



Shigeki Iwane

President and Director

We will provide new value that only the Kansai Electric Power Group can.

Q

Looking back, how do you evaluate fiscal 2018 performance?

A

We steadily pressed forward with efforts for the three pillars of our Medium-term Management Plan and were able to deliver results.

We steadily pressed forward with efforts for “the enhancement of competitiveness in the comprehensive energy business,” “the establishment of new pillars for growth” and “the strengthening of group management foundations,” which are the three pillars of our Medium-term Management Plan (2016-2018). Consequently, I believe we were able to produce steady financial results in fiscal 2018, as our consolidated ordinary profits were 203.6 billion yen, achieving financial target of 200 billion yen in the Medium-term Management Plan. We also increased annual dividends to shareholders by 50 yen per share.

Enhancement of competitiveness in the comprehensive energy business

For our first pillar, the “enhancement of competitiveness in the comprehensive energy business,” we achieved great results even as competition becomes more severe since the full liberalization of the retail market for electricity and gas.

In fiscal 2018, Ohi Power Station Units 3 and 4 resumed their full-scale operation, and we implemented electricity rate reductions again, as in fiscal 2017. Due to this and other factors, our electricity sales volume increased for the first time in eight years since fiscal 2010. “Nattoku Packs,” which combine electricity and gas, have been recognized for their economic and other benefits by numerous customers and shifted to extremely good sales results. In addition, we broke one million subscribers to “Kanden Gas” by the end of the fiscal year.

Furthermore, for nuclear power generation, we became the first company which determined operation policies for all

			(billions of yen)		
			FY 2017	FY 2018	Increase/Decrease
Comprehensive energy / Power transmission and distribution	Electric power	Direct sales operating revenue	2,596.1	2,668.3	+72.1
		Ordinary income	150.4	137.1	-13.3
	Gas/other energy	Direct sales operating revenue	141.2	210.8	+69.5
		Ordinary income	7.1	2.7	-4.3
	Total	Direct sales operating revenue	2,737.3	2,879.1	+141.7
		Ordinary income	157.5	139.9	-17.6
Information and telecommunications	Direct sales operating revenue	203.1	217.7	+14.5	
	Ordinary income	25.1	33.4	+8.2	
Real estate / Life	Direct sales operating revenue	111.7	123.9	+12.2	
	Ordinary income	14.5	21.0	+6.4	
Other	Direct sales operating revenue	81.3	86.8	+5.4	
	Ordinary income	28.8	31.3	+2.4	

• The values in this table are, as a rule, simple totals from the results of each company before intra-company elimination in consolidated balance sheets, for example. (amounts equivalent to equity factored in for affiliated companies accounted for by the equity-method)

• Ordinary income means income before provision for (reversal of) reserve for fluctuations in water level, special items and income taxes.

of 11 units in fiscal 2017, and we focused on the continuation of safe and stable operation of the nuclear power plants that currently run. At the same time, we have steadily advanced construction work to improve safety with the aim of resumption of subsequent plants as well as we have proceeded steps for decommissioning.

Establishment of new pillars for growth

For our second pillar, the “establishment of new pillars for growth,” I truly feel that we were able to make steady efforts for the maintenance and expansion of our business foundations as well as make strategic preparations for further growth.

In our international business, we are advancing proactive efforts in building the foundations to capture profits in the future, such as expanding our renewable energy business in Europe, including participation of offshore windfarm projects.

In our information and telecommunications business, we sought to maintain and expand our customer base for FTTH, MVNO and other businesses. In addition, we undertook organizational restructuring, merging infrastructure related to IT, our corporate-oriented system development operation and other services, in order to swiftly provide solution services with integrated IT.

In our real estate business, along with strong condominium sales, which we sell under the “Cielia” brand, we were able to achieve favorable growth through the expansion of business in the Japan’s capital region as well as abroad.

Strengthening of group management foundations

For our third pillar, the “strengthening of group management foundations,” amid the occurrence of multiple severe natural disasters, we focused on the abilities of our group and advanced efforts to fulfill our mission to provide safe and stable power supply.

When typhoon 21 hit, extensive and long-lasting power outages occurred, and we caused inconvenience and trouble to numerous stakeholders. Taking this responsibility sincerely, we have established a verification committee with me as the leader, and we have arranged reform measures for various issues and have begun to implement them.

In terms of personnel, we have advanced the establishment of foundations in which each individual

employee can utilize his/her own abilities to the maximum extent, by working vigorously on “human capital innovation,” “workstyle innovation and health and productivity management,” and “diversity promotion.”

