



Chubu Electric Power will contribute to the sustainable development of local communities and society by providing safe, affordable, and stable energy that considers the global environment and by creating new value that enriches the lives of our customers.

President & Director

Hayashi Kingo

PROFILE

Hayashi Kingo, President & Director

Born in 1961 in Mie Prefecture. Hayashi Kingo earned a bachelor's degree in legal study from Kyoto University and joined Chubu Electric Power in 1984. Before Hayashi was appointed director in 2018, holding the position of Director & Senior Managing Executive Officer, President of Customer Service & Sales Company, he served as General Manager of Market Research Group and General Manager of Sales Planning Group of the Sales Division, Sales Manager of the Nagano Regional Office, General Manager of Business Strategy Group of the Corporate Planning & Strategy Division, General Manager of the Customer Services Division, and General Manager of the Tokyo Office. He has been in his present position since April 2020.





1 Progress of Medium-term Management Plan: Results and Issues

FY2022 was a year of tremendous volatility that began amid an uncertain outlook owing to soaring fuel procurement costs due in part to the crisis in Ukraine, and there were even expectations of temporarily operating in the red for the interim period. Our business goal in FY2022 was to quickly attain our original consolidated ordinary income recovery target of 150 billion yen, which was set under our Medium-term Management Plan, from the level recorded in FY2021, when we posted a loss including a time-lag loss. In FY2022, Chubu Electric Power recorded consolidated ordinary income excluding a time lag of 156 billion yen. I believe we achieved these solid results thanks to the capabilities acquired by taking appropriate measures such as risk hedging to counter the highly volatile business environment.

Particularly noteworthy, Chubu Electric Power leveraged its model that splits off power generation and sales, which is a distinctive feature of the Group. The three companies comprising this model, namely JERA, Chubu Electric Power Miraiz, and Chubu Electric Power Grid, deployed the Group's strengths by interfacing with customers and markets, perceptively identifying their needs, and flexibly reflecting these needs in an assortment of measures.

Chubu Electric Power also made further strides in enhancing management efficiency by undertaking Company-wide DX (Digital Transformation) and promoting Kaizen (improvement) activities, which also contributed to our business results in FY2022. Launched in 2017, Kaizen activities have generated numerous

achievements and enabled cumulative cost reductions of 16 billion yen.

P33 Promotion of DX

P34 Promotion of Kaizen Activities

Meanwhile, even though our new growth areas are still in the developmental stage, we are nonetheless ambitiously pushing ahead with an assortment of concrete initiatives. These include executing M&A, concluding an agreement with British energy major bp plc for decarbonization, and participating in the resource recycling business.

I expect that extreme volatility in resource prices will persist in FY2023. To provide safe, affordable, and stable energy, Chubu Electric Power will promote the sophistication of its risk management that utilizes the strengths of its model that splits off power generation and sales.

In providing new value such as decarbonization and services that enrich the lives of customers, Chubu Electric Power will proceed with M&A through strategic investment while quickly securing profits and expanding and enhancing its services.

On a different note, Chubu Electric Power sincerely apologizes for any concerns it caused customers, shareholders, community residents, business partners and other stakeholders due to such incidents as the inappropriate handling of customer information involving the leakage of information obtained through its wheeling business as well as a surcharged payment order by the Japan Fair Trade Commission for a violation of the Antimonopoly Act. Mindful that the trust of our customers and society forms the bedrock of our business operations, I along with the other members of the management team will

take the lead and continue our unceasing efforts to ensure thoroughgoing compliance.

P15 Aiming for a Higher Level of Social Trust

2 Completion of a Group-wide System for Providing Safe, Affordable, and Stable Energy

Strengthening the Resilience of the Electric Power Value Chain

Recent years have witnessed dramatic changes in Chubu Electric Power's operating environment that include the intensification of natural disasters and extreme volatility of resource prices. These changes underscore the growing importance of providing safe, affordable and stable energy. I believe that reliably securing fuel and responding to fuel price volatility are also key issues in view of the recent fierce international competition to secure energy.

P30 Providing Safe, Affordable and Stable Energy

In response to these issues, JERA has devised an energy procurement portfolio while JERA Global Markets Pte. Ltd. (JERAGM), which operates one of the world's largest LNG trading and transportation businesses, is developing unique risk hedging strategies by combining sophisticated trading technologies with its global-scale global portfolio.

