

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 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	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
E	Promote zero-carbon efforts	7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
S	Strengthen resilient business infrastructure on the condition of ensuring safety	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
	Achieve business innovation and enhance information security utilizing digital technologies	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
	Earn trust in our business areas and contribute to regional revitalization	11 SUSTAINABLE CITIES AND COMMUNITIES
	Promote diversity and build a safe and comfortable working environment	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
	Appropriate risk management in supply chain	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
	Step up efforts to develop and secure human resources	8 DECENT WORK AND ECONOMIC GROWTH
	Deepen bilateral communication with stakeholders	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	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.

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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 	—

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Objectives and results of materiality (important issues)

Of the initiatives for the identified materiality, we have extracted particularly important items to achieve the Medium-term Management Plan, with targets set as priorities.

Materiality	Non-financial activities	FY 2022 objectives	FY 2022 results	FY 2023 objectives
Promote zero-carbon efforts	Advancement of efforts to control CO ₂ emissions	<ul style="list-style-type: none"> Keep the top spot for the amount of zero-carbon power generation in Japan. Halve CO₂ emissions associated with power generation in Japan in FY 2025 (compared to FY 2013) 	<ul style="list-style-type: none"> Retain the top spot for the amount of zero-carbon power generation in Japan (based on surveys and comparisons from the Survey of Electric Power Statistics). Reduction of about 49% compared to FY 2013 	<ul style="list-style-type: none"> Keep the top spot for the amount of zero-carbon power generation in Japan. Halve CO₂ emissions associated with power generation in Japan in FY 2025 (compared to FY 2013)
	Further development and utilization of renewable energy sources	<ul style="list-style-type: none"> Achieve 5 GW scale of new development and 9 GW scale of cumulative capacity by 2040 	<ul style="list-style-type: none"> 3.92 GW*/9 GW or more (target) * The above figure is only for externally announced projects and includes power sources not under the jurisdiction of the Renewable Energy Division. 	<ul style="list-style-type: none"> Achieve 5 GW scale of new development and 9 GW scale of cumulative capacity by 2040
	Maintain and improve thermal efficiency of thermal power plants	<ul style="list-style-type: none"> Achieve benchmark indicators* (A: 1.00, B: 44.3%) * Indicators based on the benchmark system of the Act on Rationalizing Energy Use and Shifting to Non-fossil Energy 	<ul style="list-style-type: none"> Achieved benchmark indicators (A: 1.00, B: 44.3%) 	<ul style="list-style-type: none"> Achieve benchmark indicators* (A: 1.00, B: 44.3%) * Indicators based on the benchmark system of the Act on Rationalizing Energy Use and Shifting to Non-fossil Energy
	Continuation of safe and stable operation of nuclear power plants	<ul style="list-style-type: none"> Continue with safe and stable operation based on the operation plan (Zero unplanned stoppages) 	<ul style="list-style-type: none"> One case of unplanned stoppage* occurred at Takahama Power Station Unit 4, but the reactor resumed power generation promptly after cause investigation and countermeasures were implemented. Safe and stable operation continued at other power stations. * Takahama Power Station Unit 4 reactor automatic shutdown (from January 30, 2023 to March 25, 2023) 	<ul style="list-style-type: none"> Continue with safe and stable operation based on the operation plan (Number of unplanned outages "0," Nuclear power generated "45.3 billion kWh")
Strengthen resilient business infrastructure on the condition of ensuring safety	Preparation for and handling of accidents and disasters	<ul style="list-style-type: none"> Conduct group-wide comprehensive emergency response drills Active participation in disaster response training sponsored by external disaster response agencies Number of participants in education and lectures (preparation for nuclear power disasters) Number of drills and training 	<ul style="list-style-type: none"> Number of participants in group-wide comprehensive emergency response drills "1,002" Participation in disaster response training sponsored by external disaster response agencies "41 sessions" (number of training sessions held) Number of participants in education and lectures "Approx. 5,300" Number of drills and training sessions "Approx. 7,100" 	<ul style="list-style-type: none"> Conduct group-wide comprehensive emergency response drills, training, awareness raising, etc. Active participation in disaster response training sponsored by external disaster response agencies Evaluation of nuclear operator emergency response drills by the Secretariat of the Nuclear Regulation Authority: Grade A for all items
Achieve business innovation and enhance information security utilizing digital technologies	DX-based efforts to address management issues	<ul style="list-style-type: none"> Promotion of new value creation 	<ul style="list-style-type: none"> Number of new value sources created "41" 	<ul style="list-style-type: none"> DX-based efforts to address management issues [New] (Target: 25.2 billion yen in single-year benefits from DX)
	Information security management	<ul style="list-style-type: none"> Major information security incidents "0" 	<ul style="list-style-type: none"> "1" incident (including Kansai Transmission and Distribution, Inc.) 	<ul style="list-style-type: none"> Major information security incidents "0"

