

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

April 28, 2025

Chubu Electric Power Co., Inc.

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Introduction

Chubu Electric Power Group established Medium-term Management Targets for FY2025 (consolidated ordinary income of 200 billion yen or more and ROIC of 3.2% or more*1) as the midpoint up to Management Vision 2.0. In working to attain these targets, Chubu Electric Power **has steadily improved its profits** even within a persistently uncertain business environment that includes fluctuations in resource prices and revisions to electric power systems.

In February 2025, the Cabinet approved the GX2040 Vision and the Seventh Basic Energy Plan to simultaneously realize stable energy supplies, economic growth, and decarbonization. These expressed expectations that **demand for electric power will turn upward** over the medium to long term driven by the advance of GX (Green Transformation) and DX (Digital Transformation), and the business environment surrounding the Chubu Electric Power Group is changing significantly.

Within this environment, Chubu Electric Power Group **revised its Corporate Philosophy**. Under this **new Corporate Philosophy**, Chubu Electric Power will **provide services that meet customer expectations, ensure a stable supply of electricity, realize a safe and secure decarbonized society** that uses both decentralized and recycling systems, **acquire and expand new sources of revenue** by reforming its business structure, and **creating demand** through electrification.

Chubu Electric Power Group Corporate Philosophy

Connecting People and Society, Creating Energy for Happiness

The Chubu Electric Power Group connects people with people, and people with society. Together with our customers, our communities, and everyone who lives on this planet, we take on the challenge of creating a bright and happy future full of energy.

Moreover, based on the details of our dialogue with capital markets, we expanded and upgraded the content of this report by quantitatively expressing the Group's achievements and challenges to the present as well as its future initiatives while summarizing the implementation status of our capital policies and future issues to be addressed. We will continue to engage in dialogue with stakeholders regarding our response to future challenges while compiling and expressing these in our next Medium-term Management Plan.

Furthermore, in FY2025 Chubu Electric Power **implemented measures to reduce the burden** on customers such as for their electricity bills while setting an annual dividend forecast of **70 yen per share***2 as part of efforts to **share the results of its business operations with stakeholders**.

The entire Chubu Electric Power Group will continuously contribute to **the advance of a sustainable society** and work to **further increase corporate value** through its ceaseless management efforts and provision of value to its stakeholders.



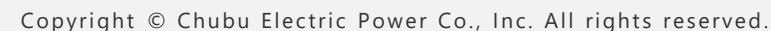
*1 Excluding the time-lag impact

*2 Dividends per share will be increased by 10 yen from FY2024. This is the highest amount of dividends since FY1978, when Chubu Electric Power began financial reporting for annual results.

April 2025
President and Director *Hayashi Kingo*
CEO
Chubu Electric Power Co., Inc.

I Realizing Management with an Awareness of Cost of Capital and Stock Price

- ## State of progress towards achieving our medium-term management targets



Status of Priority Initiatives in the Medium-term Management Plan, Future Challenges, and Direction of Responses

Chubu Electric Power Group overall: Strengthened earning power centered on the energy business and made steady progress toward achieving the targets of the Medium-term Management Plan

Area	Priority initiatives in the Medium-term Management Plan	Current status of initiatives
Chubu Electric Power Miraiz	<ul style="list-style-type: none"> Optimization of power procurement portfolio Provision of services that support decarbonization Provision of services that closely align with customers' daily lives 	<ul style="list-style-type: none"> Built a procurement portfolio based on price trends in wholesale electricity markets, resulting in approximately a 5% year-on-year increase in electricity sales volume Contributing to customer decarbonization through products such as Green Electricity Expanded customer touchpoints by offering a broader range of services, including banking services (KatEne BANK)
Chubu Electric Power Grid	<ul style="list-style-type: none"> Ensuring stable supply Expanding services to meet customer needs Reducing supply-demand adjustment costs 	<ul style="list-style-type: none"> Published the Welcome Zone Map in Chubu to promote early adaptation to increasing electricity demand and encouraged its adoption Providing equipment condition monitoring services using IoT technology through the & Conote service Contributing to stabilizing financial results by reducing adjustment power procurement costs through public input at government advisory committees
Renewable Energy	<ul style="list-style-type: none"> Expand renewable energy to 3.2 GW by around 2030 	<ul style="list-style-type: none"> Progress made to 1.13 GW (35% progress rate as of March 2025)
Nuclear Energy (Hamaoka)	<ul style="list-style-type: none"> Responding to inspections checking compliance with new regulatory standards 	<ul style="list-style-type: none"> After approximately 10 years of evaluation, transitioned to plant review regarding standard seismic motion and standard tsunamis
JERA	<ul style="list-style-type: none"> Net profit target of 200 billion yen for FY2025 	<ul style="list-style-type: none"> Plans in place to achieve the FY2025 target of 200 billion yen in net profit
New Growth Area	<ul style="list-style-type: none"> Profit generation through strategic investments and other initiatives 	<ul style="list-style-type: none"> Diversifying business areas through collaborations, securing profits primarily through ES-CON JAPAN and Eneco
Management Foundation	<ul style="list-style-type: none"> Diversification of human resources and a supportive work environment 	<ul style="list-style-type: none"> Steady progress, including expansion of mid-career recruitment and improved employee engagement

Chubu Electric Power Miraiz	<ul style="list-style-type: none"> Building a power procurement portfolio considering fuel price volatility and regulatory changes
Chubu Electric Power Grid	<ul style="list-style-type: none"> Properly reflecting the impact of inflation, interest rates, and other factors on revenue caps to ensure stable business operations Ensuring a stable supply amid the increasing complexity and broader scope of supply-demand management operations
Renewable Energy	<ul style="list-style-type: none"> Development aimed at balancing stable supply and decarbonization amid changing investment conditions
JERA	<ul style="list-style-type: none"> Ongoing management-level monitoring of JERA, which plays a crucial role in balancing stable supply and decarbonization
New Growth Area	<ul style="list-style-type: none"> Profit contribution from strategic investments is in the growth stage. It is necessary to enhance the likelihood of future profit growth.
Chubu Electric Power Group Overall	<ul style="list-style-type: none"> Increased dividends through stable profit generation, but PBR remains low To improve capital efficiency, it is necessary to deepen discussions on consistent profit growth and the optimal balance sheet structure

Direction of Responses

- Verification and revision of the power procurement portfolio
 - Continuation of providing public input through government advisory committees and other forums
 - Steady implementation of next-generation power network development
 - Development toward balancing stable supply and decarbonization, while assessing the investment environment
 - Ongoing management-level monitoring
 - Accelerating profit growth by constructing an optimal business portfolio through adherence to investment criteria and promoting asset replacement, etc.
- Deepen the understanding of challenges based on feedback from the capital markets and develop strategies to enhance corporate value**

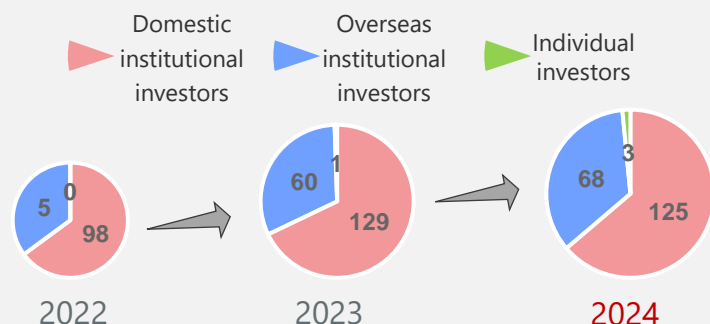
Details on the following pages

Enhanced Dialogue with Capital Markets

- This report **incorporates primarily matters of high interest identified** through dialogue with shareholders and investors.
- We will work to engage in proactive dialogue with shareholders and investors and appropriately disclose information.**

Dialogue results with Investors (Domestic/overseas institutional investors and individual investors)

Dialogue results with Investors (2022→2023→2024)



Main IR activities implemented (2022→2023→2024)

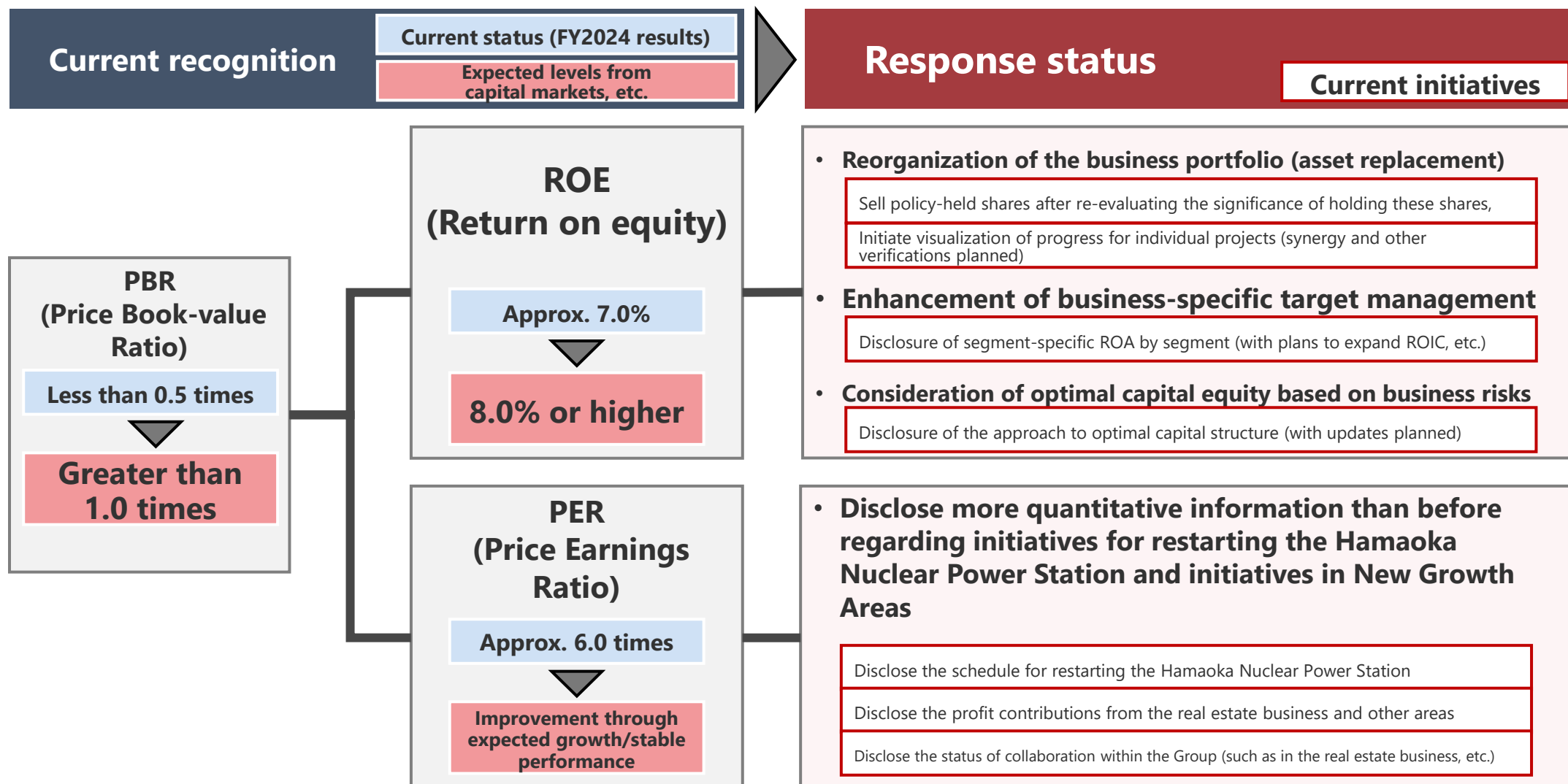
		2022	2023	2024
Domestic institutional investors	Financial results and management plan briefings	4	4	3
	Tours, business briefings, etc.	3	1	3
Individual investors	Various types of briefings, IR advertisements, etc.	—	1	3

