



Kansai Electric Power Group Medium-term Management Plan (2021-2025) Update

Kanden Transformation

April 30, 2024



1. Medium-term Management Plan Progress Status
2. Medium-term Management Plan Update in Light of the Business Environment
3. Financial Goals, Cash Distribution and Shareholder Return Policy
4. Initiatives for the Remaining Two Years of the Medium-term Management Plan
5. What We Aspire to Become in the Medium to Long Term

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Medium-term Management Plan Progress Status

- Steady progress is being made in the three key initiatives, as well as in “firmly establishing governance and promoting compliance,” the basic premise of our business operations.

Basic premise of our business operations *Firmly establishing governance and promoting compliance*

- Carry through with the Business Improvement Plan, strengthening internal controls and organizational climate reform in parallel.
- Make sure to cope with various environmental changes and risks.

Three Key Initiatives *KX: Kanden Transformation*

FY 2021–2023 (results)

FY 2025 (goals)

EX

Energy
Transformation

- Steady progress was made in establishing operation at the seven nuclear reactors, investment in zero-carbon power sources in Japan and overseas, and other areas based on the Zero Carbon Roadmap.
- The goal of cutting CO₂ in half*¹ is expected to be achieved ahead of schedule.

Investment results Cumulative total: **636** billion yen

Investment

1,050 billion yen
(Cumulative total for FY 2021-2025)

VX

Value
Transformation

- The data center, distributed service platform*², and other businesses that could become future revenue sources were created.

Investment results Cumulative total: **69** billion yen

Investment

120 billion yen
(Cumulative total for FY 2021-2025)

BX

Business
Transformation

- Steady progress was made in cost structure reform, value analysis (VA)*³, innovation promotion, DX promotion, human capital improvement, and other areas.

Cost reduction achieved **87** billion yen*⁴ for FY 2023 alone

Cost reduction

90 billion yen*⁴
(Single-year amount for FY 2025)

*1: CO₂ emissions from power generation (compared to FY 2013)

*2: A platform that brings together distributed energy resources owned by customers, power generation companies, etc., and carries out optimal market transactions.

*3: Capital investments, etc., were closely examined from every perspective of the value chain in collaboration with operating divisions from the planning stage.

*4: Cost reductions from the planned value at the time of formulating the Medium-term Management Plan (March 2021)

Financial Goals Progress Status

○ All financial goals for fiscal years 2021 through 2023 were achieved.

	Results			Results	Financial goals (Set in March 2021)	
	FY 2021	FY 2022	FY 2023	FY 2021–2023	FY 2021–2023	FY 2025
Ordinary Income	135.9 billion yen	-6.6 billion yen	765.9 billion yen	298.4 billion yen averaged over three years	More than 100 billion yen averaged over three years	More than 250 billion yen
FCF	-122.3 billion yen	-289.8 billion yen	726.9 billion yen	104.9 billion yen averaged over three years	Less than -50 billion yen averaged over three years	More than 200 billion yen
					Register a surplus across total income booked between FY 2021 and FY 2025	
Equity Ratio	19.2%	20.4%	25.2%	25.2%	More than 20%	More than 23%
ROA*	1.9%	0.2%	8.9%	Approx. 3.7% averaged over three years	More than 1.5% averaged over three years	More than 3.5%

* ROA [Return on total assets] = Operating income [Ordinary income + Interest expense] / Total assets [Beginning and ending balance average]

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Current Business Environment

Internal	<ul style="list-style-type: none">• Profits have improved through operation at the seven nuclear reactors, cost structure reforms, and other factors.• All financial goals for fiscal years 2021 through 2023 were achieved.				
External	<table border="1"><tr><td data-bbox="247 478 469 739">Society</td><td data-bbox="492 478 1837 739"><ul style="list-style-type: none">• Materialized inflation as seen in rising resource prices and labor costs• Further increases in the mobility of human resources and diversification of workstyles• Further progress in digital technology, such as the practical application of generative AI</td></tr><tr><td data-bbox="247 746 469 1033">Energy</td><td data-bbox="492 746 1837 1033"><ul style="list-style-type: none">• Increasing geopolitical risks and market volatility• Further acceleration of trends toward decarbonization and progress in national policies and institutional development<ul style="list-style-type: none">➢ Rising importance of nuclear power at the GX Implementation Council➢ Introduction of a long-term decarbonized energy auction system➢ Intensified competition in public offerings related to renewable energy</td></tr></table>	Society	<ul style="list-style-type: none">• Materialized inflation as seen in rising resource prices and labor costs• Further increases in the mobility of human resources and diversification of workstyles• Further progress in digital technology, such as the practical application of generative AI	Energy	<ul style="list-style-type: none">• Increasing geopolitical risks and market volatility• Further acceleration of trends toward decarbonization and progress in national policies and institutional development<ul style="list-style-type: none">➢ Rising importance of nuclear power at the GX Implementation Council➢ Introduction of a long-term decarbonized energy auction system➢ Intensified competition in public offerings related to renewable energy
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We have recently updated our Medium-term Management Plan to give shape to EX and VX initiatives, bolster BX initiatives that will contribute to establishing robust management bases, and ensure solid paths to further growth.

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Update of (Consolidated) Financial Goals

- Based on the status of income and expenditures, we have updated our financial goals and added ROIC as a financial indicator to practice management emphasizing return on capital, as shown in the table below.

	FY 2025 (Set in March 2021)	FY 2025 (Updated in April 2024)
Ordinary Income	More than 250 billion yen	More than 360 billion yen
FCF	Register a surplus across total income booked between FY 2021 and FY 2025	More than 300 billion yen across total income booked between FY 2021 and FY 2025
	More than 200 billion yen	More than 100 billion yen
Equity Ratio	More than 23%	More than 28%
ROA	More than 3.5%	More than 4.4%
ROIC*	-	More than 4.3%
(Reference) ROE	Approx. 10%	Approx. 11%

