

Chubu Electric Power Group Report 2025 (Integrated Report) Financial Section

Year ended March 31, 2025

CONSOLIDATED BALANCE SHEETS
Chubu Electric Power Company, Incorporated and Subsidiaries
As of March 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars (Note 1)
ASSETS	March 31, 2025	March 31, 2024	March 31, 2025
Non-current assets:			
Non-current assets, at cost	¥10,743,685	¥10,814,315	\$71,849,695
Construction in progress	521,028	464,394	3,484,443
	<u>11,264,713</u>	<u>11,278,710</u>	<u>75,334,139</u>
Less:			
Contributions in aid of construction	(225,329)	(222,229)	(1,506,920)
Accumulated depreciation	<u>(7,753,317)</u>	<u>(7,717,783)</u>	<u>(51,851,247)</u>
	<u>(7,978,646)</u>	<u>(7,940,012)</u>	<u>(53,358,167)</u>
Total Property, Plant and Equipment, Net (Notes 7 and 13)	<u>3,286,067</u>	<u>3,338,697</u>	<u>21,975,971</u>
Nuclear Fuel:			
Loaded nuclear fuel	40,040	40,040	267,773
Nuclear fuel in processing	160,657	158,702	1,074,418
Total Nuclear Fuel	<u>200,697</u>	<u>198,743</u>	<u>1,342,191</u>
Investments and Other Assets:			
Long-term investments (Notes 8, 9, 10 and 13)	2,308,923	2,094,736	15,441,206
Net defined benefit asset (Note 14)	2,917	7,651	19,512
Deferred tax assets (Notes 13 and 22)	148,218	153,725	991,227
Other (Note 13)	37,250	30,595	249,115
Allowance for doubtful accounts	<u>(2,008)</u>	<u>(5,406)</u>	<u>(13,429)</u>
Total Investments and Other Assets	<u>2,495,301</u>	<u>2,281,302</u>	<u>16,687,631</u>
Current Assets:			
Cash and deposits (Notes 6, 8 and 13)	293,547	390,806	1,963,136
Notes and accounts receivable - trade, and contract assets (Notes 8, 11 and 13)	311,955	353,997	2,086,237
Inventories (Notes 12 and 13)	305,019	270,501	2,039,856
Other (Note 13)	233,123	275,792	1,559,040
Allowance for doubtful accounts	<u>(899)</u>	<u>(1,223)</u>	<u>(6,018)</u>
Total Current Assets	<u>1,142,746</u>	<u>1,289,873</u>	<u>7,642,252</u>
Total Assets (Notes 13 and 30)	<u>¥7,124,812</u>	<u>¥7,108,617</u>	<u>\$47,648,047</u>

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, 2025	March 31, 2024	March 31, 2025
Noncurrent Liabilities:			
Long-term loans payable (Notes 8 and 13)	¥2,495,612	¥2,478,622	\$16,689,710
Contribution payable for nuclear reactor decommissioning	224,719	-	1,502,837
Provision for loss in conjunction with discontinued operations of nuclear power plants	4,276	4,276	28,602
Net defined benefit liability (Note 14)	108,265	125,769	724,039
Other (Notes 13 and 22)	176,357	507,010	1,179,411
Total Noncurrent Liabilities	3,009,231	3,115,679	20,124,602
Current Liabilities:			
Current portion of noncurrent liabilities (Notes 8 and 13)	332,834	282,510	2,225,872
Short-term loans payable (Notes 8 and 13)	261,556	319,534	1,749,188
Commercial paper (Notes 8 and 13)	-	-	-
Notes and accounts payable - trade (Note 8)	229,390	271,297	1,534,074
Accrued taxes	73,775	90,587	493,385
Other (Notes 8, 16 and 17)	357,481	332,427	2,390,697
Total Current Liabilities	1,255,038	1,296,356	8,393,219
Reserve for water shortage	2,011	1,509	13,453
Total Liabilities	4,266,281	4,413,545	28,531,275
Commitments and Contingent Liabilities (Note 19)			
Net Assets (Note 20)			
Share capital	430,777	430,777	2,880,875
Capital surplus	64,451	70,522	431,025
Retained earnings	1,909,619	1,758,430	12,770,814
Treasury shares, at cost (Note 4)	(4,297)	(2,790)	(28,740)
Total Shareholders' Equity	2,400,550	2,256,939	16,053,975
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	17,266	21,330	115,469
Deferred gains or losses on hedges (Note 18)	82,245	80,509	550,026
Foreign currency translation adjustment	286,495	228,657	1,915,975
Remeasurements of defined benefit plans	(33)	(1,984)	(227)
Total Accumulated Other Comprehensive Income	385,973	328,512	2,581,244
Share acquisition rights	0	0	1
Non-controlling interests	72,006	109,618	481,550
Total Net Assets	2,858,530	2,695,071	19,116,771
Total Liabilities and Net Assets	¥7,124,812	¥7,108,617	\$47,648,047

CONSOLIDATED STATEMENTS OF INCOME
Chubu Electric Power Company, Incorporated and Subsidiaries
For the Years Ended March 31, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2025	March 31, 2024	March 31, 2025
Operating Revenues:			
Electric utility operating revenue	¥3,108,560	¥2,961,364	\$20,788,875
Other business operating revenue	560,673	649,050	3,749,573
Total Operating Revenues (Notes 23, 29 and 30)	3,669,234	3,610,414	24,538,449
Operating Expenses:			
Electric utility operating expenses (Note 24)	2,890,024	2,668,503	19,327,389
Other business operating expenses	537,164	598,571	3,592,354
Total Operating Expenses	3,427,189	3,267,074	22,919,743
Operating Profit	242,045	343,339	1,618,705
Other Profit (Expenses):			
Share of profit of entities accounted for using equity method	61,137	188,745	408,866
Interest expense	(23,859)	(21,576)	(159,563)
Gain on disposition of investment securities	-	9,208	-
Loss on valuation of securities	(6,401)	-	(42,809)
Impairment loss (Note 25)	-	(12,622)	-
Loss in conjunction with the Antimonopoly Act	-	(26)	-
Other, net	(2,923)	(1,213)	(19,548)
Total Other Income, Net	27,954	162,515	186,946
Profit Before Reversal of Reserve for Water Shortage and Income Taxes	269,999	505,854	1,805,652
(Reversal of) reserve for water shortage	502	(164)	3,358
Profit Before Income Taxes	269,496	506,019	1,802,293
Income Taxes:			
Current	70,075	72,402	468,636
Deferred	(9,715)	22,470	(64,973)
Total Income Taxes	60,359	94,872	403,663
Profit for the Year	209,137	411,146	1,398,630
Profit Attributable to Noncontrolling Interests	7,049	8,006	47,144
Profit Attributable to Owners of Parent	¥202,087	¥403,140	\$1,351,485
	Yen		U.S. dollars
	March 31, 2025	March 31, 2024	(Note 1)
Per Share of Capital Stock:			March 31, 2025
Profit - basic (Notes 3 and 4)	¥267.41	¥533.17	\$1.79
Cash dividends	60.00	55.00	0.40

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, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2025	March 31, 2024	March 31, 2025
Profit for the Year	¥209,137	¥411,146	\$1,398,630
Other Comprehensive Income:			
Valuation difference on available-for-sale securities	(2,608)	137	(17,442)
Deferred gains or losses on hedges	(1,148)	2,801	(7,679)
Foreign currency translation adjustment	2,460	1,964	16,458
Remeasurements of defined benefit plans, net of tax	1,370	10,520	9,162
Share of other comprehensive income of entities accounted for using equity method	58,090	147,535	388,488
Other Comprehensive Income (Note 27)	58,165	162,959	388,987
Comprehensive Income	¥267,302	¥574,106	\$1,787,617
Comprehensive income attributable to:			
Owners of parent	260,132	562,579	1,739,666
Noncontrolling interests	7,170	11,527	47,951