Responding to power procurement risk is also a crucial task for Chubu Electric Power Miraiz. To counter the large swings in energy prices, Chubu Electric Power Miraiz is considering hedging methods such as flexibly adjusting the procurement ratio of power purchase contracts with the Japan Electric Power Exchange (JEPX) and with power producers through



bilateral contracts. At the same time, Chubu Electric Power Miraiz is promoting new initiatives such as market-linked pricing plans and providing demand-response services such as NACHARGE.

In FY2023, we will implement measures to lessen cost burdens on our customers based on improved profitability resulting from management efforts such as strengthening our market responsiveness in the manner I have described. As a company that continuously grows together with its customers and society, Chubu Electric Power will continue to implement measures in response to changes in the business environment to reduce the burden on its customers to the greatest degree possible.

P52 Implementation of measures for reducing electricity cost burden and supporting daily life

Frontline Worksites and Trust that We Value

Our Management Vision can be achieved only through the activities and efforts of each and every employee at frontline worksites. Chubu Electric Power currently faces a host of issues



that include soaring prices in the wholesale power trading market and compliance. Even before assuming the duties of President, I worked to promote face-to-face dialogue with frontline employees at worksites to share their thoughts while also communicating the ideas of top management. In doing so, I have visited nearly 200 business sites over the course of six months from December 2022 and held repeated dialogues with on-site employees.

P66 Stakeholder Engagement

Visiting worksites to actually engage in dialogue with employees has reaffirmed my awareness of how just hard everybody is working to “fulfill our unchanging mission.” As natural disasters intensify, we must improve resilience by sophisticating our networks while safely restoring operations as quickly as possible whenever a disaster strikes. To assure stable supplies of electricity, frontline employees of Chubu Electric Power Grid and other Group companies meticulously maintain and inspect power transmission and distribution facilities regardless of weather conditions. Such dedicated efforts enable Chubu Electric Power to reliably provide electricity to its customers day-in, day-out. I believe performing these tasks naturally expected of us as a matter of course is of utmost importance. I conveyed this to employees at workplaces as well.

When I visited business sites, I heard that we received harsh feedback as well as warm words of support and gratitude received from customers. This once again keenly reaffirmed my recognition that Chubu Electric Power can gain the understanding of customers and society only because frontline employees are fulfilling our

mission. At every worksite I visited, numerous employees told me, “We will firmly safeguard the trust of our customers.” I will continue to hold such dialogues at business sites.

3 Toward the Realization of the Society We Envision

In Our Management Vision 2.0, which was formulated in November 2021, we have set a consolidated ordinary profit target of 250 billion yen or more as a quantitative goal for 2030 that we established by backcasting from the Society We Envision in 2050. Additionally, we aim to achieve our unchanging mission and create new value so that the proportion of profits generated in the domestic energy business and new growth fields is evenly balanced at 1:1 in our profit portfolio. In working toward attaining these business targets, with the energy business serving as a core domain, the Chubu Electric Power Group is undertaking a variety of businesses and promoting initiatives utilizing the total capabilities of the entire group. Along with achieving these management targets, a key initiative is to contribute to building a decarbonized society. Specifically, Chubu Electric Power aims to achieve its target of net-zero CO₂ emissions for its entire business by 2050 as set forth in the Zero Emissions Challenge 2050. To do so, we have established the intermediate target of reducing CO₂ emissions derived from electricity sold to customers by 50% or more in 2030 compared with FY2013 and we are promoting initiatives to attain this target.

P23 Chubu Electric Power Group Management Vision 2.0

P37 TCFD



Thermal power is also important from the perspective of assuring an overall stable supply of energy. At the same time, curbing CO₂ emissions is also crucial. Achieving this dual imperative requires technological innovation. With this in mind, we will first proceed with shutting down all inefficient coal power plants at JERA by 2030. On top of this, from FY 2023 we will undertake demonstration testing for ammonia co-firing at a 20% rate with coal power at the Hekinan Thermal Power Station. We plan to conduct demonstration tests for hydrogen co-firing in the 2020s and start commercial operation in the 2030s.

P57 JERA

Chubu Electric Power is also focusing on renewable energy. We have set a target of increasing output of renewable energy to 3,200 MW or more by around 2030 compared with the end of FY2017 and have decided to develop 740MW of renewable energy by the end of March 2023. We are also devoting efforts to offshore wind power. Group company C-TECH CORPORATION, together with Mitsubishi Corporation, was the first in Japan to be selected as a power plant operator with three fixed-base type offshore wind farm locations in general waters. We aim to start operations by 2030.

