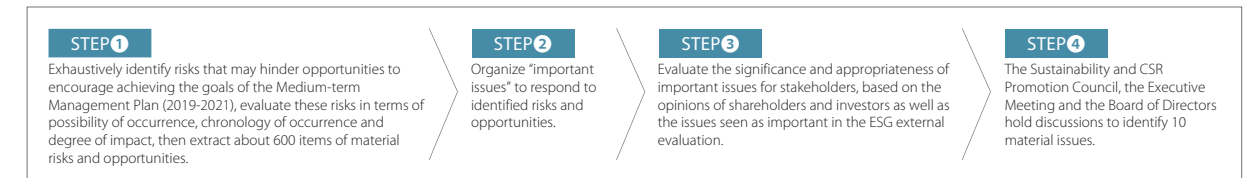


Materiality for the Kansai Electric Power Group (Important issues)

In addition to achieving the sustainable growth of our 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).

Materiality	Related SDGs	Risks	Opportunities
Strengthening profitability by providing new value	8, 9, 12	<ul style="list-style-type: none"> Reduced energy demand due to declining population Intensification of domestic retail power sales Reduced competitiveness of existing business models due to market entry by businesses from other industries Intensification of customer acquisition competition in the FTTH and mobile marketplaces Intensification of competition to acquire the excellent real estate properties in Japan Country and market risks related to overseas business expansion 	<ul style="list-style-type: none"> Expanded business opportunities by the liberalization of electricity and gas markets (advancement into areas outside Kansai) Increased interest in energy due to advancements in energy conservation Changes in electricity usage patterns due to technological innovations Enhancement of sales channels with expanded alliances Expansion of domestic infrastructure business resulting from 5G popularization Business opportunities resulting from domestic social issues, including medicine, caregiving and the aging of society Business opportunities resulting from the diversification of needs, including decentralization
Strengthening resilient business foundations with safety as the top priority	7, 9, 11	<ul style="list-style-type: none"> Continued aging of power supply facilities Facility troubles caused by natural disasters, including abnormal weather phenomena caused by climate change, typhoons, torrential rains, earthquakes and tsunamis Unplanned stoppages of large-scale power sources, including nuclear power Interruption of stable power supply due to insufficient measures against cyber attacks 	<ul style="list-style-type: none"> Trust earned from customers and society by strengthening resilient business foundations and resulting business opportunities
Promoting efforts toward decarbonization	7, 12, 13	<ul style="list-style-type: none"> Substantial revision of regulations and policies affecting existing businesses as a result of strengthening countermeasures for climate change issues 	<ul style="list-style-type: none"> New revenue growth opportunities resulting from strengthening trends for ESG investment and decarbonization Expansion of renewable energy investment opportunities in Japan and abroad Revenue growth opportunities arising from establishing new markets Increased interest in energy due to advancements in energy conservation
Earning trust and contributing to community invigoration in our business areas	11	<ul style="list-style-type: none"> Intensification of domestic retail power sales Country and market risks related to overseas business expansion 	<ul style="list-style-type: none"> Business opportunities resulting from the diversification of needs, including decentralization Business opportunities resulting from increased overseas energy demand Expanded business opportunities by the liberalization of electricity and gas markets (advancement into areas outside Kansai)
Promoting diversity and building workplace environments that are safe and comfortable for work	5, 8	<ul style="list-style-type: none"> Intensification of personnel hiring competition due to shrinking labor force Lost business opportunities due to slow business model reform and technological innovation as well as stagnation in expert personnel development 	<ul style="list-style-type: none"> Creation of new value through the utilization of diverse personnel Increased productivity as a result of promoting workstyle innovation
Strengthening personnel development and hiring	8	<ul style="list-style-type: none"> Intensification of personnel hiring competition due to shrinking labor force Lost business opportunities due to slow business model reform and technological innovation as well as stagnation in expert personnel development 	<ul style="list-style-type: none"> Creation of new value through the utilization of diverse personnel Increased productivity as a result of promoting workstyle innovation
Deepening two-way communication with stakeholders	12	<ul style="list-style-type: none"> Risk of failure in gaining the understanding of stakeholders due to insufficient information disclosure resulting from an unsatisfactory response to social demands such as ESG, etc. 	<ul style="list-style-type: none"> Business opportunities resulting from domestic social issues, including medicine, caregiving and the aging of society
Strict enforcement of compliance	16	<ul style="list-style-type: none"> Damage to corporate value due to safety issues or serious compliance violations including the supply chain. 	—
Innovating business and strengthening security measures through utilization of digital technologies	8, 9	<ul style="list-style-type: none"> Interruption of stable power supply due to insufficient measures against cyber attacks Intensification of customer acquisition competition in the FTTH and mobile marketplaces Lost business opportunities due to slow business model reform and technological innovation as well as stagnation in expert personnel development 	<ul style="list-style-type: none"> Changes in electricity usage patterns due to technological innovations Expansion of domestic infrastructure business resulting from 5G popularization Improved productivity and creation of new value through the utilization of digital technologies
Managing risk appropriately in the supply chain from a CSR perspective	8, 12, 16	<ul style="list-style-type: none"> Damage to corporate value due to safety issues or serious compliance violations including the supply chain. 	—

