

Environmentally Friendly Business

◆◆◆ Policy and Concept ◆◆◆

● Further development and utilization of renewable energy

As a leading “decarbonization” company, with the goal of having 6 million kW of installed capacity for renewable energy sources in Japan and abroad by the 2030s, our Group is working for the development of at least 2 million kW in new capacity.

In Japan, we have been working to increase the output of existing hydroelectric power plants and to develop power generation using renewable energy sources, including solar, land-based wind, offshore wind, biomass, and geothermal. As of March 31, 2020, we announced the start of operation for about 3.46 million kW of generation capacity. While keeping an eye on trends in a fundamental review of the FIT system, we are committed to commercializing projects that are underway. At the same time, we will be reducing power generation costs, contributing to local communities and operating power sources, either developed or acquired, as part of our efforts to make Japan's power sources less carbon-intensive, all designed to be less dependent on the FIT system.

We also aim to expand renewable energy business overseas with the technical expertise and experience cultivated through our international business and cooperation activities so far. Moreover, we are committed to making our share of contribution to the global social issues including SDGs by utilizing our own knowledge and know-how in electric utility business.

● Group companies' environmental businesses

The technical expertise of each group company combined with our Group's integrated management resources are key to developing a wide range of environmental businesses.

● Energy services responding to the needs of customers and society

While there has been a greater demand for increased environmental values, our Group, as a leading “decarbonization” company, is committed to promoting and encouraging renewable energy. We will also expand services that contribute to the lives of our customers and benefit society.

◆◆◆ Goals ◆◆◆

● Advancing efforts to control CO₂ emissions

- Keep the top spot for the amount of CO₂-free power generation in Japan.
- Halve CO₂ emissions associated with power generation in Japan in FY2030 (compared to FY2013)

● Further development and utilization of renewable energy

- Achieve 6 million kW of installed capacity by 2030s (2 million kW or more new development in Japan and abroad)

◆◆◆ Efforts ◆◆◆

● Status of domestic development in fiscal 2019

Our Group decided in September 2019 to take a stake in Furusato Netsuden K.K., which develops and operates geothermal power generation in Aso-gun, Kumamoto Prefecture.

On July 27, 2016, we also invested in Akita Offshore Wind Corporation, which was set up by Marubeni Corporation at the ports of Akita and Noshiro (Akita Prefecture). We had been conducting feasibility studies with joint operators* and in February 2020 we made a decision on the commercialization of the project.

* Marubeni Corporation, OBAYASHI CORPORATION, Tohoku Sustainable & Renewable Energy Co., Inc., Cosmo Eco Power Co., Ltd., Chubu Electric Power Co., Inc., The Akita Bank, Ltd., Omori Construction Co., Ltd., Sawakigumi Corporation, Kyowa Oil Co., Ltd., Kato Kensetsu Co., Ltd., Kanpu Co., Ltd., and Sankyo Co., Ltd.

● Expansion of renewable energy power assets overseas

The total power capacity of our renewable energy assets overseas has expanded to approximately 950 MW* across nine projects. In terms of international business, renewable energy accounts for about one third of the total power generation assets invested and owned by Kansai Electric Power Company.

* As of the end of July 2020, one project under construction included.



Nam Ngiep 1 Hydropower Project in Laos



Aviator Onshore Wind Farm Project in the U.S.

◆ Renewable energy capacity of facilities that have begun operation (completed construction) in Japan and abroad: 3,885 MW (as of the end of FY2019)

●【Group companies' environmental businesses】

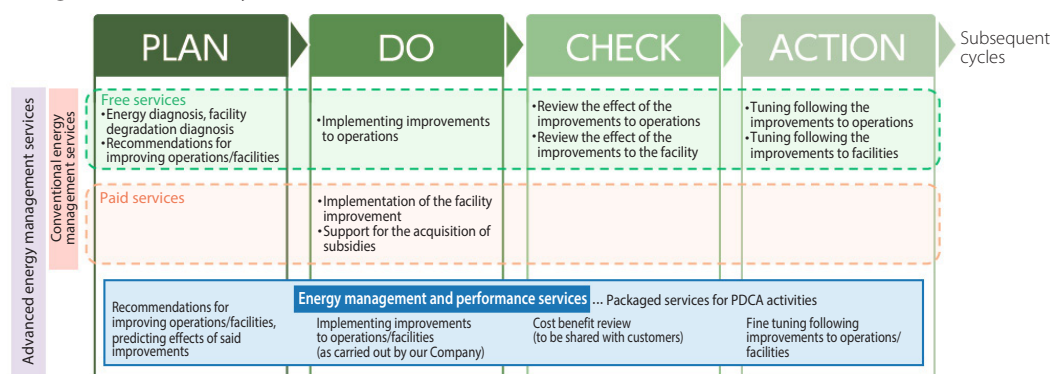
Kanden Facilities Co., Ltd. receives the Jury's Special Award at the Energy Conservation Grand Prize (Product & Business Model Category).

Kanden Facilities Co., Ltd. received the Jury's Special Award at the 2019 Energy Conservation Grand Prize (Product & Business Model Category), which is organized by the Energy Conservation Center, Japan, for its contribution to the promotion of energy conservation in the building sector through the provision of energy management services throughout the life cycle of a facility.

In addition to conventional energy management services that support PDCA activities for energy conservation, the services that were recognized include advanced energy management services, where financial support is provided for the installation of energy/power-saving facilities with any energy cost savings are shared with customers.

Building management companies such as Kanden Facilities Co., Ltd., which routinely monitor energy consumption and facility conditions, are expected to play a practical role in supporting the PDCA activities of our customers' energy conservation throughout the life cycle of the facility. We are committed to improving our energy management expertise as part of our efforts to boost the asset values of our customers.

◆Energy management service system



Award ceremony

● Performance data

Development and promotion of renewable energy (consolidated)		Unit	FY2017	FY2018	FY2019
Development and promotion of renewable energy	Capacity of facilities that have begun operation (completed construction)	10,000 kW	*	372.46	388.58
	Projects underway		*	66.14	54.02
	Accumulated installed capacity		*	438.60	442.60
	• Solar power generation	10,000 kW	*	8.17	8.17
	• Wind power generation	10,000 kW	*	30.40	30.95
	• Hydroelectric power generation	10,000 kW	*	374.36	377.80
	• Biomass power generation	10,000 kW	*	25.67	25.67
	• Geothermal power generation	10,000 kW	*	—	0.01

* Shown are the results in FY2018-2019, with targets revised to "achieve 6 million kW of installed capacity by 2030s (2 million kW or more new development in Japan and abroad)" in line with the Kansai Electric Power Group Medium-term Management Plan (2019-2021), which was set out in 2019.