

POWER BOOK 2016

The Kansai Electric Power Co., Inc.
Company Profile



Message from the President

The Kansai Electric Power group celebrated its 65th anniversary in May 2016. The Japanese retail power market was fully liberalized in April, and the same deregulation is set for next year in the retail gas market. Competition is sure to ensue, but these developments will be a good opportunity for Kansai Electric Power to expand its fields of business and area of service.

Taking an active approach in this changing business climate and in preparation to achieve sustainable long-term growth, we established a new policy in March that will guide the group into the future. The new policy includes our Management Philosophy, Guidelines for Action, and the Kansai Electric Power Group Vision. We also set a new brand statement—"power with heart"—to clearly express our corporate stance and the value we provide.

The expression "power with heart" indicates our wish to be a dependable source of power for our customers and communities by working with sincerity and passion to provide services. Our aim is to be a leading company in Japan in the field of energy, achieving growth by earning the trust and favor of customers throughout society.

To become the enterprise set forth in our Group Vision, we will employ a management style that emphasizes fast decision-making to achieve the goals in the "Kansai Electric Power Group Medium-term Management Plan (2016–2018)" drafted this April.

We will continue to pursue initiatives to achieve sustainable growth for the entire group. These include the restart of nuclear power plants based on their confirmed safety; the expansion of electricity rate options and services in the Kansai area; entry into the Tokyo metropolitan market and other areas outside of the Kansai; and enhancing our competitiveness in comprehensive energy supply by actively developing the gas business, including the residential market. We also seek to establish new avenues of growth by developing international business and other group businesses.

As we move forward step by step, building trust and working together to meet expectations, at Kansai Electric Power we look forward to your continued support and encouragement.



Shigeki Iwane
President and Director



The Kansai Electric Power Group Philosophy System

Since our founding, our Group has been operating business by “continuously serving our customers and communities” as our mission of primary importance. To fulfill this mission we manage the company with a customer-first point of view.

While the environment surrounding the electricity business is changing dramatically as exemplified by the full liberalization of retail electricity sales in April 2016, business opportunities are expanding, owing to full liberalization of retail gas sales scheduled for 2017 and other factors.

As a new energy era is truly upon us, we must take bold action to achieve long-term sustainable growth, therefore we established a new policy that will guide our approach to the future through this Management Philosophy, along with Guidelines for Action and the Kansai Electric Power Group Vision.

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 to 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.

Meaning in the logo design

The strong-yet-gentle phrase "power with heart" is printed in a powerful, dynamic italic font in warm gray lowercase type for a soft accent that exudes warmth.

The orange, arcing lines of the design were added to represent fresh breezes and the enthusiasm with which the group's employees are working to transform the company in this new age.



Business Domains

International business

Kansai Electric Power has established a new International Business and Cooperation Division that actively participates in overseas power generation projects and the consulting business. In these areas, we raise our business value by utilizing highly efficient facilities and implementing maintenance, while also contributing to improving the power infrastructures of partner countries and mitigating impact on the global environment.



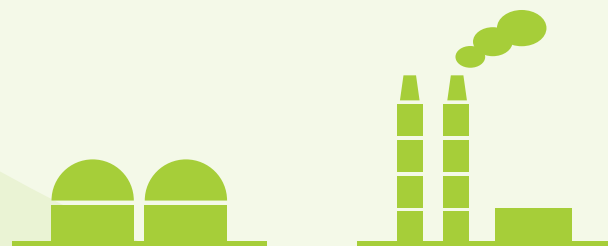
Overseas power generation (independent power producer (IPP))

In 1998 we were the first power company in Japan to join an overseas power generation (IPP) project. Since that time we have taken great strides in supplying stable electricity in a number of countries.



Overseas consulting services

Working with our subsidiary, NEWJEC Inc., we provide consulting services worldwide based on our technical expertise in the field of electric power through international contribution and business projects, human capacity building, etc.



Comprehensive energy / Power transmission and distribution business

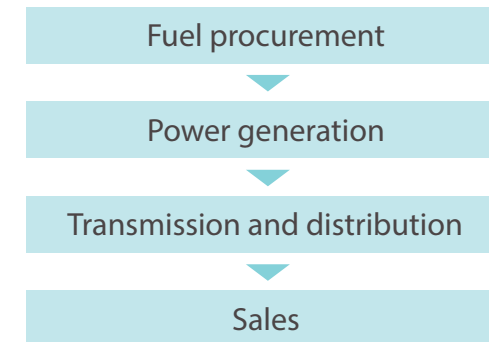
With the full liberalization of the energy retail markets, competitors from other industries are entering the field, signaling the start of an age of full-fledged competition. Meanwhile, full liberalization of the energy business will allow us to expand our business domains.

