

## Message from the Executive in Charge of Accounting and Finance



**Toru Tanaka**  
Executive Vice President

### Aiming to achieve the goals set in the Medium-term Management Plan

When the Medium-term Management Plan (2021–2025) was formulated in 2021, we had to assume that electricity sales and the unit price of electricity would drop significantly. As such we decided to take on the challenge of pushing ahead with fundamentally reforming our business structure, achieving a system to operate all seven reactors in our nuclear power stations, and providing new value through diverse solutions—in other words, putting us on a growth path by 2025 to take a big step forward.

However, since then, “black swan” risks (unpredictable, severe events that only seem inevitable in hindsight) such as the conflict in Ukraine have reared their ugly heads. Needless to say, predicting the management environment in even a few months’ time continues to be difficult.

Despite this, if we base our calculations on certain assumptions—such as recent market trends—we can begin to see that we will reach each of the targets for fiscal 2021–2023 that we included in our Medium-term Management Plan. To reach the targets we have set for fiscal 2025, the final year of the plan, the most important thing will be for us all to work together to do all we can to advance our three initiatives of seeking to achieve zero-carbon emissions (EX), transforming into a service provider (VX), and building a robust corporate constitution (BX). Specifically, this will involve pressing forward with cost structure reforms that we can accomplish under our own steam, and maximizing our use of nuclear power, which is not easily affected by changes in prices for fossil fuels. Through reductions in our interest-bearing debt—which exceeded five trillion yen at the end of fiscal 2022—we will work to make our financial base sounder and at the same time balance proper investments that will lead to future growth. Adhering to a policy of stable dividends, we will meet our investors’ expectations.

### Responding to Tokyo Stock Exchange requests

We have taken requests from the Tokyo Stock Exchange (TSE) to aim to support management awareness of capital costs and share prices, as an opportunity to sort out as a company once again how the stock market sees us and to discuss this matter at a management level.

As far as we can tell from the current share price, we cannot in all honesty say that we are highly rated by the stock market. Pinning down the reasons for this is not easy, so we are currently working to analyze what investors expect of us, and what concerns or hopes they have.

In terms of creating plans to make improvements, rather than setting direct targets, such as increasing share price or PBR, we want to discuss about how we can achieve future growth, what financial strategies we should employ, and other topics. The other directors and officers also mentioned the importance of such an approach. Making incorporating stock market perspectives our default stance, we will further deepen our discussions and deliberations together with outside directors about accounting and financial matters, in response to the TSE requests. The topics include, for example, what our sustainable profit level should be, what capital structure is optimal, in what areas we should be concentrating resources, and what our shareholder return should be. I understand these are difficult topics, but we will work on them while continuing dialogue with investors.