**CONSOLIDATED STATEMENTS OF CHANGES IN
Chubu Electric Power Company, Incorporated and Subs
For the Years Ended March 31, 2025 and 2024**

	Number of shares of capital stock issued	Shareholders' equity					Accumulated other comprehensive income					Share acquisition rights	Noncontrolling interests	Total net assets
		Capital stock	Capital surplus	Retained earnings	Treasury shares (Note 4)	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, 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)
Profit 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

Millions of yen														
Balance at April 1, 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
Dividends of surplus	-	-	-	(45,394)	-	(45,394)	-	-	-	-	-	-	-	(45,394)
Profit attributable to owners of parent	-	-	-	202,087	-	202,087	-	-	-	-	-	-	-	202,087
Purchase of treasury shares	-	-	-	-	(1,509)	(1,509)	-	-	-	-	-	-	-	(1,509)
Disposal of treasury shares	-	-	0	-	2	2	-	-	-	-	-	-	-	2
Change in scope of consolidation	-	-	73	(6,628)	-	(6,554)	(4)	-	(395)	-	(400)	-	(48,789)	(55,745)
Change in scope of equity method	-	-	-	1,124	-	1,124	(34)	-	(148)	-	(183)	-	-	941
Change in equity of parent on transactions with noncontrolling interests	-	-	(6,144)	-	-	(6,144)	-	-	-	-	-	-	-	(6,144)
Net changes in items other than shareholders' equity	-	-	-	-	-	-	(4,024)	1,736	58,382	1,950	58,044	(0)	11,177	69,222
Balance at March 31, 2025	758,000,000	¥430,777	¥64,451	¥1,909,619	¥(4,297)	¥2,400,550	¥17,266	¥82,245	¥286,495	¥(33)	¥385,973	¥0	¥72,006	¥2,858,530

	Thousands of U.S. dollars (Note 1)												
Balance at April 1, 2024	\$2,880,875	\$471,624	\$11,759,717	\$(18,661)	\$15,093,555	\$142,651	\$538,415	\$1,529,175	\$(13,272)	\$2,196,969	\$3	\$733,087	\$18,023,616
Dividends of surplus	-	-	(303,580)	-	(303,580)	-	-	-	-	-	-	-	(303,580)
Profit attributable to owners of parent	-	-	1,351,485	-	1,351,485	-	-	-	-	-	-	-	1,351,485
Purchase of treasury shares	-	-	-	(10,092)	(10,092)	-	-	-	-	-	-	-	(10,092)
Disposal of treasury shares	-	1	-	14	15	-	-	-	-	-	-	-	15
Change in scope of consolidation	-	494	(44,331)	-	(43,837)	(32)	-	(2,647)	-	(2,680)	-	(326,288)	(372,806)
Change in scope of equity method	-	-	7,522	-	7,522	(232)	-	(991)	-	(1,224)	-	-	6,297
Change in equity of parent on transactions with noncontrolling interests	-	(41,094)	-	-	(41,094)	-	-	-	-	-	-	-	(41,094)
Net changes in items other than shareholders' equity	-	-	-	-	-	(26,915)	11,611	390,439	13,045	388,180	(1)	74,751	462,930
Balance at March 31, 2025	\$2,880,875	\$431,025	\$12,770,814	\$(28,740)	\$16,053,975	\$115,469	\$550,026	\$1,915,975	\$(227)	\$2,581,244	\$1	\$481,550	\$19,116,771

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, 2025 and 2024

	Millions of yen		Thousands of U.S. dollars (Note 1)
	March 31, 2025	March 31, 2024	March 31, 2025
Cash Flows from Operating Activities:			
Profit before income taxes	¥269,496	¥506,019	\$1,802,293
Adjustments for:			
Depreciation	170,881	172,046	1,142,793
Impairment loss on noncurrent assets	-	12,622	-
Loss in conjunction with Antimonopoly Act	-	26	-
Gain on disposition of investment securities	-	(9,208)	-
Loss on valuation of securities	6,401	-	42,809
Decommissioning costs of nuclear power units	-	11,227	-
Loss on retirement of noncurrent assets	5,258	6,533	35,165
Increase (decrease) in provision for net defined benefit liability and asset	908	(2,126)	6,076
Decrease in provision for loss in conjunction with discontinued operations of nuclear power plants	-	(3,679)	-
Increase in contribution payable for nuclear reactor decommissioning	224,719	-	1,502,837
(Decrease) increase in asset retirement obligations	(284,724)	3,584	(1,904,132)
Increase (decrease) in reserve for water shortage	502	(164)	3,358
Interest and dividend income	(1,715)	(1,679)	(11,473)
Interest expenses	23,859	21,576	159,563
Share of profit of entities accounted for using equity method	(61,137)	(188,745)	(408,866)
(Increase) decrease in notes and accounts receivable - trade and contract assets	(25,447)	12,468	(170,183)
Increase in inventories	(43,812)	(57,612)	(293,004)
Decrease in notes and accounts payable - trade	(1,113)	(57,460)	(7,446)
Other, net	117,852	(21,010)	788,149
Subtotal	401,927	404,417	2,687,941
Interest and dividends received	13,839	12,006	92,553
Interest expenses paid	(22,671)	(20,727)	(151,618)
Payments in relation to the Antimonopoly Act	-	(27,555)	-
Income taxes paid	(91,750)	(24,066)	(613,593)
Cash flows from operating activities	301,345	344,074	2,015,283
Cash Flows from Investing Activities:			
Purchase of noncurrent assets	(272,541)	(248,666)	(1,822,651)
Payments on investments and loans receivable	(79,177)	(136,164)	(529,509)
Collection of investments and loans receivable	8,279	26,199	55,372
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(37,205)	(41,140)	(248,817)
Proceeds from purchases of shares of subsidiaries resulting in change in scope of consolidation	2,215	380	14,818
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	(14,491)	-	(96,915)
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	212	-	1,423
Other, net	940	11,059	6,287
Cash flows from investing activities	(391,767)	(388,330)	(2,619,992)
Cash Flows from Financing Activities:			
Proceeds from issuance of bonds	76,112	24,898	509,013
Redemption of bonds	(160,014)	(80,007)	(1,070,113)
Proceeds from long-term loans payable	312,361	322,262	2,088,954
Repayments of long-term loans payable	(145,998)	(159,926)	(976,382)
Proceeds from short-term loans payable	355,328	431,644	2,376,302
Repayments of short-term loans payable	(408,112)	(400,139)	(2,729,298)
Purchase of treasury shares	(1,507)	(57)	(10,082)
Cash dividends paid	(45,335)	(37,795)	(303,184)
Dividends paid to noncontrolling interests	(5,249)	(5,084)	(35,107)
Other, net	(5,235)	(8,710)	(35,012)
Cash flows from financing activities	(27,649)	87,084	(184,911)
Effect of exchange rate change on cash and cash equivalents	(600)	2,206	(4,012)
Net increase (decrease) in cash and cash equivalents	(118,672)	45,033	(793,633)
Cash and cash equivalents at beginning of this period	418,518	373,484	2,798,895
Decrease in cash and cash equivalents resulting from change in scope of consolidation	(7,379)	-	(49,350)
Cash and cash equivalents at end of this period (Note 6)	¥292,467	¥418,518	\$1,955,910

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 ¥149.53 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, 2025 and 2024 was as follows:

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Subsidiaries:		
Domestic	61	60
Overseas	14	13
Affiliates	87	79

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 28. 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.

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, 2025 and 2024, 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 water shortage

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 10 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 5 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.