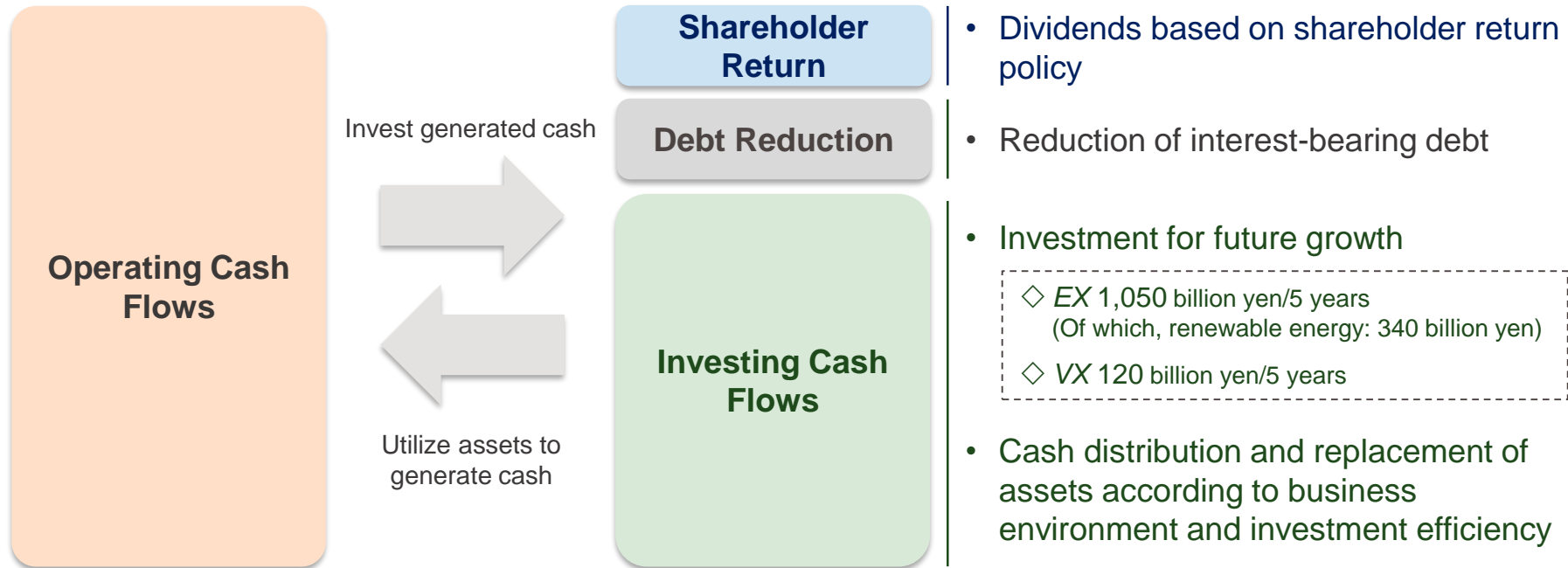
* ROIC [Return on invested capital] = Operating income after tax / Invested capital [Beginning and ending balance average]

Update of Financial Goals (by Segment)

○ Financial goals were also updated by business segment, as shown in the table below.

	FY 2025 (Set in March 2021)		FY 2025 (Updated in April 2024)	
	Ordinary Income	ROA	Ordinary Income	ROA
Energy Business	More than 130 billion yen	More than 2.0%	More than 275 billion yen	More than 3.7%
Transmission & Distribution Business	More than 50 billion yen	More than 2.0%	More than 10 billion yen	More than 0.9%
Information & Telecommunications Business	More than 45 billion yen	More than 11.5%	More than 45 billion yen	More than 11.5%
Life/Business Solution Business	More than 30 billion yen	More than 3.0%	More than 30 billion yen	More than 3.0%

Cash Distribution



Shareholder Return Policy

Our shareholder return policy is that, as the Kansai Electricity Power Group, we seek to improve corporate value and appropriately allocate business results to shareholders. We aim to deliver stable distribution while ensuring financial soundness.

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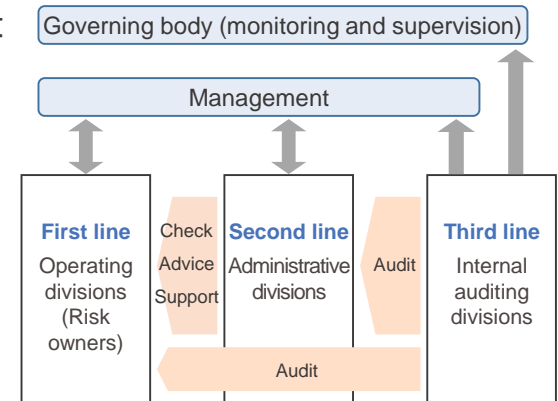
- Based on the recognition that the common issue in a series of inappropriate incidents, including the receipt of cash/gifts, is the fact that there are problems in ensuring responses to environmental changes and risks as well as in organizational climate, we will radically strengthen internal control and reform the organizational climate at the same time.

Strengthening Internal Controls

- ✓ To ensure proper business operations, aim to create an organization that not only observes laws, regulations, and rules, but is capable of autonomous and continuous improvement.

Initiatives

- Activities to spread and establish compliance awareness (e.g. continuous delivery of messages from management).
- Ensuring a robust three lines of management (e.g. autonomous management with operating divisions as risk owners)
- Strengthening risk management (e.g. training to raise risk sensitivity)
- Enhancement of internal control at group companies (e.g. enhanced communication, training for directors)
- Stricter compliance with laws and regulations (e.g. confirmation of conformity with laws and regulations and internal rules)



Reforms of Organizational Climate

- ✓ Become a company where each executive and employee can take pride in and feel enthusiasm toward their work, with the aim of making people say, “Good job, Kanden!”

Initiatives

- Implement measures focusing on both corporate systems and individual awareness to eliminate “normalized work overload” and “rigid and homogeneous organization.”
- Conduct dialogue activities to understand the actual climate in each workplace and to find out what employees really think.



Become aware

Be highly sensitive to risks and opportunities.



Speak out

Create a high level of physiological safety and open work environments.



Take action

Act independently based on what you become aware of and speak out. (Be receptive and respond as an organization.)

- Based on the Kansai Electric Power Group Zero Carbon Roadmap, **drive decarbonization by advancing our initiatives over the remaining two years to achieve the following:**

Nuclear Power

- Continuation of safe and stable operation
- Improvement of operations to increase nuclear energy utilization
- Development of the business environment with a view to replace nuclear power plants
- Promotion of the nuclear fuel cycle



Thermal Power

- Higher efficiency for thermal power generation, and achieving zero carbon (e.g. hydrogen co-firing, CCS)



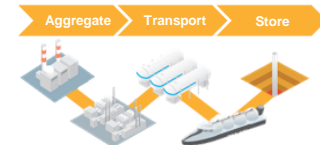
Renewable Energy

- Increase in hydroelectric power generation amount and maximum utilization of pumped storage
- Strengthening competitiveness to win in public biddings for offshore wind power
- Promotion of corporate PPA using a variety of renewable energy sources



Hydrogen/CCUS

- Building a supply chain for hydrogen, etc. in Himeji and other areas
- Building a CCS value chain in Sakai-Semboku and other areas



Transmission and Distribution

- Construction of next-generation electric power networks that will serve as foundations to achieve zero-carbon emissions



- In areas around existing businesses as well as where they overlap, **offer new value to customers by advancing our initiatives over the remaining two years to achieve the following:**

Energy

Distributed Services

- VPP, grid storage battery, and renewable energy aggregation businesses based on a distributed service platform (E-Flow LLC).



