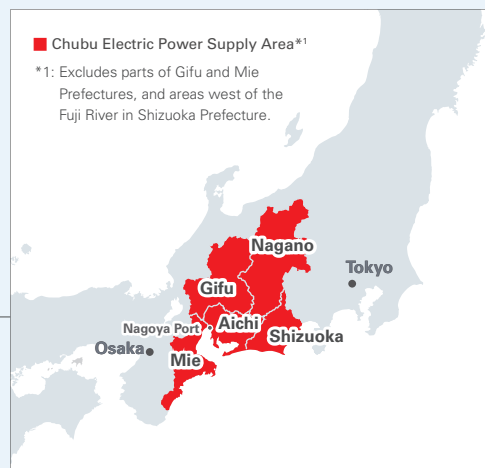


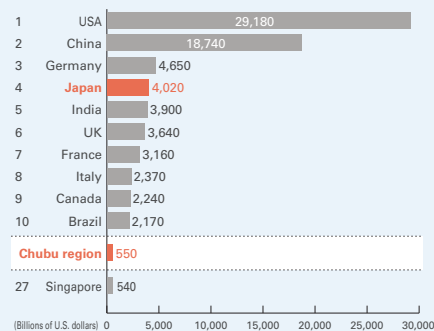
Chubu Region Overview

The Chubu region, located in the center of the Japanese archipelago, comprises five prefectures which are the main business areas of our Group, Aichi, Mie, Gifu, Shizuoka, and Nagano. With a population of over 18 million, the region accounts for approximately 14% of Japan's total GDP. In addition to its rich natural environment and high quality of life, the region is known for its strong manufacturing industry. It is an area of critical importance to the Japanese economy, especially with the upcoming opening of the Chuo Shinkansen (Linear Maglev) terminal at Nagoya Station.

The region is particularly strong in the automotive industry, with many related parts manufacturers forming a robust supply chain. Furthermore, Chubu Area Vision 2050, announced by the Central Japan Economic Federation in February 2025, outlines a plan to build on the region's strength in manufacturing by advancing industrial deepening and diversification through GX and DX, ultimately aiming for a transformation of the overall social system led by industry. Continued growth of the region is highly anticipated.

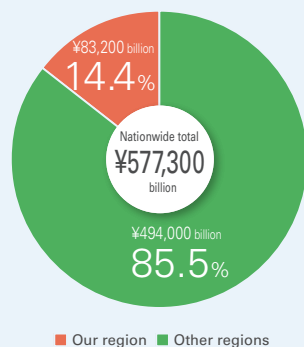


● 2024 Global GDP Rankings by Country*2



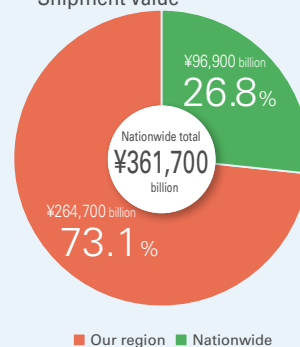
*2 Source: International Monetary Fund (IMF)

● Share of Japan's GDP*3



*3 Source: Prefectural Economic Accounts (FY2011–FY2021), Cabinet Office

● Share of Japan's Manufacturing Shipment Value*4



*4 Source: Ministry of Economy, Trade and Industry, 2023 Economic Census for Business Frame

Driving Regional Growth and Generating New Power Demand

Electricity demand is expected to grow due to the expansion of data centers driven by GX and DX, changes in industrial structure, and the progress of electrification toward carbon neutrality.

It is important to leverage this opportunity to contribute to the sustained growth of this manufacturing-oriented industrial hub, thereby helping to generate further power demand. To that end, the Group is working collectively to stimulate demand by promoting the attraction of data centers and other large-scale electricity-consuming facilities through the enhancement of the "Welcome Zone Map," which allows for relatively early power supply, and by proposing electrification solutions aimed at achieving GX in collaboration with customers.

● Estimated electricity demand in Chubu region*5



Supporting advancing electrification due to GX/DX and smart manufacturing, and responding to further increases in electricity demand

*5: Based on "Outlook of Electricity Supply–Demand and Cross-regional Interconnection Lines (FY2025)" released on January 22, 2025 by the Organization for Cross-regional Coordination of Transmission Operators

Towards the Realization of a Carbon-free Society

Decarbonization in Together with the Region

As of May 9, 2025, ten proposals from the region have been selected as Leading Decarbonization Areas, involving 16 municipalities across five prefectures. One of the selected initiatives—jointly proposed by our Company and the city of Iida in Nagano Prefecture—is a town development project aimed at connecting people and communities through a local microgrid utilizing the existing distribution network. The project aims to start full-scale operations by 2030. Construction of the microgrid was completed in February 2025, and demonstration operations have already begun.

📍 Pilot Decarbonization Region

Initiatives for Decarbonization Around Nagoya Port

To reduce CO₂ emissions around the Nagoya Port area, we are advancing studies on CCUS (Carbon Capture, Utilization, and Storage) projects. In February 2023, we entered into an agreement with bp, and in October 2024, we signed agreements with Santos Ltd. and INPEX Corporation.

With bp, we are conducting surveys on CCUS to support decarbonization efforts in the Nagoya Port area. With Santos Ltd., we are conducting studies on transporting CO₂ from Nagoya Port to a large-scale storage site under development in Australia for CCS (Carbon Capture and Storage) operations. These projects aim to be operational around FY2030.

📍 Agreement with bp 📍 Agreement with Santos Ltd.

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

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

The Chubu Electric Power Group assumes that in 2050, society will have evolved into a “decarbonized,” “safe and secure” and “self-distributed and circular” society, and everything will be optimally controllable by electric power. The Group will contribute to the transformation of society through the decarbonization and sophistication of electric power systems as the core infrastructure supporting various types of infrastructure.

2025

FY2025
Consolidated
ordinary income*

200

billion yen or more

ROIC* **3.2%** or higher

* Excluding the time-lag impact

2030

2030
Consolidated
ordinary income

250
billion yen

New growth
fields

Overseas
businesses

Group
companies

Power
transmission/
distribution

Power
generation
and sales

1 : 1

New growth fields
Overseas businesses
and others

Domestic
energy
business

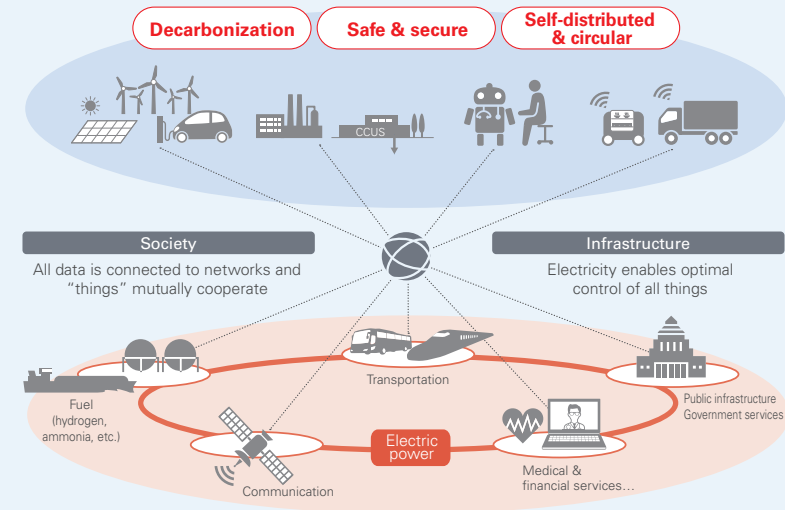
Contributions by the Chubu Electric Power Group