(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, 2025 and 2024 amounted to ¥9,341 million (\$62,475 thousand) and ¥9,527 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, hereinafter referred to as the "Plan"). In calculating net income per share, our shares (for the previous consolidated fiscal year: 386,800 shares, for the current consolidated fiscal year: 1,248,100 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 production facilities, including construction in progress, were recognized on the consolidated balance sheets at ¥294,159 million (\$1,967,230 thousand) and accounted for about 4% of total assets at the end of the current consolidated fiscal year and ¥342,335 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, 2025	
Consolidated Balance Sheet Amount:		
Deferred tax assets	¥ 148,218	\$ 991,227
Amounts recorded in the tax sharing group		
Deferred tax assets (before offsetting deferred tax liabilities)	¥ 179,931	\$ 1,203,314
	Millions of yen	
	March 31, 2024	
Consolidated Balance Sheet Amount:		
Deferred tax assets	¥ 153,725	
Amounts recorded in the tax sharing group		
Deferred tax assets (before offsetting deferred tax liabilities)	149,811	

(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) Stock Remuneration Plan

The Company adopted a Stock Remuneration Plan at the 95th General Shareholders' Meeting held on June 26 2019, and the Company resolved to include additional eligible persons to the Plan at the Board of Directors meeting held on May 8 2020.

In addition, at the 97th General Shareholders' Meeting held on June 25 2021, the maximum number of shares to be issued under this system, and at the 98th General Shareholders' Meeting held on June 28 2022, the revision of the trust amount and the maximum number of shares to be issued, and at the 100th General Shareholders' Meeting held on June 26 2024, the addition of eligible persons under this system and the setting of the trust amount and the maximum number of shares to be issued were resolved, respectively.

(1) Outline of the Plan

The Plan is a 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 our directors, executive officers who do not concurrently serve as directors, and executive officer status, as well as the directors, executive officers who do not concurrently serve as directors, and executive officer status of Chubu Electric Power Miraiz Co., Ltd. (hereinafter referred to as "Chubu Electric Power Miraiz") (hereinafter collectively referred to as "Directors, etc.") pursuant to the Directors Stock Remuneration Regulation 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 ¥2,030 million (\$13,582 thousand) and the number of shares was 1,248 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 Leases (ASBJ Statement No. 34, September 13, 2024)
- Guidance on Accounting Standard for Leases (ASBJ Guidance No. 33, September 13, 2024)

In addition, this includes revisions to related corporate accounting standards, corporate accounting standard application guidelines, practical response reports, and transfer guidelines.

(a) Overview

Similar to international accounting standards, it stipulates the treatment of recording assets and liabilities for all leases of the lessee.

(b) Effective date

The standards and guidance shall be effective from the beginning of the consolidated fiscal year ending March 31, 2028.

(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, 2025	March 31, 2024	March 31, 2025
Cash and deposits	¥ 293,547	¥ 390,806	\$ 1,963,136
Time deposits with an original maturity of more than three months included in cash and deposits	(1,080)	(2,287)	(7,226)
Short-term investments	4,703	33,751	31,457
Short-term investments with an original maturity of over three months	(4,703)	(3,751)	(31,457)
Cash and cash equivalents	<u>¥ 292,467</u>	<u>¥ 418,518</u>	<u>\$ 1,955,910</u>

7. Noncurrent assets

The major classifications of noncurrent assets at March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Hydroelectric power production facilities	¥ 283,139	¥ 283,271	\$ 1,893,531
Nuclear power production facilities	85,208	130,024	569,843
Transmission facilities	551,361	558,015	3,687,298
Transformation facilities	427,678	435,289	2,860,154
Distribution facilities	830,094	801,676	5,551,360
General facilities	162,876	155,508	1,089,255
Other electric utility plant and equipment	22,951	23,091	153,487
Other noncurrent assets	401,726	487,425	2,686,594
Construction in progress	521,028	464,394	3,484,443
Total	<u>¥ 3,286,067</u>	<u>¥ 3,338,697</u>	<u>\$ 21,975,971</u>

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 ¥225,329 million (\$1,506,920 thousand) and ¥222,229 million at March 31, 2025 and 2024, 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.

With respect to derivative transactions, the Company enters into foreign exchange forward contracts and other similar transactions targeting foreign currency-denominated liabilities arising from fuel procurement in order to hedge against losses resulting from foreign exchange rate fluctuations associated with such liabilities. 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, 2025 and 2024 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, 2025		Millions of yen	
Assets:			
(1) Marketable securities *1	¥ 89,286	¥ 68,311	¥ (20,975)
Liabilities:			
(2) Bonds payable *3	¥ 796,039	¥ 737,240	¥ (58,798)
(3) Long-term borrowings *3	2,010,104	1,952,711	(57,393)
(4) Derivative transactions *4	5,591	5,591	-

As of March 31, 2025	Thousands of U.S. dollars		
Assets:			
(1) Marketable securities *1	\$ 597,116	\$ 456,838	\$ (140,278)
Liabilities:			
(2) Bonds payable *3	\$ 5,323,607	\$ 4,930,385	\$ (393,221)
(3) Long-term borrowings *3	13,442,816	13,058,992	(383,824)
(4) Derivative transactions *4	37,392	37,392	-

(*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, 2025	
Unlisted stocks	¥ 1,956,365	\$ 13,083,433

(*2) Investments in partnerships (¥188,872 million (\$1,263,110 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, 2024	Millions of yen		
Assets:			
(1) Marketable securities *1	¥ 79,179	¥ 75,238	¥ (3,940)
Liabilities:			
(2) Bonds payable *3	¥ 888,053	¥ 858,475	¥ (29,577)
(3) Long-term borrowings *3	1,857,415	1,851,664	(5,750)
(4) Derivative transactions *4	5,982	5,982	-

(*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, 2024
Unlisted stocks	¥ 1,839,587

(*2) Investments in partnerships (¥134,922 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
As of March 31, 2025	Millions of yen			
Securities:				
Held-to-maturity bonds:				
National and local government bonds, etc.	¥ -	¥ -	¥ -	¥ -
Corporate bonds	-	-	-	-
Other	-	400	-	-
Available-for-sale securities with maturity dates:				
Bonds:				

National and local government bonds, etc.	-	-	-	-
Bonds payable	-	209	-	-
Other	-	-	-	-
Other:	-	-	-	-
Cash and deposits	293,547	-	-	-
Notes receivable	1,533	-	-	-
Accounts receivable	295,390	1,976	31	-
Total	<u>¥ 590,471</u>	<u>¥ 2,585</u>	<u>¥ 31</u>	<u>¥ -</u>

As of March 31, 2024

Millions of yen

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.	-	-	-	-
Bonds payable	-	-	218	-
Other	-	-	-	-
Other:	30,000	-	-	-
Cash and deposits	390,806	-	-	-
Notes receivable	8,759	-	-	-
Accounts receivable	313,146	1,490	133	-
Total	<u>¥ 742,911</u>	<u>¥ 1,891</u>	<u>¥ 351</u>	<u>¥ -</u>

As of March 31, 2025

Thousands of U.S. dollars

Securities:

Held-to-maturity bonds:

National and local government bonds, etc.	\$ -	\$ -	\$ -	\$ -
Bonds payable	-	-	-	-
Other	-	2,678	-	-

Available-for-sale securities with maturity dates:

Bonds:

National and local government bonds, etc.	-	-	-	-
Bonds payable	-	1,398	-	-
Other	-	-	-	-
Other:	-	-	-	-
Cash and deposits	1,963,136	-	-	-
Notes receivable	10,255	-	-	-
Accounts receivable	1,975,458	13,216	208	-