Opinions and matters of interest from investors (matters identified as requiring further enhancement of initiatives or disclosure)

ROE-related	<ul style="list-style-type: none"> Progress of business-specific targets, consolidated actual profit levels Progress of strategic investments 	<ul style="list-style-type: none"> Progress of medium-term management targets (such as segment-specific ROA) Progress and profit contribution of strategic investments (real estate, etc.)
	<ul style="list-style-type: none"> Status of initiatives to improve capital efficiency Status of initiatives to improve PBR 	<ul style="list-style-type: none"> Information related to management with an awareness of cost of capital, such as reviews of investment criteria Progress of asset replacement (policy-held stocks, etc.)
PER-related	<ul style="list-style-type: none"> Relationship between growth and existing areas, and the path to strengthening profitability Positive impact of increased power demand and status of market share acquisition 	<ul style="list-style-type: none"> Quantitative information and progress leading to increased probability of profit growth (such as Chubu Electric Power Miraiz' market share and real estate)
	<ul style="list-style-type: none"> Milestones and progress towards restarting the Hamaoka Nuclear Power Station Specific measures to achieve decarbonization targets, including JERA Status of initiatives for foundational strategies such as human capital management 	<ul style="list-style-type: none"> Schedule for restarting the Hamaoka Nuclear Power Station JERA's monitoring status Initiatives for strengthening foundations
Shareholder returns	<ul style="list-style-type: none"> Cash allocation, including shareholder returns 	<ul style="list-style-type: none"> Announcement of dividend increase (forecasted annual dividend of 70 yen for FY2025) Status of consideration for next medium-term management plan

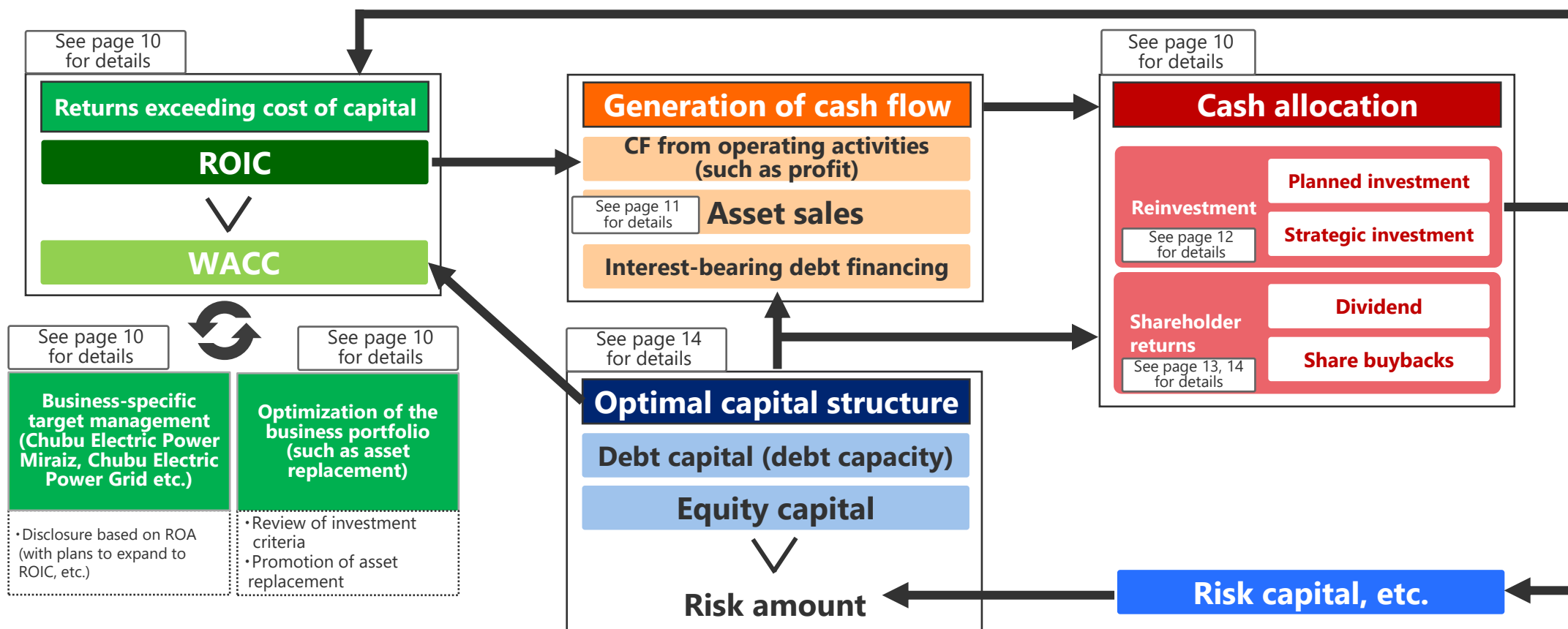
Specific Efforts to Improve PBR

- We are advancing initiatives to improve PBR by **breaking it down into ROE and PER**.



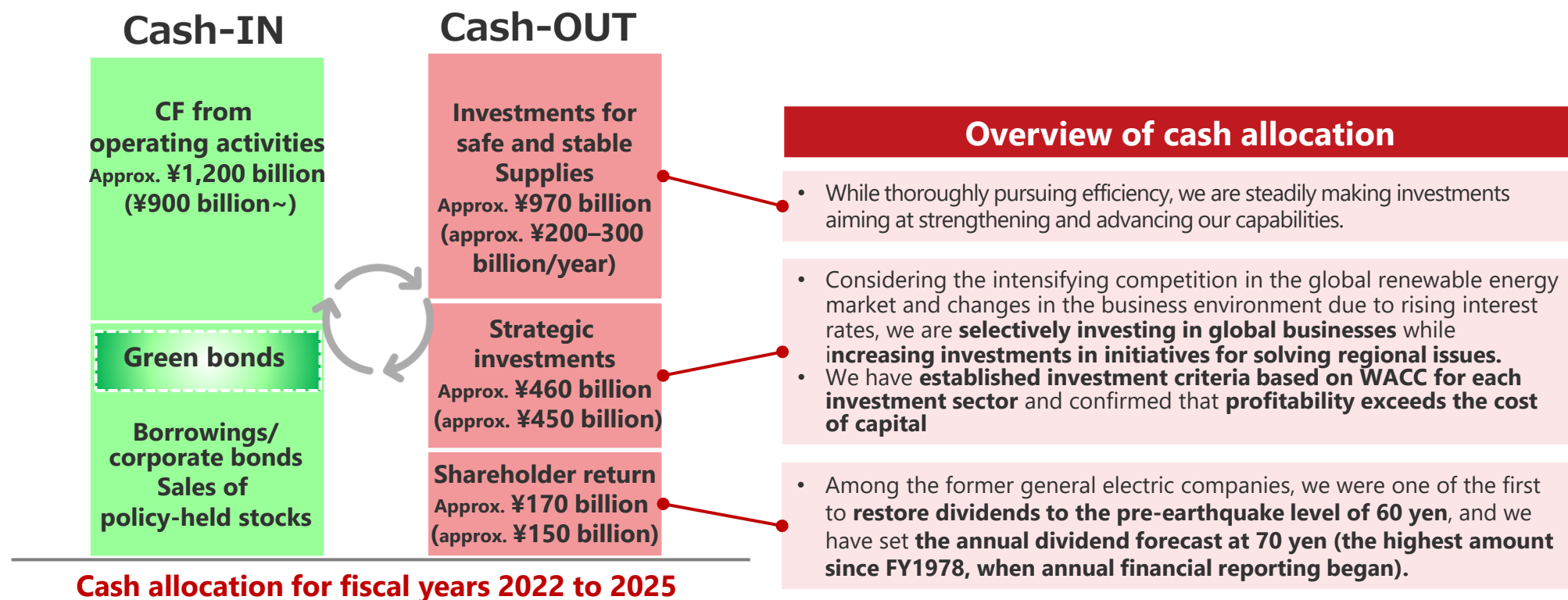
Progress of Investment and Capital Policies (Financial Framework)

- In preparation for our next medium-term management plan, Chubu Electric Power will form an optimal business portfolio aligned with our management goals supported by the following financial framework to enhance sustainable corporate value.



Progress of investment and capital policies (cash allocation)

- **Cash-IN** : We are generating **stable profits primarily through our energy business**, and are also working on **selling policy-held stocks**.
- **Cash-OUT** : We are making **necessary investments to ensure a stable power supply and strategic investments** to strengthen our future revenue base. In terms of shareholder returns, we were among the first former general electric utilities to **restore dividends to pre-earthquake levels**, and we now plan to pay **an annual dividend of 70 yen**.



*Figures in parentheses are planned values at the time of the announcement of the Medium-term Management Plan (April 2022)

Key initiatives toward the formulation of the next medium-term management plan

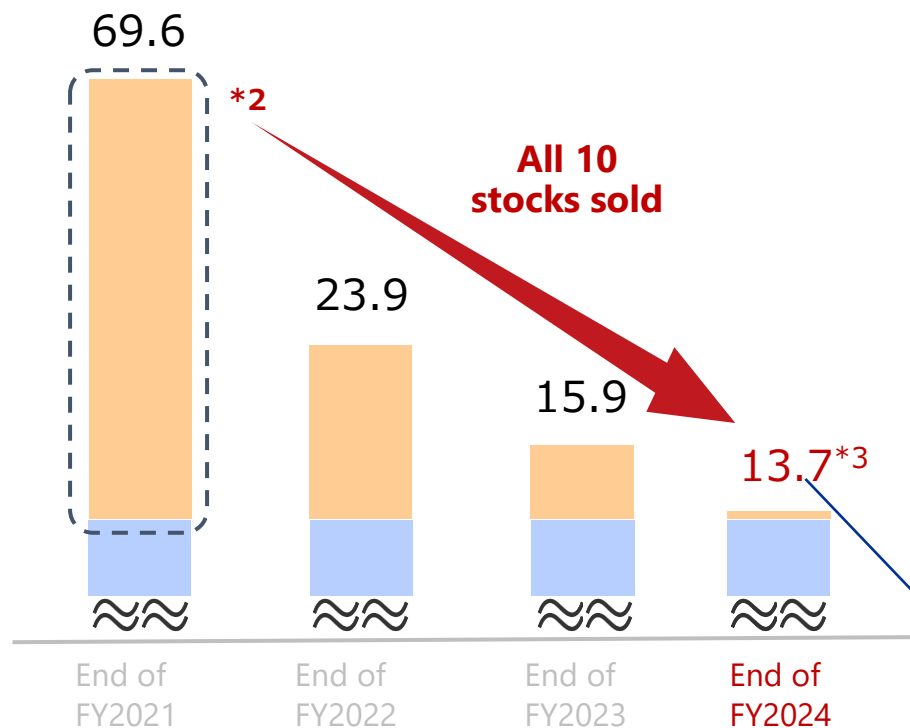
- Balancing stable supply and decarbonization and providing high-value-added services, including new growth areas → **Further expansion of Cash-in**
- Building an optimal business portfolio → **Deploy management indicators such as ROIC by each business, promote asset replacement, etc.**
- Shareholder returns → Consideration based on dialogue with capital markets, **financial forecasts such as income/expenses and cash flow, etc.**

Progress of investment and capital policies (Trends in the balance of policy-held stocks)

- We verified the appropriateness of policy-held stocks of listed companies and coordinated with the counterparties to sell **10 stocks** we determined should be sold in FY2022. **We completed the sale of these stocks by FY2024. (Reduced to 3% of net assets)**

Trends in the balance of policy-held stocks of listed companies*1

(billion yen)



Approach to holding policy-held stocks, etc.

