

# POWER BOOK 2017

The Kansai Electric Power Co., Inc.  
Company Profile

*power with heart*

We wish to be a source of power for our  
customers and communities by serving  
them with sincerity and passion.



# Message from the President

Following the complete liberalization of the electricity retail market in 2016, the gas retail market was completely liberalized in April 2017. Competition in the energy business has become fiercer, and our corporate group is increasingly facing challenges in terms of business management.

Even during this age of intensifying competition, we believe that the trust we have received from all the people in the community, including our customers, continues to be a precious asset that is the foundation of our business.

In addition, each member of our group companies holds the belief that “we wish to be a source of power for our customers and communities by serving them with sincerity and passion” which is described in our corporate brand statement as “power with heart.” By making more and more efforts in line with this statement, all of our group corporations keep striving to become the choice of our current customers and our potential customers now and forever. We ask all of you to continue to provide your continued support and encouragement.



*Shigeki Iwane*  
Shigeki Iwane  
President and Director

## The Kansai Electric Power Group Philosophy System

### Management Philosophy

The key concept of the group that expresses our basic management aims and approach

By giving top priority to safety and fulfilling social responsibilities as the axis of business management and upholding our mission of “continuing to serve our customers and communities,” we at the Kansai Electric Power Group will realize a bright, affluent future and keep close relationship with our customers and communities into the future.

### Kansai Electric Power Group Vision

A vision of what we aim to be in the future that strategically supports the management philosophy

We will provide a wide range of safe, comfortable and convenient services from a viewpoint of our customers and business partners, and gain their trust to be selected as the best partner in everyday life and business so we keep growing at home and abroad while fulfilling our resolve to play expected role as Japan’s leading company in the energy sector.

### Guidelines for Action

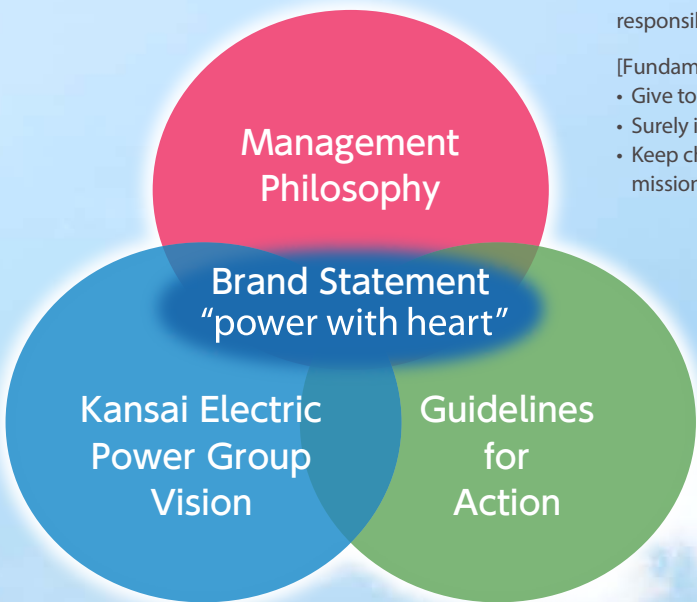
Guidelines that outline our basic approach and set the direction for our directors’ and employees’ actions, supporting pursuit of the management philosophy in both awareness and action

Based on the concept of valuing people, the Kansai Electric Power Group will contribute to sustainable development of communities through fair business activities.

Each one of our directors and employees will demonstrate a “sense of mission” and “spirit of challenge” which have been cultivated so far and give our best in our duties as a good member of society and also fulfill the following fundamental responsibilities.

[Fundamental Responsibilities]

- Give top priority to ensuring safety.
- Surely implement CSR.
- Keep changing to accomplish our abiding mission.



# Brand Statement

The Kansai Electric Power Group’s promise to its customers and communities

*power with heart*

### Meaning in the brand statement

The brand statement “power with heart” expresses our wish to be a source of power for our customers and communities by serving them with sincerity and passion.



