in April, offered valuable insights. At the Electric Power Pavilion, exhibited by the Federation of Electric Power Companies of Japan, future technologies such as nuclear fusion, which emits no CO₂ during generation, and wireless power transfer are being showcased. What struck me most there was the importance of proactively anticipating and shaping the future of the electric power business. Power plants themselves will not disappear going forward, but the locations where power is generated will change. For example, electric

vehicles (EVs), when idle, can function as power stations. As EVs become more widespread, a world will emerge where power generation and consumption coexist everywhere. In that future, the conventional model of large-scale power plants, transmission lines, substations, distribution lines, and meters—as well as the business model of transmitting electricity—will be fundamentally transformed. Wireless power transfer represents the ultimate form of this transformation. We must prepare for this major structural shift.

If this future comes to pass, energy will no longer be a mere commodity. It will be fundamental infrastructure and a strategic asset. Entities involved in managing such vital energy resources must possess not only technological capabilities but also a solid management foundation. I will continue steering the Company to ensure we play a vital role in fulfilling this vision of the future.

04 Looking Back on FY2024 and Outlook for FY2025

I positioned FY2024 as a year to strengthen the foundation for our earnings capacity and managed the Company accordingly. Looking back at our performance, while ordinary income decreased by 46% year-on-year to 276.4 billion yen and net income attributable to owners of the parent declined by 50% to 202 billion yen—compared to the record profits of the previous fiscal year—this level of profit remains the second highest in our Company’s history, and I consider it a continued demonstration of strong performance. While external factors played a role, we have steadily enhanced our earning capacity through the evolution of our unique power generation and retail separation model and progress in growth areas. These achievements are the fruits of the tireless efforts of our employees and partners. To share the benefits of these results with our stakeholders, we have

taken steps such as easing the burden of electricity rates for customers, providing full responses to union wage demands for employees, and increasing dividends for shareholders—as we did last year—projecting a 10 yen increase to 70 yen per share for FY2025.

FY2024 was not only a year of maintaining high profit levels. Despite frequent natural disasters, we ensured stable supply of electricity as a unified group. We also made steady progress in decarbonization and renewable energy initiatives. Beyond the electricity business, we continued to pursue new challenges in a wide range of areas.

FY2025 is both the final year of our current Medium-term Management Plan and a crucial milestone toward making our management vision a reality. We will further solidify our earnings base through our autonomous growth model based on our unique generation-retail separation framework and drive business structure transformation to deliver “energy plus α value.”

► P27 CFO Message

05 Progress in Seeding New Growth Areas

In Management Vision 2.0, formulated in 2021, we set a quantitative target of 250 billion yen in consolidated ordinary income by 2030, with a portfolio composition aimed at a 1:1 ratio between domestic energy businesses and all other businesses. When this vision was established in 2021, the domestic energy business accounted for 75% of our portfolio. Rather than shrinking this business, we aim to add value by providing services that meet social needs—such as convenience, safety, and peace of mind—while also accelerating profit growth in new growth fields such as new value-added services and overseas businesses, thereby

transforming our business portfolio toward our envisioned future state.

In our new growth areas, we are focusing on planting seeds in targeted sectors such as global business, real estate, and regional infrastructure projects including water and sewage systems, forestry, and resource recycling. These efforts are being pursued in collaboration with like-minded partners.

For example, our real estate business is working to develop communities that are “safe, secure, and comfortable,” so we must go beyond simply supplying electricity to also incorporate decarbonization-focused facility design. Additionally, when electricity usage becomes visible, it reveals the lifestyles of residents. Using this data, we have already launched services in Mie and Nagano Prefectures that detect frailty risks in elderly individuals living alone—based on electricity usage data from smart meters—and help extend healthy lifespans by working in collaboration with local governments and healthcare institutions. We are partnering



with the University of Tokyo to analyze and research big data on electricity use, and are considering additional collaborations with a wide range of partners.

In the global business domain, we are developing operations based on risk assessments that account for country-specific conditions such as country risk and regulatory environments, mapped along the vertical and horizontal axes of regional and business portfolios. Building on partnerships with companies like Eneco in the Netherlands and Bitexco in Vietnam, we will first focus on expanding in key regions such as Europe and Asia, while also looking ahead to the Middle East and Africa. Overseas, we will make renewable energy our core business, while also exploring expansion into consulting, retail, and network-related businesses.

- ▶ **P64 Global Business**
- ▶ **P66 New Growth Fields**
- ▶ **P68 Regional Infrastructure Business**
- ▶ **P70 Real Estate Business**

06 Toward Restarting the Hamaoka Nuclear Power Station

It has now been 14 years since operations were suspended at the Hamaoka Nuclear Power Station. This is by no means a brief period. While the plant has yet to be restarted, steady progress is being made toward that goal. We are undergoing a conformity review for the new regulatory standards set by the Nuclear Regulation Authority, and in October 2024, we received a general assessment that the standard tsunami assumption was reasonable. As a result, in December 2024, the process advanced a step with the commencement of the plant review. An equally important initiative that must proceed in parallel is gaining the understanding of local

residents regarding the restart of operations. By providing careful explanations and securing the understanding of as many people as possible, we hope to pave the way for an earlier restart.