Approach to acquiring and holding policy-held stocks

Chubu Electric Power acquires and holds shares **strategically only in companies deemed to contribute to improving the corporate value of Chubu Electric Group from a medium-to-long-term perspective, such as companies that contribute to business operations and regional development.**

Verification of the appropriateness of holding policy-held stocks

In accordance with the Tokyo Stock Exchange Corporate Governance Code, **the Board of Directors annually verifies the appropriateness of holding listed policy-held stocks** (the purpose of holding and **economic rationality**)

Regarding the remaining policy-held stocks (13.7 billion yen), we will continue to verify their appropriateness in accordance with the Corporate Governance Code.

*1: The outstanding balance is the amount recorded on the balance sheet (rounded down to the nearest 100 million yen)

*2: We examined the appropriateness of holdings during FY2022 and determined that these should be sold

*3: The amount of policy-held stocks recorded/the amount of consolidated net assets is in the 3% range

Progress of investment and capital policy (progress of strategic investment and investment philosophy)

- We aim to **create new value for customers and society** by actively investing in growth fields.
- To build an optimal business portfolio, we will **thoroughly make investment decisions based on the WACC** for each investment field, and will **proactively consider asset replacement** after reviewing **the exit criteria for existing projects**.

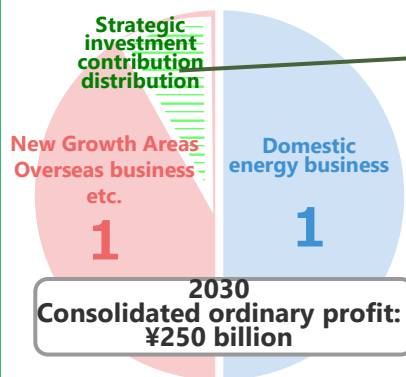
Progress of strategic investments

[Medium-term management plan period (4 years) cumulative]

- Since starting investments in FY2019, profit contribution has been steadily expanding.
- Amid an expected harsh investment environment for achieving decarbonization targets, we will **firmly progress with the realization of our plan based on disciplined investment criteria**.

Total investment from FY2022 to FY2025: Approx. 460 billion yen

- Chubu Electric Power Group aims to **create new value by delivering new services that combine the energy business with a variety of services**.



Although still in the developmental stage, we expect a certain amount of profit contribution, mainly from ES-CON Japan and Eneco

Contribution from ES-CON Japan and Eneco: Approx. 20 billion yen (FY2024)

Investment breakdown (billion yen):

Renewable energy fields:	Approx. 90
Global business:	Approx. 160
New form of community Resource recycling, etc. :	Approx. 210

Review of investment criteria

[FY2025 implementation items]

- In line with the expansion of our business domains, **Chubu Electric Power set investment criteria (investment sector-specific WACC*) depending on the new growth areas and together have also reviewed the withdrawal criteria for existing projects**.
- We will carry out monitoring to confirm that we are **following a process that ensures profitability exceeds the cost of capital**.

Approach to investment criteria after review

- We set investment sector-specific WACC and confirm that the Project-IRR of each investment project exceeds this.



* Criteria that considers risk depending on the investment sector (>Chubu Electric Power WACC)
Chubu Electric Power's WACC is estimated to be around 2.5% (as of the end of March 2025)

Progress of investment and capital policies

(Implementation status of capital policies: FY2010-FY2025)

- Since the earthquake, dividends have been gradually restored, and **we were among the first of the former general electric companies to return to the pre-earthquake level of 60 yen.**
 - Based on our performance and dividend forecasts for FY2025, we anticipate that the consolidated **dividend payout ratio will be 30% or higher.**
- <Current approach> On the basis of maintaining stable dividends, we strive to provide returns based on profit growth, aiming for a consolidated dividend payout ratio of 30% or higher.

FY2025

Currently, we are maintaining a profit level of around 200 billion yen, and are making steady progress toward achieving our medium-term management targets. As a result, we plan to pay an annual dividend of 70 yen (the highest amount since FY1978, when we started annual financial reporting).

Trends in dividends per share

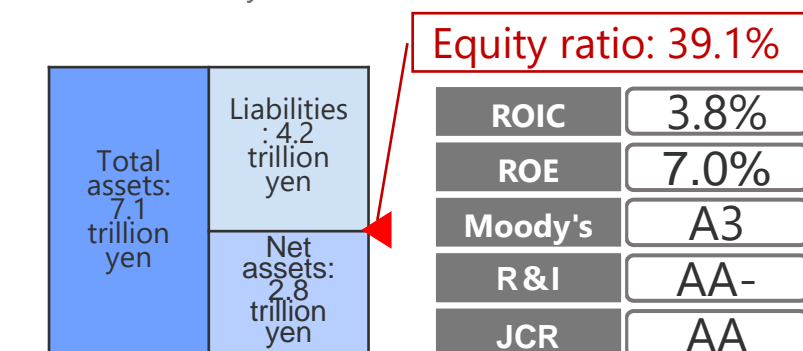


Progress of investment and capital policies (optimal capital structure)

- We are continuously reviewing updates to the balance sheet **in preparation for the formulation of the next medium-term management plan, striving to achieve an optimal capital structure.**

Current approach to optimal capital structure

Results for the fiscal
year ended March 2025



- The optimal capital structure at this point is based on a rough target for **an equity ratio in the mid-to-high 30% range**. This takes into account the necessary capital to prepare for business risks associated with investments in the Hamaoka Nuclear Power Station and renewable energy for decarbonization, as well as strategic investments in New Growth Areas, etc. Additionally, it considers the need to reduce WACC and maintain the credit ratings necessary for financing.

Approach method for pursuing an optimal capital structure

- In preparation for the next medium-term management plan, we will pursue an optimal capital structure by utilizing various approaches.

Business risk approach

- Minimum required shareholder equity in times of emergency
- Required capital considering the risk weights of each segment and other factors

WACC approach

- Initiatives focused on reducing WACC

Credit rating approach

- Maintaining the credit rating necessary for financing

Key initiatives for formulating the next medium-term management plan

- While keeping in mind **the level of equity capital required in response to medium-term changes in business risks**, we will **pursue an optimal capital structure, including considering share buybacks.**

II Initiatives for Achieving Medium-term Management Targets

Outline of Management Vision 2.0 and Medium-term Management Plan

- Management Vision 2.0 expresses the initiatives of each company in the Chubu Electric Power Group, starting with solving local and social issues, **aimed at achieving sustainable growth together with all stakeholders.** (formulated in November 2021)
- The Medium-term Management Plan, which targets FY2025 as the midpoint up to Management Vision 2.0, expresses specific initiatives for attaining this Vision.** (revised in April 2022)

Click [here](#) for details about Management Vision 2.0.

Click [here](#) for details about the Medium-term Management Plan.

**Medium-term Management Plan
(FY2022-2025)**

**Next Medium-term
Management Plan (FY26~)**

[Management Vision] Vision for 2030

**Image of Society in
2050**

Strategy Outline

To achieve its consolidated ordinary income target of 250 billion yen set out in Management Vision 2.0, Chubu Electric Power will **expand its business domains** and rapidly promote **business model reforms**.

Medium-term Management Targets

**Consolidated
ordinary income**

200 billion yen or more

Raised from the initial target of 180 billion yen or more

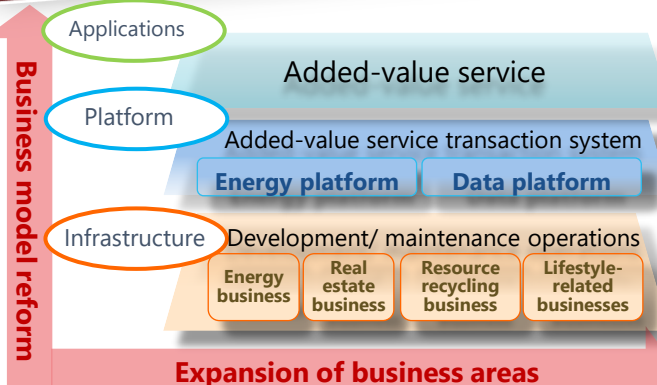
ROIC

3.2% or more

Raised from the initial target of 3.0% or more

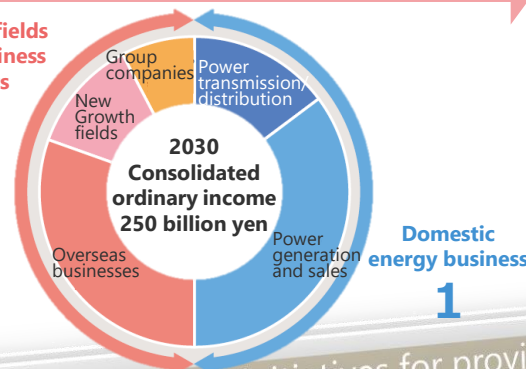
**Planned
formulation
around spring
2026**

- Set new targets
- Deepen ROIC management
- Improve capital efficiency
- Enhance quantitative information disclosure, etc.



**New growth fields
Overseas business
and others**

1



Society in 2050 will evolve toward a "decarbonized," "safe and secure," and "self-distributed and circular" society.

**Safe &
secure**

Chubu Electric Power will realize services that match diversifying values and lifestyles and grow sustainably together with its customers and society.

Decarbonization

**Self-distributed
& circular**

Chubu Electric Power will promote initiatives for providing infrastructure and new forms of communities that will support society in 2050.

Chubu Electric Power Group's Value Creation Framework

- The Chubu Electric Power Group **revised its corporate philosophy to address changes in the business environment and pursue sustainable growth with stakeholders.**
- Under this new philosophy, **the Group is united in advancing Management Vision 2.0 by ensuring stable energy supply, realizing a safe and secure decarbonized circular society, transforming its business structure to develop new revenue sources, and generating demand through electrification and other approaches.**

Contribute to the sustainable development of local communities and society

New corporate philosophy

Connecting People and Society, Creating Energy for Happiness

Attainment of our unchanging mission

Simultaneously ensuring a stable energy supply, achieving decarbonization, and driving economic growth

Creation of new value

Pursue and expand new sources of revenue as a unified Group and generating demand through electrification and other initiatives

Strengthen and expand business foundation

- Strengthen the Group's energy infrastructure to meet the increasing demand for electricity driven by advancements in GX and DX
- Accelerate the creation of new value in new growth areas to expand the business foundation

Strengths

Expertise and experience in decarbonization and stable energy supply
Know-how in infrastructure operation

Provide value-added services

- Deliver high-value services across all business areas, including existing operations, by accelerating initiatives in platforms and applications to drive the transformation toward a decarbonized society and address regional challenges

Strengths

Established brand power and customer base

Drive economic growth from the Chubu region

- Invest resources in collaborations with other industries, promote hydrogen and ammonia initiatives, and develop customer supply chains from the Chubu region, in line with GX implementation to drive Japan's economic growth.