# Business Domains

## Comprehensive energy business

As a result of the full liberalization of the retail market, we are entering an era of truly free competition, which includes the entry of businesses from other fields. At the same time, our business domains and areas are expanding because of liberalization. Taking these changes as opportunities, our corporate group will exercise our comprehensive capabilities and take on these challenges with new ideas in order to respond to the diversifying needs of our customers and other members of society.

### Electricity supply

Every customer has been able to choose among power companies freely since April 2016. Along with the full liberalization of the retail electricity market, we have positioned our corporate businesses into three categories—generation, transmission and distribution, and retail electric—that will continue to fulfill individual roles. In the power generation and retail electricity

businesses, we will continue to work to provide high-quality, inexpensive electricity to our customers using a well-balanced combination of energy sources, including power from nuclear, thermal and renewable energy sources. We will do this with an “S+3E” outlook that puts the assurance of safety (S) as our top priority and includes consideration of energy security, economy

and environmental conservation (3E). In order to assure stable supply from a neutral and fair stance, our transmission and distribution business will maintain the supply and demand balance for entire areas, construct and maintain transmission and distribution equipment and provide guaranteed service.\*

\* This service offered by ordinary transmission and distribution businesses is always provided for users who are unable to establish a supply contract with any retailer due to, for example, their withdrawal from the market.

Maintenance and preservation of distribution equipment

### Gas supply

Since 2000, we have started sales of city gas using the pipes of existing gas businesses and the sales of liquefied natural gas (LNG) using tanker trucks to factories, commercial facilities and similar customers. Since April 2017, along with the full liberalization of the gas retail market, we have been undertaking the sales of city gas to households, shop and

similar customers. Our company imports LNG from overseas and converts it from liquid form to gas in our facilities. Then, we deliver this gas to customers using the pipe networks of existing gas businesses and others. Even when compared to over 200 city gas businesses throughout the country, the quantity of our gas sales in recent years is at a scale

that is just behind industry leaders. Moreover, including for the electricity business, we are responsible for over 10% of the LNG procurement in Japan. In order to have customers choose our company, we will continue to work with all our abilities as a comprehensive energy business that supplies not only electricity but also gas.

Proposals and sales to customers



Maintenance and preservation of generation equipment



Maintenance and preservation of gas supply equipment



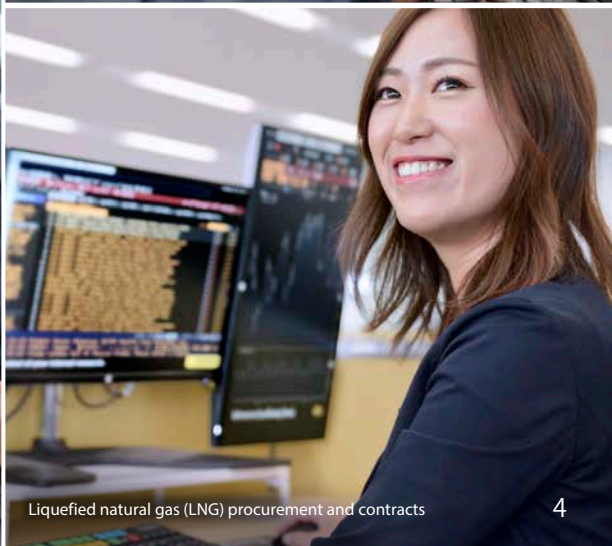
Liquefied natural gas (LNG) receiving operations