Total	\$ 3,948,851	\$ 17,293	\$ 208	\$ -
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(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
As of March 31, 2025	Millions of yen					
Corporate bonds	¥ 120,014	¥ 70,014	¥ 60,014	¥ 19,274	¥ 77,414	¥ 449,309
Long-term borrowings	190,516	188,292	236,101	229,017	206,102	960,073
Short-term borrowings	261,556	-	-	-	-	-
Total	¥ 572,087	¥ 258,306	¥ 296,115	¥ 248,291	¥ 283,516	¥ 1,409,382
As of March 31, 2024	Millions of yen					
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
As of March 31, 2025	Thousands of U.S. dollars					
Corporate bonds	\$ 802,608	\$ 468,227	\$ 401,350	\$ 128,897	\$ 517,715	\$ 3,004,808
Long-term borrowings	1,274,104	1,259,229	1,578,958	1,531,583	1,378,336	6,420,604
Short-term borrowings	1,749,188	-	-	-	-	-
Total	\$ 3,825,901	\$ 1,727,456	\$ 1,980,308	\$ 1,660,480	\$ 1,896,051	\$ 9,425,413

(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
	March 31, 2025			
	Millions of yen			
Marketable securities:				
Available-for-sale securities:				
Stocks	¥ 17,671	¥ -	¥ -	¥ 17,671
Bonds	-	209	-	209
Derivative transactions:				
Exchange related	-	5,433	-	5,433
Interest rate related	-	202	-	202
Commodity related	-	41	-	41
Total assets	¥ 17,671	¥ 5,886	¥ -	¥ 23,557
Derivative transactions:				
Exchange related	-	(5)	-	(5)
Interest rate related	-	(75)	-	(75)
Commodity related	-	(5)	-	(5)
Total liabilities	¥ -	¥ (85)	¥ -	¥ (85)
	March 31, 2024			
	Millions of yen			
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)
	March 31, 2025			
	Thousands of U.S. dollars			
Marketable securities:				
Available-for-sale securities:				
Stocks	\$ 118,179	\$ -	\$ -	\$ 118,179
Bonds	-	1,398	-	1,398
Derivative transactions:				
Exchange related	-	36,337	-	36,337
Interest rate related	-	1,355	-	1,355
Commodity related	-	274	-	274

Total assets	\$ 118,179	\$ 39,366	\$ -	\$ 157,545
Derivative transactions:				
Exchange related	-	(34)	-	(34)
Interest rate related	-	(506)	-	(506)
Commodity related	-	(34)	-	(34)
Total liabilities	\$ -	\$ (574)	\$ -	\$ (574)

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

	Level 1	Level 2	Level 3	Total
	March 31, 2025			
	Millions of yen			
Marketable securities:				
Stocks of subsidiaries and affiliates	¥ 50,039	¥ -	¥ -	¥ 50,039
Other	-	391	-	391
Total assets	¥ 50,039	¥ 391	¥ -	¥ 50,430
Bonds payable	-	737,240	-	737,240
Long-term borrowings	-	1,952,711	-	1,952,711
Total liabilities	¥ -	¥ 2,689,951	¥ -	¥ 2,689,951
	March 31, 2024			
	Millions of yen			
Marketable securities:				
Stocks of subsidiaries and affiliates	¥ 9,632	¥ -	¥ -	¥ 9,632
Other	-	30,599	-	30,599
Total assets	¥ 9,632	¥ 30,599	¥ -	¥ 40,231
Bonds payable	-	858,475	-	858,475
Long-term borrowings	-	1,851,664	-	1,851,664
Total liabilities	¥ -	¥ 2,710,139	¥ -	¥ 2,710,139
	March 31, 2025			
	Thousands of U.S. dollars			
Marketable securities:				
Stocks of subsidiaries and affiliates	\$ 334,644	\$ -	\$ -	\$ 334,644
Other	-	2,616	-	2,616
Total assets	\$ 334,644	\$ 2,616	\$ -	\$ 337,260
Bonds payable	-	4,930,385	-	4,930,385
Long-term borrowings	-	13,058,992	-	13,058,992
Total liabilities	\$ -	\$ 17,989,378	\$ -	\$ 17,989,378

(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 as of March 31, 2025 and 2024 were as follows:

As of March 31, 2025	Carrying value	Fair value Millions of yen	Difference
Securities whose fair value exceeds carrying value:			
National and local government bonds, etc.	¥ -	¥ -	¥ -
Bonds payable	-	-	-
Other	-	-	-
Subtotal	-	-	-
Securities whose carrying value exceeds fair value:			
National and local government bonds, etc.	-	-	-
Bonds payable	-	-	-
Other	400	391	(9)
Subtotal	400	391	(9)
Total	¥ 400	¥ 391	¥ (9)
As of March 31, 2024	Millions of yen		
Securities whose fair value exceeds carrying value:			
National and local government bonds, etc.	¥ -	¥ -	¥ -
Bonds payable	-	-	-
Other	200	204	4
Subtotal	200	204	4
Securities whose carrying value exceeds fair value:			
National and local government bonds, etc.	-	-	-
Bonds payable	-	-	-
Other	400	395	(5)
Subtotal	400	395	(5)
Total	¥ 600	¥ 599	¥ (0)
As of March 31, 2025	Thousands of U.S. dollars		
Securities whose fair value exceeds carrying value:			
National and local government bonds, etc.	\$ -	\$ -	\$ -
Bonds payable	-	-	-
Other	-	-	-
Subtotal	-	-	-
Securities whose carrying value exceeds fair value:			
National and local government bonds, etc.	-	-	-
Bonds payable	-	-	-
Other	2,678	2,616	(62)

Subtotal	2,678	2,616	(62)
Total	<u>\$ 2,678</u>	<u>\$ 2,616</u>	<u>\$ (62)</u>

(b) Available-for-sale securities as of March 31, 2025 and 2024 were as follows:

	Carrying value	Acquisition cost	Difference
As of March 31, 2025	Millions of yen		
Securities whose carrying value exceeds acquisition cost:			
Stocks	¥ 14,168	¥ 4,948	¥ 9,220
Bonds			
National and local government bonds, etc.	-	-	-
Bonds payable	209	200	9
Other	-	-	-
Other	-	-	-
Subtotal	<u>14,377</u>	<u>5,148</u>	<u>9,229</u>
Securities whose acquisition cost exceeds carrying value:			
Stocks	3,503	4,491	(988)
Bonds			
National and local government bonds, etc.	-	-	-
Bonds payable	-	-	-
Other	-	-	-
Other	-	-	-
Subtotal	<u>3,503</u>	<u>4,491</u>	<u>(988)</u>
Total	<u>¥ 17,880</u>	<u>¥ 9,639</u>	<u>¥ 8,240</u>
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.	-	-	-
Bonds payable	218	200	18
Other	-	-	-
Other	-	-	-
Subtotal	<u>32,618</u>	<u>8,272</u>	<u>24,346</u>
Securities whose acquisition cost exceeds carrying value:			
Stocks	2,388	2,724	(335)
Bonds			
National and local government bonds, etc.	-	-	-
Bonds payable	-	-	-
Other	-	-	-
Other	30,000	30,000	-
Subtotal	<u>32,388</u>	<u>32,724</u>	<u>(335)</u>
Total	<u>¥ 65,006</u>	<u>¥ 40,996</u>	<u>¥ 24,010</u>

As of March 31, 2025

Thousands of U.S. dollars

Securities whose carrying value exceeds acquisition cost:

Stocks	\$ 94,752	\$ 33,091	\$ 61,661
Bonds			
National and local government bonds, etc.	-	-	-
Bonds payable	1,398	1,337	61
Other	-	-	-
Other	-	-	-
Subtotal	<u>96,151</u>	<u>34,429</u>	<u>61,722</u>

Securities whose acquisition cost exceeds carrying value:

Stocks	23,426	30,036	(6,609)
Bonds			
National and local government bonds, etc.	-	-	-
Bonds payable	-	-	-
Other	-	-	-
Other	-	-	-
Subtotal	<u>23,426</u>	<u>30,036</u>	<u>(6,609)</u>
Total	<u>\$ 119,578</u>	<u>\$ 64,466</u>	<u>\$ 55,112</u>