Q

What ideas did you put into the new Medium-term Management Plan?

A

We will create new value, contribute to a sustainable society and realize further growth.

In the Medium-term Management Plan (2019-2021) that we newly established, considering the severe business environment around us and future changes in this environment, we have set these three years as a period for “Going a step ahead, looking to the future.” In this plan, we focused the orientation of our efforts to provide new value as only our corporate group can and continue to serve our customers and society.

Specifically, with focus on our criteria of “safety as our top priority” and “fulfilling corporate social responsibilities,” we will continue to endeavor diligently to build the foundations for a rock-solid safe and stable power supply so that we can respond suitably to natural disasters, which are becoming worse.

In addition to providing electricity and gas, by expanding our products and services and being trusted and chosen by customers, we will overcome the fierce competition.

Furthermore, acknowledging the new 3D+D trend of “Decarbonization,” “Decentralization” and “Digitalization” plus “Denka (electrification)” in the global energy market, we will lead in the reduction of environmental impacts through the utilization of low-carbon power supplies by making nuclear power generation and renewable energy sources our “two wheels.” We will also realize a digital transformation for the entire company and make our position solid as a leading company in the energy sector in Japan.

Moreover, maximizing the comprehensive strengths of our group, we will work to create new businesses and services in fields other than the energy sector, and we will fulfill roles in solving various problems of our customers and society as a

major player of the “shared infrastructure supporting the realization of a sustainable society in the future.”

By steadily advancing these efforts, we aim to achieve our new financial targets for the next three years, including an average of more than 200 billion yen in consolidated ordinary profits, an equity ratio of more than 20% and an average ROA of 3.0% or above, as well as consolidated ordinary profits of 300 billion yen or more in fiscal 2028.

We set suitable distribution of the fruits of our business as the foundation of our shareholder returns policy, and we stably provide dividends after assuring the financial health of our company.

Q Tell us about specific business strategies for the achievement of the Medium-term Management Plan.

A We will advance efforts for “going a step ahead, looking to the future,” to establish competitive advantages.

In order to provide new value as only our corporate group can and continue to serve our customers and society, we will keep steadily advancing efforts in the business fields of comprehensive energy supply/transmission and distribution, information and telecommunications (IT), and life/business solutions.

In our comprehensive energy business, we will focus our power on increasing revenues and improving customer convenience by, for example, strengthening sales strategies for electricity and gas and utilizing even more low carbon power supplies. In our transmission and distribution business, we will keep assuring neutrality and fairness while expecting perfection in providing safe and stable power supplies. We will also continue advancing efforts to develop facilities for next generation networks and to create new services. Moreover, while we will ascertain changes in the global energy business quickly and accurately and spread roots in regions where we are participating in projects, we will create highly-added value to seek to expand our businesses further.

In our IT business, we consider the popularization of 5G, the decline in the working population, the progress of digital technologies and other developments to offer growth in business opportunities. By strengthening our customer base and creating added-value services, we strive to be an IT business that is chosen by our customers around the country.

In our life/business solution business, we will work to increase group earnings by providing services that are useful in both private life and business. In particular, in our real estate business, we will mix a good balance of rental housing, condominium and fee businesses to become a comprehensive real estate business group that can respond to every kind of real estate need.

Q What about responding to climate change?

A We will continue fulfilling our duties as an energy business and responding to this problem proactively.

I believe that for our corporate group responding proactively to the problem of climate change is an undeniable duty as an energy business with deep connections to the environment.

For this reason, we utilize nuclear power generation and renewable energy sources as our “two wheels,” and we will focus all our abilities to reduce environmental impacts as a leading “low-carbon” company.

For nuclear power generation, in addition to striving for voluntary safety improvement, we will continue the safe and stable operation of plants that are running. Moreover, for plants that began operation 40 or more years ago, we are steadily advancing construction for measures to increase safety while gaining the understanding of the people in the communities where the plants are located and of the general public. Furthermore, in preparation for future replacement, we will make efforts to investigate technologies for the next generation of reactor pressure vessels, which have remarkable improvements in safety.

For renewable energies, we will advance development to achieve the target we set for facility capacity of 6 million kW by the 2030s, an increase of 2 million kW of new development in Japan and abroad.

Through these efforts, we will continue to be the provider of the most CO₂-free power generation in Japan as we set out to cut CO₂ emissions from our domestic power generation business in half by fiscal 2030 compared to fiscal 2013.