P47 Renewable Energy Business

I also believe that restarting operation at the Hamaoka Nuclear Power Station as quickly as possible is essential from the perspectives of realizing carbon neutrality, attaining energy security, and stabilizing electricity rates. As we move toward this goal, we will first make our utmost efforts to confirm the standard seismic ground motion and standard tsunami height at

the Hamaoka Nuclear Power Station.

P43 Toward Improving the Safety and Reliability of the Hamaoka Nuclear Power Station

As part of global decarbonization efforts, in March 2020 Chubu Electric Power invested in Eneco and is actively promoting offshore wind power development in Europe through Eneco. We have also concluded an agreement with bp plc for decarbonization in Japan and the Asian region. As a first step, we are proceeding with technology considerations to realize CCUS (CO₂ collecting, utilization, and storage) at the Port of Nagoya and we are working together with

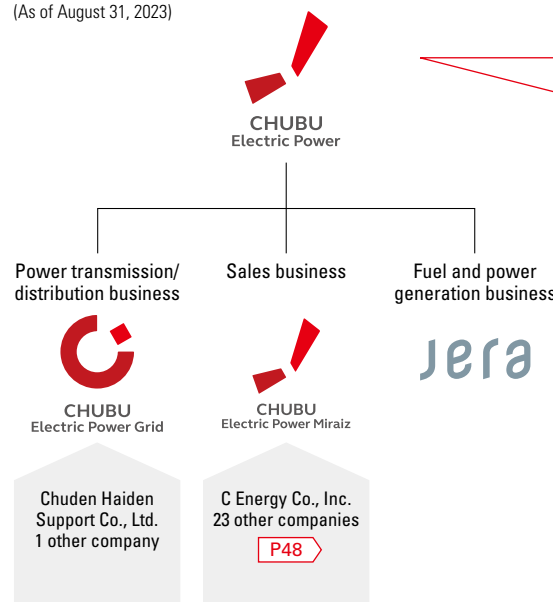
influential business partners in the Chubu region with an eye toward commencing operations around 2030.

P53 Global Business

Providing New Value to Customers and Society
Creating the new value that we seek transcends merely diversifying into non-energy businesses. Rather, this also involves creating new services by synergizing the energy business with a variety of other services. Customers seek brightness, peace of mind, and fun rather than just electricity alone. My primary goal is to create businesses that harness all of these in

Chubu Electric Power Group's main businesses and companies

(As of August 31, 2023)



| | | |
|---|--|------------|
| Community support infrastructure related business | Chuden Telemetering LLC. 6 other companies | P60 |
| Renewable energy business | Aichi Gamagori Biomass Power Generation LLC. 35 other companies | P47 |
| Global business | Bitexco Power Corporation 11 other companies | P54 |
| Real estate business | Chuden Real Estate Co., Ltd., ES-CON JAPAN Ltd. 16 other companies | P56 |
| Construction business | TOENEC CORPORATION Chubu Plant Service Co., Ltd. C-TECH CORPORA 7 other companies | P12 |
| Manufacturing business | CHUBU SEIKI Co., Ltd. AICHI ELECTRIC Co., Ltd. TOKAI CONCRETE INDUSTRIES Co., Ltd. 3 other companies | |
| Information and communication business | Chuden CTI Co., Ltd. Chubu Telecommunications Co., Inc. 3 other companies | P33 |
| Service business etc. | Chuden KuraBis Co.,Ltd. Chuden Auto Lease Co., Ltd. | P70 |
| | Techno Chubu Co., Ltd. Chuden Wing Co., Ltd. 9 other companies | P63 |



combination with energy to provide “services that enrich the lives of our customers.” Acting on this idea, Chubu Electric Power aims for growth as a company by contributing to resolving issues in local communities and we are utilizing our customer contact points, which is one of our strengths, and promoting commercialization of businesses such as medical care and monitoring. As a prime example, in April 2023 we started providing the “e-Frai Navi” frailty detection service for local municipalities in Mie and Nagano prefectures. In the future, we aim to provide services to local municipalities nationwide and increase revenues as we contribute to the development of a sustainable society together with residents of local communities.