Materiality identification process



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

Boundary (extent included in total)	Main efforts and objectives	FY 2019 results
Consolidated base	<ul style="list-style-type: none"> Revenue assurance Efforts to apply customer opinions Quality improvements made for customers Expansion of value-added services 	<ul style="list-style-type: none"> Ordinary profits *200 billion yen on average over 3 years Equity ratio *20% or more ROA *3.0% or more on average over 3 years Number of reform cases based on customer feedback *129* Customer satisfaction rate *90.0% or more Increase the number of "Hapi e-Miruden" members.
Kansai Electric Power Co., Inc.	<ul style="list-style-type: none"> Power supply quality Preparation for and handling of accidents and disasters Assure public security at power facilities 	<ul style="list-style-type: none"> Annual power outage time per household "Maintain the highest standard in the world" Renewal of transmission towers and concrete pillars (aging measures) "Appropriate implementation" Number of command and management staff participants in company-wide comprehensive disaster response training "More than 800" Active participation in disaster response training sponsored by external disaster response agencies Number of participants in education and lectures and number of trainings (preparation for nuclear power disasters) Number of injured ordinary citizens "None" Annual power outage time per household "6 minutes" Renewal of transmission towers and concrete pillars (aging measures); Number of towers and pillars (compared with the plan) Number of command and management staff participants in company-wide comprehensive disaster response training "308 persons" Participation in disaster response training sponsored by external disaster response agencies "79 sessions" (number of training sessions held, number of participants in education and lectures (preparation for nuclear power disasters) "Approx. 5,700 persons", Number of training sessions "Approx. 6,100 sessions") Number of ordinary citizens suffering an injury *4 persons
Kansai Electric Power Group	<ul style="list-style-type: none"> Advancement of efforts to control CO₂ emissions Further development and utilization of renewable energy sources Maintain and improve thermal efficiency of thermal power plants 	<ul style="list-style-type: none"> Keep the top spot for the amount of CO₂-free power generation in Japan. Halve CO₂ emissions associated with power generation in Japan in FY 2030 (compared to FY 2013) About 0.37 kg-CO₂/kWh* for the entire electric power business by fiscal 2030 Achieve renewable energy installed capacity of "6 million kW by fiscal 2030" and a capacity of "2 million kW or more new development in Japan and abroad" "Achieve benchmark indicators** (A: 1.00, B: 44.3%) * Indicators based on the benchmark system of the Law Concerning the Rational Use of Energy Transmission and distribution loss rate "To be maintained and reduced" Operation based on operation plans Retain the top spot for the amount of CO₂-free power generation in Japan (based on surveys and comparison of the Survey of Electric Power Statistics). Reduction of about 40% compared to FY 2013 (FY 2019 result: Approx. 28.50 million t-CO₂) [Our Company: FY 2019] 0.318-kg-CO₂/kWh*^{1,2} Achieved renewable energy installed capacity of "approx. 3.89 million kW" and a capacity of "0.54 million kW for new development" Achieved benchmark indicators* (A: 1.00, B: 44.3%) Transmission and distribution loss rate "4.8%" Electric power generated