In order to appropriately evaluate business risks and opportunities related to climate, our company signed in May 2019 the TCFD* Recommendations which offer a framework for voluntary information disclosure, in agreement with their intent. We have worked to disclose appropriate information in this report based on the TCFD Recommendations, and we will endeavor to further disclose information in the future.

* Task force on Climate-related Financial Disclosures

Q Are there any efforts related to sustainability other than concerning climate change?

A We contribute to the sustainable development of society by solving global issues presented in SDGs* and others.

* Sustainable Development Goals

With the realization of group growth as a given, we believe it important that our group contributes to the sustainable development of society by conducting business practices that consider not only the environment as related to climate change, but also society and corporate governance.

Regarding society, we will continue to fulfill our duty to

provide a safe and stable power supply, which is the unchanging mission of our company. As we strengthen coordination with related agencies to respond more accurately even when large-scale natural disasters occur, we will work to build the foundations for a rock-solid safe and stable power supply.

Moreover, we will promote diversity and human capital innovations to strengthen our foundations for the creation of new value. In particular, regarding diversity, we will seek to at least triple both the ratio of female managers and the number of women in top management by the end of fiscal 2030 compared to fiscal 2018.

Furthermore, we will exercise the comprehensive strengths of our group to the maximum extent and endeavor to create new businesses and services by further accelerating innovation in order to solve the problems of society, which include a low birthrate and an aging population as well as population decline.

For corporate governance that supports all these business activities, in order to build solid business foundations, we will constantly promote dialogs with our stakeholders, strengthen the function of our Board of Directors further, and ensure strict enforcement of compliance.

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 we begin the new Reiwa Era, in order to realize the corporate group that we seek to become, making the most of the comprehensive strengths of our group, we will aggressively take on the challenges of creating new value and steadily forge a path for future growth.

“We wish to be a source of power for our customers and communities by serving them with sincerity and passion.” With this idea expressed in our “power with heart” brand statement, we will continue to unceasingly advance as a unified group toward the realization of a bright and affluent future. We sincerely ask all of you to continue to give us your understanding and support in the future.

Shigeki Iwane
President and Director

Shigeki Iwane



Review the Medium-term Management Plan

We focused the abilities of our group and endeavored to fulfill the safe and stable supply of power in order to accomplish the goals of our Kansai Electric Power Group Medium-term Management Plan (2016-2018), the execution plan that we established in April 2016, toward the realization of our ideal form, “what we aim to be in the future,” **→P2** described in the Kansai Electric Power Group Vision established in March 2016. We also achieved steady results even in an environment in which competition had become fierce due to such factors as full liberalization of the retail market for electricity and gas.

2016-2018

Regeneration and pursuit of fresh growth

FY 2018	Ordinary income	Capital to asset ratio	ROA*
Targets	200 billion yen or more	approx. 20 %	approx. 3.5 %
Results	203.6 billion yen	20.9 %	3.3 %

* Business profit (Ordinary profit + Interest expense) ÷ Total assets (Average of beginning and end of term)

Main Results



Takahama Power Station Units 3 and 4 have resumed operation



Operators connecting Takahama Power Station Unit 4 to the transmission network

Resumption of nuclear power plant operation and reduction of electricity rates

We resumed the operation of Takahama Power Station Units 3 and 4 in 2017 and Ohi Power Station Units 3 and 4 in 2018. Following resumption of operations of these units, we reduced electricity rates twice, once in August 2017 and once in July 2018. With safety as our top priority, we will continue to apply all our abilities to earn customer trust and have them choose our company.

(2016–2018) of the Kansai Electric Power Group

関電ガス なっとくパック



“Kanden Gas” sales expansion

We have expanded gas sales under the “Kanden Gas” brand since the full liberalization of the retail market for gas began in April 2017.

As a result of offering “Nattoku Packs” that combine our electric and gas services, we have received subscriptions from about 1.01 million customers.

Number of gas subscriptions (as of the end of March 2019)

About **1.01** million

Proactive promotion of alliance

In 2018, our corporate group agreed to promote strategic cooperation in the real estate business with the Tokyo Gas Group.

In addition, with Kyocera Corporation, we established a new company, Kyocera Kanden Energy, LLC, in 2019, and announced our entry into a new energy services business that utilizes solar power generation systems.

We will actively promote cooperation with a variety of businesses and organizations, utilizing mutual strengths with the goals of further increasing business value and solving problems that are shared by our businesses.



