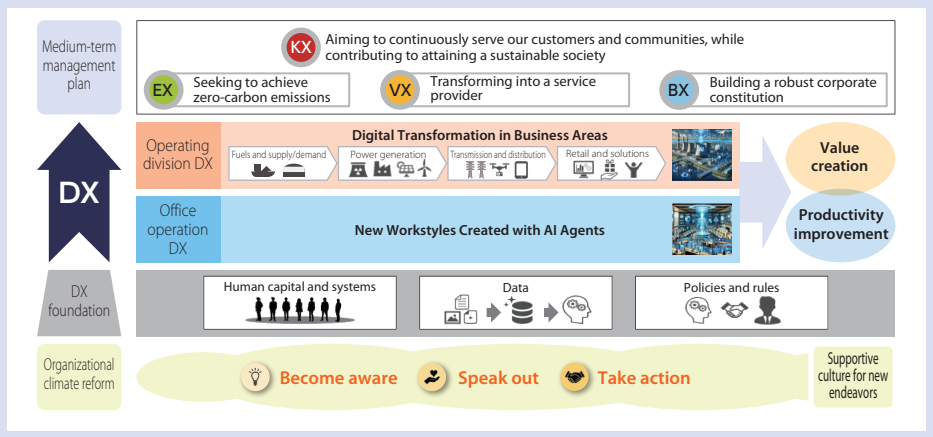
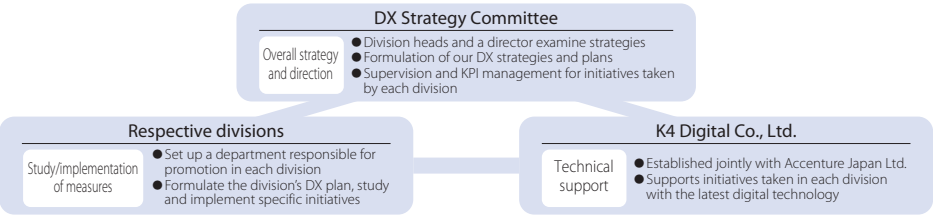
DX Strategy BX

To achieve the three key initiatives (EX, VX, and BX) set forth in the medium-term management plan, the Group has positioned digital as the "driver of transformation." Notably, AI is evolving at a tremendous speed, and we envision that it will usher in an AI Industrial Revolution, a disruptive innovation, around 2030. Looking ahead to this, we have formulated our DX Vision for after the AI industrial revolution and our DX Roadmap, the path to this vision. Furthermore, we have developed division-based DX plans by putting the DX Roadmap, a company-wide strategy, into a more concrete form. To promote these plans, we are working on data management, fostering a DX culture, and DX human capital development as the foundation for accelerating our DX initiatives.

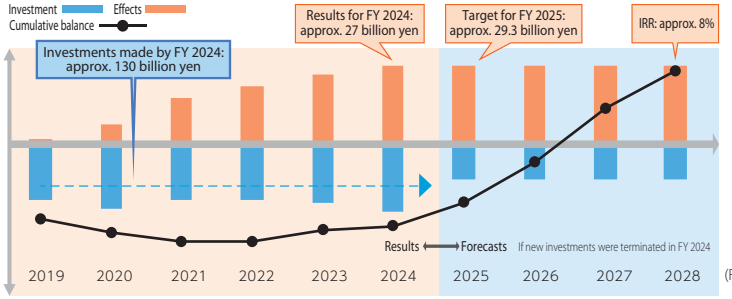


In DX promotion, the DX Strategy Committee headed by a director examines overall strategy and determines a direction; respective divisions study and implement specific measures; and K4 Digital Co., Ltd., a company specializing in DX, provides technical support necessary for implementing measures. They work in union to advance discussions. In June 2025, we initiated a strategic collaboration with OpenAI, Inc. aimed at DX promotion utilizing generative AI. In conjunction with the start of the collaboration, we have established an OpenAI CoE (Center of Excellence), a team of experts, within K4 Digital Company, to develop and expand generative AI use cases.



DX promotion status

From fiscal 2018 to 2024, we performed PoC (Proof of Concept) 610 times, of which 473 were put into practical use. In addition, from fiscal 2019 to 2024, we made DX investment of more than 20 billion yen per year on average, steadily achieving a return on investment of approx. 27 billion yen per year as of fiscal 2024, with an expected internal rate of return (IRR) of approx. 8%. In recognition of our efforts in utilizing generative AI in driving DX, we were awarded Japan Winner in the Best in Artificial and Generative Intelligence at the IDC Future Enterprise Awards 2025.



Specific examples of DX

■ AI-powered distributed energy resource optimal operation service (K-VIPs+)

Our group company E-Flow LLC has built "K-VIPs+," an AI-powered distributed service platform that has enabled more accurate and efficient operation than manual operation by formulating energy resource operation plans and effectively operating grid scale batteries while monitoring price fluctuations in multiple electricity markets that balance the supply and demand of electricity.