(c) Available-for sale securities that were sold during the fiscal years ended March 31, 2025 and 2024 were as follows:

As of March 31, 2025	Sales value	Total profit on sales Millions of yen	Total loss on sales
Stocks	¥ 3,018	¥ 2,515	¥ -
Bonds:			
National and local government bonds, etc.	-	-	-
Bonds payable	-	-	-
Other	-	-	-
Other:	-	-	-
Total	<u>¥ 3,018</u>	<u>¥ 2,515</u>	<u>¥ -</u>
As of March 31, 2024	Millions of yen		
Stocks	¥ 14,765	¥ 9,136	¥ 2
Bonds:			
National and local government bonds, etc.	-	-	-
Bonds payable	-	-	-
Other	-	-	-
Other:	-	-	-
Total	<u>¥ 14,765</u>	<u>¥ 9,136</u>	<u>¥ 2</u>
As of March 31, 2025	Thousands of U.S. dollars		
Stocks	\$ 20,187	\$ 16,820	\$ -
Bonds:			
National and local government bonds, etc.	-	-	-
Bonds payable	-	-	-
Other	-	-	-
Other:	-	-	-
Total	<u>\$ 20,187</u>	<u>\$ 16,820</u>	<u>\$ -</u>

(d) Impairment losses on securities

During the current consolidated fiscal year, impairment losses of 6,401 million yen (629 million yen in the previous consolidated fiscal year) were recognised on securities.

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

At March 31, 2025 and 2024, 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, 2025	March 31, 2024	March 31, 2025
Investment in capital of associated companies	¥ 2,001,733	¥ 1,772,008	\$ 13,386,835
<amount of investment to jointly controlled entities>	<1,508,891>	<1,401,255>	<10,090,898>

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, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Notes receivable	¥ 1,533	¥ 8,759	\$ 10,255
Accounts receivable	294,357	311,899	1,968,552
Contract assets	13,023	30,467	87,098

12. Inventories

At March 31, 2025 and 2024, inventories consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Merchandise and finished goods	¥ 499	¥ 564	\$ 3,343
Work in progress	2,579	8,048	17,253
Raw materials and supplies	13,560	16,511	90,686
Real estate for sale	288,379	245,377	1,928,572
Total	¥ 305,019	¥ 270,501	\$ 2,039,856

13. Long-term Debt and Short-term Debt

At March 31, 2025 and 2024, long-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Bonds payable:			
Domestic issue:			
0.001% to 3.000%, maturing serially through 2044	¥ (*) 796,039	¥ 888,053	\$ 5,323,607
Loans from the Development Bank of Japan, other banks and insurance companies, maturing serially through 2053	2,010,104	1,857,415	13,442,816
Lease obligations	18,788	64,934	125,652
(Less) Elimination of internal transactions	-	-	-
Subtotal	2,824,932	2,810,402	18,892,076
Less current portion of long-term debt	(313,874)	(276,952)	(2,099,075)
Total	¥ 2,511,057	¥ 2,533,450	\$ 16,793,001

* 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 ¥499,797 million (\$3,342,453 thousand) at the end of the consolidated fiscal year ended March 31, 2025) have been offset and eliminated.

At March 31, 2025 and 2024, 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, 2025	March 31, 2024	March 31, 2025
Other noncurrent assets	¥ 92,085	¥ 63,916	\$ 615,831
Long-term investments	202	54	1,355
Deferred tax assets	34	76	233
Other investments	108	119	728
Cash and deposits	1,395	1,608	9,334
Notes and accounts receivable - trade and contract assets	115	132	775
Inventories	247,497	188,038	1,655,170
Other current assets	437	348	2,924
(Note) Shares of subsidiaries and affiliates eliminated in consolidation	-	28,158	-

At March 31, 2025 and 2024, 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, 2025	March 31, 2024	March 31, 2025
Long-term investments	¥ 11,312	¥ 10,403	\$ 75,651
Long-term investments in subsidiaries and associates	43,704	42,817	292,275
Notes and accounts receivable – trade and contract assets	184	168	1,231

At March 31, 2025 and 2024, short-term debt consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Short-term borrowings	¥ 261,556	¥ 319,534	\$ 1,749,188
Commercial paper	-	-	-
Total	¥ 261,556	¥ 319,534	\$ 1,749,188

Short-term borrowings mainly comprised bank loans bearing an average interest rate of 0.604% per annum at March 31, 2025.

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, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Loans from Development Bank of Japan	¥ 130,531	¥ 141,105	\$ 872,941
Corporate bonds	788,560	879,560	5,273,590
(Consolidated balance sheet amount)	788,560	879,560	5,273,590

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, 2025 and 2024 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, 2025	March 31, 2024	March 31, 2025
Balance at the beginning of current period	¥ 431,886	¥ 450,290	\$ 2,888,294
Service cost	12,518	13,942	83,716
Interest cost	3,671	3,663	24,551
Actuarial gain and loss	354	(3,639)	2,371
Benefits paid	(30,156)	(32,252)	(201,673)
Actuarial past service cost	-	(81)	-
Decrease due to changes in scope of consolidation	(43,449)	-	(290,574)
Other	(273)	(36)	(1,825)
Balance at the end of current period	¥ 374,551	¥ 431,886	\$ 2,504,859

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

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Balance at the beginning of current period	¥ 319,252	¥ 320,788	\$ 2,135,039
Expected return on plan assets	5,339	5,841	35,705
Actuarial gain and loss	(4,000)	6,329	(26,752)
Contributions paid by the employer	5,553	6,920	37,141
Benefits paid	(19,618)	(20,619)	(131,200)
Decrease due to changes in scope of consolidation	(32,628)	-	(218,206)
Other	17	(8)	116
Balance at the end of current period	¥ 273,915	¥ 319,252	\$ 1,831,844

(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, 2025	March 31, 2024	March 31, 2025
Balance at the beginning of current period	¥ 5,483	¥ 5,589	\$ 36,673
Retirement benefit costs	606	757	4,055
Benefits paid	(759)	(804)	(5,080)
Contributions paid by the employer	(68)	(62)	(459)
Decrease due to changes in scope of consolidation	(581)	-	(3,887)
Other	31	3	211
Balance at the end of current period	¥ 4,712	¥ 5,483	\$ 31,512

(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, 2025	March 31, 2024	March 31, 2025
Funded retirement benefit obligations	¥ 273,550	¥ 313,461	\$ 1,829,404
Plan assets	(275,130)	(320,469)	(1,839,969)
	(1,579)	(7,007)	(10,565)
Unfunded retirement benefit obligations	106,927	125,125	715,092
Total net liability for retirement benefits	105,347	118,118	704,527
Liability for retirement benefits	108,265	125,769	724,039
Asset for retirement benefits	(2,917)	(7,651)	(19,512)
Total net liability for retirement benefits	¥ 105,347	¥ 118,118	\$ 704,527

(e) Retirement benefit costs

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Service cost	¥ 12,518	¥ 13,942	\$ 83,716
Interest cost	3,671	3,663	24,551
Expected return on plan assets	(5,339)	(5,841)	(35,705)
Net actuarial gain and loss amortization	6,736	5,184	45,050
Prior service costs amortization	(104)	(399)	(698)
Retirement benefit costs based on the simplified method	606	757	4,055
Total retirement benefit costs	¥ 18,088	¥ 17,306	\$ 120,969

(f) Adjustments for retirement benefits

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Prior service costs amortization	¥ (283)	¥ (304)	\$ (1,894)
Net actuarial gain and loss amortization	2,302	15,152	15,399
Total balance	¥ 2,019	¥ 14,848	\$ 13,505

(g) Accumulated adjustments for retirement benefits

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Past service costs that are yet to be recognized	¥ (4)	¥ (3,629)	\$ (27)
Actuarial gains and losses that are yet to be recognized	7,499	8,413	50,153
Total balance	¥ 7,495	¥ 4,783	\$ 50,126

(h) Plan assets

(1) Plan assets comprise:

	March 31, 2025	March 31, 2024
Bonds	45%	42%
General accounts of life insurance companies	38%	35%
Stocks	12%	16%
Other	5%	7%

Total	<u>100%</u>	<u>100%</u>
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(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, 2025 and 2024 were as follows:

	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Discount rate		
(Company)	0.9%	0.9%
(Subsidiaries)	0.1～1.8%	0.1～1.2%
Long-term expected rate of return		
(Company)	1.8%	1.8%
(Subsidiaries)	1.8%～2.0%	1.8%～2.0%

Defined contribution plans

Contributions to defined contribution plans required by the Company and its subsidiaries amounted to ¥3,758 million (\$25,138 thousand) and ¥4,007 million at March 31, 2025 and 2024, respectively.