- Decarbonization of electric power systems supporting various types of infrastructure; Sophistication of electric power grid
- Pursuit of value creation by integrating each infrastructure or infrastructures and data

Coexistence with residents of the local communities

Working to achieve technological innovation and cost reductions in response to a rise in costs resulting from transformation of society and also delivering new value-added services

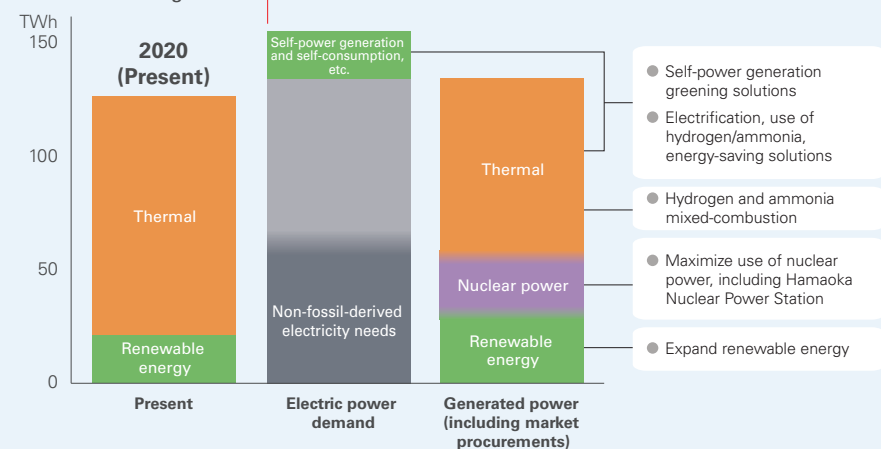
2050



Providing energy in 2030

In working toward the realization of a decarbonized society, we assume that in 2030 there will be a further increase in the need for renewable energy-derived electricity and non-fossil fuel value, mainly from corporate customers. To respond to customer needs, the Chubu Electric Power Group will strive to expand renewable energy, utilize hydrogen and ammonia mixed-combustion in thermal power generation, maximize the use of nuclear power, and provide electrification and energy-saving solutions on the demand side for the decarbonization of the entire social system.

Power generation mix of the Chubu region



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

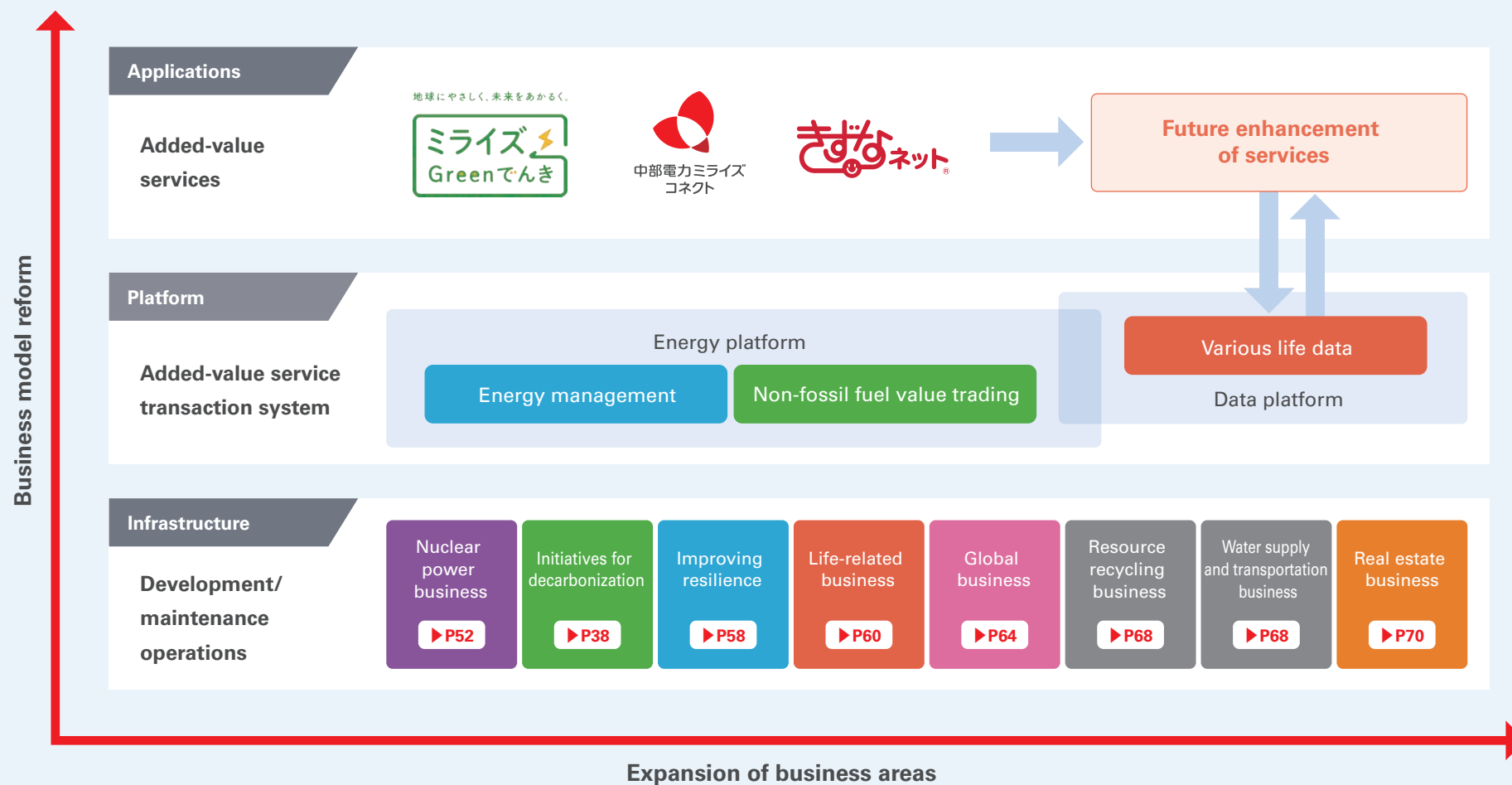
Initiatives for 2030

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

Even amid the drastically changing business environment, the Chubu Electric Power Group will steadily promote the initiative described in our Management Vision 2.0 with

the aim of its quantitative targets for 2030 of achieving consolidated ordinary income of 250 billion yen and expanding profits in new growth areas (overseas business, etc.) through aggressive strategic investments.