P51 Chubu Electric Power Miraiz

P55 New Growth Fields

P60 Contribute to Solving Local Issues and Revitalizing Local Communities

To advance these initiatives, we will make strategic investments totaling 450 billion yen from FY2022 to FY2025 and total investments of 1 trillion yen from FY2021 to FY2030, mainly in global businesses and renewable energy businesses. Nonetheless, we will maintain our financial soundness even during this phase of expanded investments and undertake investments with an awareness of attaining ROIC of 3.0% or more in FY2025 as an indicator of efficiency we have set as a management target.

P25 CFO Message

4 Strengthen the Management Base to Promote the Realization of Vision 2.0

To simultaneously accomplish our unwavering mission and create new value, we must establish an environment encompassing safety and health where diverse human resources can play active roles. At the same time, human resources with an unprecedented level of skills are essential and finding ways to fill the gaps in terms of quality and quantity of human resources is crucial. With this in mind, in May 2023 we formulated the Human Resources Strategy to achieve these goals.

P31 Human Resources Strategy

To realize our Vision, we must also nurture essential human resources and as part of these efforts we have introduced an online learning service (Udemy Business) as an opportunity for employees to autonomously acquire new knowledge. Almost all Chubu Electric Power employees have registered for this service and their satisfaction level is high. This is reflected by such comments as, “This serves as an ideal tool for improving my business skills and I hope to rapidly improve my abilities.” We intend to further advance this initiative. At the same time, we will actively recruit external human resources to acquire human resources possessing advanced and specialized skills. To implement these strategies in concrete terms, we have set targets of 10% utilization rate for open recruitment for internal transfers in our personnel rotation system and 20% mid-career hire rate for all hires as well as improve engagement. By achieving this goal, we will transform our corporate culture by instilling inclusiveness and diverse ways of

thinking into each of our employees.

P64 Providing Opportunities and Support to Employees Who Meet the Challenge of Self-transformation

Promoting initiatives to ensure employee safety and health are top company management priorities while creating an environment where employees can work in an excellent state of physical and mental health is also of paramount importance. As a recent initiative, in FY2021 we introduced wearable terminals (Fitbit). Regarding this initiative, employees have told us “Chubu Electric Power has shown me its commitment to health and productivity management and this has given me a greater sense of trust” and “I really enjoy working on my health management.” Reflecting the success of these efforts, Chubu Electric Power earned high acclaim for these initiatives in FY2022. Specifically, we became a Health & Productivity Management Outstanding Organization 2023 (White 500) for the third year in a row, ranking 4th out of the 3,169 responding companies, and ranked first in the electricity and gas industry for the third consecutive year.

P62 Initiatives related to safety





Furthermore, we are promoting the diversification of executives and employees toward increasing corporate value. For example, Chubu Electric Power has set a target of more than tripling the number of female managers in FY2025 compared with FY2014 (103). As of the end of June 2023, we have increased the number of female managers to 258. In the future as well, we will further promote measures to diversify our human resources, such as by increasing the number of women in managerial positions, including executives.

P63 Initiatives for DE&I

Together with Human Resources Strategy, implementing thoroughgoing compliance is also a key initiative. As I explained at the outset of my message, several incidents occurred at Chubu Electric Power in FY2022. We recognize that customer trust is the cornerstone of all our businesses. Accordingly, we have set up an organization that includes external experts as members to verify these recent incidents, investigate the causes, and take countermeasures to ensure thorough compliance, and steadily promote various measures. Rather than relying on our own perspectives, I believe it is also important to make decisions and receive recommendations based on an outside perspective as well.

P15 Aiming for a Higher Level of Social Trust

5 Together with Stakeholders

The environment in the energy business remains uncertain in FY2023. Under such circumstances, our most important tasks will be to respond appropriately to changes in the environment and

to fulfill our unchanging mission. As we fulfill this mission, we will respond to customer needs through means such as taking steps to lessen the burden of electricity bills. Working hand-in-hand with diverse business partners, Chubu Electric Power aims for sustainable growth by providing new value to residents of local communities, customers, and society. We will also provide value to shareholders and investors by

realizing stable shareholder returns. To this end, we must further advance the transformation of our business model in FY2023. For this purpose, human resources are essential and so we will further improve the skills of existing employees and recruit new human resources as we strive to walk a path of steady growth together with our stakeholders.

Toward Providing Value Demanded by Stakeholders

