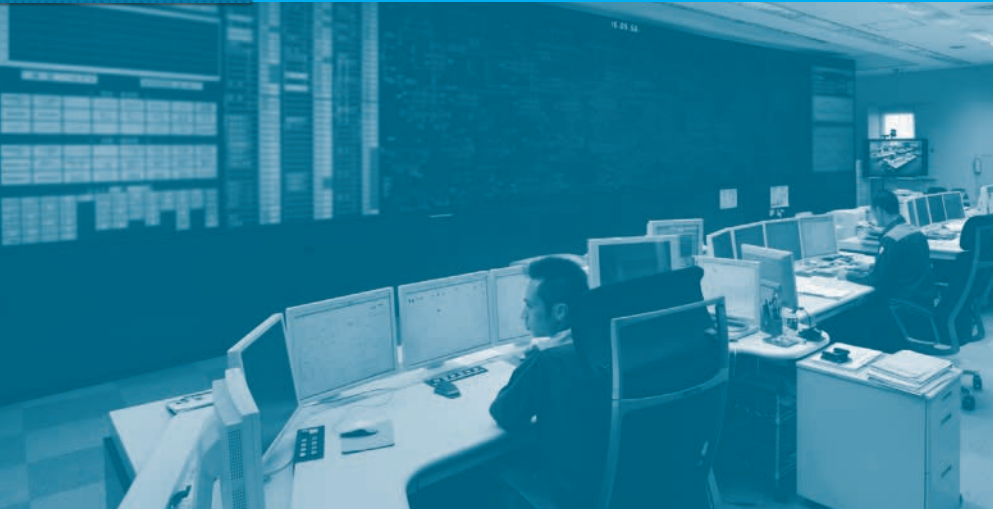


Safe, Stable Delivery of Products and Services



CSR Action Principles

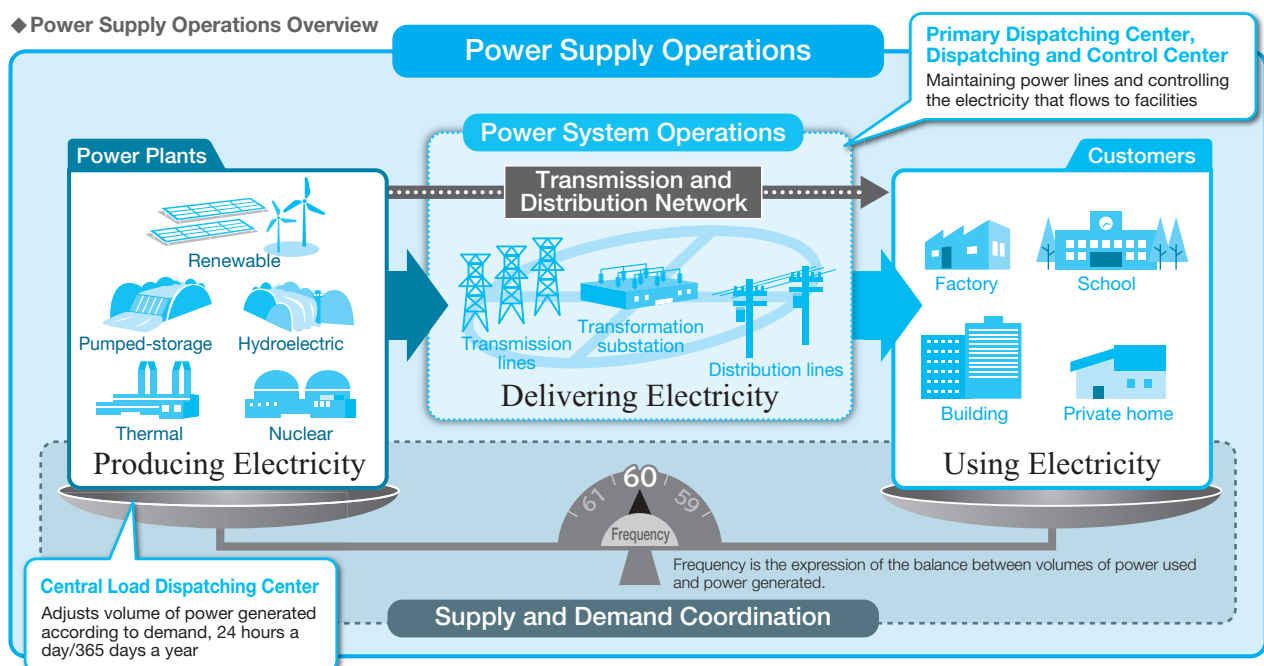
As a business operator responsible for lifelines that are indispensable to society, the Kansai Electric Power Group fully recognizes that its operations support the foundation underpinning the daily lives of its customers. Accordingly, we will take every conceivable measure, day by day, to deliver our products and services safely and stably.