In addition, we have defined medium-term management targets for FY2025 as a milestone toward achieving targets in our Management Vision 2.0, we aim to achieve the medium-term targets for FY2025 of consolidated ordinary income of 200 billion yen or more and return on invested capital (ROIC) of 3.2% or higher.



Progress of Chubu Electric Power Group Medium-term Management Plan and Direction of Responses

We are steadily making progress toward achieving the Medium-term Management Plan, having strengthened our earnings capacity centered on the energy business. Although we implemented a dividend increase due to stable profit generation, our PBR remains low. We recognize the need to deepen our examination of steady profit improvement

and the optimal balance sheet structure to enhance capital efficiency.

In response to such issues, the Chubu Electric Power Group will deepen its understanding of these challenges based on voices from the capital markets and aim to enhance corporate value.

Chubu Electric Power Group's Initiatives for Achieving Medium-term Management Plan

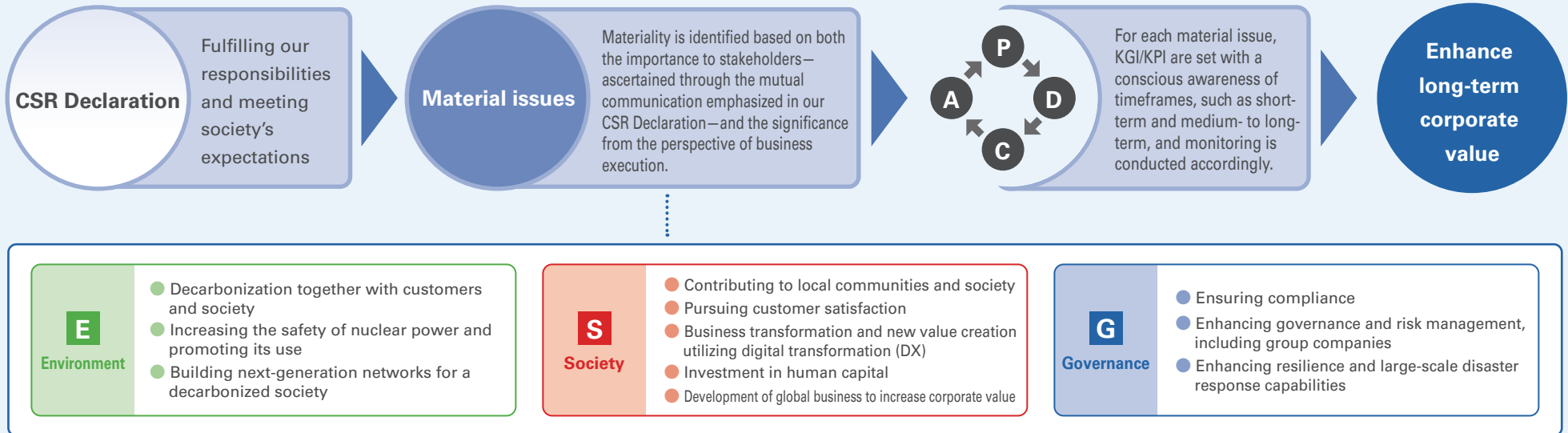
| Area | Major initiatives presented in the Medium-term Management Plan | Present state of initiatives | Future issues | Direction of responses | Related page |
|------------------------------------|--|--|--|--|-------------------------|
| Chubu Electric Power Miraiz | <ul style="list-style-type: none"> ● Optimization of power supply procurement portfolio ● Provision of services to support decarbonization ● Provision of services that are closely connected to daily life | <ul style="list-style-type: none"> ● Creation of a procurement portfolio based on price trends in the wholesale electricity trading market, etc., with sales volume increasing by approximately 5% year-on-year ● Contribution to customer decarbonization through products such as Green Denki ● Expansion of customer touchpoints through expanded offerings such as banking services (KatEne BANK) | <ul style="list-style-type: none"> ● Creation of a power supply procurement portfolio considering fuel price volatility and system changes | <ul style="list-style-type: none"> ● Verification and review of power supply procurement portfolio | ▶ P60 |
| Chubu Electric Power Grid | <ul style="list-style-type: none"> ● Securement of stable supply ● Development of services that meet customer needs ● Reduction of supply and demand adjustment costs | <ul style="list-style-type: none"> ● To respond quickly to increasing electricity demand, promotion of facility introduction through the publication of the "Welcome Zone Map in Chubu" ● In the "&Conote" service, provision of equipment condition monitoring services utilizing IoT technology ● Reduction of procurement costs for balancing capacity and contribution to revenue stability by expressing opinions through national councils and other venues | <ul style="list-style-type: none"> ● For stable business operations, assurance of appropriate reflection of inflation and interest rate impacts on the revenue cap ● Assurance of stable supply amid increasingly complex and wide-area supply-demand operations | <ul style="list-style-type: none"> ● Continued expression of opinions through national councils and other venues ● Steady implementation of a next-generation power network | ▶ P58 |
| Renewables | <ul style="list-style-type: none"> ● Renewable energy expansion target (Around 2030: 3.2 GW) | <ul style="list-style-type: none"> ● Progress to 1.13 GW (progress rate: 35% as of the end of March 2025) | <ul style="list-style-type: none"> ● Development aimed at balancing stable supply and decarbonization amid changing investment environments | <ul style="list-style-type: none"> ● While assessing the investment environment, development aimed at both stable supply and decarbonization | ▶ P56 |
| Nuclear power (Hamaoka) | <ul style="list-style-type: none"> ● Responding to reviews for confirming conformity to new regulatory requirements | <ul style="list-style-type: none"> ● Regarding standard seismic motion and tsunami, moved to plant review after about 10 years of screening | <ul style="list-style-type: none"> ● To obtain reactor installation change approval as early as possible, explanations of conformity with new regulatory standards in plant reviews, etc. ● Continued careful explanations to further deepen understanding from local communities and society at large | | ▶ P52 |
| JERA | <ul style="list-style-type: none"> ● Net income of 200 billion yen for FY2025 | <ul style="list-style-type: none"> ● Plan to achieve FY2025 target (net income: 200 billion yen) | <ul style="list-style-type: none"> ● Continued management-level monitoring of JERA, which plays an important role in balancing stable supply and decarbonization | <ul style="list-style-type: none"> ● Continued implementation of management-level monitoring | ▶ P62 |
| New growth area | <ul style="list-style-type: none"> ● Profit generation through strategic investments, etc. | <ul style="list-style-type: none"> ● Diversified business domains through collaboration, secured profits mainly from ES-CON JAPAN and Eneco | <ul style="list-style-type: none"> ● Profit contributions from strategic investments, etc., are in the growth stage. It is necessary to increase the likelihood of future profit growth. | <ul style="list-style-type: none"> ● Creation of an optimal business portfolio through compliance with investment criteria, promotion of asset replacement, etc., and accelerated profit growth | ▶ P64 ▶ P66 ▶ P70 |
| Management foundation | <ul style="list-style-type: none"> ● Diversification of human resources and development of an environment where they can take active roles | <ul style="list-style-type: none"> ● In addition to expanding mid-career hiring, employee engagement has improved and is progressing smoothly | <ul style="list-style-type: none"> ● Promoting human capital management by creating an environment where diverse personnel can thrive and providing opportunities and support to employees who meet the challenge of self-transformation | | ▶ P31 |

