

All of our group companies will join forces to steadily go forward the pathway to future growth.



Shigeki Iwane
President and Director

Q Looking back, how do you evaluate fiscal 2017 performance?

A The performance was improved and satisfactory as we took on a variety of measures based on the three pillars for growth described in our Medium-term Management Plan.

To reliably realize the three pillars of our Medium-term Management Plan (2016-2018), we stipulated key measures for fiscal 2017 and undertook these efforts energetically throughout the year. As a result, our consolidated ordinary profits were 217.1 billion yen in fiscal 2017, exceeding our financial target of fiscal 2018, 200 billion yen, of the Medium-term Management Plan. Furthermore, the consolidated/non-consolidated ratio was 1.49, and our information and telecommunications, real estate, lifestyle and other group businesses grew steadily.

For the first pillar, which is the “Enhancement of competitiveness in the comprehensive energy business,” we succeeded in restarting the operation of our nuclear power plants. We also put all our efforts in acquiring new customers and regaining our former customers by reducing electricity rates and expanding sales of both retail sales out of Kansai region and wholesale sales. In Tokyo metropolitan area, we sought to reinforce our sales activities by revising our rate plan, forming business alliances with various enterprises and organizations regarding energy sales as well as by establishing our new subsidiary, Next Power Company. Moreover, “Kanden Gas” acquired 400,000 customers registration for the first year which is more than doubled our target. This favorable customer feedback convinces us that the bundling of electricity and gas sales is a successful countermeasure. For nuclear power generation, throughout power companies in Japan, we are the first company which determined operation policies for all of our 11 units. We are also steadily advancing construction work to improve safety with the aim of resumption of subsequent plants and proceeding steps for decommissioning.

For the second pillar, “Establishment of new pillars for growth,” in our overseas power business, we invested in a thermal power project in the United States and, for the first time, we participated in an overseas power transmission project and a wind power project in Europe. In addition to the hydroelectric and thermal power projects that we have worked on mainly in Asia, I certainly believe that the expansion described above in terms of geography and business fields should form the foundation for our future growth. Regarding the information and telecommunications business, we acquired one million users for “mineo” mobile phone service. In the real estate business, we expanded into Tokyo metropolitan area and, for the first time, into foreign countries. In terms of business portfolio, we have almost reached what we call “comprehensive real estate business” status which includes sales of condominiums, investment in rental buildings and owning hotels etc. Moreover, regarding innovation, we have decided to increase the capital investment in Kansai Power Venture Management Corporation. We have moved forward to build up a system to accelerate the creation of new businesses through venture investments of 5 billion yen.

For the third pillar, “Strengthening the group management foundations,” we tried every effort to assure safe and stable power supply throughout the year, particularly during recovery from typhoons and other natural disasters. Furthermore, in the transmission and distribution business, we have been advancing efforts for the streamlining of facilities with an eye on the future and for efficient power supply and demand management through the utilization of regulation capabilities coordinated with other companies. In addition, considering the preparation of the human foundation necessary to keep coming out on top of the competition in the future, we are also actively advancing the unified promotion of workstyle innovation, health and productivity management.

As I mentioned above, our entire group worked hard on a variety

of initiatives and measures. I certainly believe that we have made a steady progress to achieve the goals stipulated in our Medium-term Management Plan.

Q What are your thoughts about managing the company for 2018 when looking back on the performance in 2017?

A We will promote the key measures stipulated for 2018 and accelerate our efforts to achieve the goals of Medium-term Management Plan.

In fiscal 2018, based on the key measures stipulated in the beginning of the year, we will accelerate the efforts to pursue further growth and reinforce our management bases including such measures as boosting the top line, reforming the cost structure, expanding overseas and group-wide businesses and exploring new business fields.

In particular, we would like to focus on boosting the top line in our comprehensive energy business, which includes electricity and gas. Since the end of last year, we have gradually achieved results in the reduction of customer switching as well as in the reacquisition of our former customers by undertaking a variety of measures on sales. We seek to make our top line higher by giving our activities an original twist both inside and outside of Japan including Kansai region.