15. Lease Transactions

(a) Finance lease transactions

Lessor

Due to its lack of significance, disclosure for the previous consolidated fiscal year has been omitted. Disclosure is provided for the current consolidated fiscal year, due to the increased significance of lease transactions.

(1) Breakdown of lease investment assets

Current assets

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Lease receivables	¥ 50,201	¥ -	\$ 335,727
Estimated residual value	3,527	-	23,592
Interest receivable	(11,204)	-	(74,930)
Lease investment assets	42,524	-	284,388

(2) Amounts expected to be collected after the end of the consolidated fiscal year for lease receivables and lease investment assets related to lease receivables

Current assets

As of March 31, 2025	Millions of yen						Thousands of U.S. dollars	
	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		
Lease receivables	¥ 1,194	¥ 1,177	¥ 1,139	¥ 1,074	¥ 1,012	¥ 6,330		
Lease investment assets	9,476	7,950	6,520	5,251	3,923	17,078		
As of March 31, 2025	Thousands of U.S. dollars							
Lease receivables	\$ 7,986	\$ 7,873	\$ 7,617	\$ 7,188	\$ 6,772	\$ 42,334		
Lease investment assets	63,373	53,169	43,609	35,121	26,239	114,214		

(b) Operating lease

Lessee

Future lease commitments under noncancelable operating leases at March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Within 1 year	¥ 474	¥ 494	\$ 3,172
Over 1 year	4,146	544	27,730
Total	¥ 4,620	¥ 1,038	\$ 30,902

Lessor

Future lease commitments to be received under noncancelable operating leases at March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Within 1 year	¥ 3,963	¥ 3,444	\$ 26,508
Over 1 year	20,387	17,752	136,341
Total	¥ 24,350	¥ 21,197	\$ 162,849

16. Contract Liabilities

Contract liabilities under other current liabilities at March 31, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Contract liabilities	¥ 5,123	¥ 10,070	\$ 34,261

17. Asset Retirement Obligations

(a) Previous fiscal year (April 1, 2023 to March 31, 2024)

(1) 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).

(2) 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.

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

	Millions of yen	
	March 31, 2024	
Balance at beginning of year	¥	290,297
Reductions due to execution of asset retirement obligations		(5,059)
Other		9,153
Balance at end of year	¥	294,390

(b) Current fiscal year (April 1, 2024 to March 31, 2025)

The total amount of asset retirement obligations is immaterial and therefore omitted.

18. Derivatives

The Chubu Electric Group enters into derivative financial instruments, including currency options, and foreign exchange forward contracts, etc. and the outstanding derivative financial instruments held by the Chubu Electric Group's at March 31, 2025 and 2024 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, 2025	Millions of yen			
	Contract amount			
	Total	More than 1 year	Fair value	Valuation gain or loss
Other than market transactions:				
Receive floating, pay fixed	¥ 2,544	¥ 2,318	¥ 8	¥ 8
Total	¥ 2,544	¥ 2,318	¥ 8	¥ 8

As of March 31, 2024	Millions of yen			
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, 2025	Thousands of U.S. dollars			
Other than market transactions:				
Receive floating, pay fixed	\$ 17,013	\$ 15,502	\$ 59	\$ 59
Total	\$ 17,013	\$ 15,502	\$ 59	\$ 59

(3) Commodity related

As of March 31, 2025	Millions of yen			
	Contract amount			
	Total	More than 1 year	Fair value	Valuation gain or loss
Other than market transactions:				
Commodity option				
Long position	¥ 2,905	¥ -	¥ (5)	¥ (5)

Total	¥ 2,905	¥ -	¥ (5)	¥ (5)
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As of March 31, 2024

Millions of yen

Other than market transactions:

Commodity option

Long position	¥ 12,381	¥ -	¥ (122)	¥ (122)
Total	¥ 12,381	¥ -	¥ (122)	¥ (122)

As of March 31, 2025

Thousands of U.S. dollars

Other than market transactions:

Commodity option

Long position	\$ 19,432	\$ -	\$ (34)	\$ (34)
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Other than market transactions:	\$ 19,432	\$ -	\$ (34)	\$ (34)
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(b) Derivatives for which hedge accounting is applied

As of March 31, 2025

Millions of yen

		Contract amount		
		Total	More than 1 year	Fair value
Hedged items				
General treatment:				
Foreign exchange forward contracts:	Accounts payable			
Long position	(forecasted transactions)	¥ 12,831	¥ 10,044	¥ 6,426
Foreign exchange forward contracts:	Accounts receivable			
Short position	(forecasted transactions)	7,544	2,580	(267)
Currency option	Accounts payable			
Long position	(forecasted transactions)	6,579	-	(5)
Interest rate swaps:				
Receive floating, pay fixed	Long-term borrowings	7,691	7,278	118
Commodity futures trading	Accounts receivable			
Short position	(forecasted transactions)	1,312	-	41
Special treatment of interest rate swaps:				
Interest rate swaps:				
Receive floating, pay fixed	Long-term borrowings	6,412	4,594	(*)
Total		¥ -	¥ -	¥ 6,313

As of March 31, 2024

Millions of yen

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
Commodity futures trading	Accounts receivable			
Short position	(forecasted transactions)	-	-	-
Special treatment of interest rate swaps:				
Interest rate swaps:				
Receive floating, pay fixed	Long-term borrowings	8,232	6,431	(*)
Total		<u>¥ -</u>	<u>¥ -</u>	<u>¥ 6,908</u>

As of March 31, 2025

		Thousands of U.S. dollars		
	Hedged items			
General treatment:				
Foreign exchange forward contracts:	Accounts payable			
Long position	(forecasted transactions)	\$ 85,814	\$ 67,170	\$ 42,980
Foreign exchange forward contracts:	Accounts receivable			
Short position	(forecasted transactions)	50,457	17,254	(1,789)
Currency option	Accounts payable			
Long position	(forecasted transactions)	44,000	-	(34)
Interest rate swaps:				
Receive floating, pay fixed	Long-term borrowings	51,438	48,678	790
Commodity futures trading	Accounts receivable			
Short position	(forecasted transactions)	8,780	-	274
Special treatment of interest rate swaps:				
Interest rate swaps:				
Receive floating, pay fixed	Long-term borrowings	42,884	30,725	(*)
Total		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,221</u>

(*) 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, 2025 and 2024, contingent liabilities were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Guarantees of corporate bonds and loans of companies and others:			
Japan Nuclear Fuel Limited	¥ 88,702	¥ 88,845	\$ 593,209
The Japan Atomic Power Company	38,095	38,095	254,766
Guarantees of housing and other loans for employees	19,329	22,818	129,271
Diamond Transmission Partners Hornsea One Limited	2,352	2,244	15,735
Transmission and Distribution IT & OT Systems LLC	2,181	638	14,590