Materiality (Material Issues)

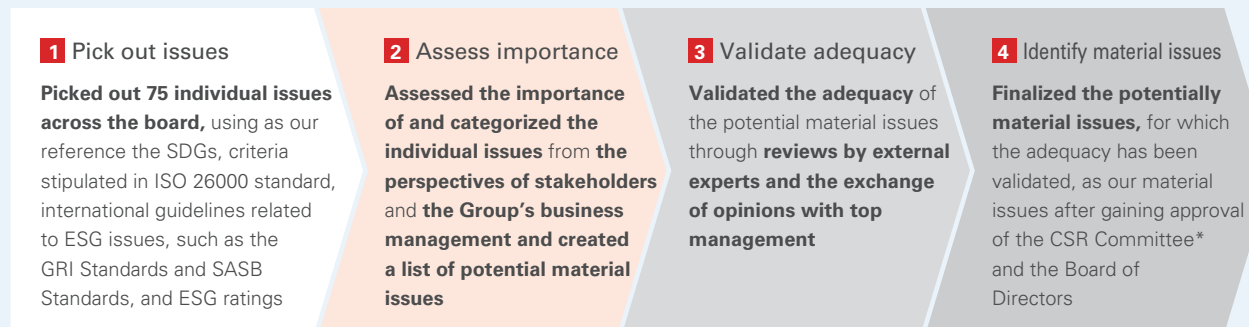
The Group aims to fulfill its corporate social responsibility and, through contributing to the sustainable development of local communities and society as a whole, achieve medium- to long-term enhancement of corporate value.

Therefore, based on opinions gathered through ongoing IR activities, dialogue with employees, and mutual communication with internal and external stakeholders, we assess and categorize material issues from two perspectives: their importance to stakeholders and their significance to our Group in terms of profit, cost, social evaluation, and alignment with business strategy. These issues are then organized and identified as materiality (key issues) through deliberation by the CSR Promotion Council and the Board of Directors.

We establish indicators and targets corresponding to each material issue and prioritize addressing these challenges by conducting regular monitoring (once every six months) through the PDCA cycle and reviewing them in light of changes in social conditions and the business environment.

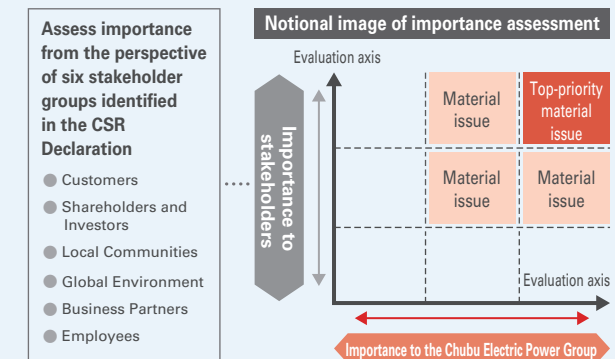


Process to identify materiality



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

Method of assessing importance



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

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

Details of the Chubu Electric Power Group's materiality

| | Material issues | Risks | Opportunities | Key indicators and targets | Period of achievement | FY2024 results (assessment of progress ^{*5}) | Key relevant page |
|------------------|--|--|---|---|-----------------------|---|-------------------|
| E Environment | Decarbonization together with customers and society ^{*1} | Revisions to energy policies | Strong social demand for decarbonization | Reduce CO ₂ emissions deriving from sales of electrical energy by 50% or about 32.5 million t from FY2013 | 2030 | Reduced 24.25 million t (about 38%) from FY2013 | ■ P38-45 |
| | | | | Expand renewable energy by at least 3.2 GW | Around 2030 | 1,130 MW (an increase of 210 MW year on year) | ■ P56-57 |
| | Increasing the safety of nuclear power and promoting its use | Delay in inspections for confirming conformity to new regulatory requirements | Basic policy for achieving GX | Restart Hamaoka Nuclear Power Station | As early as possible | <ul style="list-style-type: none"> For Units 3 and 4, the Nuclear Regulation Authority has been conducting a compliance review under the new regulatory standards. In September 2023, the Standards of Seismic Motion were deemed generally appropriate, followed by the Standards of Tsunami in October 2024, marking significant progress in the review. In December 2024, plant inspections began. | ■ P26, 52-55 |
| S Society | Building next-generation networks for a decarbonized society | Concerns about a stable electricity supply, resulting from increasingly complex flow of electricity due to the mass connection of renewable energy | Increasing needs for introducing renewable energy | <ul style="list-style-type: none"> Create facility plans using Distribution Future Energy Scenario (DFES) Make sure to implement initiatives for realizing Connect & Manage | FY2023-FY2027 | Implementation of output control aimed at alleviating normal-time congestion in local grids following the start of the application of non-firm connections | ■ P58-59 |
| | Contributing to local communities and society ^{*2} | Local communities becoming diluted due to a declining population and slowdown in economic growth | Increasing needs for resolving community issues | <ul style="list-style-type: none"> Provision of a "new form of community" Development of new services | FY2024 | Launch in April 2023 of "e-Frailty Navi," Japan's first frailty detection service for municipalities utilizing electricity usage data from smart meters, with introduction in 13 municipalities planned in FY2024. | ■ P66-67 |
| | Pursuing customer satisfaction | Intensifying competition with competitors | Increasing customer needs for different and diverse services | Improving operations reflecting customer feedback | Every fiscal year | <ul style="list-style-type: none"> Offering new services that enrich the lives of customers (Example) KatEne BANK and release of the official KatEne app Initiatives towards customers' decarbonization (Example) Establishment of Mirai's ENECHANGE to provide EV charging services | ■ P60-61 |
| | Business transformation and new value creation utilizing digital transformation (DX) | Delay in responding to DX-induced new workstyles and leading-edge technologies | Business transformation utilizing digital technologies | Launch a project for setting up a structure to support continued use of AI models, such as maintaining and improving forecast accuracy, and for establishing a foundation to develop and operate AI models: 1 | FY2025 | Development of an environment for the use of generative AI to meet operational needs, such as utilizing operational know-how for dams and hydroelectric power plants, and commencement of business applications. | ■ P72 |
| | Investment in human capital ^{*3} | <ul style="list-style-type: none"> Growing gap between the ideal state and current state of human resources due to changes in the business environment Intensifying competition for human resources caused by a declining working population | Diverse human resources needed to evolve stable supply and expand business areas taking active roles | Enhance engagement and achieve "A" or higher rating | FY2025 | A Rank | ■ P31-37 |
| | | | | Achieve the percentage of male employees taking childcare leave of 100% | FY2025 | 102.7% | ■ |
| G Governance | Development of global business to increase corporate value | Destabilized political and economic situations overseas (increased country risk) | Globally increasing interest in decarbonization business | Make accumulated investment of about 400 billion yen (FY2021-2030) and achieve profit of about 20 billion yen | FY2030 | (Activity example) Completion of investment in NuScale Power, a U.S.-based SMR development company | ■ P64-65 |
| | Ensuring compliance ^{*4} | Decline in social credibility related to compliance | Gaining trust from stakeholders | Make combined efforts throughout the Group to implement compliance promotion measures | Every fiscal year | <ul style="list-style-type: none"> Proper operation of helplines (124 consultations received) including the Chuden Group/Joint Helplines Implemented compliance education (trainings and seminars) for the Group | ■ P49, 89-90 |
| | Enhancing governance and risk management, including group companies | <ul style="list-style-type: none"> Erosion of confidence of the entire Group caused by subsidiaries, etc. Cyberattacks and IT system defects | Fairer and more transparent decision-making | Make sure to conduct assessment on the effectiveness of the Board of Directors and work for constant improvement | Every fiscal year | <ul style="list-style-type: none"> Conducted a questionnaire survey based on the transition to a company with an Audit and Supervisory Committee, on the premise of undergoing evaluation by a third-party organization. Advanced the delegation of authority to the executive side by setting appropriate decision-making levels, deepened the separation between execution and oversight, and strengthened the effectiveness of the oversight function by granting Audit and Supervisory Committee members voting rights at the Board of Directors. Enhanced deliberations on management policies and strategy formulation by creating opportunities to acquire knowledge through discussions with experts and overseas study tours. | ■ P80-88, 91 |
| | | | | Cases where cyberattacks caused impact on business operations: 0 | Every fiscal year | Cyberattacks that affected operations: 0 | ■ P92 |
| | Enhancing resilience and large-scale disaster response capabilities | Natural disasters becoming increasingly severe | <ul style="list-style-type: none"> Growing awareness for resilience Need for stable supply reacknowledged | Expansion of interconnection capacity between Tokyo and Chubu regions by 900 MW (from 2.1 million kW to 3.0 million kW). | FY2027 | Construction work toward expanding interconnection capacity between Tokyo and Chubu regions by 900 MW is proceeding as planned (progress rates for each project) Higashi-Shimizu Substation FC expansion: 62% Shizuoka Substation transformer expansion: 10% Toei Substation transformer upgrade and other work: 56% | ■ P58-59 |