Kyocera Kanden Energy, LLC



Redevelopment project for Toranomon 2-Chome
(Cooperative Project No. 2 with the Tokyo Gas Group)

Main Results



K4 Ventures

International business expansion

We participated in two large offshore windfarm projects in the United Kingdom in fiscal 2018. We also announced our participation in the proposals for hydropower generation in Myanmar and thermal power generation in the United States.

The Rajamandala Hydropower Project in Indonesia began commercial operation in May 2019. In addition, the Nam Ngiep 1 Hydropower Project in Laos is scheduled to begin commercial operation within the year.



The Rajamandala Hydropower Project received permission to begin commercial operation

Overseas power projects
(as of the end of June 2019)

18 projects in **11** countries

Power generation capacity by investment ratio
(as of the end of June 2019)

2.81GW



Nam Ngiep 1 Hydropower Project (Re-regulation Power Station)

Group business growth

We have made active efforts to increase sales of “Cielia” condominiums in the Kansai and capital regions, and have provided 1,758 residences with this brand as of the end of March 2019.

Moreover, seeking to further strengthen the earning capabilities of our real estate business, we are expanding our business overseas and have participated in seven projects as of the end of March 2019 in both developed countries, particularly the United States, and developing countries, particularly in Southeast Asia.

Number of “Cielia” brand residences supplied
(Fiscal 2016–2018 results)

1,758 units

Participation in overseas real estate projects
(Fiscal 2017–2018 results)

7 projects



Cielia Senri Chuo Tower (completed in February 2019)

The mineo cell phone service provided by group company OPTAGE Inc. exceeded 1.1 million contracts.

Number of mineo cell phone service contracts
(as of fiscal 2018 year-end)

About **1.1** million

mineo

Cooperation with outside organizations and structural enhancements to promote innovation

Conceptualizing through new business generation programs in-house and forming tie-ups with various types of businesses, we are undertaking the development of new never-before-seen products and services, including the “iino” mobility service project of next-generation vehicles that run automatically at low speed.

Furthermore, in November 2018, we changed the

corporate name of Kansai Power Venture Management Corporation to K4 Ventures GK. Acting as a bridge between our corporate group and venture businesses that have free ways of thinking and strong intentions, the company supports the growth of venture businesses as a partner and promotes cooperative work with each group company including us.



Building structures and advancing efforts to realize digital transformation (DX)

Our company has built structures to accelerate work innovations that utilize digital technologies and the creation of new businesses, including the establishment of a DX Strategy Committee with our president as the chair and the foundation of K4 Digital Co., Inc. jointly with Accenture Japan Ltd. In addition, we are beginning to promote a variety of other efforts, such as maintenance and inspection of facilities using drones and remote monitoring services for power plants using AI and IoT technologies.

With these efforts having been highly evaluated, we were selected as a Competitive IT Strategy Company by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange for the two consecutive years, making us the first in the electricity and gas industry to achieve this record.



K4 Digital



2019
攻めのIT経営銘柄
Competitive IT Strategy Company

Promoting “workstyle” innovation and health and productivity management as well as building personnel development systems

Having received high evaluations of our “management that values people” philosophy and our efforts for the health of our employees, we have been recognized as one of the Certified Health & Productivity Management Outstanding Organizations (White 500) for three consecutive years since 2017.