Zero-carbon Solutions

- Reduction of CO₂ emissions by customers nationwide through provision of zero-carbon solutions, a combination of decarbonized power sources (EX)
- Packaged services centered on EV charging and energy management systems in the mobility business



Information Communication

Real Estate

- Hyper-scale data center business targeting mega cloud operators
- Connectivity data center business with excellent connectivity to the cloud and internet
- Providing zero-carbon solutions, such as smart eco towns and green data centers



New Services

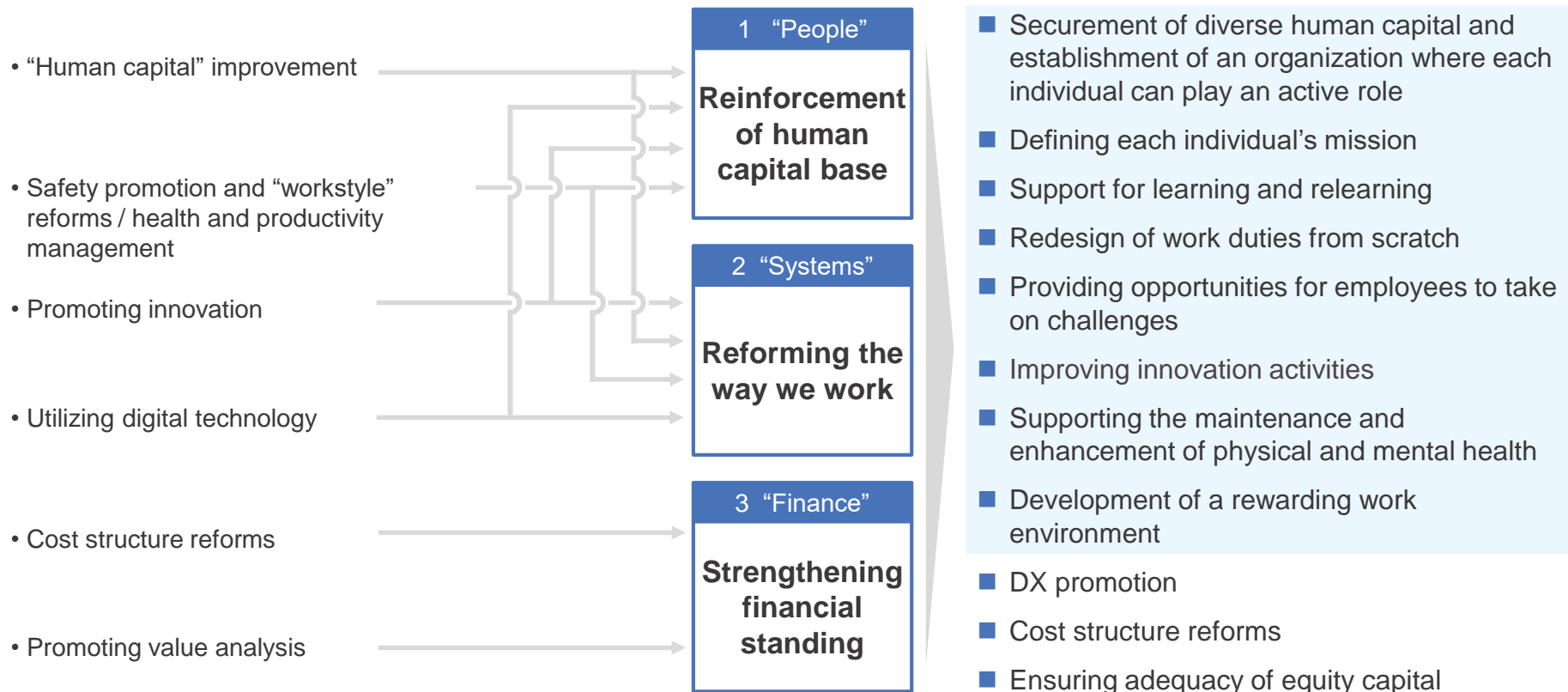
- Opening up new business areas not limited to existing energy business areas



- To build a stronger management base and increase competitiveness, we have identified initiatives to work on for the remaining two years from the perspectives of “people,” “systems,” and “finance.”
- **Continue with the DX promotion and cost structure reforms, and step up efforts in “people” and “systems.”**

Past initiatives

Major initiatives to focus on in the remaining two years



- Each individual understands the EX and VX strategies and works toward the four “enhancements” under the leadership of management.

Enhance individual abilities

—Bring out a “desire to learn” and “desire to take on challenges”—

- Support for learning and relearning
- Provide opportunities for employees to take on challenges
- Develop a system that rewards and encourages employees’ learning and challenging of themselves.



Enhance organizational capability

—Transform into a “diverse & inclusive (D&I)” and “agile” organization—

- Secure diverse human capital and establish an organization where each individual can play an active role.
- Develop a system to accelerate M&A and alliances without relying on organic growth.
- Improve future-oriented innovation activities.



Enhance job appeal

—Make our jobs more appealing—

- Define each individual’s mission in terms of strategy.
- Redesign of work duties from scratch



Enhance workstyle appeal

—Achieve “healthy” and “comfortable” workstyles—

- Support the maintenance and enhancement of physical and mental health
- Develop a rewarding work environment
- Offer workstyle options according to lifestyle and stage of life.



By realizing the wellbeing* of each individual and enhancing their engagement with the company, the individuals, the company, and society will become prosperous together.

*Physically, mentally, and socially fulfilled state

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存在意義
Purpose

「あたりまえ」を守り、創る

Serving and Shaping the Vital Platform for a Sustainable Society

大切にする
価値観
Values

公正 × 誠実 × 共感 × 挑戦
Fairness Integrity Inclusion Innovation

1 Expansion of Energy Business

- With the Kansai region as the axis, we will expand our business nationwide and drive stable energy supply and decarbonization in Japan through the development and provision of various services centered on the development of zero-carbon power sources and energy solutions.

2 Expansion of Non-energy Business

- Expand Information & Telecommunications and Life/Business Solution businesses in Japan and overseas.
- Moreover, create new businesses in areas around these businesses and where they overlap, developing them into core businesses, to continue to be a platform operator that provides new value to customers.

3 Realization of Sustainable Growth

- Achieve a profit balance rate of [Energy 2] to [Non-energy including energy VX 1] and build a resilient business portfolio.
- Accelerate growth using M&A and alliances, without relying on organic growth.
- Aim to be “a utility company that generates profits and free cash flow stably with the most sustainable growth in Japan.”

Goals
(by 2035)


- Ordinary income of about 600 billion yen
- Achieving a return on capital comparable to European utility companies (ROIC: WACC + 100 to 150 bps)
- Ensuring financial soundness (equity ratio of 30% or more)

The performance forecasts and other forward-looking statements provided herein have been prepared based on managerial judgments derived from information available at the time this material was produced, and therefore may contain certain potential risks and uncertainties* and may be substantially different from actual performance because of various factors that may arise going forward.