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Materiality	Non-financial activities	FY 2022 objectives	FY 2022 results	FY 2023 objectives
Promote diversity and build a safe and comfortable working environment	Industrial accident status	<ul style="list-style-type: none"> Accident frequency rate "0" 	<ul style="list-style-type: none"> Accident frequency rate "0.29" 	<ul style="list-style-type: none"> Accident frequency rate "0"
	Promotion of diversity	<ul style="list-style-type: none"> Increase the ratios of female managers and female senior managers to "more than threefold those of FY 2018 (6.3% and 4.8%, respectively) by the end of FY 2030" 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"> Ratio of female managers "3.2%", Ratio of female senior managers "2.7%" Female employment ratios "49% for office jobs and 14% for technical jobs" Employment rate of persons with disabilities "2.5%" 	<ul style="list-style-type: none"> Increase the ratios of female managers and female senior managers to "more than threefold those of FY 2018 (6.3% and 4.8%, respectively) by the end of FY 2030" Female employment ratios "40% or more for office jobs and 10% or more for technical jobs" Accelerate employment of persons with disabilities
	Creation of workplaces where working is easy	<ul style="list-style-type: none"> Rate of paid leave utilization "90% or more" Total working hours "cut by 5% versus FY 2015, or 190 hours/year, which is equivalent to overtime hours per person" Male employee childrearing leave utilization rate at "the same level as that of female employees" Average number of childrearing leave days taken by male employees "One month or more by FY 2025" Enhance employee turnover prevention measures 	<ul style="list-style-type: none"> Rate of paid leave utilization "99.4%" Overtime hours per employee "250 hours/year" Rate of male employee childrearing leave utilization "124%" Average number of childrearing leave days taken by male employees "14.5 days" Turnover rate "0.90%" 	<ul style="list-style-type: none"> Rate of paid leave utilization "90% or more" Total working hours "cut by 5% versus FY 2015, or 190 hours/year, which is equivalent to overtime hours per person" Male employee childrearing leave utilization rate at "the same level as that of female employees" Average number of childrearing leave days taken by male employees "One month or more by FY 2025" Enhance employee turnover prevention measures
	Prevention of human rights violations in business activities	—	—	—
Appropriate risk management in supply chain	Implementation of Basic Procurement Policy and promotion of its adoption by suppliers	<ul style="list-style-type: none"> Conducting a questionnaire survey for suppliers to promote their adoption of the Basic Procurement Policy 	<ul style="list-style-type: none"> Conducted a questionnaire survey for new suppliers regarding their procurement activities Conducted a human rights due diligence fact-finding survey for major and new suppliers 	<ul style="list-style-type: none"> Conducting a questionnaire survey for suppliers to encourage permeation of the Basic Procurement Policy and the Declaration on Partnership Building
Step up efforts to develop and secure human resources	Development of employee skills and abilities	<ul style="list-style-type: none"> Promotion of human resource development to endure in the highly competitive environment 	<ul style="list-style-type: none"> Number of group training participants "38,685" Total training cost "1,479 million yen" Time spent on training per employee "43.5 hours" Training cost per employee "85,400 yen" 	<ul style="list-style-type: none"> The following KPIs have been in place since FY 2023. Evolution of diverse "individuals" and building an organization driven by diversity: "Growth oriented index," "Growth realization index," and "Diversity realization index" Building a work environment that supports diverse "individuals": "Satisfaction level with working environment"
	Strengthening of personnel hiring	<ul style="list-style-type: none"> Steady achievement of the recruitment plan "Number of planned new hires for FY 2023: 470 (New hires: 400, Mid-career recruits: 70)" Increase of mid-career recruitment 	<ul style="list-style-type: none"> Number of new hires "484 (New hires: 414, Mid-career recruits: 70)" Mid-career recruiting plan "70 individuals" for FY 2023, "70" for FY 2024 	<ul style="list-style-type: none"> Number of planned new hires for FY 2024: "480 (New hires: 410, Mid-career recruits: 70)"
Firmly establish governance and observe strict compliance	Strict enforcement of compliance	<ul style="list-style-type: none"> Major social compliance violations "0" Major environmental compliance violations "0" 	<ul style="list-style-type: none"> Major social compliance violations "4" Major environmental compliance violations "2" 	<ul style="list-style-type: none"> Major social compliance violations "0" Major environmental compliance violations "0"
	Maintaining and strengthening governance system	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> An effectiveness evaluation of the Board of Directors, etc. was implemented using a third-party organization. Based on the results, major future issues and direction for addressing these issues were reported to the Board of Directors. Appropriately implemented. See pages 101-111 of this Report for details. 	<ul style="list-style-type: none"> Annual implementation of effectiveness evaluation of the Board of Directors, etc. and continuous improvement based on the evaluation results Attendance rate at the Board of Directors meetings "75% or more"

See pages 10-12 of our ESG Report for all materiality-related indicators.