Supporting safe, stable supply

To consistently supply electricity at all times

Administering power supply operations that give customers power 24 hours a day, 365 days a year, requires two things—maintaining a balance between power usage and power generated (power supply operations) and maintaining the conduits through which electricity flows (power system operations). We keep a constant control over both aspects, from the generation of power up to its use by the customer.

◆ Power Supply Operations Overview



In situations such as power outages due to natural disasters or other unforeseen circumstances it is necessary to grasp the situation quickly and accurately, and restore the supply of electricity to customers as quickly as possible, while placing top priority on safety. We believe that by carrying out training to restore power after outages is the key to acting without hesitation, so we provide such training on a regular basis. Using simulators we create various outage situations and repeatedly train our employees at business sites to improve their skills in restoring power during an outage.

We have created an alternating backup system for providing stable supply that uses Central Load Dispatching Centers in conjunction with Primary Dispatching Centers so that in the event that one system goes down, functions are shifted to the other so that operations can continue unimpeded.

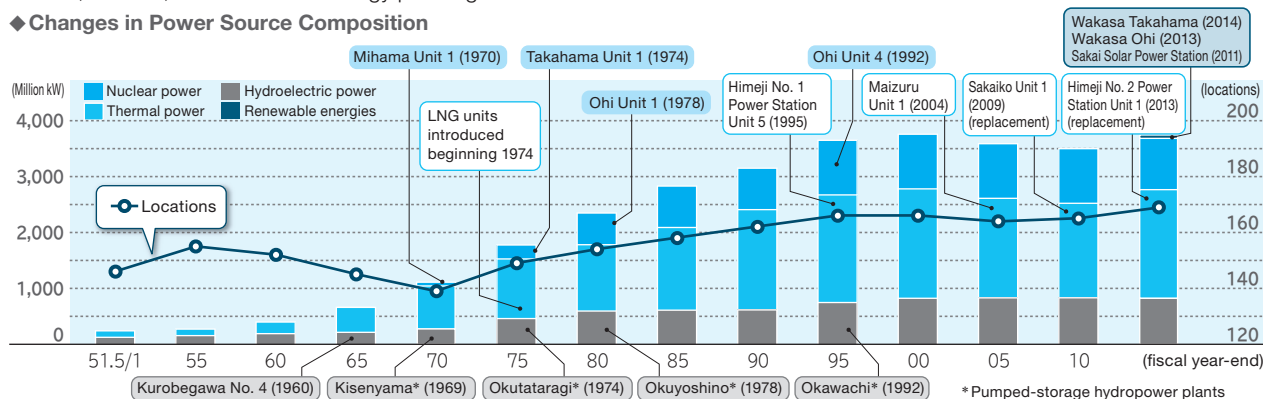
Drill being conducted using a simulator



Facilities configuration based on S+3E

To carry out our mission of providing customers with high-quality, economical electricity on a stable basis, Kansai Electric Power has adopted the "S+3E" approach, which places top priority on Safety in the effort to achieve Energy security while maintaining a focus on Economy and Environmental conservation. Through this approach we work to achieve a well-balanced combination of nuclear, thermal, and renewable energy power generation.

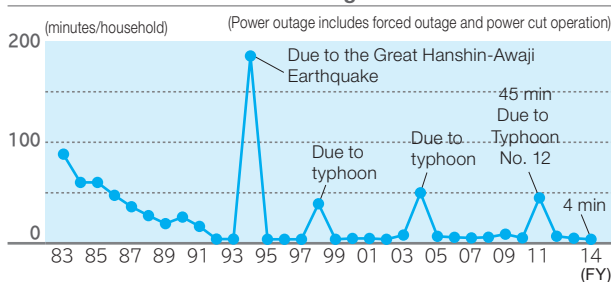
◆Changes in Power Source Composition



To provide high-quality electric power

Kansai Electric Power works to operate power grids that provide a reliable link between power plants and consumers and optimize the configuration of facilities. We are also engaged in rigorous efforts to prevent accident recurrence, as a result of which we maintain one of the world's highest power supply quality levels. The Company continues to develop new technologies and introduce new construction methods for the purpose of preventing accidents and for swift recovery in the event an accident does occur. Equally important, systematic renovation is in progress for aging facilities.

◆Annual Duration of Power Outage Per Household



Training the personnel who support safe and stable supply functions

Systematic drills are carried out on a continuous basis to train individuals and provide necessary specialized skills. Additionally, to properly preserve and pass on these techniques and technical skills throughout the Group we have a system in place that certifies as specialist technicians those individuals who have advanced technical capabilities and who demonstrate leadership. We have also introduced a system for ascertaining the technical capabilities of individuals, along with various other measures.

Training System Record (as of May 2015)

229 certified Specialist Technicians



Enhancing expertise through on-the-job training

For stable power supply

Completion of facility improvements to Himeji No. 2 Power Station

In July 2010, construction work was begun at the Himeji No. 2 Power Station to upgrade the power plant (6 units) aimed at further reducing environmental impact and supplying economical electricity. The recently completed construction converted the power station over to a high-efficiency combined-cycle system offering the world's highest level of power generation efficiency using advanced 1,600°C-class gas turbines. The work was completed seven months ahead of schedule and the plant resumed commercial operations in March 2015.