We aim to meet the increasingly diverse needs of our customers and society and will do so by drawing upon the strength of Kansai Electric Power group and by generating new ideas and approaches.



Electricity supply

A stable supply of electric power to our customers—this is the promise that Kansai Electric Power Group employees work every day to fulfill. Procuring fuel supplies with a long-term viewpoint in order to support the efficiency of our operations is a part of that pledge. So is our determination to deliver that energy without waste or inefficiency. The Group also strives to supply the products and services that our customers appreciate. With safety as our top priority, the Group is working tirelessly to fulfill its responsibilities in each of these roles, providing customers with a stable supply of electricity.



Gas supply

We are selling city gas using the pipelines of existing gas suppliers and selling LNG using tanker trucks to customers such as factories and commercial facilities. We will also begin to sell gas to residential homes and shops when full deregulation begins in April 2017, and will also offer a wide variety of services consisting of gas, electricity supply and other services.



Group businesses

Our group businesses include: Information and Telecommunications, Amenity Services in Daily Life (real estate and lifestyle-related services), and Group Support businesses. We support people's lives and businesses by developing products and services based on the needs of customers and society, and by linking up with our comprehensive energy supply business—starting with electricity and gas.



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 business

In April 2016 the KANDEN FUDOSAN group companies and MID Urban Development group companies were merged to form Kanden Realty & Development group. The new group will expand business in the Tokyo metropolitan area and pursue a well-balanced portfolio of lot selling, leasing, and fee businesses (real estate brokerage and operations management), to meet a range of needs in real estate as a comprehensive real estate group.



Lifestyle-related services

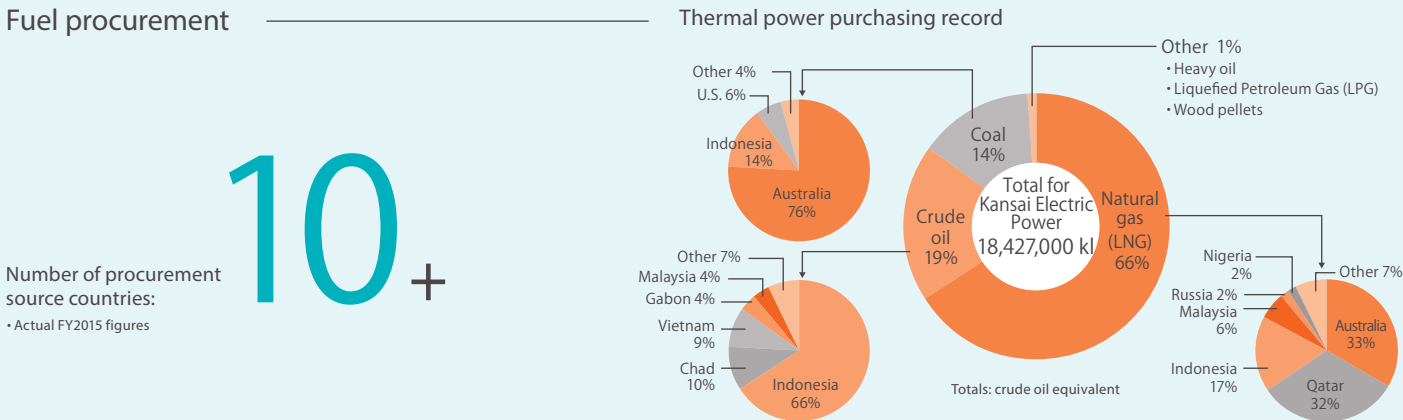
We offer various services that are closely linked to people's lifestyles in response to needs and trends in society such as aging and the active promotion of women. These services include home security, housekeeping services, nursing, and health management. We will continue to develop a broad range of quality lifestyle services to provide people with safety, comfort, and convenience in every stage of life.