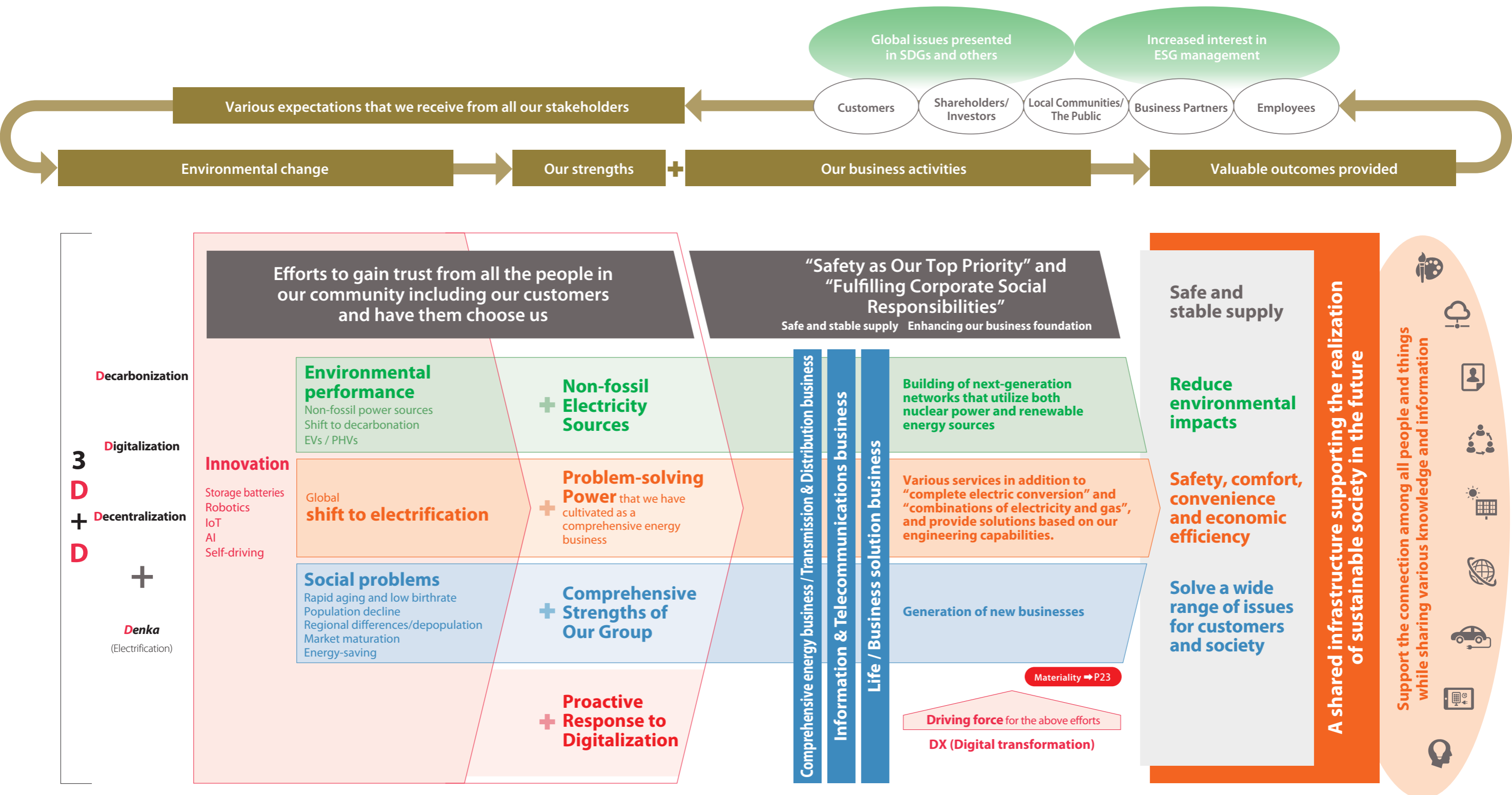
In July 2018, we opened the Kansai Electric Power Group Academy with our president acting as its academy president, and we have been focusing efforts on developing independent personnel that are suited to the new energy age.



2019
健康経営優良法人
Health and productivity
ホワイト500

Value Creation Process

We would like to make trust in the Kansai Electric Power Group unshakable by responding sincerely to the various expectations that we receive from all our stakeholders about our group business activities.
Based on accurately understanding global social issues and environmental changes, by utilizing the strengths that we have cultivated and delivering new value, our corporate group will serve continuously our customers and communities as a major player of a “shared infrastructure supporting the realization of a sustainable society in the future.”



Communication with Stakeholders

The business activities of our corporate group are supported by our stakeholders.

We are advancing efforts to deepen communication in order to determine our main stakeholders and respond to their expectations.