Himeji No. 2 Power Station

Transformer replacement at the Konan substation

In June 2014 construction was performed to replace the transformer that had been in service for many years with a new one at the substation to ensure stable power supply. The new transformer, weighing over 150 tonnes, was transported to the nearest station by rail, then hauled by a truck with two trailers. Because the setup was 40 meters in total length, it had to be transported late at night when the fewest cars were on the road, taking two nights. Bridges on route were reinforced in advance. Carrying out this plan carefully, the transformer was finally delivered to the substation, where it now serves to supply power day and night.



Hauling the transformer by special truck trailer setup

Underground power transmission cables upgraded by expert jointers

Transmission cables are laid in underground trenches in urban areas. Cable jointing and other work require highly skilled technicians. To prevent accidents, Kansai Electric Power introduced a certification system for employees with advanced technical skills used in the electric power industry. Those certified by the system are formed into teams to replace aging cable and equipment. They are often given just a limited amount of time to carry out their work safely and precisely, and must work in cramped spaces inside a manhole, for example. Those who have this expertise, combined with the passion and ability to teach others, are certified as Specialist Technicians to ensure the handing down of those skills and techniques.



Expert cable jointer connecting cables



Maintenance of distribution facilities based on data analysis

Utility poles were installed in huge volumes during Japan's high economic growth period from the mid-1950s to mid-1970s. These and other distribution equipment and facilities continue to deteriorate due to age. Dismantled concrete utility poles and other construction materials are put through break strength test and other types of tests to assess residual performance. Inspection data are also accumulated and analyzed. The information gathered through such efforts is used for properly maintaining our nearly 2.7 million utility poles and other distribution facilities, and to determine the best timing for replacement.



Bending failure test performed on a dismantled concrete utility pole

Efforts for the long-term stable procurement of LNG

The Ichthys LNG Project

Kansai Electric Power joined the Ichthys LNG Project in Australia in January 2015. The project, led by INPEX Corporation, along with its project partners, is developing one of the world's largest offshore facilities and an onshore LNG plant planned to produce 8.4 million tonnes of LNG per annum.

For Kansai Electric Power this project will be one of its main sources of LNG supply for the latter part of this decade forward. By participating further in LNG procurement and the LNG supply chain through the project, Kansai Electric Power ensures a profit on investment as well as even more stable supplies of LNG.



Conceptual image of offshore production facility
(Source: INPEX Corporation)

Preparing for a natural disaster

Preparing for a major disaster

Based on our mission of providing stable electric power, Kansai Electric Power promotes disaster mitigation initiatives that will strengthen facilities to withstand disaster. We have also put in place a disaster control system to enable rapid recovery from various kinds of natural disasters. In the event of a major Nankai Trough earthquake, we will follow the basic plan for mitigating disaster announced by the Japanese government and take disaster response and recovery measures in consultation with related entities.

Strengthening the disaster response system

In preparation for a large-scale, wide-area disaster such as the anticipated Nankai Trough earthquake, certain individuals are designated to arrive at the workplace early while others are assigned to night duty; role-playing training is also conducted periodically. Assemblies of pedestrians and people riding bicycles are held to practice quick response and to improve emergency recovery measures. Repeated drills help employees to develop their disaster response skills while raising awareness of natural disasters such as earthquakes and tsunamis.



Hazard map training at the head office

Strengthening collaborative ties with disaster response entities

Kansai Electric Power works with administrative bodies to do everything possible to restore power quickly after a disaster, participating in local government disaster response meetings, supplying company information on the status of recovery, and cooperating with recovery operations.

In 2014 Kansai Electric Power signed agreements of cooperation with the Chubu Region Ground Self-Defense Forces (GSDF) and the Kure District Maritime Self-Defense Forces (MSDF) to facilitate bilateral cooperation in times of disaster by building collaborative ties. Regular meetings are held and drills are carried out on an ongoing basis to build close relationships under normal conditions prior to a disaster.

In this way, Kansai Electric Power has been building a system of bilateral support with other entities to strengthen collaboration in emergency situations to restore power.

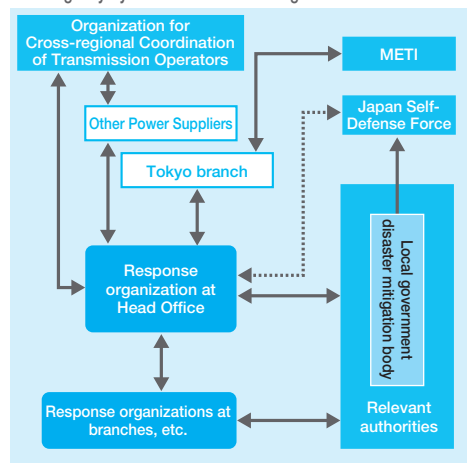


Verification drill to load power restoration vehicle onto Japan Maritime Self-Defense Force transport vessel "Shimokita"

Preparing for recovery operations in a new business environment

A number of companies are expected to enter the power supply business as electricity market reforms take place. As a result, power recovery measures once handled by Kansai Electric Power alone will be carried out by multiple suppliers. In preparation for a large-scale disaster, we will be working with such new providers under the purview of the Organization for Cross-regional Coordination of Transmission Operators to establish a system that enables recovery operations to take place as efficiently as in the past.