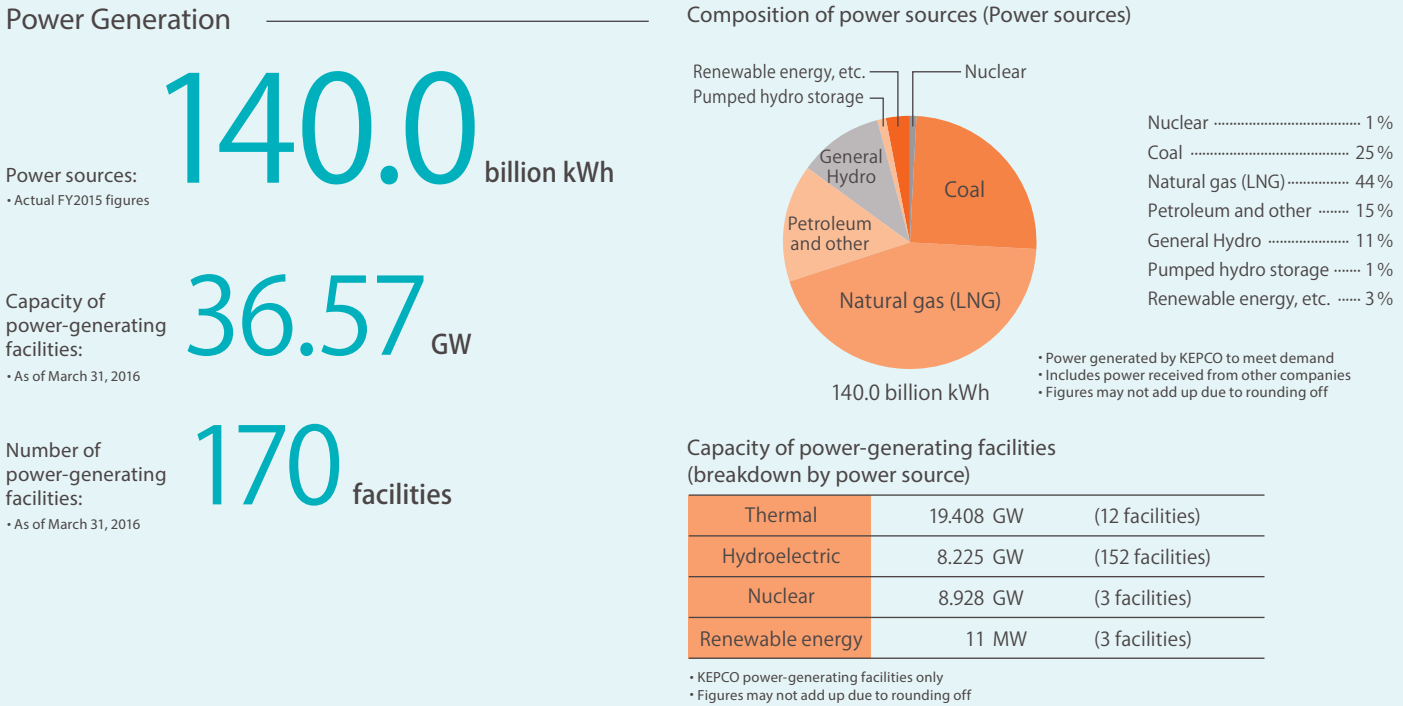
The Business of Kansai Electric Power (KEPCO) in Figures