*For potential risks and uncertainties, see our Integrated Report and Financial Statements.

Kansai Electric Power Group Medium-term Management Plan (2021-2025)

Announced on March 26, 2021



Kansai Electric Power Group Medium-term Management Plan (2021-2025)

Kanden Transformation



1.

**Review: Medium-term
Management Plan
(2019-2021)**

2.

**What We Aspire to
Become**

3.

Key Initiatives

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Financial Goals

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Cash Distribution
and Shareholder
Return Policy

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Our Initiatives in
Detail for Each
Business Segment

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Main ESG Efforts

Reference:

Review of Financial Goals in
the Medium-term Management
Plan (2019-2021)

1. Review: Medium-term Management Plan (2019-2021)

Environmental changes since the formulation of the Medium-term Management Plan (2019-2021)

Society

- The trend of decarbonization is gaining speed as exemplified by Japan's 2050 Carbon Neutral Declaration.
- Social changes such as the digitalization of business caused by the novel coronavirus pandemic has accelerated the trend toward DX.

Energy Business

- Amid sluggish demand, massive introduction of renewable energy coupled with falling crude oil prices has led to a substantial decline in the electricity market price.
- Intensifying competition with power producers and suppliers (PPSs), etc. and the novel coronavirus pandemic have pushed down our electricity sales volume.
- With the fall in electricity sales volume and unit selling prices, it will take us a reasonable time to reform cost structures accordingly, making it difficult to achieve our financial goals.

Direction to take

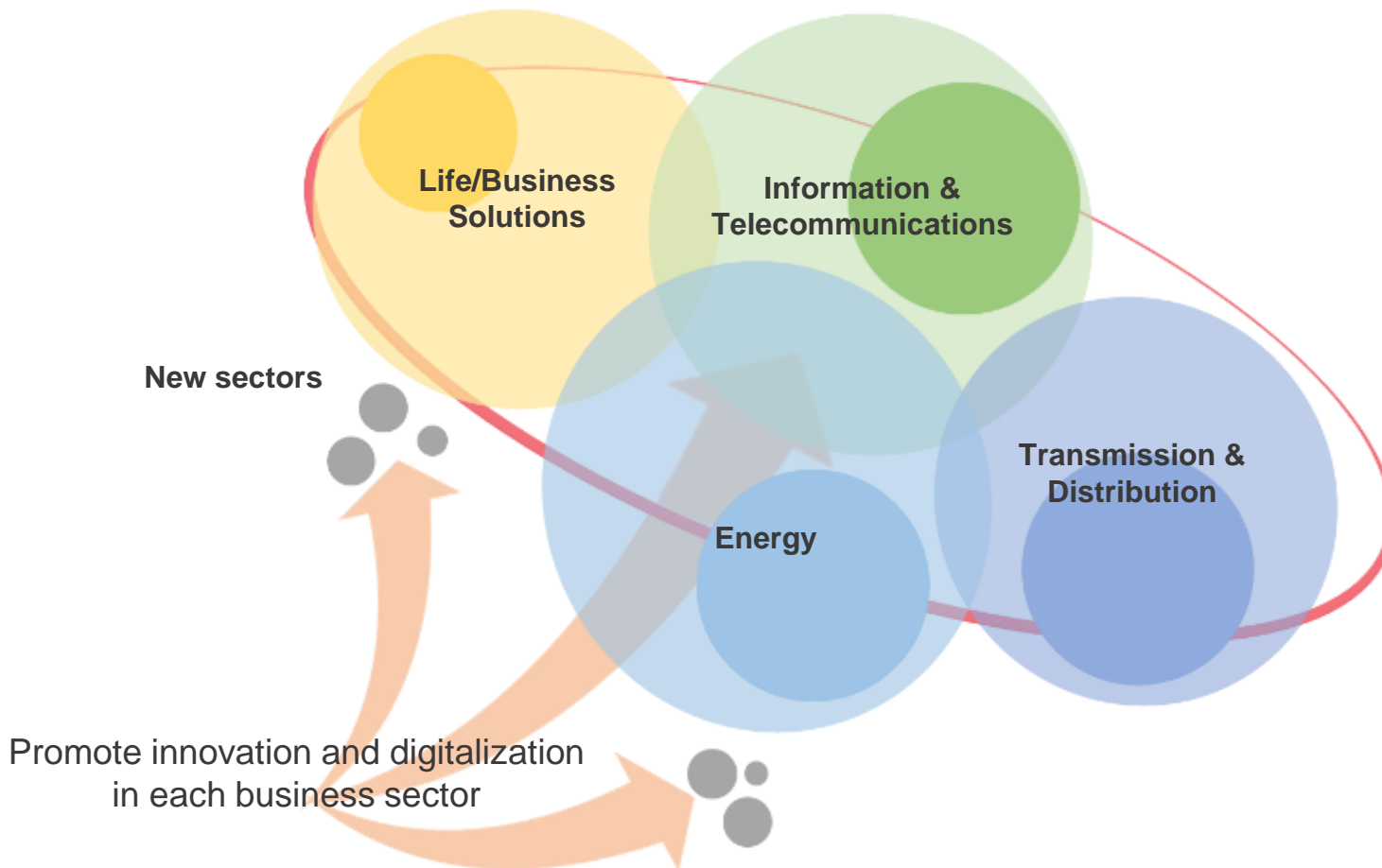
In 2025, we will put the energy business on a growth track to take another leap forward by moving ahead with a drastic structural reform, by operating all seven reactors in our nuclear power plants, by providing new value through various solutions, and by other means.

We have reviewed our Medium-term Management Plan in order to create a concrete action plan to deliver on these goals.

2. What We Aspire to Become

With Energy, Transmission & Distribution, Information & Telecommunications, and Life/Business Solutions positioned as our core businesses, we will keep creating new value in areas around these sectors as well as where they overlap.

As the operator of a platform providing both social infrastructure and services, we aim to continuously serve our customers and communities, while contributing to attaining a sustainable society.



3. Key Initiatives

Basic premise of our business operations

Firmly establishing governance and promoting compliance

In light of our reflection on the receipt of cash and gifts and other issues, we will do our utmost to restore trust.

Key initiatives

KX: Kanden Transformation

1
Seeking to achieve zero-carbon emissions

EX: Energy Transformation

With the accelerating global trend of decarbonization, to meet expectations for contributing to the attainment of a sustainable society, we will promote efforts toward the realization of Kansai Electric Power Group's "Zero Carbon Vision 2050."