Emergency System for Communicating with Relevant Authorities



Sakai LNG receives letter of appreciation from Japan Coast Guard

In March 2015, Sakai LNG, a group company, received from the head of the Japan Coast Guard's 5th Regional Coast Guard Headquarters a letter of appreciation for its tsunami mitigation measures for the Hanshin Port of Sakai Senboku, Hamadera District. Eight companies, including Sakai LNG, upon the suggestion from the Japan Coast Guard, has been defining rules since February 2013 for ships in the event of a possible tsunami caused by Nankai Trough earthquake, etc. These have been collated into the Tsunami Damage Guidelines for Ships Carrying Hazardous Substances (created January 2015). The letter was in recognition of these efforts.



Sakai LNG's President Shiota receiving the letter of appreciation

Initiatives prioritizing safety at nuclear power plants

Ensuring stable energy supply through diversity

Japan's energy self-sufficiency rate is only around 5%; for most of its power needs, Japan must rely on imported energy. Japan imports much of its crude oil and liquefied natural gas (LNG) from the Middle East, where political conditions are unstable. Overdependence on these sources of energy presents risk in terms of both price and the stable supply of energy. In contrast, the uranium used in nuclear power plants is widely distributed throughout the world, and many of the nations where it is produced are politically stable, which enables a stable supply of uranium.

To ensure stable future energy supplies, it is vital to maintain diversified resource procurement and an optimal mix of electric power generation methods.

An optimal mix of energy sources

Electricity is produced in different ways in different countries. Factors that affect power generation include the availability of resources, geography, natural conditions, and government policies. In Europe, even though each country has unique conditions, transmission lines extend across neighboring countries. This exchange across borders leads to an optimal mix of power sources.

Japan previously had a favorable balance of power sources, but since the Great East Japan Earthquake approximately 80% has come from thermal power generation. (Refer to page 11 for the FY2014 breakdown of power generated by Kansai Electric Power.)

Securing stable energy through the nuclear fuel cycle

Nuclear fuel is stably procurable and we can obtain a large amount of electricity from a small amount of fuel. After a fuel loading, a reactor generates electricity for more than a year. For this reason, nuclear power is said to be a "semi-domestic energy resource." In addition, spent fuel contains reusable elements (uranium and plutonium). The elements can be reprocessed and loaded once again as fuel.

Overall, the nuclear fuel cycle is a practical way to secure stable energy for Japan, a resource-poor country.

Recyclable Fuel Storage Center

Because spent fuel can be reprocessed and used again, it is called "recyclable fuel." Until reprocessing, we plan to store fuels temporarily at an interim storage facility—a recyclable fuel storage center. The facility allows us to adjust reprocessing timing and improve the flexibility of nuclear fuel recycling strategies.

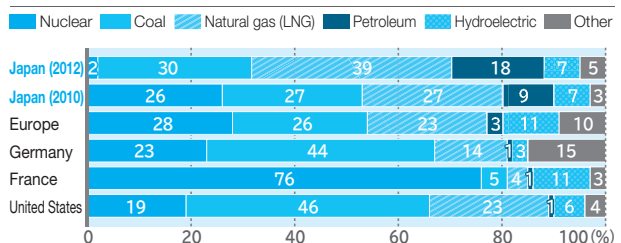
Kansai Electric Power set up a project team for creating a comprehensive strategy for and promoting the establishment of interim storage facilities, leading our combined efforts in this direction.

Principal Energy Sources

Nuclear power (uranium)	Widely distributed, centered on countries with stable politics; fuel can be recycled; strict radiation control required
Thermal power (oil)	Uneven distribution in politically unstable Middle East; severe price fluctuations; emits CO ₂ , a cause of global warming
Thermal power (coal)	Ample reserves compared to oil and widely distributed throughout the world; stable price; special attention required for environmental preservation, including SOx and NOx control measures
Thermal power (LNG)	Stable fuel procurement; price tracks that of oil closely; cleaner than oil and coal
Hydroelectric power	Renewable, clean domestic energy source; few remaining potential construction locations and large-scale development difficult
Solar power	Renewable, clean domestic energy source; unlimited resource; affected by weather; large development area required
Wind power	Renewable, clean domestic energy source; unlimited resource; affected by weather