Receiving requests for electrical power work



Proposals and sales to customers



Liquefied natural gas (LNG) procurement and contracts



# Business Domains

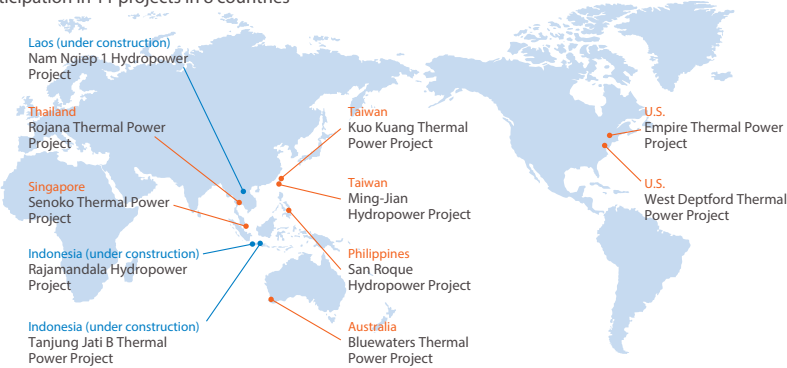
## International business

Utilizing the technical expertise, professional skills and know-how that we have enhanced and strengthened in the domestic power business, we have been working on overseas power generation projects (IPP businesses), overseas consulting, and international cooperation and contribution activities. With a focus on the electric power business, we are striving to earn more revenue and become a top-class independent power producer in Japan. In addition, we have been helping our partner countries develop their power infrastructure and mitigate environmental impacts in their countries.

### Overseas power generation

In 1998, we participated in an overseas power project as the first electric utility from Japan. Since then, we have been expanding our power business abroad in Asia, Australia and North America.

Participation in 11 projects in 8 countries



### Overseas consulting

For more than 20 years, intending to participate in future IPP projects, mostly in Asian countries, we have been undertaking overseas consulting, such as energy master plan development and power infrastructure advisory, by utilizing our technical expertise and advantages.

### International contribution and cooperation activities

We are actively conducting a wide range of international contribution and cooperation activities such as supporting sustainable development and capacity-building programs in developing nations\*, dispatching and receiving personnel based on information exchange agreements with overseas power companies and accepting foreign utility employees on various training programs.

\* Conducted by the Global Sustainable Electricity Partnership (GSEP), which is comprised of 10 electric power companies from eight countries, including our company

## Group businesses

We are conducting business in the fields of information and telecommunications, real estate and lifestyle, and group support. Our corporate group offers total solutions that combine our comprehensive energy supply businesses, which are focused on electricity and gas, with group services. We support customer lifestyles and businesses by offering a wide range of services that provide security, comfort and convenience from the customer perspective.

### Information and telecommunications (IT)

We offer a range of attractive services such as the “eo Hikari” FTTH service and the “mineo” mobile phone service. We continue to offer new services and value through collaborations with other companies and industries in order to meet consumer needs.



### Real estate / Lifestyle-related business

In addition to developing condominiums and other buildings that consider energy conservation and CO<sub>2</sub> reduction, we also offer a variety of services. Our services related to real estate include building operation and management, condominium management and hotel operation. We also offer home security, health care, caregiving and other lifestyle-related services that support security, comfort and convenience in the lifestyles of our customers.

### Group support business

We are supporting the foundations of safe and stable electricity supplies. In addition, we are utilizing the expertise and quality that we have cultivated in electric power businesses, including power generation, transmission and sales, along with our group management resources and knowledge, as we respond to the various needs of our customers in a broad range of fields. At the same time, we are seeking to expand new service areas and develop outside our previous domains.





The Business of Kansai Electric Power (KEPCO) in Figures

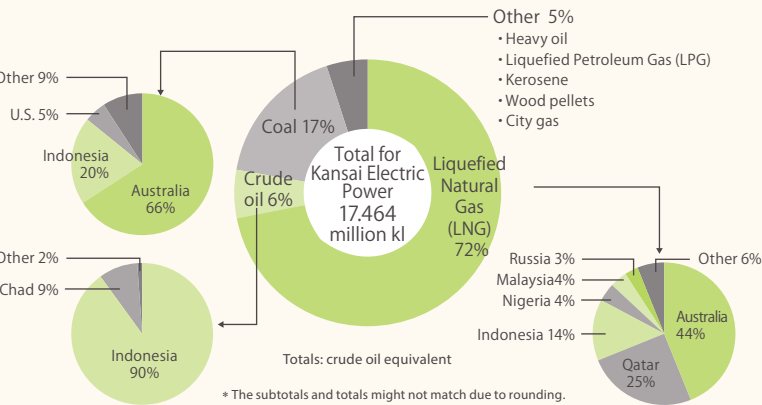
Comprehensive energy / Power transmission and distribution business