^{*1} Including promotion of renewable energy, development and social implementation of decarbonization and other new technologies and implementation of environmental management;

^{*2} Including creation of new communities and realization of a recycling-oriented society. For resolution of issues in local communities and society through industry-academia collaboration, visit the link to details of our materiality shown at the top of the page;

^{*3} Including acquisition and development of diverse human resources as well as safety and health; ^{*4} Including anticorruption and respect for human rights; ^{*5} Assessed in three levels: ■ As targeted, ■ Slightly below the target and ■ Below the target

Toward Restarting the Hamaoka Nuclear Power Station

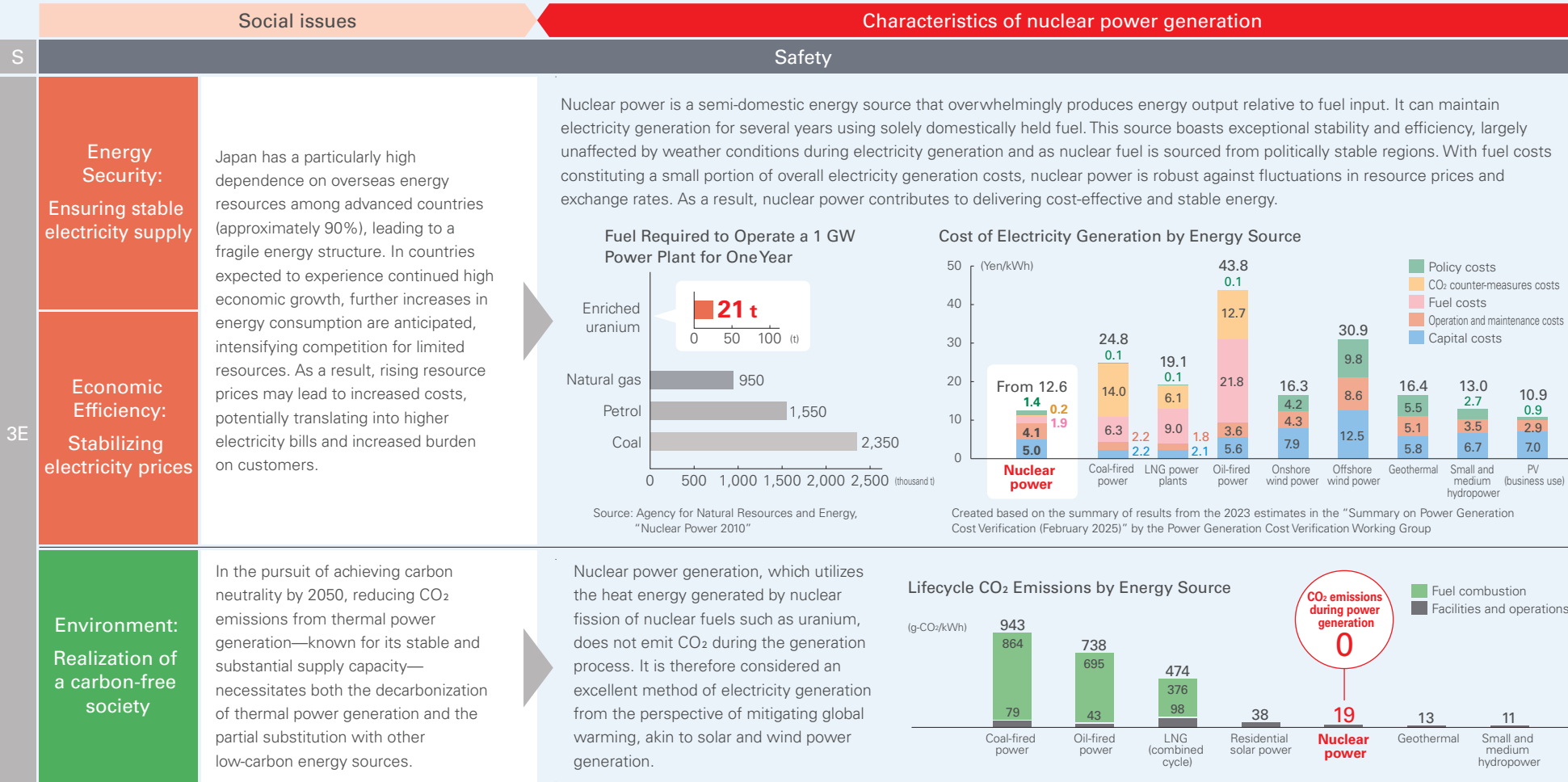
In a highly volatile business environment, we believe that leveraging nuclear power is essential for achieving a decarbonized society, the safe, cost-effective, and stable provision of energy, and the sustainable growth of the Chubu Electric Power Group.