At the same time, in addition to further growth of our overseas and group-wide businesses, we would like to actively explore opportunities in new business fields and seek further growth. While making use of the strengths that our corporate group has cultivated over the years, we will establish new pillars for further growth by challenging the emerging business fields through alliances with start-ups. In particular, we are taking a comprehensive view of the impacts on energy business which distributed energy resources (DER), artificial intelligence (AI) and the Internet of things (IoT) will have in short, medium and long-term perspectives. We will also vigorously investigate management strategies that will enable our corporate group to win fierce competition in the energy business.

Q What do you think about nuclear power generation for the Kansai Electric Power Company in the future?

A It is indispensable as an “important base load electricity source.” We would like our company to take the lead and concentrate all our abilities on this.

With the assurance of safety as a major requirement, we will continue to utilize nuclear power generation into the future. We need to keep using it as an important power source considering “the assurance of energy security,” “economic efficiency,” and “environment conservation.” Moreover, it is positioned as “an important base load electricity source” in the Basic Energy Plan of Japan.

Since the accident at Mihama Nuclear Power Station Unit 3 in August 2004, our whole company has been unified to conduct business with a focus on “safety as the top priority.” Furthermore, reflecting on the lessons from the disaster at the Fukushima Daiichi Nuclear Power Station of Tokyo Electric Power, we established our “Further Strengthening of Ongoing Voluntary Efforts to Enhance Nuclear Safety (road map)” in June 2014 and have been undertaking efforts according to this road map since then. For example, we are endeavoring to improve the safety of our nuclear power generation as a whole through independent oversight activities by receiving evaluations with expert and impartial perspectives from the staff of

other power companies, including top managers.

In addition to steadily sustaining the safe and stable operation of nuclear power stations going forward, we would like to take the lead in Japan and concentrate all our abilities to fulfill roles in the implementation of various construction measures for operation after the first 40 years as well as measures for decommissioning.

At our company, we will continue striving to implement nuclear power station operations with safety as the highest priority while gaining the understanding of the people in the communities where nuclear power plants are located.

Q What kinds of efforts are being made in terms of corporate social responsibility (CSR)?

A We give top priority to safety and surely fulfill CSR obligations to build and nurture bonds of trust.

I believe the trust that we receive from all the people in our communities, including our customers, which has been nurtured since the establishment, is a precious asset for our company.

Even in this age of intensifying competition due to the liberalization of the electricity market, this trust is the foundation of our business and every employee is in charge of maintaining the trust. With strong senses of awareness and responsibility for continuing to keep this trust, we are advancing efforts to give top priority to safety and surely fulfill CSR obligations at every workplace.

I myself pay a direct visit to our sales offices, power plants, power maintenance centers etc. and convey my thoughts about the importance of safety and CSR obligations to our employees so that they can understand what I think and my thoughts can go deep into their heart. I also talk about specific measures and challenges in the context of our company management. I am committed to lead the entire group and devote myself to the achievement of our targeted goals.

Over the years, there are increasing demands for the environment, society and governance (ESG), in terms of corporate management. By promoting the CSR efforts thus far of our corporate group with an ESG perspective, we would like to contribute to resolving global social issues (SDGs*) while creating economic value and to seek sustainable growth with society.

* Sustainable Development Goals

Q Finally, could you offer a message to the stakeholders?

A All of our group companies will join forces to steadily go forward the pathway to future growth.

As the business environment surrounding the company undergoes significant changes, in order to realize what we aspire to become, we will make every effort to take on the achievement of our targets and all of our group companies will join forces to steadily go forward the pathway to future growth.

As one of the leading companies in Japan in the energy sector, we aim to form a group based on a “Chain of Trust,” being admired as “the most reliable Kanden,” selected and given credit by all the people in our communities.

Keeping the concept of “power with heart” in mind, we will carry out our mission to continue serving our customers and society and realize a bright, affluent future together. We sincerely hope that you will continue to give us your understanding and support in the future.