Fuel procurement

Number of procurement source countries:  
• Actual FY2016 figures

15 countries

Purchasing record of fuel for thermal power generation

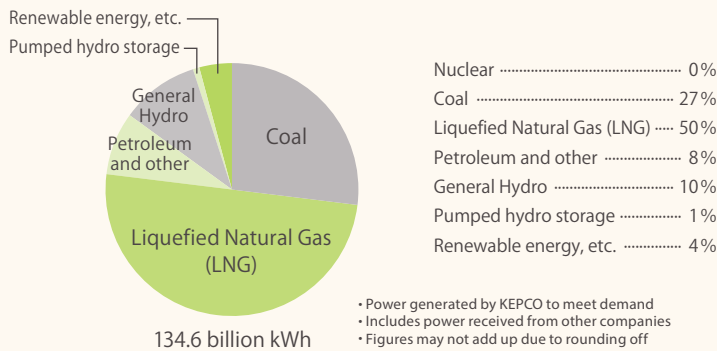


Power generation

Power sources:  
• Actual FY2016 figures

134.6 billion kWh

Composition of power sources (Power sources)



Capacity of power-generating facilities:  
• As of March 31, 2017

36.57 GW

Number of power-generating facilities:  
• As of March 31, 2017

170 facilities

Capacity of power-generating facilities (breakdown by power source)

Thermal	19.408 GW	(12 facilities)
Hydroelectric	8.226 GW	(152 facilities)
Nuclear	8.928 GW	(3 facilities)
Renewable energy	0.011 GW	(3 facilities)

• KEPCO power-generating facilities only  
• Figures may not add up due to rounding off

Transmission and distribution

Length of transmission lines (route length):  
• As of March 31, 2017

18,742 km

Length of distribution lines (route length):  
• As of March 31, 2017

131,758 km

Number of substations:  
• As of March 31, 2017  
• Includes distribution towers

1,592 facilities

Annual power outage time per household:  
• Actual FY2016 figures

About 5 minutes

Sales

Operating revenues:  
• Actual FY2016 figures

¥ 2,614.4 billion

Electricity sales volume:  
• Actual FY2016 figures

121.5 billion kWh

Gas sales volume:  
• Actual FY2016 figures  
• LNG equivalent (gas and LNG total)

710 thousand tonnes



International business

Overseas power generation:  
• As of March 31, 2017

8 countries 11 projects

Capacity of overseas power-generating facilities (KEPCO investment ratio):  
• As of March 31, 2017

2.22 GW

• Capacity of power-generating facilities (KEPCO investment ratio) at projects already in operation (8 projects): 1.53 GW

Breakdown:  
Thermal power: 1.84 GW  
Hydropower: 0.38 GW

Group businesses

Number of group companies:  
• As of May 31, 2017  
• Consolidated subsidiaries and affiliates accounted for by the equity method

70

External sales in group businesses:  
• Actual FY2016 figures

¥ 455.1 billion

# Corporate Information

Outline		(As of March 31, 2017)
Company name:	The Kansai Electric Power Company, Incorporated	
Head office:	3-6-16 Nakanoshima, Kita-ku, Osaka 530-8270, Japan	
Date of establishment:	May 1, 1951	
Paid-in capital:	¥489.3 billion	
Total assets:	¥5,834.9 billion (non-consolidated), ¥6,853.1 billion (consolidated)	
Number of common shares issued:	938,730 thousand	
Number of shareholders:	306,169	
Operating revenues:	¥2,614.4 billion (non-consolidated), ¥3,011.3 billion (consolidated)	
Electricity sales:	121.5 billion kWh	
Number of employees:	21,314 (registered)	