2
Transforming into a service provider

VX: Value Transformation

Beyond our conventional large-scale asset-centered business, we will deal with needs and issues based on the customer's viewpoint, thereby being reborn as a corporate group that continuously provides new value to its customers.

3
Building a robust corporate constitution

BX: Business Transformation

We will speed up cost structure reform, innovation, digitalization and workstyle innovation.

1.

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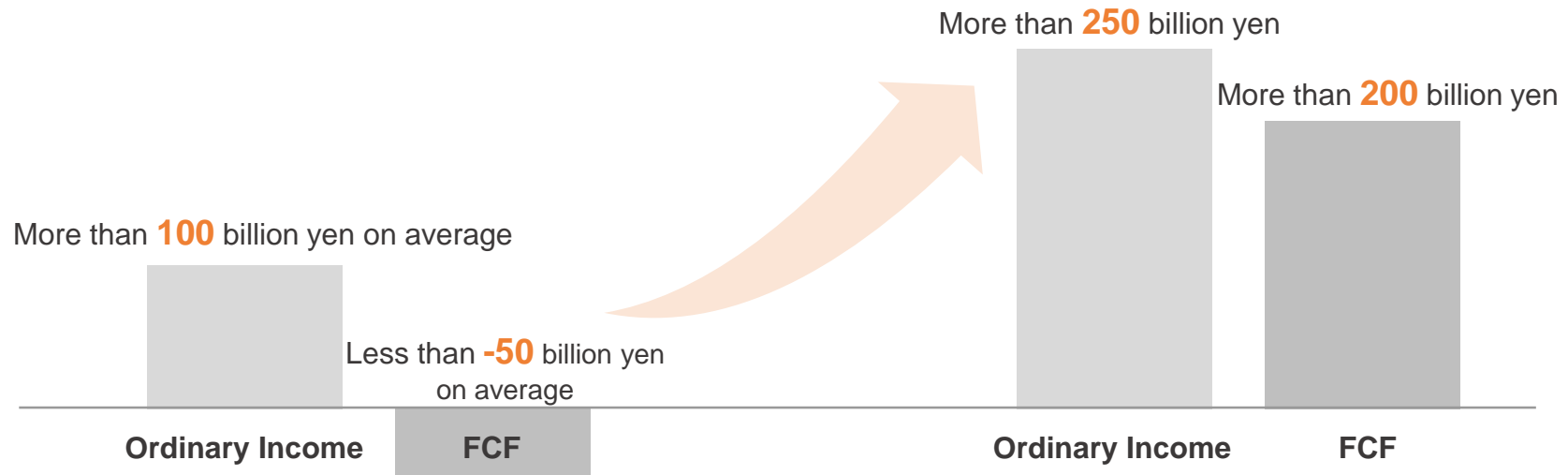
4. Financial Goals

Over three fiscal years from 2021 to 2023, we will complete business structural reforms while anticipating a decline in profits. We will make investment in growth opportunities as well as construction work to ensure nuclear safety for the future.

In fiscal 2025, we will put our business on a growth track and take another leap forward.

	FY 2021-2023	FY 2025
Ordinary Income	More than 100 billion yen averaged over three years	More than 250 billion yen
FCF	Less than -50 billion yen averaged over three years	More than 200 billion yen
	Register a surplus across total income booked between FY 2021 and FY 2025	
Equity Ratio	More than 20%	More than 23%
ROA(*)	More than 1.5% averaged over three years	More than 3.5%

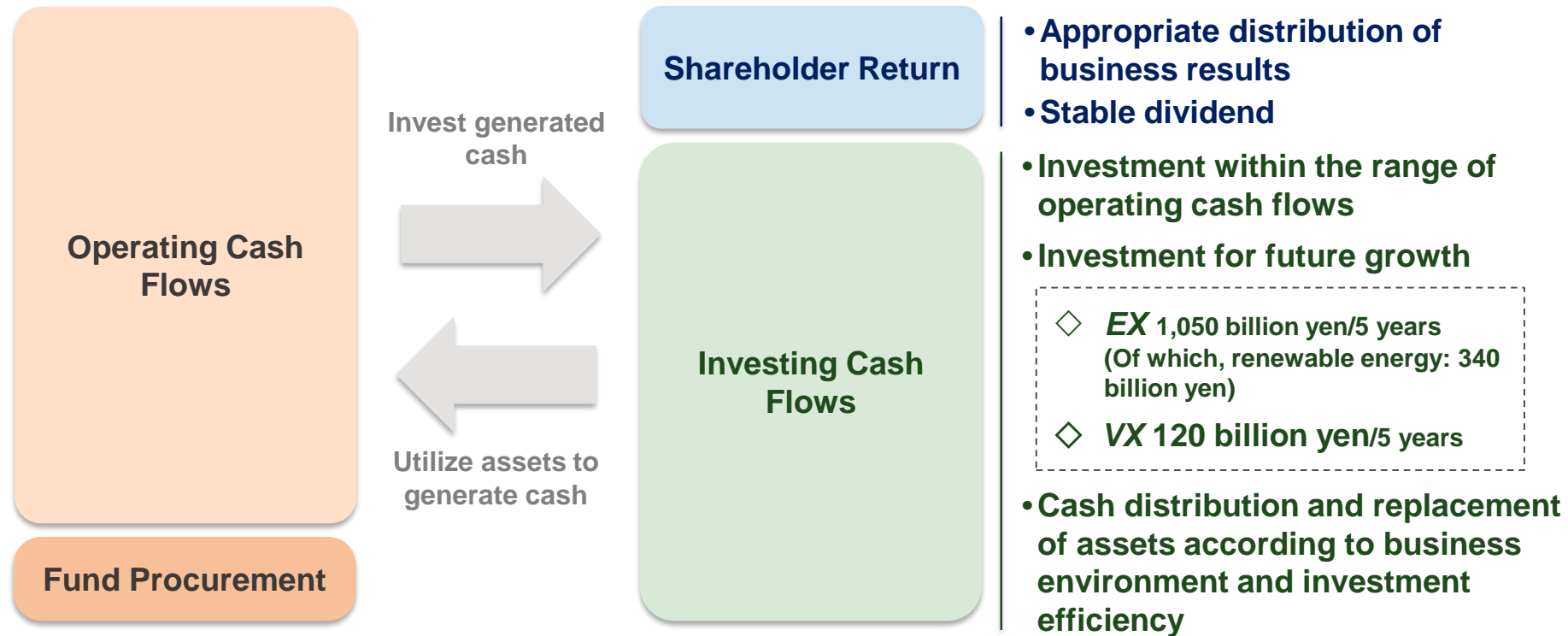
(*) ROA [Return on total assets] = Operating income [Ordinary income + Interest expense] / Total assets [Beginning and ending balance average]



[Reference] ROE (Return on equity = Net income / Shareholders' equity [Beginning and ending balance average]) when the above goals are achieved: about 4% for FY 2021-2023, about 10% for FY 2025

5. Cash Distribution and Shareholder Return Policy

Concept of cash distribution



Shareholder Return Policy

Our shareholder return policy is that, as the Kansai Electricity Power Group, we seek to improve corporate value and appropriately allocate business results to shareholders. We aim to deliver stable distribution while ensuring financial soundness.