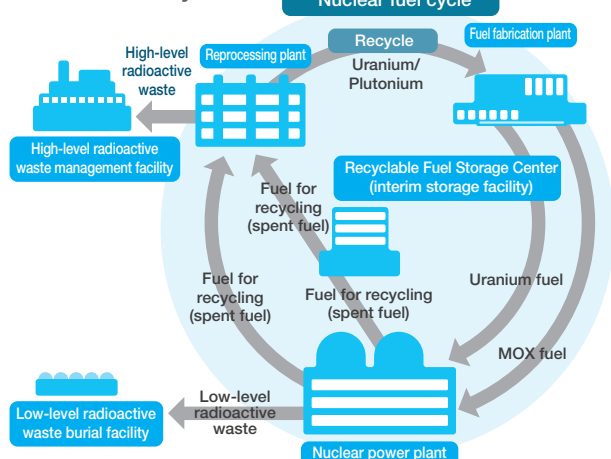
Reference: "Electricity Review Japan 2013," Federation of Electric Power Companies of Japan, other sources

Power Source Composition in Major Countries



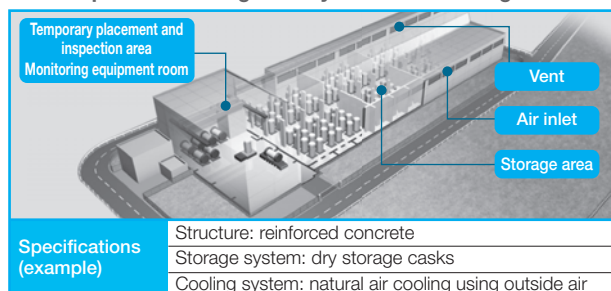
Figures for countries other than Japan are for 2010. Note: Totals may not match due to rounding up. Source: IEA "Energy Balances Of OECD Countries" (2012 Edition, 2014 Edition)

Nuclear Fuel Cycle



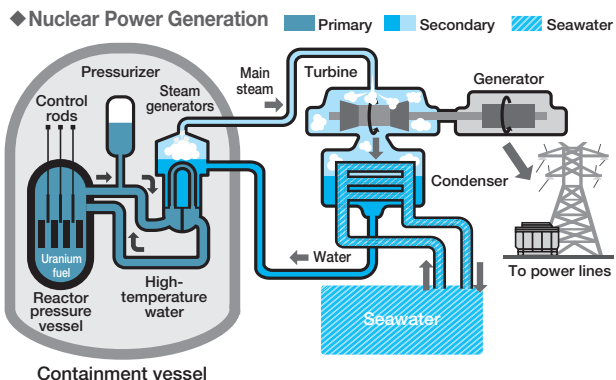
Reference: "Graphical Flip-chart of Nuclear and Energy Related Topics 2015," Federation of Electric Power Companies of Japan, other sources

Conceptual Rendering of Recyclable Fuel Storage Center

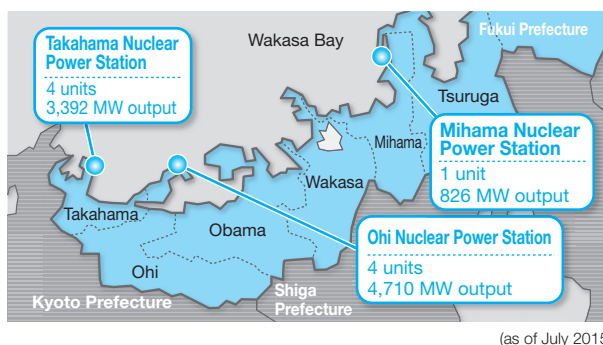


Nuclear power generation

Nuclear power generation uses the heat energy of uranium fission to create steam. The steam drives turbines that generate electricity.



◆ Kansai Electric Power's Nuclear Power Plants



Enhancing nuclear power safety and reliability

Kansai Electric Power is carrying out a variety of measures to minimize risk and ensure sufficient safety at its nuclear power plants.

Ensuring nuclear power plant safety

Nuclear power plants are designed to include multiple safety systems to prevent a malfunction or human error from resulting in an accident, premised on the fact that machines break down and human beings make mistakes. In the unlikely event of a malfunction occurring, multiple safety functions come into action: detection of abnormalities at an early stage; automatic shutdown of the nuclear reactor; cooling of the fuel with cooling water; and containment of radioactive materials. In addition, based on a defense-in-depth policy, and naturally in compliance with the new regulatory requirements issued by

the Japanese government in the wake of the accident at TEPCO's Fukushima Daiichi Nuclear Power Station in March 2011, Kansai Electric Power is taking safety measures to cope with a "severe accident" and other measures that go beyond the existing regulatory framework. (For more details, refer to page 20.)

We conduct inspections of and carefully monitor all facilities, carry out training as before, and run regular drills to practice responding to severe accidents. In these ways we strive to further enhance the safety and reliability of nuclear power generation.