Comprehensive energy / Power transmission and distribution business

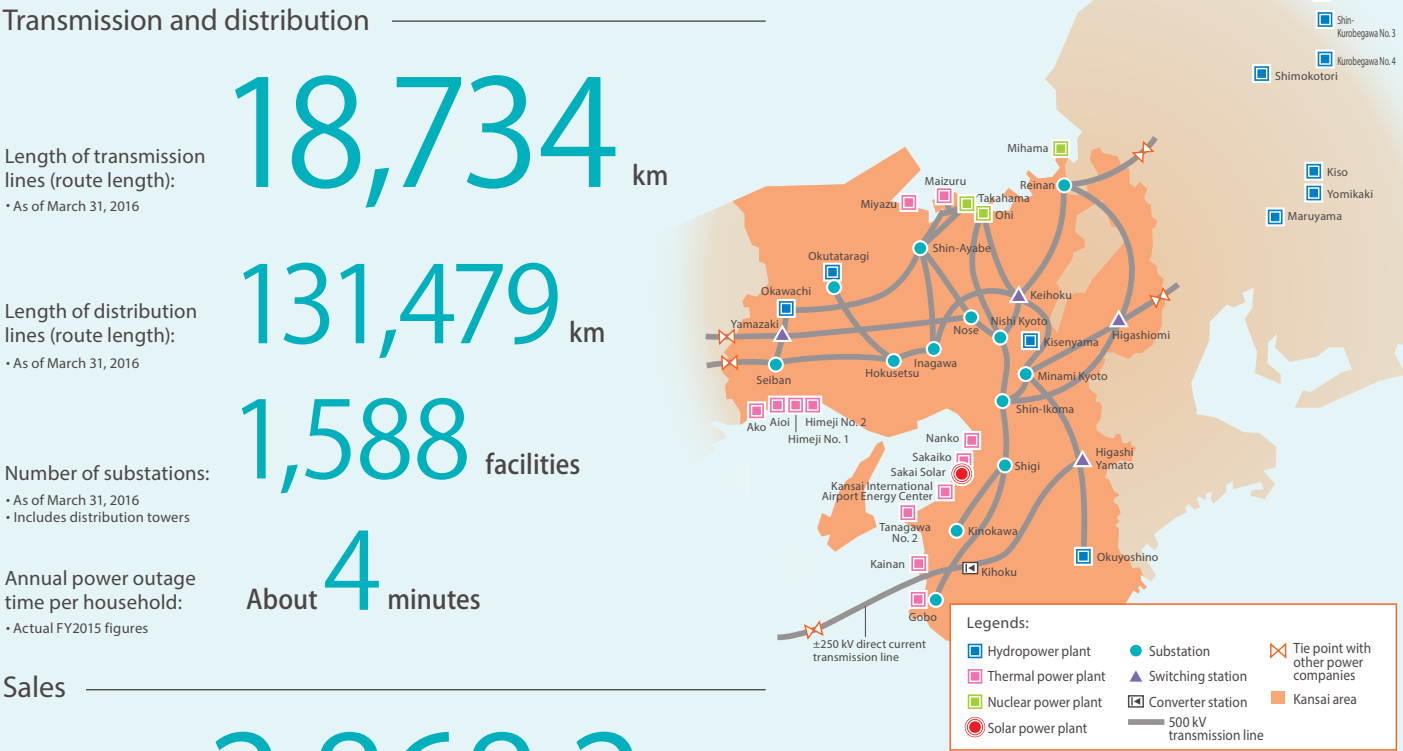
Fuel procurement



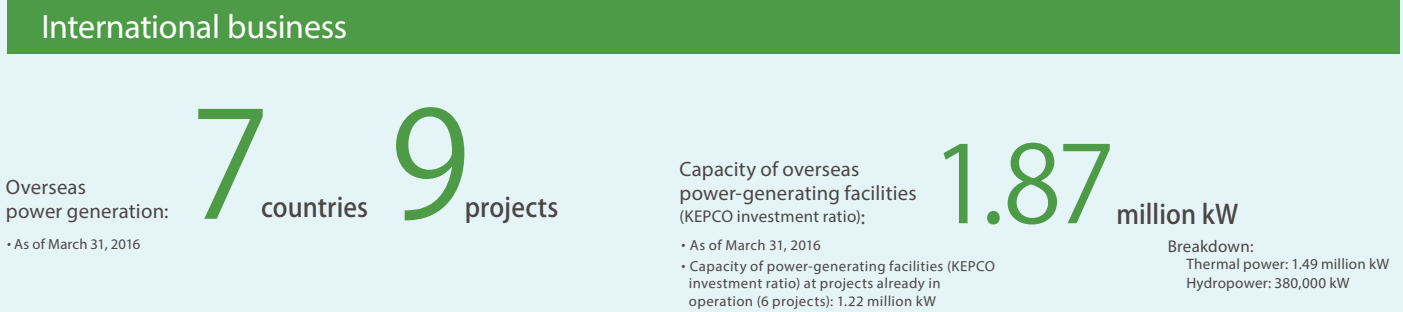
Power Generation



Transmission and distribution



International business



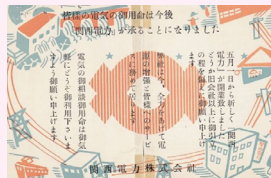
Group businesses



Sixty-Five Years of History
at Kansai Electric Power

1951

May KEPCO launched upon restructuring of power business



1956

July New construction of Kurobegawa No. 4 Power Station (Omachi route) begins

1957

Nuclear Power Department launched to start R&D on nuclear power
May Fault fracture zone reached in Omachi Tunnel for building the Kurobegawa No. 4 Power Station (broken through in December)

