

Special
Feature

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Kansai Electric Power Group

The Origin of Our Strengths

In every era, serving and shaping the platform vital to a sustainable society, now and in future years for our customers and society—driven by this sense of mission, we will overcome whatever difficulties we may face.

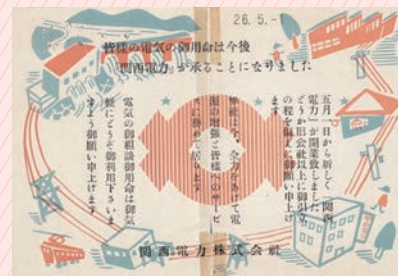
For more than 70 years, the Kansai Electric Power Group has contributed to the development of Japanese society, mainly through its electric power business. During that time, we have also created numerous new businesses. This article introduces the origin of the strengths of the Group, which keeps taking on challenges as a lifeline provider in every era.

Our desire at
the time of our
foundation

Dedicated to achieving stable power supply and demand in Japan with the “Maedaregake Spirit”

Seventy-one years ago, back in 1951, amid the surging demand for electric power that accompanied Japan’s economic growth, the Kansai Electric Power Co., Inc. was founded along with nine other electric power companies nationwide. At the time of its establishment, the Company was faced with difficult issues such as supply shortages and unstable labor-management relations. In order to solve these difficulties and establish an independent system for management responsibility, Shiro Otagaki, the Company’s first president, proposed the “Maedaregake Spirit,” a management stance that means “giving top priority to customers.” With this *Maedaregake Spirit*, the Group endeavored to stabilize supply and demand in electric power.

Since then, that founding spirit has been reorganized into our management philosophy and corporate creed, and handed down in an unbroken line to the present day. We will always give top priority to customers, no matter how the times may change; this is the origin of our strengths and our drive to solve the various challenges that we face today.



Leaflet notifying Kansai Electric Power’s start of operation

Strength

1

Zero-carbon power sources

Our relentless passion for the power source development that supported Japan’s postwar recovery. And now, the challenge of power sources that contribute to reducing CO₂

In the initial years, our predecessors put their heart and soul into the development of power sources. The construction of the Kurobegawa No. 4 Power Station (Kuroyon) was symbolic of this commitment. Construction started in 1956 and took about seven years to complete. With the slogan “Let’s reach out to Kuroyon,” the entire company supported what was truly a difficult task, in which the efforts of a total of 10 million people were invested, and thus the power station was completed. The output of 335,000 kW produced at Kuroyon met power demand during Japan’s period of high economic growth.



Nuclear power generation, the first challenge for Japan's electric power industry. And zero-carbon power source, our new mission

In nuclear power generation, our Group has been a forerunner in Japan's electric power industry. Basic research began in 1954 with the establishment of the Nuclear Power Group at the Technical Research Institute, and since 1957, when the Nuclear Power Department was established in-house at the Kansai Electric Power Company, we have been pursuing the possibility of nuclear power generation with safety as a top priority.

In 1970, in time for the Osaka Expo of the same year, we became the first electric power company in Japan to begin commercial operation, successfully delivering nuclear power-generated electricity to the Expo site.

