

Kansai Electric Power Group Report

2017 CSR & Financial Report

Editorial Policies

This report presents information on the CSR initiatives and financial performance of the Kansai Electric Power Group, thus conveying a comprehensive image of our business operations to our stakeholders. It features content of interest primarily to stakeholders and of particular importance to us. Our CSR initiatives, which are based on our six CSR Action Principles, are each introduced in separate sections of this report for ease of understanding.

For the contents of the report, we referred to the 2016 GRI Sustainability Reporting Standards. (See p. 27 for details about these standards.) In addition, we have provided information for the disclosure items by industry of the GRI Sustainability Reporting Guidelines (G4). For contents related to the environment, we also referred to the Environmental Reporting Guidelines (Fiscal 2012 edition) published by the Ministry of the Environment.

Place of publication

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Report Publication Date

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2016: Published Aug. 2016
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Scope of Report

Period covered: April 1, 2016, to March 31, 2017
(We will also report on important information that may fall outside of that time frame.)
Companies covered: The Kansai Electric Power Co., Inc., and Kansai Electric Power Group companies "The Company" refers to the Kansai Electric Power Co., Inc.; the names of the various Group companies are clearly stated in the relevant text.

Caution Concerning Forward-Looking Statements

Information contained in this report regarding future projections related to the Group's plans, strategies, and anticipated performance is based on information currently available, and involves potential risks and uncertainties. For this reason, the actual performance and business environment may differ from what is projected in this report due to changes in various factors, including changes in the economic situation, market trends, and revisions to relevant laws and regulations.

SnapShot Main Results of Our Medium-term Management Plan

- 1 Providing New Value in the New Energy Era
- 3 Actively Expanding Our International Business Fields and Regions
- 5 Creation of Pioneering Information and Communications Services
- 6 Responding to Every Real Estate Need
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Business domains

Comprehensive energy / Power transmission and distribution business

Electricity supply

Through the flexible and steady procurement of fuel and power generation using a well-balanced combination of diverse power supplies, we are stably delivering electricity to customers and providing, for example, services that are helpful in their lives.

Gas supply

In addition to serving our factory and commercial facility customers, we have been selling city gas to households, shops and other customers since April 2017.

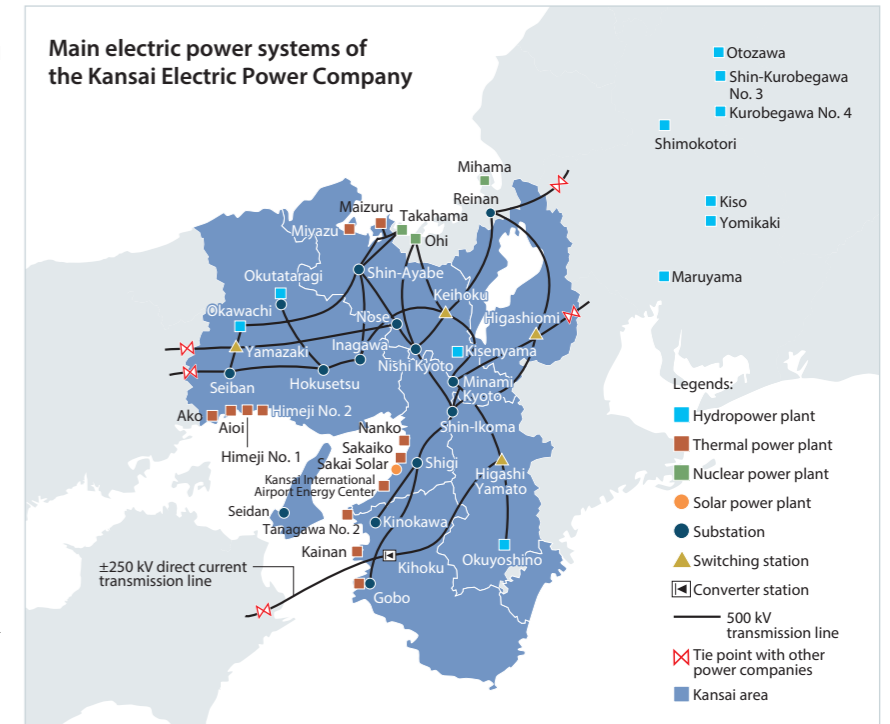


LNG tanks on the grounds of the Himeji No. 2 Power Station

Transmission and distribution business

In order to assure stable supply from a neutral and fair stance, we maintain the supply and demand balance for entire areas, construct and maintain transmission and distribution equipment and provide guaranteed service.*

* This service offered by ordinary transmission and distribution businesses is always provided for users who are unable to establish a supply contract with any retailer due to, for example, their withdrawal from the market.



International business

In 1998, we participated in an overseas power project as the first electric utility from Japan. Since then, we have been expanding our power business abroad into Asia, Australia and North America. In addition, we have been undertaking overseas consulting, such as energy master plan development and power infrastructure advising, by utilizing the technical expertise and advantages that we have developed in the electric power business in Japan.

Furthermore, we are actively conducting a wide range of international contribution and cooperation activities, including providing valuable information and capacity building workshops to foreign utility employees.



Overseas consulting



International contribution and cooperation

Information and communications business



Utilizing the optical fiber networks that are expanding throughout Kansai, we have arranged a wide menu of options that respond to customer needs, and we are providing comprehensive information and telecommunication services for households and businesses.



Real estate/Life business



We offer a variety of services related to real estate, starting with developing condominiums and other buildings that consider energy conservation. We also provide home security, health care, caregiving and other lifestyle-related services that support security, comfort and convenience in the lifestyles of our customers.