Furthermore, in the “Seventh Strategic Energy Plan” and the “GX2040 Vision,” which were approved by the Cabinet in February 2025, the “optimal use of renewable energy and nuclear power” with safety as a major prerequisite was clearly stated, and the necessity of nuclear power generation has been increasing.

Based on the basic energy policy “S+3E*,” with safety as the top priority, we aim for the early restart of the Hamaoka Nuclear Power Station.

* With Safety as a fundamental premise, simultaneously aim for Energy Security, Economic Efficiency, and Environmental Protection.

Hamaoka Nuclear Power Station



CFO Message



Director,
Senior Managing
Executive Officer,
General Manager of
Corporate Administration
Department,
Procurement Department,
and Business Foundation
Support Department
CFO*

Hayami Toshihiro

* CFO:
Chief Financial Officer

I was newly appointed CFO as of April 2025. I have built my career primarily in financial management, including accounting and budgeting, and have also directed the full gamut of accounting and finance operations, drawing on my experience and expertise in management strategy and risk management. Even in this highly uncertain business environment we find ourselves in, I intend to make full use of my past experience to achieve sustainable growth.

FY2024 results and outlook for the medium-term management targets

Excluding time lag, ordinary income in FY2024 was approximately 264 billion yen, following FY2023's 371 billion yen, marking the second-highest level since the Company began disclosing ordinary income excluding time lag in 2011. Even excluding temporary factors that boosted profits—such as system-based ex-post adjustments to Power Grid and profits from Miraiz's lower power procurement prices—ordinary income remained around 200 billion yen in both FY2023 and FY2024.

While concerns remain regarding potential impacts on the Group, such as fluctuations in power demand in the Chubu area due to U.S. tariff policies, based on currently available information, the forecast for FY2025's ordinary income excluding time lag is approximately 210 billion yen, exceeding the medium-term management target of 200 billion yen or more. This is evaluated as an indication that the Company's earnings power, centered on the energy business, has been strengthening.

The business and investment environment surrounding the Company is expected to remain uncertain with heightened risks; however, in addition to further strengthening market responsiveness and reducing costs, the Company will thoroughly implement risk management—such as monitoring each business and evaluating investment projects—to ensure the steady achievement of its medium-term management target.

To further enhance corporate value, we will build and promote a strategic financial framework and connect our Company with stakeholders, including shareholders and investors.

To achieve sustainable corporate value growth for the Group, create new value, and contribute to local communities, we will focus particularly on the following three points to implement management that is conscious of capital cost and stock price.

1. Improving Asset Efficiency and Maximizing Cash Flow

Our goal is ROE of 8% or higher, in line with market expectations, which we will achieve by strengthening our earnings power and reviewing our business portfolio. We will set ROIC targets by area and enhance our competitiveness and expand profit in each business area. Through more advanced monitoring and selection and concentration of businesses and investments, we will aim for an optimal asset structure that contributes to maximizing cash flow and improving competitive advantage.

2. Managing the Balance Sheet to Support Growth Strategies

To implement our growth strategies and improve asset efficiency, we will allocate with consideration for the balance among investment in growth opportunities, enhanced shareholder

returns, and ensuring financial soundness, while also pursuing an optimal capital structure by minimizing business risk and WACC and considering credit rating approaches. We will also consider leveraged financing while taking into account business risk reduction, financing cost optimization, and appropriate financial discipline.

Shareholder returns will be enhanced in conjunction with balance sheet management aimed at achieving an optimal capital structure.

3. Promoting Management with an Awareness of Market of Capital and Stock Price

To meet capital market expectations, we will engage in management that is conscious of the levels expected by the market and stakeholders, as well as the stock price. We will actively create opportunities for dialogue with shareholders and investors and incorporate capital market feedback into our management PDCA cycle. We will also promote transparent and valuable information disclosure to clearly communicate our initiatives and future vision, thereby reducing capital costs.

| Perspective | Metric | Results | | | Outlook | Medium-term Management Target |
|------------------|---|---------|--|--|---|---|
| | | FY2022 | FY2023 | FY2024 | FY2025 | FY2025 |
| Growth potential | Consolidated Ordinary Income (excluding time-lag) [Approx. billion yen] | 156 | 371 | 264 | 210 | 200 |
| | Break down | | | | | |
| | (1) Miraiz | 64.8 | 191 | 125 | 90 | 40-50 |
| | (2) Power Grid | 7 | 95.6 | 47.5 | 10 | 20-30 |
| | (3) JERA | 67 | 54 | 47 | 80 | 70-80 |
| | (4) Others | 17.5 | 30.9 | 44.3 | 30 | 50-60 |
| | Operating CF [Billion yen] | 295.7 | 344 | 301.3 | Approx. ¥1,200 billion (Cumulative from FY2022 to FY2025) | Approx. ¥1,100 billion (Cumulative from FY2022 to FY2025) |
| Efficiency | Amount of strategic investments [Approx. billion yen] | 40 | 190 (Cumulative from FY2022 to FY2023) | 290 (Cumulative from FY2022 to FY2024) | 460 (Cumulative from FY2022 to FY2025) | 450 (Cumulative from FY2022 to FY2025) |
| | Break down | | | | | |
| | (1) Renewables area | — | Approx. 30% of the total | 70 | 90 | 100 |
| | (2) Global business | — | Approx. 10% of the total | 90 | 160 | 150 |
| Financial health | (3) New form of community Resource recycling, etc. | — | Approx. 60% of the total | 130 | 210 | 200 |
| | ROIC (Excluding the time-lag impact) | 2.9% | 5.5% | 3.8% | 3.3% | 3.2% or more |
| | ROE (Excluding the time-lag impact) | 6.3% | 11.6% | 7.0% | Approx. 6% | Approx. 7% |
| | Shareholders' equity ratio | 31.9% | 36.4% | 39.1% | Approx. 39% | 30% or more |

CFO Message

Initiatives to improve PBR (asset and portfolio replacement through selection and concentration)

In the Medium-term Management Plan announced in April 2022, the Company set a management target of ROIC of 3.0% or more. In April 2024, it announced a revision to the target, raising the ROIC goal to 3.2% or more, thereby promoting capital-efficiency-conscious management. However, as of the end of March 2025, PBR remains below 1.0, at 0.44 times. Accordingly, based on input from capital markets and awareness of the Group's challenges, the Company has undertaken a deeper examination and organized measures to improve PBR with the aim of promoting stock price-conscious management.