Kansai Electric Power Co., Inc.	<ul style="list-style-type: none"> Reduce transmission and distribution loss Continuation of safe and stable operation of nuclear power plants 	<ul style="list-style-type: none"> Transmission and distribution loss rate "4.8%" Electric power generated
Kansai Electric Power Co., Inc.	<ul style="list-style-type: none"> Activities that serve communities 	<ul style="list-style-type: none"> Sustainable community development plans realized "Maintain and create demand in cooperation with stakeholders" 10 plans
Kansai Electric Power Co., Inc.	<ul style="list-style-type: none"> Employee health and safety Promotion of diversity Creation of workplaces where working is easy 	<ul style="list-style-type: none"> Accident frequency rate "0" Ratio and number of female managers "Increase to more than threefold those of FY 2018 by the end of FY 2020" Female employment ratios "40% or more for office jobs and 10% or more for technical jobs" Rate of paid leave utilization "90% or more" Accident frequency rate "0.42" Ratio of female managers "2.49%" and the number of female managers "130" Female employment ratios "38.9% for office jobs and 7.6% for technical jobs" Rate of paid leave utilization "97.1%"
Kansai Electric Power Co., Inc.	<ul style="list-style-type: none"> Development of employee skills and abilities Strengthening of personnel hiring 	<ul style="list-style-type: none"> Number of group training participants Number of new employees (achievement rate for plan) Number of group training participants "34,478" Number of new employees (achievement rate for plan) "395/400, 98.8%"
Kansai Electric Power Co., Inc.	<ul style="list-style-type: none"> Information release for and discussions with shareholders and investors (including ESG) Appropriate information releases at appropriate times 	<ul style="list-style-type: none"> Promotion of communication with stakeholders Timely and appropriate information distribution to and dialogue with shareholders (investors) Timely and accurate information distribution through various media channels
Kansai Electric Power Group	<ul style="list-style-type: none"> Strict enforcement of compliance Promotion of Compliance Hotline utilization 	<ul style="list-style-type: none"> Major environmental compliance violations "0" Major social compliance violations "0" Number of consultations with Compliance Hotline and number of major compliance violations among these Number of consultations with Compliance Hotline "74" and number of major compliance violations among these "0"
Kansai Electric Power Co., Inc.	<ul style="list-style-type: none"> Cultivation of DX human resources Information security management 	<ul style="list-style-type: none"> Promote development of DX human resources through specialist trainings, etc. Major information security incidents "0" Number of DX training participants "200" Major information security incidents "2"
Kansai Electric Power Co., Inc.	<ul style="list-style-type: none"> Implementation of CSR-based Procurement Policy and promotion of their adoption by suppliers 	<ul style="list-style-type: none"> CSR questionnaire implementation rate for new suppliers (Sourcing and Procurement Division contracts) "100%" Implement CSR questionnaire in fiscal 2019-2021 for about top 200 business partners whose transaction amounts are among the highest with us. CSR questionnaire implementation rate for new suppliers (Sourcing and Procurement Division contracts) "100%" "101 companies completed"

*1 Amount of CO₂ emissions per unit of electricity use (sales)

*2 This value is provisional. Based on the Law Concerning the Promotion of the Measures to Cope with Global Warming and other factors, the actual value of the CO₂ emission factor will be officially announced by the country.