MC Retail Energy Co., Ltd.	2,172	2,172	14,527
Ene One Denki Co., Ltd.	2,040	3,060	13,642
Daigas Oita Mirai Solar Co., Ltd.	814	925	5,445
Diamond Transmission Partners Walney Extension Limited	460	442	3,078
Rakuten Trust Co., Ltd.	350	490	2,340
Tahara Solar Co., Ltd.	262	262	1,752
Akita Offshore Wind Corporation	157	187	1,055
Suzukawa Energy Center Ltd.	-	318	-
Others	29	29	197

Guarantees related to other contracts:

Ecowende C.V.	42,240	-	282,490
Mitsubishi Corporation	29,831	39,284	199,499
Akita Noshiro Mitane Oga Offshore Wind LLC	1,792	2,016	11,984
Chiba Choshi Offshore Wind LLC	1,635	1,820	10,936
Aichi Gamagori Biomass Power Generation LLC	725	733	4,850
Toyotomi Wind Energy LLC	680	680	4,549
Omaezaki Port Biomass Energy LLC	672	680	4,500
M&C TOTTORI HYDROPOWER Co., Ltd.	374	94	2,502
Marubeni Corporation	306	374	2,046
MC Retail Energy Co., Ltd.	215	307	1,440
Diamond Transmission Partners Hornsea One Limited	183	180	1,225
Yonago Biomass Power Generation LLC	-	1,948	-
Phoenix Operation and Maintenance Company LLC*	-	680	-
Akita Yurihonjo Offshore Wind LLC	-	370	-
Others	168	173	1,123

*With respect to the contingent liabilities of ¥680 million in the table above as of March 31, 2024, the Company 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, 2025 and 2024, the number of shares of common stock issued was 758,000,000. At March 31, 2025 and 2024, the number of treasury stock held by the Chubu Electric Group was 2,777,558 and 1,890,947, 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 general meeting of shareholders to be held on 26 June 2025, shareholders will propose a dividend of 30 yen per share, totaling 22,696 million yen (151,786 thousand dollars). The total amount of dividends includes dividends of ¥37 million (\$250 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, 2025. 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, 2024	-
Granted	-
Forfeited	-
Vested	-
Outstanding	-
After vesting	
Outstanding as of March 31, 2024	540,600shares
Vested	-
Exercised	270,400shares
Forfeited	3,000shares
Outstanding	267,200shares

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	¥1,041

(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, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Deferred tax assets:			
Contribution payable for nuclear reactor decommissioning	¥ 67,191	¥ -	\$ 449,348
Depreciation of easement rights	42,231	40,833	282,428
Liability for retirement benefits	31,709	35,991	212,063
Depreciation	14,655	15,234	98,010
Impairment loss	14,336	17,473	95,874
Reprocessing of irradiated nuclear fuel	12,914	11,977	86,366
Intercompany unrealized profits	11,171	21,113	74,711
Other	81,942	121,960	548,003
Subtotal of deferred tax assets	276,152	264,583	1,846,806
Subtotal of valuation reserve	(73,831)	(72,758)	(493,755)
Total deferred tax assets	202,321	191,825	1,353,050
Deferred tax liabilities:			
Nuclear power plant decommissioning reserve	(37,458)	-	(250,506)
Net unrealized gains on consolidated subsidiaries at fair value	(22,727)	(23,498)	(151,989)
Other	(15,075)	(34,738)	(100,821)
Total deferred tax liabilities	¥ (75,261)	¥ (58,236)	\$ (503,317)
Net deferred tax assets	127,060	133,588	849,733

(b) Reconciliation of the difference between the statutory income tax rate and the effective income tax rate for the years ended March 31, 2025 and 2024 were as follows:

	March 31, 2025	March 31, 2024
Statutory income tax rate	28.0 %	28.0 %
Equity in net income of affiliates	(6.4)%	(10.4)%
Increase in deferred tax assets at the end of the year due to tax rate changes	(2.1)%	-
Valuation reserve	0.4%	0.9%
Other	2.5%	0.2%
Corporate tax burden rate after the application of the effective income tax rate	22.4 %	18.7 %

(c) Revision of deferred tax assets and deferred tax liabilities due to changes in corporate tax rates

The Act for Partial Revision of the Income Tax Act, etc. (Act No. 13) was enacted by the Diet on 31 March 2025. As a result, the statutory effective tax rates used to calculate deferred tax assets and liabilities at the end of the current fiscal year have been changed, which resulted in an increase of 5,570 million yen (\$37,250 thousand) in deferred tax assets, a decrease of 5,737 million yen (\$38,371 thousand) in income taxes - deferred, and a decrease

of 164 million yen (\$1,097 thousand) in valuation and translation adjustments.

(d) 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, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Salaries	¥ 120,385	¥ 114,411	\$ 805,093
Retirement benefits	22,351	21,084	149,480
Subcontracting fees	129,907	120,100	868,774
Power purchased from other suppliers	2,342,565	2,077,044	15,666,188
Expenses for third party's power transmission service	515,317	536,257	3,446,250
Other	652,789	640,840	4,365,605
Subtotal	3,783,317	3,509,739	25,301,393
Adjustment	(893,292)	(841,235)	(5,974,003)
Total	¥ 2,890,024	¥ 2,668,503	\$ 19,327,389

25. Impairment Loss

- Previous 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 was recorded in the current consolidated fiscal year. Significant items of impairment loss were as follows:

Usage	Location	Type	Millions of yen	
			March 31, 2024	
Assets for biomass power generation business (Other noncurrent assets)	Aichi Pref.	Machinery & Equipment	¥	5,637
	Mie Pref.	Machinery & Equipment, etc.	¥	3,709

(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%.

26. Loss in conjunction with the Antimonopoly Act

- Previous 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 as loss in relation to the Antimonopoly Act in the previous 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, 2025 and 2024 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Valuation difference on available-for-sale securities:			
Increase during the year	¥ (1,754)	¥ 9,554	\$ (11,733)
Reclassification adjustments	(1,657)	(9,111)	(11,086)
Subtotal, before income taxes and tax effects	(3,412)	443	(22,819)
Income taxes and tax effects	804	(306)	5,377
Subtotal, net of tax	(2,608)	137	(17,442)
Deferred gains or losses on hedges:			
Increase during the year	1,217	4,332	8,145
Reclassification adjustments	(905)	(440)	(6,056)
Acquisition cost adjustment for assets	(1,854)	-	(12,399)
Subtotal, before income taxes and tax effects	(1,541)	3,891	(10,311)
Income taxes and tax effects	393	(1,089)	2,632
Subtotal, net of tax	(1,148)	2,801	(7,679)
Foreign currency translation adjustments:			
Increase during the year	2,460	1,964	16,458
Subtotal, net of tax	2,460	1,964	16,458
Remeasurements of defined benefit plans:			
Decrease during the year	(4,321)	9,728	(28,902)
Reclassification adjustments	6,341	5,120	42,407
Subtotal, before income taxes and tax effects	2,019	14,848	13,505
Income taxes and tax effects	(649)	(4,328)	(4,342)
Subtotal, net of tax	1,370	10,520	9,162
Share of other comprehensive income of affiliates accounted for using equity method:			
Increase during the year	94,753	208,261	633,677
Reclassification adjustments	(17,874)	(14,706)	(119,540)
Acquisition cost adjustment for assets	(18,788)	(46,019)	(125,648)
Subtotal, net of tax	58,090	147,535	388,488
Total other comprehensive income	¥ 58,165	¥ 162,959	\$ 388,987