	Aspirations	Main efforts	Valuable outcomes provided	Contents of main dialogs (public hearing and public relations activities)	
Customers	We are building a loyalty in relationship with customers by offering them services that meet their requirements accurately in order to become “the best partner in daily life and in business” especially when it comes to energy consumption.	<ul style="list-style-type: none"> ● Maintenance and passing down of specific skills that support safe and stable power supply ● Systematic facility maintenance and repair ● Development and improvement of services that reflect customer opinions ● Implementation of a survey to check customer satisfaction 	<ul style="list-style-type: none"> ● Safe and stable electric power supply ● Energy optimization consulting service for customers ● Wide range of products related to electricity, gas and telecommunications ● Comprehensive real estate services ● Services related to safe, comfortable and convenient lifestyles 	<ul style="list-style-type: none"> ● Collecting customer opinions through call centers and so on ● Updating “Danbo-no-Koe,” a database of customer opinions ● “Hapi e-Miruden,” leaflets ● Holding of various events 	<ul style="list-style-type: none"> ● Press releases and conferences ● Mass media and web usage ● Tours of power plants and other facilities, etc.
Shareholders/ Investors	We will continuously maximize our corporate value through efforts adopted in our Medium-term Management Plan, in addition to disclosing information promptly and fairly and responding to expectations for shareholder returns. For growth expectations from a long-term perspective, these efforts include appropriate resource allocation according to changes in the business environment and investment performance as well as proactive disclosure of ESG data.	<ul style="list-style-type: none"> ● Disclosure of businesses result trends, financial conditions and ESG information ● Increase in business value ● Assurance of financial health 	<ul style="list-style-type: none"> ● Revenue assurance ● Shareholder returns, etc. 	<ul style="list-style-type: none"> ● General Shareholders’ Meeting ● Company briefings ● Investor visits ● IR meetings ● <i>KANDEN REPORT</i> for shareholders 	<ul style="list-style-type: none"> ● Fact Book ● Corporate information/IR information web pages ● Use of the web ● Tours of power plants and other facilities, etc.
Local Communities/ The Public	While the issues and needs of communities diversify, as a business with close ties to communities and daily life, we work to resolve social issues and seek to realize a sustainable society through our business activities and efforts that contribute to society.	<ul style="list-style-type: none"> ● Activities that contribute to local communities ● Smart community development ● Enterprise local support activities ● Overseas power consulting and international contributions 	<ul style="list-style-type: none"> ● Invigoration and development of local communities in Japan and abroad ● Increased energy use efficiency for entire regions ● Reduced environmental impacts, etc. 	<ul style="list-style-type: none"> ● Communication with local governments ● Communication with customers in the vicinity of power plants ● Updating “Danbo-no-Koe,” a database of customer opinions ● Interaction through environmental efforts and other daily activities 	<ul style="list-style-type: none"> ● Press releases and conferences ● Mass media and web usage ● Off-site classes and tours of power plants and other facilities ● Participation in disaster response trainings with local governments ● Participation in environmental events, etc.
Business Partners	Along with implementing procurement efforts based on corporate social responsibility, we will deepen communication with our suppliers, who are important partners, to build relationships of trust. In doing so, we will undertake sustainable procurement practices while endeavoring to contribute to society and create value.	<ul style="list-style-type: none"> ● Socially-responsible purchasing activities based on fundamental purchasing policies ● Efforts for communication with suppliers 	<ul style="list-style-type: none"> ● Development through coexistence and mutual prosperity ● Improvement of technical abilities through group study, etc. 	<ul style="list-style-type: none"> ● Training workshops and safety patrols ● Information sharing at meetings of presidents of affiliated companies, etc. ● CSR procurement policy explanations and promotion activities ● Communication with subcontractors, etc. 	<ul style="list-style-type: none"> ● Use of the web ● Official announcement of main procurement plan, etc.
Employees	We will work to make workplace environments where every individual employee can work with enthusiasm and maximize their abilities. We give top priority to employee safety and health, and we will promote “human capital” innovations, workstyle innovations and health and productivity management in a unified manner while also promoting diversity.	<ul style="list-style-type: none"> ● Implementation of human rights awareness trainings ● Promotion of “workstyle” innovation / health and productivity management ● Promotion of diversity ● Measures to foster “human capital” innovation ● Cultivation of an organizational culture that gives top priority to safety 	<ul style="list-style-type: none"> ● Increased motivation and satisfaction ● Support for self-development ● Safe and comfortable workplace environments ● Physical and mental health maintenance promotion, etc. 	<ul style="list-style-type: none"> ● Dialogues with the president ● Executive visits ● Labor-management consultations ● Company-wide employee questionnaire on CSR ● Compliance Hotline ● Use of the web 	<ul style="list-style-type: none"> ● In-house web portal and TV utilization ● <i>The Kansai Denryoku Shimbun</i> in-house newsletter ● Distribution of messages from the president, etc. ● Email magazines, etc.