1958

February Kurobegawa No. 4 Power Station Omachi Tunnel completed

1970

July KEPCO's first nuclear power plant, Mihama Nuclear Power Plant Unit 1 goes into operation (340,000 kW)



July Japan's first recirculating pumped storage power plant, Kisenyama Power Plant Units 1 and 2 go into operation (233,000 kW for two units)

1973

October Himeji No. 2 Power Station Unit 5 goes into operation (600,000 kW, total 1.95 million kW); computerized auto-heating, auto-pressurizing system adopted; thermal power facility boosted to 10.03 million kW

1976

May Construction completed on 500 kV Wakasa primary line (city side) and Nishi-Kyoto transformer substation, completing a 500 kV primary transmission power system, which goes into operation

1979

June Himeji LNG Terminal goes into operation

1991

February Mihama Unit 2 steam generator tube rupture accident

1992

March Lesson learned from Mihama Unit 2 accident and Institute of Nuclear Safety System, Incorporated (INSS) established

1995

January Great Hanshin-Awaji Earthquake hits; immediate power outage affects 2.6 million households, primarily in Hanshin area (2.836 million kW) Power transmission restored after emergency repairs in 153 hours



December Electricity Enterprises Law revised for first time in 31 years, deregulating the wholesale power industry

1996

January Electricity rates lowered
First electricity wholesale bidding

2000

October Electricity Enterprises Law revised; liberalization of retail market begins; first lowering of electricity rates by report

2001

August Peak power consumption record (33.06 million kW)
November Heat pump water heater "EcoCute" with CO₂ coolant developed

2002

October Electricity rates lowered

2003

June Constant rated thermal power operation introduced at all nuclear power plants
July KEPCO electricity certified with EcoLeaf environmental label

2004

August Mihama Nuclear Power Station Unit 3 secondary pipe failure



August Maizuru Power Station Unit 1 goes into operation
First cross-compound steam turbine adopted by KEPCO

2010

March Kansai Electric Power Group Long-Term Growth Strategy 2030 announced

2011

February Winter peak power consumption record (26.65 million kW)
March Great East Japan earthquake
September Japan's first megasolar project by a power company Sakai Solar Power Plant goes into full operation



2012

December Awaji Wind Power Station, the first KEPCO wind farm, goes into operation



1950s

1960s

1970s

1980s

1990s

2000s

2010s

1961

March Output of thermal facilities overtakes hydro facilities (marking shift to thermal)
September World's first balloon construction method used to set up power transmission line crossing the Naruto Strait

1963

June Construction of Kurobegawa No. 4 Power Station finally completed after 7 grueling years



1964

May KEPCO's first pumped storage power station, the Mio Power Station, goes into operation (34,000 kW; 1,500 kW added in December 1968)

1966

Summer peak power consumption tops winter peak for first time (marking shift to summer peak consumption)

1968

March Himeji No. 2 Power Station Unit 4 goes into operation (450,000 kW; all units 1.35 million kW), first two-stage heat recovery supercritical pressure system

1981

April First TQC system in power industry adopted

1984

November Received Deming Prize, a global quality award, given for the first time outside of manufacturing and architecture industries



1987

Annual electricity sales volume exceeds 100 billion kWh

1989

December Primary dispatching center goes into full operation; central load dispatching center backup system established

1998

February Electricity rates lowered
December First overseas power generation by a power company
Joined San Roque hydroelectric power generation project in the Philippines



2005

April Electricity rates lowered
June Mihama Nuclear Power Station Unit 3 accident recurrence prevention plan announced

2006

April Electricity rates lowered

2007

March Kansai Electric Power plan for the medium and long term announced

2008

September Electricity rates lowered
September Mihama Line Tower No. 21 accident
September KEPCO's first company ship "LNG Ebisu" built



2009

July Power usage notice and inquiry service started

2013

May Electricity rates raised
August Himeji No. 2 Power Station Unit 1 goes into operation
Facility upgraded to combined cycle power generation system using ultra high-temperature 1,600°C-class gas turbine