Strengths

Solutions expertise cultivated through deep roots in the Chubu region

Finance

Human capital management

DX promotion

Technology R&D

Compliance

Kaizen (improvement)

Realize

Challenge

Actively allocate profit to strengthen the foundation

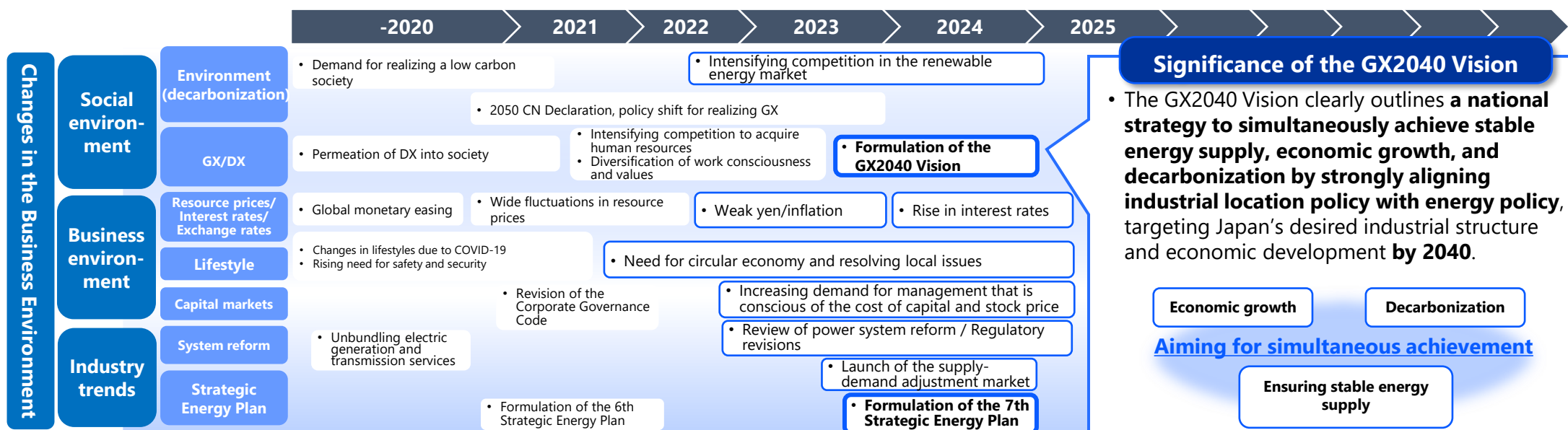
Management strategy (corporate philosophy and vision)

Driving force for sustainable growth (business model)

Management foundation supporting sustainable growth

Response to Changes in the Business Environment

- The GX2040 Vision and the 7th Strategic Energy Plan have been approved by the Cabinet, and evaluations of the electricity system reform are underway.
- With the shift in energy supply-demand structure driven by decarbonization, both GX and DX are advancing, and the medium- to long-term outlook for electricity demand is trending upward.

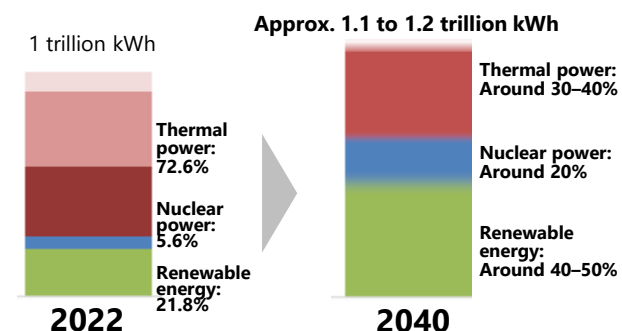


Overview of the 7th Strategic Energy Plan* and Our Response

- The plan emphasizes **energy security and stable supply as priorities, while aiming for the ambitious completion of decarbonization goals and economic growth amidst various uncertainties**. It advocates utilizing all available technologies to achieve these objectives.
- Recognizing **the importance of a diverse and balanced energy mix, we will continue to promote the use of renewable energy and nuclear power, which contribute to energy security and offer significant decarbonization benefits. At the same time, we will maintain the use of thermal power generation to support supply and balancing capacity, while advancing decarbonization efforts.**

* A fundamental policy for energy in Japan, outlining the nation's direction toward achieving carbon neutrality by 2050

(Reference) Energy Supply and Demand Outlook



Efforts toward Achieving Stable Supply and a Decarbonized Society

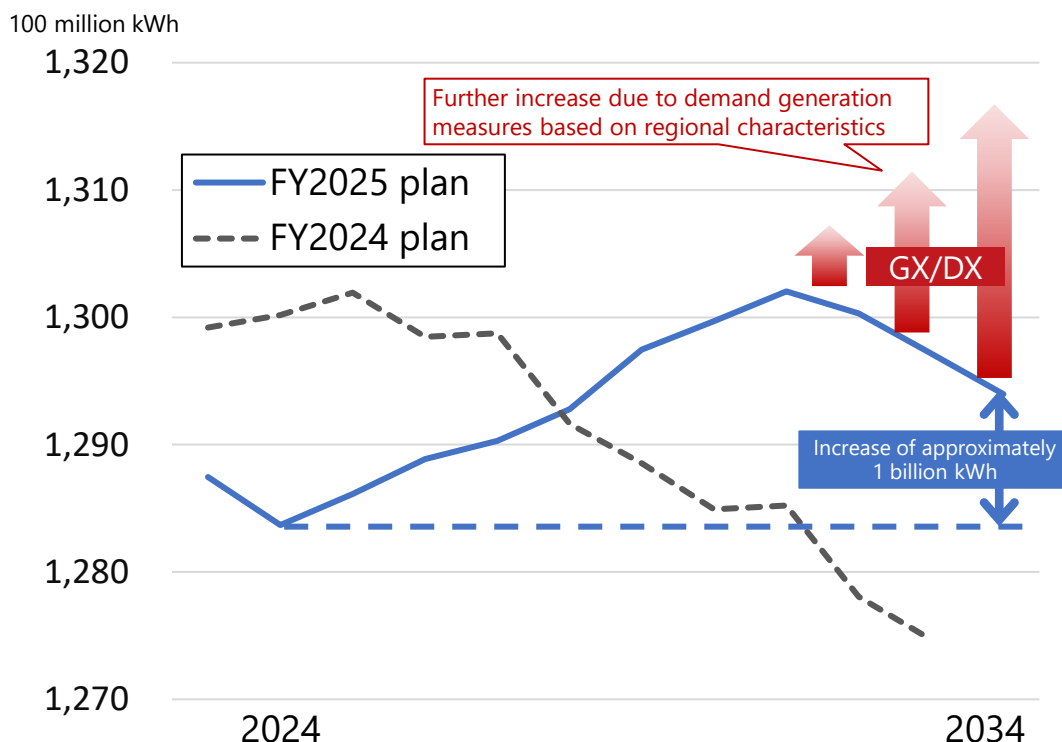
- Considering the regional characteristics of the Chubu area, an industrial hub with a strong manufacturing base, we will implement demand-generation strategies that harness the high potential of GX and DX technologies, such as electrification and automation, to support the sustainable revitalization of the region.

GX domain: In response to strengthened regulations and support focused on reducing CO2 emissions, we will intensify electrification and other solution activities in collaboration with our customers.

DX domain: In addition to attracting demand from semiconductor factories and large-scale data centers that are becoming more prominent, we anticipate increased demand driven by industrial transformation using AI (electrification and automation).
- Over the next 10 years, we assess that the supply capacity for electricity demand will be secured^{*1}. We will continue to work as a Group to **maintain and update necessary facilities, such as power sources and transmission equipment, to ensure stable supply** in line with trends in electricity demand.

^{*1} From the FY2025 electricity supply plan summary issued by the Organization for Cross-regional Coordination of Transmission Operators, Japan

<Outlook for Electricity Demand in the Chubu Area^{*2} and Direction of the Electric Power Business >



^{*2} From the outlook for electricity demand across the nation and supply areas issued by the Organization for Cross-regional Coordination of Transmission Operators, Japan

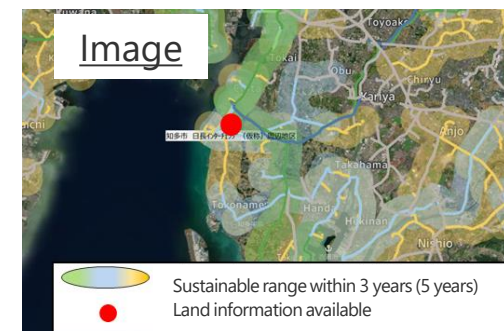
Direction of Efforts

- Power Generation**
 - Maximize the use of renewable energy and nuclear power, which contribute to energy security and offer high decarbonization benefits.
 - Continue the use of thermal power generation and promote its steady decarbonization.

JERA's initiatives: Expand ammonia substitution at Hekinan Thermal Power Plant, and transition to decarbonized alternatives at Chita Thermal Power Station*, etc. (*Successful bid in first long-term decarbonization power source auction)
 - Build supply chains for next-generation energy sources, such as hydrogen and ammonia.
- Retail**
 - Ensure the stable delivery of electricity with high economic efficiency to customers in the long term, while considering optimizing the procurement portfolio, including securing long-term stable power sources.
 - Collaborate with customers on electrification and decarbonization across the entire supply chain.