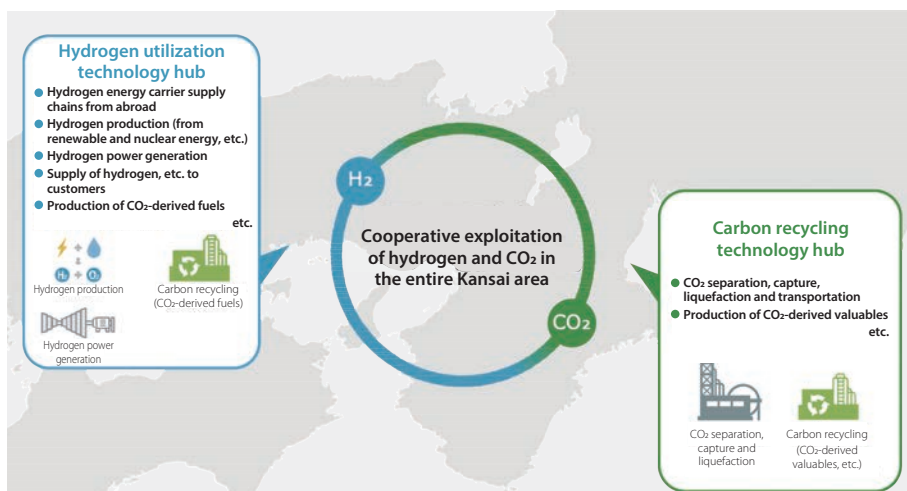
Currently, while continuing with safe and stable operations at our power stations that have fulfilled new regulatory requirements and restarted, aiming for even safer nuclear power generation, we are focusing our efforts on voluntary safety improvements beyond the regulatory framework, surpassing 40 years of operation at our nuclear plants, and emergency response drills assuming the possibility of a Nankai Trough Mega Earthquake. Utilizing renewable energy and placing a premium on ensuring S (Safety), the Company, which has always led the way in power source development, will spearhead initiatives to realize a zero-carbon society in Japan, with nuclear power generation positioned as an important baseload power source, thereby simultaneously achieving the 3Es (Energy security, Economy, and Environmental conservation).



Leveraging the strengths cultivated over 70 years to be a leading company in zero-carbon energy

In an effort to create a sustainable society, the Kansai Electric Power Group, as a leading company in zero-carbon energy, is committed to carbon neutrality throughout the entirety of its business activities including power generation by 2050 in order to combat global warming, while striving to increase energy independence to secure energy supply, with priority given to safety. In addition, the Group will mobilize its resources to support decarbonization not only in the economic activities of our customers, but also across society as a whole.

Decarbonization is a universal challenge that must be achieved to overcome climate change and pave the way for sustainable development. Capitalizing the pioneering spirit that our Group has demonstrated to date, we will take the lead in efforts to realize a zero-carbon society.



Strength

2

Problem-solving power

Continuing to leverage our vast experience and expertise in energy infrastructure and technology development to make valuable contributions to the energy sector worldwide

The Group has been working to promote electrification and provide new value through diverse solutions.

While meeting diversifying customer needs, including new lifestyles, decarbonization, and resilience improvement, we will propose optimal solutions to our customers, such as support for reducing energy costs and environmental impact, and support for planning, constructing, and operating power plants through a combination of AI, IoT, and our technological capabilities.



Contributing to the development of overseas electric power infrastructure projects

From the time of its founding, our Company's motto has been to give top priority to the customers we serve. This core value has always been a cornerstone of our business operations within Japan and now extends overseas as we continue to expand our global business development portfolio. In 1998, the Group capitalized on its long-accumulated technological and commercial experience in the domestic Japanese market and undertook its first overseas electric power project.

This project was the San Roque Hydroelectric Project in the Philippines, and we became the first Japanese utility to participate in an overseas electric power project. Through our role in the construction management and operation and maintenance of the project, we demonstrated engineering and commercial expertise that could create value across national borders.

The Group has successfully completed the construction of the Nam Ngiep 1 Hydroelectric Power Plant in Laos located on the Nam Ngiep River, a tributary of the Mekong River, the longest river in Southeast Asia. It was the first project that the Group played a leading role in developing an overseas project. The scale of this project led it to be called the "second Kuroyon," and after a tough 13-year journey to completion, the plant is now in commercial operation.

Going forward, we plan to continue expanding into new business areas and cultivating global opportunities by harnessing all the experience and knowledge gained over the past 20 years of involvement in overseas business development. In doing so, we are confident in our ability to quickly and accurately identify market trends in the ever-evolving energy sector in order to provide infrastructure that responds to diverse energy needs worldwide.