2015

June Electricity rates raised

2016

March Management Philosophy, Guidelines for Action, Kansai Electric Power Group Vision and brand statement drafted
April Liberalization of the energy retail market begins
Kansai Electric Power Group Medium-term Management Plan (2016–2018) drafted
May 65th anniversary

Corporate Information

Outline (As of March 31, 2016)

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:	¥6,433.0 billion (non-consolidated), ¥7,412.4 billion (consolidated)
Number of common shares issued:	938,730 thousand
Number of shareholders:	325,370
Operating revenues:	¥2,868.2 billion (non-consolidated), ¥3,245.9 billion (consolidated)
Electricity sales:	127.5 billion kWh
Number of employees:	21,817 (registered)

Directors and Auditors

(As of June 28, 2016)

Chairman and Director	Makoto Yagi*
President and Director	Shigeki Iwane*
Directors, Executive Vice Presidents	Hideki Toyomatsu* Jiro Kagawa* Yoshihiro Doi* Yasuhiro Yashima* Takashi Morimoto*
Directors, Managing Executive Officers	Yasushi Sugimoto Hironori Katsuda Hidehiko Yukawa Tomio Inoue Tomihiko Oishi
Directors	Ryohei Shirai Noriyuki Inoue** Takamune Okihara** Tetsuya Kobayashi**
Audit & Supervisory Board Members	Sakae Kanno Yasunari Tamura Yukishige Higuchi
Outside Audit & Supervisory Board Members	Takaharu Dohi*** Yoichi Morishita*** Hisako Makimura*** Tsutomu Toichi***

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

Executive Officers

(As of June 28, 2016)

Managing Executive Officers	Ikuko Morinaka Toyokazu Misono Masanori Kataoka Susumu Yamaji Nozomu Ushiro Yasuji Shimamoto Koji Inada Yukio Tokimasa Takashi Fukuda
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Note: Excludes those serving concurrently as directors and executive officers

Capacity of power-generating facilities (As of March 31, 2016)

Thermal power	12 facilities	19,408 GW
Hydropower	152 facilities	8,225 GW
Nuclear power	3 facilities	8,928 GW
New energy	3 facilities	11 MW
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 June 30, 2016)

Consolidated subsidiaries 61 companies

Comprehensive Energy Supply	Kanden Engineering Corp.
Kanden Energy Solution Co., Inc.	The Kanden L & A Co., Ltd.
SAKAI LNG Corp.	The Kanden Services Co., Inc.
ECHIZEN ENELINE CO., INC.	NEWJEC INC.
Osaka Bioenergy Co., Ltd.	NIHON NETWORK SUPPORT CO., LTD.
Three other companies	Nuclear Engineering, Ltd.
Information and Telecommunications (IT)	Seven other companies
K-Opticom Corp.	Other
Kanden System Solutions Co., Inc.	KANDEN GEO-RE Inc.
Four other companies	KPIC Netherlands, B.V.
Amenity Services in Daily Life	Kansai Power Venture Management Corporation
Kanden Realty & Development Co., Ltd.	Kansai Electric Power Australia Pty. Ltd.
Clearpass Co., Ltd.	Kansai Electric Power Holdings Australia Pty. Ltd.
Kanden E House Co., Ltd.	Kansai Sojitz Enrichment Investing S.A.S.
Kanden Joy Life Co., Ltd.	LNG EBISU Shipping Corporation
KANDEN AMENIX Corp.	LNG FUKUKOKUJU Shipping Corporation
Kanden Facilities Co., Ltd.	LNG JUROJIN Shipping Corporation
Kanden Community Co., Ltd.	KE Fuel International Co., Ltd.
KANSAI Medical Net Co., Inc.	Kanden L-Heart Co., Inc.
KANDEN Security of Society, Inc.	Kansai Electron Beam Co., Ltd.
Three other companies	Three other companies
Group Business Support	Affiliates accounted for by the equity method
Kanden Plant Corp.	Four companies
The Kurobe Gorge Railway Co., Ltd.	Other
Institute of Nuclear Safety System, Inc.	JAPAN NUCLEAR FUEL LIMITED
THE GENERAL ENVIRONMENTAL TECHNOS CO., LTD.	KINDEN CORPORATION
Kanden CS Forum Inc.	ENEGATE Co., Ltd.
Kanden Office Work Co., Inc.	San Roque Power Corporation
Kanden Power-Tech Corp.	
Kanden Business Support Corp.	

Organization chart (As of June 28, 2016)