1.

Review: Medium-term
Management Plan (2019-
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2.

What We Aspire to
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**Our Initiatives in
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6. Energy Business (1/2)

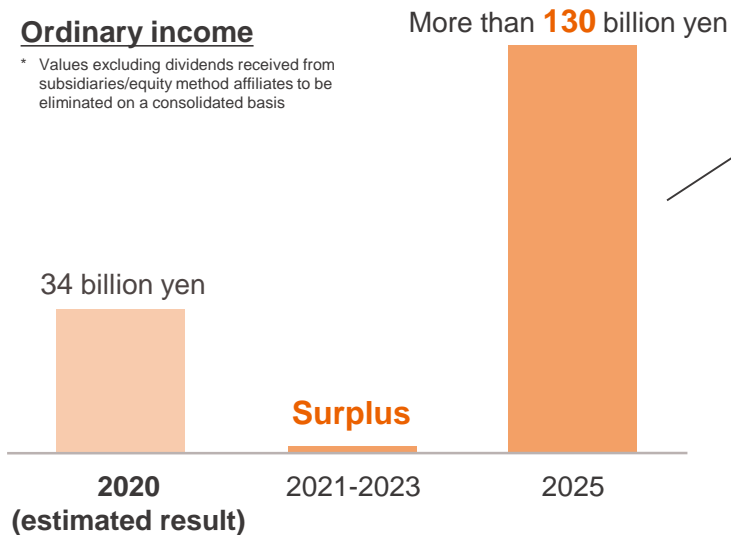
Directions to take

- [1] Promote thorough cost structure reform to restore profitability in the energy business.
Business Transformation
- [2] Work toward realizing “zero-carbon power sources” including zero-carbon thermal power, nuclear power and renewable energy, as well as verifying and demonstrating hydrogen energy utilization.
Energy Transformation Value Transformation
- [3] Provide new value through various solutions to increase profitability, while promoting electrification or *Denka*.
Value Transformation

Financial Goals

Ordinary income

* Values excluding dividends received from subsidiaries/equity method affiliates to be eliminated on a consolidated basis



ROA (Return on assets)

0.8% More than 0.3% More than 2.0%

Amid continued sluggish electricity demand and declining wholesale market prices, we can increase profitability by:

- ✓ Cost structure reform (profit improvement of approx. 90 billion yen for fiscal 2025)
 - Reduce overheads and repair costs.
 - Reduce fixed costs for power sources by rationalizing low-operating power sources.
 - Rationalize fuel procurement, supply-demand operations, etc.
- ✓ Strengthen competitiveness by operating all seven reactors in our nuclear power plants.
- ✓ Provide new value through various solutions.

6. Energy Business (2/2)

5-year Efforts

[1] Restoration of profitability

Cost reduction

- Build a competitive power source portfolio (rationalization of low-operating power sources).
- Optimize power source operations including fuel and electricity market transactions, and minimize procurement costs.
- Promote introduction of a digital technology-based surveillance and maintenance system.

Nuclear power

- Ensure operation of all seven reactors in our nuclear power plants in a sophisticated manner with safe and secure operations as a basic premise.
- Conduct technical studies of next-generation successor models with an eye on replacement, as well as surveying HTGRs and SMRs.
- Promote the nuclear fuel cycle.

Renewable energy

- Work on new development projects with a focus on offshore wind power.
- Improve existing hydropower plants.

Thermal power

- Conduct technical studies and cooperate on hydrogen/ammonia power generation and CCUS in the “carbon recycling technology hub,” etc.

Hydrogen

- Conduct technical studies and demonstrations for building a hydrogen supply chain in the “hydrogen utilization technology hub” and other purposes.

[2] Zero-carbon power sources/hydrogen

Provide new value to meet diversifying customer needs for new lifestyles, zero-carbon emissions, improved resilience, etc.



[3] Solution

Household customers

- Provide services combining energy with electric appliances, storage batteries, etc. and platform services beyond energy.

Corporate customers

- Provide total support to onsite renewable energy power sources, zero-carbon menus, etc. aiming to achieve zero carbon.

Communities/e-mobility

- Provide community energy management services to improve resilience.
- Provide package services related to electric mobility.

Through efforts described in [2], we will:

- Achieve Japan's largest volume of zero-carbon power generation.
- Halve CO₂ emissions (compared to fiscal 2013).

Directions to take

- [1] Promote energy businesses that contribute to achieving zero-carbon society.
Energy Transformation
- [2] Provide solutions related to our customers' energy usage.
Value Transformation
- [3] Improve profitability by utilizing our business know-how and leveraging our network.
Business Transformation Value Transformation

5-year Efforts

[1] Zero carbon

- Participate in IPP projects mainly on renewable energy.
- Participate in transmission and distribution businesses that contribute to power grid stabilization when renewable energy is introduced.
- Participate in businesses utilizing new technologies such as hydrogen, storage batteries and floating offshore wind turbines.



Aviator Onshore Wind Farm Project



Nam Ngiep 1 Hydropower Project

[2] Solution

- Support reduction of energy costs and the environmental load.
- Support planning, construction and operations of power stations by combining AI and IoT with our technological strengths.

[3] Increase profitability

- Reclassify asset portfolio.
- Feed back acquired knowledge to domestic businesses.
- Enhance sophistication in risk management

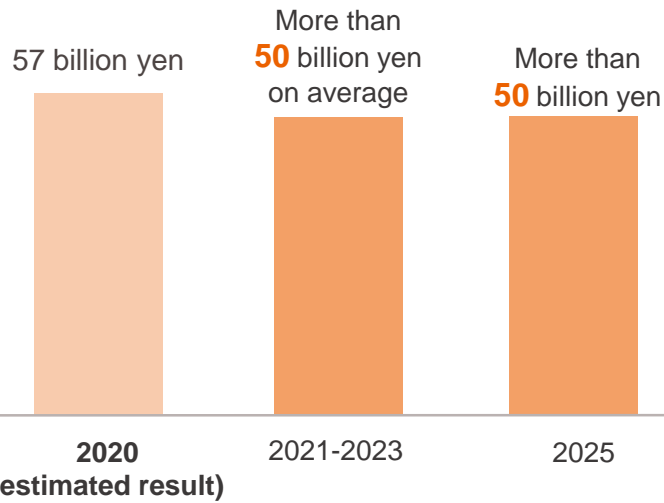
6. Transmission & Distribution Business

Directions to take

- [1] Build an industry-leading cost structure and improve productivity.
Business Transformation
- [2] Transform grids for the next-generation, which will form the basis of zero-carbon society.
Energy Transformation
- [3] Along with wheeling service, operate businesses in new sectors.
Value Transformation
- [4] Respond appropriately to the new wheeling pricing system scheduled to be introduced in fiscal 2023.
Business Transformation

Financial Goals

Ordinary income



ROA (Return on assets)

2.5% More than 2.0% More than 2.0%

5-year Efforts

[1] Streamlining

- Foster an organizational culture that tirelessly seeks greater heights through the implementation of the Toyota Production System (Kaizen).
- Make adequate capital investments considering declining electricity demand and other factors.

