

Special
Feature

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Communication toward regeneration

Communication between managers and employees

—Creating a new Kansai Electric Power



At the Kansai Electric Power Co., Inc. and Kansai Transmission and Distribution, Inc., executives and directors are regularly engaged with employees in what we call *Sosei* (regeneration) Communication to create a new Kansai Electric Power Group. In *Sosei* Communication sessions, executives and employees initiate dialogue on themes decided freely by participants. This fosters an open corporate culture that allows us to discuss anything and is essential for carrying out reforms.

Outline of *Sosei* Communication

Objective

With the aim of exchanging various opinions about our business improvement plans (formulated in March 2020) and working to prevent the recurrence of problems and undertake the necessary reforms, our management and employees started these communication sessions in April 2020.

From fiscal 2021 onward, we have been continuously holding communication sessions to hear the candid opinions and proposals of our employees for the regeneration of the Company, to gain the sympathy and understanding of our employees regarding our management philosophy (formulated in March 2021), and to demonstrate the determination of our executives to realize the Medium-term Management Plan.

Achievements

Communication sessions have been held more than 100 times each year at the Company and Kansai Transmission and Distribution, Inc., with more than 2,000 employees participating to date. Due to the impact of the COVID-19 pandemic, the communication sessions were held remotely until fiscal 2021. From fiscal 2022, directors have been visiting each business office to engage in face-to-face communication, with the necessary precautions taken to prevent infection. In addition, the content of each communication session is posted on the Company website so that all employees, not just participants, can view the sessions.

In a questionnaire conducted after the communication sessions, many participants responded that they felt it had been an opportunity “to express honest opinions to executives” and “to hear the authentic voices of executives.” Therefore, the sessions effectively function as an opportunity for management and employees to share their ideas.



Percentage of respondents who “felt it was an opportunity to hear the authentic voices of executives.”

97%

Percentage of respondents who “felt it was an opportunity to express honest opinions to executives.”

96%

Main comments

Management philosophy

Employees' comments

- It's very simple and empathetic. It has been a great support in doing my job.
- The new philosophy made me feel a strong desire for change.

Management's comments

Like water and air, electricity is taken for granted in society, and this is something we should be most proud of and the greatest value we can provide to society. I ask all of you to use the various experiences you have gained through working at the front line to give meaning and add your own touches to the philosophy, and to make it prevail in our Group.

Organizational culture

Employees' comments

- We are making various efforts to establish a governance system and to initiate communication. What's important is to turn these efforts into a change in the organizational culture.
- I'm encouraged by executives taking the lead in speaking to us from the employees' standpoint, through their messages, *Sosei* Communication, and by other means. I look forward to more such activities in the future.

Management's comments

In addition to hiring a diverse range of personnel, diversity initiatives that allow the free exchange of ideas, bilateral communication between executives and employees, and compliance training that also targets executives are all important. I believe that through these initiatives, the organizational culture will change, even though it may take time.

Medium-term Management Plan

Employees' comments

- I recognize that fiscal 2021 to 2023 is a period during which we pool our strengths for the next leap ahead.
- Our cost-consciousness is changing steadily in the workplace, too.
- I think the plan reflects our Company's flexible response to the times.

Management's comments

If we can achieve this three-year cost structure reform, we will be able to move on to the next stage of growth. To that end, we need to rack our brains and are therefore discussing, for example, how to use the cash generated by cost structure reforms to invest in the next stage of growth.

Zero Carbon Vision 2050

Employees' comments

- Aiming for zero carbon is a challenging goal that will lead the industry, and I sensed our expectations for the future.
- I have noticed a significant change in our customers' reactions before and after publication.

Management's comments

Among former general electricity utilities, our Company has the advantage of accounting for the largest ratio of decarbonized power sources and the largest amount of power generated, including nuclear and hydroelectric power. Although carbon neutrality is a very tough challenge for society, for us it acts as a tailwind. I want to turn this into an opportunity through the concerted efforts of the entire Group.

From the director responsible

Since April 2020, the Company and Kansai Transmission and Distribution, Inc. have engaged in ongoing dialogue between management and employees, with the aim of fostering an open corporate culture. In the early days, distrust of management was expressed by many employees in relation to issues including the cash/gift receiving incident. However, following the subsequent review of our management philosophy and the formulation of our Medium-term Management Plan, now we are seeing an increase in positive questions and opinions toward the realization of the vision of the Group. I feel that an open corporate culture is being fostered for encouraging mutual communication on any issue.

Employees ask me questions on a wide range of topics—for example, their thoughts on our management philosophy of *Serving and Shaping the Vital Platform for a Sustainable Society*—as well as issues and concerns relating to their jobs, and I answer on the spot as often as I can and with the best intentions. In response to a participant's comment, "I would like to hear the management's determination and thoughts regarding regeneration," we have disclosed on our internal website the *Pledge Toward Regeneration* by all our executives. This is an example of how we are reflecting such participants' opinions in our initiatives. In a post-event questionnaire, we received the following comment: "I honestly felt very encouraged by executives earnestly responding to our questions on the spot." As such, I believe that our management team got its message across to the participants.

In view of the importance of managers having numerous conversations with each employee and sharing their honest thoughts and feelings, we would like to continue to initiate dialogue with employees so that we can create a healthy and open corporate culture.



Makoto Araki
Executive Vice President