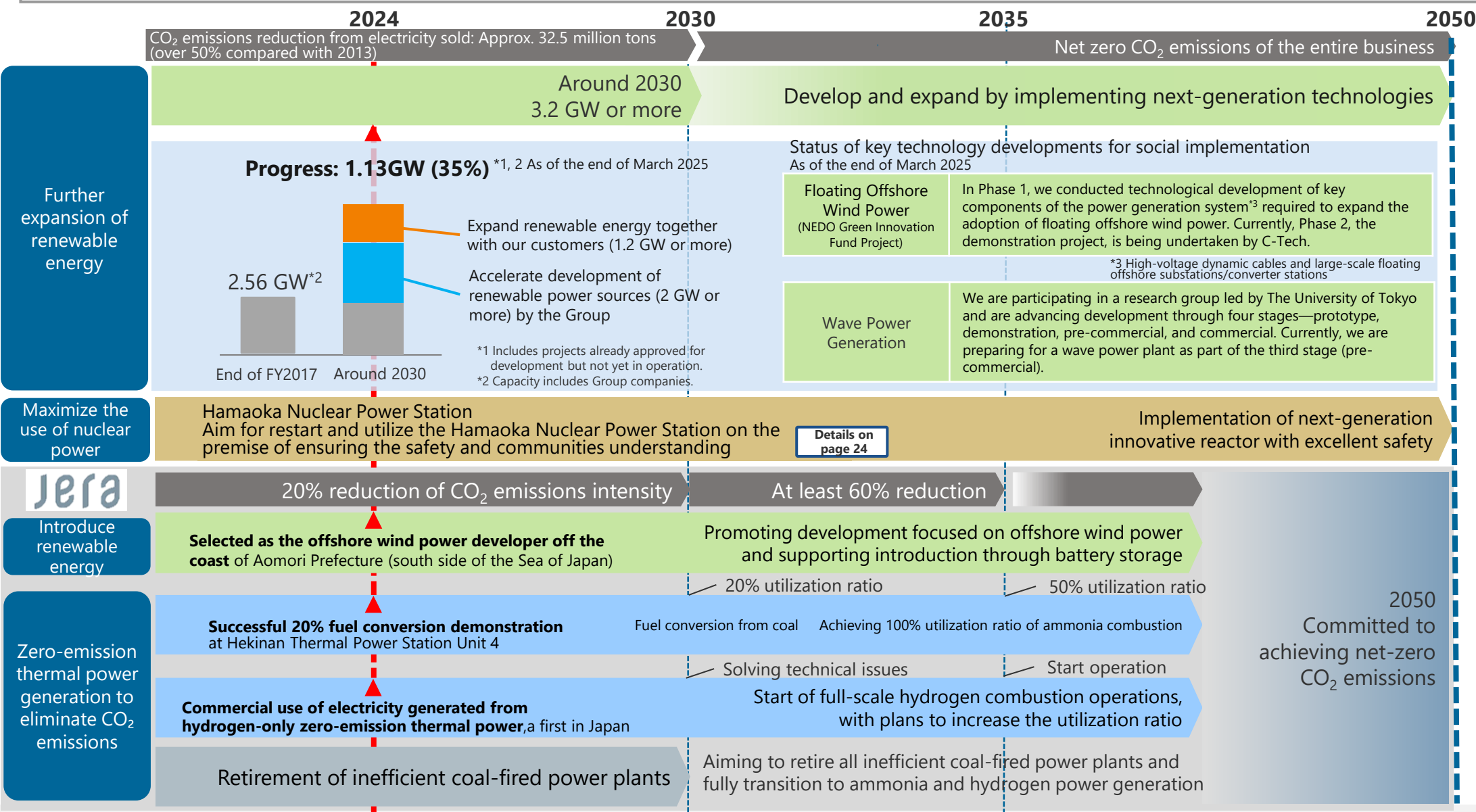
Example: On-site and off-site solar PPAs, GX consulting services, etc.
 - Develop services that contribute to realizing a decarbonized society.
- Transmission and Distribution**
 - Expand the next-generation system and regional operations and promote the formation of economically efficient infrastructure.
 - Provide improved interconnection services, such as directing large-scale demand to optimal locations.

Example: Release of the Welcome Zone Map by Chubu Electric Power Grid (diagram at right).
 - In response to the increase in electricity demand, ensure stable supply while balancing economic efficiency and environmental compatibility.



Contributing to a Decarbonized Society by Developing and Expanding Decarbonized Power Sources

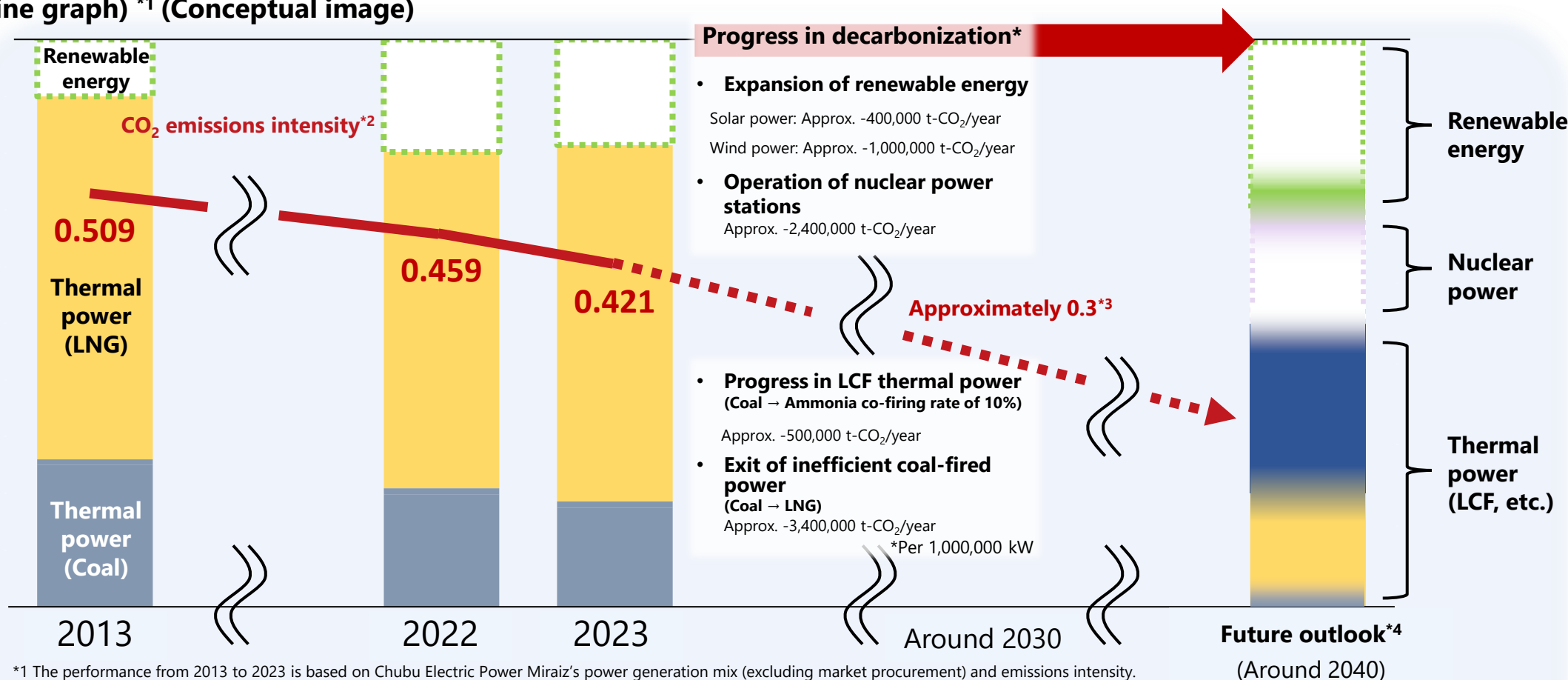
- The Chubu Electric Power Group will continue its efforts to **realize a decarbonized society by expanding renewable energy and pursuing other decarbonized power sources**. We also plan to establish emission reduction targets for Scope 1, 2, and 3 toward 2050.



Reference: Trends in CO₂ Emissions Intensity

- As part of our efforts to decarbonize electricity for customers, we will **maximize renewable energy and nuclear power, which provide significant decarbonization benefits**. We will also **continue using thermal power, which plays a key role in supply and adjustment, while promoting its steady decarbonization** to reduce CO₂ emissions intensity.

Trends in power generation mix ratio (bar graph) and CO₂ emissions intensity (line graph) *¹ (Conceptual image)



*¹ The performance from 2013 to 2023 is based on Chubu Electric Power Miraiz's power generation mix (excluding market procurement) and emissions intensity.

*² Reflects adjustments related to the Feed-in Tariff (FIT) system for renewable energy, as defined by the Act on Promotion of Global Warming Countermeasures (Unit: kg-CO₂/kWh).

*³ Estimated value assuming a certain level of progress in the decarbonization of the power generation sector.

*⁴ Created with reference to the Strategic Energy Plan and our power generation mix performance.

Direction of Initiatives in New Growth Areas

- The Chubu Electric Power Group will **accelerate the provision of new value to realize a decarbonized, circular society and respond to the diversifying needs of local communities and customers.**

Direction of initiatives in each area to achieve our vision

Renewable energy

Details on page 20

- Develop and expand renewable energy (3.2 GW or more by around 2030)
- Implement next-generation technologies

Initiatives to address regional issues

Details on pages 26–27

- Promote **regional infrastructure businesses (forestry, water and sewage, resource recycling)** to enhance safety, security, and convenience for local communities
- Develop services in healthcare, agri-food, housing, and energy sectors to **strengthen daily living foundations, revitalize local industries, and advance decarbonization**
- Promote **community development** by leveraging the Group's strengths

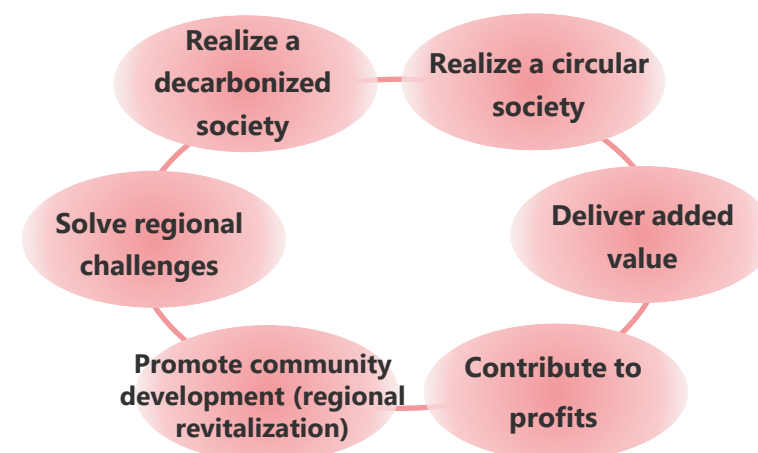
Global

Details on page 28

- Strengthen the profit base and expand earnings through investments that contribute to decarbonization
- Apply overseas expertise to domestic operations

<Our Vision>

Proactively transform our business model in anticipation of changes in the business environment, grow together with stakeholders, and contribute to the development of a sustainable society



Profit contribution from new growth areas

Details on page 12

Approx. 20 billion yen contributed in FY2024 by ES-CON JAPAN and Eneco

Targeting approx. 125 billion yen in FY2030

Further expand profits by creating new value in new growth fields, overseas businesses, and beyond to contribute to profitability, as outlined in Management Vision 2.0

Strategic investment amount

Details on page 12

Approx. 240 billion yen
*Total for FY2019–2021 (actual)

Approx. 460 billion yen
*Total for FY2022–2025 (forecast)

Providing Value Tailored to Customer Needs

- We aim to build on established **customer relationships to deliver new value through a variety of services.**

Business services that help solve challenges

- Chubu Electric Power Miraiz **leverages its long-standing expertise in energy use and decarbonization** to provide **services that address business challenges.**

<Services to support customers in implementing GX-related equipment>



Infrared mold heater

- Promote the electrification of customer production processes by utilizing electric heating technologies to shift **from gas-based heat sources**



Industrial infrared heater

- Offer consulting and **equipment services for the introduction of electric heat sources**—such as **heat pump air conditioning systems** and infrared heaters—to help reduce environmental impact

Convenient and affordable services for households

- Chubu Electric Power Miraiz **has revamped** its member website, **KatEne**, for households, and also offers **the official KatEne app** and the household banking service, **KatEne Bank.**

カテナBANK

- When electricity and gas bills from Chubu Electric Power Miraiz are paid via KatEne Bank, KatEne points are received based on the usage of the banking services!

*Chubu Electric Power Miraiz is a bank agent affiliated with SBI Sumishin Net Bank.

For details on the conditions, rebate rates, and calculation methods for points, please visit the [website](#).