Specifically, AI calculates the most profitable market combinations and automatically proposes bid allocations, performing automated trading on a 30-minute cycle on weekdays and holidays. The AI has repeated a cumulative total of 1,000 simulations based on approx. 50 million records of data obtained through VPP operation factoring in various future market fluctuations, thereby improving performance. Amid the trend toward decarbonization, K-VIPs+ facilitates effective use of renewable energy resources to reduce CO_2 emissions.

DX Strategy BX

Specific examples of DX

■ Improving and raising efficiency of sales activities

The Customer Solution Division has begun operations for the shift to a new sales style that enables everyone to practice efficient and sophisticated proposal activities with the use of generative AI that has acquired sales knowledge and proposal materials.

This sales style aims to improve sales capabilities and proposal quality through generative AI that proposes appropriate approaches tailored to customers' issues and needs in lead generation, business negotiation, and many other situations. Further efforts are underway to promote and ensure the utilization of generative AI, such as creating generative AI prompts and holding study sessions in the interest of practical application.

Received the 42nd Information Technology Award 2024

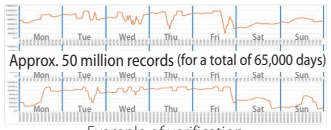
Operation Optimization System

AI

Storage Battery Operation Optimization AI

Learning and verification with ample data

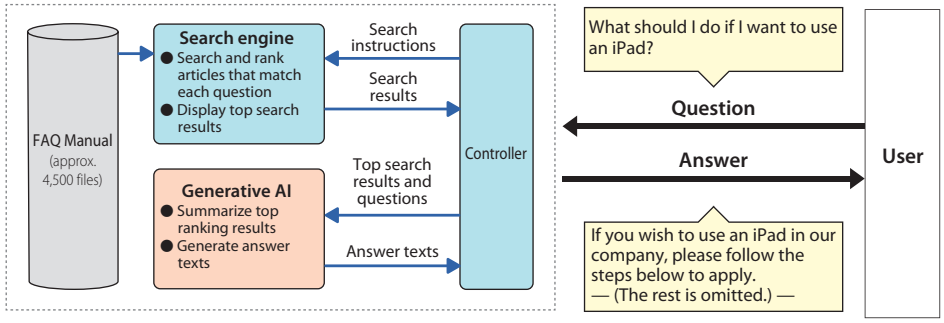
- Evaluated performance of the optimization model based on data obtained through VPP operations
- Improved performance through repeated simulations (approx. 1,000 times in total)



Example of verification
(SOC operation results for 3 weeks)

■ AI-powered automated response for help desk operations

The Office of IT Strategy applies generative AI to chatbots and search functions in the IT Support Site, which provides centralized information regarding problems with IT tools and systems, their operating methods, and responses to inquiries. With a correct response rate of over 80%, appropriate response times, and a low operational load, efficient and effective in-house help desk operations have been achieved. The outcomes and knowledge obtained through this initiative are shared across indirect administrative departments (e.g., accounting and finance, procurement, human resources and labor affairs).



Data management

For each department to efficiently follow the data utilization cycle, we are developing a data utilization infrastructure and advancing data management initiatives. As one of our initiatives, we have formulated a Notification on Data Management that specifies data management processes and rules to accelerate DX. In line with the Notification, we collect and accumulate data from the perspective of needs and seeds, processing and providing data in accordance with the layer of users.

DX human capital development

As part of its human capital strategy, the Group is also concentrating on the development of personnel responsible for DX promotion in cooperation with the Kansai Electric Power Group Academy, with qualified applicants classified into three categories: highly-skilled DX human capital, DX promoters from respective divisions, and all employees. Development policies are being implemented for applicants in each category. From fiscal 2025, we plan to start in-house production of generative AI by highly-skilled DX human capital and further enhance training programs for DX promoters from respective divisions to allow them to acquire extensive knowledge and skills.

Fostering a DX culture

The Group holds a group-wide event, KANDEN Digital Day, once a year. In fiscal 2025, it was held as a hybrid event, a combination of an online and on-site event, with about 1,100 participants. The event helps foster awareness of DX promotion through keynote speeches from other leading companies in DX, a Generative AI Prompt Cup (competition), introduction of DX initiatives (presentations and demonstrations), and awards for DX Specialists, key individuals in DX promotion.

JDMC SINCE 2011 Japan Data Management Consortium

Awarded 2025 Data Management Grand Prize

Number of employees trained

	Result at the end of FY 2024	Target at the end of FY 2025
Highly-skilled DX human capital	43	50
DX promoters from respective divisions	3,237	5,600
All employees	Approx. 17,000	