- ▶ **P26 Toward Restarting the Hamaoka Nuclear Power Station**
- ▶ **P52 Toward Improving the Safety and Reliability of the Hamaoka Nuclear Power Station**

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

When considering corporate value, I am acutely aware, as the top executive, of the seriousness of the fact that our PBR (price book-value ratio) remains at a low level. To improve our PBR, we will take measures to enhance both of its components: ROE (return on equity) and PER (price earnings ratio).

It is essential to improve ROE to boost the profitability of the electric power business. At Chubu Electric Power Miraiz, we are working to improve the operating profit margin through measures such as reviewing the standard rate menu. In the power transmission and distribution division, we believe it is important to ensure a profit level that enables stable supply and continued capital investment. If the revenue cap regulation becomes a bottleneck that prevents appropriate profits, we will strongly urge the government to make necessary corrections. Growth of JERA's thermal power-centered generation business has led to strengthened international negotiating power. By leveraging that strength, we are aiming to import efficient and stable energy at stable prices into Japan, thereby ensuring stable supply, adapting to demand fluctuations, and ultimately expanding our profit margins and earnings capacity. Even within the electric

power business, the business models differ by segment. It is important that we set and share segment-specific targets such as WACC and ROIC (return on invested capital) to enhance profitability and work toward improving ROE. Some businesses require long-term effort to become profitable, while others can generate short-term earnings. We will manage targets for each business rigorously and proactively review and rebalance our portfolio.

Regarding PER, the other component of PBR, we will strive to earn understanding and recognition of our policies and initiatives—including progress toward restarting the Hamaoka Nuclear Power Station—through active information disclosure and deeper engagement with shareholders and investors.

- ▶ **P58 Chubu Electric Power Grid Co., Inc. (Power Transmission/Distribution Division)**
- ▶ **P60 Chubu Electric Power Miraiz Co., Inc. (Sales Division)**
- ▶ **P62 JERA (Fuel Procurement and Power Generation Business)**

08 Human Resources Strategy that Supports Our Management Base

When it comes to corporate strength, our people are most important to me. As Japan enters an era of aging with a declining birthrate, issues arising from the shrinking labor force are expected to become even more severe. We must improve not only how our employees work but also productivity itself. DX will be essential, and we recognize the risk that traditional workforce allocation methods will no longer be viable. Based on this understanding, we are promoting a comprehensive human resource strategy that addresses recruitment, compensation, education, and work

environment.

Regarding recruitment, we formulate hiring plans based on the personnel and capabilities required to achieve our ideal corporate vision, aiming to bridge the gap between our current and desired state. Looking ahead, while a quantitative labor shortage is an issue, we also face a shortage of specialists in new growth areas, such as global operations. We will continue our regular hiring of new graduates while focusing on human resource development through training and also putting effort into securing talented mid-career professionals. Regarding compensation, we have raised the starting salary for new graduates and the wage level of each employee in consultation with labor unions.

In terms of employee education, we are building a training framework that will allow individuals to learn a broad range of content, using widely adopted online tools like Udemy. We are also improving work-life balance by introducing flexible systems such as a flex-time system and a four-day work week. To enhance work styles and productivity,



we are advancing DX utilization, and digital literacy among our employees has been improving across the board.

▶ P31 Human Resource Strategy

09 Formulation of the New Corporate Philosophy

In April 2025, the Chubu Electric Power Group revised its corporate philosophy. The decision was driven by major changes in our business environment since the last revision in 2011, including intensified competition and expanded business domains, as well as our desire to align with a future society where diversity is more deeply respected at the individual level. We wanted the new philosophy to reflect the voices of our employees as much as possible, so we held company-wide workshops and spent considerable time repeatedly discussing our purpose together. As a result, we arrived at the phrase: “Connecting People and Society, Creating Energy for Happiness.”

This phrase embodies our aspiration as the Chubu Electric Power Group to connect people with each other and with society, and to work hand-in-hand to build a bright and happy future full of energy with our customers, communities, and everyone living on this planet. We connect directly with customers through electricity. Through these connections, we aim to deliver not only energy but also diverse value, contributing to the resolution of social issues. This vision is captured in our corporate philosophy. The values I personally hold dear—“enthusiasm, challenge, and harmony”—resonate with the new philosophy’s emphasis on energy, challenge, and connection.

A corporate philosophy cannot simply be set down in stone. To truly say that the corporate philosophy is complete, it must be shared and embraced by all employees. We aim to foster empathy among employees and instill the philosophy

throughout our Group. In cooperation with society, we seek to address social issues and create a bright and happy future together.

▶ P03 Corporate Philosophy

10 To All Our Stakeholders

The role of electric power companies has traditionally been to provide a stable supply of energy. Now, energy includes not only electricity but also gas, and we are increasingly able to offer a variety of services beyond energy. Geographically, our business is no longer confined to the Chubu region, with ongoing expansion into other regions of Japan and even overseas. As a comprehensive energy company, our mission is to deliver diverse added value and contribute to the resolution of social issues, with energy being an essential means to fulfill that mission.

We will continue to respond to the expectations of various stakeholders—including customers, shareholders and investors, employees, and local communities—and together, we aim to create a bright and happy future full of energy. We sincerely ask all our stakeholders for their continued understanding and unwavering support of our initiatives.

▶ P16 Toward Providing Value to Stakeholders