Energy saving

Solutions such as energy saving support, energy source conversion

- ✓ Propose optimal energy solutions for households through services such as the **MiraizShop**
- ✓ **Installed an 1,800 kW NAS battery** at NIPPON TREX—one of the largest installations in the Chubu region

Energy creation

Contributing to "additionality" of new renewable energy

- ✓ **Meet customer demand for dedicated renewable energy sources*** (expand off-site PPA sales) *Including the expansion of Aoyama Wind Farm and the Abekawa Hydroelectric Power Station

Greening

Contribute to customers' decarbonization efforts

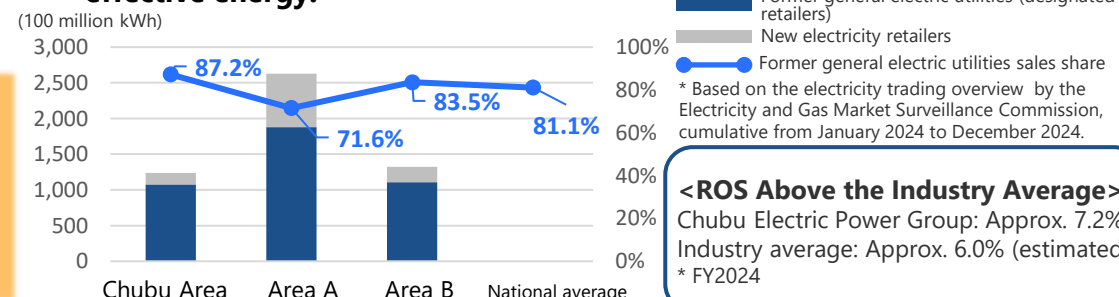
- ✓ Established **Miraiz ENECHANGE** to expand EV charging services
- ✓ Expanded sales of **Green Electricity (hydroelectric power)**

Green Electricity sales results



Sales Volume by Area and Market Share*

- We aim to remain the number one choice for customers **by maintaining a profit margin (ROS) above the industry average and consistently delivering cost-effective energy.**

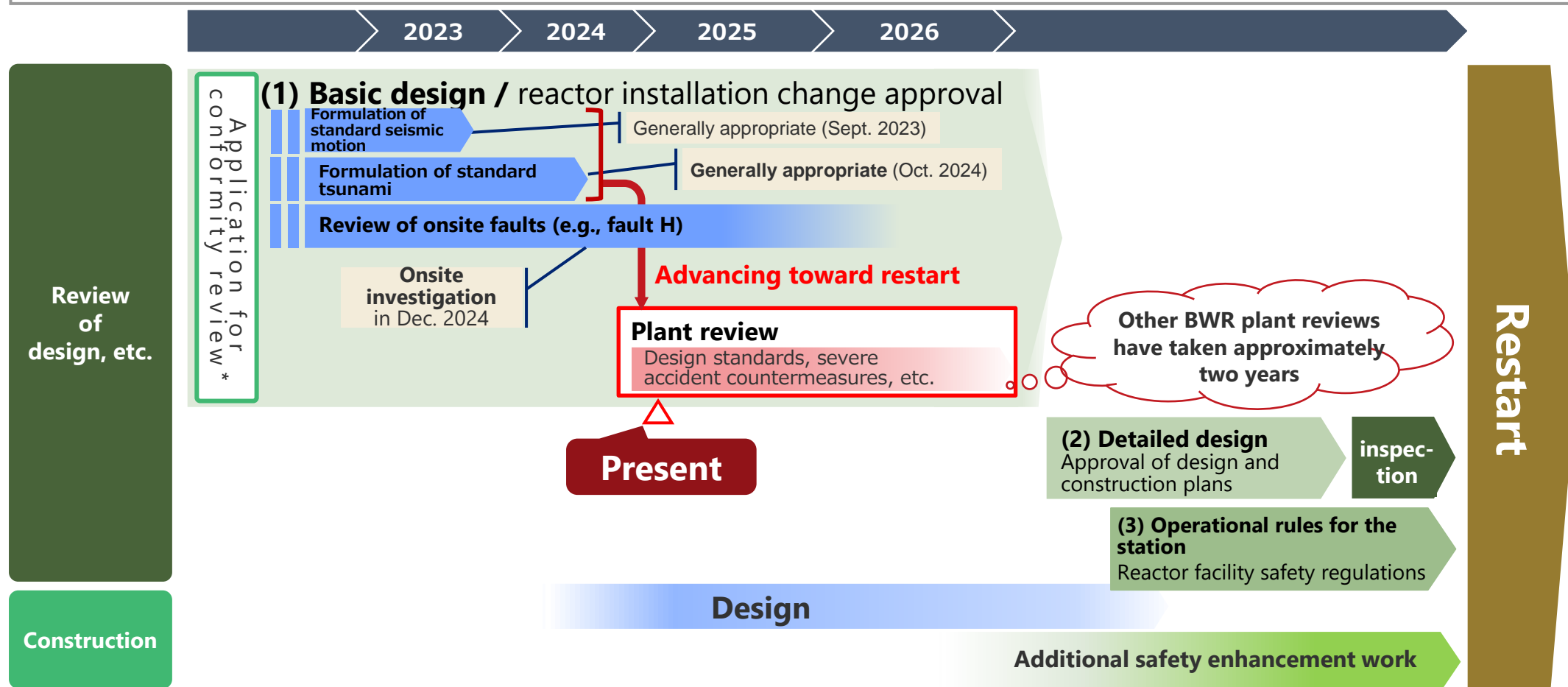


<ROS Above the Industry Average>

Chubu Electric Power Group: Approx. 7.2%
Industry average: Approx. 6.0% (estimated)
* FY2024

Initiatives for Restarting the Hamaoka Nuclear Power Station

- The Hamaoka Nuclear Power Station is undergoing inspection by the Nuclear Regulation Authority for compliance with new regulatory standards. Following **the standard seismic motion** was deemed generally appropriate in **September 2023**, **the standard tsunami assessment in October 2024**. As a result, **the review progressed to the plant examination phase in December 2024**. We are now **working to demonstrate compliance during ongoing inspections**, aiming to obtain approval for the reactor installation change as soon as possible.
- We will continue to provide careful and thorough explanations to deepen understanding among local communities and society at large.



* Application for unit 4 submitted on Feb. 14, 2014;
Application for unit 3 submitted on June 16, 2015.

Support and Monitoring of JERA to Enhance Corporate Value

- As a shareholder of JERA, we aim to **enhance the corporate value of both JERA and the Chubu Electric Power Group.**

JERA business goals

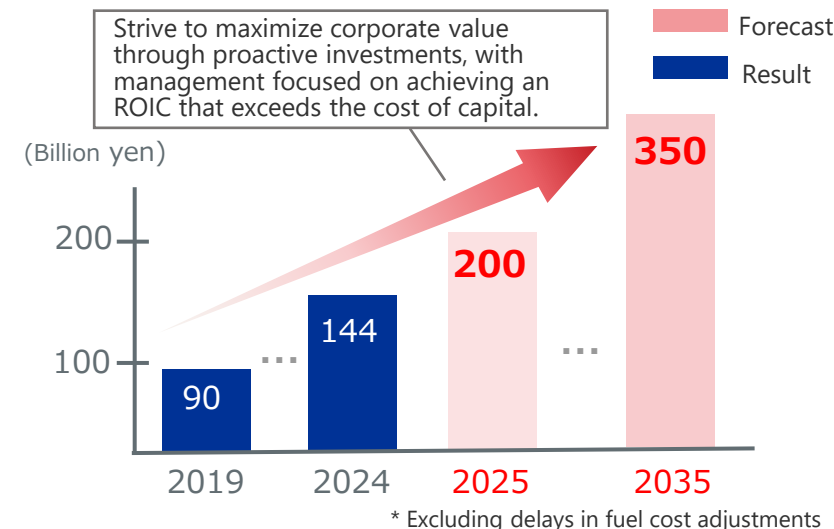
April 2019

- Set a target of **200 billion yen in consolidated net profit for FY2025 (equivalent to a 4.5% ROIC)** and implemented various initiatives such as maximizing synergy effects and strengthening the revenue base.

May 2024

- In its **growth strategy** announced in May 2024 for achieving its **2035 vision**, JERA set a plan to invest a total of **5 trillion yen** in three strategic business areas—LNG, renewables, and hydrogen & ammonia—and presented a **target of 350 billion yen in consolidated net profit (with a ROIC-WACC spread of 150bps or more)**.

Consolidated Net Profit



Management-Level Monitoring (Ongoing)

- As a **shareholder**, we provide **appropriate support and oversight** to JERA to help it achieve autonomous management and the sustainable, steady improvement of its corporate value.
- Through **regular management-level dialogues and quarterly monitoring of JERA's activities**, we ensure that the company **effectively addresses management challenges and business opportunities**, taking into account the external environment. We also **manage risks appropriately across its various businesses (business development, optimization*, O&M, etc.)**.

Balancing Stable Supply and Decarbonization (Ongoing)

- Monitoring is conducted on the impact of policy trends related to low-carbon fuels (LCF)** and the corresponding responses in JERA's business plans and supply-demand operations.

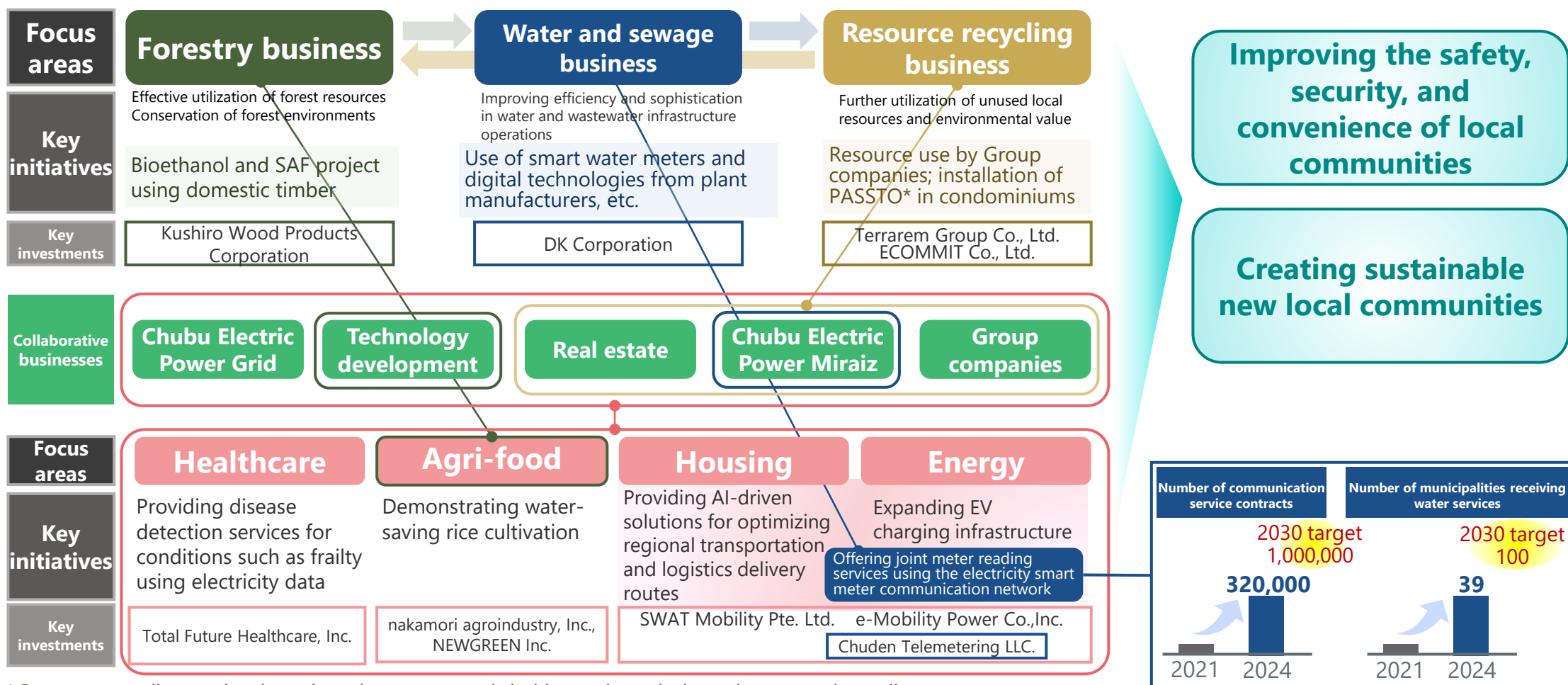
Achieved **20% fuel conversion to ammonia** in a demonstration test at the **Hekinan Thermal Power Station** (April 2024).