Aging measures and extension of operation

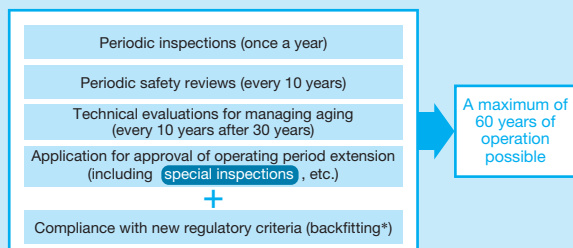
Nuclear power plants undergo periodic inspections once every 13 months and measures such as equipment replacement are carried out with a view toward long-term operation. In addition, a reassessment (periodic safety review) is conducted every 10 years, and after the 30th year a power plant undergoes a technical evaluation to manage aging.

According to the Act on the Regulation of Nuclear Source Material, Nuclear Fuel Material and Reactors, revised in 2012, the operational life of a nuclear power plant is 40 years. However, the act stipulates that upon authorization of the Nuclear Regulatory Authority, this period can be extended one time only for another 20 years, pending special inspections of the reactor pressure vessel and containment vessel and other apparatus.

Strict radiation control

To monitor the effects of radioactive substances on the surrounding environment, multiple monitoring stations and monitoring posts are located around each plant. Atmospheric radiation levels are monitored around the clock, and the data can be accessed on our website and elsewhere. In addition, Kansai Electric Power regularly samples soil, river water, seawater, agricultural products, and marine products in the vicinity of its nuclear power plants, and tests the levels of radioactive substances contained to monitor impact on the environment.

Managing Over 40 Years in Operation



* Backfitting: The application of the latest regulatory criteria

Special Inspections

Apparatus	Parts	Inspection method
Reactor pressure vessel	Base metal and weld zone (100% nuclear reactor core area)	Flaw confirmation using ultrasonic testing ^{*1}
	Primary coolant nozzle corner area	Flaw confirmation using eddy current testing ^{*2}
	In-core instrumentation cylinders (all)	Flaw confirmation of weld zone using visual inspection and flaw confirmation on inside surface of instrumentation cylinders using eddy current testing
Reactor containment vessel	Reactor containment vessel steel plates (all sections approachable for inspection)	Confirmation of state of coating through visual inspection
Concrete structure	Reactor containment facility Reactor auxiliary building	Confirmation of level of strength, etc., in collected core samples

^{*1} Presence or absence of flaws are confirmed using ultrasonic wave reverberation

^{*2} Eddy currents are generated in materials and the presence or absence of surface flaws is confirmed through changes in the electric current

Safety-first business activities—based on lessons learned from the 2004 accident at Mihama Nuclear Power Station Unit 3

Since the Mihama Nuclear Power Station Unit 3 accident, subjects on safety have been treated with top priority in the business operation. Under this thought of safety first, best effort has been done by every employee at each workplace.

Measures to prevent a recurrence of the accident at Mihama Nuclear Power Station Unit 3

On August 9, 2004, the accident, rupture of secondary system piping, has occurred at Mihama Nuclear Power Station Unit 3. Based on the President's Declaration, recurrence-prevention measures have been implemented strictly with a firm determination to prevent a recurrence of the accident.

On every August 9th, which is set as "Safety Vow Day", every employee observes a moment of silence and refers to the Conduct Card in which personal declaration for safety has been written down.



President Yagi observes a moment of silence in front of the monument of the Safety Vow (August 2014)

President's Declaration

Ensuring safety is my mission, and the mission of the Company.

Basic Action Policy

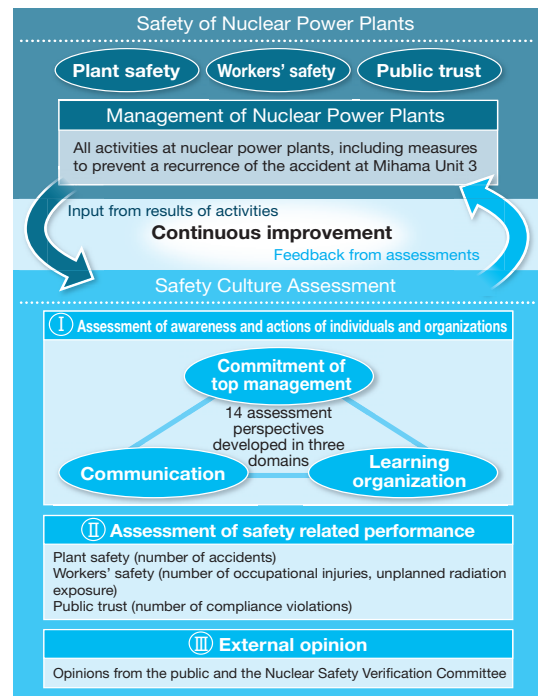
1. We will make safety our top priority.
2. We will proactively introduce resources to ensure safety.
3. We will continuously improve maintenance management to ensure safety and establish closer cooperation with partner companies.
4. We will strive to regain the trust of local communities.
5. We will objectively assess our efforts toward safety and publicize the results.

