

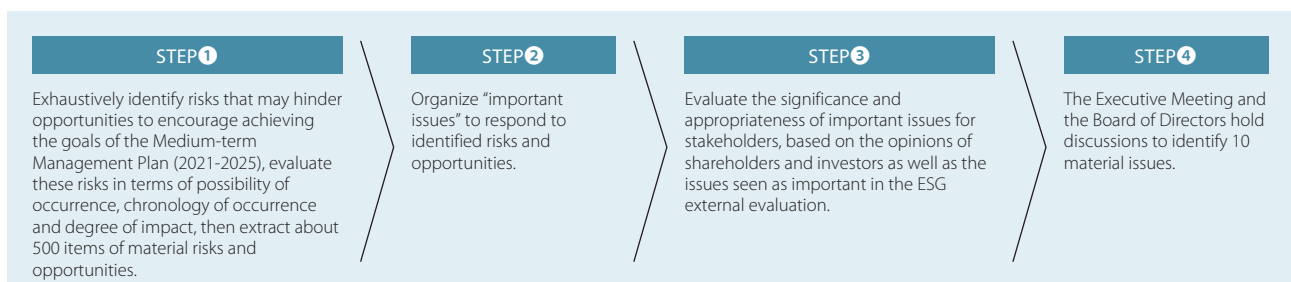
Materiality for the Kansai Electric Power Group (Important issues)

Aiming to achieve sustainable growth of our Group and also contribute to the sustainable development of society through the pursuit of SDGs and the resolution of other global issues, along with the formulation of our new Medium-term Management Plan (2021-2025), we have identified the following 10 themes for the Group's materiality (important issues).

SDGs associated with the identified materiality

ESG	Increase profitability by providing new value	  
E	Promote zero-carbon efforts	  
S	Strengthen resilient business infrastructure on the condition of ensuring safety	  
	Achieve business innovation and enhance information security utilizing digital technologies	 
	Earn trust in our business areas and contribute to regional revitalization	
	Promote diversity and build a safe and comfortable working environment	 
	Appropriate risk management in supply chain	  
	Step up efforts to develop and secure human resources	
	Deepen bilateral communication with stakeholders	
G	Firmly establish governance and observe strict compliance	

Materiality identification process



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

Risks and opportunities of materiality (important issues)

Materiality	Risks	Opportunities
Increase profitability by providing new value	<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
Promote zero-carbon efforts	<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
Strengthen resilient business infrastructure on the condition of ensuring safety	<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 and infectious diseases Tight supply-demand situation due to severe weather (intense heat and cold) 	<ul style="list-style-type: none"> Trust earned from customers and society by strengthening resilient business foundations and resulting business opportunities
Achieve business innovation and enhance information security utilizing digital technologies	<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
Earn trust in our business areas and contribute to regional revitalization	<ul style="list-style-type: none"> Intensification of domestic retail power sales Country and market risks related to overseas business expansion Erosion of trust resulting from lack of communication with local communities 	<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)
Promote diversity and build a safe and comfortable working environment	<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
Appropriate risk management in supply chain	<ul style="list-style-type: none"> Damage to corporate value due to safety issues or serious compliance violations including the supply chain 	—
Step up efforts to develop and secure human resources	<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
Deepen bilateral communication with stakeholders	<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"> Gain understanding of our business through timely and adequate information dissemination and communication with stakeholders
Firmly establish governance and observe strict compliance	<ul style="list-style-type: none"> Damage to corporate value due to safety issues or serious compliance violations including the supply chain 	—

Objectives and results of materiality (important issues)