Signed an **EPC contract with Toshiba Energy Systems & Solutions, Toshiba Plant Systems & Services, and TAISEI CORPORATION** for the **Chita Thermal Power Station** (February 2025).

* Optimization includes optimized trading in the LNG, coal and transportation markets through asset backed trading.

Key Initiatives for Solving Regional Issues

- As a utility provider, we leverage our strengths, including our long-established expertise in infrastructure management and strong customer connections, while utilizing digital technologies to **promote regional infrastructure projects** such as **forestry, water supply and wastewater, and resource recycling**. We also **focus on service development in areas such as healthcare, food and agriculture, housing, and energy**.
- We aim to **create sustainable new local communities by improving safety, security, and convenience through optimized infrastructure development and operations, and by creating services that enhance living standards, revitalize industries, and support decarbonization efforts**.



* Resource recycling service that reintroduces unwanted clothing and goods through reuse and recycling.

Regional Revitalization through Real Estate Business

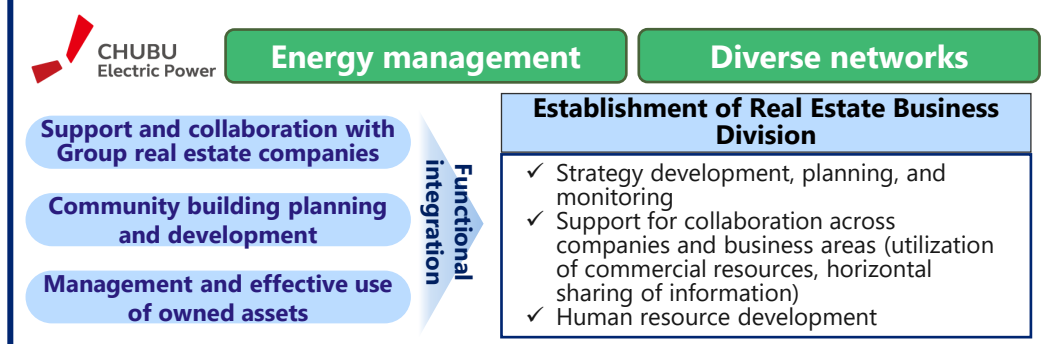
- We go beyond supporting the operations and joint projects of Chuden Real Estate and ES-CON JAPAN, promoting **community building in harmony with the region that evolves with the times and environment** by integrating **services** such as energy management with **added-value features** that enhance **safety, security, comfort, and convenience**.

Establishment of Real Estate Business Division (April 2025)

Addressing regional issues × Community building × Enhancing corporate value

Providing unique added value through energy, a strength of the Chubu Electric Power Group

Promoting community building through Group co-creation



Strengthening collaboration and personnel exchange with Group real estate companies

Real estate development expertise



- ✓ Further growth of core businesses
- ✓ Stabilization of revenue structure
- ✓ Business expansion centered on Japan's five major metropolitan areas

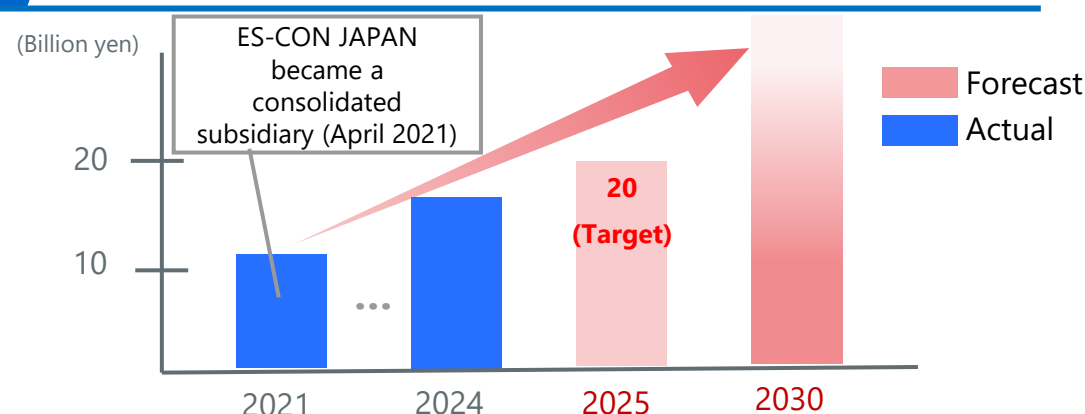
Strengthening collaboration

Utilization of Group-owned assets



- ✓ Expansion of rental business income
- ✓ Development projects on former dormitory and company housing sites

Profit Outlook (¥20 billion in FY2025)



Key achievements during 4-Year Medium-term Management Plan

Community building

Chuden Real Estate

- iiNETown Mizuho (Opened: April 2024)
Condominium units (135), commercial facilities (19)
- i-VILLAGE Jinryo (Opened: April 2025)
Residential lots (86), commercial facilities (9), etc.



ES-CON JAPAN

- HOKKAIDO BALLPARK F VILLAGE / Kitahiroshima station-front development (Phased completion/opened from February 2023)
Condominium units (118), commercial facilities (26), etc.
- Land acquisition for a large-scale development project in Aichi Prefecture



Joint projects

- TSUNAGU GARDEN Senrifujishirodai (Opened: November 2023)
Condominium units (642), commercial facilities (5), and three other sites

Synergy effects

- Improvement in ES-CON JAPAN's revenue CAGR* • Improvement P/B ratio

*Compound Annual Growth Rate

Achieving a Decarbonized Society through Global Business

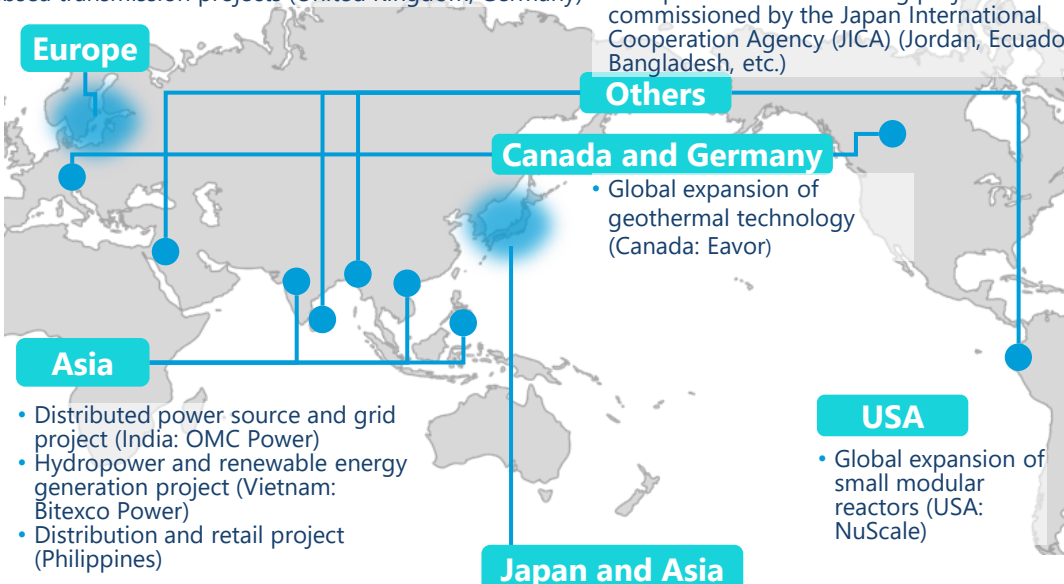
- We will **continue investments focused on decarbonization, primarily in Europe and Asia, to strengthen our revenue base and expand profits.**
- **Eneco is positioned as a strategic platform in Europe, and we are expanding growth areas** such as renewable energy, retail, and new services.

Toward becoming a carbon-free energy company mainly in Europe and Asia

- **We aim to** deepen relationships with partner companies and **grow through decarbonization-related investments, targeting a profit contribution of approximately 20 billion yen by FY2030.**

- Offshore wind, hydrogen projects, etc. (Netherlands: Eneco)
- Subsea transmission projects (United Kingdom, Germany)

- Multiple overseas consulting projects commissioned by the Japan International Cooperation Agency (JICA) (Jordan, Ecuador, Bangladesh, etc.)



Japan and Asia

• Nagoya Port CCUS Project

- Considering a CCUS project that targets power plants and steel mills located around the Port of Nagoya*, where CO₂ will be captured and separated before being stored or utilized, primarily overseas.
- Signed agreements with BP, Santos, and INPEX to build a CCS value chain.

* Port of Nagoya, Japan's largest in terms of cargo handling, emits approximately 30 million tons of CO₂ annually, accounting for 3% of Japan's total CO₂ emissions.

Expansion of comprehensive energy business through Eneco

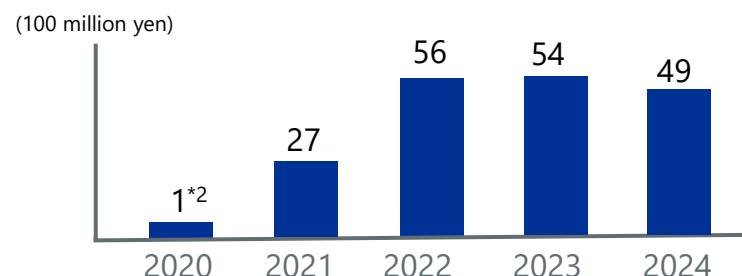
- In March 2020, we acquired a 20% stake in Eneco.
- Eneco has announced **its goal to achieve net-zero greenhouse gas emissions by 2035** and is actively expanding its business. As a shareholder, we will support this initiative and also leverage Eneco's efforts domestically **to create synergies toward achieving our "Zero Emissions Challenge 2050."**

Examples of synergies with Eneco

We have dispatched a total of three employees—one each from the management, technical, and sales departments.

- Provided O&M expertise to improve the energy efficiency of Eneco's facilities.
- Proposed sustainability initiatives to Japanese companies in Europe and promoted the adoption of heat pumps by leveraging the experience and know-how of Chubu Electric Power Miraiz.