Strength

3

Comprehensive strengths of our Group

Creating businesses that contribute to industry and people's daily lives by leveraging the collective strengths of our group companies

Inspired by our mission to support the infrastructure for people's daily lives, which has been cultivated since the construction of Kuroyon, the Kansai Electric Power Group has exhibited the comprehensive strength of its group companies by providing lifestyle-related and information and telecommunication solution services, while maintaining strength in its core energy business.

Comprehensive information and telecommunications business with strength in telecommunications infrastructure

In 1986, following the liberalization of the telecommunications industry, the Group entered the telecommunications business, which was a brand-new business field.

Among others, OPTAGE Inc., which started as an optical fiber leasing company, has developed its business focused on personal communication services and utilizing an optical fiber network that extends throughout the Kansai area. It has also responded to diversified and sophisticated customer needs. For DX, which is expected to further accelerate from now on, OPTAGE will continue to take on the challenge of creating a future for its customers by utilizing 5G, AI, and other cutting-edge technologies.



Expanding earnings through comprehensive real estate business

During its history of more than 65 years, Kanden Realty & Development Co., Ltd. has been engaged in the acquisition, development, and leasing of a diverse range of income-producing real estate, such as office buildings, retail facilities, hotels and logistics facilities, and residential condominiums and houses under the CIELIA brand, with a focus on comfortable living spaces. It has expanded its business area from Kansai to core cities including the Tokyo

metropolitan area, and is also actively participating in overseas projects in the United States, Australia, ASEAN, and elsewhere.

By gathering the Group's collective strengths and supplying all-electric properties, we will continue to take on the challenge of creating new value, so as to contribute to the realization of a decarbonized society and a sustainable future.



CIELIA TOWER Senrichuo



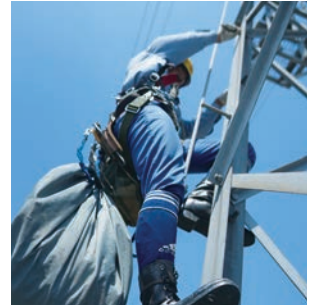
Kanden Fudosan Yaesu Building

World-class power transmission and distribution business

Based on the strength of world-class technology in power transmission and distribution that was established in pursuit of our mission of safe

and stable power supply, since April 1, 2020 our power transmission and distribution business has been operated by Kansai Transmission and Distribution, Inc. Its operations include managing power grids, and planning and constructing transmission, transformation, and distribution facilities to deliver the electricity produced at our power plants to customers. Committed to being neutral and fair, we are delivering safe, stable, and low-cost electricity to all customers and providing reliable and secure power grid services that contribute to the development of local communities.

Kansai Transmission and Distribution



Strength 4 Responding to digitalization

Utilizing digital technology cultivated in the electric power business. Demonstrating the same spirit of challenge in DX as we did with Kuroyon

Along with the DX Strategy Committee, which is headed by the President and was set up in 2018, our respective business divisions are driving DX. As a result, the Company became the first in the electric power industry to be selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as a Competitive IT Strategy Company, in recognition of our strategic use of IT to enhance corporate value and competitiveness. The entire company is now working together to promote DX initiatives.

One of the Group's DX initiatives is the establishment of K4 Digital Co., Ltd., a joint venture with Accenture Japan Ltd. This organization provides technical and personnel development support for digital reform in each division, and uses digital technology with the aim of realizing a historic transformation similar to Kuroyon.

A strength of the Group is our combination of operational know-how and accumulated data related to electric power facilities. By combining this with Accenture's abundant knowledge of the latest digital technologies, we aim to transform our business operations by improving and sophisticating facility-related business and contributing to a society where energy is used efficiently, as well as aiming to create new businesses.



Examples of DX application by the Kansai Electric Power Group

More efficient power plant operation (using robots and image/acoustic analysis)

New blockchain-based power transactions

Analysis of corrosion on the surfaces of transmission towers (using drones and image analysis)