To improve ROE, the Company will pursue optimization of its business portfolio through asset replacement, advancement of business-by-business target management, and examination of optimal equity capital levels in consideration of business risks. To ensure profit generation from limited management resources, we will first conduct a deeper examination and visualization of the progress

of individual investment projects to promote selection and concentration. From the perspective of promoting portfolio management, we are organizing initiatives to advance business-by-business target management in ways that contribute to ROE improvement. As part of the visualization of progress on individual investment projects toward asset and portfolio replacement, the Company will identify projects with weak strategic significance or synergies.

To improve PER, the Company will address concerns over profitability in the electric power business by actively communicating with shareholders and investors and disclosing more quantitative information than before regarding: Miraiz's market share by area, the Company's proposals to the government to stabilize the income and expenditure of Power Grid's transmission and distribution business, the schedule for restarting Hamaoka Nuclear Power Station, initiatives in new growth areas, such as the real estate business and contributions to profit from global businesses, including Eneco.

| Current recognition | Current status (FY2024 results) Expected levels from capital markets, etc. | Initiatives before FY2023 | Initiatives in FY2024 | Response status Current initiatives |
|--|--|---|---|---|
| PBR (Price Book-value Ratio) Less than 0.5 times ▼ Greater than 1.0 times | ROE (Return on equity) Approx. 7.0% ▼ 8.0% or higher | <ul style="list-style-type: none"> ● Raise of ROIC target ● Reevaluation of Miraiz's standard rates ● Reduction of cross-shareholdings balance (69.6 billion yen at the end of FY2021 → 15.9 billion yen at the end of FY2023) | <ul style="list-style-type: none"> ● Set investment area-specific WACC as an investment criterion for new growth areas ● Disclosure of company-wide WACC ● Reevaluation of Miraiz's standard rates ● Reduction of cross-shareholdings balance (15.9 billion yen at the end of FY2023 → 13.7 billion yen at the end of FY2024) | <ul style="list-style-type: none"> ● Reorganization of the business portfolio (asset replacement) Sell policy-held shares after re-evaluating the significance of holding these shares, Initiate visualization of progress for individual projects (synergy and other verifications planned) ● Enhancement of business-specific target management Disclosure of segment-specific ROA by segment (with plans to expand ROIC, etc.) ● Consideration of optimal capital equity based on business risks Disclosure of the approach to optimal capital structure |
| | PER (Price Earnings Ratio) Approx. 6.0 times ▼ Improvement through expected growth/stable performance | <ul style="list-style-type: none"> ● Establishment of Audit and Supervisory Committee ● Inclusion of climate change metrics into executive compensation ● Achieved a majority of external directors on the Board ● Announcement of a dividend increase to 60 yen ● Establishment of the standard seismic ground motion for Hamaoka Nuclear Power Station | <ul style="list-style-type: none"> ● Disclosure of quantitative updates on initiatives leveraging the Company's strengths to gain credibility in growth prospects ● Maintenance of a majority of external directors on the Board ● Establishment of the standard tsunami for Hamaoka Nuclear Power Station and movement to plant screening ● Contribution to the stabilization of Power Grid's income and expenditure through proposals at national councils ● Improvement of ESG score (MSCI, FTSE, DJSI) | <ul style="list-style-type: none"> ● Disclose more quantitative information than before regarding initiatives for restarting the Hamaoka Nuclear Power Station and initiatives in New Growth Areas Disclose the schedule for restarting Hamaoka Nuclear Power Station Disclose the profit contributions from the real estate business and other areas Disclose the status of collaboration within the Group (such as in the real estate business, etc.) |

Advancement of business-by-business target management

Since FY2019, we have actively implemented strategic investments, but flexible and strategic financial management will continue to be necessary for sustainable growth going forward. Regarding portfolio replacement such as asset sales and reinvestments, this has been an area with little track record at our Company so far; however, aiming to improve ROE, we intend to promote portfolio management by utilizing business-specific target management such as business-specific ROIC and WACC.

Aiming to deepen autonomous management and portfolio management, we are progressing examination of business-specific ROIC target settings that consider competitors' WACC levels and spreads faced by each business, in line with the next medium-term management target.

Regarding ROIC, we grasp it by evaluating the targets set for each business that assume exceeding our capital cost level, along with the sales, expenditure, and investment plans and their progress which underlie those targets.

For evaluation of each business, after analyzing revenue and cost structures, we set KGIs and KPIs that reflect the characteristics of each business, and utilize PDCA cycles of monitoring and improving measures toward target achievement to enhance business activities. In operating business-specific ROIC, autonomous management with clearly designated responsible persons is implemented, while governance is strengthened by introducing monitoring by administrative departments to provide checks on business divisions. To realize an optimal portfolio, we will advance sophistication of business-specific target management using ROIC and WACC, conduct effective monitoring, and strive to improve ROE.

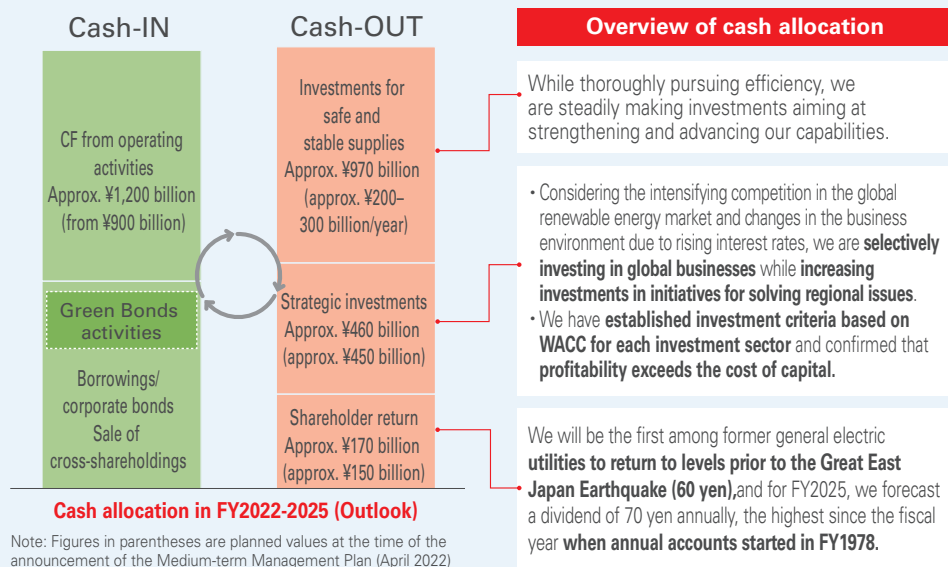
To enable effective efforts in each division, toward the next Medium-term Management Plan, we will break down business-specific ROIC targets into KGIs and KPIs for each business area and division, and promote deployment such as via tree diagrams so that each employee recognizes how their efforts contribute to management goals, aiming to enhance effectiveness.

CFO Message

Cash allocation

Consolidated operating cash flow is expected to be about 1,200 billion yen, compared to a guideline of about 1,100 billion yen for the cumulative period from FY2022 to 2025 under the medium-term management target.