Stable Profit Contribution from Eneco*1



*1 Impact on our consolidated financial results (converted from EUR to JPY)

*2 Impact from the reversal of the corporate tax rate reduction in the Netherlands (December 2020)

Strengthening the Management Foundation (Human Capital Management and DX Initiatives)

- By working as a unified Group to strengthen the management foundation, we will **contribute to the sustainable development of local communities and society.**

Promote Human Capital Management Aligned with Business Strategy

- Advance human capital management by creating an environment where diverse human resources can take active roles and by providing opportunities and support for employees who take on the challenge of self-transformation

<Achieve business strategy (corporate philosophy and vision)>

Contribute to the sustainable development of local communities and society

Attainment of our
unchanging mission



Creation of new value

Achieve simultaneously

Encourage a proactive willingness to contribute to
the realization of our Management Vision 2.0

<Goals of Human Capital =Strategy>

Creating an
environment where
diverse human
resources can take
active roles

◆ Safety culture – safe workplace environment

- Number of fatal accidents: 0

◆ Health and productivity management – a healthy and vibrant work environment

- Health and vitality score: 97.5% or higher · Sick leave rate: below 0.840%

◆ DE&I – fostering an inclusive culture

- Women in management positions: 3 times the FY2014 level · Male childcare leave uptake rate^{*1}: 100% etc.

◆ Workstyle – promoting flexible working

- Telework and Minus Flex utilization rate^{*2}: 100%

◆ Chance

- Number of internal job postings: 300 positions, etc.

◆ Challenge

- Engagement survey^{*3}: "A" rating

◆ Change

- Percentage of mid-career hires among new recruits: 20%

	FY2022	FY2024
Per-person training cost	¥120,000	¥149,000
Per-person training hours	22 hours	25 hours

^{*1}: Percentage of employees taking maternity leave and childcare-related leave

^{*2}: A working style where the flex time adjustment is negative for a day, and the freed-up time is used for enriching personal life

^{*3}: Measured by the engagement survey provided by Link and Motivation Inc.

DX Initiatives

● Transforming customer services

Enhancing service value and delivering new value from the customer's perspective

Consideration of Services for Solving Regional and Societal Issues	Conducting verification using real services, digital services, and infrastructure data to address regional issues in the Kuwana City area
Building System Infrastructure for Simultaneous Achievement of GX/DX	Creating an energy management system to optimize energy use and achieve optimal operation of renewable energy

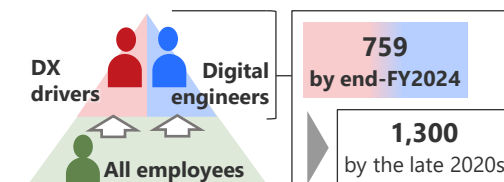
● Transformation of operations

Achieving autonomous workstyles and enhancing work-life balance through digital technologies

Developed AI for hydropower planning	A system was built to formulate optimal power generation plans by combining multiple AIs, including inflow prediction to dams and optimization calculations
Company-wide deployment of generative AI	Generative AI tailored for the Chubu Electric Power Group is made available to all employees, facilitating equipment design support and improving operational efficiency
Expansion and promotion of Common IT infrastructure	Various DX services, including generative AI and management indirect business packages, will be deployed in stages.

● Development of DX talent

Aiming to **expand the number of DX professionals significantly** by the late 2020s, we are rolling out a development plan to ensure all employees understand the necessity of embracing DX and organizational culture transformation, using digital technologies to enhance and streamline operations.



Strengthening Governance / Investment in Toshiba Corporation

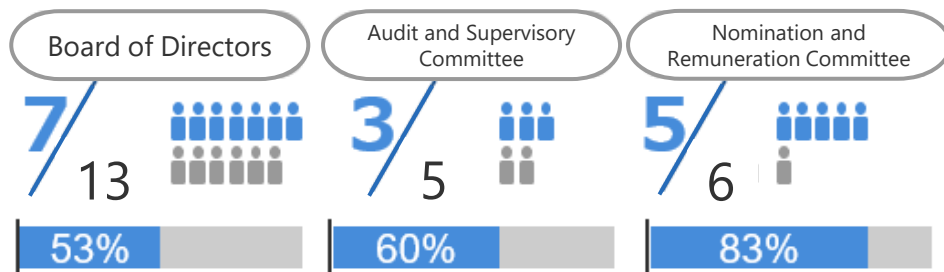
Transition to a company with an Audit and Supervisory Committee

- The transition has **strengthened the Board of Directors' focused reviews on management policies and formulation of strategies, as well as the function of supervising business execution.**
- By implementing improvements such as **further delegation of authority** to the executive side and **introducing evaluations of the Board of Directors' effectiveness by third-party organizations**, we aim to **further deepen the separation between execution and oversight** and continuously enhance corporate governance.

Board of Directors Agenda (Key Discussion Topics for FY2024)

- | | |
|---|---|
| <ul style="list-style-type: none"> Matters for resolution at the General Meeting of Shareholders Executive appointments Approval of financial statements | <ul style="list-style-type: none"> Formulation of Chubu Electric Group's business plan Investment in decarbonization-related projects Revision of corporate philosophy |
|---|---|

Ratio of external directors on key bodies (as of March 2025)



Number of meetings held (FY2024)

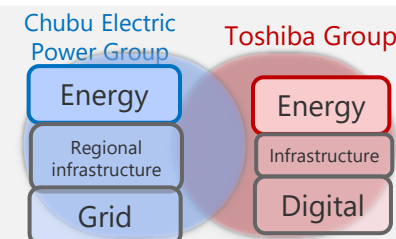
Board of Directors: 18	Board of Auditors: 8 Audit and Supervisory Committee: 15	Nomination and Remuneration Committee: 12
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Investment in Toshiba Corporation to Enhance Corporate Value

- This investment is aimed at generating appropriate returns and **promoting the sustainable development of the energy and infrastructure sectors, which are key to the foundation of the Chubu Electric Power Group.**
- Toshiba's energy system solution business aligns well with our own^{*1}**, and we believe that expanding into infrastructure system solution business and digital solution business will provide **new business opportunities and strengthen our competitive edge** as we expand our business domains under Management Vision 2.0. We are continuing **discussions with Toshiba through our respective administrative offices.**

Collaboration and Partnership

- We are currently in discussions with Toshiba and JIP regarding future collaboration and partnership opportunities aimed at enhancing the corporate value of both Toshiba and Chubu Electric Power.



Management Structure

- Toshiba decided on a new management structure on December 22, 2023.
- As an energy business expert, we have appointed one director and are supporting Toshiba's efforts to enhance its corporate value^{*2} from the position of a limited liability partner

*1: [Reference] Previous collaborations with Toshiba (Past initiatives not related to investment)

- Toshiba and our businesses have a strong synergy, with several successful collaborations to date.
 - (1) Nuclear: Design and construction of reactors for Hamaoka Units 1-5
 - (2) Thermal (JERA): EPC for Goi and Chita replacement projects
 - (3) Renewable Energy: Delivery of hydroelectric power equipment and domestic manufacturing of offshore wind turbines (GE)
 - (4) Transmission and distribution (Chubu Electric Power Grid): Supply of substation equipment and grid control systems
 - (5) **Technology development: Technology demonstration of rock heat storage**

FY2024 initiative

*2: Toshiba's Revitalization Plan, announced on May 16, 2024, sets such targets as a 10% ROS in FY2026

Reference: Public input from Operators on System Design

- We gather necessary information on energy policy and reviews of the electricity business system and **proactively share our views as an operator responsible for stable supply—through national councils and other forums**—on matters such as system designs that further promote the renewal of aging facilities (including power sources and transmission and substation equipment). In doing so, **we aim to contribute to the development of better system designs.**

Providing public input on national energy policies

- We actively participate in discussions on energy policy and related topics through various councils and committees, engaging proactively to contribute to better system design.

Hosts	Committees and meetings
Ministry of Economy, Trade and Industry	<ul style="list-style-type: none"> Working group on system review Expert meeting on system design and monitoring Expert meeting on pricing systems, etc.
Organization for Cross-regional Coordination of Transmission Operators, JAPAN	<ul style="list-style-type: none"> Wide-area network development committee Study group on future electricity supply and demand scenarios
Japan Electric Power Exchange	<ul style="list-style-type: none"> Operating committee Study group on the system and framework of indirect transmission rights

【Examples of key public input in FY2024】
Reduction in capacity procurement costs, including the exclusive contract for pumped storage plant operating rights

- ✓ In FY2024, the complete market-based procurement of balancing power began, resulting in a temporary surge in procurement costs due to high market prices.
- ✓ **As part of Chubu Electric Power Grid's unique efforts, including a discretionary contract for operating rights of some pumped storage plants, management successfully reduced procurement costs below the planned target**
- ✓ This initiative has been **praised for its creativity and innovation at the expert meeting on system design and monitoring** and has been **expanded to other regional general transmission and distribution operators**, contributing to the reduction of delivery charges.



Cross-industry and international opinion sharing

- Strengthening the sharing of opinions through participation in the GX (Green Transformation)

Hosts	Bodies
Cabinet Secretariat	<ul style="list-style-type: none"> GX Implementation Council
International conferences	<ul style="list-style-type: none"> World Energy Congress (Netherlands) International Utilities and Energy Conference(Portugal) CIGRE, etc.
Academia	<ul style="list-style-type: none"> Corporate programs at Columbia University and the University of Oxford Dispatching researchers to University of California, Berkeley

Reference: Response to ESG Rating Agencies

- As of April 2025, the Chubu Electric Power Group is included in the following four indices adopted by the Government Pension Investment Fund (GPIF).

Stock price index	Details	Logo
MSCI Japan Empowering Women Index (WIN)	Index constructed by MSCI by calculating various gender diversity scores based on data related to women's employment disclosed under the Act on the Promotion of Women's Active Engagement in Professional Life, and selecting outstanding companies within each industry from among the components of the MSCI Japan IMI Top 500 Index.	2024 CONSTITUENT MSCI日本株女性活躍指数 (WIN)
S&P/JPX Carbon Efficient Index	Index that determines component weighting based on disclosure of environmental information and the level of carbon efficiency (carbon emissions per unit of net sales), using TOPIX—a representative stock price index indicating trends in the Japanese market—as its universe.	S&P/JPX カーボン エフィシエント 指数
FTSE Blossom Japan Sector Relative Index	Selective ESG composite index that screens components based on assessments of environmental impact and companies' management of climate change risks, in addition to the ESG evaluation by FTSE Russell.	 FTSE Blossom Japan Sector Relative Index
Morningstar Japan ex-REIT Gender Diversity Tilt Index	Index evaluated from four perspectives: gender balance of management and employees; equality of compensation and work-life balance; corporate policy; and commitment, transparency, and accountability.	 MORNINGSTAR GenDi J Japan ex-REIT Gender Diversity Tilt Index TOP CONSTITUENT 2024

(Reference) Overview of evaluation results

- By promoting initiatives emphasized by disclosure frameworks (such as TNFD) and enhancing disclosure with reference to best practices of leading domestic companies, overall **evaluations by all three rating agencies (DJSI, MSCI, FTSE) have improved recently**. We will continue working to further strengthen ESG activities.

Rating agency	DJSI			MSCI			FTSE		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Overall score	30	53	56	5.7	5.8	6.3	2.8	3.1	3.6