[2] Next generation

- Respond to early connections to and increased use of renewable energy sources.
- Introduce distributed grids that enable local energy generation for local consumption and enhanced resilience.

[3] New sector

- Provide services utilizing electricity facilities and data.
- Operate overseas consulting and investment businesses.

[4] System

- Draw up and implement business plans (stable supply, improvement of service levels, etc.) in line with the purpose of the system.

6. Information & Telecommunications Business

Directions to take

[1] Demonstrate overwhelming competitiveness in information and communication infrastructure services in the Kansai region, and increase profits.

Business Transformation Value Transformation

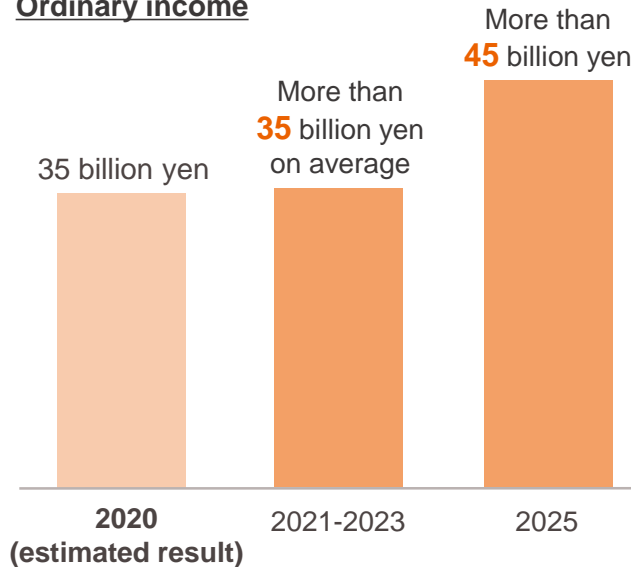
[2] Promote provision of high value-added services and creation of new solutions that contribute to increasing the value of information and communication infrastructure services as well as operating outside the Kansai region.

Value Transformation Energy Transformation

Financial Goals

5-year Efforts

Ordinary income



ROA (Return on assets)

9.9% More than 10.0% More than 11.5%

[1] Increase profitability

- Provide eo's ultra high-speed services and mineo's unique community-based services.
- Develop next-generation data centers.
- Provide Group assets (optical fiber, station buildings, transmission towers, utility poles, etc.) toward the spread of 5G communications.



[2] Solutions

- Provide new solutions to respond to the needs of cloud computing and DX.
- Provide IoT and high value-added solutions centering on the 5G core network.
- Set up new green data centers and promote green power source procurement.

6. Life/Business Solution Business

Directions to take

[1] Engage in comprehensive real estate businesses to meet all real estate needs with a well-balanced combination of condominium, rental and fee businesses*, aiming to increase profit.

[Business Transformation](#) [Value Transformation](#)

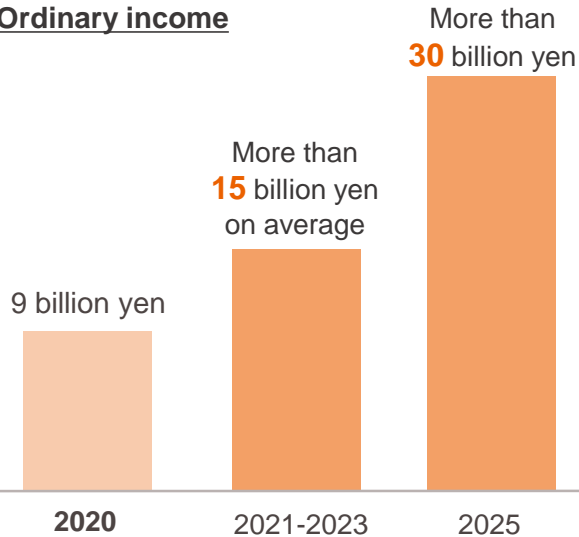
[2] Besides real estate, in highly competitive businesses where we can leverage our Group's strengths, aim to provide high value-added services seeking further increases in profit.

[Value Transformation](#)

* A type of business that earns fee-based incomes, through providing real estate-related services, such as building management and customer asset management

Financial Goals

Ordinary income



ROA (Return on assets)

1.4% More than 2.0% More than 3.0%

5-year Efforts

[1] Real estate business

- Promote business focused on asset management by making effective use of funds such as REITs.
- Enhance services for condominiums according to life cycle, such as interior fittings and furnishings, renovations, brokage and relocation.
- Find and strengthen medium- to long-term redevelopment projects, etc. through activities related to CRE (corporate real estate) solutions.

CIELIA

[2] Other than real estate

- Provide diverse health checkup services that incorporate advanced testing technologies.
- Provide customer call center services based on digital technologies and high-level know-how.

6. Efforts Common to All Business Segments (1/2)

Create new value

Value Transformation Business Transformation

Promoting innovation



- Expand and deepen open innovation that draws on the mutual strengths of various business operators through K4 Ventures, etc.
- Foster a customer-oriented organizational culture and develop human resources for innovation through programs calling for new business ideas and business contests, etc.



- Deepen existing Energy, Information & Telecommunications and Life/Business Solution businesses through the exploration of opportunities in new sectors*

*Agriculture and food, social infrastructure, life design, culture and entertainment



Examples of commercialization



Utilizing digital technologies



- Realize new solutions and improve the customer experience taking advantage of IoT, prediction and optimization technologies.
- Promote data-based business activities, such as data infrastructure development, AI-driven analysis and sophisticated decision-making.
- Support the application of digital technologies to new businesses via a digital expert (K4 Digital).

 K4 Digital

6. Efforts Common to All Business Segments (2/2)

Enhance our procurement function *Business Transformation*

Promoting value analysis



- By strengthening our procurement function and cooperating with operating divisions from the planning stage, we can closely examine capital investment, etc. from every perspective of the value chain.

Enhance our human capital foundations *Business Transformation*

Promoting safety, “workstyle” innovation, and health and productivity management



- Pursue safety activities toward zero accidents.
- Accelerate high value-added jobs and flexible workstyles utilizing digital technologies without time and place constraints.