Excerpt from Action Plan to Prevent Recurrence of the Accident at Mihama Nuclear Power Station Unit 3

Enhancing a safety culture

Since 2008, a safety culture assessment has been implemented and subjects introduced from this assessment have been dealt with. Through this activity business operations have been conducted in the manner of safety first and the lessons learned from the Mihama Unit 3 accident have been remaining unforgettable.

After the accident at TEPCO's Fukushima Daiichi Nuclear Power Station, activities to further enhance safety culture has been implemented with lessons learned from that accident.



Fostering an unshakable group-wide safety culture

Having learned a vital lesson from the Mihama Power Station Unit 3 accident, we shall ensure safety above all to never bring misfortune upon those working for and with us, including employees of our partner companies and their families. We foster a corporate culture of safety-first business activities and practice safe action, sharing this commitment with our partner companies. We do this by familiarizing each employee with our philosophy (Kansai Electric Power Group Safe Action Charter) and our code of conduct (Safe Action Declaration).

We strive to foster an unshakable safety culture throughout the Group, which includes partner companies, by practicing the following things. We shall learn from one another about safety, promoting communication with our partner companies and group companies regarding our commitment to safety and sharing information on safety. With our partner companies, we shall practice safe actions that protect one another.



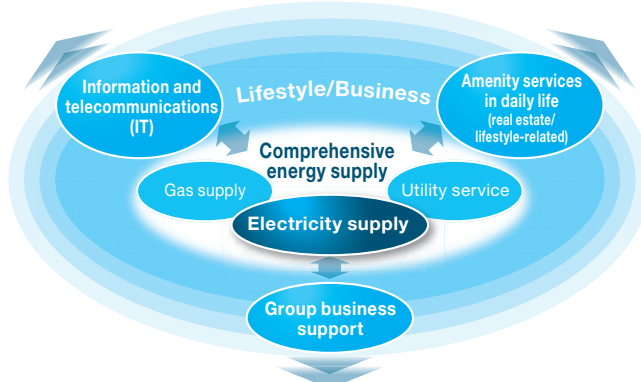
Communicating our commitment to safety at the morning assembly

Providing services as a consolidated group

Aiming to be a trusted partner in energy and life

As a universal provider of electricity and other forms of energy, as well as various information and telecommunications (IT) services, and with a lineup of businesses providing amenity services in daily life, the Kansai Electric Power Group meets diverse customer needs, providing comprehensive solutions to individual customers and communities. We will continue to focus on being a universal energy provider while offering additional services through our group companies and through alliances with other firms to meet a wide range of customer needs in the areas of lifestyle and business, leading to strong growth as a group. Our aim is to become our customers' trusted partner in energy and life.

◆ Business Areas for Strong Growth



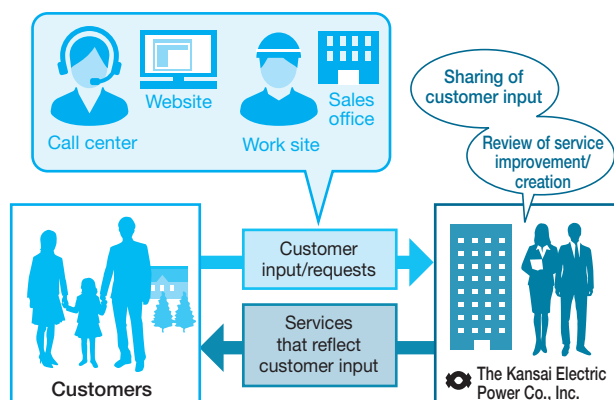
Services for residential customers

To improve customer satisfaction, we have introduced various services, including the Hapi e-Miruden service, a Web-based tool that allows customers to monitor their power consumption, 24-hour-a-day Internet-based electricity contract applications for moving into/out of a private residence, energy-saving consultation as requested by customers, and the systematic introduction of smart meters. Through our group companies we offer varied services closely linked to customer lifestyles, including energy-saving, low-carbon homes, IT solutions, home security, nursing care, support for health management, and housekeeping.

We will continue to work as a group to respond to the various needs of our customers with meticulous support and help to bring safety, security, comfort, and convenience to their daily lives.

■ Service improvement and service creation to reflect the input of customers

We work to improve and create services in response to requests received from customers through our call center, website, etc.



Examples of improved services that reflect customers' ideas and requests

Requests from customers using the Hapi e-Miruden service

- "Please show the billed amount for electricity and the amount of electricity used in the Hapi e-Miruden email."
- "I want to be able to easily see the electric bill without hassle."

The monthly Hapi e-Miruden email content was changed to display in the body of the Electricity Usage Notification email both the amount used and the bill for the electricity. This service improvement was made in October 2014.



Examples like the above of service improvements that reflect customer input can be viewed on the Kansai Electric website in the "Kanden-no + one action: connecting through customer input" section (Japanese only).