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, 2025 and 2024 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, 2025	March 31, 2024	March 31, 2025
Consolidated subsidiary's transactions during the year:			
Transaction amounts	¥ 1,218,430	¥ 1,408,498	\$ 8,148,403
Balances at the fiscal year-end:			
Notes and accounts payable - trade	31,090	123,649	207,921

(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, 2025	March 31, 2024	March 31, 2025
Total current assets	¥ 3,045,655	¥ 3,223,005	\$ 20,368,187
Total noncurrent assets	5,544,093	5,285,129	37,076,794
Total current liabilities	1,937,528	2,162,545	12,957,454
Total noncurrent liabilities	3,658,948	3,686,970	24,469,664
Total net assets	2,993,271	2,658,618	20,017,863
Operating revenues	3,355,916	3,710,727	22,443,097
Income before income taxes	278,152	577,450	1,860,177
Profit attributable to owners of parent	183,912	399,628	1,229,938

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 30, "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, 2025 were as follows:

	Millions of yen		Thousands of U.S. dollars
	March 31, 2025	March 31, 2024	March 31, 2025
Total transaction price allocated to unfulfilled performance obligations	¥ 109,833	¥ 105,580	\$ 734,524
Expected time of satisfaction of performance obligation:			
Within 1 year	12,107	37,749	80,971
Over 1 year	97,725	67,830	653,552

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.

(Note) The total amount of transaction prices expected to be recognised as revenue as of the end of the current consolidated fiscal year does not include income expected to be received from Long-Term Decarbonization Auction. Income from Long-Term Decarbonization Auction will be calculated as the amount obtained from the contracted capacity securing agreement amount minus approximately 90% of the revenue received from wholesale markets, non-fossil markets, etc., during the same period. However, since the refund amount may fluctuate depending on future market prices, it is difficult to estimate the portion where a reduction in revenue already recognised may not occur when the uncertainty regarding the amount of variable consideration is subsequently resolved. Therefore, this portion is not included in the notes.

30. Segment Information

The reporting segments are constituent business units of the Chubu Electric Power Group for which separate financial information is obtained and examined 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 Mirai 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: "Mirai," "Power Grid" and "JERA."

<Mirai>
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, 2025 and 2024 was as follows:

	Mirai	Power Grid	JERA	Subtotal	Other	Total	Adjustment	Consolidated
	Millions of yen							
Year ended March 31, 2025								
Operating revenues:								
External customers	¥ 2,911,129	¥ 410,007	¥ -	¥ 3,321,137	¥ 348,097	¥ 3,669,234	¥ -	¥ 3,669,234
Revenues from contracts with customers	2,815,911	400,821	-	3,216,732	316,486	3,533,219	-	3,533,219
Electric utility operating revenue	2,574,810	396,340	-	2,971,151	37,729	3,008,880	-	3,008,880
Other business operating revenue	241,101	4,480	-	245,581	278,757	524,339	-	524,339
Other revenues	95,217	9,186	-	104,404	31,610	136,014	-	136,014
Intersegment	51,139	555,192	-	604,332	437,881	1,042,193	(1,042,193)	-
Total	2,962,268	963,200	-	3,925,469	785,958	4,711,427	(1,042,193)	3,669,234
Ordinary income (loss)	¥ 117,079	¥ 47,582	¥ 67,349	¥ 232,011	¥ 81,496	¥ 313,508	¥ (37,107)	¥ 276,400
Total assets	¥ 774,273	¥ 2,384,768	¥ 1,488,815	¥ 4,647,857	¥ 4,775,266	¥ 9,423,124	¥ (2,298,311)	¥ 7,124,812
Depreciation and amortization	10,516	108,174	-	118,690	54,940	173,631	(2,749)	170,881
Interest income	183	34	-	217	12,846	13,074	(12,501)	572
Interest expense	742	10,817	-	11,559	25,087	36,617	(12,757)	23,859
Share of profit (loss) of entities accounted for using equity method	3,372	204	67,349	70,926	(9,174)	61,752	(614)	61,137
Investment in equity method affiliates	14,631	3,621	1,488,815	1,507,068	488,134	1,995,203	6,530	2,001,733
Increase in tangible and intangible fixed assets	31,077	165,728	-	196,806	82,945	279,751	(7,370)	272,381
Year ended March 31, 2024								
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
Electric utility operating revenue	2,378,027	334,841	-	2,712,869	7,345	2,720,215	-	2,720,215
Other business operating revenue	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, 2025								
Operating revenues:								
External customers	\$ 19,468,531	\$ 2,741,975	\$ -	\$ 22,210,507	\$ 2,327,941	\$ 24,538,449	\$ -	\$ 24,538,449
Revenues from contracts with customers	18,831,750	2,680,539	-	21,512,289	2,116,544	23,628,834	-	23,628,834
Electric utility operating revenue	17,219,357	2,650,577	-	19,869,935	252,317	20,122,253	-	20,122,253
Other business operating revenue	1,612,392	29,961	-	1,642,353	1,864,227	3,506,580	-	3,506,580
Other revenues	636,781	61,436	-	698,218	211,396	909,614	-	909,614
Intersegment	341,999	3,699,545	-	4,041,544	2,928,250	6,969,794	(6,969,794)	-
Total	19,810,531	6,441,521	-	26,252,052	5,256,191	31,508,244	(6,969,794)	24,538,449
Ordinary income (loss)	\$ 782,960	\$ 318,216	\$ 450,408	\$ 1,551,606	\$ 545,019	\$ 2,096,625	\$ (248,163)	\$ 1,848,461
Total assets	\$ 5,178,046	\$ 15,948,430	\$ 9,956,636	\$ 31,083,112	\$ 31,935,171	\$ 63,018,283	\$ (15,370,236)	\$ 47,648,047
Depreciation and amortization	70,331	723,428	-	793,760	367,420	1,161,180	(18,386)	1,142,793
Interest income	1,225	231	-	1,457	85,978	87,436	(83,607)	3,828
Interest expense	4,964	72,341	-	77,306	167,575	244,881	(85,318)	159,563
Share of profit (loss) of entities accounted for using equity method	22,552	1,369	450,408	474,330	(61,355)	412,974	(4,107)	408,866
Investment in equity method affiliates	97,850	24,217	9,956,636	10,078,703	3,264,459	13,343,163	43,672	13,386,835
Increase in tangible and intangible fixed assets	207,833	1,108,332	-	1,316,166	554,707	1,870,873	(49,289)	1,821,584

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

The accounting treatment and methods used for the reporting segments are consistent with those used in developing the financial report. Segment income for each reporting segment is presented on an ordinary profit basis. Intersegment sales and transfers are calculated 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

The impairment loss for the current consolidated fiscal year is immaterial and therefore omitted.

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

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

(Note) The details of impairment loss are presented in Note 25, "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 arising from negative goodwill

Not applicable for the current and previous consolidated fiscal year.



Independent Auditor's Report

Chubu Electric Power Co., Inc. and its subsidiaries

For the Years ended March 31,
2024 and 2025

KPMG AZSA LLC
June 2025

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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, 2025, 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, 2025, 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 ¥294,159 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:

2025, which accounted for approximately 4% 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 Seventh Strategic Energy Plan in February 2025 indicates that maximizing the use of nuclear power and renewable energy, both of which contribute to energy security, as decarbonized power sources is indispensable. Moreover, 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. The basic earthquake ground motion (the assumed maximum scale of earthquake) and the standard tsunami (the assumed maximum Tsunami height) were assessed as largely appropriate by the NRA in September 2023 and October 2024, respectively, and then review of the plants has started from December 2024.

(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 assets.

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 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.

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.

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.

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. The audit and supervisory committee 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 the audit and supervisory committee 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.

The audit and supervisory committee 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and supervisory committee 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 the audit and supervisory committee 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 the audit and supervisory committee, 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 296 million yen and 27 million yen, respectively.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2025 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 24, 2025