- Continue with health activities involving the entire workplace and go a step further to promote line care (mental health care).

Improving “human capital”



- Actively recruit women and promote them to managerial positions. Also, increase mid-career hiring opportunities to secure and promote diversity in human resources.
- Support growth in innovation/digital human resources by enhanced training to encourage creativity and in-house recruitment systems.
- Support individual employees, who are responsible for innovation, to change their awareness and behaviors and grow at a faster pace.



1.

Review: Medium-term
Management Plan (2019-
2021)

2.

What We Aspire to
Become

3.

Key Initiatives

4.

Financial Goals

5.

Cash Distribution
and Shareholder
Return Policy

6.

Our Initiatives in
Detail for Each
Business Segment

7.

Main ESG Efforts

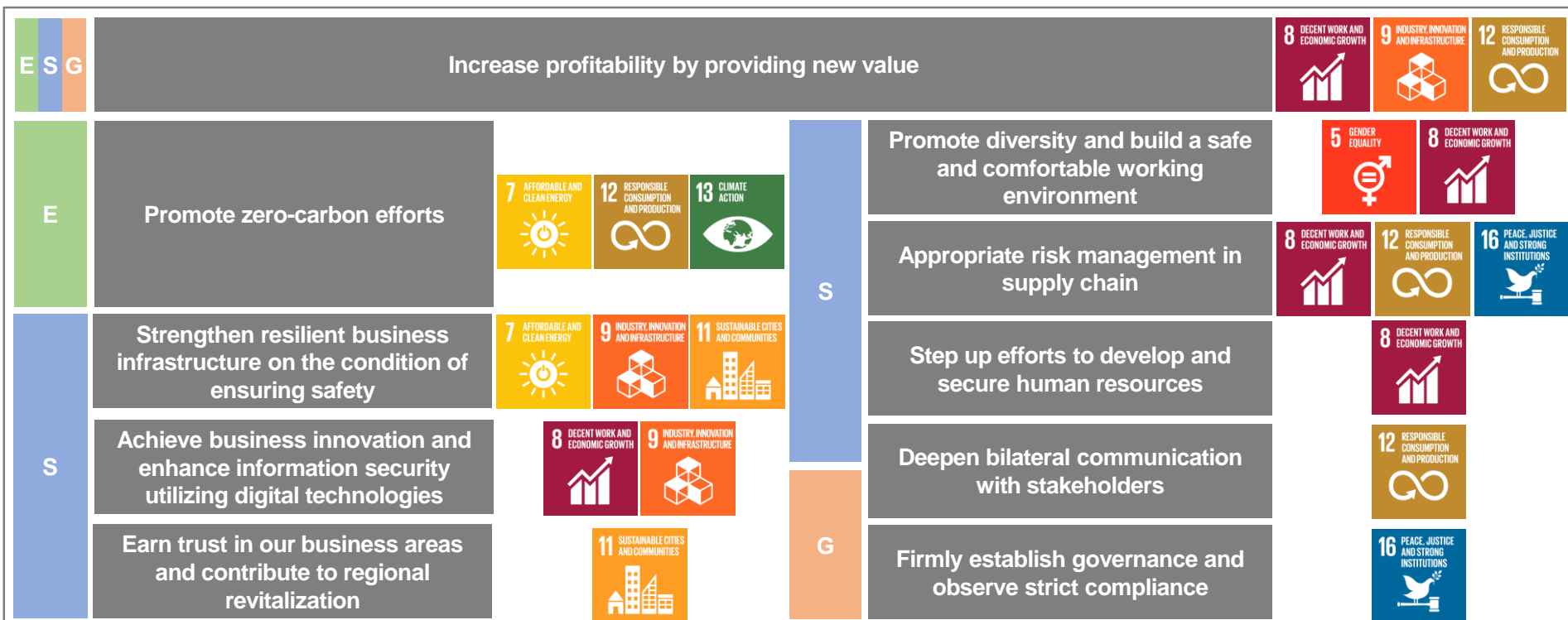
Reference:

Review of Financial Goals in
the Medium-term Management
Plan (2019-2021)

7. Main ESG Efforts

To contribute to a sustainable society by addressing SDGs and other global social issues, we have identified 10 items of **Materiality (important issues)** shown below as ESG-related issues, which are to be considered as we formulate the Medium-term Management Plan.

- E** • Toward the achievement of the Kansai Electric Power Group Zero Carbon Vision 2050, we work on “zero-carbon power sources” including zero-carbon thermal power, as well as nuclear power and renewable energy, thereby contributing to decarbonization.
- S** • Speed up digitalization, innovation and workstyle innovations, build a robust corporate constitution, and continue providing customers and communities with new value.
- G** • With the restoration of trust positioned as a basic premise of our business operation, firmly establish governance and promote compliance to build a solid management base.



1.

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Main ESG Efforts

Reference:

**Review of Financial Goals in
the Medium-term
Management Plan (2019-2021)**

		FY 2019-2021 Targets	2019 Results	2020 Forecast
Consolidated	Ordinary Income	More than 200 billion yen on average	211.5 billion yen	130 billion yen
	Equity Ratio	More than 20%	21.0%	21%
	ROA	More than 3.0% on average	3.2%	2.1%
By Business Segment(*)		More than 160 billion yen on average	167.8 billion yen	133 billion yen
	Comprehensive Energy / Transmission & Distribution	In the electric power generation and sales business: <ul style="list-style-type: none"> • Amid sluggish demand, massive introduction of renewable energy coupled with falling crude oil prices has led to a substantial decline in the electricity market price. • Intensifying competition with PPSs, etc. and the novel coronavirus pandemic have pushed down our electricity sales volumes. • With the fall in electricity sales volume and unit selling prices, it will take us a reasonable time to reform cost structures accordingly, making it difficult to achieve our financial goals. 		
	Information & Telecommunications	More than 30 billion yen on average	34.1 billion yen	35 billion yen
		Making steady progress		
	Life/Business Solution	More than 20 billion yen on average	20.5 billion yen	9 billion yen
	Generally, making steady progress except for the effects of the novel coronavirus			
<Reference> International (profit/loss)	More than 4 billion yen on average	-25.2 billion yen	1.5 billion yen	
	In FY 2019, a temporary loss was recorded due to some invested projects.			

(*) Business segment-based values in line with the Medium-term Management Plan (2019-2021). Ordinary income includes dividends received from subsidiaries/equity method affiliates to be eliminated on a consolidated basis.

The performance forecasts and other forward-looking statements provided herein have been prepared based on managerial judgments derived from information available at the time this material was produced, and therefore may contain certain potential risks and uncertainties* and may be substantially different from actual performance because of various factors that may arise going forward.

*For potential risks and uncertainties, see our Integrated Report and Financial Statements.