Regarding consolidated investment cash flow, in addition to capital expenditures for stable power supply, we are making strategic investments to transform the business structure toward realizing our vision, so the amount has continued to exceed consolidated operating cash flow. Since the start of strategic investments in FY2019, profit contributions have steadily expanded, and we will continue aiming to create new value for customers and society.



Pursuit of optimal capital structure

The current optimal capital structure is aimed at a shareholders' equity ratio of the mid-30% to high-30% range, considering the necessary capital for business risks such as investments in the Hamaoka Nuclear Power Station and renewable energy toward carbon neutrality, strategic investments in new growth areas, and from the viewpoints of reducing WACC and maintaining credit ratings necessary for funding. We understand that as of the end of FY2024, the shareholders' equity ratio is about 39%, near the upper limit of this guideline.

Toward the next Medium-term Management Plan, we will pursue an optimal capital structure using approaches including: (1) Business risk approach considering minimum

Approach to strategic investment

Although a severe investment environment is expected to achieve decarbonization targets and other goals, we will steadily advance the realization of plans based on disciplined investment criteria.

Management status of strategic investments

[Investment criteria and withdrawal criteria]

In line with business area expansion, we set Investment-sector specific WACC^{*1}, which corresponds to investment criteria for new growth areas. We also reviewed withdrawal criteria for existing projects and added new withdrawal criteria to correspond with investments in going-concern enterprises. By thoroughly applying investment decisions based on Investment-sector specific WACC and conducting monitoring, we confirm whether the process is exceeding capital costs and actively consider asset replacement.

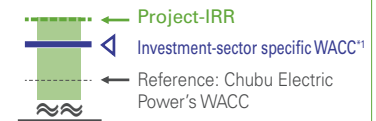
[Monitoring]

Because strategic investments tend to remain on the balance sheet as non-amortizable (excluding goodwill) and sometimes have limited cash-based returns, we will link concrete actions such as profit recognition, loss cutting, and asset replacement by enhancing monitoring sophistication through accurate judgment of the latest outlook and business environment in addition to performance.

We will strengthen cooperation between monitoring of individual projects and monitoring of overall profit targets and asset efficiency targets such as ROIC of the investment department, advance management sophistication, proceed with strategic investments, and generate results, aiming to realize the management vision of "Domestic Energy: New Growth Fields = 1:1."

Approach to investment criteria after review

- We set investment sector-specific WACC and confirm that Project-IRR^{*2} of each investment project exceeds this.



^{*1} Criteria that considers risk depending on the investment sector (> Chubu Electric Power WACC) Chubu Electric Power's WACC is estimated to be around 2.5% (as of the end of March 2025)
^{*2} The discount rate at which the present value of future cash flows generated by the investment equals the present value of the investment amount.

shareholder capital and segment risk weights in emergencies; (2) WACC approach conscious of capital cost reduction; and (3) Credit rating approach from the perspective of maintaining funding creditworthiness.

With progress in inspections and construction at the Hamaoka Nuclear Power Station increasing the likelihood of restart, and in line with medium-term business risk reduction, we will appropriately review necessary capital amounts, and in the next Medium-term Management Plan, we will present the optimal capital structure, including consideration of share buybacks.

CFO Message

Shareholder return policy

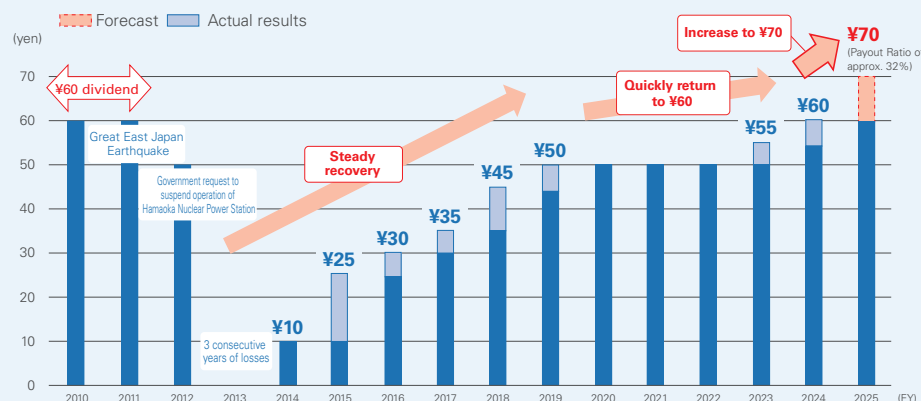
By continuously advancing capital expenditures for safe and stable electricity supply and promoting investments in growth fields, we aim for sustainable growth and improved corporate value. We recognize shareholder returns as an important mission and, while maintaining stable dividends as the basis, strive to return profits in line with profit growth, aiming for a consolidated dividend payout ratio of 30% or more.

Since FY2023, even excluding temporary profit-boosting factors, we have maintained profit levels exceeding 200 billion yen, and excluding time lag, ordinary profit for FY2025 is expected to be about 210 billion yen. Dividends for FY2025 are planned to increase by 10 yen from FY2024 based on shareholder return policies, medium-term financial conditions, and capital market expectations, targeting an annual dividend of 70 yen per share (interim 35 yen, year-end 35 yen). Based on the FY2025 earnings and dividend forecasts, the payout ratio is expected to be above 30%.

While other companies have eroded shareholder equity since the Great East Japan Earthquake, we have maintained a certain level of equity to respond to business risks, resulting in a currently high shareholders' equity ratio. We recognize the need to not only advance strategic investments aimed at medium- to long-term profit expansion but also to place more focus on strengthening shareholder returns.

Future shareholder return policies will be presented in the next Medium-term Management Plan considering financial outlooks such as income and cash flow, and capital market needs for shareholder returns. While keeping in mind equity levels appropriate to changes in medium-term business risks, we will reorganize growth strategies, discuss cash allocation toward realization, and examine optimal equity including share repurchases.

Trends in dividends per share



Challenges toward the next Medium-term Management Plan

Toward the next Medium-term Management Plan scheduled for publication in 2026, we will build a strategic financial framework that integrates evaluation of cash returns based on capital costs, policies on optimal capital structure, and cash allocation policies, and realize sustainable corporate value enhancement by assembling an optimal business portfolio aligned with management goals. Specifically, we will advance examination of the following current issues and priority initiatives and present progress and policies in the next Medium-term Management Plan.

(1) Further expansion of Cash-IN

Balancing stable supply and decarbonization, providing high value-added services including new growth areas

(2) Shareholder return

Considerations based on dialogue with the capital market and financial forecasts such as income and cash flow

(3) Pursuit of optimal capital structure

While keeping in mind the appropriate level of shareholders' equity corresponding to medium-term changes in business risk, including the possibility of share buybacks

(4) Building an optimal business portfolio

Deploy management indicators such as ROIC by business segment and promote asset portfolio replacement

