

## Message from Management

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**By incorporating CSR into the core of our business, we will fulfill our mission of serving our customers and communities while meeting their expectations.**

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

### FY 2013 Business Overview

In FY 2013, the entire Group leveraged its strength to address pressing issues while continuing to face very challenging circumstances related to electricity supply and demand as well as business revenues and expenditures.

Between June 2012 and September 2013, Kansai Electric Power restarted Units 3 and 4 of the Ohi Power Station, becoming the first operator in Japan to restart nuclear power plants following the Great East Japan Earthquake of 2011. In all, these units provided 13 months of safe, stable operation before operation was halted for periodic inspections. We have taken the measures to supply the maximum amount of power and were able to supply electricity thanks to the extensive cooperation of our customers to conserve energy.

In terms of our revenues and expenditures, the Kansai Electric Power Group has been working to further improve business efficiency while also seeking our customers' understanding for an increase in electricity tariffs. However, increases in the cost of thermal fuel caused by the depreciation of yen and decreased availability of nuclear energy have left us operating at a deficit for three

consecutive years.

We apologize for the inconvenience mentioned above and acknowledge that the tariff increase places a considerable burden on our customers and shareholders. We deeply regret having to take this step.

### FY 2014 Business Prospects

As we enter FY 2014, the ongoing suspension of our nuclear power plants remains an issue with no resolution forthcoming, and we continue to face challenges in terms of balancing electricity supply and demand as well as revenues and expenditures. In the midst of these critical circumstances, we are preparing for the rapid change in the operating environment that will arise from the liberalization of the entire retail electricity market in 2016. Thus, we have developed a two-pronged action plan for FY 2014 operating "Basic action to achieve our unchanging mission" and "Revolutionary action for continuous change."

### Basic Action to Achieve Our Unchanging Mission

By sharing our principles and code of conduct for safety and instilling a robust safety culture throughout the Group, we shall ensure that all our employees perform in a manner that

prioritizes safety in an unprecedented manner. In order to further improve the safety of nuclear power generation, we are voluntarily and continuously promoting our own safety improvement measures.

Together, we are taking all possible steps to support the early restart of nuclear power plants by leveraging the full strength of the entire Group in an effort to stabilize the supply and demand balance for electricity. We are doing everything to meet electricity demand by making maximum use of our power plants and purchasing power from other energy suppliers. Moreover, our Group will engage in management that incorporates CSR into the core of our business while ensuring complete compliance and adopting CSR awareness initiatives in an integrated manner.

## Revolutionary Action for Continuous Change

With a focus on the dawning era of full-scale competition, we aim to become a more competitive corporate group. We will do so by soliciting bids for construction of thermal power supply projects to strengthen our power supply competitiveness; increasing the profitability of our IT business and other Group operations; and enhancing and intensifying our business base to support new growth.

To promote enhanced management efficiency and cost restructuring, we will proactively address the challenge of facilities development through the application of new technology; promote operations and maintenance; reform our business processes; and pursue reforms of both distribution and procurement.

Moreover, by utilizing the Web, we aim to meet the expectation of our customers and other members of society by further enhancing communication and improved services to customers and the public. In addition, we will promote energy management initiatives that contribute to energy efficiency and peak power suppression, will expand and promote widespread adoption of renewable energy, and will help to promote the use of energy by our individual customers and society.

## Our Corporate Social Responsibility

### A decade of CSR initiatives

For the more than 60 years since its founding, the Kansai Electric Power Group has pursued its business with the overarching mission of providing a safe and stable supply of electricity as part of its contribution to its customers and

communities. Having inherited this founding spirit, in March 2004 we formulated the Kansai Electric Power Group CSR Action Charter, which identifies six action principles that guide our operations.

We remain committed to meeting public expectations around CSR as a core component of our business in order to continue fulfilling our mission of serving our customers and communities and fulfilling our social responsibility.

## Putting CSR into Practice

### Sharing ideas

For the Kansai Electric Power Group, CSR means dutifully meeting our obligations as a good corporate citizen. We do so by ensuring all our employees consider issues from the perspective of our customers and other stakeholders; behave in a manner that demonstrates respect for others; and conscientiously perform the work assigned to them with a sense of mission and purpose.

To meet our CSR conscientiously, all members of our Group must enhance their understanding of CSR as we cultivate a corporate culture that encourages employees in all our workplaces to approach their work with CSR awareness.

To this end, we provide various types of internal training and, in every workplace, CSR Key Persons are implementing outreach activities appropriate to the workplace conditions.

Since accepting the post of president, I have engaged in direct conversation with employees more than 160 times. The management take a proactive approach, using every opportunity to visit workplaces to thoughtfully and repeatedly communicate the importance of CSR and its specific initiatives.

## The Kansai Electric Power Group Report

This publication is a comprehensive report covering all Group business operations, including the status of our CSR initiatives and our financial performance. The new Kansai Electric Power Group Report is intended 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 candid feedback regarding our activities.