Directors and Auditors		(As of June 28, 2017)
Chairman and Director	Makoto Yagi*	
President and Director	Shigeki Iwane*	
Directors, Executive Vice Presidents	Hideki Toyomatsu* Jiro Kagawa* Yoshihiro Doi* Takashi Morimoto* Tomio Inoue*	
Directors, Managing Executive Officers	Yasushi Sugimoto Hidehiko Yukawa Tomihiko Oishi Yasuji Shimamoto	
Directors	Noriyuki Inoue** Takamune Okihara** Tetsuya Kobayashi**	
Audit & Supervisory Board Members	Yasuhiro Yashima Yasunari Tamura Yukishige Higuchi	
Outside Audit & Supervisory Board Members	Takaharu Dohi*** Hisako Makimura*** Tsutomu Toichi*** Fumio Otsubo***	

\* Indicates status as representative director  
\*\* Outside director  
\*\*\* Outside auditor

Executive Officers		(As of June 28, 2017)
Managing Executive Officers	Ikuo Morinaka Takao Matsumura Toyokazu Misono Masanori Kataoka Susumu Yamaji Nozomu Ushiro Koji Inada Yukio Tokimasa Takashi Fukuda Susumu Tsukiyama Yoshihide Hirota	

Note: Excludes those serving concurrently as directors and executive officers

Capacity of power-generating facilities				(As of March 31, 2017)
Thermal power	12 facilities	19.408	GW	
Hydropower	152 facilities	8.226	GW	
Nuclear power	3 facilities	8.928	GW	
Renewable energy	3 facilities	0.011	GW	
Total	170 facilities	36.573	GW	
* KEPCO power-generating facilities only				
* Figures may not add up due to rounding off				

Group companies		(Consolidated subsidiaries and affiliates accounted for by the equity method)	(As of May 31, 2017)
Consolidated subsidiaries 66 companies			
Comprehensive energy business (Gas and other energy)		International business	
Kanden Energy Solution Co., Inc.		KPIC Netherlands, B.V.	
SAKAI LNG Corp.		KPIC USA, LLC	
ECHIZEN ENELINE CO., INC.		One other company	
Aioi Bioenergy Corporation		Group support business, etc.	
Osaka Bioenergy Co., Ltd.		Kanden Engineering Corp.	
KANDEN GAS SUPPORT CO., INC.		NIHON NETWORK SUPPORT CO., LTD.	
KE Fuel International Co., Ltd.		Kanden Plant Corp.	
LNG EBISU Shipping Corporation		The Kurobe Gorge Railway Co., Ltd.	
LNG FUKUROKUJU Shipping Corporation		Institute of Nuclear Safety System, Inc.	
LNG JUROJIN Shipping Corporation		NEWJEC INC.	
LNG SAKURA Shipping Corporation		Kanden L-Heart Co., Inc.	
Kansai Electric Power Holdings Australia Pty. Ltd.		Kanden Power-Tech Corp.	
Kansai Electric Power Australia Pty. Ltd.		Kansai Electron Beam Co., Ltd.	
KE Fuel Trading Singapore Pte. Ltd.		Kansai Power Venture Management Corporation	
Kansai Sojitz Enrichment Investing S.A.S.		Nuclear Engineering, Ltd.	
Five other companies		THE GENERAL ENVIRONMENTAL TECHNOS CO., LTD.	
Information and telecommunications (IT)		The Kanden Services Co., Inc.	
K-Opticom Corp.		Kanden CS Forum Inc.	
Kanden System Solutions Co., Inc.		Kanden Office Work Co., Inc.	
Four other companies		The Kanden L & A Co., Ltd.	
Real estate / Lifestyle-related business		Kanden Business Support Corp.	
Kanden Joy Life Co., Ltd.		Six other companies	
Kanden Realty & Development Co., Ltd.		Affiliates accounted for by the equity method	
Clearpass Co., Ltd.		Four companies	
KANDEN Security of Society, Inc.		Comprehensive energy business (Gas and other energy)	
Kanden E House Co., Ltd.		JAPAN NUCLEAR FUEL LIMITED	
KANSAI Medical Net Co., Inc.		International business	
Keihan Life Support Co., Ltd.		San Roque Power Corporation	
Kanden Facilities Co., Ltd.		Group support business, etc.	
KANDEN AMENIX Corp.		KINDEN CORPORATION	
Five other companies		ENEGATE Co., Ltd.	