Group support business



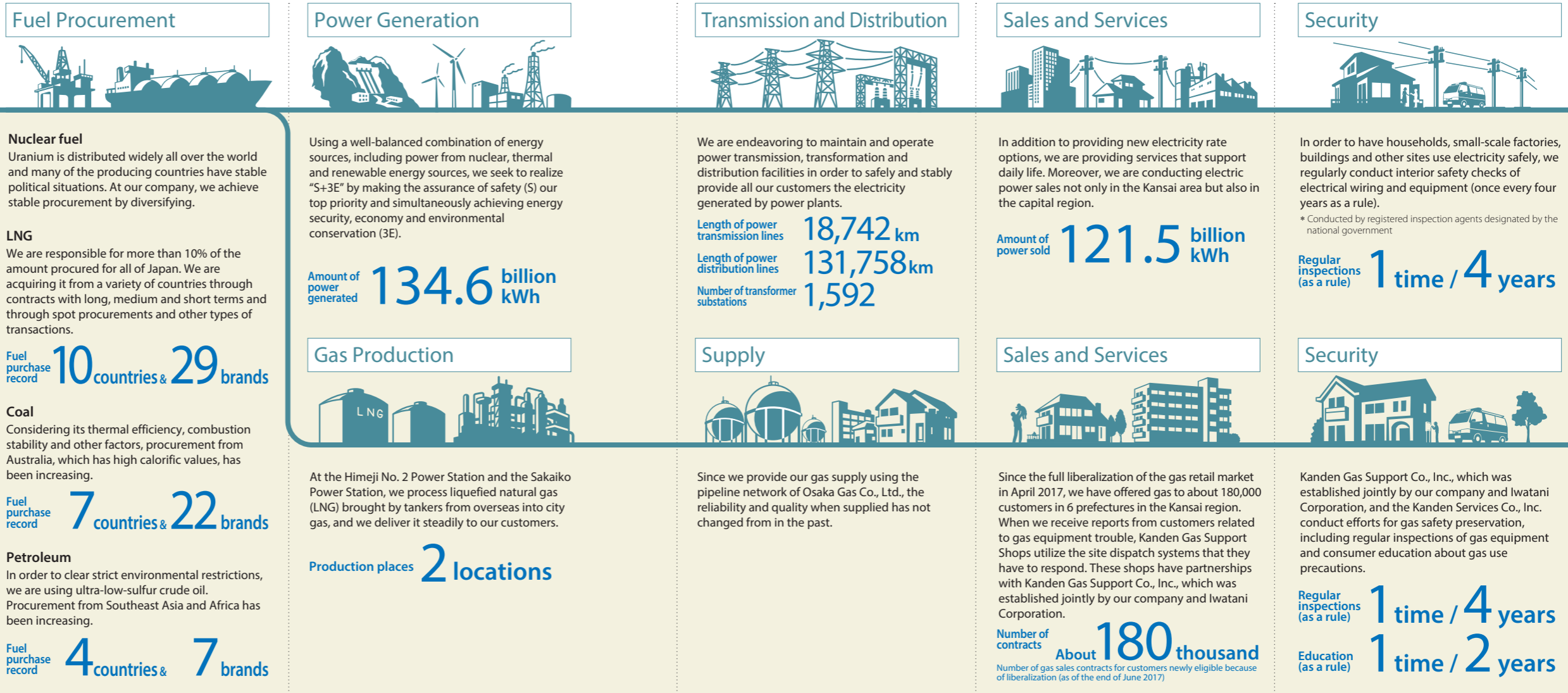
We are supporting the foundations of safe and stable electricity supplies. In addition, in a variety of situations in Japan and abroad, we are providing services that utilize the quality and expertise that we have cultivated in electric power businesses, along with our group management resources and expertise.

The energy value chains of the Kansai Electric Power

Group and demands of and impacts on society

In order to provide electric power safely and stably to customers, the Kansai Electric Power Group conducts business activities that range from fuel procurement and power generation to transmission and distribution, sales and security. We are conducting our business activities in consideration of the demands of and impacts on society in every process in order to further enhance our value chains and make services for customers have high added value. Moreover, with the full liberalization of the gas retail market from April 2017, we are also working to enhance the gas supply value chain.

Kansai Electric Power Group energy value chains



Main demands of and impacts on society

- Securing of fuel that seeks supply and demand stability and affordability for electricity and gas
- Assurance of supply capabilities for electricity and gas supply and demand stability
- Large-scale facility accidents and trouble resulting from typhoons, earthquakes, tsunamis and other natural disasters, for example
- Emission of greenhouse gases and impacts on local environments from power plants and other facilities
- Building, maintenance and operation of transmission and distribution facilities for the safe and stable supply of electric power
- Large-scale facility accidents and trouble resulting from typhoons, earthquakes, tsunamis and other natural disasters, for example
- Impacts of greenhouse gas (SF₆ gas) emissions from transformer substations, transmission facilities and distribution facilities
- Assurance of customer safety
- Expansion of products that provide customer satisfaction and services that are useful in their lives
- Contributions to conserving energy, reducing costs and reducing CO₂
- Provision of suitable information about products, services and other items of interest
- Protection of the personal information of customers
- Proactive contributions to development of local communities

Relevance to materiality

See P27 for details about materiality.

CSR Action Principles

- 1 Safe and stable delivery of products and services as chosen by customers
- 2 Proactive approach with a view to creating ever better environment
- 3 Proactive Contributions to Development of Local Communities
- 4 Respect for human rights and development of favorable work environment by taking advantage of diversity
- 5 Highly transparent and open business activities
- 6 Strict enforcement of compliance