Materiality for the Kansai Electric Power Group

(Important issues)

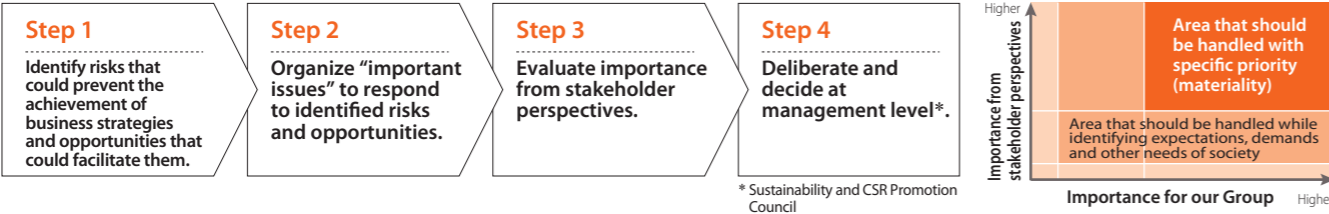
In addition to achieving the sustainable growth of our corporate group, we seek to contribute to the sustainable development of society through the pursuit of SDGs and the resolution of other global issues. Along with establishing our new Medium-term Management Plan (2019-2021), we have revised our materiality (important issues).

Identified materiality and related SDGs

Strengthening profitability by providing new value	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Strengthening personnel development and hiring	8 DECENT WORK AND ECONOMIC GROWTH
Strengthening resilient business foundations with safety as the top priority	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES	Deepening two-way communication with stakeholders	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Promoting efforts toward decarbonization	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	Strict enforcement of compliance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Earning trust and contributing to community invigoration in our business areas	11 SUSTAINABLE CITIES AND COMMUNITIES	Innovating business and strengthening security measures through utilization of digital technologies	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY INNOVATION AND INFRASTRUCTURE
Promoting diversity and building workplace environments that are safe and comfortable for work	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	Managing risk appropriately in the supply chain from a CSR perspective	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Materiality identification process

We refer to the GRI standards (including aspects specific to power) as fundamental requirements that should be considered in reviews.



Kansai Electric Power Group Medium-term Management Plan (2019–2021)

Our corporate group established a new Medium-term Management Plan in March this year. Moving toward the accomplishment of the targets in this new plan, we will keep advancing efforts in the business fields of comprehensive energy, transmission and distribution, information and telecommunications (IT), and life/business solutions.

FORWARD!!!

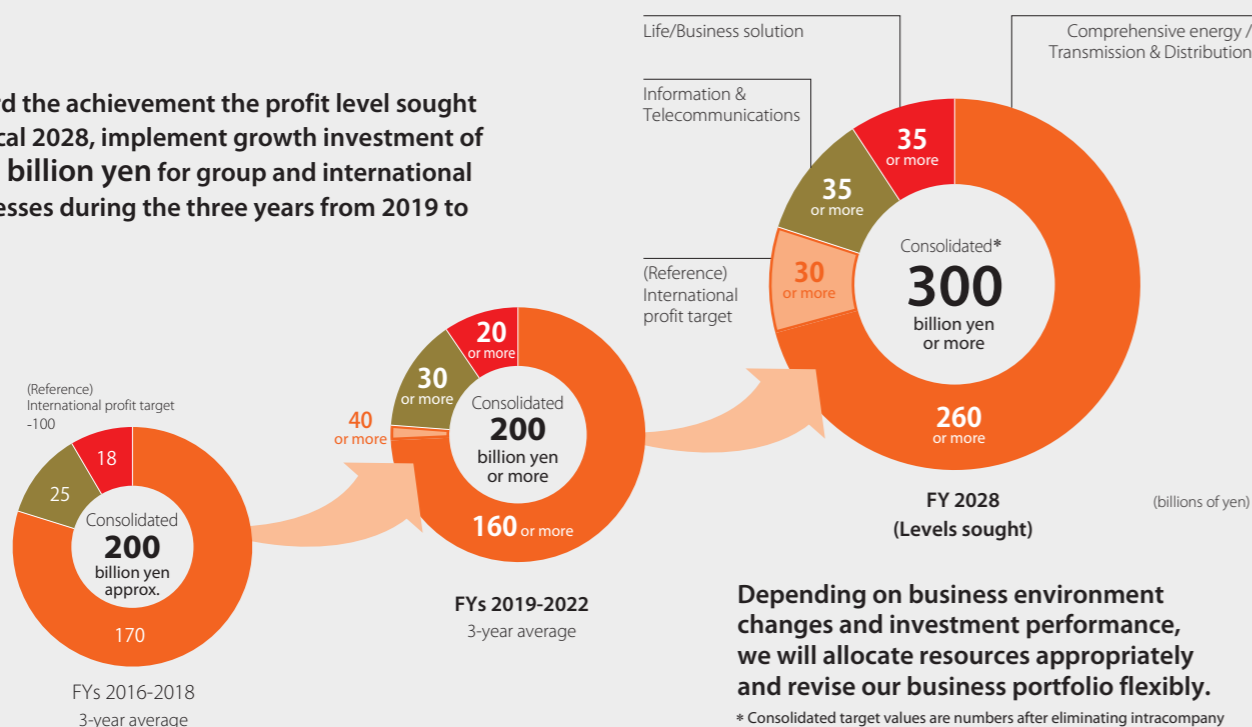
2019-2021
Going a step ahead, looking to the future