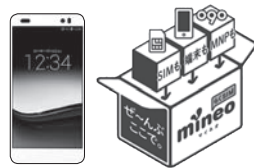
■ Customer satisfaction survey

We ask customers who have made an inquiry or applied for electricity use to participate in a survey in order to gather customer impressions of the people who handle their calls and to evaluate the handling of their issues. The feedback received is used to improve the skills of our call center workers and to provide consistently dependable handling of customer issues. The survey also helps to identify new points to improve that are reflected in goals and services from the following year on, with the goal of improving customer satisfaction.

■ Services to enhance living through the use of low-cost smartphones and tablet devices

K-Opticom Corporation offers *mineo*, a low-cost smartphone service nationwide in Japan. The service is based on the concept of paying only for what one needs and was developed to meet the requirements of a diverse customer base. A customer can choose, for example, calling service, amount of monthly data, and the telecommunications provider.

K-Opticom also offers *eo smartlink*, a service that allows access to more than 100 different services from Kansai Electric Power group companies and other providers, ranging from online shopping to healthcare and lifestyle-related information, plus the ability to monitor electric power consumption.



Low-cost smartphone service, *mineo*



Online shopping site and over 100 different services, *eo smartlink*

■ Real estate development uses group's comprehensive strength

Elgrace Tower Osaka Doshin, an apartment building in the Kita-ku district of Osaka that features seismic base isolation — a project which Kanden Fudosan Co., Ltd. has been involved in — will open in September 2016. The building offers support for comfortable daily living, including home security, IT solutions, and housekeeping services, relying on the comprehensive solutions of the Kansai Electric Power Group. Significant energy savings can be obtained through the EcoCute water heating and supply system, high-efficiency air conditioning, the use of a residential energy management system, etc. In addition to the facilities, a unique system will offer residents gifts and services according to their energy savings record.



Elgrace Tower Osaka Doshin
(rendering)

■ Services for corporate customers

Kansai Electric Power promotes a variety of services, providing optimal energy systems and management methods designed to meet individual customer needs and help reduce energy consumption, costs, and CO₂ emissions.

For example, in collaboration with Kanden Energy Solution Co., Inc., one of our Group companies, we offer Utility Service and ESCO Service, which include energy facility design and construction, plus support for facility ownership, operation, maintenance, and management. We also offer our Energy Management Service to help customers optimize their energy use, and an Electricity Usage Notification service that allows customers to check the status of their power consumption via the Web.

■ Utility service in use

Abeno Harukas, Japan's tallest building, belonging to Kintetsu Corporation, celebrated its grand opening in March 2014. The building employs our Utility Service to supply electricity, heat, cold water, etc. This service enables centralized management of energy consumption for the optimal energy management of multiple facilities, including a department store, offices, and a hotel.



Abeno Harukas, Japan's tallest building,
completed in March 2014

PICKUP! Further Improvements in Customer Service

●Subscribers to Hapi e-Miruden service reach 1.2 million

Kansai Electric Power now offers Hapi e-Miruden, a service that provides a Web-based version of the electricity meter paper readout, allowing customers to check their power consumption visually through graphs and charts using a personal computer. The site opened in 2009 and has since been made easier to use through numerous site renewals. In March 2015 a notification service was begun that sends an email alert* when a preset amount of electricity usage is exceeded. In May 2015 a Hapi e-Miruden LINE account was established, enabling both the dissemination of energy-saving

information in real time and prompt responses to inquiries. These services provide more convenience than ever.

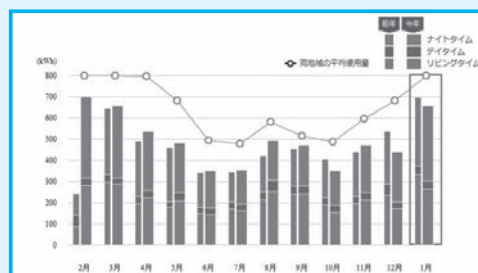
As of May 2015, the Hapi e-Miruden service had 1.2 million subscribers. More extensive content is being planned, along with new services to attract more users.

1.2
million
subscribers!

■What information does Hapi e-Miruden display?

Customers can check the results of the monthly meter readings, power consumption, and equivalent carbon emissions for the past 25 months by month, day, and hour*. Many kinds of information are available that help with energy management, such as rankings of utility expenditures and carbon emissions, the setting of power-saving targets, records of results of efforts, etc.

* Consumption data by day and by hour can only be checked if a smart meter is installed. Hourly usage checks and an email alert service are available only where remote meter reading has been implemented.



●Over 4 million smart meters installed

To improve customer service and streamline business operations, we started introducing smart meters before their use in other parts of Japan; by the end of FY2014 already four million units have been installed. Smart meter installation is scheduled to be completed in FY2022, providing smart-meter-enabled services to every customer.

In July 2015 we began an electricity meter data transmission service (B route) for sending the usage data from smart meters to home energy management system terminals (HEMS, etc.) in real time.

4
million
units
installed!

