

## Message from Top Management



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## We are continuing to fulfill our unchanging mission of serving customers and communities by building CSR into the core of our business

We are deeply grateful for the continued support of all our stakeholders.

### FY 2012 Business Overview

In FY 2012, given the prolonged suspension of our nuclear power plants following the Great East Japan Earthquake, it was challenging to balance the supply and demand for electricity. However, thanks to the restart of Units 3 and 4 at the Ohi Power Station, other measures taken to increase the power supply, and the extensive cooperation of our customers in conserving energy, we have been able to achieve a safe and stable supply of electricity.

In terms of revenues and expenditures, the Group has been working to achieve efficient business operations, but substantial increases in thermal fuel and other costs has left us operating at a deficit for two consecutive years.

If this situation continues, it will have a significantly negative impact on our finances and would pose an impediment to our ability to fulfill our greatest mission, to provide a safe and stable supply of electricity. Thus, though we have started with painstaking efficiency improvement efforts, we have decided to raise electricity rates.

Since the future of the business environment remains uncertain, we also decided not to pay a dividend for this fiscal year in an effort to preserve the company's financial soundness.

We know that these moves place a considerable burden on our customers and shareholders, and we deeply regret having to move in this direction.

### FY 2013 Business Prospects

As we enter FY 2013, there is still no end in sight to the ongoing suspension of our nuclear power plants, and we continue to face challenges in terms of balancing electricity supply and demand, as well as balancing our revenues and expenditures. However, the entire Kansai Electric Power Group is leveraging its full strength to ensure a safe and stable supply of electricity and is placing the highest priority on resolving the most pressing issues, such as the reactivation of nuclear power plants whose safety has been confirmed and further business efficiency improvements aimed at improving our fiscal balance. In addition, we are making every effort to be a company that can quickly and appropriately adapt to changing customer needs and electric power system reforms, and one that will be chosen by our customers to service their needs.

Thus, in FY 2013, we developed three action plans: (1) cultivating a corporate climate prioritizing safety and achieving a stable power supply; (2) pursuing extensive improvements in business efficiency and sustainability; and (3) promoting efforts to meet new expectations of customers and communities.

### Cultivating a Corporate Climate Prioritizing Safety and Achieving a Stable Power Supply

By ensuring that each and every employee performs in a way that prioritizes safety, we are building a robust safety culture throughout the group.

Particularly with regard to nuclear power generation, we are making certain to adapt to the new regulatory requirements, are voluntarily and continuously promoting safety improvement measures that go beyond the regulatory framework, and are aiming to offer the highest levels of safety in the world.

We are making every effort to support the early restart of nuclear power plants whose safety has been confirmed while gaining the understanding of the local community. We are doing everything in our power to ensure the safe and stable supply of electricity by making maximum use of thermal power and hydropower generation, taking firm steps to deal with aging distribution equipment, and promoting energy management activities that contribute to energy conservation efforts and reductions in peak energy use.

### Pursuing Extensive Improvements in Business Efficiency and Sustainability

In every area, including asset efficiency, maintenance costs, and materials and fuel procurement, we have been making diligent efforts to improve business efficiency.

We are also working to grow the income of the entire group by expanding group businesses in such areas as comprehensive energy supply, information and telecommunications, and amenity services in daily life, and by participating in international projects where we can utilize the know-how we have developed in the electric power industry.

### Promoting Efforts to Meet New Expectations of Customers and Communities

We are cooperating in careful investigations to ensure that electric power system reforms are achieved in a way that truly benefits our customers, and are striving to offer new services that will help expand the options our customers have available to them. We are also promoting the advanced use of thermal power generation and the widespread use and expanded generation of renewable energies through the development of solar and wind power generation, and the construction of a smart grid.

### Our Corporate Social Responsibility

Fundamental to the promotion of these efforts is our awareness of our corporate social responsibility (CSR).

For the Kansai Electric Power Group, CSR means diligently fulfilling the responsibilities that are ours to fulfill as a member of society. This is achieved when each and every employee thinks about issues from the perspective of our customers and other stakeholders, behaves in a way that demonstrates respect for others, and conscientiously performs the work assigned to them with a sense of mission and purpose.

### Putting CSR Into Practice

To conscientiously practice CSR, each and every member of the Kansai Electric Power Group must enhance their understanding of CSR, and we must cultivate a corporate culture that encourages employees in every workplace to approach their work with a sense of CSR awareness.

To this end, we conduct various types of internal training, and in every workplace, we are promoting outreach activities suitable to the workplace conditions, focused around CSR Key Persons. We are having top management visit as many workplaces as possible and engage in direct conversations with workers to thoughtfully and repeatedly communicate the importance of CSR and our CSR approach.

The Kansai Electric Power Group is continuing to fulfill its unchanging mission of serving customers and communities by building CSR into the core of its businesses.

### The Kansai Electric Power Group Report

Intending with this edition to start comprehensive reporting on all Group business activities, we have decided to integrate the report on our CSR activities (CSR Report) and the report on our financial performance (Annual Report). Through the new Kansai Electric Power Group Report, we hope to foster closer communication with our various stakeholders. We trust that you will gain a better understanding of our Group's efforts as you read this report, and we welcome your honest feedback regarding our activities.