FY 2021 main efforts and objectives	
<ul style="list-style-type: none"> Revenue assurance 	Ordinary profits — “More than 100 billion yen on average over 3 years (FY 2021-2023)”, “More than 250 billion yen (FY 2025)” Equity ratio — “More than 20% (FY 2021-2023)”, “More than 23% (FY 2025)” ROA — “More than 1.5% on average over 3 years (FY 2021-2023)”, “More than 3.5% (FY 2025)” FCF — “Less than -50 billion yen on average over 3 years (FY 2021-2023)”, “More than 200 billion yen (FY 2025)” Register a surplus across total income booked between FY 2021 and FY 2025
<ul style="list-style-type: none"> Advancement of efforts to control CO₂ emissions 	Keep the top spot for the amount of zero-carbon power generation in Japan. Halve CO ₂ emissions associated with power generation in Japan in FY 2025 (compared to FY 2013)
<ul style="list-style-type: none"> Further development and utilization of renewable energy sources 	Achieve renewable energy installed capacity of “6 GW by 2030s” and a capacity of “2 GW or more new development in Japan and abroad”
<ul style="list-style-type: none"> Maintain and improve thermal efficiency of thermal power plants 	Achieve benchmark indicators* (A: 1.00, B: 44.3%) *Indicators based on the benchmark system of the Law Concerning the Rational Use of Energy
<ul style="list-style-type: none"> Reduce transmission and distribution loss 	Maintain and lower transmission and distribution loss rate
<ul style="list-style-type: none"> Continuation of safe and stable operation of nuclear power plants 	Continue with safe and stable operation based on the operation plan (Zero unplanned stoppages)
<ul style="list-style-type: none"> Maintaining power supply quality 	Annual average outage time per household “Maintaining the highest standard in the world” “Appropriate implementation” of renewal of transmission towers and concrete pillars (aging measures)
<ul style="list-style-type: none"> Preparation for and handling of accidents and disasters 	Number of participants in comprehensive emergency response drills “800 or more” 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)
<ul style="list-style-type: none"> Assure public security at power facilities 	Number of injured ordinary citizens “0”
<ul style="list-style-type: none"> DX-based efforts to address management issues Cultivation of DX human resources 	<ul style="list-style-type: none"> Promotion of new value creation Promote development of DX human resources through specialist trainings, etc.
<ul style="list-style-type: none"> Information security management 	Major information security incidents “0”
<ul style="list-style-type: none"> Activities that serve communities 	Sustainable community development plans realized
<ul style="list-style-type: none"> Efforts to apply customer opinions 	Implementation of continuous efforts
<ul style="list-style-type: none"> Quality improvements made for customers 	Customer satisfaction rate “90.0% or more”
<ul style="list-style-type: none"> Employee health and safety 	Accident frequency rate “0”
<ul style="list-style-type: none"> Promotion of diversity 	Ratio of female managers in FY 2030 “Increase to more than threefold that of FY 2018 (to 6.3%)” Ratio of female senior managers in FY 2030 “Increase to more than threefold that of FY 2018 (to 4.8%)” Female employment ratios “40% or more for office jobs and 10% or more for technical jobs” Accelerate employment of persons with disabilities
<ul style="list-style-type: none"> Creation of workplaces where working is easy 	Rate of paid leave utilization “90% or more” Cut total working hours “by 5% versus FY 2015, or 190 hours/year, which is equivalent to overtime hours per person” Achieve male employee childrearing leave utilization rate of “90% or more” Enhance employee turnover prevention measures
<ul style="list-style-type: none"> Implementation of Basic Procurement Policy and promotion of their adoption by suppliers 	Questionnaire implementation rate regarding procurement activities of new suppliers (Sourcing and Procurement Division contracts) “100%” Implement questionnaire in FY 2019–2021 for the approximate top 200 business partners whose transaction amounts are among the highest with us
<ul style="list-style-type: none"> Development of employee skills and abilities 	Promotion of human resource development to endure in the highly competitive environment
<ul style="list-style-type: none"> Strengthening of personnel hiring 	Steady achievement of recruitment plan <ul style="list-style-type: none"> Number of (planned) new hires: “450 (New hires: 415, Mid-career recruits: 35)” Increase of mid-career recruitment
<ul style="list-style-type: none"> Information release for and discussions with shareholders and investors (including ESG) Appropriate information releases at appropriate times 	Promotion of communication with stakeholders Improvement of ESG external evaluation
<ul style="list-style-type: none"> Strict enforcement of compliance 	Major social compliance violations “0” Major environmental compliance violations “0”
<ul style="list-style-type: none"> Promotion of Compliance Hotline utilization 	Number of consultations with Compliance Hotline and number of major compliance violations among these
<ul style="list-style-type: none"> Maintaining and strengthening governance system 	Steady annual implementation of effectiveness evaluation of the Board of Directors, etc. and continuous improvement based on the evaluation results Checking the status of maintenance and operation of internal control systems

FY 2021 results

- Ordinary profits "135.9 billion yen"
- Equity ratio "19.2%"
- ROA "1.9%"
- FCF "-122.3 billion yen"

- Retain the top spot for the amount of zero-carbon 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 2021 result: Approx. 30.4 million t-CO₂).

- Achieved renewable energy installed capacity of "approx. 4.24 GW" and a capacity of "0.70 GW for new development"

- Achieved benchmark indicators (A: 1.00, B: 44.3%)

- Transmission and distribution loss rate "5.34%"

- Safe and stable plant operation (Zero unplanned stoppages)

- Annual average outage time per household "7 minutes"
- Renewal of transmission towers and concrete pillars in a planned manner (aging measures)

- Number of participants in comprehensive emergency response drills "1,141"
- Participation in disaster response training sponsored by external disaster response agencies "33 sessions" (number of training sessions held), Number of participants in education and lectures (preparation for nuclear power disasters) "Approx. 5,000", Number of training sessions "Approx. 10,700 sessions"

- Number of injured ordinary citizens "8"

- Number of new value sources created through DX "24"
- Number of DX training participants "301"

- Major information security incidents "0"

- Number of sustainable community plans realized "15"

- Number of reform cases based on customer feedback "60"

- Customer satisfaction rate "92.1%"

- Accident frequency rate "0.28"

- Ratio of female managers "2.9%", Ratio of female senior managers "2.4%"
- Female employment ratios "51% for office jobs and 11% for technical jobs"
- Employment rate of persons with disabilities "2.6%"

- Rate of paid leave utilization "96.4%"
- Rate of male employee childrearing leave utilization "117%"
- Overtime hours per employee "241 hours/year"
- Turnover rate "0.63%"

- Questionnaire implementation rate regarding procurement activities of new suppliers (Sourcing and Procurement Division contracts) "99%"
- Number of questionnaires conducted on procurement activities for suppliers: 167 companies

- Number of group training participants "31,442"
- Total training cost "1,462 million yen"
- Time spent on training per employee "40.2 hours"
- Training cost per employee "83,000 yen"

- Number of new hires "468 (New hires: 426, Mid-career recruits: 42)"
- Mid-career recruiting plan "35 individuals" for FY 2022, "70" for FY 2023

- "Timely and adequate information dissemination through various types of media to shareholders (investors), and dialogue with them"
- "Enrichment of disclosure content considering opinions of shareholders (investors)"
- "Continuously being selected as a component of DJSI Asia Pacific"

- Major social compliance violations "6"
- Major environmental compliance violations "4"

- Number of consultations with Compliance Hotline "83" and number of major compliance violations among these "1"

- "Building a new business management system, including transition to a company with a nominating committee, etc."
- "Implementation of questionnaires on the effectiveness of the Board of Directors, etc. by third-party organizations and utilization of evaluation results for further improvement"
- Appropriately implemented. See pages 82-89 of this Report for details.