Financial goals

	Ordinary income	Capital to asset ratio	ROA
FYs 2019-2022	3-year average 200 billion yen or more	20 % or more	3-year average 3.0 % or more
FY 2028	300 billion yen or more	30 % or more	4.0 % or more

Future business portfolio image (ordinary profit levels)

Toward the achievement the profit level sought for fiscal 2028, implement growth investment of **550 billion yen** for group and international businesses during the three years from 2019 to 2021.



Efforts toward achieving our ideal

Comprehensive energy / Transmission & Distribution business

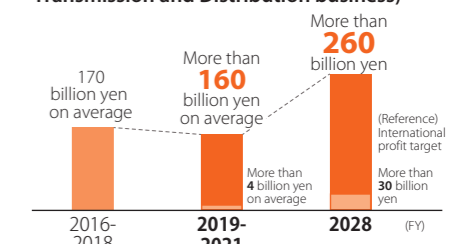
Comprehensive energy business

We will accelerate our efforts toward the optimization of our comprehensive energy business as a whole and seek to establish our solid position as a Japan's leading company in the energy sector.

Main efforts

- Promote cost restructuring that utilizes digital technologies to the maximum extent
- Strive to reduce carbon in power supplies (nuclear power and renewable energy sources).
- Strengthen sales strategies that contribute to increasing profits in consideration of factors including the competitive environment

Ordinary Income (Comprehensive energy*, Transmission and Distribution business)



* Comprehensive energy business, engineering solution business and overseas power business

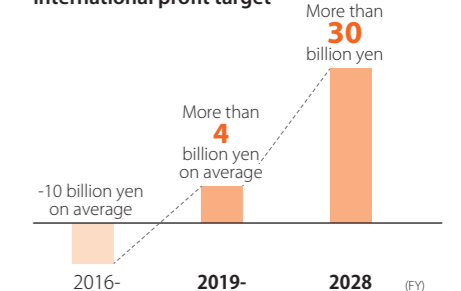
Overseas power business

We will create highly-added value and develop business globally, grasping changes in the energy business in the world quickly and accurately and spreading roots in regions where we participate in projects.

Main efforts

- Increase profitability by building stable profit sources in regulated businesses and participating in their planning at the initial development stages, etc.
- Grow profits by steadily advancing projects under construction.
- Increase asset value by acquiring and utilizing digital technologies and other new technologies
- Plan and participate in the renewable energy projects that take in the global breadth of ESG and the SDGs.
- Further develop "global personnel" and strive to strengthen cooperation throughout the group.

International profit target



Transmission & Distribution business

In addition to continuing to guarantee neutral and fair transmission and distribution businesses and to provide customers with safe and stable power at low cost, we will keep creating new services and advancing together with local communities.

Main efforts

- Strengthen management foundation in order to continuously provide "safe", "stable" and "affordable" electricity.
- Increase business opportunities looking ahead at medium- and long-term environmental changes and growth opportunities.

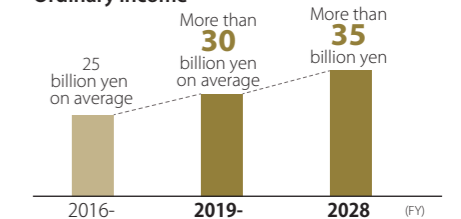
Information & Telecommunications business

By strengthening our customer base and creating added-value services, we will seek to be an IT business that is chosen by customers throughout the country.

Main efforts

- Create new solutions that address digitalization needs.
- Maintain and expand customer base for "eo Optical Fiber" and "mineo" services.
- Expand business fields using alliances, etc. and create new business.

Ordinary income



Life / Business solution business

By providing services that are useful in life and business, we will contribute to reinforcing trust in our corporate group and increasing group earnings. In the real estate field, using a well-balanced combination of rental, condominium and fee businesses, we aim to become a comprehensive real estate business group that can respond to every kind of real estate need.

Main efforts

- Expand and strengthen health care services that utilize digital technologies.
- Strengthen our brand in the real estate field and expand asset management business.

Ordinary income including extraordinary gains/losses in the real-estate business

